

The money's in and the drilling's fast tracked

The funds raised in our placement to institutional and sophisticated investors and our share purchase plan have been put to work drilling at Theta Hill and Columbia Hill in our Transvaal Gold Mining Estates (TGME) project in South Africa.

Yes, we are doing what we said we would do.

The first phase of drilling at Theta Hill is targeting multiple shallow, high-grade gold reefs – from the surface down to between 50 and 150 metres – which have not had any drilling in several decades. At those depths, we're testing for open-cut mining potential and we're targeting five main reefs.

We've completed phase 1 of this drilling program - 11 of 20 holes – and high-grade gold at shallow depths has been confirmed. The results include:

- 2m @ 16.5g/t gold from 26m below the surface, and
- 5m @ 6.0g/t gold from 11m below the surface

Theta Hill is in the ground package known as Project Bentley, which hosts a high-grade, multiple-level gold reef system. The Project Bentley ground was discovered by geologist Phil Bentley, who was chief geologist at TGME with Randgold and Rand Mines between 1986 and 1995.

It's a thrill for us to have brought Phil Bentley back to TGME to lead the drilling campaigns as our consulting geologist and project manager. In recent years, Phil has worked in Ghana, Zimbabwe and South Africa, specialising in global gold strategic development, exploration and mining.

The modelling work we've done appears to confirm that the Project Bentley ground contains multiple flat gold reefs stacked vertically one above the other, which we believe can be accessed through low-cost, open-cut mining.

Our plan is for the ore to feed the existing TGME processing plant at Pilgrims Rest, which we are refurbishing.

We've also begin drilling the Columbia Hill target, which also represents a potential high grade, open-cut resource close to the processing plant. We think that both Theta Hill and Columbia Hill offer some of the shallowest gold targets in South Africa today.

At the same time, we've been exploring Rietfontein as part of the work for the prefeasibility study, gathering reef samples underground for resource definition and metallurgical investigation. This work has included opening up a second access adit (horizontal shaft) to access the orebody from the southern end – most work on Rietfontein up until now has been via adit number three in the northern end.

We've also done some work drilling the TGME tailings dam, which was built up over many decades but which has never been systematically drill-tested or evaluated from a resource perspective until now.

Our aim remains to build a solid production platform to more than 100,000 ounces of gold a year based mainly around shallow, adit-entry hard-rock deposits and with open-cut mining in the Project Bentley areas also a very real possibility.

The twin processes of investigating open-cut mining potential and reaccessing underground deposits can be applied at many more places in our TGME

ground in Mpumalanga Province. All up, we have access to more than 43 historical mines and prospect areas that can be explored. But the priority is to establish mining, which we expect to do in 2018.

- Written by Investor Torque (www.investortorque.com)