

Exploration Update

for the quarter ended 31 March 2018

GREENFIELDS EXPLORATION

During the first quarter of 2018, Greenfields exploration activities were undertaken in Argentina, Australia, Brazil, and the USA. Greenfields exploration completed 11,826m of drilling globally during the quarter, with total expenditure of \$6.9m.

In **Australia**, exploration activity was focussed on the Butcher Well and Lake Carey farm-in (AGA earning 70%), within the Laverton district. A scoping study is in progress for Butcher Well, which is scheduled for completion in the second quarter of the year. Additional drilling at Camp Zone South lode commenced in March 2018. At the nearby Mt Minnie project, Reverse Drilling (RC) and Diamond Drilling (DD) commenced, and is due for completion in early April. The main Mt Minnie zone will be tested along 50m fences over 600m of strike. Wider spaced lines will be completed over 1.2km of strike. To date 34 RC holes have been completed and results for 10 holes received. Indications are that the central part of the Mt Minnie zone is better mineralised over approximately 300m of strike. Elsewhere in Australia, geological mapping and rock chip sampling were completed at the Glandore project (east of Kalgoorlie) and gravity surveys were completed in the Laverton district.

In **the USA**, winter roto-sonic drilling was completed at the Aegir, Ran and Freyja project areas in Minnesota, for a total of 2,073m drilled. Results are pending. In Nevada, DD commenced at the Silicon project, an earn-in option agreement with Renaissance Gold Inc., with 1,145m completed in three holes. Detailed geological mapping and a gridded soil programme is underway over the existing claim block, to identify further drill target opportunities. Regional reconnaissance was also completed to follow up on ASTER spectral anomalies and to delineate favourable target areas within the broader district.

In **Brazil**, work continued on the Tromai Project, which covers a large (~1,136km²) tenement package (AGA earning 70% from Equinox Gold). 185m of DD was completed and exploration programmes were completed on the Carutapera, Cajueiro, Pau de Breu and Iguana targets with insignificant results. Final assays are pending for the Gama target. With the onset of the wet season, environmental rehabilitation programs were initiated on all drill pads and accesses. A further five tenements totalling 400km² were relinquished and decision point for the project is expected by end the second quarter in 2018.

In **Argentina**, reconnaissance exploration was completed at the Rio Grande project in Salta Province which included geological mapping, rock chip sampling and talus fines sampling.

In **Colombia and Tanzania**, exploration programmes are on hold pending an internal review process.

BROWNFIELDS

South Africa: Surface drilling at Mponeng continued. Due to capital reductions, it was decided to stop drill hole UD63A. However, site de-establishment and rehabilitation have been completed.

For UD61A, site establishment is 95% completed and DD drilling has commenced extending the hole by 49.92m to reach a depth of 560.92m below surface. The hole is currently drilling the ~120m thick upper Karoo Sill that intersects the Timeball Hill shales.

Tanzania: The underground drilling operations targeted Star & Comet Cuts 2 & 3 as well as Nyankanga Block 3, 4 and 5, whilst surface drilling targeted Star & Comet NW Extension & Selous.

Drilling information used in the geological model indicated that the Star & Comet Cut 2 mineralisation has a change in dip direction. Boreholes have been proposed from 1,065 level to target the mineralised zone below 1,000 level (the lowest level of the current mine design). Drilling will commence once the drill pad becomes available.

The drilling and geological modelling indicate that the Star & Comet Cut 3 high grade zone appears to plunge steeply to the North. Thirty boreholes have been planned to test the blue-sky extension between 1,000 level and 650 level. Four of the holes were selected as a first phase to test the mineralisation continuity before proceeding with the remaining holes. Drilling commenced at the end of the quarter.

Assay results from Nyankanga Block 5 Mineral Resource development drilling have confirmed the Inferred Mineral Resource in Block 5 lower and the drilling in Block 4 is confirming the Inferred Mineral Resource within the design stopes.

Drilling at Selous achieved a total of 859m DD. Two drill holes returned wide significant intersections that are related to steeply dipping structures.

Two holes were drilled for the down hole EM survey at S&C C2, approximately 460m north west of the current open pit. The holes targeted both Cut 2 mineralisation beyond the intrusive as well as a second mineralised zone. Visual observations of core indicate that significant intersections will be returned.

Guinea: A total 32,547m of drilling was completed. At Foulata, 492 RC and 9 DD holes were completed. The programme is almost complete and most assays have been returned. At Saraya, 158 RC holes and 11 DD holes were completed bringing the programme to over half way with most assays still outstanding.

At Sokunu the fresh rock drilling programme was completed and most of the assay results have been received. Assays received show an extension of the main mineralisation at depth below the central part of the pit shell in the fresh rock material.

Seguelen PB2 drilling is almost complete and all the drilled samples have been assayed. The Kami pit drilling is half way and all the completed drill holes have been assayed. The Corridor License Blocks reconnaissance RC drill plan is half complete (34 RC holes drilled).

Terraspec and pXRF data collection was prioritised on Foulata and Saraya.

The Block 2, Saraya West and Block 1 satellite target drill plans were optimized using new information from an interpretation of the Arjuna AEM inversion depth slices. This work will be extended to Block 3 and Block 4.

Ghana: Drilling took place in Block 5 Ext, Block 5 East, Block 7 & 8 and Ajopa. Regional mapping and a soil sampling programme are in progress.

The interpretation of the geophysics of the Iduapriem sedimentary basin and field ground-truthing indicate that 3 newly discovered outcrops of conglomerate (probably the Kawere) are folded in parallel to the Banket in the south of the mine area.

Democratic Republic of the Congo: At KCD, an updated model was built incorporating information from the deep hole drilled in 2017 and a plan was developed to further test the new 12,000 lode and the updated geological model with underground boreholes.

At Mengu Hill, two DD boreholes were drilled to test the 1,101 and 1,102 high grade shoots. Compared to the Mineral Resource model, both zones were thinner and slightly lower grade than modelled.

In the Aerodrome North – Pamao gap, ten RC holes (633m) were drilled. The new data suggests two mineralised lenses of which a main zone (600m of strike extending from the hanging wall of Aerodrome North BIF), has potential to positively impact the Aerodrome North pit design and therefore requires further follow up.

Analysis to find high grade targets within low grade envelopes of the known deposits of Megi, Marakeke and Mengu Village identified Sayi target and the gap between Sayi and Mengu Village as having potential for follow up work in the coming quarter.

At Kalimva, a third phase of drilling on 100m spaced fences was completed to define high-grade zones (16 RC and 2 DD holes). Overall, a comparison of new drilling to the existing block model shows an

increase in grade with a decrease in thickness and an increase in metal content. At Ikamva, one fence of six RC holes was drilled in January to test the modelled recumbent fold approximately 250m down plunge. Significant intersections were received which confirmed down plunge projections of mineralisation.

At Ikamva North West, eleven RC holes at 20m spacing were drilled between the previous five trenches and existing three DD holes, but intersections proved to be inconsistent. At Kalimva East (Matiko) an auger programme was started to test 4 soil anomalies.

At Ndalo North target, seven of the nine planned trenches were completed, identifying three mineralised zones. Field mapping and grab sampling returned encouraging results at Zakitoko on the South KZ trend.

Republic of Mali: No drilling was undertaken. The outstanding 2017 assay results was received during the quarter. The hole TSDD-032 returned narrow mineralisation within the Quartz Feldspar Porphyry and metagraywackes. Results for the Tabakoto West, Lakanfla, Dogofile and Sadiola South RC samples were very poor. During the quarter, 1,630 samples were analysed by pXRF.

Argentina: No drilling took place during the quarter. Drilling is scheduled to start in April. Channel sampling was carried out with significant results recorded.

Local reconnaissance and vein mapping occurred at selected zones of Laura, Sonia and Patricia veins. Surface reconnaissance and chip sampling took place during the quarter, aiming at finding new areas to be trenched.

A ground magnetic surveys conducted by GEOAR SRL have covered an area of 29.76 Km².

Brazil: At Cuiabá a review of the 2018 underground drilling programme took place to accommodate the change in mine plan and align with OE800 initiatives.

Exploration drilling took place at Galinheiro, Surucucu and VQZ. Significant intersections were recorded, including visible gold in GALBUD0285.

Deep drilling borehole CBABSD0006A was completed during the quarter and it only intersecting weak chloritic alteration and carbonate veinlets. Borehole CBABSD0015 reached a depth of 2,044m during the quarter. The targeted mineralisation is expected at a depth of 2,125m.

In the Regional Programme, a workshop was held and several new, encouraging ideas and interpretations of regional data generated which will be further tested in the exploration programme. Regional soil sampling is in progress.

At Lamego, drilling focused on Carruagem SW L5, L8 and Cabeça de Pedra L3/4. The drilling shows the ore bodies are more continuous and connected than expected. Geological models for Carruagem SW and Arco da Velha are near completion.

At Corrego Do Sitio, CDS I Underground Drilling at Laranjeiras and Cachorro Bravo intercepted the main targets, thus confirming the mineralisation.

Results from the Rosalino drilling show good grades in the main lenses, but less continuity in the secondary lenses.

The additional drilling campaign at Cachorro Bravo has started and it is targeting the high-grade area below CB 423 level. Three drill holes were completed in March, which have intercepted mineralisation.

The Pinta Bem Mineral Resource model was completed.

At Serra Grande, a total of 8,618m of exploration drilling was completed. The drilling targets were Cajá's up plunge, drilled from underground and Limoeiro's down plunge drilled from surface.

The Mineral Resource conversion drilling focused on VQz S1, VQz N and Ingá down plunge, 292Granada up plunge (drilled from underground) and Orebody G3 (Pequizão, drilled from surface). A total of 8,217m were drilled and several significant intersections were returned.

In **Colombia**, the Gramalote JV geotechnical drilling was completed. A re-sampling programme of core from El Limon target identified high-grade veins. Regional exploration is investigating the continuity of mineralisation to the southwest of El Limon area. Soil and rock chip sampling programmes confirmed the extension of the mineralised structures at El Balsal by approximately 600m.

La Colosa remains in *force majeure* with no exploration activity.

At Quebradona, final quality control checks are ongoing on the structural data. The 2018 geophysical campaign scope of work has commenced and drilling is expected to start in May.

In **Australia**, at Sunrise Dam a total of 24,105m were drilled. Drilling targeted southern extensions to Vogue and Midway Shear (MWS), the northern extensions to Carey Shear, down dip extensions to the Cosmo and Cosmo East orebodies and southern extensions to Elle. 69 significant intersections received point to:

- encouraging southerly strike extensions to both Vogue and Midway Shear steep ore domains.
- down dip and southerly extensions to Cosmo East and Cosmo.
- mineralised Carey Shear, 300m south and up-dip of the Inferred Mineral Resource.
- Elle, a steep ore zone immediately above Vogue and MWS steep mineralisation indicates that the mineralised system at the southernmost point in the deposit is growing in size and currently extends 900m vertically.
- A northern extension to Astro is looking promising from the limited number of holes drilled and assays returned.

At Tropicana, a total of 25,716m were completed and comprised of 13,327m DD; 3,951m RC; and 8,438m AC.

DD took place at Boston Shaker, New Zebra and Madras with significant intercepts recorded. AC at the Southern Regional AC Traverses is in progress; however, the planned schedule is being delayed by a tropical low weather system and damaged rig suspension. A regolith model, applying gravity corrections for regolith variations in the Tropicana belt was produced by Mira Geoscience.

A Mineral Resource for the Boston Shaker 100x100 drilling is expected to be presented in April.