

RNS Number : 2478U
African Eagle Resources PLC
13 May 2008

AFRICAN EAGLE RESOURCES PLC

UPDATE ON NDOLA PROJECT, ZAMBIA

- African Eagle regains unencumbered ownership of the Ndola Project
- Systematic exploration has identified four principal copper targets
- African Eagle will continue exploration at Ndola
- New JV partners will be considered

African Eagle Resources plc ("African Eagle" or "the Company", ticker AIM: AFE, AltX: AEA) announces that Phelps Dodge Mining (Zambia) Limited ("PDMZ"), which has been funding exploration on the Company's Ndola Project in the Zambian Copperbelt, has advised the Company that it will not exercise its right to earn an interest in the project.

African Eagle's Managing Director, Mark Parker commented "Our exploration to date has shown that Ndola has good potential for significant discoveries to be made. Whilst we are disappointed that PDMZ chose not to continue working with us at Ndola, we recognise that they have their own priorities. PDMZ has been a good partner to work with and African Eagle was able to advance the project significantly quicker with PDMZ's capital. We will continue to evaluate the four key targets ourselves, although we would consider signing up a suitable new partner".

PDMZ involvement

In August 2006, African Eagle signed a subscription and earn-in

agreement with PDMZ, under which PDMZ subscribed for African Eagle shares to the value of US\$2.27 million at a 10% premium to the market price. The Company used 75% of these funds on a systematic exploration programme at Ndola. Under the agreement, PDMZ held an exclusive right to earn an ownership interest of up to 70% in the project by making further agreed expenditures on exploration, up to and including completion of a bankable feasibility study. PDMZ has been a wholly owned subsidiary of Freeport McMoRan since March 2007.

PDMZ has now notified African Eagle that it will not be exercising its earn-in right and the Ndola project will therefore remain 100% owned by the Company.

Progress at Ndola

African Eagle's systematic exploration of the 428km² Ndola licence area started with a high resolution helicopter geophysical (magnetic and gamma-ray spectrometric) survey and a 1600-sample reconnaissance geochemical soil survey over the entire licence which identified four principal copper targets. The Company then conducted a 20,000-sample detailed geochemical programme on those targets followed by scout drilling and an induced polarisation survey over one of the most promising.

The four principal copper targets identified by African Eagle are:

- Ndola East, an area northeast of Ndola town containing a copper deposit in Lower Roan sediments, reported from past drilling to be of the order of 40Mt at 0.76% copper.
- Ndola South, a target associated with Lower Roan sediments in the southern part of the licence. This mineralisation may be stratigraphically continuous with Bwana Mkubwa, one of Zambia's oldest former copper mines.
- Misundu, in the northwest of the licence, where copper mineralisation occurs in sediments of Upper Roan Dipeta age, within a structurally complex zone. The Dipeta is known to host significant copper deposits in neighbouring DRC.
- Chiwala, a geochemical copper anomaly within post-Roan Kundelungu rocks in the central part of the licence.

At the Ndola South target, geochemical soil sampling completed in late 2007 revealed an extensive low tenor copper anomaly associated with folded Lower Roan strata. 12km to the west, these rocks contain the Bwana Mkubwa mine, one of Zambia's oldest and richest copper mines, now owned by First Quantum Minerals.

The Company recently completed a programme of shallow (30-40m) Reverse Circulation drill holes to test the soil geochemical anomaly. Analysis of drill chippings, using the Company's field XRF analyser, indicates that there is up to 0.2% copper present in the leached saprolite derived from the target horizon. The drill samples have been submitted for assay to a certified laboratory.

The Company is currently conducting an Induced Polarisation (IP) survey of Ndola South and the results received so far show high chargeability at a depth of 50m or more beneath the soil geochemical anomaly. This suggests that stratiform copper sulphide mineralisation may exist at depth.

The Company considers Ndola South to be a significant exploration target and plans a series of deep drill holes once all the results of the IP survey have all been received and interpreted.

The Ndola East copper deposit occurs in north-northwest striking Lower Roan sediments on the eastern flank of the Ndola Dome. From the results of exploration during the 1950s and 1970s, the deposit was estimated to contain mineralisation amounting to some 40 Mt at 0.76% copper over a strike length of 3.5km. Structural complications including thrusting and overturning of strata were noted in the north. The reported drill hole intersections suggest that the copper grade increases with depth to a maximum of 1 to 1.5%.

Given that the 1960s drill holes were on a very coarse grid pattern, spaced approximately 1000m by 500m, we believe the deposit has not yet been sufficiently investigated. There is potential for shallow oxide mineralisation and deeper sulphide ores over a strike length of around 7.5km around the Ndola Dome. The Company plans a programme of geophysical surveying and drilling to evaluate the target.

At the nearby Misundu target, the Company drilled three diamond drill holes and nine percussion drill holes for a total of almost 2000 metres, before drilling was suspended to await the results of the detailed geochemical survey and other surface surveys. Unexpectedly, the drilling intersected rocks which appear to belong to the Dipeta Formation, within a structurally complex zone. The Dipeta is part of the Upper Roan and is known to host significant copper deposits in

neighbouring DRC.

Diamond drill hole NDE1 was drilled to a depth of 603m with wedged offsets to define the stratigraphic succession and to gain a better understanding of the structural complexity and mineralisation at Misundu. Mineralisation grading 1.1% copper was intersected in this hole at 58 vertical metres over a width of 7m and further drilling is planned.

The geochemical anomaly at Chiwala, in the central part of the licence, lies in the same stratigraphic sequence as First Quantum Mineral's Lonshi deposit. An IP survey will be undertaken at Chiwala, followed by drilling if appropriate.

John Park
Chairman
African Eagle Resources plc

13 May 2008

Qualified Person

Information in this report relating to exploration results is based on data reviewed by Mr Christopher Davies BSc, MSc, DIC, FSEG, FAusIMM, Operations Director for African Eagle, who is a Fellow of the Australasian Institute of Mining and Metallurgy, has more than 26 years relevant experience in mineral exploration and is a Qualified Person under AIM rules. Mr Davies consents to the inclusion of the information in the form and context in which it appears.

Technical terms

A glossary of technical terms used by African Eagle in this announcement and other published material may be found at www.africaneagle.co.uk/african-eagle-projects-glossary.html

For further information:

Mark Parker
Managing Director
African Eagle
+44 20 7248 6059

+44 77 5640 6899

Nicola Marrin
Seymour Pierce Limited, London
Nominated Adviser
+ 44 20 7107 8000

Charmane Russell
Russell & Associates, Johannesburg
+ 27 11 8803924
+27 82 8928052

Ed Portman / Leesa Peters
Conduit PR, London
+44 20 7429 6607
+44 (0) 7733 363 501

About African Eagle

African Eagle is a diversified mineral exploration and development company operating in eastern and central Africa. The Company's principal advanced projects are the Mkushi Copper Mines project in Zambia, for which a Feasibility Study will be completed in Q4 2008, and the Miyabi gold project in Tanzania, at which the Company has defined an estimated half-million ounce gold resource. The Company also holds a large well-balanced portfolio of promising earlier stage gold and base metal projects, including the Ndola and Mokambo copper projects.

Zambia, Tanzania and Mozambique, the sites of African Eagle's projects, are all countries which have highly prospective geology, relatively low aboveground risks and track records of successful major investments in the metals and minerals industries.

African Eagle specialises in project generation and exploration. To take its discoveries into production, it seeks to sign up industry partners with records of successful mine development. These joint ventures and, in time, the revenue from advanced projects, will finance future exploration and new discoveries.

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