

Exploration Update

for the quarter ended 31 March 2017

GREENFIELDS

Greenfields exploration activities were undertaken, during this first quarter of the year, in Australia, USA, Colombia, Brazil, Argentina, and Tanzania. Greenfields Exploration completed 4,389m of Reverse Circulation (RC) diamond drilling in Australia and 1,034m of rotosonic drilling in the USA.

In **Australia**, most exploration during the quarter was completed at the Butcher Well project in Laverton (AGA earning 70% from Saracen Mineral Holdings). A total of 4,389m of RC/diamond drilling was completed in 11 holes, which targeted the fresh-rock extensions of shallow oxide intersections in the Butcher Well and the Hronsky/Enigmatic open pits. Encouraging results were received from several holes in the Enigmatic structure where six drill holes have intersected a significant mineralised structure over a strike of 500m. In the greater Laverton tenement area lake- and land-based aircore programmes are scheduled to commence in the second quarter, along with detailed ground gravity programmes. This work will take place within the Saracen JV earn-in area and also within 100% AGA tenements.

In the **USA**, a reconnaissance rotosonic drill program was completed at the Celina Project (100% AGA) with 29 holes drilled for 1,034m. These drill holes targeted basal till gold dispersion trains with analytical results pending. Regional magnetic airborne survey on 17,687km was completed early in the quarter, resulting in a total of 50,697km. Geological interpretation and targeting using the survey data is progressing.

In **Colombia**, Greenfields re-aligned programmes and focus to minimise expenses while maintaining future optionality. The only active project is Nuevo Guintar (100% AGA) where activities are focused at outlining final drill targets. Soil sampling, ground magnetic and IP programs carried out in this quarter continue to support the model of a preserved, epithermal target. For the second quarter, the plan is to drill 1,200m to test the targets.

In **Brazil**, work concentrated on the Tromai Project which covers a large ~2,000km² highly prospective tenement package (AGA earning 70% from Trek Mining formerly known as Luna Gold). The regional airborne magnetic survey, initiated in the last quarter of 2016 was completed in March (27,000km in this quarter and, 38,000km in total) and processing of the data is currently underway. In parallel, work programmes have focused on environmental permitting for the drilling programme, geologic mapping of drill targets and regional soil geochemistry. In the last week of March a diamond drill rig was mobilised. An 18,000m drill programme is planned for 2017.

In **Tanzania and Argentina** early stage greenfields evaluation and reconnaissance programmes progressed.

BROWNFIELDS

South Africa: Mineral Resource conversion drilling from surface continued at Mponeng. Both UD 58A and UD 60 were completed and the drill sites have been rehabilitated and signed off. The contracts for the new holes UD 61 and UD 63 are under review.

Tanzania: Exploration drilling activities included Mineral Resource conversion drilling at Nyankanga Block 5 and Geita Hill East, Mineral Resource delineation drilling at Matandani and Star & Comet Cut 2 NW, and infill and underground drilling at Star & Comet (Cut 2 and 3). During the quarter, 77 drillholes totalling 12,174m were completed for the combined surface and underground exploration drilling programmes.

At Nyankanga Block 5 a total of 1,307m of diamond drilling was completed and all assays received. Several significant intercepts were reported with one hole reporting a particularly wide and high grade intercept. Modelling and interpretation has shown that the Cut 9 orebody sits at the intersection between the Ioda fault and Nyankanga fault zones, where both structures cut through a folded package of BIF.

The Mineral Resource delineation drilling programme continued at Matandani from outside the pit. Seven drill holes were planned for the first phase, covering both the eastern and western lodes. RC pre-collaring has been completed for all of the planned holes and four holes were DD-tailed to completion (2,008m RD), with diamond drilling ongoing. One of the drillholes completed to date returned a wide high grade intercept from the eastern orezone. Four additional holes have been proposed based on the current geological observations and results.

At Star & Comet Cut 2 NW, the Mineral Resource delineation drilling programme was concluded with one DD hole (454m) completed from surface to test the down-plunge extension of the Cut 2 orebody. All assay results have been received. Three drillholes successfully intersected the anticipated mineralised zones, confirming the NW plunging mineralisation down to 1,075 level. The down-plunge continuity of the pay shoot appears to be disrupted by intrusives and interpretation is currently underway to delineate its extension to the northwest.

Underground development exploration activities at Star & Comet included advancing two ore drives on levels 1,251mRL at Cut3 and 1,175mRL at Cut2. The cross-cut access to intersect Cut3 orebody at level 1,276mRL was also developed. Underground exploration drilling continued with a total of 6,510m of infill and Mineral Resource delineation DD completed. Infill and Mineral Resource delineation drilling took place 1,215mRL of Cut 2 to define the continuity of the down-plunge mineralisation. Encouraging drillhole intercepts continued to be reported and the NW/NNW plunge of the orebody has been confirmed.

Twenty five RC holes were completed (1,895m) at Geita Hill East, aimed at converting Inferred Mineral Resource to Indicated in the eastern part of the design pit. Partial assays have been received to date, with some significant intercepts reported.

The second workshop for the interpretation of the Nyankanga-Geita Hill 3D Seismic data took place at Geita during the quarter. Twelve potential targets were identified and a review of priority targets in the Nyankanga area has been finished with initial drill-testing scheduled for the coming quarter.

Guinea: A total of 17,877m was drilled. Infill drilling took place at Seguelen PB2, Kami, Tubani, and Silakoro, and reconnaissance drilling at Silakoro NE, Kolenda South (Ellis Park) and John Deer.

At Seguelen (480m) RC drilling was completed to improve confidence in the Mineral Resource model. The drill programme is complete and assays generally returned thin intersections confirming the model and that grades decrease overall away from the main NE structure associated with mineralisation.

642m of RC drilling was completed at Kami in the southeastern area of the pit, with multiple significant intersections returned that support the Mineral Resource model but also indicate a potential extension of the planned pit shell.

At Tubani, RC infill drilling (680m) was completed and no further drilling is planned due to access issues. Drilling results show that mineralised intersections are thinner and of lower grade than the Mineral Resource model initially suggested.

Infill drilling to increase confidence in the Silakoro geological and Mineral Resource models continued, in addition to reconnaissance drilling to test potential northeast extensions of the mineralisation. In total 11,571m RC and 746m DD were drilled, completing the current programme. Mineralisation occurs where a NE-SW orientated structure intersects a conglomeratic unit and multiple significant intersections were received, confirming the mineralisation in the main deposit but with relatively low grades reported from the northeast extension area. A geometallurgical study is also.

Reconnaissance drilling at the Kolenda South (Ellis Park) target in the southeast of the Block 1 lease was undertaken, with 2,666m RC drilling completed. Only 2 minor intersections were reported; any further work will be centred south of the drilled area. At the John Deer target south of the plant and east of the TSF, 1,092m of RC reconnaissance drilling was completed. 28% of the drill programme is completed and compensation is in progress to cover further drilling. All assays results are outstanding. Preliminary interpretation of the airborne magnetic and radiometric geophysical survey over portions of Block 1 and Block 2 and the Saraya West license was completed. Seven targets were identified across

the Seguelen West area, as well as an area NE of the Foulata deposit and potential extensions of the Saraya mineralisation within the Saraya West licence. These targets will be validated by field mapping, focussing on outcropping and artisanal mining activity.

Target generation and evaluation of the Corridor Blocks and TSF Exploration Licences was carried out and will be followed up by reconnaissance work to investigate priority targets. A soil sampling programme to cover an untested area in the northwest of Block1 was initiated, with approximately half of the work completed to date.

Ghana: Exploration at Iduapriem was focused on drilling at Block 1W/ Nueng, Block 4S and Mile 5. A total of 4,353m drilling was completed (3,558m DD and 795m RC).

Drilling at Block 1W/Nueng continued with reconnaissance drilling concluding towards the end of the quarter while Mineral Resource delineation drilling commenced at Block 1W. Drilling in the area totaled 2,983m (270m RC and 2713m DD). It has been confirmed that, although there is some structural complexity, the conglomerate reef sequence continues westwards along strike to within approximately 500m of the main Block 1 Pit. Results and observations indicate that the reef packages down-dip represent a full reef package, whereas recent drilling at relatively shallow depths report a thinner/truncated reef sequence.

To upgrade Block 4S to Indicated Mineral Resource, infill drilling continued with a total of 1,130m drilled (285m RC and 845m DD). Drilling focused on increasing confidence in the structural model and reef displacement along the main fault.

Drilling at the Mile 5 target area continued on a southwest azimuth, drilling a total of 240m to a planned hole depth of 48m. Assays returned indicate continuity of mineralisation, although grades remain disappointingly low.

The results of the lease-scale geochemical soil sampling programme continue to be assessed, although not all results have been returned to date.

Democratic Republic of the Congo: During the quarter, mine based exploration took place at the Rhino NE, Sessenge Southwest, Aerodrome, and Pamao. Regional exploration focused on Kalimva-Ikamva in the north, Belengo in the east and Aindi Watsa-Dilolo-Zambula in the south.

Three trenches have been completed at Rhino NE in an area located 100m northeast of the current Rhino pit following positive results from the auger programme. The trenches intersected two mineralised zones with the mineralisation interpreted to represent lenses in the hanging wall of the Rhino mineralised system.

Geological observation of the greater area, incorporating Agbarabo main, Rhino and Kombokolo, suggests a possible link of this mineralisation with an east-northeast structure associated with the old Agbarabo pit high grade ore shoot. Follow-up work will focus on drilling across the area to test the lateral and down-plunge continuity of the mineralised lenses.

At Sessenge Southwest, assay results were received this quarter for the remaining four trenches completed in the northwest of the western limb of the Sessenge SW fold. Overall the results support the mineralisation model. Interpretation and modelling of the Sessenge SW data indicate mineralisation to be at the contact of the BIF with meta-conglomerate and associated with complex poly-phase folding.

A drilling programme of 17 RC holes and 16 DD holes was initiated at the Aerodrome deposit, with the aim of firming up on the geological model, in particular discrepancies between the lithological interpretation and assay results in the northern and southern areas. In the southern zone, nine RC hole (814m) were completed, and eight RC holes (693m) in the northern zone. The results generally support the modelled lenses in both zones and provide additional information in lithological variation across the area. The DD programme is in progress with four holes (687m) completed in the southern zone to date. At Pamao, which is planned for mining in 2018, results of the remaining diamond hole and first phase trench were received. The diamond hole is part of six diamond holes completed last quarter, infilling the historical holes in the high grade zones. The overall results indicate an increase in grade and a decrease in thickness relative to the previous model. A second phase of 100m infill trenching was completed this

quarter, with a third phase of 50m infill trenching ongoing to delineate the surface expression of the mineralisation.

Four fences of RC holes (2,431m in 23 holes) were completed at Kalimva-Ikamva targeting the down-plunge and down-dip continuity of mineralised lenses identified in the Belgian pits and intersected in recent DD holes. Preliminary projection based on the positive results from these fences and incorporating historic pits and previous drilling indicates that Kalimva, modelled as steep planar mineralisation developed along a shear, has significant economic potential, with mineralisation open at depth.

Geological investigations continued in the Aindi-Watsa Dilolo Zambula area were focused on the Aindi Watsa-Dilolo gap, characterised by a thick package of meta-siltstone and chloritic metamorphics with numerous artisanal workings. Two trenches were completed to test the mineralised east-northeast striking shear corridor. Results support that the association of mineralisation with the shear-hosted quartz veining but the low tenor and vein frequency does not support further work at this time.

The Belengo area is a regional target 30km east of KCD, with geological similarities to the KZ trend. A pitting orientation survey was completed prior to a planned soil survey program to better understand the regolith profile. The soil survey is planned for next quarter and will focus a 3 km zone along the main interpreted structure, supported by mapping and trenching programs.

Republic of Mali – RC drilling (2,460 m) was completed at Tambali West and Dogofile and DD (761 m) was completed at Tambali North, SSP North and FN bc. In addition, a total of 715m of DD was conducted at FE4 as part of the SSP to investigate the potential of the main shear below the pit that is earmarked for in-pit tailings disposal.

At FNbc, 221 m DD was completed to test for the shallow sulphide mineralisation along the NNE trend. Visually, there was no significant mineralisation observed and results pending. Results from the DD completed in late 2016 below the FNa pit confirmed the sulphide mineralisation but with slightly lower gold grades than expected.

One DD hole (250m) was drilled on the western part of the Sadiola North pit to investigate the SW plunge of the mineralisation at the intersection of the NNE trend and the main N-S Sadiola trend. A weakly mineralised 10m-wide breccia zone was intersected.

The DD hole at Tambali North confirmed the RC hole results with elevated gold grades and mineralisation considered to be controlled by a shallow east-dipping structure. A second diamond drill hole (120m) was drilled this quarter to follow up on the shallow sulphide mineralisation was entirely within the QFP dyke that has minor mineralised dark inclusions with metagreywacke. There is a shift of the mineralisation towards the east as it extends below the small waste dump between Tambali North and Sadiola.

DD in the FE4 pit as part of the sterilisation program for SSP is ongoing, with two holes completed and a third in progress for a total of 715m. The northern hole intersected a twenty-metre wide zone with discrete narrow massive pyrite veins and indications that the mineralisation could plunge northerly. The major structures intersected to date have been well-sealed, lowering the potential hydrogeological risk presented by the main shear.

RC drilling focused on oxide targets at Dogofile and Tambali West. Eight holes (1,028m) were drilled at Tambali West on the western extension of a broad arsenic anomaly associated with N-S to NNE trending geophysical lineaments. The area is characterised by deep weathering along lithological contacts. Results received to date were very poor but confirmed the down-dip continuation of the carbonate-hosted low grade mineralisation on the western edge of the Tambali south pit.

Ten holes (1,432m) were drilled on two lines 500m apart at Dogofile to test a lithological contact on the western part of the FE trend arsenic anomaly. Most assay results have been received with no significant mineralisation reported. An additional target to the south, associated with a major strike change, will be tested later in the year.

In **Argentina**, limited drilling was completed at Cerro Vanguardia during the quarter for a total of 618m.

In **Brazil**, exploration continued at the Cuiaba, Lamego and CdS production centers for AGABM with 22,515m drilled during the quarter with the start of the combined surface and underground drilling programmes.

At Serra Grande, 9,453m were drilled as part of the ongoing exploration and Mineral Resource conversion programmes.

In **Colombia**, the Gramalote JV completed 1,521m of drilling to support site and infrastructure investigations as well as in the regional JV exploration drilling programme. At La Colosa, 946m were drilled during the quarter as the site investigation geotechnical and hydrology drilling continued. The Quebradona JV program completed 1,880m as the infrastructure drilling program commenced.

In **Australia**, at Sunrise Dam drilling targeted Vogue Deeps, north extensions to Cosmo and Cosmo East, Cosmo East down dip and Hammerhead. Some of the holes drilled to target Vogue Deeps and Cosmo East down dip are within close proximity to Carey Shear zone, therefore some of these holes have been designed to pass through the shear and into the footwall. A total of 18,242m were drilled.

Drilling of Vogue Deeps continued with the 80m x 80m spaced drill pattern completed. 40m x 40m (Inferred) and 20m x 40m (Indicated) drill phases have now commenced to target between 1600mRL and 1400mRL in order to bring a prospective volume into Indicated to allow for conversion to Ore Reserve.

Mineral Resource delineation drilling to test northern extensions to Cosmo and Cosmo East have been completed, with assays for six holes still outstanding. The results have shown a thin mineralised domain continuing north of Cosmo East. Cosmo North is largely barren.

Delineation drilling targeting Cosmo East down dip extensions was completed and the decision made to continue with Mineral Resource definition drilling to define an Indicated Mineral Resource. This decision was based on consistent mineralised intercepts containing visible gold.

Mineral Resource delineation drilling of Hammerhead began this quarter, targeting eastern extensions to the orebody. Holes drilled to date show mineralised zones, therefore it is likely some infill holes will be drilled.

The final assays were returned for Elle, with a further three intercepts reported. Additional development to the south has been authorised to continue exploration. This extensional drilling is scheduled for the first quarter in 2018.

22 significant intercepts were returned during the quarter; three from Vogue Deeps, four from Cosmo East northern extensions, 11 from Cosmo East down dip, three from Elle and one isolated intercept from approximately 50m west of Cosmo.

At Tropicana, exploration focused purely on targets outside the current mining area, both on the mining lease and on the exploration leases. Exploration drilling consisting RC, DD and AC drilling targeted the Sanpan, Zebra, New Zebra, Hat-Trick, Springbok and Southern Mining Lease (ML) conceptual targets. Drilling totalled 15,947m.

RC and DDH drilling was focussed at the Sanpan, Zebra, New Zebra, Hat-Trick and Springbok prospects and the Southern ML targets and totalled 9,227 metres RC and 1,234 metres DD. A number of minor, mineralised, but not significant results, were intercepted at Sanpan. A number of results from New Zebra are still outstanding, though the results received to date have been largely disappointing. A thorough interpretation of results and geology will be initiated once all results are received. Results received from Zebra, Hat-Trick and Springbok showed no significant or minor intercepts. Results from the Southern ML targets are still pending.

Aircore drilling commenced in and around the New Zebra prospect late in the quarter to try and close-off potential extensions to the excellent results in the area from 2016 and confirm the structural model. Drilling totalled 5,486m and was still in progress at the end of the quarter. No assay results have been received to date for any of this drilling.

Major projects have been actioned for the year and progress made, including an update to the regional 1:20K geological map; interpretation of the 2014/2015 Tropicana 3D seismic survey and commencement of a research project by an MSc student looking at controls of gold mineralisation at the Madras prospect, in conjunction with the University of Western Australia.