



Bassari Resources Limited
ACN 123 939 042

Half Year Report - 30 June 2015

Your Directors submit the consolidated financial statements for the half year ended 30 June 2015 and the independent auditor's review report thereon and report as follows:

Directors

The names of the Directors of Bassari Resources Limited in office at any time during or since the end of the period are as follows:

Mr Alex Mackenzie (Executive Chairman)
Mr Peter Spivey (Non-Executive Director, appointed 18 May 2015)
Mr Phillip Bruce (Non-Executive Director)
Mr Jozsef Patarica (Managing Director/CEO, resigned 14 June 2015)
Mr Chris Young (Non-Executive Director, retired 29 May 2015)

Principal activities

The principal activities of the group are the preparation for the development of the Makabingui Gold Project and exploration and resource definition within three contiguous permit areas located in Senegal – Moura, Sambarabougou and Bounsankoba – in order to commence production and to delineate additional mineral (primarily gold) deposits that meet commercial parameters of grade and tonnage needed for profitable exploitation. The Group, following completion of permitting and funding requirements of its Makabingui Gold Project is rapidly moving to become a gold producer.

Result and Review of Operations

The loss for the Consolidated Entity after providing for income tax for the period amounted to \$760,000 (30 June 2014: \$756,000). The detailed Review of Operations follows this Directors' Report.

Subsequent events

In July and August 2015 the Company completed a number of placements to provide working capital and to advance the Makabingui Gold Project, as follows: -

- 16,000,000 ordinary shares at 1 cents per share, raising \$160,000 on 6 July 2015.
- 15,870,000 ordinary shares at 1 cent per share raising a \$158,700 on 15 July 2015.
- 5,100,000 ordinary shares at 1 cent per share raising \$51,000 on 17 July 2015.
- 29,000,000 ordinary shares at 1 cent per share raising \$290,000 on 29 July 2015.
- 5,200,000 ordinary shares at 1 cent per share raising \$52,000 on 6 August 2015.
- 33,309,300 ordinary shares at 1 cent per share raising \$333,093 on 12 August 2015.

There have been no other significant events that have occurred subsequent to 30 June 2015 that require disclosure in the half year 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 Class Order 98/100. The company is an entity to which the Class Order applies. Amounts in the directors' report have been rounded off in accordance with the Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

Lead Auditor's Independence Declaration

A copy of the auditor's independence declaration in relation to the review for the half-year ended 30 June 2015 is provided with this report.

This report is made in accordance with a resolution of the directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

A handwritten signature in black ink, appearing to read 'Alex Mackenzie', with a long horizontal flourish extending to the right.

Alex Mackenzie
Executive Chairman

Melbourne
11 September 2015

MAKABINGUI GOLD PROJECT – FINAL MEETING CLEARS WAY FOR PRODUCTION PERMIT

The successful completion of the Environment Impact Study (“EIS”) process in relation to the Bassari-WATIC JV Makabingui Gold Project paves the way for the grant of a production permit.

The process involved the preparation of independent environmental studies on the development of the project and the mine rehabilitation program. These studies raised no major environmental problems and were validated at a government environment technical meeting.

The final step in the process was to hold a public meeting to examine the impact of the project on the local people. This meeting was held in the Missira village on 14 July 2015. The meeting was attended by:

- Administrative authorities (Governor of Kedougou, the Saraya Prefect, the Sabodala Sous-Prefet);
- Local authorities (Maire of Missira, village chiefs, regional council representatives and many villagers from the surrounding areas).

All in attendance supported and approved the project.

Following the public meeting, a detailed report was prepared by the Environmental Department of Kedougou and sent to the Direction of Environment in Dakar. The Direction subsequently issued an Environmental Attestation of Conformity to complete the Sambarabougou mining concession application.

This public meeting approval and Attestation was the final pre-requisite to convert the Sambarabougou Exploration Permit to a production permit. Negotiations with the government of Senegal of the terms of the production permit are well advanced.

CORPORATE

Director and management changes

During the half year the Board underwent a number of changes and welcomed Peter Spivey, a successful mine developer and operator with significant experience in the gold industry, to the Board. Peter is based in Dakar, Senegal, and having overseen the development of the Sabodala Gold Mine in Senegal, he will be a major addition to the Board.

In addition to Peter, Bruce van Brunt a mining engineer/geologist has joined Bassari’s consulting team. Bruce also resides in Dakar and has played an important role in the development of the Sabodala Gold Mine.

The former Managing Director, Jozsef Patarica resigned effective 14 June 2015 and Director and consulting geologist, Chris Young retired, effective at the conclusion of the Annual General Meeting of the Company on 29 May 2015. Both of these gentlemen contributed so much to Bassari over many years and the great success of what has been achieved to date resulted from their technical expertise and dedicated work ethic.

Capital raising

A Share Purchase Plan ('the SPP') closed 1 April 2015, raising \$959,000. The SPP was announced on ASX on 17 March 2015 and was made available to eligible shareholders on the company share register on the record date, 16 March 2015. The issue price of the shares issued under the SPP was \$0.0091 (0.91 cents) per each ordinary share.

The funds raised by the SPP provide working capital and funds to further progress the development phase of the Makabingui Gold Project.

A placement of 10 million ordinary shares at \$0.01 (1 cent) per each ordinary share was made on 1 April 2015 raising \$100,000 before costs to provide working capital and funds to further progress the development phase of the Makabingui Gold Project.

In addition to the two fund raisings above, a further two tranches of the convertible note facility in place with BCM International Limited were completed, the first on 2 April 2015 issuing 6.25 million convertible notes at 1.6 cents each convertible note, raising \$100,000 and the second, completed on 15 June 2015 also issuing 6.25 million convertible notes at 1.6 cents each convertible note and raising \$100,000.

Since the end of the half year the company has raised by placement, a further \$1.045 million at \$0.01 (1 cent) each ordinary share.

MAKABINGUI GOLD PROJECT

The Makabingui Gold Project currently hosts a Mineral Resource (*Note 1*), which comprises 11.9 million tonnes averaging 2.6 g/t gold for a contained 1 million ounces of gold classified into the Indicated and Inferred Resource categories. The initial open pit mining phase focuses on the Indicated Resource based on a conventional gravity and Carbon in Leach (CIL) processing circuit. The Open Pit Feasibility Study for the initial mining phase delivered outstanding results:

Makabingui initial stage high grade Open Pit Project Feasibility Study summary at US\$1,200/oz gold price:

○ <i>Mined ounces</i>	180,000 ounces
○ <i>Production (recovered gold)</i>	171,000 ounces
○ <i>Average annual gold production</i>	50,000 ounces
○ <i>Average gold grade to the mill</i>	>5.6 g/t gold
○ <i>High processing recovery</i>	95%
○ <i>Processing rate</i>	300ktpa
○ <i>Initial project mine life</i>	3.4 years
○ <i>Cash Cost (C1)</i>	US\$683/oz
○ <i>Low additional capital</i>	US\$12M
○ <i>NPV (8% discount rate)</i>	US\$63M
○ <i>IRR</i>	404%
○ <i>Pre-capex free cash flow (after tax)</i>	US\$88M
○ <i>Payback from production start</i>	<12 months

In addition, an Underground Scoping Study has been undertaken providing an assessment of the potential for an underground development phase for the Makabingui Gold Project within the one million ounce gold resource. Underground development would commence on Completion of Pit operations and utilise existing infrastructure and 300ktpa processing plant factored into the Open Pit Feasibility Study for the development of the four high grade open pits.

Note 1 :- Prepared and disclosed under the JORC Code 2004 and remains unchanged.

Forward-Looking Statement

This release may include forward-looking statements which are based on assumptions and judgements of management regarding future events and results. Statements regarding Bassari Resources Limited plans with respect to future exploration and drilling are forward-looking statements. Forward-looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of Bassari Resources Limited that could cause actual results to differ materially from such statements. Bassari Resources Limited makes no undertaking to subsequently update or revise the forward-looking statements made in this release to reflect events or circumstances after the date of this release.

Competent Persons Statement

The information in this announcement that relates to the Mineral Resources and Exploration Results has been reviewed and approved by Mr Moussa Diba who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Diba is the chief geologist of Bassari Resources Limited and has over 20 years' experience in the industry and has more than five years' experience which is relevant to the style of mineralisation being reported upon and the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Diba consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

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

DECLARATION OF INDEPENDENCE BY JAMES MOONEY TO THE DIRECTORS OF BASSARI RESOURCES LIMITED

As lead auditor for the review of Bassari Resources Limited for the half-year ended 30 June 2015, 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 review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

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



James Mooney
Partner

BDO East Coast Partnership

Melbourne, 11 September 2015

BASSARI RESOURCES LIMITED
CONSOLIDATED STATEMENT OF PROFIT & LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 30 JUNE 2015

	Notes	Consolidated	
		30 June 2015 \$'000	30 June 2014 \$'000
Revenue from continuing operations		12	4
Corporate expenses		(215)	(169)
Employment and consultant costs		(410)	(437)
Occupancy costs		(97)	(91)
Travel and accommodation		(49)	(57)
Asset costs		(1)	(6)
		<hr/>	<hr/>
Loss from continuing operations before income tax		(760)	(756)
Income tax expense relating to continuing operations		-	-
		<hr/>	<hr/>
Loss for the period attributable to the owners of Bassari Resources Limited		(760)	(756)
		<hr/>	<hr/>
Other Comprehensive Income			
<i>Items that may be reclassified to profit and loss in the future</i>			
Exchange difference on translation of foreign operation		(1,402)	(3,179)
		<hr/>	<hr/>
Other comprehensive income for the period net of income tax		(1,402)	(3,179)
		<hr/>	<hr/>
Total Comprehensive Income for the period attributed to the owners of Bassari Resources Limited		(2,162)	(3,935)
		<hr/>	<hr/>
Earnings per share for loss attributable to owners of the Bassari Resources Limited			
Basic earnings per share (cents)		(0.06)	(0.08)
Diluted earnings per share (cents)		(0.06)	(0.08)

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

BASSARI RESOURCES LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015

	Notes	30 June 2015 \$'000	31 December 2014 \$'000
CURRENT ASSETS			
Cash and cash equivalents		92	7
Trade and other receivables		132	125
TOTAL CURRENT ASSETS		224	132
NON CURRENT ASSETS			
Property, plant and equipment		14	50
Exploration and evaluation assets	3	46,572	46,857
TOTAL NON-CURRENT ASSETS		46,586	46,907
TOTAL ASSETS		46,810	47,039
CURRENT LIABILITIES			
Trade and other payables		1,742	1,214
Financial liabilities		736	402
Provisions		94	189
TOTAL CURRENT LIABILITIES		2,572	1,805
TOTAL LIABILITIES		2,572	1,805
NET ASSETS		44,238	45,234
EQUITY			
Contributed equity	8	61,831	60,678
Reserves		967	2,356
Accumulated losses		(18,560)	(17,800)
TOTAL EQUITY		44,238	45,234

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

BASSARI RESOURCES LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 30 JUNE 2015

	Note	Issued Capital \$'000	Reserves \$'000	Accumulated Losses \$'000	Total \$'000
Balance at 1 January 2014		56,579	4,114	(16,124)	44,569
Loss for the period		-	-	(756)	(756)
Other comprehensive income		-	(3,179)	-	(3,179)
Total comprehensive income for the period		-	(3,179)	(756)	(3,935)
Issue of ordinary shares and other equity instruments, net of costs		2,399	-	-	2,399
Transactions with owners as owners		2,399	-	-	2,399
Balance at 30 June 2014		58,978	935	(16,880)	43,033
Balance at 1 January 2015		60,678	2,356	(17,800)	45,234
Loss for the period		-	-	(760)	(760)
Other comprehensive income		-	(1,402)	-	(1,402)
Total comprehensive income for the period		-	(1,402)	(760)	(2,162)
Issue of ordinary shares and other equity instruments, net of costs		1,153	-	-	1,153
Equity portion of convertible notes		-	13	-	13
Transactions with owners as owners		1,153	13	-	1,166
Balance at 30 June 2015		61,831	967	(18,560)	44,238

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

BASSARI RESOURCES LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 30 JUNE 2015

	Note	30 June 2015 \$'000	30 June 2014 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		8	2
Payments to suppliers and employees		(334)	(662)
Interest received		4	2
Net cash used in operating activities		(322)	(658)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capitalised exploration and evaluation expenditure		(1,082)	(1,362)
Net cash used in investing activities		(1,082)	(1,362)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		350	-
Proceeds from issue of equity securities		1,164	2,197
Issue costs		(11)	(48)
Net cash provided by financing activities		1,503	2,149
Net increase in cash and cash equivalents held		99	129
Cash and cash equivalents at beginning of financial period		(58)	-
Effects of changes in foreign exchange rates on cash held		(10)	(40)
Cash and cash equivalents at end of financial period		31	89

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

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation and accounting policies

This general purpose financial report for the half year ended 30 June 2015 has been prepared in accordance with the Corporations Act 2001 and International Financial Reporting Standard ("IAS") 34 'Interim Financial Reporting'.

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

It is recommended that the half-year financial report be read in conjunction with the annual report for the year ended 31 December 2014 and considered together with any public announcements made by Bassari Resources Limited during the half year ended 30 June 2015 in accordance with the continuous disclosure obligations of the ASX listing rules. Comparative figures have been adjusted to conform with changes in presentation for the current period.

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

(a) Adoption of New and Revised Accounting Standards

The Group has adopted all applicable new and amended Australian Accounting Standards and AASB Interpretations as of 1 January 2015 that are mandatory to the current reporting period. There has been no material impact on the financial statements or performance of the Group resulting from these new and amended Australian Accounting Standards.

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

(b) Rounding Amounts

The company is of a kind referred to in ASIC Class Order Co 98/100 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.

(c) Going Concern

The Group has incurred a net loss after tax of \$760,000 for the half year ended 30 June 2015 (2014: \$756,000) and had cash outflows from operating and investing activities of \$1,404,000 (2014: \$2,020,000). The directors are aware that to advance the Group's exploration and Makabingui development activities over the next 12 months additional funding will be required. At 30 June 2015 the Group had cash reserves of \$92,000 (31 December 2014:\$7,000) and net current liabilities, being current assets less current liabilities, of \$2,348,000 (31 December 2014: \$1,673,000). The Group's ability to continue as a going concern is therefore dependent on the raising of funds sufficient to meet the Group's expenditure forecasts.

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

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

- In July and August 2015 the Company issued 104,479,300 fully paid ordinary shares at \$0.01 (1 cent) per share, raising \$1.045 million to fund working capital and development of the Makabingui Gold Project.
- A further \$300,000 is available to the Group under the convertible note facility with BCM International Limited
- The Group is close to obtaining a production permit for the Makabingui Gold Project. The Directors are in negotiations with various funding providers who have expressed an interest in providing debt or equity funding upon the issue of the production permit. The Directors are also in negotiation to raise additional equity prior to the issue of the permit.
- The Directors have prepared cash flow budgets which include cash outflows for the Makabingui Gold Project which can be deferred wholly or in part if insufficient capital is raised to fund that activity.
- The Group has the ability to raise additional capital without shareholder approval under ASX Listing Rules 7.1 and 7.1A. The Group has a history of successfully raising funds.

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

Should the company be unable to continue as a going concern it may be required to realise its assets and discharge its liabilities other than in the normal course of business and at amounts different from those stated in the financial statements. This financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessarily incurred should the consolidated entity not continue as a going concern.

NOTE 2 CONTROLLED ENTITIES

	Country of Incorporation	Class of shares	Percentage owned 2015	Percentage owned 2014
Subsidiary entities consolidated				
Bassari Resources SARL	Senegal	Ordinary	100%*	100%*
Bassari Equipment Pty Ltd	Australia	Ordinary	100%*	100%*
Bassari Mauritius Holdings Ltd	Mauritius	Ordinary	100%*+	100%*+
Bassari Mauritius Holdings No 2 Ltd	Mauritius	Ordinary	100%*+	100%*+
Bassari Mauritius Equipment Ltd	Mauritius	Ordinary	100%*+	100%*+
Douta Mining SA	Senegal	Ordinary	63% ^	63% ^

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

+ Companies incorporated in February 2010 have been dormant from incorporation to 30 June 2015.

^ Douta Mining SA incorporated in Senegal in 2011.

NOTE 3 EXPLORATION AND EVALUATION ASSETS

	30 June 2015 \$'000	31 December 2014 \$'000
Costs carried forward in respect of areas of interest at cost	46,857	44,919
Expenditure incurred during the period	1,082	3,254
Depreciation capitalised	34	446
Exchange translation difference	(1,401)	(1,762)
Total exploration and evaluation expenditure	46,572	46,857

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

Capitalised exploration and evaluation assets include costs incurred to secure the mining concessions for the 3 permits.

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

NOTE 4 SUBSEQUENT EVENTS

In July and August 2015 the Company completed a number of placements to provide working capital and to advance the Makabingui Gold Project, as follows: -

- 16,000,000 ordinary shares at 1 cents per share, raising \$160,000 on 6 July 2015.
- 15,870,000 ordinary shares at 1 cent per share raising a \$158,700 on 15 July 2015.
- 5,100,000 ordinary shares at 1 cent per share raising \$51,000 on 17 July 2015.
- 29,000,000 ordinary shares at 1 cent per share raising \$290,000 on 29 July 2015.
- 5,200,000 ordinary shares at 1 cent per share raising \$52,000 on 6 August 2015.
- 33,309,300 ordinary shares at 1 cent per share raising \$333,093 on 12 August 2015.

Other than the matter referred to in the above paragraph, there have been no significant events that have occurred subsequent to 30 June 2015 that require disclosure in the half year report.

NOTE 5 CONTINGENT LIABILITIES

There has been no change in contingent liabilities since 31 December 2014.

NOTE 6 COMMITMENTS FOR EXPENDITURE

(a) Capital Expenditure Commitments

The Company has no capital expenditure commitments.

(b) Exploration Commitments

In order to maintain current rights of tenure to exploration tenements, the Company and economic entity are required to meet the minimum expenditure requirements of the Senegal Department of Mining & Geology (DMG). Minimum expenditure commitments may otherwise be avoided by sale, farm out or relinquishment. These obligations are not provided in the accounts. The company has committed to spend a total of US\$9.6 million over the term of the permits from renewal dates in respect of these exploration permits.

Name on Permit	Joint Venture Partner and Permit Holder	Permit Renewal Date	Remaining Expenditure Commitment	Commitment
Moura	Sengold Mining NL	27 February 2015	US\$1.16M	US\$2.0M
Sambarabougou	W.A.T.I.C	13 September 2013	US\$5.15M	US\$6.5M
Bousankoba*	Libah Investments Ltd	13 June 2013	US\$0.24M	US\$1.1M

Expenditure commitment is for 3 years from the date of renewal of each permit, except for the Moura permit which is 2 years.

NOTE 7 SEGMENT INFORMATION

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

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

NOTE 8 CONTRIBUTED EQUITY

	30 June 2015	31 December 2014
	\$000	\$000
(a) Ordinary shares		
Paid-up capital 1,296,523,674		
(31 December 2014:1,181,136,981) fully paid ordinary shares	<u>61,831</u>	<u>60,678</u>
Movement in ordinary share capital	No.	\$'000
At 1 January 2015	1,181,136,981	60,678
Share placement at 1 cents	10,000,000	100
Share purchase plan at 0.91 cents	105,384,693	959
Funds received in advance of July placement		105
Costs of issue		(11)
Total for the financial period	<u>115,384,693</u>	<u>1,153</u>
At 30 June 2015	<u>1,296,521,674</u>	<u>61,831</u>

BASSARI RESOURCES LIMITED
ACN 123 939 042
DIRECTORS' DECLARATION FOR THE HALF YEAR ENDED 30 JUNE 2015

In the directors' opinion:

- the attached financial statements and notes thereto comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes thereto give a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors made pursuant to section 303(5) of the Corporations Act 2001.

On behalf of the directors



Alex Mackenzie
Executive Chairman

Melbourne
11 September 2015

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Bassari Resources Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Bassari Resources Limited, which comprises the consolidated statement of financial position as at 30 June 2015, 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 half-year ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Bassari Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

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

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Bassari Resources Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Emphasis of matter

Without modifying our conclusion, we draw attention to Note 1(c) in the half-year financial report, which indicates that the ability of the consolidated entity to continue as a going concern is dependent upon the future successful raising of necessary funding through equity and borrowings. These conditions, along with other matters as set forth in Note 1(c), indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

BDO East Coast Partnership



James Mooney
Partner

Melbourne, 11 September 2015