

# Tanzania



## History of Exploration in Tanzania



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The Lake Victoria goldfield in Tanzania is the fourth biggest gold producer in Africa, second only to South Africa, Ghana, and Mali. The goldfield is recognized as a world-class gold province and currently boasts over 40 million ounces in proven and probable reserves for the six mines in operation: Geita, Bulyanhulu, North Mara, Golden Pride, Buzwagi, and Tulawaka.

In 2002, we decided to launch our own exploration work in the region surrounding the Tulawaka project, confident that this favorable and little-explored geological environment holds the potential to host additional gold deposits. Our aim was to find new gold deposits in the vicinity of the Tulawaka processing facility and produce gold from a resource in which we have controlling interest. This is still a priority in 2010.



The Lake Victoria goldfield is underlain by greenstone belts, composed predominantly of volcanic and sedimentary rock interspersed with granitic intrusions, and extends from central Tanzania northward into Kenya and Uganda. The greenstone rocks are considered to be of Archean age. The exploration models applicable to Abitibi greenstone can be used in the Lake Victoria region.

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A number of projects have been progressively acquired since 2002. Exploration has led to the discovery of several gold prospects that have been tested by drilling since 2007. Except for Ikungu, the prospecting licenses are distributed around the Tulawaka property where targets have been identified. Access to all these licenses is straightforward in the dry season, due to the sparse vegetation and the numerous secondary roads crisscrossing the area. MDN controls prospecting licenses covering 703 km<sup>2</sup>

It is useful to remember that the Tulawaka gold deposits were discovered in 1998 by MDN and Pangea Minerals using a geological model and simple soil geochemistry exploration techniques.

1998–2002: Feasibility study and development of the Tulawaka mine

2002–2004: Acquisition of properties near the Tulawaka mine in which MDN has a controlling interest. A systematic analysis of the available data on the Tulawaka region within a 50 km radius of the Tulawaka mine located numerous geological structures.

2005–2006: Systematic exploration in the field to determine drilling targets in the region

2007–2008: RAB, RC, and DDH drilling techniques identified four new gold occurrences: **Isambara, Vionza, Isozibi, and Mnekezi.**

2009: Diamond drilling in 2009 added to our geological understanding of the Isambara occurrence and confirmed the potential of the Ikungu mineralized occurrence.

The Isambara occurrence is now considered to be a gold occurrence formed under reducing conditions associated with a felsic intrusion. The empirical models used to guide the exploration were the Fort Knox deposits in Alaska (158 Mt @ 0.83 g/t Au) and Vasilkovskoe in Kazakhstan (80 Mt @ 3.7 g/t Au). This is a new exploration approach for this project, which previously was based on seeking narrow high-grade veins, similar to those in the Tulawaka mine.

The Ikungu occurrence stretches over more than 2.5 km and drilling has revealed the presence of lenses exhibiting a number of mineralized intersections of with grades over 5 g/t and up to 54.3 g/t Au.

A compilation of all soil survey data gathered since 2002 demonstrated that the Vionza and Mnekezi occurrences are the tip of a series of gold anomalies forming a lineament more than 30 km in length. The Vionza-Mnekezi lineament coincides with the northern contact of the greenstone belt and granitic rocks forming a mirror image of the Tulawaka mine. The Tulawaka mine is located on the southern contact of the volcanic belt. MDN holds the licenses covering this 30 km lineament.

In 2010, the company drilled 11,035 meters in Tanzania. Almost all of the holes were drilled on the Ikungu property.

Due to the very encouraging results from the drill campaign, the Ikungu property has become a priority for the company. Drilling in 2010 outlined the structure over a length of 2.6 km. Drill hole IKD-45, which intersected 8.19 g / t Au over 15.32 m (true thickness), demonstrated the strong gold potential by proving the existence of very wide rich lenses.

At the same time, MDN also acquired ground near the Tulawaka mine, known as the Nikonga property. Located 40 km southeast of the mine, Nikonga consists of two exploration licenses totaling 50.71 km<sup>2</sup>. As was the case for the Ikungu property in the beginning, this property has a gold structure that is exploited by artisanal miners.