

SOCIETE GOLD RIVER OF AFRICA CORPORATION

GRAC – SA

***GOLD EXPLORATION PROGRAMME IN SIGUIRI
PREFECTURE (REP. OF GUINEA) AND PROVISIONAL
BUDGET***

May 2009

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I. INTRODUCTION

The present exploration program and the provisional budget are concerned with the research of gold deposits and other associated minerals within the permit solicited by society Gold River of Africa Corporation (GRAC) in Siguiiri province.

This project confirmed the interest of GRAC to undertake the exploration in this zone for any eventual gold mining in this region.

The zone the project is located in the south of Siguiiri province and defined by the following coordinates :

<i>Points</i>	<i>Latitude North</i>	<i>Longitude west</i>
<i>A</i>	<i>11°20'37"</i>	<i>9°39'17"</i>
<i>B</i>	<i>11°20'37"</i>	<i>9°33'51"</i>
<i>C</i>	<i>11°16'20"</i>	<i>9°36'00"</i>
<i>D</i>	<i>11°12'00"</i>	<i>9°36'00"</i>
<i>E</i>	<i>11°12'00"</i>	<i>9°39'17"</i>

The permit covered the area of 103 Km².

II. GENERAL

1. GEOGRAPHICAL STATEMENT

The zone of the project is located roughly 50 Km Southwest of Siguiiri town and 750 Km away from the capital Conakry. The road to Siguiiri is the dirt road via SAG concession and the road leading Siguiiri to Conakry via Kankan province is Tamac road.

The climate of the region is sub-sahelian type, characterized by two seasons and unequal period. The longest period is the dry season, which starts in November and lasts until the end of May. Dry winter and dusty wind during this season.

At the end of this season (March-April) the highest temperature is recorded as well as the lowest humidity.

The raining season begins in June and ends in October.

The hydrographical system is marginally developed and the watering system is fed by the tributary of the Tinkisso River.

The region is inhabited by the Mandingo tribe. The main industry is agriculture.

2. REGIONAL GEOLOGY

The zone of the GRAC project is located on the northwest part of the birimian sedimentary basin. The sediments are lower proterozoic in age and comprise a sequence of intercalated greywackes, siltstones, mudstones, shales, phyllites and sericite that generally dipping and striking N-S to N-E .

According to the French geologist Milesi (1989), the birrimien sequence is divided into two distinct units :

- **Lower Unit** , is meanly composed of phyllite (schiste and meta-argilite), graywackes and tuff.
- **Upper Unit** : consists of volcanic and pyroclastic rocks. This unit consist of metabasalt, metadolerite, amphibolite and green coloured actinolite-chlorite schist, which occurs with metarhyolite, porphyrite.

Meta-volcanic is rarely observed. A lobe of probable basement granite occurs in the northern part of the region. (Smith and Phil Davies, 1995).

The products of laterite weathering dominate the region.

According to the previous geological information, gold mineralization is observed along the flats of the Tinkisso river tributary. The geochemical sampling carried out by SAG geologist (1994-96) noted the presence of a zone of gold mineralization anomalies within the permit.

III. EXPLORATION PROGRAM

1. PREPARATORY WORK

a. Documentation

The documentation is mainly based on the collection and scrutinizing of all documents related to the project zone (topographical maps, photo-geology, geology and minerals), in order to orientate the fields works.

b. Implantation of the base camp

The base camp will be built in Facassaba. Four (4) houses are to be provided for the Guineans geologists and the expatriate geologists; two (2) others houses for the office and warehouse. The camp will use electricity powered by a generator (7 KVA).

2. PERMIT VISIT

The geologists have to visit the zone of the project in order to get familiarized with the field and oriented to the exploration work. During the visit 50 laterites samples and 50 termites samples shall be collected.

3. GEOCHEMICAL SAMPLING

*This exploration work is mainly based on the collection of the termite samples every 500 m throughout the permit. Where the termites are not observed the laterite samples will be collected.
A total of 250 samples of termites and 100 samples of laterite will be collected.*

4. DRILLING PROGRAM

According to the geochemical sampling results, the drilling program will be done in the gold anomalies zone. The RAB drilling program is planned at the grid of 100 x 50 m. The boreholes are vertical with 30 m average depth. A total of 100 boreholes are planned.

In the view of the results, the RC drilling program will be carried out in the gold concentration zone. A total of 20 RC bores holes will be drilled with 100m average depth.

5. TRENCH SAMPLING

In the high-grade gold mineral zone, the trench sampling will be taken in order to define the characteristics and parameters of the minerals. Three (3) trenches are foreseen around the permit. The section of the trench will be 10m x 1m x 0.70m

6. TREATMENT OF SAMPLES

All samples collected in the field will be sent to SGS laboratory in Siguiri for analysis for gold and arsenic.

A total of 553 samples will be analysed into SGS laboratory.

7. OFFICE WORK

All field data and sample results will be interpreted at the office as well as boreholes profiles, geological maps and gold mineralization logs. All administrative work including project and financial reports will be conducted here.

TABLE OF WORK VOLUME

No	TYPES OF WORK	UNITES	VOLUME
1.	<i>Field Visit sampling</i>	<i>Termite samples</i>	50
		<i>Latrerite samples</i>	50
2	<i>Geochemical samples</i>	<i>Termite samples</i>	250
		<i>Laterite samples</i>	100
3	<i>Boreholes samples</i>	<i>Samples</i>	100
4	<i>Trench samples</i>	<i>Samples</i>	3
5	<i>Samples treatment</i>	<i>Samples</i>	553

IV. EXPLORATION WORK PLANNING

The exploration work is subdivided into three (3) phases in order to better understand the work program.:

- a- Preparatory Phase*
- b- Field work Phase*
- c- Office work Phase*

a- Preparatory Phase

During this phase, the project manager has to process the collection and the study of all documents related to the work region. Also, he will recruit hire the geologists and other workers; mobilize the equipment and distribute the money needed for the completion of the program. The base camp will be built in Facassaba. During this period the geologists have to visit the field. This phase will take one (1) month.

b- Field Work Phase

During this phase, the geological team will be working at the exploration site. The project manager should ensure that all the equipment is available and ready to use; the fuel supply and food supply are properly organized. Also, he should ensure that the sampling process and other fieldwork are performed according to the program. All samples taken in the field should be sent to the SGS laboratory for analysis. Nothing should delay the proper execution of the program.

- Geochemical sampling*
- Drilling program*
- Trench sampling*
- Sample treatment at SGS laboratory*

This phase will take 6 months.

c- Office work Phase

All the field data will be interpreted at the office, in order to finalise the geological report, the reserve calculation, the financial report and equipments inventory.

This phase will take 3 months.

PERSONNEL

<i>- General Project Manager</i>	<i>1</i>
<i>- Project Coordonator :</i>	<i>1</i>
<i>- Head Logistic</i>	<i>1</i>
<i>- Accountant</i>	<i>1</i>
<i>- Expatriate Geologist :</i>	<i>1</i>
<i>- Guinean Geologists :</i>	<i>3</i>
<i>- Driller Superintendant :</i>	<i>1</i>
<i>- Drillers :</i>	<i>1</i>
<i>- Drivers :</i>	<i>2</i>
<i>- Cook :</i>	<i>1</i>
<i>- Guards :</i>	<i>2</i>
<i>- Daily workers :</i>	<i>10</i>
 <i>Total:</i>	 <i>25 employees</i>

V. PROVISIONAL BUDGET FOR THE CAMPAIGN 2007

<i>No</i>	<i>DESIGNATION</i>	<i>(USD)</i>
<i>1</i>	<i>Salaries of Workers and Office Staff (Local and foreign)</i>	<i>465,000</i>
<i>2</i>	<i>Company National Office</i>	<i>50,000</i>
<i>3</i>	<i>Materials and Equipment</i>	<i>550,000</i>
<i>4</i>	<i>Fuel and Oil</i>	<i>150,000</i>
<i>5</i>	<i>Spare Parts</i>	<i>120,000</i>
<i>6</i>	<i>Food</i>	<i>70,000</i>
<i>7</i>	<i>Broker Service Fees</i>	<i>20,000</i>
<i>8</i>	<i>Insurance/Motor Vehicules</i>	<i>15,000</i>
<i>9</i>	<i>Consultants' Retainers or Fees</i>	<i>20,000</i>
<i>10</i>	<i>Travel (Local and Overseas Trips)</i>	<i>25,000</i>
<i>11</i>	<i>Local/Social Event Participation</i>	<i>5,000</i>
<i>12</i>	<i>Interface with Government Agencies</i>	<i>10,000</i>
<i>Tota l</i>		<i>1,500,000</i>

Quotation for general budget estimates for mining exploration season 2009-2010 is One Million Five Hundred Thousand US dollars (US \$ 1,500,000)

