THE MINERAL CORPORATION

ADVISORS TO THE MINERAL BUSINESS

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Prepared on behalf of
TAUNG GOLD LIMITED

COMPETENT PERSONS REPORT ON THE UPDATED A REEF EVALUATION, JEANETTE PROJECT, REPUBLIC OF SOUTH AFRICA

The Mineral Corporation
Report No. C-TAU-MRE-1662-995
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EXECUTIVE SUMMARY

The Mineral Corporation was requested by Taung Gold Limited (Taung) to provide a Competent Persons Report update of the A Reef Mineral Resource estimates within the Jeanette Mine Project area in the Free State Province. This has been completed based on the database of drilling data that was available in November 2011 which comprises surface drilling results, and newly accessed information and a slightly modified Mineral Resource footprint based on the Mining Right application. It was also necessary to review the cut-off grade employed for reporting of Mineral Resources based on revised financial parameters as reported by Minxcon (2016) and current day mining costs.

The Jeanette Mine Project is located in the Free State Goldfield near the town of Welkom and contains gold mineralisation in the A Reef some 750m to 1 750m below surface. The Free State Goldfield is the most southerly of the nine goldfields of the Witwatersrand Basin and the Basal Reef, a modified paleoplacer, in this goldfield is estimated to have produced some 14.5 million ounces of gold up to 1992 since its development started in 1951.

The Jeanette Project is made of 7 prospecting rights which have been granted in terms of Section 17(1) of the Mineral and Petroleum Resources Development Act 28 of 2002 (MPRDA). Taung Gold Free State (Pty) Limited obtained these over the period mid 2009 to mid 2011 and they expire over the period mid 2014 to 2016. On the 19 June 2015 a mining right application to the Department of Mineral Resources (DMR) was made by Taung Gold Free State (Pty) Limited in terms of Section 22 of the MPRDA over properties, all contained within the prospecting rights.

The majority of the geological data employed in the Mineral Resource estimations has been purchased by Taung Gold Limited from Anglo American Corporation Limited and as such is historical information. The Mineral Corporation has conducted due diligence exercises to validate the analytical results by duplicating some core samples, validate the stratigraphic depths by logging some core and scrutinise geological logs and reports in terms of the protocols and standards employed by Anglo American Corporation Limited via an ex-Anglo American Corporation Limited employee. The results of this due diligence of the historical data allow the geological data to be employed for the reporting of Inferred Mineral Resources where warranted by the Competent Person.

The auriferous A Reef is developed on Jeanette Mine as a quartz pebble conglomerate overlain by quartzites and argillaceous quartzites. A clean siliceous quartzite (the "glassy marker") separates the A Reef conglomerates from the underlying Big Pebble Reef. The gold distribution is noted to be evenly vertically distributed through the A Reef.

The A Reef Mineral Resources have been estimated from the borehole data that lies within the various prospecting rights boundaries. In estimating the average gold contents (cm.g/t) the lognormal approach has been employed. In an analysis to understand if the third parameter β was required, it was found to be 25cm.g/t, thus a three parameter lognormal distribution has been applied. An average gold content of 279cm.g/t results for the A Reef with upper and lower 90% confidence limits of 379 and 224cm.g/t respectively.

The ore evaluation width of the A Reef has been estimated at 114cm, whereas the average A Reef width is 70cm. The disparity is due to a minimum evaluation width of 100cm being applied and a minimum of 20cm dilution extraneous to the A Reef also applied where the reef is greater than 80cm wide.

The Mineral Resources for the A Reef is classified as Inferred Resources due to the moderate to high error of estimation at the 90% confidence limits of 27,88% and the poor correlation of the A Reef by AAC.

The application of the relationship for the mean value, cut-off grade, value above cut-off grade and percentage above cut-off grade has been employed on the global A Reef Mineral Resources. The critical statistic that is required to derive the grade tonnage relationship is the block size that is going to be employed as the smallest mining unit (SMU) and the associated block variance. Blocks of dimension 140 x 140m have been considered as robust enough at this phase of the project development for consideration in the mining design, albeit it is not known where the, below or above cut-off contents, blocks are located at this stage. The Mineral Resource statements for the A Reef are contained in the table below at a cut-off of 3.28g/t.

A Reef Mineral Resource statement at a 3.28g/t cut-off

Classification	Mineral Resource Area (m^2)	Reef tonne (m)	Width (cm)	Au Grade (g/t)	Contained Au (Moz)
Inferred	9 593 921	30.077	114	4.86	4.700

Errors due to rounding may be contained in the above table

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1 INTRODUCTION

The Mineral Corporation was requested by Taung Gold Limited (Taung) to provide an updated Mineral Resource estimate for the A Reef of Jeanette Mine Project (Project) area located in the Free State Province (Figure 1) as newly accessed information from Anglo American Corporation (AAC) has become available. The A Reef is an auriferous quartz pebble conglomerate located in the Kimberley Formation of the Turffontein Subgroup, Central Rand Group, Witwatersrand Supergroup rocks in the Free State Goldfield.

Taung requested The Mineral Corporation to update the Mineral Resources due to a slightly modified Mineral Resource footprint based on the Mining Right application. It was also deemed necessary to review the cut-off grade employed for reporting of Mineral Resources based on revised financial parameters as reported by Minxcon (2016) and current day mining costs.

The Mineral Corporation has conducted Mineral Resource estimates over the last seven years for Taung due to the database of borehole information growing in both size and quality as well as growth and reduction in the Project footprint. This evaluation is based on the results of 34 surface boreholes obtained from AAC and some minor underground sampling.

Minxcon (2014 and 2016) have completed a Pre-Feasibility Study over a portion of the Basal Reef within the Project and this report provides the additional information for input into a feasibility study to be completed in the future. It is reported in accordance with the JORC Code (2012) and the Table 1 Checklist of Assessment and Reporting Criteria (Table 1 Checklist).

The Competent Person for this Report is Mr D R Young, a Fellow of the Australasian Institute of Mining and Metallurgy (No 204689) who is an associate of The Mineral Corporation. Mr Young visited the Project on the 13 December 2011 and viewed the core from a selection of the AAC historical core as well as PT1. The Table 1 Checklist has been employed as a guideline as to the materiality of this report and is provided in Appendix 1. Items in the Table 1 Checklist that are not applicable or deemed immaterial are indicated as such in the table, Appendix 1.

2 REGIONAL GEOLOGY OF THE WITWATERSRAND BASIN

2.1 Introduction to the Witwatersrand Basin

2.1.1 Discovery

The discovery of gold in outcropping quartz-pebble conglomerates (referred to as 'reefs') on the Witwatersrand in 1886 focussed attention to a sequence of rocks that was to become the greatest source of gold in the world. These deposits comprise one of the world's great metallogenic provinces. Not only was the foundation of the vibrant city of Johannesburg established on the preservation of these metals but the sustainable economic development of the South African nation over the past 120 years is largely indebted to the industry that arose from the exploitation of the gold. The socio-economic impact on the entire subcontinent has been influenced by this industry.

The Witwatersrand Basin is elongated in a north-east to south-west orientation and is approximately 350km long and 200km wide. While more than 70 mineral species have been identified from the Witwatersrand sediments, it is the gold and, to a lesser extent, its by-products uranium and pyrite that carry the overwhelming economic interest. The simplified geological map shows that the two principal components of the Witwatersrand Supergroup (the Central Rand and West Rand Groups) only outcrop on surface over a limited extent, with the balance being buried by younger volcanic and sedimentary sequences (Figure 2).

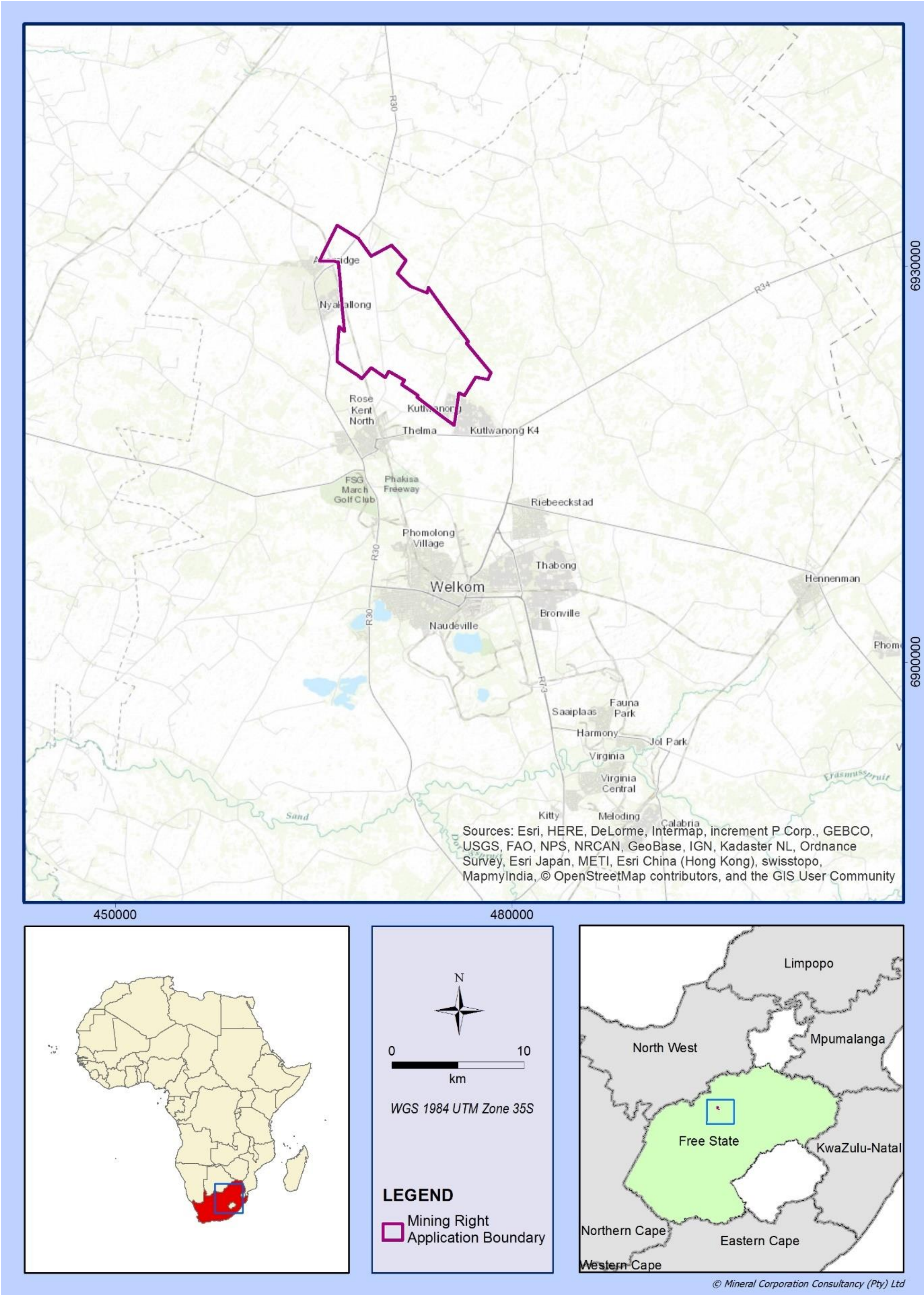

Figure 1: Jeanette Project location

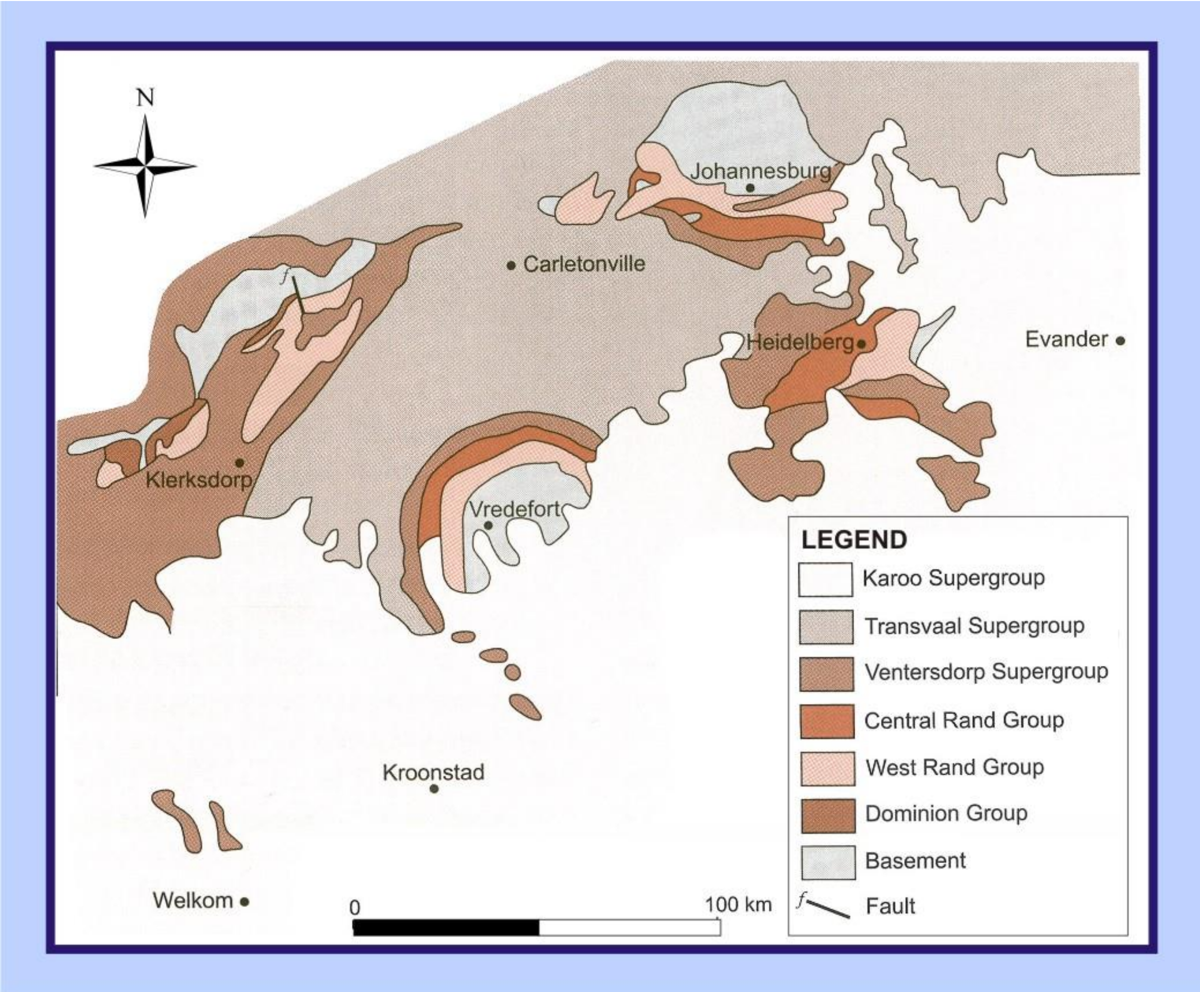

Figure 2: Geological map of Witwatersrand Basin showing outcrops of Central Rand and West Rand Groups (McCarthy, 2006)

2.1.2 Distribution

From the initial discovery site, the strike extensions rapidly spread some 45km, defining the Central Rand and West Rand Goldfields. Other conglomerate reefs were identified in the Heidelberg and Klerksdorp areas and, by the late 1880s, exploration had located the East Rand Goldfield. From the innovative geophysical applications and deep drilling, the Carletonville Goldfield was discovered in the 1930s, followed by the discovery of the Free State Goldfield in the late 1930s. In 1946, the Vaal Reef was located in the Klerksdorp Goldfield and, finally, the Evander Goldfield was found in the early 1950s. Each of the goldfields is distinctly separated from one another by either tectonic dislocations or zones of poorly preserved auriferous horizons (the 'gap' areas). The gold is preserved in nine goldfields within the Witwatersrand Basin (Figure 3).

While the extent of the Witwatersrand Basin (some 70 000km^2) has been constrained by more than 120 years of exploration, exploitation and research, principally through adopting geophysical methods (such as magnetic, gravity and reflection seismic surveys) and drilling, it is clear that the Witwatersrand Basin was more extensive than the main basin and several correlative outliers have been located but none of these has demonstrated any significant economic potential.

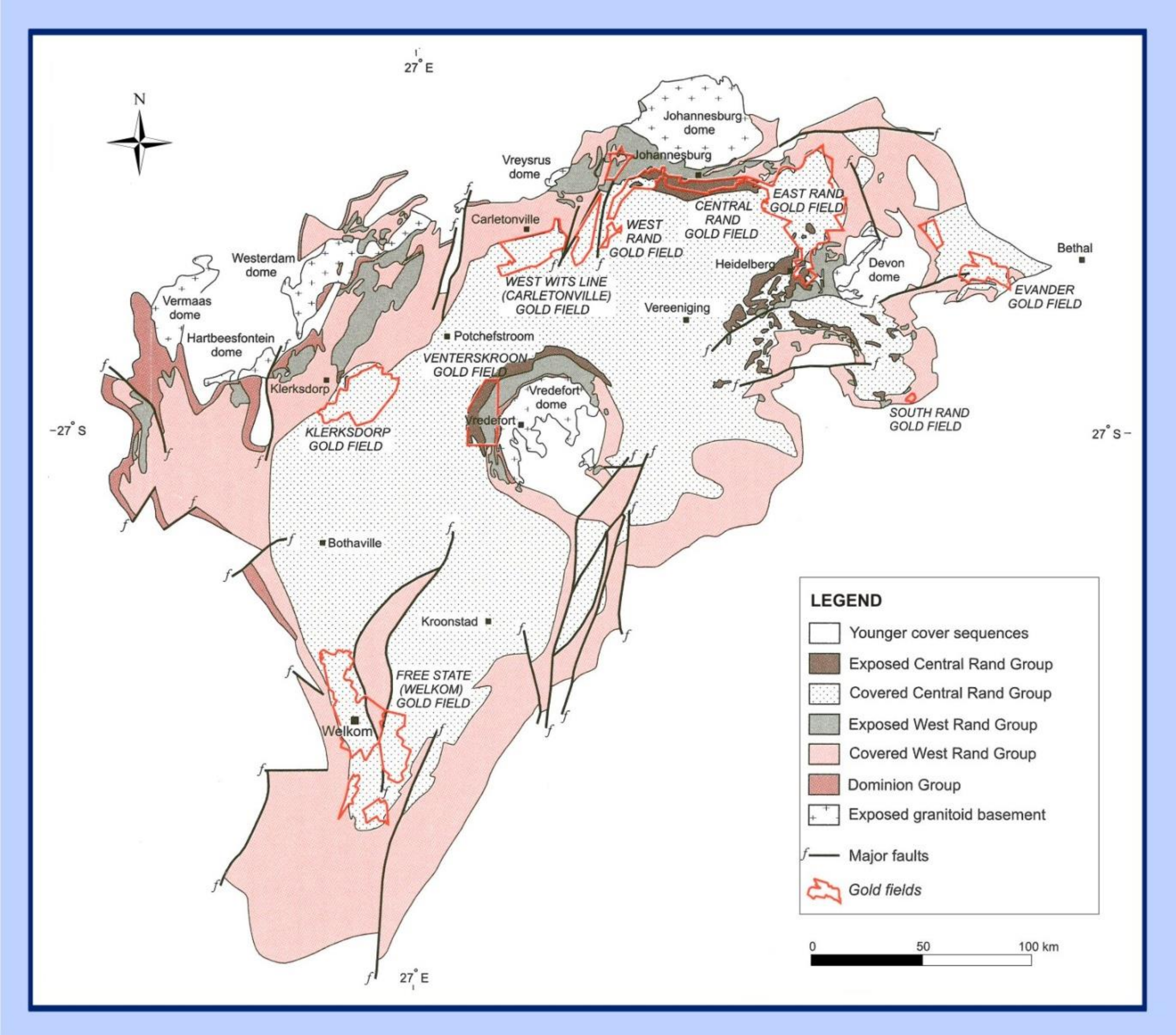

Figure 3: Geological map of the Witwatersrand Basin, with younger cover sequences removed (McCarthy, 2006)

2.1.3 Production

The mining operations have yielded some 50 000 metric tonne (t) (1.6 billion ounces) of gold since 1886. These gold mines are amongst the deepest in the world with exploitation taking place in excess of 3 000m below surface and exploration core-drilling probing to depths greater than 5 000m.

Peak production occurred in 1970 when 1 000t was mined. By 2009, this had declined to 205t, representing 7.97% of global production for that period. In 2011, it is reported that South Africa remained the world's fifth largest producer with an output of 191t and representing 6.8% of global supply. The average recovered grade has declined from 13.28g/t in 1970 to 3.29g/t in 2009 and 2.8g/t in 2011 (Chamber of Mines, 2012).

Besides gold, significant quantities of by-product uranium have been recovered from the Witwatersrand reefs. The uranium occurs as detrital gains of uraninite as well as secondary uranium-titanium silicates. Uranium production started in 1952 and, for the next 50 years, some 175kt of U3O8 were produced at an average grade of 0.216kg/t. Pyrite has been used for the production of sulphuric acid and the waste materials for industrial and construction purposes.

The gold mining industry currently employs some 150 000 people in South Africa.

2.1.4 *Age of the Witwatersrand Supergroup*

The Witwatersrand Supergroup unconformably overlies basement granitoids and greenstones, as well as sedimentary and volcanic rocks of the Dominion Group (Figure 3). In turn, it is overlain both conformably and unconformably by volcanic and sedimentary rocks of the Ventersdorp Supergroup.

U-Pb dating results show that the basin is Archaean in age and was deposited over a protracted period of time extending for some 360Ma between 3.074 and 2.714Ga (Robb & Robb, 1998). Most of the West Rand Group deposition had been laid down by 2.914Ga. Central Rand Group deposition commenced between 2.914Ga and 2.894Ga and was completed by 2.780Ga.

2.1.5 *Structural Setting*

McCarthy (2006) provides a synopsis of the long and complex structural history of the Witwatersrand Basin. Remnants of the West Rand Group are widespread on the Kaapvaal Craton but the Central Rand Group has a much more limited extent, confined to the main basin and the Evander area (Figure 3). McCarthy reports on the work by several authors and characterises three main deformational episodes:

(i) Syn-Witwatersrand deformation: Commencing in early Central Rand Group times and under regional compression, the basin become fragmented into a number of domains, bounded by discontinuities. There is stratigraphic uniformity within the domains while the bounding discontinuities are associated with rapid changes in sedimentary thickness. Synsedimentary deformation was in the form of gentle warping or tilting (as in the Free State Goldfield) with the outer edges characterised by thrusting directed towards the basin. This uplift along marginal thrusts resulted in the upward coarsening of the basin fill, culminating in the largely conglomeratic Mondeor Formation. Sedimentation was interrupted by the eruption of volcanic rocks of the Ventersdorp Supergroup.

(ii) Middle Ventersdorp deformation: The compressive stress field of the Central Rand Group relaxed and earlier thrust faults were reactivated as normal faults and produced small, localised depositional basins within and around the basin in which a variety of sedimentary and igneous lithofacies were deposited. This was particularly prevalent in the Welkom, Klerksdorp and Evander Basins and large displacement normal faults were generated. In the Free State Goldfield, these faults show dextral displacement.

(iii) Post-Transvaal deformation: The emplacement of the Vredefort Dome resulted in a large synclinorium and concentrically disposed folds of rapidly decreasing amplitude surrounding the uplifted area. A number of low angle thrust and normal faults developed tangential to the structure. As a consequence of the deeply depressed Witwatersrand strata, the basin has been largely preserved from significant erosion.

Other phases of deformation have been identified: Emplacement of the Bushveld Complex caused thrusting from the north; and east-west, right lateral strike slip faulting and north-westerly directed thrusting are thought to be related to the Namaqua-Natal Mobile Belt.

This report does not deal with the tectonic setting of the Witwatersrand Basin which has been prolifically commented on by many authors.

2.1.6 Stratigraphy

2.1.6.1 Overview

The Witwatersrand Basin is underlain by an Archaean (>3.1Ga) granite-greenstone basement and the Dominion Group sediments and volcanics. It is overlain by the rock of the Ventersdorp Supergroup (2.7Ga), Transvaal Supergroup (2.6Ga) and Karoo Supergroup (280Ma). The stratigraphy was originally classified in the Central Rand area from the mapping by Mellor in 1917. His groupings were generally applicable on a basin-wide scale although more recent work demonstrated that there were significant variations in the nature and thicknesses of the sequences from one part of the basin to another. There is considerable stratigraphic variation both between and within each goldfield and this resulted in the establishment of local nomenclatures. Most of the economic placers are found in the Central Rand Group but the principal placers of the various goldfields do not necessarily occur at the same stratigraphic level.

The South African Code of Stratigraphic Terminology and Nomenclature (SACS) was established to consolidate a universally acceptable stratigraphy for the entire Witwatersrand Basin and, through the collaborative effort of all the mining companies, the Geological Survey of South Africa (now the Council for Geoscience) and academia, the revised SACS lithostratigraphic framework for the Witwatersrand Basin was adopted in 2006. Under this framework, regional disconformities which formed the basis for stratigraphic correlation between the various goldfields had been adopted (Figure 4).

SACS adopted the terms of Central Rand Group and West Rand Group for the two major groups, each group with two and three principal subgroups respectively. These are as listed in Table 1 below:

Table 1: Major groupings of the Witwatersrand Supergroup

Group	Subgroup
Central Rand	Johannesburg
	Turffontein
West Rand	Jeppestown
	Government Reef
	Hospital Hill

The major unconformities which separate the groups and subgroups across the extent of the basin are show in Figure 4. The unconformities within each subgroup are not shown.

2.1.6.2 West Rand Group

The distribution of the West Rand Group demarcates the currently preserved extent of the basin (Figure 3). It attains a maximum thickness of 5 150m in the Klerksdorp area and thins to 830m in the Evander Goldfield (Figure 4).

The dominant rock types are sandstone and shale which occur in approximately equal proportions. Each of the three subgroups is differentiated by differing ratios of sandstone to shale and are separated by basin-wide unconformities. Diamictites and poorly developed conglomerates are locally preserved along the unconformities.

Lithologically, the sandstones are quartz arenites, sub-feldspathic arenites and quartz-feldspar wackes. Laterally persistent quartz arenite is typical of the Hospital Hill Subgroup whereas feldspathic arentites are more prevalent in the Government and Jeppestown Subgroups. Shales in the West Rand Group are dark green to grey in colour and weather red in outcrop. They typically comprise quartz, chlorite and white mica and are chemically distinct from the shales in the Central Rand Group, being enriched in Fe, Mg and Mn (Robb & Robb, 1998).

Of significance are the eight laterally persistent magnetic shales and banded iron-formation beds which are interbedded with the shales. Two of these magnetic beds are significant stratigraphic marker horizons.

2.1.6.3 *Central Rand Group*

The Central Rand Group is fundamentally different from the West Rand Group which it unconformably overlies. It attains a maximum thickness of some 2 880m in the Vredefort area (Figure 3). The overall lithology thins to the south-west and south-east. In the Evander area, the Central Rand Group attains a thickness of only 630m.

The lithologies are characterised by sandstone and conglomerate which dominate over shale. A single volcanic unit is developed but it is not laterally persistent. The sandstone:shale ratio is approximately 12:1. Both the Johannesburg and Turffontein Subgroups contain concentrations of conglomerates in their lower and upper portions. At least ten basin-wide unconformities have been identified and each is overlain by conglomerate beds. The unconformities are used to subdivide the two subgroups into formations.

Sandstones are typically quartz arenites and quartz wackes. There is very little feldspar present in the quartzites of the Central Rand Group. The conglomerates vary in character from oligomictic to polymictic. Typically, clast types are dominated by vein quartz with chert, quartzite, argillite and porphyry occurring in various amounts. The conglomerates show an overall increase in clast size from the base to the top of the Central Rand Group. Thin shale beds are present within four of the formations and they vary in colour between dark grey and green, comprising quartz, chlorite, chloritoid, pyrophyllite, muscovite and rutile (Robb & Robb, 1998).

Most of the gold in the Witwatersrand Basin is derived from the conglomerates of the Central Rand Group. In addition, the Ventersdorp Contact Reef (which unconformably overlies the Central Rand Group at the base of the Ventersdorp Subgroup) has also been a prolific producer of gold.

2.1.6.4 *Depositional environments*

It is widely agreed that sediment deposition took place along the interface between a system of large rivers and a major body of still water or an inland sea. The basin was filled with sedimentary and subordinate volcanic rocks which have been folded along a northeast to southwest axis into an asymmetrical synclinorium. Most workers accept a foreland model for the development of the basin.

A simplified illustration of the depositional setting is presented in Figure 5 (after Robb & Robb, 1998). Sedimentation of West Rand Group was initiated by the development of a shoreline which resulted in the deposition of the clean orthoquartzites at the base of the Hospital Hill Subgroup. Subsequent deposition of mud (shale) arose from increases in the sea level and the flooding of the shoreline to form deeper water conditions, resulting in sedimentation along a tide dominated shelf. Successive fluctuations in sea level and the progradation of fluvial or braided stream environments caused the deposition of higher energy, wave dominated sands. The interaction of fluvial and shelf-marine environments typifies the environment of deposition of the West Rand Group and explains the widespread and persistent nature of these units across the basin.

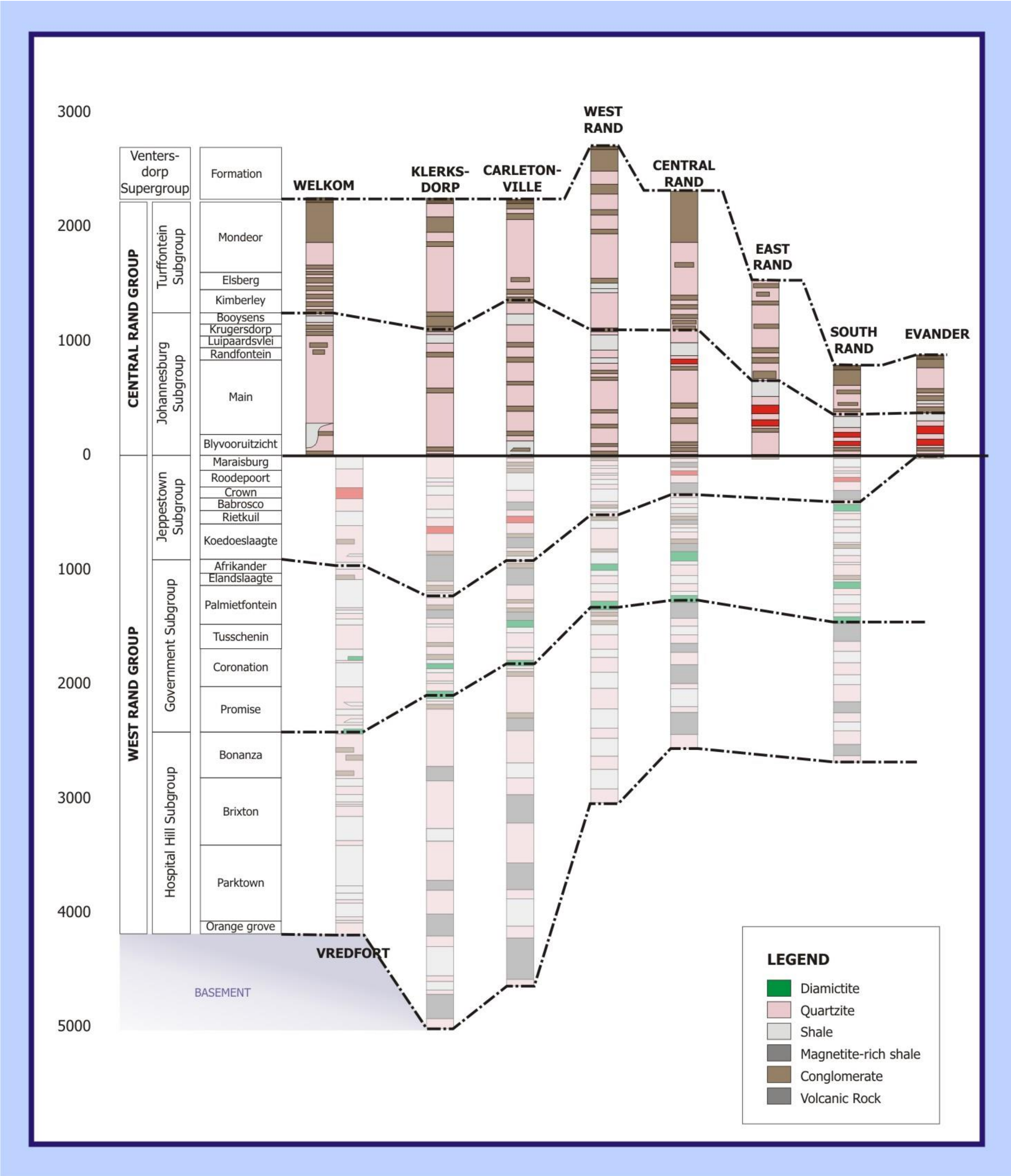

Figure 4: Stratigraphic profiles across the Witwatersrand Basin (modified after SACS, 2006)

In their review, Robb & Robb (1998) note that a gradual change in the environment of deposition marks the onset of Central Rand Group sedimentation. The extensive development of placer conglomerates in which heavy minerals were concentrated coincided with the progradation of large fan-delta complexes dominated by coarse sand and gravel on top of which braided steams flowed. Local dispersion and concentration of heavy minerals was controlled by the presence of channels and bars and the processes of erosion, reworking, winnowing and deposition that accompany such an environment. The features indicate that the dispersal of sediments was from a source area to the north and west of the depository. Although Central Rand Group deposition is dominated by fluvio-detaic processes, it is clear that periodic marine incursions took place and that these are perhaps responsible for the reworking and preservation by overlying sand of the previous braid-delta sediments.

Robb & Robb (1998) distinguish three types of conglomerate in their review. Type localities are illustrated in Figure 5:

(i) 'Vaal Reef' type – sheet-like conglomerates with relatively uniform distribution of gold and uranium, resulting from upslope migration of a shoreline and reworking of previous braid-delta deposits;

(ii) 'Leader Reef' sheet-like conglomerates but with well defined fluvial channels; and

(iii) 'VCR type placers' indicative of pronounced palaeorelief representing a high energy fluvial environment and deposition of sediments in channels, bars and terraces.

2.1.6.5 Origin of mineralisation

The origin of gold in the Witwatersrand Basin remains a controversial subject. Models range from extremes of simple placer theory to entirely hydrothermal origins.

Mineralisation in the Central Rand Group is invariably associated with erosional disconformities within the sequence and is generally most distinct along the margins of the basin where bedrock controls are more pronounced. McCarthy (2006) notes that the host lithologies vary widely from bitumen seams with scattered pebbles to laterally uniform, mature conglomerates to massive, thick, coarse conglomerates which may contain internal argillite partings.

Invariably, the mineralisation consists of gold, uraninite and pyrite but some 70 ore minerals have been identified within the Witwatersrand conglomerates and they show a complex paragenic history. The basin has been subjected to metamorphism and massive fluid flow within the sedimentary pile and some post-depositional redistribution of gold has occurred as three events over a period of approximately 700 million years (Robb & Robb, 1998) to produce a modified gold placer deposit.

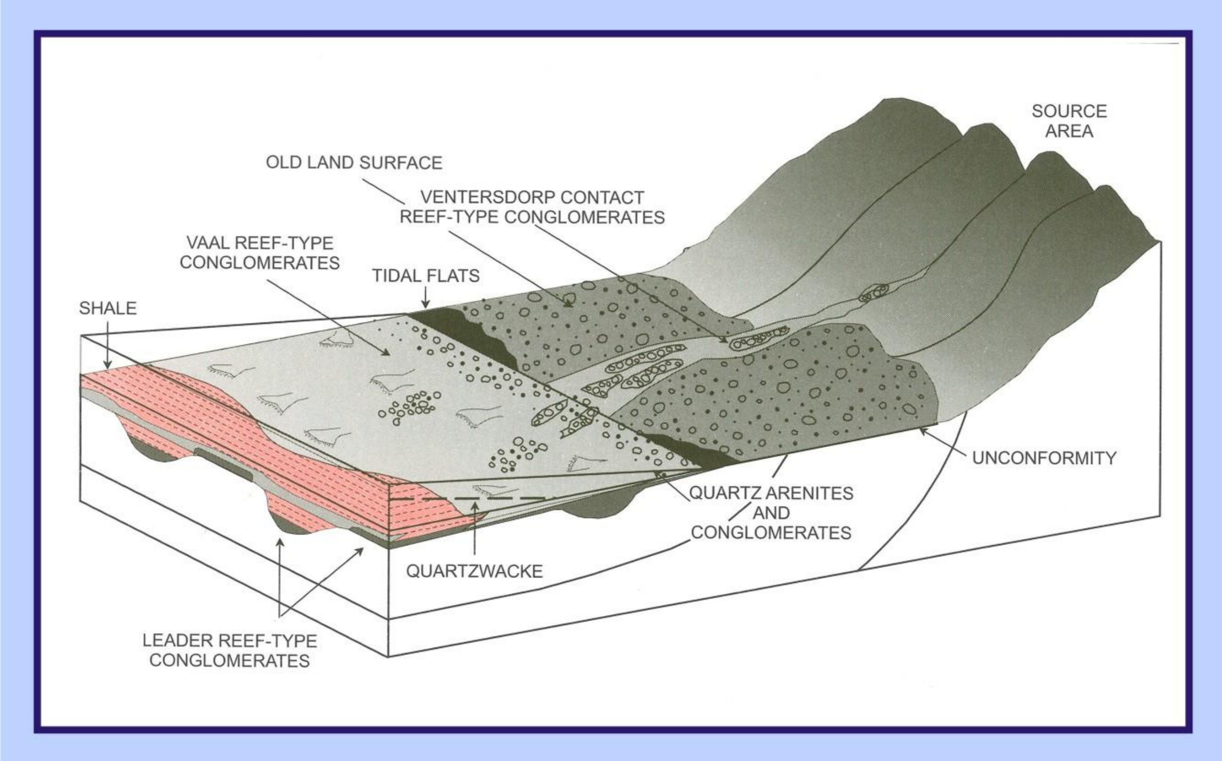

Figure 5: Schematic illustration of the environment of deposition for the three main types of conglomerate (after Robb & Robb, 1998)

2.2 The Free State Goldfield

The Free State Goldfield (sometimes called the Welkom Goldfield) is the most southerly of the nine goldfields, located some 270km southwest of Johannesburg on the south-west rim of the basin (Figure 3). It lies to the south of the Klerksdorp Goldfield from which it is separated by the Bothaville Gap. The gold bearing reefs of the Central Rand Group subcrop beneath younger cover comprising Karoo and Ventersdorp Supergroups.

Structurally, the Free State Goldfield lies within a north-south trending syncline forming an apex in the south-west corner of the basin (Figure 6). The shallow northerly plunging syncline is dissected by two major structural features to create three major blocks – the Odendaalsrus portion (to the west of the De Bron Fault); the Central Horst structure (between the De Bron Fault and the Homestead Fault); and the Virginia section (to the east of the Homestead Fault). The uplift on the Central Horst has witnessed the erosion of the Central Rand Group rocks prior to deposition of the overlying Ventersdorp Supergroup (Figure 6).

The major economic horizon of the Free State Goldfield is the Basal/Steyn Reef which was discovered in the late 1930s. Exploration was interrupted during World War 2 and production was only started in 1951. The goldfield has produced in excess of 8 000t gold from 20 mines, many of which have been amalgamated through time. The geology of the Goldfield has been well studied, investigated and reported over the decades. The regional geological setting and the location of the producing gold mines is shown in Figure 6 which also shows the locality of the producing mines and the Jeanette Mine.

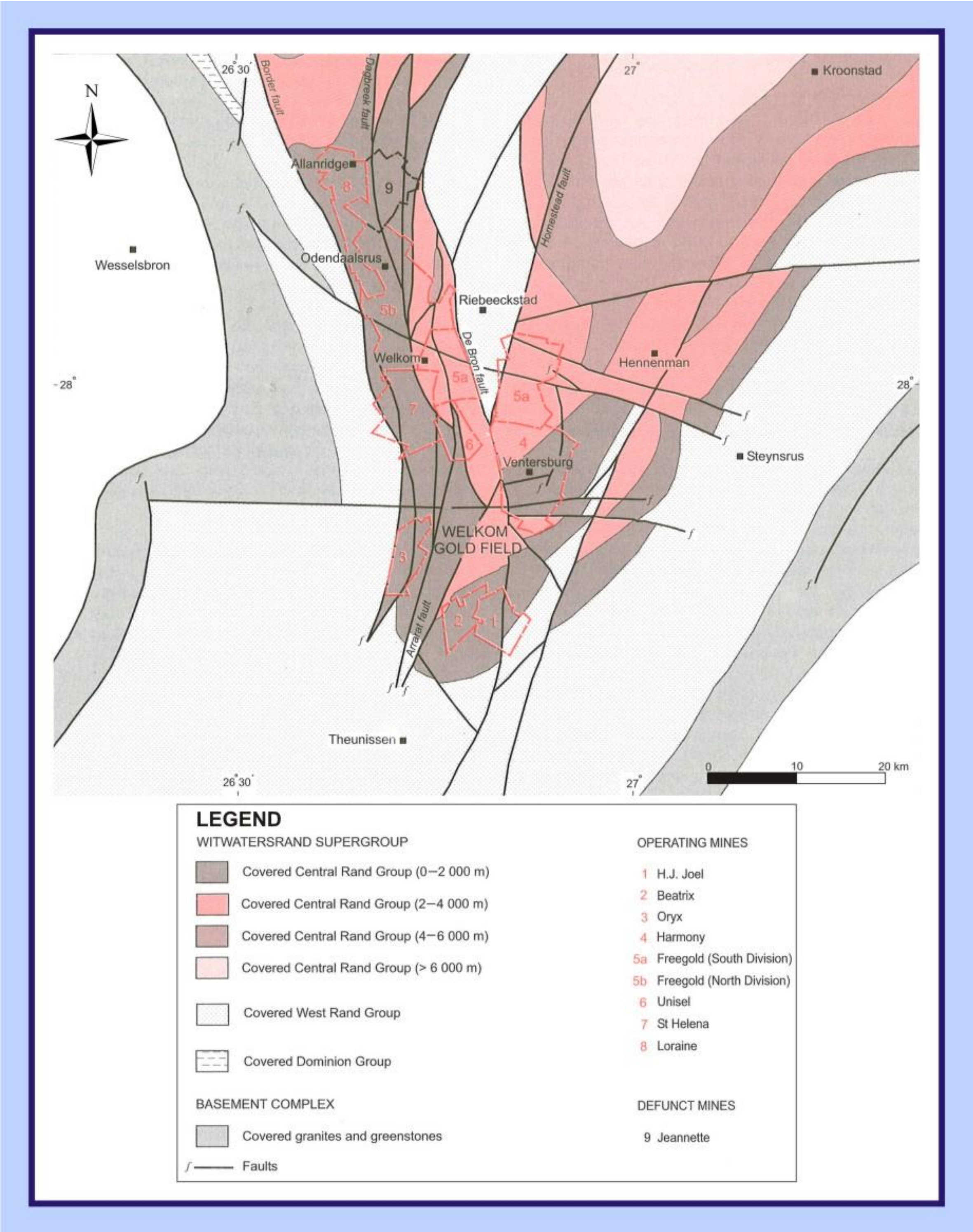

Figure 6: The distribution of mines in relation to the principal geological features of the Free State (Welkom) Goldfield (after Robb & Robb, 1998)

The Central Rand Group is over 2 000m thick in the northern part of the Free State Goldfield (the Johannesburg Subgroup being 1 500m and the Turffontein Subgroup 500m) and it thins to only 500m in the south due to internal erosional disconformities. Conglomerates comprise 0.7% of the sequence and generally represent placer deposits formed on unconformity sequences.

The descriptions of the main placers below have been synthesised from McCarthy (2006). The subgroup and formation nomenclature (both formal and local) is provided in Figure 4 and Figure 8 and the base of the different formation sub-outcrop position is shown on Figure 7:

- The Beisa Reef is the lowermost placer and forms a narrow conglomerate with bitumen seams at the base of the Central Rand Group. It was exploited for its uranium content, with minor gold, at the Beisa/Oryx Mine. It is overlain by argillaceous or siliceous quartzites of the Main and Randfontein Formations.
- The Intermediate Reef defines the base of the Luipaardsvlei Formation and consists of a zone of conglomerates, locally containing well developed placers which are overlain by cross bedded quartzites and grits.
- The Basal and Steyn placers are the most extensive, continuous and economically significant reef in the goldfield. This placer lies on an erosion surface at the top of the Luipaardsvlei Formation. These placers differ in their clast assemblage – the Steyn Reef being polymictic and the Basal Reef being oligomictic. They are pene-contemporaneous, the Steyn Reef being slightly younger. Their provenances appear to have differed with the Basal Reef being derived from the west and the Steyn Reef from the south (Minter et al, 1986). Pebble size and gold tenor decreases to the north. They are overlain by the Khaki Shale. The Basal and Steyn placers represent two pulses of conglomerate deposition on the same palaeosurface (Minter et al, 1986). The Steyn placer was superimposed onto that of the Basal Reef from an entry point further to the south of the Basal entry point. The Steyn placer often erodes into and eliminates the Basal placer and the two often merge with the Basal being recognised by its generally more homogeneous pebble characteristics. The Basal Reef formed by the deposition and reworking of sediment in a fluvial (braided stream) environment that was cutting down into a large fan represented by the Luipaardsvlei Formation. Most of the gold in the two placers is associated with the conglomeratic mid-fan facies and maximal concentration is coincident either with scour channels or zones of other coarse grained material (Minter et al, 1986) and bitumen seams.
- The Leader Reef is also a composite placer, formed from the coalescence of two sediment pulses and is generally composed of a number of inter-bedded argillaceous quartz and conglomerate units. It disconformably overlies a khaki shale and argillaceous quartzite assemblage locally referred to as the Harmony Formation (base of the Booysens Formation). Gold-distribution patterns follow the same parameters as those established for the Steyn and Basal placers and sediment input appears to have been from the south and west (Minter & Leon, 1991). Therefore, the coarsest grain sizes and highest gold/uranium ratios are found in the western portions of the placer. The sequence fines upwards to shale, correlated with the Booysen Formation.
- The B Reef lies at the base of the Kimberley Formation on a disconformity that regionally truncates the Krugersdorp and Booysens Formations. The B Reef was mined at the Loraine and Freegold North Mines (Figure 6) the latter now called Tshepong Gold Mine. It occurs in discrete but interconnected channels that have locally eroded the underlying shale. Gold grades in the B Reef are controlled by the morphology of the sinuous braided channels in the placer deposit and tend to be irregular (Minter et al, 1986).

- The A Reef usually consists of an oligomictic conglomerate that is variable in thickness and lateral continuity. The A Reef can carry moderate gold concentrations and has been mostly exploited from the Loraine Mine area along the basin edges to the west of the Jeanette Mine.

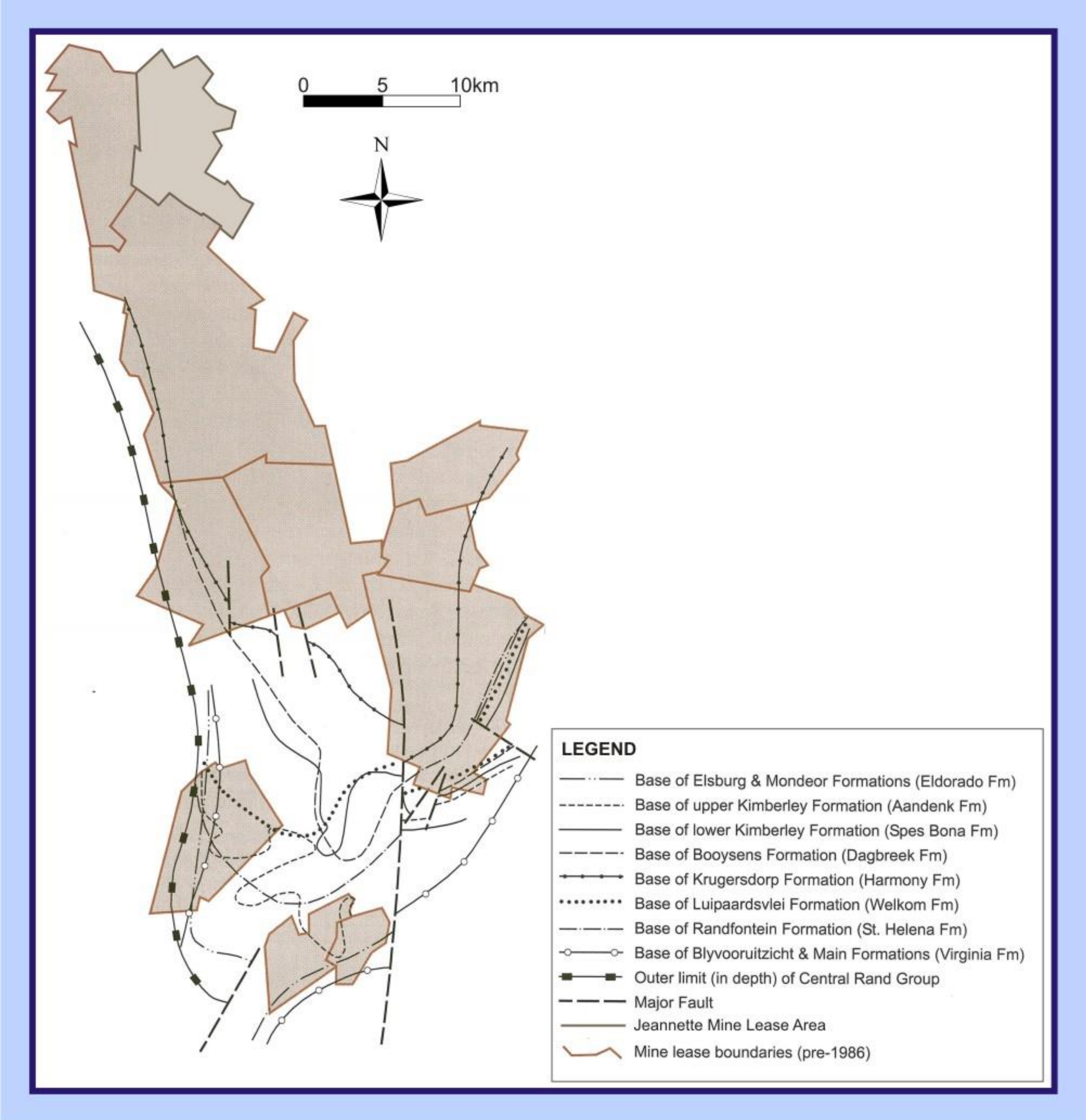

Figure 7: Subcrop of the various formations of the Central Rand Group in the southern portion of the Welkom Goldfield (Genis, 1990)

- The Beatrix/VS5 Reef lies on a disconformity at the base of the Elsburg Formation. The Elsburg and Mondeor Formations consist of a clastic wedge which coarsens both upwards and to the west where boulder conglomerates are developed. These were deposited in large alluvial fans which progrades out from the west. In the northern portion of the Free State Goldfield, erosive reworking near the fan apices has caused local placer development and economic gold mineralisation occurs along a narrow and complex zone parallel to the basin margin.

- These are the Eldorado Reefs which comprise significant proportions of massive, polymictic conglomerates containing up to 18 gold bearing horizons and mainly exploited on Loraine Mine. These gravels were deposited through rapid erosion and higher energy deposition of underlying placers which were being uplifted during late-stage faulting of the western edge of the Free State Goldfield.

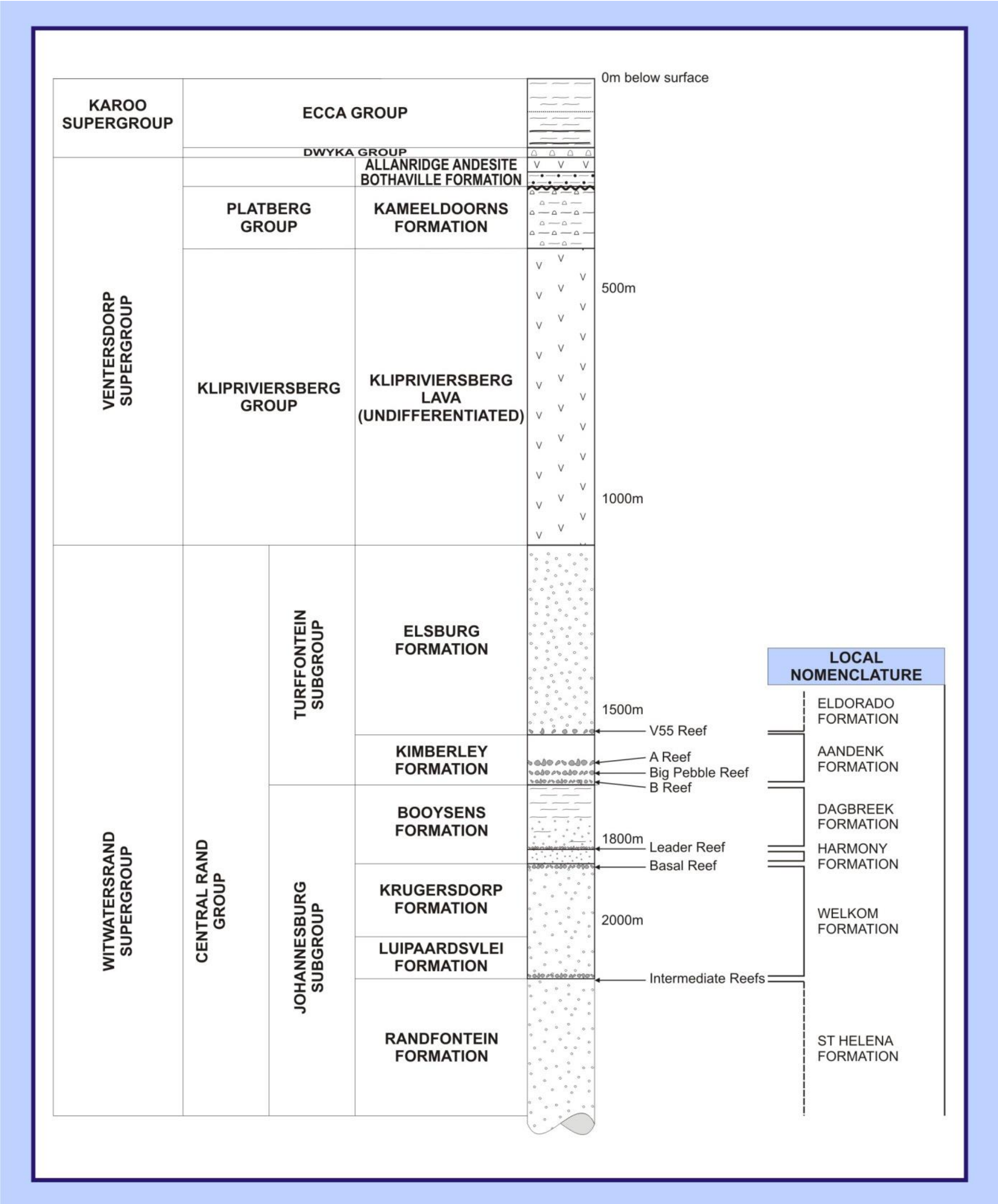

Figure 8: Idealised stratigraphic column of the Jeanette Project

Sedimentation of the Central Rand Group in the Free State basin was episodic and fluvial sedimentation was controlled by tectonic forces which uplifted earlier sediments, allowing them to be eroded and re-deposited. On a regional scale, the Johannesburg Subgroup was deposited during an initial regressive cycle when the Witwatersrand Basin shrunk in size; this was followed by a period of transgression (or basin expansion) accompanied by deposition of the Turffontein Subgroup. The sequence of events is summarised in Figure 9 schematic section where a progressive over-stepping of lower formations by upper sequences is clearly demonstrated (McCarthy, 2006).

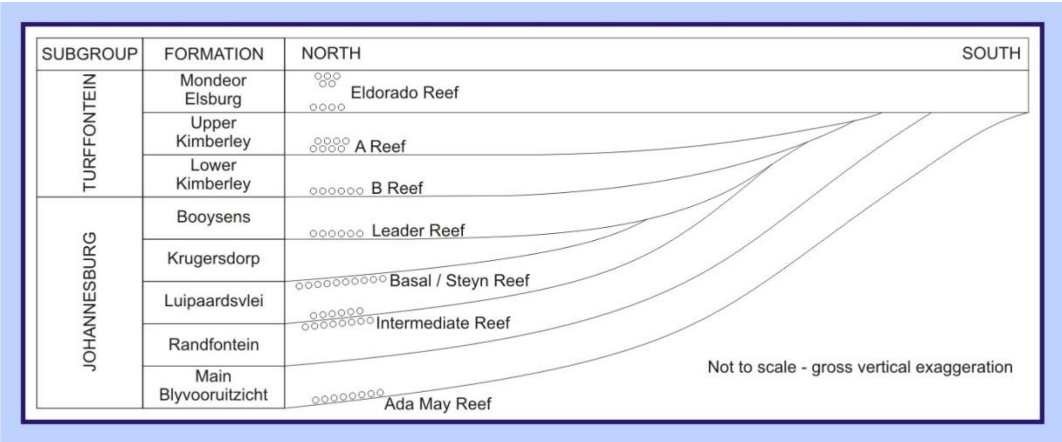

Figure 9: North-South schematic section through Free State Goldfield showing successive unconformity surfaces on top of which principal reef horizons are deposited (modified after Minter, 1986)

3 TENURE

The Jeanette Project is made of 7 prospecting rights which have been granted to Taung Gold Free State (Pty) Limited (TGFSL) in terms of Section 17(1) of the Mineral and Petroleum Resources Development Act 28 of 2002 (MPRDA,). The details and status and ownership of these rights can be found in Table 2 and Figure 10.

In terms of Section 19(1) of the MPRDA the holder of a prospecting right has the exclusive right to apply for and be granted a mining right in respect of the mineral and prospecting area in question. In respect of the MPRDA there is no time limit prior to expiry of the right by which the mining right application needs to be lodged.

On the 19 June 2015 a mining right application to the Department of Mineral Resources (DMR) was made by TGFSL in terms of Section 22 of the MPRDA over properties all contained within the 7 prospecting rights listed in Table 2.

On the basis that the DMR received the application prior to the expiry of certain of the prospecting rights it is likely that the ensuing administrative process will ultimately result in the granting, execution and registration of a mining right.

However it should be noted that the following rights had expired at the date of submission of the mining right application and thus were open to third party prospecting right applications.

- FS 30/5/1/1/2/818 PR (28 February 2015)
- FS 30/5/1/1/2/713 PR (02 December 2014)

It should also be noted that until the mining right application is granted TGFSL currently only holds only an exclusive right to apply over prospecting areas where the prospecting rights had not yet expired at the date of mining right application as listed below.

- FS 30/5/1/1/2/895 PR
- FS 30/5/1/1/2/709 PR
- FS 30/5/1/1/2/940 PR

The Prospecting rights below are still current and only expire on the 17th July 2016

- FS 30/5/1/1/2/399 PR – 10082 PR
- FS 30/5/1/1/2/419 PR – 10098 PR

The Mineral Corporation has had sight of the prospecting rights, the Section 11 letters of consent and the Section 102 applications for amendments to the prospecting rights held by TGFSL. However, the legal validity of these rights has not been confirmed as this falls outside the scope of this report. Neither has the relationship between Taung Gold Limited and TGFSL been established.

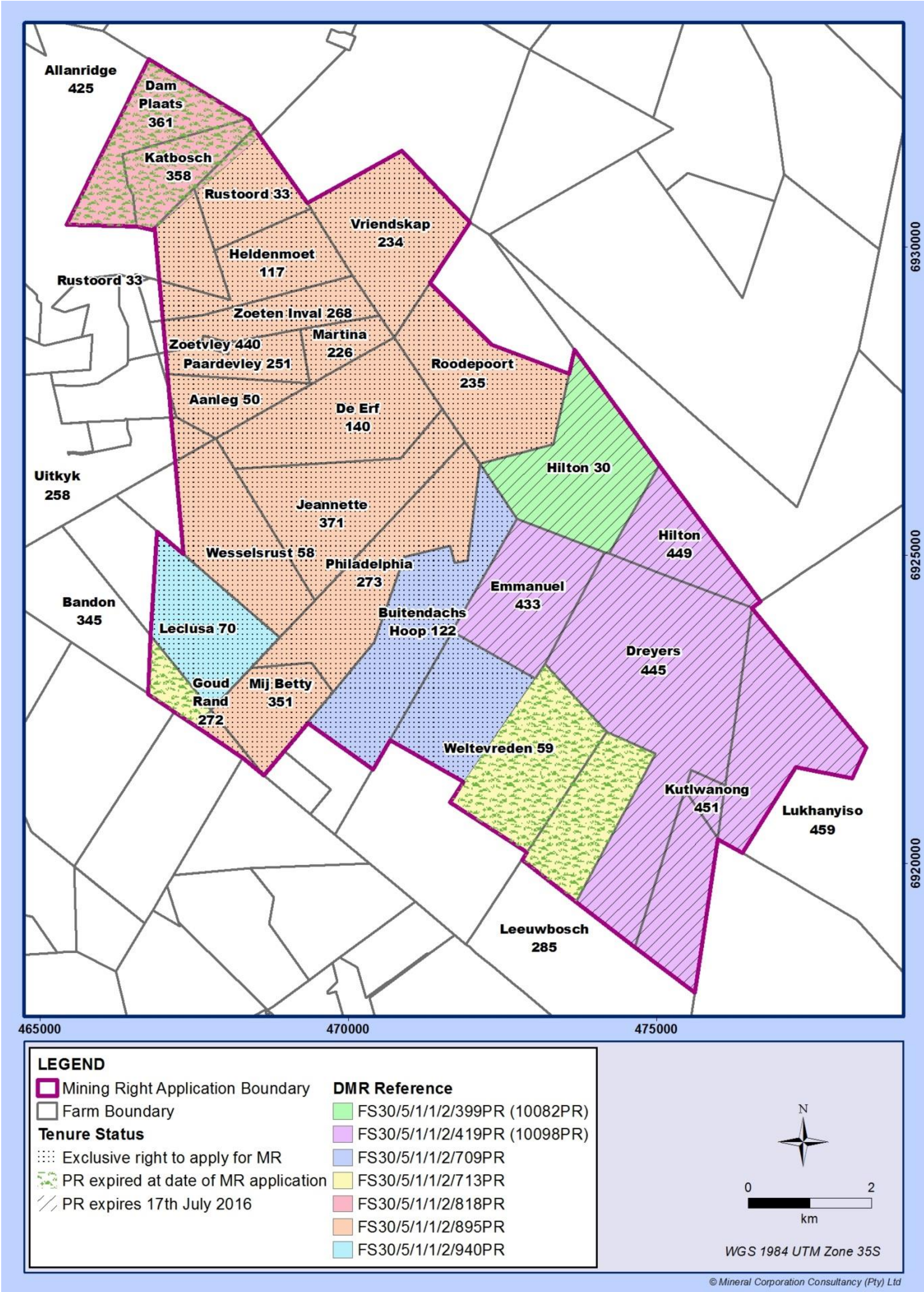

Figure 10: Prospecting Rights held by TGFSL as extracted from the Regulation 2.2 prospecting right figures

Table 2: Status of Prospecting Rights

DMR Reference Number	Holder	Description of farms	Ha	Minerals	Date Executed	Date Expired	Comments
FS 30/5/1/1/2/895 PR	Armgold/Harmony Freegold JV **Section 11 to Taung Gold Free State (Pty) Limited**	• Annleg 50 • De Erf 140 • Goudrand 272 • Heldenmoet 117 • Jeanette 371 • Martina 226 • My Betty 351 • Paardevley 251 • Philadelphia 273 • RE of Roodepoort 235 • Rustoord 33 • Certain portion of Uitkyk 258 • Vriendskap 235 • Certain portion of Wesselrust 58 • Zoeten Inval 268 • Allanridge 425	3890	Gold Ore, Silver Ore and Uranium Ore	29 June 2010	28 June 2015	An exclusive right to apply for and be granted a mining right has been exercised prior to the expiry date
FS 30/5/1/1/2/709 PR	Free State Development and Investment Corporation **Consent for Section 11 to Taung Gold Free State (Pty) Limited**	• Buitendachs Hoop 122 • Emmanuel 433 (excluded and included into FS 10098PR) • Weltevreden 59	1028	Gold Ore, Silver Ore and Uranium Ore	4th August 2009	3rd August 2014 (a renewal application was submitted prior to the expiry of the right but has not yet been granted)	An application in terms of Section 18 of the MPRDA was submitted to the DMR. Section 18(5) of the MPRDA states that despite its expiry sate a prospecting right shall remain in force until such time the application is granted or rejected, therefore an exclusive right to apply for and be granted a mining right has been exercised prior to the expiry date
FS 30/5/1/1/2/940 PR	Free State Development and Investment Corporation **Section 11 to Taung Gold Free State (Pty) Limited**	• Remainder of the farm Leclusa 70	301	Gold Ore, Silver Ore and Uranium Ore	18th April 2011	17th April 2016	An exclusive right to apply for and be granted a mining right has been exercised prior to the expiry date
FS 30/5/1/1/2/818 PR	Taung Gold Free State (Pty) Limited	• Remaining extent and portion 1 of Damplaats 3661	431	Gold Ore and	01 March 2010	28 February 2015	No Silver Expired at the date of

DMR Reference Number	Holder	Description of farms	Ha	Minerals	Date Executed	Date Expired	Comments
		• Remaining extent and portion 1 of Katbosch 358		Uranium Ore			submission of the mining right application and thus were open to third party prospecting right applications
FS 30/5/1/1/2/713 PR	Taung Gold Free State (Pty) Limited	• Remainder of Bandon 345 • Remainder of Weltevreden 59 (excluded as included in FS 709PR) • Remainder of 3 Weltevreden 59 • Portion 6 of Weltevreden 59 • Portion 3 of Leeuwbosch 285	1315	Gold Ore, Silver Ore and Uranium Ore	03 December 2009	02 December 2014	Expired at the date of submission of the mining right application and thus were open to third party prospecting right applications
FS 30/5/1/1/2/399 PR (10082 PR)	Taung Gold Free State (Pty) Limited	• Subdivision 1 of Hilton 30 • Melkkraal 450	1801	All minerals excluding diamond and coal	Renewal 18th July 2013	Renewal 17th July 2016	An exclusive right to apply for and be granted a mining right has been exercised prior to the expiry date
FS 30/5/1/1/2/419 PR (10098 PR)	Taung Gold Free State (Pty) Limited	• Hilton 449 • Emmanuel 433 • Remaining extent of Langkuil 66 • Portion 1 Langkuil 66 • Remaining extent of Kameeldoorns • Remaining extent of Dreyers 445 • Remaining extent of Leeuwbosch 282 • Portion 2 of Leeuwbosch 282 • Remaining extent of Portion 5 of Leeuwbosch 282 • Portion 8 of Leeuwbosch 282 • Portion 9 of Leeuwbosch 282	6427	Gold Ore, Silver Ore and Uranium Ore	Renewal 18th July 2013	Renewal 17th July 2016	An exclusive right to apply for and be granted a mining right has been exercised prior to the expiry date

4 PROJECT AREA FOOTPRINT

A map showing the outline and extent of the Jeanette Mine project footprint is presented in Figure 11. Positions of borehole collars are also shown.

5 PROJECT GEOLOGY

Interest in the potential for gold-bearing reefs within the Kimberley Formation at Jeannette Mine has been overshadowed to a large extent by the focus afforded on the Basal Reef. Four of the Kimberley Formation's distinct reef horizons; the VS5/Beatrix, A, Big Pebble and B Reef, have been mined to varying degrees on most of the Free State Goldfield's mines. Despite this, they have always been considered a secondary source of gold to the Basal Reef due to their aerially discontinuous and more erratically developed nature which together has restricted large scale mining.

This observation is corroborated by the fact that prior to production from Gold Fields' Beatrix Mine, no operation was founded solely on the strength of the Kimberley Reefs' Mineral Resources. However, in recent years, exploration of the reefs within the Kimberley Formation has, at many operations, been rekindled in the constant search for replenishment of depleted Basal Reef mineral reserves. At currently producing Basal Reef mines, the Kimberley Reefs are still not considered to represent a standalone mineral resource, but more as a mining opportunity that arises once underground development has reached the target reef horizon.

It has now been recognised that new mining operations that solely target exploitation of the Kimberley Reefs, such as Great Basin Gold's Burnstone project in the South Rand Basin, require considerably greater up-front geological exploration than has previously been afforded. The Burnstone project, for instance, has drilled in excess of 200 borehole intersections for its 2007 mineral resource estimation. On-mine exploration in the Free State Goldfield has defined Mineral Resources on the A and B Reefs at Harmony's Steyn and Brand 1 and 3 shafts, while Harmony 2 is exploiting the A Reef. Exploration at the Masimong 5 Shaft has defined complex sedimentologically controlled gold mineralisation within a wide east-west trending channel of B Reef. The initial geological concept at Avgold's (now Harmony's) Sun exploration project in the early 1990s, located in the northern Free State Goldfield, was focussed on the multiple-conglomerate hosted Big Pebble Reef zone, which attained true thicknesses of up to 5m, and grades of up to 8g/t gold.

5.1 Exploration History

Gold exploration on Jeannette Mine spanned a total of 55 years from 1936, during which time twenty seven surface boreholes were drilled (Figure 2). Two surface shafts were sunk in the 1950s on preliminary information and a limited amount of underground development took place on the Basal Reef, but operations ceased in the late 1950s. During the various drilling programmes, the Kimberley Formation was afforded rudimentary inquiry until AAC's more concerted efforts during the 1970s and again in the 1990s. However, the focus has remained strongly on evaluation of the Basal Reef.

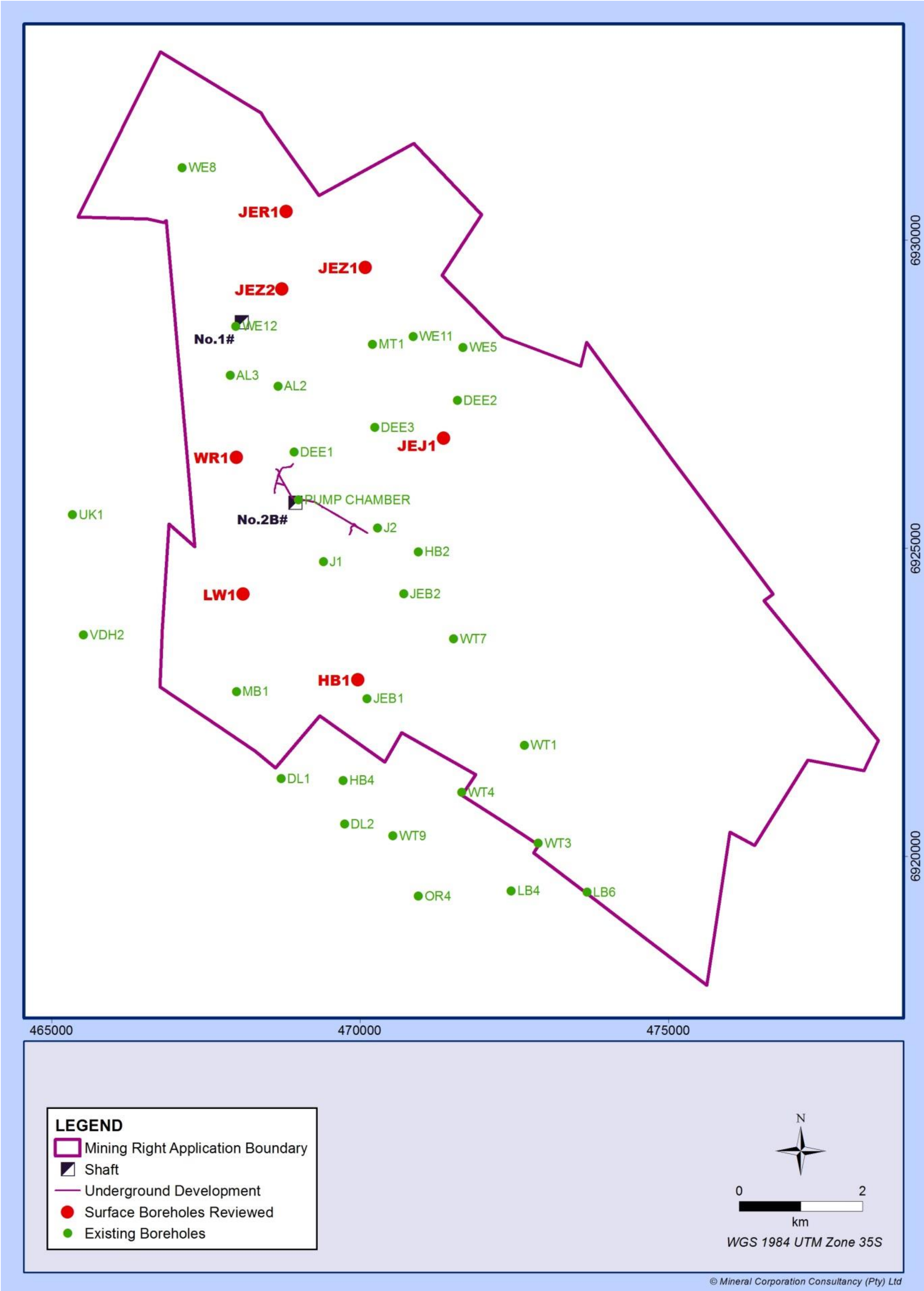

Figure 11: Map of Jeannette mine lease area showing positions of surface borehole collars. Boreholes reviewed in the due diligence exercise are highlighted in red

5.2 Stratigraphy

Figure 12 presents an idealised stratigraphic section through the Kimberley Formation on Jeannette Mine, showing the relative positions of the individual reefs. The column was constructed from historical data from surrounding mines and exploration projects, and verified from complete Kimberley Formation borehole intersections on Jeannette Mine. It should be noted that the A Reef lies approximately 250m above the Basal Reef.

Conglomerates in the Kimberley Formation are often lens-like and impersistent in character. Underground evidence indicates that thick conglomerate reefs can deteriorate rapidly into contact-type reefs within a short distance, thereby losing much of their gold content. The presence of the unconformity surface on which the conglomerates lie, however, is usually identified from the adjacent lithology. This understanding of sedimentary cycles is therefore fundamental in correlating the individual Kimberley Reefs.

Away from the western depositional margin of the Witwatersrand Basin, in the vicinity of Jeannette Mine, the Kimberley Formation maintains a fairly constant stratigraphic thickness of 90m to 100m. Even though lithological variability on the unconformity surfaces may be pronounced, major stratigraphic markers are usually evident which greatly assists in minimising correlation risk.

The Kimberley Formation has been subdivided stratigraphically into three unconformity-bound component members termed the Spes Bona, Big Pebble and Earls Court (from bottom to top) (Figure 12).

The B Reef lies on the unconformity demarcating the base of the Spes Bona member, while the Big Pebble bottom conglomerate and the A Reef occupy the unconformities at the bases of the Big Pebble and Earls Court members respectively.

The B Reef comprises a variably developed bitumen-rich pebble lag lying in direct contact on the underlying Booysens quartzite which in turn overlies the Booysens shale or Upper Shale Marker as it is termed at the Jeanette Project. Preservation of this friable contact during diamond drilling operations presents a challenge. The conglomerate phase of the reef close to a bitumen-rich contact, also containing high gold abundances may likewise be poorly represented or missing.

The overlying Spes Bona Member is typically represented by poorly developed, inconsistent pebbly horizons within a generally pebbly argillaceous quartzite.

The Big Pebble Member comprises a sequence of stacked pebbly argillaceous and siliceous quartzites interbedded with conglomerate horizons, which deteriorate in composition away from the western depositional margin. While poorly defined and diffuse pebble beds can occur at any position in the sequence, two distinct laterally continuous horizons exist at the base and close to the top of the Big Pebble Member. Of these the basal unit is usually the more optimally developed and may attain a thickness in excess of 2m. The two significant reef horizons at the base and top of the Big Pebble Member have been exploited on a local scale at Nos. 1 and 2 Shafts of the old Loraine Gold Mine. Only the basal unit is developed to any degree of consistency on Jeannette Mine.

The Glassy Marker which lies directly above the conglomeratic portion of the Big Pebble Member marks an abrupt change in depositional provenance and is represented as a siliceous orthoquartzite that is a useful marker horizon for distinguishing the various units within the Kimberley Formation. The unit becomes more argillaceous upwards towards the base of the A Reef. A poorly developed black chert-rich grit often marks the base of the Glassy Marker zone. The zone has been clearly observed in all boreholes reviewed in this exercise. The non-recognition of the significance of this unit by AAC geologists is believed to be the most critical factor in their inability to understand the correlation of the Kimberley Reef horizons.

The A Reef demarcates the base of the Earls Court Member and usually consists of an oligomictic pebble conglomerate, but of much greater variability in thickness and development compared with the Big Pebble conglomerates. The reef is occasionally represented only by a contact or thin grit layer, the only clue to its presence being a more laterally consistent polymictic grit that lies some distance above the reef. Where it is well represented, the A Reef may carry moderate gold grades, similar to those occurring at the base of the Big Pebble conglomerate. The A Reef has been exploited notably at Loraine Gold Mine and at several other mines in the goldfield. In its more proximal facies it is formed as a well developed (± 100cm thick) conglomerate.

The lower unit of the Earls Court Member which directly overlies the A Reef is dominated by cycles of argillaceous quartzite with very sparse pebble layers. In contrast, the upper unit is marked by a pronounced weakly mineralised polymictic pebbly horizon at its base (Top Earls Court Reef), which is in turn overlain by a pebbly argillaceous quartzite. This upper unit of the Earls Court Member is overlain by the VS5 Reef, a poorly sorted polymictic conglomerate. This stratigraphic relationship suggests that the Top Earls Court Reef may be a distal correlative of the Beatrix Reef mined at Beatrix and H J Joel Gold Mines (Figure 12).

The VS5 Reef marks a regional unconformity at the base of the Elsburg Formation and comprises a large pebble but variably developed conglomerate in a siliceous quartzite. The VS5 Reef is always separated from the Top Earls Court Reef by up to 4m of pebbly argillaceous quartzite.

The Kimberley Formation in the Free State Goldfield probably represents the most stratigraphically complete package identified south of the Central Rand area of the Witwatersrand Basin.

5.3 Kimberley Depositional Trends

Successful application of depositional trend analysis in the Kimberley Formation has suffered previously from poor data density, caused by sporadic mining and sparse borehole intersections. The recent increase in underground mining of selective Kimberley Reefs throughout the Gold Field has improved this situation to the extent that local depositional trends can be tentatively established.

Paleo-direction studies within the Kimberley Formation have been carried out historically at underground sites at Loraine Gold Mine and from borehole intersections drilled at Avgold's (now Harmony's) Sun and Target projects. Both sets of data postulated a south-southeast directed paleocurrent trend in the A Reef, which lies parallel to the synform axis that demarcates the active western depositional margin of the south-western part of the Witwatersrand Basin. This relationship was observed to become more diffuse away from the margin in an eastward direction, where a weak east-west to northwest-southeast depositional trend was often recorded. Depositional trends in the remaining Kimberley Reefs were shown to be dominant in variations on the west-east direction.

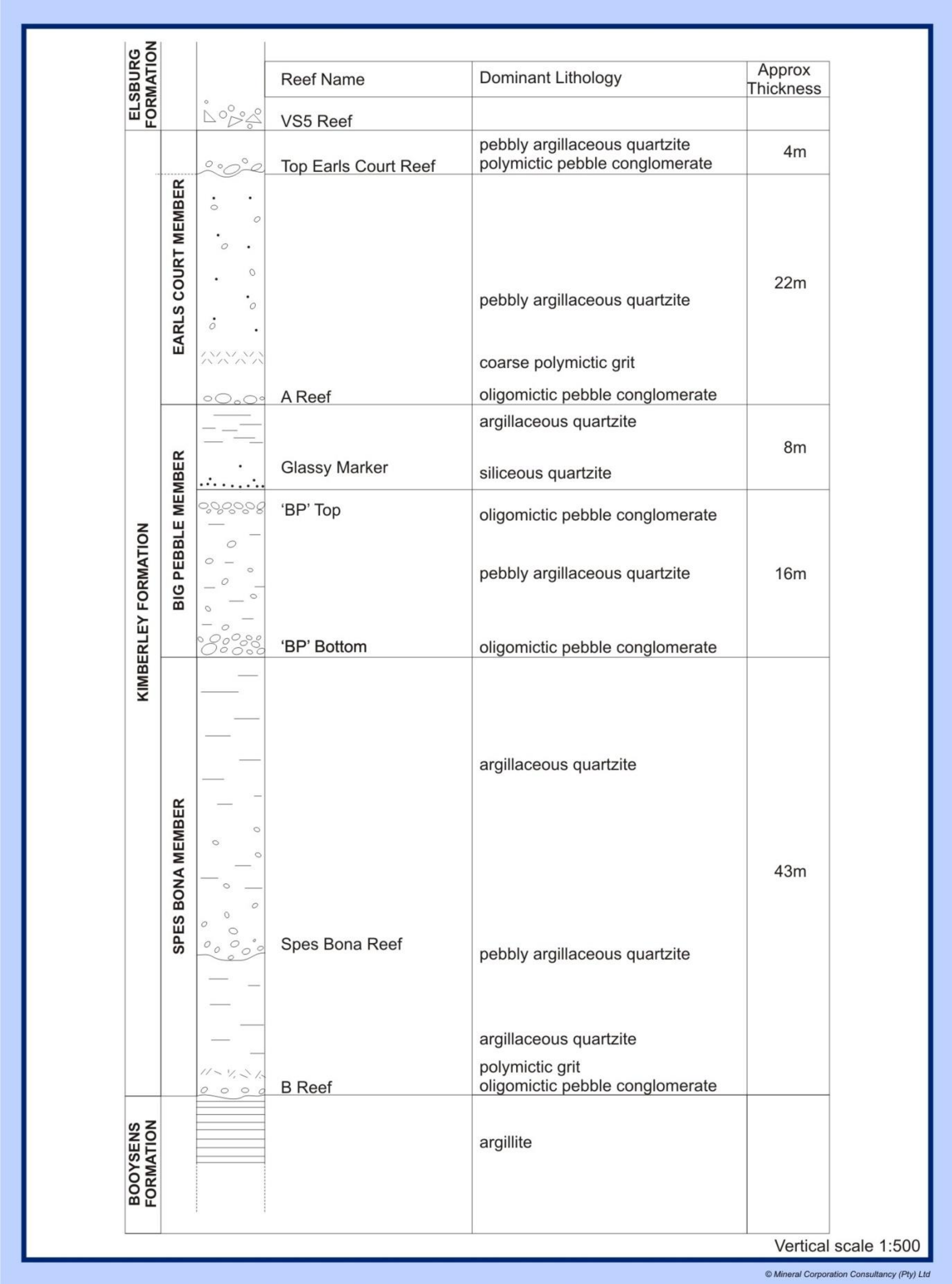

Figure 12: Idealised stratigraphic column through the Kimberley Formation at Jeannette Mine

Moving further away from the margin into the area of reduced fluvial activity, it would be expected that the strong margin-parallel trends on the A Reef would weaken, leaving a residual eastward-oriented depositional trend with a high degree of variability from the main the axis of deposition, although widths of individual channels and mineralisation may be expected to be broader.

5.4 Geological Structure

The Jeannette Mine lease area lies in a regionally developed north-south trending structural graben dominated by large throw (>200m), mainly eastward dipping normal faults. The eastern extremity of the lease area abuts against the De Bron Horst block dominated by the ± 700m westward down-throw of the Dagbreek Fault (Minter et al, 1986). A structural map on the Basal Reef surface, sourced from the AAC archives, is presented in Figure 13. The 3D seismic survey carried out over the greater Jeanette Mine property during 2011 forms the backdrop for the Mineral Resource estimation. Although the Basal Reef structure has been interpreted in detail based on the Upper Shale Marker (Booysens Shale) underlying the B Reef (Figure 14) and projected to the Basal Reef elevation. The structurally contiguous blocks of the A Reef has been interpreted directly from the seismic surface of the Upper Shale Marker (Figure 14)

It is noted that reef contour elevations for the B Reef surface at the base of the Kimberley Formation are approximately 250m shallower than those shown in Figure 13. This significantly reduces the depth below surface at which the reefs are developed. The absolute depths below surface at which the Kimberley Reefs will be developed range from 750m to 1750m, with a bias towards the greater depths in the western part of the lease area. An average reef dip of 12º to the west-northwest is noted throughout the Kimberley Formation in this section of the Gold Field, on the eastern limb of the marginal synform structure. A generalised west to east section is provided in Figure 15.

5.5 A Reef Geology

The auriferous A Reef is developed on Jeanette Mine as a small quartz pebble conglomerate (up to 25mm in diameter) and is well mineralised with pyrite, pyrrhotite and bitumen (Knowles, 1978) on an unconformity surface. The rocks hosting the A Reef are of argillaceous quartzite and in some instances several conglomerate horizons occur that can cause correlation problems. Knowles (1978) indicated that it has been assumed that the conglomerate with the highest gold or uranium abundance can be considered the A Reef.

The A Reef is generally a channel fill type deposit and extends over limited areas of a few kilometres and is interpreted as forming via repeated fan-head retrenchment during the accumulation of the Aandenk fan (Minter, 1986). The A Reef and other Kimberley Reefs have been mined sporadically on Loraine, the old Free State Geduld, President Brand and Steyn gold mines as well as Beatrix and H.J. Joel gold mines (Young, 1995).

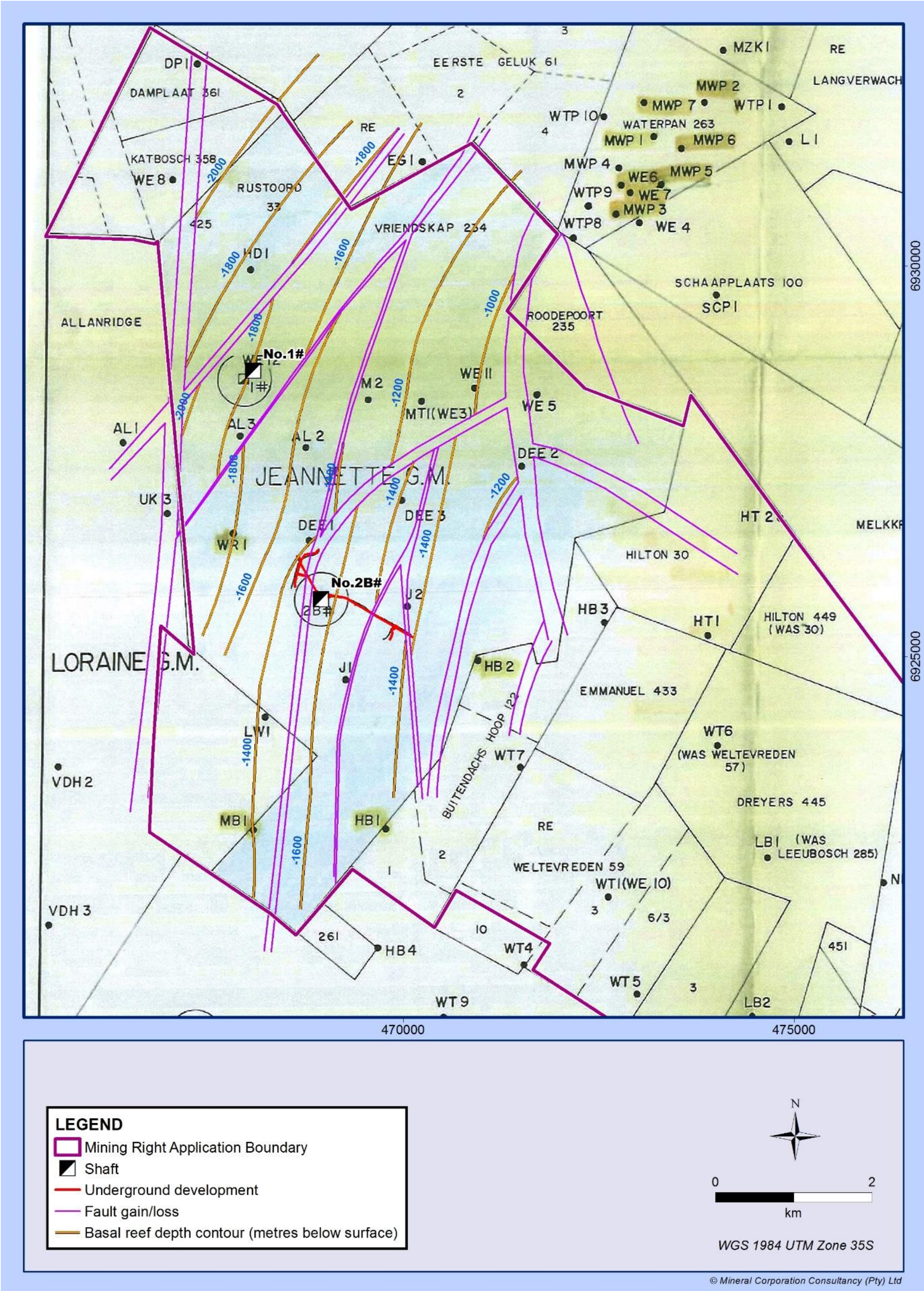

Figure 13: Structural map of the Basal Reef horizon at Jeanette Mine (sourced from AAC archived report)

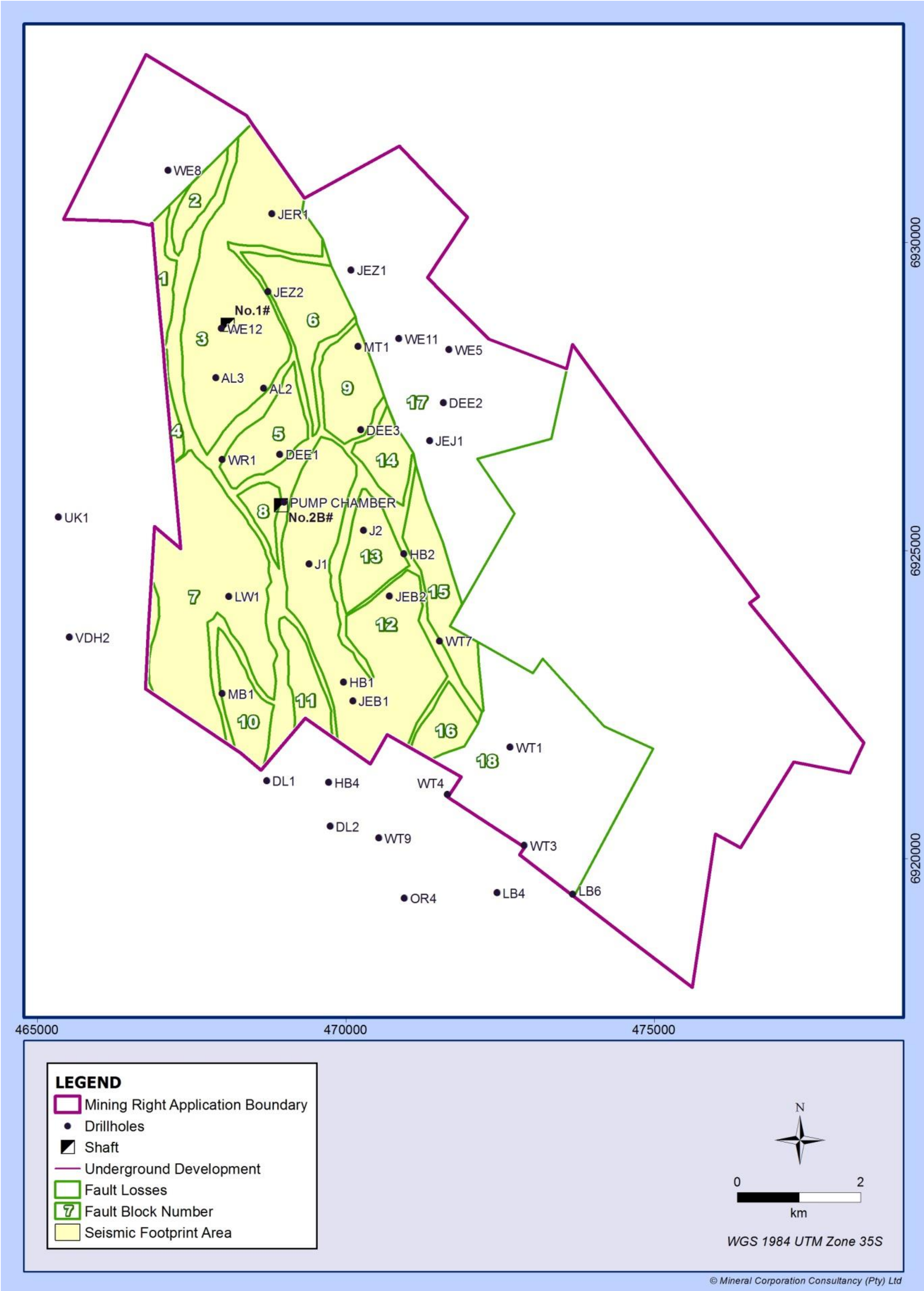

Figure 14: A Reef structural blocks based on 3D seismic surface of the upper shale marker

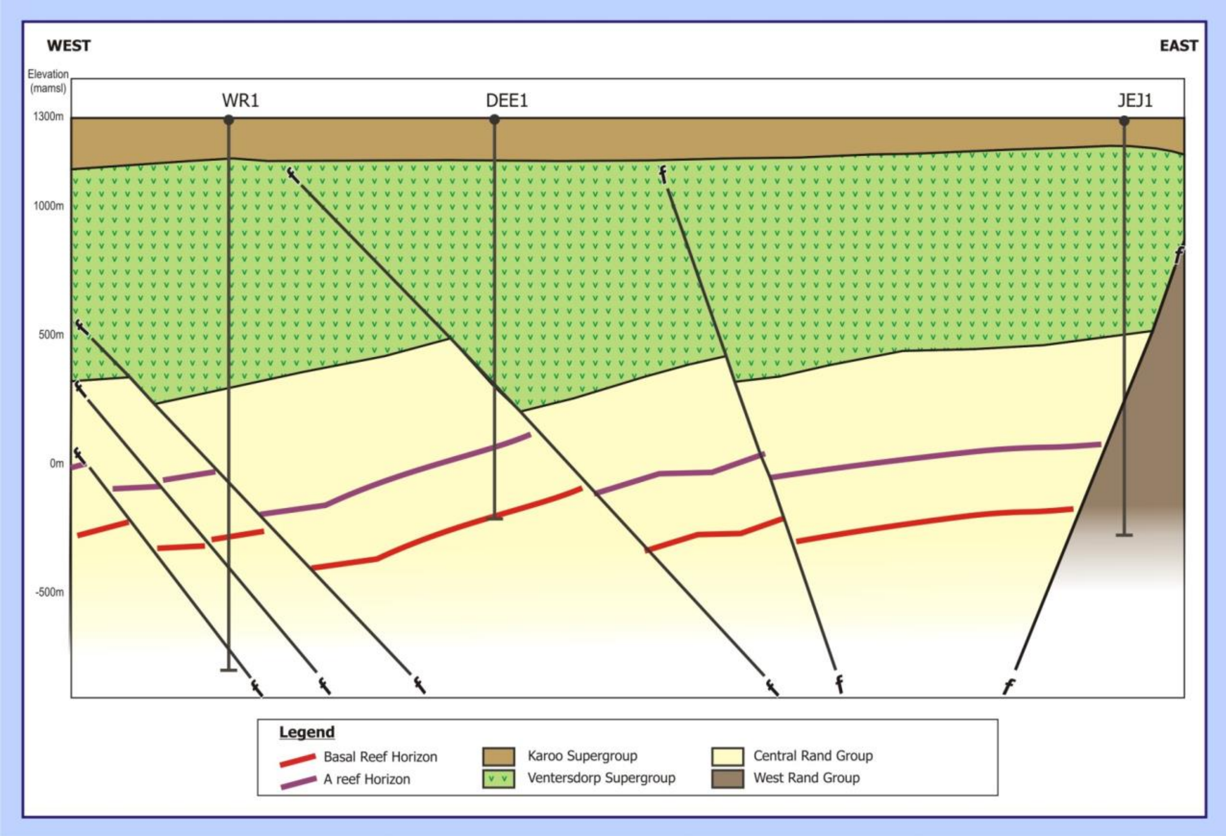

Figure 15: West to east geological section through the Jeanette Project

5.6 Current Kimberley Exploration Initiatives

Harmony is currently embarking on the exploration of a high-grade B Reef channel that extends through the Loraine No.2 Shaft pillar in a northwest-southeast direction, and on two additional channels that lie to the north-west and south-east of the shaft. East-southeast directed B Reef depositional systems have been postulated at Loraine Gold Mine which are being followed up with exploration. Harmony is leading the way to generating replacement Mineral Resources in its Free State operations through these concerted exploration efforts.

Exploration of the A Reef continues at Harmony 2 Shaft and the area to the south, and at Brand 1 and 3 shafts. Further investigation of the A Reef at the old Loraine 1C Shaft is underway with a view towards generating a business model for the re-opening of the Loraine Mine. The company in *circa* 2013 approved a ZAR56m B Reef exploration programme at Tshepong Mine, which has obviously resulted in some localised good results as it is reported in the Harmony 2015 annual report that "…….the B Reef is exploited as a high grade secondary reef." It is also reported from the same source that the B Reef is mined at the Masimong Gold Mine.

There is adequate current evidence of a weak to moderate eastward to south eastward trend for Kimberley Reef deposition on most Free State Goldfield mines to assume that this trend will continue through Jeannette Mine. However, despite this knowledge, the lack of adequate historical information with which to separate each Kimberley Reef into discrete facies has resulted in Mineral Resource estimations being considered across the entire Jeannette Mine lease area with a low payability percentage applied to account for the expected large inter-channel areas.

6 EXPLORATION DATA – DUE DILIGENCE

6.1 Introduction

The due diligence review and correlation of the Kimberley Formation Reefs was carried out on 19th and 20th August 2008 by an ex-employee of AAC employed by The Mineral Corporation (the ex-AAC employee). The primary aims of the review were twofold:

- To verify that reef surfaces in the Kimberley Formation can be correlated with confidence across the property.
- To verify the original gold value accumulations through selective re-sampling of core taken from the main reef horizons in available boreholes.

The results of the due diligence review were intended to determine whether the original gold accumulation values can be used to generate a SAMREC-Code (2007) compliant tonnage and grade estimate across selected portions of the property, from which a limited quantity of Mineral Resources may be defined.

Exploration in the Jeannette Mine lease area has been carried out in several drilling campaigns since the 1930s. Ownership changes in the intervening period and movement of core between core yards have resulted in difficulty in sourcing the majority of reported intersections on the Kimberley Reefs.

Core yard staff working for Taung were able to locate six boreholes showing Kimberley Formation intersections (JEZ1, JEZ2, JER1, HB1, WR1, LW1), and an additional borehole with a faulted bottom contact above the B Reef (JEJ1). A further two intersections were identified but could not be used due to severe core mixing and partial removal by earlier workers (MB1, HB2).

This represents approximately 22% of a possible twenty-seven intersections reportedly drilled on the Jeannette property. Boreholes that were available for scrutiny are indicated in red on Figure 11. It is noted that a central east-west portion of the lease area in which several high value intersections are reported is poorly represented by available core.

It is understood that the A Reef was intersected in the Jeanette 2B Shaft and some ancillary development in the 1950s.

6.2 General Geological Considerations

6.2.1 Establishment of structural continuity

The extensive drilling programme of the late 1970s carried out by AAC enabled the compilation of the Basal Reef structure plan shown in Figure 13. The geological structure on the boundaries of the Jeannette Mine property was well established from surrounding mining operations at Freegold North (now called Tshepong Gold Mine), Loraine and the Melkkraal exploration venture to the south, west and east respectively. The resultant structure map has thus been informed from a combination of boreholes drilled in the Jeannette Mine property and through interpretation from surrounding operations and projects, and is considered to be of sufficient accuracy for a project at this stage of study, despite the likelihood of errors in extrapolating the structure over the vertical distance between the Basal Reef horizon and the A Reef (approximately 250m).

6.2.2 Identification of individual reef horizons

A discussion on the successes achieved in correlating individual reefs within the Kimberley Formation is presented in Section 6.1.4.4. Photo-composites of borehole core showing correlation results are presented in Plate 1 through Plate 10 (Appendix 2), taken from available Kimberley Formation drill core reviewed during this exercise. Close scrutiny of the photo-composites reveals generally close correlation between the idealised stratigraphic profile and borehole core observations. Cross-correlation of the main reef horizons between boreholes was considered successful and the agreed reef terminology was ascribed to the appropriate reef horizons.

6.2.3 Facies variations in the Kimberley Reefs

The sparse borehole density across the lease area precludes the subdivision of the A Reef into different facies types.

The B Reef forms in wider, shallower channels where it overlies the arenaceous Doornkop quartzite to the north of Jeannette Mine. Due to the shaley nature of the underlying strata over the mine lease area, the areal distribution of the reef is expected to be controlled by steep sided scours within the underlying strata, causing potholing to occur. This may increase the likelihood of erratic gold values. However in the presence of few B Reef intersections, interrogation of footwall control and its effect on facies subdivision has not been possible.

Of greater concern is the often recorded friable nature of the 'carbon'-bearing basal contact of the reef which renders complete borehole recovery difficult. This may in turn result in localised core loss which negatively affects reef evaluation.

6.3 Confirmatory Core Re-sampling Program

All nine boreholes containing visible indications of Kimberley Reef development were unpacked for inspection at the Welkom core yard. Two of these were considered unsuitable for further study due to poor core preservation (HB2, MB1). Core integrity, marking and handling exceptions were noted. A stratigraphic due diligence exercise was then carried out to verify the positions of the target reef horizons and other prominent markers within the Kimberley Formation. The marker horizons were identified on the remaining half core in china crayon.

The following procedure was followed for each borehole intersection examined:

- Check that borehole intersection end depths concurred with available logging information and note if these are not available or if substantial discrepancies occurred;
- Scan through the borehole core to check for core continuity and establish if areas of loss have been adequately recorded on the core, with appropriate written indication and depth check controls;
- Validate start and end depth of each reported deflection against logs, where available;
- Establish contact depths of the main lithological and stratigraphic zone boundaries within the Kimberley Formation and compare with logged information where available;
- Establish positions of main stratigraphic horizons from VS5 Reef (above the Kimberley Formation) to the B Reef;
- Check the appropriateness of the original sampling interval of each reef intersection. For instance, the AAC sampling standard involved the inclusion of 2cm of hangingwall and footwall stratigraphy in the reef sample which should have been adhered to; and

- If notable reef horizons had not been sampled in previous campaigns, these were identified but no sampling was carried out unless approval to split the core was obtained from Taung management.

Since the aim of the exercise was limited to the confirmation of the presence of gold in the core and to provide for a value comparison, the number of deflections identified for sampling was limited to one or two selected cuts from each borehole. The selection criteria were based on core integrity and completeness, and availability of original logging and assaying sheets to provide a direct comparison. Structurally disturbed intersections were not considered. While there were adequate reef intersections available from the 1990s AAC drilling campaign in the lease area, far fewer intersections remained from previous campaigns, and selectivity was often not possible.

The re-sampling exercise (quarter core samples between 23 and 71cm long) included the insertion of appropriate Certified Reference Material (CRM) and barren material (Blanks) into the sampling stream to check for laboratory accuracy and contamination respectively.

CRM was obtained from African Mineral Standards. Of the CRM produced by the company, AMIS 0077 was considered to be the most representative of the rock type to be assayed from the Jeannette Mine, with reported concentrations of 12ppm (g/t) Au (±0.84ppm at 2 standard deviations). The source of this CRM was the Carbon Leader Reef at AngloGold Ashanti's West Wits operations, which bears similar whole-rock characteristics to the Kimberley Reefs.

Blank material was sourced from Rolfes Silica quarry near Brits in the North West Province, which produces various grades of certifiable >98% silica from the Magaliesberg quartzite. Blank material is used between reef samples as a flushing agent to ensure no remnant contamination exists in the sample preparation equipment that could affect downstream assay results.

CRMs and Blanks are placed at specific positions within the sampling stream, guided by the following protocol:

- CRMs are placed adjacent to a reef sample, and widely spaced throughout the sample stream; and
- Blanks are placed regularly between sampling of successive boreholes and deflections, and at the start of each sample batch.

An idealised order of placement, progressing stratigraphically down the borehole is as follows:

- Blank;
- Hangingwall sample #1;
- (Hangingwall sample #2 if applicable);
- CRM;
- Reef sample #1;
- (Reef sample #2 if applicable);
- Footwall sample #1;
- (Footwall sample #2 if applicable); and
- Blank.

Variations in CRM placement due to practicalities are considered permissible; however Blanks are placed between every successive intersection sampled to ensure no cross-contamination between boreholes or deflections occurs. Items in parentheses are optional depending on intersection thickness.

It is noted that for this exercise, CRMs were inserted into the sample stream in the offices of The Mineral Corporation in Johannesburg, so as to avoid the possibility of on-site contamination.

For each chosen intersection, the following core marking protocol was observed:

- Wash the core to remove dust accumulation;
- Decide on a start and end depth for each sample (based on AAC's '2cm' rule of taking this amount of hangingwall and footwall material with the reef sample to allow for possible re-mobilisation of gold. If no natural break exists, the core is broken as close to this position as possible);
- Record the bedding dip angle in the field note book, if any prominent bedding is observed;
- Taking the accepted drillers' core depths, indicate any full metre on the half core with a permanent marker;
- Decide on the top and bottom depths of each sample and highlight the breaks in the core with a china marker;
- Starting from the stratigraphic top of the intersection, mark the sampling starting depth on the top side of the core to be sampled;
- Mark the measured sample depth that corresponds to the end of each sample on the top side of the core;
- Write the sample ticket number in permanent marker roughly midway along the sample on the cut side of the core, taking cognisance of positions of Blank and CRMs in the sample stream;
- Place a black cutting mark on the cut surface down the centre of the entire length of core to be sampled, ensuring it aligns exactly parallel to the axis of the core and therefore precisely bisects the core;
- Transfer the entire piece of half core to a clean separate box ensuring no mix-up occurs;
- Friable pieces of core that may be prone to disintegration during sawing should be bound with masking tape prior to sawing, which should be removed carefully afterwards, while maintaining the protocols outlines above; and
- Should no depth marks remain on the core (noted in borehole HB1), a zero metre mark was placed at the top of the first sample to be tested, and all subsequent depth marks were made in reference to this check depth. Despite the lack of depth markings, correlation of individual reef surfaces was therefore still possible.

Each sample was sawn using a new saw blade at the start of the exercise, according to the following procedure:

- Taking each sample in turn, saw the core exactly down the black line marked on the flat surface of the half core;
- Replace both halves of the sawn core (usually now in quarters) back in their original positions in the core tray, ensuring that the piece to be sampled (i.e. the piece without china marker labels) lies adjacent to the piece that will remain as a check, i.e. with markings;
- Repeat this for the entire borehole sample;
- The sawn core should ideally be allowed time to dry naturally before being placed in the sample bag, away from possible contaminants;
- Take each piece of core to be sampled from its position in the core tray and place it in a new plastic bag;
- Take a pre-marked ticket from the ticket book and place 2 tickets in the sample bag with the core sample; and
- Record in the field book the borehole number, deflection, depth from, depth to, stratigraphy, lithology, dip angle, sample ticket number and type of sample (Hangingwall, Reef, Footwall, CRM, Blank).

Once all the sampling is complete, the sample ticket number must be written boldly on the outside of each bag in sequence and the bag completely sealed and stapled to prevent all possibility of contamination and tampering. Bags intended for the CRMs should contain the sample tickets and be marked on the outside with the sample number but then put aside in a clean environment until each CRM is placed inside the bag.

The marked half core is finally returned to its original place in the core tray. Appropriate comments should be noted in the tray, stating details of why the core was re-sampled, by whom and when.

Photographs of full Kimberley Reef intersections were taken prior to sampling. These were composited in The Mineral Corporation's offices in Johannesburg and are shown in Plates 1 through to Plate 10 (Appendix 2).

6.3.1 Sample integrity

The sampling process was closely supervised by the ex-AAC employee in order to ensure that all risks relating to accidental or deliberate contamination of samples were eliminated. Since the possibility of contamination of core samples could take place at any stage from initial core handling through to laboratory delivery, the entire process was subdivided into several elements as described in the following text.

- Core marking and selection of samples
  This entire step was carried out by The Mineral Corporation representative, with assistance from Taung core yard staff. The core marked for sampling was transferred to a clean core tray under supervision, and subsequently to the core cutting area, located in a dedicated building on site. Core sawing was carried out by a member of Taung's staff who was trained in sawing the core, under supervision of the ex-AAC employee.

- Sawing and replacement of core
  As each sample was sawn, the two halves were replaced adjacent to each other in the tray. As each borehole intersection was complete, the tray was returned to an area outside the building to dry. The process was overseen by The Mineral Corporation representative.

- Placing of samples into bags
  The dried samples were collected by The Mineral Corporation representative and placed directly into sample bags. Sample tickets were placed in the bag by the Taung core yard supervisor. The bag was then sealed by stapling the top of the bag.

- Delivery of samples to The Mineral Corporation's offices
  Once all the samples had been bagged, the entire batch was loaded directly into a vehicle for transport to The Mineral Corporation's offices in Johannesburg.

- Locking of samples in office, introduction of CRMs
  Prior to the insertion of CRMs into the empty sample bags, the consignment was locked in an office of The Mineral Corporation in Johannesburg. CRMs were inserted by the company's representative.

6.3.2 Transport of samples to laboratory

The completed sample batch was delivered directly to the laboratory by The Mineral Corporation representative. A receipt confirming delivery was presented.

Remaining pulps from the sampling process are routinely collected from the laboratory within a 3 month period.

6.4 Results of the Due Diligence Review

Quality of available information for the Kimberley Reefs is directly related to its age, which can be divided into early and later exploration programmes. Borehole information collected prior to the AAC drilling program in the early 1990s is generally poorly represented with few remaining intact or marked borehole intersections. The quality of the core handling in the period between drilling and current storage in the AAC core yard is also questionable. This results in a substantial quantity of mixed and unmarked core in the remaining core boxes, much of which is unusable for review or evaluation.

Original borehole sampling and logging files for the pre-1990 programmes were not available for review. In most cases a summary evaluation sheet, without coordinates or other supporting information is all that remains.

The core derived from the AAC drilling campaign in the early 1990s has been well preserved and recorded, with complete drilling, logging and sampling records available for scrutiny. Most of the borehole information is in the form of computerised logs using GeoCapro logging software.
Four of the seven re-sampled Kimberley Reef intersections were from the later exploration campaign. These were not totally representative of the whole lease area due to their favoured locations over the eastern and northern parts. Fortunately, the remaining three intersections from earlier exploration campaigns were situated in more southern and western locations and were in reasonable condition, thereby supplementing the more recent information.

Despite the lack of available supporting data for the early, pre-1990 boreholes, it is believed that the quality of the archived summary information reflects an adequate degree of diligence in the original borehole programmes.

6.4.1 Availability of borehole logs and supporting information

Only borehole logs and summaries for the AAC drilling campaign were provided by Taung. A summary of information supplied by Taung is presented in Table 3.

Table 3: Hard copy data files received from Taung

Borehole name	Original sampling logs	Intersection summaries	Computerised core logs	Down-hole survey data	EMP records	Dipmeter logs
JEJ1	Yes	Yes	Yes	Yes	Yes	Yes
JER1	Yes	Yes	Yes			
JEZ1	Yes	Yes	Yes			
JEZ2	Yes	Yes				
LW1		Yes				
WR1		Yes				
HB1		Yes				

It is reiterated that all sample summary information gathered prior to the AAC drilling campaign in 1990 and used for reef intersection comparisons was derived solely from intersection summaries.

The main source of supporting documentation on Jeannette Mine was derived from A G Knowles' 1978 report entitled 'Jeannette Gold Mines – A Geological Assessment of the Lease area', and its associated summary intersection logs. This report provides a comprehensive summary of drilling operations and geological interpretation.

Borehole intersection values for the later AAC campaign (boreholes JEJ1, JER1, JEZ1, JEZ2) were obtained from summary assay result sheets which are located at the front of each complete borehole file. All intersection values were used to derive an average gold value for each reef, guided by the revised reef correlation. Where an intersection was noted as 'not acceptable', the original hand-compiled sampling sheet was scrutinised to ascertain the cause. If this was found to result from minor missing core chips, the intersection was accepted for use in the calculation. Where severe core grinding was noted, the intersection was not used in the derivation of an average overall borehole value.

6.4.2 Core and core box integrity

The Kimberley Formation core was generally in a poorer condition than that of the Basal Reef, indicating some neglect of this stratigraphic interval over the years. Over the 100m stratigraphic interval occupied by the Kimberley Formation, any small degree of core mixing could render it difficult to establish a correlation of the main marker horizons. The core of two of the nine boreholes located was found to be badly mixed; boreholes MB1 and HB2 were therefore not used in the exercise. The ongoing management of the core has allowed Taung geologists to sort these cores out to and add them to their database as well as resolve some of the issues raised in Section 6.4.5

All reviewed core was stacked in 1m or 1.5m long galvanised steel trays which were generally in good condition. Taung should be aware that the recently undertaken re-marking exercise on the existing core trays has failed to take into account previously mixed core. Continuity in the new tray labelling in several cases therefore does not compare well with the actual contents of the tray. For the purposes of this review, the new tray numbering was therefore not used.

6.4.3 Core labelling and marking

Original geologists' depth markings on most of the pre-1990 core were absent, but a few drillers' depth markings were observed. These were used to re-mark the portions of the core required for re-sampling. Minor discrepancies of a few cm compared with original reef contact depths were noted with this method which were carefully reconciled with available borehole logs. In cases where no depth markings of any kind were noted, the top of the uppermost sample was recorded as a start depth of 0.00m, and all subsequent depths referenced to this point. This method was applied to borehole HB1.

Some confusion was created by a seemingly universal practice in AAC's drilling campaigns of storing core from borehole deflections contiguously with the parent hole, without considering separation into discrete core trays. In the absence of permanent core depth marks, this practice caused some delay in establishing the identity of each deflection, but these issues were mainly resolved on site.

The absence of core markings rendered it impossible to determine whether the '2cm' rule for sampling across reef contacts was adhered to in the original core.

6.4.4 Stratigraphic correlation

A cursory overview of stratigraphic correlation of the major formations within the Witwatersrand sequence was carried out for the preliminary review. All major formation boundaries were visually validated against borehole logs, and no discrepancies were noted. Depths of the VS5, B and Basal reefs also generally tied in well with logged depths.

Re-correlation of the Kimberley Formation was the primary focus of this due diligence review, which resulted in re-assigning some reef intervals previously incorrectly correlated. The main marker horizons in the Kimberley Formation were found to be consistently and clearly developed across the lease area. However, when comparing previous reef terminologies recorded in the historical logs, numerous inconsistencies were noted which have resulted in re-classification of some of the intersections.

Discrepancies in reef terminology between the original sampling and this review are tabulated in Table 4.

Table 4: Correlation discrepancies noted in the review

Borehole ID	Previous correlation	Revised correlation
JEZ2	A2 Reef	A Reef
JEZ2	Big Pebble Conglomerate	Big Pebble bottom band
JEZ1	A2 Reef	A Reef
JEZ1	A6 Reef	Big Pebble bottom band
JER1	A2 Reef	A Reef
JER1	A3 Reef	A Reef
JER1	Libanon Reef	Big Pebble bottom band
JEJ1	BPC Lower	Big Pebble bottom band
LW1	A Reef	Big Pebble bottom band

The data indicates that the identity of the A Reef historically posed a correlation problem. In three of the seven boreholes reviewed, the Big Pebble bottom band was originally miscorrelated as A Reef or Libanon Reef.

Adjustments have been made to the previous correlation in order to align the reported reef values with the correct terminology. Furthermore it is understood that Taung geologists have since rectified the core marking and correlation since this due diligence review was completed as per the notes in italics in Section 6.4.5.

6.4.5 Individual boreholes – comments

JEZ2 mother hole – A Reef depth markings show inconsistencies between deflections which have been corrected in the review. Stratigraphic disturbance was observed due to nearby faulting which has removed some of the Kimberley Formation stratigraphy. The B Reef exposed in the long deflection (No.10) displays substantial bitumen content and is friable.

JEZ1 deflection 8 – the base of the Big Pebble Reef was sheared but was still developed. This was a similar case with the B Reef. The depth of this reef on the core does not compare with AAC's logging, and the sample depths were adjusted to allow for it to be sampled. The total gold and uranium values may therefore still be used. In later deflections the Big Pebble Bottom horizon showed extensively disseminated bitumen granules throughout the matrix.

JER1 mother hole – definition of the A Reef is different from the original log. The B Reef was very friable and was not sampled. JER1 deflection 15 B Reef was sampled whole since the basal contact was also in a very friable condition. This was a sacrificial intersection approved by Taung prior to sampling. The B Reef appears to equate with the quartzitic 'Mariasdal' Facies developed optimally in Avgold's Sun exploration venture (now Harmony's Target North project).

JEJ1 deflection 1 showed major faulting in the lower Kimberley Formation, and both the B Reef and some A Reef stratigraphy was missing. The A Reef is faulted out in all deflections, and the reef name ascribed in the original logs as A Reef is actually the Big Pebble Top Reef.

WR1 deflection 2 – the A Reef had no depth markings in the vicinity of the reef, so the drillers' depths were used as a basis for sampling. The B Reef contact was not previously sampled, since no conglomerate was developed – the core was therefore halved for sampling. *The core has been re-marked and re-logged.*

HB1 (possibly the mother hole) – There are no clear indications which deflection this refers to, so it is assumed to be the mother hole since the depths match with reasonable accuracy. Most of the Kimberley Formation core was unsampled, so the core was halved for sampling in this review. The depth markings for the A Reef were used as a guide to depth and the metre markings transferred down the core from this point to the Big Pebble Reef where no markings of any kind remained. *The deflections and motherhole have been identified and marked-up. This has no material change to the Mineral Resource estimates.*

HB2's core was not considered for sampling – the core was mixed and could not be easily re-fitted, there were no depth marks of any kind, and many portions were recorded as 'taken by Geo'. It was therefore decided not to use the core for re-evaluation. *The core has been re-evaluated and the mother hole and 18 deflections have been defined, marked and re-logged.*

LW1 – no core box markings existed but drillers' depths appear regularly on the Kimberley Formation core. Reef positions below the datum appear to broadly correlate with depths in paper records. The reef sampled is definitely not the A Reef, but probably the Big Pebble bottom band. However, there remains some uncertainty in the stratigraphy, and the borehole value should be used only tentatively in evaluation. *No further progress has been made except to acknowledge that the stratigraphy was correctly logged by AAC.*

MB1 – there were no borehole deflection numbers, no depth markings, and although several conglomerate layers were observed in the Kimberley Formation, the Big Pebble Bottom conglomerate is probably missing and most of this section of the core is mixed. No sampling was carried out. The original logging sheets should ideally be sourced to determine if the mixing of the core can be resolved, in which case the borehole may be considered in future evaluation exercises. *Further deflections than were originally viewed were completed. These "other" deflections have clarified most of the correlation problems.*

6.5 Review of Assay Results

All reef correlation, core depths and assay results from both previous and new sampling are tabulated in the spreadsheet presented in Table 6. Comparisons between the original and re-sampled data are presented in a simplified manner in Table 5. The intersection gold contents in terms of cm.g/t (the sum of the sample lengths x sample gold grades) are compared in preference to the individual samples to remove any aberrations related to the sample locations (original with respect to re-sampled).

Table 5: Gold comparisons between original and new sampling

Borehole	Deflection no.	Reef name	Original Au accumulation cm.g/t	Re-sampled Au accumulation cm.g/t
JEZ2	0	A	174	24
JEZ2	10	A	64	73
JEZ2	10	BP bottom	54	30
JEZ2	10	B	797	32
JEZ1	8	A	133	158
JEZ1	8	BP bottom	1085	666
JEZ1	8	B	8	12
JER1	0	A	226	253
JER1	0	BP bottom	179	187
JER1	15	B	955	274
JEJ1	1	BP bottom	141	87
WR1	0	BP bottom	NA	468
WR1	2	A	NA	489
WR1	2	B	NA	3
HB1	0?	A	NA	60
HB1	0?	BP bottom	NA	123
LW1	2?	BP bottom?	707	561

Comparisons between the two stages of sampling confirm the presence of gold accumulations in the Jeannette Mine borehole core for the Kimberley Reefs. Figure 16 provides a mean deviation graph of this data.

The bias in the spread of gold assay data points below the x-axis in Figure 16 indicates that the original gold values were consistently higher than the re-sampled values where the mean deviation = ((original – duplicate)/2)/average. This may result from subsequent loss of weathered and friable core in the reef zones over time. Bottom reef contacts, especially where represented by bitumen seams or flyspeck bitumen, are notoriously susceptible to core decomposition and loss. Numerous examples of this were encountered, which required careful selection of core intersections during re-sampling.

Table 6: Gold sampled value comparison

	Borehole name	Deflection number	Reef sampled	Depth from m	Depth To m	Core length cm	Apparent dip degs	Corrected width cm	Au assay 1 g/t	**Au assay ave**	**Au content cm.g/t**	Comments	Sample number	**Accumulated Au content cm.g/t**	Original Au value cm.g/t
1	BLANK								0.04	**0.04**			W1049		
2	JEZ2	0	A	1617.25	1617.54	29.0	20	27.3	0.03	**0.03**	**1**	A2 Reef in original logging - uncertain core depth marking	W1050	**24**	174
3	JEZ2	0	A	1617.54	1617.77	23.0	20	21.6	0.65	**0.65**	**14**	A2 Reef in original logging - uncertain core depth marking	W1051		
4	JEZ2	0	A	1617.77	1618.05	28.0	20	26.3	0.30	**0.30**	**8**	A2 Reef in original logging - uncertain core depth marking	W1052		
5	JEZ2	0	A	1618.05	1618.31	26.0	20	24.4	0.03	**0.03**	**1**	A2 Reef in original logging - uncertain core depth marking	W1053		
6	STANDARD								12.4	**12.37**			W1054		
7	BLANK								0.03	**0.03**			W1055		
8	JEZ2	10	A	1594.62	1595.01	39.0	12	38.1	1.02	**1.02**	**39**	A2 Reef in original logging	W1056	**73**	64
9	JEZ2	10	A	1595.01	1595.40	39.0	12	38.1	0.88	**0.88**	**34**	A2 Reef in original logging	W1057		
10	JEZ2	10	BP Bott	1616.96	1617.34	38.0	5	37.9	0.31	**0.31**	**12**	Big Pebble Conglomerate in original log	W1058	**30**	54
11	JEZ2	10	BP Bott	1617.34	1617.91	57.0	5	56.8	0.32	**0.32**	**18**	Big Pebble Conglomerate in original log	W1059		
12	BLANK								0.04	**0.04**			W1060		
13	JEZ2	10	B	1658.62	1659.03	41.0	15	39.6	0.02	**0.02**	**1**	Friable core	W1061	**32**	797
14	JEZ2	10	B	1659.03	1659.38	35.0	15	33.8	0.92	**0.92**	**31**	Friable core	W1062		
15	STANDARD								12.2	**12.20**			W1063		
16	JEZ1	8	A	1284.71	1284.99	28.0	12	27.4	4.46	**4.46**	**122**	A2 Reef in original logging	W1064	**158**	133
17	JEZ1	8	A	1284.99	1285.36	37.0	12	36.2	0.85	**0.85**	**31**	A2 Reef in original logging	W1065		
18	JEZ1	8	A	1285.36	1285.66	30.0	12	29.3	0.17	**0.17**	**5**	A2 Reef in original logging	W1066		
19	BLANK								0.04	**0.04**			W1067		
20	JEZ1	8	BP Bott	1315.36	1315.61	25.0	12	24.5	1.63	**1.63**	**40**	NV496/5. A6 Reef in original	W1068	**666**	1085
21	JEZ1	8	BP Bott	1315.61	1315.98	37.0	12	36.2	0.74	**0.74**	**27**	NV495/4. A6 Reef in original	W1069		
22	JEZ1	8	BP Bott	1315.98	1316.21	23.0	12	22.5	13.2	**13.19**	**297**	NV494/3. A6 Reef in original	W1070		
23	JEZ1	8	BP Bott	1316.21	1316.46	25.0	12	24.5	5.52	**5.52**	**135**	NV493/2. A6 Reef in original	W1071		
24	JEZ1	8	BP Bott	1316.46	1316.72	26.0	12	25.4	6.61	**6.61**	**168**	NV492/1. A6 Reef in original	W1072		
25	STANDARD								11.7	**11.65**			W1073		
26	BLANK								0.04	**0.04**			W1074		
27	JEZ1	8	B	1337.14	1337.53	39.0	20	36.6	0.32	**0.32**	**12**	Carbon noted on bottom contact. NV533/2	W1075	**12**	8
28	JER1	0	A	1510.70	1511.41	71.0	20	66.7	2.76	**2.76**	**184**	NL299/301. A2 Reef in original	W1076	**253**	226
29	JER1	0	A	1511.41	1511.89	48.0	20	45.1	1.53	**1.53**	**69**	NL297/299. A3 Reef in original	W1077		
30	JER1	0	BP Bott	1536.12	1536.49	37.0	10	36.4	5.12	**5.12**	**187**	NL250/251. Libanon Reef in original	W1078	**187**	179
31	BLANK								0.02	**0.02**			W1079		
32	JER1	15	B	1576.55	1576.87	32.0	8	31.7	8.64	**8.64**	**274**	NL969. Sampled entire half core due to friable nature.	W1080	**274**	955
33	STANDARD								11.9	**11.85**			W1081		
34	JEJ1	1	BP Bott	1336.83	1337.11	28.0	40	21.4	0.68	**0.68**	**15**	1m discrepancy with original logs. QH637	W1082	**87**	141
35	JEJ1	1	BP Bott	1337.11	1337.58	47.0	40	36.0	0.22	**0.22**	**8**	1m discrepancy with original logs. QH637/6/5	W1083		
36	JEJ1	1	BP Bott	1337.58	1337.89	31.0	40	23.7	2.72	**2.72**	**65**	1m discrepancy with original logs. QH635/4	W1084		

	Borehole name	Deflection number	Reef sampled	Depth from m	Depth To m	Core length cm	Apparent dip degs	Corrected width cm	Au assay 1 g/t	**Au assay ave**	**Au content cm.g/t**	Comments	Sample number	**Accumulated Au content cm.g/t**	Original Au value cm.g/t
37	BLANK								0.02	**0.02**			W1085		
38	WR1	0	BP Bott	1598.02	1598.31	29.0	15	28.0	1.30	**1.30**	**36**	No values in original records	W1086	**468**	nd
39	WR1	0	BP Bott	1598.56	1598.80	24.0	15	23.2	2.88	**2.88**	**67**	No values in original records	W1087		
40	WR1	0	BP Bott	1598.80	1599.30	50.0	15	48.3	3.66	**3.66**	**177**	No values in original records	W1088		
41	WR1	0	BP Bott	1599.30	1599.75	45.0	15	43.5	1.51	**1.51**	**66**	No values in original records	W1089		
42	WR1	0	BP Bott	1599.75	1600.12	37.0	15	35.7	1.87	**1.87**	**67**	No values in original records	W1090		
43	WR1	0	BP Bott	1600.12	1600.53	41.0	15	39.6	1.40	**1.40**	**55**	No values in original records	W1091		
44	STANDAR D								11.6	**11.58**			W1092		
45	BLANK								0.03	**0.03**			W1093		
46	WR1	2	A	1575.06	1575.49	43.0	15	41.5	10.9	**10.86**	**451**	No core depth marks. Accepted drillers depths	W1094	**489**	nd
47	WR1	2	A	1575.49	1575.89	40.0	15	38.6	0.99	**0.99**	**38**	No core depth marks. Accepted drillers depths	W1095		
48	WR1	2	B	1636.07	1636.41	34.0	15	32.8	0.11	**0.11**	**3**	Not sampled previously; half core	W1096	**3**	na
49	HB1	0?	A	0.00	0.51	51.0	15	49.3	1.22	**1.22**	**60**	No depths - zeroed at top contact of sampling interval	W1097	**60**	na
50	HB1	0?	BP Bott	0.00	0.33	33.0	15	31.9	0.43	**0.43**	**14**	No depths - zeroed at top contact of sampling interval	W1098	**123**	nd
51	HB1	0?	BP Bott	0.33	0.66	33.0	15	31.9	1.00	**1.00**	**32**	No depths - zeroed at top contact of sampling interval	W1099		
52	HB1	0?	BP Bott	0.66	1.10	44.0	15	42.5	1.44	**1.44**	**61**	No depths - zeroed at top contact of sampling interval	W1100		
53	HB1	0?	BP Bott	1.10	1.52	42.0	15	40.6	0.41	**0.41**	**17**	No depths - zeroed at top contact of sampling interval	W1101		
54	LW1	2?	BP Bott?	1314.78	1315.22	44.0	20	41.3	4.24	**4.24**	**175**	Drillers depths used - no core marks remaining.	W1102	**561**	707
55	LW1	2?	BP Bott?	1315.22	1315.63	41.0	20	38.5	10.0	**10.01**	**386**	Drillers depths used - no core marks remaining.	W1103		
56	BLANK								0.08	**0.08**			W1104		
57	STANDAR D								11.9	**11.85**			W1105		

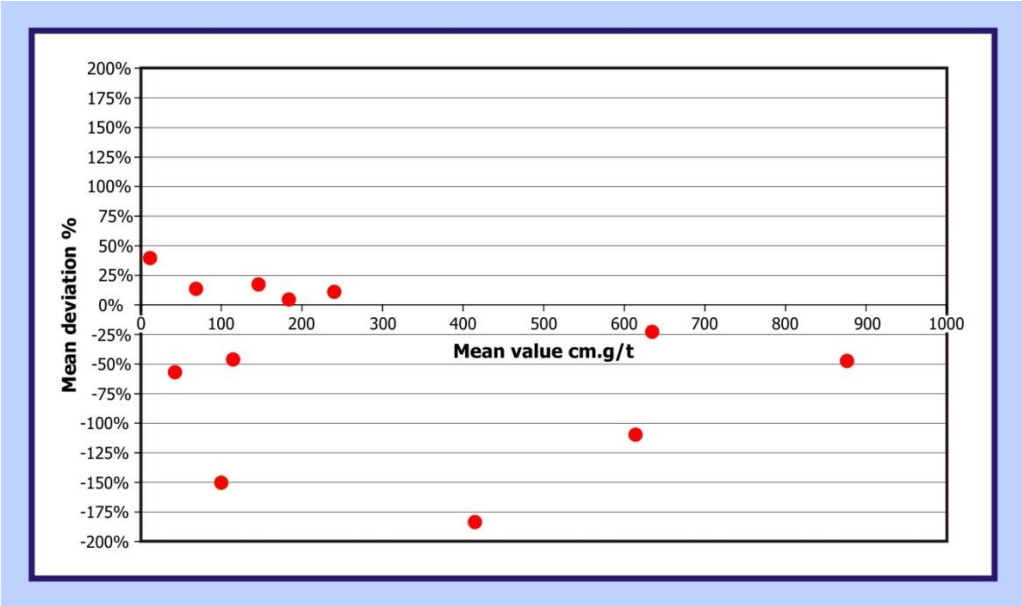

Figure 16: Mean deviation graph of gold accumulation between original and new sampling results

6.5.1 Analysis of CRMs

An assessment of laboratory accuracy was carried out on assay values received from the CRM standards placed into the sampling stream with certified values received from AMIS in respect of CRM no. AMIS 0077.

Gold assays received from AMIS 0077 indicate no particular bias, with a spread of reported assays around the accepted 12g/t CRM value between -3% and +4% errors (Figure 17).

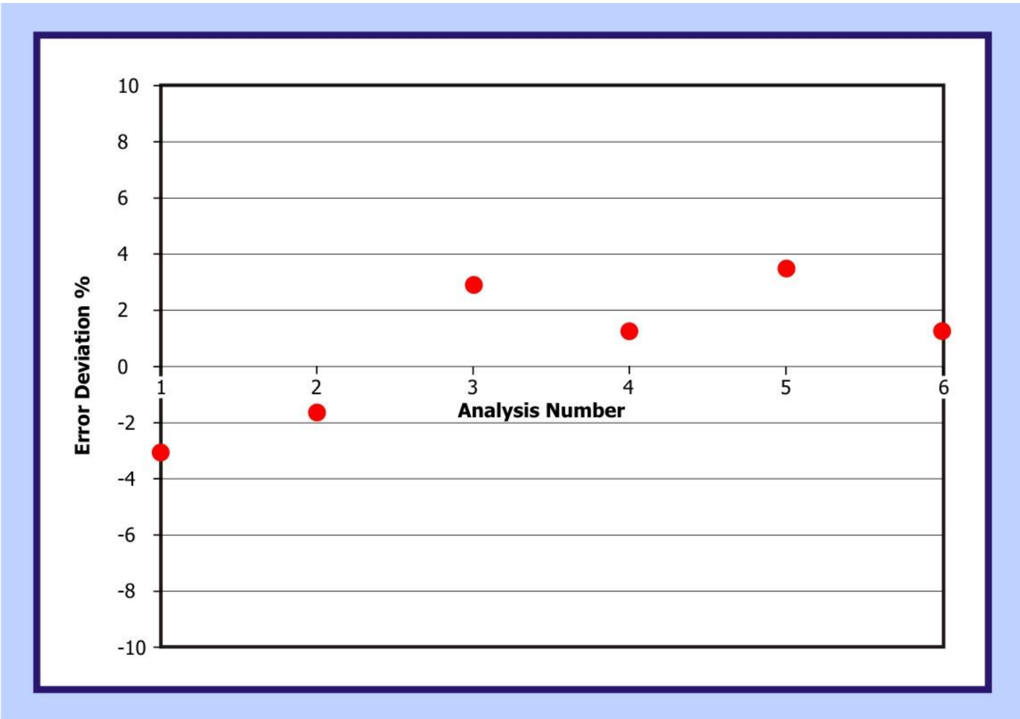

Figure 17: Error deviation graph for gold assays between certified standard AMIS 0077 and assay results

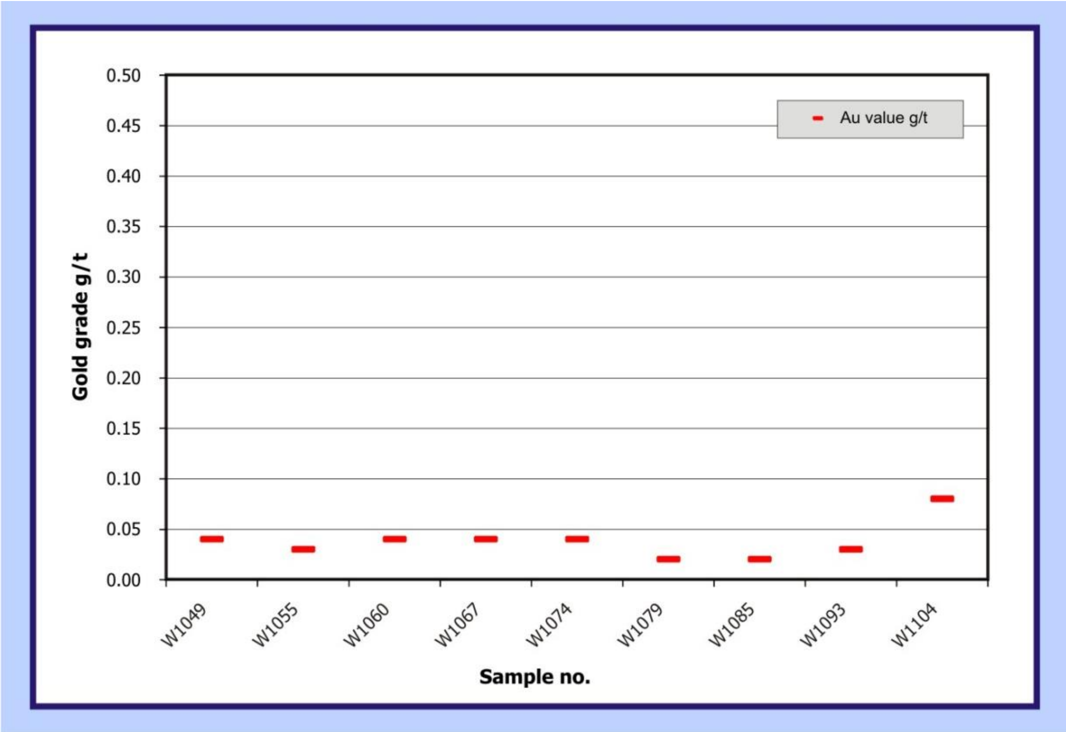

Figure 18: Assays of blank material in sample stream

6.5.2 Analysis of blanks

Without exception, all gold assays of Blank material returned values of between 0.02g/t and 0.08g/t (gold. This indicates good laboratory control of contamination (Figure 18).

6.6 Laboratory used for assaying the Jeannette samples

Samples from the Jeannette Mine re-sampling project were assayed by Set Point Laboratories (Set Point) located in Isando, Johannesburg. Set Point is an ISO17025 accredited laboratory specialising in gold and platinum group elements analysis to 1 part per billion detection levels.

Set Point was unaware of the nature of the reference material used in the re-sampling program. Laboratory turn-round time was approximately five weeks and was a total gold extraction method via a fire assay.

6.7 Survey Data

Borehole and reef intersection location data is based on scaling from the AAC plans. The precise method of surveying borehole collar locations by AAC is not fully understood, however, the protocol AAC employed at the time, required them to be surveyed by a qualified land surveyor. Boreholes drilled prior to 1991 were not surveyed down the holes full length. Survey location errors of up to several metres will have no impact on the Mineral Resource estimates due to the method of estimation employed. The borehole collar locations and final depths are provided in Table 7.

Table 7: Borehole collar locations and final depths

BHID	X UTM	Y UTM	Z (Elevation mamsl)	Depth
AL2	468 670	6 927 630	1 313.15	1 859.28
AL3	467 884	6 927 803	1 317.39	1 769.40
DeE1	468 862	6 926 567	1 317.47	1 548.99
DeE2	471 503	6 927 378	1 310.66	1 352.09
DeE3	470 137	6 927 019	1 314.84	1 447.19
EG1	470 222	6 931 262	1 306.84	1 589.84
HB1	469 965	6 922 864	1 324.19	1 448.94
HB2	470 944	6 924 943	1 313.05	1 609.34
J2	470 058	6 925 616	1 319.02	1 540.15
JEJ1	471 359	6 926 782	1 312.45	1 613.85
JER1	468 798	6 930 466	1 308.03	2 025.45
JEZ1	470 078	6 929 548	1 310.86	1 572.68
JEZ2	468 736	6 929 200	1 310.27	1 920.00
LW1	468 106	6 924 254	1 318.11	1 541.68
MB1	467 996	6 922 675	1 326.15	1 407.63
WE5	471 672	6 928 257	1 310.53	786.40
WE12	467 984	6 928 600	1 313.01	1 864.46
WR1	467 806	6 926 609	1 315.87	1 991.87

The boreholes in Table 7 were drilled vertically.

6.7.1 Conclusions of Anglo American Corporation data due diligence

The database of geological exploration purchased from AAC by Taung is of a quality that can be employed for the estimation of the A Reef Mineral Resource up to an Inferred classification if required. The main detracting item being the poor interpretation of the correlation of Kimberley Reefs. Many of the correlation issues have been resolved by Taung geologists after due recognition of the 'glassy marker' horizon between the A reef and Big Pebble Reefs.

7 EVALUATION AND CLASSIFICATION OF THE A REEF

The aerial distribution and values of A Reef intersections used in the estimation and classification of tonnage and grade are shown in Figure 11; the data set from AAC as well as the new data supplied by Taung.

7.1 Revised Reef Value Tabulation

The Mineral Corporation believes that the historical dataset, consisting mainly of exploration drilling data from AAC and reports provided by Taung, has been validated and may be employed in tonnage and grade estimation and Mineral Resource classification of the A Reef. This has been completed via the re-check sampling and reconciliation of the hardcopy log-sheet data and core. Additional data supplied by Taung has been validated by scrutiny of the geological data in the hardcopy log sheets and/or annual reports.

In the classification process of Mineral Resources the definitions and guidelines of the SAMREC Code (2007) have been considered as well as The Mineral Corporation's intellectual property gained from direct geological experience of this ore body to the west, northwest and southwest of the project. The individual Kimberley Reefs are noted for their persistent stratigraphic continuity but erratic gold content.

For a Mineral Resource to be classified as an Inferred Mineral Resource, tonnage, grade and mineral content can be inferred through 'geological evidence and sampling, and assumed but not verified geologically or through analysis of grade continuity'.

Support for this level of classification can be derived from the observed lateral correlation of known reef horizons between available surface borehole intersections and drill logs.

Positions and orientations of major fault zones have been obtained from surrounding mine properties and confirmed by direct observations from drill core and the 3D seismic survey. Structural continuity has therefore been established with a reasonable degree of confidence for this level of study.

Since 3/7 or 40% of reviewed intersections were previously incorrectly classified according to the newly accepted reef terminology, it may be concluded that the same applies to the remainder of the boreholes. In the absence of original core or borehole logs for the remaining intersections, it cannot be ruled beyond all doubt that correlation discrepancies may occur. However, the initial desk top study shows development of reef values at specific depth intervals below the VS5, which suggests that the miscorrelation occurred mainly with boreholes drilled in the most recent drilling campaign (1991) (Table 4).

With an adjustment of reef terminology applied to the recently drilled boreholes, the new data from Taung, the reef correlation and gold contents (cm.g/t) originally interpreted has been amended for the A Reef and the results contained in Appendix 3. Figure 19 contains the location of the boreholes in Appendix 3 and the average gold contents in cm.g/t.

7.2 Estimation Area

The Jeanette Mine area footprint used for the A Reef Mineral Resource estimate is provided in Figure 14. In the western portion the A Reef structural blocks have been interpreted from the 3D seismic survey whereas in the east and south they have not.

7.3 A Reef Gold Contents

The A Reef Mineral Resources have been estimated from the borehole and underground sampling that lie within its boundary and close proximity to its surrounds as shown in Figure 19. The underground sampling is only three sections and is considered equal to a borehole intersection of the original plus two deflections. Correction of the variable intersection angle due to the dip of the ore body and the orientation of the borehole was made by measurement of the core bedding angle of the ore body dip in the core. In this manner the true A Reef widths are calculated.

In estimating the average gold contents (cm.g/t) the lognormal approach as described by Rendu (1978) has been employed. In an analysis to understand if the third parameter β was required, it was found to be 25 cm.g/t, thus a three parameter lognormal distribution has been applied.

A check for outliers was performed by ascertaining the relationship between the ascending gold contents (cmg/t) versus the coefficient of variation. Outliers cause anomalous changes of slope towards the low and high ends of the graphs. A graph of ascending gold content v coefficient of variation in log space is presented in Figure 20. Based on this graph of limited data it is not considered necessary to raise or cap any gold content data.

As the database is a mix of boreholes with varying support (deflections) the method by Rendu (1978) has been amended and the data is weighted via the inverse of the cluster variance based on the sample support, i.e. it is necessary to take cognisance of the various number of deflections per cluster. Due to the high nugget effect of the A Reef, the deflection cluster variance reduces as the number of deflections increases. This relationship can be noted from Figure 21. The regression line formula in Figure 21 is employed to derive the appropriate weighting per borehole cluster, Table 8 provides the detailed data for weighting and Table 9 provides the weighting given to each borehole cluster. The grouped data methodology as described by Spiegel (1972) has been employed to derive standard deviation of the sampling data based on the various weightings.

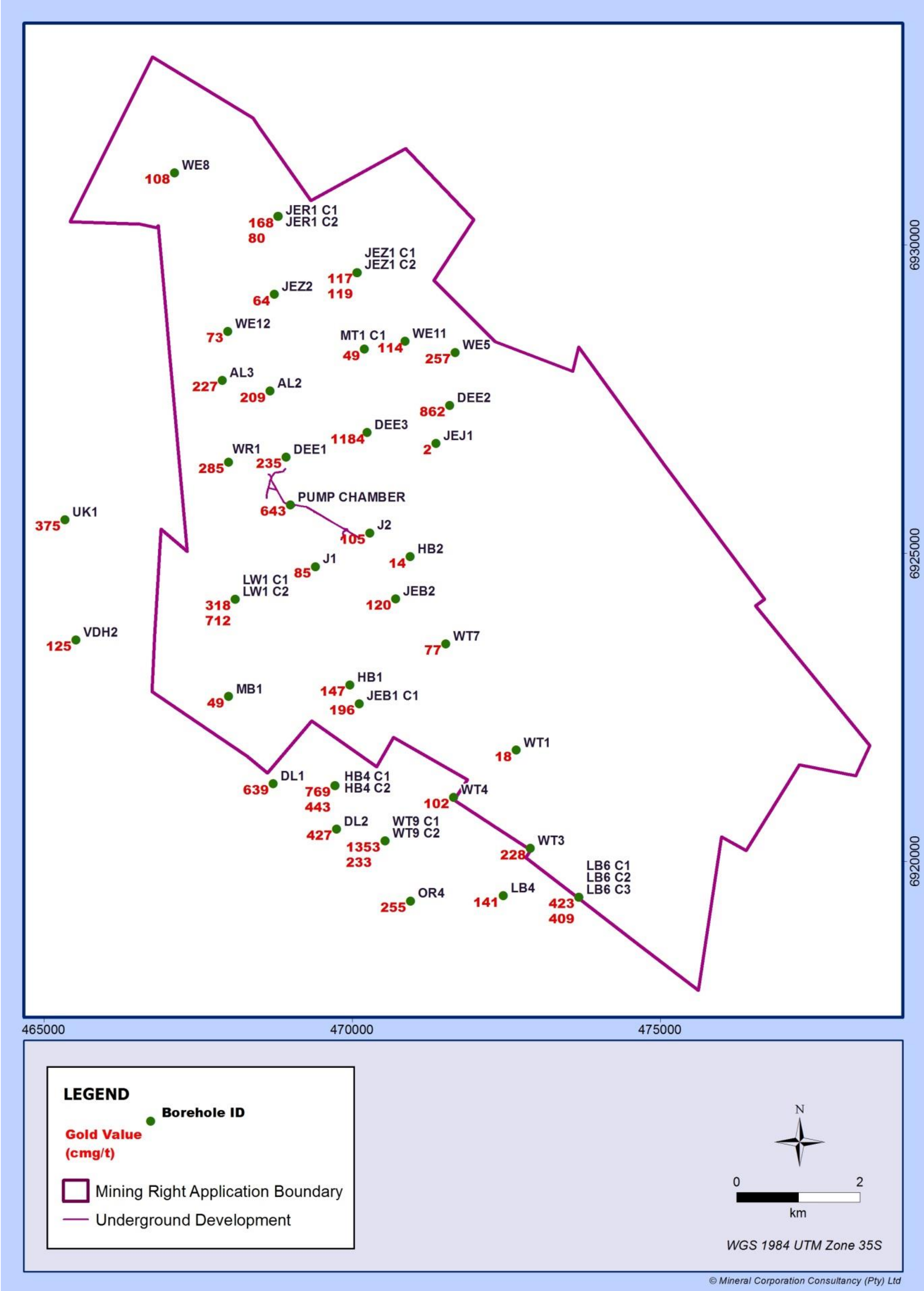

Figure 19: Revised A Reef intersection locations and gold value accumulations in cm.g/t

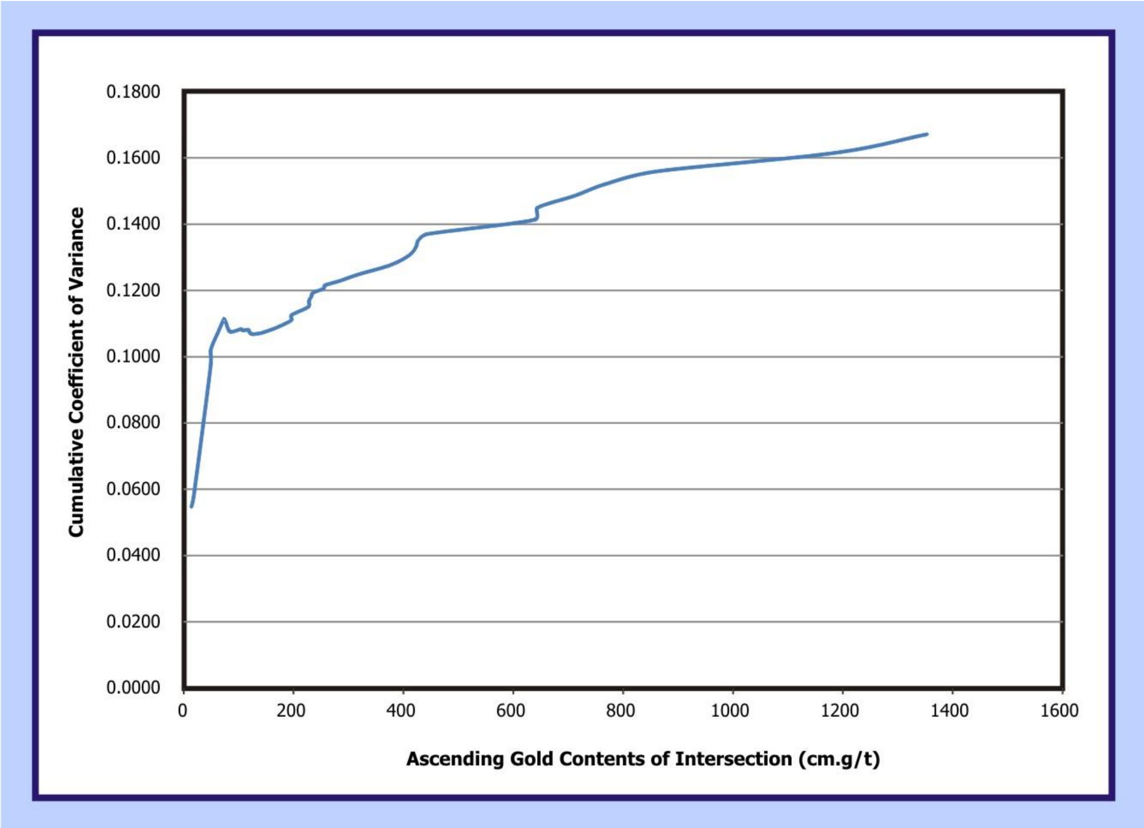

Figure 20: Ascending Gold contents v ascending coefficient of variation

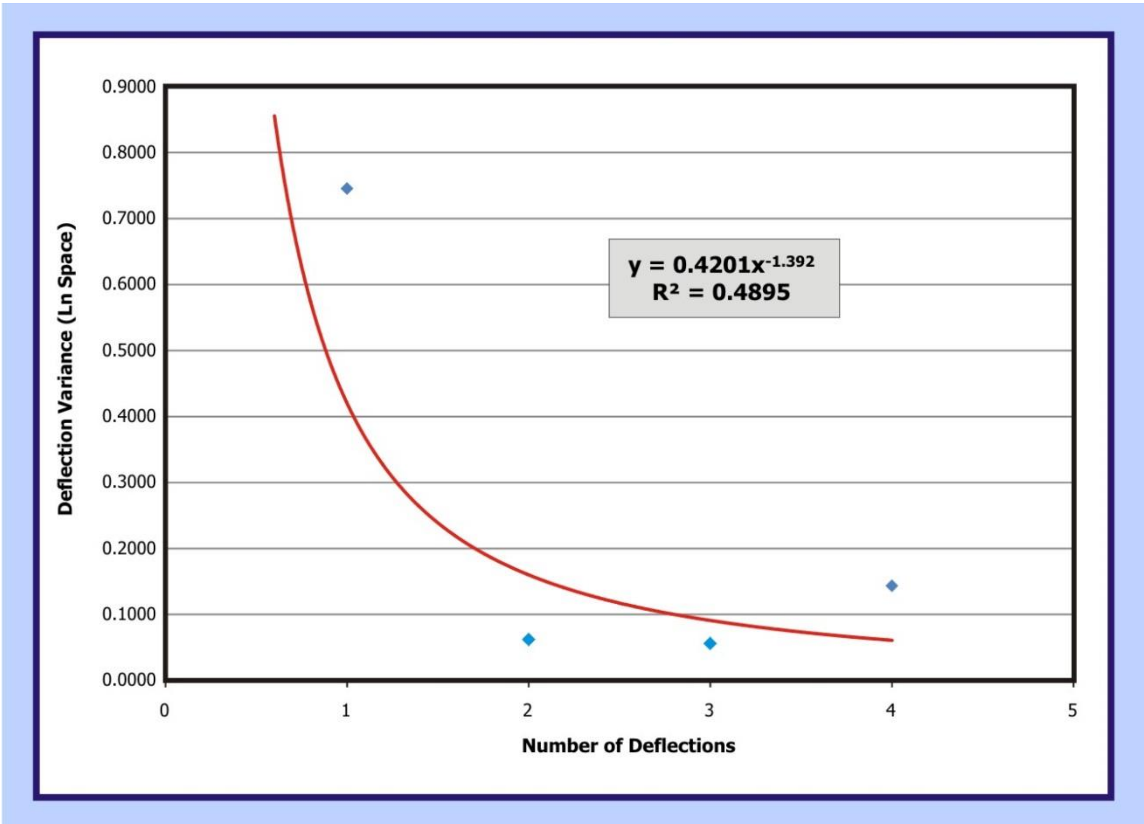

Figure 21: Relationship between number of deflections and cluster variance

Table 8: Borehole deflection weighting scheme based on regression formula - Figure 13

No Deflections	Regressed Variance	Inv Weighting
1	0.4201	2.3804
2	0.1601	6.2471
3	0.0910	10.9850
4	0.0610	16.3951

Table 9: Borehole weighting results

Borehole No	No Deflections	Gold Contents (cm.g/t)	Ln Gold Contents (cm.g/t)	Inverse Weighting	Effective Weighting (%)
AL3	2	227	5.5279	6.2471	2.57%
DEE1	1	235	5.5603	2.3804	0.98%
DEE2	1	862	6.7878	2.3804	0.98%
DEE3	1	1 184	7.0975	2.3804	0.98%
DL1	1	639	6.4978	2.3804	0.98%
DL2	2	427	6.1137	6.2471	2.57%
HB1	3	147	5.1487	10.9850	4.51%
HB2	1	14	3.6636	2.3804	0.98%
HB4 C1	1	769	6.6771	2.3804	0.98%
HB4 C2	4	443	6.1490	16.3951	6.74%
J1	1	85	4.7038	2.3804	0.98%
J2	1	105	4.8669	2.3804	0.98%
JEB1 C1	3	196	5.3963	10.9850	4.51%
JEB2	1	120	4.9776	2.3804	0.98%
JEJ1	3	2	3.2834	10.9850	4.51%
JER1 C1	3	168	5.2632	10.9850	4.51%
JER1 C2	1	80	4.6541	2.3804	0.98%
JEZ1 C1	3	117	4.9593	10.9850	4.51%
JEZ1 C2	4	119	4.9681	16.3951	6.74%
JEZ2	1	64	4.4886	2.3804	0.98%
LB4	4	141	5.1105	16.3951	6.74%
LB6 C1	2	197	5.4004	6.2471	2.57%
LB6 C2	3	423	6.1037	10.9850	4.51%
LB6 C3	2	409	6.0737	6.2471	2.57%
LW1 C1	1	318	5.8372	2.3804	0.98%
LW1 C2	2	712	6.6021	6.2471	2.57%
MB1	1	49	4.3046	2.3804	0.98%
MT1 C1	1	49	4.3041	2.3804	0.98%
OR4	2	255	5.6330	6.2471	2.57%
PUMP CHAMBER	3	643	6.5048	10.9850	4.51%
UK1	1	375	5.9915	2.3804	0.98%
VDH2	1	125	5.0104	2.3804	0.98%
WE5	1	257	5.6424	2.3804	0.98%
WE8	2	108	4.8866	6.2471	2.57%
WE11	2	114	4.9357	6.2471	2.57%
WE12	1	73	4.5870	2.3804	0.98%
WR1	2	285	5.7380	6.2471	2.57%
WT1	1	18	3.7612	2.3804	0.98%
WT3	1	228	5.5322	2.3804	0.98%
WT4	1	102	4.8452	2.3804	0.98%
WT7	1	77	4.6261	2.3804	0.98%
WT9 C1	1	1 353	7.2284	2.3804	0.98%
WT9 C2	2	233	5.5510	6.2471	2.57%

Table 10 contains the results of the estimation process for the A Reef, an average of 279cm.g/t results with an estimation error at the 90% confidence limits of 27.88%.

Table 10: Gold content estimation results – A Reef

Parameter	Value
Number	43
Sample Variance	0.6605cm.g/t
Geometric Mean	219cm.g/t
Lognormal Mean	**279cm.g/t**
Upper 90% CL Factor	1.3612
Lower 90% CL Factor	0.8036
Upper 90% Conf Limit	379cm.g/t
Lower 90% Conf Limit	224cm.g/t
90% CL Error of Estimation	27.88%

7.4 Mineral Resource Classification

Without a data set that allows for a geostatistical analysis, a method to statistically assess the classification of the Mineral Resources is to scrutinise the 90% confidence limits error of estimation [((upper – lower)/2)/mean] expressed as a percentage (Mwasinga, 2001). Those areas sampled that have an error of less than 10% could be considered as a Measured Mineral Resource; those between 10% and 25% could be considered as Indicated and those between 25% and 50% as Inferred (Adaption by D Young). Sampling results with an error of >50% could be considered a deposit. Based on the data in Table 10 the A Reef could be considered in this methodology as an Inferred Mineral Resource.

Also considered in the classification was cognisance of the correlation issues discussed in Section 6.4.4 that indicated material miss-correlations by AAC have occurred. The Mineral Corporation thus consider the A Reef Mineral Resources to be Inferred at this stage.

8 A REEF MINERAL RESOURCE ESTIMATION

8.1 Evaluation Width

A minimum evaluation width of 100cm was employed and if the channel width was greater than 80cm then a 20cm dilution at nil gold grade was applied. The average evaluation width is estimated at 114cm whereas the average A Reef width is 70cm.

8.2 A Reef Grade Tonnage Relationships

In mining it is blocks of potential ore that are either considered as above a cut-off grade and processed or below a cut-off grade and not processed. The variance of the sampling is understood but an understanding of the variance of the blocks of a suitable mining size is required to generate a grade-tonnage relationship. This is considered in the following commentary.

8.2.1 Block Variance Estimation Methodology

To generate a grade-tonnage understanding of the A Reef it is necessary to derive an estimate of the block variance as per the dispersion variance and grade tonnage relationships defined by Rendu (1978) for the general case. The volume variance relationship is mathematically simple, the variance of a block of a particular size within the ore body can be estimated after deducting a suitable block error variance from the deflection and cluster data. In this instance the block error variance was taken as 10% of the calculated block variance. The generalised relationship is as follows and is depicted graphically in Figure 22:

$$\sigma^2_b + \sigma^2_{berror} = \sigma^2_p - \sigma^2_s$$

Blocks of size 140m x 140m were considered appropriate to employ in this grade-tonnage relationship based on a system of scattered mining with raise spacings of 140m.

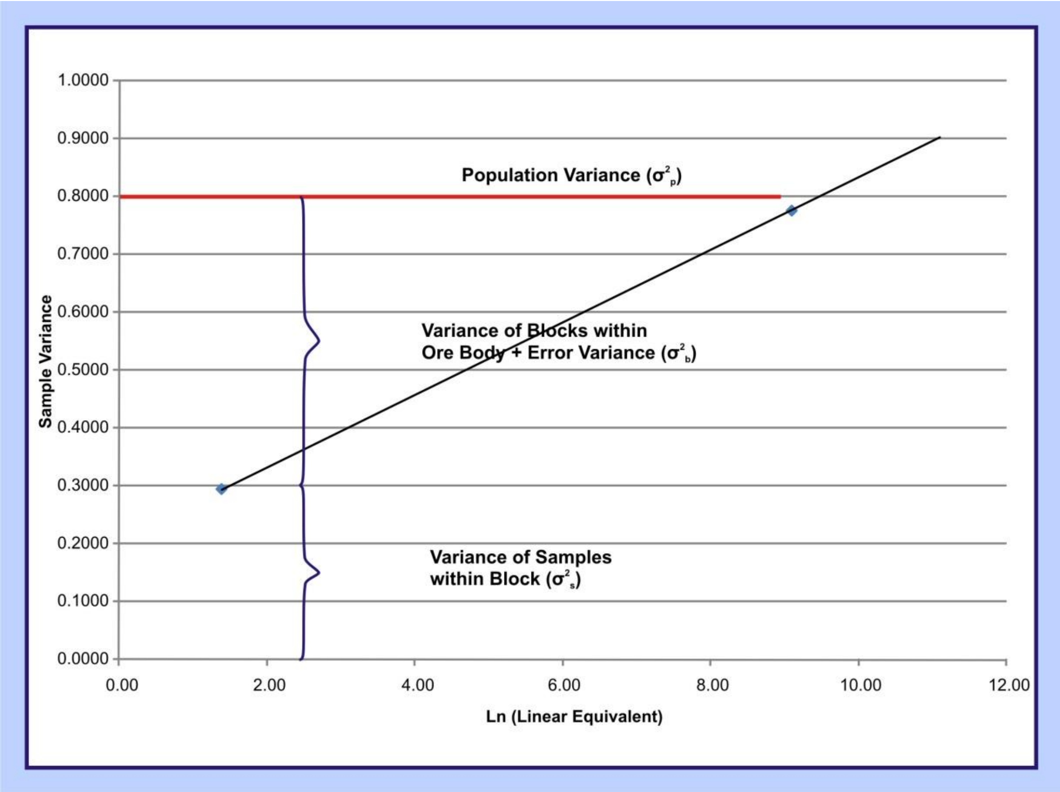

Figure 22: Volume variance relationship of deflection and population data

The block variance for the 140m x 140m blocks was estimated at 0.328 by application of the above formula and the data contained in Table 11.

Table 11: Volume variance calculations for 140m x 140m blocks

Parameters	Deflections	Clusters
Intercept	0.0460	0.1127
Slope	0.0712	0.0693
Assumed Error Variance	10%	10%
Lease Area	57 431 246	57 431 246
Lease Ln Linear Equivalent	9.6262	9.6262
Lease Sample Variance	0.7313	0.7802
SMU Block Size (m)	140 x 140	140 x 140
SMU Ln Linear Equivalent	5.6348	5.6348
SMU Sample Variance	0.4471	0.5034
SMU Block Variance	0.3289	0.3271
SMU Block Variance from Variogram		0.2515
SMU Average Block Variance	**0.3280**	

To understand if this block variance was realistic a check was made based on an underground A Reef sampling dataset supplied by Taung was completed. The variography performed on this co-ordinated dataset of gold contents yielded a SMU block variance of 0.2515, however, this data has an average gold contents of 688cm.g/t and a population variance of 1.686. It was thus not considered justified in employing this block variance directly, but it does provide comfort that the block variance applied is not unrealistic.

8.2.2 Cut-off Grade Estimation

The mining cost employed by Young (2016) for the update of the Basal Reef cut-off grade estimation would not be appropriate as conventional methods of reef mining would have to be employed due to the thickness of the reef as described in Section 8.1. The cash costs of the tonnage milled at Joel, Beatrix, Masimong, Unisel and Tshepong gold mines has been researched from the Harmony and Sibanye 2015 annual reports and the results are displayed in Figure 23.

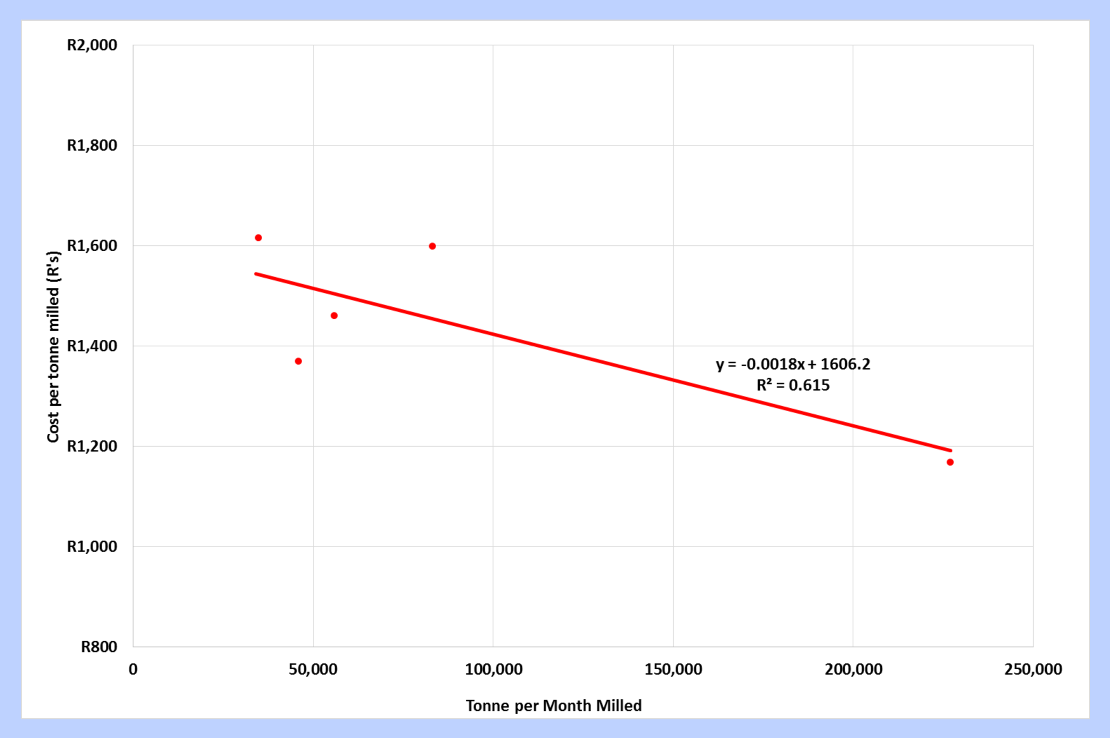

Figure 23: Cost per tonne milled and tonnage milled relationship for Beatrix, Joel, Unisel, Masimong and Tshepong Gold Mines, Free State

From Figure 23 it can be noted that due to the paucity of costs for milling rates of 100 ktonne per month to 200 ktonne per month a "lollipop" distribution effect results. However, the regression line relationship for a 100 ktonne per month operation is not deemed to underestimate the mining cash cost, that is calculated at R1 426/tonne milled.

The Mineral Resource statement for the A Reef is estimated at a cut-off of 3.28g/t based on the parameters in the Pre-feasibility Study by Minxcon (2014) that are included in Table 12.

Table 12: Gold contents cut-off parameters

Parameter	Value	Units
Mining and processing cash cost*	R1 426.00	per tonne milled
Gold Price	$1 290.00	per oz
ZAR/US$	14.00	
Gold Price in ZAR	18 060	
Gold Purity	99.50%	
Assumed Royalty*	2.00%	Based on Refined Product
Price Received	R566.18	per g
Break Even Grade Sold	2.52	g/t

Parameter	Value	Units
Plant Recovery	96.00%	
Mine Call Factor	79.90%	
Dilution/Off Channel Factor	29.0%	
Break Even Head Grade	3.28	g/t
Effective Mining Width	114	cm
Cut-Off Gold Contents	374	cm.g/t
Cut-Off Gold Grade	**3.28**	**g/t**

*** The Mineral Corporation estimated cost**

8.2.3 Grade-tonnage Data

The block variance of 0.328 was applied to Krige's (1981) relationship between the mean value, cut-off value, value above cut-off and percentage above the cut-off value. The grade tonnage relationship is displayed in graphically in Figure 24 and Table 13.

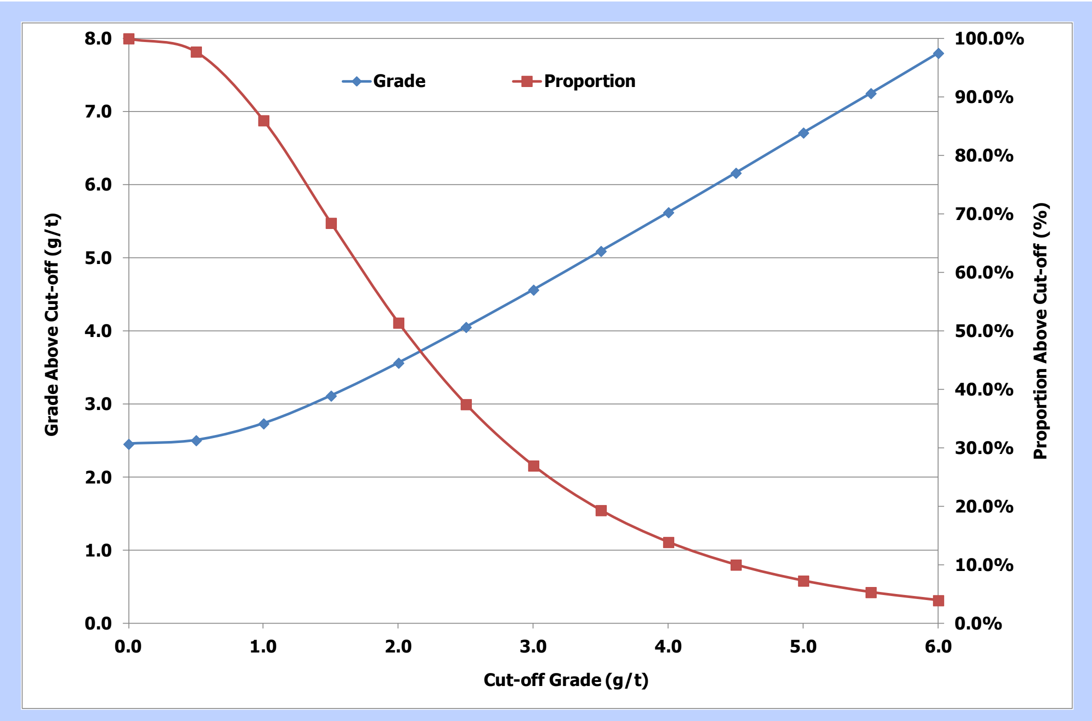

Figure 24: Grade/tonnage curve for the A Reef

Table 13: A Reef inferred Mineral Resource grade - tonnage data

Cut-off Grade (g/t)	Grade Above Cut-off (g/t)	Percentage Above Cut-off
0.00	2.45	100.00%
0.50	2.50	97.73%
1.00	2.73	85.98%
1.50	3.11	68.43%
2.00	3.56	51.36%
2.50	4.05	37.42%
3.00	4.56	26.92%
3.28	4.86	22.40%
3.50	5.09	19.29%
4.00	5.62	13.84%
4.50	6.16	9.97%
5.00	6.71	7.23%
5.50	7.25	5.27%
6.00	7.80	3.88%

It is generally accepted that for a primary ore body and deep level mining, if the proportion above the cut-off (payability) is less than 25%, then the necessary development to allow distinction between ore above and below the cut-off renders the ore body as un-mineable. In the case of the A Reef at Jeanette mine, it has an estimated payability of 22.40% at the 3.280g/t cut-off. Also the A Reef is approximately 250m in the hangingwall of the Basal Reef (the primary reef to be developed) and thus can be considered a secondary reef and be identified by underground exploration at the time the Basal reef is developed. This would allow the A Reef above the cut-off grade of 3.28g/t to be considered an Inferred Mineral Resource as there is justification that it could be identified and mined in the future based on the premise that the Basal Reef would be developed as the primary ore horizon. The workings to estimate the Mineral Resources are contained in Table 14.

8.3 Mineral Resource Estimation

The estimation of the global Mineral Resources is straightforward and is based on the mine lease area, an assumed total geological loss of 27.32% based on the data employed for the Basal Reef by Young (2016), variable structural block dips and the evaluation cut widths. The detailed structural block data is contained in Table 15 and the summary data is contained in Table 14. No geological nor geostatistical modelling has been completed as the data is too sparse.

Table 14: Mineral Resource estimate summary workings (>3.28g/t cut-off)

Item	Value	Units
Area on Plan	49 225 702	m^2
Dip	12	°
Area on Plane of Reef	42 830 005	m^2
Channel Width	114	cm
Density	2.75	tonne/m^3
Geological Loss	27.32	%
Proportion above cut-off	22.40	%
Grade above cut-off	4.86	g/t
Mineral Resources	30.077	M tonne
Classification	Inferred	N/A
Contained Gold	4.700	M troy ounces

Table 15: A Reef structural block mineral resource data and geological loss reconciliation (>3.28g/t cut-off)

Block	Area on Plan (m^2)	Additional Geological Losses	Dip (°)	Area On Reef Plane (m^2)	Resource Width (m)	Resource Volume (m3)	Proportion Above Cut-Off Grade (%)	Density (t/m3)	Resource Tonnage	Resource Grade (g/t)	Contained Au Ounces (M)
1	553 879	7.16%	18	540 685	1.14	616 381	22.40%	2.75	379 691	4.86	0.059
2	527 275	7.16%	12	500 459	1.14	570 524	22.40%	2.75	351 443	4.86	0.055
3	5 056 330	7.16%	15	4 859 907	1.14	5 540 294	22.40%	2.75	3 412 821	4.86	0.533
4	295 101	7.16%	13	281 179	1.14	320 545	22.40%	2.75	197 455	4.86	0.031
5	1 256 382	7.16%	19	1 233 639	1.14	1 406 348	22.40%	2.75	866 310	4.86	0.135
6	1 792 623	7.16%	25	1 836 325	1.14	2 093 411	22.40%	2.75	1 289 541	4.86	0.201
7	5 733 314	7.16%	14	5 485 774	1.14	6 253 783	22.40%	2.75	3 852 330	4.86	0.602
8	425 745	7.16%	9	400 189	1.14	456 216	22.40%	2.75	281 029	4.86	0.044
9	1 338 609	7.16%	10	1 261 940	1.14	1 438 611	22.40%	2.75	886 185	4.86	0.138
10	1 065 310	7.16%	11	1 007 548	1.14	1 148 605	22.40%	2.75	707 540	4.86	0.111
11	773 010	7.16%	9	726 610	1.14	828 336	22.40%	2.75	510 255	4.86	0.080
12	6 334 969	7.16%	9	5 954 714	1.14	6 788 374	22.40%	2.75	4 181 638	4.86	0.653
13	1 233 725	7.16%	4	1 148 190	1.14	1 308 937	22.40%	2.75	806 305	4.86	0.126
14	781 073	7.16%	13	744 224	1.14	848 416	22.40%	2.75	522 624	4.86	0.082
15	1 585 274	7.16%	6	1 479 879	1.14	1 687 062	22.40%	2.75	1 039 230	4.86	0.162
16	783 816	7.16%	4	729 473	1.14	831 600	22.40%	2.75	477 392	4.86	0.075
17*	12 471 395	27.32%	12	9 278 979	1.14	10 578 036	22.40%	2.75	6 516 070	4.86	1.018
18*	7 271 233	27.32%	12	5 409 949	1.14	6 167 342	22.40%	2.75	3 799 083	4.86	0.594
ALL	49 225 702		12	42 830 005	1.14	48 826 206	22.40%		30 076 943	4.86	4.700

* Outside of seismic footprint area

Geological Loss Reconciliation		
	Area (m^2)	Plan Area %
Seismic blocks	29 763 389	
Seismic footprint	37 278 911	
Fault losses seismic footprint	7 515 523	20.16%
Geological loss required		27.32%
Additional loss applied		7.16

8.4 Historical Mineral Resources and Reconciliation

Mineral Resource estimates for the Project were completed by Knowles (1978) and have been compared with The Mineral Corporation's estimates of 2009 and 2012 that are in turn compared to the current Mineral Resource estimates Table 16.

Table 16: Comparison of current Mineral Resource estimates for the A Reef with historical, 2009 and 2012 estimates

Date	Cut-off Grade (g/t)	Class	Geological Losses	Area on Reef Plane (m^2)	Tonne (M)	Grade (g/t)	Evaluation Width (cm)	Contained Au (Moz)	Source
1978	2.78	Nil	25.00%	10 000 000	8.40	4.24	90	1.145	AAC
2009	3.00	Inferred	25.00%		29.336	4.95	113	4.510	TMC
2012	3.00	Inferred	25.00%	47 566 273	41.704	4.95	113	6.637	TMC
2013/4	3.00	Inferred	27.32%	43 397 828	36.625	4.56	114	5.370	TMC
2016	3.28	Inferred	27.32%	42 830 005	30.077	4.86	114	4.700	TMC

The 1978 AAC estimate is for an area defined, at that time, above a 250cm.g/t contour line that is generally 2km wide that passes through the 2B shaft in a north easterly direction over a distance of 5km. A check on this area and the parameters employed (geological loss, width and density) indicate that the tonnage should be in the region of 19.5 million tonne with a contained gold content of 2.65Mozs. It would appear that the density was not employed correctly.

The 2009 estimate by The Mineral Corporation is only different to its 2012 estimate due to the Project area footprint being increased in size via further ground acquisitions in the latter estimate.

The 2013/4 estimates by The Mineral Corporation are based on the same footprint size as its 2012 estimate, however, the number of intersection is larger, the 3D seismic data is available indicating shallower dips (12° *versus* 25°), the geological loss applied is marginally higher and the average evaluation cut width is slightly higher. The contained gold is 19% less than in the 2012 estimate that can be mainly attributed to the smaller area on the reef plane (-8.8%) the lower grade (-7.9%) and the higher geological loss (+2.7%).

The 2016 estimate compared with the 2013/4 estimates has a slightly smaller footprint due to the Mining Right application being amended along the southern border. Also a slightly higher cut-off grade has been applied based on revised project economics. These changes have resulted in a lower Mineral Resource of 30.077M tonne (-17.9%) and 4.700 Moz of contained gold (-12.5%).

9 MINERAL RESOURCE STATEMENT FOR THE A REEF – JEANETTE PROJECT

The A Reef Mineral Resource Statement at a 3.28g/t cut-off is presented in Table 17.

Table 17: Jeanette project A Reef Mineral Resource statement above a 3.28g/t cut-off

	Classification of Mineral Resources	Reef tonne (M)	Au Grade (g/t)	Channel Width (cm)	Contained Au (Moz)
A Reef	Inferred	30.077	4.86	114	4.700

Errors due to rounding may be contained in the above table

10 METALLURGY

The A Reef, as with many other Witwatersrand reefs, will require gold capture via cyanidation, albeit a significant proportion of the gold may be recoverable via a gravity concentration circuit. It is not anticipated that any other mineralogical issues will impact materially on the identification of an efficient metallurgical flow sheet design.

11 ENVIRONMENTAL AND SURFACE OWNERSHIP

Figure 25 is a Google satellite image of the Project and the surrounding areas that indicates the following surface infrastructure:

- A railway bisects the southwestern corner of the Project.
- A water course bisects the eastern portion of the Project.
- Several pans containing water are located on the most northern farm of the Project.
- Tailings disposal sites can be noted to the west and south of the Project; and
- A large dam is located immediately adjacent to the western margin of the Project.

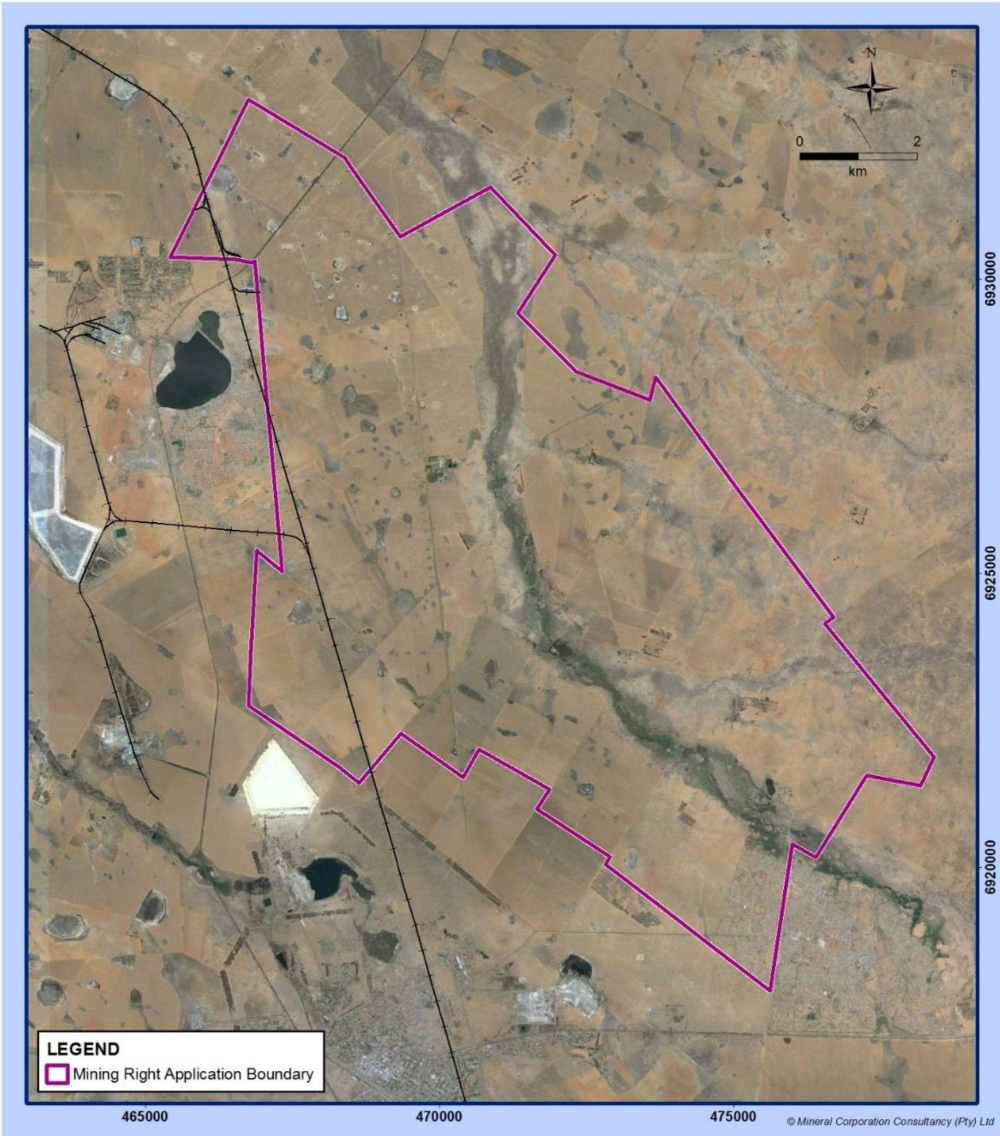

Figure 25: Google satellite image of the surface of the Project and surroundings

The surface rights to the Project area are held via various governmental, company or private bodies as can be noted from Figure 26. A significant surface area footprint will need to be purchased for the location of the processing plant, rock and tailings disposal, water management, engineering infrastructure and general offices. The waste rock and tailings disposal sites will have to be designed to prevent acid mine drainage.

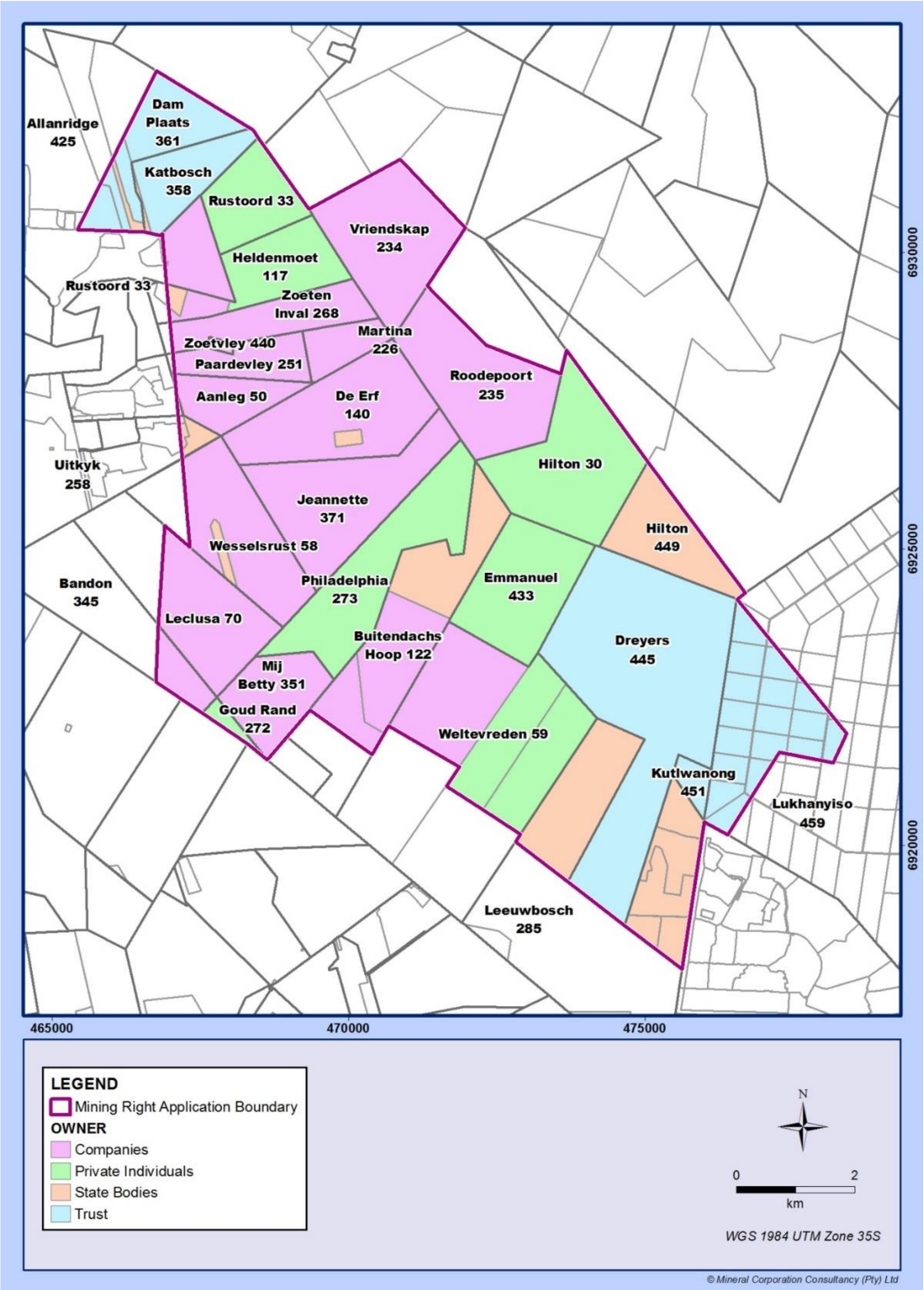

Figure 26: Surface rights ownership of the Project area

12 COMPETENCE AND RESPONSIBILITY

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by David Young who is a Fellow of the Australasian Institute of Mining and Metallurgy. David Young has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves.

The Mineral Resources stated in this Report are in accordance with The JORC Code (2012) and reflect the Competent Person's view of the deposit.

David Young
FAusIMM No 204689
Dated 29 February 2016

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Appendix 1: Checklist

SAMPLING TECHNIQUES AND DATA		
Criteria	**Explanation**	**Reference**
Sampling techniques	Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.	Section 6.3 and Table 6.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	Section 6.1.
	Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.	There are no aspects of the mineralisation requiring additional information.
Drilling techniques	Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).	Section 6.3. It should be noted that core was not oriented as structural elements play no significant role in the mineralisation process.
Drill sample recovery	Method of recording and assessing core and chip sample recoveries and results assessed.	Section 6.1.
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	Section 6.1.
	Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	Section 6.5.
Logging	Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.	Section 6.4.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.	Section 6.3.
	The total length and percentage of the relevant intersections logged.	Figure 11 and Section 6.4.4 and Section 6.1.
Sub-sampling techniques and sample preparation	If core, whether cut or sawn and whether quarter, half or all core taken.	Section 6.3.
	If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.	Not Applicable.
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	Half core samples of length s from 20 to 40cm would have been taken by AAC for crushing and pulverising as per normal for a fire assay analysis.
	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	Sections 6.3 and 6.5.
	Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.	Sections 6.5 and 6.3.

SAMPLING TECHNIQUES AND DATA		
Criteria	**Explanation**	**Reference**
	Whether sample sizes are appropriate to the grain size of the material being sampled.	Sample sizes are provided in Table 6, column 6. This size of sample is the norm in Witwatersrand gold exploration and is appropriate. Loss of the bitumen material is more material than the sample length.
Quality of assay data and laboratory tests	The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.	Section 6.6 but the laboratory employed for the AAC exploration data is not known.
	For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.	Not Applicable and these devices have not been employed.
	Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	Section 6.5 but the AAC analytical quality control and assurance practises are not known.
Verification of sampling and assaying	The verification of significant intersections by either independent or alternative company personnel.	Section 6.3.
	Discuss any adjustment to assay data.	Section 7.3.
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	Sections 6.1 and 6.4.
	The use of twinned holes.	No twinned holes were employed, only the duplicate sampling of remnant core
Location of data points	Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.	Section 6.7.
	Specification of the grid system used.	Figure 10.
	Quality and adequacy of topographic control.	Only state topographical data is available, but due to the flat lying nature of the surface and wholly deep underground nature of the mining more detailed information at this stage is not required.
Data spacing and distribution	Data spacing for reporting of Exploration Results.	Figure 19.
	Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.	Section 7.4.
	Whether sample compositing has been applied.	Section 6.3, Table 6 and Appendix 3. However, deflection de-clustering has been applied.
Orientation of data in relation to geological	Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.	Section 7.3.

SAMPLING TECHNIQUES AND DATA		
Criteria	**Explanation**	**Reference**
structure	If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	This is not applicable as the ore body is a metamorphosed modified paleo-placer.
Sample security	The measures taken to ensure sample security.	Sections 6.3.1 and 6.3.2. The security measures adopted by AAC in their campaigns are not known.
Audits or reviews	The results of any audits or reviews of sampling techniques and data.	Section 6.4.

REPORTING OF EXPLORATION RESULTS		
Criteria	**Explanation**	**Reference**
Mineral tenement and land tenure status	Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.	Section 3.
	The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	Section 3.
Exploration done by other parties	Acknowledgment and appraisal of exploration by other parties.	Sections 1, 5.1, 5.3 and 6.1.
Geology	Deposit type, geological setting and style of mineralisation.	Sections 2.2, 2.1, 6.5 and 2.1.1.
Drill hole Information	A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:	Table 7, Section 6.7 and Appendix 3.
	* easting and northing of the drill hole collar	
	* elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar	
	* dip and azimuth of the hole	
	* down hole length and interception depth	
	* hole length.	
	If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	Not applicable as full disclosure is given.
Data aggregation methods	In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.	Section 7.3 and Table 9.

SAMPLING TECHNIQUES AND DATA		
Criteria	**Explanation**	**Reference**
	Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.	Section 8.1 and Section 6.5.
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	Not applicable as only gold is evaluated
Relationship between mineralisation widths and intercept lengths	If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.	Each intersection is corrected to produce a true width based on the core bedding angle that was measured from the core.
	If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').	All lengths of ore body width are corrected to true widths.
Diagrams	Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	Figure 14, Figure 15, Figure 19 and Appendix 3.
Balanced reporting	Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	All the exploration data is provided.
Other substantive exploration data	Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	Section 5.4 and Section 6.1.
Further work	The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).	Section 8.2.3.
	Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	Section 8.4.

ESTIMATION AND REPORTING OF MINERAL RESOURCES		
Criteria	**Explanation**	**Reference**
Database integrity	Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.	Due to the small size of the database each the data for each borehole was scrutinised and a database constructed by The Mineral Corporation
	Data validation procedures used.	Section 6.
Site visits	Comment on any site visits undertaken by the Competent Person and the outcome of those visits.	Sections 1 and 6.1.
	If no site visits have been undertaken indicate why this is the case.	Not applicable – various staff members of The Mineral Corporation have visited the site and scrutinised core including the Competent Person since 2008.
Geological interpretation	Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.	Section 7.3.
	Nature of the data used and of any assumptions made.	Section 1 and Section 6.1. An assumed density of $2.75t/m^3$ has been applied, this is the industry norm for low grade Witwatersrand quartz pebble conglomerates.
	The effect, if any, of alternative interpretations on Mineral Resource estimation.	A simplistic deflection and paired based block variance estimation can lead to possible over estimation of the gold contents above the cut-off contents. Revised interpretation of the A Reef intersection locations could also lead to different gold contents and block variance.
	The use of geology in guiding and controlling Mineral Resource estimation.	Section 6.2.3.
	The factors affecting continuity both of grade and geology.	Appendix 3 and Figure 14.
Dimensions	The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.	Table 14 and Section 5.4 and Section 8.1.
Estimation and modelling techniques	The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.	Section 8.3.
	The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.	Section 8.4.
	The assumptions made regarding recovery of by-products.	Not applicable as only the gold content has been evaluated.

ESTIMATION AND REPORTING OF MINERAL RESOURCES		
Criteria	**Explanation**	**Reference**
	Estimation of deleterious elements or other non-grade variables of economic significance (e.g. sulphur for acid mine drainage characterisation).	The A Reef pyrite – Section 5.5.
	In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.	A block model was not employed therefore this is not applicable.
	Any assumptions behind modelling of selective mining units.	Section 8.2.
Estimation and modelling techniques (continued)	Any assumptions about correlation between variables.	The two variables are width (cm) and gold contents (cm.g/t) and are not correlated.
	Description of how the geological interpretation was used to control the resource estimates.	Section 6.4.4.
	Discussion of basis for using or not using grade cutting or capping.	Section 7.3.
	The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.	Section 6.
Moisture	Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.	Due to the depth of the ore bodies, between 750m and 1750m below surface, and the nature of the host rocks to the ore bodies this variable is not required to be measured.
Cut-off parameters	The basis of the adopted cut-off grade(s) or quality parameters applied.	Section 8.2.2.
Mining factors or assumptions	Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.	Sections 8.1 and 8.2.1.
Metallurgical factors or assumptions	The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.	Section 10.

ESTIMATION AND REPORTING OF MINERAL RESOURCES		
Criteria	**Explanation**	**Reference**
Environmental factors or assumptions	Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.	Section 11.
Bulk density	Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.	This variable is not applicable as the ore body is compact below surface and contains no inherent water.
	The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.	Not applicable to the style of ore body
	Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.	Not applicable due to the style of ore body
Classification	The basis for the classification of the Mineral Resources into varying confidence categories.	Section 7.4.
	Whether appropriate account has been taken of all relevant factors (i.e. relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).	Section 7.4.
	Whether the result appropriately reflects the Competent Person's view of the deposit.	Section 7.4 and Section 12.
Audits or reviews.	The results of any audits or reviews of Mineral Resource estimates.	Section 8.4.
Discussion of relative accuracy/ confidence	Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.	Section 7.3.
	The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.	The confidence is based on the global Mineral Resources as discussed in Section 7.3.
	These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.	No production data exists.

Appendix 2: Core Photos

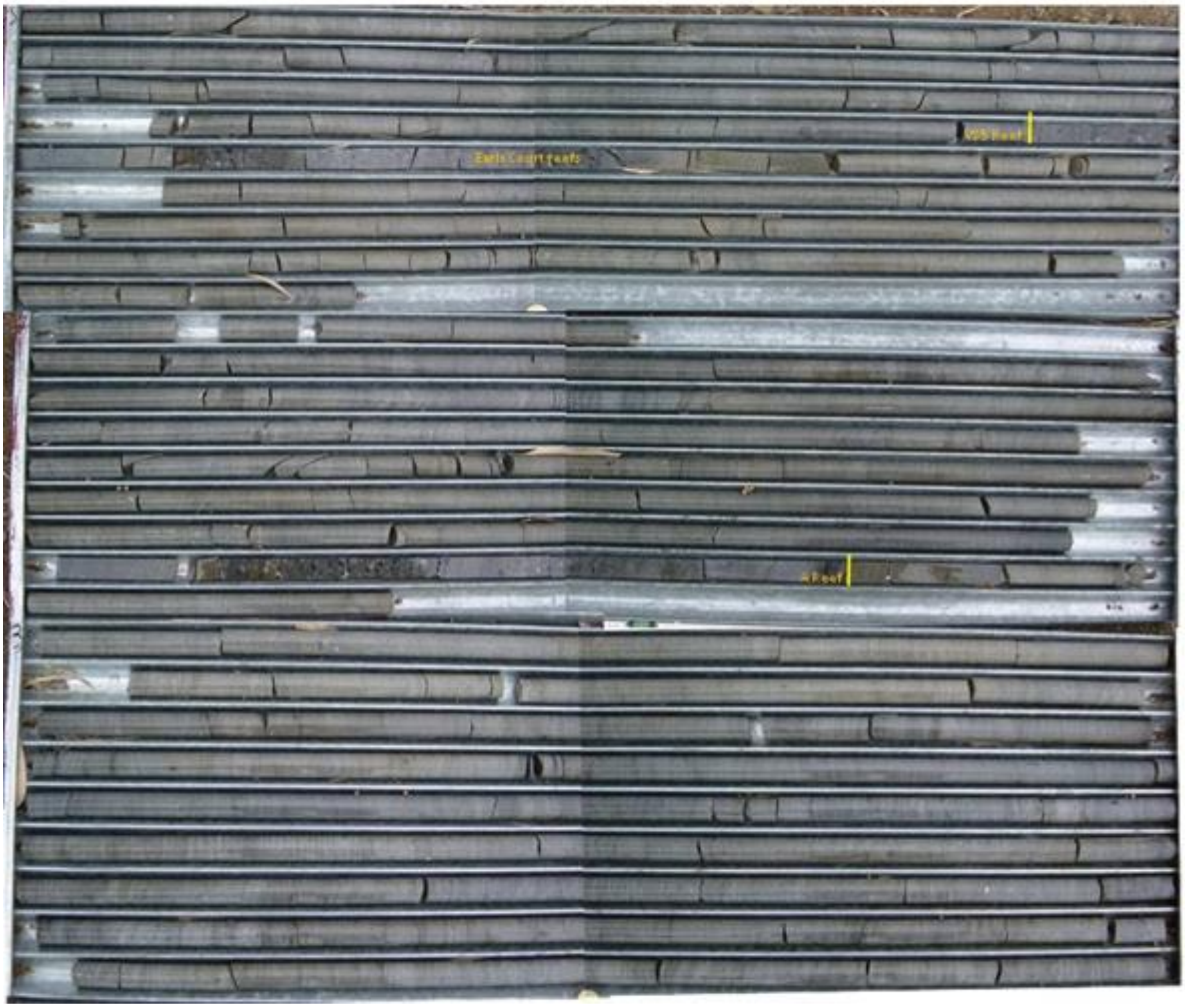

Plate 1: Photo-composite of upper part of the Kimberley Formation core from borehole HB1 mother hole

Plate 2: Photo-composite of lower part of Kimberley Formation core from borehole HB1 mother hole

Plate 3: Photo-composite of upper part of Kimberley Formation core from borehole WR1 mother hole

Plate 4: Photo-composite of lower part of Kimberley Formation core from borehole WR1 mother hole

Plate 5: Photo-composite of Kimberley Formation core from borehole JEJ1 deflection 1. Note truncation of stratigraphy by faulting

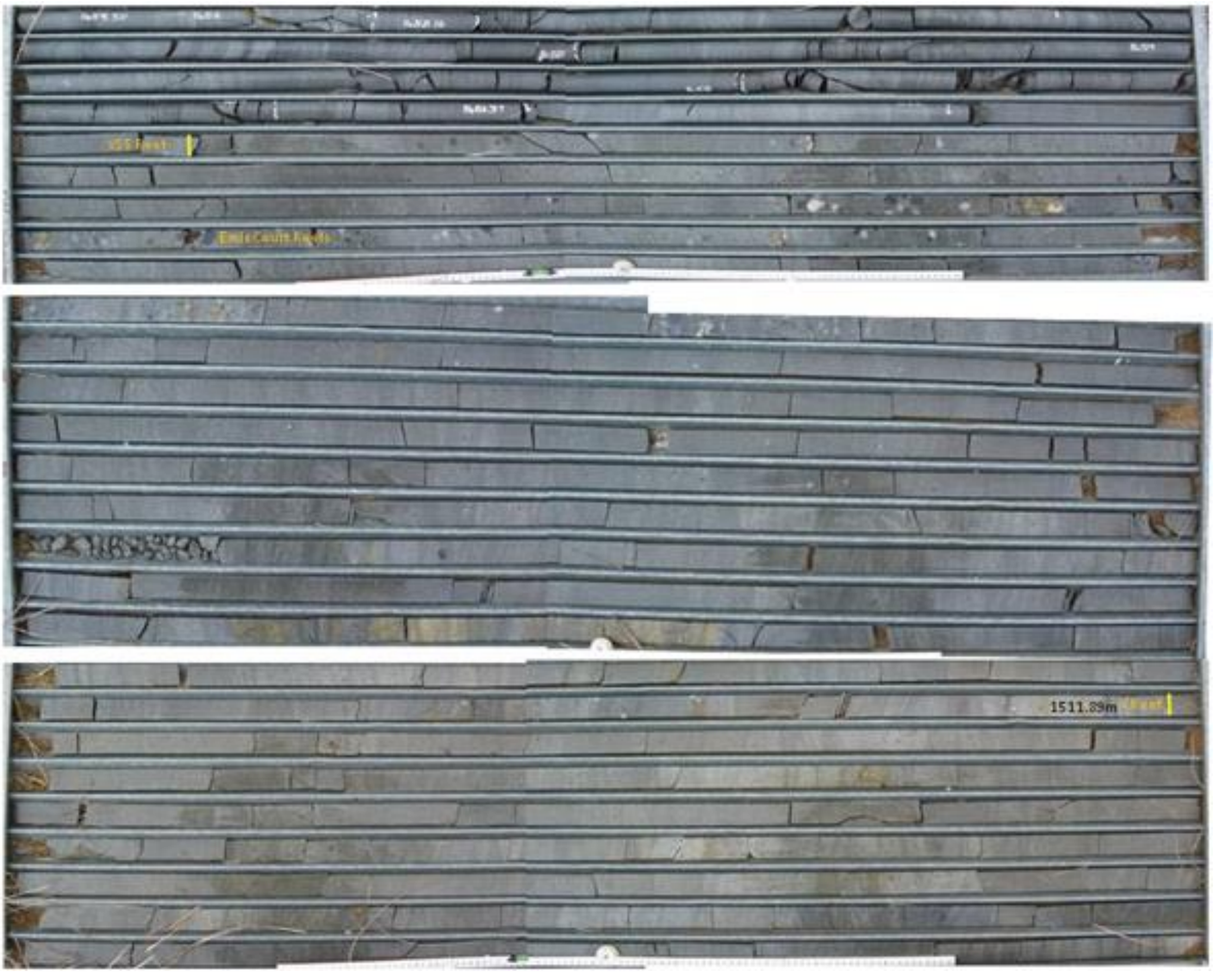

Plate 6: Photo-composite of upper part of Kimberley Formation core from borehole JER1 mother hole

Plate 7: Photo-composite of lower part of Kimberley Formation core from borehole JER1 mother hole

Plate 8: Photo-composite of upper part of Kimberley Formation core from borehole JEZ1a deflection 8

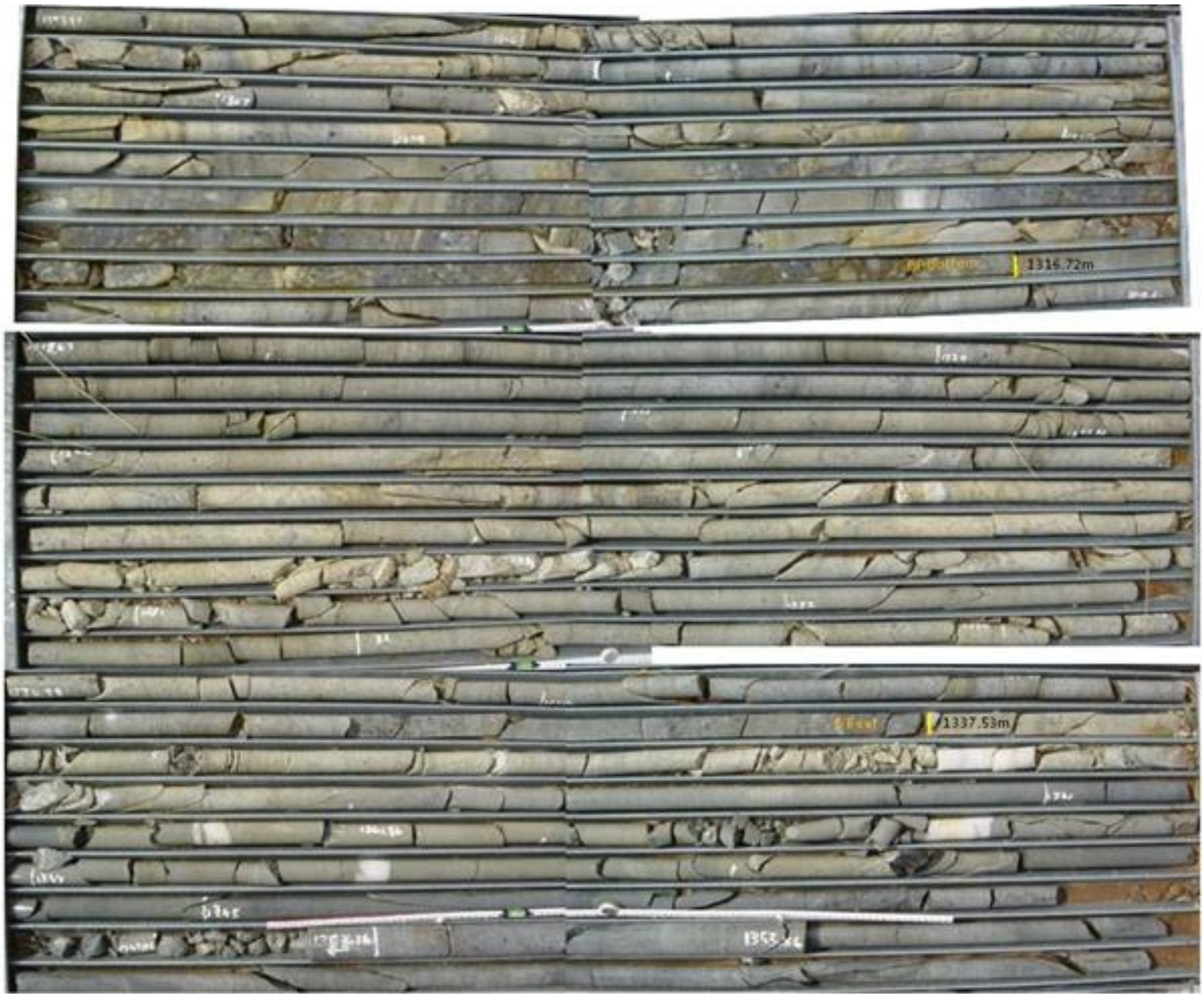

Plate 9: Photo-composite of lower part of Kimberley Formation core from borehole JEZ1a deflection 8

Plate 10: Photo-composite of upper part of Kimberley Formation core from borehole JEZ2 mother hole. (The lower part of the formation was not available for photographing.)

Appendix 3: A Reef borehole data

BHID	DEFL	FROM (m)	Length (m)	Gold Grade (g/t)	X UTM	Y UTM	Gold Contents (cmg/t)	Acceptance
AL2	0	FO		FO	468670	6927630	209	No
AL3	0	1544.04	1.36	1.88	467904	6927806	256	Yes
AL3	12	1551.60	1.39	1.42	467884	6927803	197	Yes
AL3	Ave	1547.82	1.38	1.65	467894	6927805	227	Yes
DEE1	0	1295.00	0.46	5.14	468931	6926561	235	Yes
DEE2	0	1064.90	0.31	28.26	471582	6927399	862	Yes
DEE3	0	1159.00	0.44	26.97	470241	6926958	1184	Yes
DL1	0	1362.00	0.27	23.31	468719	6921264	639	Yes
DL2	0	1341.00	1.06	3.49	469749	6920526	371	Yes
DL2	1	1340.00	0.98	4.94	469749	6920526	483	Yes
DL2	Ave	1340.50	1.02	4.18	469749	6920526	427	Yes
HB1	0	1197.40	0.97	1.86	469965	6922864	179	Yes
HB1	15	1203.60	1.01	1.66	469965	6922864	167	Yes
HB1	16	1203.90	1.01	0.94	469965	6922864	95	Yes
HB1	Ave	1201.63	0.99	1.48	469965	6922864	147	Yes
HB2	0				470944	6924943	FO	No
HB2	9	1558.20	0.79	0.18	470944	6924943	14	Yes
HB4 C1	0	1337.20	0.94	8.20	469724	6921233	769	Yes
HB4 C2	8	1329.70	0.59	6.60	469724	6921233	392	Yes
HB4 C2	9	1330.50	1.02	4.50	469724	6921233	456	Yes
HB4 C2	10	1330.40	0.80	5.60	469724	6921233	453	Yes
HB4 C2	11	1330.60	0.97	4.90	469724	6921233	472	Yes
HB4 C2	Ave	1330.30	0.85	5.23	469724	6921233	443	Yes
J1	0	1291.70	0.81	1.05	469406	6924782	85	Yes
J2	0	1360.60	0.31	3.44	470287	6925329	105	Yes
JEB1 C1	0	1212.60	0.21	10.58	470115	6922560	219	Yes
JEB1 C1	13	1211.70	0.18	15.00	470115	6922560	266	Yes
JEB1 C1	14	1211.50	0.49	5.60	470115	6922560	274	Yes
JEB1 C2	17	1211.40	0.38	0.70	470115	6922560	24	Yes
JEB1 C1	Ave	1211.80	0.31	6.26	470115	6922560	196	Yes
JEB2	0	996.60	0.56	2.13	470708	6924260	120	Yes
JEJ1	0	1330.70	0.33	0.15	471359	6926782	5	Yes
JEJ1	1	1330.40	1.26	0.00	471359	6926782	0	Yes
JEJ1	2	1330.30	1.17	0.00	471359	6926782	0	Yes
JEJ1	Ave	1330.47	0.92	0.02	471359	6926782	2	Yes
JER1 C1	0	1511.31	0.51	2.84	468816	6930453	144	Yes
JER1 C1	18	1511.50	0.50	3.54	468798	6930466	175	Yes
JER1 C1	19	1511.50	0.48	3.88	468798	6930466	185	Yes
JER1 C1	Ave	1511.44	0.49	3.41	468804	6930462	168	Yes
JER1 C2	22	1513.00	0.18	4.47	468798	6930466	80	Yes
JEW1	0				471577	6922796	FO	No
JEZ1 C1	0	1279.30	0.63	1.20	470105	6929559	75	Yes
JEZ1 C1	3	1279.60	0.35	2.22	470078	6929548	78	Yes
JEZ1 C1	4	1279.70	1.11	1.79	470078	6929548	199	Yes
JEZ1 C1	Ave	1279.53	0.70	1.69	470087	6929552	117	Yes
JEZ1 C2	5	1285.70	0.54	1.94	470078	6929548	105	Yes

BHID	DEFL	FROM (m)	Length (m)	Gold Grade (g/t)	X UTM	Y UTM	Gold Contents (cmg/t)	Acceptance
JEZ1 C2	6	1285.70	0.41	2.35	470078	6929548	96	Yes
JEZ1 C2	7	1286.00	0.72	1.95	470078	6929548	141	Yes
JEZ1 C2	8	1285.00	0.31	4.25	470078	6929548	133	Yes
JEZ1 C2	Ave	1285.60	0.50	2.39	470078	6929548	119	Yes
JEZ2	10	1595.50	0.72	0.89	468736	6929200	64	Yes
LB4	0	1355.10	1.03	1.84	472453	6919443	190	Yes
LB4	12	1364.70	1.02	1.44	472453	6919443	147	Yes
LB4	13	1365.70	1.17	1.08	472453	6919443	126	Yes
LB4	15	1364.50	0.32	3.15	472453	6919443	100	Yes
LB4	Ave	1362.50	0.89	1.59	472453	6919443	141	Yes
LB6 C1	16	1477.50	1.97	0.58	473682	6919420	113	Yes
LB6 C1	17	1478.10	1.52	1.84	473682	6919420	280	Yes
LB6 C1	Ave	1477.80	1.74	1.13	473682	6919420	197	Yes
LB6 C2	12	1455.00	1.31	1.78	473682	6919420	232	Yes
LB6 C2	13	1454.70	1.50	3.38	473682	6919420	506	Yes
LB6 C2	14	1454.80	1.84	2.59	473682	6919420	477	Yes
LB6 C2	15	1454.40	1.65	2.89	473682	6919420	475	Yes
LB6 C2	Ave	1454.73	1.57	2.69	473682	6919420	423	Yes
LB6 C3	0	1479.80	1.73	2.16	473682	6919420	374	Yes
LB6 C3	11	1466.50	1.82	2.45	473682	6919420	445	Yes
LB6 C3	Ave	1473.15	1.77	2.31	473682	6919420	409	Yes
LW1 C1	0	1298.40	0.52	6.10	468106	6924254	318	Yes
LW1 C2	2	1315.50	1.01	7.03	468106	6924254	707	Yes
LW1 C2	9	1315.00	0.81	8.87	468106	6924254	717	Yes
LW1 C2	Ave	1315.25	0.91	7.85	468106	6924254	712	Yes
MB1	0	0.00		FO	467996	6922675	FO	No
MB1	9	1273.70	0.30	1.64	467996	6922675	49	Yes
MT1 C1	0	886.80	0.57	0.86	470201	6928309	49	Yes
OR4	0	1626.80	1.25	1.90	470946	6919359	231	Yes
OR4	4	1627.60	0.63	4.40	470946	6919359	278	Yes
OR4	Ave	1627.20	0.94	2.71	470946	6919359	255	Yes
PUMP CHAMBER	S1	5055ft			469001	6925784	801	Yes
PUMP CHAMBER	S2	5055ft			469001	6925784	705	Yes
SHAFT	S3	5060ft			469001	6925784	424	Yes
PUMP CHAMBER	Ave				469001	6925784	643	Yes
UK1	0	1394.00	0.43	8.70	465340	6925543	375	Yes
UK2	0				465222	6927156	FO?	No
VDH2	0		0.30	4.10	465517	6923593	125	Yes
WE5	0	663.70	1.12	2.30	471672	6928257	257	Yes
WE8	0	1645.81			467117	6931172	124	Yes
WE8	1	1645.81			467117	6931172	91	Yes
WE8	Ave	1645.81			467117	6931172	108	Yes
WE11	0	797.40	0.66	1.12	470860	6928436	74	Yes
WE11	2	797.70	1.02	1.52	470860	6928436	154	Yes
WE11	Ave	797.55	0.84	1.36	470860	6928436	114	Yes
WE12	0	1582.80	0.31	2.40	467984	6928600	73	Yes

BHID	DEFL	FROM (m)	Length (m)	Gold Grade (g/t)	X UTM	Y UTM	Gold Contents (cmg/t)	Acceptance
WR1	0	1574.50	0.14	12.03	467997	6926474	166	Yes
WR1	2	1574.89	0.31	13.06	467997	6926473	405	Yes
WR1	Ave	1574.70	0.22	12.74	467997	6926474	285	Yes
WT1	0	1716.56	0.46	0.39	472663	6921805	18	Yes
WT2	0				472712	6922635	FO	No
WT3	0	1228.00	0.17	13.80	472890	6920214	228	Yes
WT4	0	1327.00	0.23	4.46	471647	6921041	102	Yes
WT7	1	1533.45	1.12	0.69	471519	6923531	77	Yes
WT9 C1	0	1278.90	1.41	9.60	470533	6920335	1353	Yes
WT9 C2	3	1290.90	0.66	4.97	470533	6920335	328	Yes
WT9 C2	12	1291.20	0.76	1.80	470533	6920335	137	Yes
WT9 C2	Ave	1291.05	0.71	3.27	470533	6920335	233	Yes