

UGANDA



IOG is in a joint venture with Roraima Uganda Limited (RMC) and can earn-in to 70% on three licences through expenditure milestones and completion of a bankable feasibility study on each.

Busia (EL0069, 4km²)

This licence is located in southeast Uganda, approximately 170 kilometres east of Kampala adjacent to the Kenyan border. The underlying geology consists of Archaean aged Nyanzian meta-volcanics and metasediments and granitic intrusions.

The Busia Project consists of gold mineralisation in two sub-parallel zones of banded iron-formation, approximately 1,000 metres apart. The banded unit consists of sugary, massive to cherty quartzite and contains magnetite along with 5-15% pyrite and pyrrhotite with subordinate chalcopyrite. It can be traced along strike for distances in excess of 3.5 kilometres having widths ranging from a few metres to over 50 metres.

Mineralisation extending over a strike length of 3,400 metres, defined by close-spaced trenching (100-200 metres) over the northern Zone 1, was drilled by 11 inclined diamond holes that showed gold mineralisation to extend beyond 90 metres depth. This zone is divided into the Western, Central and Eastern sections. In its western section, the BIF bifurcates into various lenses inter-banded with the volcanic host rocks, while it is a more continuous body in the eastern section. The central section is transitional between the two.

Best drill results included 4.48m @ **4.21g/t Au** from 146.30m in BUP2BH4, **8.00m @ 2.34g/t Au** from 81.00m in BUP2BH5, **14.00m @ 2.15g/t Au** from 117.00m in BUP2BH6, **10.08m @ 2.80g/t Au** from 204m in BUP2BH8 and **7.31m @ 2.38g/t Au** from 68.76m in BUP2BH10. Best trench results included **15.0m at 3.82g/t Au** in trench BUT2 and **4.00m @ 8.60g/t Au** in trench BUT3. The BUT2 intercept includes a higher grade zone of **3m @ 14.61g/t Au**.



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A follow-up program of 10 holes was drilled during 2008. The holes were designed to test 800m of strike at 100m spaced sections and up to 150m down-dip. Early results for the first four holes were below expectations towards the western end of the strike tested. However results for the eastern strike extent tested were more encouraging with a number of significant intervals of low-grade mineralisation intersected as well as evidence of individual higher grade samples providing confirmation that higher grades encountered in trenching continue at depth into fresh rock and are not restricted to the oxide environment.

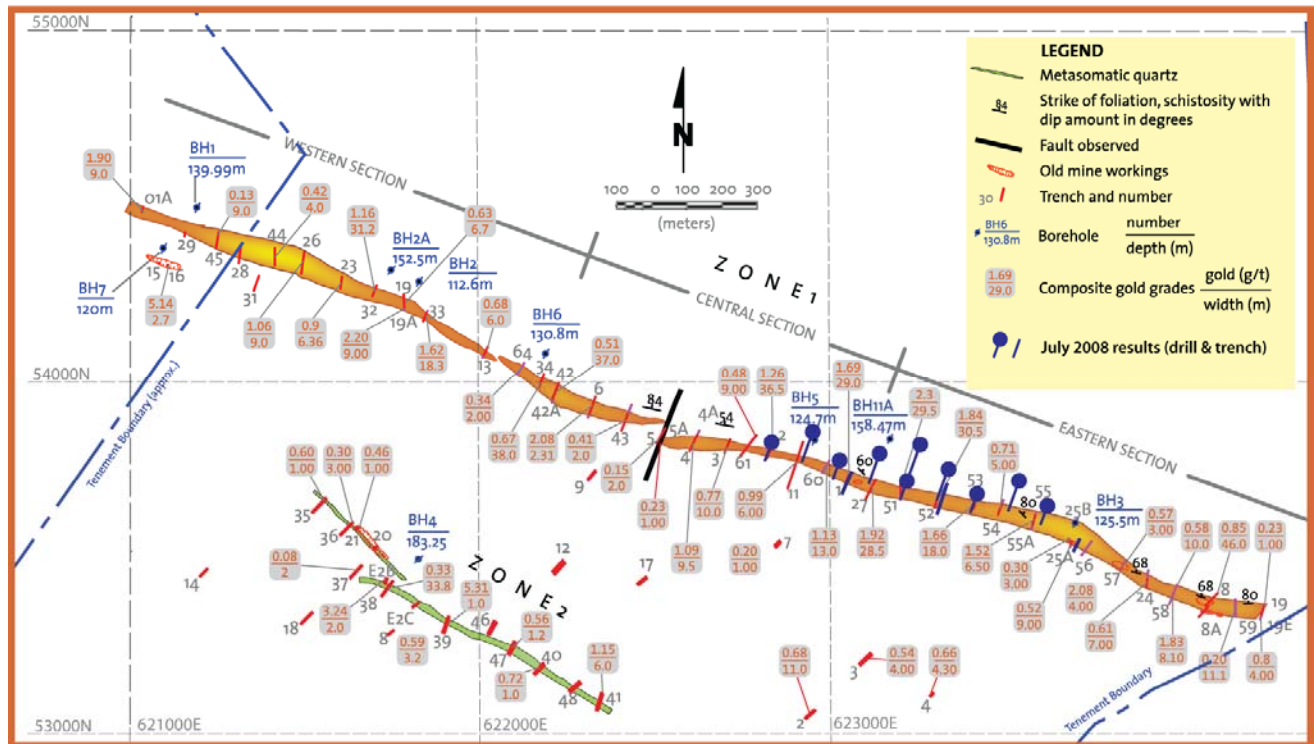
Highlights of the latest drilling results are listed in Table 1 below. They confirm and enhance the results returned from the earlier exploration. The new drill holes provide coverage at 50m and 100m vertical depths along the 800m strike length of the initial target zone of 3.4km.

Feature ID	Depth From (m)	Depth To (m)	Interval (m)	Gold (g/t)
BUP2BH4	146.30	150.78	4.48	4.21
BUP2BH5	81.00	89.00	8.00	2.34
BUP2BH6	117.00	131.00	14.00	2.15
BUP2BH8	204.00	214.08	10.08	2.80
BUP2BH10	68.76	76.07	7.31	2.38
BUT2	22.00	37.00	15.00	3.82
BUT3	40.00	44.00	4.00	8.60

All ten holes successfully intersected the moderate to steeply NE-dipping, WNW-ESE trending target zone. Detailed geological logging of the core indicates that the previously termed "BIF" target is actually a quartz mylonite zone that is variably silica-pyrite-pyrrhotite altered and deformed by multiple generations of orthogonal to parallel zones of quartz veining. The orientation of both the relict mylonite fabric and the quartz mylonite contact is sinuous with the dip varying from 45° to the north to vertical, and the strike varying from E-W to NW-SE. Along strike and down-dip the quartz mylonite swells and pinches irregularly with down-hole intersections varying from 4 to 60 metres. Locally the quartz mylonite is offset by shallow south-dipping reverse faults.

Notwithstanding the encouraging results received from the drilling to date, it is possible that the drilling has under tested the tenor of the gold mineralisation at Busia.

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Bude-Kitoja (EL0027, 121km²)

The Bude-Kitoja Prospect is located some 30 kilometres west of the Busia Project and about 140 kilometres east of the Ugandan capital, Kampala. It is easily accessible from the Kampala-Nairobi highway which runs a few kilometres to the north of its northern boundary.

The licence area is largely underlain by andesitic lavas, but includes granites, dolerites, dacites, quartzites, gabbros, tuffs and metasediments. Gold mineralisation is associated with three zones of shearing, faulting and brecciation, two of which have been explored at reconnaissance level. The gold mineralisation is associated with hydrothermal alteration including silicification, chloritisation and epidotisation as well as 3-5% of sulphide mineralisation (mainly pyrite and pyrrhotite).

RMC undertook a program of geological mapping, ground geophysics (Magnetics and IP/resistivity) and soil geochemical sampling in 1994-95 on overlapping gold and arsenic anomalies defined by earlier BRGM regional exploration work. This resulted in more detailed early-stage exploration that identified seven co-incident geochemical-geophysical anomalies ranging in size from 700 metres by 70 metres to 2,600 metres by 950 metres. Further infill soil geochemical sampling outlined two zones of significant anomalism, namely the **South Central**



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Zone (2,300 metres long by 1,400 metres wide) and the **Southern Zone** (2,500 metres long by 1,000 metres wide). Both zones were open-ended along strike to both the west and east. RMC then undertook a systematic augering program over a 300 metre to 500 metre by 20 metre grid. Saprolite samples from 4 metres to 6 metres were collected from depths of between 12 and 17 metres returning values of up to 4.4 g/t gold. Six main zones ranging in size from between 800 metres and 1,500 metres in length and 25 metres and 125 metres in width were defined using a 0.1 g/t gold cut-off. Consequently, 5 inclined diamond holes were drilled for a total of 768.3 metres in three sections across these zones with the best intercept coming from Hole 5 that returned 22 metres of 1.4 g/t gold and ended in mineralisation. A number of the matching gold-arsenic anomalies remain untested.

M a k i n a
(EL0070, 20km²)

The property covers an area of 20 square kilometres and is situated approximately 10 kilometres northwest of Busia. The licence is underlain by Nyanzian BIFs, mafic to felsic volcanics, phyllites and shales. The most prominent outcrop is the BIF, which stretches in an east-west direction for more than 5 kilometres. Two major tectonic zones are present. Zone 1 embraces the BIF and its immediate contacts with the country rocks and Zone 2 is sub-parallel to the BIF horizon within the mafic volcanics. Both zones are characterised by fracturing, brecciation and complex hydrothermal alteration.

Outcropping mineralisation within Zone 1 comprises grades of up to 0.53 g/t gold over broad widths of between 10 and 48 metres along a strike length of 4.5 kilometres. Zone 2 is similarly mineralised over a strike length of 2.0 kilometres having grades of up to 0.5 g/t gold over widths ranging from 20 to 109 metres.

The Syanyonja zone occurs within highly fractured, sheared and altered mafic metavolcanics. Mineralisation is hosted in quartz veins and stringers within a northwest striking shear zone and is the focus of artisanal workings which occur over a distance of 500 metres. Trenching returned intersections of 2 g/t over 8 metres including 14 g/t over 1 metre.