

Our latest open-cut gold discovery's great timing

Our work to redevelop our historic TGME project in South Africa has received a huge boost with the discovery of a third open-cut gold target. As well, the annual JORC resource review and update of resources is poised for completion in April.

Our news chimes nicely with the resurgence of confidence in the South African mining industry after the rise of business friendly Cyril Ramaphosa to the country's presidency and the change of Mines Minister.

The new open-cut target is at the historical Vaalhoek mine, where a maiden open-cut resource of 620,000 tonnes at 16.9 grams a tonne of gold for 335,000 ounces has been included in the overall Vaalhoek resource upgrade of 2.68 million tonnes at 5.3g/t gold for 457,000 ounces.

Vaalhoek was first mined in 1910 and an estimated 473,000 ounces of gold were extracted from the underground shafts – at an estimated head grade of 11.7 g/t gold – by the time it was closed in 1956. It is now our third open-cut target after Theta Hill and Columbia Hill. Like these, Vaalhoek forms part of our Project Bentley, which aims to identify high-grade open-cut opportunities with near-term production potential.

It's fitting that we have brought Phil Bentley – after whom Project Bentley was named – back to the TGME project as consultant geologist. Phil discovered this ground when he was chief geologist at TGME with Randgold and Rand Mines between 1986 and 1995.

The next step in our mine planning work program will be to report a maiden JORC open-cut resource at Theta Hill, which we expect to do by May. Columbia Hill will be drilled in due course.

As well as the three open-cut targets, we're also working to re-open the underground Rietfontein and Beta hard-rock mines, with de-watering soon to begin at Rietfontein. We are also progressing the Rietfontein prefeasibility study.

In the meantime, independent geological consulting firm Minxcon is conducting the annual review of our JORC resources, which we expect to be completed by late April and reported soon after. This will not include Theta Hill, which should be reported in May.

All up, we see clear potential for multiple open-cut mines in the area. We're building towards a scenario where we have identified multiple high-grade, open-cut deposits with low capital

requirements. We plan to be in a position later this year to begin refurbishing our on-site processing plant and to submit mine plans.

This will be on the back of production initially be based on the reopened Rietfontein and Beta mines. The aim is to build a solid initial production platform of more than 100,000 ounces a year.

Rounding out our work program is the exhaustive process of converting the last six prospecting rights we own at Vaalhoek into two separate mining rights. Once this work is finished, our entire 620 square kilometre land package will be covered by nine approved mining rights.

It's been painstaking work but we have assembled a high-grade, near-surface gold portfolio of up to 4.12 million ounces. And this work is by no means over. Our ground package gives us access to more than 43 historical mines and prospect areas that can be accessed and explored.