



Bassari Resources Limited
ACN 123 939 042

Half Year Report - 30 June 2016

Your Directors submit the consolidated financial statements for the half year ended 30 June 2016 and the independent auditor's review report thereon and report as follows:

Directors

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

Mr Alex Mackenzie (Executive Chairman)
Mr Philip Bruce (Non-Executive Director)
Mr Peter Spivey (Non-Executive Director)

Principal activities

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

Result and Review of Operations

The loss for the Consolidated Entity after providing for income tax for the period amounted to \$577,000 (30 June 2015: \$760,000). The detailed Review of Operations follows this Directors' Report.

Subsequent events

In July and August 2016 the Company completed a number of placements to provide working capital and to advance the Makabingui Gold Project and conduct additional drilling programs at both Makabingui and Konkoutou, as follows: -

- 1 August 2016, \$776,000 by the issue of 35,257,349 ordinary shares at \$0.022 (2.2 cents) each ordinary share; and
- 26 August 2016, \$1,110,000 by the issue of 50,454,546 ordinary shares at \$0.022 (2.2 cents) each ordinary share;

The Company also announced the offer of a Share Purchase Plan (SPP) to all eligible shareholders on 29 July 2016, the SPP closed on 16 August 2016, raising \$1,540,000. The issue price of shares under the SPP was \$0.022 (2.2 cents) per each ordinary share and shareholders could subscribe for up to \$15,000 worth of Bassari shares.

There have been no other significant events that have occurred subsequent to 30 June 2016 that require disclosure in the half year report.

Rounding of Amounts

The amounts contained in this report and in the financial report have been rounded to the nearest \$1,000 (where rounding is applicable) under the option available to the company under ASIC Corporations (Rounding in Financial/Directors' Report) Legislative Instrument 2016/91. The company is an entity to which the Legislative Instrument applies. Amounts in the directors' report have been rounded off in accordance with the Legislative Instrument to the nearest thousand dollars, or in certain cases, to the nearest dollar.

BASSARI RESOURCES LIMITED
ACN 123 939 042
DIRECTORS' REPORT FOR THE HALF YEAR ENDED 30 JUNE 2016

Lead Auditor's Independence Declaration

A copy of the auditor's independence declaration in relation to the review for the half-year ended 30 June 2016 is provided with this report.

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



Alex Mackenzie
Executive Chairman

Melbourne
12 September 2016

MAKABINGUI GOLD PROJECT – PERMIT UPDATE

Detailed negotiations with the Director of Mines and the Mines Department were completed and a draft of the Makabingui exploitation permit (Addendum No. 2) has been completed incorporating all of the agreed terms.

The draft permit was submitted to the Minister of Mines for review and in early July was submitted to the Ministry of Finance for any observations prior to the formal signing of the permit.

MOURA PERMIT – KONKOUTOU GOLD PROJECT

The Konkoutou group of prospects, located 35 kilometres north east of the Makabingui Gold Project, together, have the largest and strongest geochemical gold-in-soil anomaly on the Bassari leases (Figure 1).

Review of the recent drilling program (ASX release 22 June 2016) indicates that the mineralised structures drilled to date are part of a much larger zone of gold mineralisation occurring in a series of stacked structures in the same corridor as the Konkoutou Hill gold deposits (Figure 2).

The Konkoutou Hill deposit is the most advanced of the eight identified prospects in the Moura Permit and further field work and drilling to expand the Konkoutou gold deposit and to test the other areas is proposed.

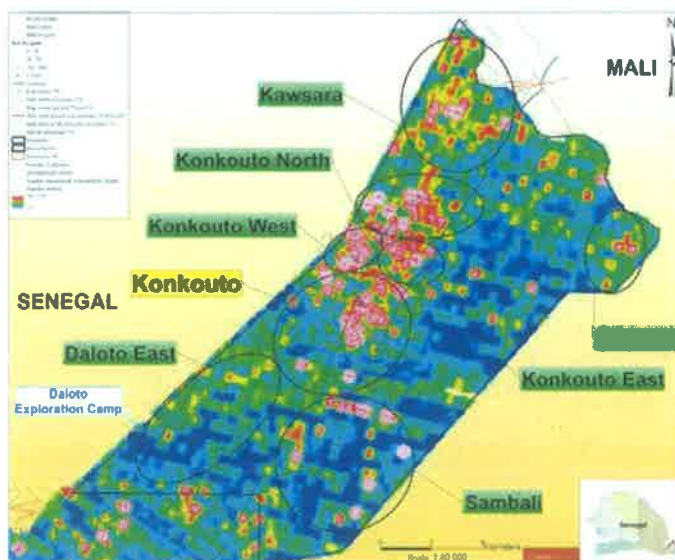


Figure 1- Moura Permit defined prospects from termite mound geochemical survey
The exploration targets identified on the Moura tenement (Figure 1) are derived from termite mound geochemical surveys using 2-3kg composite samples collected from around the mounds.

These samples are of material that is brought up from depths reaching 10m or more, and can be a good indicator of sub-surface.

The Konkoutou Gold Deposit area targets (Figure 2) are defined using the High Resolution Airborne Magnetic and Radiometric Survey conducted in June 2012 by Xcalibur Airborne Geophysics.

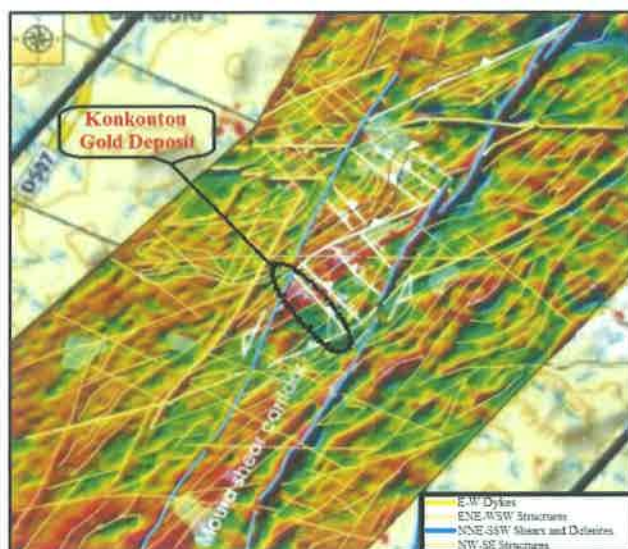


Figure 2. Structural Framework derived from High Resolution Magnetic Data (Excalibur Airborne Geophysics – TMI VD1) showing Stacked Structures in Moura / Konkoutou shear corridor

In summary the geology of the Konkoutou Gold Deposit area is characterised by a regional shear zone controlling gold mineralisation (Figure 2), with a favourable lower order extensional zone related to folded and sheared structures with mafic intrusion, hydrothermal alteration (quartz carbonate associated with pyrite) and gold deposition.

Xcalibur have interpreted the gold mineralisation at Konkoutou to occur at intersections between major T2, T3 and T4 structures and that potassium and magnetic anomalies are coincident with gold mineralisation.

These features were confirmed at the Konkoutou deposit and locally, the NW-trending, steeply NE-dipping, stacked, mineralised structures extending over 450 metres on strike host the gold mineralisation, which is associated with quartz carbonate veins and veinlets with pyrite in fractured and sheared sediments, comprised mainly of greywacke and shale.

It is recommended for the next phase of drilling to include a limited RAB drilling program to continue to test these targets across the Moura tenement and around the Konkoutou Deposit area. The main focus of drilling will then be for resource definition.

CORPORATE

Capital raising

Placements during the half year of 159,579,700 ordinary shares at \$0.01 (1 cent) per each ordinary share raised \$1.596 million before costs to provide working capital and funds to further progress the development phase of the Makabingui Gold Project and advance a drilling program at Konkoutou on the Moura permit.

Since the end of the half year the Company has raised by placement a further \$1.886 million at \$0.022 (2.2 cents) each ordinary share and \$1.54 million from a SPP referred to previously.

BASSARI RESOURCES LIMITED
ACN 123 939 042
REVIEW OF OPERATIONS FOR THE HALF YEAR ENDED 30 JUNE 2016

Forward-Looking Statement

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

Competent Persons Statement

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

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

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

As lead auditor for the review of Bassari Resources Limited for the half-year ended 30 June 2016, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

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



James Mooney
Partner

BDO East Coast Partnership

Melbourne, 12 September 2016

BASSARI RESOURCES LIMITED
CONSOLIDATED STATEMENT OF PROFIT & LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 30 JUNE 2016

	Notes	Consolidated	
		30 June 2016 \$'000	30 June 2015 \$'000
Revenue from continuing operations		6	12
Corporate expenses		(168)	(215)
Employment and consultant costs		(285)	(410)
Occupancy costs		(91)	(97)
Travel and accommodation		(38)	(49)
Asset costs		(1)	(1)
Loss from continuing operations before income tax		(577)	(760)
Income tax expense relating to continuing operations		-	-
Loss for the period attributable to the owners of Bassari Resources Limited		(577)	(760)
Other Comprehensive Income			
<i>Items that may be reclassified to profit and loss in the future</i>			
Exchange difference on translation of foreign operation		(66)	(1,402)
Other comprehensive income for the period net of income tax		(66)	(1,402)
Total Comprehensive Income for the period attributed to the owners of Bassari Resources Limited		(643)	(2,162)
Earnings per share for loss attributable to owners of the Bassari Resources Limited			
Basic earnings per share (cents)		(0.04)	(0.06)
Diluted earnings per share (cents)		(0.04)	(0.06)

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

BASSARI RESOURCES LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016

	Notes	30 June 2016 \$'000	31 December 2015 \$'000
CURRENT ASSETS			
Cash and cash equivalents		245	253
Trade and other receivables		83	97
TOTAL CURRENT ASSETS		328	350
NON CURRENT ASSETS			
Property, plant and equipment		1	5
Exploration and evaluation assets	3	50,334	49,202
TOTAL NON-CURRENT ASSETS		50,335	49,207
TOTAL ASSETS		50,663	49,557
CURRENT LIABILITIES			
Trade and other payables		2,051	1,935
Financial liabilities		675	675
Provisions		78	39
TOTAL CURRENT LIABILITIES		2,804	2,649
TOTAL LIABILITIES		2,804	2,649
NET ASSETS		47,859	46,908
EQUITY			
Contributed equity	8	65,114	63,520
Reserves		2,459	2,525
Accumulated losses		(19,714)	(19,137)
TOTAL EQUITY		47,859	46,908

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

BASSARI RESOURCES LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 30 JUNE 2016

	Note	Contributed Equity \$'000	Reserves \$'000	Accumulated Losses \$'000	Total \$'000
Balance at 1 January 2015		60,678	2,356	(17,800)	45,234
Loss for the period		-	-	(760)	(760)
Other comprehensive income		-	(1,402)	-	(1,402)
Total comprehensive income for the period		-	(1,402)	(760)	(2,162)
Issue of ordinary shares and other equity instruments, net of costs		1,153	-	-	1,153
Equity portion of convertible notes		-	13	-	13
Transactions with owners as owners		1,153	13	-	1,166
Balance at 30 June 2015		61,831	967	(18,560)	44,238
Balance at 1 January 2016		63,520	2,525	(19,137)	46,908
Loss for the period		-	-	(577)	(577)
Other comprehensive income		-	(66)	-	(66)
Total comprehensive income for the period		-	(66)	(577)	(643)
Issue of ordinary shares and other equity instruments, net of costs		1,594	-	-	1,594
Transactions with owners as owners		1,594	-	-	1,594
Balance at 30 June 2016		65,114	2,459	(19,714)	47,859

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

BASSARI RESOURCES LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 30 JUNE 2016

	Note	30 June 2016 \$'000	30 June 2015 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		3	8
Payments to suppliers and employees		(403)	(334)
Interest received		3	4
		<hr/>	<hr/>
Net cash used in operating activities		(397)	(322)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capitalised exploration and evaluation expenditure		(1,166)	(1,082)
		<hr/>	<hr/>
Net cash used in investing activities		(1,166)	(1,082)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		-	350
Proceeds from issue of equity securities		1,596	1,164
Issue costs		(2)	(11)
		<hr/>	<hr/>
Net cash provided by financing activities		1,594	1,503
		<hr/>	<hr/>
Net increase in cash and cash equivalents held		31	99
		<hr/>	<hr/>
Cash and cash equivalents at beginning of financial period		253	(58)
Effects of changes in foreign exchange rates on cash held		(39)	(10)
		<hr/>	<hr/>
Cash and cash equivalents at end of financial period		245	31
		<hr/>	<hr/>

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

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation and accounting policies

This general purpose financial report for the half year ended 30 June 2016 has been prepared in accordance with the Corporations Act 2001 and International Financial Reporting Standard ("IAS") 34 'Interim Financial Reporting'.

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

It is recommended that the half-year financial report be read in conjunction with the annual report for the year ended 31 December 2015 and considered together with any public announcements made by Bassari Resources Limited during the half year ended 30 June 2016 in accordance with the continuous disclosure obligations of the ASX listing rules.

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

(a) Adoption of New and Revised Accounting Standards

The Group has adopted all applicable new and amended Australian Accounting Standards and AASB Interpretations as of 1 January 2016 that are mandatory to the current reporting period. There has been no material impact on the financial statements or performance of the Group resulting from these new and amended Australian Accounting Standards.

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

(b) Rounding Amounts

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

(c) Going Concern

The Group has incurred a net loss after tax of \$577,000 for the half year ended 30 June 2016 (2015: \$760,000) and had cash outflows from operating and investing activities of \$1,563,000 (2015: \$1,404,000). The directors are aware that to advance the Group's exploration and Makabingui development activities over the next 12 months additional funding will be required. At 30 June 2016 the Group had cash reserves of \$245,000 (31 December 2015: \$253,000) and net current liabilities, being current assets less current liabilities, of \$2,476,000 (31 December 2015: \$2,299,000). The Group's ability to continue as a going concern is therefore dependent on the raising of funds sufficient to meet the Group's expenditure forecasts.

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

BASSARI RESOURCES LIMITED
NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS
30 JUNE 2016

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

- In August 2016 the Company issued 85,711,895 fully paid ordinary shares at \$0.022 (2.2 cents) per share, raising \$1.886 million to fund working capital and development of the Makabingui Gold Project.
- On 29 July 2016 the Company offered to shareholder a Share Purchase Plan (SPP) entitling all eligible shareholders to subscribe for up to \$15,000 worth of Bassari shares. The SPP closed on 26 August 2016, raising \$1.540 million.
- The Group is close to obtaining a production permit for the Makabingui Gold Project. The Directors are in negotiations with various funding providers who have expressed an interest in providing debt or equity funding upon the issue of the production permit. The Directors are also in negotiation to raise additional equity prior to the issue of the permit.
- The Directors have prepared cash flow budgets which include cash outflows for the Makabingui Gold Project which can be deferred wholly or in part if insufficient capital is raised to fund that activity.
- The Group has the ability to raise additional capital without shareholder approval under ASX Listing Rules 7.1 and 7.1A. The Group has a history of successfully raising funds.

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

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

NOTE 2 CONTROLLED ENTITIES

	Country of Incorporation	Class of shares	Percentage owned 2016	Percentage owned 2015
Subsidiary entities consolidated				
Bassari Resources SARL	Senegal	Ordinary	100%*	100%*
Bassari Equipment Pty Ltd	Australia	Ordinary	100%*	100%*
Bassari Mauritius Holdings Ltd	Mauritius	Ordinary	100%*+	100%*+
Bassari Mauritius Holdings No 2 Ltd	Mauritius	Ordinary	100%*+	100%*+
Bassari Mauritius Equipment Ltd	Mauritius	Ordinary	100%*+	100%*+
Douta Mining SA	Senegal	Ordinary	63% ^	63% ^

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

+ Companies incorporated in February 2010 have been dormant from incorporation to 30 June 2016.

^ Douta Mining SA incorporated in Senegal in 2011.

BASSARI RESOURCES LIMITED
NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS
30 JUNE 2016

NOTE 3 EXPLORATION AND EVALUATION ASSETS

	30 June 2016 \$'000	31 December 2015 \$'000
Costs carried forward in respect of areas of interest at cost	49,202	46,857
Expenditure incurred during the period	1,166	2,131
Depreciation capitalised	8	43
Exchange translation difference	(42)	171
Total exploration and evaluation expenditure	50,334	49,202

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

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

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

The Bounsankoba permit expired 13 June 2016 (see Note 6(b)). The extension renewal was lodged with the Minister of Mining in April 2016 and historically, the permitting process has been an extended one. The previous renewal of this permit was confirmed 18 months after the previous expiry date. The Company continues to meet its expenditure requirements and Directors are confident the permit extension will be granted.

NOTE 4 SUBSEQUENT EVENTS

In August 2016 the Company completed a number of placements to provide working capital and to advance the Makabingui Gold Project, as follows: -

- 35,257,349 ordinary shares at 2.2 cents per share, raising \$776,000.
- 50,454,546 ordinary shares at 2.2 cents per share raising a \$1,110,000.

The Company also announced the offer of a Share Purchase Plan (SPP) to all eligible shareholders on 29 July 2016, the SPP closed on 26 August 2016, raising \$1,540,000. The issue price of shares under the SPP was \$0.022 (2.2 cents) per each ordinary share and shareholders could subscribe for up to \$15,000 worth of Bassari shares.

Other than the matters referred to in the above paragraphs, there have been no significant events that have occurred subsequent to 30 June 2016 that require disclosure in the half year report.

BASSARI RESOURCES LIMITED
NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS
30 JUNE 2016

NOTE 5 CONTINGENT LIABILITIES

There has been no change in contingent liabilities since 31 December 2015, reported as follows:

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.

NOTE 6 COMMITMENTS FOR EXPENDITURE

(a) Capital Expenditure Commitments

The Company has no capital expenditure commitments.

(b) Exploration Commitments

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

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

Refer Note 3 commentary

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

NOTE 7 SEGMENT INFORMATION

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

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

BASSARI RESOURCES LIMITED
NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS
30 JUNE 2016

NOTE 8 CONTRIBUTED EQUITY

	30 June 2016 \$000	31 December 2015 \$000
(a) Ordinary shares		
Paid-up capital 1,639,419,747 (31 December 2015:1,479,839,774) fully paid ordinary shares	65,114	63,520
Movement in ordinary share capital	No.	\$'000
At 1 January 2016	1,479,839,774	63,520
Share placement at 1 cents	3,275,000	33
Share placement at 1 cents	2,500,000	25
Share placement at 1 cents	14,000,000	140
Share placement at 1 cents	15,000,000	150
Share placement at 1 cents	42,804,700	428
Share placement at 1 cents	20,500,000	205
Share placement at 1 cents	10,000,000	100
Share placement at 1 cents	51,500,000	515
Costs of issue		(2)
Total for the financial period	159,579,700	1,594
At 30 June 2016	1,639,419,474	65,114

BASSARI RESOURCES LIMITED
ACN 123 939 042
DIRECTORS' DECLARATION FOR THE HALF YEAR ENDED 30 JUNE 2016

In the directors' opinion:

- the attached financial statements and notes thereto comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes thereto give a true and fair view of the consolidated entity's financial position as at 30 June 2016 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

On behalf of the directors



Alex Mackenzie
Executive Chairman

Melbourne
12 September 2016

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Bassari Resources Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Bassari Resources Limited, which comprises the consolidated statement of financial position as at 30 June 2016, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 30 June 2016 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Bassari Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

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

Conclusion

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

- (a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2016 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Emphasis of matter

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

BDO East Coast Partnership



James Mooney
Partner

Melbourne, 12 September 2016