

31 May 2017

CHAIRMAN'S ADDRESS TO ANNUAL GENERAL MEETING

Welcome to Bassari Resources Limited's annual shareholders meeting.

Since my address on 30 May 2016 at last year's AGM, we finalised negotiations with the Senegalese Government on the terms of the Makabingui Exploitation Permit. This resulted in the issue of the Exploitation Permit on 28 November 2016. Whilst negotiations took considerable time, we were able to achieve vital concessions for the project from the Senegalese Government which included:

- The permit was granted for five (5) years renewable for one or more periods not exceeding five (5) years each up to the exhaustion of the deposit
- Past project exploration expenses will be classified as a contracted debt of the Makabingui Exploitation Company. This recovery of Bassari costs could possibly amount to \$30 million plus.
- Many tax exemptions were approved such as:
 - . Exemption from export tax production
 - . Exemption from value-added taxes, property and services
 - . Exemption from minimum basic tax
 - . Exemption from property taxes
 - . Exemption of fees for the constitution of companies and the raising of capital

In addition there is no restriction of the transfer of dividends or repatriation of capital or on investments financed with foreign currency

Since the receipt of the permit on 28 November we have finally been able to get underway with pre-development work which included:

- Commencement of a 4,000 metre grade control/infill drilling program at the 4 proposed high grade open cut pits. This drilling program is on a close spaced 25M grid to confirm the size of the reserves and grade and to extend the mineralisation along the interpreted plunge of the high grade mineralised zones.

A total of 1,941 metres has been completed in the high grade Pit One. The assays returned to date have confirmed the continuity and tenor of the mineralised structures. We believe that the re-estimation of the reserve at Pit One after the completion of this program will confirm the 107,000 ounces of gold at an average grade of 7.5 G/T already defined in this area.

- Bassari has, with government agreement, commenced early stage development. This includes infrastructure works such as rehabilitation of roads, the camp, fencing of the mining area, concreting to expand the plant area for the processing plant upgrade and dam reparation. This work has commenced.

During recent months we have made significant steps to arrange the finance for the estimated capex of \$US12 million. To this end, we have received a number of finance term sheets, subject to the completion of the important grade control/infill drilling program and their due diligence reviews.

In addition to the development of the high grade Makabingui Gold Project we have during the year continued exploration drilling at the Konkoutou Gold Project in the Moura permit approx 35 km NW of Makabingui.

Recent wide-spaced drilling over 1 km along the prospect has confirmed the strike and depth continuity of the high grade mineralisation. The Konkoutou North lodes are very strong and encouraging and infill drilling is planned. The Konkoutou North prospect is the second prospect to be drilled on the Moura permit. It is an area of 2 km x 0.3 km and is situated approx 5 km to the west of the promising Konkoutou Hill prospect. A trenching program is in progress to see if the two deposits are linked.

Following a detailed review of our Konkoutou drilling results, our international geological consultant reported that various facts point to the Konkoutou target being potentially a large mineable deposit.

Finally, I would once again like to thank my fellow Directors, Philip Bruce and Peter Spivey, as well as our Chief Financial Officer, Ian Riley, our team in Melbourne and all our loyal Senegalese staff who have worked tirelessly throughout the year.

A special thanks is also due to our loyal and patient shareholders who have continued to financially support the Company as we drive towards our production goal.



Alex Mackenzie
Chairman