BASSARI RESOURCES

ANNUAL REPORT

31 DECEMBER 2015

CORPORATE DIRECTORY

Board of Directors
Alex Mackenzie, Executive Chairman
Philip Bruce, Non-Executive Director
Peter Spivey, Non-Executive Director

Company Secretary
Ian Riley

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Corporate Governance
The Company's Corporate Governance Statement and Charters can be accessed on the Bassari website www.bassariresources.com

DIRECTORS' REPORT

The Directors of Bassari Resources Limited ("the Company" or "Bassari") submit herewith their report on the consolidated entity ("the Group"), consisting of Bassari Resources Limited and the entities it controlled at the end of, and during, the financial year ended 31 December 2015.

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

DIRECTORS

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

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

Alexander Seaforth Mackenzie – appointed April 2013

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

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

Other current directorships:	Nil
Former directorships (last 3 years):	Nil
Special responsibilities:	Nil
Interests in shares:	55,073,367
Interests in options:	Nil

Philip Francis Bruce BE (Mining) FAusIMM MAICD (Non-Executive Director) – appointed September 2013

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

Other current directorships:	Hill End Gold Limited Latrobe Magnesium Limited
Former directorships (last 3 years):	Nil
Special responsibilities:	Nil
Interests in shares:	41,567,284
Interests in options:	Nil

Peter Spivey BSc, Post Grad Diploma Extractive Metallurgy, GDAFI

Peter, a resident of Senegal, was appointed a Director of Bassari Resources Limited on 18 May 2015.

Peter is a successful mine developer and operator having started in the industry in 1981 in Australia. He is a metallurgist by background with post graduate business qualifications. Most of Peter's work has been in the gold sector, but he has also worked in iron ore and mineral sands projects.

Since 1988 Peter has held a variety of senor positions in Indonesia, Tanzania and most recently working in Senegal and several neighbouring West African countries. He was Chief Operating Officer ("COO") and then Chief Executive Officer of Cluff Gold (now Amara Mining) from 2010 to 2014, and oversaw the development of Senegal's first modern large-scale gold mine, Sabodala, as Mineral Deposits' COO from 2005 to 2009. He also held senior roles with Placerdome and Resolute Ltd.

A key attribute of Peter's is his abiliy to assemble and develop high quality and effective teams of expatriates and national workers during construction and leading into the operational phases of two new major African gold mines. Peter has a well-established network of contacts throughout the industry, from debt and equity providers of finance, through to service providers, contractors and consultancy groups, and also within many mining companies.

Other current directorships:	Nil
Former directorships (last 3 years):	Nil
Special responsibilities:	Nil
Interests in shares:	106,666
Interests in options:	Nil

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

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

Other current directorships:	Nil
Former directorships (last 3 years):	Nil
Special responsibilities:	Nil
Interests in shares:	N/A
Interests in options:	N/A

Chris H Young BSc (Geology and Geophysics) MAusIMM MAIG (Non-Executive Director) – appointed November 2011

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

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

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

Other current directorships:	Nil
Former directorships (last 3 years):	Nil
Special responsibilities:	Nil
Interests in shares:	N/A
Interests in options:	N/A

DIRECTORS' REPORT (cont'd)

COMPANY SECRETARY

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

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

FORMER PARTNER OF THE AUDIT FIRM

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

PRINCIPAL ACTIVITIES

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

OPERATING RESULTS

The consolidated loss for the Group for the year amounted to $1.337 million (2014:$1.676 million).

FINANCIAL POSITION

The net assets of the consolidated entity have increased by $1.674 million to $46.908 million at 31 December 2015 (2014: $45.234 million). The major movements were:

- Share issues during the year raised $2.842 million (net of costs); and
- A gain arising on the translation of foreign operations of $0.156 million.

The consolidated entity had a working capital deficit, being current assets less current liabilities, of $2.299 million as at 31 December 2015 compared to $1.673 million at 31 December 2014.

REVIEW OF OPERATIONS

Overview

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

The Company is focused on developing the Makabingui Gold Project by initially targeting four high grade pits and upgrading the existing gravity plant to treat hard rock.

The Company's total exploration permits cover an area of approximately 790km² over the Birimian Gold Belt (Figure 1). Drilling to date has identified significant gold mineralisation over a strike length of 80 kilometres with early resource expansion targets at Makabingui South, Konkoutou, Lafia, Missira and Sekhoto.

Makabingui Gold Project – Feasibility Study Results

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.

An initial open pit mining phase will be extended to mine deeper resources by open pit or underground methods and further open pits are expected to be developed within the tenements and along strike.

The Makabingui Gold Project ore is free milling, accordingly ore treatment will be low cost, conventional gravity and Carbon in Leach (CIL) processing circuit. The existing gravity plant at the Douta site is to be upgraded at low cost to include a CIL plant.

The Makabingui Open Pit Feasibility and Underground Scoping Studies are presented on an entire project basis with Bassari (through its 100% owned local subsidiary Bassari Resources Senegal SARL) holding 70% interest in the Sambarabougou Exploration Permit.

This Open Pit Feasibility Study was managed by Bassari, with input from a number of specialist independent consultants covering key disciplines. The study provides a detailed assessment of the technical and economic viability for the initial development phase of the Makabingui Gold Project.

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

The Open Pit Feasibility Study for the initial open pit mining phase delivered outstanding results:

Makabingui Gold Project Ore Reserve

Category	Ore			Waste
Probable	**kt**	**Au g/t**	**Au koz**	**kt**
Pit 1	450	7.3	107	15,680
Pit 2	410	3.8	51	5,250
Total Ore Reserve	**860**	**5.7**	**158**	**20,930**

Note: The tonnes and grades are stated to a number of significant digits reflecting the confidence of the estimate. Since each number and total is rounded individually the columns and rows in the above table may not show exact sums or weighted averages of the reported tonnes and grade. JORC Code Table 1 – Reporting of Ore Reserves is included on pages 7-14

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

• *Mined ounces*	***180,000 ounces***
• *Production (recovered gold)*	***171,000 ounces***
• *Average annual gold production*	***50,000 ounces***
• *Average gold grade to the mill*	***>5.6 g/t gold at 1.3g/t cut-off grade***
• *High processing recovery*	***95%***
• *Processing rate*	***300ktpa***
• *Initial project mine life*	***3.4 years***
• *Cash Cost (C1)*	***US$683/oz***
• *Low additional capital*	***US$12M***
• *NPV (8% discount rate)*	***US$63M***
• *IRR*	***404%***
• *Pre-capex free cash flow (after tax)*	***US$88M***
• *Payback from production start*	***<12 months***

Pre-production Capital Cost Estimate:

Processing Plant Upgrade	US$5.5M
Mine Pre-development	US$1.7M
Tailings Storage Facility (Year 1)	US$0.5M
First Fill & Spares	US$0.5M
Mine Establishment & Owner's Costs	US$2.8M
Sub Total	**US$11.0M**
Tailings Storage Facility (Year 2 onwards)	US$1.1M
Total Capital Cost Estimate	**US$12.1M**

Notes:

- Mine pre-development allows for four months of mining to build an adequate ROM stockpile prior to gold production
- Mine Establishment & Owner's Costs include mobilisation, mine infrastructure and project management costs
- 180,000 mined ounces comprises 158,000 ounces from the Ore Reserves and 22,000 from Inferred Resources within the pit designs
- Production (recovered gold) of 171,000 ounces includesgold from Inferred Resources within the pit designs.

Capital and operating costs have been derived from first principles based on budget quotes and in-country labour rates where possible as well as consultant databases related to similar projects.

Mine Layout

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

• Pit 1 – Total of ~460K tonnes at **~ 7.5 g/t gold** for		**111,000 ounces**
• Pit 2 – Total of ~410K tonnes at **~ 3.8 g/t gold** for		**51,000 ounces**
• Pit 3 – Total of ~50K tonnes at **~ 3.1 g/t gold** for		**5,000 ounces**
• Pit 4 – Total of ~67K tonnes at **~ 5.9 g/t gold** for		**13,000 ounces**
	Total	**180,000 ounces**

The total of 180,000 ounces of mined gold includes 22,000 ounces from Inferred Resources.

DIRECTORS' REPORT (cont'd)

While the initial open pits may be extended, an Underground Study has provided an assessment of the potential for mining the deeper resource from access declines within the pits to commence on completion of initial mining operations. The underground study is based mostly on Inferred Resources in the final design and only included the resources beneath Pit 1. The study assumed that the existing infrastructure and a 300ktpa processing plant would be utilised, however a larger facility is expected as the project scope grows.

Makabingui High Grade Underground Scoping Study at US$1,200/oz gold price:

(The Underground Scoping Study does not constitute an addition to the Ore Reserves referred to above)

• *Mined ounces*	***120,000 ounces (additional to open pits)***
• *Average gold grade to the mill*	***>7.0 g/t gold***
• *Mine life extension*	***~2.5 years***
• *Estimated Revenue*	***US$144M***
• *Estimated OPEX*	***US$56M***
• *Estimated CAPEX*	***US$35M***
• *Processing recovery*	***95%***
• *Cut-off-grade*	***3g/t gold***

JORC CODE TABLE 1 – REPORTING OF ORE RESERVES

Criteria	JORC Code explanation	Commentary
Mineral Resource estimate for conversion to Ore Reserves	• *Description of the Mineral Resource estimate used as a basis for the conversion to an Ore Reserve.* • *Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserves.*	• The Ore Reserve is derived from the Mineral Resource estimated by AMC Consultants Pty Ltd and documented in their report #112029 Makabingui Resource Estimation dated February 2013. • The Mineral Resource is inclusive of the Ore Reserve. • The Resource model includes Indicated and Inferred categories. Only Indicated blocks are included in the Ore Reserve.
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	• The Competent Person for the Ore Reserve, John Wyche, visited the site from 11th to 16th August 2014. The visit included: o The pit and waste dump areas, o Examination of ore and waste from abandoned artisanal workings including weathered and fresh material, o Examination of drill core through weathered and fresh material including ore zones and waste from each of the pits, o Discussions with exploration geologists, o Discussions with five mining contractors tendering on the project, o Inspection of the site access, ore haul road route and ROM and existing process plant and mobile equipment, o Review of the drill hole database including occurrence of sulphides, o Observation of the local communities, and o Discussions with environmental consultant preparing the EIS. • No issues were observed which are likely to materially affect the Ore Reserve estimate. • Artisanal mining appears to have extended to 20 to 25 metres below surface but the volumes extracted appear small • Some sporadic pyrite was noted in the waste zones, mainly in the Pit 2 area.
Study status	• *The type and level of study undertaken to enable Mineral Resources to be converted to Ore Reserves.* • *The Code requires that a study to at least Pre-Feasibility Study level has been undertaken to convert Mineral Resources to Ore Reserves. Such studies will have been carried out and will have determined a*	• BSR completed a Feasibility Study in July 2014 using a Mine Plan based on this Ore Reserve. • The Feasibility Study covered resource estimation, mining, metallurgy, process, environment, community and financial modelling. • The Feasibility Study indicates a high degree of confidence that the

Criteria	JORC Code explanation	Commentary
	mine plan that is technically achievable and economically viable, and that material Modifying Factors have been considered.	project is technically and economically viable.
Cut-off parameters	• *The basis of the cut-off grade(s) or quality parameters applied.*	• A marginal cut off grade was applied to each block in the resource model whereby the value of the recoverable gold in each tonne of ore processed is at least equal to the sum of: o The additional cost of mining the tonne as ore instead of waste o The cost of hauling the ore to the processing plant at Douta o The cost of processing the ore to produce gold in dore o The cost of site administration expressed as a cost per tonne of ore o The selling costs of the recovered gold (transport, insurance, royalties and refining) • Since a fixed process recovery of 95% and a fixed processing rate of 300ktpa were used the cut off grade per ROM tonne at US$1200/oz Au can be stated as 1.3 g/t Au.
Mining factors or assumptions	• *The method and assumptions used as reported in the Pre-Feasibility or Feasibility Study to convert the Mineral Resource to an Ore Reserve (i.e. either by application of appropriate factors by optimisation or by preliminary or detailed design).* • *The choice, nature and appropriateness of the selected mining method(s) and other mining parameters including associated design issues such as pre-strip, access, etc.* • *The assumptions made regarding geotechnical parameters (eg pit slopes, stope sizes, etc), grade control and pre-production drilling.* • *The major assumptions made and Mineral Resource model used for pit and stope optimisation (if appropriate).* • *The mining dilution factors used.* • *The mining recovery factors used.* • *Any minimum mining widths used.* • *The manner in which Inferred Mineral Resources are utilised in mining studies and the sensitivity of the outcome to their inclusion.* • *The infrastructure requirements of the selected mining methods.*	• Initial development of the project will be by opencut mining of the near surface resource. The opencut was defined by Whittle pit optimization. • Opencut mining is based on conventional mining by hydraulic excavators loading rear dump trucks. The mineralized zones are narrow, steeply dipping and commence at or near surface. The proposed mining method maximizes resource to reserve conversion of the near surface mineralization. • Pit wall slopes are based on a review of geotechnical logs and core photographs and limited kinematic analysis by Extract Mining Consultants. The pit optimization flattened the recommended interramp slopes to allow for ramps. In general optimization slopes above base of oxidation were 30°and 45° below the base of oxidation. Slopes will be reviewed during mining of early starter pits. • Grade control drilling will be by reverse circulation drilling and a program is planned to test the top 15 metres depth from surface prior to the commencement of mining. • Mining dilution was modelled as a 0.3 metre skin on the hangingwall and footwall of each mineralized lens. This resulted in average dilution of 21%. A mining recovery of 95% was assumed for all diluted blocks above the cut off grade.

Criteria	JORC Code explanation	Commentary
		• A minimum mining width of 15 metres was used except for the "goodbye" cut in the base of each pit which is mined below the bench level by the excavator. • Mining costs for the pit optimization are from a first principles estimate of the fleet, workforce and consumables costs for mining with Senegal cost inputs. The estimate was benchmarked against the larger Sabodala Mine which is 30km form Makabingui. Average costs are US$4.63/tonne for ore and US$2.89/tonne for waste. • The other main inputs for the pit optimization were: o Ore processing rate 300,000 tonnes per annum o Ore haulage to the processing plant at Douta US$4.37/tonne ore o Processing US$29.62/tonne ore o Administration US$10.44/tonne ore (US$3.133M per annum) o Gold Price US$1,200/oz o Royalties 3% of saleable value • Indicated and Inferred resources were used in the pit optimization. There are no Measured resource blocks. The Inferred resources have negligible impact on the two shells which guided the pit designs for these Reserves. They mainly affect two smaller pits which are not included in these Reserves. Reporting of the Reserves for the two main pits only considers Indicated resources. No Inferred resources are included in these Reserves. • It is planned to conduct mining under a contract. Five major African opencut mining contractors visited the site in August 2014 and have expressed interest in submitting tenders. They are all aware of the need to establish workshops, offices, communications and related facilities on site and they are aware of the existing camp facilities. All these items were estimated in the Feasibility Study.
Metallurgical factors or assumptions	• *The metallurgical process proposed and the appropriateness of that process to the style of mineralisation.* • *Whether the metallurgical process is well-tested technology or novel in nature.* • *The nature, amount and representativeness of metallurgical test work undertaken, the nature of the metallurgical domaining applied and the corresponding metallurgical recovery factors applied.* • *Any assumptions or allowances made for deleterious elements.*	• Processing will be by gravity concentration followed by CIL of the gravity tails. It will use the existing 300 ktpa gravity plant with some modification and a new grinding and CIL circuit. • The flowsheet is well supported by test work at a range of grind sizes. • Samples for the test work were chosen from a range of drill sections at varying depths through the two main geological units. The metallurgical sample composites should be representative of the opencut material in these Reserves.

Criteria	JORC Code explanation	Commentary
	• *The existence of any bulk sample or pilot scale test work and the degree to which such samples are considered representative of the orebody as a whole.* • *For minerals that are defined by a specification, has the ore reserve estimation been based on the appropriate mineralogy to meet the specifications?*	• The gold grade of the sample for the grind size selected (6.14 g/t) is similar to the expected average opencut grade of 5.7 g/t Au.
Environmen-tal	• *The status of studies of potential environmental impacts of the mining and processing operation. Details of waste rock characterisation and the consideration of potential sites, status of design options considered and, where applicable, the status of approvals for process residue storage and waste dumps should be reported.*	• The project Environmental Impact Statement (EIS) is currently being prepared by a Senegalese consultant, Synergie Environment. • The EIS will be an update of the existing EIS for the alluvial gold operation. • The project will build on existing community relationships with the two affected villages of Sambarabogou and Douta. • Field work for the Environmental & Social Impact Study has been completed and the Terms of Reference for the project have been submitted to the Senegal Environmental Department. Local meetings are being arranged with various Government Departments in the lead up to a public meeting to be held in the region. No material issues either physical or social have been raised by Synergie Environment. • Only limited waste characterization work has been undertaken and there is currently no definition of potentially acid forming waste rock. Examination of drill logs shows only minor occurrence of sulphides in isolated intersections away from the ore zones. This is almost entirely pyrite with rare occurrences of arsenopyrite. It is likely that some sulphide waste will have to be encapsulated in the waste rock dump but the likely volumes are minor and there should be large volumes of non-acid forming waste to use as encapsulating material.
Infrastructure	• *The existence of appropriate infrastructure: availability of land for plant development, power, water, transportation (particularly for bulk commodities), labour, accommodation; or the ease with which the infrastructure can be provided, or accessed.*	• Bassari Resources built and operated the existing process facility at Douta, 10km south of the Makabingui opencut area, to support an adjacent alluvial mine. This facility will be modified to incorporate a CIL circuit. • Access roads, fuel storage, camp, power, raw water storage, potable water and communications are already in place and will be expanded or modified as required. • Mining will be done on contract. Five major African mining contractors are currently involved in the tender process for this contract.

Criteria	JORC Code explanation	Commentary
		• Access for all but the last 10km to the site is shared with the much larger mining operation at Sabodala, 30km form Makabingui.
Costs	• *The derivation of, or assumptions made, regarding projected capital costs in the study.* • *The methodology used to estimate operating costs.* • *Allowances made for the content of deleterious elements.* • *The source of exchange rates used in the study.* • *Derivation of transportation charges.* • *The basis for forecasting or source of treatment and refining charges, penalties for failure to meet specification, etc.* • *The allowances made for royalties payable, both Government and private.*	• Capital costs were estimated on the following bases: o Process- First principles cost estimate based on budget pricing for equipment and review of costs from construction of the existing gravity circuit. o Services (power, water, other site infrastructure) - First principles cost estimate based on budget pricing for equipment and review of costs from construction of the existing gravity circuit. o Roads - Internal first principles cost estimate utilising existing Bassari mobile fleet. o Mining – Estimated Mining Contractor establishment costs and 4 months of pre-production mining. • Operating costs were estimated on the following bases: o Mining – First principles cost estimate based on equipment productivities, fleet ownerships and operating costs, explosives consumption and costs, operator and maintenance labour and management, supervision and technical services costs. Contractor margin applied to operating items. Benchmarked against Sabodala Mine. o Process- First principles cost estimate based on budget pricing for consumables. Power cost based on load estimate and fuel consumption for generator sets. Local labour rates applied to manning levels. o Administration - First principles cost estimate based on local labour rates applied to manning levels and previous operating experience of existing gravity plant. • A royalty of 3% of value of gold sold was applied based on the Senegal Mining Code. • An exchange rate of CFA500 per US$1.00 was used.
Revenue factors	• *The derivation of, or assumptions made regarding revenue factors including head grade, metal or commodity price(s) exchange rates, transportation and treatment charges, penalties, net smelter returns, etc.* • *The derivation of assumptions made of metal or commodity price(s),*	• A fixed gold price of US$1,200 was used over the 3.5 year opencut project life

Criteria	JORC Code explanation	Commentary
	for the principal metals, minerals and co-products.	
Market assessment	• *The demand, supply and stock situation for the particular commodity, consumption trends and factors likely to affect supply and demand into the future.* • *A customer and competitor analysis along with the identification of likely market windows for the product.* • *Price and volume forecasts and the basis for these forecasts.* • *For industrial minerals the customer specification, testing and acceptance requirements prior to a supply contract.*	• The currently planned opencut project will produce less than 200,000 oz of gold over 3.5 years. All gold will be produced in dore. Demand for gold is relatively inelastic so there is no concern that all production will not be sold at the prevailing market price.
Economic	• *The inputs to the economic analysis to produce the net present value (NPV) in the study, the source and confidence of these economic inputs including estimated inflation, discount rate, etc.* • *NPV ranges and sensitivity to variations in the significant assumptions and inputs.*	• The Feasibility Study financial analysis used a discount rate of 8% to calculate the project NPV. • The estimated operating cashflow over the 3.5 years of the opencut life is more than 7 times the estimated capital cost so, given the level of confidence associated with an Indicated Resource, it is unlikely that the project will not be cash positive.
Social	• *The status of agreements with key stakeholders and matters leading to social licence to operate.*	• Synergie Environment are undertaking the Environment and Social Impact Study which is in progress. Field work has been completed and local meetings are being arranged with various Government Departments in the lead up to a public meeting to be held in the region. No material issues either physical or social have been raised by Synergie Environment.
Other	• *To the extent relevant, the impact of the following on the project and/or on the estimation and classification of the Ore Reserves:* • *Any identified material naturally occurring risks.* • *The status of material legal agreements and marketing arrangements.* • *The status of governmental agreements and approvals critical to the viability of the project, such as mineral tenement status, and government and statutory approvals. There must be reasonable grounds to expect that all necessary Government approvals will be received within the timeframes anticipated in the Pre-Feasibility or Feasibility study. Highlight and discuss the materiality of any unresolved matter that is dependent on a third party on which extraction of the reserve is contingent.*	• The estimated head grades depend on achieving a high degree of selectivity in mining the thin ore lenses. The mining costs allow for this level of selectivity. If dilution is higher than planned significant cost will be incurred in hauling ore to Douta and processing it. However, the resource grades are high enough that even if excessive dilution doubled the ore tonnes with no more contained gold the project would still generate a net cash flow around three times the estimated capital cost. • Artisanal miners were active over the two main opencut areas up until June 2014 when they were removed by the Senegalese authorities. A Gendarme station remains on site and the artisanal miners are not likely to return. • It is not possible to accurately quantify the tonnes of ore removed by the artisanal miners. Based on the volume and types of ore and

Criteria	JORC Code explanation	Commentary
		mullock surrounding small shafts and pits in the two main pit areas the Ore Reserves make the two following allowances for removal of ore by artisanal miners: o Pit 1 – 10% of the ore above 25 metres depth from surface. This is just below the base of weathering. Some fresh rock was observed in the mullock but the size and nature of the shafts make it unlikely that the workings extend far into fresh rock. o Pit 2 – 10% of the ore above the base of weathering. Very little fresh rock was observed in the mullock. • The artisanal workings may present a hazard to opencut mining vehicles over the first 20 to 30 metres depth of mining. Shafts will need to be mapped and probe drilling may be required to define any lateral workings. • Bassari Resources has an gold refining agreement in place with TCA SPA. • The Sambarabougou Exploration Permit was renewed 13 September 2013 for a further 3 years. • Exploitation Permit application has been lodged with the Senegal Government in accordance with the Senegal Mining Code. The permit will be subject to the satisfactory completion of the Environmental and Social Impact Study. • No other 3rd party approvals are pending.
Classification	• *The basis for the classification of the Ore Reserves into varying confidence categories.* • *Whether the result appropriately reflects the Competent Person's view of the deposit.* • *The proportion of Probable Ore Reserves that have been derived from Measured Mineral Resources (if any).*	• All of the Ore reserves are Probable and these are all derived from Indicated Resources. • In the opinion of the Competent Person for the Ore reserves, John Wyche, no modifying factors were identified which would prevent any part of the Indicated Resource within the designed pits and above the cut off grade from being converted to a Probable Reserve. • The Feasibility Study financial analysis included 126,000 tonnes of mill feed from Inferred resources in addition to these Ore Reserves. The Inferred material is almost entirely from two small pits mined at the end of the project life. 87% of the mill feed tonnes and 88% of the product gold in the Feasibility Study come from these Ore Reserves derived from Indicated resources.

Criteria	JORC Code explanation	Commentary
Audits or reviews	• *The results of any audits or reviews of Ore Reserve estimates.*	• No audits of the Ore Reserves have been undertaken.
Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Ore Reserve estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the reserve within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors which could affect the relative accuracy and confidence of the estimate.* • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *Accuracy and confidence discussions should extend to specific discussions of any applied Modifying Factors that may have a material impact on Ore Reserve viability, or for which there are remaining areas of uncertainty at the current study stage.* • *It is recognised that this may not be possible or appropriate in all circumstances. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	• Makabingui is a greenfields site so the accuracy of the reserve is largely dependent on the accuracy of the resource. As an Indicated Resource there should be good confidence in the continuity of the mineralization in the narrow lenses. • The Ore Reserve is a local estimate to the extent that over 1 to 3 months of mining the average head grade would be expected to match the scheduled Ore Reserve grade to within +-10%. The accuracy will increase over shorter time periods as the resource model is gradually replaced by a model derived from grade control drilling and pit mapping. • The main modifying factor affecting the Ore Reserves will be the ability of the mining operation to achieve the planned level of mining selectivity on the thin ore zones. The mine plan allows reasonable time and cost for selective mining.

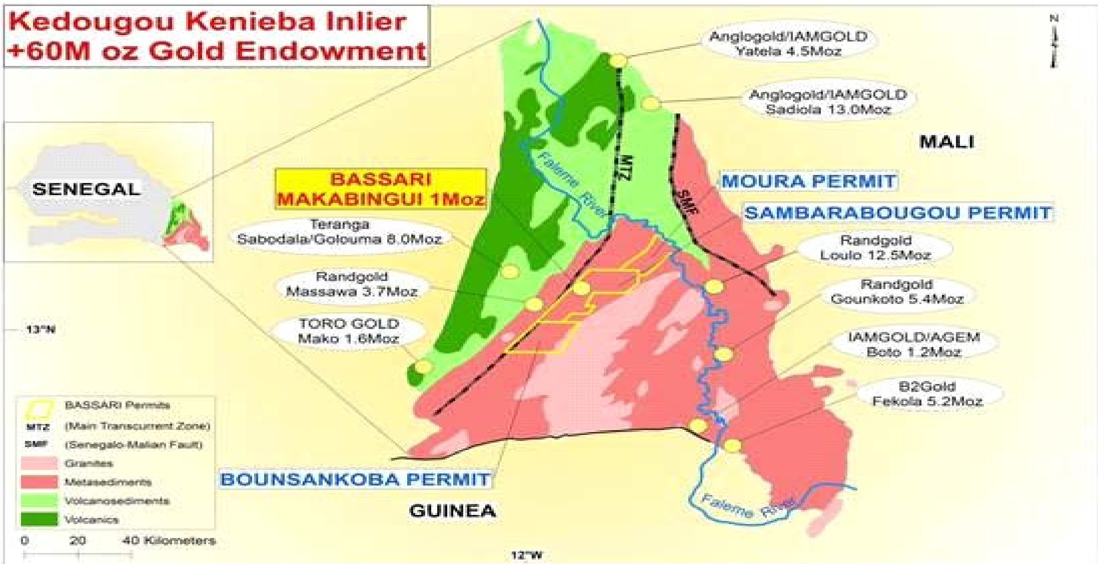

Figure 1 – Kedougou-Kenieba Inlier

ENVIRONMENTAL & SOCIAL IMPACT ASSESSMENT

The Technical Review Committee validation in March 2015 of the Environmental and Social Impact Assessment (ESIA) lodged with the Environmental Department of the Senegalese Government marked a significant milestone in the permitting process for the Makabingui Gold Project.

Following the Technical Review Committee validation, approval of the ESIA by the public meeting held for that purpose allowed the Environmental Department to make formal attestation of the ESIA to Government authorities, which completed the Sambarabougou Mining Concession application.

We acknowledge and are encouraged by the ongoing support provided by the government departments involved throughout the assessment process.

PROJECT AND PERMIT LOCATION

Bassari holds a 70% interest in each of three contiguous exploration permits; Sambarabougou, Moura and Bounsankoba, covering approximately 790 km2 in a central location of the highly prospective Birimian Kenieba Inlier. The permits are located approximately 750 km east of Senegal's capital city of Dakar and about 70km north east of the town of Kedougou, and span 80km strike length of parts of a major crustal shear zone, the Main Transcurrent Shear Zone (MTZ), a well-defined gold mineralised structural corridor. The Kenieba Inlier hosts several multi-million ounce gold deposits and extends into the bordering countries of Mali and Guinea (refer Figure 2).

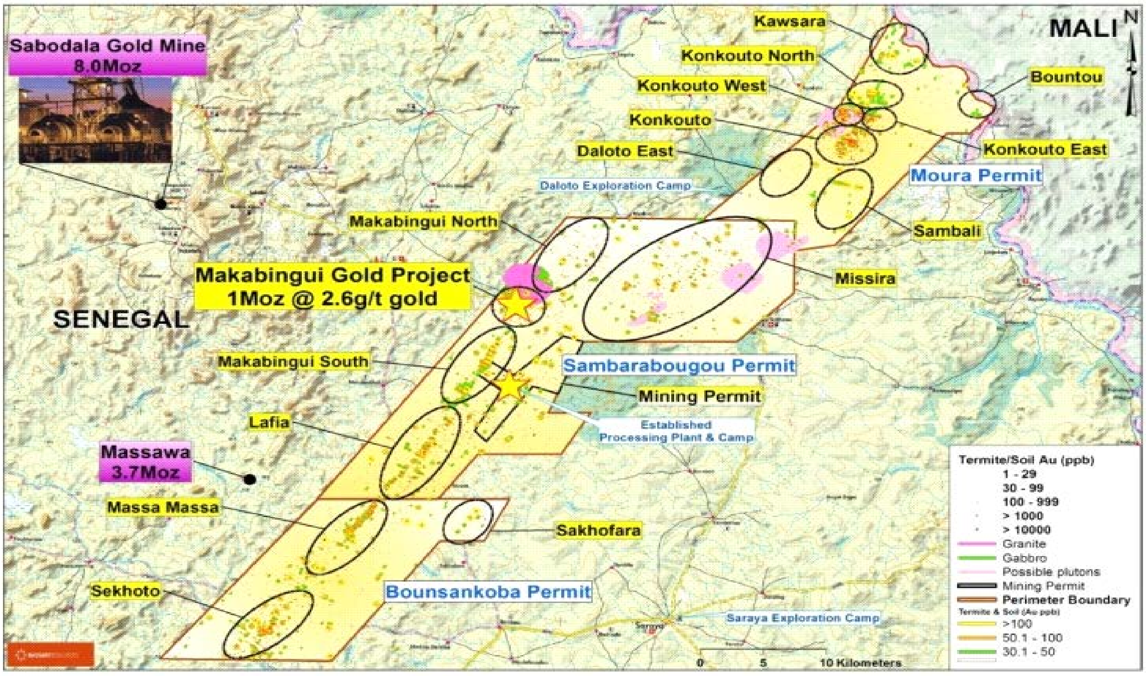

Figure 2 – Bassari's Permits with Project and Permit Locations

STRATEGIC EXPLORATION PACKAGE

Bassari is extremely positive of the much larger exploration potential that exists within close proximity to both the Makabingui Gold Project and also within the three contiguous permits.

Previous artisanal activity within the Makabingui Project area south of the existing resource has identified potential for multiple new areas of mineralisation within a significant NE trending shear zone, and further highlights the prospectivity of Makabingui (refer Figure 3). Previous broad spaced drilling (both RAB and RC) has returned significant gold intercepts which combined with the level of previous artisanal activity highlight the strong prospectivity.

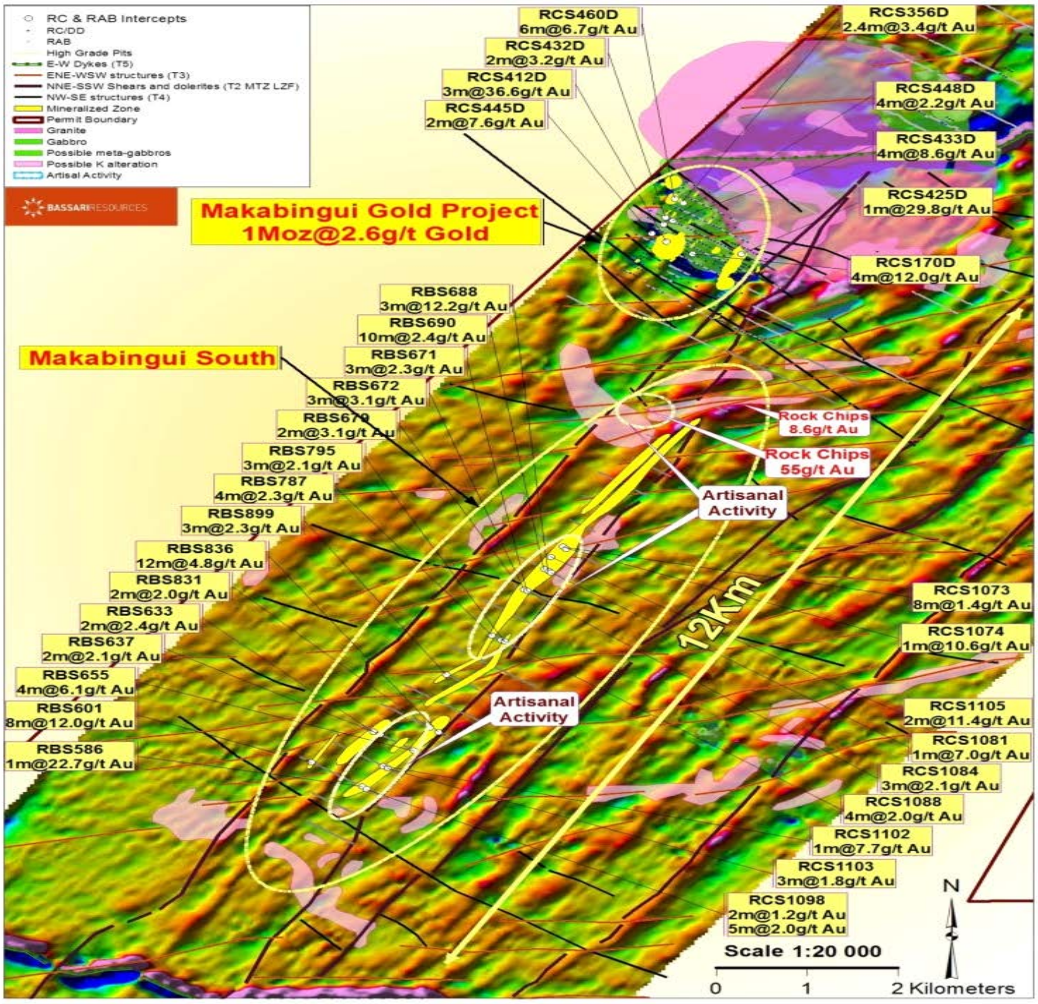

Figure 3 – Makabingui & NE Trending Mineralised Zone

MOURA EXPLORATION PERMIT (Bassari 70%)

The most northern of Bassari's three contiguous permits, Moura contains the Konkoutou, Kawsara, Bountou, and Sambali Prospects (Figure 4).

The prospects defined in the Moura Permit are supported by interpreted prospective structural zones highlighted by the soil geochemical survey results.

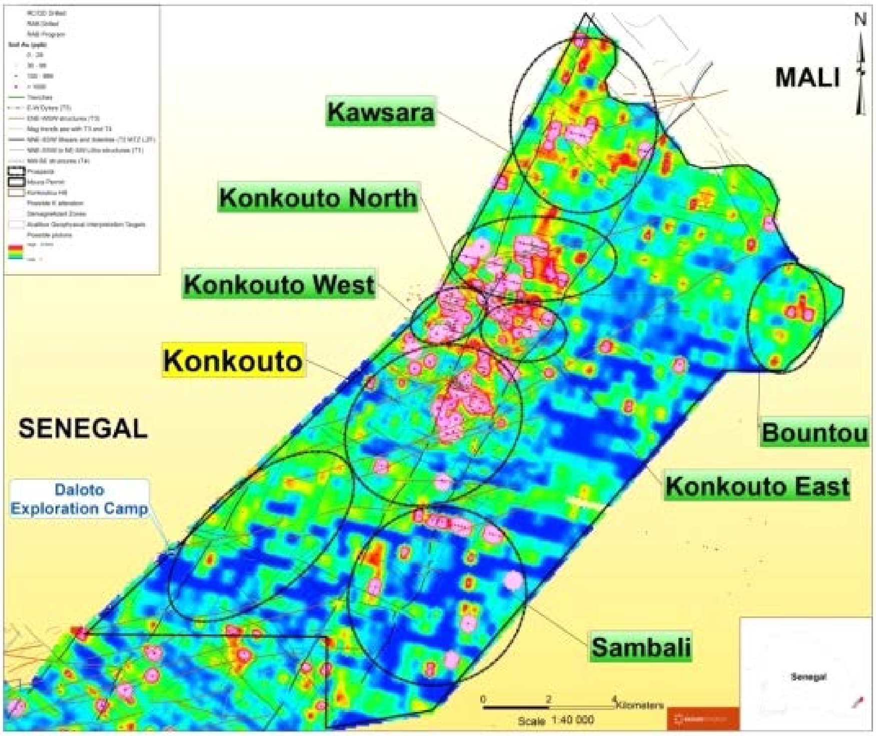

__Figure 4 – Moura Permit – Prospect Location Map__

Konkoutou Gold Prospect

The Konkoutou gold discovery is located approximately 35 kilometres north east of the Makabingui Gold Project. Konkoutou is centred on a low hill approximately 700 metres long and 100 metres wide (Figure 5). There are numerous artisanal pits showing mineralised quartz veins and stockwork quartz-carbonate veins and veinlets hosted by a metasedimentary greywacke unit.

Previously reported drilling intercepts (refer ASX announcement 12 January 2012 & 7 May 2012) highlight a significant zone of gold mineralisation with assay results returned from both reverse circulation (RC) and diamond drilling (DD) being:

- 50m @ 2.5 g/t gold from 19 metres
- 20m @ 3.0 g/t gold from 32 metres
- 5m @ 4.7 g/t gold from 34 metres
- 9m @ 11.5 g/t gold from 161 metres
- 9m @ 11.5 g/t gold from 161 metres

A total of 3,240 metres in 40 RC holes and 1,082 metres in 5 DD holes were completed as part of the 2012 drilling program.

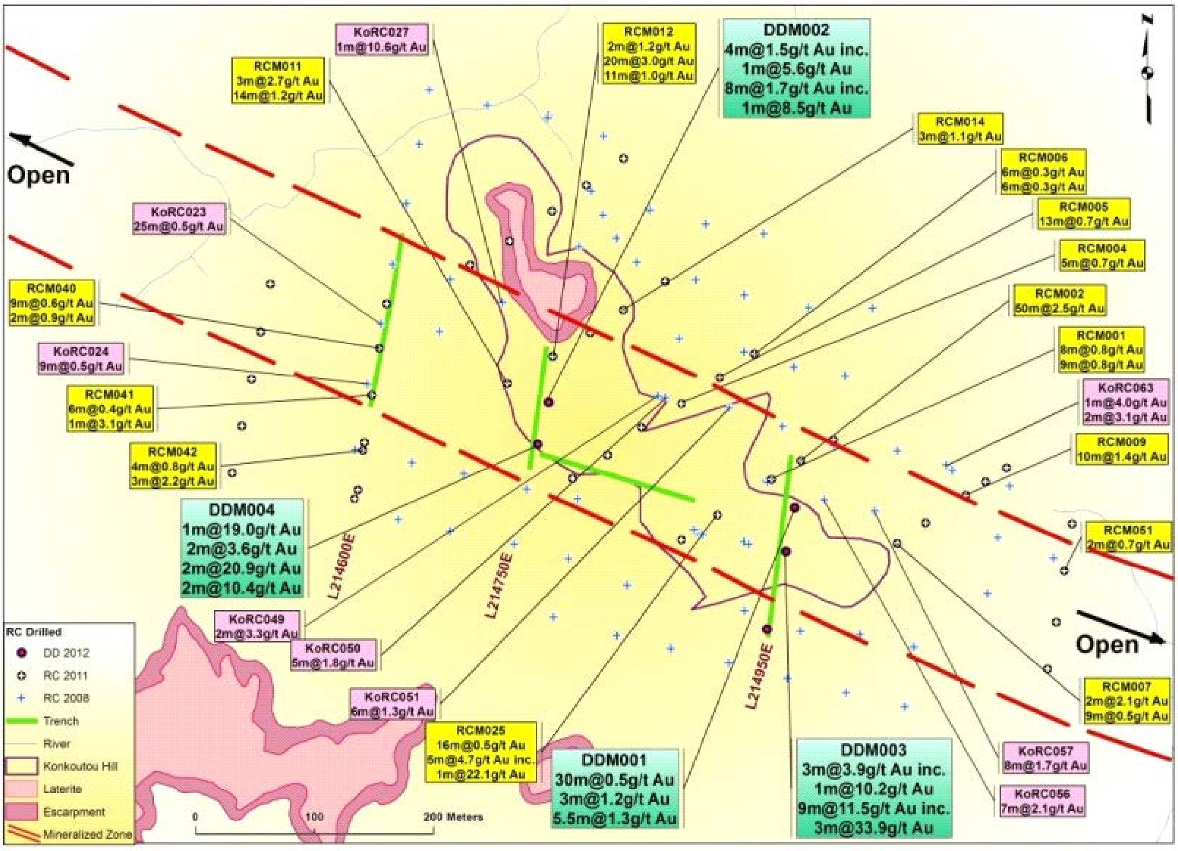

Figure 5 - Konkoutou Prospect Plan

Independent geological assessment has modelled the mineralised veins as part of a ladder vein array. The mineralised shear at Konkoutou appears to be related to a sheared greywacke unit trending north west and dipping north east. The mineralised quartz veins in the shear are mainly oriented east west and are shallow dipping to the south. Gold mineralisation is also present within altered mylonitic foliation in schistose rocks. The mineralised structure remains open along strike and down dip.

Konkoutou North, East and West

The Konkoutou North prospect is a drill target with a strike length of approximately 1 kilometre across a 300m wide zone. There are strong soil geochemical anomalies and it is located on an intersection of structures oriented north east, east-north-east and north-west, highlighted by the geophysical interpretation (Figure 6). Geological mapping and trenching is also planned across Konkoutou East and Konkoutou West.

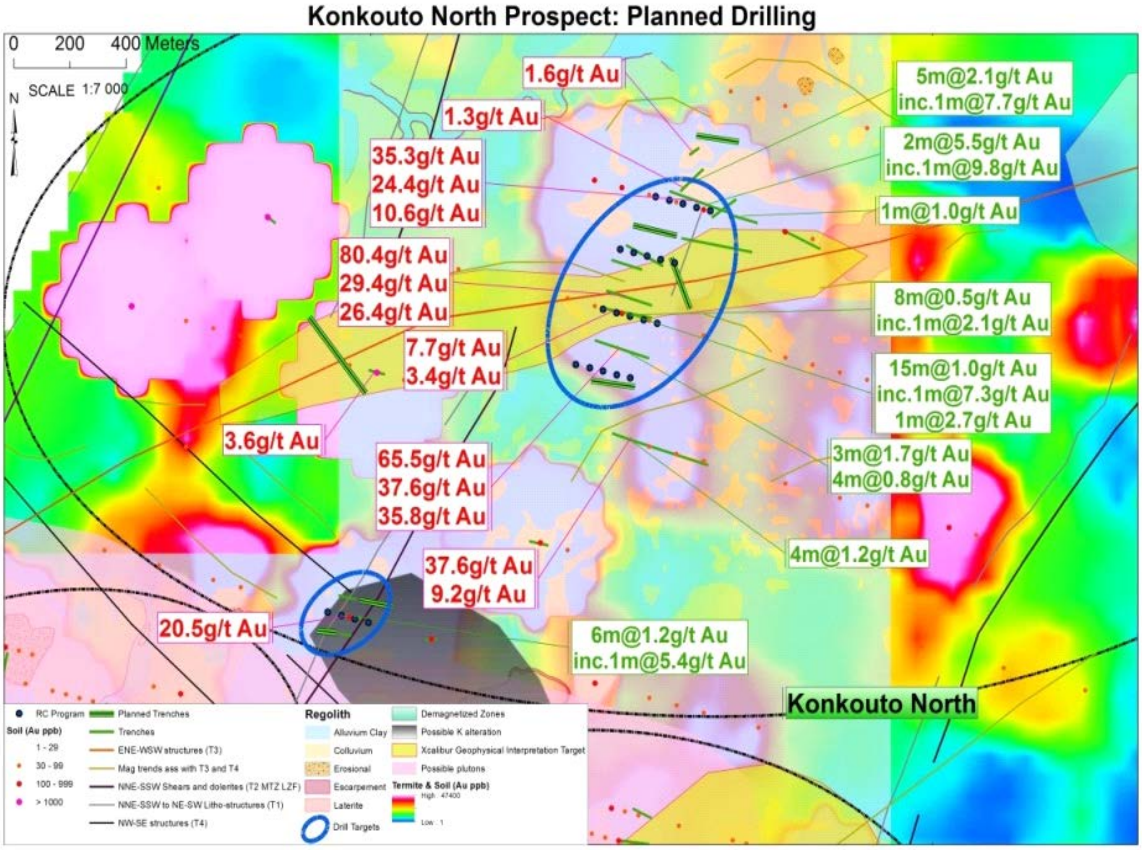

Figure 6 – Konkoutou North

Kawsara

This prospect has a strike length of approximately 2 kilometres across a 300 metre wide zone and is characterized by sporadic soil anomalies but very encouraging trench intercepts. Gold intersections from trenching include 5m @ 5.7 g/t gold; 2m @ 5.5 g/t gold and 3m @ 3.4 g/t gold. The planned extended trenching program will focus on intersecting NE and ENE structures. The proposed program for follow-up is, 2,000m of trenching and 2,000m of RC drilling.

BOUNSANKOBA PERMIT (Bassari 70%)

The Bounsankoba permit adjoins the south of the Sambarabougou permit.

Limited exploration work has been undertaken to date. The Sekhoto prospect, which is located on the Lafia Shear Zone has shown strong gold anomalies from soil, termite and RAB drilling, and from the more recent trenching carried out. Lode gold mineralization is identified in highly anomalous trench results as being north-east trending and associated with a cross structure that was intersected in RC drilling. The prospect has similar controlling features of high grade mineralisation to the Sabodala Gold Mine. The prospect is an early target for follow up drilling (refer Figure 7).

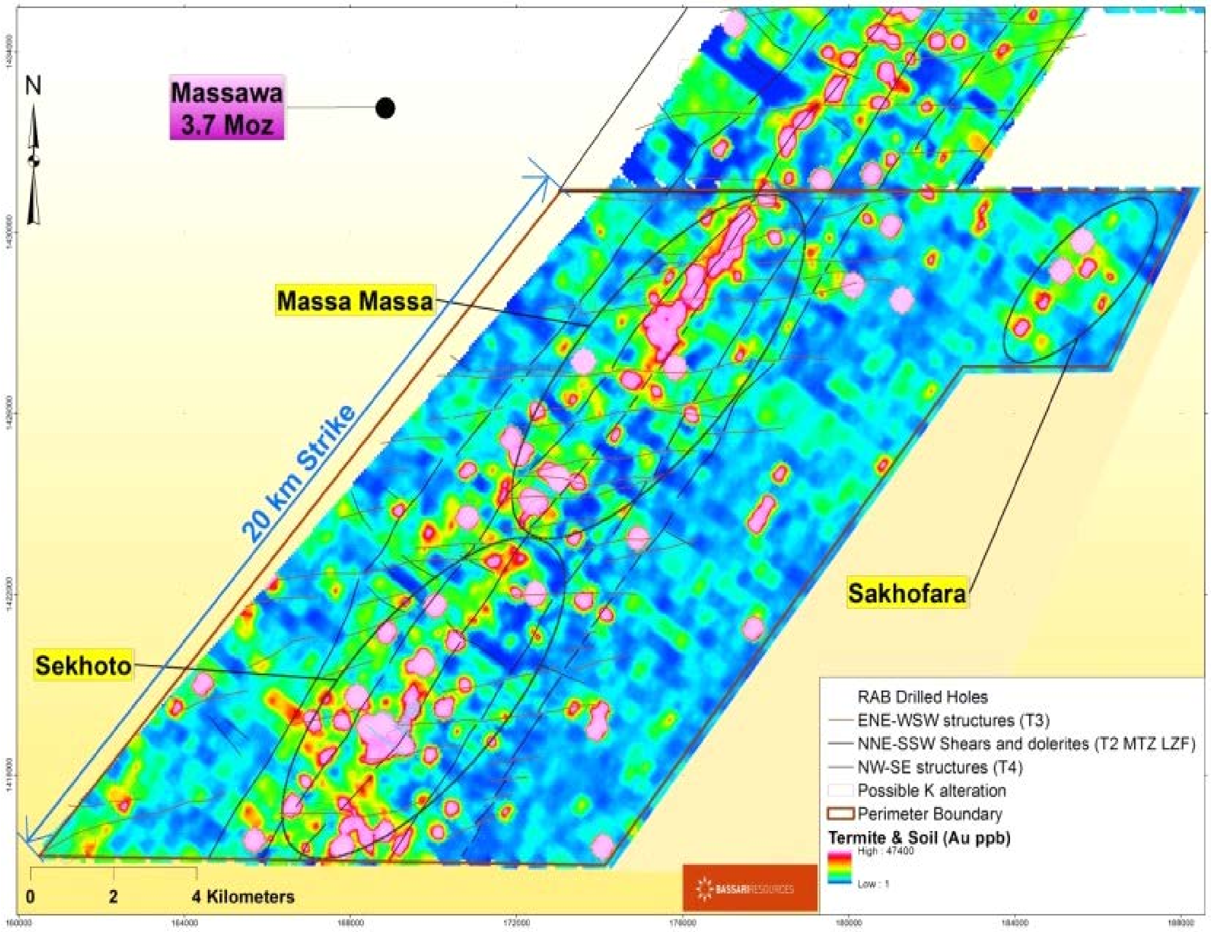

Figure 7 – Bounsankoba Permit, Prospect Plan

Project Financing

A number of project financing options are being considered by the Company. The Board is focused on delivering a financing package which maximises value to shareholders through developing the project.

Key aspects of the project highlighted by potential financiers:

- High grade starter project reduces overall capital.
- Highly experienced development team in place.
- Detailed design of processing plant upgrade well advanced.
- Senegal is a stable country with government focused on economic growth through mining sector.
- Previous operating experience of gravity plant reduces project risk.
- Existing gravity plant in place reduces development timeline.
- Significant infrastructure already in place including a camp accommodating 112, medical centre, diesel genset power supply and a 500 megalitre dam
- Excellent access to site with major port facility in capital city of Dakar.
- Significant upside beyond starter project within existing resources and multiple prospects identified and ranked.

Competent Persons' Statement

The technical information in this report related to open cut and underground designs has been sourced from Australian Mine Design and Development Pty Ltd (AMDAD) Report 1723-140630 and Underground Scoping Study dated August 2014 and reviewed by Mr John Wyche (author of the reports). The technical information in this report related to metallurgical test work and comminution test work has been sourced from ALS Metallurgy (New South Wales – Sydney) Report M2867 and AMML – Australian Minmet Metallurgical Laboratories Pty Ltd Report 0398-1.

The information 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 and the Australian Institute of Geoscientists. Mr Diba is a geologist employed by Bassari Resources Senegal SARL 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 was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not changed since it was last reported.

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

The Competent Person signing off on the overall Ore Reserve Statement is John Wyche. Mr Wyche is a Member of The Australasian Institute of Mining and Metallurgy who has 27 years of experience that is relevant to the style of mineralization and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australian Code for Reporting of Exploration Results, Mineral Resources and Reserves'. Mr Wyche is a full time employee of Australian Mine design and Development Pty Ltd and acts as a consultant mining engineer to Bassari Resources Limited. Mr Wyche is not an employee of Bassari Resources Limited and does not hold shares or other equities in Bassari Resources Limited.

CORPORATE

Director and management changes

During the 2015 financial 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 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.

Bassari shareholders general meeting 17 December 2015

Bassari held a general meeting of shareholders on 17 December 2015 for the purpose of ratifying previous share issues and convertible note issues made by the Company. The meeting ratified the prior issue of 151,818,100 ordinary shares raising $1.518 million and 21,875,000 convertible notes raising $0.35 million. Monies raised were used for working capital purposes and to further develop the Makabingui Gold Project. Each of the 12 resolutions put to the meeting were passed on a show of hands.

The effect of passing the resolutions allows the Company to issue in the future, up to 15% of the Company's issued capital within any 12 month period without seeking specific shareholder approval for such issues, in accordance with ASX Listing Rules.

Capital raising

A Share Purchase Plan ('the SPP') closed 1 April 2015, raising $0.959 million. 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 $0.1 million before costs to provide working capital and funds to further progress the development phase of the Makabingui Gold Project.

In addition to the above two fund raisings, a further four tranches of the convertible note facility with BCM International Limited were completed issuing 21.875 million convertible notes at 1.6 cents each convertible note and raising $0.35 million.

During the second half of the year the Company undertook a number of capital raisings at $0.01 (1 cent) per share. Through these capital raisings 183,318,100 ordinary shares were issued raising $1.833 million before costs. The funds raised were for working capital and the development of the Makabingui Gold Project.

DIVIDENDS

During the financial year, no dividends were paid (2014: $Nil). The Directors have not recommended the payment of a dividend.

SHARES

At the date of this report 1,587,919,774 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.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

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

- The Company raised additional capital during the year of $2.892 million before costs by the issue of 288.7 million ordinary shares. The funds raised were used to advance gold resource growth at Makabingui, advance Makabingui Gold Project studies and for working capital.
- A further $0.35 million was raised by the issue of convertible notes.

EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

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

- On 19 January 2016 the Company issued 3,275,000 ordinary shares at $0.01 (1 cent), raising $32,750 before costs, for working capital purposes.
- On 27 January 2016 the Company issued 2,500,000 ordinary shares at $0.01 (1 cent), raising $25,000 before costs, for working capital purposes.
- On 23 February 2016 the Company issued 14,000,000 ordinary shares at $0.01 (1 cent), raising $140,000 before costs, for working capital purposes.
- On 3 March 2016, the Company issued 15,000,000 ordinary shares at $0.01 (1 cent) raising $150,000 before costs, for working capital.
- On 15 March 2016 the Company issued 42,804,700 ordinary shares at $0.01 (1 cent) raising $428,047 before costs, for working capital.
- On 21 March 2016 the Company issued 20,500,000 ordinary shares at $0.01 (1 cent) raising $205,000 before costs, for working capital.
- On 22 March 2016 the Company issued 10,000,000 ordinary shares at $0.01 (1 cent) raising $100,000 before costs, for working capital.

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

INDEMNITIES AND INSURANCE – OFFICERS

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

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 2015, and the number of meetings attended by each director was:

Name	Number of Meetings Held	Number Eligible to Attend	Number of Meetings Attended
A S Mackenzie	9	9	8
P F Bruce	9	9	9
P Spivey	2	2	0
J Patarica	7	7	7
C H Young	7	7	7

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 committees. 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 all or any part of those proceedings.

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

NON-AUDIT SERVICES

During the year BDO East Coast Partnership, the Company's auditor, has not provided any other services in addition to their statutory duties. In relation to services provided in the prior year, the Directors were satisfied that the provision of these non-audit services by the auditor (or by another person or firm on the auditor's behalf) was compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. Details of amounts paid or payable are as follows:

	2015 $	2014 $
Audit or review of financial reports of the entity		
BDO East Coast Partnership	54,214	57,460
Taxation services	-	6,000
Firms not related to the lead auditor • audit services	23,557	16,563
Total remuneration	**77,771**	**80,023**

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

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration as required under Section 307C of the *Corporations Act* 2001 is included on page 34 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, other than the Company's continuing efforts to develop the Makabingui gold project and further its exploration activities as described in the Review of Operations.

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.

AUDITED REMUNERATION REPORT

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

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

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

Remuneration Committee

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

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

Remuneration Philosophy

The performance of the Company depends upon the quality of its directors and executives. To prosper, the Company must attract, motivate and retain highly skilled directors and executives. To this end, the Company embodies the following principles in its remuneration framework:

- Provide competitive rewards to attract high calibre executives;
- Focus on creating sustained shareholder value; and
- Differentiation of individual rewards commensurate with contribution to overall results according to individual accountability, performance and potential.

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

Remuneration Structure

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

Non-Executive Director Remuneration

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

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

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

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

In the 31 December 2015 financial year, no new share based payments in the form of options over ordinary shares were granted under the LTI plan to directors (2014: Nil) and there are no options currently on issue.

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

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

The aim of the Directors is to increase shareholder wealth through successfully achieving its primary objectives. During exploration these objectives are not linked to company earnings. Instead the successful discovery of gold resources and reserves is intended to drive shareholder wealth. Thus an increase in shareholder wealth will give rise to an increase in total director remuneration. No other remuneration is linked to performance conditions.

Senior Management and Executive Director Remuneration

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

- Reward executives for company, business unit and individual performance against targets set by reference to appropriate benchmarks;
- Align the interests of executives with those of shareholders;

- Link reward with the strategic goals and performance of the Company;
- Ensure total remuneration is competitive by market standards; and
- The executive remuneration program is designed to support the Company's reward philosophies and to underpin the Company's growth strategy. The program comprises the following components:
  - Fixed remuneration component
  - Variable remuneration component including short term incentive (STI) and long term incentive (LTI)

Variable Remuneration – Short Term Incentive (STI)

Objective

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

Structure

In the 31 December 2015 year no payments were made (2014: $Nil).

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

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

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

Remuneration – Long Term Incentive (LTI)

Objective

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

Structure

LTI grants to executives are delivered in the form of options over ordinary shares. In both the 31 December 2015 and the 31 December 2014 financial years, no new share based payments in the form of options over ordinary shares were granted under the LTI plan to executives.

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

Key Management Personnel – Directors and Executives

Name	Position Held
Alexander S Mackenzie	Executive Director
Philip F Bruce	Non-Executive Director
Peter Spivey	Non-Executive Director (appointed May 2015)
Jozsef Patarica	Managing Director/CEO (resigned June 2015)
Chris H Young	Non-Executive Director (retired May 2015)
Ian Riley	Company Secretary/CFO

The above Directors and company secretary are also the group and company executives.

Key Management Personnel - Service Contracts

Company Secretary/CFO

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

Use of remuneration consultants

The Company has not made use of remuneration consultants during the current or prior financial years.

Voting and comments made at the Company's 29 May 2015 Annual General Meeting ('AGM')

At the 29 May 2015 AGM, 98.38% of the votes received supported the adoption of the remuneration report for the year ended 31 December 2014. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

DIRECTORS’ REPORT (cont’d)

Remuneration of key management personnel

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

Remuneration for the year ended 31 December 2015

	Short term employee benefits			Post employment benefits	Long-term Benefits		Share based Payments	% of value of remuneration	Total	% performance related
	Salary & Fees $	Cash Bonus $	Non Monetary benefits $	Superannuation $	Incentive Plans $	Long-service leave $	Options $	Options %		
Non-executive directors										
C H Young (i)	16,667	-	-	-	-	-	-	-	16,667	-
P F Bruce	40,000	-	-	-	-	-	-	-	40,000	-
P Spivey (iii)	95,144								95,144	
Subtotal non-executive directors	151,811	-	-	-	-	-	-	-	151,811	-
Executive directors										
A S Mackenzie (ii)	202,500								202,500	
J Patarica (iv)	128,333	-	-	12,367	-	-	-	-	140,700	-
Subtotal executive Directors	330,833	-	-	12,367	-	-	-	-	330,833	
Total Directors	482,644	-	-	12,367	-	-	-	-	495,011	-
Non-Director key management										
I D Riley	155,000	-	-	-	-	-	-	-	155,000	-
Total Non-Director key management	155,000	-	-	-	-	-	-	-	155,000	
Total key management	637,644	-	-	12,367	-	-	-	-	650,011	-

(i) Mr Young retired as a Director on 29 May 2015.

(ii) Remuneration includes Chairman’s fee of $60,000 for the 2015 financial year and consulting fees of $142,500. Remuneration includes amounts paid and payable at 31 December 2015

(iii) Mr Spivey was appointed to the Board on 18 May 2015. Remuneration includes Director’s fees from date of appointment, $25,000 and consulting fee, $70,144.

(iv) Mr Patarica resigned from the Board on 14 June 2015.

Remuneration for the year ended 31 December 2014

	Short term employee benefits			Post employment benefits	Long-term Benefits		Share based Payments	% of value of remuneration	Total	% performance related
	Salary & Fees $	Cash Bonus $	Non Monetary benefits $	Superannuation $	Incentive Plans $	Long-service leave $	Options $	Options %		
Non-executive directors										
C H Young	37,460	-	-	2,540	-	-	-	-	40,000	-
P F Bruce	40,000	-	-	-	-	-	-	-	40,000	-
Subtotal non-executive directors		-	-		-	-	-	-		-
Executive director										
A S Mackenzie (i)	287,694								287,694	
J Patarica	280,000	-	-	27,000	-	-	-	-	307,000	-
Subtotal executive Directors		-	-		-	-	-	-		
Total Directors	645,154	-	-	29,540	-	-	-	-	674,694	-
Non-Director key management										
I D Riley	155,000	-	-	-	-	-	-	-	155,000	-
Total Non-Director key management		-	-		-	-	-	-		
Total Directors and key management	800,154	-	-	29,540	-	-	-	-	829,694	-

(i) Remuneration includes Chairman's fee of $60,000 for the 2015 financial year, $42,000 for the previous financial year (not included in 2014) and consulting fees of $185,694 – refer note 27. Remuneration includes amounts paid and payable at 31 December 2015

DIRECTORS' REPORT (cont'd)

- **Options and Rights Holdings**

  No options were held directly, indirectly or beneficially by company directors and key management personnel at any time during the 2015 and 2014 financial years.

- **Shareholdings -** Number of shares held, directly, indirectly or beneficially, by company Directors and key management personnel

2015	Balance as at 1 January 2015	Received as Remuneration	Options Exercised	Net Change Other	Balance as at 31 December 2015
Directors					
A S Mackenzie	53,325,015	-	-	1,748,352	55,073,367
P Spivey*	-	-	-	106,666	106,666
P Bruce #	-	-	-	41,567,284	41,567,284
J Patarica **	2,171,897	-	-	(2,171,897)	-
C H Young **	300,000	-	-	(300,000)	-
KMP					
I Riley	330,880	-	-	1,648,352	1,979,232
TOTAL	**56,127,792**	**-**	**-**	39,059,941	95,187,733

Philip Bruce is employed by Hill End Gold Limited (HEG) and represents HEG and associates' shareholding in Bassari of 101,780,140 shares (31 December 2014, 139,583,333), of which Mr Bruce holds in his own name, 41,567,284 (2014: Nil) shares beneficially.
* Mr Spivey was appointed a Director during the year
** Mr Patarica and Mr Young resigned as Directors during the year.

Remuneration Options

No options or rights were granted for the year ended 31 December 2015 and 31 December 2014.

No shares were issued upon the exercise of remuneration options.

Additional Information

The earnings of the consolidated entity for the five years to 31 December 2015 are summarised below:

	31 Dec 2015 $000	31 Dec 2014 $000	31 Dec 2013 $000	31 Dec 2012 $000	6 months to 31 Dec 2011 $000
Revenue	21	25	25	141	131
Total loss before income tax	(1,337)	(1,676)	(1,703)	(2,072)	(983)
Total loss after income tax	(1,337)	(1,676)	(1,703)	(2,072)	(983)

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

Share price at financial year end $	0.010	0.013	0.008	0.03	0.05
Basic earnings per share (cents per share)	(0.10)	(0.16)	(0.25)	(0.4)	(0.3)

End of Audited Remuneration Report

ROUNDING

The amounts contained in this report and in the financial report have been rounded to the nearest $1,000 (where rounding is applicable) under the option available to the company under ASIC Class Order 98/100. 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.

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

Alex Mackenzie
Executive Chairman

Melbourne, 31 March 2016

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Fax: +61 3 9602 3870
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GPO Box 5099 Melbourne VIC 3001
Australia

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

As lead auditor of Bassari Resources Limited for the year ended 31 December 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 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.

James Mooney
Partner

BDO East Coast Partnership

Melbourne, 31 March 2016

CONSOLIDATED STATEMENT OF
PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	Notes	2015	2014
		$'000	$'000
Revenue from continuing operations	5	21	25
Corporate expenses		(391)	(378)
Employment and consultant costs	6	(697)	(969)
Occupancy costs		(184)	(183)
Travel and accommodation		(84)	(162)
Depreciation of non-current assets		(2)	(9)
Loss from continuing operations before income tax		**(1,337)**	**(1,676)**
Income tax expense relating to continuing operations	7	**-**	**-**
Loss from continuing operations		**(1,337)**	**(1,676)**
Loss for the year attributable to the owners of Bassari Resources Limited		**(1,337)**	**(1,676)**
Other Comprehensive Income			
Items that may be reclassified to profit and loss in the future			
Exchange difference on translation of foreign operation		156	(1,771)
Other comprehensive income for the year net of income tax		156	(1,771)
Total Comprehensive Income for the year attributed to the owners of Bassari Resources Limited		**(1,181)**	**(3,447)**
Earnings per share for loss from continuing operations attributable to the owners of Bassari Resources Limited			
Basic earnings per share (cents)	17	(0.10)	(0.16)
Diluted earnings per share (cents)	17	(0.10)	(0.16)

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 2015

	Notes	2015	2014
		$'000	$'000
CURRENT ASSETS			
Cash and cash equivalents	8	253	7
Trade and other receivables	9	97	125
TOTAL CURRENT ASSETS		**350**	**132**
NON CURRENT ASSETS			
Property, plant and equipment	10	5	50
Exploration and evaluation assets	11	49,202	46,857
TOTAL NON-CURRENT ASSETS		**49,207**	**46,907**
TOTAL ASSETS		**49,557**	**47,039**
CURRENT LIABILITIES			
Trade and other payables	12	1,935	1,214
Financial liabilities	13	675	402
Provisions	14	39	189
TOTAL CURRENT LIABILITIES		**2,649**	**1,805**
TOTAL LIABILITIES		**2,649**	**1,805**
NET ASSETS		**46,908**	**45,234**
EQUITY			
Contributed equity	15	63,520	60,678
Reserves	16	2,525	2,356
Accumulated losses		(19,137)	(17,800)
TOTAL EQUITY		**46,908**	**45,234**

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 2015

	Note	Contributed Equity	Reserve	Accumulated Losses	Total
		$'000	**$'000**	**$'000**	**$'000**
Balance at 1 January 2014		**56,579**	**4,114**	**(16,124)**	**44,569**
Loss for the year		-	-	(1,676)	(1,676)
Other comprehensive income		-	(1,771)	-	(1,771)
Total comprehensive income for the year		**-**	**(1,771)**	**(1,676)**	**(3,447)**
Issue of ordinary shares and other equity instruments	15	4,099	-	-	4,099
Equity portion of convertible notes		**-**	13	-	13
Transactions with owners as owners		**4,099**	**13**	**-**	**4,112**
Balance at 31 December 2014		**60,678**	**2,356**	**(17,800)**	**45,234**
Loss for the year		-	-	(1,337)	(1,337)
Other comprehensive income		-	156	-	156
Total comprehensive income for the year		**-**	**156**	**(1,337)**	**(1,181)**
Issue of ordinary shares and other equity instruments	15	2,842	-	-	2,842
Equity portion of convertible notes		**-**	13	-	13
Transactions with owners as owners		**2,842**	**13**	**-**	**2,855**
Balance at 31 December 2015		**63,520**	**2,525**	**(19,137)**	**46,908**

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 2015

	Note	2015	2014
		$'000	$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		17	21
Payments to suppliers and employees		(746)	(1,026)
Interest received		4	4
Net cash used in operating activities	23	**(725)**	**(1,001)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capitalised exploration and evaluation expenditure		(2,131)	(3,254)
Payments for property, plant and equipment		-	(2)
Net cash used in investing activities		**(2,131)**	**(3,256)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		350	350
Proceeds from issue of equity securities		2,892	3,944
Issue costs		(50)	(95)
Net cash provided by financing activities		**3,192**	**4,199**
Net increase / (decrease) in cash and cash equivalents held		**336**	**(58)**
Cash and cash equivalents at beginning of financial year		**(58)**	**-**
Effects of changes in foreign exchange rates on cash held		**(25)**	**-**
Cash and cash equivalents at end of financial year	23	**253**	**(58)**

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 2015

1. GENERAL INFORMATION

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

The financial statements cover Bassari Resources Limited and controlled entities as a consolidated entity for the financial year ended 31 December 2015. Bassari Resources Limited is a company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange.

Separate financial statements for Bassari Resources Limited as an individual entity are no longer presented as a consequence of a change to the Corporations Act 2001, however limited financial information for Bassari Resources Limited as an individual entity is included in Note 22.

The financial statements were authorized for issue by the Directors on 30 March 2016.

The financial report is presented in Australian currency.

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

Level 17
500 Collins Street
Melbourne Vic 3000

Going Concern

For the year ended 31 December 2015, the Consolidated Entity incurred a total comprehensive loss of $1,181,000, and had net cash outflows from operating activities of $725,000. At 31 December 2015, the Company has net current liabilities of $2,299,000. At 31 December 2015, the Consolidated Entity reported cash and cash equivalents of $253,000.

Management has prepared cash flow projections for a period of twelve months from the date of approval of the financial report.

The ability of the consolidated entity to continue as a going concern is dependent upon the future successful raising of necessary funding through debt or equity, successful exploration and subsequent exploitation of the consolidated entity's tenements. The existence of these conditions indicates a material uncertainty that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern.

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 for the following reasons:

- Subsequent to the end of the financial year, the Group issued 108,079,700 ordinary shares at $0.01 (1 cent) each, raising an additional $1,080,797 before costs. Funds are to be applied to working capital and to further progress the Makabingui Gold Project development.
- The company is currently negotiating with a number of interested parties to provide funding for the Makabingui Gold Project.
- The Group has prepared cash flow budgets which include additional cash outflows for operational and project studies, which can be deferred in part if there are delays in raising capital or insufficient capital is raised to fund forecast expenditure.
- The Group has a history of successfully raising funds. The Company has the ability to raise further capital without shareholder approval under ASX Listing Rules 7.1 and 7.1A.

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

Should the company be unable to continue as a going concern it may be required to 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 consolidated entity be unable to continue as a going concern and meet its debts as and when they fall due.

2. NEW STANDARDS AND INTERPRETATIONS

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

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

There have been no significant new and revised Standards and amendments thereof and Interpretations effective for the year that are relevant to the Group.

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

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

AASB 9 Financial Instruments includes requirements for the classification and measurement of financial assets resulting from the first part of Phase 1 of the project to replace AASB 139 Financial Instruments: Recognition and Measurement, which becomes mandatory for the Group's 31 December 2018 financial statements.

The Group has not yet determined the full effect of the above amendments to standards and interpretations, however at this stage, as the Company's financial instruments disclosures are not significant, it is not expected to be material.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 2015, and the comparative information presented in these financial statements for the year ended 31 December 2014.

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 consolidated entity controls an entity when the consolidated entity 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.

(b) Segment Reporting

The Consolidated Entity has adopted AASB 8 *Operating Segments* whereby segment information is presented using a 'management approach'. Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions. The principal business and geographical segment of the Company is mineral exploration within Senegal, West Africa. The Company has its head office in Australia, which represents a non-material reportable segment.

The Board of Directors review internal management reports at regular intervals that are consistent with the information provided in the consolidated statement of profit or loss and other comprehensive income, statement of financial position and statement of cash flows. As a result no reconciliation is required because the information as presented is what is used by the Board of Directors to make strategic decisions including assessing performance and in determining allocation of resources.

(c) Cash and Cash Equivalents

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

(d) Employee Entitlements Provision

Wages and Salaries, Annual Leave and Sick Leave

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

Long Service Leave

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

(e) Exploration and Evaluation Expenditure

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

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

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

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

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

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

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

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

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

(f) Foreign Currency Translation

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

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

The functional currency of the overseas subsidiaries is 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.

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

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

Receivables and payables are stated with the amount of the GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the cash flow statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

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

(h) Impairment of Assets

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

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

(i) Income Tax

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

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

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

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

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

(j) Leases

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

(k) Revenue Recognition

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

Interest

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

(l) Earnings per Share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to members of Bassari Resources Limited by the weighted average number of ordinary shares outstanding during the financial period. The weighted average number of issued shares outstanding during the financial period does not include shares issued as part of an Employee Share Loan Plan that are treated as in-substance options.

Diluted earnings per share

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

(m) Trade and Other Payables

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

(n) Borrowings – Convertible Notes

Convertible notes are accounted for as the aggregate of (i) a liability component and (ii) and 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.

(o) Contributed Equity

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

(p) 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.

4. ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

Critical Judgments

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

Tax losses - The Group has not recognised a deferred tax asset with regard to unused tax losses and other temporary differences, as it has not been determined whether the Group will generate sufficient taxable income against which the unused tax losses and other temporary differences can be utilised.
Exploration costs – The Group has capitalised costs associated with its exploration activities as stated in note 3(e) and at 31 December 2015 no impairment has been recognised.
Contingent liabilities – The Group has noted a contingent liability in relation to a tax assessment in Senegal, that the Company believes is erroneous. Details are disclosed in Note 20.

Critical Accounting Estimates and Assumptions

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

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

Convertible notes – The carrying value of the convertible notes in note 13 is equal to the Net Present Value of the liability, and has been calculated using an estimated discount rate of 12%. A change to this rate would result in a different carrying value, along with different amounts recorded for the equity portion of the convertible notes (note 16) and the resulting interest charge.

Employee benefits provision - The liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

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

5. REVENUE	**2015 $'000**	**2014 $'000**
Interest revenue from bank deposits	2	4
Other revenue	19	21
	21	25

6. LOSS FOR THE YEAR

	2015 $'000	**2014 $'000**
Loss before income tax has been determined after:		
Employee benefits:		
Salaries, wages, on-costs and consultant fees	678	933
Superannuation – defined contribution	19	36
	697	969

7. INCOME TAXES

	2015 $'000	2014 $'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:

	2015 $'000	2014 $'000
Loss from operations	**(1,337)**	**(1,676)**
Income tax calculated at 30% (2014 – 30%) Income tax of other members of the tax consolidated group (net of inter-Company transactions)	(401)	(503)
Add tax effect of:		
Non-deductible expenses/(non-assessable items)	95	58
Less tax effect of:		
Unused tax losses not recognised as deferred tax assets	306	445
	-	-

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

	2015 $'000	2014 $'000
Tax losses (revenue or operating losses) – Australia	3,641	3,240
Tax losses (capital)	-	-
	3,641	3,240

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

The benefit of these losses has not been brought to account at 31 December 2015 because the directors do not believe it is appropriate to regard realisation of the deferred tax asset as being probable at this point in time. These tax losses are also subject to final determination by the Taxation authorities when the Group derives taxable income. The benefits will only be realised if:

(a) The Company and its subsidiaries derive future assessable income of a nature and of an amount sufficient to enable the benefit of the deduction for the losses to be realised;

(b) The Company and its subsidiaries continue to comply with the conditions for the deductibility imposed by law; and

(c) No changes in the tax legislation adversely affect the Company and its subsidiaries in realising the benefit of the losses.

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

8. CASH AND CASH EQUIVALENTS

	2015 $000	2014 $000
Cash at bank and cash on hand	253	7

Cash at banks bear floating interest rates between 1.3% and 0% (2014: 3% and 0%).

9. TRADE AND OTHER RECEIVABLES

CURRENT

	2015 $'000	2014 $'000
Sundry receivables	97	125

10. PROPERTY, PLANT AND EQUIPMENT

	Plant and Equipment	Office Furniture	Motor Vehicles	Total
	$'000	$'000	$'000	$'000
Gross carrying amount				
Balance at 1 January 2014	**3,835**	**185**	**1,179**	**5,199**
Additions	-	2	-	2
Disposals	-	-	-	-
Foreign currency translation difference	(106)	(2)	(24)	(132)
Balance at 31 December 2014	**3,729**	**185**	**1,155**	**5,069**
Additions	-	2	-	2
Disposals	-	-	-	-
Assets written off	-	-	-	-
Foreign currency translation difference	10	-	2	12
Balance at 31 December 2015	**3,739**	**187**	**1,157**	**5,083**

Accumulated depreciation **Balance at 1 January 2014**	**3,448**	**175**	**1,055**	**4,678**
Depreciation	353	9	93	455
Disposals	-	-	-	-
Foreign currency translation difference	(95)	(2)	(17)	(114)
Balance at 31 December 2014	**3,706**	**182**	**1,131**	**5,019**
Depreciation	19	2	24	45
Disposals/assets written off	-	-	-	-
Foreign currency translation difference	10	-	2	12
Balance at 31 December 2015	**3,735**	**184**	**1,157**	**5,019**
Net book value				
As at 31 December 2014	23	3	24	50
As at 31 December 2015	**4**	**1**	**-**	**5**

11. EXPLORATION AND EVALUATION ASSETS

	2015	**2014**
	$'000	**$'000**
Costs carried forward in respect of areas of interest at cost	46,857	44,919
Expenditure incurred during the year	2,131	3,254
Depreciation capitalised	43	446
Exchange translation difference	171	(1,762)
Total exploration and evaluation expenditure	49,202	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 mining concession costs comprise costs incurred to secure the mining concessions for the 3 permits in Senegal.

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

12. TRADE AND OTHER PAYABLES

	2015	**2014**
	$'000	**$'000**
CURRENT		
Trade and other payables	1,935	1,214

13. FINANCIAL LIABILITIES

	2015	2014
CURRENT	**$'000**	**$'000**
Convertible notes	675	337
Overdrawn bank balances	-	65
	675	402

During the year $67,000 was charged to profit or loss in relation to interest on the convertible note facility. Interest has been accrued.

The convertible notes have been issued in a number of tranches. All the Notes were issued with a face value of $0.016 (1.6 cents) and an interest rate of 8%, payable quarterly. The details and the terms are as follows:

Issue date	Number issued	Total face value of notes issued	Debt portion of Note (i)	Redemption date of Note (ii)
	$'000	$'000	$'000	
21/11/2014	21,875	350	337	21/11/2015
13/01/2015	3,125	50	48	13/01/2016
09/02/2015	6,250	100	96	09/02/2016
02/04/2015	6,250	100	97	02/04/2016
11/06/2015	6,250	100	97	11/06/2016
	43,750	700	675	

(i) A market rate of 12% has been used in calculating the Net Present Value of future cash flows to determine the debt portion of the Notes.

(ii) The maturity of the notes is 12 months from the date of issue. The noteholder can convert at any date before maturity upon providing written notice to the Company.

14. PROVISIONS

	2015	2014
	$'000	$'000
CURRENT		
Employee entitlements	39	189

15. CONTRIBUTED EQUITY

	2015	2014
Ordinary shares	**$000**	**$000**
Paid-up capital		
1,469,838,684 (2014: 1,181,136,981) fully paid ordinary shares	63,520	60,678

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (cont'd)

Movement in ordinary share capital	**No.**	**$'000**
At 1 January 2014	**771,319,369**	**56,579**
Share placement at 0.6 cents*	22,033,333	-
Share placement at 0.6 cents	25,999,999	156
Share placement at 0.6 cents	36,414,573	218
Share purchase plan, at 0.86 cents	95,395,423	820
Shares issued to settle outstanding financial liability at 0.8cents	31,250,000	250
Share placement at 0.9 cents	111,424,405	1,003
Share placement at 2.0 cents	54,004,156	1,080
Share placement at 2.0 cents	27,820,723	556
Share placement at 2.0 cents	3,150,000	63
Share issue plan, at 2.0 cents	2,325,000	48
Cost of capital raising	-	(95)
Total for the financial period	409,817,612	4,099
At 31 December 2014	1,181,136,981	60,678
Share placement at 1.0 cent	10,000,000	100
Share purchase plan at 0.91 cents	105,384,693	959
Share placement at 1.0 cent	16,000,000	160
Share placement at 1.0 cent	15,870,000	159
Share placement at 1.0 cent	5,100,000	51
Share placement at 1.0 cent	29,000,000	290
Share placement at 1.0 cent	5,200,000	52
Share placement at 1.0 cent	33,309,300	333
Share placement at 1.0 cent	11,000,000	110
Share placement at 1.0 cent	5,000,000	50
Share placement at 1.0 cent	13,838,800	138
Share placement at 1.0 cent	7,500,000	75
Share placement at 1.0 cent	10,000,000	100
Share placement at 1.0 cent	16,000,000	160
Share placement at 1.0 cent	10,500,000	105
Share placement at 1.0 cent	5,000,000	50
Costs of issue	-	(50)
Total for the financial period	298,702,793	2,842
At 31 December 2015	**1,479,839,774**	**63,520**

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

(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. This is subject to the prior entitlements of the cumulative redeemable preference shares which are classified as liabilities. Every ordinary shareholder present at a meeting in person or by proxy is entitled to one vote on a show of hands or by poll.

At 31 December 2015 there were no partly paid shares outstanding.

(b) Options

The Company had no options outstanding at the end of the financial year or the previous financial year and no options were exercised or lapsed during the financial year or the previous financial year.

(c) Capital Risk Management

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

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

16. RESERVES

	2015	2014
	$'000	$'000
Convertible note reserve (a)	26	13
Foreign currency translation reserve (b)	2,499	2,343
	2,525	2,356

(a) Convertible Note Reserve

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

This reserve records the value of the equity portion of convertible notes issued by the Company, in accordance with the measurement requirements of AAS 139. During the year 21,875,000 convertible notes were issued with a face value of 1.6 cents, and an interest rate of 8%. The notes can be converted at any time before maturity, which is 12 months from the date of issue. The equity portion of the convertible notes has been calculated using a notional interest rate of 12%.

(ii) **Movements in Reserve**

	2015 $'000	2014 $'000
Balance at the beginning of the year	13	-
Equity portion of convertible notes issued during the year	13	13
Converted during the year	-	-
Balance at end of year	26	13

(b) Foreign Currency Translation Reserve

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

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

(ii) **Movements in Reserve**

	2015 $'000	2014 $'000
Balance at the beginning of the year	2,343	4,114
Movement during the year	156	(1,771)
Balance at end of year	2,499	2,343

17. EARNINGS PER SHARE

	2015	2014
	$'000	**$'000**
• Earnings used in the calculation of basic and diluted EPS	(1,377)	(1,676)
• Weighted average number of ordinary shares outstanding during the period used in the calculation of basic and diluted EPS	1,325,439,050	1,057,754,960
• Basic earnings per share	**Cents per share**	**Cents per share**
From continuing operations	(0.10)	(0.16)
Total basic earnings per share attributable to owners of Bassari Resources Limited	**(0.10)**	**(0.16)**
• Diluted earnings per share		
From continuing operations	(0.10)	(0.16)
Total diluted earnings per share attributable to owners of Bassari Resources Limited	**(0.10)**	**(0.16)**

There were no options on issue throughout the financial periods and accordingly there is no dilutive in effect.

18. DIVIDENDS

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

19. COMMITMENTS FOR EXPENDITURE

- **Capital Expenditure Commitments**

  The Company has no capital expenditure commitments.

- **Exploration Commitments**

  In order to maintain current rights of tenure to exploration tenements, the Company and economic entity are required to meet the minimum expenditure requirements of the Department of Mining. Minimum expenditure commitments may otherwise be avoided by sale, farm out or relinquishment. These obligations are not provided in the accounts. The Company has committed to spend a total of US$9.64 million over the periods of the granted permit areas in respect of these exploration programs. Expenditure commitment is for the term of the permit renewal. The commitment for each permit is as follows:

Name on Permit	Joint Venture Partner and Permit Holder	Remaining Expenditure Commitment	3-Year Expenditure Commitment	Permit last renewed
Moura	Sengold Mining NL	US$1.77 million	US$2.0 million	28.02.2015*
Sambarabougou	W.A.T.I.C	US$3.22 million	US$6.5 million	13.09.2013
Bounsankoba	Libah Investments Ltd	US$0.84 million	US$1.14 million	13.06.2013

The remaining expenditure commitment in total is $A7.99 million.

* Moura permit was granted a special 2 year renewal, other permits are for 3 years.

20. 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 2014, followed by confirmation of tax adjustment received in November 2014, claiming an amount equivalent to $A16.4 million. Bassari is of the opinion that tax claimed by the administration is not valid as it fails to take into account tax exemptions applicable to the company. The Company has 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 of the belief that the company's tax exemption is valid. The company is currently negotiating with the tax administration to resolve the matter.

Employee wrongful dismissal claim
Judgement has been made against Bassari Resources Senegal SARL in a matter brought by seven former employees of the company for wrongful dismissal. The judgement, which is being appealed, approximates $54,000.

Other than these matters, the Directors are not aware of any other contingent liabilities at 31 December 2015.

21. SUBSIDIARIES

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

* The proportion of ownership interest is equal to the proportion of voting power held.
# Companies incorporated in February 2010 have been dormant from incorporation to 31 December 2015.
^ Douta Mining SA was incorporated in Senegal in 2011.

22. PARENT ENTITY INFORMATION

	Parent Entity	
	2015	2014
	$'000	$'000
Information relating to Bassari Resources Limited		
Financial Position		
Current assets	310	73
Non-current assets	48,359	46,426
Total assets	48,669	46,499
Current liabilities	(1,607)	(1,265)
Non-current liabilities	-	-
Total Liabilities	(1,607)	(1,265)
Net assets	47,062	45,234
Contributed equity	69,851	67,009
Reserves	26	13
Accumulated losses	(22,815)	(21,788)
Total equity	47,062	45,234
Financial performance		
Total revenue	2	44
Loss for the year	(1,027)	(3,474)
Comprehensive loss for the year	(1,027)	(3,447)

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

Capital Commitments

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

Operating rental lease

There are no commitments in relation to operating leases 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.

23. CASH FLOW INFORMATION

	2015 $'000	2014 $'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	253	7
Other financial liabilities	-	(65)
	253	(58)
Reconciliation of loss for the year to net cash flows from operating activities:		
Loss for the year	(1,337)	(1,676)
Non cash flows in loss		
Depreciation	2	9
Changes in assets and liabilities		
Decrease/(Increase) in receivables	28	(38)
(Decrease)/Increase in trade payables	732	670
(Decrease)/Increase in provisions	(150)	34
Cash flows from operations	**(725)**	**(1,001)**

24. FINANCIAL RISK MANAGEMENT

(a) General objectives, policies and processes

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

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

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

	2015	2014
	$'000	**$'000**
Financial Assets		
Cash and cash equivalents	253	7
Other receivables	97	125
Total Financial Assets	**350**	**132**

Financial Liabilities		
Loans and payables	2,610	1,616
Total Financial Liabilities	**2,610**	**1,616**

(b) Interest Rate Risk

The consolidated entity's exposure to interest rate risk, which is that a financial instrument's value will fluctuate as a result of changes in market interest rates, relates primarily to cash as disclosed in note 8. At balance date the consolidated entity had the following mix of financial assets and liabilities that were subject to interest:

	2015	2014
	$'000	**$'000**
Cash and cash equivalents	253	7
Financial liabilities	(675)	(402)
Net Financial (Liabilities)/Assets	**(422)**	**(395)**

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

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

	2015	2014
Judgments of possible movements:	**$'000**	**$'000**
+1% (100 basis points)	4	4
-1% (100 basis points)	(4)	(4)

(c) Credit Risk

Credit risk is the risk that the other party to a financial instrument will fail to discharge their obligation resulting in the Group incurring a financial loss. This usually occurs when debtors or counterparties to derivative contracts fail to settle their obligations owing to the Group. The Group's main credit risk is associated with bank default. However, the Group invests most of its cash with financially sound Australian banking institutions. The group's maximum credit risk is $350,000 (2014: $132,000)

(d) Fair Values

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

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

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

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) 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 12 months of receipt.

(f) Commodity Price Risk

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

25. AUDITOR'S REMUNERATION

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

	2015 **$**	**2014** **$**
Audit or review of financial reports of the entity		
BDO East Coast Partnership	54,214	57,460
Taxation services	-	6,000
Firms not related to the lead auditor Audit services	23,557	16,563
Total remuneration	**77,771**	**80,023**

The auditor did not receive any other benefits.

26. EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

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

- On 19 January 2016 the Company issued 3,275,000 ordinary shares at $0.01 (1 cent), raising $32,750 before costs, for working capital purposes.
- On 27 January 2016 the Company issued 2,500,000 ordinary shares at $0.01 (1 cent), raising $25,000 before costs, for working capital purposes.

- On 23 February 2016 the Company issued 14,000,000 ordinary shares at $0.01 (1 cent), raising 140,000 before costs, for working capital purposes.
- On 3 March 2016 the Company issued 15,000,000 ordinary shares at $0.01 (1 cent) each raising $150,000 before costs, for working capital purposes.
- On 11 March 2016 the Company issued 42,804,700 ordinary shares at $0.01 (1 cent), raising $428,047 before costs, for working capital purposes.
- On 21 March 2016 the Company issued 20,500,000 ordinary shares at $0.01 (1 cent), raising $205,000 before costs, for working capital purposes.
- On 22 March 2016 the Company issued 10,000,000 ordinary shares at $0.01 (1 cent), raising $100,000 before costs, for working capital purposes.

27. 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**

Consulting fees of $Nil (2014: $5,000) were paid to Chris Young Consulting Pty Ltd, a company in which Mr Chris Young holds a financial interest. The fees were paid on normal commercial terms, for geological consulting services provided and included as remuneration in the remuneration report.

Consulting fees of $142,500 (2014: $185,694) were paid to MA Consulting a company in which Mr Alex Mackenzie holds a financial interest. The fees were paid on normal commercial terms, for in country (Senegal) consulting and advisory services provided, and are included as remuneration in the remuneration report.

Consulting fees of $70,144 (2014: $Nil) were paid to Peter Spivey (Director appointed 18 May 2015). The fees were paid on normal commercial terms, for in country (Senegal) consulting services provided, and are included as remuneration in the remuneration report.

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

- **Consolidated Entities**

Details of controlled entity companies are shown in Note 21.

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

	2015 **$**	**2014** **$**
Bassari Resources Senegal SARL	40,928,354	38,977,915
Bassari Equipment Pty Ltd	1,113,866	1,113,866
Douta Mining SA	-	-

Repayment of amounts owing to the Company at 31 December 2015 and all future debts due to the Company, by the controlled entities are subordinated in favour of all other creditors. The Company has agreed to provide sufficient financial assistance to the controlled entities as and when it is needed to enable the controlled entities to continue operations.

28. KEY MANAGEMENT PERSONNEL DISCLOSURES

Directors

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

Mr Alex Mackenzie
Mr Philip Bruce
Mr Peter Spivey
Mr Jozsef Patarica
Mr Chris Young

Other key management personnel

The following person also had the authority and responsibility for planning, directing and controlling the major activities of the consolidated entity, directly or indirectly, during the financial year:

Mr Ian Riley

Compensation

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

	2015 $	2014 $
Short-term employee benefits	637,644	800,154
Post-employee benefits	12,367	29,540
	650,011	**829,694**

DIRECTORS' DECLARATION

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

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

  (i) giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2015 and of its performance for the period ended on that date; and

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

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

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

- This declaration has been made after receiving the declarations required by section 295A of the *Corporations Act 2001* from the chief executive officer and chief financial officer for the financial year ended 31 December 2015.

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.

Alex Mackenzie
Executive Chairman

Melbourne, 31 March 2016

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INDEPENDENT AUDITOR'S REPORT

To the members of Bassari Resources Limited

Report on the Financial Report

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

Directors' Responsibility for the Financial Report

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

Auditor's Responsibility

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

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

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

Independence

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

Opinion

In our opinion:

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

   (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the year ended on that date; and

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

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

Emphasis of matter

Without modifying our opinion, we draw attention to Note 1 "Going concern" in the financial report, which indicates that the ability of the consolidated entity to continue as a going concern is dependent upon the future successful raising of necessary funding through debt or equity and/or successful exploration and subsequent exploitation of the consolidated entity's tenements. These conditions, along with other matters as set out in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 26 to 32 of the directors' report for the year ended 31 December 2015. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Bassari Resources Limited for the year ended 31 December 2015 complies with section 300A of the *Corporations Act 2001*.

BDO East Coast Partnership

James Mooney
Partner

Melbourne, 31 March 2016

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

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

1. SHAREHOLDING

The issued capital of the company as at 22 March 2016 was 1,587,919,474 ordinary fully paid shares.

(a) Distribution of shareholder numbers at 22 March 2016:

Size of Holding	Number of Shareholders	%	Number of Shares Held	%
1 - 1000	72	3.88	7,436	0
1,001 – 5,000	68	3.67	230,411	0.01
5,001 – 10,000	117	6.31	937,730	0.06
10,001 – 100,000	649	34.99	32,240,671	2.03
100,001 and over	949	51.16	1,554,503,226	97.90

(b) There were 565 shareholders with a total shareholding of 8,654,550 ordinary shares who held less than a marketable parcel.

(c) The name of the substantial shareholder listed in the holding company's register as at 22 March 2016 is:

Name	Number of Shares Held	%
BCM International Limited	117,648,352	7.46

(d) 20 Largest Shareholders – Ordinary Shares at 22 March 2016

Rank	Name	Number of Shares Held	%
1	BCM International Limited	117,648,352	7.46
2	UBS Nominees Pty Ltd	45,968,918	2.89
3	Mr Philip Bruce	38,135,134	2.42
4	Shipbark Pty Ltd (Lakeview Super Fund)	36,500,000	2.31
5	Senegal Nominees Pty Ltd	34,079,879	2.15
6	Neville Jeffery & Christine Grace Noble	30,000,000	1.89
7	Navigator Australia Ltd (MLC Investment)	27,313,778	1.72
8	J P Morgan Nominees Australia Ltd	22,200,380	1.4

9	Fast Lane Australia Ltd	20,000,000	1.26
10	Prestige Locations Pty Ltd	20,000,000	1.26
11	Mr Jason Nicholas Adam	19,000,000	1.20
12	Mr David John Lauritz	18,392,539	1.16
13	Rundal Holdings Pty Ltd	16,648,352	1.05
14	Timothy Hooker & Associates	16,500,002	1.04
15	Mr Adrian Trevor Banducci	16,500,000	1.04
16	Mr Ronald Andrew Graham	16,000,000	1.01
17	Mr David Kenneth Swan	15,710,317	0.99
19	Mr Mark Andrew Tkocz	15,000,000	0.94
20	Balmoral Super Pty Ltd	13,349,364	0.84

2. TENEMENT SCHEDULE

Name on Permit	Joint Venture Partner and Permit Holder	Date Exploration/ Exploitation* Permits Granted/ Renewed	Joint Venture % held by Bassari
Moura	Sengold Mining NL	28.02.2015	70%
Sambarabougou	W.A.T.I.C	13.09.2013	70%
Bounsankoba	Libah Investments Ltd	13.06.2013	70%
Sambarabougou	Douta Mining SA*	13.08.2010	63%