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# Activity Report 11/08

## Exploration Projects of EMAG – Eastern Bolivia

### Period: November 2008



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## Introduction

The month of November was rather dry for the season. Fieldwork had to be interrupted just for two days due to rainfall.

## Johannes-Colonia Project

The achieved work progress is shown in the Tab. 01. The excavation and the geological mapping were carried forward. Goal was the precise delineation of the lens-shaped pegmatite structure and its exposition for systematic sampling. The latter was completed with the collection of 155 vertical channel samples. Furthermore, 60 horizontal channel samples of one meter length were taken from the weathered pegmatite (Photo 01). 194 samples were panned. 140 heavy concentrated samples were dried in the laboratory facilities in Santa Cruz, where the magnetic components of the + 0.6 mm grain fraction were separated. The mineral fractions were weighted and the grains classified by the use of a binocular.

Activity	Unit	Monat November 2008			Total
		Pro-grammed	Com-pleted	Progress	
Trail cutting	km	nnn	nnn	nnn	80.9
Cleaning of trails	km	nnn	nnn	nnn	42.9
Cleaning of rock outcrops	m2	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	280	278	99.3%	3,632
Cleaning of old trenches	m	nnn	nnn	nnn	416
Geological mapping of trenches	m	320	302	94.2%	2,751
Trench samples (Gossan, BIF, Quartz)	Nr.	nnn	nnn	nnn	331
Vertical channel samples for tantalite	Nr.	150	155	103.3%	275
Horizontal channel samples for tantalite	Nr.	60	60	100.0%	60
Panning	Nr.	190	194	102.1%	287
Heavy mineral concentrtrate investigation	Nr.	140	140	100.0%	140
GPS readings	Nr.	nnn	nnn	nnn	17

Table 01: Work progress of field work, November 2008  
Johannes & Colonia concessions of EMAG



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Tab. 02 shows the preliminary results of the channel sampling of the pegmatite along line 52-00 SW. The content corresponds to the nonmagnetic +0.6 mm fraction which consists principally of tantalite/columbite fragments. The matrix minerals of the pegmatite are predominantly composed of muscovite and kaolin (Foto 02). Therefore its dry specific weight is relatively low.

On the line 52-00 SW we have an average content of 799 g/m<sup>3</sup> and 752 g/t (dry) respectively of nonmagnetic heavy minerals, over a pegmatite width of 10.0 m. If the corresponding heavy mineral concentrate would exhibit a Ta<sub>2</sub>O<sub>5</sub>-content of 30 %, then the in situ value of 1.0 m<sup>3</sup> mineralized material would have a value of US\$ 65. –, taking the current price quote of US\$ 81.00 pro kg concentrate into account. The cash costs for mining and concentration are roughly estimated to be below US\$ 15.-- per m<sup>3</sup>.

Through the binocular one observes that the tantalite/columbite forms coarse grained mineral aggregates. It occurs only occasionally intergrown with quartz, muscovite or feldspar. Therefore, it should be possible to recover most of it in a gravimetric washing plant without crushing and milling. In the initial business plan an average content of 0.05 % Ta<sub>2</sub>O<sub>5</sub> (dry) was assumed. The mineralization found on the line 52-00 SW corresponds to an average of 0.075 % Ta<sub>2</sub>O<sub>5</sub>.

Sample Nr. (g/m <sup>3</sup> )	Line	Sample interval (m)			Content
		From	To	Lenght	
63621	52-00   SW	303.0	304.0	1.0	416
63622	52-00   SW	304.0	305.0	1.0	735
63623	52-00   SW	305.0	306.0	1.0	863
63624	52-00   SW	306.0	307.0	1.0	1,025
63625	52-00   SW	307.0	308.0	1.0	1,358
63626	52-00   SW	308.0	309.0	1.0	910
63627	52-00   SW	309.0	310.0	1.0	1,240
63628	52-00   SW	310.0	311.0	1.0	340
63629	52-00   SW	311.0	312.0	1.0	335
63630	52-00   SW	312.0	313.0	1.0	770

Average: 799 g/m<sup>3</sup> or 752 g/t, respectively



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## Planning

The exploration activity will be paused between December the 20th and mid January due to Christmas holidays. A preliminary technical/economic scoping study on the commercial exploitation of tantalite in the Johannes-Colonia project will be prepared until the end of February, which would consider also the recovery of quartz, kaolin and muscovite of the pegmatite.

In December, the management of EMPO S.R.L. will visit the locality of Candelaria, in order to announce the beginning of the exploration work in the Hamburg concession in the dry season of 2009. Until then, exploration data from the nineties will be reprocessed and combined with results of a recent interpretation of satellite images.

## New project possibilities

Several raw material projects in Angola and Peru for copper, gold and base metals have been offered to the company. The available geological information will be reviewed and a list of priorities will be prepared for negotiation with the claim owners and first site visits.

## Economic & Political Development

The political situation is calm and the economy continues to be stable. The exchange rate stands at the end of the month by Bs 7.07 for one US-Dollar. The banking system has proven to be quite robust given the world finance crisis.

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Photo 01: Horizontal sampling channel, width 0.15 m, depth 0.10 m, total length 15.0 m, line 52-00 SW

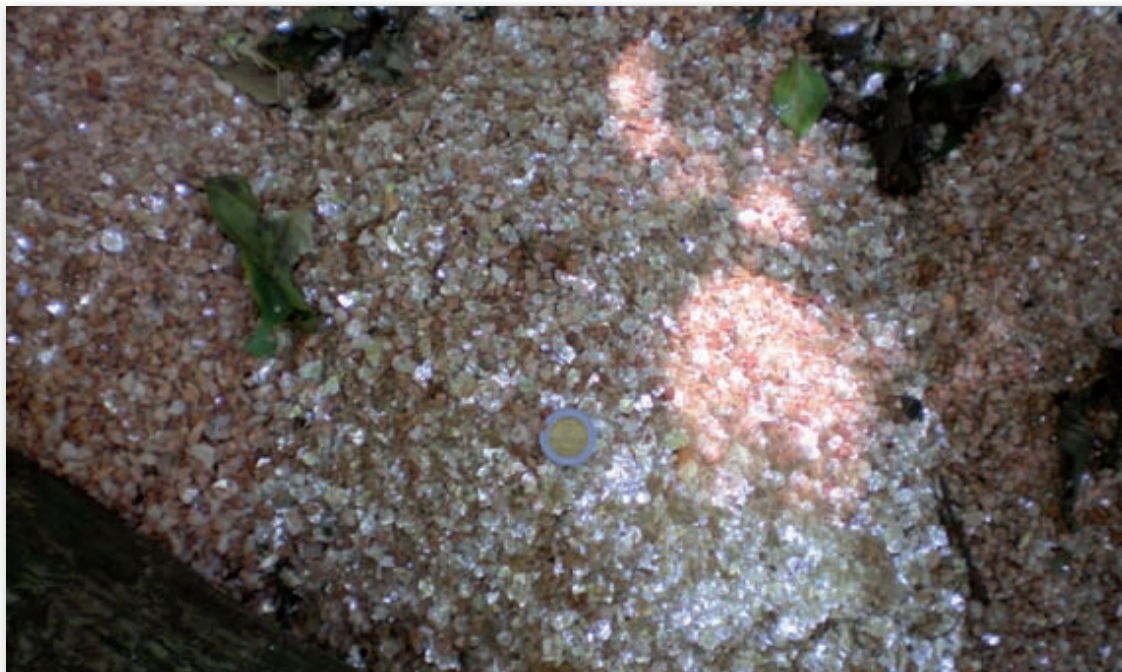


Foto 02: Muscovite rich tailings. "Soft" kaolin & tantalite/columbite were separated through panning.