

CHAIRMAN'S ADDRESS TO ANNUAL GENERAL MEETING – 31 MAY 2019

Welcome to Bassari Resources Limited's annual shareholders' meeting.

We are finally in the construction phase of the Makabingui Gold Project.

However, as advised during the past year, some delays to the startup of construction have occurred which were out of our control, particularly in the establishment and early processing of the debt facility by the Coris International Bank consortium. This slowed down the flow of project finance to Bassari, but with their keenness to support the development of the Makabingui Gold Project, they diligently resolved all their problems, and enabled the project finance to start flowing to Bassari's development subsidiary, Makabingui Gold Operation, in January 2019.

While waiting on the project finance, we appointed a specialist Construction Manager, Mr Anand Santha, in July 2018. During the year, Anand and our staff worked in conjunction with our Australian Mining Engineers, Mincore, to undertake project construction engineering design and management and the following development work:

- Doura to Makabingui haul road upgrade
- Repairation of the 500 megalitre fresh water dam
- Clearance of the mine area
- Upgrade of kitchens, accommodation and workshops to cater for the substantial increase in production staff
- Development of operational procedures
- A detailed review of power supply including the use of solar power
- Finalising the list of equipment required and identifying suppliers and costs
- Preparation of the cash budget for project development amounting to approx. 7 billion FCFA (USD 12.1 million) and a detailed monthly chronogram for drawdowns from the Coris Bank project finance facility

As soon as the Coris project finance funds started to flow through to Makabingui Gold in January 2019 MGO was able to:

- Provide development funds to our recently appointed world class Project Manager, Mr Andrew Goode.
- Appoint Mining Plus of the UK to provide conservative detailed planning for the mining of the high grade Pits 1 and 2 instead of mining all four proposed pits
- Place equipment orders – see attached photos for some completed items
- Upgrade site security in readiness for construction and production
- Commence the tender preparation to appoint a mining contractor
- Commence discussions with European gold refineries to process our gold production.

In 2019 we are completing all matters as speedily as possible to bring Makabingui into production.

Whilst some shareholders have expressed their disappointment that we are not yet in production, I can categorically state that the Directors, staff and consultants have worked overtime to bring results as quickly as possible, jumping the many hurdles associated with the development of a major gold project in West Africa.

In September 2014 Bassari announced a maiden gold ore reserve to justify development. We aim to commence mining in 2019. Noting that we lost two years when invaded by some 50,000 illegal miners, due to the abundance of near-surface gold on the Makabingui permit, the development timeline compares most favourably with the three other major gold deposits in Senegal. For example, Sabodala was discovered in 1992 and was brought into production in 2009 (some 17 years). Randgold's deposit of 3.5 million ounces was discovered more than 10 years ago and is still not in production. Toro Gold announced its discovery in 2010 and production commenced in 2018 (some 8 years of development).

Bassari has excellent relationships with the Government and the Senegal Mines Department, and we are pleased to report that Mrs. Roseline Mbaye, a Senegal Government director of Bassari's subsidiary, Makabingui Gold Operation, has been appointed to the position of Director of Mines and Geology.

We are striving to get mine production started this year and it should be noted that Bassari will be firstly reimbursed more than \$50 million from the Makabingui cash flow for past exploration and development costs.

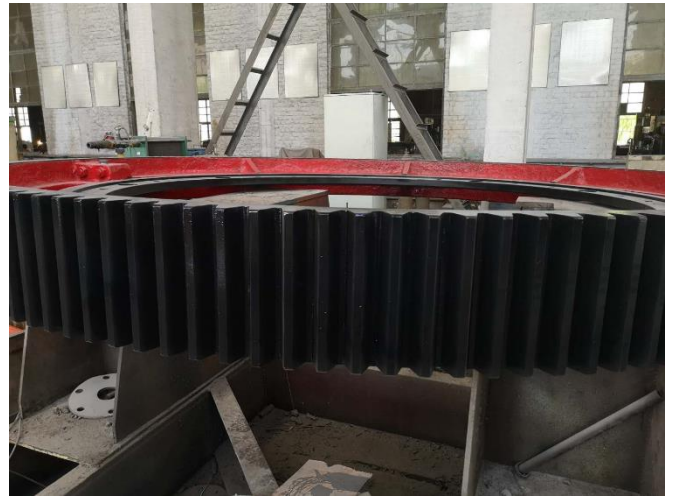
It is expected that these funds will enable Bassari to extend the resources at Makabingui to a significantly larger deposit by:

- Further infill drilling at the Makabingui deposit and its extensions
- Completing the drilling of the Pits 3 and 4 areas
- Drilling of the major NE/ENE cross structural corridor and particularly, the recently discovered gold mineralisation 800 metres to the east of Makabingui
- Infill drilling of the eight kilometres strike of gold mineralisation directly to the south of Makabingui
- Drilling to expand the highly prospective gold deposit at Konkoutou

I certainly thank our loyal and patient shareholders, our Melbourne and Senegal staff, and our consultants, Mincore and Mining Plus and Procurement Agent, Vanture. In addition, special thanks to my fellow Directors, Peter Spivey and Philip Bruce and Company Secretary/CFO, Ian Riley, for their great work throughout the year. Special thanks also go to key executives of Makabingui Gold Operation, including Government appointed directors, Roseline Mbaye and Moustapha Dia and Modou Guene (CEO), Moussa Diba (Exploration Manager), El Hadj (Logistics Manager) and Mr Tall, Director.



Ball Mill shell



Ball mill girth gear



Compressed air receivers



Pumps

About Bassari

Melbourne – based West African gold developer Bassari Resources Limited (ASX:BSR) has a strategic portfolio of exploration and exploitation permits focussed on the Birimian Gold Belt in Senegal. The permits cover an area of 312 km² with 60km of strike along the two adjoining permits. The permits are located within the Keneiba Inlier which is a +60M ounce gold region. Bassari's vision is to discover and delineate gold resources which can be developed into profitable operations.

Forward-Looking Statement

This release may include forward-looking statements. Forward-looking statements include, are not necessarily limited to, statements concerning Bassari Resources Limited planned operation program and other statements that are not historic facts. When used in this document, the words such as "could", "plan", "estimate", "expect", "intend", "may", "potential", "should" and similar expressions are forward-looking statements. Although BSR believes its expectations reflected in these are reasonable, such statements involve risks and uncertainties, and no assurance can be given that actual results will be consistent with these forward-looking statements. BSR confirms that it is not aware of any new information or data that materially affects the information included in this announcement and that all material assumptions and technical parameters underpinning this announcement continue to apply and have not materially changed.

Competent Person's Statement

The information in this announcement that relates to the Mineral Resources and Exploration Results has been reviewed and approved by Mr Moussa Diba who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Diba is the chief geologist of Bassari Resources Limited and has over 20 years' experience in the industry and has more than five years' experience which is relevant to the style of mineralisation being reported upon and the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Diba consents to the inclusion in the report of the matters based on the information in the form and context in which it appears. The Mineral Resource information referred to in the announcement was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not changed since it was last reported.

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