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")

SUPPLEMENT TO THE SECOND REPORT OF THE MONITOR DATED July 24, 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 Ghana Gold Group protection from its creditors under the CCAA. Pursuant to the Initial Order, Ernst & Young Inc. ("**EYI**") was appointed as monitor in the CCAA proceedings of the Applicants (the "**Monitor**") and a stay of proceedings against the Applicants was granted until and including June 8, 2013. Pursuant to the Order of the Honourable Mr. Justice Newbould dated June 3, 2013, the stay of proceedings was subsequently extended to July 31, 2013.

PURPOSE

3. The purpose of this Supplement to the Second Report of the Monitor (the **"Supplementary Report"**) is to advise the Court with respect to the Monitor's review of the security held by FCMI Parent Co. (**"FCMI"**) in respect of indebtedness of the Applicants to FCMI.

TERMS OF REFERENCE

4. In preparing this Supplementary 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 Supplementary 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 Supplementary 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 Supplementary 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.

SECURITY HELD BY FCMI

7. As described in the Pre-filing Report of the Monitor filed on May 8, 2013 and the Second Report of the Monitor dated July 19, 2013, the Applicants received financing of U.S. $5 million from FCMI pursuant to a promissory note dated October 28, 2011 (the "**Promissory Note**"). GGI and Coastal guaranteed the obligations of GGC to FCMI under the Promissory Note pursuant to a guarantee dated October 28, 2011 (the "**Guarantee**"). GGC, GGI and Coastal secured their obligations to FCMI under the Promissory Note and the Guarantee pursuant to a securities pledge agreement dated October 28, 2011. The Monitor understands that the outstanding balance on the loan from FCMI was approximately U.S. $4 million as at the date of filing.

8. The Monitor has obtained a security opinion from its legal counsel confirming that the security granted by GGC, GGI and Coastal in favour of FCMI is valid and enforceable against a trustee in bankruptcy.

All of which is respectfully submitted this 24th day of July, 2013.

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

Per:

Alex Morrison
Senior Vice President

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Proceedings commenced at Toronto

SUPPLEMENT TO THE
SECOND REPORT OF THE MONITOR

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