

CORPORATE UPDATE - MINING PERMITS AND JV.

September 2014

Mahdia Gold Corp. (the "Company") (CSE:MGD) provides the following update of its activities on the Omai property in Guyana.

Mahdia Gold has two Mining Permits covering 20 percent of the Omai property and one Prospecting License covering 80 percent.

As disclosed earlier in July 2014, Mahdia Gold entered into a joint venture with a local manufacturer who makes 200 ton-an-hour alluvial gold wash plants, crushers and other mining equipment and provides services to the industry. The joint venture allows for 12 wash plants and 20 eight-inch suction dredges to operate on the Omai mining areas. The first two of the wash plants arrived in August 2014. This month September 2014 marks the second month for the newly announced gold recovery activities. The advantage of working with the manufacturer as a JV partner is that the plants can be serviced almost immediately. 10 of the 12 wash plants are on 50-50 revenue split after expenses. However the next two wash plants to be deployed (numbers 3 and 4) are being purchased outright by Mahdia Gold where the company will receive 100 percent of production after it pays for them through period of revenue split.

The two wash plants are currently working at Omai and producing gold. For monthly gold production figures please refer to the FORM 7 Monthly Reports posted on the CSE website. The two plants currently in production at site are being modified according to the material being processed. It is worthy noting that the Omai mineralized alluvial is typical of Guyanese material generally found in alluvial mining areas, with both easily processed material and with larger rock that requires crushing. Mahdia's JV partner in Guyana also manufactures crushers and is in the process of deploying the first crusher to the site to work with the bulkier rock. Additionally, two of the twenty 8-inch suction dredges arrived last week on site and the company is preparing ground for their operation. Workers will collect tailings from dredges and processed them through the wash plants for improved recovery. The Omai site is safe and secure.

THE TWO MINING PERMITS IN GOOD STANDING AND VALID UNTIL 2018 AND 2019.

Mahdia is presently mining in the 20 percent of the Omai covered by the two Mining Permits. The two Mining Permits are owned by Mahdia Gold through its subsidiary Roraima Investment and Consulting Services (Guyana) Inc. The annual fees for the two Mining Permits are fully paid up to date and are valid for 5 years. The said two Mining Permits were granted in 2013 and 2014 and are valid until 2018 and 2019 respectively, at which time they will be renewed by the company.

The Prospecting License covers 80 percent of the property and has a balance of US \$10 million payable to the Guyana government. Since taking over from last management in June 2014, the new management submitted a payment plan schedule for review by the Guyana Government. This schedule is based on a combination of revenues from alluvial production during the years 2014, 2015, 2016 and access to gold off-take / streaming /credit financing instruments that may be available.

Mahdia Gold is interested in converting more of the Prospecting License area into additional Mining Permit areas. The

company will continue to pursue any opportunities to optimize gold production wherever and whenever all types of mineralization may occur on the property.

ABOUT MAHDIA GOLD CORP.

Mahdia is a Canadian-based gold exploration company with active gold prospects in Guyana, South America.

www.mahdiagold.com

FORWARD- LOOKING STATEMENTS

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PHOTO GALLERY

Please see page 3 for photos of current mining activities on Mahdia Gold's Omai property.



Wash Plant operating



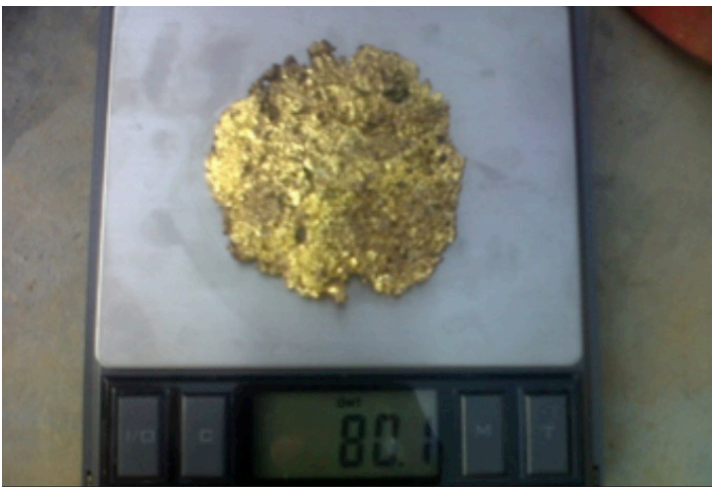
Security staff and soil testing



Gold produced from JV



Fuel tanks and excavator



Gold produced from JV



CEO Don Gordon with Guyana Attorney General