

■ FOUR MILE URANIUM

Alliance Resources Ltd has released drilling results from its Four Mile uranium project in South Australia. Drilling has targeted the Four Mile West and Four Mile East deposits. Alliance holds a 25% interest in the Four Mile project with Quasar Resources Pty Ltd holding the remaining 75%. Drilling results included:

Hole	From (m)	Intercept (m)	U ₃ O ₈ (%)
AK982	113.8	0.7	0.46
AK984	85.9	1.5	0.21
AK986	104.2	0.6	0.51
AK989	113.7	0.7	0.38

@ <http://tinyurl.com/djdos3>

■ DOUP RESOURCE

Avocet Mining plc has announced the release of the first resource estimate for its Doup gold project in Indonesia. Avocet has a 60% interest in the project and the Doup resource estimate increased the company's total resource inventory by 43%. Doup is estimated to contain 25Mt at an average grade of 1.2g/t Au in the inferred category, based on a 0.5g/t Au cut-off grade. Infill drilling will commence in July this year with the aim of updating the resource.

@ <http://tinyurl.com/b9gbky>

■ FOSSEY RESULTS

Bass Metals Ltd has provided further drilling results from the Fossey zone at its Hellyer zinc-lead project in Tasmania. The latest results are the last five to be received from the recent drilling programme at the project. The next phase of drilling will be underground stope delineation subject to a positive feasibility study. Drilling results included:

Hole	From (m)	Intercept (m)	Zn (%)	Pb (%)
HLD987	213.00	3.15	11.9	6.8
HLD988	243.90	2.85	11.4	6.6
HLD989	243.30	22.30	10.9	5.5

@ <http://tinyurl.com/b629eq>

■ SHAYBAN DRILLING

Citadel Resources Group Ltd has announced drilling results from its Shayban gold project in Saudi Arabia. Drilling over the past four months has discovered multiple stacked gold zones at the project. Elsewhere in Saudi Arabia, Citadel updated its resource estimate at the Jabal Sayid copper deposit (see opposite page). Drilling results from Shayban included:

Hole	From (m)	Intercept (m)	Au (g/t)
SH067RC	36	32	15.22
SH069RC	5	16	2.59
SH070RC	30	14	2.17
SH072RC	59	20	3.92

@ <http://tinyurl.com/boj6og>

Kalukundi contract review concluded

AFRICO Resources Ltd has reached agreement with the government of the Democratic Republic of the Congo and the state-owned mining company, Gécamines, on amended terms for Africo's 75%-owned Kalukundi copper-cobalt project.

Gécamines holds the remaining 25% of Kalukundi, and has been in negotiations with Africo, as with many other companies holding mining contracts in the DRC, for a lengthy period since the DRC concluded its mining review. Africo follows Anvil Mining Ltd, Moto Goldmines Ltd and joint-venture partners Freeport McMoRan Copper & Gold Ltd and Lundin Mining Ltd in finalising terms of their respective agreements recently.

The terms of the agreement covering the formation of Swanmines Sprl, the entity holding the Kalukundi licence, have been amended to include an entry premium of US\$64 million, payable by Africo in four annual instalments of US\$1.6 million. An additional payment would be required on the basis of US\$35/t of copper in reserves exceeding 180,000t. In addition, the share capital in Swanmines will be fixed after taking into account contribution by both parties, and to increase to US\$2 million payable in cash in the interim. Africo's 75% interest in Swanmines remains unchanged, as

does its requirement to pay Gécamines a royalty of 2.5% on gross sales.

Kalukundi lies about 65km by road from Kolwezi, in Katanga Province. Africo completed a feasibility study for its development during 2004, outlining an 800,000t/y operation using open-pit methods to exploit four separate orebodies. Annual production was forecast at 16,400t of copper and 3,800t of cobalt. Capital costs were estimated at US\$166.6 million.

RBC Capital Markets analysts noted that the feasibility study is being reviewed to include updated operating and capital costs, new reserves (see table for current estimate) and a new mining plan.

Africo is 62.5%-owned by Camrose Resources Ltd, controlled by a trust for the benefit of family members of Dan Gertler, a well-known African mining personality. Camrose acquired its interest in a C\$100 million (US\$81.4 million) deal last year that resolved an ownership dispute over Kalukundi, and provided funds to develop the project.

Category	Tonnage (Mt)	Cu (%)	Co (%)
Proven	6.6	2.44	0.69
Probable	1.3	2.02	0.69

Using metals prices of US\$1.25/lb for copper, and US\$12/lb for cobalt

The development of Kalukundi would require relocation of the village of Kinsankala



Initial Bracemac-McLeod estimate

XSTRATA plc has produced an initial resource estimate for the joint-venture Bracemac-McLeod volcanogenic massive sulphide deposit in the Matagami region of Quebec.

The deposit, for which Xstrata and partner Donner Metals Ltd won the *Mining Journal* outstanding achievement exploration award last year, lies 6km from Xstrata's operating Matagami mill complex.

Xstrata is conducting a scoping study for development of the deposit as a supplement and eventual replacement for output from its Perseverance mine at Matagami, and is expected to release results during the June quarter this year.

Perseverance feeds the 2,600t/d Matagami mill complex, and is estimated to have four years of remaining life. Xstrata's proposed decline portal site for Bracemac-McLeod is located about 2km from the mill.

Donner holds an option to earn a 50% interest in the Matagami project by spending C\$25 million (US\$20.4 million) by May 31, 2011. David Patterson, Donner's chairman, said the company had spent about C\$17 million so far, and was spending at about C\$1 million every three months. After Donner earns its interest, five separate joint ventures would be formed, with Xstrata holding an option to earn back a 15% interest in each area by spending C\$20 million on a feasibility study.

Having generated sufficient data for Xstrata to be able to produce a resource estimate at Bracemac-McLeod, Mr Patterson said, exploration would now focus on other targets within the joint venture area, which covers a total area of 4,750km² of the Matagami mining camp.

Category	Tonnage (Mt)	Zn (%)	Cu (%)	Ag (g/t)	Au (g/t)
Indicated	3.6	11.09	1.55	31.34	0.48
Inferred	0.5	1.25	1.79	11.51	0.18

Using a cut-off grade of 4% Zn-equivalent (=Zn+(Cu₂))

Xstrata begins scoping at Bracemac-McLeod
@ <http://tinyurl.com/bgcdxg>

Tonkolili initial resource at 4,700Mt

AFRICAN Minerals Ltd has unveiled its initial resource estimate for its Tonkolili iron-ore project, its flagship project in Sierra Leone.

The project is estimated to contain a total indicated and inferred resource of 4,700Mt (dry) at an average grade of 29.9% Fe, combined from the two main deposits, Numbara and Simbili.

The resource estimate was prepared by SRK Consulting and comprises an indicated resource estimate of 2,800Mt

(dry) at an average grade of 31.2% Fe and an inferred resource estimate of 1,900Mt (dry) at 27.9% Fe.

African Minerals said that previous test work carried out on the primary Banded Iron Formation (BIF) indicated that a concentrate of 68% Fe or higher was achievable at Tonkolili.

Furthermore, the company said there is potential for further increases in the resource estimate through the addition of a haematite rich cap overlying the BIF.

This deposit is expected to be added to the resource estimate by the June quarter this year once collection of LiDAR topographic data is completed in February.

In addition, the Numbara deposit remains open along strike and the Simbili deposit open at depth, providing potential for further resource upgrades.

Katherine Welch

African Minerals rail, port lease (Nov 20, 2008)
@ <http://tinyurl.com/bfasf9>