



**Breakaway
Research**

February 2019

Stephen Bartrop | Research Manager
sbartrop@breakawayinvestmentgroup.com

www.breakawayresearch.com

Company Information

CAPITAL STRUCTURE

Share Price (A\$)	0.17
Ord Shares Issued	100.29 m
Market Cap undiluted (A\$) - pre-development	17.05 m
Est. Cash (31 Dec 2018) (A\$m)	0.1 m
Total Debt (A\$m)	0.0 m
Enterprise Value (A\$m)	17.00 m

DIRECTORS

Managing Director	Seth Dickinsor
Director	Alistair Smith
Director	Craig Ross
Director	Bjorn Zikarsky

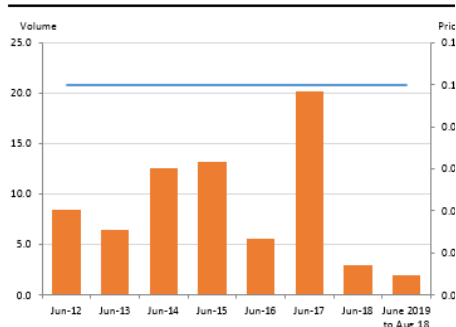
SUBSTANTIAL SHAREHOLDERS

Seth Dickinson	18.00%
JICIH P/L	11.30%
Craig Ross	9.30%
Greg Minton	6.00%
Alistair Smith	5.00%
Square Resources	4.90%
Stephen Dykes	4.80%
Galaxy Gold Mines	4.20%
Other Shareholders	36.50%

COMPANY DETAILS

Address	Level 2, 32 Park Road Milton Qld 4061
Phone	+61 7 3369 886
Web	http://www.lakevictoriagold.com

PRICE CHART



Source: Company

Lake Victoria Gold

An Emerging Gold Producer

Project Outline

Key Points

- **Lake Victoria Gold Limited ("LVG") is an unlisted Australian company focused on developing the Imwelo Gold Project near Lake Victoria in Tanzania. This area hosts greenstone belts and is 15 km west of Geita, one of AngloGold Ashanti's flagship mines which has been in operation since the 1930s and with production in excess of 7.7 Moz.**
- **The Imwelo Gold Project comprises a granted mining lease (ML 538) and has an open pit and underground resource base comprising 291,600 oz at 1.9g/t and which is open in multiple directions.**
- **The mineralization non-refractory and occurs in steeply dipping quartz veins and is shear hosted. Recent drillhole intersections include:**
 - **IMWDD-003: 14.72 g/t gold over 5 m from 49m**
 - **IMWRC-009: 6.75 g/t gold over 4 m from 61 m**
 - **IMWRC-018: 4.24 g/t gold over 4 m from 37 m**
 - **IMWRC-037: 14.15 g/t gold over 7m from 33 m**
- **LVG has plans to develop the Imwelo Gold Project into a modest 20,000 oz pa producer with low (US\$6m) capex and first gold production is expected 10 months from project commencement. This approach de-risks the project and at the same time enables LVG to continue to build its resource base. In this respect it has negotiated a 3-month option agreement with Katoro Gold plc which covers adjacent Mining Lease Applications ML640 and ML641 as well as 54 Prospecting Licences in various stages of issue/grant/renewal. The exercise price is US\$1m and the project contains a JORC resource of 500,000 oz.**
- **Breakaway Research has estimated project returns which includes an NPV of US\$20.9m and IRR of 75%. At this share price the Company would have:**
 - **An NPV of A\$0.23 per share (US\$0.17/share).**
 - **An average Price/Earnings ratio of 3.6 times.**
 - **An average Price/Cashflow ratio of 3.9 times.**
- **LVG has been approached by a UK entity which can fast track a UK main board listing. Costs associated with the listing are estimated at US\$500k and the listing would involve raising the US\$6m to develop the Imwelo project.**

LVG is seeking a UK main board listing which will also involve raising the capital to develop its Imwelo Gold Project. While we have not factored any dilution associated with the listing, the Company as it stands is relatively cheap compared to its ASX listed peers.

Information Only - This is not an offer to purchase shares.



Company Overview

Lake Victoria Gold has the Imwelo gold project south of Lake Victoria in Tanzania....

It is seeking a UK Main Board listing and which will involve raising the development capital...

Lake Victoria Gold Limited (“LVG”) is an Australian company focused gold exploration and development in the Lake Victoria greenstone belts of Tanzania. Its flagship project is the Imwelo Gold Project where it has completed a pre-feasibility study in 2017 for a staged development project commencing production at 10,000 oz pa and with longer term plans to expand production to above 30,000 oz pa.

The Company has been operating in Tanzania for 7 years and after conducting four separate drilling programs and completing preliminary scoping work including estimating a JORC compliant resource, it was granted Mining Licence, ML538 – Imwelo, in January 2015 (see Figure 1).

LVG is now moving to develop the Imwelo gold project in combination with a UK main board listing. The listing will be used to raise the US\$6m development capital and the project development, and the later proposed gold production expansions will provide underlying support for the share price. The Company’s target is to become a mid-size gold producer (100,000 oz pa) within 5 years.

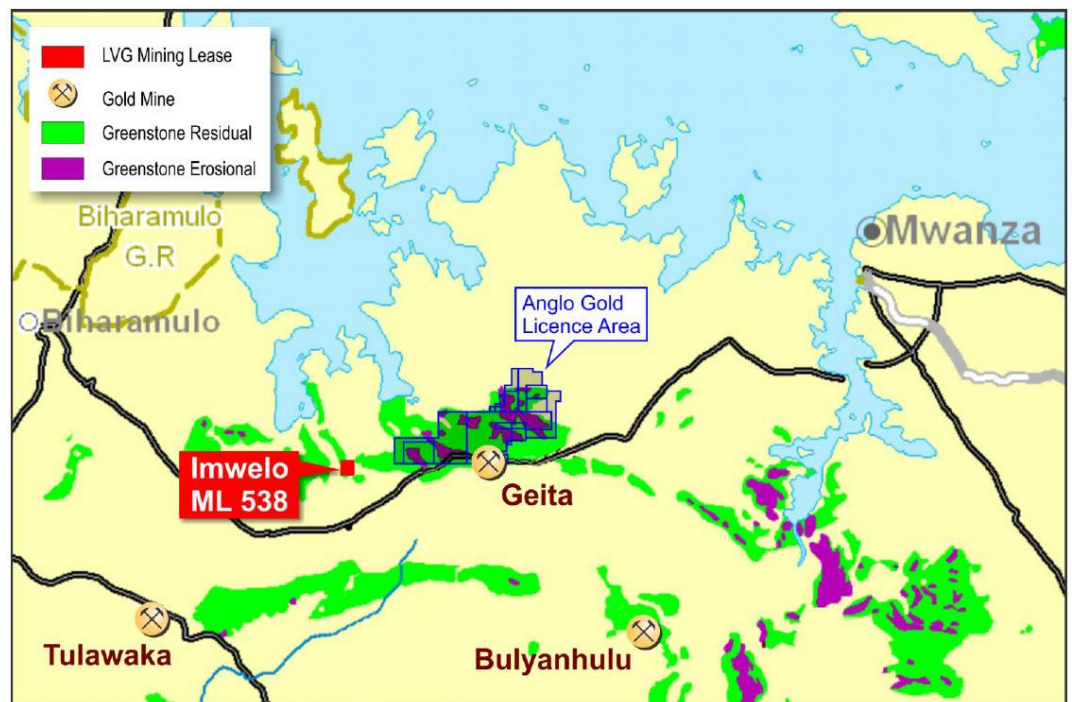


Figure 1. Location of the Imwelo Gold Project and nearby Geita (Anglo Gold Ashanti) and Bulyanhulu (Barrick Gold Mines) (Source: Company).

Project Area

The Imwelo Gold Project is in a greenstone hosted gold region which includes nearby Anglo-Gold’s Geita mine and Barrick’s Bulyanhulu gold mine.

Geological Setting

The Lake Victoria greenstone belt forms part of the Archean granite-greenstone terrain of the Tanzanian craton. It forms part of the Late Archean Nyanzian System comprising a lower series of mafic lavas and tuffs overlain by an upper series of felsic volcanic rocks and chemical sediments. The latter include a considerable thickness of exhalative lithologies, and in particular, banded iron formations (BIF).

Nearby goldmines include Anglo-Gold’s Geita mine and Barrick’s Bulyanhulu mine....



Archean Greenstone hosted...



Figure 2. Quartz hosted gold mineralisation (Source: Company).

Mineralisation occurs in quartz veins and siliceous breccias, partly concordant with the host rocks and often in association with felsic intrusives. It consists of auriferous pyrite, free native gold and minor pyrrhotite, chalcopyrite and magnetite (Figure 2).

Mineralisation is in quartz veins and breccias....



Figure 3. Outcropping mineralised quartz veins with the field crew (Source: Company).

Part of the project area has a 50 m deep weathered lateritic and saprolitic horizon which limits bedrock mapping to artisanal pits. As mentioned, quartz veins generally contain gold within shear



zones that have developed on lithological contacts. Gold grades often increase when the veins contain with sulphide minerals.

Deep 50 m lateritic and saprolitic profile....



Artisana workings are present but are reported to only extend to 10 m depth....



Figure 4. Artisanal workings in the project area (Source: Company).

Tenure & Exploration History

Prospecting Licence PL 6294 was acquired by a subsidiary of LVG (Tanzoz Minerals Ltd) in February 2013 on the back of historical drilling which had returned encouraged gold intersections. Better drill hole intersections drilled by various explorers include:

- IMRAB296: 20.8 g/t gold over 3 m from 11 m (Barrick RAB)
- 2BH-4: 5.89 g/t gold over 5 m from 40 m (Peak RC)
- 7BH-2: 13.03 g/t gold over 3 m from 22 m (Peak RC)
- IRB016: 7.09 g/t gold over 3 m from 16 m (Mincor RAB)

Historical drill data was encouraging....

LVG commenced an exploration programme involving surface grab sampling, mapping, and pitting. Historical aeromagnetic data was reinterpreted and followed up with ground magnetic surveys. An Induced Polarisation geophysical survey was also carried out.

Between December 2013 and December 2016 LVG carried out four separate drilling campaigns. The culmination of this work established:

Several gold bearing shear zones transect the property in an east west orientation. The main zone is the Western shear which has been host to artisanal mining which has been limited to a depth of 10 m due to the water table.

LVG conducted 4 separate drill programmes....

In January 2015, LVG converted this Prospecting Licence, which was upgraded to Mining Licence ML 538.

There is an externally owned mining licence (ML 419) contained within the Imwelo Mining Lease. Within this ML there is a 120 m deep 3 m diameter concrete shaft which has horizontal drives at 60m and 100m deep. ML 419 is currently being transferred to Tanzoz Minerals Ltd.



ML 419 is being transferred to LVG...

The prospecting licence is the large black square and covers the mining licences in green....

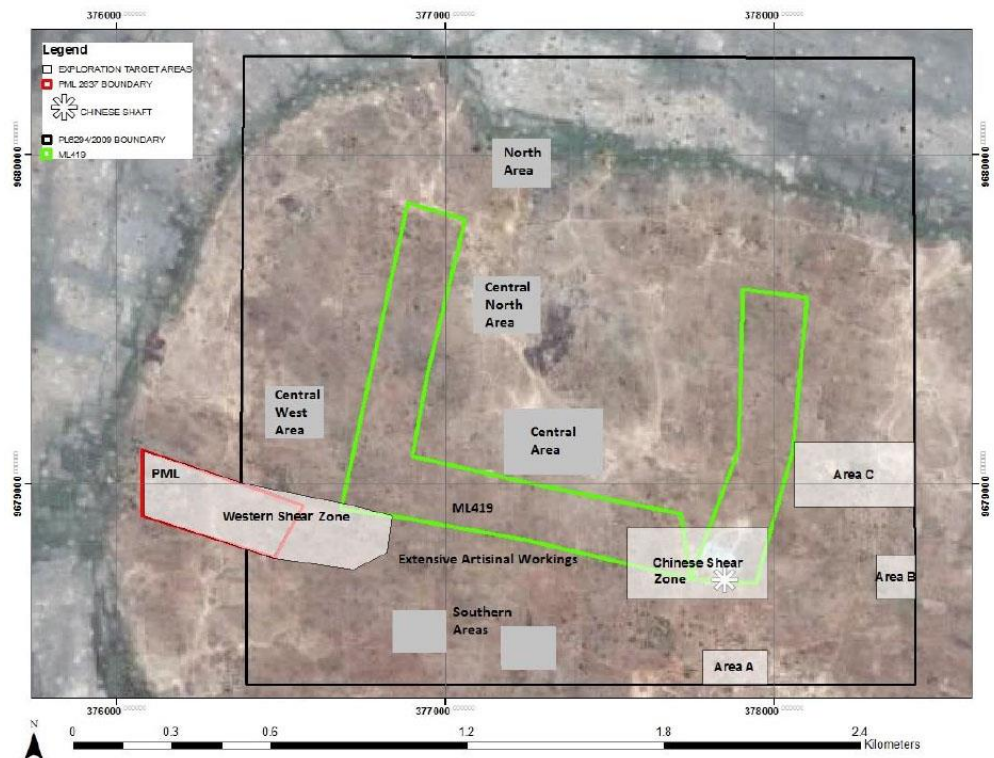


Figure 5. Tenement boundaries and area locations. Mining Licences are in green and lie within the larger prospecting licence. Note the shape of the mining licences is confusing as the gold mineralization trends east – west in parallel structures (Source: Company).

The gold mineralisation develops in areas along the east-west shear zones....

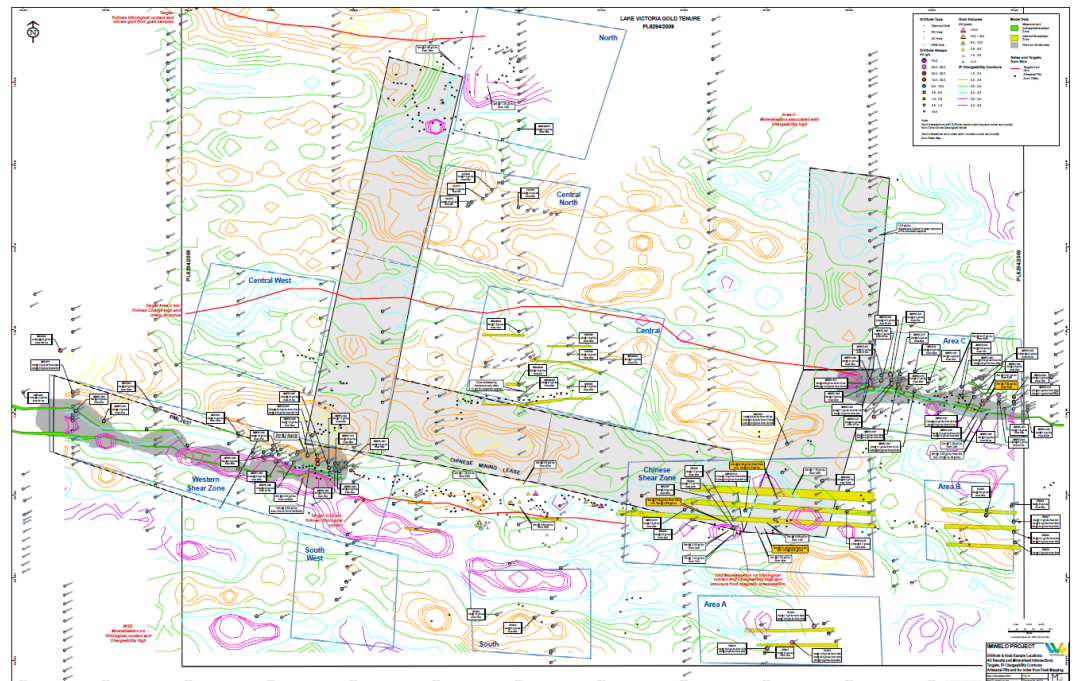


Figure 6. Gold mineralisation occurs in parallel structures trending in an east-west direction. In areas, these zones widen and contain economic gold mineralization. (Source: Company).

Cross-cutting magnetic dykes are evident in the magnetics as outlined in Figure 7. However the east-west trend is evident with the magnetic highs.



Cross-cutting dykes are prevalent...

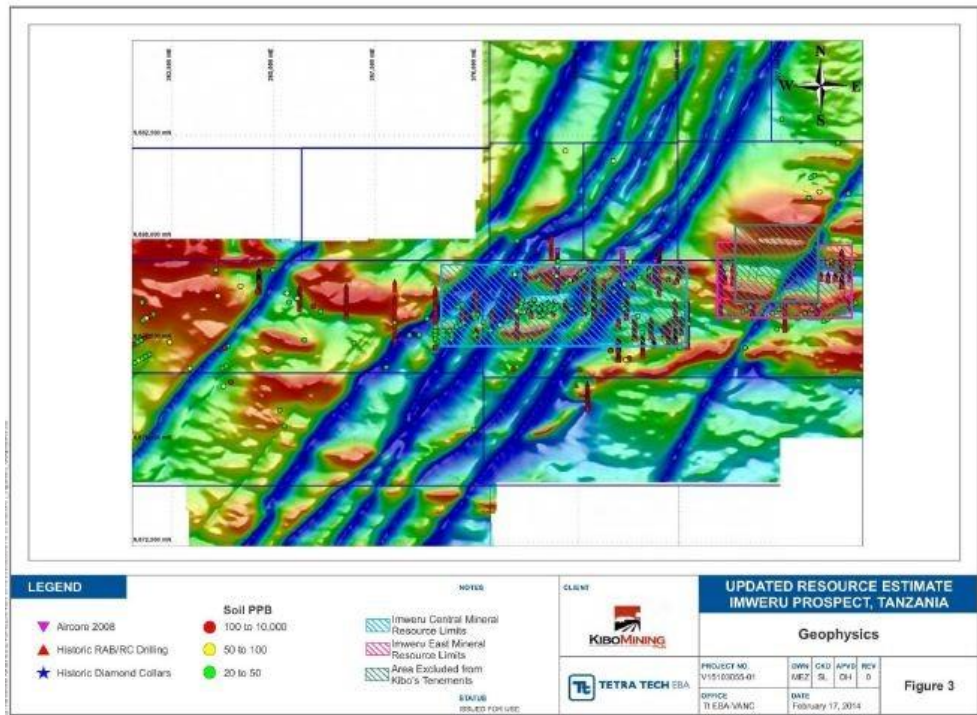


Figure 7. Magnetics across the project area (Source: Company).

Pre-Feasibility Study

LVG commissioned Measured Group to undertake a Prefeasibility Study to investigate an operation producing 30,000 oz pa by open pit mining and which later moved to underground mining. The base case involved an operating of a 60 t/hr gold processing plant with an average feed grade of 2.2 g/t to produce 30,000 oz pa.

The study was completed in June 2017 with key findings including:

- Mining involves extracting 1.36 Mt 2.22g/t Au and a stripping ratio of 13.7 to 1 with a mine life of 4 years.
- Average cash costs of production are US\$857/oz including capital costs.
- Total open cut EBITDA is estimated US\$31.2m

Measured Group Consultants prepared a pre-feasibility study on the project....

This mine plan has since been modified by LVG to reduce the production rate to 20,000 oz pa resulting in a lower strip ratio (7:1) and higher plant feed grade (3 g/t).

Resources

Gold resources have been estimated in the various locations which are presented in Figure 8 and with the locations in Figure 5 and 6. Many of these resources are open at depth and along strike. However, there is lack of detail in terms of grade tonnage curves and LVG is reviewing the work done to-date as it potentially understates the project's viability.

Mineralisation is open ended in most directions...

Location	Measured			Indicated			Inferred			Total		
	Tonnes	Ounces	Grade	Tonnes	Ounces	Grade	Tonnes	Ounces	Grade	Tonnes	Ounces	Grade
WSZ	129,000	13,100	3.13	671,000	50,100	2.32	667,000	35,200	1.64	1,467,000	98,400	2.19
Area C	285,000	28,900	3.16				450,000	27,100	1.87	735,000	56,000	2.53
Central				224,000	10,100	1.40	253,100	9,600	1.18	477,100	19,700	1.29
Central West				104,000	5,300	1.58	161,200	7,600	1.46	265,200	12,900	1.51
MSZ				531,300	30,200	1.77	769,200	36,100	1.46	1,300,500	66,300	1.60
Area B							296,000	23,000	2.42	296,000	23,000	2.42
Area A							185,000	15,300	2.58	185,000	15,300	2.58
TOTAL	414,000	42,000	3.15	1,530,300	95,700	1.95	2,781,500	153,900	1.56	4,725,800	291,600	1.92

Figure 8. Imwelo Resources (Source: Company).



The mineralization has been modelled in terms of open pit and underground resources by Measured Group as outlined in Figure 9 and with the open pit shell progressions in Figure 10 (after 12 months and then after 38 months).

Modelled gold resources.....

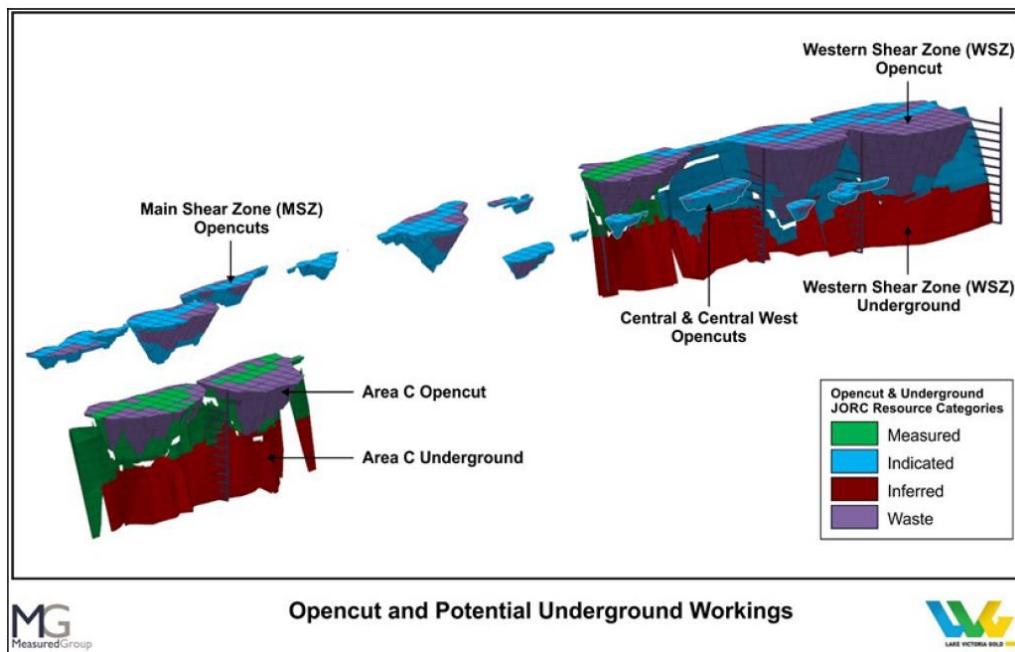


Figure 9. Modeled gold resources (Source: Measured Group).

Open mining progression...

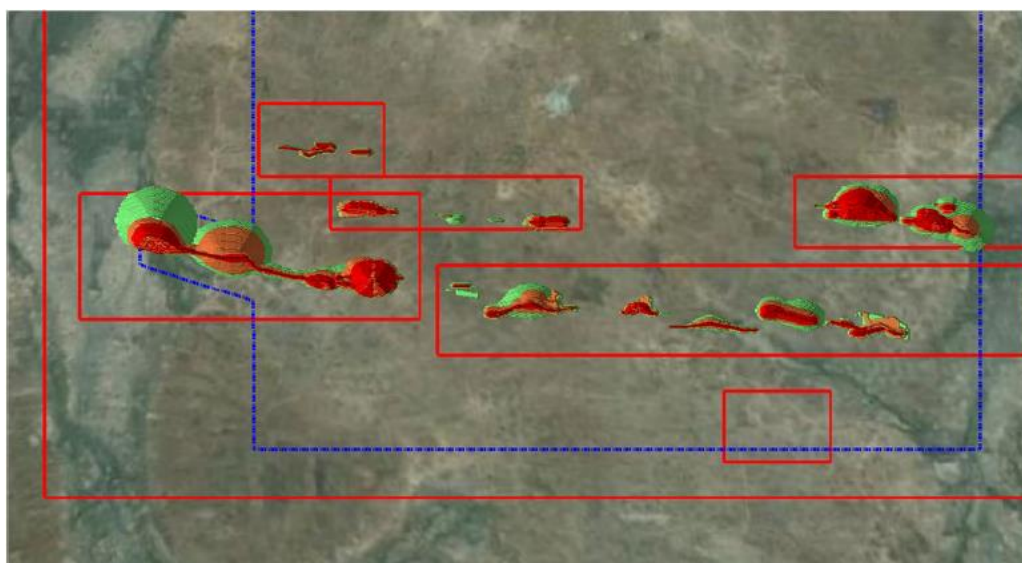


Figure 10. Pit Shell Progression – Red = after 12 months, Green = after 38 months (Source: Measured Group).

While LVG’s tenements are prospective for further gold discoveries, it has also optioned the nearby Imweru Mining Lease Applications which contain significant resources and underpin LVG’s gold production expansion plans.

Katoro Gold Option

The company has recently secured an option over the nearby Imweru Mining Licence Applications for a period of 3 months and an exercise price of US\$1m which can be extended. As noted on Figure 11, the optioned area has the potential to add a substantial ground position to LVG’s current tenements.

The Katoro Gold option could significantly enhance LVG’s gold

The Mining Licence Applications are expected to take approximately 12 months for granting and some of the environmental studies have already been completed. Katoro has gold resources totalling 515,110 oz at 1.39g/t Au (0.4 g/t Au cutoff).



resources and land position....

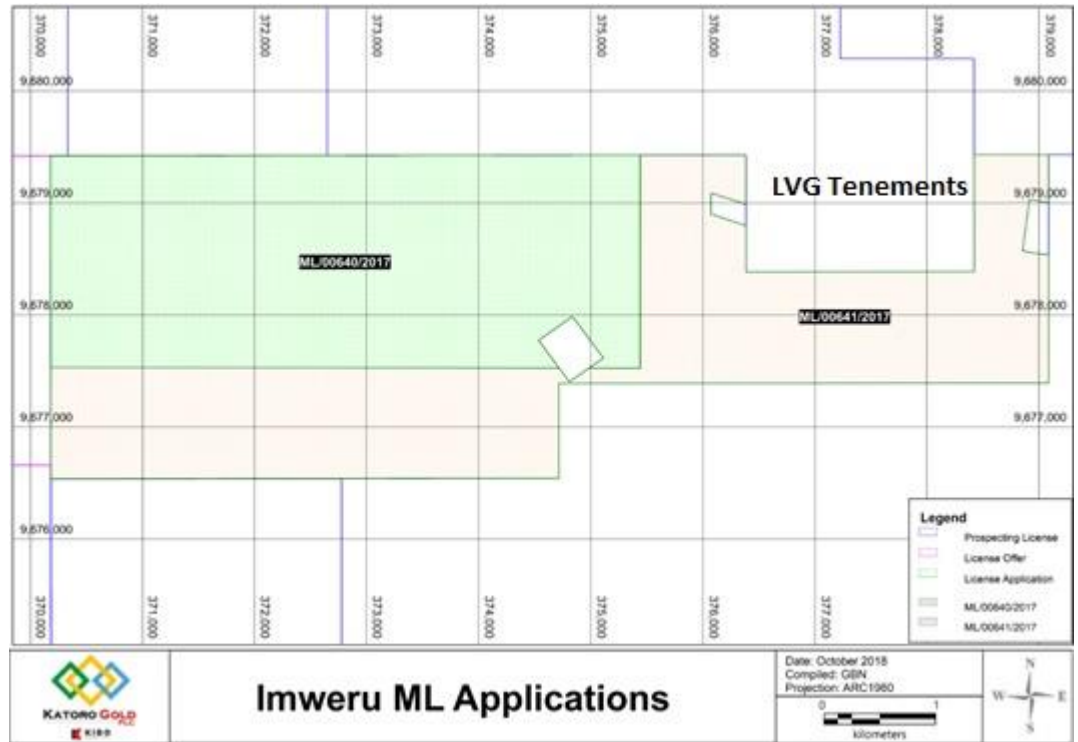


Figure 11. The location of the Imweru ML Applications under option (Source: Katoro Gold).

Metallurgical Testwork

Metallurgical testwork conducted by LVG has recorded gold recoveries of 88%, 90% and 91% over three separate trials and confirm that the gold is 'free' and is liberated by crushing and grinding, gravity separation and cyanidation.

Gold recoveries of 88% to 91% are achievable....

The Bond ball work index and Crushability work index both categorised the Imwelo ore material as 'soft'.

In addition, chemical analysis indicates that there no deleterious elements present including metals that may affect cyanide consumption although some organic carbon is present in the ore.

Plant Design & Flowsheet

LVG has engaged plant manufacturers in the design and construction of the processing facility. It is expected to take 10 months to manufacture, relocate, build and commission.



The flowsheet is relatively simple....

The plant is expected to take 10 months to construct....

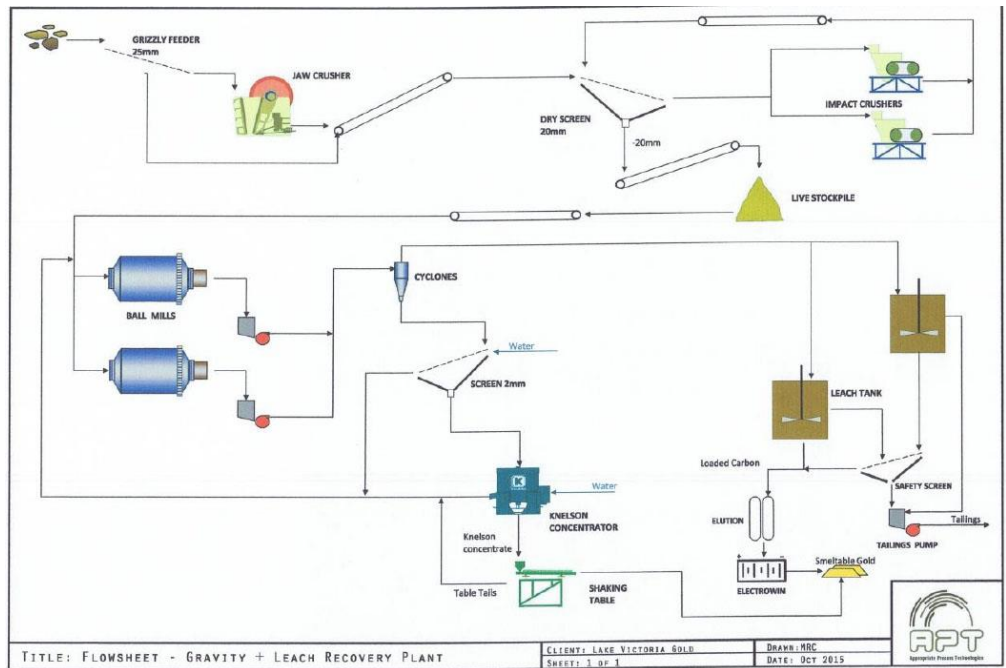


Figure 12. Proposed flowsheet (Source: Company).

The Pre-Feasibility and Scoping Study Report was carried out by Measured Group dated June 2017 and identified the located of the process plant and open pits.

A central plant with a number of open pits and later underground operations....

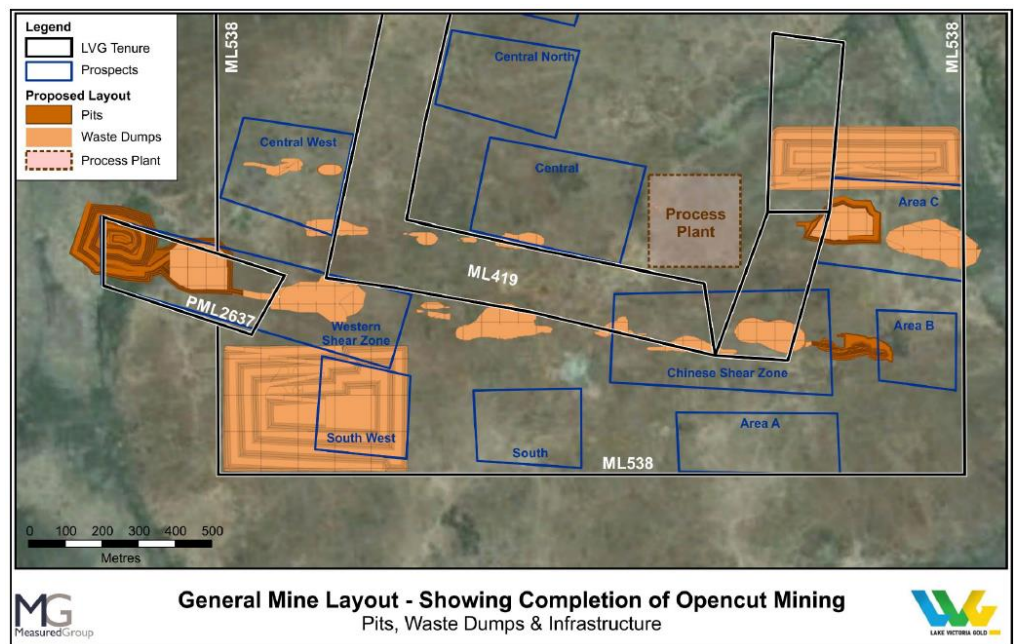


Figure 13. Proposed mine layout (Source: Company).

The Capital Cost items are presented in Figure 14 below.



Item	Cost US\$
Processing Plant Purchase, Transportation and Commissioning	2,345,000
Land Purchase and Compensation	210,000
Exploration Program	350,000
Site Construction and facilities	240,000
Communication, security, tooling, etc.	105,000
Mobilisation and Mining Working Capital	1,200,000
Detailed design, Consultants and Administration	500,000
Imweru Acquisition	1,000,000
Total	5,950,000

Figure 14. Capex breakdown (Source: Company).

Tanzanian Legislation Changes

Tanzanian Government will be entitled to a 16% free-carried

Recently the Tanzanian Government created uncertainty as it introduced legislation that while bringing it into line with other African countries, came as a surprise. This included the passing of legislation entitling it to a 16% free-carried, non-dilutable, interest in new mining projects.

This is expected to occur with ML538 – Imwelo Project and we have factored this dilution into our financial analysis. Importantly it appears to be the last of the changes to the legislation and the mining industry is adapting to these changes.

In addition, the project is subject to a 2% royalty payable to General Exploration Ltd – a private entity involved in exploration in Tanzania. This royalty reduces to 1% if the gold price falls below US\$1,000/oz but increases to 3% if the gold price increases above US\$2,000/oz.

Project Financial Modelling

Breakaway Research has based its modelling on LVG forecast and cost estimates....

Breakaway Research has based its financial modelling on LVG's production and cost data from its first principles costs and production assumptions and which was developed and reviewed by Measured Group Consultants in Brisbane. The project involves initial open pit mining production with development of an underground operation in Year 2 and a ramp up of underground production in Year 3. The processing plant also requires a capital upgrade in Year 2 enabling a higher production rate in Year 3 at 40 t/hr throughput.

It includes the option exercise price....

The option fee of US\$1M to purchase the Katoro licences has also been included in the capex. The forecast earnings, cash flows and valuation are based on LVG's forecast production and operating costs along with the gold price and forex assumptions outlined in Figure 15.



Year		2019	2020	2021	2022	2023	2024	2025	2026
Gold price	US\$/oz	1300	1300	1300	1300	1300	1300	1300	1300
AUD/USD		0.72	0.72	0.72	0.72	0.72	0.72	0.72	0.72
Operating Parameters									
Ore production (combined)	t		124,000	129,556	248,000	248,000	248,000	248,000	248,000
Average Grade	g/t		2.9	3.3	2.9	2.7	2.6	2.5	2.3
Recovery			90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%
Gold Production	oz	-	10,459	12,212	20,757	19,447	18,299	17,626	16,756
<i>Derived from:</i>									
Open pit gold production	oz		10,459	11,688	11,751	10,584	9,688	9,051	8,252
Underground production	oz		-	402	9,006	8,862	8,611	8,575	8,503
Strip Ratio			6.9	6.9	6.9	6.9	6.9	6.9	6.9
Waste removal	t		855,600	893,939	1,711,200	1,711,200	1,711,200	1,711,200	1,711,200
Operating costs									
Mining Costs	US\$/t	963,929	4,199,055	4,508,847	7,195,200	7,196,713	6,996,331	6,995,904	6,995,379
Average mining costs per tonne (ore & waste)	US\$/t		4.29	4.41	3.67	3.67	3.57	3.57	3.57
Processing Costs	US\$/t		1,719,307	1,796,348	3,438,613	3,438,613	3,438,613	3,438,613	3,438,613
	US\$/t		13.87	13.87	13.87	13.87	13.87	13.87	13.87
Other Costs	US\$/t		319,295	339,903	633,546	627,715	623,230	623,230	620,046
Royalties	US\$/t		1,186,982	1,372,063	2,355,640	2,207,013	2,076,709	2,000,360	1,901,614
Revenue									
Gold sales (net)	US\$		13,188,900	15,398,967	26,174,198	24,522,758	23,074,920	22,226,577	21,129,387
Other revenue	US\$		-	29,277	129,966	160,571	390,211	527,389	694,470
Total revenue	US\$	-	13,188,900	15,428,244	26,304,164	24,683,328	23,465,130	22,753,966	21,823,857
Operating costs									
Ore mining	US\$	963,929	4,199,055	4,508,847	7,195,200	7,196,713	6,996,331	6,995,904	6,995,379
Processing	US\$	-	1,719,307	1,796,348	3,438,613	3,438,613	3,438,613	3,438,613	3,438,613
Other - General & Admin	US\$	-	319,295	339,903	633,546	627,715	623,230	623,230	620,046
Tanzanian costs	US\$	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000
Royalties	US\$		1,186,982	1,372,063	2,355,640	2,207,013	2,076,709	2,000,360	1,901,614
Total Costs	US\$	1,083,929	7,544,638	8,137,162	13,742,999	13,590,054	13,254,884	13,178,107	13,075,652
EBITDA	US\$	-	1,083,929	5,644,262	7,291,082	12,561,165	11,093,274	10,210,246	9,575,859
Depreciation & Amortisation	US\$	-	509,400	898,060	866,504	1,007,770	965,243	911,969	854,022
EBIT	US\$	-	1,083,929	5,134,862	6,393,022	11,694,661	10,085,504	9,245,003	8,663,890
Interest expense	US\$	15,000	26,250	19,688	14,766	11,074	8,306	6,229	4,672
Profit before tax	US\$	-	1,098,929	5,108,612	6,373,335	11,679,895	10,074,430	9,236,697	8,657,661
Tax	US\$	-	-	1,202,905	1,912,000	3,503,969	3,022,329	2,771,009	2,597,298
Net profit after tax	US\$	-	1,098,929	3,905,707	4,461,334	8,175,927	7,052,101	6,465,688	6,060,363
LVG interest	US\$	84%	84%	84%	84%	84%	84%	84%	84%
LVG profit after tax	US\$	-	923,101	3,280,794	3,747,521	6,867,778	5,923,765	5,431,178	5,090,705
Shares currently on issue		100,291,668	149,311,276	149,311,276	149,311,276	149,311,276	149,311,276	149,311,276	149,311,276
Shares issued with financing		49,019,608	-	-	-	-	-	-	-
Total shares on issue after financing		149,311,276	149,311,276	149,311,276	149,311,276	149,311,276	149,311,276	149,311,276	149,311,276
EPS (attributable)	US c/share	-0.6	2.2	2.5	4.6	4.0	3.6	3.4	3.1
EPS (attributable)	A\$ c/share	-0.9	3.1	3.5	6.4	5.5	5.1	4.7	4.3
Cash flow per share (attributable)	US c/share	-3.0	2.5	0.9	5.3	3.2	3.9	3.6	3.3
Cash flow per share (attributable)	A\$ c/share	-4.2	3.4	1.2	7.4	4.5	5.4	5.0	4.6
Cash flow									
Revenue	US\$	-	13,188,900	15,428,244	26,304,164	24,683,328	23,465,130	22,753,966	21,823,857
Expenses	US\$	1,083,929	7,544,638	8,137,162	13,742,999	13,590,054	13,254,884	13,178,107	13,075,652
Interest paid	US\$	15,000	26,250	19,688	14,766	11,074	8,306	6,229	4,672
Tax paid	US\$	-	601,452	1,557,453	2,707,985	3,263,149	2,896,669	2,684,154	2,482,076
Net cash flow	US\$	-	1,098,929.35	5,016,559.88	5,713,942.15	9,838,414.73	7,819,051.46	7,305,271.33	6,885,476.37
Capex									
Pre-production	US\$								
Sustaining capex	US\$	4,230,000	864,000	4,396,000	582,500	2,279,167	582,500	432,500	332,500
Project Cash Flow	US\$	-	5,328,929	4,152,560	1,317,942	9,255,915	5,539,885	6,722,771	6,452,976
Reimbursement by Govt for its share of development capex	US\$			170,526	170,526	170,526	170,526	170,526	170,526
Project Cash Flow (LVG attributable - 84%)	US\$	-	4,476,301	3,658,676	1,277,597	7,945,494	4,824,029	5,817,654	4,980,324
Financing									
Debt drawdown	US\$	500,000							
Debt repayment	US\$	-	125,000	93,750	70,313	52,734	39,551	29,663	22,247
Equity raised	US\$	6,000,000							
Net cash flow	US\$	1,171,071	4,027,560	1,224,192	9,185,602	5,487,150	6,683,221	6,423,313	5,906,710
Net cash flow - LVG attributable	US\$	983,699	3,383,150	1,028,321	7,715,906	4,609,206	5,613,905	5,395,583	4,961,636
Cumulative cash (100%)		1,171,071	5,198,631	6,422,823	15,608,425	21,095,575	27,778,796	34,202,109	40,108,819
Average interest rate		2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Interest earned		29,277	129,966	160,571	390,211	527,389	694,470	855,053	1,002,720

Figure 15. Production and financial forecasts for LVG.

The Capex to build the plant and develop the project is estimated by LVG at US\$6.5 m and this has been financed by a US\$6 m equity raising at A\$0.17 per share as well as a US\$0.5 m debt facility.

Project Financial Returns



The project parameters outlined in Figure 15 have been the basis for the Valuation Metrics presented in Figure 16 below. The NPV estimated at US\$ 25.2m and which represents A\$0.23 per share and therefore supports an equity raising at a discount of A\$0.17 per share.

The Price/Earnings and Price/Cashflow ratios based on the first 5 production years are not demanding and the market capitalisation of the Company is estimated at A\$25m based on a A\$0.17 per share price.

The is estimated to have a market capitalisation of A\$24m after raising project finance at A\$0.17 per share....

The NPV is estimated at US\$20.9m or A\$0.21 per share....

Valuation Metrics		
Gold Price	US\$/oz	1300
AUD/USD		0.72
Share placement price	A\$	0.17
	US\$	0.12
Average earnings per share (first five years in production)	US cps	3.38
Price/Earnings Ratio	times	3.6
Average cash flow per share (first five years in production)	US cps	3.15
Price/cash flow ratio	times	3.9
Internal Rate of Return		86%
NPV Valuation		
Discount Rate		10%
NPV	US\$	25,228,801
Per share	US\$/share	0.17
	A\$/share	0.23
Market cap (after raising US\$6.0m at A\$0.17 cents per share)	US\$	18,275,700
Market cap (after raising US\$6.0m at A\$0.17 cents per share)	A\$	25,382,917

Figure 16. LVG Valuation Metrics.

Market Comparison

Breakaway Research has charted ASX listed gold developers and explorers in terms of their market capitalisation below A\$100m. While LVG is not listed, a market capitalisation of \$24m would be at the lower end of the range.

The market cap is at the lower range of ASX listed developers and explorers....

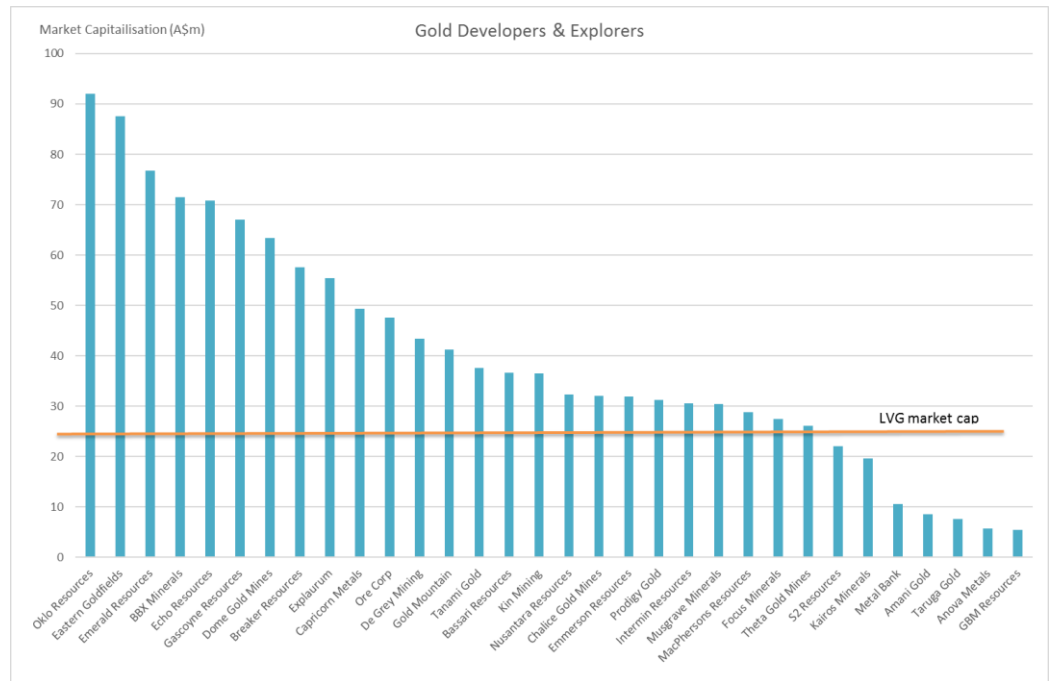


Figure 17. LVG's market capitalization in comparison to ASX listed developers and explorers below \$100m.

Tanzania – Unexpected Risk Escalation Moderates

Tanzania has long been regarded as an attractive country for mineral exploration and mineral development. It is highly prospective for an array of minerals and has a stable political environment with sound legal and fiscal policies.

However, in 2016 the Government surprised the industry by announcing changes to mining legislation involving both the level of 'in-country' processing required before commodities were exported, as well as compulsory Government and local participation in projects.

President John Magufuli approved policy changes after the 2015 election and in July 2017, he suspended the issuance of all new mining licences and reallocated the approval for large-scale projects to a newly-appointed mining commission.

The new policies stem from:

- The government seeking to increase its revenue from projects and participate in windfall profits.
- A focus on value adding processing within Tanzania prior to commodity exports.
- Alignment with the mining policies of some other African countries regarding local participation.

The highest profile case has been Acacia (Barrick Gold Corp: 64%) and its Bulyanhulu mine which produces and exports a refractory gold-copper concentrate for smelting in Finland. The export of this concentrate has now been banned and the Government is requesting in-country processing – a task that would require the construction of an expensive smelter. However, the Government's dealings with Acacia are more complex involving accusations of tax evasion.

LVG Board & Team

The LVG team comprises a broad range of skills in mining and in operating in Tanzania. It has a significant local team which includes in-country experience in geology and exploration as well as understanding the local culture.

The Board has extensive experience in working in Tanzania...



Figure 18. Company Structure (Source: Company).

The Board comprises:

Seth Dickinson – Managing Director

Seth has a Bachelor of Engineering (Mining) and a Graduate Diploma of Business Administration both from the University of Queensland. He has a First Class Mine Managers ticket covering both open cut and underground mines. He has 30 years mining experience including mine management, contract mining, feasibility studies, and project management from initial exploration through to mine operations. Seth was a major shareholder in Nebo Central Coal Pty Ltd which was purchased by the private U.S. Company AMCI.

Alistair Smith - Director

Alistair is a national of Zimbabwe with extensive African experience, including 6 years in Tanzania, and a track record of communication and negotiation across a diverse range of industries. His broad industry experience in project management brings a wealth of international experience to this exploration company. Alistair is a founding shareholder of the Tanzoz group of companies and Managing Director of Tanzoz Australia Pty Ltd.

Craig Ross - Director

Craig is an experienced company director and a founding shareholder of the Tanzoz group of companies. Craig has previous investment experience in the value adding cycle of exploration tenements as a major shareholder of Nebo Central Coal Pty Ltd. Nebo Central Coal was an early stage coal exploration company that progressed from investigating, applying for, and acquiring Exploration Permits in the Bowen Basin through to Mining Leases and finally production.

Bjorn Zikarsky - Director

Bjorn has a Bachelor of Business from the University of Southern California and an MBA from The Wharton School of Business. Bjorn has over 14 years international experience in the financial services industry, including advisory, capital market transactions and private equity management. Until recently Bjorn held the role of senior vice president of Nomura Australia responsible for the natural resources, metals and mining. He is currently CFO and Director of Square Resources Holding.

Breakaway's View

LVG has secured the valuable Imwelo gold project in Tanzania and is now advancing the project towards production. It has the potential to expand its ground position with the Katoro Gold option and this has the potential to provide a material increase in its gold resources and credibility in being able to increase production to a 50,000 oz pa rate in the next few years.



A UK listing would facilitate both shareholder liquidity and an ability to raise the US\$6m capital to develop Imwelo and therefore the next steps are ensuring that this listing takes place.



Disclosure

Breakaway Research Pty Ltd (AFSL 503622) may receive corporate advisory fees, consultancy fees and commissions on sale and purchase of the shares of Lake Victoria Gold and may hold direct and indirect shares in the company. It has also received fees for the preparation of this research note.

Disclaimer

Any observations, conclusions, deductions, or estimates of figures that have been made by Breakaway Research in this report should not be relied upon for investment purposes and the reader should make his or her own investigations. This publication has been issued on the basis that it is only for the information and exclusive use of the particular person to whom it is provided. Any recommendations contained herein are based on a consideration of the securities alone. In preparing such general advice no account was taken of the investment objectives, financial situation and particular needs of a particular person. Before making an investment decision on the basis of this advice, investors and prospective investors need to consider, with or without the assistance of a securities adviser, whether the advice is appropriate in light of the particular investment needs, objectives and financial circumstances of the investor or the prospective investor. Although the information contained in this publication has been obtained from sources considered and believed to be both reliable and accurate, no responsibility is accepted for any opinion expressed or for any error or omission that may have occurred therein.

Breakaway Research Pty Ltd

ABN: 39 602 490 906,

AFSL 503622

T+61293928010 F+61292792727

PO Box H116 Australia Square

Sydney, NSW 2001

Suite 505, 35 Lime Street, Sydney, NSW 2000