

Exploration Update for the six months ended 30 June 2018

GREENFIELDS EXPLORATION

During the six months ended 30 June 2018, Greenfields exploration activities were undertaken in Argentina, Australia, Brazil, and the USA. The overall Greenfields exploration for the company completed 27,989m of drilling in this first half of the year, with total expenditure of \$16.9m.

In **Australia**, exploration activity focussed on the Butcher Well and Lake Carey farm-in (AngloGold Ashanti earning 70%), within the Laverton district. The scoping study for Butcher Well is progressing well and is scheduled for completion in the third quarter of 2018. A programme of eight diamond drill holes tested the Camp Zone South target.

Results have been received from all drilling completed at Mt Minnie with some reasonable results. A preliminary Mineral Resource estimate has been completed. The initial results indicate that the mineralisation in fresh rock is refractory and additional test work is required. At the Ahab and Otway prospects (both 100% AGA and Butcher Well farm-in tenements), 139 aircore holes were completed on Lake Carey and from land-based positions.

Elsewhere in Australia, lake-aircore drilling was completed at the Glandore project (east of Kalgoorlie) and these returned significant gold intersections from 68 of the 190 holes. A regional soil sampling programme was completed over the Bullseye Creek magmatic complex (150km²) in NE Queensland.

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. Results are pending. At the Silicon project in Nevada a total of 2,346m of DD and RC drilling was completed. Some significant results were returned. AGA elected to maintain the 100% earn-in option on the Silicon property for the second year with Renaissance Gold.

In **Brazil**, work continued at the Tromai project (AngloGold Ashanti earning 70% from Equinox Mining). 185m of diamond drilling was completed and surface exploration was completed at four other targets. After a review of all the exploration results, AngloGold Ashanti (AGA) has withdrawn from the farm-in agreement with Equinox.

In **Argentina**, results from the first phase of surface sampling at El Cori (previously Rio Grande) were received and require follow-up sampling.

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

BROWNFIELDS

During first half of 2018, Brownfields exploration activities were undertaken across the globe and completed 341,120m of drilling for a total expenditure of \$29.2m (capital) and \$18.3m (expensed).

South Africa: Drill hole UD63A was stopped and UD61A is currently drilling HQ size at a depth of 976m. Advance has slowed in the Eccles Formation due to the intersection of a series of water loss fissures necessitating multiple grouting operations.

Tanzania: The intersections reported at Star & Comet Cut2 confirmed the down plunge extension of the mineralisation below 1000mRL. Drilling data from Star & Comet Cut3 was integrated to model the high-grade zone which appears to be steeply plunging to the North. Extension holes were drilled and managed to intersect the interpreted structure below the base of the mine design at 1000mRL.

Assay results from Nyankanga Block 5 confirmed the presence of Block 5 Lower. While the drilling results from Block 3 Lower (formerly Block 4C) have confirmed the Mineral Resource model and the mining design. The mineralisation continues towards Block 2 and further drilling will test the continuity.

At Star & Comet NW Extension, two holes were drilled in preparation for the Downhole Electromagnetic Survey (DHEM survey). The drilling and the DHEM survey has assisted in defining the limits and 3D geometry of the intrusive body, and consequently the confidence level. There is potential for down-plunge continuity of Star & Comet Cut2 mineralisation beyond the intrusive.

Encouraging drilling results continue to be reported from Selous and some of the drillholes from Mabe also reported significant economic intersections.

Guinea: For the pre-feasibility study of Foulata and Saraya, the Foulata drilling programme was completed and the Saraya programme is 88% complete. 90% of the Foulata fresh rock drilling campaign was completed with no assays returned yet.

At Sokunu, the fresh rock drilling programme was completed and results show an extension of the main mineralisation at depth, below the central part of the pit shell, in the fresh rock.

The Seguelen drilling results indicate an extension of the oxide mineralisation to the East and fresh material to the West below the pit. A change in the design of the waste dump area resulted from the completion of the Silakoro drilling. The Corridor drilling results proved that the area is not prospective and the ground will be relinquished.

Ghana: Mineralisation was intersected along strike and at depth in the Block 5 Extension drilling. In the Block 7&8 pre-feasibility drilling all the drill holes intersected the full reef package. The Iduapriem sedimentary basin regional mapping campaign was completed and the new interpretation highlighted three previously unidentified outcrops.

Democratic Republic of the Congo: At KCD, underground boreholes were drilled on two sections to follow up on the deep hole, DDD602, which intersected the 9000 lode and the new 12000 lode. The 9101 and 9103 high grade zones within the 9004 lode were confirmed, but not the expected 12000 lode.

In the Aerodrome North – Pamao gap, a new data interpretation suggests two mineralised lenses. While the three lines of drilling at the Ngyoba target, in the Sessenge SW - Kibali River gap, indicated continuity of the mineralised zone to 420m down plunge from surface.

In the Kombokolo-Rhino gap, two BIF units were intersected and further work is required to interpret the geology. On the northwest KZ trend in the Marakeke-Mengu Village gap, five trenches were excavated and the updated model indicates that there are three mineralised lenses.

In the first half of the year, a third and fourth phase of drilling was completed at Kalimva-Ikamva and no major changes were observed in the lithology and mineralisation models. At Ikamva North West, the updated geological model supports a model of boudinaged mineralisation and the inconsistency of mineralisation intersected does not support down plunge potential for this target.

At Kalimva East (Matiko) the auger programme was completed and a trenching programme will be proposed to follow up on anomalies. An auger drilling programme is proposed to follow up on a target area that lacks surface outcrops in the Ndala-Gawa gap.

At Birindi, in the Zambula-Zakitoko Gap, regional mapping was conducted. At Zakitoko, the trenching programme continued and only one of the ten trenches completed did not return significant results. The Kibali BLEG stream sediment campaign has been completed on the eastern side of the permit and has moved to the western side.

Republic of Mali: There was no drilling during the first half of the year. The 2017 assay results were received in the quarter one and the information was incorporated into the close out reports. Close-out reports for the Sadiola-Tambali trend and Eastern targets were compiled and the geological map reviewed and updated.

In **Argentina**, drilling was focused on six different veins: Atila Sur, Carmela, El Palo, Jani, Sandra and Teresa. 135 new trenches were excavated while surface reconnaissance and chip sampling continued during first half of 2018 over the southern and western parts of the district.

In **Brazil**, at Cuiabá the deep surface borehole, CBABSD0006A, was completed during quarter 1 and only intersecting weak chloritic alteration and carbonate veinlets.

At Fonte Grande Sul, drilling restarted in April and high grades were intercepted along the structure on both sides of the target. At Galinheiro and Galinheiro Footwall, grades were returned in shear zone quartz veins in addition to typical BIF mineralisation.

At Surucucu, the drilling programme was completed and modelling indicated the ore body to be uneconomic. At Dom Domingos, the BIFs are showing an unexpected level of continuity along strike while the down plunge continuity needs to be tested. UG channel sampling at Descoberto returned positive results.

At Olhos D'água, the geological map was finalised and drill sites identified. The soil sampling was completed at the Biquinha target and a preliminary analysis indicates that there is a gold anomaly SW of Biquinha.

At Lamego, drilling focussed on Carruagem SW L5, L8 and Cabeça de Pedra L3/4 and showed the ore bodies to be more continuous and connected than expected.

Meanwhile at Córrego do Sítio, underground conversion drilling took place at Cachorro Bravo and Laranjeiras. At Laranjeiras, one hole intercepted four lenses 300m beyond the current geological interpretation and provided evidence on the continuity of the mineralised zones far beyond the current geological model. While at Cachorro Bravo, there is continuity of the ore down-plunge, with grades and thicknesses like those projected.

The drilling campaign in CDSIII started in the first half of May and it is focused on the addition and conversion of Mineral Resource at Mina de Pedra, Jambeiro, Anomalia I and Anomalia II.

At Serra Grande, drilling at Structure IV (Limoeiro Target) confirmed both an extension along strike as well as the down dip extension of the mineralised zone. At Structure IV (Orebody IV) drilling intercepted positive intersections meanwhile at Structure A (Cajá Target) drilling confirmed the down plunge potential of the ore body. Drilling of the VQZ S1 orebody confirmed the down-plunge continuity of the mineralisation as did drilling at the Inga mine.

At Mine III, a borehole confirmed the down plunge continuity of the mineralisation whilst another hole indicated a potential reduction in the strike extent. At Orebody G3 - Pequizão mine, positive intersections confirmed the continuity of mineralisation.

In **Colombia**, at Gramalote, drilling has commenced and was focused in the Gramalote Pit. The exploration activities (geophysics and drilling) at the La Palma target continued and are expected to be completed in the third quarter of the year.

At La Colosa, no exploration was undertaken. At the Quebradona, the infrastructure drilling campaign started in May.

The regional geology and the alteration models were update. The preparation for the geophysical campaign (IP and Refraction), for infrastructure purposes, is ongoing. The structural interpretation for the deposit area was finalised and the aim is to use it in the subsidence analysis.

In **Australia**, drilling at Vogue, Midway Shear, Elle, MLE4, Cosmo & Cosmo East orebodies intercepted zones that confirm orebody continuity on strike and at depth. Drilling for the Carey Shear Zone intersected mineralisation in an area previously thought to be barren.

At Tropicana, drilling operations were conducted around the TJV mining and exploration leases at the following prospects and targets: Boston Shaker, Havana, Havana South, Hidden Dragon, New Zebra, Madras, Seahorse, Southern Traverses and Purple Haze.