

KILAMONGO GOLD

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EXPLORATIONAL **POTENTIAL**

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EXPLORATION AND DEVELOPMENT STRATEGY

Kilamongo Gold core purpose remains to practice responsible mining that rewards community's, investors and local economy while bridging investment and opportunity on a shared interest that can increase socio-economic development prevalent to local community's. The Company is also committed to leverage its research potential, technology base and professional expertise to downstream local miners to boost their capacities, capabilities and wellbeing as they live side by side. The key strategy is focused on continuing in provident of establishing, building, developing and acquiring mines so as to have a greater control and a wide area of operations with quality mineral resource and reserves for business purposes. Moreover to provide better management directions on environmental conservation, resources development and social responsibility together with the building and expanding of its mineral pursuit globally thus assuring its long-term production base, income and business.

OVERVIEW

Kilamongo Gold's goal is to create value and increase margin's for its shareholders by discovering or acquiring new mineral resources and managing them in a fashion that is environmental friendly and sustainable. This structure provides a global reach and a local presence that allows for effective long term engagement in mineral business since it allows the participation of local people at grass root level. Our exploration core objective of finding long-life, low-cost resources are the starting point for the wider Kilamongo Gold's efforts in sustainable exploration development. We actively encourage community engagement, striving to establish trust at an early stage so that we can create mutual benefits by developing high-quality mineral resources. On a day-to-day basis, our exploration activities will contribute to local community's development by employing local people and introducing improvements in their social amenities and infrastructures. At each exploration project we aim to leverage off the wealth potential of the asset in question and generate the needed cash flow to cover operation expenditures and enable Kilamongo Gold to advance open cast and underground strategies while generating more than enough to the shareholders. These necessary cash flows plans generated under this strategy will enable the company to discover and acquire mineral assets and to develop both brownfield and greenfield project so as to increase its resource potential to deliver big results now and then.

REGIONAL PROFILE

THE GEOLOGY OF THE GOLD DEPOSITS

Before proceeding with the description of Tarani Gold Mine and its satellite prospects, it will be useful to summarize the general conditions governing the deposits within the Musoma Mara greenstone belt. In the Musoma Series all the gold is won from **quartz reef** and **impregnated rocks**. No alluvial deposits are known to occur. The distribution of gold mines, the quartz reefs and the innumerable dykes relative to the granite and the older rocks unquestionably shows that gold mineralization is directly connected with granite intrusion. The mapping of granite contacts and the quartz reefs demonstrates that almost everywhere quartz reefs may be found close to the former. Usually they are found in the older rocks; commonly in the Basic Volcanic and Tombstone Formation.

Very few reefs occur in unsheared acid volcanics and the banded ironstones. In (Tarani Gold Mine) however, the banded ironstones and associated rocks are anastomized by **quartz veins** and **stringers**. Since the acid volcanic and the banded ironstone lie above the basic volcanics, it is reasonable to summarize that all reefs entering the Musoma- Mara Series did not necessarily penetrate the upper member of the series, ***so it seems logical to suppose that reefs found in the rocks high up in the series should have emanated from greater depths***. It might be added also, that the farther away the reef in from granite the greater is the possibility of its continuing in depth, especially if it is following a sheared zone parallel to the contact. The outcrops of the tombstone formation represent belts of sheared rocks. It is probable also that the longer and wider the belt, the greater is the possibility that reefs occurring in it should continue to greater depth.

For example in another part of the territory, the Dodoma Series (a series co-related with Musoma series and intruded by the younger granite G₃ type) is penetrated by innumerable pegmatites. The Dodoma Series forms restricted outcrops of the older rocks in a vast area of granite in the form, they are considered to be “roof pendants”. Since there is much less depth from the surface outcrop of the Dodoma Series to the roof of the granite, an abundance of pegmatite intrusion can be expected and this is in fact. In the Musoma Series since pegmatite do not outcrop at the surface, it is probable that there is a considerable depth to the underlying granite.

In addition to this, “buck” quartz reefs are found in the granite itself in the Musoma Series and measured differences of level from summit to base indicates depth of not less than 1,200 feet. In conclusion, the vertical nature of the contact, the great thickness of Musoma Series, the absence of pegmatite and the depth to which “buck” reefs are known to penetrate, all imply that quartz reefs will continue in depth and consequently, workable veins should have long lives as gold mining propositions. Gold is found either as primary gold in the quartz, unassociated with other minerals or intimately associated with pyrites distributed in shoots or zones in the reef. In most cases when it occurs in pyrite, it is free-milling only in the oxidized zone.

Two forms of enrichment are known to occur; residual and secondary have been commonly noted in the region. Residual enrichment caused by decomposition of pyrite, occurs nearly every auriferous reef or impregnation. The loss of pyrite raises the proportion of gold slightly. Secondary enrichment occurs usually within the first 100 feet and often about 25 to 45 feet from the surface. It is recognized by the increase of values as the upper portion of sulphide zone is approached and by the diminishing of value to a more or less constant value when pyrite zone is entered. As dendritic manganese oxide which often has filtrated down the cracks from the surface is commonly seen on the joint surface of the reefs, it is possible that it is one of the agent that dissolve the gold. It is well known that gold is soluble in acid solutions containing nascent chlorine which is generated by the interaction sulphuric acid (Produced by the decomposition of pyrite), manganese dioxide and chlorides. With regard to primary ore it seems certain that most of gold was deposited simultaneously with sulphide forming primary auriferous pyrite ore. In a few cases it is known to have been precipitated with arsenopyrite. But in the Musoma Series pyrite is its common associate. Other associated metalliferous minerals are blende, galena, copper pyrites and chalcopyrite. *The presence of these minerals points to belief that much of gold being worked at the present time is derived from the upper zone of mineralization. On this hypothesis, there is a likelihood that gold will persist in depth with reefs.*

TAILINGS EXPLORATION AND DEVELOPMENT – PILLAR OF OUR BUSINESS

At the point of entry at any of our prospective project, our exploration plan will involve identifying, prioritizing and testing geological, geochemical and geophysical targets on the site. This is the first part of Kilamongo Gold exploration strategic business plan targeting gold production from tailings based on past production of gold from mining and mineral processing activities which have accumulated over the years. In this phase we target the re-establishing and re-processing of old mines tailing within the region to re-generate cash flows from abandoned mines and tailing piles that have proven economically unsatisfactory for larger players nationally and internationally. This is to ensure that our ability to continue generating cash flow is maintained even at the earliest period of our engagement in the prospective mining project. Our decisions are driven not by location or choice of commodity, but by the quality of an economically performing deposit that can be turned into satisfactory wealth for all involved from each opportunity within the commodity structure. This capitalizes on projects in which we have already made significant investment. Costs can be lower and access is often simpler than greenfield and brown field exploration as tailings exploration usually takes place on land over which we already mining activities have been carried before.

BROWNFIELD EXPLORATION AND DEVELOPMENT – OUR UNIQUE PERSPECTIVE

Kilamongo Gold's exploration strategic business plan will always aim to capitalize on the development of brown field projects. Our aim is to open up our quest for mineral developments with all relevant mineralized resource materials available outright and open at depth that were considered uneconomical by the former players but forms major part of run-of-mine ore for Kilamongo Gold under its approach of small-scale mining and mid-tier mineral development approach due to its welcoming technology and operational patterns that necessitates itself to establish and run profitably all the low-grade materials that other players considers unprofitable due to their developed large overhead structures, which Kilamongo Gold will not have. The Kilamongo Gold's exploration strategic business plan is to capitalize on the development of the underground mining, accessing mine rock dumps that were initially left as cut-and-fill materials and those that were considered as low grade and were used as pre-production back-fill material. This resource will enable the company to reach a development-ready intention to so as to start mining and development of the prospective mine. At this section, we actually know what we produce, its value and the impact it can bring to the society when well managed. Our production team targets mineralized materials open at depth on the ground to generate a potential for early cash flow before starting actual mining and mineral developments. We plan to establish the developments on brownfield projects and through these brownfield explorations Kilamongo Gold will target to grow or sustain the value of our existing and future expansion and operations.

GREENFIELD EXPLORATION AND DEVELOPMENT – REASON FOR OUR EXISTENCE

Kilamongo Gold's exploration strategic business plan will always aim to capitalize on the development of greenfield projects. We plan to carry out greenfield exploration that involves discovering deposits in new geographical locations or diversifying from our existing product portfolio to increase our long-term commitment to shareholder's. The outlook for greenfield exploration is enormous due to the presence of promising geological potentiality as well as presence of a diversified geography in the region that is host to a varieties of minerals. It also part of our plan to keep our exploration program in-house and our goal is to safely discover greenfield project each year. We prioritize our exploration

programs on a local approach and later expanded on a global basis so that we pursue only the most attractive opportunities. These discoveries can become the catalyst for local economic diversification, skills development in the local workforce, and improvements to infrastructure. We operate the majority of exploration programs ourselves rather than outsourcing to others. This ensures that we retain management control over our performance in the areas of safety, environment and community relations, as well as corporate governance. It also means we can keep the exploration program focused on only those targets that are important to Kilamongo Gold. We will, however, partner readily with smaller exploration companies if that gives us access to attractive opportunities, tenure, local knowledge, or operational skills that we do not possess in-house. Our exploration teams are often the first contact we have with people who may be our neighbours for generations. In order to respect the diversity and concerns of local communities, we engage in a manner that is direct and personal, and tailored to the specifics of each region, village or individual stakeholder. There is no room in Kilamongo Gold exploration programs for anything less or short-of but the most value-creating opportunities, the most constructive, collaborative and adaptable behaviors and a personal commitment to sustainable development from everyone in our team.

FEASIBILITY STUDY AND DEVELOPMENT STRATEGY

A feasibility study will be undertaken to determine and document whether a deposit is economically viable to become a processing and a mining operation. The study will involve detailed engineering, permitting and environmental, social and cost analysis. Our plan is to capitalize on near-term mineral extraction as well as long term mineral extraction within the context of large-scale production and we will initially target former old mine's working in the same geological setting and also access mine's residual reserves such as mine rock dumps that were initially left and those that were considered as low grade. Our production of these targeted mineralized materials will generate a potential for early cash flow before starting actual exploration and mining developments.

BUSINESS PLAN AND DEVELOPMENT STRATEGY

Key to our financing model is the business plan preparation and our inherent philosophy is the use of equity participation of shareholders'. This form of financing philosophy is with very few exceptions and will be practiced within the context of pinpointed strength and proposed operational route. There is no room in Kilamongo Gold business plan programs for anything less or short-of but the most value-creating opportunities. Our management team will showcase the most constructive, collaborative and adaptable behaviors and a personal commitment to a profitable development of our projects. The business plan will be built on organic model whereby expansion and continuity from present to the future development are considered and integrated within the production structure outlined so as to leverage the internal self-financing capabilities before the external financing structure. We prefer to self-finance our project internally as this will give much expected margins, growth and control.