TOMBOLA GOLD

ASX Announcement

18 October 2022

# TOMBOLA MINING AHEAD OF SCHEDULE

## HIGHLIGHTS

- **Mining continues to progress ahead of schedule at the Golden Mile at the Comstock and Shamrock pits[1].**
- **Definitive legal agreement now executed for lease over the Great Australia Mine (GAM) processing plant.**
- **Gold production on schedule for late November.**
- **Stockpiles of Run of Mine (ROM) material total 61,000 tonnes (+20%) – ready for transport to the Great Australia Mill (GAM).**
- **Total tonnes mined now stand at 766,000 tonnes.**
- **Recommissioning on schedule at the GAM as Tombola advances towards first Gold.**

Tombola Gold (ASX:**TBA**) ("**Tombola**", the "**Company**") is pleased to announce that mining activities continue to progress well at the Company's two operating mines – Comstock and Shamrock, where currently 61,000 tonnes of ROM material are stockpiled for haulage to the Great Australia Mine (GAM) processing plant, the subject of a short-term lease which has now been definitively agreed with True North Copper (as outlined in the ASX Announcement of 17 August 2022).

First gold production is scheduled for late November, and carting of the ROM material to GAM will commence in coming weeks.

**Tombola Gold Managing Director, Byron Miles, commented:**

*"We are very pleased to see continuing progress at our mining operations which are on-track for first gold production in late November, with mining advancing well ahead of schedule at both Comstock and Shamrock. Additionally, with the definitive legal agreement signed and the recommissioning work at GAM is progressing extremely well, we are looking forward to producing our first gold bar."*

*"These are exciting times for Tombola as we move from junior explorer towards producer, something we have been working hard to achieve."*

[1] Tombola currently has an effective 93% interest in the Golden Mile.

**Key Points – Mine Operations:**

- Mining rates well above forecast (+20%) - an average of 5,800 tonnes being mined / day.
- The mining fleet continues to perform above forecast rates with 95% utilisation availability.
- Production costs are in-line with the scoping study.
- No incidents or accidents at site.
- Local employees make up over 50% of the workforce, with 30% being indigenous operators.

**Image 1 - Mine crew at Mt Freda**

- Best-practise grade control at the mining operations plays a significant role in ensuring that dilution is minimised.
- Industry standard grade control practises are employed in mining operations to delineate mineralised dig-line boundaries – a detailed discussion of grade control methods employed is contained in **Appendix 1**.
- Both Comstock and Shamrock pits are mined simultaneously, allowing time for grade control assay turn-around so that mineralised zones can be marked-up on the pit-floor.

**Image 2 - Comstock Open Pit**

**Key Points - GAM Processing plant refurbishment:**

- Definitive agreements now executed, per announcement of 17 August 2022.
- Gold production from GAM is scheduled to commence late November.
- Re-commissioning on track as per schedule.
- Tombola team on-site, strengthened with pervious senior experienced GAM employees being engaged to expedite the re-commissioning process.

**Image 3 - Some of Tombola's Key personnel at the GAM processing plant**

**Image 4 - GAM Crushing Circuit**

**Key Points – Lorena Processing Plant:**

- Assessments on-going regarding the preferred tailings disposal options in conjunction with Tombola personnel and key consultants. Options are currently being considered for a new stand-alone dam versus lifting the dam walls on the existing dam.
- Maintenance activities are being carried out, with repairs and modifications being fully costed as part of the refurbishment plan.

**Image 5 - Lorena Processing Plant**

**Other Development Activities:**

- Haulage contracts agreed with a view to commence hauling ROM from Golden Mile to GAM in the coming weeks.
- Wynberg / Wallace South – pit optimisations and final pit designs are currently being developed with a view to commence mining as soon as possible, tentatively scheduled early 2023.
- Continual review of project costings and mine optimisation studies are being undertaken to ensure that the mining operations remain on-track as per schedule.
- Mt Freda leach vats are being fully maintained and optimitsed for the treatment of lower grade mineralised material from Comstock and Shamrock, as well as from the Mt Freda open pit to maximise gold recoveries.


**Image 6 - Mt Freda Complex – showing leach vats, storage ponds and stockpile areas.**

**This Announcement was authorised by the Board of Directors.**

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## About Tombola Gold Ltd

Tombola Gold (ASX:TBA) is a new Australian gold producer, with mining underway and expansion in progress as the Company fast tracks to first cash flow.

Scoping Studies indicate potential for profitable operation (ASX Release - Scoping Study Propels Gold Projects Towards Production – 26 July 2021).

The Mt Freda Complex consists of several gold mines including the Mt Freda Gold Project (currently 80% TBA) and the Golden Mile Project (currently 93% TBA), which are in close proximity to core infrastructure in the area including roads and power, with the Company already advanced in constructing its own gold processing plant on site. Tombola has a well-defined expansion strategy of utilising near-term gold cashflows to drive resource expansion with LOM extensions and exploration focus.

The Company also holds the Burra Project located in South Australia, a world class copper, gold and REE target, with a strategic tenement holding in a world-class domain. Burra covers 6,500$^2$ km in the G2 Structural Corridor, which hosts Olympic Dam, Carrapeteena and Prominent Hill. The Company has secured a $300,000 grant from South Australian Governments Accelerated Discovery Initiative.

## Forward Looking Statements

The materials may include forward looking statements. Forward looking statements inherently involve subjective judgement, and analysis and are subject to significant uncertainties, risks, and contingencies, many of which are outside the control of, and may be unknown to, the company. Actual results and developments may vary materially from that expressed in these materials. The types of uncertainties which are relevant to the company may include, but are not limited to, commodity prices, political uncertainty, changes to the regulatory framework which applies to the business of the company and general economic conditions. Given these uncertainties, readers are cautioned not to place undue reliance on forward looking statements. Any forward-looking statements in these materials speak only at the date of issue. Subject to any continuing obligations under applicable law or relevant stock exchange listing rules, the company does not undertake any obligation to publicly update or revise any of the forward-looking statements, changes in events, conditions or circumstances on which any statement is based.

Grade control practises included in Appendix 1 of this Announcement were compiled and reviewed by Dr Andrew Richmond, a Principal Geostatistician employed full-time by Martlet Consultants Pty Ltd, who is a Fellow of the Australian Institute of Geoscientists (4840) and a Member of the Australasian Institute of Mining and Metallurgy (111459). Dr Richmond has sufficient experience that is relevant to the style of mineralisation and the type of deposit under consideration and to the activity he has undertaken to qualify as a Competent Person as defined in the 2012 edition of the 'Australian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Dr Richmond consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

**Appendix 1:**

**Grade Control Practices**

Grade control plays a significate part of the mining operations, and to ensure standard industry mining practices are followed, including:

- Vertical blast holes are carried out on a 3.5 m by 3.5m pattern.
- Blast patterns in mineralised material to be reduced to a 3.3m by 3.3m in fresh rock.
- Blast holes sampled at 2.5 m downhole intervals (holes are 10m deep) in areas of potential mineralisation based on the resource model and gold grades from the bench above.
- Fire assay (ALS method AA25) for gold grade on the blast-hole samples.
- Dig-line design on 2.5 m flitches based on blast hole assays.
- Dig-line marked up in pit for each 2.5 m flitch – surveyed.
- Visual control in pit by mine geologist and grade controller:
    - material inside dig-line sent to ROM pad unless identified visually as waste.
    - possible mineralised material outside dig-line design sent to a stockpile area with each truckload sampled and gold grade obtained by fire assay (ALS method AA25).
    - Material >0.5g/t is then transferred to ROM pad
- Grade control model built using dig-lines, and blast hole assays, with reconciliation for 2.5 m flitches.
- Truck (mined) tonnages to ROM pad are recorded using on-board weightometers (as a guide) +/ - 15%
- Reconciliation between grade control and mined tonnages by flitch.

**Recent Enhancements**

- Angled holes across mineralisation are drilled with the blast rig at 10 m spacings along strike, which are sampled at 1 m downhole intervals.
- Mapping of Comstock and Shamrock mineralised structure hanging wall and footwall – survey pickup.
- Grab samples of bench floors and flitch dig faces – survey pickup.
- Measurement of blast movement with monitoring pipe down hole – on the edge of the mineralised dig lines are surveyed. Dig-lines are adjusted to account for blast movement.

Additional ROM tonnage (compared against the Resource Block Model) is being achieved due to the following factors:

1. The density has increased from the original model from 2.5 to 2.7 (actual)
2. An increase in ROM tonnes due to grade control sampling and mapping identifying additional areas of mineralised material.
3. The addition of mineralised material from the low-grade stockpiles identified in pit outside the models in both Comstock and Shamrock by visual inspection..

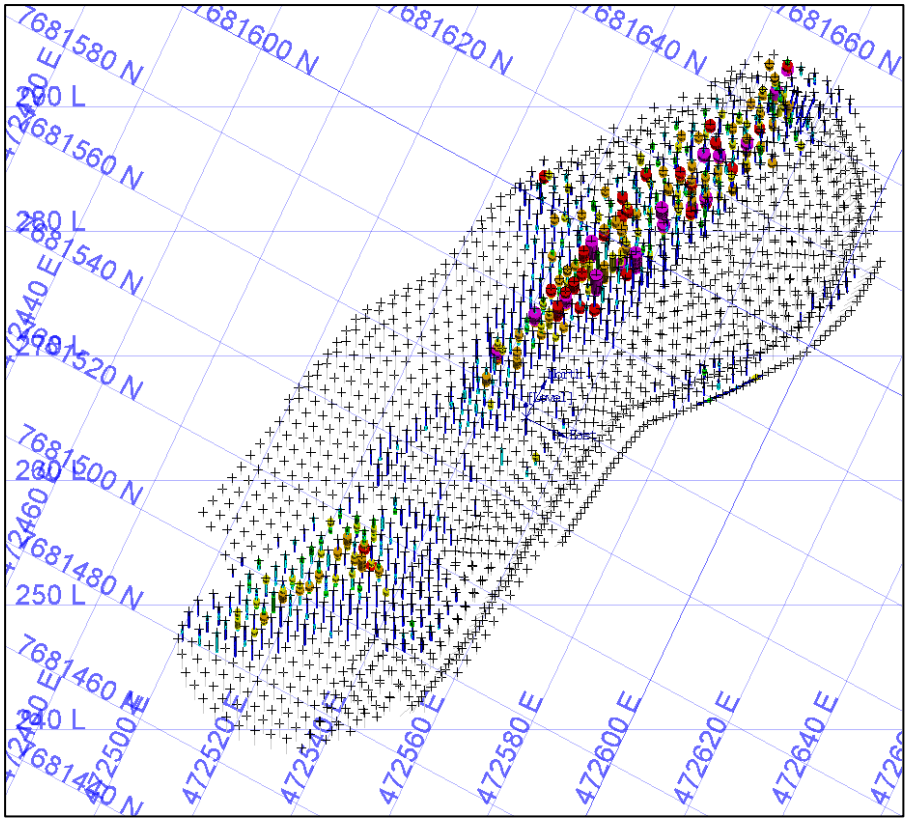


**Figure 1 - Isometric view of Comstock blast hole gold grades (larger discs represent higher grades)**

To complete the grade control / reconciliation process the following will be carried out once processing commences:

- Sampling of the crusher output feed conveyor belt – gold grades by fire assay to provide mined gold grade.
- Actual production – ounces produced and sold.
- Tailings sampling to obtain residual gold grades by fire assay and enable the calculation of actual processing recovery.

**Grade control model procedure**

- Dig-lines wireframed into 3D solids.
- Blast hole samples within the 3D solids are flagged.
- Block model constructed using 2 m by 4 m by 2.5 m (X, Y, Z dimensions) parent blocks with sub-blocking down to 0.5 m by 0.5 m by 0.5 m against the 3D solids.
- Block grade interpolation by inverse distance weighting with a power of 2.
- Top cap of 30 g/t Au (2 samples capped at both Comstock and Shamrock).
- Search strategy includes:
    - minimum of 4 and maximum of 8 samples
    - maximum of 2 samples per hole (i.e., 2 to 4 blast holes used for block estimate)
    - ranges of 5 m by 15 m by 4 m (across mineralisation, along strike, down dip) for pass 1 and 6 m by 18 m by 8 m for pass 2
- Validation by visual and statistical methods.

**Reconciliation – Observations to Date:**

Reconciliation of the diluted (10% dilution, 5% loss) resource model to the grade control model at Shamrock and Comstock indicates that more tonnes are being mined (Shamrock 30%, Comstock 140%) than predicted, at Au grades in-line with the resource model forecasts (Figures 2a and b).

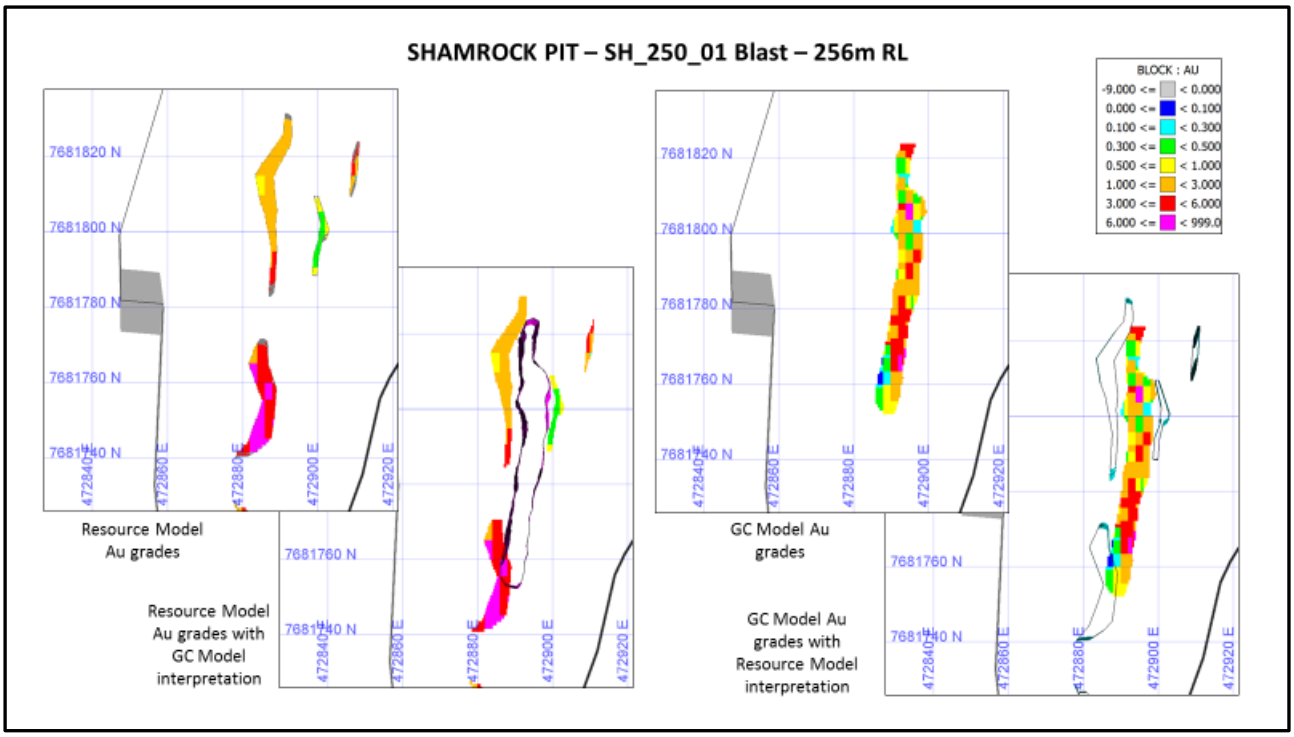


**Figure 2a - Shamrock - Model Comparisons Grade Control (GC) vs Resource Model**

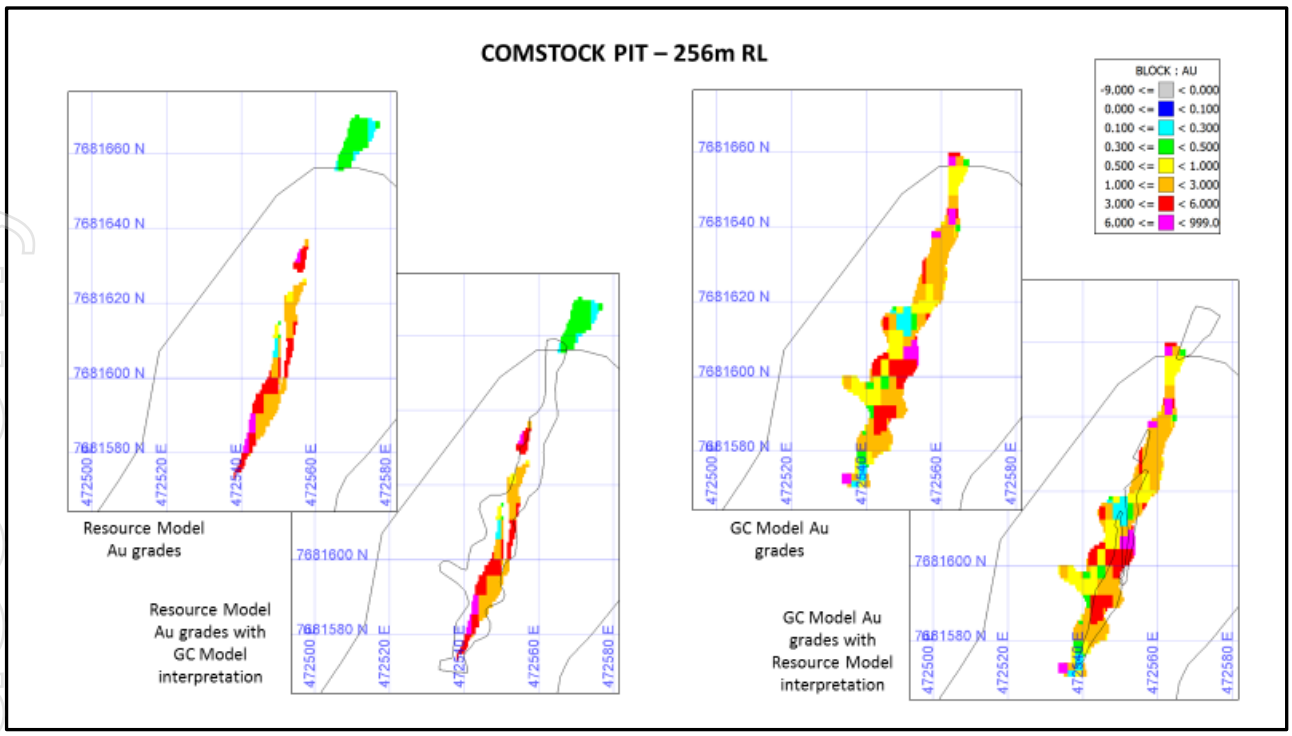


**Figure 2b - Comstock - Model Comparisons Grade Control (GC) vs Resource Model**

Increased tonnages are due to several factors:

1. Mining (especially at Comstock) has indicated that the resource model was a conservative interpretation of the continuity and thickness of mineralised zones near surface due to lack of drill hole information (see figures below).
2. Mining selectivity is lower than planned in the scoping study. Consequently, the dilution is higher than anticipated, which results in higher tonnages at a lower grade. Recent changes to grade control practices are expected to reduce dilution.
3. The depth of complete oxidation is less than interpreted in the resource model, thus, the bulk density of the rock is higher leading to higher tonnages for some mined benches.

To complete the loop on the grade reconciliation process, and feedback into the mining operation, the following will be measured once the GAM processing plant is in operation:

- Sampling of the crusher output conveyor belt – gold grades by fire assay to provide mined gold grade.
- Actual production – ounces produced and sold.
- Tailings sampling to obtain residual gold grades by fire assay and enable the calculation of actual processing recovery.

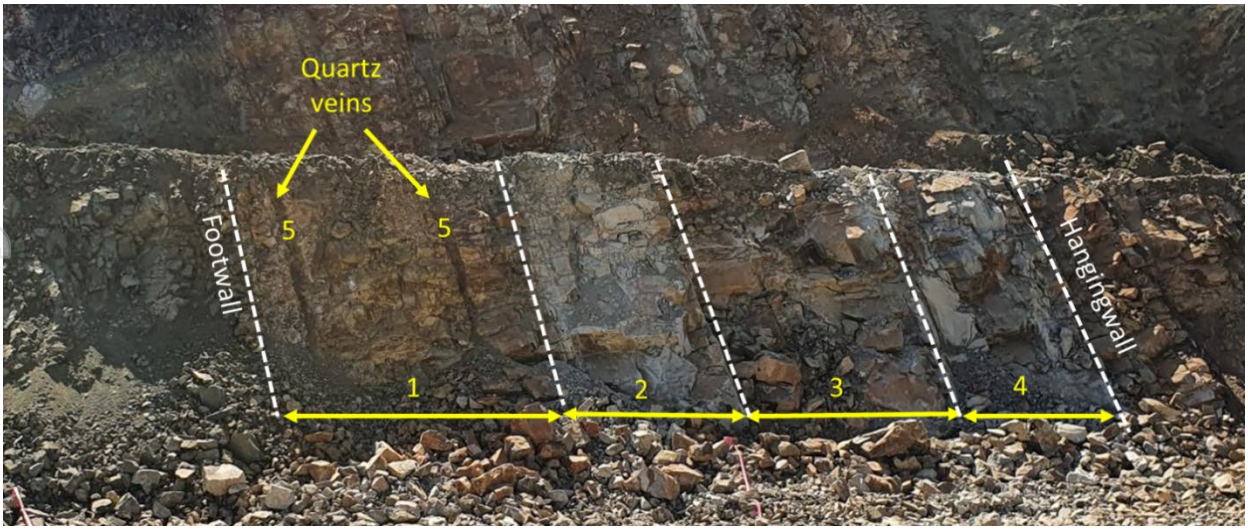


**Image 7 - Comstock - Sampling intervals on a catch berm**

**Image 8 - Sampling intervals on a working face.**

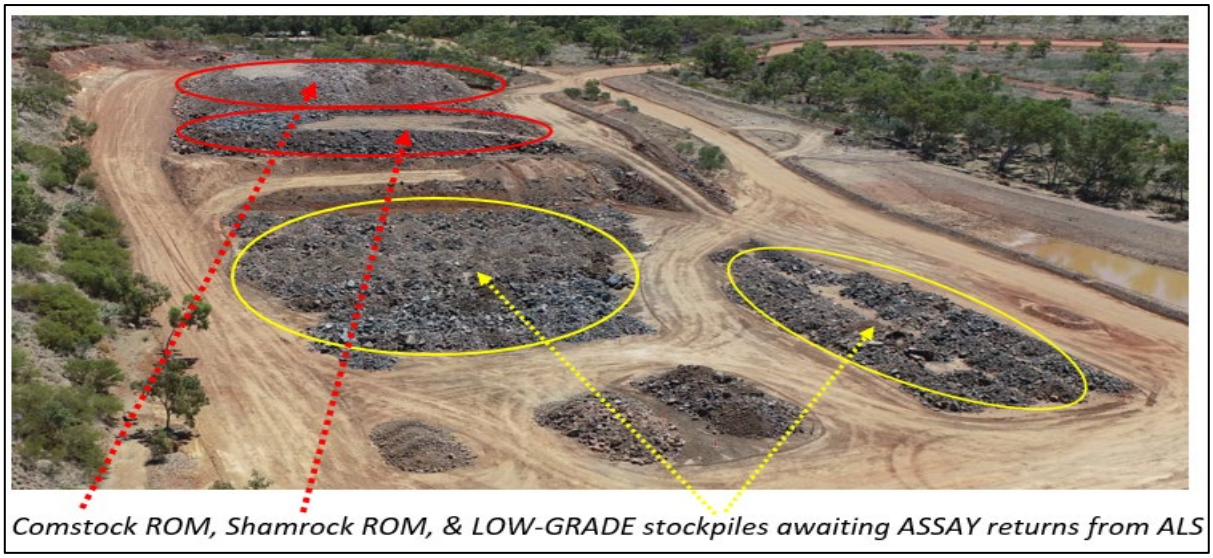


**Image 9 – ROM stockpiles are routinely sampled as a check against grade control models.**

**Image 10 - Low grade stockpiles are surveyed from the location they are taken – in-pit by RL and flitch to ensure exact locations are known they are then numbered as shown in the picture for identification.**