

# Stratex discovers the future in the Afar

**S**INCE making its entry into Ethiopia in September 2009, Stratex International has rapidly developed a substantial exploration portfolio and become one of the most active exploration companies in the country.

As well as two joint-venture programmes in northern Ethiopia and its own 100%-owned licences, Stratex has identified the eastern region of Afar (extending into Djibouti) as a new, extensive gold mineralised sector of the East African Rift system. This exciting development demonstrates that Stratex is truly applying its motto of "discovering the future".

## THE AFAR EPITHERMAL DISTRICT

Since establishing the company in 2005, Stratex's management has recognised the need for greenfield exploration to define entirely new mineralised districts to meet the current and future demand for metals, rather than recycling old prospects.

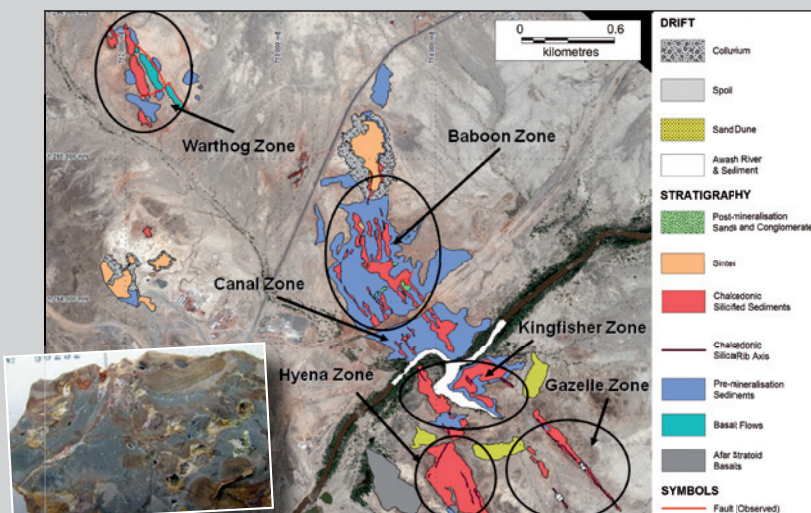
With the identification of multiple epithermal systems in the Afar Depression of Ethiopia (and into Djibouti), Stratex has achieved this objective. The company has demonstrated how the application of up-to-date science, coupled with the flexible decision-making and operation that smaller companies enjoy, can lead to rapid exploration success.

The potential of the Afar Depression was realised after Stratex targeted the Main Ethiopian Rift (MER) in this unexplored region of northeast Africa, based on the known association of rift settings with bimodal volcanics and 'bonanza-style' low-sulphidation (LS) gold mineralisation in the Nevada Rift and the Deseado Massif of southern Argentina. Gold deposits of this type were developed at relatively shallow depths beneath ancient hot-spring systems – Stratex's exploration has identified multiple systems of this nature in the Afar region.

The Afar Depression is a topographic low at the northeastern limit of the MER and resulted from



Sulphide-bearing quartz vein in granite, Abi-Adi project, southern Tigray



Key mineralised zones identified at Megenta, Afar Project (red = silicified sediments). Inset, far left: Chalcidonic silica alteration with pyrite containing ~16g/t Au from Hyena Zone, Megenta

three-way crustal extension – a tectonic 'triple-junction' where the MER meets the Red Sea and Gulf of Aden spreading ridges. These ridges are characterised by voluminous volcanic activity and the development of associated hot-spring systems. In October 2009, the company made its first discovery here: the Megenta gold prospect.

The Megenta system comprises a series of northwest to north-northwest striking, gold-bearing silicified and brecciated fault structures, which are confined to a major, normal fault system that bounds the southwestern side of the Manda-Hararo-Gobaad rift.

The fault zone juxtaposes a basalt lava sequence of the Afar Stratoid Series with a thick succession of subhorizontal, siliciclastic red-bed sedimentary rocks of Holocene age. To date, the highest value obtained by Stratex from these fault-controlled zones of mineralisation is 16.7g/t Au.

Since discovering Megenta, Stratex has used its first-mover advantage to secure exclusive exploration licences (EELs) over the hot-spring systems it has identified in the wider Afar region, while also acquiring ground over similar prospects in Djibouti.

This key new epithermal play has attracted the attention of Thani Ashanti (an AngloGold Ashanti JV company with Dubai-based Thani Investments), which is earning into the Afar Project, comprising five licence areas in Ethiopia and a further six in Djibouti. This is the first entry of a gold major into Ethiopia and endorses Stratex's belief in the region's potential as a significant new gold district. Thani Ashanti will fund US\$1 million over the first 12 months, including at least 3,000m drilling at Megenta, and a further US\$2 million in the second year to earn to 51%. Drilling at Megenta is expected to start in March 2011.

## NORTHERN ETHIOPIA

North Ethiopia contains large tracts of the Arabian Nubian Shields (ANS), highly prospective rocks known to host mineralisation in Egypt, Sudan, Saudi Arabia and Eritrea. This area's geology is a direct extension of that in Eritrea, where discoveries such as Nevsun's Bisha deposit have attracted attention. Unlike Eritrea, northern Ethiopia has seen little in the way of systematic exploration.

Stratex initially focused on a JV with Plus-listed Sheba Exploration over the Shehagne gold occurrence, where Stratex is earning to 60% by funding exploration to £350,000, with the option to go to 80% by funding the project to feasibility.

Detailed mapping and sampling has defined gold mineralisation over 1,500m in strike and up to 200m wide. Significant highlights include: 84m grading 1.04g/t Au; 31m grading 0.82g/t Au; 11m grading 4.39g/t Au.

The company aims to drill the project in 2011. Based on the favourable geology of the ANS, Stratex has acquired two additional EELs, at Tigray and Berahale, targeting precious and base metals. Early work at Tigray has identified a large granitoid intrusion with associated polymetallic quartz veins.

Stratex also has the option to earn up to 75% of the Abi Adi gold project by expending US\$1 million. The property is held by Ethiopian company LozBez Mining. Stratex has already defined significant gold mineralisation over a 5,000m strike length of the mineralisation, occurring as gold-bearing quartz veins containing copper and lead minerals, and closely associated with a series of elongate granitoid intrusions. There are many similarities with Chalice's Koka project in northern Eritrea, which has a current resource of 840,000oz Au related to lead-rich, gold-bearing veins within micro-granites.

Despite having only been operating in Ethiopia for slightly over a year, Stratex's original view that the country had much to offer and was grossly under-explored has been completely vindicated. The company has an extensive portfolio of targeted projects, three JVs with local and international partners, and lays claim to the discovery of a completely new gold district comprising multiple low-sulphidation systems with multi-ounce gold potential in the Afar Depression. It is the company's opinion that it does not get much better than that.

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