

Development Projects

SENEGAL

The Massawa feasibility project progressed during the quarter. Resource reverse circulation drilling of the Central Zone (CZ) orebody progressed with 80% of the drilling now complete. Results to date are confirming very high grades within the southern half of the orebody where porphyritic intrusives are spatially coincident with the vein hosted high grade mineralisation. Drilling is on track to be completed by the end of May 2018. Final results, modelling and optimisations are planned for completion by mid-2018.

Results from the third of four CZ pilot plant campaigns were completed and show an 83% overall gravity and leach recovery with a very high gravity recovery component of 50%. The back-calculated grade from the 3.7t pilot plant sample has again returned higher grade than the resource model generated prior to the infill reverse circulation drilling. Together with the recent geological modelling, the results from the pilot plant test runs confirm an increase in grade and reduction of volume of the ore lodes with the increased definition drilling. The gains in grade are attributed to the large proportion of coarse gold component which is better represented in the larger sample size. The fourth pilot plant campaign is expected to be completed in Q2 2018 and should assist in defining the transition to the more refractory ores in the north of the CZ.

The final phase of float optimisation work on Northern Zone (NZ) ore has been completed, confirming float recoveries of ~95%. The concentrate produced is now in the final phase of BIOX® variability testwork which will evaluate various grades and blends of ores from different concentrates.

Sterilisation drilling and satellite exploration also continued during the quarter, together with environmental, social, hydrological and ground water testwork. For the ESIA, a combined ground and aerial survey was undertaken over the Niokolo-Koba Park with preliminary findings indicating the presence of characteristic game, except for elephants.

An inter-ministerial meeting was held with the Senegalese government in April to update the various government departments on the progress of the project. Input and guidance from government was taken on board and will be incorporated into the current work programme to ensure a complete feasibility study is submitted.

Outstanding items required for the completion of the feasibility study include the infill drilling of the CZ, metallurgical testwork focused on the completion of the pilot plant tests (Whole Ore Leach and BIOX®), resource and reserve updates together with, pre-mining dewatering modelling, tailings disposal, water management and pollution control designs. Finalisation of the ESIA will be completed based on the results of the above. Completion of this work should facilitate us in making a final development decision, which is still anticipated later this year.