



## CORPORATE INFORMATION

Bassari Resources Limited is an Australian listed company focused on discovering and developing high-grade gold resources into profitable operations in the Birimian Gold Belt, Senegal, West Africa.

### FAST FACTS

ASX Code	BSR
Issued Capital	1,175,661,981
No of shareholders	1,793
Top 20	44%

### INVESTMENT HIGHLIGHTS

Exploration permits (BSR: 70%) cover approx. 850 km<sup>2</sup> over prospective Birimian Gold Belt, Senegal, West Africa.

- Makabingui Gold Project Feasibility Study – low capital cost initial stage 171,000 recovered ounces, low cost, highly profitable and significant free cash flows
- Makabingui Gold Project, Mineral Resource (Prepared and disclosed under the JORC Code 2004 and remains unchanged) **1.0 million ounces in 11.9 Mt at 2.6 g/t gold at a 0.5 g/t cut-off**, comprising:
  - Indicated: 336,000 ozs in 2.6Mt at 4.0g/t
  - Inferred: 669,000 ozs in 9.3Mt at 2.2g/t
- Senegal, stable democracy since 1960
- Quality ground holding in a +60M ounce gold region which hosts a number of world class deposits
- Multiple prospects identified along 80km major gold corridor within world class gold province

### BOARD AND MANAGEMENT

**Alex Mackenzie**

*Executive Chairman*

**Jozsef Patarica**

*Managing Director/CEO*

**Chris Young**

*Non Executive Director*

**Philip Bruce**

*Non Executive Director*

**Ian Riley**

*Company Secretary/Chief Financial Officer*

### CONTACT US

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## ASX Release

**16 September 2014**

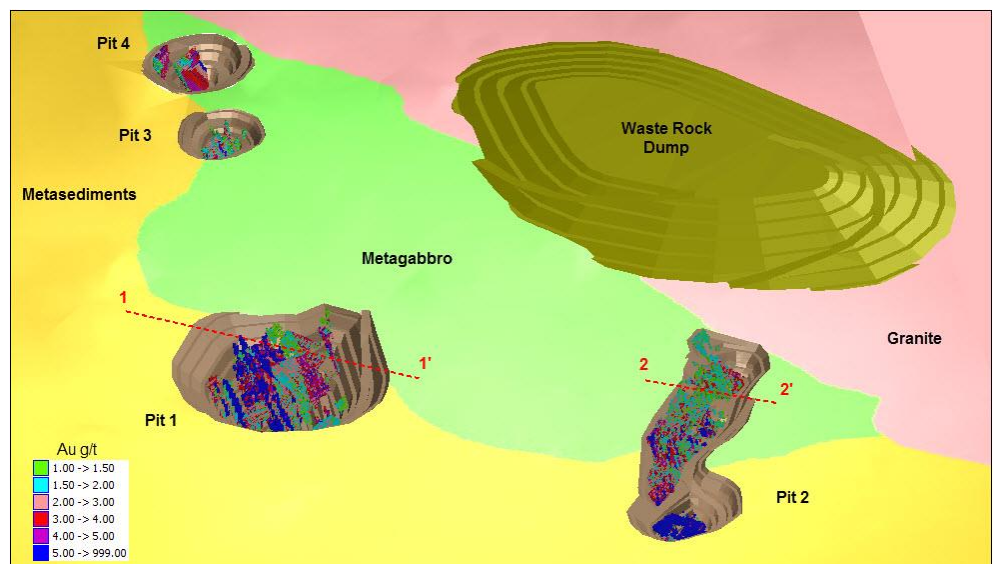
# MAIDEN GOLD ORE RESERVE MAKABINGUI GOLD PROJECT

Gold developer Bassari Resources Limited (ASX:BSR) is pleased to deliver a maiden Gold Ore Reserve from its Makabingui Gold Project in Senegal, West Africa, marking a significant milestone for the Company.

The conversion of Indicated Resources to Ore Reserves is for the initial stage of the project focused on high grade zones within the 1 million ounce gold resource. The Ore Reserves are in accordance with the 2012 Australasian Code for the Reporting of Resources and Reserves (the JORC Code 2012).

## Highlights

- **Maiden Open Pit Gold Ore Reserve**
  - **158,000 ounces in 860,000 tonnes at 5.7g/t Gold**
  - **JORC 2012 Probable Ore Reserve**
- **Underpins high grade open pit development strategy**



**High Grade Open Pit Mine Area Layout**

“The maiden open pit gold ore reserve for Makabingui is a significant milestone and underpins our high grade open pit development strategy. **Managing Director Jozsef Patarica said.**

“We are moving forward on all fronts to rapidly unlock value from our Makabingui Gold Project. This ore reserve has been delivered on the back of the recent high grade underground scoping study which highlights further significant high grade zones within the existing resource. Importantly, this highlights Makabingui, based on the feasibility study, as a profitable gold project in the current gold price environment.

“Our primary objective is to fast track Makabingui into production establishing early positive cash flow. To deliver this we are reviewing funding options with a number of banks and financial institutions and in parallel progressing the plant upgrade design work and developing the mine services contract.”

### ***Makabingui Gold Project Ore Reserve***

Category	Ore		
	tonnes	g/t Gold	Ounces Gold
Pit 1	450,000	7.3	107,000
Pit 2	410,000	3.8	51,000
<b>Total Ore Reserve</b>	<b>860,000</b>	<b>5.7</b>	<b>158,000</b>

*Note: The tonnes and grades are stated to a number of significant digits reflecting the confidence of the estimate. Since each number and total is rounded individually the columns and rows in the above table may not show exact sums or weighted averages of the reported tonnes and grade. JORC Code Table 1 – Reporting of Ore Reserves is included in Appendix A.*





## MAKABINGUI GOLD PROJECT

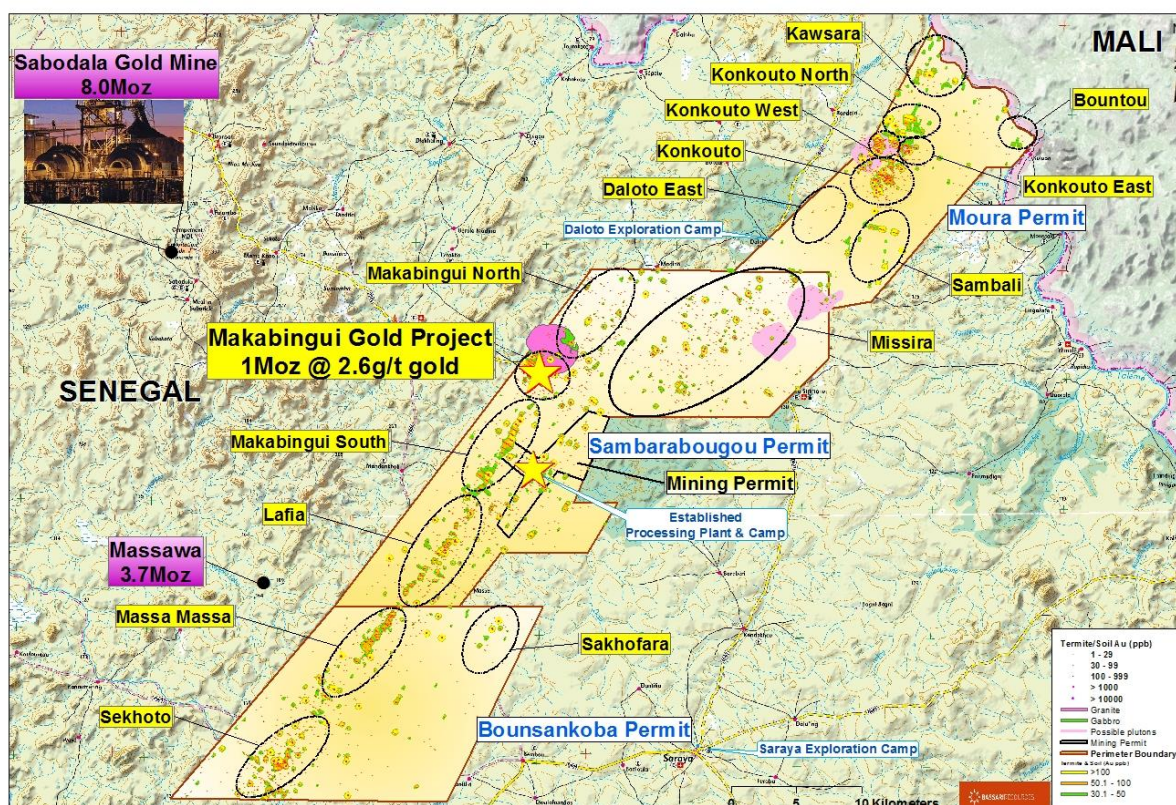
The Makabingui Gold Project currently hosts a Mineral Resource (*Note 1*), which comprises 11.9 million tonnes averaging 2.6 g/t gold for a contained 1 million ounces of gold classified into the Indicated and Inferred Resource categories. The initial open pit mining phase focuses on the Indicated Resource based on a conventional gravity and Carbon in Leach (CIL) processing circuit. The Open Pit Feasibility Study for the initial mining phase delivered outstanding results at US\$1200/oz gold price (**ASX Announcement 26 June 2014**).

An Underground Scoping Study has been undertaken providing an assessment of the potential for an underground development phase for the Makabingui Gold Project within the one million ounce gold resource (**ASX Announcement 2 September 2014**). Underground development would commence on Completion of Pit 1 mining operations and utilise existing infrastructure and 300ktpa processing plant factored into the Open Pit Feasibility Study for the development of four high grade open pits.

*Note 1 :- Prepared and disclosed under the JORC Code 2004 and remains unchanged.*

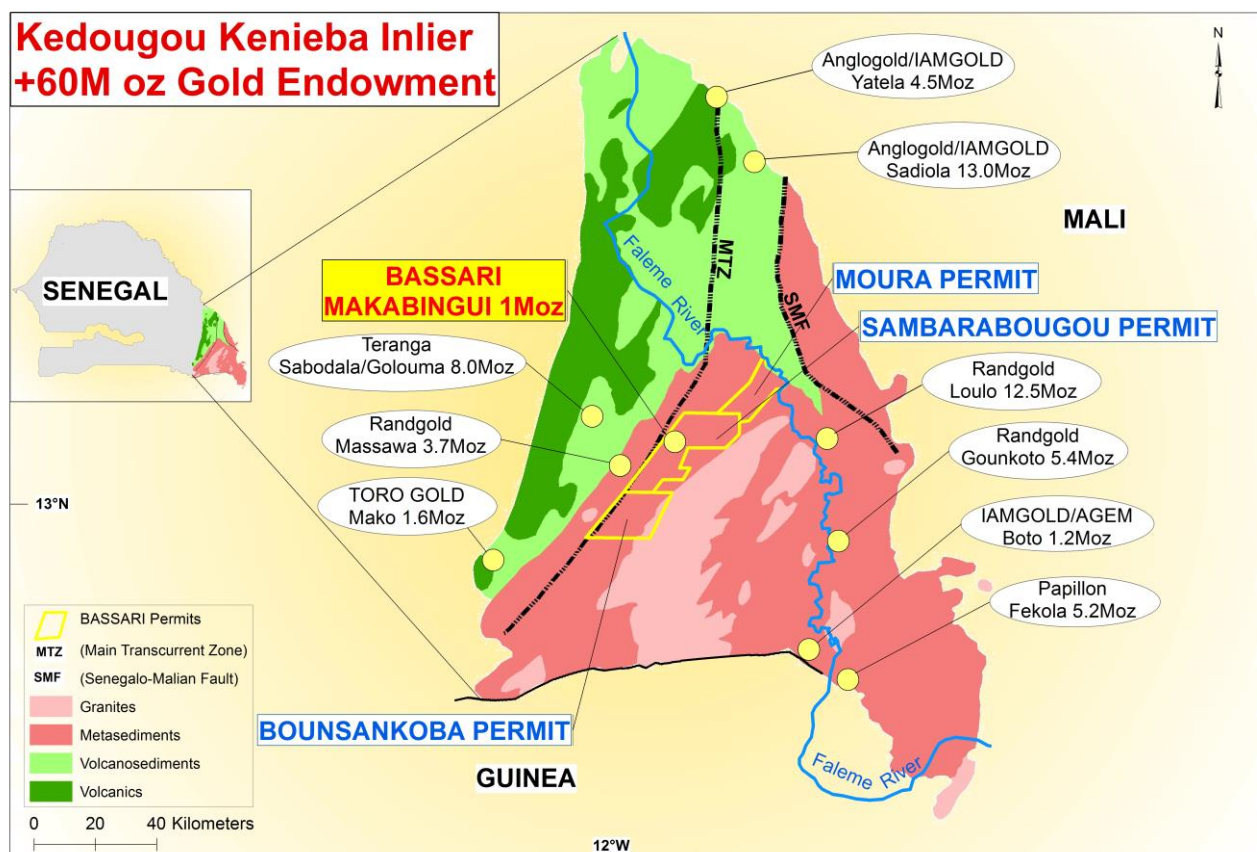
## PROJECT LOCATION

Bassari holds a 70% interest in each of three contiguous exploration permits; Sambarabougou, Moura and Bounsankoba, covering approximately 850 km<sup>2</sup> in a central location of the highly prospective Birimian Kenieba Inlier (refer Figure 1).



**Figure 1 – Bassari’s Permits with Project & Prospect Locations**

The permits are located approximately 750 km east of Senegal's capital city of Dakar and about 70km north east of the town of Kedougou, and span 80km strike length of parts of a major crustal shear zone, the Main Transcurrent Shear Zone (MTZ), a well-defined gold mineralised structural corridor. The Kenieba Inlier hosts several multi-million ounce gold deposits and extends into the bordering countries of Mali and Guinea (refer Figure 2).



**Figure 2 – Kedougou-Kenieba Inlier**

## **STRATEGIC EXPLORATION PACKAGE – PLENTY OF UPSIDE**

Bassari is extremely positive of the much larger exploration potential that exists within close proximity to both the Makabingui Gold Project and also within the three contiguous permits.

Previous artisanal activity within the Makabingui Project area south of the existing resource has identified potential for multiple new areas of mineralisation within a significant NE trending shear zone, and further highlights the prospectivity of Makabingui (refer Figure 3). Previous broad spaced drilling (both RAB and RC) has returned significant gold intercepts which combined with the level of previous artisanal activity highlight the strong prospectivity.



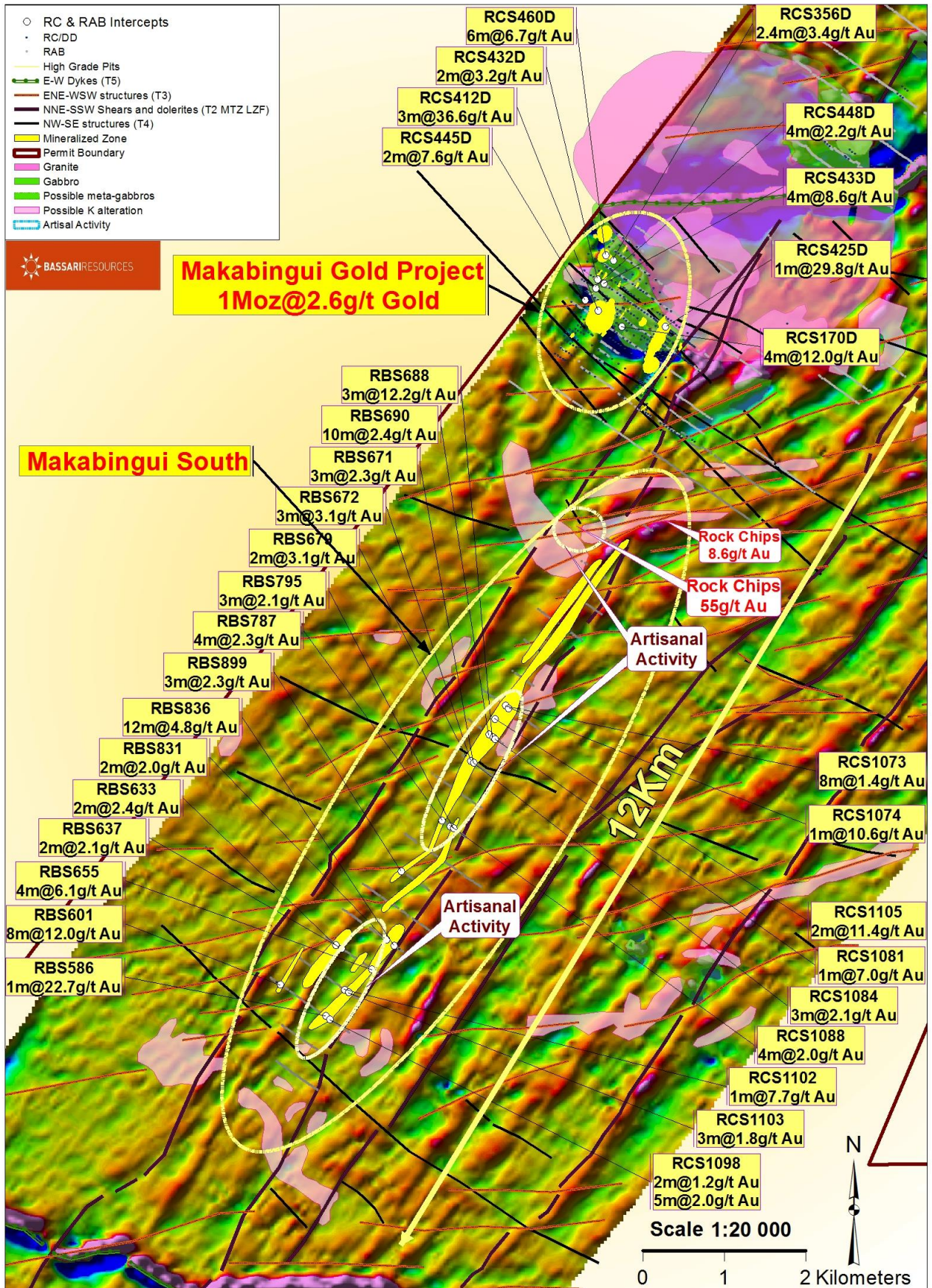


Figure 3 – Makabingui & NE Trending Mineralised Zone

### **About Bassari**

Melbourne - based West African gold developer Bassari Resources Limited (ASX:BSR) has a strategic portfolio of exploration permits focused on the Birimian Gold Belt in Senegal. The permits cover an area of 850 km<sup>2</sup> with 80 km of strike along the combined three contiguous permits. The permits are located within the Kenieba 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 which are based on assumptions and judgements of management regarding future events and results. Statements regarding Bassari Resources Limited plans with respect to future exploration and drilling are forward-looking statements. Forward-looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of Bassari Resources Limited that could cause actual results to differ materially from such statements. Bassari Resources Limited makes no undertaking to subsequently update or revise the forward-looking statements made in this release to reflect events or circumstances after the date of this release.

### **Competent Persons Statement**

The information in this announcement that relates to the Mineral Resources and Exploration Results has been reviewed and approved by Mr Chris Young who is a Member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Mr Young is a non-executive director and consultant to Bassari Resources Limited and has over 40 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 Young 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.

The Competent Person signing off on the overall Ore Reserves Statement is John Wyche. Mr Wyche is a Member of The Australasian Institute of Mining and Metallurgy who has 27 years of experience that is relevant to the style of mineralisation and type of deposit under consideration and to 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 Wyche is a full time employee of Australian Mine Design and Development Pty Ltd and acts as a consultant mining engineer to Bassari Resources. Mr Wyche is not an employee of Bassari Resources and does not hold shares or other equities in Bassari.

### **For Further Information Contact:**

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## APPENDIX A – JORC CODE TABLE 1 – REPORTING OF ORE RESERVES

Criteria	JORC Code explanation	Commentary
<i>Mineral Resource estimate for conversion to Ore Reserves</i>	<p><i>Description of the Mineral Resource estimate used as a basis for the conversion to an Ore Reserve.</i></p> <ul style="list-style-type: none"> <li>• <i>Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserves.</i></li> </ul>	<ul style="list-style-type: none"> <li>• The Ore Reserve is derived from the Mineral Resource estimated by AMC Consultants Pty Ltd and documented in their report #112029 Makabingui Resource Estimation dated February 2013.</li> <li>• The Mineral Resource is inclusive of the Ore Reserve.</li> <li>• The Resource model includes Indicated and Inferred categories. Only Indicated blocks are included in the Ore Reserve.</li> </ul>
<i>Site visits</i>	<ul style="list-style-type: none"> <li>• <i>Comment on any site visits undertaken by the Competent Person and the outcome of those visits.</i></li> <li>• <i>If no site visits have been undertaken indicate why this is the case.</i></li> </ul>	<ul style="list-style-type: none"> <li>• The Competent Person for the Ore Reserve, John Wyche, visited the site from 11<sup>th</sup> to 16<sup>th</sup> August 2014. The visit included: <ul style="list-style-type: none"> <li>○ The pit and waste dump areas,</li> <li>○ Examination of ore and waste from abandoned artisanal workings including weathered and fresh material,</li> <li>○ Examination of drill core through weathered and fresh material including ore zones and waste from each of the pits,</li> <li>○ Discussions with exploration geologists,</li> <li>○ Discussions with five mining contractors tendering on the project,</li> <li>○ Inspection of the site access, ore haul road route and ROM and existing process plant and mobile equipment,</li> <li>○ Review of the drill hole database including occurrence of sulphides,</li> <li>○ Observation of the local communities, and</li> <li>○ Discussions with environmental consultant preparing the EIS.</li> </ul> </li> <li>• No issues were observed which are likely to materially affect the Ore Reserve estimate.</li> <li>• Artisanal mining appears to have extended to 20 to 25 metres below surface but the volumes extracted appear small</li> <li>• Some sporadic pyrite was noted in the waste zones, mainly in the Pit 2 area.</li> </ul>



Criteria	JORC Code explanation	Commentary
<i>Study status</i>	<ul style="list-style-type: none"> <li><i>The type and level of study undertaken to enable Mineral Resources to be converted to Ore Reserves.</i></li> <li><i>The Code requires that a study to at least Pre-Feasibility Study level has been undertaken to convert Mineral Resources to Ore Reserves. Such studies will have been carried out and will have determined a mine plan that is technically achievable and economically viable, and that material Modifying Factors have been considered.</i></li> </ul>	<ul style="list-style-type: none"> <li>BSR completed a Feasibility Study in July 2014 using a Mine Plan based on this Ore Reserve.</li> <li>The Feasibility Study covered resource estimation, mining, metallurgy, process, environment, community and financial modelling.</li> <li>The Feasibility Study indicates a high degree of confidence that the project is technically and economically viable.</li> </ul>
<i>Cut-off parameters</i>	<ul style="list-style-type: none"> <li><i>The basis of the cut-off grade(s) or quality parameters applied.</i></li> </ul>	<ul style="list-style-type: none"> <li>A marginal cut off grade was applied to each block in the resource model whereby the value of the recoverable gold in each tonne of ore processed is at least equal to the sum of: <ul style="list-style-type: none"> <li>The additional cost of mining the tonne as ore instead of waste</li> <li>The cost of hauling the ore to the processing plant at Douta</li> <li>The cost of processing the ore to produce gold in dore</li> <li>The cost of site administration expressed as a cost per tonne of ore</li> <li>The selling costs of the recovered gold (transport, insurance, royalties and refining)</li> </ul> </li> <li>Since a fixed process recovery of 95% and a fixed processing rate of 300ktpa were used the cut off grade per ROM tonne at US\$1200/oz Au can be stated as 1.3 g/t Au.</li> </ul>
<i>Mining factors or assumptions</i>	<ul style="list-style-type: none"> <li><i>The method and assumptions used as reported in the Pre-Feasibility or Feasibility Study to convert the Mineral Resource to an Ore Reserve (i.e. either by application of appropriate factors by optimisation or by preliminary or detailed design).</i></li> <li><i>The choice, nature and appropriateness of the selected mining method(s) and other mining parameters including associated design issues such as pre-strip, access, etc.</i></li> <li><i>The assumptions made regarding geotechnical parameters (eg pit slopes, slope sizes, etc), grade control and pre-production drilling.</i></li> <li><i>The major assumptions made and Mineral Resource model used for</i></li> </ul>	<ul style="list-style-type: none"> <li>Initial development of the project will be by opencut mining of the near surface resource. The opencut was defined by Whittle pit optimization.</li> <li>Opencut mining is based on conventional mining by hydraulic excavators loading rear dump trucks. The mineralized zones are narrow, steeply dipping and commence at or near surface. The proposed mining method maximizes resource to reserve conversion of the near surface mineralization.</li> <li>Pit wall slopes are based on a review of geotechnical logs and core photographs and limited kinematic analysis by Extract Mining Consultants. The pit optimization flattened the recommended</li> </ul>



Criteria	JORC Code explanation	Commentary
	<p><i>pit and stope optimisation (if appropriate).</i></p> <ul style="list-style-type: none"> <li>• <i>The mining dilution factors used.</i></li> <li>• <i>The mining recovery factors used.</i></li> <li>• <i>Any minimum mining widths used.</i></li> <li>• <i>The manner in which Inferred Mineral Resources are utilised in mining studies and the sensitivity of the outcome to their inclusion.</i></li> <li>• <i>The infrastructure requirements of the selected mining methods.</i></li> </ul>	<p>interramp slopes to allow for ramps. In general optimization slopes above base of oxidation were 30° and 45° below the base of oxidation. Slopes will be reviewed during mining of early starter pits.</p> <ul style="list-style-type: none"> <li>• Grade control drilling will be by reverse circulation drilling and a program is planned to test the top 15 metres depth from surface prior to the commencement of mining.</li> <li>• Mining dilution was modelled as a 0.3 metre skin on the hangingwall and footwall of each mineralized lens. This resulted in average dilution of 21%. A mining recovery of 95% was assumed for all diluted blocks above the cut off grade.</li> <li>• A minimum mining width of 15 metres was used except for the “goodbye” cut in the base of each pit which is mined below the bench level by the excavator.</li> <li>• Mining costs for the pit optimization are from a first principles estimate of the fleet, workforce and consumables costs for mining with Senegal cost inputs. The estimate was benchmarked against the larger Sabodala Mine which is 30km from Makabingui. Average costs are US\$4.63/tonne for ore and US\$2.89/tonne for waste.</li> <li>• The other main inputs for the pit optimization were: <ul style="list-style-type: none"> <li>○ Ore processing rate 300,000 tonnes per annum</li> <li>○ Ore haulage to the processing plant at Douta US\$4.37/tonne ore</li> <li>○ Processing US\$29.62/tonne ore</li> <li>○ Administration US\$10.44/tonne ore (US\$3.133M per annum)</li> <li>○ Gold Price US\$1,200/oz</li> <li>○ Royalties 3% of saleable value</li> </ul> </li> <li>• Indicated and Inferred resources were used in the pit optimization. There are no Measured resource blocks. The Inferred resources have negligible impact on the two shells which guided the pit designs for these Reserves. They mainly affect two smaller pits which are not included in these Reserves. Reporting of the Reserves for the two main pits only considers Indicated resources. No Inferred resources</li> </ul>

Criteria	JORC Code explanation	Commentary
		<p>are included in these Reserves.</p> <ul style="list-style-type: none"> <li>It is planned to conduct mining under a contract. Five major African opencut mining contractors visited the site in August 2014 and have expressed interest in submitting tenders. They are all aware of the need to establish workshops, offices, communications and related facilities on site and they are aware of the existing camp facilities. All these items were estimated in the Feasibility Study.</li> </ul>
<p><i>Metallurgical factors or assumptions</i></p>	<ul style="list-style-type: none"> <li><i>The metallurgical process proposed and the appropriateness of that process to the style of mineralisation.</i></li> <li><i>Whether the metallurgical process is well-tested technology or novel in nature.</i></li> <li><i>The nature, amount and representativeness of metallurgical test work undertaken, the nature of the metallurgical domaining applied and the corresponding metallurgical recovery factors applied.</i></li> <li><i>Any assumptions or allowances made for deleterious elements.</i></li> <li><i>The existence of any bulk sample or pilot scale test work and the degree to which such samples are considered representative of the orebody as a whole.</i></li> <li><i>For minerals that are defined by a specification, has the ore reserve estimation been based on the appropriate mineralogy to meet the specifications?</i></li> </ul>	<ul style="list-style-type: none"> <li>Processing will be by gravity concentration followed by CIL of the gravity tails. It will use the existing 300 ktpa gravity plant with some modification and a new grinding and CIL circuit.</li> <li>The flowsheet is well supported by test work at a range of grind sizes.</li> <li>Samples for the test work were chosen from a range of drill sections at varying depths through the two main geological units. The metallurgical sample composites should be representative of the opencut material in these Reserves.</li> <li>The gold grade of the sample for the grind size selected (6.14 g/t) is similar to the expected average opencut grade of 5.7 g/t Au.</li> </ul>
<p><i>Environmental</i></p>	<ul style="list-style-type: none"> <li><i>The status of studies of potential environmental impacts of the mining and processing operation. Details of waste rock characterisation and the consideration of potential sites, status of design options considered and, where applicable, the status of approvals for process residue storage and waste dumps should be reported.</i></li> </ul>	<ul style="list-style-type: none"> <li>The project Environmental Impact Statement is currently being prepared by a Senegalese consultant, Synergie.</li> <li>The EIS will be an update of the existing EIS for the alluvial gold operation.</li> <li>The project will build on existing community relationships with the two affected villages of Sambarabogou and Douta.</li> <li>Field work for the Environmental &amp; Social Impact Study has been completed and the Terms of Reference for the project have been submitted to the Senegal Environmental Department. Local meetings are being arranged with various Government Departments in the lead</li> </ul>

Criteria	JORC Code explanation	Commentary
		<p>up to a public meeting to be held in the region. No material issues either physical or social have been raised by Synergie Environment.</p> <ul style="list-style-type: none"> <li>• Only limited waste characterization work has been undertaken and there is currently no definition of potentially acid forming waste rock. Examination of drill logs shows only minor occurrence of sulphides in isolated intersections away from the ore zones. This is almost entirely pyrite with rare occurrences of arsenopyrite. It is likely that some sulphide waste will have to be encapsulated in the waste rock dump but the likely volumes are minor and there should be large volumes of non-acid forming waste to use as encapsulating material.</li> </ul>
Infrastructure	<ul style="list-style-type: none"> <li>• <i>The existence of appropriate infrastructure: availability of land for plant development, power, water, transportation (particularly for bulk commodities), labour, accommodation; or the ease with which the infrastructure can be provided, or accessed.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Bassari Resources built and operated the existing process facility at Douta, 10km south of the Makabingui opencut area, to support an adjacent alluvial mine. This facility will be modified to incorporate a CIL circuit.</li> <li>• Access roads, fuel storage, camp, power, raw water storage, potable water and communications are already in place and will be expanded or modified as required.</li> <li>• Mining will be done on contract. Five major African mining contractors are currently involved in the tender process for this contract.</li> <li>• Access for all but the last 10km to the site is shared with the much larger mining operation at Sabodala, 30km from Makabingui.</li> </ul>
Costs	<ul style="list-style-type: none"> <li>• <i>The derivation of, or assumptions made, regarding projected capital costs in the study.</i></li> <li>• <i>The methodology used to estimate operating costs.</i></li> <li>• <i>Allowances made for the content of deleterious elements.</i></li> <li>• <i>The source of exchange rates used in the study.</i></li> <li>• <i>Derivation of transportation charges.</i></li> <li>• <i>The basis for forecasting or source of treatment and refining charges, penalties for failure to meet specification, etc.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Capital costs were estimated on the following bases: <ul style="list-style-type: none"> <li>○ Process- First principles cost estimate based on budget pricing for equipment and review of costs from construction of the existing gravity circuit.</li> <li>○ Services (power, water, other site infrastructure) - First principles cost estimate based on budget pricing for equipment and review of costs from construction of the existing gravity circuit.</li> <li>○ Roads - Internal first principles cost estimate utilising existing Bassari mobile fleet.</li> <li>○ Mining – Estimated Mining Contractor establishment costs and 4</li> </ul> </li> </ul>



Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> <li><i>The allowances made for royalties payable, both Government and private.</i></li> </ul>	<p>months of pre-production mining.</p> <ul style="list-style-type: none"> <li>Operating costs were estimated on the following bases: <ul style="list-style-type: none"> <li>Mining – First principles cost estimate based on equipment productivities, fleet ownerships and operating costs, explosives consumption and costs, operator and maintenance labour and management, supervision and technical services costs. Contractor margin applied to operating items. Benchmarked against Sabodala Mine.</li> <li>Process- First principles cost estimate based on budget pricing for consumables. Power cost based on load estimate and fuel consumption for generator sets. Local labour rates applied to manning levels.</li> <li>Administration - First principles cost estimate based on local labour rates applied to manning levels and previous operating experience of existing gravity plant.</li> </ul> </li> <li>A royalty of 3% of value of gold sold was applied based on the Senegal Mining Code.</li> <li>An exchange rate of CFA500 per US\$1.00 was used.</li> </ul>
<b>Revenue factors</b>	<ul style="list-style-type: none"> <li><i>The derivation of, or assumptions made regarding revenue factors including head grade, metal or commodity price(s) exchange rates, transportation and treatment charges, penalties, net smelter returns, etc.</i></li> <li><i>The derivation of assumptions made of metal or commodity price(s), for the principal metals, minerals and co-products.</i></li> </ul>	<ul style="list-style-type: none"> <li>A fixed gold price of US\$1,200 was used over the 3.5 year opencut project life</li> </ul>
<b>Market assessment</b>	<ul style="list-style-type: none"> <li><i>The demand, supply and stock situation for the particular commodity, consumption trends and factors likely to affect supply and demand into the future.</i></li> <li><i>A customer and competitor analysis along with the identification of likely market windows for the product.</i></li> <li><i>Price and volume forecasts and the basis for these forecasts.</i></li> <li><i>For industrial minerals the customer specification, testing and</i></li> </ul>	<ul style="list-style-type: none"> <li>The currently planned opencut project will produce less than 200,000 oz of gold over 3.5 years. All gold will produced in dore. Demand for gold is relatively inelastic so there is no concern that all production will not be sold at the prevailing market price.</li> </ul>

Criteria	JORC Code explanation	Commentary
	<i>acceptance requirements prior to a supply contract.</i>	
<b>Economic</b>	<ul style="list-style-type: none"> <li><i>The inputs to the economic analysis to produce the net present value (NPV) in the study, the source and confidence of these economic inputs including estimated inflation, discount rate, etc.</i></li> <li><i>NPV ranges and sensitivity to variations in the significant assumptions and inputs.</i></li> </ul>	<ul style="list-style-type: none"> <li>The Feasibility Study financial analysis used a discount rate of 8% to calculate the project NPV.</li> <li>The estimated operating cashflow over the 3.5 years of the opencut life is more than 7 times the estimated capital cost so, given the level of confidence associated with an Indicated Resource, it is unlikely that the project will not be cash positive.</li> </ul>
<b>Social</b>	<ul style="list-style-type: none"> <li><i>The status of agreements with key stakeholders and matters leading to social licence to operate.</i></li> </ul>	<ul style="list-style-type: none"> <li>Synergie Environment are undertaking the Environment and Social Impact Study which is in progress. Field work has been completed and local meetings are being arranged with various Government Departments in the lead up to a public meeting to be held in the region. No material issues either physical or social have been raised by Synergie Environment.</li> </ul>
<b>Other</b>	<ul style="list-style-type: none"> <li><i>To the extent relevant, the impact of the following on the project and/or on the estimation and classification of the Ore Reserves:</i></li> <li><i>Any identified material naturally occurring risks.</i></li> <li><i>The status of material legal agreements and marketing arrangements.</i></li> <li><i>The status of governmental agreements and approvals critical to the viability of the project, such as mineral tenement status, and government and statutory approvals. There must be reasonable grounds to expect that all necessary Government approvals will be received within the timeframes anticipated in the Pre-Feasibility or Feasibility study. Highlight and discuss the materiality of any unresolved matter that is dependent on a third party on which extraction of the reserve is contingent.</i></li> </ul>	<ul style="list-style-type: none"> <li>The estimated head grades depend on achieving a high degree of selectivity in mining the thin ore lenses. The mining costs allow for this level of selectivity. If dilution is higher than planned significant cost will be incurred in hauling ore to Douda and processing it. However, the resource grades are high enough that even if excessive dilution doubled the ore tonnes with no more contained gold the project would still generate a net cash flow around three times the estimated capital cost.</li> <li>Artisanal miners were active over the two main opencut areas up until June 2014 when they were removed by the Senegalese authorities. A Gendarme station remains on site and the artisanal miners are not likely to return.</li> <li>It is not possible to accurately quantify the tonnes of ore removed by the artisanal miners. Based on the volume and types of ore and mullock surrounding small shafts and pits in the two main pit areas the Ore Reserves make the two following allowances for removal of ore by artisanal miners: <ul style="list-style-type: none"> <li>Pit 1 – 10% of the ore above 25 metres depth from surface. This is just below the base of weathering. Some fresh rock was observed in the mullock but the size and nature of the shafts make</li> </ul> </li> </ul>

Criteria	JORC Code explanation	Commentary
		<p>it unlikely that the workings extend far into fresh rock.</p> <ul style="list-style-type: none"> <li>○ Pit 2 – 10% of the ore above the base of weathering. Very little fresh rock was observed in the mullock.</li> <li>● The artisanal workings may present a hazard to opencut mining vehicles over the first 20 to 30 metres depth of mining. Shafts will need to be mapped and probe drilling may be required to define any lateral workings.</li> <li>● Bassari Resources has an gold refining agreement in place with TCA SPA.</li> <li>● The Sabarabougou Exploration Permit was renewed 13 September 2013 for a further 3 years.</li> <li>● Exploitation Permit application has been lodged with the Senegal Government in accordance with the Senegal Mining Code. The permit will be subject to the satisfactory completion of the Environmental and Social Impact Study.</li> <li>● No other 3<sup>rd</sup> party approvals are pending.</li> </ul>
<i>Classification</i>	<ul style="list-style-type: none"> <li>● <i>The basis for the classification of the Ore Reserves into varying confidence categories.</i></li> <li>● <i>Whether the result appropriately reflects the Competent Person's view of the deposit.</i></li> <li>● <i>The proportion of Probable Ore Reserves that have been derived from Measured Mineral Resources (if any).</i></li> </ul>	<ul style="list-style-type: none"> <li>● All of the Ore reserves are Probable and these are all derived from Indicated Resources.</li> <li>● In the opinion of the Competent Person for the Ore reserves, John Wyche, no modifying factors were identified which would prevent any part of the Indicated Resource within the designed pits and above the cut off grade from being converted to a Probable Reserve.</li> <li>● The Feasibility Study financial analysis included 126,000 tonnes of mill feed from Inferred resources in addition to these Ore Reserves. The Inferred material is almost entirely from two small pits mined at the end of the project life. 87% of the mill feed tonnes and 88% of the product gold in the Feasibility Study come from these Ore Reserves derived from Indicated resources.</li> </ul>
<i>Audits or reviews</i>	<ul style="list-style-type: none"> <li>● <i>The results of any audits or reviews of Ore Reserve estimates.</i></li> </ul>	<ul style="list-style-type: none"> <li>● No audits of the Ore Reserves have been undertaken.</li> </ul>



Criteria	JORC Code explanation	Commentary
<p><i>Discussion of relative accuracy/confidence</i></p>	<ul style="list-style-type: none"> <li>• <i>Where appropriate a statement of the relative accuracy and confidence level in the Ore Reserve estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the reserve within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors which could affect the relative accuracy and confidence of the estimate.</i></li> <li>• <i>The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.</i></li> <li>• <i>Accuracy and confidence discussions should extend to specific discussions of any applied Modifying Factors that may have a material impact on Ore Reserve viability, or for which there are remaining areas of uncertainty at the current study stage.</i></li> <li>• <i>It is recognised that this may not be possible or appropriate in all circumstances. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Makabingui is a greenfields site so the accuracy of the reserve is largely dependent on the accuracy of the resource. As an Indicated Resource there should be good confidence in the continuity of the mineralization in the narrow lenses.</li> <li>• The Ore Reserve is a local estimate to the extent that over 1 to 3 months of mining the average head grade would be expected to match the scheduled Ore Reserve grade to within +/-10%. The accuracy will increase over shorter time periods as the resource model is gradually replaced by a model derived from grade control drilling and pit mapping.</li> <li>• The main modifying factor affecting the Ore Reserves will be the ability of the mining operation to achieve the planned level of mining selectivity on the thin ore zones. The mine plan allows reasonable time and cost for selective mining.</li> </ul>