

DEVELOPMENT PLAN KONONGO PROJECT [NML]

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1.0 Executive Summary

The Seniagya-Pekyerekye Concession of NML is a 125sqkm concession granted as a Prospecting License. This business plan is a twelve(12) month plan that will be segregated down to three phases of four(4) month each, per its implementation strategy. The total cost of the programs will be Three Million, Sixty Seven Thousand Seven Hundred and Thirty United States Dollars(**3,067,730.00**). The previous work on the concession has demonstrated that the southern portion of the concession has most elevated Gold values. Therefore the main exploration program will be executed towards the southern portion of the concession. The estimated area size for the current planned programs will be about 20sqkm. Three different prospecting programs have been planned. , 1000m Trenching program, 1000 m Auger drilling program and 2000m RC drilling program.

The Funding for the program is anticipated to be procured from equity or partnership by investors. There will be six technical personnel and 3 supporting staff. The direct program implementation costs amount to USD Two Million, Six Hundred and Ninety Six Thousand ,Four Hundred United States Dollars (**2,696,400.00**) for the twelve months period.

2.0 Introduction

Africa is well endowed with mineral resources and has a long history of mining. From the late 15th century until the mid-19th century, two-thirds of Africa's gold production was estimated to have originated from the Gold Coast(Ghana) .Ghana is the second largest gold producer in Africa after South Africa and among the top 10 producers of gold in the world currently.

Ghana has a long tradition of gold mining with an estimated 2,488 metric tons (80 million ounces) of gold produced on the first documentation of gold mining in 1493. Ghana has active majors like Goldfields, Newmont, AngloGold Ashanti, Golden Star in production. Active Mid-Tiers and juniors like Kinross, Endeavour, Perseus, Keegan, Asanko Gold also in production.

This Business Plan has been developed to facilitate the exploration and exploitation of the Seniagya-Pekyerekye concession within the Konongo district of Ghana- Ashanti Region. The Plan sets out the vision and mission of the NML and the implementation processes for NML.

3.0 General Information

The Seniagya – Pekyerekye PL which covers an area of approximately 125 sq. km, is 100% owned by Golden Ore Holding. It is located in the Ashanti Region covering parts of Sekyere East, Asante Akim North and Ejisu - Juaben districts.The Prospecting License, first granted to Golden Ore Holding in February 2006 to explore for gold and base metals.

3.1 Location and Access

The Seniagya – Pekyerekye Prospecting Licence(PL) is within the of Sekyere East, Asante Akim North and Ejisu - Juaben District of the Ashanti Region of Ghana. The area can be accessed on tarred road from Accra through the Accra-Kumasi highway about 56km from Kumasi. Other parts of the concession can be reached by well paved all-weather gravel roads and tracks.

The Concession area has a climate of semi-equatorial type with a major and minor rainy season. The first major rainfall season starts from March and ends in July. The second rainfall starts from September and ends in November. The main annual rainfall is between 1600mm – 1800mm. It has a fairly high and uniform temperature ranging between 20 °C in August and 32°C in March.

Relative humidity is fairly moderate but high during the rainy season. It ranges between 70 and 80 percent in the dry season. The temperature regime and rainfall pattern enhance the cultivation of many food crops.

The Anum River flows southwards along the central part of the license; most of its eastern tributaries within the permit area drain north westerly to the Anum River, while most of the western tributaries drain south easterly in a classical dendritic pattern. The concession has a moderate relief, a dendritic drainage pattern and gently rolling hills separated by narrow to wide valleys which are seasonally flooded.

The main communities within the PL are Seniagya, Pekyerekye, Patrensa, Atunsu, Adiembra, Anumso, Kwankwanua and Awaham. These villages are farming communities with cocoa, oil palm, plantain, cassava and vegetables being the common cash crops cultivated. Another vocation that is quite visible in the area is artisanal mining. Along the boundary between Seniagya - Pekyerekye and the Owere mines, extensive galamsey activities were observed, mostly on the Owere mining lease. The location of Seniagya-Pekyerekye is shown in Figure 1. below.

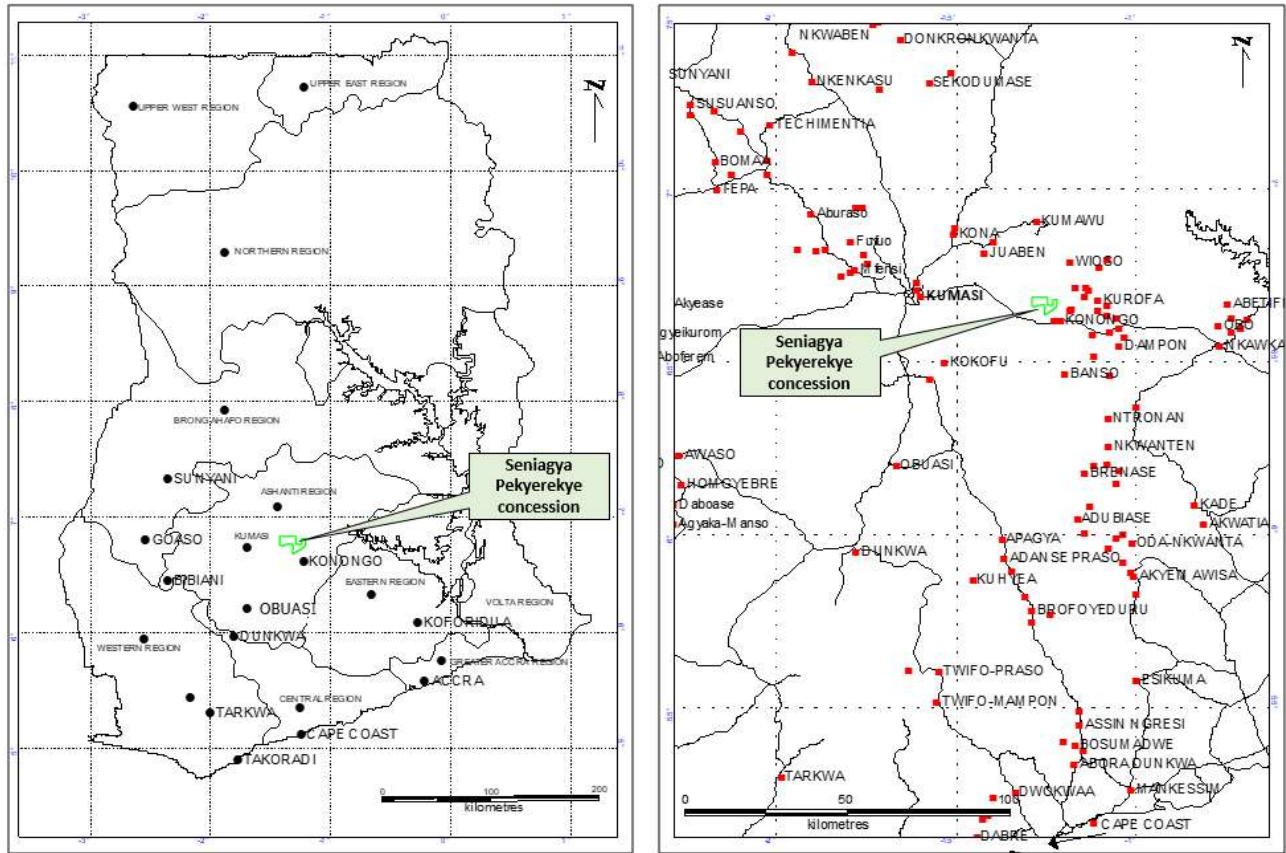


Figure 1. Location of the Seniagya-Pekyerekye

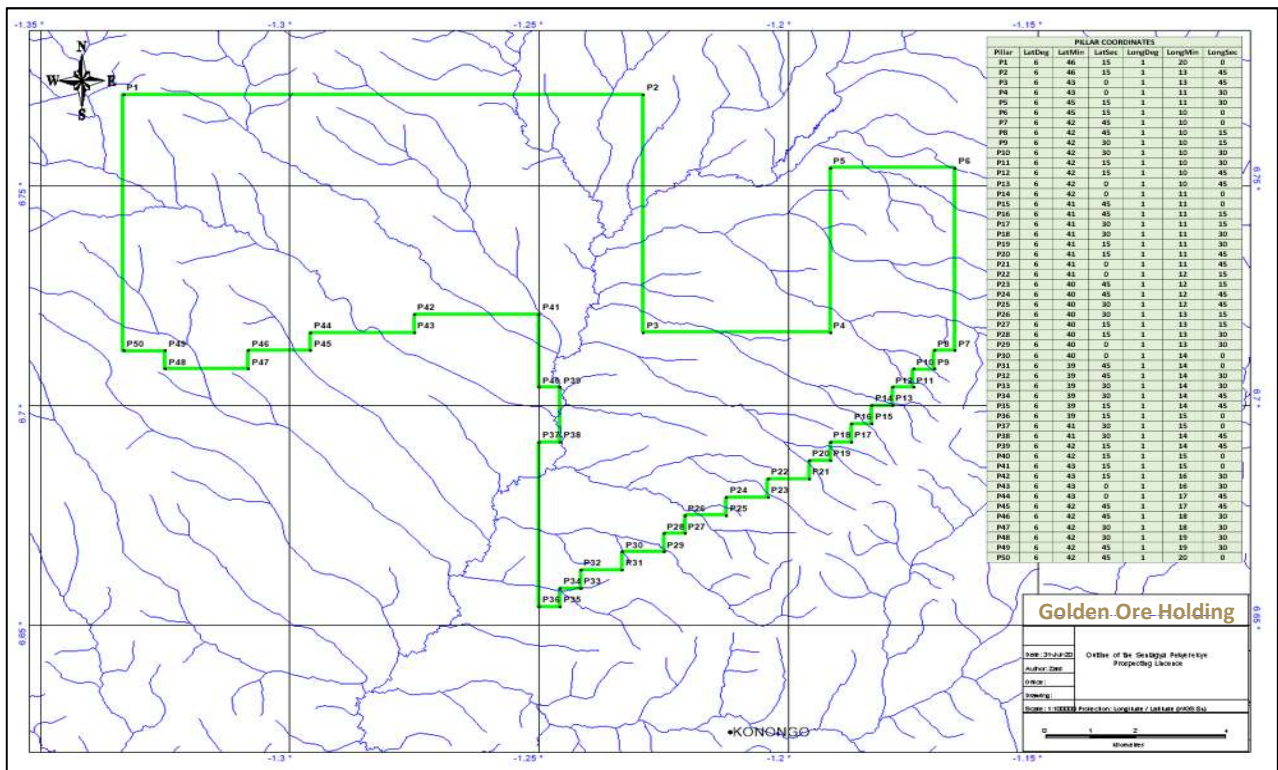


Figure 2. Outline of the Seniagya-Pekyerekye PL with pillar coordinate

3.2 Topography, Relief and Climate

The Seniagya-Pekyerekye PL. lies within the semi-equatorial climatic region of Ghana with a mean annual rainfall of about 2,000 millimeters. The topography to the north of the concession area is the prominent Kwahu escarpment, where elevations are about 550-600m ASL near Agogo. The escarpment stands well above the low rolling hills in much of the district, where elevations are mainly in the range 180-260m ASL. In the SE corner of the district is the very large Bansa intermediate granitoid with a peak elevation of about 580m ASL in the central area of the batholith. There are a series of narrow, NE trending ridges with elevations up to about 260m ASL and a relief of 50-80m above the surrounding valleys where the lowest areas are around 180m ASL.

There are two main rainy seasons that account for the majority of the total annual rainfall. The first lasts from early April to end of July with a peak in June, and the second from late September to mid-November. Relative humidity is usually high and often above 80%. The mean minimum and maximum temperatures are 20°C and 35°C respectively.

Vegetation is mostly secondary rainforest resulting from extensive farming of food crops, cocoa and oil palm.

Villages within the concession are largely under resourced in respect of basic infrastructure such as mobile telecommunication network, hospitals and police posts. Most of the school children within the catchment area have to walk a few kilometers to access basic education.

The largest communities include Konongo and Odumasi, which are now virtually one continuous urban area as well as Juaso along the main highway and railroad east of Konongo. The current population is probably about 400,000. Most of the local population is engaged in small-scale farming but the district community has also depended on the mining activities in the area, including rather extensive small-scale mining. The permit bound with topography underlay is shown in figure 3 below.

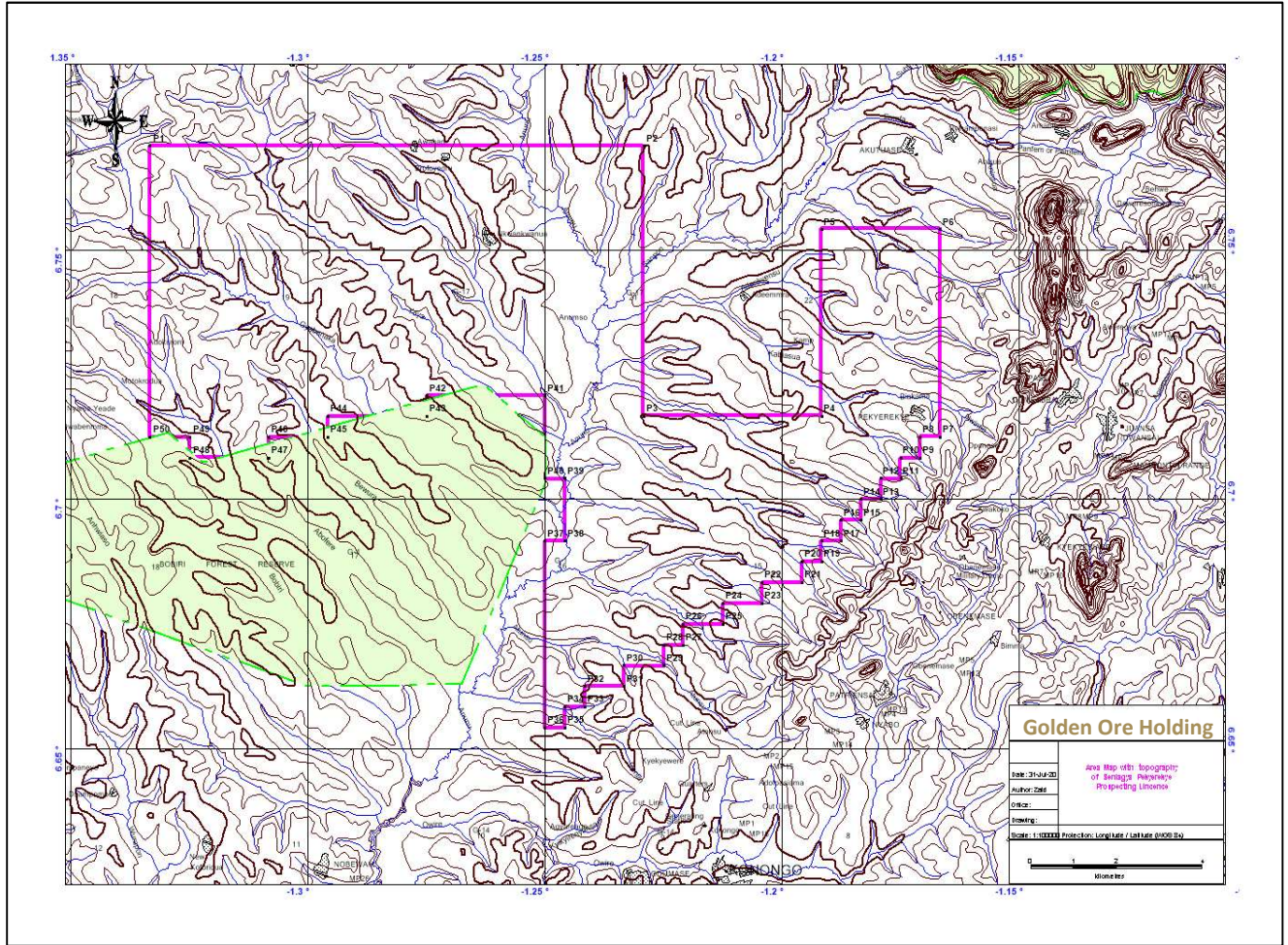


Figure 3. Area Map with Topography of the Seniagya-Pekyerekye PL

4.0 The Legislative Background In relation to Ghana

The Minerals and Mining Act (Act 703) 2006 (Gazetted March 31, 2006) replaced the previous Minerals and Mining Law, PNDCL 153, 1986. Section 18 of the former provides that:

Before undertaking an activity or operation under a mineral right, the holder of the mineral right shall obtain all necessary approvals and permits required from the Forestry Commission and the Environmental Protection Agency for the protection of natural resources, public health and the environment.

Without limiting subsection (1), a holder of mineral right shall comply with all applicable Regulations made under this Act and any other enactment for the protection of the environment in so far as relates to exploitation of minerals.

In support of Act 703, Regulations have been prepared and circulated for comment by interested parties. Those that include specific sections or subsections relevant to environmental and/or social matters are:

- 1 Mineral & Mining (Support Services) Regulations, LI2174
- 2 Mineral & Mining (Compensation and Resettlement) Regulations, LI2175
- 3 Mineral and Mining (General) Regulations, 2012 LI2173,
- 4 Mineral & Mining (Health, Safety & Technical) Regulations, LI2182
- 5 Mineral & Mining (Explosives) Regulations, LI2177.

In 1989, an EIA for development projects became a requirement in Ghana. Ghana's mining and Environmental Guidelines, Final Draft, 1994 also lays out in reasonable detail, the environmental assessment, management and reporting requirements for both new and operating mines.

In June, 1995, the EPA set out a new procedure for carrying out EIA involving gradual phases depending upon the nature, complexity and location of the undertaking (Ghana Environmental Impact Assessment Procedures, June, 1995). Between 1995 and 1999, the EPA reviewed and revised the aforementioned procedures. In June, 1999, the revised procedures were formalized and passed by Parliament as Legislative Instrument 1652 Environmental Assessment Regulations (L.I. 1652).

4.1 Licensing Regimes

Legislation affecting mining and mineral exploration in Ghana includes the Minerals and Mining Act, 2006 (Act 703) and Regulations, the Minerals Commission Law, 1986 and the Minerals (Royalties) Amendment Act 794 of 2010. Under the Constitution of the Republic of Ghana and the Minerals and Mining Law, all minerals in their natural state are the property of the Republic and are vested in the President on behalf of the People. Title to these minerals is granted under reconnaissance and prospecting licenses and mining leases defined under the Minerals and Mining Act 2006 (Act 703), as follows:

4.1.1. Reconnaissance License (Sections 31-33)

A reconnaissance licence confers on the holder the right to search for a specific mineral (or commodity) within the Licence area by geochemical and photo-geological surveys or other remote sensing techniques.

It does not permit drilling, excavation, or other sub-surface techniques, except as otherwise provided in the Licence. The Licence is normally granted for up to one year and may be renewed by the Minister for a period up to one year upon application by the holder. The application for renewal must be made at least three months before the expiration of the Licence. The size of the area over which a Reconnaissance Licence may be granted is limited to 5,000 contiguous blocks or 1,050 km².

4.1.2 Prospecting License (Sections 34-38)

A prospecting license gives the holder the exclusive right to search for specific minerals (or commodities) by conducting geologic, geophysical, and geochemical investigations to determine the extent and economic value of any deposit within the Licence area.

Drilling, excavation, or other sub-surface techniques are permitted under the Prospecting Licence. The initial grant of the Licence is limited to three years and a maximum area of 750 contiguous blocks or 157.5 km².

4.1.3 Mining Lease

The grant of a Mining Lease gives the holder the right to mine, win, or extract specified minerals (or commodities) within the lease area. The lease may be granted to the holder of a Prospecting Licence or any person who establishes to the satisfaction of the Minister that a mineral to which

the lease relates exists in commercial quantities within the proposed lease area and can be mined at a profit. The lease is issued for a maximum tenure of thirty years and is renewable for up to thirty-year term.

5.0 Author of the Business Plan

This Business plan is Authored by Zaid Tetteh Yemoh, a Consultant Geologist and Ghanaian registered Geoscientist with many years of practical experience in the evaluation and development of Gold (alluvial and hard rock) properties. He is priviledged to all previous work executed on the Seniagya-Pekyerekye concession at Konongo, Ghana and he knows very well all locations and access within the concession Area. He worked with NML for over two years and was in charge of terminal and annual reports preparation to governmental agencies. He has held senior positions and co-authored several technical reports and exploration plans in the past years of his professional experience.

6.0 Vision and Mission of Golden Ore Holding Ltd

Mission

NML has a mission to develop it properties in Ghana into Code compliant economic exploitable gold deposit.

Vision.

To be one of the major Gold Producing mine in the world and to improve the Socio-economic environments in Ghana through mining.

7.0 TECHNICAL INFORMATION

7.1 Regional Geology and Mineralization

The gold deposits of West Africa largely lie within the Proterozoic domain of the Man Shield, the southernmost subdivision of the West African (or Guinean) Craton. The Craton is bounded to the east and west by late Proterozoic mobile belts (700-500Ma) which is also called the Pan African mobile belts (Wright, 1986; Leube, 1990).

Ghana can be divided into an early Proterozoic terrane (Birimian System) and the Tarkwaian system of the main West African shield which hosts majority of the mineral deposits in the country and occupies the west and north of the country. A pan African mobile belt which covers the Togo, Dahomeyan and Buem Formations, distinguished from the Birimian terrane by a famous topographic feature known as the Akwapim–Togo range and occupies the eastern and south–eastern parts of the country and the Voltaian Basin, in which the late Precambrian to Paleozoic sediments that mantle the craton are preserved and are situated at the east and central parts of the country (Hastings, 1983).

The geology of southwest Ghana is dominated by Birimian Supergroup sedimentary and volcanic rocks, Tarkwaian Group sedimentary rocks, and various granitoid intrusions. The Birimian Supergroup rocks are characterized by northeast striking mafic volcanic belts separated from intervening sedimentary (dominantly turbiditic) basins by major faults. Tarkwaian sedimentary rocks are generally confined to Birimian volcanic belts where they occur as either fault-bounded slices or as unconformably overlying sedimentary rocks.

Proterozoic rocks have undergone two discrete orogenic cycles. An earlier “Eburnean I” orogeny, associated with the eruption of the Birimian metavolcanic rocks, intrusion of Belt type granitoids, and associated metamorphism between ca. 2,200 and 2,150 Ma (Leube et al, 1990; Bonhomme, 1962). Regional northwest-southeast extension and formation of the Tarkwaian sedimentary basins followed the Eburnean I orogeny, between ca. 2,150 and 2,116 Ma. A later “Eburnean II” orogeny involved deformation, metamorphism of Birimian and Tarkwaian rocks, and intrusion of Basin type felsic intrusions between 2,116 and 2,088 Ma.

The principal Birimian meta-volcanic belts and intervening meta-sedimentary basins in Ghana are (from east to west) Kibi-Winneba belts, cape coast Basin, Ashanti Belt, Kumasi Basin, Asankuragua-Manso Nkwanta belt Sefwi-Bibiani Belt, Sunyani Basin, Bui Belt, Maluwe Basin and Wa-lawra belt (Figure 4)

A complete and detailed description of the geology of Ghana can be found in Kesse (1985). Structural and lithological evolution is discussed by Eisenlohr (1989), Leube and Hirdes (1986) and Leube et al (1990).

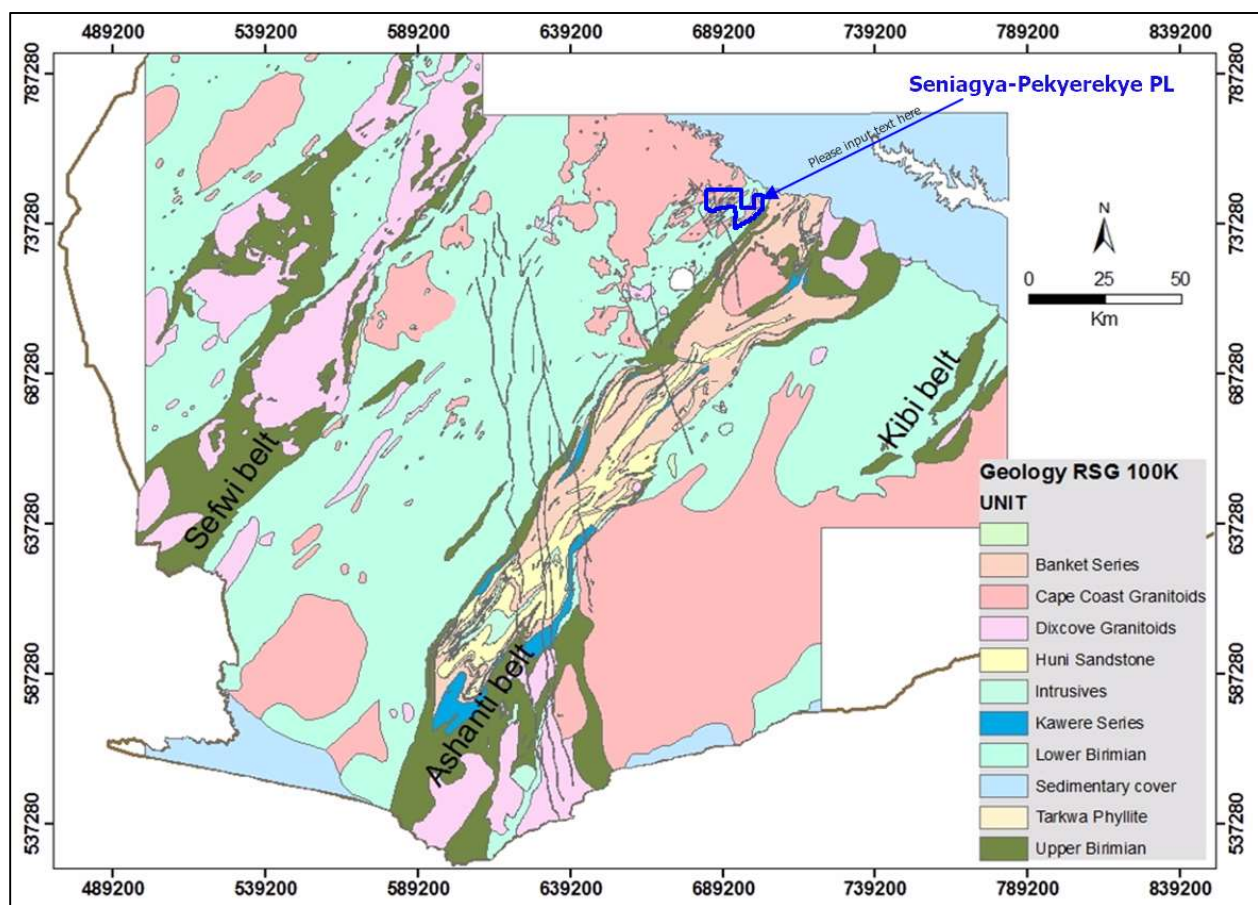


Figure 4. Regional Geology of Seniagya-Pekyerekye concession

7.1.1 Local Geology

Areas of the Concession proximal to the Konongo – Obenimase trend.

The Seniagya Pekyerekye PL is situated on the North western margin of Ashanti greenstone belt and North eastern margin of the Kumasi basin. The south eastern corner of license is directly adjacent to Ashanti greenstone belt and the Konongo. The Obenimase mines located therein (Fig. 4).

The license area is underlain by metamorphosed sedimentary rocks of the Birimian Super Group, intruded by lenses of felsic granitoid. Regional structures, mostly parallel and sub parallel to the greenstone belt mark the contacts between the Birimian sedimentary rocks, Metavolcanics and the granitoid intrusives

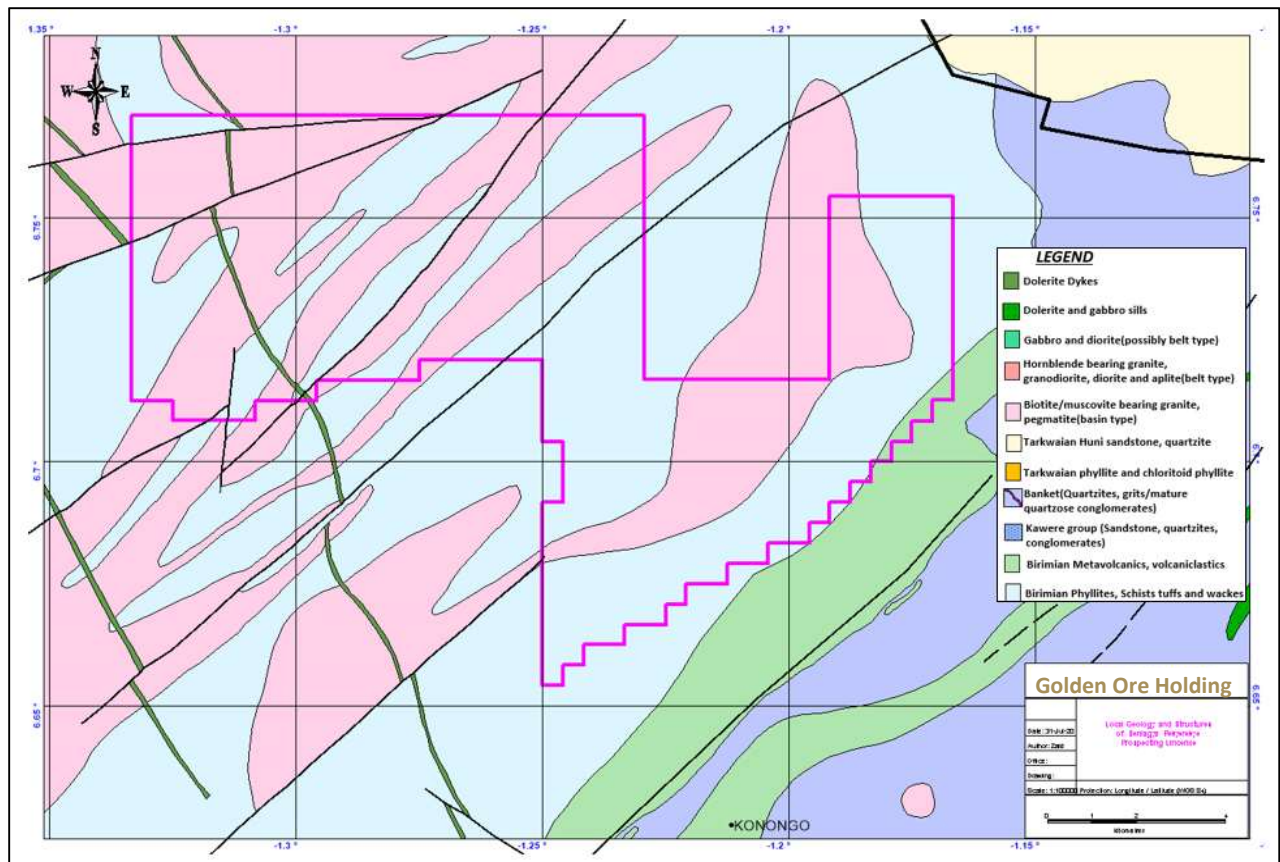


Figure 5. Local Geology of Seniagya-Pekyerekye concession

7.1.2 Mineralisation (Type and Occurrence)

Within the Birimian and Tarkwaian rock systems of Ghana there are three major types of gold mineralization (Kesse, 1985, p. 176-183): namely reef, vein or lode and recent placer deposits.

i. Reef, Vein or Lode Gold Deposits

These deposits are auriferous quartz veins which cut the Birimian rocks. They also occur as quartz stockworks associated with granite porphyries and intrusions. Gold sulphide ores are found in tuffaceous phyllites containing pyrite, arsenopyrite and free gold. Also, chemical and mechanical weathering of gold-bearing quartz veins and sulphide ore zones may create concentrated oxidized ores. NML's Konongo Concession is associated with this type of mineralization.

ii. Recent Placer gold deposits

Alluvial gold deposits, derived from the weathering of primary vein and lode type deposits, occur in gravels of streams, river flats, old valleys, terraces and beaches. These deposits can be found in many rivers and creeks draining the Birimian rocks.

8.0 Exploration Program

The main exploration programs that will be executed will be Trenching, Auger drill program and RC drilling program.

8.1 Trenching and Auger drilling

Trenching should will be conducted over the Pkyerekye – Kyekyewere - Atunsu –Petrensa portions of the concession. Trenching will be done over areas where the surface geochem has shown high anomalous soil and rock sample results. These would be dug on average 3.0m deep and 1.0m wide. The length of each trench will be about 200m and it is anticipated that five (5) trenches will be dug, totaling 1000m. The trenches would be channel sampled at one meter lengths along the basal wall. Each trench would be topographically profiled and geologically mapped.

Some of the areas where the soil geochem indicates elevated values but there are no clear surface features that will aid trenching will be Auger drilled to confirm the depth of anomaly before trenching may commence on such area.

8.2 RC drilling

It is anticipated results will justify further RC drilling program to define Mineralisation at depth. Depending on results initial metallurgical test work may be undertaken. 2000m of RC holes will be planned.

9.0 Budget and staff

A budget of USD Three Million, Sixty Seven Thousand, Seven Hundred and Thirty United States Dollars (**3,067,730.00**) is proposed for the exploration program. The program will include Auger drilling, trenching and RC drilling programs. The amount is a considered estimate based on the previous work done on the Seniagya-Pekyerekye concession and has realistic expectations as to what is achievable within a 12-month period.

Personnel costs is estimated at an amount of USD Five Hundred and Thirty Thousand ,Four Hundred United States Dollars (530,400) over the 12 months period, while the direct program implementation costs amount to USD Two Million, Six Hundred and Ninety Six Thousand ,Four Hundred United States Dollars (2,696,400.00) for the twelve months period. Transportations and fueling amount to USD seven hundred and ninety five thousand , six hundred cedis (795,600) and Programme support, reporting and communication cost is estimated at an amount of USD seven hundred and sixty thousand six hundred united state dollars (760,600.00).

The main staff comprises a Director Overall, Project manager, Geologist, Administrators. Casual workers will be recruited while operations are on-going.

See next page for table of the estimated budget.

No.	Description	UoM	Quantity	Unit Cost (USD)	Amount (USD)	Total (USD)
1.0	Licensing and legal documentation	1	1	10,000.00	10,000.00	10,000.00
2.0	Desk Study					
	Data Acquisition and Interpretation	Month	1	6,000	6,000.00	6,000.00
3.0	Vehicle					
	Rental at 200usd per day for two (3) vehicles@312days	Days	312	1,200	374,400.00	
	Fuel for vehicle- fill vehicle thrice in a week @4500usd per vehicle	Days	312	1,350	421,200.00	795,600.00
4.0	Geological Equipment & Consumables				40,000.00	40,000.00
5.0	Office Equipment & Materials				1,240.00	1,240.00
6.0	Programs					
	Auger drilling@1000m, at 10 usd per metre	Metres	1000	10	10,000.00	
	Trenching at 1000m @ 3m depth	Metres	3000	15	45,000.00	
	Crop compensation	Month	1	200,000	200,000.00	
	Clearing	Month	1	200,000	200,000.00	
	Drilling(RC) @ 2000m, 200 usd per metre	Metres	2000	150	300,000.00	
	Resource estimation	Months	3	10,000	30,000.00	785,000.00
	Programs					
7.0	Assay cost	Samples	7000	5	35,000.00	55,000.00
8.0	Labour					
	Project Manager (1)	Month	12	12,000	144,000.00	
	Senior Geologist (2)	Month	12	8,000	96,000.00	
	Database Geologist(1)	Month	12	7,000	84,000.00	
	Geological Assistant (3)	Month	12	4,000	48,000.00	
	Office Administration	Month	12	8,000	96,000.00	
	Casual Workers (10)	Day	312	200	62,400.00	530,400.00
9.0	Meal				157,560.00	157,560.00
10.0	Communication & internet				7,000.00	7,000.00
11.0	Accommodation				514,800.00	514,800.00
12.0	Public Relations				20,000.00	20,000.00
13.0	Miscellaneous and contingencies (5% of budget)	Sum			145,130	145,130.00
	GRAND TOTAL				USD	3,067,730.00

10.0 Funding

Funding for the mineral exploration project on the Konongo concession is expected to come mainly from equity thus by sponsors and Investors who are interested in mining, governments or third party private investors. The funding can be in the form of partnership or joints agreements.

11.0 Implementation strategy

The Business Plan covers a twelve(12) months period that will be segregated into three phase of four month. The phase will be as follows

1. Early Prospecting phase (Trenching and Auger drilling)
2. Advance prospecting phase(RC Drilling)
3. Resource development and estimation stage.

The main operations will commence six weeks after procuring a percentage of the total funds required to execute the program.

12.0 Project Governance

NML in consensus with the investor will plan the management and governance of the project. Exploration projects are usually Field-Based, however offices may be set up both at the Field and also in Accra the capital city of Ghana.

An Organogram will be in place and the day-to-day operations of the project will be guided by the Organogram.

13.0 Risk, Monitoring and evaluation

An initial Results-Based Matrix setting out goals, outcomes and indicators of achievements will be developed and will form the basis for a comprehensive monitoring and evaluation.

An assessment of the risks related to the operations as well as those linked to its activities and beneficiaries, will be undertaken and a table of risk mitigation measures will prepared and pasted on vantage places in offices and at the field.

14.0 Conclusion

This Plan provides a way forward for the development of the Seniagya-Pekyerekye concession at Konongo. The concession has a high prospect to becoming a major mine.

The business plan is a twelve(12) month plan that will be segregated down to three phases of four(4) month each, per its implementation strategy.

The total cost of the programs will be Three Million, Sixty Seven Thousand Seven Hundred and Thirty United States Dollars (3,067,730.00). Three different prospecting programs have been planned. , 1000m Trenching program, 1000 m Auger drilling program and 2000m RC drilling program.

The Funding for the program is anticipated to be procured from equity or partnership by investors.