DESERT GOLD VENTURES INC.

A Technical Report on the Barani East Prospect Kéniéba District, Western Mali

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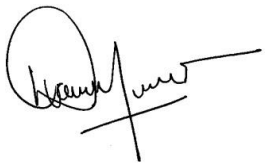
QUALIFIED PERSON DECLARATION

I, Daan van Heerden, in the capacity of Qualified Person do hereby certify that:-

1. To the best of my knowledge, information and belief, the Report contains all scientific and technical information required to be disclosed to make the Report not misleading.
2. The facts presented in the Report are correct to the best of my knowledge.
3. The analyses and conclusions are limited only by the reported forecasts and conditions.
4. I have no present or prospective interest in the subject property or asset.
5. My compensation, employment or contractual relationship with the Commissioning Entity is not contingent on any aspect of the Report.
6. I have no bias with respect to the assets that are the subject of the Report, or to the parties involved with the assignment.

Yours faithfully,



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INFORMATION RISK

This Report was prepared by Minxcon (Pty) Ltd ("Minxcon"). In the preparation of the Report, Minxcon has utilised information relating to operational methods and expectations provided to them by various sources. Where possible, Minxcon has verified this information from independent sources after making due enquiry of all material issues that are required in order to comply with the requirements of the SAMREC and NI 43-101 Codes.

OPERATIONAL RISKS

Mining and mineral and coal exploration, development and production by their nature contain significant operational risks. It therefore depends upon, amongst other things, successful prospecting programmes and competent management. Profitability and asset values can be affected by unforeseen changes in operating circumstances and technical issues.

POLITICAL AND ECONOMIC RISK

Factors such as political and industrial disruption, currency fluctuation and interest rates could have an impact on future operations, and potential revenue streams can also be affected by these factors. The majority of these factors are beyond the control of any operating entity.

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ITEM 1 – EXECUTIVE SUMMARY

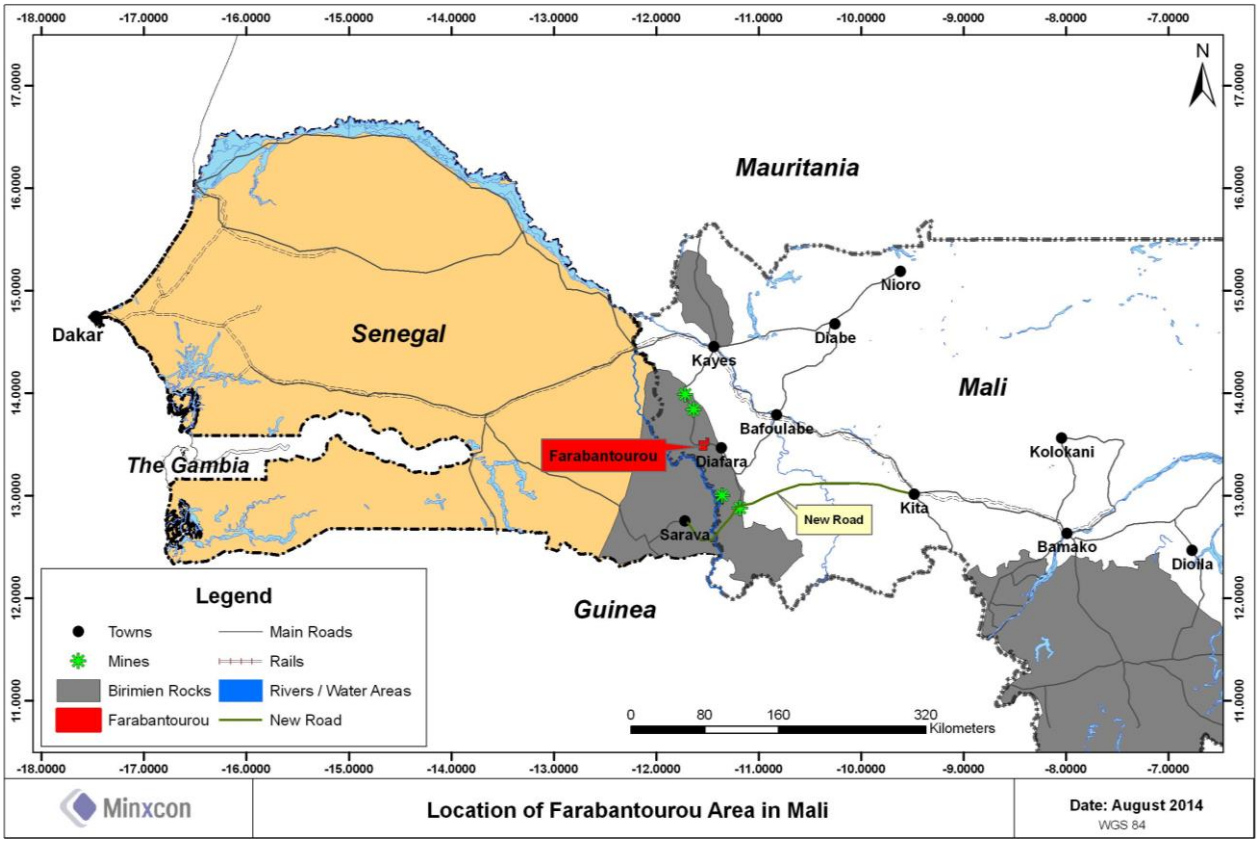
Minxcon (Pty) Ltd ("Minxcon") was commissioned by Desert Gold Ventures Inc. ("Desert Gold" or "the client") to compile an updated NI 43-101 technical report for the Barani East Gold Prospect (also referred to as "Barani East" or "Barani East Project") within the Farabantourou permit area, in the Kéniéba District of Western Mali.

This document was compiled based on information sourced from a Preliminary Economic Assessment ("PEA") study completed by Minxcon in August 2014. No formal Reserves were stated as there is no certainty that the PEA will be realised. A DCF valuation was completed based on the Inferred Resources stated in the PEA.

Item 1 (a) – PROPERTY DESCRIPTION

As shown in the following figure, the Farabantourou permit area is located in southwest Mali, west of the town of Diafara, near the Senegal-Mali border. The Barani East Prospect is situated in the northern part of the Farabantourou permit area.

General Location of Farabantourou Permit Area



Item 1 (b) – OWNERSHIP OF THE PROPERTY

Desert Gold acquired all of the issued and outstanding shares of TransAfrika Belgique SA ("TransAfrika") in 2011. This resulted in Desert Gold acquiring a 74% holding in all of the previous TransAfrika projects in Mali, including the Farabantourou permit. The remaining shares are held equally by the joint venture partners Rock SARL and International Business Holdings Limited ("IBHL"). The shareholding of the Farabantourou permit is as follows:-

- 74% to Desert Gold;
- 13% to International Business Holdings Limited; and
- 13% to Rock SARL.

Officially, the permit has been recorded as being the Farabantourou permit, PR 08/3549, Arrete N° 2012-2401/MCMI-SG DU 14 AOU 2012. The permit covers an area of 112 km^2. This was delivered in November 2008, renewed in November 2011 and will be renewed prior to expiry on 17 November 2014. The Project will apply for a renewal and may alternatively apply for a mining permit at this point in time.

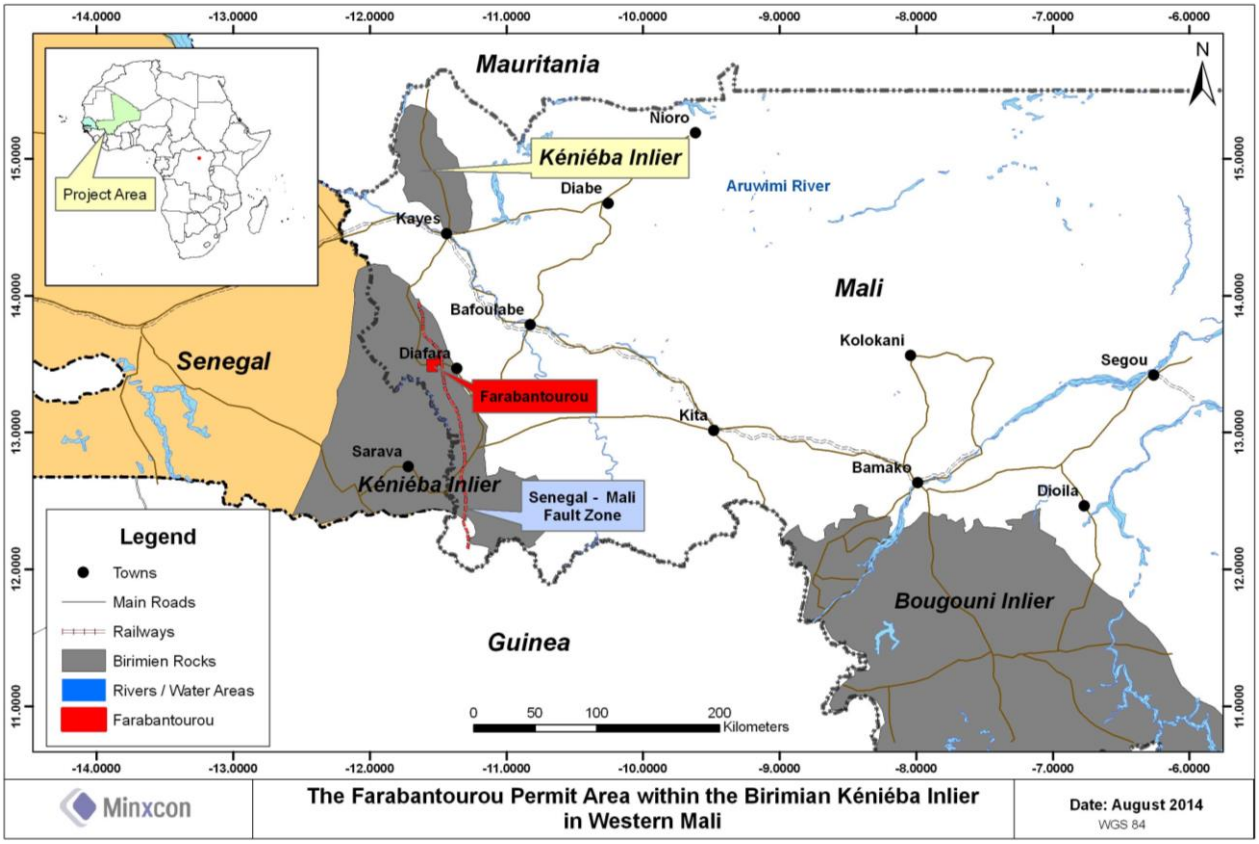
Item 1 (c) - GEOLOGY AND MINERAL DEPOSIT

The area along the Senegal-Mali border is underlain by Proterozoic and Archaean rocks of the West Africa craton. The craton stabilized at approximately 1800Ma and is composed of the Reguibat shield to the north and the Leo or Man shield to the south. The Leo shield is built on an Archaean nucleus with the Baoul-Mossi (Proterozoic) domain forming the majority of the shield in the southwest, (Kusnir, 1999). The Baoul-Mossi domain contains inliers of Archaean rocks and Birimian formations which were deposited between 2300Ma and 1900Ma i.e. Lower to Middle Proterozoic. These Birimian rocks were affected by the Eburnean orogeny which was most active from 2000Ma to 1800Ma, peaking at approximately 1950Ma. One of these inliers is the Kéniéba Inlier, a north-northwest trending granite-greenstone belt which occurs along the Mali-Senegal border. The Kéniéba Inlier is comprised of Birimian volcano-sedimentary formations regionally metamorphosed to greenschist facies and intruded by large granitoid-gneiss complexes, (Hyde, 2001).

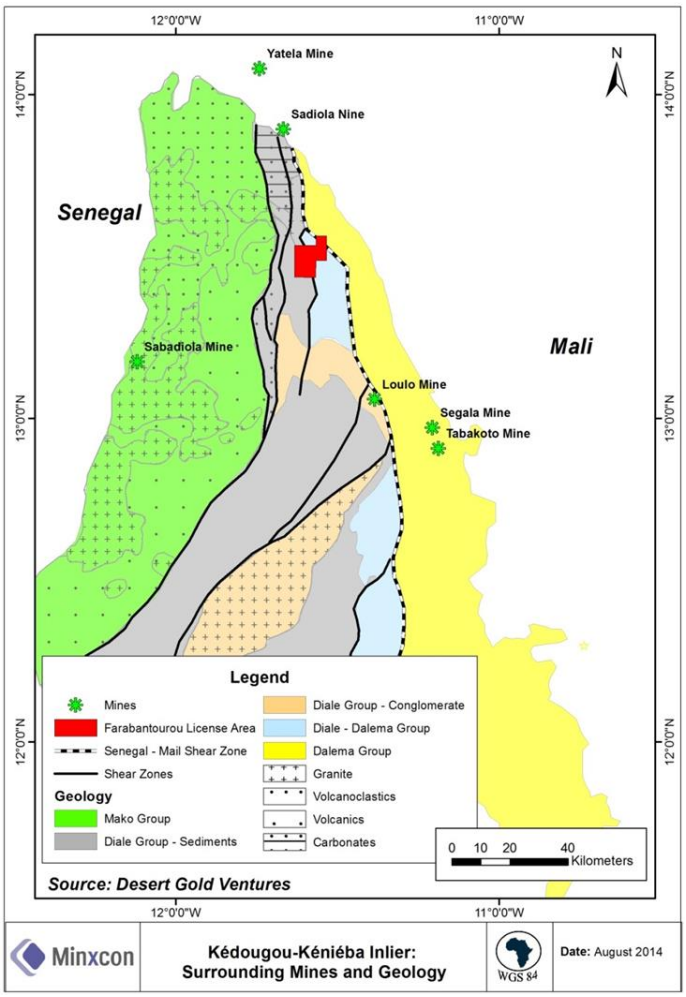
In the Kéniéba region most of the gold deposits are contained within secondary structures and splay faults associated with the Senegal-Mali Fault Zone ("SMFZ") (see the following figure), often where southeast to northwest sutures cross-cut the dominant structural fabric. These zones are defined by hydrothermally introduced mineralisation within dilation zones; the gold deposits are hosted by penetrative shears and not by a single structural feature. This implies that the whole region has great potential for the discovery of additional gold deposits (Hyde, 2001). Several well-known gold deposits occur within the Kéniéba Inlier. These include Sadiola, Yatela, Tabakoto and Segala, Loulo and Sabodala. The locations of these deposits are shown in the second figure in this section, which depicts the regional geology of the Kéniéba Inlier.

The preliminary geological interpretation of the Farabantourou permit was made from the regional aeromagnetic data and regional geological maps. A north-northwest to south-southeast striking structural discontinuity forms the contact between the western sedimentary units and the eastern volcano-sedimentary units. This feature has been interpreted to be part of the SMFZ (Item 7). North-northeast striking dykes cut through parts of the permit. The siliciclastic sediments to the west of the SMFZ, consisting of sandstones, siltstones and conglomerates belong to the Kéniébandi Formation. The coarse-grained sandstones and conglomerates within this Formation have a significant volcanic content and appear to grade into rhyolitic pyroclastics and lavas to the west.

Generalised Location of Birimian Greenstone Lithologies in Mali



The Regional Geology in Relation to the Southern Section of the Kéniéba Birimian Inlier



The Kéniéba inlier is divided into three main stratigraphic units from west to east and from oldest to youngest: the Mako Supergroup, the Diale Supergroup and the Daléma Supergroup.

Generalised Stratigraphy for the Kéniéba Inlier

Stratigraphic Unit	Typical Lithologies
Daléma Supergroup	Basalt flows, volcaniclastic intercalations, magnesium basalt/komatiites, ultramafic sub-volcanic intrusions (pyroxenites), massive biotite & amphibole granitoids
Diale Supergroup	Folded Shale, greywacke, quartzite & volcano-detritic rocks
Mako Supergroup	Volcano-sedimentary schist & greywackes

Minxcon | **A Schematic Regional Generalised Stratigraphy for the Kéniéba Inlier** | **Date:** August 2014

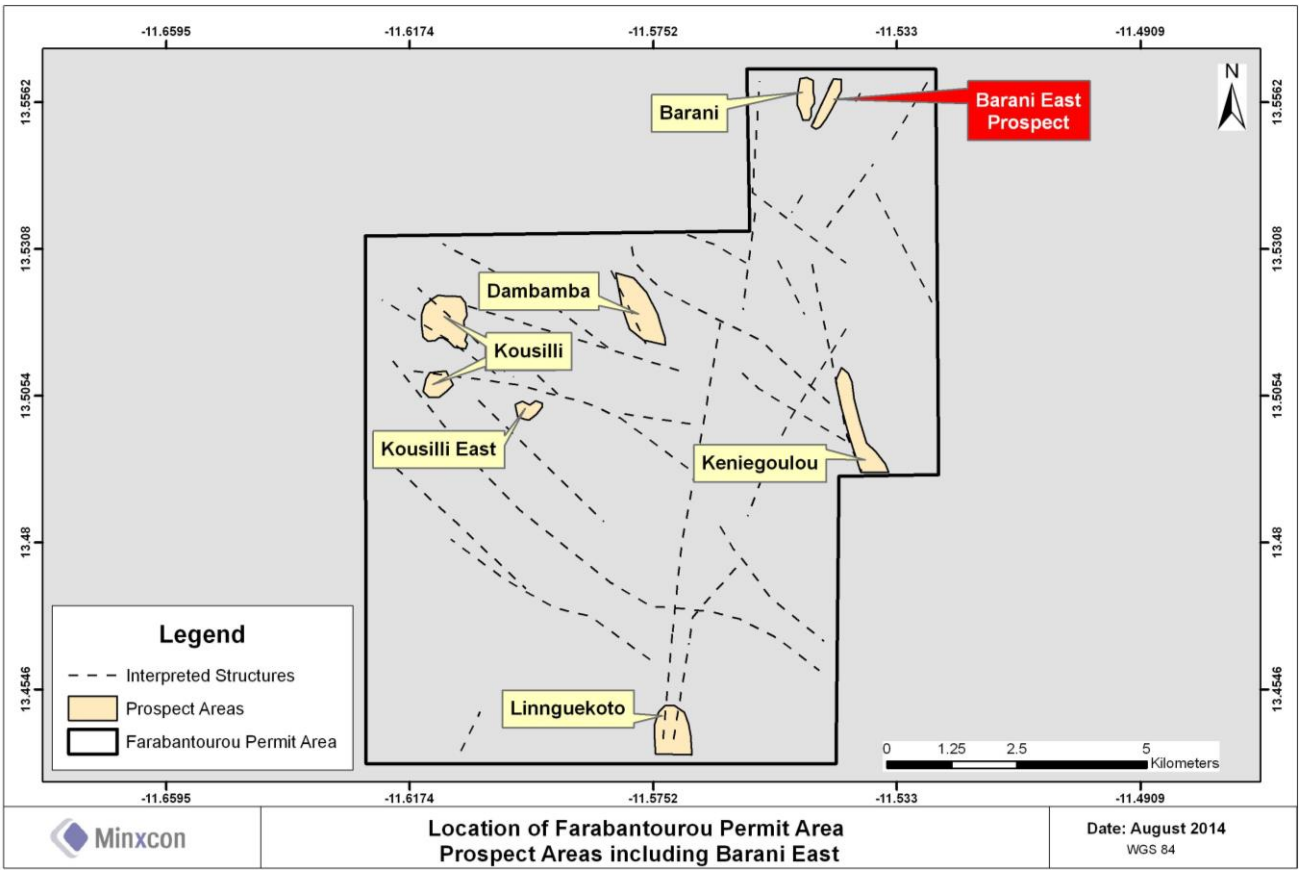
The gold mineralisation is mesothermal in origin and occurs as free gold in quartz vein stock works and zones of silicification. It is often associated with arsenopyrite and to a lesser extent, pyrite and antimony.

Item 1 (d) – STATUS OF EXPLORATION

Hyundai Mali S.A. (Hyundai) investigated the permit for gold as part of their Sepola Project (Hyde 2001, Hyundai Mali 2004). Hyundai held the permit from 1998 until 2004. Some of the data from the 1998-2001 drilling programs are available in the public domain.

Between October 2001 and June 2002, 823 RC drillholes were drilled producing a total of 53,139 m of drillhole data. This drilling program was a follow-up on targets identified by geochemical surveys, aeromagnetic surveys and artisanal workings. Mineralisation was discovered in six areas, namely Barani, Barani East, Keniegoulou, Dambamba, Kousilli and Linnguekoto (refer to the figure below). By June 2001, 63 drillholes (5,628 m) and 54 mineralised intersections were drilled on the Barani East Prospect. Mineralisation was tested over 1,200 m of strike.

The Location of the Barani East Prospect within the Greater Farabantourou Permit Area



Exploration undertaken by Desert Gold on the Farabantourou Permit was aimed at identifying drill targets. Exploration work undertaken by Desert Gold on Farabantourou comprised:-

- Interpretation of satellite imagery covering the area.
- Regional soil sampling over the western part of the permit, with infill soil sampling. Samples were taken on 100 m spaced lines and on a sample interval of 50 m. Sampling was completed in an east-west and on a south-southwest to north-northeast grid.
- A first phase of reverse circulation ("RC") drilling of the gold anomalous zone, identified by Hyundai. In total, 10 additional drillholes were completed.
- IP surveys, completed by Spectral Geophysics.

A series of IP surveys were completed by Spectral Geophysics in early January 2010 over the Kousilli target area. In addition, IP Surveys were also carried out on the Dambamba, Keniegoulou South, Keniegoulou and Barani (inclusive of Barani East) areas of the permit. The soil anomalies from the earlier sampling programme were shown to coincide with structures interpreted from the chargeability maps in 5 areas on the grid.

Ten RC drillholes were drilled (totalling 978 m) over one of the identified soil anomalies in the eastern part of the Kousilli area. Only two of the drillholes, FARC004 and FARC005, intersected any significant mineralisation. Drillhole FARC005 intersected 18m@1.26g/t Au. This intersection includes 4m@2.90g/t Au and 3m@2.66g/t Au. Drillhole FARC004 intersected 2m@1.99gt Au and 4m@1.16g/t Au. Intersection widths are sample lengths and do therefore not necessarily present the true thickness of the mineralisation. Mineralisation could not be correlated between drillholes due to the poor understanding of the geology. Results of the drilling show that gold mineralisation does occur but these are inconclusive as to the prospectivity of the area.

In addition to the above, a total of 189 drillholes were drilled on the Barani East Prospect, of which 5 were diamond drillholes; the balance consisted of RC drillholes. Of these, 79 were used in the 2013 Mineral Resource estimation over the most prospective area at Barani East. On Farabantourou, previous permit holders have found several apparently small, low grade targets and deposits. However, the understanding of the geology was, and still is, poor, and the historical drilling programmes do not appear to have been well-planned. The properties were undeveloped at the time that TransAfrika Mali acquired the permits. There are some artisanal workings on Farabantourou.

Item 1 (e) – Mineral Resource and Mineral Reserve Estimates

Mineral Resources

The orebody within the Barani East Prospect ranges in width from approximately 4.5 m to 15 m, with the thicker portion of the orebody found in the south. It strikes northeast to southwest, dipping toward the southeast at between 55° and 60°.The following tables summarise the Mineral Resources for Barani East as at August 2014 (estimated by Minxcon Consulting). Resources for Barani East are stated at a 0.5 g/t cut-off by Minxcon.

Minxcon's Mineral Resource for Barani East as at August 2014

Resource Category	Tonnage	Ave Au Grade	Au Content	Au Ounces
	t	g/t	Kg	Koz
Indicated	706,543	1.99	1,408	45.27
Total Indicated Resource	**706,543**	**1.99**	**1,408**	**45.27**
Inferred	1,060,590	2.15	2,276	73.17
Total Inferred Resource	**1,060,590**	**2.15**	**2,276**	**73.17**

Notes:

1. Gold content conversion: 1 kg = 32.15076 oz.
2. Columns may not add up due to rounding.
3. Cut-off: 0.5 g/t.
4. SG: 1.8 t/m³.
5. All figures are in metric tonnes.

The Mineral Resource Classification for Barani East is based on drillhole spacing and kriging efficiencies.

Mineral Reserves

No Mineral Reserves were stated for the Barani East Prospect. The Life of Mine Plan described within this Technical Report is based upon a Preliminary Economic Assessment conducted by Minxcon in August 2014. In order to declare a Mineral Reserve a Life of Mine Plan to a Pre-feasibility level of detail is required. A discounted cash flow ("DCF") Valuation, based upon the PEA has been included.

Item 1 (f) – DEVELOPMENT AND OPERATIONS

All information discussed within this section was obtained from the PEA.

General Infrastructure

No telephone services are available in or around the permit area. There is no national grid near the permit areas and mines are responsible for their own power supply. Electricity is supplied by diesel power generators. The Falémé River, which runs from north to south along the Senegal-Mali border, is the main source of water supply to the area. There is some gravity-fed public water supply in Kéniéba. Other than that, water is supplied by boreholes.

The nearest paved road in Mali is the Trans-Sahel Highway which runs from Dakar, Senegal to N'Djamena, Chad via Kayes and Bamako, Mali. The Farabantourou permit area can be accessed via an unpaved road which runs parallel to the Senegal border from Trans-Sahel Highway at Kayes. Access to the Farabantourou property is sometimes difficult during the months of September and October, at the height of the rainy season, However access is generally possible as there are no rivers or streams on or near the property that are subject to major flooding during the rainy season.

Mining

No mining operations are currently taking place and no mining infrastructure exists at Barani East or the greater Farabantourou permit area; only traces of artisanal mining are visible in the area. The mining method that will be implemented at Barani East is conventional open pit mining, using truck and excavator combinations. All mining activities will be performed by a mining contractor.

Mining Strategy

The mining strategy was focused on producing enough ore for a 40 kilotonnes per month ("ktpm") plant throughput. The following factors were included in the strategy to reach the production targets:-

- a higher ore production than the required ore mill throughput;
- a stockpile sufficient to feed the plant during periods of pushback pit waste stripping;
- a constant waste stripping ratio as far as possible, but within acceptable risk towards achieving the required mill throughput rate;
- a constant mining production rate to reduce mining cost fluctuation;
- day shift only mining operation; and
- practical mining parameters in the scheduling proses.

Modifying Factors

Detailed in the following table is a summary of the modifying factors which were applied to convert the *in situ* Mineral Resources in the LoM plan to Diluted Mineral Resources, which are delivered to the plant.

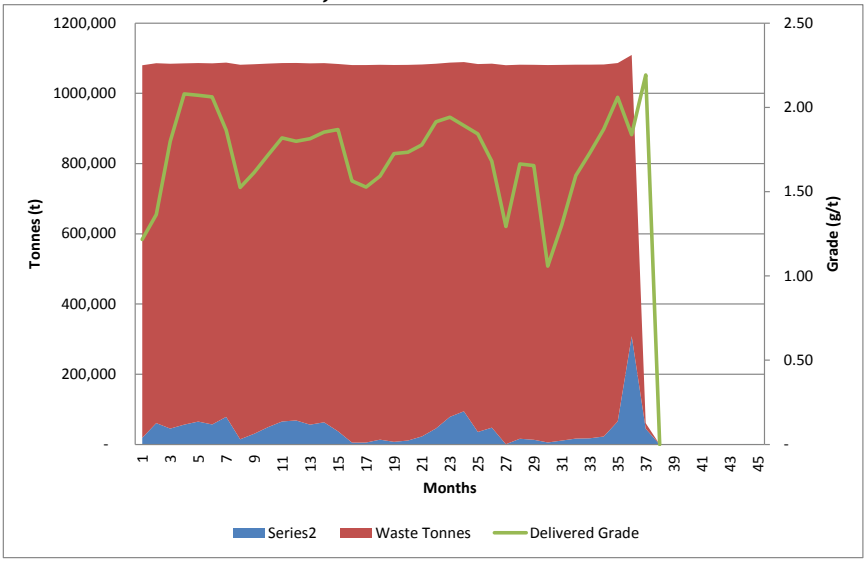
Modifying Factors

Factors	Unit	Value
Dilution	%	5%
Ore Loss	%	3%
Mine Call Factor ("MCF")	%	100%

Diluted LoM Production

Illustrated in the following figure is the total diluted life of mine production profile after applying the modifying factors. These are the tonnes delivered to the RoM stockpile from where the plant is fed.

Barani East Production Profile - Diluted



A summary of the total diluted production is tabled in the following. These are the tonnes delivered to the RoM stockpile which feeds the plant.

Diluted Resources in LoM Plan Delivered to the Plant

Description	Unit	Designed Pit
Total Ore Mined	Mt	1.66
Total Waste Mined	Mt	37.43
Total Tonnes Mined	Mt	39.09
Stripping Ratio	t : t	22.59
Average Grade Mined	Au g/t	1.83
Total Content Mined	Au kg	3,035
Total Content Mined	Au oz.	97,590

Processing

No processing infrastructure exists. A conceptual process design has been completed. The plant consists of the following circuits/sections:-

- scrubbing of RoM material;
- scrubber oversize will be crushed in a jaw and fines crushing circuit;
- the scrubber undersize will be processed in a semi-batch Knelson concentrator;
- semi-batch tails is processed further in a CVD Knelson and spirals concentration circuit;
- the concentrate is leached in a high-intensity leaching circuit;
- CVD tails is combined with high-intensity leach tails in a tails thickener prior to being deposited as tailings;
- carbon will be eluted in an elution circuit; and
- eluted carbon will be regenerated in a kiln and reused in the circuit.

The plant will have a capacity of 40 ktpm and metallurgical test work shows that an overall gold recovery of 65% can be achieved. A lined tailings storage facility may be required due to the potential for high cyanide concentrations in the high-intensity leaching tails.

A thickener has been included to recovery water for re-use in the plant. Additional process or raw water will be sourced from the nearby Falémé River via a water pipeline. Boreholes may also be required for additional potable water. Power will be provided by a diesel power generator.

Item 1 (g) - MARKET VALUATION

A DCF Valuation, based upon the PEA has been included. DCF valuation includes Inferred Resources at a gold price of USD1,250/oz. as received from the Client.

Operating Costs

A contingency of 5% was included for all the operating costs. The royalty amount includes the revenue royalty as well as the special tax ("ISCP"). The Barani East Prospect has an estimated fully-allocated cost of USD37/milled tonne that equates to USD956/oz.

OPEX Summary

Item	Unit	Amount	Unit	Amount
Net Turnover	**USD/Milled tonne**	**48**	**USD/Gold oz.**	**1,250**
Mine Cost	USD/Milled tonne	19	USD/Gold oz.	485
Plant Costs	USD/Milled tonne	8	USD/Gold oz.	203
Other Costs	USD/Milled tonne	2	USD/Gold oz.	55
Direct Cash Costs (C1)	**USD/Milled tonne**	**28**	**USD/Gold oz.**	**743**
Capex	USD/Milled tonne	5	USD/Gold oz.	137
Production Costs (C2)	**USD/Milled tonne**	**34**	**USD/Gold oz.**	**881**
Royalties**	USD/Milled tonne	3	USD/Gold oz.	75
Fully Allocated Costs/ Notional Costs (C3)	**USD/Milled tonne**	**37**	**USD/Gold oz.**	**956**
NCE Margin	**%**	**24%**	**%**	**24%**
EBITDA*	USD/Milled tonne	17	USD/Gold oz.	432
EBITDA Margin	%	35%		
Gold Recovered	oz.	63,433		

Notes:

1. Numbers may not add up due to rounding.

The capital estimation for the Barani East mining operations for the LoM is illustrated in the following table. A plant contingency of 10% was included as well as a 15% contingency on the mining capital. These figures were obtained from the PEA.

Capital Cost Summary

Capital Expenditure	Over LoM	
Mining Capital	**Unit**	**Amount over LoM**
Equipment	USDm	0.47
Workshop	USDm	0.03
Settling Dam	USDm	0.03
Pumps and Piping	USDm	0.14
Electrical Reticulation	USDm	0.04
Waste Stockpiles	USDm	0.08
Pits	USDm	0.12
Mobilisation	USDm	0.03
Total Direct Mining Capital	**USDm**	**0.94**
Mining Capital Contingency	**USDm**	**0.14**
Total Mining Capital	**USDm**	**1.08**
Plant Capital		
Total Plant Capital	USDm	6.92
Total Direct Plant Capital	**USDm**	**6.92**
Plant Capital Contingency	**USDm**	**0.69**
Total Plant Capital	**USDm**	**7.61**
Total Initial Capital	**USDm**	**7.86**
Total Capital Contingencies	**USDm**	**0.83**
Total Capital	**USDm**	**8.69**

The following table illustrates the Project NPV at various discount rates with a best-estimated value of USD15 million at a real discount rate of 5.34%.

Project Valuation Summary – Real Terms

Item	Unit	Value
Real NPV @ 0.00%	USDm	18.7
Real NPV @ 5.34%	**USDm**	**15.0**
Real NPV @ 10.00%	USDm	12.2
Real NPV @ 15.00%	USDm	9.7
Internal Rate of Return (IRR)	%	61.8%

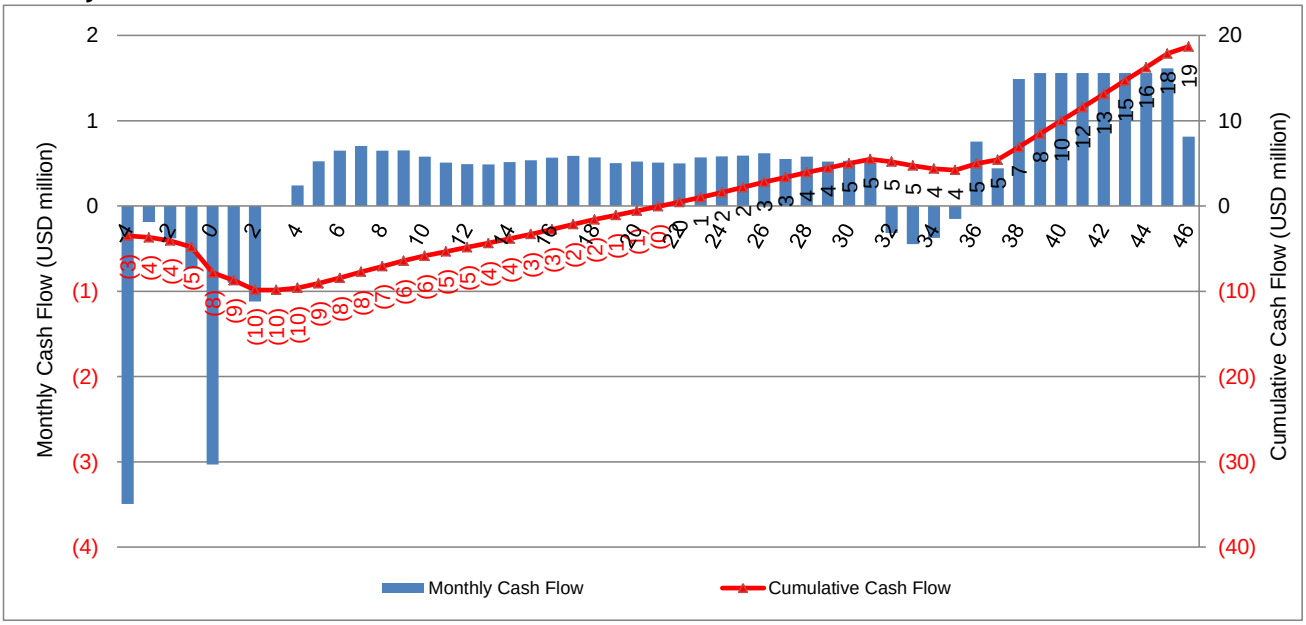
The following table illustrates the Project profitability ratios. The Project has a peak funding requirement of USD9.8 million during month 2 of production and a payback period of 21.1 months from the start of production in month 1 (26.1 months from start of construction).

Profitability Ratios

Item	Unit	Profitability Ratios
Total ounces in Mine plan	oz.	97,590
In situ Mining Inventory Valuation	USD/oz.	153
Production LoM	Months	37
Treatment LoM	Months	44
Project LoM (including construction)	Months	50
Present Value of Income flow	USDm	24
Present Value of Investment	USDm	8
Benefit-Cost Ratio	Ratio	3.0
Return on Investment	%	205%
Average Payback Period (From Start of Production)	Months	21.1
Peak Funding Requirement	USDm	-9.8
Peak Funding Month	Production Month	2
Break Even Milled Grade (Excluding Capex)	g/t	1.20
Break Even Milled Grade (Including Capex)	g/t	1.40
Incentive Gold Price (Excluding Capex)	USD/oz.	818
Incentive Gold Price (Including Capex)	USD/oz.	956

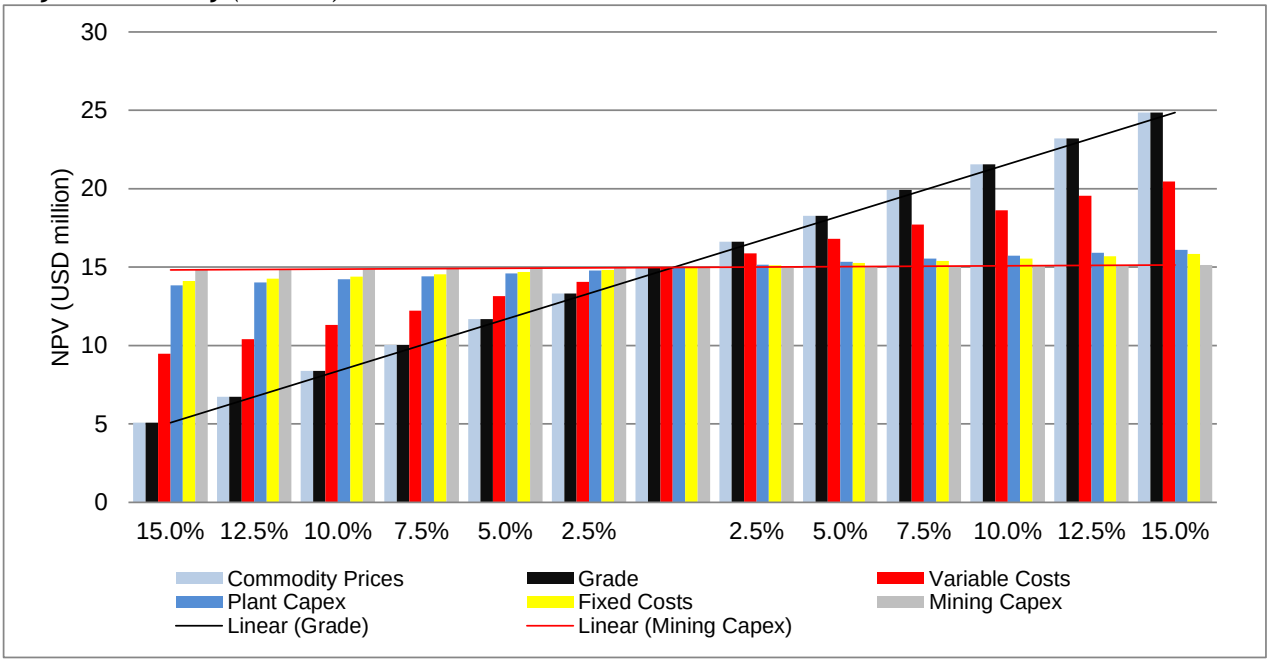
The monthly and cumulative cash flow forecast for the LoM are displayed in the following figure.

Monthly and Cumulative Cash Flow



The DCF, the gold price and grade have the biggest impact on the sensitivity of the Project followed by the variable cost. The Project is not capital sensitive. The bars represents various inputs into the model each being increased or decreased by 2.5% i.e., left side of graph shows lower NPV's because of lower prices and lower grades, higher Opex and Capex and the opposite on the right hand. The red line and black line representing the least sensitive and most sensitive impacts to the NPV.

Project Sensitivity ($NPV^{5.34\%}$)



Item 1 (h) – Qualified Person's Conclusions and Recommendations

Conclusions

Mineral Resources:

- The Mineral Resources are considered to be compliant in accordance with the requirements as stipulated in NI 43-101 and are based on data density and kriging efficiency.
- All Indicated Mineral Resources occur above a depth of 120 m below surface.
- Exploration drilling has been conducted to a maximum depth of 190 m. The geology is openly stated as being poorly understood, as most drilling has been conducted in weathered material.

Market Evaluation:

- The Project investigated is financially feasible at a 5.34% real discount rate.
- The best-estimated value of the Project was calculated at USD15 million with an IRR of 62% at a real discount rate of 5.34%.
- The Project is robust with high return on investment of 205%.
- Barani East has an NCE margin of 24% that is above average compared to other mines.
- A peak capital investment of USD9.8 million is required to fund the operation.
- The Project has a payback period of 21.1 months from start of production (26.1 months from start of construction).
- The Project is most sensitive to gold price and grade.
- The Project has a break-even gold price of USD956/oz. including capital.
- Fully-allocated costs for the Project is USD37/milled t which equates to USD956/oz.

Recommendations

Mineral Resources:

- Minxcon recommends that all historical data are consolidated and captured into a central GIS database for easy access and for modern geostatistical analysis in the future.
- Once operations commence, a modern and appropriate sampling and grade control program should be initiated, within a recognised, relational industry standard database, with modern operational QA/QC protocols for the updating of all sampling and analytical QA/QC data.

- Drilling should be conducted to greater depths to understand the unweathered geology to assist with modelling and assessing exploration potential.

Mining:

- The pit material must be tested to verify whether the assumed free-dig mining method is valid.
- Complete geotechnical test work to determine the appropriate pit slope angles.
- Tender process for mining contractors should be completed well in advance to prevent delays in production start date.

Processing:

- Desert Gold should review the options for water supply in more detail and determine the costs and legal requirements thereof.
- There is uncertainty with regards to the delivery of the processing equipment, reagents and consumables to the project site. Although Minxcon has provided for delivery, further analysis is required to determine these costs more accurately.

ITEM 2 – INTRODUCTION

Item 2 (a) – ISSUER RECEIVING THE REPORT

Minxcon (Pty) Ltd ("Minxcon") was commissioned by Desert Gold Ventures Inc. ("Desert Gold" or "the client") to compile an updated NI 43-101 technical report for the Barani East Gold Prospect (also referred to as "Barani East" or "Barani East Project") within the Farabantourou permit area, in the Kéniéba District, Western Mali.

Item 2 (b) – TERMS OF REFERENCE AND PURPOSE OF THE REPORT

Minxcon was commissioned by the Client to compile an NI 43-101 technical report for the Barani East Gold Prospect.

A Preliminary Economic Assessment ("PEA") study was completed by Minxcon in August 2014. The PEA study includes a portion of Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorised as Mineral Reserves. A DCF valuation was completed based on the Inferred Resources stated in the PEA. No formal Reserves were stated as there is no certainty that the PEA will be realised.

This technical report was compiled in compliance with the specifications embodied in the Standards of Disclosure for Mineral Projects as set out by the Canadian Code for reporting of Resources and Reserves - National Instrument 43-101 (Standards of Disclosure for Mineral Projects), Form 43-101F1 and the Companion Policy Document 43-101CP ("NI 43-101").

Minxcon carried out the following scope of work for the Technical Report:-

- Visit to the Desert Gold offices in Johannesburg to collect information pertaining to the financial, legal and environmental aspects.
- Use of technical and environmental reports prepared by various independent consultants.
- Minxcon did not seek an independent legal opinion on the shareholding, effective rights and obligations of the Barani East Prospect and relied on existing available information.
- Review of geological data and Mineral Resources.
- Review of mine plan, Mineral Reserves and the processing methodology.
- Completion of a Discounted Cash Flow ("DCF") analysis.

Item 2 (c) – SOURCES OF INFORMATION AND DATA CONTAINED IN THE REPORT

The following sources of information were used to compile this Report:-

- PEA study completed by Minxcon in August 2014.
- Technical reports and technical information from Desert Gold.
- Historical Technical Reports, press releases and other public documents posted on SEDAR.
- The Mineral Resource estimate conducted in 2013 by Minxcon Consulting.
- Quotations, capital budget estimates and process design details from Appropriate Processing Technology Pty (Ltd) ("APT"), Randburg.
- Metallurgical test work conducted by SGS South Africa Pty (Ltd) ("SGS") and Peacocke Simpson & Associates (Pty) Ltd ("Peacocke Simpson").
- Market research information from various websites, literature and other published articles.
- Personal Communications with Mr. Louw van Schalkwyk and Dr. Luc Antoine.

For further details on references please refer to Item 27.

Item 2 (d) – QUALIFIED PERSONS' PERSONAL INSPECTION OF THE PROPERTY

Minxcon is an independent advisory company. Its consultants have extensive experience in preparing technical and economic advisors' and valuation reports for mining and exploration companies. Neither Minxcon nor its staff have any interest capable of affecting their ability to give a fair opinion, and will not receive any pecuniary or other benefits in connection with this assignment, other than normal consulting fees.

The Barani Property has not been inspected by the Qualified Person to date. However, as per the requirement stipulated by paragraph *"6.2 Current Personal Inspection"* of the NI 43-101 (ADVANCE NOTICE) reporting code of 2011 and the following will apply:

(2) Subsection (1) does not apply to an issuer provided that:

- *(a) the property that is the subject of the technical report is an early stage exploration property;*
- *(b) seasonal weather conditions prevent a qualified person from accessing any part of the property or obtaining beneficial information from it; and*
- *(c) the issuer discloses in the technical report, and in the disclosure that the technical report supports, that a personal inspection by a qualified person was not conducted, the reasons why, and the intended time frame to complete the personal inspection.*

(3) If an issuer relies on subsection (2), the issuer must:

- *(a) as soon as practical, have at least one qualified person who is responsible for preparing or supervising the preparation of all or part of the technical report complete a current inspection on the property that is the subject of the technical report; and*
- *(b) promptly file a technical report and the certificates and consents required under Part 8 of this Instrument.*

As per the above-stated requirements, the seasonal weather conditions prevented the Qualified Person from inspecting the Property, prior to the issuing of this document. The Issuer ("Desert Gold") of the document commits to accommodating a visit by the Qualified Person by the 31st of October 2014, just after the seasonal rains have terminated and the area is once again accessible. However due to the presence of the Ebola virus in close proximity to the project, this site visit could possibly be delayed further. The Issuer also commits to promptly file a technical report and the certificates and consents required under Part 8 of this Instrument once the Personal Inspection has been conducted.

The Qualified Person responsible for the submission of this document is Mr Daniel van Heerden (Director, Minxcon): BSc (Min. Eng.), MComm (Bus. Admin.), ECSA Reg. No.20050318, FSAIMM Reg. No.37309.4

Daan has worked in the mining industry for 26 years. He has a vast amount of experience in managing underground and open cast mining operations in South Africa and abroad for world-class mining majors and junior mining companies. He is responsible for new business development for two major mining companies, one of which is focused on gold, while the other deals mainly with platinum. He has experience in mining mergers and acquisitions (friendly and hostile) and related activities such as valuation, due diligence, finance structuring and change management required post the event. Daan has also made significant contributions in the areas of ore reserve management and mine services management with the aim of improving mining productivity and reducing operating cost.

The other authors of this Report are members in good standing of appropriate professional institutions. The following persons are qualified persons, as defined by the compliance reporting requirements for the South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves (2007) ("the SAMREC Code"), the South African Code for the Reporting of Mineral Asset Valuation ("the SAMVAL Code"),

prepared under the auspices of the South African Institute of Mining and Metallurgy ("SAIMM") and NI 43-101*, are responsible for the preparation of the Report:

Uwe Engelmann (Director, Minxcon): B.Sc (Zoology & Botany), B.Sc (Geol.), B.Sc Hons. (Geol.), GSSA, NSISA
Uwe Engelmann has gained over sixteen years' experience in the mining and exploration industry working for companies in South Africa such as Gengold (Evander Gold Fields), JCI, Randgold and Harmony (Randfontein region). Other regions and commodities include Barberton (Gold and Tungsten), Klerksdorp (gold), Westonaria (Gold and Uranium), Pilgrims Rest (Gold), Kriel (Coal), DRC (Copper), Western Australia (Gold) and Antarctica (Research). During this time he has worked as an Ore Resource Manager for eight years where he was involved in the production and exploration on the shafts, strategic planning of the shafts, ore resources and reserves as well as the daily management of the shafts. He is currently heading up the exploration division of Minxcon Exploration.

Johan Odendaal (Director, Minxcon): BSc (Geol), BScHons (Min. Econ.), MSc (Min. Eng.), Pr. Sci. Nat. Reg. No. 400024/04, FSAIMM Reg. No. 702615, MGSSA No. 965119, MAusIMM Reg. No. 220813, IAS
Johan has 25 years' experience in the mining and financial industries and 7 years' experience as an independent mining consultant specialising in the valuation of mining projects and companies. He possesses a great deal of knowledge concerning both local and international mining companies. As a former employee of Merrill Lynch, he was actively involved in advising mining companies and investment bankers on corporate-related issues. Rated as one of the top mining analysts, he became a globally recognised industry specialist. Regular contact with the mining, corporate and investment communities has allowed him to build an extensive network of contacts around the globe specialising in the valuation of mining and exploration companies.

Dario Clemente (Director, Minxcon): NHD (Ext. Met.), GCC, BLDP (WBS), FSAIMM
Dario has over 35 years' experience in the metallurgical industry, including five years abroad working for large international companies – as a Metallurgical Manager at a tungsten and tin base metal mine; and as a Technical Consultant at a polymetallic copper operation. He has extensive experience in base metal and platinum group metals refining, as well as gold and uranium metallurgy. He has also co-authored technical papers and presented his findings locally and abroad. He is currently heading the Metallurgy division of Minxcon Projects.

Item 2 (e) – FORWARD-LOOKING STATEMENT

Certain statements in this report, other than statements of historical fact, contain forward-looking statements regarding the Barani East Gold Prospect, economic performance or financial condition, including, without limitation, those concerning the economic outlook for the mining and gold industry, expectations regarding gold prices, production, cash costs and other operating results, growth prospects and the outlook of operations, including the completion and commencement of commercial operations of specific production projects, its liquidity and capital resources and expenditure, and the outcome and consequences of any pending litigation or enforcement proceedings.

Although Minxcon believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to be correct. Accordingly, results may differ materially from those set out in the forward-looking statements as a result of, among other factors, changes in economic and market conditions, changes in the regulatory environment and other State actions, success of business and operating initiatives, fluctuations in commodity prices and exchange rates, and business and operational risk management.

ITEM 3 – RELIANCE ON OTHER EXPERTS

Minxcon has accepted the information supplied by Desert Gold as valid and complete; the information applies to and is not limited to the drillhole information, Environmental Management Plans ("EMPs") and licenses.

Minxcon has scrutinised all the information provided by Desert Gold, together with other sources of information and is satisfied that the information is sound and could be used in the estimation of the Gold Mineral Resources and Gold Mineral Reserves that were used in the economic evaluation of the mine. Minxcon is relying on Public Reports by Coffey and TransAfrika and Desert Gold, and on information provided by Mr Louw van Schalkwyk and Dr Luc Antoine.

Minxcon was required to complete a technical report for the Client covering and including discussions on the following activities for the compilation of an NI 43-101 compliant Technical Report on the Barani East Prospect within the greater Farabantourou Permit Area:-

- review the history of the Project;
- produce key plans and maps for the Report;
- describe the topography and climate of the Project Area;
- review legal aspects and security of tenure;
- review Project Data which includes:-
    - sampling governance; and
    - sampling method, collection, validation, preparation and storage.
- review geological modelling, interpretation and estimation;
- review mining plans and scheduling;
- review processing and metallurgical testing;
- review Mineral Resource and Mineral Reserve classification;
- review all costs and capital associated with the operation, including:-
    - operational;
    - governmental;
    - environmental aspects; and
    - social obligations.
- complete a valuation based on two methodologies; and
- review market studies of client and contracts.

This specific document is, however, only relevant to the Barani East Prospect.

ITEM 4 - PROPERTY DESCRIPTION AND LOCATION

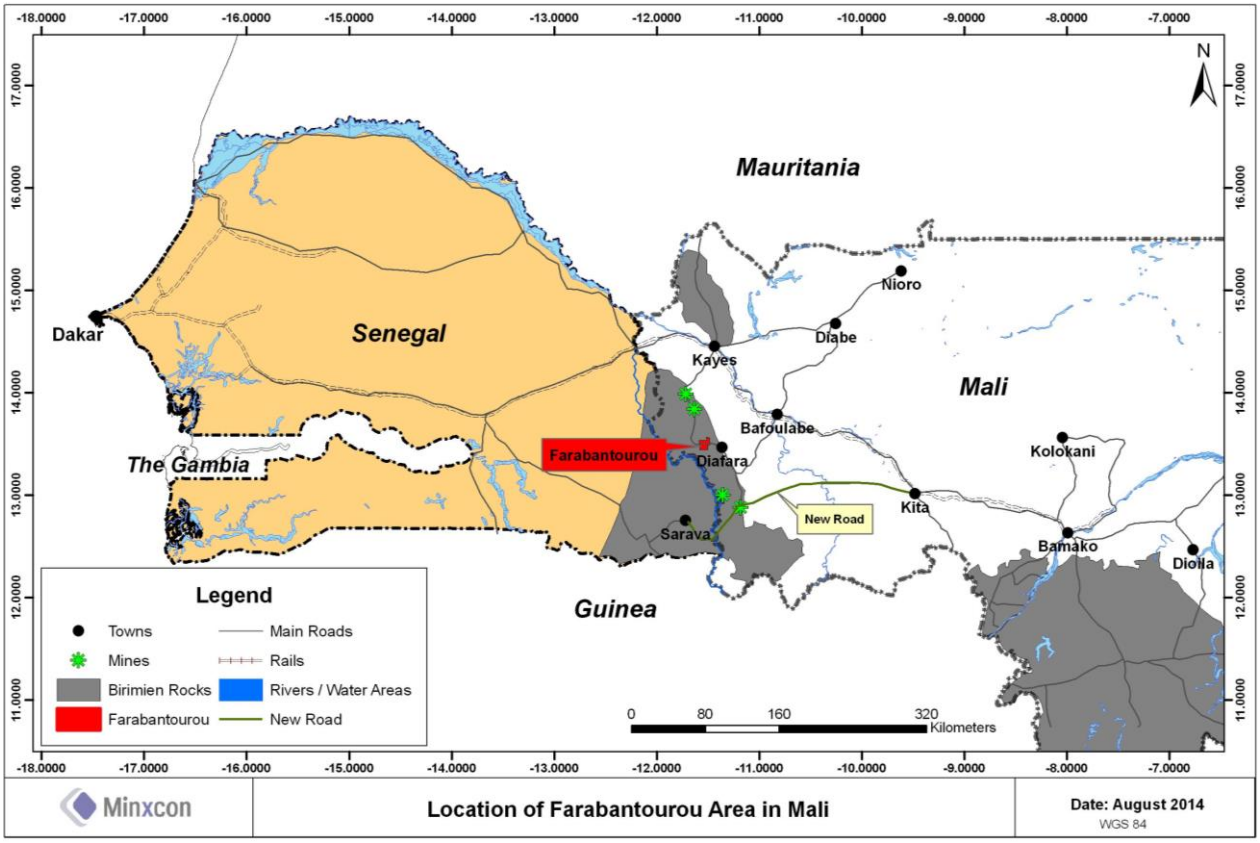
Item 4 (a) - AREA OF THE PROPERTY

The total surface area of the Farabantourou Permit is approximately 112 km^2 or 11,200 ha in extent.

Item 4 (b) - LOCATION OF THE PROPERTY

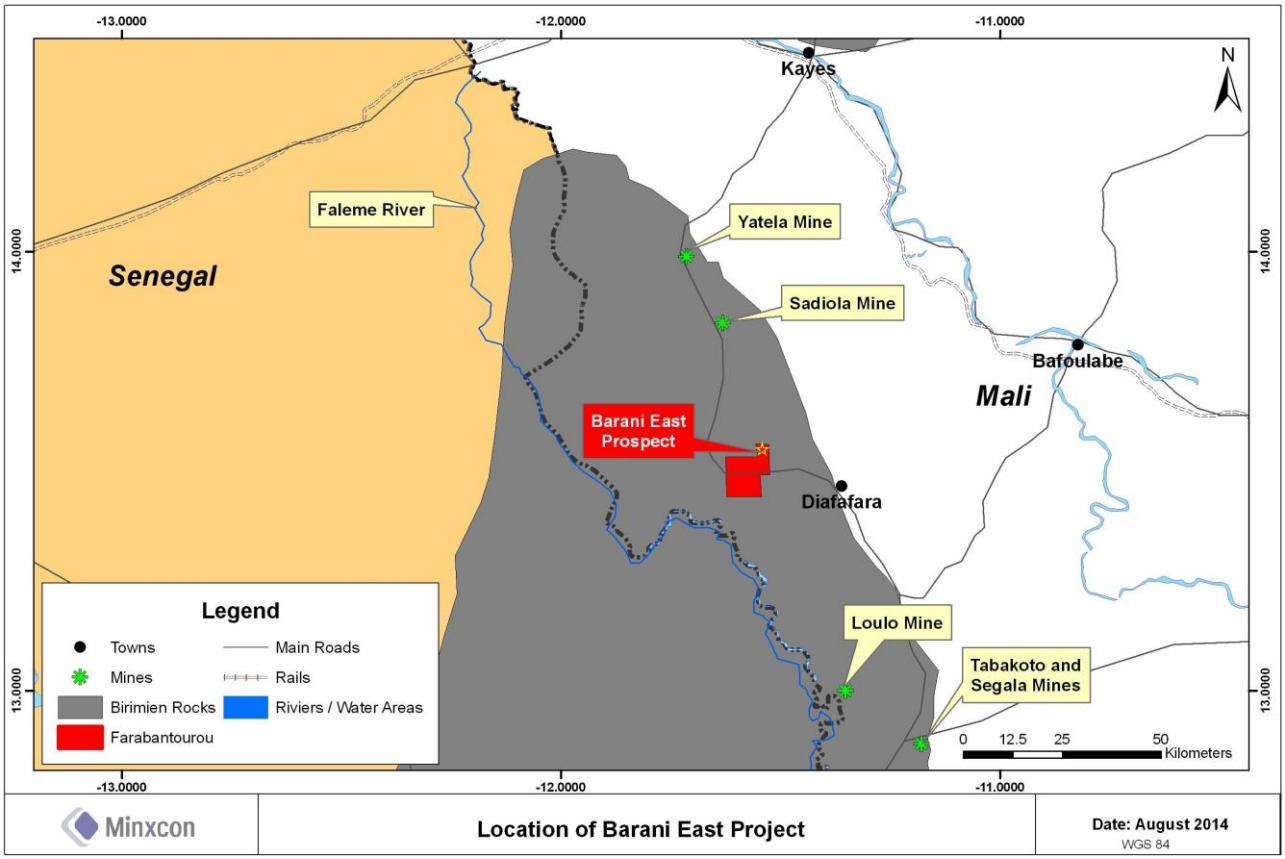
Referring to Figure 1, the Farabantourou permit is located within the Kéniéba District in Western Mali about 25 km west of the village of Diafara and some 40 km east of the Mali-Senegal border.

Figure 1: General Location of Farabantourou Permit Area



Referring to Figure 2, the Barani East Prospect is located within the northern part of the Farabantourou permit area.

Figure 2: Location of the Barani Prospect Area within the Farabantourou Permit Area



The Farabantourou permit area is bound within the perimeter described by the coordinate points in Table 1.

Table 1: Farabantourou Corner Coordinates

PR 08/3549 Farabantourou Corner Coordinates		
Points	**Latitude (N)**	**Longitude (W)**
A	13° 33'45"	11° 34'00"
B	13° 33'45"	11° 32'00"
C	13° 29'17"	11° 32'00"
D	13° 29'17"	11° 34'00"
E	13° 26'11"	11° 34'00"
F	13° 26'11"	11° 38'00"
G	13° 32'00"	11° 38'00"
H	13° 32'00"	11° 34'00"

As shown in Figure 2, the Farabantourou permit and Barani East Prospect is accessible from an unpaved road which runs between Kayes and Diafara parallel to the Senegal-Mali border. This road services all the mines in the surrounding area.

Item 4 (c) - Mineral Deposit Tenure

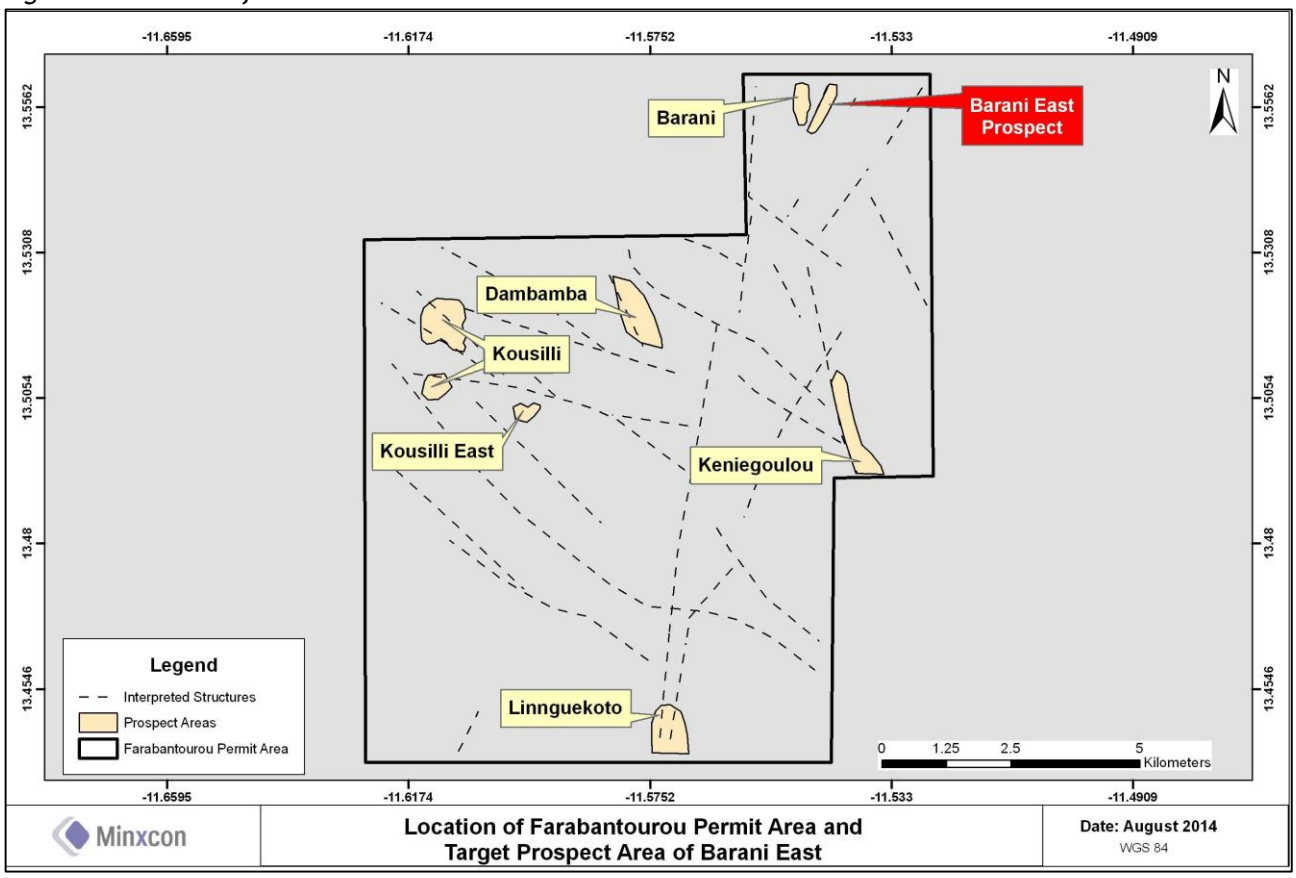
Desert Gold acquired all of the issued and outstanding shares of TransAfrika Belgique SA ("TransAfrika") in 2011, thus Desert Gold has acquired a 74% holding in all of the previous TransAfrika projects in Mali, including the Farabantourou permit area. The remaining shares are held equally by the joint venture partners Rock SARL and International Business Holdings Limited ("IBHL").

Officially, the permit has been recorded as being the Farabantourou permit, PR 08/3549, Arrete N° 2012-2401/MCMI-SG DU 14 AOU 2012. The permit covers an area of 112 km^2. This was delivered in November 2008, renewed in November 2011 and will be renewed prior to expiry on 17 November 2014. The Project

will apply for a renewal and may alternatively apply for a mining permit at this point in time. Desert Gold is required to submit:-

- Work programs and budgets for the permit within thirty days of the granting of the exploration permit and yearly before 1 December for the following year.
- Brief quarterly reports must be submitted in the first two weeks of the quarter, detailing the previous quarter's activities.
- An annual report, submitted in the first quarter of the following year, detailing the year's completed exploration activities.
- Details of the reporting structure on exploration activities and reporting of sampling and exploration results are given in the Arretes.

Figure 3: Location of Farabantourou Permit Area



A mining permit can be assigned only to the holder of a research permit or to the holder of a license for prospecting. It can only cover the zone inside of the research and the substances for which it was attributed. It shall be automatically granted if the holder has complied with all the obligations mentioned under the deed of the research permit or the prospecting license. A research permit shall remain valid over the remainder of its original surface area following the granting of a mining permit.

The mining permit grants to its holder, within the limits of its boundaries and to an indefinite depth, an exclusive right to prospecting, research and mining of mineral substances for which the research permit or the license for prospecting that it derives from is valid, and for which the administration in charge of mines shall receive a Feasibility Study ("FS") as a proof for a deposit mineable, a plan for community development and a plan for mine closure. It also grants to its holder the right to proceed with all processing operations and selling activity of concentrates. The permit is governed by a standard Convention Minière (Mining Convention) detailing the fiscal and legal regime under which the exploration permit was granted.

Item 4 (d) – ISSUER'S TITLE TO/INTEREST IN THE PROPERTY

The shareholding of the Farabantourou permit is as follows:-

- 74% to Desert Gold;
- 13% to International Business Holdings Limited; and
- 13% to Rock SARL.

In due course, once Desert Gold is granted a mining permit, a new company will be created where the shareholders must create a registered operating company under Mali law, under which the State shall take a 10% share free of all cost. This share is at no time subject to dilution even in case of any capital increase in the Company and the shares would be considered priority shares. When a net accountable profit is evidenced by the operating company, it will deduct from the distributable profit, i.e. the profit for the year less anterior losses and provisions for authorised re-investment, payment of income taxes and increased retained earnings beneficiaries, a preferred dividend to be paid to the State.

The State reserves the right to exercise its acquisition option of an additional 10% maximum interest to be paid in cash the capital of the company. The national private investors have the option to acquire interest at a rate of at least 5% of the mining company shares, on the same conditions as the private shareholders. The holder of a research permit or a license for prospecting shall transfer the mining permit free of charge to the said operating company as soon as it is established.

The operating permit is granted by decree for a period of thirty years, renewable in run of ten years until depletion of the reserves contained within the boundaries of the permit. The above means that the final structure of the company will be one of the following permutations:-

a) Desert Gold Mali 90% and Mali Government 10%; or
b) Desert Gold Mali 80% and Mali Government 20%; or
c) Desert Gold Mali 85%, Mali Government 10%, local private investors 5%; or
d) Desert Gold Mali 75%, Mali Government 20%, local private investors 5%.

Item 4 (e) – ROYALTIES AND PAYMENTS

Through Law No. 2012-015 of 27 February 2012, which established the Mining Code ("the new Mining Code"), the Malian National Assembly has adopted new legislation resulting in amendments to the Mining Code of 19 August 1999 ("the former Mining Code"). The political instability, which immediately followed the adoption of the law, delayed declaration of the new legislation. However, mining operators in Mali have recently been notified of the enactment of the new Mining Code. The new Mining Code is supplemented by Decree No. 2012-311/P-RM dated 21 June 2012 ("the new Mining Regulation").

The new Mining Code, crafted with World Bank assistance, instituted a royalty rate of 3% for precious metals. For the purpose of the financial model a 3% royalty was used over the LoM.

Special tax on certain products ("Impôt Spécial sur Certains Produits") or ("ISCP"), calculated on the basis of turnover exclusive of value added tax ("VAT"), also continues to apply. However, while the Mining Code implies that the ISCP is payable in respect to substances in groups 1 to 4, the new Mining Regulation imposes a 3% ISCP only for substances in groups 1 and 2. This includes gold and the 3% was included for the purpose of the financial valuation. The substances in each of the groups are detailed as follows:-

- Group 1: (diamond, emerald, sapphire, beryl, jade, opal, garnet, alexandrite, andalusite, chalcedony, quartz, tourmaline, and corundum).
- Group 2: (gold, silver, platinum-group metals, copper, lead, molybdenum, zinc, titanium, vanadium, zirconium, niobium, tantalum, tungsten, rare earth metals, lithium, tin, cobalt and nickel).
- Group 3: (iron, manganese, chrome and bauxite).
- Group 4: (uranium, thorium, shale, coal, lignite and peat coal).

Item 4 (f) – Environmental Liabilities

Under the Malian Mining Act, the conduct of mining activities must be accompanied by an Environmental Impact Assessment ("EIA"). The document has to be submitted by the mining company along with a feasibility report required to obtain a mine operating permit or quarry.

For the closure of mines, an operator is required to notify the Authority of its intention to close the mine at least three years before the final cessation of mining. The operator should provide, at the same time, a study of the environmental and social impact, and a social or environmental impact statement, as well as a plan for the closure and rehabilitation of the mine.

No EIA has been done at this stage of the Project but has to be completed before the application to mine is submitted. Desert Gold has a proposal that was prepared by Digby Wells and Associates (Pty) Limited ("Digby Wells") for details regarding the work that will have to be completed regarding the environmental aspects of the Barani East properties and the impact of the operations on the surrounding areas. This is expected to be completed in the near future.

Item 4 (g) – Permits to Conduct Work

No permits other than the Farabantourou exploration permit have been issued.

Item 4 (h) – Other Significant Factors and Risks

There is no reason to believe that there are any factors or risks that may affect the title, or the ability to perform work on the property. Access to the Farabantourou property is sometimes difficult during the months of September and October, at the height of the rainy season, However, access is generally possible as there are no rivers or streams on or near the property that are subject to major flooding during the rainy season. Exploration reports show that heat exhaustion and malaria can cause work to be delayed especially towards the end of summer.

ITEM 5 – ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY

Item 5 (a) – TOPOGRAPHY, ELEVATION AND VEGETATION

The country around the Farabantourou permit area is generally flat and low lying at about 100 m to 175 m above mean sea level ("amsl"). The area consists of low hills and numerous shallow passing streams occur within the permit areas. The Falémé River (Senegal-Mali border) is to the south and west of the Malian permits, while the Tambaoura escarpment, a 100 m high wall of Taoudeni Basin sediments, forms part of the mountain range to the east. The Farabantourou permit has narrow ridges in the north at about 95 m to 185 m amsl.

Kéniéba is largely vegetated by tall grass and wooded savannah. Abundant seasonal streams criss-cross the area and flow southward into the Doundi River and from there westward into the Falémé River. The Falémé River runs north-south and forms part of the Mali-Senegal border near the Farabantourou permit. Land use consists of subsistence farming and grazing of domestic animals. Crops usually consist of maze, millet, rice, peanuts and melons. Stands of mango trees are present, particularly in lower lying areas near continuing watercourses. Domestic animals such as sheep, goats or cattle graze the largely grass-covered areas.

Item 5 (b) – ACCESS TO THE PROPERTY

The nearest paved road is the Trans-Sahel Highway which runs from Dakar, Senegal to N'Djamena, Chad via Kayes and Bamako in Mali. In Mali, the road is tarred and generally in good condition from Bamako up to approximately 120 km from Kayes. Thereafter, it is poorly maintained and badly potholed. Access to the Farabantourou permit is via an unpaved road from the Trans-Sahel Highway at Kayes. This unpaved road runs parallel to the Senegal border from Kayes to the town of Kéniéba. This road may become impassable in the rainy season due to flooding and deterioration of the road surface.

Year-round access to the Farabantourou permit is possible as there are no rivers or streams on or near the property that are subject to major flooding during the rainy season. No telephone, electricity or water services are available in or around the permit area. The town of Kéniéba, 70 km to the south, has an airstrip, but no rail link is available.

Item 5 (c) – PROXIMITY TO POPULATION CENTRES AND NATURE OF TRANSPORT

Kéniéba is a rural community and the seat of Kéniéba Cercle in Mali's Kayes Region. In addition to the main town, the community includes 26 other villages. The 2009 census reported a population of 39,557. The main economic activities are commercial mining, livestock farming, seasonal crop growing and some artisanal gold workings. In general, the populations of both Mali and Senegal are poorly educated and generally unskilled. Because Mali has operating gold mines there is some skilled and semi-skilled labour amongst the local population but the extent of unutilised capacity is unknown.

Apparently most equipment and supplies are imported from Europe to the port of Dakar in Senegal and shipped by rail to Kayes then transported by truck to the Property Area. There is an airport in Kayes, which is also connected by bus and train service to Bamako. The travel time between Bamako to the town of Kéniéba is about 4 to 5 hours.

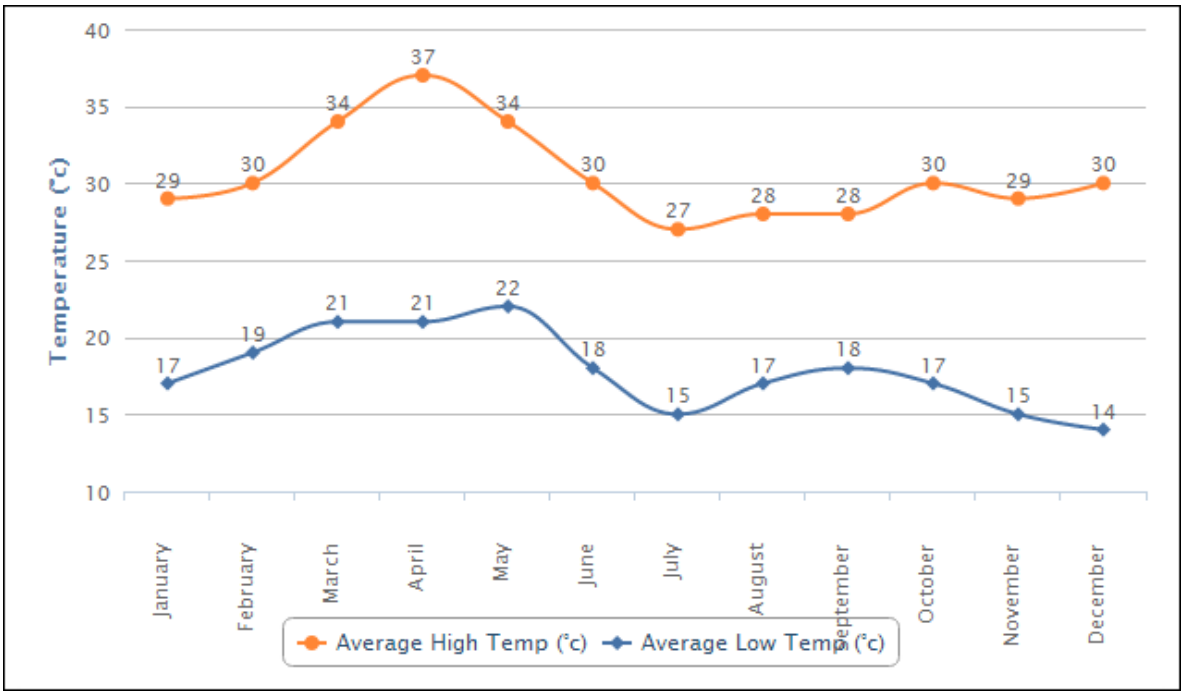
Item 5 (d) – CLIMATE AND LENGTH OF OPERATING SEASON

The climate of these parts of Mali varies from tropical to subtropical to dry. The following describes the general climate:-

- hot and dry between February and June;
- rainy and humid between June and November; and
- cool and dry between November and February.

Locally, the climate in the Kéniéba District is distinctly tropical with only two seasons, i.e. a wet season from June to October and a dry season from November to May. The average temperature ranges between 14°C and 37°C in Kéniéba. During the peak summer months, temperatures range between 21°C and 37°C. In the winter months of December and January, the temperature varies between 14°C and 29°C. The average temperatures are more moderate (17°C to 28°C on average) in the wet season.

Figure 4: Kéniéba Average Temperatures

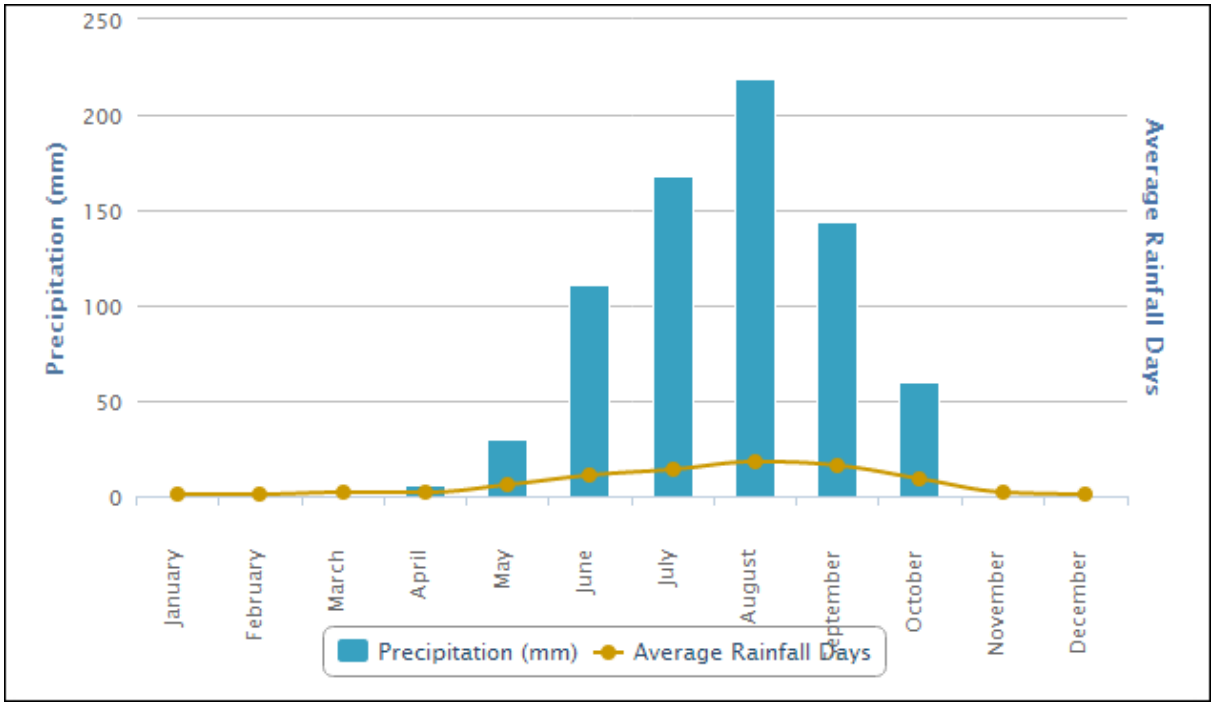


Source: www.worldweatheronline.com

Minxcon	**Average Temperatures – Kenieba, Mali**	**Date: Aug 2014**

Rainfall data recorded from the Kéniéba District indicates that the wet season begins in June and ends in October. During the rainy season, measurable precipitation can exceed 18 mm to 20 mm. Peak rainfall can exceed 75 mm per day. Kéniéba is subjected to an average of 1,153 mm of rainfall per year, or 96 mm per month. The wettest weather is in August when an average of 230 mm of rainfall occurs. The driest weather occurs in December and January when an average of 0 mm of rainfall occurs.

Figure 5: Kéniéba Average Monthly Precipitation



Source: www.worldweatheronline.com

Minxcon	**Average Precipitation – Kenieba, Mali**	**Date: Aug 2014**

Item 5 (e) – INFRASTRUCTURE

Local infrastructure (Kéniéba District, Western Mali) is poor, with few supplies or support services available. There is some gravity-fed public water supply in Kéniéba and the surrounding villages are supplied by boreholes. Mines are responsible for their own water supplies.

There is no national grid near the permit areas and mines are responsible for their own power supply. Electricity is supplied by diesel power generators in many of the villages. The closest potential source of hydro-electrical power is the Manantali Dam located about 100 km to the northeast of the property on the Bafing River, a tributary of the Senegal River which flows northwest to the Atlantic Ocean. The power produced is apparently split between Mali, Senegal and Mauritania and is very unreliable. Plans to utilise this as a source of power for Randgold's Loulo Mine never came to fruition and all mines in the region depend on diesel-generated electricity.

The state telephone company, SOTELMA, operates a telephone service in the village of Kéniéba. Cellular telephones are connected to the national grid and communication around Farabantourou is possible by cellular phones. Health services are poor with the nearest basic health services found in Kayes and Kéniéba with more advanced services limited to Bamako. Serious medical conditions would require evacuation to Europe or South Africa.

A water pipeline and diesel power generators have been included in the capital estimates for Barani East. Other than that the Project will rely on use of the existing road infrastructure. Referring to Figure 1, a new road was constructed near the south of the Farabantourou permit area via Kita from Bamako to Saraya, in Senegal and would serve Barani East.

ITEM 6 – HISTORY

Item 6 (a) – PRIOR OWNERSHIP AND OWNERSHIP CHANGES

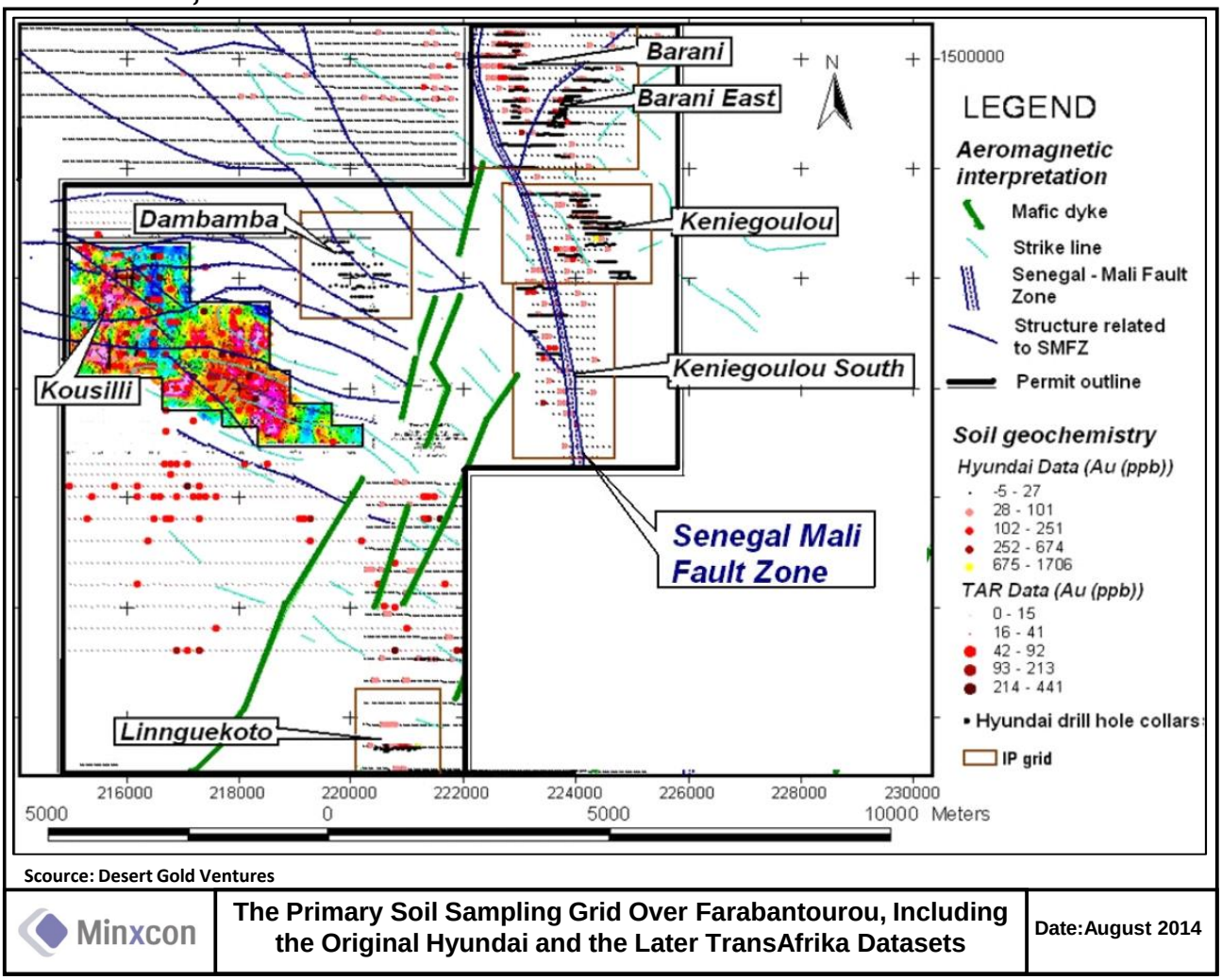
Desert Gold acquired all of the issued and outstanding shares of TransAfrika in 2011, thus Desert Gold has acquired a 74% holding in all of the previous TransAfrika projects in Mali, including the Farabantourou permit. The remaining shares are held equally by the joint venture partners Rock SARL and IBHL.

Item 6 (b) – HISTORICAL EXPLORATION AND DEVELOPMENT

The Farabantourou license area has undergone a series of structured exploration investigations since 1998. The first company to conduct exploration activities in this area was Hyundai Mali SA as part of their Sepola Project (Hyde 2001, Hyundai Mali 2004). Hyundai held the permit from 1998 until 2004. Some of the data from the 1998-2001 drilling programs is available in the public domain. Desert Gold has undertaken exploration ranging from satellite imagery interpretation through to RC and diamond drilling of identified soil geochemistry and geophysical targets. Airbourne magnetic and spectrometric surveys have been conducted over the whole of the project area (by the Mali Government) and soil geochemistry and induced polarisation ("IP") surveys were carried out (2010) over targets identified (Barani, Barani East, Keniegoulou, Dambamba, Kousilli and Linnguekoto) by Desert Gold.

Between October 2001 and June 2002, 823 RC drillholes were drilled producing a total of 53,139 m of drillhole data. This drilling program was a follow-up on targets identified by geochemical surveys, aeromagnetic surveys and artisanal workings. Mineralisation was discovered in six areas, namely Barani, Barani East, Keniegoulou, Dambamba, Kousilli and Linnguekoto (Figure 6). By June 2001, 63 drillholes (5,628 m drilled), returning 54 mineralised intersections, were drilled on the Barani East Prospect. Mineralisation was tested over 1,200 m of strike.

Figure 6: An Exploration Summary Plan for the Farabantourou Permit, Including the Original Hyundai and the Later TransAfrika Datasets

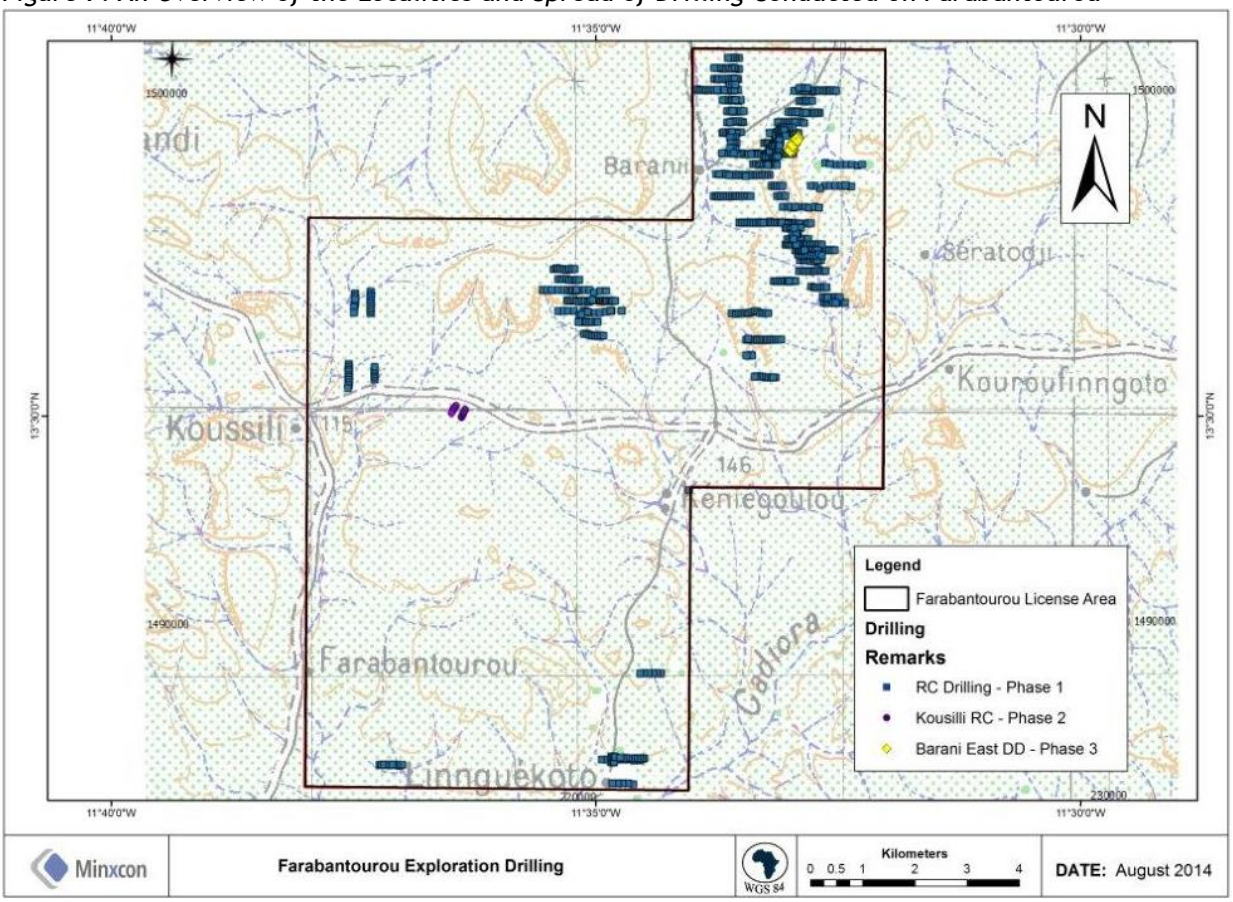


Source: Desert Gold Ventures

Minxcon	The Primary Soil Sampling Grid Over Farabantourou, Including the Original Hyundai and the Later TransAfrika Datasets	Date:August 2014

Between October 2001 and June 2002, 823 RC drillholes were drilled producing a total of 53,139 m of drillhole data. This drilling program was a follow-up on targets identified by geochemical surveys, aeromagnetic surveys and artisanal workings. Mineralisation was discovered in six areas, namely Barani, Barani East, Keniegoulou, Dambamba, Kousilli and Linnguekoto (Figure 7). By June 2001, 63 drillholes (5,628 m) and 54 mineralised intersections were drilled on the Barani East Prospect. Mineralisation was tested over 1,200 m of strike.

Figure 7: An Overview of the Localities and Spread of Drilling Conducted on Farabantourou



Exploration undertaken by Desert Gold on the Farabantourou Permit was aimed at identifying drill targets. The Exploration work undertaken by Desert Gold on Farabantourou comprises:-

- Interpretation of satellite imagery covering the area.
- Regional soil sampling over the western part of the permit, with additional infill soil sampling. Samples were taken on 100 m spaced lines and on a sample interval of 50 m. Sampling was completed in an east-west and on a south-southwest to north-northeast grid.
- A first phase of RC drilling of the gold anomalous zone identified by Hyundai. In total, 10 additional drillholes were completed.
- IP surveys, completed by Spectral Geophysics.

A series of IP surveys was completed by Spectral Geophysics in early January 2010 over the Kousilli target area. In addition, IP Surveys were also subsequently carried out on the Dambamba, Keniegoulou South, Keniegoulou and the Barani (inclusive of Barani East) areas of the permit. The soil anomalies from the earlier sampling program were shown to coincide with structures interpreted from the chargeability maps in 5 areas on the grid.

Ten RC drillholes were drilled (totalling 978 m drilled) over one of the identified soil anomalies in the eastern part of the Kousilli area. Only two of the drillholes, FARC004 and FARC005, intersected any significant mineralisation. Drillhole FARC005 intersected 18 m at 1.26 g/t Au. This intersection includes 4 m at 2.90 g/t Au and 3 m at 2.66 g/t Au. Drillhole FARC004 intersected 2 m at 1.99 g/t Au and 4 m at 1.16 g/t Au. Intersection widths are sample lengths and does therefore not necessarily represent the true thickness of the mineralisation. Mineralisation could not be correlated between drillholes due to the poor understanding of the geology. Results of the drilling show that gold mineralisation does occur but these are inconclusive as to the prospectivity of the area.

In addition to the above, a total of 79 RC drillholes were later drilled on the Barani East Prospect, of which 17 were drilled in 2012. Five of these 17 drillholes were diamond drillholes, while the balance was RC drillholes. On Farabantourou, previous holders of the permit have found several apparently small, low grade targets and deposits. However, the understanding of the geology was, and still is poor, and the historical drilling programs do not appear to have been well-planned. The properties were undeveloped at the time that TransAfrika Mali acquired the permits. There are some artisanal workings on Farabantourou.

Item 6 (c) – HISTORICAL MINERAL RESOURCE ESTIMATES

In the 2004 annual report to the DNGM-Mali, it was reported that the Resource Services Group ("RSG") of Perth, Australia (later renamed to Coffey Mining Limited) undertook a mineral resource estimate over the current Farabantourou area plus additional ground then held by Hyundai Mali SA. According to the report in question, JORC-compliant Mineral Resources were estimated for several projects, including Barani East. The largest of the Mineral Resources stated was at the Barani East Prospect, which presented a Mineral Resource of 745,000 tonnes at a grade of 2.5 g/t Au for 59,000 ounces of gold, based on 190 drillholes for a total of 13,603 m of drilling. The Resource was stated as being conducted at a composited sample 0.5 g/t grade cut-off, over a minimum width of 2 m, not including more than 2 m of internal dilution. It is not clear how the 2004 Mineral Resource area compares to that of the current estimated Barani East Prospect Area.

Table 2: The Hyundai Historical Mineral Resources for the Barani East Prospect as Declared by RSG in 2004

Resource Category	Tonnage	Ave Au Grade	Au Content	Au Ounces
	t	g/t	Kg	Koz
Inferred	745,000	2.50	1,835	59.00
Total Inferred Resource	745,000	2.50	1,835	59.00

Notes:

1. Gold content conversion: 1 kg = 32.15076 oz.
2. Columns may not add up due to rounding.
3. Cut-off: 0.5 g/t composited sample grade cut-off.
4. SG: not indicated.
5. All figures are in metric tonnes.
6. Mineral Resources not inclusive of Mineral Reserves (Only Inferred Mineral Resources declared).

A review conducted by TransAfrika of Hyundai's work revealed serious shortcomings, especially with regard to survey data. It became apparent to TransAfrika that different exploration teams in different years had not used the same reference system. As a result, the actual drillhole positions were considered suspect. In addition, documentation on the drilling programmes was considered to be of poor quality. The result was that Coffey Mining, in their 2011 Independent NI 43-101 Technical Report indicated that no Mineral Resources were declarable for the Farabantourou Prospect.

In April of 2013 Minxcon estimated the Mineral Resources for Barani East and declared a Mineral Resource cut-off grade of 1g/t. No reconciliation was conducted relative to the 2004 Hyundai Mineral Resource declaration, as no geographical limits, or references were available for the 2004 estimate. The following table summarises the Mineral Resources for Barani East as at April 2013, which were estimated by Minxcon Consulting.

Table 3:: Minxcon's Mineral Resource for Barani East to 250 m Below Surface as at April 2013

Resource Category	Tonnage	Ave Au Grade	Au Content	Au Ounces
	t	g/t	Kg	Koz
Indicated	514,038	2.46	1,264	40.62
Total Indicated Resource	**514,038**	**2.46**	**1,264**	**40.62**
Inferred	828,288	2.53	2,098	67.45
Total Inferred Resource	**828,288**	**2.53**	**2,098**	**67.45**

Notes:

1. Gold content conversion: 1 kg = 32.15076 oz.
2. Columns may not add up due to rounding.
3. Cut-off: 1 g/t.
4. SG: 1.8 t/m^3.
5. All figures are in metric tonnes.

Item 6 (d) – HISTORICAL MINERAL RESERVE ESTIMATES

Not applicable.

Item 6 (e) – HISTORICAL PRODUCTION

Apart from artisanal mining, no recent production or mining activities have taken place on the Farabantourou Permit Area.

ITEM 7 – GEOLOGICAL SETTING AND MINERAL DEPOSIT

Item 7 (a) – REGIONAL, LOCAL AND PROPERTY GEOLOGY

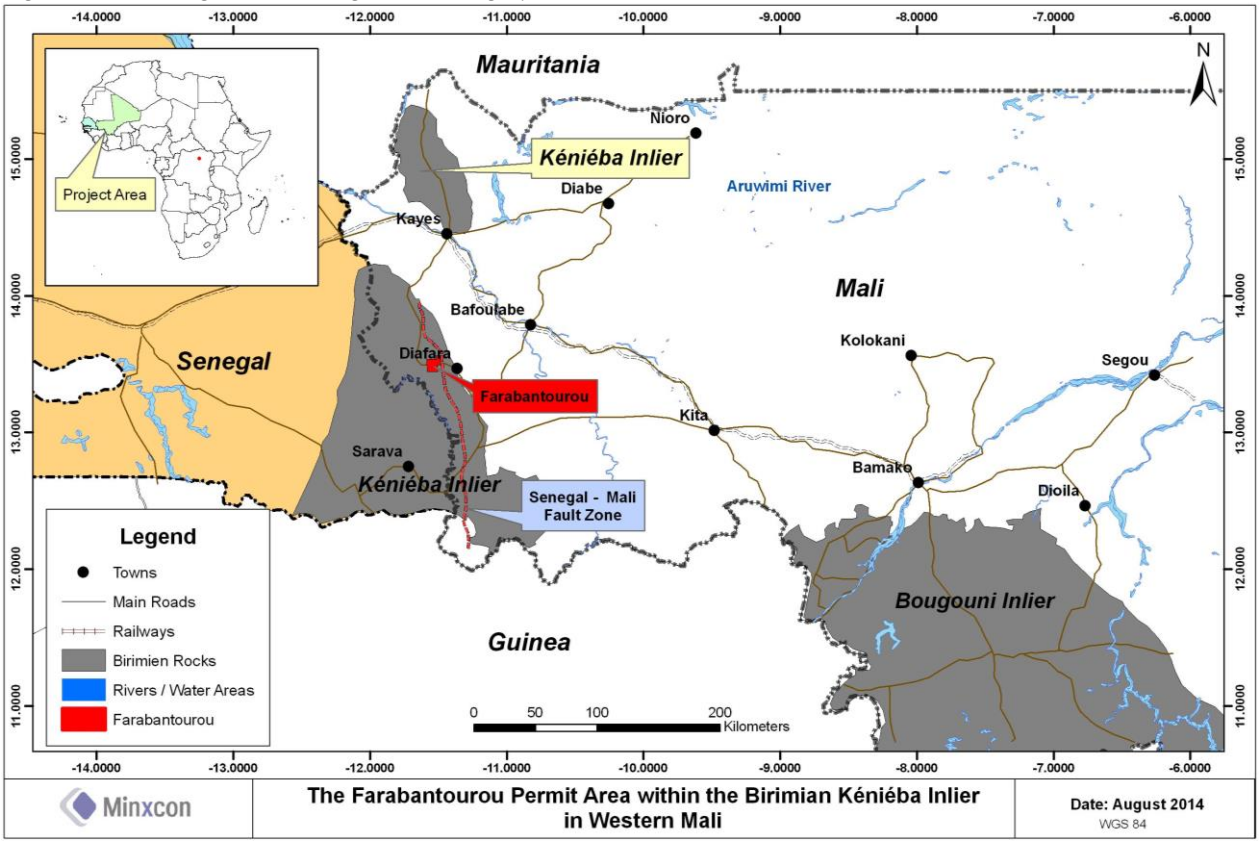
Regional Geology

The area along the Senegal-Mali border is underlain by Proterozoic and Archaean rocks of the West Africa craton. The craton stabilised at approximately 1800Ma and is composed of the Reguibat shield to the north and the Leo or Man shield to the south. The Leo shield is built on an Archaean nucleus with the Baoul-Mossi (Proterozoic) domain forming the majority of the shield in the southwest (Kusnir, 1999). The Baoul-Mossi domain contains inliers of Archaean rocks and Birimian formations which were deposited between 2,300Ma and 1,900Ma. The Birimian rocks were affected by the Eburnean orogeny which was most active from 2,000Ma to 1,800Ma, peaking at approximately 1,950Ma. One of these inliers is the Kédougou-Kéniéba ("Kéniéba") Inlier, a north-northwest trending granite-greenstone belt which occurs along the Mali-Senegal border (Figure 8). The Kéniéba Inlier consists of Birimian volcano-sedimentary formations regionally metamorphosed to greenschist facies and intruded by large granitoid-gneiss complexes (Hyde, 2001).

During the intrusion of the granitoid-gneiss terrains, major north-northwest trending suture zones developed. The extensive north-trending SMFZ is interpreted to be such a suture and is the main structural feature of the Kéniéba Inlier (Hyde, 2001).

The gold deposits within the Kéniéba Inlier are mostly contained within secondary structures and splay faults associated with the SMFZ, often where southeast to northwest sutures cross-cut the dominant structural fabric. It is generally accepted that fault and shear structures in the region provided the conduits to pregnant hydrothermal fluids, and now host the often extensive gold mineralisation. These zones are characterised by hydrothermally-introduced mineralisation within dilation zones with the gold deposits hosted by penetrative shears and not by a single structural feature, implying the possibility of discovering additional significant gold deposits (Hyde, 2001). Several well-known gold deposits occur within the Kéniéba Inlier, these include Sadiola, Yatela, Tabakoto and Segala, Loulo and Sabodala.

Figure 8: The Regional Geological Setting of the Farabantourou Permit Area



The Kéniéba inlier is divided into three main stratigraphic units from west to east and from oldest to youngest: the Mako Supergroup, the Diale Supergroup and the Daléma Supergroup (Figure 9 and Figure 10).

- The Mako Supergroup: This Supergroup hosts the well-known Sabodala mine. The Sabodala mine is located in an area of intense shearing and silicification and hosts pyrite with associated gold mineralisation. Typical lithologies include basalt flows; often carbonate alterations and minor volcaniclastic intercalations, magnesium basalt or komatiites, ultramafic sub-volcanic intrusions (pyroxenites) and numerous massive biotite and amphibole granitoids. These granitoid intrusions are suspected to have been “heat engines” which sparked off the deep mineralised magmatic fluids related to the later mineralisation in the inlier.
- The Diale Supergroup: The Diale Supergroup lithologies are located between the Mako Supergroup and the western edge of the Saraya granite and is weakly metamorphic. It includes extensively folded formations, deposited after those of the Mako Supergroup and consists of shale, greywacke, quartzite and volcano-detritic rocks.
- The Daléma Supergroup: The Daléma Supergroup continues into Mali in its eastern part but disappears in the south under the Madina-Kouta Basins. It is composed of volcano-sedimentary schist and graywackes.

Figure 9: The Geology of the Kéniéba Inlier and SMSZ in Relation to the Location of Some Well-Known Mines

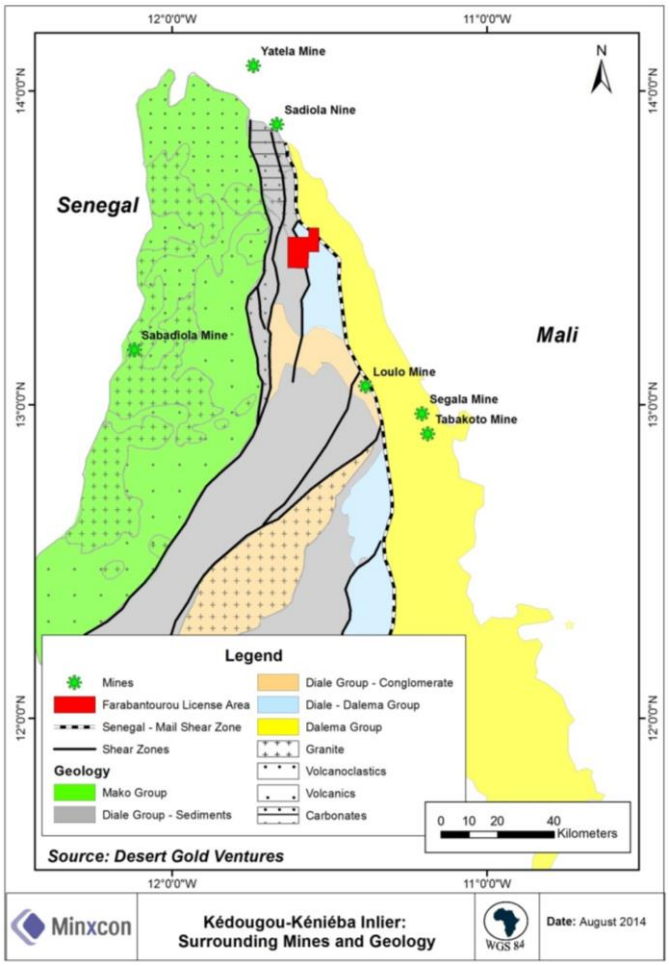


Figure 10: A Simplified Stratigraphic Column with Typical Lithologies of the Kéniéba Inlier

	Stratigraphic Unit	Typical Lithologies
	Daléma Supergroup	Basalt flows, volcaniclastic intercalations, magnesium basalt/komatiites, ultramafic sub-volcanic intrusions (pyroxenites), massive biotite & amphibole granitoids
	Diale Supergroup	Folded Shale, greywacke, quartzite & volcano-detritic rocks
	Mako Supergroup	Volcano-sedimentary schist & greywackes

Minxcon | **A Schematic Regional Generalised Stratigraphy for the Kéniéba Inlier** | **Date:** August 2014

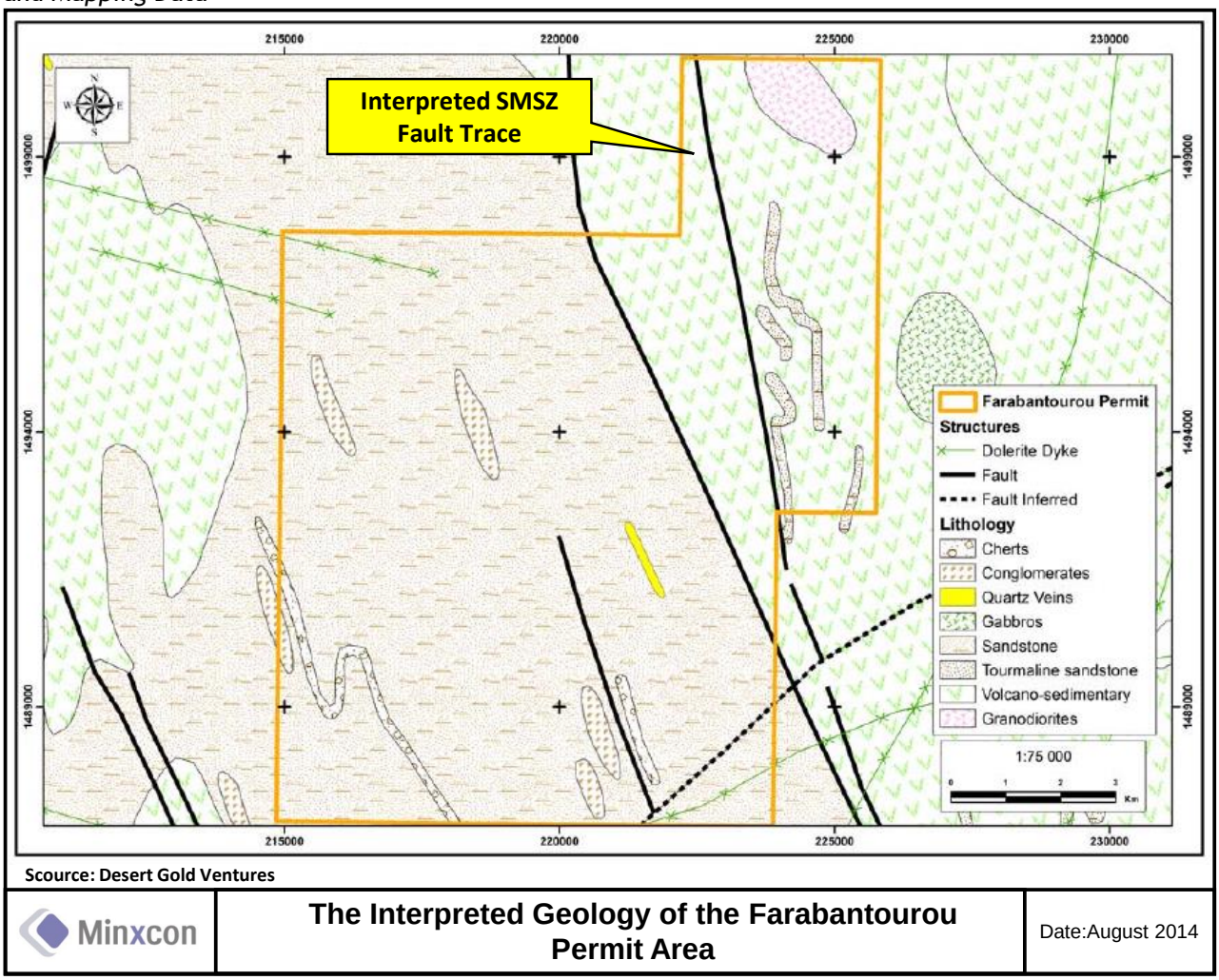
Local Geology

Apart from immediate mine areas, knowledge about the local geology is somewhat poor. Thick laterite and soil cover make outcrop scarce and make high resolution aeromagnetic data essential for structural interpretation. Ground and geophysical mapping have only been carried out on a regional scale by national and international government agencies.

The Farabantourou permit's preliminary geological interpretation (Figure 11) was constructed utilising the regional aeromagnetic data and regional geological maps. A north-northwest to south-southeast striking structural discontinuity is seen to form the contact between the western sedimentary units and the eastern volcano-sedimentary units. This prominent feature has been interpreted to be part of the SMFZ. In addition, north-northeast striking dykes cut through in some areas of the permit.

The siliciclastic sediments to the west of the SMFZ, consist of sandstones, siltstones and conglomerates belonging to the Kéniébandi Formation. Coarse-grained sandstones and conglomerates have a significant volcanic content and appear to grade into rhyolitic pyroclastics and lavas to the west. Siliciclastic sediments underlay the largest part of the permit, the bulk of which consists of sandstones, siltstones and conglomerates. Mafic volcanic rocks cause magnetic highs in the north-eastern part of the permit. Faulting is prominent throughout the permit area.

Figure 11: The Interpreted Geology of the Farabantourou Permit Area, Based upon Regional Aeromagnetic and Mapping Data



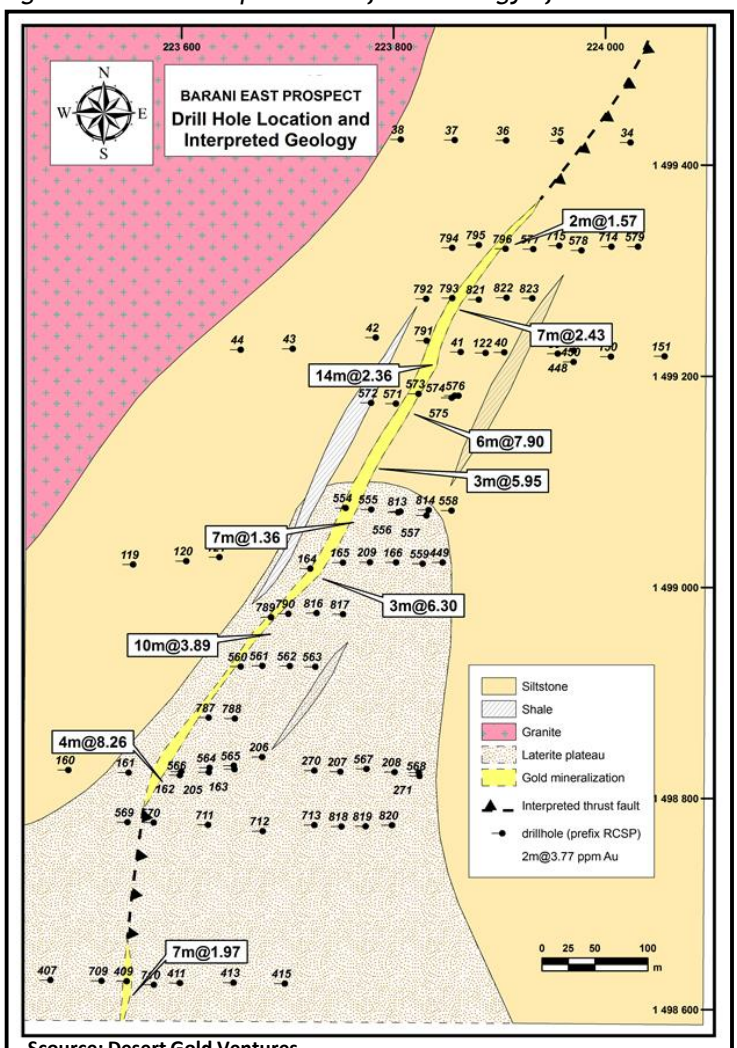
Source: Desert Gold Ventures

Minxcon	The Interpreted Geology of the Farabantourou Permit Area	Date:August 2014

Property Geology

The Barani East Prospect, in the north-eastern corner of the Farabantourou Permit Area is interpreted to consist primarily of volcano-sedimentary lithologies and lies to the east of the SMSZ. The primary lithologies are carbonate-rich siltstone and shale. The orebody is weathered to an approximate depth of 150 m. The southern portion of the orebody is capped by a ferricrete layer estimated to be approximately 10 m in thickness and overlies a saprolite zone of approximately 20 m thick, thus the geology of this portion, with respect the structure and buried lithologies, is largely interpretative (Figure 12). The gold mineralisation is thought to be associated with quartz-hematite rocks and kaolinite veins hosted in carbonate-rich siltstone and shale, under the influence of an interpreted thrust fault in the footwall of the orebody. This interpretation has essentially not changed since Hyundai first drilled on the property.

Figure 12: The Interpreted Surface Geology of the Barani East Prospect



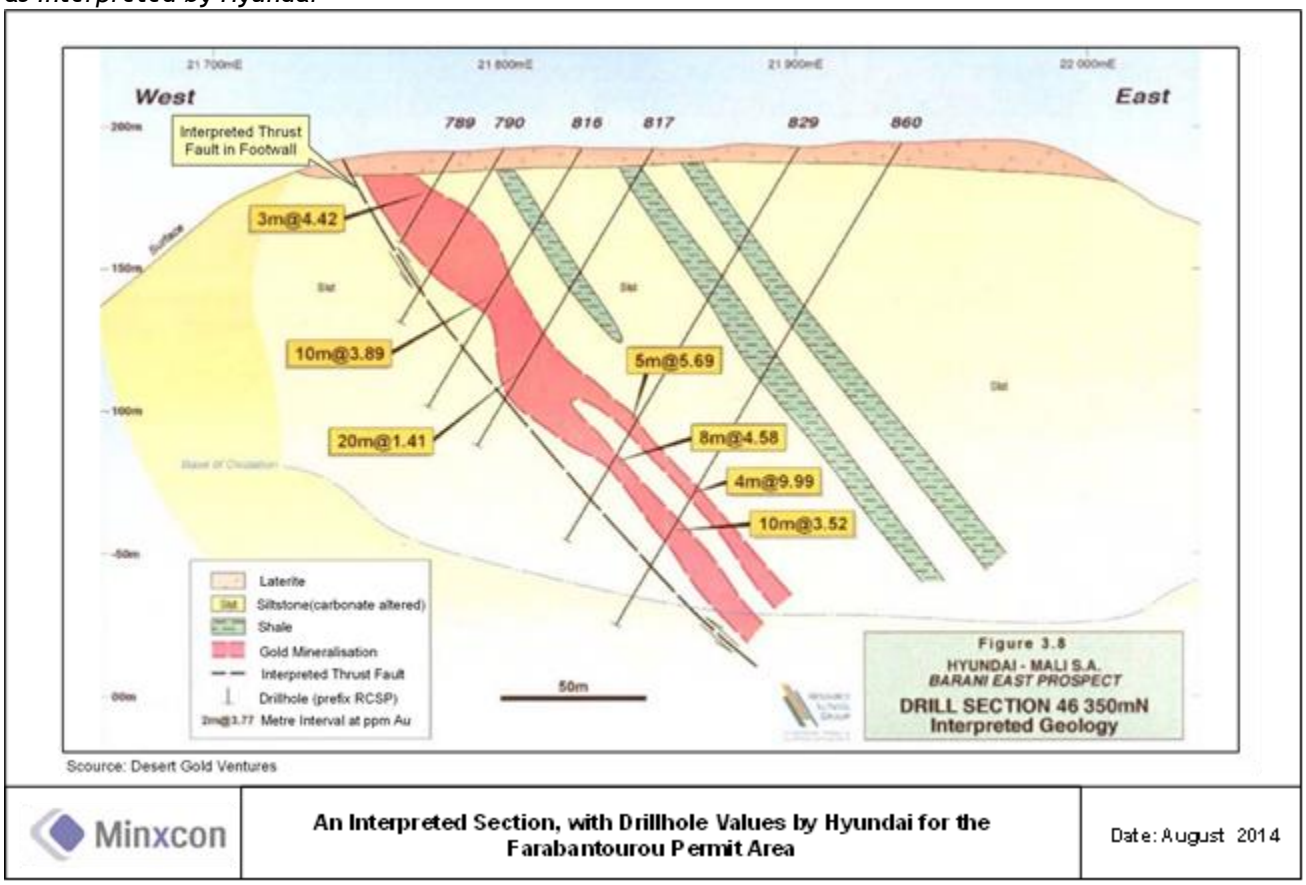
Scource: Desert Gold Ventures

Minxcon	The Local Geology of the Barani East Prospect with Drillhole Positions	Date: August 2014

Item 7 (b) – Significant Mineral Development Zones on the Property

The orebody within the Barani East Prospect ranges in width, from approximately 4.5 m to 15 m with the thicker portion of the orebody predominating in the south. It strikes northeast to southwest, dipping toward the southeast at between 55° and 60° (Figure 13).

Figure 13: An Interpreted Geology Section View, Facing North, Towards the Barani East Mineralised Zone, as Interpreted by Hyundai

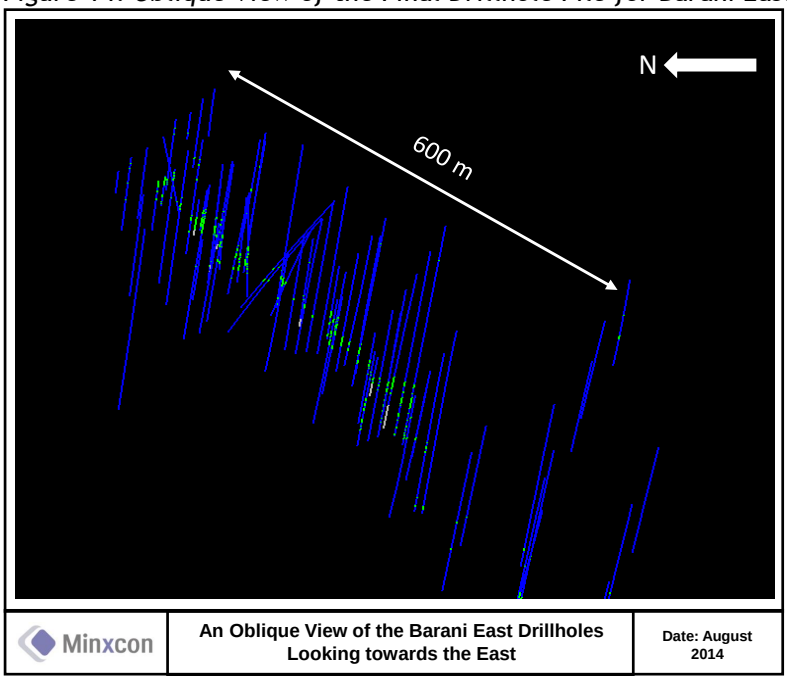


The gold mineralisation is mesothermal in origin and occurs as free gold in quartz vein stock works and zones of silicification, associated with arsenopyrite and to a lesser extent, pyrite and antimony. The primary lithologies are siltstone and shale. The orebody is weathered to an approximate depth of 150 m. The southern portion of the orebody is capped by a ferricrete layer estimated to be approximately 10 m in thickness, which overlies a saprolite zone of approximately 20 m thickness. The grade within the orebody generally varies between 1.2 g/t to 3.8 g/t. at a cut-off grade of 1 g/t, the grade of the orebody is approximately 2.5 g/t. Upside potential exists in the form of the hanging-wall lithologies not being entirely barren. Minor mineralised zones are known to occur, however, these are not discretely discernible. The current interpreted length of the orebody is approximately 650 m and has been modelled to a maximum depth of 250 m below surface, depending on the surface topography.

Item 7 (c) – GEOLOGICAL MODEL

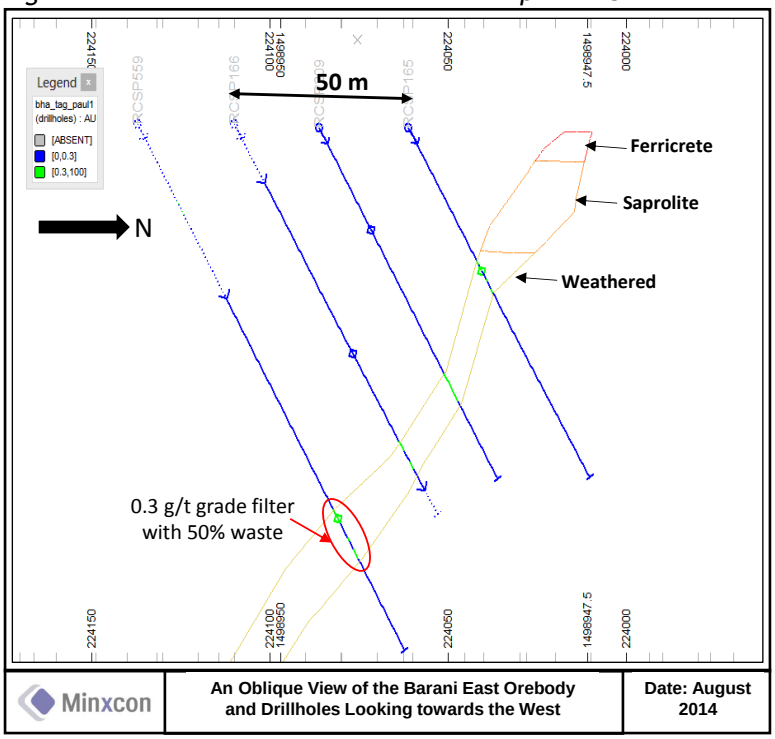
The 2013 Barani East Mineral Resource model utilised wireframes constructed in CAEs Datamine Studio Software and the various drillhole files relevant to the modelling exercise requisitioned by Desert Gold/TransAfrika were received from Desert Gold in the form of Excel Spreadsheets. Minxcon firstly validated all of the individual drillhole input files. Collar files were checked to ensure that all the drillholes fit with the Project perimeter. Surveys were then checked to ensure all surveys were pointing down in the correct layout direction. This was checked by referring to an index plan provided by the client. Lithology files were checked for gaps and overlaps, as were the drillhole assay files. All drillholes were checked that all 4 of the data sets were available: collars, survey, lithology, assay. Minxcon found a few errors and some missing data entries. Desert Gold assisted to correct these problems before the modelling drillhole files were consolidated, imported and desurveyed in Datamine Studio. The drillholes were then visually validated to check for possible collar issues and erroneous downhole surveys (Figure 14).

Figure 14: Oblique View of the Final Drillhole File for Barani East



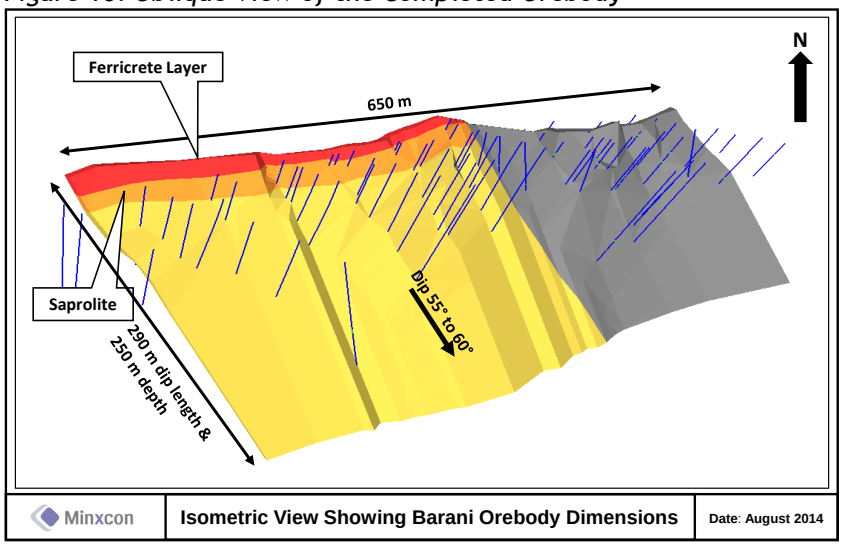
Once the drillhole file was finalised, Minxcon started investigating the drillhole file to try to determine any relationship between lithology, geological structure and mineralisation. Due to the vast majority of holes being RC drillholes, Minxcon was unable to find any direct correlatives. Minxcon was forced to revert to the historical interpretation of a dipping orebody, towards the east, based on mineralisation only, with the inference of a possible thrust fault in the footwall of the deposit. Minxcon subsequently conducted a grade filter of 0.3 g/t in order to see if there were any possible mineral zones that were visually correlateable. Only one such zone was identified. This was on the same strike as the originally interpreted orebody strike by Hyundai. Minxcon then tied these intersections by means of constructing strings down the dip and along the strike of the mineralised zone. Mineralised material was allowed to contain up to 50% of its sampled length, as material of grade less than 0.3 g/t (Figure 15).

Figure 15: Barani East Drillholes with Interpreted Sections and 0.3 g/t Filter Applied to the Drillholes



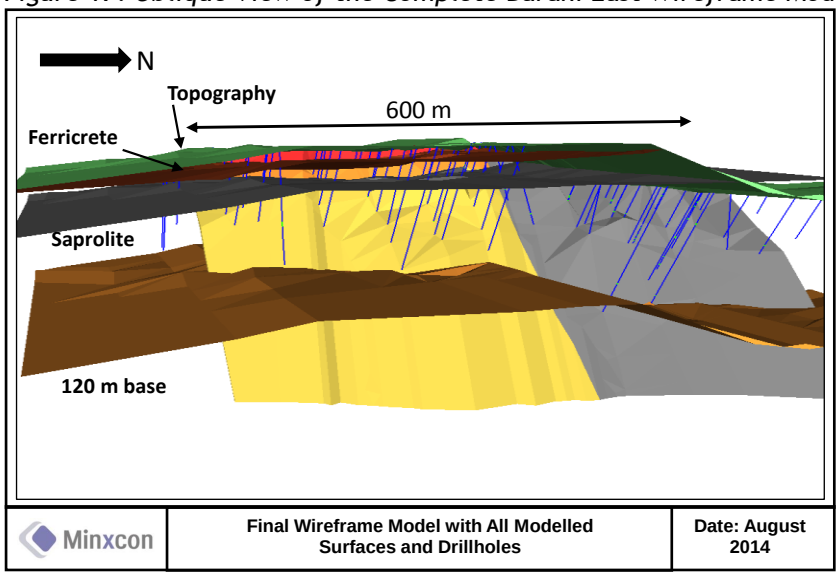
Once all the drillholes were interpreted, the strings were used to generate the orebody model. The drillhole collar files were utilised to generate a topography surface (Figure 16).

Figure 16: Oblique View of the Completed Orebody



Minxcon constructed the base of ferricrete directly from the drillholes. The ferricrete is interpreted to terminate at a small dip in the topography, this resulted in the orebody being generated into a northern and southern portion. Inconsistency in logging of the saprolite resulted in Minxcon transposing the topography down by 30 m which was considered a reasonable average from the available drillhole intersections. Minxcon projected the topography down 120 m as this proved to be in line with the bottom-end of the closely spaced drilling grid and this was considered a reasonable limit for an open pit operation (Figure 17).

Figure 17: Oblique View of the Complete Barani East Wireframe Model



A base of 250 m below surface was selected as a bottom limit to the orebody due to the scarcity of data. A perimeter of 50 m around the closely spaced drilling grid of the same, was selected to generate as a zone of higher confidence in the orebody continuity. It was decided that this would alter be tested against the Kriging efficiencies during the estimation process in order to assess if this boundary would serve as confidence limit for estimation as well. All wireframes were then closed and passed on for Mineral Resource estimation.

ITEM 8 – DEPOSIT TYPES

The principal exploration targets and focus of exploration to date within the Kéniéba Inlier is what can most appropriately be termed orogenic gold. Common sub-types of this class of deposit type include lode, quartz vein and shearzone-related gold, with the underlying similarity being that they all formed as part of an orogenic (collisional) tectonic event. Other terms used to describe these deposits are mesothermal, shearzone hosted and Greenstone gold deposits.

The term mesothermal deposits is often used as the primary deposits are formed at intermediate depths within the earth's crust. Shearzone deposits refers to the fact that the larger deposits are often in or immediately adjacent to large fault zones (i.e. Ashanti). Greenstone gold deposits are hosted in volcano-sedimentary terranes associated with granitic intrusions, metamorphosed to greenschist facies metamorphic grade and are usually Archean in age. This term is applied to the Birimian lithologies as found in West Africa, due to the similarities in the geology to the Archean gold deposits.

Orogenic gold deposits can be described as gold-bearing quartz veins, stringers and wallrock accompanied by only minor sulphides that are localized by brittle to ductile structures within variable rock types. These deposits account for up to 18% of the world's gold production, ranking them second only to production from placer deposits. Deposits range in size from 0.5 t to 1,600 t of contained gold with most, typically containing between 1 t and 20 t Au. Gold grades are highly variable, but deposit values of greater than 1 g/t Au form attractive targets for open-pit mining whilst, deposits with a value of greater than 5 g/t Au may prove economic for underground operations. World-class orogenic gold deposits of this type occur in various countries, including Australia, Brazil, DRC, Canada, Ghana, Tanzania, USA and Zimbabwe.

The rock types that host orogenic gold deposits are highly varied. Orogenic gold deposits are hosted by rocks that have been subjected to a range of metamorphic conditions (from sub-greenschist though to granulite facies). However, the majority of deposits (and especially the larger ones) occur within rocks that have been metamorphosed to greenschist facies (within a metamorphic pressure-temperature regime broadly corresponding to the brittle-ductile transition).

Where individual gold deposits have been described and compared, the nature of the gold distribution was found to be highly variable between deposits. Mineralisation occurs in swarms of discontinuous veins of varying thickness and extent and as disseminated impregnations in sheared and altered rock. Gold may occur as native gold and/or associated with sulphides. Pyrite and arsenopyrite are the most commonly reported sulphides associated with these deposits. Veins may follow brittle fractures, bedding planes, shear zones and schistosity.

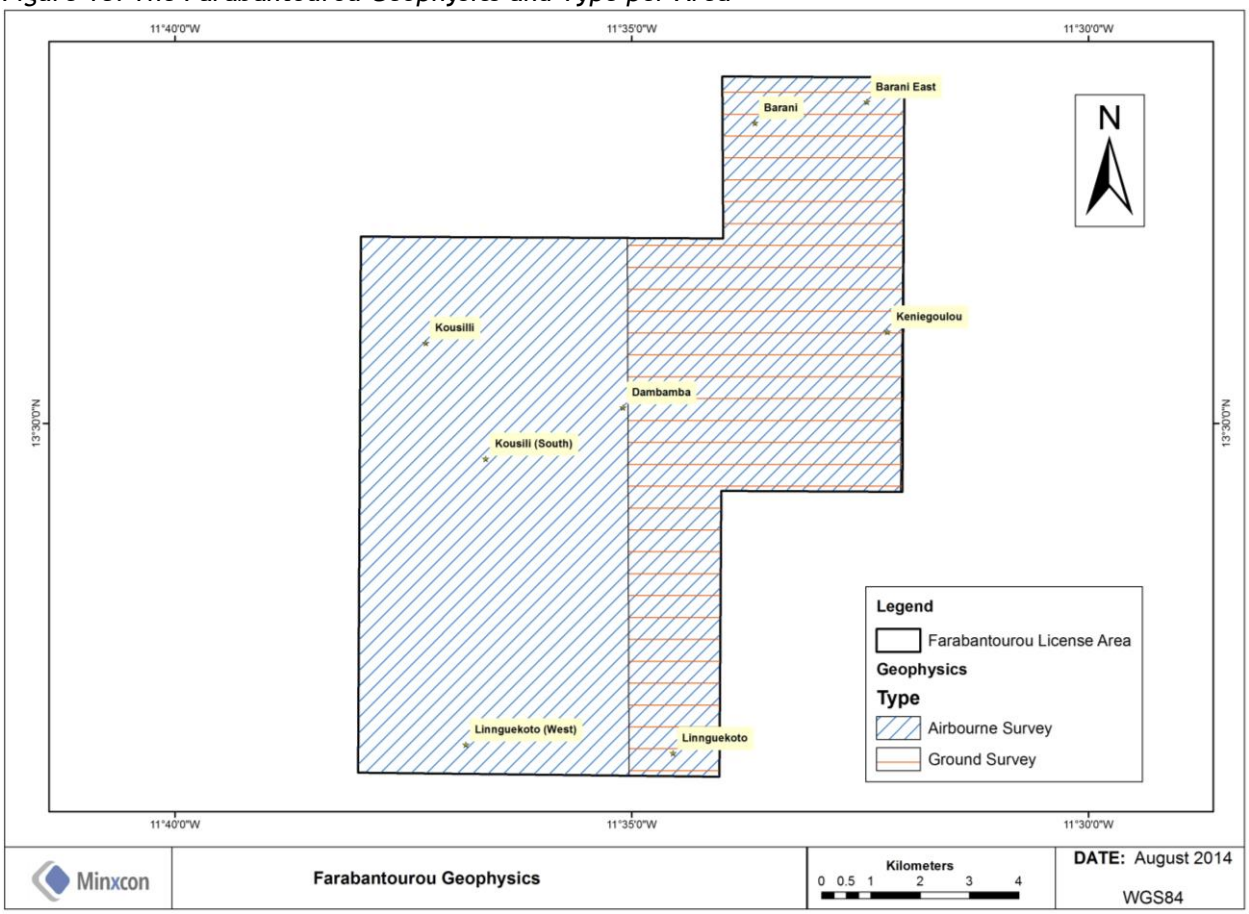
ITEM 9 – EXPLORATION

Item 9 (a) – SURVEY PROCEDURES AND PARAMETERS

This section summarises the exploration activities other than drilling undertaken during the history of the Barani East Prospect within the Farabantourou permit area.

The Mali government undertook a region-wide aeromagnetic survey which also included the Farabantourou license area. The results of this was promising and further airborne geophysical work was undertaken, including magnetic and spectrometry surveys (Fugro Airborne Surveys), which was followed by ground magnetic survey (Abitibi Geophysics) by Hyundai. Figure 18 shows the portions of the Farabantourou License area covered by the survey work.

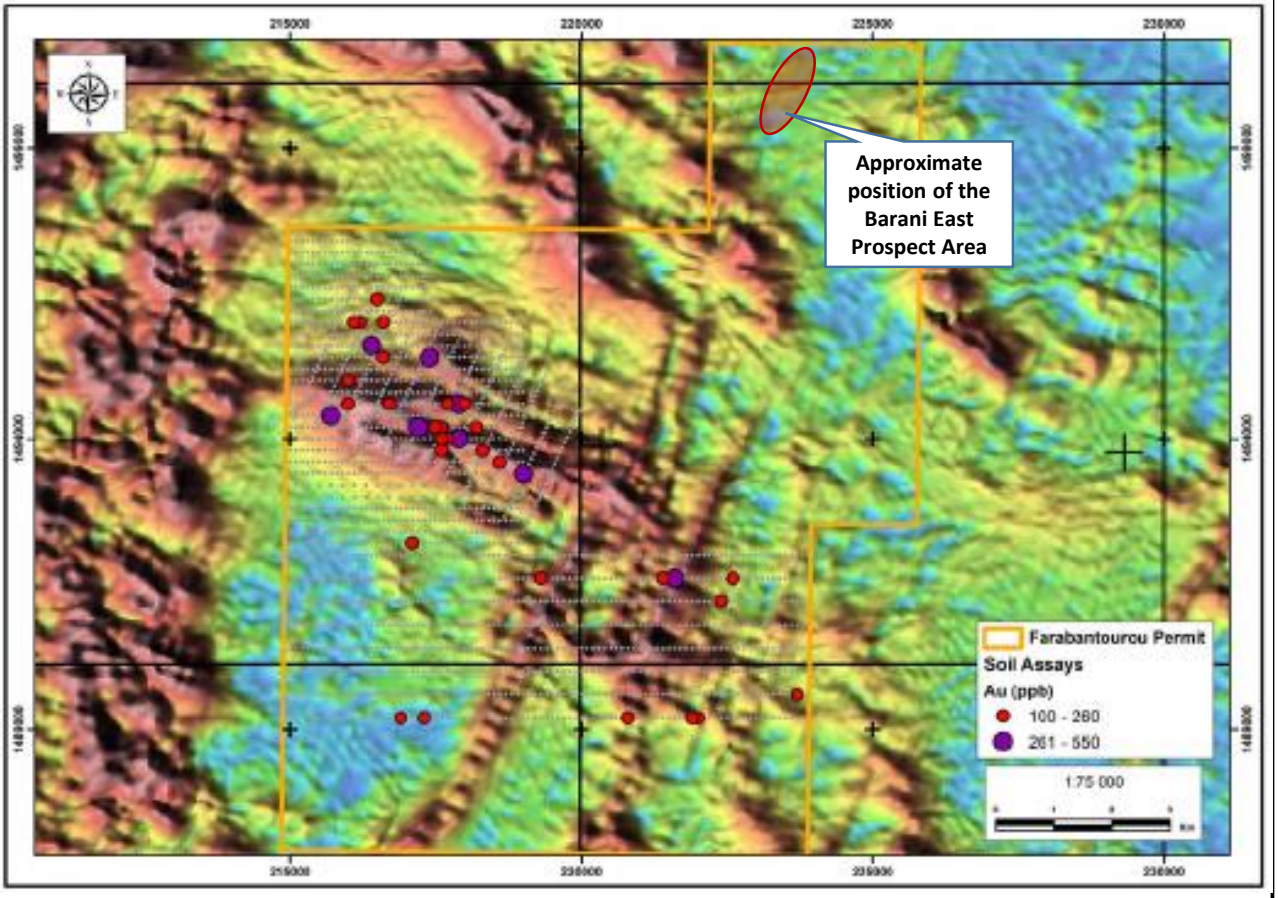
Figure 18: The Farabantourou Geophysics and Type per Area



The following products were derived from the survey data:-

- Residual magnetic anomaly map (RMA, which is the total field magnetics subtracted by the International Geomagnetic Reference Field, IGRF);
- a map of the analytical signal of the RMA;
- a map of the first vertical derivative of the RMA;
- a map of the total magnetic field on the ground;
- a map of the total count spectrometry values;
- a map of the potassium values;
- a map of the equivalent uranium values;
- a map of the equivalent thorium values;
- a ternary spectrometric map (Potassium, Thorium and Uranium); and
- a digital terrain model.

Figure 19: An Example of Some Aeromagnetic Data over Farabantourou, with Superimposed Soil Sampling

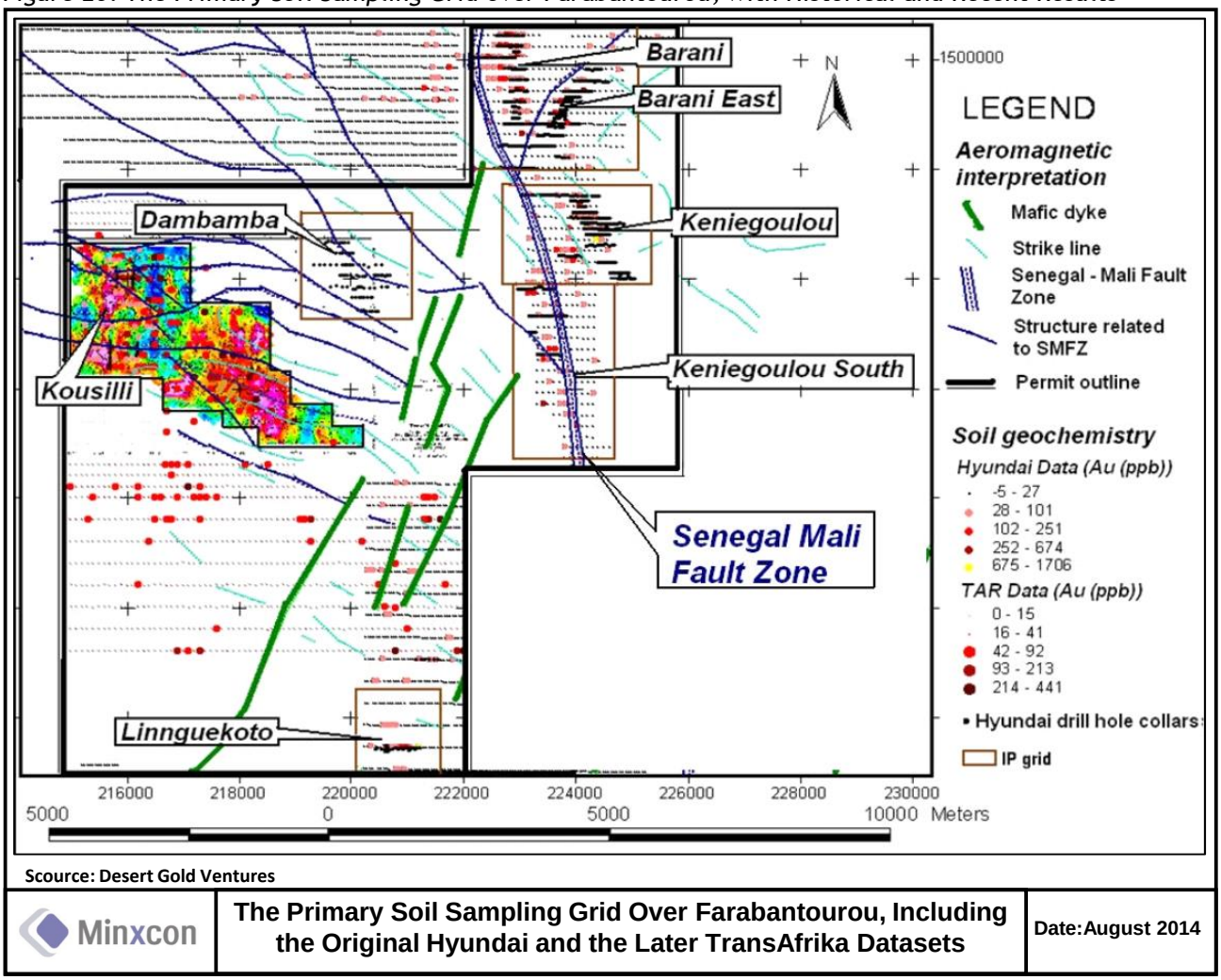


Source: Desert Gold Ventures

Minxcon	An Example of Aeromagnetic Data over Farabontourou, with Some Superimposed Soil Sampling	Date:August 2014

Figure 19 shows an example of the results of the aeromagnetic interpretation with some overlying soil geochemistry sampling. The targets identified by the geophysical work were subjected to soil geochemistry sampling. The extent of the soil geochemistry coverage is shown in Figure 20. The soil sampling was carried out on 100 m line spacing, at 50 m intervals on east-west and south-southwest to north-northeast trending lines.

Figure 20: The Primary Soil Sampling Grid over Farabantourou, with Historical and Recent Results



Scource: Desert Gold Ventures

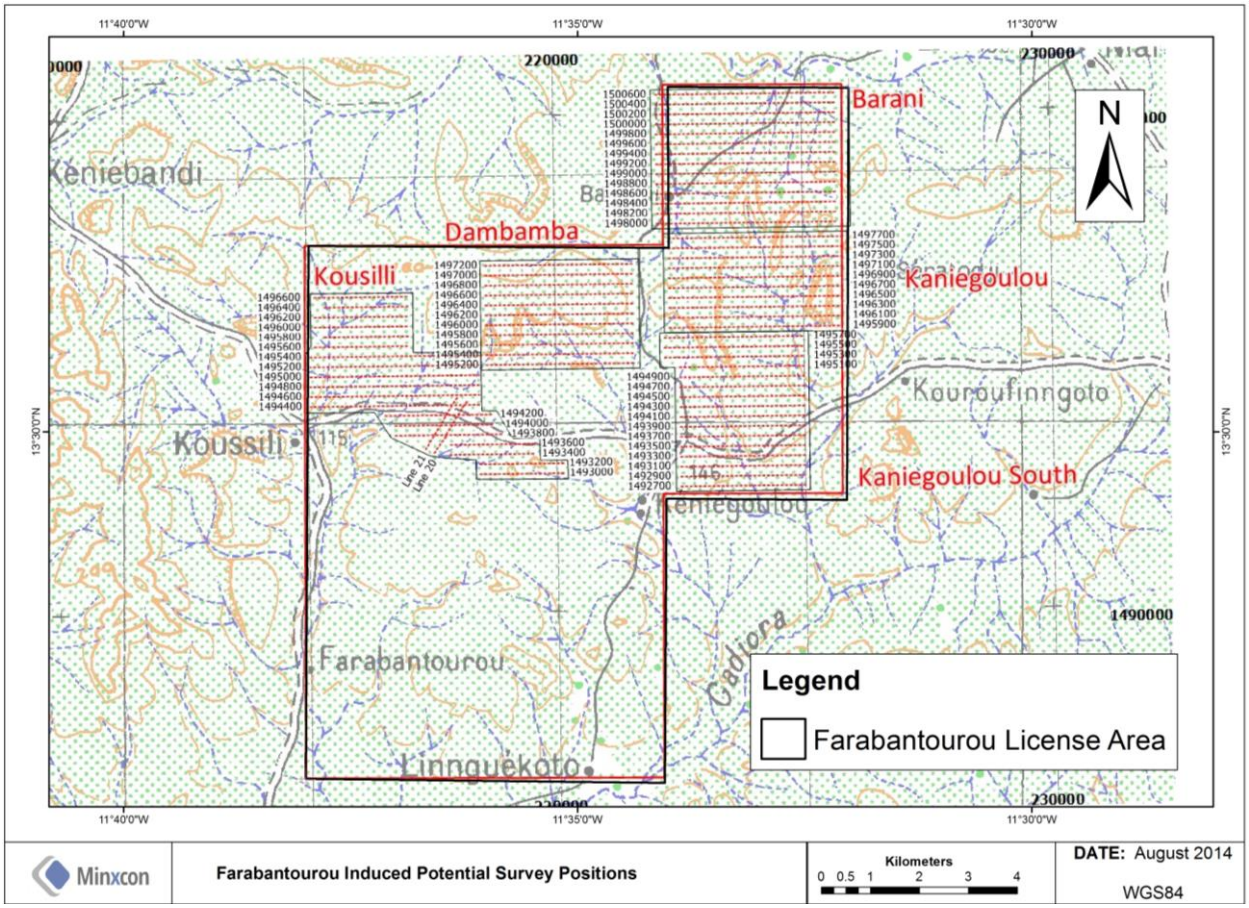
Minxcon	The Primary Soil Sampling Grid Over Farabantourou, Including the Original Hyundai and the Later TransAfrika Datasets	Date:August 2014

Subsequent to this, Desert Gold initiated two phases of IP surveys: the first phase was undertaken by Spectral Geophysics and the second phase by Geospec International. In Phase 1, a localised northwest grid (Figure 21) was carried out in a pole-dipole configuration of 19 lines spaced 200 m apart, with lengths ranging from 1.8 km to 3 km in an east-west direction. Two additional lines (Lines 20 and 21, (Figure 21) running north-east to south-west were also completed to test a geochemical anomaly.

In Phase 2, four areas were covered by pole-dipole configurations (Figure 21):-

- Barani: a total of 50.4 line km consisting of 14 lines spaced 200 m apart, with each line being 3.6 km in length.
- Keniegoulou: a total of 35 line km consisting of 10 lines spaced 200 m apart, with each line being 3.5 km in length.
- Keniegoulou South: a total of 40 line km consisting of 16 lines spaced at 200 m intervals, with each line being 2.5 km in length.
- Dambamba: a total of 33 line km consisting of 11 lines spaced at 200 m intervals, with each line being 3.0 km in length.

Figure 21: Farabantourou Induced Potential Survey Positions



The data processing included standard IP analytical methodology to obtain resistivity and chargeability values which allows the interpretation of pseudo-depth sections and inverse modelling to obtain a 3D volume over the studied areas.

Figure 22 shows a pseudo-section from the results after processing of the data and Figure 23 shows a depth (-244 m) slice obtained from the inverse modelling of the chargeability results. From these IP traverses a series of structural lineaments could be interpreted over Barani (Figure 23) as well as the six target areas identified (Figure 24).

Figure 22: An Interpreted IP Section

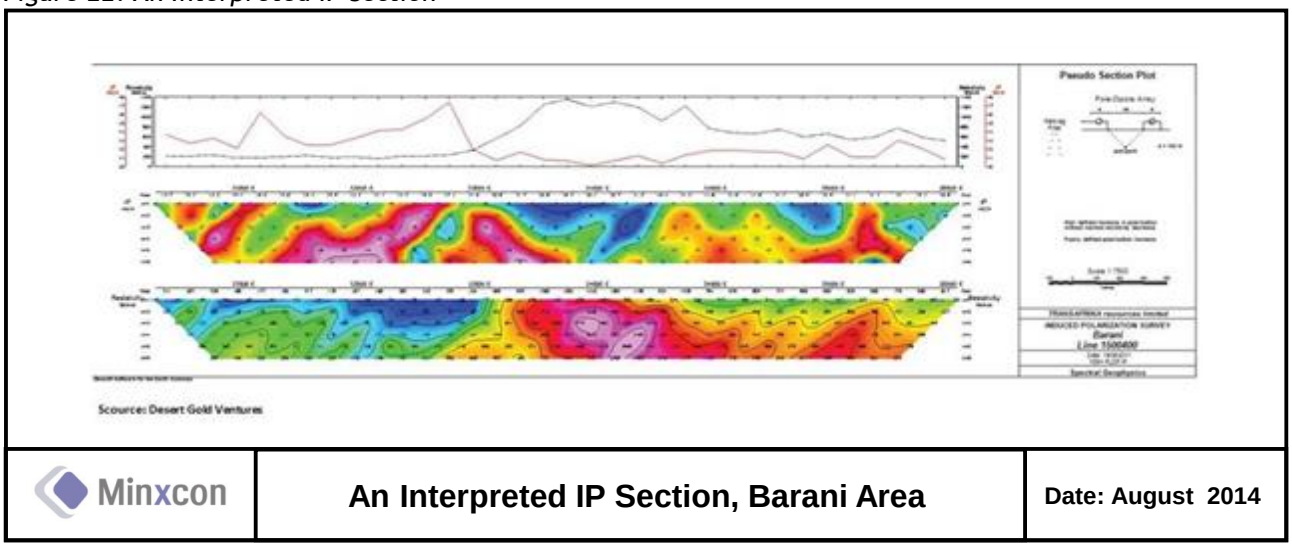
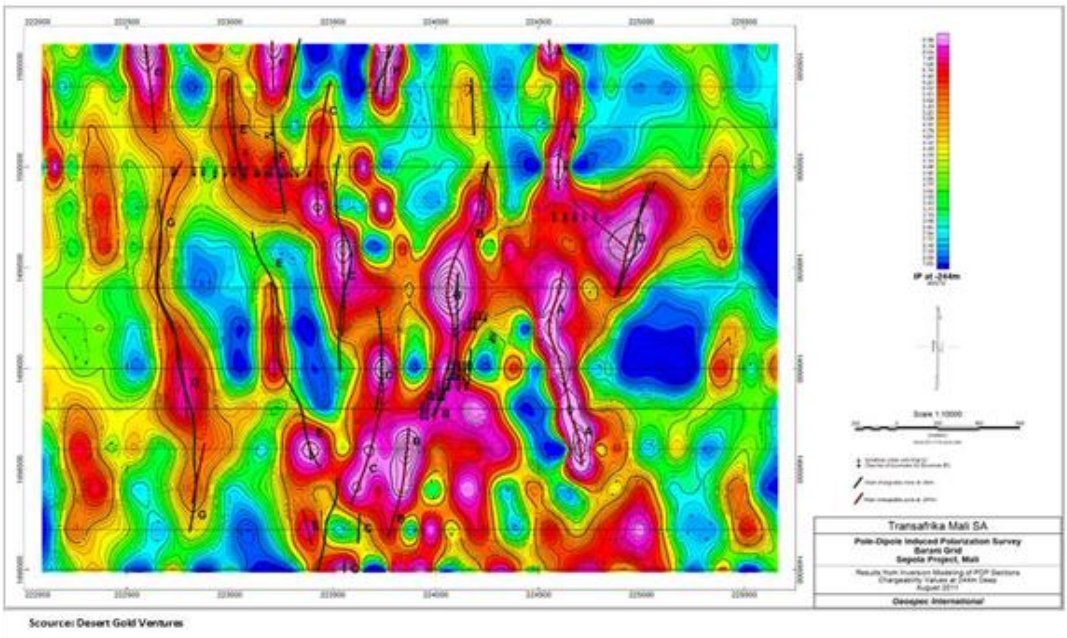
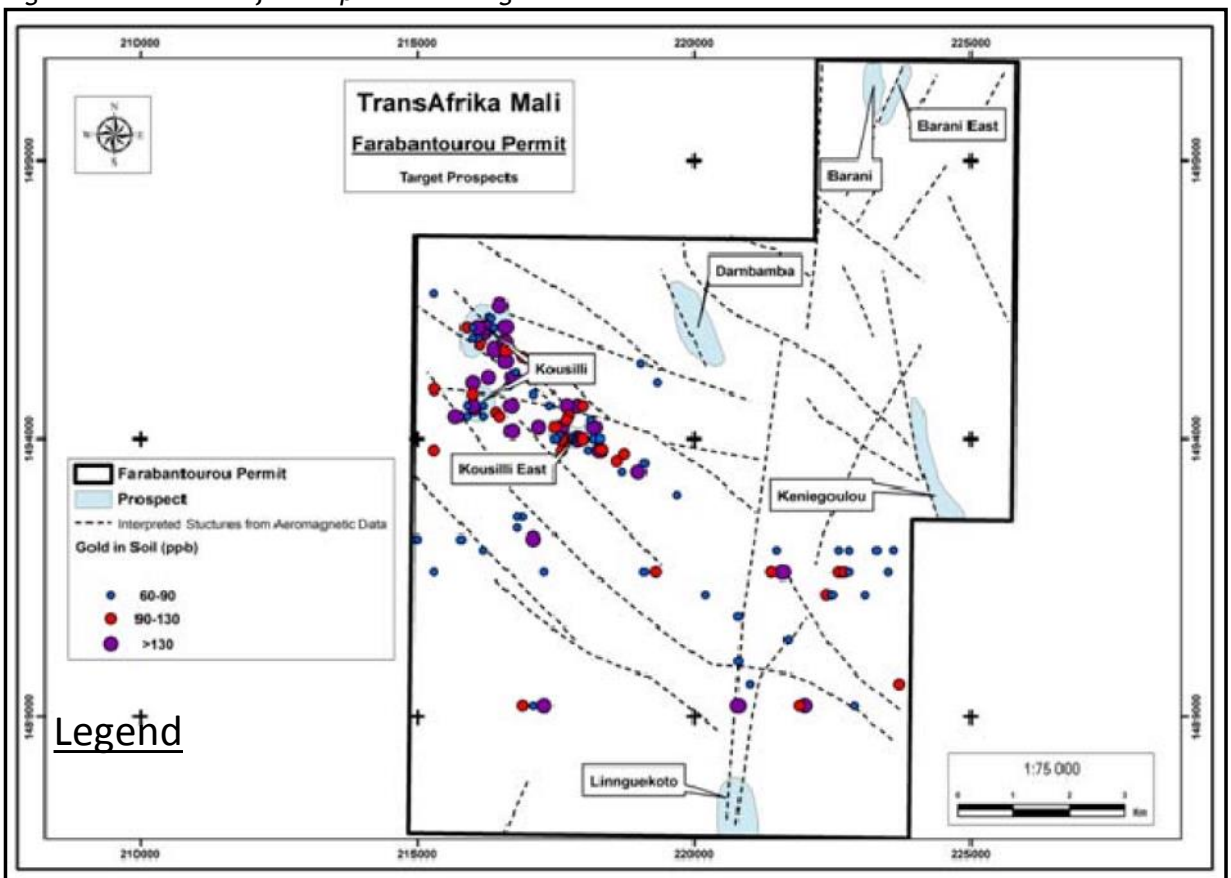


Figure 23: An Interpreted IP Chargeability Depth Slice (-244 m)



Minxcon	An Interpreted IP Chargeability Depth Slice (-244 m)	Date: August 2014

Figure 24: The Identified Exploration Targets within Farabantourou



Minxcon	Identified Exploration Targets	Date: August 2014

Item 9 (b) – Sampling Methods and Sample Quality

Sampling and sampling methods are determined by many factors, of which the expected type of mineralisation and expected orientation of the mineralised zones are the major factors influencing the techniques and methods employed.

The mineralisation in the Farabantourou License area is expected to conform to the majority of the other gold occurrences in Western Mali that is hydrothermally emplaced gold within sulphide complexes confined to structural domains such as shear zones and fault planes. The geometry of the mineralisation is commonly elongated, and thin-zoned with steep dips. In the Farabantourou License area that translates to between 50° and 70°dipping mostly to the south and south east. The interpreted local fault zones are shown in Figure 27.

a. Geophysics
   i. Airborne Magnetics and Spectrometry
      These methods have been employed in delineating exploration targets in West Africa with a high degree of success. The sample intervals as well as flight path orientation is considered to be adequate to ensure the best results in this type of geological setting. The survey was carried out by a reputable firm and it can be assumed that all industry acceptable standard procedures and QA/QC methods were obtained in data gathering as well as post-processing.
   ii. Ground Magnetics
      To obtain a better resolution picture of the airborne data, a ground magnetic survey is usually employed over areas of interest. In this instance the work was done by a reputable firm and it can be safely accepted that all proper QA/QC and international best practices were followed during the data collection and data interpretation stages of this work.
   iii. Ground IP
      IP surveys are an acceptable method of delineating targets where the mineralisation is considered to be in some form of sulphide complex. The amount of lines and the target areas covered by the IP work is considered to be adequate to be representative of the prospective targets identified with other geophysical methods. It can be accepted that the surveys were carried out in accordance with industry standards and best practices during data collection in the field and post-processing in the office, as the work was done by a reputable geophysical service provider.

b. Geochemistry

The soil sampling was carried out on 400 m line spacing, at 100 m intervals on east-west and south-southwest to north-northeast trending lines. The anomalies encountered were then treated to infill sampling at 100m line spacing and samples collected at 50 m intervals. This is in line with common industry standard practises and the expected strike of the mineralised zones. QA/QC was adhered to by the laboratory responsible for the analysis, ALS Minerals (Mali) and certificates of the relevant QA/QC work was delivered along with the results to the client.

Item 9 (c) – Sample Data

Airborne geophysical data (magnetic and spectrometry) was collected on a regional scale as well as over the whole of the license area with higher resolution ground magnetics carried out over predominantly the eastern areas, mostly targeting Barani, Barani East, Keniegoulou and Linnguekoto (Figure 18).

A total of 2,223 soil samples, including field duplicates and reference standards, were collected and assayed. As can be seen in Figure 20 the exploration targets as delineated by the geophysics was

comprehensively covered. The sampling was carried out on 400 m spaced grids with samples collected at 100 m intervals and this was followed up with infill sampling at 100m line spacing and samples collected at 50 m intervals along the grid lines.

An IP survey was completed by Spectral Geophysics, a geophysical consulting company from Botswana. The survey, completed in early January 2010, was done over 51 grid lines, with 159 line km of IP data collected. The areas covered by the IP survey was mostly in the northern part of the Farabantourou license area as can be seen in Figure 21.

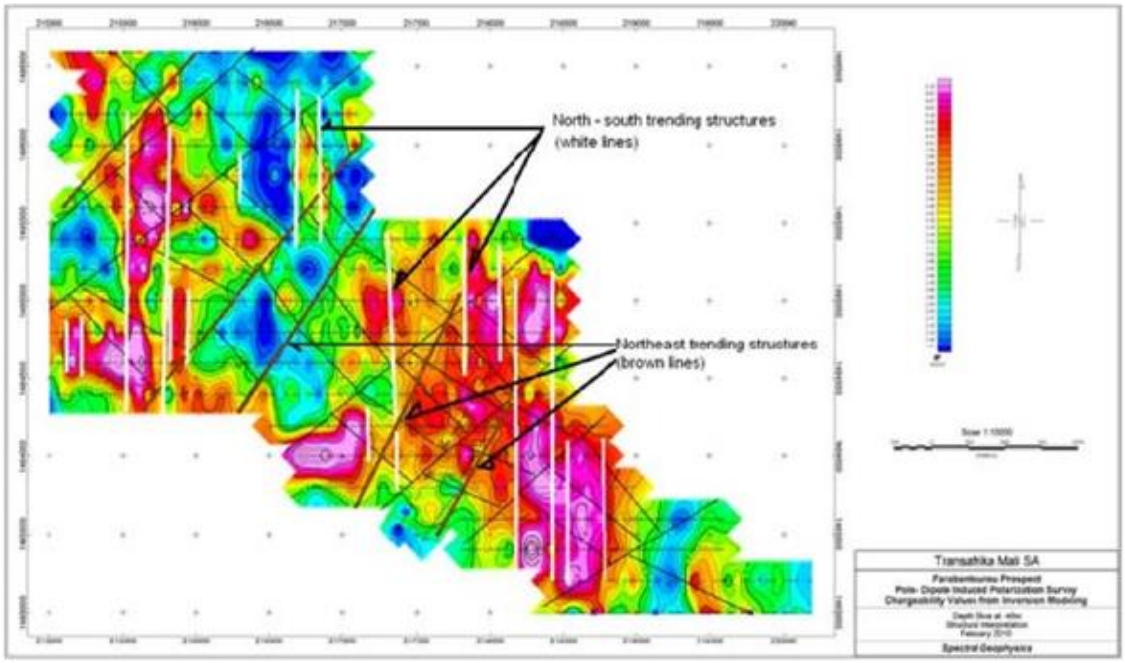
Item 9 (d) – Results and Interpretation of Exploration Information

Through the exploration history of the Project, various techniques were employed. The results of each technique were used to further define the identified target areas in higher resolution until a resource could be defined from drilling information.

The exploration techniques started at project level with airborne magnetic surveys coupled with airborne spectrometry surveys, which delineated a number of targets within the larger license area. These targets were then tested with ground magnetic surveys and soil sampling surveys. This increased the resolution of the target areas which were then further explored by IP. This allowed structural interpretation and when overlain by the results of the soil sampling, drilling targets were delineated.

A total of 2,223 soil samples, including field duplicates and reference standards, were collected and assayed. Anomalous gold in soil includes values of 441ppb Au, 502ppb Au and 1,683ppb Au. A 3,500 m zone of discontinuous gold-in-soil anomalies coincide with a northwest-southeast striking magnetic high over the Kousilli prospect and soil anomalies coincide with structures interpreted from the chargeability maps in 5 areas on the grid (Figure 25).

Figure 25: IP Depth Slice with Structure Interpretation over the Kousilli Prospect



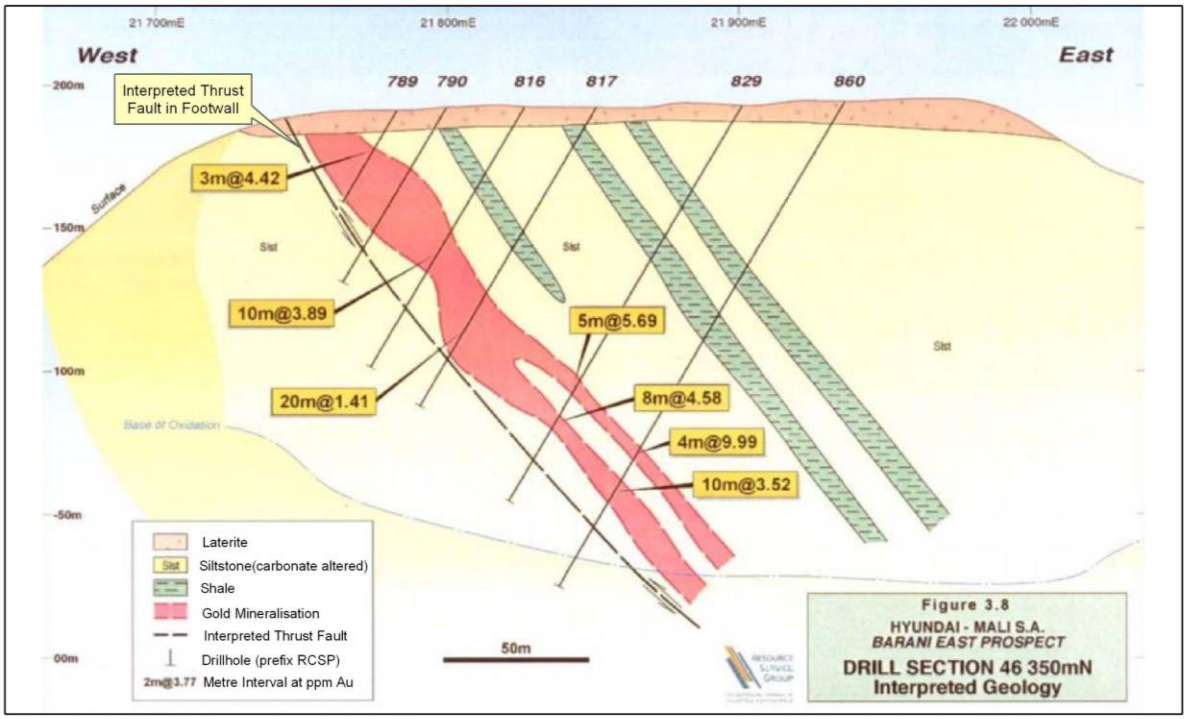
Source: Desert Gold Ventures

Minxcon	Map Showing the -45 m Chargeability Depth Slice with Interpreted Structures over the Kousili Prospect	Date: August 2014

The drilling results could be used to develop a geological and grade distribution model as can be seen in Figure 26, which Desert Gold developed from previous Hyundai data. Figure 26 also shows that significant gold grades were reported over substantial ore zone thicknesses. Further target drilling in 2012 by Desert Gold in the Barani East area highlighted the following results from drill intersections (above 0.5 g/t au):-

- BERC12-002: 7.81g/t au from 17 m to 30 m. Estimated true width of 11.5 m;
- BERC12-003: 8.40g/t au from 26 m to 36 m. Estimated true width of 8 m; and
- BERC12-005: 3.54g/t au from 1 m to 9 m. Estimated true width of 7 m.

Figure 26: An Interpreted Geological Section from Drilling at Barani East



Scource: Desert Gold Ventures

Minxcon	An Interpreted Section, with Drillhole Values by Hyundai for the Farabantourou Permit Area	Date: August 2014

ITEM 10 – DRILLING

Unless otherwise stated, all drillhole intersections are reported as sample lengths and may not represent true thickness.

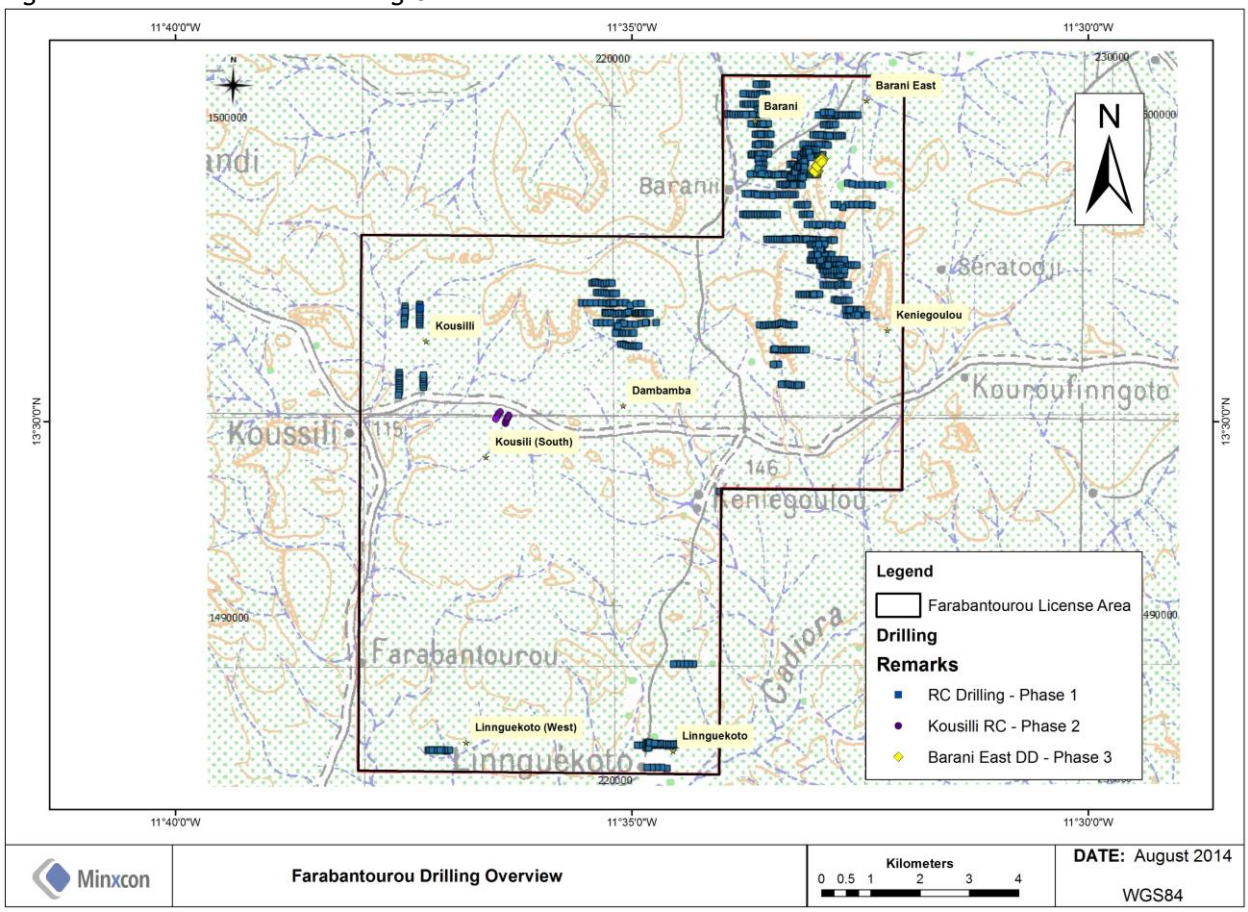
Item 10 (a) – Type and Extent of Drilling

Desert Gold has a significant database of drill results on the Farabantourou tenement. Between October 2001 and June 2002, 823 RC drillholes were drilled producing a total of 53,139 m of drillhole data. This drilling program was a follow-up on targets identified by geochemical surveys, aeromagnetic surveys and artisanal workings. Mineralisation was discovered in six areas, namely Barani, Barani East, Keniegoulou, Dambamba, Kousilli and Linnguekoto (refer to the figure below). By June 2001, 63 drillholes (5,628 m) and 54 mineralised intersections were drilled on the Barani East Prospect. Mineralisation was tested over 1,200 m of strike.

Drilling to date intercepted many areas of mineralisation, which require further examination. However, due to the mineralisation at Barani East being considered to have the potential to contain a significant resource, much of the recent activity was, and continues to be, focused on this Prospect. Results from the drilling were found to be sufficient to define a resource.

The targets were drilled in three phases: first general target drilling by RC, followed by RC drilling focussed on Kousilli and, lastly, some additional RC drilling and diamond core drilling on Barani East (Figure 27). Only 12 RC drillholes and 5 diamond drillholes have recently been drilled at Barani East under the auspices of Desert Gold in order to assess the nature of the orebody.

Figure 27: Farabantourou Drilling Overview



From the preceding discussion it can be seen that exploration was taken up to resource estimation level only in one of the six target areas, namely Barani East. The Mineral Resource estimate conducted by Minxcon, on Barani East, was based on a combination of historical RC drillholes, as well as the more recent 12 RC holes and the 5 diamond drillholes conducted under the auspices of TransAfrika and Desert Gold under the management of Coffey.

The majority of the holes were drilled at approximately -60° in order to cut the mineralised zone as close as possible at right angles. A total of 695 m of RC drilling was recorded for the 12 drillholes drilled on Barani East during the 2012 drilling program. RC drilled depths ranged from 30 m up to 120 m in length. In addition, a total of 452 m of diamond core drilling was recorded for the 5 diamond drillholes drilled on Barani East during the 2012 drilling program. The diamond drillholes reached depths of between 75 m and 130 m.

Surface Drilling Procedures (RC and Diamond Drilling)

The following part of the Report is a list of the field standards and procedures that were followed for the Barani East drilling program managed by Coffey. All drilling was undertaken by reputable drilling contractors to industry standard. Diamond drilling produced HQ (63.50 mm) and NQ (47.60 mm) size core. Generally, drillholes commenced with HQ and were drilled to more competent material below the saprolite before casing off HQ and then continued with NQ to the end of drillhole. In all drillholes the rock was moderately fractured giving pieces usually less than 50 cm, but core recovery in the competent rock was greater than 90%. Sample recovery in the RC drillholes appears to have been within acceptable limits. Geologist reports and logs do not indicate any serious problems.

Location of Planned Drillhole Sites

The planned drillhole sites were located in the field by the geologist using a hand-held GPS with an estimated accuracy of +/- 5 m. The responsible person representing the drilling company accompanied the project geologist whilst the drillhole sites were being laid out. All the coordinates for the planned drillhole sites were supplied to the field geologist.

Presentation of Core

The core was placed in 10 m lengths with each drill run interval marked on the core with an indelible black ink pen. The core was laid out with interlocking splits to ensure that there was no artificial gain in m. All drillhole m and stick-ups would have been recorded by the responsible drilling foreman and these figures made available to the geologist.

End of Hole

The progress of the drillholes was stopped by the geologist upon instruction from Coffey.

Final Survey of Holes

The collar positions were measured in the field by means of a hand-held GPS, conducted by the field geologist to an accuracy of +/- 5 m. The final downhole survey of the drillholes was conducted by contract surveyors utilising a using a Reflex-IT instrument. Downhole survey measurements were taken directly below the casing at 6 m downhole depth, and thereafter at 24 m intervals, down to the end of the hole.

Recording of Geological Features

All core and RC chips were logged to industry standard using a set of defined lithological codes. The following geological features were recorded by the geologist:-

- Lithology or rock type;
- Colour;
- Grain-size;
- Geological structures;

- Mineralisation type;
- Alteration type when present;
- Quartz veining when present;
- Sulphide type when present;
- Sulphide percent when present;
- Level of oxidation;
- Weathering zone; and
- Sample quality.

Chain of Custody

According to Desert Gold, samples were subject to a full chain-of-custody process at all times from the sampling to the analytical laboratory. The details of the samples to be submitted were recorded on standard documentation on site. The samples were checked by sampling personnel and the geologists prior to shipment. This was provided with the dispatch notes. Any discrepancies on receipt by the laboratory were flagged for follow-up. The assay certificates were e-mailed to the project geologist as *.csv and *.pdf files. Cross-checking of the assay certificates with the results was possible as these included details of each batch, including the shipment codes. Samples were road freighted by Desert Gold or their contractors from site to laboratories in Kayes and Bamako, Mali.

Relative Density

Relative density ("RD") measurements of samples were not taken as routine. However, the diamond drilling conducted at Barani East offered the perfect opportunity to conduct RD measurements, where the submersion methodology was employed utilising the Archimedes Principle.

A Snowrex NHV3 precision scale was used to weigh samples. The scale was supplied by Geo Explore Store. A quality control certificate was supplied with the scale. The scale was set up indoors, away from magnetic or high-voltage equipment as specified in the accompanying user manual.

A total of 45 samples were selected from boreholes BEDD12_001 and BEDD12_004. It was found that RD values for specific lithologies increase in the deeper parts of the boreholes, indicating less weathered material at depth. RDs varied between 1.43 g/cm^3 and 2.22 g/cm^3.

Storage of Core and RC Samples

Drillhole core, duplicates of RC sample chips and reference material of RC chips in chip trays are stored in a locked compound at the field office in Kéniéba, which is permanently guarded by security personnel. The remaining RC sample chip rejects were left at the drill site and have not been retained.

Item 10 (b) – Factors Influencing the Accuracy of Results

The drilling and sampling procedures employed at the Barani East Prospect during the 2012 drilling program were not audited by Minxcon Consulting, as Minxcon was approached after the completion of the drilling program to conduct the Mineral Resource estimation exercise. However, Coffey has attested to the quality of the results and has also officially signed off the Quality Assurance Quality Control for the 2012 drilling program (QA/QC Report for Barani East, McKinney, January 2013).

Historical data (62 RC drillholes) received by Minxcon from Desert Gold was considered in conjunction with the new drillhole data during the modelling process and no anomalies were found with respect to drillhole surveys or drillhole collars. The mineralised zone was consistently traceable through all drillholes utilised in the Mineral Resource modelling.

Item 10 (c) – Exploration Properties – Drillhole Details

The current resource is focussed on the Barani East target area. Appendix 2 details the collar positions (easting, northing and elevation) as well as the end-of-hole ("EOH") depth, start date, drilled azimuth and dip for each of the holes drilled on the Barani East target area.

An IP survey was carried out over target areas identified by other geophysical and geochemical surveys in the Barani East area. A total of 15 anomalies were identified and interpreted to indicate the presence of disseminated sulphides. As can be seen in Table 4, this interpretation was correct and the RC drilling during Phase 1 (2001-2002, Hyundai) did intersect significant zones with grades above 0.5 g/t cut-off (Desert Gold media release, February 2012). The intersection widths reported could possibly overstate the mineralisation zone thickness by 12% (on average) due to the dip at which the holes were drilled relative to the dip of the mineralised zone, but as the mineralisation is not bound by lithological boundaries, this is very hard to quantify.

Table 4: Selected Barani East Intersections

BH Id	From	To	Intersection Width	Grade
	m	m	m	g/t
RCSP566	55	59	4	8.26
RCSP573	23	29	6	7.9
RCSP789	15	18	3	4.42
RCSP813	79	82	3	5.95
RCSP816	56	60	4	9.31
RCSP505	19	39	20	1.62
RCSP506	74	76	2	3.04
RCSP544	27	31	4	5.9
RCSP544	73	75	2	6.07
RCSP803	16	19	3	5.02

Utilising the Phase 1 drilling information for Barani East collected by Hyundai, Desert Gold produced a geological map showing the grade distribution along the mineralized zone (Figure 12).

Desert Gold reported the following intersections and associated grades after their Phase 3 drilling at Barani East (Desert Gold press release, 23 April 2013):-

- BERC12-002: 7.81g/t au from 17 m to 30 m. Estimated true width of 11.5 m;
- BERC12-003: 8.40g/t au from 26 m to 36 m. Estimated true width of 8 m; and
- BERC12-005: 3.54g/t au from 1 m to 9 m. Estimated true width of 7 m.

Item 10 (d) – Exploration Potential

Regionally, the Farabantourou license area is prospective due to the fact that it lies within a suite of Birimian lithologies known as the Kédougou-Kéniéba Inlier in which a number of operating mines can be found (Figure 9). As stated before, the most prominent regional structure in the area is considered to be the first-order SMFZ running from the north-northeast to south-southwest through the property (Figure 20).

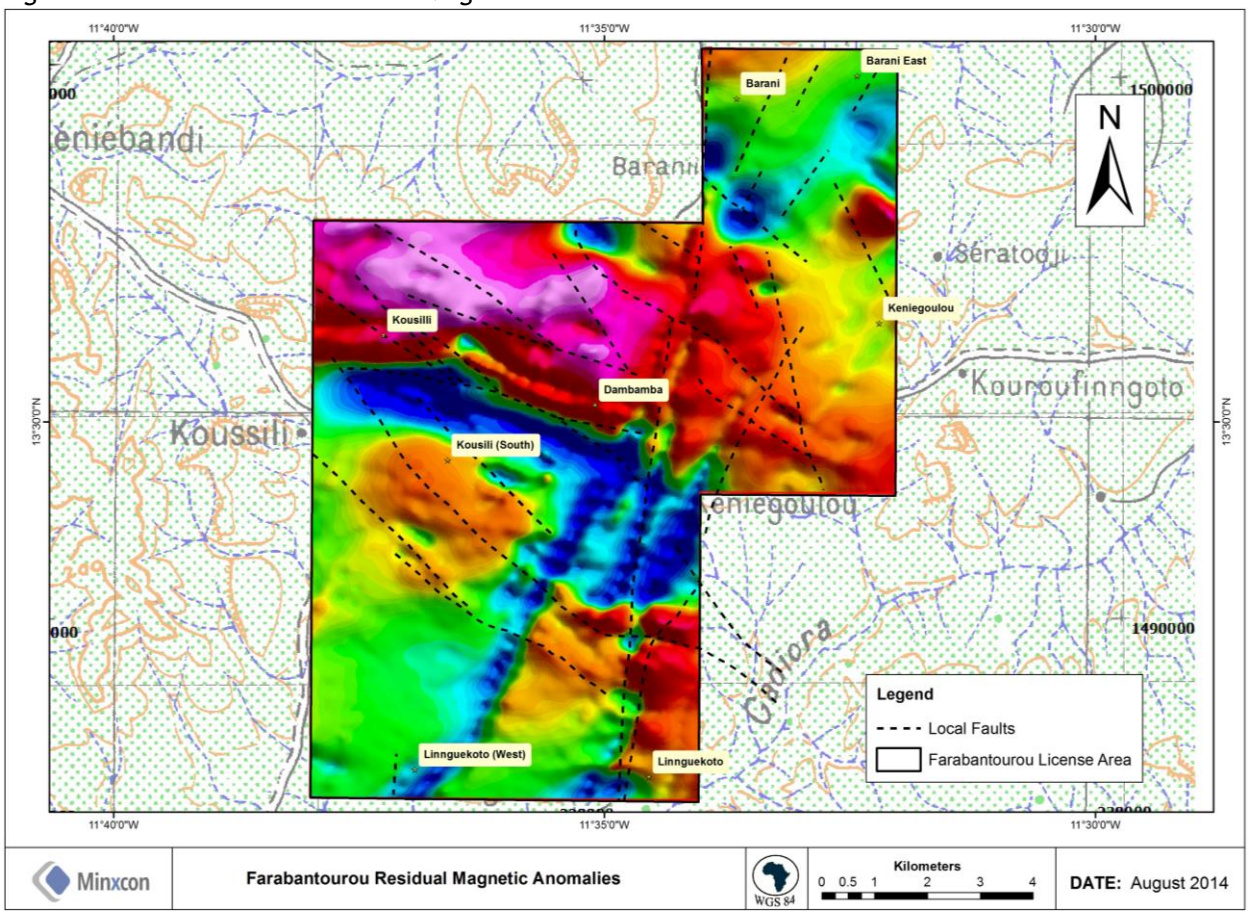
The area under investigation has undergone a series of exploration programmes, commencing in 1998 (by Hyundai Mali S.A.). Currently, Desert Gold is conducting exploration programmes which include interpretation of satellite imagery and RC and diamond drilling of identified soil geochemistry and geophysical targets. Airborne magnetic and spectrometric surveys have been conducted over the entire Project Area and soil geochemistry and IP surveys were carried out over identified targets (Barani, Barani East, Keniegoulou, Dambamba, Kousilli and Linnguekoto).

The targets were drilled in three phases: first general target drilling by RC followed by RC drilling focussed on Kousilli and, lastly, infill RC and diamond core drilling on Barani East.

A resource estimate was compiled by Resource Services Group from a portion of the first phase of drilling, in 2001, down to a depth 250 m over the Barani Prospect Area. This resource is JORC-compliant (Body, 2004). In 2013, Minxcon Consulting was commissioned to independently estimate and update the Mineral Resource Estimate for the Barani East Prospect within the Farabantourou License Area.

From the preceding discussion it is clear that exploration was conducted up to a Mineral Resource estimation level in only one of the six target areas, namely Barani East. Comparing the work completed with the residual magnetic anomalies, as shown in Figure 28, it may be observed that the bulk of the drilling was aimed at the low (blue) anomalies around Barani and between Kousilli and Keniegoulou. The resistivity work interpretation at Kousilli was coupled with the contours of the geochemistry anomalies and incorporated in the target generation for the second phase of drilling.

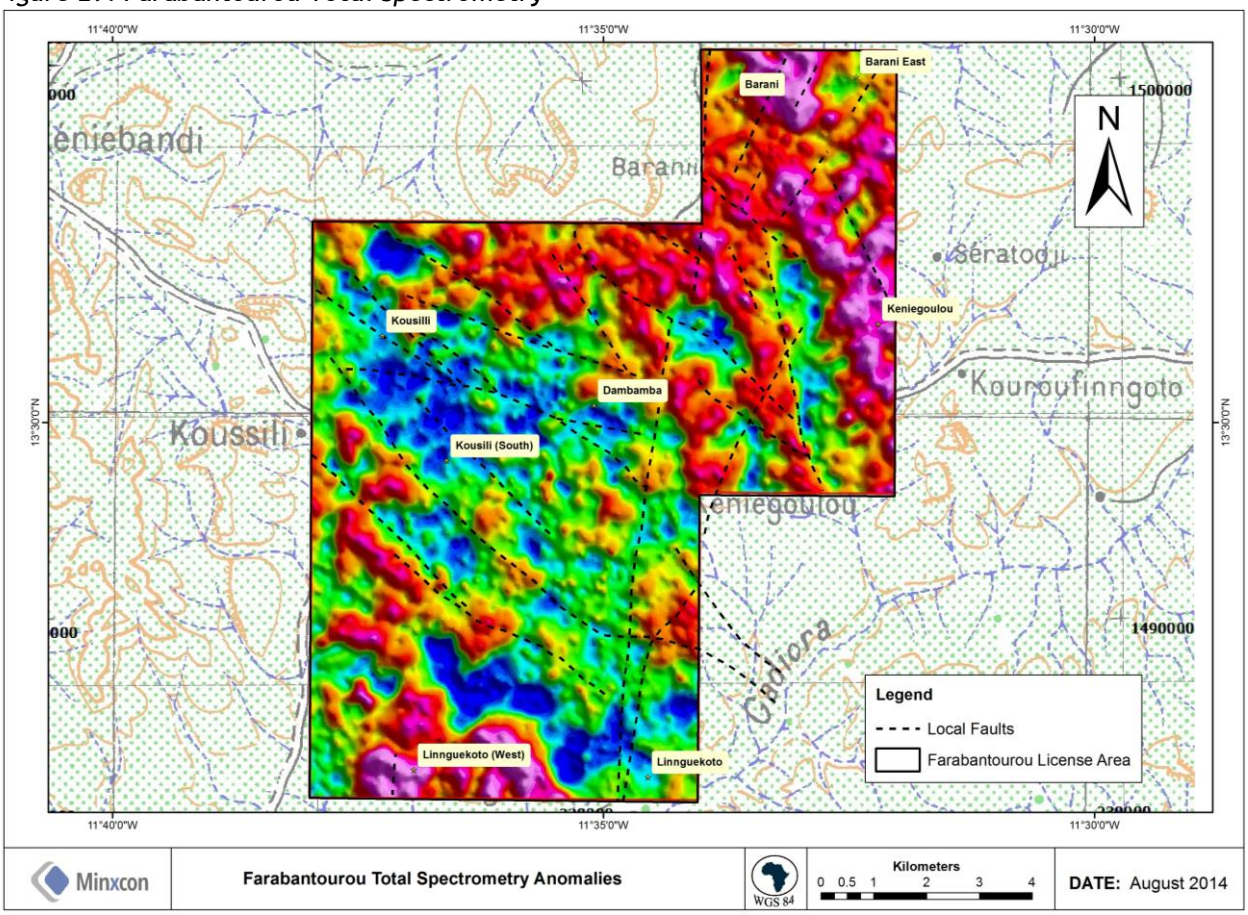
Figure 28: Farabantourou Residual Magnetic Anomalies



Total spectrometry surveys completed over the entire Farabantourou license area (Figure 29) show anomalies around Barani and Barani East, as well as around Linnguekoto in the south. Of these, only the Barani targets have been drilled. IP work across the Barani, Dambamba and Keniegoulou areas has enabled higher resolution mapping and interpretation of the structures over the license area as shown in Figure 29.

The results from the drilling at Barani and Barani East showed that the mineralisation is, as anticipated, associated with the major shear zone and its resultant conjugate sets. The drilling results also highlight the fact that the mineralisation is not homogeneously distributed along the strike or dip of any of the lineaments. Body (2004) concludes that the results of the drilling show that gold mineralisation does occur but is inconclusive as to the prospectivity of the area.

Figure 29: Farabantourou Total Spectrometry



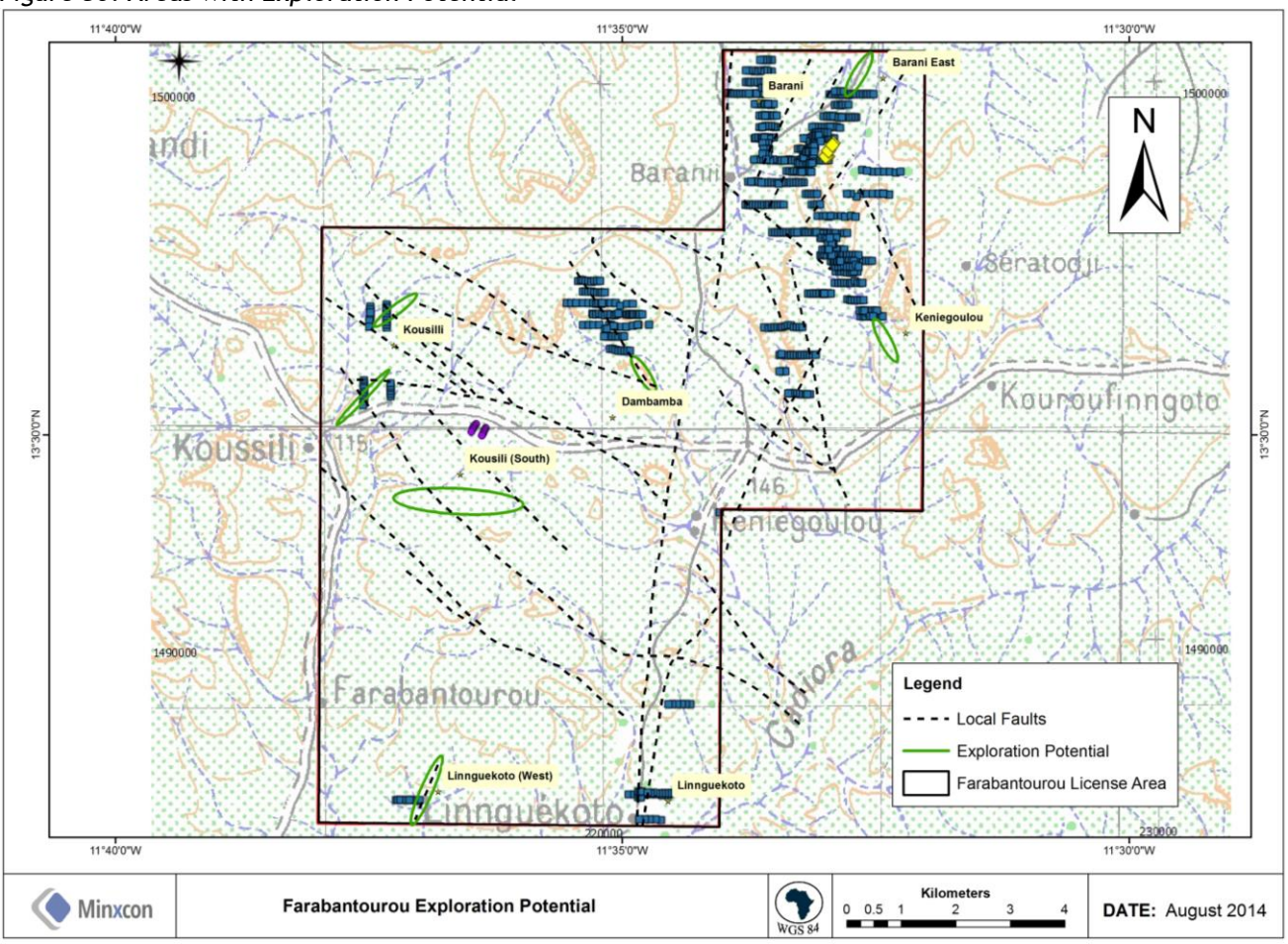
It is likely that the orebodies in the Farabantourou license area will be long and thin in geometry, sporadically mineralised and have strikes of a few hundred meters up to ±3 km in length along regional structural trends, such as that of the Barani East occurrence. The Barani East occurrence may be used as a base case in order to ascertain the exploration potential of other areas within the Farabantourou license area. Based on this, a target zone of at least 750 m in length and exhibiting relatively continuous mineralisation between 5 m and 15 m in width, along strike, should be sought. The initial three phases of drilling on the Farabantourou license area were drilled with similar orebody geometry in mind. The results have indicated that although mineralisation might be intersected in numerous places, the mineralisation is thin and isolated and the continuity of grade is very erratic.

Even so, there are still areas within the Farabantourou license area that could be considered to have exploration potential and that could be tested for a wider and more continuous mineralisation zone. The exploration potential may be outlined as follows (with the target areas depicted in Figure 30):-

a. Barani East
   There is the possibility to further define the resource by exploring along the strike extension of the interpreted fault, to the northeast, increasing the potential overall strike to roughly 3 km. It is recommended that a further two sets of fence drilling be carried out by means of RC drilling at 500 m traverse spacing along the northeast strike extent.
b. Keniegoulou
   The possibility of extending the target along strike to approximately 2 km exists as the first 14 lines of drilling have all intersected mineralisation and a north-northwest to south-southeast trend is observed along an interpreted fault. It is recommended that the trend be tested further by fence drilling (RC) spaced at 500 m along the strike of the interpreted fault to the south. The holes should target the same depth (150 m) as the existing drilling.

c. Dambamba
   It is possible to increase the overall target strike extent to 2.5 km by additional fence (RC) drilling in 500 m steps, down to 150 m in depth, to the south along the interpreted fault line as it is postulated.
d. Kousilli
   The current drilling in this area intersected some mineralisation in only two of the four fence lines. If the drilling is overlain by the geochemistry anomalies, as well as the structural interpretation from the IP resistivity work, two northeast to southwest trending targets can be postulated. Drilling these targets on 500 m spaced fence lines stepped out from the existing lines might intersect wider and more continuous mineralisation zones.
e. Kousilli (South)
   Some geochemical anomalies have been reported in this area. It is recommended that a small fence drilling programme is undertaken to test the potential within these anomalies.
f. Linnguekoto
   The existing drilling tested a 2 km strike extent along a postulated lineament with very little success. The mineralisation is very unevenly distributed and present in very narrow intersections. It is, therefore, not promoted as a target.
g. Linnguekoto (West)
   The 10 RC holes drilled in this prospect did not intersect any mineralisation, however, the fault structure, as interpreted and displayed in Figure 30, could be considered an exploration target, especially as it runs nearly on the contact between a “high” and a “low” total spectrum anomaly, similar to the setting of the proposed Barani East extension target. It is recommended that a programme of soil geochemistry coupled with an IP survey is undertaken over the area. The targets generated by this work may then be tested by drilling.

Figure 30: Areas with Exploration Potential



ITEM 11 – SAMPLE PREPARATION, ANALYSES AND SECURITY

Item 11 (a) – Sample Handling Prior to Dispatch

Minxcon did not review the sample preparation, analysis or security whilst the drilling and sampling programme of 2012 was underway. Minxcon depends on information provided by Desert Gold/TransAfrika and Coffey, who managed the QA/QC, in order to reach an objective assessment. Minxcon did, however, review the laboratory assay certificates, as well as the QA/QC Report on the drilling programme, as provided by Coffey to Desert Gold (McKinney, January 2013).

With respect to the diamond drillholes, from the information provided, all sample preparation and quality control measures were conducted by the analytical laboratory. No pre-dispatch sample preparation was undertaken on the diamond drillholes. The insertion of QA/QC samples in the form of Standard Reference Materials ("SRMs"), blanks and blind repeats, was however routinely conducted and reviewed by Coffey.

The RC holes were sampled in 1 m intervals and riffle split in the field prior to despatch to the laboratory. QA/QC samples were also inserted in the field prior to despatch, in the form of SRMs, blanks and blind repeats and field duplicates from the split samples.

Item 11 (b) – Sample Preparation and Analysis Procedures

Borehole Samples

Soil sample preparation and analysis was carried out by SGS Mineral Testing Laboratory in Kayes, Mali. SGS is an international group specialising in inspection, verification, testing and certification. It operates laboratories throughout the world. SGS operates a Quality System in line with ISO 17025.

RC and diamond drill sample preparation and analysis was carried out by ALS Chemex, Bamako, Mali. ALS is part of an international group which operates laboratory facilities throughout the world. ALS Chemex in Bamako has no accreditation but operates with the same protocols as other accredited laboratories in the ALS group. ALS is independent of both TransAfrika and Coffey Mining.

For soil sampling, a 2 kg soil sample was taken, measured and the entire sample sealed in a calico bag with a unique sample number. The sample was then placed in a poly-woven bag. The sample numbers for each bag in the batch were documented. Samples were not sieved or split on site. Further preparation was undertaken at the laboratory. The soil samples were crushed to less than 2 mm using a jaw crusher and then split using a riffle splitter. One of the splits was then pulverised to achieve a nominal 90% of the sample at less than 75 µm. All samples were analysed for Au by fire assay using Aqua Regia digestion with a di-isobutyl ketone ("DIBK") extraction and an Atomic Absorption Spectroscopy ("AAS") finish. The detection limit for this method is 2 ppb for Au.

Core samples were split into half core using a core cutter. One half of the core was sent for analysis and the second half was retained at the storage facilities at Kéniéba. RC samples were split on site using a riffle splitter to obtain at 4 kg sample for assay. A duplicate sample was taken as reference material for each sample and is stored in secured storage in Kéniéba; the remainder of the sample was discarded. All half-core samples were sealed in calico bags with a unique sample number. The samples were then placed in a poly-woven bag. In both cases the total sample, as sent to the laboratory, was crushed and pulverised to achieve 85% of the sample at less than 75 µm. All samples were analysed for Au by fire assay with an AAS finish. The detection limit for this method of gold analysis with 50 g sample by fire assay is 0.01 ppm Au.

Item 11 (c) – Quality Assurance and Quality Control

Minxcon was not able to observe the QA/QC process in action, however, a QA/QC report submitted by Coffey for the recent 2012 drilling programme was reviewed. In Minxcon's opinion, the extent of QA/QC

employed is reasonable. A comprehensive QA/QC programme was undertaken. It was possible to identify samples that had been swapped, that were missing, and that were incorrectly labelled, amongst others.

Sampling was undertaken and quality control was monitored by Coffey Mining; an independent geological consultant. Standard procedures commonly used in West African gold exploration programmes were followed. Samples were dispatched in sealed bags to the laboratories. The quality control program was to include a standard and a duplicate within every 20 samples submitted. During the RC drilling programmes a blank was also inserted within every 20 samples. The intended aim was 5% coverage for each of the control sample types. This was not strictly adhered to due to operating difficulties during parts of the various sampling programmes, but sufficient quality control samples were submitted to demonstrate the accuracy and precision achieved by the laboratories.

The quality control data was analysed on an on-going basis and generated queries with the laboratory. While most data problems were successfully resolved there are a number of analyses, especially in low grade SRMs which produced results outside of expected ranges. These have not been explained and may be random errors due to a variety of causes. The presence of a large number of apparently random errors reduces the confidence in the data, however, the data is still of sufficient quality to be used for target generation exercises.

Terms related to the QA/QC protocols applied and subsequent evaluations are provided in the following:-
A standard is a reference sample with a known (statistically) element abundance and standard deviation. Reference standards are used to gauge the accuracy of analytical reporting by comparing the pre-determined values to those reported by the laboratory used during an exploration project.

A blank is a standard with abundance of the element of interest below the level of detection of the analytical technique. A duplicate is the split of a sample taken at a particular stage of the sampling process, e.g. a field duplicate. The precision and accuracy are discussed in terms of the following statistical measures routinely applied by Coffey Mining:-

- Thompson and Howarth Plot showing the mean relative percentage error of grouped assay pairs across the entire grade range, used to visualise precision levels by comparing against given control lines.
- Rank HARD Plot, which ranks all assay pairs in terms of precision levels measured as half of the absolute relative difference from the mean of the assay pairs ("HARD"), used to visualise relative precision levels and to determine the percentage of the assay pairs' population occurring at a certain precision level.
- Mean vs. HARD Plot, used as another way of illustrating relative precision levels by showing the range of HARD over the grade range.
- Mean vs. BIRD Plot is similar to the previous plot, but the sign is retained, thus allowing negative or positive differences to be computed. This plot gives an overall impression of precision and also shows whether or not there is a significant bias between the assay pairs by illustrating the mean percent half relative difference between the assay pairs (mean HRD).
- Correlation Plot is a simple plot of the value of assay 1 against assay 2. This plot allows an overall visualisation of precision and bias over selected grade ranges. Correlation coefficients are also used.
- Quantile-Quantile (Q-Q) Plot is a means where the marginal distributions of two datasets can be compared. Similar distributions should be noted if the data is unbiased.

For field soil duplicates a second sample was taken in the field from the same drillhole as the original sample. For field drilling samples an empty sample bag with a sample ticket was submitted for the laboratory to split the previous sample after crushing during sample preparation. Eight standards of high and low grades were used at different times in the programs depending on availability. All standards were supplied by Geostats Pty Ltd, Australia. Locally bought building sand was used as the blank material.

Item 11 (d) – ADEQUACY OF SAMPLE PREPARATION

Minxcon reviewed the assay certificates received from the ALS Laboratory and reviewed the preparation parameters, which are in line with international standards, which require the Primary Crusher to be less than 2 mm (90% to be achieved to be compliant). Pulverising to less than 75 µm (85% to be achieved to be compliant). For the Primary Crusher, 1 in every 50 samples was checked for compliance by means of a sieve test. All samples viewed by Minxcon in the assay file passed. For the pulverising to less than 75 µm, it appears that between I in 25 to 1 in 30 samples were checked (by sieving) by the laboratory to determine if it reached the required fineness. All tested pulverised samples were above the required limit.

ITEM 12 – DATA VERIFICATION

Item 12 (a) – DATA VERIFICATION PROCEDURES

The various drillhole files relevant to the modelling exercise requisitioned by Desert Gold/TransAfrika were received from Desert Gold in the form of Excel spreadsheets. Minxcon validated all of the individual drillhole input files. Collar files were checked to ensure that all the drillholes fit within the Project perimeter. Surveys were then checked to ensure all surveys were pointing down in the correct layout direction. This was checked by referring to an index plan provided by the client. Lithology files were checked for gaps and overlaps, as were the drillhole assay files. All drillholes were checked for the availability of all 4 of the data sets: collars, survey, lithology and assay.

Minxcon found a few errors and some missing data entries. Desert Gold assisted in correcting these problems before the modelling drillhole files were consolidated, imported and desurveyed in Datamine Studio. The drillholes were then visually validated to check for possible collar issues and erroneous downhole surveys.

Minxcon conducted a review with the client of the final data used in the Mineral Resource estimation and got the clients' approval as to the presentation of the data.

Item 12 (b) – LIMITATIONS ON/FAILURE TO CONDUCT DATA VERIFICATION

Minxcon was unable to physically check the collars of the drillholes in the field during their site visit as they were not well-preserved. Minxcon was unable to observe the logging or sampling practices employed by TransAfrika and Coffey, as the drilling program was completed before Minxcon was approached by the client to conduct the modelling exercise. Minxcon did, however, review the assay certificates presented by the laboratory, as well as the final QA/QC report produced by Coffey Mining.

Item 12 (c) – ADEQUACY OF DATA

Minxcon is of the opinion that the data utilised in the geological modelling and Mineral Resource Estimation exercise is adequate for the purposes of generating an Indicated and Inferred Mineral Resource. Drillholes were spaced in 50 m by 25 m grids across the orebody. This is in line with normal, close-spaced drilling programmes for the generation of compliant Mineral Resources in accordance with the requirements embodied within NI 43-101.

ITEM 13 – MINERAL PROCESSING AND METALLURGICAL TESTING

Item 13 (a) – NATURE AND EXTENT OF TESTING AND ANALYTICAL PROCEDURES

The following metallurgical test work was conducted:-

- April 2013: Gold Deportment Study by SGS – Report number Min 1112/283.
- March 2014: Gravity Concentration and Cyanide Leaching Pilot Testing - Peacocke - Report number PSA/33/14.

SGS Test Work

Two borehole samples were analysed by SGS:-

- composite of BEDD12-001 and BEDD12-002 (“composite 1”); and
- composite of BEDD12-004 and BEDD12-005 (“composite 2”).

The following tests were conducted:-

- test work to determine amenability to gravity recovery;
- grading analysis to determine gold distribution across size fractions;
- heavy liquid separation to determine the amount of free gold or gold in heavy particles;
- exposure and mineral association analysis of the particulate gold grains in the gravity concentrate;
- chemical analysis to determine the compositions of the ore and metallurgical test products;
- general mineralogical characterisation of the ore;
- identification and quantification of the gold minerals in the gravity concentrate;
- grain size distribution of the gold grains in the gravity concentrate; and
- test work to determine the gold recovery by direct cyanidation.

The results are summarised as follows:-

- The average head grade for the samples was 2.86 g/t and 2.62 g/t for composites 1 and 2 respectively.
- Heavy liquid separation at an SG of 2.96 showed that, on average, about 20% and 19% of the gold was lost to the -25 µm fraction for composite 1 and 2 respectively. About 28% and 16% reported to the floats fractions for the composite samples respectively. The remaining 52% and 65% reported as sinks.
- Knelson concentration of composites 1 and 2 yielded recoveries of 43% and 46% respectively.
- Each composite was milled to 80% passing 75 µm. Normal cyanide leaching of the samples yielded recoveries of 94% for both composites, while intense leaching yielded recoveries of 97% and 92% respectively after 24 hours.
- Preg robbing was not detected.

Peacocke Simpson Test Work

A 2 tonne bulk sample was collected from the Barani East Gold Prospect Area and was tested for gravity and cyanide leaching amenability by Peacocke Simpson laboratories. The tests were completed in Harare, Zimbabwe and a report was submitted in March 2014 (report number PSA/33/14) summarising the findings.

The following tests were conducted:-

- scrubbing and semi-batch Knelson gravity concentration;
- bulk Continuous Variable-Discharge (“CVD”) Knelson concentration on gravity semi-batch Knelson tails;
- spiral concentration of CVD concentrate;
- intense cyanide leaching of spiral concentrate; and
- normal cyanide leaching of CVD tails.

Test work results are summarised in Table 5.

Table 5: Summarised Test Work Results

Number	Concentration Step	Description	Result
1	Semi-batch Knelson	Knelson concentration of -2 mm material	40.3% gold recovery was achieved on the minus 2 mm material
2	CVD Knelson	CVD on semi-batch Knelson tails	Mass pull of 11.2% at a recovery of 46.1%
3	Spirals	Spiral processing of CVD concentrate	Mass pull of 21.6% at recovery of 61.8% gold
4	High intensity leach	Leaching of spiral and CVD concentrate	Gold recovery of 93.4% after 24 hours
5	Normal leach	Normal leaching on CVD tails	Gold recovery of 55% after 24 hours

***Source*:** Report number PSA/33/14, Peacocke Simpson

Based on this test work, the following processing steps were envisaged:-

- scrubbing of RoM material;
- crushing of scrubber oversize with the product recycled to scrubber;
- semi-batch Knelson processing of scrubber undersize;
- CVD Knelson and spirals processing of semi-batch tails;
- high-intensity leaching of CVD/spiral concentrate; and
- deposition of CVD/spiral and high intensity leach tails onto a dedicated tailings storage facility ("TSF").

It was also assumed that the sample taken for the above test work was representative of the entire mined resource. If this is not the case then processing performance may vary.

Item 13 (b) – Basis of Assumptions Regarding Recovery Estimates

Milling would be too costly and since SGS milled the samples before cyanidation tests their results would not be applicable to the initial phase of the Barani East Project.

The process flow methodology and estimated plant design recovery was therefore based on the Peacocke Simpson test work conducted in March 2014 (report number PSA/33/14), as summarised in section Item 13 (a). A total recovery of 65% was estimated:-

- about 40% with a semi-batch Knelson;
- about 46% with a CVD Knelson on the semi-batch tails; and
- about 93% on the CVD Knelson concentrate – spirals would serve to further upgrade the CVD concentrate if required.

A plant design was done by Appropriate Process Technology Pty (Ltd) ("APT"), Randburg. The plant design follows the test work methodology employed by the Peacocke Simpson and is in line with best practice. The plant will have a capacity of about 40 ktpm and consist of crushing, gravity gold recovery and leaching circuits. A Preliminary Economic Assessment ("PEA") study completed by Minxcon Projects SA in 2014, details the plant design, assumptions and costs in detail.

Item 13 (c) – Representativeness of Samples

The following samples were taken from the Barani East Prospect and analysed by SGS and Peacocke Simpson:-

- A 2 tonne surface bulk sample; and
- SG-analysed drill core samples.

Because these two sets of samples achieved similar gravity recoveries it is assumed that together these samples are representative of the orebody in terms of gravity gold recovery additional samples may however be required to improve the confidence of these samples.

Item 13 (d) – Deleterious Elements for Extraction

The high-intensity leach circuit tails will be pumped to a separate TSF that will be lined due to possibility for high-cyanide concentrations. No other deleterious elements are expected.

ITEM 14 – MINERAL RESOURCE ESTIMATES

The Mineral Resources were compiled by Qualified Persons, in compliance with the definitions and guidelines for the reporting of Exploration Information, Mineral Resources and Mineral Reserves in Canada, "the CIM Standards on Mineral Resources and Reserves – Definitions and Guidelines" and in accordance with the Rules and Policies of the National Instrument 43-101 – Standards of Disclosure for Mineral Projects, Form 43-101F1 and Companion Policy 43-101CP.

Item 14 (a) – ASSUMPTIONS, PARAMETERS AND METHODS USED FOR MINERAL RESOURCE ESTIMATES

The bulk of this Section is a summary of the geostatistical estimation undertaken by Minxcon.

Minxcon was appointed to undertake the compilation of the gold underground geostatistical models for the Barani East Project. Following an investigation and analysis of the assay procedures and data integrity, gold estimation models were compiled. Minxcon undertook the classification of the gold Mineral Resources. The overall aim of the geostatistical modelling was to generate a block model, using the data supplied by Desert Gold/TransAfrika, and to classify the Mineral Resource.

For Barani East, 3D wireframes were constructed from drillhole information representing the mineralised zone in 3D space. The wireframes were filled with block models of various sizes. Sample lengths averaged ~ 1.0 m, and were composited to 1.0 m lengths for utilisation in grade estimation. Wireframes were generated for the northern section of the orebody, the southern section of the orebody and for the Saprolite. The wireframes defined the domains, namely the Northern Portion without Saprolite or ferricrete, Southern Portion with both saprolite and ferricrete and Saprolite.

Statistical analysis provided a basis for final data verification and was used to establish specific information on population distributions and checks for anomalous values. Spatial continuity illustrations (variograms) were constructed for gold. Simple Kriging methodologies were utilised for the evaluation of the mineralised zones, in the domains in accordance with the spacing and density of the data and Kriging efficiency.

Statistical Analysis

Statistics are performed to develop an understanding of the statistical characteristics and sample population distribution relationships. Descriptive statistics in the form of histograms (frequency distributions) and probability plots (evaluate the normality of the distribution of a variable) are thus used to develop an understanding of such statistical relationships. Skewness is a measure of the deviation of the distribution from symmetry (0 – no skewness). Kurtosis measures the "peakedness" of a distribution (0 – normal distribution). Table 6 details the descriptive statistics for each of the reefs estimated for the Project Area.

Table 6: Descriptive Statistics Prior to Top-Cutting

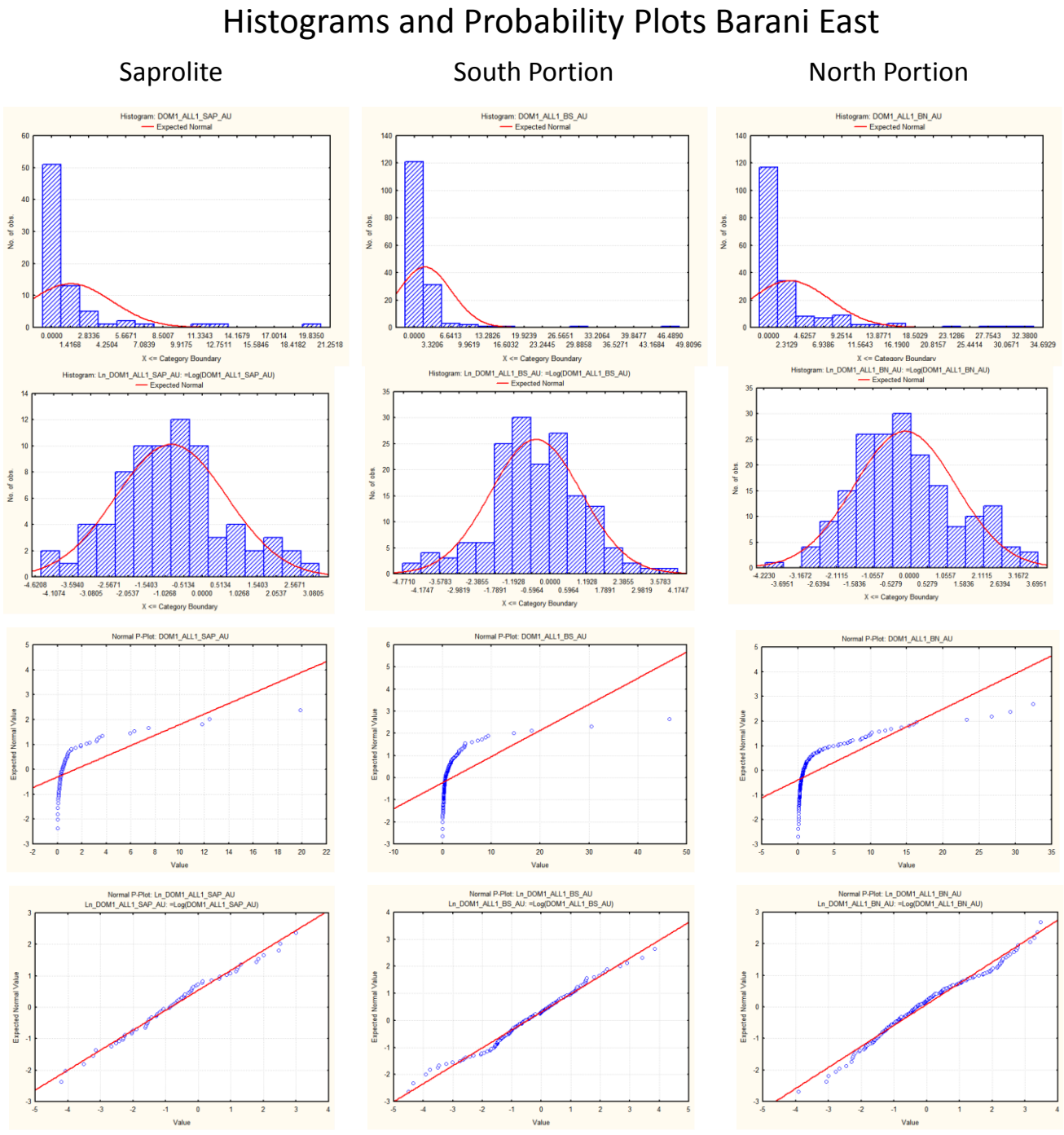
Reef	Parameter	Domain	Number of Records	Total Number of Samples	Minimum	Maximum	Average	Variance	Standard Deviation	CoV
BN	AU	1	186	186	0.02	32.4	2.688	25.23313	5.023259	1.869
BS	AU	1	161	161	0.011	46.5	1.884	23.16271	4.812765	2.554
SAP	AU	1	76	76	0.015	19.85	1.451	9.748498	3.122258	2.152

Table 7: Descriptive Statistics after Conducting Top-Cuts

Reef	Parameter	Domain	Number of Records	Total Number of Samples	Minimum	Maximum	Average	Variance	Standard Deviation	CoV
BN	AU	1	186	186	0.02	20	2.518	17.71157	4.208511	1.672
BS	AU	1	161	161	0.011	30	1.779	15.52152	3.939736	2.215
SAP	AU	1	76	76	0.015	14	1.374	7.36033	2.712993	1.975

Histograms were created to develop an understanding of the sample population distribution relationships. Probability plots were used to evaluate the normality of the distribution of the variables estimated.

Figure 31: Histograms and Probability Plots for Barani East



Top-Cutting Strategy

The statistical analysis facilitated the application of top-cut values for the variography and capping for the Kriging process. The top-cut and capping values were derived from review and calculation from the normal and log probability plots for each commodity. The top-cutting in the variography stage was intended to limit the excessive variances of the anomalously high grade from skewing the distribution away from the representative variance of the data distribution. Capping in the Kriging stage was intended to limit the zone of influence that the ultra-high grades have on the estimation of the surrounding areas. Top-cuts were applied to the raw data, as detailed in Table 7.

Co-Efficient of Variation

The Co-efficient of Variation ("CoV") is the ratio between the standard deviation and the mean and is a relative measure of dispersion in a data set. Typically, a CoV <1 indicates low variance within the data set. A low variance data set demonstrates that the population distribution reflects a relatively homogenous data set which is necessary for estimation purposes. The CoV for each reef at the individual Project Areas are detailed Table 6 and reflect that the data has low variance and is relatively homogenous for each reef at the different Project Areas.

Variography

Variograms are an essential tool for investigating the spatial relationships of samples. Variograms for gold grade were modelled. Anisotropy for gold in the reefs was investigated, although all the variograms are deemed best represented by anisotropic models. Planar variograms were calculated and modelled, with a z-axis search of 10 m being used. The planar variograms were conducted using top-cuts, determined from the probability plots. Table 8 summarises the modelled variogram parameters for the Barani Project Areas:-

Table 8: The Modelled Variogram Parameters for Barani East

Reef	Parameter	Parameter Domains	Range X	Range Y	Range Z	Nugget	Sill	Nugget:Sill
		Domains	m	m	m			%
BN	Gold Grade g/t	1	50	80	9	3.52	10.13	0.35
BS	Gold Grade g/t	1	83	125	9	1.23	3.96	0.31
SAP	Gold Grade g/t	1	73	103	9	0.87	2.92	0.30

Notes:

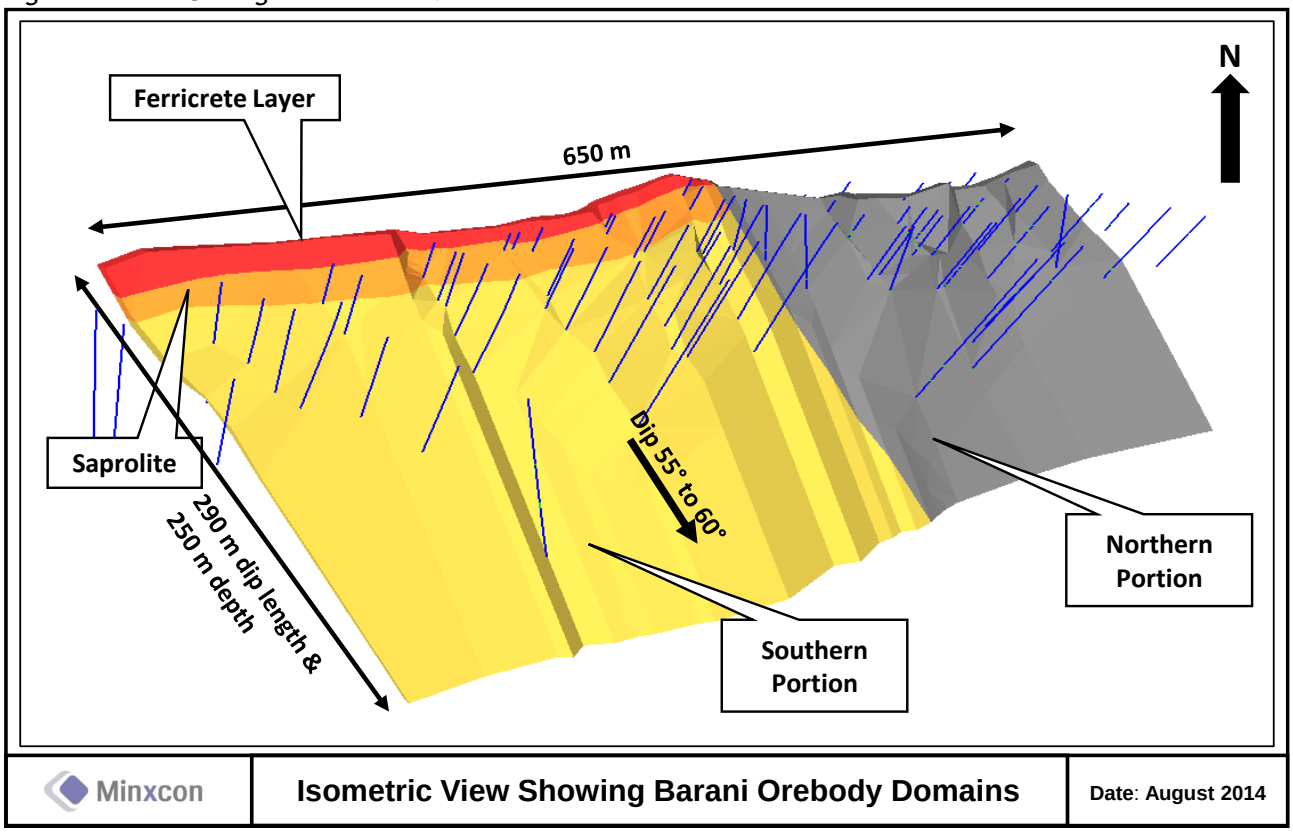
1. X = Range in X direction; and
2. Y = Range in Y direction.
3. N:S (%) = nugget: sill ratio expressed as a percentage

The modelling was undertaken on gold grade (g/t); the drillhole data was composited to 1 m. Modelling was carried out using Datamine Studio™ and Minesoft's geostatistical package, MT-ESTIMATION. Ordinary Kriging ("OK") and Simple Kriging ("SK") were conducted for the estimation of the element grades for each of the reefs; SK was used to compile the final estimation models. Kriging was undertaken as the accuracy and efficiency of the kriged estimates can be tested, unlike other conventional estimation techniques such as nearest neighbour which have limited verification parameters. It is Minxcon's opinion that Kriging will render more accurate and reliable estimates for the Project Areas. Modelling was conducted on the gold grades of for the Project Area. A combination of OK (for closely spaced data) and SK was used as preferred method as data density was relatively sparse in comparison to the large down-dip area to be estimated. Kriging was undertaken as the accuracy and efficiency of the kriged estimates can be tested, unlike other conventional estimation techniques such as nearest neighbour which have limited verification parameters. SK was used as preferred method due to the large areas covered in the domains in accordance with the spacing and density of the data.

Domaining Methodology

The domains were defined by geological wireframes, namely the Northern Portion without Saprolite or ferricrete, and the Southern Portion with both saprolite, and ferricrete and Saprolite.

Figure 32: The Geological Domains Modelled on Barani East



Volume/Tonnage Calculation

The SG of the material used in the estimation for the Ezulwini Project Areas was 1.80 t/m^3. Minxcon is of the opinion that this value may reasonably reflect the density of the ore material, based on core Elements Estimated measurements. The gold (g/t) for the reefs at each of the Project Areas was estimated for this exercise.

Estimation Techniques

OK and SK were carried out on all the reefs for each of the Project Areas. Kriging is deemed an unbiased linear estimation technique and relies on the variance relationships of spatial samples (the variogram). The Kriging weights in the OK equation are balanced by the Lagrange multiplier; in the case of SK the weights are balanced by the inclusion of a local or global mean of the population. Capping of anomalously high grade values can be applied to the assay values where necessary. The capping values were determined from the probability plots generated for each element for reef domain. The capping in the variography stage was to limit the excessive variances of the anomalously high grade from skewing the distribution away from the representative variance of the data distribution.

Search Parameters

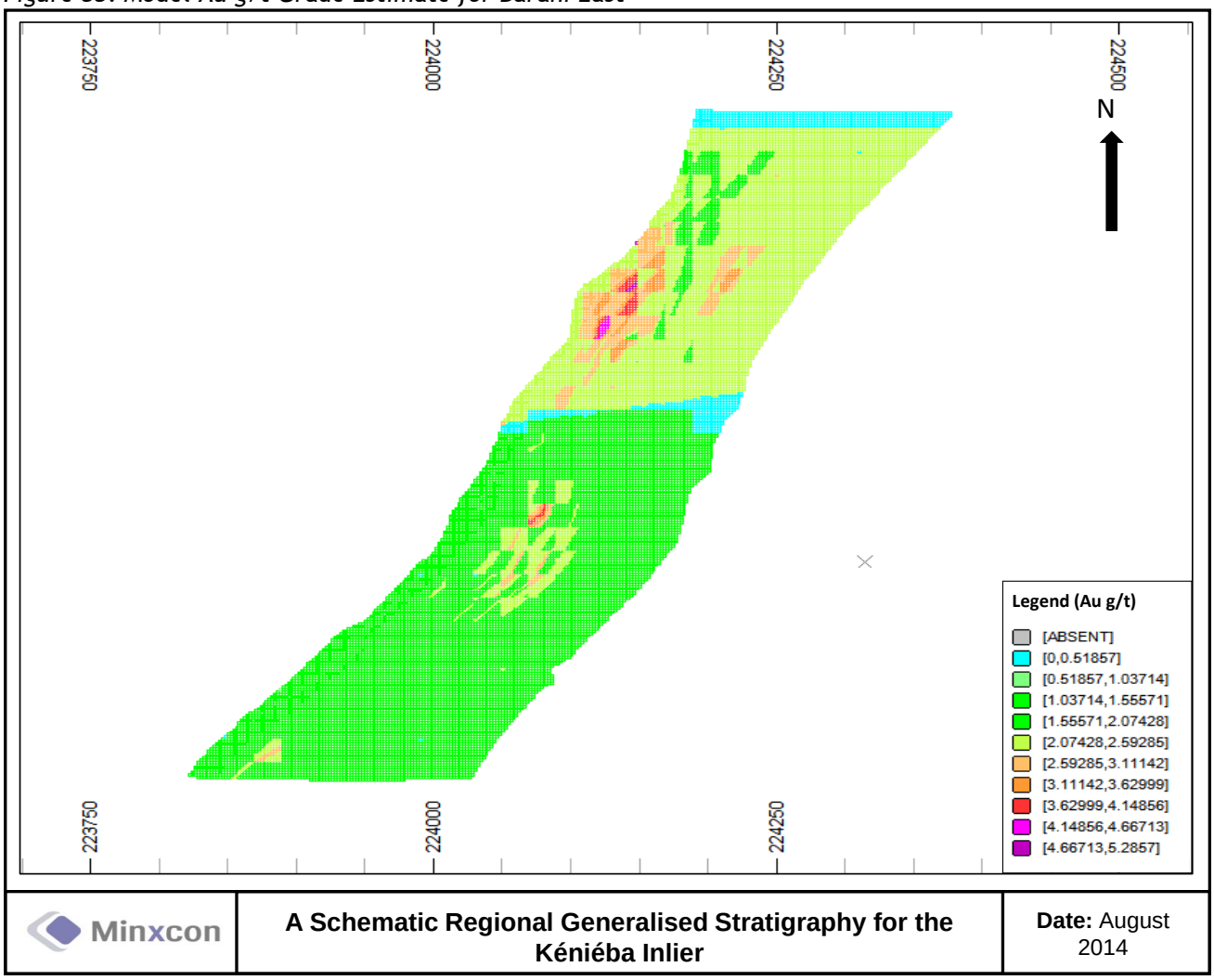
The following table summarises the search parameters used for the Kriging estimation of the reefs:-

Table 9: The Kriging Parameters

Parameter	BN, BS, SAP
Estimation Parameter	Metal grades - gold (g/t)
Sample Compositing	In general, 1.0 m sample 'composites' were used
Sub-celling	Sub-cells employed
Estimation	Parent cell estimation
Block Size	20 x 20 x 3
Interpolation Method	SK and OK

Minxcon utilised a 20 m x 20 m by 3 m parent block size for the Mineral Resource estimation. This was later sliced to a smaller cell size to fill the wireframe correctly. The estimated Mineral Resource Model may be viewed in Figure 33.

Figure 33: Model Au g/t Grade Estimate for Barani East



Basis of Mineral Resource Classification

The Mineral Resources were classified in accordance with the NI 43-101 Code. The Code allows for the reporting of all potentially economic mineralised material, which includes dams and tailings (remnant material), where there are reasonable prospects for eventual economic extraction.

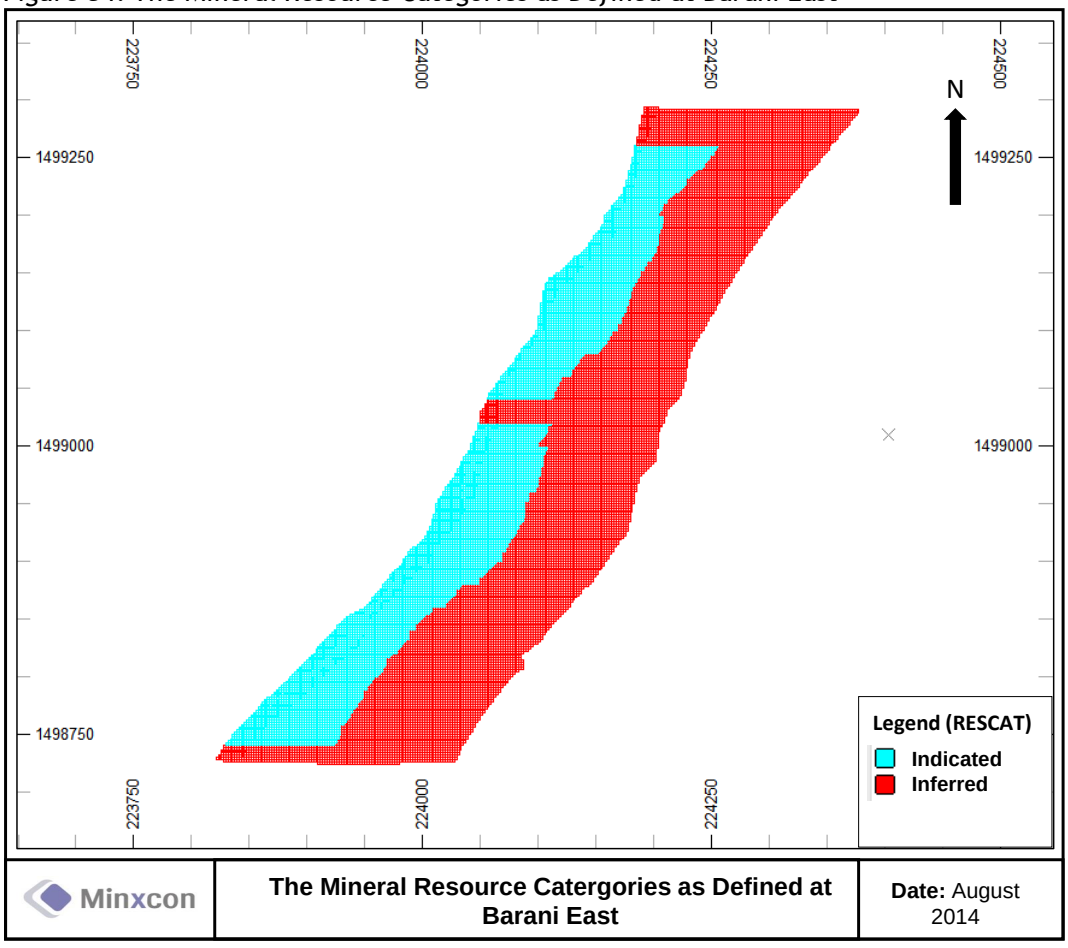
The Mineral Resource classification is a function of the confidence of the whole process from drilling, sampling, geological understanding and geostatistical relationships The following aspects or parameters were used for Mineral Resource classification:-

Table 10: Summary of Geostatistical Parameters Used for Mineral Resource Classification

Parameter	Mineral Resource Category		
	Measured	Indicated	Inferred
Sampling – (QA/QC)	High confidence, no problem areas	High confidence, some problem areas with low risk	Some aspects might be of medium to high risk
Number of samples used to estimate a specific block	At least 4 drillholes within variogram range and minimum of 20 1.5 m composited samples	At least 3 drillholes within variogram range and a minimum of twelve 1.5 m composite samples	Less than 3 drillholes within the variogram range
Kriged variance	This is a relative parameter and is only an indication and used in conjunction with the other parameters		
Distance to sample (variogram range)	Within at least 67 % of variogram range	Within variogram range	Further than variogram range
Lower confidence limit (blocks)	Less than 20% from mean (80% confidence)	20%–40% from mean (80%–60% confidence)	More than 40% (less than 60% confidence)
Kriging efficiency	More than 40%	20%–40%	Less than 20%
Deviation from lower 90% confidence limit (data distribution within Resource area considered for classification)	Less than 10% deviation from mean	10%–20%	More than 20%

Mineral Resources for the Project Area have been classified as Indicated and Inferred Mineral Resources.

Figure 34: The Mineral Resource Categories as Defined at Barani East



Mineral Resource Cut-Off

The Mineral Resource is stated at a cut-off of 0.5 g/t Au. The cut-off was determined using an optimistic gold commodity price, which is based upon forecasts envisaged to be achieved in the future. Optimistic operating costs, mining factors and processing factors were also applied, with the assumption that extra tonnage could possibly be sourced from surrounding areas and that disseminated mineralisation may occur in the waste rock. The following parameters were applied to compute the Mineral Resource cut-off value:

Table 11: Factors Utilised in the Mineral Resource Cut-Off Calculation.

Type	Description	Quantity	Unit	Comment
Resource	Density	1.8	t/m3	Attributed *in situ* density
Mining	Dilution	2%	%	Dilution attibuted to Open Pit mining
Mining	Mine Call Factor	100%	%	Mining is by means of Open Pit
Processing	Plant Recovery Factor	94%	%	Optimistic PRF from Laboratory Results
Cost	Mining - Unit cost	17.1	USD/t milled	Assumed 10% increase in volume from other areas (10% discount on OPEX)
Cost	Processing	7.2	USD/t treated	Assumed 10% increase in volume from other areas (10% discount on OPEX)
Cost	Overheads	2	USD/t milled	As per Operational Expenditure
Revenue	Metal price	1800	USD/oz	Assumed Optimistic Metal Price
Paylimit Calculation	Paylimit excl MCF & PRF& Dilution	0.45	g/t	Paylimit exclusive of MCF, PRF or Dilution
Paylimit Calculation	Paylimit excl PRF & Diution	0.45	g/t	Paylimit inclusive of MCF
Paylimit Calculation	Paylimit excl Dilution	0.48	g/t	Paylimit inclusive of MCF and PRF
Paylimit Calculation	Paylimit	0.49	g/t	Paylimit inclusive of MCF, PRF and Dilution
Paylimit Calculation	**Paylimit Rounded**	**0.50**	**g/t**	**Rounded-up Paylimit**

Detailed Mineral Resource Tables

The orebody within the Barani East Prospect ranges in width, from approximately 4.5 m to 15 m, with the thicker portion of the orebody found in the south. It strikes northeast to southwest, dipping toward the southeast at between 55° and 60°.The following tables summarise the Mineral Resources for Barani East as at August 2014, which were estimated by Minxcon Consulting. The Mineral Resources were calculated at various cut-off grades and are detailed in Table 12 and Table 13.

Table 12: The Indicated Mineral Resources for Barani East at various Mineral Resource Cut-off Grades as at August 2014

Cut-off	Tonnage	Ave Au Grade	Au Content	Au Ounces
g/t	t	g/t	Kg	Koz
0.0	788,560	1.82	1,437	46.21
0.5	**706,543**	**1.99**	**1,408**	**45.27**
1.0	514,038	2.46	1,264	40.62
1.5	354,140	3.01	1,066	34.27
2.0	243,398	3.59	874	28.10
2.5	169,445	4.18	709	22.79
3.0	119,994	4.78	574	18.44

Table 13: The Inferred Mineral Resources for Barani East at various Mineral Resource Cut-off Grades as at August 2014

Cut-off	Tonnage	Ave Au Grade	Au Content	Au Ounces
g/t	t	g/t	Kg	Koz
0.0	1,136,313	2.02	2,298	73.90
0.5	**1,060,590**	**2.15**	**2,276**	**73.17**
1.0	828,288	2.53	2,098	67.45
1.5	592,912	3.05	1,806	58.06
2.0	416,030	3.60	1,499	48.19
2.5	292,905	4.18	1,224	39.35
3.0	208,596	4.76	993	31.93

The official Minerals Resources for Barani East were stated at a 0.5 g/t cut-off by Minxcon during August 2014 down to a depth of 250 m.

Table 14: Minxcon's Mineral Resource for Barani East as at August 2014

Resource Category	Tonnage	Ave Au Grade	Au Content	Au Ounces
	t	g/t	Kg	Koz
Indicated	706,543	1.99	1,408	45.27
Total Indicated Resource	**706,543**	**1.99**	**1,408**	**45.27**
Inferred	1,060,590	2.15	2,276	73.17
Total Inferred Resource	**1,060,590**	**2.15**	**2,276**	**73.17**

Notes:

1. Gold content conversion: 1 kg = 32.15076 oz.
2. Columns may not add up due to rounding.
3. Cut-off: 0.5 g/t.
4. SG: 1.8 t/m^3.
5. All figures are in metric tonnes.

The Mineral Resource Classification for Barani East is based on drillhole spacing in conjunction with Kriging efficiencies. It is not clear where the historical 2004 declared Mineral Resource was located or exactly how it relates geographically to the current Resource Boundaries. In addition, TransAfrika discarded the estimate due to data integrity issues. For this reason, a reconciliation has not been conducted.

Item 14 (b) – Disclosure Requirements for Mineral Resources

All Mineral Resources have been categorised and reported in compliance with the definitions embodied in the CIM Definition Standards on Mineral Resources and Mineral Reserves adopted by the CIM Council (incorporated into NI 43-101) and the SAMREC Code. As per CIM and SAMREC Code specifications, Mineral Resources have been reported separately in the Measured, Indicated and Inferred categories. Inferred Mineral Resources have been reported separately and have not been incorporated with the Measured and Indicated Mineral Resources.

Item 14 (c) – Individual Grade of Metals

Mineral Resources for gold have been estimated for the Barani East Project, as detailed in Table 14. No other metals or minerals have been estimated for the Project.

Item 14 (d) – Factors Affecting Mineral Resource Estimates

No socio-economic, legal or political modifying factors have been taken into account in the estimation of Mineral Resources for the Barani East Project.

ITEM 15 – MINERAL RESERVE ESTIMATES

No Mineral Reserve has been stated for the Barani East Project. Refer to Item 16 (b) for an indication of the diluted Mineral Resources in the LoM plan. The Life of Mine Plan described within this Technical Report is based upon a Preliminary Economic Assessment conducted by Minxcon in August 2014. In order to declare a Mineral Reserve a Life of Mine Plan to a Pre-feasibility level of detail is required. A discounted cash flow ("DCF") Valuation, based upon the PEA has been included.

ITEM 16 – MINING METHODS

All information discussed within this section was obtained from the PEA.

The mining method that will be implemented at the Barani East Project is conventional open pit mining, using truck and excavator combinations.

It was assumed that all material will be free-dig. Therefore, drilling and blasting will be minimal and only drilling for the purpose of grade control and blasting of large boulders will be required. The drill rig will be used to drill holes with a 20 m x 5 m pattern over the extent of the orebody for the purpose of grade control. Material will be removed by excavators and loaded onto dump trucks, which will transport the material to designated areas.

All mining activities will be performed by a mining contractor and therefore all calculations and estimations are from a contractor's point of view. All mining activities will be conducted during the day only. During the Pre-Feasibility Study a two or three-shift cycle operation will be considered.

Item 16 (a) – PARAMETERS RELEVANT TO MINE DESIGN

No geotechnical, rock engineering or hydrological studies have been completed for Barani East. The mine design criteria are based on assumptions and benchmarking from similar mining operations.

Mine Design Criteria

The purpose of mine design criteria ("MDC") is to list the various design inputs that will be used in the pit designs. These design criteria were used in correlation with Gemcom Surpac™ and Mineshed™ to complete final schedules and designs for the pits on the Barani East Project.

The first phase of the mine planning cycle requires an economic open pit optimisation to be conducted and this was completed in July 2014 using the NPV Scheduler software as described in the previous section of this Report. The next phase in the cycle is conducted in the general mine planning program Gemcom Surpac™ and involves the design of the final and interim stage pits.

The objective of the pit design process is to transform the final optimal shells to design a practical, workable pit which necessitates the inclusion of practical operational design parameters such as ramp layouts, benches, slope angles and berm configurations.

These practical pit designs form a critical input for the scheduling process. All criteria used in these designs are shown in the document which was derived using inputs from internal discussions, suppliers' recommendations, equipment strategy philosophy and benchmarking from previous similar projects completed by Minxcon.

The primary factors that were considered in the mine design and the mining method are as follows:-

- The dipping characteristics of the orebody;
- The stripping ratio;
- High grade areas;
- Mining cost increases with depth, which affects the economic depth of pits;
- Type and capabilities of equipment available from the equipment manufacturers;
- Space available for overburden placement; and
- Financial optimisation of the Project.

Pit Slope Designs

At this stage no geotechnical test work has been completed for the Barani East Project Area. Preliminary pit slope designs were benchmarked from other open pit operations for design purposes. Because of the mining area selected, Minxcon is of the opinion that benchmarking is sufficient for the purpose of this Project and study. Extension into the other pits and increasing mining in the current pit selected will require proper geotechnical test work and kinematic analysis. The overall slope angles selected for the Project are detailed in Table 15.

Table 15: Summary of Overall Pit Slopes

Description	Unit	Value
Face Angle (Batter Angle)	Degrees	74
Berm Width	m	3.5
Bench Height	m	5
Overall Slope Angle	Degrees	45

Pit Access

Access into the pits for mining activities will be through ramps. World best practices suggest a gradient of 10%. Since the study is still at a conceptual level, ramps were not included in the designs, but provision was made for them by flattening the overall pit angles which relates to angles and ramps.

Bench Height Selection

Bench height selections were based on the equipment chosen for the Project. The excavator that was matched with the dump trucks for the Project has a reach of 7 m. For this reason, a bench height of 5 m was chosen.

Waste Dump Designs

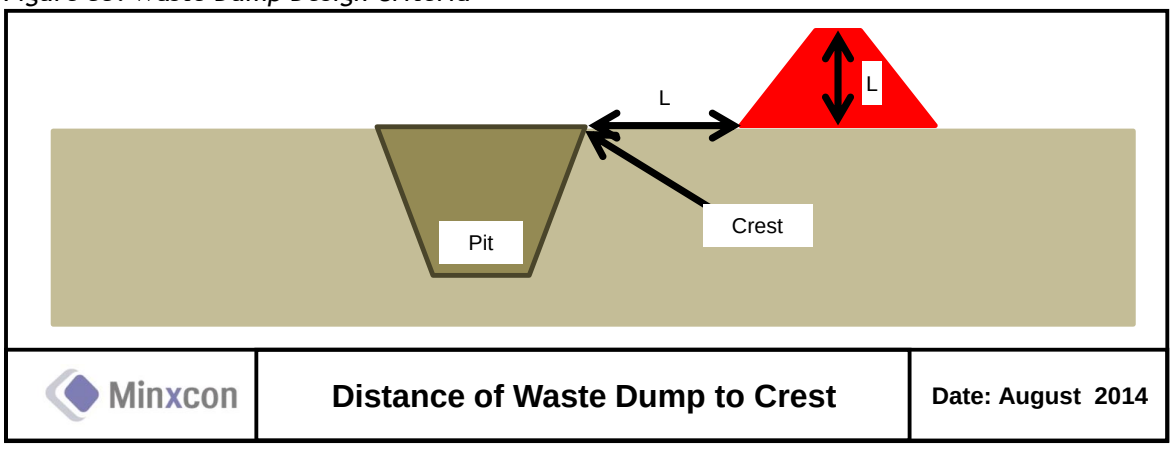
The design criteria used are detailed in Table 16.

Table 16: Waste Dump Design Criteria

Description	Unit	Value
Slope Angle (Based on the angle of repose)	Degrees	35
Overall Angle	Degrees	25-28
Lift Heights (Bench Heights)	m	5
Distance from Toe of Dump to Crest of Pit	m	Height of Dump

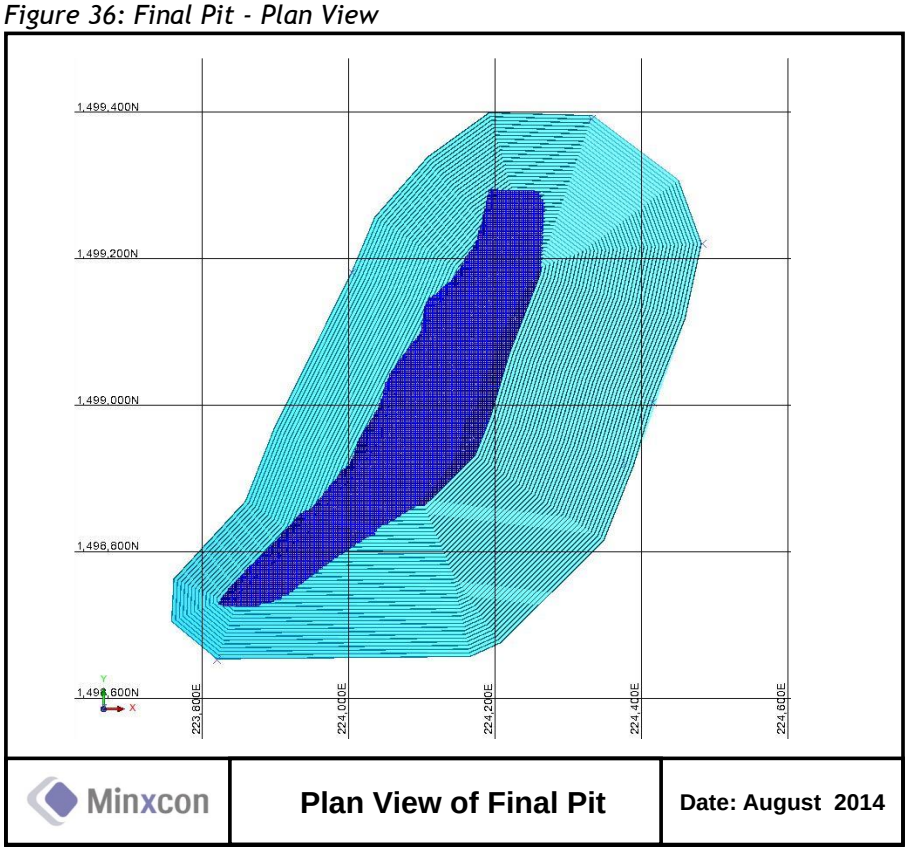
The distance the dumps should be from the crest of the pit at any time during the Project is based on a ratio of 1:1: waste dump height to distance to pit crest. This is illustrated in Figure 35.

Figure 35: Waste Dump Design Criteria



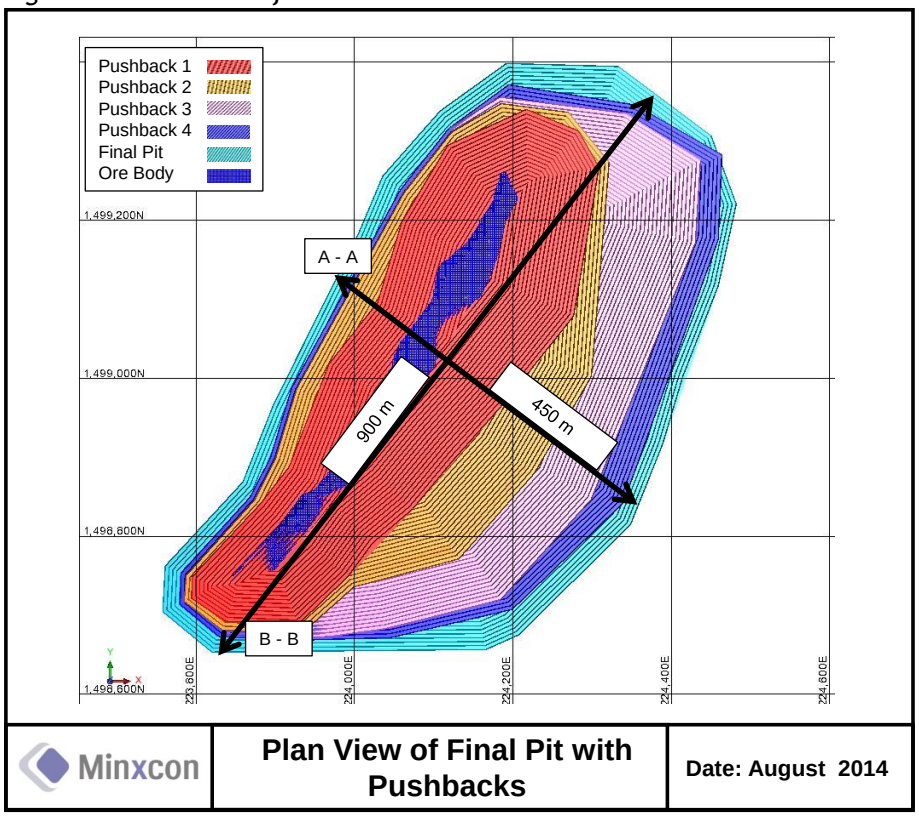
Illustrated in this Section are the final pit and pushback designs for the Barani Project. Pushbacks are used to reach the required mill throughput rate of 40 ktpm. The final pit is illustrated in Figure 36.

Figure 36: Final Pit - Plan View



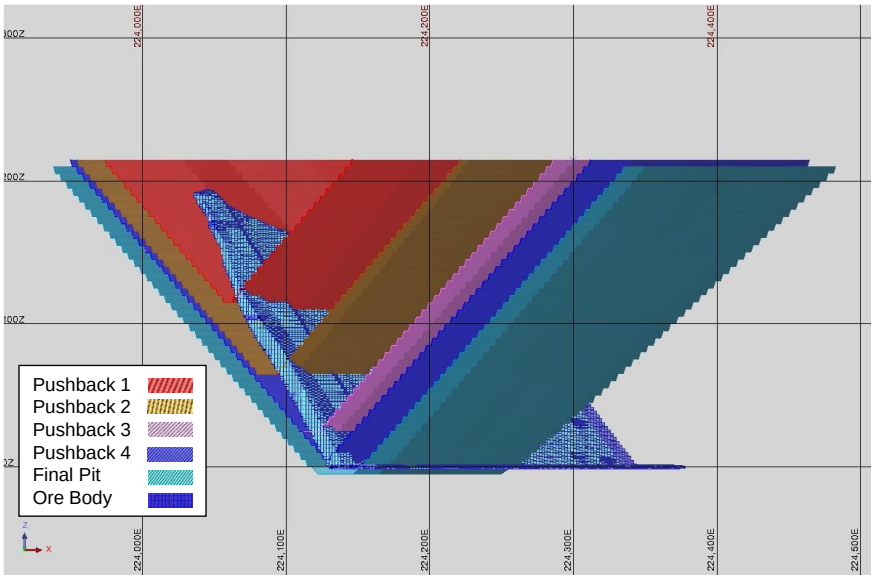
Illustrated in Figure 37 are the pushback pits in relation to the final pit design. These pushbacks were required to achieve the Project strategy of feeding the plant at 40 ktpm. The pushbacks also enhance the production profile schedule and make the mining sequence realistic.

Figure 37: Plan View of Final Pit with Pushbacks



Illustrated in Figure 38 is a section view of the pushback and final pits. From the figure it is evident that pushback 1,2,3,4 and the final pit has a depth of 100 m, 140 m,190 m, 200 m and 215 m respectively.

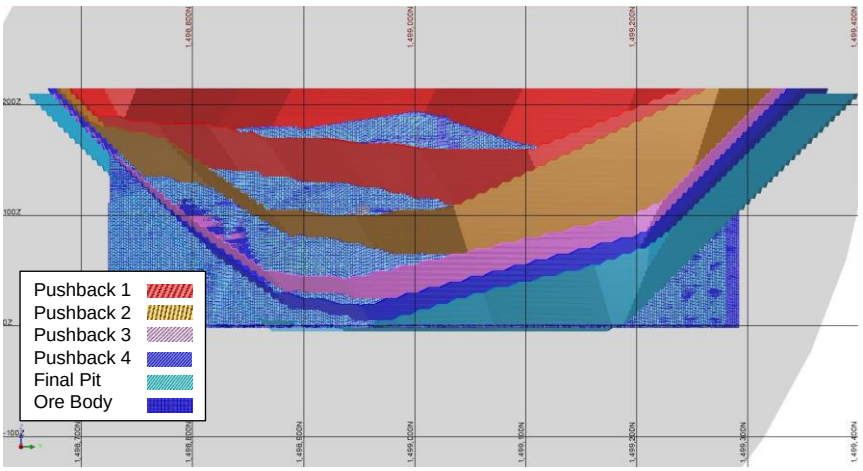
Figure 38: Section View A - A



Minxcon	Section View A-A of Final Pit with Pushbacks	Date: August 2014

Section view B – B is illustrated in Figure 39 illustrating the pushbacks in relation to the final pit. This figure illustrates that the orebody is mined to the deepest extent. It also illustrates the extent of the orebody mined and the reminder of the orebody.

Figure 39: Section View B - B



Minxcon	Section View B-B of Final Pit with Pushbacks	Date: August 2014

Grade Control Drilling

The assumption was made that no production drilling would be required for the Barani Project. This was based on the bases that the relative density of the pit material is 1,8 t/m^3. The only drilling required for the Barani Project would be for grade control purposes. It is difficult to differentiate between ore and

waste and therefore a decision was made to do grade control drilling. Grade control drilling is planned on a 5 m by 20 m pattern to determine the location of the orebody.

Item 16 (b) – Production Rates, Expected Mine Life, Mining Unit Dimensions, and Mining Dilution

Production Scheduling Strategy

The scheduling strategy was focused on the anticipated plant throughput rate of 40,000 ore tpm.

The following series of factors was considered for the scheduling strategy:-

- A higher ore production then the required ore mill throughput;
- Generate a stockpile sufficient to feed the plant during periods of pushback pit waste stripping;
- A constant waste stripping ratio as far as possible, but within acceptable risk towards achieving the required mill throughput rate;
- A constant mining production rate to reduce mining cost fluctuation; and
- Implementing practical mining parameters in the scheduling proses;

Production would commence by mining more ore than required by the plant. This is made possible through creating practical pushback. An ore stockpile is created which is sufficient to feed the plant during periods of waste stripping. This is done to eliminate capital waste mining in the early stages which influences the peak capital funding. The aim was to mine at a constant production rate, which will reduce the fluctuation in mining cost. Practical mining parameters were implemented during scheduling; this included the amount of active benches at any given time and that the bottom of the pit could not be mined before there was access to these areas. This was incorporated to create a realistic mining schedule which could be achieved in real life.

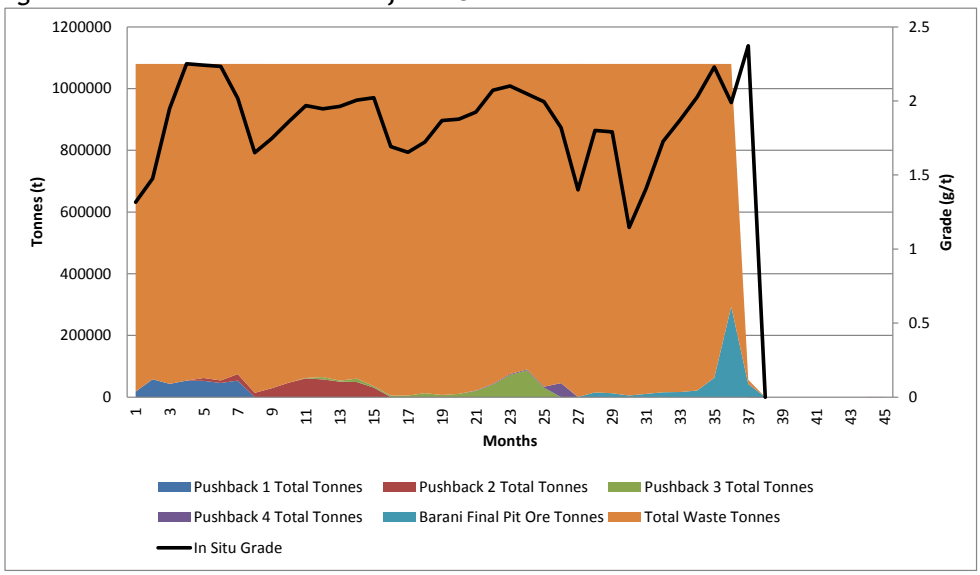
Scheduling Assumptions and Parameters

For the development of the production schedules, Gemcom Mineshed™ mine scheduling software was used as the primary scheduling tool. This tool is characterised by its use of generic algorithms to generate a range of feasible schedules over a number of generations. Only the best schedules are selected as the basis for the subsequent generations, allowing the process to propagate towards an optimal or best fit solution to achieve the desired objectives. In the case of this Project, it was 1,08 Mtpm which includes ore and waste mining.

Production Schedules

Illustrated in Figure 40 is the production schedule for the Barani East Project. The ore production from the different pushback pits and final production pit is also evident from the figure. The tonnage profile illustrated is undiluted.

Figure 40: Barani Production Profile - Undiluted



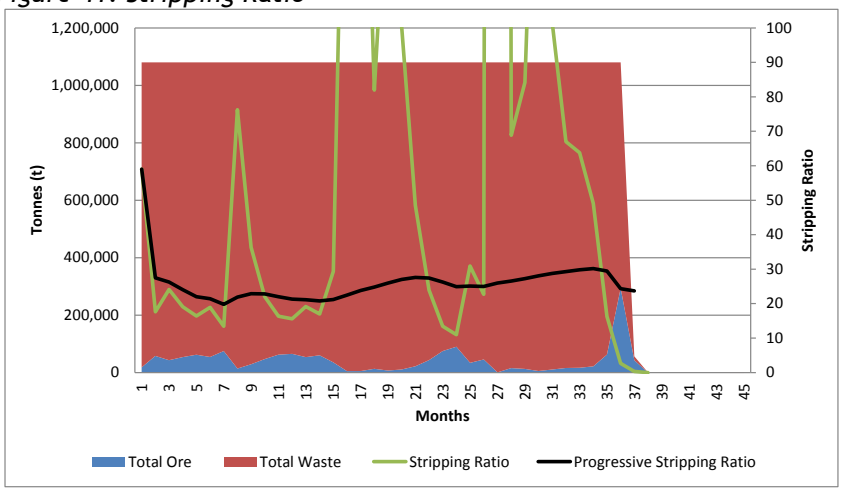
A summary of the total *in situ* production for the Project is detailed in Table 17.

Table 17: Mined Production Summary - Undiluted

Description	Unit	Final Designed Pit
Total Ore Mined	Mt	1.58
Total Waste Mined	Mt	37.36
Total Tonnes Mined	Mt	38.94
Stripping Ratio	t : t	23.67
Average Grade Mined	g/t	1.98
Total Content Mined	Kg	3,129
Total Content Mined	oz.	100,609

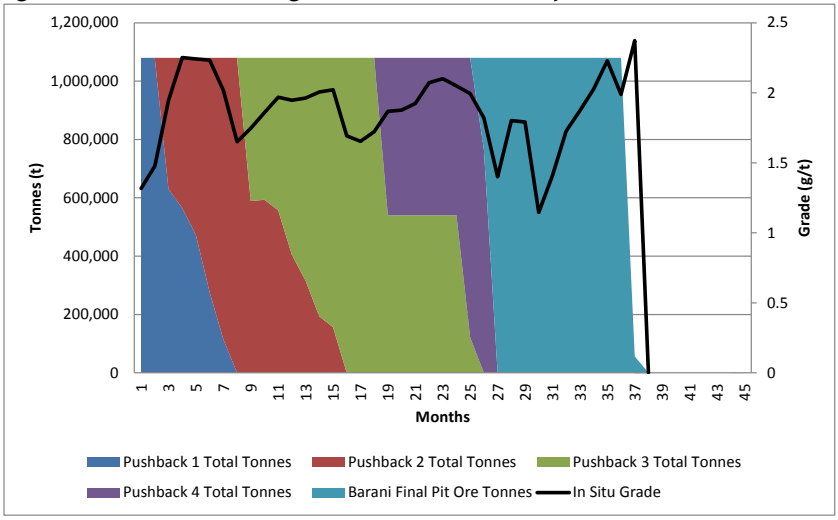
Figure 41 illustrates the stripping ratio over the life of the Project. The figure illustrates that a progressive stripping ratio of approximately 23 is maintained throughout the Project. A constant production rate is also maintained throughout the life of the Project.

Figure 41: Stripping Ratio



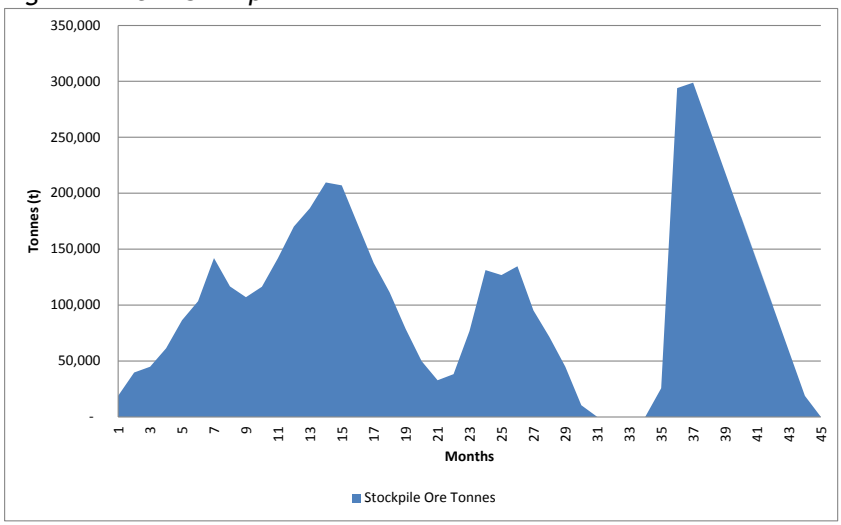
The spikes in the month-to-month stripping ratio can be explained by the waste mined during pushback phases. The integration between the different pushbacks are illustrated in Figure 42.

Figure 42: Pushback Integrated Production Profile



During the high stripping ratio phases the ore stockpile will be utilised to feed the plant. Figure 43 illustrates the stockpile balance throughout the Life of the Barani East Project. The stockpile has sufficient ore during high waste stripping phases except for month 31 to 34. During these months the stockpile is depleted and the total ore mined is sent to the plant.

Figure 43: Ore Stockpile Balance



Resources in LoM Plan

It must be noted that the resources and reserves in this section is potential as the resource and reserves are not compliant to any code at this stage of the Project.

Modifying Factors

Detailed in Table 18 is a summary of the modifying factors which were applied to convert the *in situ* Mineral Resources in the LoM plan to diluted Mineral Resources which is delivered to the RoM stockpile.

Table 18: Modifying Factors

Factors	Unit	Value
Dilution	%	5%
Ore Loss	%	3%
MCF	%	100%

Ore Losses

The factor applied for ore losses includes all ore that is mixed with the waste during mining processes and ends up on the waste rock dump. A factor of 3% will be applied, which is equivalent to the factors applied on similar operations.

Dilution

Dilution implies that a certain amount of waste is mixed with the ore during the mining process and ends up in the primary crusher. This portion effectively increases the RoM tonnage, but, as the waste material contains no grade or low grade material, it decreases the overall grade. The dilution factor applied for the Barani East Project is 5% and includes waste trammed as ore and also unforeseen waste from highwalls. This factor was benchmarked from a number of other open pit operations similar to this Project.

Mine Call Factor

An MCF of 100% was applied, thus assuming no unaccounted metal loss.

In Situ Mineral Resources in LoM Production

Table 19 details a summary of the total Mineral Resources depleted throughout the life of the Project. It must be noted that no Reserves were declared in this Report.

Table 19: Summary of Resources used in the LoM Plan

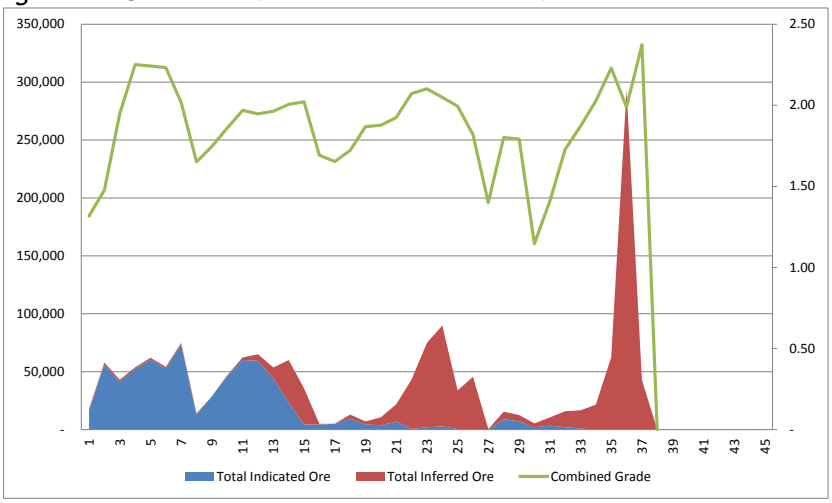
Resource Category	Tonnage	Ave Au Grade	Au Content	Au Ounces
	t	g/t	Kg	Koz
Indicated	697,728	1.96	1,369	44.00
Total Indicated	**697,728**	**1.96**	**1,369**	**44.00**
Inferred	880,535	2.00	1,761	56.61
Total Inferred	**880,535**	**2.00**	**1,761**	**56.61**

Notes:

1. Gold content conversion: 1 kg = 32.15076 oz.
2. Columns may not add up due to rounding.
3. Cut-off: 0 g/t.
4. SG: 1.8 t/m³.
5. All figures are in metric tonnes.
6. Mineral Resources are stated Inclusive of potential Mineral Reserves.

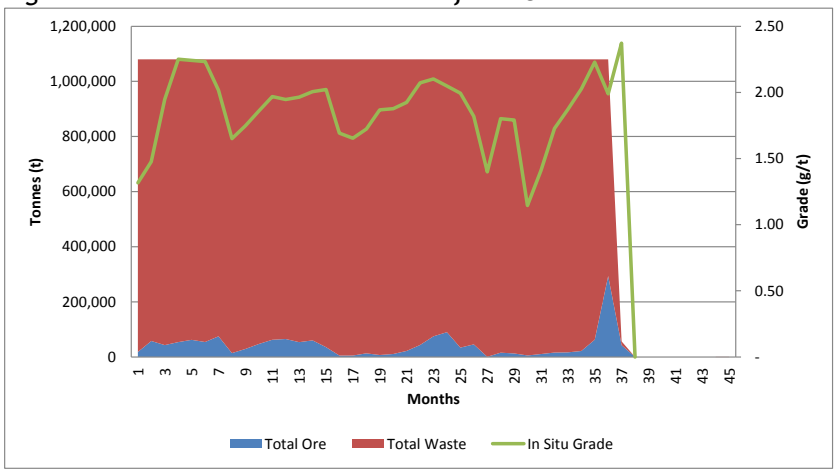
Figure 44 illustrates the production of Indicated and Inferred Mineral Resources in the LoM plan.

Figure 44: Undiluted Mineral Resources in LoM



Illustrated in Figure 45 is the total production (1,08 Mt) profile targeted for the Barani East Project.

Figure 45: Barani East Production Profile - Undiluted



A summary of the total production is detailed in Table 20.

Table 20: In Situ Undiluted Resources in LoM Plan

Description	Unit	Final Designed Pit
Total Ore Mined	Mt	1.58
Total Waste Mined	Mt	37.36
Total Tonnes Mined	Mt	38.94
Stripping Ratio	t : t	23.67
Average Grade Mined	g/t	1.98
Total Content Mined	Kg	3,129
Total Content Mined	oz.	100,609

Diluted LoM Production

The diluted LoM production for the Barani East Project is detailed in Table 21. Indicated Mineral Resources and Inferred Mineral Resources have been diluted with the modifying factors to determine the delivered Mineral Resources to the RoM stockpile in the Lom Plan.

Table 21: Diluted Mineral Resources in LoM Plan

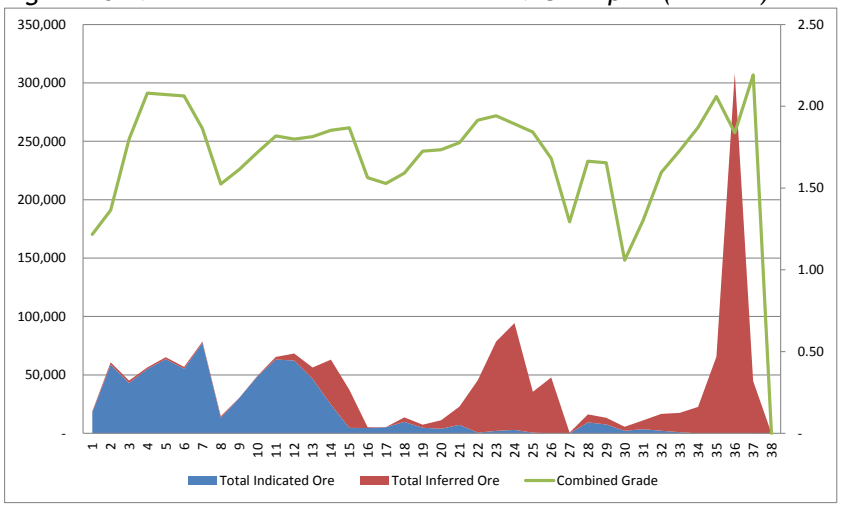
Resource Category	Tonnage	Ave Au Grade	Au Content	Au Ounces
	t	g/t	Kg	Koz
Indicated	732,614	1.81	1,328	42.68
Total Indicated	**732,614**	**1.81**	**1,328**	**42.68**
Inferred	924,562	1.85	1,708	54.91
Total Inferred	**924,562**	**1.85**	**1,708**	**54.91**

Notes:

1. Gold content conversion: 1 kg = 32.15076 oz.
2. Block Call Factor = 100%.
3. Dilution = 5%.
4. Ore losses = 3%.
5. Columns may not add up due to rounding.

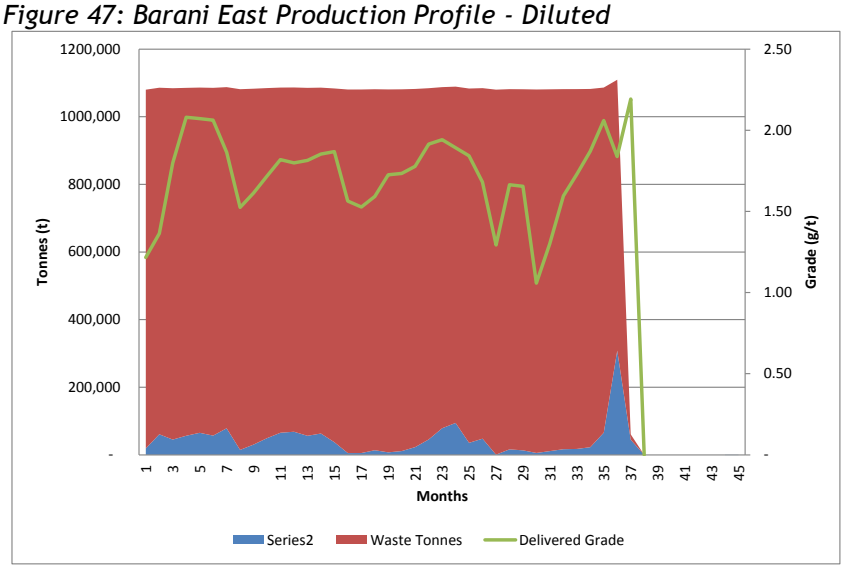
Figure 46 illustrates the production of the Indicated and Inferred Mineral Resources delivered to the RoM stockpile.

Figure 46: Mineral Resources Deliver to RoM Stockpile (Diluted) in LoM Plan



Illustrated in Figure 47 is the total diluted production profile after applying the modifying factors. These are the tonnes delivered to the RoM stockpile from where the plant is fed.

Figure 47: Barani East Production Profile - Diluted



A summary of the total diluted production is detailed in Table 22. These are the tonnes delivered to the RoM stockpile from where the plant is fed.

Table 22: Diluted Resources in LoM Plan Delivered to the Plant

Description	Unit	Designed Pit
Total Ore Mined	Mt	1.66
Total Waste Mined	Mt	37.43
Total Tonnes Mined	Mt	39.09
Stripping Ratio	t : t	22.59
Average Grade Mined	Au g/t	1.83
Total Content Mined	Au kg	3,035
Total Content Mined	Au oz.	97,590

The reserves are non-compliant because a pre-feasibility level of study is required to state any Mineral Reserves.

Item 16 (c) – Requirements for Stripping, Underground Development and Backfilling

Barani East is a surface operation and therefore no underground development and backfilling will be required. Stripping of the Barani East pits was not separated from the total production and forms part of the total production profile as illustrated in Item 16 (b).

Item 16 (d) – Required Mining Fleet and Machinery

In order to determine the optimal mining fleet for the Barani East Project, the following factors were assessed:-

- mining cycle times;
- capital costs;
- life cycle maintenance costs;
- all other relevant operating costs; and
- economic equipment life.

It is important to note that the fleet selected for the Project does not prejudice the final fleet selection as part of the formal equipment decision process and final selection will depend on the contractor's fleet requirements to perform all duties required. The owners' team will be supported by a team of contractors that cover all mining, which includes but is not limited to:-

- site establishment;
- repair and maintenance of the mining production fleet;
- manufacturing of explosives and blasting service;
- tyre management and repair;
- establishment and maintenance of a dust-allaying product on haul roads; and
- grade control drilling.

The equipment fleet summary, based on first principals, is detailed in Table 23. This is the kind of equipment that the contractor will utilise for the Project (other equipment and manufacturers might, however, be considered by the contractor carrying out the mining contract).

Table 23: Equipment Fleet Summary

Description	Info	Number Required
Excavator	Liebherr HX500E/R954C	4
ADT	Bell B50 6x6	19
Grader	Bell JD770G Moto Grader	1
Dozer	Bell JD850J	1
Drill rig	Atlas Copco - ROC F6 Drill rig	1
Front End Loader	Cat 980H	1
Water truck	730 WT - Articulated water truck, 18,000l	1

Maintenance of the mining fleet will be carried out by the original equipment manufacturer under the maintenance and repairs contract ("MARC") or by the mining contractor.

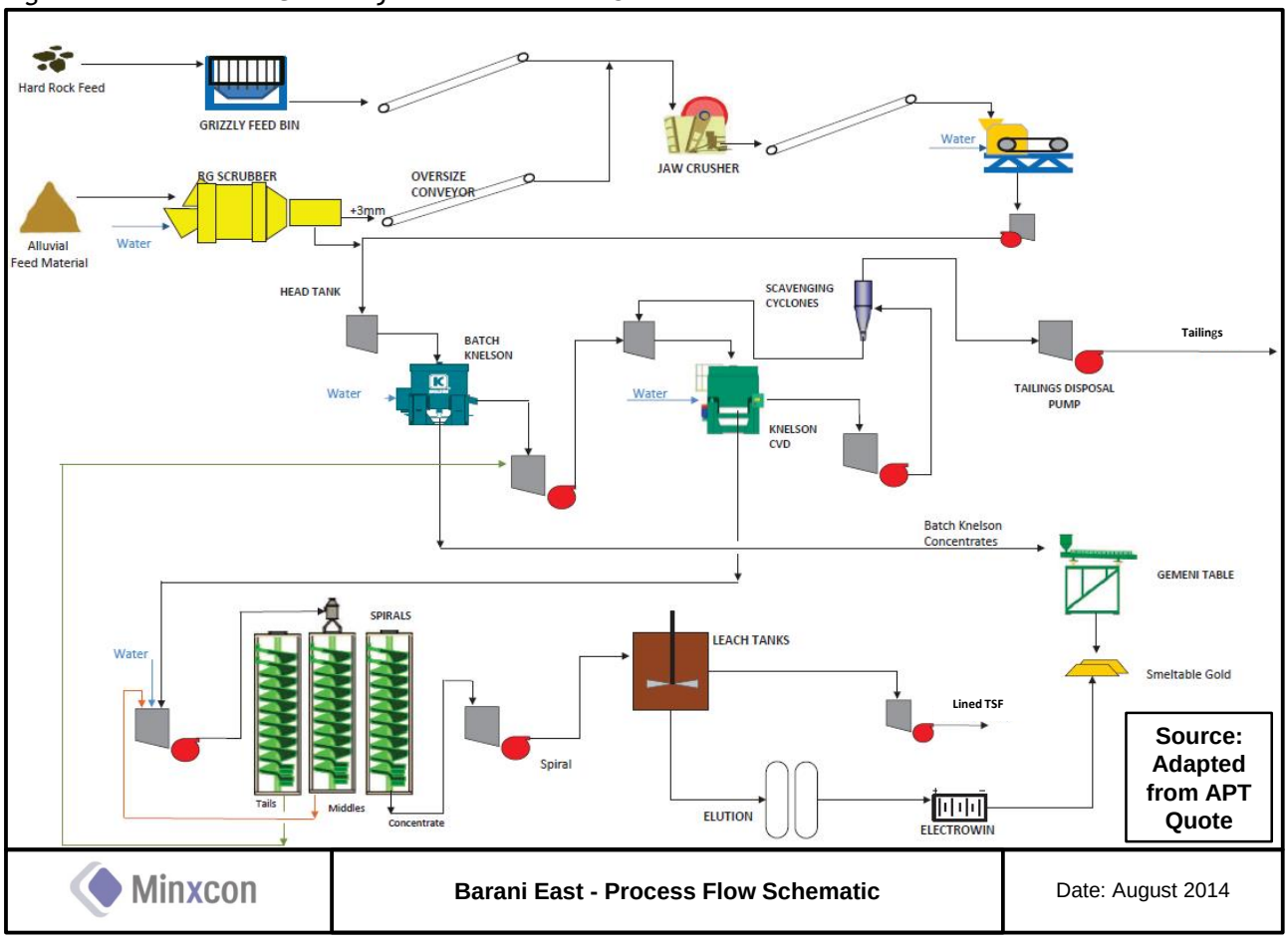
ITEM 17 – RECOVERY METHODS

Item 17 (a) – Flow Sheets and Process Recovery Methods

A conceptual process design has been completed; the plant will recover gold by means of gravity concentration and cyanide leaching. The proposed plant consists of the following circuits/sections (as per Figure 48):-

- scrubbing of RoM material;
- scrubber oversize will be crushed in a jaw and fines crushing circuit;
- the scrubber undersize will be processed in a semi-batch Knelson concentrator;
- semi-batch tails is processed further in a CVD Knelson and spirals concentration circuit;
- the concentrate is leached in a high-intensity leaching circuit;
- CVD tails is combined with high-intensity leach tails in a tails thickener prior to being deposited on the tailings dam;
- carbon will be eluted in an elution circuit; and
- eluted carbon will be regenerated in a kiln and reused in the circuit.

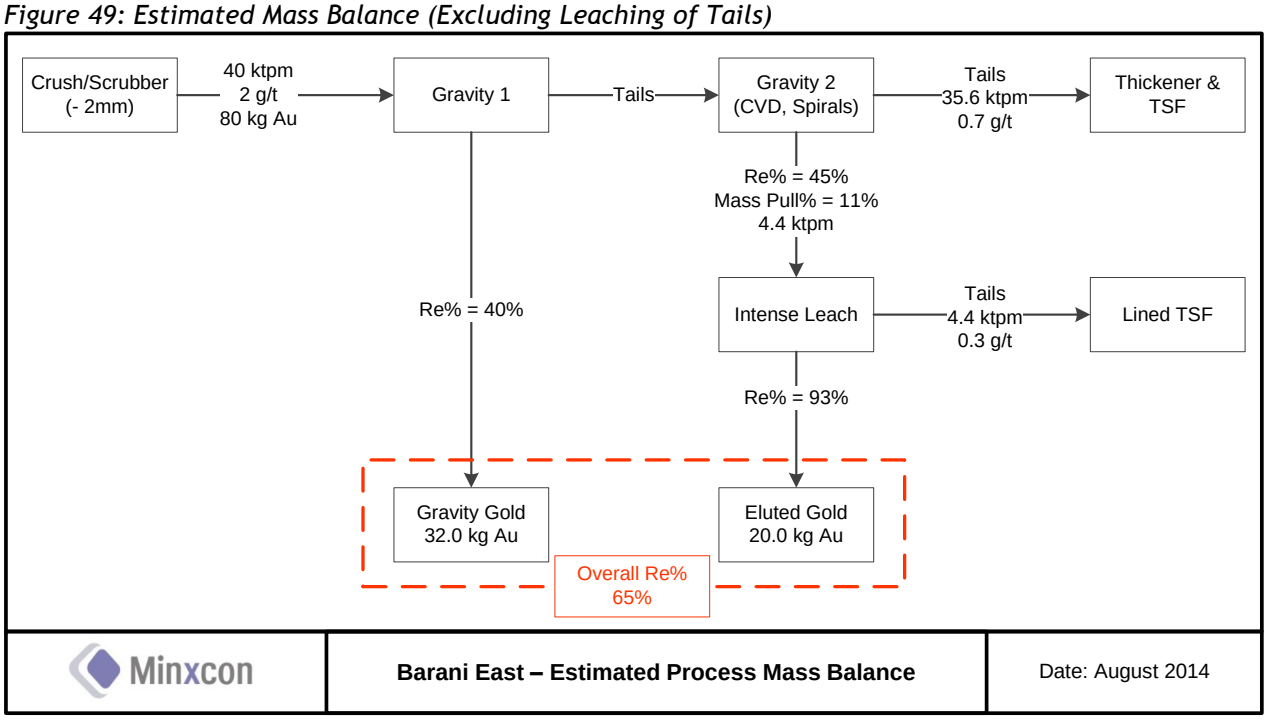
Figure 48: Barani East Gold Project - Process Flow Schematic



Item 17 (b) – Projected Production Efficiencies Relating to Recoverability of Valuable Metals

The mass balance as shown Figure 49 gives an indication of the expected production performance.

Figure 49: Estimated Mass Balance (Excluding Leaching of Tails)



It is estimated that an overall recovery of 65% is achievable, producing about 52 kg of gold from the RoM feed at an average head grade of 2 g/t.

Item 17 (c) – Plant Design and Equipment Characteristics

Proposed Processing Plant Design

A plant with a capacity of 40 kptm was identified during preliminary pit optimisations and high level financial valuations. It is envisaged that the plant will be a 24-hour operation. It is estimated that at a utilisation of 90%, the plant will operate for 594 hours per month. Appropriate Processing Technology Pty (Ltd) ("APT"), Randburg, recommended a process flow methodology and plant design. The proposed plant is in line with the Peacocke Simpson test work and should achieve the expected recoveries. The plant flow schematic is shown in Figure 48.

The plant will be situated adjacent to the open pit mine. RoM material will be delivered to the plant and fed into a RG800 scrubber at a rate of 65 to 70 tonnes per hour ("tph"). A front-end loader has been included under the mining vehicles for feeding the plant. The scrubber will break apart agglomerated RoM material. The oversize (+2 mm) material will be conveyed to a crushing circuit.

The crushing circuit will consist of a JC 300 jaw crusher and two RD150 impact fines crushers. The circuit has a capacity of 40 tph. In order to reduce maintenance costs, the impact fines crusher will only be used when necessary. The crushed product will be either recycled to the scrubber or to the semi-batch circuit as shown in Figure 48. Based on discussions with the client, it is estimated that only about 10% of the RoM will consist of oversize (+2 mm) material. The crushers should only be required to operate during the day, thereby reducing the labour requirements.

Scrubber undersize material (-2 mm) will be treated in a semi-batch Knelson concentrator (KC-QS 40) to produce a gravity concentrate which will be further upgraded though a Gemini shaking table. It is expected that recoveries of about 40% will be achieved by the KC-QS 40. The semi-batch process tails will be pumped and treated in a KC-CVD42 Knelson. The CVD will produce a high grade concentrate which can be further upgraded in the spirals. The concentrate is then treated further through a high-intensity leaching circuit. The carbon-in-leach ("CIL") circuit consists of APTs tri-tank 300 with a total volume of 300 m^3 which gives an overall retention time of about 24 hours. Spiral tails is recycled back to the CVD

Knelson. CVD tails is pumped through a cyclone with the overflow combined with the tri-tank tails and pumped to the tailings storage facility ("TSF"). Carbon, lime and cyanide will be added to the circuit. Loaded carbon will be eluted in a 1 tonne elution plant. The elution plant consists of two 500 kg capacity circuits and electrowinning cells. A gold concentrate of about 75% to 85% gold will be produced.

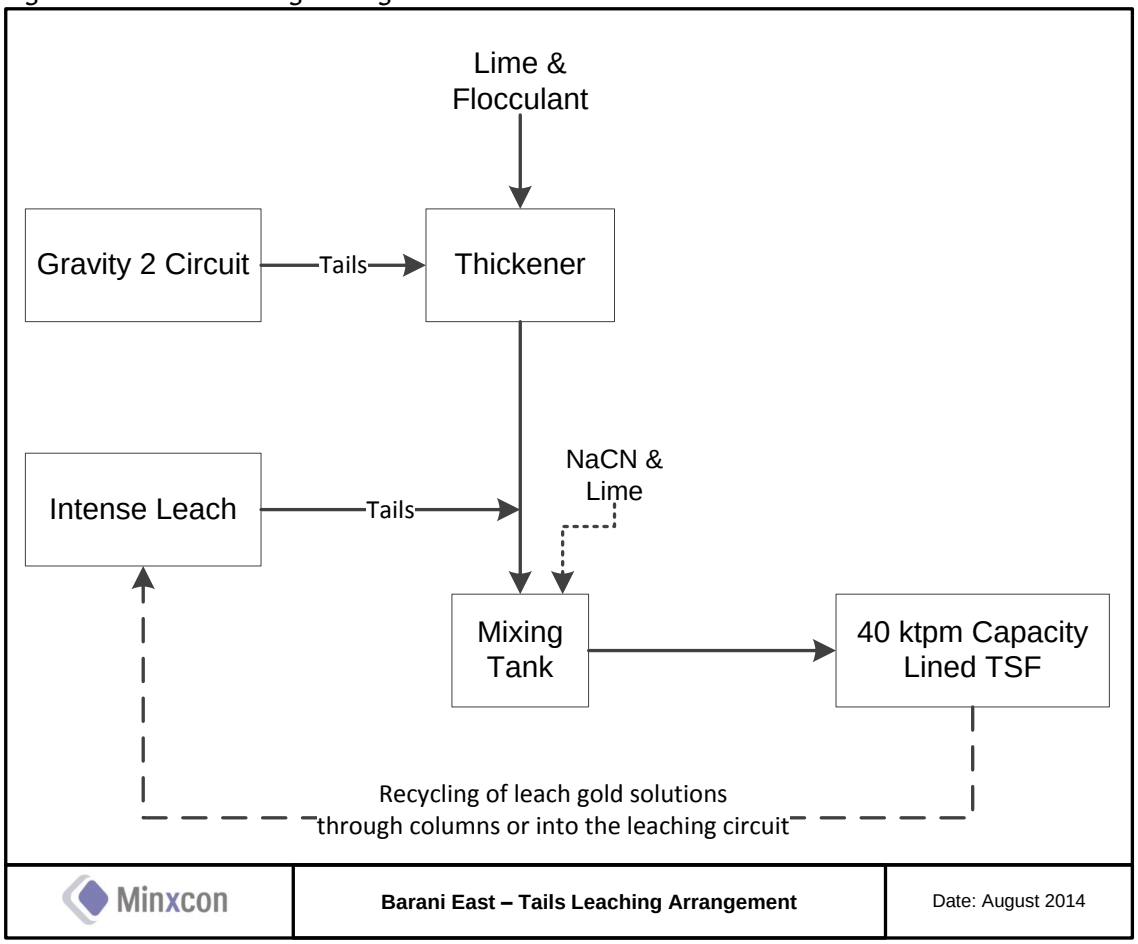
The inclusion of a carbon regeneration circuit is recommended. The cost of fresh carbon every 1 or 2 elution cycles due to loss of activity would outweigh the capital costs for a small regeneration circuit. The simplified regeneration circuit would consist of a screen to remove any fine carbon and header tank to control feed into the kiln. The regenerated carbon will be collected and reused in the CIL circuit. A tails thickener will be included to thicken the CVD Knelson and spiral tails in order to aid in the recovery of cyanide-free water for re-use in the plant. The thickener underflow will be pumped to an unlined TSF. The high-intensity leach circuit tails will be pumped to a separate TSF that will be lined due to possibly high cyanide concentrations.

Further Processing Opportunities

There are opportunities to improve gold recovery by leaching the TSF feed material. The residual cyanide in the tank tails would be combined with the CVD Knelson and spiral tails thereby exposing the gold to cyanide leaching. The solution can then be recycled back into the leaching circuit while the excess will be pumped through carbon columns for gold recovery. The tails arrangement would then be as follows:-

- the CVD Knelson and spiral (gravity 2 circuit) tails will be thickened;
- thickener underflow will be combined with the high-intensity leach tails in a mixing tank;
- cyanide and lime will be added to aid leaching;
- the tails will then be pumped to a lined TSF where further leaching will take place; and
- the solution can then be pumped through carbon columns or into the tri-tanks to recover the gold.

Figure 50: Tails Leaching Arrangement



Normal leaching of the CVD tails (Peacocke Simpson test work) resulted in recoveries of 55%. Since the proposed tails leaching scenario would mimic a normal leaching process, it is expected that a maximum recovery of 55% could theoretically be achieved. However, it is expected that recoveries in the range of about 30% could be achieved as not all of the solution and/or slurry will be pumped back from the TSF. The implications of this strategy are as follows:-

- additional gold recovery;
- increased operating costs for additional reagents;
- increased capital for carbon columns; and
- environmental risks with the deposition of tails containing high concentrations of cyanide; cyanide destruction will be required.

Labour Requirements

It is expected that the plant will have the following labour requirements:-

Table 24: Processing Labour Compliment

Job Type	Number Per Shift	Shifts	Total
Management and Admin			**2**
Senior Metallurgist	1	1	1
Admin/Cost Clerk	1	1	1
Production			**23**
Shift Foreman	1	3	3
Operator Scrubber	1	3	3
Operator Crushers	1	1	1
Operator Batch Gravity	1	3	3
Operator CVD Gravity	1	3	3
Operator Spirals	1	3	3
Operator Leach	1	3	3
Operator Tails	1	3	3
Chemist/Chief Smelter	1	1	1
Engineering			**6**
Electrician	1	1	1
Fitter	1	1	1
Junior Fitter	1	1	1
Boiler Maker	1	1	1
Junior Boiler Maker	1	1	1
Rigger	1	1	1
Total			**31**

The shift cycle will consist of two 12-hour shifts with a relief. Management and engineering personnel will be on day shift only. It is estimated that a total compliment of 31 persons is required to operate the plant. All plant labour is considered fixed costs.

Item 17 (d) – Projected Requirements for Reagents, Water and Power

Reagents

The following consumptions were estimated for the major cost reagents:-

Table 25: Major-Cost Reagent Consumptions

Reagent	Consumption
	kg/t
Flocculant	0.03
Lime	10.00
Cyanide	5.00
Carbon	0.08

Energy Requirements

A total equipment installed capacity of about 700 kW has been estimated. Electricity will be provided by an 800 kVA diesel power generator.

Water Requirements

Water will be sourced from the nearby Falémé River. The river runs along the border between Senegal and Mali to the South and West of the Project Area. It is estimated that a 14 km pipeline will be required to provide raw water for use in the plant. If the water is of sufficient quality then it can be used as potable water. Additional potable water will be sourced from boreholes.

Mines in the surrounding area (such as Sadiola Gold Mine) also source their water from rivers. It is, therefore, expected that Barani East should not have a problem securing a water license. Furthermore, the water line could service the local communities with raw water for farming and potable water for household use. If a tails thickener is used then it is expected that the plant would require about 0.8 m^3/RoM t. Without a thickener, water requirements may be closer to 1.4 m^3/RoM t.

General Maintenance and Stores Items

General maintenance and stores items will be sourced locally or shipped via Dakar and/or Bamako.

ITEM 18 – PROJECT INFRASTRUCTURE

Item 18 (a) – MINE LAYOUT AND OPERATIONS

No detailed schematic for the mine layout or operations have been done at this stage of the Barani East Project. This will be addressed in detail in later studies.

Item 18 (b) – INFRASTRUCTURE

ROADS

The nearest paved road is the Trans-Sahel Highway which runs from Dakar, Senegal, to N'Djamena, Chad, via Kayes and Bamako in Mali. In Mali, the road is tarred and generally in a good condition. Access to the Farabantourou permit is via an unpaved road which runs parallel to the Senegal border from Kayes to the town of Kéniéba. This road may become impassable in the rainy season due to flooding and deterioration of the road surface.

POWER SUPPLY AND ELECTRIC DISTRIBUTION

No electricity services are available in or around the permit area. Power will be provided by diesel power generators.

WATER SUPPLY

No water services are available in or around the permit area. Raw water and potable water will be sourced from the nearby Falémé River. Additional potable water will be sourced from boreholes. These will also serve the local communities in the area.

FLOOD PROTECTION

Year round access to the Farabantourou permit is possible as there are no rivers or streams on or near the property that are subject to major flooding during the rainy season. Therefore, it is expected that flood protection will not be required.

COMPRESSED AIR

Plant air will be provided by compressors.

CONCENTRATORS

The proposed processing plant (as per Item 17) will be situated adjacent to the open pit mine.

TAILINGS DAMS

A lined tailings storage facility will be required since there may be high concentrations of cyanide in the high-intensity leach tails. Capital costs for a TSF have been included.

MINE EQUIPMENT, SUPPLIES AND STORAGE

The plant and mine will share a storage facility.

WORKSHOPS

The plant and mine will share a mechanical and electrical workshop.

Item 18 (c) – SERVICES

ENGINEERING MAINTENANCE

Maintenance of the mining fleet will be carried out by the original equipment manufacturer under the maintenance and repairs contract (“MARC”) or by the mining contractor.

SAFETY AND SECURITY

Allowance has been made to fence off the mining and plant areas and access control facilities will be provided. Access control will be manned both night and day. There will be a permanent guard at the Kéniéba compound.

FIRE PROTECTION AND SECURITY

Fire protection measures have been applied in the form of fire extinguishers located throughout the mining and plant areas.

COMMUNICATIONS

Cellular communication in the area is possible via the local network and personnel on site will make use of walkie-talkies to communicate.

EMERGENCY FACILITIES

In the case of an emergency, personnel will be evacuated to the nearest medical facility located in either Kayes or Kéniéba. Serious medical emergencies would require evacuation to Europe or South Africa. Basic first aid kits will be available on site and first aid training will be given to key personnel.

LABOUR REQUIREMENTS

For the purpose of the PEA it was assumed that local labour will be utilised as much as possible (plant labour is detailed in Item 17 (c)). As a result, no provision for accommodation and mess facilities has been made. It may be that local labour skills are inadequate, which may require that key positions be filled by experienced personal (probably expats). Additional costs will be required for this. This decision will be reviewed during the Pre-Feasibility Study phase. It was assumed that the plant will be owner-operated. A total plant labour contingent of 31 people was estimated. A maximum of 17 persons will be onsite at the plant per shift. This excludes contractor personnel such as security. The estimated labour contingent required to perform all activities related to the mining operations is detailed in Table 26. All mining activities will be contractor-based. Mining will be conducted during the day only. During the Pre-Feasibility Study a two or three-shift cycle operation will be considered.

Table 26: Mining Labour Compliment

Job Type	Quantity	Fixed/Variable Cost
Mining	**46**	
Mining Manager/Engineer	1	Fixed
Finance & Administrator	1	Fixed
Drill & Blast Foreman	1	Fixed
Load & Haul Foreman	1	Fixed
Miner - Blaster	1	Fixed
Haul Truck Operator	19	Variable
Water Truck Operator	2	Variable
Drill Rig Operator	1	Variable
Drill Rig Assistant	2	Variable
Excavator Operator	4	Variable
Excavator Assistant (Loading)	8	Variable
Dozer Operator	1	Variable
Grader Operator	1	Variable
FEL Operator	3	Variable
Engineering	**8**	
Mechanical Foreman	1	Fixed
Electrician	1	Fixed
Fitter/Boilermaker	1	Fixed
Stores: Stores & Warehouse	1	Fixed
Pump Attendants	3	Fixed
Change house/Offices Cleaners	1	Fixed
Technical Services	**7**	
Grade Control Geologist	1	Fixed
Grade Control Geologist (Assistants)	1	Fixed
Surveyor	1	Fixed
Surveyor Assistants	2	Fixed
Resource Geologist	1	Fixed
HR Officer	1	Fixed
SHEC	**1**	
Security Manager/Supervisor	1	Fixed
Total	**62**	

A total labour force of 62 persons will be required to perform all mining activities. This includes management, engineering, mining and all services related to mining. Costs for general security personnel have been included under the plant costs as a security contractor cost.

TRAINING

Plant and mining personnel with sufficient experience and expertise will be hired. Therefore, minimal training will be required.

ITEM 19 – MARKET STUDIES AND CONTRACTS

Item 19 (a) – Market Studies and Commodity Market Assessment

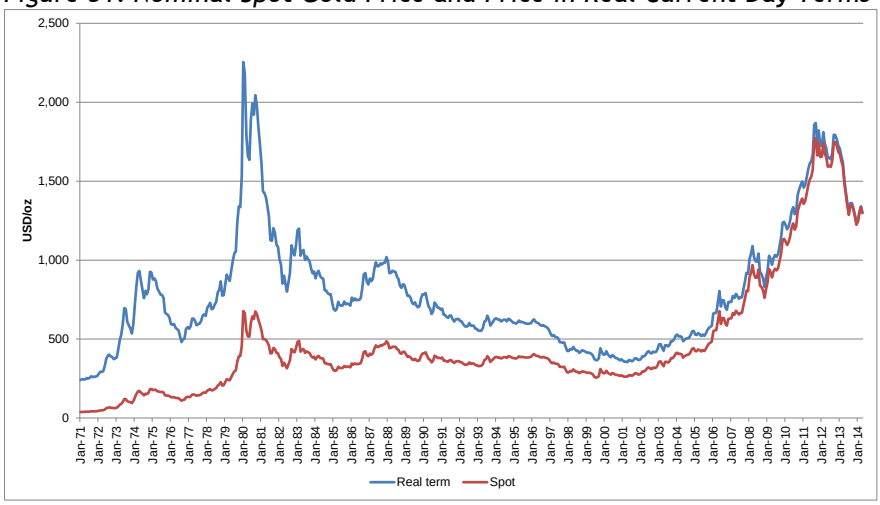
The Market Studies were compiled by the Qualified Person, in compliance with the definitions and guidelines for the reporting of Exploration Information, Mineral Resources and Mineral Reserves in Canada, "the CIM Standards on Mineral Resources and Reserves – Definitions and Guidelines" and in accordance with the Rules and Policies of the National Instrument 43-101 – Standards of Disclosure for Mineral Projects, Form 43-101F1 and Companion Policy 43-101CP.

Gold Market

Gold has seen two major rallies over the past two centuries. From 1833 to 1933, gold prices were constant at around USD20 per ounce. From 1934 to 1967, gold prices increased to USD35 per ounce after President Roosevelt fixed the gold price in 1934; the gold price remained stable until 1967 when it was freed. Gold was traded in the market from 1967 and the price increased with rapid fluctuations from then on.

Two significant price jumps occurred in the historical trend of the gold price. The first was in early January 1980, when gold prices reached USD850/oz., but it plunged significantly in the following year. The second historical jump in price started in 2001. This increase is substantially more firmly based and less volatile than the first. Shown in real current-day terms, the price rise in the 1980s was more significant, reaching, when measured in today's terms, over USD2,000/oz.

Figure 51: Nominal Spot Gold Price and Price in Real Current Day Terms



The global gold market has attracted a lot of attention since 2001. During the 2013 calendar year the market observed an end to the twelve-year Bull Run in gold prices and thus far 2014 is shaping up to be a year of consolidation for gold with the price drivers continuing to adjust from concerns over the health and stability of the global financial system.

Gold mining companies need to know where to next. The first section of this paper reviews the world gold market. This is followed by an investigation into the relationship between the gold price and other key influencing variables, such as inflation and currency fluctuation.

There are several factors contributing to short-term and long-term gold price escalations. In the short-term there are two main reasons why gold prices dramatically increase:-

- Firstly, in a period where global financial markets are unstable and the global economy is in recession, investors are less trusting of financial markets as reliable investments and look at alternative investment avenues that act a bulwark against any downturn. The gold market one of

such alternatives operates as a type of insurance against extreme movements in the value of traditional assets during unstable financial markets.

- Secondly, the devaluation of the US dollar versus other currencies, and international inflation with high oil prices are reasons why big companies use gold as a hedge against fluctuations in the US dollar.

In the long-term, there are three major reasons for increasing gold prices.

- Firstly, mine production, increased mining costs, decreased exploration and difficulties in finding new deposits.
- Secondly, institutional and retail investment has rational expectations when markets are uncertain. They therefore keep gold in their investment portfolios as it is more liquid or marketable in unstable financial markets.
- Thirdly, investing in gold is becoming easier via gold Exchange Traded Funds ("ETFs") compared to other finance markets. Gold ETFs have stimulated the demand side of gold because it has become as easy to trade as it is to trade any stock or share

GOLD RESOURCES

According to Natural Resource Holdings ("NRH") (2013), the total gold Resources (inclusive of Proved and Probable Reserves, Measured, Indicated and Inferred Resources) that are owned by 312 entities including public, private and government backed companies approximated 3.72 billion *in situ* ounces ("Boz.") in 2013. The average grade of all the deposits was estimated at 1.01 g/t gold.

The database comprises 580 mines and deposits which consist of over one million ounces of *in situ* resources in all categories. Of these 580 used, 199 are producing mines at an average grade of 1.18 g/t while the remaining 381 are undeveloped deposits at an average grade of 0.89 g/t. The average grade differs significantly (33%) between producing and undeveloped deposits. This has important implications on future gold production, and at a gold price reaching low levels many of these projects will simply not be economically feasible. While North America displays the largest amount of contained gold, Africa continues to be home to some of the highest grade (and highest risk) projects on the planet (Table 27).

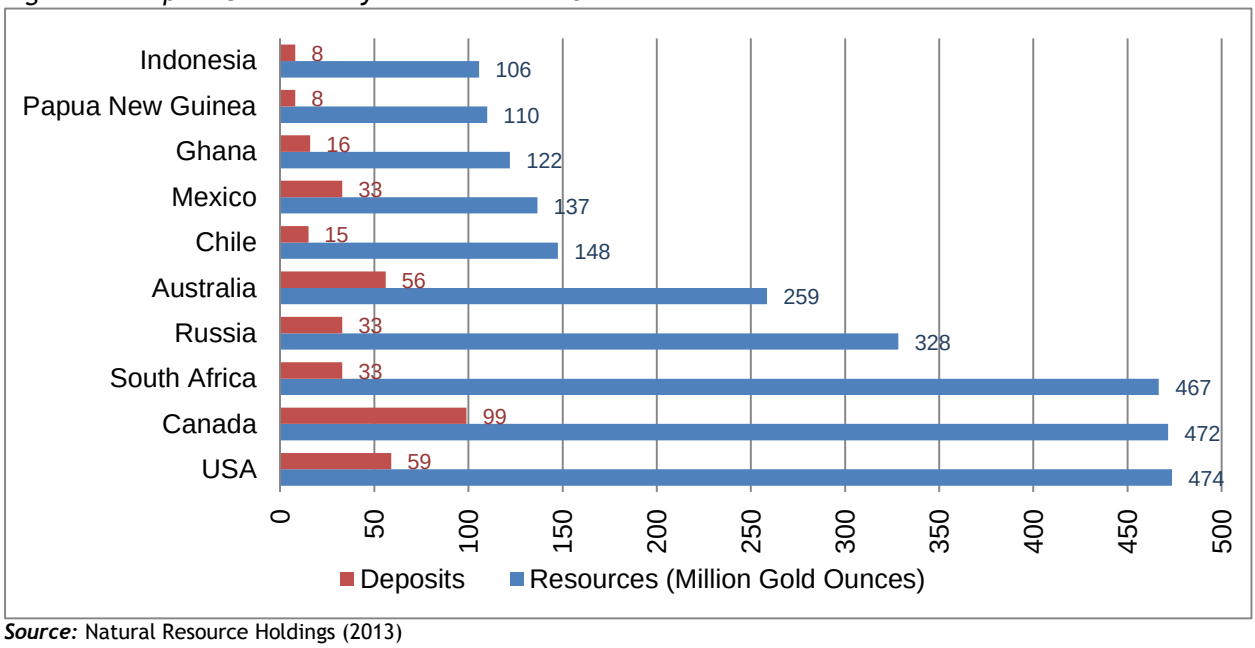
Table 27: Geographical Gold Deposits

Continent	Resources Moz.	Number of Deposits	Average Grade g/t
North America	1,131	199	0.71
Africa	842	109	2.87
Asia	717	87	1.11
South America	543	90	0.83
Australasia	381	68	0.98
Europe	104	27	1.00
World total	**3,717**	**580**	**1.01**

***Source*:** Natural Resource Holdings (2013)

The most resource ounces are held by the 10 countries displayed in Figure 52.

Figure 52: Top 10 Countries by Total Resource Ounces



Source: Natural Resource Holdings (2013)

GOLD RESERVES

The global gold reserves are dominated by Australia, South Africa and Russia. Ghana moved up four places from 2013 and increased gold reserves by 400 million tonnes during 2013.

Table 28: Country Listing of Gold Reserves

	Reserves (Mt)
Australia	9,900
South Africa	6,000
Russia	5,000
Chile	3,900
United States	3,000
Indonesia	3,000
Brazil	2,400
Ghana	2,000
Peru	1,900
China	1,900
Uzbekistan	1,700
Mexico	1,400
Papua New Guinea	1,200
Canada	920
Other countries	10,000
World total (rounded)	**54,220**

Source: US Geological Survey, Mineral Commodity Summaries 2014, February 2014

GOLD SUPPLY

- Global gold mine production has grown at a Compounded Annual Growth rate ("CAGR") of only 1.12% per annum over the past 17 years, mainly due to significant declines in the South African industry. Production however accelerated to 2.11% per annum during the last 10 years following the rise in the gold price and
- In turn recycling which has grown by a steady 4.52% per annum over the 17 years from only 631 tonnes in 1997 to 1,280 in 2013.
- Producer de-hedging was estimated at 48 tonnes for 2013, leaving the outstanding delta-adjusted hedge book at just 73 tonnes.
- Globally the average total cash increased by 4% in 2013, to USD767/oz. as producers made efforts to contain costs. Total production cost was USD989/oz.
- Excluding write downs (Extraordinary costs), all-in costs averaged USD1,206/oz. These two figures give a sense of short terms and long terms support levels.

MINE PRODUCTION

It was estimated that global mine supply increased by 161 tonnes during 2013; 6% higher than 2012. With difficult current economic conditions, the increase in production is a result of a combination of factors.

- A large number of operations have reported higher year-on-year production over the last couple of quarters. In some cases it reflects a return towards "normal" levels of output following periods of low production due to political issues, geotechnical problems and mine sequencing.
- Supply from new operations has made an important contribution towards the increase in global production.
- Major producers focused on reducing non-essential capital expenditure, and more generally moved away from expansions and acquisitions as seen previously.

Figure 53: Gold Supply

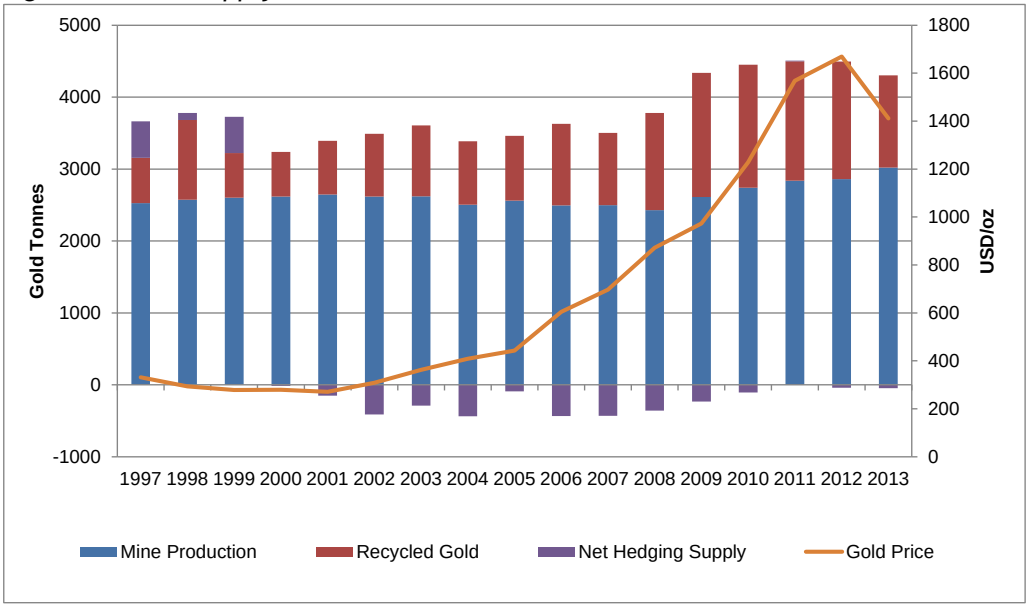


Table 29 displays the top 20 gold mining countries for the years 2012 to 2013. China is now by far the biggest producer followed by Australia and Russia while Mali has moved down to occupy the 16th position.

Table 29: Top 20 Gold Mining Countries

	Mine Production (t)		Change %
Country	**2012**	**2013**	**y-o-y**
China	413.1	438.2	6%
Australia	251.4	266.1	6%
Russia	230.1	248.8	8%
United States	231.3	228.9	-1%
Peru	180.4	181.6	1%
South Africa	177.3	174.2	-2%
Canada	108.0	133.1	19%
Ghana	95.8	107.9	11%
Mexico	102.8	103.8	1%
Indonesia	89.0	99.2	10%
Brazil	67.3	79.9	16%
Uzbekistan	73.3	77.4	5%
PNG	57.2	63.3	10%
Argentina	54.6	50.1	-9%
Chile	48.6	48.6	0%
Mali	50.3	47.1	-7%
Tanzania	49.1	46.6	-5%
Kazakhstan	40.0	42.4	6%
Philippines	41.0	40.6	-1%
Colombia	39.1	40.4	3%
Rest of World	464.3	504.0	8%
World Total	**2,864.0**	**3,022.1**	**5%**

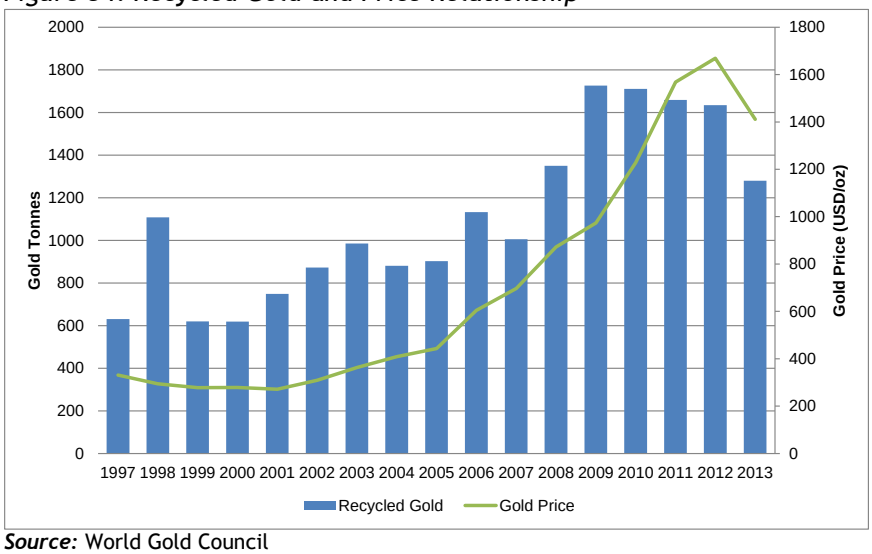
Source: Thomson Reuters GFMS (2014)
Note: y-o-y: year-on-year

RECYCLED GOLD

The annual supply of recycled gold declined for the fifth consecutive year to the lowest level since 2009. Global supply fell 22% to an estimated 1,280 tonnes in 2013. The scale of decline was the same for industrialised markets as for developing countries, although the drivers of behaviour differed.

While price is not the only factor that determines the level of recycling, it is a key driver and its influence was clearly on display during the uptick in the gold price and again in 2013. The sharp fall in the price, and subsequent weakness, resulted in a considerable decline in recycling in most of these markets.

Figure 54: Recycled Gold and Price Relationship

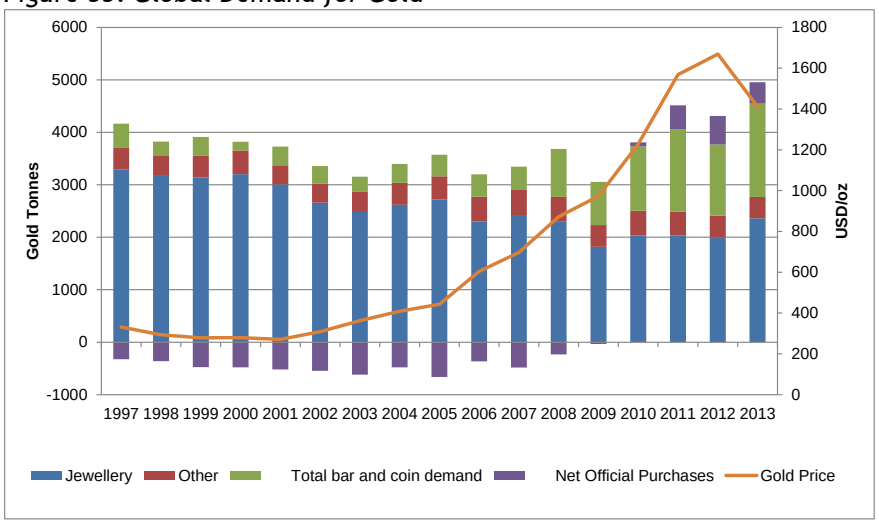


Source: World Gold Council

GOLD DEMAND

- Jewellery fabrication contacted by a CAGR of 2.06% of the past 17 years but jumped by 13% to a five-year high of 2,198 tonnes in 2013 following the downturn in price.
- Industrial fabrication remained flat.
- Central banks turned from net sellers to net buyers but overall were net sellers of 773 tonnes over the past 10 years.
- World investment demand surged by a CAGR of almost 20% over the past 10 years.

Figure 55: Global Demand for Gold



JEWELLERY

According to the world gold council (2014), the year 2013 recorded the largest volume growth in annual jewellery demand since 1997 and marked a return to pre-crisis levels. A longer-term perspective shows

that an increasing share of global collective wealth has been allocated to gold jewellery since 2003 (with the exception of 2009, during the worst of the financial crisis). In 2013, gold jewellery value was almost 0.14% of global gross domestic product ("GDP") compared with less than 0.08% ten years previously. Significantly, jewellery's share of global GDP in 2013 was one fifth higher than 1997, which was the peak year for gold jewellery demand at 3,294 tonnes.

INVESTMENT

Gold exchange-traded products are traded on the major stock exchanges including Zurich, Mumbai, London, Paris and New York and most funds are physically backed by vaulted gold. Throughout 2013 the main feature of gold investment was the contrast between exchange-traded funds ("ETFs"), which acted as a source of supply to the market as substantial institutional positions were sold (-881 tonnes), and demand for bars and coins, which surged to an all-time high of 1,654 tonnes.

Over-the-counter ("OTC") investment and stock flows includes the more dense elements of the investment market as well as any stock changes that have yet to be identified and any statistical residual. By adding OTC investment and stock flows component into the picture for investment yields, the investment total is 10% below that of 2012. Also incorporated within OTC investment and stock flows is demand for gold deposit accounts, which has increased particularly in countries such as Turkey and China. An additional element contributing to the number is gold used to back financial transactions, for example in China, where a number of new instruments (e.g. inter-bank swaps and ETFs) have been introduced.

TECHNOLOGY

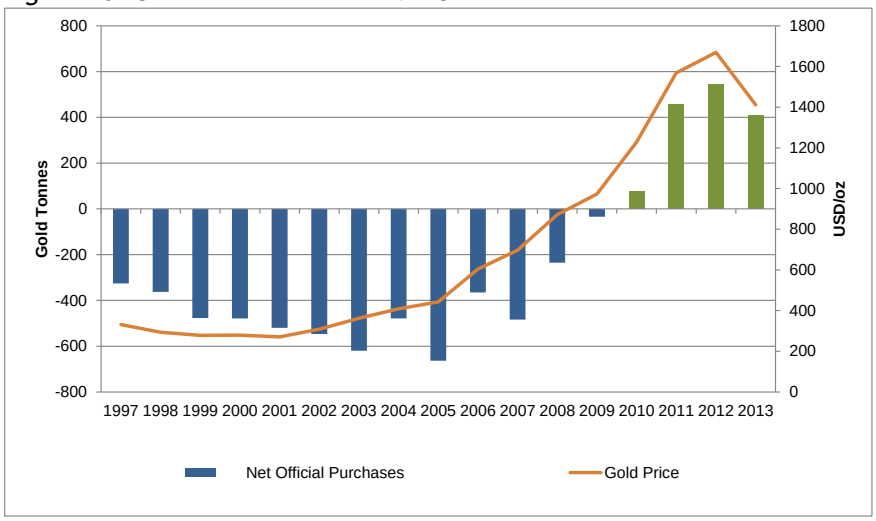
Application of gold in the technology sector remains relatively small. According to the world gold council, worldwide semiconductor reached record sales in 2013. This was driven by expanding demand for smartphones and tablets. Healthy gains were also seen in products using liquid-crystal display ("LCD") panels. In other areas of semiconductor applications, the automobile industry continues to provide strong support, led by China and the US.

Gold used in dentistry continued its long term downtrend, although the pace of decline slowed in response to lower gold prices. Gold is seeing a continuation of the long term trend away from gold to other cheaper alternatives (mainly cobalt, chrome, porcelain, and ceramics).

CENTRAL BANKS

Central Banks turned net buyers in 2008 following a number of years where the banks were net sellers. Central banks made net purchases of 369 tonnes of gold in 2013. The pace of purchases slowed towards the end of the year due to the heightened volatility of gold and a slower rate of foreign reserve accumulation. Although the annual total is 32% lower than 2012, is a healthy outcome – particularly in light of 2012 being the highest level of demand for almost 50 years (Figure 56). The central banks have been a source of net demand for four consecutive years and this is expected to continue into 2014.

Figure 56: Central Bank Annual Net Sales and Purchases



The following countries all saw significant increases in official reserves while a number of other central banks made smaller purchases of around eight tonnes and less during 2013:-

- Russia (77 tonnes);
- Kazakhstan (28 tonnes);
- Azerbaijan (20 tonnes); and
- Korea (20 tonnes).

Aside from the 3.5 tonne sale from Germany, which is related to its coin minting programme, there have been no further sales in what is the final year of the current Central Bank Gold Agreement ("CBGA"). In spite of the gold price action seen throughout 2013, there clearly remains little appetite from signatories to reduce their gold holdings any further.

In spite of the gold price action seen throughout 2013, there clearly remains little appetite from signatories to reduce their gold holdings any further. The top 40 countries' official gold holdings as at the end of March 2014 are displayed in Table 30.

Table 30: Top 40 Reported Official Gold Holdings (As at March 2014)

Rank	Country	Tonnes		Rank	Country	Tonnes
1	United States	8,133.5		21	Austria	280.0
2	Germany	3,386.4		22	Belgium	227.4
3	IMF	2,814.0		23	Philippines	193.2
4	Italy	2,451.8		24	Algeria	173.6
5	France	2,435.4		25	Thailand	152.4
6	China	1,054.1		26	Kazakhstan	148.7
7	Russia	1,040.7		27	Singapore	127.4
8	Switzerland	1,041.1		28	Sweden	125.7
9	Japan	765.2		29	South Africa	125.1
10	Netherlands	612.5		30	Mexico	122.8
11	India	557.7		31	Libya	116.6
12	ECB	503.2		32	BIS	115.0
13	Turkey	483.5		33	Greece	112.2
14	Taiwan	423.6		34	Korea	104.4
15	Portugal	382.5		35	Romania	103.7
16	Venezuela	367.6		36	Poland	102.9
17	Saudi Arabia	322.9		37	Australia	79.9
18	United Kingdom	310.3		38	Kuwait	79.0
19	Lebanon	286.8		39	Indonesia	78.1
20	Spain	281.6		40	Egypt	75.6

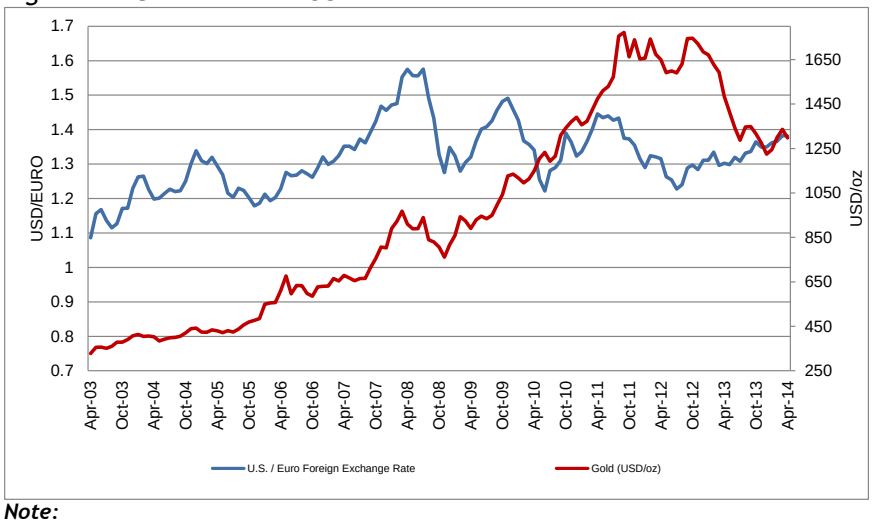
Source: World Gold Council – Q1 2014.
Note: **IMF**: International Monetary Fund
ECB: European Central Bank
BIS: Bank for International Settlements

CURRENCY

As gold is usually traded relative to its USD price, the value of the dollar has a meaningful impact on gold. More importantly, gold is viewed as a natural hedge to the USD as it is not directly linked to the monetary or fiscal policies of a particular government. This characteristic strengthens their inverse relationship. Because the USD is the also the primary currency used in global transactions and is seen as a stable and reliable unit of exchange, countries aim to have ample reserves to be able to meet their USD denominated liabilities. As such, the dollar forms the lion's share of foreign reserve portfolios. However, governments need to manage the concentration risk in their reserves by diversifying into high quality, liquid assets that lack credit risk – like gold.

Gold is often seen as a currency that provides a natural alternative to money. Gold satisfies many criteria that define a currency including its use as convertibility, store of value and medium of exchange. Through the years it can be seen that gold has the evolving nature of the relationship with the USD, its geological scarcity and its physical/chemical qualities as a non-corrosive, durable metal make it a natural hedge to paper currencies. Because fiat money can be printed as a result of monetary policies, part of gold's value as a hard asset is derived from its lack of supply growth. Gold is a highly liquid asset, with daily trading volumes comparable to major currency pairs such as the USD-pound sterling, and is eclipsed only by USD-yen and USD-euro transactions (Figure 57).

Figure 57: Gold Price vs. USD/Euro



Note:

1. Correlation: 0.670002946

While gold is considered a commodity by many, in practice, its role as currency stands out. It is used by central banks as part of their foreign reserves, accepted in exchange for goods in parts of the world, and traded alongside other currencies in the financial system. According to the Bank for International Settlements ("BIS") 2013 annual report that states that "gold is to be dealt with as a foreign exchange position rather than a commodity because its volatility (which is almost consistently lower than commodities) is more in line with foreign currencies, and banks manage it in a similar manner to foreign currencies".

An allocation to gold, denominated in USDs, represents an implicit exposure to a foreign currency, providing international investors with protection against falls in their local currency.

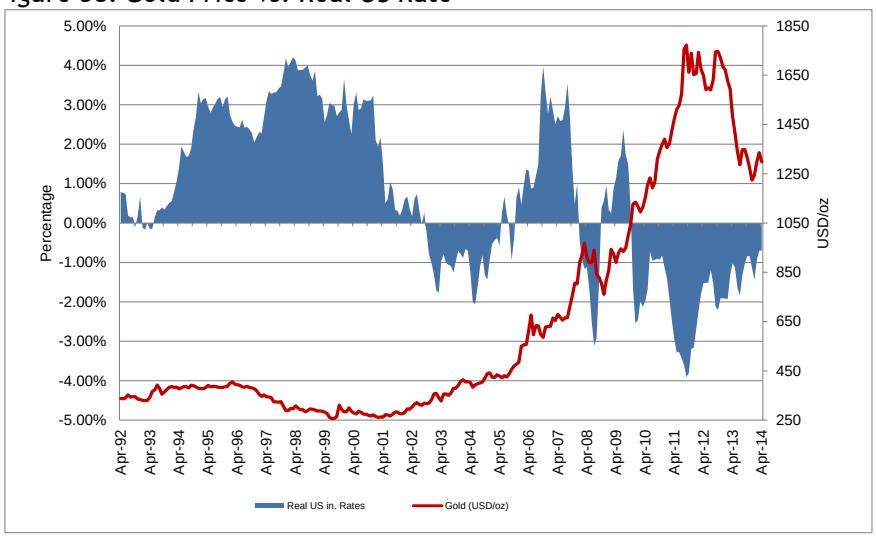
Further, when evaluating a portfolio's exchange risk in light of its foreign currency denominated holdings, gold can be used as a cost-effective and better-rounded complement to other hedging strategies. For example, for a US investor trying to hedge currency risk stemming from emerging market exposure, gold has been historically less costly than a basket of currencies, and including gold as part of the hedging strategy has significantly reduced drawdowns.

Driven by China's desire to increase its financial influence, the Chinese renminbi is likely to emerge gradually as a genuine international currency as Beijing eases restrictions on its use in transactions and investments abroad. It is expected that during the coming period of uncertainty and transition between different reserve currencies, official central bank asset managers around the world are likely to increase their interest in gold as a result of doubts about the overall strength of global monetary arrangements. This has been prominent since the economic downturn in 2008 (Figure 56)

US INFLATION AND INTEREST RATES

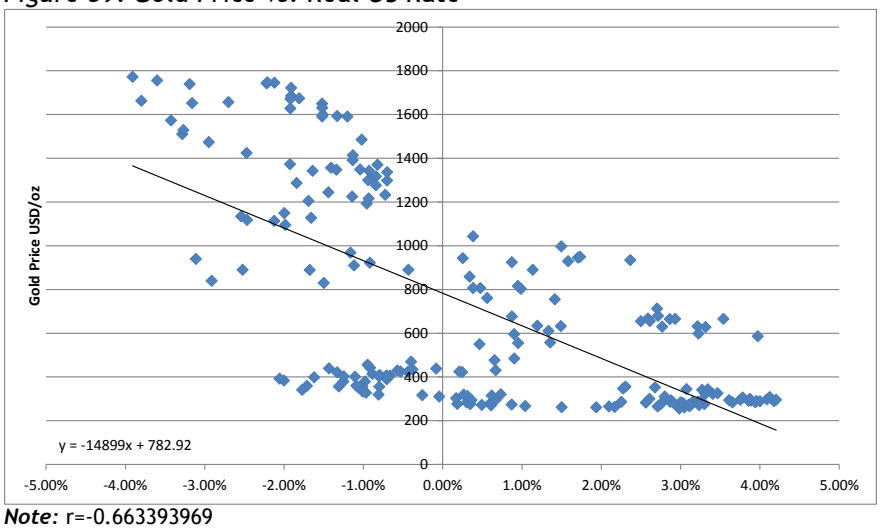
A common argument for buying gold is that it is seen as an inflation hedge. Consumer price indices ("CPI") measure 'representative' baskets of goods that may well reflect a general price trend, but these will likely not reflect everyone's experience of inflation. The reason why the US CPI is the measure most widely used to measure gold's effectiveness as hedge, is because of the fact that gold is traded by the USD and that real interest rates create an opportunity cost for holding gold make US inflation a logical candidate to use as a reference in long-term pricing. Real US rate is the lending interest rate adjusted for inflation as measured by the GDP deflator. From Figure 58 it can be seen that when the real US rate becomes negative, the gold price increases, that gives an indication that investors start investing in gold rather than the banks to receive better returns.

Figure 58: Gold Price vs. Real US Rate



Minxcon used the information from Figure 58 and plotted the price against the real inflation rate. This shows a strong negative Pearson correlation of -0.66%

Figure 59: Gold Price vs. Real US Rate



Note: r=-0.663393969

From the figures above it is evident that the gold price is directly influenced by the change in the real US rate. The forecast of the real US rate is thus a good indication of what will happen to the gold price in the short term.

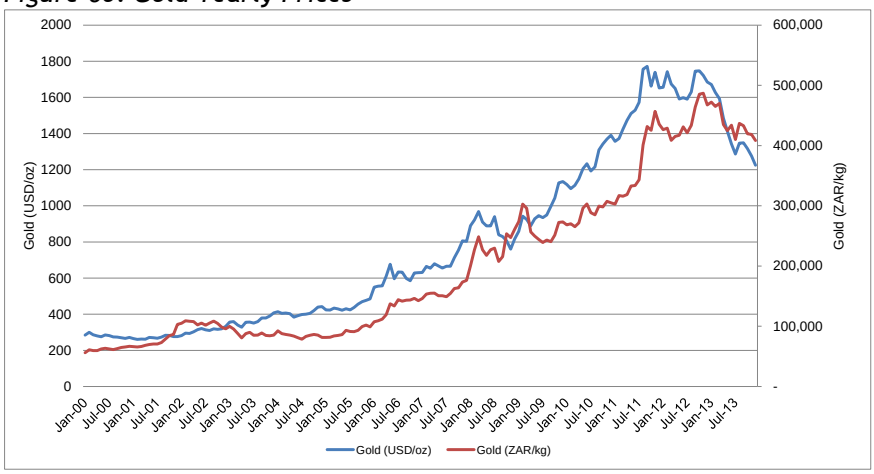
GOLD PRICING

The second quarter of 2013 saw an absolute drop in the gold price of more than USD400/oz – a double-digit decline in the average quarterly price compared with both Q1 2013 and Q2 2012. In the first quarter of 2014 a gold price rally was driven by some weak U.S. economic data releases coupled with a rise in safe-haven buying as emerging market risk increased and several currencies depreciated sharply.

The price action also had an impact on the supply side of the gold market resulting in a sharp contraction in recycling. In what is a normal reaction to sharply weaker prices, recycling activity shrank – primarily due to consumers in developing markets holding onto their stocks of old gold as the profit motive faded along with the gold price.

An increasing conviction is depicted among Indian and Chinese consumers that gold prices will be stable or higher in the future, with particular positivity around longer-term expectations for the gold price. What is notable is that positive price expectations appeared to have increased with subsequent drops in the price, illustrating extremely resilient sentiment around the future trajectory of gold. There was major increases in jewellery demand, coin and bar purchases around the USD1,200/oz level.

Figure 60: Gold Yearly Prices



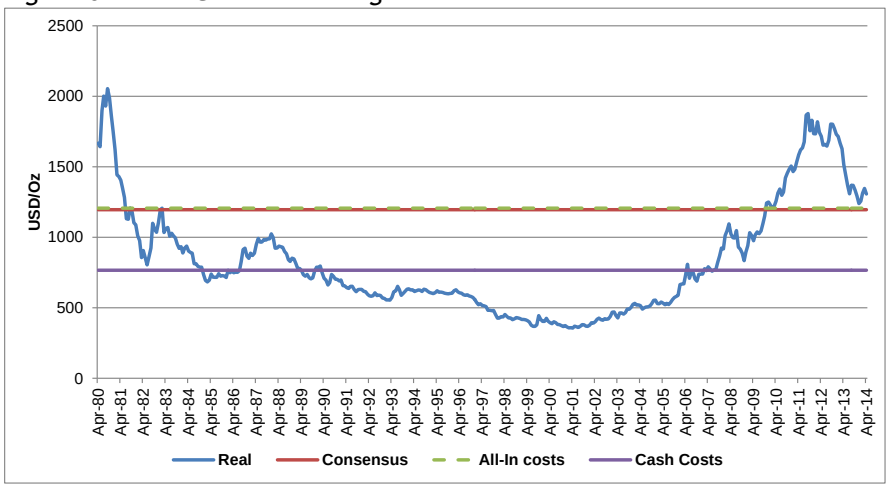
OUTLOOK FOR GOLD

Economic theory suggests that prices should increase in line with the cost of producing the commodity otherwise it will lead to oversupply or deficit. Measuring the CAGR of the gold price over the past 35 years support the general practise to increase commodity prices with the USD inflation rate – the CAGR of the gold price measured for this period is 2.71% and 3.12% from the high in 1980 to the September 2011 high.

Although inflation fluctuated significantly in the 2 years following the spike in 1980, US inflation stabilised between 2% and 4% for most of the time.

Measuring the gold price in real times show the two historic highs in Figure 61. Plotted on the graph is also the cash cost, all in costs and consensus figures. Operating costs was discussed in detail earlier.

Figure 61: Real Gold Price Ranges



Consensus opinion has the real gold price declining over the coming months and years. This is driven by continued economic recovery that would see tapering of the Federal Reserve's massive quantitative easing program continue, increase in U.S. treasury yields and equity markets and a stronger USD, all of which are negative for the gold price.

Table 31: Gold Price Forecast (Nominal Terms)

	Unit	2014	2015	2016	2017	2018	Long-Term (Constant)
Gold	USD/oz.	1,275	1,259	1,278	1,294	1,299	1,210

Source: Consensus Economics (Jun 2014)

It is unlikely that the price will drop back to the cash cost level, currently at USD 767/oz. This will mean that no new mine will be developed and existing operation will spend no capital. This will very quickly lead to upward pressure on the price. A strong support level seems to be the USD1200/oz. level which represents the all in cost number but also coincidently the current long term consensus real term price for gold.

Item 19 (b) – CONTRACTS

Currently there are no forward sales contracts or agreements in place for Barani East. This will need to be negotiated in the next phase of the Project.

ITEM 20 – ENVIRONMENTAL STUDIES, PERMITTING AND SOCIAL OR COMMUNITY IMPACT

Item 20 (a) – Relevant Environmental Issues and Results of Studies Done

No EIA has been done at this stage of the Project, but it has to be completed before the application to mine is submitted. Desert Gold has a proposal that was prepared by Digby Wells for details regarding the work that will have to be completed regarding the environmental aspects of the Barani East properties and the impact of the operations on the surrounding areas. This is expected to be completed in the near future.

Item 20 (b) – Waste Disposal, Site Monitoring and Water Management

This is included in the proposal that was prepared by Digby Wells that is expected to be completed in the near future.

Item 20 (c) - Permit Requirements

No permits other than the Farabantourou exploration permit have been issued.

Item 20 (d) – Social and Community-Related Requirements

Under the Malian Mining Act, the conduct of mining activities must be accompanied by a social instruction manual. The document has to be submitted by the mining company along with a feasibility report required to obtain a small mine operating permit or quarry.

No social instruction manual has been done at this stage of the Project, but it has to be completed before the application to mine is submitted. This is included in the proposal that was prepared by Digby Wells that is expected to be completed in the near future.

Item 20 (e) – Mine Closure Costs and Requirements

This is included in the proposal that was prepared by Digby Wells that is expected to be completed in the near future.

ITEM 21 – CAPITAL AND OPERATING COSTS

Item 21 (a) – CAPITAL COSTS

Mining Capex

Basis of Estimation

All costs were sourced from actual quotations as provided by the OEM and/or from retail companies. Where quotations could not be sourced, historical quotations were escalated to align with current market inflation figures. Capital was then grouped per footprint item and sub-divided into the various disciplines. Each capital item was awarded a weighted percentage based on the accuracy of the capital estimation

Mining Capital Summary

All mining activities will be performed by a mining contractor. The only mining capital requirements would thus be for site establishment which would include all infrastructure for mining activities. Table 32 details the total capital cost for the Barani East Project.

Table 32: Site Establishment Capital Cost

Description	Total Cost USD
Equipment	400,277
Workshop	31,031
Settling Dam	31,031
Pumps and Piping	140,842
Electrical Reticulation	42,024
Waste Stockpiles	78,821
Pits	118,232
Mobilisation	100,000
Total	**942,258**

Processing Capex

Basis of Estimation

As per the PEA (Minxcon, 2014), the capital is based on the following assumptions:-

- The processing capital estimate is based on quotations received from APT; budget pricing from APT.
- A USD cost per running meter was applied to estimate the water line cost.
- Security fencing, services, offices, workshop, stores, diesel storage is all included under mining capital.
- An amount of 15% was estimated for delivery and engineering, procurement and construction management ("EPCM").

Processing Capital Summary

Table 33: Capital Cost Summary

Item	Description	Value USD million
Alluvial plant	Hard rock crushing, scrubbing and two stage gravity recovery	3.25
Leaching circuit	300 m^3 high intensity leach circuit	0.94
Elution & regeneration	Elution and regeneration circuit	0.11
All Water Infrastructure	Water pipeline, boreholes and tails thickener	1.02
Sub Total		**5.32**
TSF	Tailings storage facility with a 1.5 Mt capacity	0.70
Sub Total		**6.02**
Delivery, P&Gs, EPCM	Delivery of equipment to site, site establishment and EPCM	0.90
Total		**6.92**

All vehicles required for feeding the plant will be provided by the mining contractor.

Capital Costs Summary

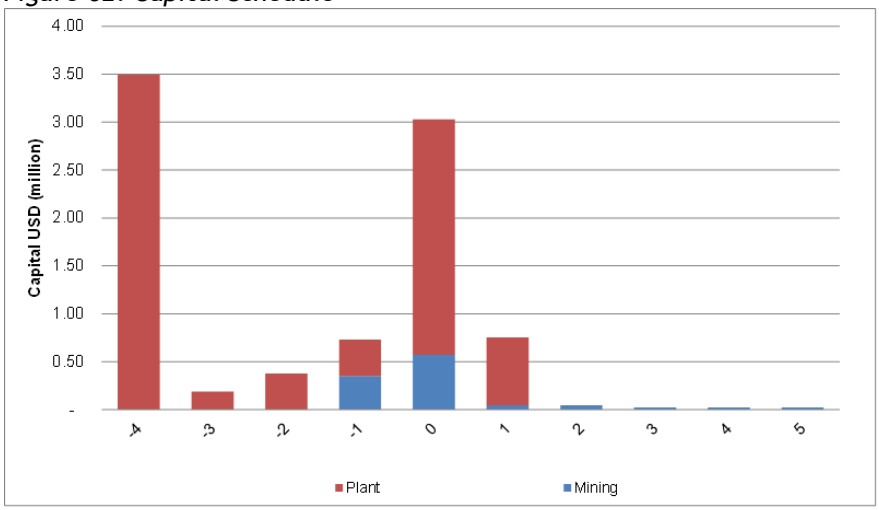
The capital estimation for the Barani East mining operations for the LoM is illustrated in Table 34. A plant contingency of 10% was included as well as a 15% contingency on the mining capital. No renewals and replacement capital was included for the mining as it was included in the contractor rate. Because the plant is new and only operates for 44 months, no renewals and replacement capital was included for the plant as well. Detail about the capital is described in the relevant mining and plant sections.

Table 34: Capital Cost Summary

Capital Expenditure	Over LoM	
Mining Capital	**Unit**	**Amount over LoM**
Equipment	USDm	0.40
Workshop	USDm	0.03
Settling Dam	USDm	0.03
Pumps and Piping	USDm	0.14
Electrical Reticulation	USDm	0.04
Waste Stockpiles	USDm	0.08
Pits	USDm	0.12
Mobilisation	USDm	0.10
Total Direct Mining Capital	**USDm**	**0.94**
Mining Capital Contingency	**USDm**	**0.14**
Total Mining Capital	**USDm**	**1.08**
Plant Capital		
Total Plant Capital	USDm	6.92
Total Direct Plant Capital	**USDm**	**6.92**
Plant Capital Contingency	**USDm**	**0.69**
Total Plant Capital	**USDm**	**7.61**
Total Initial Capital	**USDm**	**7.86**
Total Capital Contingencies	**USDm**	**0.83**
Total Capital	**USDm**	**8.69**

All the plant and mining capital is spent during the first 10 months as displayed in Figure 62.

Figure 62: Capital Schedule



Item 21 (b) – Operating Cost

Mining Opex

Basis of Estimate

An activity-based cost model was developed by Minxcon to determine the working cost from first principles. The activity-based costing models uses the mine design criteria and production schedule inputs to derive cost rates for mining and engineering activities. The derived rates are used in the model which is driven by the production schedule to obtain the operating cost.

Mining Operating Cost

Detailed in Table 35 and Table 36 is the fixed and variable mining cost respectively.

Table 35: Fixed Cost Breakdown

Fixed Cost Component (USD/month)		
Cost Element	**Main Activity**	**Total Cost**
Labour	Mining	34,732
	Engineering	17,191
	Human Resources	5,149
	Technical Services	11,603
	Finance	16,147
	SHEC	5,149
Grand Total		**89,973**

The operating cost estimation determined the unit cost rates based on the cost drivers from the operating cost model and include provisions for repair and replacements. The costs in Table 35 and Table 36 is excluding contingency which are applied in the financial valuation model.

Table 36: Variable Cost Breakdown

Cost Driver	Cost Allocation	Activity	Unit Cost
			USD/t
Variable	Pit Ore	Drilling	0.42
		Load	0.15
		Power	0.00
		Services	0.17
		Power Generation	0.01
		Haul	0.53
		Blasting	0.02
		Total Ore Cost	**1.31**
	Pit Waste	Drilling	0.00
		Load	0.15
		Power	0.00
		Services	0.04
		Power Generation	0.01
		Haul	0.52
		Blasting	0.00
		Total Waste Cost	**0.73**

Processing Opex

Basis of Estimate

As per the PEA (Minxcon, 2014), the operating cost are based on the following assumptions:-

- total labour compliment of 31 persons;
- carbon consumption of 0.08 kg/t;
- cyanide and lime consumptions of 5 and 10 kg per tonne (high intensity leach feed tonnes) respectively; and
- diesel cost of USD1.4 per litre.

Processing Operating Cost

Table 37: Operating Cost Summary

Item	USD'000/month	USD/t
Labour	49.77	1.24
Power & utilities	1.56	0.04
Assaying	4.74	0.12
Security contractor	4.74	0.12
Admin, office & other	2.02	0.05
Sub Total	**62.84**	**1.57**
Power & utilities	87.58	2.19
Crushing	23.72	0.59
Cyanide	83.49	2.09
Lime	8.35	0.21
Other Reagents	7.20	0.18
Maintenance	9.63	0.24
Stores	5.78	0.14
Sub Total	225.74	**5.64**
Total	**288.58**	**7.21**

Operating Costs Summary

The operating costs in the financial model were broken down into different categories:-

(C1) Direct Cash Cost;
(C2) Production Cost; and
(C3) Fully Allocated Cost.

The definitions of these costs are as follows:-

(C1) Direct Cash Cost

C1 represents the cash cost incurred at each processing stage, from mining through to recoverable metal delivered to market, less net by-product credits (if any). The M1 margin is defined as metal price received minus C1. Direct Cash Costs cover:-

- Mining, ore freight and milling costs;
- Ore purchase and freight costs from third parties in the case of custom smelters or mills;
- Mine-site administration and general expenses;
- Concentrate freight, smelting and smelter general and administrative costs;
- Matte freight, refining and refinery general and administrative costs; and
- Marketing costs (freight and selling).

(C2) Production Cost

Production Cost (C2) is the sum of net direct cash costs (C1) and Capex. The M2 margin is defined as metal price received minus C2.

(C3) Fully Allocated Cost

Fully Allocated Cost (C3) is the sum of the production cost (C2), indirect costs and net interest charges. The M3 margin is defined as metal price received minus C3. Indirect costs are the cash costs for:-

- The portion of corporate and divisional overhead costs attributable to the operation;
- Research and exploration attributable to the operation;
- Royalties and "front-end" taxes (excluding income and profit-related taxes);
- Extraordinary costs i.e. those incurred as a result of strikes, unexpected shutdowns etc.; and
- Interest charges including all interest paid, both directly attributable to the operation and any corporate allocation (net of any interest received) on short-term loans, long-term loans, corporate bonds, bank overdrafts etc.

Costs reported for the Barani East Prospect, which consists of plant and mining operating costs are displayed in Table 38. Other costs include the general and administration fees as well as overheads. Detail about the operating cost and the breakdown of the mining and plant costs are described in the mining and plant sections. A contingency of 5% was included for all the operating costs. The royalty amount includes the revenue royalty as well as the ISCP.

Table 38: OPEX Summary

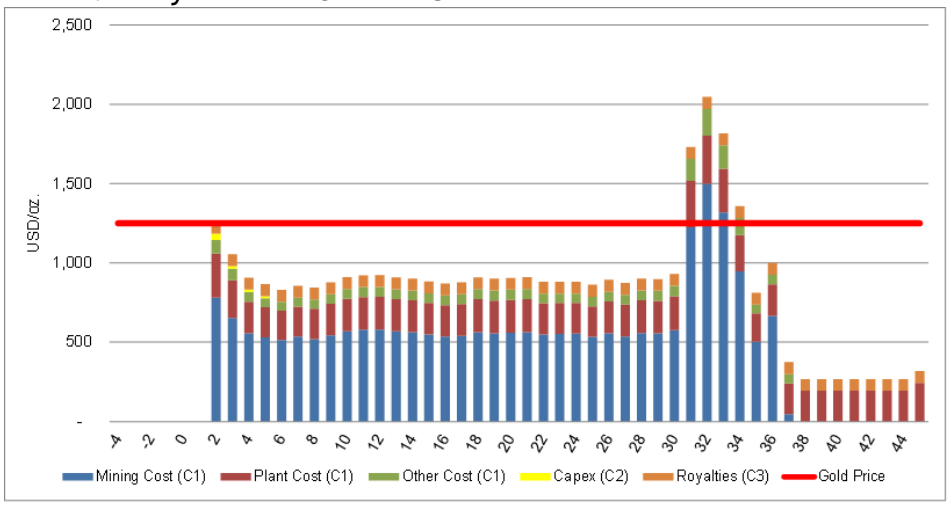
Item	Unit	Amount	Unit	Amount
Net Turnover	**USD/Milled tonne**	**48**	**USD/Gold oz.**	**1,250**
Mine Cost	USD/Milled tonne	19	USD/Gold oz.	485
Plant Costs	USD/Milled tonne	8	USD/Gold oz.	203
Other Costs	USD/Milled tonne	2	USD/Gold oz.	55
Direct Cash Costs (C1)	**USD/Milled tonne**	**28**	**USD/Gold oz.**	**743**
Capex	USD/Milled tonne	5	USD/Gold oz.	137
Production Costs (C2)	**USD/Milled tonne**	**34**	**USD/Gold oz.**	**881**
Royalties**	USD/Milled tonne	3	USD/Gold oz.	75
Fully Allocated Costs/ Notional Costs (C3)	**USD/Milled tonne**	**37**	**USD/Gold oz.**	**956**
NCE Margin	**%**	**24%**	**%**	**24%**
EBITDA*	USD/Milled tonne	17	USD/Gold oz.	432
EBITDA Margin	%	35%		
Gold Recovered	oz.	63,433		

Notes:

1. * EBITDA excludes capital expenditure.
2. ** Includes 3% revenue royalty and 3% ISCP.
3. Numbers may not add up due to rounding.

Barani East Prospect has a fully-allocated cost of USD37/milled tonne that equates to USD956/oz. The fully allocated cost is displayed per ounce together with the gold price of USD1,250/oz. that was used in the LoM. During months 31 to 34 there is almost halve the tonnes available to treat in the plant and leads to the increase in cost per ounce. In month 37 the mining is finished while the plant still treats the stockpiles that are left. The only costs from month 37 to the end of life are the plant and royalty costs.

Table 39: Fully-Allocated Costs vs. Gold Price



ITEM 22 – ECONOMIC ANALYSIS

Item 22 (a) - PRINCIPAL ASSUMPTIONS

The scope of this valuation exercise was to determine the financial viability of the project. This is illustrated by using the Discounted Cash Flow ("DCF") method on a Free cash flow to the firm ("FCFF") basis, to calculate the nett present value ("NPV") and hence the intrinsic value of the project in real terms. The PEA study includes Inferred Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorised as Mineral Reserves. There is no certainty that the PEA will be realised in terms of the inferred resources.

1. A company has different sources of finance, namely common stock, retained earnings, preferred stock and debt. Free cash flow is based on either FCFF or Free cash flow to equity ("FCFE"). FCFF is the cash flow available to all the firm's suppliers of capital once the firm pays all operating expenses (including taxes) and expenditures needed to sustain the firm's productive capacity. The expenditures include what is needed to purchase fixed assets and working capital, such as inventory. FCFE is the cash flow available to the firm's common stockholders once operating expenses (including taxes), expenditures needed to sustain the firm's productive capacity, and payments to (and receipts from) debt holders are accounted for. It must be noted that FCFF minus Nett Debt = FCFE.

The NPV is derived from post royalties and tax, pre-debt real cash flows, after taking into account operating costs, capital expenditures for the mining operations and the processing plant and using forecast macro-economic parameters. The valuation date for the Discounted Cash Flow is 1 August 2014.

Basis of Valuation of the Mining Assets

In generating the financial model and deriving the valuations, the following was considered:-

- This Report details the optimised cash flow model with economic input parameters.
- The cash flow model is in constant money terms and done in USD.
- A hurdle rate of 5.34% (in real terms) was calculated for the discount factor.
- The impact of the Mineral Royalties Act as per the Malian Mining Regulation.
- Sensitivity analyses were performed to ascertain the impact of discount factors, commodity prices, grade, working costs and capital expenditures.
- The full value of the operation was reported for Barani East Prospect.
- A 38-month LoM plan was used in the financial valuation, with month -4 as the start of the construction and month 1 the start of production.
- Plant treatment starts in month 2 and continues until month 45.

Macro-economic Forecasts

The following section includes the macro-economic and commodity price forecasts for the operation over the LoM. The USD commodity prices are in constant money terms. The model is set up in months starting month -4 and ending in month 45. Table 40 displays the forecast for gold product in real terms as received from the client. By comparing the forecast to the Energy and Metals Consensus Forecast with an average gold price of USD1,237/oz. over the next four years, a gold price of USD1,250/oz. is considered to be an acceptable and appropriate forecast.

Table 40: Gold Forecast

Item	Unit	2014
Gold	USD/oz.	1,250
Gold	USD/kg	40,188

Source: Desert Gold Ventures

The creditors' days (for payment of gold delivered) were assumed at 30 days and debtors days at 30 days.

Recoveries and Working Capital

The ore from the Barani East operation will be treated at the proposed Barani plant and its expected recovery percentage can be seen in Table 41. The recovery is detailed in the processing Section of this Report.

Table 41: Recovery Percentage

Item	Percentage
Overall Recovery	65%

Discount Rate

Minxcon used the FCFF to calculate the value of the company on a 100% equity basis and hence used the Capital Asset Pricing Model ("CAPM") as discount rate.

The following were considered:-

- A U.S. risk-free rate of 1.66% was considered acceptable.
- A market risk premium of 5%, a rate generally considered as being the investor's expectation for investing in equity rather than a risk-free government bond, was used.
- The beta of a stock is normally used to reflect the stock price's volatility over and above other general equity investments in the country of listing. A beta of 1.16 was calculated for Barani East Project. This specific risk was calculated using an average weighting on ranked criteria based on the most crucial elements in a mining project. This resulted in a nominal dollar based cost of equity of 7.44% to value the Project which equals a real cost of equity of 5.34%.

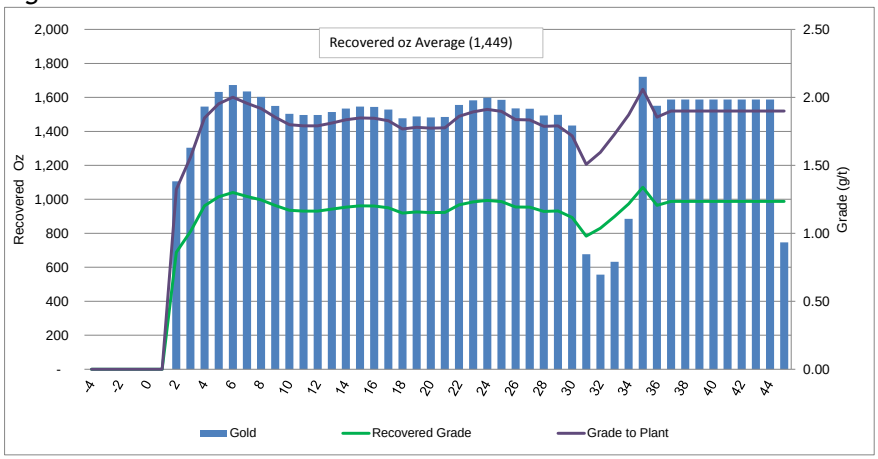
Table 42: Barani Cost of Equity

Items	Rate
Risk-Free Rate	1.66%
Risk Premium of Market	5.00%
Base Beta (Project Premium)	1.16
Nominal Cost of Equity (CAPM)	7.44%
Real Cost of Equity (CAPM)	5.34%

Item 22 (b) - CASH FLOW FORECAST

The saleable product tonnes per month are illustrated in Figure 63. The average recovery over the LoM is 65% for an average grade of 1.83g/t.

Figure 63: Saleable Tonnes



A breakdown of the tonnes and ounces used in the LoM are displayed in Table 43. The LoM plan included Inferred Mineral Resources that was diluted by using the modifying factors described in the mining Section.

Table 43: Production Breakdown in LoM

Item	Project	Barani East Prospect LoM
Waste Tonnes Mined	Tonnes ('000)	37,435
Ore Tonnes Mined	Tonnes ('000)	1,657
Average Stripping Ratio	Ratio	22.59
Total Tonnes Mined	Tonnes ('000)	39,092
Average Mined Grade	g/t	1.83
Total Oz in Mine Plan	oz.	97,590
Grade Delivered to Plant	g/t	1.83
Metal Recovered		
Recovered grade	g/t	1.19
Yield/Recovery	%	65%
Total Oz Recovered	oz.	63,433

Discounted Cash Flow

Minxcon's in-house discounted cash flow ("DCF") model was employed to illustrate the net present value ("NPV") for the Project in real terms. The DCF is included in Table 44. The NPV was derived from post royalties and tax, pre-debt real cash flows, using the techno-economic parameters, commodity price and macro-economic projections.

This valuation is based on a free cash flow and measures the economic viability of the orebody to demonstrate if the extraction of the orebody is viable and justifiable under a defined set of realistically assumed modifying factors. The model is based on financial years running from January to December and commences in year 1 month -4 with first production starting in month 1. The monthly and cumulative cash flow forecast for the LoM are displayed in Figure 64.

Figure 64: Monthly and Cumulative Cash Flow

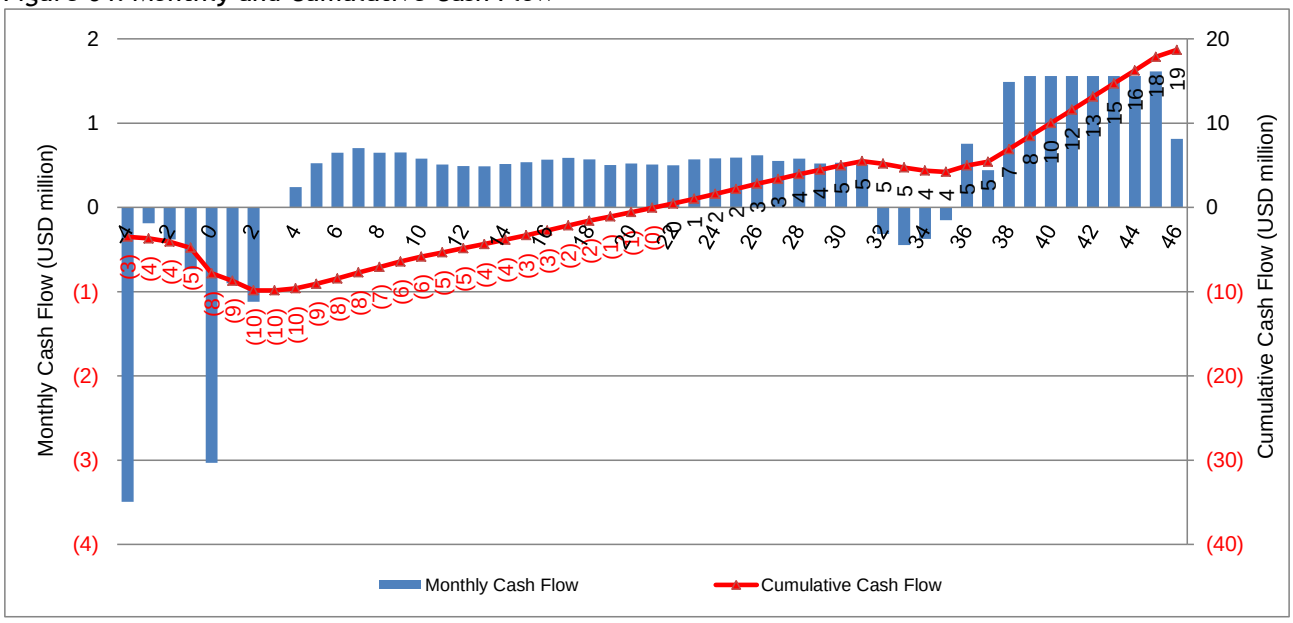


Table 44: Monthly Real Cash Flow (Displayed Until Production Month 9)

Minxcon

Project Title: **Barani Gold Mine**
Client: Desert Gold Ventures
Project Code: M14-037a

Project Valuation Schedule	
Project Valuation Date (Base Date)	01-Jan-15
Financial Year End (month and year)	31-Dec-15
First Month	0
Days remaining	364

Gold Price	100%	Fixed Costs	100%
Exchange Rate	100%	Variable Cost	100%
Grade	100%	Mining Capex	100%
		Plant Capex	100%

Months		month	45	-4	-3	-2	-1	0	1	2	3	4	5	6	7	8	9
Macro-Economic Factors (Real Terms)																	
Inflation	US Inflation Rate	%	2.00%						2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Commodity prices	Gold	USD/oz	1,250							1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250
Operating Statistics																	
Waste		tonnes	37,434,668	-	-	-	-	-	1,061,054	1,024,986	1,039,087	1,028,901	1,021,034	1,028,475	1,008,878	1,066,709	1,052,496
Stripping ratio		Ratio	22.59	0.00	0.00	0.00	0.00	0.00	56.13	16.86	23.00	18.22	15.67	18.07	12.84	72.67	34.66
ROM		tonnes	1,657,176	-	-	-	-	-	18,905	60,787	45,168	56,462	65,154	56,922	78,581	14,680	30,367
Mill Head grade	Gold	g/t	1.83	-	-	-	-	-	-	1.32	1.56	1.85	1.95	2.00	1.96	1.92	1.85
Tonnes to mill		tonnes	1,657,176	-	-	-	-	-	-	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
Recovered grade	Gold	g/t	1.19	0.00	0.00	0.00	0.00	0.00	0.00	0.86	1.01	1.20	1.27	1.30	1.27	1.25	1.20
Metal recovered	Gold	kg	1,973	-	-	-	-	-	-	34	41	48	51	52	51	50	48
Metal recovered	Gold	oz	63,433	-	-	-	-	-	-	1,106	1,304	1,545	1,632	1,673	1,636	1,603	1,550
Financial																	
Revenue		**USD**	**79,291,752**	**-**	**-**	**-**	**-**	**-**	**-**	**1,382,812**	**1,629,472**	**1,931,775**	**2,040,275**	**2,090,781**	**2,044,378**	**2,003,488**	**1,937,057**
Revenue	Gold	USD	79,291,752	0	0	0	0	0	0	1,382,812	1,629,472	1,931,775	2,040,275	2,090,781	2,044,378	2,003,488	1,937,057
Mining cost			**(30,777,660)**	**0**	**0**	**0**	**0**	**0**	**(833,843)**	**(863,868)**	**(853,166)**	**(860,912)**	**(866,853)**	**(861,220)**	**(876,028)**	**(832,350)**	**(843,059)**
Direct Cash Costs	Variable Cost	USD	(29,312,057)	0	0	0	0	0	(794,136)	(822,732)	(812,539)	(819,916)	(825,574)	(820,209)	(834,312)	(792,714)	(802,914)
Direct Cash Costs	Contingeny	USD	(1,465,603)	0	0	0	0	0	(39,707)	(41,137)	(40,627)	(40,996)	(41,279)	(41,010)	(41,716)	(39,636)	(40,146)
Plant cost			**(12,886,663)**	**0**	**0**	**0**	**0**	**0**	**0**	**(306,957)**	**(306,957)**	**(306,957)**	**(306,957)**	**(306,957)**	**(306,957)**	**(306,957)**	**(306,957)**
Direct Cash Costs	Fixed Cost	USD	(2,766,044)	0	0	0	0	0	0	(62,865)	(62,865)	(62,865)	(62,865)	(62,865)	(62,865)	(62,865)	(62,865)
Direct Cash Costs	Variable Cost	USD	(9,506,968)	0	0	0	0	0	0	(229,476)	(229,476)	(229,476)	(229,476)	(229,476)	(229,476)	(229,476)	(229,476)
Direct Cash Costs	Contingeny	USD	(613,651)	0	0	0	0	0	0	(14,617)	(14,617)	(14,617)	(14,617)	(14,617)	(14,617)	(14,617)	(14,617)
Other Costs			**(3,495,461)**	**0**	**0**	**0**	**0**	**0**	**(94,472)**	**(94,472)**	**(94,472)**	**(94,472)**	**(94,472)**	**(94,472)**	**(94,472)**	**(94,472)**	**(94,472)**
Direct Cash Costs	Other Cost Fixed	USD	(3,329,010)	0	0	0	0	0	(89,973)	(89,973)	(89,973)	(89,973)	(89,973)	(89,973)	(89,973)	(89,973)	(89,973)
Direct Cash Costs	Contingeny	USD	(166,451)	0	0	0	0	0	(4,499)	(4,499)	(4,499)	(4,499)	(4,499)	(4,499)	(4,499)	(4,499)	(4,499)
Direct Cash Costs	**Total C1**		**(47,159,784)**	**0**	**0**	**0**	**0**	**0**	**(928,315)**	**(1,265,297)**	**(1,254,595)**	**(1,262,341)**	**(1,268,282)**	**(1,262,649)**	**(1,277,457)**	**(1,233,779)**	**(1,244,489)**
Production Costs	Initial Capital expenditure	USD	**(7,860,421)**	(3,177,056)	(170,000)	(345,000)	(651,887)	(2,732,752)	(685,200)	(39,411)	(19,705)	(19,705)	(19,705)	0	0	0	0
Production Costs	Contingency	USD	**(833,155)**	(317,706)	(17,000)	(34,500)	(80,533)	(298,147)	(70,491)	(5,912)	(2,956)	(2,956)	(2,956)	0	0	0	0
Production Costs	**Total C2 (Includes C1)**	**USD**	**(55,853,360)**	**(3,494,761)**	**(187,000)**	**(379,500)**	**(732,420)**	**(3,030,898)**	**(1,684,006)**	**(1,310,619)**	**(1,277,256)**	**(1,285,002)**	**(1,290,943)**	**(1,262,649)**	**(1,277,457)**	**(1,233,779)**	**(1,244,489)**
Fully Allocated Costs	Revenue Royalty + ISCP	USD	(4,757,505)	0	0	0	0	0	0	(82,969)	(97,768)	(115,906)	(122,416)	(125,447)	(122,663)	(120,209)	(116,223)
Fully Allocated Costs	**Total C3 (Includes C1+C2)**	**USD**	**(60,610,865)**	**(3,494,761)**	**(187,000)**	**(379,500)**	**(732,420)**	**(3,030,898)**	**(1,684,006)**	**(1,393,588)**	**(1,375,024)**	**(1,400,909)**	**(1,413,359)**	**(1,388,096)**	**(1,400,119)**	**(1,353,988)**	**(1,360,712)**
EBITDA		**USD**	**27,374,463**	**0**	**0**	**0**	**0**	**0**	**(928,315)**	**34,546**	**277,109**	**553,527**	**649,576**	**702,686**	**644,258**	**649,500**	**576,345**
EBIT		**USD**	**18,680,887**	**(3,494,761)**	**(187,000)**	**(379,500)**	**(732,420)**	**(3,030,898)**	**(1,684,006)**	**(10,776)**	**254,448**	**530,866**	**626,915**	**702,686**	**644,258**	**649,500**	**576,345**
Income after tax		USD	18,680,887	(3,494,761)	(187,000)	(379,500)	(732,420)	(3,030,898)	(1,684,006)	(10,776)	254,448	530,866	626,915	702,686	644,258	649,500	576,345
Working capital changes		USD	1	0	0	0	0	0	783,258	(1,109,334)	(253,334)	(290,885)	(101,433)	(55,106)	59,678	(699)	75,581
Net Cash Flow	Monthly cash flow	USD	**18,680,887**	(3,494,761)	(187,000)	(379,500)	(732,420)	(3,030,898)	(900,748)	(1,120,110)	1,114	239,981	525,482	647,579	703,936	648,801	651,926
Cumulative Net Cash Flow	Cumulative cash flow	USD		(3,494,760)	(3,681,760)	(4,061,260)	(4,793,680)	(7,824,579)	(8,725,327)	(9,845,437)	(9,844,323)	(9,604,342)	(9,078,860)	(8,431,281)	(7,727,345)	(7,078,544)	(6,426,617)
Monthly Discount Rate	Real	%	**0.44%**	1.0000	1.0044	1.0089	1.0134	1.0179	1.0224	1.0270	1.0315	1.0361	1.0407	1.0454	1.0500	1.0547	1.0594
Net Present Value		USD	**14,967,701**	(3,494,761)	(186,172)	(376,148)	(722,737)	(2,977,591)	(880,989)	(1,090,690)	1,080	231,614	504,915	619,480	670,410	615,166	615,393

Item 22 (c) - NET PRESENT VALUE

The highlights of the valuation conducted by Minxcon are discussed in the following sections. Table 45 illustrates the Project NPV at various discount rates with a best-estimated value of USD15 million at a real discount rate of 5.34%.

Table 45: Project Valuation Summary – Real Terms

Item	Unit	Value
Real NPV @ 0.00%	USDm	18.7
Real NPV @ 5.34%	**USDm**	**15.0**
Real NPV @ 10.00%	USDm	12.2
Real NPV @ 15.00%	USDm	9.7
Internal Rate of Return (IRR)	%	61.8%

Table 46 illustrates the Project profitability ratios. The Project has a peak funding requirement of USD9.8 million during month 2 of production and a payback period of 21.1 months from the start of production in month 1 (26.1 months from start of construction).

Table 46: Profitability Ratios

Item	Unit	Profitability Ratios
Total ounces in Mine plan	oz.	97,590
In-situ Mining Inventory Valuation	USD/oz.	153
Production LoM	Months	37
Treatment LoM	Months	44
Project LoM (Including construction)	Months	50
Present Value of Income flow	USDm	24
Present Value of Investment	USDm	8
Benefit-Cost Ratio	Ratio	3.0
Return on Investment	%	205%
Average Payback Period	Months	21.1
Peak Funding Requirement	USDm	-9.8
Peak Funding Month	Production Month	2
Break Even Milled Grade (Excluding Capex)	g/t	1.20
Break Even Milled Grade (Including Capex)	g/t	1.40
Incentive Gold Price (Excluding Capex)	USD/oz.	818
Incentive Gold Price (Including Capex)	USD/oz.	956

A range of values was calculated for the DCF valuation by determining an upper and lower range. The upper and lower ranges were determined by applying a maximum and minimum standard deviation on the following input parameters with the lower confidence categories having a wider variance:-

- Commodity Price (USD/Au oz.);
- Grade (g/t);
- Fixed Cost;
- Variable Cost;
- Mining Capex; and
- Plant Capex.

In order to evaluate risk, a simulation was developed using a population of 5,000 simulations. This allows the simulation of random scenarios to determine the effect thereof. Minxcon simulated various input parameters using a range in which a parameter is expected to vary. This is detailed in Table 47.

Table 47: Input Ranges

	Min	Max	Current	Min	Max
Gold Price (USD/oz.)	80%	120%	1,250	1,100	1,500
Grade (g/t)	90%	110%	1.8	1.6	2.0
Fixed Costs (USD/t)	85%	120%	3.7	3.1	4.4
Variable Cost (USD/t)	85%	120%	23.4	19.9	28.1
Mining Capex (USDm)	85%	120%	0.9	0.8	1.1
Plant Capex (USDm)	85%	120%	6.9	5.9	8.3

By applying these ranges, a lower and upper value was determined for the DCF, as displayed in Table 48.

Table 48: Range of Values

Valuation Method	Lower Value	Best Estimated Value	Higher Value
	USDm	USDm	USDm
Discounted Cash Flow	6.7	15.0	20.6

Item 22 (d) - REGULATORY ITEMS

Corporate Taxes

Through Law No. 2012-015 of 27 February 2012 which established the Mining Code ("the new Mining Code"), the Malian National Assembly has adopted new legislation resulting in amendments to the Mining Code of 19 August 1999 ("the former Mining Code"). The political instability which immediately followed the adoption of the law delayed promulgation of the new legislation. However, mining operators in Mali have recently been notified of the enactment of the new Mining Code. The new Mining Code is supplemented by Decree No. 2012-311/P-RM dated 21 June 2012 ("the new Mining Regulation").

According to the new Mining Regulation, mining ventures are free of corporate tax for the first five years of production. Thereafter, the tax rate is 35% or less when profit is reinvested in Mali. A depletion allowance can be negotiated up to 27.5%. All equipment for the project can be imported duty free during the exploration period and for the first three years of the exploitation period.

For the purpose of the financial model, having a LoM of less than 4 years, no tax was included in the financial model because all the profit will be used for further exploration.

Special Taxes

Special tax on certain products ("Impôt Spécial sur Certains Produits") or ("ISCP"), calculated on the basis of turnover exclusive of value added tax ("VAT"), also continues to apply. However, while the Mining Code implies that the ISCP is payable in respect to substances in groups 1 to 4, the new Mining Regulation imposes a 3% ISCP only for substances in groups 1 and 2. This includes gold and the 3% was included for the purpose of the financial valuation. The substances in each of the groups are detailed as follows:-

- Group 1: (diamond, emerald, sapphire, beryl, jade, opal, garnet, alexandrite, andalusite, chalcedony, quartz, tourmaline, and corundum).
- Group 2: (gold, silver, platinum-group metals, copper, lead, molybdenum, zinc, titanium, vanadium, zirconium, niobium, tantalum, tungsten, rare earth metals, lithium, tin, cobalt and nickel).
- Group 3: (iron, manganese, chrome and bauxite).
- Group 4: (uranium, thorium, shale, coal, lignite and peat coal).

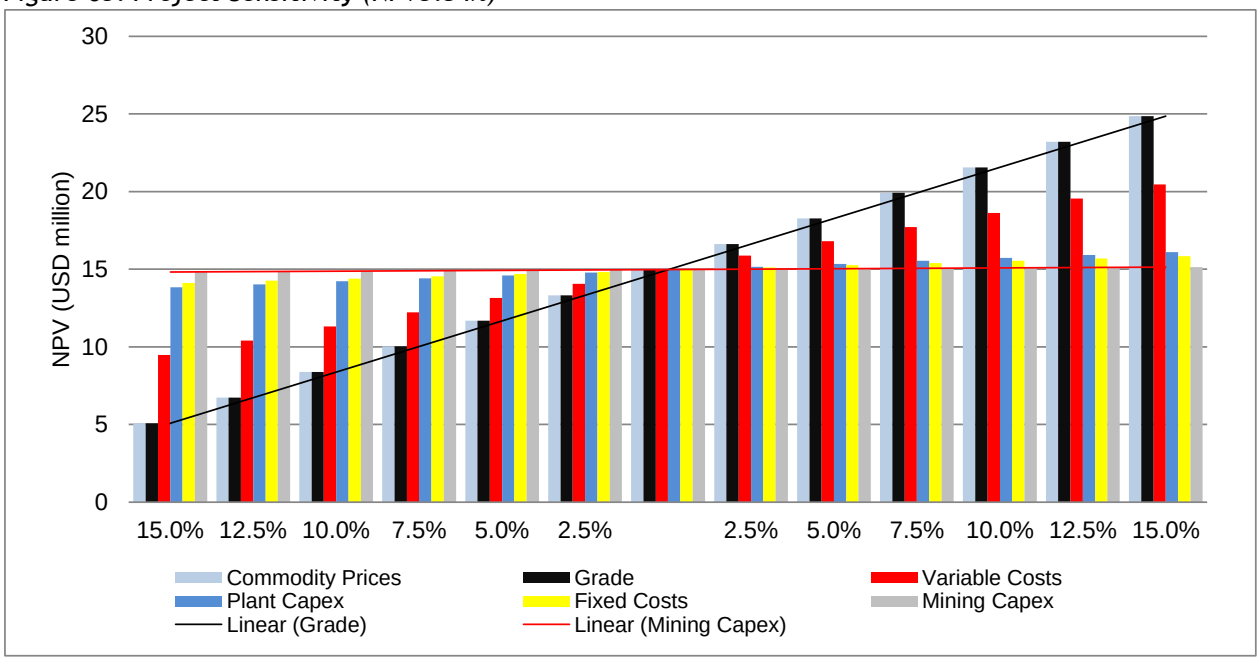
Royalties

The new Mining Code, crafted with World Bank assistance, instituted a royalty rate of 3% for precious metals. For the purpose of the financial model a 3% royalty was used over the LoM.

Item 22 (e) - SENSITIVITY ANALYSIS

Based on the real cash flow calculated in the financial model, Minxcon performed single-parameter sensitivity analyses to ascertain the impact on the NPV. The bars represents various inputs into the model each being increased or decreased by 2.5% i.e., left side of graph shows lower NPV's because of lower prices and lower grades, higher Opex and Capex and the opposite on the right hand. The red line and black line representing the least sensitive and most sensitive impacts to the NPV. For the DCF, the gold price and grade have the biggest impact on the sensitivity of the Project followed by the variable cost. The Project is not capital sensitive.

Figure 65: Project Sensitivity (NPV5.34%)



A sensitivity analysis was also conducted on the grade and the gold price to better indicate the effect these two factors have on the NPV as well as the variable costs and the grade. This is displayed in Table 49 and Table 50.

Table 49: Sensitivity Analysis of Gold Price and Grade to NPV5.34% (USDm)

	Grade	1.28	1.37	1.47	1.56	1.65	1.74	**1.83**	1.92	2.01	2.11	2.20	2.06	2.11
Au Price	**Change %**	70.0%	75.0%	80.0%	85.0%	90.0%	95.0%	**100.0%**	105.0%	110.0%	115.0%	120.0%	112.5%	115.0%
1,063	85.0%	-12	-9	-6	-3	-1	2	5	8	11	13	16	12	13
1,094	87.5%	-11	-8	-5	-2	1	4	7	10	12	15	18	14	15
1,125	90.0%	-9	-6	-3	-1	2	5	8	11	14	17	20	16	17
1,156	92.5%	-8	-5	-2	1	4	7	10	13	16	19	22	18	19
1,188	95.0%	-7	-4	-1	2	5	9	12	15	18	21	24	19	21
1,219	97.5%	-6	-3	0	4	7	10	13	17	20	23	26	21	23
1,250	**100.0%**	-5	-2	2	5	8	12	**15**	18	22	25	28	23	25
1,313	105.0%	-2	1	4	8	11	15	18	22	25	29	32	27	29
1,375	110.0%	0	3	7	11	14	18	22	25	29	32	36	31	32
1,438	115.0%	2	6	10	13	17	21	25	29	32	36	40	34	36
1,500	120.0%	4	8	12	16	20	24	28	32	36	40	44	38	40
1,563	125.0%	7	11	15	19	23	27	31	36	40	44	48	42	44
1,625	130.0%	9	13	18	22	26	30	35	39	43	48	52	45	48
1,688	135.0%	11	16	20	25	29	34	38	42	47	51	56	49	51

Table 50: Sensitivity Analysis of Variable Costs and Grade to NPV5.34% (USDm)

	Grade	1.56	1.60	1.65	1.69	1.74	1.79	**1.83**	1.88	1.92	1.97	2.00	2.06	2.11
Variable Cost (USD/t)	**Change %**	85.0%	87.5%	90.0%	92.5%	95.0%	97.5%	**100.0%**	102.5%	105.0%	107.5%	109.0%	112.5%	115.0%
30	130.0%	-6	-4	-3	-1	1	2	4	6	7	9	10	12	14
29	125.0%	-4	-2	-1	1	3	4	6	7	9	11	12	14	16
28	120.0%	-2	-1	1	3	4	6	8	9	11	13	14	16	18
27	115.0%	0	1	3	5	6	8	9	11	13	14	15	18	19
26	110.0%	1	3	5	6	8	10	11	13	15	16	17	20	21
25	105.0%	3	5	7	8	10	11	13	15	16	18	19	21	23
23	**100.0%**	5	7	8	10	12	13	**15**	17	18	20	21	23	25
22	95.0%	7	9	10	12	14	15	17	18	20	22	23	25	27
21	90.0%	9	10	12	14	15	17	19	20	22	24	25	27	29
20	85.0%	11	12	14	16	17	19	20	22	24	25	26	29	30
19	80.0%	12	14	16	17	19	21	22	24	26	27	28	31	32
18	75.0%	14	16	18	19	21	22	24	26	27	29	30	32	34
16	70.0%	16	18	19	21	23	24	26	28	29	31	32	34	36

ITEM 23 ADJACENT PROPERTIES

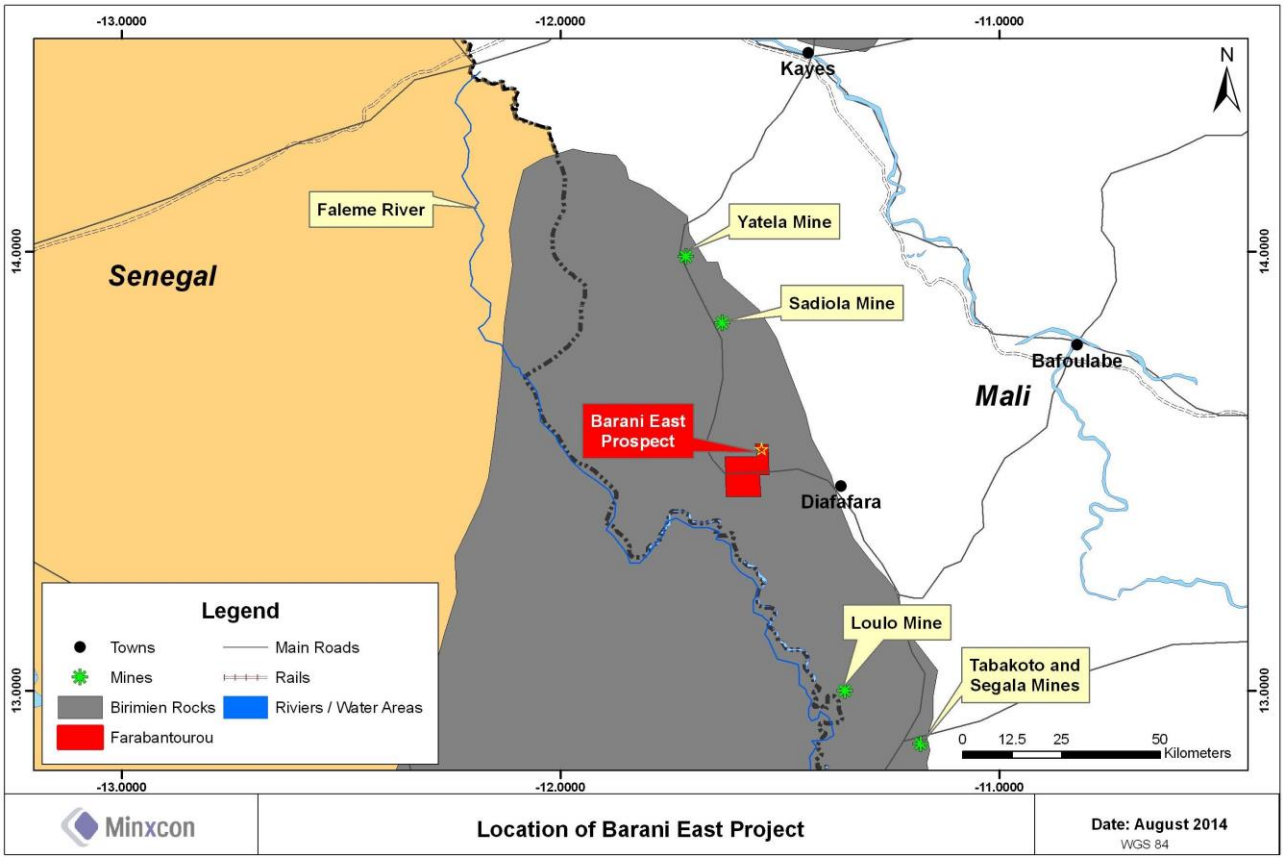
Item 23 (a) – PUBLIC DOMAIN INFORMATION

The Barani East Gold Prospect occurs on the Desert Gold's Farabantourou permit located in Western Mali. The permit falls on the SMFZ, 40 km south of Sadiola Mine and 50 km north of the Loulo-Gounkoto mine complex. Both these mines are located on the SMFZ. The location of these mines relative to Barani East Prospect is indicated in Figure 66.

The Sadiola deposit has been intensely weathered to depths of up to 220 m. The operation has mainly exploited soft oxide ore since start-up with the current known oxide reserves expected to be mined out by 2016. A significant mineral resource of hard sulphide ore occurs below the final Sadiola pit design and is currently the target of an expansion project pending final approvals. The Sadiola Gold Mine is operated by AGA. Mining is carried out using conventional open pit techniques with a carbon-in-pulp processing plant. There are currently five open pits.

The Loulo and Gounkoto mines, known as the Loulo-Gounkoto complex, are located in the west of Mali, bordering Senegal and adjacent to the Falémé River. Production from open pit operations started at Loulo in 2005. This was followed by the development of the underground mines. Gounkoto, a greenfields discovery in 2009, poured its first gold in June 2011. The ore from Gounkoto is processed by the Loulo plant under a tolling agreement. Based on current reserves, the complex has a scheduled LoM to 2027.

Figure 66: Mines Adjacent to Barani East Prospect



Item 23 (b) – SOURCES OF INFORMATION

- A Technical Report published on 30 August 2011, by Coffey Mining (SA) (Pty) Ltd ("Coffey") titled "Independent Technical Report on West African Gold Projects in Mali".
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Item 23 (c) – Verification of Information

The information was sourced from the websites of RandGold Resources and IAMGOLD and is publically available. The information has not been independently verified by Minxcon.

Item 23 (d) – Applicability of Adjacent Property's Mineral Deposit to Project

Both Sadiola Mine and Loulou-Gounkoto complex has similar geological features and gold mineralisation than the Barani East gold deposit, and the open pits will be mined in a similar manner. Both these mines are also on the SMFZ.

Item 23 (e) – Historical Estimates of Mineral Resources or Mineral Reserves

The mineral resources and mineral reserves of Sadiola mine are displayed in Table 51.

Table 51: Sadiola Mine Mineral Resources and Mineral Reserves (31 December 2012)

Mineral Resources Category	Tonnes	Grade	Attributable Contained Ounces ('000)
		g/t	
Measured and Indicated	58,604	1.7	3,193
Inferred	10,993	1.7	593
Total Mineral Resources	**69,597**	**1.7**	**3,786**
Proven and Probable Reserves	**37,022**	**1.8**	**2,138**

Source: IAMGOLD (2014)

The mineral resources and mineral reserves of Loulo Mine are displayed in Table 52.

Table 52: Loulo Mine Mineral Resources and Mineral Reserves (31 December 2013)

Mineral Resources Category	Tonnes	Grade	Gold Ounces
	Mt	g/t	Moz.
Measured and Indicated	52.0	4.6	7.7
Inferred	18.0	3.5	2.0
Total Mineral Resources	**70.0**	**4.3**	**9.7**
Proven and Probable Reserves	**34.0**	**4.9**	**5.3**

Source: RandGold Resources (2014)

Notes:

1. Open pit mineral resources are in-situ mineral resources falling within the USD1,500/oz. pit shell reported at an average cut-off of 0.5 g/t. Underground mineral resources are in-situ mineral resources of the Yalea and Gara deposits that fall below the design pits and are reported at a cut-off of 1.7 g/t for Yalea and 1.6 g/t for Gara.
2. Open pit mineral reserves are reported at a gold price of USD1,000/oz. and an average cut-off of 1.1 g/t and include dilution and ore loss factors. Underground mineral reserves are reported at a gold price of USD1,000/oz. and a cut-off of 2.5 g/t for Yalea underground and 2.4 g/t for Gara underground and include dilution and ore loss factors.
3. Mineral Resources and Reserves are reported as per JORC 2012.

The mineral resources and mineral reserves of Gounkoto Mine are displayed in Table 53.

Table 53: Gounkoto Mine Mineral Resources and Mineral Reserves (31 December 2013)

Mineral Resources Category	Tonnes	Grade	Gold Ounces
	Mt	g/t	Moz.
Measured	4.9	4.1	0.6
Indicated	23.0	4.4	3.3
Inferred	3.5	3.7	0.4
Total Mineral Resources	**31.4**	**3.9**	**4.3**
Proven and Probable Reserves	**17.0**	**4.3**	**2.3**

Source: RandGold Resources (2014)

Notes:

1. Open pit mineral resources are in-situ mineral resources falling within the USD1,500/oz. pitshell reported at an average cut-off of 0.5 g/t. Underground mineral resources are in-situ mineral resources within the Jog Zone below the USD1,500/oz. pit shell reported at 2.0 g/t cut-off.
2. Open pit mineral reserves are reported at a gold price of USD1,000/oz. and an average cut-off of 1.38 g/t and include dilution and ore loss factors.
3. Mineral Resources and Reserves are reported as per JORC 2012.

ITEM 24 – OTHER RELEVANT DATA AND INFORMATION

Item 24 (a) - UPSIDE POTENTIAL

Upside potential exists for the Barani East opencast and underground mining operations; Resource drilling still needs to be completed.

ITEM 25 – INTERPRETATION AND CONCLUSIONS

Minxcon has reviewed all the information and has made the following observations regarding the Barani East Prospect:-

Mineral Resources

- The Mineral Resources are considered to be compliant in accordance with the requirements as stipulated in NI 43-101 and are based on data density and kriging efficiency.
- All Indicated Mineral Resources occur above a depth of 120 m below surface.
- Exploration drilling has been conducted to a maximum depth of 190 m. The geology is openly stated as being poorly understood, as most drilling has been conducted in weathered material.

Market Valuation

- The Project investigated is financially feasible at a 5.34% real discount rate.
- The best-estimated value of the Project was calculated at USD15 million with an IRR of 62% at a real discount rate of 5.34%.
- The Project is robust with a high return on investment of 205%.
- Barani East has an NCE margin of 24% that is above average compared to other mines.
- A peak capital investment of USD9.8 million is required to fund the operation.
- The Project has an expected payback period of 21.1 months from start of production (26.1 months from start of construction).
- The Project is most sensitive to gold price and grade.
- The Project has a break-even gold price of USD956/oz. including capital.
- Fully-allocated costs for the Project is USD37/milled t that equates to USD956/oz.

ITEM 26 – RECOMMENDATIONS

Minxcon recommends the following for the Barani East Prospect:

Mineral Resources

- Minxcon recommends that all historical data are consolidated and captured into a central GIS database for easy access and for modern geostatistical analysis in the future.
- Once operations commence, a modern and appropriate sampling and grade control program should be initiated, within a recognised, relational industry standard database, with modern operational QA/QC protocols for the updating of all sampling and analytical QA/QC data.
- Drilling should be conducted to greater depths to understand the unweathered geology to assist with modelling and assessing exploration potential.

Mining:

- The pit material must be tested to verify whether the assumed free-dig mining method is valid.
- Complete geotechnical test work must be conducted to determine the appropriate pit slope angles.
- The tender process for mining contractors should be completed well in advance to prevent delays in production start date.

Processing:

- Desert Gold should review the options for water supply and determine the costs and legal requirements thereof in more detail.
- There is uncertainty with regards to the delivery of the processing equipment, reagents and consumables to the project site. Although Minxcon has provided for delivery, further analysis is required to determine these costs more accurately.

ITEM 27 – REFERENCES

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GLOSSARY OF TERMS

Table 54: Glossary of Terms

Term	Definition
Alluvial	The product of sedimentary processes in rivers, resulting in the deposition of alluvium (soil deposited by a river).
Arenite	A sedimentary rock composed mainly of quartz minerals.
Argillite	A sedimentary rock composed mainly of clay minerals.
Assay laboratory	A facility in which the proportions of metal in ores or concentrates are determined using analytical techniques.
Auriferous	A synonym for gold-bearing.
Beneficial Interest	The ultimate interest accruing or due to a party in a project. Depending on the circumstances, the beneficial interest may differ from participation, contributory or share subscription interests.
Capital Asset Pricing Model (CAPM)	A model that describes the relationship between risk and expected return.
Carbon-In-Leach (CIL)	A process similar to CIP (described below) except that the ore slurries are not leached with cyanide prior to carbon loading. Instead, the leaching and carbon loading occur simultaneously.
Carbon-In-Pulp (CIP)	A common process used to extract gold from cyanide leach slurries. The process consists of carbon granules suspended in the slurry and flowing counter-current to the process slurry in multiple-staged agitated tanks. The process slurry, which has been leached with cyanide prior to the CIP process, contains solubilised gold. The solubilised gold is absorbed onto the carbon granules, which are subsequently separated from the slurry by screening. The gold is then recovered from the carbon by electrowinning onto steel wool cathodes or by a similar process.
Communition	Action of reducing material, normally ore, to minute particles or fragments.
Conglomerate	A sedimentary rock containing rounded fragments (clasts) derived from the erosion and abrasion of older rocks. Conglomerates are usually formed through the action of water in rivers and beaches. The interstitial spaces between the clasts are filled with finer grained sediment.
Contributory interest	In general, a contributory interest is the amount required to be contributed towards the exploration and development costs of a project by a party in order for that party to earn its participation interest in the project. If that party does not contribute its share of the funding then its participating interest will be diluted. The precise definition of this term can differ between agreements.
Cut-off grade	Cut-off grade is any grade that, for any specific reason, is used to separate two courses of action, e.g. to mine or to leave, to mill or to dump.
Development	Activities related to preparation for mining activities to take place and reach the required level of production.
Diamond drilling	An exploration drilling method, where the rock is cut with a diamond drilling bit, usually to extract core samples.
Dilution	Waste which is mixed with ore in the mining process.
Dip	The angle that a structural surface, i.e. a bedding or fault plane, makes with the horizontal. It is measured perpendicular to the strike of the structure.
Discount rate	The interest rate used in discounted cash flow analysis to determine the present value of future cash flows. The discount rate takes into account the time value of money (the idea that money available now is worth more than the same amount of money available in the future because it could be earning interest) and the risk or uncertainty of the anticipated future cash flows (which might be less than expected).
Discounted Cash Flow (DCF)	In finance, discounted cash flow analysis is a method of valuing a project, company, or asset using the concepts of the time value of money. All future cash flows are estimated and discounted to give their present values (PVs) – the sum of all future cash flows, both incoming and outgoing, is the net present value (NPV), which is taken as the value or price of the cash flows in question.
Electro-winning	The process of removing gold from solution by the action of electric currents.
EMPR	Environmental Management Programme Report.
Exploration	Prospecting, sampling, mapping, diamond drilling and other work involved in the search for mineralisation.

Term	Definition
Facies	The features that characterise rock as having been emplaced, metamorphosed or deposited in a sedimentary fashion, under specific condition. In the case of sediment host deposits, this infers deposition within a particular depositional environment.
Faulting	The process of fracturing that produces a displacement within, of across lithologies.
Feasibility study	A definitive engineering estimate of all costs, revenues, equipment requirements and production levels likely to be achieved if a mine is developed. The study is used to define the economic viability of a project and to support the search for project financing.
Fluvial	River environments.
Footwall	The underlying side of a fault, orebody or stope.
Forward sales	The sale of a commodity for delivery at a specified future date and price.
GME	Government Mining Engineer
Grade	The quantity of metal per unit mass of ore expressed as a percentage or, for gold, as grams per tonne of ore.
Hanging wall	The overlying side of a fault, orebody or stope.
Heap leaching	A low-cost technique for extracting metals from ore by percolating leaching solutions through heaps of ore placed on impervious pads. Generally used on low-grade ores.
In situ	In place, i.e. within unbroken rock.
Indicated Mineral Resource	An “Indicated Mineral Resource” is that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics, can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters, to support mine planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drillholes that are spaced closely enough for geological and grade continuity to be reasonably assumed (NI43-101 definition).
Inferred Mineral Resource	An “Inferred Mineral Resource‟ is that part of a Mineral Resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drillholes.
Internal Rate of return (IRR)	The internal rate of return on an investment or project is the "annualised effective compounded return rate" or "rate of return" that makes the net present value of all cash flows (both positive and negative) from a particular investment equal to zero. It can also be defined as the discount rate at which the present value of all future cash flow is equal to the initial investment or in other words the rate at which an investment breaks even.
Kriging	An estimation method that minimises the estimation error between data points in determining mineral resources. Kriging is the best linear unbiased estimator of a mineral resource.
Level	The workings or tunnels of an underground mine which are on the same horizontal plane.
Lithology	The general compositional characteristics of rocks.
Marginal mine	A mine which has a relatively small cash operating margin (cash operating costs including capital expenditures in relation to gross gold sales) at the current gold price.
Measured mineral resource	“Measured Mineral Resource‟ is that part of a Mineral Resource for which quantity, grade or quality, densities, shape, and physical characteristics are so well established that they can be estimated with confidence sufficient to allow the appropriate application of technical and economic parameters, to support production planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drillholes that are spaced closely enough to confirm both geological and grade continuity.
Metallurgical plant	Process plant erected to treat ore and extract the contained gold.
Metallurgical recovery	Proportion of metal in mill feed which is recovered by a metallurgical process or processes.
Metallurgy	The science of extracting metals from ores and preparing them for sale.
Milling/mill	The communition of the ore, although the term has come to cover the broad range of machinery inside the treatment plant where the gold is separated from the ore prior to leaching or flotation

Term	Definition
	processes.
Mine call factor (MCF)	The ratio of the grade of material recovered at the mill (plus residue) to the grade of ore calculated by sampling in stopes.
Mine recovery factor (MRF)	The MRF is equal to the mine call factor multiplied by the plant recovery factor.
Mineable	That portion of a mineral resource for which extraction is technically and economically feasible.
Mineral Reserve	A Mineral Reserve is the economically mineable part of a Measured or Indicated Mineral Resource demonstrated by at least a Preliminary Feasibility Study. Adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified. A Mineral Reserve includes diluting materials and allowances for losses that may occur when the material is mined. (NI43-101 definition). Mineral reserves are reported as general indicators of the life of mineral deposits. Changes in reserves generally reflect: i. development of additional reserves; ii. depletion of existing reserves through production; iii. actual mining experience; and iv. price forecasts. Grades of mineral reserve actually processed from time to time may be different from stated reserve grades because of geologic variation in different areas mined, mining dilution, losses in processing and other factors. Neither reserves nor projections of future operations should be interpreted as assurances of the economic life of mineral deposits or of the profitability of future operations.
Mineral Resource	A Mineral Resource is a concentration or occurrence of diamonds, natural solid inorganic material, or natural solid fossilised organic material including base and precious metals, coal, and industrial minerals in or on the Earth's crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge.
Mineralisation	The presence of a target mineral in a mass of host rock.
Mineralised area	Any mass of host rock in which minerals of potential commercial value occur.
Net Present Value (NPV)	The difference between the present value of cash inflows and the present value of cash outflows. NPV is used in capital budgeting to analyse the profitability of an investment or project.
Notional Cost	All in cost which includes total cash costs (net of by-product credits), capital spending, general and administrative expenses, and exploration expenses.
Ore	A mixture of valuable and worthless minerals from which at least one of the minerals can be mined and processed at an economic profit.
Orebody	A continuous well defined mass of material of sufficient ore content to make extraction economically feasible.
Outcrop	The exposure of rock on surface.
Participation interest	The interest that a party holds in any benefits arising from the development or sale of a project. In order to earn this interest the party may, or may not, be required to contribute towards the exploration and development costs. The definition of this term may differ between agreements.
Pay limit	The breakeven grade at which the ore-body can be mined without profit or loss and is calculated using the gold price, the working cost and recovery factors.
Placer	A sedimentary deposit containing economic quantities of valuable minerals mainly formed in alluvial and eluvial environments.
Plant recovery factor	The gold recovered after treatment processes in a metallurgical plant. It is expressed as a percentage of gold produced (in mass) over the mass of gold fed into the front of the plant (i.e. into the milling circuit).
Probable Mineral Reserve	"Probable Mineral Reserve" is the economically mineable part of an Indicated and, in some circumstances, a Measured Mineral Resource demonstrated by at least a Preliminary Feasibility Study. This Study must include adequate information on mining, processing, metallurgical,

Term	Definition
	economic, and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified. (NI43-101 definition).
Proven Mineral Reserve	A "Proven Mineral Reserve" is the economically mineable part of a Measured Mineral Resource demonstrated by at least a Preliminary Feasibility Study. This Study must include adequate information on mining, processing, metallurgical, economic, and other relevant factors that demonstrate, at the time of reporting, that economic extraction is justified. (NI43-101 definition).
Recovered grade	The actual grade of ore realised or produced after the mining and treatment processes.
Reef	A narrow gold-bearing lithology, normally a conglomerate in the Witwatersrand Basin that may contain economic concentrates of gold and uranium.
Refining	The final stage of metal production in which final impurities are removed from the molten metal by introducing air and fluxes. The impurities are removed as gases or slag.
Rehabilitation	The process of restoring mined land to a condition approximating to a greater or lesser degree its original state. Reclamation standards are determined by the South African Department of Mineral and Energy Affairs and address ground and surface water, topsoil, final slope gradients, waste handling and re-vegetation issues.
Sampling	Taking small pieces of rock at intervals along exposed mineralisation for assay (to determine the mineral content).
Sedimentary	Formed by the deposition of solid fragmental material that originates from weathering of rocks and is transported from a source to a site of deposition.
Semi-Autogenous Grinding (SAG) mill	A piece of machinery used to crush and grind ore, which uses a mixture of steel balls, and the ore itself to achieve communition.
Semi-variogram	A graph that describes the expected difference in value between pairs of samples as a function of sample spacing.
Share Subscription Right	The right which a party has to subscribe for shares in any company set up to develop the mineral rights. The precise definition can differ between agreements.
Slimes	The finer fraction of tailings discharged from a processing plant after the valuable minerals have been recovered.
Slurry	A fluid comprising fine solids suspended in a solution (generally water containing additives).
Smelting	Thermal processing whereby molten metal is liberated from beneficiated ore or concentrate with impurities separating as lighter slag.
Spot price	The current price of a metal for immediate delivery.
Stockpile	A store of unprocessed ore or marginal grade material.
Stope	Excavation within the orebody where the main production takes place.
Stratigraphic	A term describing the chronological sequence in which bedded rocks occur that can usually be correlated between different localities.
Strike length	Horizontal distance along the direction that a structural surface takes as it intersects the horizontal.
Stripping	The process of removing overburden to expose ore.
Sulphide	A mineral characterised by the linkages of sulphur with a metal or semi-metal, such as pyrite (iron sulphide). Also a zone in which sulphide minerals occur.
Sweepings	The clean-up of residual broken ore in stopes.
Syncline	A basin shaped fold.
Syndepositional	A process that took place at the same time as sedimentary deposition.
Tailings	Finely ground rock from which valuable minerals have been extracted by milling.
Tailings dam	Dams or dumps created to store waste material (tailings) from processed ore after the economically recoverable gold has been extracted.
Tonnage	Quantities where the tonne is an appropriate unit of measure. Typically used to measure reserves of gold-bearing material in situ or quantities of ore and waste material mined, transported or milled.
Total cost per ounce	A measure of the average cost of producing an ounce of gold, calculated by dividing the total operating costs in a period by the total gold production over the same period.

Term	Definition
Transgress	Systematic inundation of an erosional surface by sedimentary deposition.
Unconformity	A surface within a package of sedimentary rocks which may be parallel to or at an angle with overlying or underlying rocks, and which represents a period of erosion or non-deposition, or both.
Vamping	The final clean-up of gold bearing rock and mud from track ballast and/or accumulations in gullies and along transportation routes.
Waste rock	Rock with an insufficient gold content to justify processing.
Weighted average Cost of Capital	A company's assets are financed by either debt or equity. WACC is the average of the costs of these sources of financing, each of which is weighted by its respective use in the given situation.
Working costs	Working costs represent: a) production costs directly associated with the processing of gold; and selling, administration and general charges related to the operation.
Zinc precipitation	A chemical reaction using zinc dust that converts gold solution to a solid form for smelting into unrefined gold bars.

APPENDIX

Appendix 1: Qualified Persons' Certificates

CERTIFICATE of QUALIFIED PERSON – U Engelmann

I, Uwe Engelmann, do hereby certify that:

1. I am a Director of **Minxcon Consulting (Pty) Ltd**
   Suite 5, Coldstream Office Park,
   2 Coldstream Street,
   Little Falls, Roodepoort, South Africa
2. I graduated with a BSc (Hons.) Geology from the University of the Witwatersrand in 1991.
3. I have more than 17 years' experience in the mining and exploration industry. This includes 8 years as an Ore Resource Manager at the Randfontein Estates Gold Mines on the West Rand. I have completed a number of assessments and technical reports pertaining to various commodities, including gold, using approaches described by the Canadian Code for reporting of Resources and Reserves – National Instrument 43-101 (Standards of Disclosure for Mineral Projects).
4. I am affiliated with the following professional associations:

Class	Professional Society	
Member	Geological Society of South Africa (Reg. No. 966310)	2010
Member	Natural Scientist Institute of South Africa (400058/08)	2008

5. I am responsible for all items pertaining to Exploration and Resources of the Competent Person's Report titled "A Technical Report on the Barani East Prospect, Farabantourou Project, Kéniéba District, Western Mali", effective 29 August 2014.
6. I have read the definition of "Qualified Person" set out in the Canadian Code for reporting of Resources and Reserves – National Instrument 43-101 (Standards of Disclosure for Mineral Projects), Form 43-101F1 and the Companion Policy Document 43-101CP ("NI 43-101") and certify that by reason of my education, affiliation with professional associations and past relevant work experience, I fulfil the requirements to be a Qualified Person for the purposes of this Qualified Persons' Report.
7. I have read the NI43-101 and this Report has been prepared in compliance with it.
8. As of the effective date, to the best of my knowledge, information and belief, the Report contains all scientific and technical information required to be disclosed to make the Report not misleading.
9. The facts presented in the Report are, to the best of my knowledge, correct.
10. The analyses and conclusions presented in the Report are limited only by the reported forecasts and conditions.
11. I have no present or prospective interest in the subject property or asset and have no bias with respect to the assets that are the subject of the Report, or to the parties involved with the assignment.
12. My compensation, employment or contractual relationship with the Commissioning Entity is not contingent on any aspect of the Report.
13. I have had no prior involvement with the property that is the subject of this Report.
14. I did not undertake a personal inspection of the property.

Yours faithfully,

U ENGELMANN
B.Sc. (Hons.) Geology
SANCASP, GSSA
DIRECTOR

CERTIFICATE of QUALIFIED PERSON – D v Heerden

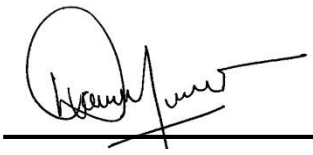
I, Daniel van Heerden, do hereby certify that:

1. I am a Director of **Minxcon Consulting (Pty) Ltd**
   Suite 5, Coldstream Office Park,
   2 Coldstream Street,
   Little Falls, Roodepoort, South Africa
2. I graduated with a B.Eng. (Mining) degree from the University of Pretoria in 1985 and an M.Comm. (Business Administration) degree from the Rand Afrikaans University in 1993. In addition, I obtained diplomas in Data Metrics from the University of South Africa and Advanced Development Programme from London Business School in 1989 and 1995, respectively. In 1989 I was awarded with a Mine Managers Certificate from the Department of Mineral and Energy Affairs.
3. I have worked as a Mining Engineer for more than 28 years with my specialisation lying within Mineral Reserve and mine management. I have completed a number of Mineral Reserve estimations and mine plans for various commodities, including gold, using approaches described by the Canadian Code for reporting of Resources and Reserves – National Instrument 43-101 (Standards of Disclosure for Mineral Projects).
4. I am a member/fellow of the following professional associations, which meet all the attributes of a Professional Association or a Self-Regulatory Professional Association, as applicable (as those terms are defined in NI43-101):-

Class	Professional Society	Year of Registration
Member	Association of Mine Managers of SA	1989
Fellow	South African Institute of Mining and Metallurgy	1985
Professional Engineer	Engineering Council of South Africa (ECSA)	2005
Member	Engineering Council of South Africa (Pr. Eng. Reg. No. 20050318)	2005

5. I am responsible for all items pertaining to Mining of the Competent Person's Report titled "A Technical Report on the Barani East Prospect, Farabantourou Project, Kéniéba District, Western Mali", effective 29 August 2014.
6. I have read the definition of "Qualified Person" set out in the Canadian Code for reporting of Resources and Reserves – National Instrument 43-101 (Standards of Disclosure for Mineral Projects), Form 43-101F1 and the Companion Policy Document 43-101CP ("NI 43-101") and certify that by reason of my education, affiliation with professional associations and past relevant work experience, I fulfil the requirements to be a Qualified Person for the purposes of this Qualified Persons' Report.
7. I have read the NI43-101 and this Report has been prepared in compliance with it.
8. As of the effective date, to the best of my knowledge, information and belief, the Report contains all scientific and technical information required to be disclosed to make the Report not misleading.
9. The facts presented in the Report are, to the best of my knowledge, correct.
10. The analyses and conclusions presented in the Report are limited only by the reported forecasts and conditions.
11. I have no present or prospective interest in the subject property or asset. I have no bias with respect to the assets that are the subject of the Report, or to the parties involved with the assignment.
12. I have read this technical Report and NI43-101 Standards of Disclosure for Mineral Projects and this Report has been prepared in compliance with NI43-101.
13. My compensation, employment or contractual relationship with the Commissioning Entity is not contingent on any aspect of the Report.
14. I did not undertake a personal inspection of the property.
15. I have had no prior involvement with the property that is the subject of this Report.

Yours faithfully,



D v HEERDEN
B.Eng (Mining), M.Comm. (Bus. Admin.)
Pr. Eng., FSAIMM, AMMSA
DIRECTOR

CERTIFICATE of QUALIFIED PERSON - D Clemente

I, Dario Clemente, do hereby certify that:

1. I am a Director of **Minxcon Consulting (Pty) Ltd**
   Suite 5, Coldstream Office Park,
   2 Coldstream Street,
   Little Falls, Roodepoort, South Africa
2. I graduated with an HND (Ext. Met.) from the University of the Witwatersrand in 1976. In addition, I have completed the Business Leadership Development Programme at (WBS)
3. I have more than 37 years' experience in the mining and metallurgical industry. This includes 15 years as a metallurgical manager and consultant as well as four years in mine management. I have completed various technical reports on metallurgical operations and have been co-author of a technical paper presented overseas. I have completed a number of assessments and technical reports pertaining to various commodities, including gold, using approaches described by the Canadian Code for reporting of Resources and Reserves – National Instrument 43-101 (Standards of Disclosure for Mineral Projects).
4. I am a member/fellow of the following professional associations, which meet all the attributes of a Professional Association or a Self-Regulatory Professional Association, as applicable (as those terms are defined in NI43-101):-

Class	Professional Society	Year of Registration
Fellow	South African Institute of Mining and Metallurgy (FSAIMM Reg. No. 701139)	1995
Member	Mine Metallurgical Managers Association of South Africa (MMMA) No. (M000948)	1988

5. I am responsible for all items pertaining to Processing of the Competent Person's Report titled "A Technical Report on the Barani East Prospect, Farabantourou Project, Kéniéba District, Western Mali", effective 29 August 2014.
6. I have read the definition of "Qualified Person" set out in the Canadian Code for reporting of Resources and Reserves – National Instrument 43-101 (Standards of Disclosure for Mineral Projects), Form 43-101F1 and the Companion Policy Document 43-101CP ("NI 43-101") and certify that by reason of my education, affiliation with professional associations and past relevant work experience, I fulfil the requirements to be a Qualified Person for the purposes of this Qualified Persons' Report.
7. I have read the NI43-101 and this Report has been prepared in compliance with it.
8. As of the effective date, to the best of my knowledge, information and belief, the Report contains all scientific and technical information required to be disclosed to make the Report not misleading.
9. The facts presented in the Report are, to the best of my knowledge, correct.
10. The analyses and conclusions presented in the Report are limited only by the reported forecasts and conditions.
11. I have no present or prospective interest in the subject property or asset and have no bias with respect to the assets that are the subject of the Report, or to the parties involved with the assignment.
12. I have read this technical Report and NI43-101 Standards of Disclosure for Mineral Projects and this Report has been prepared in compliance with NI43-101.
13. My compensation, employment or contractual relationship with the Commissioning Entity is not contingent on any aspect of the Report.
14. I did not undertake a personal inspection of the property.
15. I have had no prior involvement with the property that is the subject of this Report.

Yours faithfully,

D Clemente
NHD (Ext. Met.), GCC, MMMMA, FSAIMM
DIRECTOR, MINXCON PROJECTS

CERTIFICATE of COMPETENT VALUATOR - N J Odendaal

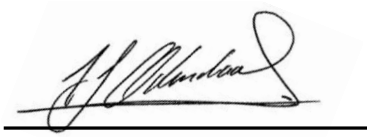
I, Johan Odendaal, do hereby certify that:

1. I am a Director of **Minxcon Consulting (Pty) Ltd**
   Suite 5, Coldstream Office Park,
   2 Coldstream Street,
   Little Falls, Roodepoort, South Africa
2. I graduated with a BSc (Geol.) degree from the Rand Afrikaans University in 1985. In addition, I have obtained a BSc (Hons.) (Mineral Economics) from the Rand Afrikaans University in 1986 and an MSc (Min. Eng.) from the University of the Witwatersrand in 1992.
3. I have worked as a Geoscientist for more than 25 years. As a former employee of Merrill Lynch, I was actively involved in advising mining companies and investment bankers on corporate-related issues, analysing platinum and gold companies. I completed a number of valuations on various commodities including gold, using the valuation approaches described by the Standards and Guidelines for Valuation of Mineral Properties recommended by the Special Committee of the Canadian Institute of Mining, Metallurgy and Petroleum or Valuation of Mineral Properties (CIMVAL).
4. I am a member/fellow of the following professional associations, which meet all the attributes of a Professional Association or a Self-Regulatory Professional Association, as applicable (as those terms are defined in CIMVAL):-

Class	Professional Society	Year of Registration
Member	Geological Society of South Africa (MGSSA No. 965119)	2003
Fellow	South African Institute of Mining and Metallurgy (FSAIMM Reg. No. 702615)	2003
Member	Australasian Institute of Mining and Metallurgy (MAusIMM Reg. No. 220813)	2003
Member	South African Council for Natural Scientific Professions (Pr. Sci. Nat. Reg. No. 400024/04)	2003

5. I am responsible for all items pertaining to Valuation of the Competent Person's Report titled "A Technical Report on the Barani East Prospect, Farabantourou Project, Kéniéba District, Western Mali", effective 29 August 2014.
6. I have read the definition of "Qualified Person" set out in the Canadian Code for reporting of Resources and Reserves – National Instrument 43-101 (Standards of Disclosure for Mineral Projects), Form 43-101F1 and the Companion Policy Document 43-101CP ("NI 43-101") and certify that by reason of my education, affiliation with professional associations and past relevant work experience, I fulfil the requirements to be a Qualified Person for the purposes of this Qualified Persons' Report.
7. I am a Qualified Valuator as the terms are defined in CIMVAL for the purpose of the valuation and the Valuation Report.
8. I have read the NI43-101 and this Report has been prepared in compliance with it.
9. As of the effective date, to the best of my knowledge, information and belief, the Report contains all scientific and technical information required to be disclosed to make the Report not misleading.
10. The facts presented in the Report are, to the best of my knowledge, correct.
11. The analyses and conclusions presented in the Report are limited only by the reported forecasts and conditions.
12. I have no present or prospective interest in the subject property or asset and have no bias with respect to the assets that are the subject of the Report, or to the parties involved with the assignment.
13. My compensation, employment or contractual relationship with the Commissioning Entity is not contingent on any aspect of the Report.
14. I did not undertake a personal inspection of the property.
15. I have had no prior involvement with the property that is the subject of this Report.

Yours faithfully,



NJ ODENDAAL

BSc (Geol.), BSc (Hons.) (Min. Econ.), MSc (Min. Eng.)

Pr. Sci. Nat., FSAIMM, MGSSA, MAusIMM

CERTIFICATE of QUALIFIED VALUATOR - J Burger

I, Jaco Burger, do hereby certify that:

1. I am an employee of **Minxcon Consulting (Pty) Ltd**
   Suite 5, Coldstream Office Park,
   2 Coldstream Street,
   Little Falls, Roodepoort, South Africa
2. I graduated with a B.Eng. Mining degree from the University of Pretoria in 2009. In addition, I have obtained a Mine Managers' Certificate in 2012. I completed a post graduate diploma in Financial Management through UNISA in 2011 and am currently a 2014 CFA Level 1 Candidate.
3. I have worked as a Mining Engineer for more than 5 years. As a former employee of Anglo Platinum I was involved in the mining production activities and was in charge of supervising various underground operations. I have been employed by Minxcon for the past two years as a valuator and completed a number of valuations on various commodities, including gold, using the valuation approaches described by the Standards and Guidelines for Valuation of Mineral Properties recommended by the Special Committee of the Canadian Institute of Mining, Metallurgy and Petroleum or Valuation of Mineral Properties (CIMVAL).
4. I am a member/fellow of the following professional associations, which meet all the attributes of a Professional Association or a Self-Regulatory Professional Association, as applicable (as those terms are defined in CIMVAL):-

Class	Professional Society	Year of Registration
Professional	Engineering Council of South Africa (Registration Number: 20130533)	2013
Member	South African Institute of Mining and Metallurgy (Number: 705773)	2012

5. I am responsible for all items pertaining to Valuation of the Competent Person's Report titled "A Technical Report on the Barani East Prospect, Farabantourou Project, Kéniéba District, Western Mali", effective 29 August 2014.
6. I have read the definition of "Qualified Person" set out in the Canadian Code for reporting of Resources and Reserves – National Instrument 43-101 (Standards of Disclosure for Mineral Projects), Form 43-101F1 and the Companion Policy Document 43-101CP ("NI 43-101") and certify that by reason of my education, affiliation with professional associations and past relevant work experience, I fulfil the requirements to be a Qualified Person for the purposes of this Qualified Persons' Report.
7. I am a Qualified Valuator as the terms are defined in CIMVAL for the purpose of the valuation and the Valuation Report.
8. I have read the NI43-101 and this Report has been prepared in compliance with it.
9. As of the effective date, to the best of my knowledge, information and belief, the Report contains all scientific and technical information required to be disclosed to make the Report not misleading.
10. The facts presented in the Report are, to the best of my knowledge, correct.
11. The analyses and conclusions presented in the Report are limited only by the reported forecasts and conditions.
12. I have no present or prospective interest in the subject property or asset and have no bias with respect to the assets that are the subject of the Report, or to the parties involved with the assignment.
13. My compensation, employment or contractual relationship with the Commissioning Entity is not contingent on any aspect of the Report.
14. I did not undertake a personal inspection of the property.
15. I have had no prior involvement with the property that is the subject of this Report.

Yours faithfully,

J BURGER
Pr Eng. (Mining)
ECSA, MSAIMM
VALUATOR

Appendix 2: Drillhole Collars at Barani East

BH Id	Type	Collar			EOH (m)	Start Date	Azimuth	Dip	Phase
		Easting	Northing	Elevation					
RCSP031	RC	224148.5	1499420	147.38	20	03/11/2000	270	-60	1
RCSP032	RC	224104.6	1499421	145.27	22	03/11/2000	270	-60	1
RCSP033	RC	224070.7	1499423	144.5	24	04/11/2000	270	-60	1
RCSP034	RC	224020.4	1499421	143.65	18	04/11/2000	270	-60	1
RCSP035	RC	223954.4	1499422	145.89	10	04/11/2000	270	-60	1
RCSP036	RC	223902.9	1499423	146.81	16	04/11/2000	270	-60	1
RCSP037	RC	223854.4	1499424	146.39	141	04/11/2000	270	-60	1
RCSP038	RC	223803.5	1499424	146.47	28	04/11/2000	270	-60	1
RCSP039	RC	223951.6	1499221	150.61	94	04/11/2000	270	-60	1
RCSP040	RC	223901.1	1499222	151.36	85	04/11/2000	270	-60	1
RCSP041	RC	223860	1499223	152.87	154	05/11/2000	270	-60	1
RCSP042	RC	223779.8	1499236	154.03	171	05/11/2000	270	-60	1
RCSP043	RC	223701.5	1499226	153.66	70	05/11/2000	270	-60	1
RCSP044	RC	223652.4	1499225	153.3	69	06/11/2000	270	-60	1
RCSP119	RC	223550.7	1499021	155.83	184	25/11/2000	270	-60	1
RCSP120	RC	223600.9	1499025	159.51	67	25/11/2000	270	-60	1
RCSP121	RC	223632.3	1499028	162.83	80	26/11/2000	270	-60	1
RCSP122	RC	223883.6	1499222	152.24	118	26/11/2000	270	-60	1
RCSP123	RC	224180.4	1499419	151.07	46	26/11/2000	270	-60	1
RCSP124	RC	224203.1	1499418	150.34	49	26/11/2000	270	-60	1
RCSP125	RC	224254.6	1499418	148.96	46	26/11/2000	270	-60	1
RCSP126	RC	224304	1499416	149.19	38	26/11/2000	270	-60	1
RCSP127	RC	223392.7	1498833	164.64	106	26/11/2000	270	-60	1
RCSP128	RC	223347.2	1498828	162.72	67	27/11/2000	270	-60	1
RCSP129	RC	224458.9	1500003	138.72	28	27/11/2000	270	-60	1
RCSP130	RC	224412.1	1500012	138.62	18	27/11/2000	270	-60	1
RCSP131	RC	224361.2	1500014	138.27	8	27/11/2000	270	-60	1
RCSP132	RC	224310.8	1500015	138.07	21	27/11/2000	270	-60	1
RCSP133	RC	224260.3	1500015	137.61	26	27/11/2000	270	-60	1
RCSP134	RC	224210.3	1500019	135.56	32	27/11/2000	270	-60	1
RCSP135	RC	224160.6	1500017	138.36	18	27/11/2000	270	-60	1
RCSP136	RC	224110.1	1500018	138.95	18	27/11/2000	270	-60	1
RCSP137	RC	224256.3	1499606	146.43	31	27/11/2000	270	-60	1
RCSP138	RC	224597.8	1499596	140.97	14	27/11/2000	270	-60	1
RCSP139	RC	224556.7	1499601	141.95	22	27/11/2000	270	-60	1
RCSP140	RC	224506.4	1499600	142.64	16	27/11/2000	270	-60	1
RCSP141	RC	224457.1	1499602	143.49	40	27/11/2000	270	-60	1
RCSP142	RC	224406.6	1499603	144.64	63	28/11/2000	270	-60	1
RCSP143	RC	224357	1499601	145.84	60	28/11/2000	270	-60	1
RCSP144	RC	224305.8	1499605	146.02	66	28/11/2000	270	-60	1
RCSP145	RC	224206.4	1499608	145.44	25	28/11/2000	270	-60	1
RCSP146	RC	224157.1	1499610	144.76	27	28/11/2000	270	-60	1
RCSP147	RC	224106.1	1499612	144.05	15	28/11/2000	270	-60	1
RCSP148	RC	224055.8	1499615	143.51	15	28/11/2000	270	-60	1
RCSP149	RC	224003.5	1499622	142.56	13	28/11/2000	270	-60	1
RCSP150	RC	224001.7	1499218	150.35	48	28/11/2000	270	-60	1
RCSP151	RC	224052.5	1499219	150.43	75	28/11/2000	270	-60	1
RCSP152	RC	224103.1	1499222	149.97	70	28/11/2000	270	-60	1
RCSP153	RC	224149.5	1499215	149.4	33	29/11/2000	270	-60	1
RCSP154	RC	224201.4	1499217	148.67	27	29/11/2000	270	-60	1
RCSP155	RC	223145.9	1498830	161.69	84	29/11/2000	270	-60	1
RCSP156	RC	223197.1	1498831	162.61	45	29/11/2000	270	-60	1
RCSP157	RC	223245.8	1498829	161.96	28	29/11/2000	270	-60	1
RCSP158	RC	223297.2	1498829	161.48	62	29/11/2000	270	-60	1
RCSP159	RC	223446.2	1498829	166.48	124	29/11/2000	270	-60	1
RCSP160	RC	223489.6	1498827	170.57	105	29/11/2000	270	-60	1
RCSP161	RC	223546.4	1498824	189.01	100	30/11/2000	270	-60	1
RCSP162	RC	223596	1498825	187.67	70	30/11/2000	270	-60	1
RCSP163	RC	223646.4	1498827	185.96	76	30/11/2000	270	-60	1
RCSP164	RC	223717.9	1499018	193.82	100	30/11/2000	270	-60	1
RCSP165	RC	223748.9	1499023	194.24	100	30/11/2000	270	-60	1
RCSP166	RC	223799.1	1499023	194.59	112	30/11/2000	270	-60	1
RCSP204	RC	223572.2	1498825	188.84	94	18/12/2000	270	-60	1

BH Id	Type	Collar			EOH (m)	Start Date	Azimuth	Dip	Phase
		Easting	Northing	Elevation					
RCSP205	RC	223622.3	1498825	186.44	61	19/12/2000	270	-60	1
RCSP206	RC	223672.6	1498839	185.78	114	19/12/2000	270	-60	1
RCSP207	RC	223746.4	1498825	187.07	65	19/12/2000	270	-60	1
RCSP208	RC	223797.6	1498825	188.67	67	20/12/2000	270	-60	1
RCSP209	RC	223774.3	1499024	194.46	100	20/12/2000	270	-60	1
RCSP210	RC	223942.7	1498818	155.18	24	20/12/2000	270	-60	1
RCSP211	RC	223993.3	1498823	153.47	23	20/12/2000	270	-60	1
RCSP212	RC	224043.7	1498823	152.07	52	20/12/2000	270	-60	1
RCSP213	RC	224093.4	1498823	150.57	67	21/12/2000	270	-60	1
RCSP214	RC	224129.2	1499420	146.71	12	21/12/2000	270	-60	1
RCSP215	RC	224081.8	1499613	143.78	14	21/12/2000	270	-60	1
RCSP216	RC	224131.5	1499612	144.32	12	21/12/2000	270	-60	1
RCSP217	RC	224181.2	1499609	145.16	15	21/12/2000	270	-60	1
RCSP218	RC	224281.1	1499605	146.34	52	21/12/2000	270	-60	1
RCSP219	RC	224332.8	1499604	146.12	79	21/12/2000	270	-60	1
RCSP220	RC	224234.3	1500016	136.71	17	22/12/2000	270	-60	1
RCSP221	RC	224280.5	1500015	137.91	18	22/12/2000	270	-60	1
RCSP222	RC	224512.2	1500010	138.24	32	23/12/2000	270	-60	1
RCSP223	RC	224562.3	1500010	135.79	16	23/12/2000	270	-60	1
RCSP224	RC	224601.6	1500009	136.65	10	23/12/2000	270	-60	1
RCSP225	RC	224660.5	1500008	134.89	20	23/12/2000	270	-60	1
RCSP226	RC	224711.2	1500007	134.72	21	23/12/2000	270	-60	1
RCSP227	RC	224760.9	1500006	136.56	17	23/12/2000	270	-60	1
RCSP228	RC	224799.8	1500006	137.96	27	23/12/2000	270	-60	1
RCSP229	RC	224860.8	1500004	136.12	26	23/12/2000	270	-60	1
RCSP230	RC	224904.5	1500004	137.39	27	23/12/2000	270	-60	1
RCSP234	RC	223652.5	1498425	172.13	58	24/12/2000	270	-60	1
RCSP235	RC	223594.4	1498425	173.78	66	24/12/2000	270	-60	1
RCSP236	RC	223542.6	1498427	176.84	58	24/12/2000	270	-60	1
RCSP237	RC	223492.7	1498427	181.59	91	26/12/2000	270	-60	1
RCSP238	RC	223441.4	1498431	182.71	72	26/12/2000	270	-60	1
RCSP239	RC	223392	1498429	179.97	53	26/12/2000	270	-60	1
RCSP240	RC	223342.2	1498429	179.92	120	26/12/2000	270	-60	1
RCSP241	RC	223291.5	1498430	179.88	87	26/12/2000	270	-60	1
RCSP242	RC	223241.9	1498432	179.55	40	27/12/2000	270	-60	1
RCSP270	RC	223721.9	1498826	186.51	68	04/01/2001	270	-60	1
RCSP271	RC	223820.6	1498824	189.67	75	05/01/2001	270	-60	1
RCSP381	RC	224341.4	1500012	138.16	95	20/01/2001	270	-60	1
RCSP401	RC	223343.6	1498626	164.63	55	21/01/2001	270	-60	1
RCSP403	RC	223392.6	1498626	166.93	49	21/01/2001	270	-60	1
RCSP405	RC	223445	1498624	168.54	67	21/01/2001	270	-60	1
RCSP407	RC	223472.6	1498628	170.96	89	21/01/2001	270	-60	1
RCSP409	RC	223544.6	1498627	183.38	58	22/01/2001	270	-60	1
RCSP411	RC	223594.8	1498625	179.64	55	22/01/2001	270	-60	1
RCSP413	RC	223645.5	1498625	176.46	83	22/01/2001	270	-60	1
RCSP415	RC	223693.8	1498624	175.16	33	22/01/2001	270	-60	1
RCSP417	RC	223744.3	1498625	178.95	67	22/01/2001	270	-60	1
RCSP419	RC	223792.8	1498624	182.42	67	22/01/2001	270	-60	1
RCSP431	RC	223688.8	1498225	170.43	76	23/01/2001	270	-60	1
RCSP432	RC	223732.9	1498225	172.98	63	23/01/2001	270	-60	1
RCSP433	RC	223791.8	1498211	165.48	47	23/01/2001	270	-60	1
RCSP434	RC	223837.7	1498223	163.76	70	23/01/2001	270	-60	1
RCSP435	RC	223888.4	1498222	163.46	97	23/01/2001	270	-60	1
RCSP448	RC	223966.9	1499224	153.39	107	26/01/2001	270	-60	1
RCSP449	RC	223843.1	1499023	195.58	150	27/01/2001	270	-60	1
RCSP450	RC	223966.6	1499213	150.77	150	28/01/2001	270	-60	1
RCSP554	RC	223751.4	1499075	196.76	100	22/04/2001	270	-60	1
RCSP555	RC	223775.5	1499074	196.76	100	22/04/2001	270	-60	1
RCSP556	RC	223801	1499071	196.52	120	23/04/2001	270	-60	1
RCSP557	RC	223827.7	1499068	196.35	136	23/04/2001	270	-60	1
RCSP558	RC	223851.4	1499073	196.21	154	23/04/2001	270	-60	1
RCSP559	RC	223824.1	1499022	194.53	150	23/04/2001	270	-60	1
RCSP560	RC	223652.3	1498925	189.88	92	24/04/2001	270	-60	1
RCSP561	RC	223672.8	1498925	189.54	78	24/04/2001	270	-60	1

BH Id	Type	Collar			EOH (m)	Start Date	Azimuth	Dip	Phase
		Easting	Northing	Elevation					
RCSP562	RC	223698.7	1498925	189.24	120	24/04/2001	270	-60	1
RCSP563	RC	223722.8	1498925	189.37	143	25/04/2001	270	-60	1
RCSP564	RC	223623	1498829	186.54	116	26/04/2001	270	-60	1
RCSP565	RC	223645.8	1498831	186.06	121	28/04/2001	270	-60	1
RCSP566	RC	223594.9	1498822	187.54	116	28/04/2001	270	-60	1
RCSP567	RC	223771.2	1498828	187.76	76	29/04/2001	270	-60	1
RCSP568	RC	223821.1	1498821	189.46	93	29/04/2001	0	-90	1
RCSP569	RC	223545.3	1498777	188.25	120	29/04/2001	270	-60	1
RCSP570	RC	223570.2	1498777	187.15	120	30/04/2001	270	-60	1
RCSP571	RC	223798.9	1499174	159.56	103	30/04/2001	270	-60	1
RCSP572	RC	223775.4	1499175	159.37	55	30/04/2001	270	-60	1
RCSP573	RC	223820.2	1499183	156.66	100	01/05/2001	270	-60	1
RCSP574	RC	223851.6	1499179	157.17	100	01/05/2001	270	-60	1
RCSP575	RC	223854.3	1499181	156.84	110	01/05/2001	270	-75	1
RCSP576	RC	223857.9	1499181	157.06	98	01/05/2001	0	-90	1
RCSP577	RC	223928.5	1499320	147.6	22	02/05/2001	270	-60	1
RCSP578	RC	223974	1499319	146.47	29	02/05/2001	270	-60	1
RCSP579	RC	224027.5	1499323	147.55	53	02/05/2001	270	-60	1
RCSP580	RC	224078.1	1499324	147.5	31	02/05/2001	270	-60	1
RCSP709	RC	223520.9	1498627	184.76	77	26/05/2001	270	-60	1
RCSP710	RC	223570.4	1498623	181.44	75	26/05/2001	270	-60	1
RCSP711	RC	223621.5	1498775	183.56	77	27/05/2001	270	-60	1
RCSP712	RC	223673.1	1498769	178.76	75	27/05/2001	270	-60	1
RCSP713	RC	223721.9	1498775	182.77	73	27/05/2001	270	-60	1
RCSP714	RC	224002.3	1499323	147.51	77	29/05/2001	270	-60	1
RCSP715	RC	223953.1	1499323	147.17	77	30/05/2001	270	-60	1
RCSP716	RC	224210.1	1499819	139.39	75	30/05/2001	270	-60	1
RCSP717	RC	224259.8	1499816	140.69	77	31/05/2001	270	-60	1
RCSP718	RC	224311.4	1499813	141.3	75	31/05/2001	270	-60	1
RCSP719	RC	224359.8	1499816	141.16	75	31/05/2001	270	-60	1
RCSP787	RC	223622	1498876	188.74	98	12/06/2001	270	-60	1
RCSP788	RC	223646.9	1498875	187.74	87	12/06/2001	270	-60	1
RCSP789	RC	223680.9	1498971	191.81	72	13/06/2001	270	-60	1
RCSP790	RC	223697.4	1498975	191.97	70	13/06/2001	270	-60	1
RCSP791	RC	223827.9	1499234	152.96	100	13/06/2001	270	-60	1
RCSP792	RC	223827.3	1499273	152.19	99	13/06/2001	270	-60	1
RCSP793	RC	223852	1499274	151.13	49	13/06/2001	270	-60	1
RCSP794	RC	223852.1	1499321	151.05	22	13/06/2001	270	-60	1
RCSP795	RC	223877	1499324	149.96	75	14/06/2001	270	-60	1
RCSP796	RC	223902.4	1499321	148.52	75	14/06/2001	270	-60	1
RCSP797	RC	224409.4	1499816	141.07	75	15/06/2001	270	-60	1
RCSP798	RC	224458.9	1499818	140.91	71	15/06/2001	270	-60	1
RCSP799	RC	224261.7	1500069	136.26	75	16/06/2001	270	-60	1
RCSP800	RC	224208.6	1500070	134.94	75	17/06/2001	270	-60	1
RCSP801	RC	224312.8	1500069	136.86	75	18/06/2001	270	-60	1
RCSP802	RC	224362.4	1500066	137.32	75	18/06/2001	270	-60	1
RCSP813	RC	223803.2	1499072	196.6	150	23/06/2001	330	-50	1
RCSP814	RC	223829.7	1499073	196.34	150	23/06/2001	335	-50	1
RCSP816	RC	223724	1498975	191.68	104	23/06/2001	270	-60	1
RCSP817	RC	223748.9	1498974	192.03	120	23/06/2001	270	-60	1
RCSP818	RC	223747.5	1498773	182.9	75	24/06/2001	270	-60	1
RCSP819	RC	223770.2	1498773	184.16	67	24/06/2001	270	-60	1
RCSP820	RC	223795.1	1498774	185.38	66	24/06/2001	270	-60	1
RCSP821	RC	223877.1	1499272	150.34	116	25/06/2001	270	-60	1
RCSP822	RC	223903.3	1499274	149.89	98	25/06/2001	270	-60	1
RCSP823	RC	223927.6	1499274	149.47	120	25/06/2001	270	-60	1
RCSP828	RC	223951.3	1499172	152.58	170	09/12/2001	270	-60	1
RCSP829	RC	223799	1498974	192.55	159	10/12/2001	270	-60	1
RCSP830	RC	223619.6	1498626	177.93	79	11/12/2001	270	-60	1
RCSP831	RC	223625.3	1498626	177.56	82	12/12/2001	270	-60	1
RCSP858	RC	223619	1498620	177.87	105	11/01/2002	270	-60	1
RCSP859	RC	223822.3	1498922	192.61	159	11/01/2002	270	-60	1
RCSP860	RC	223834.1	1498975	193.95	195	13/01/2002	270	-60	1
BEDD12_001	DD	224085	1498899	189	130	2016-10-12	270	-60	3

BH Id	Type	Collar			EOH (m)	Start Date	Azimuth	Dip	Phase
		Easting	Northing	Elevation					
BEDD12_002	DD	224039	1498893	188	78	19/10/2012	270	-60	3
BEDD12_003	DD	224087	1498989	220	75	22/10/2012	270	-60	3
BEDD12_004	DD	224180	1499138	154	87	24/10/2012	270	-60	3
BEDD12_005	DD	224167	1499102	156	82	25/10/2012	270	-60	3
BERC12_001	RC	224133	1499105	165	50	29/10/2012	270	-60	3
BERC12_002	RC	224152	1499144	153	35	29/10/2012	270	-60	3
BERC12_003	RC	224165	1499143	155	40	30/10/2012	270	-60	3
BERC12_004	RC	224218	1499148	154	90	30/10/2012	270	-60	3
BERC12_005	RC	224165	1499188	160	30	30/10/2012	270	-60	3
BERC12_006	RC	223990	1498850	198	65	11/07/2012	270	-60	3
BERC12_007	RC	223991	1498890	188	30	11/08/2012	270	-60	3
BERC12_008	RC	224036	1498939	192	45	11/08/2012	270	-60	3
BERC12_009	RC	224064	1498955	196	60	11/09/2012	270	-60	3
BERC12_010	RC	224119	1498945	189	120	11/09/2012	270	-60	3
BERC12_011	RC	224056	1498997	202	40	11/09/2012	270	-60	3
BERC12_012	RC	224099	1498996	182	90	11/10/2012	315	-60	3