

THE BOUDA GOLD DEPOSIT

Pinsapo Group AG (Switzerland) is the beneficial owner of the Bouda gold deposit located in Burkina Faso. The inferred resource of the Bouda deposit, estimated in accordance with JORC Code (2004), is approximately 215,000 KOz of gold (~ 7 t). Mineralization is open at depth and along strike, offering significant exploration potential. A pilot heap leaching plant at Bouda has been producing gold since early 2012.

Pinsapo Trading SA (Panama) is the sole owner of two exploration licenses, within which the Bouda deposit is contained:

- Tibou (decree No 2010 10-108)
- Peleguetenga (decree No 2010 10-079)



KEY INVESTMENT CONSIDERATIONS

- 9,000 m drilling program identified a sizeable resource base, which can be significantly increased (up to 500 KOz Au) in the course of a brief, inexpensive exploration program
- Significant part of the deposit is amenable to low-cost open pit mining
- More than half of the resource is oxidized ore, amenable to heap leaching or CIP/CIL
- 300 ktpa pilot-scale heap leaching facility is successfully producing gold since the beginning of 2012
- The deposit is easily accessible from the capital of Burkina Faso (1.5 hour by car)
- Ready supply of technical water, fuel, and human resources
- 120 sq. km of underexplored license area, most of which is within a gold-bearing Birimean belt
- Stable and well-established mining / investment environment

ASSET DESCRIPTION

LOCATION AND INFRASTRUCTURE

The Bouda deposit is located about 90 km NW of Ouagadougou, the capital of Burkina Faso, along National Highway 2. Access from tarmac to the deposit is 1-2 km by well-maintained dirt road.

A cluster of villages surrounding the Bouda deposit, as well as the provincial capital, Yako, 9 km NW of the deposit, provide steady supply of labor. The electricity is produced by gensets, with the fuel delivered to the site under long-term contract at agreeable prices. Technical water is available both from the Sassa river (about 0.5 km from the deposit) and from a number of drillholes.

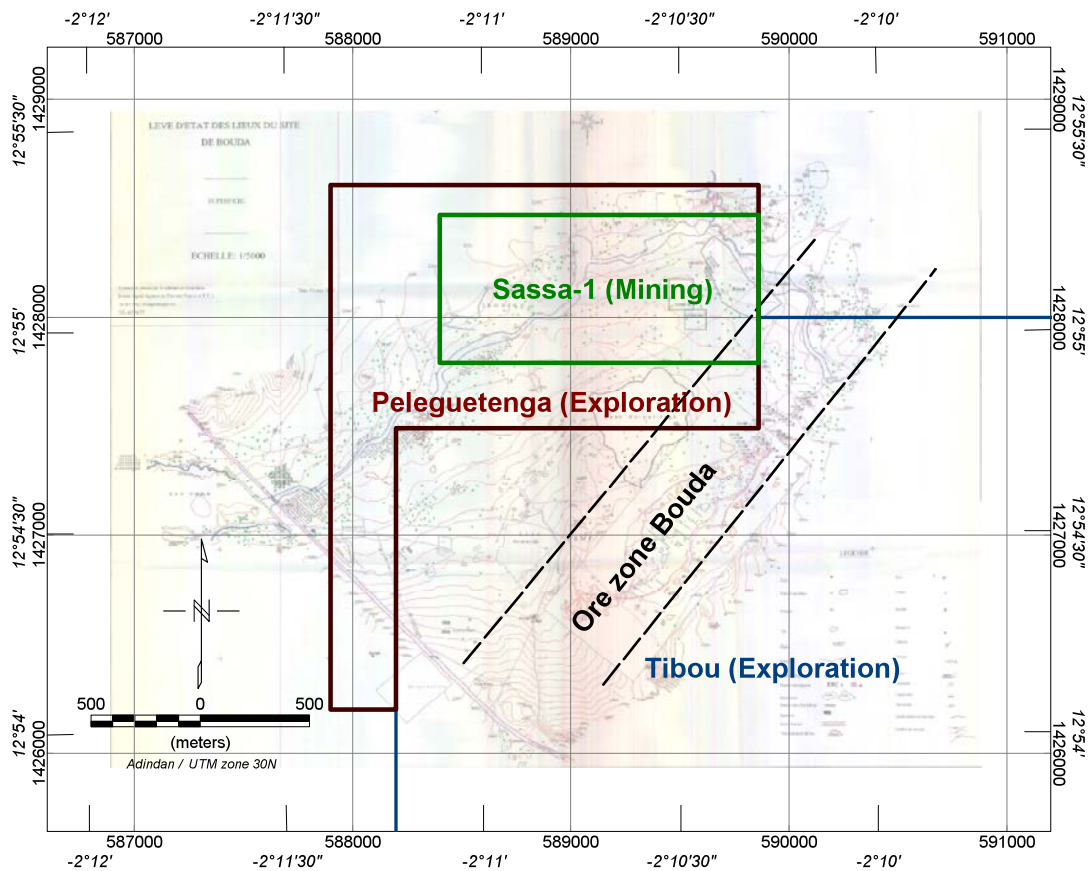


LICENSING

The shear zone that hosts the deposit crosses two adjacent exploration permits that belong to Pinsapo Trading SA (Panama):

- **Tibou** – 121 sq. km, permit granted by the decree of the Ministère des Mines, des Carrières et de l'Énergie No 2010 10-108, valid until October 2012, in the process of renewal for 3 years (until October 2015)
- **Peleguetenga** – 2.58 sq. km, permit granted by the decree of the Ministère des Mines, des Carrières et de l'Énergie No 2010 10-079, valid until May 2013, renewable

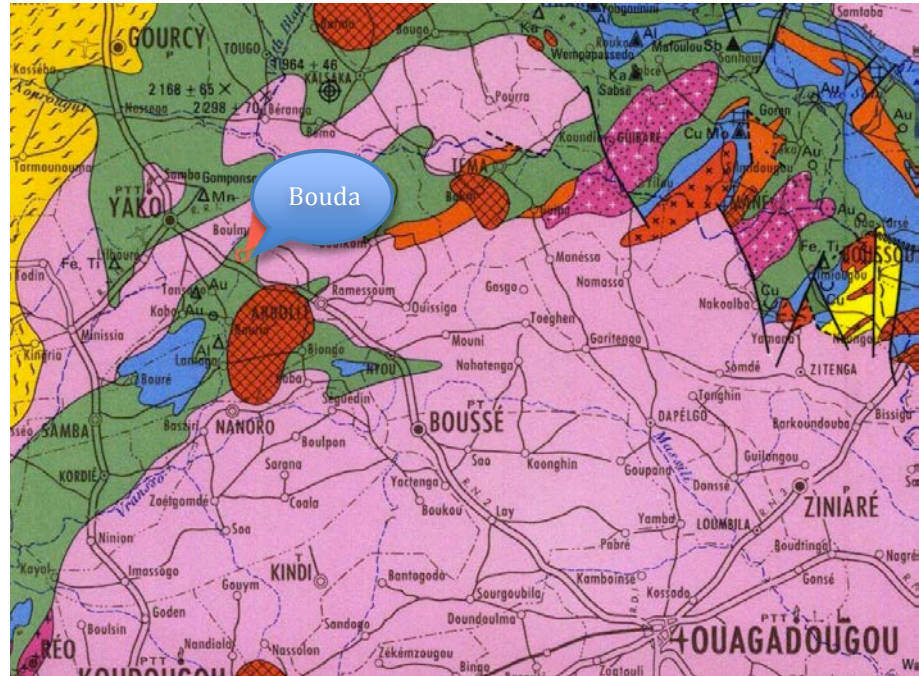
Sassa-1, a small-scale mining permit (1 sq. km) is located within the Peleguetenga exploration permit. Sassa-1 belongs to Pinsapo Gold SA (Burkina Faso). Sassa-1 was granted to Pinsapo Gold by the decree of the Ministère des Mines, des Carrières et de l'Énergie No 2010 10-158, valid until October 2015, renewable. This permit is currently used for gravity separation and heap leaching tests, which produce enough gold to support exploration activities.



GEOLOGY

The Bouda deposit is located within the Boromo-Goren greenstone (Birimean) belt. It is hosted in the Bouda shear zone. Gold mineralization at Bouda is found within quartz veins (veinlets, stockwerks), as well as within the alteration zones surrounding quartz. Gold is associated with sulfides (mostly pyrite), which is severely oxidized to a depth of at least 60 m.

Orebodies are relatively narrow (first meters to tens of meters), dipping at 65 to 90 degrees. Within Pinsapo's exploration permits, the total length of the mineralized zone is ~2,800 m; the width varies from 200 m to 500 m. The Bouda zone continues along the strike both NE and SW beyond Pinsapo's permits.



EXPLORATION/MINING HISTORY AND CURRENT STATUS

Gold at Bouda was discovered in early 1980's. The ore zone has been mined by artisans ever since. There are no reliable production figures. Following the artisanal gold rush, several exploration campaigns have been carried out at Bouda by governmental organizations and mining companies, such as BUMIGEB-PNUD, 1987-1988; BHP World Minerals, 1996-1998; the PRECAGEME project, 2001-2002, etc.

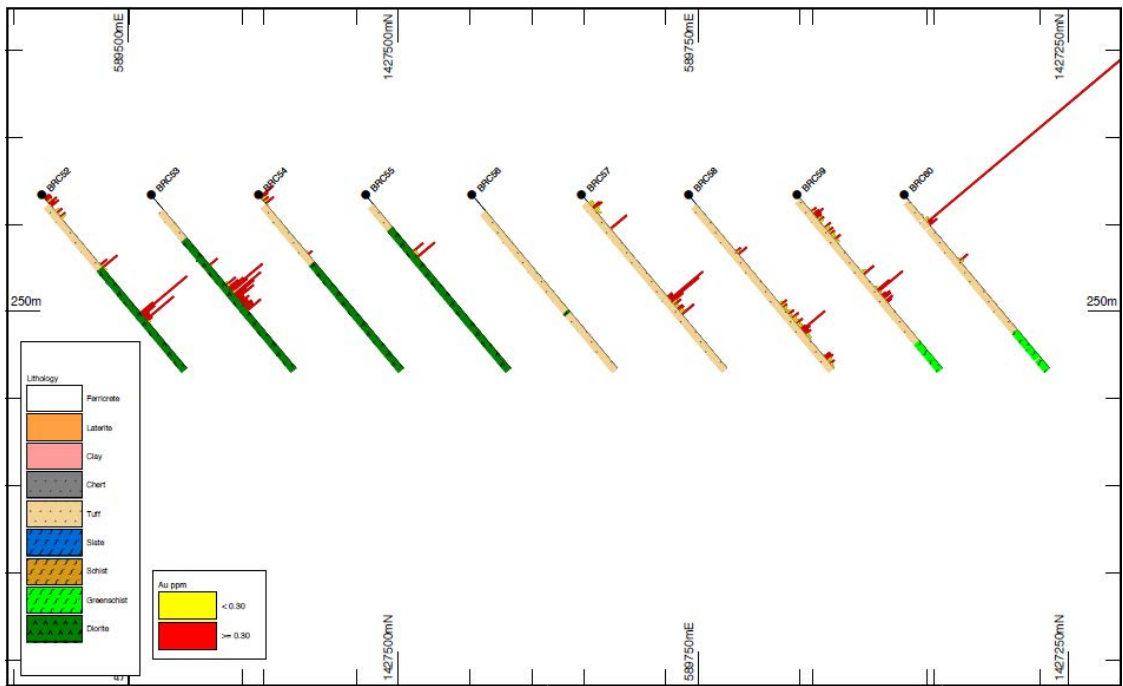
The reports on the above activities, although generally useful, lack details. Therefore, Pinsapo had to start exploration virtually from scratch. From early 2009 up to the present day, the following exploration activities were performed:

- Gradient IP on the 200 m x 25 m grid to delineate the mineralized zone in plan NE and SW of the artisanal workings – 5 line-km
- Surface geochemistry on the same grid to confirm gold presence in the mineralized zone – 300 samples
- 3D IP tomography over the delineated gold-bearing zone to define drill targets – 10 line-km
- Geological mapping and selective outcrop sampling to fine-tune the IP-based drilling program
- RC drilling campaign – 74 holes, each to a depth of 130 m, with azimuth of 130 and dip of -50, on a grid 200 m x 62 m (see collar location and a typical fence below)

Hydrometallurgical studies of the Bouda ore – roll-bottle tests and column test (by SGS Johannesburg), as well as small-scale heap leaching operation



Collar locations

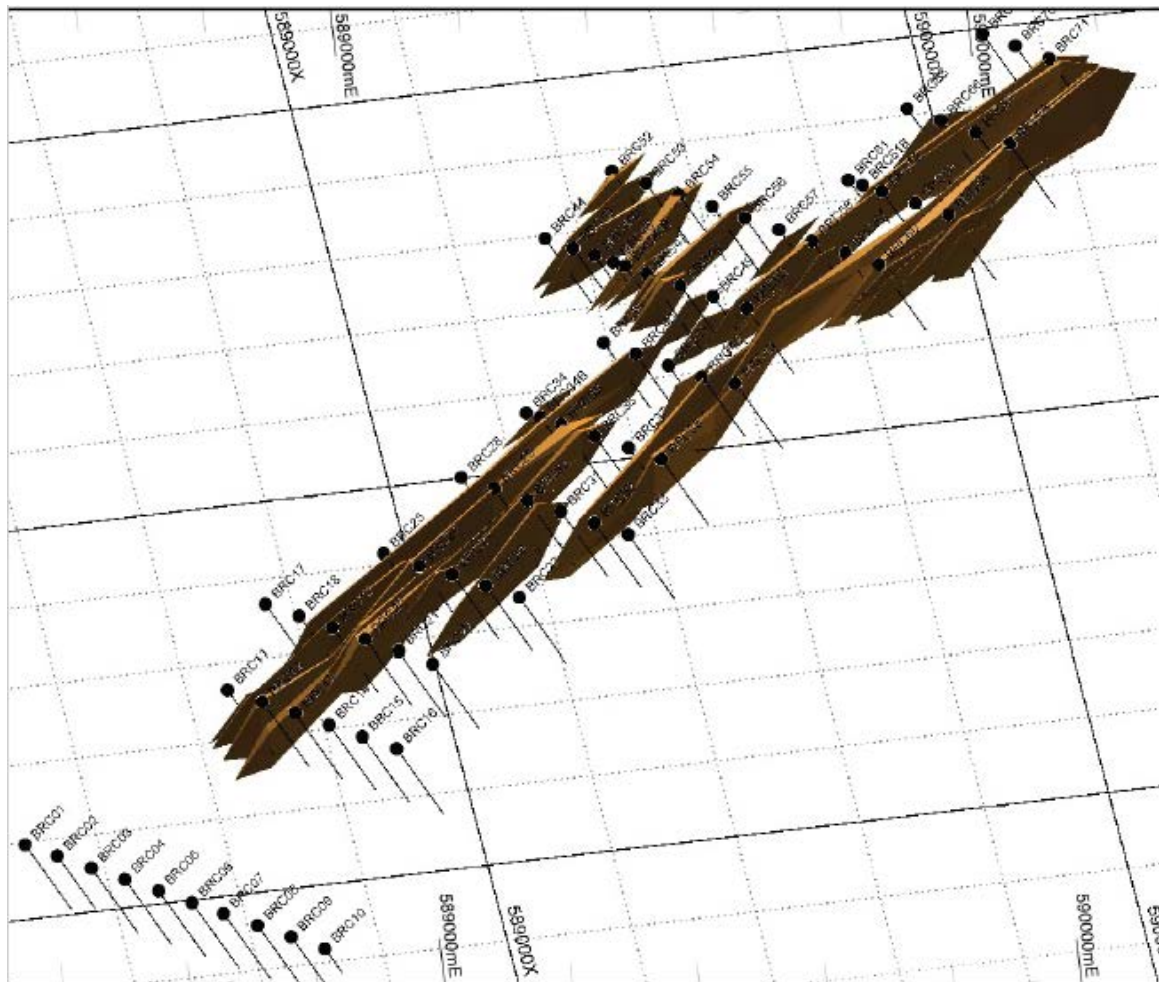


Typical fence

RESOURCE ESTIMATE

The inferred resource estimate was carried out by Dr. Cedric Simonet (AMS, Kenya), a qualified person under NI 43-101 and JORC Code, based on the results of the RC drilling campaign. The data processing and modeling were done in Micromine.

Using standard assumptions for ore body continuity, the following 3D model was constructed and then used for block-model-based resource calculation.



3D view of the Bouda ore bodies

The inferred resource to the effective depth of 100 m was first calculated with no top-cut. The results are summarized in the table below.

cut off	tons	grade	metal	metal oz
0,0	12,218,580	0.83	10,199,380	327,954
0.1	12,142,400	0.84	10,193,903	327,778
0.2	11,689,340	0.87	10,118,106	325,341
0.3	9,887,960	0.98	9,652,809	310,380
0.4	7,400,520	1.19	8,792,155	282,706
0.5	5,494,480	1.44	7,935,771	255,169
0.6	4,317,320	1.69	7,289,157	234,378
0.7	3,440,760	1.95	6,723,250	216,182
0.8	2,915,720	2.17	6,330,730	203,560
0.9	2,550,940	2.36	6,023,476	193,681
1,0	2,241,800	2.56	5,728,247	184,188

Considering 1.2 g/t as the “target” average grade for a deposit of the Bouda type, one would select 0.4-0.5 g/t as the cutoff grade, which would result in the Au reserve of about 8 t Au.

For the final calculation, top-cut of 14 g/t was applied with the results shown in the table below.

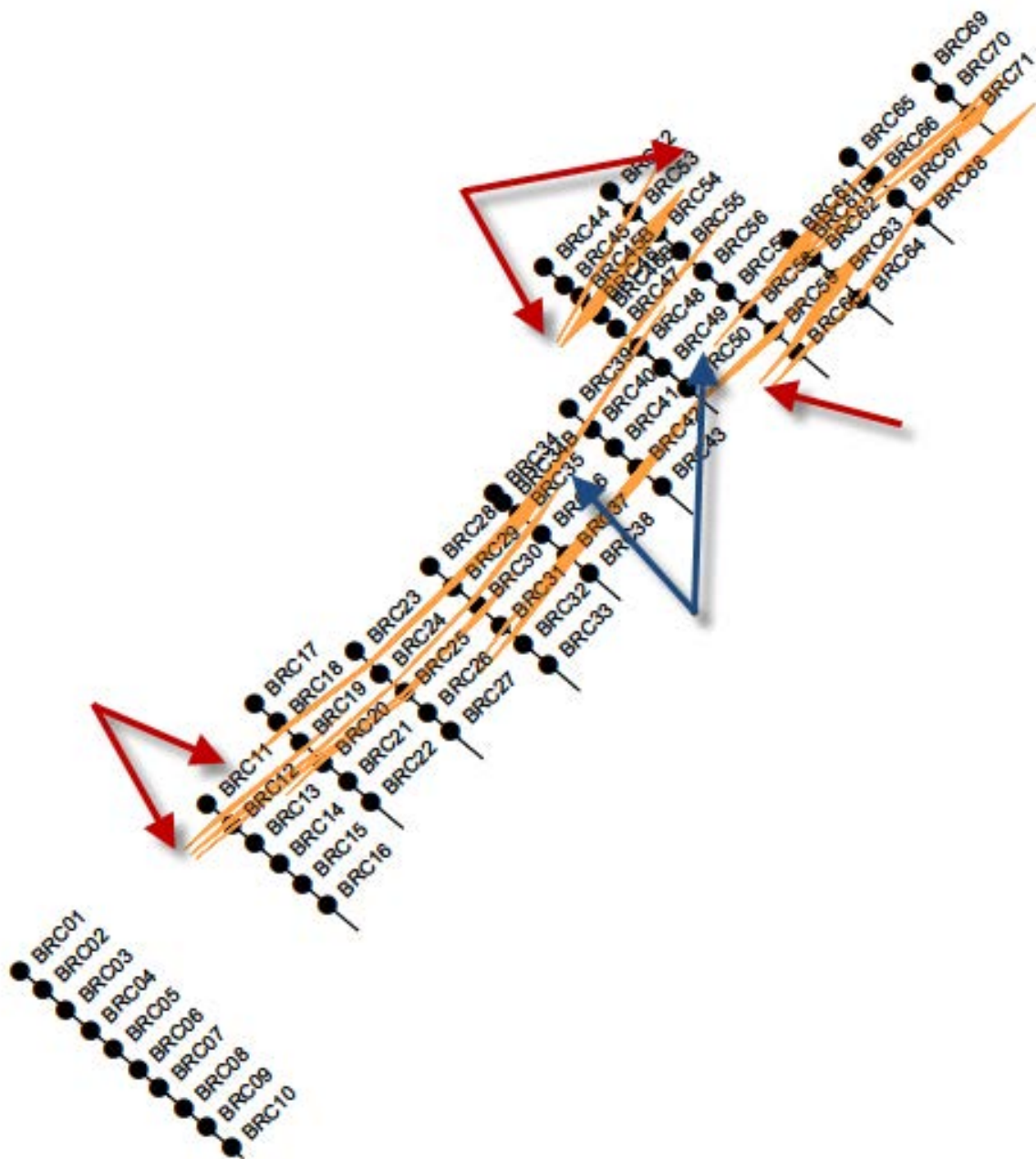
cut off	tons	grade	metal	metal oz
0,0	12,218,580	0.73	8,965,416	288,277
0.1	12,142,400	0.74	8,959,938	288,101
0.2	11,689,000	0.76	8,884,085	285,662
0.3	9,885,500	0.85	8,418,241	270,683
0.4	7,393,720	1.02	7,556,085	242,961
0.5	5,476,020	1.22	6,694,462	215,256
0.6	4,296,880	1.41	6,046,878	194,433
0.7	3,419,400	1.60	5,480,465	176,221
0.8	2,888,720	1.76	5,083,623	163,461
0.9	2,520,600	1.89	4,773,408	153,486
1,0	2,208,780	2.03	4,475,651	143,912

As can be seen in the above table, the same “target” average grade is achieved with the cutoff grades 0.5 g/t, which translates into the Au resource of 7 t.

SIGNIFICANT UPSIDE POTENTIAL

As noted by Dr. Simonet in his JORC-compliant report, the Bouda resource can be increased by carrying out the following exploration campaign:

- Trenching to join isolated intercepts at adjacent and non-adjacent fences – total of 850 m (blue arrows in the picture below)



- Core drilling to a vertical depth of 100 m to trace the ore zone currently open to SW and NE, such as in the Western and Southern parts of the grid (red arrows in the picture above) – total of 1,800 m
- Core drilling to a vertical depth of 200 m to trace the known ore bodies to a greater depth, especially in the richest, Eastern part of the deposit (blue rectangle and blue arrows in the picture below) – total of 1,500 m

According to Dr. Simonet, the above campaign is likely to significantly increase the inferred resource of the Bouda deposit – up to 500 KOz Au. Based on internal estimates, the required exploration activities can be completed within 6 months with approximate cost of \$600,000.

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