



## **Lisungwe plc - News announcement 26 April 2007**

Lisungwe plc, the PLUS–quoted mineral exploration company conducting operations through its subsidiary, Lisungwe Mineral Resources Limited (LMR) in Malawi, is pleased to announce significant progress on its exploration ground.

### **EXPLORATION LICENCES**

- Government authorities have agreed to grant a new nickel-bearing licence over an area west of Lilongwe. LMR believes that this ground has excellent potential and will be an exciting addition to the nickel exploration programme.
- As is normal practice, in order to focus exploration on the follow-up of specific targets, a proposal to reduce the area of Exclusive Prospecting Licences held by LMR has been agreed to with the authorities.
- Exploration by LMR over the Chimwadzulu area has been carried out under an agreement dated 2000 with the then holder of the Mining Licence over the area, Mineral Exploration (pvt) Ltd (Minex). During 2006 the assets of Minex were acquired by Nyala Mines Ltd (Nyala). Nyala has applied for a new Mining Licence over the same area, the negotiation of which has caused temporary suspension of ground activities at Chimwadzulu. It is understood that this licence has recently been agreed to and signed by the Minister.

LMR, which has an agreement with Nyala similar to that with Minex, is now awaiting the formal issue of the licence in order that it can continue with its exploration programme at Chimwadzulu

### **NICKEL EXPLORATION**

#### **The Chimwadzulu project**

Notwithstanding the temporary suspension, at Chimwadzulu there have been important positive advancements of both the mineral processing and resource estimate programmes. LMR continues to believe that a commercial nickel operation is a realistic possibility.

#### **Mineral processing**

- Further to the earlier highly encouraging results from leaching tests using cold aqueous sulphuric acid solution leading to c.90% nickel recovery, detailed studies on weathered, nickel–bearing, material have shown that majority of the nickel is contained in the finest grained fraction being less than 250 microns (0,25 mm). This opens the possibility of screening off and discarding the coarser material, thus restricting the processing to the fine fraction only. This is expected to result in an important reduction in the amount of acid required and therefore the cost.

Tests to examine this possibility are in progress.

- A 200kg sample of nickel-bearing, relatively fresh, solid rock has been collected and is being dispatched to the UK for column leach testing to determine its suitability for heap-leaching techniques.

## **Definition of the extent of potentially commercial mineralisation**

- A total of 120 pits have been dug to a depth of 2m (where possible) over approximately 25% of the area of speculated commercial mineralisation. The majority of these finished in potentially ore grade material.
- It is intended to complete the 2 metre pitting programme as soon as possible, followed by deepening, initially to a depth of 4m, with infill pits where warranted.

This will facilitate the calculation of a resource estimate to 4m depth.

## **A New Nickel Exploration Licence**

The authorities have agreed to grant a new exploration licence over an ultra-basic body with demonstrated nickel mineralisation similar to that at Chimwadzulu.

A preliminary speculative calculation suggests that the body could contain greater than 3 million tonnes of commercial Nickel mineralisation. Detailed exploration, coupled with preliminary metallurgical test work, will begin as soon as the licence is officially granted.

## **URANIUM EXPLORATION**

Uranium exploration is continuing with systematic screening of airborne uranium anomalies using a hand held scintillometer / spectrometer. To date the grades discovered are at sub-economic levels.

## **GOLD EXPLORATION**

Gold exploration is currently focussed along the trend of the main historical workings active in the 1960s. Programmes have consisted of detailed hand auger sampling, the results of which are positive and encouraging. Some strongly anomalous values occur along the trend with values up to almost 1 gramme per tonne from overburden. Further auger lines are planned along the strike of the structure, which remote sensing studies suggest has a strike length of over 12 km.

## **COPPER / GOLD EXPLORATION**

Detailed auger sampling is continuing along the strike of this occurrence at Niyuludzi where we have previously reported an outcropping copper occurrence with 1.5% copper and almost 0.2 grammes per tonne gold.

The Directors of Lisungwe plc accept responsibility for this announcement.

### **ENQUIRIES:**

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