

Dear Shareholder

As the year end approaches, it is an appropriate time to review the activities undertaken by Bassari this year and to outline the program we are planning for 2013.

We are very pleased to have met our key 2012 objective of reaching the milestone of one million ounces in resource at our Makabingui Gold Project. This was achieved at a very healthy gold grade but in a climate of slow sample turnaround times which hampered the flow of assay results. The drilling program at Makabingui was terminated a little earlier than planned to ensure a new resource estimate could be released to the market prior to year end.

Our other main objectives were also completed during the year. These included assessing the Konkouto gold prospect and completing a detailed aeromagnetic survey over our permits and follow up prioritisation of our best prospects.

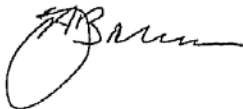
Our current gold resource at Makabingui is a stepping stone along the way to delineating more resources. The work program for 2013, now in the planning stage, will focus on delivering significant resource growth. Our aim will be to establish sufficient resources at Makabingui on which a viable operating mine may be based and we expect to start scoping study work during 2013.

The aeromagnetic survey and follow up work by the Bassari team have led to the identification of several very promising prospects, the best of which will be assessed in 2013 with a view to establishing more exploration projects. It is our plan to develop a pipeline of projects in Senegal, targeting near surface, high grade resources.

2012 has seen very difficult market conditions, particularly for junior exploration companies, as regards investor appetite and consequently available capital. Companies with a growth profile or a developing project appear to be faring better than pure exploration plays. At the recent Mines & Money conference and company road show in London, Bassari received very strong interest from financial institutions, many of which highlighted our strong asset fundamentals and potential. We are therefore concentrating our efforts to strengthen our position as a company with a robust project pipeline and growth profile. 2013 will be a very important year in our efforts to achieve this goal.

We are confident that Bassari is in a strong position in view of the quality of our assets, the current status and growth potential of the Makabingui Gold Project, the work being planned for 2013 to advance Makabingui, and our other prospects. We are however in a relatively long lead time business and it is important that we continue our work to establish a sound platform to progress our projects and prospects. I therefore ask shareholders to be patient in their expectations for the company, and to be assured that we are doing and shall continue to do all we can to deliver value for Bassari shareholders.

On behalf of all the staff of Bassari in both Senegal and Australia and its Board of Directors, I would like to wish you all a very Happy Christmas. We shall look forward to seeing you in 2013 for what we believe will be a very exciting year ahead.



**John Ballard**  
Chairman