

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.** If you are in any doubt about the contents of this document or what action you should take you are recommended to seek your own financial advice immediately from your stockbroker, solicitor, accountant or other independent adviser, if you are resident in Ireland, an organisation or firm authorised under the European Communities (Markets in Financial Instruments) Regulations 2007 (Nos. 1 to 3) or the Investment Intermediaries Act 1995 (as amended) or, if you are resident in the United Kingdom, a firm authorised pursuant to the Financial Services and Markets Act 2000 of the United Kingdom who specialises in advising on the acquisition of shares and other securities before taking any action. This document is for information only and does not constitute an offer to sell, or a solicitation of an offer to buy, Shares in the UK.

This document is not a prospectus and does not contain an offer to the public to purchase or subscribe for securities within the meaning of the Prospectus (Directive 2003/71/EC) Regulations, 2005 of Ireland or the Prospectus Regulations, 2005 of the United Kingdom. Neither the London Stock Exchange nor the Irish Stock Exchange has examined or approved the contents of this document.

If you have sold or transferred all of your Existing Shares please send this document to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee except that such documents should not be sent to any jurisdiction where to do so might constitute a violation of local securities law, or regulations, including, but not limited to, the United States or any of the Excluded Territories. The distribution of this document and/or any accompanying documents into jurisdictions other than Ireland and the United Kingdom may be restricted by law and therefore persons into whose possession this document and/or any accompanying documents come should inform themselves about and observe any such restrictions. If you have sold part of your holding of Existing Shares you should immediately contact your stockbroker, bank or other agent through whom the sale was effected.

The Directors and Proposed Directors, whose names appear on page 5 of this document, and the Company accept responsibility, both individually and collectively, for the information contained in this document. To the best of the knowledge of the Director and Proposed Directors, who have taken all reasonable care to ensure that such is the case, the information contained in this document is in accordance with the facts and contains no omission likely to affect the import of such information. In connection with this document and/or the Subscription, the Acquisition and the Listing no person is authorised to give any information or make any representations other than as contained in this document and if given or made, such information or representation must not be relied upon as having been so authorised.

The Company's Ordinary Shares are currently admitted to trading on AIM. Application will be made to the London Stock Exchange for the New Shares to be admitted to trading on AIM. It is expected that Admission will become effective, and dealings for normal settlement in the New Shares will commence, at 8.00 a.m. on Tuesday 8 March 2011. The New Shares will not be dealt in, or on, any other recognised investment exchange and no other such application will be made, save as set out below in relation to the JSE.

**AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the UK Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Each AIM company is required, pursuant to the AIM Rules for Companies, to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on the admission of the New Shares in the form set out in Schedule Two to the AIM Rules for Nominated Advisers. Neither the London Stock Exchange nor the UKLA has examined or approved the contents of this document.**

The AIM Rules are less demanding than those of the Official List. It is emphasised that no application is being made for admission of the Existing Shares or the New Shares to the Official List.

## **KIBO MINING PLC**

*(Incorporated in Ireland under the Companies Acts 1963-2006 with registered number 451931)*

### **Subscription of 16,666,667 Subscription Shares at 0.3 pence per share Acquisition of Morogoro and Listing of Kibo on the JSE**

*Nominated Adviser*

**Daniel Stewart & Company plc**

*Joint Broker*

**Alexander David Securities Limited  
Loeb Aron & Company Limited**

The New Shares will, following allotment, rank *pari passu* in all respects with the Existing Shares including the right to receive all dividends and other distributions declared made or paid on the Ordinary Share capital of the Company.

Daniel Stewart, which is authorised and regulated in the United Kingdom by the Financial Services Authority and is a member of the London Stock Exchange, is acting exclusively as the Company's nominated adviser for the purposes of the AIM Rules and no-one else in connection with the Subscription, the Acquisition and the Listing and will not be responsible to anyone other than the Company for providing the protections afforded to customers of Daniel Stewart or for providing advice to any other person in relation to the contents of this document, the Subscription, the Acquisition and the Listing or any other matter referred to herein. Daniel Stewart is not making any representation or warranty, express or implied, and takes no responsibility for the contents of this document.

The release, publication or distribution of this document in or outside the UK, and Ireland may be restricted by law. Persons who come into possession of this document should inform themselves about and observe any applicable restrictions or requirements in their particular jurisdiction.

Failure to comply with these restrictions may constitute a violation of the securities laws of such jurisdiction. No action has been taken by the Company or Daniel Stewart that would permit possession or distribution of this document in any jurisdiction (including the United Kingdom) where action for that purpose is required.

**This document is being sent to Shareholders, option holders and warrant holders for information purposes only.**

This document does not constitute an offer to sell, or the solicitation of an offer to subscribe for or buy shares to any person in any jurisdiction to whom or in which such offer or solicitation is unlawful. The Existing Shares and the New Shares have not been, and will not be, registered under the United States Securities Act of 1933, as amended, or under the securities legislation of any state of the United States. The relevant clearances have not been, and will not be, obtained from the Securities Commission of any province or territory of Canada and no registration statement has been, or will be, filed with the Japanese Ministry of Finance in relation to the Subscription, the Acquisition and the Listing. Subject to certain exceptions, the New Shares may not, directly or indirectly, be offered or sold within the United States or the Excluded Territories or offered or sold to a person within the United States or the Excluded Territories. Any failure to comply with these restrictions may constitute a violation of the securities law of these jurisdictions.

It is the responsibility of any person receiving a copy of this document outside the United Kingdom, and Ireland to satisfy themselves as to the full observance of the laws and regulatory requirements of the relevant territory in connection therewith, including obtaining any governmental or other consents which may be required or observing any other formalities required to be observed in such territory and paying any other issue, transfer or other taxes due in such other territory. Persons (including, without limitation, nominees and trustees) receiving this document should not, in connection with the Subscription, the Acquisition and the Listing, distribute or send this document into any jurisdiction when to do so would, or might contravene local securities laws or regulations.

**Forward looking statements**

All statements, other than statements of historical fact, contained in this document constitute "forward looking statements". In some cases forward looking statements can be identified by terms such as "may", "intend", "might", "will", "should", "could", "would", "believe", "anticipate", "expect", "estimate", "predict", "project", "potential", or the negative of these terms, and similar expressions. Such forward-looking statements are based on assumptions and estimates and involve risks, uncertainties and other factors that may cause the actual results, financial condition, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. New factors may emerge from time to time that could cause the Company's business not to develop as it expects, and it is not possible for the Company to predict all such factors. Given these uncertainties, prospective investors are cautioned not to place any undue reliance on such forward-looking statements except as required by law. The Company disclaims any obligation to update any such forward-looking statements in this document to reflect future events or developments.

By their nature, forward looking statements involve risk and uncertainty because they relate to future events and circumstances. Forward looking statements are not guarantees of future performance and the actual results of the Company's operations, financial position and liquidity, and the development of the markets and the industry in which the Company operates may differ materially from those described in, or suggested by, the forward looking statements contained in this Circular. In addition, even if the results of operations, financial position and liquidity, and the development of the markets and the industry in which the Company and/or the Group operates, are consistent with the forward looking statements contained in this Circular, those results or developments may not be indicative of results or developments in subsequent periods. A number of factors could cause results and developments of the Company and/or the Group to differ materially from those expressed or implied by the forward looking statements including, without limitation, general economic and business conditions, industry trends, competition, changes in regulation, currency fluctuations, changes in its business strategy, political and economic uncertainty.

Forward looking statements may, and often do, differ materially from actual results. Any forward looking statements in this document reflect the Company's and/or the Group's current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Company's and/or the Group's operations, results of operations, growth strategy and liquidity.

Save as required by the Prospectus Rules, the Disclosure and Transparency Rules, the Transparency Regulations and Rules and the AIM Rules, the Company undertakes no obligation to update these forward looking statements and will not publicly release any revisions it may make to these forward looking statements that may occur due to any change in the Company's and/or the Group's expectations or to reflect events or circumstances after the date of this document. Investors should note that the contents of these paragraphs relating to forward looking statements are not intended to qualify the statements made as to sufficiency of working capital in this document.

## CONTENTS

	<b>Page</b>
Expected timetable of principal events	4
Key statistics	4
Directors, secretary and advisers	5
Definitions	7
Part 1 Letter from Chairman of Kibo Mining plc	11
Part 2 Morogoro Gold Limited	14
Part 3 Unaudited pro forma statement of net assets of the Group	17
Part 4 Competent persons report	19
Part 5 Additional information	95

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Circular posted to Shareholders by	4 March 2011
Admission and dealings in the Subscription and Acquisition Shares on AIM expected to commence on	Tuesday 8 March 2011
Expected date on which CREST accounts are to be credited with the Subscription and Acquisition Shares	Tuesday 8 March 2011
Definitive share certificates for the Subscription and Acquisition Shares expected to be despatched (if appropriate) by	Wednesday 9 March 2011

*References to time in this document are to Greenwich Mean Time unless otherwise specified*

## KEY STATISTICS

Number of Existing Ordinary Shares	266,425,874
Number of outstanding options/warrants	5,703,516
Number of Subscription Shares	16,666,667
Number of Acquisition Shares	56,666,667
Number of New Shares	73,333,334
Number of Ordinary Shares in issue following the Initial Completion	339,759,208
Market capitalisation of the Company following the Initial Completion	c. £13.6million
Percentage of the Enlarged Share Capital represented by the Subscription Shares	4.91%
Percentage of the Enlarged Share Capital represented by the Acquisition Shares	16.68%
Percentage of the Enlarged Share Capital represented by the New Shares	21.58%
Estimated costs	£172,000

## DIRECTORS, SECRETARY AND ADVISERS

<b>Directors</b>	Christian Schaffalitzky de Muckadell (Non-executive Chairman) (known as Christian Schaffalitzky) Noel Flannan O’Keeffe (Chief Executive Officer) William James Benedict Payne (Non-executive Finance Director) Desmond Joseph Burke (Non-executive Director) Louis Lodewyk Coetzee (Non-executive Director)
<b>Proposed Directors</b>	Lukas Marthinus Maree (Non-executive Director) (known as Tinus Maree) Andreas Lianos (Non-executive Director) (known as Andrew Lianos)
<b>Registered Office</b>	Suite 3 One Earlsfort Centre Lower Hatch Street Dublin 2 Ireland
<b>Secretary</b>	Noel O’Keeffe
<b>Nominated Adviser</b>	Daniel Stewart & Company Plc Becket House 36 Old Jewry London EC2R 8DD
<b>Joint Brokers</b>	Alexander David Securities Limited 60 Lombard Street London EC3V 9EA  Loeb Aron & Company Limited Georgian House 63 Coleman Street London EC2R 5BB
<b>JSE Sponsor</b>	River Group 2nd Floor Parc Nouveau 225 Veale Street Brooklyn Pretoria 0181 South Africa
<b>Auditors and Reporting Accountants</b>	LHM Casey McGrath 6 Northbrook Road Ranelagh Dublin 6 Ireland
<i>In Tanzania</i>	W.M. Kilele & Company 24 “K” Kenyatta Road P.O. Box 1424 Mwanza

## **Solicitors to the Company**

*As to Irish law* Evershed O'Donnell Sweeney  
One Earlsfort Centre  
Earlsfort Terrace  
Dublin 2  
Ireland

*As to English law* Ronaldsons LLP  
55 Gower Street  
London  
WC1E 6HQ

*As to Tanzanian law* Rex Attorneys  
Rex House  
145 Magore Street  
P.O. Box 7495  
Dar es Salaam  
Tanzania

**Competent Person** Venmyn Rand (Pty) Limited  
First Floor, Block G Rochester Place  
173 Rivonia Road Sandton 2146  
PO Box 782761 Sandton 2146  
Republic of South Africa

**Registrars** Computershare Investors (Services) Ireland Limited  
Heron House  
Corrig Road  
Sandyford Industrial Estate  
Dublin 18  
Ireland

**The Company website** [www.kibominig.com](http://www.kibominig.com)

**Telephone** +353 91 384562

**ISIN** IE00B61XQX41 (ie)

**SEDOL** B61XQX4 (ie)

## DEFINITIONS

In this document the following words and expressions shall, except where the context requires otherwise, have the following meanings:

<b>“1963 Act”</b>	the Companies Act 1963
<b>“Acts”</b>	the Companies Acts 1963 to 2009 of the Republic of Ireland (as amended or replaced from time to time)
<b>“Accounts”</b>	the last audited or unaudited accounts for Morogoro, Savannah and Jubilee
<b>“Acquisition”</b>	the acquisition of the entire issued share capital of Morogoro by Kibo in accordance with clause 4 of the Agreement
<b>“Acquisition Shares”</b>	the 56,666,667 Ordinary Shares of €0.01 each in the capital of Kibo issue to Mzuri to acquire the entire issued share capital of Morogoro
<b>the “Agreement”</b>	the agreement between Kibo and Mzuri pursuant to which: Mzuri will subscribe for 16,666,667 Ordinary Shares in Kibo at an issue price of 3p per share; Kibo will acquire the entire issued share capital of Morogoro for the issue of 56,666,667 Ordinary Shares in Kibo; and Kibo will apply to list on the JSE
<b>“AIM”</b>	the AIM market of the London Stock Exchange
<b>“AIM Rules”</b>	together, and as amended from time to time, the AIM Rules for Companies and the AIM Rules for Nominated Advisers, governing admission to and the operation of AIM, as published by the London Stock Exchange
<b>“Articles”</b>	the articles of association of the Company
<b>“Business Day”</b>	any day on which clearing banks in London are open for normal banking business
<b>“Board” or “Directors”</b>	the board of directors of the Company whose names appear on page 5 of this document
<b>“Central Bank”</b>	the Central Bank of Ireland
<b>“Certificated” or “in Certificated Form”</b>	the description of a share or other security which is not in uncertificated form (that is, not in CREST)
<b>“Circular”</b>	the circular, in the agreed form, to the Shareholders giving details of the Subscription, the Acquisition and the Listing;
<b>“City Code”</b>	the City Code on Takeovers and Mergers
<b>“Conditions”</b>	the conditions specified in the Agreement
<b>“CREST”</b>	the relevant system (as defined in the CREST Regulations) for the paperless settlement of trades and the holding of uncertificated securities, operated by Euroclear, in accordance with the CREST Regulations.
<b>“CREST Regulations”</b>	the Companies Act 1990 (Uncertificated Securities) Regulations 1996, including any applicable rules made under those regulations or any enactment or subordinate legislation for the time being in force

<b>“Daniel Stewart”</b>	Daniel Stewart & Company Plc, the Company’s nominated adviser, which is authorised and regulated by the Financial Services Authority
<b>“Disclosure and Transparency Rules”</b>	the Disclosure and Transparency Rules issued by the FSA
<b>“Enlarged Share Capital”</b>	the issued share capital of the Company following the Subscription and the Acquisition
<b>“Euroclear”</b>	Euroclear UK & Ireland Limited (formerly named CrestCo Limited), the operator of CREST
<b>“Excluded Territories”</b>	Canada, Japan and Australia and/or their respective territories or possessions
<b>“Existing Shares”</b>	the 266,425,874 Shares in issue at the date of this document being the entire issued share capital of the Company prior to the Subscription and the Acquisition
<b>“FSA”</b>	the Financial Services Authority of the UK
<b>“FSMA”</b>	the Financial Services and Markets Act 2000 (as amended) of the UK
<b>“GMT”</b>	Greenwich Mean Time
<b>“Group”</b>	the Company and its subsidiaries, subsidiary undertakings and associated undertakings
<b>“Indicated Resource”</b>	that part of a mineral resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a reasonable level of confidence. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are too widely or inappropriately spaced to confirm geological and/or grade continuity but are spaced closely enough for continuity to be assumed (Item 21 of JORC Code)
<b>“Inferred Resource”</b>	that part of a mineral resource for which tonnage, grade and mineral content can be estimated with a low level of confidence. It is inferred from geological evidence and assumed but not verified geological and/or grade continuity. It is based on information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes which may be limited or of uncertain quality and reliability (Item 20 of JORC Code)
<b>“Initial Completion”</b>	completion of the Subscription by Mzuri for the Subscription Shares and the Acquisition of Morogoro by Kibo in accordance with the Agreement
<b>“Initial Completion Date”</b>	the fourth Business Day after the fulfilment or waiver of the last of the Conditions
<b>“Ireland”</b>	the island of Ireland, save for Northern Ireland
<b>“Irish Stock Exchange”</b>	the Irish Stock Exchange Limited
<b>“JSE”</b>	JSE Limited, the stock exchange in South Africa licensed as an exchange under the Securities Services Act, 2004
<b>“Jubilee”</b>	Jubilee Resources Limited a company registered in Tanzania with company number 31207, a wholly owned subsidiary of Morogoro



<b>“Kibo” or the “Company”</b>	Kibo Mining plc
<b>“Listing”</b>	the listing of all the Ordinary Shares on the JSE in accordance with the laws of the Republic of South Africa, the JSE Rules and the JSE Listings Requirements
<b>“Listing Date”</b>	the date on which Listing is implemented by the JSE for all the Ordinary Shares
<b>“London Stock Exchange”</b>	London Stock Exchange plc
<b>“Mineral Assets”</b>	the prospecting licences, prospecting licence applications, prospecting licences with reconnaissance period and prospecting licence with reconnaissance period applications in which any Group Company has a beneficial interest, the details of which are set out in Part 4 hereto, and “Mineral Asset” shall mean any one of them
<b>“Ministry”</b>	the Ministry of Energy and Minerals of the United Republic of Tanzania
<b>“Morogoro”</b>	Morogoro Gold Limited a company incorporated in Cyprus with number HE247089
<b>“Morogoro Shares”</b>	the 1,000 ordinary shares of €1.00 in the capital of Morogoro (being the entire issued share capital of Morogoro) and all claims on shareholders’ loan accounts against Morogoro
<b>“Mzuri”</b>	Mzuri Gold Limited a company incorporated in the Republic of Cyprus under registration number HE252383 having its registered office at Suite 102, 157 Kolonakiou Street, Limassol, Cyprus 3035
<b>“Nominated Advisor”</b>	Daniel Stewart & Company Plc
<b>“New Shares”</b>	the Subscription Shares and the Acquisition Shares
<b>“Ordinary Shares” or “Shares”</b>	ordinary shares of €0.01 each in the capital of the Company
<b>“Proposed Directors”</b>	Lukas Marthinus Maree (“Tinus Maree”) and Andreas Lianos (“Andrew Lianos”)
<b>“Prospectus Rules”</b>	the Prospectus Rules of the Central Bank issued under section 51 of the 2005 Act and/or, where appropriate, the rules made by the Financial Services Authority pursuant to sections 73A(1) and (4) of FSMA
<b>“River Sponsors” or “River Group”</b>	River Sponsors (Pty) a licensed sponsor on the JSE
<b>“RNS”</b>	a Regulatory Information Services approved under the Regulated Information Service criteria, and incoming Information Society Service providers that have their establishment in an EEA state and that disseminates regulated information in accordance with the minimum standards set out in Article 12 of the TD Implementing Directive (2007/14/EC)] or approved by the London Stock Exchange for the distribution to the public of AIM announcements and included within the list maintained on the London Stock Exchange’s website, <a href="http://www.londonstockexchange.com">www.londonstockexchange.com</a>
<b>“Savannah”</b>	Savannah Mining Limited a company registered in Tanzania with company number 31216, a wholly owned subsidiary of Morogoro
<b>“Second Completion”</b>	the completion of the Listing in accordance with the Agreement by no later than 30 April 2011 or such later date as the parties agree in writing

<b>“Shareholder”</b>	holders of any legal or beneficial interest, whether direct or indirect, in the Ordinary Shares
<b>“Subscription”</b>	the subscription for the Subscription Shares
<b>“Subscription Price”</b>	GBP0.03 (three pence) per Subscription Share
<b>“Subscription Proceeds”</b>	the GBP500,000 in aggregate to be paid by Mzuri for the Subscription Shares
<b>“Subscription Shares”</b>	the 16,666,667 new Ordinary Shares in Kibo Mzuri will subscribe for at an issue price of 3p per share to raise £500,000 gross
<b>“Subsidiary”</b>	shall have the meaning given by section 155 of the 1963 Act
<b>the “Transaction”</b>	the Subscription, Acquisition, Listing on the JSE and the proposed placing in South Africa to take place in due course
<b>“Transparency Regulations and Rules”</b>	the Transparency (Directive 2004/109/EC) Regulations 2007 and the Transparency Rules of the Central Bank issued under section 22 of the Investment Funds, Companies and Miscellaneous Provisions Act 2005
<b>“UK” or “United Kingdom”</b>	the United Kingdom of Great Britain and Northern Ireland (for the avoidance of doubt excluding the Channel Islands)
<b>“UKLA”</b>	the Financial Services Authority acting in its capacity as the competent authority for the purposes of Part VI of FSMA
<b>“Uncertificated” or “in Uncertificated Form”</b>	the description of a share or other security as being held in uncertificated form in CREST and title to which by virtue of the Regulations may be transferred by means of CREST

A reference to £ is to pounds sterling, being the lawful currency of the UK.

A reference to € is to the Euro, being the official currency of 16 of the 27 member states of the European Union.

Unless otherwise stated in this document, all references to statutes or other forms of legislation shall refer to statutes or forms of legislation of Ireland. Any reference to any provisions of any legislation shall include an amendment, modification, re-enactment or extension thereof.

## PART 1

### LETTER FROM THE CHAIRMAN

# KIBO MINING PLC

*(Incorporated and Registered in Ireland under the Companies Acts 1963 to 2006 with Registered Number 451931)*

*Directors:*

Christian Schaffalitzky  
Noel O’Keeffe  
William Payne  
Desmond Burke  
Louis Coetzee

Non-executive Chairman  
Chief Executive Officer  
Non-executive Director  
Non-executive Director  
Non-executive Director

*Registered Office:*

Suite 3  
One Earlsfort Centre  
Lower Hatch Street  
Dublin 2  
Ireland

2 March 2011

*To Shareholders, option holders and warrant holders for information only.*

Dear Shareholder,

**Subscription of 16,666,667 Subscription Shares at 0.3 pence per share  
Acquisition of Morogoro  
and  
Listing of Kibo on the JSE**

#### **Introduction**

The Company was admitted to AIM on 27 April 2010 following a pre-IPO placing of £1.2 M. These funds were used to fund the costs of admission to AIM and carry out exploration on its gold and nickel projects in Tanzania. Exploration during 2010 comprised a successful drill programme on its Luhala project, investigation of mine development options on its Iteemia project and on-going geochemical surveys at its Haneti and Morogoro projects. A broker sponsored placing on 18 October 2010 raised an additional £250,000 gross to fund on-going exploration and working capital expenses.

In line with the Company’s strategy to expand its project portfolio in Tanzania and secure on-going funding for exploration and development of existing and new projects, an Agreement has been reached with Mzuri Gold Limited, a Cyprus registered private company that is part of a group whose holding company is Mzuri Capital Group Limited (the “Mzuri Group”), an investment company with principal interests in mineral and oil assets in Russia and Tanzania. The Agreement is described in detail in the following sections.

The Directors believe that this Agreement marks a significant step forward in the development of the Company, giving it access to substantial blocks of prospective mineral licences in the gold prolific Lake Victoria Goldfield of northern Tanzania and in the newly emerging goldfields of eastern and central Tanzania that complement its existing projects. The Mzuri Group have substantial operational experience and exploration success in Tanzania and the Directors also believe that its strategic investment in the Company and the listing on the JSE will provide the Company with significant expertise and access to development funding for existing and emerging projects in the medium to long term.

The Directors believe that the proposed Agreement is in the best interest of the Company.

## **The Agreement**

The Agreement, as described below, is structured in four parts comprising: the Subscription; the Acquisition; the Listing on the JSE; and a placing in South Africa in due course. The Subscription and Acquisition will close together following the publication of the Circular and the Listing on the JSE will close on or before the 30 April 2011. The Agreement provides for these dates to be extended by the written agreement of both Parties.

### ***The Subscription***

Mzuri is proposing to subscribe for 16,666,667 new Ordinary Shares in the share capital of Kibo at an issue price of 3p per share (the "Subscription Shares") to raise £500,000 gross.

### ***The Acquisition***

Kibo is proposing to acquire the entire issued share capital of Morogoro, a wholly owned subsidiary of Mzuri for £1,700,000 by the issue of 56,666,667 new Ordinary Shares in the Company at an issue price of 3p per share. Morogoro owns 100% of the issued share capital of Jubilee and will own 100% of the issued share capital of Savannah at the Initial Completion. Jubilee and Savannah are to explore and develop exploration portfolios of owned prospecting licenses, offers and applications in respect of mineral properties prospective for gold and other minerals held by Jubilee in Morogoro in Tanzania and by Savannah in the Lake Victoria areas of Tanzania. These Mineral Assets are described in detail in Part 2 and Part 4 of this document.

At the Initial Completion Mzuri shall subscribe for the Subscription Shares and Kibo shall purchase the entire issued share capital of Morogoro in accordance with the provisions of the Agreement.

Following the completion of the Subscription by Mzuri for the Subscription Shares and the Acquisition of Morogoro by Kibo, Kibo proposes to list on the JSE.

### ***The Listing on the JSE***

Kibo proposes to apply for a dual listing of the enlarged issued share capital of the Company on the JSE by no later than 30 April 2011. The Company is aware of demand in South Africa for investment in its shares and in order to facilitate this, a dual listing on the JSE is considered by the Directors and Proposed Directors to be beneficial. Additionally, the Company's strategy to position itself as an ambitious African mineral exploration and development company will, in the opinion of the Directors and Proposed Directors, be enhanced by having its shares listed on the JSE. It is the Directors and Proposed Directors view that the proposed Listing will raise the profile of the Company in Africa and create new opportunities to source on-going exploration and development funding for existing and newly acquired projects.

## **Proposed Non-Executive Directors**

Effective from the Initial Completion, Mr Lukas Marthinus Maree and Mr Andreas Lianos, directors of Mzuri and other companies in the Mzuri Group, will be appointed as non-executive Directors of Kibo. Their details are set out below:

**Lukas Marthinus Maree** aged 48, BLC, LLB, Non-executive Director. Tinus Maree is a lawyer by profession. He has served on the boards of a number of public companies including Goldsource Mines Limited, Africo Resources Limited and Diamondworks Limited that have made significant successful investments in exploration projects in Africa and North America, and has more recently served as the CEO of private investment companies Rusaf Gold Limited and Mzuri Capital Group Limited (the ultimate holding company of Mzuri), both of which have successfully developed and sold mineral projects in Tanzania in the last five years. He is also a principal of River Group, who will be sponsors to the Listing of Kibo on the JSE, and is responsible for its North American office in Vancouver, Canada.

**Andreas Lianos** aged 44, B Comm (Hons), CA (SA), ACMA, CIA, Dip FMI, Non-executive Director. Andrew Lianos is a chartered accountant by profession. He is a principal of the River Group, an international corporate finance house and JSE sponsor licensed in South Africa, who will be sponsors to the Listing of Kibo on the JSE. Andrew is responsible for the River Group's European office in Limassol, Cyprus. Andrew has many years of experience in advising and sponsoring growing companies who have invested in developing African countries including Angola, the Central African Republic, Nigeria, the Democratic Republic of Congo, Mozambique, South Africa and Tanzania and is currently advising Petmin Limited and Firestone Energy Limited. Andrew is a director of Mzuri Capital Group, the ultimate holding company of Mzuri, Mzuri, Morogoro and Jubilee.

**Related Party**

Mr Louis Coetzee, a Non-executive Director and the beneficial shareholder of 3,125,000 ordinary shares in the capital of the Company, is a Director of Mzuri Capital Group Limited, its subsidiary Mzuri Resources Limited and Morogoro's subsidiaries Jubilee and Savannah, as well as other companies within the Mzuri Group. Louis Coetzee is also a beneficial shareholder of Savannah through Boulder Mining Limited, a company of which he is sole shareholder and which holds 3,125,000 Shares in the Company. Louis Coetzee will also be issued and allotted 2,053,333 New Shares pursuant to the Acquisition. Under the AIM Rules Louis Coetzee is considered a related party as he is a Director of Kibo and the Transaction is considered a related party transaction. Consequently the Transaction will require the Company's Nominated Adviser to provide an opinion that the terms of the Transaction are fair and reasonable insofar as all shareholders are concerned.

**Use of the Subscription Proceeds**

The Company intends to use the net proceeds of the Subscription to fund further ongoing exploration and for the general working capital requirements of Kibo.

Based on current forecasts the Directors and Proposed Directors confirm that, in their opinion and having made due and careful enquiry, the Subscription proceeds, the proceeds of the proposed placing in South Africa, and the cash balances currently held by the Company will be sufficient to undertake the proposed exploration programmes and for the Company's general working capital requirements for at least the next 12 months.

The Directors and Proposed Directors believe that further fund raisings will be required as the Company's projects develop through their various stages. In due course the River Group proposes to undertake a placing in South Africa, on behalf of Kibo, to raise not less than ZAR12,000,000 by the issue of new Ordinary Shares in the share capital of Kibo. Mzuri will underwrite the placing to the extent that Mzuri shall not, immediately subsequent to any subscription it may make pursuant to the underwriting, own more than 29.9% of the Ordinary Shares then in issue. Mzuri has undertaken to subscribe at 3p for any shortfall up to a maximum of ZAR12,000,000 as and when Kibo has in issue sufficient Ordinary Shares so as not to trigger a mandatory offer under the Takeover Code of the Irish Panel on Takeovers and Mergers.

**Admission to AIM**

Application will be made to the London Stock Exchange for the New Shares to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings in the New Shares will commence on AIM at 8.00 a.m. on Tuesday 8 March 2011 (GMT).

**Recommendation**

As the Transaction with Mzuri is considered a related party transaction under the AIM Rules, the Directors (save for Louis Coetzee who is involved with the Transaction as a related party), the Proposed Directors and Daniel Stewart, the Company's nominated adviser, have reviewed the terms of the Subscription, the Acquisition and the Listing and consider such terms to be fair and reasonable insofar as all Shareholders are concerned.

Yours faithfully



---

Christian Schaffalitzky  
**Non- executive Chairman**

## PART 2

### MOROGORO GOLD LIMITED

#### **Morogoro Gold Limited**

Morogoro is a Cyprus registered company that has beneficial interests in a large portfolio of Mineral Assets (also mineral tenements or tenements) in Tanzania through its wholly owned Tanzanian subsidiaries Savannah and Jubilee. The Mineral Assets are located in northern and south eastern Tanzania and comprise early stage exploration projects covering a total area of 11,622.08 km<sup>2</sup>. No mineral resources have been established to date on the tenement blocks and they are all grass-roots exploration areas.

#### **Savannah Tenements**

##### **Summary**

The Mineral Assets held by Savannah are located in Tanzania's principal gold producing and exploration region, the Lake Victoria Goldfields and comprise a total area of 2,715.98 km<sup>2</sup>. They can be conveniently divided into 6 licence blocks spread over the Mwanza, Shinyanga and Kagera regions. Most of the blocks are close to existing mines and gold occurrences and provide Kibo with a number of strategically located early stage exploration areas in this prolific gold producing region of northern Tanzania. Savannah has to date carried out some early stage soil sampling, pitting and trenching surveys on some of the licence blocks and a number of anomalous gold results have been delineated for follow-up work.

##### **Tenure**

Full details of the Savannah tenements and location maps can be found in the CPR in Part 4 of this Circular. The Savannah tenements comprise issued mineral licences, licences under offer, relinquished licences under application and new mineral licence applications as summarised in the table below.

Status of Savannah Mineral Assets	No. Of Mineral Licences	Area in km <sup>2</sup>
Issued (Active) Mineral Licences	11	104.79
Mineral licences under offer	12	171.26
Relinquished Mineral Licences under application	85	1,940
New Mineral Licence applications	21	499.94
<b>Total</b>	<b>129</b>	<b>2,715.99</b>

Twenty nine of the Savannah tenements covering a total area of ~ 950 km<sup>2</sup> are the subject of vend-in agreements with local licence holders who will retain up to a 1.5% net smelter royalty ("NSR) in the areas. Savannah will earn a 100% interest in 28 of these tenements and a 90% interest in the remaining one tenement. Apart from these 29 tenements the subject of vend-in agreements, Savannah holds an unencumbered 100% direct interest in all other tenements.

##### **Geology**

The Savannah tenements are scattered throughout the Lake Victoria Goldfield (LVG) in northern Tanzania which geologically comprises linear belts of Archaean age greenstone belts separated by granite-gneiss terrains. This is a classic geological setting for gold mineralisation in many parts of the World e.g. Australia, Canada and South Africa and such rocks are responsible for a large proportion of global gold production. The Savannah tenements border, straddle and occur within all the major greenstone belts in the LVG and a significant number are proximal to known gold deposits, operating large scale mines and artisanal workings. Gold mineralisation within the LVG is controlled by a combination of favourable host rocks such as banded iron formation, quartz reefs and porphyries, and favourable structural settings. The Savannah tenements are well located in this regard and many of the areas occur on or close to regional structural lineaments and contacts that are recognised as critical controls on gold mineralisation in the area.

##### **Previous Exploration**

The extent and results of previous exploration over the Savannah tenements is not known with certainty as the Ministry does not make this information readily available. It is also the practise of most explorers not to report detailed results and locations for reasons related to confidentiality and competition. The LVG has been actively explored by many explorers, both local and international, over the last 15 years and it is reasonable to assume that exploration over some of the Savannah tenements has been undertaken. The Company will use reasonable endeavours to ascertain the quantity and quality of work carried out on the tenements as part of its desktop study and on-site evaluation of the tenements prior to designing and implementing its exploration programmes.

### **Recent Exploration**

Recent exploration by Savannah has focused on building a robust Geographical Information System (“GIS”) database from infrastructural, geological, topographical and geophysical information available for the tenements. Savannah has also carried out some soil sampling and pitting on some of the tenements and anomalous gold geochemical values have been obtained from tenements within most of the licence blocks. This field exploration carried out by Savannah to date is reconnaissance in nature and limited in extent such that the tenements will require much more detailed surface geochemical surveying to fully evaluate their potential and establish drill targets.

### **Jubilee Tenements**

#### **Summary**

The Mineral Assets held by Jubilee are located between the regional centres of Morogoro and Dodoma in south eastern Tanzania and cover a total area of 8,906 km<sup>2</sup>. In contrast to the Savannah properties, they cover younger Proterozoic age rocks which have recently been attracting much attention in Tanzania due to a number of new discoveries by artisanal miners in these non-traditional gold producing areas. The prospectivity of this region of Tanzania was further enhanced with the discovery of the Magambazi prospect by Canaco Resources Ltd (TSX-V: Can) in 2009 near the town of Handeni where thick high grade gold drill intersections were encountered. The Jubilee tenements can be conveniently divided into two main blocks, an area of ~ 4,000 km<sup>2</sup> southwest of the town of Handeni and east of Dodoma (the Dodoma Block) and an area of ~ 4,900 km<sup>2</sup> south and west of Morogoro (the Morogoro Block). The south western part of the Dodoma Block is contiguous with an area of alluvial and hard rock artisanal gold mining activity and a preliminary stream sediment sampling survey by Jubilee over a portion of the Dodoma Block in this area has returned anomalous gold values. The Morogoro Block which includes part of the rugged Uluguru Mountains is contiguous with Kibo’s Morogoro project and gives the Company a large strategic ground holding in this newly emerging goldfield in Tanzania. It is also noteworthy that adjacent to and within some of the Jubilee tenements there are base metal occurrences such as copper and rare earth elements which bodes well for the prospectivity of these areas for other metals as well as gold.

#### **Tenure**

Full details of the Jubilee tenements can be found in Appendix 1 of the CPR in Part 4 of this Circular. The Jubilee tenements comprise issued mineral licences, licences under offer, relinquished licences under application and new mineral licence applications as summarised in the table below.

<b>Status of Jubilee Mineral Assets</b>	<b>No. Of Mineral Licences</b>	<b>Area in km<sup>2</sup></b>
Issued (Active) Mineral Licences	12	1,502.26
Mineral licences under offer	5	1,053.03
Relinquished Mineral Licences under application	7	3,547.20
New Mineral Licence applications	9	2,803.60
<b>Total</b>	<b>33</b>	<b>8,906.09</b>

Jubilee holds an unencumbered 100% direct interest in all tenements.

#### **Geology**

The Jubilee tenements cover a non-traditional gold exploration environment dominated by Proterozoic age high grade metamorphic rocks in eastern Tanzania. These rocks have been subject to greater depths of burial and higher temperatures than the older Archaean age rocks that form the LVG in northern Tanzania. The prospectivity of these Proterozoic terrains has been given impetus by the discovery of new areas of gold mineralisation by artisanal miners and by the recent Magambazi gold discovery of Canadian listed Canaco Resources near the town of Handeni northwest of Dar es Salaam. As the Jubilee tenements cover areas that historically have received no exploration interest, their detailed geology is poorly understood and geological mapping will be a major component of the Company’s initial exploration programmes in the area. The published Proterozoic age of the rocks underlying the Jubilee tenements is currently under review based on recent research findings which suggest that these rocks may be of Archaean age and are in fact the south eastern extension of the LVG but with a higher grade metamorphic over print. Should this prove correct, it has important implications for the gold prospectivity of the area.

The geology of the south eastern part of the Jubilee tenements (Morogoro Block) is better understood as these tenements are contiguous with the Company's existing Morogoro Project. Geological mapping has established a 60 km north-south trending nappe structure (Ruvu Nappe) that has thrust faulted marbles of the Matombo Group over granulites of the Lakwangule Group. There are a number of artisanal alluvial gold workings aligned along this structure on streams draining from the basal thrust fault of this nappe.

#### ***Previous Exploration***

As the Jubilee tenements cover a newly emerging exploration region there are no records of any systematic historical exploration in the areas other than prospecting by artisanal miners in the last five or six years.

#### ***Recent Exploration***

Similar to Savannah, Jubilee has focused on building a robust GIS database encompassing infrastructural, geological, topographical and geophysical information. Field exploration to date has been limited to stream sediment sampling on tenements in the vicinity of the Ruvu Nappe on the Morogoro Block and over some of the south-eastern tenements on the Dodoma Block next to an area reserved for artisanal mining. The results from this stream sampling show a number of anomalous gold values that will require follow-up by the Company.

#### **Competent person's statement**

*The information in this report that relates to exploration results, mineral resources or ore reserves is based on information reviewed by Noel O'Keeffe, PGeo, who is a Member of the Institute of Geologists of Ireland. Noel O'Keeffe is a director of Kibo. Noel O'Keeffe has at least five years experience within the sector which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a qualified person. Noel O'Keeffe consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*



## PART 3

### UNAUDITED PRO FORMA STATEMENT OF NET ASSETS OF THE GROUP

#### **Kibo Mining plc**

#### **Unaudited proforma statement of net asset of the Group**

The following unaudited pro-forma statement of net assets of the Group at 31 January 2011 is based on the audited financial statements of the Group at 30 September, 2010. The accounting report has been adjusted for the un-audited trading activity up to 31 January 2011 which has then formed the basis of the pro-forma statement of net assets.

The pro-forma financial information has been prepared for illustrative purposes only and because of its nature, addresses a hypothetical situation and does not therefore represent the Group's actual financial position or results.

The pro-forma financial information has been prepared under International Financial Reporting Standards as adopted by the European Union and on the basis of the notes below. The pro-forma financial information is stated on the basis of the accounting policies adopted in the last audited consolidated financial statements and are consistent with those that the Directors intend to use in the next financial statements for the year ending 30 September, 2011.

<b>Unaudited pro-forma Statement of net assets of the Group</b>	<b>Note 1 Group as at 30-Sept-10-Audited</b>	<b>Note 2 Issue of shares since the year end</b>	<b>Note 3 Subscription</b>	<b>Note 4 Acquisition</b>	<b>Note 5 Estimated Costs</b>	<b>Note 6 Group operating activity</b>	<b>Note 7 Pro-forma net assets of Group at 31-Jan-11</b>
	£	£	£	£	£	£	£
<b>NON-CURRENT ASSETS</b>							
Intangible assets	4,266,063			1,700,000		225,348	6,191,411
Plant and equipment	1,306						1,306
<b>Total non-current assets</b>	<b>4,267,369</b>	<b>0</b>	<b>0</b>	<b>1,700,000</b>	<b>0</b>	<b>225,348</b>	<b>6,192,717</b>
<b>CURRENT ASSETS</b>							
Cash and cash equivalents	421,359	227,458	500,000		(64,434)	(339,277)	745,106
Trade and other receivables	22,981						22,981
<b>Total current assets</b>	<b>444,340</b>	<b>227,458</b>	<b>500,000</b>	<b>0</b>	<b>(64,434)</b>	<b>(339,277)</b>	<b>768,087</b>
<b>TOTAL ASSETS</b>	<b>4,711,709</b>	<b>227,458</b>	<b>500,000</b>	<b>1,700,000</b>	<b>(64,434)</b>	<b>(113,929)</b>	<b>6,960,804</b>
<b>CURRENT LIABILITIES</b>							
Trade and other payables	87,675				107,164	(42,085)	152,754
Provisions							0
<b>Total current liabilities</b>	<b>87,675</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>107,164</b>	<b>(42,085)</b>	<b>152,754</b>
<b>NON-CURRENT LIABILITIES</b>							
Trade and other payables							0
<b>Total non-current liabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total liabilities</b>	<b>87,675</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>107,164</b>	<b>(42,085)</b>	<b>152,754</b>
<b>NET ASSETS</b>	<b>4,624,034</b>	<b>227,458</b>	<b>500,000</b>	<b>1,700,000</b>	<b>(171,598)</b>	<b>(71,844)</b>	<b>6,808,050</b>
<b>TOTAL EQUITY</b>	<b>4,624,034</b>	<b>227,458</b>	<b>500,000</b>	<b>1,700,000</b>	<b>(171,598)</b>	<b>(71,844)</b>	<b>6,808,050</b>

## Notes:

The pro-forma statement of net assets has been prepared to illustrate the combined effect of the Subscription and the Acquisition and the effect of Group activities undertaken in the period between 1 October 2010 and 31 January 2011.

The notes below correspond to the note numbers shown in the above column headings and provide a commentary of events:

1. This column details the audited balance sheet as at 30 September 2010.
2. This column illustrates the net effect on the net assets of the Group of the issue of shares by Kibo on 1 October 2010.
3. This column illustrates the effect of the Subscription by Mzuri on the net assets of the Group.
4. This column illustrates the effect of the Acquisition of the entire issued share capital of Morogoro on the net assets of the Group.
5. This column estimates the costs associated with the Subscription and Acquisition.
6. Operating activity reflects the balance sheet movement from 1 October 2010 to 31 January 2011 as a result of the trading and exploration activity of the Group and is based on unaudited management information of the Group.
7. This column illustrates the pro-forma effect on the net assets of the Group of the activities described in Notes 1-6.

**PART 4  
COMPETENT PERSONS REPORT**

**“THIS PAGE LEFT INTENTIONALLY BLANK”**

**“THIS PAGE LEFT INTENTIONALLY BLANK”**



Block G, First Floor  
Rochester Place  
173 Rivonia Road  
Sandton 2146  
PO Box 782761  
Sandton 2146  
Republic of South Africa

Tel: +27 11 783 9903  
Fax: +27 11 783 9953  
www.venmyn.com

**STRICTLY CONFIDENTIAL**

**COMPETENT PERSONS REPORT  
(CPR)  
ON CERTAIN  
MOROGORO GOLD LIMITED  
(MOROGORO GOLD)  
GOLD EXPLORATION ASSETS IN TANZANIA  
FOR  
KIBO MINING PLC  
(KIBO MINING)  
AND  
DANIEL STEWART & COMPANY PLC  
(DSC)  
BY  
VENMYN RAND (PTY) LIMITED  
(VENMYN)**

**COMPILED BY:-**

**A.N. CLAY (COMPETENT PERSON)**

M.Sc. (Geol), M.Sc. (Min. Eng.), Dip. Bus. M., Pr.Sci.Nat  
FGSSA, MSAIMM, FAusIMM, AAPG, MIASSA, M. Inst. D.  
**MANAGING DIRECTOR (VENMYN)**

**N. MCKENNA**

M.Sc (Geol),. Hons (Geol), Pr.Sci.Nat  
MGSSA, MSAIMM, MIASSA, M. Inst. D.  
**DIRECTOR (VENMYN)**

**R.M. TAYELOR**

B.Sc. Hons (Geol)  
MGSSA, MGASA, GASA  
**MINERAL PROJECT ANALYST (VENMYN)**

**OUR REFERENCE:- D916R**

**FIRST DRAFT:-26 NOVEMBER 2010**

**FINAL REPORT:-25<sup>TH</sup> JANUARY 2011**

**EFFECTIVE DATE : - 8<sup>TH</sup> DECEMBER 2010**

**COMPETENT PERSONS REPORT  
(CPR)  
ON CERTAIN  
MOROGORO GOLD LIMITED  
(MOROGORO GOLD)  
GOLD EXPLORATION ASSETS IN TANZANIA  
FOR  
KIBO MINING PLC  
(KIBO MINING)  
AND  
DANIEL STEWART & COMPANY PLC  
(DSC)  
BY  
VENMYN RAND (PTY) LIMITED  
(VENMYN)**

The Directors  
Kibo Mining plc  
The Sirius Centre  
Northpoint  
Tuam Road  
Galway, Ireland

and

The Directors  
Daniel Stewart & Company  
Becket House  
36 Old Jewry  
London, EC2R8DD

Dear Sirs

## **EXECUTIVE SUMMARY**

### **Introduction**

The directors of Kibo Mining plc (Kibo Mining) and Daniel Stewart & Company (DSC) requested that Venmyn prepare an independent SAMREC Code compliant Technical Report in the form of a Competent Person's Report (CPR) on the gold mineral assets of Morogoro Gold Limited (Morogoro Gold) in Tanzania.

Morogoro Gold, has consolidated an extensive portfolio of mineral rights in two project areas (the Projects) within Tanzania, namely:-

- the Savannah Project in the well known Lake Victoria Goldfield (LVG) of northern Tanzania;
- and
- the Morogoro Project, in the newly discovered gold region of southeastern Tanzania.

Venmyn understands that Morogoro Gold is subject to a proposed transaction in which the entire share capital of Morogoro Gold is to be acquired by Kibo Mining. Kibo Mining is listed on the AIM Market of the London Stock Exchange PLC (AIM). This CPR forms part of the technical documentation in support of the requirements of the proposed transaction.

The CPR has been prepared in compliance with and to the extent required by the SAMREC Code for the reporting of exploration results, mineral resources and mineral reserves. The CPR will be submitted to AIM in fulfilment of the disclosure requirements as set out in 'AIM Rules for Companies' and the AIM 'Note for Mining and Oil and Gas Companies' (the AIM Rules). The effective date of the CPR is the 8<sup>th</sup> December 2010.

### **The Savannah Project**

The Savannah Project comprises an extensive portfolio of licences within the LVG of northern Tanzania. These licences are scattered over a large area across the LVG and occur within the Mwanza, Shinyanga and Kagera provinces.

The Savannah Project represents an early stage exploration project, with licences having been variably sampled in order to identify first pass geochemical anomalies. While some licences have generated follow-up targets, a number of licences still require first pass sampling and assessment.

The Savannah Project is located within a traditional gold prospecting geological environment in Tanzania, comprised of a number of east-west trending linear, greenstone belts separated by granite-gneiss terrains.

Exploration to-date has focussed on pitting, soil sampling and trenching within some of the licences at a reconnaissance level only. Most geochemical anomalies identified within the Savannah Project to-date are closely associated with the greenstone rocks, dominated by Banded Iron Formation (BIF), however some anomalies occur over granitoid lithologies associated with regional structural features. The positive exploration results received to-date (Section 10.6.1) is commensurate with the high potential geology observed within the area.

Future work should be aimed at better understanding the local geological and structural environments, identification of mineralised targets and re-prioritisation of the licence portfolio. This should include geological reconnaissance visits to all licences followed by re-prioritizations, detailed geological and structural mapping on top priority licences including rock chip, trenching and infill soil geochemical sampling and soil geochemistry on all other licences.

In summary, the following salient points regarding the Savannah Project are made:-

- extensive portfolio of mineral rights in a traditional greenstone gold prospecting environment;
- several licences in close proximity to operating mines;
- numerous licences in close proximity to known gold occurrences;
- a number of positive results received to-date suggest a strong relationship to mapped greenstone lithologies or granite lithologies with interpreted major structural features;
- anomalous areas warrant follow-up sampling and detailed geological and structural mapping;
- large amounts of unexplored land in the west require reconnaissance sampling; and
- overall good prospectivity for greenstone hosted gold deposits.

### **The Morogoro Project**

The Morogoro Project comprises an extensive portfolio of licences within southeastern Tanzania, between the regional centres of Morogoro and Dodoma, within the Morogoro Province. The Morogoro Project represents an early stage exploration project, with only limited reconnaissance stream sampling. While a few of the sampled licences have generated follow-up targets, the majority of the licences still require first pass stream sampling and assessment.

Unlike the Savannah Project, the Morogoro Project is located within a non-traditional gold prospecting geological environment in Tanzania, dominated by Proterozoic, high-grade metamorphic rocks. The area has only recently begun to receive the attention of mineral exploration companies, and it follows therefore, that very little is known of the regional geology, specifically as it relates to gold mineralization. While no commercial mines are present within the area, artisanal mining has increased in the area, exploiting both alluvial and hard rock sources. The hard rock artisanal mining focuses on wide quartz veins and/or altered and sheared gneisses.

Mineralisation is understood to be vein-related, structurally-controlled, mesothermal gold associated with sulphide including pyrrhotite and arsenopyrite. The dominant host rocks are altered amphibolite, or gneiss and marbles (with lesser quartzite).

Exploration to-date has been limited to reconnaissance stream sampling. Anomalies identified to-date are closely associated with the marbles of the Ruvu Nappe in the southern licences and altered gneissic rocks in the northern licences.

Future work should be aimed at better understanding of local geological and structural environments, identification of mineralised targets and prioritisation of the licence portfolio.

This should include geological reconnaissance visits to all licences followed by prioritizations, detailed geological and structural mapping on top priority licences including rock chip, trenching and infill stream and soil geochemical sampling and steam and soil sampling on all other licences.

The recently discovered gold mineralisation in the area is indicative of a new and emerging exploration environment capable of hosting primary gold mineralization.

Increased artisanal activities, and a number of new mineral rights applications and exploration activity in the area points to the significance of the area in terms of establishing itself as a new Tanzanian goldfield. The Morogoro Project therefore offers an attractive opportunity to conduct exploration in a prospective area in which very little previous systematic exploration has been undertaken.

In summary, the following salient points regarding the Morogoro Project are made:-

- extensive portfolio of mineral rights in a non-traditional gold prospecting environment;
- several licences in close proximity to artisanal operations and documented gold occurrences;
- positive results received to-date suggest a strong relationship to mapped marble/calcite and gneissic lithologies with interpreted major structural features;
- anomalous areas warrant follow-up sampling and detailed geological and structural mapping;
- vast amounts of unexplored land require reconnaissance sampling; and
- overall good prospectivity for marble or gneiss hosted gold mineralisation.

### **Conclusions**

Morogoro Gold has access to an extensive portfolio of licences within two prospective project areas within Tanzania. Both projects represent early stage exploration projects, which warrant additional and follow-up exploration based on a number of positive results received to-date, which have highlighted geochemical anomalies and areas for follow-up sampling.

Successful exploration will require a persistent and systematic approach and a thorough understanding of the local geology and regional structural environments of the Projects. Future exploration programmes should be aligned with this objective, taking into account the different nature of gold mineralisation expected within the Projects. This exploration should focus on understanding the detailed geology of the areas and resolving drill targets by means of geological and structural mapping and soil, rock and stream geochemistry.



## **DISCLAIMER AND RISKS**

Venmyn has prepared this CPR and, in so doing, has utilised information provided by Morogoro Gold and, Kibo Mining. Where possible, this information has been verified from independent sources with due enquiry in terms of all material issues that are a prerequisite to comply with the SAMREC Code and the AIM Rule requirements. Venmyn and its directors accept no liability for any losses arising from reliance upon the information presented in this report.

The authors of this CPR are not qualified to provide extensive commentary on legal issues associated with Morogoro Gold and/or its subsidiaries' right to the mineral properties. Morogoro Gold and Kibo Mining, as well as their advisors have provided certain information, reports and data to Venmyn in preparing this CPR which, to the best of Morogoro Gold and Kibo Mining's knowledge and understanding is complete, accurate and true. Morogoro Gold and Kibo Mining acknowledge that Venmyn has relied on such information, reports and data in preparing this CPR. No warranty or guarantee, be it express or implied, is made by the authors with respect to the completeness or accuracy of the legal aspects of this document.

## **OPERATIONAL RISKS**

The businesses of mining and mineral exploration, development and production by their natures contain significant operational risks. The business 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 RISKS**

Factors such as political and industrial disruption, currency fluctuation, increased competition from other prospecting and mining rights holders and interest rates could have an impact on Morogoro Gold and its subsidiaries' future operations, and potential revenue streams can also be affected by these factors. The majority of these factors are, and will be, beyond the control of Morogoro Gold or any other operating entity.

## **FORWARD LOOKING STATEMENTS**

The following report contains forward-looking statements. These forward looking statements are based on opinions and estimates of Morogoro Gold management and Venmyn at the date the statements are made. They are subject to a number of known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in our forward-looking statements. Factors that could cause such differences include changes in world gold markets, equity markets, costs and supply of materials relevant to the projects, and changes to regulations affecting them. Although we believe the expectations reflected in our forward-looking statements to be reasonable, we cannot guarantee future results, levels of activity, performance or achievements.

**COMPETENT PERSONS REPORT  
(CPR)  
ON CERTAIN  
MOROGORO GOLD LIMITED  
(MOROGORO GOLD)  
GOLD EXPLORATION ASSETS IN TANZANIA  
FOR  
KIBO MINING PLC  
(KIBO MINING)  
AND  
DANIEL STEWART & COMPANY PLC  
(DSC)  
BY  
VENMYN RAND (PTY) LIMITED  
(VENMYN)**

**TABLE OF CONTENTS**

1. INTRODUCTION .....	28
2. COMPETENT PERSONS DECLARATION .....	28
3. SCOPE OF THE OPINION .....	28
4. SOURCES OF INFORMATION .....	29
5. RELIANCE ON OTHER EXPERTS .....	29
6. NATURE OF THE TRANSACTION AND CORPORATE STRUCTURE .....	29
7. COUNTRY PROFILE .....	31
7.1. Locality, General Infrastructure and Accessibility of Tanzania .....	31
7.2. Topography, Vegetation and Climate of Tanzania .....	31
7.3. Socio-Political Climate of Tanzania.....	31
7.4. Economic Climate and Fiscal Regime of Tanzania.....	33
7.5. Exploration and Mining in Tanzania .....	33
7.6. Mineral Policy in Tanzania .....	34
7.6.1. Royalties, Fees and Taxes.....	35
7.6.2. Impact of the Projects on the Environment .....	35
8. LEGAL TENURE AND AGREEMENTS OF THE PROJECTS.....	36
8.1. Prospecting licences .....	36
8.2. Mining Rights .....	37
8.3. Material Agreements .....	37
8.4. Environmental Impact Assessment (EIA) Report.....	38
8.5. Environmental Provision .....	38
9. SAVANNAH PROJECT AREA.....	39
9.1. Location and Access .....	39
9.2. Topography and Vegetation .....	39
9.3. Climate.....	39
9.4. Regional Geology and Mineralisation in the Savannah Project Area.....	42
9.5. Historical Exploration .....	45
9.6. Recent Exploration.....	45
9.6.1. Mhangu Block .....	45
9.6.2. Geita East Block .....	46
9.6.3. Geita North Block .....	47
9.6.4. Geita West Block .....	47
9.6.5. Central Block .....	48
9.6.6. UN Road Block .....	49
9.7. Sampling Methodology, Sample Preparation and Security .....	56
9.8. Sample Analysis, QA/QC and Data Verification.....	56
9.9. Database Management .....	57
9.10. General Opinion on the Savannah Project and Recommendations for Further Work .....	57

10. MOROGORO PROJECT.....	58
10.1. Location and Access .....	58
10.2. Topography and Vegetation .....	58
10.3. Climate.....	58
10.4. Regional Geology and Mineralisation in the Morogoro Project Area .....	61
10.5. Historical Exploration .....	64
10.6. Recent Exploration.....	64
10.6.1. Morogoro Block .....	64
10.6.2. Dodoma Block .....	65
10.7. Sampling Methodology, Sample Preparation and Security.....	68
10.8. Sample Analysis, QA/QC and Data Verification .....	68
10.9. Database Management .....	68
10.10. General Opinion on the Morogoro Project and Recommendations for Further Work....	68
11. MINERAL RESOURCE STATEMENT .....	69
12. MINING .....	69
13. METALLURGY AND MINERAL PROCESSING .....	69
14. CONCLUSIONS .....	69

## LIST OF FIGURES

Figure 1: Current Ownership and Corporate Structure of Morogoro Gold .....	30
Figure 2: Political and Infrastructure Map of Tanzania .....	32
Figure 3: Locality, Infrastructure and Legal Tenure of the Savannah Licences.....	40
Figure 4: Infrastructure, Topography and Vegetation of the Savannah Area.....	41
Figure 5: Regional Geology and Stratigraphy of the Savannah Project Area .....	43
Figure 6: Photographs of the Geology of the Savannah Project Area.....	44
Figure 7: Summary of Recent Exploration for the Mhangu Block .....	50
Figure 8: Summary of Recent Exploration for the Geita East Block .....	51
Figure 9: Summary of Recent Exploration for the Geita North Block .....	52
Figure 10: Summary of Recent Exploration for the Geita West Block.....	53
Figure 11: Summary of Recent Exploration for the Central Block .....	54
Figure 12: Summary of Recent Exploration for the UN Road Block .....	55
Figure 13: Locality, Infrastructure and Legal Tenure of the Morogoro licences.....	59
Figure 14: Infrastructure, Topography and Vegetation of the Morogoro Project Area .....	60
Figure 15: Regional Geology and Stratigraphy of the Morogoro Project Area .....	62
Figure 16: Photographs of the Geology of the Morogoro Project Area .....	63
Figure 17: Summary of Recent Exploration for the Morogoro Block .....	66
Figure 18: Summary of Recent Exploration for the Dodoma Block.....	67

## LIST OF TABLES

Table 1: Schedule of Licence Fees .....	35
Table 2: Summary of the Savannah Licence Status .....	36
Table 3: Summary of the Morogoro Licence Status .....	36
Table 4: Summary of Vend-In Agreements .....	37

## LIST OF APPENDICES

Appendix 1: Summary Table of Assets .....	70
Appendix 2: References .....	75
Appendix 3: Glossary and Definitions .....	76
Appendix 4: CV"s .....	80

## 1. INTRODUCTION

The directors of Kibo Mining plc (Kibo Mining) and Daniel Stewart & Company (DSC) requested that Venmyn prepare an independent SAMREC Code compliant Technical Report in the form of a Competent Person's Report (CPR) on the gold mineral assets of Morogoro Gold Limited (Morogoro Gold) in Tanzania.

Morogoro Gold has consolidated an extensive portfolio of mineral rights in two project areas (the Projects) within Tanzania, namely:-

- the Savannah Project, in the well known Lake Victoria Goldfield of northern Tanzania; and
- the Morogoro Project, in the newly discovered gold region of southeastern Tanzania.

Venmyn understands that Morogoro Gold is subject to a proposed transaction in which the entire share capital of Morogoro Gold is to be acquired by Kibo Mining. Kibo Mining is listed on the AIM Market of the London Stock Exchange PLC (AIM). This CPR forms part of the technical documentation in support of the requirements of the proposed transaction.

The CPR will be included in a Circular to Shareholders in fulfilment of the disclosure requirements as set out in 'AIM Rules for Companies' and the AIM 'Note for Mining and Oil and Gas Companies' (the AIM Rules). The preparation of the CPR was requested by Kibo Mining and DSC in an engagement letter in the form of a Venmyn Mandate (D916M) dated 1<sup>st</sup> November 2010.

The CPR has been prepared in compliance with and to the extent required by the SAMREC Code for the reporting of exploration results, mineral resources and mineral reserves. The effective date of the CPR is the 21<sup>st</sup> January 2011.

Venmyn consent to Kibo Mining using this CPR as part of the Circular to be published that includes the acquisition of Morogoro Gold and to reference this CPR in any applicable disclosure document, provided that no portion be used out of context or in such a manner as to convey a meaning which differs from that set out in the whole.

## 2. COMPETENT PERSONS DECLARATION

Venmyn is an independent advisory company. Its consultants have extensive experience in preparing Qualified Persons, Technical Advisors and Valuation reports for mining and exploration companies. Venmyn's advisors writing this report have, collectively, more than 30 years of experience in the assessment and evaluation of precious metals mining and exploration projects worldwide and are members in good standing of appropriate professional institutions.

Neither Venmyn nor its staff have or have had any interest in Morogoro Gold or Kibo Mining or their subsidiaries' capable of affecting their ability to give an unbiased opinion, and, have not and will not, receive any pecuniary or other benefits in connection with this assignment, other than normal consulting fees. Neither Venmyn, nor any of the authors of the CPR, hold any share capital in Morogoro Gold or Kibo Mining or their subsidiaries.

This Report was prepared by Mr Andrew Clay, Mr Neil McKenna and Mr Richard Tayelor all of whom have relevant and appropriate experience and independence to appraise the Projects To this end, Qualified Persons Certificates are presented in Appendix 4. Mr Andrew Clay is considered a "Competent Person" under AIM Rules, and has more than 5 years relevant experience in the assessment and evaluation of the types of mineral exploration properties discussed in this report.

## 3. SCOPE OF THE OPINION

In the execution of the mandate, Venmyn undertook a technical review, in order to identify all the factors of a technical nature that would impact the prospectively and future viability of the projects. Venmyn considered the strategic merits of each asset on an open and transparent basis.

A site visit to the Savannah and Morogoro project areas was undertaken by Mr. N. Mc Kenna and Mr. R. M. Tayelor of Venmyn between the 8<sup>th</sup> and 13<sup>th</sup> November 2010. Due to the extensive portfolio of licences and time constraints, it was not possible to visit all licence areas. Instead Venmyn focussed its inspections on the licences on which the most positive exploration results have been achieved.

At the Savannah Project, extensive coverage of the Mhangu Block licences (within the Buhungukira Greenstone Belt) was made, although the authors have visited several of the other licence areas on previous visits for other assignments during 2009 and 2010. At the Morogoro Project, extensive coverage of both of the Dodoma and Morogoro Block licences was made.

The CPR has been prepared in compliance with the SAMREC Code, prepared by The South African Code for the Reporting of Exploration Results Committee (SAMREC) Working Group under the joint auspices of the Southern African Institute of Mining and Metallurgy (SAIMM) and the Geological Society of South Africa (GSSA). The guidelines are considered by Venmyn to be a concise recognition of the best practice due diligence methods and accord with the principles of open and transparent disclosure that are embodied in internationally accepted Codes for Corporate Governance.

Accordingly, this CPR has been compiled in order to incorporate all currently available and material information that will enable potential investors to make a reasoned and balanced judgement regarding the economic merits of the Projects.

#### **4. SOURCES OF INFORMATION**

The CPR has been based upon the following information supplied by Morogoro Gold and Kibo Mining and their subsidiaries to Venmyn:-

- in-house exploration results from exploration undertaken on the Projects;
- technical reviews undertaken by Morogoro Gold and/or its subsidiaries on the Projects; and
- Venmyn has inspected the licences for the Projects but has not independently verified the legal status of the licences nor is it qualified to do so.

All additional information sources are referenced in Appendix 2.

Morogoro Gold and Kibo Mining have warranted in writing that they have openly provided all material information to Venmyn, which, to the best of its knowledge and understanding, is complete, accurate and true.

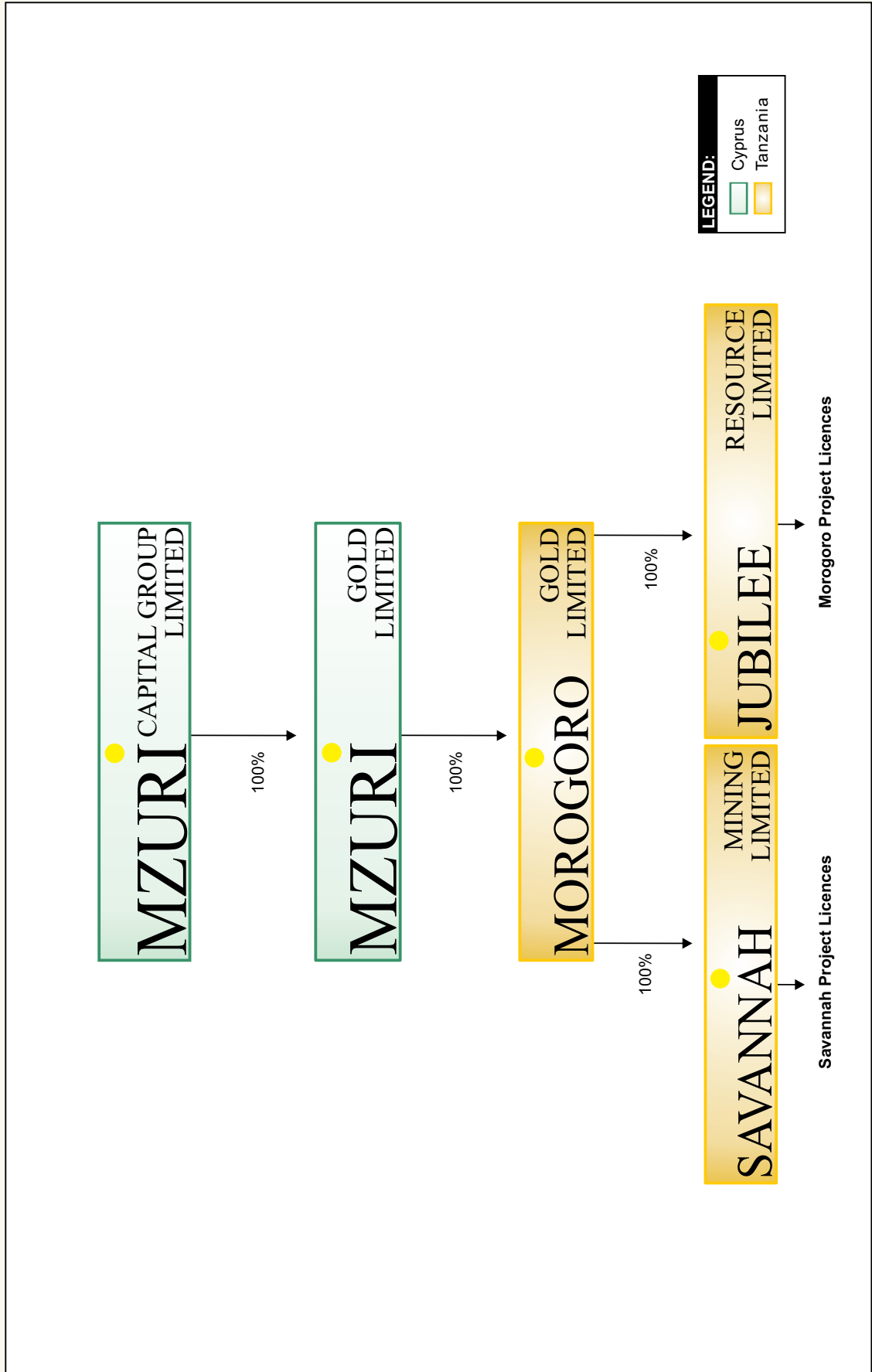
#### **5. RELIANCE ON OTHER EXPERTS**

A list of public and internal documents related to the Projects have been referenced in the compilation of this document, as detailed in Appendix 2. Venmyn has not relied upon the independent opinion of any other experts.

#### **6. NATURE OF THE TRANSACTION AND CORPORATE STRUCTURE**

Venmyn understands that Morogoro Gold is subject to a proposed transaction in which the entire share capital of Morogoro Gold is to be acquired by Kibo Mining. Kibo Mining is listed on the AIM Market of the London Stock Exchange PLC (AIM). The current corporate structure of Morogoro Gold is illustrated in Figure 1.

**CURRENT OWNERSHIP AND CORPORATE STRUCTURE OF MOROGORO GOLD**



## **7. COUNTRY PROFILE**

### **7.1. Locality, General Infrastructure and Accessibility of Tanzania**

Tanzania is located in eastern Africa along the Indian Ocean, and bordered by Kenya, Uganda, Rwanda, Burundi, Zambia, Malawi and Mozambique (Figure 2). Tanzania includes the islands of Matia, Pemba and Zanzibar. The administrative capital, Dodoma is located near the centre of the country and Dar es Salaam (the financial and economic centre) is located on the coast. Tanzania measures 945,040km<sup>2</sup>, with a population of approximately 43.7 million people.

The country is divided into 26 administrative regions, of which 21 are in the mainland and 5 in Zanzibar. Tanzania is mountainous in the northeast, where Mt Kilimanjaro is situated. To the north and west are Lake Victoria and Lake Tanganyika. Central Tanzania comprises a large plateau, with plains and arable land. The eastern shore is hot and humid, with the island of Zanzibar just lying off-shore.

Infrastructure and accessibility in Tanzania is reasonable. There is an international airport at Dar es Salaam and numerous other manned and unmanned airstrips at regional centres throughout the country.

National roads are generally in good repair, facilitated by a Road Fund and Road Agency structure and fuel levy. Secondary and dirt roads are in various states of repair, but Venmyn found that the access routes to the Projects were reasonable. Dirt tracks to specific project areas were only passable by 4X4 vehicles, however.

Domestic air transport is reasonable, and connects all the major regional centres within the country.

The port of Dar es Salaam is a significant regional port in East Africa, however often represents a serious bottleneck for both imports and exports. Privatisation of certain sectors of the port in recent years has assisted in improving the efficiency of the port, however significant growth in shipping traffic continues to exceed the capacity of this port.

Power supply in Tanzania is characterised by very low consumption, low coverage and poor reliability, with frequent outages, even in major centres. Significant investment in the power generation capacity of Tanzania is required to improve this situation.

Water supply is poor and access to clean and safe water is low.

The telecommunications network is based on microwave radio relay stations and is available in all major towns. This is supplemented by a mobile cellular system, operated by a number of different private service providers and is available throughout most of the country.

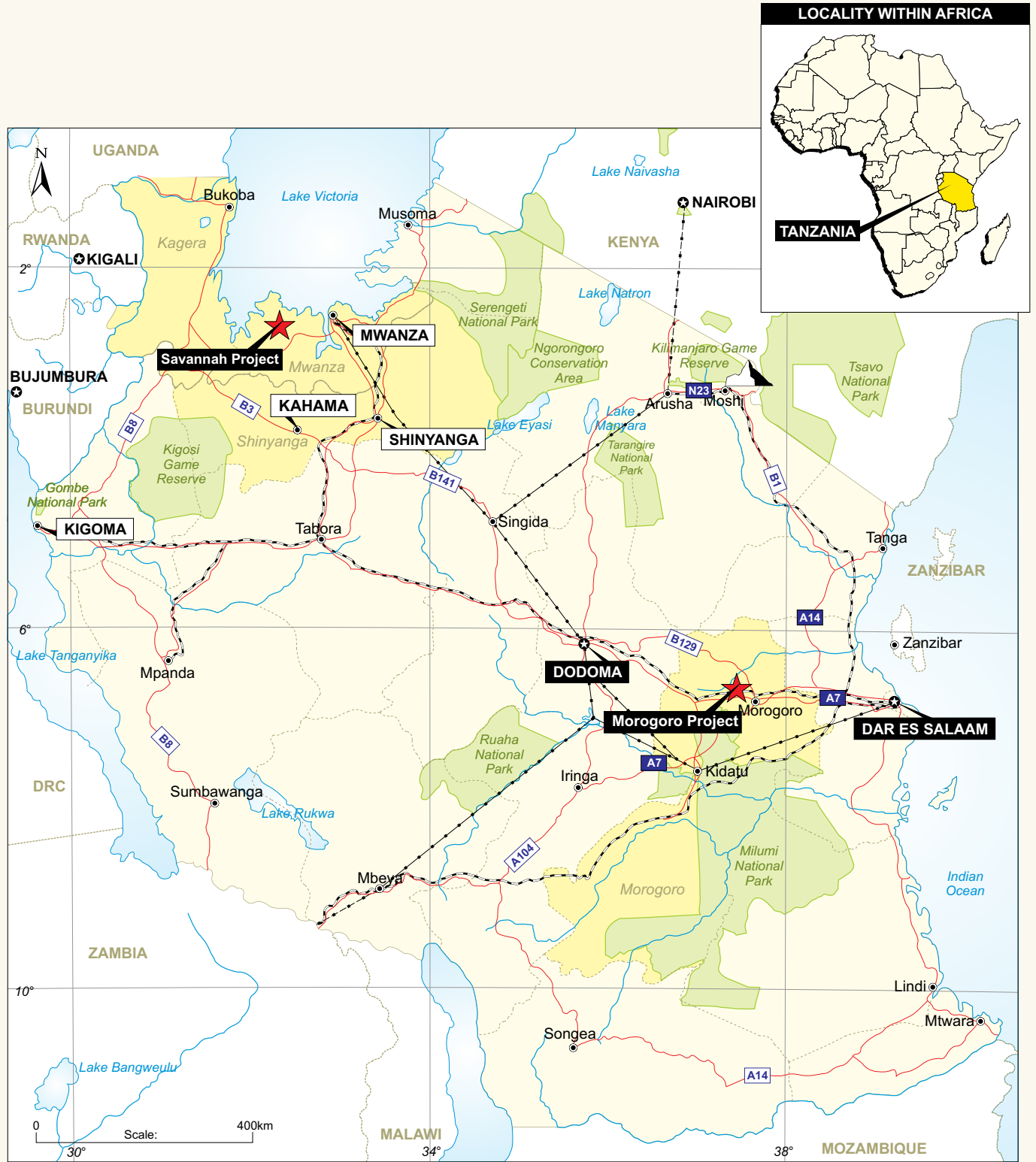
### **7.2. Topography, Vegetation and Climate of Tanzania**

The Tanzanian climate is primarily controlled by altitude. The narrow coastal plain in the east is tropical, i.e. very hot and humid. The high lying inland plateau is generally temperate, whilst the mountainous areas at very high altitudes exhibit alpine climates. The Projects are located in geographically disparate locations and their specific topographic, vegetation and climatic characteristics are detailed in Section 9 and Section 10 for the Savannah Project and Morogoro Project respectively.

### **7.3. Socio-Political Climate of Tanzania**

Following World War I, the League of Nations passed the German colony of Tanganyika over to British administration. It gained independence from Britain in 1961, and initially followed a British parliamentary form of government. In 1962, a presidential form of government replaced it. Julius Nyerere was elected as president in 1964, and took steps to form a unified state and his efforts led to the adoption of the Interim Constitution of the United Republic of Tanzania and a union between the former Tanganyika colony and the islands of Zanzibar. The union was cemented in 1977 with the merger of Tanzania's ruling party Tanzanian African National Union and the main representatives of Zanzibar's Afro Shirazi Party to form a new party called the Chama Cha Mapinduzi (CCM). The adoption of a permanent constitution with the provision that allowed Zanzibar to elect representatives to the National Assembly further strengthened these ties.

**POLITICAL AND INFRASTRUCTURE MAP OF TANZANIA**



**LEGEND:**

- ⊕ Capital City
- Towns
- Roads
- Railway Lines
- Powerlines
- International Boundaries
- Provincial Boundaries
- Rivers
- Lakes and Dams
- Conservation Areas
- ▲ Mountain Ranges
- Contributing Province
- ★ Project Area



Ndugu Ali Hassan Mwinyi became president in 1985 and started a process of political and economic reform moving away from the socialist economic policies of President Nyerere. One of the political reform objectives was realised in 1992 when the constitution was amended and a multi-party system was introduced. Benjamin William Mkapa was elected president in 1995 and continued with these reforms and presided over a relatively stable political environment. He promoted a culture of human rights and non-racial policies and freedom of speech, and is recognised as the driving force behind Tanzania's economic liberalisation. Mkapa was re-elected in 2000. In 2005, Jakaya Kikwete of the ruling party won the presidential elections by a landslide (over 80%) margin, and undertook to continue the economic reforms set in motion by Mkapa. In 2010 he was re-elected as president for his second term, by another overwhelming vote. Elections and transitions have continued to progress peacefully.

The population of the mainland of Tanzania is approximately 42 million and Zanzibar is 1 million, of which 99% are African and 1% consists of Europeans, Asians and Arabs. The Africans are divided into more than 120 ethnic groups. Approximately 80% of the population in the mainland live in rural areas. Each ethnic group has its own language but are unified by the official languages Kiswahili and English.

Approximately 62% of woman and 77% of men are literate. Life expectancy is low, standing at 50 years for men and 53 years for woman.

#### **7.4. Economic Climate and Fiscal Regime of Tanzania**

Despite a number of economic reforms over the years, Tanzania remains one of the poorest economies in the world, depending heavily on agriculture (~40% of GDP), which accounts for 85% of all exports and 80% of the work force.

Tanzania is still dependent on multilateral and bilateral aid, in order to support infrastructural development and to alleviate poverty. It is a member of the East African Community and this assists in regional trade ties.

Estimates for GDP in 2010 stand at approximately USD22.4bn, with the real growth rate of the economy amounting to in excess of 5%, for the past 5 years. The GDP per capita is estimated at approximately USD540 for 2010. Inflation during 2010 has averaged approximately 7%, with public debt in excess of approximately 40% and a deficit of approximately 7%. The country's PPP (purchasing power parity) is estimated as USD61.9bn for 2010.

The local currency is the Tanzanian Shilling (TZS).

Natural resources in Tanzania include hydro-electric potential, coal, iron, gemstones, gold, natural gas, nickel, diamonds, crude oil potential, forest products, wildlife and fisheries. Agriculture produces, *inter alia*; coffee, cotton, tea, tobacco, cloves, sisal, cashew nuts, maize livestock, sugar cane, paddy, wheat and pyrethrum.

#### **7.5. Exploration and Mining in Tanzania**

Tanzania has a long history of gold production, with the precious metal being mined long before the arrival of the Europeans. The early 1990s saw the rapid increase in exploration by international companies, searching for gold deposits within the granite - greenstone belts of the Lake Victoria Goldfield (LVG). The success of this exploration has led to the opening of numerous large gold mines in the area producing an average of in excess of 40,000kg of gold a year for the past 5 years, with a peak of in excess of 52,000kg in 2005. Production decreased in 2008 as a consequence of the Global Economic Crisis, but exploration has been ongoing, albeit at a slower pace, and new discoveries continue to occur.

The LVG is characterised by gold mineralisation associated with banded-iron formations (BIF), tuffs, and volcano-sedimentary exhalatives. Notable developments in the past 10 years include the commissioning of large scale mines at Geita, Bulyanhulu, Nzega, North Mara, Buhemba and Tuluwaka. Gold has also been discovered and mined (to a far lesser extent) in the southern and south-western parts of the country.

In addition to gold, the following commodities are mined and actively explored for within Tanzania:-

- base metals, in a belt running from Kagera, through Kigoma, to the Mbeya, Ruvuma and Mtwara regions and in northwest Tanzania; and
- gemstones in eastern and western belts running from the Kenyan border in the north to Mozambique in the south. Tanzania is particularly well known for its diamonds (specifically from the Mwadui Mine) and Tanzanite (blue zoisite);

The country has one of the highest levels of exploration in Africa due to its overall prospectivity, political stability and investor friendly policies. Gold, specifically within the LVG attracts the majority of the investment presently and is host to all of the country's major gold mines (Figure 3).

## 7.6. Mineral Policy in Tanzania

Tanzania's first attempt at regulating the mineral industry was recorded in the Mineral Policy of Tanzania, October 1997. This led to the development of the Mining Act of Tanzania, 1998. In April 2010, a revised Mining Act was passed by Parliament. This legislation imposes higher royalties (from 3% to 4% for precious and base metals, 5% to 6% for diamonds and gemstones, and 7% for uranium), requires mining companies to list on the Dar es Salaam Stock Exchange and gives the State a stake in future projects. According to the government, the State ownership of future mining projects in Tanzania will be based on the level of investment in each individual joint venture. The new act prescribes that mineral rights and licenses for dealing in minerals will be reserved exclusively to Tanzanian citizens and corporate bodies under the exclusive control of Tanzanian citizens. Also licences to mine for gemstones are only to be granted to Tanzanians, regardless of the size of the operation. It is understood that agreements/licences currently in force with non Tanzanian controlled mining companies remain unchanged.

Salient features of the Mining Act are as follows:-

- the right to trade in mineral rights;
- simplification and consolidation of past statutes on mining and mineral trading;
- improved security of tenure through removal of most past ministerial discretionary powers and introducing a mining advisory committee responsible of advising the Minister on decisions to ensure;
  - enhanced clarity and transparency;
  - fair, streamlined and non-discriminatory licensing procedures; and
  - environmental management.

The Mining Act, is aimed to deter information hoarding on new discoveries, freezing of exploration acreage for speculative purposes, transfer pricing and tax evasion. The fiscal incentives provided to exploration and mining activities include the following among other incentives:-

- exemption of import duty and Value Added Tax (VAT) on equipment and essential materials up to the anniversary of start of production, thereafter 5% seal applies;
- depreciation allowances of 100%; and
- repatriation of capital of capital and profit directly related to mining.

Under the Mining Act, Tanzania issues four basic categories of licences:-

- Reconnaissance Licence, granted for one year and renewed for one year. A work programme must be provided by the applicants and bi-annual reports are required for submission. On expiry, all data, maps and reports must be surrendered to the Government. The licence holder may then apply for a Prospecting Licence;
- Prospecting Licence, granted for an initial period of three years and for two successive periods of renewal, neither of which can exceed two years and both of which require a 50% reduction in land area. The portion returned to the State can be reapplied for as a new application under a different company name. Currently a subsidiary company under the same parent umbrella may apply for the new application;

- Retention Licence, granted to the holder of a Prospecting Licence on which mineral deposits of commercial significance have been discovered but which cannot be exploited or developed immediately. These licences are granted for a maximum of five years; and
- Mining Licence, granted to the holder of a Prospecting Licence over the area and gives the holder the exclusive right to prospect and mine minerals. These are valid for 25 years (or the life of mine), with an option to renew for a further 25 years.

The turn-around time for renewals and applications is generally between 6 and 24 months. Before a renewal or application is formally granted, however, a so called “Letter of Offer” is received which all but guarantees the applicant’s licence once the licence fee has been paid. It then takes a minimum of 3 months before the licence is formally issued. In the case of a renewal, the applicant may commence ground work as soon as the Letter of Offer has been received. However, in the case of new licence applications, exploration can only commence once the new licence has been formally issued.

The State reserves its rights to revoke any Reconnaissance, Prospecting, Retention and/or Mining rights in terms of the Tanzanian Mining Act.

In terms of security of tenure, there are recorded cases of explorers ‘loosing’ ground during a renewal process, mainly as a result of the granting of Prospecting Mining Licences (PMLs) or claims over a pre-existing Prospecting Licences. However, Morogoro Gold’s Dar es Salaam office have personnel that are dedicated to the management of their licences, applications and renewals and have a track record of efficient management thereof. As a result of these dedicated resources, Morogoro Gold have not, to date, had any significant issues concerning the security of their licences or the granting of applications and/or renewals.

If licences fall within a Forest Reserve and Game Controlled Area, additional authorization must be sought from the Ministry of Natural Resources and Tourism (MNRT). In the case of Morogoro Gold, several of the westernmost licences within the Savannah UN Road Block fall within a Forest Reserve (Kigosi Forest Reserve). Venmyn are advised that such authorisations have been granted and annual fees paid to cover the period of exploration. Since no exploration is currently being conducted on these licences no authorisations are required.

#### 7.6.1. Royalties, Fees and Taxes

With respect to the Prospecting Licences no royalties or taxes are payable to the State, and normal exploration expenditures will be subjected to tax regulations as set out by the Tanzania Revenue Authority (TRA). Table 7 summarises the fees associated with Prospecting Licences, and are payable to the Ministry of Energy and Minerals.

**Table 1: Schedule of Licence Fees**

PERIOD	FEES PAYABLE (USD/km <sup>2</sup> )
Initial Option Period (3yrs)	20
First Renewal Period (2yrs)	30
Second Renewal Period (2yrs)	50

#### 7.6.2. Impact of the Projects on the Environment

Tanzania has a large number of protected areas devoted to wildlife conservation including National Parks (National Ordinance Cap 412), Game Reserves, Game Controlled Areas (Wildlife Conservation Act No.12 of 1974) and Forest Reserves (Forest Reserves Cap 389). These are gazetted areas and cover approximately 30% of the country’s landmass. Several of the westernmost licences within the Savannah Project UN Road Block are situated within the northern reaches of the Kigosi Forest Reserve and Game Controlled Area (Figure 2).

Exploration is not permitted within National parks and Game Reserves, however exploration is permitted in Forest Reserves and Game Controlled Areas subject to authorization and payments of annual fees. It is pertinent to note that the Tulawaka Mine is located within the Biharamulu Forest Reserve and is currently carrying out legal mining operations.

No exploration is currently being conducted by Morogoro Gold within the Kigosi Forest Reserve, but once exploration recommences the effect on the environment would be very limited in the early phases of exploration (pitting and drilling).

It must be noted that the border of the Kigosi Game Reserve has changed in recent years, moving north and eastwards by approximately 25km in both directions (Figure 2). Official records only show the previous boundary, and not the recent modifications to this. Clarity on the current official reserve boundary has not been forthcoming.

## 8. LEGAL TENURE AND AGREEMENTS OF THE PROJECTS

### 8.1. Prospecting licences

The extensive portfolio of mineral rights in the two project areas within Tanzania, have been divided into the two main project areas, namely, the Savannah Project; and the Morogoro Project (the Projects). Within the Projects are further subdivisions into 'Blocks' based primarily on location, geology and historical activity conducted on the licences. These subdivisions each contain various licences at different stages of application, offer and activation (successfully granted). The full list of licences and status can be viewed in Appendix 1 including the third party licences. A summary of the licences within each of the Projects is shown below in Table 2 and Table 3.

**Table 2: Summary of the Savannah Licence Status**

PROJECT AREA	LICENCE STATUS	NUMBER OF LICENCES	CURRENT AREA (km <sup>2</sup> )
Savannah	Active	11	104.79
	<b>TOTAL ACTIVE</b>	<b>11</b>	<b>104.79</b>
	Under Offer	12	171.26
	<b>TOTAL UNDER OFFER</b>	<b>12</b>	<b>171.26</b>
	Applications	106	2,439.94
	<b>TOTAL APPLICATIONS</b>	<b>106</b>	<b>2,439.94</b>
<b>GRAND TOTAL LICENCES</b>		<b>129</b>	<b>2,715.99</b>

**Table 3: Summary of the Morogoro Licence Status**

PROJECT AREA	LICENCE STATUS	NUMBER OF LICENCES	CURRENT AREA (km <sup>2</sup> )
Morogoro	Active	12	1,502.26
	<b>TOTAL ACTIVE</b>	<b>12</b>	<b>1,502.26</b>
	Under Offer	5	1,053.03
	<b>TOTAL UNDER OFFER</b>	<b>5</b>	<b>1,053.03</b>
	Application	16	6,350.80
	<b>TOTAL UNDER APPLICATION</b>	<b>16</b>	<b>6,350.80</b>
<b>GRAND TOTAL LICENCES</b>		<b>33</b>	<b>8,906.09</b>

The Savannah Project has been divided into six blocks based primarily on location, geology and activity and can be viewed in their regional setting and relation to each other in Figure 3. The Savannah Project blocks are:-

- the Mhangu Block;
- the Geita East Block;
- the Geita North Block;
- the Geita West Block;
- the Central Block; and
- the UN Road Block.

The Morogoro Project has been divided into two blocks based primarily on location, geology and activity and can be viewed in their regional setting and relation to each other in Figure 13, these blocks are:-

- the Morogoro Block; and
- the Dodoma Block.

## 8.2. Mining Rights

No Mining Rights have been issued with respect to the Projects.

## 8.3. Material Agreements

In order to consolidate an extensive gold exploration portfolio in Tanzania, Morogoro Gold, through its wholly owned subsidiary, Savannah Mining Limited (Savannah), have entered into a number of Vend-In Agreements with third parties (Table 4) over certain prospective licences in the Savannah Project, in addition to making its own applications for licences in the Projects. In general the terms of the various Vend-In Agreements are similar, providing for, *inter alia*:-

- 100% of rights to be vended into Savannah;
- various cash payments from Savannah up front, on the first and second anniversary of the agreement and a percentage of net smelter revenue from any future mine production or mining activity that could result from the respective properties; and
- Savannah assumes all operational control and expense commitments.

The exceptions to this are the Vend-In Agreement with State Mining Corporation and Ms. Tabitha Timothy, in which Savannah has acquired an initial 90% interest in certain licences. At later developmental stages of these projects (Economic Assessment and Mining), the vendors may be required to dilute further based on their funding contributions with a prescribed minimum free carry interest.

**Table 4: Summary of Vend-In Agreements**

VENDOR	ORIGINAL LICENCE INFORMATION			LOCATION	EFFECTIVE DATE OF VEND-IN AGREEMENT
	PL NO	GRANTED DATE	EXPIRED DATE		
Adam Fadhili	PL 3012/2005	28-Jan-05	27-Jan-08	Mulele River - Bukombe	4 <sup>th</sup> April 2005
Chubwa Vitas & Salma Mgalula	PL 3017/2005	28-Jan-05	27-Jan-08	Muhuruma - Bukombe	6 <sup>th</sup> April 2005
Daudi Fadhili	PL 3154/2005	21-Apr-05	20-Apr-08	Buzirayombo - Geita	24 <sup>th</sup> June 2005
Dismas Calist	PL 3046/2005	10-Feb-05	09-Feb-08	Kwimba - Kwimba	4 <sup>th</sup> April 2005
Elizabeth Mbagwa	PL 2772/2004	08-Oct-04	07-Oct-07	Kirumwa - Geita	4 <sup>th</sup> April 2005
Emmanuel Jengo	PL 3015/2005	28-Jan-05	27-Jan-08	Geita - Geita	4 <sup>th</sup> April 2005
	PL 3016/2005	28-Jan-05	27-Jan-08	Kaniha - Bukombe	4 <sup>th</sup> April 2005
Gorge Athanas & Hussien Ally	PL 3007/2005	28-Jan-05	27-Jan-08	Misungwi - Kwimba	4 <sup>th</sup> April 2005
Jaha Investment Limited	PL 2593/2004	16-Jul-04	15-Jul-07	Kikiliji - Kwimba	6 <sup>th</sup> April 2005
John Fadhili	PL 2067/2002	20-Nov-02	19-Nov-05	Bwanga - Biharamulo	8 <sup>th</sup> April 2005
	PL 2736/2004	08-Oct-04	07-Oct-07	Igengi - Magu	8 <sup>th</sup> April 2005
Kikare Mining & Prospecting Limited	PL 2315/2003	05-Sep-03	04-Sep-06	Bukwimba - Geita	4 <sup>th</sup> April 2005
	PL 2316/2003	05-Sep-03	04-Sep-06	Buzimba - Geita	4 <sup>th</sup> April 2005
Kuruthum H. Kiumbe	PL 2823/2004	30-Oct-04	29-Oct-07	Kitongo - Magu	4 <sup>th</sup> April 2005
	PL 2824/2004	30-Oct-04	29-Oct-07	Kitongo - Magu	4 <sup>th</sup> April 2005
Manyama Makweba & Gasper Kusundwa	PL 2057/2002	19-Nov-02	18-Nov-05	Nyehunge - Geita	12 <sup>th</sup> April 2005
Martedo investment Limited	PL 3011/2005	28-Jan-05	27-Jan-08	Rwamagaza - Geita	4 <sup>th</sup> April 2005
Mineral Resources Company Limited	PL 1874/2002	21-Feb-02	20-Feb-05	Nyamalimbe - Geita	4 <sup>th</sup> April 2005
Jonas Mrichiwa & Eustance Albert	PL 2049/2002	18-Nov-02	17-Nov-05	Nundu - Kwimba	6 <sup>th</sup> April 2005
Rehema Buzohera	PL 2509/2004	10-May-04	09-May-07	East geita - Geita	4 <sup>th</sup> April 2005
	PL 2650/2004	01-Sep-04	31-Aug-07	Ushiroombo - Bukombe	4 <sup>th</sup> April 2005
Remi Materu & Justina Matera	PL 3010/2005	28-Jan-05	27-Jan-08	Mwamagala - Kahama	4 <sup>th</sup> April 2005
Sammy M. Abdala	PL 3071/2005	17-Feb-05	16-Feb-08	Buzirayombo - Biharamulo	8 <sup>th</sup> April 2005
State Mining Corporation	PL 2397/2003	16-Dec-03	15-Dec-06	Geita - Geita	23 <sup>rd</sup> December 2003
Thabatha Timothy	HQ-P2045	n/a	n/a	Geita - Geita	2 <sup>nd</sup> November 2009
	HQ-P2046	n/a	n/a	Geita - Geita	2 <sup>nd</sup> November 2009
Thadei Francis Moshy	PL 3004/2005	28-Jan-05	28-Jan-08	Bukondo - Geita	4 <sup>th</sup> April 2005
Widescope Promotion Limited	PL 3049/2005	10-Feb-05	09-Feb-08	Fukalo - Magu	6 <sup>th</sup> April 2005
Ziko Farm Limited	PL 1959/2002	26-Aug-02	25-Aug-05	Geita North - Geita	6 <sup>th</sup> April 2005

Venmyn understands that all payments, to the respective vendors and the State have been made and that Savannah has maintained the licences in good order. Evidence of this (in the form of filed licences, agreements, invoices, copies of cheques and receipts) were provided for all licences, and while Venmyn have reviewed these for completeness, Venmyn have not validated the licences or payments, nor are we qualified to do so.

Venmyn are not aware of any other material agreements with respect to the licences.

#### **8.4. Environmental Impact Assessment (EIA) Report**

No EIAs have been conducted on the licences at this stage nor are any required at present. Tanzania has established a National Environment Management Council and is drafting a general environmental legislation. At the moment, the only consideration known to Venmyn is the proximity of 'Forest Reserves' to several Prospecting Licences in both of the Projects.

However, the Forests Ordinance Code permits mining in both reserved forest areas and on unreserved forest lands. Chapter 4.5 of the Environmental Handbook for Business for Tanzania as published by the Lawyers' Environmental Action Team (LEAT), highlights the current key environmental issues associated with exploration and mining. Requirements are currently addressed in each Mining Licence awarded but there are none for Prospecting and Reconnaissance Licences.

#### **8.5. Environmental Provision**

No environmental provisions have been made for the licences at this stage nor are any required at present. Should application for a Mining Licence be made however, the applicant must submit a feasibility report including environmental and health safeguards, plans for local sourcing of goods, services, employment and training of Tanzanians. The license holder must submit regular reports according to regulations.

## 9. SAVANNAH PROJECT AREA

### 9.1. Location and Access

The Savannah Project comprises an extensive portfolio of licences within the LVG of northern Tanzania (Figure 3). These licences are scattered over a large area across the LVG and occur within the Mwanza, Shinyanga and Kagera provinces. The Savannah Project represents an early stage exploration project, with licences having been variably sampled in order to identify first pass geochemical anomalies. While some licences have generated follow-up targets, a number of licences still require first pass sampling and assessment.

The licences can be accessed by a network of tarred and gravel roads, in varying states of repair. However, Venmyn found, that consistent with the general development of the LVG, the regional infrastructure appears well maintained.

The southern and eastern licence areas are best accessed from the regional centre of Mwanza, by taking the national road south from Mwanza to Mabuki. At Mabuki a tarred road to the west leads to the Mhangu Block licence area and continuing to Mahangu will lead to a branch to the west from which the UN Road Block licences can be accessed.

The northern, central and western licence areas can be accessed from Mwanza by crossing the Mwanza Gulf by ferry at either Mwanza or at Busisi and a number of tarred roads branching from Sengerema. While some licenses can be accessed from the primary tarred roads, most must be accessed from secondary dirt roads branching from the primary roads or even dirt tracks.

Low lying areas are often covered with thick deposits of black cotton soils ('Mbuga'), which require four wheel drive to pass over in wet conditions, or which may be temporarily impassable.

There is a regional airport located at Mwanza, with daily flights to Dar es Salaam. Smaller airstrips are also located across the LVG.

### 9.2. Topography and Vegetation

The topography of the majority of the Savannah Project area is characterised by low lying granite hills and more prominent greenstone ridges set between intervening flat stretches of grass covered Mbuga (Figure 4). The low lying areas are extensively cultivated and grazed. Woodland and thick bush occur over the granite and greenstone hills where this has not been cleared for farming. Perennial streams bisect the Mbuga landscape and drain into Lake Victoria.

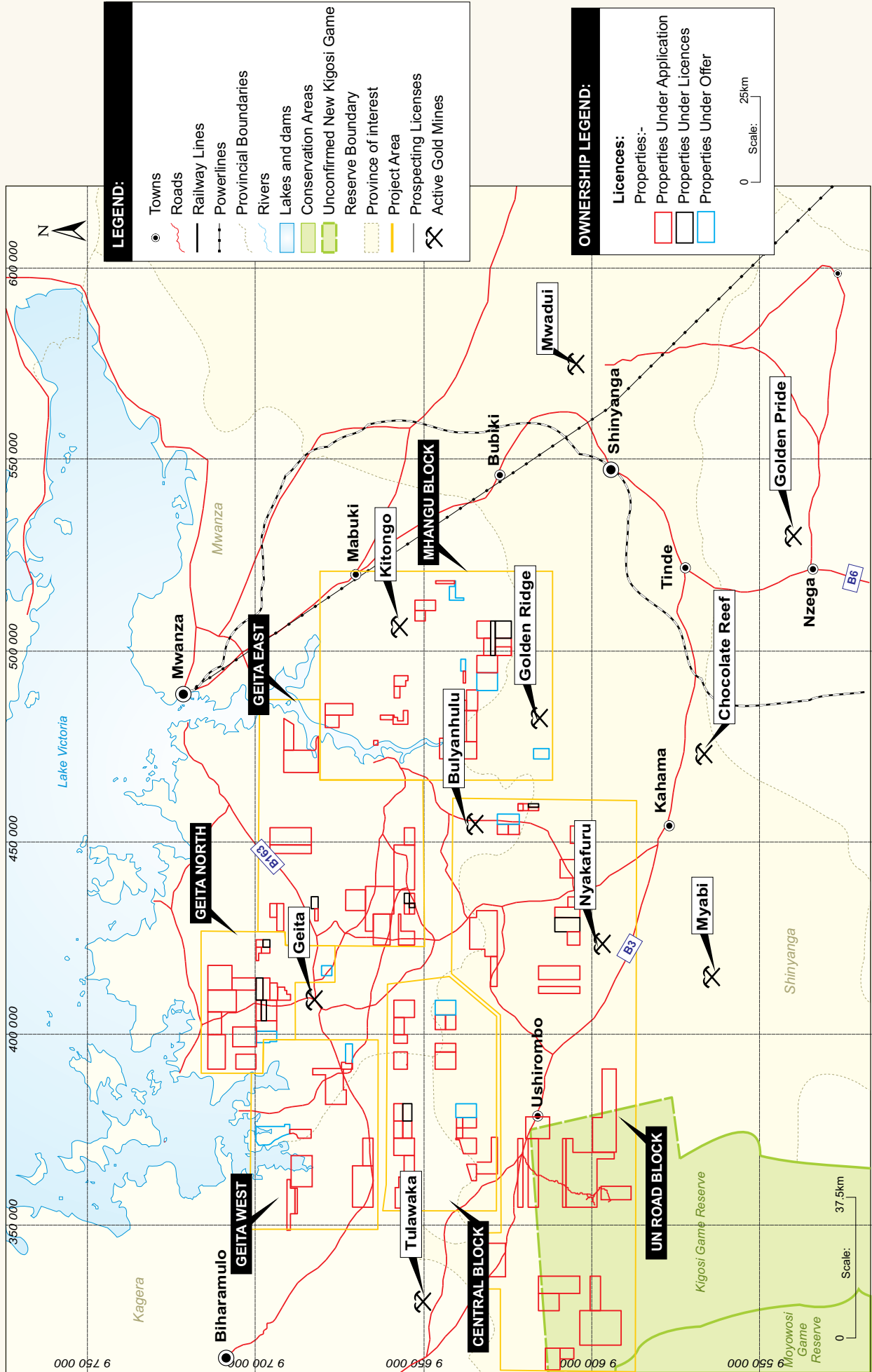
The southwestern most licences occur in an area of indigenous forest comprised of Miombo woodland, within the Kigosi Forest Reserve. This area is generally flat lying with shallow drainage depressions which drain into Lake Tanganyika. Small granite hills are present but these only represent 5% of the project area. Mbugas are formed along the majority of the rivers and their tributaries in the area.

### 9.3. Climate

The Project area is situated on the inland plateau and has a temperate climate with a single rainy season between November and April. Most rainfall is associated with thunderstorms. The average midday temperatures range from 26°C in April to 32°C in January and the average monthly rainfall figures vary from 5mm in July to a maximum of 190mm in April.

Exploration activities can be carried out year round, however, access to the wetland or marshy areas (and areas covered by Mbuga) cannot be achieved during the rainy season.

**LOCALITY, INFRASTRUCTURE AND LEGAL TENURE OF THE SAVANNAH LICENCES**





**INFRASTRUCTURE, TOPOGRAPHY AND VEGETATION OF THE SAVANNAH AREA**

**DIRT ROAD TO MASISI**



**DIRT ROAD TO MAHENGA**



**METASEDIMENTARY RIDGE WITH MBUNGA FLATS AND GREENSTONE HILLS IN BACKGROUND**



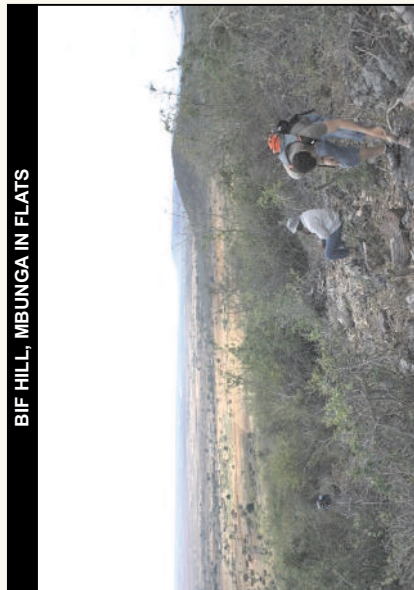
**GENERAL TOPOGRAPHY OF LVG**



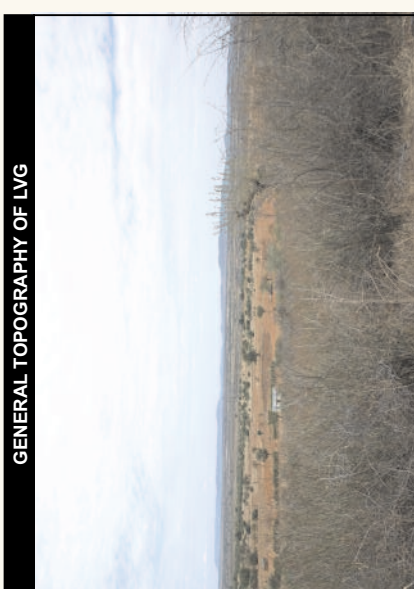
**BLACK COTTON SOILS ('MBUGA')**



**BIF HILL, MBUNGA IN FLATS**



**GENERAL TOPOGRAPHY OF LVG**



**LVG TOPOGRAPHY, GRANITIC HILLS IN FOREGROUND AND GREENSTONE HILLS IN BACKGROUND, MBUGA IN FLATS**



#### 9.4. Regional Geology and Mineralisation in the Savannah Project Area

The Savannah Project is situated within the greater Lake Victoria Goldfield (LVG) of northern Tanzania, which consists of a number of east-west trending linear, greenstone belts (Figure 5). The greenstone belts of the LVG are separated by granite-gneiss terrains. The Savannah Project licences surround, straddle and occur within all the major greenstone belts in the LVG:-

- the Geita Belt in the Geita West, Geita North and Geita East blocks;
- the Buhungukira Belt in the Mhangu Block;
- the Sarama-Rwamagaza belt in the Central Block; and
- the Ushirombo Belt in the UN Road Block.

The general prospectivity of the Savannah Project licences is improved further by the proximity of a number of the licences to known gold deposits and operating large scale mines and artisanal workings.

The LVG is considered the third largest gold producing area of Africa, surpassed only by the Witwatersrand in South Africa and the Tarkwa region of Ghana. Numerous gold occurrences have been identified in the LVG, and new discoveries continue to be made. Since 1998, when the first mine (Golden Pride) was commissioned, four additional large scale mines (Geita, Bulyanhulu, North Mara, and Tuluwaka) have begun production. Geita and Bulyanhulu are considered world-class deposits, together comprising in excess of 35Moz of gold resources.

The greenstone belts comprise mafic volcanic rocks, pyritic sediments, tuffs, banded iron formation (BIF), chert, and felsic volcanics (in sequence). Collectively these rocks are known as the Nyanzian Group. Metamorphism of Nyanzian Group rocks is generally of lower to middle greenschist facies, and two major deformational episodes have been interpreted. Amphibolite facies metamorphic rocks are exposed in the western portions of the belt near Tulawaka Mine, but in general higher grade metamorphic complexes are rare.

The greenstone rocks are considered to be of Achaean age having geological & structural similarities to major gold districts in the Canadian Shield (Val d'Or, Kirkland Lake) and the Yilgarn Craton in Western Australia (Kalgoorlie, Laverton, Leonora, Kambalda & Southern Cross).

Gold mineralisation within the LVG occurs in a number of geological environments, including:-

- quartz veins within minor brittle lineaments, most commonly worked on a small scale by artisanal workers due to their limited extent and erratic gold distribution;
- major ductile shear zones, such as at Bulyanhulu;
- replacement of BIF and ferruginous sediments, such as at Golden Pride and Golden Ridge; and
- felsic (porphyry) hosted mineralisation, such as within the Rwamagaza Greenstone Belt.

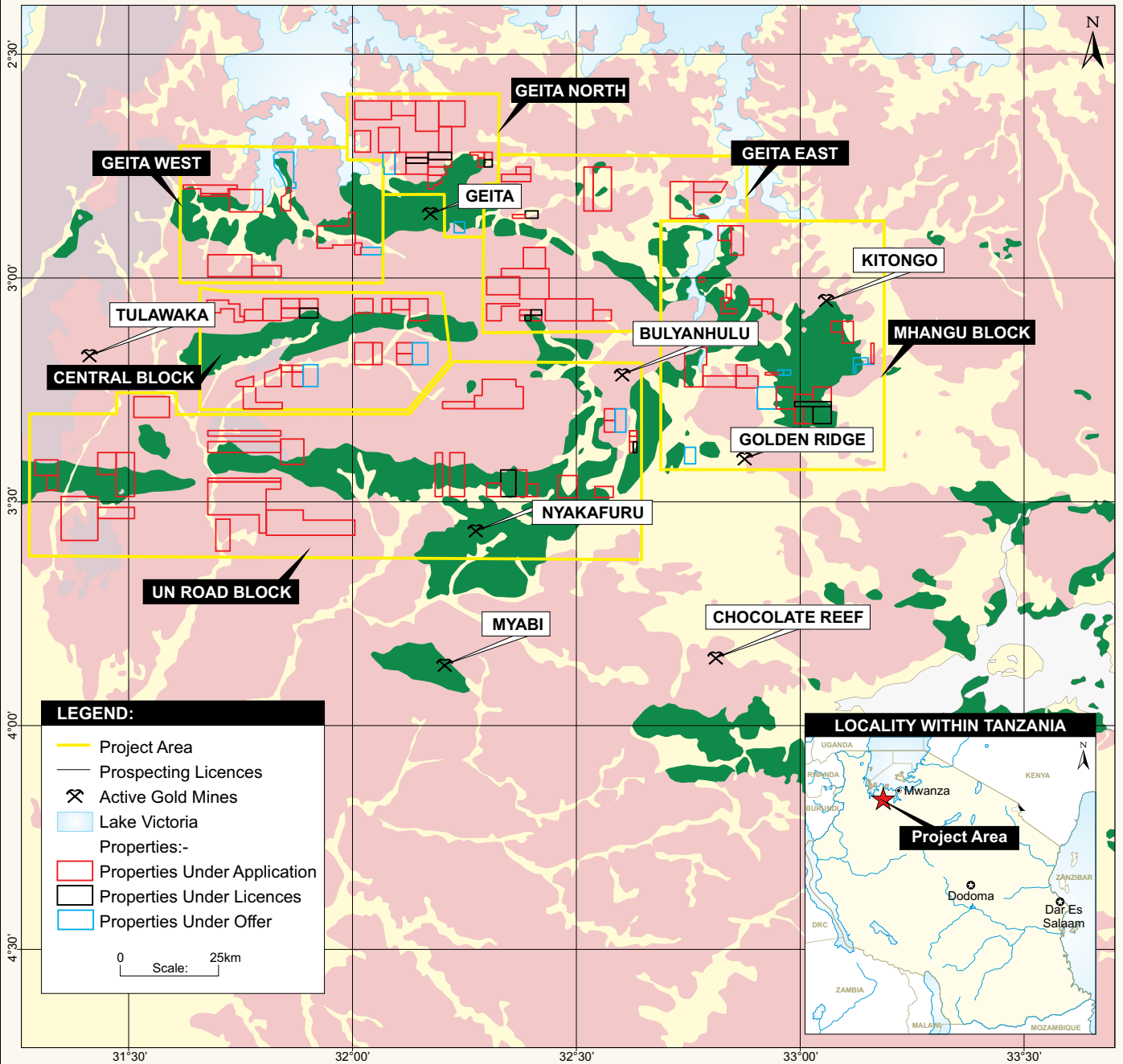
Regardless of the geological environment however, it is accepted that structural control on the emplacement of the mineralisation is critical. The following structural features have proven to be important targets for gold mineralisation:-

- structural lineaments trending at 120°;
- flexures and splays to the 120° trend (such as at Golden Pride);
- structural lineaments at 70° (such as at Golden Ridge); and
- granite-greenstone contacts (such as at the Ushirombo and Rwamagaza Greenstone belts).

It follows therefore that key aspects to any exploration programme within the LVG, are identifying high potential geological and structural environments consistent with the above.

Figure 6 illustrates some of the geological formations and features that were encountered by Venmyn during their site visit to the Savannah Project area (within the Mhangu Block). The positive exploration results received to-date (Section 9.6.1) are commensurate with the high potential geology observed within the area.

**REGIONAL GEOLOGY AND STRATIGRAPHY OF THE SAVANNAH AREA**



**LEGEND:**

**GEOLOGICAL LEGEND:**

- ☐ **Cenozoic**  
Mbuga-Clay - Alluvial deposits from Holocene and fossil streams and lake deposits of Proto-Lake Tanganyika
- ☐ **Proterozoic**  
Bukuban System, undifferentiated (siliceous siltstone and buff shale, intruded by basic sills; conglomerate, gritstone, quartzite, ferruginous sandstone; on the pediment plain usually bleached)
- ☐ **Archean Greenstone Belt**  
Nyanzian system, including:-  
- Flyschoid sediments and metamorphic equivalents (greywacke and shale; slate and schist)  
- Acidic volcanics (rhyolite, dacite and associated tuff)  
- Basic volcanics and metamorphic greenschists (tholeiite basalt, amphibolite, horn blende and chlorite schist)-  
Banded Ironstone Formation (BIF) (prominent crests and ridges) interbedded with shale  
- Migmatite facies
- ☐ **Granitoid Shield**  
Granite / Gneiss complex undifferentiated including K-rich late kinematic Nyanzian intrusives

**PHOTOGRAPHS OF THE GEOLOGY OF THE SAVANNAH PROJECT AREA**

**METAVOLCANICS AT SMITH SUND**



**METASEDIMENTARY RIDGE AT SMITH SUND**



**METASEDIMENTS AT SMITH SUND - CONGLOMERATE**



**BANDED IRON FORMATION (BIF) - TIGHTLY FOLDED**



**LATERITE WITH BIF FRAGMENTS**



**BIF WITH QUARTZ VEINING**



**BIF OUTCROP**



**TRENCH ON TOP OF BIF RIDGE - ANOMALOUS GOLD VALUES FROM SOIL SAMPLING**



## 9.5. Historical Exploration

Although the LVG has been extensively prospected by a number of companies over many years, no historical exploration results have been made available for the licences within the Savannah Project area.

## 9.6. Recent Exploration

By 2007, most of the licences had been visited and pitting programs completed to assist with understanding the properties and devising future exploration strategies.

The licences were then prioritised using an internal methodology and ranked according to such factors as field condition reviews, areas with known anomalous soil values, surrounding mines, accessibility, topography and availability of various satellite and geophysical imagery. Once ranking was completed, a number of these licences were then sampled using hand and mechanical augers as well as manual soil sampling.

The results of these subsequent soil/auger sampling campaigns were compiled and collated, culminating in the creation of the Savannah GIS Database.

This GIS database includes all pitting, augering and soil sampling results, as well as previous data resources used to rank the licences including:-

- regional geology covering the full extent of the Savannah Project;
- regional aeromagnetics covering the full extent of the Savannah Project (maximum 1.0km spacing, some areas much higher resolutions);
- Landsat imagery including an RGB band and an FeO enhanced combination band;
- an SRTM Digital Terrain Model (DTM); and
- a mineralisation database highlighting known mines, deposits, reefs and artisanal workings.

All sampling to-date, within the Savannah Project, has been done at a reconnaissance level.

The sections below summarise the work conducted in each block to-date, as well as the results achieved and their significance with respect to on-going exploration work.

### 9.6.1. Mhangu Block

Initial exploration within the Mhangu Block was in the form of pits. These pits were dug in an attempt to understand the regolith and assist in devising a sampling strategy at an early stage. The position of these pits is indicated in Figure 7.

All the pits were sampled, however no significant gold values greater than 10ppm were returned with the exception of a sample from the single pit on PL1874, which returned a value of 425ppb.

The methodology, preparation, analysis and QA/QC for the pitting program were not reported on during the activity and are not presented here. However, given that the nature of the pitting was to direct future interests and to provide an initial understanding of the regolith, Venmyn feels this is not a pertinent deficiency.

Subsequent to the pitting program, reconnaissance geochemical soil sampling was conducted with internally ranked licences prioritised. According to internal reports both auger and soil samples were taken on the licences and applications within this block. The reader is referred to Section 9.7 and Section 9.8 for details on methodology and assaying.

Figure 7 demonstrates that soil sampling has focussed on those areas associated with mapped greenstone lithologies.

Venmyn visited most of the licences hosting anomalous geochemical results in the Mhangu Block. Anomalous gold results were encountered in several regions as illustrated in Figure 7:-

- the northernmost licence and its associated renewal licences contains outcropping greenstone and granitoid lithologies along the edge of Lake Victoria, at Smith Sund, with an associated short ranged magnetic anomaly according to the regional airborne magnetic survey. Anomalous gold-in-soil results are closely associated with the mapped greenstone lithologies. A nearby locality of known mineralisation or 'gold deposit' (Buhingo) located to the west of the licence adds to the overall prospectivity of the licence area;
- the central western applications contain outcropping greenstone along the edge of Lake Victoria with an associated structurally complex and variable magnetic anomaly according to the regional airborne magnetic survey. Anomalous gold-in-soil results are closely associated with the mapped greenstone lithologies. A nearby gold deposit (Nyamtuksa), to the west, adds to the overall prospectivity of the licence area; and
- the southern licences, associated renewal licences and applications show a widely mineralised area with few known gold deposits. These licences are associated with significant outcropping greenstone and lesser granitoid lithologies. Anomalous gold-in-soil results are generally closely associated with the mapped greenstone lithologies. Vastly contrasting magnetic survey results, indicate an interesting lithological sequence in the area. This, together with the anomalous gold-in-soil results, increases the prospectivity of the licence area.

The Mhangu Block is composed of numerous known 'gold deposits' and has sustained artisanal interest in many parts as witnessed by Venmyn. Only limited outcrops occur in this area, however anomalous soil sample results are closely correlated with mapped greenstone lithologies. Additionally, the regional aeromagnetic data indicates that there is a host of interesting structures below the surface of a number of the licences with several linear and non linear anomalies apparent.

Venmyn's interpretation is that this block has good prospectivity, and considers that detailed follow-up sampling work and geological and structural mapping should be carried out in order to better understand the mineralisation potential of the licences. Site visits to all licences should also be undertaken in order to re-prioritise the licences for this follow-up work.

#### **9.6.2. Geita East Block**

Initial exploration within the Geita East Block was in the form of pits. These pits were dug in an attempt to understand the regolith and assist in devising a sampling strategy at an early stage. The position of these pits is indicated in Figure 8. All the pits were sampled; however no anomalous results were recorded.

Subsequent to the pitting program, reconnaissance geochemical soil sampling was conducted with internally ranked licences prioritised. According to internal reports only auger samples were taken on the applications within this block. The reader is referred to Section 9.7 and Section 9.8 for details on methodology and assaying.

Figure 8 demonstrates that auger sampling has only been carried out in the northeastern licences, focussed on those areas associated with mapped greenstone lithologies.

Venmyn has visited and traversed this block several times on past trips to Tanzania and is familiar with the area. Anomalous gold results were encountered in only one region within this block as illustrated in Figure 8:-

- the northeastern applications did not form part of the original pitting campaign yet returned the most anomalous results for this block in terms of gold values. The area is characterised by few outcrops of granitoid lithologies. Subcrop is represented mostly by granitoid and later Cenozoic sediments with several known greenstone subcrops. No significant magnetic anomalies or known gold deposits are associated with these licences although several auger samples returned gold values in excess of 500ppb.

The Geita East Block remains largely unsampled. Only a small portion of the total geology outcrops in this area, mostly defined by a WNW-ESE greenstone ridge which also features strongly on the aeromagnetic map with parallel features which have no apparent surface interpretation. Venmyn consider that insufficient reconnaissance work has been conducted on these licences to make any definitive assessment of prospectivity, other than in the northeast which is considered to have good prospectivity given the anomalous gold-in-soil sample results.

Venmyn considers that follow-up sampling work and geological and structural mapping should be carried out on the northeastern licences, and that reconnaissance soil/auger sampling should be carried out on all other licences over mapped greenstone lithologies. Site visits to all licences should also be undertaken in order to re-prioritise the licences for this follow-up and reconnaissance work.

### **9.6.3. Geita North Block**

No initial pitting program was initiated on the Geita North Block. However, reconnaissance auger samples were taken on the several of the third party licences within this block. The reader is referred to Section 9.7 and Section 9.8 for details on methodology and assaying.

Figure 9 demonstrates that auger sampling has only been carried out in the central licences. Of significance is that this area, as are most licences within this block, is underlain predominantly by granitoid lithologies.

Venmyn has visited and traversed this block several times on past trips to Tanzania and is familiar with the area. Anomalous results were encountered in only one region within this block as illustrated in Figure 9:-

- the centrally located collection of third party licences contains outcropping granitoid lithologies along the northern border of the licences but is otherwise completely underlain by sub-cropping granitoid lithologies. An associated short ranged aeromagnetic anomaly suggests some structural or mineralogical complexities to the southeast of these. All known gold deposits occur to the south of the licence area within the greenstone lithologies.

The Geita North Block remains largely unsampled, and Venmyn consider that insufficient reconnaissance work has been conducted on these licences to make any definitive assessment of prospectivity. The licence under offer in the south is of particular significance as it is associated with greenstone lithologies and is in close proximity to a number of known gold deposits, including the famous Geita Mine.

Venmyn considers that reconnaissance soil/auger sampling and geological and structural mapping should be carried out on all the licences, focussing on those associated with mapped greenstone lithologies and major structural trends. Site visits to all licences should also be undertaken in order to re-prioritise the licences for this reconnaissance work. The licence under offer is an obvious priority.

### **9.6.4. Geita West Block**

Initial exploration within the Geita West Block was in the form of pits. These pits were dug in an attempt to understand the regolith and assist in devising a sampling strategy at an early stage. The position of these pits is indicated in Figure 10. All the pits were sampled; however no anomalous gold results were recorded.

Subsequent to the pitting program, reconnaissance geochemical soil sampling was conducted with internally ranked licences prioritised. According to internal reports both auger and soil geochemical samples were taken on the licences and applications within this block. The reader is referred to Section 9.7 and Section 9.8 for details on methodology and assaying.

Figure 10 demonstrates that sampling has covered large portions of the licences and applications, having been focussed on those areas associated with mapped greenstone lithologies and granitoid lithologies associated with structural trends.

Venmyn has visited and traversed this block several times on past trips to Tanzania and is familiar with the area. Anomalous gold results were encountered in several regions within this block as illustrated in Figure 10:-

- the southwestern licence and its associated renewal licences contains no outcropping lithologies, but is interpreted as being underlain almost entirely by granitoid subcrop, and to a lesser extent some recent Cenozoic deposits and only a small fraction by greenstone. The airborne magnetic survey indicates substantial differential magnetic anomalies in this area with a regional NE-SW trend. These structural anomalies are consistent with interpreted faults and shears on the geological map. No known gold deposits are found in proximity to these licences, however a number of anomalous gold results from the soil and auger samples taken from the area increase the prospectivity of these licences;
- the northernmost licence and its associated renewal licences is associated with little outcropping lithologies but is interpreted as being underlain by greenstone and granitoid lithologies. Vastly contrasting magnetic survey results indicate extensions of the NE-SW structures identified in the southwestern licences. No known gold deposits are found in proximity to these licences, however a number of anomalous gold results from the soil and auger samples taken from the area increase the prospectivity of these licences; and
- the easternmost licence and its associated renewal licences also contains little outcrop but is also interpreted as being underlain by granitoid lithologies with minor greenstone in the north of the licence. Significant soil and auger sampling traverses yielded only one anomalous gold value in the order of 10-50ppb. Regional airborne magnetic data suggests significant structural complexity in this licence area which requires further investigation. A number of known gold deposits occur to the north of these licences.

The Geita West Block is composed of numerous known gold deposits and has sustained artisanal interest in many parts. Only limited outcrops occur in this area, however anomalous soil sample results are closely correlated with mapped greenstone lithologies and granitoid lithologies associated with major structural anomalies.

Venmyn's interpretation is that this block has good prospectivity, and considers that detailed follow-up sampling work and geological and structural mapping should be carried out in order to better understand the mineralisation potential of the licences. Site visits to all licences should also be undertaken in order to re-prioritise the licence for this follow-up work.

#### **9.6.5. Central Block**

Initial exploration within the Central Block was in the form of pits. These pits were dug in an attempt to understand the regolith and assist in devising a sampling strategy at an early stage. The position of these pits is indicated in Figure 11.

There has, to-date, been no additional exploration work on the newly demarcated Central Block.

The Central Block remains largely unsampled, and Venmyn consider that insufficient reconnaissance work has been conducted on these licences to make any definitive assessment of prospectivity. Numerous known gold deposits, found in close proximity to the licences, are all closely associated with greenstone lithologies and structural anomalies.



Venmyn considers that reconnaissance soil sampling should be carried out on all licences over mapped greenstone lithologies and granitoid lithologies with interpreted structural anomalies. Site visits to all licences should also be undertaken in order to re-prioritise the licences for this follow-up and reconnaissance work.

#### **9.6.6. UN Road Block**

No pitting has been conducted on the UN Road Block, although reconnaissance auger samples have been taken on a limited number of the licences in the southeast. The reader is referred to Section 9.7 and Section 9.8 for details on methodology and assaying.

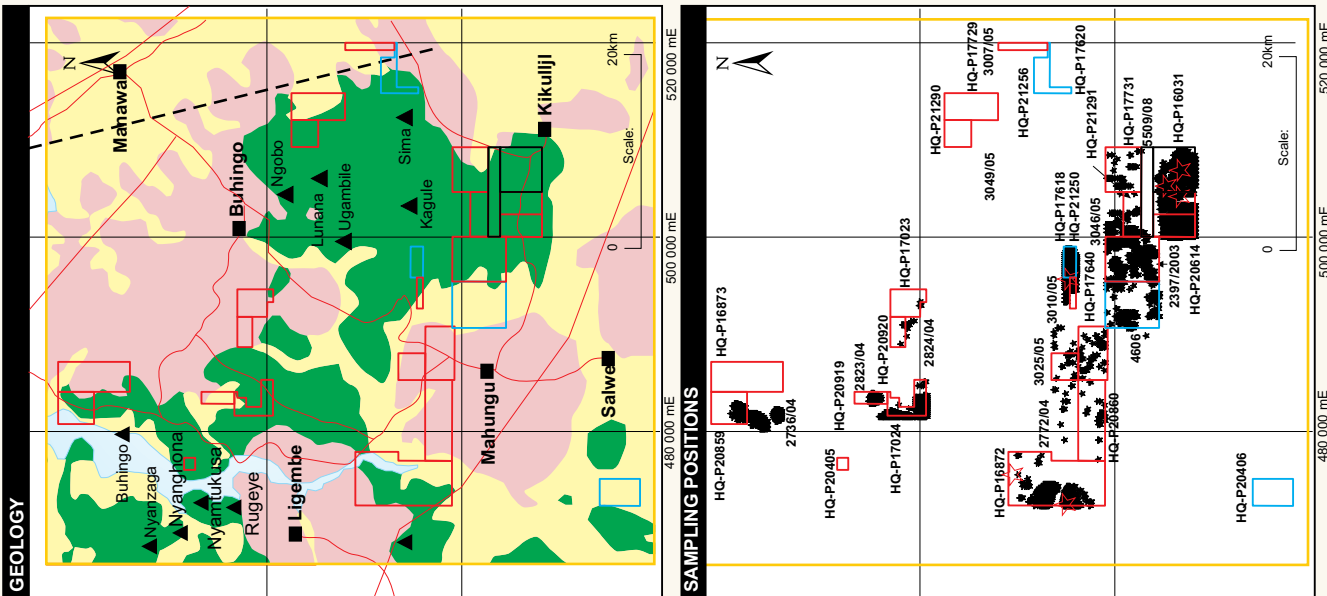
Venmyn has visited and traversed this block several times on past trips to Tanzania and is familiar with the area. Anomalous gold results were encountered in only one region within this block as illustrated in Figure 12:-

- the southeastern licence and its associated renewal licences contains outcropping greenstone with an associated short ranged magnetic anomaly. A known, but unnamed, gold deposit is found within the borders of this licence in the north, associated with the greenstone, which significantly increases the prospectivity of this licence area.

The UN Road Block is composed of numerous known gold deposits and has sustained artisanal interest in many parts. Only limited outcrop occurs in the southeast of the area, and the block in general remains largely unsampled. Anomalous gold-in-soil sample results have been documented in the southeast, closely correlated with mapped greenstone lithologies.

Given the large amount of interpreted greenstone lithologies within many of the licences and known gold deposits, Venmyn consider that this block has good prospectivity, albeit that only limited sampling has been conducted to-date. It is therefore recommended that reconnaissance sampling be conducted over all licences with interpreted greenstone lithologies and structural anomalies. While geological and structural mapping is also recommended, the lack of outcrop may be an impediment. Site visits to all licences should also be undertaken in order to re-prioritise the licence for this follow-up work.

**SUMMARY OF RECENT EXPLORATION FOR THE MHANGU BLOCK**



**GEOLOGY LEGEND:**

- Cenozoic
- Proterozoic
- Archean Greenstone Belt
- Granitoid Shield
- Gold Deposits
- Faults/Shear Zones

**OWNERSHIP LEGEND:**

**Licences:**

- Properties Under Application
- Properties Under Licences
- Properties Under Offer

- Roads
- Town
- Project Area

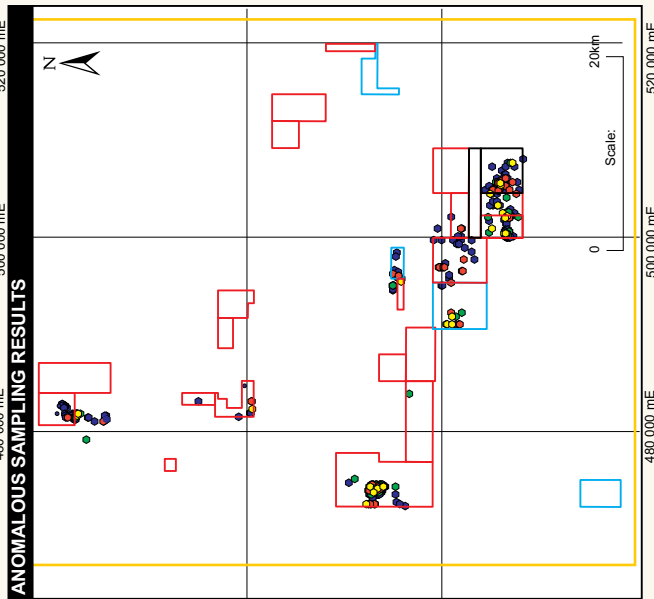
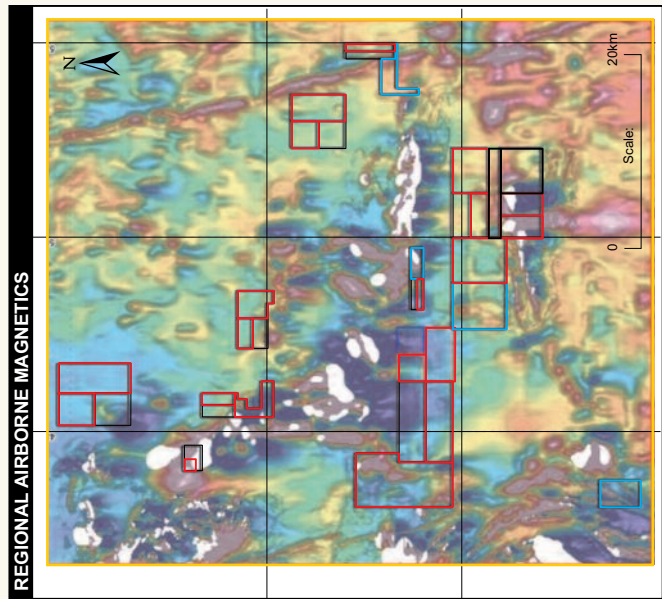
**EXPLORATION LEGEND:**

- Soil Sampling Position
- Pit Sampling Positions

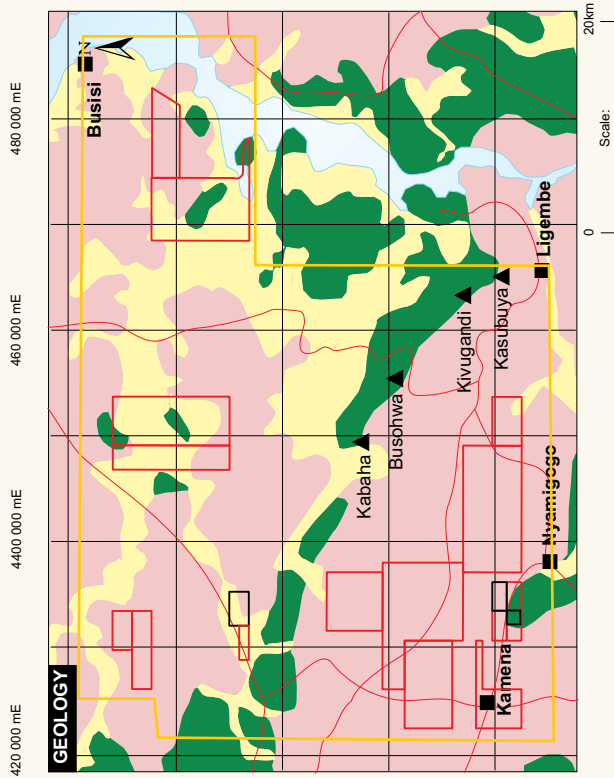
**Anomalous Soil Sample Results:**

**Au (ppb):**

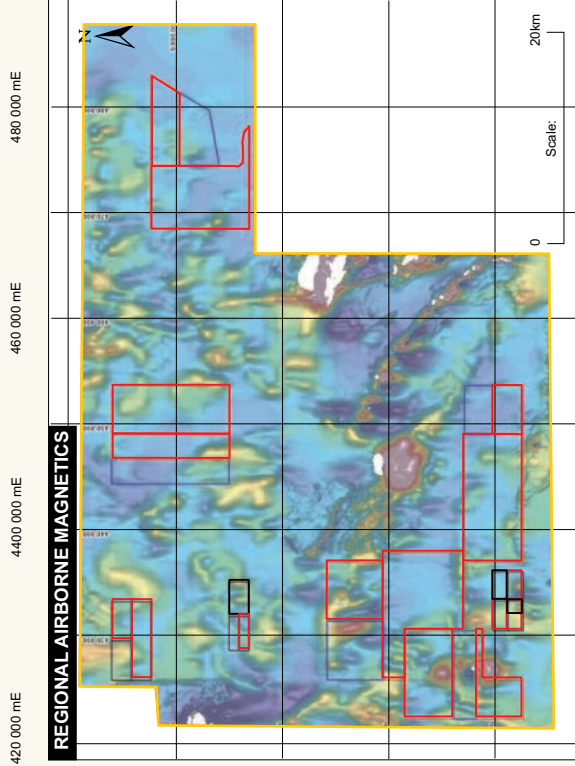
- 500-10000
- 100-500
- 50-100
- 10-50
- 0-10



**SUMMARY OF RECENT EXPLORATION FOR THE GEITA EAST BLOCK**



**REGIONAL AIRBORNE MAGNETICS**



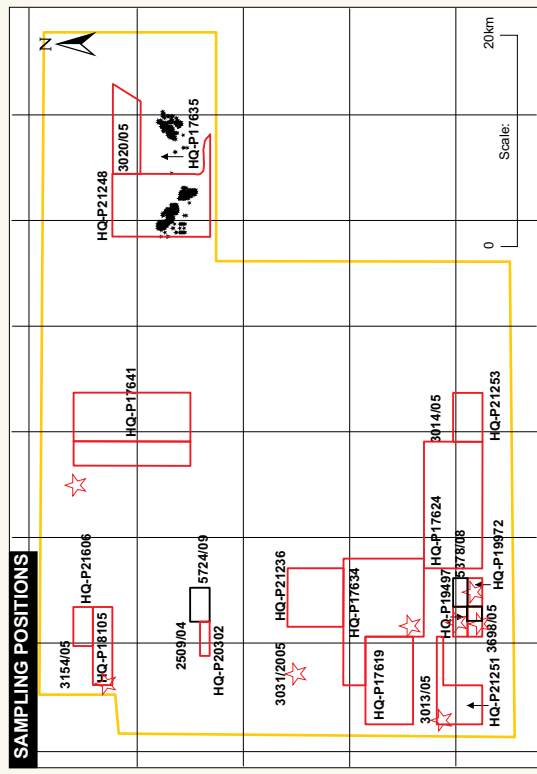
**GEOLOGY LEGEND:**

- Cenozoic
- Proterozoic
- Archean Greenstone Belt
- Granitoid Shield
- Gold Deposits

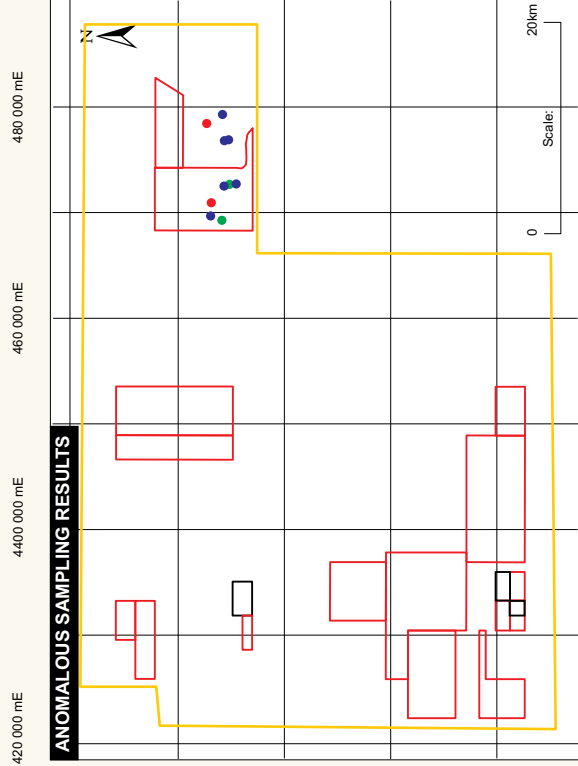
**OWNERSHIP LEGEND:**

- Licences:**
- Properties Under Application
  - Properties Under Licences
  - Properties Under Offer

**SAMPLING POSITIONS**



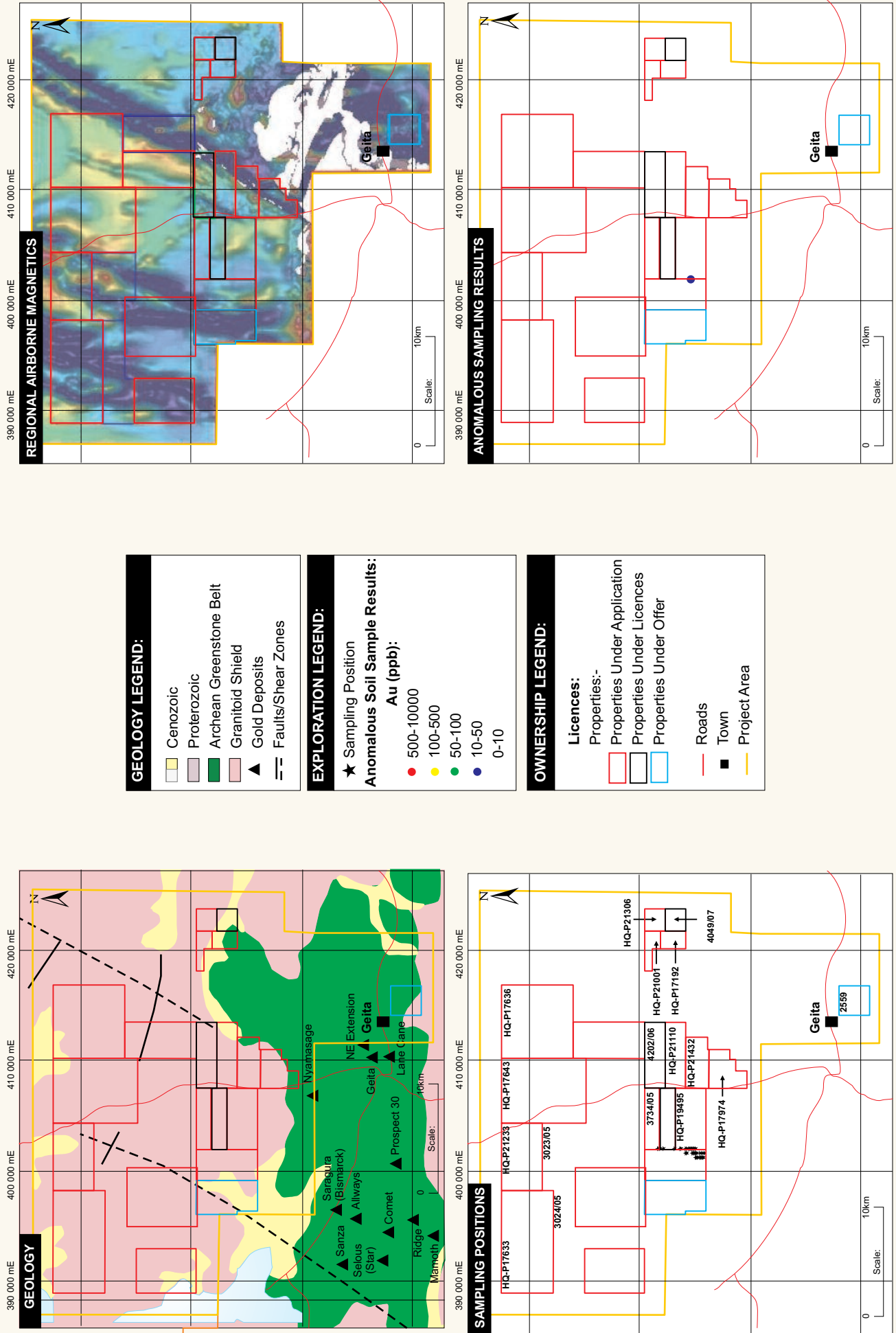
**ANOMALOUS SAMPLING RESULTS**



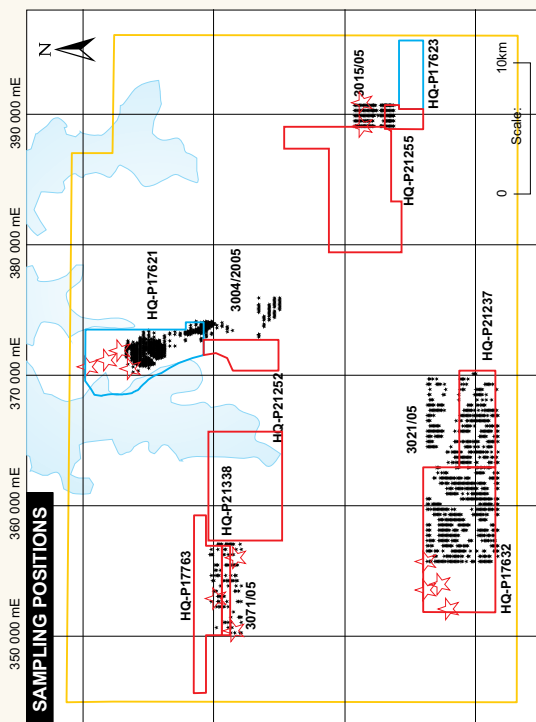
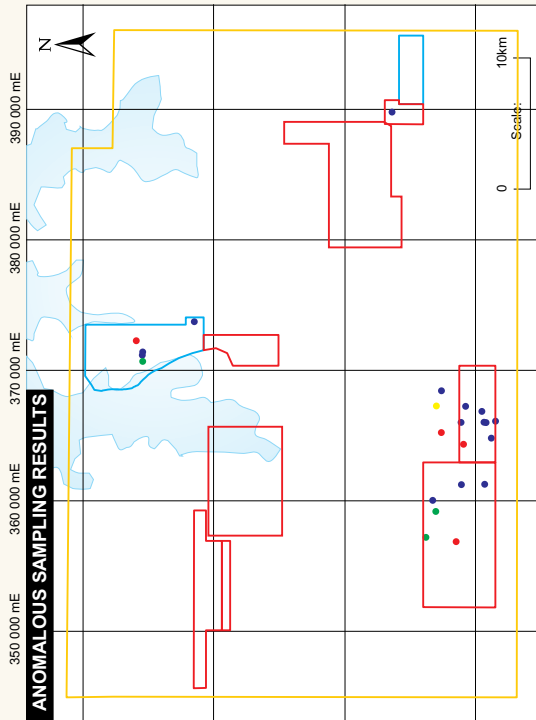
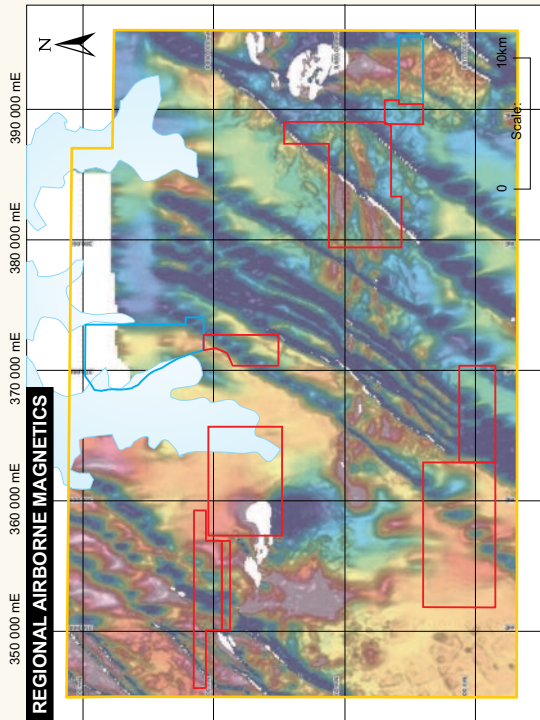
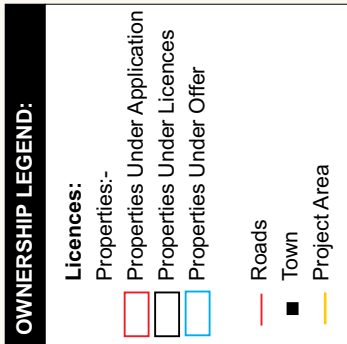
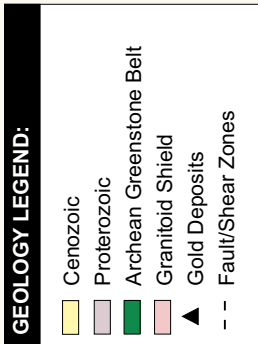
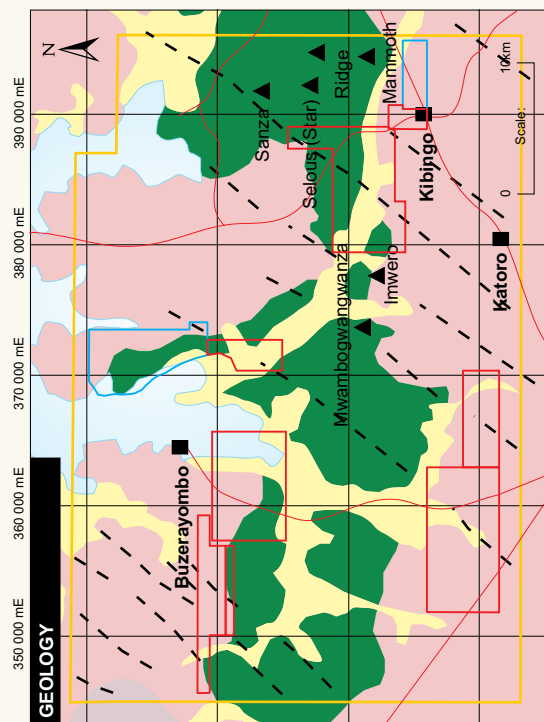
**EXPLORATION LEGEND:**

- ★ Soil Sampling Position
  - ☆ Pit Sampling Position
- Anomalous Soil Sample Results:**
- Au (ppb):**
- 500-10000
  - 100-500
  - 50-100
  - 10-50
  - 0-10

**SUMMARY OF RECENT EXPLORATION FOR THE GEITA NORTH BLOCK**

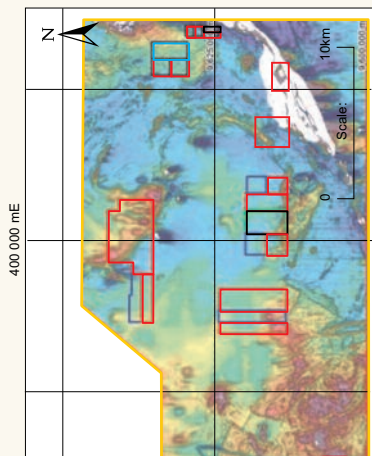
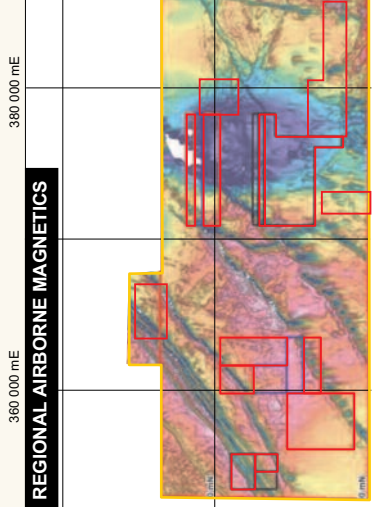
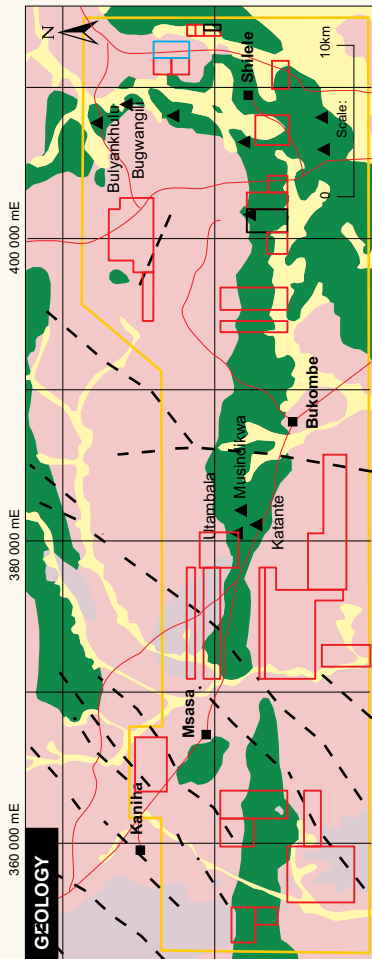
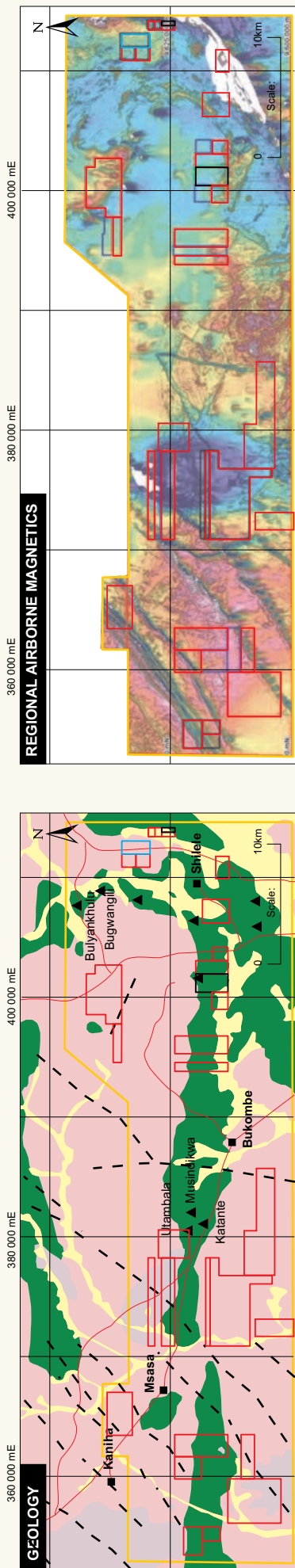


**SUMMARY OF RECENT EXPLORATION FOR THE GEITA WEST BLOCK**





**SUMMARY OF RECENT EXPLORATION FOR THE UN ROAD BLOCK**



**GEOLOGY LEGEND:**

- Cenozoic
- Proterozoic
- Archean Greenstone Belt
- Granitoid Shield
- Gold Deposits
- Faults/Shear Zones

**OWNERSHIP LEGEND:**

**Licences:-**

- Properties Under Application
- Properties Under Licences
- Properties Under Offer

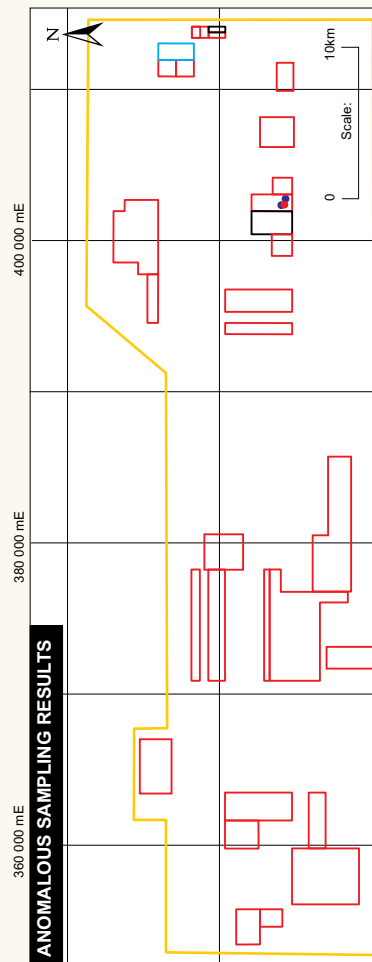
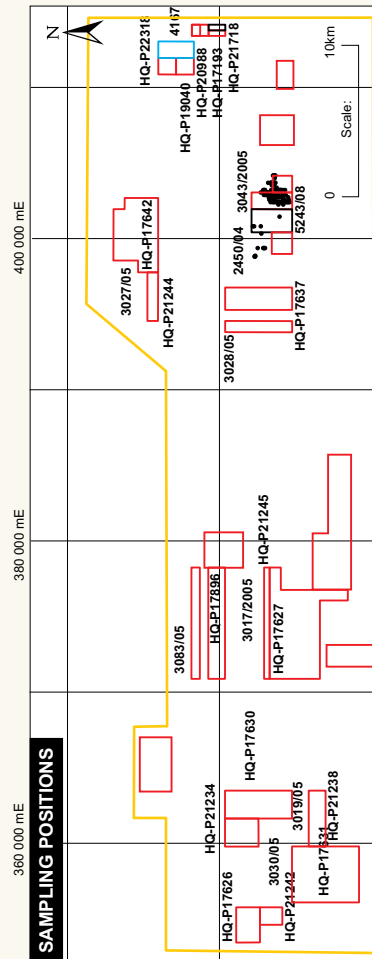
- Roads
- Town
- Project Area

**EXPLORATION LEGEND:**

- Soil Sampling Position

**Anomalous Soil Sample Results:**

- 500-10000
- 100-500
- 50-100
- 10-50
- 0-10



### 9.7. Sampling Methodology, Sample Preparation and Security

Reconnaissance sampling focussed on collecting soil samples in order to identify follow-up targets. These soil samples were collected either as :-

- conventional soil samples where the regolith was easily excavated; or
- auger samples where the regolith could not easily be excavated;
  - a hand auger was used for softer regolith; and
  - a Cobra MK1 mechanical auger was used for harder regolith.

The targeted sample mediums, in order of preference were pisoliths, ferricretes, mottled regolith zones and saprolites.

Sampling grids were set up at either 400m by 100m line/sample spacing, or where suitable soil conditions provided, a 200m by 50m line/sampling grid was used.

In general, sampling positions were determined and planned before sampling along specific sample lines. These positions were delineated on sampling sheets going into the field so that each sample location had a planned sample number allocated and once collected an actual number which was accompanied by a pre-printed corresponding sample ticket. Samples not collected were indicated as such and the reason completed on the sheet. Sampling sheets also included fields for sample type, soil type, actual co-ordinates and other comments.

These sampling sheets were further supported by detailed soil sampling sheets including: sample number, sample type, co-ordinates, colour, average grain size, soil type, depth, slope angles, wet/dry condition, date, sampler, blank-standard-duplicate QA/QC fields and comments.

While sampling could not be inspected by Venmyn (as no sampling was being conducted at the time of the site visit), documents detailing the sampling procedure were provided and reviewed by Venmyn. The basic methodology reviewed was:-

- confirm sample positions and collect GPS co-ordinates of actual sample site (within 5.0m of planned pit site);
- a pit of 500x500mm is dug at least 300-750mm deep before soil sampling commences. A representative sample is taken diagonally from both sides across the bottom of the sample pit, or excavated with an auger;
- sample is sieved through a 2mm sieve until maximum of 2.0kg is collected in a plastic sheet and then poured into a plastic bag and labelled with a sample ticket tab;
- sieves, shovels, soil picks and the plastic sheet are cleaned with a brush and water between each sample;
- sample sites are closed with remaining material and flagged with tape for future purposes;
- all samples are taken to the sample shed/field camp at the end of the day and placed in numerical order; and
- field sheets are captured and verified by a peer into Microsoft Excel at the end of each day.

Samples were placed in sequence in groups of 5 and 10 samples (depending on weight) into large Hessian bag. Each Hessian bag was labelled with a batch number, sample from and to, and project name. 300-500 samples were dispatched to the Mwanza offices and were accompanied by a sample field dispatch sheet indicating sample numbers from and to in each hessian bag, total number of samples per lot, project and licence name.

### 9.8. Sample Analysis, QA/QC and Data Verification

While analysis could not be inspected by Venmyn (as no analysis was being conducted at the time of the review), documents detailing the analytical, QA/QC and database management procedures were provided and reviewed by Venmyn.

The dispatch forms provided by ASL Chemex South Africa (Pty) Ltd (ALS SA) were reportedly completed by the Project or Senior Geologist in Mwanza and accounted for all samples. Random samples, in the order of 5%, were selected for a second laboratory check. All check samples were then recorded on the ALS SA laboratory dispatch sheet.



Once all samples were accounted for and entered into the database, QA/QC samples were placed in pre-allocated locations with every 10<sup>th</sup> being a blank, every 20<sup>th</sup> sample a standard and every 30<sup>th</sup> sample a duplicate of the previous sample which was collected in the field as per the sampling procedures.

All samples were reportedly submitted for total pulverisation and a 50g aliquot was analysed for low level gold (1ppb threshold) by ICP-AES using ASL SA. All samples and dispatches were checked for numbering consistency and random spot-checks are carried out verifying sample medium logs.

ALS SA also reportedly performed their own laboratory QC checks and provided the results of the various internal, blank, standard and duplicate results as well as retests should they have been necessary.

Venmyn have been supplied with the assay sheets for each of the samples as well as the duplicates, blanks and standards. Random checks were performed on anomalous assay results reported by the laboratory and within the GIS database and no discrepancies were noted. Venmyn also reviewed all blank, standard and duplicate assay results and found no material discrepancies. While no in-field checks could be made by Venmyn, we are satisfied that the data can be relied on, in consideration of the procedures described above, the limited independent checks on the sampling data and the early stage of exploration being considered.

#### **9.9. Database Management**

No dedicated data server exists for the Savannah Project. The most up to date collection of all data is represented by the Savannah GIS Database. The elements of this database are in the form of MapInfo database files which also includes all sampling positions and assay results to-date. In the absence of a Project Geologist for the Savannah Project at present, this data is backed up at Morogoro Gold's offices in Dar es Salaam. No formal independent audits of the database have been conducted other than the high level checks conducted by Venmyn as discussed in Section 9.8.

#### **9.10. General Opinion on the Savannah Project and Recommendations for Further Work**

The Savannah Project has to-date yielded numerous positive exploration results which warrant follow-up exploration. In addition, large prospective areas remain unsampled, which require reconnaissance sampling in order to identify additional follow-up targets. It is clear that understanding the local geological and structural environments within the various licences is important in order to assess their mineralisation potential. Venmyn consider it prudent that all licences are re-visited and re-assessed based on the existing results and interpretations in order to re-prioritise the licences for these follow-up and reconnaissance work programmes.

Venmyn consider that the licences have good potential for the discovery of traditional greenstone associated mineralisation within the Savannah Project area, based on the exploration results received to-date, the initial assessment of the geological and structural environments within the licences, proximity to known gold deposits, and the extensive licence portfolio available for prospecting.

Successful exploration will require a persistent and systematic approach and a thorough understanding of the local geology and regional structural environments of each of the licences. Future exploration programmes should be aligned with this objective.

## 10. MOROGORO PROJECT

### 10.1. Location and Access

The Morogoro Project comprises an extensive portfolio of licences within southeastern Tanzania, between the regional centres of Morogoro and Dodoma, within the Morogoro Province (Figure 13). The Morogoro Project represents an early stage exploration project, with only limited reconnaissance stream sampling having been conducted in a few of the licences to-date. While some licences have generated follow-up targets, the majority of licences still require first pass stream sampling and assessment.

The licences can be accessed by a network of tarred and gravel roads, in varying states of repair. However, Venmyn found, that the regional infrastructure appears well maintained. The Morogoro Project is best accessed from Dar es Salaam on the sealed national road to Morogoro (~160km), and then south for approximately 30km on gravel roads. The individual licences are accessed by a network of gravel roads and dirt tracks.

There is a regional airport located at Dodoma, with daily flights to Dar es Salaam. Smaller airstrips (most unmanned) are also located across the project area.

### 10.2. Topography and Vegetation

The topography within the Morogoro Project area varies considerably, from flat plateau in the southeast and north to rugged alpine terrain in the Uluguru Mountains in the central and southern areas (Figure 14). While the plateau areas average approximately 500m above mean sea level the, the Uluguru Mountains reach in excess of 2,600m above mean sea level.

The vegetation changes in response to both the climatic and topographic differences across the area. The plateau areas are characterised by sparsish bush and baobab vegetation, while the mountainous regions are characterised by indigenous forests and cultivated lands.

The Uluguru Mountains form an important water catchment area for the city of Dar es Salaam, Morogoro Municipal and other Coast Regions of Tanzania.

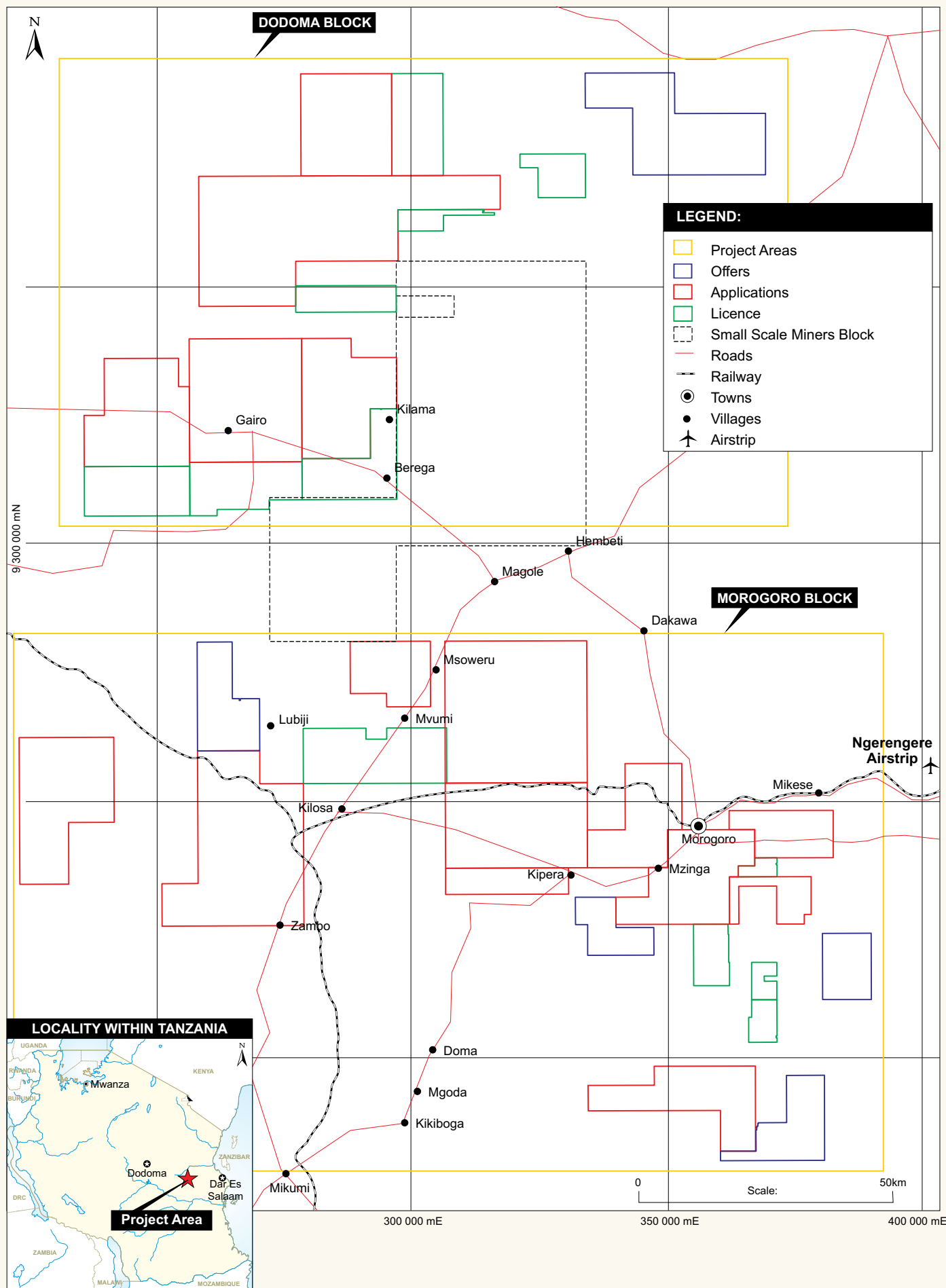
### 10.3. Climate

The climate in the Morogoro Project area varies considerably, consistent with elevation differences. In the northern and central regions the climate is predominantly semi-arid, receiving less than 500mm annually. In contrast the mountainous areas in the south receive in excess of 2,000mm annually. Most rainfall is associated with thunderstorms.

The average midday temperatures range from 27°C in April to 32°C in January with most rain falling between November and April.

Exploration activities can be carried out year round, however, access to certain mountainous areas could be significantly hampered during the rainy season.

**LOCALITY, INFRASTRUCTURE AND LEGAL TENURE OF THE MOROGORO PROJECT AREA**



**INFRASTRUCTURE, TOPOGRAPHY AND VEGETATION OF THE MOROGORO PROJECT AREA**

**DIRT ROAD TO MOROGORO BLOCK AREA**



**DIRT ROAD THROUGH FOREST - MOROGORO BLOCK AREA**



**GENERAL TOPOGRAPHY - MOROGORO BLOCK**



**GENERAL TOPOGRAPHY  
ULUGURU MOUNTAINS - MOROGORO BLOCK**



**TOPOGRAPHY AT CONTACT BETWEEN METAMORPHIC ROCK (HILLS)  
AND KAROO (PLATEAU)**



**CALCITE / MARBLE HILL - ARTISANAL SHAFT  
AT TOP - MOROGORO BLOCK**



**TAR ROAD TO DODOMA BLOCK AREA**



**DIRT ROAD THROUGH BEREGA VILLAGE - DODOMA BLOCK**



**GENERAL TOPOGRAPHY - DODOMA BLOCK - GNEISS HILLS**



**GNEISS HILLS - DODOMA BLOCK**



#### 10.4. Regional Geology and Mineralisation in the Morogoro Project Area

The Morogoro Project is situated within Uluguru-Mvomero region of eastern Tanzania, between the regional centres of Morogoro and Dodoma. The geology of this region represents a non-traditional gold exploration environment dominated by Proterozoic, high-grade metamorphic (granulite to amphibolite facies) rocks (Figure 15), and consequently has only recently (within the past 5 years) begun to receive the attention of mineral exploration companies. It follows therefore that very little is known of the regional geology, specifically as it relates to gold mineralization.

The licences within the southeast of the project area encompass part of the Uluguru Mountains which consist of metamorphosed gneisses (amphibolite and granulite facies) that have been attributed to the Palaeo-Proterozoic Usagaran Orogenic cycle. These highly metamorphosed rocks occur adjacent to the central Tanzanian Archean-aged Craton.

The southeastern licences cover part of a 60km long regional north-south trending nappe structure (Ruvu Nappe) that has thrust faulted marbles of the Matombo Group over granulites of the Lakwangule Group. Most artisanal gold mining is coincident with the basal thrust fault of this nappe along its length, workings being located within the rivers (and river terraces) that drain the structure. Some limited hard rock artisanal workings are also present within the Ruvu Nappe area and further to the north and west (Figure 15), with workings focussing on wide quartz veins and/or altered and sheared gneisses.

Younger, Karoo sediments unconformably overlay the older Usagaran metamorphic rocks, the contact between the two defined by faulting and characterised by steep escarpments (Figure 14).

The extent and nature of gold mineralisation within the Morogoro Project area is poorly understood with artisanal miners only discovering alluvial gold in the rivers and river terraces in the area within the last five years. It is suggested however, that the geological setting of the gold mineralisation of the Morogoro Project area is similar to the Navachab Gold Mine in Namibia.

From field observations, gold appears to be hosted within high-grade mafic to felsic volcanic and sedimentary metamorphosed rocks of Archaean or Proterozoic Age. Mineralisation is understood to be vein-related, structurally-controlled mesothermal gold associated with sulphide including pyrrhotite and arsenopyrite. The dominant host rocks are altered amphibolite, or gneiss and marbles (with lesser quartzite).

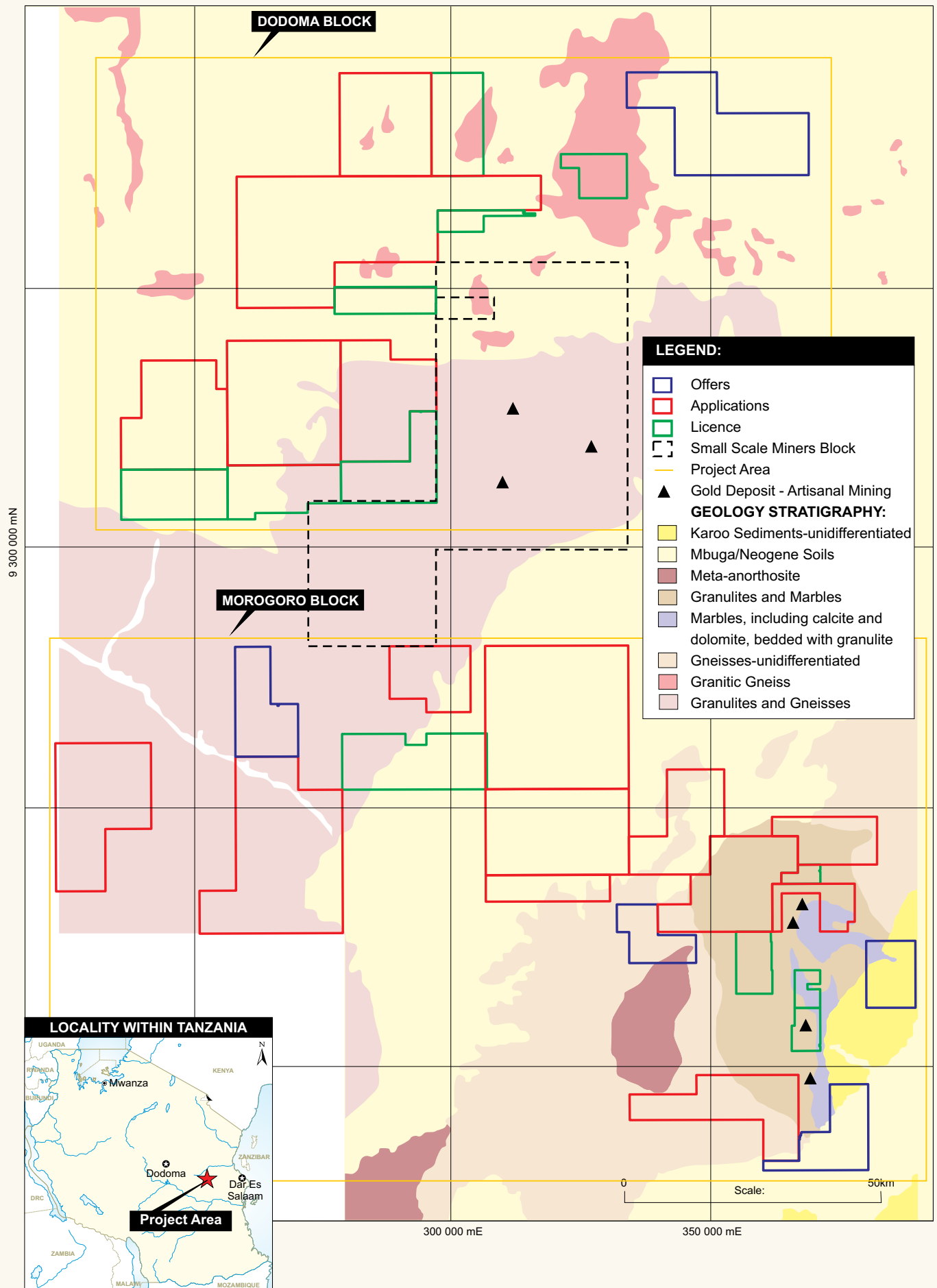
Evidence suggests that the area represents an extension of the highly-endowed Sukumaland Superterrane, the geological host to Tanzania's most significant gold deposits (in the LVG), to the southeast. The area may therefore be prospective for metamorphosed Archaean orogenic gold deposits within the extended Sukumaland Corridor.

A number of positive exploration results received to-date (Section 10.6.1 and Section 10.6.2) are commensurate with the high potential geology observed within the area. This bodes well for the follow-up work programmes planned for the area. The recently discovered gold mineralisation in the area is indicative of a new and emerging exploration environment capable of hosting primary gold mineralization.

Increased artisanal activities, and a number of new mineral rights applications and exploration activity in the area, points to the significance of the area in terms of establishing itself as a new Tanzanian goldfield. The Morogoro Project therefore offers an attractive opportunity to conduct exploration in a prospective area in which very little previous systematic exploration has been undertaken.

Figure 16 illustrates some of the geological formations and features that were encountered by Venmyn during their site visit to the Morogoro Project area (within both the Morogoro and Dodoma blocks). The positive early-stage exploration results received to-date (Section 10.6.1) are commensurate with the high potential geology observed within the area.

**REGIONAL GEOLOGY AND STRATIGRAPHY OF THE MOROGORO PROJECT AREA**



**PHOTOGRAPHS OF THE GEOLOGY OF THE MOROGORO PROJECT AREA**

**MARBLE CLIFFS**



**CUTTINGS INTO MARBLE FOR DIMENSION STONE**



**QUARTZITE OUTCROP**



**CALCITE OUTCROP**



**ARTISANAL WORKINGS ON CALCITE HILL**



**COARSE GRAINED GNEISS**



**FINE GRAINED GNEISS**



**ARTISANAL WORKINGS WITHIN GNEISS**



**GNEISS OUTCROP WITHIN ARTISANAL WORKINGS**



**ALTERED GNEISS WITHIN ARTISANAL WORKINGS**



## 10.5. Historical Exploration

The Morogoro Project area represents a new gold prospecting area and Venmyn are unaware of any historical exploration having been conducted within the licences within the Morogoro Project area.

## 10.6. Recent Exploration

Very limited recent exploration has been conducted within the Morogoro Project area. This has comprised stream sediment sampling at a reconnaissance level.

It is not clear how the licences were prioritised, however it is clear that the licences in proximity to the Ruvu Nappe and marble outcrops in the southeast, and licences in proximity to known artisanal workings in the north were preferentially targeted.

The results of the stream sediment sampling campaigns were compiled and collated, culminating in the creation of the Morogoro GIS Database.

This GIS database includes all stream sediment sampling results, as well as other data resources including:-

- regional geology covering the full extent of the Morogoro Project;
- regional aeromagnetics covering much of the Morogoro Project (at low resolution); and
- an SRTM Digital Terrain Model (DTM).

The sections below summarise the work conducted in each block to-date, as well as the results achieved and their significance with respect to on-going exploration work.

### 10.6.1. Morogoro Block

The first phase of exploration in the Morogoro Block comprised of stream sediment samples taken in and around the Ruvu Nappe area in the southeast of the block (Figure 17). The Ruvu Nappe area is atypical of the generally accepted gold targets in Tanzania and was targeted in this instance based on known artisanal alluvial gold mining in the southwest and northern portions of the prospect area. Additionally, the area lends itself well to stream sediment sampling based on the relief and density of drainage channels.

Of the limited samples taken in this area (127 according to the stream sediments assay database) a large proportion returned anomalous gold values in the order of up to 0.19g/t or 190ppb. The methodology, preparation, analysis and QA/QC for the stream sediment sampling are discussed in Section 10.7 and Section 10.8.

Venmyn visited the Ruvu Prospect area and personally inspected all licences and applications where anomalous values were returned. Anomalous results were encountered in several of the licences in the southeastern area of the block as illustrated in Figure 17:-

- the area is characterised by outcropping marbles and gneiss (granulite) lithologies forming the high relief and more recent sediments forming the valley fill atop subcropping marbles and granulites. Although large portions of the aeromagnetic survey is not represented, that area which is presented is defined by highly magnetic anomalies in this southeastern area and varied short-range structures. Several active artisanal workings (both alluvial and hard-rock) were identified by Venmyn in the area, during the site visit. This is consistent with the known gold deposits indicated on the geological map of the area.

The southeast Morogoro Block is composed of a number of known gold deposits being exploited by artisanal miners. One hard-rock working visited by Venmyn (Figure 14 and Figure 16) occurred atop a calcite/marble hill associated with altered calcite/marble lithologies. While conditions did not permit verification, it appears that the artisanal miners were exploiting a structural feature and that this feature was also responsible for the observed alteration of the host rocks.



Extensive outcrop exists within the area and it is clear that these gold deposits and the anomalous sample results received to-date are closely associated with regional structures and altered marble and calcite lithologies of the Ruvu Nappe.

Venmyn's interpretation is that this block has good prospectivity albeit that it occurs within a non-traditional gold prospecting area. Venmyn considers that detailed follow-up sampling work and geological and structural mapping should be carried out in order to better understand the mineralisation potential of the licences within the Ruvu Nappe area. In addition all other unsampled licences should be covered by reconnaissance stream or soil sampling. Site visits to all licences should also be undertaken in order to re-prioritise the licence for this follow-up work.

#### **10.6.2. Dodoma Block**

The first phase of exploration in the Dodoma Block comprised of stream sediment samples taken in the southwest of the block (Figure 18), in proximity to an area identified as the "Small Scale Miners Block". This area is also atypical of the generally accepted gold targets in Tanzania but was targeted in this instance based on known artisanal alluvial gold mining in the east.

While only limited samples were taken, a number of anomalous gold values returned. The methodology, preparation, analysis and QA/QC for the stream sediment sampling are discussed in Section 10.7 and Section 10.8.

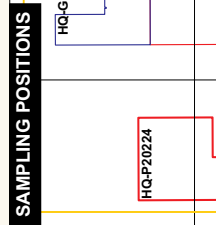
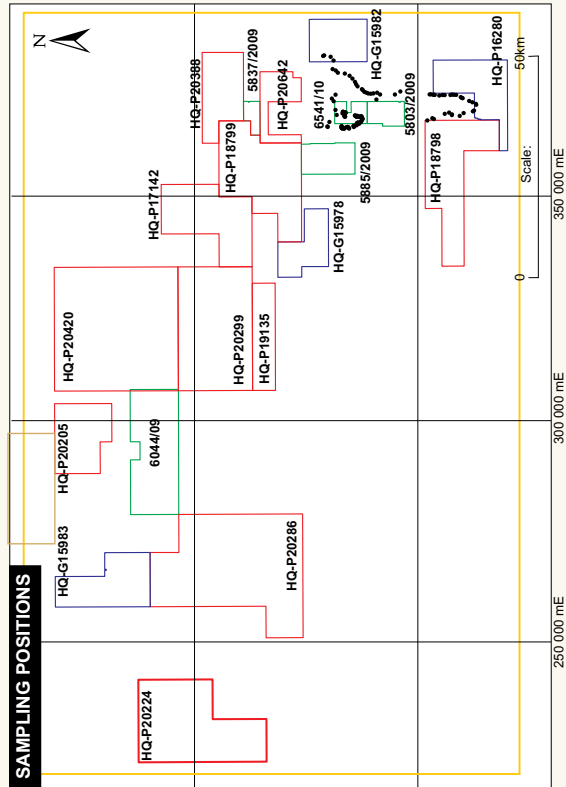
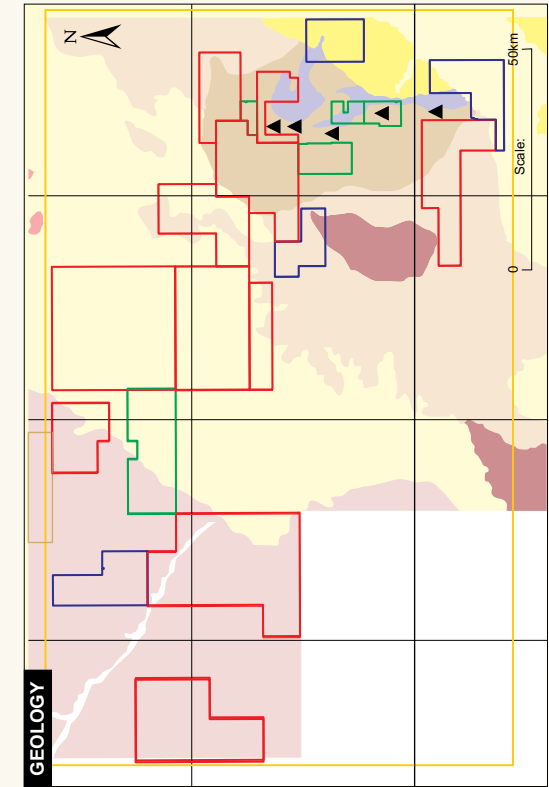
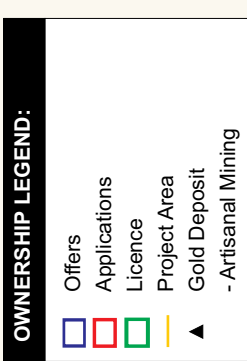
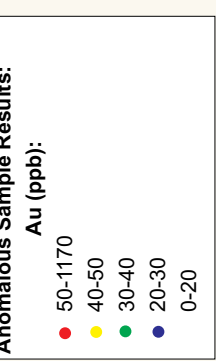
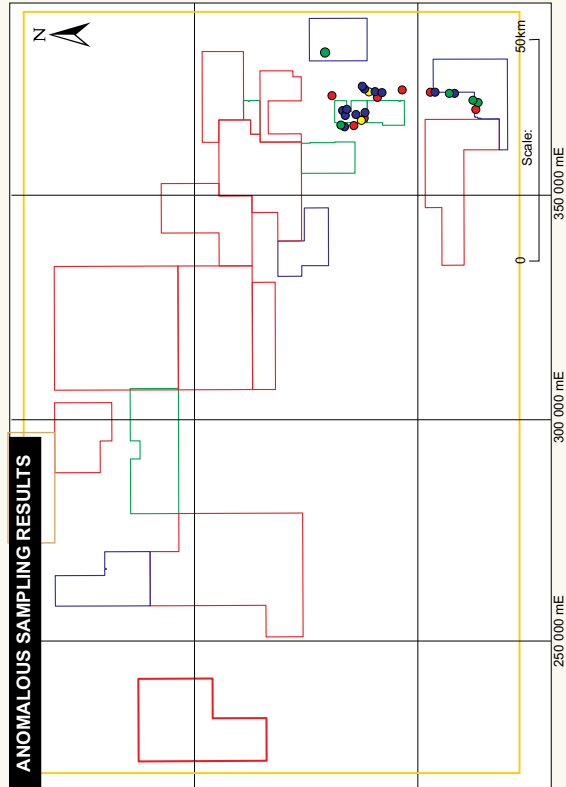
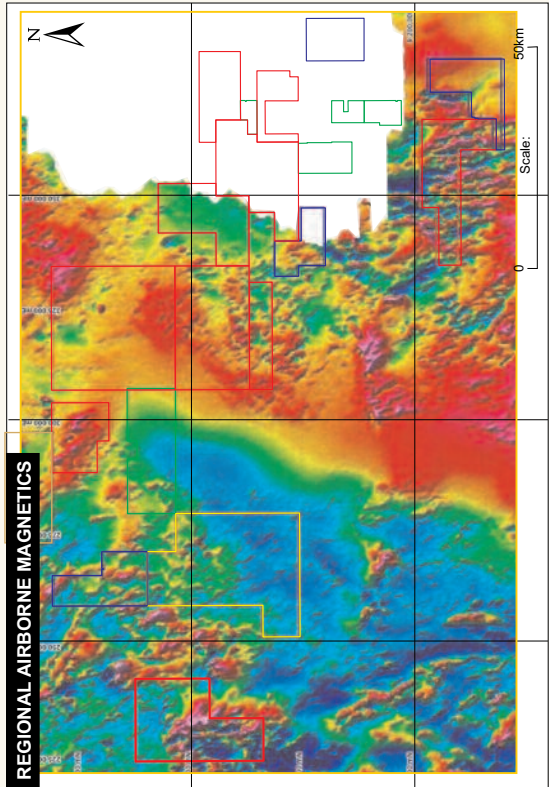
Venmyn visited the licences on which anomalous values were returned. Anomalous results were encountered in several of the licences in the southwestern area of the block as illustrated in Figure 18:-

- the area is characterised by variably outcropping gneiss (granulite) lithologies forming the high relief and more recent sediments forming the valley fill atop subcropping granulites. Although an aeromagnetic survey is presented, the resolution over the area is too low to make any definitive interpretations, however some regional structures do appear evident. Of significance is that a large block of ground to the east of these licences has been identified as a 'Small Scale Miners Block'. This is consistent with Venmyn's observations in the field of a number of artisanal workings (specifically hard-rock workings) in the area.

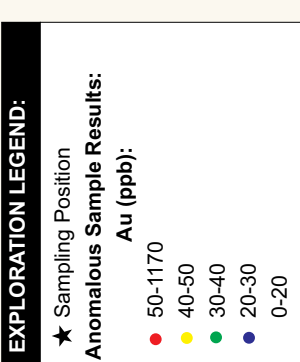
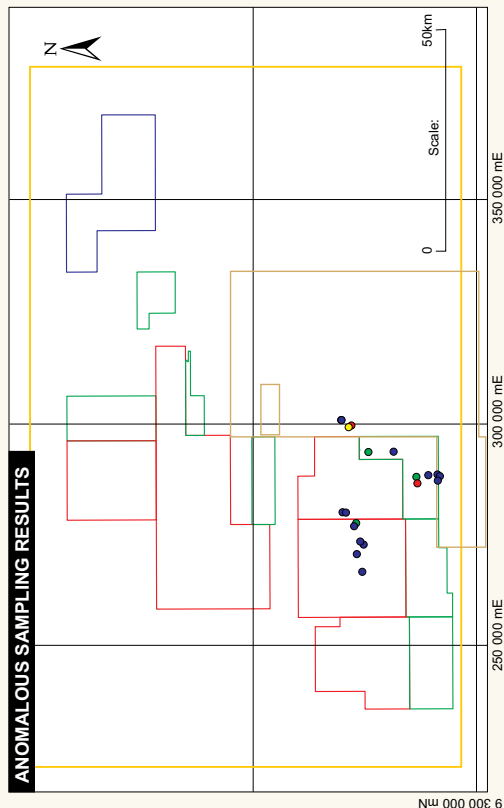
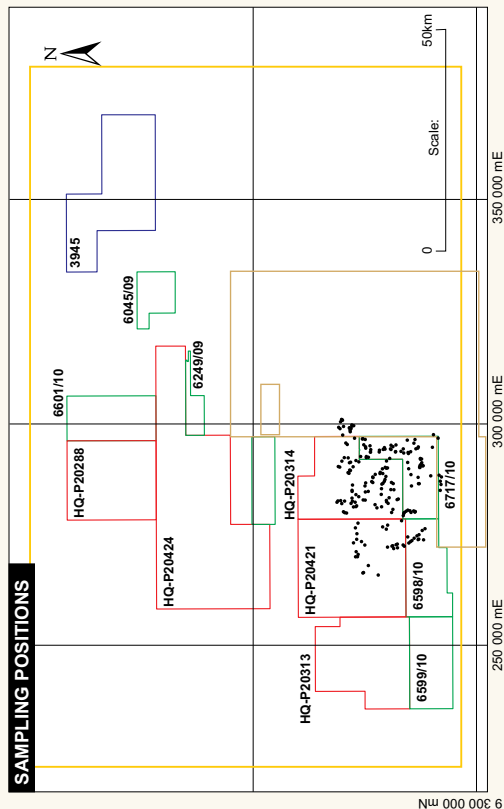
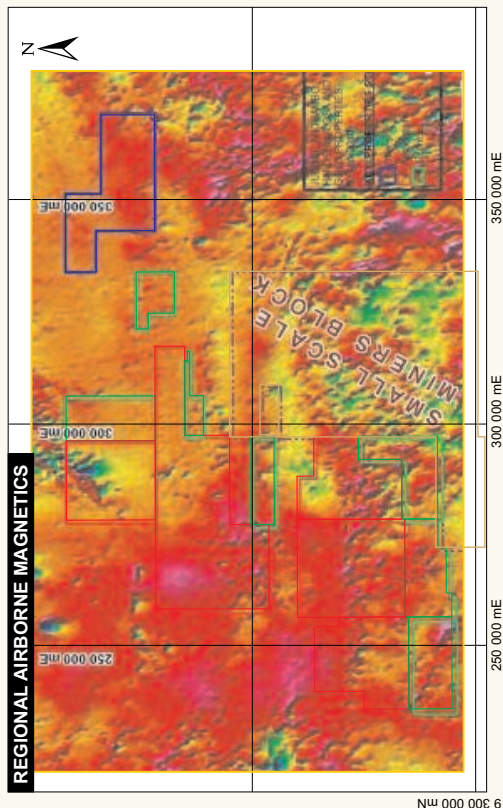
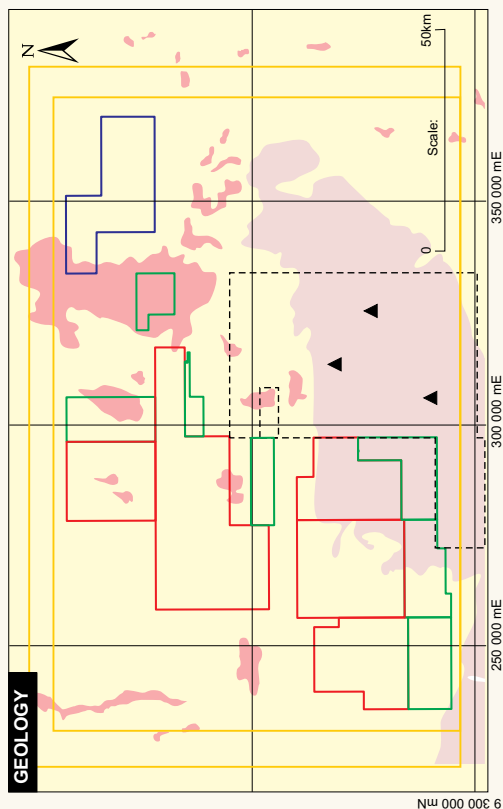
The southwest Dodoma Block is composed of a number of known gold deposits being exploited by artisanal miners. One hard-rock working visited by Venmyn (Figure 16) occurred within a highly altered and structurally deformed gneissic lithology. Several large pits, some as deep as 10m were dug in the area, apparently tracing the altered and sheared mineralised zone.

Venmyn's interpretation is that this block has good prospectivity albeit that it occurs within a non-traditional gold prospecting area. Venmyn considers that detailed follow-up sampling work and geological and structural mapping should be carried out in order to better understand the mineralisation potential of the licences in the southwest. In addition all other unsampled licences should be covered by reconnaissance stream or soil sampling. Site visits to all licences should also be undertaken in order to re-prioritise the licence for this follow-up work.

**SUMMARY OF RECENT EXPLORATION FOR THE MOROGORO BLOCK**



**SUMMARY OF RECENT EXPLORATION FOR THE DODOMA BLOCK**



### **10.7. Sampling Methodology, Sample Preparation and Security**

Reconnaissance sampling focussed on collecting stream sediment samples in order to identify follow-up targets.

No details of the sampling methodology and sample preparation have been provided to Venmyn. However, from interviews with personnel that were involved in the sampling campaign, it appears that the sampling protocol was conventional and that samples were collected from streams and drainages identified in the field by a team of sampling technicians. Sample positions were recorded by hand-held GPS. It is reasonable to assume that samples were screened, however no detail is available on the actual sample size collected. It is also reasonable to assume that standard sampling sheets and collection and dispatch procedures (as described in Section 9.7) were used although no evidence of this was provided.

### **10.8. Sample Analysis, QA/QC and Data Verification**

Venmyn could not inspect the analysis of the Morogoro Project samples (as no analysis was being conducted at the time of the review), and no documents were made available detailing the analytical, QA/QC and database management procedures. However it is reasonable to assume that the same or similar procedures were followed as discussed for the Savannah project in Section 9.8.

Venmyn have however, been supplied with the assay sheets for each of the samples as well as the duplicates, blanks and standards. Random checks were performed on anomalous assay results reported by the laboratory and within the GIS database and no discrepancies were noted. Venmyn also reviewed all blank, standard and duplicate assay results and found no material discrepancies. While no in-field checks could be made by Venmyn, we are satisfied that the data can be reasonably relied upon, in consideration of the limited independent checks on the sampling data and the early stage of exploration being considered.

### **10.9. Database Management**

No dedicated data server exists for the Morogoro Project. The most up to date collection of all data is represented by the Morogoro GIS Database. The elements of this database are in the form of MapInfo database files which also includes all sampling positions and assay results to-date. In the absence of a Project Geologist for the Morogoro Project at present, this data is backed up at Morogoro Gold's offices in Dar es Salaam. No formal independent audits of the database have been conducted other than the high level checks conducted by Venmyn as discussed in Section 10.8.

### **10.10. General Opinion on the Morogoro Project and Recommendations for Further Work**

The Morogoro Project has only been subjected to limited reconnaissance stream sampling to-date. Large areas within the Morogoro Project remain unsampled. Nevertheless those areas that have been sampled, have returned a number of positive results which warrant follow-up exploration and suggest that unsampled areas should be assessed by reconnaissance stream sampling. It is clear that understanding the local geological and structural environments within the various licences is important in order to assess their mineralisation potential. Venmyn consider it prudent that all licences are re-visited and re-assessed based on the existing results and interpretations in order to re-prioritise the licences for these follow-up and reconnaissance work programmes.

Venmyn consider that the licences have good potential for the discovery of non-traditional gold mineralisation within the Morogoro Project area, based on the limited exploration results received to date, the initial assessment of the geological and structural environments within the licences, increased artisanal activity in the area, and the extensive licence portfolio available for prospecting. The Morogoro Project offers an attractive opportunity to conduct exploration in a prospective area in which very little previous systematic exploration has been undertaken, and which may be set to become a new goldfield within Tanzania.

Successful exploration will require a persistent and systematic approach and a thorough understanding of the local geology and regional structural environments of each of the licences. Future exploration programmes should be aligned with this objective.

## **11. MINERAL RESOURCE STATEMENT**

The Projects represent early stage exploration projects, and no commercial gold discovery has been made to-date. It follows that there exists no SAMREC compliant Mineral Resource Statement at this early stage.

## **12. MINING**

No mining of gold orebodies is currently taking place, on a commercial scale, within the Project's licence areas, nor has there been in the past. Limited artisanal workings are located in and adjacent to a number of licence areas.

## **13. METALLURGY AND MINERAL PROCESSING**

No detailed metallurgical studies have been undertaken.

## **14. CONCLUSIONS**

Morogoro Gold has access to an extensive portfolio of licences within two prospective project areas within Tanzania.

The Savannah Project represents an early stage exploration project, in a traditional greenstone belt prospecting environment in Northern Tanzania. The licences have been variably covered by reconnaissance pitting, augering, soil sampling and trenching. Results to-date have identified a number of areas for follow-up sampling and geological and structural mapping. Large areas within the Savannah Project remain unsampled, however proximal known gold deposits, prospective geology and interesting structural features warrant additional exploration in many of the unsampled licences. It is recommended that all licences within the Savannah Project are visited and re-assessed based on the current results and observations, in order to re-prioritise the licences for this follow-up and reconnaissance work.

The Morogoro Project also represents an early stage exploration project, but occurs within a non-traditional prospecting environment, associated with high-grade metamorphic rocks in southeastern Tanzania. Comparatively little sampling has been conducted within the project area, with only limited reconnaissance stream sampling in proximity to known alluvial occurrences. Positive results to-date warrant follow-up sampling and geological and structural mapping in previously sampled areas. However given the lack of geological knowledge in the project area, reconnaissance sampling is recommended for all unsampled licences. All licences within the Morogoro Project should be re-visited and re-assessed based on the current results and observations, in order to re-prioritise the licences for this follow-up and reconnaissance work.

Successful exploration will require a persistent and systematic approach and a thorough understanding of the local geology and regional structural environments of each of the project areas. Future exploration programmes should be aligned with this objective, taking into account the different nature of gold mineralisation expected within the two project areas. This exploration should focus on understanding the detailed geology of the areas and resolving drill targets by means of geological mapping and soil, rock and stream geochemistry.

## Appendix 1: Summary Table of Assets

ASSET	CURRENT PL NO.	OFFER REG. NO.	APPLICATION N NO.	HOLDER	INTEREST (%)	STATUS	EXPIRY DATE	CURRENT AREA (km <sup>2</sup> )	COMMENTS		
Savannah Project (Tanzania)	PL 3698/2005	HQ-G16735	HQ-G16736	SUN MINING LTD	100%	Exploration	06-Nov-12	1.96	Preliminary, greenfields exploration.		
	PL 3734/2005	HQ-G16736	HQ-G16737	SAVANNAH MINING LTD	100%	Exploration	06-Nov-12	7.68			
	PL 4049/2007	HQ-G16294	HQ-G16295	SAVANNAH MINING LTD	100%	Exploration	14-Feb-12	3.72			
	PL 4202/2006	HQ-G16229	HQ-G16229	SAVANNAH MINING LTD	100%	Exploration	13-Dec-11	10.98			
	PL 4354/2007	HQ-G16425	HQ-G16425	SAVANNAH MINING LTD	100%	Exploration	08-May-12	2.56			
	PL 4359/2007	HQ-G16424	HQ-G16424	SAVANNAH MINING LTD	100%	Exploration	08-May-12	11.16			
	PL 5243/2008	4850	4850	MR. JONAS H. MRICHIWA & MR. EUSTACE MICHAEL ALBERT	100%	Exploration	23-Jul-11	25.74			
	PL 5378/2008	4829	4829	MR. JONAS H. MRICHIWA & MR. EUSTACE MICHAEL ALBERT	100%	Exploration	23-Oct-11	3.75			
	PL 5509/2008	2990	2990	JOHN FADHILI	100%	Exploration	30-Dec-11	11.37			
	PL 5724/2009	HQ-P15396	HQ-P15396	STATE MINING CORP.	90%	Exploration	11-Jun-11	5.97			
	PL 6283/2009	HQ-P16031	HQ-P16031	DELTA DEVELOPMENT LTD	100%	Exploration	Not Specified	19.90			
	<b>TOTAL ACTIVE LICENCES</b>										
										<b>104.79</b>	
		PL 2823/2004	2559	2559	SAVANNAH MINING LTD	100%	Exploration	Not Specified		7.38	Preliminary, greenfields exploration.
		PL 2824/2004	4167	4167	SAVANNAH MINING LTD	100%	Exploration	Not Specified		16.10	
		PL 3004/2005	4168	4168	SAVANNAH MINING LTD	100%	Exploration	Not Specified		21.86	
		PL 3012/2005	4606	4606	SAVANNAH MINING LTD	100%	Exploration	Not Specified		26.44	
		PL 3013/2005	HQ-P16392	HQ-P16392	SAVANNAH MINING LTD	100%	Exploration	Not Specified		16.50	
		PL 3010/2005	HQ-P17618	HQ-P17618	SAVANNAH MINING LTD	100%	Exploration	Not Specified		3.72	
		PL 3007/2005	HQ-P17620	HQ-P17620	SAVANNAH MINING LTD	100%	Exploration	Not Specified		7.74	
		PL 3004/2005	HQ-P17621	HQ-P17621	SAVANNAH MINING LTD	100%	Exploration	Not Specified		25.01	
		PL 3016/2005	HQ-P17622	HQ-P17622	SAVANNAH MINING LTD	100%	Exploration	Not Specified		20.47	
		PL 3015/2005	HQ-P17623	HQ-P17623	SAVANNAH MINING LTD	100%	Exploration	Not Specified		9.70	
	PL 3021/2005	HQ-P20405	HQ-P20405	TABITHA TIMOTHY	100%	Exploration	Not Specified	4.83			
	PL 3022/2005	HQ-P20406	HQ-P20406	TABITHA TIMOTHY	100%	Exploration	Not Specified	11.51			
<b>TOTAL LICENCES UNDER OFFER</b>											
	PL 2650/2004	NA	HQ-P16482	SAVANNAH MINING LTD	100%	Exploration	NA	4.63	Preliminary, greenfields exploration.		
	PL 2772/2004	NA	HQ-P16872	SAVANNAH MINING LTD	100%	Exploration	NA	50.41			
	PL 2736/2004	NA	HQ-P16873	SAVANNAH MINING LTD	100%	Exploration	NA	22.97			
	PL 2824/2004	NA	HQ-P17023	SAVANNAH MINING LTD	100%	Exploration	NA	9.58			
	PL 2823/2004	NA	HQ-P17024	SAVANNAH MINING LTD	100%	Exploration	NA	8.44			
	PL 2057/2002	NA	HQ-P17192	SAVANNAH MINING LTD	100%	Exploration	NA	3.65			
	PL 2049/2002	NA	HQ-P17193	SAVANNAH MINING LTD	100%	Exploration	NA	5.15			
	PL 2067/2002	NA	HQ-P17207	SAVANNAH MINING LTD	100%	Exploration	NA	11.22			
	PL 3013/2005	NA	HQ-P17619	SAVANNAH MINING LTD	100%	Exploration	NA	37.73			
	PL 3014/2005	NA	HQ-P17624	SAVANNAH MINING LTD	100%	Exploration	NA	66.88			
	PL 3011/2005	NA	HQ-P17625	SAVANNAH MINING LTD	100%	Exploration	NA	25.72			
	PL 3012/2005	NA	HQ-P17626	SAVANNAH MINING LTD	100%	Exploration	NA	22.95			

ASSET	CURRENT PL NO.	OFFER REG. NO.	APPLICATIO N NO.	HOLDER	INTEREST (%)	STATUS	EXPIRY DATE	CURRENT AREA (km <sup>2</sup> )	COMMENTS
Savannah Project (Tanzania)	PL 3017/2005	NA	HQ-P17627	SAVANNAH MINING LTD	100%	Exploration	NA	137.60	Preliminary, greenfields exploration.
	PL 3030/2005	NA	HQ-P17630	SUN MINING LTD	100%	Exploration	NA	51.40	
	PL 3019/2005	NA	HQ-P17631	SUN MINING LTD	100%	Exploration	NA	102.80	
	PL 3021/2005	NA	HQ-P17632	SUN MINING LTD	100%	Exploration	NA	61.74	
	PL 3024/2005	NA	HQ-P17633	SUN MINING LTD	100%	Exploration	NA	43.60	
	PL 3031/2005	NA	HQ-P17634	SUN MINING LTD	100%	Exploration	NA	66.37	
	PL 3020/2005	NA	HQ-P17635	SUN MINING LTD	100%	Exploration	NA	57.53	
	PL 3026/2005	NA	HQ-P17636	SUN MINING LTD	100%	Exploration	NA	43.03	
	PL 3028/2005	NA	HQ-P17637	SUN MINING LTD	100%	Exploration	NA	41.14	
	PL 3022/2005	NA	HQ-P17638	SUN MINING LTD	100%	Exploration	NA	17.46	
	PL 3033/2005	NA	HQ-P17639	SUN MINING LTD	100%	Exploration	NA	25.72	
	PL 3025/2005	NA	HQ-P17640	SUN MINING LTD	100%	Exploration	NA	16.80	
	PL 3029/2005	NA	HQ-P17641	SUN MINING LTD	100%	Exploration	NA	51.45	
	PL 3027/2005	NA	HQ-P17642	SUN MINING LTD	100%	Exploration	NA	79.89	
	PL 3023/2005	NA	HQ-P17643	SUN MINING LTD	100%	Exploration	NA	44.85	
	PL 3032/2005	NA	HQ-P17644	SUN MINING LTD	100%	Exploration	NA	16.84	
	PL 3049/2005	NA	HQ-P17729	SAVANNAH MINING LTD	100%	Exploration	NA	15.43	
	PL 3043/2005	NA	HQ-P17730	SAVANNAH MINING LTD	100%	Exploration	NA	18.69	
	PL 3046/2005	NA	HQ-P17731	SAVANNAH MINING LTD	100%	Exploration	NA	17.14	
	PL 3071/2005	NA	HQ-P17763	SAVANNAH MINING LTD	100%	Exploration	NA	20.94	
	PL 3083/2005	NA	HQ-P17896	SAVANNAH MINING LTD	100%	Exploration	NA	51.15	
	PL 2180/2003	NA	HQ-P17974	SAVANNAH MINING LTD	100%	Exploration	NA	9.60	
	PL 3154/2005	NA	HQ-P18105	SUN MINING LTD	100%	Exploration	NA	13.72	
	Unknown	NA	HQ-P18531	SUN MINING LTD	100%	Exploration	NA	25.72	
	PL 2316/2003	NA	HQ-P19039	SAVANNAH MINING LTD	100%	Exploration	NA	10.93	
	PL 2315/2003	NA	HQ-P19040	SAVANNAH MINING LTD	100%	Exploration	NA	8.05	
	PL 3734/2005	NA	HQ-P19495	SUN MINING LTD	100%	Exploration	NA	15.44	
	PL 3698/2005	NA	HQ-P19497	SAVANNAH MINING LTD	100%	Exploration	NA	3.94	
	PL 2397/2003	NA	HQ-P19713	SAVANNAH MINING LTD	100%	Exploration	NA	25.72	
	PL 2450/2004	NA	HQ-P19973	SAVANNAH MINING LTD	100%	Exploration	NA	12.08	
	PL 2509/2004	NA	HQ-P20302	SAVANNAH MINING LTD	100%	Exploration	NA	3.00	
	PL 2593/2004	NA	HQ-P20614	SAVANNAH MINING LTD	100%	Exploration	NA	20.00	
PL 2650/2004	NA	HQ-P20730	SAVANNAH MINING LTD	100%	Exploration	NA	4.61		
PL 2736/2004	NA	HQ-P20859	SAVANNAH MINING LTD	100%	Exploration	NA	12.30		
PL 2772/2004	NA	HQ-P20860	SAVANNAH MINING LTD	100%	Exploration	NA	23.15		
Unknown	NA	HQ-P20919	SAVANNAH MINING LTD	100%	Exploration	NA	4.00		
Unknown	NA	HQ-P20920	SAVANNAH MINING LTD	100%	Exploration	NA	4.78		
PL 4202/2006	NA	HQ-P21110	SUN MINING LTD	100%	Exploration	NA	11.04		
PL 3023/2005	NA	HQ-P21233	SAVANNAH MINING LTD	100%	Exploration	NA	22.43		
PL 3030/2005	NA	HQ-P21234	SAVANNAH MINING LTD	100%	Exploration	NA	25.60		
PL 3028/2005	NA	HQ-P21235	SAVANNAH MINING LTD	100%	Exploration	NA	20.47		
PL 3031/2005	NA	HQ-P21236	SAVANNAH MINING LTD	100%	Exploration	NA	29.37		

ASSET	CURRENT PL NO.	OFFER REG. NO.	APPLICATION N. NO.	HOLDER	INTEREST (%)	STATUS	EXPIRY DATE	CURRENT AREA (km <sup>2</sup> )	COMMENTS	
Savannah Project (Tanzania)	PL 3021/2005	NA	HQ-P21237	SAVANNAH MINING LTD	100%	Exploration	NA	20.48	Preliminary, greenfields exploration.	
	PL 3019/2005	NA	HQ-P21238	SAVANNAH MINING LTD	100%	Exploration	NA	25.60		
	PL 3029/2005	NA	HQ-P21239	SAVANNAH MINING LTD	100%	Exploration	NA	25.60		
	PL 3025/2005	NA	HQ-P21240	SAVANNAH MINING LTD	100%	Exploration	NA	7.68		
	PL 3033/2005	NA	HQ-P21241	SAVANNAH MINING LTD	100%	Exploration	NA	12.86		
	PL 3012/2005	NA	HQ-P21242	SAVANNAH MINING LTD	100%	Exploration	NA	10.80		
	PL 3032/2005	NA	HQ-P21243	SAVANNAH MINING LTD	100%	Exploration	NA	8.43		
	PL 3027/2005	NA	HQ-P21244	SAVANNAH MINING LTD	100%	Exploration	NA	14.23		
	PL 3017/2005	NA	HQ-P21245	SAVANNAH MINING LTD	100%	Exploration	NA	17.06		
	PL 3026/2005	NA	HQ-P21246	SAVANNAH MINING LTD	100%	Exploration	NA	21.21		
	PL 3024/2005	NA	HQ-P21247	SAVANNAH MINING LTD	100%	Exploration	NA	21.69		
	PL 3020/2005	NA	HQ-P21248	SAVANNAH MINING LTD	100%	Exploration	NA	20.13		
	PL 3022/2005	NA	HQ-P21249	SAVANNAH MINING LTD	100%	Exploration	NA	8.68		
	PL 3010/2005	NA	HQ-P21250	SAVANNAH MINING LTD	100%	Exploration	NA	2.06		
	PL 3013/2005	NA	HQ-P21251	SAVANNAH MINING LTD	100%	Exploration	NA	18.77		
	PL 3004/2005	NA	HQ-P21252	SAVANNAH MINING LTD	100%	Exploration	NA	11.21		
	PL 3014/2005	NA	HQ-P21253	SAVANNAH MINING LTD	100%	Exploration	NA	13.00		
	PL 3011/2005	NA	HQ-P21254	SAVANNAH MINING LTD	100%	Exploration	NA	12.80		
	PL 3015/2005	NA	HQ-P21255	SAVANNAH MINING LTD	100%	Exploration	NA	4.87		
	PL 3007/2005	NA	HQ-P21256	SAVANNAH MINING LTD	100%	Exploration	NA	3.85		
	PL 3016/2005	NA	HQ-P21257	SAVANNAH MINING LTD	100%	Exploration	NA	10.24		
	PL 3043/2005	NA	HQ-P21289	SAVANNAH MINING LTD	100%	Exploration	NA	8.96		
	PL 3049/2005	NA	HQ-P21290	SAVANNAH MINING LTD	100%	Exploration	NA	7.71		
	PL 3046/2005	NA	HQ-P21291	SAVANNAH MINING LTD	100%	Exploration	NA	8.57		
	PL 4049/2007	NA	HQ-P21306	SUN MINING LTD	100%	Exploration	NA	3.72		
	PL 3071/2005	NA	HQ-P21338	SAVANNAH MINING LTD	100%	Exploration	NA	4.16		
	PL 3083/2005	NA	HQ-P21380	SAVANNAH MINING LTD	100%	Exploration	NA	25.47		
	PL 3154/2005	NA	HQ-P21606	SAVANNAH MINING LTD	100%	Exploration	NA	6.83		
	PL 4359/2007	NA	HQ-P21717	SUN MINING LTD	100%	Exploration	NA	11.22		
	PL 4354/2007	NA	HQ-P21718	SUN MINING LTD	100%	Exploration	NA	2.57		
	PL 3294/2005	NA	HQ-P21843	SAVANNAH MINING LTD	100%	Exploration	NA	12.80		
	<b>TOTAL RELEAQUISHED LICENCES UNDER APPLICATION</b>									
										<b>1,940.00</b>
NA	NA	NA	HQ-P19630	SAVANNAH MINING LTD	100%	Exploration	NA	24.51	Preliminary, greenfields exploration.	
NA	NA	NA	HQ-P19842	SAVANNAH MINING LTD	100%	Exploration	NA	109.20		
NA	NA	NA	HQ-P19843	SAVANNAH MINING LTD	100%	Exploration	NA	24.08		
NA	NA	NA	HQ-P19844	SAVANNAH MINING LTD	100%	Exploration	NA	50.28		
NA	NA	NA	HQ-P19882	SAVANNAH MINING LTD	100%	Exploration	NA	25.63		
Expired	NA	NA	HQ-P19972	SAVANNAH MINING LTD	100%	Exploration	NA	3.75		
NA	NA	NA	HQ-P19976	SAVANNAH MINING LTD	100%	Exploration	NA	12.34		
NA	NA	NA	HQ-P20029	SAVANNAH MINING LTD	100%	Exploration	NA	37.14		
NA	NA	NA	HQ-P20030	SAVANNAH MINING LTD	100%	Exploration	NA	25.71		
NA	NA	NA	HQ-P20068	SAVANNAH MINING LTD	100%	Exploration	NA	32.50		



ASSET	CURRENT PL NO.	OFFER REG. NO.	APPLICATION N NO.	HOLDER	INTEREST (%)	STATUS	EXPIRY DATE	CURRENT AREA (km <sup>2</sup> )	COMMENTS		
Savannah Project (Tanzania)	NA	NA	HQ-P20128	SAVANNAH MINING LTD	100%	Exploration	NA	40.72	Preliminary, greenfields exploration.		
	NA	NA	HQ-P20129	SAVANNAH MINING LTD	100%	Exploration	NA	43.18			
	Expired	NA	HQ-P20686	SAVANNAH MINING LTD	100%	Exploration	NA	15.36			
	Expired	NA	HQ-P20988	SAVANNAH MINING LTD	100%	Exploration	NA	2.57			
	Expired	NA	HQ-P21001	SAVANNAH MINING LTD	100%	Exploration	NA	3.64			
	Expired	NA	HQ-P21002	SAVANNAH MINING LTD	100%	Exploration	NA	11.22			
	Expired	NA	HQ-P21432	SAVANNAH MINING LTD	100%	Exploration	NA	9.55			
	Expired	NA	HQ-P22317	SAVANNAH MINING	100%	Exploration	NA	10.88			
	Expired	NA	HQ-P22318	SAVANNAH MINING LTD	100%	Exploration	NA	8.01			
	Unknown	NA	HQ-P22787	SUN MINING LTD	100%	Exploration	NA	7.68			
	Unknown	NA	HQ-P22788	SAVANNAH MINING LTD	100%	Exploration	NA	1.99			
	<b>TOTAL NEW LICENCES UNDER APPLICATION</b>									<b>499.94</b>	
	<b>GRAND TOTAL PL's UNDER CONSIDERATION</b>									<b>2,715.98</b>	

ASSET	CURRENT PL NO.	OFFER REG. NO.	APPLICATION NO.	HOLDER	INTEREST (%)	STATUS	EXPIRY DATE	CURRENT AREA (km <sup>2</sup> )	COMMENTS		
Morogoro Project	PLR 6044/2009	NA	NA	Jubilee Resource Limited	100%	Exploration	03-Dec-11	293.10	Preliminary, greenfields exploration.		
	PLR 6045/2009	NA	NA	Jubilee Resource Limited	100%	Exploration	03-Dec-11	88.48			
	PL 6249/2009	NA	NA	Jubilee Resource Limited	100%	Exploration	30-Dec-12	47.97			
	PL 6250/2009	NA	NA	Jubilee Resource Limited	100%	Exploration	30-Dec-12	101.60			
	PL 6598/2010	NA	NA	Jubilee Resource Limited	100%	Exploration	12-Aug-13	196.24			
	PL 6599/2010	NA	NA	Jubilee Resource Limited	100%	Exploration	12-Aug-13	198.23			
	PL 6601/2010	NA	NA	Jubilee Resource Limited	100%	Exploration	12-Aug-13	199.13			
	PL 6717/2010	NA	NA	Jubilee Resource Limited	100%	Exploration	Unknown	195.56			
	PL 5803/2009	NA	NA	Jambo Mining Limited	100%	Exploration	11-Jun-12	43.55			
	PL 5885/2009	NA	NA	Jambo Mining Limited	100%	Exploration	11-Jun-12	82.42			
	PL 5837/2009	NA	NA	Jambo Mining Limited	100%	Exploration	11-Jun-12	22.73			
	PL 6541/2010	NA	NA	Jambo Mining Limited	100%	Exploration	12-Aug-13	33.25			
	<b>TOTAL ACTIVE LICENCES</b>									<b>1,502.26</b>	
	NA	3945	NA	NA	Jubilee Resource Limited	100%	Exploration	NA		439.10	Preliminary, greenfields exploration.
PLR 4399/2007	HQ-G15978	NA	NA	Jubilee Resource Limited	100%	Exploration	NA	114.60			
PLR 4396/2007	HQ-G15982	NA	NA	Jubilee Resource Limited	100%	Exploration	NA	122.69			
PLR 4398/2007	HQ-G15983	NA	NA	Jubilee Resource Limited	100%	Exploration	NA	198.14			
NA	HQ-P 16280	NA	NA	Jambo Mining Limited	100%	Exploration	NA	178.50			
<b>TOTAL LICENCES UNDER OFFER</b>								<b>1,053.03</b>			
PLR 4398/2007	NA	NA	HQ-P20286	Highlands Mining Limited	100%	Exploration	NA	708.40	Preliminary, greenfields exploration.		
PLR 4397/2007	NA	NA	HQ-P20288	Highlands Mining Limited	100%	Exploration	NA	353.80			
PLR 4395/2007	NA	NA	HQ-P20299	Highlands Mining Limited	100%	Exploration	NA	460.40			
PLR 4378/2007	NA	NA	HQ-P20313	Highlands Mining Limited	100%	Exploration	NA	378.10			

ASSET	CURRENT PL NO.	OFFER REG. NO.	APPLICATION NO.	HOLDER	INTEREST (%)	STATUS	EXPIRY DATE	CURRENT AREA (km <sup>2</sup> )	COMMENTS
	PLR 4394/2007	NA	HQ-P20314	Highlands Mining Limited	100%	Exploration	NA	350.70	
	PLR 4379/2007	NA	HQ-P20420	Highlands Mining Limited	100%	Exploration	NA	767.60	Preliminary, greenfields exploration.
	PLR 4381/2007	NA	HQ-P20421	Highlands Mining Limited	100%	Exploration	NA	528.20	
				<b>TOTAL RELENGISHED LICENCES UNDER APPLICATION</b>				<b>3,547.20</b>	
Morogoro Project	NA	NA	HQ-P17142	Jubilee Resource Limited	100%	Exploration	NA	259.20	
	NA	NA	HQ-P19135	Jubilee Resource Limited	100%	Exploration	NA	122.60	
	NA	NA	HQ-P20205	Jubilee Resource Limited	100%	Exploration	NA	181.40	
	NA	NA	HQ-P20224	Jubilee Resource Limited	100%	Exploration	NA	421.50	
	NA	NA	HQ-P20424	Jubilee Resource Limited	100%	Exploration	NA	943.40	Preliminary, greenfields exploration.
	NA	NA	HQ-P 18798	Jambo Mining Limited	100%	Exploration	NA	289.10	
	NA	NA	HQ-P 18799	Jambo Mining Limited	100%	Exploration	NA	336.50	
	NA	NA	HQ-P 20388	Jambo Mining Limited	100%	Exploration	NA	159.90	
	NA	NA	HQ-P 20642	Jambo Mining Limited	100%	Exploration	NA	90.00	
					<b>TOTAL NEW LICENCES UNDER APPLICATION</b>				<b>2,803.60</b>
				<b>GRAND TOTAL PL's UNDER CONSIDERATION</b>				<b>8,906.09</b>	

## Appendix 2: References

YEAR	AUTHOR	TITLE
2010	Lawyers' Environmental Action Team	Chapter 4.5 of Environmental Law Handbook for Business for Tanzania
2010	IMF	World Economic Outlook
2010	Mining Journal	New Tanzanian Mining Act
2009	Resource Information Unit	Register of African Mining
2008	Bartlett, D	Annual Geological progress Report 2007. Mzuri Resources Internal Report.
2008	Jordaan, L.S	Procedures for Exploration Soil Sampling. Mzuri Resources Internal Report.
2008	Kabete, J	A New Terrane-based Tectonic Subdivision of the Precambrian Sheild of Tanzania and its Significance to Gold Metallogeny. Unpublished PhD Thesis, University of Dar es Salaam.
2008	Pepler, A.P	Geological Assessment and exploration Budgets for the Jubilee Resources LTD portfolio of Prospecting Licences in Tanzania. Mzuri Resources Internal Report.
2008	Scott, D	Budget/Planned Exploration Report Kiboko Exploration Project. Mzuri Resources Internal Report.
2008	Yager, T	The Mineral Industry of Tanzania
2004	Geological Survey of Tanzania	The Geological Map of Njoge (Quater Degree Sheet 145)
2003	C.M Chamberlain	Geology and Genesis of the Bulyanhulu Gold Deposit, Sukumaland Greenstone Belt, Tanzania
2003	Geological Survey of Tanzania	The Geological Map of Turiani (Quater Degree Sheet 166)
2003	Geological Survey of Tanzania	Kibaya Geological Map (Quater Degree Sheet 126)
2003	Geological Survey of Tanzania	Mswaki Geological Map (Quater Degree Sheet 128)
2003	Geological Survey of Tanzania	Mvomero Geological Map (Quater Degree Sheet 165)
1994	G. Borg	The Geita Gold Deposit in NW Tanzania – Geology, Ore Petrography, Geochemistry and Timing of Events.
1993	D.I. Groves and R.P Foster	Archaean lode gold deposits
1990	H. Barth	Explanatory Notes on the 1:500,000 Provisional Geological Map of the Lake Victoria Goldfields
1990	H. Barth	Geological Map of the Lake Victoria Goldfields
1984	B.W. Hester	Tanzania – Opportunities for Mineral Resource Development
1967	Ministry of Industries, Mineral Resources and Power	Kijungu Geological Map (Quater Degree Sheet 127)
1966	Ministry of Industries, Mineral Resources and Power	Doma Geological Map (Quater Degree Sheet 200)
1966	Ministry of Industries, Mineral Resources and Power	Kwekivu Geological Map (Quater Degree Sheet 146)
1966	Ministry of Industries, Mineral Resources and Power	Mziha Geological Map (Quater Degree Sheet 147)
1965	Geological Survey of Tanganyika	Kimamba Geological Map (Quater Degree Sheet 182)
1961	Geological Survey of Tanganyika	Morogoro Geological Map (Quater Degree Sheet 183)
1959	Geological Survey of Tanganyika	Kilosa Geological Map (Quater Degree Sheet 53SE)
1958	Geological Survey of Tanganyika	Mlali Geological Map (Quater Degree Sheet 53NE)
1957	Geological Survey of Tanganyika	Uluguru Geological Map (Quater Degree Sheet 64NE)

## Appendix 3: Glossary and Definitions

### Abbreviations

%	Percent
°	Degrees
°C	Degrees Celsius
AIM	Alternative Investment Market
ALS SA	ASL Chemex South Africa (Pty) Limited
amsl	Above mean sea level
Au	Gold
AusIMM	Australian Institute of Mining and Metallurgy
BIF	Banded Iron Formation
CCM	Chama Cha Mapinduzi
CPR	Competent Persons Report
DSC	Daniel Stewart & Company
DTM	Digital Terrain Model
EIA	Environmental Impact Assessment
ESE	East South East
FeO	Iron Oxide
g	grams
g/t	grams per tonne
GDP	Gross Domestic Product
GIS	Geographic Information System
GPS	Global Positioning System
GSSA	Geological Society of South Africa
ICP-AES	Inductively Coupled Plasma Atomic Emission Spectroscopy
JORC	Joint Ore Reserves Committee
kg	Kilogram
km	Kilometre
km <sup>2</sup>	Kilometre Squared
Kibo Mining	Kibo Mining plc
LEAT	Lawyers' Environmental Action Team
LVG	Lake Victoria Goldfield
mm	Millimeter
MNRT	Ministry of Natural Resources and Tourism
Morogoro Gold	Morogoro Gold Limited
Mzuri Capital	Mzuri Capital Group Limited
n/a	Not Applicable
NE	Northeast
NO	Number
PL No	Prospecting License Number
ppb	Parts Per Billion
ppm	Parts Per Million
QA/QC	Quality Assurance and Quality Control
REG	Registration
RGB	Red, Green, Blue
SAIMM	South African Institute of Mining and Metallurgy
SAMREC	South African Mineral Resources Code
Savannah	Savannah Mining Limited
SRTM	Shuttle Radar Topography Mission
SW	Southwest
The Projects	Savannah Project and Morogoro Project
TRA	Tanzania Revenue Authority
TZS	Tanzanian Shilling
UN	United Nations
USD	United States Dollar
USD/km <sup>2</sup>	United States Dollar per Kilometre Squared
VAT	Value Added Tax
Venmyn	Venmyn Rand (Pty) Ltd
WNW	West North West

## Definitions

<b>Aeromagnetic</b>	Magnetic survey conducted from the air. Usually by fixed wing aircraft or helicopter.
<b>Amphibolite</b>	A metamorphic crystalline rock consisting mainly of amphibole.
<b>Archean</b>	A geological period older than 2,500Ma.
<b>Arsenopyrite</b>	Arsenopyrite is an iron sulfide mineral with arsenic (FEAsS)
<b>Assay</b>	A chemical test performed on a sample of ores or minerals to determine the amount of valuable metals contained.
<b>Banded Iron Formation</b>	A rock consisting of iron oxides and cherty silica, and possessing a prominent layered or banded appearance in shades of brown or red and black.
<b>Cenozoic</b>	The latest of the five eras into which geologic time is divided. Representing young rocks and deposits.
<b>Blank</b>	A sample containing undetectable concentrations of the elements being prospected for.
<b>Chert</b>	A cryptocrystalline silica.
<b>Chip Sample</b>	A regular series of ore chips or rock chips taken from an exposure or at uniform intervals.
<b>Complex</b>	An assemblage of rocks of any age or origin that has been folded together, intricately mixed, involved or otherwise complicated.
<b>Contact</b>	The place or surface where two different rock types meet.
<b>Craton</b>	Large, ancient stable mass of the earth's crust.
<b>Deposit</b>	Any sort of earth material that has accumulated through the action of wind, water, ice or other agents.
<b>Deformation</b>	Change in the form or in the dimensions of rock caused by stress.
<b>Development</b>	Underground work carried out for the purpose of opening up a mineral deposit. Includes shaft sinking, crosscutting, drifting and raising.
<b>Duplicate</b>	A sample taken from the same place, or a sub-sample taken from the same sample.
<b>Epithermal deposit</b>	A mineral deposit formed from hydrothermal solutions at a range of temperatures and pressure. Epithermal deposits are formed within about 1km of the earth's surface in the range of 50 to 200°C. These deposits are typically found in volcanic rocks; the chief metals are gold, silver and mercury.
<b>Estimation</b>	The quantitative judgement of a variable.
<b>Exhalative</b>	A mineral deposit originating from a vapour or gas escaping through the earth through a conduit or fissure, or molten lava or a hot spring.
<b>Exploration</b>	Prospecting, sampling, mapping, diamond drilling and other work involved in the search for .
<b>Fault</b>	A fracture in earth materials, along which the opposite sides have been displaced parallel to the plane of the movement.
<b>Felsic</b>	A term applied to light coloured rocks composed predominantly of feldspathoids and silica
<b>Ferruginous</b>	Containing iron.
<b>Formation</b>	The ordinary unit of geological mapping consisting of a large and persistent stratum of some kind of rock.
<b>Geochemical Anomaly</b>	A concentration of one or more elements in rock, soil, sediment, vegetation, or water markedly different from the normal concentration in the surroundings.
<b>Geochemistry</b>	The relative and absolute abundances of the elements and atomic species (isotopes) in the earth or within samples.
<b>Gneiss</b>	Group of rocks with banded or foliated fabric formed by regional metamorphism.
<b>Granitoid</b>	A term applied to the texture of holocrystalline igneous or metasomatic rocks, such as granites, in which the constituents are mostly anhedral or xenomorphic and uniform in size.
<b>Granulite</b>	A high grade metamorphic rock characterised by the presence of mica and hornblende. Coarse and fine bands alternate and produce planar schistosity.
<b>Greenschist facies</b>	Greenschist facies is determined by the particular temperature and pressure conditions required to metamorphose basalt to form the typical greenschist facies minerals chlorite, actinolite, and albite. Greenschist facies results from temperatures of approximately 400 to 500 °C and depths of about 8 to 50 kilometres.
<b>Greenstone</b>	A field name for those compact, igneous rocks and sedimentary metamorphosed rocks of Archean age.
<b>Hydrothermal</b>	A term applied to magmatic emanations high in water content and the rocks and ore deposits derived from them.
<b>Karoo</b>	Of the same age of the Karoo rocks in South Africa. Generally between 400-200Ma.
<b>Laterite</b>	Residual soil developed in tropical and subtropical regions as a result of weathering. The soil is leached of silica and the residual material is enriched in hydrated oxides of iron, manganese, titanium, aluminium and nickel.
<b>Lithologies</b>	The description of the characteristics of rocks, as seen in hand-specimens and outcrops on the basis of colour, grain size and composition.
<b>Mafic</b>	A term applied to dark coloured rocks composed predominantly of ferromagnesian rock forming silicates.
<b>Marble</b>	A metamorphic rock composed essentially of calcite, dolomite, or a combination of the two.

<b>Mesothermal</b>	A term applied to hydrothermal deposits formed at intermediate temperature and intermediate pressure.
<b>Metamorphic</b>	Rock that have undergone change from being subjected to high pressure, high temperature, and chemical alteration by solutions. They have become warped, twisted and folded, and the original minerals are rearranged and recrystallised.
<b>Metasediment</b>	Sedimentary rock that shows evidence of having been subjected to metamorphism.
<b>Mineral Asset(s)</b>	Any right to explore and / or mine which has been granted ("property"), or entity holding such property or the securities of such an entity, including but not limited to all corporeal and incorporeal property, mineral rights, mining titles, mining leases, intellectual property, personal property (including plant equipment and infrastructure), mining and exploration tenures and titles or any other right held or acquired in connection with the finding and removing of minerals and petroleum located in, on or near the earth's crust. Mineral Assets can be classified as Dormant Properties, Exploration Properties, Development Properties, Mining Properties or Defunct Properties.
<b>Mineral Resource</b>	A concentration of material of economic interest in or on Earth's crust in such form, quality and quantity that there are reasonable and realistic prospects for eventual economic extraction. The location, quantity, grade, continuity and other geological characteristics of a Mineral Resource are known, estimated from specific geological evidence and knowledge, or interpreted from a well constrained and portrayed geological model. Mineral Resources are subdivided, in order of increasing confidence in respect of geoscientific evidence, into Inferred, Indicated and Measured categories. A deposit is a concentration of material of possible economic interest in, on or near the Earth's crust. Portions of a deposit that do not have reasonable and realistic prospects for eventual economic extraction must not be included in a Mineral resource.
<b>Mineralisation</b>	The presence of a target mineral in a mass of host rock.
<b>Nappe</b>	Structure in a mountain chain consisting of a major fold with both limbs lying horizontal.
<b>Orogenic</b>	Formed as a result of mountain building processes and plate tectonics.
<b>Outcrop</b>	The part of a rock formation that appears on the earth's surface.
<b>Perennial Stream</b>	A stream which flows throughout the year.
<b>Plateau</b>	A upland, tableland, or elevated plain having a fairly smooth surface and bounded on at least one side by an escarpment separating it from the lower land.
<b>Porphyry</b>	Rocks containing conspicuous phenocrysts in a fine grained or aphanitic matrix.
<b>Prospect</b>	A deposit with the potential for economic extraction.
<b>Proterozoic</b>	A geological period before the first abundant complex life on Earth from 2,500-542Ma
<b>Proximal</b>	Close to.
<b>Pyrite</b>	Fool's gold a common yellow sulphide mineral, FeS. Pyrite forms under a wide range of pressure-temperature conditions, and so is found in many geological environments.
<b>Pyritic</b>	Pertaining to, resembling or having properties of pyrites.
<b>Pyrrhotite</b>	Pyrrhotite is an iron sulfide mineral with a variable iron content: $Fe(1-x)S$ ( $x = 0$ to $0.2$ ).
<b>Quartzite</b>	A metamorphic rock consisting primarily of quartz grains, formed by the recrystallisation of sandstone by thermal or regional metamorphism or a sandstone composed of quartz grains cemented by silica.
<b>Regolith</b>	Layer of loose, incoherent rock material of any origin.
<b>Reconnaissance</b>	An exploratory or preliminary survey, inspection, or examination made to gain information.
<b>Reef</b>	A load or vein.
<b>Rehabilitation</b>	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 Department of Mineral and Energy Affairs and address ground and surface water, topsoil, final slope gradients, waste handling and re-vegetation issues.
<b>Sample</b>	The removal of a small amount of rock pertaining to the deposit which is used to estimate the grade of the deposit and other geological parameters.
<b>Sampling</b>	Taking small pieces of rock at intervals along exposed for assay (to determine the mineral content).
<b>Saprolite</b>	Comprising saprolite, which is a decomposed silicate rock in its original position.
<b>Sedimentary</b>	Formed by the deposition of solid fragmental or chemical material that originates from weathering of rocks and is transported from a source to a site of deposition.
<b>Shear Zone</b>	A zone in which shearing has occurred on a large scale such that rock is crushed and brecciated.
<b>Soil Sample</b>	A small sample of the soil, representing the area from which it was removed.
<b>Standard</b>	A sample for which the specific concentrations of certain elements is known.
<b>Stream Sediment Sampling</b>	A small sample of the stream sediment representing the drainage area from which it was derived.
<b>Structure</b>	The disposition of the rock formations, that is, the broad dips, folds, faults and unconformities at depth.
<b>Subcrop</b>	Rock formations occurring just below the earth's surface. Often covered by younger sediments and/or soils.
<b>Sulphide</b>	Many important metal ores are sulphides.

<b>Terrain</b>	A complex group of strata accumulated within a definite geological epoch.
<b>Trenching</b>	Making elongated open-air excavations for the purposed of mapping and sampling.
<b>Tuff</b>	A rock formed of compacted volcanic fragments, generally smaller than 4mm.
<b>Veins</b>	A tabular or sheet like body of one or more minerals deposited in openings of fissures, joints or faults, frequently with associated replacement of the host rock.

## Appendix 4: CV's

**Name of Firm:** Venmyn Rand (Pty) Limited  
**Name of Staff:** Mr Andrew Clay  
**Company Responsibility:** Managing Director  
**Profession:** Geologist  
**Date of Birth:** 16<sup>th</sup> April 1955  
**Years with Firm/Entity:** 22 years  
**Nationality:** British

### Membership in Professional Societies:

CLASS	PROFESSIONAL SOCIETY	YEAR OF REGISTRATION
Member	Canadian Institute of Mining, Metallurgy and Petroleum	2006
Advisor	JSE Limited Listings Advisory Committee	2005
Issuer	JSE Issuer Services	2008
Member	JSE Issuer Mining Sub-committee	2009
Associate Member	American Association of Petroleum Geologists	2005
Member	South African Institute of Directors	2004
Fellow	Geological Society of South Africa	2003
Member	American Institute of Mineral Appraisers	2002
Member	South African Institute of Mining and Metallurgy	1998
Fellow	Australasian Institute of Mining and Metallurgy	1994
Member	Natural Scientist Institute of South Africa	1988
Member	Investment Analysts Society of South Africa	1990

### Involvement in Code Writing:

POSITION	PROFESSIONAL CODE	DATE OF INVOLVEMENT
Chairman	Venmyn Advisory Checklist	2000 - present
Member	South African (SAICA) extractive industries deliberations	2003 - present
Initiator & Panel Member	SAMREC / IAS Award	2002 - present
Advisor	JSE Listing Requirements (Section 3 On-going obligations)	2002 - present
Working Group Member	SAMREC Code (Oil & Gas)	2005 - present
Working Group Member	SAMVAL Code	2001 - present
Working Group Member	SAMREC Code (Re-write Sections 1 - 5)	2005 - present
Working Group Member	SAMREC Code (Re-write)	2003 - present
Working Group Member	SAMREC Code (First Version)	1996 - 2001
Advisory Committee Member	JSE Limited	2005-present
Advisor	JSE Listing Requirements (Section 12)	1990 - present

Mr Clay currently has a special interest in incorporating oil and gas reporting procedures into the general application of mineral asset valuation.

### Involvement in Fund Management

POSITION	FUND	DATE OF INVOLVEMENT
Member of Investment & Audit Committee	New Africa Mining Fund (NAMF)	2007 - present
Director	Strategic African Mineral Investment Fund (SAMI)	2008 - present

### Detailed Tasks Assigned:

YEAR	CLIENT	COMMODITY	DOCUMENTATION
2010	Bauba Platinum	Platinum	Independent Strategic Technical Advisor
	African Copper	Copper	Independent Mass Balance and Orebody Fatal Flaws Assessment
	Advanced Mineral Recovery Technologies	Gold	Independent Sampling and Mass Balance Report
	Xstrata Coal	Coal	Independent Valuation Certificate
	Sephaku	Cement	Independent Technical Review
	White Water Resources	Gold	Independent Competent Persons' Report
	White Water Resources	Gold	Independent Technical Statement
	Platmin	Platinum	Independent Techno-Economic Reports and Valuation



YEAR	CLIENT	COMMODITY	DOCUMENTATION
2010	West Wits Mining	Gold	Independent Prospectivity Review
	SSC Mandarin	Gold	Independent Corporate and Technical Review
	Ultra Tech	Cement	Independent Techno-Economic Statements
	Taung	Gold	Independent Technical Review
	Taung	Gold	Independent Valuation Statement
	Sylvania	PGMs	Independent Technical and Valuation Experts Report
	Kibo Mining plc	Gold	Independent AIM Compliant Competent Person's Report
	Kalagadi	Managanese	Independent High Level Techno-Economic Review
	Lesego	Platinum	Independent Techno-Economic Valuation Report
	Lesego	Platinum	Independent Executive Summary
	G&B Resources	Li	Independent Prospectivity Review
	Miranda	Coal	Independent Technical Resource and Valuation Statement
	Loncor	Gold	Independent Techno-Economic Valuation Report
	Gentor Resources	Copper	Independent Techno-Economic Report
	ETA Star	Coal	Independent Valuation Report
	AfriSam	Cement	Independent Technical Review
	Buildmax	Cement	Independent Short-Form Competent Report
	Anglo Platinum	Platinum	Independent Valuation of the PGM Assets
	Nyota Minerals	Gold	Independent Inferred Resource Estimate
	Absolute Holdings	Platinum	Independent Competent Persons' Report
	AfriSam	Cement	Independent Technical Review
	African Copper	Copper	Mass Balance and Orebody Fatal Flaws Assessment
	Ruukki	Platinum	Short-Form Techno-Economic Statements
	Umbono Capital	PGMs	Independent Competent Persons' Report
	Anglo Platinum	PGMs	Independent Mineral Asset Valuation
	Zambia Copper Investments	Copper	Mineral Asset Valuation
	White Water Resources	Gold	Short-Form Valuation Statements
Central African Gold	Gold	NI 43 – 101 Technical Report	
Platmin	Platinum	Updated NI 43 – 101 Technical Report	
2009	G & B Resources	Uranium	Independent Competent Persons' Report
	Kalagadi	Manganese	Independent Techno-Economic Review
	Sephaku Cement	Cement	Independent Competent Persons' Report
	Metorex	Gold	Independent Fairness Opinion
	Kivu Resources	Pegmatites	Independent prefeasibility study
	Kalagadi Manganese	Manganese	Independent Tehno-Economic Review
	Taung Gold	Gold	Independent Competent Person's Report
	Sylvania Resources	Platinum	Independent Technical and Valuation Expert's Report
	Ernst & Young Jordan	Gold	Independent Valuation Report on mineral assets of a Gold Mining Concession in Ethiopia
	Dwyka Resources	Gold	Independent Technical Statement on Tulu Kapi Gold Project
	G & B African Resources	Pot Ash	Independent Prospectivity Review
	Central African Gold	Gold	Information Memorandum in the form of NI 43-101 Compliant Technical Statement
	Braemore Resources	Platinum	Fairness Opinion
	New Dawn	Gold	Independent Technical Statement
	Investec	Cement	Independent Technical Review of CILU Cement assets
	IBI	Iron ore	Independent Technical Resource Statement
	Chrometco	Chrome	Fairness Opinion
	Rand Uranium	Uranium	Mineral Resource Review and Modelling
2008	Signet Mining	Coal	Independent valuation of coal assets
	Lesego Platinum	PGMs	Independent Competent Person's Report for JSE Listing
	Norilsk Nickel	Nickel	Review of business strategy
	Minero Group	Zinc/Lead	Review of business strategy and Competent Person's Report
	Paramount Mining	Diamonds	Independent Technical Statements
	Anglo Platinum	PGMs	Independent Technical Report and valuation
	Demindex	Diamonds	Review of business strategy and Technical Advice
	Investec	Cement	Due Diligence and valuation of Cilu Cement
	DGI	Copper/Cobalt	Independent Technical Statements
	Abalengani	Platinum	Review of plant and valuation
	Absolute Holdings		Quarry valuation
	Metorex	Copper/Cobalt	Fairness Opinion
	Investec	Cement	Due diligence on Sephaku assets
	Kivu Resources	Tantalite	Tantalite strategic planning and valuation
	Tantalite Resources	Tantalite	Independent Technical Report
	DGI	Copper/Cobalt	Independent Technical Statement and valuation
	Uramin	Uranium,	Resource Review and Technical Statements

YEAR	CLIENT	COMMODITY	DOCUMENTATION
2008	Harmony Gold Mining	Au, Uranium	Independent Technical Statements and Strategic business plan
	Harmony Gold	Uranium	Cooke Dump Resource and Financial Valuation
	Harmony Gold	Au Uranium	Reserve and Resource Audit for the group
	Nkwe Platinum	PGMs	Independent Technical Statement and Competent Person's Report
	Highveld Steel & Vanadium Corporation	Steel, Vanadium	Independent Resource and Reserve planning
	African Minerals	Diamonds	Independent Technical Statements
	Continental Coal	Coal	Independent Technical Report
	Industrial Base Metals	Base Metals	Base Metal Refinery Audit
2007	Crushco	Industrial Minerals	Independent valuation
	Kimberley Consolidated Mining	Diamonds	Independent valuation
	LionOre Mining	Nickel, PGMs	Technical and economic valuation
	PBS Group	PGMs	Project review
	Western Areas	Au	Independent valuation
	Harmony Gold Mining	Au, Uranium	Independent scoping and valuation
	Great Basin Gold	Au	Independent valuation for BEE transaction
	BRC/Diamondcore Resources	Diamonds	Valuation and Opinion provider
	Urals Investors	Diamonds Au, PGMs and Oil and Gas	Independent Transaction Report
	Energem	Diamonds	Independent Technical Statement for Koidu
	Xstrata	Cr	Independent CGT and Valuation advice
	PWC Magnetite Mine Review	Magnetite	Independent Mineral Resource Review and Valuation for apportionment calculations
	Magnum Resources	Ta	Independent Mineral Resource Review
	Gaanahoek Coal Deposit	Coal	Prospectivity Review
	Letseng	Diamonds	Independent Competent Person's Report for disposal
	Zimplats Tenements	Platinum Group Metals	Independent Competent Person's Report for disposal
	DRD	Gold	Fair & Reasonable
	ARM Madikwa	Platinum Group Metals	Independent Valuation for Impairment Calculation
	Harmony Competitions Tribunal	Gold	Independent Expert Witness
	Ecca Holdings	Bentonite	Independent Industry Review
	DRDGold	Au	Emperor Gold Mines independent forensic review
	Kimberley Diamonds Corporation	Diamonds	Independent Listings Documentation
	Rockwell	Diamonds	Transhex Transaction Documentation
Rockwell	Diamonds	Independent Mineral Resource Review	
Caledonia Mining	Au	Independent Disposal Documentation Eersteling	
Caledonia Mining	Au	Independent Disposal Documentation Barbrook	
Adsani Tantalite Refinery	Ta	Independent Technical Report	
2006	LionOre	Ni Base Metals	Independent Valuation of Falconbridge International and Nikkelverk Refinery
	LionOre/BCL	Ni Base Metals	Independent Technical and Economic Valuation
	Vanamin	V	Independent Report for disposal
	Kurils Islands	Au	Independent Technical Report NI43-101
	Mgart Armenia	Au	Independent Assessment and Valuation for AIM
	Zimbabwe Mining Bill	All	Preparation of industry submission to government
	Energem	Oil & Gas	Preparation of National Instrument Compliance
	Ncondedzi Coal	Coal	Technical & Corporate Listing Documentation
	Metallon International - Armenia	Gold & Base Metals	Prospectivity & Exploration Programme Preparation
	Hood Tantalite	Tantalite	Independent Techno Economic Valuation Report
2005	Harmony Randfontein 4 Shaft	Gold	Independent Valuation
	Gallery Gold	Gold	Independent Competent Person's Report for disposal
	Stuart Coal	Coal	Independent Competent Person's Report for disposal
	Elementis Chrome	Chrome	Independent Industry Review
	Diamond Core	Diamonds	Independent Competent Person's Report
	Diamond Core	Diamonds	Fair & Reasonable Statement
	Kensington Resources	Diamonds	Independent Inspection & Certification of Laboratory
	Bayer Valuation	Chrome	Independent Valuation for Economic Empowerment Transaction
	Pangea Diamonds	Diamonds	Independent Competent Person's Report
	LionOre International	Nickel	Tati Nickel Review of Mineral Resources.
	Aquarius PSA2		Independent Competent Person's Report
	Aquarius	Platinum	Marikana Mineral Resources Review.
	LionOre International	Nickel	Nkomati Due Diligence and Transaction Value Calculations.
	LionOre International	Nickel	World Nickel market study for group corporate work.

YEAR	CLIENT	COMMODITY	DOCUMENTATION
2004	Avgold Limited	Gold	Fair & Reasonable Opinion on the Methodologies applied and Values attributed to the Mineral Assets of ET Cons
	Aquarius	Platinum	Update of Independent Valuation of Mimosa
	Aquarius	Platinum	Independent Techno-Economic Report and Fair and Reasonable Opinion tot the PIC, DBSA and IDC on the 26% BEE Transaction for AQPSA – Document waived by the JSE.
	Mimosa Mining Company	Platinum	Mineral Resource and Ore Reserve Review
	Zimplats	Platinum	Zimplats Makwiro Valuation and Corporate Restructuring
	Assmang	Manganese	CGT Valuation
	Aquarius	Platinum	CGT Valuation
2003	Sishen South	Iron	CGT Valuation
	Unki Platinum Project	Platinum	CGT Valuation
	Hernic Ferrochrome (Pty) Ltd, Itochu Corporation	Chromite	Independent valuation of the Stellite Chromite Mine Joint Venture.
	African Diamond Holdings (Pty) Ltd	Diamonds	Independent techno-economic due diligence and valuation of African Diamond Holdings marine diamond concessions and diamond cutting operation in Walvis Bay, Namibia.
	Unki Platinum Project, Zimbabwe	Platinum	Techno-Economic Valuation Report & Fair & Reasonable Opinion
	Transvaal Ferrochrome Ltd	Ferrochrome	Independent Competent Person's Report and Valuation as a bankable Document for Australian Stock Exchange
2002	Aquarius Platinum (SA) (Pty) Ltd	Platinum	Independent Competent Person's Report and Valuation for the Everest South Project
	Zimbabwe Platinum Mines Ltd	Platinum	Independent valuation of Zimplats relative to the value of the Impala Platinum Ltd/AurionGold Ltd transaction.
	Mitsubishi Corporation	Ferrochrome	Expansion Report and Valuation on Hernic Ferrochrome (Pty) Ltd.
	Aquarius Platinum Ltd	Platinum	Acquisition Report on ZCE Platinum Ltd including the due diligence and valuation of Mimosa Mine in Zimbabwe.
	Freddev	Gold	Valuation of Mineral Rights & Royalties
	Barnex	Gold	Valuation of Mineral Rights & Royalties
	Western Areas	Gold	WA4 Project : Valuation of Mineral Rights & Royalty Agreement
	Mitsubishi	Ferrochrome	Expansion report and valuation
2001	Aquarius	Platinum	Acquisition Report
	Northam	Platinum	Valuation
	Mitsubishi Corporation	Ferrochrome	Due Diligence, Valuation and Acquisition Report
	Amcol Due Diligence	Bentonite	Independent due diligence and valuation on G&W
2000	Zimplats Impala Raising	Platinum	Circular to shareholders valuation report
	African Minerals	Varied	Independent competent person's report
	Barnato Exploration Limited	Varied	Competent person's report
	Durban Deep	Gold	Independent valuation report
1999	Iscor Limited	Varied	Independent valuation of exploration assets
	Harmony Gold Mining Co Ltd	Gold	Harmony / Kalgold / West Rand Cons
	Leighton Contractors	Tin	Pre-feasibility study Pemali Tin (Indonesia)
1998	Mitsubishi	Ferro-Chrome	Techno-economic valuation of Hernic Chrome
	Barnex Ltd	Wits Gold	Due diligence
	Camco	Diamonds	Independent Competent Person's Report and valuation
	Crown Mines and DRD	Wits Gold	Valuation
	Egyptian Government	Phosphate	Due diligence and valuation
	Great Fitzroy Mines	Copper	Competent Person's Report and Valuation
	Iscor Mining	Greenstone Gold	Due diligence and valuation
	JCI Ltd	Wits Gold	Competent Person's Report
	Randgold & Exploration Co Ltd	Gold	Competent Person's Report
1997	Western Areas	Wits Gold	Competent Person's Report
	CBR Mining	Coal	Due diligence
	Durban Roodepoort Deep Ltd	Wits Gold	Competent Person's Report
	G&W Base	Bentonite	Due diligence
	JCI Ltd	Wits Gold	Competent Person's Report
	Opaline Gold	Greenstone Gold	Competent Person's Report
	Penumbra	Coal	Due diligence
	Randgold & Exploration Co Ltd	Greenstone Gold	Competent Person's Report
Rondebult Colliery	Coal	Due diligence	
1996	African Mining Corporation*	Alluvial Gold	Project valuation
	Australian Platinum Mines NL	Platinum	Due diligence
	Benoni Gold Holdings Ltd	Wits Gold	Competent Person's Report
	Consolidated Metallurgical Industries	Ferrochrome	Competent Person's Report and valuation

YEAR	CLIENT	COMMODITY	DOCUMENTATION
1996	Durban Roodepoort Deep Ltd	Wits Gold	Competent Person's Report
	Harmony Gold Mining Co Ltd	Wits Gold	Competent Person's Report
	JCI Ltd	Wits Gold	Valuation
	Rand Leases Properties Ltd	Wits Gold	Competent Person's Report and valuation
	Randgold & Exploration Co Ltd	Wits Gold	Due diligence
1995	African Mines Limited*	Greenstone Gold	Project valuation
	Barney-Seidle Arbitration	Granite	Project valuation arbitration
	Mopet Oil*	Oil and Gas	Market analysis facilitator
	Randgold & Exploration Co Ltd	Wits Gold	Competent Person's Report and valuation
	Randgold Durban Deep	Wits Gold	Competent Person's Report and valuation
	Randgold Harmony Unisel Merger	Wits Gold	Competent Person's Report and valuation
1994	Aurora Exploration	Varied - Industrials	Competent Person's Report and valuation
	Consolidated Mining Corp	Wits Gold	Due diligence and valuation
	CRA (Australia)	Iron Ore	Due diligence
	Durban Roodepoort Deep Ltd	Wits Gold	Competent Person's Report and valuation
	Ghana Gold Mines*	Greenstone Gold	Due diligence and valuation
	Gold Fields of SA Ltd	Wits Gold	Competent Person's Report and valuation
	Hernic Chrome	Ferro-Chrome	Valuation and Strategic Analysis
	Inca	Magnesium	Due diligence and valuation
	Mitsubishi	Ferrochrome	Due diligence and valuation
	Namco*	Diamonds	Competent Person's Report and valuation
1993	Randgold & Exploration Co Ltd	Wits Gold	Due diligence
	Namibia Oil & Gas licence applications	Oil & Gas	Working with Paul Blair licence applications
	Atomic Energy Commission	Uranium	Strategic Analysis
	Eskom	Base metals	Strategic Analysis
	JCI	Wits Gold	Financial Planning Analysis (Rehabilitation)
	Lonrho	Platinum	Financial Planning Analysis (Rehabilitation)
1992	Rand Mines Properties	Varied	Mineral rights evaluation
	Barbrook Gold Mines	Greenstone Gold	Ore resource modelling and mine valuation
	Rand Merchant Bank	Copper	Ore resource modelling and project valuation
	Rembrandt	Platinum	Mine valuation (Northam Platinum)
1991	West Rand Cons	Wits Gold	Ore resource modeling and mine valuation
	Rand Merchant Bank	Wits Gold	Ore reserve evaluation (Westonaria Gold Mine)
	Rembrandt (Gold Fields of SA)	Varied	Due diligence, valuation and strategic analysis
1990	Standard Merchant Bank	Greenstone Gold	Due diligence and valuation (Eersteling Gold Mine)
	Sequence Oil and Gas	Oil & Gas	Due Diligence Report
	Atomic Energy Corporation	Nuclear Fuels	Strategic analysis
	Consolidated Mining Corp	Wits Gold	Due diligence and valuation
	Eskom	Copper/Zinc	Strategic Market Analysis (Toll Smelter potential)
	Freddies Minerals	Feldspar - Industrials	Due diligence
	Industrial Machinery Supplies	Coal	Strategic analysis and valuation (Bricketing plant)
	Knights Gold Mine	Wits Gold	Competent Person's Report
	Rand Merchant Bank	Diamonds	Due diligence and valuation (Alluvial Mine)
	Corex	Oil & Gas	Evaluation of prospectivity
	Rand Merchant Bank	Lead/Zinc	Due diligence and valuation (Miranda Mine)
	Rand Mines	Varied	Corporate Strategic Analysis
	Rhogold	Wits Gold	Ore resource modeling
	Rice Rinaldi	Coal	Due diligence and valuation
	1989	Sub Nigel Gold Mine	Wits Gold
Zaaiplaats Tin Mine		Tin	Due diligence and valuation
Avontuur Diamond Mines		Diamonds	Due diligence and valuation
Granite Consolidated Mining		Granite	Due diligence and valuation
Osprey Gold Mine		Greenstone Gold	Due diligence and valuation
Rand Leases Gold Mine		Wits Gold	Ore resource modeling
Rand Merchant Bank*		Varied	Mineral portfolio analysis (Swanson Rights)
Rhovan		Vanadium	Competent Person's Report and valuation
Vanamin Severin Mining		Vanadium	Due diligence and valuation
Zimco		Andalusite	Competent Person's Report and valuation
1988	Mullet Slate	Slate	Due diligence and valuation
	Rand Merchant Bank	Wits Gold	Risk assessment analysis (Peritus Exploration)
	Wit Nigel Gold Mine	Wits Gold	Ore resource modelling

**Fair and Reasonable Opinions:**

YEAR	CLIENT	SECURITIES EXCHANGE JURISDICTION	TRANSACTION TYPE	IMPLIED VALUE (US\$m)	DESCRIPTION
2010	Sylvania	ASX	Issuing new ordinary shares	34	Independent Professional Expert Report
2009	Chrometco	JSE	Acquisition of interest	8.3	Independent Professional Expert Report
2009	Metorex	JSE	Disposal of 6.3% interest	5.7	Independent Professional Expert Report
2009	Braemore Resources	JSE	Acquisition of interest	36.3	Independent Professional Expert Report
2007	Diamondcore/BRC	JSE	Acquisition	50	Independent F&R for Diamondcore
2006	LionOre International	TSX	Acquisition notification documentation.	650	Independent Technical and Valuation Fatal Flaws Report and F&R opinion for the Board of LionOre. Not published as an F&R.
2005	Diamond Core	JSE	Category I Merger	10.0	Independent CPR on the mineral assets of Samadi Resources SA (Pty) Ltd and Diamond Core Resources Limited.
2005	LionOre International	TSX	Acquisition notification documentation.	110.0	Tati Nickel Review of Mineral Resources.
2005	Aquarius	JSE	26% BEE	150.0	Independent Techno-Economic Valuation and Fair and Reasonable Opinion on the PIC, IDC, DBSA 26% Empowerment Transaction. Documents waived for the secondary listing.
2004	Barplats	JSE	Offer to Barplats Minorities	60.0	Offer by Platinum Consortium to take out Implats. The SRP insisted our report be prepared in full. In the end Investec wrote the Fair and Reasonable but was fully reliant upon the Venmyn work as demonstrated in the circular.
2004	Zimplats	ASX	Collapse of the Makwiro Structure for shares to Implats.	38.0	Fair Value calculation in a corporate restructure.
2003	Amplats	JSE	Acquisition price calculation for Unki Platinum.	Confidential	Preparation of an Independent Techno-Economic Valuation Report and Fair and Reasonable Opinion. Document not used as the transaction became immaterial for reporting purposes.
2003	Aquarius Platinum (South Africa) (Pty) Ltd	ASX	Opinion on the value of a Refinery Agreement.	10.0	Fair & Reasonable Opinions for Aquarius Platinum for the Impala Refinery Commitments.
2002	Consolidated African Mines Limited.	JSE	CAM acquired 40% of the Letseng diamond mine for CAM shares.	10.0	Preparation of an Independent Techno-Economic Valuation Report and Fair and Reasonable Opinion. Document used in full.
2002	Zimplats	ASX	Implats aquired a controlling interest in Zimplats by acquiring Aurion Gold shares.	50.0	Preparation of an Independent Techno-Economic Valuation Report and Fair and Reasonable Opinion. Document used in full.
2002	Aquarius	ASX	Aquarius aquires 65% in ZCE Platinum Limited.	50.0	Preparation of an Independent Techno-Economic Valuation Report and Fair and Reasonable Opinion. Document used in full.
2000	DiamondWorks	TSX	Lyndhurst a South African Company takes control of Canadian junior Diamondworks.	20.0	Preparation of an Independent Techno-Economic Valuation Report and Fair and Reasonable Opinion. Document used in full and special representation required in Toronto to explain the transaction and the assets.
1999	New Mining Corporation	JSE	Listing and acquisition documentation.	50.0	Complicated transaction and full Independent Techno-Economic Valuation prepared with Fair and Reasonable Opinion included in our report. This satisfied the JSE and the SRP.

1996	West Witwatersrand Gold Holdings Limited	JSE	Section 440k Offer	20.0	Independent Competent Persons Report on the Offer by Durban Deep to West Wits under Section 440k. Document included in circulars to both shareholders. Our Fair and Reasonable Opinion was specifically requested by the SRP.
------	--	-----	--------------------	------	---

### Key Qualifications and Description:

Mr Clay has been a serving professional in the minerals industry since 1977 when he undertook field mapping and a professional apprenticeship within the Rhodesian Geological Survey. This was at a time when fieldwork and practical application of geological principals was still fundamental to the development of geology as a science. Following this, Mr Clay has dedicated his career to the commercial incorporation of first principles scientific process to the description, reporting and valuation of mineral assets.

Having worked for a number of years with mining companies, both underground and in corporate, Mr Clay became a founding member of Venmyn in 1988. At this time the company was closely associated with Rand Merchant Bank. This relationship enabled him to pursue the process of linking technical and financial valuation. Since that time Mr Clay has been involved in growing Venmyn and is presently the Managing Director and major shareholder.

He has been involved in developing a style of reporting at Venmyn which has become internationally recognised as compliant shorter form reporting. The emphasis of the work is on concise and graphical reporting, bullet points and descriptive graphics for ease of presentation and shareholder appreciation.

He has been involved in the writing of numerous codes the South African Code for the Reporting of Mineral Resources and Reserves (SAMREC Code) and is currently on the committee writing the South African Code for the Valuation of mineral projects (SAMVAL Code). He is presently involved in the oil and gas industry where his expertise in valuation is being used to determine the relationship between the reporting methodologies in this industry relative to the rest of the mineral industry.

Mr Clay's key areas of expertise lie in the detailed financial valuation of mineral and mining projects using discounted cash flow models. In this regard he has undertaken over 25 valuations for eight different commodities over the last four years. Details of the valuations and other assignments are tabled above. These valuations have been used in listing and merger documentation both in local and international stock exchanges and for the private use of the companies concerned.

### Education:

DEGREE/DIPLOMA	FIELD	INSTITUTION	YEAR
B. Sc Hons.	Geology	University College Cardiff	1976
M. Sc. Econ. Geol.	Economic Geology (awarded Corstorphine Medal for Best M.Sc. Thesis)	University of the Witwatersrand	1981
GDE	Graduate Diploma in Mining Engineering	University of the Witwatersrand	1986
M. Sc.	Mining Engineering	University of the Witwatersrand	1988
Dip. Bus. M.	Diploma in Business Management	Damelin College	1983
Tax Mgmt	Tax Management and Planning	University of the Witwatersrand	1988

### Employment Record:

POSITION	COMPANY	JOB DESCRIPTION	DURATION
Managing Director and Founding partner	Venmyn Rand (Pty) Ltd	<ul style="list-style-type: none"> <li>Mr Clay serves as the Managing Director of Venmyn and is responsible for the company's strategic process as well as finances, budgeting and operations;</li> <li>Venmyn operates as a techno-economic consultancy for the resources industry on a world wide basis;</li> <li>Mr Clay has been a key member of the SAMREC Working Group, responsible for compiling the SAMREC Code;</li> <li>Served on the JSE/SAMREC working committee for the development of the JSE Section 12 requirements;</li> <li>Serves on the Readers Panel for the JSE;</li> <li>Mr Clay is director of the advisory business and provides hands-on services to all the company's</li> </ul>	1997 – present

POSITION	COMPANY	JOB DESCRIPTION	DURATION
		<ul style="list-style-type: none"> <li>major clients;</li> <li>His expertise in financial valuation is particularly appropriate for ensuring market to market presentation of both the technical and financial issues of resources projects;</li> <li>Course leader for the Witwatersrand University and Continuing Education programme on Compliance in the Minerals Industry; and</li> <li>Mr Clay has a special interest in the proposed International Accounting Standards "IAS" Extractive Industries rules for determining NAV and NPV calculations in the minerals industry.</li> </ul>	
General Manager	RMB Resources Rand Merchant Bank	<ul style="list-style-type: none"> <li>Continuing business functions detailed below;</li> <li>Also valuing, managing and marketing investment projects of the Resources division including deal structuring and corporate finance.</li> </ul>	1996 – 1997
Managing Director and founding partner	Venmyn Rand (Pty) Ltd	<ul style="list-style-type: none"> <li>Techno-economic evaluation of a wide range of mineral resource projects using cashflow, market capitalisation, option pricing and other comparative methods.</li> </ul>	1987 – 1996
Senior Geologist	Rand Mines Ltd	<ul style="list-style-type: none"> <li>Resident senior gold mine geologist responsible for the development and implementation of modern computerised ore reserve evaluation techniques at Harmony Gold Mine and Durban Roodepoort Deep Gold Mine.</li> <li>Transferred to head office where he was responsible for all gold mine ore reserve valuation functions. This computer work involved the development and planning of very large databases for orebody modelling.</li> </ul>	1981 – 1988
Senior Geologist	Zimro (Pty) Ltd (Industrial Minerals Division of AAC)	<ul style="list-style-type: none"> <li>Market development and application of a wide range of industrial and base minerals.</li> </ul>	1979 – 1981
Geologist	Geological Survey of Zimbabwe	<ul style="list-style-type: none"> <li>Mapped a 100 km<sup>2</sup> area of granite-greenstone terrain and assisted in the compilation of a Bulletin over the area.</li> <li>Assisted the small mining sector with geological advice on gold, copper, gemstones and industrial minerals.</li> </ul>	1975 – 1979

#### Languages:

English: Excellent

Afrikaans: Fair

#### Certification:

I, the undersigned, certify that to the best of my knowledge and belief, these data correctly describe me, my qualifications, and my experience.



Date: 8<sup>th</sup> December 2010

**Proposed Position:** Minerals Industry Advisor  
**Name of Firm:** Venmyn Rand (Pty) Ltd  
**Name of Staff:** Neil Mc Kenna  
**Profession:** Geologist  
**Proposed Position:** Director  
**Date of Birth:** 05 June 1977  
**Years with Firm/Entity:** Joined March 2007  
**Nationality:** South African

**Membership in Professional Societies:**

CLASS	PROFESSIONAL SOCIETY	YEAR OF REGISTRATION
Member/Councillor	Geological Society of South Africa	2002
Member	South African Institute of Mining and Metallurgy	2007
Member	South African Council for Natural Scientific Professions	2002
Member	Investment Analyst Society of South Africa	2009
Member	South African Institute of Directors	2009

**Education:**

DEGREE/DIPLOMA	FIELD	INSTITUTION	YEAR
B.Sc	Geology	University of the Witwatersrand	1998
B.Sc (Hons)	Geology	University of the Witwatersrand	1999
MSc	Geology	University of Cape Town	2001

**Detailed Tasks Assigned:**

YEAR	CLIENT	COMMODITY	PROJECT DESCRIPTION
2010	Kibo Mining plc	Gold	Mineral Assets Valuation of the gold assets of Morogoro Gold in Tanzania.
	Kibo Mining plc	Gold	Competent Persons Report on the Gold Assets of Morogoro Gold in Tanzania.
	Coal of Africa Limited	Coal	Mineral Assets Valuation of Noordgrens Landgoed's mineral assets foregone in 2004.
	Coal of Africa Limited	Coal	Mineral Asset Valuation of CoAL's mineral assets within South Africa.
	Trafigura	Base Metals and Gold	Mineral Asset Valuation of Proposed Greenfields project areas in Angola.
	ETA Star	Coal	Mineral Asset Valuation of certain Coal Assets in near Tete, Mozambique.
	Namakwa Diamonds	Diamonds	Mineral Resource update for Global Operations
	Namane Resources	Coal	Competent Persons Report and Valuation on Namane's Waterberg Coal Project.
	Namane Resources	Coal	Techno-economic assessment of Namane's Waterberg Coal Project.
	Sekoko Resources	Coal	Valuation of the Sekoko-Firestone JV coal assets in the Waterberg Coalfield
	Sekoko Resources	Coal	Resource update for the Sekoko-Firestone JV properties in the Waterberg Coalfield.
	Keldoron Mining	Coal	Valuation of Keldoron's Amajuba District Coal Project in South Africa
	Nyota Minerals	Gold	Mineral resource estimation of the Tulu Kapi Gold Project in Ethiopia.
	Namakwa Diamonds	Diamonds	Competent Persons Report and Valuation on Namakwa Diamonds' Mineral Assets.
	Miranda Mineral Holdings	Coal	Techno-economic assessment of Miranda's coal assets in South Africa.
	Nyota Minerals	Nickel	Mineral Experts Report on the Muremera Nickel Project in Burundi.
	Gem Diamonds	Diamonds	Mineral Resource Estimation for the Gope Project in Botswana.
	Ernst & Young Jordan	Gold and Base Metals	Valuation of Brinsley Enterprises Orshab Project in Sudan.
Gem Diamonds	Diamonds	Mineral resource reporting audit at the Letseng Mine in Lesotho.	



YEAR	CLIENT	COMMODITY	PROJECT DESCRIPTION
2009	Nyota Minerals	Gold	Scoping Study on the Tulu kapi Gold Project in Ethiopia.
	Kalagadi Manganese	Manganese	Techno-economic assessment of the Kalagadi's mineral assets in South Africa in the form of a CPR.
	VTB Bank Moscow	Uranium	Valuation of the Spitzkop Uranium Project in Namibia.
	Nyota Minerals	Gold	Drilling and sampling QA/QC audit at the Tulu Kapi Gold Project in Ethiopia.
	Leeuw Mining	Coal	Due Dilligence and Valuation of the Maloma Colliery in Swaziland.
	Metorex	Fluorspar	Fairness opinion on Metorex's disposal of the Vergenoeg project.
	Dwyka Resources	Gold	Valuation of the Otjikoto Gold Project in Namibia.
	Mike Scott & Associates	Copper	Peer review of the modelling and resource estimation of the Kitumba Copper Project, Zambia.
	Sylvania Resources	Platinum	Due Dilligence and Valuation of the mineral assets of Sylvania Resources.
	Nyota Minerals Limited	Gold	Valuation of the mineral assets of the Otjikoto Gold Project, Namibia.
	Coal of Africa Limited	Coal	Valuation of the coal assets of the Tshikunda Coal Project in South Africa.
	Rand Uranium	Uranium	Mineral Resource Modelling and Mineral Resource Classification of the Cooke Dump.
	Dwyka Resources	Gold	Prospectivity review of the Tulu Kapi Gold Project in Ethiopia
	Northam Platinum Limited	Platinum	Valuation of Micawber 278 (Pty) Limited.
	Herbert Agencies (Pty) Limited	Coal	Valuation of the coal assets of the Vischkuil Coal Project in South Africa.
	Coal of Africa Limited	Coal	Valuation of the Coal Assets of the Makhado Land Swop Transaction with Rio Tinto
	Ernst & Joung Jordan	Gold	Valuation of the Gold Assets of Brinsley Enterprises in Sudan
	Namakwa Diamonds	Diamonds	Mineral Resource and Mineral Reserve audit and update.
	Firestone Energy Limited	Coal	Valuation of the Coal Assets of the Sekoko Coal-Firestone JV Waterberg Coal Project, South Africa
	Trans Hex Group Limited	Diamonds	Valuation of the Diamond Assets of the Lower Orange River Operations, South Africa
Bonaparte Diamond Mines NL	Diamonds	Valuation of the Diamond Assets of the Savanna Diamond Project, South Africa.	
Tanzanian Royalty Exploration Corporation	Gold	A National Instrument (NI-43-101) Technical Report on the Kigosi Gold Project, Tanzania.	
Mvelaphanda Resources Limited	Platinum	Valuation of the PGE Assets of the Booyensdal Project, South Africa.	
Xstrata South Africa (Pty) Limited	Coal	Valuation of the Coal Assets of the Zonnebloem 1 Project, South Africa.	
Anglo Platinum Limited	Platinum	Valuation of the PGE Assets of Micawber 278 (Pty) Limited.	
Sekoko Resources	Coal	Valuation Update of the Coal Assets of Sekoko's Waterberg Coal Project, South Africa.	
2008	Johannesburg Stock Exchange Limited/ Metorex Limited	Multi-Commodity	Fair and Reasonable Opinion on the Rights offer by Metorex in December 2008. This involved the creation and issue of 242,538,403 shares at an issue price of 200cps resulting in a cash consideration of ZAR485,076,806.
	Minéro Mining Company	Zinc-Lead	Competent Persons Report and Valuation of the Pering Zinc-Lead Mine, in South Africa.
	Gem Diamonds	Diamonds	Minerals Resource Update of all Gem Diamonds Mineral Assets.
	BRC DiamondCore	Diamonds	Valuation of BRC DiamondCore's Silverstreams Project in South Africa.
	Sekoko Resources	Coal	Valuation of Sekoko's Coal Assets of the Waterberg Coal Project in South Africa.
	Tata Steel	Coal	Prospectivity report on certain properties within the Tuli and Soutpansberg Coalfields
	Universal Coal plc	Coal	Valuation of the Coal Assets of the Elof Coal Project in South Africa
	Anglo Platinum	Platinum	Valuation of The PGE Assets of the Booyensdal Platinum Project
	Namakwa Diamonds	Diamonds	Resource Estimation and Update for Namakwa Diamonds South African and DRC Projects.
	Harmony Gold Mining Company	Gold	Resource Estimation and Classification of the Deelkraal Dump
	Pioneer Coal	Coal	Competent Persons Report and Valuation of the Coal Assets of Pioneer Coal
	Namakwa Diamonds	Diamonds	Technical Statement on the Doornhoek Alluvial Diamond Property, South Africa

YEAR	CLIENT	COMMODITY	PROJECT DESCRIPTION
2008	Pioneer Coal	Coal	Prospectivity Review for Pioneer Coal's Soutpansberg Coal Prospecting rights.
	Target Coal	Coal	Prospectivity Review of Varios Coal Properties in the Ermelo region of South Africa.
	Lidongo Group Holdings	Diamonds	Prospectivity Review of Lidonga's Riet River Prospecting Rights.
	BRC DiamondCore	Diamonds	Technical Review of mineral resources and sampling programme at the Paardeborg East Diamond Project.
	BRC DiamondCore	Diamonds	Technical Review of mineral resources and sampling programme at the Silverstreams Alluvial Diamond Project.
	Namaqua Diamonds	Diamonds	Technical review of the London Project, North West, South Africa.
	Trans Hex Group	Diamonds	Competent persons Report and Techno-Economic Valuation of Trans Hex's Lower Orange River Mineral Assets.
	Ernst & Young	Platinum	Comparative Valuation of the Booyensdal Platinum Project as part of the Fair and Reasonable Opinion on the Transaction between Northam and Mvelaphanda.
	Harmony Gold Mining Company	Gold	Annual Mineral Resource and Mineral Reserve Review and Update. Identification of Strategic Opportunities at the Free State Operations.
	Gem Diamonds Limited	Diamonds	Mineral Resources Review of Gem Diamonds' Global Operations.
2007	Worldwide Coal Carolina (Pty) Limited	Coal	Techno-economic valuation of Worldwide Coal Carolina's coal assets.
	Apic Atoll (Pty) Ltd	Ferro-manganese	National Instrument 43-101F technical Report on the Riders Ferro-manganese Slag Dump, Pennsylvania, United States of America.
	Signet Mining	Coal	High level independent review of the coal resource, reserve and technical operating parameters of Tuli Coal (Private) Limited's Special Grant Area in Southern Zimbabwe.
	Anglo Platinum Limited	Platinum	An independent comparable transaction valuation of the platinum group element mineral assets of the Booyensdal Project.
	Gem Diamonds Limited	Diamonds	Techno-economic valuation of Kimberley Diamond Company NL
	Gem Diamonds Limited	Diamonds	Mineral Experts Report on Kimberley Diamond Company NL
	Gem Diamonds Limited	Diamonds	Competent Persons Report on the Go25 (Gope) kimberlite.
	International Development Corporation	Ferro-Magnesium	Assessment of the geological and resource/reserve data provided to the IDC on the Riders Ferro-magnesium Slag Dump, Pennsylvania, USA, by Apic Toll Treatment (Pty) Limited as part of their application for funding.
	Harmony Gold Mining Company	Gold and Uranium	Mineral Resource Statements for Harmony's surface dump resources of the Randfontein and Free State Operations in South Africa.
	Gem Diamonds Limited	Diamonds	SAMREC compliant Resource and Reserve Statements for the mineral assets of the Cempaka Diamond Mine in Indonesia for BDI Mining Corporation (Subsidiary of Gem Diamonds Limited).
	Gem Diamonds Limited	Diamonds	SAMREC compliant Resource Statement on the mineral assets of Gope Exploration Company (Pty) Limited (Gope Project) (Subsidiary of Gem Diamonds Limited)
	Mintek/Department of Minerals and Energy	N/A	Review and recommendations on the Kumba/Exxaro proposal for Environmental Provisioning.
	Rockwell Resources (Pty) Limited	Diamonds	Compilation of Technical Statement (NI-43101) for the Wouterspan Operation.
	Gem Diamonds Limited	Diamonds	High level valuation of Cullinan Diamond Mine
	JCI Limited	Uranium	Review of and Recommendations on JCI's Laingsburg Uranium Project
	Harmony Gold Mining Company Limited	Gold and Uranium	Sample trail Audit and Competent persons sign-off (SAMREC) on Dump Drilling and Sampling
	Magnum Resources Limited	Tantalum	High Level Due Diligence of the Tantalite Valley Project, Southern Namibia
	Mintek/ Department of Minerals and Energy (South Africa)	N/A	Review of the System for Financial Provisioning for Mine Closure in South Africa
2004	De Beers Consolidated Mines	Diamonds	A study of the Relationship Between the Micro- and Macro Diamonds from Finsch Diamond Mine.
	De Beers Consolidated Mines	Diamonds	A study of the Relationship Between the Micro- and Macro Diamonds from Snap Lake Diamond Mine.

## Employment Record:

POSITION	COMPANY	JOB DESCRIPTION	DURATION
Director	Venmyn Rand (Pty) Ltd	Venmyn Rand operates as a techno-economic consultancy for the resources industry on a world wide basis. Responsibilities at Venmyn include: <ul style="list-style-type: none"> <li>Serving as Director of Venmyn and is responsible for the company's strategic process and management of internal functions and governance;</li> <li>Providing hands-on services to all the company's major clients;</li> <li>Providing minerals projects assessments; and</li> <li>Mr. Mc Kenna's expertise in financial valuation is particularly appropriate for ensuring market to market presentation of both the technical and financial issues of resources projects..</li> </ul>	February 2009 - Present
Minerals Industry Advisor	Venmyn Rand (Pty) Ltd	Venmyn Rand operates as a techno-economic consultancy for the resources industry on a worldwide basis. Responsibilities at Venmyn include: <ul style="list-style-type: none"> <li>Compiling technical and geological information into reports which are compliant with the SAMREC and JSE listing rules.</li> <li>Production of techno-economic reports for clients.</li> </ul>	March 2006 – February 2009
Project Manager Resource Extension Drilling	De Beers, Finsch Mine	Responsible for the Mineral Resource Evaluation Drilling of the Block 5 Extension of the Finsch Diamond Mine, Northern Cape. This role included the following activities: <ul style="list-style-type: none"> <li>Management of diamond core drilling for volume, geological, structural and grade determinations.</li> <li>Co-ordination of drilling/sampling activities of four LM90 drill rigs on three underground levels (510, 650 and 888 levels).</li> <li>Managing the capturing of all geological data in a Datamine drill-hole database.</li> <li>Responsible for the managing of drilling contractors (Boart Longyear) and maintaining project schedules.</li> <li>Responsible for the supervision and mentorship of approximately 10 subordinates (including senior and junior geologists, geological officers and geological assistants).</li> </ul>	October 2006 – March 2007
Technical Assistant	De Beers Group Exploration	<ul style="list-style-type: none"> <li>Responsible for routine reporting, and ad-hoc reviews and requests by Group Managers Office.</li> <li>Corporate governance of Resource Delivery Group.</li> <li>Technical reviews of advanced stage projects and resource statements.</li> <li>Compilation of position papers.</li> <li>Ad-hoc reports and resource reviews.</li> <li>Joint venture reporting.</li> </ul>	2005 - 2006
Technical Assistant	De Beers Africa Exploration	<ul style="list-style-type: none"> <li>Responsible for routine reporting.</li> <li>liaison between field operations and laboratories.</li> <li>Ad-hoc technical reports and reviews.</li> <li>Corporate governance of Africa Management team and HOD committee.</li> <li>Active management of relationships and data for a Joint Venture in Madagascar.</li> <li>Projects tracking.</li> <li>Business plan management.</li> </ul>	2004 - 2005
Senior Geologist	De Beers Geoscience Centre	<ul style="list-style-type: none"> <li>Industrial and exploration related diamond research</li> <li>Responsible for diamond related service work and decision support</li> <li>Supervision and mentoring for diamond related projects.</li> <li>Providing exploration ventures with targeting and mineral chemistry interpretations and decision support.</li> </ul>	2003-2004
Staff Geologist	De Beers Group Exploration Services	Exposure to various aspects of exploration and mining geology over a 13 month training period. Competencies gained include: <ul style="list-style-type: none"> <li>diamond indicator mineral identification and interpretation.</li> <li>bulk sample evaluation.</li> <li>laboratory practices.</li> <li>stream and loam exploration sampling (both reconnaissance and follow-up sampling).</li> <li>Underground geological mapping, density measurements, waste control, bulk sampling and grade determination studies.</li> </ul>	2002-2003

**Languages:**

English: Excellent

Afrikaans: Good

**Certification:**

I, the undersigned, certify that to the best of my knowledge and belief, these data correctly describe me, my qualifications, and my experience.



Date: 8<sup>th</sup> December 2010

Full name of staff member: Neil Mc Kenna

**Proposed Position:** Minerals Industry Advisor  
**Name of Firm:** Venmyn Rand (Pty) Ltd  
**Name of Staff:** Richard Tayelor  
**Profession:** Geologist  
**Date of Birth:** 06 October 1984  
**Years with Firm/Entity:** Joined 2008  
**Nationality:** South African

**Membership in Professional Societies:**

CLASS	PROFESSIONAL SOCIETY	YEAR OF REGISTRATION
Member	Geological Society of South Africa	2006
Member	Geo-statistical Association of South Africa	2009

**Detailed Tasks Assigned:**

YEAR	CLIENT	COMMODITY	PROJECT DESCRIPTION/INVOLVEMENT
2010	SSC Mandarin Group	Gold	High Level Techno-Economic Fatal Flaws Due Diligence.
	Tanzanian Royalty	Gold	Drilling, Sampling, QAQC and Laboratory Audit for later CPR.
	Namakwa Diamonds	Diamonds	Technical resource Statement update.
	White Water Resources	Gold	Short Form Competent Persons Report for JSE and Valuation of East Rand assets.
	UltraTech Cement	Coal	Xstrata Ermelo Asset Disposal Due Diligence and Valuation.
	Consol Glass Pty Ltd	Silica	Resource confirmation in Surfer™ of Groenfontein deposit and High Level Due Diligence (Fatal Flaws analysis)
	Target Holdings	Coal	Resource confirmation in Surfer™ of Schoongezicht project.
	Namakwa Diamonds	Diamonds	Competent Persons Report and Valuation of the DRC mineral assets.
	Nyota Minerals Limited	Gold	Audit of QA/QC procedures for drilling and sampling as well as preparation laboratory audit
	GEM Diamonds Limited	Diamonds	Revision of sampling campaign and reformulation of database for resource modelling.
	Nyota Minerals Limited	Nickel	Mineral Experts Report on the Muremera Nickel Project in Burundi.
2009	Gem Diamonds	Diamonds	Mineral Resource Review of the Letšeng and Ellendale operations.
	Nyota Minerals Limited	Gold	Preliminary Scoping Study on the Tulu Kapi Gold Project in Ethiopia.
	Namakwa Diamonds	Diamonds	Mineral Resource update subsequent to Namakwa's acquisition of Gem Diamonds' DRC assets.
	Nyota Minerals Limited	Gold	Instigation and training of Internationally compliant QA/QC procedures for drilling and sampling.
	Sephaku Holdings Ltd,	Tin and limestone	Canadian National Instrument NI 43-101 compliant short form Competent Person's Report for their greenfields projects in South Africa.
	Gatumba Mining Company Ltd.	Tin/Tantalum	National Instrument NI 43-101 compliant Preliminary Assessment on the Gatumba South Project in Rwanda.
	Dwyka Resources Limited	Gold	High level review and Technical Statement.
	MSA Geoservices	Iron Oxide, copper, gold	Data verification for a mineral resource statement for a due diligence on their projects in Zambia.
	IBI International LIBAM Home Office	Iron	Independent Prospectivity Review.
	Mr. Rob Croll	Gold	Preliminary Due Diligence and Prospectivity Review on Klipwal.
2008	Bongani Minerals (Pty) Ltd	Tungsten	Review of Riviera Tungsten deposit.
	Minero Mining Company	Zinc-Lead	Competent Persons Report and Valuation of the Pering Zinc-Lead Mine, in South Africa.
	West End Diamond Mine	Diamonds	Minerals Resource Report of all Diamonds Mineral Assets.
2008	Universal Coal plc	Coal	Valuation of the Ellof Coal Project in South Africa.
	Tegan International	Coal	Prospectivity Review of Various Coal Properties in the Vryheid region of South Africa.
2008	Worldwide Coal Carolina (Pty) Limited	Coal	Update of Techno-economic valuation of Worldwide Coal Carolina's coal assets.

**Key Qualifications:**

Richard Tayelor joined the Venmyn team in October 2008. He brings with him 2 years' experience in laboratory sampling and various analytical techniques operations from the University of Johannesburg. Additionally, Richard gained experience working as a junior geologist during his studies for Georem International where experience on drill rigs, geo-hydrology and remediation of hydrocarbon and AMD were gained.

Richard studied at the University of Johannesburg where he completed a Bachelors and Honours degree in Science majoring in Geology. He completed his Graduate Diploma in Engineering (GDE) coursework with the University of the Witwatersrand in 2010 and is currently upgrading this to fulfil the completion of his Masters degree in Science with engineering at WITS University.

Richard Tayelor's key areas of expertise lies in the compilation of compliant Techno-Economic-Valuation Statements and drilling/sampling programme audits with geological modelling expertise using software packages including, but not limited to; Surfer™ and Didger™

**Education:**

DEGREE/DIPLOMA	FIELD	INSTITUTION	YEAR
B.Sc	Geology	University of Johannesburg	2007
B.Sc (Hons)	Geology	University of Johannesburg	2008
GDE	Engineering	University of the Witwatersrand	2010
M.Sc in progress	Engineering	University of the Witwatersrand	2010

**Employment Record:**

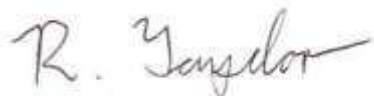
POSITION	COMPANY	JOB DESCRIPTION	DURATION
Mineral Project Analyst	Venmyn Rand (Pty) Ltd	Venmyn Rand operates as a techno-economic consultancy for the resources industry on a worldwide basis. Responsibilities at Venmyn include: <ul style="list-style-type: none"> <li>• Compiling technical and geological information into reports which are compliant with the SAMREC and JSE listing rules.</li> <li>• High level research for multiple facets of mineral projects</li> </ul>	October 2008 till - Present
Junior Geologist, Lab technician	University of Johannesburg	Responsible for the correct operation and maintenance of a wide range of sampling and analytical facilities at the SPECTRAU laboratories. Most importantly, sample preparation for XRF, XRD and Fusion Bead testing analysis.	October 2006 – March 2007
Junior Geologist	Georem International – Environmental Remediation Specialists	<ul style="list-style-type: none"> <li>• Responsible for advising clients with regards to hydrocarbon soil and water contamination.</li> <li>• Overseeing and logging of rotary percussion drill rig for borehole exploration.</li> <li>• Geo-hydrology interpretation; and</li> <li>• Investigation and remediation of contamination sites.</li> </ul>	2006

**Languages:**

English: Excellent  
Afrikaans: Fair  
Zulu: Basic

**Certification:**

I, the undersigned, certify that to the best of my knowledge and belief, these data correctly describe me, my qualifications, and my experience.



Date: 8<sup>th</sup> December 2010

Full name of staff member: Richard Tayelor

## PART 5

### ADDITIONAL INFORMATION

#### 1. The Company

- 1.1 The Company is registered in the Republic of Ireland, having been incorporated on 17 January 2008 under the Companies Acts 1963 to 2006 with registered number 451931 as a public company limited by shares with the name Kibo Mining Public Limited Company. The liability of members is limited.
- 1.2 The principal legislation under which the Company operates is the Companies Acts 1963 to 2009 of the Republic of Ireland (as amended or replaced from time to time).
- 1.3 On Initial Completion the Company will have two wholly owned subsidiaries, Sloane Developments Limited (incorporated in England and Wales with registered number 4425405) with registered office at Bridge House, 4 Borough High Street, London SE1 9QR and Morogoro Gold Limited (a company incorporated in Cyprus with number HE247089) with registered office at Suite 102, 157 Kolonakiou Street, Limassol, Cyprus 3035.

Sloane has two subsidiaries:

- 1.3.1 Aardvark Exploration Limited (incorporated in the United Republic of Tanzania on 2 August 2006 with registered number 57248) with registered office at Waterfront, 7 Floor, Sokoine Street, Ilala District, Dar Es Salaam, Tanzania of which Sloane is the beneficial owner of 100% of the shares in issue; and
- 1.3.2 Eagle Gold Mining Limited (incorporated in the United Republic of Tanzania on 20 August 1996 with registered number 30477) with registered office at Waterfront, 7 Floor, Sokoine Street, Ilala District, Dar Es Salaam of which Sloane is the beneficial owner of 100% of the shares in issue.

Morogoro has two subsidiaries:

- 1.3.3 Jubilee Resources Limited (incorporated in Tanzania with registered number 31207) with registered office at Amani Place, Plot No. 1008/1 & 2, 10th Floor, Wing "A", Ohio Street, Dar es Salaam of which Morogoro is the beneficial owner of 100% of the shares in issue; and
- 1.3.4 Savannah Mining Limited (incorporated in Tanzania with registered number 31216) with registered office at Amani Place, Plot No. 1008/1 & 2, 10th Floor, Wing "A", Ohio Street, Dar es Salaam of which Morogoro is the beneficial owner of 100% of the shares in issue.

- 1.4 The website address of the Company is [www.kibomining.com](http://www.kibomining.com).

#### 2. Share capital

- 2.1 The Company has an authorised share capital of €8,000,000 divided into 800,000,000 ordinary shares of €0.01 each of which 266,425,874 have been issued, fully paid. In addition there are options and warrants over 5,703,516 ordinary shares issued to professional advisers of the Company outstanding.
- 2.2 The authorised and issued share capital of the Company immediately following the Initial Completion will be as follows:

<i>Authorised</i>		<i>Issued and fully paid</i>		
<i>Amount</i>	<i>Number</i>	<i>ordinary shares of</i>	<i>Amount</i>	<i>Number</i>
€8,000,000	800,000,000	€0.01 each	€3,397,592	339,759,208

- 2.3 The New Shares and the Ordinary Shares will rank pari passu in all respects including the right to receive all dividends and other distributions declared, made or paid on the Ordinary Shares from the date of this document.
- 2.4 The Ordinary Shares may be held in either certificated or uncertificated form.
- 2.5 Save as disclosed in this document:
- no share or loan capital of the Company has been issued or is proposed to be issued;
  - no person has any preferential subscription rights for any share capital of the Company;
  - no convertible securities, exchange securities or securities with warrants have been provided by the Company;
  - no acquisition rights and/or obligations exist over the authorised but as yet unissued share capital of the

Company and the Company has not provided an undertaking to increase the authorised share capital of the Company;

- no share or loan capital of the Company is under option or agreed conditionally or unconditionally to be put under option; and
- there are no shares in the Company held by or on behalf of the Company itself or by subsidiaries of the Company,

2.6 By resolution passed on 30 December 2010, the Directors are generally and unconditionally authorised to exercise all powers of the Company to allot relevant securities (within the meaning of section 20 of the Companies (Amendment) Act, 1983) provided that such power shall be limited to the allotment of relevant securities up to a maximum aggregate nominal value equal to the nominal value of the authorised but unissued ordinary share capital of the Company from time to time. The authority shall expire on the date of the next annual general meeting of the Company held after the date of passing of the resolution, unless previously revoked, renewed or varied by the Company in general meeting, save that the Company before such expiry date make an offer or agreement which would or might require relevant securities to be allotted after such authority has expired and the Directors may allot relevant securities in pursuance of such offer or agreement as if the authority conferred had not expired.

2.7 By resolution passed on 30 December 2010 the Directors are empowered pursuant to Sections 23 and 24 (1) of the Companies (Amendment) Act, 1983 to allot equity securities (within the meaning of the said Section 23) for cash pursuant to the authority conferred by the resolution referred to in paragraph 2.7 above as if the said Section 23 does not apply to any such allotment provided that this power shall be limited to the allotment of equity securities (including, without limitation, any shares purchased by the Company pursuant to the provisions of the 1990 Act and held as treasury shares) up to a maximum aggregate nominal value equal to the nominal value of the authorised but unissued ordinary share capital of the Company from time to time. This authority expires at the conclusion of the next annual general meeting of the Company held after the date of passing of this resolution, save that the Company may before such expiry, make an offer or agreement which would or might require relevant securities to be allotted after such authority has expired and the Directors may allot relevant securities in pursuance of such offer or agreement notwithstanding that the power conferred had not expired. The authority conferred may be renewed, revoked or varied by special resolution of the Company.

2.8 There are no listed or unlisted securities issued by the Company not representing the share capital.

### **3. Directors', Proposed Directors, Related Party's and other interests**

3.1 As at 28 February 2011 (being the latest practicable date prior to the publication of this document), insofar as is known to the Company, the interests of each Director, including Louis Coetzee, who is a related party for the purposes of the AIM Rules, and each Proposed Director and those of any person connected with that Director or Proposed Director, within the meaning of Section 26 of the 1990 Act ("Connected Person") in the issued share capital of the Company which (i) are required to be notified to the Company pursuant to Sections 53 and 64 of the Companies Act 1990 or (ii) are required pursuant to Section 59 of the Companies Act 1990 to be entered in the register referred to therein or (iii) are interests of a Connected Person which would, if the Connected Person were a Director, be required to be disclosed under (i) or (ii) above and the existence of which is known or could with reasonable diligence be ascertained by that Director or Proposed Director, are as follows:



	<i>As at 28 February 2011</i>		<i>As at Initial Completion</i>	
	<i>Number of Ordinary Shares held</i>	<i>Percentage of Issued Share Capital</i>	<i>Number of Ordinary Shares held</i>	<i>Percentage of Enlarged Share Capital</i>
<i>Director</i>				
Christian Schaffalitzky <sup>(2)</sup>	25,336,976	9.51%	25,336,976	7.46%
Noel O'Keeffe <sup>(1)</sup>	9,582,577	3.60%	9,582,577	2.82%
Desmond Burke	12,000,000	4.50%	12,000,000	3.53%
William Payne	666,667	0.25%	666,667	0.20%
Louis Coetzee <sup>(3)</sup>	3,125,000	1.17%	5,178,333	1.52%
Tinus Maree	-	-	-	-
Andrew Lianos	-	-	-	-

**Notes:**

1. The interests of Noel O'Keeffe include 233,480 Ordinary Shares held by his wife Suzanne O'Keeffe;
2. The interests of Christian Schaffalitzky include 9,405,000 Ordinary Shares held by Crosslane Limited, a family trust; and
3. Mr Louis Coetzee is a Director of Mzuri Capital Group Limited, its subsidiary Mzuri Resources Limited and Morogoro's subsidiaries Jubilee and Savannah, as well as other companies within the Mzuri Group. The interests of Louis Coetzee are held personally and by Boulder Mining Limited, a company of which Louis Coetzee is a director and sole shareholder.

- 3.2 Save as disclosed above, none of the Directors or Proposed Directors nor any member of their respective immediate families nor any person connected with the Directors or Proposed Directors (within the meaning of Section 26 of the 1990 Act) has any interest, whether beneficial or non-beneficial, or by way of options, in any share capital of the Company.
- 3.3 There are no outstanding loans granted or guarantees provided by the Company to or for the benefit of any of the Directors or Proposed Directors.
- 3.4 Save as otherwise disclosed in this document, no Director or Proposed Director has any interest, whether direct or indirect, in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company taken as a whole and which was effected by the Company since its incorporation and which remains in any respect outstanding or unperformed.
- 3.5 So far as the Directors are aware, there are no arrangements the operation of which may at a later date result in a change of control of the Company other than disclosed in this document.
- 3.6 Save as disclosed in paragraph 3.1, the Company is only aware of the following persons who, immediately following the Initial Completion directly or indirectly, jointly or severally, hold or will hold 3% or more of the ordinary share capital of the Company or exercise or could exercise control over the Company:

<i>Name</i>	<i>As at 28 February 2011</i>		<i>As at Initial Completion</i>	
	<i>Number of Ordinary Shares held</i>	<i>Percentage of Issued share Capital</i>	<i>Number of Ordinary Shares held</i>	<i>Percentage of Enlarged Share Capital</i>
Sunvest Corporation Limited	30,765,867	11.55%	30,765,867	9.06%
Richard Speir	17,057,893	6.40%	17,057,893	5.02%
Sun Mining Limited	9,375,000	3.52%	17,588,334	5.18%
Mzuri Gold Limited	-	-	63,066,667	18.56%

The Directors are not aware of any other holding of 3% or more of the share capital of the Company

- 3.7 None of the Company's major Shareholders listed at paragraph 3.6 above has voting rights which are different from other holders of Ordinary Shares.
- 3.8 Noel O'Keeffe has entered into a service agreement with the Company dated 1 November 2010 effective from the 1<sup>st</sup> January 2011. The service agreement is subject to termination on 12 months' notice by the Company and six months notice by Mr. O'Keeffe. The agreement provides for an annual salary of €80,000. The agreement governs Noel O'Keeffe's function as chief executive officer of the Company.

Save as disclosed in this paragraph 3.8, there are no benefits payable to Mr O’Keeffe on the termination of his employment by the Company.

- 3.9 The services of Christian Schaffalitzky as Non-executive Director and Chairman are provided under the terms of an appointment letter between the Company and Christian Schaffalitzky dated 12 April 2010. This appointment is for a period of twelve months and thereafter will continue until thirty days’ notice of termination is given by either party. There is no fee payable under this appointment.
- 3.10 The services of Desmond Burke as Non-executive Director are provided under the terms of an appointment letter between the Company and Desmond Burke dated 19 July 2010. There is no fee payable under this appointment.
- 3.11 The services of Louis Coetzee as Non-executive Director are provided under the terms of an appointment letter between the Company and Louis Coetzee dated 19 July 2010. There is no fee payable under this appointment.
- 3.12 The services of Tinus Maree as Non-executive Director are provided under the terms of an appointment letter between the Company and Tinus Maree dated 8 February 2011. There is no fee payable under this appointment.
- 3.13 The services of Andreas Lianos as Non-executive Director are provided under the terms of an appointment letter between the Company and Andreas Lianos dated 8 February 2011. There is no fee payable under this appointment.
- 3.14 Under the terms of an agreement dated 9 March 2010 Wilkins Kennedy had undertaken to provide the services of William Payne to carry out the duties normally associated with the position of finance director to Kibo and for such time as is necessary to carry out properly the business of the Company. Wilkins Kennedy fees are computed on the basis of the time spent on Kibo’s affairs by their partners, staff, subcontractors or consultants and on the levels of skill and responsibility involved. This agreement is terminable on notice by either party.
- 3.15 Save for the lock-in agreements entered into by Christian Schaffalitzky, Noel O’Keeffe, Des Burke and William Payne and the service contracts and appointment letter as disclosed in Part 5 paragraphs 3.8 to 3.14, there are no contracts, existing or proposed, between any Director or Proposed Director and the Company.
- 3.16 There is no arrangement under which any Director has agreed to waive future emoluments nor has there been any waiver of emoluments during the financial year immediately preceding the date of this document other than as disclosed in this document.
- 3.17 It is estimated that under the arrangements currently in force, the aggregate remuneration and benefits in kind to be paid to the Directors for the eighteen months ending 31 July 2011 will be approximately €120,000.
- 3.18 In addition to the directorships in the Company the Directors and Proposed Directors hold or have held the following directorships within the five years immediately prior to the date of this document:

<i>Name</i>	<i>Current directorships</i>	<i>Past directorships</i>
<b>Directors</b>		
<b>Christian Schaffalitzky</b>	Eagle Gold Mining Limited Energy Resources Asia Ltd Eurasia Investments Limited Eurasia Mining (UK) Ltd Eurasia Mining plc Mogul of Ireland Limited Eurasia Investments Limited OAO Rospadskaya Coal Company Premier Management Holdings plc Red Crescent Resources Limited Sloane Developments Ltd Tylai Mining Limited Urals Alluvial Platinum Ltd Red Crescent Resources Limited	Africa One Services Ltd Africa One Services (AU) Ltd Ardmore Explorations Ltd East India Devonshire Sports and Public Schools Club Ltd Gostem Limited Green Orphans Trust Ltd OJSC Chelyabinsk Zinc Plant OAO Dalpolymetall Petroceltic International plc Petroceltic Investments Ltd Petroceltic Erris Ltd Petroceltic plc Petroceltic African Holdings Ltd Petroceltic Ksar Hadada Ltd Petroceltic Isarene Ltd Summit Exploration Ltd
<b>Noel O’Keeffe</b>	Aardvark Exploration Limited Eagle Gold Mining Ltd Sloane Developments Ltd	None
<b>Desmond Burke</b>	Holocene Productions Limited	Petroneft Resources plc Tomsk Oil Limited
<b>Louis Coetzee</b>	Boulder Mining Limited East Africa Resources Limited Eagle Gold Mining Limited Jubilee Resources Limited Mzuri Capital Group Limited Mzuri Resources Limited Savannah Mining Limited	Centurion Institute of Management and Technology Limited RUSAF Gold Limited Great Basin Gold Limited
<b>William Payne</b>	Ariana Resources plc Ferensway Ltd FireAngel Ltd Marlowe Investments (Kent) Ltd Millard Estates Ltd Millard Properties Ltd Paynard Investments Ltd Sprue Aegis plc West Bridge Consulting Ltd	WH Payne Management Services Ltd WH Payne Financial Services Ltd Merton Publishing Ltd

## **Proposed Directors**

### **Andreas Lianos**

#### **South Africa**

Alian Corporation (Pty) Ltd	Finansiele Dienste Van Suid-Afrika (Pty) Ltd
Purple Fountain Properties 8 (Pty) Ltd	Kids Development Academy (Pty) Ltd
Mayborn Resource Investments 1 (Pty) Ltd	Lion's Head Platinum (Pty) Ltd
Mayborn Resource Investments (Pty) Ltd	Royal Anthem Investments 134 (Pty) Ltd
Mayborn Resource Investments 2 (Pty) Ltd	Telemasters Holdings Limited
River Capital Group (Pty) Ltd	Bioscience Brands Limited
River Sponsors (Pty) Ltd	Verimark Holdings Limited
River Capital Partners (Pty) Ltd	Namane Energy Limited
River Domain (Pty) Ltd	Sab and T Ubuntu Holdings Limited
Turquoise Capital (Pty) Ltd	

#### **Cyprus**

Boudica Investment Holdings Limited  
Boudica Consulting Limited  
Mzuri Capital Group Limited  
Mzuri Coal Limited  
Mzuri Uranium Limited  
Mbeya Uranium Limited  
Mzuri Power Limited  
Mzuri Resource Services Limited  
Mzuri Base Metals Limited  
Mzuri Nickel Limited  
Mzuri Energy Services Limited  
Mzuri Oil & Gas Limited

#### **Canada**

River Capital Partners Limited  
Mzuri Energy Limited

#### **Tanzania**

Rukwa Coal Limited  
Pinewood Resources  
Canyon Uranium Limited  
Canyon Mining Limited  
Jubilee Resources Limited  
Highland Mining Limited  
Bullion Mining Limited  
Mzuri Exploration Services Limited

---

### **Tinus Maree**

#### **South Africa**

River Capital Partners (Pty) Ltd	Montelimar (Pty) Ltd
River Sponsors (Pty) Ltd	Bateleur Books (Pty) Ltd
River Corporate Finance (Pty) Ltd	
River Domain (Pty) Ltd	
Slamdunk Investments (Pty) Ltd	
Skytop Corporate Finance (Pty) Ltd	
Skytop Capital (Pty) Ltd	
Mayborn Resources (Pty) Ltd	

#### **Canada**

Africo Resources Ltd (TSX)	Energem Resources Ltd (TSX)
----------------------------	-----------------------------

Goldsource Mines Ltd (TSX)  
River Capital Partners Ltd  
Mzuri Energy Ltd

Rusaf Gold Limited  
GBG Rusaf Gold

**Cyprus**

Mzuri Capital Group Ltd  
Mzuri Gold Limited  
Mzuri Uranium Limited  
Mzuri Base Metals Limited

- 3.19 Mogul of Ireland Limited, a company of which Christian Schaffalitzky is a director, is presently in liquidation. The liquidator's report makes no adverse comment with regard to Mr Schaffalitzky's directorship.
- 3.20 Save as disclosed above none of the Directors or Proposed Directors has:
- any unspent convictions in relation to indictable offences;
  - had any bankruptcy order made against him or entered into any voluntary arrangements;
  - been a director of a company which has been placed in receivership, compulsory liquidation, creditors voluntary liquidation, administration, been subject to a company voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors whilst he was a director of that company or within the 12 months after he ceased to be a director of that company;
  - been a partner in any partnership which has been placed in compulsory liquidation, administration or been the subject of a partnership voluntary arrangement whilst he was a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership;
  - been the owner of any assets or a partner in any partnership which has been placed in receivership whilst he was a partner in that partnership or within 12 months after he ceased to be a partner in that partnership.

**4 Material contracts**

Save for the following contracts (not being contracts entered into in the ordinary course of business) the Group has not, since the audited Report and Accounts for the period ended 30 September 2020, entered into any contract which is or may be material or any other contract (not being a contract entered into in the ordinary course of business) which contains any provision under which the Company or its subsidiary has any obligation or entitlements which are material to it at the date of this document:

- 4.1. the Agreement, between Kibo and Mzuri dated 30 December 2010 pursuant to which Mzuri will subscribe for the Subscription Shares in Kibo at an issue price of 3p per share, Kibo will acquire the entire issued share capital of Morogoro for the issue of the Acquisition Shares in Kibo and Kibo will apply to list on the JSE. The Initial Completion of the Agreement is conditional, *inter alia*, on the Subscription Shares being admitted to trading on AIM, the truth and accuracy of certain warranties given by Mzuri in relation, *inter alia*, to its ownership of Morogoro and, through Morogoro, of Jubilee and Savannah and the Mineral Assets. Following the Initial Completion Kibo has agreed to do all things necessary in its power and control to undertake the Listing and an underwritten placing of not less than ZAR12,000,000. In addition effective at the Initial Completion Date, Mr Maree and Mr Lianos shall be appointed additional members of the board of the Company;
- 4.2. a letter of Engagement dated 20 December 2011 between the Company and Daniel Stewart under which Daniel Stewart agreed to advise to the Company in connection with the Subscription, the Acquisition and the Listing;
- 4.3. a letter of Engagement dated 12 January 2011 between the Company and River Group under which the River Group agreed to sponsor the Company in connecting with its proposed Listing on the JSE;

**5 Litigation**

Neither the Company nor any of its subsidiaries is, nor has any of them been engaged in the previous 12 months, in any governmental, legal or arbitration proceedings which may have, or have had, any significant effect on the Group's financial position or profitability nor, so far as the Company is aware, are there any such proceedings pending or threatened by or against the Company or any of its subsidiaries.

**6 General**

- 6.1 Daniel Stewart has given and not withdrawn its written consent to the inclusion in this document of its name and the references thereto in the form and context in which they appear.
- 6.2 Venmyn has given and not withdrawn its written consent to the issue of this document with the inclusion of its name and references to its name in the form and context in which they appear and its report in Part 4 of this

document and accept responsibility for this report. Venmyn will receive approximately £20,000 (or ZAR215,000) (excluding any applicable tax and disbursements) in respect of this report.

- 6.3 Venmyn has reviewed information contained elsewhere in the Circular which relates to the competent persons report and have confirmed in writing that the information presented is accurate, balanced and complete and not inconsistent with the competent persons report.
- 6.4 Save as set out in this document, the Directors are not aware of any significant factors that have influenced the Group's activities since 30 September 2010.
- 6.5 The Company is not aware of the existence of any takeover bid pursuant to the rules of the City Code, or any circumstances which may give rise to any takeover bid, and the Company is not aware of any public takeover bid by third parties for the Ordinary Shares.
- 6.6 Save as disclosed in this document, there are no employee incentive arrangements involving a share in the capital of the Company in place at the date of this document.
- 6.7 The total of the estimate of expenses is estimated at £172,000.
- 6.8 Information sourced from a third party has been accurately reproduced and, as far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.



