BASSARI RESOURCES

ANNUAL REPORT

31 DECEMBER 2013

CORPORATE DIRECTORY

Board of Directors
Alex Mackenzie, Executive Chairman
Jozsef Patarica, Managing Director/CEO
Chris Young, Non-Executive Director
Philip Bruce, Non-Executive Director

Company Secretary
Ian Riley

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Melbourne Vic 3000

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ASX Code: BSR

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My fellow shareholders,

Welcome to Bassari Resources Limited's (Bassari) annual report for the year ended 31 December 2013. As the founder and a long-time shareholder in Bassari, 2013 marked my first year as Executive Chairman of the Company.

2013 has presented many challenges for junior explorers and Bassari has not been immune to the market conditions. Gold explorers as well as producers have been exceptionally hard-hit impacting on share prices across the board. This general lack of investor confidence resulted in funds drying up for not only exploration activities, but also for marginal and/or high cost development projects. However, Bassari is in the enviable position where exploration and drilling has defined a one million ounce gold resource of excellent gold grade.

Accordingly, we have moved quickly to implement a strategy that not only adds significant value to all shareholders but also locks in a solid foundation on which we will build on in the future. We are focused on the development of our high grade resources (up to 8g/t) within the Makabingui Gold Project utilising the significant existing infrastructure, gravity processing plant and equipment we have in Senegal. With the robust economic results of our Scoping Study we are now fast tracking a Feasibility Study due for completion in the first half of 2014.

This is a very exciting development for the Company as it is just the beginning given the significant opportunity to expand and grow. We intend on building shareholder wealth in the upcoming year through the timely development of Makabingui and look forward to keeping our shareholders and the market updated, with steady news flow expected throughout the year as we progress along the development path and into what is expected to be, low capex and low operating cost, gold production.

I would like to take this opportunity to thank our staff in Senegal and Australia for their significant contribution to the company over the past twelve months. I would also like to thank our shareholders, partners and stakeholders for their ongoing support of the Company.

Alex Mackenzie
Executive Chairman

DIRECTORS' REPORT

The directors of Bassari Resources Limited ("the Company") submit herewith their report on the consolidated entity ("the Group"), consisting of Bassari Resources Limited and the entities it controlled at the end of, and during, the financial year ended 31 December 2013.

In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

DIRECTORS

The names and details of directors in office during the period and up to the date of this report, unless otherwise stated, are:

Alex Mackenzie (Chairman, appointed 12 April 2013)
Jozsef Patarica
Chris Young
Philip Bruce (appointed 9 September 2013)
John Ballard (Chairman, resigned 19 April 2013)

Alexander Seaforth Mackenzie

Alex graduated as a chartered accountant in 1971 and for many years worked at Price Waterhouse concentrating on the mining sector. From 1985 Alex has been a consultant to the mining industry and has held directorships in a number of mining companies operating in Senegal, Ghana, Ecuador and Australia. In 1993 he identified the potential of a drilling and feasibility program at Sabodala in Senegal. Since that time (18 years) he has worked predominantly in Senegal promoting and developing that country's mineral resource industry.

Alex identified the gold and resource potential in the Birimian mining belt in Senegal and was directly responsible for identifying not only the potential of the Sabodala gold deposit but the Grande Cote Zircon deposit, then inviting and assisting Mineral Deposits Limited to Senegal to review and ultimately acquire and successfully develop the Sabodala gold project and Grand Cote Zircon project. He later negotiated the joint ventures on the permits that now form Bassari.

Jozsef Patarica B.Eng MBA MAICD MAusIMM (Managing Director/CEO)

Jozsef was appointed Managing Director/CEO of Bassari Resources Limited on 8 March 2010. He is a mining professional with a strong track record in the gold industry. He was involved in the development and operational management of the Fosterville Gold Mine (BIOX) in Victoria where he successfully transitioned the operation from open pit to underground. He has been involved in management, project evaluation and operational roles throughout his career in a number of mining centres across Australia. Prior to Fosterville he worked for Placer Dome as part of the Corporate and Project Development Group based in Western Australia. He was part of the Team for Newcrest involved in the construction and commissioning of Cadia Hill Gold Mine. Whilst in Western Australia he was part of the team which successfully constructed and commissioned the Stage 3 expansion of the Fimiston Plant for Kalgoorlie Consolidated Gold Mines.

DIRECTORS' REPORT (cont'd)

Chris H Young BSc (Geology and Geophysics) MAusIMM MAIG (Non-Executive Director)

Chris graduated from Sydney University in 1966 and has followed a career in Mineral Exploration, Exploration Management and Business Development for the past 40 years.

Chris was Chief Geologist for Mineral Deposits Limited, where he was responsible for the geological development of the successful Sabodala Gold Deposit situated in eastern Senegal and the Grande Cote Mineral Sands Deposit located on the Atlantic coast, North East of Dakar in Senegal, West Africa.

Chris's exploration management background in gold and other base minerals provides the Board with skills and experience aligned with delivering the full potential of the Company's assets. He has established his own consultancy, providing geological and project development services for exploration projects in West Africa.

Philip Francis Bruce BE (Mining) FAusIMM MAICD (Non-Executive Director)

Philip has over 35 years mining industry experience in Australia, Africa and Indonesia on gold, platinum and base metals operations and senior corporate management. He has served on a number of listed company boards in Australia and Canada and contributed significantly in their management and growth.

Other directorships held in listed entities in the past three years:

- Hill End Gold Limited
- Latrobe Magnesium Limited
- Archean Star Inc.

John A Ballard BSc (Eng) Hons, ARSM, FAusIMM, FIMMM, CEng (Chairman)
(Resigned 19 April 2013)

The directors in the past three years held no other directorships in listed entities other than those referred to above.

COMPANY SECRETARY

On 20 January 2010 Ian Riley was appointed to the position of Company Secretary. Ian is a qualified chartered accountant with over 25 years experience as a principal in medium sized chartered accounting firms and more recently established his own consulting practice to provide assurance and advisory services. Ian specialised in managing small to medium sized listed public companies, mainly mineral and oil exploration, and was involved in the preparation of valuations and independent expert reports for mergers, acquisitions and capital raisings.

Ian is responsible to the Board for all budgetary and management reporting, taxation and statutory financial reporting. Ian is a Chartered Accountant and Registered Company Auditor.

FORMER PARTNER OF THE AUDIT FIRM

No audit or former audit partners are directors or officers of the Company.

DIRECTORS' REPORT (cont'd)

PRINCIPAL ACTIVITIES

The principal activities of the group are to further progress exploration and resource definition within three contiguous permit areas, Moura, Sambarabougou and Bounsankoba, located in Senegal in order to identify mineral (primarily gold) deposits that meet commercial parameters of grade and tonnage needed for profitable exploitation. In addition, the Group, following a scoping study of its Makabingui gold project, is moving to become a gold producer.

OPERATING RESULTS

The consolidated loss for the Group for the year amounted to $1,703,000 (2012:$2,072,000).

FINANCIAL POSITION

The net assets of the consolidated entity have increased by $9.145 million to $44.569 million at 31 December 2013 (2012: $35.424 million). The major movements were:

- Shares issues during the year raising $3.051 million (net of costs); and
- A gain arising on the translation of foreign operations of $7.797 million.

The consolidated entity had a working capital deficit, being current assets less current liabilities, of $0.871 million as at 31 December 2013 compared to a surplus of $0.392 million at 31 December 2012.

REVIEW OF OPERATIONS

Overview

Bassari Resources Limited ("Bassari") is an Australian company focused on discovering and developing profitable gold resources in the Birimian gold belt in south eastern Senegal, West Africa. Bassari has targeted Senegal in view of its great under explored potential, the high prospectivity of the Birimian, and Senegal's stable economy and support for the mining industry.

The Company is focused on developing the Makabingui Gold Project by focusing initially on four high grade pits and upgrading the existing gravity plant to treat hard rock and adding a Carbon-In-Leach (CIL) circuit.

The Company's total exploration permits cover an area of approximately 850km2 over the Birimian Gold Belt. The Makabingui Gold Project area is centrally located within the three contiguous permits and is approximately 25km from the Sabodala Gold Operation.

DIRECTORS' REPORT (cont'd)

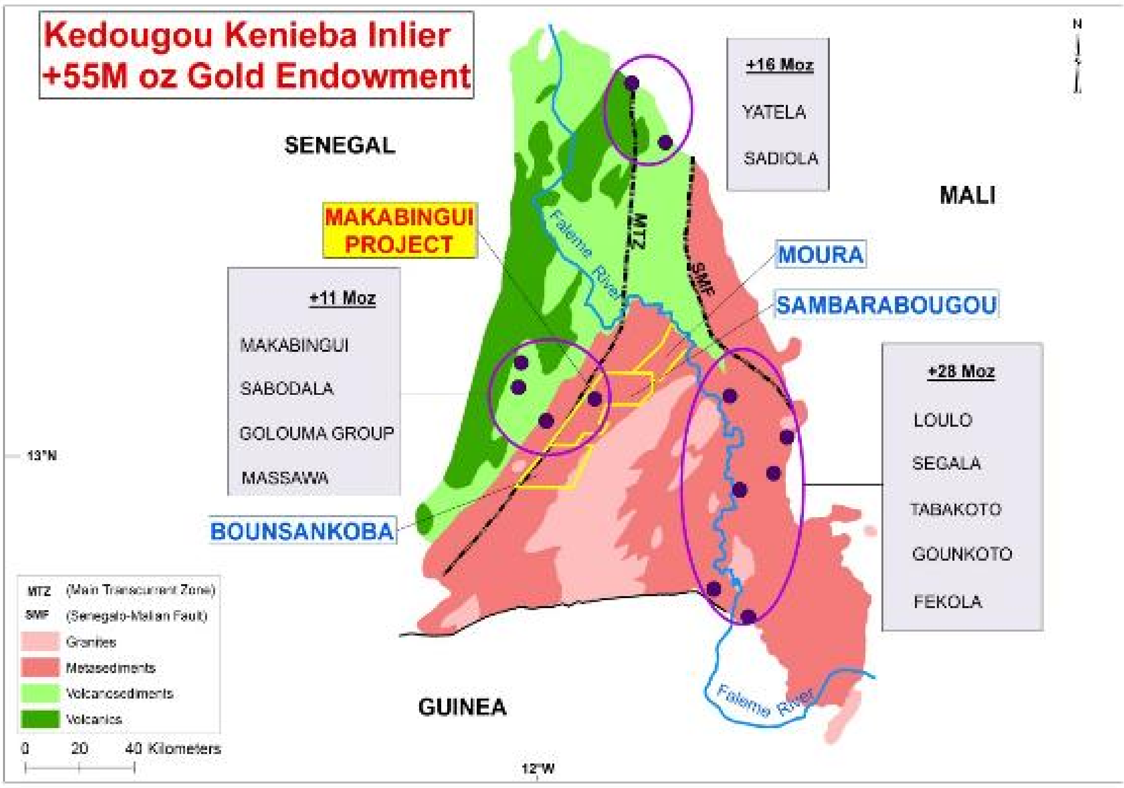


Figure 1 – Bassari Permit, Kenieba Inlier, Senegal – West Africa

Makabingui Gold Project

Mine Development

To commence mining operations utilising our existing infrastructure, equipment and 300ktpa gravity processing plant, four high grade open-cut pits have been identified, designed, and material movement schedules completed within the 1Moz ounce gold resource (refer Figure 2 & 3). The contained ounces and average grade for each pit are:

- Pit 1 – Total of ~344K tonnes at ~ 8.1 g/t gold for ~ 89,600 ounces
- Pit 2 – Total of ~318K tonnes at ~ 4.3 g/t gold for ~ 43,600 ounces
- Pit 3 – Total of ~41K tonnes at ~ 3.8 g/t gold for ~ 5,000 ounces
- Pit 4 – Total of ~47K tonnes at ~ 7.4 g/t gold for ~ 11,200 ounces

Note – these estimates are not ore reserves.

The proposed plant site location is where the existing gravity plant is situated (refer Figure 4).

A processing throughput rate of 300ktpa has been selected to match the existing gravity plant capacity which will be incorporated into the hard rock plant. This processing rate provides the opportunity to selectively mine narrower mineralised lodes and also minimises capital costs.

DIRECTORS' REPORT (cont'd)

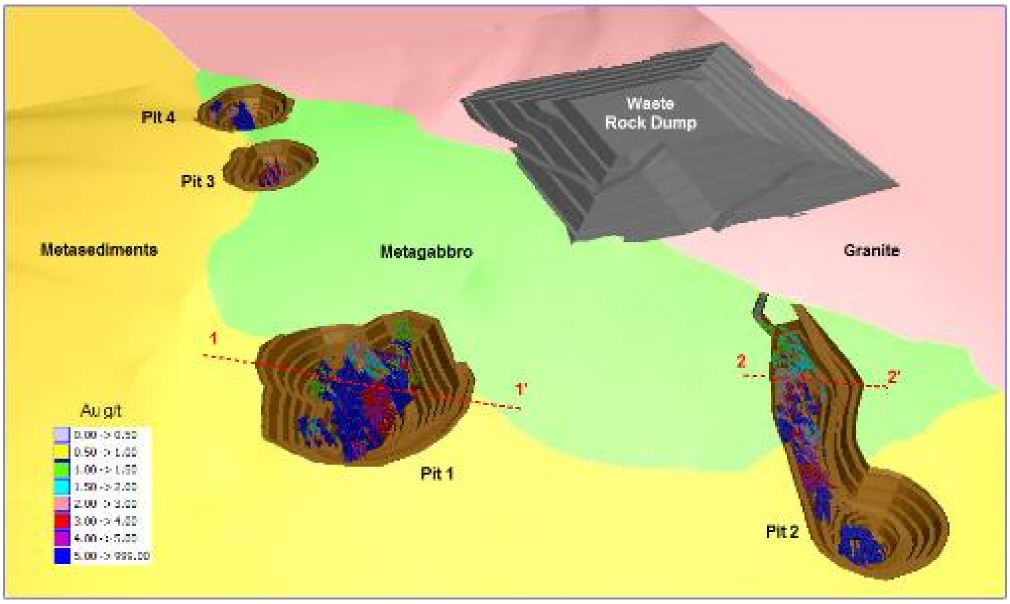
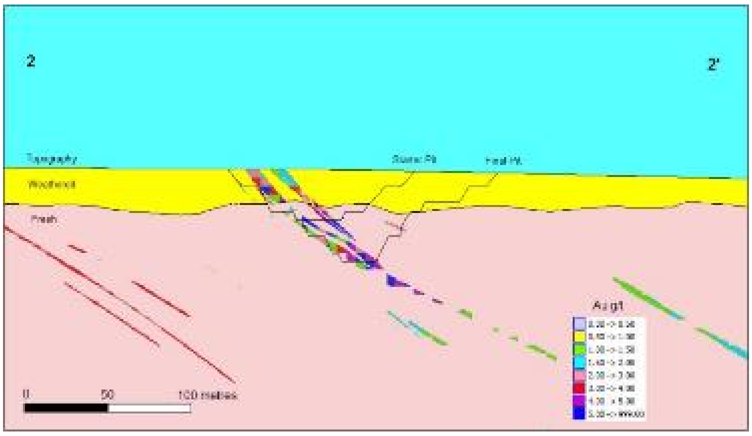
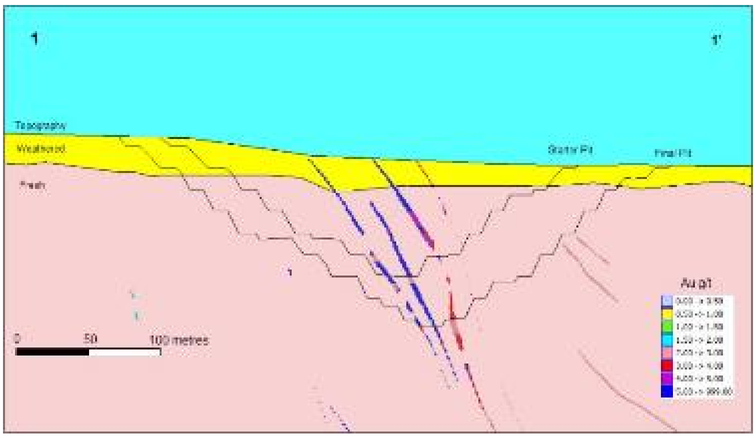


Figure 2 - Mine Plan View Showing Pits and Waste Dump



Pit 2 - Section 2-2'



Pit 1 - Section 1-1'

Figure 3 - Sections 1-1' & 2-2'

DIRECTORS' REPORT (cont'd)

Mining Operations

The mining schedule has been developed for an initial production rate of 300ktpa. The schedule is based on practical pit designs and improves the confidence level from the Whittle optimisation studies testing open-cut scenarios (see ASX Announcement 31 October 2013) given the following:

- Mining loss and dilution are now modelled to account for the variable mineralised lode widths (previous assumption of global values was a fixed dilution, 10% and fixed loss, 5%)
- Pit optimisations were developed using wall slopes based on a geotechnical review by AMC Consultants (previously an average slope of 45 degrees was assumed)
- The schedule is based on practical pit designs derived from optimised pit shells
- A mining fleet has been selected which is capable of moving the required monthly volumes of both ore and waste while achieving a high level of selectivity
- The cost of haulage of ore to the processing facility 10km south of the pits is built into the schedule (previous study did not allow for considerable haulage distances from the pits)
- The size and type of equipment selected for the mining fleet are compatible with the practical pit designs and mineralisation geometry.

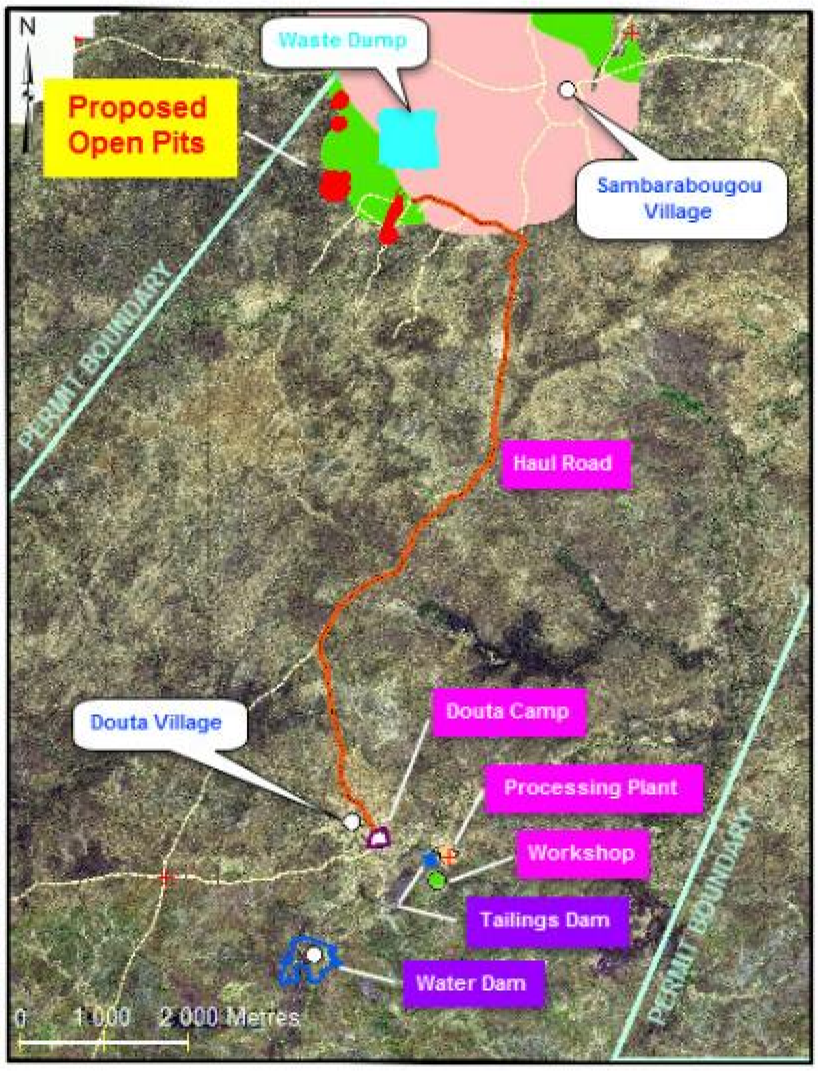


Figure 4 – Project Layout – Mine and Processing Plant

DIRECTORS' REPORT (cont'd)

Production and cost estimates from the scoping study pit designs and schedules indicate:

- The pit designs are able to recover all the gold mineralised lodes included in the optimised Whittle pit shells (no allowance has been made for gold depletion from artisanal activity)
- The mill head grade after modelling for loss and dilution is ~6.2 g/t gold (previous study indicated a mill head grade of ~5.5 g/t gold)
- The estimated mining cost using the assumed fleet of equipment with allowances for labour and explosives is within the US$3.50 per tonne estimate used for the pit optimisation
- Significant opportunity exists to reduce waste mining costs which could provide a significant increase in net cash flow.

Blasting will be in a maximum bench height of 5m to achieve adequate fragmentation. Mining in the waste zones will be at full 5m height. The mining faces would advance from SE to NW working up to the hanging wall of each mineralised lode.

As mining approaches within 5-10m of a mineralised lode above the cut-off grade (COG) grade control drilling would be conducted across the lode and combined with geological mapping from the benches above to define the positions of the hanging wall and footwall.

The full bench height through the lode would be blasted with the pattern, hole size and powder factor chosen to minimise movement. An excavator would mine up to the mineralised lode and scrape off the waste to expose the hanging wall, the scraped down waste would be hauled away and the ore zone itself would be scraped down to expose the footwall waste contact. The scraped down ore would be mined and the process repeated across to the next mineralised lode.

There is good visual definition of the mineralised lodes and geological mapping of each new bench floor along with geological grade control may greatly assist grade control drilling in achieving the required level of mining selectivity.

The preferred option is for a mining contractor to conduct all site development, overburden and waste removal, open-pit mining including site rehabilitation and haulage to the processing facility. The haulage route will be on an existing established road linking Makabingui to the processing facility (road established by and currently maintained by Bassari - refer Figure 5). Mining operations will be conducted on a 24/7, 365 days per year basis.

DIRECTORS' REPORT (cont'd)

Figure 5 – Existing Road between Makabingui & Processing Facility

The Company has a fleet of heavy mobile equipment and light vehicles which are available to undertake pre-development works and to support mining operations. The use of this equipment was not factored into the study and hence there is opportunity to further reduce capital costs. The equipment is not new and in varying states of serviceability. Equipment includes: 1 x 14H Caterpillar Grader, 1 x WA480 Loader, 2 x Bell Trucks B40D, 1 x Doosan DX300LC Excavator, 1 x Komatsu PC450LC Excavator, 1 x Komatsu WB93R Backhoe, 1 x Toyota 22 Seater Coaster Bus, 1 x Truck & semi-trailer, 8 x Toyota 4WD's, 1 x Toyota Troop Carrier Ambulance (refer figure 6).

Komatsu PC450LC Excavator

Bell B40D Truck

DIRECTORS' REPORT (cont'd)

Komatsu WB93R Backhoe

Truck & Semi-Trailer

Doosan DX300LC Excavator

Komatsu WA480 Wheel Loader

Caterpillar 14H Grader

Toyota 4 x 4 Landcruiser

Figure 6 – Existing Mobile Equipment Fleet

DIRECTORS' REPORT (cont'd)

The equipment selection assumptions have a typical mining fleet including 1 x Caterpillar 345D Excavator, 2 x Caterpillar 390D Excavators, 3 x Atlas Copco ROC L8 Crawler Drills, 2 x Caterpillar 14H Graders, 1 x Caterpillar 972H Wheel Loader, 2 x Caterpillar D9T Dozers, 10 x Caterpillar 735 Trucks, 5 x Highway Trucks 14 cubic yard.

Mining staff numbers are in the order of approximately 186 people, consisting of 23 staff, 130 operators and 33 maintenance personnel.

Mining costs of US$3.44 per tonne have been used which are inclusive of all overburden and mineralised material movements.

METALLURGY & PROCESSING

Metallurgical Test Work Results

The processing plant design has been finalised based on a variety of test work programs carried out by Sydney based ALS Metallurgy. Metallurgical tests to determine the gravity recoverable gold over a range of grind sizes were carried out. The test work procedure amalgamated (with mercury) a gravity concentrate at primary grind sizes of 425, 300, 212, 150 and 106 microns to determine the amount of free gold recoverable. Cyanide leaching and flotation were also carried out on the gravity tails for the 150 and 106 microns grind sizes. Previous metallurgical test work (see ASX release dated 30 January 2012) was carried out at a primary grind of 75 microns producing very high leaching recoveries >96%.

Composite samples were made up from material used as part of the January 2013 metallurgical test work program. The samples are a composite of the metagabbro (primary focus for 2012 resource drilling program) and metasediments hosted gold lodes. The samples were taken from multiple sections and at varying depths focused on primary (unoxidised) ore. Tables 1, 2 and 3 summarise the results for the various stages of the test work program.

Table 1 – Summary of Gold Recovery by Gravity Separation

Primary grind p80 micron	**106**	**150**	**212**	**300**	**425**
Calculated Head g/t Au	7.38	6.14	8.08	5.37	6.91
% free gold recovered	**77.8**	**80**	**82.3**	**82.9**	**78.6**

Table 2 – Summary of Gold Recovery by Leaching and Flotation on the Gravity Tails

Process	**Flotation**	**Leaching**	**Flotation**	**Leaching**
Primary grind p80 micron	**106**	**106**	**150**	**150**
Calculated Head g/t Au	1.61	1.66	1.27	1.19
% gold recovered	**93.7**	**89.1**	**89.8**	**83.2**

DIRECTORS' REPORT (cont'd)

Table 3 – Summary of Total Gold Recovery

	% Gold Recovery	
Process	106 micron	150 micron
Gravity	77.8	80
Gravity + Leaching	97.6	96.6
Gravity + Flotation	98.6	98

Gravity Gold

The initial stage of the program focused on the quantity of free gold able to be recovered by gravity methods at various primary grind sizes of 425, 300, 212, 150 and 106 microns. This was determined by grinding 2 kg samples to the required size and passing them through a 75mm Knelson concentrator, taking one bed volume of concentrate. This concentrate was examined by panning dish for the occurrence of gold flakes and then amalgamated with mercury to remove the free gold.

Figure 7 shows the free gold seen from panning the Knelson concentrate for the 106 micron primary grind test. Flakes of gold similar to those seen in this photo were seen at all the grind sizes tested with some flakes more than 1mm in size.

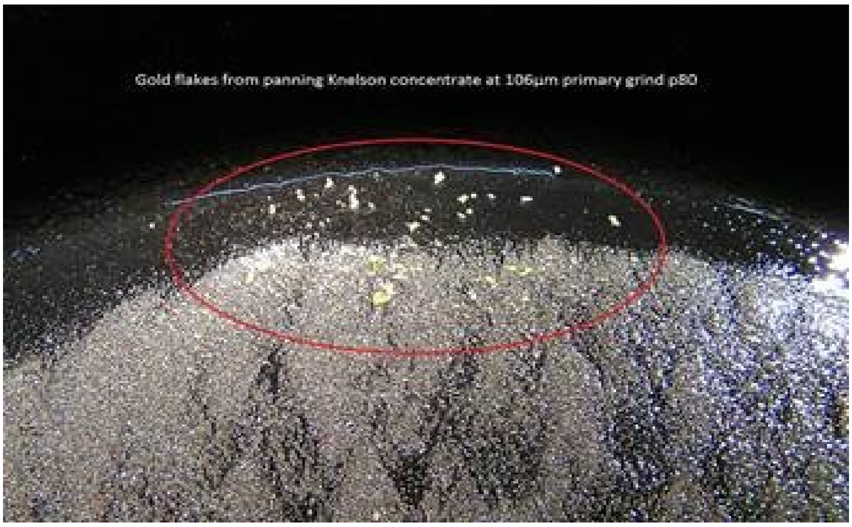


Figure 7 - Gold Flakes in Pan Concentrate for 106 micron Primary Grind

Cyanide Leach on Gravity Tails

The Knelson tailings and the Knelson concentrate minus the removed free gold for the 150 and 106 micron tests were recombined and each was divided into two portions, one for cyanide leaching of gold and the other for a flotation test.

The cyanide leach test work indicated that there is a drop in leach efficiency at the 150 micron grind size compared to the 106 micron test but the results were still reasonably good at both grind sizes. Figure 8 shows the rate of gold dissolution at each grind size which is rapid and almost complete within the first 10 hours.

DIRECTORS' REPORT (cont'd)

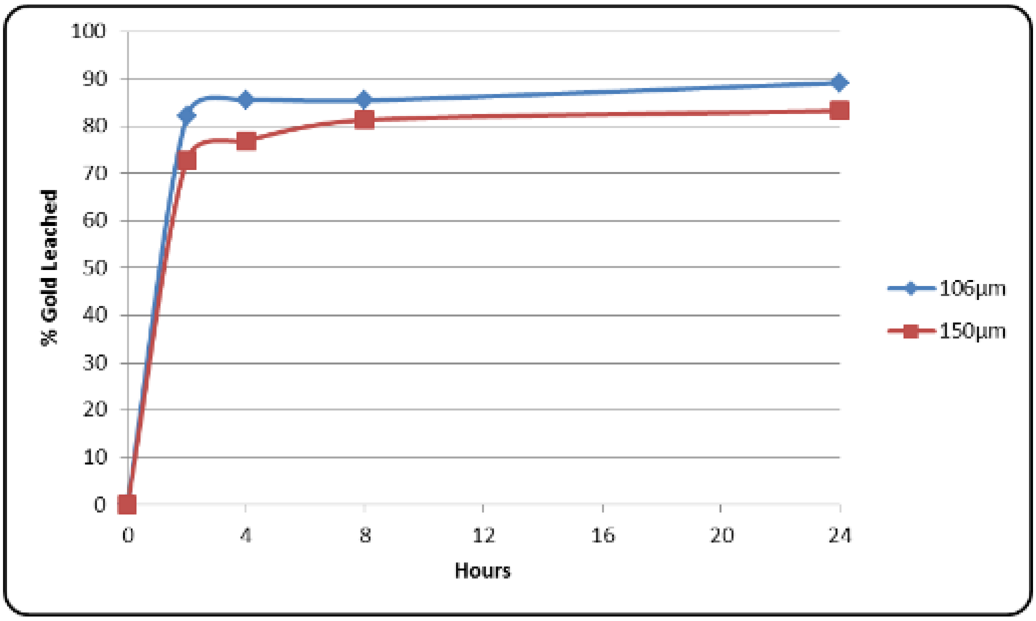


Figure 8 - Rate of Gold Dissolution

Process Flow Sheet

Processing will be undertaken in two stages. Stage 1 will be a circuit aimed at maximising gravity recoverable gold with Stage 2 being a conventional Carbon in Leach (CIL) circuit (refer Figure 9).

Ore will be reclaimed by front end loader from a Run of Mine (ROM) ore stockpile and fed into a storage bin ahead of the crushing circuit. The grizzly on top of the existing feed bin will be modified to restrict plant feed to less than ~400mm. The bin will be raised to enable direct feeding to the primary jaw crusher.

Two stage crushing (jaw and cone), incorporating the existing two belt conveyors, wet scrubber and vibrating screen will produce a crushed product at 10-18mm. Screen undersize will be pumped to the existing jigs (refer Figure 10) with the jig concentrate upgraded in the existing Knelson concentrator. The Knelson tailings will recycle back to the jig feed and the Knelson concentrate will be upgraded by the existing shaking table in the gold room (refer Figure 11). The shaking table concentrate will be direct smelted in the existing dore furnace to produce gold dore bars. The shaking table tailings will be put into the regrind and CIL circuit to recover any remaining gold.

DIRECTORS' REPORT (cont'd)

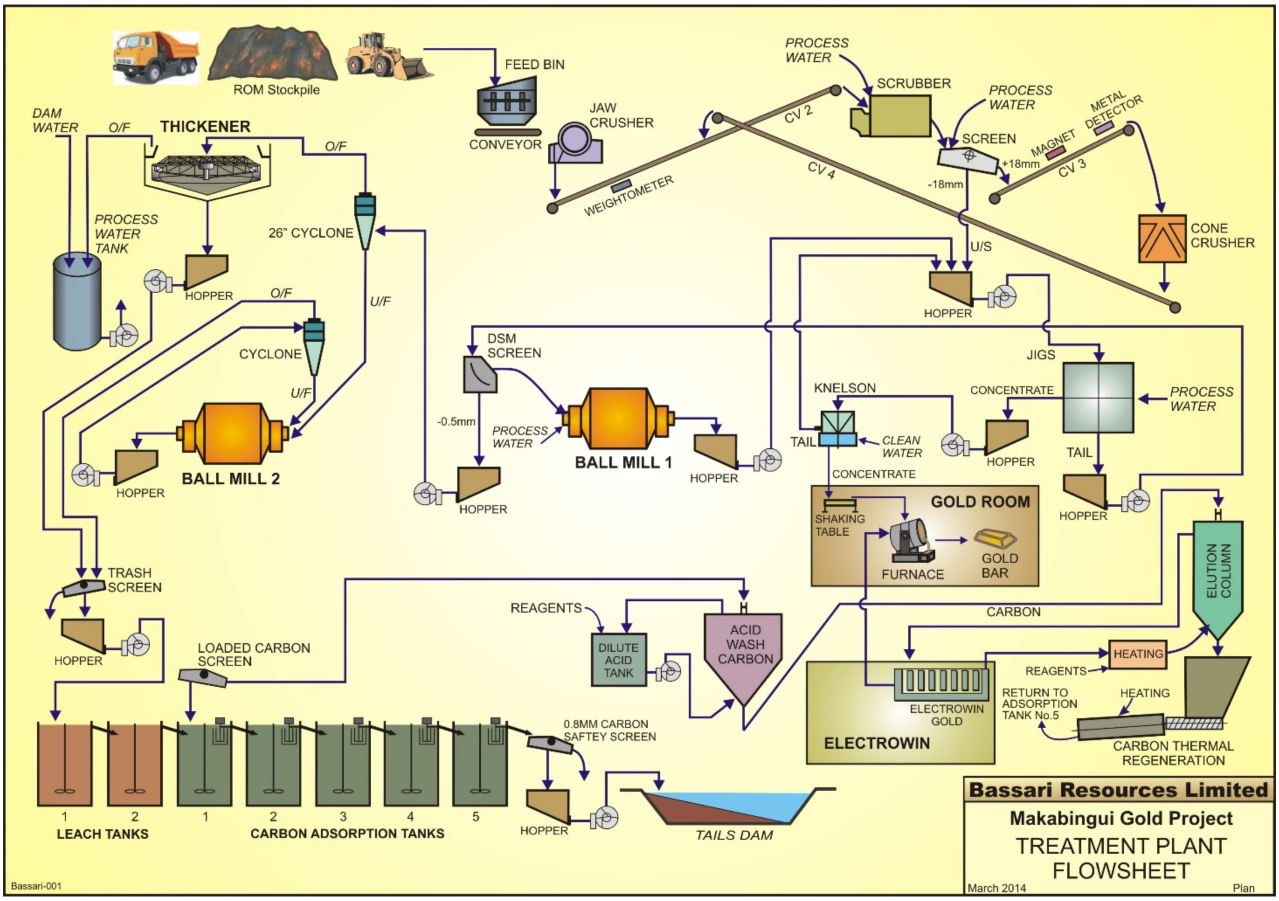


Figure 9 – Process Flow Sheet

DIRECTORS' REPORT (cont'd)

Figure 10 – Four existing gravity jigs in operation

Figure 11 – Existing Gold Room Shaking Table in Operation

DIRECTORS' REPORT (cont'd)

The jig tailings will be pumped to a screen ahead of a ball mill and the plus 400 micron material ground in the mill. The ground mill discharge will be pumped back to the jig feed for further gravity gold recovery and be in closed circuit with the screen. The screen underflow material (-0.5mm) will be pumped to a cyclone where the underflow will feed direct to another ball mill which will operate in closed circuit with a cyclone to produce an overflow of 80% passing 150 micron. The cyclone will be combined with the thickened slimes from the gravity stage thickener and feed a vibrating trash screen to remove any coarse 0.8mm trash material.

The trash screen undersize will be pumped to the first leach tank in the CIL plant which will consist of two 225m^3 leach tanks and five 225m^3 carbon adsorption tanks. The total cyanide leach and adsorption time will be approximately 24 hours. The tailings from the last adsorption tank will discharge over a vibrating carbon safety screen and any carbon recovered will be carried back into the adsorption tank.

Loaded carbon from the circuit will go through a carbon stripping process with gold desorbed from the carbon and the pregnant solution passed through electrowinning cells with steel wool. The steel wool will be regularly removed and acid washed to dissolve the steel wool and leave a gold sludge that will be rinsed with water, filtered and dried. The dried gold concentrate will be smelted with fluxes in the existing furnace to produce gold dore bars. The processing plant layout is shown in Figure 12.

Two existing tailings storage facilities which were used during the previous gravity plant operations are able to be cleaned out and made available for commissioning the gravity circuit as the material has dried and consolidated (refer Figure 13). The CIL tails storage facility is assumed to be located within a 1km distance from the processing facility with tailings and return water pipelines to be located in the same bunded corridor. The exact location of the CIL tails facility will be determined during the definitive study phase.

The processing plant will operate 24/7, 365 days of the year with a design availability of 90%. The treatment rate will be 38tph to achieve a throughput rate of 300ktpa.

Processing staff numbers are in the order of approximately 37 people, consisting of 2 staff, 30 operators and 5 maintenance personnel.

Processing costs inclusive of maintenance have been assumed at $US30.00 per tonne in line with the previous optimisation study; however there is opportunity to reduce the overall cost during the feasibility study which would allow an increase in net cash-flow.

DIRECTORS' REPORT (cont'd)

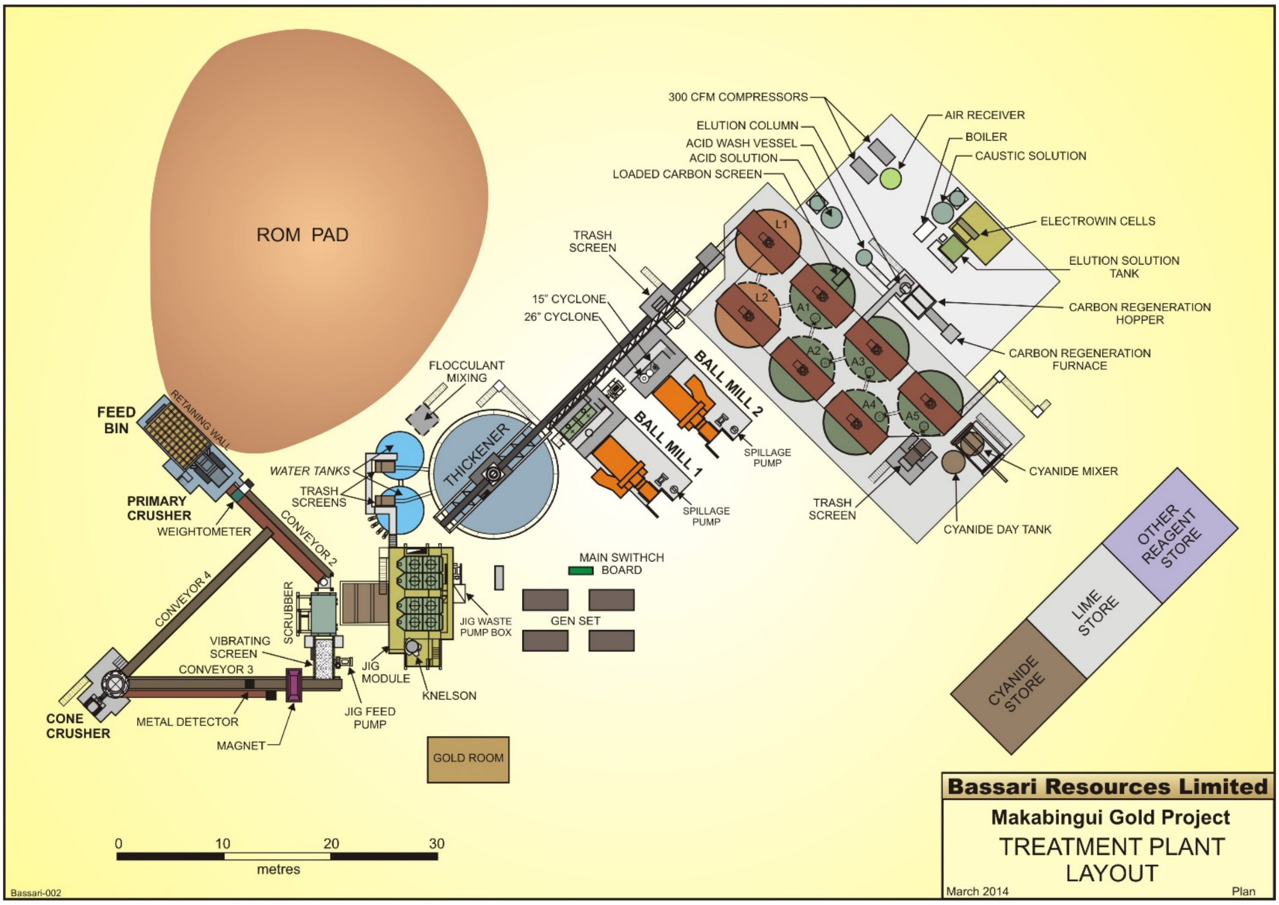


Figure 12 – Processing Plant Layout

Figure 13 – Existing Tails Dam When First Constructed

DIRECTORS' REPORT (cont'd)

Existing Gravity Plant

Given the high gravity recovery the hard rock plant will incorporate the Company's existing gravity plant and associated infrastructure already established in Senegal. Utilising the existing gravity plant reduces the capital cost considerably. The plant is currently on care & maintenance (refer Figure 14 & 15).

Figure 14 - Gravity Plant Located at Douta – 300ktpa Capacity

Figure 15 - View of gravity plant from 26 inch cyclone tower

DIRECTORS’ REPORT (cont’d)

Existing Infrastructure

Considerable infrastructure exists from previous operation of the gravity plant. Infrastructure used to support the hard rock operations are detailed below:

Figure 16 – shows sections of the 120 person Douta Camp, which includes offices, kitchen/dining hall, laundry and ablution/shower block. Within the camp compound there is a core shed, core cutting facility, light vehicle maintenance workshop, water sterilisation plant, fuel storage facility and medical centre.

DIRECTORS' REPORT (cont'd)

Figure 17 – shows the water storage dam (~500 Megalitres) used for water supply to the processing plant. The dam is currently full.

Figure 18 – Douta Medical Centre within Douta Camp compound

DIRECTORS' REPORT (cont'd)

Figure 19 – shows the heavy vehicle maintenance workshop used to service the heavy equipment mobile fleet.

Figure 20 – shows the 85,000 litre diesel fuel farm within the Douta Camp.

DIRECTORS' REPORT (cont'd)

Figure 21 - shows the two Wilson 350kva gensets (1 duty, 1 standby) providing power to the Douta Camp.

Figure 22 - shows the core shed within the Douta Camp compound.

DIRECTORS' REPORT (cont'd)

CAPITAL COST

The major capital cost component for the project is the upgrade of the existing gravity plant to treat hard rock and incorporate a CIL circuit. The process flow sheet and engineering design has been carried out by Timora Pty Ltd ("Timora"), an independent consultant with extensive experience in this type and scale of plant. Timora designed and was involved in the construction of the existing gravity circuit.

Australian Mine Design & Development (AMDAD) carried out the pit designs and developed the mining schedules for ore and waste movements and carried out the preliminary Whittle open pit optimisation studies.

Major equipment costs were based on a combination of budget quotes, knowledge of similar projects and in country experience from building the existing gravity plant.

The CIL tailings facility cost has been estimated assuming US$1.00 per tonne of ore processed.

Capital Cost Estimate:

Processing Plant Upgrade	
Stage 1 - Gravity Plant	~$2.2M
Stage 2 - Carbon in Leach	~$3.0M
Mine Pre-Development	~$3.2M
Tailings Facility	~$0.8M
First Fill & Spares	~$0.6M
Total	**~$9.8M**

Notes:

- Processing plant upgrade cost estimates are inclusive of Engineering, Design & Management at 12% of capital costs
- No contingency has been applied
- Mine pre-development allows for four months of mining to build an adequate ROM stockpile prior to processing commencing
- No allowance for working capital, owner's costs and Feasibility Study.

OPERATING COSTS

The following operating cost assumptions were used for the study:

- Mining operating costs - US$3.44 per tonne
- Processing operating costs - US$30.00 per tonne
- Site fixed costs - US$10.00 per tonne

DIRECTORS' REPORT (cont'd)

Sambarabougou Permit (Bassari 70%)

The Sambarabougou Permit contains the Makabingui Gold Project, Makabingui South, Makabingui North, Lafia, and Missira prospects. A three-year permit extension was granted for Sambarabougou in September 2013.

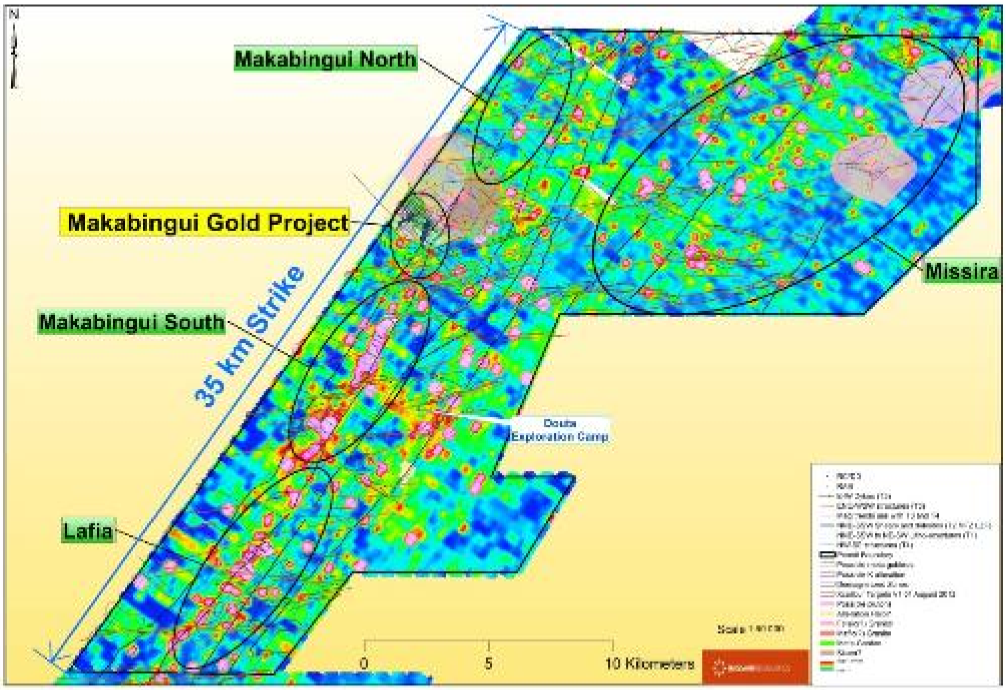


Figure 23 – Sambarabougou Permit, Prospect Plan

Moura Permit (Bassari 70%)

The most northern of the Company's three contiguous permits, Moura contains the Konkouto, Bennajiggi, Kawsara, Kawsara North, Bountou, Yoroya and Sambali prospects (Figure 24).

DIRECTORS' REPORT (cont'd)

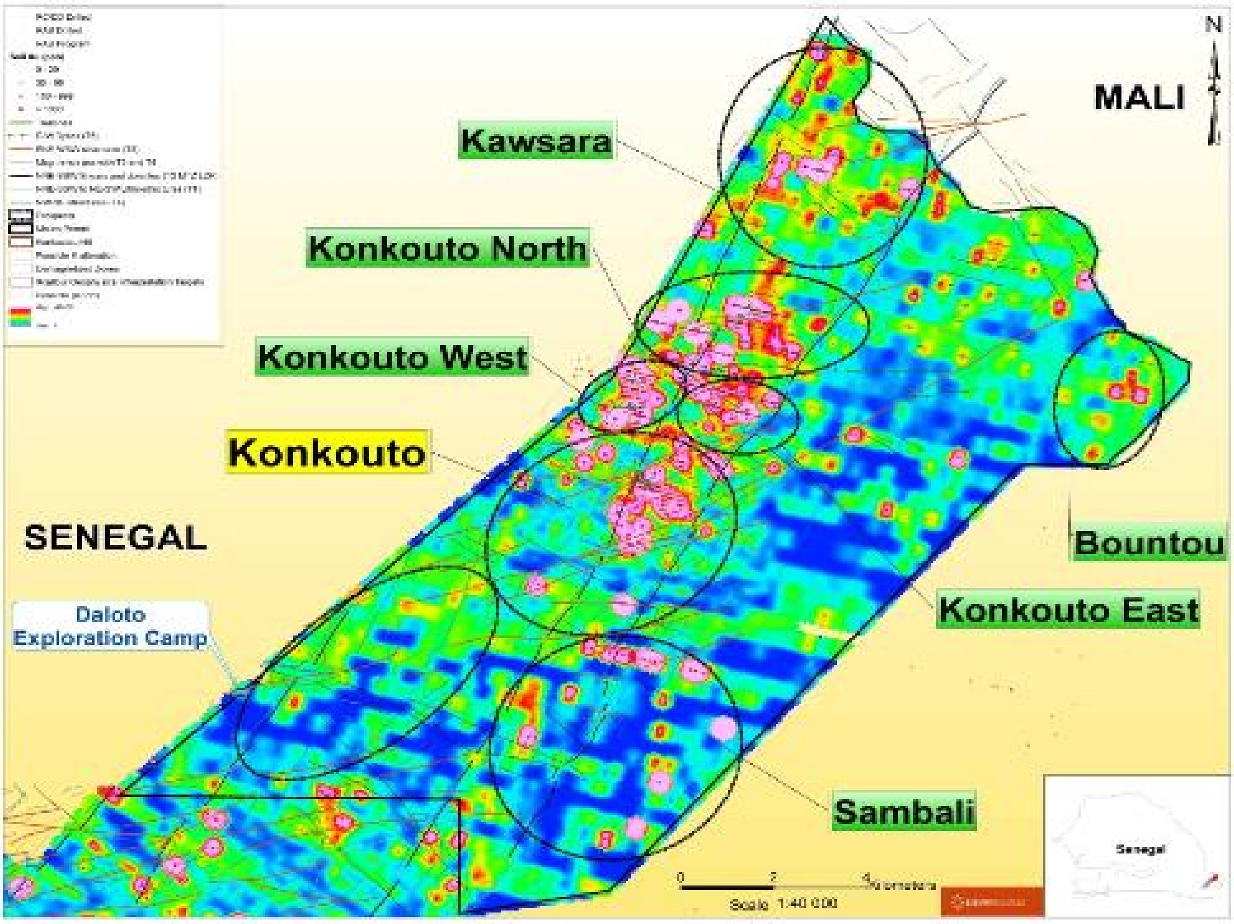


Figure 24 – Moura Permit, Prospect Plan

Konkouto Prospect

The Konkouto Prospect is located 35km north east of the Makabingui Project. RC drilling at Konkouto gave highly promising results indicating the strong likelihood of the discovery of a significant new mineralised system. Further drilling is proposed in the Konkouto prospect area. Other exploration work has been undertaken at Konkouto West, Konkouto North and Kawsara, with artisanal workings in these areas.

DIRECTORS' REPORT (cont'd)

Bounsankoba Permit (Bassari 70%)

The Bounsankoba permit adjoins the south of the Sambarabougou permit.

Limited exploration work has been undertaken to date. Sekhoto, located about the Lafia Shear Zone has shown from soil, termite and RAB drilling, strong gold anomalies, also from the more recent trenching carried out. Lode gold mineralisation identified with highly anomalous trench results, NE trending and cross structure identified. RC drilling follow up is required.

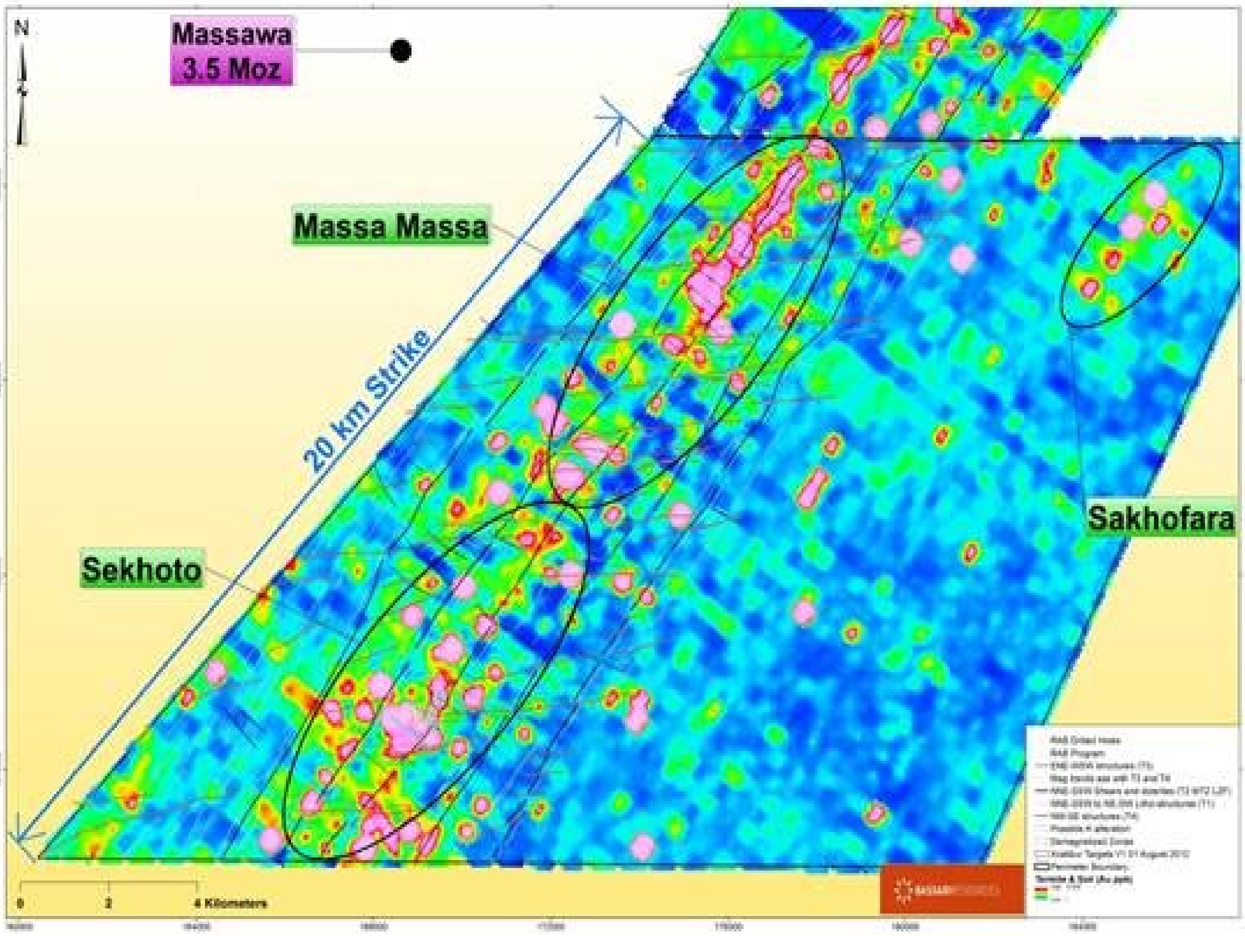


Figure 25 – Bounsankoba Permit, Prospect Plan

DIRECTORS' REPORT (cont'd)

Competent Persons Statement
The technical information in this report related to open cut designs has been sourced from Australian Mine Design and Development Pty Ltd (AMDAD) Report 1723-1402 and reviewed by Mr John Wyche (author of the report). The technical information in this report related to metallurgical test work and comminution test work has been sourced from ALS Metallurgy (New South Wales – Sydney) Report M2867 and reviewed by Mr T Baily (author of the report).

The information in this announcement that relates to the Mineral Resources and Exploration Results has been reviewed and approved by Mr Chris Young who is a Member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Mr Young is a non-executive director and consultant to Bassari Resources Limited and has over 40 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 Young consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

The Mineral Resource information referred to in the announcement was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not changed since it was last reported.

The pit optimisation study used a Mineral Resource made up of a combination of indicated and inferred resource blocks. There is a low level of geological confidence associated with inferred mineral resources and there is no certainty that further exploration work will result in the determination of indicated mineral resources or that the production target itself will be realised.

Corporate

Board Changes

Mr Alex Mackenzie was appointed a Director of Bassari in April 2013, and replaced John Ballard as Chairman of the Board following Mr Ballard's retirement.

Mr Philip Bruce was appointed Non-Executive Director as part of Hill End Gold Limited's (HEG) $800,000 investment (see below).

Hill End Gold Investment

Hill End Gold Limited (ASX: HEG) acquired 100,000,000 shares in Bassari in August 2013 for a consideration of $800,000 to assist in exploration and development.

The funding was provided in three tranches:

Tranche 1 of $250,000 for 31,250,000 BSR shares

Tranche 2 of $250,000 for 31,250,000 BSR shares

Tranche 3 of $300,000 for 37,500,000 BSR shares.

This represented a 13% stake of BSR's post-placement issued capital.

HEG nominated its Managing Director Philip Bruce to be a Director on the Bassari Board. Mr Bruce has more than 35 years' mining industry experience in Australia, South Africa and Indonesia in gold, platinum and base metals operations and senior corporate management.

DIRECTORS' REPORT (cont'd)

HEG provided a further $250,000 of funding to Bassari in November 2013. The short-term funding was provided for a four-month term at a market interest rate, secured by a charge over Bassari's wholly-owned subsidiary, Bassari Equipment Pty Ltd and may be converted, at HEG's election, at 0.8 cents per share subject to Bassari shareholder approval to refresh the 15% placement capacity. Subsequent to the end of the year, HEG elected to convert and 31.25 million ordinary shares were issued on 19 March 2014.

Funding and Capital Raisings

In March 2013 Bassari undertook a capital raising to place 85.8 million shares at 2.3 cents per share to raise $1.973 million before costs. The Company sought, at the May 2013 AGM, shareholder approval to make a placement to a director at the same price, raising a further $0.037 million, and at the same meeting, sought approval to issue shares to the Company drilling contractor to the value of US$0.25 million for which approval was given and 11,264,966 shares were issued, also at 2.3 cents per share.

In August/September 2013 the Company issued to HEGL Investments Pty Ltd a wholly owned subsidiary of Hill End Gold Limited, a total of 100 million shares in three (3) tranches at an issue price of 0.8 cents per share to raise $0.8 million. In November 2013, HEGL Investments Pty Ltd provided a loan of $250,000 to the Company, the loan being secured by a charge over the Company's wholly owned subsidiary, Bassari Equipment Pty Ltd. The loan bears interest at a market rate and is repayable on or before 19 March 2014, or may be converted, at the option of the lender, to shares at 0.8 cents per share, on or before the repayment date.

In December and early January 2014 the Company raised $0.5 million through placement to institutional and sophisticated investors.

On 31 January 2013, 3,300,000 unlisted 45 cent options expired unexercised and on 31 December 2013, 2,500,000 unlisted 30 cent options expired unexercised.

DIVIDENDS

During the financial year, no dividends were paid (2012: $Nil). The directors have not recommended the payment of a dividend.

SHARES

At the date of this report 982,412,697 ordinary shares were on issue.

SHARE OPTIONS

At the date of this report, there were no unissued ordinary shares of the Company under option.

During the year ended 31 December 2012, 5,714 ordinary shares of the Company were issued on 30 November 2012, on exercise of options granted.

DIRECTORS' REPORT (cont'd)

There were no significant changes in the state of affairs of the consolidated entity during the financial year other than:

- The Company raised additional capital during the year of $3.2 million before costs by the issue of 198.66 million ordinary shares, $2.27 million at 2.3 cents per share, $0.8 million at 0.8 cents per share and $0.13 million at 0.6 cents per share. The funds raised were used to advance gold resource growth at Makabingui, advance Makabingui Gold Project studies and for working capital.
- The movement in exchange rates of both US$ and FCFA against the A$ during the financial year resulted in an exchange difference on translation of the Senegal operations of the group of $7,797,000, $7,293,000 of which relates to exploration costs carried forward and $430,000 to property, plant and equipment.

EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

The Company undertook a capital raising in late December 2013, and placed shares for a value of $0.13 million by 31 December 2013. The capital raising was completed by 22 January 2014, raising a further $0.38 million at 0.6 cents per share. The total raised was $0.51 million.

On 18 February 2014 the Company announced that it was undertaking a capital raising by offering to eligible shareholders a Share Purchase Plan (SPP) and the right to apply for up to $15,000 of shares in the Company. The SPP closed on 7 March 2014 and raised $820,400 before costs to be applied to working capital and to further progress the Makabingui Gold Project studies.

On 19 March 2014, HEGL Investments Pty Ltd exercised the option to convert $250,000 secured loan funds to 31,250,000 ordinary shares in the Company at 0.8 cents per share.

Other than the matters referred to above there have been no events that have occurred subsequent to the end of the reporting period that would require adjustment to, or disclosure in, the financial report.

INDEMNITIES AND INSURANCE

In addition to the amounts disclosed for remuneration of Directors and Key Management, Bassari pays a premium each period in respect of Directors and Officers insurance. In accordance with normal commercial practice, disclosure of the premium payable under, and the nature of the liabilities covered by, the insurance contract is prohibited by a confidentiality clause in the contract.

DIRECTORS' MEETINGS

The number of meetings of the Company's Board of Directors held during the year ended 31 December 2013, and the number of meetings attended by each director were:

Name	Number of Meetings Held	Number Eligible to Attend	Number of Meetings Attended
A S Mackenzie (appointed 12 April 2013)	10	10	10
J Patarica	23	23	23
C H Young	23	23	23
P F Bruce (appointed 9 September 2013)	22	2	2
J A Ballard (resigned 19 April 2013)	15	15	15

The Company has no separate audit or remuneration committee at present, with both committees consisting of all directors. Therefore all meetings above include a meeting of the audit and remuneration committees. The role of the audit committee is undertaken by the Board of Directors.

DIRECTORS' REPORT (cont'd)

DIRECTORS' SHAREHOLDINGS

The following table sets out each director's relevant interest in shares and options in shares of the Company as at the date of this report.

Name	Fully Paid Ordinary Shares No.	Share Options No.
A S Mackenzie	47,885,734	-
J Patarica	1,807,914	-
C H Young	300,000	-
P F Bruce	-	-
J Ballard	-	-

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of the Court under Section 237 of the Corporations Act 2001 to bring proceedings on behalf of the company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under Section 237 of the Corporations Act 2001.

NON-AUDIT SERVICES

The directors are satisfied that there were no non-audit services provided by the auditor, BDO East Coast Partnership during the year.

BDO East Coast Partnership continues in office in accordance with the *Corporations Act 2001*.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration as required under Section 307C of the *Corporations Act* 2001 is included on page 39 of the financial report.

LIKELY DEVELOPMENTS

Other than as provided elsewhere in this financial report, there is no further disclosure regarding the likely developments of the operations of the Company in future financial years, as the directors believe further disclosure is likely to result in unreasonable prejudice to the Company.

ENVIRONMENTAL REGULATION

To the best of the directors' knowledge, the Group has adequate systems in place to ensure compliance with the requirements of all environmental legislation and is not aware of any breach of those requirements during the financial year and up to the date of the directors' report.

DIRECTORS' REPORT (cont'd)

AUDITED REMUNERATION REPORT

This Remuneration Report outlines the director and executive remuneration arrangements of the Company and the Group in accordance with the requirements of the Corporations Act 2001 and its Regulations. For the purposes of this report Key Management Personnel (KMP) of the Group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, including any director (whether executive or otherwise) of the parent company.

For the purposes of this report, the term 'executive' encompasses the Chief Executive, senior executives, general managers and secretaries of the Parent and the Group.

(a) Policy for determining the nature and amount of key management personnel remuneration

Remuneration Committee

The Remuneration Committee comprising the Board of Directors of the Company is responsible for determining and reviewing remuneration arrangements for the directors and executives.

The Remuneration Committee assesses the appropriateness of the nature and amount of remuneration of executives on a period basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality, high performing director and executive team.

Remuneration Philosophy

The performance of the Company depends upon the quality of its directors and executives. To prosper, the Company must attract, motivate and retain highly skilled directors and executives.

To this end, the Company embodies the following principles in its remuneration framework: -

- Provide competitive rewards to attract high caliber executives;
- Focus on creating sustained shareholder value;
- Have a significant portion of executive remuneration 'at risk', dependent on meeting predetermined performance benchmarks; and
- Differentiation of individual rewards commensurate with contribution to overall results according to individual accountability, performance and potential.

There is no direct relationship between KMP remuneration and the entity's performance for the last 5 years as measured by dividends paid, changes in the share price and any return of capital.

Remuneration Structure

In accordance with best practice corporate governance, the structure of non-executive director and executive remuneration is separate and distinct.

DIRECTORS' REPORT (cont'd)

Non-Executive Director Remuneration

Objective

The Board seeks to set aggregate remuneration at a level that provides the Company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

Pursuant to the Company's Constitution, the Directors of the Company are entitled to receive remuneration for their services as Directors in such amount which in aggregate does not exceed an amount per annum fixed by the Company in general meeting from time to time. Currently, the aggregate amount is fixed at $250,000 per annum. At present, the Company has determined to pay Executive Chairman $60,000 and Non-Executive Directors $40,000 per annum.

If a non-executive Director performs extra services, which in the opinion of the Directors are outside the scope of the ordinary duties of the Director, the Company may remunerate that Director by payment of a fixed sum determined by the Directors in addition to or instead of the remuneration referred to above.

A Director is entitled to be reimbursed travelling and other expenses properly incurred by them in attending Director's or general meetings of the Company or otherwise in connection with the business of the company in accordance with the company's Constitution.

In the 31 December 2013 financial year, no new share based payments in the form of options over ordinary shares were granted under the LTI plan to directors (2012: Nil).

Where employment ceases prior to the vesting of the share options, the share options are forfeited unless cessation of employment is due to termination initiated by the Group or death. In the event of a change of control of the Group, the performance period end date will be brought forward to the date of the change of control and options will vest over this shortened period.

The Company prohibits executives from entering into arrangements to protect the value of unvested LTI awards. This includes entering into contracts to hedge their exposure to options or shares granted as part of their remuneration package.

The aim of the Directors is to increase shareholder wealth through successfully achieving its primary objectives. During exploration these objectives are not linked to company earnings. Instead the successful discovery of gold resources and reserves is intended to drive shareholder wealth. Thus an increase in shareholder wealth will give rise to an increase in total director remuneration. As at the date of this report these options are significantly out of the money as a result of a deterioration of global economic conditions. No other remuneration is linked to performance conditions.

DIRECTORS' REPORT (cont'd)

Senior Management and Executive Director Remuneration

The Company aims to reward executives with a level and mix of remuneration commensurate with their position and responsibilities within the Company and so as to:

- Reward executives for company, business unit and individual performance against targets set by reference to appropriate benchmarks;
- Align the interests of executives with those of shareholders;
- Link reward with the strategic goals and performance of the Company;
- Ensure total remuneration is competitive by market standards; and
- The executive remuneration program is designed to support the Company's reward philosophies and to underpin the Company's growth strategy. The program comprises the following components:
    - Fixed remuneration component
    - Variable remuneration component including short term incentive (STI) and long term incentive (LTI)

Variable Remuneration – Short Term Incentive (STI)

Objective

The objective of the STI program is to link the achievement of the Group's operational targets with the remuneration received by the executives charged with meeting those targets. The total potential STI available is set at a level so as to provide sufficient incentive to the executive to achieve the operational targets and such that the cost to the Group is reasonable in the circumstances.

Structure

In the 31 December 2013 year no payments were made (2012: $Nil).

Actual STI payments granted to each executive depend on the extent to which specific targets set at the beginning of the financial year are met. The targets consist of a number of Key Performance Indicators (KPIs) in line with the achievement of the Company's objectives.

On an annual basis, after consideration of performance against KPIs, the Remuneration Committee, in line with their responsibilities, determine the amount, if any, of the short term incentive to be paid to each executive. This process usually occurs within 3 months after the reporting date.

The aggregate of annual STI payments available for executives across the Group is subject to the approval of the Remuneration Committee. Payments made are delivered as a cash bonus in the following reporting period. No STI is available to be carried forward into the future years.

Remuneration – Long Term Incentive (LTI)

Objective

The objective of the LTI plan is to reward executives in a manner that aligns remuneration with the creation of shareholder wealth. As such, LTI grants are only made to executives who are able to influence the generation of shareholder wealth and thus have an impact on the Group's performance against the relevant long term performance hurdle.

DIRECTORS' REPORT (cont'd)

Structure

LTI grants to executives are delivered in the form of options over ordinary shares. Share options have been granted to executives. In the 31 December 2013 financial year and the 31 December 2012 financial period, no new share based payments in the form of options over ordinary shares were granted under the LTI plan to executives.

Where employment ceases prior to the vesting of the share options, the share options are forfeited unless cessation of employment is due to termination initiated by the Group or death. In the event of a change of control of the Group, the performance period end date will be brought forward to the date of the change of control and awards will vest subject to performance over this shortened period. The Company prohibits executives from entering into arrangements to protect the value of unvested LTI awards. This includes entering into contracts to hedge their exposure to options or shares granted as part of their remuneration package.

Key Management Personnel – Directors and Executives

Name	Position Held
Alexander S Mackenzie	Executive Director (appointed 12 April 2013)
Chris H Young	Non-Executive Director
Philip F Bruce	Non-Executive Director (appointed 9 September 2013)
Jozsef Patarica	Managing Director/CEO
John A Ballard	Non-Executive Director (resigned 19 April 2013)
Ian Riley	Company Secretary/CFO

The above directors and company secretary are also the only group and company executives.

Key Management Personnel - Service Contracts

Managing Director/CEO

The Company has entered into an agreement with Jozsef Patarica that provides for Mr Patarica to be contracted by the Company as Managing Director/CEO for an indefinite period from 8 March 2010. This agreement was varied by Deed of Variation during the year. The terms of the varied deed are substantially the same as those of the original agreement.

While the agreement is for an indefinite period it may be terminated by either party upon giving one month's notice. Under the agreement Mr Patarica will receive a salary of $280,000 per annum plus superannuation. The service agreement also contains certain restraints effective up to six months after Mr Patarica's service ends.

Company Secretary/CFO

The Company has entered into an agreement with Ian Riley that provides for Mr Riley to be contracted by the Company as Company Secretary/CFO for a period of 12 months and to be remunerated at the rate of $155,000 per annum. The contract which can be terminated by either party with one month's notice, provides for renewal of a further term of 12 months.

Remuneration of key management personnel

The remuneration for each Director and each of the executive officers of the consolidated entity during the year was as follows:

DIRECTORS' REPORT (cont'd)

Remuneration for the year ended 31 December 2013

	Short term employee benefits			Post employment benefits	Long-term Benefits		Share based Payments	% of value of remuneration	Total	% performance related
	Salary & Fees $	Cash Bonus $	Non Monetary benefits $	Superannuation $	Incentive Plans $	Long-service leave $	Options $	Options %		
Non-executive directors										
C H Young (i)	48,908		-	4,425	-	-	-	-	53,333	-
P F Bruce	12,638	-	-	-	-	-	-	-	12,638	-
J A Ballard (ii)	46,800	-	-	-	-	-	-	-	46,800	-
Subtotal non-executive directors	108,346	-	-	4,425	-	-	-	-	112,771	-
Executive director										
A S Mackenzie (iii)	97,326	-	-	-	-	-	-	-	97,326	-
J Patarica (iv)	286,900	-	-	27,854	-	-	-	-	314,754	-
Subtotal executive Directors	384,226	-	-	27,854	-	-	-	-	412,080	
Total Directors	492,572	-	-	32,279	-	-	-	-	524,851	-
Non-Director key management										
I D Riley (iv)	147,750	-	-	-	-	-	-	-	147,750	-
Total Non-Director key management	147,750	-	-	-	-	-	-	-	147,750	
Total Directors and key management	640,322	-	-	32,279	-	-	-	-	672,601	-

(i) Remuneration included consulting fees of $5,000 – refer note 29
(ii) Remuneration included consulting fees of $21,800 –refer note 29
(iii) Remuneration included consulting fees of $97,326 – refer note 29
(iv) Salary reductions implemented during the year

DIRECTORS' REPORT (cont'd)

Remuneration for the year ended 31 December 2012

	Short term employee benefits			Post employment benefits	Long-term Benefits		Share based Payments	% of value of remuneration	Total	% performance related
	Salary & Fees $	Cash Bonus $	Non Monetary benefits $	Superannuation $	Incentive Plans $	Long-service leave $	Options $	Options %		
Non-executive directors										
J A Ballard (i)	163,333	-	-	-	-	-	-	-	163,333	-
C H Young (ii)	83,812	-	-	4,438	-	-	-	-	88,250	-
Subtotal non-executive directors	**247,145**	**-**	**-**	**4,438**	**-**	**-**	**-**	**-**	**251,583**	**-**
Executive director										
J Patarica	320,000	-	-	28,800	-	-	-	-	348,800	-
Subtotal executive Directors	**320,000**	**-**	**-**	**28,800**	**-**	**-**	**-**	**-**	**348,800**	**-**
Total Directors	**567,145**	**-**	**-**	**33,238**	**-**	**-**	**-**	**-**	**600,383**	**-**
Non-Director key management										
I D Riley	155,000	-	-	-	-	-	-	-	155,000	-
Total Non-Director key management	**155,000**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**155,000**	**-**
Total Directors and key management	**722,145**	**-**	**-**	**33,238**	**-**	**-**	**-**	**-**	**755,383**	**-**

(i) Remuneration included consulting fees of $80,000 – refer Note 29

(ii) Remuneration included consulting fees of $34,500– refer note 29

DIRECTORS' REPORT (cont'd)

Remuneration Options

Options and rights granted to company key management personnel as remuneration:

Year Ended 31 December 2013

No options or rights were granted.

Year Ended 31 December 2012

No options or rights were granted.

No shares were issued upon the exercise of remuneration options.

Additional Information

The earnings of the consolidated entity for the five years to 31 December 2013 are summarised below:

	31 Dec 2013 $000	31 Dec 2012 $000	6 months to 31 Dec 2011 $000	30 June 2011 $000	30 June 2010 $000
Revenue	25	141	131	182	125
Total loss before income tax	(1,703)	(2,072)	(983)	(3,005)	(1,774)
Total loss after income tax	(1,703)	(2,072)	(983)	(3,005)	(1,774)

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

Share price at financial year end $	0.008	0.03	0.05	0.06	0.22
Basic earnings per share (cents per share)	(0.25)	(0.4)	(0.3)	(1.5)	(1.4)

End of Audited Remuneration Report

DIRECTORS' REPORT (cont'd)

ROUNDING

The amounts contained in this report and in the financial report have been rounded to the nearest $1,000 (where rounding is applicable) under the option available to the company under ASIC Class Order 98/0100. The company is an entity to which the Class Order applies. Amounts in the directors' report have been rounded off in accordance with the Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

CORPORATE GOVERNANCE

In recognising the need for the highest standards of corporate behaviour and accountability, the directors of Bassari Resources Limited support the principles of Corporate Governance. The company's Corporate Governance statement is contained in the additional ASX information section of this Annual Report.

Signed in accordance with a resolution of the directors made pursuant to s.298 (2) of the Corporations Act 2001.

Jozsef Patarica
Managing Director/CEO

Melbourne, 31 March 2014

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Fax: +61 3 9602 3870
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Melbourne VIC 3000
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Australia

DECLARATION OF INDEPENDENCE BY DAVID GARVEY TO THE DIRECTORS OF BASSARI RESOURCES LIMITED

As lead auditor for the audit of Bassari Resources Limited for the year ended 31 December 2013, I declare that to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Bassari Resources Limited and the entities it controlled during the period.

David Garvey

Partner

BDO East Coast Partnership

Melbourne, 31 March 2014

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

	Notes	2013 $'000	2012 $'000
Revenue from continuing operations	5	25	141
Corporate expenses		(514)	(715)
Employment and consultant costs	6	(856)	(969)
Occupancy costs		(207)	(220)
Travel and accommodation		(126)	(251)
Asset costs	6	(25)	(58)
Loss from continuing operations before income tax		**(1,703)**	**(2,072)**
Income tax expense relating to continuing operations	7	**-**	**-**
Loss from continuing operations		**(1,703)**	**(2,072)**
Loss for the year attributable to the owners of Bassari Resources Limited		**(1,703)**	**(2,072)**
Other Comprehensive Income			
Items that may be reclassified to profit and loss in the future			
Exchange difference on translation of foreign operation		7,797	196
Other comprehensive income for the year net of income tax		7,797	196
Total Comprehensive Income for the year attributed to the owners of Bassari Resources Limited		**6,094**	**(1,876)**
Earnings per share for loss from continuing operations attributable to the owners of Bassari Resources Limited			
Basic earnings per share (cents)	18	(0.25)	(0.38)
Diluted earnings per share (cents)	18	(0.25)	(0.38)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes to the financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013

	Notes	2013 $'000	2012 $'000
CURRENT ASSETS			
Cash and cash equivalents	9	-	1,486
Trade and other receivables	10	87	185
TOTAL CURRENT ASSETS		**87**	**1,671**
NON CURRENT ASSETS			
Property, plant and equipment	11	521	1,381
Exploration and evaluation assets	12	44,919	33,651
TOTAL NON-CURRENT ASSETS		**45,440**	**35,032**
TOTAL ASSETS		**45,527**	**36,703**
CURRENT LIABILITIES			
Trade and other payables	13	554	1,200
Financial liabilities	14	250	-
Provisions	15	154	79
TOTAL CURRENT LIABILITIES		**958**	**1,279**
TOTAL LIABILITIES		**958**	**1,279**
NET ASSETS		**44,569**	**35,424**
EQUITY			
Contributed Equity	16	56,579	53,528
Reserves	17	4,114	(3,156)
Accumulated losses		(16,124)	(14,948)
TOTAL EQUITY		**44,569**	**35,424**

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes to the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

	Note	Contributed Equity $'000	Foreign Currency Transaction Reserve $'000	Options Reserve $'000	Accumulated Losses $'000	Total $'000
Balance at 31 December 2011		**43,295**	**(3,879)**	**1,249**	**(13,598)**	**27,067**
Loss for the year		-	-	-	(2,072)	(2,072)
Other comprehensive income		-	196	-	-	196
Total comprehensive income for the year		**-**	**196**	**-**	**(2,072)**	**(1,876)**
Issue of ordinary shares and other equity instruments	16	10,233	-	-	-	10,233
Transfer to accumulated losses		-	-	(722)	722	-
Transactions with owners as owners		**10,233**	**-**	**(722)**	**722**	**10,233**
Balance at 31 December 2012		**53,528**	**(3,683)**	**527**	**(14,948)**	**35,424**
Loss for the year		-	-	-	(1,703)	(1,703)
Other comprehensive income		-	7,797	-	-	7,797
Total comprehensive income for the year		**-**	**7,797**	**-**	**(1,703)**	**6,094**
Issue of ordinary shares and other equity instruments	16	3,051	-	-	-	3,051
Transfer to accumulated losses		**-**	**-**	(527)	527	-
Transactions with owners as owners		**3,051**	**-**	**-**	**-**	**3,051**
Balance at 31 December 2013		**56,579**	**4,114**	**-**	**(16,124)**	**44,569**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes to the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

	Note	2013 $'000	2012 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		36	44
Payments to suppliers and employees		(1,915)	(1,818)
Interest received		14	97
Net cash used in operating activities	24	**(1,865)**	**(1,677)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capitalised exploration and evaluation expenditure		(2,927)	(8,871)
Payments for property, plant and equipment		-	(68)
Net cash used in investing activities		**(2,927)**	**(8,939)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		250	-
Proceeds from issue of equity securities		2,942	11,001
Issue costs		(150)	(768)
Net cash provided by financing activities		**3,042**	**10,233**
Net (decrease) in cash and cash equivalents held		**(1,750)**	**(383)**
Cash and cash equivalents at beginning of financial year		**1,486**	**1,766**
Effects of changes in foreign exchange rates on cash held		**264**	**103**
Cash and cash equivalents at end of financial year	9	**-**	**1,486**

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes to the financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

1. **GENERAL INFORMATION**

These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations and the Corporations Act 2001 as appropriate for profit oriented entities.

The financial statements cover Bassari Resources Limited and controlled entities as a consolidated entity for the financial year ended 31 December 2013. Bassari Resources Limited is a company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange.

Separate financial statements for Bassari Resources Limited as an individual entity are no longer presented as a consequence of a change to the Corporations Act 2001, however limited financial information for Bassari Resources Limited as an individual entity is included in Note 23.

The financial statements were authorized for issue by the Directors on 31 March 2014.

The financial report is presented in Australian currency.

The address of the registered office and principal place of business of the company is:

Level 17
500 Collins Street
Melbourne Vic 3000

Going Concern

The Group has incurred a net loss after tax of $1,703,000 for the year ended 31 December 2013 and had cash outflows from operating and investing activities of $4,792,000. In addition the Group had a net working capital deficit, being current assets less current liabilities of $871,000. The directors are aware that to advance the Group's exploration activities over the next 12 months additional funding will be required. The Group's ability to continue as a going concern is therefore dependent on the raising of funds sufficient to meet the Group's expenditure forecasts.

These matters give rise to a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern.

The annual financial report has been prepared on a going concern basis which assumes the realisation of assets and discharge of liabilities in the normal course of business at the amounts stated in the financial report, for the following reasons:

- The Company has prepared cash flow budgets which include additional cash outflows for operational and project studies, which can be deferred in part if there are delays in raising capital or insufficient capital is raised to fund forecast expenditure.

- The Group has a history of successfully raising funds. The Group is currently negotiating with a number of parties to raise further capital in the short term. The Company has the ability to raise further capital without shareholder approval through its available 15% capacity under ASX Listing Rules.

- Subsequent to the end of the financial year, the Company concluded a placement which had commenced late December 2013, raising an additional $375,000 and on 18 February 2014, the Company announced that it was undertaking a capital raising by offering to eligible shareholders via a Share Purchase Plan (SPP) the right to apply for up to $15,000 of shares in the Company. The SPP closed on 7 March 2014 and raised $820,400 before costs to be applied to working capital and to further progress the Makabingui Gold Project studies. On 19 March 2014, HEGL Investments Pty Ltd exercised its option to convert $250,000 secured loan funds to 31,250,000 ordinary shares in the Company at 0.8 cents per share.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

On the basis that sufficient funding is expected to be raised to meet the Group's expenditure forecasts, the directors consider that the Group remains a going concern and these financial statements have been prepared on this basis.

Should the company be unable to continue as a going concern it may be required to realize its assets and discharge its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or the amount of liabilities that might be necessarily incurred should the consolidated entity be unable to continue as a going concern and meet its debts as and when they fall due.

2. NEW STANDARDS AND INTERPRETATIONS

(a) *New, Revised or Amending Accounting Standards and Interpretations Adopted*

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") that are relevant to their operations and effective for the year.

New and revised Standards and amendments thereof and Interpretations effective for the year that are relevant to the Group include:

AASB 10 *Consolidated Financial Statements.*

The consolidated entity has applied AASB 10 from 1 January 2013. AASB 10 supersedes AASB 127 Consolidated and Separate Financial Statements and Interpretation 112 Consolidation – Special Purpose Entities. AASB 10 revises the definition of control and provides extensive new guidance on its application. These new requirements have the potential to affect which of the Group's investees are considered to be subsidiaries and therefore change the scope of consolidation. The requirements on consolidation procedures, accounting for changes in non-controlling interests and accounting for loss of control of a subsidiary are unchanged.

A review of the control assessments in accordance with AASB 10 has resulted in no effect on the classification (as subsidiaries or otherwise) of any of the Group's investees held during the period or comparative periods covered by these financial statements.

The adoption of all the new and revised Standards and Interpretations has not resulted in any changes to the Group's accounting policies and has no effect on the amounts reported for the current or prior financial periods.

(b) New, Revised or Amending Accounting Standards and Interpretations Not Yet Effective

The following are standards, amendments to standards and interpretations most applicable to the Group that are not yet mandatory and have not been applied in these financial statements:

AASB 9 Financial Instruments includes requirements for the classification and measurement of financial assets resulting from the first part of Phase 1 of the project to replace AASB 139 Financial Instruments: Recognition and Measurement, which becomes mandatory for the Group's 31 December 2015 financial statements.

The Group has not yet determined the eventual effect of the above standard, amendments to standards and interpretations, however at this stage it is not thought to be material.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4. STATEMENT OF COMPLIANCE

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. Australian Accounting Standards include International Financial Reporting Standards as adopted in Australia. Compliance with International Financial Reporting Standards as adopted in Australia ensures that the financial report complies with International Financial Reporting Standards (IFRS).

Basis of preparation

The financial report has been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars unless otherwise stated.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 31 December 2013, and the comparative information presented in these financial statements for the year ended 31 December 2012

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

(a) Consolidation

The consolidated financial statements comprise the financial statements of Bassari Resources Limited and its subsidiaries at each period end ("the Group"). Subsidiaries are entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. Potential voting rights that are currently exercisable or convertible are considered when assessing control. Consolidated financial statements include all subsidiaries from the date that control commences until the date that control ceases. The financial statements of subsidiaries are prepared for the same reporting period as the parent, using consistent accounting policies.

Consistent accounting policies are employed in the preparation and presentation of the consolidated financial statements.

All intercompany balances and transactions, including unrealised profits arising from intragroup transactions have been eliminated. Unrealised losses are also eliminated unless costs cannot be recovered.

(b) Segment Reporting

The principal business and geographical segment of the Company is mineral exploration within Senegal, West Africa. The Company has its head office in Australia, which represents a non-material reportable segment.

Business and geographical segments

Segment information is presented using a "management approach", i.e. segment information is provided on the same basis as information used for internal reporting purposes by the board of directors. At regular intervals, the board is provided management information at a group level for the group's cash position, the carrying values of exploration permits and a group cash forecast for the next twelve months.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

(c) Cash and Cash Equivalents

For the purposes of the Consolidated Statement of Cash Flows, cash and cash equivalents includes cash on hand and at bank, deposits held at call with financial institutions, over short term highly liquid investments with maturities of three months or less, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts.

(d) Employee Entitlements Provision

Wages and Salaries, Annual Leave and Sick Leave

Liabilities for wages and salaries, including non–monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the end of the financial reporting period are recognised in liabilities in respect of employees' services rendered up to the end of the financial reporting period and are measured at amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when leave is taken and measured at the actual rates paid or payable. Liabilities for wages and salaries are included as part of Other Payables and liabilities for annual and sick leave are included as part of Employee Entitlement Provisions.

Long Service Leave

Liabilities for long service leave are recognised as part of the provision for employee entitlements and measured as the present value of expected future payments to be made in respect of services provided by employees during the reporting period using the projected unit credit method. Consideration is given to expected future salaries and wages levels, experience of employee departures and periods of service. Expected future payments are discounted using national government bond rates at the end of the financial reporting period with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(e) Exploration and Evaluation Expenditure

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only capitalised to the extent that they are expected to be recouped through the successful development of the area or sale, or where exploration and evaluation activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves and active and significant operations in, or in relation to, the area of interest are continuing.

Accumulated costs in relation to an abandoned area are written off in full against profit/(loss) in the period in which the decision to abandon the area is made. In addition a provision is raised against exploration and evaluation expenditure where the directors are of the opinion that the carried forward net cost may not be recoverable. Any such provision is charged against the results for the period.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Expenditure is not carried forward in respect of any area of interest/mineral resource unless the entity's rights of tenure to that area of interest are current.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of the relevant stage. Provisions are made for the estimated costs of restoration relating to areas disturbed during the mines operation up to reporting date but not yet rehabilitated. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal and rehabilitation of the site in accordance with relevant clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on a discounted basis.

Any changes in the estimates of the costs are accounted for on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that any restoration will be completed within one year of abandoning the site.

Exploration and evaluation expenditure is assessed for impairment if facts and circumstances suggest that the carrying amount may exceed the recoverable amount.

For the purposes of impairment testing, exploration and evaluation expenditure is allocated to cash- generating units to which the exploration activity relates. The cash generating unit shall not be larger than the area of interest.

(f) Foreign Currency Translation

The functional and presentation currency of Bassari Resources Limited and its Australian subsidiaries is Australian dollars ($A).

Foreign currency transactions are translated into the functional currency using the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the end of the financial reporting period. Foreign exchange gains and losses resulting from settling foreign currency transactions, as well as from restating foreign currency denominated monetary assets and liabilities, are recognised in profit or loss, except when they are deferred in equity as qualifying cash flow hedges or where they relate to differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when fair value was determined.

The functional currency of the overseas subsidiaries is Senegal FCFA. At reporting date, the assets and liabilities of the overseas subsidiary is translated into the presentation currency of Bassari Resources Limited at the closing rate at the end of the financial reporting period and income and expenses are translated at the weighted average exchange rates for the period. All resulting exchange differences are recognised as other comprehensive income and in a separate component of equity (foreign exchange translation reserve). On disposal of a foreign entity, the cumulative exchange differences recognised in foreign currency translation reserves relating to that particular foreign operation is recognised in profit or loss.

(g) Goods and Services Tax ("GST")

Revenues, expenses and assets are recognised net of GST except where GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item.

Receivables and payables are stated with the amount of the GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.Cash flows are included in the cash flow statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

(h) Impairment of Assets

At each reporting date, the Group assesses whether there is any indication that individual assets are impaired. Where impairment indicators exist, recoverable amount is determined and impairment losses are recognised in profit or loss where the asset's carrying value exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Where it is not possible to estimate recoverable amount for an individual asset, recoverable amount is determined for the cash generating unit to which the asset belongs.

(i) Income Tax

The income tax expense for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements and to unused tax losses.

Deferred tax assets and liabilities are recognised for all temporary differences, between carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases, at the tax rates expected to apply when the assets are recovered or liabilities settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. Exceptions are made for certain temporary differences arising on initial recognition of an asset or a liability if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect their accounting profit or taxable profit.

Deferred tax assets are only recognised for deductible temporary differences and unused tax losses if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, associates and interests in joint ventures where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Current and deferred tax balances relating to amounts recognised directly in equity are also recognised directly in equity.

(j) Leases

Leases where the lessor retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Payments made under operating leases (net of incentives received from the lessor) are charged to profit or loss on a straight line basis over the period of the lease.

(k) Property, Plant and Equipment

Plant and equipment are measured on the historical cost basis, including costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, less depreciation and impairment losses.

The cost of plant and equipment constructed within the consolidated entity includes the cost of materials, direct labour and borrowing costs where appropriate.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

Depreciation

The depreciable amount on all plant and equipment, excluding freehold land, is depreciated on a straight line basis over the estimated useful lives commencing from the time the asset is held ready for use, as follows:

Plant and equipment	3-5 years
Office furniture and fittings	3-5 years
Motor vehicles	3-5 years

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each reporting date.

Gains and losses on disposals are determined by comparing net disposal proceeds with the asset's carrying amount. These gains and losses are included in profit or loss, in the period that the item is derecognised. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(l) Provisions

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(m) Revenue Recognition

Revenue is recognised at the fair value of consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes paid. The following specific recognition criteria must be met before revenue is recognised:

Sale of Gold
Revenue from the sale of gold is brought to account when the significant risks and rewards of ownership have transferred to the buyer and the selling prices are known or can be reasonably estimated.

Interest
Revenue is recognised as interest accrues using the effective interest method. The effective interest method uses the effective interest rate which is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial asset.

(n) Share Based Payments

(i) Equity settled transactions

The group has previously provided benefits to its employees (including directors) and to contractors in the form of share-based payments, whereby employees render services in exchange for shares or options over shares (equity-settled transactions).

The fair value of options granted is recognised as an employee benefit expense with a corresponding increase in equity (share option reserve). The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the options. Fair value is determined by an independent valuer using a Black-Scholes option pricing model. In determining fair value, no account is taken of any performance conditions other than those related to the share price of Bassari Resources Limited ("market conditions"). The cumulative expense recognised between grant date and vesting date is adjusted to reflect the directors best estimate of the number of options that will ultimately vest because of internal conditions of the options, such as the employees having to remain with the company until vesting date. No expense is recognised for options that do not ultimately vest because internal conditions were not met. An expense is still recognised for options that do not ultimately vest because a market condition was not met.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

Where the terms of options are modified, the expense continues to be recognised from grant date to vesting date as if the terms had never been changed. In addition, at the date of the modification, a further expense is recognised for any increase in fair value of the transaction as a result of the change.

Where options are cancelled, they are treated as if vesting occurred on cancellation and any unrecognised expenses are taken immediately to profit or loss. However, if new options are substituted for the cancelled options and designated as a replacement on grant date, the combined impact of the cancellation and replacement options are treated as if they were a modification.

(o) Earnings per Share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to members of Bassari Resources Limited, adjusted for the after-tax effect of preference dividends on preference shares classified as equity, by the weighted average number of ordinary shares outstanding during the financial period, adjusted for bonus elements in ordinary shares during the period. The weighted average number of issued shares outstanding during the financial period does not include shares issued as part of an Employee Share Loan Plan that are treated as in-substance options.

Diluted earnings per share

Earnings used to calculate diluted earnings per share are calculated by adjusting the basic earnings by the after-tax effect of dividends and interest associated with dilutive potential ordinary shares. The weighted average number of shares used is adjusted for the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

(p) Trade and Other Payables

They represent liabilities for goods and services provided to the group prior to the end of the financial period that are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(q) Contributed Equity

Ordinary share capital is recognised at the fair value of the consideration received by the company. Any transaction costs arising on the issue of new shares or options are recognised directly in equity as a reduction of the share or option proceeds received. Ordinary share capital bears no special terms or conditions affecting income or capital entitlements of the shareholders.

(r) Comparatives

Where necessary, comparative information has been reclassified and repositioned for consistency with current period disclosures.

(s) Rounding Amounts

The company is of a kind referred to in ASIC Class Order Co 98/0100 and in accordance with that Class Order, amounts in the financial statements have been rounded off to the nearest thousand dollars, or in certain cases, to the nearest dollar.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

4. ACCOUNTING ESTIMATES AND JUDGEMENTS

Management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revisions affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

Critical Judgments

Management has made the following judgments when applying the Group's accounting policies:

Tax losses - The Group has not recognised a deferred tax asset with regard to unused tax losses and other temporary differences, as it has not been determined whether the Group will generate sufficient taxable income against which the unused tax losses and other temporary differences can be utilised.

Exploration costs – The Group has capitalised costs associated with its exploration activities as stated in note 3(e) and at 31 December 2013 no impairment has been recognised.

Critical Accounting Estimates and Assumptions

Details of critical accounting estimates and assumptions about the future made by management at reporting date are set out below:

Impairment – The Group assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the assets is determined.

Judgments made by management in the application of International Financial Reporting Standards as adopted in Australia that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed, where applicable, in the relevant notes to the financial statements.

5. REVENUE

	2013 $'000	2012 $'000
Interest revenue from bank deposits	14	97
Other revenue	11	44
	25	141

6. LOSS FOR THE YEAR

	2013 $'000	2012 $'000
Loss before income tax has been determined after:		
Employee benefits:		
Salaries, wages, oncosts and consultant fees	811	918
Superannuation – defined contribution	45	51
	856	969
Asset related expenses:		
Depreciation of non-current assets	25	58
	25	58

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

7. INCOME TAXES

	2013 $'000	2012 $'000
Income tax recognised in profit or loss	-	-
Tax expense comprises:		
Current tax expense	-	-
Deferred tax expense relating to the origination and Reversal of temporary differences	-	-
Total tax expense	**-**	**-**

The prima facie income tax expense on pre-tax accounting losses from operations reconciles to the income tax expense in the financial statements as follows:

	2013 $'000	2012 $'000
Loss from operations	**(1,703)**	**(2,072)**
Income tax calculated at 30% (2012 – 30%) Income tax of other members of the tax consolidated group (net of inter-Company transactions)	(511)	(622)
Add tax effect of:		
Non-deductible expenses/(non assessable items)	36	(167)
Less tax effect of:		
Unused tax losses not recognised as deferred tax assets	475	789
	-	-

Deferred tax assets not brought to account, the benefits of which will only be realised if the conditions for deductibility set out below occur:

	2013 $'000	2012 $'000
Tax losses (revenue or operating losses) – Australia	2,795	2,456
Tax losses (capital)	-	-
	2,795	**2,456**

Tax losses have been adjusted for prior income tax returns lodged. Tax losses, Australia, are calculated at 30%.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

The benefit of these losses has not been brought to account at 31 December 2013 because the directors do not believe it is appropriate to regard realisation of the deferred tax asset as being probable at this point in time. These tax losses are also subject to final determination by the Taxation authorities when the Group derives taxable income. The benefits will only be realised if:

(a) The Company and its subsidiaries derive future assessable income of a nature and of an amount sufficient to enable the benefit of the deduction for the losses to be realised;
(b) The Company and its subsidiaries continue to comply with the conditions for the deductibility imposed by law; and
(c) No changes in the tax legislation adversely affect the Company and its subsidiaries in realising the benefit of the losses.

Australian tax losses are subject to further review by the consolidated entity to determine if they satisfy the necessary legislative requirements under the Income Tax legislation for the carry forward and recoupment of tax losses.

8. KEY MANAGEMENT PERSONNEL DISCLOSURES

(a) The names and positions held by key management personnel in office at any time during the financial year are:

Alex S Mackenzie	Chairman (Executive) (appointed 12 April 2013)
John A Ballard	Chairman (Non Executive) (resigned 19 April 2013)
Chris H Young	Director (Non Executive)
Philip F Bruce	Director (Non-Executive) (appointed 9 September 2013)
Jozsef Patarica	Managing Director/CEO (Executive)
Ian Riley	Company Secretary/CFO

(b) Key Management Personnel Remuneration

	Short term benefits			Post employment Benefit	Share based payments	Total
	Salaries & Fees	Non-cash benefits	Cash bonus	Superannuation Contribution	Options	
	$	$	$	$	$	$
2013	640,322	-	-	32,279	-	672,601
2012	722,145	-	-	33,238	-	755,383

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

(c) Options and Rights Holdings

Number of options held directly, indirectly or beneficially by company directors and key management personnel

2013	Balance as at 1 January 2013	Granted as Remuneration	Options lapsed	Net other change	Balance as at 31 December 2013	Total Vested 31 December 2013	Total vested and exercisable 31 December 2013	Total unvested and not exercisable 31 December 2013
Directors								
A S Mackenzie	--	-	-	-	-	-	-	-
J Patarica	1,200,000	-	(1,200,000)	-	-	-	-	-
C H Young	100,000	-	(100,000)	-	-	-	-	-
P F Bruce	--	-	-	-	-	-	-	-
J A Ballard	-	-	-	-	-	-	-	-
KMP								
I Riley	500,000	-	(500,000)	-	-	-	-	-
TOTAL	**1,800,000**	**-**	**(1,800,000)**	**-**	**-**	**-**	**-**	**-**

2012	Balance as at 1 January 2012	Granted as Remuneration	Options lapsed	Net other change	Balance as at 31 December 2012	Total Vested 31 December 2012	Total vested and exercisable 31 December 2012	Total unvested and not exercisable 31 December 2012
Directors								
J Patarica	1,255,469	-	(55,469)	-	1,200,000	1,200,000	1,200,000	-
C H Young	116,666	-	(16,666)	-	100,000	100,000	100,000	-
J A Ballard	-	-	-	-	-	-	-	-
KMP								
I Riley	511,424	-	(11,424)	-	500,000	500,000	500,000	-
TOTAL	**1,883,559**	**-**	**(83,559)**	**-**	**1,800,000**	**1,800,000**	**1,800,000**	**-**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

(d) Shareholdings - Number of shares held, directly, indirectly or beneficially, by company directors and key management personnel

2013	Balance as at 1 January 2013	Received as Remuneration	Options Exercised	Net Change Other	Net Change Other **	Balance as at 31 December 2013
Directors						
A S MacKenzie	-	-	-	1,600,000	44,541,547	46,141,547
C H Young	300,000	-	-	-	-	300,000
J Ballard	768,386	-	-	-	(768,386)	-
P Bruce #	-	-	-	-	-	
J Patarica	548,777	-	-	98,345	-	647,122
KMP						
I Riley	40,182	-	-	-	-	40,182
TOTAL	**1,657,345**	**-**	**-**	**1,698,345**	**43,773,161**	**47,128,851**

** Director shareholdings at the time of appointment or resignation

Philip Bruce is employed by Hill End Gold Limited (HEG) and represents HEG's shareholding in Bassari of 100,000,000 shares (31 December 2012, Nil)

2012	Balance as at 1 January 2012	Received as Remuneration	Options Exercised	Net Change Other	Net Change Other	Balance as at 30 December 2012
Directors						
C H Young	300,000	-	-	-	-	300,000
J Ballard	600,000	-	-	168,386	-	768,386
J Patarica	338,979	-	-	209,798	-	548,777
KMP						
I Riley	40,182	-	-	-	-	40,182
TOTAL	**1,279,161**	**-**	**-**	**378,184**		**1,657,345**

9. CASH AND CASH EQUIVALENTS

	2013 $000	2012 $000
Cash at bank and cash on hand	-	1,486

Cash at banks bear floating interest rates between 5% and 0% (2012: 5% and 0%).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

10. TRADE AND OTHER RECEIVABLES
CURRENT

	2013 $'000	2012 $'000
Other receivables	87	185

11. PROPERTY, PLANT AND EQUIPMENT

	Plant and Equipment $'000	Office Furniture $'000	Motor Vehicles $'000	Total $'000
Gross carrying amount				
Balance at 1 January 2012	**3,654**	**224**	**1,251**	**5,129**
Adjustment	(58)	(4)	(69)	(131)
Additions	64	4	-	68
Disposals	(70)	-	(163)	(233)
Transfer from exploration and evaluation assets	21	-	134	155
Foreign currency translation difference	9	-	1	10
Balance at 31 December 2012	**3,620**	**224**	**1,154**	**4,998**
Additions	-	-	-	-
Disposals	-	-	(73)	(73)
Assets written off	(325)	(59)	(11)	(395)
Foreign currency translation difference	540	20	109	669
Balance at 31 December 2013	**3,835**	**185**	**1,179**	**5,199**
Accumulated depreciation				
Balance at 1 January 2012	**1,703**	**162**	**597**	**2,462**
Adjustment	(58)	(4)	(69)	(131)
Depreciation	1,018	39	453	1,510
Disposals	(70)	-	(163)	(233)
Foreign currency translation difference	4	-	5	9
Balance at 31 December 2012	**2,597**	**197**	**823**	**3,617**
Depreciation	823	21	230	1,074
Disposals/assets written off	(325)	(59)	(59)	(443)
Foreign currency translation difference	353	16	61	430
Balance at 31 December 2013	**3,448**	**175**	**1,055**	**4,678**
Net book value				
As at 31 December 2012	1,023	27	331	1,381
As at 31 December 2013	**387**	**10**	**124**	**521**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

12. EXPLORATION AND EVALUATION ASSETS

	2013 $'000	2012 $'000
Costs carried forward in respect of areas of interest at cost	33,651	23,392
Expenditure incurred during the year	2,927	8,871
Depreciation capitalised	1,048	1,452
Assets transferred to Property plant and equipment	-	(155)
Exchange translation difference	7,293	91
Total exploration and evaluation expenditure	44,919	33,651

The ultimate recoupment of capitalised expenditure in relation to each area of interest is dependent on the successful development and commercial exploitation or, alternatively, sale of the respective areas the results of which are still uncertain.

Capitalised mining concession costs comprise costs incurred to secure the mining concessions for the 3 permits in Senegal.

Whilst the projects are not currently generating cash flow, the Company is of the view that the 3 permits will contribute significant value in the future and that this value will be in excess of the current value of the capitalised costs.

13. TRADE AND OTHER PAYABLES

	2013 $'000	2012 $'000
CURRENT		
Trade and other payables	554	1,200

14. FINANCIAL LIABILITIES

CURRENT		
Loan (secured)	250	-

The loan was provided by HEGL Investments Limited in November 2013. The loan provided funds for working capital. Repayment is due 4 months after the loan advance. The interest rate is 5% per annum. The loan is secured by a charge over Bassari's wholly owned subsidiary, Bassari Equipment Pty Ltd, and can be settled in cash or by the issue of shares on or before the repayment date.

15. PROVISIONS

CURRENT		
Employee entitlements	154	79

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

16. CONTRIBUTED EQUITY

	2013	2012
(a) Ordinary shares	**$000**	**$000**
Paid-up capital		
771,319,369 (2012: 572,654,403) fully paid ordinary shares	56,579	53,528

Movement in ordinary share capital	**No.**	**$'000**
At 1 January 2012	**352,648,689**	**43,295**
Shares issued during the year		
Shares placed at 5 cents	180,000,000	9,000
Share Purchase Plan at 5 cents	40,000,000	2,000
Options exercised at 11 cents	5,714	1
Cost of capital raising	-	(768)
Total for the year	220,005,714	10,233
At 31 December 2012	572,654,403	53,528
Shares issued during the year		
Placement at 2.3 cents	85,800,000	1,973
Issued to director at 2.3 cents	1,600,000	37
Issued in lieu of contracting services at 2.3 cents	11,264,966	259
Issued to HEGL Investments at 0.8 cents	31,250,000	250
Issued to HEGL Investments at 0.8 cents	31,250,000	250
Issued to HEGL Investments at 0.8 cents	37,500,000	300
Share placement at 0.6 cents*	-	132
Cost of capital raising	-	(150)
Total for the financial period	198,664,966	3,051
At 31 December 2013	**771,319,369**	**56,579**

* 22,033,333 fully paid ordinary shares issued on 2 January 2014. Funds were received prior to year end.

Fully paid ordinary shares carry one vote per share and carry rights to dividends.

At 31 December 2013 there were no partly paid shares outstanding.

Ordinary shareholders are entitled to participate in dividends and the proceeds on winding up of the company in proportion to the number of and amounts paid on the shares held. This is subject to the prior entitlements of the cumulative redeemable preference shares which are classified as liabilities. Every ordinary shareholder present at a meeting in person or by proxy is entitled to one vote on a show of hands or by poll.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

(b) Options

Details of all options issued by the Company and outstanding at period-end:

Issue Date	Expiry date	Exercise Price	31 December 2013	31 December 2012
9 March 2010	31 January 2013	0.45	-	2,100,000
15 April 2010	31 January 2013	0.45	-	1,200,000
3 March 2011	31 December 2013	0.30	-	1,000,000
4 May 2011	31 December 2013	0.30	-	1,500,000

Full details of any exercise or lapse of options during the financial period are contained in Note 26(b).

(c) Capital Risk Management

The Group considers its capital to comprise its ordinary share capital, share premium and accumulated retained earnings.

In managing its capital, the Group's primary objective is to ensure its continued ability to provide a consistent return for its equity shareholders through capital growth. In order to achieve this objective, the Group seeks to maintain a gearing ratio that balances risks and returns at an acceptable level and also to maintain a sufficient funding base to enable the Group to meet its working capital and strategic investment needs.

17. RESERVES

	2013 $'000	2012 $'000
Options reserve (a)	-	527
Foreign currency translation reserve (b)	4,114	(3,683)
	4,114	(3,156)

(a) Options Reserve

(i) **Nature and purpose of reserve**

This reserve is used to record the value of equity benefits expensed. There have been no share based payments in the current year, (2012 – Nil). Refer to Note 26 and the remuneration section of the Director's Report for details.

(ii) **Movements in Reserve**

	2013 $'000	2012 $'000
Balance at the beginning of the year	527	1,249
Movement during the year	(527)	(722)
Balance at end of year	-	527

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

(b) Foreign Currency Translation Reserve
(i) **Nature and purpose of reserve**

This reserve is used to record the exchange differences arising on translation of foreign operations where the foreign operation's functional currency is different from the Group's presentation currency.

(ii) **Movements in Reserve**

	2013 $'000	**2012 $'000**
Balance at the beginning of the year	(3,683)	(3,879)
Movement during the year	7,797	196
Balance at end of year	4,114	(3,683)

18. EARNINGS PER SHARE

	2013 $'000	**2012 $'000**
(a) Earnings used in the calculation of basic and diluted EPS	(1,703)	(2,072)
(b) Weighted average number of ordinary shares outstanding during the period used in the calculation of basic and diluted EPS	678,842,507	550,669,349
(c) Basic earnings per share From continuing operations	(0.25)	(0.38)
Total basic earnings per share attributable to owners of Bassari Resources Limited	**(0.25)**	**(0.38)**
(d) Diluted earnings per share From continuing operations	(0.25)	(0.38)
Total diluted earnings per share attributable to owners of Bassari Resources Limited	**(0.25)**	**(0.38)**

The options on issue throughout the financial periods are not dilutive in effect, as the consolidated entity recorded a net loss in each of those financial periods.

19. DIVIDENDS

During the financial year, no dividends were paid. The directors have not recommended the payment of a dividend.

20. COMMITMENTS FOR EXPENDITURE

(a) Capital Expenditure Commitments
The Company has no capital expenditure commitments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

(b) **Exploration Commitments**

In order to maintain current rights of tenure to exploration tenements, the Company and economic entity are required to meet the minimum expenditure requirements of the Department of Mining. Minimum expenditure commitments may otherwise be avoided by sale, farm out or relinquishment. These obligations are not provided in the accounts. The Company has committed to spend a total of US$10.2 million over the three year period of the granted permit areas in respect of these exploration programs. Expenditure commitment is for 3 years from the date of renewal of each permit. The commitment for each permit is as follows:

Name on Permit	Joint Venture Partner and Permit Holder	Remaining Expenditure Commitment	3 Year Expenditure Commitment	Permit last renewed
Moura	Sengold Mining NL	US$1.35 million	US$2.5 million	28-02-2012
Sambarabougou	W.A.T.I.C	US$6.15 million	US$6.5 million	13-09-2013
Bounsankoba	Libah Investments Ltd	US$0.96 million	US$1.2 million	5-08-2010*

The remaining expenditure commitment in total is A$10.02 million

* Permit renewal lodged June 2013

21. CONTINGENT LIABILITIES

Judgment has been made against Bassari Resources SARL in a matter brought by seven former employees of the Company, for wrongful dismissal. The judgment, which is being appealed, approximates $54,000. Other than this matter, the directors are not aware of any other contingent liabilities at 31 December 2013.

22. SUBSIDIARIES

Subsidiary entities consolidated	Country of Incorporation	Class of shares	Percentage owned 2013	Percentage owned 2012
Bassari Resources SARL	Senegal	Ordinary	100%*	100%*
Bassari Equipment Pty Ltd	Australia	Ordinary	100%*	100%*
Bassari Mauritius Holdings Ltd	Mauritius	Ordinary	100%*#	100%*#
Bassari Mauritius Holdings No 2 Ltd	Mauritius	Ordinary	100%*#	100%*#
Bassari Mauritius Equipment Ltd	Mauritius	Ordinary	100%*#	100%*#
Douta Mining SA	Senegal	Ordinary	63% ^	63% ^

* The proportion of ownership interest is equal to the proportion of voting power held.
\# Companies incorporated in February 2010 have been dormant from incorporation to 31 December 2013.
^ Douta Mining SA was incorporated in Senegal in 2011.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

23. PARENT ENTITY INFORMATION

	Parent Entity 2013 $'000	Parent Entity 2012 $'000
Information relating to Bassari Resources Limited		
Financial Position		
Current assets	123	1,595
Non-current assets	45,017	35,746
Total assets	45,140	37,341
Current liabilities	(571)	(1,100)
Non-current liabilities	-	(817)
Total Liabilities	(571)	(1,917)
Net assets	44,569	35,424
Contributed equity	62,910	59,859
Reserves	-	527
Accumulated losses	(18,341)	(24,962)
Total equity	44,569	35,424
Financial performance		
Total revenue	14	97
Profit/(loss) for the year	6,093	(19,935)
Comprehensive income/(loss) for the year	6,093	(19,935)

The parent company has not entered into any guarantees with its controlled entities or associates.

Capital Commitments

There are no commitments for the acquisition of plant and equipment contracted for at the reporting date.

Operating rental lease	2013 $'000	2012 $'000
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	39	79
One to five years	-	44

Finance Leases

There are no commitments in relation to finance leases.

Contingent Liabilities

The parent entity is not subject to any liabilities that are considered contingent upon events known at balance date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

24. CASH FLOW INFORMATION

	2013 $'000	2012 $'000
Reconciliation of cash and cash equivalents Cash at the end of the financial year as shown in the consolidated statement of cash flows is reconciled to items in the consolidated statement of financial position as follows:		
Cash and cash equivalents	-	1,486
Reconciliation of loss for the year to net cash flows from operating activities:		
Loss for the year	(1,703)	(2,072)
Non cash flows in loss		
Depreciation	25	58
Disposal of non-current assets	25	-
Changes in assets and liabilities		
Decrease/(Increase) in receivables	99	(13)
(Decrease)/Increase in other liabilities	(387)	331
Increase in provisions	76	19
Cash flows from operations	**(1,865)**	**(1,677)**

25. FINANCIAL RISK MANAGEMENT

(a) General objectives, policies and processes

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements. There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

The consolidated entity's principal financial instruments comprise cash and cash equivalents. The main purpose of these financial instruments is to finance the consolidated entity's operations in Senegal and Australia. The consolidated entity has various other financial assets and liabilities such as receivables and trade payables, which arise directly from its operations. It is, and has been through the entire period, the consolidated entity's policy that no trading in financial instruments shall be undertaken.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

The main risks arising from the consolidated entity's financial instruments are cash flow interest rate risk. The Board has overall responsibility for the determination of the Group's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's finance function. The Groups' risk management policies and objectives are therefore designed to minimize the potential impacts of these risks on the results of the group where such impacts may be material.

	2013 $'000	2012 $'000
Financial Assets		
Cash and cash equivalents	-	1,486
Other receivables	87	185
Total Financial Assets	**87**	**1,671**
Financial Liabilities		
Loans and payables	872	1,200
Total Financial Liabilities	**872**	**1,200**

(b) Interest Rate Risk

The consolidated entity's exposure to interest rate risk, which is that a financial instrument's value will fluctuate as a result of changes in market interest rates, relates primarily to cash as disclosed in note 9. At balance date the consolidated entity had the following mix of financial assets and liabilities that were subject to interest:

	2013 $'000	2012 $'000
Cash and cash equivalents	-	1,486
Financial liabilities	(250)	-
Net Financial (Liabilities)/Assets	**(250)**	**1,486**

The consolidated entity's exposure to interest rate risk, as well as potential opportunities, are constantly reviewed, and consideration given to available products and the relative benefits of available fixed and variable instruments. The following sensitivity analysis is based on the interest rate risk/opportunity in existence at balance date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

At the period end date, if interest rates had moved as illustrated in the table below, with all other variables held constant, post tax profit and equity would have been affected as follows:

	2013	2012
Judgments of reasonably possible movements:	**$'000**	**$'000**
+1% (100 basis points)	3	(15)
-1% (100 basis points)	(3)	15

(c) Credit Risk

Credit risk is the risk that the other party to a financial instrument will fail to discharge their obligation resulting in the Group incurring a financial loss. This usually occurs when debtors or counterparties to derivative contracts fail to settle their obligations owing to the Group. The Group's main credit risk is associated with bank default. However the Group invests most of its cash with financially sound Australian banking institutions. The group's maximum credit risk is $87,000 (2012: $1,671,000)

(d) Fair Values

The following methods and assumptions are used to determine the net fair values of financial assets and liabilities:

Cash, cash equivalents and financial liabilities: The carrying amount approximates fair value because of their short term to maturity.

Trade receivables and payables: The carrying amount approximates fair value because of their short term to settlement.

(e) Liquidity Risk Management

Liquidity risk is the risk that the Group may encounter difficulties raising funds to meet commitments associated with financial instruments

Ultimate responsibility for liquidity risk management rests with the Board of directors which has built an appropriate liquidity risk framework for the management of the group's short, medium and long-term funding and liquidity management requirements.

Trade and other payables are contractually due within 6 months.

Loans received are short term and are repayable within 4 months of receipt.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

(f) Commodity Price Risk

The Group is exposed to Commodity Price Risk. The risk arises from is activities directed at exploration and development of mineral commodities. If commodity prices fall, the market for companies exploring for these commodities is affected. The consolidated entity does not hedge its exposures.

26. SHARE BASED PAYMENTS

	2013 $	2012 $
Ordinary shares issued in lieu of contracting services provided #	259,094	-
Options issued to directors, employees and consultants	-	-
Total share based payments	259,094	**-**

\# Shares were issued at the same pricing as the placement issue of 85.8 million ordinary shares, 2.3 cents each ordinary share.

(a) Ordinary shares

Ordinary shares were issued to Minerex Drilling Contractors Limited in lieu of services provided. The value of the payment was determined by the value of the service provided, being part payment of invoices for services provided amounting to US$250,000.

(b) **Options**

There were no options relating to share based payments outstanding at 31 December 2013. Share based payments to directors and employees, Nil (31 December 2012, Nil) are measured at fair value at the date of grant. The fair value has been determined by using a Binomial options valuation.

	2013		**201**	
	Number of Options	**Weighted Average Exercise Price $**	**Number of Optio ns**	**Weighted Average Exercise Price $**
Outstanding at beginning of the year	5,800,000	0.31	84,583,940	0.15
Granted	-	-	-	-
Issued	-	-	-	-
Exercised	-	-	(5,714)	0.11
Lapsed	(5,800,000)	0.31	(78,978,226)	0.13
Outstanding at year end	-	-	5,800,000	0.31
Exercisable at year end	-	-	5,800,000	0.31

The weighted average remaining contractual life of options at 31 December 2013 was nil years (2012: 0.4 years).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

27. AUDITORS' REMUNERATION

During the year the auditor of the Company and its related practices earned the following remuneration:

	2013 $	2012 $
Audit or review of financial reports of the entity		
BDO East Coast Partnership	60,963	43,220
BDO Audit (NSW-VIC) Pty Ltd	-	18,466
Firms related to the lead auditor		
Taxation services		
BDO Audit (NSW-VIC) Pty Ltd	-	8,518
Firms not related to the lead auditor		-
- 2012 audit services	25,039	-
Total remuneration	**86,002**	**70,204**

The auditors did not receive any other benefits.

28. SUBSEQUENT EVENTS

Since the end of the financial year the Directors are not aware of any matter or circumstance not otherwise dealt with in these financial statements that has significantly or may significantly affect the operation of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in subsequent financial years, except for:

- The Company undertook a capital raising in late December 2013, and placed shares for a value of $0.13 million by 31 December 2013. The capital raising was completed by 22 January 2014, raising a further $0.38 million at 0.6 cents per share. The total raised was $0.51 million.

- On 18 February 2014 the Company announced that it was undertaking a capital raising by offering to eligible shareholders a Share Purchase Plan (SPP) and the right to apply for up to $15,000 of shares in the Company. The SPP closed on 7 March 2014 and raised $820,400 before costs to be applied to working capital and to further progress the Makabingui Gold Project studies.

- On 19 March 2014, HEGL Investments Pty Ltd exercised the option to convert $250,000 secured loan funds to 31,250,000 ordinary shares in the Company at 0.8 cents per share.

29. RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties except in relation to the transactions stated below. Transactions with related parties:

(a) Director Related Entities

Consulting fees of $21,800 (2012: $80,000) were paid to Sennen Trove Pty Ltd, a company in which Mr John Ballard (Director resigned 19 April 2013) held a financial interest. The fees were paid on normal commercial terms, for corporate advisory services provided and included as remuneration in the remuneration report.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013**

Consulting fees of $5,000 (2012: $34,500) were paid to Chris Young Consulting Pty Ltd, a company in which Mr Chris Young holds a financial interest. The fees were paid on normal commercial terms, for geological consulting services provided and included as remuneration in the remuneration report.

Consulting fees of $97,326 (2012: $Nil) were paid to MA Consulting a company in which Mr Alex Mackenzie (Director appointed 12 April 2013) holds a financial interest. The fees were paid on normal commercial terms, for in country and Joint Venture management (Senegal) consulting and advisory services provided and included as remuneration in the remuneration report.

No loans were made to directors or director-related entities during the year.

(b) Consolidated Entities

Details of controlled entity companies are shown in Note 22.

Advances to/(from) controlled entities net of provisions at balance date by Bassari Resources Limited are as follows:

	2012 $	2012 $
Bassari Resources Senegal SARL	38,660,948	29,162,355
Bassari Equipment Pty Ltd	1,113,866	1,113,866
Douta Mining SA	-	(817,331)

Repayment of amounts owing to the Company at 31 December 2013 and all future debts due to the Company, by the controlled entities are subordinated in favour of all other creditors. The Company has agreed to provide sufficient financial assistance to the controlled entities as and when it is needed to enable the controlled entities to continue operations.

DIRECTORS' DECLARATION

1. In the opinion of the directors of Bassari Resources Limited (the Company):

   (a) The financial report and the Remuneration Report included in the Directors' Report, designated as audited, of the consolidated entity are in accordance with the *Corporations Act 2001*, including:

      (i) giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2013 and of its performance for the period ended on that date; and

      (ii) complying with Accounting Standards and the Corporations Regulations 2001;

   (b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

3. The financial statements and notes comply with International Financial Reporting Standards, as discussed in Note 3; and

4. This declaration has been made after receiving the declarations required by section 295A of the *Corporations Act 2001* from the chief executive officer and chief financial officer for the financial year ended 31 December 2013.

Signed in accordance with a resolution of the Board of Directors made pursuant to section 295(5) of the *Corporations Act 2001*. This declaration is made in accordance with a resolution of the directors.

Jozsef Patarica
Director

Signed at Melbourne this 31st day of March 2014

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INDEPENDENT AUDITOR'S REPORT

To the members of Bassari Resources Limited

Report on the Financial Report

We have audited the accompanying financial report of Bassari Resources Limited, which comprises the consolidated statement of financial position as at 31 December 2013, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 3, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Stat*ements, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Bassari Resources Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

(a) the financial report of Bassari Resources Limited is in accordance with the *Corporations Act 2001*, including:

 (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and of its performance for the year ended on that date; and

 (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 3.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 1 (Going Concern) in the financial report, which indicates that the consolidated entity incurred a net loss of $1,703,000 during the year ended 31 December 2013 and had cash outflows from operating and investing activities of $4,792,000. In addition the consolidated entity had a net working capital deficit being current assets less current liabilities of $871,000. The ability of the consolidated entity to continue as a going concern is dependent upon the future successful raising of necessary funding through equity. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 31 to 37 of the directors' report for the year ended 31 December 2013. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Bassari Resources Limited for the year ended 31 December 2013 complies with section 300A of the *Corporations Act 2001*.

BDO East Coast Partnership

David Garvey
Partner

Melbourne, 31 March 2014

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

The following additional information is required by Australian Securities Exchange Limited in respect of listed public companies only.

1. SHAREHOLDING

The issued capital of the company as at 25 March 2014 was 982,412,697 ordinary shares fully

paid. (a) Distribution of shareholder numbers at 25 March 2014:

Size of Holding	Number of Shareholders	%	Number of Shares Held	%
1 - 1,000	63	3.79	6,187	0.00
1,001 - 5,000	79	4.75	276,953	0.03
5,001 - 10,000	127	7.64	1,019,942	0.10
10,001 - 100,000	666	40.05	30,438,147	3.09
100,001 and over	728	43.78	950,671,468	96.77

(b) There were 757 shareholders with a total shareholding of 16,526,100 ordinary shares who held less than a marketable parcel.

(c) The names of the substantial shareholders listed in the holding company's register as at 25 March 2014 are:

Name	Number of Shares Held	%
HEGL Investments Pty Ltd	139,583,333	14.21

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES cont'd)

(d) 20 Largest Shareholders – Ordinary Shares at 25 March 2014

Rank	Name	Number of Shares Held	%
1	HEGL Investments Pty Ltd	139,583,333	14.21
2	Zero Nominees Pty Ltd	41,413,669	4.22
3	UBS Nominees Pty Ltd	35,968,918	3.66
4	Senegal Nominees SARL	31,679,879	3.22
5	Mr Allan Endresz	22,000,000	2.24
6	HSBC Custody Nominees (Australia) Ltd	18,182,226	1.85
7	National Nominees Limited	17,596,339	1.79
8	Mr Mark Tkocz	15,000,000	1.53
9	Balmoral Super Pty Ltd	13,349,364	1.36
10	The Tiger Fund Pty Ltd	12,000,000	1.22
11	Minerex Drilling Contractors Limited	11,264,966	1.15
12	RACT Super Pty Ltd	10,744,187	1.09
13	Pever Pty Ltd	10,400,000	1.06
14	Senegal Nominees SURL	10,229,926	1.04
15	Mr David John Lauritz & Mrs Deborah Madge Lauritz	9,744,187	0.99
16	JP Morgan Nominees Australia Limited	9,333,333	0.95
17	Mr Jason Nicholas Adam	9,039,074	0.92
18	Mr David John Lauritz	8,744,187	0.89
19	Inkese Pty Ltd	7,718,000	0.79
20	Greatside Holdings Pty Ltd	6,994,187	0.71

2. TENEMENT SCHEDULE

Name on Permit	Joint Venture Partner and Permit Holder	Date Exploration/ Exploitation* Permits Granted/ Renewed	Joint Venture % held by Bassari
Moura	Sengold Mining NL	28.02.2012	70%
Sambarabougou	W.A.T.I.C	13.09.2013	70%
Bounsankoba	Libah Investments Ltd	05.08.2010	70%
Sambarabougou	Douta Mining SA*	13.08.2010	63%

CORPORATE GOVERNANCE STATEMENT

Bassari is committed to communicating with shareholders as openly as is consistent with its obligations under its Continuous Disclosure Policy.

All Bassari disclosures to the ASX, including the Annual Report, charters and policies are available on the company's and ASX websites as soon as possible after lodgement.

The Board of Directors of Bassari Resources Limited is responsible for the corporate governance of the Company. The Board guides and monitors the business and affairs of the Company on behalf of the shareholders by whom they are elected and to whom they are accountable.

The various corporate governance practices are discussed within this statement, and for further information on the corporate governance policies adopted by Bassari Resources Limited, refer to the website: www.bassari.com.au

The directors support and are committed to maintaining best practice in corporate governance principles and the following description of the governance arrangements for the year ended 31 December 2013 addresses those principles set out in the 2nd edition of the ASX Corporate Governance Principles and Recommendations (Revised Recommendations).

Bassari's reporting against these ASX recommendations, including details of exceptions and non-compliance where applicable is as follows:

ASX RECOMMENDATION	COMPLIANCE	EXPLANATORY COMMENT
1. Lay solid foundations for management and oversight.		
1.1 Companies should establish the functions reserved to the Board and those delegated to manage and disclose those functions.	Yes	The Board is responsible for the overall corporate governance of the Company including its strategic direction, establishing goals for management and monitoring the achievement of these goals. The Board has adopted a Board charter, available on the Company's website that formalises its roles and responsibilities and defines the matters that are reserved for the Board and specific matters that are delegated to management. On appointment of a director, the Company issues a letter of appointment setting out the terms and conditions of appointment to the Board.
1.2 Companies should disclose the process for evaluating the performance of senior executives	Yes	The Board reviews the performance of executives. The senior executives' performance is assessed against performance of the Company as a whole against planned objectives.

1.3 Companies should provide information required	Yes	The Company complies with recommendations and provides the information required. A Board charter has been disclosed on the Company's website. A performance evaluation process is included in the Board Charter, which the Board conducts for senior executives on an annual basis in accordance with the process above. Matters reserved for the Board are disclosed in the Board Charter.
2. Structure the Board to add value 2.1 A majority of the Board should be independent directors	 No	 The recommendations describe an independent Director as one who: (a) Does not hold an executive position. (b) Is not a substantial shareholder of the company or an officer or otherwise associated directly with a substantial shareholder of the company. (c) Has not within the last 3 years been employed in an executive capacity by the company or another group member or been a Director after ceasing to hold such employment. (d) Is not a principal of a professional adviser to the company or another group member. (e) Is not a significant supplier to or customer of the company or another group member, or an officer of, or otherwise associated directly or indirectly with a significant supplier or customer. (f) Has no significant contractual relationship with the company or any other group member other than as a Director of the company. (g) Is free from any interest and any business or other relationship which could be perceived to materially interfere with the Director's ability to act in the best interests of the company. Bassari considers that a majority of independent Directors is not the optimal composition to add value to your company. At this stage in its growth cycle, the board considers that the interests of shareholders are best served by a board which can add value on a daily basis and whose members bring directly relevant experience to effective decision making. All Directors are paid by the company and are fully conversant with the operations of the company, as is increasingly demanded by the courts and as is implied by the amount of knowledge of the company's activities, intercourse with its senior executives, participation in training and time spent on company business which is expected by the ASX.

2.2 The chair should be an independent director	No	The chairman is neither a Non-Executive nor an independent director in terms of the ASX Corporate Governance Council's definition of an independent director. The Board considers that its structure has been and continues to be appropriate for the Company's current projects and operations.
2.3 The roles of chair and chief executive officer should not be exercised by the same individual	Yes	The roles of chair and chief executive officer are filled by separate people. The Board considers that this structure is optimal for the Company's current size and growth aspirations.
2.4 The Board should establish a nomination committee	No formal nomination committee or procedures have been adopted as yet. Where necessary, the Board will seek advice of external advisers in connection with the suitability of applicants for Board membership.	The Board has reviewed the mix of skills and experienced on the Board in light of the Company's principal activities and direction, and has considered diversity in succession planning. The Board considers the current mix of skills and experience of members of the Board and its senior management is sufficient to meet the requirements of the Company. The Board supports the nomination and re-election of the directors at the Company's forthcoming Annual General Meeting
2.5 Companies should disclose the process for evaluating the performance of the Board, its committees and individual	Yes	The Company conducts the process for evaluating the performance of the Board, its committees and individual directors as outlined in the Board Charter which is available on the Company's website.
2.6 Companies should provide certain information	Yes	This information has been disclosed (where applicable) in the directors' report attached to this Corporate Governance Statement. The required information is: (a) The skills, experience and relevant expertise of each Director are listed in the annual report. (b) The name of the Directors independent under the ASX definition and the Company's materiality threshold is listed in the annual report. (c) The Directors may take independent professional advice at the expense of the Company. In the event of the inability of the Board members to form a common view, each Director is entitled to seek independent advice. (d) The period of office held by each Director is listed in the annual report. (e) Departures from ASX Corporate Governance principles and recommendations have been explained.

3. Promote ethical and responsible decision making 3.1 Companies should establish a code of conduct and disclose the code or a summary of the code.	Yes	The Board has adopted a code of conduct. The code establishes a clear set of values that emphasise a culture encompassing strong corporate governance, sound business practices and good ethical conduct. Bassari is committed to full adherence to all laws which apply in each country of operation. The code is available on the Company's website. All Directors are informed of the Code of Conduct.
3.2 Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the Board to establish measurable objectives for achieving gender diversity and for the Board to assess annually both the objectives and progress in achieving them.	No	The Company is in the process of establishing a Diversity Policy which provides the written framework and objectives for achieving a work environment that values and utilises the contributions of employees with diverse backgrounds, experiences and perspectives, irrespective of gender, age ethnicity and cultural background. The Board is responsible for developing, where possible, measurable objectives and strategies to support the framework and objectives of the Diversity Policy. The Board is responsible for monitoring the progress of the measurable objectives through various monitoring, evaluation and reporting mechanisms.
3.3 Companies should disclose in each annual report the measurable objectives for achieving gender diversity set by the Board in accordance with the diversity policy and progress towards achieving them.	Yes	Due to the size and nature of the Company, the Board has not yet determined measurable objectives for gender diversity across the workplace and at the Board level. The Board will assess any need to achieve a broader pool of skilled and experienced senior management and Board candidates, with the aim of identifying measurable objectives and strategies on gender diversity.
3.4 Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the Board.	Yes	There are currently no women senior executives and no women on the Board of the Company.

3.5 Companies should provide certain required information	Yes	This information is available on the Company's website.
4. Safeguard integrity in financial reporting 4.1 The Board should establish an audit committee.	Yes	All Board members currently sit as the audit committee.
4.2 The audit committee should be structured so that is consists of only non-executive directors, a majority of independent directors, is chaired by an independent chair who is not chair of the Board and have at least 3 members	No	Bassari considers that a majority of independent directors is not the optimal composition of the Board to add value to the Company.
4.3 The audit committee should have a formal charter	Yes	The Board has adopted an audit and risk charter. The charter is available on the Company's website.
4.4 Companies should provide certain required information	Yes	The required information is: (a) The names and qualifications of those who sit on the audit committee, and a record of the number of audit committee meetings, appear in the annual report. (b) Explanation of any departures from the recommendation has been provided. (c) The audit committee charter may be viewed on the Company's website. (d) A statement of the selection and appointment of the external auditor is contained in the audit committee charter.
5. Make timely and balanced disclosure 5.1 Companies should establish written policies designed to ensure compliance with ASX Listing Rules disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.	Yes	The Company has adopted a continuous disclosure policy, to ensure that it complies with the continuous disclosure regime under the ASX Listing Rules and the Corporations Act 2001. This policy is available on the Company's website.

5.2 Companies should provide certain required information	Yes	There are no departures from the recommendations. The Company's continuous disclosure policy is available on the Company's website.
6. Respect the rights of shareholders 6.1 Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose that policy or a summary of that policy.	Yes	The Company has adopted a shareholder communications policy. The Company uses its website (www.bassari.com.au) , annual report, market announcements and media disclosures to communicate with its shareholders, as well as encourages participation at general meetings and by email to the company secretary at any time. This policy is available on the Company's website.
6.2 Companies should provide certain required information	Yes	The Company's shareholder communication policy is available on the Company's website.
7. Recognise and manage risk 7.1 Companies should establish policies for the oversight and management of material business risks and disclose a summary of these policies.	Yes	Establish and implement a system to effectively identify potential risks and the management of those risks is paramount to Bassari's continued growth and success. As part of its commitment to good corporate governance the Board has adopted a risk management statement within the audit and risk committee charter. The audit and risk committee is responsible for managing risk; however, ultimate responsibility for risk oversight and risk management rests with the Board. The audit and risk charter is available on the Company's website.
7.2 The Board should require management to design and implement the risk management and internal control system to manage the Company's material business risks and report to it on whether those risks are being managed effectively. The Board should disclose that management has reported to it as to the effectiveness of the Company's management of its material business risks.	No	The Board believes the risk management and internal control systems designed and implemented by the Directors and the Financial Officer are adequate given the size and nature of the Company's activities. The Board informally reviews the effectiveness of the Company's management of internal controls and material business risks. Given the nature and size of the Company and the Board's ultimate responsibility to manage the risks of the Company this is not considered critical. The Company intends to develop the risk reporting framework into a detailed policy as its operations continue to grow.

7.3 The Board should disclose whether it has received assurance from the chief executive officer and chief financial officer that the management and internal control and that the system is operating efficiently and effectively in all material respects in relation to the financial reporting risks	Yes	The Board receives annually, the assurances from the chief executive officer and chief financial officer by signed declaration.
7.4 Companies should provide certain required information	Yes	The Board has adopted an audit and risk charter which includes a statement of the Company's risk policies. There have been no departures from the recommendations for the recognition and management of risk. This charter is available on the Company's website. The Company has identified key risks within the business and has received a statement of assurance from the chief executive officer and chief financial officer.
8. Remunerate fairly and responsibly 8.1 The Board should establish a remuneration committee	No	While the Company is not of a sufficient size at this stage to require a separate Remuneration and Nomination Committee, at a time appropriate to the needs of the Company, it is envisaged that a Remuneration and Nomination Committee will be set up. At this stage, the Board of the Company shall constitute the Remuneration and Nomination Committee.
8.2 Clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.	Yes	The Company complies with the guidelines for executive remuneration packages and non-executive director remuneration. No senior executive is involved directly in deciding their own remuneration.
8.3 Companies should provide certain required information	Yes	The Board has adopted a Nomination and Remuneration Charter. The Company does not have any schemes for retirement benefits other than superannuation for non-executive directors.