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## **ASX Announcement**

11 September 2020

### **HALF YEAR FINANCIAL REPORT (UNREVIEWED)**

The directors of Bassari Resources Limited (ASX:BSR) attach to this announcement, the Half Year Financial Report of the Company.

The Company is utilising the class waiver ASX has granted to listed entities to take advantage of the deadline extension for lodging half-year financial reports provided by ASIC in AI 2020/451.

The Company is utilising the deadline extension available to obtain, from its Senegalese subsidiaries, additional information and documentation necessary to meet all necessary financial report disclosures.

The Company will immediately make a further announcement to the market if it becomes aware that there will be a material difference between its unreviewed half-year accounts and the reviewed half-year accounts.



Ian Riley  
Director



**Bassari Resources Limited**  
ACN 123 939 042

**Half Year Report - 30 June 2020**  
**(Unreviewed)**

**BASSARI RESOURCES LIMITED**  
**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE**  
**INCOME**  
**FOR THE HALF YEAR ENDED 30 JUNE 2020**

	Notes	Consolidated	
		30 June 2020 \$'000	30 June 2019 \$'000
<b>Revenue from continuing operations</b>		-	1
Corporate expenses		(2,481)	(197)
Employment and consultant costs		(361)	(601)
Occupancy costs		(32)	(57)
Travel and accommodation		(47)	(87)
Finance expenses		(129)	-
Other expenses		(106)	-
Impairment		(6,281)	-
<b>Loss from continuing operations before income tax</b>		<b>(9,437)</b>	<b>(941)</b>
Income tax expense relating to continuing operations		-	-
<b>Net loss for the period</b>		<b>(9,437)</b>	<b>(941)</b>
<b>Other Comprehensive Income</b>			
<i>Items that may be reclassified to profit or loss in the future</i>			
Exchange difference on translation of foreign operation		1,189	71
<b>Total other comprehensive income for the period net of income tax</b>		<b>1,189</b>	<b>71</b>
<b>Total comprehensive income</b>		<b>(8,248)</b>	<b>(870)</b>
<b>Net loss for the period is attributable to:</b>			
Non-controlling interest		(938)	(80)
Owners of Bassari Resources Limited		(8,499)	(861)
		<b>(9,437)</b>	<b>(941)</b>
<b>Total comprehensive income/(loss) for the period is attributable to:</b>			
Non-controlling interest		(938)	(79)
Owners of Bassari Resources Limited		(7,310)	(791)
		<b>(8,248)</b>	<b>(870)</b>
<b>Earnings per share for loss attributable to owners of the Bassari Resources Limited</b>			
Basic loss per share (cents)		(0.35)	(0.04)
Diluted loss per share (cents)		(0.35)	(0.04)

The above consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the attached notes.

**BASSARI RESOURCES LIMITED**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2020**

	Notes	2020 \$'000	2019 \$'000
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		116	755
Trade and other receivables		154	131
<b>TOTAL CURRENT ASSETS</b>		<b>270</b>	<b>886</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	3	1,020	999
Mining and development assets	4	73,828	69,699
Exploration and evaluation assets	5	-	5,993
<b>TOTAL NON-CURRENT ASSETS</b>		<b>74,348</b>	<b>76,691</b>
<b>TOTAL ASSETS</b>		<b>74,618</b>	<b>77,577</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		7,383	5,060
Financial liabilities	6	17,422	13,207
Provisions		455	446
<b>TOTAL CURRENT LIABILITIES</b>		<b>25,260</b>	<b>18,713</b>
<b>NON-CURRENT LIABILITIES</b>			
Financial liabilities	6	960	2,984
Provisions		498	488
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>1,458</b>	<b>3,472</b>
<b>TOTAL LIABILITIES</b>		<b>26,718</b>	<b>22,185</b>
<b>NET ASSETS</b>		<b>47,900</b>	<b>55,392</b>
<b>EQUITY</b>			
Contributed equity	11	79,036	78,392
Reserves	12	8,084	6,783
Accumulated losses		(37,490)	(28,991)
Equity attributable to the owners of Bassari Resources Limited		49,630	56,184
Non-controlling interest	13	(1,730)	(792)
<b>TOTAL EQUITY</b>		<b>47,900</b>	<b>55,392</b>

The above consolidated statement of financial position is to be read in conjunction with the attached notes.

**BASSARI RESOURCES LIMITED**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE HALF YEAR ENDED 30 JUNE 2020**

	Contributed Equity	Reserves	Accumulated Losses	Non- controlling interest	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Balance at 1 January 2019</b>	<b>77,153</b>	<b>7,257</b>	<b>(26,387)</b>	<b>6</b>	<b>58,029</b>
Loss for the period	-	-	(861)	(80)	(941)
Other comprehensive income	-	70	-	1	71
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>70</b>	<b>(861)</b>	<b>(79)</b>	<b>(870)</b>
Issue of ordinary shares and other equity instruments, net of costs	-	-	-	-	-
Non-controlling investment in subsidiary	-	122	-	-	122
<b>Transactions with owners as owners</b>	<b>-</b>	<b>122</b>	<b>-</b>	<b>-</b>	<b>122</b>
<b>Balance at 30 June 2019</b>	<b>77,153</b>	<b>7,449</b>	<b>(27,248)</b>	<b>(73)</b>	<b>57,281</b>
<b>Balance at 1 January 2020</b>	<b>78,392</b>	<b>6,783</b>	<b>(28,991)</b>	<b>(792)</b>	<b>55,392</b>
Loss for the period	-	-	(8,499)	(938)	(9,437)
Other comprehensive income	-	1,189	-	-	1,189
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>1,189</b>	<b>(8,499)</b>	<b>(938)</b>	<b>(8,248)</b>
Issue of ordinary shares and other equity instruments, net of costs	644	-	-	-	644
Performance rights expense	-	112	-	-	112
<b>Transactions with owners as owners</b>	<b>644</b>	<b>112</b>	<b>-</b>	<b>-</b>	<b>756</b>
<b>Balance at 30 June 2020</b>	<b>79,036</b>	<b>8,084</b>	<b>(37,490)</b>	<b>(1,730)</b>	<b>47,900</b>

The above consolidated statement of changes in equity is to be read in conjunction with the attached notes.

**BASSARI RESOURCES LIMITED**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE HALF YEAR ENDED 30 JUNE 2020**

	Note	30 June 2020 \$'000	30 June 2019 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		-	1
Payments to suppliers and employees		(2,224)	(1,344)
Finance costs		(85)	
		-	-
<b>Net cash used in operating activities</b>		<b>(2,309)</b>	<b>(1,343)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for capitalised exploration, evaluation and development expenditure		-	(3,857)
Payments for purchase of mining and development assets		(298)	(2,295)
Interest payments		-	(76)
<b>Net cash used in investing activities</b>		<b>(298)</b>	<b>(6,228)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of equity securities		572	-
Issue costs		(5)	-
Proceeds from borrowings		1,136	7,840
Repayment of borrowings		(2,173)	-
<b>Net cash provided by financing activities</b>		<b>(470)</b>	<b>7,840</b>
<b>Net increase in cash and cash equivalents held</b>		<b>(3,077)</b>	<b>269</b>
Cash and cash equivalents at beginning of financial period		1,734	86
Effects of changes in foreign exchange rates on cash held		1	166
<b>Cash and cash equivalents at end of financial period</b>		<b>(1,342)</b>	<b>521</b>

The above consolidated statement of cash flows is to be read in conjunction with the attached notes.



**NOTE 1 SIGNIFICANT ACCOUNTING POLICIES**

**Basis of preparation and accounting policies**

This general purpose financial report for the half year ended 30 June 2020 has been prepared in accordance with the Corporations Act 2001 and Australian Accounting Standard AASB 134 '*Interim Financial Reporting*'.

The half-year financial report does not include notes of the type normally included in an annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Group as the full financial report.

It is recommended that the half-year financial report be read in conjunction with the annual report for the year ended 31 December 2019 and considered together with any public announcements made by Bassari Resources Limited during the half year ended 30 June 2020 in accordance with the continuous disclosure obligations of the ASX listing rules.

The accounting policies and methods of computation are consistent with those adopted in the most recent annual financial report.

**(a) Adoption of New and Revised Accounting Standards**

The Group has adopted all applicable new and amended Australian Accounting Standards and AASB Interpretations as of 1 January 2020 that are mandatory to the current reporting period. There has been no material impact on the financial statements or performance of the Group resulting from these new and amended Australian Accounting Standards.

The Group has not elected to early adopt any other new Standards or amendments that are issued but not yet effective.

**(b) Rounding Amounts**

The company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Legislative Instrument 2016/91 and in accordance with that Legislative Instrument, amounts in the financial statements have been rounded off to the nearest thousand dollars, or in certain cases, to the nearest dollar.

**(c) Going Concern**

For the half year ended 30 June 2020, the Group made a loss after taxation of \$9,437,000 (2019: \$941,000), had net cash outflows from operating activities of \$2,309,000 (2019: \$1,343,000) and net cash outflows from investment activities of \$298,000 (2019: \$6,228,000). At 30 June 2020, the Group had net current liabilities of \$24,990,000 (2019: \$17,827,000) and reported cash and cash equivalents of \$116,000 (2019: \$755,000) and current financial liabilities of \$17,422,000 (2019: \$13,207,000).

In order to meet its obligations over the next twelve months, as well as its operational expenditure commitments, and continue as a going concern the Group is dependent upon the future successful raising of necessary funding through debt or equity and the successful development and exploitation of the Makabingui Gold Project. The existence of these conditions indicates a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern.

Management has prepared cash flow projections for a period of twelve months from the date of approval of the financial report. Forecast cash inflows include funding from equity issues. In particular, the Group is examining the following options for funding:

**NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**(c) Going Concern (Cont'd)**

- A proposal for a significant equity raising by the company is being assessed by directors.
- Negotiating an offer of a further FCFA 1 billion (\$2.5 million) of funding from the current bank project funder.
- Bassari's Chairman and local management in Senegal have had discussions with the current debt finance provider to the project (Coris Bank), to re-schedule and defer repayment dates of the existing facility. A six month deferment was approved by the banker.
- Further equity raisings to fund project development and working capital. The amount and timing will depend upon a number of variables, including, but not limited to, the success or otherwise of the matters noted above. The Directors will keep all options open in terms of the nature of the capital raisings including share placements, share purchase plan or rights issue.
- Commencement of gold production to generate revenues to fund operations and loan repayments. The timing and extent of any production has been impacted by the nature and extent of restrictions placed upon commerce, workplaces and import and export of goods by the Senegal government in response to the COVID-19 pandemic. It is understood that existing restrictions may be relaxed by September/October.

Whilst there is no certainty that additional funding, other than funding which has been secured and is referred to above, FCFA 1 billion, will be available to provide adequate working capital for the Group to achieve its planned objectives, the directors believe that the Group will be able to secure funding sufficient to meet requirements to continue as a going concern based on the Group's historical success of raising capital. The form, value and timing of any future transactions that may provide funding is yet to be determined and will depend, amongst other things, on capital markets, commodity prices and the success of the development of the mining assets.

Prevailing market conditions are particularly volatile as a result of the global impact of the COVID-19 pandemic. Restrictions imposed by the Senegal government, on transport, particularly internal transport, shipping, border and airport closures have resulted in delays to a number of international investor parties conducting due diligence, including mine site visits. The extent and the duration of the impact remains uncertain, however it is understood that some restrictions will be lifted in September/October 2020, which should assist completion of necessary investor due diligence processes. The ability of the Group to raise future funding and to commence mining and processing operations in this environment also represents a material uncertainty.

Notwithstanding the above, the directors have prepared the financial statements on a going concern basis, which contemplates the continuity of normal business activity, the realisation of assets and the settlement of liabilities through the normal course of business, and are confident that the Group will achieve the necessary funding and commence mining activities and production to meet the Group's financial requirements over the next 12 months.

On the basis that sufficient funding is expected to be raised and the commencement of production will produce revenues 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 Group be unable to continue as a going concern it may be required to realise 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 Group be unable to continue as a going concern and meet its debts as and when they fall due.

**BASSARI RESOURCES LIMITED**  
**NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS**  
**30 JUNE 2020**

**NOTE 2 CONTROLLED ENTITIES**

The consolidated financial statements incorporate the assets, liabilities and results of the following wholly-owned subsidiaries with non-controlling interests in accordance with the Group's accounting policy:

Subsidiary entities consolidated	Country of Incorporation	Ownership interest	
		30 June 2020	31 December 2019
Bassari Resources SARL	Senegal	100%*	100%*
Bassari Equipment Pty Ltd	Australia	100%*	100%*
Bassari Mauritius Holdings Ltd	Mauritius	100%*+	100%*+
Bassari Mauritius Holdings No 2 Ltd	Mauritius	100%*+	100%*+
Bassari Mauritius Equipment Ltd	Mauritius	100%*+	100%*+

\* The proportion of ownership interest is equal to the proportion of voting power held.

+ Companies incorporated in February 2010 have been dormant from incorporation.

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries with non-controlling interests in accordance with the Group's accounting policy:

Subsidiary entities consolidated	Country of Incorporation	Principal activities	Ownership interest		Non-controlling ownership interest	
			30 June 2020	31 Dec 2019	30 June 2020	31 Dec 2019
Makabingui Gold Operation SA	Senegal	Gold mining	63% #	63%	37%	37%
Douta Mining SA	Senegal	Dormant	63% ^	63%	37%	37%

# Makabingui Gold Operation SA was incorporated in Senegal in April 2019.

^ Douta Mining SA incorporated in Senegal in 2011.

**NOTE 3 MINING AND DEVELOPMENT ASSETS**

	30 June 2020	31 December 2019
	\$'000	\$'000
Costs carried forward in respect of areas of interest at cost	69,699	-
Expenditure incurred during the period	2,154	10,262
Transfer from exploration and evaluation assets	-	60,196
Exchange translation difference	1,475	(759)
<b>Total exploration and evaluation expenditure</b>	<b>73,328</b>	<b>69,699</b>

**Accounting policy**

Development expenditure incurred is accumulated separately for each area of interest in which economically recoverable resources have been identified. Such expenditure comprises cost directly attributable to the construction of the mine and the related infrastructure. The Makabingui Gold project has been operated previously under an exploration permit and is currently operating under an exploitation permit.

**BASSARI RESOURCES LIMITED**  
**NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS**  
**30 JUNE 2020**

**NOTE 3 MINING AND DEVELOPMENT ASSETS (CONT'D)**

The development decision and the mining decision was effectively made at the same time, with some initial development and preparation work undertaken to confirm the operation. These costs were capitalised, and the accumulated exploration costs classified into development assets. The assets will be transferred into mining assets when it has been deemed the mine is capable of operating in the manner intended by management. Development properties are tested for impairment in accordance with the policy of impairment of assets.

***Impairment of mining and development assets***

The Group's decision to develop the mining assets were based upon the initial mining feasibility study prepared in 2014 and a further bankable feasibility study that was prepared in 2017. Both studies provided a positive project Net Present Value ("NPV"). The bankable feasibility study relied upon a number of assumptions that are subject to variation over the course of the project which will impact the nature of the project. The key assumptions underpinning the value of the project are as follows:

<b>Assumption</b>	<b>Value</b>	<b>Risk factors</b>	<b>Policy</b>
Gold production	174,375 oz	The quantity of gold recovered does not reach the identified reserve.	Highly selective mining technique, led by mining geologist.
Gold price	US\$1200	The price dips below the assumed price. The gold price at 30 June 2020 was US1738.	Price used is conservative, no plans for hedging at date of report/
Project capital cost	US\$13 million	The capital costs are understated, or additional funding required for additional capital is not available.	Control of payments including lodging project budget with bank for funding purposes.
Production cost	US\$678 per oz	Costs are understated or not controlled.	Management continuously reviewing mining contract costs and control of processing plant costs against budget forecast costs.
Processing rate	300,000 tonnes per annum	Processing under-utilisation resulting in increased costs per unit	Investment in processing plant and equipment, management of process.
Discount rate	7%	Cost of funding exceeds discount rate.	Monitoring of Internal rate of Return and cost of funding.

Based on the assumptions used in the original feasibility study the NPV of the project to the Group is US\$62 million, equating to \$90 million at year end exchange rates. Since the preparation of the feasibility study a number of the assumptions that underpin the model will have been subject to change. At 30 June 2020 the gold price was US1,738 (up by US\$538 or 45%) and is presently in excess of US\$1,900. The Group's cost of borrowing is 9%, however due to project delays, a risk premium should be added and an appropriate rate of discount to be applied is now 12%. The changes in these assumptions impact the estimated NPV of the project and result in the NPV exceeding the carrying value by a significant amount, substantially more than the amount based on the initial feasibility study. Given that the project's NPV based on the original feasibility study exceeds the carrying value of the asset by \$17 million, and that there are positive and negative changes, the directors do not expect the changes to impact the estimate of NPV enough to require an impairment be recorded against the asset.

***COVID-19 pandemic***

The Government restrictions introduced in response to the COVID-19 pandemic in Senegal and globally has impacted operations at the mine site, with travel restrictions resulting in a halt to the development of the processing plant and the mining operation. The Directors have considered these impacts on operations and expect that there will be an impact on the costs of developing the project due to increased protocols at the site and country borders.

Logistical impacts will also impact the timelines of the project delivery. The Directors believe that, with the funding options outlined in Note 1 and the expected easing

**BASSARI RESOURCES LIMITED**  
**NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS**  
**30 JUNE 2020**

**NOTE 3 MINING AND DEVELOPMENT ASSETS (CONT'D)**

of restrictions on travel and logistics, the project remains profitable, particularly with the continuing rise in the Gold commodity price.

**NOTE 4 EXPLORATION AND EVALUATION ASSETS**

	<b>30 June 2020 \$'000</b>	<b>31 December 2019 \$'000</b>
Costs carried forward in respect of areas of interest at cost	5,993	61,223
Expenditure incurred during the period	-	5,093
Transfer to mining and development assets	-	(60,196)
Impairment	(6,281)	-
Exchange translation difference	288	127
<b>Total exploration and evaluation expenditure</b>	<b>-</b>	<b>5,993</b>

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 exploration and evaluation assets include costs incurred to secure the mining concessions for the Moura permit.

***Impairment of exploration assets***

Whilst the project is not currently generating cash flow, the Group is of the view that the permit will contribute significant value in the future and that this value will be in excess of the current value of the capitalised costs, however the status of all permits was reviewed by management at 30 June 2020, and impairment considered. The Group's current focus remains on the development of the Makabingui Gold Project. Whilst there remains a commitment to further exploration and development of the Moura permit (mining permit application lodged), the Group, given the existing uncertainties because of COVID-19 and the Group's financial position, the company has temporarily suspended resources to develop the asset. As such, at 30 June 2020 an impairment has been recorded against the Moura exploration permit. Upon refinancing of the Group and with more certainty around ongoing impacts of COVID-19, management will re-asses its plans for this permit, which may result in the impairment being reversed in full or in part.

**NOTE 5 FINANCIAL LIABILITIES**  
**December**

	<b>30 June 2020 \$'000</b>	<b>31 2019 \$'000</b>
<b>Current Financial Liabilities</b>		
Loan facility and offset account (i)	14,689	10,812
Working capital loan facility (ii)	389	-
Bank overdraft	1,644	1,471
Other loan (iii)	-	224
Convertible notes	700	700
Financial liabilities - current	<b>17,422</b>	<b>13,207</b>
<b>Non-Current Financial Liabilities</b>		
Loan facility and offset account (i)	-	2,984
Other loan (iii)	960	-

Financial liabilities – non-current	<b>960</b>	<b>2,984</b>
<b>Total financial liabilities</b>	<b>18,382</b>	<b>15,833</b>

**BASSARI RESOURCES LIMITED**  
**NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS**  
**30 JUNE 2020**

**NOTE 5 FINANCIAL LIABILITIES (CONT'D)**

*Detail of financial liabilities*

**(i) Coris Bank Loan**

The loan balance relates to the project facility arrangement between Makabingui Gold Operation SA (“MGO”) and Coris Bank International Ltd. The transactions of the loan account and the sequester account offsetting the balance were as follows:

	<b>Loan Account</b>	<b>Offset Account</b>	<b>Net Balance</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Balance as at 1 January 2020	16,247	(2,451)	13,796
Interest for the period	402		962
Deposits	-		(1,627)
Payments and drawdowns	(2,117)	2,316	4
Exchange translation difference	343	(51)	
	<b>14,875</b>	<b>(186)</b>	<b>14,689</b>
Balance at 31 December 2019			
Current	14,875	(186)	14,689
Non-current	-	-	-

<b>Total facility</b>	Fcfa 7 billion (\$17.067 million at year end rates)
<b>Interest rate</b>	9% pa
<b>Repayment terms</b>	Loan is repayable within 12 months
<b>Security</b>	Secured by mortgage over Sambarabougou Exploitation Permit and assets of Makabingui Gold Operations, SA.

**(ii) Working capital loan**

During the half year MGO secured a short-term funding agreement to provide working capital from ORA Bank-Senegal. The funding amount arranged was Fcfa 150 million, plus a set-up fee of Fcfa 6.142 million. The loan term is 6 months and is provided under a promissory note from MGO with repayment from revenues or capital raised in the future.

**(iii) Other loans**

Other Loans of \$960k relate to advances received from Senegal Nominees, a company incorporated in Senegal for the purpose of providing working capital. Alex Mackenzie, Chairman of Bassari Resources Limited, has a financial interest in Senegal Nominees. The loan is provided free of interest and is repayable upon demand of the provider. The provider has by written agreement, deferred repayment requirements until 31 December 2021 or later.

**NOTE 6 SUBSEQUENT EVENTS**

Other than the matters referred to in the above paragraphs, there have been no significant events that have occurred subsequent to 30 June 2020 that require disclosure in the half year report.

**BASSARI RESOURCES LIMITED**  
**NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS**  
**30 JUNE 2020**

**NOTE 7 CONTINGENT LIABILITIES**

There has been no change in contingent liabilities since 31 December 2019.

**(a) Capital Expenditure Commitments**

The Group's capital commitments remain similar to those reported at 31 December 2019 in relation to plant and equipment.

**(b) Exploration Commitments**

The Company has no commitment for expenditure on this tenement after an exploitation permit was applied for on 27 December 2016.

Name on Permit	Joint Venture Partner and Permit Holder	Remaining Expenditure Commitment	3-Year Expenditure Commitment	Permit last renewed
Moura	Sengold Mining NL	US\$ Nil	US\$ Nil	28 February 2016

**NOTE 8 SEGMENT INFORMATION**

The Group operated predominantly as an explorer with the view to identify and advance attractive mineral deposits of sufficient grade and size to provide sustainable returns to shareholders.

The directors do not believe that there are any reportable segments that meet the requirements of AASB 8 *Segment Reporting*, on the basis that the chief operating decision maker, being the Board of Directors, review geological results and other qualitative measures as a basis for decision making.

**NOTE 9 CONTRIBUTED EQUITY**

	30 June 2020 \$000	31 December 2019 \$000
<b>Ordinary shares</b>		
Paid-up capital		
2,418,855,633 (2019: 2,375,554,967) fully paid ordinary shares	<b>79,036</b>	<b>78,392</b>
Reconciliation of movement in contribute equity:		
<b>As at 31 December 2019</b>	<b>2,375,554,967</b>	<b>78,392</b>
Share placement at 1.5 cent	12,199,998	183
Share placement at 1.5 cent	31,100,668	467
Costs of issue		(6)
<b>Total for the financial year</b>	<b>43,300,666</b>	<b>644</b>
<b>At 30 June 2020</b>	<b>2,418,855,633</b>	<b>79,036</b>

**NOTE 10 RESERVES**

	30 June 2020 \$000	31 December 2019 \$000
Foreign currency translation reserve (a)	7,389	6,200
Performance rights reserve (b)	695	583
	<b>8,084</b>	<b>6,783</b>

**BASSARI RESOURCES LIMITED**  
**NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS**  
**30 JUNE 2020**

**NOTE 10 RESERVES (CONT'D)**

**(a) Foreign Currency Translation Reserve**

**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.

**(b) Performance Rights Reserve**

**Nature and purpose of reserve**

This reserve records the value of the performance rights issued by the Company, in accordance with the measurement requirements of AASB 9. At the Group's AGM in 2017 it was resolved to award long term performance rights to key personnel of the Group, and performance rights were awarded to 18 officers of the Group. The performance rights were issued in two tranches and details were as follows:

Grant date	Expiry date	Exercise Price	Balance at the start of the period	Granted	Exercised	Expired/ forfeited/ Other	Balance at the end of the period
31/5/2017	31/5/2020	\$0.00	20,000,000	-	-	(20,000,000)	-
31/5/2017	31/5/2020	\$0.00	20,000,000	-	-	-	20,000,000
			<u>40,000,000</u>	<u>-</u>	<u>-</u>	<u>(20,000,000)</u>	<u>20,000,000</u>

Tranche 1 vests upon the Group achieving a market capitalisation of \$70 million and expired, 31-05-2020.

Tranche 2 vest upon the Group achieving a market capitalisation of \$105 million.

To value the performance rights the Group used Monte-Carlo simulation model to value the rights. The inputs and assumptions used in the valuation are as follows:

<b>Input</b>	<b>Tranche 1</b>	<b>Tranche 2</b>
Number of rights	22,000,000	22,000,000
Valuation Date	20 April 2018	20 April 2018
Vesting Period	3 years from date of issue	5 years from date of issue
Spot Price	\$0.018	\$0.018
Volatility	90%	90%
Vesting Condition	BSR achieving a market capitalisation of \$70,000,000 or more	BSR achieving a market capitalisation of \$105,000,000 or more
Estimated vesting period	2.14 years	3.94 years
Risk Free Rate	1.74%	2.04%
Dividend Yield	0%	0%
Value per performance right	\$0.0155	\$0.0157

During the period an expense of \$122,000 was recorded in relation to performance rights.

**NOTE 11 NON-CONTROLLING INTEREST**

The non-controlling interest in Makabingui Gold Operation SA is 37%. 27% is held by the project partner WATIC and 10% is held by the government of Senegal.