Fosterville Gold Mine Pty Ltd

Exploration Licence Applications

EL006502
EL006503
EL006504

Details of Applications

Three Exploration Licence (EL) areas EL0065002, EL0065003 and EL0065004 were applied for on May 1st 2017 in Central Victoria, Australia, by Fosterville Gold Mine Pty Ltd, wholly owned by Kirkland Lake Gold Ltd (KL Gold) (Figure 1). The application areas comprise a total area of 1,510 km² and have common borders with EL3539, held by Fosterville Gold Mine Pty Ltd and located 20km to the east of Bendigo. The locations of the three newly applied ELs are described below.

Application licence EL0065002, approximately 391 km² in size, is located 30 km north northeast of Bendigo and 20 km west of Rochester.

Application licence EL0065003, approximately 610 km², is located 15 km east of Bendigo and extending south towards Kyneton.

Application are EL0065004, approximately 509 km² in size is located 40 km southeast of Bendigo and 5 km west of Heathcote.

The applications were submitted to the Department of Economic Development, Jobs, Transport and Resources (DEDJTR) on 1st May 2017. The term of the licence applications are for 5 years.

Work program Details

The three EL application areas (Figure 1) will be explored as extension to exploration targeting programs being designed for EL3539 and will make use of knowledge gained at the Fosterville Gold Mine operation over the last 11 years and ongoing technical studies.

The recent discovery of economic quantities of visible gold at Fosterville as well as the previously demonstrated gold hosted by arsenopyrite and pyrite, increases the spectrum of exploration potential for the surrounding district. The understanding of structural controls for significant mineralisation are strengths that the Fosterville Gold Mine team has and will be available to explore the three new tenements on grant.

The programs over the five year term will encompass early review of previous workers’ exploration programs and target modelling, gathering of existing digital geochemical, drilling and geophysical data and digitising missing report information. Areas lacking data coverage will be assessed for its gold potential and geochemical/geophysical surveys will be initiated to deliver adequate data coverage. Shallow RAB drilling may be required to establish geochemical coverage and assist with drill targeting.
Geophysical data and interpretations will be assessed for quality and where appropriate, reprocessing of surveys re-interpretation will be undertaken.

The type of drilling used to test gold targets will vary and depend on a host of considerations, including, depth of surficial cover (Murray Basin Sediments), depth of target, structural/ mineralisation information required and local access limitations. In some instances, RAB or RC drilling might be appropriate, but in other instances diamond drilling to assess structures/stratigraphy controls to mineralisation and its style would be conducted.

Depending on drill target success, subsequent mineral resource definition program would include a significant portion of diamond drilling for mineral resource estimation, geotechnical considerations and samples for metallurgical test work. Downhole-geophysical methods would be used where appropriate.

**System for managing Impacts of the proposed work on the Community**

On approval of the applied for tenements KL Gold will conduct exploration in full consultation with the land managers, DEDJTR and consult experts in areas of flora, fauna and cultural heritage as required. Within the tenements there are varying land holdings that may require additional permitting to conduct exploration work. For each work program the potential for environmental and community impacts are assessed and appropriate mitigation/control measures are allocated, peer reviewed and further discussed with stakeholders.

Potential environmental and community impacts to be mitigated/managed include: introduction of weeds, loss of vegetation, soil contamination, soil erosion, creation of tracks, bright lights, noise, amenity and disturbance of fauna.

KL Gold also has policies that apply directly to the management of Health, Safety and Environment.

**Community Engagement**

Community engagement is conducted by KL Gold during the design stage of an exploration program to ensure that all risks associated with field activities are identified early and that concerns of land manager/land owners / occupiers and local residents are appropriately considered to ensure exploration activities will not cause unnecessary adverse effects or conflict with other land uses. Communication with the identified stakeholders will occur, before, during and after completion of the exploration program to ensure that KL Gold maintains and improves effective community engagement consultation processes.