

CORPORATE UPDATE

September 2013

Dear Shareholders,

In lieu of non-material press releases, Mahdia has chosen this forum as an economical way to keep you apprised of monthly activities.

Over the past several months, Mahdia has made a concerted effort to reduce costs, and as such, we have closed the Toronto office, and streamlined costs in Guyana. In addition, no executives have taken any pay since January 2013.

The company continues to look diligently at methods of financing future corporate activities, which would put us on the road to our ultimate goal of building a mine and producing gold. Currently, we are looking at multiple alternatives including debt, gold loans, joint venture partners, and equity.

We are also in the process of selling one of our non-core assets, White Creek, in an effort to raise a small amount of money to sustain the corporation near term. We hope to get enough money from the sale of White Creek to pay our creditors in Guyana and Canada, who have been very patient with us, and to complete a compilation of a NI 43-101 compliant resource report for the existing low-grade stockpile.

To this point, the previously announced \$3,000,000 equipment loan term sheet from the Republic Bank of Guyana has yet to be fulfilled. We have been unable to secure the loan because, at this juncture, the loan is for equipment only, and does not include start-up costs.

I often receive questions about the state of Mahdia's drill program at Omai. Mahdia completed 14 drill holes; however, not all were fully sampled, and only seven were assayed. Approximately 2800 remaining samples await assay, as do the channel samples recently taken from the newly discovered gold vein swarm discovery on Broccoli Hill. Those assays will be completed as soon as financing is available.

Since Mahdia does not have a designated investor relations person, please forward enquiries to info@mahdiagold.com. I will do my best to respond directly, or to integrate your questions and concerns into the following month's newsletter.

I thank you for your continued support,

Andre J. Douchane,
President & CEO