



ANNUAL REPORT  
31 DECEMBER 2023

**BASSARI RESOURCES LIMITED**  
ACN 123939042

**CORPORATE DIRECTORY**

**Board of Directors**

John Traicos, Executive Chairman  
Andrew Goode, CEO and Executive Director  
David Swan, Director

**Company Secretary**

Ian Riley

**Principal and Registered Office**

7/38 Colin Street  
Perth WA 6005  
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Web: [www.bassariresources.com](http://www.bassariresources.com)

**Auditors**

BDO Audit Pty Ltd  
Collins Square, Tower 4  
Level 18, 727 Collins Street  
Melbourne Vic 3008

**Share Registry**

Link Market Services  
Tower 4, 727 Collins Street  
Melbourne Vic 3008  
Tel: 1300554474

**Bankers**

National Australia Bank  
330 Collins Street  
Melbourne Vic 3000

**Solicitors**

Larri Legal  
6/152 High Street  
Fremantle WA 6160

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## DIRECTORS' REPORT

Your Directors submit the consolidated financial statements of Bassari Resources Limited and its controlled entities ("Consolidated Entity" or "Group") for the year ended 31 December 2023 and the independent auditor's report thereon.

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

### DIRECTORS

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

John Traicos (Executive Chairman)

Andrew Goode (CEO and Executive Director)

Malik Easah (Non-Executive Director) – resigned 19 May 2023

Modou Guene (Executive Director) – resigned 27 June 2023

David Swan (Non-Executive Director), appointed 17 February 2023

#### **John Traicos** – appointed 7 May 2021

John Traicos is a lawyer with more than 30 years' experience in legal and corporate affairs in Australia and Southern Africa. He has acted as a commercial and legal manager to several Australian resource companies and has been involved in resource projects and acquisitions in Australia, Africa and Indonesia. John is admitted to practice law in Western Australia and has been Legal and Commercial Manager and Company Secretary for several resource companies including MZI Resources Limited (2012 – 2019), Perilya Limited (2000 – 2005), Tanami Gold ML (2005 – 2007) and Strike Energy Limited (2007 – 2011).

#### **Andrew Goode** - appointed 1 June 2021

Andrew has had 40 years' experience in open pit and underground mining and has managed mining projects in many countries throughout the world. His expertise includes the development, operation and construction of open pits and gold plants, planning, scheduling, contract compilation, tendering and high-level management.

Andrew was educated at the Western Australian School of Mines in Kalgoorlie and holds a Bachelor of Applied Science (Mining Engineering). He is a Member of the Australian Institute of Mining and Metallurgy and a Member of the Society for Mining, Metallurgy and Exploration (SME) and a Member of the American Institute of Mining, Metallurgical and Petroleum Engineers.

#### **David Swan** – appointed 17 February 2023

David was an explosive engineer and designer heavily involved in seismology research and subcontracted to Beach Petroleum, later becoming involved in Industrial Relations including participation with the Industrial Relations Commission. In more recent times David has become a successful owner operator of his own business.

David was instrumental in the changing of the Bassari Resources Limited Board in early 2022 and is committed to representing the interests of Bassari shareholders, as a well-known, long term significant Bassari shareholder, committed to engaging with Bishop to achieve a suitable outcome for both Bassari and Bishop.

#### **Malik Easah** – appointed 7 May 2021, resigned 19 May 2023

Malik Easah was a founding Director of Cardinal Resources Limited where he spearheaded the acquisition of all tenements and played a key role in the discovery and development of the seven million-ounce Namdini Gold Project in Northern Ghana. Cardinal Resources was purchased by Shandong Gold Company for approximately AU\$600 million. Mr Easah has over fifteen years of exploration, mining and project development experience, and is a resident of Ghana.

#### **Modou Guene** – appointed 30 July 2020, resigned 27 June 2023

Modou is a Qualified Accountant and a financial manager with 15 years' experience. He has held the position of General Treasurer of the Senegal Chamber of Mines since 2013 and was the CEO of Makabingui Gold Operation SA ("MGO") since incorporation until the termination of his contract. Modou's CEO role included responsibility for finance, administration and human resources, and

## **DIRECTORS' REPORT (cont'd)**

maintaining strong links with all levels of government in Senegal, particularly the Mining and Finance Departments.

### **COMPANY SECRETARY**

Ian Riley was appointed to the position of Company Secretary on 20 January 2010.

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

### **FORMER PARTNER OF THE AUDIT FIRM**

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

### **PRINCIPAL ACTIVITIES**

During the period, the principal activities of the Group were disposed of to Bishop Resources NL ("Bishop").

## **RESULT AND REVIEW OF OPERATIONS**

The profit for the Group after providing for income tax for the year amounted to \$846,819 (2022: \$9,813,626 loss). During the year the Company disposed of all its activities in Senegal as described below. The result of the disposal was a gain of \$545,213 after the impairment of assets prior to the disposal of \$2,863,444. The profit arose entirely as a result of the reversal of the foreign exchange reserve released by the disposal of the Senegalese activities through profit or loss of \$7,706,693.

The Company has fundamentally changed its focus following the disposal of its entire shareholding interest in MGO to Bishop Resources NL. The finalisation of the disposal was announced to shareholders on the Bassari website ([www.bassariresources.com](http://www.bassariresources.com)) on 1 August 2023. The disposal of Bassari's interest in MGO was via completion of a share sale agreement entered into by the Company with Bishop Resources NL on 23 February 2023 ("MGO Share Sale Agreement").

### **Completed Share Sale Agreement**

As reported previously a Term Sheet entered into with Bishop Resources NL was replaced with a Share Sale Agreement signed by Bassari and Bishop on 23 February 2023 which adopted the terms and conditions, with minor changes, of the Term Sheet. The MGO Share Sale Agreement conditions precedent were met and completion of the transaction was achieved on 31 July 2023, including the issue to Bassari of 10 million ordinary shares (\$2 million notional value) 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, expiring 31 January 2027;
- Provide an effective cash payment of \$1 to cancel all debt approximating \$37.893 million including accrued interest provided under the deed of loan between Bassari and Bishop (refer to note 9), which has been discharged post balance date and no longer owing by Bassari.
- Cancel the existing Bishop debt at Completion, approximating \$38,221,996 million, including interest accrued.
- Issue of further consideration shares with a notional value of \$3,000,000 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 the completion date of 31 July 2023, 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, shares with a notional value of \$3,000,000 will be issued; and
- Assume other Bassari debts amounting to \$1,752,436, 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:

## **DIRECTORS' REPORT (cont'd)**

- The Board will call a shareholder meeting for approval to make an in-specie distribution of the Bishop consideration shares received which have a notional value of \$2,000,000 per the agreement. At the date of the transaction the shares issued have been fair valued at \$1,600,000.

## **FINANCIAL POSITION**

The net assets of the Consolidated Entity have decreased by \$4,876,582 to \$1,608,630 on 31 December 2023 (2022: \$6,485,212). The major movements related to the disposal of the Group's Senegal operations. The disposal of operations left the balance sheet with only the proceeds of the disposal in Bishop shares and outstanding payables.

## **CORPORATE**

During the year, the composition of the Company's Board of Directors changed whereby Mr Malik Easah resigned on 19 May 2023, and Mr Modou Guene resigned on 27 June 2023. Mr David Swan was appointed to the Board on 17 February 2023. At the date of this report, the Company has three directors.

## **SUBSEQUENT EVENTS**

There have been no significant matters that have occurred subsequent to 31 December 2023 that require disclosure in the financial report.

## **FACTORS AND BUSINESS RISKS AFFECTING FUTURE BUSINESS DEVELOPMENT**

As stated previously, the company business plan fundamentally changed upon finalising its business interests in Senegal. Future plans are for the company to ensure that all components of the SSA with Bishop Resources NL are complied with, including adherence to providing funding of \$500,000 for ongoing expenditures and for the further consideration shares to be issued to the company.

## **DIVIDENDS**

During the financial year, no dividends were paid (2022 \$Nil). The Directors have not recommended the payment of a dividend.

## **SHARES**

At the date of this report 2,418,855,633 ordinary shares were on issue.

## **SHARE OPTIONS**

At the date of this report, there were no unissued ordinary shares of the Company under option. No shares were issued during the year on conversion of options.

## **INDEMNITIES AND INSURANCE – OFFICERS**

The Company pays a premium each period in respect of Directors and Officers Insurance. In accordance with normal commercial practice, disclosure of the premium payable under, and the nature of the liabilities covered by, the insurance is prohibited by a confidentiality clause in the contract.

## **INDEMNITIES AND INSURANCE – AUDITOR**

The Company has not, during or since the financial year end, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor. During the year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

## **DIRECTORS' MEETINGS**

The number of meetings of the Company's Board of Directors held during the year ended 31 December 2023 and the number of meetings attended by each director was:

## DIRECTORS' REPORT (cont'd)

Name	Number Eligible to Attend	Number of Meetings Attended
J Traicos	3	3
A Goode	3	3
D Swan	1	1
M Easah	2	2
M Guene	2	2

The Company has no separate audit or remuneration committee at present, with both committees consisting of all directors. Therefore, meetings above include a meeting of the audit and remuneration committee. The role of the audit committee is undertaken by the Board of Directors.

### PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of the Court under Section 237 of the Corporations Act 2001 to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for a or any part of those proceedings.

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

### AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration as required under Section 307C of the *Corporations Act 2001* is included on page 9 of the financial report.

### LIKELY DEVELOPMENTS

Other than as provided elsewhere in this financial report, there is no further disclosure regarding the likely developments of the operations of the Company in future financial years.

### ENVIRONMENTAL REGULATION

To the best of the Directors' knowledge, the Group has adequate systems in place to ensure compliance with the requirements of all environmental legislation and is not aware of any breach of those requirements during the financial year and up to the date of the Directors' report.

### ROUNDING OF AMOUNTS

The amounts contained in this report and in the financial report have been rounded to the nearest dollar (where rounding is applicable) under the option available to the Company under ASIC Corporation (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 dollar.

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



**John Traicos**  
**Executive Chairman**

Perth, 12 September 2024



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Australia

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

As lead auditor of Bassari Resources Limited for the year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been:

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

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

A handwritten signature in blue ink, appearing to read 'David Garvey', with a long horizontal flourish extending to the right.

**David Garvey**  
**Director**

**BDO Audit Pty Ltd**

Melbourne, 12 September 2024



**CONSOLIDATED STATEMENT OF  
PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

	Notes	2023 \$	2022 \$
<b>Revenue from operations</b>		-	-
Other income	2	267,431	-
Gain on disposal of controlled entities	2	545,213	-
Gain on reversal of foreign exchange reserve	2	7,706,693	-
Project related costs	14	(946,517)	(3,980,422)
Corporate expenses		(361,329)	(538,617)
Employment and consultant costs	13	(848,926)	(1,339,974)
Occupancy costs		(27,927)	(43,908)
Travel and accommodation		(5,921)	(37,697)
Depreciation of non-current assets		(79,330)	(174,083)
Other expenses		(142,047)	(157,255)
Finance costs		(2,397,077)	(3,541,670)
Impairment	2	(2,863,444)	-
<b>Profit / (Loss) from operations before income tax</b>		<b>846,819</b>	<b>(9,813,626)</b>
Income tax expense relating to operations	15	-	-
<b>Profit / (Loss) from operations</b>		<b>846,819</b>	<b>(9,813,626)</b>
<b>Other comprehensive Income</b>			
<i>Items that may be reclassified to profit or loss in the future</i>			
Exchange difference on translation of foreign operations		1,983,292	258,304
<i>Items that have been reclassified to profit or loss in the year</i>			
Exchange difference on translation of foreign operations		(7,706,693)	-
<b>Other comprehensive loss for the year net of income tax</b>		<b>(5,723,401)</b>	<b>258,304</b>
<b>Total comprehensive loss for the year</b>		<b>(4,876,582)</b>	<b>(9,555,322)</b>
<b>Net profit / (loss) for the year is attributable to:</b>			
Owners of Bassari Resources Limited		2,400,576	(7,082,096)
Non-controlling interest		(1,553,757)	(2,731,530)
		<u>846,819</u>	<u>(9,813,626)</u>
<b>Total comprehensive loss for the year is attributable to:</b>			
Owners of Bassari Resources Limited		(4,001,584)	(7,021,242)
Non-controlling interest		(874,998)	(2,534,080)
		<u>(4,876,582)</u>	<u>(9,555,322)</u>

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes to the financial statements.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2023**

	Notes	2023 \$	2022 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	3	127,056
Trade and other receivables	4	52,088	85,682
		<hr/>	<hr/>
<b>TOTAL CURRENT ASSETS</b>		<b>52,091</b>	<b>212,738</b>
<b>NON-CURRENT ASSETS</b>			
Mining and development assets	5	-	53,701,621
Property, plant and equipment	6	-	127,667
Other financial assets	7	1,600,000	-
		<hr/>	<hr/>
<b>TOTAL NON-CURRENT ASSETS</b>		<b>1,600,000</b>	<b>53,829,288</b>
		<hr/>	<hr/>
<b>TOTAL ASSETS</b>		<b>1,652,091</b>	<b>54,042,026</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	8	43,461	14,421,505
Financial liabilities	9	-	32,178,111
Provisions	10	-	957,198
		<hr/>	<hr/>
<b>TOTAL CURRENT LIABILITIES</b>		<b>43,461</b>	<b>47,556,814</b>
		<hr/>	<hr/>
<b>TOTAL LIABILITIES</b>		<b>43,461</b>	<b>47,556,814</b>
		<hr/>	<hr/>
<b>NET ASSETS</b>		<b>1,608,630</b>	<b>6,485,212</b>
<b>EQUITY</b>			
Contributed equity	11	85,367,318	79,036,447
Reserves	12	-	6,402,160
Accumulated losses		(83,758,688)	(63,492,504)
		<hr/>	<hr/>
Equity attributable to the owners of Bassari Resources Limited		1,608,630	21,946,103
Non-controlling interest		-	(15,460,891)
		<hr/>	<hr/>
<b>TOTAL EQUITY</b>		<b>1,608,630</b>	<b>6,485,212</b>
		<hr/>	<hr/>

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes to the financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

	<b>Note</b>	<b>Contributed Equity</b>	<b>Reserves</b>	<b>Accumulated Losses</b>	<b>Non- controlling interests</b>	<b>Total</b>
		<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance at 1 January 2022</b>		<b>79,036,447</b>	<b>6,659,906</b>	<b>(56,729,008)</b>	<b>(12,926,811)</b>	<b>16,040,534</b>
Loss for the year		-	-	(7,082,096)	(2,731,530)	(9,813,626)
Other comprehensive income		-	60,854	-	197,450	258,304
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>60,854</b>	<b>(7,082,096)</b>	<b>(2,534,080)</b>	<b>(9,555,322)</b>
Share based payments – performance rights lapsed		-	(318,600)	318,600	-	-
<b>Transactions with owners as owners</b>		<b>-</b>	<b>(318,600)</b>	<b>318,600</b>	<b>-</b>	<b>-</b>
<b>Balance at 31 December 2022</b>		<b>79,036,447</b>	<b>6,402,160</b>	<b>(63,492,504)</b>	<b>(15,460,891)</b>	<b>6,485,212</b>

	<b>Note</b>	<b>Contributed Equity</b>	<b>Reserves</b>	<b>Accumulated Losses</b>	<b>Non- controlling interests</b>	<b>Total</b>
		<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance at 1 January 2023</b>		<b>79,036,447</b>	<b>6,402,160</b>	<b>(63,492,504)</b>	<b>(15,460,891)</b>	<b>6,485,212</b>
Profit / (Loss) for the year		-	-	2,400,576	(1,553,757)	846,819
Other comprehensive income		-	(6,402,160)	-	678,759	(5,723,401)
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>(6,402,160)</b>	<b>2,400,576</b>	<b>(874,998)</b>	<b>(4,876,582)</b>
Deconsolidation	2	6,330,871	-	(22,666,760)	16,335,889	-
<b>Transactions with owners as owners</b>		<b>6,330,871</b>	<b>-</b>	<b>(22,666,760)</b>	<b>16,335,889</b>	<b>-</b>
<b>Balance at 31 December 2023</b>		<b>85,367,318</b>	<b>-</b>	<b>(83,758,688)</b>	<b>-</b>	<b>1,608,630</b>

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes to the financial statements.

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

	Note	2023 \$	2022 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Payments to suppliers and employees		(2,174,197)	(7,287,918)
Interest received		1	-
Finance costs paid		-	(277,813)
		<hr/>	<hr/>
<b>Net cash used in operating activities</b>	3	<b>(2,174,196)</b>	<b>(7,565,731)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for mining and development assets		-	(132,863)
Cash disposed of in disposal of operations		(142,268)	-
		<hr/>	<hr/>
<b>Net cash used in investing activities</b>		<b>(142,268)</b>	<b>(132,863)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from borrowings		2,196,762	18,971,851
Repayments of borrowings		(11,370)	(11,773,806)
		<hr/>	<hr/>
<b>Net cash provided by financing activities</b>		<b>2,185,392</b>	<b>7,198,045</b>
<b>Net increase/ (decrease) in cash and cash equivalents held</b>		<b>(131,072)</b>	<b>(500,549)</b>
		<hr/>	<hr/>
Cash and cash equivalents at beginning of financial year		127,056	617,649
Effects of changes in foreign exchange rates on cash held		4,019	9,956
		<hr/>	<hr/>
<b>Cash and cash equivalents at end of financial year</b>	3	<b>3</b>	<b>127,056</b>

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes to the financial statements.

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

### **1. GENERAL INFORMATION**

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

The financial statements cover Bassari Resources Limited and controlled entities as a consolidated entity for the financial year ended 31 December 2023. Bassari Resources Limited is a company limited by shares incorporated and domiciled in Australia.

Separate financial statements for Bassari Resources Limited as an individual entity are no longer presented as a consequence of a change to the Corporations Act 2001, however limited financial information for Bassari Resources Limited as an individual entity is included in Note 19.

The financial statements were authorised for issue by the Directors on 12 September 2024.

The financial report is presented in Australian dollars.

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

- 7/38 Colin Street
- West Perth WA 6005

#### **Statement of Compliance**

The financial report is a general-purpose financial report which has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. Australian Accounting Standards include International Financial Reporting Standards as adopted in Australia. Compliance with International Financial Reporting Standards as adopted in Australia ensures that the financial report complies with International Financial Reporting Standards (IFRS).

#### **Basis of Preparation**

The financial report has been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars unless otherwise stated.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 31 December 2023, and the comparative information presented in these financial statements for the year ended 31 December 2022.

The following material accounting policies have been adopted in the preparation and presentation of the financial report:

#### **(a) Consolidation**

The consolidated financial statements comprise the financial statements of Bassari Resources Limited and its subsidiaries at each period end ("the Group"). Subsidiaries are entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the entity. Consolidated financial statements include all subsidiaries from the date that control commences until the date that control ceases. The financial statements of subsidiaries are prepared for the same reporting period as the parent, using consistent accounting policies.

Consistent accounting policies are employed in the preparation and presentation of the consolidated financial statements.

All intercompany balances and transactions, including unrealised profits arising from intragroup transactions have been eliminated. Unrealised losses are also eliminated unless costs cannot be recovered.

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (cont'd)**

### **Basis of Preparation (cont'd)**

#### **(b) Foreign Currency Translation**

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

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

The functional currency of the parent and the presentation currency of the financial report is Australian dollars. The functional currency of the overseas subsidiaries in Senegal is CFA Franc (FCFA). At reporting date, the assets and liabilities of the overseas subsidiary is translated into the presentation currency of Bassari Resources Limited at the closing rate at the end of the financial reporting period and income and expenses are translated at the weighted average exchange rates for the period. All resulting exchange differences are recognised as other comprehensive income and in a separate component of equity (foreign exchange translation reserve). On disposal of a foreign entity, the cumulative exchange differences recognised in foreign currency translation reserves relating to that particular foreign operation is recognised in profit or loss.

#### **(c) Going Concern**

For the year ended 31 December 2023, the Group made a profit after taxation of \$846,819, and had net cash outflows from operating activities of \$2,174,197. On 31 December 2023, the Group had net current assets of \$8,630.

Following the disposal of the MGO Project, the Company has fundamentally changed its focus and at the date of issuing this financial report has no operating activities. At 31 December 2023 the Group has no cash available to fund any operations, and holds shares in Bishop Resources NL. The Board intends to hold a shareholder meeting to obtain approval to make an in-specie distribution of all or a large portion of the Bishop consideration shares. The directors have funding available to meet forecast operating expenditures until approximately 31 December 2025, this funding being provided by Bishop pursuant to the Share Sale Agreement, refer Note 2.

Subsequent to the in-specie distribution, the Group will have minimal assets to fund operations going forward. However, as mentioned above, it may be necessary to withhold some of the consideration shares from the in-specie distribution to shareholders, in order to provide a source of funding for unexpected expenses or to fund activities beyond 31 December 2025 if this becomes necessary.

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.

Notwithstanding the above, the directors have prepared the financial statements on a going concern basis, which contemplates the continuity of reduced business activity, the realisation of assets and the settlement of liabilities through the normal course of business and are confident that the Group has 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.

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (cont'd)**

### **Basis of Preparation (cont'd)**

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.

#### **(d) Rounding Amounts**

The company is of a kind referred to in ASIC Corporation (Rounding in Financial/Directors Report) Legislative Instrument 2016/91 and in accordance with that Class Order, amounts in the financial statements have been rounded off to the nearest dollar.

#### **(e) Use of judgements and estimates**

In preparing the consolidated financial statements management has made judgments, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which these estimates are revised and in any future periods affected.

##### **(a) Judgments**

Information about judgments made in applying the accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following note:

- Note 5 Mining and development assets

##### **(b) Assumptions and Estimation Uncertainties**

Critical to the assessments are estimates of fair value of the Bishop consideration shares. The shares are not listed on a public exchange.

## **2. DISPOSAL OF CONTROLLED ENTITIES**

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").

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, nominal valuation, 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;
- Cancel existing Bishop debt at Completion, approximating \$38,000,000, including accrued interest;
- 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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (cont'd)**

**2. DISPOSAL OF CONTROLLED ENTITIES (cont'd)**

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; 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.

Within the statement of profit and loss the following amounts are recorded on disposal:

<b>(a) Other income</b>	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>

Other income	267,431	-
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This amount relates to payments provided to the Company by Bishop Resources to provide working capital and settle expenses as part of the \$500,000 agreed within the sale agreement to meet Bassari's working capital requirements post the transaction on 31 July 2023.

**(b) Impairment**

Impairment	2,863,444	-
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During the year the Group recorded an impairment of its mining and development assets during the completion of the 30 June 2023 half year accounts, recognising the decrease in value based on the anticipated outcome of the financial completion of the sale agreement. Details are included in note 5.

**(c) Gain on disposal**

As a result the disposal of the operations was as follows:

Fair value of shares received from Bishop	1,600,000	-
Assignment of creditors	1,823,394	-
		-
Cash disposed of	(142,266)	-
Current assets and liabilities disposed	16,386,730	-
Non-current assets disposed	(53,314,962)	-
Financing forgiven	34,192,317	-
	545,213	-
Gain on disposal		-

Foreign exchange gains cumulatively recognised in equity when translating foreign entities from their functional currency to the Group's presentation currency were reversed upon disposal through profit and loss.

**(d) Reversal of foreign exchange reserve**

Foreign exchange gains now recognised in profit or loss	7,706,693	-
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (cont'd)**

**3. CASH AND CASH EQUIVALENTS**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Cash at bank and on hand	3	127,056

Cash at banks bear floating interest rates between 1% and 0% p.a. (2022: 1% and 0% p.a.).

**Accounting policy**

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

**Cash flow information**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>Reconciliation of cash and cash equivalents</b>		
Cash at the end of the financial year as shown in the consolidated statement of cash flows is reconciled to items in the consolidated statement of financial position as follows:		
Cash and cash equivalents	3	127,056

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>Reconciliation of loss for the year to net cash flows from operating activities:</b>		
Profit / (Loss) for the year	846,819	(9,813,626)
<i>Non-cash flows in loss</i>		
Depreciation	79,330	174,083
Impairment of Mining and development assets	2,863,444	-
Other income <sup>1</sup>	(267,431)	-
Gain on disposal of assets	(545,213)	-
Foreign exchange expense	(7,706,693)	164,881
<i>Changes in assets and liabilities</i>		
(Increase)/Decrease in receivables	17,905	(12,679)
(Decrease)/Increase in trade and other payables	2,449,349	1,712,280
Increase in provisions	88,294	209,330
<b>Cash flows used in operations</b>	<b>(2,174,196)</b>	<b>(7,565,731)</b>

<sup>1</sup> Bishop payments to creditors where cash was not paid through Bassari.

**4. TRADE AND OTHER RECEIVABLES**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Sundry receivables	52,088	85,682

**Accounting policy**

Other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any impairment or expected credit loss. Receivables expected to collect within 12 months are classified as current assets. All other receivables are classified as non-current assets.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (cont'd)**

**5. MINING AND DEVELOPMENT ASSETS**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Costs carried forward in respect of areas of interest at cost	53,701,621	53,078,483
Expenditure incurred during the period	-	132,863
Assets impaired	(2,863,444)	-
Assets disposed of during the year	(53,314,962)	-
Exchange translation difference	2,476,785	490,275
<b>Total mining and development assets</b>	<b>-</b>	<b>53,701,621</b>

**Accounting policy**

Development expenditure incurred is accumulated separately for each area of interest in which economically recoverable resources have been identified. Such expenditure comprises cost directly attributable to the construction of the mine and the related infrastructure. The Makabingui Gold project has been operated previously under an exploration permit and is currently operating under an exploitation permit.

The development decision and the mining decision was effectively made at the same time, with some initial development and preparation work undertaken to confirm the operation. These costs were capitalised and all of the accumulated exploration costs classified into development assets. Mining and development assets are tested for impairment in accordance with the policy of impairment of assets.

**Accounting policy – Impairment**

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. Any assets that are not yet amortised at the reporting date or have yet to be brought into use are tested for impairment.

When the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount, the asset or cash generating unit is impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset.

**Critical accounting estimates, assumptions and judgements**

***Impairment of mining and development assets***

The Group undertook a review of the carrying value of its assets at 30 June 2023, referencing the subsequent disposal of the Group's assets in Senegal during the year. Based on the disposal value of the assets at the end of July 2023 the directors determined that the carrying value of the Makabingui mining and development asset was impaired by \$2,863,444 based on the estimates at that time of consideration to be received and liabilities forgiven.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (cont'd)**

**6. PROPERTY PLANT AND EQUIPMENT**

	2023 \$	2022 \$
Plant and equipment at cost	-	6,773,680
Less Accumulated depreciation	-	(6,773,680)
	-	-
Camp assets at cost	-	225,564
Less Accumulated depreciation	-	(72,564)
Less Accumulated impairment	-	(153,000)
	-	-
Motor vehicles at cost	-	1,509,561
Less Accumulated depreciation	-	(1,428,404)
	-	81,157
Furniture and fittings at cost	-	87,759
Less Accumulated depreciation	-	(61,741)
Less Accumulated impairment	-	(26,018)
	-	-
Computer equipment at cost	-	67,809
Less Accumulated depreciation	-	(9,741)
Less Accumulated impairment	-	(58,068)
	-	-
Computer software at cost	-	532,091
Less Accumulated depreciation	-	(424,581)
Less Accumulated impairment	-	(61,000)
	-	46,510
	-	<b>127,667</b>

2023	Plant & equipment	Camp assets	Motor vehicles	Furniture & fittings	Computer equipment	Computer software	Total
Opening balance	-	-	81,157	-	-	46,510	127,667
Additions	-	-	-	-	-	-	-
Depreciation charged	-	-	(31,810)	-	-	(47,520)	(79,330)
Disposal	-	-	(52,330)	-	-	-	(52,330)
Foreign exchange variance	-	-	2,983	-	-	1,010	3,993
Closing balance	-	-	-	-	-	-	-
	<b>Plant &amp; equipment</b>	<b>Camp assets</b>	<b>Motor vehicles</b>	<b>Furniture &amp; fittings</b>	<b>Computer equipment</b>	<b>Computer software</b>	<b>Total</b>
2022							
Opening balance	-	-	142,728	-	-	162,531	305,259
Additions	-	-	-	-	-	-	-
Depreciation charged	-	-	(61,571)	-	-	(112,512)	(174,083)
Foreign exchange variance	-	-	-	-	-	(3,509)	(3,509)
Closing balance	-	-	81,157	-	-	46,510	127,667

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (cont'd)**

**6. PROPERTY PLANT AND EQUIPMENT**

***Accounting policy***

Plant and equipment are stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property and plant and equipment over their expected useful lives as follows: Depreciation is calculated on a straight-line basis to write off the net cost of each item of property and plant and equipment over their expected useful lives as follows:

Plant and equipment	3-10 years
Camp assets	3-7 years
Motor vehicles	5 years
Furniture & fittings	3-5 years
Computer equipment	3-5 years
Computer software	3-4years

Plant and equipment comprise assets acquired and assembled for the purpose of use in the process of Gold Ore, and include buildings, machinery, equipment and fixtures within the processing plant.

Camp assets comprise buildings, fixtures, fittings and equipment within the Douta Camp complex.

Furniture and fittings comprise all assets at the Dakar Office and the Guest House, including furniture, fixtures, fittings and equipment.

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

**7. FINANCIAL ASSETS**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Unlisted ordinary shares	<b>1,600,000</b>	<b>-</b>

***Details***

The shares were issued by Bishop Resources NL as part of the disposal of the Senegal operations. The 10 million consideration shares in Bishop, issued to Bassari as per the agreement were notionally valued at \$2,000,000 in the sale agreement. Subsequent to the agreement, Bishop has raised capital, issuing shares at 16 cents per each ordinary share, which has been used to estimate the fair value of these unlisted shares.

***Accounting policy***

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

***Financial assets at fair value through other comprehensive income***

Financial assets at fair value through other comprehensive income include equity investments which the consolidated entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (cont'd)**

**7. FINANCIAL ASSETS (cont'd)**

*Impairment of financial assets*

The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

**8. TRADE AND OTHER PAYABLES**

	<b>2023</b>	<b>2022</b>
	\$	\$
Trade and other payables	7,761	7,255,616
Accrued expenses and other payables	35,700	5,347,220
Payroll and related taxes and other liabilities	-	1,818,669
	<b>43,461</b>	<b>14,421,505</b>

***Accounting policy***

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

*Liabilities in Senegal owned subsidiaries*

	<b>2023</b>	<b>2022</b>
	\$	\$
Amounts owing FCFA	-	7,058,048
Amounts owing USD	-	991,509
Amounts owing AUD	-	1,698,216
	<b>-</b>	<b>9,747,773</b>

*Liabilities in Mauritius owned subsidiaries*

	<b>2023</b>	<b>2022</b>
	\$	\$
Amounts owing USD	-	12,177
Amounts owing AUD	-	2,937,529
	<b>-</b>	<b>2,949,706</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (cont'd)**

**9. FINANCIAL LIABILITIES**

	2023 \$	2022 \$
<b>Current Financial Liabilities</b>		
Private equity loan facilities (i)	-	30,892,992
Other loans (ii)	-	1,285,119
		<hr/>
Total Financial liabilities	-	<b>32,178,111</b>
		<hr/> <hr/>

**Detail of financial liabilities**

**(i) Private equity loan facilities**

The loan balance Nil, (2022: \$30,892,992) relates to the loan facilities that were provided or assumed by Bishop Resources (UK) Ltd.

During the year the facility was settled pursuant to terms of the Share Sale Agreement, refer note 2.

**(ii) Other loans**

Other Loans, Nil, (2022: \$1,285,119) 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 \$370,568, 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.

During the year the facility was settled pursuant to terms of the Share Sale Agreement, refer note 2.

**Accounting policy**

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred. During the period, no interest costs were capitalised into the mine development asset as activities at the project were on hold.

**10. PROVISIONS (CURRENT)**

	2023 \$	2022 \$
Employee entitlements	-	957,198
		<hr/> <hr/>

**Accounting policy**

*Wages and Salaries, Annual Leave and Sick Leave*

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED  
31 DECEMBER 2023 (cont'd)**

**11. CONTRIBUTED EQUITY**

	<b>2023</b>	<b>2022</b>
	<b>\$000</b>	<b>\$000</b>
<b>(a) Ordinary Shares</b>		
Paid-up capital		
2,418,855,633 (2022: 2,418,855,633) fully paid ordinary shares	<u><b>85,367,318</b></u>	<u><b>79,036,447</b></u>

The movement in contributed equity in 2023 is related to the deconsolidation of Bassari Senegal. There was no equity issued during the period. There was no change in contributed equity in 2022.

**(b) Options**

The Company issued no options during the year and had no options outstanding on 31 December 2023.

**Accounting policy**

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

**Rights Attached to Equity Holdings**

*(a) Ordinary Shares*

Fully paid ordinary shares carry one vote per share and carry rights to dividends.

Ordinary shareholders are entitled to participate in dividends and the proceeds on winding up of the company in proportion to the number of and amounts paid on the shares held.

Every ordinary shareholder present at a meeting in person or by proxy is entitled to one vote on a show of hands or by poll.

On 31 December 2023 there were no partly paid shares outstanding.

*(b) Options*

No options have been exercised during the year and there were no options outstanding at the end of the 2023 financial year.

**Capital Risk Management**

The Group considers its capital to comprise its ordinary share capital and accumulated losses.

The Group has disposed of its operations in Senegal in order to provide its shareholders with an opportunity of some return on capital. This was not seen as feasible through its operations due to the reliance upon external financing and the capital required to fund further development of operations. Details of the disposal are contained in note 2.

**12. RESERVES**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Foreign currency translation reserve	-	6,402,160
	<u>-</u>	<u><b>6,402,160</b></u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (cont'd)**

**12. RESERVES (cont'd)**

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

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

**(ii) Movements in Reserve**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Balance at the beginning of the year	6,402,160	6,341,307
Movement during the year	1,304,533	60,853
Recognised as a gain through profit or loss account on disposal of overseas operations (Note 2)	(7,706,693)	-
Balance at end of year	<u>-</u>	<u><b>6,402,160</b></u>

**13. EMPLOYMENT AND CONSULTANT COSTS**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Salaries, wages, on-costs and consultant fees	848,926	1,339,974
	<u><b>848,926</b></u>	<u><b>1,339,974</b></u>

**14. PROJECT COSTS**

The Group's activities at the MGO Project were largely suspended due to ongoing negotiations with Bishop for the disposal to that company of the MGO Project, culminating in a successful completion of the transaction on 31 July 2023. As a result, expenditure incurred on the project during the current and prior periods was minimal.

Project costs recorded in the statement of profit or loss and other comprehensive income relate to costs incurred on the development of the mine site during the period that operations were suspended. The costs related to fuel, costs of running the camp, security, consultant costs and other related costs.

**15. INCOME TAXES**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Income tax recognised in profit or loss	-	-
<b>Tax expense comprises:</b>		
Current tax expense	-	-
Deferred tax expense relating to the origination and Reversal of temporary differences	-	-
<b>Total tax expense</b>	<u>-</u>	<u>-</u>



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR  
ENDED 31 DECEMBER 2023 (cont'd)**

**15. INCOME TAXES (cont'd)**

The prima facie income tax expense on pre-tax accounting losses from operations reconciles to the income tax expense in the financial statements as follows:

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>Profit / (Loss) from operations</b>	846,819	(9,813,626)
Income tax calculated at 25% (2022 – 25%) Income tax of other members of the tax consolidated group (net of inter-company transactions)	211,705	(2,453,407)
<i>Add tax effect of:</i>		
Non-deductible expenses	1,781,604	-
Non-assessable income	(2,062,977)	-
Income received assessable	855,849	-
<i>Less tax effect of:</i>		
Unused tax losses not recognised as deferred tax assets	-	2,453,407
Reversal of unused losses	(786,181)	-
	<u>-</u>	<u>-</u>

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

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Tax losses (revenue or operating losses) Australia at 25%	<u>4,076,819</u>	<u>4,863,000</u>

Tax losses have been adjusted for prior income tax returns lodged. Refer to comment below regarding review of tax loss availability.

**Accounting policy**

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

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

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

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

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (cont'd)**

**15. INCOME TAXES (cont'd)**

***Critical accounting estimates, assumptions and judgements***

The benefit of the tax losses has not been brought to account on 31 December 2023 because the directors do not believe it is appropriate to regard realisation of the deferred tax asset as being probable at this point in time. These tax losses are also subject to final determination by the Taxation authorities when the Group derives taxable income. The benefits will only be realised if:

- (a) The Company and its subsidiaries derive future assessable income of a nature and of an amount sufficient to enable the benefit of the deduction for the losses to be realised.
- (b) The Company and its subsidiaries continue to comply with the conditions for the deductibility imposed by law; and
- (c) No changes in the tax legislation adversely affect the Company and its subsidiaries in realising the benefit of the losses.

***Other matter – availability of carry forward tax losses***

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

**16. DIVIDENDS**

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

**17. CONTINGENT LIABILITIES**

Under the terms of the Share Sale Agreement (see note 2) Bishop has undertaken to settle certain liabilities that were incurred by the Group prior to the takeover. This includes outstanding liabilities incurred by the parent entity. The full amount of the liabilities of the parent that have been assumed by Bishop amount to \$1,752,436. At 31 December 2023, \$387,275 remained outstanding. Subsequent to the end of the year a further \$146,346 has been settled by Bishop. Should Bishop not settle the remaining outstanding amounts to suppliers there is a potential liability that may be required to be settled by the Company. This would give rise to claims against Bishop for recovery of the amounts per the contract.

Other than these matters, the Directors are not aware of any other contingent liabilities on 31 December 2023.

**18. SUBSIDIARIES**

<b>Subsidiary entities consolidated</b>	<b>Country of Incorporation</b>	<b>Class of shares</b>	<b>Percentage owned 2023</b>	<b>Percentage owned 2022</b>
Bassari Resources Senegal SARL	Senegal	Ordinary	-	100%*
Bassari Equipment Pty Ltd	Australia	Ordinary	100%*	100%*
Bassari Mauritius Holding Ltd (a)	Mauritius	Ordinary	100% *	100%*
Bassari Mauritius Holding No 2 Ltd	Mauritius	Ordinary	-	100%*
Bassari Mauritius Equipment Ltd (a)	Mauritius	Ordinary	100% *	100%*
Douta Mining SA	Senegal	Ordinary	-	63%
Makabingui Gold Operation SA	Senegal	Ordinary	-	63%

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

(a) Company is not operating and is in the process of being deregistered.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (cont'd)**

**19. PARENT ENTITY INFORMATION**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Information relating to Bassari Resources Limited		
<b>Financial Position</b>		
Current assets	52,091	85,208
Non-current assets	1,600,000	2,577,628
	<u>1,652,091</u>	<u>2,662,836</u>
<b>Total Assets</b>		
Current liabilities	(43,461)	(1,754,233)
Non-current liabilities	-	(4,744,463)
	<u>(43,461)</u>	<u>(6,498,696)</u>
<b>Total Liabilities</b>		
<b>Net Liabilities</b>	<u>1,608,630</u>	<u>(3,835,860)</u>
Contributed equity	85,367,318	85,367,318
Reserves	-	-
Accumulated losses	(83,758,688)	(89,203,178)
	<u>1,608,630</u>	<u>(3,835,860)</u>
<b>Total Equity</b>		
	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>Financial Performance</b>		
Profit / (Loss) for the year	5,444,490	(488,425)
Comprehensive income for the year	<u>5,444,490</u>	<u>(488,425)</u>

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

**Capital Commitments**

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

**Finance Leases**

There are no commitments in relation to finance leases.

**Contingent Liabilities**

The parent entity is not subject to any liabilities that are considered contingent upon events known at balance date other than the matter disclosed in Note 17.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (cont'd)**

**20. FINANCIAL RISK MANAGEMENT**

**(a) General objectives, policies and processes**

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

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

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

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>Financial Assets</b>		
Cash and cash equivalents	3	127,056
Other receivables	52,088	85,682
Other financial assets	1,600,000	-
	<hr/>	<hr/>
<b>Total Financial Assets</b>	<b>1,652,091</b>	<b>212,738</b>
	<hr/>	<hr/>
Trade and other payables	43,461	14,421,505
Financial liabilities	-	32,178,111
	<hr/>	<hr/>
<b>Total Financial Liabilities</b>	<b>43,461</b>	<b>46,599,616</b>

**(b) Interest Rate Risk**

The Group's exposure to interest rate risk, which is that a financial instrument's value will fluctuate as a result of changes in market interest rates, relates primarily to cash as disclosed in note 2. At balance date the Group had the following mix of financial assets and liabilities that were subject to interest:

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Cash and cash equivalents – variable rates	-	127,056
Loans payable – fixed rates	-	(30,892,992)
Loans payable – interest free	-	(1,285,119)
	<hr/>	<hr/>
<b>Net Financial Liabilities</b>	<b>-</b>	<b>(32,051,055)</b>

The Group's exposure to interest rate risk, as well as potential opportunities, are not considered material.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (cont'd)**

**20. FINANCIAL RISK MANAGEMENT (Cont'd)**

**(c) Credit Risk**

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

**(d) Fair Values**

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The carrying value at the reporting date of financial assets and financial liabilities, such as receivables and payables, are assumed to approximate fair values due to their short-term nature. For other financial assets, such as financial instruments traded in organised financial markets, fair value is the current quoted market bid price for an asset.

The financial instruments recognised at fair value in the Consolidated Statement of Financial Position have been analysed and classified using a fair value hierarchy reflecting the significance of the inputs used in making the measurements. The fair value hierarchy consists of the following levels:

- quoted prices in active markets for identical assets and liabilities (Level 1)
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and
- inputs for the asset and liability that are not based on observable market data (unobservable inputs) (Level 3)

The Group's financial assets held at fair value comprise the investment in ordinary shares of a private entity (\$1,600,000). These have been valued using Level 2 inputs. The risk related to these assets is considered to be low, based on the recency of capital raised by Bishop Resources N.L., the company that has provided the financial assets.

**(e) Liquidity Risk Management**

Liquidity risk is the risk that the Group may encounter difficulties raising funds to meet commitments associated with financial instruments.

Ultimate responsibility for liquidity risk management rests with the Board of directors which has built an appropriate liquidity risk framework for the management of the group's short, medium and long-term funding and liquidity management requirements.

Trade and other payables are contractually due within 6 months.

Loans received are short term and are repayable within 18 months of receipt according to agreed terms. Subsequently repayment terms have been renegotiated.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (cont'd)**

**20. FINANCIAL RISK MANAGEMENT (cont'd)**

**(f) Commodity Price Risk**

The Group is exposed to Commodity Price Risk. The risk arises from its activities directed at exploration and development of mineral commodities. If commodity prices fall, the market for companies exploring for these commodities is affected. The Group does not hedge its exposures. None of the Group's financial instruments are currently impacted by commodity price risk.

**(g) Foreign currency translation risk**

As the Group has disposed of its Senegal operations it is no longer exposed to foreign currency risk

**21. AUDITOR'S REMUNERATION**

During the year the auditor of the Company earned the following remuneration:

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Audit or review of financial reports of the Group BDO Audit Pty Ltd	87,125	71,000
Firms not related to the lead auditor Audit services	4,115	41,071
<b>Total remuneration</b>	<b>91,240</b>	<b>112,071</b>

The auditor did not receive any other benefits.

**22. RELATED PARTY TRANSACTIONS**

During the period there were no transactions with related parties other than Key Management Personnel transactions as disclosed in note 23.

**23. KEY MANAGEMENT PERSONNEL DISCLOSURES**

**Directors**

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

Mr Modou Guene (resigned 27 June 2023)

Mr John Traicos (appointed 7 May 2021)

Mr Malik Easah (appointed 7 May 2021, resigned 19 May 2023)

Mr Andrew Goode (appointed 1 June 2021)

**Other key management personnel**

Ian Riley (Company Secretary)

**Compensation**

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

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Short term employee benefits	138,951	661,041
	<b>138,951</b>	<b>661,041</b>

**24. EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR**

There have been no significant events that have occurred subsequent to 31 December 2023 that require disclosure in the financial report.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (cont'd)**

**25. NEW STANDARDS AND INTERPRETATIONS**

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

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

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

The Group has not adopted any revised or amending standards not yet effective early. The Directors believe there are no revisions or amendments that would materially impact the content and presentation of the financial report.

## DIRECTORS' DECLARATION

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

- (a) The financial statements and accompanying notes of the Group are in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2023 and of its performance for the year ended on that date; and
  - (ii) complying with Accounting Standards and the Corporations Regulations 2001;
- (b) Subject to the matters disclosed in Note 1 (c), there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

Signed in accordance with a resolution of the Board of Directors made pursuant to section 295(5) of the *Corporations Act 2001*. This declaration is made in accordance with a resolution of the directors.



**John Traicos**  
**Executive Chairman**

Perth, 12 September 2024



## INDEPENDENT AUDITOR'S REPORT

To the members of Bassari Resources Limited

### Report on the Audit of the Financial Report

#### Disclaimer of opinion

We were engaged to audit the financial report of Bassari Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including material accounting policy information, and the directors' declaration.

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

#### Basis for disclaimer of opinion

##### 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 2, the Company has disposed of its interest in Bassari Mauritius Holding No.2 Limited (BMHL), Bassari Resources Senegal SARL (BRS), Doutta Mining NL (DML) and Makabingui Gold Operations SA (MGO) on 31 July 2023 to Bishop Resources NL ('Bishop') ("the Disposal Transaction") and no longer holds any operating assets.

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 we have been unable to obtain sufficient appropriate audit evidence regarding Bishop's capacity to continue its funding. As a result, we have been unable to obtain sufficient appropriate audit evidence to support the financial report being prepared on a going concern basis.

##### Other Financial Assets

At balance date, as disclosed in Note 7, the Company holds 10 million shares in Bishop which are being carried at a fair value of \$1,600,000 on the consolidated statement of financial position as at 31 December 2023, which represents over 96 percent of the Group's total assets.

We have been unable to obtain sufficient appropriate audit evidence to support the fair value of this asset on 31 December 2023. Consequently, we are unable to determine whether any adjustment to this asset balance was necessary.

### Disposal Transaction

As disclosed in Note 2, the Company has disposed of its interest in BMHL, BRS, DML and MGO on 31 July 2023 to Bishop Resources Limited ('Bishop'). The Company has consolidated the financial position and financial performance of these entities to the date of disposal.

We have been unable to obtain sufficient appropriate audit evidence to support the financial position of these entities at the date of disposal and their financial performance for the period to the date of disposal. Consequently, we are unable to determine whether any adjustment to the financial performance of the Group for the year ended 31 December 2023 was necessary.

### Taxation

We have been unable to obtain sufficient appropriate audit evidence to assess the income tax consequences of the Disposal Transaction on the consolidated financial statements for the year ended 31 December 2023. Consequently, we are unable to determine whether any adjustment to the financial position and financial performance of the Group for the year ended 31 December 2023 was necessary.

### Responsibilities of the directors for the Financial Report

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

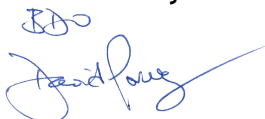
In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the Financial Report

Our responsibility is to conduct an audit of the financial report in accordance with Australian Auditing Standards and to issue an auditor's report. However, because of the matter described in the *Basis for disclaimer of opinion* section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial report.

We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

### BDO Audit Pty Ltd



David Garvey  
Director

Melbourne 12 September 2024