Technical Report
on the Geology of the
Kinyambwiga-Murangi-Suguti
Properties, Victoria Goldfields, Tanzania

for

Lake Victoria Mining Company Inc.

by

Dave R. Webb, B.A.Sc., M.Sc., Ph.D., P. Geol.
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Effective Date: January 23, 2013

Signature Page

This is to certify that Dave R. Webb, B.A.Sc (Engineering), M.Sc., Ph.D., P.Geol. (Lic 601, NAPGEGG);

- Resides at 6120 185A St., Surrey, B.C., Canada, V3S 7P9
- Is a consulting geologist, working continuously since 1985.
- Is the author of the report entitled "Technical Report on the Geology of the Kinyambwiga-Murangi-Suguti Properties, Victoria Goldfields, Tanzania for Lake Victoria Mining Company", with the effective date January 23, 2013.
- Graduated from
    - University of Toronto, Ontario with a B.A.Sc. in Engineering, 1981, Awarded the Roger Dean Memorial award for highest marks in 3rd year field camp, 1979. Awarded McAllister award for highest marks in 4th year field camp, 1980.
    - Queens University, Kingston, Ontario with a M.Sc. in Geological Sciences, 1983, (thesis: The Relationship of Ore to Structural Features of the Campbell Shear Zone and Hanging Wall Stratigraphy in the Con Mine, Yellowknife Northwest Territories.
    - University of Western Ontario, London, Ontario with a Ph.D. in Geological Sciences, 1992. (thesis: Controls of Auriferous Shear Zones at Yellowknife NWT, Canada.)
- Is a registered Professional Geologist (L601), in good standing with NAPEGG
- Is a member in good standing of:
    - CIMM
    - PDAC
    - SEG
    - NWT and Nunavut Chamber of Mines (Director 2005-2012)
- Has worked continuously in the mineral resource industry since 1974, as a driller's helper, field assistant, consultant, vice president exploration and president of private and public companies.
    - Worked as a field assistant and field geologist for Cominco Ltd. 1975 to 1978 in the Quebec, Labrador and the Northwest Territories exploring for VMS and Uranium deposits.
    - Worked for the Geological Survey of Canada in 1979 as a field assistant in regional mapping projects in the NWT, Canada.
    - Worked as a senior field geologist for Gulf Minerals in 1980 Canada in the Yukon exploring for sedex lead zinc deposits.
    - Worked as an underground production and research geologist for Cominco in 1981 to 1983 in Yellowknife NWT while completing field work for an M.Sc. thesis and later a Ph.D. thesis.
    - Consulted to Fortune Minerals Ltd., Royal Oak Mines Inc., Athabaska Gold Company Ltd., Pezim Group of Companies, GMD Resource Corp., Can-Mac Exploration Ltd.: 1983-1994 in the NWT Canada (gold, copper, cobalt, bismuth, diamonds), in Mexico (gold) the USA (gold), and Mongolia (gold)

        - Co-authored the qualifying report for Fortune Minerals Limited's Nico Project (IOCG gold, cobalt, bismuth) (completed Feasibility and in permitting).
        - Discovered and staked the Nicholas Lake Property (gold) (now owned by Tyhee Gold Corp)
        - Discovered and staked the Ormsby Zone (gold) (now owned by Tyhee Gold Corp)
        - Discovered and staked the Clan Lake Main Zone (gold) (now owned by Tyhee Gold Corp.)
        - Acquired and discovered the Vad Zone (gold) (now owned by Tyhee Gold Corp).
        - Acquired and discovered extensions to A-Zone, Mon Mine (gold). (now owned by New Discovery Mines Ltd.)
    - Owned (1985 to current) the Mon Gold Mine, NWT – underground gold mine and mill complex, 50 north of Yellowknife, NWT. Licensed as the last new gold mine in the NWT (1989-1997). Designed first decline and designed first stopes.
    - Vice president, exploration (1988-1990) of Can Mac Exploration Ltd.
    - Operating partner of the Yellowknife Gold Syndicate (1990-1992)
    - President of Tyhee Gold Corp, 1993 to December 2011,
        - Completed Feasibility on and construction of the first hard rock gold mine in Mongolia's history 1996.
        - Discovered, acquired and developed the Yellowknife Gold Project to 2.0 million ounces of Measured and Indicated Gold Resource, completed Preliminary Assessment and Preliminary Feasibility, and initiated Feasibility Study and permitting of a 4,000 tpd gold mine and mill complex.
    - President (1997) and director (1992-2000) of GMD Resource Corp exploring for gold, copper, cobalt, bismuth, diamonds in the NWT, Canada.
    - President and director of Alberta Star Mining Corp., developing copper, gold, cobalt, bismuth, uranium projects in the NWT, Canada.
    - Managing director of PAND syndicate, staked and sold mineral claims (diamonds)
    - Managing director of PIC syndicate, staked and sold mineral claims (IOCG deposits)
    - Consult for companies in the mineral resource industry in Canada (Ontario and the NWT (gold, platinum, palladium, uranium) Tanzania, and Italy (gold).
- Registered Professional Geologist (L601), in good standing with NAPEGG
- Has worked continuously in the mineral resource industry since 1985, as a consultant, vice president exploration and president of private and public companies.
- Is a qualified person within the meaning of NI 43-101.
- Visited the Company's offices and properties between December 17th and December 22nd, 2011, and specifically was on the Kinyambwiga Property on December 18th, 2011.
- Is responsible for all sections of the report, with reliance on others as disclosed in item 3.
- Is independent of Lake Victoria Mining Company Inc. as described in S.1.5. of NI 43-101 (2011).
- Authored a report on the company's Uyowa Property, Tanzania.

- Has read NI 43-101 and has prepared this report in compliance with that policy,
- That, as of the date of the certificate, to the best of my knowledge, information and belief, the technical report contains all scientific and technical information that is required to be disclosed to make the technical report not misleading.

Signed

REGISTERED PROFESSIONAL GEOLOGIST D.R. WEBB LICENSEE N.W.T.

Dr. D.R. Webb, B.A.Sc., M.Sc., Ph.D., P.Geol
January 23, 2013

Table of Contents

TITLE

Contents

Item 1. Summary

Lake Victoria Mining Company Inc. owns 100% of the mineral rights to the Kinyambwiga, Murangi and Suguti properties (the "Kinyambwiga Project"). The mineral rights consist of 3 Prospecting Licenses totaling 7,676 hectares. A total of 24 Primary Mining Licenses within the Kinyambwiga Property are controlled by the Company by agreements.

The Kinyambwiga Project is located in the Mara region in the northeast portion of the United Republic of Tanzania, East Africa, immediately east of the southern shore of Lake Victoria.

The Kinyambwiga property is predominantly underlain by Precambrian granitic and aplitic rocks that fall into two main groups, syn and late orogenic granites. The granites are unconformably overlain by the northwest trending Archaean age Musoma-Mara Greenstone Belt. The Greenstone Belt lithologies include pillow basalts, mafic flows, acid volcanics, shales and feldspar porphyry. The granites are intruded in places by syn and post orogenic felsic intrusive and mainly Proterozoic age dolerite dykes that, in places, appear to trend sub parallel to major structures in the region. Granitic sands are often covered by mbuga (black organic-rich silts deposited from a receding Lake and there is very little outcrop.

Previous exploration work was conducted on the Kinyambwiga property, by Placer Dome (formerly Afrika Mashariki) Anglo-Ashanti Gold, Shanta Mining, Tanganika Gold and Geo Can Resources. Work included mapping, soil sampling, trenching, pitting, geophysics, remote sensing and limited reverse circulation drilling focused on quartz reefs at artisanal workings.

Both the Murangi and Suguti properties are underlain by greenstone and granitic rocks. The Murangi property is covered by mbuga. Some minor outcrops occur on the south of the Murangi property.

Approximately 34% of the Suguti property is covered by mbuga. Exposure is limited to minor rock outcrops on the north side of the Suguti shear. To the south, well exposed ridges of banded iron formation form topographic highs.

There is no historical exploration on either the Murangi or the Suguti properties.

Lake Victoria Mining Company has spent over $800,000 on exploration since it purchased the Primary Licenses in May, 2009 from Geo Can Resources Company Limited. Work included geochemical soil sampling, gradient array IP surveys, VES target profiling, mapping, trenching, and drilling.

Most of the work and all of the drilling occurred on the Kanunga 1, 2 and 3 gold prospects which are located on the Kinyambwiga property. Ground magnetometer surveys were conducted on the Murangi and Suguti properties.

Lake Victoria Mining Company drilled 35 holes, for a total of 2427 meters, to target quartz veins at Kanunga 1, 2 and 3 Gold Prospects. On the Kanunga 1 Gold Prospect, drilling confirmed the presence of at least 2 mineralized structures extending along strike.

There has been no formal development or operations on the 3 properties. On the Kinyambwiga property, there is artisanal activity. On the Kanunga 2 Gold Prospect, artisanal activity includes a couple of shallow pits at the south edge of the quartz float and a 25 meter deep shaft located some 430 meters to the southwest along strike.

Kanunga 3 Gold Prospect has artisanal activity, comprised primarily of small pits and shafts.

There are no formal estimates of either mineral resources or mineral reserves for the three properties.

The following observations can be made from the work completed to date:

1. The Kinyambwiga area is predominantly underlain by Precambrian granitic and aplitic rocks. The granites are uncomformably overlain by the highly prospective northwest trending Archaean age Musoma-Mara Greenstone Belt.

2. Gold deposits in the Musoma-Mara Gold Belt are predominantly shear hosted Archaean Greenstone type deposits similar to those in the Canadian Shield.

3. In the Musoma-Mara Greenstone Belt, the intersection of major northwest trending shear zones and minor east and northeast trending structures, appear to have a primary control on enhanced gold mineralization.

4. The gold mineralization on the Kinyambwiga property is associated with narrow, en echelon, steeply dipping quartz veins associated with a major northeast structural trend that transects the granitic rocks. This is supported by geological mapping, drilling, trenching and the Schlumberger VES profiling of coincident chargeability/resistivity anomalies which have traced the strike of the quartz veins beneath the black cotton soil cover for some 700 meters.

5. The quartz veins often exhibit pinch and swell structures which vary from less than one meter to over 10 meters in width with strike lengths often greater than 200 meters long.

6. The mineralization appears to be correlatable over significant strike and dips and a conceptual target has been estimated.

7. Similar shear hosted quartz veins have been identified at Kanunga 2 and 3 gold prospects.

8. Gold mineralization on the Murangi and Suguti properties is likely the same.

The Kinyambwiga area hosts a conceptual target of between 600,000 to 1,000,000 tonnes grading between 1 and 3 gpt gold to elevation 1,000 m AMSL.

The potential quantity and grade of these targets are conceptual in nature, that there has been insufficient exploration to define a mineral resource and that it is uncertain if further exploration will result in the target being delineated as a mineral resource. The conceptual

target has been determined on the basis of trenching, mapping, geophysics and both RC and RAB drilling.

Item 2. Introduction

This report was prepared for Lake Victoria Mining Company Inc. The purpose of this report is to fully describe the history and development of the Kinyambwiga, Murangi and Suguti properties to provide a report suitable for filling with the relevant Canadian Securities regulators.

The report was prepared using information acquired during a site visit to the property conducted by the author in late December 2011, from internal company reports and publically available information. The author also visited the Company's offices in Dar es Salaam to view original assay documents and to collect copies thereof. The author also visited the analytical laboratory in Mwanza responsible for all of the analytical data reported herein.

All references to coordinates are Map Spheroid: Clarke 1880, Map Datum: ARC 1960 in UTM or longitude and latitude unless otherwise noted, and all measurements are metric. All references to dollars are US$ unless otherwise noted.

Item 3. Reliance on other Experts

The author has relied on copies of the Prospecting Licenses and on copies of Primary Mining Licenses with government stamps, seals and signatures which were viewed as scanned copies.

A legal opinion provided by Vemma Consult Attorneys, P.O. Box 7297, Dar es Salaam, Tanzania dated June 19, 2011 is relied upon to confirm tenure for 24 PML's and one PL. This opinion is found in Appendix 1.

Reports on the mining, taxation, environmental and other sovereign rights have been summarized from government websites and cited where referenced and are relied upon.

The author has carefully reviewed and has exercised reasonable due diligence while reviewing information and data compiled by Mr. King, Mr. Barber and Dr. Misac Nabighian in company reports and relies on their general, regional and property geology descriptions and geophysical interpretations.

Item 4. Property Description and Location

The Kinyambwiga Project consists of three Prospecting Licenses and 24 Primary Mining Licenses which are included within one of the Prospecting Licenses.

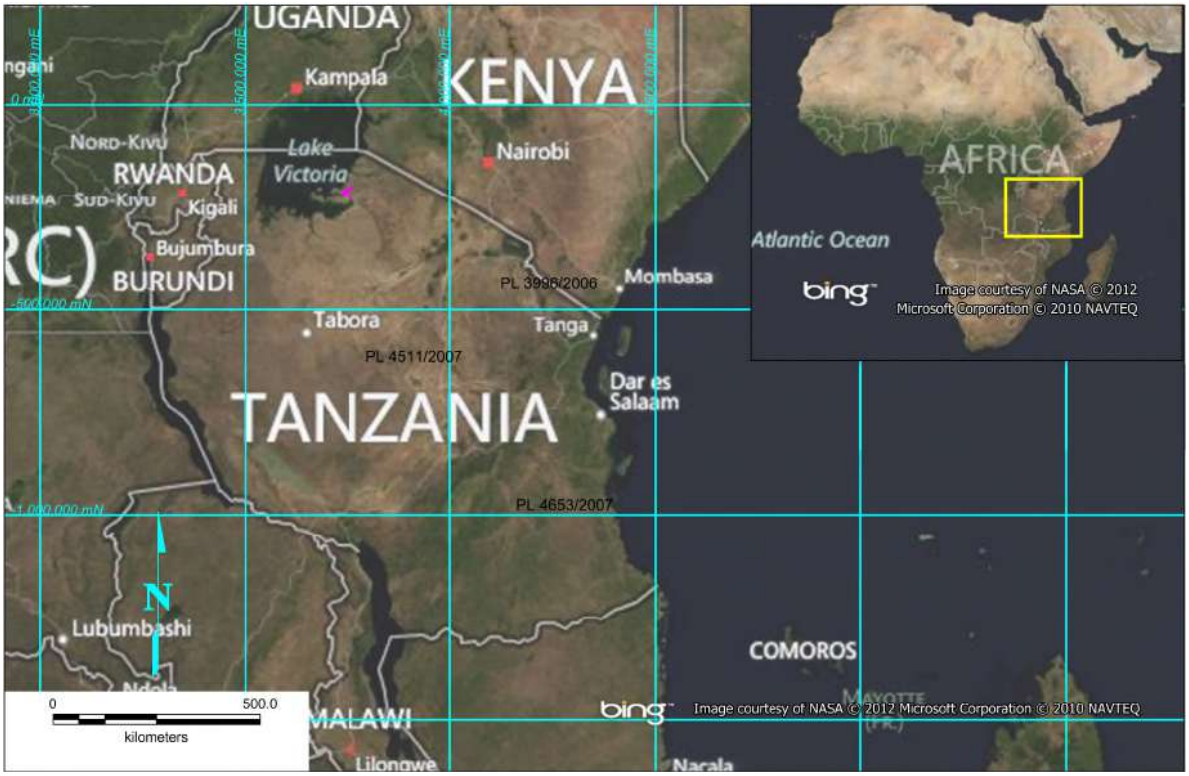


Figure 1. Location of Tanzania, east Africa. Maps from BING, 2012

This includes:

Table 1. Table of Prospecting Licenses comprising the Kinyambwiga Property, December, 2012.

PL #	Owner	Hectares
4653/2007	Geo Can Resources Company Limited	1,544
3966/2006	Geo Can Resources Company Limited	3,639
4511/2007	Geo Can Resources Company Limited	2,493
TOTAL		7,676

PML	Owner	Renewed to
1173	Ahmed Abubakar Magoma	06/06/2015
1174	Ahmed Abubakar Magoma	02/09/2015
1175	Ahmed Abubakar Magoma	06/06/2015
1176	Ahmed Abubakar Magoma	06/06/2015
1177	Ahmed Abubakar Magoma	06/06/2015
1178	Ahmed Abubakar Magoma	06/06/2015
1179	Ahmed Abubakar Magoma	06/06/2015
1180	Ahmed Abubakar Magoma	06/06/2015
1181	Ahmed Abubakar Magoma	06/06/2015
1182	Ahmed Abubakar Magoma	06/06/2015
1183	Ahmed Abubakar Magoma	06/06/2015
1184	Ahmed Abubakar Magoma	06/06/2015
1185	Ahmed Abubakar Magoma	06/06/2015

1301	Ahmed Abubakar Magoma	08/06/2015
1302	Ahmed Abubakar Magoma	08/06/2015
1307	Ahmed Abubakar Magoma	08/06/2015
4582	Ahmed Abubakar Magoma	08/06/2015
4583	Ahmed Abubakar Magoma	29/03/2015
4584	Ahmed Abubakar Magoma	29/03/2015
4585	Ahmed Abubakar Magoma	29/03/2015
4586	Ahmed Abubakar Magoma	29/03/2015
4587	Ahmed Abubakar Magoma	29/03/2015
4588	Ahmed Abubakar Magoma	29/03/2015
4589	Ahmed Abubakar Magoma	29/03/2015

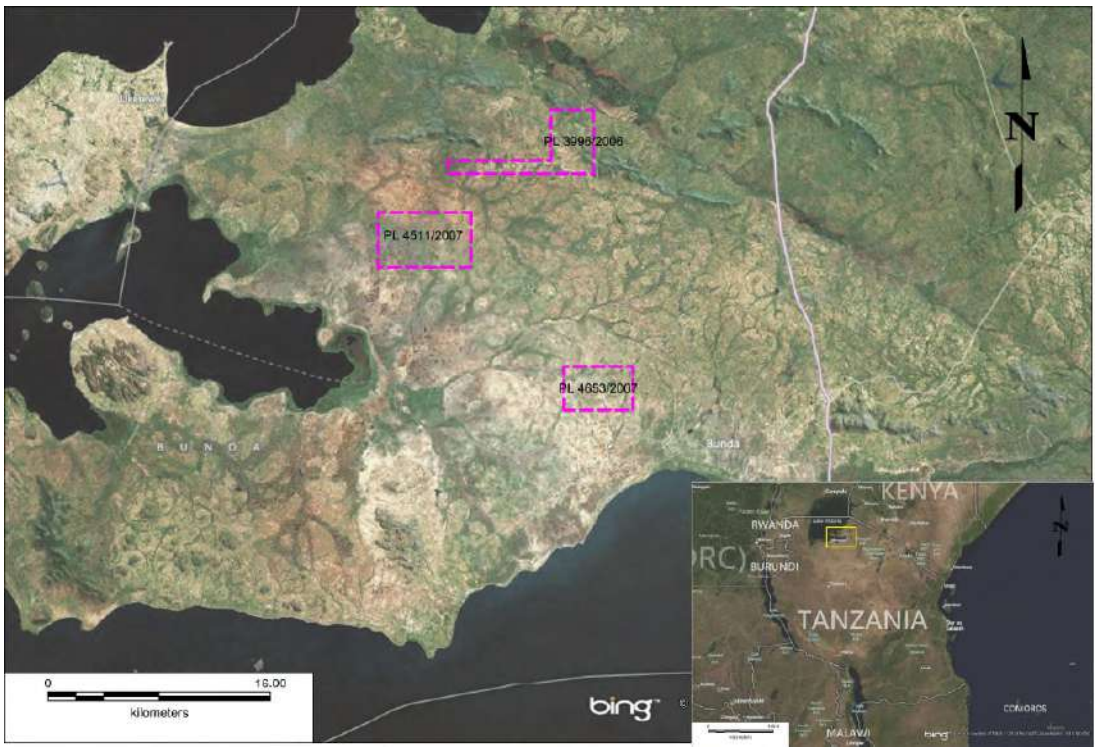


Figure 2. Location of three Prospecting Licenses on base map from BING, 2012

The Kinyambwiga Property is owned by Lake Victoria Mining Company Inc. (the "Company") through its wholly-owned subsidiary, Lake Victoria Company (T) Limited. The Suguti and Murnangi properties are owned directly through several agreements with the Company's wholly owned subsidiary Kilimanjaro Mining Company and a Tanzanian company Geo Can Resources Company Limited It consists of 3 Prospecting Licenses totalling 7,676 hectares which are 100% owned and in part containing 24 Primary Mining Licenses.

The author relies on Company filings with the U.S. Securities Exchange Commission for confirmation of the Companies ownership of all Geo Can Resource Company Limited's properties. "*Since November, 2009 we have used our wholly owned subsidiary Lake Victoria Resources (T) Limited to perform all exploration and contracting within Tanzania. Geo Can, a Tanzania corporation, was initially founded by three common directors of the Company to identify*

prospective mineral properties in Tanzania. Through time Geo Can had acquired a portfolio of prospective licenses. On May 4, 2009, Kilimanjaro Mining Company Inc. completed a Property Purchase Agreement with Geo Can. Under the terms of the agreement Kilimanjaro acquired 100% interests of the mineral property assets of Geo Can, which included 33 gold prospecting licenses and 13 uranium licenses. Prior to the closing of the Property Purchase Agreement between Geo Can and Kilimanjaro, Geo Can had entered into Option to Purchase Property agreements, regarding some of its resource properties, with Lake Victoria. As of the execution of the Property Purchase Agreement, May 5, 2009, Geo Can no longer had any interest in those prior property agreements with Lake Victoria Mining Company Inc. As of the date of this annual report, Geo Can holds property titles in trust for Kilimanjaro as the sole Beneficiary, in accordance with the terms of the Statutory Declaration, Declaration of Trust and Release dated July 23, 2009. Geo Can will act on the direction of Kilimanjaro as the Beneficiary to transfer the title or interest to the Beneficiary or as directed by the Beneficiary."

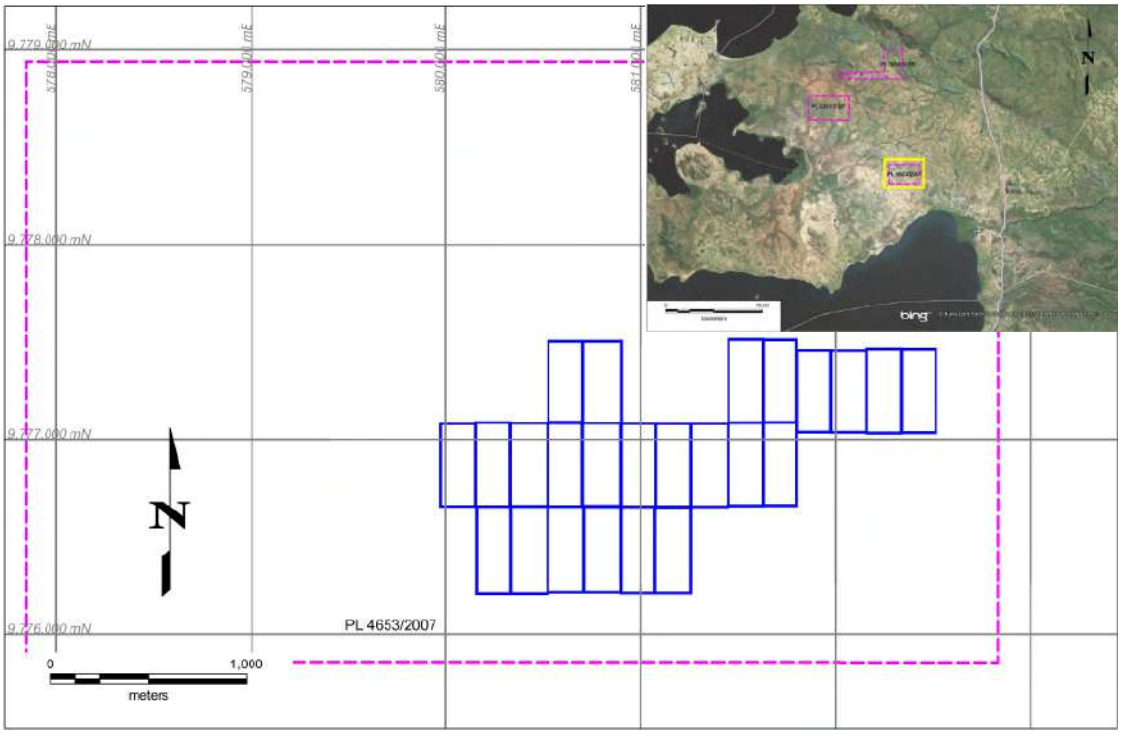


Figure 3. Location of the 24 Primary Mining Licenses within the Kinyambwiga Propsecting License.

On December 18, 2012 the Company informed the author that all 24 Kinyambwiga PMLs and PL4653 are in the process of having all the beneficial interest changed from Lake Victoria Mining Company, Inc. to its wholly owned Tanzania subsidiary Lake Victoria Resources (T) Limited.

4.1 Types of Permits and Licenses

Mineral rights in Tanzania are governed by the *Mining Act of 1998* and The Mining (Mineral Rights) Regulations, 2010 (collectively the "Acts") and control over minerals is vested in Tanzania. Prospecting for minerals may only be conducted under authority of a mineral right granted by the Ministry of Energy and Minerals under the Acts.

Mining is carried out through a primary mining license, prospecting license, mining license and a special mining license and all confer on the holder thereof the exclusive right to conduct mining operations in or on the area covered by the license.

A mineral right may be freely transferred by the holder thereof to another person, except for a mining license, which must have the approval of the Ministry to be assigned. However, this approval requirement for the assignment of a mining license will not apply if the mining license is assigned to an affiliate company of the holder or to a financial institution or bank as security for any loan or guarantee in respect of mining operations.

(1) Primary Mining License

A primary mining license means a license for small scale mining operations, whose capital investment is less than US$100,000 or its equivalent in Tanzanian shillings. A primary mining license can only be held by citizens of Tanzania or companies directly or indirectly controlled by members or directors composed exclusively of citizens of Tanzania. It is valid for seven years and may be renewed.

The types of mineral rights most often encountered, which are applicable to the Applicant are: prospecting licenses, retention licenses, mining licenses and special mining licenses.

(2) Prospecting License

A Prospecting License grants the holder thereof the exclusive right to prospect in the area covered by the license for all minerals, other than building and gemstones, for an initial period of four years. Thereafter, the license is renewable for a further period of three years and thereafter for two years consecutively. An application may also be made for a final two year renewal period to complete a feasibility study which had already commenced in the prior renewal period. On each renewal of a prospecting license, 50 percent of the area covered by the license must be relinquished. The maximum initial area for a prospecting license is 300 square kilometers. A company applying for a prospecting license must, among other things, state the financial and technical resources available to it. A retention license can also be requested from the Minister, after the expiry of the 4-3-2-2 year prospecting license period, for reasons ranging from funds to technical considerations. A prospecting license for gemstones other than kimberlites diamonds or for building materials shall subsist for one year and is not subject to renewal.

A prospecting license allows the holder to erect camps and temporary buildings and installations and use any water in areas forming part of the licensed area.

(3) Retention License

If the holder of a Prospecting License has identified a mineral deposit within the prospecting area which is potentially of commercial significance, but it cannot be developed immediately by reason of technical constraints, adverse market conditions or other economic factors of a temporary character, it can apply for a retention license which will entitle the holder thereof to apply for a Special Mining License when it sees fit to proceed with mining operations. If the commercial

development of the deposit is possible within ten years a retention license for a period of five years may be granted. It may be renewed for one further period of five years.

If a Special Mining License if applied for during the retention license then the retention license will be dealt with as if it was a prospecting license. A holder may be asked to show cause why it has not applied for a special mining license and if not done the holder will be required to apply for a special mining license within 60 days.

(4) Mining License

Mining License means a mining licence for medium scale mining operation, whose capital investment is between US$100,000 and US$ 100,000,000. A mining license is granted for a period of 10 years and is renewable for a further period of 10 years.

(5) Special Mining License

A Special Mining License means a licence for large scale mining operation, whose capital investment is not less than US$ 100,000,000.

An application for a Special Mining License to conduct mining operations requires the submission and approval of among other things, the proposed mining operations. The term of a Special Mining license is for the estimated life of the ore body indicated in a feasibility report or a shorter period if requested by the holder. It may be renewed for the estimated life of the ore body.

A holder of a mineral right may enter into a development agreement with the Ministry to guarantee the fiscal stability of a long-term mining project and make special provision for the payment of royalties, taxes, fees and other fiscal imposts, the grant of the Government free carried interest and State participation in mining, and the financing of any mining operations under a special mining licence.

The level of free carried interest and State participation in any mining operations under a special mining licence shall be negotiated upon between the government of Tanzania and a mineral rights holder depending on the type of minerals and the level of investment. The Minister will not enter into a development agreement if the capital expenditures are less than US one hundred million dollars or the applicant does not have the financial and technical capability to undertake such a large scale investment.

(6) Grant of Multiple Licenses

A Mining License or Primary Mining License for building materials may be granted in an area subject to a mineral right for minerals other than building materials.

A Primary Mining License for gemstones may be granted in an area subject to a Prospecting License for minerals other than gemstones.

A Prospecting License may be granted for an area which is all or partially covered by previously granted Primary Mining Licenses.

Primary Mining License may also be granted for an area which is all or partially covered by previously granted Prospecting Licences with the permission of the Prospecting License owner. Because there can often be a gap of several month between the application to renew a term of a Prospecting License, a Prospecting License owner may license underlying PMLs to prevent a third party applying for the Prospecting License.

4.2 Environmental Liabilities.

The Author is not aware of any environmental liabilities on the Kinyambwiga Property.

4.3 Permits Required to Complete Recommended Work

The Company possesses all required permits to complete the work program recommended in this report.

4.4 Significant Factors and Risks that May Affect Access, Title, or the Right or Ability to Perform Work on the Property

The Company has acquired 24 Primary Mining Licenses on the Kinyambwiga Property which are held by a director of the Company. This is the traditional way for companies that are not citizens of Tanzania or companies directly or indirectly controlled by members or directors composed exclusively of citizens of Tanzania to hold Primary Mining Licenses and may not be consistent with best practices in other locations.

The Company announced September 20, 2012 that they were raising $3 million using royalty participation agreements by selling up to 60% of the net proceeds of gold production of the Kinyambwiga gold project.

On October 7, 2010, the Company entered into a consulting agreement with Misac Noubar Nabighian to provide geophysical data processing and geophysical data interpretation services to the Company in consideration for:

- granting the Consultant an option to acquire 120,000 shares of common stock of the Company pursuant to the terms of the Company's 2010 Stock Option Plan, at an exercise price of $0.29 per share, exercisable until October 7, 2013 and vesting immediately. On October 7, 2010, the Company granted 120,000 options to the Consultant;
- paying the Consultant 0.5% of the net proceeds from the sale of any mining properties;
- granting the Consultant a royalty on producing properties as follows: (a) $1.00 per ounce of gold produced or 0.25% of net smelter returns (as such term is defined in the Agreement), whichever is greater, and (b) 0.25% of net smelter returns for all other commercial production.

The agreement is for a term of 36 months and may be renewed at the option of the Company upon 30 days written notice.

Work that significantly disturbs the area may require re-settlement of locals which may or may not be possible.

Access to water for drilling, mining and processing ores should any be defined and developed is not guaranteed.

Access to power for development or production purposes should it be required may or may not be available.

Item 5: Accessibility, Climate, Local Resources, Infrastructure and Physiography

5.1 Topography, Elevation and Vegetation

Access to Kinyambwiga property is primarily gained through the village of Guta, immediately east of Bunda (Figure 2) via tracks which are passable for most of the year.

The climate in the area is tropically humid with alternating wet and dry seasons. Maximum day time temperatures commonly range from 20^{o} to 27^{o}C during the cooler months, between June and August, and rise over 30^{o}C during the warmer months, between December and March.

The annual rainfall has two peaks separated by a brief drier spell. The first of these, the short rains, falls between mid-October to December and the other, the Long Rains, between February to mid-May. The distribution and intensity of the rainfall is erratic. Climatic conditions are not expected to unduly hinder exploration.

Power and water sources occur in close proximity, and a power line, to the south of the Kinyambwiga license, runs from Bunda via Guta to Kibaru on the lake shore. Telephone services are provided by the parastatal Tanzania Telecommunications Company Limited and five private cellular service companies. There is adequate mobile reception over the Prospects.

Musoma, the largest town in the area, is the administrative headquarters and commercial centre of Mara Region. It has a population of some 1.5 million people. It has a well-developed social and commercial infrastructure including transportation, telecommunication, educational, hospital, hotel and recreational facilities.

Tanzania has 3 major ports on the Indian Ocean; Dar es Salaam, Tanga and Mtwara. An alternative route for freight to north Tanzania is by road from Mombasa in Kenya.

The country has an extensive network of over 88,000 kilometers of classified roads. Paved routes link many of the major towns.

Railway lines run from Dar es Salaam to Mwanza on Lake Victoria and Kigoma on Lake Tanganyika and from Tanga, via Moshi, to Arusha. The Tanzania - Zambia Railway Authority

(TAZARA) operates a standard gauge line that runs from Dar es Salaam, via Mbeya, to Kapiri Mposhi in Zambia.

The major airports in Tanzania are Dar es Salaam, Kilimanjaro and Zanzibar. These are served by a number of international airlines. Domestic scheduled and charter flights connect the major centres in Tanzania. The nearest airport to the Project areas with regular scheduled flights is Musoma although Mwanza, located some 107 kilometers to the southwest, is the main commercial hub with an International Airport.

The topography of the Kinyambwiga area is generally flat. The area is bounded by the Mohoji Plain to the west and the Serengeti Plain, which forms part of the Serengeti National Park, to the southeast. Most of the area is open grassland with scattered patches of thorn thicket prevalent along drainages. The property is drained by the Guta River and its tributaries that flow south into Lake Victoria (Photograph 1).

Photograph 1. General view of the Kinyambwiga Property with disturbed area (small mounds in foreground) where trenching has taken place. Corn fields and pasture land in the background.

The Murangi property is generally flat but dotted with infrequent small hills barely rising 20 meters above the mbuga plains. The tenement is drained to the north by the Omuga Stream, a tributary of the Bugwema River that flows west into Lake Victoria. In the south it is drained by the Agwogi Stream which flows into a swamp some 1.5 kilometers south of the boundary

Virtually the entire Murangi property is overlain by a black cotton soil locally referred to as mbuga. Some minor rock outcrops occur in the south of the property. The Murangi property is generally flat and overlain by mbuga.

The Suguti property is subdivided by the northwest flowing Suguti River and the adjacent Murara flood plain. Mbuga covers an area of ±25 square kilometers which is approximately 34% of the license. The northern and central area of the Suguti concession, PL 3966/2006, is covered by mbuga. No roads, only footpaths, traverse the mbuga plain. The area becomes water logged during the wet season and is used for rice cultivation. The topography rises steeply in the south of the project where ridges, underlain by Banded Ironstone Formation (BIF), rise some 300 meters above the surrounding plains,

Elevations in the Kinyambwiga and Murangi Project areas range from about 1,168 to 1,193 meters above mean sea level. This is slightly above the elevation of Lake Victoria which lies at 1,133 meters above mean sea level. The south part of the Suguti PL is hilly with the topography rising from the Murara Mbuga plains in the north, at 1,142 meters, to 1,435 meters above mean sea level.

The region is extensively farmed for grazing land, beans, rice, corn and other foodstuffs. Wetlands predominate as one approaches Lake Victoria to the south.

5.2 Access

Access to the property is by 2 or 4 wheel drive vehicle via the paved road from Mwanza through Bunda, and then from the dirt roads to Guta and Kinyambwiga.

5.3 Proximity to Population Center

The nearest center of significant population would be Musoma (1.5 million) located 58 km to the north, Bunda (>250,000 district-wide Wikipedia, 2012) located 16 km east, or Mwanza (>2,000,000 (Wikipedia, 2012) 107 km west-southwest.

5.4 Nature of Transport

International Airlines fly into Dar Es Salam, Mwanza and other centres on a regular basis. Domestic Airlines link these and other cities, and a network of roads and railroads provide ground transportation. Taxis, rental cars, and other forms of private transportation are common from the major cities.

5.5 Climate and Operating Season

The Company can operate on parts of the Kinyambwiga Property year round, with some difficulty during the rainy season.

5.6 Surface Rights, Power, Water and Personnel

The Company possesses Prospecting Licenses which allow for most exploration and development work to be conducted. The Primary Mining Licenses which are held by a director of the Company allow for some small scale mining operations to be conducted by Tanzanian nationals.

Surface rights and permits for plant construction, mining and waste disposal would need to be obtained prior to development.

The local communities can supply an adequate number of unskilled and semi-skilled labourers.

Local contractors that provide exploration support (drilling, excavating, trucking, drilling (diamond, RAB, RC), assay laboratories) are available in Mwanza.

Item 6: History

The area was geologically mapped on a regional scale by R. G. Horne (1961) on behalf of the Tanganyika geological survey: QDS 23-Bunda-Scale 1:125,000. Country wide airborne magnetic and radiometric surveys were conducted by Geosurvey International from 1976 to 1979.

There was no historical work done on the Murangi or Suguti properties.

Prior to the involvement of Geo Can Resources Company Limited and Kilimanjaro Mining Company Inc., a number of international mining companies carried out work on the Kinyambwiga property (Table 2**).** The focus was on quartz reefs at artisanal workings. Quartz float gold mineralization was identified by Shanta Mining in the northeast of the Kinyambwiga property, **(**Figure 2**)**. Assay results from pit dumps ranged from 1.2 to10.8 g/t gold (King and Barber, 2011).

Table 2: Summary of Previous Exploration conducted on the Kinyambwiga Prospecting Licenses and proximity.

COMPANY	YEAR	LICENSE NO.	EXPLORATION WORK
Placer Dome (formerly Afrika Mashariki) (formerly	19?		
Anglo-Ashanti Gold	1995-96	PL 2399/2005	- Soil sampling - Trenching - Pitting - Aeromagnetics - Induced polarization
Shanta Mining Company	2003-05	PL 2399/2003	- Airborne EM - Soil sampling - Trenching - Pitting - IP programs
Tanganika Gold			

Geo Can Resources Limited	2008		-Remote Sensing -Regolith Mapping Artisanal Pit Logging and Sampling -Mapping -Ground Magnetic Survey -Drilling

Item 7: Geological Setting and Mineralization

8.1 Regional, Local and Property Geology

Regional Geology

Geology Of Tanzania Overview This section draws extensively from Hester (1998), Schlüter (1997) and Semkiwa et al. (2005)

The Archaean age Tanzanian Craton underlies much of central Tanzania (Figure 4). It possesses many of the characteristics of the Kaapvaal and Zimbabwe Cratons in the south of the continent. The Tanzania Craton is bounded by extensions of the Mozambique Mobile Belt, with the Palaeo-Proterozic age rocks of Ubendian Supergroup to the southwest and the Usagaran Supergroup to the south and southeast. To the northwest the Craton is overlain by meta-sediments, granitic intrusive and volcanic of the Meso-Proterozoic age Karagwe - Ankolean Supergroup, which form part of the Kibaran Fold Belt, and the Neo-Proterozoic age Bukoban Supergroup. Cenozoic age volcanics, including carbonatites, occur in the Kilimanjaro and east Rift areas in the north of the country.

Tanzania is now the 3rd largest gold producer in Africa. Gold production presently accounts for over 50% of the nation's annual foreign currency earnings. This has been achieved by the development of 6 major mines; Bulyhanhulu, Buswagi, North Mara and Tarawaka which are operated by Barrick Africa, Geita which is exploited by Anglo-Ashanti and Golden Pride which is mined by Resolute. These mines all work Archaean age Nyanzian Supergroup deposits in the Lake Victoria Greenstone Belt. Diamonds are produced from kimberlites intruded into the Archaean craton. The principal operation is the Williamson Diamond Mine at Mwadui. Other gemstones, including emerald, chrysoberyl, ruby, sapphire and tanzanite (blue zoisite), are mined from areas underlain by rocks of the Ubendian and Usagaran Mobile Belts.

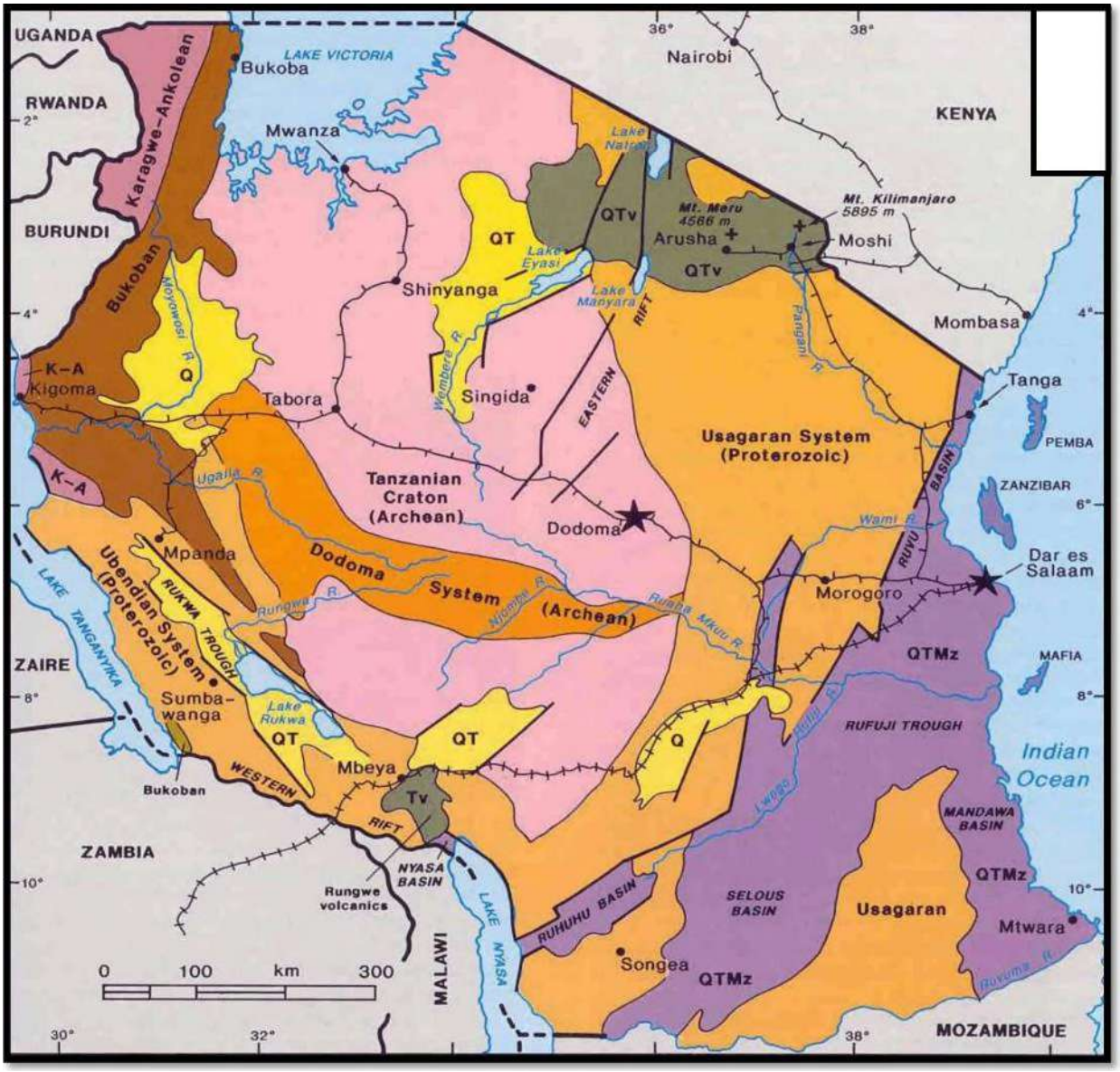


Figure 4. Geological Map of Tanzania. after: Hester 1998

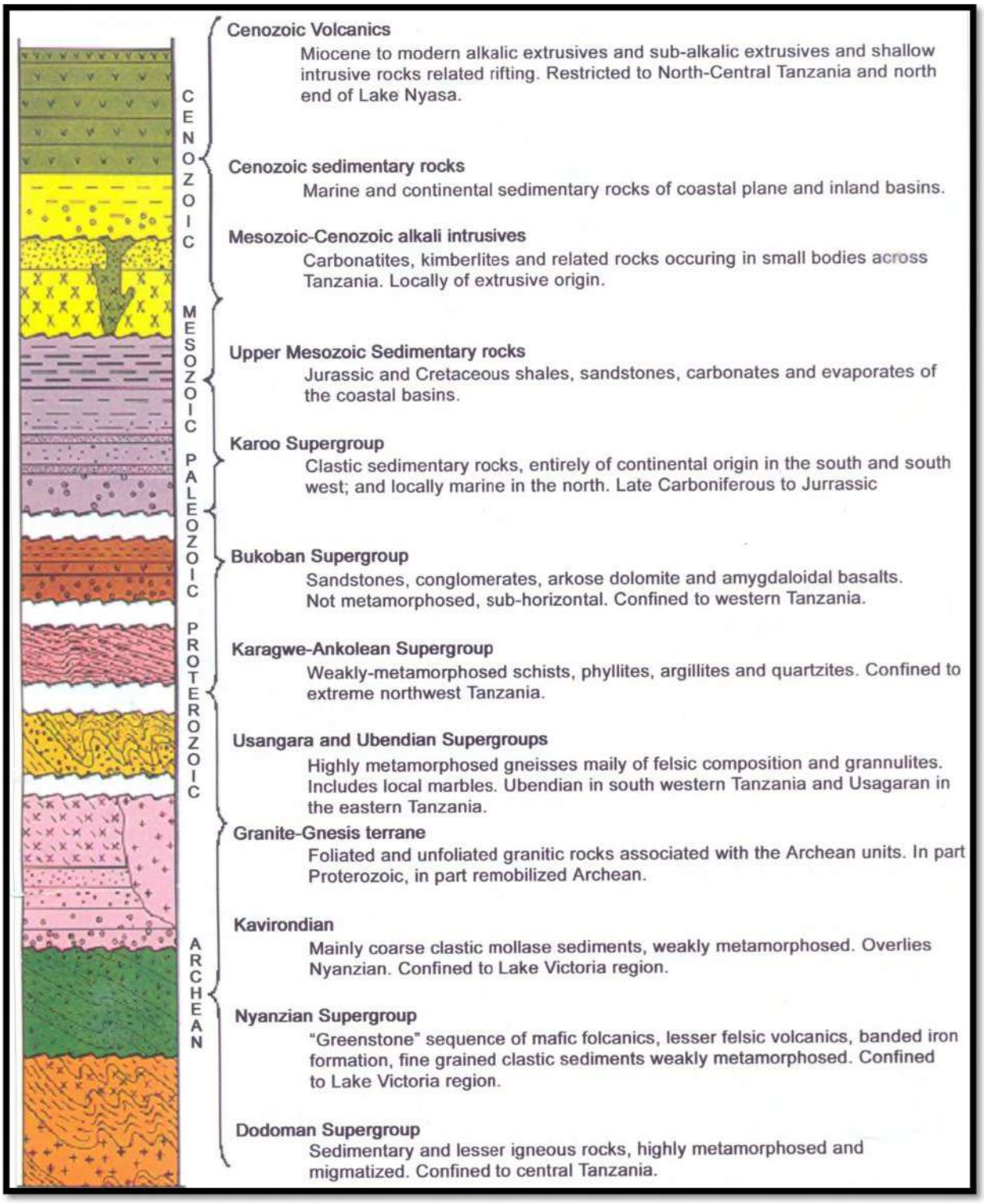


Figure 5. Tanzania Stratigraphy and legend for map in Figure 4- after Hester 1998

Archaean

The exposed Archaean of Tanzania consists of the Dodoman, Nyanzian and Kivirondian Supergroups and the Granite-Gneiss Terrane:

(i) Dodoman Supergroup:

These rocks, which are older than the granite – greenstone terrane, outcrop in a band across the south of the Tanzania Craton (Figure 4).

The rocks of the Dodoman, which are mainly of sedimentary origin, have been subjected to high grade metamorphism and granitisation and now include amphibolites, gneisses, migmatites, quartzites and schists. Few mineral deposits with economic potential have been discovered in the Dodoman Supergroup.

(ii) Nyanzian Supergroup:

These rocks, which have been metamorphosed to greenschist and locally amphibolites facies, form the greenstone belts of the Tanzania Craton (Figure 4). The Nyanzian hosts the majority of the known gold deposits in the country. The Supergroup is sub-divided on the basis of the upward transition of lava from basic to felsic. Both Groups contain interbedded units of tuff and sedimentary rocks. The Lower Group is primarily composed of basaltic, andesitic and dacitic lavas.

In the Geita and Rwamagaza Greenstone Belts, it is estimated to be ≤5,000m thick. The Upper Group is characterised by felsic lava, tuff, ferruginous chert, bif and pelite. The maximum thickness of the Banded Iron Formation (BIF) is considered to be ≤400 meters and the felsic tuff ≤4,000 meters. The greenstone sequences are frequently folded about steeply dipping axial planes with an East trend.

(iii) Kavirondian Supergroup:

The rocks of the Nyanzian Supergroup are unconformably overlain, notably in the Musoma - Mara Greenstone Belt, by metasediments of the Kavirondian Supergroup. These rocks, which include arkoses, feldspathic grits, conglomerates and quartzites, contain clasts of Nyanzian lithologies which sometimes appear to have been deformed prior to deposition.

(iv) Granite – Gneiss Terrane:

A period of granitoid emplacement, followed by a major tectonic deformation, occurred after Kavirondian Supergroup deposition. As in most Archaean cratons the age relationship of the granites is difficult to establish, with syntectonic granitoids having been dated at 2450 - 2500 Ma while non-foliated, post tectonic granitoids are Proterozoic in age. It is often problematic to distinguish rocks of the Granite – Gneiss Terrane from Proterozoic age granitic gneisses.

Proterozoic

The Tanzania Craton is bounded by extensions of the Mozambique Mobile Belt, with the Palaeo-Proterozic age rocks of the Ubendian Supergroup on the southwest and Usagaran Supergroup to the south and southeast, (Figure 4).

(v) Ubendian Supergroup:

The northwest trending Palaeoproterozoic age Ubendian ductile shear belt, to the southwest of the Archaean craton, is comprised of a variety of medium- to high-grade metamorphic rocks of sedimentary and igneous origin and includes a large component of reworked Archaean. The dominant lithology is gneiss. Minor components include mafic, ultramafic and late granitic intrusives plus rare marbles. The metamorphic grade is predominantly amphibolite to locally granulite facies. The latter have been dated at 2.1 - 2.0 Ga and are likely related to the Usagaran orogeny.

(vi) Usagaran Supergroup:

The Usagaran Supergroup, which is of a similar age to the Ubendian, largely consists of granulites, biotite, gneisses of pelitic origin and quartzites. Structural trends are predominantly southwest, but the Neoproterozoic-Palaeozoic age Pan-African deformation and granulite facies metamorphism has obliterated most of the older structural signatures.

(vii) Karagwe – Ankolean Supergroup:

The Mesoproterozoic age Karagwe – Ankolean Supergroup forms part of the north trending Kibaran Fold Belt which extends from Zambia, through the Democratic Republic of Congo, Burundi and northwest Tanzania, into Uganda to the west of Lake Victoria. The Supergroup is made up of low metamorphic grade phyllites, quartzites and sericitic schists derived from shallow-water sediments. The Tanzanian portion of the belt includes both the Western Internal and Eastern External Domains. Major mafic and granitic intrusives were emplaced at 1,250 – 1,275 Ma and the postorogenic tin-bearing granites around 1,000 Ma. The Kabanga Nickel Deposit, on the border with Burundi, is hosted by feeders of a major gabbroic sill.

(viii) Bukoban Supergroup:

The weakly deformed Neoproterozoic to early Palaeozoic age sedimentary and volcanic rocks of the Bukoban Supergroup outcrop in the west of the country between the Kibaran Belt and the Tanzania Craton. Rocks include chert, dolomitic limestone, quartzites, shales and plateau-type basalts. The continental clastic sediments were deposited on a peneplain on the Archaean craton and older Proterozoic rocks. Mafic dykes, predominantly trending north northeast, appear to have been intruded contemporaneously with sedimentation. A significant outlier of Bukoban sediments occurs to the south of the Musoma - Mara Greenstone Belt.

Palaeozoic – Mesozoic

Continental sediments of the Karoo Supergroup were deposited from the late Carboniferous to Jurassic. In Tanzania the conglomerates, sandstones and mudrocks containing coal outcrop in the west and southwest of the country. At about the latitude of Dar es Salaam, these rocks pass into a

sequence of marine sediments of similar age. Sediments of Upper Mesozoic age occur in the coastal basins that were formed during the breakup of Gondwana. The sediments deposited include limestone, sandstone, shale, marl and local evaporites. The rifting that commenced at this time was accompanied by the intrusion of carbonatites, kimberlites and syenites.

Cenozoic

The break-up of the east part of the African Plate, which commenced in the Upper Mesozoic, accelerated during the Cenozoic. The East African Rift System consists of a series of en echelon grabens associated with volcanism. In Tanzania rifting occurred along the west Rift, which hosts lakes Nyasa and Tanganyika, and the east (Gregory) Rift in which lakes Natron and Manyara lie. The Lake Victoria Basin is generally interpreted as being formed by gentle down-warping between the west and east Rifts. The volcanism associated with the rifting is mostly intermediate to mafic alkali, with carbonatite continuing to erupt to the present day at Oldoinyo Lengai. Rifting has preserved rocks of the Karoo Supergroup and Tertiary sedimentary deposits. Intrusion of kimberlites continued into the early Tertiary, with some diamondiferous kimberlites being less than 50 Ma old. Much of the Archaean craton and surrounding rocks were subject to extensive lateritic weathering in the Tertiary. The coastal basins contain thick deposits of Miocene and younger age marine sediments.

Local Geology

The area was geologically mapped on a regional scale by R. G. Horne (1961) on behalf of the Tanganyika Geological Survey: QDS 23 – Bunda – Scale 1:125,000. This work, together with the countrywide airborne magnetic and radiometric surveys conducted by Geosurvey International from 1976 to 1979, provides data on the regional geological framework.

The Kinyambwiga, Murangi, and Suguti properties lie within the west and south parts of the Mara-Musoma Greenstone Belt, in the Lake Victoria Gold Field. Barth (1990) compiled a geological map of the Lake Victoria Goldfields at a scale of 1:500,000. The Greenstone Belt extends for over 180 kilometers, from the shores of Lake Victoria in the west into the Serengeti National Park in the east.

The Greenstone belt consists of Lower and Upper Nyanzian rocks, Archaean in age, ranging from mafic to meta-volcanic-sedimentary rocks and chemical sediments (bif) intruded by syn- to post-orogenic granitoids and younger intermediate to felsic intrusions. These suites of rocks are in turn overlain by the younger clastic Kavirondian mollasse.

The Greenstone Belt lithologies generally trend east but swing to the northeast in the east. The rocks are cut by Southeast-trending, Nyanzian age, faults and shear zones (Barth, 1990). The Suguti Fault, a 40 kilometer long northwest trending shear zone with a right lateral displacement, which dominates the west portion of the Belt, bisects the Suguti property.

Kinyambwiga Property Geology

The Kinyambwiga property is situated immediately south of the Musoma-Mara Greenstone Belt. The area is mainly covered by varying thicknesses of mbuga. These clays, lacustrine sediments, which were deposited during periodic rises and falls in lake water level over geologic time, cover extensive portions of the Lake Victoria region. Very little outcrop is present, with minor exposures only noted in some of the transecting streams that drain the property. The Kinyambwiga area is predominantly underlain by Precambrian granitic and aplitic rocks that fall into two main groups; syn- and late-orogenic granites. The granites are uncomformably overlain by the northwest trending Archaean age Musoma-Mara Greenstone Belt, whose lithologies include pillow basalts, mafic flows, acid volcanics, shales and feldspar porphyry. The granites are intruded in places by syn- and post-orogenic felsic intrusives and mainly Proterozoic age dolerite dykes that, in places, appear to be trend sub-parallel to major structures in the region. Granitic sands often cover mbuga surfaces.

Kanunga 2

The Kanunga 2 Gold Prospect was discovered from the detailed, 1:2000 scale, geological mapping undertaken across the 3 Prospect areas. Although no exposure occurs quartz float covers an area some 450 x 120 meters. Gradient IP and Schlumberger profiling across the area indicated 3 to 4 northeast trends coincident with quartz distribution.

Kanunga 3

Kanunga 3 Gold Prospect covers a surface area of some 200 x 200 meters.

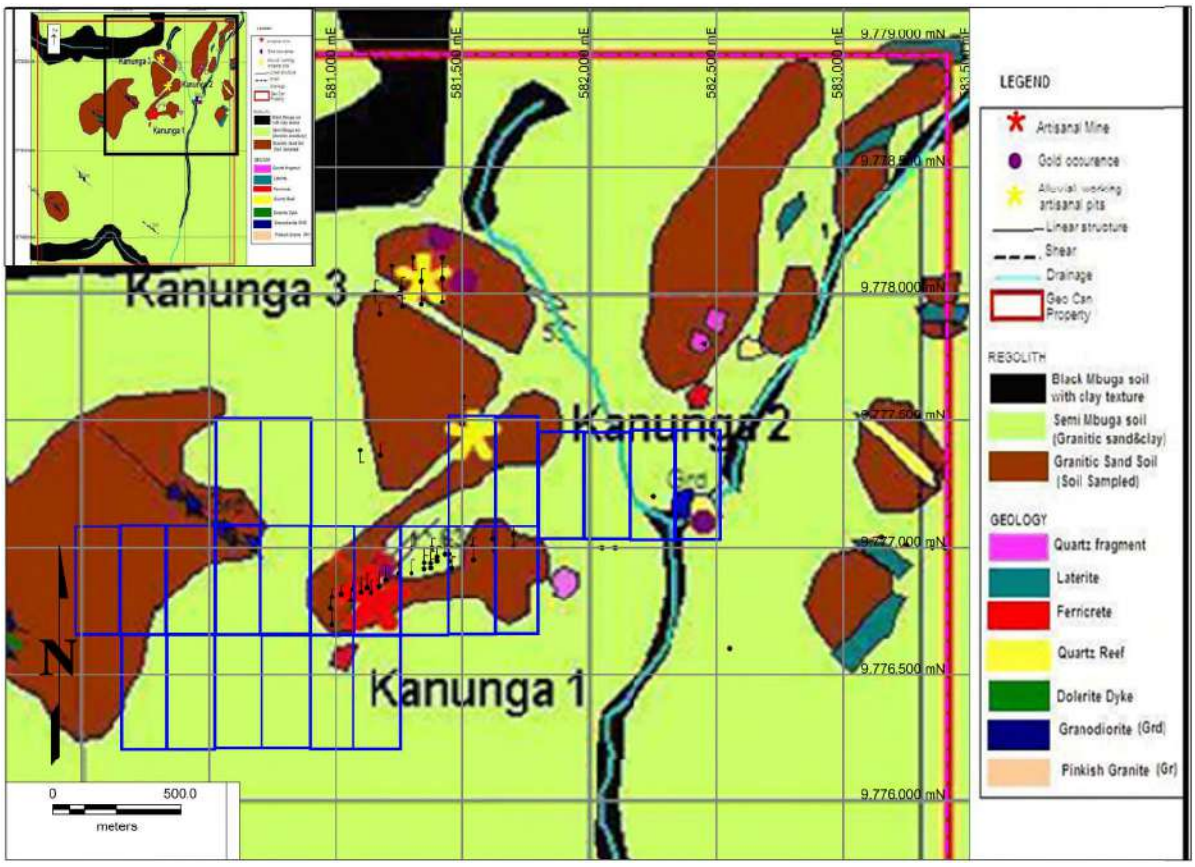


Figure 6. Geology of the Kinyambwiga Prospecting Licenses, after King and Barber, 2011

Murangi Property Geology

The Murangi property is underlain by greenstone and granitic rocks, (Figure 7. The Murangi Prospecting License is essentially covered by mbuga.

Suguti Property Geology

The Suguti property is also underlain by greenstone and granitic rocks, (Figure 7). The major Suguti Shear zone cross cuts the Suguti Property. The rocks on either side of the shear, which forms a topographic depression infilled with mbuga, have been displaced. This suggests that substantial movement occurred. Exposure is limited to minor rock outcrops on the north side of the Suguti Shear. To the south, well exposed ridges of banded iron formation form topographic highs. An outcrop of scattered dolerite boulders occurs in the northeast of the license. A small hill comprised of well-formed and undeformed basaltic pillow laves is exposed in the south part of the property near Masrnono.

Mineralization

Kinyambwiga

The Kinyambwiga property is cross-cut by major northwest trending shear zones and minor east and northeast trending structures.

The gold mineralization predominantly occurs in steeply to vertical dipping, shear-hosted quartz veins striking northeast within basement granite.

These veins, which occur as en echelon sets and often exhibit “pinch and swell” structures, vary from less than 1 up to 10 meters in width with strike lengths often greater than 200 meters. Both the quartz veins and the immediate wall rocks are often mineralized with disseminated pyrite, minor base metal minerals and free gold. Carbonate alteration is observed in the wall rocks within the shear / fault systems.

Kanunga 1 Gold Prospect

At the Kanunga 1 Prospect, a number of en echelon, shear hosted, narrow auriferous quartz veins occur along a major northeast structural trend that transects the granitic rocks over a strike length of some 700 meters.

Kanunga 2, and 3

Similar, shear hosted quartz veins have been identified at Kanunga 2 and 3.

Murangi Property Mineralization

Murangi property is believed to contain shear zone-hosted sulphide deposits similar to Kinyambwiga and Suguti properties.

Suguti Property Mineralization

Suguti property is being explored for shear hosted gold deposits with associated quartz veining similar to occurrences on the Kinyambwiga property.

The old colonial Marengu Mine, located just outside the northeast corner of the property, is formed by narrow, shear hosted, northeast trending quartz veins. It is currently being exploited by artisanal miners.

Item 8: Deposit Types

Gold deposits in the Musoma-Mara Gold Belt are predominantly shear hosted Archaean Greenstone type deposits similar to those in the Canadian Shield. Structural deformation plays a key role in the loci of mineralization. Lake Victoria Mining Company is looking for similar structural signatures of potential mineralization including fold hinge zones, lithological contacts and/or re-activated fault margins and related secondary splays in which gold-bearing quartz veins may have been deposited.

In the Musoma-Mara Greenstone Belt, the intersection of major northwest trending shear zones and minor east and northeast trending structures, appear to have a primary control on enhanced gold mineralization.

Exploration of gold in the Musoma-Mara Greenstone Belt commenced in the 1920's, during colonial times, at Buhemba and Kiabakari,(Figure 7). Additional deposits were discovered in the 1930's at Mrangi (Phoenix), Nyasori, Saki, Seke, Samba, Sirori and Tembo amongst others and mined in a small but organized manner over the next 25 years. Currently none of these are in production.

The Mara-Musoma Greenstone Belt and its environs, host numerous gold occurrences. The closest colonial mine is the defunct Kiabakari Mine. This lies some 30 kilometers to the NNE of the Project areas. It operated from 1959 to 1966 and is reported to have produced 8.81 tonnes of gold from a pyritised and albitized amphibolite horizon within the Greenstone Belt, Masao (2008). It is currently believed to have a gold resource of 800,000oz. This is a non 43-101 figure and is reported as a historical resource. The Marengu Mine, located 1.8 kilometers east of the northeast corner of the Suguti PL, was the site of an old colonial working developed on a narrow, NE-trending, auriferous quartz vein. The deposit is currently being exploited by artisanal miners. Other gold occurrences have been reported at Binetti, Blue Ridge, Ikunggu, Kilimongo, Kirege, Kwigutu, Muzamgambe, Mwinzi, Nyabahengu and Nyasirori, **(**Figure 7**)**

The only operating mine is the North Mara Gold Mine (2.95M oz gold) of Barrick Africa (1^{o} 29' S, 34^{o} 53' E).

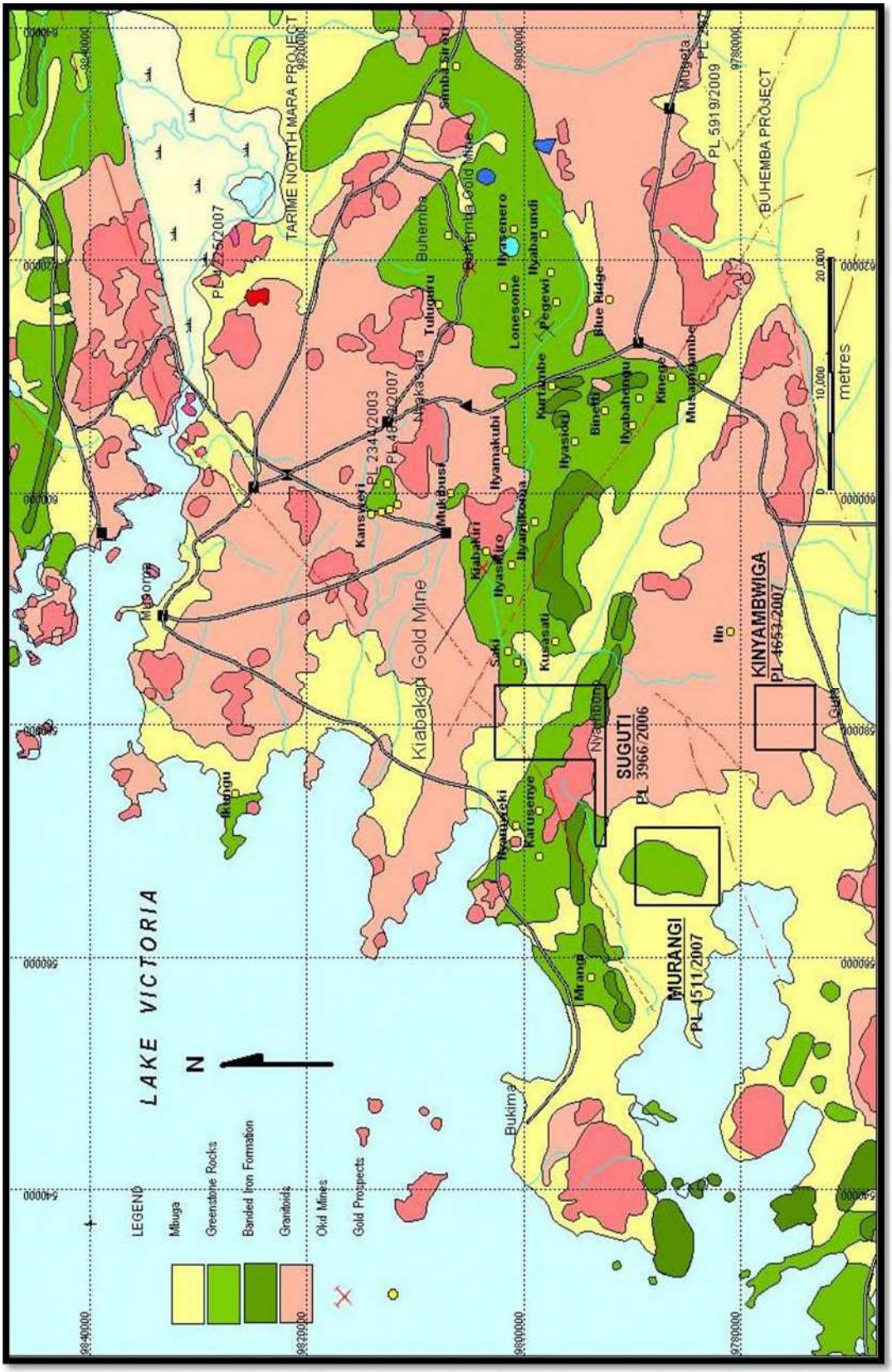


Figure 7. Location Map of some of the Known Gold Deposits in the Musoma-Mara Greenstone Belt in Relation to the Kinyambwiga, Murangi and Suguti Properties. Map after Barth, 1990.

Item 9: Exploration

Lake Victoria Mining Company's wholly-owned subsidiary Kilimanjaro Mining Company Inc. commissioned Geo Can Resources Company Limited to undertake exploration on its behalf in the Kinyambwiga Project area while it was establishing an in-house geological team. All work after November 2009 was conducted by Lake Victoria Resources (T) Limited.

The company has spent over US$800,000 on exploration work on the three properties (Company financials, November 14, 2012). Work was undertaken from April to September 2009. On the Kinyambwiga Project area, work included mapping, geochemical soil sampling, two trenching programs, Gradient Array IP surveys and Schlumberger VES target profiling, RAB and RC drilling. On the Murangi and Suguti properties, ground Magnetic surveys were completed.

9.1 Mapping

Topographical and, due to poor exposure, limited geological mapping of the Kanunga 1, 2 and 3 Gold Prospects and their environs were completed on a scale of 1:2000. Detailed mapping, on a scale of 1:1000, was undertaken at the artisanal workings at the Kanunga 1 Gold Prospect.

Regolith mapping on the Suguti property is shown on Figure 8.

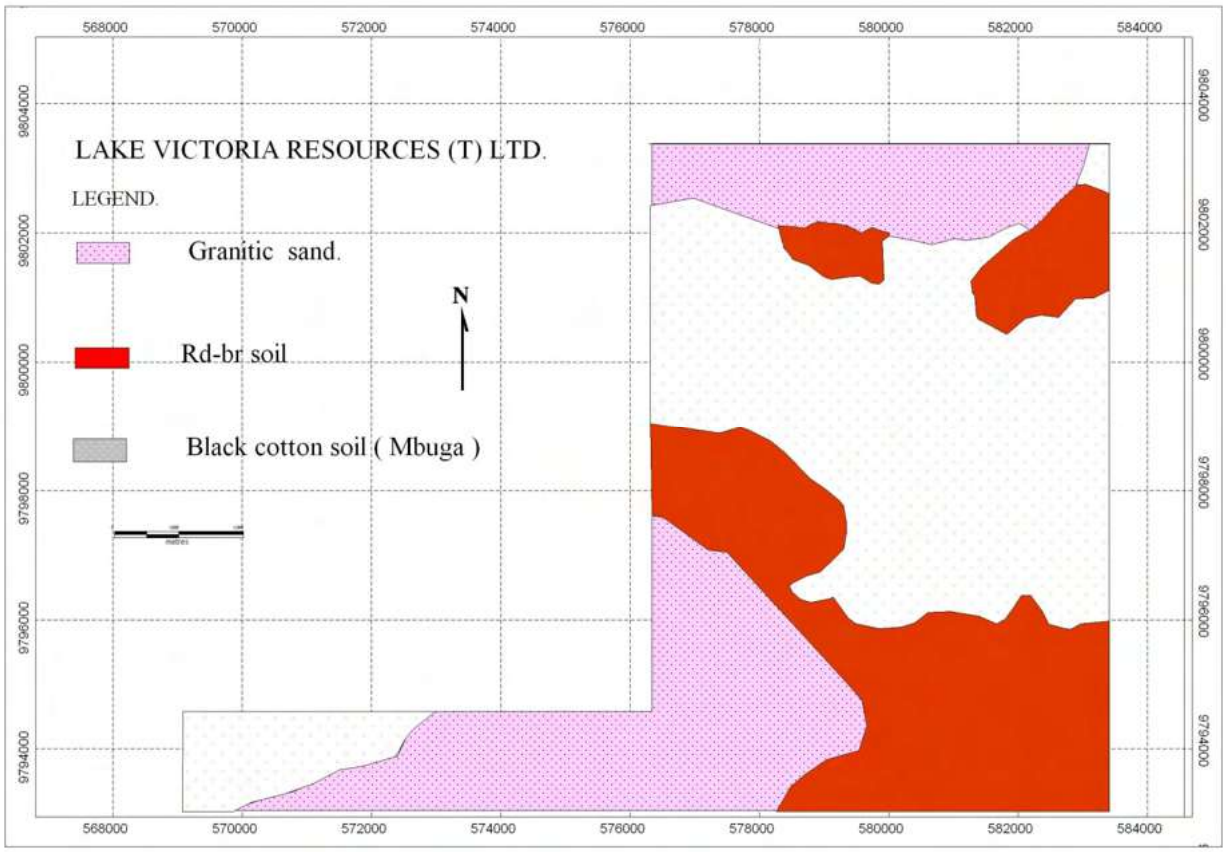


Figure 8. Regolith mapping on the Suguti Property, after King, 2012.

9.2 Geochemical Soil Sampling

A total of 347 samples were taken over a 200 X 50 meter grid. An additional 135 samples were collected to follow-up six geochemical anomalies identified in the first programs, and 142 mechanically augered soils were collected in late 2011 and early 2012.

Procedures and Parameters

Soil samples were collected on a regularly spaced grid using picks and shovels to penetrate in areas where mbuga was not present. Depths averaged less than 1m and ranged between 0.3 and 1.5 m. Two kg of soil was recovered for each sample and in addition to depth, the colour, type, condition, slope, vegetation, local lithology or evidence of diggings was noted. Mechanically augered holes were sunk using a trailer-mounted drill (**Error! Not a valid bookmark self-reference.**) to depths averaging 2.61m.

Sample Methods & Sample Quality

The soil samples were initially sent directly to the laboratory in Mwanza. In 2010 and 2011 soil samples were screened to -80 mesh in the field and sent to SGS laboratories in Mwanza for gold

analysis. No blanks or standards are reported, however duplicates were submitted in each batch of samples. The augered holes were logged on site, and 1 kg samples were collected.

Results and Interpretation

A number of anomalous values were reflected in soils in the artisanal working at the Kanunga 1 Gold Prospect and along a 1.5 kilometer zone to its east and west. The distribution of the analytical values reported is presented in Table 3. A stone layer was encountered at the base of the soil layer in seven auger holes. These stone layers were assayed and found to contain anomalous gold values (0.156 to 2.56 gpt).

A number of north-south sample traverses on a sample spacing of 5 meters was completed on the western end of the known Kanunga 1 mineralised quartz veins in an attempt to detect the western strike extension of both Lens 1 and 2. Slightly anomalous gold values of between 20 to 40 ppb were detected in the expected strike position of both lenses for a distance of between 40 to 80 meters along strike before dropping to below detection limit.

Table 3: Assay Value Distribution from the 2009 Soil Sampling Program Completed on Kinyambwiga Property

Grade (Au ppb)	No. of samples	% of samples
<50	194	91.51
50-100	11	5.19

100-500	5	3.77
500-1000	1	0.47
>1000*	1	0.47

* Maximum value 1260 ppb Au

One hundred and thirty five samples were collected and analysed in 2011 with a maximum value of 200 ppb.

Table 4. Summary of the 2011-2012 soil auger program, including assay results from the stone layer (regolith interface).

Grade Au (ppb)	No of samples
<10	57
10-20	53
20-30	15
30-40	7
40-50	1
50-100	4
>100	10
TOTAL	**147**

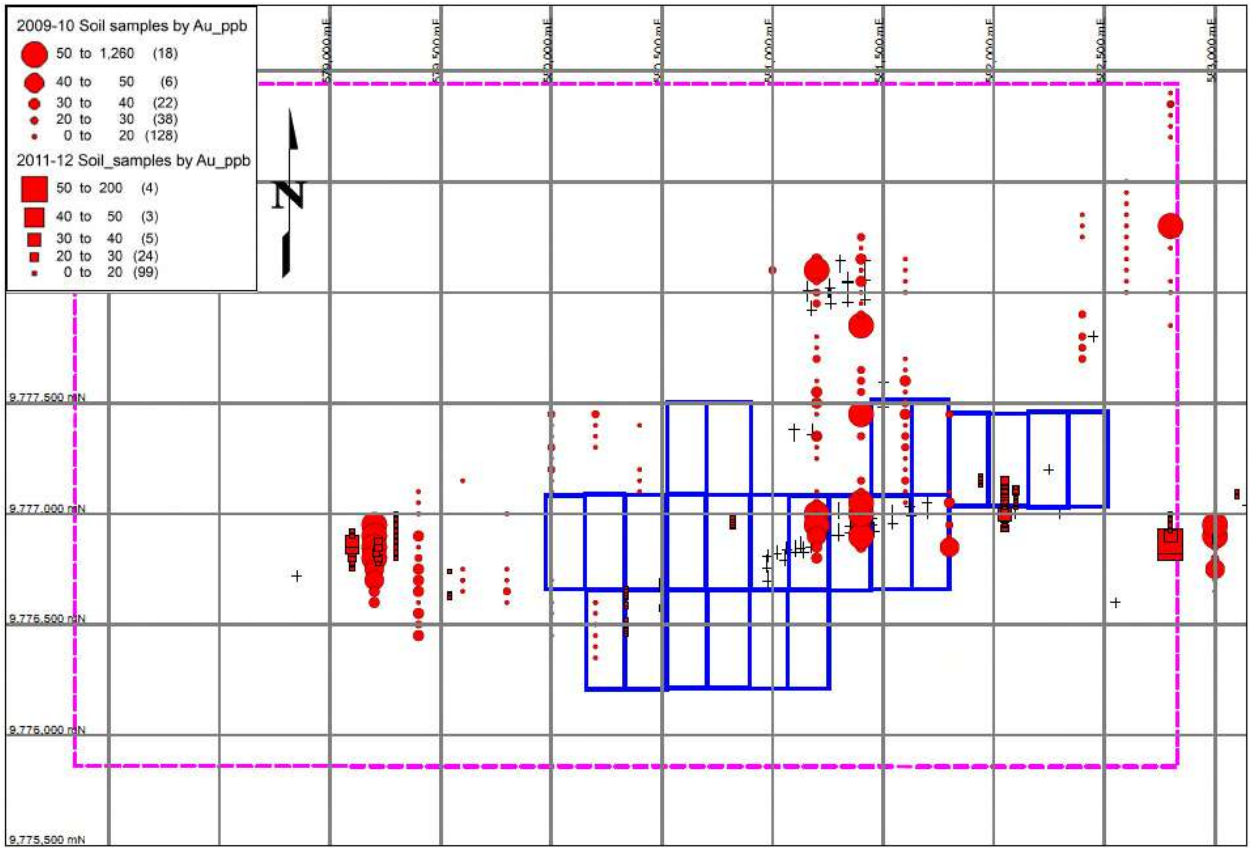


Figure 9. Distribution of gold values from soil sample survey, Kinyambwiga Property

One north-south drill fence of 8 Auger holes, spaced 10 meters apart, was completed on the eastern side of the Kanunga School Anomaly (UTM 583000mE, 9776900mN). Results indicate a cluster of anomalous values ranging between 30 ppb to 180 ppb gold and averaging 77 ppb gold over a 40 meter interval. A sample of the quartz stone layer was collect for analysis which returned 2.56 g/t gold. It is the same stone layer, located on the contact between the granite and overlying "mbuga" and representing a transported horizon. It is believed that this is responsible for the anomalous gold values noted in the RAB holes to the north.

Soil sampling on the Suguti property yielded 652 samples which were processed as all the other samples and submitted to SGS Laboratories in Mwanza for analysis by aqua regia digestion and AA analysis. A number of gold anomalies attaining a maximum of 80 ppb gold appear to form at least 3 northeast-trending subparallel zones up to 2.5 kilometer strike length in northern part of property. Few coherent gold geochemistry anomalies appear to exist in the southern portion of the Suguti property (Figure 10). Arsenic analyses were run on the hand dug soil samples and show some anomalies coincident with gold anomalies in the southern part of the Suguti property (Figure 11).

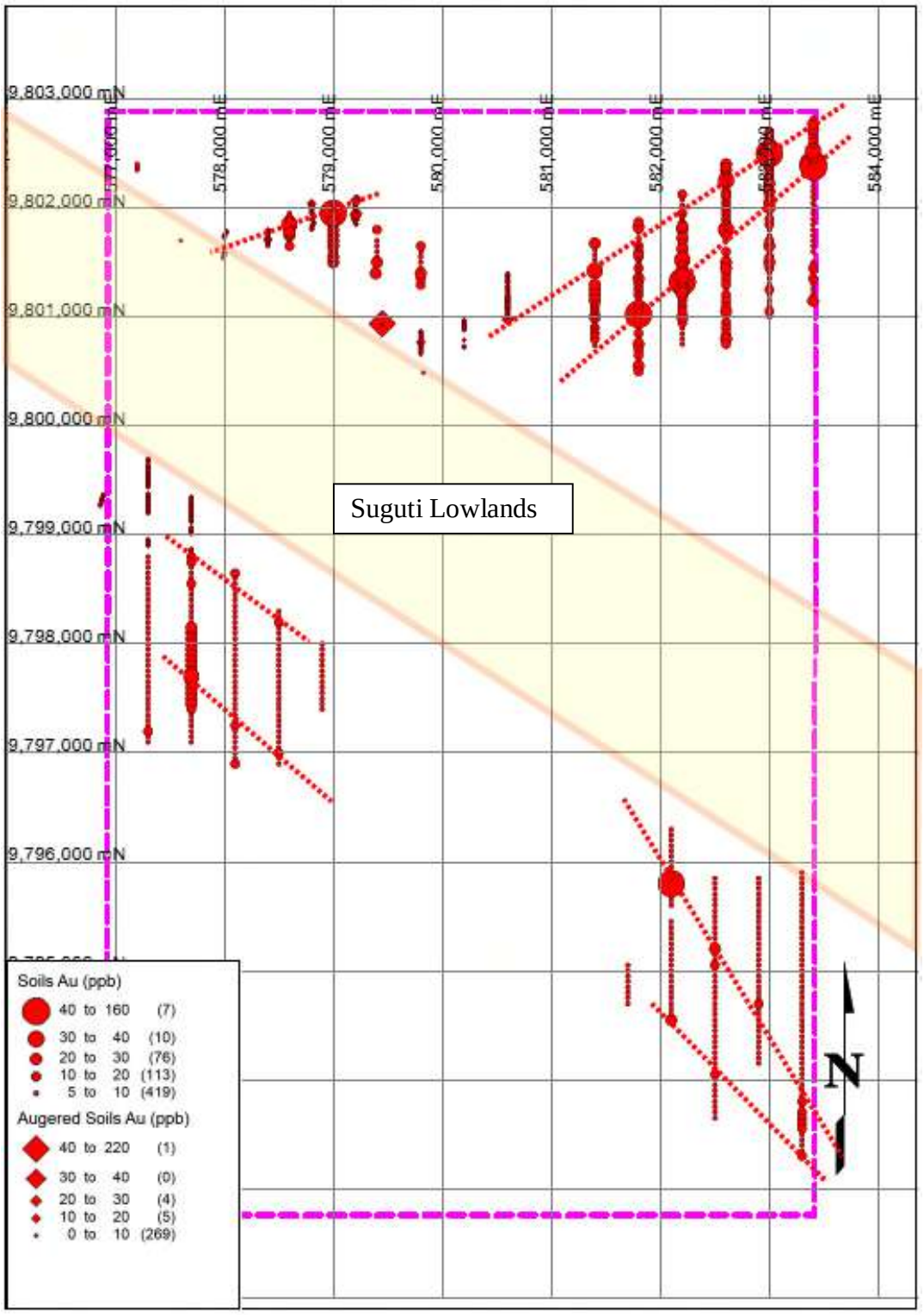


Figure 10. Results from the hand dug and mechanically augered soil samples from the Suguti Property. Red dotted lines show some potential trends in the results separated by the lowland area over the Suguti Shear Zone.

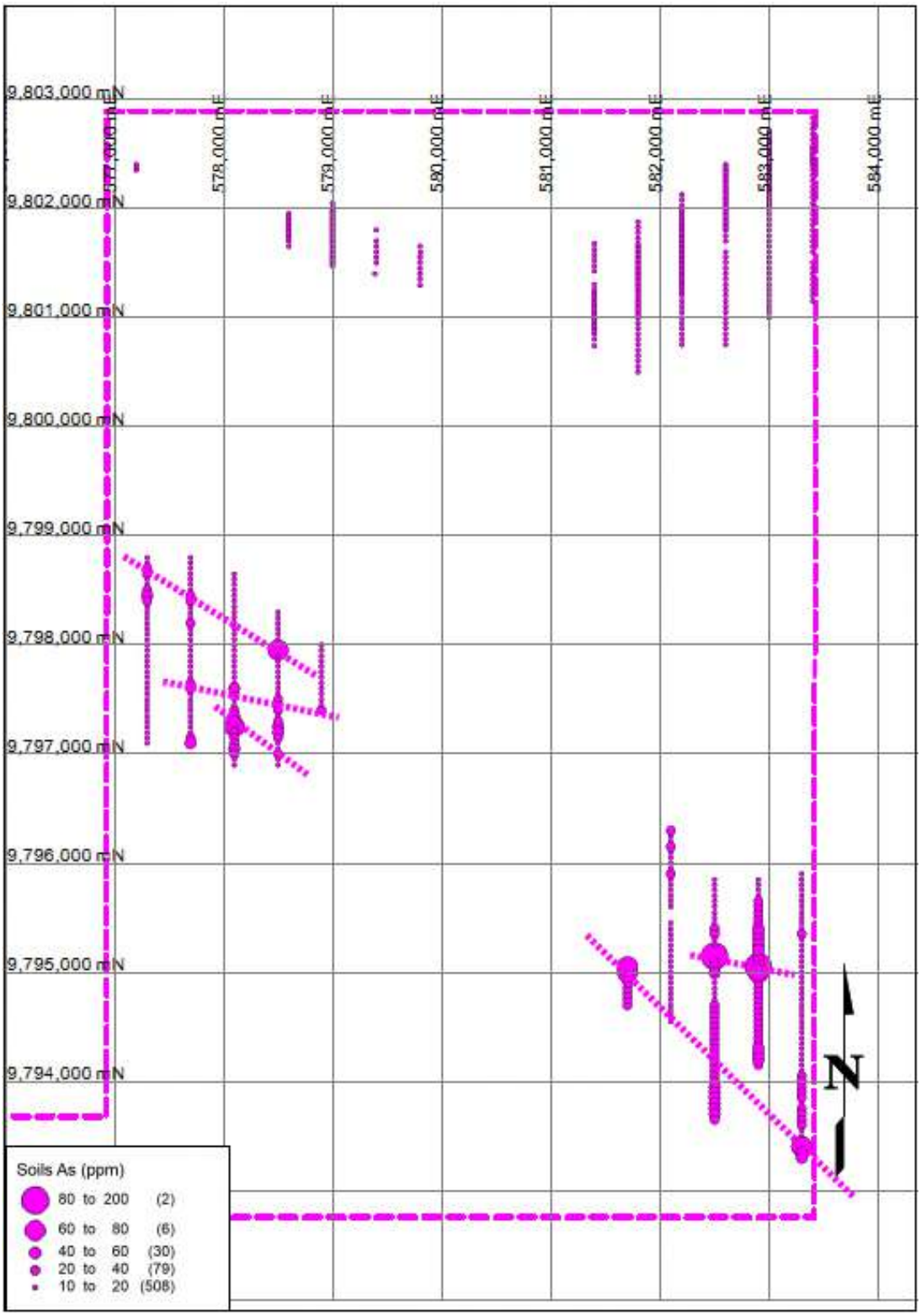


Figure 11. Arsenic in soils fro only the hand-dug samples shows no values in the north, and significant trends in the south.

Ninety termite mounds were sampled and panned, and 89 were submitted for analysis. Twenty three samples yielded results >10 ppb, three of which were >100 ppb.

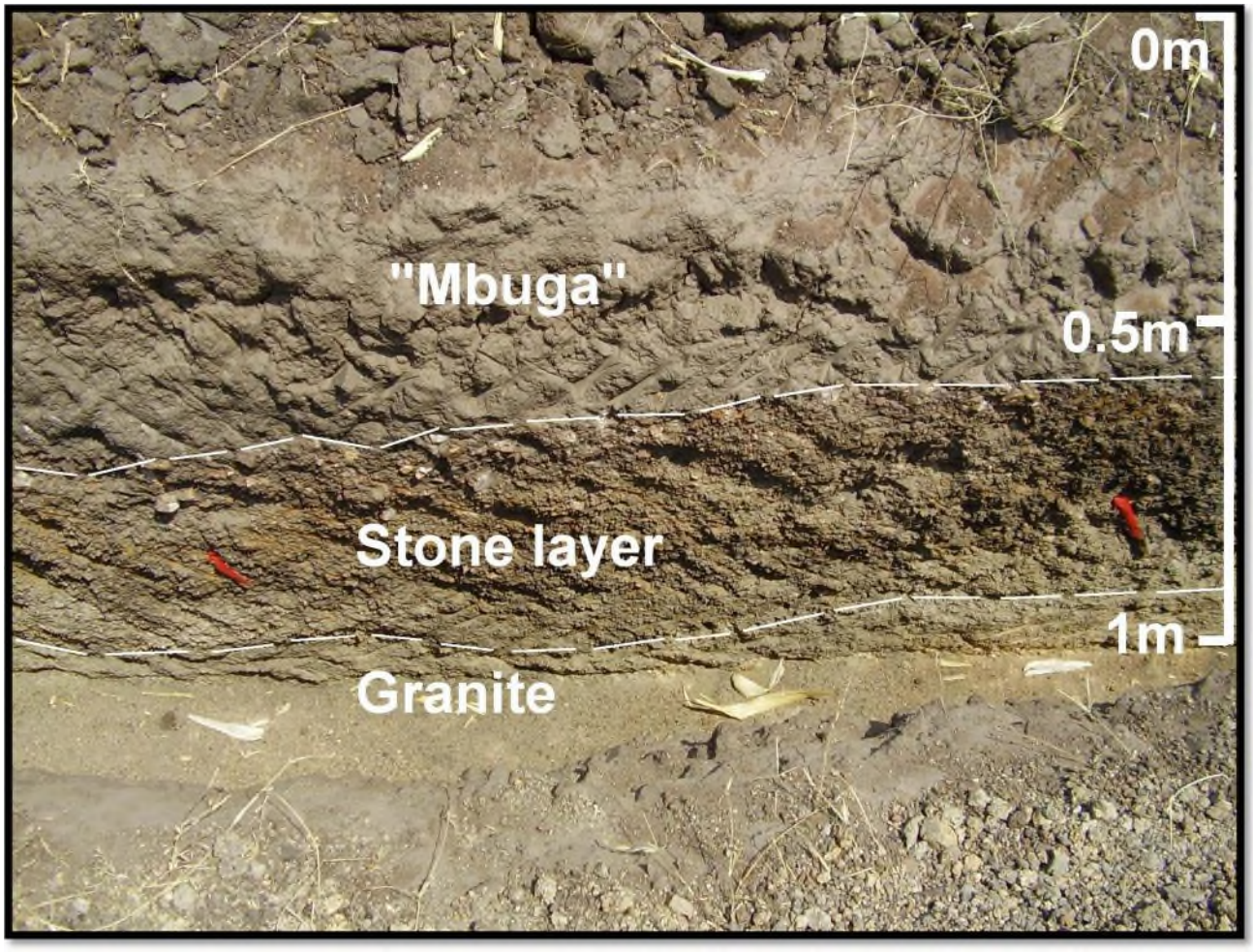
9.3 Trenching

There were 2 phases of trenching on the Kinyambwiga property undertaken during September 2009, Ngasa (2009), and again between July 2010 and July 2011.

Phase 1

Procedures and Parameters of Trenching

The trenches were oriented north and were excavated on a non-systematic grid pattern. The trenches all went below the surface mbuga and quartz stone-line. A thin stone line, containing anomalous gold values, is characteristically present at the interface between the base of the mbuga and the top of the granitic basement rock (Photograph 3).



Photograph 3. Typical Sidewall Profile of Trench Excavated on the Kanunga 1 Gold Prospect (photograph from King and Barber, 2011).

The trenches were, on average, 1 to 1.5 meters deep (**Photograph 4**)

Photograph 4. North Trending Excavated to Granitic Bedrock in the Kanunga 1 Gold Prospect; Two Meter Channel Samples Taken at the Base of the West Wall (photograph from King and Barber (2011).

Trenching Methods, Quality

The method was acceptable for reconnaissance exploration and the quality of trenching provided a reasonable first-pass sampling medium. Initially old trenches were reopened or extended, and in Phase 2, additional trenches were excavated. All excavations are by hand.

Trench Location, Number, Type, Nature, Spacing, Size of Area Covered

Table 5 shows the location and results for the trenches on the Kanunga 1 gold prospect, Kinyambwiga Property.

Table 5: Phase 1 Trench Locations on the Kanunga 1 Gold Prospect & Results

Trench Number	Length (m)	Section	Coordinates East	Coordinates North	Azimuth (deg)	From (m)	To (m)	Interval (m)	Grade Au g/t
KNT0001	40		581449	9776952	0	22.8	26.9	4.1	3.28
KNT0002	40		581249	9776890	0	27.7	29.3	1.6	5.94
KNT0003	50		581215	9776868	0	28.6	30.8	2.2	2.66
KNT0004	50		581173	9776850	0	39.9	40.5	0.6	1.47
KNT0007	32		581659	9777354	0	16.5	24.5	8	4.76
		Including				***22***	***23.5***	***1.5***	***15.61***
KNT0008	4		581237	9776918	0	1.5	2.6	1.1	1.05
KNT0009	10		581308	9776916	0	2.7	3.7	1	7.88
KNT0015	24		581291	9776928	0	2.6	4.1	1.5	1.69
KNT0016	10		581189	9776938	0	7	7.3	0.3	1.1
KNT0018	22		581286	9776904	0	7.2	7.7	0.5	1.11
KNT0021	10		581158	9776882	0	3	4	1	2.63
KNT0022	10		581152	9776928	0	2	2.5	0.5	3.72
KNT0023	6		581459	9776968	0	3	4.7	1.7	2.96
KNT0026	30		581143	9776860	0	2	4.5	2.5	1.09
		and				7.5	11	3.5	3.82
		Including				***9.5***	***10***	***0.5***	***14.19***
		and				21	23.5	2.5	3.69
KNT0027	10		581131	9776920	0	6.3	6.7	0.4	5.75
KNT0028	12		581087	9776902	0	5	6	1	3.02
KNT0029	24		581433	9776978	0	3.3	4.3	1	0.83
KNT0030	10		581439	9776966	0	4	7	3	3.42
		Including				***5.5***	***6.5***	***1***	***14.76***
KNT0031	20		581260	9776904	0	17.3	18.8	1.5	1.52
KNT0036	26		581501	9776968	0	3	3.8	0.8	3.99
KNT0038	12		581419	9776964	0	8.5	10	1.5	1.48
KNT0039	50		581327	9776938	0	4.5	5.5	1	1
		and				6.7	7.3	0.6	1.27
		and				12	13	1	0.98
KNT0040	30		581409	9776866	0	7	8.5	1.5	1.5
		and				12.5	13.5	1	1.11
KNT0043	30		581379	9776858	0	13	13.5	0.5	1.04
		and				14.5	15	0.5	2.66
KNT0048	70		581271	9776794	0	57.5	58	0.5	1.04
KNT0052	30		581307	9776830	0	17.5	20	2.5	2.82

		and				26.5	27	0.5	2.52

The trenches tested a number of quartz veins exposed by artisanal activity on the Primary Mining Licenses. Trenching defined a number of sub-vertical dipping quartz veins that pinch and swell over a strike of some 500 meters.

Infrequent northwest striking mafic dykes cross-cut the granite. A number of massive quartz veins, from 0.5 to 3 meters in width dipping steeply south, are interfoliated within east northeast striking zones of sheared (schistose) granite up to 8 meters in width (Photograph 5). The best gold grades recorded are associated with quartz veins but minor anomalous values were also reported in sheared wall-rocks. Where quartz veins >0.3 meters were exposed samples were taken across them and 1 meter intervals of the foot- and hanging wall rocks.

Photograph 5. Steeply Dipping Sheared Auriferous Quartz Vein Exposed in Artisanal Workings - Width Approximately 35 Centimeters (Photograph from King and Barber, 2011).

Phase 2 Trenching Kanunga 1 Gold Prospect

Procedures and Parameter of Kanunga 1 Phase 2 Trenching

Phase 2 trenches were selected from the Phase 1 trenches based on a north oriented grid spacing of 160 meters, (Figure 12). The selected trenches were re-opened, extended, or excavated, mapped on a 1:100 scale, and the bedrock sampled in 2 meter length composite intervals.

Trenching Methods, Quality

The method was acceptable for reconnaissance exploration and the quality of trenching provided a reasonable second-pass sampling medium.

Trench Location, Number, Type, Nature, Spacing, Size of Area Covered

Table 6. Phase 2 Trenches Selected for Re-Opening and Extended to Verify Geological and Analytical Information on the Kanunga 1 Gold Prospect.

		BEGINNING		END				
SECTION	TR ID	EASTING	NORTHING	EASTING	NORTHING	LENGTH	AZ	SAMPLES
581305	KNT 0052A	581305	9776814	581305	9776882	68	357	34
581313	KNT 0024A	581313	9776876	581313	9776926	50	354	25
581463	KNT 0053A	581458	9776812	581463	9776880	68	350	34
581461	KNT 0046A	581461	9776880	581461	9777034	154	352	80
581292	KNT0015A	581295	9776926	581292	9776958	32	356	17
581146	KNT 0026A	581146	9776864	581146	9776942	78	360	41
581162	KNT 0026B	581160	9776814	581162	9776864	50	360	25
581476	KNT 0050A	581476	9777502	581476	9777605	103	360	52
						604		**308**

Phase 2 Kanunga 1 Gold Prospect Trench Results

Table 7 Summary of Phase 2 Trench Intersections on the Kanunga 1 Property

Trench Number	Length (m)	Section	*Co-ordinates		Azimuth (deg)	From (m)	To (m)	Interval (m)	Grade Au g/t
			East	North					
KNT0024A	50		581313	9776876	354	42	44	2	8.08
KNT0046A	154		581461	9776880	358	94	101	7	2.38
KNT0015A	32		581295	9776926	5	4	4.6	0.6	2.2
KNT0026A	78		581146	9776864	0	18.6	20	1.4	1.63
KTRA	16.8		581455	9776980	180	11.8	12.8	1	29.1
KTRC	8.5		581892	9776880	180	0	6.5	6.5	14.51
		Including				***4.5***	***6.5***	***2***	***34.85***
KTRE	45.6		581432	9777007	180	0	2	2	2.56
KTRI	78		581196	9777012	180	66	67.5	1.5	1.94
KTRL	76		581243	9778118	180	14	24	10	3.51
KTRU	11		582442	9777122	180	3	6	3	4.82
KTRH	48		581265	9776955	180	36	40	4	0.7
KTRG	30		581263	9778064	180	15.3	15.8	0.5	1.05
KTRK	15		581264	9778108	180	0	12	12	1.44
KTRO	84		579220	9776974	180	38	40	2	0.83
		And				82	84	2	0.78

Kanunga 2 Gold Prospect Phase 2 Trench Results

A single 100 meter long north trending trench was excavated across the quart float. Although a 4 meter wide zone of east northeast striking sheared rock, interfoliated with thin quartz veins, was

intersected towards the middle of the trench, assay results of the 2 meter composite samples were not anomalous for gold.

Kanunga 3 Gold Prospect Phase 2 Trench Results

There are only historical trenches dug on Kanunga 3.

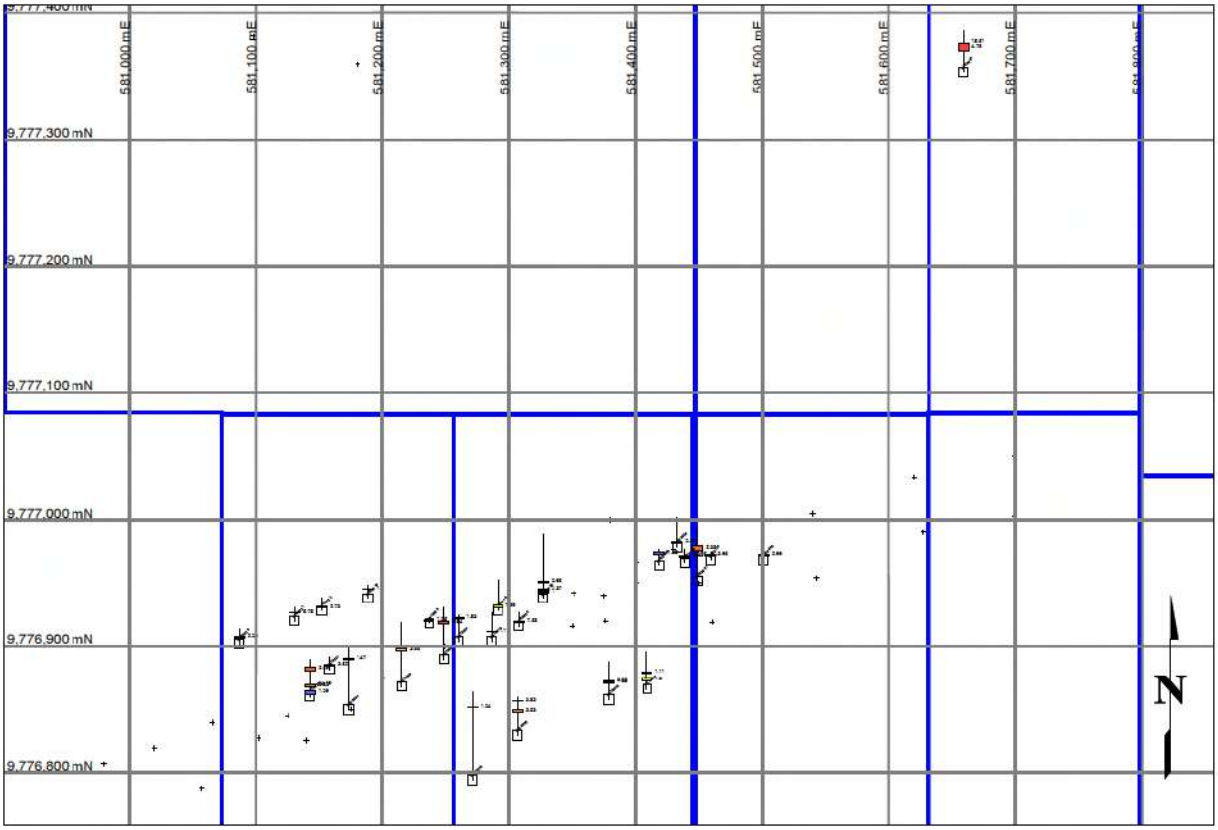


Figure 12. Location of Trenches (and drill collars "+", with gold assays in gpt.

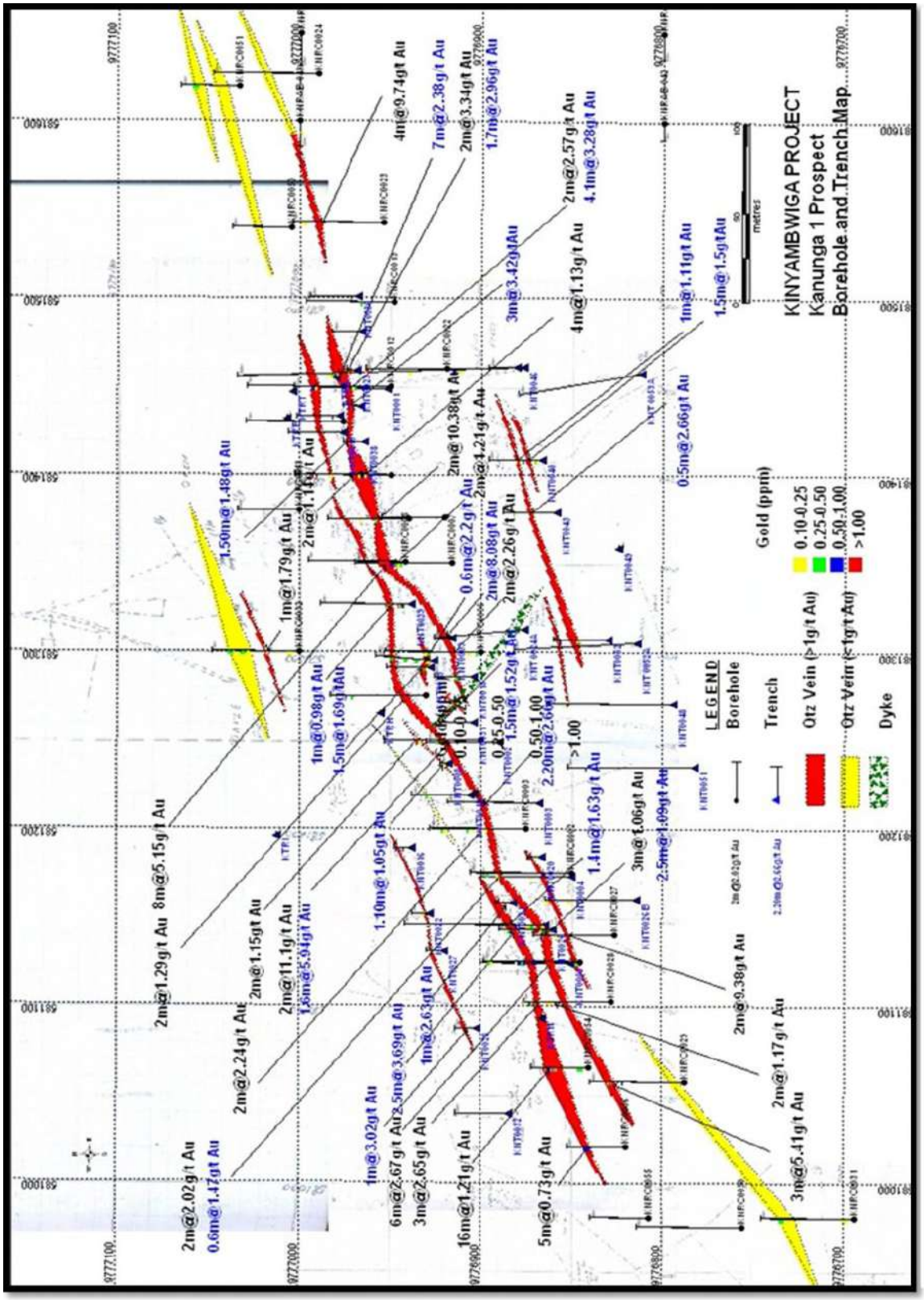


Figure 13. Distribution of Mineralized Quartz Veins in Phases 1& 2 Trenches on the Kanunga 1 Gold Prospect (after King and Barber, 2011).

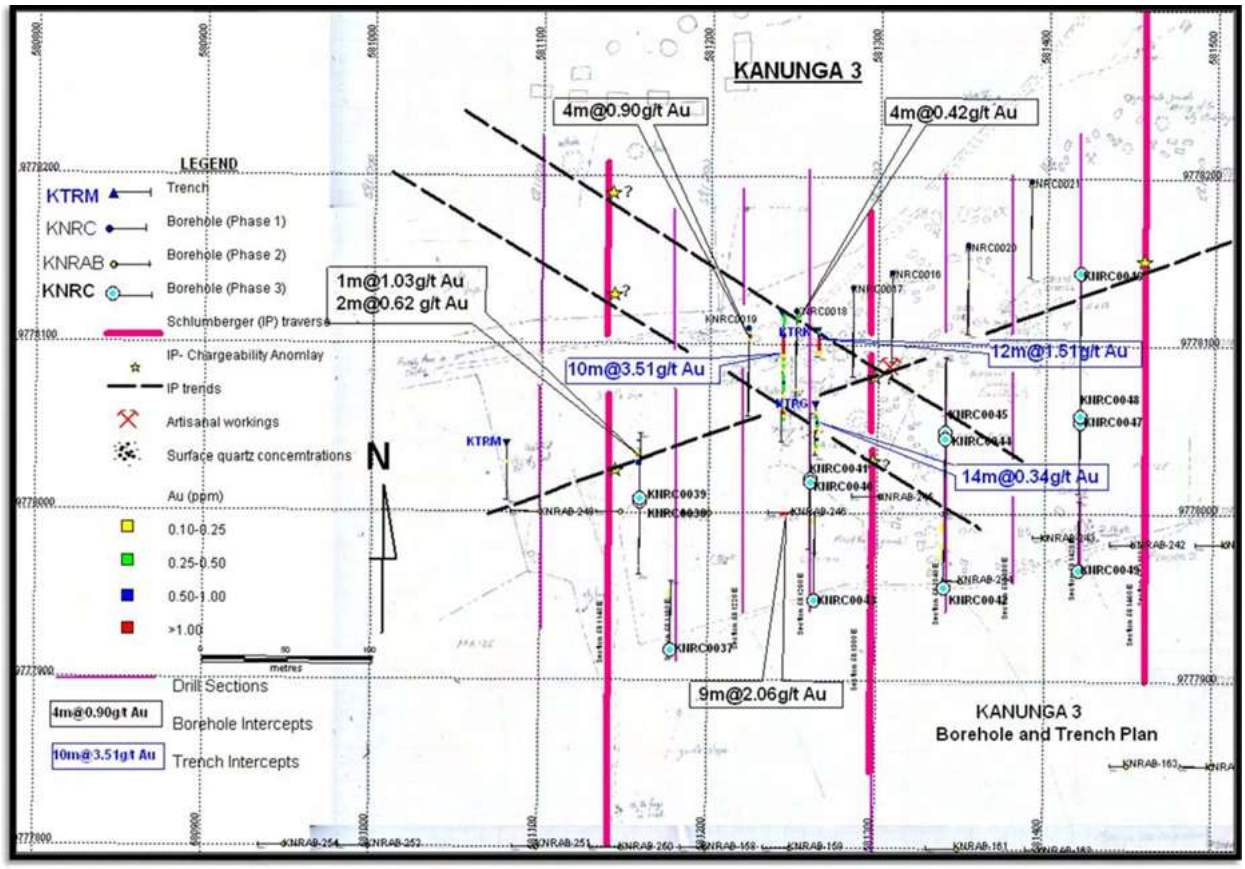


Figure 14. Artisanal Workings In The Kanunga 3 Gold Prospect Showing Borehole And Trench Locations (King and Barber, 2011).

Table 8. Results of previous trenching on Kanunga 3 prospect (King and Barber, 2011).

Trench	From (m)	To (m)	Interval (m)	Grade Au g/t
KTRL	0	64	64	0.82
Including	14	24	10	3.51
KTRK	0	12	12	1.44
KTRG	8	28	20	0.3
including	15.3	15.8	0.5	1.05

Suguti Property

Pitting was completed to follow-up on geochemical and geophysical anomalies in late 2011. Orientation pits were dug to determine the depth of the "mbuga" as well as to test the contact between the granite and the greenstone rocks in the northern part of the licence. A total of 14 pits

were dug, and on average, the thickness of the "mbuga" varied between 0.8 to 1.20 meters (Table 9).

Table 9. Pits indicate the depth of the underlying lithologies in the northern part of Suguti Licence.

Target	Section	Stations	Mbuga Depth (m)	Laterite Depth(m)	Pits Depth(m)	Sample No	Au ppb	Lithology
2	578000	9802150	0.40	0.90	1.60	A32105	<10	Saprock
2	578000	9802174	0.30	0.30	1.40	A32106	10	Saprock
2	578002	9802201	0.60	-	1.60	A32107	<10	Granite
2	578000	9802224	0.60	-	0.90	A32108	20	Granite
2	577601	9802298	0.80	0.70	1.80	A32109	<10	Saprock
2	577602	9802326	0.80	0.20	1.20	A32110	<10	Saprock
2	577597	9802348	0.60	0.50	1.50	A32111	<10	Granite
2	577596	9802372	0.70	0.70	1.60	A32112	<10	Granite
2	577200	9802352	0.80	-	1.40	A32113	<0.01	Dk grey soil
2	577201	9802372	0.90	-	1.40	A32114	0.01	Dk grey soil
2	577201	9802400	0.80	-	1.40	A32115	pending	Dk grey soil
2	577200	9802420	0.90	-	1.40	A32116	pending	Granite
2	577198	9802446	0.90	-	1.30	A32117	pending	Granite
	577198	9802478	0.70	-	1.30	A32118	pending	Granite

Most of the pits encountered granite and failed to intersect the greenstone lithologies whose contact is further south than expected. Consequently the samples collected were barren of gold.

One meter horizontal channel sample were taken from the side wall of the pits, 5 cm above bedrock for assaying. A total of 14 samples were collected and 3 samples submitted for Gold Analysis to SGS Laboratory Mwanza. Assay values of <10ppb of gold was returned from each of the pits.

A total of twenty one grab samples from outcrops exposures was collected, and submitted to SGS Laboratory, Mwanza for 50gm Fire analysis for gold. Results are shown in (Table 10) in which a maximum value of 260ppb of gold was returned from one sample.

Table 10. Distribution of assay values from the rock samples

Grade (Au ppb)	No of Samples	% of Samples
<10	11	52.4
10	4	19.0
20	4	19.0
30	1	4.8
260	1	4.8
Total	21	100.0

9.4 Geophysics

Kinyambwiga Property

Gradient array and Schlumberger IP surveys were undertaken over the Kinyambwiga Prospect.

Gradient array surveys were completed mid-2010. The survey was undertaken in-house using the Company's IP equipment and field teams. The work was supervised and the results processed by the Company's consultant geophysicist, Dr. Misac Nabighian, in Colorado, USA. The figures and interpretations were largely done by Dr. Nabighian on a consulting basis to the Company.

The Kinyambwiga Prospect was divided into 24 blocks, numbered A - W, each 1.1 x 1.4 kilometers in size to facilitate ground survey. Each block was gridded on 200 and 400 meter spaced N-trending traverse lines in the east and west portions of the concession respectively. Each block, gridded on 200 meter spaced lines, contained 8 N-trending profiles to provide tie-lines in adjacent blocks to assure accuracy of data; i.e: The 8th line, moving from east to W, provided the tie-line for the 1st line in the new block. On the west side of the license, Blocks M, N, O, P, Q, S, T, U, V and W, the line spacing was increased to 400 meters and 4 north profiles with tie-lines were completed for each block. A total of 166 line kilometers, including overlapping lines, were completed (Figure 15).

Gridding was undertaken by GPS. Dipoles were spaced 25 meters apart along the traverse lines. Meter long wooden pegs, flagged and numbered with the UTM coordinate position, were placed at each dipole station. The IP Gradient Survey was conducted using an Iris receiver, 10kw Walcer geophysics transmitter and a 6kw Walcer geophysics generator. The current electrodes were located 3 kilometers apart, between Lines 4 and 5 in each block, with the transmitter wire laid down in a U shape. The two current electrodes, C1 and C2, are placed at each end of the 3 kilometer long Tx-line. The Tx-line and potential lines were not run parallel to reduce electromagnetic coupling effects, Figure 16).

The results of both the resistivity and chargeability gradient arrays surveys are shown in Figure 17 and Figure 18. The south part of the license is reflected by low resistivity that increases towards the southeast corner of the license suggesting a possible thickening of the overlying sediments. In that regard, it has been interpolated that a series of east northeast trending half grabens, sympathetic to the regional shear foliation, are present in the central to southern part of the area. The Kanunga 1 Gold Prospect is located along the edge of such a regional structure.

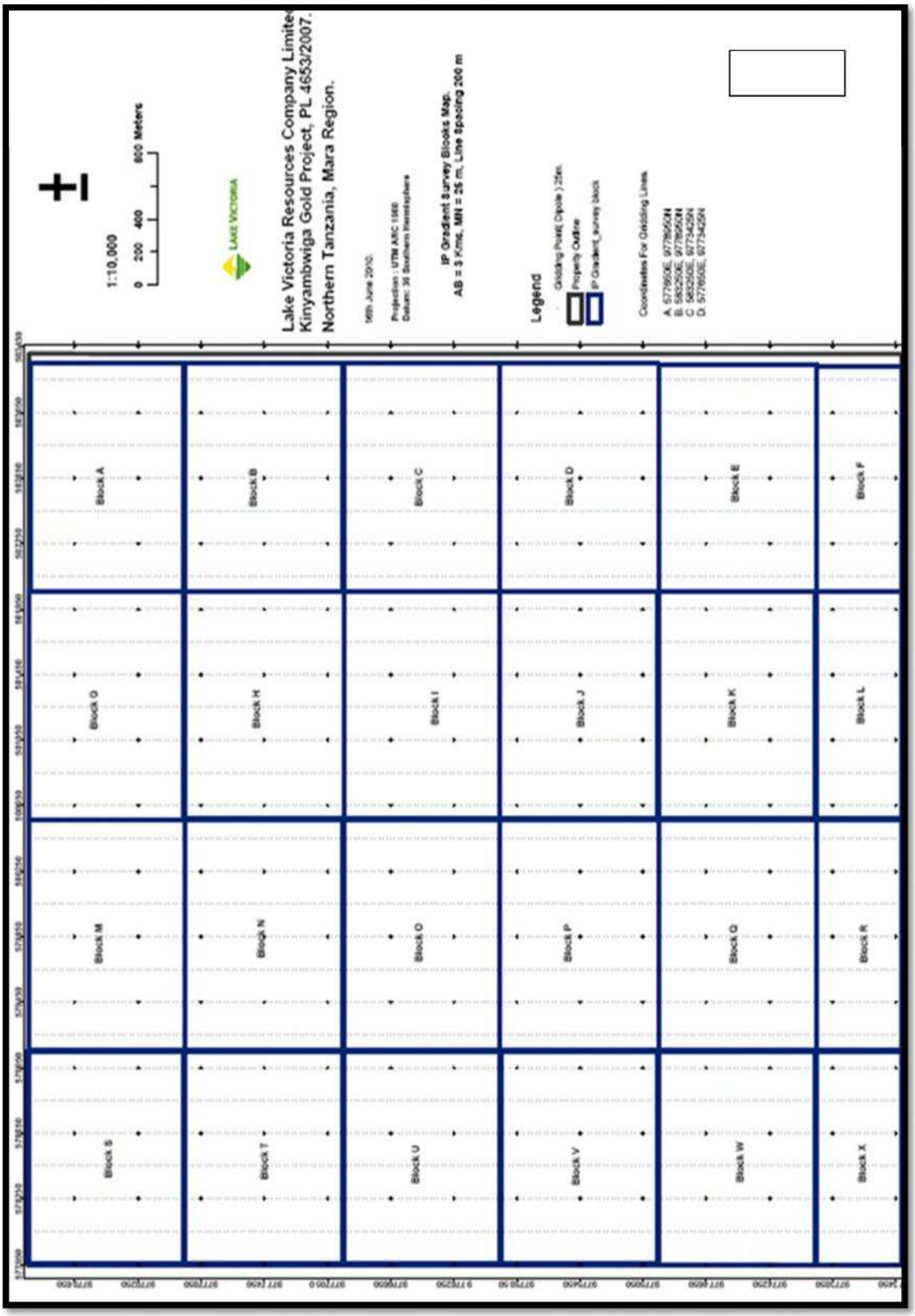


Figure 15. IP Grid Layout Over the Kinyambwiga Property. Dr.Misac Nabighian (after King and Barber, 2011).

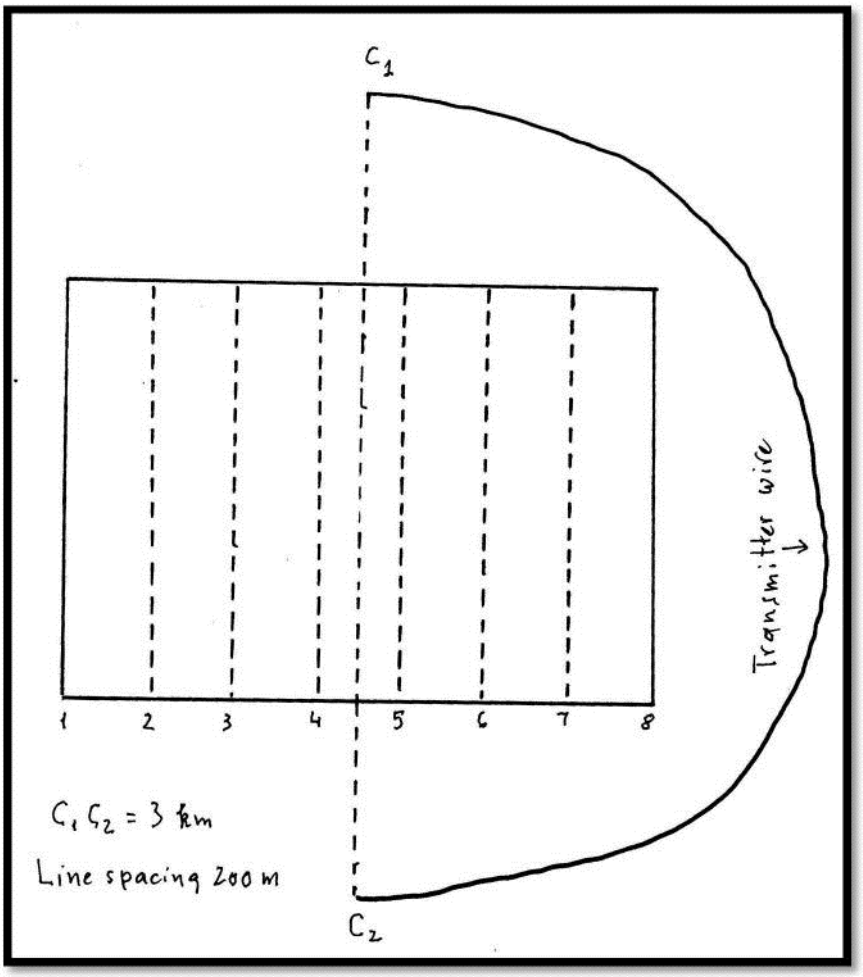


Figure 16. IP Loop Layout for each Block surveyed in the Kinyambwiga Property. Dr Misac Nabighian (after King and Barber, 2011).

Selective Schlumberger Vertical Electric Soundings (VES) profiling was undertaken across the known exposures of quartz veins in the Kanunga 1 Gold Prospect in the Kinyambwiga Project Area as part of an orientation survey to determine the viability of utilising this IP method to locate sub-surface auriferous quartz veins. A total of 6 orientation lines were initially completed. A further 3 lines were later completed to the east and west of the workings in an attempt to trace the unexposed quartz vein along strike. Additional profiles were undertaken across the Kanunga 2 and 3 Gold Prospects, Table 11 and Figure 19.

Table 11: Schlumberger IP Traverses Across the Kanunga 1-3 Gold Prospects

	BEGIN		END		
Target	**Easting**	**Northing**	**Easting**	**Northing**	**Length**

*Kanunga 1	581300	9777100	581300	9776800	300
*Kanunga 1	581380	9777100	581380	9776800	300
*Kanunga 1	581220	9777050	581220	9776750	300
*Kanunga 1	581140	9777050	581140	9776750	300
*Kanunga 1	581260	9777050	581260	9776750	300
*Kanunga 1	581340	9777100	581340	9776800	300
Kanunga 1	581620	9777200	581620	9776900	300
Kanunga 1	580980	9777000	580980	9776600	400
Kanunga 1	581460	9777150	581460	9776850	300
Kanunga 2	581500	9777700	581500	9777300	400
Kanunga 2	581700	9777700	581700	9777300	400
Kanunga 2	581300	9777700	581300	9777300	400
Kanunga 3	581300	9778250	581300	9777850	400
Kanunga 3	581140	9778200	581140	9777800	400
Kanunga 3	581460	9778300	581460	9777900	400
Kanunga 3	581700	9778350	581700	9777950	400
Total m					**5600**
*Orientation Survey Line					
	Co-incident chargeability with Quartz Vein				
	Co-incident resistivity with Quartz Vein				

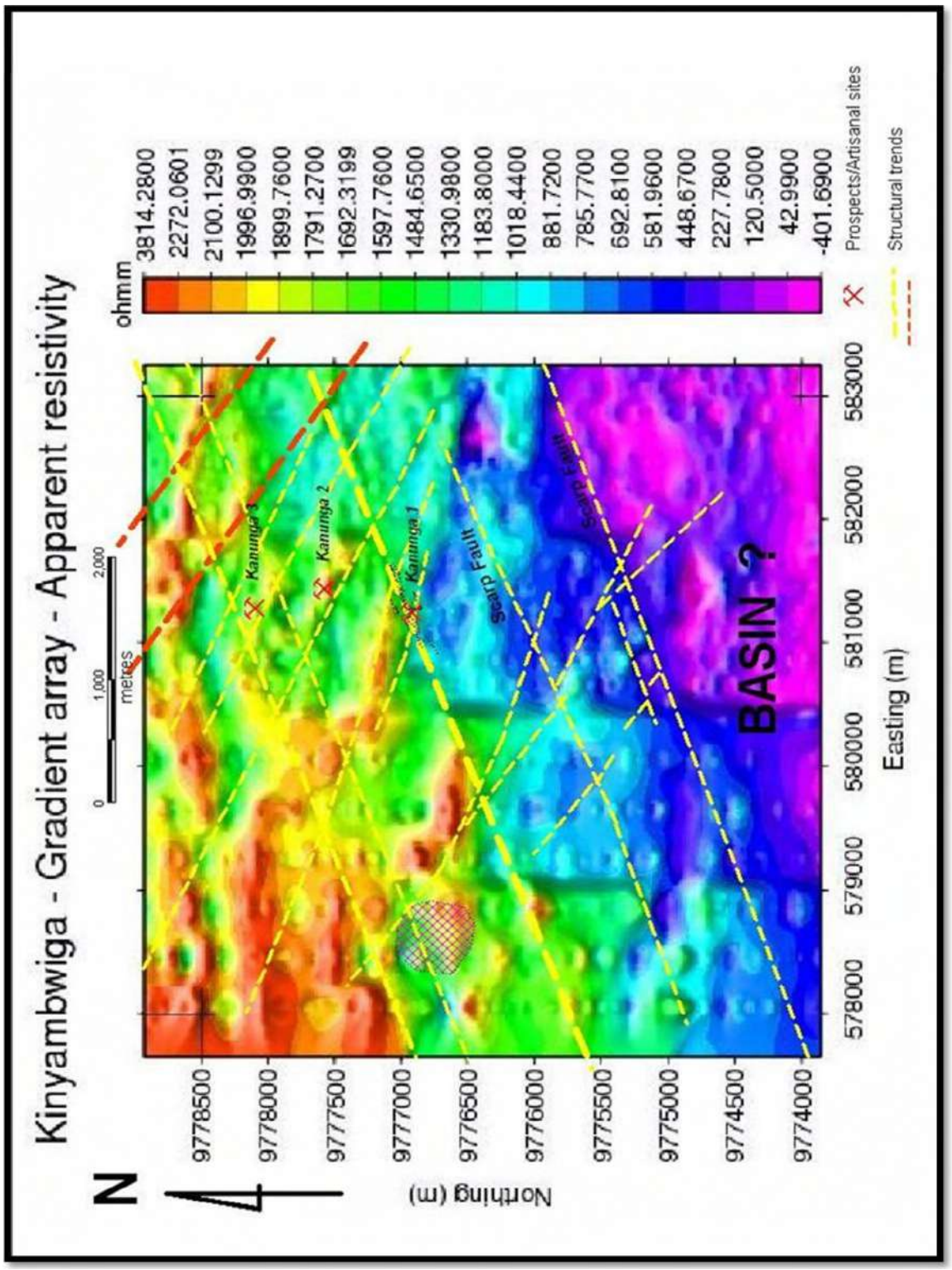


Figure 17. Gradient Array Resistivity Map of the Kinyambwiga Property Showing the Locations of the Kanunga 1,2, and 3 Gold Prospects and Structural Interpretation. Dr. Misac Nabighian (after King and Barber, 2011).

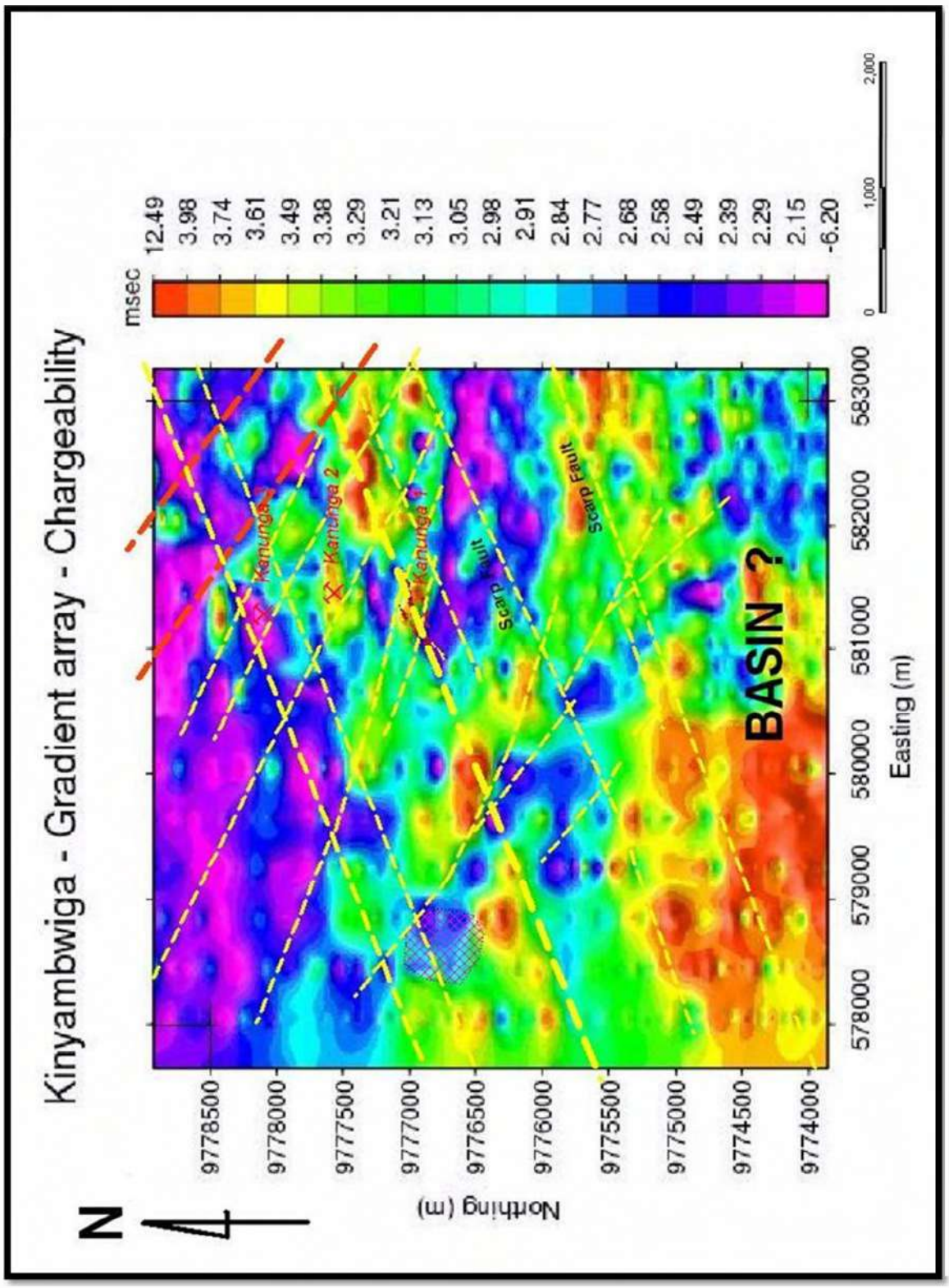


Figure 18. Gradient Array Chargeability map of the Kinyambwiga Property Showing the Location of the Kanunga 1-3 Gold Prospects and the Structural Interpretation. Dr. Misac Nabighian (after King and Barber, 2011).

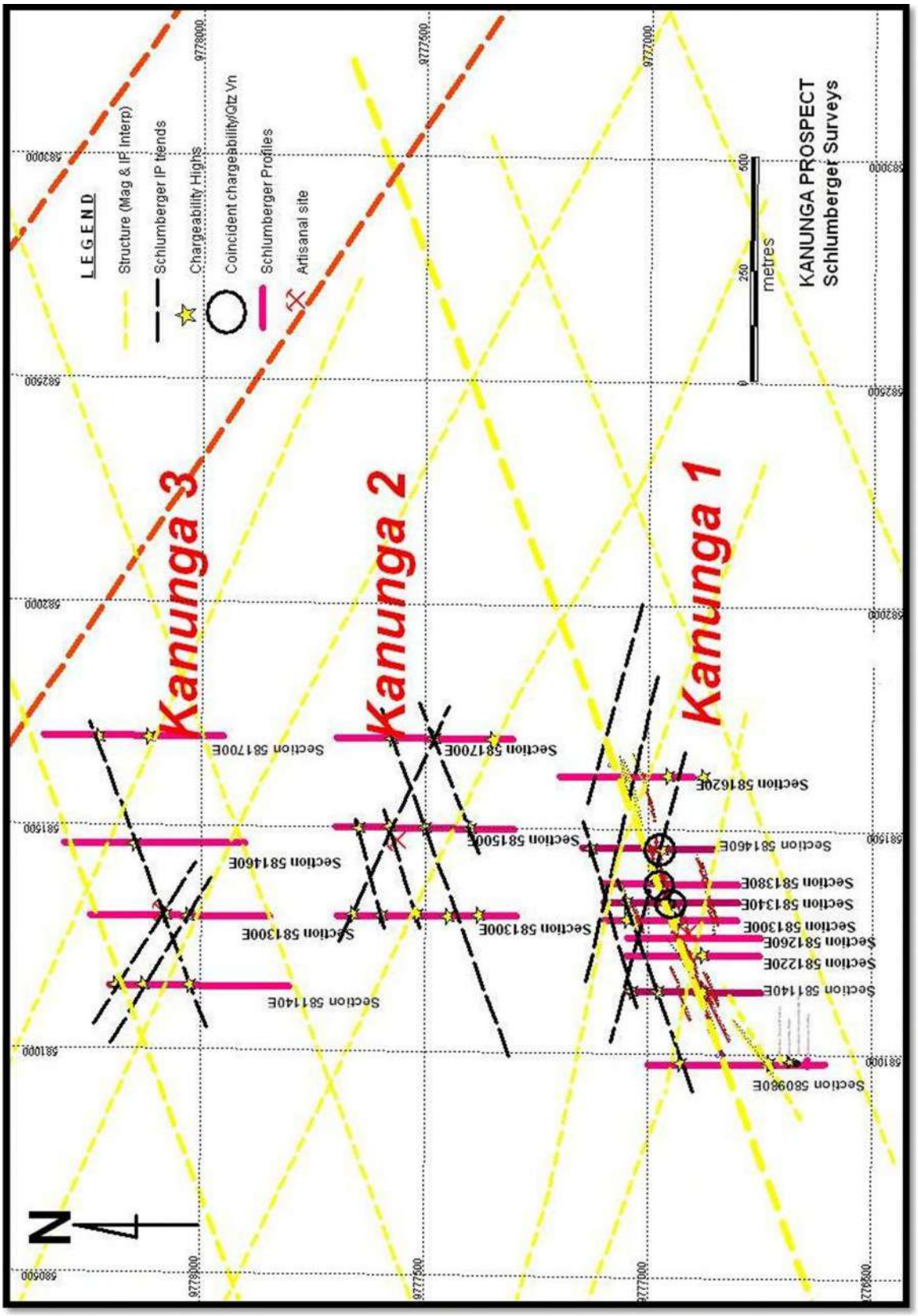


Figure 19. Prospect Map Showing the Locations of Schlumberger IP Survey Lines, after King and Barber, 2011.

Schlumberger IP Survey

The Schlumberger Vertical Electric Sounding (VES) survey was carried out using the same equipment as for the Gradient IP survey. The difference in the two methods is in the potential and current electrode settings. Two potential electrodes (pots) were used together with two current electrodes. The potential electrodes MN remain fixed and small in the centre of the array whilst the current electrodes are continuously moved, from **A1 B1** to **A2 B2 etc** until AB = 400 meters or the length of the traverse line, as illustrated below:

AK← A4 A3 A2 A1 M N B1 B2 B3 B4 → B

The centre of the array is mid-way between MN. By increasing the distance between current electrodes the depth of penetration increases and the plotting point is directly below MN. This is in contrast with the dipole-dipole array where the plotting point varies laterally half-way between the current and potential electrodes.

On commencement of the survey, MN was set at 2 meters whilst $_{A1B1}$ was placed at 6 meters, $_{A2B2}$ at 10 meters, $_{A3B3}$ at 12 meters, up to AB 400 meters or the length of the traverse line. When the signal became too faint or undetectable MN was increased from 2 meters to 6 or 8 meters until AB was 400 meters (or some other value that will allow measurements up to the length of the traverse line). The readings of the last 2 stations were repeated with the new MN position. The amount of change required between the 1st and 2nd MN positions depended upon the local resistivity values which in turn may result in change of the MN position anywhere from 2 to 10 meters. Note: The Transmitter and the Receiver remain fixed at the centre of the array whilst the potential and current electrodes were moved to the designated positions along the traverse line. Once the sounding was completed, both the transmitter and the receiver were moved to the centre of the new station which was every 25 meters along the traverse line. VES readings were recorded at every 25 meter centre locations until the whole profile was covered. Each 25 meter station was marked by a wooden peg.

Kanunga 1 Gold Prospect, Schlumberger IP Traverse Results

The results of the orientation survey completed are summarized in Table 11. Good coincident chargeability anomalies with known quartz veins were found on 2 of the 6 traverses, Figure 20 and Figure 21. The remaining 4 profiles reflected subdued, indistinct and non-coincidental chargeability peaks with the quartz vein. A pronounced coincident chargeability / resistivity anomaly, located ±100 meters north of a quartz vein, is reflected in profiles 581340E and 581300E, Figure 21 and Figure 22 respectively. The anomaly was tested during the Phase 3 drilling program.

Three Schlumberger N-trending VES profiles were undertaken along the strike of quartz veins in the Kanunga 1 Gold Prospect. Profile 581460E was undertaken along its east edge, Figure 23. A strong, co-incident chargeability / resistivity anomaly reflects the position of the quartz vein at a slightly deeper elevation than was noted from the orientation profiles suggesting that the vein may either pinch out or plunge to the northwest.

The survey was extended 160 meters to the east with Profile 581620E. Results indicate a single strong chargeability anomaly positioned approximately 160 meters south of the trend of the main quartz vein, Figure 24, suggesting that the main vein may pinch out to the east and possibly emergence of an en echelon quartz vein set further S. One Schlumberger VES profile was undertaken 160 meters west of the Kanunga 1 quartz vein. A number of subdued chargeability anomalies occur to the north and south of the interpolated trend of the main quartz vein. The deeper and more weathered profile may reflect the position of the regional east northeast trending shear zone.

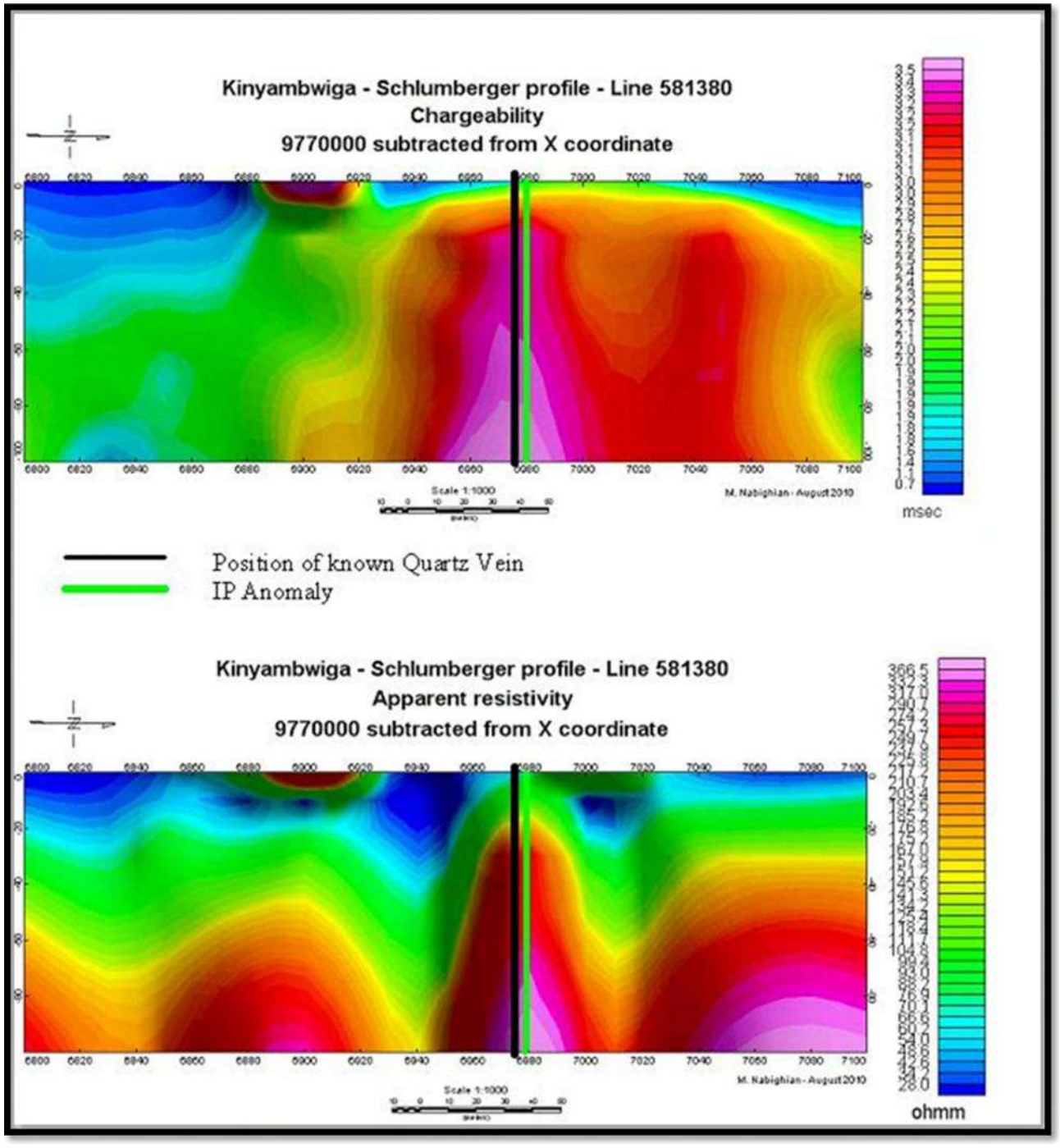


Figure 20. Schlumberger VES Profile 581380E Reflecting Good Correlation of Both the Chargeability and Resistivity Results With the Known Position of a Gold Bearing Quartz Vein. Dr.Misac Nabighian, after King and Barber, 2011.

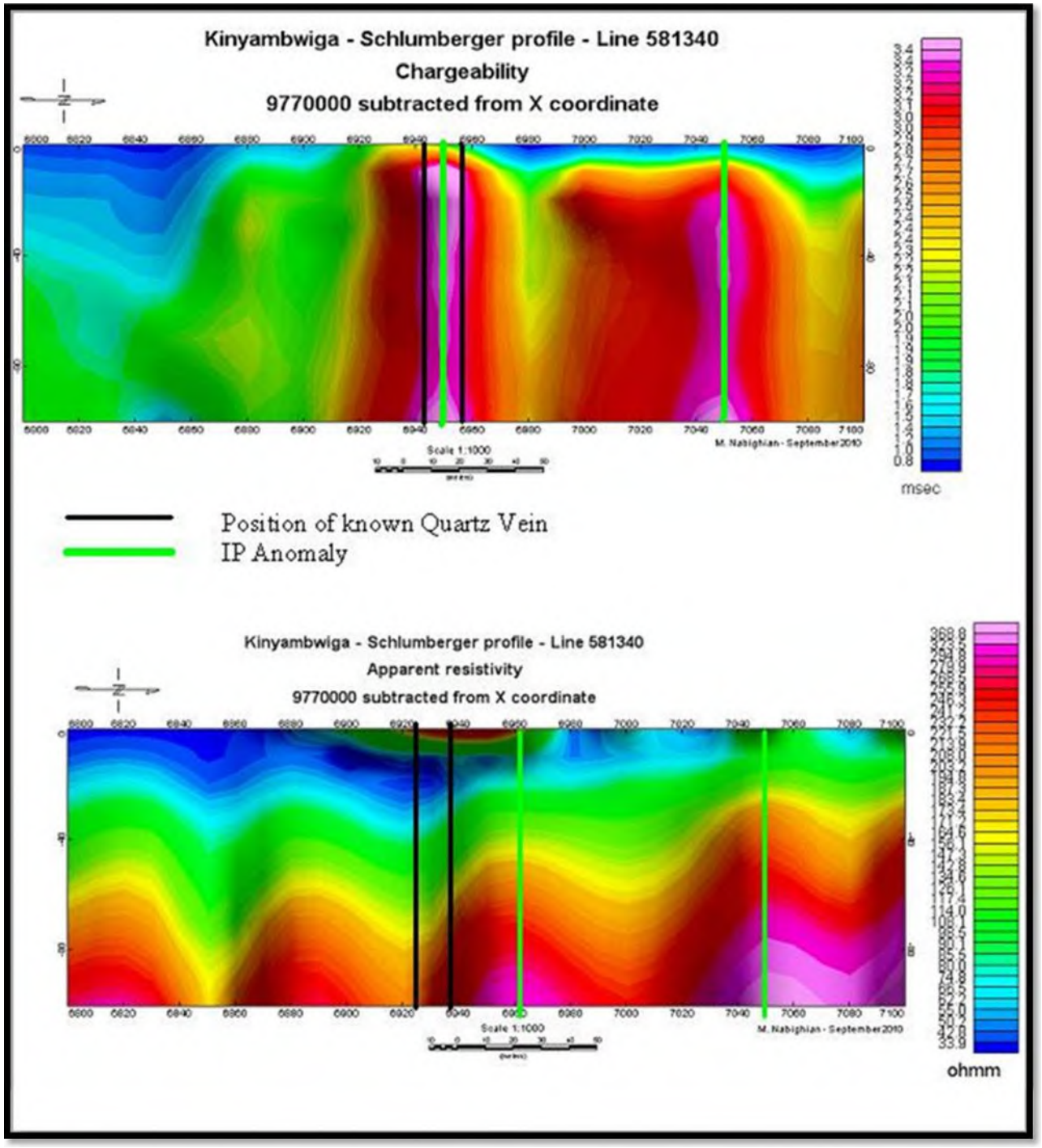


Figure 21. Schlumberger VES Profile 581340E Illustrating a Strong Correlation Between Chargeability and the Position of a Gold Bearing Quartz Vein Although the Resistivity Results are Offset. Dr. Misac Nabighian. After King and Barber, 2011.

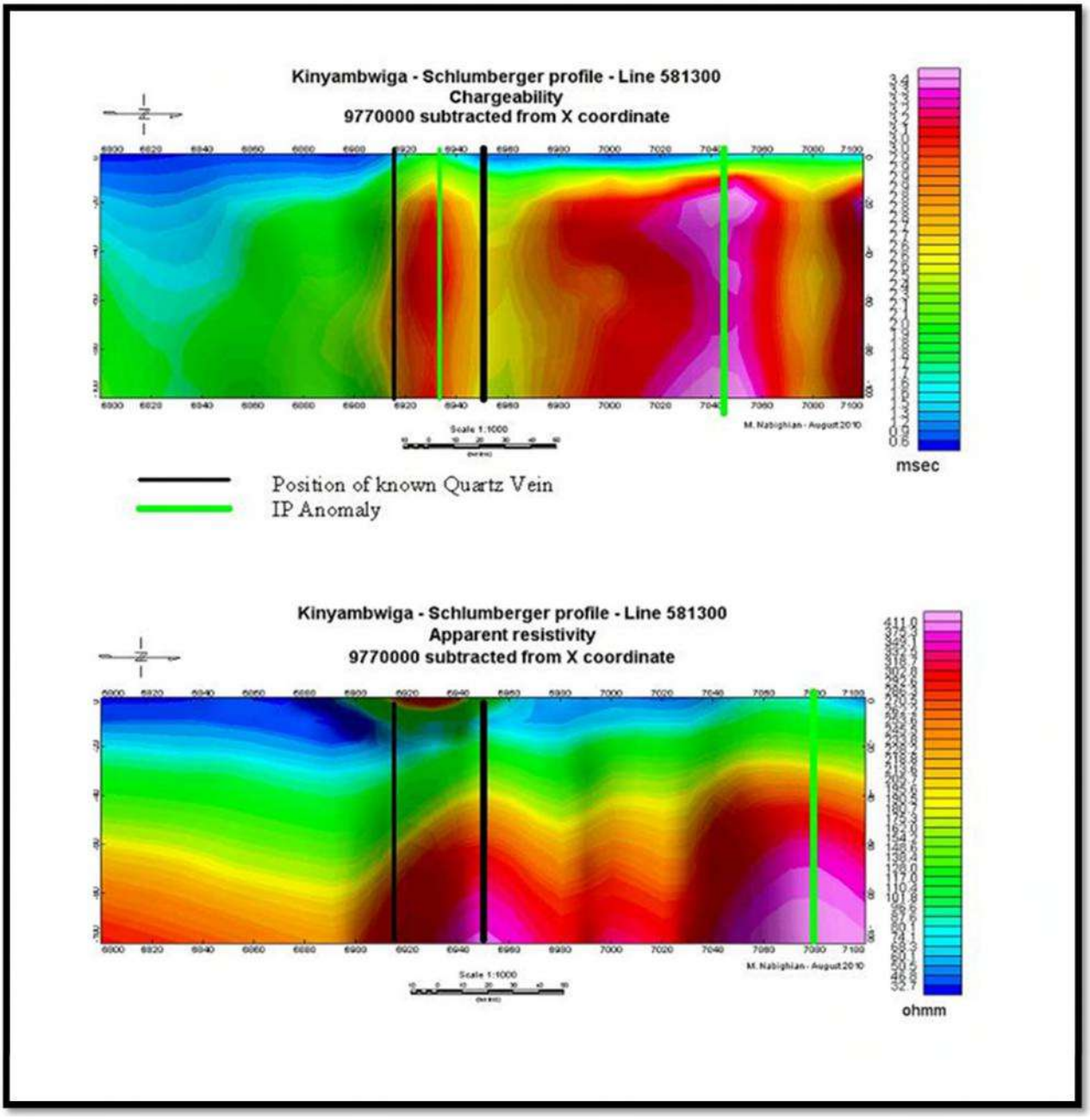


Figure 22. Schlumberger VES Profile 581300E Reflecting a Prominent chargeability Anomaly 100 Meters North of a Known Quartz Vein. Dr. Misac Nabighian (after King and Barber, 2011).

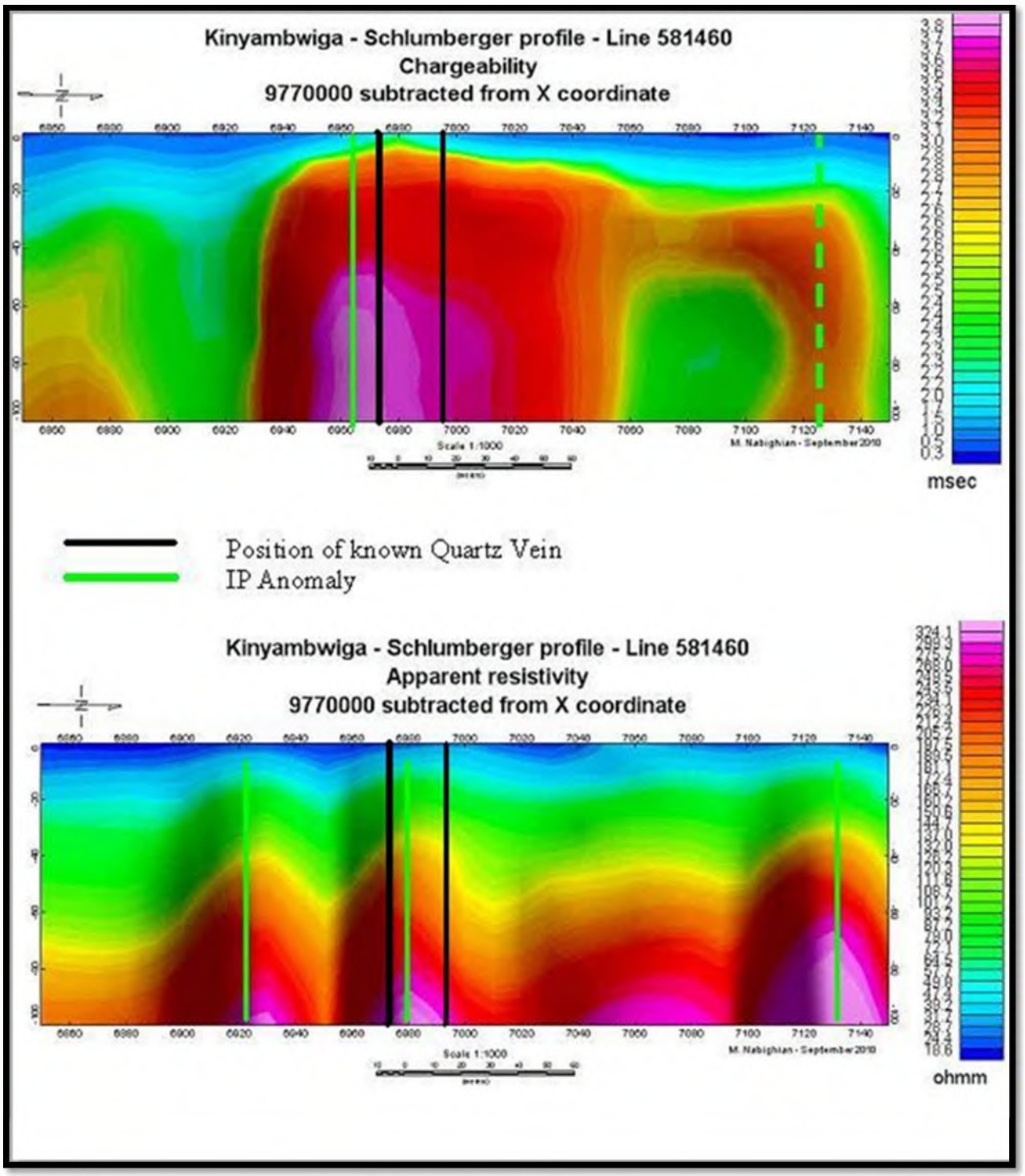


Figure 23. Schlumberger VES Profile 581460E Reflecting a Prominent chargeability Anomaly offset south of a Known Quartz Vein. Dr. Misac Nabighian (after King and Barber, 2011).

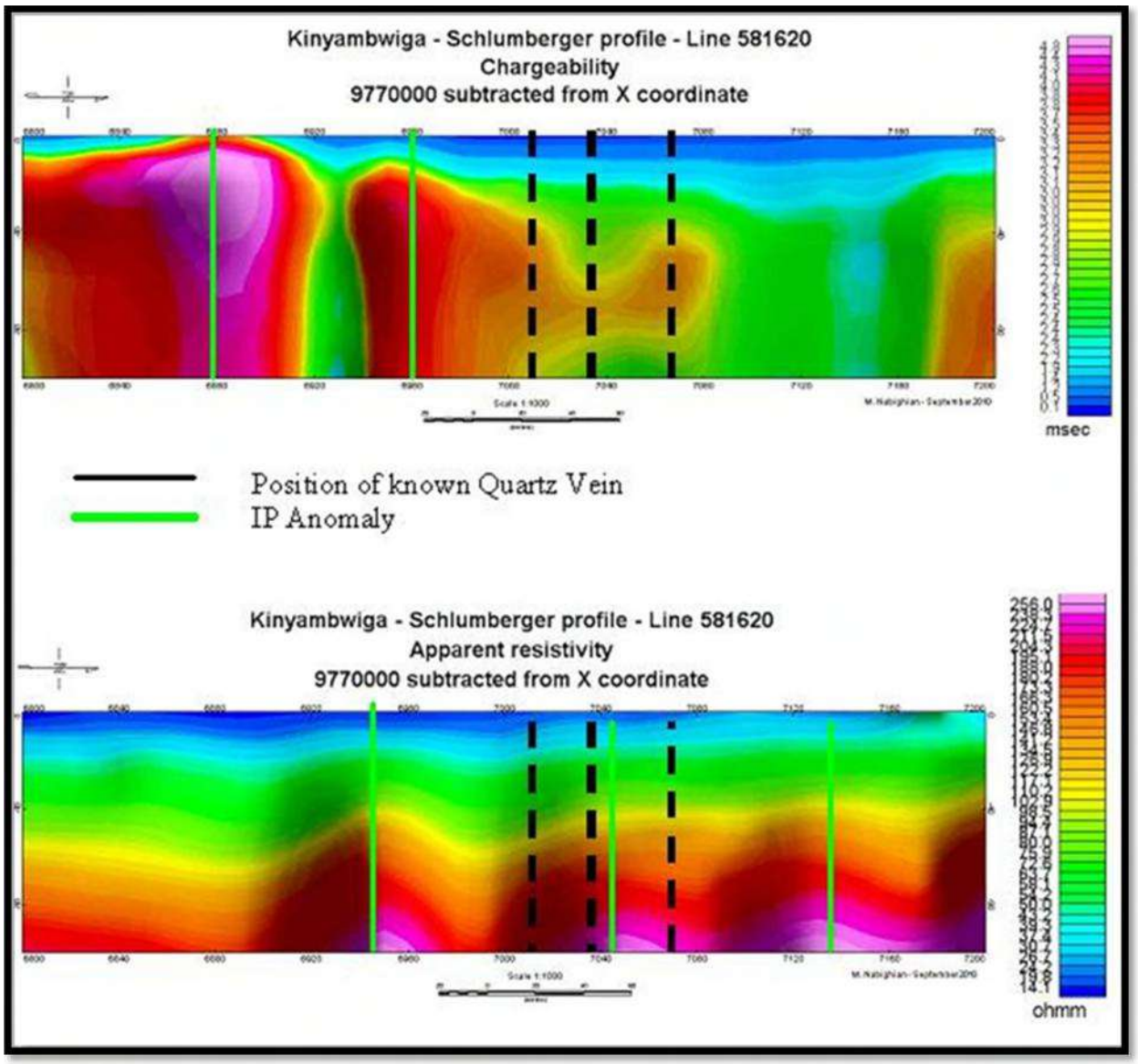


Figure 24. Schlumberger VES Profile 581620E, 160 Meters East of the Kanunga 1 Prospect, Showing a Strong Chargeability Anomaly South of the Inferred Main Quartz Vein Structure – dashed black lines. Dr. Misac Nabighian (after King and Barber, 2011).

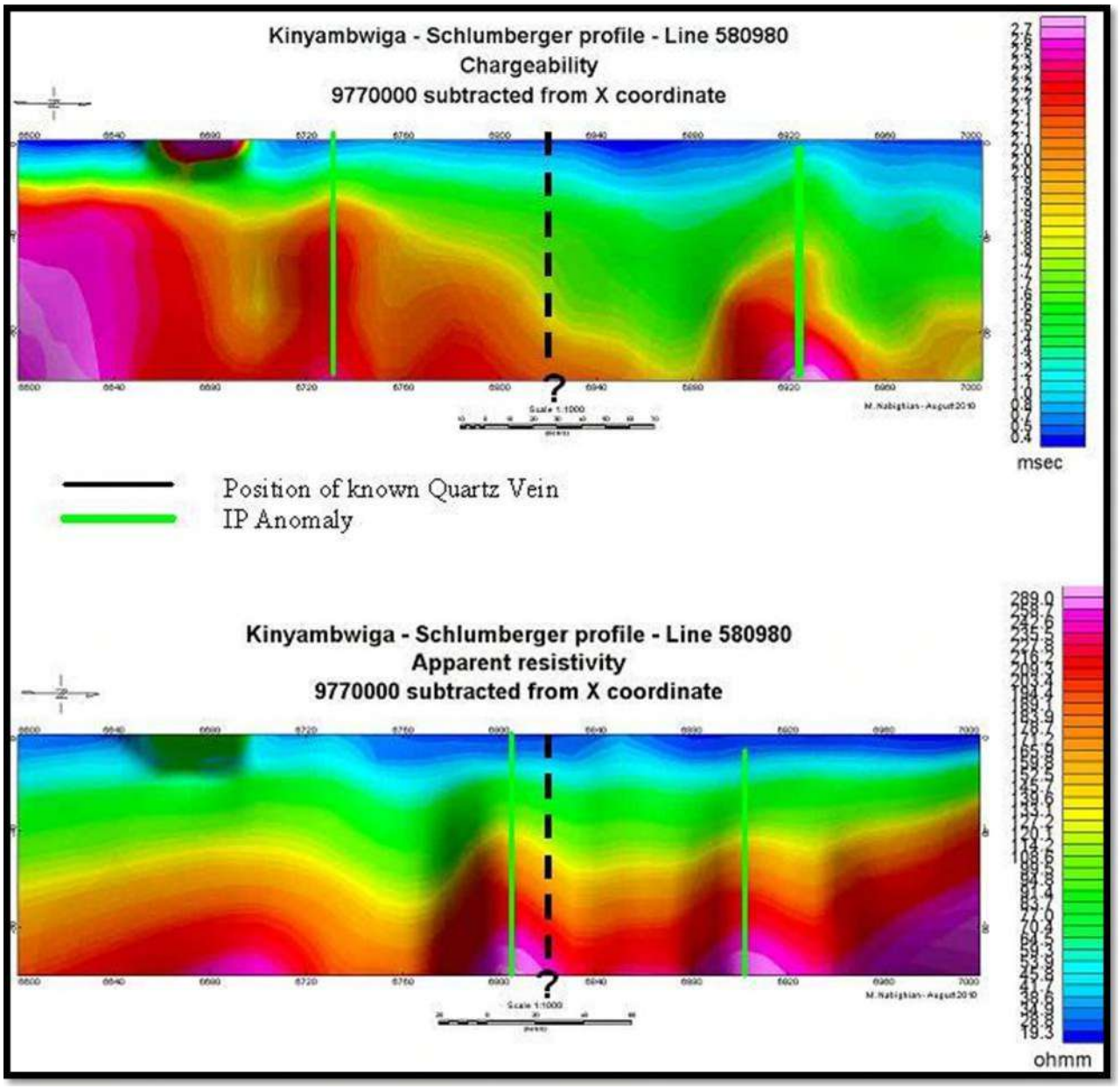


Figure 25Schlumberger VES Profile 580980E, 160 Meters west Of The Kanunga 1Prospect, after King and Barber, 2011.

A total of 17 additional Schlumberger north-south profiles, covering 7.50 line-kilometres metres were completed in 2011 to the east and west of Kanunga 1 in an attempt to trace the strike of the mineralized quartz vein structures (Mineralization). Results of the survey have identified at least 2 distinct chargeability anomalies that appear consistent with the strike of the known structure however, subdued to poor resistivity anomalies are noted across each of the profiles (Appendix 2)

Kanunga 2 Gold Prospect

Three Schlumberger north orientated VES profiles, spaced 200 meters apart, were undertaken across the quartz strewn fields of the Kanunga 2 Gold Prospect, Figure 26. Five prominent and distinct chargeability anomalies with subdued co-incident resistivity responses were reflected in the west most profile, Figure 27. A similar IP response in the central profile becomes weaker to the east, Figure 28 and Figure 29.

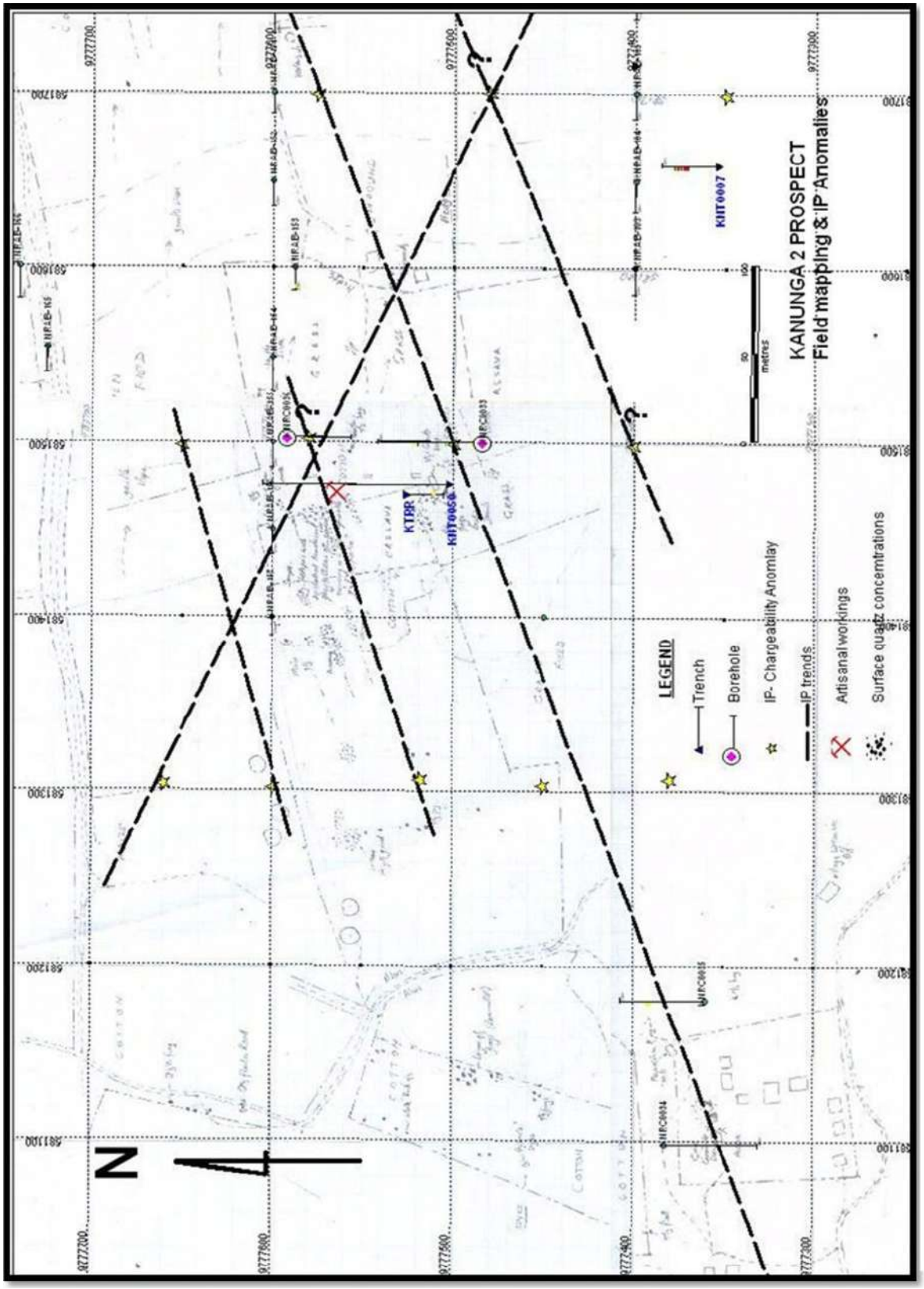


Figure 26. Map of the Kanunga 2 Gold Prospect Showing the Distribution of Quartz Float and the Trends of the IP Anomalies, after King and Barber, 2011.

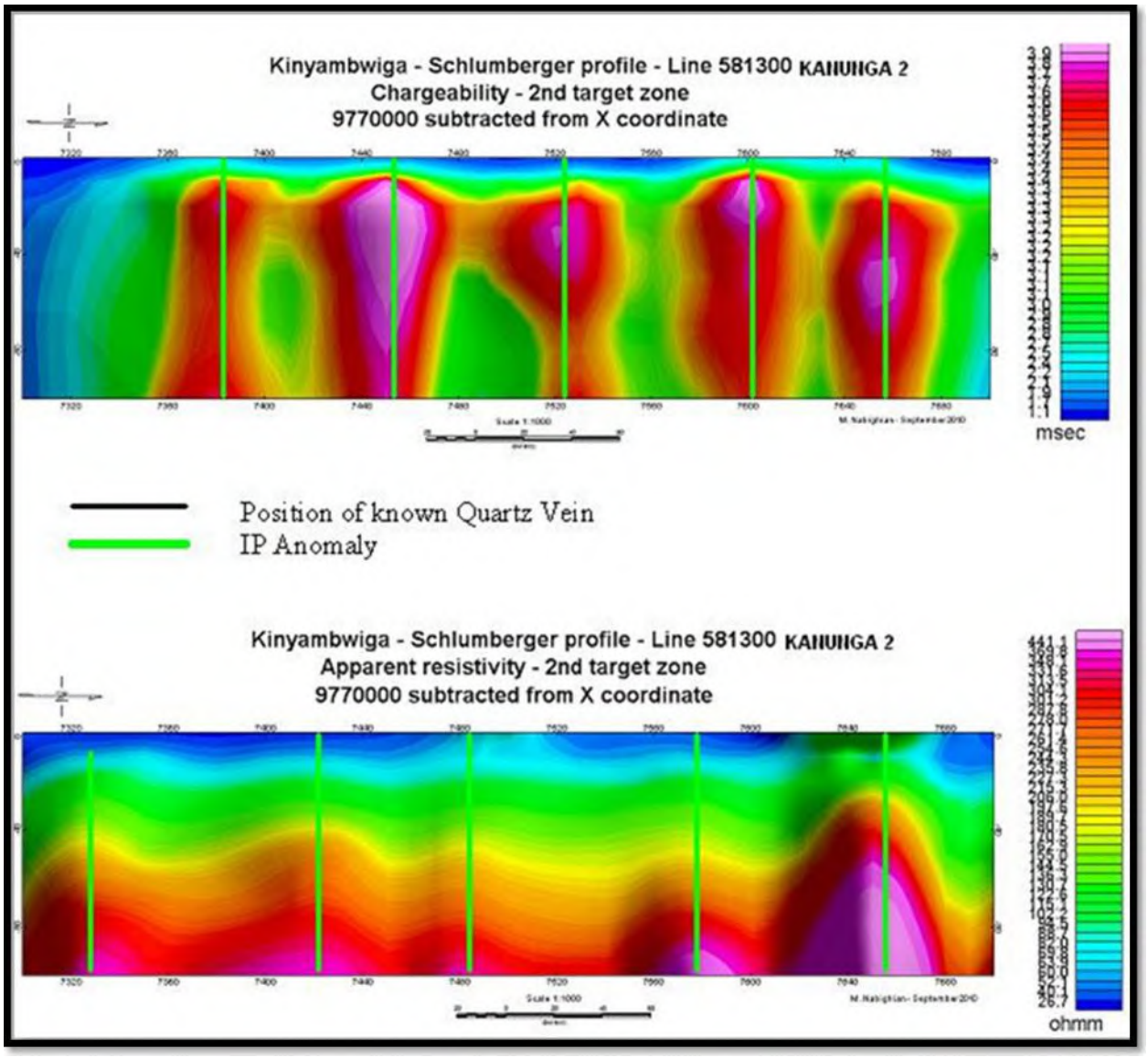


Figure 27. Schlumberger VES Profile 581300E Showing Distinct Near Surface Chargeability Anomalies Across the Kanunga 2 Gold Prospect. Dr. Misac Nabighian, after King and Barber, 2011.

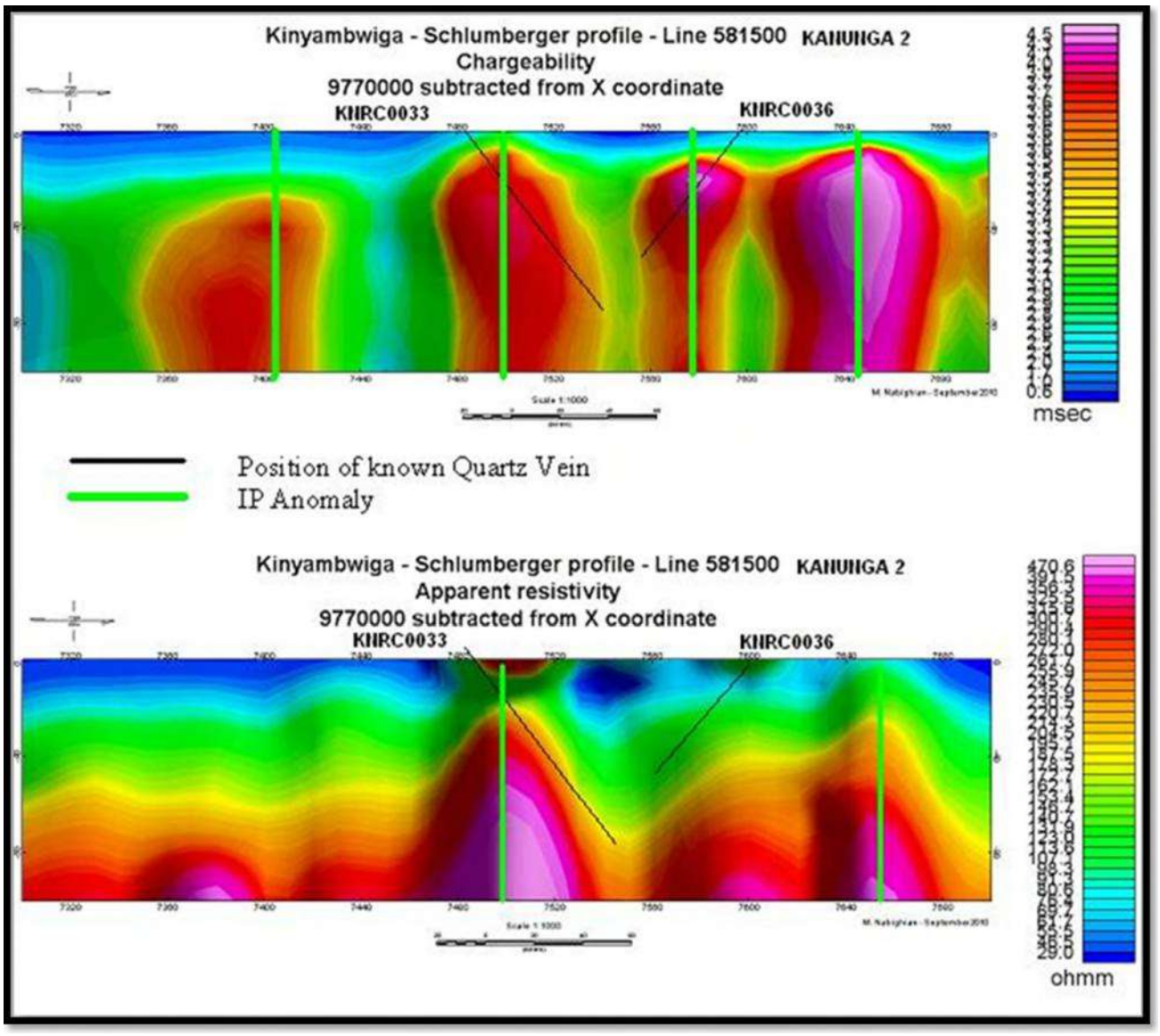


Figure 28. Schlumberger VES Profile 581500E Across the Centre of the Kanunga 2 Gold Prospect - reverse circulation scissor Hole KNRC033 andKNRC0036 Indicated. Dr. Misac Nabighian, after Kingand Barber, 2011.

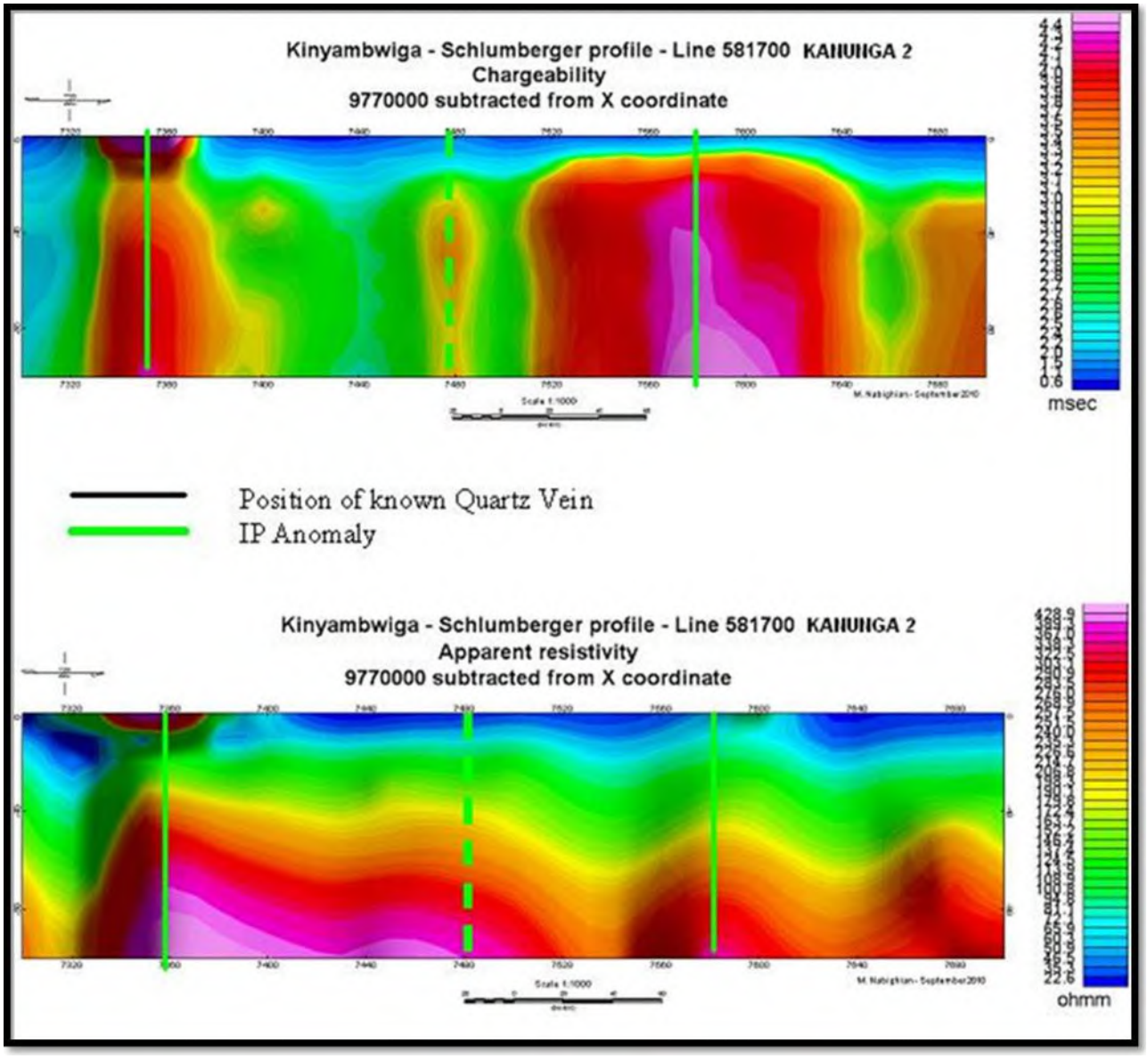


Figure 29. Schlumberger VES Profile 581700E Across the West Part of the Kanunga 2 Gold Prospect Showing Less Defined Chargeability Anomalies, after King and Barber, 2011.

Kanunga 3 Gold Prospect

Four Schlumberger north orientated VES profiles were undertaken across the artisanal working of the Kanunga 3 Gold Prospect covering an east trending strike area of some 560 meters. Unlike the majority of the profiles obtained from the Kanunga 1 and 2 Gold Prospects, all four profiles at Kanunga 3 reflect weaker and indistinct to widespread chargeability anomalies, Figure 30 and Figure 31.

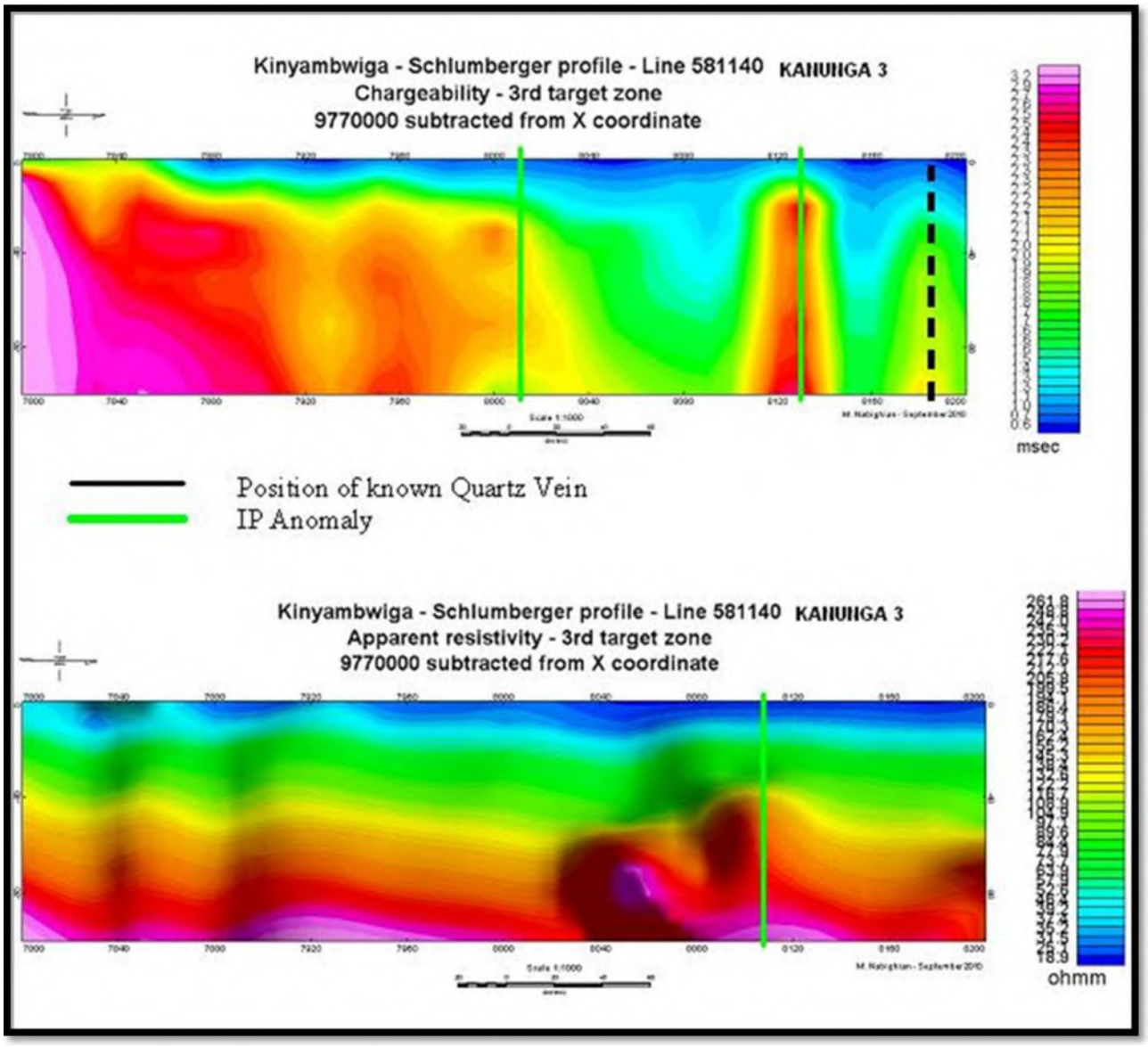


Figure 30. Schlumberger VES Profile 581140E along the West Side of the Kanunga 3 Gold Prospects - expected position of the mineralized quartz vein noted from phase 1 drilling shown as a black dashed line. Dr. Misac Nabighian, after King and Barber, 2011.

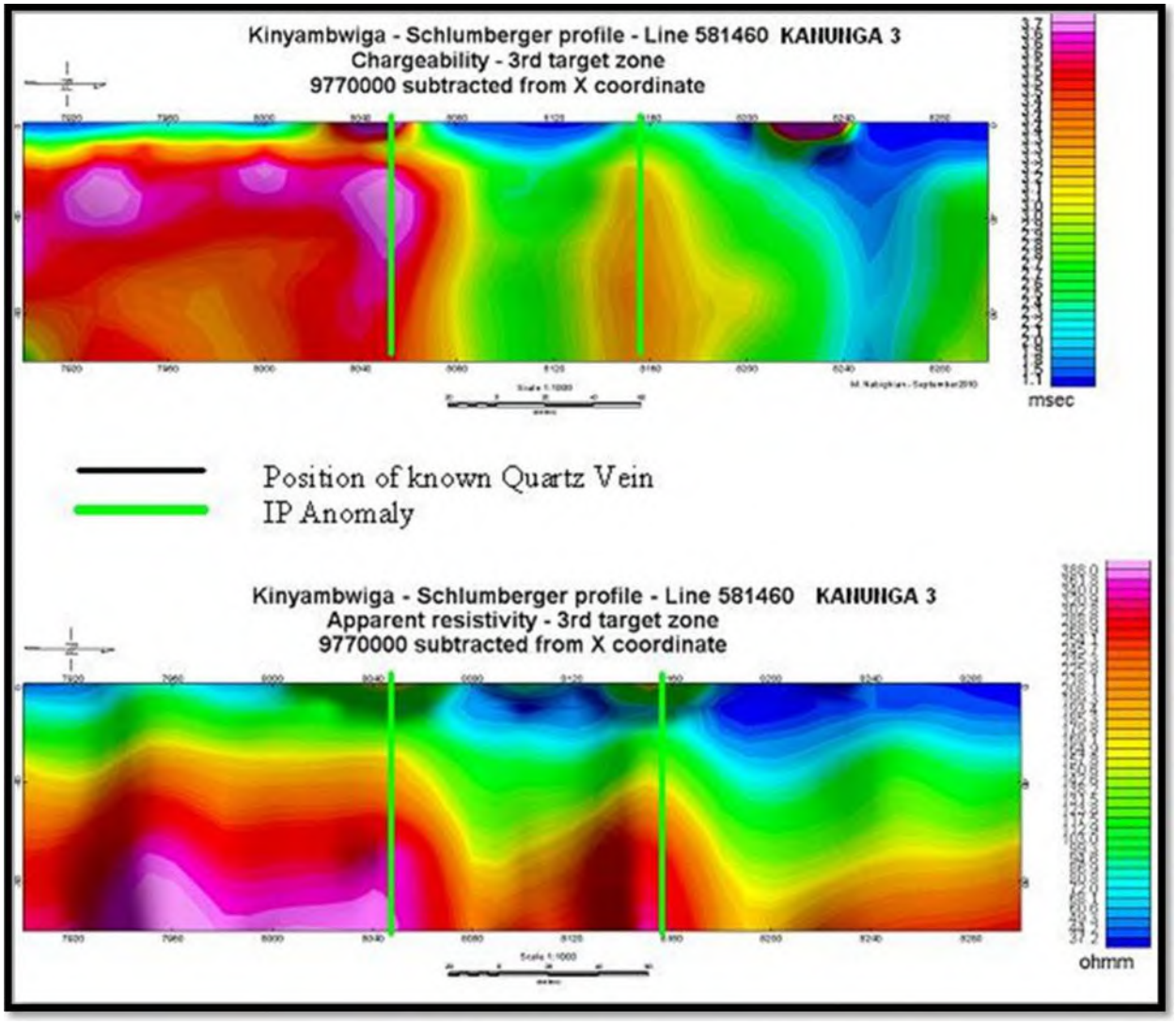


Figure 31. Schlumberger VES Profile 581140E along the East Side of the Kanunga 3 Gold Prospect Showing a Weak but Distinct Chargeability Anomaly in the Central Part of the Profile with a Much Wider Anomaly to the South, after King and Barber, 2011.

Murangi Project Area

Magnetometer Survey

A detailed ground magnetometer survey was completed across the whole license between November 21 and December 7, 2010. The results were supervised and processed by the Company's consultant geophysicist, Dr. Misac Nabighian, in Colorado, USA. The property was traversed along north trending grid lines at a spacing interval of 200 meters. A total of 262 kilometers was completed, Figure 32.

In-house equipment, belonging to Lake Victoria Mining Company, was used for the survey. Two GEM 19W magnetometers were used; a field magnetometer and a base station magnetometer. The field magnetometer used a WalkMag mode that records magnetic intensity measurements continuously whilst moving, while the base station magnetometer recorded magnetic intensities whilst the survey was in progress. The base station magnetometer was set up in an area free of cultural features. The magnetometers were equipped with built-in Global Positioning System (GPS) receivers for location and coordinated universal time (UTC) readings. Both magnetometers were synchronized to the same UTC. During the survey the operators wore non-magnetic clothing.

Readings were recorded every 2 seconds along the traverse lines giving an average sampling interval of approximately 1 meter. During each survey the base station magnetometer was in continuous operation to monitor variations of the earth's magnetic field. The field and base station data were first checked and corrected for spikes after which the concurrent base station data was subtracted from the field data to account for diurnal variations.

RESULTS

A number of major northwest trending magnetic lineaments, interpreted as possibly representing dykes, were found to occur in the central part of the Prospecting Licenses. These lineaments have in turn been traversed by a series of dextral northwest trending fractures and faults. In the south of the property, a large semi-circular intrusion is present. A smaller elliptical intrusion to the northwest was found to be generated by well-formed and totally undeformed pillow lavas of vesicular basalt, Figure 32.

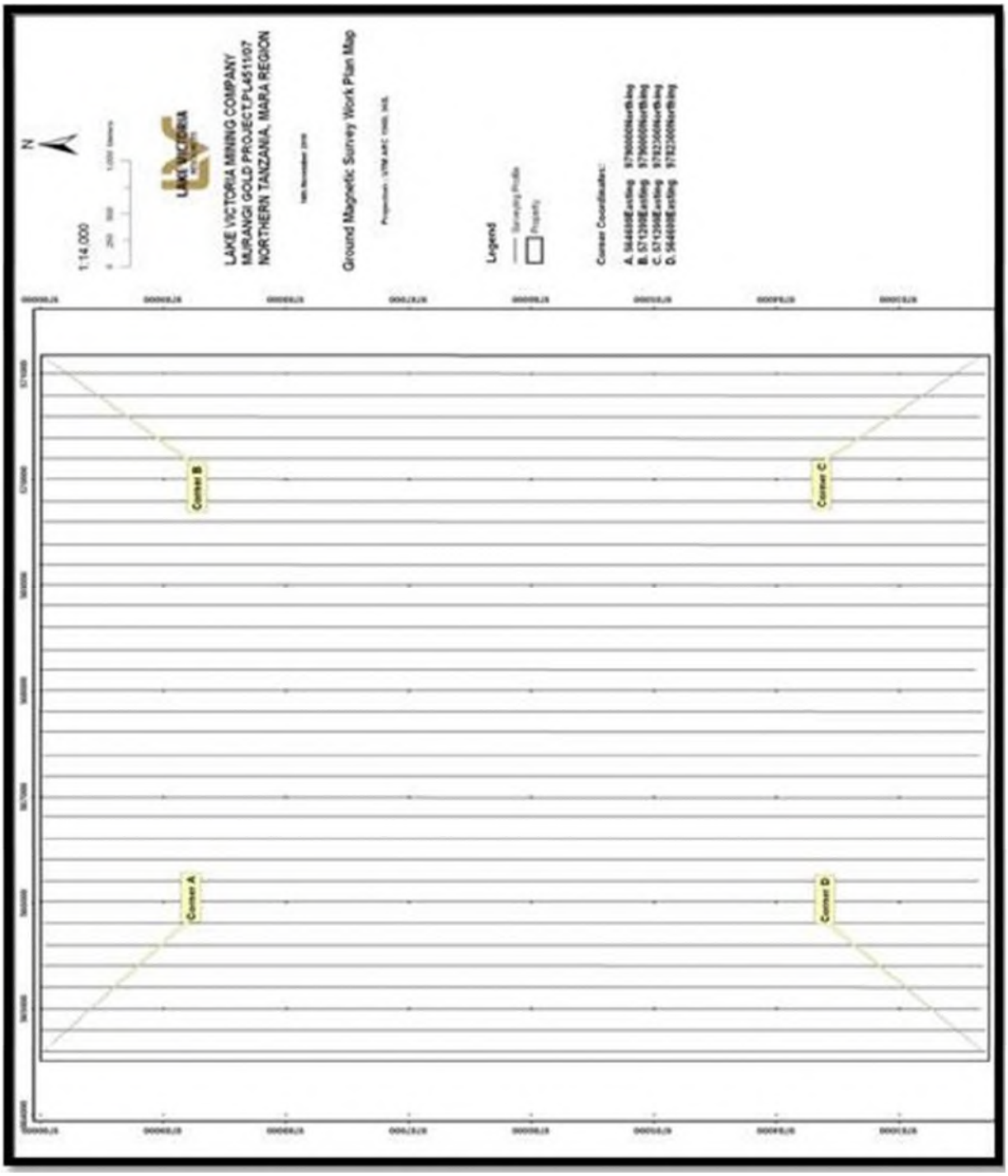


Figure 32. Grid Prepared for Ground Magnetometer Survey Across the Murangi Prospecting Licenses. Dr. Misac Nabighian, after King and Barber, 2011.

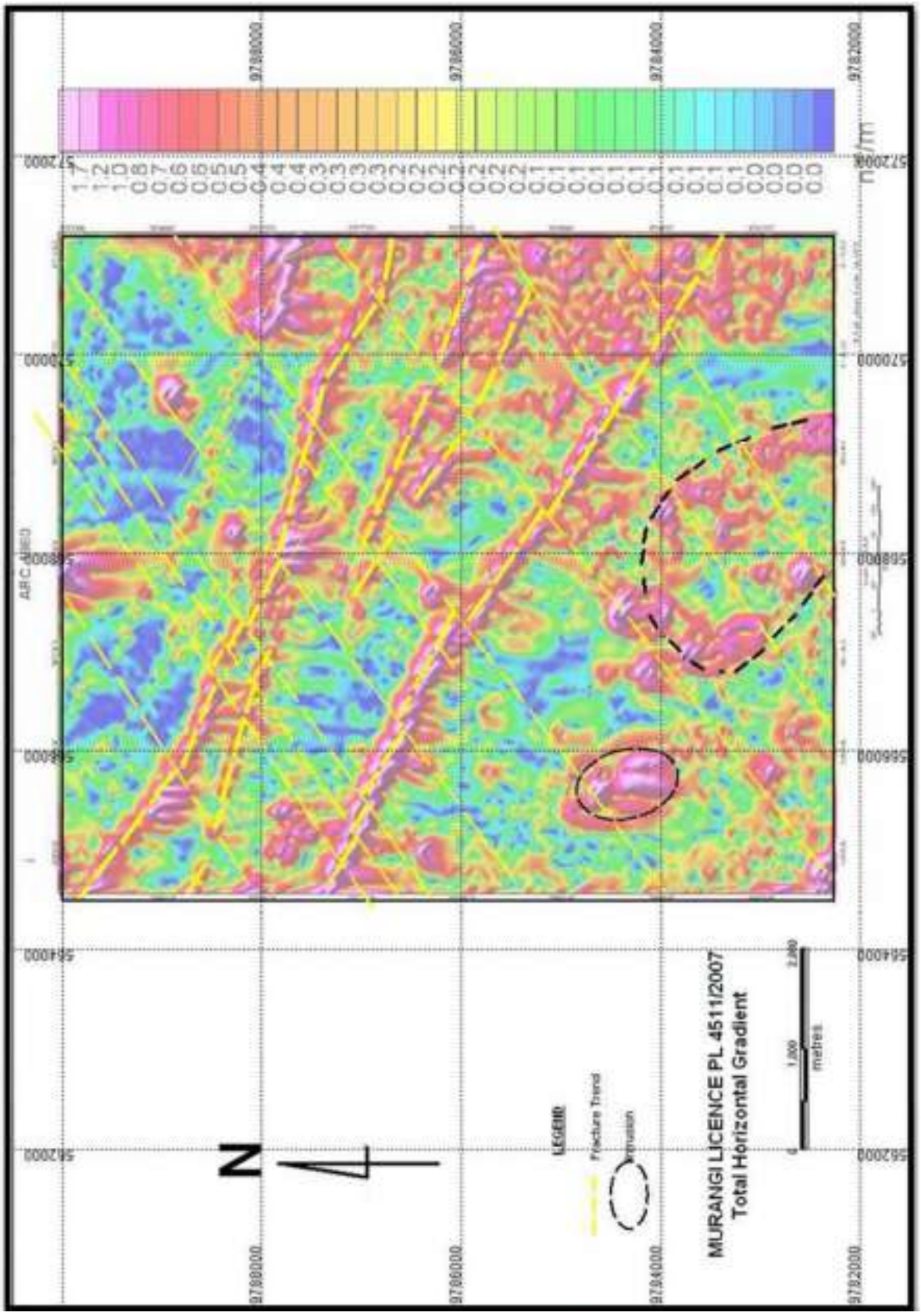

MURANGI LICENCE PL 4511/2007
Total Horizontal Gradient
LEGEND
Fracture Trend
Intrusion
N
metres

Figure 33. Total Horizontal Gradient Showing Structural Interpretation across the Murangi Property; Dr. Misac Nisaghian, after King and Barber, 2011

Suguti Project Area

Magnetometer Survey

A detailed ground magnetometer survey was completed in late 2010.The methodology was the same as for Muguti property.

The property was traversed along north trending grid lines at a spacing interval of 200 meters. A total of 389 line-kilometers were completed over the Suguti PL. An area in the south of the license was excluded from the survey on account of rugged terrain, Figure 34.

The Suguti Fault is the dominant structure cross-cutting the license. The fault zone is reflected by a quiet magnetic signature suggesting that the south part of the Fault has down-faulted resulting in the absence of any strong susceptibility contrast across it (King and Barber, 2011: Pers. Comm. Misac Nabighian), Figure 35. The west side of the Suguti Fault also appears to have been further effected by a north trending fault resulting in increased downthrow to the west. The area is overlain by a considerable thickness of mbuga. The magnetic signature on either side of the fault zone is very different and reflects a significant change in geology. Granite and patches of meta-sedimentary rocks, as seen from surface float, make up the north side of the concession whereas to the south the high magnetic signatures are confirmed by the presence of bif ridges. A pronounced NW-trending structure, possibly a dyke, cuts the north of the tenement. These appear to have been influenced by the more subtle NE-trending fracture zones that traverse the license. A number of possibly later NNE-trending faults occur in the SW of the property.

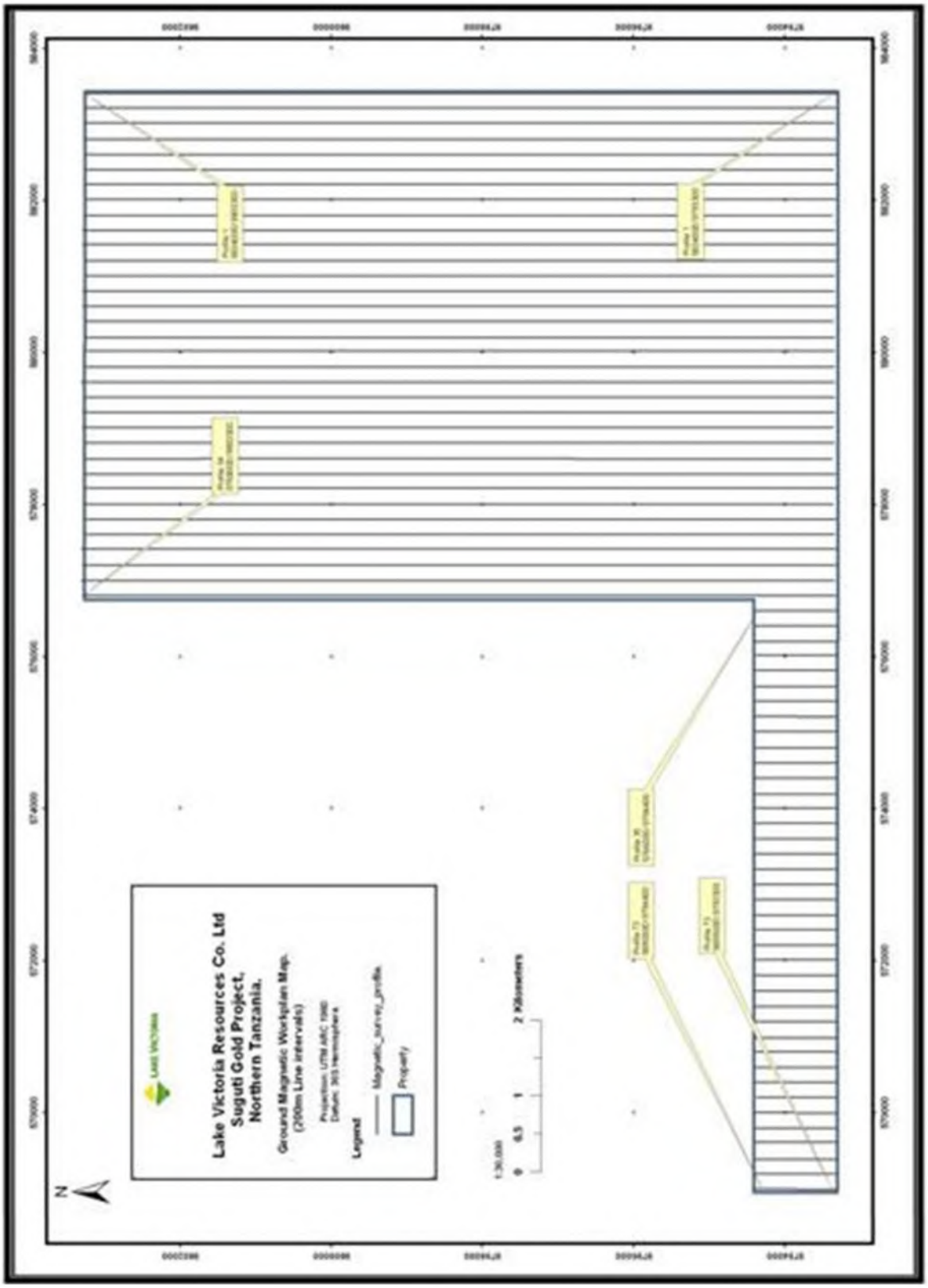


Figure 34. Grid Prepared for Ground Magnetometer Survey on the Suguti Prospecting License Dr. Misac Nabighian, after King and Barber, 2011. Note property boundary has changed in 2013.

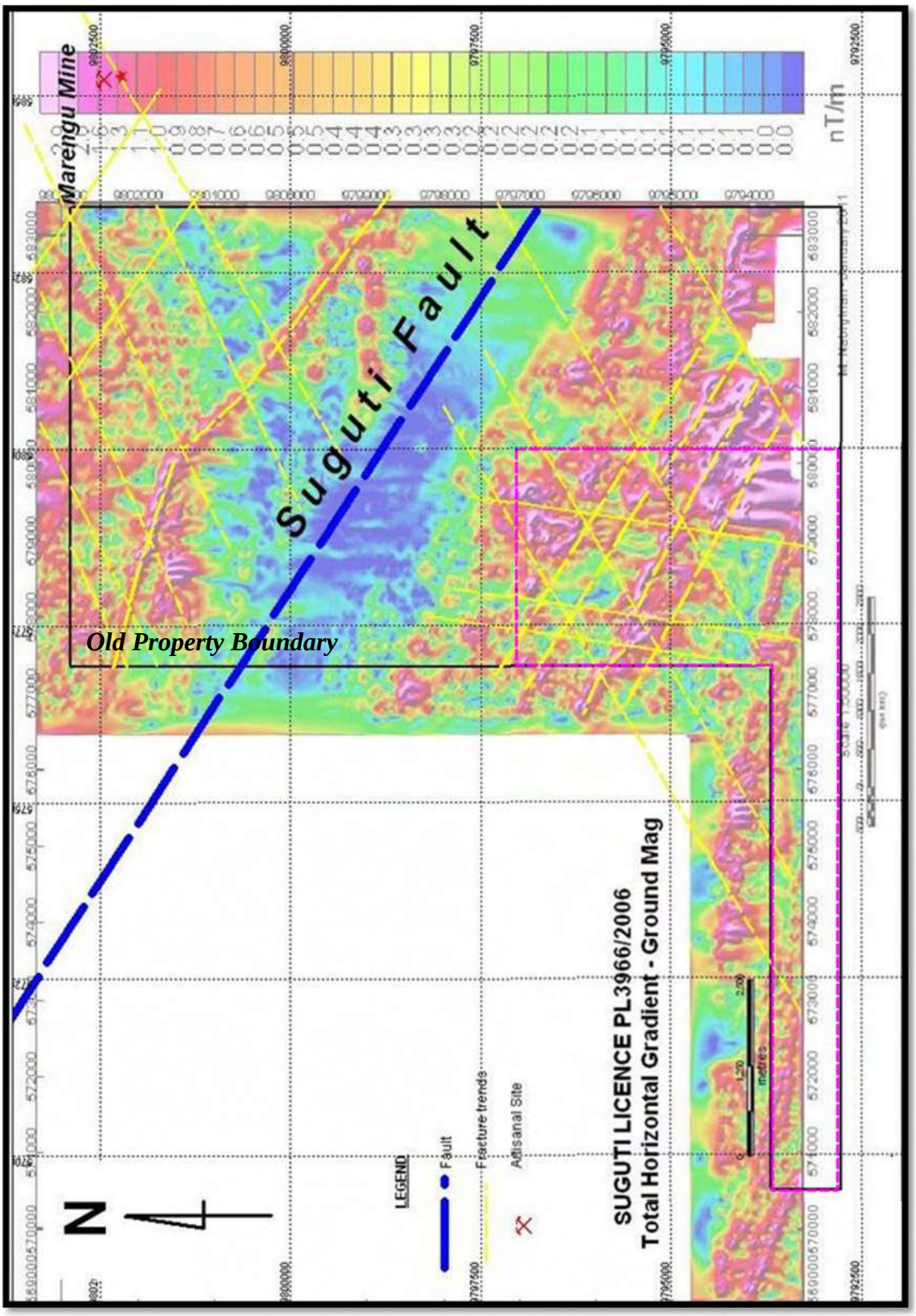


Figure 35. Horizontal Gradient Ground Magnetic map of the Suguti License, after King and Barber, 2011. Purple dashed line denotes 2013 property boundary.

IP Survey

The Suguti licence was divided into 37 blocks (A-Z-A1-G1) of 1.1km x 2.0km in order to facilitate the gradient survey. Each block was gridded on 400m north-south Line spacing and profiles of 1.1 km long. Gridding was done by GPS and the ground was prepared using GPS with each 25m station being pegged and labeled with its respective co-ordinate ranging poles at 25 meters centers as dipole space along the grid line of each block. One meter wooden pegs with station position number (example 582200E/9808950N) and flagging tape on top, was placed at each station. Current electrodes' positions are prepared at 3 km interval for each block.

A total of 22 blocks have been completed (Figure 36).

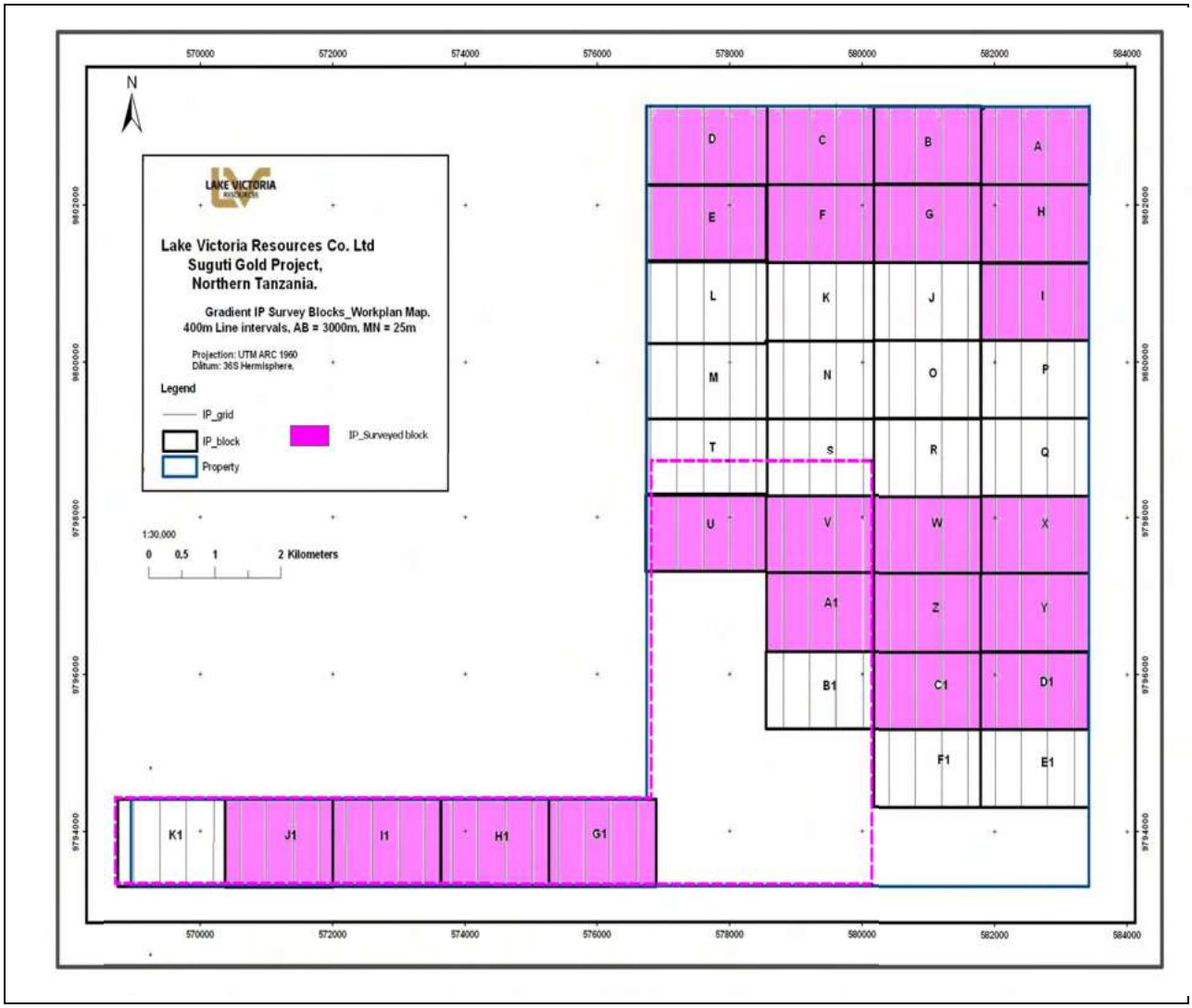


Figure 36. Gradient Array survey on a 400m line spacing with a dipole interval of 25 meters. Highlighted purple blocks indicate completed surveys. Purple dashed line denotes 2013 property boundary.

The results shows significant apparent resistivity ranging from 159.9 to 8619.1Ω-m and Chargeability ranging from 1.2ms/s to 10.5ms/s in blocks A to I in northern part. The southern part of the property has apparent resistivity ranging from 70.1 to 25578.5 and Chargeability ranges from 1.4ms/s to 9.8ms/s in block U, V, W, X, Y, Z, A1, C1, D1, G1, H1, I1 and J1 A total of 191 lines for gradient survey were surveyed from February 2011 to June 2011 and the following figures were produced (Figure 37 to Figure 42).

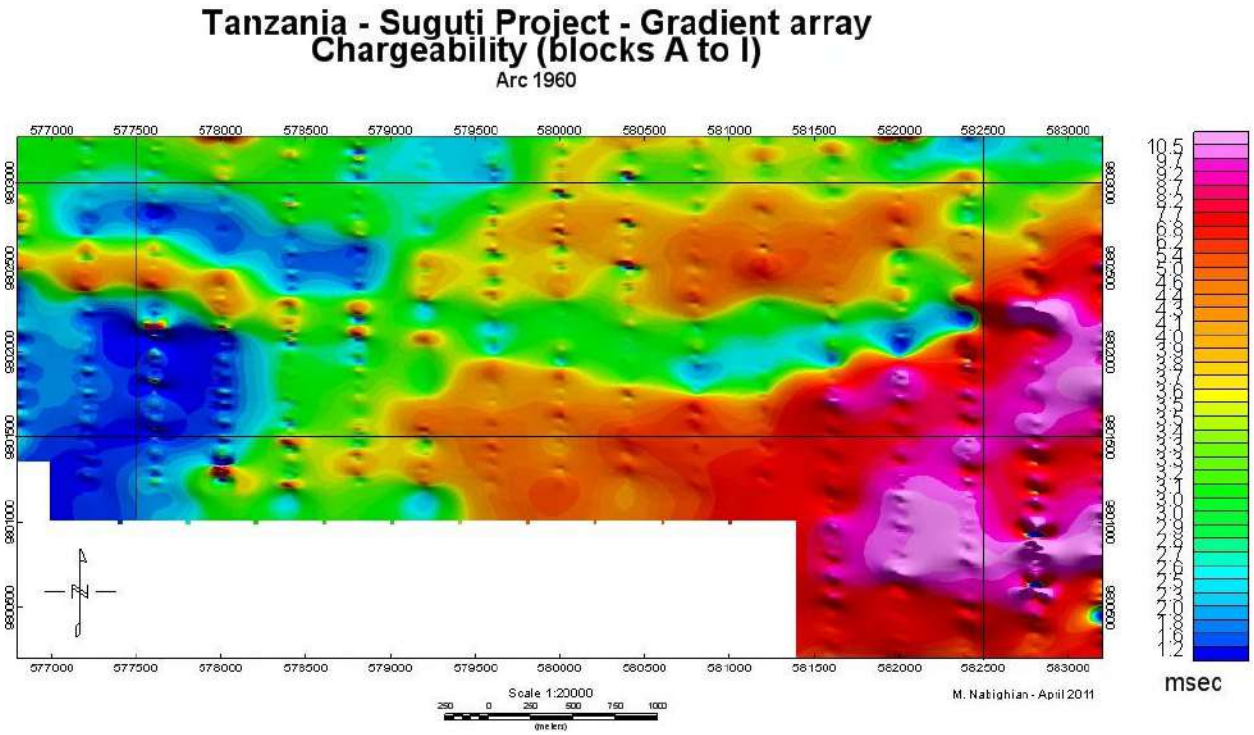


Figure 37. Suguti Property, northern portion, gradient array chargebility map, Nabighian, 2011

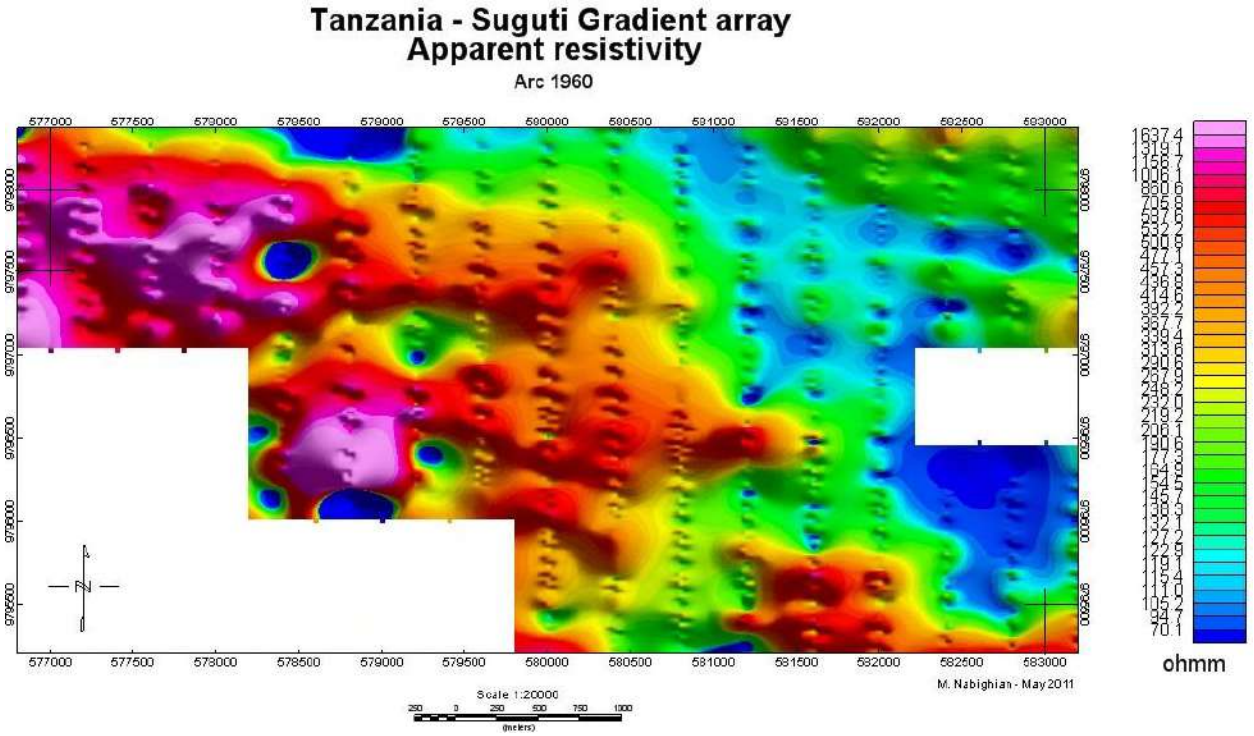


Figure 38. Suguti Property, northern portion, gradient array apparent resistivity map Nabighian, 2011.

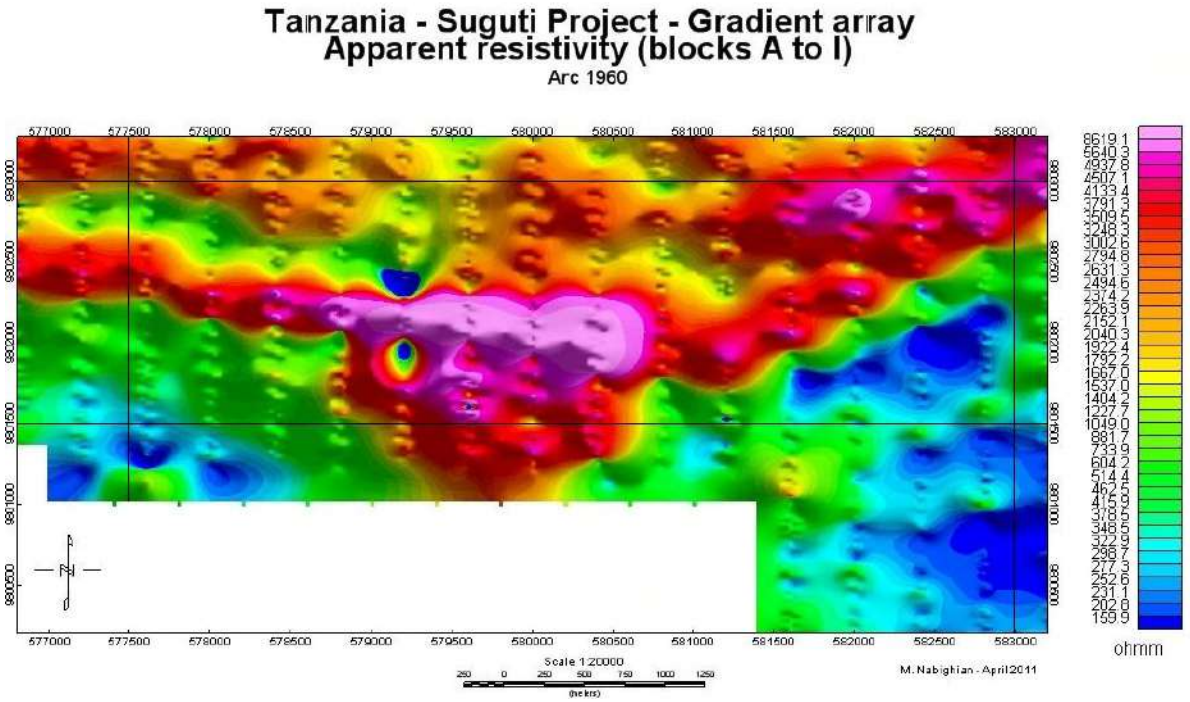


Figure 39. Suguti Property, northern portion, gradient array apparent resitivity map Nabighian, 2011.

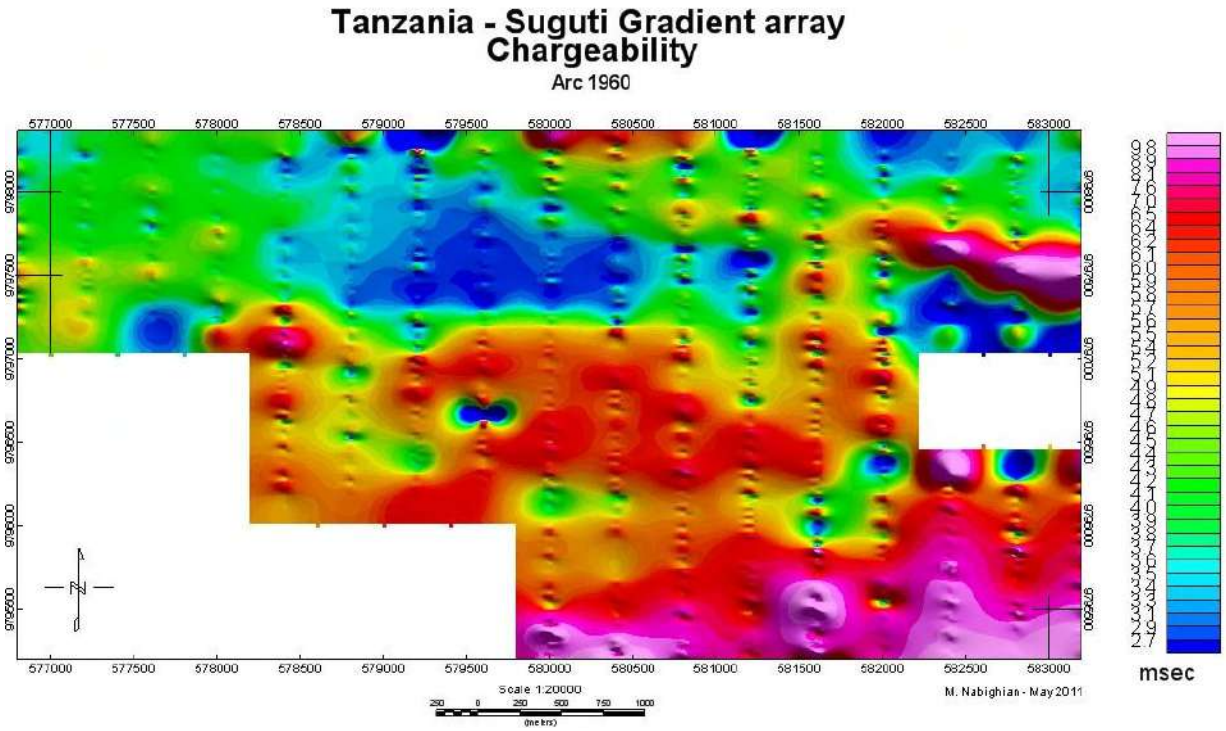


Figure 40. Suguti Property, northern portion, gradient array chargebility map Nabighian, 2011.

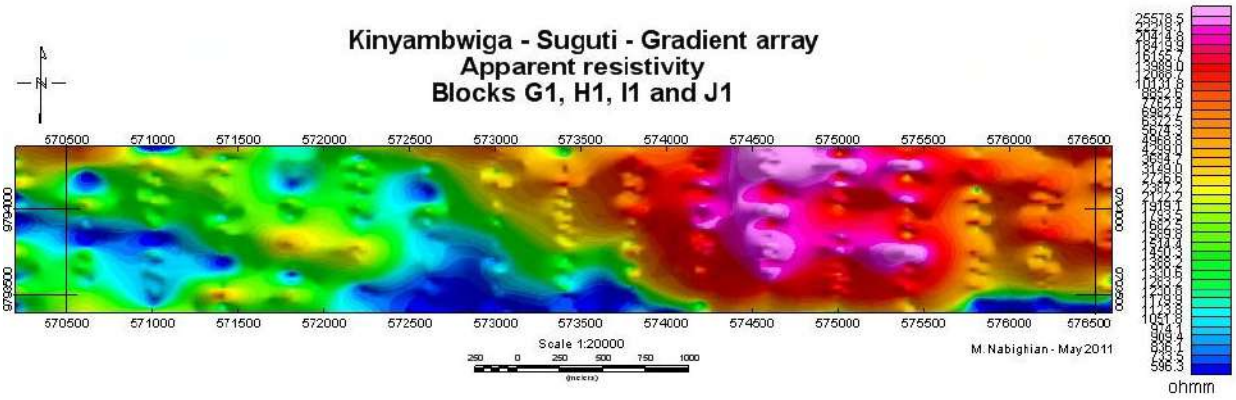


Figure 41. Suguti Property, northern portion, gradient array apparent resistivity map Nabighian, 2011.

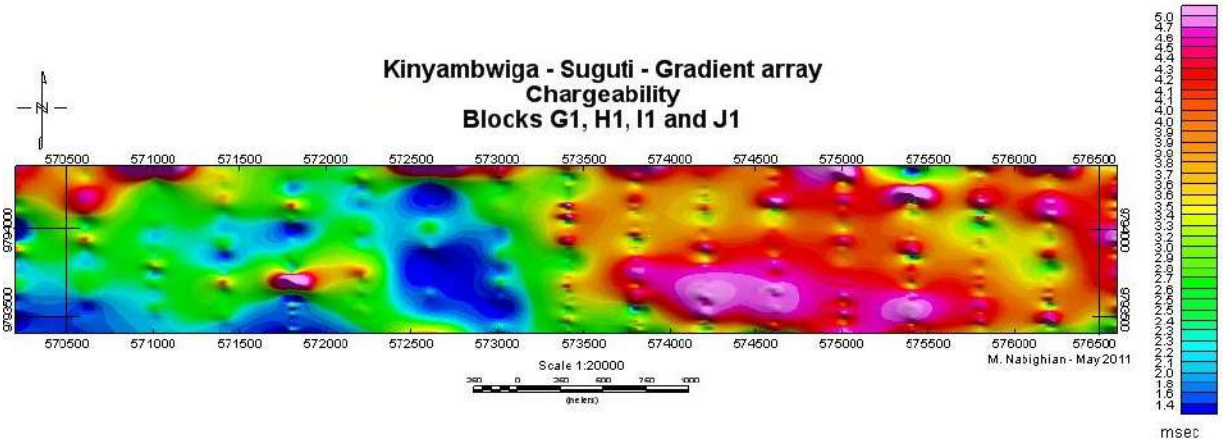


Figure 42. Suguti Property, northern portion, gradient array chargebility map Nabighian, 2011.

Schlumberger VES survey

Five north-south profiles totaling 3.6 line-kilometers have been planned across Targets 1 and 2 (Table 12). One N-S profile of 1200 meters in length has been completed on the eastern side of Target 1. Results revealed two sets of coincident chargeability/resistivity anomalies underlying two of the 3 ENE trending soil anomalies in Target 1.

Table 12. Schlumberger VES survey proposed across Targets 1 and 2, Suguti North prospect

			From	To		
Target	**Section**	**Easting**	**Northing**	**Northing**	**Length**	**Status**

1	582600E	582600	9802500	9802100	400	Completed
1		582600	9802100	9801700	400	Completed
1		582600	9801700	9801300	400	Completed
1	581400E	581400	9801900	9801500	400	Pending
1		581400	9801500	9801100	400	Pending
1		581400	9801100	9800700	400	Pending
2	579000E	579000	9802100	9801700	400	Pending
2	578100E	578100	9802500	9802100	400	Pending
2	577500E	577500	9802700	9802300	400	Pending

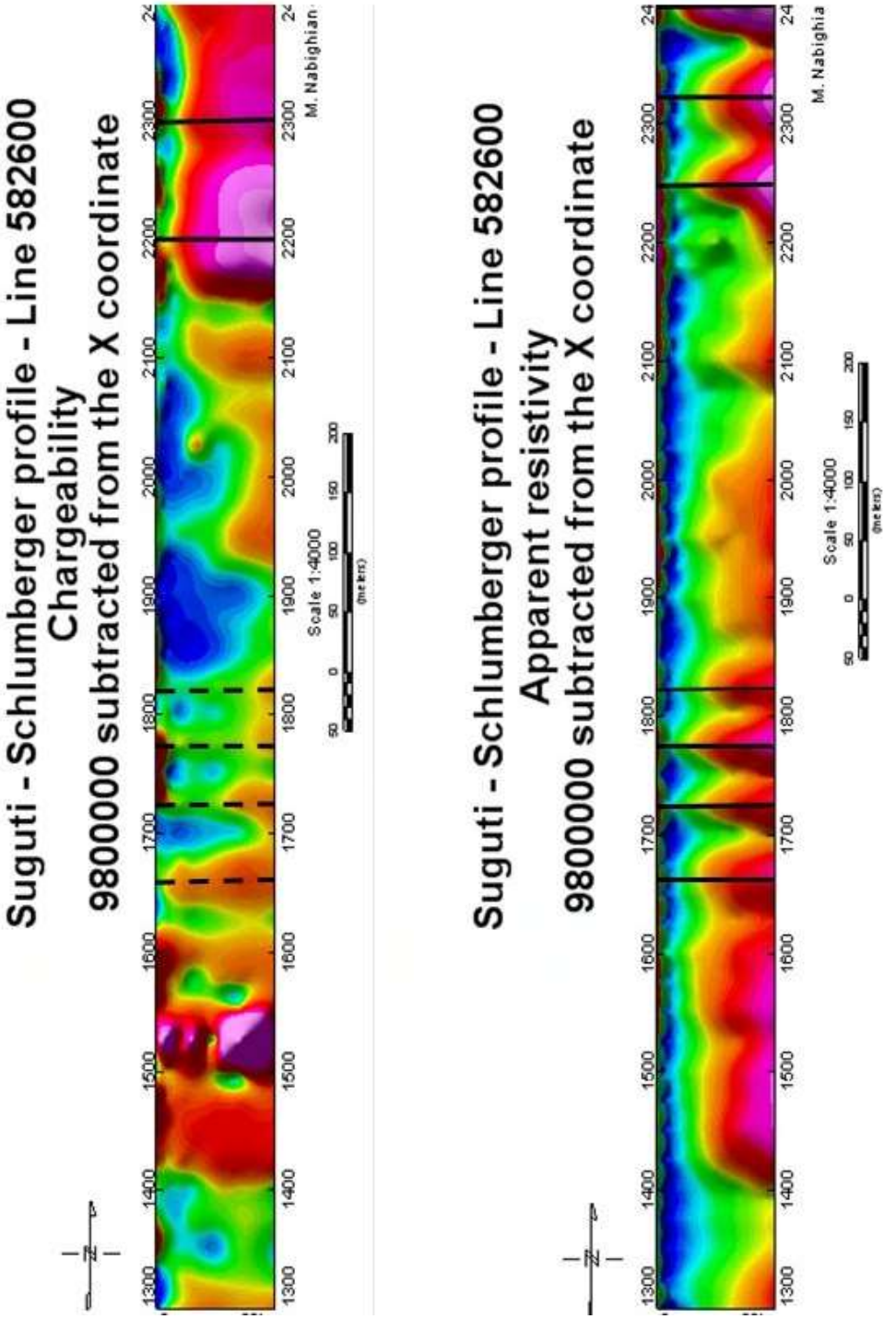


Figure 43. Schlumberger VES profile along 582600E revealing six near coincident chargeability / resistivity anomalies, Nabighian, 2011

Item 10: Drilling

Lake Victoria Resources (T) Limited completed 35 Reverse Circulation drillholes totaling 2427 meters in October and November 2010. There were 699 assays taken. Layne Christensen Drilling Company, headquartered in Mission woods, Kansa, U.S.A. performed the work. Previously 21 RC holes and 377 RAB holes had been completed by Geo Can.

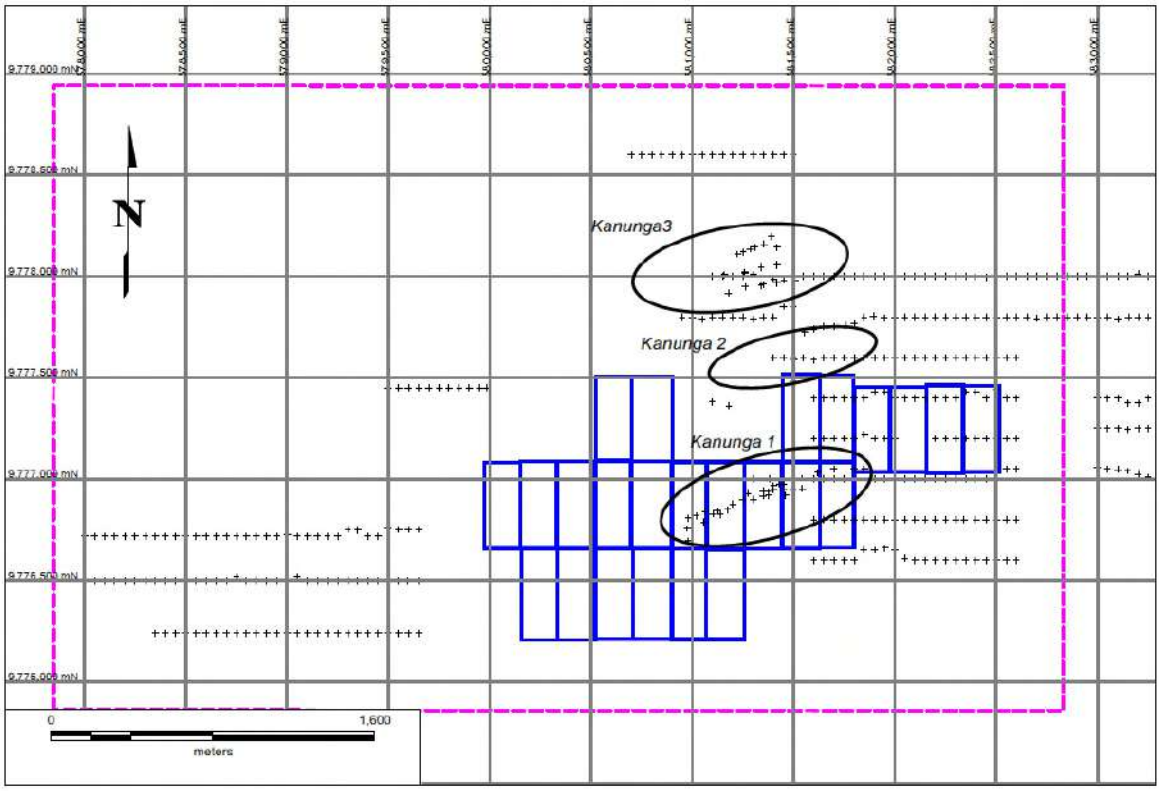


Figure 44. Location of all drillhole collar locations "+" on Kinyambwiga Property.

Drilling was centred on the Kanunga 1, 2 and 3 Gold Prospects, of Kinyambwiga PL**.** All the borehole positions were located in the field by GPS and marked by a wooden peg. The drill rig set-up was established in the field using the following procedures:

- 1.5 meters was measured from peg (A) normal to the drill azimuth (Bearing $90^o/270^o$) and its position located with another wooden peg (B). Note: This measurement corresponds to half the width of the drill truck.
- From peg (B), sight peg (C) in the middle distance using compass on the drill azimuth $000^o/180^o$.
- Visually range, using Pegs (B) and (C) to set intermediate pegs in a straight line.
- String is tied to all the pegs to form an easily seen line for the driver of the rig to align the wheels of the rig along the string line.
- After completion of the program, permanent concrete markers are set for the collar locations.

Table 13: Location and Orientation of Company Drillholes on Kinyambwiga Property

HOLE_ID	UTM_EARC196	UTM_NARC1960	AZIMUTH	DIP	EOH	PROSPECT
KNRC0022	581460	9776919	0	-60	90	Kanunga 1

KNRC0023	581543	9776954	0	-50	78	Kanunga 1
KNRC0024	581627	9776990	0	-50	90	Kanunga 1
KNRC0025	581700	9777003	0	-50	65	Kanunga 1
KNRC0026	581376	9776920	0	-60	70	Kanunga 1
KNRC0027	581140	9776826	0	-60	90	Kanunga 1
KNRC0028	581102	9776828	0	-50	75	Kanunga 1
KNRC0029	581057	9776788	0	-50	80	Kanunga 1
KNRC0030	580975	9776756	0	-50	90	Kanunga 1
KNRC0031	580980	9776694	0	-50	80	Kanunga 1
KNRC0032	581300	9777000	0	-50	75	Kanunga 1
KNRC0050	581540	9777005	0	-50	50	Kanunga 1
KNRC0051	581620	9777033	0	-50	50	Kanunga 1
KNRC0052	581700	9777050	0	-50	50	Kanunga 1
KNRC0053	581380	9777000	0	-65	80	Kanunga 1
KNRC0054	581065	9776840	0	-50	50	Kanunga 1
KNRC0055	580980	9776807	0	-50	50	Kanunga 1
KNRC0056	581020	9776820	0	-50	50	Kanunga 1
KNRC0033	581500	9777484	0	-50	90	Kanunga 2
KNRC0034	581098	9777382	180	-50	80	Kanunga 2
KNRC0035	581180	9777360	0	-50	73	Kanunga 2
KNRC0036	581503	9777592	180	-50	55	Kanunga 2
KNRC0037	581178	9777918	0	-50	64	Kanunga 3
KNRC0038	581159	9778006	180	-50	67	Kanunga 3
KNRC0039	581159	9778008	0	-50	60	Kanunga 3
KNRC0040	581260	9778020	0	-50	60	Kanunga 3
KNRC0041	581260	9778018	180	-50	62	Kanunga 3
KNRC0042	581340	9777956	0	-50	70	Kanunga 3
KNRC0043	581263	9777948	0	-50	81	Kanunga 3
KNRC0044	581340	9778048	0	-50	70	Kanunga 3
KNRC0045	581340	9778044	180	-50	70	Kanunga 3
KNRC0046	581420	9778143	180	-50	67	Kanunga 3
KNRC0047	581420	9778054	180	-50	65	Kanunga 3
KNRC0048	581420	9778058	0	-50	65	Kanunga 3
KNRC0049	581420	9777966	0	-50	65	Kanunga 3

10.1 Methodology and Results

Kanunga 1 Gold Prospect

The Company prepared a 40 meter drilling grid focused on following the strike extensions of known mineralized quartz veins for some 200 meters, to both east and west, and testing the depth extension of the known mineralized zones delineated during previous drilling. Collar positioning was assisted by the results of the Schlumberger IP profiling which revealed chargeability anomalies in the expected position of pyritised quartz veins / shear structures. Drilling confirmed the presence of at least 2 mineralized structures extending along strike. A

Schlumberger IP target, situated some 100 meters north of the main quartz vein, was also tested.

Drilling on the east side of the Kanunga 1 Gold Prospect traced the strike extent of the two known mineralized quartz veins for some 200 meters to the east. Two boreholes drilled along the east fence, Section 581700E, failed to intersect quartz veins possibly suggesting that these pinch-out. The drilling undertaken to test the down-dip extension of the quartz vein along the east-edge of the Prospect on Section 581460E intersected the south lens, represented by a 2 meter quartz vein with a grade of 3.34g/t gold, at a depth of 80 meters below surface.

Drilling on the west-side of the Prospect traced the two mineralized quartz veins along Section 581060E. Although the north vein continues towards the west on the neighbouring section, the south vein appears to pinch out. An additional quartz vein of marginal grade occurs some 40 meters to the south. This was traced for a strike length of 80 meters.

An exploration RC hole was drilled to test the prominent IP chargeability anomaly reflected in the Section 581300E Schlumberger profile (Figure 22), and the 2 northeast and northwest cross-cutting IP trends displayed in **Figure 18.** Drilling intercepted at least 3 anomalous zones down hole. The best intersection returned 1.78 g/t gold over 1 meter.

Table 14: Summary of Phase 3- Reverse Circulation Drill Results of the Kanunga 1 Gold Prospect

Hole No.	Depth	Section	Co-ordinates		Azimuth	Declin	From	To	Interval	Grade
	(m)		North	East	(deg)	(deg)	(m)	(m)	(m)	Au g/t
KNRC0022	90	581460E	9776919	581460	0	-60	86	88	2	3.34
KNRC0023	78	581380E	9776954	581543	0	-50	53	57	4	9.74
										(including 2 meter @ 17.50g/t Au)
KNRC0026	70	581376E	9776920	581376	0	-60	39	41	2	10.38
KNRC0027	90	581140E	9776826	581140	0	-60	50	52	2	9.38
						and	77	80	3	1.06
KNRC0028	75	581100E	9776828	581102	0	-50	46	48	2	1.17
						and	60	63	3	2.65
KNRC0029	80	581060E	9776788	581057	0	-50	58	61	3	5.41
						and	65	66	1	2.59
KNRC0032	75	581300E	9777000	581300	0	-50	28	29	1	1.79
KNRC0039	60	581180E	9778008	581159	0	-50	39	40	1	1.03
KNRC0040	60	581260E	9778020	581260	0	-50	40	41	1	1.01
KNRC0054	50	581060E	9776840	581065	0	-50	22	27	5	2.06
						and	32	38	6	1.28

* Datum Arc 1960

Two "scissor" RC boreholes were drilled to further test the area. Borehole KNRC 0033, collared to the south of the quartz float, intersected a number of anomalous zones down hole. In addition, a further 2 holes spaced 80 meters apart were drilled to test the east-northeast trending, 1 meter wide, sub-vertical quartz vein exposed in the shaft on the west-side of the Prospect. Although both holes intersect a 1 meter oxidized zone of increased quartz veining within the granite no gold mineralization was reflected in the assay results.

Kanunga 3 Gold Prospect

Historic drilling failed to intersect any mineralization beneath the trenches and only encountered mineralization in the upper parts of the holes. Geo Can completed a single RAB hole (KNRAB246), located south of the trenching, returned 2.04g/t gold over 9 meters. Three Schlumberger IP profiles on north orientated traverses were undertaken across the workings and reflected a number of weak chargeability anomalies aligned along east-northeast and northwest trends. An additional Schlumberger profile was run 240 meters to the east of the workings. Phase 3 drilling was directed at investigating the source of the quartz float and testing interpolated IP trends by drilling a number of fences across the artisanal mining site.

Drilling by Geo Can failed to intersect any significant mineralization beneath the surface workings suggesting that the surface quartz rubble may not have been derived from proximal subsurface quartz veins but be alluvial in origin. The anomalous RAB hole, KNRAB-246, could not be replicated by the "scissor" holes that returned only anomalous intercepts of 100 ppb gold beneath the borehole intersection.

Borehole KNRC0039, collared immediately west of the artisanal site, intersected a wide anomalous zone of 290 ppb gold over 25 meters (including 1.03 g/t gold over 1 meter) across the interpolated IP trend. Minor surface quartz was noted some 75 meters west and previous trenching, KTRM, encountered anomalous mineralization.

Selected drill sections are presented in Appendix 3.

Item 11 Sample Preparation, Analyses and Security

SGS Laboratories, located at Mkunyuni Industrial area, Nyegezi, P.O. Box 1826, Mwanza, Tanzania, processed the soil samples, trench samples and the core samples. SGS Labs has just received ISO 17025 certification.

The author visited SGSs' laboratory in Mwanza and reviewed the sample receipt, preparation and analysis procedures. SGS received the Company's samples and did not note any unusual features during the processing of the samples. The lab confirmed that it had run its own standards and blanks as well as tests during the crushing, pulverizing and assaying of the samples.

The author was not present before the programs commenced, but does not feel that there are any concerns with the programs, their planning or execution at this time. It is the author's opinion that the samples were collected, processed and reported in a manner entirely acceptable for the work that has been completed.
All samples were analysed using fire assays with atomic adsorption finish and gravimetric finish on all samples >10 gpt.

11.1 Drill Core Samples

Core Sample Preparation Methods and Quality Control Measures Before Dispatch

There is no core drilling on the property, all samples are RC or RAB.

Drill sampling was undertaken at the drill site under the supervision of B. Barber, who was assisted by three geologists. Barber adapted the following procedures used by Geo Can Resources during its drill program of 2008.

- At each drill site, an area for sample splitting and chip logging was established.
- The cyclone was cleaned with compressed air prior to the commencement of drilling. If a wet sample had been collected, the top of the cyclone was opened and the sample "cake" removed from the walls of the cyclone.
- RC samples were collected over 1 meter intervals and numbered in 50 kilogram plastic bags. These were held beneath the cyclone by the sampler. Little to no dust was allowed to escape.
- At the end of each 1 meter run, marked on the drill string, without stopping drilling the sample bags were quickly removed and replaced with a new bag.
- At the end of each drill string run, while a new length of drill rod was being fitted before re-commencing drilling, the hole was blown out. As soon as the hammer started to "chatter" a new sample bag was placed beneath the cyclone and the sample collection procedure continued.
- Each 1m sample increment collected was weighed on a spring balance and the weight recorded to determine approximate recovery.
- Each 1 meter sample was split in a three stage, 1:8, riffle splitter equipped with 30 millimeter wide slots.
- The large, 7/8^{ths} rejects portions of each sample were labeled, sealed and packed in sequential order at the drill site. The bags were stored in the field near the drill site (Photograph 6).
- The smaller, 1/8th sub-sample was combined with that obtained from another meter increment to produce a composite 2 meter laboratory submission sample.
- The composite sample was further split using a small, one stage riffle split to produce 2 samples of approximately a kilograms weight. One of these samples was submitted to the laboratory for analysis and the other was retained as a duplicate stored in the same increment sample bag in the field. Both samples were labeled by writing the number on the outside of the plastic bag and inserting a sample ticket into the bag. The duplicate sample was identified by writing a "D" above the sample number.

- A +200 gram sample of each meter run was collected, sieved, washed and laid out to dry in wooden chip trays. The chips were logged by the geologist and recorded in the log sheet. The samples, once dried, were placed in plastic chip trays and numbered accordingly. At the end of each day the chip trays were sent to the Bunda office for indexing.

The following adaptations were made:

The 1 meter sample collected from the cyclone was passed through a 3:1 splitter.

- The smaller fraction was then riffle split until an approximate sample weight of 1.2 kilogram was obtained. Sample weight was then either reduced or increased using a plastic scoop until 1.2 kilogram was attained.
- The sample was flattened in the plastic bag and the plastic scoop used to collect a homogenous sample of 200 grams across the width of the sample in the bag.
- The 1 kilogram sample (representing 1 meter) was labelled by placing a sample ticket in the top left corner of the bag, folding the top of the sample bag down and stapling the bag across the fold. The sample was then packed into a labelled rice sack and transported to the Bunda office at day's end.
- The 200 gram sample was collected in a plastic bag and the procedure repeated for the next meter sample increment until a 5 meters composite, consisting of 5 x 200 gram samples, was obtained. The sample bag was then ticketed, folded and stapled. The 5 meter composite sample was placed in another labelled rice sack, consisting of samples of a single batch, for laboratory submission.

The sample intervals were determined from the results obtained from panning each meter sample on site. Where visible gold, sulphides, increased quartz veining or enhanced oxidation were noted sampling was restricted to 1 meter intervals. All other samples were collected in 5 meter or less composites.

The following activities were carried out on the completion of the drilling program:

- All borehole collars were marked with a cement base, 30 x 40 x 15 centimeters in size, was written the number, dip, azimuth and length of the hole was written. An aluminium tag, bearing this information, was set in the cement.

- All reject samples that did not contain visible gold when panned were discarded on site. Those samples noted to contain gold have been stored under cover at the Bunda office for future test work.

- All drill logs were scanned and saved to the database.

- All the sample books are stored at the Bunda office.

Photograph 6. Reject Sample bags Stored at the Kinyambwiga Field Camp (photo from King and Barber (2011).

The following procedural instructions were issued to the SGS Laboratory for the Phase 3 - RC drilling samples for 50 gram fire Assays:

- Treat each batch separately
- Crush the entire sample
- Homogenize each sample
- Riffle split the sample to obtain 1 kilogram
- Pulverize the 1 kilogram sample to 95% <100µm
- Conduct 50 gram fire assays with 10% repeats
- Report all gold values in parts per million (ppm)

Summary of the nature, extent and results of drill core sample quality control procedures

The following Quality Control / Quality Assurance samples were inserted in the sample streams with the objective of assessing the accuracy and precision of the analyses reported for each sample batch:

- Phase 1 - RC: 51 QA / QC samples consisting of 6 blanks, 33 commercial standards and 12 duplicates amounting to 6% of the total sample submission.
- Phase 2 - RAB: 47 duplicates amounting to 2% of the total sample submission.
- Phase 3 – RC: 122 samples arranged in batches of 20 samples or less, which included 1 blank, 1 commercial standard and 1 duplicate, amounting to 17% of the total sample

submission.

The following quality controls were submitted with the Phase 1 and 3 RC drill sample batches:

- 5% blank material, usually consisting of barren beach sand collected from Dar es Salaam, with 1 sample being inserted into each sample batch for both the 5 meter composite and 1 meter samples.
- 5% certified gold analytical standards, details of which are given in Table 15, were submitted to the laboratory with the drill samples. A standard with a conformable sample number being placed into each batch, either randomly or within zones of mineralization at the geologist's discretion, to test analytical precision.
- 5% duplicates are usually collected in zones of suspected mineralization, as noted from on-site panning, to effectively test analytical sample accuracy.

SGS Laboratory applied their own quality control procedures and inserted 1 standard, 1 blank and 1 repeat analysis in each of the sample batches.

Sample Security

Sample collection, splitting and preparation was closely monitored by the geologists on site. The 1 kilogram sample prepared for the laboratory, together with its duplicate, were immediately sealed by folding over the top of the plastic bag and, with the sample ticket stapled into the top right hand corner, stapled closed. Both samples were then packed into separate, clearly marked, tied polyweave sacks. At the end of the drill shift both the laboratory and duplicate sample were transported by a geologist in a Company vehicle to the field office in Bunda where both sample bags were store under lock and key.

In order to amass sufficient material for possible future bulk sample test work all the samples noted to contain visible gold or have increased pyrite contents were removed from the field and stored at Bunda. All other drill rejects were left in the field under guard until the end of the drill program and then discarded.

Item 12. Data Verification

The author visited the property and observed the trenches and drill hole monuments. Handheld GPS measurements confirmed the location of the holes as presented. Artisanal miners were reprocessing tailings at one site, and visible gold was observed in vein material near one of the trenches proximal to where the processing was being conducted (Photograph 7)

Photograph 7. Abundant quartz in spoil pile adjacent to trench on Kinyambwiga Property.

A review of the QA/QC program conducted by the Company confirmed that a series of blanks and standards were inserted into the sample processing stream, and duplicate assays were routinely conducted.

Blanks

Blanks consisting of carbonate sand collected from beach deposits in Dar es Salaam were inserted into the sample stream at a rate of one per batch, or approximately one blank for every 80 samples. The mean and standard deviation of the 47 samples is 0.11 gpt and 0.47 if all samples are considered. If the one significant outlier (KNRC536) is removed, the mean and standard deviation of the blanks becomes 0.02 gpt and 0.01.

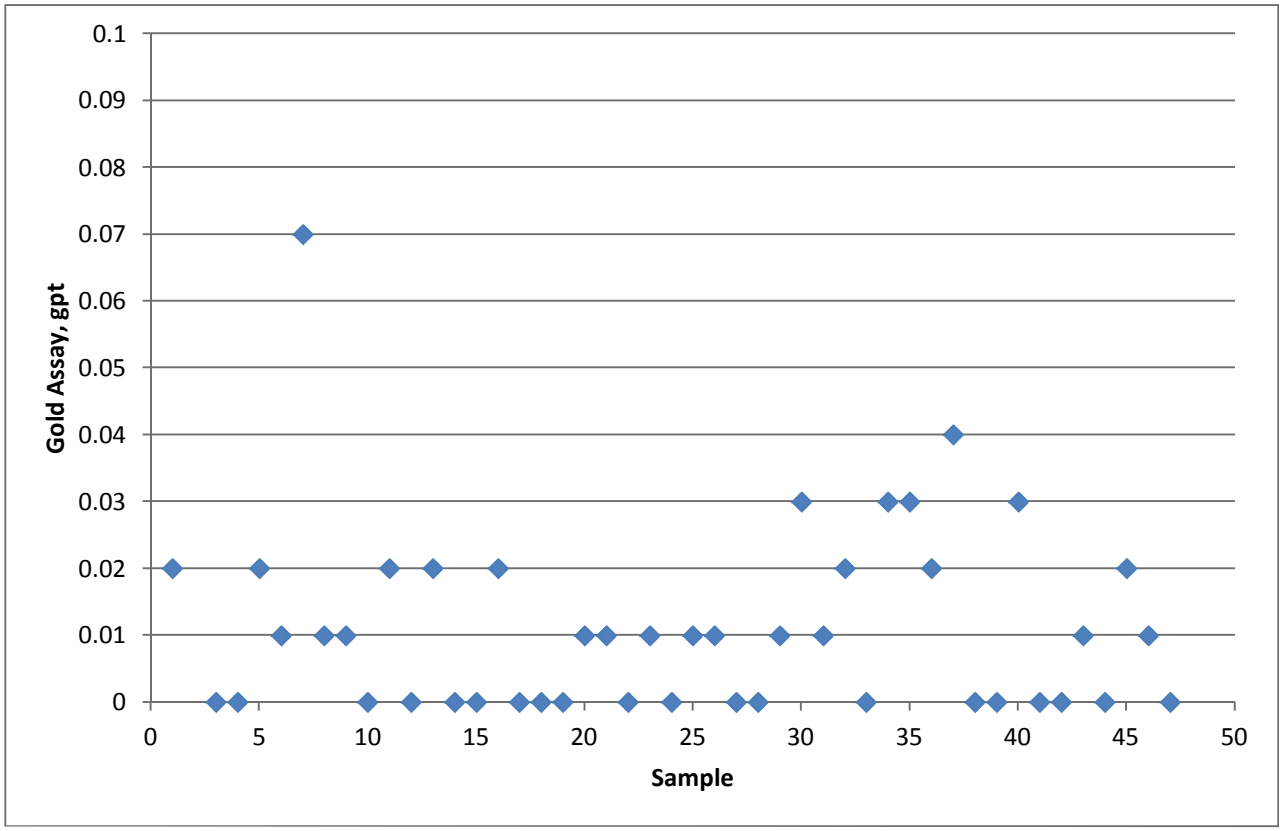


Figure 45. Blank material typically averaged less than 0.04 gpt with one significant exception. A high sample of 2.49 gpt (not shown) is believed to be a numbering mix-up during sampling.

Standards

Three standards were purchased from Rock Labs Limited, Aukland, New Zealand which were inserted into the sample stream 41 times, at an average rate of just over one for every 100 samples.

Table 15. Standards analysed in conjunction with Kinyambwiga drilling returned acceptable results.

	OXE74	Expected	OXH55	Expected	OXK48	Expected
High	0.91	0.63	1.34	1.32	3.62	3.60
Low	0.59	0.60	1.28	1.24	3.49	3.52
Average	0.66	0.62	1.30	1.28	3.57	3.56
StDev	0.095	0.017	0.018	0.038	0.042	0.042
Error	15%	3%	1%	3%	1%	1%

Error is reported as the standard deviation divided by the mean, expressed as a percentage.

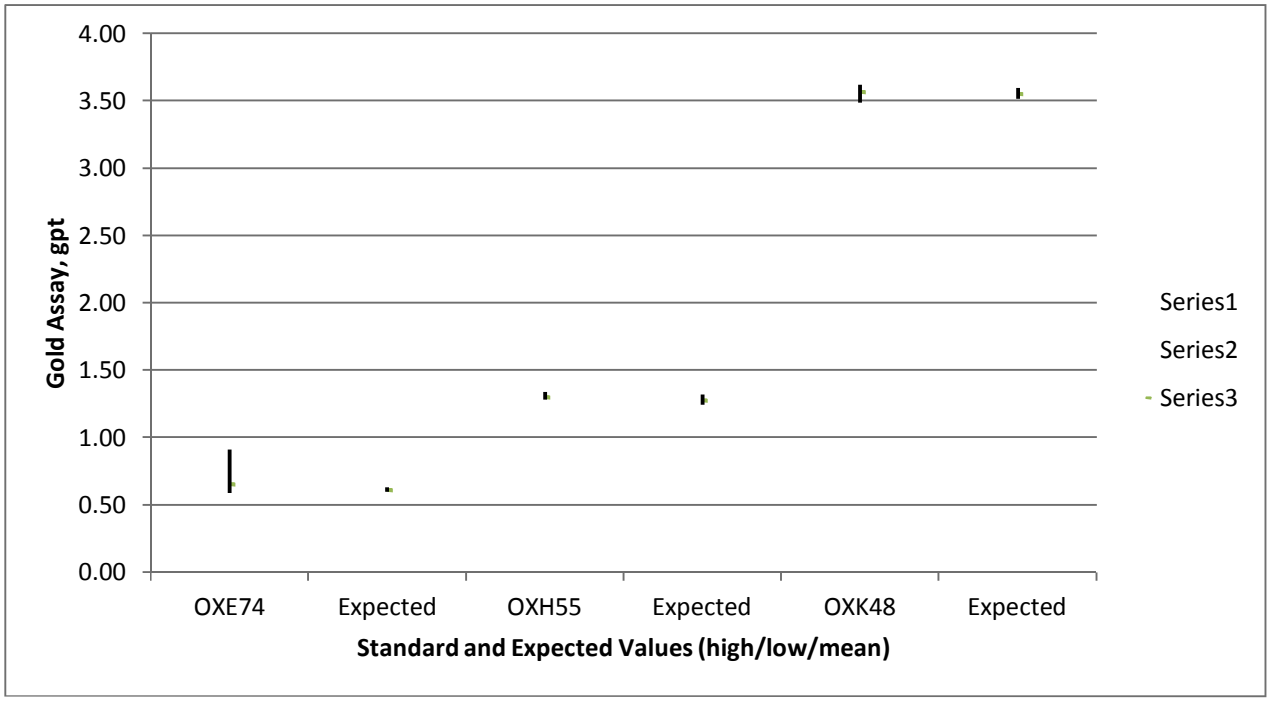


Figure 46. Standards inserted into the sample process stream for the Kinyambwiga drilling programs returned results in line with anticipated gold values.

Duplicate analyses

One hundred samples were analysed a random in replicate. No significant outliers were observed (Figure 47).

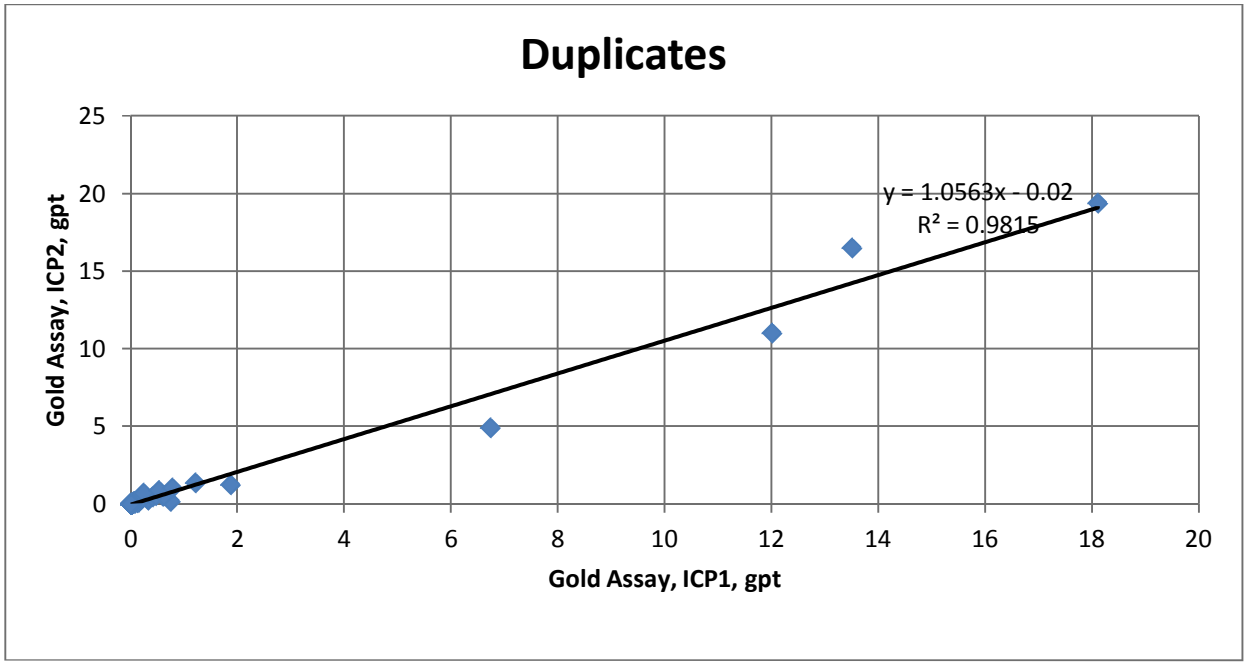


Figure 47. Duplicate gold assays.

Database Verification

All data was submitted to the author as a series of worksheets (Mapinfo_assays, Original Assays, Code Assays, QA-QC, and Working) within an Excel spreadsheet. Headings include:

BORE HOLE_ID
FROM
TO
INTERVAL
AU_PPM
% RECOVERY
AUR_PPM
AU R2_PPM
PY
ASPY
INTENSITE MAGNETITE
VG_COUNT
SAMPLE_ID
SAMPLE_TYPE
COMP
CORE_SIZE
QC_INFO
DATE
CONSIGNMENT
LAB_BATCH
LAB
SAMPL_COND
ORIGIN
BATCH
NO
COMMENTS

Different geologists and operators result in incomplete data. It is recommended that standard worksheets including:

Table	**Data**						
Collars	Hole	Easting	Northing	Elevation	Azimuth	Inclination	Total depth
Surveys	Hole	Depth	Azimuth	Inclination			
Assays	Hole	From	To	Element1	Element2	Element3	
Lithology	Hole	From	To	Major	Minor		
Alteration	Hole	From	To	Major	Minor		
Geotechnical	Hole	From	To				

Supporting data such as logger, sampler, batch, laboratory etc. can be added within the Lithology or Assays tables. Additional tables can be added.

The data was validated using MapInfo's validate routine in the drillhole project management program. Minor sample gaps were noted and fixed.

It is the opinion of the author that there are no significant inconsistencies in the standard, blank, or duplicate data. The author has relied upon the results reported by the Company to be of this opinion.

The author is of the opinion that the data can be verified as being accurate and suitable for the purposes of this report, however it is recommended that the database be improved.

Item 13. Mineral Processing and Metallurgical Testing

Metallurgical testing is currently being conducted and only preliminary results are available to the author at this time.

A composite grab sample from one of the artisanal pits was collected and submitted to Peacocke and Simpson, Mineral Process Engineers, Zimbabwe. All of the work reported in Item 17, Recovery Methods has been conducted by Peacocke and Simpson, consulting metallurgical engineers from Zimbabwe.

Bond Work Index

The standard Bond Ball Mill Work Index test procedure is firstly to stage crush the feed to minus 3.35mm, and size a representative sample, see Table 1. The test then involves a series of batch grinds in a Standard Ball Mill. A Bond Mill is 0.305m by 0.305m, with rounded corners, a smooth lining and turns at 70rpm. The charge consists of 285 balls, weighing a total 20 125kg. Initially, a 700cm^3 sub-sample of feed is prepared for use in the first batch grind. It is milled for 100 revolutions and after each batch grind the contents of the mill are sieved on a selected "closing" screen to remove the undersize. This is replaced by an equal weight of fresh feed to bring the weight back to that of the original charge. This sample is then returned to the mill and ground for a pre-determined number of revolutions calculated to produce a 250% circulating load. This procedure is repeated at least 7 times until the weight of undersize produced per mill revolution reaches equilibrium. The average of net mass per revolution from the last three cycles is taken as the ball mill grindability (Gbp) in g/revolution. A representative sample of product is sieved to determine **P**$_2$ at 80% cumulative passing, Table 2. Finally, the BMWi is calculated using the Bond equation.

Table 16. Preliminary Bond Work Index test results reported by Peacocke and Simpson, 2012.

A	B	C	D	E	F	G	H
	MILLFEED				**MILLDISCHARGE**		

Cycle	New Feed	-75 pm	75 mm Oversize	Rev/M	-75 pm	Total Under Produced	Undersize Produced g/rev
1	1257	228.8	130.3	128	320	91.2	0.71
2	320	58.2	130.3	159	197	138.8	0.70
3	197	35.9	300.9	282	310	274.1	0.97
4	310	56.4	323.7	308	294	237.6	0.97
5	294	53.5	305.6	330	346	292.5	0.89
6	346	63.0	296.1	370	363	300.0	0.81
7	363	66.1	293.0	365	358	291.9	0.80
8	358	65.2	293.9	365	359	293.8	0.80
9	359	65.3	293.8	365	358	292.7	80

A - No. Of Ginding Cycles
B - Initial Weight of Ore to Mill
C - B x % Fraction 0 (Used Mesh Size)
D - Mesh Oversize (Based on $700cm^3 \div 3.5$) – C
E - Revolutions per minute
F - Minus Mesh Fraction (Mill Discharge)
G - Total Undersize Produced
H - Undersize Produced Per REV

Table 17. Summary of preliminary grinding test results, reported by Peacocke and Simpson, 2012.

Screen	Wt (g)	% Wt	% Cumulativ
75	0.00	0.00	100.00
63	26.00	26.00	74.00
45	18.00	18.00	56.00
-45	56.00	56.00	0.00
Total	**100.00**	**100.00**	

P_1 75
P_2 65.6
F_2 2075.0
Gbp 0.800

GRINDABILITY = 0.800G/REV

Bond work index (BWi = **19.48**)

Recovery Tests

Preliminary gravity and cyanide recovery tests were conducted on the same sample material collected for the BWI test.

FEED PREPARATION

The sample was crushed to 100% passing 1.0mm using a Rockdasta impact crusher. The crushed product was subjected to gravity concentration as outlined below.

GRAVITY CONCENTRATION TEST AFTER CRUSHING

The prepared sample was pulped to 50 % solids and the resultant pulp was subjected to gravity concentration (2 pass) via a Knelson Centrifugal Concentrator Model KC-MD3. The primary concentrates generated were upgraded via careful hand panning to produce pan Concentrate 1 and Pan Concentrate 2 which were assayed via total fusion to eliminate sampling error and nugget effect. Secondary concentrate (pan tail 1 and pan tail 2) and final tailings were dried, weighed and split for Au assay.

GRADING ANALYSIS OF KNELSON TAILS FROM ABOVE

The representative portion was wet-screened on a series of test sieves, products were weighed and assayed.

VAT LEACH SIMULATION ON KNELSON TAILS

A 10kg representative portion from the sample was subjected to flooded percolation vat leaching as follows:

The sample was thoroughly mixed with lime and placed into a static leach vat. Cyanide solution was poured onto the charge and allowed to remain in contact for 16 hours before draining. Thereafter fresh cyanide solutions were percolated through the charge daily until gold dissolution fell to low level. The solids were finally displacement washed with water, dried and fire assayed

GRAVITY CONCENTRATION TEST AFTER MILLING

The Knelson tailings product was milled to 80% passing 75 micron via a Laboratory ball mill and the ground product was subjected to gravity concentration as outlined above.

CYANIDE LEACH TESTS

1kg representative aliquots of the final Knelson tailing samples were prepared and leached as follows: Each portion was pulped to 40% solids with water, lime was added to achieve pulp pH of 10.5 – 11.0 and 0.10% KCN solution strength was added. Mechanical agitation was carried out for 24 hours, with regular withdrawal of solution samples to monitor dissolution rate and reagent strength, the latter being replenished to target as required. At the conclusion of the test the pulp was filtered and water washed, and the solids residues were dried, split and assayed.

Test Results

Assayed and calculated head grades of the sample are shown below.

SAMPLE: ORE	Gold Grade (gpt)
Assayed head grades (g/t Au) 1	7.21
Assayed head grades (g/t Au) 2	7.26
Average (g/t Au)	7.24
Calculated head grade (g/t Au)	7.27

All assays were conducted by Performance Laboratories (Pvt) Ltd, of Harare, Zimbabwe, which is a SANAS certified laboratory.*

** The South African National Accreditation System is recognised by the South African Government as the single National Accreditation Body that gives formal recognition that Laboratories, Certification Bodies, Inspection Bodies, Proficiency Testing Scheme Providers and Good Laboratory Practice (GLP) test facilities are competent to carry out specific tasks.*

Table 18. Preliminary results from the Knelson concentrator on -1mm crush.

Product	**(g)**	**Mass Fract'n**	**Percent Cum.**	**Assay Fract'n**	**(g/tAu) Cum.**	**Gold Units mg**	**Recovery Fract'n**	**(%) Cum.**
Pan Concentrate 1	15.1	0.08	0.08	1795.37	1795.37	27.11	18.6	18.6
Pan tailings 1	44.8	0.22	0.30	1.45	453.67	0.06	0.0	18.7
Pan Concentrate 2	9.2	0.05	0.35	616.41	475.34	5.67	3.9	22.6
Pan tailings 2	46.2	0.23	0.58	49.24	304.60	2.27	1.6	24.2
Knelson tailings	19884.7	99.42	100.00	5.55	7.27	110.29	75.8	100.0
Feed	**20000.0**	**100.0**		**7.27**		**145.42**	**100.0**	

Table 19. Preliminary results from the Knelson Concentrator on -80% -75 µm grind.

Product	**(g)**	**Mass Fract'n**	**Percent Cum.**	**Assay Fract'n**	**(g/tAu) Cum.**	**Gold Units mg**	**Recovery Fract'n**	**(%) Cum.**
Pan Concentrate 1	13.7	0.14	0.14	1134.75	1134.75	15.55	28.0	28.0
Pan tailings 1	51.9	0.52	0.66	62.50	286.43	3.24	5.8	33.9
Pan Concentrate 2	40.5	0.40	1.06	34.28	190.20	1.39	2.5	36.4
Pan tailings 2	47.8	0.48	1.54	42.03	144.17	2.01	3.6	40.0
Knelson tailings	9846.1	98.46	100.00	3.38	5.55	33.28	60.0	100.0
Feed	**10000.0**	**100.0**		**5.55**		**55.47**	**100.0**	

Table 20. Summary of the results of the preliminary gravity recovery test work.

Product	**(g)**	**Mass Fract'n**	**Percent Cum.**	**Assay Fract'n**	**(g/tAu) Cum.**	**Gold Units mg**	**Recovery Fract'n**	**(%) Cum.**

Pan Con 1 @ -1mm	15.1	0.08	0.08	1795.37	1795.37	27.11	18.6	18.6
Pan Con 2 @ -1mm	9.2	0.05	0.12	616.41	1349.01	5.67	3.9	22.6
Pan Con 1 @ -75µm	27.2	0.14	0.26	1134.75	1235.85	30.87	21.2	43.8
Pan Con 2 @ -75µm	80.5	0.40	0.66	34.28	503.07	2.76	1.9	45.7
Pan Tail 1 @ -1mm	44.8	0.22	0.88	1.45	375.97	0.06	0.0	45.7
Pan Tail 2 @ -1mm	46.2	0.23	1.12	49.24	308.28	2.27	1.6	47.3
Pan Tail 1 @ -75µm	103.2	0.52	1.63	62.50	230.52	6.45	4.4	51.7
Pan Tail 2 @ -75µm	95.0	0.48	2.11	42.03	188.01	3.99	2.7	54.5
Knelson tailings	19578.8	97.89	100.00	3.38	7.27	66.18	45.5	100.0
Feed	**20000.0**	**100.0**		**7.27**		**145.37**	**100.0**	

The conclusion of the gravity test work was that grinding is required to obtain acceptable results, which in this test work resulted in a recovery of 54.5% of the gold.

Cyanide Leach Test

Vat leach of the gravity tails was tested at-1mm and 80% -75 µm.

Table 21. Test parameters for preliminary cyanide vat leach.

Built-up head grade (g/t Au)	5.57
Leach residue value (g/t Au)	1.86
Extraction (g/t Au)	3.71
Extraction (%)	66.6
Lime Required (kg/t)	4
NaCN Consumed (kg/t)	0.79

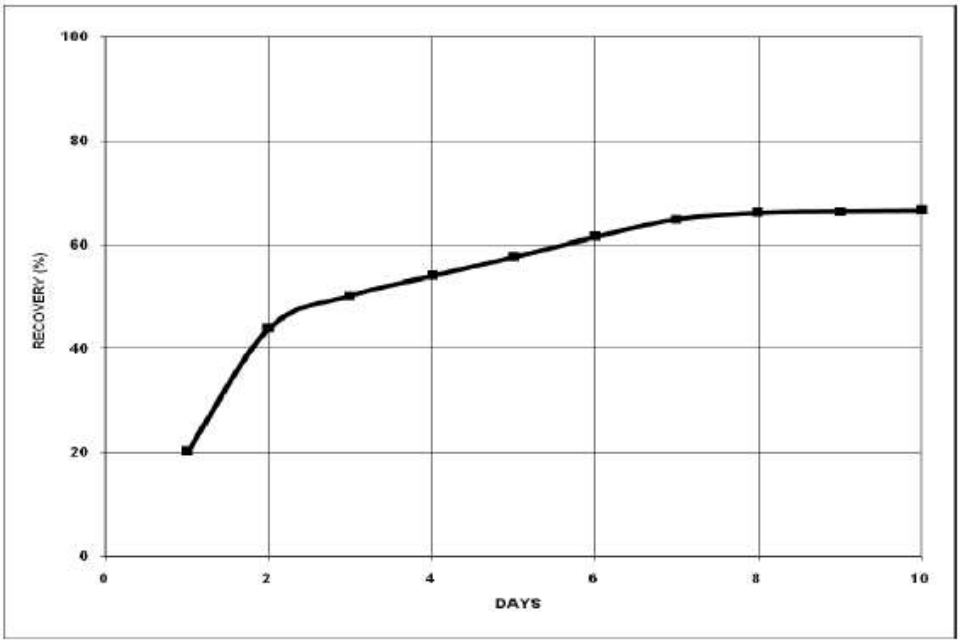


Figure 48. Results of vat leach test on gravity tails from -1mm crush, Kinyambwiga Property.

A second test using an agitated leach on the 80% passing -75 μm was run.

Table 22. Parameters for agitated leach on 80% -75 μm grind of Kinyambwiga gravity tails.

Built-up head grade (g/t Au)	3.20
Leach residue value (g/t Au)	0.51
Extraction (g/t Au)	2.69
Extraction (%)	84.10
Lime Required (kg/t)	1.50
NaCN Consumed (kg/t)	0.84

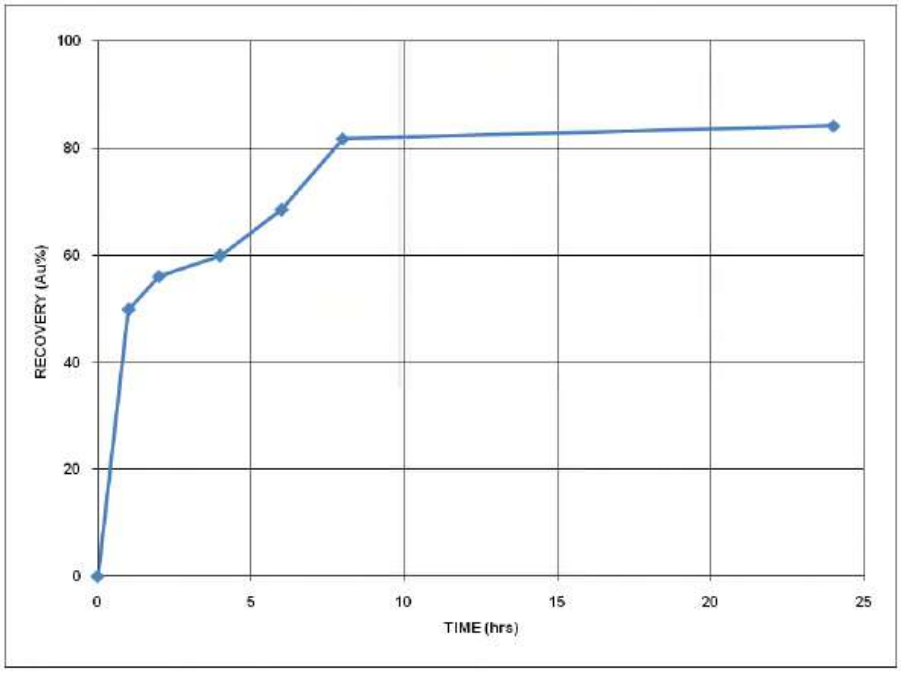


Figure 49. Dissolution rate curves for agitated cyanide leach on -75 µm gravity tails.

- Gold recovery after 24 hours was 84.1% of the test head.
- Dissolution rate was rapid achieving gold recovery of more than 82.0% in 8 hours.
- Sodium cyanide consumption was 0.84 kg/t and lime added was 1.5 kg/t.

The conclusions from the cyanide leach tests were:

Overall gold recovery via Knelson Centrifugal Concentration and cyanide leaching of Knelson tailings was as follows:

Table 23. Summary of gravity and cyanidation test work on 80% -75 µm sample from Kinyambwiga.

Knelson concentration (% of test head)	54.5 %
Cyanide leaching of Knelson tailings (84.1% of 45.5%)	38.2 %
Overall gold recovery	92.7 %

Additional flotation tests are ongoing.

Item 14. Mineral Resource Estimates

There are no Mineral Resources on this property at this time.

Item 15 Mineral Reserve Estimates

No mineral reserve estimate has been prepared for this property.

Item 16. Mining Methods

No mining methods have been established or reviewed.

Item 17. Recovery Methods

Artisanal miners are using simple grinding methods to liberate gold which is recovered using sluices and panning techniques. It is not known how much gold is recovered or lost during this process.

Item 18. Project Infrastructure

There have been no studies of the required infrastructure and logistical requirements for this project.

Item 19. Market Studies and Contracts

At present the principal commodity of interest at the project is gold. Transportation and sale of gold is easily viable around the world and there are no specific markets or need of specific contracts for the sale of the project's production. There have not been any specific studies or analyses completed by the Company on market studies, commodity price projections, product valuations, market entry strategies, or product specification requirements.

The author is unaware of any contracts relating to the Company required for the Kinyambwiga Property development, including mining, concentrating, smelting, refining, transportation, handling, sales and hedging, and forward sales contracts or arrangements.

Item 20. Environmental Studies, Permitting and Social or Community Impact

There are no known studies of specific environmental, permitting and social or community factors related to the project.

Item 21. Capital and Operating Costs

There are no known estimates of capital and operating costs for project development.

Item 22. Economic Analysis

No economic analysis has been prepared for this project

Item 23. Adjacent Properties

Due to extensive mbuga cover, investigations have largely been confined to areas of exposed basement rock. The west end of the Musoma - Mara Greenstone Belt is covered by Prospecting

Licenses held by individuals or groups unrelated to the Company. Many of the known gold occurrences are covered by Primary Mining Licenses are held by Tanzanian nationals. Most of the artisanal workings and old colonial mines are located further to the northeast away from the shore of Lake Victoria.

The largest colonial mine in the area is the Kiabakari Mine some 10 kilometers northwest of the Project areas. The Mine was active from 1933 to 1966 and is reported to have produced some 8,800 kilograms of gold (MPGGlobal website, http://www.mpgglobal.com/docs/RINGWANI.pdf).

The Mrangi - Phoenix Mine, situated some 7 kilometers to the northwest of the Murangi Prospecting License, was worked between 1929 and 1941 and intermittently from 1947 to 1958. It reached its peak production in 1933 when over 31 kilograms of gold was produced. The east trending Seke Shear Zone lies ±8 kilometers west of the Suguti Prospecting License. Artisanal workings occur along the Seke Shear and at Nyamweki and Karusenye some 4 kilometers west of the Suguti Prospecting License.

The Suguti Prospecting License is divided by the northwest trending Suguti Shear. An increase in artisanal workings, including those at Binetti, Kitaria, Musamgambe, Nyasikiro and Nyasiori, occur to the east of the fault. Although there are currently no known artisanal workings in the Suguti Prospecting License a scattering of diggings occur immediately to the northeast and east of the tenement. The old Maremgu Mine is located near the northeast corner of the concession.

The Kinyambwiga Prospect, located south of the Greenstone Belt, is underlain by granite. Besides a number of artisanal workings exploiting quartz veins in the northeast of the area, no other activity is known in its vicinity.

The author of this report has been unable to verify the information about the adjacent properties. The information is not necessarily indicative of the mineralization on the Lake Victoria Resources Ltd. properties, Kinyambwiga, Murangi and the Suguti Projects.

Item 24. Other Relevant Data and Information

The Company is proceeding to evaluate the potential economic potential of a modest mining operation on the Kanunga 1 deposit by open pit methods. Studies, including metallurgical and environmental are being initiated. Capital and operating costs are being established. The results of this work are expected to be completed over the next several months.

Item 25. Interpretation and Conclusions

A conceptual exploration target exists on the Kinyambwiga property.

An inspection of the plans and sections provides for several potential correlations between the drillholes. A steeper sectional correlation was selected due to information obtained from artisanal miners who have sunk small shafts by hand on the property. A dip of between 68^0 and

76° is consistent on and between sections with the limited anecdotal information from the artisanal miners.

Conceptual Exploration Target

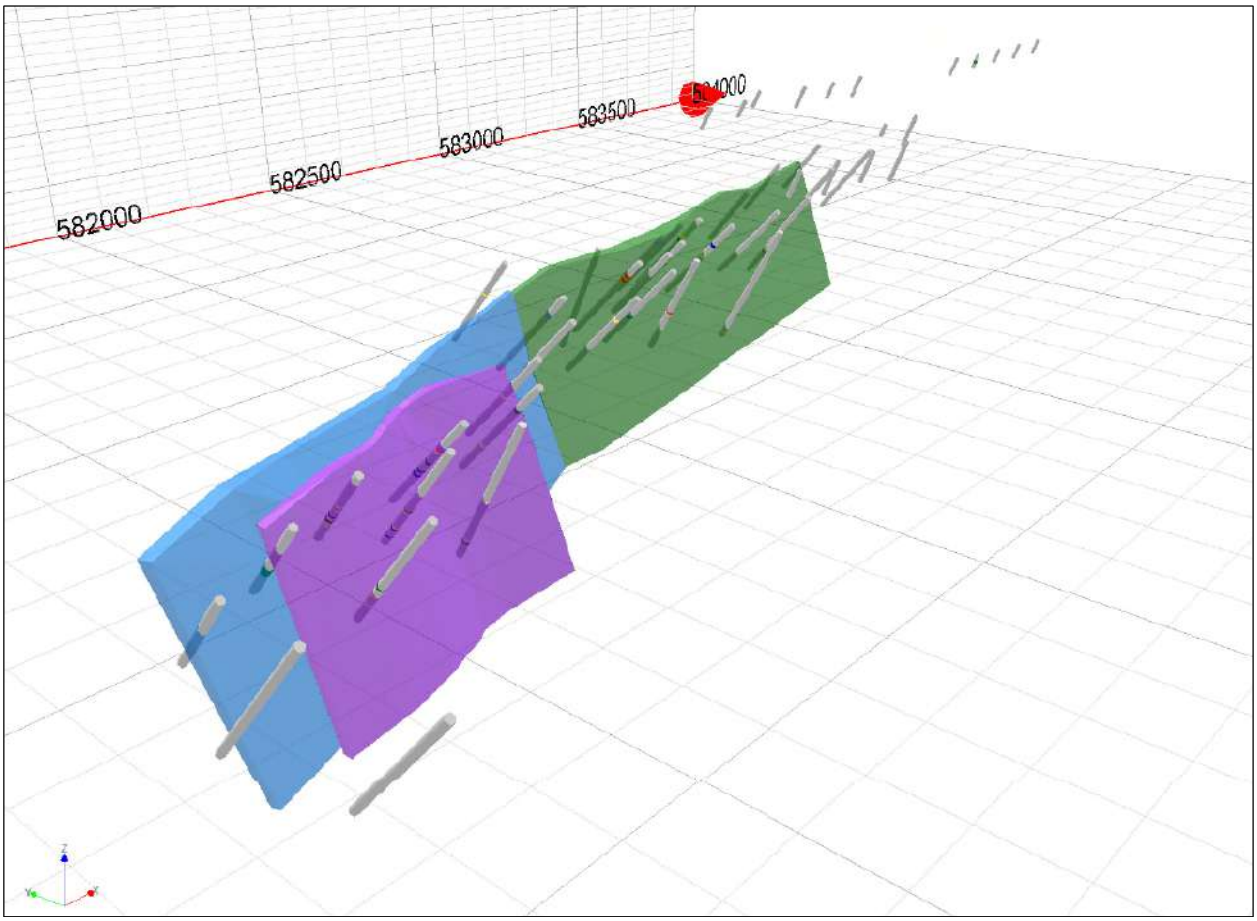


Figure 50. Oblique northeast view of the possible three vein solids modeled for Kinyambwiga.

Assay database

The assay database consists of 433 drillholes (377 RAB (7432 meters) and 56 RC (3989 meters)) largely on 3 separate targets. Only the Kinyambwiga is considered to have enough information to establish a resource, however further work is required.

Conceptual Target

Drill and trench data, supported by anecdotal evidence supplied by artisanal miners demonstrates the continuity of mineralization in three dimensions in the Kinyambwiga area for the three veins reviewed. From this work there is a reasonable expectation that further exploration work might identify a deposit of between 600,000 to 1,000,000 tonnes grading between 1 and 3 gpt gold to elevation 1,000 m AMSL.

The potential quantity and grade of these targets are conceptual in nature. There has been insufficient exploration to define a mineral resource and that it is uncertain if further exploration will result in the target being delineated as a mineral resource. The conceptual target has been determined on the basis of trenching, mapping, geophysics and both RC and RAB drilling.

Potentially economic grades and widths of gold mineralization have been identified in trenches, pits and drillholes on the Kinyambwiga property. The Kanunga 1 appears to be correlatable along strike and down dip across a 700 m strike length. Three or more geological solids models can be created encompassing much of the drillhole intercepts and block modeling techniques may be able to estimate potentially recoverable tonnages of mineralization. Geochemical and geophysical techniques appear to be able to extend the known mineralization beyond the limits that have been drilled, and new areas of potential mineralization have been identified.

Artisanal activities have focused much of the initial exploration to date, however this does not apply in mbuga-covered areas. Magnetic techniques can "see" through this cover and extrapolate trends, however it appears that VLF techniques are not useful and IP results become less successful where mbuga becomes thicker.

Soil geochemistry appears to be able to provide confirmation of existing trends and identification of new trends. The trailer-mounted auger provides a method to penetrate several meters of overburden, however transport of this tool during the wet season becomes more difficult where mbuga is thick.

Drilling has effectively traced the known mineralization and test geophysical targets. Sampling techniques, preparation and QA/QC work is adequate for the programs to date. Diamond drilling is recommended to acquire oriented core to assist in structural analyses, geomechanical studies, and possibly hydrogeological work.

The Kanunga 1 Gold Prospect has received the most attention. Trenching and reverse circulation drill programs have delineated gold mineralization, consisting of semi-continuous narrow gold bearing, en echelon quartz veins hosted within sheared granitic rocks, over a strike length of 700 meters. However, the potential of the occurrence has yet to be fully evaluated.

The east northeast trending shear zone in which the quartz veins are located is seen from ground geophysics to extend across the tenement. This shear zone has in turn been cross-cut by a number of northwest trending structures which, in the Lake Victoria Gold Field, are frequently gold bearing. The east northeast trending shear zone provides a potential target for the discovery of additional auriferous quartz veins along strike from known mineralization. Similar sub-parallel east northeast trending structures, interpolated to represent a series of half grabens, are noted in the southeast of the area. Since this area is covered by a thick surface cover of mbuga there are some indications of associated mineralization or alteration where sampling can penetrate the cover. The Kanunga 2 and 3 Gold Prospects, to the north of Kanunga 1, lie on extensions of these east northeast trending regional structures.

Reconnaissance exploration, involving trenching and the drilling of 3 reverse circulation boreholes, has been undertaken on the Kanunga 2 Gold Prospect. Although trenching intersected two shear zones approximately 2 meters wide, in which thin, interfoliated and seemingly barren quartz veins occur, anomalous gold mineralization was only intersected in one of the scissor holes drilled, **Figure 39**. Schlumberger VES profiling revealed the presence of up to 5 distinct chargeability anomalies that have yet to be tested. Further ground work is required to assess the potential of this area. Artisanal miners are reported to be active in this area (King, pers com., 2012).

The Kanunga 3 Gold Prospect, situated over the intersection of east northeast and northwest trending structures and the site of artisanal workings, has not been fully investigated. Reverse circulation drilling did not establish the source of the abundant surface quartz material which marks the artisanal site.

In the west of the area a circular mafic intrusion, as interpolated from ground magnetics, cross-cuts a prominent northwest trending structure. Soil sampling immediately to the east of the intrusion returned a number of anomalous values that may be related to this structure.

Both the Suguti and Murangi Prospecting Licenses, although underlain by rocks of greenstone affinity, are largely covered by mbuga. No record of previous exploration is currently available. No artisanal mining is known to exist in either area. Ground magnetometer surveys have been undertaken across both Prospecting Licenses. The major northwest trending Suguti Fault, transecting the Suguti Prospecting License, is reflected by a quiet magnetic signature interpreted to represent down faulting to the south and west. The area is overlain by a considerable thickness of mbuga. A significant change in geology occurs across the structure, with granitic and meta-volcanic rocks occurring on the north side and banded iron formation on the south. A number of northeast trending structures, cross-cutting the main regional northwest structures, are reflected in the ground magnetics completed across both tenements. The intersections of these structures, as elsewhere in the Musoma-Mara Greenstone Belt, are potential gold exploration targets.

Item 26. Recommendations

It is recommended that the following development work be undertaken on the Kinyambwiga Property:

With respect to the Kanunga 1 deposit:

1. Confirm the strike and dip of the veins by:
    a. Excavation (approximately 3 to 4 trenches along strike of the mineralization, after 1 cross-strike trench every 20 m)
    b. Diamond drilling using oriented core in 6 to 8 holes in the core of the deposit

2. Initiate engineering studies to confirm mechanical properties of the rock

3. Initiate metallurgical studies

4. Initiate environmental studies on the deposit and the environment

5. Exploration to confirm the strike and down-dip extension of the Kanunga 1deposit

    a. RC drilling along strike
    b. Selected diamond drilling at the 1050m elevation and if successful at the 1000m elevation

6. Prepare a resource estimation for the Kanunga 1 deposit.

With respect to the Kanunga 2 and 3, and other showings:

1. Conduct Schlumberger profiling across targets.
2. Pitting and/or trenching major targets.
3. Undertake shallow auger drilling to sample the soil and underlying bedrock concealed beneath mbuga surface cover.
4. Prioritize targets for a 2,000 meter RAB drilling program.

26.2 Murangi and Suguti Recommendations

Both the Murangi and Suguti Projects are at a “grass roots” level. The extensive mbuga cover renders exploration problematic. Recent ground magnetometer surveys have indicated the persistence of the important northeast fracture trends, coupled with the crosscutting northwest lineaments and/or dykes, the intersections which are known to exert control on gold mineralization in the Lake Victoria Gold Field. Based on this structural model, follow-up exploration, with emphasis on the structurally potential areas outlined, will entail undertaking:

1. Gradient Array IP surveys across the licenses, including the mbuga overlying the Suguti Fault Zone, to refine the structural signature and identify any chargeability anomalies associated with pyrite enriched gold mineralization.
2. Selected Schlumberger profiles planned on the results of the Gradient Array IP surveys.
3. Sampling of rock outcrops exhibiting iron alteration or other signs of mineralization and the bif exposed in the south of the Suguti PL.
4. Follow-up pitting and trenching on any significant anomalies outlined by the investigations listed above.
    a. Specific areas include the coincident gold and arsenic anomalies in the southern portion of the Suguti license, particularly the eastern portion.

Notes:

1. Exploration over areas covered by ≥0.5 m mbuga will be undertaken using vertical auger holes, drilled on a grid using a man portable rig, to collect samples at the soil / rock interface for gold analysis by aqua regia.
2. A number of ground magnetometer targets, focused on the intersection of the NW- and NE-trending structures, should be investigated.

3. Further exploration will be dependent upon the results obtained. Should anomalies be identified RAB / RC drilling program will be considered.

A budget of US$1,034,000 is proposed to undertake the recommended one year exploration program (

Table 24).

Table 24: Summary Proposed Budget Required to Undertake the Exploration Recommended in 2013 on the Kinyambwiga, Murangi and Suguti Properties.

Kanunga 1	**Totals**
1. Confirm veins	
Trench	$20,000
2. Engineering studies, geotechnical	$40,000
3. Engineering studies, metalurgical	$20,000
4. Environmental studies	$60,000
5. Exploration Kanunga 1	
RC drilling	$200,000
Diamond drilling	$400,000
6. Resource modeling	$25,000
Kanunga 2 and 3	
1. Geophysics	$15,000
2. Trenching	$15,000
3. Soil geochemistry	$25,000
4. RAB drilling	$80,000
Murangi and Suguti Targets	
1. Gradient IP	$15,000
2. Schluberger profiles	$15,000
3. Geological studies	$25,000
4. Trenching	$20,000
Miscellaneous	$25,000
Licensing Fees	$4,000
Logistical support (vehicles, food, communications)	$30,000
Total	**$1,034,000**

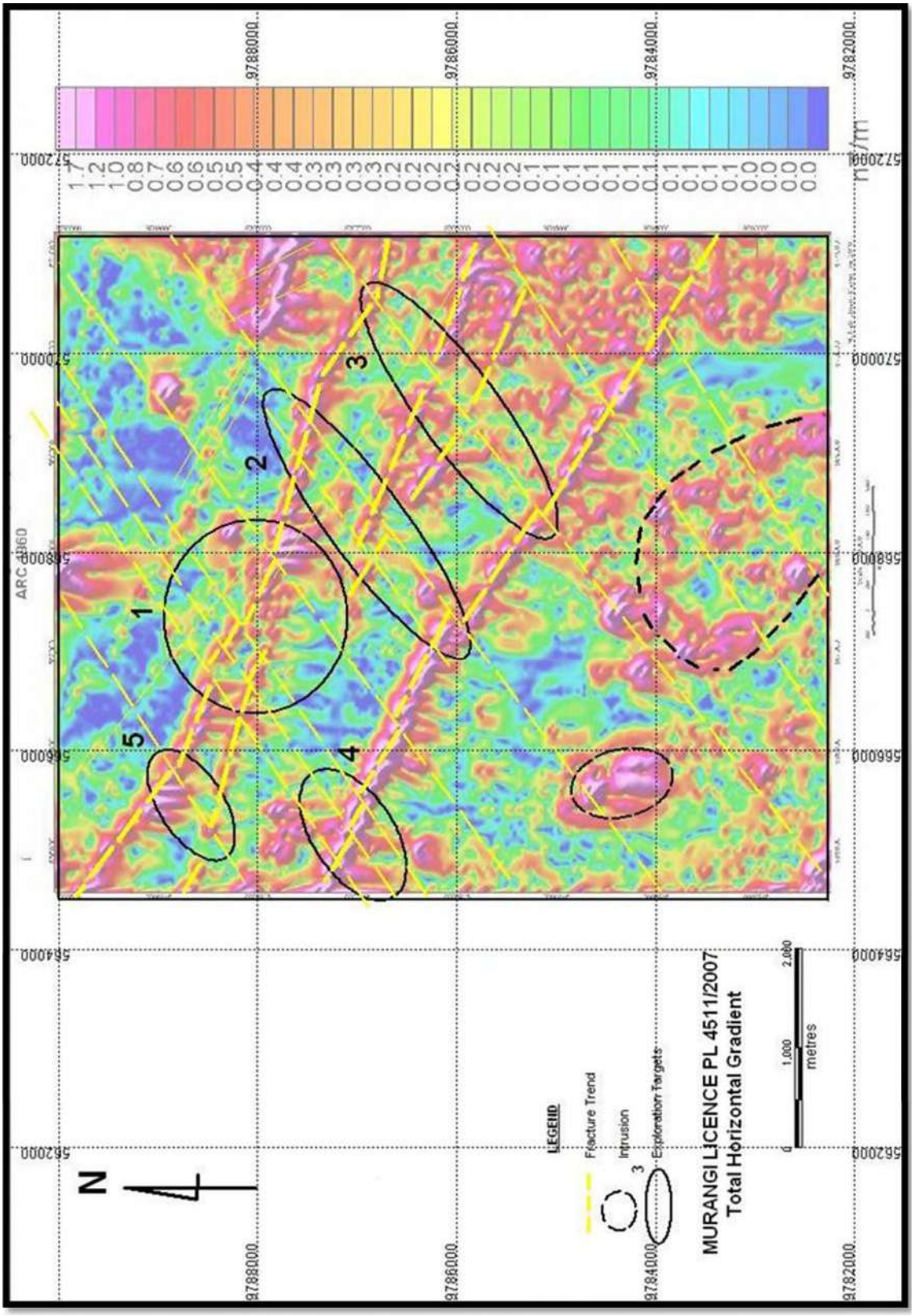


Figure 51. Map of the Murangi License showing potential exploration targets (after King and Barber, 2011).

Item 27. References

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Newell, R. (January 2008). Kinyambwiga Gold Project, License No. PL:4653/2007. United Republic of Tanzania with recommendations for exploration. Internal Technical Report, Geo Can Resources Company Ltd, p. 20.

Appendix 1

Legal opinion on licenses.

VEMMA | CONSULT ATTORNEYS

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Dar es Salaam
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Cell : + 255 787 666300
Email: info@vemmaattorneys.co.tz
www.vemmaattorneys.co.tz

Date: 19th June, 2011
Our Ref: VEMMA/HK/02/2011

Dear Heidi,

RE: SEARCH REPORT ON PRIMARY MINING AND PROSPECTING LICENSES.

Please refer to the above mentioned caption.

Following your instructions to do an official Search on various Primary Mining and Primary Licenses at Ministry of Mining, the results are shown at attachment.

The Search report revealed that registered License holder is Abubakar Ahmed Magoma. As we understand, the said Abubakar Ahmed Magoma is in agreement with Lake Victoria Resources (T) Limited that he holds Licenses under trust and all the Licenses do belong to Lake Victoria Resources (T) Ltd.

We appreciate working with you and looking forward in more cooperation between us.

Regards

Yours Faithfully,
VEMMA CONSULT ATTORNEYS.

.....
Mashaka Edgar Mfala
Advocate/Partner.

MASHAKA EDGAR MFALA ADVOCATE NOTARY PUBLIC & COMMISSIONER FOR OATHS DAR ES SALAAM

Table 1: Search results for the Primary Mining Licences

S/No	Licence No.	Registered Licence Holder	Mineral Type	Status	Granted Date	Locality/District
1	PML0001173	Ahmed Abubakar Magoma	Au	Valid	31/03/2000	Kinyambwiga/ Bunda
2	PML0001174	Ahmed Abubakar Magoma	Au	Valid	31/03/2000	Kinyambwiga/ Bunda
3	PML0001175	Ahmed Abubakar Magoma	Au	Valid	31/03/2000	Kinyambwiga/ Bunda
4	PML0001176	Ahmed Abubakar Magoma	Au	Valid	31/03/2000	Kinyambwiga/ Bunda
5	PML0001177	Ahmed Abubakar Magoma	Au	Valid	31/03/2000	Kinyambwiga/ Bunda
6	PML0001178	Ahmed Abubakar Magoma	Au	Valid	31/03/2000	Kinyambwiga/ Bunda
7	PML0001179	Ahmed Abubakar Magoma	Au	Valid	31/03/2000	Kinyambwiga/ Bunda
8	PML0001180	Ahmed Abubakar Magoma	Au	Valid	31/03/2000	Kinyambwiga/ Bunda
9	PML0001181	Ahmed Abubakar Magoma	Au	Valid	31/03/2000	Kinyambwiga/ Bunda
10	PML0001182	Ahmed Abubakar Magoma	Au	Valid	31/03/2000	Kinyambwiga/ Bunda
11	PML0001183	Ahmed Abubakar Magoma	Au	Valid	31/03/2000	Kinyambwiga/ Bunda
12	PML0001185	Ahmed Abubakar Magoma	Au	Valid	31/03/2000	Kinyambwiga/ Bunda
13	PML0001301	Ahmed Abubakar Magoma	Au	Valid	31/03/2000	Kinyambwiga/ Bunda
14	PML0001302	Ahmed Abubakar Magoma	Au	Valid	31/03/2000	Kinyambwiga/ Bunda
15	PML0001307	Ahmed Abubakar Magoma	Au	Valid	31/03/2000	Kinyambwiga/ Bunda
16	PML0004582	Ahmed Abubakar Magoma	Au	Valid	24/10/2003	Kinyambwiga/ Bunda
17	PML0004583	Ahmed Abubakar Magoma	Au	Valid	24/10/2003	Kinyambwiga/ Bunda
18	PML0004584	Ahmed Abubakar Magoma	Au	Valid	24/10/2003	Kinyambwiga/ Bunda
19	PML0004585	Ahmed Abubakar Magoma	Au	Valid	24/10/2003	Kinyambwiga/ Bunda
20	PML0004586	Ahmed Abubakar Magoma	Au	Valid	24/10/2003	Kinyambwiga/ Bunda
21	PML0004587	Ahmed Abubakar Magoma	Au	Valid	24/10/2003	Kinyambwiga/ Bunda
22	PML0004588	Ahmed Abubakar Magoma	Au	Valid	24/10/2003	Kinyambwiga/ Bunda
23	PML0004589	Ahmed Abubakar Magoma	Au	Valid	24/10/2003	Kinyambwiga/ Bunda

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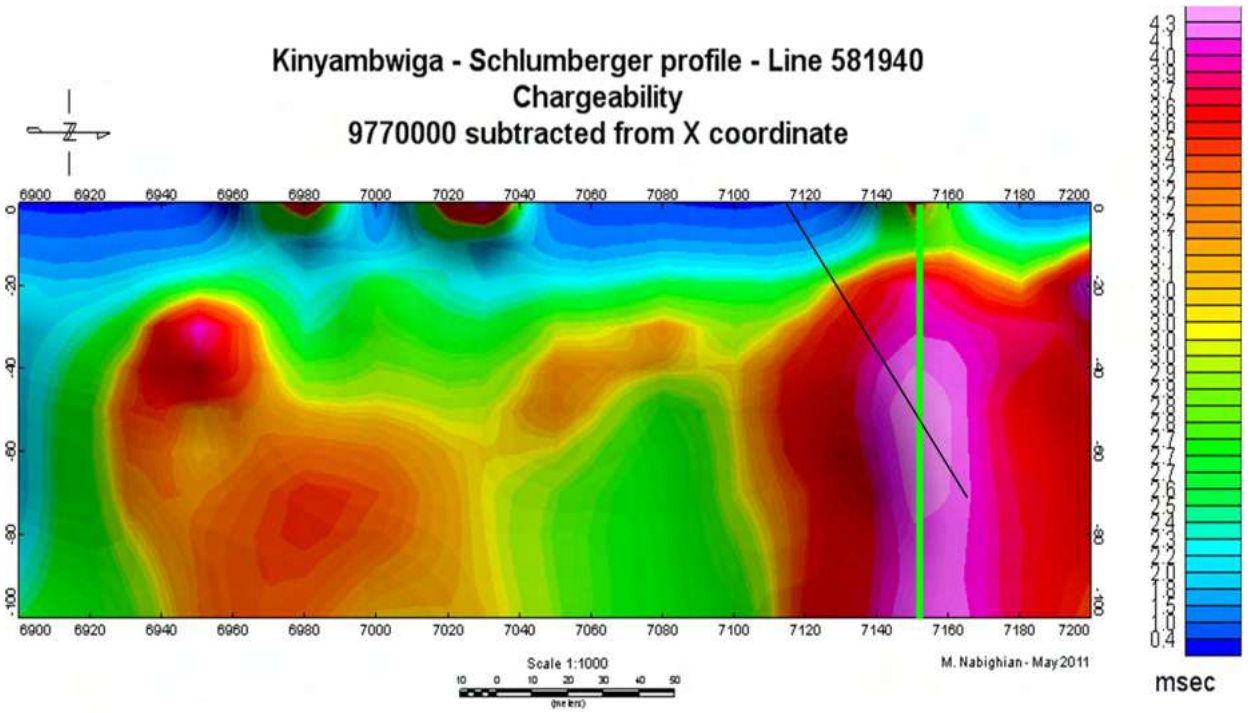
Appendix 2

2011 Geophysics, Kanunga 1 Deposit, Kinyambwiga Property



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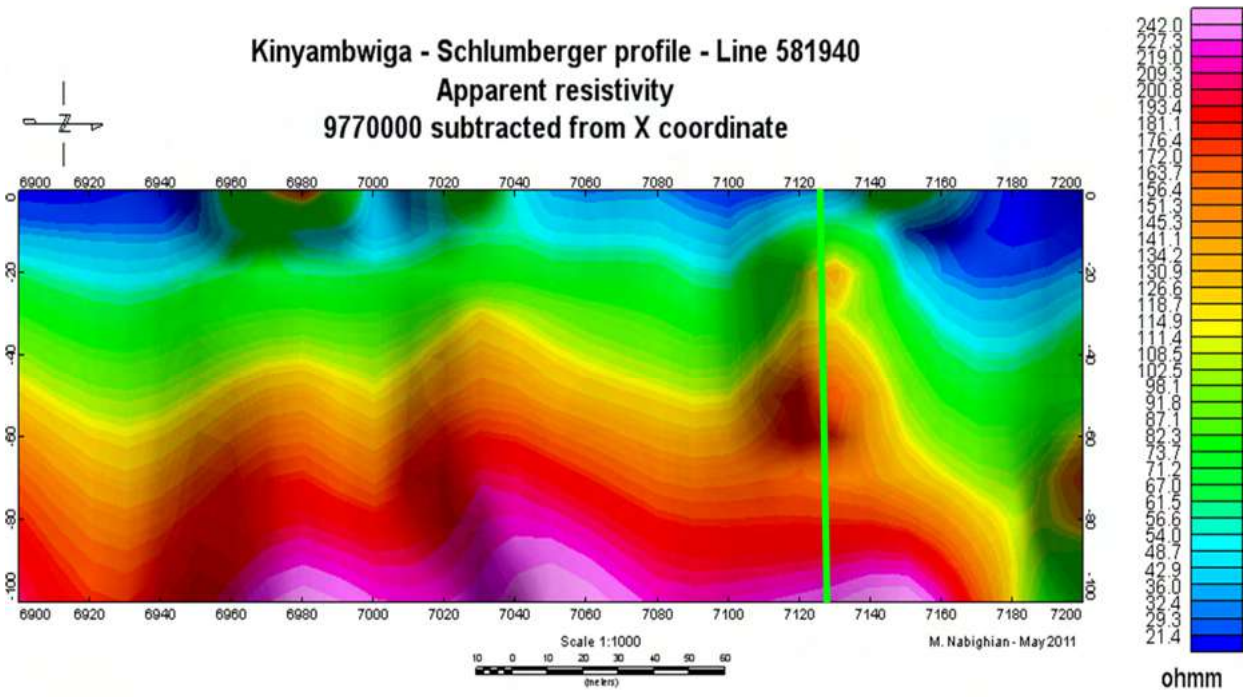

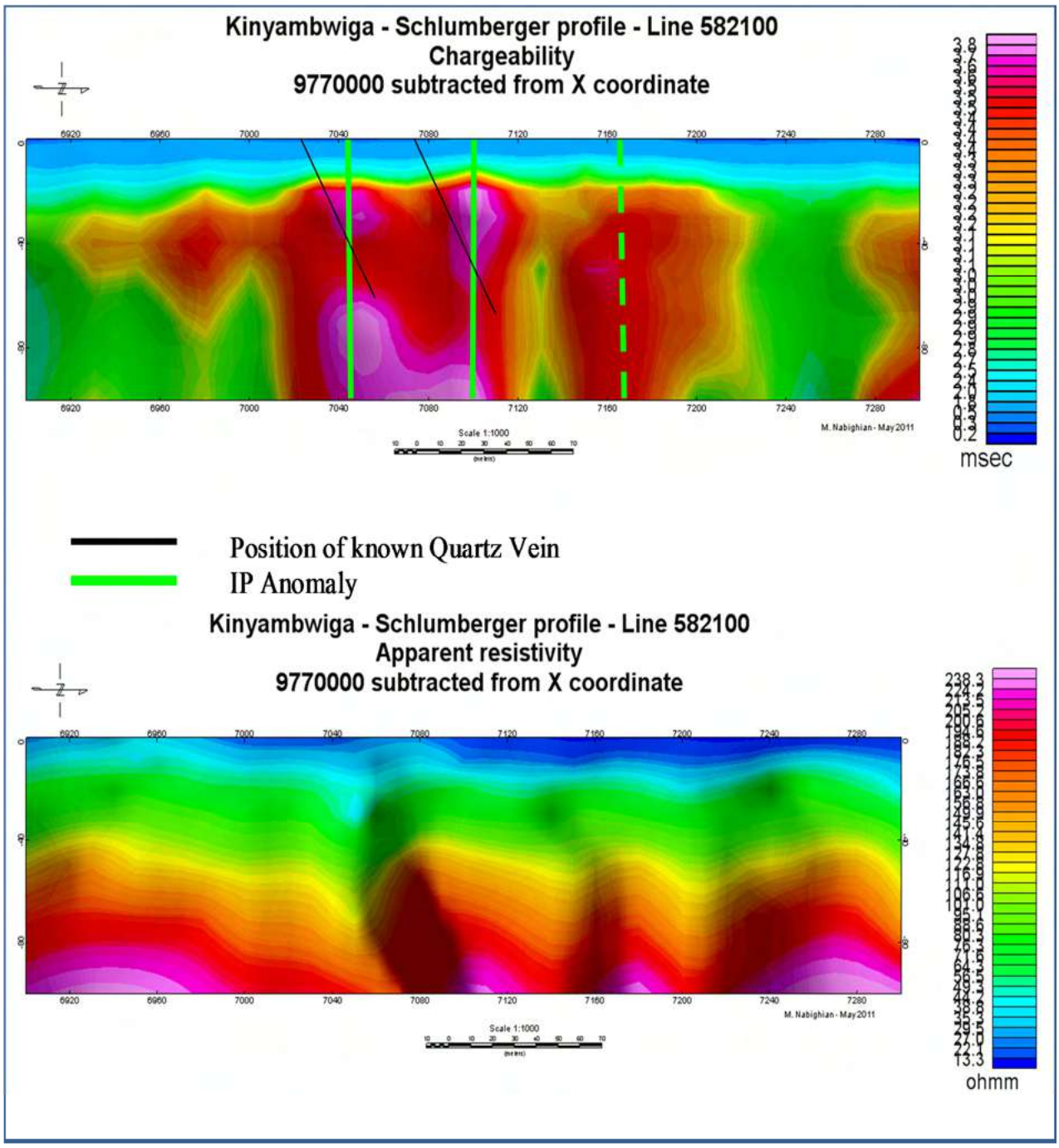
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M. Nabighian - May 2011
msec
Position of known Quartz Vein
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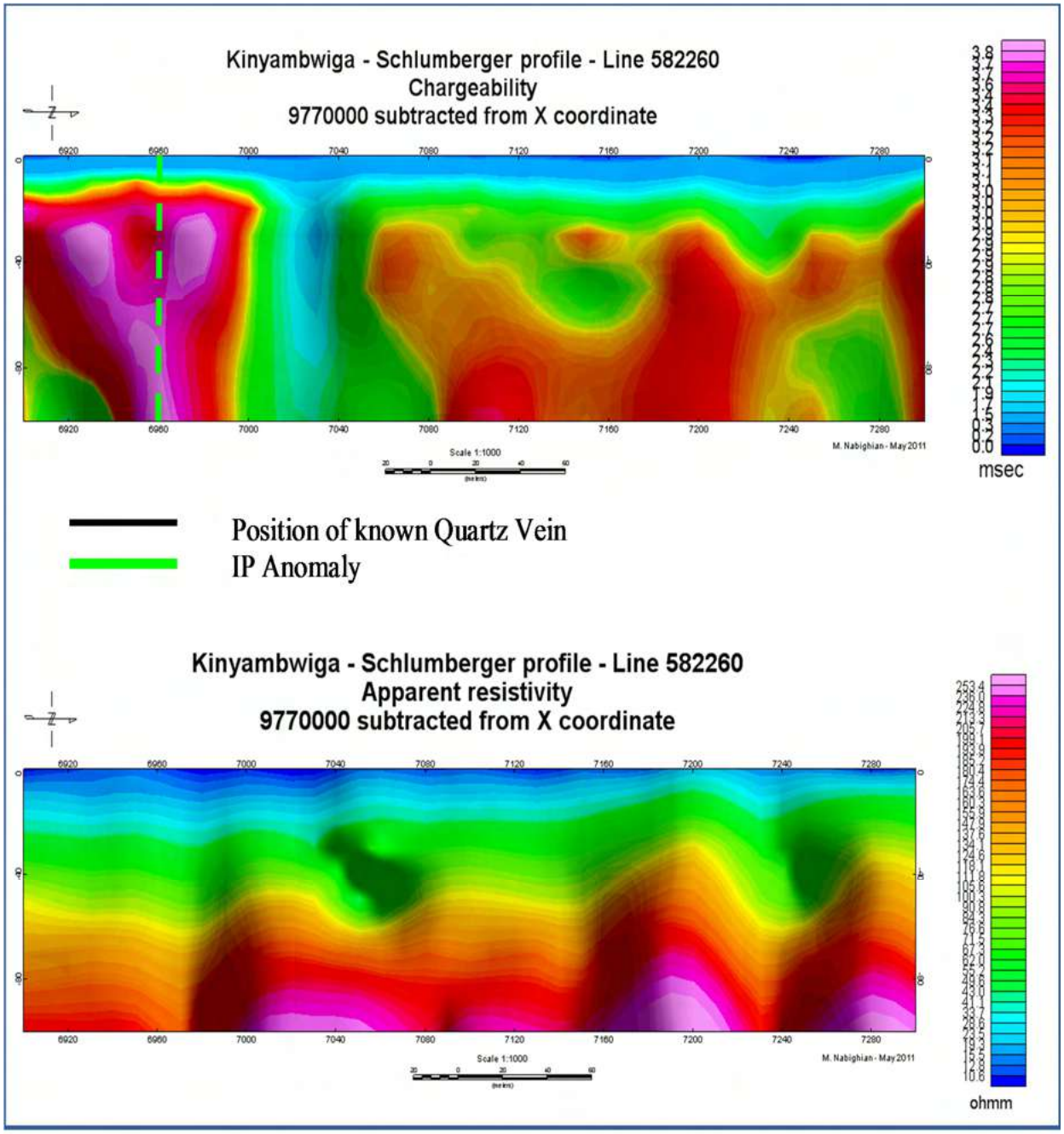
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IP Anomaly
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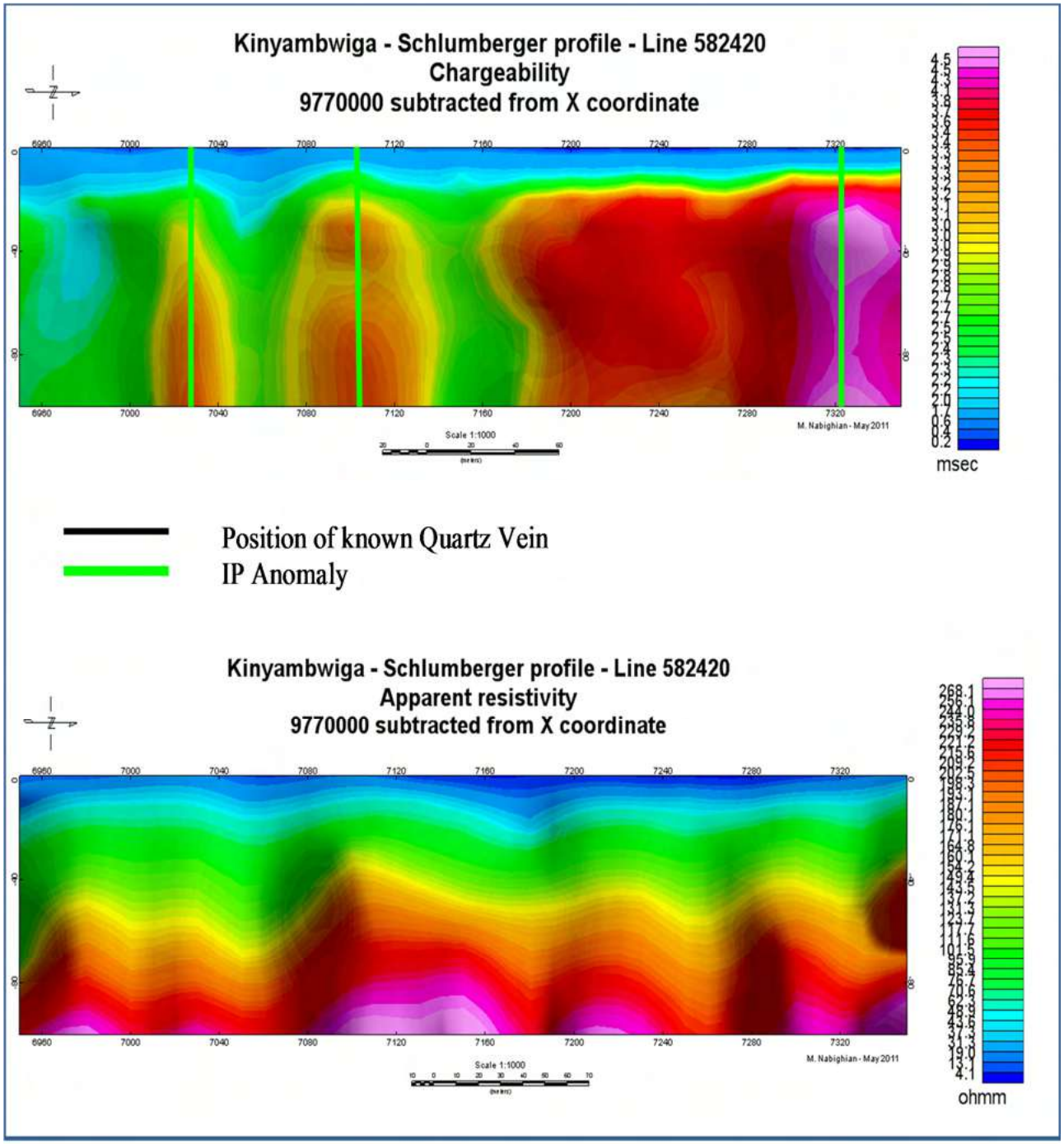
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Position of known Quartz Vein
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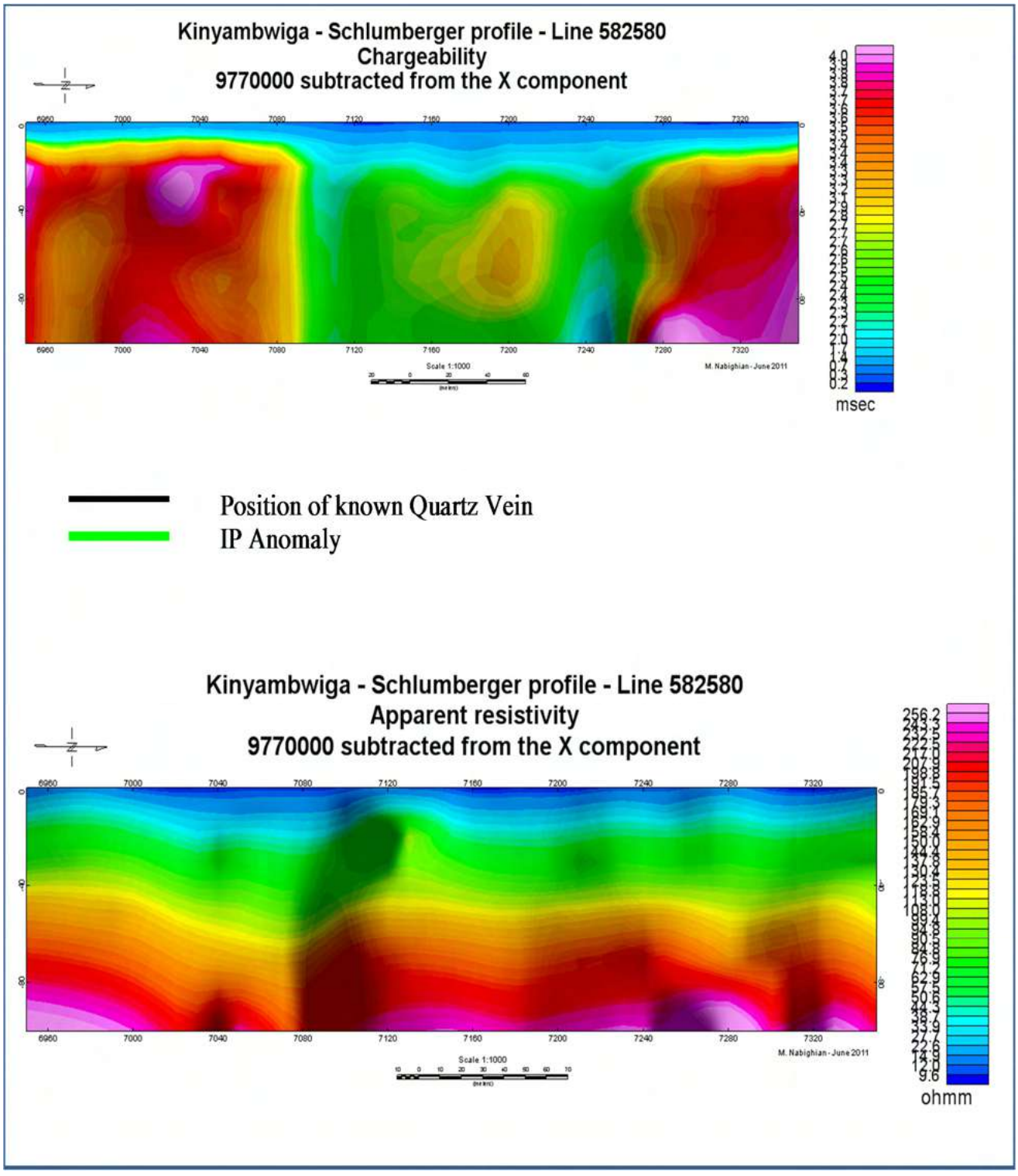
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Position of known Quartz Vein
IP Anomaly
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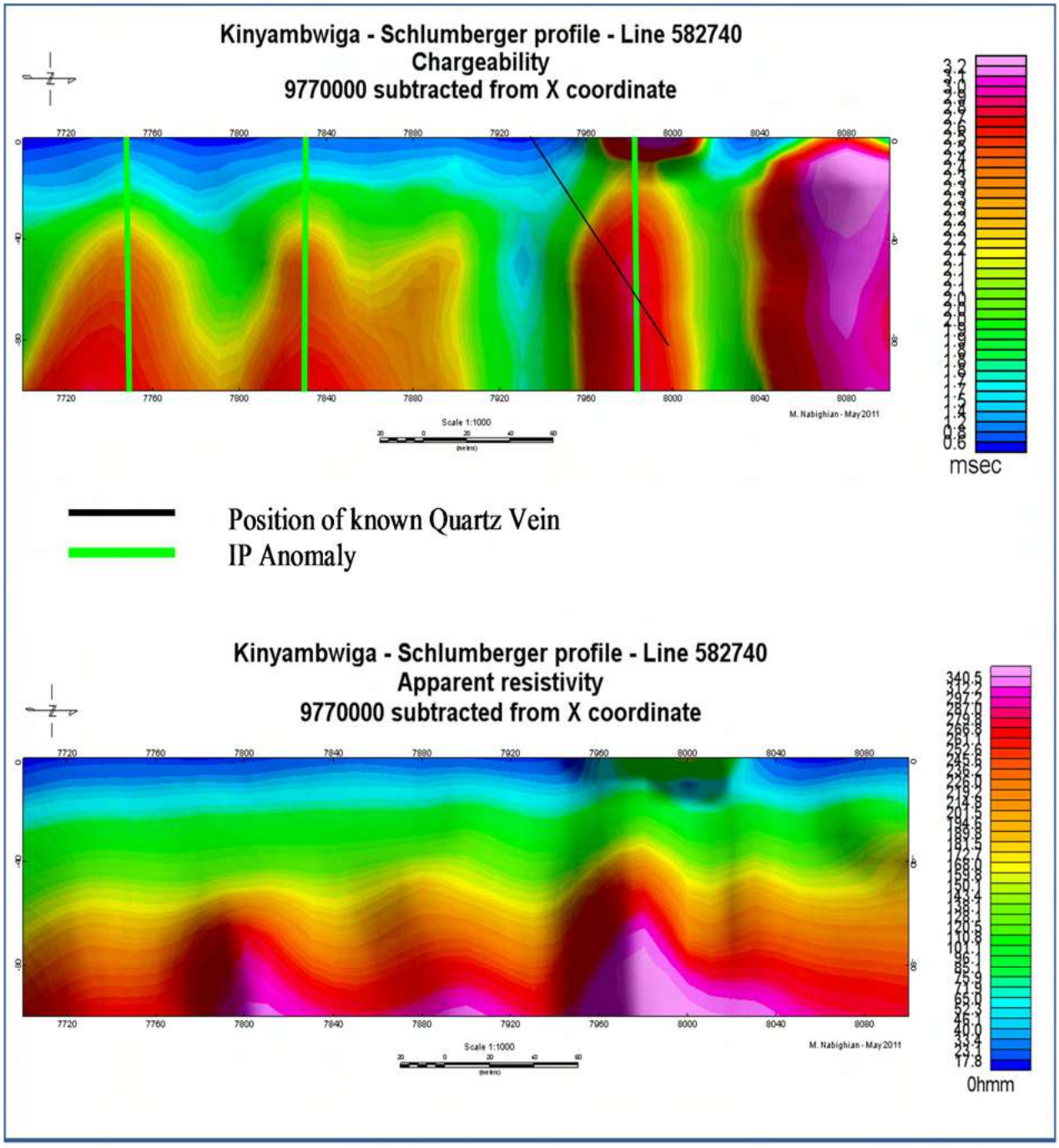
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Position of known Quartz Vein
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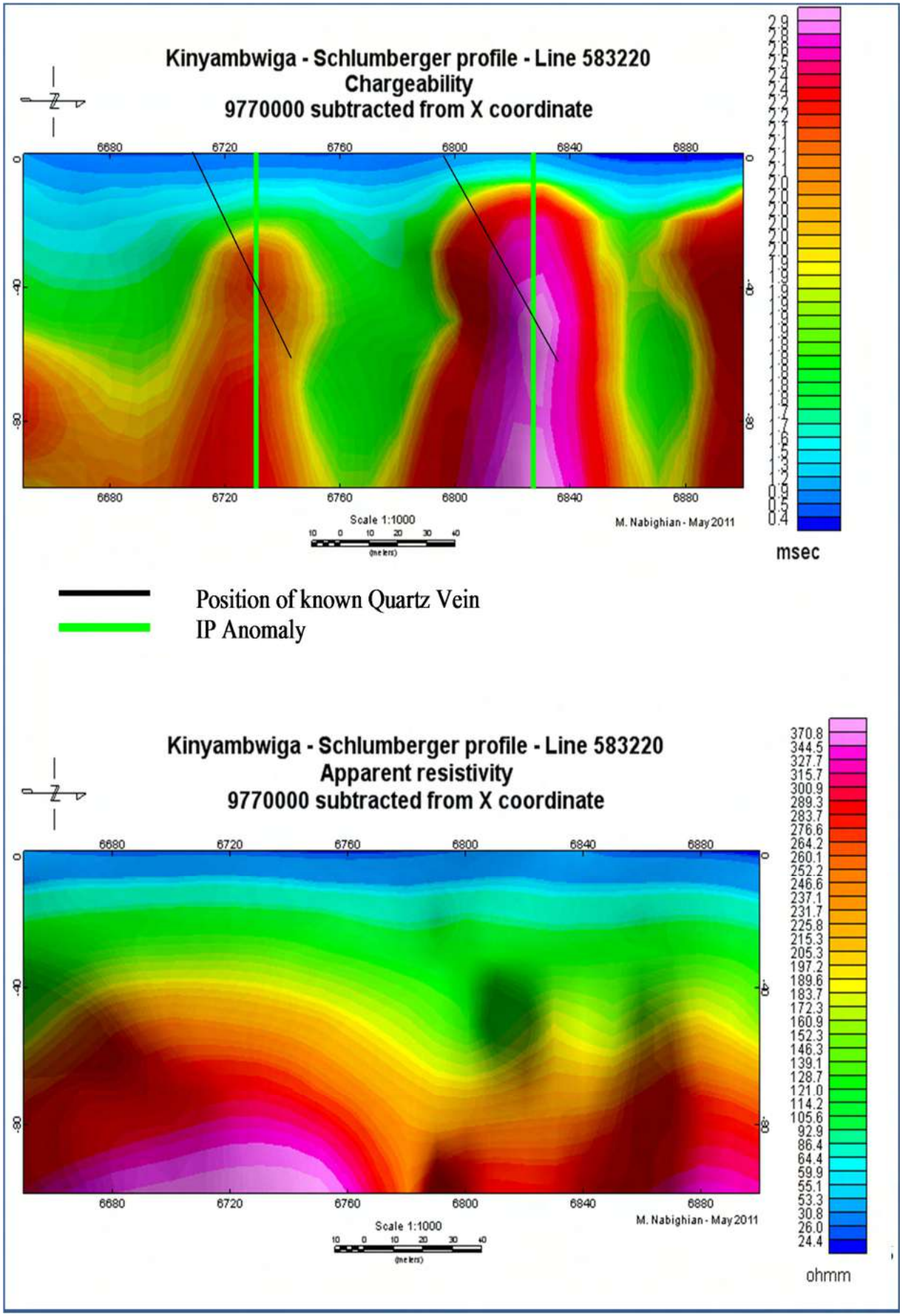
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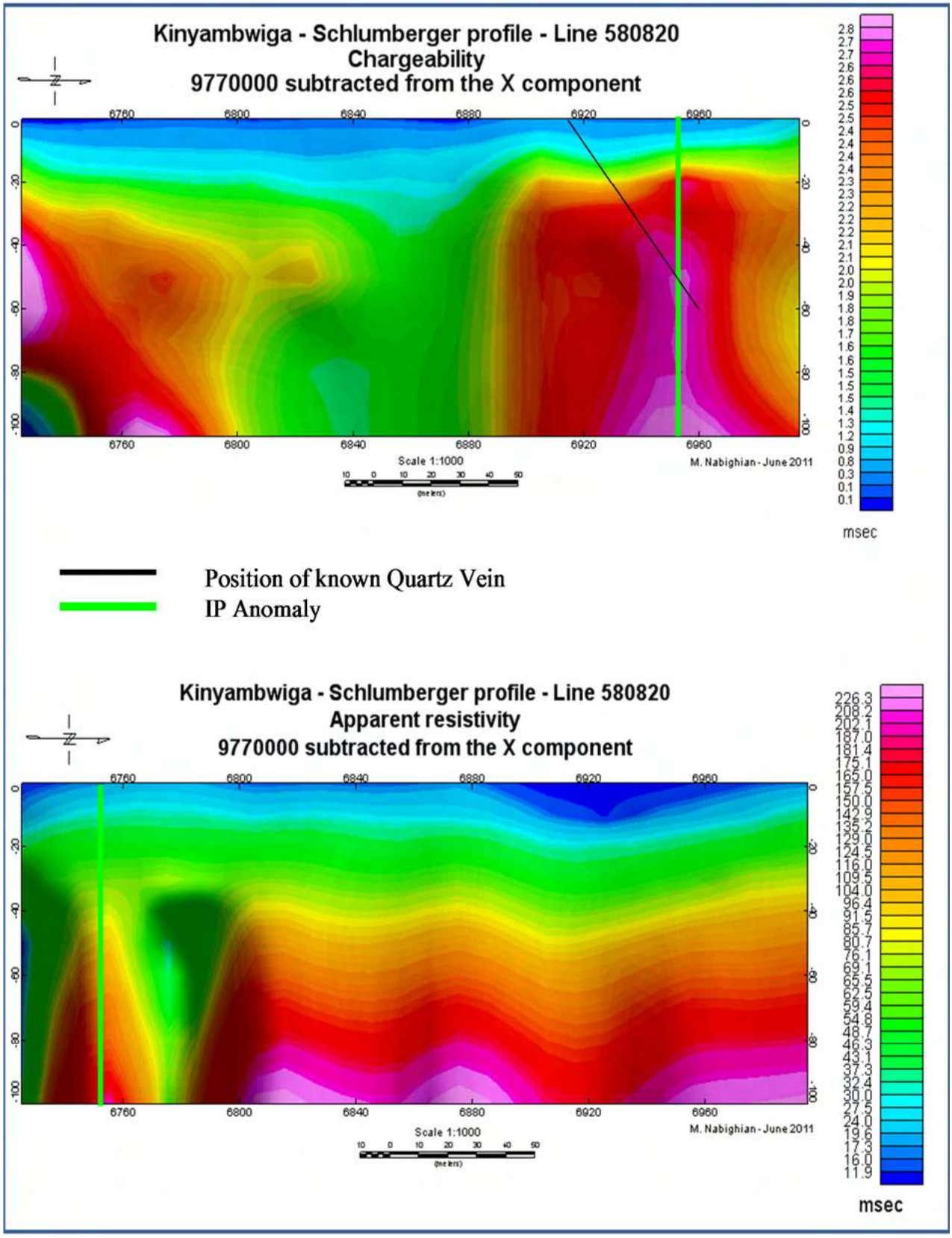
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IP Anomaly
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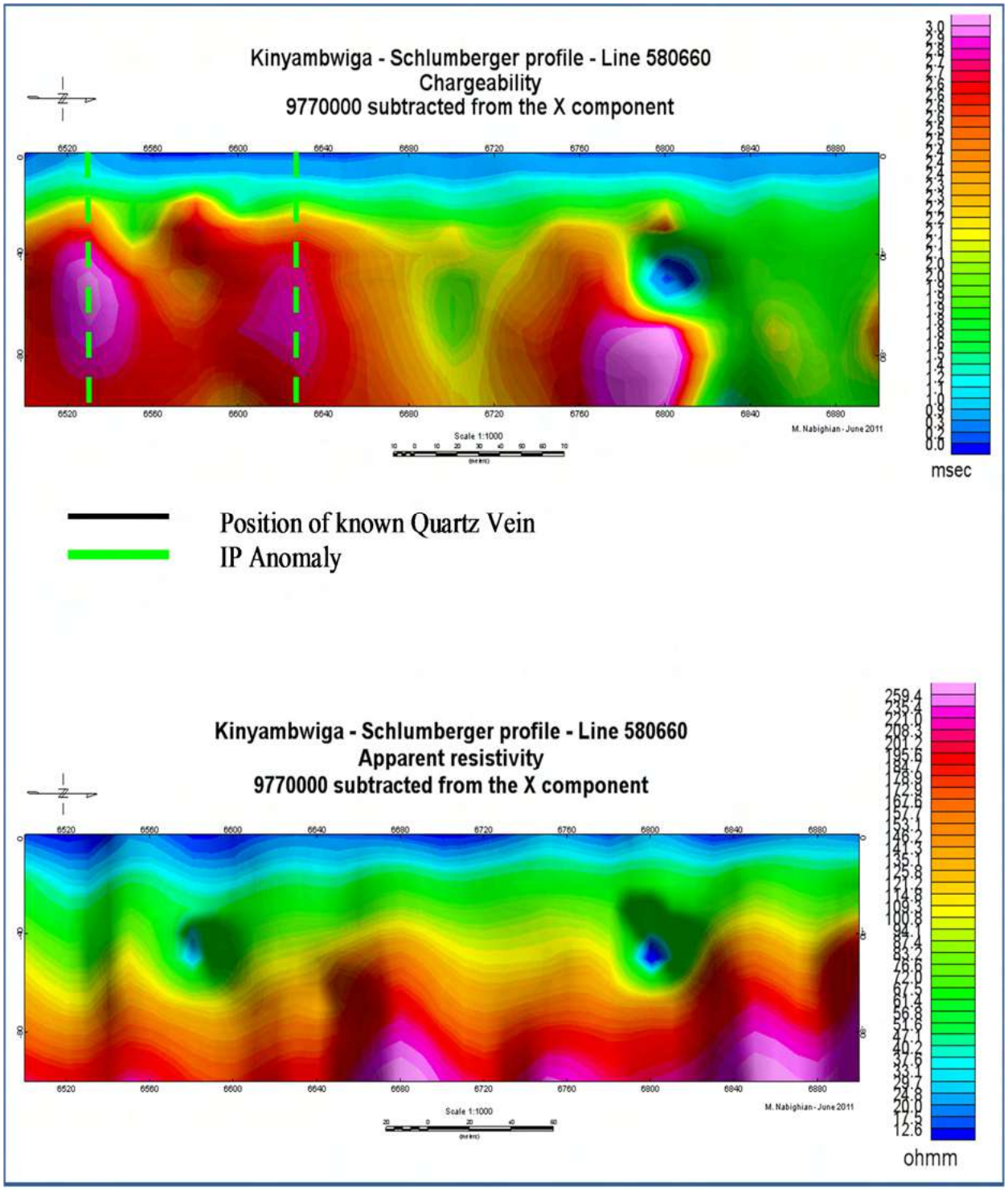
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IP Anomaly
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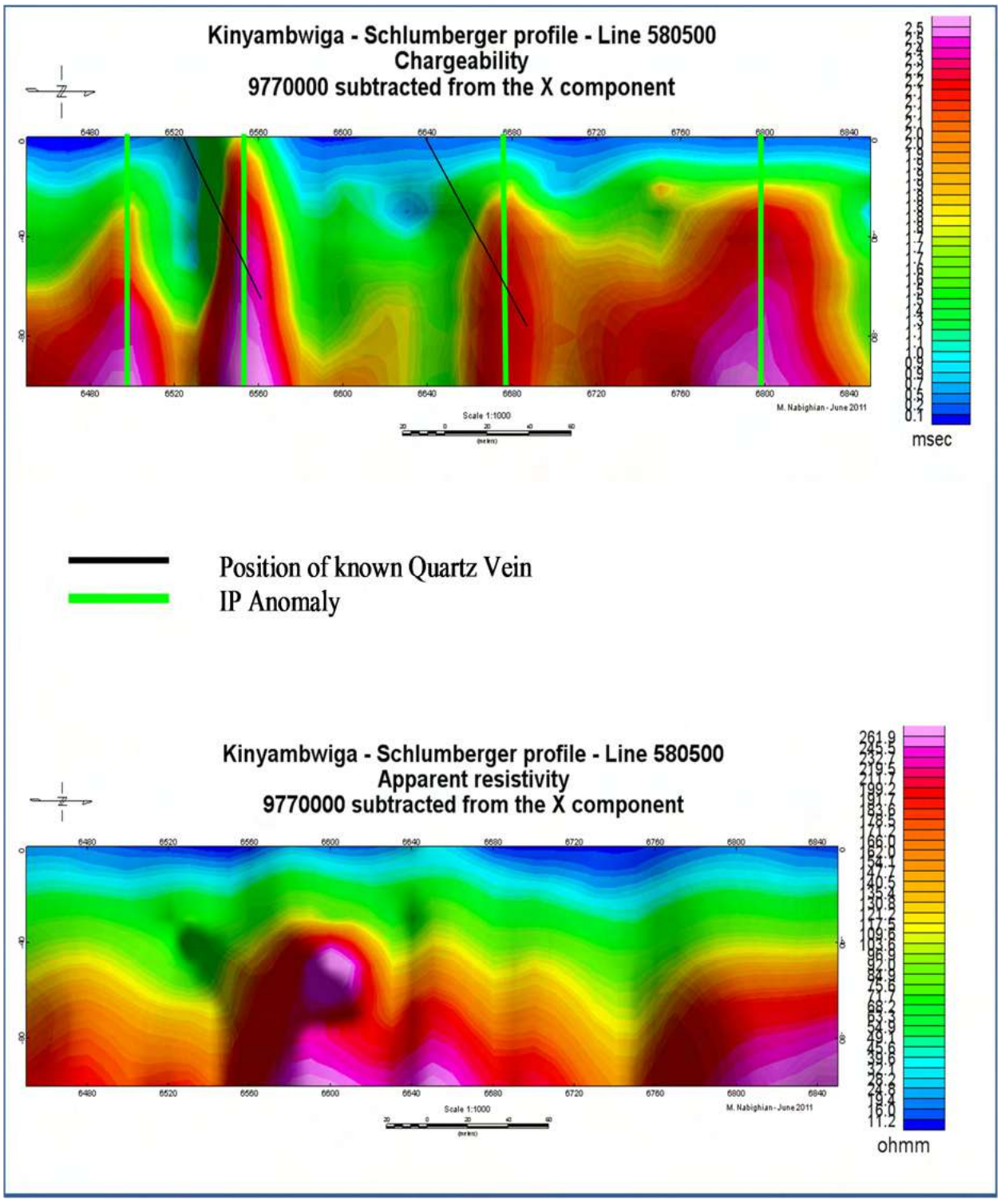
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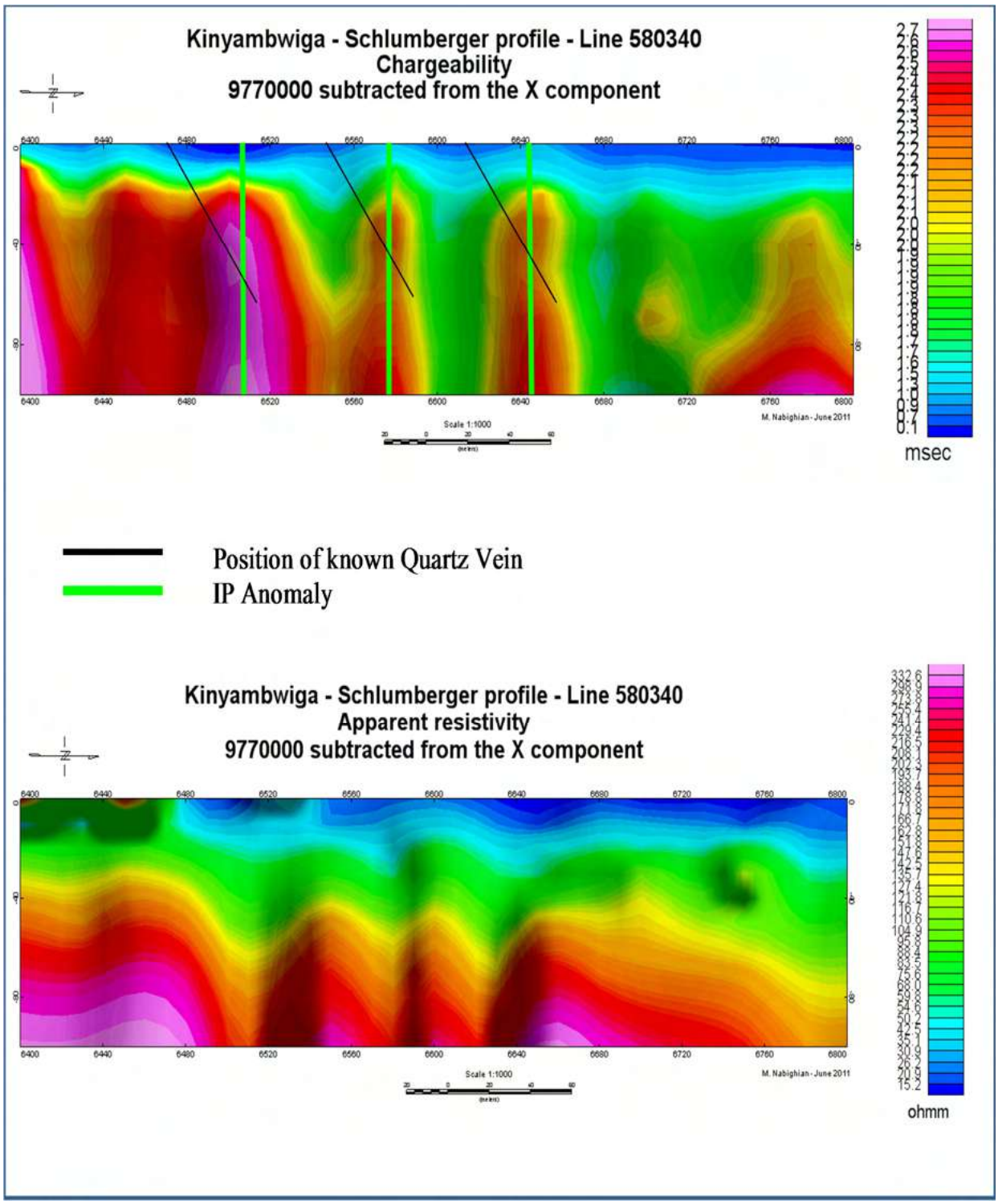
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M. Nabighian - June 2011
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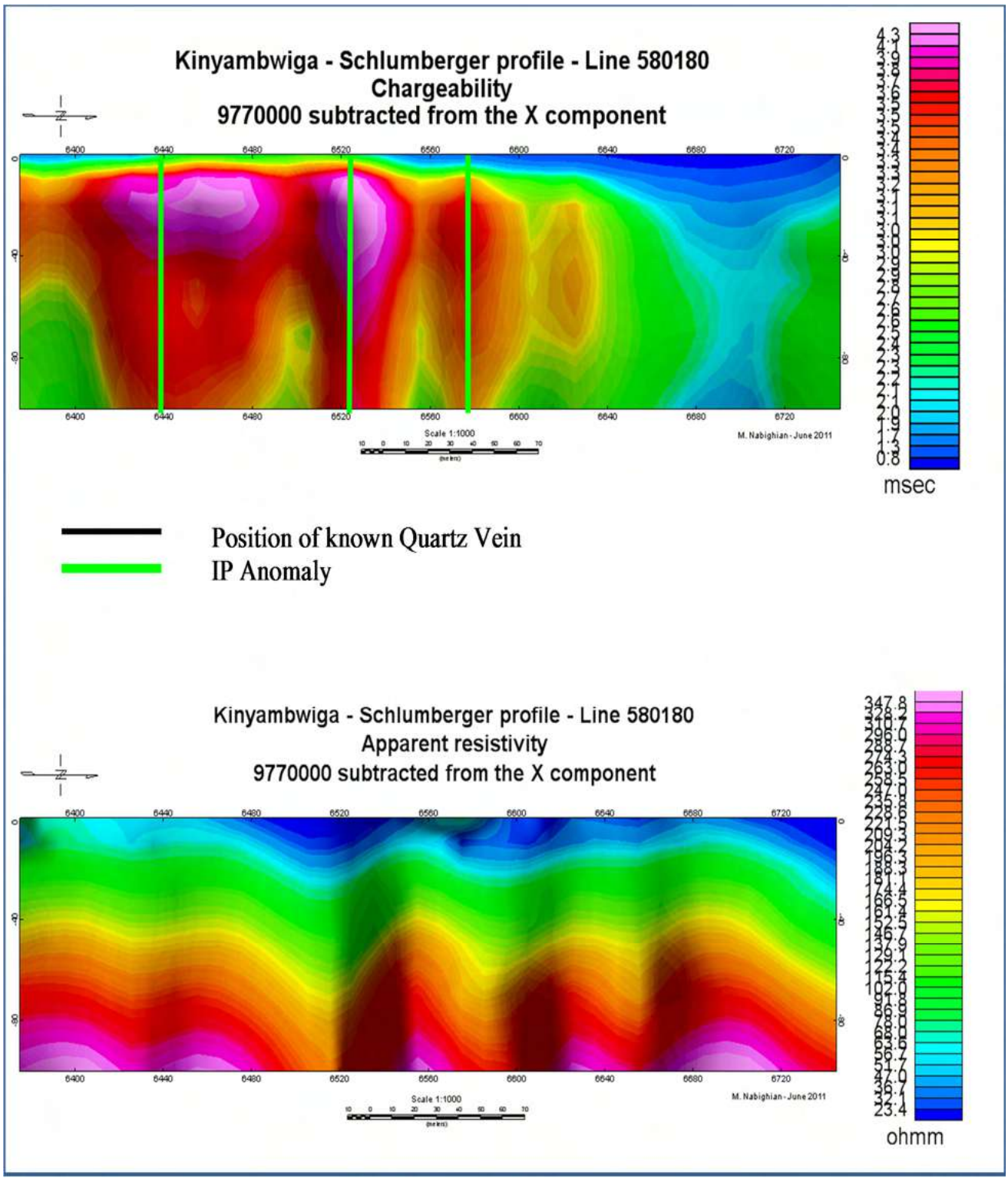
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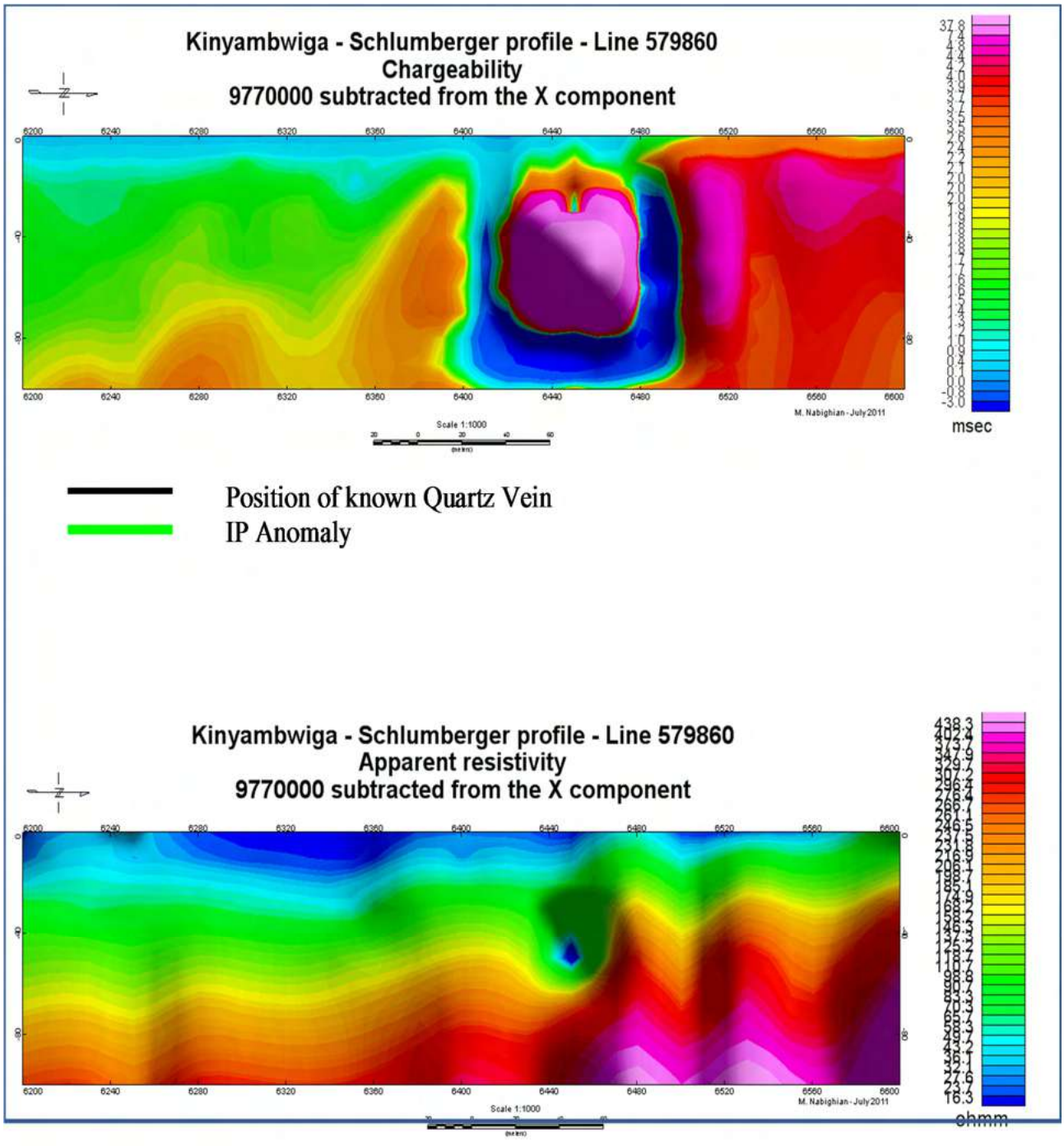
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M. Nabighian - July 2011
Scale 1:1000
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Position of known Quartz Vein
IP Anomaly
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Apparent resistivity
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M. Nabighian - July 2011
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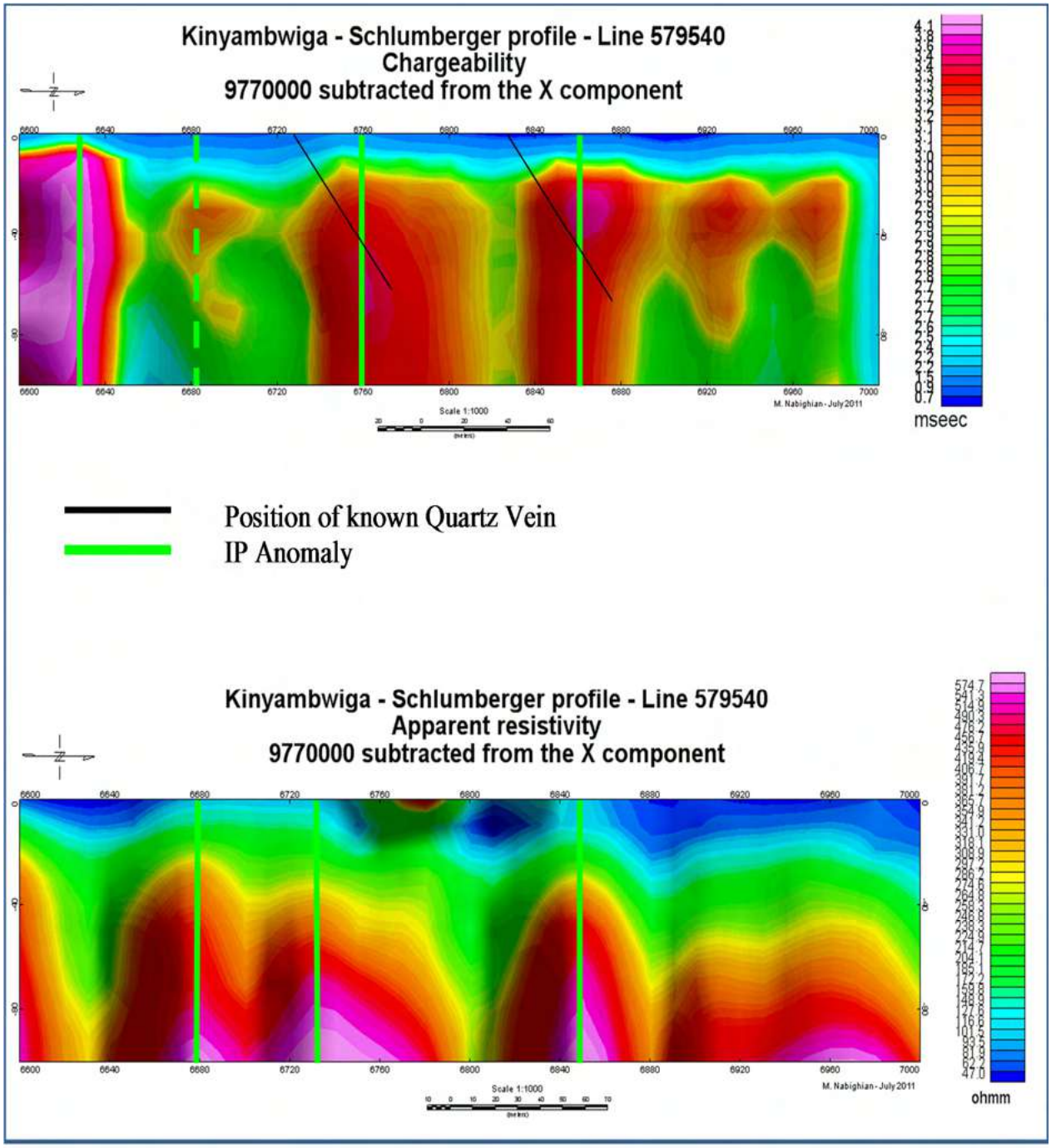
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Scale 1:1000
M. Nabighian - July 2011
mseec
Position of known Quartz Vein
IP Anomaly
Kinyambwiga - Schlumberger profile - Line 579540
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M. Nabighian - July 2011
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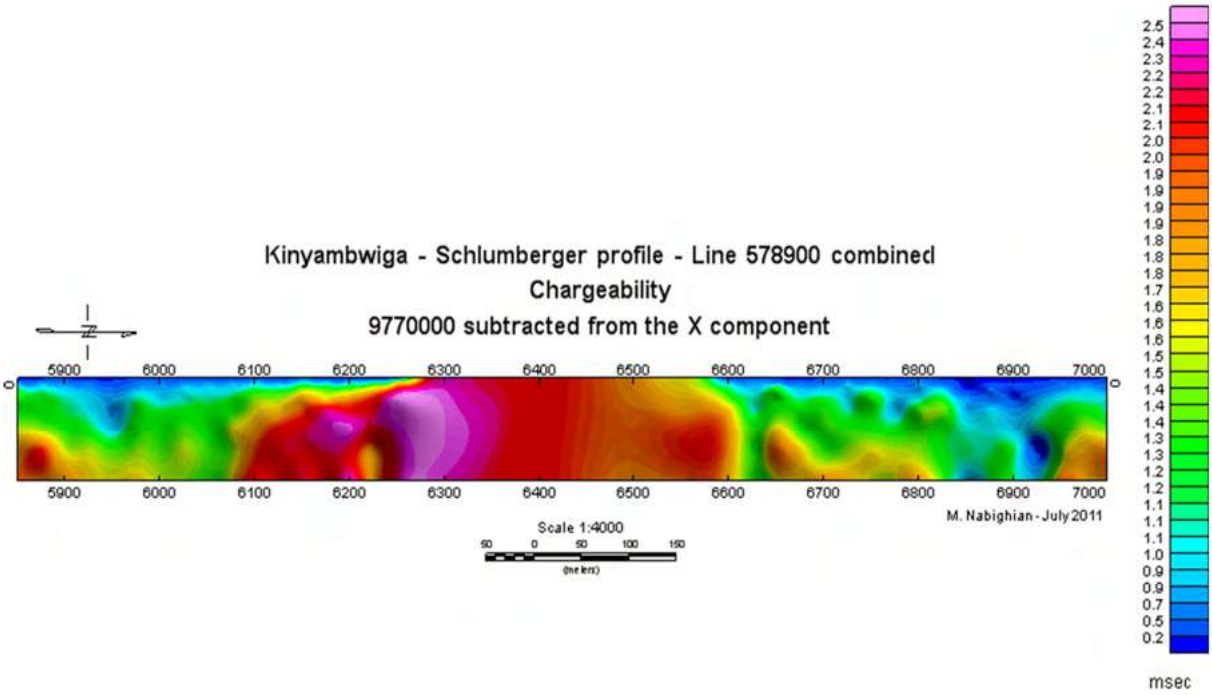
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M. Nabighian - July 2011
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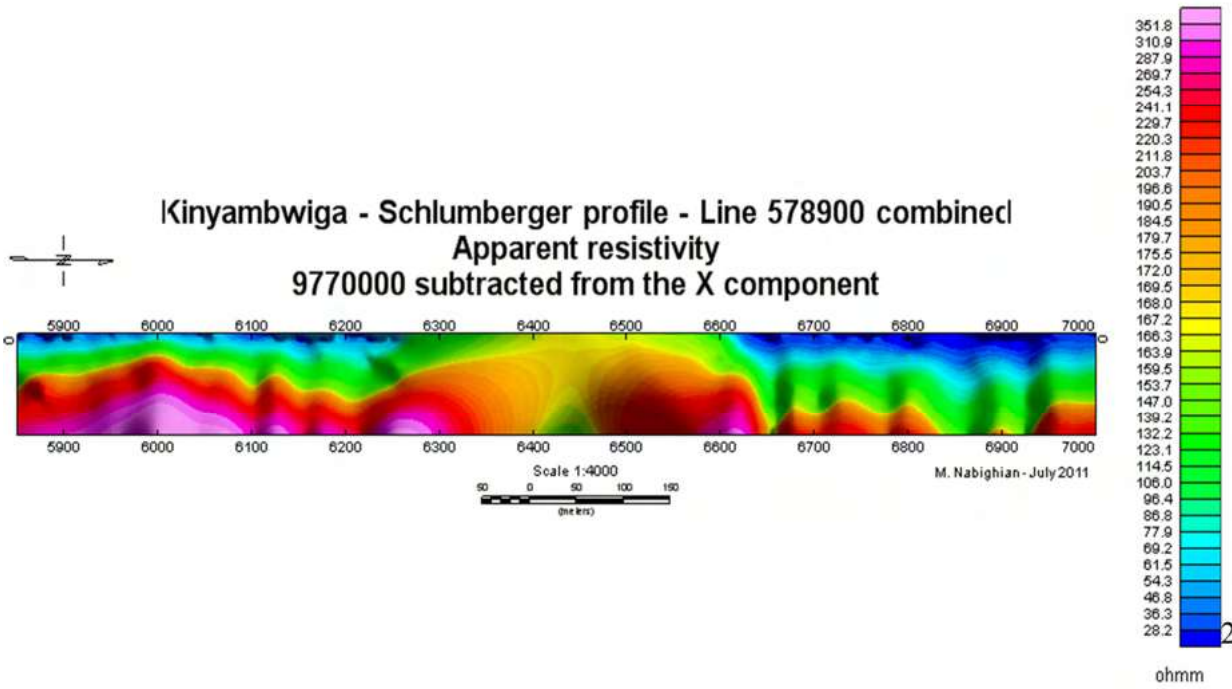
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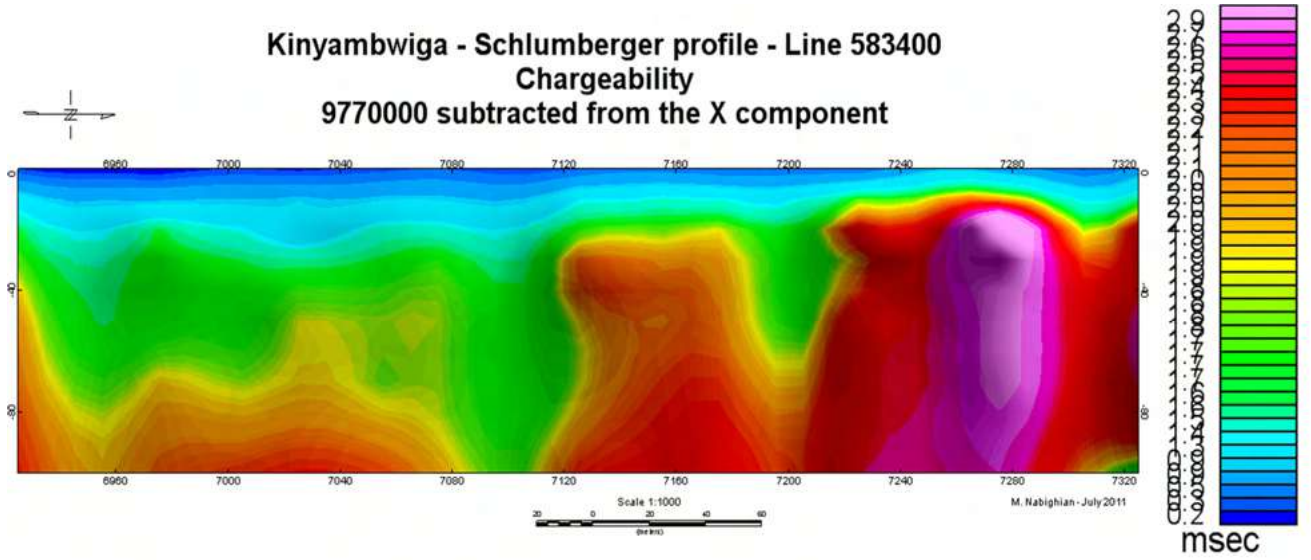
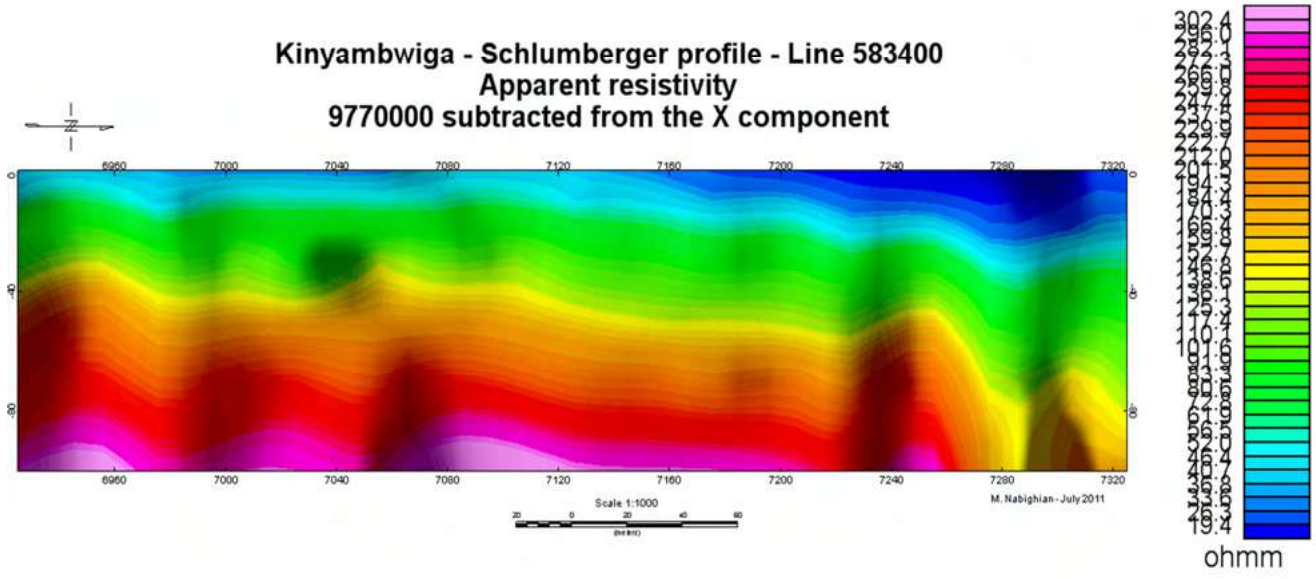
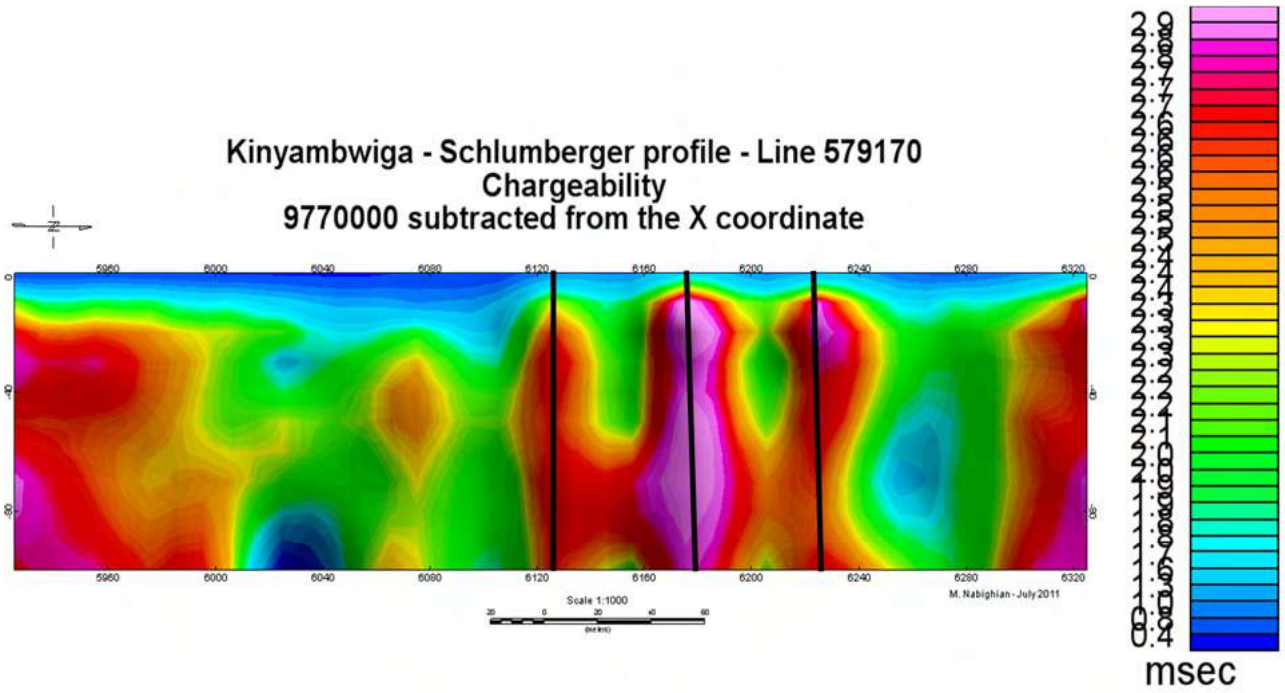
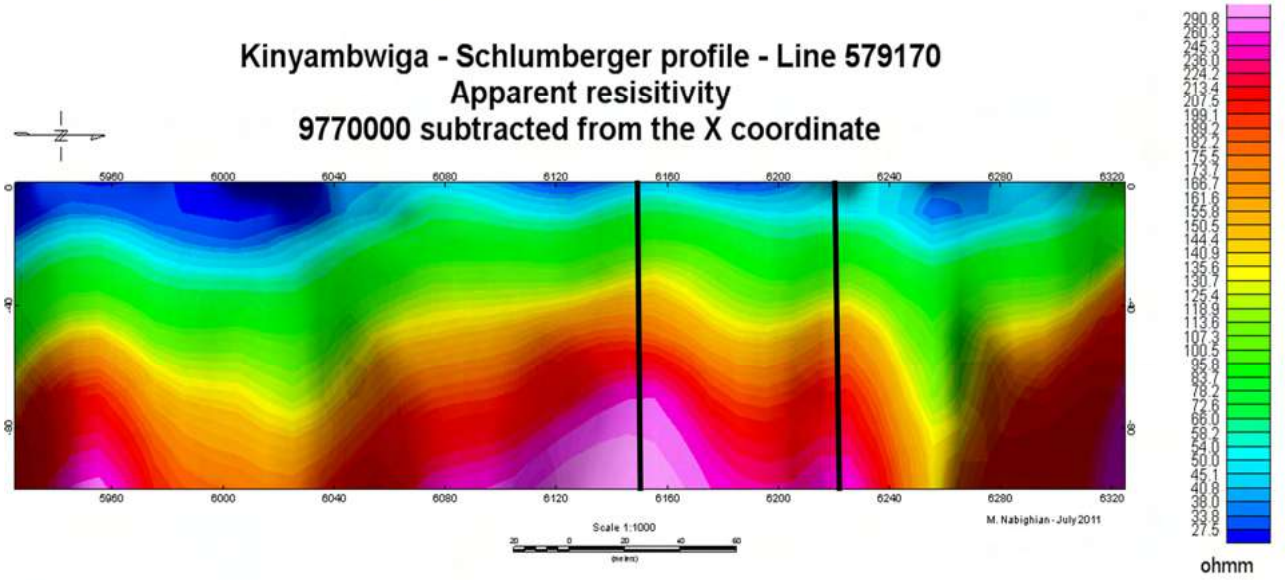
Scale 1:4000
M. Nabighian - July 2011
351.8 310.9 287.9 269.7 254.3 241.1 229.7 220.3 211.8 203.7 196.6 190.5 184.5 179.7 175.5 172.0 169.5 168.0 167.2 166.3 163.9 159.5 153.7 147.0 139.2 132.2 123.1 114.5 106.0 96.4 86.8 77.9 69.2 61.5 54.3 46.8 36.3 28.2
ohmm


Kinyambwiga - Schlumberger profile - Line 583400
Chargeability
9770000 subtracted from the X component
6960
7000
7040
7080
7120
7160
7200
7240
7280
7320
Scale 1:1000
M. Nabighian - July 2011
msec

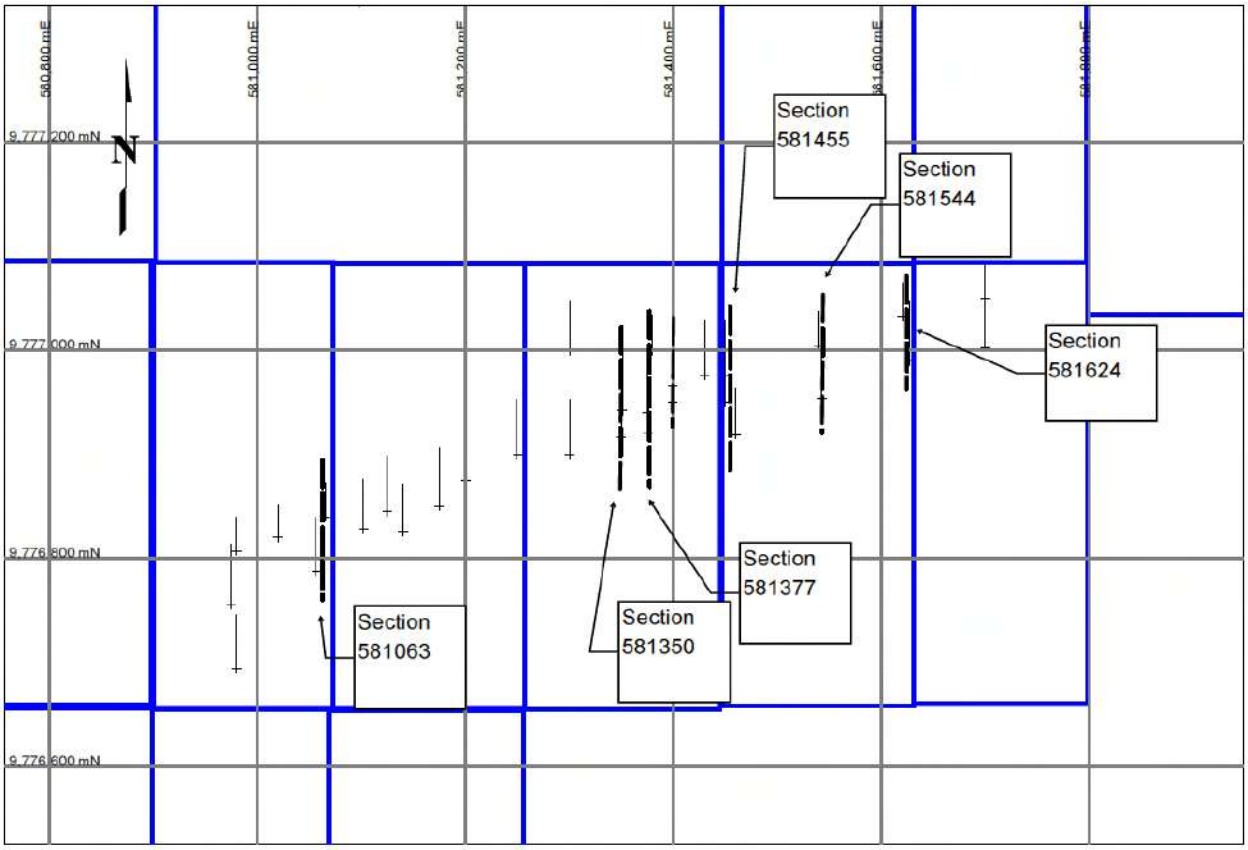

Kinyambwiga - Schlumberger profile - Line 583400
Apparent resistivity
9770000 subtracted from the X component
6960
7000
7040
7080
7120
7160
7200
7240
7280
7320
Scale 1:1000
M. Nabighian - July 2011
ohmm

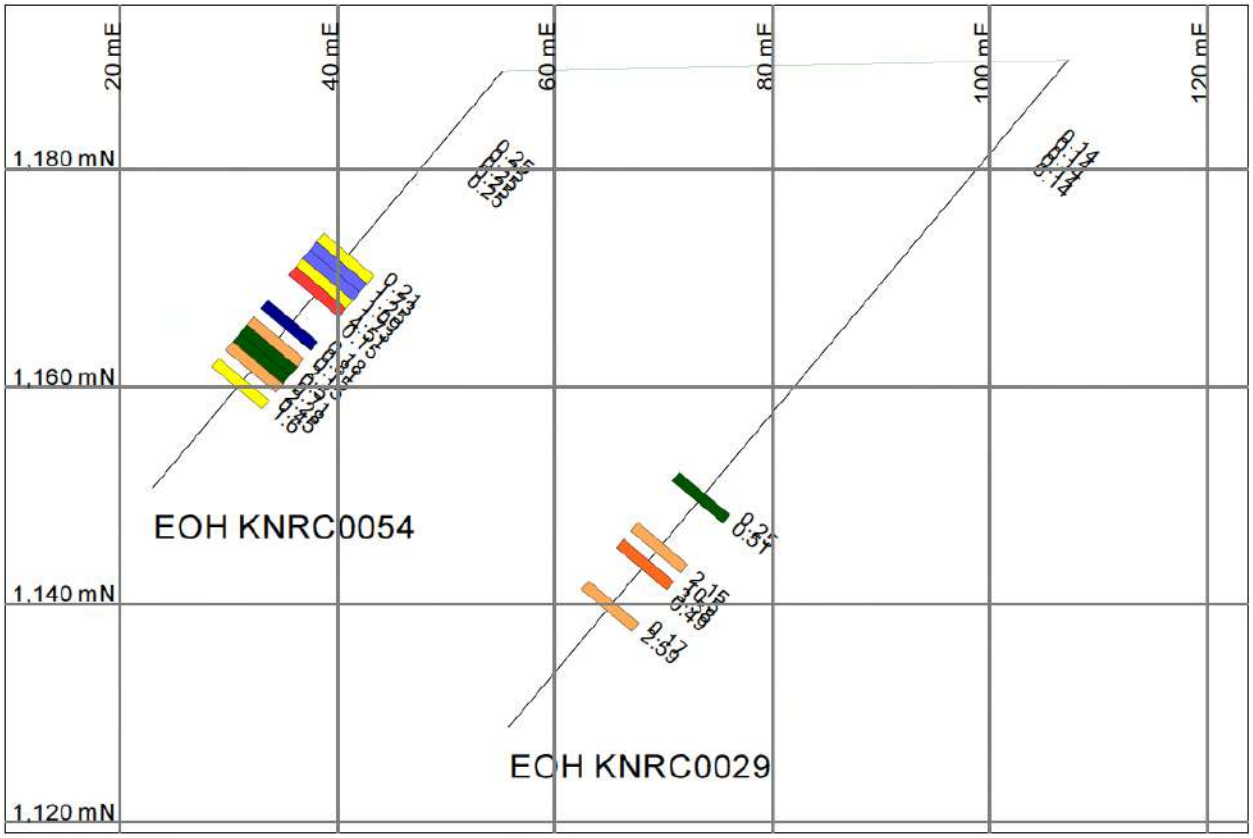

Kinyambwiga - Schlumberger profile - Line 579170
Chargeability
9770000 subtracted from the X coordinate
5960
6000
6040
6080
6120
6160
6200
6240
6280
6320
Scale 1:1000
M. Nabighian - July 2011
msec

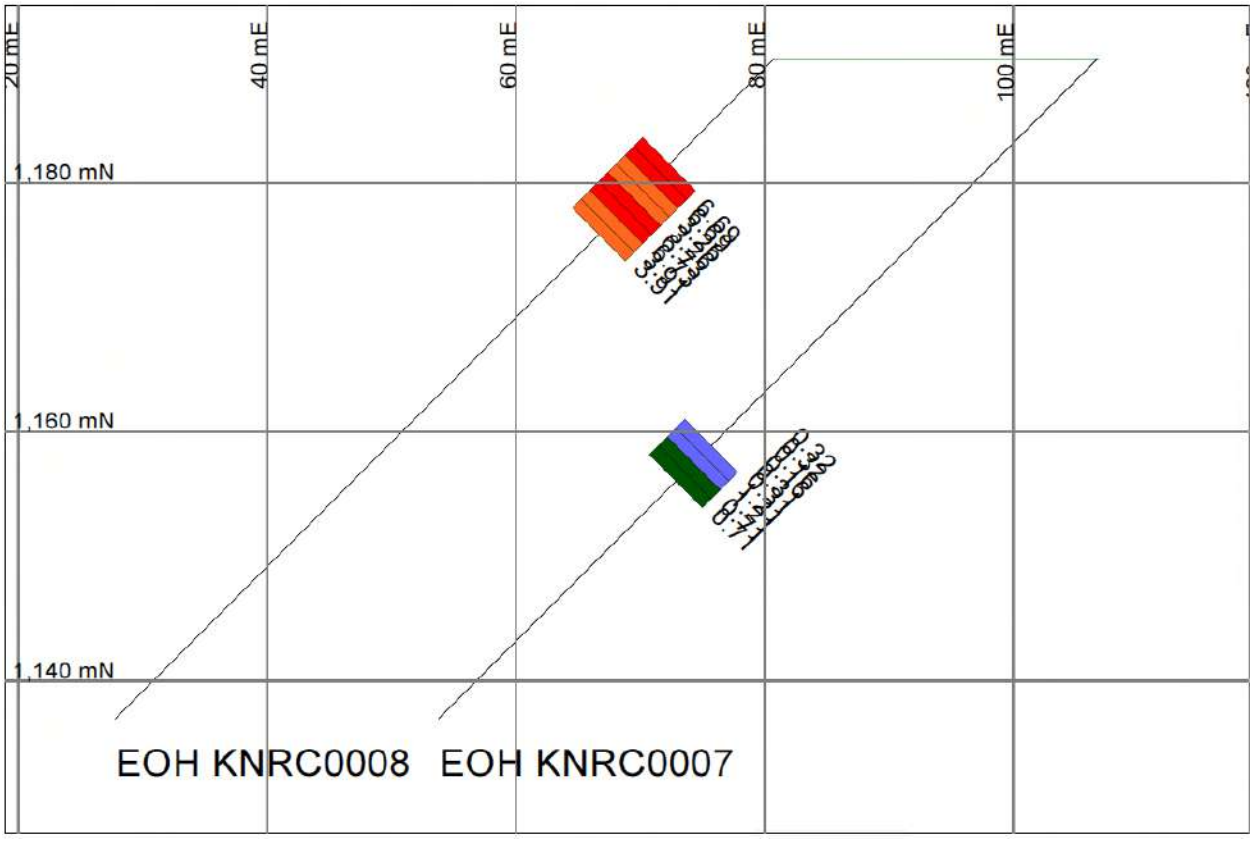

Kinyambwiga - Schlumberger profile - Line 579170
Apparent resisitivity
9770000 subtracted from the X coordinate
5960
6000
6040
6080
6120
6160
6200
6240
6280
6320
Scale 1:1000
M. Nabighian - July 2011
290.8
260.3
245.3
236.0
224.2
213.4
207.5
199.1
189.2
182.2
175.5
173.7
166.7
161.6
155.8
150.5
144.4
140.9
135.6
130.7
125.4
118.9
113.6
107.3
100.5
95.8
83.7
78.2
72.6
66.0
58.2
54.0
50.0
45.1
40.8
38.0
33.6
27.5
ohmm

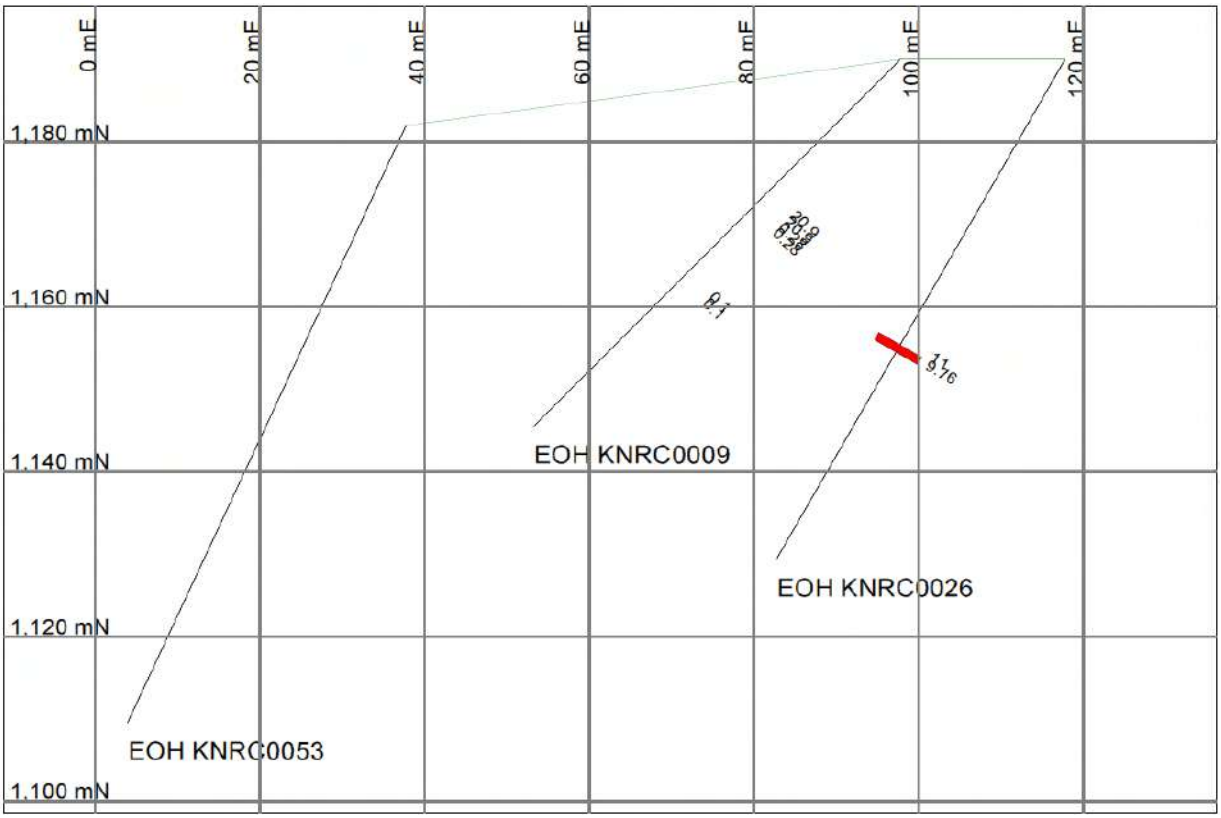
Appendix 3

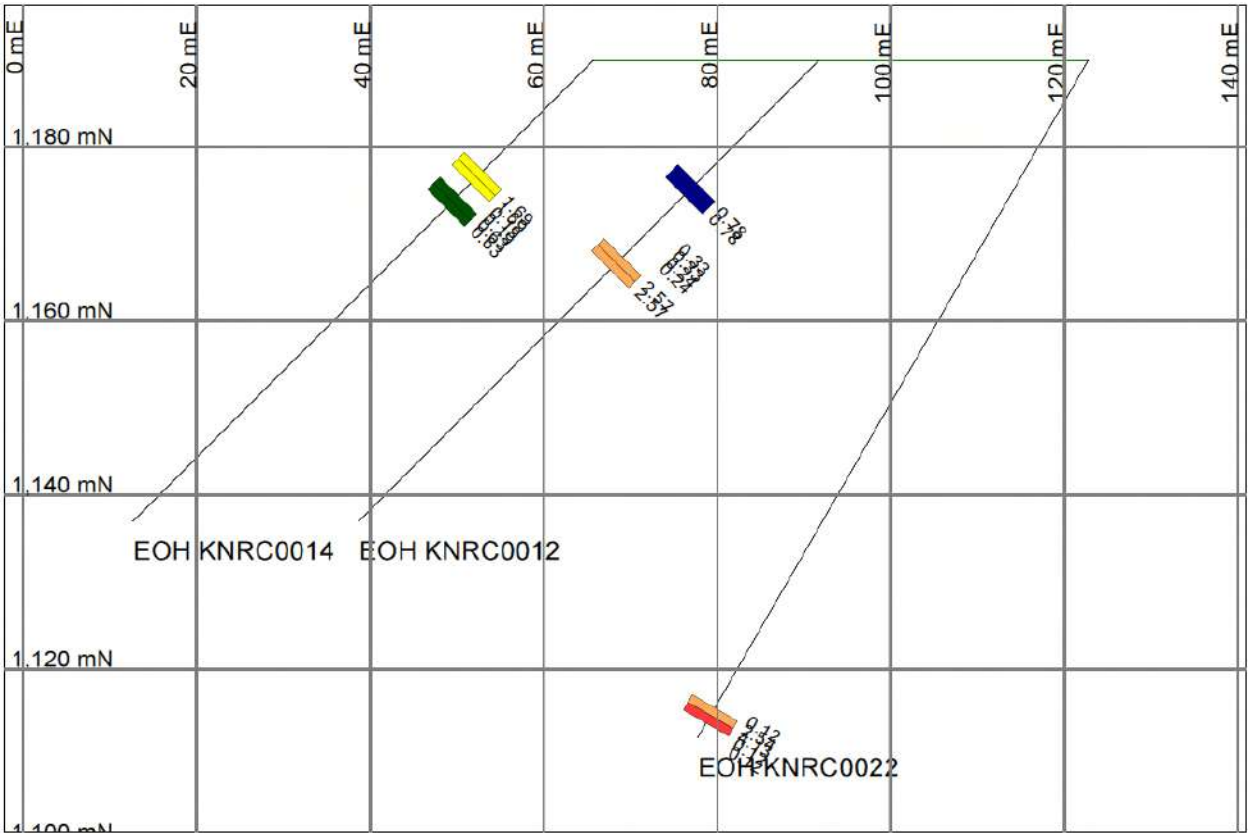
Diamond drill plan and east-facing sections with colour-coded gold composites and gold values in gpt, Kanunga 1 Deposit

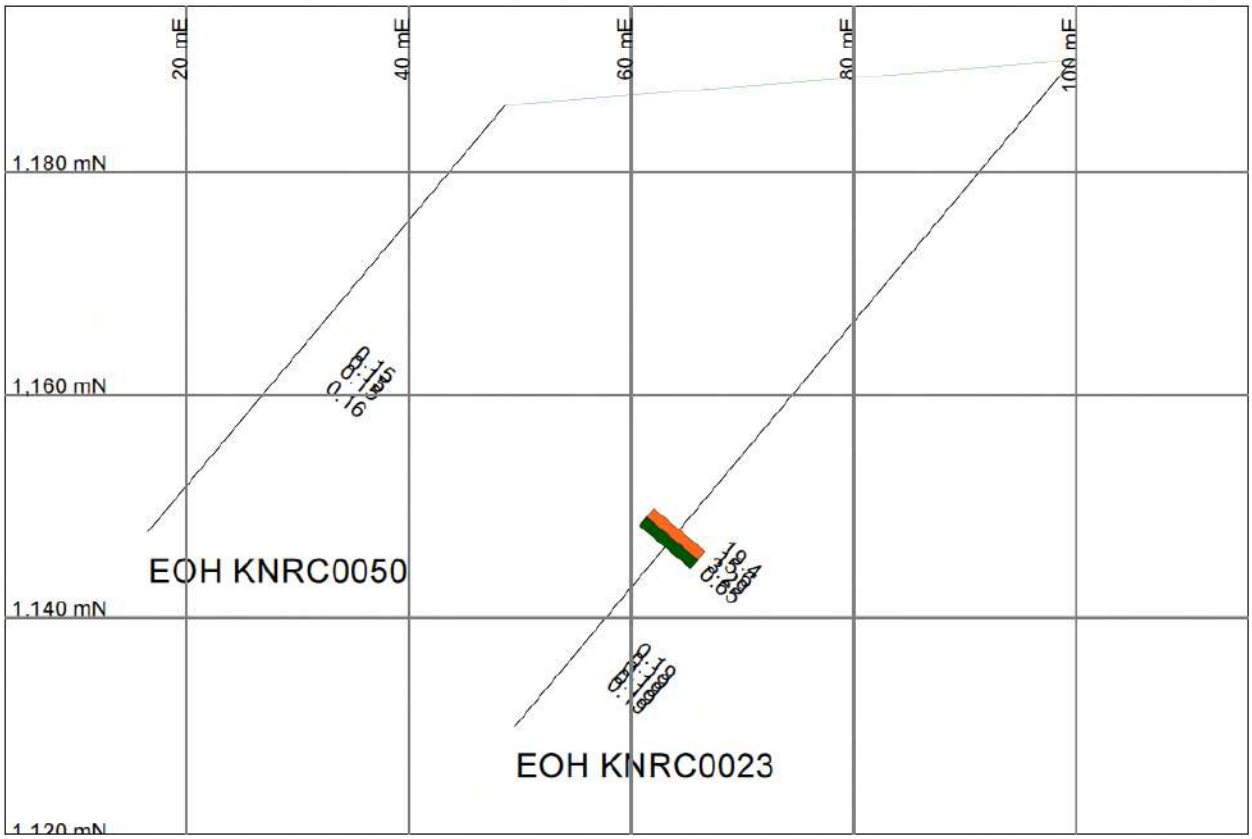


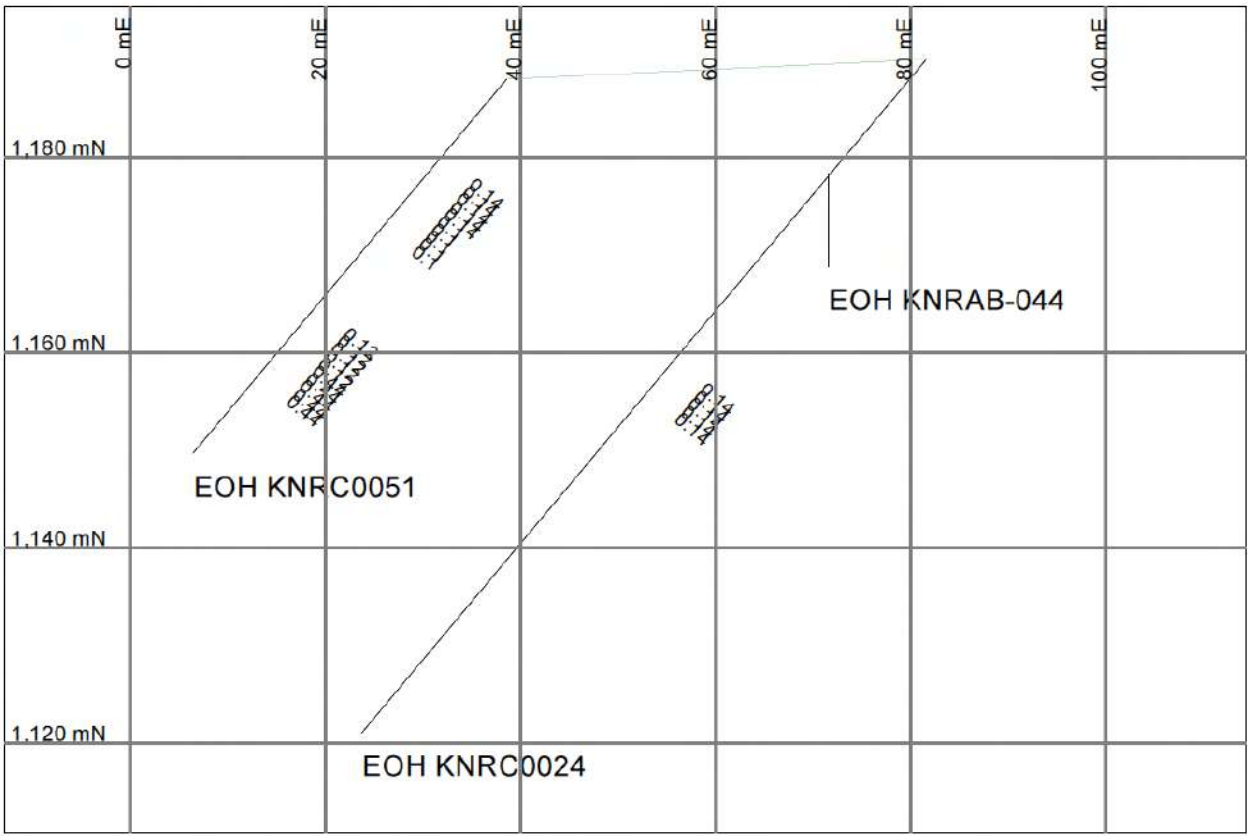

20 mE
40 mE
60 mE
80 mE
100 mE
120 mE
1,180 mN
1,160 mN
1,140 mN
1,120 mN
EOH KNRC0054
EOH KNRC0029


20 mE
40 mE
60 mE
80 mE
100 mE
1,180 mN
1,160 mN
1,140 mN
EOH KNRC0008
EOH KNRC0007


0 mE
20 mE
40 mE
60 mE
80 mE
100 mE
120 mE
1,180 mN
1,160 mN
1,140 mN
1,120 mN
1,100 mN
EOH KNRC0053
EOH KNRC0009
EOH KNRC0026


0 mE
20 mE
40 mE
60 mE
80 mE
100 mE
120 mE
140 mE
1,180 mN
1,160 mN
1,140 mN
1,120 mN
EOH KNRC0014
EOH KNRC0012
EOH KNRC0022


20 mE
40 mE
60 mE
80 mE
100 mE
1,180 mN
1,160 mN
1,140 mN
1,120 mN
EOH KNRC0050
EOH KNRC0023


0 mE
20 mE
40 mE
60 mE
80 mE
100 mE
1,180 mN
1,160 mN
1,140 mN
1,120 mN
EOH KNRAB-044
EOH KNRC0051
EOH KNRC0024