

Lamaque Project, Quebec

In June 2003, the Company entered into an Option Agreement with Teck-Cominco (“Teck”) to earn their 50% - 53% interest in approximately 3,074 acres called the Lamaque Project located at Val d’Or, Quebec. The property lies immediately to the south of the two largest gold mines in the Val d’Or area, the Lamaque Mine and the Sigma Mine which have collectively produced over nine million ounces of gold. The property is subject to joint venture agreements with Golden Pond Resources Ltd. and Tundra Gold Mines Limited, both inactive British Columbia corporations. Tundra and Golden Pond have declined to participate in further work on the Lamaque Project, resulting in a dilution of their working interest.

Kalahari has served as Operator since 2003 and in that time has conducted several drilling campaigns on the 3,800-acre property where the infrastructure is excellent with easy road-access to the property and the mining town of Val-d’Or. An important advantage for the Lamaque Project is the existence of several milling facilities in the immediate Val d’Or area, which will process ore on a custom-milling basis. The close proximity to metallurgical facilities, water, and power, combined with easy road access will allow for reduced development and capital costs, should a future production decision be reached at the Lamaque Property.

The property is located in the Abitibi Greenstone Belt, one km south of the prolific gold-producing “Cadillac Break” and immediately south of the Lamaque and Sigma mines. Kalahari has also acquired 100% of Teck Cominco’s interest in the Rocdor East and Rocdor West claims, where new targets have been generated. The Lamaque Project has an inferred mineral resource of 1,365,000 tons grading 0.186 opt gold (cut) or 0.275 opt gold (uncut) as audited and reclassified by Watts, Griffis & McOuat’s NI 43-101 Technical Report, dated September 2004 (see Sedar October 20, 2004 for details of report). The summary table from that report is shown below in Table 1.

Gold Deposit Name	Tons	Cut grade	Uncut Grade
No. 4 Plug 700-3,000 –foot level	1,149,000	0.179	0.275
No. 10 Vein	216,000	0.224	0.276
Total	1,365,000	0.186	0.275

Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.

Three new zones of mineralization have been discovered; the Sixteen Zone on the west side of the project where 31 holes have been drilled; the Forestel Zone on the east side of the project where 12 holes have been drilled; and the Triangle Magnetic Anomaly in the south eastern corner of the property. All of these areas remain areas of interest and the Company intends to continue work or find partners to advance these prospects. To facilitate further exploration programs, Kalahari has compiled a database encompassing the results of both recent and historic exploration programs on the property.

Don Cross, P. Eng. of Val-d` Or has worked as the Qualified Person responsible for exploration, data compilation and management on the Lamaque Property for the past several years.

Number 10 Vein and Parallel Zone

The No. 10 Zone has been categorized as an Inferred Mineral Resource of **216,000 tons grading 0.224 oz/ton** (cut to 1 oz) and .0276 oz/ton (uncut) in a Watts Griffis & McOuat 43-101 report. The Parallel

Zone was not calculated in the Watts Griffis report; however, historic data from a previous operator reports 98,000 tons at 0.386 oz Au/ton uncut and 0.234 oz Au/ton which is the reason the company initiated exploration in this area. This historical resource is not 43-101 compliant and should not be relied upon for inverting purposes.

The No. 10 Zone and the Parallel Zones are in close proximity and could potentially be serviced from the same decline or shaft. Other important advantages are good road access and the availability of milling facilities in the immediate area that will process ore on a custom-milling basis.

No. 4 Plug

The No. 4 Plug is an advanced exploration target with a 43-101 Resource as shown in the Table 1 above. Effective exploration to advance the No.4 Plug Zone will require underground access and no work has been scheduled.

Forestel Zone

The Forestel Zone is another area on the property which has seen significant exploration and drilling by past operators due to its proximity to the Sigma Mine. The Company conducted three holes were completed on this zone (see press release dated Feb. 8, 2007). The three holes were drilled to intersect mineralization intersected in the Forestel Zone at depth below previous holes reported in earlier press releases. The best results from this drill program are shown below.

DDH	From (ft)	To (ft)	Width (ft)	(oz/ton) Au
0601	710.6	712	1.4	0.292
0602	518.5	521.5	3	0.194
	528.4	529.8	1.4	0.216
0603	695.2	696.8	1.6	0.118

Exploration programs for the Forestel Zone have not been scheduled do to budgetary constraints.

The Sixteen Zone

The Sixteen Zone is a system of quartz/tourmaline/pyrite veins and associated alteration, within a steeply north-dipping, east-northeast-trending, feldspar porphyry granodiorite dyke. Correlation between vein intersections in adjoining holes has proven difficult and it is not known if the veins are tabular and laterally extensive or if they are more cylindrical. The veins vary in true width from less than an inch to several feet. It is possible that the veins and strongest alteration are concentrated in a pipe-like feature, the plunge of which is unknown, however, at this time, this is a subject of conjecture and the relatively unexplored length of the granodiorite dyke remains an important drilling target.

Thirty nine holes (29,668 ft) were drilled in 2003/04 with only limited success. The results returned one hole showing 147 feet of 0.1 opt Au (see technical report on Sedar October 20, 2004 for details). However, the grades have not been duplicated by additional holes. The Company remains interesting in advancing this showing further but has no exploration program scheduled due to budgetary constraints.

Current Exploration

In the spring of 2008 three previously untested induced polarization (IP) anomalies within the No. 10 Zone and the Parallel Zone were selected for a drill program. The program included 22,923.33 feet of NQ diamond drilling in 29 holes

The 2008 drill results were published in their entirety in a press release dated November 21, 2008. The results show that the zone is cut off to the east, while there is potential to depth in a westerly strike

direction. Twelve of the 29 holes intersected significant gold intersections with several holes intersecting numerous narrow but higher grade gold. The very best intersections are shown below.

Significant Gold Intersections (uncut)				
DDH No	From	To	Width (ft)	Gold oz/ton
V10-08-01	167.2	169.1	1.9	0.372
V10-08-04	918.5	922	3.5	0.212
V10-08-05	1193.2	1195.6	2.4	1.773
V10-08-07	220	221.5	1.5	0.102
	563.2	565.3	2.1	2.36
	781.4	783.8	2.4	0.457
V10-08-08	531	532	1	0.404
	534.8	536	1.2	0.355
	548	550	2	0.44
	642.8	646.8	4	0.788
	725	728	3	0.638
	728	729	1	0.403
	729	732	3	0.369
V10-08-09	889.8	891.5	1.7	0.395
	898.6	901	2.4	0.228
V10-08-10	442.4	444.4	2	0.404
	446	450	4	0.084
	875.4	879.4	4	0.388
V10-08-12	926.2	927.9	1.7	0.171
V10-08-13	165.5	167	1.5	0.312
	202.7	206	3.3	0.506

In 2008 the Company also conducted a MMI geochemical survey and an air borne geophysical VTEM survey on the property. Both of these surveys identified several promising anomalies and have generated 20 new targets on the property.