

Explorer reports Madagascar progress

Canadian-listed exploration company Pan African Mining reports that the drilling programme being implemented at its Mountain of Gold project, in Madagascar, has yielded several significant 'discovery' intercepts.

The company said in a statement released last week: "The reconnaissance-level drilling completed thus far suggests that the ten-kilometre Mountain of Gold shear system (MOGS) may host a number of similarly-productive gold-bearing dilatational features."

Pan African Mining's Mountain of Gold project is located in the Dabolava region of Madagascar, west-southwest of the capital, Antananarivo, and the 2 000-m drilling programme the company has completed tested reconnaissance-level targets suggested by previous field mapping, geochemical sampling, geophysical interpretation and shallow trenching along the more than ten-kilometre MOGS.

The MOGS hosts historic colonial as well as past and present Malagasy artisanal workings along most of its length.

There is evidence of several large gold-bearing east-west-striking quartz veins at the Mountain of Gold project, exposed through shallow mining by French interests during the early twentieth century.

The old workings, now marked by deep linear incisions along four discrete structures, can be followed continuously for nearly two kilometres.

Further strengthening this target were two studies conducted by the French agency BRGM, in the early

1980s.

Of interest were the orientation and congruence of a gold soil geochemical anomaly with a magnetic anomaly, both of which trend southwest-northeast.

Pan African Mining, which is listed on the Toronto Stock Exchange, states that "the six core holes which tested these coincident anomalies as well as the downdip projections of the historic workings in the Dabolava East area yielded several significant discovery intercepts".

The company notes that the drilling results suggest "an area of good ground preparation and intense mineralisation, with the potential to host a major economic deposit".

CEO and president **Irwin Olian** adds: "We are delighted with these highly significant discovery intercepts from our initial reconnaissance drilling programme.

"Not only are they suggestive of a highly mineralised permissive zone along this major structure in Dabolava East, but they also tend to confirm a model which suggests numerous additional targets along the more than ten kilometres of the MOGS."

Drilling was performed under contract by a subsidiary of Dynatec Corporation using a multipurpose track-mounted UDR 650 drill. All drilling was cored continuously with a wireline system.

The core was logged and saw-split at the company's camp at the project site.

The retained core splits are stored securely at the camp, while the other splits were shipped to the com-



Drilling at Pan African Mining's Mountain of Gold project

pany's sample-preparation facility in Antananarivo for crushing to -2 mm.

Splits of crushed material weighing 250 g were divided and shipped to ALS Chemex in Johannesburg for pulverisation to 75 microns.

The pulverised samples were then forwarded to ALS Chemex's Vancouver, Canada, facility for gold determination by fire assay and 34-

element ICP analysis using 30-g subsamples.

Pan African Mining has 10 000 km² of diversified mineral properties in Madagascar, which it is exploring for gold, uranium, precious stones, base metals and industrial commodities.

Its operations in Madagascar are carried out through its operating subsidiary, PAM Madagascar.

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Uranium entrant still bullish despite market jitters

URANIUM hopeful Aflase Gold & Uranium Resources remains bullish about prospects for the commodity, despite the recent correction in share prices of major uranium companies globally.

Recent drops in the value of uranium-miners have led to speculation that the 'bubble' has burst and that prices may well be on a downward spiral.

However, Aflase believes that this is not the case and that, fundamentally, the uranium market remains strong.

It points out that the uranium long-term contract price has risen to \$28/lb and the spot price has moved to \$26.25/lb. Pushing demand are the twin drivers for cleaner energy globally and Asia's insatiable appetite for commodities.

Some 127 nuclear reactors are being constructed, planned or considered globally – an increase of almost 30% of current capacity.

And, the company argues, the supply:demand equation is tipped in favour of those who can deliver.

"Only a few new uranium produc-

ers, Aflase among them, are expected to be in a position to deliver products to the market within the next few years."

Its mine-plan for the Dominion uranium-mine is progressing on target for completion in June.

While still in the early stages of assessing the economic potential of the Dominion orebody, initial indications are that a rare earth chloride could also be produced.

This could potentially be credited to costs.

None of the rare earth potential has been included in any of the financial numbers or modelling yet.

Uranium will be delivered to the market in early 2007.

Aflase is also continuing its due-diligence process on Harmony's gold dumps for uranium potential. Assuming that the initial due-diligence is promising, phase two will require an upfront payment of R50-million in Aflase scrip to Harmony. A cautionary governing the possible deal, has been renewed by Aflase.

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