



Lisungwe plc - News announcement 16 July 2007

Lisungwe reports further encouraging pitting values and mineral extraction test results from its nickel project at Chimimbe Hill, in Malawi.

Lisungwe plc, the PLUS–quoted mineral exploration company with operations in Malawi, is pleased to announce that further pitting over the Chimimbe Hill area has encountered additional strongly anomalous nickel values. Furthermore, preliminary nickel extraction tests are proving positive and highly encouraging.

A total of 344 pits (c.590 metres) have been sunk since the issue of the Chimimbe licence in mid-May, completing the first phase of pitting to an initial target depth of 2m along lines 100m part. Preliminary assays of the material are in progress.

The latest analyses have confirmed the presence of strongly mineralised, highly weathered bedrock/saprolite on the elevated slopes of Chimimbe Hill. Average grades are commonly in excess of 0.5% Ni rising to a high of 0.9% with many pits ending in mineralised bedrock containing values between 0.6% and 1.1%. These results are in addition to those from the previous report of nickel-bearing soils in the flat area below and of two pits in saprolites, deepened to 4 metres, each with an average of c.1% Ni.

Ongoing pitting, expected to last four months, is now in progress to determine the continuity and tonnage of mineralised material both laterally and at greater depth. Preliminary drilling to examine the depth of mineralisation is also planned.

Metallurgical test work on representative samples of the soils and saprolites is currently being conducted in the UK by Wardell-Armstrong International Ltd with the objective of optimising nickel extraction procedures. Preliminary test work on a random specimen of saprolite, returned a very encouraging nickel recovery of greater than 87%, using cold, aqueous, sulphuric acid over a 28 day period.

The Directors of Lisungwe plc accept responsibility for this announcement.

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