

Development Projects

SENEGAL

All infill drilling is now complete and the final resource models are being updated for the final feasibility update due for the end of the year. Metallurgical recovery models have been updated with the most recent gravity-leach testwork results from the Central Zone orebody, which have focussed on the across strike recovery response. This has confirmed high leach recoveries in the central portion of the lodes, with lower recovery on the peripheral lodes. Recovery model curves have been assigned to the block model to report recoverable gold within the pit optimisations.

Sofia North recovery has been optimised through the addition of Aachen oxygen injection technology. Diagnostic tests confirmed that this increment was due to gold locked up in acid digestible material, which could to an extent be released by adequate oxygenation. A follow-up test campaign using oxygen injection confirmed this finding by returning a 2.6% higher recovery result for Sofia North fresh material now modelled at 85.5%.

The construction capital cost has been broadly finalised remaining largely in line with previous estimate at \$415 million. The regional stakeholder engagement process, being the initial step of the public participation process, was undertaken to share the findings of the preliminary Environmental and Social Impact Assessment (ESIA) and obtain comments and concerns from all stakeholders, including village communities, institutions, technical services, government authorities and non-government organisations and non-profit organisations.

- Key concerns raised:
- The need for local employment and training, with focus on the youth and woman;
- Infrastructure and local economic development and improvement;
- Continued inclusive communication and fulfilment of commitments;
- Concern over potential economic and physical displacement and the impact to livelihoods, particularly orpaillage;
- Protection of the environment:
 - Potential contamination of water sources from mineral and hazardous waste;
 - Management and conservation of biodiversity.

All relevant comments will be consolidated and included in the draft ESIA, and establish a community liaison committee to engage with local stakeholders as the project develops to effectively communicate the mitigation measures planned to address the concerns raised.

The preliminary ESIA will be submitted to the Directorate of Environment and Classified Establishments at the end of October 2018. Following submission of the ESIA, a validation workshop will be established by the Directorate to review the contents and commitments of the ESIA, and provide comment and feedback. These will be incorporated into the final ESIA submission for the end of the year. This will coincide with the completion of the full feasibility