THE BYUMBA CONCESSION: A FIRST FOR RWANDA

TransAfrika's vision and insight pays dividends

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Abstract

Rwanda is relatively unexplored in terms of gold. In 2007 TransAfrika had the foresight and vision to explore for gold in Rwanda. TransAfrika's exploration methodology has yielded tangible results in Rwanda. The Byumba Concession, a grassroots project, is in the process of yielding Rwanda's first ever gold resource statement. To qualify on international capital markets resources have to comply with the Australian JORC code, the Canadian NI 3 101 or the South African SAMREC Code. Ongoing exploration work and resource modeling will provide the basis of a compliant gold resource on TransAfrika's Byumba Concession under the South African SAMREC code.

Rwanda landscape

Rwanda: an Overlooked Mining Destination

The Rwandan mineral industry has consisted mostly of a number of small cooperatives and individual artisanal miners who have produced ores and concentrates from scattered locations generally in a 30km wide zone that extended east–west through Kigali. In 2000, the government privatised Régie d'Epxloitation et de Développement des Mines, the state mining exploration company.

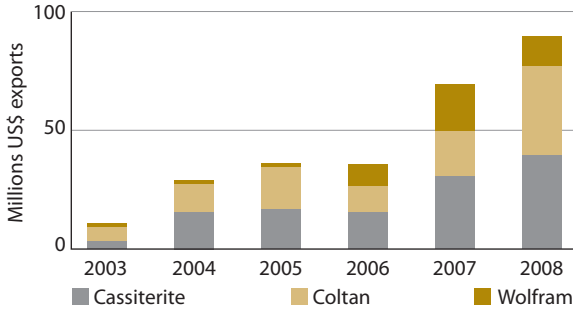
Before the genocide of 1994, mineral commodities typically provided 10% of export earnings, mainly from concentrates of tin, tungsten, and colombium-tantalum ores, and gold bullion.

In 1999, mining accounted for less than 1% of GDP, and tungsten, tin ore and concentrates accounted for 5% of exports. Cement was Rwanda's top industry in 2002, and tin ore was the fourth-ranking export commodity.

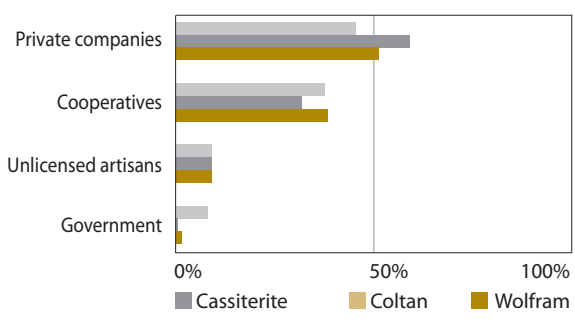
In 2000, estimated mineral production included 345 tonnes of tin ore (metal content), compared to 260 tonnes in 1998 and 400 tonnes in 1993; tungsten ore, 130 tonnes, compared to 49 tonnes in 1996 and 175 tonnes in 1993. 69 600 tonnes of cement was produced in 2000 whilst columbite-tantalite ore and concentrate (gross weight) production was 83 000kg, down from 224 000kg in 1998.

Only 10kg of gold was produced in 2000. Despite this, high levels of the precious metal had been found in many areas of the country, such as Karongi, Gicumbi and Kirehe.

Mineral exports have room for growth



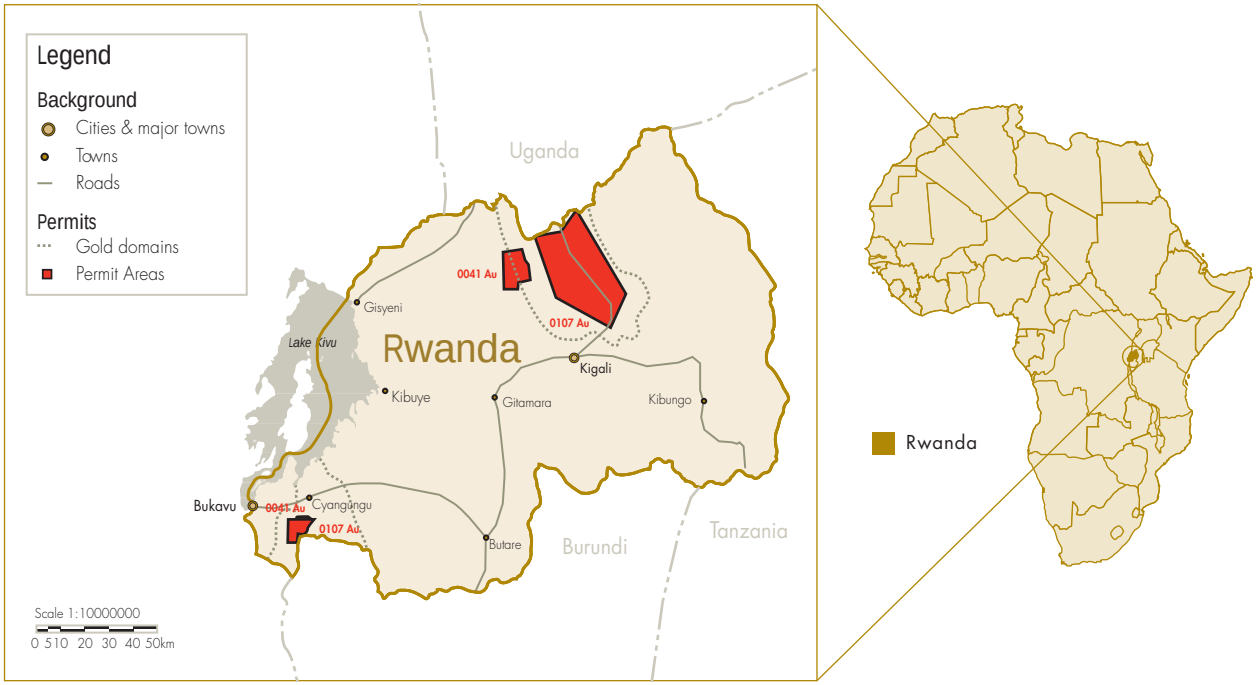
Share of production volume by source, 2007

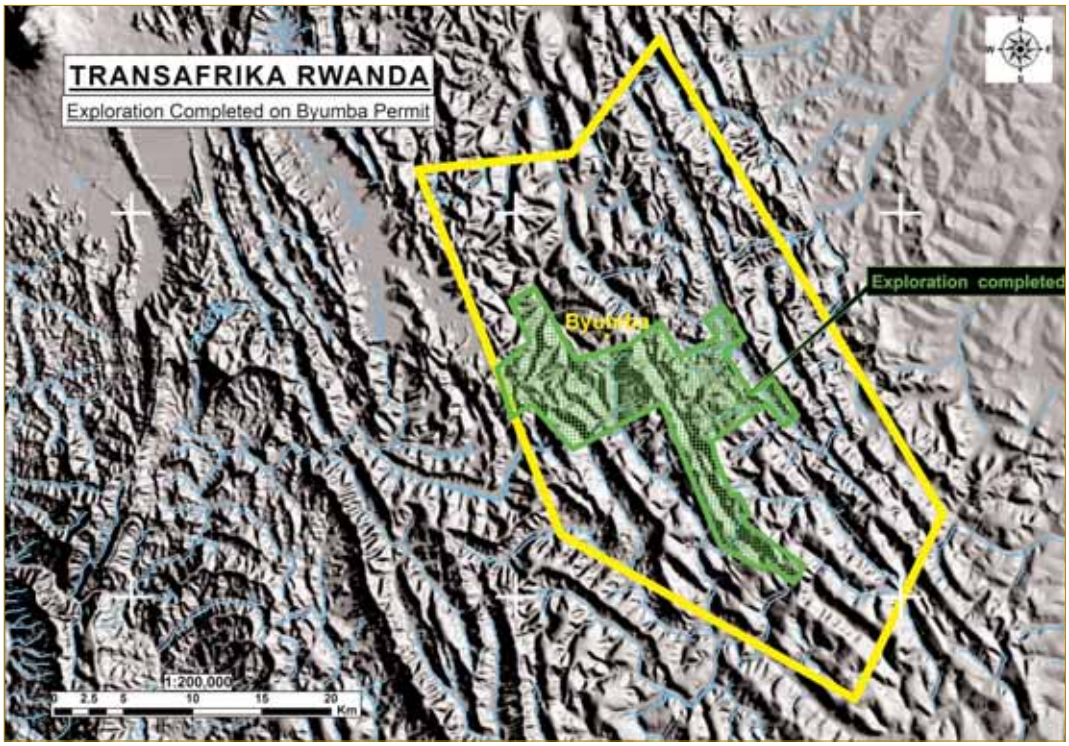


History of TransAfrika in Rwanda

TransAfrika has targeted countries for gold exploration that have not had intensive exploration interest by other gold players.

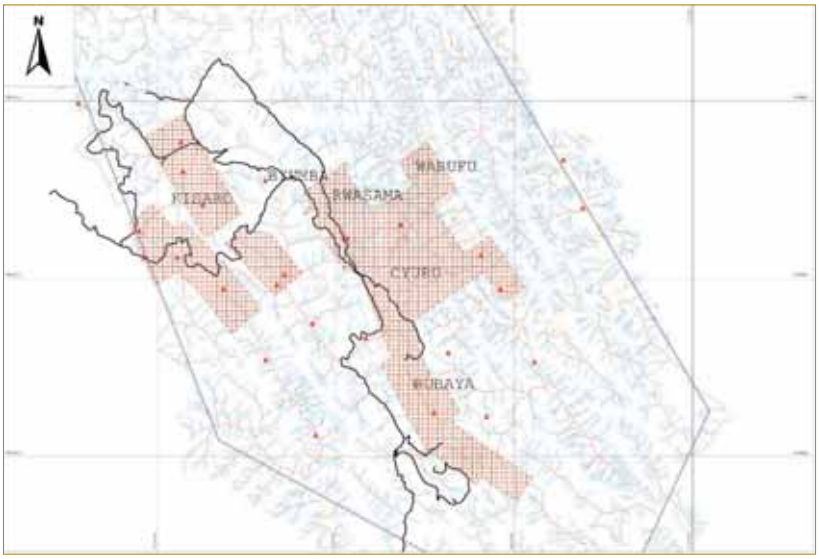
TransAfrika initially secured two exploration permits covering an area of approximately 97 090ha. The permits comprised a large area in the north of the country and a smaller area in the south-west, both within the county's identified gold domains.





Byumba Concession topography and locality map

No known exploration campaigns had previously targeted either of TransAfrika's permit areas for commercial deposits of gold. What was known of the geology and mineral occurrences was discovered and described by regional surveys conducted by governmental and non-governmental organisations such as the Bureau de recherché geologique et minieres ("BRGM") and the United Nations.



Byumba Concession current exploration areas

Initial airborne reconnaissance confirmed several large artisanal workings on the two properties. These workings were mostly alluvial. Several small workings along rivers were also noted. On the northern permit, possible in situ hard-rock workings were also identified and an attempt at small-scale open pitting was discovered. The airborne reconnaissance was concluded with the selection of two primary targets for initial exploration to be followed up with geological mapping, soil sampling and trenching. The result of this activity provided the basis for drill site location.

TransAfrika started an intensive drilling programme of the targeted areas in August 2008. By means of extensive drilling and inverse polarity geophysics, TransAfrika has been able to define the broad mineralised zones. The drilling results and grade assays have been very encouraging.

Selected drilling results

Significant drill hole intersections

Hole ID	from (m)	to (m)	Interval (m)	Au (ppm)	cmg/t
RB09_29	181	187	6	4.87	2 922
RB09_29	181	182	1	27.8	2 780
RB08_05	109	116	7	3.4	2 380
RB08_05	109	111	2	11.22	2 244
RB09_31	96.85	107	10.15	1.42	1 441
RB09_32	104	109	5	2.79	1 395
RB08_19	82	84	2	6.78	1 356
RB08_11	36.52	40.3	3.78	3.15	1 191
RB09_32	105	106	1	11.8	1 180
RB09_31	98.6	101.05	2.45	4.5	1 103
RB08_03	20	21.5	1.5	7.14	1 071
RB09_32	150	153	3	3.56	1 068
RB09_27	159	166	7	1.2	840
RB09_30	193	195	2	4.08	816
RB09_23	94	95	1	7.64	764
RB08_07	63	64	1	6.98	698
RB09_23	68.61	70.01	1.4	4.24	594
RB09_27	141	142	1	5.32	532
RB09_28	130	131	1	4.7	470
RB09_29	8.53	9	0.47	9.23	434
RB09_25	122	123	1	4.32	432
RB09_28	182	183	1	4.17	417

Geology of the Byumba Concession

All boreholes drilled show similar characteristics of geology and mineralisation. The borehole core is primarily phyllite with alternating bands of shale and fine sands and generally soft and fractured in weathered zones. Quartz veining is sporadic, vuggy, narrow and generally oblique to fabric with isolated concordant veins. Weathered box-works and cubic and disseminated pyrite are abundant but do not appear to be gold bearing.

In general, the mineralised zone is characterised by broad low-grade gold intersections with sporadic high-grade assays over shorter lengths confined within fairly steep dipping boundary structures. This style of mineralisation appears to be the signature of the geometry of the deposit.

Borehole Core

Sulphide mineralisation in borehole core

Road cutting showing typical rock formation

Deposit Delineation and Gold Resource Quantification

Coffey Mining South Africa was retained to model the field data for the Byumba Concession. A robust model for the broad mineralised zones was developed. The more detailed definition of higher grade subzones still requires finalisation considering that numerous configurations have been generated to interpret the field data.

Conceptual modeling of two radically different geometries yields gold potential of between 164Koz to 221Koz of gold at a grade of 1.4g/t to 1.5g/t. Most importantly, the target remains open to the north-west and at depth, providing still further upside potential.

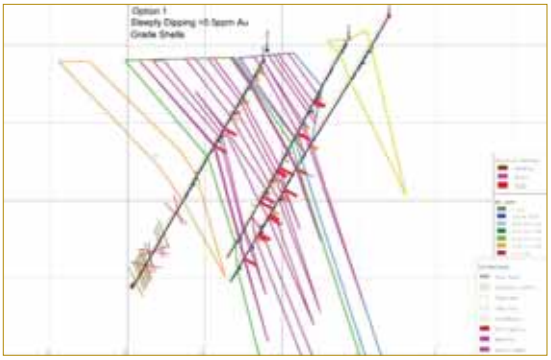
Drilling equipment on site

Borehole core being logged

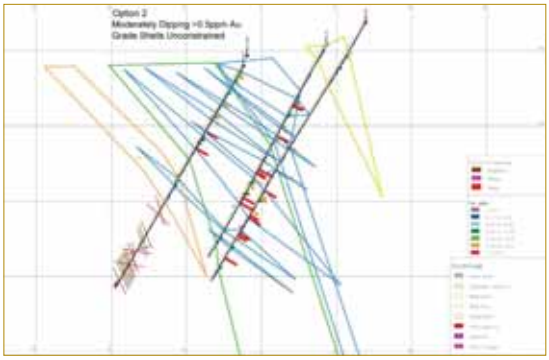
In the attempt to quantify the gold mineralisation envelope, a series of grade shells using a 0.50ppm gold cut-off were modeled. The best geological interpretation of the available information suggests that gold mineralisation is associated with a series of extensional quartz veins within the sediments. As already noted there are several possible geometries which can be applied to the data set to satisfy field observations and borehole drilling:

Option 1 Steeply dipping grade shells roughly parallel to the broad mineralised envelope and bedding. This yields multiple thin (generally <5m) bodies following the bedding roll over near surface.

Option 2 Moderately dipping grade shells allowed to transect the broad mineralisation envelopes. This yields an echelon array of elongated elliptical bodies 1m – 20m wide.



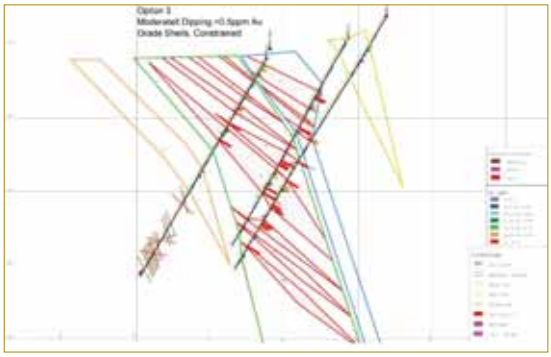
Option 1 Drill section showing steeply dipping grade shells bound by broad mineralised zones



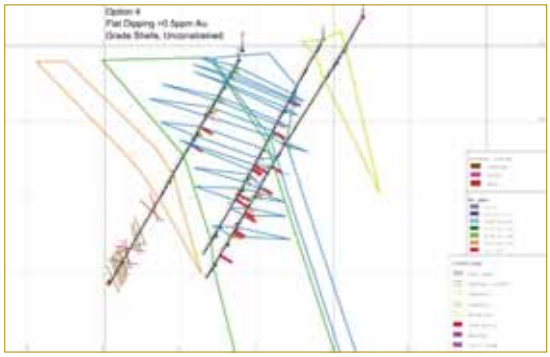
Option 2 Drill section showing steeply dipping grade shells bound by broad mineralised zones

Option 3 Moderately dipping grade shells constrained by and confined to the broad mineralisation envelopes. Similar results to option 2 but less continuous down dip.

Option 4 Flat dipping grade shells allowed to transect the broad mineralisation envelopes. This yields an en echelon array of elliptical bodies 1m – 7m wide. A subset of these could be bound by the broad mineralised envelopes as per option 3.



Option 3 Drill section showing moderately dipping grade shells bound by broad mineralised zones

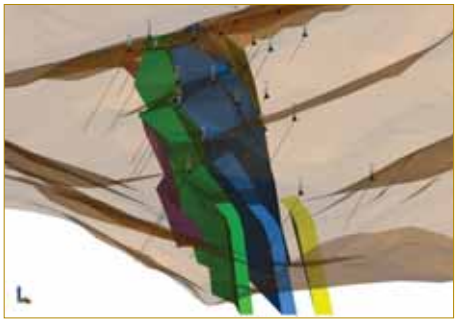


Option 4 Drill section showing flat dipping grade shells bound by broad mineralised zones

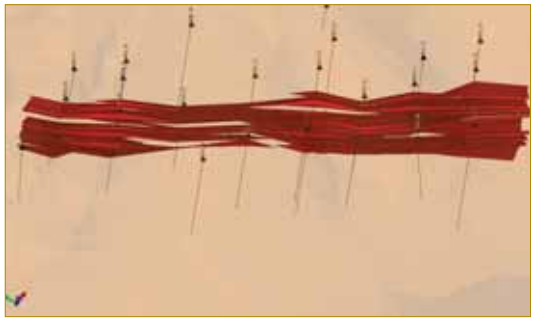
Option 4 would require a significant thrust component and is considered the most forced of the correlations.

Option 2 and 3 correlate well. If option 2 is confined with the broad mineralised envelopes we get option 3 where these apparent tensional arrays are constrained by bounding structures, a viable explanation for the apparent lack of correlation between the upper portions of holes. Again, some thrust component would be necessary but if they plunge, then the geometries could be explained by transverse dominant stress with a thrust component.

Option 1 would be easily explained within the structural setting of the overall broad mineralised system.



Isometric view of Broad Grade Shells, looking north-west



Isometric view of Broad Grade Shells (~750° on 50°)

The TransAfrika Team

TransAfrika has a strong team of seasoned mining executives who collectively have over 100 years of mining experience. The company's directors and executive management are well acquainted with the nuances of doing business in Africa. This collective experience has been key to the discovery of gold on the Byumba Concession. Considering that only a limited area of the concession has been explored, the potential for increasing the gold ounce profile already discovered is significant. TransAfrika remains steadfast in its belief that Rwanda offers untapped potential for further significant finds. This first delineation of a potential resource for gold in Rwanda is the first step and confirms TransAfrika's strategy for investing in countries for gold exploration that have not had intensive exploration interest by other gold players.

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