

## Kinyambwiga Conceptual Small Scale Gold Mine

### Production Pathway through Net Proceed Royalty Sales Summary of Potential Profit Forecast

**Assumptions:**

- Based on \$1,550/ounce Gold market price
- \$532/ounce Mining and Operating Cost
- 37,502 ounces total gold recovered
- 6 year mine life – 6,000-7,000 gold ounces/year

**Profit Forecast:**

Gross Profit: \$37,908,627  
**60% to Royalty Purchasers: \$12,796,030**  
 40% to Lake Victoria: \$8,530,686

**Financing - Royalty Purchase of Net Production:**

- \$3 million gross investment to establish a small-scale mine and processing plant earns 60% of Net Production by participants of Royalty Purchase
- 120 Units at \$25,000 per Unit; each Unit equals 0.5% of Net Production
- Investment Forecast – For every \$1 invested return is \$4.27 through Royalty Purchase Agreement**
- 116% Internal Rate of Return (IRR) of entire project

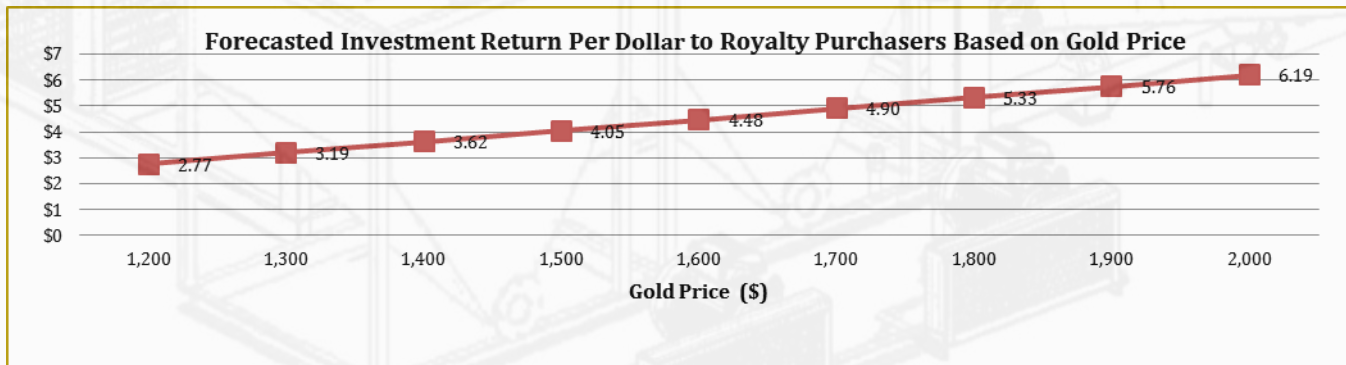
### 60% Profit Forecast to Royalty Purchasers over Six-Year Production Forecast

Year	-	1	2	3	4	5	6	Total
<b>Gold Production</b>	<b>Ounces</b>	3,718	6,374	6,374	7,012	7,012	7,012	37,502*
<b>Royalty Purchasers 120 Units</b>	<b>60% of Net Production</b>	\$1,366,634	\$2,342,801	\$2,182,553	\$2,418,863	\$2,242,589	\$2,242,589	\$12,796,029#
<b>Per Unit (\$25,000)</b>	-	\$11,389	\$19,523	\$18,188	\$20,157	\$18,688	\$18,688	\$106,634

\*based on an Open Pit Conceptual Target of 44,200 ounces, with a cut-off grade of 1.0 grams; open pit extended to 40 meters with average grade of 3.11g/t; #based on 120 units purchased

### Profit Forecast Variables

- Gold Price: forecast return based on \$1,550/oz gold is \$4.27/\$1 invested; at \$1,770/oz gold return is \$5.21/\$1 invested
- Contract Mining Cost (\$2.90/t) and Processing Cost (\$18.50/t) - \$532/ounce
- Average gold grade: based on 3.11 g/t
- Recovery Rate: based on 85%; at 95% recovery return is \$5.02/\$1 invested
- Gold Target: based on 44,200 ounces within 40m; target potential could be much larger - open at depth and horizontally



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# Disclaimer

**“Forward-Looking Information”** This release includes certain statements that may be deemed "forward-looking statements". All statements in this release, other than statements of historical facts, that address events or developments that the Company expects to occur, are forward-looking statements. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects", "plans", "anticipates", "believes", "intends", "estimates", "projects", "potential" and similar expressions, or that events or conditions "will", "would", "may", "could" or "should" occur. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results may differ materially from those in the forward-looking statements. Factors that could cause the actual results to differ materially from those in forward-looking statements include market prices, exploitation and exploration successes, and continued availability of capital and financing, and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements. Forward-looking statements are based on the beliefs, estimates and opinions of the Company's management on the date the statements are made. Except as required by applicable securities laws, the Company undertakes no obligation to update these forward-looking statements in the event that management's beliefs, estimates or opinions, or other factors, should change.

**Note to reader:** “The potential quantity and grade of the potential exploration targets are conceptual in nature and there has been insufficient exploration to define a mineral resource. It is uncertain if further exploration will result in discovery of a mineral resource.”

**Definition of Mineral Reserve:** “The term Mineral Resource covers mineralization and natural material of intrinsic economic interest which has been identified and estimated through exploration and sampling and within which Mineral Reserves may subsequently be defined by the consideration and application of technical, economic, legal, environmental, socio-economic and governmental factors. The phrase ‘reasonable prospects for economic extraction’ implies a judgement by the Qualified Person in respect of the technical and economic factors likely to influence the prospect of economic extraction. A Mineral Resource is an inventory of mineralization that under realistically assumed and justifiable technical and economic conditions might become economically extractable. These assumptions must be presented explicitly in both public and technical reports.”