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# Prospecting results in the Akordat – Orota region of central Eritrea

Timothy Strong & Abdul Ibrahim



Asmara Geocongress  
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## Capital structure and funding requirements

- **15 million shares on issue  
(Management 80% Chalice Gold Mines 20%)**
- **Early stage discussion with 4 groups interested in a strategic JV**
- **Various corporate options:-**
  - **Remain private and add value for at least a year**
  - **Reverse into a listed company**
  - **IPO on an international exchange**
  - **Strategic JV with a major**
- **Reviewing projects in the region e.g. Saudi & Sudan**

# Who we are...The Management Team



- **Lester Kemp – Founding Director**
  - Geologist (RSM), BSc (Hons) MSc DIC MBA
  - Co-founder of Mantle Diamonds Limited
  - 5 year relationship in Eritrea
- **Rupert Baring – Executive Director**
  - Extensive network to high net worth individuals and financial institutions
  - Co-founder of Mantle Diamonds Limited
  - Long history of mining in family
- **Nathan Adamson – Financial Controller**
  - Group Financial Controller for Mantle Diamonds Ltd
  - Ex-BHP Billiton (iron ore) and ex-Oxus Gold
- **Tim Goyder – Non Executive Director**
  - Over 30 years of mining experience.
  - Been involved with formation and management of many public listed companies.
  - Chairman and major share holder of Chalice Gold Mines

# In Country Team: Eritrea



- **Timothy Strong – Project Geologist**

- Geologist BSc (Hons) ACSM GradIMMM
- Gold and base metal experience in Australia, Pakistan and the UK
- Working in Eritrea since October 2009

- **Abdulkadir Ibrahim – Senior Geologist**

- Ministry of Mines Geologist.
- Considerable experience in VMS and gold vein exploration in the Nubian Shield (focused on Eritrea)

- **Mussie A. Ghebreamlak – Field Geologist**



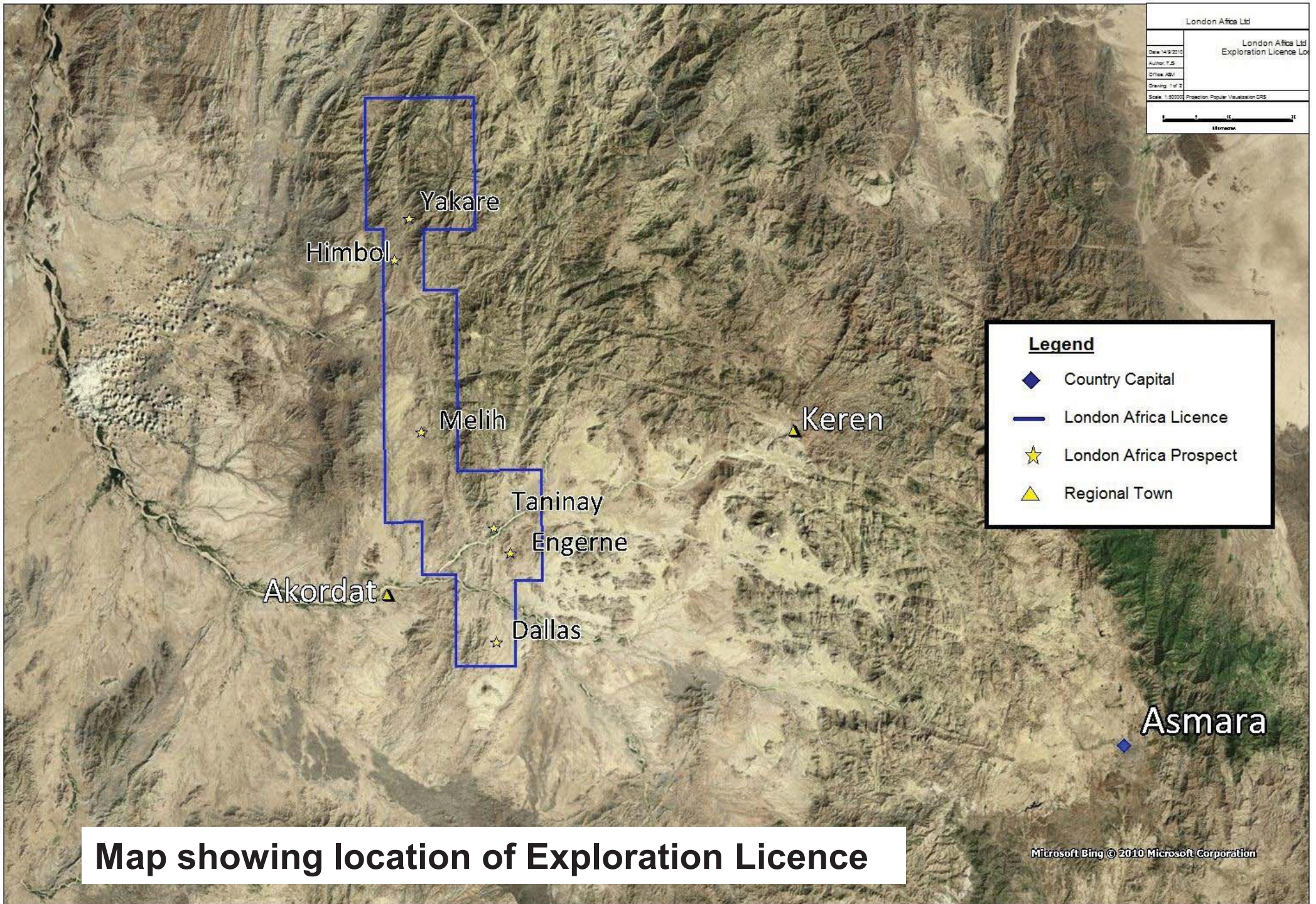
## Why did London Africa chose Eritrea?

- Location of Nevsun Resources (NSU – TSX & NYSE Alternext) world class Bisha deposit – mine construction underway
- Excellent potential for additional low cost high grade gold, copper and copper-zinc deposits
- English widely spoken
- Favorable mining law
- Strong technical team at Eritrean Geological Survey / Ministry of Mines available for contract work



## History of London Africa in Eritrea

- **On the 23<sup>rd</sup> June this year, the company signed a 3 year exploration agreement with the Government on its Akordat - Orotta license in central Eritrea**
- **Exploration license totaling 1169km<sup>2</sup> (over ground previously held under a 12 month Prospecting Licence)**
- **1st Year of prospecting has produced a significant number of exciting targets warranting further investigation**
- **Gravity geophysics survey completed on Kofot-Gerger VMS trend**
- **5 year relationship in Eritrea (2005)**



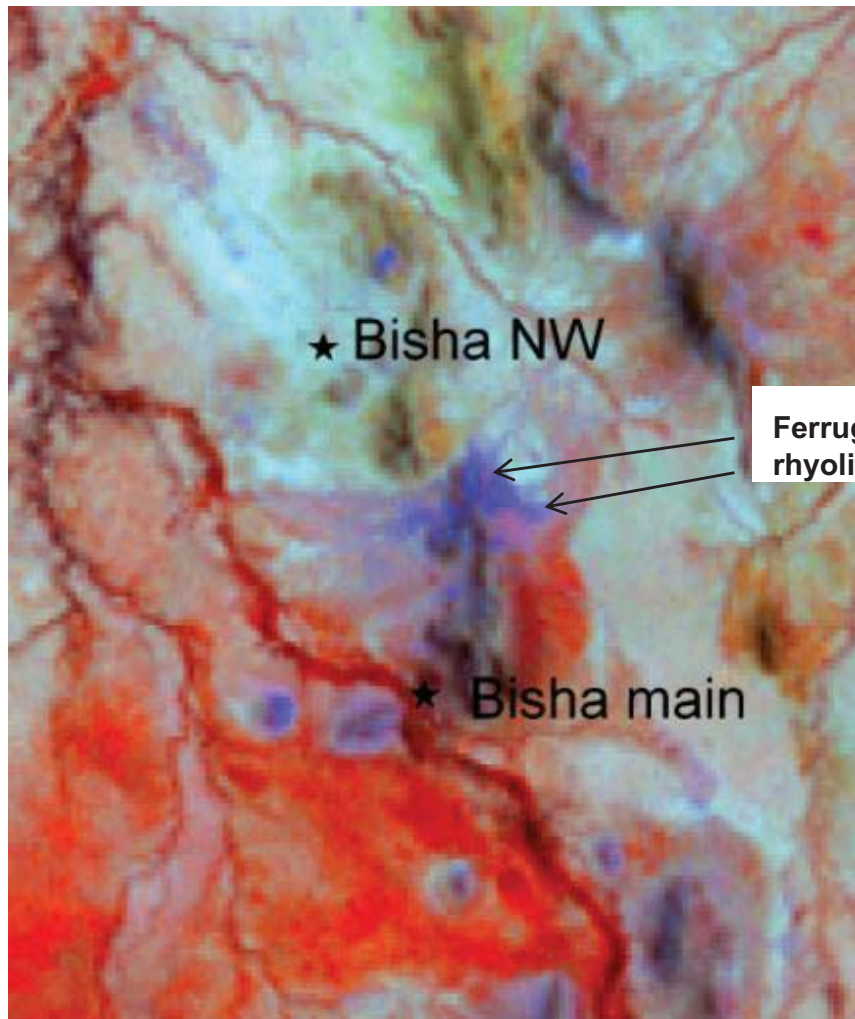
## On what basis did we select our licence area?

- **Initial Landsat TM & Aster image study of area to detect:**
  - **Alteration zones and gossans similar to those at Bisha**
  - **Alteration zones associated with gold mineralisation**
- **This data was integrated with a Landsat structural study and the resulting anomalies were plotted**
- **Relative proximity of targets to towns / infrastructure – i.e. access**

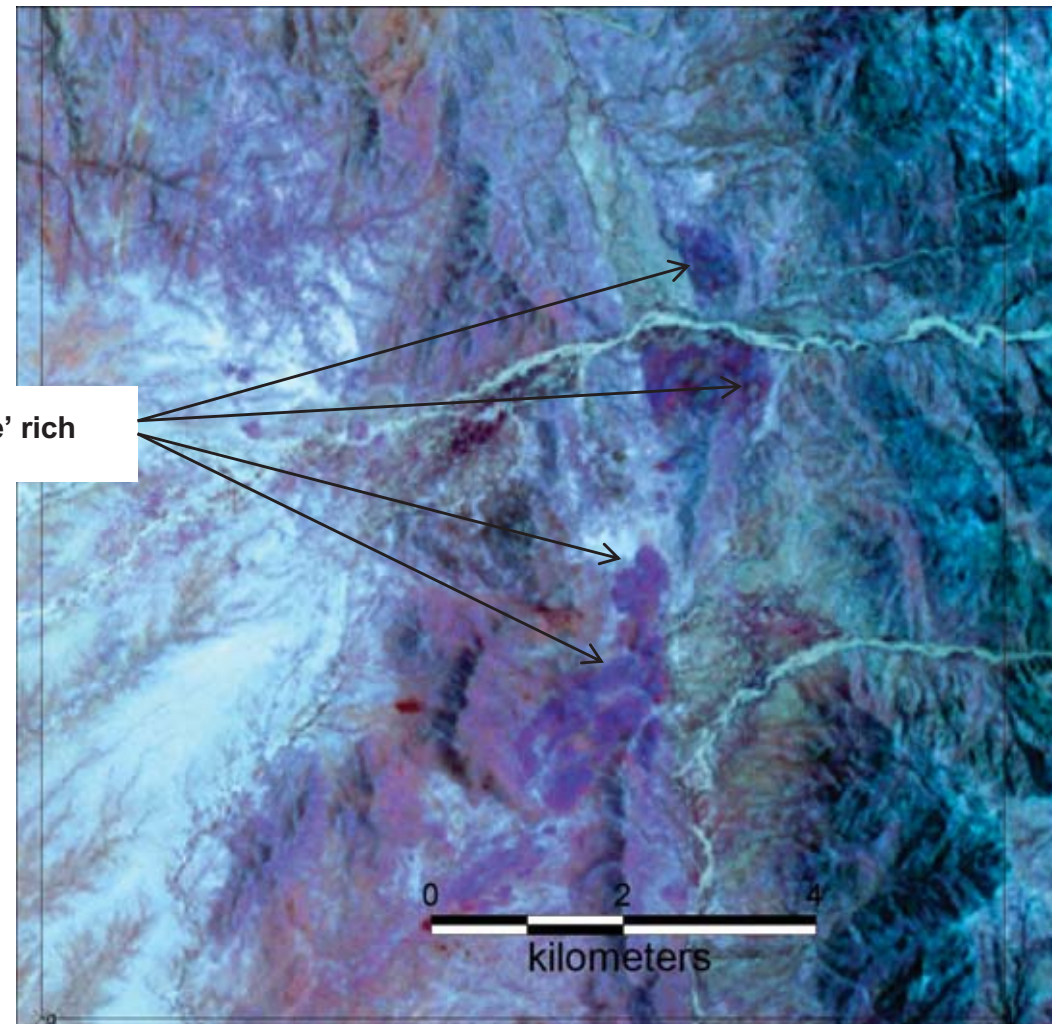
# Eritrea



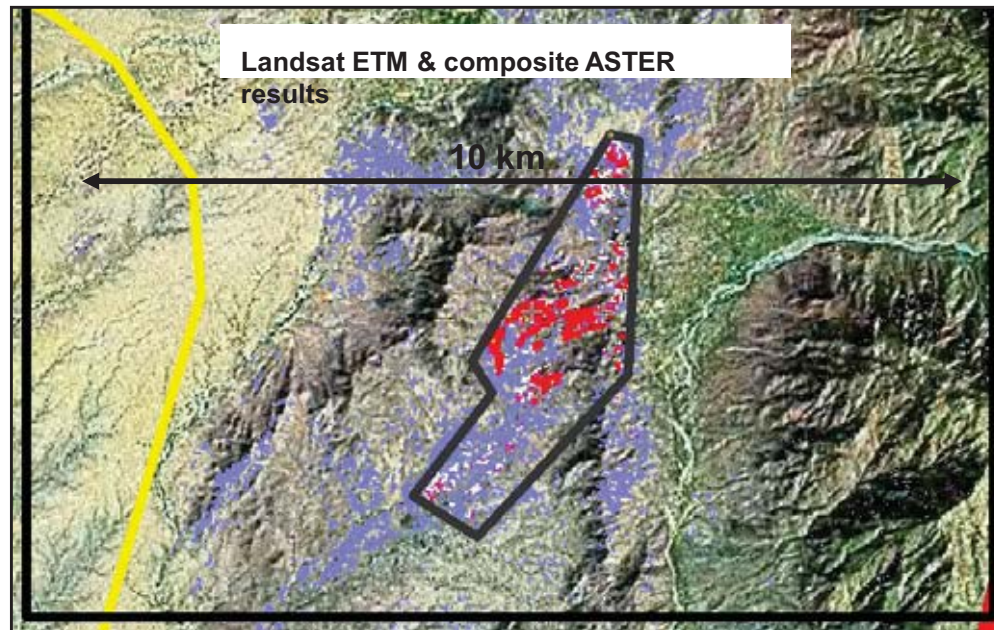
Landsat image with alteration – Bisha deposit:-



Landsat image with alteration – anomaly in our licence



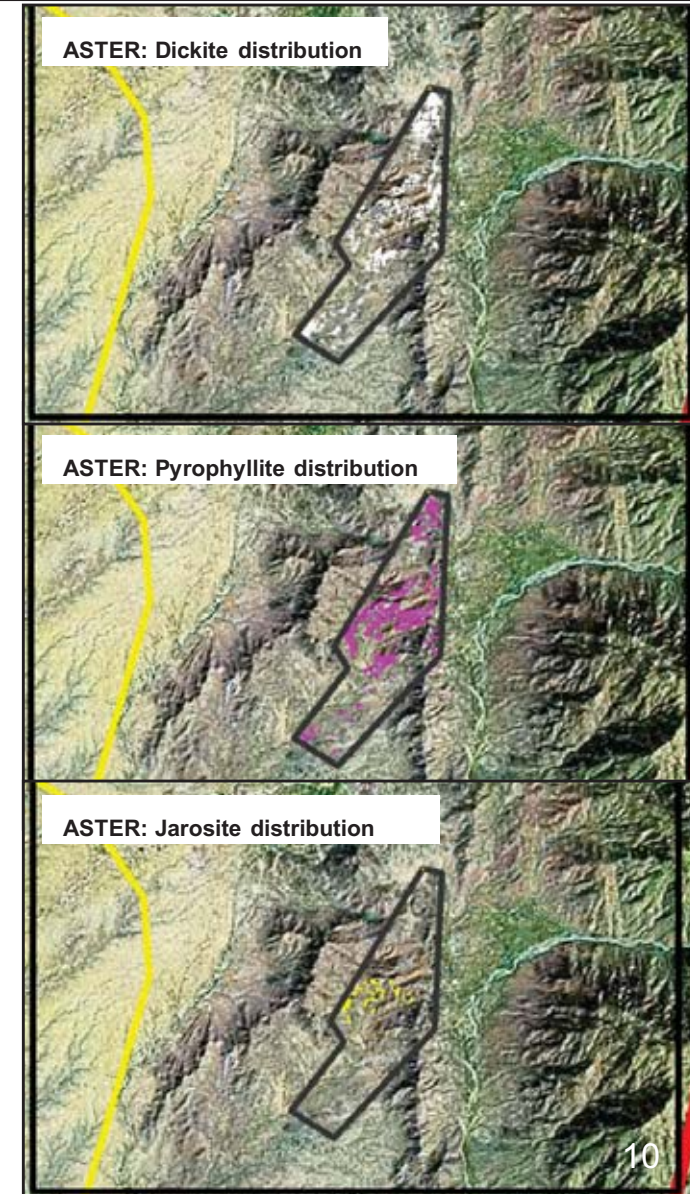
## Aster image of anomaly (previous page)



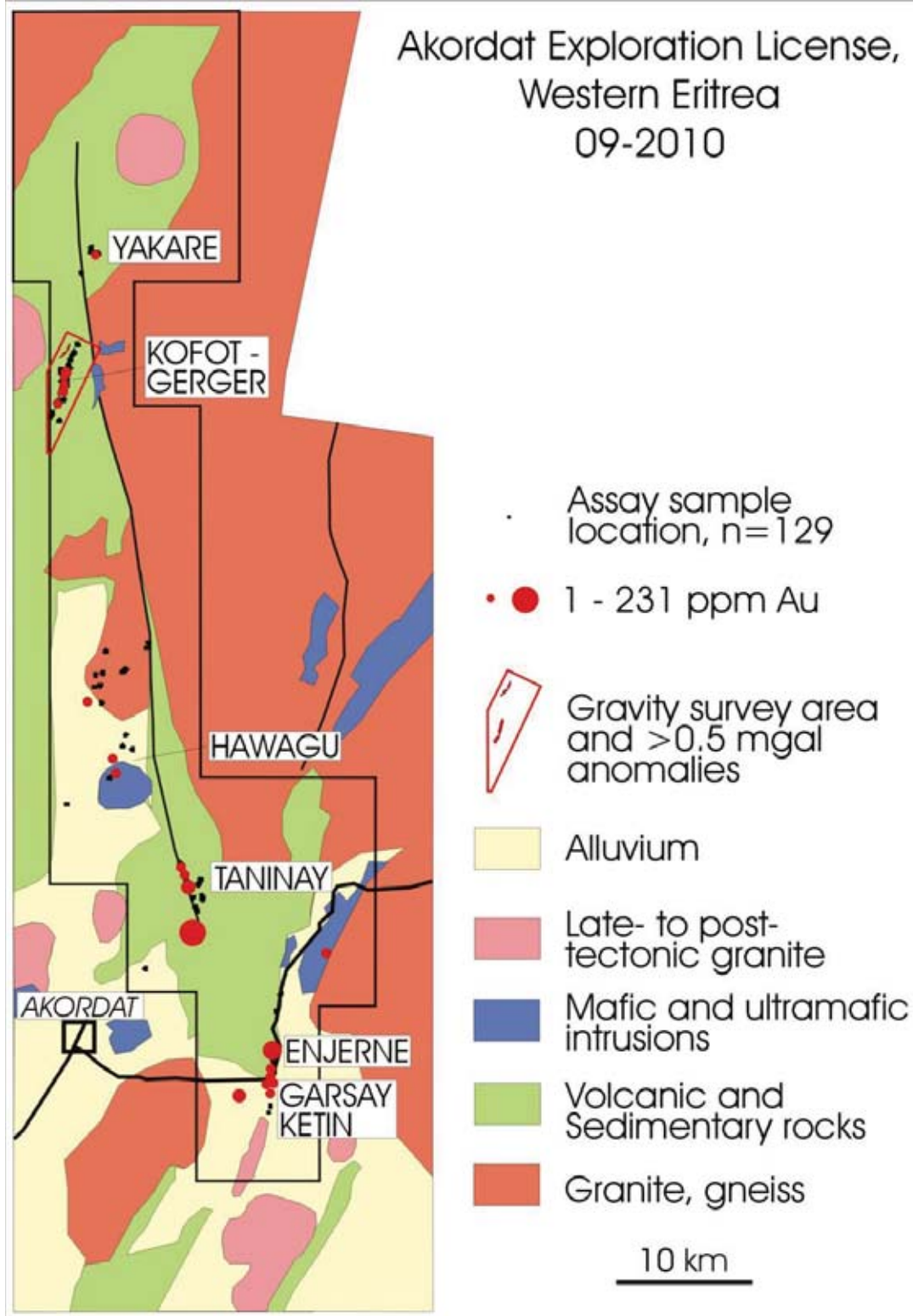
ASTER Mineral Key	
Topaz	
Pyrophyllite	
Calcite	
Jarosite	
Dickite	
Kaolinite	
Illite	
Chlorite	
Alunite	
Kaolinite - Smectite	
Montmorillonite	

In the above example, there is a strong dickite and pyrophyllite footprint with a jarosite centre.

The company has multiple such anomalies within its licence which require follow sampling work



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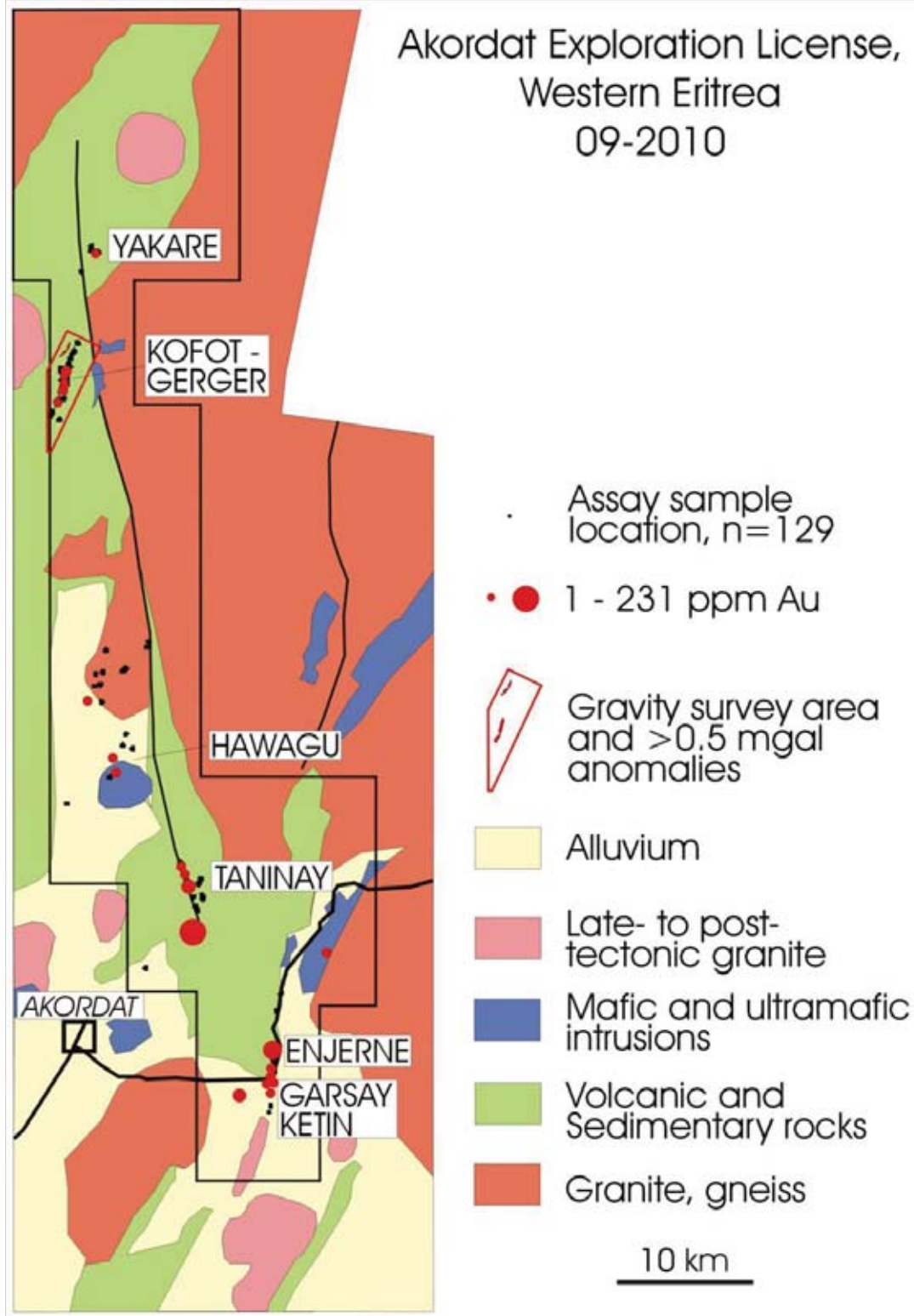
# Eritrea – prospecting results



**Preliminary work indicates potential for two different mineral deposit types in the licence area:-**

- **Volcanogenic Massive Sulphide (VMS) deposit**
  - **Kofot - Gerger VMS trend (Himbol) – early days yet. Also displays skarn-like features**
- **Orogenic gold deposits (in quartz veins)**
  - **Yakare polymetallic vein**
  - **Taninay Gold vein**
  - **Engerne Gold vein**
  - **Dallas alluvial zone**
  - **Various occurrences to investigate near Akordat**

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# Eritrea – the Yakare polymetallic vein prospect

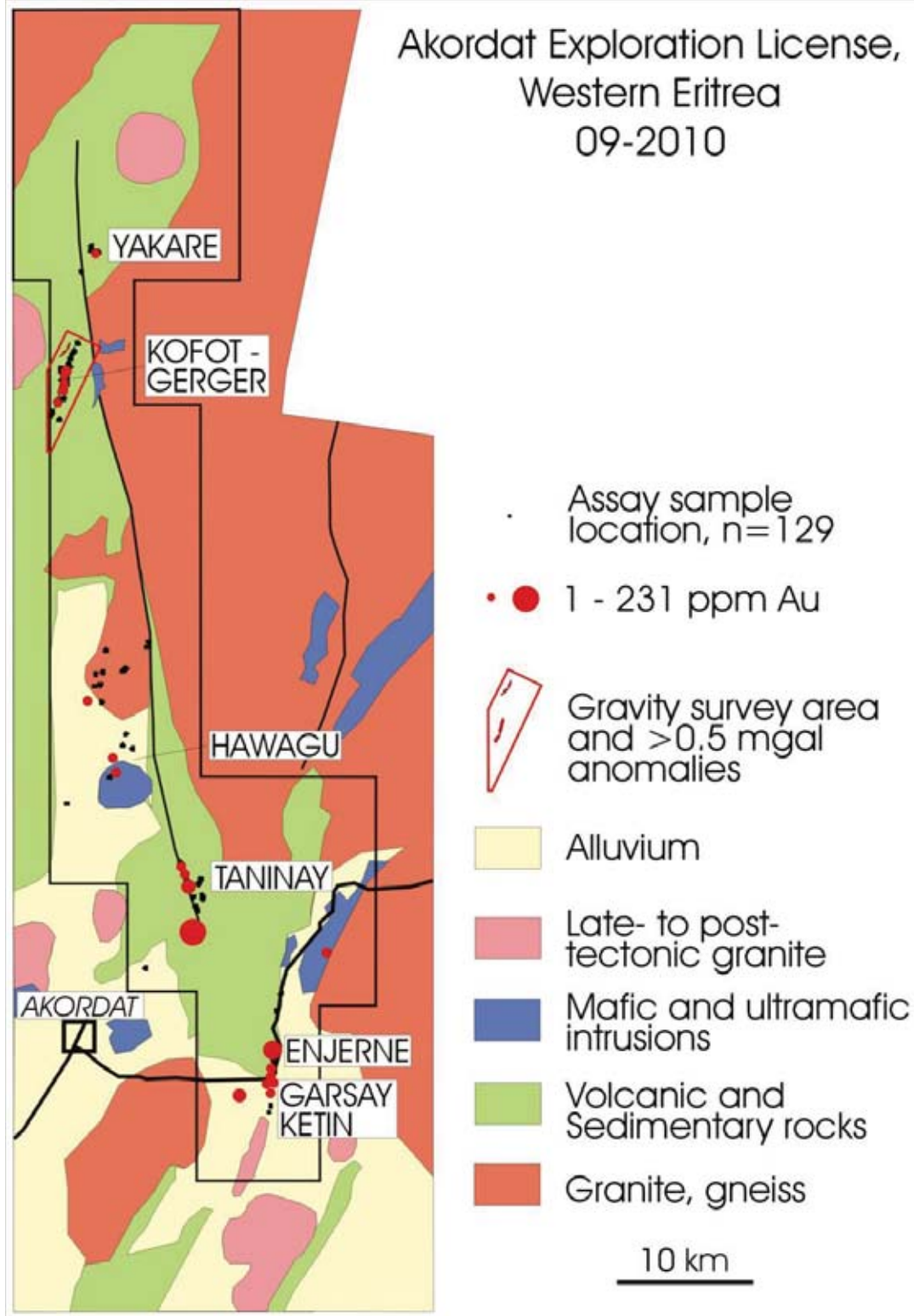


Sample No.	Location	Au (ppm)	Cu (ppm)	Pb (ppm)	Zn (ppm)
083	Yakare	2.56	8340	5.17 (%)	7
085	Yakare	0.32	633	316	11

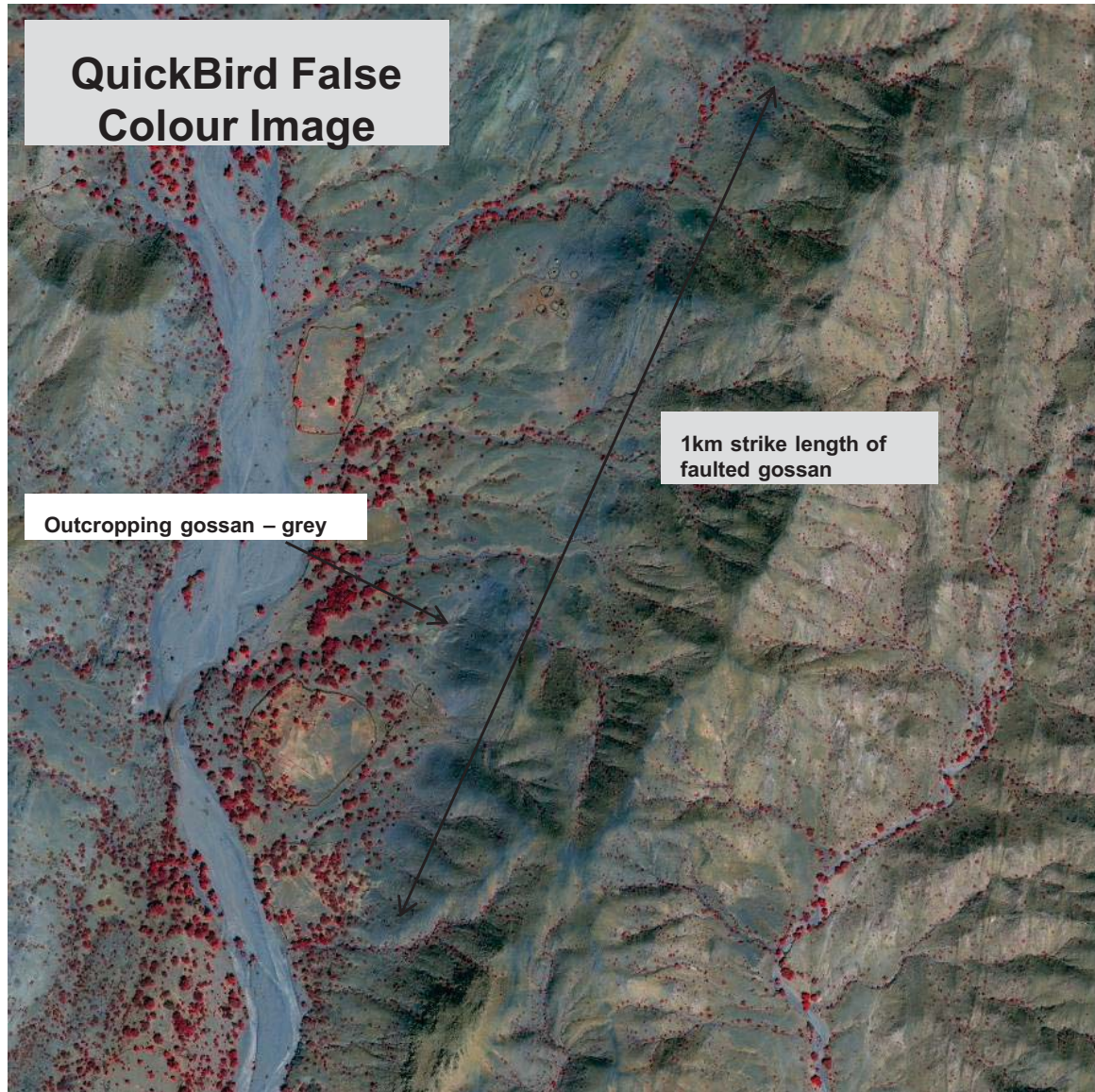


Quartz sulphide veins with malachite rich pockets, galena, haematite and limonite

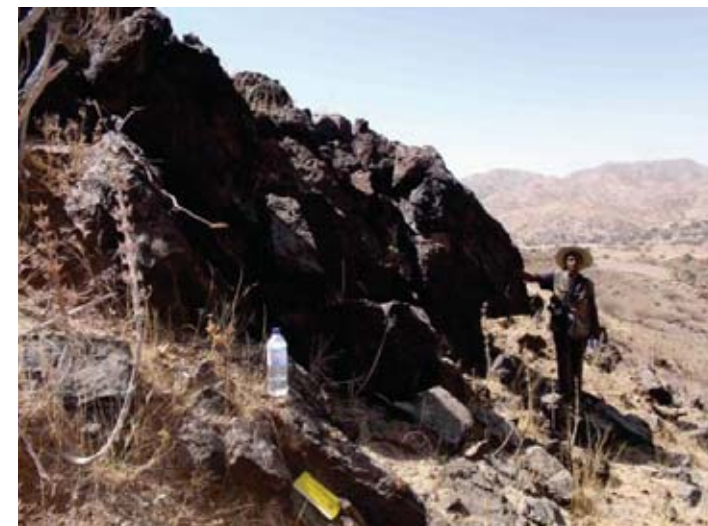
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# Eritrea – the Kofot - Gerger VMS anomaly near Himbol



Outcropping gossan (after sulphides) above and below with one grab sample grading 3.98% Cu and 2.26g/t Au

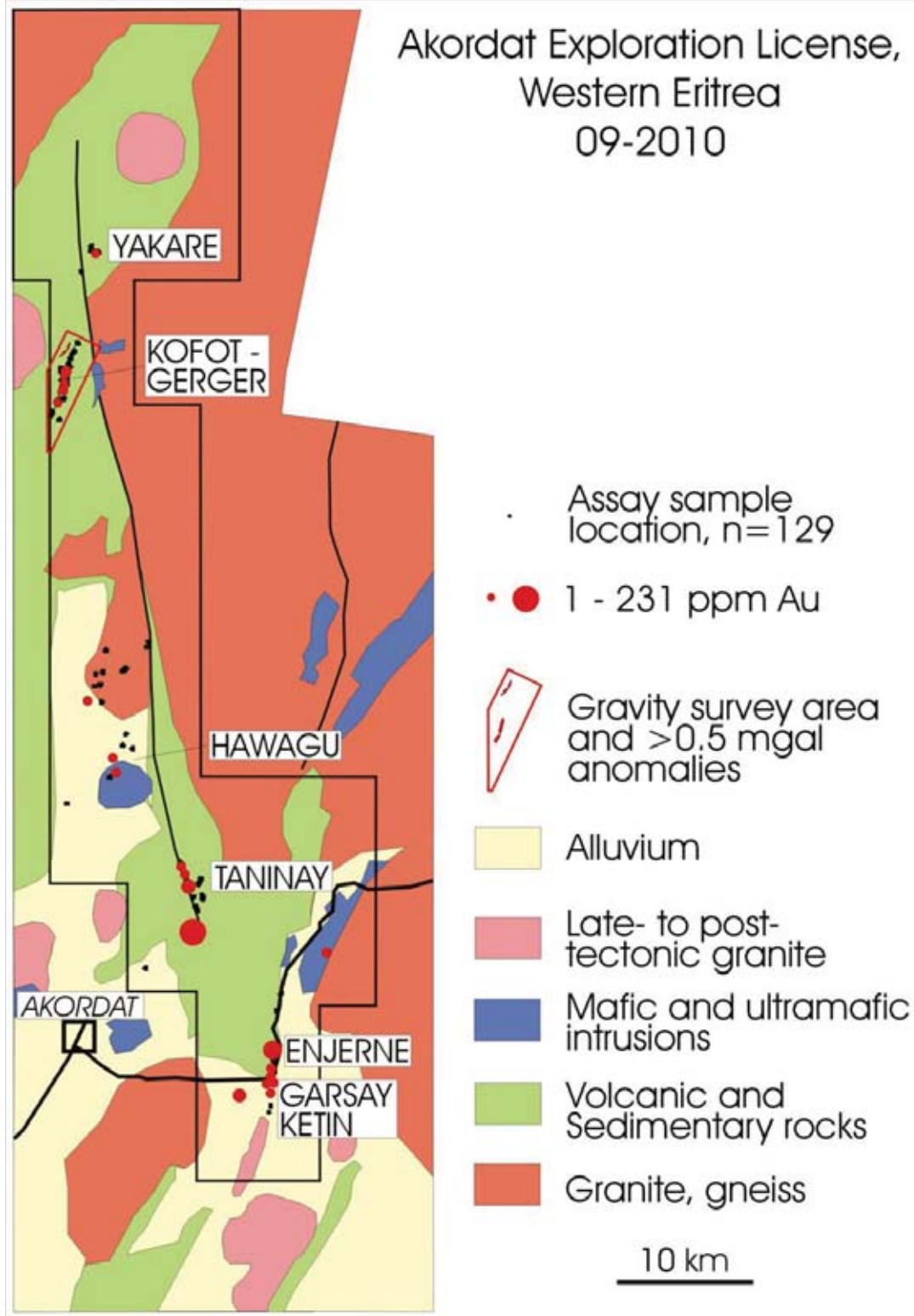






- **Geophysical anomalies closely match areas of interest identified by regional mapping**
- **Geophysical anomalies matching high Cu and Au in soil values**
- **Comprehensive gravity report received and anomalies to be followed up in Q4 2010**
- **Aggressive program planned e.g. infill 50 x 50m gravity on most promising areas, EM survey, detailed mapping and whole rock analyses with the ultimate aim of confidently generating drill ready targets**

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# Eritrea – Taninay Gold Prospect

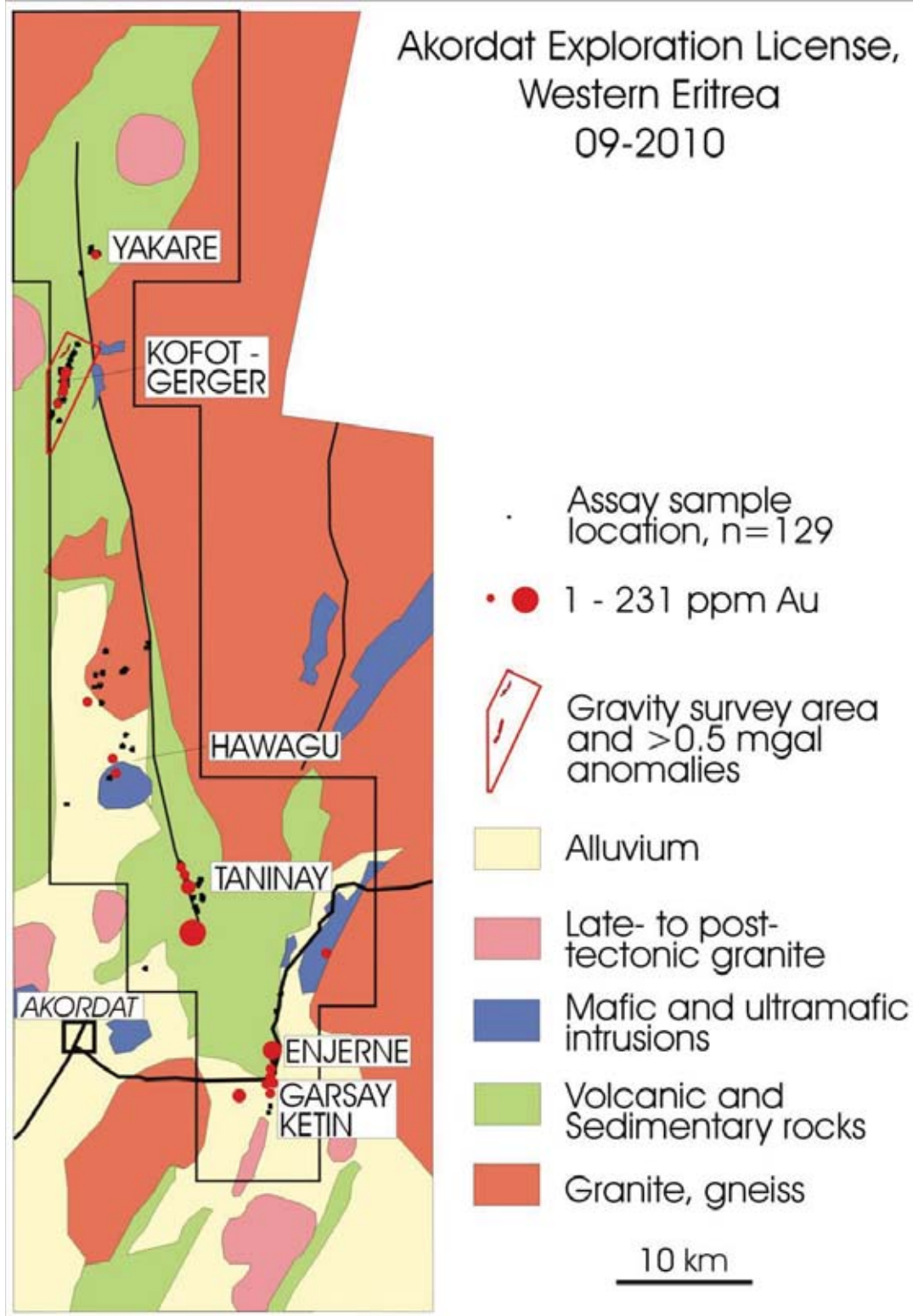


- Multiple gold vein system with 3km strike length
- Considerable artisanal gold workings 10-15m deep
- Along strike grab sampling and detailed mapping underway

Sample No.	Location	Au (ppm)	Cu (ppm)	Pb (ppm)	Zn (ppm)
093	Taninay	4.39	7	4	5
094	Taninay	1.23	18	9	15
108	Taninay	55.5	399	12	64
109	Taninay	15.1	214	2	6
110	Taninay	2.99	521	3	9

- Detailed prospect mapping to start Q4 2010
- Follow up of parallel systems

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# Eritrea – Engerne Gold prospect

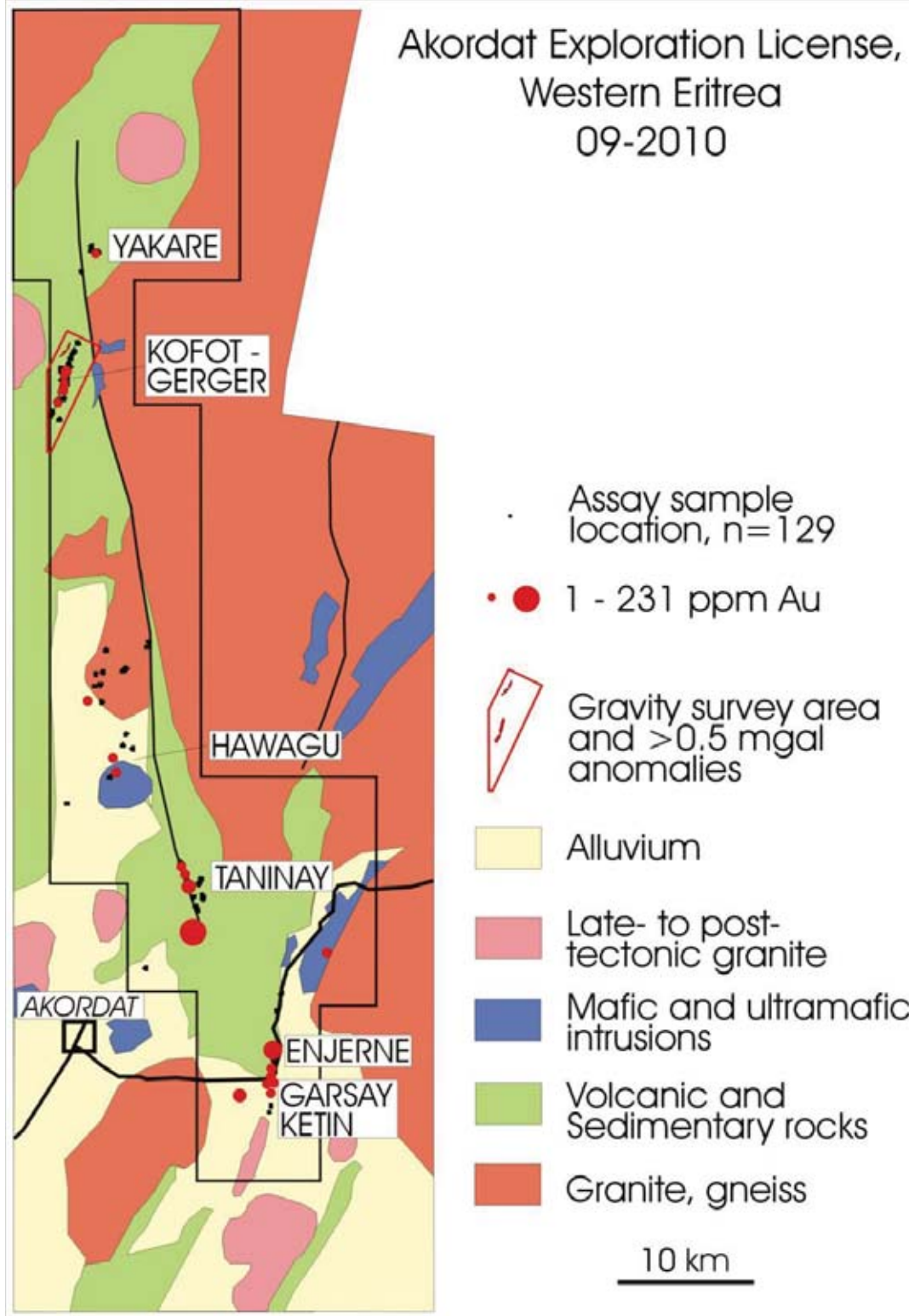


- Located on main Keren-Akordat road
- Considerable visible pyrite and malachite blebs
- Sheared zone between granites and granodiorite

Sample No.	Location	Au (ppm)	Cu (ppm)	Pb (ppm)	Zn (ppm)
076	Engerne	2.77	19	12	6
119	Engerne	12.4	221	6	9
123	Engerne	7.98	1350	15	80
276	Engerne	31.8	306	220	10
125	Engerne	2.65	447	4	16

- Host rock and cross vein sampling completed - awaiting results
- 7.5km system length with 5-20m width

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# Eritrea – Dallas gold alluvial zone



- Dallas is newly discovered area to the south of the Engerne prospect a large 2km area of alluvial cover between Engerne vein and Degesay vein
- Artisanal workings to the south and the north of alluvial cover
- Sampling and mapping to be conducted



Sample	Location	Au (ppm)	Cu (ppm)
263	Degesay	5.11	1.08
264	Degesay	19.15	1.93
265	Degesay	19.55	1.57

# Moving forward - 12 month work program



- Detailed prospect scale mapping and sampling at Kofot - Gerger
- Infill 50 x 50m gravity stations or EM survey over prioritised anomalies at Kofot – Gerger to determine drill ready targets
- Cross vein and regional sampling at Taninay with a view to RC drill by Q2 2011
- Sampling and mapping of Yakare polymetallic vein
- Exploration of Dallas alluvial area with soil samples
- Regional sampling and mapping of unexplored areas



- **6 new copper gold prospects**
- **Exciting regional mineral potential**
- **Aggressive exploration program in next 12 months**
- **Drill results Q2 2011!!!**

# Contact Information



## London Office:

London Africa Ltd  
5<sup>th</sup> Floor  
23 King St  
St James House  
London, SW1Y 6QY  
UK

Tel: +44(0)207 389 0581



**E-mail:** [info@londonafrica.co.uk](mailto:info@londonafrica.co.uk)  
**Website:** [www.londonafrica.co.uk](http://www.londonafrica.co.uk)

## Eritrea Office:

London Africa (Eritrea) Ltd  
Rm. 403  
SA. Building, Warsai St  
Asmara  
ERITREA  
PO BOX 1145

Tel: +291(1) 11 11 65

