

OPERATIONS AND DEBT UPDATE

KEY POINTS

- **Group gold production in the month of April was 24,894 oz.**
- **April performance driven by high grade Chronos zone at Peak. This zone will be mined over the next six months, with elevated gold grades anticipated, however the April production levels are not expected to be sustained.**
- **Strong operating performance improves financial position.**
- **No additional debt required beyond the \$45M drawn to purchase Peak**
- **Strong balance sheet post the purchase of Peak and the repayment of Glencore debt (net cash position of \$20M at 30 April 2018).**

PRODUCTION - APRIL 2018

Group gold production in the month of April was 24,894 oz. This includes a historic monthly production record at Peak of 19,116 oz, which can be compared to Peak's March 18 quarter production of 25,433 oz.

Gold production at Peak is driven by the small but high grade Chronos zone. The current plan is to mine Chronos over the next six months, with elevated gold grades anticipated. However, the April performance cannot be reliably forecast to continue. Chronos remains open above the current resource with production beyond six months subject to further exploration success.

The Company is in the process of estimating Peak Reserves and Resources and resetting the mine plan.

At the time of announcing the Peak acquisition (November 2017), the mine was targeted to produce 35,000 - 45,000 for the six months to 30 June 2018, but is now expected to deliver in the range of 55,000 - 65,000 oz.

DEBT FACILITY

The Company has drawn \$45M of debt from Investec to complete the acquisition of Peak Mines on 10 April 2018. The Company has the option of drawing a further \$40M (total capacity of \$85M) from existing debt facilities. Cash in bank at 30 April 2018 was \$65M (as previously disclosed in ASX release 2 May 2018 "Peak Acquisition and Cash Flow").

Due to a combination of high cash levels and strong operating performance, the Company is in a significantly stronger financial position than planned. As such, it has been decided that no additional net debt, above the \$45M, is required.

The Company has completed the Peak acquisition and repaid the Glencore debt whilst maintaining a strong balance sheet, with a positive net cash balance of \$20M (at 30 April 2018).

Further Information

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