



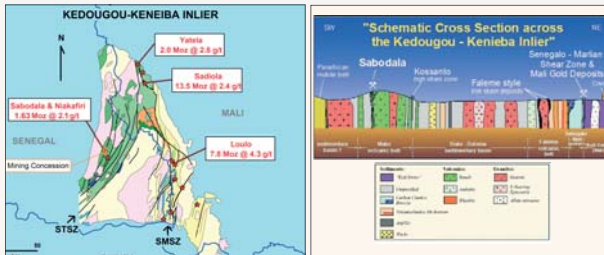
# SABODALA GOLD GEOLOGY & RESOURCES



## GEOLOGY

The project is situated in the Mako volcanic sequence and lies within the Birimian gold province which is host to some of the world's largest gold deposits in West Africa including the Sadiola and Yatela gold deposits of IAMGold and AngloGold.

Structural geological analysis of the mineralised system recognises that Sabodala is part of a large structural zone – the Sabodala Shear Zone – identified by a subtle magnetic trend that extends through the SMC Mining Concession and has a surface expression of some two kilometres. The "Mine Series" comprises a section of the Sabodala Shear Zone which strikes 025° and dips 45°- 60° westerly and is estimated to be some 250 metres in thickness. Mineralisation is focused in dilational breccia zones within the shear zone.



At Sabodala, gold mineralisation is associated with quartz, sericite, ankerite/siderite veining and orange coloured silica-albite-carbonate-pyrite alteration. Significant gold mineralisation occurs together with pyrite, contained within breccia, stockwork and sheeted vein systems, however free gold is rare.

## MINERAL RESOURCES

In September 2008, the mineral resource estimate was updated as summarised:

Measured & Indicated	Cut-off (g/t Au)	Tonnes (M)	Grade (g/t Au)	Ounces ('000)
Sabodala	0.65	42.1	1.84	2,494
Niakafiri	0.50	8.2	1.34	355
<b>Total</b>		<b>50.3</b>	<b>1.76</b>	<b>2,849</b>
Inferred	Cut-off (g/t Au)	Tonnes (M)	Grade (g/t Au)	Cont Au (Koz)
Sabodala	0.65	10.6	1.38	469
Niakafiri	0.50	6.2	0.97	192
<b>Total</b>		<b>16.8</b>	<b>1.23</b>	<b>661</b>

The Mineral Resources have been classified as a combination of Measured, Indicated and Inferred Mineral Resources in accordance with CIM Definitions (2005) and reconciled to the JORC Code (2004)

The current total mineral resource estimate extends the project above 3.51 million ounces.



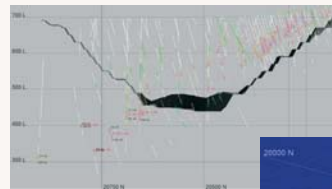
## MINEABLE RESERVES

The current Sabodala ore reserve for the Mining Concession is 24.3 million tonnes grading 2.1g/t for 1.63 million ounces. Of the total gold reserves:

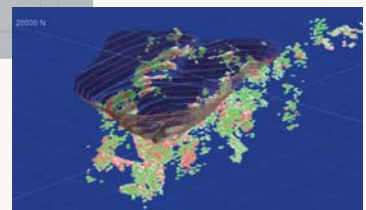
- the reserve (diluted) for the Sabodala deposit comprises an estimated 21.7 million tonnes at an average grade of 2.13g/t gold for 1,484,000 ounces at a 0.65g/t gold cut-off.
- the open pit reserve estimate for Niakafiri is 2.7 million tonnes grading 1.68g/t gold for 145,000 ounces at a 0.5 g/t gold cut-off.

## FURTHER RESOURCE POTENTIAL

To date, the limits of mineralisation at Sabodala and Niakafiri have not yet been established providing further potential to expand the reserves. At Sabodala, the mineralisation remains open at depth towards the northwest, down-dip to the west and southeast, and towards the east in the flat structure. Outside of the latest pit design, undiluted Measured and Indicated resources stand at 6.7 million tonnes averaging 3.2g/t for 691,000 ounces. An underground mining scoping study to assess the most economic method of extracting this gold mineralisation is underway.



Intercepts beyond the limit of the pit include SBRC744D 42m at 3.9g/t, SBRC745D 24m at 2.7g/t and SBRC746D 38m at 2.6g/t



2-3g/t (green and +3g/t (red) undiluted Measured and Indicated resources outside of the pit

At Niakafiri, recent infill drilling, testing open extensions of the deposit at depth and to the west has also produced excellent mineralisation results. These confirm potential for near surface high grade gold zones within a bulk low grade tonnage to the west of the Niakafiri pit.

An extensive drilling program has been designed to identify additional resources/reserves within the Mining Concession, including the highly prospective exploration targets, such as the Dinkokhono, Sutuba, and Soukhoto structures.

Additional resource potential has also been identified within the company's regional gold exploration program and other discoveries within the district. Oromin Explorations Limited Exploration Permit, which surrounds the Sabodala Mining Concession, have announced initial inferred gold resources of 1.4 million ounces at Golouma and Masato. Randgold Resources have announced two main zones of gold mineralisation at Massawa, some 30 kilometres from Sabodala. These deposits are all within trucking distance of the Sabodala mill.