Court File No.: CV-13-1010700CL

ONTARIO

SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT,* R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF GHANA GOLD CORPORATION, GHANA GOLD INC., COASTAL EXPLORATIONS LIMITED AND ABURI GOLDFIELDS (GHANA) LTD.

(collectively, the "Applicants")

FIRST REPORT OF THE MONITOR DATED MAY 29, 2013

INTRODUCTION

1. On May 9, 2013, Ghana Gold Corporation ("**GGC**"), Ghana Gold Inc. ("**GGI**"), Coastal Explorations Limited ("**Coastal**") and Aburi Goldfields (Ghana) Ltd. ("**Aburi Goldfields**") (collectively, the "**Ghana Gold Group**" or the "**Applicants**") filed an application for relief under the *Companies' Creditors Arrangement Act* ("**CCAA**") in order to restructure the business and affairs of the Applicants.

2. On the same day, the Honourable Mr. Justice Newbould of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") made an order (the "**Initial Order**") granting the application and providing for, among other things, the appointment of Ernst & Young Inc. ("**EYI**") as monitor in the CCAA proceedings of the Applicants (the "**Monitor**") and a stay of proceedings against the Applicants until and including June 8, 2013 or such later date as this Court may order (the "**Stay Period**").

PURPOSE

3. The purpose of this First Report of the Monitor (the "**First Report**") is to provide

information to this Court on:

i) the status of the CCAA proceedings;

ii) the status of the Sale and Investment Solicitation Process (the "**SISP**") as authorized in the Initial Order;

iii) the Motion by Minatura (BVI) Ltd. ("**Minatura**") seeking an Order, among other things:

a) declaring that Aburi Goldfields did not consent to being an Applicant in the CCAA proceedings;

b) declaring that Aburi Goldfields' application for relief under the CCAA proceedings is stayed and/or deemed withdrawn;

c) declaring that Aburi Goldfields' assets or undertakings and properties are not included in the definition of property as set out in paragraph 4 of the Initial Order; and

d) alternatively, directing how the pending dispute between Coastal and Minatura over control of Aburi Goldfields is to be determined, and in particular directing the dispute to be determined by way of a currently pending action in Ghana, and appropriate stays of the CCAA proceedings in the interim.

iv) the implementation of a set of procedures (the "**Site Visit Procedures**") governing visits by the senior secured creditor and DIP Lender to the locations of the mining operations;

v) actual receipts and disbursements of the Applicants from May 9, 2013 to May 26, 2013 as well as the Applicants' revised cash flow projection from May 27, 2013 to August 4, 2013; and

vi) the motion by the Applicants to:

a) extend the Stay Period to and including July 31, 2013;

b) authorize the Applicants to enter into non-exclusive placement fee letters, subject to the Monitor's review and approval; and

c) approving this First Report and the conduct and activities of the Monitor as presented in this First Report.

TERMS OF REFERENCE

4. In preparing this First Report and making the comments herein, the Monitor has been provided with, and has relied upon, certain unaudited financial information, the Applicants' books and records, financial information prepared by the Applicants, discussions with management of the Applicants (the "**Management**") and information from other third-party sources (collectively, the "**Information**"). Except as described in the First Report;

   i) the Monitor has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of such information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards pursuant to the Canadian Institute of Chartered Accountants (**"CICA"**) Handbook, and

   ii) some of the information referred to in this First Report consists of forecasts and projections. An examination or review of the financial forecast and projections, as outlined in the CICA Handbook, has not been performed.

5. Future oriented financial information referred to in this First Report was prepared based on Management's estimates and assumptions. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not ascertainable, the actual results will vary from the projections, even if the assumptions materialize, and the variations could be significant.

6. Unless otherwise stated all monetary amounts contained herein are expressed in Canadian Dollars**.**

BACKGROUND AND CORPORATE STRUCTURE

7. GGC is a privately owned gold mining company incorporated pursuant to the laws of Ontario. The other Applicants are subsidiaries of GGC incorporated in the British Virgin Islands and Ghana. A copy of the organization chart is attached hereto as Appendix "**A**" to this Report.

8. The Ghana Gold Group's core business is the production of gold from its two operating gold projects in central Ghana, West Africa: the Aburi project (the "**Aburi Project**") and the Ofin project (the "**Ofin Project**"). The Applicants also have a third property located in eastern Ghana near the town of Kibi called the MOS project (the "**MOS Project**"). GGC has approximately 220 employees.

9. A copy of the report of EYI as the proposed Monitor dated May 8, 2013 (the "**Pre-filing Report"**) without appendices is attached hereto as Appendix "**B**" to this Report.

10. As described in the Pre-filing Report, the Applicants received financing of U.S. $5 million from FCMI Parent Co. ("**FCMI**") pursuant to a promissory note dated October 28, 2011 (the "**Note**"). GGI and Coastal guaranteed the obligations of GGC to FCMI under the Note pursuant to a guarantee dated October 28, 2011 (the "**Guarantee**"). GGC, GGI and Coastal secured their obligations to FCMI under the Note and the Guarantee pursuant to a securities pledge agreement dated October 28, 2011. The Monitor understands that the current outstanding balance on the loan from FCMI is approximately U.S. $4 million.

11. The Initial Order authorized the Applicants to obtain and borrow under a credit facility from FCMI Financial Corporation (the "**DIP Lender**"), an affiliate of FCMI, an amount not to exceed U.S.$750,000 (the "**DIP Loan**") to pay all indebtedness, interest and fees owing to the DIP Lender pursuant to a DIP term sheet entered into between the Applicants and the DIP Lender dated May 8, 2013 (the "**DIP Term Sheet**").

STATUS OF CCAA PROCEEDINGS

Service and Notices Update

12. Pursuant to paragraph 49 of the Initial Order, the Monitor:

    i) Caused a notice containing the information prescribed by section 23 of the CCAA to be published in the Friday, May 17 edition of the *Globe and Mail* (National Edition). The notice also includes information with respect to the SISP as set out in the Initial Order. A copy of the relevant page of the newspaper is attached hereto as Appendix "**C**";

    ii) Mailed a notice of the CCAA proceedings (the "**Notice to Creditors**") within five business days of the issuance of the Initial Order to all known creditors in Canada (excluding employees), which the Applicants' books and records indicated were owed more than $1,000 as at April 30, 2013 (the "**Known Canadian Creditors**"). In addition, the Monitor sent the Notice to Creditors to certain creditors in the United States as agreed with the Applicants; and

    iii) Based on the books and records of the Applicants, prepared and posted on the Monitor's website at www.ey.com/ca/ggc (the "**Monitor's Website**") a list of the Known Canadian Creditors, showing the names and addresses of the Known Canadian Creditors and the estimated amounts of those claims.

13. In order to allow creditors and other interested parties to contact the Monitor to obtain additional information, the Monitor has established a toll free hotline number for callers in Canada and the U.S., as well as a regular number for any interested parties outside of North America.

14. The Monitor has also established an email address (ghanagoldcorp@ca.ey.com) where interested parties can email questions regarding the CCAA proceedings.

15. The Monitor has made various materials relating to these proceedings available on the Monitor's Website including, among other things, the Applicants' CCAA

Application record, the Pre-filing Report and the Initial Order.

16. The Monitor has established a process with the Ghana Gold Group, whereby the Monitor is reviewing all disbursements before they are made.

17. In addition, the Monitor is providing weekly cash flow reporting to the DIP Lender's financial advisor in accordance with the Terms of the Initial Order and the DIP Term Sheet.

Operations Update

18. Subsequent to the issuance of the Initial Order, the Applicants continued their operations on a business as usual basis. From the date of filing to May 26, 2013, the Applicants produced approximately 296 ounces of gold, 100 ounces lower than projected. The Applicants' ability to process gold bearing gravel was restricted during the period from May 15 to May 26, 2013 due to a water supply issue caused by a partial collapse of the pipe that supplies water for gold production. The Applicants have taken steps to address this issue, and anticipate that the production constraint will be largely resolved by the end of the week ending June 2, 2013.

19. Gold prices continue to be volatile. On May 9, 2013, the London afternoon gold fix price was U.S. $1,465 per ounce. The price declined to U.S. $1,390 per ounce by May 24, 2013. As a result, the actual average net gold spot price received by the Applicants during the period from May 9, 2013 to May 26, 2013 was lower than projected.

SISP STATUS

20. The Initial Order authorized the Applicants, with the assistance of the Monitor, to undertake the SISP in accordance with the procedures attached as Schedule "A" to the Initial Order (the "**SISP Procedures**"). The purpose of the SISP is to identify one or more financiers or purchasers of and investors in Ghana Gold Group's business with a projected completion date of a transaction or transactions by the end of July, 2013.

21. As discussed earlier, a newspaper advertisement regarding the SISP was placed in combination with CCAA public notice on May 17, 2013.

22. The Applicants have, with the assistance of the Monitor, taken the following steps in the initial phases of the SISP:

i) Prepared a two page overview of the Applicants' business and operations (the "**Teaser**");

ii) Set up a data room including materials relevant for assessing the business and operations of the Applicants;

iii) Updated an investment overview document that has been included in the data room as a confidential information memorandum (the "**CIM**");

iv) Compiled a list of prospective financiers, investors or purchasers (the "**Target List**"), including parties that expressed interest prior to the CCAA proceedings, to solicit interest in a financing, investment in or acquisition of Ghana Gold Group's operations;

v) Contacted parties on the Target List by phone or email; and

vi) Have had discussions and meetings with various interested parties in respect of the SISP.

23. The Applicants have also engaged in discussions with certain agents with respect to entering into non-exclusive arrangements, whereby these agents may assist the Applicants in seeking financing or investors pursuant to the SISP. Accordingly, the Applicants are seeking the authorization of the Court to execute certain non-exclusive placement fee letters with such agents (the "**Placement Fee Letters**"), which would be reviewed and approved by the Monitor prior to execution.

24. As set out in the SISP Procedures, potential interested parties have until June 11, 2013 to submit a non-binding letter of intent ("**LOI**").

MOTION BY MINATURA

25. As set out above, the Motion by Minatura, which is scheduled to be heard on June 3, 2013, seeks an Order, among other things:

    i) declaring that Aburi Goldfields did not consent to being an Applicant in the CCAA proceedings;

    ii) declaring that Aburi Goldfields' application for relief under the CCAA proceedings is stayed and/or deemed withdrawn;

    iii) declaring that Aburi Goldfields' assets or undertakings and properties are not included in the definition of property as set out in paragraph 4 of the Initial Order; and

    iv) alternatively, directing how the pending dispute between Coastal and Minatura over control of Aburi Goldfields is to be determined, and in particular directing that the dispute to be determined by way of a currently pending action in Ghana, and appropriate stays of the CCAA proceedings in the interim.

26. The Applicants are opposing Minatura's motion.

27. As set out in the affidavit of Tom Griffis, the Chief Executive Officer and the Chairman of the Board of Directors of GGC, dated May 8, 2013 (the "**First Griffis Affidavit**"), and the supplemental affidavit of Tom Griffis dated May 22, 2013 (the "**Second Griffis Affidavit**") (collectively, the "**Griffis Affidavits**"), prior to the Aburi Project being put into production, Coastal and Minatura entered into a joint venture agreement (the "**JV Agreement**") dated April 27, 2012, which provided that Aburi Goldfields would be a joint venture between Coastal and Minatura, subject to the terms of the JV Agreement. A copy of the JV Agreement is attached as Appendix "M" to the First Griffis Affidavit.

28. The Applicants issued a letter of termination pursuant to section 7.3(a) of the JV Agreement due to Minatura's failure to deliver, among other things, certain equipment to Aburi Goldfields required by the JV Agreement. A copy of the

termination letter is attached as Appendix "N" to the First Griffis Affidavit. Accordingly, the Applicants are of the view that Minatura is not a shareholder of Aburi Goldfields and that Aburi Goldfields was properly authorized to commence these CCAA proceedings.

29. On February 12, 2013, Coastal and Aburi Goldfields commenced an action against Minatura in Ontario for, among other things, breach of the JV Agreement, inducing breach of contract, interference with economic relations and unjust enrichment. A copy of the Statement of Claim issued on February 12, 2013 is attached as Exhibit "O" of the First Griffis Affidavit.

30. Minatura disputes the Applicants' termination of the JV Agreement. On April 11, 2013, Minatura commenced an action against Coastal and Aburi Goldfields in Ghana for specific performance, injunctive relief and an accounting. A copy of the Writ of Summons issued in the Superior Court of Judicature in the High Court of Justice Commercial Division, Accra, Ghana is attached as Exhibit "P" to the First Griffis Affidavit.

31. The relief sought by Minatura in the Minatura Motion would, if granted, be highly detrimental to the prospects of a successful restructuring. The Aburi Project is a key asset of Ghana Gold Group and is integral to its value, and due to the degree of integration among the Ghana Gold Group entities, the removal of Aburi Goldfields from these proceedings would be disruptive to Ghana Gold Group's operations as well as undermine the SISP.

32. Aburi Goldfields does not own the site of the Aburi Project or the rights to mine same. Pursuant to a letter agreement dated June 13, 2011 between GGC and Romex Mining Corp. ("**Romex**"), Romex agreed to sell to GGC (or its designee) the alluvial mining rights in respect of the Aburi Project location. The Monitor is advised by Ghana Gold Group that such alluvial mining rights are held by GGC for Coastal's benefit.

33. Aburi Goldfields currently operates the Aburi Project pursuant to an operating

agreement between Aburi Goldfields and Romex dated April 27, 2012. The operation of the Aburi Project is being undertaken using plant and equipment owned or leased by Coastal in addition to plant and equipment owned by Aburi Goldfields. A listing of the Aburi Goldfields's equipment and Coastal's equipment is attached hereto as Appendix "**D**".

34. The Monitor does not express any opinion as to the merits of the Minatura Motion.

SITE VISIT PROCEDURES

35. FCMI and its affiliate, the DIP Lender (together, the "**FCMI Parties**"), have advised Ghana Gold Group and the Monitor that they intend to visit Sites (as defined in the Site Visit Procedures) for the purpose of inspecting their collateral and assessing operations.

36. With the assistance of the Monitor, Ghana Gold Group and the FCMI Parties have formulated the Site Visit Procedures to govern such visits. A copy of the Site Visit Procedures is attached hereto as Appendix "**E**".

37. The Monitor is of the view that the Site Visit Procedures are required to fairly balance the interests of the parties, minimize interference with GGC's operations and employees and preserve the integrity of the SISP.

RECEIPTS AND DISBURSEMENTS

38. A summary of the actual receipts and disbursements as compared to the projection set out in Appendix "B" to the Pre-filing Report is attached as Appendix "**F**" to this First Report.

39. The Applicants' actual consolidated net cash inflow for the period from May 9, 2013 to May 26, 2013 was negative U.S. $20,000. The actual net cash inflow was lower than the projection by approximately U.S. $59,000 due to a combination of lower than projected gold production and prices as discussed earlier in this First Report.

UPDATED CASH FLOW PROJECTION

40. The Applicants have, with the assistance of the Monitor, prepared a cash flow projection for the period from May 27, 2013 to August 4, 2013 (the "**Cash Flow Forecast**"), a copy of which is attached as Appendix "**G**" to this First Report.

41. The Cash Flow Forecast reflects receipts and disbursements to be received or paid over the projection period in U.S. dollars.

42. The Applicants are projecting a net cash inflow of approximately negative U.S. $98,000 during the projection period.

43. The Cash Flow Forecast projects that the Applicant will have sufficient liquidity to operate during the proposed stay period as discussed further in this First Report.

STAY EXTENSION

44. The current stay of proceedings under the Initial Order expires on June 8, 2013. The Applicants are seeking an extension of the stay period to July 31, 2013 in order to permit them to take time to undertake the SISP as set out in Schedule "A" to the Initial Order. As discussed earlier, the Applicants are, with the assistance of the Monitor, working through the SISP with non-binding LOIs due June on 11, 2013, and working towards receiving an offer for a financing, purchase and/or investment on or before July 15, 2013. The Applicants are targeting to close a transaction or transactions by July 31, 2013.

45. The Cash Flow Forecast described earlier, which covers the period from May 27, 2013 to August 4, 2013, indicates that the Applicants will have sufficient liquidity to operate during the projection period.

RECOMMENDATION

46. The Applicants are seeking this Court's authorization for the following:

   a) an extension of the Stay Period to and including July 31, 2013;

b) approving the Applicants to enter into certain non-exclusive placement fee letters subject to the Monitor's review and approval; and

c) approving this First Report and the conduct and activities of the Monitor as presented in this First Report.

47. The Monitor is of the view that the Applicants have acted, and are acting in accordance with the Initial Order, in good faith and with due diligence. The Monitor recommends that this Court grant the relief sought by the Applicants.

All of which is respectfully submitted this 29th day of May, 2013.

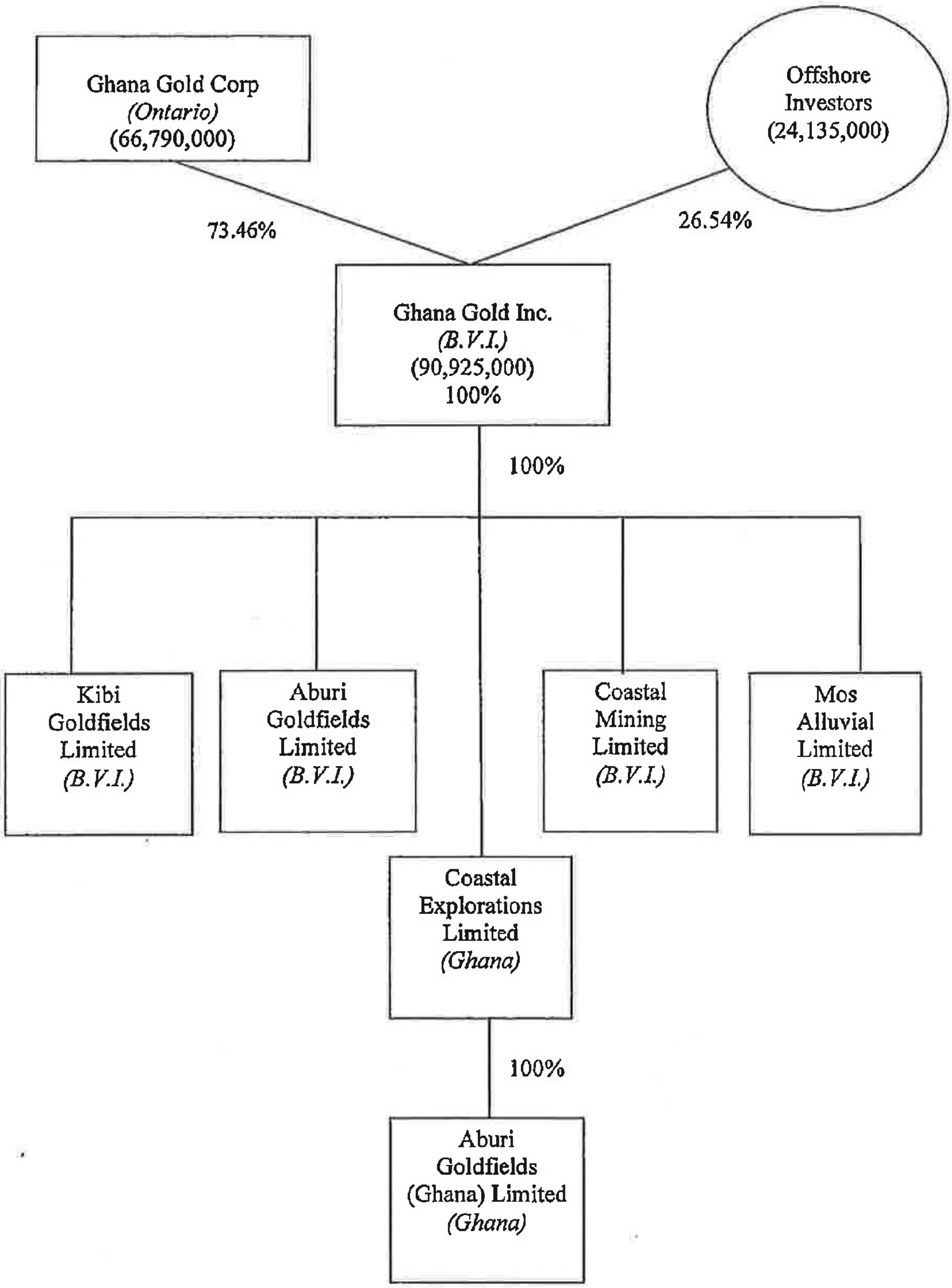
ERNST & YOUNG INC.
in its capacity as the Proposed Monitor of Ghana Gold Corporation, Ghana Gold Inc., Coastal Explorations Limited and Aburi Goldfields Inc.

Per:

Alex Morrison
Senior Vice President

APPENDIX A

GHANA GOLD CORP
At December 31, 2012 & as of to-date



APPENDIX B

Court File No.:[ ]

ONTARIO

SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT,* R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF GHANA GOLD CORPORATION, GHANA GOLD INC., COASTAL EXPLORATIONS LIMITED AND ABURI GOLDFIELDS GHANA LTD.

Applicants

REPORT OF THE PROPOSED MONITOR
DATED MAY 8, 2013

INTRODUCTION

1. Ernst & Young Inc. ("**EYI**") understands that Ghana Gold Corporation ("**GGC**"), Ghana Gold Inc. ("**GGI**"), Coastal Explorations Limited ("**Coastal**") and Aburi GoldFields Ghana Ltd. ("**Aburi GoldFields**") (collectively, the "**Applicants**") have jointly brought an application (the "**CCAA Application**") before this Court seeking, among other things, commencement of proceedings under the *Companies' Creditors Arrangement Act* ("**CCAA**") in order to restructure the business and affairs of the Applicants.

2. This is the report (the "**Pre-filing Report**") of EYI, the proposed Monitor (the "**Proposed Monitor**") in the Applicants' CCAA proceedings. EYI has consented to act as Monitor (the "**Monitor**") in these CCAA proceedings should this Court grant an Initial Order in the CCAA Application.

PURPOSE

3. The purpose of this Pre-filing Report is to provide information to this Honourable Court on:

   i) the Applicants' background and corporate structure;

ii) the Applicants' decision to commence insolvency proceedings;

iii) the Applicants' request for Debtor-in-Possession ("**DIP**") financing;

iv) an overview of the Applicants' 13 week cash flow forecast;

v) selected financial matters addressed in the proposed Initial Order;

vi) the Applicants' restructuring alternatives and proposed marketing process; and

vii) the Proposed Monitor's conclusions and recommendations.

TERMS OF REFERENCE

4. In preparing this Pre-filing Report and making the comments herein, the Proposed Monitor has been provided with, and has relied upon certain unaudited financial information, the Applicants' books and records, financial information prepared by the Applicants, discussions with management of the Applicants (the "**Management**") and information from other third-party sources (collectively, the "**Information**"). Except as described in this Pre-filing Report;

   i) the Proposed Monitor has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of such information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards pursuant to the Canadian Institute of Chartered Accountants (**"CICA"**) Handbook, and

   ii) some of the information referred to in this Pre-filing Report consists of forecasts and projections. An examination or review of the financial forecast and projections, as outlined in the CICA Handbook, has not been performed.

5. Future oriented financial information referred to in this Pre-filing Report was prepared based on Management's estimates and assumptions. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not ascertainable, the actual results will vary from the

projections, even if the assumptions materialize, and the variations could be significant.

6. Unless otherwise stated all monetary amounts contained herein are expressed in Canadian Dollars**.**

7. Capitalized terms not defined in this Pre-filing Report are defined in the application filed by GGC in connection with these CCAA proceedings.

8. EYI was retained by GGC on May 1, 2013 to assist it and its other professional advisors to analyse options available to refinance and restructure GGC's operations.

9. EYI does not act as auditor to the Applicants.

BACKGROUND AND CORPORATE STRUCTURE

10. GGC is a privately owned gold mining company. A copy of the organization chart as attached as Exhibit "B" to the affidavit of Tom Griffis, the Chief Executive Officer and the Chairman of the Board of Directors of GGC, filed in connection with GGC's CCAA proceedings (the "**Griffis Affidavit**"), is reproduced as Appendix '**A**' to this Report.

11. The Applicants' core business is the production of gold from its operating gold mine in Ghana, West Africa. The Applicants have two operating gold projects in central Ghana: the Aburi project ("**Aburi**") and the Ofin project ("**Ofin**"), which is located in the same area as Aburi. The Applicants also have a third property located in eastern Ghana near the town of Kibi called the MOS project ("**MOS**"). The Proposed Monitor understands that GGC has approximately 220 employees. Further details with respect to the Applicants' operations including a map showing the locations of the Applicants' mining interests are included in the Griffis Affidavit.

12. As discussed in the Griffis Affidavit, the Applicants received financing of U.S.$5 million from FCMI Parent Co. ("**FCMI**") pursuant to a promissory note dated

October 28, 2011 (the "**Note**"). GGI and Coastal guaranteed the obligations of GGC to FCMI under the Note pursuant to a guarantee dated October 28, 2011 (the "**Guarantee**"). GGC, GGI and Coastal secured their obligations to FCMI under the Note and the Guarantee pursuant to a securities pledge agreement dated October 28, 2011. Pursuant to the terms of the Note, FCMI has the right, on or after December 1, 2012 and prior to all obligations being repaid in full, to convert the whole or any part of the principal amount of the Note into fully-paid and non-assessable common shares at a price of $0.10 per share. The Note was initially set to mature on April 29, 2013, however, the maturity was subsequently extended to May 8, 2013. The terms of the loan to FCMI require the repayment of principal at U.S. $300 per ounce of gold produced from the Applicants' operations. Further details with respect to the Note and the terms of its repayment are described in the Griffis Affidavit. The Proposed Monitor understands that the current outstanding balance on the loan from FCMI is approximately U.S. $4 million.

DECISION TO COMMENCE INSOLVENCY PROCEEDINGS

13. Management has indicated to the Proposed Monitor that GGC generates positive cash flow from its mining operations, and Management expects that GGC's operation will sustain itself under current gold market conditions.

14. The Proposed Monitor understands that GGC's current indebtedness to FCMI is approximately U.S. $4 million. In addition, the Proposed Monitor understands that the Applicants have accounts payable and accruals of approximately U.S. $2.2 million as of May 6, 2013. As described above, GGI and Coastal guaranteed the obligations of GGC to FCMI under the Note. As further discussed above, this indebtedness was due to be paid by GGC to FCMI on April 29, 2013 and extended to today, May 8, 2013. However, GGC cannot repay the amount owing to FCMI at this time, and accordingly, a stay of proceedings is essential for the continued operation of GGC's business. In addition, obtaining an Initial Order is also a condition of the DIP Loan (defined below) agreement that the Applicants entered into in order to obtain temporary DIP financing as described further in this

Pre-filing Report.

15. A stay would provide GGC with the necessary time to conduct a marketing process as described further in this Pre-filing Report. Management is of the view that if it is given the time to complete the marketing process, the FCMI debt can be fully paid or refinanced. Accordingly, GGC believes it is necessary for it to file for CCAA protection.

DIP FINANCING

16. As described above, GGC has experienced positive cash flows in the last few months and Management expects that such positive cash flows will continue under current gold market conditions. However, based on GGC's Cash Flow Forecast (defined below) described in detail below, GGC does not project that it will have sufficient cash to fund principal payments to FCMI based on the formula of U.S. $300 per ounce of gold produced as required in the Note and to fund its restructuring efforts. FCMI Financial Corporation (the "**DIP Lender**"), which the Proposed Monitor understands is an affiliate entity to FCMI, has agreed to provide the Applicants with DIP financing on a short term basis. Certain significant terms included in the DIP Loan (defined below) agreement are as follows. A copy of the DIP Loan agreement is attached as Exhibit "R" to the Griffis Affidavit:

i) the DIP Lender will provide a non-revolving loan with a maximum principal amount of $750,000 (the "**DIP Loan**") to be used by the Applicants to make the payment obligations to FCMI under the Note;

ii) the DIP Loan will be charged interest of 15% per annum on the daily outstanding balance under the DIP Loan;

iii) any outstanding DIP Loan amount including interest, fees and other amounts included in the DIP Loan agreement shall be due on July 31, 2013;

iv) the DIP Loan will be secured by the Initial Order including a first priority charge over all assets of the Applicants (the "**DIP Charge**"), subject only to an Administration Charge (described below) not to exceed $250,000, a general security agreement from the Applicants' if requested by the DIP Lender and certain other documentation;

v) the Applicants shall pay a fee of $25,000 to the DIP Lender and the Applicants are also responsible for certain costs, fees and expenses related to the DIP Loan agreement and these CCAA proceedings; and

vi) the DIP Loan agreement also includes certain ongoing covenants and events of default.

OVERVIEW OF GGC's 13 WEEK CASH FLOW PROJECTION

17. GGC, with the assistance of its financial advisors, has prepared a cash flow forecast for the 13 week period from May 9, 2013 to August 4, 2013 (the "**Cash Flow Forecast**"). A copy of the Cash Flow Forecast is attached to the Griffis Affidavit, and attached as Appendix '**B**' to this Pre-filing Report. The Cash Flow Forecast has been prepared by Management using probable and hypothetical assumptions set out in notes 1 to 12 attached to the Cash Flow Forecast. The Cash Flow Forecast reflects receipts and disbursements to be received or paid over the 13 week projection period in U.S. Dollars.

18. The Proposed Monitor's review consisted of inquiries, analytical procedures and discussion related to information supplied to us by certain of the Management and employees of GGC. Since hypothetical assumptions need not be supported, our procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the Cash Flow Forecast. We have also reviewed the support provided by Management for the probable assumptions, and the preparation and presentation of the Cash Flow Forecast.

19. Based on the Proposed Monitor's review, nothing has come to our attention that causes us to believe that, in all material respects:

i) the hypothetical assumptions are not consistent with the purpose of the Cash Flow Forecast;

ii) as at the date of this Pre-filing Report, the probable assumptions developed by Management are not suitably supported and consistent with the plans of the GGC or do not provide a reasonable basis for the Cash Flow Forecast, given the hypothetical assumptions; or

iii) the Cash Flow Forecast does not reflect the probable and hypothetical assumptions.

20. As described in the Terms of Reference above, since the Cash Flow Forecast is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, the Proposed Monitor expresses no assurance as to whether the Cash Flow Forecast will be achieved. In addition, the Proposed Monitor expresses no opinion or other form of assurance with respect to the accuracy of financial information presented in the Cash Flow Forecast, or relied upon by the Proposed Monitor in preparing this Pre-filing Report.

21. The Cash Flow Forecast has been prepared solely for the purpose described above, and readers are cautioned that it may not be appropriate for other purposes.

22. The Cash Flow Forecast projects that the Applicants will have sufficient liquidity to operate during the CCAA proceedings.

SELECTED FINANCIAL MATTERS ADDRESSED IN THE PROPOSED INITIAL ORDER

23. The proposed Initial Order provides for a number of charges and thresholds including:

- *Administration Charge*

i) The Administration Charge as described in the proposed Initial Order provides for an Administration Charge in the amount of $250,000 in favour of the Monitor, its counsel and the Applicants' counsel as security for the professional fees and disbursements incurred both before and after the making of the Initial Order in respect of these CCAA proceedings. The Proposed Monitor believes that the Administration Charge is required and reasonable under the circumstances.

- *DIP Charge*

ii) The DIP Charge is described earlier in this Pre-filing Report. The DIP Charge is a priority charge required by the DIP Loan agreement. The DIP Charge ranks second to the Administration Charge. The Proposed Monitor believes that the DIP Charge is required and reasonable under the circumstances.

- *Directors' Charge*

iii) The Directors' Charge as described in the proposed Initial Order provides for a charge in the amount of $50,000 in favour of the Directors and Officers of the Applicants as security for the indemnity provided to them by the Applicants for liabilities that they may incur after the commencement of these CCAA proceedings. The Proposed Monitor believes that the Directors' Charge is required and reasonable under the circumstances.

- *Sale of Assets*

iv) The thresholds established in the proposed Initial Order for the Applicants' rights to dispose of redundant or non material assets without a court order is $25,000 in any one transaction or $100,000 in aggregate, and was established in relation to the size of GGC's operations and value of its assets in order to facilitate the orderly restructuring of the enterprise without adding undue administrative burden that would not add value to the process. In the Proposed Monitor's view, these thresholds are appropriate given the size of GGC's operations.

- *Creditor Notification*

v) The proposed Initial Order contemplates that the Monitor shall, within five days of the date of entry of the Initial Order, send notice of the making of the Initial Order to every known creditor of the Applicants in Canada, other than employees, having a claim of more than $1,000.

24. The proposed Initial Order further contemplates that the Applicants will be entitled, but not required, to pay all obligations to their trade creditors in Ghana incurred in the ordinary course of business, whether or not incurred prior to the date of the Initial Order, if in the opinion of the Applicants, in consultation with the Monitor, such payments are necessary to ensure uninterrupted and ongoing operations.

RESTRUCTURING ALTERNATIVES AND GGC'S PROPOSED MARKETING PROCESS

25. At this stage, it is not possible to present a comprehensive restructuring strategy as GGC will need to continue to analyze its restructuring alternatives and continue discussions that have been ongoing with certain of its stakeholders. Certain preliminary options with respect to GGC's restructuring alternatives are described in the Griffis Affidavit including undertaking a marketing process and addressing its working capital requirements.

26. The CCAA proceedings will contribute a stable environment to enable GGC to operate its business while it restructures its business operations.

27. GGC is proposing to conduct a sale and investment solicitation process (the "**SISP**"). A detailed protocol with respect to the SISP is set out in Schedule "**A**" to the proposed Initial Order. The Proposed Monitor has reviewed the SISP and agrees with the marketing process set out therein.

28. The key dates in the SISP are:

Sale and Investment Solicitation Process	Date
Court Approval of SISP	May 9, 2013
Publish Advertisement	May 14, 2013
Marketing to Interested Parties	May 9 to June 11, 2013
Submission of Letters of Intent	Anytime up to June 11, 2013
Qualifying Offerors	Within 2 Business Days of receipt of Letter of Intent and no later than June 13, 2013
Access to on-line data room and site visits	Immediately upon becoming a Qualified Offeror to date of Submission of Binding Offer
Offer Deadline	July 15, 2013
Clarification of offers and re-bidding, if applicable	between July 15 and July 31, 2013
Execution of Binding Agreement (Financing Agreement, APA, etc.)	between July 15 and July 31, 2013
Court approval of Transaction(s)	between July 15 and July 31, 2013
Closing(s)	July 31, 2013

29. The contemplated Initial Order directs and authorizes GGC and the Monitor to take such steps as they consider necessary or desirable in carrying out the SISP. The Monitor will also oversee the SISP process and report to this Court with respect to the outcome of the SISP process.

CONCLUSIONS AND RECOMMENDATION

30. The Proposed Monitor believes that it is appropriate that the Applicants be granted the benefit of protection under the CCAA, so they are able to stabilize their operations while they undertake the SISP and continue discussions with their stakeholders regarding a restructuring under CCAA supervision in a manner that is in the best interest of the Applicants and their stakeholders.

31. Further to the Proposed Monitor's review of the proposed Initial Order, the Proposed Monitor supports the thresholds in the proposed Initial Order, including:

i) an Administration Charge of $250,000 in favour of the Monitor, its counsel and the Applicants' counsel;

ii) a DIP Charge on all the assets of the Applicants;

iii) a Directors' Charge of $50,000 in favour of the Officers and Directors;

iv) individual asset sales of $25,000 or asset sales of $100,000 in aggregate without the need for further court order; and

v) notices to creditors with claims of $1,000 or more in Canada, other than employees.

All of which is respectfully submitted this 8th day of May, 2013.

ERNST & YOUNG INC.
in its capacity as the Proposed Monitor of Ghana Gold Corporation, Ghana Gold Inc., Coastal Explorations Limited and Aburi Goldfields Inc.

Per:

Alex Morrison
Senior Vice President

APPENDIX C

THE WALL STREET JOURNAL.

DOWJONES
WSJ.COM

SOCIAL MEDIA

The Facebook IPO: One year later

EVELYN M. RUSLI

When **Facebook Inc.** went public one year ago, making money was largely a side project.

That began changing as company executives worried about slowing growth from social ads on its website and as people began migrating to its service on mobile devices, where the company made no money.

At one meeting last July, as Facebook's newly public stock was getting pummelled, the social network's managers decided that more teams needed to be held responsible for revenue. Chief executive Mark Zuckerberg and his top lieutenants, including operating chief Sheryl Sandberg and financial head David Ebersman, reviewed Facebook's entire business at the meeting, going product by product and team by team.

Revenue was "a priority whose time has come," said David Fischer, vice-president of marketing, who attended the meeting.

"More leaders needed to be accountable," he said.

Now, on the eve of Facebook's IPO anniversary on Saturday, how the Menlo Park, Calif., company tackles revenue is one of the biggest changes it has undergone in its publicly traded life. After eight years of focusing on user growth, Facebook has pushed revenue up its priority list and restructured its business so that many of its best minds are now thinking about driving sales.

Facebook CEO Mark Zuckerberg, centre, rings the opening bell on Nasdaq stock market on May 18, 2012. AP

Before filing for its IPO, Facebook made 85 per cent of its revenue from desktop ads in the right-hand column of its website, with the rest coming from payments business fuelled by virtual-goods sales from Zynga Inc. games.

Today, the company is experimenting with many other ways to make money, including a fledgling e-commerce store and fees that it charges users to send chat messages to strangers.

Facebook has also broadened its ad business, running ads for the first time on mobile devices, in its News Feed, and creating special widgets for mobile, such as ads that promote installations of third-party applications. Facebook has also introduced products familiar to advertisers, including tools that target people based on their website visits or their offline behaviour. And it has reorganized itself so project managers and some engineers take ownership of revenue targets.

The changes have helped lift Facebook's revenue to $1.46-billion (U.S.) in its most recently reported quarter, up 36 per cent from $1.06-billion in the same period a year earlier. A quarter of the company's revenue now come from mobile ads.

But none of that has been enough to push Facebook's stock back up to its IPO price last May of $38. On Thursday, shares closed at $26.13, down 31 per cent from its IPO price.

The increasing importance of boosting sales also could jeopardize the users' experience – a point not lost on Facebook's chief, who has repeatedly said that Facebook wasn't originally built to be a company.

The company"s embrace of revenue came in fits and starts, according to interviews with executives and employees. The tone around revenue began changing in early 2012, especially after the fourth-quarter earnings report revealed a sharp drop in sales growth.

Facebook rushed to shore-up its mobile applications. The company introduced mobile ads in March 2012 through its main channel, the News Feed. Now ads were no longer relegated to the right-hand gutter of the site, but were literally at the centre of the product.

After last summer's meeting between Mr. Zuckerberg and management in which they decided to go after more revenue, the company also began accelerating changes. According to executives, the disappointing IPO was an extra motivator.

In April, Facebook started holding ad boot camps for employees to educate them on what its customers are looking for, how different ad products work and the company's broader strategies. The program, which has been held twice so far, features sessions with Facebook's ad experts.

Facebook (FB)
Close: $26.13 (U.S.), down 47¢

APPENDIX D

Ghana Gold Corp.
Property and Equipment as at March 31, 2013

	Owned/ Leased
Coastal Exploration	
Komatsu Excavator 2004 - PC300LC-7	Owned
Komatsu Excavator 2005- PC300LC-8	Owned
Komatsu Dozer 2005 - D155AX-5	Owned
Komatsu 35 tonne Excavator - Serial 26518 (Finance Lease)	*Leased*
Komatsu Wheel Loader 2007 - WA470-6	Owned
Airman Air Compressor	Owned
Almagamator w/.5hp motor	Owned
CAT Excavator 345 CL	Owned
CAT Excavator 345 CL	Owned
CAT Excavator 320	Owned
CAT Water Pump w/ Cornell	Owned
Deister Cons Tables (2)	Owned
Deister Triple Deck Cons Tables (3)	Owned
Denver Open Bowl Pumps (17)	Owned
Dewatering Cyclones gMAX15 (2)	Owned
IRD Duplex Jigs (2)	Owned
Goldfield Duplex Jigs (2)	Owned
Goldfield Duplex Jigs (2)	Owned
Goodfellow Lattice Conveyor	Owned
John Deere Front End Loader 624H	Owned
Knelson Concentrators 30" (2)	Owned
Kohler Generator 300Kw	Owned
Moxy Trucks MT40BS2 (3)	Owned
Moxy Trucks MT40B (2)	Owned
Trommel Plant 100 yard	Owned
Trommel Plant 200 yard	Owned
Water Purification System	Owned
SD Horizontal Screen (2)	Owned
Sieve Unit 45DEG Arc (2)	Owned
Thompsons Water Pump	Owned
Triton Double Deck Screen (2)	Owned
Volvo Water Pump	Owned
Lincoln MIG Welder	Owned
Lincoln Generator/Welder	Owned
Goldfields Goldtron Table	Owned
Westinghouse MCC	Owned
Osino camp construction	Owned
Ofin Basin: plant and machinery miscellaneous	Owned
Ford SUV	Owned
Kia Pickup	Owned
Nissan Pickup	Owned
Mantrac Generator	Owned
S1 Sorter Analyzer	Owned
Osino office equipment and furniture	Owned
Accra office equipment and furniture	Owned

Ghana Gold Corp.
Property and Equipment as at March 31, 2013

	Owned/ Leased
Aburi Goldfields	
IHC Plant and Assembly	Owned
Aburi Camp Construction	Owned
Samiva Generator	Owned
Welding Machine	Owned
Fuel Meter	Owned
Water Pumps	Owned
Kia Pickup K2700	Owned
Kia Pickup K3000	Owned
CAT Generator 113Kw	Owned
Denver Sand Pump (3)	Owned
Derrick Single Deck Screen (4)	Owned
Galigher 2"x1.5" Pumps (2)	Owned
Galigher 2.5"x2" Pumps (2)	Owned
Galigher 6"x4" Pump	Owned
Galigher 8"x6" Pumps (8)	Owned
Sala Vertical Pump	Owned
Kohler Generator 400kw	Owned
Thompsons Water Pump	Owned
Tyler Tyrock Vibrating Screen	Owned
Westinghouse MCC	Owned
GMC Lube Truck	Owned
Office Equipment	Owned
Fixtures and fittings	Owned

APPENDIX E

Ghana Gold Group of Companies
FCMI Site Visit Procedures

In connection with the CCAA proceedings of Ghana Gold Corporation, Ghana Gold Inc., Coastal Explorations Limited and Aburi Goldfields Ghana Ltd. (collectively, the "**Ghana Gold Group of Companies**" or "**GGGC**") and the Sale and Investment Solicitation Process (the "**SISP**") approved by the Order of the Ontario Superior Court of Justice (Commercial List) dated May 9, 2013 (the "**Initial Order**"), Ernst & Young Inc., in its capacity as Monitor (the "**Monitor**"), has implemented the following procedures (the "**Procedures**") to govern visits to the sites of GGGC's mining operations in Ghana (collectively, the "**Sites**" and, individually, a "**Site**") by FCMI Parent Co., FCMI Financial Corporation, and their respective affiliates and representatives (collectively, "**FCMI**"). The Procedures are intended to avoid disruption to GGGC's operations and protect the integrity of the SISP process, while recognizing FCMI's rights as a secured lender.

- In order to schedule a visit to the Site, FCMI shall deliver a written notice (a "**Notice**") by email to Bob Griffis, Chief Operating Officer of GGGC, with a copy to Alex Morrison of the Monitor. The Notice shall set out the date and time of the visit (the "**Visit**") as well as the name of each individual to attend the Site during the Visit, and shall be delivered a minimum of 36 hours in advance of the Visit.
- Bob Griffis shall deliver a written response (the "**Confirmation**") by email to each Notice with a copy to Alex Morrison of the Monitor, within 24 hours of receipt thereof, either: (i) confirming the Visit; or (ii) providing a written explanation of why the Visit is not possible and advising as to alternative times for the Visit within the shortest time possible thereafter.
- FCMI's representative shall not attend a Site except in accordance with the Confirmation.
- GGGC's designate (or a local representative of the Monitor, if available) shall oversee Visits to the Site at all times.
- Visits by FCMI's representative shall be a maximum of 2 days per week, subject to any exercise of the Monitor's discretion, as contained herein.
- FCMI's representative shall not communicate with GGGC employees or local representatives without the consent of, and supervision by GGGC's designate (either Bob Griffis, Chief Operating Officer, Athol Smith, Executive Vice President, or Kofi Agyemang, Acting General Manager) or the Monitor.
- During Site visits by prospective bidders in the SISP, FCMI's representative shall not be permitted at the Site, recognizing that said visits shall not undermine the visitation rights of FCMI contained herein by GGGC not being able to provide 2 days in a week in which FCMI can exercise its visitation rights.
- FCMI shall not at any time interfere with GGGC's operations or the activities of its employees.

- Any request by FCMI for GGGC's financial and operational information shall be made in writing to the Monitor, unless the provision of information is already contemplated by the Initial Order, in which case such additional request is unnecessary.
- The Monitor shall have discretion to make exceptions to these Procedures if the Monitor deems it reasonable and appropriate after considering a request from FCMI to do so.

APPENDIX F

Ghana Gold Corporation and Subsidiaries (the "Applicants")
Cumulative Combined Receipts and Disbursements
For the Period from May 9, 2013 to May 26, 2013
(In Thousands of US Dollars, Unless Noted Otherwise)

	Actual	Projection	Variance	Note
Opening Bank Balance	$ 135	$ 165	$ (30)	1
Receipts				
Gold sales	328	569	(241)	2
Other	4	-	4	
Total Receipts	332	569	(237)	
Disbursements				
Labour	(38)	(74)	36	3
Fuel	(134)	(134)	(0)	
Production and maintenance	(82)	(108)	25	4
Camp support & miscellaneous	(40)	(31)	(9)	
General & Administrative	(43)	(47)	5	
Restructuring	(10)	(86)	75	4
Royalties	-	-	-	
EPA payments	-	(50)	50	5
Foreign exchange gain/(loss)	(3)	-	(3)	
Total Disbursements	(351)	(529)	178	6
Net Cash Flows	(20)	40	(59)	
Ending Bank Balance	$ 115			
Value of Gold Inventory	$ 149			7
Combined Bank and Gold Balance	$ 264	$ 205	$ 60	1
DIP Facility				
Opening balance	$ -	$ -	$ -	
Draws	(212)	(197)	(15)	8
Repayments	-	-	-	
Ending Balance	$ (212)	(197)	(15)	
Gold Production (oz)	296	396	(100)	9

Breakdown of Actual Bank Balance	Opening		Closing		Note
	Local Currency	US$	Local Currency	US$	
Ghana Cedis	137	72	120	60	
US$	61	61	54	54	
CDN$	2	2	2	2	
Total Amount in US$	N/A	135	N/A	115	10

Ghana Gold and Subsidiaries (the "Applicants")
Cumulative Combined Actual Receipts and Disbursements
For the Period from May 9, 2013 to May 26, 2013
Variance Analysis

The actual receipts and disbursements are denominated in U.S. dollars. Ending bank balances in Ghana cedis and Canadian dollars are converted to U.S. dollars every week at using exchange rates published by the Stanbic Bank Ghana and the Bank of Canada, respectively. In the Applicants cash flow forecast (the **"Cash Flow Forecast"**), Ghana cedis and Canadian dollars are converted to US dollars at the exchange rates of GHS¢1.90= US$1.00 and CDN$1.00 = US$1.00, respectively.

1. **Bank Balance –** In the Cash Flow Forecast, the projected bank balance as at May 9, 2013 includes the Applicants' estimated gold inventory value, whereas the actual cash flow summary separates the bank balance and the value of the Applicants' gold inventory. Accordingly, the unfavourable variance of the opening bank balance is primarily due to the separation of the gold inventory value. In order to determine the variance of the ending balance, the Applicants' actual ending bank balance and gold inventory value as at May 26, 2013 are combined to compare to the projection.

2. **Gold Sales** – The unfavorable variance is primarily due to:

    - lower than projected gold production caused by a water supply issue that constrained the Applicants' ability to process gravel as further discussed herein;
    - lower than projected gold spot prices; and
    - a timing difference that will reverse in the future.

3. **Labour** – The favourable variance is related to both a timing difference and one less shift at one of the Applicants' plants during part of this period due to the lower production. The portion related to timing is expected to reverse in the future.

4. **Production & Maintenance, Restructuring** – The favourable variances in these categories represents primarily a timing difference, which is expected to reverse in the future.

5. **EPA Payments -** The favourable variance represents primarily a timing difference, as the Applicants are in the process of working with the environmental agency to finalize the levy amount.

6. **Total disbursements –** Total actual disbursements for this period are US$178,000 less than the projection. Accordingly, the Applicants are in compliance with the covenant as set forth in paragraph 8(k) of the DIP term sheet (the "**DIP Term Sheet**") with FCMI Financial Corporation ("**FCMI**"), which stipulates that cumulative disbursements cannot exceed the projection by 25% by the end of this period.

7. **Value of Gold Inventory** – The Applicants' gold inventory is valued at the net gold spot price as at May 24, 2013. A summary of the calculation is attached here to as Appendix "**A**".

8. **DIP Facility Draws –** The Applicants' gold production for the month of April, 2013 totalled 451.77 ounces. In accordance with the DIP Term Sheet, a DIP draw in the amount of US$135,531 is determined based on the weight of gold produced in April, 2013 multiplied by $300 per ounce.

In addition, pursuant to the DIP Term Sheet, the DIP borrowing includes the DIP fees and professional fees in the amount of $25,000 and $50,000, respectively.

9. **Gold Production** – The negative variance is primarily due to a water supply issue caused by a partial collapse of the pipeline that supplies water for plant operations. As a result, the Applicants' ability to process gold bearing gravel was restricted during this period, resulting in lower than projected gold production. The Applicants have taken steps to address this issue, and anticipate the production constraint will be largely resolved by the end of the week ending June 2, 2013.

10. **Bank balance in US dollars –** The Applicants' funds held in Ghana Cedis and Canadian dollars were translated using the exchange rates published by the Stanbic Bank and the Bank of Canada as follows:

Opening bank balance	Ending bank balance
GHS¢1.900= US$1.00	GHS¢1.995= US$1.00
CDN$1.000 = US$1.00	CDN$1.032 = US$1.00

Appendix A

Ghana Gold Corporation and Subsidiaries (the "Applicants")
Gold Inventory Summary
For the Week May 9, 2013 to May 26, 2013
(In US Dollars, Unless Noted Otherwise)

	(A)	(B)	(A) * (B)
	Gold Weight (oz) (1)	Net Gold Spot Price (US$) (2)	Inventory Value (US$)
Opening Inventory	65	$1,429	$92,876
Add: production	296		
Less: gold sold	(251)		
Net Change in Inventory	45		
Ending Inventory as at May 26, 2013	110	$1,355	$149,104

Note:

(1) Gold weight is measured on a fine gold basis, which is based on 87% of the weight of raw gold.

(2) Gold inventory is valued using the following net gold spot prices, which are calculated by subtracting 2.5% from the London Gold PM Fix Price reported by Thompson Reuters.

Date	London Gold PM Fix Price (US$)	Net Gold Sport Price (US$)
May 9, 2013	$1,466	$1,429
May 24, 2013	$1,390	$1,355

APPENDIX G

Ghana Gold Corporation and Subsidiaries (the "Applicants") Combined Cash Flow Projection
For The Period From May 27, 2013 to August 4, 2013
(In Thousands of US Dollars Unless Noted Otherwise)

		Week	Week	Week	Week	Week	Week	Week	Week	Week	Week	
Period Ending	**Notes**	**2-Jun-13**	**9-Jun-13**	**16-Jun-13**	**23-Jun-13**	**30-Jun-13**	**7-Jul-13**	**14-Jul-13**	**21-Jul-13**	**28-Jul-13**	**4-Aug-13**	**Total**
Opening Bank Balance	1	$ 115	$ 8	$ 51	$ 11	$ 117	$ 7	$ 38	$ 62	$ 176	$ 282	$ 115
Receipts												
Gold sales	2	220	257	252	252	252	252	252	294	294	294	2,618
Total Receipts		220	257	252	252	252	252	252	294	294	294	2,618
Disbursements												
Labour	3	(69)	(26)	(29)	(26)	(76)	(26)	(26)	(32)	(29)	(92)	(432)
Fuel	4	(50)	(41)	(55)	(42)	(52)	(42)	(52)	(48)	(55)	(45)	(479)
Production and maintenance	5	(53)	(59)	(50)	(38)	(89)	(59)	(48)	(41)	(50)	(102)	(588)
Camp support & miscellaneous	6	(54)	(10)	(12)	(10)	(60)	(10)	(10)	(14)	(12)	(75)	(269)
General & Administrative	7	(71)	(12)	(19)	(17)	(72)	(22)	(17)	(20)	(19)	(74)	(343)
Restructuring	8	(30)	(20)	(13)	(13)	(12)	(12)	(24)	(24)	(24)	(13)	(184)
Royalties	9	-	(47)	(115)	-	-	-	-	-	-	(60)	(222)
EPA payments	10	-	-	-	-	-	(50)	(50)	-	-	(100)	(200)
Foreign exchange gain/(loss)	11	-	-	-	-	-	-	-	-	-	-	-
Total Disbursements		(327)	(214)	(292)	(146)	(361)	(221)	(228)	(180)	(189)	(559)	(2,716)
DIP Repayment	13	-	-	-	-	-	-	-	-	-	-	-
Net Cash Flows		(107)	43	(40)	106	(109)	31	24	114	105	(265)	(98)
Ending Bank Balance		**$ 8**	**$ 51**	**$ 11**	**$ 117**	**$ 7**	**$ 38**	**$ 62**	**$ 176**	**$ 282**	**$ 17**	**$ 17**
Ending Gold Inventory	12	$ 108	$ 68	$ 68	$ 68	$ 68	$ 68	$ 68	$ 68	$ 68	$ 68	$ 68
DIP Facility	13											
Opening balance		$ (212)	$ (224)	$ (236)	$ (408)	$ (420)	$ (435)	$ (446)	$ (458)	$ (698)	$ (709)	$ (212)
FMCI loan repayment		-	-	(161)	-	-	-	-	(228)	-	-	(389)
Advisors to DIP Lender		(12)	(12)	(12)	(12)	(12)	(12)	(12)	(12)	(12)	(12)	(115)
Interest accrual		(1)	-	-	-	(4)	-	-	-	-	(6)	(10)
DIP Repayment		-	-	-	-	-	-	-	-	-	-	-
Ending DIP balance including interest		$ (224)	$ (236)	$ (408)	$ (420)	$ (435)	$ (446)	$ (458)	$ (698)	$ (709)	$ (727)	$ (727)
Gold Production (oz)	2	125	168	186	186	186	186	186	217	217	217	1,873

In the Matter of the CCAA of Ghana Gold Corporation and Subsidiaries ("GGC" or the "Applicants")
Notes to the Unaudited Cash Flow Projection
(In U.S. dollars unless otherwise noted)

Disclaimer:

In preparing this cash flow projection (the "**Cash Flow Forecast**"), the Applicants have relied upon unaudited financial information, and the Applicants have not attempted to further verify the accuracy or completeness of such information. Since the Cash Flow Forecast is based on assumptions about future events and conditions that are not ascertainable, the actual results achieved during the forecast period will vary from the Cash Flow Forecast, even if the assumptions materialize, and such variation may be material. There is no representation, warranty or other assurance that any of the estimates, forecasts or projections will be realized.

Overview:

The Cash Flow Forecast reflects projected cash flows from GGC's operations. The Applicants, with the assistance of the Monitor, have prepared the Cash Flow Forecast based primarily on GGC's historical results and current operating plan. Receipts and disbursements are denominated in US dollars. Ghana Cedis and Canadian dollars are converted to US dollars at the exchange rates of GHS₵1.90= US$1.00 and CDN$1.00 = US$1.00, respectively.

The Cash Flow Forecast assumes that GGC will continue its gold production from two alluvial gold mine projects in Ghana: the Aburi project and the Ofin project. Pre-filing payables due to trade vendors are projected to be paid in the normal course of business.

Assumptions:

1) **Opening bank balance:**
   The opening bank balance of CGC includes funds held in Ghana Cedis, Canadian dollars and U.S. dollars that were converted into U.S. dollars at exchange rates of Ghana cedis and Canadian dollars are converted to US dollars at the exchange rates of GHS¢1.995= US$1.00 and CDN$1.032 = US$1.00, respectively.

   Note that the estimated value of CGC's gold inventory is shown as a separate line item as discussed further herein in note 12.

2) **Gold sales:**
   GGC is expected to produce approximately 1,873 ounces of gold during the projection period. Gold sales are based on GGC's estimated weekly gold production volume multiplied by the average spot price of gold expected from licensed local buyers, and receipts are projected to be collected within the same week.

In estimating the gold production volume, GGC has factored in its estimated gravel production capacity, average recovery grade and gold purity.

Note that the Applicants held relatively high gold inventory at the opening of the projection period due to a timing difference, which is projected to reverse in the first two weeks of the projecting period and generate additional gold sales.

The average net spot price of gold is projected to be $1,355 per ounce based on the net gold spot price as at May 24, 2013.

3) **Labour**
Labour disbursements include salaries, benefits and other compensation payments for all salaried and temporary employees, as well as contractors. While GGC pays salaried employees monthly, certain temporary employees, such as casual or day helpers, get paid weekly or daily.

4) **Fuel**
This represents GGC's estimated fuel purchases for its mining operation, including GGC's production facilities, fleet and mining camp.

5) **Production and maintenance**
This category includes estimated disbursements related to GGC's production, repairs and maintenance, including but not limited to: equipment lease/rental payments, parts, and repairs and maintenance costs.

6) **Camp support and miscellaneous**
This category includes estimated disbursements related to GGC's fully equipped camp and miscellaneous purchases, including petty cash payments.

7) **General and administration**
General and administration payments are based on historical run rate and include primarily: insurance, office rent and supplies and other miscellaneous costs.

8) **Restructuring costs**
Restructuring costs represent primarily costs related to the GGC's counsel and the Monitor and its counsel.

9) **Royalties**
This line item represents quarterly royalty payments to the Government of Ghana, which are calculated as 5% of the gross gold sales based on anticipated due dates.

The Cash Flow Forecast does not reflect any royalty for the land owner during the projection period due to certain balances being owed to GGC.

10) **EPA Payments**

EPA payments represent an environmental levy charged by the Ghana's environmental agency based on acreage of the GGC's mining area. GGC is in the process of working with the environmental agency to finalize the levy amount.

11) **Foreign exchange gain or loss:**

The Cash Flow Forecast does not reflect any foreign exchange gain or loss during the projection period due to the uncertainty of foreign exchange fluctuations.

12) **Gold Inventory**

At the opening of the projection period, the Applicants held relatively high gold inventory due to a timing difference. The Cash Flow Forecast assumes that gold inventory will decrease in the first two weeks of the projection period and level off at approximately 50 ounces.

13) **DIP Loan**

As described in the Report of the Proposed Monitor, GGC obtained a new DIP facility provided by FCMI Financial Corporation ("FCMI") in the maximum amount of CDN$750,000 for the purposes of repaying GGC's secured debt owing to FCMI Parent Co., an affiliate of FCMI.

Projected DIP borrowings are based on the following:

- the Applicants' estimated monthly gold production multiplied by $300 per ounce;
- estimated professional fees as set out in the DIP term sheet with FCMI (the DIP Term Sheet"; and
- interest payments in accordance with the DIP Term Sheet.