

## CORPORATE UPDATE

May 2014

Dear Shareholders,

Mahdia continues to make progress at Omai. Our JV partner's initial alluvial operation on the west deposit is finally operating continuously on a single shift per day basis. Additionally, our JV partner has added a second, and much larger, alluvial operation on the east deposit.

The scale of the newly added equipment is significantly larger than what is currently in operation on the west alluvial deposit, and is expected to eventually process up to four times the tonnage. As shown below, the second operation employs an excavator and a haul truck for waste removal, and dredge pumps for mining the gold bearing quartz seam. The operation went into full production this week.



Night operations at Omai.



Your Board of Directors and management continue to scour these very difficult and trying financial markets for additional funding to be used to complete a NI 43-101 qualified resource on the existing stock pile and a preliminary economic assessment evaluating a case for putting a large mill back on the existing foundations.