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Activity Report 09/08
Projects of EMAG – Eastern Bolivia
Period: September 2008



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Introduction

The month of September was a very dry period offering ideal weather conditions for the execution of the field work. For ten days, the road between Santa Cruz and the work area was closed due to political demonstrations. Thus, there was a fuel shortage and a surcharge had to be temporarily paid.

Project Johannes-Colonia

Work Progress

Sampling is 66 units behind schedule (Tab. 01), due to difficulties in accessing the project area. The geologist responsible for sampling entered the work area one week later as planned. Excavation and geological mapping of exploration trenches were completed as foreseen. 20 kg samples were taken in trenches from coluvial and caolinized pegmatite material along the lines 5,200 SW, 5,300 SW and 5,500 SW. The presence of tantalite/columbite fragments with individual weights of up to 8,5 gr. was confirmed in panned heavy mineral concentrates (Photo 01 & 02)

Activity	Unit	September 2008			Work Progress
		Program	Completed	Unit	
Trail cutting	km	nnn	nnn	nnn	80.9
Cleaning of trails	km	nnn	nnn	nnn	42.9
Cleaning of rock outcrops	m ²	nnn	nnn	nnn	750.0
Survey of trails by compass & tape	km	nnn	nnn	nnn	79.3
Geological mapping of trails	km	nnn	nnn	nnn	73.3
Topographical survey of trails	km	nnn	nnn	nnn	93.2
Improvement of access roads	km	nnn	nnn	nnn	17.2
Trenching	m	500.0	458.0	91.6%	2,918.7
Cleaning of old trenches	m	nnn	Nnn	nnn	416.0
Geological mapping of trenches	m	400.0	405.0	101.3%	2,074.2
Sampling of trench material	Nr.	100	34	34.0%	266
GPS readings	Nr.	nnn	nnn	nnn	17.0



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Geological mapping has delineated so far two consistent linear pegmatite bodies which extend over 1.9 km and 1.1 km, respectively. The maximal observed thickness is 55.0 m. This indicates that the potential tantalite mineral resource might be much larger than assumed in the initial business plan.

Conclusions

It is well known that similar pegmatite deposits of complex composition in eastern Bolivia contained occasionally massive ore pockets of more than 100 kg weight.

The evaluation of tantalite resources through conventional sampling is in such cases difficult. It is alternatively recommended to process bulk samples in a pilot washing plant in order to analyse the pre-concentrate chemically for Ta.

Within the next weeks, the field team is going to sample the coluvial overburden and the caolinized part of the pegmatite mineralization to delineate sections of higher tantalite/columbite content. In a following step bulk samples are to be taken and processed for the determination of the tantalum concentration

Environmental Impact Study

Empresa Minera (Bergbau) A.G. received also a technical proposal by the environmental engineer Hugo Heymann for the elaboration of an environmental impact study for operating an industrial washing plant. The cost is US\$ 2,200.-- for obtaining the environmental categorisation of the project; and US\$ 16,000.-- and US\$ 32,000.-- respectively, for a detailed environmental impact study depending on the previously obtained categorization.

Planning

Because of the fact that the pegmatite structure is being longer and thicker than initially assumed, the excavation and the geological mapping of the exploration trenches has to be prolonged until the middle of November. For the next weeks, an additional engineer and two experienced samplers will support the sampling of the pegmatite.



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The gossan and BIF chip samples that have been taken in the last months will be taken in October to the ALS Laboratory Group assay facilities in Oruro for preparation and analysis of precious and nonferrous metals.

Economic & Political Development

The month of September was full of political events. The population of the departments of eastern Bolivia demonstrated against a cutback of gas royalties by blocking roads and occupying governmental institutions. This situation eased when talks between the central government and the oppositional departments under the supervision of a neutral facilitator were commenced. By the end of the month the US\$ exchange rate was situated at Bs 7.11.

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Foto 01: Tantalite/Columbite-fragment of 8.5 gr. weight
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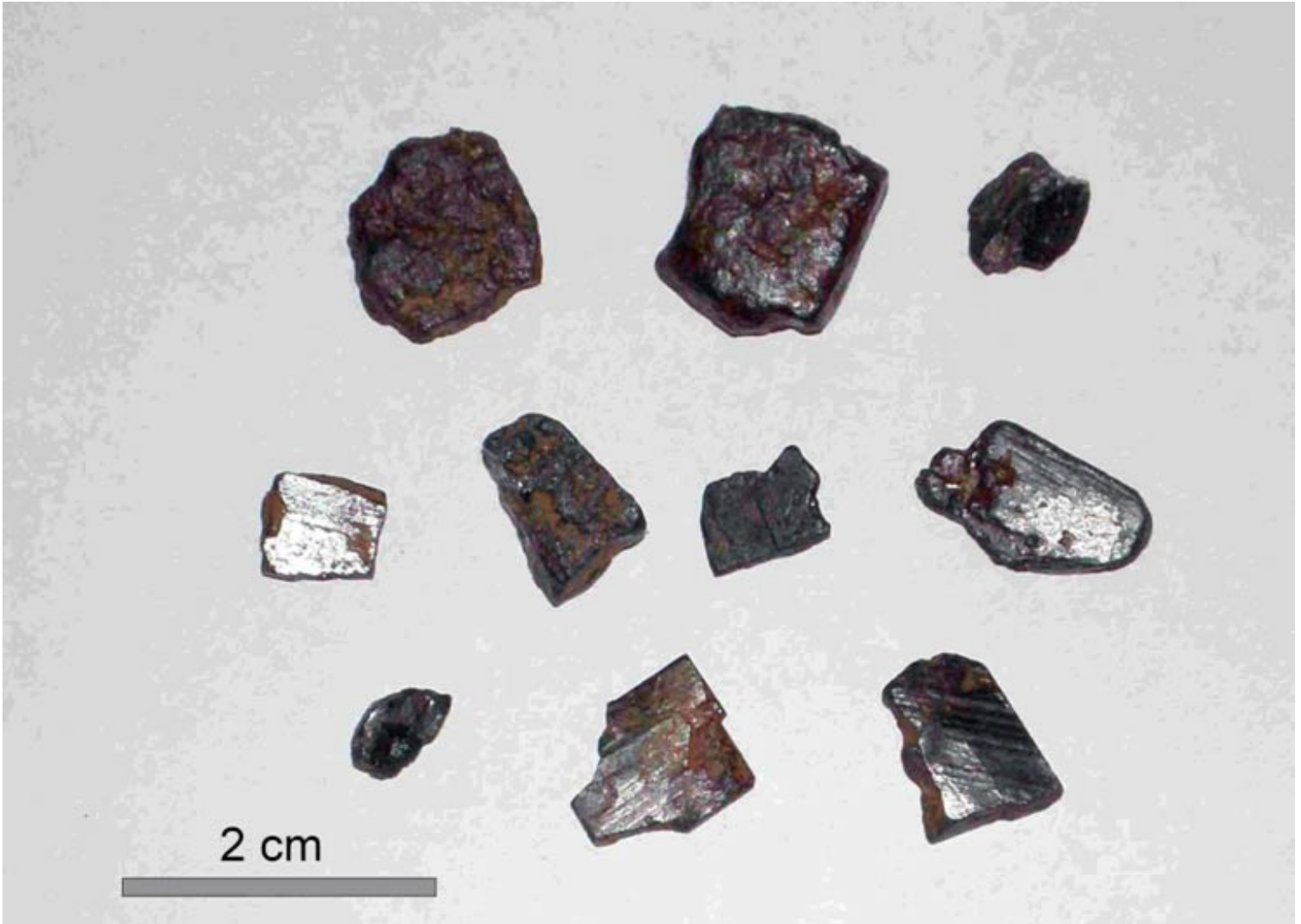


Foto 02: Tantalite fragments from pegmatite structure
Project Johannes-Colonia