

KILAMONGO GOLD

www.kilamongo.com



PROJECT PROFILE

SUMMARY

Telegrams: "KILAMONGO GOLD"
Phone: +255-28-2620957
Fax: +255-28-2620959
E-mail: kilamongo@kilamongo.com
Website: www.kilamongo.com
MUSOMA.
Tanzania, EAST-AFRICA

Headquarters
Plot. No. 59
Jamatikana
Jamatikana Street
P. O. Box 1316
MUSOMA
Tanzania, EAST-AFRICA

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1. ABOUT KILAMONGO GOLD

Tarani Gold Mine is a flagship asset and an on-schedule gold mine of Kilamongo Gold while Manyawa and Bukambiro underground mines are two of its small-scale satellite underground mining development projects yet to be explored forming part of extension of Tarani Gold Mine. The company is a small-scale mining and mid-tier mineral development and plans to grow its portfolio to be a major owner of small-scale and mid-tier mineral development projects within the framework of large-scale ownership of mines nationally and internationally. Besides the open cast and underground resources, the new areas of mineralization were identified at the former mine open cast resource, from the former mine underground resource, tailing piles. At Kilamongo Gold, we understand the significant impact that our company has on the lives of people, the environment and the communities that surround our mines. Kilamongo Gold is driving to become an international multi-commodity producer of gold, nickel and copper. Its unique small scale mining orientation and simple mineral development approach places the company to become unique in the region taking to account its strategic location within the Lake Victoria Greenstone belt goldfields of Tanzania. Kilamongo Gold has a strategy, which includes integrating new simple technology systems to optimise overall production and performance while harnessing the creativity and passion of its team. By introducing business processes that are lean and continuous in a linear system of production, Tarani Gold Mine will be one of its kind and example. By developing this linear processing line system that incurs less cost, the company expects to improve margins and meet shareholders and investor's expectations. Therefore we measure up and we deliver excellence.

2. CORPORATE ISSUES

Kilamongo Gold Limited is a Musoma based Limited Liability Company (LLC) which was incorporated during the year 2011 within the United Republic of Tanzania pursuant to the Companies Act No. 12 of 2002, Chapter 212 R.E 2002 of the Laws of Tanzania, under Certificate of Incorporation No. 84840 from the Registrar of Companies for the major goal of promoting, inter alia, the Drilling, Mining and Mineral development and beneficiation industry in its full corporate name of Kilamongo Gold Limited that was abbreviated to Kilamongo Gold as its Registered Telegraphic Acronym address under corporate managerial standards.

3. COMPANY LOCATIONS AND FACILITIES

The company operates from its Headquartered in Musoma, Mara, Tanzania, specifically Musoma town with a corporate office in Dar-Es-Salaam, mainly for procurement, marketing and trade operations since Dar-Es-Salaam is the financial hub of Tanzania. The office in Musoma Municipality harbours its administrative staff and management. The strategic direction and all key decisions are taken from this office. The company's main mining site is located at Tarani village in the Lake Region of Tanzania which is an hour's drive from the outskirts of the Musoma, Town. This is an open-cast and underground mining concession which is owned by Zephania Mussa Otunga, the predecessor and Kilamongo Gold has an existing production and profit sharing arrangement with the concessionaire.

4. HISTORY

4.1 About Tarani Gold Mine

Tarani Gold Mine has been worked previously by Germans during colonial period and has been an active small-scale gold mine producing gold up-to now. Tarani Gold Mine is gold property with geological diversification with a mineralization type that necessitates both open cast and underground mine production across the property. The medium grade halo of black silicified amygdaloid mineralization as well as the auriferous rubble deposit (mineralized lateric crust) will be the first target under our open cast mining program with an aim of establishing a small-open pit

operation for extraction up to 50m. Historical and current exploratory works on the disseminated gold zones includes over 100 adits, shafts, declines, inclines, open-cuts and extensive surface trenching as exploratory activities. Kilamongo Gold's origins is in Tanzania's mainland date back to 2002 and the original founders then had the objective to acquire, evaluate and mine hard rock gold deposits previously unknown or technically too difficult for the small-scale miners to exploit. Tarani Gold Mine is a major, under-explored open cast and underground mineral property from which artisanal miners are thought to have extracted up to 1,000 Kg of gold from mostly surface weathered bedrock deposits since the 1990's and the German's produced more than 1000 ounces during colonial period. This is an opportunity that Kilamongo Gold is scheduled to exploit under its current business plan.

4.2 About Geological Model on Mineralization

In Tanzania, gold and diamonds has always been the mainstay of the country's mineral production. But gold is the resource currently offering one of the best areas for investment. The current perceived opportunities range from former mines in the Archaean Greenstone belts around Lake Victoria, Proterozoic rocks and conceptual grass root plays in Karoo and younger rocks. Investigation has mainly been focused on the greenstone belts around Lake Victoria with particular attention on the shear hosted gold mineralization associated with banded iron formations (BIF), tufts and volcano-sedimentary exhalatives. Several "world class" gold deposits have already been discovered in the Lake Victoria Goldfields and are at different stages of development. These deposits have reached various stages of development. Tanzania possesses a lucrative, broad and promising market prospects and great investment potential. Our company has laid a firm foundation in Tanzania mining industry with a view of being a global small-scale mining company with capabilities on technology, wide capital base and human resource. We sincerely invite partnerships, joint-ventures, union of interest with enterprises worldwide having exploration and exploitation capacity to cooperate with us in the hope of achieving win-win situation and development to all stakeholders.

5. ACTIVITIES SUMMARY

5.1 Our Exploration Strategy - Discovering and Acquisition

Kilamongo Gold explores for gold, nickel and copper, the goal of our exploration programs is to create long-term value for our shareholders by discovering or acquiring new mineral resources that show potential to yield multi-commodity economically mineable, high grade deposits of gold, nickel and copper here in Tanzania or elsewhere. The company's principal focus is on finding properties with the geologic potential for large gold, nickel and copper deposits for its developments with an aim for a global reach and a local presence that allows for effective community engagement. Our exploration's core objective of finding long-life, low-cost resources at the starting point for the wider vision of Kilamongo Gold's efforts in sustainable mineral development. These discoveries can become the catalyst for local economic diversification, skills development in the local workforce, and improvements to socio-economic developments.

5.2 Our Exploration Approach – Prospector, Explorer and Mine Developer

Our exploration plan defines both green-field approach and brownfield exploration approach. Brownfield exploration aims to grow or sustain the value of our existing operations. Greenfield exploration involves discovering deposits in new geographical settings and locations or diversifying from our existing product portfolio. This capitalizes on projects in which we have already made significant investment. Kilamongo Gold focuses on its brownfield exploration approach on advancing its Tarani Gold Mine, an on-schedule gold project from advanced pre-mine exploration to the point of being development-ready. The outlook of Kilamongo Gold in the region to discover and acquire mineral deposits that are situated close to the existing Tarani Gold mine infrastructure so as to build a portfolio of satellite mining besides the existing mines is bright and the costs can be lower and access is simpler as this brownfield exploration will take place on land over which Kilamongo Gold already has tenure. The outlook for green-field exploration is enormous due to its presence within the lake zone with favorable location and geological setting in the greenstone belt. The presence of Kilamongo Gold in the lake zone is expected to provide significant advantages in relation to both green-field exploration approach and brownfield exploration approach as well as on the capital costs, operating costs and development time.

5.3 Our Exploration Focus - Joint-Venture – Merger/ Partnership/ Option Business Model

Our objective is to safely discover or acquire one mineral asset deposit per year targeting deposits with an ability to vary from the high to low-cost resources that are profitable at all parts of the commodity cycle. We will operate majority of our exploration programmes 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 programme 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 whereas our back-up of experienced management team makes our competitive advantages to be uncomparable. We have our niche in this industry, prioritizing our exploration programmes on a regional, national and global basis so that to pursue only the most attractive mineral properties with the likelihood of generating income at the lowest cost possible. Our decisions are driven not by location or choice of commodity, but by the quality mineable resource, quantity of economic reserve, cost of investment and development, demand for the metal, price of the commodity and the ability of the resource to make Kilamongo Gold well positioned to become one of the significant emerging metal producers in the world.

6. PROJECT DESCRIPTION AND CURRENT STATUS

6.1 Open cast development

Commercial open cast production at the Tarani Gold Mine will be achieved following potential presence of resources which have been established at a conceptual basis and categorized into tailings, Mineralized underground mine rock dumps, Rubble deposits and mine over burden Ore. The free cash flow from production operations of these established resources will be used to undertake further evaluation of these discoveries and fund further infrastructure for underground developments and exploration. An assessment which demonstrated the viability of re-stating and re-establishing the Tarani Gold Mine as a small-scale mining and mid-tier mineral development operation as shown that the strategy for a trio mine development project would generate enough cash-flow for major development at Tarani Gold Mine. In each case, a case study has been

developed and Kilamongo Gold plan to pursue its goal using the funds to be obtained from its on-schedule tailing mineral operations, to develop open cast and underground mining activities of the property.

6.2 Underground Development

Preliminary open cast will be followed by underground mining gold. Having evaluated several opportunities, the company planned to develop the Tarani Gold Mine. Tarani Gold Mine remains one of many hard rock gold mines that has not been re-established and re-started in the region. The relatively small scale of operations and a lack of sufficient skilled both in open-cast and underground mining expertise, has led to the surface of the property to be pork-marked with adits, trenches and shafts. These shafts have been used for exploratory works for the underground deposits. Kilamongo Gold aims for tailing mineral processing operations to generate enough cash flow for its advance stage open-cast and underground plans.

Our Initial target is to put into production our high grade profitable gold property at our flagship property of **Tarani Gold Mine**. Kilamongo Gold Limited now is conducting advanced pre mine development design work at its flagship Tarani Gold Mine, which is situated close to high-grade the Buhemba gold mine owned by Meremeta.

7. PROJECT LOCATION

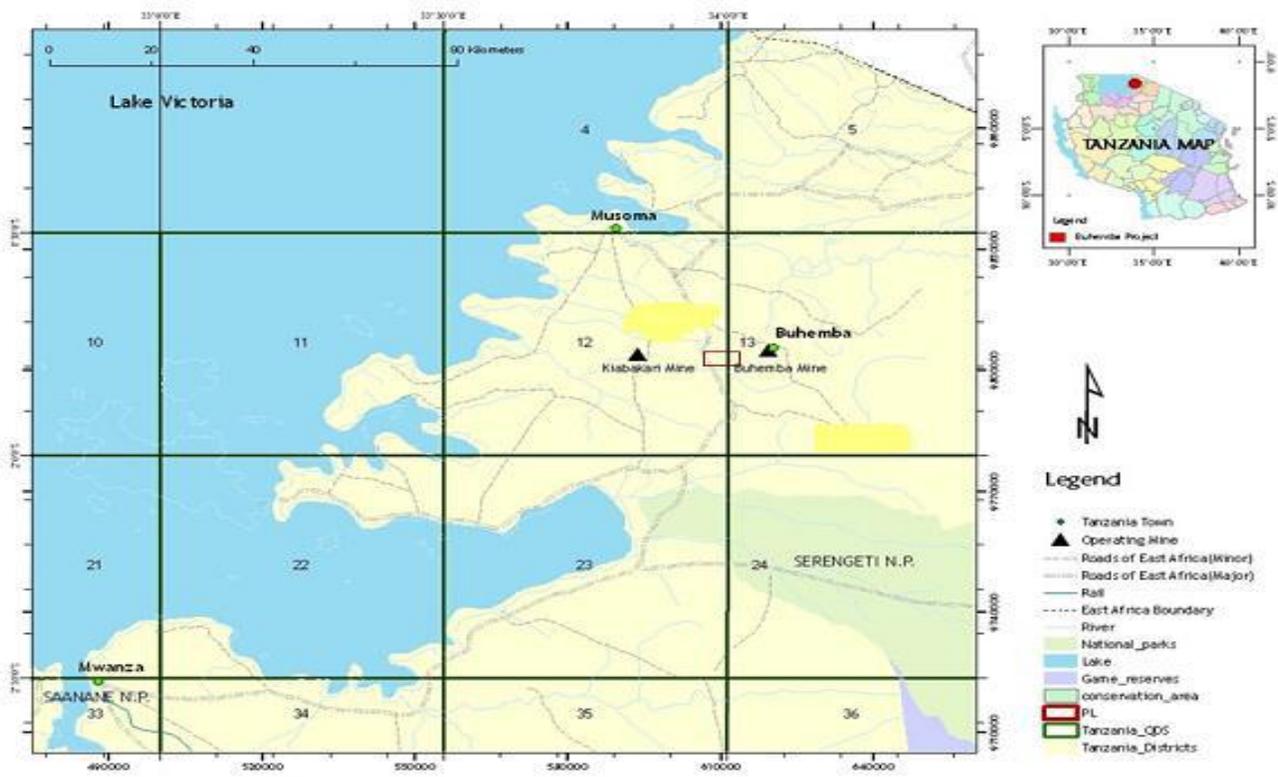


Figure 1: Tarani Gold Project - Location Map

The Tarani Gold Project is located at Tarani village in Butiama District, Mara Region in the north-western Tanzania. It lies between the latitude 01°43'54.8"S, 01°48'40.0"S and longitude of 34°05'23.2"E (Figure 1).

The project boundaries are defined by the Primary Mining License 0003498 and Mu 575/2015, comprising of an area of approximately 15.3 ha. The project area is situated in approximately 5km to the south west of the Biatika village. It can be easily accessible by car through tarmac road about 30km east of an adjoining Mwanza - Musoma road at Kiabakari junction.

8. RESERVES AND RESOURCES

8.1 Overview

The Tarani gold project also presents similarities with the Buhemba gold mine in Tanzania that has so far a resource of 0.75 M oz. and a proven reserve of 0.2 M oz have been established. An open cast mine at Buhemba has been in operation since 2003 with an annual production of 80,000 oz. The mine is owned by Meremeta Limited of South Africa.

The gold deposit at Tarani Gold Mine was identified by the Germans in the colonial era. Production at Tarani Gold Mine commenced in late 1930 building up to peak production levels at the end of 1933. They mined 1,484 tons between 1930 and 1933, producing more than 1,000 ozs Au at an average grade of just above 5.6g/t Au. They used cyanide heap leaching as their recovery process and not the more typical Vat leaching system. Management agrees with this approach due to the much lower Capital expenditure allied to the process. Based on available historic information, Management regards the resource at 1,250,000 tons of, tailings, Mineralized underground mine rock dumps, Rubble deposits and mine over burden Ore which are to be excavated from the Colonial tailing piles and from underground as well as from artisanal miners activities with values higher and over 4.04 g/t Au average from Tarani Gold Mine.

Beside the deposit underground hard rock gold in the ground, the Tarani Gold Project contains tailings, mineralized underground mine rock dumps, rubble deposits (mineralized lateric crust) and mine overburden ore which have accumulated over the years. The underground mineralized mine rock dump materials estimated to reach 1,436,500 tonnes. They are amenable to cyanide processing taking into account advances in the technology and the current gold price. An assessment made by Kilamongo Gold indicated that by November 2014, there were approximately 57,000 tonnes of tailings remained at the colonial tailing piles and 218,000 tonnes of mine overburden, about 341,250 rubble deposit dumps and more than 2,500,000 tons of back fill materilas in the underground shaft No. 1, Shaft No. 2 and Shaft no.3. at an average grade of about 2.76g/Au to 4.75g/Au. In addition, tailings of about 20,000t are being deposited from current artisanal and small-scale operations at the mine.

9. HISTORIC RESOURCE ESTIMATION

Several resource estimation studies have been conducted by different companies between 1980 and 2006. Between 1998 and 2001, a detailed geological and geophysical exploration programs within the Region. The width on the eastern end 5 to 6ft And reported panning values are 5 to 8dwt, while widths near the camp range between 2in and 3ft. The reefs are at least 2,500m deep and the mineralisation is associated with banded ironstones formations.

9.1 Hard Rocks reef Resources

The resource occurrence consists of a system of parallel reefs having a length of one mile to one mile and a half and striking 110° . In the main there are two series of three, which unite on the eastern side. The reefs have a general west-strike. The width on the eastern end is 5 to 6ft. The resource of Tarani Gold Mine deposit can be determined as follows.

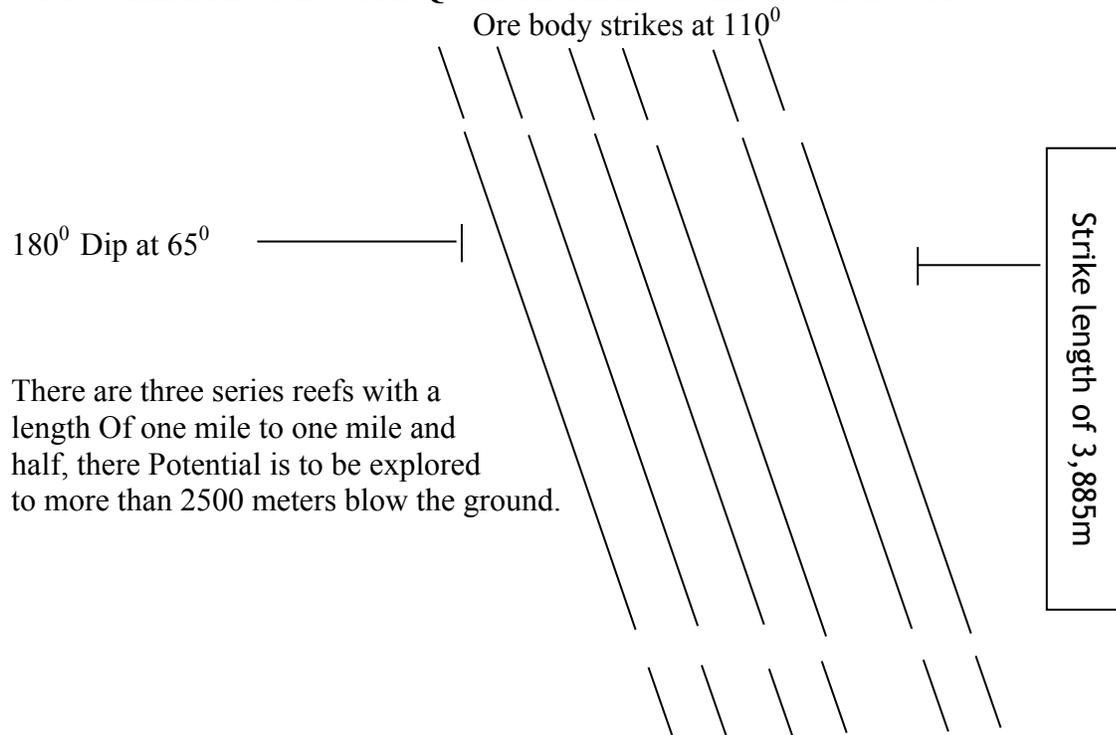
- Ore-body trend/strike of the ore-body 110° .
- Ore-body length/ore-body strike length (3855m)
- Dip of the body 65° w
- Ore body thickness is 2.1m
- Specific gravity of the ore body rocks.
- Estimated ore-body depth in according to the EOH/SHAFT is 40m.

9.1.1 Actual gold grade:

- At cut-off grade (COG) 0.05
- Break even Grade 1.75
- At Marginal Grade 2.5
- At head grade 42.65

The ore body strikes generally East to West almost with dipping 180° .

9.1.2 SHEAR ZONE WITH QUARTZ-REEF GOLD HOST ROCKS



9.1.3 ORE BODY VOLUME COMPUTATION

- $180^{\circ} - 110^{\circ}$ (East – West) Ore body Striking
- Volume: (Thickness of the vein) X (Width of the vein) X (Length of the vein)
- Therefore: $200 \times 2.1 \times 3,885$ equals to $1,631,700\text{m}^3$
- Ore-body volume computation equals to $1,630,700\text{m}^3$

9.1.4 ORE TONNAGE COMPUTATION

Measuring the resource helps to know the value in terms of grade and metal contents (tones, kilos, gm, and ounces) in an estimated ore volume – tonnage.

ORE TONNAGE: Total ore volume X specific gravity of the material ore:

Therefore: $1,630,700 \text{ m}^3 \times 3110\text{Kg/m}^3$

Equals to: $5,071,477,000$

: $5,071,477$ tones

Therefore total ore tonnage is $5,071,477$ tonnes.

9.1.5 GRADE CONSIDERATION

Grades *quality* and *quantity* of data made available by Kilamongo Gold on the deposit is Primary data, with parameters amenable to direct physical measurement that include assays, survey data, and geochemical analysis. The level of detail of the technical and economic information which has been generated about the deposit, and the interpretation thereof of the data and information is conceptual and are adjusted in accordance to fluctuation of metal price to local and world market. Kilamongo Gold Limited has classified for (4) grades, namely, *Cut-off Grade (COG)*, *Break-even-grade (BEV)*, *Marginal Economic Grade (MEG)* and *Head Grade (HG)*.

SN	TYPE OF GRADE	GRAMS PER TONES
1.	COG	0.05
2.	BEV	1.75
3.	MEG	2.5
4.	HG	82.65

- ***Cut off grade (COG)*** is considered as **0.05gram per tonne** of material ore. These types of materials are stock-piled waiting for gold price to rise in the local and international market.
- ***Break even Grade (BEG)*** is considered as **1.75 gram per tonne** of material ore. This grade of material ore when processed and once gold is sold to the market, Kilamongo Gold Limited end up neither getting profit nor loss. So materials of such grade are stock-piled for future use.
- ***Marginal Economic Gold Grade (MEG)*** is considered as 2.5 gram per tone. On calculating for ore estimation the marginal economic grade can consider the project viable.

Total Ore tonnage: 5,071,477

Gold Grade g/t: 2.5g/t

Total Gold Content: total ore tonnage X minimum economic operating grade

Therefore: $2.5 \times 5,071,477$ equals to **12,678,693 grams**

Or **12,678.69 Kg**

Or **447,220 Oz.**

Or **0.45M Oz**

9.2 Mineralized Materials (Tailings, and Mineralized Underground Mine Rock dumps, Rubble deposits (Mineralized Lateritic crust), Mine Over burden Ore Resources).

Systematic sampling has been done in this area along the strike of the ore body on 62 artisanal mining pits. The sampling was done along and across quartz veins which are the main carriers of the mineralization. The assay results range from 3.7 g/t Au to 46.3g/t Au. Also tailings stockpiles located within this area were sampled and their assay results ranges from 2.5g/t Au to 5.2g/t Au. The mineralized underground mine rock dumps were crushed and milled and gave values between 16.7g/t Au to 72g/t Au. The rubble deposits gave assay value between 9.6g/t Au to 16.7g/t Au while mine overburden ore gave assay values between 4.7g/t Au to 25g/t Au. This is the good indication of the potentiality of this area and the resource encountered at Tarani Gold Mine.

9.3 EXPLORATION POTENTIAL

Tarani Gold Mine property has an explorational potential of up to 2500m. This has been ascertain by drilling contacts in 1990 that was carried by Tanex. Kilamongo Gold Judges that from the reports and literature data available, it shows that 25% of the licensed area has been subjected to detailed geological prospecting. Further exploration work is required to cover the remaining 75%. There is therefore, an upside potential of discovering new gold deposits as Tarani Gold Mine is known to consist of two types of mineralization being primary and secondary mineralization's.

10 OPERATIONS OVERVIEW

Kilamongo Gold's operational prospects will comprise of conventional open-pit and underground mining operation with mill and carbon-in-circuit (CIC) processing operations. The optimization of on-scheduled tailing mineral processing and existing small-scale operations is centred on capital generations aimed at increasing early cash flow for Kilamongo Gold limited for open-pit and underground mining operations. The pre-study works on the tailing processing scenario through Heap/Vat Leaching program has been conducted as a pilot plant to test the leachability of materials prior to the small-scale Agitating tank leach. Both in laboratory and in field results have been encouraging and the ore in the region respond well to cyanidation. Kilamongo Gold Limited will continue to study the Tarani Gold Mine tailing, underground mine rock dumps, rubble deposit and mine over burden ore resource throughout the course of 2016. The study also predicts scenarios of increase in value of ore at Tarani Gold Mine especially for the open-cast materials. This indication is only as it is based on preliminary work on the tailings currently leached through Heap/Vat Leaching program that is underway at the Tarani Gold Mine Site. The change in value as is consequence of inclusion of small open-cast resource that is lying at the site to a depth of 30m excavated by driving of shafts, trenches, adits, inclines and declines. Kilamongo Gold limited is committed to on-going exploration study to significantly increase shareholder value and to identify new opportunities for growth. The Company aims not only to increase shareholder wealth through the discovery and development of mineral properties, but to do it in socially and environmentally responsible way, utilizing world best practices.

11 PROJECT RATIONALE

Tarani Gold Mine project resource estimates for tailings, mine underground mineralized rock materials, rubble deposits and mine overburden ore indicate promising economical returns taking into account all these ores have been tested for their leachability. Taking into account the mine underground mineralized back-fill rock dump resources alone is estimated to be more than 2,500,000 tons at an average gold grade of 2.76g/Au to 4.75g/Au. The estimated capital investment using CIC processing technology is around \$5.5 million with payback period of three years at estimated gold price of \$1100/oz with two-years grace period. The management in the long term aims to provide better directions on resources development and exploitation, environmental conservation and social responsibility together with the building and expanding of its mineral pursuit globally thus assuring its long-term production base, income and business. Kilamongo Gold focuses on continuing provident of establishing near term projects at Tarani Gold Mine, while the key strategy is the building, developing and acquiring mines so as to have a greater control of mines portfolios assets across East and central Africa and a wide area of operations so as to diversify risks, assets with quality mineral resource and reserves for business purposes.

12 ENVIRONMENTAL SUSTAINABILITY

The natural environment within the project area is extensively disturbed during previous mining operations. The property is pork-marked with adits, trenches, declines and shafts. An environmental management plan (EMP) for Tarani Gold Mine has been prepared. The Environmental Management plan identified several environmental hazard and social risks aspects associated with the small-scale mining activities and mineral development at the Tarani Gold Mine and has established measures to mitigate risks and hazard forecasted in the Environmental management plan (EMP) throughout mine life and during mine decommissioning. The current environmental status based on the site visit conducted by Kilmongo Gold technical team indicated that all adits, trenches and shafts are filled with water that is used for various small-scale operations. This may necessitate de-watering of old adits, trenches and shafts before resuming mining especial when the underground mining commences.

13 PROJECT BENEFICIARIES

Tarani Gold project area is surrounded by seven villages that include Kinyariri, Kiyamuko, Tarani, Matongo Magunga, Mirwa, and Biatika villages. The Tarani surrounding community relies on subsistence farming and small scale mining as the major economic activities. Buhemba area had become an active site for artisanal and small scale miners operating within both licensed and unlicensed mining areas. Nascent commercial mining operations in Butiama Districts are the only current major economic engines in the general region and provide a window of opportunity to make a substantial and permanent improvement to the lives of local communities. Though there are no exact figures on annual gold production in Tarani area, it is estimated that more than 70% of the surrounding population is engaged in mining and/or related activities. Kilamongo Gold Limited recognises the need to integrate the Tarani Gold mining development into the local economy and to envisage it as a means of promoting local and regional economic and social development. In order to achieve this there is a need to promote a process of vision building and strategic planning so that the capacity to implement and maintain sustainable development initiatives is entrenched before mining moves away from the area. Such input is likely to be most efficiently utilised if it is focused around specific pilot projects or development initiatives designed to begin transformation of the local economy from one of subsistence and poverty into a sustainable productive and growing economy. The re-development and re-starting of Tarani Gold Mine is anticipated to influence positively a number of aspects as outlined below.

- Increase individual per capita income through employment opportunities;
- Increase nation development through royalties and other tax paid to the local and central Government;
- Increase foreign currency; and
- Provide training opportunity to small scale miners.
- Job creation.
- Personal wealth creation.
- Local Infrastructure development.

14 SOURCES OF FINANCE

- Equity capital
- Bank Loan
- Joint Ventures.
- Partnership
- Loan capital.

15 DOCUMENTATION AVAILABLE

- Geological Survey
- Geophysical Survey
- Project Profile
- Resource Profile in Pictures
- Tarani Gold Mine Summary
- Business Plan.
- Strategic Plan
- Social Development Plan