

Twangiza moves off the starting blocks

Since upgrading its Twangiza project in the Democratic Republic of Congo (DRC) to feasibility study, Banro has set its sights on shifting a gear up from its exploration status to becoming a miner. The only hitch is finding a suitable strategic partner to assist with funding the development of its flagship project, president and chief executive, Mike Prinsloo tells SA Mining's Nelendhre Moodley.

According to the recently completed feasibility study, the Twangiza project, located on the Twangiza-Namoya gold belt in the DRC, could produce a total of 2,26moz of gold over the 15-year life of mine, with further upside.

The Twangiza property consists of six exploitation permits totalling 1164km² which are wholly-owned by Banro through a DRC subsidiary, Twangiza Mining SARL.

"We are extremely pleased with the robustness of the Twangiza project - from here it can only get better with the upside from the neighbouring deposits," Prinsloo enthuses.

The mine will cost \$409,6m, including \$38,9m contingency costs. A separate standalone 30MW hydro-electric scheme - to supply power to the Twangiza project - will cost \$133,8m.

Having pegged the gold price at \$850/oz for the feasibility study, Prinsloo is bullish, since the price has since broken through the \$900/oz mark, positioning the project most favourably.

It is believed that further economic savings could be achieved as a result of supply and demand shifts within the mining project environment - due to cancellation and/or delay of numerous projects worldwide, impacting on prices used as inputs for the study.

"This feasibility study can be reviewed and further optimised going forward as input parameters change. Banro believes that contractor rates, civil and earthwork rates, steel prices, diesel prices and transport costs will become more favourable compared to the cost inputs provided during October and December 2008, which were used for the study," Prinsloo notes.

Prinsloo is confident that, now the feasibility study has been completed, the price of gold has stood its ground in the face of the challenging economic conditions, and the security situation in Eastern DRC has been taken in hand, partnerships for the project will be more forthcoming.

He is quick to point out that the project is actually located in the South Kivu Province of the DRC, 41km to

Twangiza drill rig.





Mike Prinsloo.

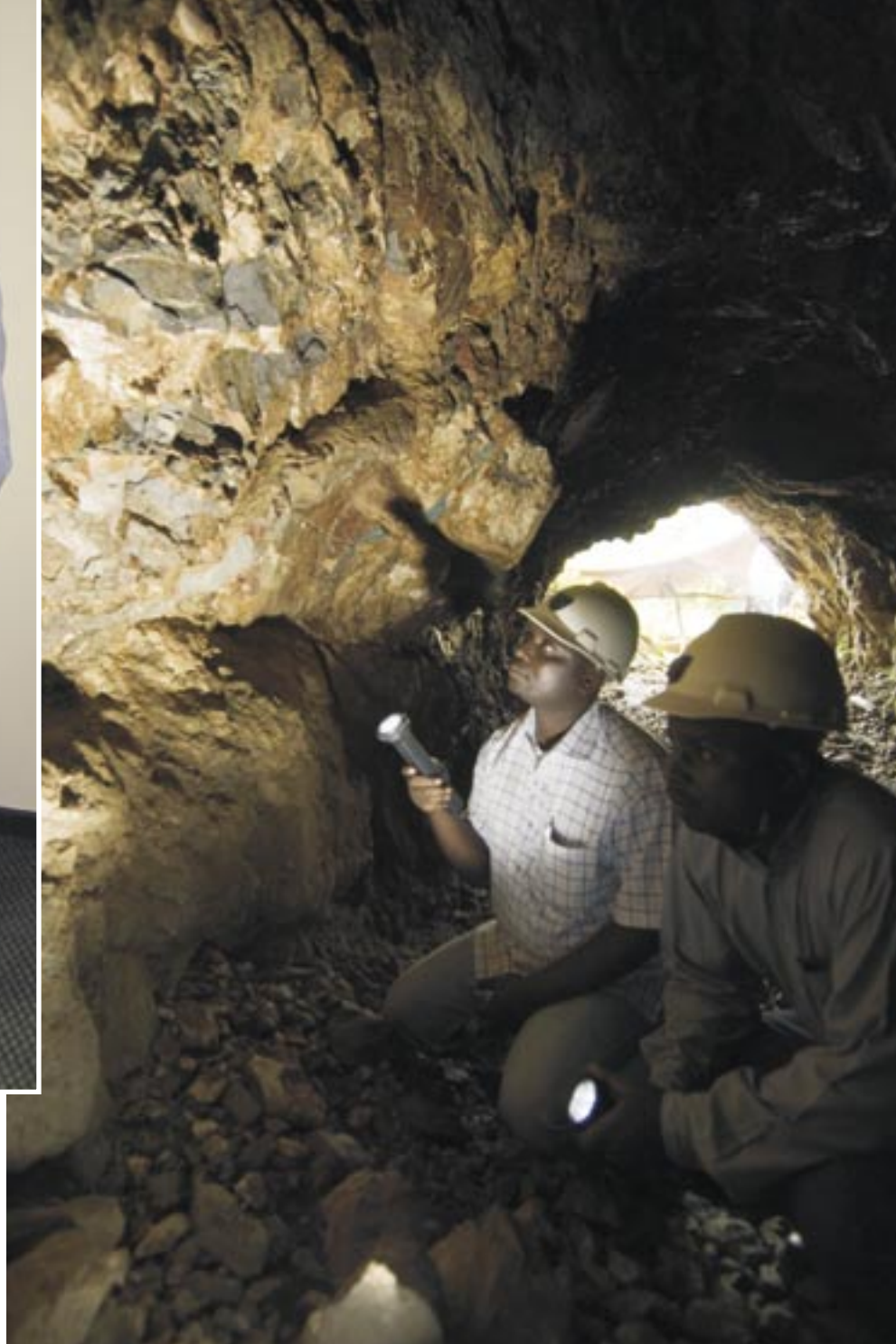
the south-southwest of Bukavu, the provincial capital, where the incited violence has not impacted on the Banro project areas.

The Canada-based mining company will over the next few weeks be doing road shows, engaging potential investors and 'throwing the net wide' to find a partner to co-fund development of Twangiza and earn in on the project.

"Over the next six months the strategy is to find a long-term partner with similar thinking to ourselves and someone who wants to grow," Prinsloo adds.

An added bonus would be to find a partner willing to fund exploration for more ounces on the Twangiza property and fast-tracking the exploration programmes at Namoya, Lugushwa and Kamituga.

"We already have the necessary exploitation permits in place and if



Geologists inspect an adit at Namoya.

we had the money we would trigger Twangiza's construction tomorrow," Prinsloo states.

"We are looking for a partner with an appetite for gold and for working in Africa, and, more particularly, the DRC."

Meanwhile the other assets of Namoya, Lugushwa and Kamituga and the regional exploration permits have great upside and for a partner willing to become involved with Banro, which already controls 210km² of the gold belt, the earn-in could be significant.

Discussing the Twangiza development timetable, Prinsloo anticipates

that construction of the process plant and associated infrastructure is expected to take between 24 to 30 months.

Development of the hydro-electric project, which will be done in parallel with the mine development, has an expected timeline of approximately 28 months.

EPCM contractor Senet and FH Bertling Logistics have undertaken surveys with detailed analysis of access routes to the Twangiza project for plant and equipment as well as ongoing production materials and consumables. ►

Based on the comminution test work, leach optimisation and variability test work performed, Senet has designed a single stage comminution crushing circuit, followed by an SAG and ball mill operating in closed circuit with hydro cyclones.

Aside from its main focus of getting Twangiza up and running, Banro is also looking to add more resource ounces to the Twangiza Project.

Further exploration work is planned on a number of flanking structures that remain open along strike.

"We expect to prove up additional ounces, especially in the oxide and transitional categories from the flanking structures and from the four neighbouring targets to the Twangiza project which are within trucking distance of the proposed Twangiza plant site, namely Luhwindja (adjacent to Twangiza North), Kaziba, Mufwa and Tshondo. These deposits are expected to strengthen the robustness of the Twangiza project and to boost the current mining ounce profile."

NAMOYA

Banro foresees completion of a pre-feasibility study and continued expansion and upgrading of resources.

Approximately 13 000m of drilling has been completed, with the objective of upgrading the remaining inferred resource ounces and adding them to the total mineable resource.

Other exploration activities, including soil sampling and trenching, have been extended to cover the rest of

the Namoya property in order to delineate additional targets, four of which have been identified.

The company is looking to proceed to a feasibility study once it has over one million mineable ounces for the heap leach project.

LUGUSHWA

The programme will focus on completion of the preliminary assessment or scoping study and continued testing of the 5km-long Lugushwa mineralised trend. Banro plans a broad exploration programme, including 10 000m of drilling, as well as further surface exploration to identify new targets. Resource drilling is planned for the Carriere A prospect and newly identified anomalies within the G20 area and south of Carriere A at Mpongo. Lugushwa currently has an inferred resource of 2,7mozs at 2,3g/t.

REGIONAL EXPLORATION INCLUDING KAMITUGA

In 2007 and 2008, Banro completed LIDAR, aeromagnetic and radiometric surveys of its properties, primarily with the goal of identifying targets for future exploration. The analysis of this data is largely complete and has assisted in the desktop exploration study of Kamituga late last year. This initial work, consisting of gridding, geological mapping, soil, trench and adit sampling, will focus on the bulk tonnage potential in the vicinity of the Little Mobale open pit. Kamituga currently has an inferred resource of 920 000oz at 3,95g/t. ○

