



Bassari Resources Limited
ACN 123 939 042

Half Year Report - 30 June 2022

BASSARI RESOURCES LIMITED
ACN 123 939 042
DIRECTORS' REPORT FOR THE HALF YEAR ENDED 30 JUNE 2022

Your Directors submit the consolidated financial statements for the half year ended 30 June 2022 and the independent auditor's review report thereon and report as follows:

DIRECTORS

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

John Traicos (Executive Chairman)	
Andrew Goode (Executive Director/Chief Executive Officer)	
Malik Easah (Non-Executive Director)	(Resigned 19 May 2023)
Modou Guene (Executive Director)	(Resigned 27 June 2023)
Ian Riley (Executive Director)	(Resigned 28 November 2022)
David Swan (Non-Executive Director)	(Appointed 17 February 2023)

PRINCIPAL ACTIVITIES

During the period, the principal activities of the Group has been to develop the Makabingui Gold Project ("MGO Project") on the Sambarabougou Exploitation Permit and to further progress exploration and resource definition within the Makabingui permit area located in Senegal. Funding difficulties and the impact of Covid 19 resulted in little activity being undertaken on the project. Discussions were also taking place to secure funding with a view to continue operations in the future. Refer to subsequent events disclosure for an update on events after the reporting period.

RESULT AND REVIEW OF OPERATIONS

The loss for the Group after providing for income tax for the period amounted to \$4,640,000 (30 June 2021: \$3,311,000). Operations remained suspended during the half-year, as COVID-19 restrictions eased, and the Group sought to secure long-term funding to support operations.

FINANCIAL POSITION

The net assets of the Consolidated Entity have decreased by \$6.270 million to \$9.770 million on 30 June 2022 (31 December 2021: \$16.040 million). There was no investment made in the half year, and borrowings increased by \$5.615 million to service working capital and current liabilities. This included the securing of long-term working capital funding from Bishop Resources (UK) Ltd of \$25 million.

The Consolidated Entity had a working capital deficit, being current assets less current liabilities, of \$42.274 million as of 30 June 2022 compared to \$37.343 million on 31 December 2021.

CORPORATE

After balance date, the Company's Board of Directors changed where Mr Malik Easah resigned on 19 May 2023, Mr Ian Riley resigned on 28 November 2022 and Mr Modou Guene resigned on 27 June 2023. Mr David Swann was appointed to the Board on 17 February 2023. At the date of this report, the Company has three directors.

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

SUBSEQUENT EVENTS

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

The following subsequent events disclosure provides information on the Group securing an extension to its permit over the MGO Project, the status of the Moura Permit, funding activities post balance date leading up to the disposal of its interest in MGO and information on the completed

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MGO Share Sale Agreement with Bishop Resources Limited and the objectives of the Company post this transaction.

MOU with State of Senegal

The Company and MGO entered a Memorandum of Understanding with the Department of Mines and Geology and the Government of Senegal to secure confirmation of the standing of the Sambarabougou Exploitation Permit, granted in July 2017 and its renewal following its expiry after 5 years in July 2022. Confirmation of the renewal of the permit for a further 5-year term was received from the Government of Senegal on 1 June 2022.

Moura Permit

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

Funding

In recent periods the Company has entered into several funding agreements and, ultimately, a Share Sale Agreement with Bishop Resources (UK) Ltd. The timeline leading to the MGO Share Sale Agreement was as follows:

- Entered into an initial \$400,000 loan facility from Oceanic Capital Pty Ltd in 2021 calendar year, secured over the assets of the Company, subsequently increased to \$900,000 and increased further with the funds drawdown being approximately \$3.359 million. On 4 April 2022 the Company entered into a Deed of Assignment which assigned the amount owing on this loan facility as an amount owing to Bishop Resources (UK) Limited.
- Agreements entered into with convertible note holders, BCM International Ltd, for the Company's indebtedness to these parties of \$1.113 million to be assigned to Bishop Resources Limited.
- Entered into a long term (36 months) funding package from Bishop Resources (UK) Ltd of \$15,000,000 in October 2021, which allowed significant liabilities owed by the Group at the time (including Coris Bank International) to be repaid. The loan facility with Bishop Resources (UK) Ltd was used to pay off the Coris debt facility in full, providing total payments of US\$13.3 million, with the final payment made on 15 March 2022.
- The loan facility from Bishop Resources (UK) Ltd was amended to increase the amount to \$25 million, with drawdowns approximating \$29.34 million occurring prior to completion of the MGO Share Sale Agreement with Bishop Resources Limited.
- Consideration in the MGO Share Sale Agreement includes extinguishing all amounts owing to Bishop Resources (UK) Ltd and Bishop Resources Limited in return for disposal of the Company's interest in the MGO Project.

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

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

Completed Share Sale Agreement

This Term Sheet was replaced with a Share Sale Agreement signed by Bassari and Bishop on 23 February 2023 which adopts the terms and conditions, with minor changes, of the Term Sheet. The MGO Share Sale Agreement conditions precedent have been met and completion of the

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transaction was achieved on 31 July 2023, including the issue of \$2 million of Bishop consideration shares. Other terms of the Share Sale Agreement include:

- Provide cash contribution to the costs and expenses of Bassari on an incurred basis of up to a maximum \$500,000;
- Provide an effective cash payment of \$1 to cancel all debt and any accrued interest provided under the deed of loan between Bassari and Bishop on or about 4 April 2022, which will be discharged and no longer owing by Bassari.
- Issue of \$3 million worth of shares upon the receipt of a JORC 2012 report on the Makabingui Gold Project containing a minimum of 1 million ounces (at a minimum grade 2.6g/t) within 3 years of Completion at an issue price being the IPO price, with pro rata adjustment to the number of Shares to be issued should the JORC 2012 report identify less than 1 million ounces in the Makabingui Gold Project resource and should a JORC 2012 report not be issued within 3 years of Completion date, \$3 million worth of shares will be issued;
- Cancel the existing Bishop debt at Completion, totalling an estimated \$29.34 million; and
- Assume other Bassari debts approximating \$1.75 million, through the execution of debt assumption agreements between Bishop, Bassari and each creditor for the satisfaction of such debts via the issue of Shares at the IPO price or on such terms as may be agreed by the applicable parties.

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

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

Subsequent to the end of the financial period, ASIC has taken action against Bassari Resources Limited for failing to lodge half-year and annual financial reports within the required time for lodging reports. ASIC has also taken action for failing to hold annual general meetings for 2020 and 2021 within the required time frame. The charges will be heard in Perth on 15 September 2023, by which time the outstanding audited financial reports will have been lodged with ASIC.

Other than the matters referred to in the above paragraphs, there have been no significant events that have occurred subsequent to 30 June 2022 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 2016/191. The Company is an entity to which the Legislative Instrument applies. Amounts in the directors' report have been rounded off in accordance with the Legislative Instrument to the nearest thousand dollars, or in certain cases, to the nearest dollar.

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 2022 is provided with this report.

This report is made in accordance with a resolution of the directors, pursuant to section 307(c) of the Corporations Act 2001.




John Traicos - Executive Chairman
Perth, 11 September 2023

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

As lead auditor for the review of Bassari Resources Limited for the half-year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been:

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

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



David Garvey
Director

BDO Audit Pty Ltd

Melbourne

11 September 2023

BASSARI RESOURCES LIMITED
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 30 JUNE 2022

	Notes	30 June 2022 \$'000	30 June 2021 \$'000
Revenue from operations		-	-
Project related costs		(2,192)	(967)
Corporate expenses		(350)	(134)
Employment and consultant costs		(599)	(746)
Occupancy costs		(24)	(19)
Travel and accommodation		(10)	(9)
Finance expenses		(1,303)	(1,342)
Asset costs		(87)	(93)
Other expenses		(75)	(1)
Loss from operations before income tax		(4,640)	(3,311)
Income tax expense relating to operations		-	-
Net loss for the period		(4,640)	(3,311)
Other Comprehensive Income			
<i>Items that may be reclassified to profit or loss in the future</i>			
Exchange difference on translation of foreign operation		(1,630)	(153)
Total other comprehensive income for the period net of income tax		(1,630)	(153)
Total comprehensive income		(6,270)	(3,464)
Net loss for the period is attributable to:			
Owners of Bassari Resources Limited		(3,234)	(2,220)
Non-controlling interest		(1,406)	(1,091)
		(4,640)	(3,311)
Total comprehensive (loss) for the period is attributable to:			
Owners of Bassari Resources Limited		(4,572)	(2,378)
Non-controlling interest		(1,698)	(1,086)
		(6,270)	(3,464)
Earnings per share for loss attributable to owners of Bassari Resources Limited			
Basic loss per share (cents)		(0.12)	(0.09)
Diluted loss per share (cents)		(0.12)	(0.09)

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

BASSARI RESOURCES LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

	Notes	30 June 2022 \$'000	31 December 2021 \$'000
CURRENT ASSETS			
Cash and cash equivalents	3	141	618
Trade and other receivables		87	73
TOTAL CURRENT ASSETS		228	691
NON-CURRENT ASSETS			
Property, plant and equipment		211	305
Mining and development assets	4	51,833	53,078
TOTAL NON-CURRENT ASSETS		52,044	53,383
TOTAL ASSETS		52,272	54,074
CURRENT LIABILITIES			
Trade and other payables		11,582	12,710
Financial liabilities	5	30,191	24,576
Provisions		729	748
TOTAL CURRENT LIABILITIES		42,502	38,034
TOTAL LIABILITIES		42,502	38,034
NET ASSETS		9,770	16,040
EQUITY			
Contributed equity	7	79,037	79,037
Reserves	8	5,003	6,660
Accumulated losses		(59,646)	(56,731)
Equity attributable to the owners of Bassari Resources Limited		24,394	28,966
Non-controlling interest	9	(14,624)	(12,926)
TOTAL EQUITY		9,770	16,040

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 2022

	Contributed Equity	Reserves	Accumulated Losses	Non- controlling interest	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2021	79,037	7,471	(51,004)	(10,084)	25,420
Loss for the period	-	-	(2,220)	(1,091)	(3,311)
Other comprehensive income	-	(158)	-	5	(153)
Total comprehensive income for the period	-	(158)	(2,220)	(1,086)	(3,464)
Performance rights expense	-	32	-	-	32
Performance rights adjustment	-	(65)	-	-	(65)
Transactions with owners as owners	-	(33)	-	-	(33)
Balance at 30 June 2021	79,037	7,280	(53,224)	(11,170)	21,923
Balance at 1 January 2022	79,037	6,660	(56,731)	(12,926)	16,040
Loss for the period	-	-	(3,234)	(1,406)	(4,640)
Other comprehensive income	-	(1,338)	-	(292)	(1,630)
Total comprehensive income for the period	-	(1,338)	(3,234)	(1,698)	(6,270)
Share based payments – performance rights lapsed	-	(319)	319	-	-
Transactions with owners as owners	-	(319)	319	-	-
Balance at 30 June 2022	79,037	5,003	(59,646)	(14,624)	9,770

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 2022

	Note	30 June 2022 \$'000	30 June 2021 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(5,220)	(856)
Finance costs		(709)	-
		<hr/>	<hr/>
Net cash used in operating activities		(5,929)	(856)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of mining and development assets		(128)	-
		<hr/>	<hr/>
Net cash used in investing activities		(128)	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		17,016	2,565
Repayment of borrowings		(11,346)	-
		<hr/>	<hr/>
Net cash provided by financing activities		5,670	2,565
Net (decrease) / increase in cash and cash equivalents held		(387)	1,709
Cash and cash equivalents at beginning of financial period		618	(1,762)
Effects of changes in foreign exchange rates on cash held		(90)	77
		<hr/>	<hr/>
Cash and cash equivalents at end of financial period	3	141	24
		<hr/>	<hr/>

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

BASSARI RESOURCES LIMITED
NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2022

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation and accounting policies

This general purpose financial report for the half-year ended 30 June 2022 has been prepared in accordance with the Corporations Act 2001 and Australian Accounting Standard AASB 134 *'Interim Financial Reporting'*.

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

It is recommended that the half-year financial report be read in conjunction with the annual report for the year ended 31 December 2021 and considered together with any public announcements made by Bassari Resources Limited during the half year ended 30 June 2022 in accordance with the continuous disclosure obligations the company had under the ASX listing rules until the time of the cancellation of the company's listing on ASX and subsequently under the Corporation Act.

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 2022 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 2016/191 and in accordance with that Legislative Instrument, amounts in the financial statements have been rounded off to the nearest thousand dollars, or in certain cases, to the nearest dollar.

(c) Going Concern

For the period ended 30 June 2022, the Group made a loss after taxation of \$4,640,000 and had net cash outflows from operating activities of \$5,929,000. On 30 June 2022, the Group had net current liabilities of \$42,274,000, including current financial liabilities of \$30,191,000, and reported cash and cash equivalents of \$141,000.

As at 30 June 2022 and the date of this report the Group's sole source of funding to both fund its activities and to settle its outstanding liabilities is from Bishop Resources (UK) Ltd ("Bishop"). Details of the funding are contained in note 5.

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

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

BASSARI RESOURCES LIMITED
NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2022

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

The existence of these conditions indicates a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern.

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

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

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

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

Should the Group be unable to continue as a going concern it may be required to realise its assets and discharge its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or the amount of liabilities that might be necessarily incurred should the Group be unable to continue as a going concern and meet its debts as and when they fall due.

BASSARI RESOURCES LIMITED
NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2022

NOTE 2 CONTROLLED ENTITIES

Subsidiary entities consolidated	Country of Incorporation	Class of shares	Percentage owned 2022	Percentage owned 2021
Bassari Resources Senegal SARL	Senegal	Ordinary	100%*	100%*
Bassari Equipment Pty Ltd	Australia	Ordinary	100%*	100%*
Bassari Mauritius 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% ^
Makabingui Gold Operation SA	Senegal	Ordinary	63% ~	63%

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

Companies incorporated in February 2010 have been dormant from incorporation to 30 June 2022

^ Douta Mining SA was incorporated in Senegal in 2011.

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

NOTE 3 CASH AND CASH EQUIVALENTS

	30 June 2022 \$'000	31 December 2021 \$'000
Reconciliation of cash and cash equivalents in Statement of Cash Flow to cash and cash equivalents in Statement of Financial Position		
Cash at bank and in hand	141	618

NOTE 4 MINING AND DEVELOPMENT ASSETS

	30 June 2022 \$'000	31 December 2021 \$'000
Costs carried forward in respect of areas of interest at cost	53,078	54,431
Expenditure incurred during the period	128	71
Assets written off	-	(245)
Impairment expense (note 14)	-	-
Exchange translation difference	(1,373)	(1,179)
Total mining and development assets	51,833	53,078

Permit

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

The Company and MGO entered into a Memorandum of Understanding with the Department of Mines and Geology and the Government of Senegal to secure confirmation of the standing of the Sambarabougou Exploitation Permit, granted in July 2017 and its renewal following its expiry after 5 years in July 2022. The key terms for the memorandum are:

- Reaching and completing the settlement arrangement with Coris.
- Re-commence operations and pre-production works and commence mining in accordance with an agreed schedule of works towards gold production.
- Pay all outstanding employee obligations and retain staff.
- Meet all outstanding project obligations to project contractors, to ensure compliance with the schedule of works.
- Provide monthly project reports to the State of Senegal.
- Not transfer the licence during project re-start phase.

BASSARI RESOURCES LIMITED
NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2022

Confirmation of the renewal of the permit for a further 5-year term was received from the Government of Senegal on 1 June 2022.

Impairment of mining and development assets

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

The Group determined that there was no impairment required to the carrying value of the development asset at 30 June 2022.

The Group based its decision to develop the Makabingui Gold Project on, amongst other considerations, a Bankable Feasibility Study, developed with the assistance of independent mining consultants Mincore in 2017. Subsequent to that report, the Group engaged Mining Plus to assist in its mine plan, including the development of a Mine Optimisation. This included a review and update of the resource, and an estimation of the Net Present Value (“NPV”) of the proposed mining operations. This estimation was updated in 2021 in preparation for raising funding and recommencing mining operations.

The methodology used in each of the estimations was consistent with industry practice and involved independent experts. Each provided a positive estimation of NPV. It is these estimations that the Directors have used as the basis for their Impairment Review. The key inputs into the NPV estimations were as follows:

Assumption	Value	Risk factors	Policy
Gold production (pits 1 and 2)	121,238 oz	The quantity of gold recovered does not reach the identified reserve.	Highly selective mining technique, led by mining geologist.
Gold price	US\$1800	The price dips below the assumed price. The gold price at 30 June 2022 was US1,804.	Price used is within the range of the quoted price over the period of this report, no plans for hedging at date of report.
Project capital cost	US\$24 million	The capital costs are understated, or additional funding required for additional capital is not available.	Control of payments including lodging project budget with bank for funding purposes.
Production cost	Various	Costs are understated or not controlled.	Management of mining contract costs and control of processing plant internally.
Processing rate	300,000 tonnes per annum	Processing under-utilisation resulting in increased costs per unit	Investment in processing plant and equipment, management of process.
Discount rate	20%	Cost of funding exceeds discount rate.	Monitoring of Internal rate of Return and cost of funding.

The most recent estimation of NPV, prepared by Reynolds Consulting Pty Ltd in February 2022, provided a range of US\$60 million to US\$113.1 million. The range was varied based on the gold price – the low being US\$1,500 per oz and the high being US\$2,000. The gold price in 2022 varied between a low of US\$1,627 and high of US\$2,050. At balance sheet date exchange rates this NPV would range between a low of A\$77.8 million and a high of \$146.7 million. The directors have considered the carrying value of the development assets at 30 June 2022 in the light of the movements in the gold price and exchange rate and progress on the project.

Based on conclusions in the Reynolds Consulting Pty Ltd report the directors have recorded no further impairment at 30 June 2022. However, at balance date there were risks attached to the need for additional capital to be raised, and the costs of the additional capital have not been fully identified.

BASSARI RESOURCES LIMITED
NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2022

NOTE 5 FINANCIAL LIABILITIES

	30 June 2022 \$'000	31 December 2021 \$'000
Current Financial Liabilities		
Loan facility and offset account (i)	-	11,354
Private equity loan facilities (ii)	28,937	11,221
Other loans (iii)	1,254	1,301
Convertible notes (iv)	-	700
	<hr/>	<hr/>
Total Financial liabilities	30,191	24,576

Detail of financial liabilities

(i) Coris Bank Loan

The loan balance relates to the project facility arrangement between Makabingui Gold Operation SA ("MGO") and Coris Bank International Ltd. During the previous year MGO completed the drawdown of the full facility of Fcfa 7 billion.

Total facility	Fcfa 7 billion (\$16.183 million at period end rates)
Interest rate	9% pa
Repayment terms	After loan drawdown, repayable interest only for first 6 months, and then in 12 equal monthly payments.
Security	Secured by mortgage over Sambarabougou Exploitation Permit and assets of Makabingui Gold Operations, SA.

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

(ii) Private equity loan facilities

Following the appointment of the new Directors in May 2021, the Board and management secured a short term loan facility with Oceanic Capital Pty in order to pay creditors and provide working capital for the Group. The details of the loan facility are as follows.

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

On 31 March 2022 the Company entered into a Deed of Assignment which assigned the amount owing on this loan facility, including interest, as an amount owing to Bishop Resources (UK) Limited.

The Company also secured a long-term substantial funding package of \$15,000,000, which was subsequently increased to \$25 million. This facility was used to settle the Coris loan facility, and other significant creditors. At 30 June 2022 the amount drawn down was \$24.6 million plus the assumption of the Oceanic loan balance and the convertible notes liability. The details of the loan facility include:

- Lender Bishop Resources (UK) Ltd. ("**Bishop**")
- Loan amount AUD25 million
- Interest rate 15% per annum
- Loan period 36 months from settlement date
- Security Pledge by Bassari Mauritius Holding No 2 Ltd of its shareholding in MGO

During the half-year and following the securing of the two debt financing facilities described above, the directors entered into a suite of agreements with Bishop to amend the loan facility, increasing the amount to \$25 million, with drawdowns to date approximating \$29.34 million. In addition, agreements were entered into with Oceanic and BCM International Ltd for the Company's indebtedness to these parties to be assigned to Bishop and for the total debt approximating \$30 million to be converted into equity in Bassari. All the required approvals in Senegal, for Makabingui Gold Resources SA ("MGO") to enter

BASSARI RESOURCES LIMITED
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into these agreements were obtained and documents are being registered in the various Senegalese authorities' records. See note 10 for further details of settlement arrangements with Bishop.

(iii) Other loans

Other Loans of \$1.253 million relate to advances received from Senegal Nominees, a company incorporated in Senegal, for the purpose of providing working capital, which includes a short-term working capital loan from ORABank amounting to \$371k, that was rolled into the Senegal Nominees loan balance.

Alex Mackenzie, the ex-Chairman of Bassari Resources Limited, has a financial interest in Senegal Nominees. The loan is provided free of interest and is repayable upon demand of the provider.

(iv) Convertible notes

Interest charged during the half-year of \$14,000 (2021: \$28,000) was charged to profit or loss in relation to interest on the unsecured loan facility. Interest has been accrued and included in other payables. Interest accrued on the convertible notes amounts to \$0.385 million. The convertible notes all passed the redemption dates in 2015 and 2016. During the half-year, BCM International Ltd entered into a Deed of Assignment with Bishop Resources (UK) Ltd ("Bishop") to assign the Convertible Note principal and interest accrued to 31 March 2022 to Bishop and for the total debt of Bishop to be settled by the issue of Bassari shares, subject to Bassari shareholder approval.

NOTE 6 CONTINGENT LIABILITIES

There has been no change in contingent liabilities since 31 December 2021.

(a) Capital Expenditure Commitments

The Group's expenditure commitments at 30 June 2022 are dependent on securing funding for operations, and as such no commitments have been made.

(b) Exploration Commitments

The Company has no commitment for exploration expenditure.

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NOTE 7 CONTRIBUTED EQUITY

	30 June 2022 \$000	31 December 2021 \$000
Ordinary shares		
Paid-up capital		
2,418,855,633 (2021: 2,418,855,633) fully paid ordinary shares	79,037	79,037

NOTE 8 RESERVES

	30 June 2022 \$000	31 December 2021 \$000
Foreign currency translation reserve (a)	5,003	6,341
Performance rights reserve (b)	-	319
	5,003	6,660

(a) Foreign Currency Translation Reserve

Nature and purpose of reserve

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

(b) Performance Rights Reserve

Nature and purpose of reserve

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

Grant date	Expiry date	Exercise Price	Balance at the start of the period	Granted	Exercised	Expired/ forfeited/ Other	Balance at the end of the period
31/5/2017	31/5/2022	\$0.00	18,000,000	-	-	(18,000,000)	-

The performance rights expired during the half year. The value of the expired rights were transferred to accumulated losses.

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

Input

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

BASSARI RESOURCES LIMITED
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NOTE 9 NON-CONTROLLING INTEREST

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

NOTE 10 SUBSEQUENT EVENTS

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

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

MOU with State of Senegal

The Company and MGO entered a Memorandum of Understanding with the Department of Mines and Geology and the Government of Senegal to secure confirmation of the standing of the Sambarabougou Exploitation Permit, granted in July 2017 and its renewal following its expiry after 5 years in July 2022. Confirmation of the renewal of the permit for a further 5-year term was received from the Government of Senegal on 1 June 2022.

Moura Permit

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

Funding

In recent periods the Company has entered into several funding agreements and, ultimately, a Share Sale Agreement with Bishop Resources UK Ltd. The timeline leading to the MGO Share Sale Agreement was as follows:

- Entered into an initial \$400,000 loan facility from Oceanic Capital Pty Ltd in 2021 calendar year, secured over the assets of the Company, subsequently increased to \$900,000 and increased further with the funds drawdown being approximately \$3.359 million. On 4 April 2022 the Company entered into a Deed of Assignment which assigned the amount owing on this loan facility as an amount owing to Bishop Resources (UK) Limited.
- Agreements entered into with convertible note holders, BCM International Ltd, for the Company's indebtedness to these parties of \$1.113 million to be assigned to Bishop Resources Limited.
- Entered into a long term (36 months) funding package from Bishop Resources (UK) Ltd of \$15,000,000 in October 2021, which allowed significant liabilities owed by the Group at the time (including Coris Bank International) to be repaid. The loan facility with Bishop Resources (UK) Ltd was used to pay off the Coris debt facility in full, providing total payments of US\$13.3 million, with the final payment made on 15 March 2022.
- The loan facility from Bishop Resources (UK) Ltd was amended to increase the amount to \$25 million, with drawdowns approximating \$29.34 million occurring prior to completion of the MGO Share Sale Agreement with Bishop Resources Limited.
- Consideration in the MGO Share Sale Agreement includes extinguishing all amounts owing to Bishop Resources (UK) Ltd and Bishop Resources Limited in return for disposal of the Company's interest in the MGO Project.

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

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

Completed Share Sale Agreement

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

Other terms of the Share Sale Agreement include:

- Provide cash contribution to the costs and expenses of Bassari on an incurred basis of up to a maximum \$500,000;
- Provide an effective cash payment of \$1 to cancel all debt and any accrued interest provided under the deed of loan between Bassari and Bishop on or about 4 April 2022, which will be discharged and no longer owing by Bassari.
- Issue of \$3 million worth of shares upon the receipt of a JORC 2012 report on the Makabingui Gold Project containing a minimum of 1 million ounces (at a minimum grade 2.6g/t) within 3 years of Completion at an issue price being the IPO price, with pro rata adjustment to the number of Shares to be issued should the JORC 2012 report identify less than 1 million ounces in the Makabingui Gold Project resource and should a JORC 2012 report not be issued within 3 years of Completion date, \$3 million worth of shares will be issued;
- Cancel the existing Bishop debt at Completion, totalling an estimated \$29.34 million; and
- Assume other Bassari debts approximating \$1.75 million, through the execution of debt assumption agreements between Bishop, Bassari and each creditor for the satisfaction of such debts via the issue of Shares at the IPO price or on such terms as may be agreed by the applicable parties.

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

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

Subsequent to the end of the financial period, ASIC has taken action against Bassari Resources Limited for failing to lodge half-year and annual financial reports within the required time for lodging reports. ASIC has also taken action for failing to hold annual general meetings for 2020 and 2021 within the required time frame. The charges will be heard in Perth on 15 September 2023, by which time the outstanding audited financial reports will have been lodged with ASIC.

Other than the matters referred to in the above paragraphs, there have been no significant events that have occurred subsequent to 30 June 2022 that require disclosure in the half year report.

BASSARI RESOURCES LIMITED
ACN 123 939 042
DIRECTORS' DECLARATION FOR THE HALF YEAR ENDED 30 JUNE 2022

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 Group's financial position as at 30 June 2022 and of its performance for the financial half-year ended on that date; and
- based on reasons provided in note 1 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



John Traicos
Executive Chairman

Melbourne
11 September 2023

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Bassari Resources Limited

Report on the Half-Year Financial Report

Disclaimer of conclusion

We were engaged to review the half-year financial report of Bassari Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

We do not express a conclusion on the accompanying financial report of the Company. Because of the significance of the matters described in the *Basis for disclaimer of conclusion* section of our report, we have not been able to obtain sufficient appropriate evidence to provide a basis for a review conclusion on this financial report.

Basis for disclaimer of conclusion

Going Concern

As disclosed in Note 1(c) to financial report, the directors have prepared the financial statements on a going concern basis. As disclosed in Note 10, the Company has disposed of its interest in Bassari Mauritius Holding No.2 Limited (BMHL) and Makabingui Gold Operations SA (MGO) post balance date to Bishop Resources Limited ('Bishop') and no longer holds any operating assets. In order to continue as a going concern, the Company is reliant on consideration to be received from the disposal, which includes Bishop settling certain liabilities on behalf of the Company and providing a \$500,000 cash contribution via funding ongoing expenditure. At the date of issuing this financial report, there remains uncertainty as to whether the Company will be wound up or there will be a continuity of normal business activity after collection and distribution of the consideration to be received from Bishop. As a result, we have been unable to obtain sufficient appropriate evidence to support the financial report being prepared on a going concern basis.

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

At balance date, BMHL was a wholly owned subsidiary of the Company and held its 63 percent interest in MGO, a company incorporated in Senegal. As per Note 4 to the financial report, MGO holds the Group's mining and development asset (Makabingui Gold Project) which relates to the Sambarabougou exploitation permit in Senegal. This is carried at \$51,833,000 on the consolidated statement of financial position as at 30 June 2022 (2021 \$53,078,000), which represents over 99 percent of the Group's total assets.



We have been unable to obtain sufficient appropriate evidence to support the financial position of the of BMHL and MGO as at 30 June 202 and the financial performance for the half-year then ended. Consequently, we were unable to determine whether any adjustments to the asset balance was necessary.

Private Equity Loan Facilities

As per Note 5(ii) to the financial report, during the half-year ended 30 June 2022, the Company recorded a loan payable to Bishop Resources (UK) Limited of \$27,962,000. We have been unable to obtain sufficient appropriate evidence to support the balance owing at period end. Consequently, we were unable to determine whether an adjustment to this balance was necessary.

Events after Balance Date

The Company has not yet prepared its financial report for the half-year ended 30 June 2023 and, the audit of the 31 December 2022 financial report is incomplete at the date of this report. Consequently, we were unable to determine whether any adjustments were required in respect of financial position, performance and/or disclosures were necessary.

Responsibility of the directors for the 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 for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. However, because of the matter described in the *Basis for disclaimer of conclusion* section of our report, we were not able to obtain sufficient appropriate evidence to provide a basis for a review conclusion on the financial report. As the auditor of the Company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

BDO Audit Pty Ltd

A handwritten signature in blue ink, appearing to read 'David Garvey', written over a small BDO logo.

David Garvey
Director

Melbourne, 11 September 2023