

## **ACQUISITIVE GROWTH POLICY**

The Directors believe that there is a significant opportunity to generate an attractive rate of return for shareholders, predominately through creating sustainable value and capital appreciation, by taking advantage of opportunities to acquire companies engaged with, or projects and interests in projects involved in, the exploration, extraction and processing of gold bearing ore (together the “Targets”).

The Company’s strategy is to acquire Targets with strong underlying fundamentals suitable of producing substantial increases in value by funding and applying de-risking strategies and other corporate actions.

Key fundamentals when evaluating Targets will include:

- i) Security of tenure over mining titles;
- ii) A stable tax regime;
- iii) Government approvals to develop and continue to operate the project during its economic life;
- iv) The ability to procure equipment and materials from both local and overseas sources;
- v) Access to assets and services required for operating purposes;
- vi) Freedom to engage both local and foreign labour and contractors;
- vii) The ability to sell the products of mining into local and export markets;
- viii) The right to obtain payment in a freely convertible currency;
- ix) The ability to convert that currency into the currency which was originally invested and to do so at an acceptable conversion rate; and
- x) The ability to service loans and to repatriate profits and capital.

The stage of the Target in the project lifecycle will be considered only when the life remaining in the asset is less than the time required to achieve added value. Every Target will be different in the opportunities it presents. A full CPR will be developed and assessed prior to committing any investment.

The size of Targets will vary, depending on the opportunity. Each Target must achieve CIC’s Investment Rate of Return (“IRR”), which will be set by the Board of Directors and reviewed firm time to time. An integral part of CIC strategy will be to secure Board representation of the Target.

Typical technical de-risking strategies to be undertaken by Targets will include completing specific technical reports such as NI 43-101, JORC or similar reports, structural geology report, geotechnical report, detail mapping survey’s, metallurgical testing and pre-feasibility studies, as well as applying modern exploration techniques such as trenching, sampling and drilling remote sensing and satellite photography.

In addition, CIC Gold will, where appropriate, provide expertise to:

- i) technical advisory in mining and processing;
- ii) mineral title legal opinions;
- iii) corporate structure; and
- iv) review and upgrade constitutional documents.

### **Target Selection Process**

The Board of Directors of the Company shall undertake a thorough review of any potential opportunities put to it for consideration and after due care and consultation with its advisors make its decision on whether to proceed or not. The Board of Advisors to the Company shall include technical, legal and accounting specialists.

The consideration payable for Targets shall be by:

- i) Cash;
- ii) Issuance of Shares or other financial instrument of the Company;
- iii) Consideration for services, technical or otherwise, provided by the Company; and
- iv) Capital raising, on a best efforts basis, as arranged by the Company.

The Company shall not make any acquisitions in the following circumstances without a detail risk assessment:

### **Holding Company**

- i) Directors of the Target that have been subject to a regulatory sanction or fine unless the Director resigns from the Board;
- ii) Established pattern of past payments not considered normal course payments by local managers or any activity of bribery unless those person can be removed;
- iii) No civil or criminal claims against the company;
- iv) The company not in compliance to its jurisdictional regulations including failing to file its financial statements on time; and
- v) The company or its asset resides in a country without clearly defined mining laws.

### **Mineral Gold Asset**

- i) Significant environmental damage from past mining activity;
- ii) Local land owners object to any future mining or exploration,
- iii) Local land owners do not wish to enter into a stability agreement to allow use of their land for fair compensation; and
- iv) Significant personal risks to access the mineral deposits.