



**Bassari Resources Limited**  
ACN 123 939 042

**Half Year Report - 30 June 2013**

Your Directors submit the consolidated financial statements for the half year ended 30 June 2013 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) appointed 19-04-2013  
Mr Jozsef Patarica (Managing Director/CEO)  
Mr Chris Young (Non-Executive Director)  
Mr John Ballard (Non-Executive Director) resigned 19-04-2013

### **Principal activities**

The principal activities of the group are to further progress exploration and resource definition within three contiguous permit areas located in Senegal – Moura, Sambarabougou and Bousankoba – in order to identify mineral (primarily gold) deposits that meet commercial parameters of grade and tonnage needed for profitable exploitation.

### **Result and Review of Operations**

The loss for the Consolidated Entity after providing for income tax for the period amounted to \$943,000 (30 June 2012: \$864,000). The detailed Review of Operations follows this Directors' Report.

### **Subsequent events**

On 5 August 2013 the Company announced the issue of 31,250,000 ordinary shares on 2 August 2013 at \$0.008 (0.8 cents) each, raising \$250,000 and on 19 August 2013, the Company announced that it had been notified of the commitment from Hill End Gold Limited to complete a placement of 100 million shares for a consideration of \$800,000, inclusive of \$250,000 raised on 2 August. The remainder of the 100 million share placement was completed on 30 August 2013. Hill End Gold have nominated their managing director, Mr Philip Bruce, to be a director on the Bassari Board.

An extension of three years for the Sambarabougou Exploration Permit has been granted by the Government of Senegal, with the new expiry date being 13 September 2016.

There have been no other significant events that have occurred subsequent to 30 June 2013 that require disclosure in the half year report.

### **Rounding of Amounts**

The amounts contained in this report and in the financial report have been rounded to the nearest \$1,000 (where rounding is applicable) under the option available to the company under ASIC Class Order 98/0100. The company is an entity to which the Class Order applies. Amounts in the directors' report have been rounded off in accordance with the Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

**Lead Auditor's Independence Declaration**

A copy of the auditor's independence declaration in relation to the review for the half-year ended 30 June 2013 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.

On behalf of the directors

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

**Alex Mackenzie**  
**Executive Chairman**

Melbourne  
6 September 2013

## **Corporate**

### **Board Composition**

On 19 April 2013 Alex Mackenzie was appointed Executive Chairman, replacing the retiring John Ballard as Chairman. John Ballard resigned as a director on 19 April 2013.

### **Strategic Review**

A review of operational strategies was undertaken aimed at advancing the 2013 exploration program targeting high grade gold resources. Additionally, a review of all corporate, exploration and support expenses aimed at minimising all costs and improving efficiencies was carried out.

### **Capital Raising**

In April 2013, the Company announced a capital raising of \$2.47 million, before costs, comprising a \$1.97 million placement of 85.8 million fully paid ordinary shares at \$0.023 per share to institutional and sophisticated investors under the Company's 15% placement capacity and a further \$0.5 million placement, subject to shareholder approval, to the Executive Chairman, Alex Mackenzie, and/or nominees.

The proceeds from the placements was used to clear trade creditors and provide working capital while the company undertook a strategic review to consider corporate and operational strategies with a view to maximising value for all shareholders.

The initial amount of \$1.97 million was settled on 12 April 2013 and 85.8 million shares were issued. The 15% placement capacity was refreshed at the AGM on 31 May 2013.

A further \$0.03 million before costs was raised in June from the issue of 1.6 million ordinary shares.

On 3 June 2013 the Company issued 11,264,966 ordinary shares, pursuant to a resolution passed by shareholders, in settlement of amounts due, USD250,000, to the company's drilling contractor.

### **Exploration Activities**

- The 2013 exploration program is focussed on the discovery of world class gold deposits within the 80km strike of a major structural corridor contained within the Company's three contiguous permits.
- Review of the highly prospective structural corridor based on geochemistry, geophysics and previous drilling highlighted numerous high priority target areas – Makabingui South, Missira, Konkouto, Sekhoto and Lafia. These targets are based on the following exploration work:
  - Geochemistry – soil and termite covering the whole permit area.
  - Geophysics – detailed aeromagnetics and radiometrics (Xcalibur Airborne Geophysics).
  - Geological and structural analysis (Dr Leslie Wright – New Resource Management).

- **Makabingui Gold Project**
  - The Makabingui Mineral Resource, reported in accordance with the JORC Code 2004<sup>1</sup>, of 1,005,000 ounces of gold (11.9 million tonnes @ 2.6g/t gold, at a 0.5g/t cut-off) comprises an Indicated Mineral Resource of 336,000 ounces of gold at 4.0g/t and an Inferred Mineral Resource of 669,000 ounces of gold at 2.2g/t.
  - The main mineralised lodes are NNE-SSW trending and dip relatively shallowly to the east and are intersected by ENE-WSW to EW low and high angle reverse faults. Fault intersections are thought to provide higher grade shoots within the main lode trends.
- **Sambarabougou permit priorities in addition to the Makabingui Gold Project**
  - Other priority target areas within the permit are, Makabingui South, Missira and Lafia.
  - The Makabingui South prospect has been explored on only wide spaced, mostly 400m lines, over an 8km strike length by RAB and RC drilling with more recent trenching being carried out in areas recently established by artisanal mining.
  - Termite mound geochemical sampling on a 200m by 50m grid was completed in the vicinity of the Missira Granite. Results indicate potential for widespread and significant gold mineralisation. Mineralised structures confirmed by trenching will be targeted by drilling
  - Further trenching was carried out at the Lafia prospect targeting gold mineralisation which appears related to quartz veins, veinlets and stockworks within the shear zone. These results and results from previous DD and RC drilling supports the model for Lafia to be a major fluid pathway where significant gold mineralisation is expected to be associated with secondary structures. Future exploration of this zone awaits on-going structural interpretation and additional trenching
- **Moura permit priorities**
  - Konkouto gold discovery. Detailed observation of trench exposures and oriented drill core support interpretation of aeromagnetic data that show the Konkouto prospect to be a part of a set of NE dipping transfer structures developed between ENE trending and NW dipping thrusts. The ENE structures themselves are transfers between two NNE-SSW regional shear zones. This is referred to as the Moura Shear Corridor and is considered highly prospective for significant gold mineralisation.

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<sup>1</sup> Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2004 Edition, prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia.

- **Bousankoba permit priorities**

- The Sekhoto prospect is considered drill ready following previous work including termite gold geochemistry, RAB gold geochemistry, trenching, geological mapping and rock chip sampling. Recent activities have focussed on geological mapping at the Sakhofara prospect, located to the NE of Sekhoto. Regolith mapping in progress shows lateritic, colluvial and alluvial terrain. The geology is mainly metasediments intruded by granite and gabbro. The termite mound gold anomalism trends SW-NE and appears to be controlled by sheared sediments associated with quartz veining.

#### **Exploration asset translation**

During the six month period ended 30 June 2013 the movement in the Senegal currency against the AUD exceeded 10%, resulting in a translation difference being recorded for exploration and evaluation assets of \$3.895 million.

#### **Competent Persons Statement**

The technical information in this report has been reviewed and approved by Mr Chris Young who is a Member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Mr Young has over 40 years experience in the industry and has more than 5 years experience which is relevant to the style of mineralisation being reported upon to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Young consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

## 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 2013, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- 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.



David Garvey

Partner

**BDO East Coast Partnership**

Melbourne, 6 September 2013

**BASSARI RESOURCES LIMITED**  
**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE HALF YEAR ENDED 30 JUNE 2013**

	<b>Consolidated</b>	
	<b>30 June 2013 \$'000</b>	<b>30 June 2012 \$'000</b>
<b>Revenue from continuing operations</b>	10	99
Corporate expenses	(297)	(162)
Employment and consultant costs	(458)	(481)
Occupancy costs	(104)	(112)
Travel and accommodation	(79)	(152)
Asset costs	(15)	(56)
	<hr/>	<hr/>
<b>Loss from continuing operations before income tax</b>	<b>(943)</b>	<b>(864)</b>
Income tax expense relating to continuing operations	-	-
	<hr/>	<hr/>
<b>Loss for the period attributable to the owners of Bassari Resources Limited</b>	<b>(943)</b>	<b>(864)</b>
	<hr/>	<hr/>
<b>Other Comprehensive Income</b>		
<i>Items that may be reclassified to profit and loss in the future</i>		
Exchange difference on translation of foreign operation	4,129	(449)
	<hr/>	<hr/>
<b>Other comprehensive income for the period net of income tax</b>	<b>4,129</b>	<b>(449)</b>
	<hr/>	<hr/>
<b>Total Comprehensive Income for the period attributed to the owners of Bassari Resources Limited</b>	<b>3,186</b>	<b>(1,313)</b>
	<hr/>	<hr/>
<b>Earnings per share for loss attributable to owners of the Bassari Resources Limited</b>		
Basic earnings per share (cents)	(0.15)	(0.2)
Diluted earnings per share (cents)	(0.15)	(0.2)

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 2013**

	Notes	30 June 2013 \$'000	31 December 2012 \$'000
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		329	1,486
Trade and other receivables		124	185
<b>TOTAL CURRENT ASSETS</b>		<b>453</b>	<b>1,671</b>
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment		944	1,381
Exploration and evaluation assets	3	39,737	33,651
<b>TOTAL NON-CURRENT ASSETS</b>		<b>40,681</b>	<b>35,032</b>
<b>TOTAL ASSETS</b>		<b>41,134</b>	<b>36,703</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		267	1,200
Provisions		141	79
<b>TOTAL CURRENT LIABILITIES</b>		<b>408</b>	<b>1,279</b>
<b>TOTAL LIABILITIES</b>		<b>408</b>	<b>1,279</b>
<b>NET ASSETS</b>		<b>40,726</b>	<b>35,424</b>
<b>EQUITY</b>			
Contributed Equity	8	55,644	53,528
Reserves		973	(3,156)
Accumulated losses		(15,891)	(14,948)
<b>TOTAL EQUITY</b>		<b>40,726</b>	<b>35,424</b>

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 2013**

	Issued Capital	Foreign Currency Transaction Reserve	Options Reserve	Accumulated Losses	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Balance at 1 January 2012</b>	<b>43,295</b>	<b>(3,879)</b>	<b>1,249</b>	<b>(13,598)</b>	<b>27,067</b>
Loss for the period	-	-	-	(864)	(864)
Other comprehensive income	-	(449)	-	-	(449)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>(449)</b>	<b>-</b>	<b>(864)</b>	<b>(1,313)</b>
Issue of ordinary shares and other equity instruments, net of costs	10,304	-	-	-	10,304
<b>Transactions with owners as owners</b>	<b>10,304</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,304</b>
<b>Balance at 30 June 2012</b>	<b>53,599</b>	<b>(4,328)</b>	<b>1,249</b>	<b>(14,462)</b>	<b>36,058</b>
<b>Balance at 1 January 2013</b>	<b>53,528</b>	<b>(3,683)</b>	<b>527</b>	<b>(14,948)</b>	<b>35,424</b>
Loss for the period	-	-	-	(943)	(943)
Other comprehensive income	-	4,129	-	-	4,129
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>4,129</b>	<b>-</b>	<b>(943)</b>	<b>3,186</b>
Issue of ordinary shares and other equity instruments, net of costs	2,116	-	-	-	2,116
<b>Transactions with owners as owners</b>	<b>2,116</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,116</b>
<b>Balance at 30 June 2013</b>	<b>55,644</b>	<b>446</b>	<b>527</b>	<b>(15,891)</b>	<b>40,726</b>

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 2013**

	Note	30 June 2013 \$'000	30 June 2012 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		-	39
Payments to suppliers and employees		(1,489)	(980)
Interest received		10	60
		<hr/>	<hr/>
<b>Net cash used in operating activities</b>		<b>(1,479)</b>	<b>(881)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for capitalised exploration and evaluation expenditure		(1,638)	(3,368)
Payments for property, plant and equipment		-	(65)
Proceeds from sale of property, plant and equipment		14	-
		<hr/>	<hr/>
<b>Net cash used in investing activities</b>		<b>(1,624)</b>	<b>(3,433)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of equity securities		2,010	11,000
Issue costs		(153)	(696)
		<hr/>	<hr/>
<b>Net cash provided by financing activities</b>		<b>1,857</b>	<b>10,304</b>
		<hr/>	<hr/>
<b>Net increase in cash and cash equivalents held</b>		<b>(1,246)</b>	<b>5,990</b>
		<hr/>	<hr/>
Cash and cash equivalents at beginning of financial period		1,486	1,766
Effects of changes in foreign exchange rates on cash held		89	5
		<hr/>	<hr/>
<b>Cash and cash equivalents at end of financial period</b>		<b>329</b>	<b>7,761</b>
		<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 2013 has been prepared in accordance with the Corporations Act 2001 and International Financial Reporting Standard ("IAS") 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 2012 and considered together with any public announcements made by Bassari Resources Limited during the half year ended 30 June 2013 in accordance with the continuous disclosure obligations of the ASX listing rules. Comparative figures have been adjusted to conform with changes in presentation for the current period.

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

**(a) Adoption of New and Revised Accounting Standards**

The Group has adopted applicable new and amended Australian Accounting Standards and AASB Interpretations as of 1 January 2013. There has been no material impact on the financial statements or performance of the Group resulting from these new and amended Australian Accounting Standards. AASB 101 *Presentation of Financial Statements* has applied amendments from 1 January 2013. The amendments requires grouping together of items within other comprehensive income on the basis of whether they will eventually be 'recycled' to the profit or loss (reclassification adjustments). The change provides clarity about the nature of items presented as other comprehensive income and the related tax presentation. The amendments also introduced the term 'Statement of profit or loss and other comprehensive income' clarifying that there are two discrete sections, the profit or loss section (or separate statement of profit or loss) and other comprehensive income section.

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

**(b) Rounding Amounts**

The company is of a kind referred to in ASIC Class Order Co 98/0100 and in accordance with that Class Order, amounts in the financial statements have been rounded off to the nearest thousand dollars, or in certain cases, to the nearest dollar.

**(c) Going Concern**

The Group has incurred a net loss after tax of \$943,000 for the half year ended 30 June 2013 (2012: \$864,000) and had cash outflows from operating activities of \$1,479,000 (2012: \$881,000). The directors are aware that to advance the Group's exploration activities over the next 12 months additional funding will be required. At 30 June 2013 the Group had cash reserves of \$329,000 (2012:\$1,486,000) and working capital, being current assets less current liabilities, of \$45,000 (2012: \$392,000). 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.

**BASSARI RESOURCES LIMITED**  
**NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS**  
**30 JUNE 2013**

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

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

- In August 2013, the Group entered into an agreement with Hill End Gold Limited (HEG) whereby HEG could subscribe for up to 100 million ordinary shares in the company to raise \$800,000 to fund working capital. The transaction was completed on 30 August 2013.
- The Company has prepared cash flow budgets which include additional cash outflows for resource project and exploration expenditure, which can be deferred wholly or in part if insufficient capital is raised to fund that activity.
- The Group has a history of successfully raising funds and anticipates raising additional capital.

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

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 result should the consolidated entity be unable to continue as a going concern and meet its debts as and when they fall due.

**NOTE 2 CONTROLLED ENTITIES**

	<b>Country of Incorporation</b>	<b>Class of shares</b>	<b>Percentage owned 2013</b>	<b>Percentage owned 2012</b>
<b>Subsidiary entities consolidated</b>				
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 2013.

^ Douta Mining SA incorporated in Senegal in 2011.

**BASSARI RESOURCES LIMITED**  
**NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS**  
**30 JUNE 2013**

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**NOTE 3 EXPLORATION AND EVALUATION ASSETS**

	<b>30 June 2013 \$'000</b>	<b>31 December 2012 \$'000</b>
Costs carried forward in respect of areas of interest at cost	33,651	23,392
Expenditure incurred during the period	1,638	8,871
Depreciation capitalised	553	1,452
Cost base transferred to Property, plant & equipment *	-	(155)
Exchange translation difference	3,895	91
<b>Total exploration and evaluation expenditure</b>	<b>39,737</b>	<b>33,651</b>

\* During the prior period the company undertook a review of the company's asset register. As a result the cost base of the assets has been previously overstated. The overcharge of \$156,000 was reversed in the prior period and the adjusted amount has been reflected in Property, plant and equipment for the same period.

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.

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

**NOTE 4 SUBSEQUENT EVENTS**

On 5 August 2013 the Consolidated Entity announced the issue of 31,250,000 ordinary shares on 2 August 2013 at \$0.008 (0.8 cents) each, raising \$250,000 and on 19 August 2013 it was announced, the Consolidated Entity had been notified of the commitment from Hill End Gold Limited to complete a placement of 100 million shares for a consideration of \$800,000, inclusive of \$250,000 raised on 2 August. The remainder of the 100 million share placement was completed on 30 August 2013.

An extension of three years for the Sambarabougou Exploration Permit has been granted by the Government of Senegal, with the new expiry date being 13 September 2016.

Other than the matters referred to in the above paragraph, there have been no significant events that have occurred subsequent to 30 June 2013 that require disclosure in the half year report.

**NOTE 5 CONTINGENT LIABILITIES**

There are no contingent liabilities at period end and no change since 31 December 2012.

**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 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\$6.1 million over the three years from renewal dates in respect of these exploration permits.

<b>Name on Permit</b>	<b>Joint Venture Partner and Permit Holder</b>	<b>Date Permit Renewed</b>	<b>Commitment USD</b>
Moura	Sengold Mining NL	28 February 2012	2,500,000
Sambarabougou*	W.A.T.I.C	9 November 2010	2,400,000
Bousankoba**	Libah Investments Ltd	14 June 2010	1,200,000

\* A 3 year extension to the permit has been granted from 13 September 2013

\*\* Permit renewal has been lodged

Expenditure commitments are for 3 years from the date of renewal of each permit and in respect of the Bassari permits, expenditure commitments have been met or are being met.

**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 2013**

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**NOTE 8 CONTRIBUTED EQUITY**

	<b>30 June 2013</b>	<b>31 December 2012</b>
	<b>\$000</b>	<b>\$000</b>
<b>(a) Ordinary shares</b>		
Paid-up capital		
671,319,369 (2012: 572,648,403) fully paid ordinary shares	<b>55,644</b>	<b>53,528</b>
<b>Movement in ordinary share capital</b>	<b>No.</b>	<b>\$'000</b>
<b>At 1 January 2013</b>	<b>572,654,403</b>	<b>53,528</b>
Placement at \$0.023 (2.3 cents) 23 April 2013	85,800,000	1,973
Shares issued to settle drilling contractor 3 June 2013	11,264,966	259
Placement at \$0.023 (2.3 cents) 28 June 2013	1,600,000	37
Costs of issue		(153)
<b>Total for the financial period</b>	98,664,966	2,116
<b>At 30 June 2013</b>	<b>671,319,369</b>	<b>55,644</b>

**BASSARI RESOURCES LIMITED**  
**ACN 123 939 042**  
**DIRECTORS' DECLARATION FOR THE HALF YEAR ENDED 30 JUNE 2013**

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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 2013 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  
6 September 2013

## 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 2013, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, 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 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 2013 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 2013 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 financial report, which indicates that the consolidated entity incurred a net loss of \$943,000 during the half year ended 30 June 2013 and cash outflows from operating activities of \$1,479,000. The ability of the consolidated entity to continue as a going concern is dependent upon the future successful raising of necessary funding through equity. These conditions, along with other matters as set forth in Note 1(c), indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

## BDO East Coast Partnership

A handwritten signature in blue ink, appearing to read 'David Garvey', with a small 'BDO' logo above it.

David Garvey  
Partner

Melbourne, 6 September 2013