

CHAIRMAN'S ADDRESS TO ANNUAL GENERAL MEETING 31 MAY 2012

The 6 months since the previous AGM in November last year has been a very productive period for Bassari. Following the 2011 AGM, the Board has been revamped and a clear direction for the Company has been firmly established. The Company announced an upgraded gold resource in excess of half a million ounces at our Makabingui Project in December 2011, and this was followed by the announcement of our corporate strategy to focus on and substantially expand our drilling activities to grow the Makabingui gold resource.

We also received very encouraging results from our drilling program at the Konkouto gold prospect. Konkouto is situated within easy trucking distance from Makabingui only 35km away, and so there is clearly good potential to delineate and possibly develop these two properties in tandem.

We have changed our financial year to align with reporting requirements in Senegal to stream-line Bassari's reporting obligations. From now on, Bassari's AGM will be held at about this time of the year.

Our \$11 million capital raising to fund the planned expansion of drilling at Makabingui and to progress other exploration activities was concluded at the end of March this year and formally approved by shareholders earlier this month. We have successfully ramped up our drilling activities at Makabingui with three drill rigs operating since mid-April. Our combined diamond drilling and reverse circulation drilling program at Makabingui is targeting additional resources along and across strike in addition to near surface open pittable gold.

All assays in respect of the Konkouto drilling have now been received and we are using this information to update our geological model, which will be used to develop a follow up drilling program at the Konkouto prospect later this year. Our regional exploration work is continuing with an aeromagnetic survey being undertaken. Surface mapping and geochemical sampling programs across other prospective areas on our permits are also in progress to advance our prospect pipeline.

From an operational viewpoint the drilling program at Makabingui is progressing well, and we await assay results with great interest. In addition, the aeromagnetic survey which we announced recently is currently being flown, and we expect this part of the work to be completed within the coming days. This will be followed by technical analysis and interpretation of the data obtained from that survey. Jozsef will expand on each of these activities later.

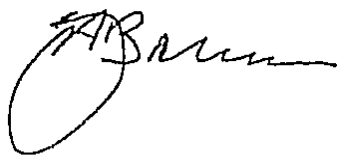
With regard to the equity markets, during the past couple of months we have seen global markets plagued by extreme uncertainty and volatility. This has been caused by major potential economic issues in the Eurozone relating to the threat of financial default by Greece and the possible impacts on other countries, Europe and the global economy. A possible slowdown in China is also seen as a potential threat to the resources sector. As a consequence we have seen investors reassessing their appetite for risk which has had a significant impact on stock prices in general, and Bassari's share price, along with most other small exploration companies, has suffered. The continued uncertainty and nervousness we are seeing with the Australian economy has also contributed to the poor share price performance of resource companies at home.

The good news is that despite this uncertainty, the potential value of Bassari's assets remains unchanged, and our activities remain on track. We have a highly prospective land package in a significant gold region, a quality gold resource which has excellent growth potential and a strong team committed to delivering our strategy. We shall continue to diligently manage our drilling program as planned to further delineate the resource at Makabingui. We are confident that our strategy of resource growth is sound, and we firmly believe that growing the resource base will stand us in good stead into the future.

On the political front in Senegal, the presidential elections were completed on 25 March with the outcome being the election of a new President, Mr Macky Sall, for a term of 7 years. Mr Sall is well known to Bassari, being a former Prime Minister and also Minister of Mines. Bassari will of course continue to maintain its good relationship with Mr Sall and his government.

Over the coming months we shall continue to focus on our objective of growing the Makabingui resource base, further defining a resource at Konkouto, and, following completion of the interpretational work of the aeromagnetic survey, reviewing and prioritising our activities across Bassari's permits. We look forward to the remainder of this year with great enthusiasm.

Finally, I take this opportunity to thank our staff in both Australia and Senegal for their continuing contribution and commitment to the Company. I look forward to their continued effort and contribution over what will undoubtedly be an exciting year for the Company. Thank you all very much.

A handwritten signature in black ink, appearing to read 'J. Ballard', with a large, stylized initial 'J'.

John Ballard
Chairman