BASSARI RESOURCES

ANNUAL REPORT
31 DECEMBER 2022

BASSARI RESOURCES LIMITED
ACN 123939042

CORPORATE DIRECTORY

Board of Directors
John Traicos, Executive Chairman
Andrew Goode, CEO and Executive Director
David Swan, Director

Company Secretary
Ian Riley

Principal and Registered Office
25 Colin Street
Perth WA 6005
Telephone: +613 9629 9925

Email: admin@bassari.com.au
Web: www.bassariresources.com

Auditors
BDO Audit Pty Ltd
Collins Square, Tower 4
Level 18, 727 Collins Street
Melbourne Vic 3008

Share Registry
Link Market Services
Tower 4, 727 Collins Street
Melbourne Vic 3008
Tel: 1300554474

Bankers
National Australia Bank
330 Collins Street
Melbourne Vic 3000

Solicitors
Larri Legal
6/152 High Street
Fremantle WA 6160

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DIRECTORS' REPORT

Your Directors submit the consolidated financial statements on Bassari Resources Limited and its controlled entities ("Consolidated Entity" or "Group") for the year ended 31 December 2022 and the independent auditor's report thereon.

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:

John Traicos (Executive Chairman)
Andrew Goode (CEO and Executive Director)
Malik Easah (Non-Executive Director) – resigned 19 May 2023
Modou Guene (Executive Director) – resigned 27 June 2023
Ian Riley (Executive Director), resigned 28 November 2022
David Swan (Non-Executive Director), appointed 17 February 2023

John Traicos – appointed 7 May 2021

John Traicos is a lawyer with more than 30 years' experience in legal and corporate affairs in Australia and Southern Africa. He has acted as a commercial and legal manager to several Australian resource companies and has been involved in resource projects and acquisitions in Australia, Africa and Indonesia. John is admitted to practice law in Western Australia and has been Legal and Commercial Manager and Company Secretary for several resource companies including MZI Resources Limited (2012 – 2019), Prilya Limited (2000 – 2005), Tanami Gold ML (2005 – 2007) and Strike Energy Limited (2007 – 2011).

Andrew Goode - appointed 1 June 2021

Andrew has had 40 years' experience in open pit and underground mining and has managed mining projects in many countries throughout the world. His expertise includes the development, operation and construction of open pits and gold plants, planning, scheduling, contract compilation, tendering and high-level management.

Andrew was educated at the Western Australian School of Mines in Kalgoorlie and holds a Bachelor of Applied Science (Mining Engineering). He is a Member of the Australian Institute of Mining and Metallurgy and a Member of the Society for Mining, Metallurgy and Exploration (SME) and a Member of the American Institute of Mining, Metallurgical and Petroleum Engineers.

David Swan – appointed 17 February 2023

David was an explosive engineer and designer heavily involved in seismology research and subcontracted to Beach Petroleum, later becoming involved in Industrial Relations including participation with the Industrial Relations Commission. In more recent times David has become a successful owner operator of his own business.

David was instrumental in the changing of the Bassari Resources Limited Board in early 2021 and is committed to representing the interests of Bassari shareholders, as a well-known, long term significant Bassari shareholder, committed to engaging with Bishop to achieve a suitable outcome for both Bassari and Bishop.

Ian Riley, FCA, Diploma Commerce, - appointed 16 December 2021, resigned 28 November 2022

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 was also CFO and Company Secretary for a Shanghai based, Australian listed company in the merchant card business, prior to joining Bassari.

DIRECTORS' REPORT (cont'd)

Malik Easah – appointed 7 May 2021, resigned 19 May 2023

Malik Easah was a founding Director of Cardinal Resources Limited where he spearheaded the acquisition of all tenements and played a key role in the discovery and development of the seven million-ounce Namdini Gold Project in Northern Ghana. Cardinal Resources was purchased by Shandong Gold Company for approximately AU$600 million. Mr Easah has over fifteen years of exploration, mining and project development experience, and is a resident of Ghana.

Modou Guene – appointed 30 July 2020, resigned 27 June 2023

Modou is a Qualified Accountant and a financial manager with 15 years' experience. He has held the position of General Treasurer of the Senegal Chamber of Mines since 2013 and was the CEO of Makabingui Gold Operation SA ("MGO") since incorporation until his termination. Modou's CEO role included responsibility for finance, administration and human resources, and maintaining strong links with all levels of government in Senegal, particularly the Mining and Finance Departments.

COMPANY SECRETARY

Ian Riley was appointed to the position of Company Secretary on 20 January 2010.

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

FORMER PARTNER OF THE AUDIT FIRM

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

PRINCIPAL ACTIVITIES

During the period, the principal activities of the Group has been to maintain the good standing of the Senegal mining tenement whilst securing funding for the Group and entering into agreements that will result in the Senegal tenement being acquired by the funding party. Refer to subsequent events disclosure for an update on events after the reporting period.

RESULT AND REVIEW OF OPERATIONS

The loss for the Group after providing for income tax for the year amounted to $9,812,000 (2021: $8,355,000). Operations remained suspended during the 31 December 2022 financial year, as the Group sought and obtained long-term funding to support operations and secured the renewal of the Sambarabougou Exploitation Permit for a further 5 years. Renewal of the permit was received from the Government of Senegal on 1 June 2022.

FINANCIAL POSITION

The net assets of the Consolidated Entity have decreased by $9.812 million to $6.486 million on 31 December 2022 (2021: $16.040 million). The major movements were:

- Losses for the year of $9,812 million.
- Foreign exchange gain of $0.258 million

There was no investment made in the year, and borrowings increased by $7.602 million to service working capital and current liabilities. This included the securing of long-term working capital funding of $25 million from Bishop Resources (UK) Ltd, currently $30.89 million plus accrued interest of $2.938 million and the full repayment of the Coris loan facility.

The consolidated entity had a working capital deficit, being current assets less current liabilities, of $47.344 million as of 31 December 2022 compared to $37.343 million on 31 December 2021.

CORPORATE

After balance date, the composition of the Company's Board of Directors changed whereby Mr Malik Easah resigned on 19 May 2023, and Mr Modou Guene resigned on 27 June 2023. Mr David Swan was appointed to the Board on 17 February 2023. At the date of this report, the Company has three directors.

Bassari had been suspended from trading by ASX on 1 April 2020 and was permanently de-listed, effective 4 April 2022.

SUBSEQUENT EVENTS

The Company has fundamentally changed its focus following the disposal of its entire shareholding interest in MGO to Bishop Resources Limited. This was announced to shareholders on our website (www.bassariresources.com) on 1 August 2023. This disposal of this interest was via completion of a share sale agreement entered into by the Company with Bishop Resources Limited on 23 February 2023 ("MGO Share Sale Agreement").

The following subsequent events disclosure provides information on the Group securing an extension to its permit over the MGO Project, the status of the Moura Permit and information on the completed MGO Share Sale Agreement with Bishop Resources Limited and the objectives of the Company post this transaction.

Moura Permit

After the end of the period, Bassari's joint venture partner made a claim of full title to the land area included in the Moura permit. Bassari has been defending its position. Completion of the MGO Share Sale Agreement transfers the Group's interest in the Moura permit to Bishop Resources Limited.

Term Sheet (subsequently superseded, see next heading, "Share Sale Agreement")

On 31 August 2022 the Company entered into a binding term sheet with Bishop Resources NL ("Bishop") and its subsidiary Bishop Resources (UK) Ltd. The term sheet set out an agreement for Bishop to acquire a 100% interest in Bassari Mauritius Holding No 2 Ltd ("Bassari Mauritius") and Bassari Resources Senegal Ltd ("Bassari Senegal"). Bassari Mauritius and Bassari Senegal are the holders of Bassari's projects, including its 63% shareholding in Makabingui Gold Operation SA ("MGO").

Completed Share Sale Agreement

This Term Sheet was replaced with a Share Sale Agreement signed by Bassari and Bishop on 23 February 2023 which adopts the terms and conditions, with minor changes, of the Term Sheet. The MGO Share Sale Agreement conditions precedent have been met and completion of the transaction was achieved on 31 July 2023, including the issue to Bassari of $2 million of Bishop consideration shares.

Other terms of the Share Sale Agreement include:

- Provide cash contribution to the costs and expenses of Bassari on an incurred basis of up to a maximum $500,000;
- Provide an effective cash payment of $1 to cancel all debt and any accrued interest provided under the deed of loan between Bassari and Bishop on or about 4 April 2022, which will be discharged and no longer owing by Bassari;
- Cancel the existing Bishop debt at Completion, approximating $34 million, including accrued interest;
- Issue of $3 million worth of shares upon the receipt of a JORC 2012 report on the Makabingui Gold Project containing a minimum of 1 million ounces (at a minimum grade 2.6g/t) within 3 years of Completion at an issue price being the IPO price, with pro rata adjustment to the number of Shares to be issued should the JORC 2012 report identify less than 1 million ounces in the Makabingui Gold Project resource and should a JORC 2012 report not be issued within 3 years of Completion date, $3 million worth of shares will be issued; and
- Assume other Bassari debts approximating $1.75 million, through the execution of debt assumption agreements between Bishop, Bassari and each creditor for the satisfaction of such debts via the issue of Shares at the IPO price or on such terms as may be agreed by the applicable parties.

The Directors intend to undertake the following now that the Share Sale Agreement with Bishop has been completed:

- The Board will call a shareholder meeting for approval to make an in-specie distribution of the $2 million Bishop consideration shares received.

Subsequent to the end of the financial year, ASIC took action against Bassari Resources Limited for failing to lodge half-year and annual financial reports within the required time for lodging reports. ASIC also took action for failing to hold annual general meetings for 2020 and 2021 within the required time frame. The audited financial reports for the year ended 31 December 2021 and the half years ended 30 June 2021 and 30 June 2022 were lodged with ASIC on 11 September 2023. The charges were heard in Perth on 15 September 2023, and on 6 October 2023 the company was placed on a good behaviour bond for a period of 2 years.

Other than the matters referred to in the above paragraphs, there have been no significant events that have occurred subsequent to 31 December 2022 that require disclosure in the financial report.

FACTORS AND BUSINESS RISKS AFFECTING FUTURE BUSINESS DEVELOPMENT

The following factors and business risks have a material impact on the Company's success in delivering its strategy:

Access to funding

The Company's ability to successfully develop its projects was contingent on the ability to fund the projects from operating cash flows or through affordable debt and equity raisings and subsequently in completing the sale of its projects to enable a return to shareholders.

Exchange rates

The Company is exposed to changes in the US dollar (USD) and the West African franc (FCFA). The Company's CAPEX and OPEX costs will primarily be denominated in both currencies.

DIVIDENDS

During the financial year, no dividends were paid (2021 $Nil). The Directors have not recommended the payment of a dividend.

SHARES

At the date of this report 2,418,855,633 ordinary shares were on issue.

SHARE OPTIONS

At the date of this report, there were no unissued ordinary shares of the Company under option. No shares were issued during the year on conversion of options.

INDEMNITIES AND INSURANCE – OFFICERS

No indemnity has been provided to the Directors and Key Management and no insurance has been paid for Directors and Officer Insurance.

INDEMNITIES AND INSURANCE – AUDITOR

The Company has not, during or since the financial year end, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor. During the year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

DIRECTORS' MEETINGS

The number of meetings of the Company's Board of Directors held during the year ended 31 December 2022 and the number of meetings attended by each director was:

DIRECTORS' REPORT (cont'd)

Name	Number of Meetings Held	Number Eligible to Attend	Number of Meetings Attended
J Traicos	5	5	5
A Goode	5	5	5
M Easah	5	5	1
I Riley	5	5	5
M Guene	5	5	4

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

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 a 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.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration as required under Section 307C of the *Corporations Act* 2001 is included on page 10 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.

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.

ROUNDING OF AMOUNTS

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 Corporations (Rounding in Financial/Directors' Report) Legislative Instrument 2016/191. The Company is an entity to which the Legislative Instrument applies. Amounts in the directors' report have been rounded off in accordance with the Legislative Instrument to the nearest thousand dollars, or in certain cases, to the nearest dollar.

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

John Traicos
Executive Chairman

Tel: +61 3 9603 1700
Fax: +61 3 9602 3870
www.bdo.com.au

Collins Square, Tower Four
Level 18, 727 Collins Street
Melbourne VIC 3008
GPO Box 5099 Melbourne VIC 3001
Australia

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

As lead auditor of Bassari Resources Limited for the year ended 31 December 2022, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. 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
Director

BDO Audit Pty Ltd

Melbourne, 19 January 2024

CONSOLIDATED STATEMENT OF
PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Notes	2022 $'000	2021 $'000
Revenue from operations		-	-
Project related costs	12	(3,980)	(3,390)
Corporate expenses		(539)	(597)
Employment and consultant costs	11	(1,340)	(1,680)
Occupancy costs		(44)	(18)
Travel and accommodation		(38)	(68)
Depreciation of non-current assets		(174)	(184)
Other expenses		(155)	(13)
Finance costs		(3,542)	(2,405)
Loss from operations before income tax		**(9,812)**	**(8,355)**
Income tax expense relating to operations	13	-	-
Loss from operations		**(9,812)**	**(8,355)**
Other comprehensive Income			
Items that may be reclassified to profit or loss in the future			
Exchange difference on translation of foreign operations		258	(992)
Other comprehensive income for the year net of income tax		258	(992)
Total comprehensive loss for the year		**(9,554)**	**(9,347)**
Net loss for the year is attributable to:			
Owners of Bassari Resources Limited		(7,081)	(5,727)
Non-controlling interest		(2,731)	(2,628)
		(9,812)	(8,355)
Total comprehensive income for the year is attributable to:			
Owners of Bassari Resources Limited		(7,020)	(6,505)
Non-controlling interest		(2,534)	(2,842)
		(9,554)	(9,347)

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 2022

	Notes	2022 $'000	2021 $'000
CURRENT ASSETS			
Cash and cash equivalents	2	127	618
Trade and other receivables	3	86	73
TOTAL CURRENT ASSETS		**213**	**691**
NON-CURRENT ASSETS			
Mining and development assets	4	53,702	53,078
Property, plant and equipment	5	128	305
TOTAL NON-CURRENT ASSETS		**53,830**	**53,383**
TOTAL ASSETS		**54,043**	**54,074**
CURRENT LIABILITIES			
Trade and other payables	6	14,422	12,710
Financial liabilities	7	32,178	24,576
Provisions	8	957	748
TOTAL CURRENT LIABILITIES		**47,557**	**38,034**
TOTAL LIABILITIES		**47,557**	**38,034**
NET ASSETS		**6,486**	**16,040**
EQUITY			
Contributed equity	9	79,037	79,037
Reserves	10	6,402	6,660
Accumulated losses		(63,493)	(56,731)
Equity attributable to the owners of Bassari Resources Limited		21,946	28,966
Non-controlling interest		(15,460)	(12,926)
TOTAL EQUITY		**6,486**	**16,040**

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 2022

	Note	Contributed Equity $'000	Reserves $'000	Accumulated Losses $'000	Non-controlling interests $'000	Total $'000
Balance at 1 January 2021		**79,037**	**7,471**	**(51,004)**	**(10,084)**	**25,420**
Loss for the year		-	-	(5,727)	(2,628)	(8,355)
Other comprehensive income		-	(778)	-	(214)	(992)
Total comprehensive income for the year		-	(778)	(5,727)	(2,842)	(9,347)
Share based payments						
- performance rights	10	-	32	-	-	32
– performance rights forfeited	10		(65)			(65)
Transactions with owners as owners		**-**	**(33)**	-	**-**	**(33)**
Balance at 31 December 2021		**79,037**	**6,660**	**(56,731)**	**(12,926)**	**16,040**

	Note	Contributed Equity $'000	Reserves $'000	Accumulated Losses $'000	Non-controlling interests $'000	Total $'000
Balance at 1 January 2022		**79,037**	**6,660**	**(56,731)**	**(12,926)**	**16,040**
Loss for the year		-	-	(7,081)	(2,731)	(9,812)
Other comprehensive income		-	61	-	197	258
Total comprehensive income for the year		-	61	(7,081)	(2,534)	(9,554)
Share based payments – performance rights lapsed	10	-	(319)	319	-	-
Transactions with owners as owners		**-**	**(319)**	**319**	**-**	**-**
Balance at 31 December 2022		**79,037**	**6,402**	**(63,493)**	**(15,460)**	**6,486**

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 2022

	Note	2022 $'000	2021 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(7,288)	(3,967)
Interest received		-	1
Finance costs paid		(278)	(2,032)
Net cash used in operating activities	2	**(7,566)**	**(5,998)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for mining and development assets		(133)	(71)
Net cash used in investing activities		**(133)**	**(71)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		18,972	11,221
Repayments of borrowings		(11,774)	(2,761)
Net cash provided by financing activities		**7,198**	**8,460**
Net increase/ (decrease) in cash and cash equivalents held		**(501)**	**2,391**
Cash and cash equivalents at beginning of financial year		**618**	**(1,762)**
Effects of changes in foreign exchange rates on cash held		**10**	**(11)**
Cash and cash equivalents at end of financial year	2	**127**	**618**

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 2022

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 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 2022. Bassari Resources Limited is a company limited by shares incorporated and domiciled in Australia.

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 17.

The financial statements were authorised for issue by the Directors on 19 January 2024.

The financial report is presented in Australian dollars.

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

- 25 Colin Street
- West Perth WA 6005

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 2022, and the comparative information presented in these financial statements for the year ended 31 December 2021.

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 control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the entity. 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (cont'd)

Basis of Preparation (cont'd)

(b) 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 parent and the presentation currency of the financial report is Australian dollars. The functional currency of the overseas subsidiaries in Senegal is CFA Franc (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.

(c) Going Concern

For the year ended 31 December 2022, the Group made a loss after taxation of $9,812,000, and had net cash outflows from operating activities of $7,566,000. On 31 December 2022, the Group had net current liabilities of $47,344,000, including current financial liabilities of $32,178,000, and reported cash and cash equivalents of $127,000.

As at 31 December 2022, the Group's sole source of funding to both fund its activities and to settle its outstanding liabilities was Bishop Resources (UK) Ltd ("Bishop"). Details of this funding is contained in note 7.

Funding from Bishop referred to above allowed the Group after balance date to maintain activities in Senegal on a care and maintenance basis and to meet expenditures to service providers and suppliers and to settle several material liabilities, including significant payments to suppliers in settlement of amounts due, either paid in full or partial settlement to recommence trading relationships and commence supply of plant and equipment for mining and production operations.

After balance date, on 23 February 2023 Bassari (and its subsidiary Bassari Mauritius Holding Ltd) signed a Share Sale Agreement with Bishop Resources NL (Bishop) (and its subsidiary Bishop Resources (UK) Ltd) which allowed Bishop to acquiring a 100% interest in Bassari Mauritius Holding No 2 Ltd (Bassari Mauritius) and Bassari Resources Senegal SARL (Bassari Senegal) (Agreement). Bassari Mauritius is the holder of Bassari's 63% interest in the Makabingui Gold Project in Senegal. The Agreement was completed on 31 July 2023.

Following the above disposal, the Company has fundamentally changed its focus and at the date of issuing this financial report has no operating activities. The Company is reliant on consideration received from the above transaction to fund liabilities owing and future expenditure.

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.

The directors have prepared the financial statement on a going concern basis for the following reasons:

Basis of Preparation (cont'd)

(c) Going Concern (cont'd)

- Under the Share Sale Agreement (SSA), as consideration for the acquisition of Bassari Mauritius and Bassari Senegal, Bishop has forgiven all debts and interest owing by Bassari under the existing Bishop debt facilities, will provide Bassari with a cash contribution of up to $500,000 as a contribution to the costs and expenses of Bassari (on an as incurred basis) and issue Bassari $2 million worth of shares in Bishop. Up to a further $3 million worth of shares in Bishop will be issued upon receipt by Bishop of a JORC 2012 resource at the Makabingui Gold Project containing 1Moz gold at a minimum grade of 2.6g/t within 3 years of completion of Bishop's acquisition of Bassari Mauritius and Bassari Senegal, adjusted pro-rata should the resource yield less than 1Moz gold.
- The SSA provides for Bishop to assume accounts payable of Bassari Resources Limited at the date of completion of an amount approximating A$1.75 million and with the creditors of MGO, approximating US$5.9 million (A$8.7 million).
- On completion of the transaction and assumption of Bassari Resources Limited debts by Bishop, the $500,000 to be made available as a contribution to the costs and expenses of Bassari will provide funding to allow the Directors to review the ongoing future of Bassari as a non-trading entity.
- Bishop Resources NL have provided after the end of the financial period, a letter confirming financial support to Bassari Resources Limited to meet payments to certain creditors and its commitment pursuant to clause 6(a) of the SSA to contribute to Bassari costs post completion of the SSA, up to an amount of $500,000.
- Based on the $500,000 of funding available to Bassari Resources Limited from Bishop Resources NL, which its sole source of funding at the date of issuing this financial report, the directors have prepared a budget that indicates this funding will be sufficient to enable the company to finalise the collection and distribution of the proceeds from disposal of Bassari Mauritius and Bassari Senegal. The Company is totally dependent upon this funding and should expenses be greater than budgeted the company would be required to raise additional funds from shareholders or other sources.

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 to meet the Group's financial requirements over the next 12 months.

On the basis that sufficient funding is expected to be available 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.

(d) Rounding Amounts

The company is of a kind referred to in ASIC Corporation (Rounding in Financial/Directors Report) Legislative Instrument 2016/91 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.

(e) Use of judgements and estimates

In preparing the consolidated financial statements management has made judgments, estimates and assumptions that affect the application of the Group's accounting policies and

Basis of Preparation (cont'd)

the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which these estimates are revised and in any future periods affected.

(a) Judgments

Information about judgments made in applying the accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- Note 4 Mining and development assets
- Note 5 Property, plant and equipment

(b) Assumptions and Estimation Uncertainties

The Group is required to make estimates and assumptions as to the future events and circumstances, in particular, whether successful development and commercialisation of the Makabingui Gold Project mining and development asset and related property, plant and equipment, will be achieved. In addition, the Group makes estimates and assumptions regarding the recording of provisions

Critical to the assessments are estimates of ore reserves, the timing of estimated cash flows, exchange rates, commodity prices and future capital requirements. Changes in these estimates and assumptions as new information about the recoverability of ore reserves becomes available, may impact assessment of the recoverable amount of the Makabingui project. If information becomes available suggesting that the recovery of expenditures capitalised is unlikely, the relevant capitalised amount will be impaired and written off to profit or loss in the period in which the information becomes available.

2. CASH AND CASH EQUIVALENTS

	2022 $000	2021 $000
Cash at bank and on hand	127	618

Cash at banks bear floating interest rates between 1% and 0% p.a. (2021: 1% and 0% p.a.).

Accounting policy

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, 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.

Cash flow information

	2022 $'000	2021 $'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	127	618

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (cont'd)

2. CASH AND CASH EQUIVALENTS (cont'd)

	2022 $'000	2021 $'000
Reconciliation of loss for the year to net cash flows from operating activities:		
Loss for the year	(9,812)	(8,355)
Non-cash flows in loss		
Depreciation	174	184
Mining and development assets written off	-	245
Share based payments	-	(33)
Foreign exchange expense	164	(61)
Changes in assets and liabilities		
(Increase)/Decrease in receivables	(13)	(26)
(Decrease)/Increase in trade and other payables	1,712	1,814
Increase in provisions	209	234
Cash flows used in operations	**(7,566)**	**(5,998)**

3. TRADE AND OTHER RECEIVABLES

	2022 $'000	2021 $'000
Sundry receivables	**86**	**73**

Accounting policy

Other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any impairment or expected credit loss. Receivables expected to collect within 12 months are classified as current assets. All other receivables are classified as non-current assets.

4. MINING AND DEVELOPMENT ASSETS

	2022 $'000	2021 $'000
Costs carried forward in respect of areas of interest at cost	53,078	54,431
Expenditure incurred during the period	133	71
Assets written off	-	(245)
Exchange translation difference	491	(1,179)
Total mining and development assets	**53,702**	**53,078**

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.

4. 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 all of the accumulated exploration costs classified into development assets. Mining and development assets are tested for impairment in accordance with the policy of impairment of assets.

Accounting policy – Impairment

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. Any assets that are not yet amortised at the reporting date or have yet to be brought into use are tested for impairment.

When the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount, the asset or cash generating unit is impaired and is written down to its recoverable amount.

In 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. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset.

An assessment is also made at each reporting date as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Profit or Loss. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

At the balance date the site is not yet in production.

Permit

The Sambarabougou exploitation permit in Senegal (Permit) was initially granted in July 2017 with expiration in July 2022.

The Company and MGO worked with Department of Mines and Geology and the Government of Senegal to secure confirmation of the standing of the Sambarabougou Exploitation Permit, granted in July 2017 and its renewal following its expiry after 5 years in July 2022.

The Company received confirmation on 1 June 2022 from the Government of Senegal that the permit has been renewed for a further term of 5 years.

Critical accounting estimates, assumptions and judgements

Impairment of mining and development assets

Due to the cessation of mining operations as a result of funding issues and the impacts of COVID-19 on mobility in Senegal, the Group has undertaken a review of expenditure capitalised in the mining and development asset.

The Group based its decision to develop the Makabingui Gold Project on, amongst other considerations, a Bankable Feasibility Study, developed with the assistance of independent mining consultants Mincore in 2017. Subsequent to that report, the Group engaged Reynolds Consulting Pty Ltd to assist in its mine plan, including the development of a Mine Optimisation. This included a review and update of the resource, and an estimation of the Net Present Value ("NPV") of the proposed mining operations. This estimation was reassessed in February 2022 with the company engaging an independent expert to assist the directors in updating a NPV of the proposed mining operations in preparation for raising funding and recommencing mining operations.

The methodology used in each of the estimations was consistent with industry practice and as mentioned, involved the assistance of an independent expert. The NPV provided an estimation of NPV in the range of $60 million to $113 million. It is these estimations the Directors have used as the basis for their Impairment Review.

Key inputs into the NPV estimations were:

Assumption	Value	Risk factors	Policy
Gold production (pits 1 and 2 only)	121,238 oz	The quantity of gold recovered does not reach the identified reserve.	Highly selective mining technique, led by mining geologist.
Gold price	US$1800	The price dips below the assumed price. The gold price on 31 December 2022 was US1,813.	Price used is within the range of the quoted price over the period of this report, no plans for hedging at date of report.
Project capital cost	US$24 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	Various	Costs are understated or not controlled.	Management of mining contract costs and control of processing plant internally.
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	20%	Cost of funding exceeds discount rate.	Monitoring of Internal rate of Return and cost of funding.

The most recent estimation of NPV, prepared by Reynolds Consulting Pty Ltd in February 2022, provided a range of US$60 million to US$113.1 million. At year end rates this would provide a low of A$88.2 million and a high of A$165.9 million. The range was varied based on the gold price – the low being US$1,500 per oz and the high being US$2,000. The gold price in 2022 has varied between a low of US$1,626 and high of US$2,043. At balance sheet date exchange rates this NPV would range between a low of A$105.2 million and a high of $166.7 million. The directors considered the carrying value of the development assets at 31 December 2022 in the light of the movements in the gold price, foreign exchange rates and progress on the project.

Based on the conclusions in the Reynolds Consulting Pty Ltd report the directors have recorded no further impairment. However, at balance date there were risks attached to the need for additional capital to be raised and the costs of the additional capital have not been fully identified.

After balance date the company's interest in this development asset has been disposed.

5. PROPERTY PLANT AND EQUIPMENT

	2022 $'000	2021 $'000
Plant and equipment at cost	6,773	6,748
Less Accumulated depreciation	(6,773)	(6,748)
	-	-
Camp assets at cost	225	225
Less Accumulated depreciation	(72)	(72)
Less Accumulated impairment	(153)	(153)
	-	-

5. PROPERTY PLANT AND EQUIPMENT

Motor vehicles at cost	1,509	1,500
Less Accumulated depreciation	(1,427)	(1,357)
	82	143
Furniture and fittings at cost	87	86
Less Accumulated depreciation	(61)	(60)
Less Accumulated impairment	(26)	(26)
	-	-
Computer equipment at cost	67	67
Less Accumulated depreciation	(9)	(9)
Less Accumulated impairment	(58)	(58)
	-	-
Computer software at cost	532	528
Less Accumulated depreciation	(424)	(304)
Less Accumulated impairment	(62)	(62)
	46	162
	128	**305**

2022	**Plant & equipment**	**Camp assets**	**Motor vehicles**	**Furniture & fittings**	**Computer equipment**	**Computer software**	**Total**
Opening balance	-	-	143	-	-	162	305
Additions	-	-	-	-	-	-	-
Depreciation charged	-	-	(61)	-	-	(113)	(174)
Foreign exchange variance	-	-	-	-	-	(3)	(3)
Closing balance	-	-	82	-	-	46	128

2021	**Plant & equipment**	**Camp assets**	**Motor vehicles**	**Furniture & fittings**	**Computer equipment**	**Computer software**	**Total**
Opening balance	-	-	209	4	-	285	498
Additions	-	-	-	-	-	-	-
Depreciation charged	-	-	(62)	(4)	-	(117)	(183)
Foreign exchange variance	-	-	(4)	-	-	(6)	(10)
Closing balance	-	-	143	-	-	162	305

Accounting policy

Plant and equipment are stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property and plant and equipment over their expected useful lives as follows: Depreciation is calculated on a straight-line basis to write off the net cost of each item of property and plant and equipment over their expected useful lives as follows:

Plant and equipment	3-10 years
Camp assets	3-7 years
Motor vehicles	5 years
Furniture & fittings	3-5 years
Computer equipment	3-5 years

Computer software	3-4years

5. PROPERTY PLANT AND EQUIPMENT

Plant and equipment comprise assets acquired and assembled for the purpose of use in the process of Gold Ore, and include buildings, machinery, equipment and fixtures within the processing plant.

Camp assets comprise buildings, fixtures, fittings and equipment within the Douta Camp complex.

Furniture and fittings comprise all assets at the Dakar Office and the Guest House, including furniture, fixtures, fittings and equipment.

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

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

6. TRADE AND OTHER PAYABLES

	2022	2021
	$'000	$'000
Trade and other payables	7,256	8,466
Accrued expenses and other payables	5,347	2,384
Payroll and related taxes and other liabilities	1,819	1,860
	14,422	**12,710**

Accounting policy

Trade and other payables 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.

Liabilities in Senegal owned subsidiaries

	2022	2021
	$'000	$'000
Amounts owing FCFA	7,058	7,733
Amounts owing USD	991	1,085
Amounts owing AUD	1,698	1,753
	9,747	**10,571**

Included in liabilities due in Senegal owned subsidiaries are liabilities in relation to payroll responsibilities. Due to the Group's funding issues MGO has not been able to fulfil payroll compliance requirements, including filing and payment of payroll taxes. An estimate of possible penalties and interest charges has been included in payroll and related taxes and other liabilities. The management of MGO and Bassari Senegal are in regular contact with the local authorities whilst they are in the process of ensuring compliance with all local filing requirements.

Liabilities in Mauritius owned subsidiaries

	2022	2021
	$'000	$'000
Amounts owing USD	12	25
Amounts owing AUD	2,938	147
	2,950	**172**

7. FINANCIAL LIABILITIES

	2022 $'000	2021 $'000
Current Financial Liabilities		
Loan facility and offset account *(i)*	-	11,354
Private equity loan facilities *(ii)*	30,893	11,221
Other loans *(iii)*	1,285	1,301
Convertible notes *(iv)*	-	700
Total Financial liabilities	**32,178**	**24,576**

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.

During the previous year the Group entered into an agreement with Coris to settle the loan balance, the offset account, the Coris bank overdraft and penalty charges and interest. The amounts were fully settled in March 2022.

(ii) Private equity loan facilities

Since the appointment of the new Directors, the Board and management secured a short-term loan facility with Oceanic Capital Pty in order to pay creditors and provide working capital for the Group. At 31 December 2021 the amount of the facility drawn down was $3.515 million. During the 2022 financial year the loan was assigned to Bishop Resources (UK) Ltd. The details of the loan facility are as follows.

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

The Company has also secured a long-term substantial funding package of $15,000,000, later increased to $25 million. Upon full utilisation of the $25 million, Bishop continued to provide funding. This facility was used to settle the Coris loan facility, and other significant creditors. At 31 December 2022 the amount drawn down was $25 million, with other borrowings also assumed by the lender. The details of the loan facility include:

- Lender — Bishop Resources (UK) Ltd. **("Bishop")**
- Loan amount — AUD15 million
- Interest rate — 15% per annum
- Discount rate — 12% per annum
- Loan period — 36 months from settlement date
- Security — Pledge by Bassari Mauritius Holding No 2 Ltd of its shareholding in MGO

Included within Accrued Expenses and other payables in note 6 is interest on the loan of $2.937 million (2021: $0.147 million).

Following the securing of the two debt financing facilities described above, the directors entered into a suite of agreements with Bishop to amend the loan facility, increasing the amount to $25 million, with Bishop continuing to provide funding beyond that amount. Drawdowns approximated $31 million when the share sale discussed in note 20 occurred. In addition, agreements were entered into with Oceanic and BCM International Ltd for the Company's indebtedness to these parties to be assigned to Bishop during the financial year. All the required approvals in Senegal, for Makabingui Gold Resources SA ("MGO") to enter into these agreements were obtained at MGO Board level including Government appointees to the MGO Board and documents registered in the various Senegalese authorities' records. See note 20 for further details of settlement arrangements with Bishop.

7. FINANCIAL LIABILITIES (cont'd)

(iii) Other loans

Other Loans of $1.285 million relate to advances received from Senegal Nominees, a company incorporated in Senegal for the purpose of providing working capital, which includes a short-term working capital loan from ORABank amounting to $371k, that was rolled into the Senegal Nominees loan balance.

Alex Mackenzie, the ex-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.

(iv) Convertible notes

Interest of $14,000 (2021: $56,000) was charged to profit or loss in relation to interest on the current unsecured loan facility. Interest accrued on the convertible notes amounts to $0.412 million. The convertible notes all passed the redemption dates in 2015 and 2016. During the financial year, BCM International Ltd entered into a Deed of Assignment with Bishop Resources (UK) Ltd ("Bishop") for the issue to the noteholders of shares in Bishop Resources NL to assign the Convertible Note principal and interest accrued to 31 March 2022 of $1,112,725 to Bishop.

Accounting policy

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred. During the period, no interest costs were capitalised into the mine development asset as activities at the project were on hold.

Convertible notes are accounted for as the aggregate of a liability component and an equity component. At initial recognition, the fair value of the liability component of the convertible note is determined using a market interest rate for an equivalent non-convertible note. The remainder of the proceeds is allocated to the conversion option as an equity component, recognised in the Statement of Changes in Equity. Transaction costs associated with issuing the convertible notes are allocated to the liability and equity components in proportion to the allocation of proceeds. The liability component is subsequently carried at amortised cost, calculated using the effective interest method, until extinguished in conversion or maturity.

8. PROVISIONS (CURRENT)

	2022 $'000	2021 $'000
Employee entitlements	**957**	**748**

Accounting policy

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.

9. CONTRIBUTED EQUITY

	2022	2021
(a) Ordinary Shares	**$000**	**$000**
Paid-up capital		
2,418,855,633 (2021: 2,418,855,633) fully paid ordinary shares	**79,037**	**79,037**

There has been no movement in contributed equity in 2022 or 2021.

(b) Options

The Company issued no options during the year and had no options outstanding on 31 December 2022.

Accounting policy

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.

Rights Attached to Equity Holdings

(a) Ordinary Shares

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

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.

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.

On 31 December 2022 there were no partly paid shares outstanding.

(b) Options

No options have been exercised during the year and there were no options outstanding at the end of the 2022 financial year.

Capital Risk Management

The Group considers its capital to comprise its ordinary share capital and accumulated losses.

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. The company has not been able achieve this at year end. In the 2021 financial year the Company entered into financing arrangements (extended during the current financial year) with Bishop Resources (UK) Ltd providing the Group with a source of funding to pay its debts and fund operations. The funding arrangements can be found in note 1 *Going Concern* and note 20 *Events Subsequent to the End of the Financial Year.*

10. RESERVES

	2022	2021
	$'000	**$'000**
Foreign currency translation reserve (a)	6,402	6,341
Performance rights reserve (b)	-	319
	6,402	**6,660**

10. RESERVES (cont'd)

(a) 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

	2022 $'000	2021 $'000
Balance at the beginning of the year	6,341	7,119
Movement during the year	61	(778)
Balance at end of year	**6,402**	**6,341**

b) Performance Rights Reserve

(i) Nature and purpose of reserve

This reserve records the value of the performance rights issued by the Company. At the Group's AGM, in 2018 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 start of the year	Granted	Exercised	Expired/ forfeited/ other (i)	Balance at the end of the year
31/5/2017	31/5/2022	$0.00	18,000,000	-	-	(18,000,000)	-

The performance rights lapsed during the year.

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:

Input	Tranche 2
Number of rights	22,000,000
Valuation Date	20 April 2017
Vesting Period	5 years from date of issue
Spot Price	$0.018
Volatility	90%
Vesting Condition	BSR achieving a market capitalisation of $105,000,000 or more
Estimated vesting period	3.94 years
Risk Free Rate	2.04%
Dividend Yield	0%
Value per performance right	$0.0157

(ii) Movements in Reserve

	2022 $'000	2021 $'000
Balance at beginning of the year	319	352
Expense during the year	-	32
Forfeited during the year	-	(65)
Lapsed during the year	(319)	-
Balance at end of year	**-**	**319**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (cont'd)

11. EMPLOYMENT AND CONSULTANT COSTS

	2022 $'000	2021 $'000
Salaries, wages, on-costs and consultant fees	1,340	1,711
Share based payments *	-	(33)
Superannuation – defined contribution	-	2
	1,340	**1,680**

* Cost relates to amortisation of performance rights over the vesting period, less the reversal of amortisation of performance rights forfeited during the year. For details see note 10(b).

12. PROJECT COSTS

During the previous year the Group's activities at the MGO Project were suspended due to the impacts of COVID-19 and the availability of funds, as described in note 4. As a result, expenditure incurred on the project during the current and prior periods was minimal.

Project costs recorded in the statement of profit or loss and other comprehensive income relate to costs incurred on the development of the mine site during the period that operations were suspended. The costs related to fuel, costs of running the camp, security, consultant costs and other related costs.

13. INCOME TAXES

	2022 $'000	2021 $'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:

	2022 $'000	2021 $'000
Loss from operations	(9,812)	(8,355)
Income tax calculated at 25% (2021 – 26%) Income tax of other members of the tax consolidated group (net of inter-company transactions	(2,453)	(2,172)
Add tax effect of:		
Non-deductible expenses/ (non-assessable items)	-	9
Less tax effect of:		
Unused tax losses not recognised as deferred tax assets	2,453	2,163
	-	-

13. INCOME TAXES (cont'd)

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

	2022 $'000	2021 $'000
Tax losses (revenue or operating losses)		
Australia at 25%	4,863	4,572
	4,863	**4,572**

Tax losses have been adjusted for prior income tax returns lodged. Refer to comment below regarding review of tax loss availability.

Accounting policy

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.

Critical accounting estimates, assumptions and judgements

The benefit of the tax losses has not been brought to account on 31 December 2022 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.

Other matter – availability of carry forward tax loses

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

Any tax losses in Senegal would also be available to be carried forward, together with previous exploration expenditure incurred on mining projects in Senegal. No Senegal tax losses have been recognised in this financial report.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (cont'd)

14. DIVIDENDS

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

15. CONTINGENT LIABILITIES

Senegal tax assessment

Bassari Resources Senegal SARL, a subsidiary of Bassari Resources Limited, has been subject to a review in Senegal in relation to taxes payable in that country. A notification of tax adjustment was received in September 2015, followed by confirmation of tax adjustment received in November 2015, claiming an amount equivalent to $A17.27 million. The amount notified was in relation to Value Added Tax ("VAT"), import duties and taxes on expenditures incurred in Senegal and other taxes, including corporate tax.

Bassari Resources Senegal SARL has operated from incorporation under the Senegal Mining Code in Senegal. The Senegal Mining Code provides the company with a total exemption from the tax regime and taxes of any nature. Accordingly, Bassari refutes the legitimacy of the tax adjustment. The Company has sought and received legal advice that as an exploration company, and according to joint venture agreements signed and approved by the Senegalese Minister of Mines, Bassari benefits from a total tax exemption under Senegalese mining legislation. The directors are therefore satisfied that the position they have taken is supported by strong legal advice.

The directors believe that based on legal advice received that there is no liability, any liability is contingent on a ruling against the company, which the directors consider remote. Accordingly, no liability has been recognised in the current period, and the provision previously made has been reversed.

Other than these matters, the Directors are not aware of any other contingent liabilities on 31 December 2022.

16. SUBSIDIARIES

Subsidiary entities consolidated	Country of Incorporation	Class of shares	Percentage owned 2022	Percentage owned 2021
Bassari Resources Senegal SARL	Senegal	Ordinary	100%*	100%*
Bassari Equipment Pty Ltd	Australia	Ordinary	100%*	100%*
Bassari Mauritius Holding Ltd	Mauritius	Ordinary	100%*#	100%*#
Bassari Mauritius Holding No 2 Ltd	Mauritius	Ordinary	100%*	100%*
Bassari Mauritius Equipment Ltd	Mauritius	Ordinary	100%*#	100%*#
Douta Mining SA	Senegal	Ordinary	63% ^	63% ^
Makabingui Gold Operation 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 2022

^ Douta Mining SA was incorporated in Senegal in 2011.

~ Makabingui Gold Operation SA was incorporated in Senegal in 2018.

17. PARENT ENTITY INFORMATION

	2022 $'000	2021 $'000
Information relating to Bassari Resources Limited		
Financial Position		
Current assets	85	62
Non-current assets	2,578	3,019
Total Assets	**2,663**	**3,081**
Current liabilities	(1,754)	(6,429)
Non-current liabilities	(4,744)	-
Total Liabilities	**(6,498)**	**(6,429)**
Net Liabilities	**(3,835)**	**(3,348)**
Contributed equity	85,367	85,367
Reserves	-	319
Accumulated losses	(89,202)	(89,034)
Total Equity	**(3,835)**	**(3,348)**

	2022 $'000	2021 $'000
Financial Performance		
Total revenue		-
Loss for the year	(487)	(1,077)
Comprehensive income for the year	(487)	(1,077)

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.

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 2022 (cont'd)

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

The main risks arising from the Group's financial instruments are cash flow interest rate risk, foreign currency translation risk and liquidity 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.

	2022	2021
	$'000	$'000
Financial Assets		
Cash and cash equivalents	127	618
Other receivables	86	73
Total Financial Assets	**213**	**691**
Trade and other payables	14,422	12,710
Financial liabilities	32,178	24,576
Total Financial Liabilities	**46,600**	**37,286**

(b) Interest Rate Risk

The Group'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 2. At balance date the Group had the following mix of financial assets and liabilities that were subject to interest:

	2022	2021
	$'000	$'000
Cash and cash equivalents – variable rates	127	618
Loans payable – fixed rates	(30,893)	(22,575)
Loans payable – interest free	(1,285)	(1,301)
Convertible Note liabilities – fixed rate	-	(700)
Net Financial Liabilities	**(32,051)**	**(23,958)**

The Group'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

18. FINANCIAL RISK MANAGEMENT (Cont'd)

instruments. The following sensitivity analysis is based on the interest rate risk/opportunity in existence at balance date.

At the year-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:

	2022	2021
	$'000	$'000
Judgements of possible movements:		
+1% (100 basis points)	(1)	(6)
-1% (100 basis points)	1	6

The Group's interest rates are fixed for Loan payables and Convertible Note liabilities. Cash and cash equivalents and the overdraft balances are subject to variable rates and compose the basis for the sensitivities in the table above.

(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 banking institutions. The Group's maximum credit risk is $127,000 (2021: $618,000).

(d) Fair Values

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

Cash, cash equivalents: 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.

Borrowings – loan advances: The amounts are carried at amortised cost and are short term in nature as the balances are repayable in less than 12 months. Therefore, the carrying amounts approximate fair value.

Borrowings – convertible notes: The carrying amount approximates fair value because of their short-term nature. Fair value is calculated upon recognition and interest charged on fair value. (e)

(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 18 months of receipt according to agreed terms. Subsequently repayment terms have been renegotiated.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (cont'd)

18. FINANCIAL RISK MANAGEMENT (cont'd)

(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 Group does not hedge its exposures. None of the Group's financial instruments are currently impacted by commodity price risk.

(g) Foreign currency translation risk

The Group's operations are carried out in Senegal and consequently the Group undertakes transactions in foreign currency and is exposed to foreign currency risk through foreign currency rate fluctuations. Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency.

On 31 December the Group's financial instruments denominated in other currencies was as follows:

	2022	2021	2022	2021
	Fcfa '000	Fcfa '000	$'000	$'000
Cash and cash equivalents	42,328	254,048	101	603
Trade and other receivables	10,090	10,000	24	24
Trade and other payables	(3,481,314)	(3,258,567)	(8,337)	(7,733)
Financial liabilities	(505,363)	(5,353,751)	(1,210)	(12,730)
Net Financial (Liabilities)/Assets	**(3,934,259)**	**(8,348,270)**	**(9,422)**	**(19,836)**

Financial instruments also include Trade and other payables, $991,000 denominated in USD (2021: $1,085,000).

The risk is measured using sensitivity analysis and cash flow forecasting. At 31 December a variance in the exchange rate would have resulted in the following sensitivities:

	AUD up 6% (2021: 3%)		**AUD down 6%** (2021: 5%)	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Net Asset	520	577	(640)	(1,044)
Equity	520	577	(640)	(1,044)
Profit after tax	-	-	-	-
Foreign exchange gain/loss	520	577	(640)	(1,044)

Over the year the foreign exchange rate with the Senegal FCFA varied between a high of FCFA457.61 to $1 and a low of FCFA405.13 to $1. The variance throughout the year was 12% maximum (2121: 8%), with a 6% variance above the average (2021: 3%), and 6% below the average exchange rate (2021: 5%). Therefore 6% increase and a 6% decrease are considered a reasonable measure of sensitivity.

Financial Instruments also include Trade and other payables denominated in US dollars. The amount at 31 December 2022 was $991,000 and at 31 December 2021 was $1,085,000. The variance arising from changes in the USD exchange rate are not considered significant as the amounts are not material.

The Group has previously not taken measures to manage the risk of foreign currency rate fluctuations impacting the translation of foreign operations as such measures would have required the availability of surplus funds. The development of the mining operations has provided the opportunity to raise project funding locally to manage foreign currency risk. This funding was raised in Senegal francs, which is referenced to the Euro. Purchases are, largely made in Senegal francs or US dollars. Management will continue to manage foreign currency translation risk in accordance with the availability of funding and the requirements of project funding.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (cont'd)

19. AUDITOR'S REMUNERATION

During the year the auditor of the Company earned the following remuneration:

	2022 $	2021 $
Audit or review of financial reports of the Group		
BDO Audit Pty Ltd	71,000	110,000
Firms not related to the lead auditor		
Audit services	41,071	22,743
Total remuneration	**112,071**	**132,743**

The auditor did not receive any other benefits.

20. EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

The Company has fundamentally changed its focus following the disposal of its entire shareholding interest in MGO to Bishop Resources Limited. This was announced to shareholders on our website (www.bassariresources.com) on 1 August 2023. This disposal of this interest was via completion of a share sale agreement entered into by the Company with Bishop Resources Limited on 23 February 2023 ("MGO Share Sale Agreement").

The following subsequent events disclosure provides information on the Group securing an extension to its permit over the MGO Project, the status of the Moura Permit and information on the completed MGO Share Sale Agreement with Bishop Resources Limited and the objectives of the Company post this transaction.

Moura Permit

After the end of the period, Bassari's joint venture partner made a claim of full title to the land area included in the Moura permit. Bassari has been defending its position. Completion of the MGO Share Sale Agreement transfers the Group's interest in the Moura permit to Bishop Resources Limited.

Term Sheet (subsequently superseded, see next heading, "Share Sale Agreement")

On 31 August 2022 the Company entered into a binding term sheet with Bishop Resources NL ("Bishop") and its subsidiary Bishop Resources (UK) Ltd. The term sheet set out an agreement for Bishop to acquire a 100% interest in Bassari Mauritius Holding No 2 Ltd ("Bassari Mauritius") and Bassari Resources Senegal Ltd ("Bassari Senegal"). Bassari Mauritius and Bassari Senegal are the holders of Bassari's projects, including its 63% shareholding in Makabingui Gold Operation SA ("MGO").

Completed Share Sale Agreement

This Term Sheet was replaced with a Share Sale Agreement signed by Bassari and Bishop on 23 February 2023 which adopts the terms and conditions, with minor changes, of the Term Sheet. The MGO Share Sale Agreement conditions precedent have been met and completion of the transaction was achieved on 31 July 2023, including the issue of $2 million of Bishop consideration shares.

Other terms of the Share Sale Agreement include:

- Provide cash contribution to the costs and expenses of Bassari on an incurred basis of up to a maximum $500,000;
- Provide an effective cash payment of $1 to cancel all debt and any accrued interest provided under the deed of loan between Bassari and Bishop on or about 4 April 2022, which will be discharged and no longer owing by Bassari;
- Cancel existing Bishop debt at Completion, approximating $34 million, including accrued interest;
- Issue of 3 million worth of shares upon the receipt of a JORC 2012 report on the Makabingui Gold Project containing a minimum of 1 million ounces (at a minimum grade 2.6g/t) within 3 years of Completion at an issue price being the IPO price, with pro rata adjustment to the number of Shares to be issued should the JORC 2012 report identify less than 1 million ounces in the Makabingui

NOTE 20. EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR (cont'd)

Gold Project resource and should a JORC 2012 report not be issued within 3 years of Completion date, $3 million worth of shares will be issued; and

- Assume other Bassari debts approximating $1.75 million, through the execution of debt assumption agreements between Bishop, Bassari and each creditor for the satisfaction of such debts via the issue of Shares at the IPO price or on such terms as may be agreed by the applicable parties.

The Directors intend to undertake the following now that the Share Sale Agreement with Bishop has been completed:

- The Board will call a shareholder meeting for approval to make an in-specie distribution of Bishop shares received.

Subsequent to the end of the financial period, ASIC took action against Bassari Resources Limited for failing to lodge half-year and annual financial reports within the required time for lodging reports. ASIC has also took action for failing to hold annual general meetings for 2020 and 2021 within the required time frame. The audited financial reports for the year ended 31 December 2021 and the half years ended 30 June 2021 and 30 June 2022 were lodged with ASIC on 11 September 2023. The charges were heard in Perth on 15 September 2023, and on 6 October the company was placed on a good behaviour bond for a period of 2 years.

Other than the matters referred to in the above paragraphs, there have been no significant events that have occurred subsequent to 31 December 2022 that require disclosure in the financial report.

21. 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:

- **Director Related Entities**

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

In prior years funds were received to assist with working capital from Senegal Nominees, a company incorporated in Senegal in which former director Alex Mackenzie is a shareholder. The balance on 31 December 2022 of the funds advanced to the Group was $1,285,000 (2021: $931,000). The increase is due to amount due to ORABank being rolled into advances provided by Senegal Nominees (refer Note 7 (iii). Amounts were advanced to Bassari Resources Senegal SARL and Makabingui Gold Operation SA with no set term for repayment and is interest free.

22. KEY MANAGEMENT PERSONNEL DISCLOSURES

Directors

The following persons were directors of Bassari Resources Limited during the financial year:

Mr Ian Riley (appointed 16 December 2021, resigned 28 November 2022)
Mr Modou Guene (resigned 27 June 2023)
Mr John Traicos (appointed 7 May 2021)
Mr Malik Easah (appointed 7 May 2021, resigned 19 May 2023)
Mr Andrew Goode (appointed 1 June 2021)

For information on change of directors after balance date, refer Note 20 *Events subsequent to the end of the financial year.*

Other key management personnel

No other person had the authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, during the financial year.

22. KEY MANAGEMENT PERSONNEL DISCLOSURES (cont'd)

Compensation

The aggregate compensation made to directors and other key management personnel of the Group is set out below:

	2022 $	2021 $
Short term employee benefits	661,041	886,159
	661,041	**886,159**

23. 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.

The Group adopted AASB 16 *Leases* during the year. The Group does not have any material operating leases commitments that will be accounted for under this standard.

Accordingly, the Group's lease arrangement disclosures have not been materially impacted by the adoption of this standard.

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

The Group has not adopted any revised or amending standards not yet effective early. The Directors believe there are no revisions or amendments that would materially impact the content and presentation of the financial report.

DIRECTORS' DECLARATION

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

(a) The financial statements and accompanying notes of the Group 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 2022 and of its performance for the year ended on that date; and

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

(b) Subject to the matters disclosed in Note 1 (c), 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

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.

John Traicos
Executive Chairman

Perth, 19 January 2024

Tel: +61 3 9603 1700
Fax: +61 3 9602 3870
www.bdo.com.au

Collins Square, Tower Four
Level 18, 727 Collins Street
Melbourne VIC 3008
GPO Box 5099 Melbourne VIC 3001
Australia

INDEPENDENT AUDITOR'S REPORT

To the members of Bassari Resources Limited

Report on the Audit of the Financial Report

Disclaimer of opinion

We were engaged to audit the financial report of Bassari Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2022, 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, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

We do not express an opinion on the accompanying financial report of the Group. Because of the significance of the matter described in the *Basis for disclaimer of opinion* section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on this financial report.

Basis for disclaimer of opinion

Going Concern

As disclosed in Note 1(c) to financial report, the directors have prepared the financial statements on a going concern basis. As disclosed in Note 20, the Company has disposed of its interest in Bassari Mauritius Holding No.2 Limited (BMHL) and Makabingui Gold Operations SA (MGO) post balance date to Bishop Resources Limited ('Bishop') and no longer holds any operating assets. In order to continue as a going concern, the Company is reliant on consideration to be received from the disposal, which includes Bishop settling certain liabilities on behalf of the Company and providing a $500,000 cash contribution via funding ongoing expenditure. At the date of issuing this financial report, there remains uncertainty as to whether the Company will be wound up or there will be a continuity of normal business activity after collection and distribution of the consideration to be received from Bishop. As a result, we have been unable to obtain sufficient appropriate audit evidence to support the financial report being prepared on a going concern basis.

Bassari Mauritius Holding No.2 Limited (BMHL) and Makabingui Gold Operations SA (MGO)

At balance date, BMHL was a wholly owned subsidiary of the Company and held its 63 percent interest in MGO, a company incorporated in Senegal. As per Note 4 to the financial report, MGO holds the Group's mining and development asset (Makabingui Gold Project) which relates to the Sambarabougou exploitation permit in Senegal. This is carried at $53,702,000 on the consolidated statement of financial position as at 31 December 2022 (2021 $53,078,000), which represents over 99 percent of the Group's total assets.

We have been unable to obtain sufficient appropriate audit evidence to support the financial position of BMHL and MGO as at 31 December 2022 and the financial performance for the year then ended. Consequently, we were unable to determine whether any adjustments to the asset balance was necessary.

Financial Liabilities

As per Note 7 to the financial report, at 31 December 2022 the Group has recorded a private equity loan facility payable of $30,893,000. As disclosed in Note 7(ii), this is payable to Bishop Resources Limited and has accrued interest owing at 31 December 2022 of $2,938,000, included in Note 6. We have been unable to obtain sufficient appropriate audit evidence to support the balances owing to Bishop at period end. Consequently, we were unable to determine whether an adjustment to this balance was necessary.

Events after Balance Date

The Company has not yet finalised its financial report for the half-year ended 30 June 2023 and has not prepared financial statements for the year ended 31 December 2023. Consequently, we were unable to determine whether any adjustments were required in respect of financial position, performance and/or disclosures were necessary.

Responsibilities of the directors 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 preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our responsibility is to conduct an audit of the financial report in accordance with Australian Auditing Standards and to issue an auditor's report. However, because of the matter described in the Basis for disclaimer of opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial report.

We are independent of the Group in accordance with the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

BDO Audit Pty Ltd

David Garvey
Director

Melbourne, 19 January 2024