

CORPORATE UPDATE

November 2013

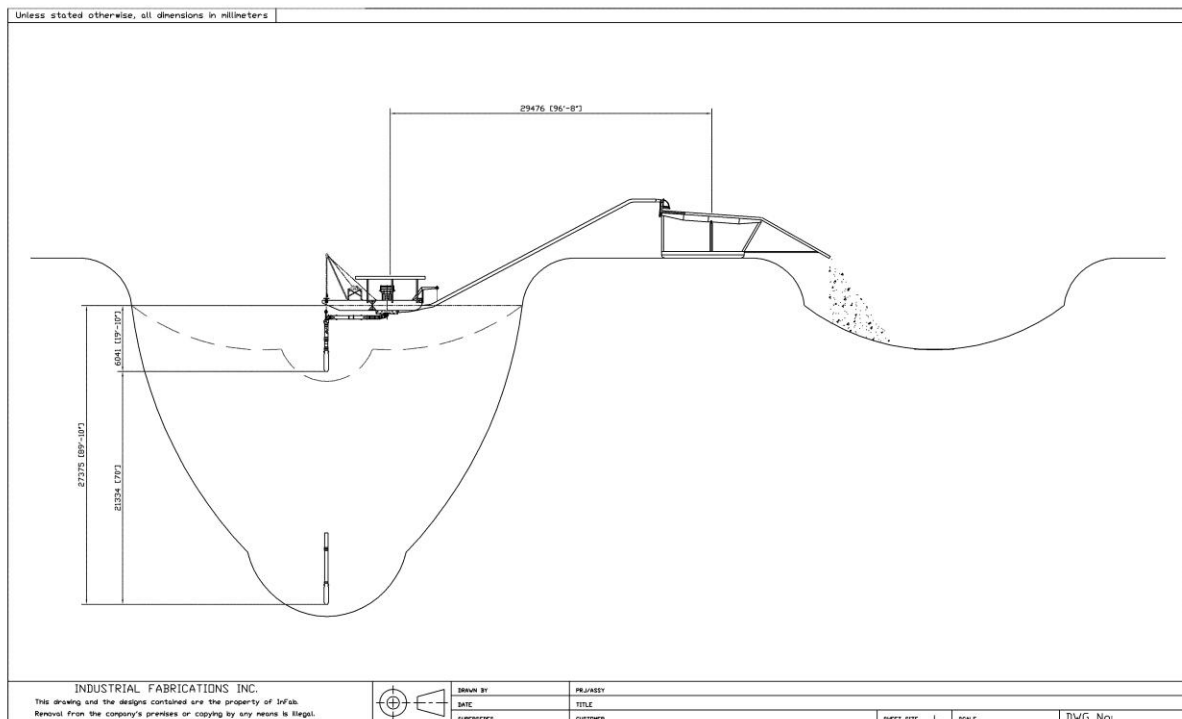
Dear Shareholders,

We have recently announced our joint venture partner, Roraima, is scheduled to begin alluvial mining operations in January, 2014 with an initial rate of production targeting 300 ounces for the first month. January's operation will be restricted to daylight hours as the miners familiarize themselves with the equipment and mining sequence. Once everyone is comfortable with all operations, Roraima is planning to operate 20 hours per day using portable light plants to enable safe operations a night.

Initial mining will be carried out with a 10 inch floating dredge capable of mining 100 tonnes per hour (TPH). The mined placer material will be pumped to a screening/wash plant and on to a sump which will be used to feed a steady flow to a very large 20 foot wide by 30 foot long sluice. Our partner, Roraima, and its equipment supplier are estimating the system to have gold recoveries above 70%. The dredging operation will start in the area where Mahdia completed its alluvial test program as described in Mahdia's May 9, 2013 press release.

As information is gathered and income is generated, a more complex recovery circuit will be designed and manufactured for use with a larger cutter head type dredge. Roraima is planning to scale up to 400 TPH by July 1, 2014.

The following drawing depicts the general arrangement of the equipment and its operation:



We're very optimistic that these events will begin our journey toward a full mining operation in the future; however, once our debts are paid we intend to use all of our proceeds to initiate a development drilling program and a resource estimate of the low-grade stockpile.

Regards,

Andre J. Douchane,
President & CEO