



Obtala Resources PLC

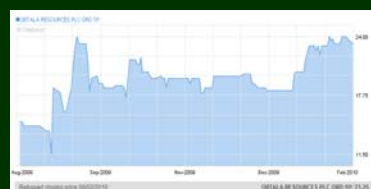
Company overview



Current share price 27.00p
Shares in issue 213.84m
Market cap £57.74m
Ticker OBT
Nomad ZAI Corporate Finance

Website: www.obtalaresources.co.uk

Current share price as at
24 February 2010



Recent Announcements

- 08 February Re-commencement of Mining in Sierra Leone
- 21 January Directors Dealings
- 20 January Agreement for the Distribution Rights to Sierra Leone Diamond Production
- 13 January Acquisition of Sierra Leone Hard Rock Limited
- 06 January Statement on Kopane Diamonds Developments Shareholding

Directors

Frank Scolaro - (Executive Chairman)
Simon Rollason - (Managing Director)
Michael Bretherton - (CFO)
Nick Clarke - (Non-Executive Director)

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Overview

Obtala Resources Plc is focused on investing in and developing natural resource assets. It is currently developing diverse commodity exploration projects in Tanzania, East Africa, and has completed corporate transactions in Sierra Leone, Kopane Diamond Developments, Montara Continental, Gemstones of Africa and Central China Goldfields. Obtala is led by an experienced team with backgrounds in establishing, growing and managing resource projects in emerging markets, allied with specific commodity expertise.

Corporate Transactions

Sierra Leone Diamonds



Through a subsidiary company Obtala has acquired 100% ownership in alluvial diamond mine in Sierra Leone. Sierra Leone Hard Rock Limited was acquired for a total consideration of £4.3m in new Ordinary Shares. The gross assets carrying value acquired is US\$27.66m (£17.29m) and includes 4 mining licences covering a 162.40km² area, 7 exploration licences totalling a 2,590.75km² area, together with a DMS plant, machinery and equipment. A distribution agreement for the production has been signed with VL Holdings.

Kopane Diamond Developments Limited



Kopane Diamond Developments, an AIM quoted (KDD) diamond mining company with its main assets in Lesotho. Obtala is the major shareholder with 17% and board representation. Kopane's principal focus is the development of the Main Pipe project, in Likhobong, Lesotho. This kimberlite pipe has a surface area of 8.6 hectares, with the potential to produce at a rate of over one million carats per annum for 20 years.

A recent JORC compliant resource statement, outlined a total indicated and inferred resource of 90mt grading 34.2cphct with average value of \$86/ct.

Montara Continental Limited



Obtala has established a controlling 60% shareholding in Montara Continental Ltd ("Montara"). Montara holds a 70% interest in a renewable energy/agriculture focused JV, in Tanzania, through which Obtala will participate in sugarcane and groundnut farming. Obtala has further applications submitted for forestry concessions in East Africa. Small-scale trial farming expected to commence in 2010. Montara also holds 4 prospective coal exploration licences, covering 647km² in Southern Tanzania.

Gemstones of Africa



Option Agreement signed with Gemstones of Africa Plc (AIM:GOA). Gemstones of Africa Group Plc is the holding company of a mineral exploration and development group focusing on Gemstone opportunities in Africa. Current shareholding of 7%.

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Company overview



Soil Sampling - Shinyanga



Exploration Trenching - Shinyanga



Geophysics Rulenge



Air Core Drilling - Buckreef



Small scale mining - Busolwa

Central China Goldfields



Obtala has made a strategic investment in Central China Goldfields (AIM:GGG) and established a 17% shareholding in, a well funded company which currently holds an option agreement on a gold exploration property in Indonesian, and is actively seeking a near to production assets in Southeast Asia.

Obtala Organic Growth Projects

Gold:

Lake Victoria Goldfield (LVG) is a world-class gold province with in excess of 50Moz of proven and probable reserves, making it the third largest gold producing area in Africa. Obtala's gold licences (excepting the Majimoto South licence which lies to the northeast of Mwanza close to North Mara Gold Mine) occur south of Mwanza within the Shinyanga and Mwanza districts of Tanzania where active mining at the Bulyanhulu, Geita, Golden Pride, Buzwagi and Tulawaka gold mines is in operation, managed and owned by major international mining houses.

Explorations to date show favourable gold anomalies at the Shinyanga and Buckreef licences. Two separate zones at Shinyanga returned values up to 0.66g/t Au-in-soil. At Buckreef a 4km long low-grade gold feature has been identified in soil samples and inferred to be cross-cut by narrow higher grade zones. New Busolwa licences acquired in October 2009 (50% ownership with option to increase to 60%), host known gold mineralisation (currently being mined by controlled artisanal workers) and represents a highly prospective target, which will be the focus of field activities over the next 6 months.

Nickel:

Rulenge - The Rulenge licence is located only 15km northwest from the Xstrata-Barrick JV Kabanga Nickel Deposit, the single largest undeveloped nickel deposit in the world. Soil sampling and geological field mapping is complete with 7 nickel anomalies and one Cu-Co soil anomaly identified, with numerous gossan (weathered massive sulphide) outcrops observed during field work. Additional sampling and mapping with trenching is underway.

Uranium:

Mkuju and Mbinga Bay - Obtala licences cover over 1,700km² in southern Tanzania, within an active uranium exploration belt, with neighbouring competitor companies' already producing positive results. There is high potential for new discoveries and success in the region.

Iron Ore:

Liganga - The licence lies 8km along strike from the titaniferous magnetite ore deposits of Liganga, with resources between 200 and 1,200 million tonnes grading 51% Fe₂O₃, 0.49% V₂O₅, 12.9% TiO₂ estimated from earlier studies. The development of the Liganga deposit is currently being promoted by the Tanzanian National Development Corporation (NDC).

Outlook

Obtala plans to use a number of strategies to enhance Shareholder value such as developing mineral licence assets using its own team, development in partnership with other groups or by way of disposal of mineral licence assets where appropriate. Furthermore, the Group will continue to evaluate opportunities to acquire additional assets at the exploration, development and production stages both in Tanzania, and globally.