Summary of the Expansion Definitive Feasibility Study for the Asanko Gold Mine, Ghana, West Africa

Introduction
The Company engaged DRA Mineral Projects (“DRA”) to manage the Expansion Definitive Feasibility Study (“DFS”) of the Asanko Gold Mine (“AGM”) in Ghana, West Africa. DRA were the EPCM contractors for the construction of the existing CIL processing plant and associated infrastructure, which was successfully constructed and ramped-up ahead of schedule and under budget.

The Expansion DFS is comprised of two discrete growth projects, Project 5 Million and Project 10 Million. Project 5 Million consists of two modules, the upgrade of the existing carbon-in-leach (“CIL”) processing plant from a design of 3 million tonnes per annum (“Mtpa”) to 5Mtpa and the development of the Esaase pit and the overland conveyor. Project 10 Million is the construction of a second replica 5Mtpa CIL plant to double processing capacity to a total of 10Mtpa, with a commensurate increase in mining operations.

Figure 1. Locality Map of the Asanko Gold Mine and its deposits

DFS Assumptions
For the purposes of the Expansion DFS, both Project 5 Million and Project 10 Million have been scheduled around the optimal NPV on a capital unconstrained basis for the AGM. This assume commissioning of the Esaase pit and overland conveyor in Q1 2019 and commissioning of Project 10 Million in Q2 2020, reaching steady state operations in 2021. The financial outcomes for Project 5 Million, as a complete project, and for Project 10 Million are presented on this basis.

Importantly, the timing of the development of Esaase and the conveyor as well as the modular expansion, Project 10 Million, will be at the Board’s discretion and dependent on an optimized balance sheet, as well as financing and market conditions. Only the plant upgrade to 5Mtpa, at a capital cost of US$22 million, has been approved by the Board.

AGM Mineral Resources
The AGM mineral resources comprise two main pits, Nkran and Esaase and nine satellite deposits, Akwasiso, Dynamite Hill, Adubiaso, Abore, Asuadai, Nkran Extension, Adubiaso Extension, Esaase B zone and Esaase D zone.