

# Q3 Newsletter 2023

## BAOMAHUN GOLD PROJECT

### Message from the Chairman

It has been an immensely fruitful quarter as we achieved significant milestones in our early works programme and construction activities. The completion of the FEED and optimization studies is an important milestone on the path to delivering the Baomahun Gold Project, the first commercial gold mine in Sierra Leone. The studies further strengthen project economics and confirm FG Gold as one of the most attractive gold projects currently under development in Africa. We are now poised to ramp up project implementation and achieve first gold pour in 2025.

The earthworks programme saw successful completion of the upgrade of the 64km Matotoka Road which facilitates site access, crucial for construction and operating activities. Clearing of the process plant, power plant site, and solar farm sites was also completed, laying the foundation for upcoming major construction. Construction of the new camp has progressed well with completion of the 100-man accommodation slated for completion in Q1 2024.

Appointment of key personnel such as the Operational Readiness Director and the Mining Manager, coupled with procurement of key equipment packages positions FG Gold well as we turn our focus to major construction and prepare for operation of the Baomahun Gold Project.

I am particularly proud of our continued focus on the people of FG Gold. We have achieved two million hours with zero lost time injuries (LTI), a significant achievement for the project. In addition, we successfully implemented our "local first" approach with all earthworks and construction to date completed by local contractors.

In our communities, we focused on local social enterprise development. Youth and former artisanal miners from local communities are involved in our construction activities while women supply fresh produce and food items for our camp. These initiatives, amongst others, have successfully and sustainably enhanced livelihoods in our communities and serve as a springboard for robust economic growth to come.

It is an exciting time for FG Gold. We look forward to achieving more key milestones as we gain momentum on project execution and work to make this impactful, first-mover project a reality.

**Oliver Tunde Andrews**  
Executive Chairman

### At a Glance

- **100% Owned Flagship** Baomahun Gold Project in Sierra Leone
- **On Track to Become Sierra Leone's First and Large Commercial Gold Mine**
- **One of the Largest Gold Assets Under Development in Africa**
- **JORC Compliant Resource of 4.5 Moz 1.92g/t**
- **JORC Compliant Reserves of 2.05 Moz 2.10g/t**
- **DFS Completed** in December 2022 and **FEED Completed** in May 2023
- **First Gold Pour Expected in 2025**



# Baomahun Gold Project - An Update

## Construction Update

FG Gold has made significant progress on construction of the Baomahun Gold Project. We have successfully completed our early works programme and are making headway with Phase One of construction. All early construction activities and earthworks to date have been completed by local contractors – supporting our overarching goal of building local capacity through local employment and training.

### To date, we have completed:

- Upgrade of 64km Matotoka road, which will provide crucial site access for the construction and operation of the project
- 3.87km community by-pass road and 4.5km quarry road completed
- Clearing of process plant, power plant and solar farm site
- Clearing of waste management area and quarry laydown area
- Upgrades to existing camp construction in progress, with 100-man accommodation to be completed in Q1 2024
- Construction of main administration building in progress

### Key activities expected in Q4 2023:

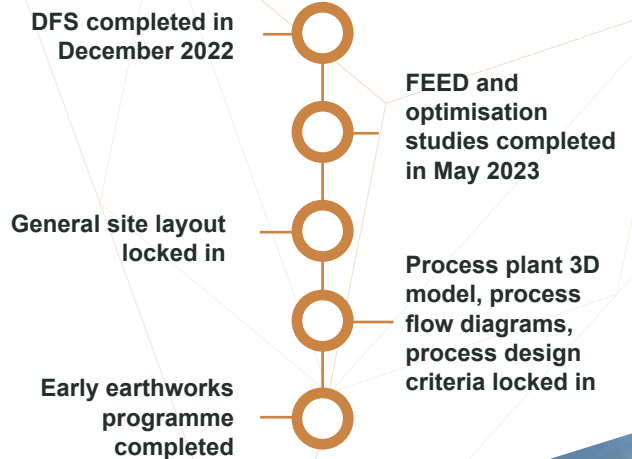
- Award of EPCM contract
- Commence site bulk earthworks
- Commence TSF earthworks
- Commence construction of mine uphill access ramp

## Equipment Update

In March 2023, FG Gold ordered the semi-autogenous (SAG) and ball mills from Metso Outotec. The SAG and ball mills are one of the several critical long-lead items and represents the largest single piece of equipment required to be purchased for the project in terms of size, value and lead time.

During the FEED, seven additional packages for long lead equipment items were developed and final purchase contracts are under negotiations for firm order in Q4 2023. Since the FEED, another seven packages have been developed and priced.

## Key Milestones and Project Execution





## Company Updates

### Key Appointments

FG Gold is pleased to announce the appointment of the following individuals. They will form our experienced project execution team and bolster the relevant skills and experience required to support the construction and operation of the project.

- **Operational Readiness Director**
- **Mining Manager**



## 2 Million Hours with Zero Harm

This quarter, the project achieved a significant safety milestone of two million hours with no lost time injuries.

The health, safety and wellbeing of our workforce is our utmost priority and our target of 'zero harm' underpins our safety approach at every level of our operations.

We congratulate our staff and management for this achievement – this milestone is the result of their hard work, dedication and focus on safety.



## Social Initiatives

FG Gold aims to build local capacity and enhance the general welfare and quality of life of the local community. We have developed a host of initiatives, activities and programs designed to deliver tangible benefits to our host communities. This quarter, we focused on local social enterprise development to sustainably enhance the livelihoods in our communities. These include:

- Hiring 60 former artisanal miners as part of FG Gold’s construction team
- Construction of camp fence by youth from selected project impacted communities
- Block moulding by youth for construction of FG Gold’s new camp
- Weekly supply of fresh food items to FG Gold by the Baomahun Market Women Association
- Award of contracts under US\$5,000 to local chieftom

**Since our inception, we have worked in partnership with our communities to prioritise the needs of local people and invest in community projects in the areas of health, education, infrastructure and agriculture. FG Gold has:**

- Completed crop/tree compensation to over 150 farmers
- Renovated prayer facility in Pujehun
- Enrolled 50 community youth in our driver skills training program
- Planned construction of community town hall with award of construction contract to local company



## Community Engagement Spotlight

### Empowering Women Through Entrepreneurship

The Baomahun Market Women Association has been supplying fresh food items to FG Gold every week, delivering an array of fresh fruits and vegetables to our kitchen on site where our cooks transform them into nutritious meals for our workers.

We are delighted to support the Baomahun Market Women Association as part of our social enterprise development initiative. Aiming to empower women, the initiative provides assistance and support to small and micro-sized enterprises, creating opportunities for women to improve their livelihood through entrepreneurship.



## Our Local First Approach

Our ‘**Local First**’ approach is embedded in our operations - from prioritising and investing in the local community when it comes to recruitment, through to delivering tangible benefits to the local community and broader Sierra Leone. With an **87% local workforce**, we are proud to be champions for local employment and are committed to empowering local people through training and apprenticeship programs. Our efforts in building local capacity have yielded great results, with **all early works and construction activities completed by local contractors**.

## Environmental Initiatives

### Leading Environmental Stewardship

FG Gold continues take a proactive approach to managing our operations, developing and implementing rigorous programmes in line with global standards, utilising the best international expertise and anchored in local, contextual knowledge and capacity. This serves to protect the local ecosystems and habitats.

In Q3 2023, FG Gold onboarded a full HSE department tasked with ensuring the successful implementation and maintenance of programmes in compliance with reporting requirements.

At the end of the quarter FG Gold had successfully:

- Developed and implemented our Environmental and Social Action Plan
- Completed biodiversity baseline monitoring for flora and fauna
- Developed Biodiversity Offset Strategy
- Completed carbon offset pilot project: 200 trees planted during World Environment Day
- Invested ~US\$150,000 on our Revegetation Program which involved the planting of trees and vegetation in the entire concession
- Completed an indigenous tree survey, in partnership with the Ministry of Environment & Climate Change, giving FG Gold the green light to clear the TSF area and construct the mine access road.



One of FG Gold's key missions is to mine in a more sustainable way. As such environmental stewardship remains at the heart of our operations and our robust environmental programmes will remain a lasting theme. Initiatives currently in progress include:

- Climate Change Risk Assessments
- Biodiversity Offset Planning
- Carbon Offset Planning - growth of planted trees from pilot currently being monitored and recorded to support future planning
- Ongoing baseline monitoring for air quality, dust, noise, water, biodiversity, vibration, and meteorology
- Expansion of monitoring programmes for water, noise and dust