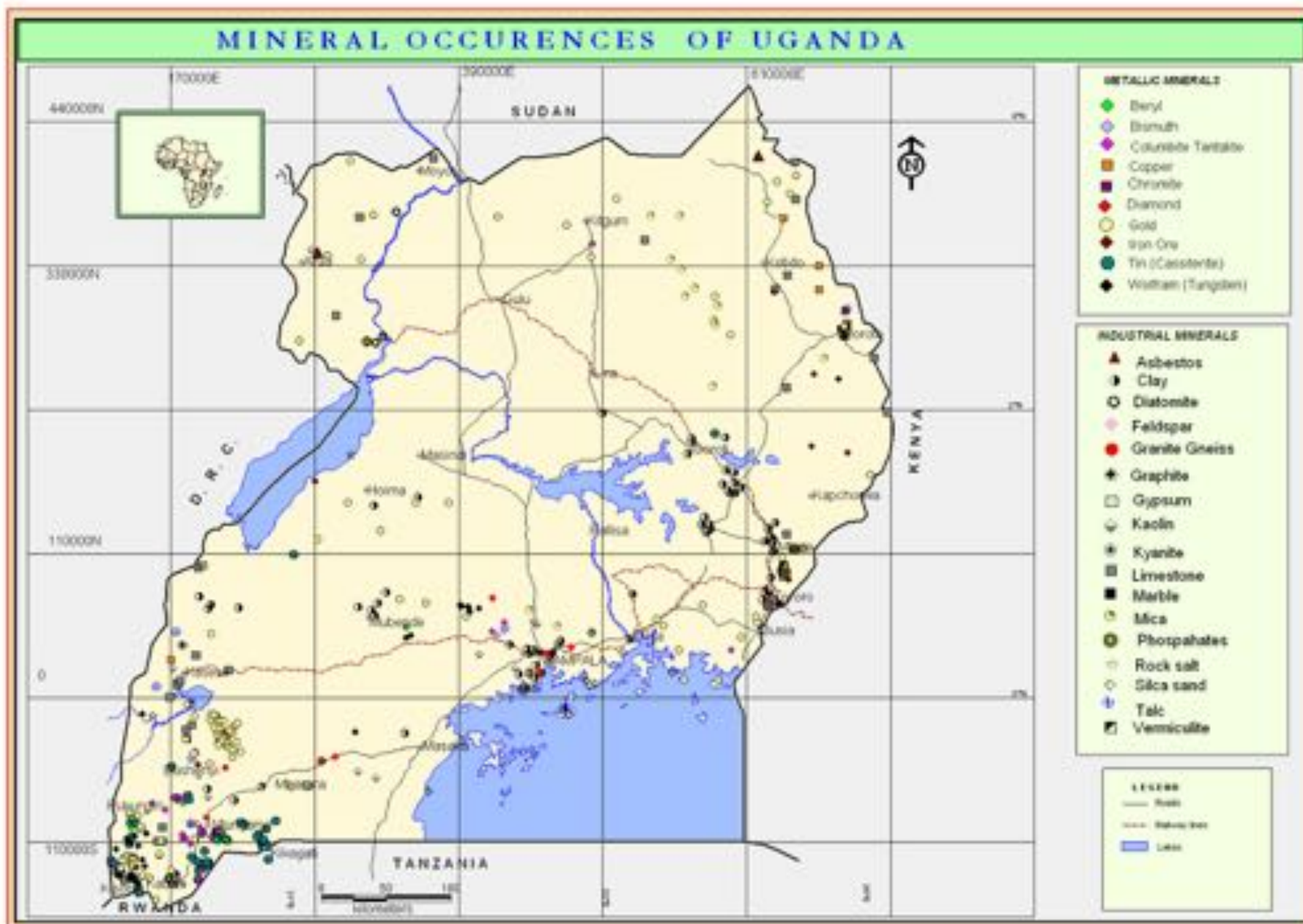




Northern Mines Ltd.

Investment into Projects in the Republic of Uganda

2017



Since 2016, Northern Mines Ltd. has been exploring the possibility and conditions for investments in the development of mineral deposits in the territory of the Republic of Uganda.

The company proposes a mutually advantageous cooperation option that allows for the creation of a favorable environment for investment in mineral deposits development projects in the territory of the Republic of Uganda, while allowing to provide security guarantees to the participants.



The company's management has established interaction with representatives of the interested state structures in the Republic of Uganda, as well as the direct participants of subsoil use at various levels.

The characteristics of the work environment and the attending risks are examined.

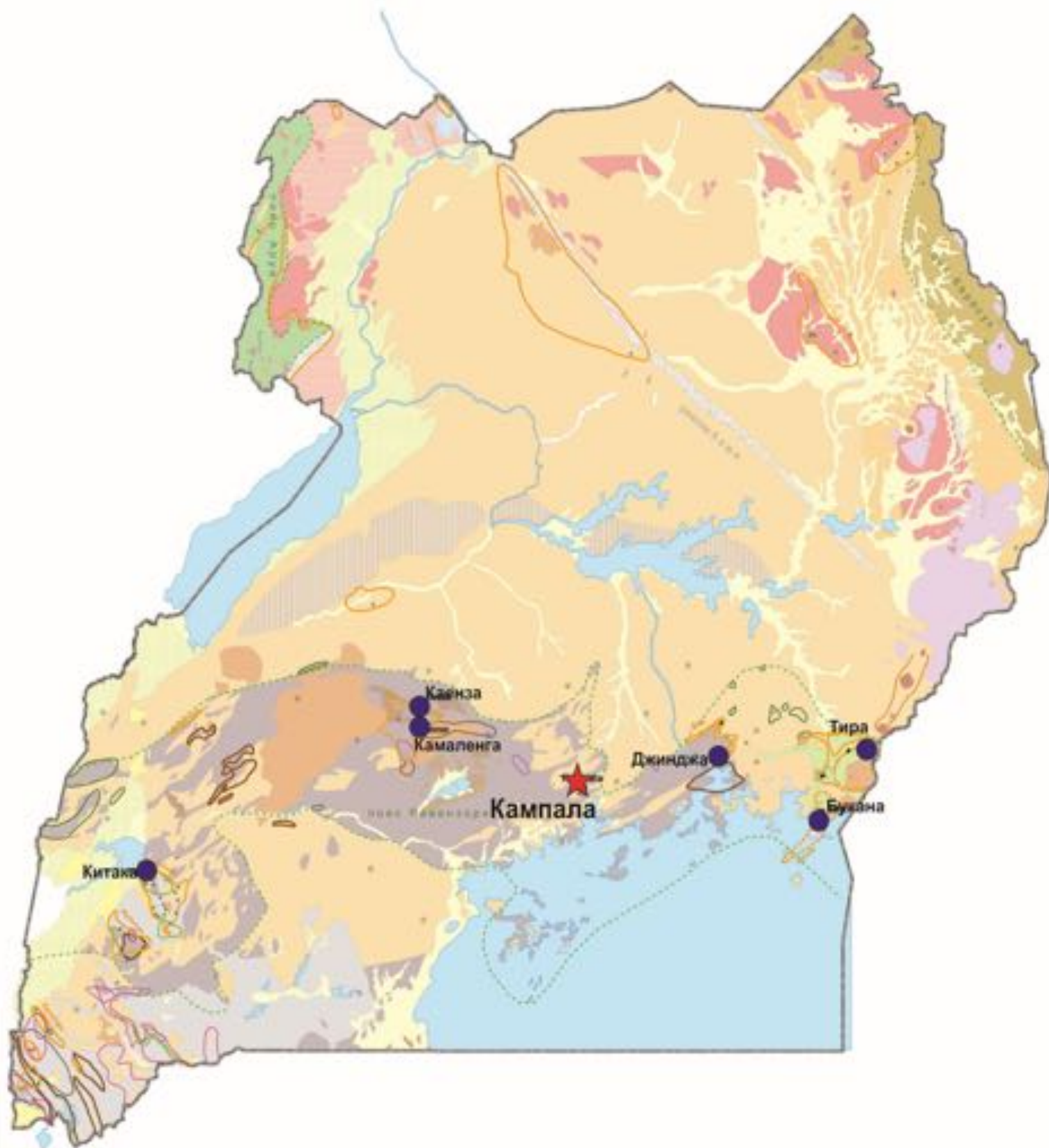
A number of meetings were held, including a meeting of the Initiative Group on Geology and Subsoil under the auspices of the Intergovernmental Russian-Ugandan Commission on Economic, Scientific and Technical cooperation, held on 27 April 2017 in Kampala.



In order to develop the project, as well as to implement the earlier accepted agreements, from 27 March to 15 April the specialists of Northern Mines Ltd. undertook an on-the-spot trip around the mineral deposits in the Republic of Uganda to examine their potential and to assess development prospects.

The mission was preceded by the collection and processing of information on geology and minerals of the Republic of Uganda: literary materials, as well as maps and local information on facilities from private companies and the Geological Survey and Mines of Uganda, were used.





Reconnaissance work was carried out in the prospective areas of Busia-Kakamega greenstone belt and Ruwenzori protogeosynclinal area.

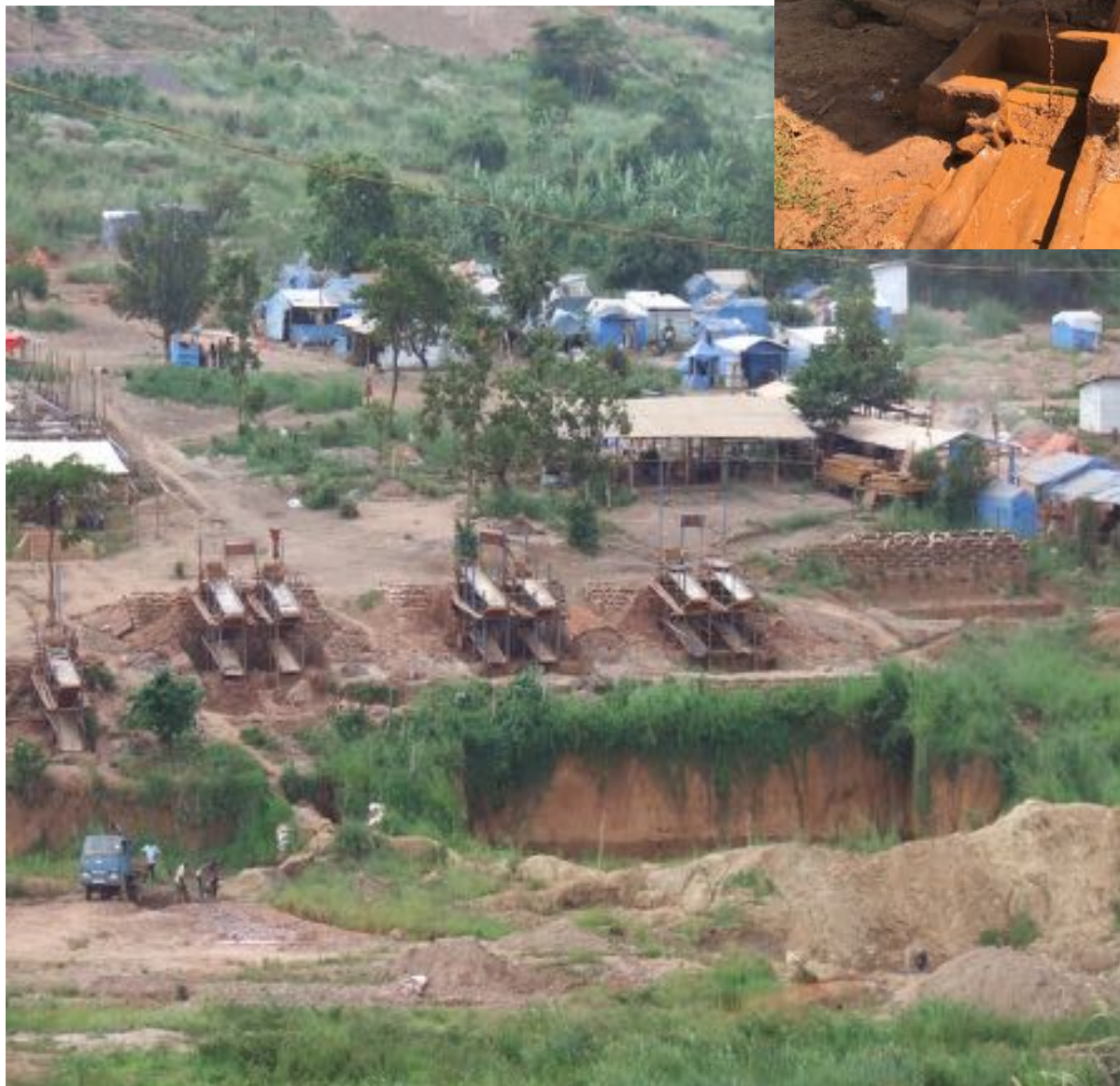
The reconnaissance studies were carried out amid with assessment of the sites.



The team visited more than 12 prospective gold fields.

More than 200 samples of ores and housing rocks were selected, sent to the laboratory and analyzed for various types of analytical studies, as well as a number of small technological samples to determine the physical composition and technological properties of the ores.

The largest mining fields were assessed, and the peculiarities of the technology for ore treatment and processing were analyzed.

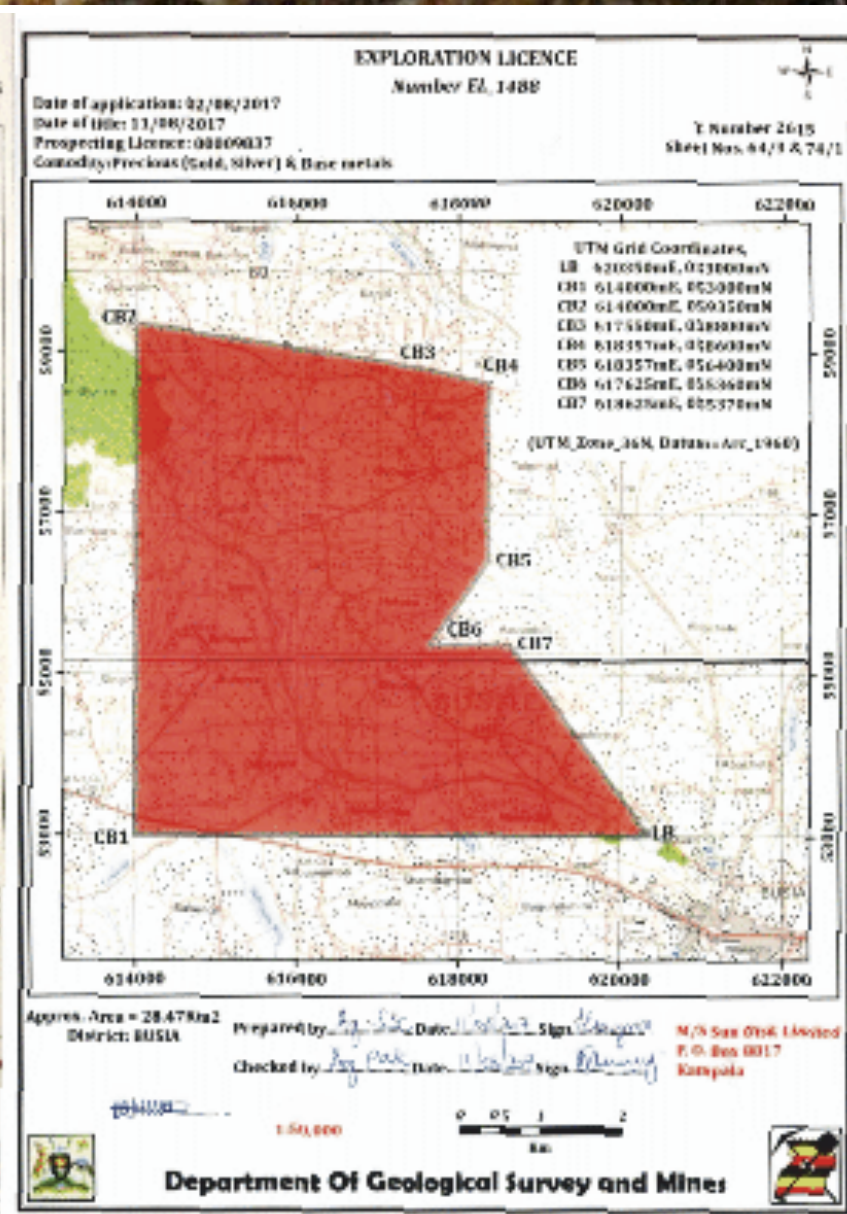
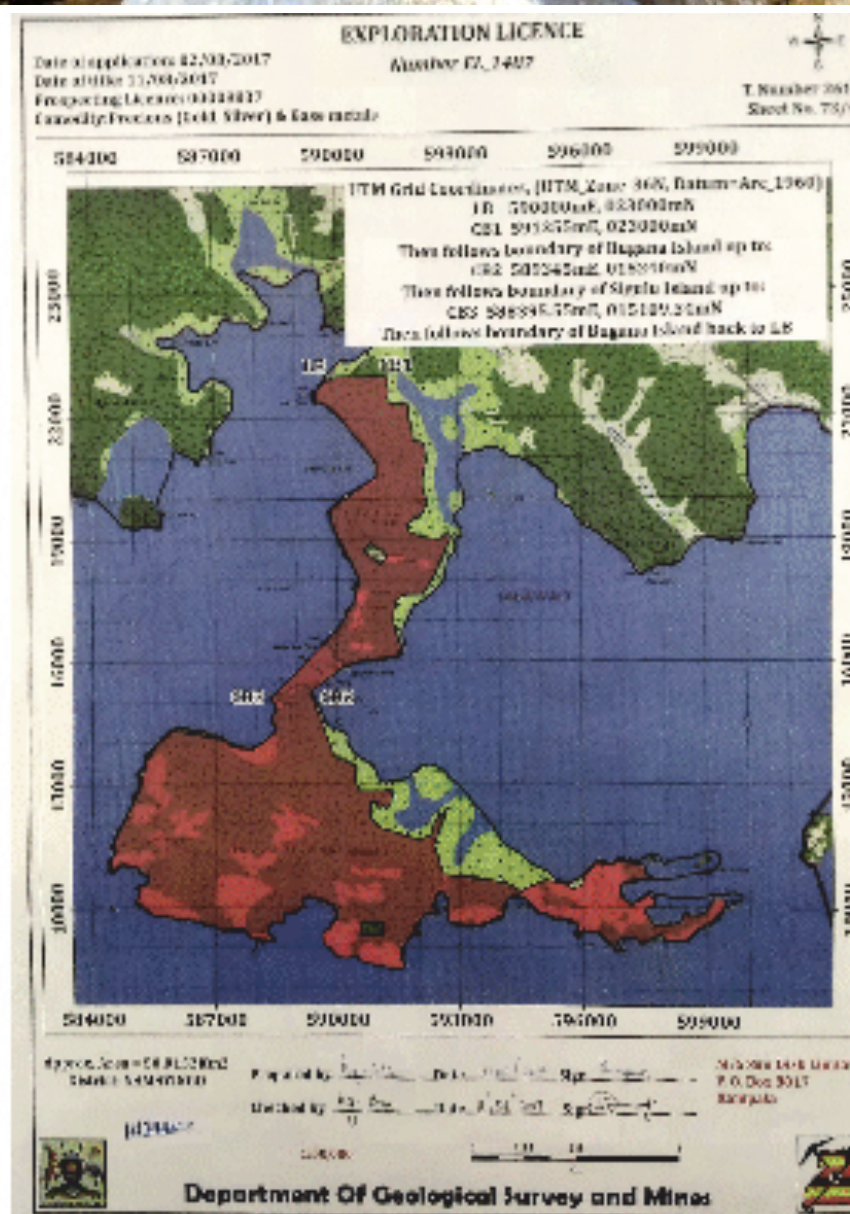
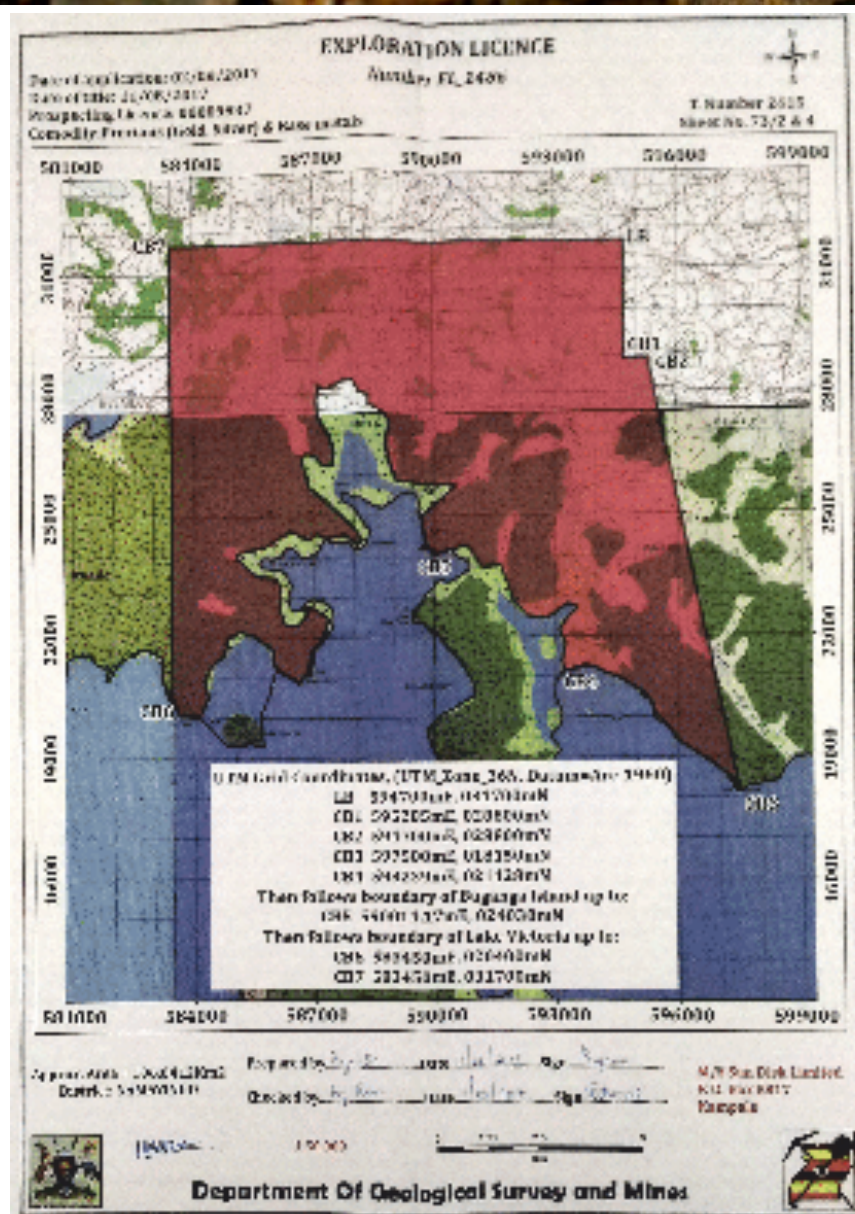




A number of meetings were held with the owners of the fields and miners.

Selected issues of interaction were discussed.

All the information is systematized.



As a result of the studies, priority sites have been selected for prospecting, evaluation and exploration.

The Russian company M/S SUN DISK LIMITED received three licenses for geological study and exploration of gold, precious and base metals in the provinces of Bugana — Sigulu Islands Area, Namayingo District; Siavona Hill Area, Namayingo District; Solo River Area, Busia District for a three-year term.



A team of highly qualified technicians, equipment, Programs and Projects for prospection, evaluation and exploration have been established to carry out the work in the areas of purchased licenses.

The complex of planned works includes: advanced geochemical and geophysical studies with detecting promising anomalies; drilling operations at the sites of anomalies in the form of surface mountain and bore hole drilling ; drilling work to track identified ore bodies at strike and depth with obtaining data for counting of reserves and resources.





The results of the work will help calculate the reserves and assess the resources of gold, silver and base metals, and apply for a license to extract the identified deposits, using modern technologies and complying with international environmental norms.

