

Modern data lifts our resource to 5Moz of gold

Our path to reawakening the giant TGME goldfield in South Africa's Mpumalanga province has taken a big step forward with the annual review of our mineral resource resulting in a 39% increase in the total gold resource.

It now stands at 5.15 million ounces of gold.

Conducted by independent geological consultants Minxcon, the annual review resource, which complies with JORC (Joint Ore Reserves Committee) reporting, puts the gold resource at 34.7 million tonnes at 4.62 grams per tonne (g/t) of gold, for 5.15 million ounces with 24% measured and indicated, and 76% inferred.

Less than two years ago, our resource at TGME stood at just 3 million ounces.

The largest contributor to the increased resource is the process of collating, capturing and digitising historical datasets and reinvestigating the historical mining potential through modern modelling and estimation techniques that have never been applied to historic gold mines. The Vaalhoek and Glynns-Lydenburg mines had never had a complete resource estimated but modern mining technology now allows this.

The result was a 146% increase (+975,000 ounces) in the resource at the Glynns-Lydenburg mine and the inclusion in the total resource of the Vaalhoek open-cut target – our third open-cut target – which was reported in March. The resource at Vaalhoek has more than tripled in size to 791,000 ounces. That is 3.3 million tonnes at 7.46 g/t of gold, which at present is 89% inferred.

Importantly, the total TGME resource in the annual review does not include the open-cut resource at Theta Hill, which is the focus of our current drilling.

Follow-up diamond drilling at Theta Hill has continued to deliver impressive results, including some bonanza intercepts – such as one metre at 126 g/t of gold and two metres at 70 g/t – which tend to confirm our thinking that Theta Hill, like Vaalhoek, is a high-grade open-cut opportunity with near-term low-cost production potential.

We're confident that other parts of our Project Bentley ground – such as Columbia Hill, the next Project Bentley target to be drilled – will provide similar opportunities.

Over the next few months, we expect to complete drilling at Theta Hill, and incorporate its results into a second resource upgrade.

At the same time, we are working on upgrading the inferred portion of the resource to the indicated category, work that will also inform a second resource upgrade.

Our aim remains to build a solid production platform of more than 100,000 ounces a year, based primarily around shallow, adit-entry hard rock mining sources. Because we are focusing at the outset on several surface and near-surface high-grade gold projects, we expect to show very significant cost advantages compared to other gold producers in the region.

In total, we have access to more than 43 historical mines and prospect areas that can be accessed and explored – some we have not yet touched – that in total yielded historical production of 6.7 million ounces of gold.

Adding to our confidence is the successful \$5 million agreement earlier this month for a global investment house to become a cornerstone investor, for which we will seek shareholders' approval at a meeting in June. This funding positions us well to complete the drilling at Theta Hill and other surrounding open-cut targets, complete feasibility studies and secure the required funding for commencement of gold production.

And with the new feeling of confidence in South African business engendered by the accession of investment-friendly Cyril Ramaphosa to the Presidency and by his appointment of mining-friendly Gwede Mantashe as Minister for Mineral Resources, these are exciting times in South African mining.