FORM 5

QUARTERLY LISTING STATEMENT

Name of CNSX Issuer: **Mahdia Gold Corp.** (the “Issuer”).

Trading Symbol: **MGD**

This Quarterly Listing Statement must be posted on or before the day on which the Issuer’s unaudited interim financial statements are to be filed under the *Securities* Act, or, if no interim statements are required to be filed for the quarter, within 60 days of the end of the Issuer’s first, second and third fiscal quarters. This statement is not intended to replace the Issuer’s obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by the CNSX Policies. If material information became known and was reported during the preceding quarter to which this statement relates, management is encouraged to also make reference in this statement to the material information, the news release date and the posting date on the CNSX.ca website.

General Instructions

(a) Prepare this Quarterly Listing Statement using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the following items must be in narrative form. When the answer to any item is negative or not applicable to the Issuer, state it in a sentence. The title to each item must precede the answer.

(b) The term “Issuer” includes the CNSX Issuer and any of its subsidiaries.

(c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

There are three schedules which must be attached to this report as follows:

SCHEDULE A: FINANCIAL STATEMENTS

Financial statements are required as follows:

For the first, second and third financial quarters interim financial statements prepared in accordance with the requirements under Ontario securities law must be attached.

If the Issuer is exempt from filing certain interim financial statements, give the date of the exempting order.

SCHEDULE B: SUPPLEMENTARY INFORMATION

The supplementary information set out below must be provided when not included in Schedule A.

1. Related party transactions

Provide disclosure of all transactions with a Related Person, including those previously disclosed on Form 10. Include in the disclosure the following information about the transactions with Related Persons:

Please refer to Schedule A: Financial Statements – Note 10

(a) A description of the relationship between the transacting parties. Be as precise as possible in this description of the relationship. Terms such as affiliate, associate or related company without further clarifying details are not sufficient.

(b) A description of the transaction(s), including those for which no amount has been recorded.

(c) The recorded amount of the transactions classified by financial statement category.

(d) The amounts due to or from Related Persons and the terms and conditions relating thereto.

(e) Contractual obligations with Related Persons, separate from other contractual obligations.

(f) Contingencies involving Related Persons, separate from other contingencies.

2. Summary of securities issued and options granted during the period.

Provide the following information for the period beginning on the date of the last Listing Statement (Form 2A):

(a) summary of securities issued during the period,

Please refer to Schedule A: Financial Statements – Note 9

Date of Issue	Type of Security (common shares, convertible debentures, etc.)	Type of Issue (private placement, public offering, exercise of warrants, etc.)	Number	Price	Total Proceeds	Type of Consideration (cash, property, etc.)	Describe relationship of Person with Issuer (indicate if Related Person)	Commission Paid

(b) summary of options granted during the period,

Please refer to Schedule A: Financial Statements – Note 9

Date	Number	Name of Optionee if Related Person and relationship	Generic description of other Optionees	Exercise Price	Expiry Date	Market Price on date of Grant

3. Summary of securities as at the end of the reporting period.

Provide the following information in tabular format as at the end of the reporting period:

Please refer to Schedule A: Financial Statements – Statement of Changes in Equity

(a) description of authorized share capital including number of shares for each class, dividend rates on preferred shares and whether or not cumulative, redemption and conversion provisions,

(b) number and recorded value for shares issued and outstanding,

(c) description of options, warrants and convertible securities outstanding, including number or amount, exercise or conversion price and expiry date, and any recorded value, and

(d) number of shares in each class of shares subject to escrow or pooling agreements or any other restriction on transfer.

Shares Authorized	Issued & Outstanding	Options	Warrants	Escrow Securities

4. List the names of the directors and officers, with an indication of the position(s) held, as at the date this report is signed and filed.

Name	Position
Andre Douchane	CEO, President, Director
Michael Galloro	CFO
Ted Ens	Executive Vice President of Operations
David Bending	Director, Executive Vice President of Exploration
John Reynolds	Chairman
John Martin	Director
Donald Gordon	Director

SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS

Provide Interim MD&A if required by applicable securities legislation.

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Quarterly Listing Statement.

2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.

3. The undersigned hereby certifies to CNSX that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all CNSX Requirements (as defined in CNSX Policy 1).

4. All of the information in this Form 5 Quarterly Listing Statement is true.

Dated July 26, 2013.

Andre Douchane
Name of Director or Senior Officer

"Andre Douchane"
Signature

CEO
Official Capacity

Issuer Details Name of Issuer Mahdia Gold Corp	For Quarter Ended May 31, 2013	Date of Report YY/MM/DD 13/07/26
Issuer Address 1 Yonge Street, Suite 1801		
City/Province/Postal Code Toronto, ON M5E 1W7	Issuer Fax No.	Issuer Telephone No. (416) 671-8089
Contact Name Andre Douchane	Contact Position CEO	Contact Telephone No. (416) 671-8089
Contact Email Address	Web Site Address www.mahdiagold.com	

Schedule A

MAHDIA GOLD CORP.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended May 31, 2013

(Unaudited, Expressed in Canadian Dollars, unless otherwise noted)

Notice of No Auditor Review of Interim Financial Statements

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

Mahdia Gold Corp.

Condensed Interim Consolidated Statements of Financial Position
(Unaudited, Expressed in Canadian Dollars)

	Note		May 31, 2013		August 31, 2012
Assets					
Current assets:					
Cash		$	**200,735**	$	1,418,753
Other receivables			**93,460**		-
Prepaid expenses			**184,331**		545,734
			478,526		1,964,487
Long-term assets:					
Equipment	6		**963,841**		1,076,601
Mineral properties and deferred exploration costs	7		**19,377,322**		15,306,253
Long-term prepaid expenses			**22,828**		112,828
Loans receivable from related party	5		**49,577**		49,577
		$	**20,892,094**	$	18,509,746
Liabilities and Shareholders' Equity					
Current liabilities:					
Accounts payable and accrued liabilities	10	$	**3,122,843**	$	1,910,725
Current portion of loans payable			**36,364**		27,023
Current portion of payable to the government of Guyana	8		**4,635,013**		974,446
			7,794,220		2,912,194
Long-term liabilities:					
Loans payable			**39,230**		89,647
Convertible debenture	11		**1,262,281**		-
Payable to the government of Guyana	8		**4,635,013**		8,455,728
			13,730,744		11,457,569
Shareholders' equity:					
Share capital	9(b)		**21,385,436**		19,309,846
Warrants			**28,982**		-
Broker warrants			**121,918**		162,952
Shares to be issued			**5,000**		103,500
Subscription receivable (net)			**(48,200)**		(49,305)
Share-based payment reserve			**3,138,130**		2,053,473
Equity portion of convertible debenture	11		**190,193**		-
Accumulated foreign currency translation differences			**8,633**		(108,128)
Deficit			**(17,668,742)**		(14,420,161)
			7,161,350		7,052,177
		$	**20,892,094**	$	18,509,746

Nature of operations and going concern (Note 1)

Approved on behalf of the Board

"Andre Douchane"
Signed: Director

"John Martin"
Signed: Director

The accompanying notes are an integral part of these condensed interim consolidated financial statements

Mahdia Gold Corp.

Condensed Interim Consolidated Statements of Comprehensive Loss
(Unaudited, Expressed in Canadian Dollars)

	Note	Three months ended May 31, 2013	Three months ended May 31, 2012	Nine months ended May 31, 2013	Nine months ended May 31, 2012
Operating expenses:					
Management and consulting fees		**$ 292,333**	$ 666,384	**$ 920,421**	$ 2,131,947
General and office		**117,048**	375,944	**632,878**	1,001,495
Professional fees		**17,440**	472,524	**635,356**	1,160,727
Share-based compensation	**9**	**283,872**	2,054,133	**800,785**	2,054,133
Depreciation		**9,846**	23,660	**29,536**	53,458
		720,539	3,592,645	**3,018,976**	6,401,760
Interest income		**-**	(1,789)	**-**	(1,789)
Interest expense		**39,243**	-	**39,243**	-
Foreign exchange loss		**190,362**	-	**190,362**	-
Net loss		**$ 950,144**	$ 3,590,856	**$ 3,248,581**	$ 6,399,971
Foreign currency translation differences		**(95,542)**	(186,425)	**(116,761)**	(230,646)
Comprehensive loss		**$ 854,602**	$ 3,404,431	**$ 3,131,820**	$ 6,169,325
Weighted average number of common shares		**152,622,906**	127,085,502	**148,705,350**	112,103,039
Loss per share - basic and diluted		**$ 0.01**	$ 0.03	**$ 0.02**	$ 0.06

The accompanying notes are an integral part of these condensed interim consolidated financial statements

Mahdia Gold Corp.

Condensed Interim Consolidated Statements of Changes in Equity
(Unaudited, Expressed in Canadian Dollars)

	Number of common shares	Share capital	Shares to be issued Number	Shares to be issued Amount	Warrants	Broker Warrants	Subscription receivable (net)	Share-based payment reserve	Equity portion of convertible debenture	Accumulated foreign currency translation differences	Deficit	Total
Balance at August 31, 2012	142,263,620	$19,309,846	690,000	$ 103,500	$ -	$162,952	$ (49,305)	$ 2,053,473	$ -	$ (108,128)	$(14,420,161)	$ 7,052,177
Private placement, net of issuance costs	1,040,000	260,000	-	-	-	-	-	-	-	-	-	260,000
Shares issued on exercise of warrants	9,907,850	1,519,462	(656,668)	(98,500)	-	(41,034)	1,105	-	-	-	-	1,381,033
Shares issued for mineral property	2,000,000	580,000	-	-	-	-	-	-	-	-	-	580,000
Cancellation of shares	(1,500,000)	(283,872)	-	-	-	-	-	283,872	-	-	-	-
Share-based compensation	-	-	-	-	-	-	-	800,785	-	-	-	800,785
Equitiy portion of convertible debenture	-	-	-	-	28,982	-	-	-	190,193	-	-	219,175
Foreign currency translation differences	-	-	-	-	-	-	-	-	-	116,761	-	116,761
Net loss for the period	-	-	-	-	-	-	-	-	-	-	(3,248,581)	(3,248,581)
Balance at May 31, 2013	**153,711,470**	**$21,385,436**	**33,332**	**$ 5,000**	**$ 28,982**	**$121,918**	**$ (48,200)**	**$ 3,138,130**	**$ 190,193**	**$ 8,633**	**$(17,668,742)**	**$ 7,161,350**

	Number of common shares	Share capital	Shares to be issued Number	Shares to be issued Amount	Warrants	Broker Warrants	Subscription receivable (net)	Share-based payment reserve	Equity portion of convertible debenture	Accumulated foreign currency translation differences	Deficit	Total
Balance at August 31, 2011	101,974,020	$10,551,876	1,076,250	$ 170,625	$ -	$ 66,011	$ (69,000)	$ 160,000	$ -	$ -	$ (6,884,494)	$ 3,995,018
Private placement, net of issuance costs	32,120,000	7,212,582	(120,000)	(30,000)	-	121,918	19,695	-	-	-	-	7,324,195
Shares issued for services	6,037,000	1,199,000	(956,250)	(140,625)	-	-	-	-	-	-	-	1,058,375
Shares issued on exercise of warrants	1,932,600	301,533	-	-	-	(11,642)	-	-	-	-	-	289,891
Share-based compensation	-	-	-	-	-	-	-	2,054,133	-	-	-	2,054,133
Foreign currency translation differences	-	-	-	-	-	-	-	-	-	230,646	-	230,646
Net loss for the period	-	-	-	-	-	-	-	-	-	-	(6,399,971)	(6,399,971)
Balance at May 31, 2012	142,063,620	$19,264,991	-	$ -	$ -	$176,287	$ (49,305)	$ 2,214,133	$ -	$ 230,646	$(13,284,465)	$ 8,552,287

The accompanying notes are an integral part of these condensed interim consolidated financial statements

Mahdia Gold Corp.

Condensed Interim Consolidated Statements of Cash Flows
(Unaudited, Expressed in Canadian Dollars)

	Note	Three months ended May 31, 2013	Three months ended May 31, 2012	Nine months ended May 31, 2013	Nine months ended May 31, 2012
Cash flows from operating activities:					
Net loss for the period		**$ (950,144)**	$ (3,590,856)	**$ (3,248,581)**	$ (6,399,971)
Adjustments for:					
Depreciation		**9,846**	23,660	**29,536**	53,458
Unrealized foreign exchange loss		**-**	186,427	**-**	234,085
Share-based compensation	**9**	**283,872**	2,054,133	**800,785**	2,054,133
Common shares issued for services rendered		**-**	185,000	**-**	745,375
Change in non-cash operating working capital:					
Other receivables		**(29,795)**	(8,064)	**(93,460)**	(16,885)
Prepaid expenses		**35,571**	54,532	**451,403**	168,467
Accounts payable and accrued liabilities		**460,391**	563,906	**1,212,118**	762,517
		(190,259)	(531,262)	**(848,199)**	(2,398,821)
Cash flows from financing activities:					
Common shares issued, net of issuance costs		**314,078**	6,566,540	**1,374,928**	7,907,390
Convertible debentures issued, net of issuance costs		**1,469,127**	-	**1,469,127**	**-**
Promissory notes		**-**	-	**125,000**	**-**
Subscription receivable (net)		**16,500**	203,079	**1,105**	19,695
Shares to be issued		**-**	-	**162,567**	-
Payment to the government of Guyana		**(1,019,800)**	-	**(1,019,800)**	-
Loans payable		**-**	-	**-**	(181,319)
		779,905	6,769,619	**2,112,927**	7,745,766
Cash flows from investing activities:					
Investment in equipment	**6**	**-**	(793,584)	**(76,183)**	(1,065,078)
Investment in intangible assets		**-**	-	**-**	(18,604)
Investment in mineral properties and deferred exploration expenses	**7**	**(303,921)**	(1,356,044)	**(2,417,315)**	(1,686,609)
		(303,921)	(2,149,628)	**(2,493,498)**	(2,770,291)
Impact of foreign exchange on cash and cash equivalents		**(144,452)**	-	**10,752**	-
Increase (decrease) in cash during the period		**141,273**	4,088,729	**(1,218,018)**	2,576,654
Cash, beginning of period		**59,462**	430,921	**1,418,753**	1,942,996
Cash, end of period		**$ 200,735**	$ 4,519,650	**$ 200,735**	$ 4,519,650
Supplemental cash flow information:					
Shares issued for mineral property interests		**$ -**	$ -	**$ 580,000**	$ -
Extinguish promissory note through warrant exercise		**$ -**	$ -	**$ 125,000**	$ -

The accompanying notes are an integral part of these condensed interim consolidated financial statements

1. Nature of operations and going concern

Mahdia Gold Corp. ("Mahdia" or the "Company") is incorporated in the Province of Alberta, Canada and is domiciled in the Province of Ontario and is a reporting entity whose shares are listed on the Canadian National Stock Exchange ("CNSX") under the trading symbol "MGD". The address of the Company's registered office is 1 Yonge St., Suite 1801, Toronto, Ontario MSE 1W7.

The Company's principal activity is the exploration and development of mineral properties in Guyana, South America. To date, no mineral development projects have been completed and no commercial development or production has commenced.

The Company is primarily in the exploration stage with respect to its mineral properties. Based on the information available to date, the Company has not yet determined whether its mineral properties contain economically recoverable reserves. The recoverability of the carrying value of the Company's interest in mineral properties is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, the ability of the Company to raise alternative financing, if necessary, or alternatively upon the Company's ability to dispose of its interest on an advantageous basis. Changes in future conditions could require material write-downs of the carrying values.

These financial statements have been prepared on a going concern basis which assumes that the company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

The Company has no source of operating cash flows and has significant cash requirements to maintain its mineral investments and administrative overhead. In order to meet future expenditures and exploration costs, the Company may need to raise additional financing. Although the Company has been successful in obtaining financing to date, there can be no assurance that adequate funding will be available in the future, or available under terms favourable to the Company. These consolidated financial statements do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern.

In addition, the Company incurred a net loss of $3,248,581 for the nine months ended May 31, 2013 and an accumulated deficit of $17,668,742. These conditions indicate the existence of a material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern.

2. Basis of preparation

(a) Statement of compliance

The Company's condensed consolidated interim financial statements have been prepared in accordance with IAS 34, "Interim Financial Reporting". These condensed consolidated interim financial statements do not include all notes of the type normally included within the annual financial report and should be read in conjunction with the audited financial statements of the Company for the year ended August 31, 2012, which has been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

These unaudited condensed interim consolidated financial statements were approved by the Company's board of directors on July 23, 2013.

2. Basis of preparation (continued)

(b) Basis of measurement

The condensed interim consolidated financial statements have been prepared on the historical cost basis except as detailed in the Company's accounting policies.

(c) Basis of consolidation

The condensed interim consolidated financial statements of the Company include Mahdia and its wholly owned subsidiary, Mahdia Gold Corporation (Guyana) Inc. ("Mahdia Guyana"), and Roraima Investment & Consulting Services (Guyana) Inc. ("Roraima"), a corporation controlled by Mahdia.

(d) Functional currency

The individual financial records of each entity are kept in the currency of the primary economic environment in which the entity operates (its functional currency). These interim consolidated financial statements are presented in Canadian Dollars, which is the Company's functional currency. The functional currency of Mahdia Guyana and Roraima is the Guyanese dollar.

(e) Use of estimates and judgments

Management makes judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. By their nature, estimates are subject to measurement uncertainty and changes in such estimates in future periods could require a material change in the financial statements. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision, and further periods if the review affects both current and future periods.

3. Significant accounting policies

These condensed interim consolidated financial statements have been prepared following the same accounting policies used in the preparation of the audited financial statements of the Company for the year ended August 31, 2012.

(Unaudited, Expressed in Canadian Dollars, unless otherwise noted)

4. Capital management

The Company's objectives in managing capital are to ensure sufficient liquidity to pursue its strategy of growth combined with strategic acquisitions and to provide returns to its shareholders. The Company defines capital that it manages as the aggregate of its shareholders' equity, which is comprised of issued capital and deficit and cash and cash equivalents.

The Company raises funds for working capital through the sale of shares and debt under private placements.

There were no changes to the Company's strategy from the prior year. The Company is not subject to any externally imposed capital requirements.

5. Loan receivable from related party

As at August 31, 2012 there was a non-interest bearing loan outstanding of $65,987 receivable from a director of the Company and is repayable by August 31, 2015. Terms of repayment are at the discretion of the debtor. The loan has been discounted by $16,410.

No payments were made during the period ended May 31, 2013. Subsequent to the period, as part of the consideration for the director’s resignation from the Company, this loan receivable was forgiven.

6. Equipment

The Company has the following equipment:

	Office furniture and equipment	Computer and communication equipment	Computer software	Vehicle	Mining machinery and equipment	Total
Cost						
At August 31, 2011	9,955	63,236	-	-	-	73,191
Additions	93,540	35,714	85,881	244,688	950,328	1,410,151
Disposals	-	-	-	-	-	-
At August 31, 2012	**$ 103,495**	**$ 98,950**	**$ 85,881**	**$ 244,688**	**$ 950,328**	**$ 1,483,342**
Additions	6,119	1,121	-	24,794	44,149	76,183
Foreign currency translation	4,144	117	-	11,925	44,106	60,292
At May 31, 2013	**$ 113,758**	**$ 100,188**	**$ 85,881**	**$ 281,407**	**$ 1,038,583**	**$ 1,619,817**
Depreciation						
At August 31, 2011	7,500	34,853	-	-	-	42,353
Expense for the year	17,291	14,316	40,615	61,172	230,994	364,388
At August 31, 2012	**$ 24,791**	**$ 49,169**	**$ 40,615**	**$ 61,172**	**$ 230,994**	**$ 406,741**
Expense for the year	7,602	12,765	16,976	41,449	152,975	231,767
Foreign currency translation	855	53	-	3,481	13,079	17,468
At May 31, 2013	**$ 33,248**	**$ 61,987**	**$ 57,591**	**$ 106,102**	**$ 397,048**	**$ 655,976**
Net book value						
At August 31, 2012	$ 78,704	$ 49,781	$ 45,266	$ 183,516	$ 719,334	$ 1,076,601
At May 31, 2013	$ 80,510	$ 38,201	$ 28,290	$ 175,305	$ 641,535	$ 963,841

(Unaudited, Expressed in Canadian Dollars, unless otherwise noted)

7. Mineral properties and deferred exploration costs

The following is a summary of mineral properties and acquisition and deferred exploration costs:

	Tiger River (i)	White Creek (ii)	OMAI (iii)	Total
Balance at August 31, 2011	$ 152,768	$ 803,979	$ 625,638	$ 1,582,385
Acquisition cost	-	-	8,921,143	8,921,143
Capitalized interest	-	15,038	491,359	506,397
Exploration cost	-	-	4,296,328	4,296,328
Balance at August 31, 2012	**$ 152,768**	**$ 819,017**	**$ 14,334,468**	**$ 15,306,253**
Acquisition cost	-	-	629,917	629,917
Exploration costs	-	-	2,598,688	2,598,688
Alluvial proceeds (net of costs)	-	-	(29,061)	(29,061)
Capitalized interest	-	-	667,760	667,760
Foreign currency translation	-	-	203,765	203,765
Balance at May 31, 2013	**$ 152,768**	**$ 819,017**	**$ 18,405,537**	**$ 19,377,322**

(i) The Company holds 10 mineral permits on the Tiger River property from Aztek Resources Development Inc. ("Aztek"). The property is located in the Mahdia region of Guyana and consists of 4,404 hectares of land.

(ii) The White Creek property consists of 25 mineral permits located in the White Creek area of Guyana.

(iii) The Company entered into an agreement with the Government of Guyana to acquire the OMAI gold mine license for a total consideration of USD$11,500,000. In January 2012, the Company was officially awarded the prospecting license for the OMAI property.

Of the USD$11,500,000 purchase price, USD$500,000 was paid in fiscal 2011 and USD$1,000,000 in fiscal 2013, with the Company committing to pay the remainder as follows (all funds in USD$): $5,000,000 at 24 months after and $5,000,000 at 36 months after the awarding of the prospecting license. The total consideration to be paid has been treated as an addition to the property and has been accrued under loans payable and payable to Guyana government (Note 8), which includes both the acquisition cost and a financing cost.

On October 13, 2012, the Company acquired an option to purchase 100% of 18 Prospecting Permits Mediums Scale mineral rights with a total aggregate surface area of 21,406 acres in the OMAI/Essequibo River area for consideration of USD$50,000 plus 2,000,000 shares of the Company. Additional payments required are as follows: payment of USD$200,000 on or before ninety days after the Effective Date, USD$150,000 on or before the first anniversary of the Effective Date, USD$300,000 on or before the second anniversary of the Effective Date, USD$300,000 on or before the third anniversary of the Effective Date, for a cumulative total of USD$1,000,000.

(Unaudited, Expressed in Canadian Dollars, unless otherwise noted)

7. Mineral properties and deferred exploration costs (continued)

(iv) During the period, the Company entered into a series of agreements with Roraima, a related party, wherein the Company has released 587 acres ("the Shallow Flats Area") to Roraima, out of the total 28,646 acres currently held by the Company. The arrangement, through power of attorney, allows the Company to maintain rights to the Shallow Flats Area, while Roraima utilises its permit to begin immediate mining and development of the shallow pits.

8. Loans payable and payable to the government of Guyana

(a) In connection with the acquisition of the White Creek property, a vendor loans payable in the amount of USD$347,500 was incurred in fiscal 2011. The loan is unsecured and non-interest bearing. The long-term portion of the loans has been discounted to provide for a 10% per annum imputed interest. Total loans payable at May 31, 2013 contain a long-term portion of $89,647 and a current portion of $27,023, for a discounted total of $75,594.

The payment schedule for this loan is as follows:

Year		Amount
2014	USD $	40,000
2015		40,000
2016 and thereafter		37,000
	USD $	**117,000**

The scheduled payment of USD$40,000 was paid during the period ended May 31, 2013.

(b) During fiscal 2011, the Company entered into an agreement with the government of Guyana to acquire the OMAI gold mine license for a total consideration of USD$11,500,000, of which a total of USD$1,500,000 was paid (of which USD$1,000,000 was paid during the nine months ended May 31, 2013).

The payable to the government of Guyana as at May 31, 2013 had a carrying value of $9,270,024. During the nine months ended May 31, 2013, accretion of $667,760 was added to the loan balance. The Company has committed to pay the remainder as follows:

Year		Amount
2014	USD $	5,000,000
2015		5,000,000
	USD $	**10,000,000**

(c) During the period, the Company issued two promissory notes in the amount of $75,000 and $50,000 for a total of $125,000. The promissory notes were repayable upon demand and will pay interest and fees of $2,500. The promissory notes were extinguished in the period with $2,500 in fees and interest, with the principal repayment put towards exercising warrants for shares in the Company.

(Unaudited, Expressed in Canadian Dollars, unless otherwise noted)

9. Share capital

(a) Authorized

Unlimited Common shares
Unlimited Preferred shares, voting, issuable in series, redeemable at a paid-up amount

(b) Issued

	Number of shares		Amount
Balance at August 31, 2012	142,263,620	$	19,309,846
Shares issued on exercise of warrants	9,292,450		1,386,118
Shares issued on exercise of broker warrants	615,400		133,344
Shares issued on acquisition of mineral property	2,000,000		580,000
Cancellation of shares	(1,500,000)		(283,872)
Private placement, net of issuance costs	1,040,000		260,000
Closing balance at May 31, 2013	**153,711,470**	**$**	**21,385,436**

(i) During the nine months ended May 31, 2013, a total of 8,602,450 warrants were exercised into common shares at an exercise price of $0.15 per share, for total proceeds of $1,290,368. Of this amount, $125,000 was satisfied through the extinguishing of the promissory notes. In addition, this includes exercise of 690,000 warrants, at $0.15 per share for gross proceeds of $103,500 which were classified as shares to be issued as of August 31, 2012.

An additional 33,332 warrants were exercised at an exercise price of $0.15 per share, for total proceeds of $5,000. As at May 31, 2013, the Company is committed to issue 33,332 shares valued at $5,000.

(ii) 615,400 broker warrants were exercised during the period for $0.15 per share, for total proceeds of $92,310. $41,034 was transferred from broker warrants to share capital upon exercise.

(iii) A total of 2,000,000 common shares were issued on acquisition of mineral property valued at $0.29 per share. Refer to Note 7(iii) for further details.

(iv) During the period, a director of the Company agreed to cancel 1,500,000 common shares issued as compensation to him in fiscal 2012 in exchange for the issuance of stock options to purchase 1,500,000 common shares at $0.20 per share for a period of five years. The fair value of the options issued of $283,872 was recorded as a reduction in equity.

(v) During the period, the Company issued 1,040,000 units at $0.25 per unit, for total proceeds of $260,000. Each unit consists of one common share and one warrant, with each warrant exercisable at $0.40 into one common share for a period of two years.

(Unaudited, Expressed in Canadian Dollars, unless otherwise noted)

9. Share capital (continued)

(c) Stock options

The Company has a stock option plan by which the directors may grant options to purchase common shares to directors, officers, employees and service providers of the Company on terms that the directors may determine within the limitations set forth in the stock option plan. The maximum number of common shares issuable upon the exercise of options granted pursuant to the stock option plan is set at 10% of total issued shares.

A summary of the change in the stock options is as follows:

	Weighted Average Exercise Price	Number of Options	Vested
Balance at August 31, 2012	$0.24	10,250,000	10,250,000
Granted - September 28, 2012	$0.30	950,000	950,000
Granted - February 20, 2013	$0.20	1,500,000	1,500,000
Granted - February 25, 2013	$0.20	1,500,000	1,500,000
Balance at May 31, 2013	**$0.23**	**14,200,000**	**14,200,000**

For the nine months ended May 31, 2013, $800,785 (2012 - $2,054,133) of share based compensation expense was recorded for the fair value of stock options granted. An additional $283,872 was recorded in contributed surplus based on the value of options issued in consideration for the cancellation of shares during the period.

The fair value of share options was estimated using the Black-Scholes option pricing model with the following assumptions:

	May 31, 2013
Volatility	171% to 180%
Risk-free interest rate	1.37% to 1.46%
Expected life (years)	5 years
Dividend yield	Nil
Forfeiture rate	0%
Exercise price	$0.20 to $0.30
Share price	$0.19 to $0.30

The expected volatility is based on the Company's historical prices. The weighted average fair value at grant date for the options granted during the period was $0.20 per option.

The following are the stock options outstanding as of May 31, 2013

Issuance date	Options Outstanding	Exercise Price	Weighted Average Remaining Contractual Life (Years)	Options Exercisable
October 15, 2010	2,000,000	$0.10	0.38	2,000,000
March 5, 2012	8,250,000	$0.27	3.76	8,250,000
September 28, 2012	950,000	$0.30	4.33	950,000
February 20, 2013	1,500,000	$0.20	4.73	1,500,000
February 25, 2013	1,500,000	$0.20	4.74	1,500,000
Balance at May 31, 2013	14,200,000	$0.23	3.53	14,200,000

(Unaudited, Expressed in Canadian Dollars, unless otherwise noted)

9. Share capital (continued)

(d) Warrants

The following is a summary of warrants:

	Number of warrants		Weighted average exercise price
Balance at August 31, 2012	32,356,200	$	0.44
Exercise of warrants	(8,635,782)	$	0.15
Issuance of warrants	1,951,880	$	0.31
Expiry of warrants	(7,295,418)	$	0.43
Balance at May 31, 2013	**18,376,880**	**$**	**0.57**

Warrants outstanding:	Number of warrants	Weighted average years to expiry
Warrants exercisable at $0.20	911,880	4.88
Warrants exercisable at $0.40	1,040,000	1.71
Warrants exercisable at $0.45	425,000	0.17
Warrants exercisable at $0.60	16,000,000	0.87
Balance at May 31, 2013	**18,376,880**	**1.10**

(i) During the nine months ended May 31, 2013, a total of 8,635,782 warrants were exercised into common shares at an exercise price of $0.15 per share, for total proceeds of $1,295,367. Of this amount, $125,000 was satisfied through the extinguishing of the promissory notes. The Company is committed to issue 33,332 shares valued at $5,000 related to the exercise of warrants.

(ii) As part of the common share private placement, 1,040,000 warrants were issued, exercisable into one common share per warrant, at $0.40 per share. The warrants expire 2 years from the date of issuance and are subject to a forced conversion if the 10-day volume-weighted average trading price exceeds $0.72.

(iii) 911,880 warrants were issued in conjunction with the convertible debentures. These warrants are exercisable into one common share per warrant, at $0.20 per share. The warrants expire 5 years from the date of issuance.

(e) Broker warrants

	Number of broker warrants		Amount		Weighted average exercise price
Balance at August 31, 2012	1,755,560	$	162,952	$	0.44
Exercise of broker warrants	(615,400)		(41,034)	$	0.15
Balance at May 31, 2013	**1,140,160**	**$**	**121,918**	**$**	**0.60**

The weighted average years to expiry of the broker warrants are 0.90 years.

(Unaudited, Expressed in Canadian Dollars, unless otherwise noted)

10. Related party transactions and balances

(a) Key management and director personnel are persons responsible for planning, directing and controlling the activities of the Company, and include the senior officers and directors of the Company. Key management and director personnel compensation comprised of share based payments, management and consulting fees.

	Three months ended May 31,		Nine months ended May 31,	
	2013	2012	**2013**	2012
Short-term	**$ 277,333**	$ 173,384	**$ 764,689**	$ 533,384
Share-based compensation	**263,778**	516,402	**603,543**	991,402
Total	**$ 541,111**	$ 689,786	**$ 1,368,232**	$ 1,524,786

(b) As at May 31, 2013, $598,767 was payable to directors and officers of the Company, included in accounts payable and accrued liabilities.

(c) The Company has a loan receivable of $49,577 from a director of the Company (Note 5). Subsequent the period the director resigned from the Company and the loan was forgiven.

(d) During the period, a director of the Company agreed to cancel 1,500,000 common shares issued as compensation in fiscal 2012 in exchange for the issuance of stock options to purchase 1,500,000 common shares at $0.20 per share for a period of five years. The fair value of the options issued of $283,872 was recorded as a reduction in equity.

(e) The Company entered into an agreement with a related party, Roraima Investment & Consulting Services (Guyana) Inc. (Note 7).

11. Convertible debenture

In April 2013, the Company issued 1,019.8 units, for gross proceeds of $1,019,800. In May 2013, the Company issued an additional 500 units, for gross proceeds of $500,000. Each unit consists of a $1,000 face value convertible unsecured subordinated debenture (the "Debentures") and 600 warrants. The Debentures mature on June 30, 2015 and have interest payable of 15% per annum, semi-annually, commencing June 30, 2013.

Each warrant issued with the debentures is exercisable into one common share at an exercise price of $0.20 per share for a period of five years from closing.

The Debentures will be convertible at the holder's option into common shares at any time prior to the earlier of maturity and the business day immediately preceding the date fixed for redemption of the Debentures at a conversion price of $0.20 per common share (the "Conversion Price"), being a ratio of 5,000 common shares per $1,000 principal amount of Debentures. Holders converting their Debentures will receive accrued and unpaid interest thereon, up to, but excluding, the date of conversion.

(Unaudited, Expressed in Canadian Dollars, unless otherwise noted)

11. Convertible debenture (continued)

The Debentures will be redeemable by the issuer on or after June 30, 2014, where the Company may, at its option, subject to providing not more than 60 and not less than 30 days' prior notice, redeem the Debentures, in whole or, from time to time, in part, at 105% of par plus accrued and unpaid interest provided that the weighted average closing price of the common shares on the Issuer's primary exchange during the 20 consecutive trading days ending five trading days preceding the date on which the notice of redemption is given is not less than 125% of the Conversion Price.

The convertible debentures are compound financial instruments and as such have been recorded as a liability, contributed surplus, and warrant components. The residual valuation method was used to determine the contributed surplus portion of the convertible debenture and warrants attached. Under this approach, the liability component was valued first, and the difference between the proceeds of the convertible debentures and the fair value of the liability was assigned to the equity and warrant component. The present value of the liability was calculated using a discount rate of 22.5%, which approximates the interest rate that would have been applicable to non-convertible debt without warrants.

Convertible debenture	May 31, 2013	Aug 31, 2012
Converible debenture issued in April and May 2013	**$ 1,519,800**	$ -
Less costs	**(50,673)**	-
Less contributed surplus component	**(190,193)**	-
Less warrant component	**(28,982)**	-
	1,249,952	-
Adjustments - expensed to interest		
Accretion of liability	**12,329**	-
Liability component of debentures	**$ 1,262,281**	$ -

12. Commitments and contingencies

(a) The Company has the following lease payments in each of the next four years and in aggregate as follows:

Year	Amount
2013	$ 11,271
2014	77,953
2015	123,084
2016	112,827
	$ 325,135

(b) An action was commenced against the Company in the High Court of the Supreme Court of Guyana in connection with the ownership of nine mineral permits on the Tiger River property. The Company has filed a defence and counterclaim against the plaintiff. The plaintiff has failed to file his defence to the counterclaim despite being given three extensions by the court. This matter is in the early stages and management has no ability to forecast exposure, if any exists.

13. Financial instruments and financial risk management

The Company's financial instruments include cash, other receivables, loan receivable from a related party, accounts payable and accrued liabilities, loans payable and payable to the government of Guyana.

This note presents information about the Company's risks arising from each of the above financial instruments' objectives, policies, processes for measuring and managing these risks. Further quantitative disclosures are included throughout these financial statements. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board has implemented and monitors compliance with risk management policies.

Liquidity Risk

The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities and property commitments when due, under both normal and stressed conditions without incurring unacceptable losses or risking harm to the Company's reputation.

The Company prepares annual expenditure budgets, which are regularly monitored and updated as considered necessary. Management attempts to ensure sufficient cash or liquid investments are available to satisfy budgeted expenditures.

The Company is currently in a working capital deficit position and is actively working to secure additional financing to meet obligations as they come due. However, there can be no assurance that the Company will be able to secure additional funding in the future.

Foreign Currency Exchange Risk

The Company has not entered into any arrangements to hedge currency risk but does maintain cash balances within each currency. As at year-end, the Company had cash held in United States currency with a value of $1,206 and cash held in Guyanese currency with a value of $53,173. A 10% fluctuation in the exchange rates is expected to impact the net loss by $121 and $5,317 respectively.

Commodity Price Risk

Commodity prices for minerals are impacted by world economic events that dictate the levels of supply and demand as well as the relationship between the Canadian and US dollar, as outlined above. The Company is exposed to commodity price risk, specifically gold price, as it impacts the Company's access to capital funding as well as the proceeds from the recovery of minerals.

13. Financial instruments and financial risk management (continued)

Financial instruments: Fair Value

Financial instruments recorded at fair value on the Statement of Financial Position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

i. Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
ii. Level 2 – Inputs other than quoted prices that are observable for assets or liabilities, either directly or indirectly; and
iii. Level 3 – Input for assets and liabilities that are not based on observable market date.

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. The financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

The following table outlines the Company's financial assets and liabilities measured at fair value by level with the fair value hierarchy described above.

The Company's financial instruments measured at fair value are as follows:

Liabilities	Level 1	Level 2	Level 3	Total
Payable to Government of Guyana	-	-	$9,270,024	$9,270,024
Loans Payable	-	-	$75,594	$75,594

Mahdia Gold Corp.

Management's Discussion and Analysis
For the nine months ended May 31, 2013

Introduction

Unless the context suggests otherwise, references to "Mahdia", "the Company", "Issuer" or similar terms refer to Mahdia Gold Corp.

This Management's Discussion and Analysis ("MD&A") is a discussion and review of operations, current financial position and outlook for Mahdia and should be read in conjunction with the unaudited condensed interim consolidated financial statements of the Company and related notes for the nine months ended May 31, 2013, and the audited consolidated financial statements for the year ended August 31, 2012. All amounts included in the MD&A are reported in Canadian dollars unless otherwise noted. The financial statements were prepared in accordance with International Financial Reporting Standards ("IFRS").

This report is dated as of July 23, 2013 and includes activities through to this date unless otherwise indicated.

Overview of the Company

Mahdia was incorporated in Alberta and is domiciled in the province of Ontario, and is a reporting issuer, whose shares are listed on the Canadian National Stock Exchange ("CNSX") under the trading symbol "MGD". Mahdia is a Canadian based mineral resources company involved in the exploration and development of mineral properties in Guyana, South America.

The Company currently holds interests in three mineral properties located in Guyana:

- Tiger River;
- White Creek; and
- Omai.

The Company is primarily in the exploration stage with respect to its mineral properties. The Company has also commenced limited processing and development of shallow pits for production of gold. Based on the information available to date, the Company has yet to determine whether its mineral properties contain economically recoverable reserves. The recoverability of the carrying value of the Company's interest in mineral properties is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, the ability of the Company to raise alternative financing, if necessary, or alternatively upon the Company's ability to dispose of its interest on an advantageous basis. Changes in future conditions could require material write-downs of the carrying values. The Company's mineral assets are located in Guyana; therefore, they are subject to foreign investment risk, including exchange fluctuations and political uncertainty.

To date, the mineral development projects have yet to be completed and the Company has yet to commence commercial development or production. The Company has commenced initial recovery of alluvial gold production.

Qualified Person

Mr. David Bending, M.Sc., P. Geo., is the Company's Qualified Person as that term is defined in National Instrument 43-101 and is responsible for and has approved all technical information in this MD&A.

Highlights During the Period

Shallow Flats Area agreement

The Company entered into a series of agreements with Roraima Investment & Consulting Services (Guyana) Inc. (“Roraima”), a related party, wherein the Company has released 587 acres (the “Shallow Flats Area”) to Roraima, out of the total 28,646 acres currently held by the Company.

The arrangement, through power of attorney, allows the Company to maintain rights to the Shallow Flats Area, while Roraima is able to commence mining and developing the shallow pits immediately. There are no guarantees that economic quantities of gold will be found in the Shallow Flats Area and there is no projection or estimate of expected gold production in the Shallow Flats Area. However, during the three months ended May 31, 2013, the Company has recovered over 150 ounces of gold from this area.

Alongside the said mining activities, the Shallow Flats Area will be subjected to ongoing, sequenced and systematic exploration and development. The Shallow Flats Area has been subject to both historical and recent diamond drilling, which originally concentrated on the bedrock and artisanal mining since 2010. No National Instrument 43-101 compliant resource has been defined in this area, however based on the geological and mining history, management believes it is a priority target area for development.

Results from Phase 1 Test Pitting

Analytical results from phase 1 test pitting in the Wenot East alluvial target located within the Roraima mining permit area (the "Roraima Area") in Guyana were disclosed in May 2013.

The Roraima Area is located inside the Omai Prospecting license area and is held for development purposes in a Mining Permit by Roraima Investment & Consulting Services (Guyana) Inc. Pursuant to a number of Agreements and Power of Attorney, Mahdia holds control over the proceeds from the Roraima Area. This 534 acre area was previously mapped as a paleochannel with maximum depths to around 25 meters. The depths are based on historic diamond drilling that tested the underlying bedrock for gold mineralization. Mahdia's management believes this gold bearing paleochannel presents an opportunity for accelerated production using low cost bulk mining methods and gravity processing technology. The grade, geometry, and optimal recovery methods to be considered in this program are the subject of an ongoing work program, including test pitting and sampling as reported herein. Using excavators, the work is limited to approximately seven meters in depth below the surface. Complete definition of the target will require systematic drilling with tools suitable for this type of river gravels, sandy and clay - rich layers at and below local water table. Artisanal mining during 2011 also recovered diamonds from this material and diamond recovery will be considered as part of this study.

Phase 1 sample sizes ranged from 1387 to 3830 grams. The samples were submitted with secure chain of custody to Activation Laboratories' Certified sample preparation and gold assay facility in East Coast Demerrera, Georgetown, Guyana. The samples were dried, sieved to separate Tyler Mesh size fractions from +12 to - 200, 100% pulped and subject to fire assays. The assayed weight of each size fraction, and the corresponding gold values, were utilized to estimate the grade in the material and to consider grain size distribution for potential process considerations.

The results confirmed the presence of gold in all size fractions with highest concentrations in the size 150 microns to 180 microns (Tyler Mesh 100) and 150 microns to 106 microns (Tyler Mesh 140).

Mesh	Size Microns	Min Gold Value (grams/dry tonne)	Max Gold Value (grams/dry tonne)
+20	850	0.00	0.71
+80	180	0.00	1.91
+100	150	0.00	9.51
+140	106	0.00	10.13
+200	75	0.00	5.31
-200	less than 75	0.07	1.15

The weighted mean value of all 34 samples, excluding check samples, blanks, and standards, and representing an area of irregularly distributed test pits in a 50 x 150 meter area with depths from surface to seven meters, is 0.9505 grams per dry tonne. As work proceeds, modeling and process design will emphasize recoverable value in grams of gold per bank cubic meter, and systematic measurement of in situ density will be important. The total gold content per bank cubic meter will be about 50% higher than that cited as grams per tonne. These concentrations, in the context of bulk materials handling and efficient gravity recovery, strongly support the continuing evaluation and complete delineation of this substantial target. This program will include systematic test pitting and drilling as cited herein in conjunction with recovery studies, consideration of diamond values and recovery, and optimal operating tools. The objective of this program is to form the sound basis for accelerated development and production of this target. No NI 43-101 compliant resource has been estimated for this material, and the data currently available is not sufficient to support such an estimate.

Land expansion in Omai district

On October 22, 2012, the Company announced the first phase of the expansion of its land holdings in the Omai/Essequibo River area with the execution of an option to acquire 100% of the mineral rights represented by 18 Prospecting Permits Mediums Scale with a total aggregate surface area of 21,406 acres (the “OMAI EXPANSION”). The agreement, negotiated with South American Mining Inc. (‘Vendor’), a private Guyana Company grants, through powers of attorney pursuant to Guyana law, allow the right to explore and, as warranted, convert the rights to Mining Permits or Mining Licenses and thereafter acquire the entire land holding. The transaction represents a significant expansion of the boundaries of the Company’s current assets in the Omai District and the corresponding exploration and development opportunity thereupon. OMAI EXPANSION is located in a well known gold bearing region and will be evaluated as part of the Company’s ongoing redevelopment of the Omai Prospecting License.

This expands the Company’s land for exploration and mining purposes by a multiple of almost 4 times to 28,646 acres in the same area. The additional exploration opportunity covers regional geological contacts and gold targets in bedrock, oxide / saprolite and alluvial / colluvial environments which the Company’s technical team has selected as high priority. Management of the Company expects this expansion of opportunity to provide significant enhancement in shareholder value during the medium and long term development of the district. OMAI EXPANSION was closed to modern exploration throughout the previous life cycle of the Omai property and exploration work will be coordinated with optimization of the Company’s main holdings without the obligation of minimum exploration expenditures associated with Prospecting Licences.

Including an initial payment of Fifty Thousand United States Dollars ($50,000), the total consideration for the post option acquisition of 100% of OMAI EXPANSION will be One Million United States Dollars ($1,000,000) and Two Million (2,000,000) Shares of Mahdia Gold Corp.

Technical report released

The Company has released a technical report based on National Instrument 43-101, which has been posted on SEDAR. The technical report has been prepared by AMEC with an effective date of November 27, 2012.

Omai drilling results

The Company announced its first stage of gold assays from the 2012 diamond drilling program with confirmation of significant gold intercepts and indicative of potential for continued expansion of the 3 km long Wenot Mineralized system.

The results available to date validated historic intercepts and discovered additional mineralized zones below previously tested targets to confirm potential for expansion.

DRILL HOLE NUMBER	EASTING	NORTHING	HOLE FINAL DEPTH	Bearing/ Dip	(Meters) From	To	Width	Au g/t
12WEDDH 001B[1,2]	304450	601486.397	301.00	360/-30	46.77	58.40	11.90	3.76
					70.16	78.82	8.66	3.46
1A lone sample lost[3]			101.00	360/-50	81.35	84.12	2.97	4.80
					158.00	173.30	16.90	4.41
WENOT WEST					233.29	235.61	1.32	15.33
12WEDDH 004[2]	305700	601232.373	502.00	360/-50	245.00	261.50	16.50	0.30
Main Target is 400 to 502 meters pending					322.50	330.42	7.92	0.83
Total			*904.00*					

[1]Includes 14.43/2.9 approximate true width

[2]Check screen fire assays pending

[3]One sample lost at base of overburden in western paleochannel

<u>Criteria</u>

Cut off: 0.2 grams of gold per tonne across more than three contiguous samples are not included in stated intercepts.

Intercepts: Based on weighted mean values including many samples.

Grade: Based on the multiple of reported gold values and reported sample intervals.

Protocol: Maintained with QA/QC including the use of certified standards and blanks as developed in conjunction with AMEC.

Analytic Method: Fire Assay pre-concentration of 30 gram subsample with AA finish, all samples exceeding 1 gram per tonne were subject to re-subsampling and fire assay / gravimetric analysis with results reported in grams per tonne.

The Company had 2,300 samples recently assayed. 1,665 were from reconnaissance drill holes along the Wenot trend and 525 were from the Fenell mineralized system, and 110 were from routine prospecting and a mapping work to develop other targets. This news release discloses assays from the Wenot trend samples only. A further news release shall disclose assays from the Fenell mineralized system when they are available to be released. Additional holes will be drilled in this sector to augment current findings.

This first set of diamond drill results by Mahdia on the Wenot trend verifies the presence of significant gold mineralized zones extending beyond the limits of previously drilled material. These intercepts demonstrate the presence of gold concentrations higher than those historically reported on this deposit. This disclosure supports the Company's strategy for expansion and development of the new Omai mine through a systematic phased program.

The Company also received the gold assays from the 2012 core recovery and rehabilitation program on the Fenell mineralized system. These latest results are from the forensic review of core drilled in 2006 to advance the Fenell drilling database to NI 43-101 compliance with confirmatory and supplemental assays. This reconciliation program is continuing and is achieving success in verifying the previous work allowing for a focus of ongoing work on higher grade zones for optimization of the resource model.

DRILL HOLE NUMBER	Resampled Interval	(Meters) From	To	Width	Au g/t
OMU 28[1]	167.51	163.42	167.00	3.58	3.84
		172.00	250.00	78.00	1.83
		255.00	368.00	85.10	1.42
OMU 39[1]	578.00	357.00	427.00	70.08	0.99
		432.00	439.00	7.00	1.26
		448.00	476.00	24.00	1.01
		483.00	501.00	18.00	2.41
		604.00	609.00	5.00	1.32
		652.00	663.90	11.90	0.70
		687.00	698.00	11.00	1.41
		785.00	795.00	10.00	8.43
		798.00	807.00	9.00	0.72
		813.00	819.00	6.00	1.24
		825.87	831.55	5.68	4.57
		843.00	850.00	7.00	2.49
	745.51				

[1]Check screen fire assays pending

The Company had 2,300 samples recently assayed. 1,665 were from reconnaissance drill holes along the Wenot trend announced February 12, 2013 and 525 were from the Fenell mineralized system, and 110 were from routine prospecting and a mapping work to develop other targets. The Company's evaluation program is proceeding with its goal to develop a NI – 43 101 compliant resource model and significantly advance the project through aggressive drilling and expansion.

The Company maintained a rigorous program of QA/QC including the use of certified standards and blanks and submitted the samples with a secure chain of custody to the Georgetown, Guyana facility of the Canadian company, Activation Laboratories, which is fully certified for gold assays.

Appointment of directors and officers

The Company has attracted and appointed the following members:

Mr. Andre Douchane – Chief Executive Officer, President, Director

Mr. Andre Jean Douchane is a mining engineer with over 30 years of international executive management experience and nearly 35 years of experience in the mining industry at all levels, including development, construction, operations and corporate administration. He has served as Vice-President, Operations of Reno Office, a division of Euro-Nevada Mining Corporation Limited. He served as President and Chief Executive Officer of North American Palladium Ltd. from April 2003 to January 1, 2006. Mr. Douchane served as Chief Executive Officer of Chief Consolidated Mining Co. since February 2002 and as its President and Chief Operating Officer from August 2001 to 2002. He served as Vice President and General Manager of Round Mountain Gold Company. He served as Vice President of Operations of Franco-Nevada Mining Corporation (now Newmont Mining Corp. of Canada Ltd.) from January 1996 to May 2001. From 1991 to 1995, he served as Vice President of Operations of Battle Mountain Gold, President, Battle Mountain North America, where he was responsible for six mining operations worldwide, two in the United States, two in South America and two in Australia, and for all development projects. Mr. Douchane served as President of Management Inc. from 2002 to 2003. Prior to June 2001, he served as Vice-President, Operations of Franco-Nevada Mining Corp. He has been a Director of North American Palladium Ltd. since April 2, 2003. He has been a Director of Osisko Mining Corporation since June 2007. He serves as a Member of the Board of Directors of Osisko Exploration Ltd. He served as a Director of Klondex Mines Ltd. until June 28, 2012. He served as a Director of Starfield Resources Inc. since October 8, 2009. He served as a Director of Golden Hope Mines Limited from April 2008 to February 18, 2009. Mr. Douchane holds a Bachelor's degree in Mining Engineering from the New Mexico Institute of Mining and Technology and graduated from the Executive Business Program of the Kellogg School of Management of Northwestern University.

Mr. Donald Gordon – Director

Mr. Donald Gordon has over 30 years of experience and expertise in corporate finance analysis, conducting due diligence reviews for regulatory purposes and investment assessment, of public and private companies, and has acted as consultant and principal in dozens of reverse takeover transactions. Following a 17-year career at the Vancouver Stock Exchange, mainly as Director of Corporate Finance, Mr. Gordon has been a self-employed consultant to issuers, investment dealers, and stock exchanges since 1999. Mr. Gordon has served as a director of various public companies, and has been involved in listing and financing transactions on both stock exchanges in Canada and currently is under contract as Senior Advisor to the Canadian National Stock Exchange. He is a past president of the Vancouver Society of Financial Analysts, and as a Chartered Financial Analyst (CFA) has served on the Canadian Advocacy Committee for over 7 years, and holds a master’s degree in business administration (MBA).

The Company also had a re-organization of officers and directors as follows:

- Mr. David Bending stepped down as President and was appointed Executive Vice President of Exploration. Mr. Bending remains a director on the board;
- Mr. Ted Ens stepped down as a director and was appointed Executive Vice President of Operations; and
- Mr. Donald Gordon stepped down as interim CEO but remains a director of the board.

Private placement

The Company closed the first tranche of a non-brokered private placement of 1,040,000 units at a price of CAD $0.25 per share for gross proceeds of CAD $260,000. Each unit consists of one common share and one common share purchase warrant, exercisable into one common share for $0.40 for a period of two years from the date of closing. All units issued in the Offering will be subject to a hold period in Canada of four months from the closing date. The Company did not pay a finder's fee in connection with this portion of the placement. The net proceeds from the Offering are intended to be used to fund the Company's exploration activities in Guyana and for general working capital.

Convertible debentures

In April and May of 2013, the Company raised gross proceeds of approximately $1,520,000 through a non-brokered private placement of units at a price of $1,000 per unit. Each unit consists of (i) $1,000 face value of 15% convertible unsecured subordinated debentures (the "Debentures"), and (ii) 600 common share purchase warrants of the Company (the "Warrants"). The Debentures mature on June 30, 2015 and have interest payable of 15% per annum, semi-annually, commencing June 30, 2013. Each warrant is exercisable into one common share at an exercise price of $0.20 per share for a period of five years from closing.

Equipment loan term sheet

In June 2013, the Company's wholly owned subsidiary Mahdia Guyana executed a term sheet with Republic Bank (Guyana) Limited, for the equivalent of three million US dollars ($3,000,000.00 USD) for the purchase, delivery and commissioning of equipment to be used in the mining of alluvial gold at its Omai property in central Guyana. Mahdia Gold Corp has agreed to act as Guarantor. The loan is subject to certain preconditions being satisfied.

Properties

Tiger River

Tiger River mineral property is located in central Guyana. It is comprised of 10 prospecting permits. The property is approximately 200 km south-southwest of the capital city of Georgetown and 10 km east of the village of Mahdia. The property is 35 km west-southwest of the Omai mine.

The Tiger River property covers a large drainage area centred on the Mahdia-Konawaruk Rivers and portions of it have been the subject of artisanal mining for alluvial gold from the late 1800's to today. It is largely underlain by lateritic and saprolitic mafic volcanic rocks of the Proterozoic aged Guiana Shield. Bedrock gold occurrences are reported at William Creek/Williams Hill, Dazier Creek, Fate Creek and Klondyke Hill. The former two saw underground development in the form of shallow shafts and numerous adits between 1905 and 1935, but it is unclear if any measurable production was achieved. Alluvial gold has been produced from quartz and ferruginous laterites at Dazier Creek. Gold is generally hosted by quartz veins within sheared and otherwise deformed mafic volcanics related to felsic (and mafic) intrusives and can be considered to be typical Proterozoic lode gold type. Government geologists report that the alluvial gold is won from fine but angular quartz vein material that is likely occurring very close to source.

The last known significant exploration work on the property was conducted by the Guyanese Department of Geological Surveys and Mines in 1970 and 1971 when it carried out a mapping and geochemical sampling program. In 2004, the Canadian consulting firm of WGM visited the property, sampling saprolitic/lateritic alluvial material and quartz vein pebbles; largely near reported historic showings. Gold values were returned from five of the six samples, including a significant 3.73 g Au/t from quartz pebbles taken from the bed of Dazier Creek.

The Tiger River property previously hosted several artisanal gold mining operations, all processing alluvial material and it holds very good potential to host an economic bedrock gold deposit. Management is focused on developing an exploration program for the property in the future.

White Creek

The White Creek property was originally explored by the BHP World Discovery Group in 1998. Regional stream sediment sampling identified a number of drainage basins radiating from the White Creek property that returned anomalous gold. BHP then conducted a widely spaced (1.4 km x 400 metre) soil geochemistry survey and identified a large gold in soil anomaly. However, BHP never conducted any further work on this property. This gold anomaly is considered to be the eastern extension of the Arakaka trend, a northeast-trending mineralized and structural corridor within the Barima-Waini District of Northwestern Guyana.

In 2007, StrataGold and Newmont re-sampled the drainage basins as well as one of the historical BHP soil lines on the White Creek property, and confirmed the presence of significant gold values in both stream sediments and soil anomalies over (greater than) 6.0 km in length. The White Creek property was only explored by previous operators and has never been developed for modern production. Mahdia is expecting to continue further exploration work on the White Creek property in fiscal 2013. The Company received a data set of the field work done by the previous operators of the property. These results will help to focus in priority areas within the property when designing the work programs.

Omai

In January 2012, the Company announced the formal notice from the Guyana Geology and Mines Commission approving Mahdia's application for a Prospecting Licence for gold and precious metals at the Omai property.

The Omai property was previously developed by Cambior Resources. The Omai gold mine was most recently held by IAMGOLD after acquisition from Cambior Resources. At the time it was built, in the early nineties, Omai was the largest gold mine in South America. In a period spanning 13 years, Omai produced over 3.7 million ounces of gold during a period when the price of gold was approximately $300 an ounce. At the end of the mine life, gold prices had increased to the $600 range but the previous operators opted to move the mill to the Gros Rosebel Mine in Suriname and were not permitted to retain the Omai property in care and maintenance.

All of the historic drilling data, including but not limited to the most recent work performed between 2006 and 2008 in the Fenell system below the pit floor, are in a 3 dimensional GemCom Model which has been utilized by AMEC and Mahdia to plan the ongoing work program designed to make this database compliant by NI 43-101 standards for updated and ongoing resource models. In 2006-2007, after the 3.7 million ounces of gold was produced, the previous owners drilled the floor of only the Fennell pit with a total of 46 diamond drill holes (27,359 metres) up to a maximum length of 967 m which were used to outline a conservative reserve model of 17.5 million tonnes at 2.51 grams per tonne. Additionally, other work was done that consisted of SG measurements, and significant geotechnical work. Mahdia's technical team has repackaged and recovered 80% of the core from this program and has resampled 15% of the significant intercepts. This will allow the Company to bring the database into a fully compliant state with less drilling than initially planned, and allows for a focus of the ongoing drilling to detailed work on the high grade zones and deeper holes to expand this very substantial target. The potential evident in this system far exceeds that stated in the previous resource model and the program is dedicated to demonstrating this in a compliant resource model.

The nearby, larger but shallower Wenot pit was subject to intensive drilling and optimization during the period 1988 to 1995 and was mined until 2001. The drilling results in the database document a low grade but currently attractive shallow development target in the area west of the flooded pit ('Wenot West') and a 2 km long trend of mineralized intercepts below the base of the pit with grades and widths of significant interest. The 2012 diamond drilling program was primarily focused on confirmation and expansion of the Wenot targets because they are open to substantial expansion and represent a priority target for both surface and underground mining. The data available show a vertical interval of about 400 meters between the bottom of these significant intercepts and the diabase sill which was the ultimate base of the Fenell Pit.

Outlook

Operational outlook

Mahdia intends to continue with its long term growth objectives which include the development of its mineral properties. The Company, through its agreement with Roraima, expects to continue the processing and development of the shallow pits for production of gold. The Company is expecting to use any proceeds from the recovery of gold for general working capital and its exploration and development at the Omai property.

Preliminary engineering work is underway on a 250 tonnes per hour alluvial gold recovery plant. The plant is being designed based on recent alluvial test work completed on the majority of a previously identified 578 acre mineralized alluvial deposit. Both gold and diamonds were recovered during the test work; however, the diamond deposition is not yet understood.

The Company's ultimate goals are to become self-funding, complete a feasibility for rebuilding a large mill similar to what Cambior operated at Omai, and begin development of the deep higher grade mineralization. Management continues to look at all alternatives to finance and advance the general purposes of the company, and to further enable ongoing needed economic studies. Mahdia has received a number of financing proposals which management is currently reviewing. The financing alternatives presented are in the form of debt, joint ventures, and equity solutions.

The Company intends to keep the White Creek and Tiger River properties on a care and maintenance program during the upcoming year. Management plans to maintain its focus on exploring and developing the Omai property as quickly as possible. In the future, the Company expects to recommence general exploration at those properties.

Results of Operations

Selected financial information

The following table sets out selected unaudited financial information, presented in Canadian dollars. The information is prepared in accordance with IFRS:

	Q3-2013	Q2-2013	Q1-2013	Q4-2012	Q3-2012	Q2-2012	Q1-2012	Q4-2011
	$	$	$	$	$	$	$	$
Net loss	(950,144)	(1,072,508)	(1,225,929)	(1,135,696)	(3,590,856)	(1,176,365)	(1, 632,750)	(1,658,399)
Net loss per share (basic & diluted)	(0.01)	(0.01)	(0.01)	(0.01)	(0.03)	(0.01)	(0.02)	(0.01)

Three months ended May 31, 2013 versus May 31, 2012

The Company is an exploration and development stage company. For the third quarter of fiscal 2013, the Company incurred a net loss of $950,144 (Q3 2012 – $3,590,856). The breakdown of the significant expenses is described below:

During the period, the Company continued work on reducing general and administrative overhead expenses as compared to those in Q3 2012. General and office expenses were down to $117,048 from $375,944 in Q3 2012. Management and consulting fees decreased to $292,333 compared to $666,384 in the third quarter of the prior year. Professional fees decreased from $472,524 in Q3 2012 to $17,440 in Q3 2013.

Share-based compensation decreased since the prior year as well, with $283,872 recorded by the Company in Q3 2013 (Q3 2012 - $2,054,133). These were based on the calculated value of stock options granted during the period.

A foreign exchange loss of $190,362 was reported based on the exchange rate on liabilities held in US Dollars in Q3 2013 versus $nil in Q3 2012. Interest expense of $39,243 on the convertible debentures was also reported in Q3 2013 versus $nil in Q3 2012.

Nine months ended May 31, 2013 versus May 31, 2012

During the nine months ended May 31, 2013, the Company incurred a net loss of $3,248,581 versus $6,399,971 during the same period in the prior year. The breakdown of the significant expenses is described below:

During the period, the Company continued to work on reducing general and administrative overhead, with significant reductions seen in management and consulting fees of $920,421 during the first nine months of fiscal 2013 versus $2,131,947 in 2012. General and office expenses decreased from $1,001,495 in the prior year period to $632,878 in the nine months ended May 31, 2013. Professional fees also decreased from $1,160,727 for the nine months ended May 31, 2012 to $635,356 in the nine months ended May 31, 2013.

Share-based compensation of $800,785 was recorded by the Company during the nine months ended May 31, 2013 (Nine months ended May 31, 2012 - $2,054,133), which was based on the calculated value of stock options granted during the period.

A foreign exchange loss of $190,362 was reported based on the exchange rate on liabilities held in US Dollars during the period ended May 31, 2013 versus $nil in the period ended May 31, 2012. Interest expense of $39,243 on the convertible debentures was also reported in the nine months ended May 31, 2013 versus $nil in 2012.

Mineral property expenditures

The Company continued its exploration program on its properties during the period ended May 31, 2013. The mineral properties include the following:

	Tiger River (i)	White Creek (ii)	OMAI (iii)	Total
Balance at August 31, 2011	$ 152,768	$ 803,979	$ 625,638	$ 1,582,385
Acquisition cost	-	-	8,921,143	8,921,143
Capitalized interest	-	15,038	491,359	506,397
Exploration cost	-	-	4,296,328	4,296,328
Balance at August 31, 2012	**$ 152,768**	**$ 819,017**	**$ 14,334,468**	**$ 15,306,253**
Acquisition cost	-	-	629,917	629,917
Exploration costs	-	-	2,598,688	2,598,688
Alluvial proceeds (net of costs)	-	-	(29,061)	(29,061)
Capitalized interest	-	-	667,760	667,760
Foreign currency translation	-	-	203,765	203,765
Balance at May 31, 2013	**$ 152,768**	**$ 819,017**	**$ 18,405,537**	**$ 19,377,322**

Liquidity and Capital Resources

Liquidity and capital resources

The Company's main sources of funding are from equity contributions and debt offerings. As at May 31, 2013, the Company had cash resources of $200,735 and negative working capital of $7,315,694. Excluding the GGMC payment due in January of 2014, the working capital deficit would be approximately $2,680,681. As at the date of this report, the Company had approximately $100,000 in cash and negative working capital of approximately $3,000,000 (excluding the GGMC payment due in January of 2014).

The Company continues to manage its working capital. Management is putting forward improvements to its internal controls to enhance its cost cutting measures, raising funds through debt or equity, and continue processing of the Shallow Flats Area to generate cash flows for working capital and exploration. The Company has recovered over 150 ounces of gold to date from the Shallow Flats Area and expects to use any future proceeds towards working capital and exploration.

Going concern

The Company is in an early exploration and development stage. As the exploration project over the properties is just beginning, the Company has not yet determined whether the Property contains resources that are economically recoverable. Substantially all of the Company's efforts are devoted to exploration of the mineral properties. The recoverability of the amounts paid for the acquisition of, and investment in, the mineral properties is dependent upon the discovery of economically recoverable reserves, the preservation of the Company's interest in the underlying mining permits, the ability to obtain necessary financing and the attainment of profitable operations or, alternatively, the disposal of the mineral properties or the Company's interests therein on an advantageous basis.

The financial statements associated with this MD&A have been prepared in accordance with IFRS applicable to an entity expected to continue as a going concern which assumes that the Company will continue to operate for the foreseeable future. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying financial statements.

To date, the Company has raised funds through the issuance of shares. The Company anticipates its overall costs to increase as it increases its exploration and administrative spending and to meet existing payment obligations for its acquisition of mineral properties. In order to meet future expenditures and cover administrative and exploration costs, the Company will need to raise additional financing. The Company has been successful in raising funds to date but there can be no assurance that adequate funding will be available in the future or available under terms favourable to the Company.

In addition, the Company incurred a net loss of $3,248,581 for the nine months ended May 31, 2013 and an accumulated deficit of $17,668,742. These conditions indicate the existence of a material uncertainty that may cast significant doubt upon the Company’s ability to continue as a going concern.

Commitments and Financial Obligations

Omai mineral property

In fiscal 2011, the Company entered into an agreement with the Government of Guyana to acquire the Omai gold mine license for a total consideration of USD $11,500,000. Of this amount, USD $1,500,000 has been paid, with the Company committing to pay the remainder as follows: (i) $5,000,000 payable 24 months following the granting; and (ii) USD $5,000,000 payable 36 months after granting. In January 2012, the Company was officially awarded the prospecting license for the OMAI property.

Lease commitments

The Company has the following lease commitments:

Year	Amount
2013	$ 11,271
2014	77,953
2015	123,084
2016	112,827
	$ 325,135

Litigation

An action was commenced against the Company in the High Court of the Supreme Court of Guyana in connection with the ownership of nine mineral permits on the Tiger River property. The Company has filed a defence and counterclaim against the plaintiff. The plaintiff has failed to file his defence to the counterclaim despite being given three extensions by the court. This matter is in the early stages and management has no ability to forecast exposure, if any exists.

Off Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements.

Related Party Transactions

(a) Key management and director personnel are persons responsible for planning, directing and controlling the activities of the Company, and include the senior officers and directors of the Company. Key management and director personnel compensation comprised of share based payments, management and consulting fees.

	Three months ended May 31,		Nine months ended May 31,	
	2013	2012	**2013**	2012
Short-term	**$ 277,333**	$ 173,384	**$ 764,689**	$ 533,384
Share-based compensation	**263,778**	516,402	**603,543**	991,402
Total	**$ 541,111**	$ 689,786	**$ 1,368,232**	$ 1,524,786

(b) As at May 31, 2013, $598,767 was payable to directors and officers of the Company, included in accounts payable and accrued liabilities.

(c) The Company has a loan receivable of $49,577 from a director of the Company. Subsequent to the period, the director resigned from the Company and the loan was forgiven.

(d) During the period, a director of the Company agreed to cancel 1,500,000 common shares issued as compensation in fiscal 2012 in exchange for the issuance of stock options to purchase 1,500,000 common shares at $0.20 per share for a period of five years. The fair value of the options issued of $283,872 was recorded as a reduction in equity.

(e) The Company entered into an agreement with a related party, Roraima Investment & Consulting Services (Guyana) Inc.

Subsequent Events

Subsequent to the period, the Company forgave a loan receivable from a former related party of $65,987.

Future Accounting Changes

A number of new standards, amendments to standards and interpretations are not yet effective for the current fiscal year, and have not been applied in preparing these consolidated financial statements but may affect the Company:

- IFRS 7 – Financial Instruments: Disclosures, effective for annual periods beginning on or after January 1, 2013.
- IFRS 9 - Financial Instruments: Classification and Measurement, effective for annual periods beginning on or after January 1, 2015.
- IFRS 10 - Consolidated Financial Statements, effective for annual periods beginning on or after January 1, 2013.
- IFRS 12 - Disclosure of Interests in Other Entities, effective for annual periods beginning on or after January 1, 2013.
- IFRS 13 - Fair Value Measurement defines fair value, effective for annual periods beginning on or after January 1, 2013.
- IAS 27 (Revised 2011) – Separate Financial Statements, effective for annual periods beginning on or after January 1, 2013.
- IAS 28 (Revised 2011) – Investments in Associates and Joint Ventures, effective for annual periods beginning on or after January 1, 2013.
- IAS 32 (Revised 2011) – Financial Instruments Presentation (Amended): Offsetting Financial Assets and Financial Liabilities, effective for annual periods beginning on or after January 1, 2014.

The Company is currently assessing the effects of these new standards.

Financial Instruments and Other Instruments

The Company's financial instruments include cash, other receivables, loan receivable from a related party, accounts payable and accrued liabilities, loans payable and payable to the government of Guyana. Management does not believe these financial instruments expose the Company to any material risks. Refer to Note 12 of the Company's condensed interim consolidated financial statements for the six months ended February 28, 2013 for further details.

Risks and Uncertainties

Exploration and development activities of a mineral resource company are by their nature highly speculative and its operations involve a number of risks, some of which are beyond the Company's control. Financial, operational and non-financial risks could materially affect the Company's future operating results and could cause actual events to differ materially from those described in the forward-looking information of the Company.

The following is a description of significant risk factors and uncertainties.

Cash flows and additional funding requirements

A significant amount of funding is required to support the capital and operating expenditures in connection with the exploration and development of the Company's mining properties. There are no assurances that the necessary financing will be available in a timely manner. Without adequate financing, it may cause the development of the mining properties to be delayed or postponed or terminated entirely.

Nature of mining and mineral exploration and development

The mining industry involves a high degree of risk. The Company's operations are subject to hazards and risks normally encountered in the industry. These risks include, but are not limited to, finding and developing the reserve economically, uncertainties, delays, interruptions in development and production and/or conducting operations in a cost effective manner. The Company is diligent in monitoring and responding to changes in the risk factors that affect the nature of mining and mineral exploration and development.

Reserve estimates

Uncertainties are inherent in estimating mineral resources and reserves. There are many factors that are beyond the control of the Company, such as the subjective nature of the estimates, accuracy in the quantity and quality available, the assumptions made and judgements used by the engineers and geologists. These factors can have a material effect on the financial position and future results from operations.

Title to properties

The Company has taken steps to verify title to the resource properties on which it is conducting exploration and in which it has a right to acquire an interest. This is in accordance with industry standards for the current stage of exploration of such properties; these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers, non-compliance with regulatory requirements, and may also be affected by undetected defects or the rights of indigenous peoples.

Revenue

The Company is currently in an exploration stage and has not commenced commercial production or development of the properties. With a ramp-up of the Company's exploration program, losses will continue to be incurred in the foreseeable future. The exploration of the properties will require substantial capital commitments and there are no assurances that the Company will generate any revenues and be profitable in the future.

Mineral commodity prices

The Company is exposed to commodity price risks. The Company closely monitors gold commodity prices, equity movements and the market to determine the appropriate course of action. The Company's future profitability and viability depends on the price of gold. These prices have fluctuated significantly in recent years. There is no assurance that commercial qualities may be produced in the future or that a profitable market will exist for the mineral. A decrease in the market price may have an adverse effect on the Company's financial condition and results of operations.

Foreign operations

At present, substantially all of the operations of Mahdia are in Guyana and, as a result, the operations of the Company are exposed to various levels of political, economic and other risks and uncertainties associated with operating in foreign jurisdictions. These risks and uncertainties include, but are not limited to, currency exchange rates; high rates of inflation; labour unrest; war, terrorism, crime, famine, drought, illegal mining, corruption uncertainty of the rule of law; renegotiation or nullification of existing concessions, licences, permits and contracts; changes in taxation policies; restrictions on foreign exchange; changing political conditions; currency controls; and governmental regulations or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction. Changes, if any, in mining or investment policies or shifts in political attitudes in Guyana may adversely affect the operations or profitability of the Company.

Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, import or export controls, currency remittance, income taxes, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety. Failure to comply strictly with applicable laws, regulations and local practices relating to mineral right applications and tenure, could result in loss, reduction or expropriation of entitlements. The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on the operations and profitability of Mahdia.

The legal system in Guyana is not yet as developed as the legal systems in Canada, which leads to a higher level of uncertainty in the application and determination of Guyanese legal issues than would be expected in Canada, which can lead to regulatory delays, ill motivated use of courts or regulatory bodies and inconsistency in interpretation and enforcement of applicable Guyanese laws. Such risks are part of the overall risks of doing business in Guyana and should be taken into account by any investor in Guyanese mineral projects.

Share price fluctuations

The market price of securities of many companies, particularly exploration stage companies, experience wide fluctuations in price that are not necessarily related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that fluctuations in the Company's share price will not occur, in particular that other factors beyond the control of the Company could cause a significant decline in the market price of the shares.

Environmental risks and hazards

The Company's activities are subject to the laws and regulations from all levels of government. These laws govern environmental protection and employee health and safety. The costs of complying with these laws and regulations may reduce future profits from operations. As well, a failure to fully comply with laws and regulations may have a significant effect on the development and future operations of the Company. This would include the suspension or ceasing of operations.

Licenses, permits, laws and regulations

The Company's exploration and development activities require permits and approvals from various government authorities and are subject to far-reaching laws and regulations. These laws and regulations are subject to change, can become more stringent and compliance can therefore become more costly. As well, the Company may be required to compensate those suffering loss or damage by reason of its activities. There can be no guarantee the Company is able to maintain or obtain all necessary licenses, permits and approvals that may be required to explore and develop its properties, commence construction or operation of mining facilities.

Availability and dependence on management and outside advisors

The Company has relied and intends to rely on management and outside advisors for exploration, development, and operating expertise. If the work of the aforementioned parties is deficient or negligent or is not completed in a timely manner, it could have a material adverse effect on the Company.

Competition risk

Numerous competitors in the industry may result in the Company being unable to acquire desired property, recruit or retain qualified employees or acquire the capital necessary to develop its property. The inability to compete with other mining companies for these resources would have a material adverse effect on the Company's results of operation and business.

Uninsured risks

The Company maintains insurance to cover normal business risks. In the course of exploration and development of mining properties, certain risks, and in particular, unexpected or unusual geological operating conditions including explosions, rock bursts, cave in, fire and earthquakes may occur. It is not always possible to fully insure against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could result in significant liabilities to the Company and increase costs of projects.

Conflicts of interest

Certain Officers and Directors serve or may agree to serve as directors or officers of other companies and, to the extent that such other companies may participate in ventures in which the Company may participate, these Officers and Directors may have a conflict of interest in negotiating and concluding terms respecting such participation.

Current global financial conditions

Financial markets globally have been subject to increased volatility, and numerous financial institutions have either gone into bankruptcy or have had to be rescued by governmental authorities. Access to financing has been negatively impacted by liquidity crises throughout the world. These factors may impact the ability of the Company to obtain loans and other credit facilities in the future and, if obtained, on terms favourable to the Company. If these increased levels of volatility and market turmoil continue, the Company may not be able to secure appropriate debt or equity financing, any of which could affect the trading price of the Company's securities in an adverse manner.

Qualified personnel

Recruiting and retaining qualified personnel in the future is critical to the Company's success. As the Company explores its properties, the need for skilled labour will increase. The number of persons skilled in the exploration and development of mining properties is limited and competition for this workforce is intense. The development of the properties and other initiatives of the Company may be significantly delayed or otherwise adversely affected if the Company cannot recruit and retain qualified personnel as and when required.

Dividend Policy

No dividends have been paid to date on the shares. The Company anticipates that for the foreseeable future it will retain any future earnings and other cash resources for the operation and development of its business. Payment of any future dividends will be at the discretion of the Company's Board of Directors after taking into account many factors, including its operating results, financial condition and current and anticipated cash needs.

Share Capital

The following securities were outstanding as at July 15, 2013:

Common shares (including to be issued)	153,744,802
Warrants	18,376,880
Broker warrants	1,140,160
Stock options	14,200,000
Convertible debenture – upon conversion	7,599,000

Disclosure Controls and Procedures

Disclosure controls and procedures (the "Disclosure Procedures") are designed to provide reasonable assurance that all relevant information is gathered and reported to senior management on a timely basis so that appropriate decisions can be made regarding public disclosure.

The Company's management conducted an evaluation of the effectiveness of the design and operation of our Disclosure Procedures. Based on this evaluation, management has concluded that our Disclosure Procedures are effective to ensure that information required to be disclosed in reports that we file or submit under Canadian securities legislation is recorded, processed, summarized and reported within the time periods specified in those rules and forms.

It should be noted that while the Company's management believe that our Disclosure Procedures are effective and will provide a reasonable level of assurance, they do not expect that they will prevent all errors and frauds. A control system, no matter how well designed or operated, can only provide reasonable and not absolute assurance that the objectives of the control system are met.

Forward Looking Information

This MD&A contains "forward-looking information" which may include, but is not limited to, statements with respect to the future financial or operating performance of the Company, its mineral project, the future price of resources, the estimation of resources, the realization of resource estimates, the timing and amount of estimated future production, costs of production, capital, operating and exploration expenditures, costs and timing of development, costs and timing of future exploration, requirements for additional capital, government regulations, environmental risks, reclamation expenses, title disputes or claims and limitations of insurance coverage. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved.

Forward-looking statements are based on the opinions and estimates of management as of the date such statements are made and are based on assumptions. They involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company and/or its subsidiary to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, general business, economic, competitive, political and social uncertainties; the actual results of current exploration activities; actual results of reclamation activities; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; future prices of resources; possible variations recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the industry; political instability; delays in obtaining governmental approvals or financing or in the completion of development or construction activities, as well as those factors discussed in the section entitled "Risk Factors" in this MD&A. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking statements contained herein are made as of the date of this MD&A and the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or result, except as may be required by applicable securities laws. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

Other Information

Additional information relating to Mahdia is available under the Company's profile on SEDAR at www.sedar.com and on the Company's website www.mahdiagold.com.