

**24 May 2018**

## **CHAIRMAN'S ADDRESS TO ANNUAL GENERAL MEETING**

Welcome to Bassari Resources Limited's annual shareholders meeting.

The last twelve months posed some early delay problems however, diligent work by our staff and consultants enabled all outstanding matters to be resolved.

- Due to our Sambarabougou permit having been overrun by thousands of illegal miners from all parts of Africa we undertook the following:
  - A new drilling program in 2017 to successfully confirm that the Makabingui gold deposit was not depleted by the illegal miners
  - Our Australian mining engineers, Mincore, then produced an updated feasibility study which concluded that the study (as was the case of the earlier study) that mining of the 4 high-grade Makabingui pits would produce excellent cash flow and returns at a low capex and a low operating cost. This was completed in August 2017.
- Following the completion of the updated feasibility study, Mincore in conjunction with our team completed the following important pre-development work:
  - Updated all equipment purchases to 2018 pricing
  - All equipment and works required for operational readiness identified
  - Major equipment orders ready to be placed
  - Early works packages including water dams, camp expansion and owners equipment for operational readiness defined
  - Engineering, procurement and construction partners Mincore ready to mobilise on site
  - Security plan incorporated into plant layout and access control.

To enable the above development program to commence, we needed to finalise the following:

- The incorporation of the Senegal development and borrowing company, Makabingui Gold Operations SA (MGO),
- To finalise the project finance of approximately \$US13 million per the terms offered by the Coris International Bank, and

- To identify consultants with a proven track record in successfully mining high-grade thin gold veins

We are pleased to report we have recently resolved the above issues and achieved the following:

- The constitution documents of MGO have been finalised, approved and signed by the Ministers of Mining and Finance. The notary is now incorporating MGO
- The Coris Bank successfully completed its due diligence investigations conducted by their independent experts and accordingly the Coris offer was finalised and signed by all parties. Some required guarantee agreements etc are now being finalised by our notary and Coris are aiming to have all paperwork completed by 31 May to enable the project finance to start flowing to MGO.
- Mincore have introduced us to Australian and international consultants, Mining Plus, who have had many years experience in successfully mining thin vein gold deposits such as Makabingui. They are now advising our geological mining team.

In our other highly prospective permit of Moura, we have this week commenced a major drilling at Konkoutou involving a 5,000m RAB program followed by a 2,000m RC and a 1,000m DD drilling program at Konkoutou North. This will be followed by a drilling program at Konkoutou Hill of 1,500m of RC and 500m of DD. As previously stated, our international geological consultant reported that the Konkoutou targets are potentially a large mineable deposit.

I would like to thank our loyal shareholders, our Melbourne and Senegal staff, our consultants, Mincore, and my fellow Directors, Peter Spivey and Philip Bruce and CFO Ian Riley for their great support and tireless work throughout the year.

With all issues resolved, we can now look forward to a successful development of the Makabingui gold deposit and the proving up of the highly prospective Konkoutou gold deposit.



**Alex Mackenzie**  
Chairman