



**A.C.A. HOWE INTERNATIONAL**  
Mining and Geological Consultants

**TECHNICAL REPORT ON THE KARITA  
PROJECT IN NORTHEAST GUINEA**

for  
**KARITA GOLD CORPORATION**

by  
**ACA HOWE INTERNATIONAL LIMITED**

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## 1. SUMMARY

### 1.1. INTRODUCTION

A.C.A. Howe International Limited (ACA Howe) has prepared this technical report on the Karita Project at the request of Karita Gold Corporation (Karita). Karita is a Canadian-based exploration company focused on gold exploration in Guinea, West Africa.

The purpose of the technical report, written in compliance with NI 43-101 guidelines, is to provide a summary of the geology, potential styles of mineralisation and exploration completed in the Karita Project, as well as other relevant information such as location, access and infrastructure. A site visit by ACA Howe's Senior Associate Geologist, Patrick O'Sullivan, was completed on the 12<sup>th</sup> and 13<sup>th</sup> March 2021, with the aim of verifying the presence of the Birimian rocks in the Karita permits, assessing prospective areas, artisanal workings and mineral occurrences, and confirming access routes to and within the permits and infrastructure in the surrounding area.

Data was provided to ACA Howe by Karita via email and included the following:

- Permit location details.
- Official permit documents.
- An annual report which had been submitted to the Ministry of Mines, Geology and the Environment by Karita.
- Results and assay certificates for soil, termite and grab samples from the July 2020 reconnaissance visit by Karita.
- Results, assay certificates and a report on a field visit completed by Karita between December 2020 and January 2021.

### 1.2. PROPERTY DESCRIPTION AND LOCATION

Through 100% ownership of Société Guineo-Malienne D'or – SARL, Karita owns four Exploration Permits in the Labé Region, close to the borders with Mali to the east and Senegal to the north. The permits are approximately 370 km northeast of Conakry, the capital of Guinea and cover an area of 392.1 km<sup>2</sup>.

ACA Howe is assured by Karita that all permits are in good standing and is not aware of any significant risk factors that may affect access, title, or right or ability to perform work on the permit.

### 1.3. ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY

Access to the project area from Conakry, normally completed in two and a half to three days, is via the city of Labé and then on laterite roads past the town of Donghol-Sigon onto Balaki.

Travel from Balaki to the permits is slow due mainly to the rocky dolerite ridges. The closest permit to Balaki is Permit 2259, 15 km northeast on dirt track and bifurcated by the north-draining Koila-Kabé River. The Koila-Kabé River drains north to the border with Mali and the Koila-Kabé River valley reveals evidence of Birimian metasediments. The field basecamp in the village of Malea is 45



km on rough track from Balaki. Permit 2258 is immediately north of Malea, while Permit 6160 is another 11 km north-east.

Access to the majority of the permits is possible by 4WD vehicles and motorcycles throughout the dry season. Access to certain areas within the permits may prove difficult during the wet season.

The climate of the permit areas is characterised by high maximum temperatures with a large daily range, a shorter rainy season (June to October) than much of Guinea with up to 1,000 mm of rainfall and a dry season from November to May. Fieldwork can be completed in the dry season only. Vegetation is concentrated along water courses and is widely spaced elsewhere. Vegetation types include large trees and grass which recedes during the dry season.

The permits are located in an erosional environment, with elevations ranging from 180 m to 600 m above sea level. Regional scale geological mapping published by the Ministry of Mines, Geology and the Environment shows the higher elevations to be related to Mesozoic intrusions. The edges of these intrusions often have steep slopes and flat tops. A notable feature of the landscape are the cathedral and mushroom shaped termite mounds.

The Balin-Ko River, a north-flowing tributary of the Falémé River, borders the eastern edge of Permits 6159 and 6160. The Domou River, a tributary of the Balin-Ko River, crosses Permits 2258 and 6160 in a west to east direction. Permit 2259, the westernmost permit, is dissected by the Koila-Kabé River draining north across the border with Senegal and then to the east into the Balin-Ko or Falémé River.

#### 1.4. HISTORY

To ACA Howe's knowledge, no systematic exploration for gold has been completed in the Karita permits. The information available to ACA Howe is summarised below:

- COGEMA reportedly explored the area in around 1978. A field camp and abandoned drill core has been located by Karita. It is assumed that COGEMA was exploring for uranium.
- As part of the geological mapping of approximately 60% of Guinea, in 1990 OZGEO identified a gold occurrence within the Karita permits, as well as an occurrence to the north and another to the south. Gold grades up to 5 g/t Au and quartz veining are reported at two of the locations. The occurrences are described in Section 7.3 and have not yet been assessed by Karita.
- Lomonossov et al. (2010) note that from 2004 to 2005, Rio Tinto completed exploration for primary diamond deposits in the basin of the Domou and Fadoulou rivers. 196 samples were panned, though the location of these samples is not known to ACA Howe. Pyrope was identified in 28 of the samples, with up to 115 grains per sample.

#### 1.5. GEOLOGICAL SETTING AND MINERALISATION

Regional geological mapping published by the Guinean Ministry of Mines, Geology and the Environment shows the Guinea-Senegal border as being at the contact between the Kéniéba-Kedougou inlier (KKI) (in Senegal) and overlying sedimentary sequences of the Madina Kouta Series (in Guinea). However, mapping by Karita geologists indicates that the Karita permits straddle the southern edge of the KKI, which is exposed in the far west of the Birimian terrain of West Africa. ACA Howe confirmed



the presence of Birimian lithologies in the Karita Project during the site visit completed in March 2021. The KKI is host to numerous gold projects, from exploration stage to operating mines in neighbouring Mali and Senegal. Operating gold mines to the west of the Senegal-Mali Shear Zone (SMSZ) in the KKI include Sabodala and Massawa.

ACA Howe notes that the orientation of the structures to the north and south of the Senegal-Guinea border is very similar. Therefore, it is considered possible that the structures interpreted in Senegal continue into the Karita permits in Guinea.

While no significant mineralised zones have been identified in the Karita Project to date, gold occurrences in the area are described by Lomonosov et al., 2010. Occurrence KEN-3, in Permit 6159, is described as follows:

- Location: 11°25'10"W, 12°13'45"N. On the left bank of the River Balin-Ko.
- Type: Hydrothermal, eluvial debris from quartz-barite-calcite vein.
- Description: This occurrence was discovered in 1990. The vein is associated with a shear zone within the argillites of the Oundou Series. The vein is observed for 30 m on a north-south trend and has a thickness of 0.5 m. Results of hammer sampling are up to 5 g/t gold, 0.15% copper, 13% barium and 0.003% bismuth.

Other gold occurrences outside the Karita Project are described in Section 7.3.

In addition to gold, the country-scale geological map shows the area as being prospective for diamonds. Lomonosov et al. (2010) note that purplish red pyropes were found in the alluvium of the River Domou associated with cassiterite, sphalerite, pyrite and gold. Microprobe analysis indicated that the pyrope is linked to the magnesian series developed in kimberlites.

These reported mineral occurrences have not yet been investigated by Karita.

## 1.6. DEPOSIT TYPES

The majority of the gold deposits of the KKI are considered to belong to the orogenic deposit type and are located on the north-south trending SMSZ and associated structures. The structural trends associated with primary gold mineralisation have a northwest to northeast trend and mineralisation may be concentrated at intersections with other structures. Both narrow, high grade quartz vein deposits and larger bulk tonnage deposits related to shear zones occur in the KKI.

Deposits in excess of 1 million ounces of gold include Boto (IAMGOLD), Fekola (B2Gold), Goukoto (Barrick Gold), Tabakoto (Algom Resources), Segala (Algom Resources), Yalea (Barrick Gold), Loulo (Barrick Gold), Sadiola (IAMGOLD) and Yatela (IAMGOLD/AngloGold Ashanti). Several other gold deposits are currently being explored by companies including Roscan Gold, IAMGOLD and Oklo Resources.

## 1.7. EXPLORATION

Karita completed a reconnaissance visit to Permit 6159 in July 2020, which included geological and geolith mapping, and geochemical sampling. The programme did not cover the remaining permits due to issues with access during the rainy season.



A total of 910 samples were taken during the visit, including soil samples (664), termite mound samples (222) and grab samples (24). Anomalous results are shown below:

- GMS 00163: 36 ppb Au (soil).
- GMS 669: 31 ppb Au (soil).
- GMS 00176: 23 ppb Au (soil).
- GMS 00167: 57 ppb Au (soil).
- GMT 820: 30 ppb (termite mound).

QA/QC samples were added to the soil and termite mound sample sequences and ACA Howe considers the QA/QC programme to be appropriate given the early stage of exploration and the type of sampling conducted. The addition of samples of Certified Reference Material (CRM) in future sampling would enable the assessment of laboratory accuracy. ACA Howe is not aware of any issues with sample quality or representativity. Sampling procedures are described in Section 9 and are considered to be in line with industry best practices. Samples were prepared and analysed by fire assay at SGS Mineral Mali Sarlu in Bamako.

In December 2020 to January 2021, Karita geologists made a second field visit which included geological mapping and sampling. Twenty samples were collected, though no anomalous grades were reported. Quartz veins and veinlets with limonitic oxides were noted on north, northeast, north-northwest and east-west trends. The location of the southern limit of the KKI was interpreted in Permits 2258, 6159 and 6160. An artisanal gold mining site was identified in Permit 6160.

## 1.8. DATA VERIFICATION

ACA Howe's Senior Associate Geologist, Patrick O'Sullivan, visited the Karita Project on 12<sup>th</sup> and 13<sup>th</sup> March 2021. During the site visit, the presence of Birimian lithologies was confirmed and limited areas of Karita's preliminary mapping confirmed as being accurate. In addition, artisanal workings were visited and are described in Section 7.3. As no significant mineralised zones have been identified by Karita to date, no verification samples were taken by ACA Howe.

## 1.9. ADJACENT PROPERTIES

There are a number of producing gold mines and exploration / development projects in the KKI. The projects in closest proximity to the Karita permits are IAMGOLD Corporation's Karita Project to the east and Oriole Resources plc's Senala Project to the north.

IAMGOLD's Karita Project is located around 10 km from Permit 6160. The project is 8 km south of the Boto Gold Project and 3 km north of the Diakha Gold Project, both of which are also owned by IAMGOLD. Selected reverse circulation (RC) drill intersections from IAMGOLD's Karita Project are as follows:

- KRC19-001: 13 m at 2.90 g/t Au.
- KRC19-006: 29 m at 2.96 g/t Au.
- KRC19-009: 16 m at 3.17 g/t Au.
- KRC19-010: 22 m at 2.27 g/t Au.
- KRC19-011: 21 m at 9.01 g/t Au.



Consistent with geological mapping by Karita geologists, a map by IAMGOLD (Figure 20) shows carbonated sediments to the north and south of the Upper Proterozoic sediments. In addition, anomalous termite sample results are plotted on a north-south trend to the west of the SMSZ, both to the north and south of the Upper Proterozoic sediments.

Oriole Resources' Senala Project area extends for around 60 km to the north of the Guinea-Senegal border. A number of targets have been identified and the Madina Bafé target is just 3.4 km north of Karita Permit 6160. Oriole Resources' website describes northeast trending gold mineralisation hosted by sheeted tourmaline-quartz veins and quartz-tourmaline breccias. Anomalous zones, greater than 20 ppb Au, range from 400 m to 3.5 km in length.

ACA Howe cautions that it has not verified the information described above and notes that it is not necessarily indicative of the mineralisation on the Karita Project.

## 1.10. CONCLUSIONS AND RECOMMENDATIONS

The Karita permits are in a strategic position in Northern Guinea which mapping by Karita geologists shows to be straddling the southern edge of the KKI. The presence of Birimian lithologies in the permits was confirmed by ACA Howe. The KKI hosts numerous gold projects, from exploration stage to operating mines. Operating gold mines to the west of the SMSZ in the KKI include Sabodala and Massawa.

Though the Karita Project has not been systematically explored for gold prior to Karita's ownership, gold occurrences and quartz veining are shown on regional geological maps and grades of up to 5 g/t Au are reported from rock chip samples. These areas have not yet been assessed by Karita. Artisanal gold workings have also been identified.

Risks and uncertainties with the exploration for gold in the Karita Project are as follows:

- The project is at an early stage of exploration and no significant mineralised zones have been identified by Karita to date.
- The interpreted contact from preliminary geological mapping completed by Karita shows that significant amounts of the permits are composed of younger sedimentary sequences (which overlie the Birimian) intruded by dolerite. The prospectivity of these lithologies is unknown. The interpreted contact requires refining following a satellite interpretation and more detailed geological mapping to confirm the extent of outcropping Birimian lithologies within the Karita permits.
- An independent site visit completed by ACA Howe in March 2021 provided some coverage of Permits 6160, 2258 and 2259, but not Permit 6159 due to time constraints imposed by Covid-19 restrictions. The site visit helped to verify the presence of Birimian rocks within the Karita permits, assess the prospective areas (excluding the reported mineral occurrence in Permit 6159) and artisanal workings identified to date, and confirm access routes to and within the permits and infrastructure in the surrounding area.



ACA Howe considers that further exploration of the Karita permits is warranted and considers the following to be priorities in the next phase of work:

- Multi-spectral satellite image interpretation to assist with locating the contact of the Birimian lithologies and overlying sediments. In addition, satellite image interpretation would aim to identify favourable structures for gold mineralisation, which may continue from projects to the north.
- Guided by satellite image and SRTM interpretations, it is recommended that Karita geologists refine the mapping of the Birimian outcrops. More detailed sampling and mapping of the artisanal workings identified, and assessment and sampling of the KEN-3 gold occurrence and the associated quartz veining are required.
- Continuation of soil grids and termite sampling in the areas of the permits mapped as being in the Birimian, with particular attention to the larger, red, cathedral termite mounds. The origin of any anomalies identified should be assessed through regolith mapping.
- Focused sampling of the conglomerate units identified in Permits 6160 and 2258.
- Investigation into the reports of historical work completed by COGEMA, which is thought to have included drilling. Drill core reportedly found by Karita geologists at the site of the old COGEMA camp should be examined and assayed if it can be determined that the holes were drilled within the permits.

The cost of this work is estimated at \$330,000 (CAD).

<b>ESTIMATED BUDGET</b>	
<b>Item</b>	<b>Cost (CAD)</b>
1. Satellite image interpretation	20,000
2. Geological and regolith mapping	35,000
3. Soil sample assays (1,000 samples)	20,000
4. Termite sample assays (4,350 samples)	85,000
5. Travel, fieldwork and camp costs for items 2, 3 and 4	170,000
<b>Total</b>	<b>330,000</b>



## 2. INTRODUCTION

This technical report was prepared by A.C.A. Howe International Limited (ACA Howe) at the request of Karita Gold Corporation (Karita), a Canadian-based gold exploration company focused on gold exploration in Guinea, West Africa. The subject of the report is the Karita Project which consists of four exploration permits located in the Labé Region of Northeast Guinea, West Africa. To date, Karita has completed initial soil, termite and grab sampling and preliminary geological mapping.

On 16<sup>th</sup> February 2021, Alma Gold Inc. announced that the company had entered into a binding share purchase agreement with arm's-length parties to acquire all of the issued and outstanding shares of Karita. Concurrent to the acquisition of Karita, Alma Gold Inc. will list on the Canadian Stock Exchange, and this technical report was requested by Karita in support of the transaction.

The purpose of the technical report, written in compliance with NI 43-101 guidelines, is to provide a summary of the geology, potential styles of mineralisation and exploration completed in the Karita Project area, as well as other relevant information such as location, access and infrastructure.

The Qualified Person (QP) for the report is ACA Howe's Senior Associate Geologist, Patrick O'Sullivan, who visited the Karita Project on 12<sup>th</sup> and 13<sup>th</sup> March 2021. During the visit he reviewed the preliminary geological mapping and visited the known artisanal workings. Patrick O'Sullivan is a Qualified Person under NI 43-101 guidelines and has experience in the assessment of gold exploration projects and deposits, including in the Birimian lithologies of West Africa.

Data was provided to ACA Howe by Karita via email and included the following:

- Permit location details.
- Official permit documents.
- An annual report which had been submitted to the Ministry of Mines, Geology and the Environment by Karita.
- Results and assay certificates for soil, termite and grab samples from the July 2020 reconnaissance visit by Karita.
- Results, assay certificates and a report on a field visit completed by Karita between December 2020 and January 2021.

ACA Howe received full co-operation and assistance from Karita's personnel in the preparation of this report.

All units are metric unless otherwise stated. The map coordinates shown are WGS84, UTM Zone 29 North unless otherwise stated.

ACA Howe is an independent geological and mining consultancy based in the United Kingdom. ACA Howe, its directors, employees and associates neither has nor holds:

- Any rights to subscribe for shares in Karita either now or in the future.
- Any vested interests in any concessions held by Karita or any adjacent concessions.
- Any rights to subscribe to any interests in any of the concessions held by Karita either now or in the future.
- Any vested interests in either any concessions held by Karita or any adjacent concessions.



- Any right to subscribe to any interests or concessions adjacent to those held by Karita, either now or in the future.
- The Authors' only financial interest is the right to charge professional fees at normal commercial rates, plus normal overhead costs, for work carried out in connection with the investigations reported here. Payment of professional fees is not dependent either on project success or project financing.

ACA Howe has utilised information provided by Karita and has made every reasonable attempt to verify the accuracy and reliability of the data and information provided, and to identify areas of possible error or uncertainty. To the best of its knowledge these details are in accordance with the facts and contain no omission likely to affect the success of the project. ACA Howe, its directors, employees and associates accept no liability for the omission of information or data which has not been brought to their attention or for errors in data and information which have not been possible to identify.

The business of mining and mineral exploration, development and production by their nature contain significant risks. Given the nature of the mining business many factors may be subject to change over relatively short periods of time and as such actual results may be significantly more or less favourable. Except as specifically required by law, ACA Howe and its directors accept no liability for any losses arising from reliance upon the information presented in this technical report. As of the publication date of this document, ACA Howe and Karita are not aware of any likely or pending adverse effect as to business, operations, properties, assets or condition, financial or any other material change, which may arise within the six months following the publication of this report.

### **3. RELIANCE ON OTHER EXPERTS**

Information on property title, mineral rights, taxes, royalties and environmental aspects were provided to ACA Howe by Karita under the supervision of Mr Greg Isenor, Karita's CEO by email on 9<sup>th</sup> September 2020. This information has been confirmed as being current by Karita at the effective date of the report.

ACA Howe is not qualified to comment on the legality of title and, as such, has not researched property title or mineral rights. Sections 4 and 4.1 are entirely dependent on information provided by Karita. In addition, the property boundary shown on figures throughout this report is dependent on information provided by Karita.

ACA Howe has no reason to believe that the ownership of title is other than that which was reported by Karita.



#### 4. PROPERTY DESCRIPTION AND LOCATION

Through its subsidiary, Société Guineo-Malienne D'Or – SARL (100% owned by Karita), Karita owns four Exploration Permits (Permis de Recherche) located in the Labé Region of Northeast Guinea, close to the borders with Mali to the east and Senegal to the north (Figure 1). The project area is approximately 370 km northeast of Conakry, the capital of Guinea. The permits cover a total area of 392.1 km<sup>2</sup> and coordinates are shown in Table 1.

<b>TABLE 1. LOCATION OF KARITA GOLD PERMIT AREA</b>							
<b>Permit</b>	<b>Corner</b>	<b>Latitude</b>			<b>Longitude</b>		
		<b>Degrees</b>	<b>Minutes</b>	<b>Seconds</b>	<b>Degrees</b>	<b>Minutes</b>	<b>Second</b>
6159	1	12	17	35.36	-11	32	56.36
6159	2	12	17	35.52	-11	26	30.44
6159	3	12	16	58.3	-11	26	29.2
6159	4	12	14	15.13	-11	28	53.29
6159	5	12	12	31.3	-11	29	58.76
6159	6	12	10	28.96	-11	29	48.84
6159	7	12	10	27.6	-11	32	43.7
6160	1	12	25	51.46	-11	33	1.21
6160	2	12	25	55.43	-11	30	29.85
6160	3	12	19	59.77	-11	30	29.27
6160	4	12	19	58.89	-11	26	31.04
6160	5	12	17	40.38	-11	26	32.57
6160	6	12	17	35.5	-11	32	56.4
2258	1	12	25	31.97	-11	33	5.5
2258	2	12	20	57.5	-11	33	5.5
2258	3	12	20	43.6	-11	40	30.21
2258	4	12	24	5.12	-11	40	37.16
2259	1	12	22	24.36	-11	44	54.26
2259	2	12	14	38.8	-11	45	15.1
2259	3	12	14	28.38	-11	48	47.04
2259	4	12	22	48.68	-11	48	15.77



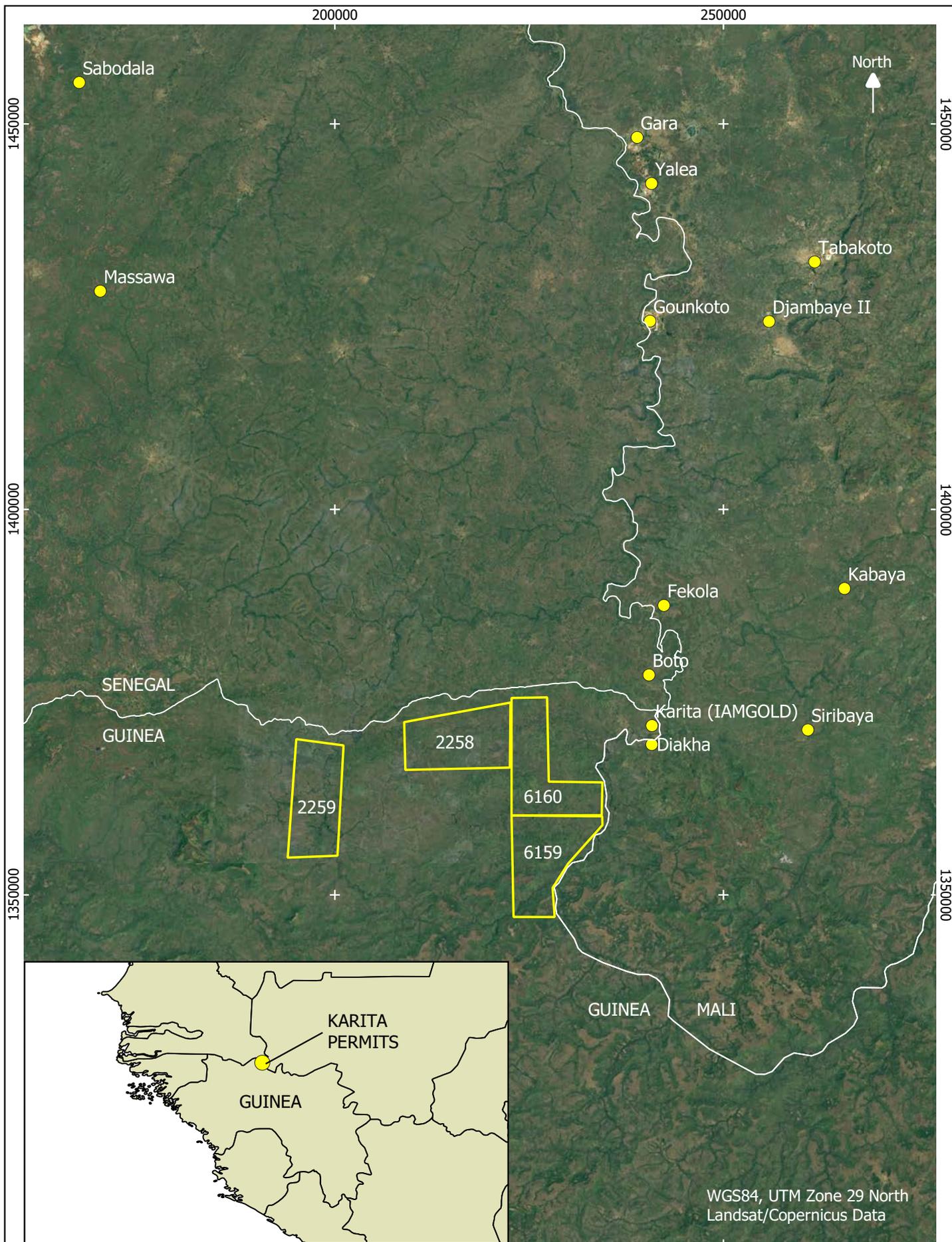


FIGURE 1: LOCATION OF THE KARITA PROJECT (YELLOW BORDER) IN NORTHEAST GUINEA WITH SELECTED REGIONAL GOLD PROJECTS (MARCH 2021)



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## 4.1. PERMIT DETAILS

The relevant details of the permits are summarised below.

### 4.1.1. PERMIT 6159

- Permit owner: Société Guineo-Malienne D'Or – SARL (100% owned by Karita).
- Permit no: A/2019/6159/MMG/SGG dated 6<sup>th</sup> November 2019.
- Permit type: Exploration permit (Permis de Recherche).
- Area (km<sup>2</sup>): 99.83
- Renewal date: 6<sup>th</sup> November 2022 (obligations which must be met to retain the permit are described in Section 4.2).
- Renewal costs: US\$16 per km<sup>2</sup>.
- Royalties: 1% net smelter royalty (NSR) and 1% gross smelter return (GSR).
- Environmental liabilities: As per the mining code described in Section 4.2.
- Surface rights: Annual fee of US\$10 per km<sup>2</sup>.

ACA Howe is assured by Karita that the permit is in good standing and is not aware of any significant risk factors that may affect access, title, or right or ability to perform work on the permit.

### 4.1.2. PERMIT 6160

- Permit owner: Société Guineo-Malienne D'Or – SARL (100% owned by Karita).
- Permit no: A/2019/6160/MMG/SGG dated 6<sup>th</sup> November 2019.
- Permit type: Exploration permit (Permis de Recherche).
- Area (km<sup>2</sup>): 99.97
- Renewal date: 6<sup>th</sup> November 2022 (obligations which must be met to retain the permit are described in Section 4.2).
- Renewal costs: US\$16 per km<sup>2</sup>.
- Royalties: 1% net smelter royalty (NSR) and 1% gross smelter return (GSR).
- Environmental liabilities: As per the mining code described in Section 4.2.
- Surface rights: Annual fee of US\$10 per km<sup>2</sup>.

ACA Howe is assured by Karita that the permit is in good standing and is not aware of any significant risk factors that may affect access, title, or right or ability to perform work on the permit.

### 4.1.3. PERMIT 2258

- Permit owner: Société Guineo-Malienne D'Or – SARL (100% owned by Karita).
- Permit no: A/2020/2258/MMG/SGG dated 5<sup>th</sup> August 2020.
- Permit type: Exploration permit (Permis de Recherche).
- Area (km<sup>2</sup>): 99.30
- Renewal date: 5<sup>th</sup> August 2023 (obligations which must be met to retain the permit are described in Section 4.2).
- Renewal costs: US\$16 per km<sup>2</sup>.
- Royalties: 1% net smelter royalty (NSR) and 1% gross smelter return (GSR).
- Environmental liabilities: As per the mining code described in Section 4.2.
- Surface rights: Annual fee of US\$10 per km<sup>2</sup>.



ACA Howe is assured by Karita that the permit is in good standing and is not aware of any significant risk factors that may affect access, title, or right or ability to perform work on the permit.

#### 4.1.4. PERMIT 2259

- Permit owner: Société Guineo-Malienne D'Or – SARL (100% owned by Karita).
- Permit no: A/2020/2259/MMG/SGG dated 5<sup>th</sup> August 2020.
- Permit type: Exploration permit (Permis de Recherche).
- Area (km<sup>2</sup>): 93.00
- Renewal date: 5<sup>th</sup> August 2023 (obligations which must be met to retain the permit are described in Section 4.2).
- Renewal costs: US\$16 per km<sup>2</sup>.
- Royalties: 1% net smelter royalty (NSR) and 1% gross smelter return (GSR).
- Environmental liabilities: As per the mining code described in Section 4.2.
- Surface rights: Annual fee of US\$10 per km<sup>2</sup>.

ACA Howe is assured by Karita that the permit is in good standing and is not aware of any significant risk factors that may affect access, title, or right or ability to perform work on the permit.

## 4.2. MINING CODE

The following information in Section 4.2 is summarised from Brabant and Montembault (2020):

The first mining code of Guinea was adopted in 1986 with the aim of accelerating the economic development of the country by creating a more favourable environment for foreign investment and reducing the state's involvement. The latest update to the mining code was approved by Law No. L/2011/006/CNT on 9<sup>th</sup> September 2011. The 2011 mining code introduced a number of changes including:

- The state's entitlement to a 15% free carried interest in exploitation projects relating to iron ore, bauxite and gold.
- The requirement for minimum investment obligations for the issuance of concessions.
- A prohibition for mining conventions to derogate from the terms of this new code.
- The requirement for holders of exploitation permits and concessions to enter into 'development agreements' with local communities living around the areas of operations.
- Detailed environmental and rehabilitation obligations.
- The introduction of a new tax regime, including amendment of the surface royalty and extraction tax.
- A number of transparency and anti-corruption initiatives.
- The setting up of a National Mining Commission, comprising a Strategic Committee and a Technical Committee, in charge of supervising the activities of the CPDM.

In 2012, a review was initiated to renegotiate and harmonise mining conventions with the 2011 mining code. This was completed in April 2016.



The 2011 mining code was amended in 2013, introducing the following:

- Decreased maximum area limitations for exploration permits.
- Reduced investment thresholds for the issuance of a mining concession.
- Reduced royalty and tax rates and increased stabilisation periods of certain tax rates from 10 to 15 years.
- Increased flexibility in relation to the transfer of the infrastructure's ownership to the state and applicability of this new code to existing mining conventions.

Mineral substances within the territory of Guinea are the property of the state and cannot be subject to private appropriation except as provided for by the mining code. A private party that holds a mining right granted under the mining code acquires ownership of any minerals it extracts pursuant to that mining right.

The permit types available are as follows:

- Exploration permit (Permis de Recherche) – exclusive right to explore.
- Operating permit (Permis d'Exploitation) – exclusive right to explore, exploit and dispose of the mine substances.
- Mining concession (Concessions Minières) – exclusive right to carry out all kinds of mining operations.

Through agreements with Société Guineo-Maliennne D'Or – SARL, Karita holds an interest in exploration permits granted under the 2011 mining code. Exploration permits are granted by an order of the Minister of Mines upon recommendation of the CPDM following approval of the Technical Committee. In areas where a mineral deposit has not already been identified, permits are granted on a first-come, first-served basis. Applicants must prove that they have sufficient financial and technical capabilities.

An exploration permit grants the holder the exclusive right to explore for an initial period of a maximum of three years and may be renewed twice for two years each time. The maximum area for an exploration permit is 100 km<sup>2</sup> and an applicant can be granted no more than five gold exploration permits. The code states that 50% of a permit must be relinquished at each renewal.

An exploration permit is subject to a minimum work programme, including the minimum expenditure per km. Decree D/2014/012 sets the minimum expenditure at US\$500 per square km per year and provides that expenditure incurred abroad will be taken into account up to a certain amount. In addition, an annual surface royalty must be paid as follows:

- Award of permit - US\$10 per km<sup>2</sup>.
- First renewal – US\$15 per km<sup>2</sup>.
- Second renewal – US\$20 per km<sup>2</sup>.

Exploration work must begin within six months of the permit being granted. An environmental impact notice must be filed before works commence.

Permit holders must comply with the applicable provisions of the public health, water, employment, wildlife, livestock, real estate, forestry, pastoral and local communities' codes. Article 142 of the



mining code states that the environment must be protected in accordance with the provisions of the environment code or ‘international best practices in this area’.

The mining code contains provisions that protect land rights over which mining titles are granted. Articles 123 and 124 state that:

- The grant of a mining right does not extinguish a pre-existing property right and any mining right is subject to the consent of the landowner.
- Title holders must provide reasonable and adequate compensation to the legitimate occupants of the land.
- The state will assist in procuring the necessary consent from the landowner, if any, and if the necessary consent cannot be obtained, the state may impose easements of expropriation and set an appropriate level of compensation.

## **5. ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY**

### **5.1. ACCESSIBILITY**

Access to the project area from Conakry, normally completed in two and a half to three days, is via the city of Labé and then on laterite roads past the town of Donghol-Sigon onto Balaki. Balaki has a guesthouse with electricity, built primarily for visiting dignitaries from Mali, and may serve as a useful temporary office. Mobile phone coverage north of Balaki is patchy, due to the sparsely populated hilly terrain, and mainly agricultural land use.

Travel from Balaki to the permits is slow due mainly to the rocky dolerite ridges. Access to the majority of the permit areas is possible throughout the dry season by 4WD vehicles and motorcycles. Access to certain areas may prove difficult during the wet season. The Niafou road junction is 8 km north of Balaki Village. Here the road diverges northwest to Foulaya, at the Senegal border and east-northeast to Niafou, at the Senegal and Mali borders. The Karita Project is reached via the Naifou road. The closest permit to Balaki is Permit 2259, 15 km northeast on dirt track and bifurcated by the north-draining Koila-Kabé River. The Koila-Kabé River valley reveals evidence of Birimian metasediments.

The field basecamp in the village of Malea (Figure 2) is 45 km on rough track from Balaki. Permit 2258 is immediately north of Malea, while Permit 6160 is another 11 km northeast. Permit 6159, further southeast, is more difficult to reach by car but can be reached by motorcycle along the northern banks of the Fadoulou River or south and then east from Dioulabaya Village to the Nioma River Valley. The Fadoulou and Nioma Rivers are both tributaries of the larger Balin-Ko River at the Mali border.

### **5.2. CLIMATE, VEGETATION AND FIELD SEASON**

The city of Labé in northern Guinea has a tropical climate with 1,500 mm of rainfall annually, falling mostly during May to October with very few days with significant rainfall between November and April. The heaviest rainfall of the wet season is due to the migratory Intertropical Convergence Zone (ITCZ). As the ITCZ moves south, the hot, dry Harmattan wind blows from the Sahara Desert in the dry season. Labé is hot all year round, with monthly average highs peaking at around 34°C in March and April. Average low temperatures can be as cold as around 5°C in the months of February and March.





FIGURE 2: LOCATION OF MALEA VILLAGE (MODIFIED AFTER OPENTOPOMAP.ORG, 2021)



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The climate of the permit areas, around 120 km northeast of the city of Labé, is characterised by higher maximum temperatures with a greater daily range, a shorter rainy season (June to October) with up to 1,000 mm of rainfall and a longer dry season. Fieldwork can be completed in the dry season only.

Vegetation is concentrated along water courses and is widely spaced elsewhere. Vegetation types include large trees and grass which recedes during the dry season.

### **5.3. PHYSIOGRAPHY**

The permits are located in an erosional environment, with elevations ranging from 180 m to 600 m above sea level (Figure 3). Regional scale geological mapping published by the Ministry of Mines, Geology and the Environment shows the higher elevations to be related to Mesozoic intrusions. The edges of these intrusions often have steep slopes and flat tops. Notable features of the landscape are the large, red, cathedral termite mounds and smaller, brown, mushroom shaped termite mounds. The height of the mound is considered proportional to the depth of the burrowed earth.

Regolith mapping by Karita shows the presence of alluvium around water courses, which are separated by areas of laterite and rock outcrop. The Balin-Ko River, a north-flowing tributary of the Falémé River borders the eastern edge of Permits 6159 and 6160. The Domou River, a tributary of the Balin-Ko River, crosses Permits 2258 and 6160 in a west to east direction.

Permit 2259, the westernmost permit, is dissected by the meandering Koila-Kabé River which flows from south to north across the border with Senegal and then to the east into the Falémé River.

### **5.4. LOCAL RESOURCES AND INFRASTRUCTURE**

The local population are mainly farmers, breeders and traders. The climate is suitable for agricultural and agro-pastoral activities and a variety of crops including rice, maize, millet, fonio, cassava, yams, sweet potatoes and taro root are grown. Traditional breeding mostly consists of poultry, cattle, sheep and goats.

The nearest large urban centres are Fadougou and Satadougou, across the border in Mali, where B2Gold's operating Fekola Mine is located. While field assistants and other manual labour will be able to be sourced locally, machinery and more specialised workers could be sourced from Mali. Water may be sourced from the river valleys and water wells could be drilled by RC-type rigs, which could also be sourced from the established mining area around Fekola, Mali.

Only solar energy is currently available in Balaki and power is supplied to the field base-camp in Malea village by means of a generator set. Guinea is hoping to build its power-generating capacity from renewable sources, however given the remoteness of this part of Guinea it may depend on neighbouring Mali for the supply of electricity. There are sufficient plateau areas accessible from the Niafou road to provide space for potential tailings storage, waste disposal, heap leach pad areas and processing plant sites, should the project progress to that stage in the future.



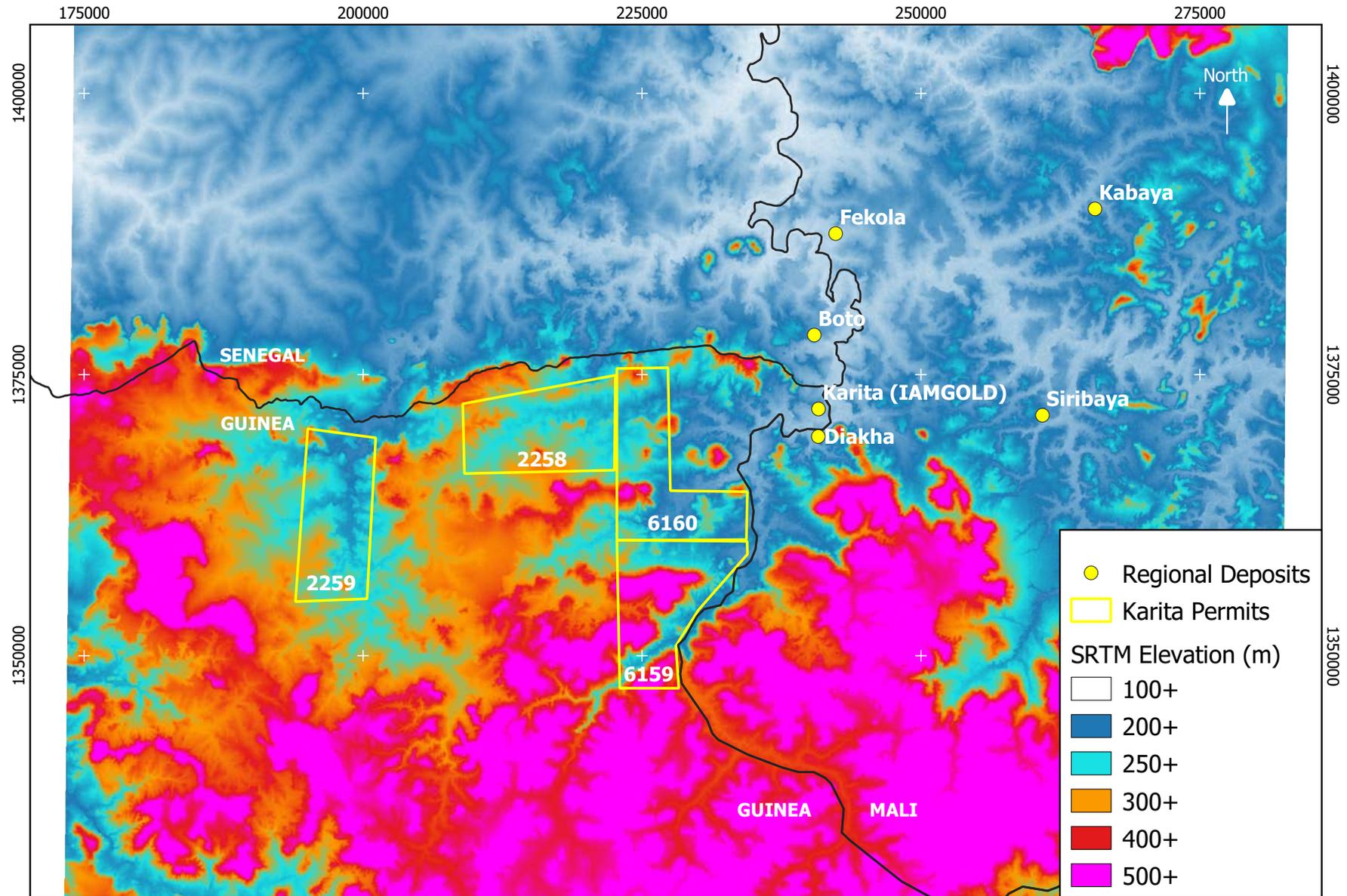


FIGURE 3: TOPOGRAPHY OF THE KARITA PERMITS AND SURROUNDING AREA (STRM ELEVATION DATA) (JANUARY 2021)



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## 6. HISTORY

No detailed information on the prior ownership of the permits or their exploration results is available, however according to local sources, the French company COGEMA completed exploration in the area in 1978. Karita geologists identified an old field camp with abandoned drill core. No further details on this work are available but it is assumed that COGEMA was exploring for uranium.

In 1998, a partnership between Guinea and Germany's Federal Institute for Geosciences and Natural Resources (BGR) completed a mining inventory for Guinea. In 2010, Lomonosov et al. compiled a repository of deposits and mineral occurrences in Guinea. The repository includes information on geological mapping by Soviet geologists from the company OZGEO which covered around 60% of Guinea between 1967 and 1993. In 1990, an area within the Karita Project was identified as a gold occurrence, along with additional occurrences to the north and south. These areas are described in Section 7.3 and are shown on Figure 4.

In addition, Lomonosov et al. (2010) note that from 2004 to 2005, Rio Tinto completed exploration for primary diamond deposits in the basin of the Domou and Fadoulou rivers. 196 samples were panned, though the location of these samples is not known to ACA Howe. Pyrope was identified in 28 of the samples, with up to 115 grains per sample. Other samples contained eclogitic type garnet (20 samples, up to 525 grains per sample), picroilmenite (95 samples, up to 1,497 grains per sample), chromites typical of kimberlites (14 samples, up to 39 grains per sample) and chromium diopside (2 samples). Occurrences of pyrope and picroilmenite from the country-scale mineral occurrence map are shown on Figure 4.

## 7. GEOLOGICAL SETTING AND MINERALISATION

### 7.1. REGIONAL GEOLOGY

The West African craton is dominated by Birimian lithologies that were deformed and metamorphosed in the Eburnean Orogeny which occurred at approximately 2.2 to 2.0 Ga. Birimian rocks include both metavolcanic greenstone lithologies and metasediments (Wright, 1985). The location of Birimian lithologies in West Africa is shown on Figure 5. The Kéniéba-Kedougou inlier (KKI) (Figure 6) is exposed in the far west of the Birimian terrain and consists of four series summarised below:

- Mako Series – metavolcanic rocks with minor intercalations of volcanoclastic and metasedimentary rock.
- Dialé-Daléma Series – metasedimentary rock with minor volcanics, intruded by the Saraya quartz-monzonite granite.
- Falémé Series – carbonate-rich sedimentary sequences, minor mafic volcanics and syntectonic granitoids.
- Kofi Series – detrital sedimentary rocks intruded by peraluminous granites.

Three major deformation phases associated with the Eburnean Orogeny have been identified:

- D1 – collisional phase associated with the accretion of the Birimian.
- D2 and D3 – transcurrent phase resulting in the formation of regional north-south trending shear zones.



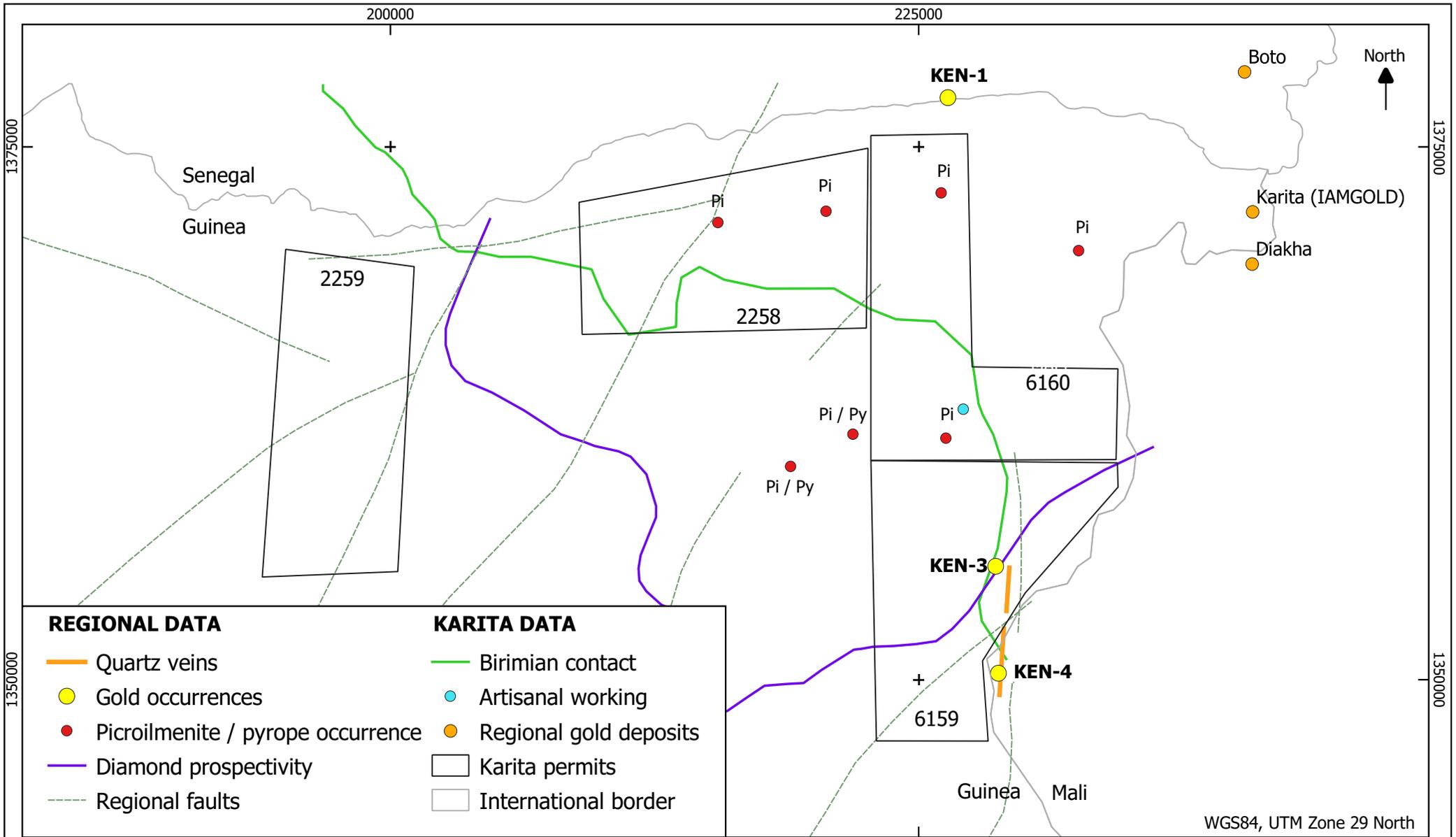


FIGURE 4: LOCATION OF MINERAL OCCURRENCES AND DEPOSITS IN THE KARITA AREA (MARCH 2021)



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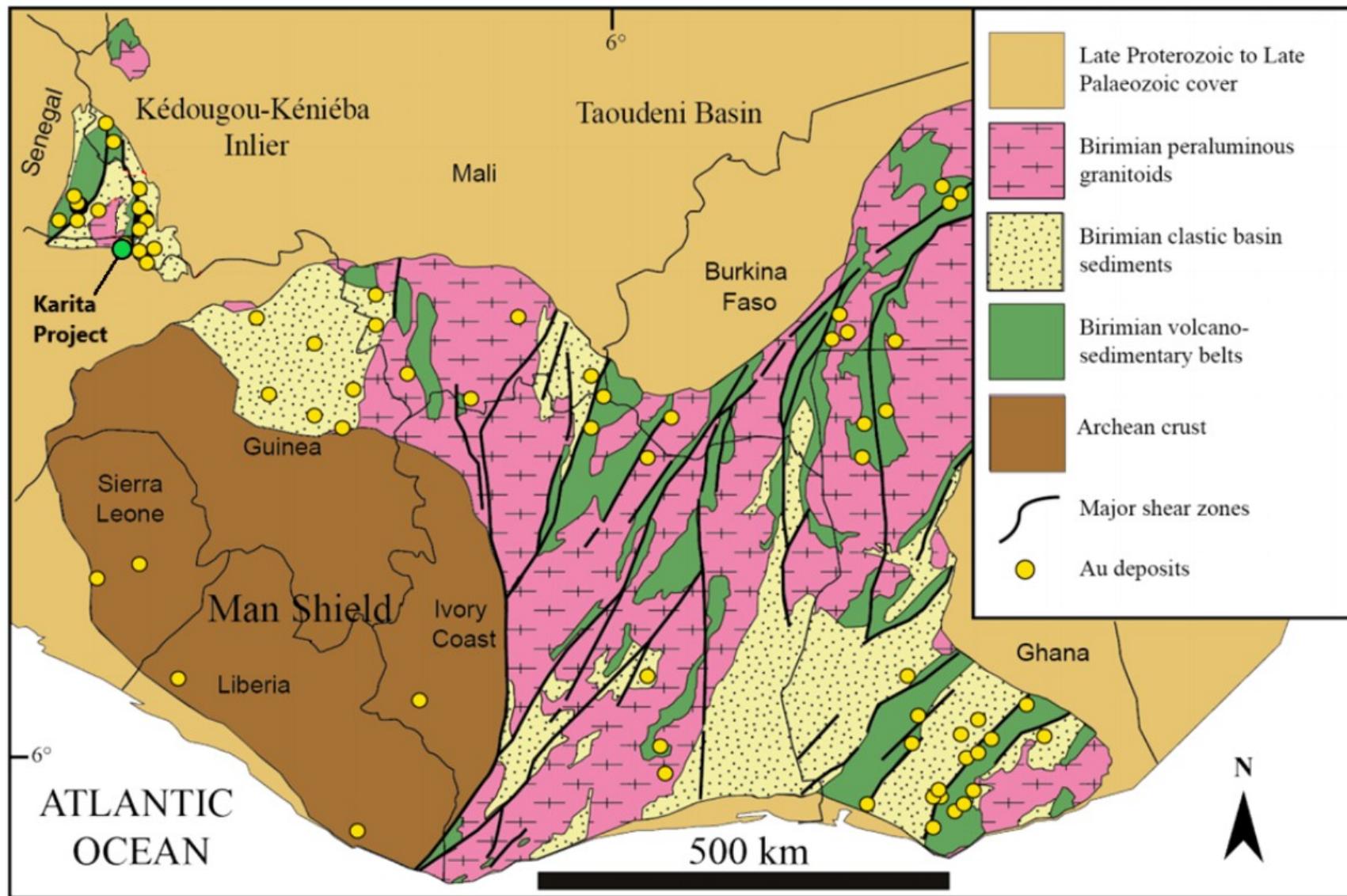


FIGURE 5: GEOLOGY OF WEST AFRICA WITH MAJOR GOLD DEPOSITS  
(MODIFIED AFTER LAMBERT-SMITH ET AL., 2015)



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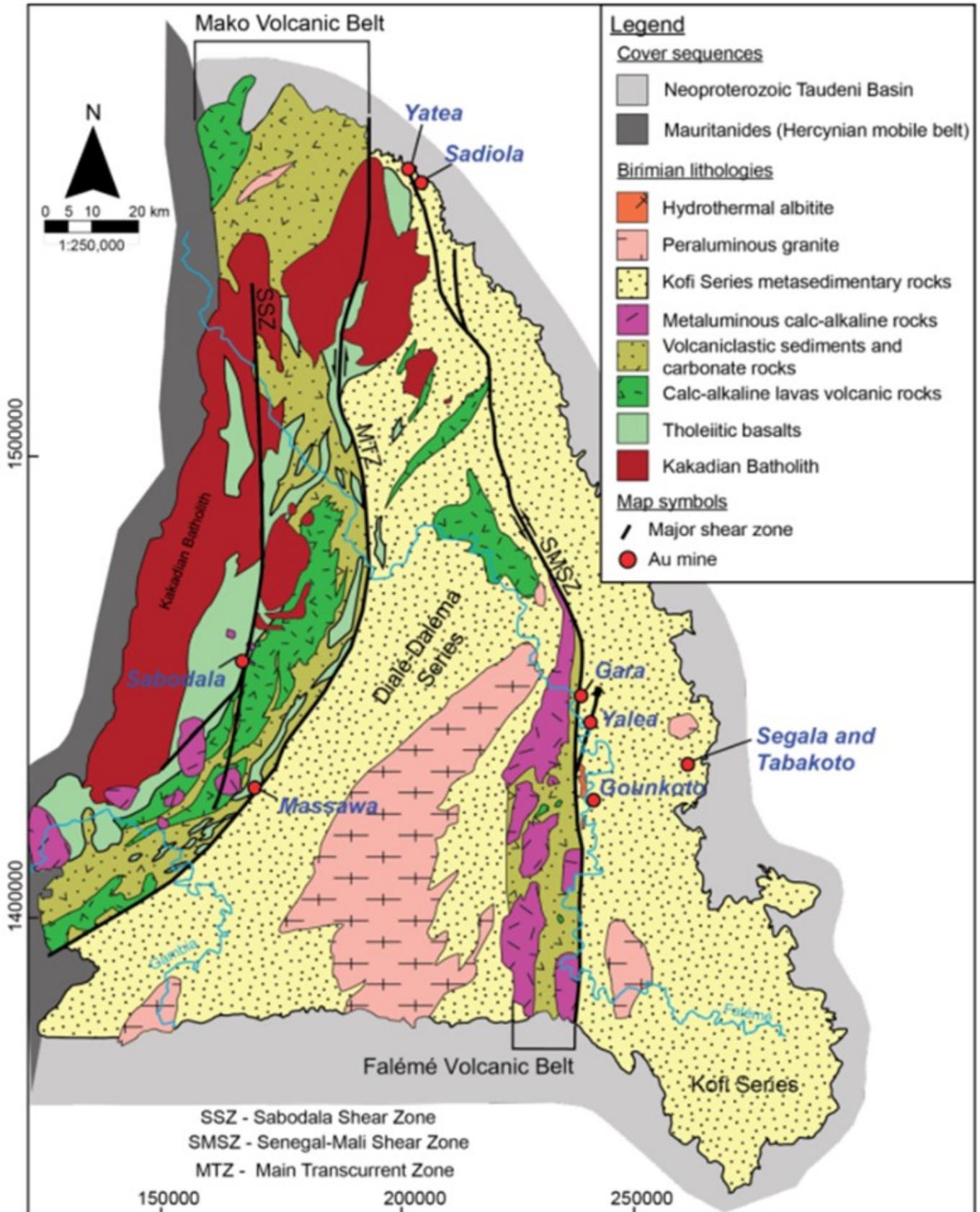


FIGURE 6: GEOLOGY OF THE KKI WITH GOLD MINES (LAMBERT-SMITH ET AL., 2015)



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Within the KKI, the D2 and D3 deformation resulted in the formation of the Senegal-Mali Shear Zone (SMSZ) and the Main Transcurrent Shear Zone (MTSZ). The SMSZ is a significant north-south trending regional feature with the Mako, Dialé-Daléma and Falémé Series to the west and the Kofi Series to the east.

Karita's easternmost permits are around 8-10 km from the SMSZ which, along with splays off the main structure, is host to numerous major gold deposits in Mali and Senegal. In addition, IAMGOLD's Karita project is located in Guinea, close to the border with Mali and Senegal and approximately 10 km east of Permit 6160.

The northern, eastern and southern sides of the KKI are unconformably overlain by Upper Proterozoic sediments, while the eastern side is bounded by the Hercynian Mauritanide belt. Regional geological mapping published by the Guinean Ministry of Mines, Geology and the Environment shows the Guinea-Senegal border as being at the contact between the KKI (in Senegal) and overlying sedimentary sequences of the Madina Kouta Series (in Guinea). However, a geological map of West Africa (Lambert-Smith et al., 2015) shows the presence of the KKI within northern Guinea (Figure 5) and geological mapping by Karita in Permits 2258, 6159 and 6160 confirms this interpretation (Figure 8, Section 7.2). ACA Howe also confirmed the presence of Birimian lithologies in the Karita Project during the site visit in March 2021.

Sarr et al., 2011 show the Segou Group on the Senegal side of the border. The lithostratigraphy of the Segou-Madina Kouta basin is shown on Figure 7, overlying the Birimian. Figure 3 above shows the SRTM elevation data for the region and reveals that the Karita permits are in an erosional environment. Therefore, it is possible that the Birimian rocks in the Karita permits have been exposed at surface due to the erosion of the overlying sedimentary sequences. Further evidence for the presence of Birimian lithologies in northern Guinea is shown on a map by IAMGOLD Corporation (Figure 20, Section 23), where the same lithology is shown to the north and south of the Upper Proterozoic sediments at the Guinea-Senegal border.

The available structural data relevant to the Karita Project is shown on Figure 8 and includes the following:

- Guinea: structures shown on the regional geological mapping published by the Ministry of Mines, Geology and the Environment.
- Senegal: structures shown on a map by Oriole Resources (structures noted as being interpreted by Jean Kaisin in 2012).

ACA Howe notes that the orientation of the structures to the north and south of the border is very similar, with north-northeast to east-northeast trends dominating in the west and northerly trends in the east, closer to the SMSZ. Therefore, it is possible that the structures interpreted in Senegal continue into the Karita Project in Guinea. As shown in Section 23, mineralised zones identified to the north of the Karita Project are on a northeasterly trend.



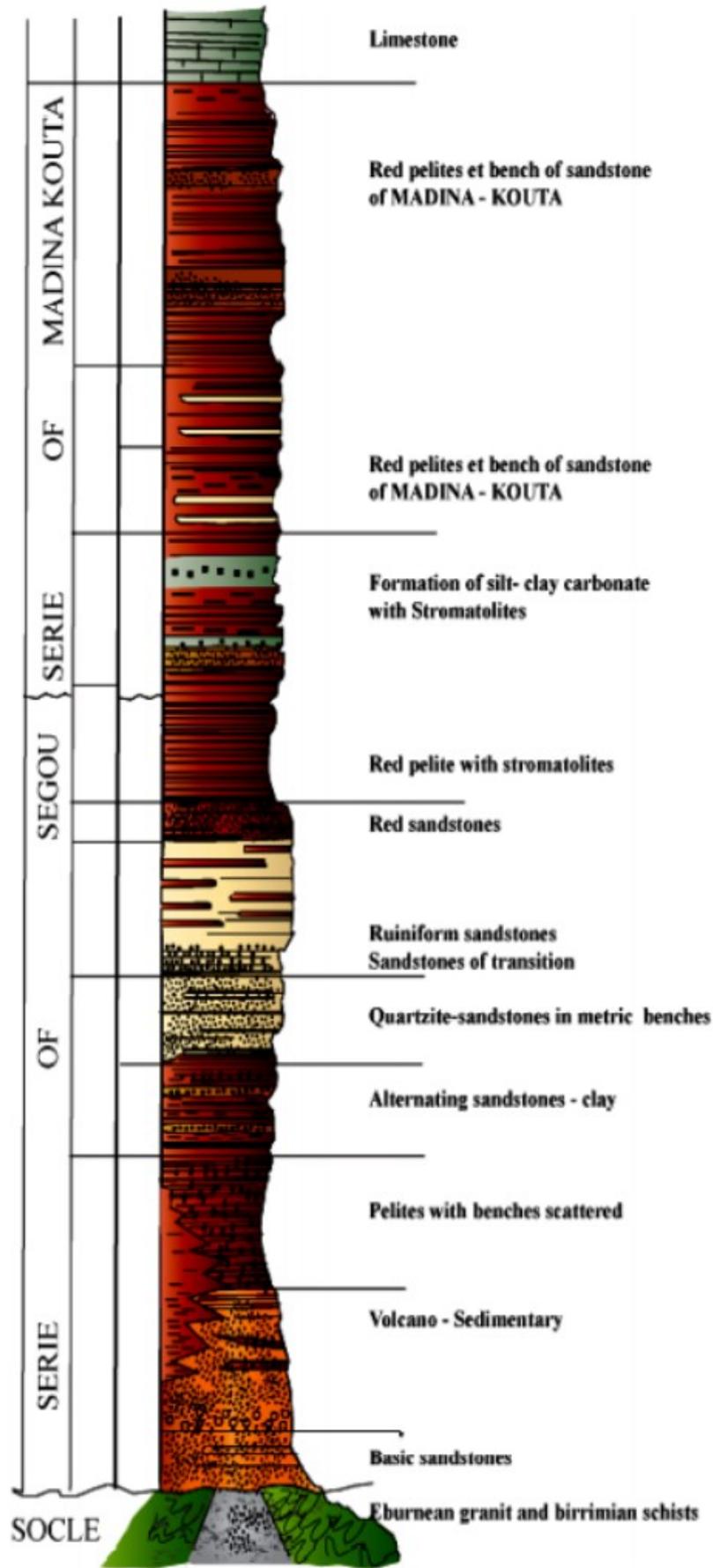


FIGURE 7: LITHOSTRATIGRAPHY OF THE SEGOU-MADINA KOUTA BASIN (SARR ET AL., 2011)



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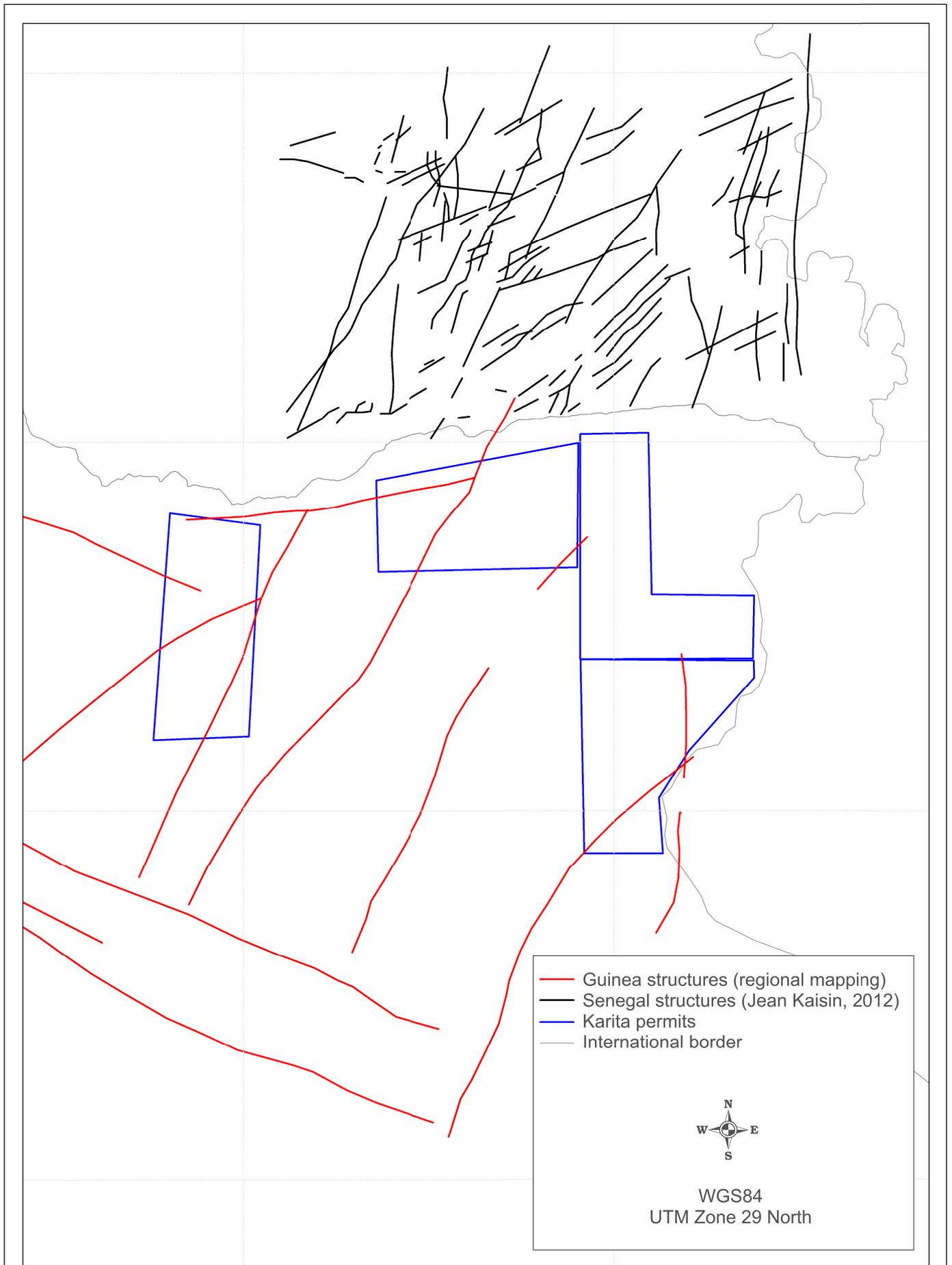


FIGURE 8: STRUCTURAL TRENDS IN NORTHERN GUINEA AND SOUTHERN SENEGAL (MARCH 2021)



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## 7.2. PERMIT GEOLOGY

Karita's geological mapping shows the contact of the Birimian and the overlying sediments (Madina-Kouta and Oundou Series) to be within Permits 2258, 6159 and 6160 (Figure 11). The interpreted Birimian lithologies cover an area of approximately 174 km<sup>2</sup> within the Karita permits. The westernmost permit (2259) is mapped as being composed of sandstone, likely of the Madina-Kouta Series, intruded by dolerite, however exposures within the deeply incised Koila-Kabé river valley suggest potential for older Birimian metasediments (Figure 9).



**Figure 9. Exposures of sub-vertical metasediments within the Koila-Kabé river valley (ACA Howe site visit, March 2021).**

Conglomerates and sediments with finely disseminated sulphides were observed within Permit 2258, at the edge of the Domou river valley (Figure 10). A dolerite ridge forms the boundary to the north.



**Figure 10. Finely disseminated sulphides in pale green metasediments and flat-lying conglomerate beds (ACA Howe site visit, March 2021).**



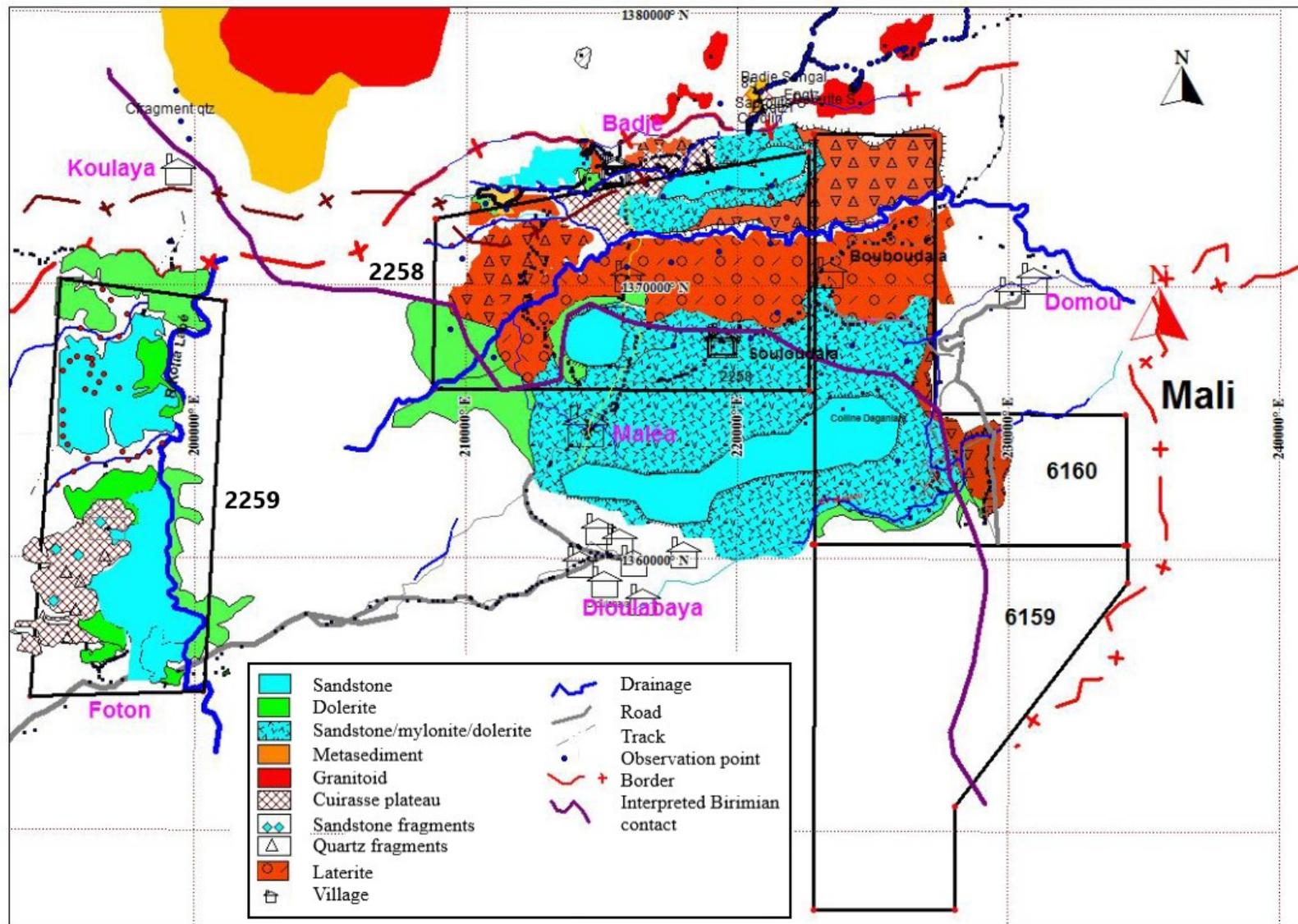


FIGURE 11: PRELIMINARY GEOLOGICAL MAPPING BY KARITA (JANUARY 2021)



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Silicified polymict conglomerates (Figure 12) with sericite alteration were observed in Permit 6160 next to a small village, known locally as Timbugwe. The conglomerates outcropped on a broad, low, northeast to southwest trending ridgeline that separates the Fadoulou and Domou river valleys. The altered conglomerate requires immediate follow-up to determine its extent and potential source. Conglomerates are important hydrothermal gold hosts elsewhere in the weakly metamorphosed Upper Birimian sedimentary rocks of Guinea (Lebrun et al., 2015).



**Figure 12. Silicified polymict conglomerates with sericite alteration (ACA Howe site visit, March 2021).**

Geological maps of the KKI show that the Birimian in the easternmost permits (6159 and 6160) is likely to be part of the Falémé Volcanic Belt, while the majority of Permit 2258 is likely to be within the Dialé-Daléma Series (described in Sections 7.2.1 and 7.2.2). The Upper Proterozoic sediments and Mesozoic intrusions are described in Section 7.2.3 and 7.2.4 respectively.

### 7.2.1. FALÉMÉ VOLCANIC BELT

The Falémé Volcanic Belt is a north trending belt of volcanic and intrusive rocks consisting of two large outcropping plutonic complexes and several smaller plutons (Lambert-Smith et al., 2015). Volcanic sequences include pillowed andesite flows, rhyodacite lavas and pyroclastic rocks, interbedded with volcanoclastics, wackes and carbonates (Hirdes and Davis, 2002, Schwartz and Melcher, 2004). The eastern side of the Falémé Volcanic Belt is separated from the Kofi Series by the SMSZ, which is host to several major gold deposits. In addition to gold mineralisation, several magnetite-skarn deposits are hosted by the plutons and carbonates of the Falémé Volcanic Belt (Schwartz and Melcher, 2004).



### 7.2.2. DIALÉ-DALÉMA SERIES

The Dialé-Daléma Series is to the east of the Mako Volcanic Belt and to the west of the Falémé Volcanic Belt in the south of the KKI and is separated from the Kofi Series by the SMSZ in the north. It consists of a sequence of isoclinally folded volcanoclastics, siliciclastics and minor carbonates intruded by the Saraya Batholith (Hirdes and Davis, 2002, Gueye et al., 2008).

### 7.2.3. UPPER PROTEROZOIC SEDIMENTS

The rocks to the south and west of the Birimian contact shown on Figure 11 are thought to be from the Madina-Kouta and Oundou Series. The regional geological mapping shows the Madina-Kouta Series to include sandstone, siltstone, mudstone, dolomite and conglomerate. The Oundou Series, which overlies the Madina-Kouta Series, includes mudstone, siltstone and sandstone.

### 7.2.4. INTRUSIONS

The lithologies of the Karita Project have been intruded by Mesozoic rocks, mapped as dolerite by Karita geologists. Granitoids are mapped just north of Permit 2258 in the north, and boulders of K-feldspar granites were observed being used for fire pits in the village of Badje, just north of the permit. A sharp intrusive contact (Figure 13) was observed immediately north of Permit 2258, where a west-northwest to east-southeast trending dolerite ridge forms the northern boundary of the permit.



**Figure 13. Sharp intrusive contact of dolerite forming the ridge to the north (ACA Howe site visit, March 2021)**



### 7.3. MINERALISATION

No significant mineralised zones have been encountered on the property during Karita's preliminary exploration completed to date, though an artisanal gold mining site has been identified in Permit 6160.

ACA Howe's visit to these artisanal workings revealed a small number of exploratory shafts in red mudstone, plus alluvial workings along a section of the Fadoulou River Valley and east-southeast of Diagara Hill (labelled Colline Diagania on Figure 11). The Fadoulou River is another tributary of the Balin-Ko and south of the Doumou River.

Bleaching of the red mudstone around narrow fractures is apparent from the excavated rubble in the spoil heaps (Figure 14) of the exploratory shafts identified in the Fadoulou Valley. Some of the fractures end in sharp tips suggesting limited fluid pressures and hydraulic activity. The low density of the fracture networks identified are more typical of bedding-parallel joint networks, with poorly connected perpendicular fractures. The bleached alteration zones are limited to the fracture selvages.



**Figure 14. Low-density fracture networks terminating in identifiable sharp tips (ACA Howe site visit, March 2021).**

No significant structures were identified in the exposed shaft in the Fadoulou Valley (Figure 15). Examination of the alluvial workings in the Fadoulou River valley did not reveal any quartz vein fragments.





**Figure 15. Artisanal shaft in the Fadoulou Valley (ACA Howe site visit, March 2021)**

The mineral occurrence (KEN-3) described in the 2010 repository of deposits and mineral occurrences by Lomonosov et al. occurs in Karita Permit 6159. This was not visited by ACA Howe due to time constraints on the visit imposed by Covid-19 restrictions.

KEN-4 is less than 1 km outside Permit 6159, 5 km to the south of KEN-3, and KEN-1 is 2 km north of Permit 6160. The gold occurrences are described as follows:

#### **KEN-1**

- Location: 11°31'W, 12°27'N. On the left bank of the River Domou.
- Type: Sedimentary, eluvial debris, outcrops of conglomerate.
- Description: This occurrence was discovered in 1990 and is associated with the basal horizons of the Madina-Kouta Series. In crushed samples, gold flakes were associated with cassiterite (tens of g per cubic metre, magnetite, rutile, zircon, monacite and other heavy minerals. Fire assay showed that the gold grade of the lower horizon is 0.05-0.01 g/t.

#### **KEN-3**

- Location: 11°25'10"W, 12°13'45"N. On the left bank of the River Balin-Ko.
- Type: Hydrothermal, eluvial debris from quartz-barite-calcite vein.
- Description: This occurrence was discovered in 1990. The vein is associated with a shear zone within the argillites of the Oundou Series. The vein is observed for 30 m on a north-south trend and has a thickness of 0.5 m. Results of hammer sampling are up to 5 g/t gold, 0.15% copper, 13% barium and 0.003% bismuth.



**KEN-4**

- Location: 11°29'30"W, 12°14'N. On the left edge of the River Kassaya.
- Type: Hydrothermal, eluvial debris from quartz-barite-calcite vein.
- Description: The vein is located in the same north-south trending structural zone as KEN-3 and is observed in eluvial debris over a distance of 10 m with a thickness of 0.3 to 0.5 m. Sample results returned grades of up to 5 g/t gold, 0.15% copper, 13% barium and 0.003% bismuth.

The locations of KEN-1, KEN-3 and KEN-4 and the veins described are shown on Figure 4 and also on the country-scale geological map of Guinea.

In addition to gold, the country-scale geological map shows the area as being prospective for diamonds. Lomonosov et al. (2010) note that purplish red pyropes were found in the alluvium of the River Domou associated with cassiterite, sphalerite, pyrite and gold. Microprobe analysis indicated that the pyrope is linked to the magnesian series developed in kimberlites.

These reported mineral occurrences are yet to be investigated in detail by Karita.

**8. DEPOSIT TYPES**

The majority of the gold deposits of the KKI are considered to belong to the orogenic deposit type and are located on the north-south trending SMSZ and associated structures. The structural trends associated with primary gold mineralisation have a northwest to northeast trend and mineralisation may be concentrated at intersections with other structures. Both narrow, high grade quartz vein deposits and larger bulk tonnage deposits related to shear zones occur in the KKI.

The distribution of gold mineralisation in the weathering zone is complex due to exposure to weathering and alteration by surface water infiltration. A supergene zone may form due to leaching by the downward percolation of water to the water table.

Deposits in excess of 1 million ounces of gold include Boto (IAMGOLD), Fekola (B2Gold), Goukoto (Barrick Gold), Tabakoto (Algom Resources), Segala (Algom Resources), Yalea (Barrick Gold), Loulo (Barrick Gold), Sadiola (IAMGOLD) and Yatela (IAMGOLD/AngloGold Ashanti). Several other gold deposits are currently being explored by companies including Roscan Gold, IAMGOLD and Oklo Resources.



## 9. EXPLORATION

### 9.1. KARITA RECONNAISSANCE VISIT (JULY 2020)

Karita completed an initial geological and geochemical sampling reconnaissance visit to Permit 6159 in July 2020. Karita geologists did not visit the remaining permits due to issues with access during the rainy season. The majority of the sampling was completed in the southeastern corner of the permit (Figure 16). Summary details of the sampling are shown in Table 2.

<b>Sample Type</b>	<b>Area Covered (km<sup>2</sup>)</b>	<b>Spacing</b>	<b>Number of Samples</b>
Soil sampling	7	200 x 50 m	664 plus 28 QA/QC samples
Termite mound sampling	46	40 m to >1 km*	222 plus 9 QA/QC samples
Grab sampling	N/A	N/A	24

\*spacing dependent on the location of termite mounds.

Soil samples were taken at pre-planned sites which were located by handheld GPS (WGS84, Zone 29 North). Samples were taken 40 to 50 cm below surface to avoid contamination. Where the ground was too hard to reach that depth, samples were taken from 5 to 10 cm below surface. The samples were mixed and then split using coning and quartering to reduce the sample size where necessary. Final sample weights ranged from 0.9 to 3.9 kg. Blank and duplicate samples were inserted into the sample sequence for QA/QC purposes.

Termite sample locations were recorded using handheld GPS at locations determined by the presence of cardinal termite mounds. In areas with multiple termite mounds, the largest active mound was selected for sampling. No collapsed mounds were sampled. Termite mounds were sampled on four sides using a pick to dig vertical channels. The material from each channel was combined and split by coning and quartering. Final sample weights ranged from 0.9 to 3.6 kg. Blank and duplicate samples were inserted into the sample sequence for QA/QC purposes.

Grab samples were taken from both outcrop and float material with weights of 0.9 to 2.3 kg. Location data was recorded using handheld GPS.

Each soil, termite and grab sample was placed into a labelled plastic bag along with a sample tag. Samples were sealed and transported to the base camp at the end of each day.

Geological notes were made at each sample location by Karita's geologists and the following information was also recorded:

- Regolith type.
- Topography.
- Land use and vegetation.
- Sample moisture content.
- Sample colour.
- Additional comments eg fragments of quartz.



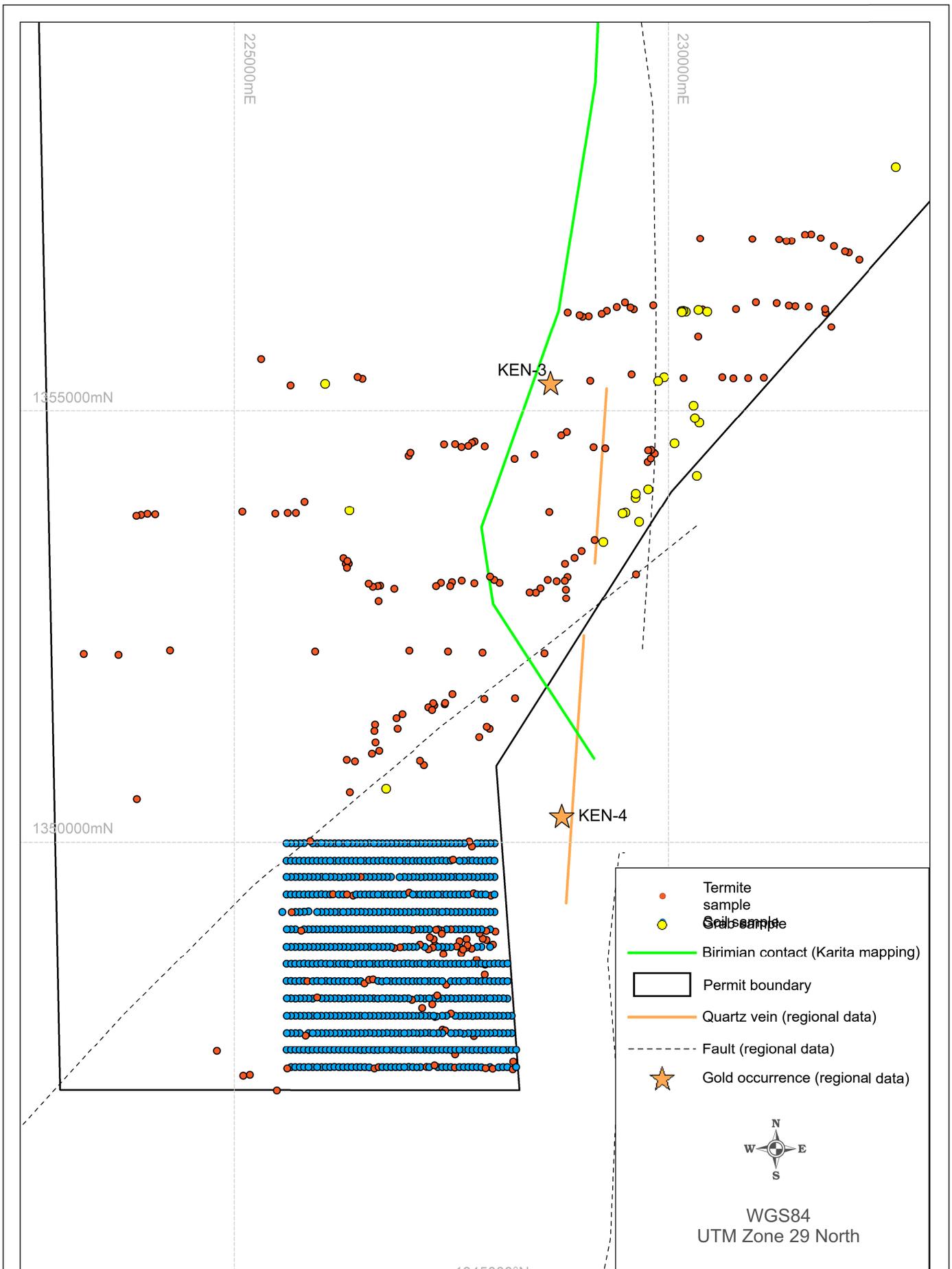


FIGURE 16: KARITA SOIL, TERMITE AND GRAB SAMPLE LOCATIONS IN PERMIT 6159 (SAMPLING COMPLETED IN JULY 2021)



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The sampling procedures described by Karita are in line with industry best practices and ACA Howe is not aware of any issues with sample quality or representativity.

The area covered by the sampling is composed of laterite and dolerite according to Karita's initial geological mapping. Interpretation of mapping subsequently completed by Karita shows that this area is within the overlying sedimentary sequences or intrusions rather than the Birimian. This corresponds with SRTM elevation data (Figure 3) which shows high elevations in the area covered. Many of the samples assayed below the detection limit for the analytical method (see section 11.2), however some anomalous results were reported as shown below and on Figures 17 and 18:

- GMS 00163: 36 ppb Au (soil).
- GMS 669: 31 ppb Au (soil).
- GMS 00176: 23 ppb Au (soil).
- GMS 00167: 57 ppb Au (soil).
- GMT 820: 30 ppb (termite).

Some termite samples were taken to the northeast within the metasediments which are interpreted to be of Birimian age, though the highest grades were in the 10 to 20 ppb Au range. Grab samples collected in the metasediments returned grades up to 47 ppb Au.

During the reconnaissance visit, Karita also conducted regolith mapping of the southern part of Permit 6159 (Figure 17). Metasediments mapped in the eastern part of the permit are interpreted to be of Birimian age, correlating with the geological map produced in the subsequent field visit by Karita geologists (Figure 11 in Section 7.2). ACA Howe notes that the KEN-3 mineral occurrence described in Section 7.3 has not been sampled by Karita to date.

## **9.2. KARITA GEOLOGICAL MAPPING AND SAMPLING (DECEMBER 2020 TO JANUARY 2021)**

In December 2020 to January 2021, Karita geologists made a second field visit which included geological mapping (Figure 11 in Section 7.2) and grab sampling. As described in the Section 7.2, the mapping indicates that the Birimian is present in Permits 2258, 6159 and 6160. An artisanal gold mining site was identified in Permit 6160. Quartz veins and veinlets with limonitic oxides on north, northeast, north-northwest and east-west orientations were noted. In addition, the presence of metasedimentary rocks and dolerite intrusions were mapped. ACA Howe identified additional potential for Birimian lithologies exposed by the Koila-Kabe River in Permit 2259.

Twenty grab samples were collected during the geological mapping and were submitted to SGS Bamako for analysis for gold by fire assay, though no anomalous results were reported. The samples were collected when a potentially mineralised outcrop was identified, rather than on a pre-planned grid. The samples predominantly weighed from 1-2 kg, but up to 3 kg.



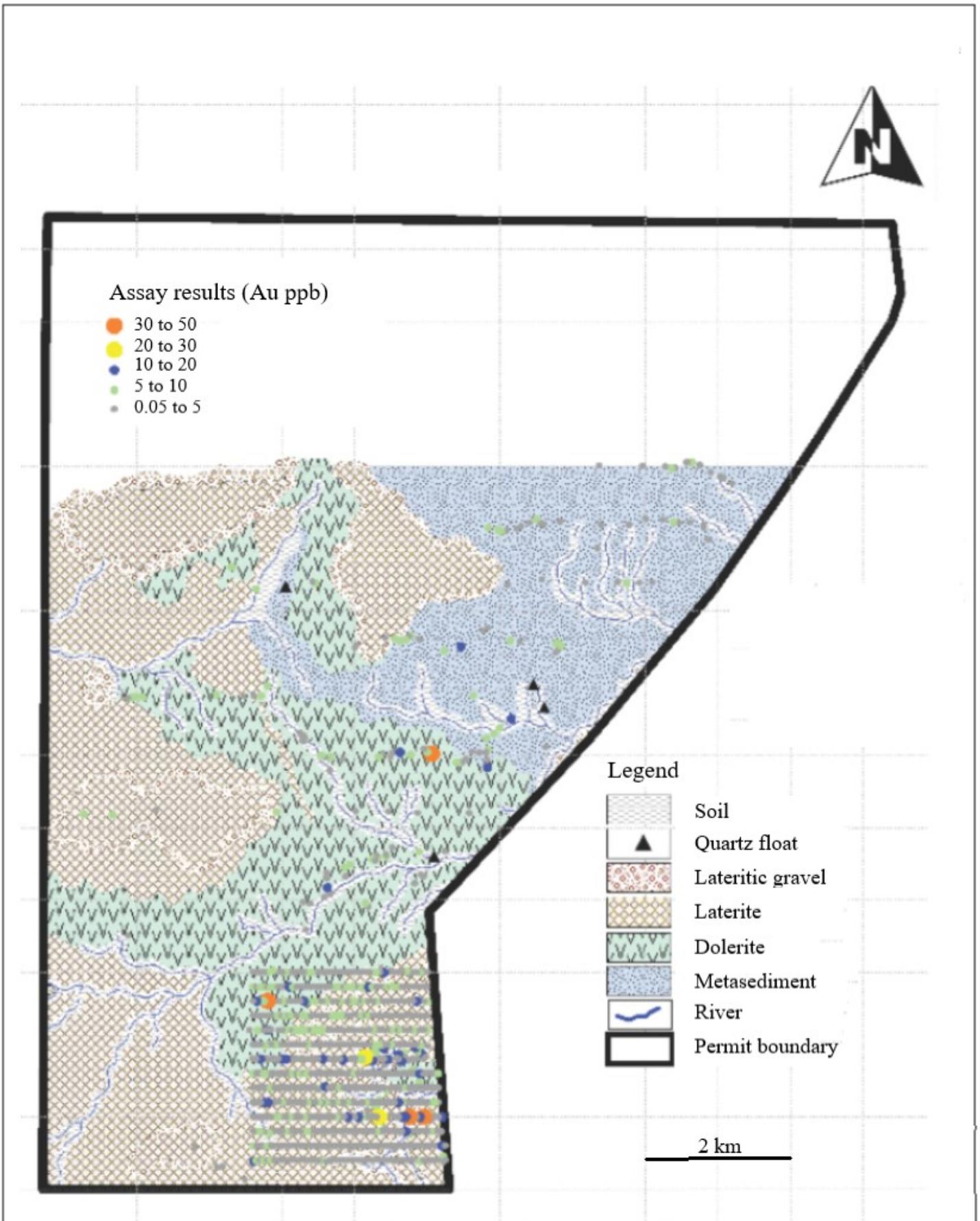


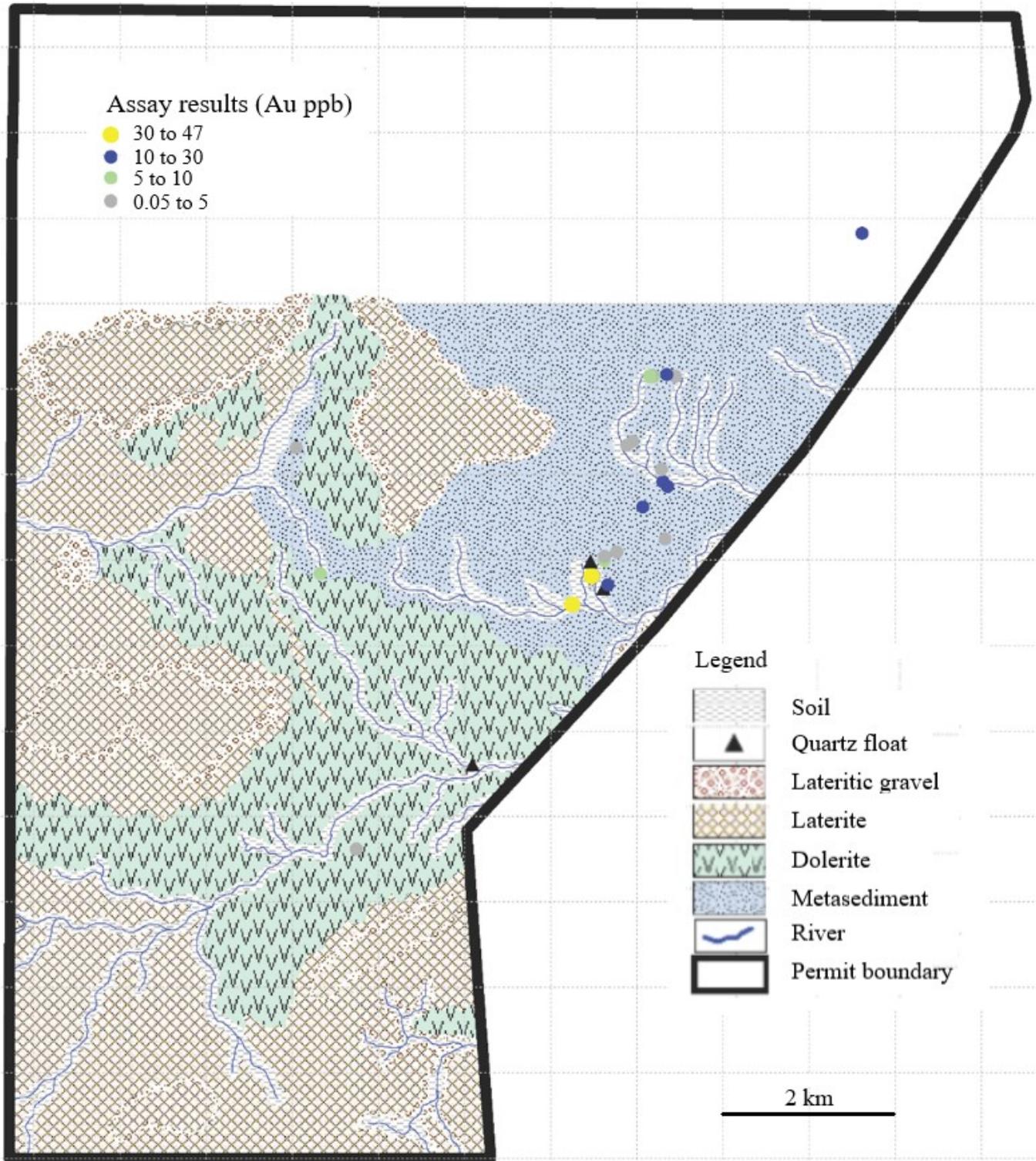
FIGURE 17: KARITA SOIL AND TERMITE SAMPLING WITH REGOLITH MAPPING (SAMPLING COMPLETED IN JULY 2020)





Assay results (Au ppb)

- 30 to 47
- 10 to 30
- 5 to 10
- 0.05 to 5



Legend

- Soil
- Quartz float
- Lateritic gravel
- Laterite
- Dolerite
- Metasediment
- River
- Permit boundary

2 km

FIGURE 18: KARITA GRAB SAMPLING WITH REGOLITH MAPPING (SAMPLING COMPLETED IN JULY 2020)



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## 10. DRILLING

No drilling has been completed by Karita.

## 11. SAMPLE PREPARATION, ANALYSES AND SECURITY

### 11.1. ONSITE PROCEDURES

Sampling procedures are described in Section 9. Where necessary, soil and termite samples were split by coning and quartering. Up to ten samples were placed in each rice sack for storage at the base camp. On completion of the field programme, Karita geologists transported the samples to SGS Mineral Mali Sarlu (SGS Bamako).

ACA Howe considers Karita's description of the sampling procedures to be consistent with mining industry standards.

### 11.2. LABORATORY PROCEDURES

All soil, termite and grab samples taken in the first field visit were sent to SGS Bamako for sample preparation and analysis by 50 g Fire Assay with an AAS finish (FAA515). SGS Bamako is accredited by SANAS and conforms to ISO 17025:2005 for certain methods of analysis, though not for FAA515. ACA Howe notes that SGS Bamako is accredited for analysis by other Fire Assay methods (FAA505 and FAE505). The selected method of analysis is considered to be acceptable given the early stage of exploration. The twenty samples taken in December 2020 to January 2021 were analysed by the accredited method FAA505. Samples were prepared in the following sequence:

- Samples logged into SGS system.
- Sample drying.
- Sample crushing to 75% passing 2 mm.
- 1.5 kg split by riffle splitter.
- 1.5 kg of 2 mm material pulverized to 85% passing 75 microns in a ring and puck pulveriser.

SGS is independent of Karita and acts as a service provider as required.

### 11.3. QUALITY ASSURANCE AND QUALITY CONTROL (QA/QC)

In July 2020, Karita submitted a total of 886 soil and termite samples, plus 37 QA/QC samples, for analysis at SGS Bamako. Details of the blank and duplicate samples included in the soil and termite sequences are shown in Table 3. No QA/QC samples were included in the grab sample sequences.

<b>Sample Type</b>	<b>Samples</b>	<b>Samples Including QA/QC</b>	<b>No. Blanks</b>	<b>No. Duplicates</b>	<b>QA/QC %</b>
Soil	664	692	14	14	4.1
Termite	222	231	5	4	3.9



Tables 4 shows the results of blank samples in both the soil and termite sampling programmes, included in the sample sequence to check for contamination in the assay process. The majority of samples assayed below detection limit. Samples GMS 00201 and GMS 00701 assayed 6 and 8 ppb Au respectively. This shows a low level of contamination, below the cutoff of two times the detection limit for the analytical method.

<b>TABLE 4. RESULTS OF BLANK QA/QC SAMPLES</b>	
<b>Sample ID</b>	<b>Au ppb</b>
GMS 00051	<5
GMS 00101	<5
GMS 00151	<5
GMS 00201	6
GMS 00251	<5
GMS 00301	<5
GMS 00351	<5
GMS 00401	<5
GMS 00451	<5
GMS 00501	<5
GMS 00551	<5
GMS 00601	<5
GMS 00651	<5
GMS 00701	8
GMT 00751	<5
GMT 00801	<5
GMT 00851	<5
GMS 00901	<5
GMT 00951	<5

Tables 5 shows the results of duplicate soil and termite samples taken in order to assess laboratory precision. The majority of the results are acceptable, though the results of duplicate samples GMS 00171 and GMT 00371 reported a significant difference to the original samples (more than double).



<b>TABLE 5. RESULTS OF DUPLICATE SOIL SAMPLES</b>				
<b>Sample Type</b>	<b>Duplicate Sample</b>		<b>Original Sample</b>	
	<b>Sample ID</b>	<b>Au ppb</b>	<b>Sample ID</b>	<b>Au ppb</b>
Soil	GMS 00071	<5	GMS 00070	<5
Soil	GMS 00121	<5	GMS 00120	<5
Soil	GMS 00171	11	GMS 00170	<5
Soil	GMS 00221	<5	GMS 00220	<5
Soil	GMS 00271	<5	GMS 00270	<5
Soil	GMS 00321	6	GMS 00320	6
Soil	GMS 00421	6	GMS 00420	<5
Soil	GMS 00471	<5	GMS 00470	<5
Soil	GMS 00521	<5	GMS 00520	<5
Soil	GMS 00571	<5	GMS 00570	<5
Soil	GMS 00621	<5	GMS 00620	<5
Soil	GMS 00671	6	GMS 00670	6
Soil	GMS 00721	<5	GMS 00720	<5
Soil	GMS 00771	<5	GMS 00770	<5
Termite	GMT 00021	<5	GMT 00020	6
Termite	GMT 00371	<5	GMT 00370	13
Termite	GMT 00871	<5	GMT 00870	9
Termite	GMT 00921	<5	GMT 00920	<5

ACA Howe considers the QA/QC programme to be appropriate given the early stage of exploration and the type of sampling conducted. The addition of samples of Certified Reference Material (CRM) in future sampling would enable the assessment of laboratory accuracy.



## **12. DATA VERIFICATION**

### **12.1. ONSITE DATA VERIFICATION**

ACA Howe's Senior Associate Geologist, Patrick O'Sullivan, visited the Karita Project on 12<sup>th</sup> and 13<sup>th</sup> March 2021. As no significant mineralised zones have been reported by Karita to date, no independent verification samples were taken during the visit. However, limited areas of Karita's preliminary geological mapping were reviewed and are considered to be accurate, including the presence of Birimian lithologies in the permits. The artisanal workings located by Karita were also visited by ACA Howe and are described in Section 7.3. More detailed mapping by Karita is recommended as part of the exploration programme, with particular focus around the conglomerates described in Section 7.2.

### **12.2. DESK-BASED DATA VERIFICATION**

ACA Howe has checked the sample results shown in the database against the assay certificates for 44 grab samples (100% of samples) and 592 soil and termite samples including QA/QC samples (64% of samples). All data was found to be exactly as stated on the assay certificates.

In addition, ACA Howe has plotted the sample locations and confirms that they are located as shown on maps produced by Karita.

### **12.3. SUITABILITY OF THE DATA**

ACA Howe has completed a site visit and reviewed information provided by Karita, research papers, reports by other companies operating in the region, and SRTM elevation data. ACA Howe's site visit confirmed the presence of Birimian lithologies in parts of the Karita Project and the sampling techniques and methods of analysis are considered to be suitable given the early stage of exploration.

## **13. MINERAL PROCESSING AND METALLURGICAL TESTING**

No mineral processing or metallurgical testing has been completed by Karita.

## **14. MINERAL RESOURCE ESTIMATES**

No mineral resources have been identified by Karita.



**15. MINERAL RESERVE ESTIMATES**

No mineral reserves have been identified by Karita.

**16. MINING METHODS**

Not applicable at the current stage of the project.

**17. RECOVERY METHODS**

Not applicable at the current stage of the project.

**18. PROJECT INFRASTRUCTURE**

Not applicable at the current stage of the project.

**19. MARKET STUDIES AND CONTRACTS**

Not applicable at the current stage of the project.

**20. ENVIRONMENTAL STUDIES, PERMITTING AND SOCIAL OR COMMUNITY IMPACT**

Not applicable at the current stage of the project.

**21. CAPITAL AND OPERATING COSTS**

Not applicable at the current stage of the project.

**22. ECONOMIC ANALYSIS**

Not applicable at the current stage of the project.



## 23. ADJACENT PROPERTIES

There are a number of producing gold mines and exploration / development projects in the KKI. The projects in closest proximity to the Karita Project are described below and their locations are shown on Figure 19.

ACA Howe cautions that the Qualified Person for the technical report, has not verified the information in Sections 23.1 and 23.2 and notes that the information is not necessarily indicative of the mineralisation on the Karita Project.

### 23.1. IAMGOLD CORPORATION

IAMGOLD is the owner of the property adjacent to Karita Permit 6160. On 2<sup>nd</sup> October 2019, a press release by IAMGOLD reported a new discovery on their Karita Project, around 10 km from the boundary of Permit 6160. The project is located 8 km south of the Boto Gold Project and 3 km north of the Diakha Gold Project, both of which are also owned by IAMGOLD. Selected reverse circulation (RC) drill intersections reported in the press release are as follows:

- KRC19-001: 13 m at 2.90 g/t Au.
- KRC19-006: 29 m at 2.96 g/t Au.
- KRC19-009: 16 m at 3.17 g/t Au.
- KRC19-010: 22 m at 2.27 g/t Au.
- KRC19-011: 21 m at 9.01 g/t Au.

The intersections above are drilled intersections rather than true widths and contain higher grade intervals within them. Intersections were calculated by IAMGOLD using a minimum downhole length of 2 m, a cut-off grade of 0.5 g/t Au and including up to 2 m of internal dilution.

Consistent with geological mapping by Karita geologists, Figure 20 by IAMGOLD shows carbonated sediments (blue) to the north and south of the Upper Proterozoic sediments (grey). Carbonated sediments with finely disseminated sulphides were identified by ACA Howe in Karita Permit 2258 during the site visit in March 2021. In addition, on Figure 20 anomalous termite sample results are plotted on a north-south trend to the west of the SMSZ, both to the north and south of the Upper Proterozoic sediments.



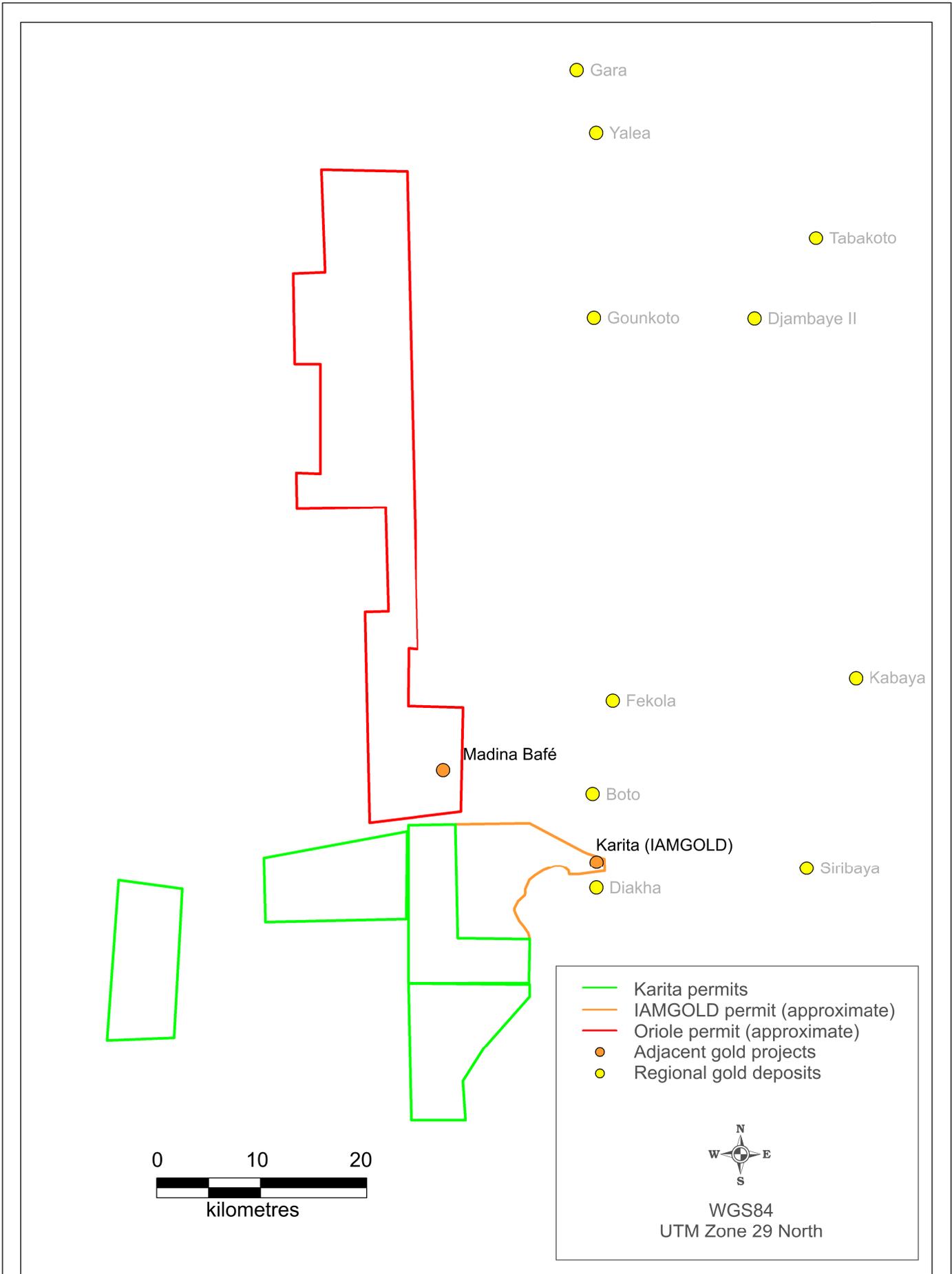


FIGURE 19: LOCATION OF THE IAMGOLD AND ORIOLE RESOURCES PERMITS (MARCH 2021)



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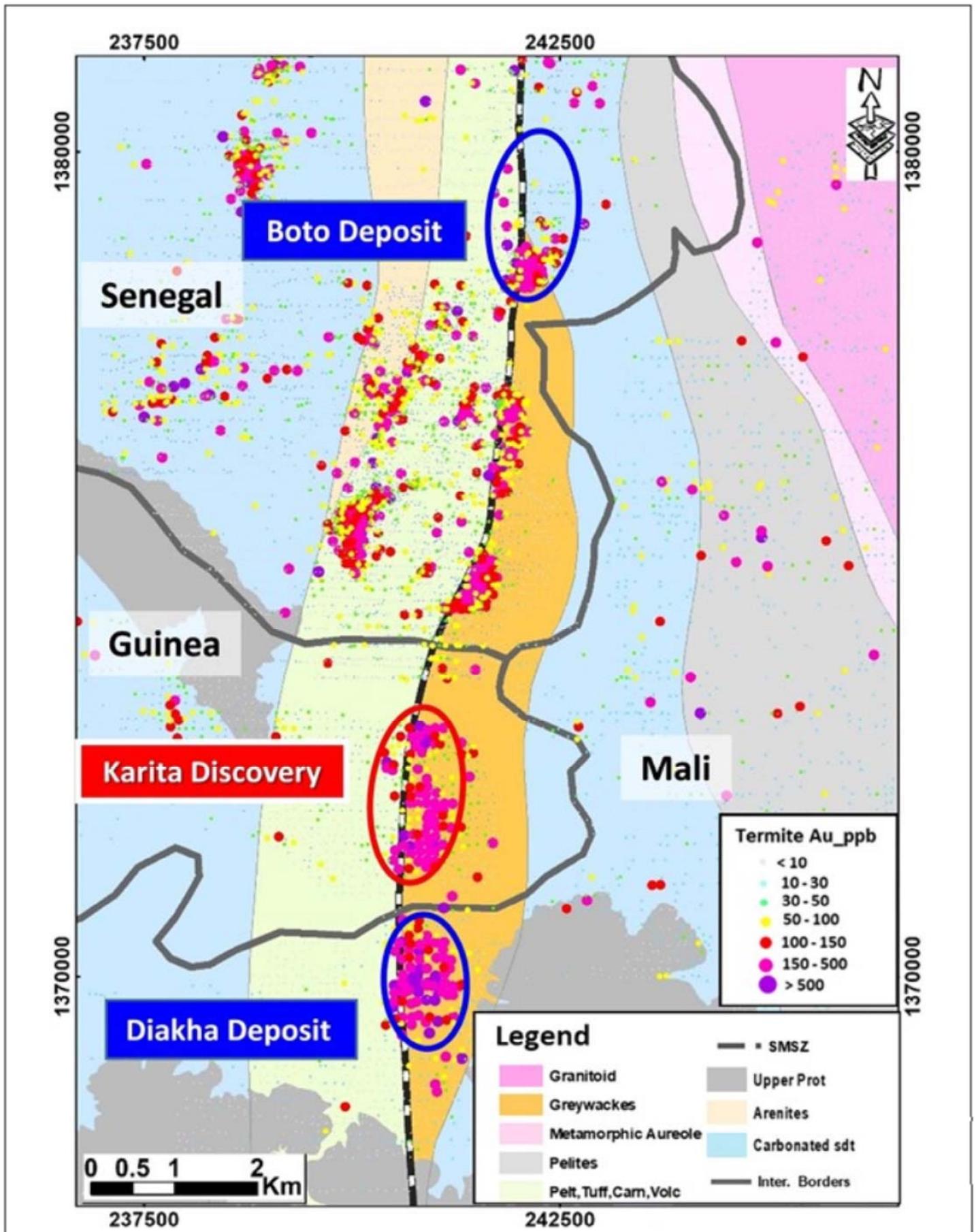


FIGURE 20: IAMGOLD GEOLOGY AND TERMITE RESULTS (IAMGOLD, 2019)



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## 23.2. ORIOLE RESOURCES PLC

Oriole Resources' Senala Project area extends for around 60 km to the north of the Guinea-Senegal border (Figure 19 above). The project includes four main geochemical targets, as follows:

- Faré.
- Baytilaye.
- Saroudia.
- Madina Bafé.

The Madina Bafé target is just 3.4 km north of Karita Permit 6160. Oriole Resources' website describes the Madina Bafé target as follows:

“Trenching, mapping and sampling at Madina Bafé has confirmed the presence of a 1.2 km by 30-45 m NE-striking mineralised zone in the south-east of the prospect. Mineralisation is hosted by sheeted tourmaline-quartz veins and quartz-tourmaline breccias with best results including 4.0 m @ 1.40 g/t Au (MBT-005), 6.0 m @ 0.86 g/t Au incl. 1.0 m @ 4.40 g/t Au (MBT-005), 1.2 m @ 1.14 g/t Au (MTB-003) and 1.0 m @ 1.77 g/t Au. Mineralisation remains open to the east. RC and diamond drilling between trenches MBT-003 and MBT-004 has previously returned excellent intersections – including 9.6 m @ 16.08 g/t Au (MBDD-002) – that are indicative of depth-continuity of the zone and of elevated gold content.”

Drill hole locations, anomalous results and structures are shown on Figure 21. The following anomalous zones have been identified by Oriole Resources:

- 1.5 km west-northwest trending gold anomaly (>20 ppb) at the contact between a granite / granodiorite unit and sediments. Gold anomalism is associated with bismuth and molybdenum anomalism.
- 400 m north-south anomaly (>20 ppb Au) which appears to be at the intersection of northeast and east-west trending faults. Drilling at depth returned a best intersection of 8 m at 2.56 g/t Au (drilled thickness).
- 3.5 km and 2 km long anomalous zones (>20 ppb Au) which are interpreted as being related to cross-cutting higher-grade zones (>50 ppb Au).



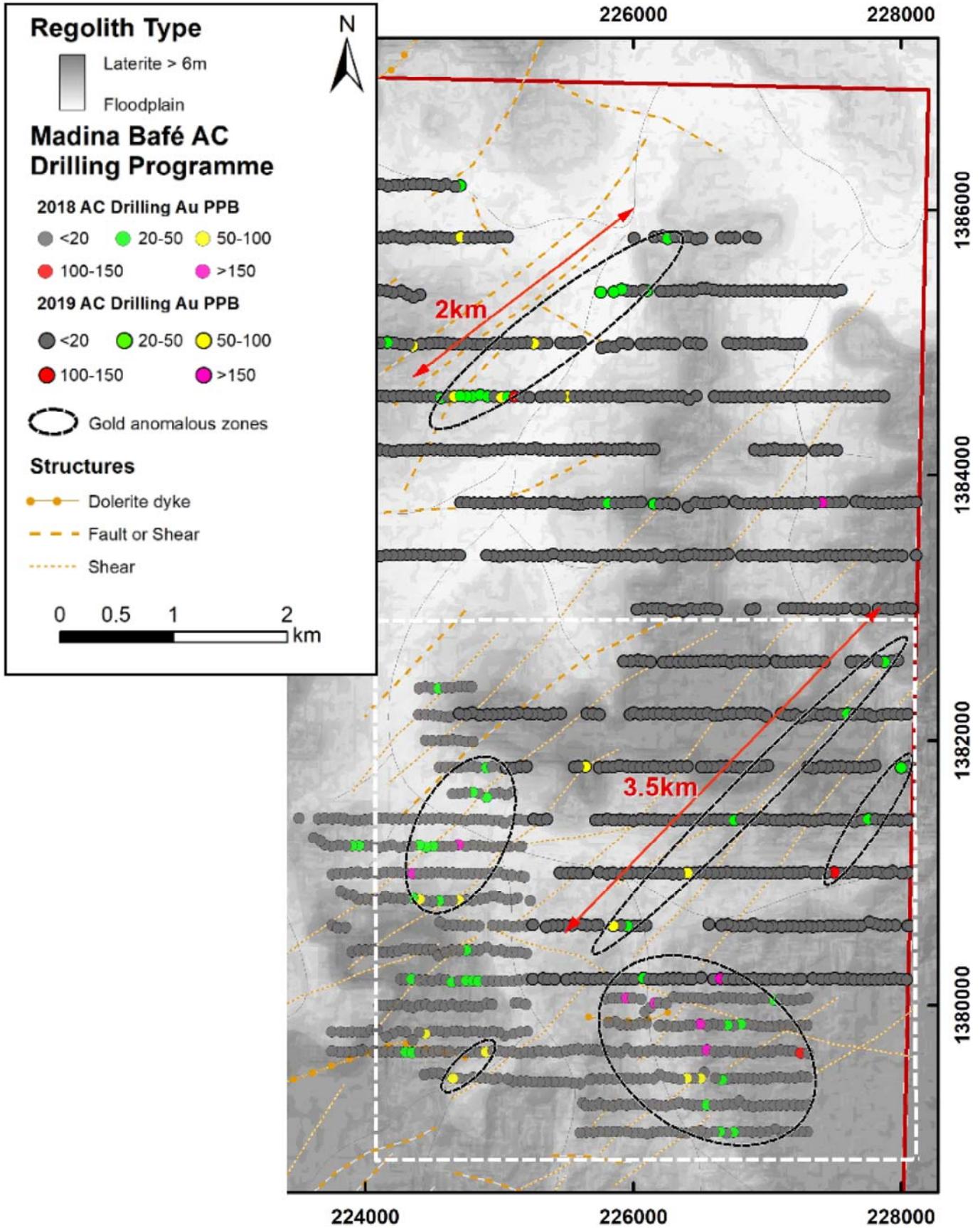


FIGURE 21: ORIOLE RESOURCES DRILLING RESULTS AND STRUCTURES AT MADINA BAFÉ (ORIOLE RESOURCES, 2021)



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## 24. OTHER RELEVANT DATA AND INFORMATION

Not applicable.

## 25. INTERPRETATIONS AND CONCLUSIONS

The Karita Project is located in a strategic position in Northern Guinea and mapping by Karita geologists shows the area to be straddling the southern edge of the Kéniéba-Kedougou inlier (KKI). The sedimentary sequences of the Madina-Kouta and Segou Series, which outcrop to the north and in the southern and western parts of the permits, overlie the KKI. Erosion of these sedimentary sequences appears to have exposed the KKI at surface within the incised river basins of the Karita permits (Koila-Kabe in Permit 2259; Domou in Permit 2258; Fadoulou in Permit 6160 and the Nioma in Permit 6159). The presence of Birimian lithologies was confirmed during the site visit by ACA Howe.

The KKI is host to numerous gold projects, from exploration stage to operating mines in neighbouring Mali and Senegal. Operating gold mines to the west of the Senegal-Mali Shear Zone (SMSZ) in the KKI include Sabodala and Massawa.

Though the Karita permits had not been systematically explored for gold prior to Karita's ownership, gold occurrences and quartz veining are shown on regional geological maps and grades of up to 5 g/t Au are reported from rock chip samples. These have not yet been followed up by Karita. Artisanal gold workings have also been identified.

Adjacent projects include IAMGOLD Corporation's Karita Project, in which a gold discovery has been made in the SMSZ around 10 km to the east of Karita Permit 6160. Other significant projects in close proximity to the Karita permits are IAMGOLD's Boto and Diakha deposits and B2Gold's Fekola Mine, all of which are in Mali. To the north of Karita Permit 6160, geochemical anomalies have been outlined by Oriole Resources, the majority of which are interpreted to lie on southwesterly trends, striking towards the Karita Project. Structures in Guinea and Senegal appear to be on similar orientations, leading to the conclusion that mineralised structures may continue from the Senegal portion of the KKI into the Karita Project.

Risks and uncertainties with the exploration for gold in the Karita Project are as follows:

- The project is at an early stage of exploration and no significant mineralised zones have been identified by Karita to date.
- The interpreted contact from preliminary geological mapping completed by Karita shows that significant amounts of the permits are composed of younger sedimentary sequences (which overlie the Birimian) intruded by dolerite. The prospectivity of these lithologies is unknown. The interpreted contact requires refining following a satellite interpretation and more detailed geological mapping to confirm the extent of outcropping Birimian lithologies within the Karita permits.
- An independent site visit completed by ACA Howe in March 2021 provided some coverage of Permits 6160, 2258 and 2259, but not Permit 6159 due to time constraints imposed by Covid-19 restrictions. The site visit helped to verify the presence of Birimian rocks within the Karita permits, assess the prospective areas (excluding the reported mineral occurrence in Permit



6159) and artisanal workings identified to date, confirm access routes to and within the permits and assess the infrastructure in the surrounding area.

## 26. RECOMMENDATIONS

ACA Howe considers that further exploration of the Karita permits is warranted and considers the following to be priorities in the next phase of work:

- Multi-spectral satellite image interpretation to assist with locating the contact of the Birimian lithologies and overlying sediments. In addition, satellite image interpretation would aim to identify favourable structures for gold mineralisation, which may continue from projects to the north.
- Guided by satellite image and SRTM interpretations, it is recommended that Karita geologists refine the mapping of Birimian outcrops. More detailed sampling and mapping of the artisanal workings identified and assessment and sampling of the KEN-3 gold occurrence and the associated quartz veining are required.
- Continuation of soil grids and termite sampling in the areas of the permits mapped as being in the Birimian, with particular attention to the larger, red, cathedral termite mounds. The origin of any anomalies identified should be assessed through regolith mapping.
- Focused sampling of the conglomerate units identified in Permits 6160 and 2258.
- Investigation into the reports of historical work completed by COGEMA, which is thought to have included drilling. Drill core reportedly found by Karita geologists at the site of the old COGEMA camp should be examined and assayed if it can be determined that the holes were drilled within the permits.

The cost of this work is estimated at \$330,000 (CAD) (Table 6).

<b>Item</b>	<b>Cost (CAD)</b>
1. Satellite image interpretation	20,000
2. Geological and regolith mapping	35,000
3. Soil sample assays (1,000 samples)	20,000
4. Termite sample assays (4,350 samples)	85,000
5. Travel, fieldwork and camp costs for items 2, 3 and 4	170,000
<b>Total</b>	<b>330,000</b>



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## 28. DATE AND SIGNATURE PAGE

This Technical Report has an effective date of 20<sup>th</sup> March 2021 and was prepared by:

Original signed by "Patrick O'Sullivan"

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Patrick O'Sullivan BSc (Hons), MSc, MAIG  
Senior Associate Geologist  
A.C.A. Howe International Limited

Date: 7<sup>th</sup> April 2021

