



14 March 2018

ASX Market Announcements

Haiti – Update

As previously announced the Company had originally expected to commence its drilling program at Morne Bossa in Haiti by the end of October 2017 but has experienced delays in obtaining necessary permits to enable it import the necessary drill equipment and rig to commence the drilling.

The Company had been advised by its Haitian lawyers and by its Haitian partner Resource Generale Corporation (previously VCS Mining) from whom it acquired its interest in the Morne Bossa project that it holds all necessary permits and licenses to undertake the drilling and that it was entitled to commence at any time as per the present law.

Delta Societe Miniere SA (*Delta*) which holds the Morne Bossa project area and in which the Company has a 70% holding recently received clarification on advice received in meetings with the Bureau de Mines et L'Energy ME in January, that the BME seeks to enforce a Haitian Senate resolution postponing mining activity until new mining legislation is approved by the Haitian Parliament. This recent correspondence is notwithstanding that BME wrote to Delta in January 2015 confirming that Delta still enjoyed all the rights and prerogatives granted to it by the Mining Act of 1976 and also conflicts with advice Delta has received from local advisors with respect to its ability to carry out its proposed drilling program under the current Mining legislation in Haiti. Delta is continuing its discussions with BME and its parent department MTPTC to clarify the issue and will provide further updates when it has completed that process.

Under its contract with RGC the Company is required to complete its feasibility study by September 2018. In view of current circumstances and delays which have been encountered, the Company has decided to suspend its operations and invoke force-majeure to conserve time to complete the feasibility study whilst it undertakes further discussions with BME. The Company is in negotiations to extend the timetable for its feasibility study but at this time it is unknown how long delays in importing a drill rig and commencing drilling will continue and the Company notes that it does not control the permitting process or how long that might take. The Company is continuing to liaise with BME and the Haitian Government in order to resolve the administrative impasse and will report further developments as they occur.

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