KINGDOM OF MOROCCO



LAFWILA GOLD PROSPECT

(Southern Provinces, Morocco)

KEY NOTES

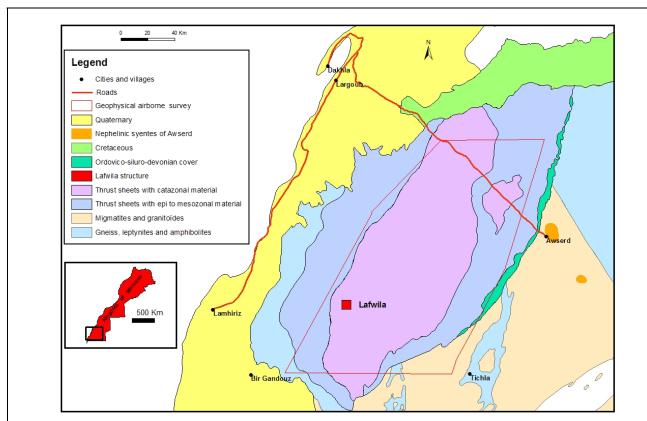
- ➤ Gold bearing structures with grade that reach 103 g/t Au.
- > Favourable geological and structural context for orogenic gold deposits.
- > Important airborne magnetic anomalies.

LOCATION AND INFRASTRUCTURE

The Lafwila prospect is located to the South west of Dakhla. It is accessible from this city by 210 Km of asphalted road and 90 km of carriageable track. The Onhym logistical center (Lamhiriz) is situated at 160 km from this prospect.

GENERAL GEOLOGY

The Lafwila prospect is located in the northern Mauritanides that is constituted by thrusts sheets of catazonal or epi to mesozonal material. This stacking of thrusts sheets (Archean, Neo-Proterozoic and the Palaeozoic) present a general vergence to the East, in direction of the archean craton of Awserd sector. The set of these geological complexes is affected by a polyphased tectonics since the Archean until the Hercynian (Archean, Caledonian, pan African and hercynian orogeny).

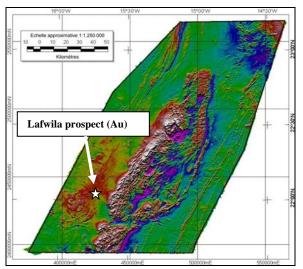


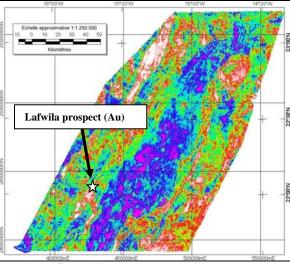
Extracted from the geological map of Morocco 1/1 000 000 showing the location and the general geological setting of Lafwila

EXPLORATION WORKS AND RESULTS

The Lafwila region has been covered by a magnetometric and spectrometric airborne geophysical campaign done by ONHYM in 2002. The surface control of the anomalies by geology, geochemistry and remote sensing on the topographic sheet of Ouday Çfa 1/100.000 started since 2005.

The geological works permitted to define an anisotropic zone judged interesting of the structural and metallogenic points of view and therefore constitutes a favourable zone for the research of precious metals.



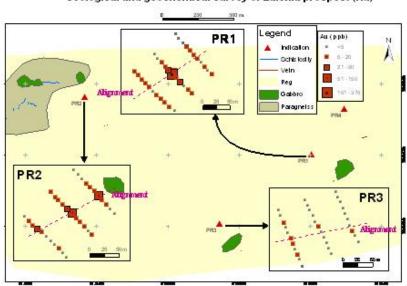


Total magnetic field

Potassium spectrometric map

These exploration investigations succeeded to the identification of the golden indications of Lafwila constituted of three zones covering a surface of 8 km² and whose contents reach 103g/t Au, 262g/t Ag, 0, 85% Cu and 4% Pb.

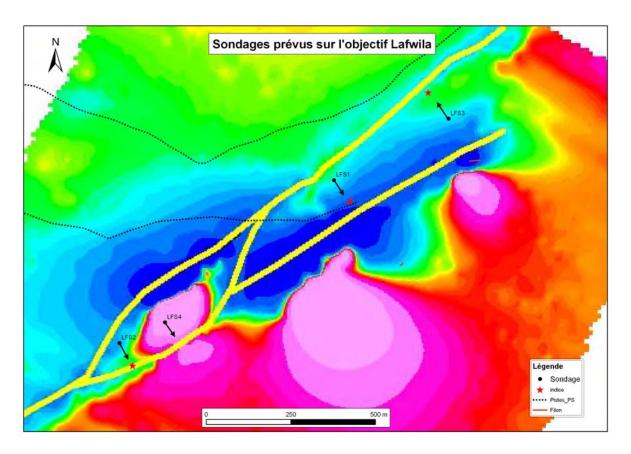
According to the conditions of outcrops, the research for lateral extensions of these indications has been done by soil geochemistry. Perpendiculars profils to the structures have been done on every indication. The results show the existence of a NE-SW alignment close to the zones PR1 and PR2 and ENE-WSW close to the zone PR3.



Geological and geochemical survey of Lafwila prospect (Au)

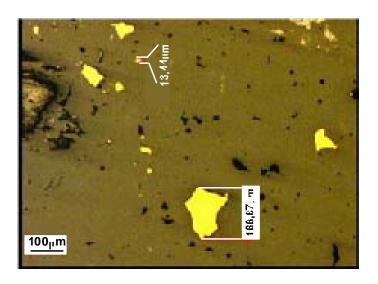
The results of the detailed geological works around the golden indications of Lafwila show the existence of other structures with grades up to 36 g/t Au on 1 m of thickness, 71 g/t Ag, and 1.2% Pb.

Those golden indications are represented by quartz lenses of weak dimension, it consist of echelon lenses integrated in a dextral shear zone of NE-SW direction, of 1,5 km long and of about 200 m large.



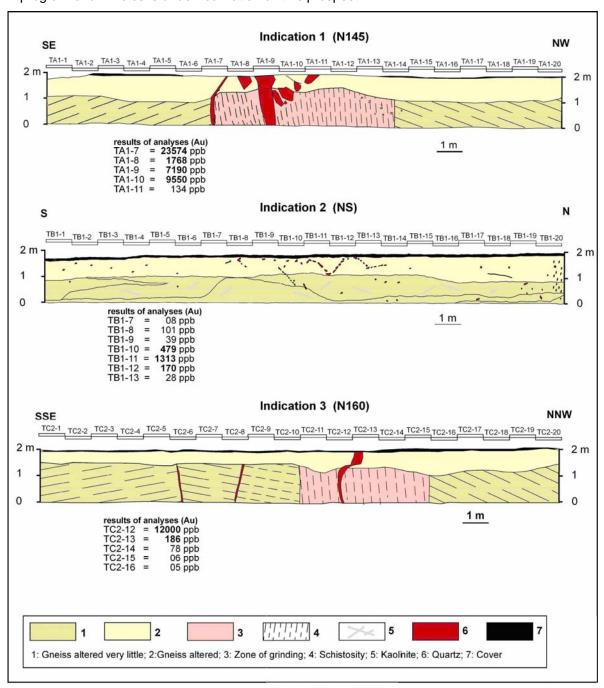
Geophysical interpretation showing the existence of a NE-SW shear zone

The zone also shows other structures of which one is about 100 m of extension with galena (1% Pb) and malachite (0.4% Cu) on metric thickness. The gold contents are in the order of 200 ppb.



In order to look for the rooting of these bearing gold structures, several trenches have been achieved. They are of 20m length and 2m depth and they show the rooting of the quartz lenses of the indications 1, 3 and 4, while the indication 2 appears not deep-rooted. The results of analyses show grade up to 23 ppm Au.

A program of drill holes is under realization on this prospect.



PERSPECTIVES

The Lafwila gold prospect presents very interesting possibilities of extension and also the possibility to discover new gold structures.

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