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Obtala Resources Limited
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Obtala Resources Limited

("Obtala" or the "Company")
(AIM: OBT)

Resource Update - Bushveld Iron Ore Project: Resource modelling of individual stratigraphic layers within the P-Q Zone

The Board of Obtala Resources Limited, the natural resources investment and development company, announces the following RNS made by Bushveld Minerals Limited this morning:

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Francesco Scolaro - Chairman; Simon Rollason - Managing Director
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Macquarie Capital (Europe) Limited
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Steve Baldwin; Nicholas Harland +44 (0) 20 3037 2000

Bushveld Minerals Ltd

("Bushveld" or the "Company")

Resource Update - Bushveld Iron Ore Project: Resource modelling of individual stratigraphic layers within the P-Q Zone

Bushveld Minerals Limited (AIM: BMN), a mineral development company focused on iron and tin projects in southern Africa, is pleased to provide a resource update on their iron ore project in Limpopo Province, South Africa.

Highlights:

- Updated model including more detailed stratigraphy for the P-Q Zone reinforces the continuity of the mineralisation with robust stratigraphic layers of considerable thickness
- P-Q Zone Resource updated using stratigraphic cut-off, rather than grade cut-off and top-cuts
- 184 million tonnes (indicated and inferred) high grade (39% Fe) layer (10-15m thick) clearly identified with the potential to be mined selectively
- Preliminary metallurgical testwork on this high-grade material (announced on 22 October 2012) has shown that this material could be crushed to -12mm or -6mm and densimetrically separated to yield concentrates of 49-50% Fe, 18.50-19.00% TiO_2 and 0.32-0.33% V_2O_5 at > 70% recoveries.
- This updated geological and resource model will form the basis of mine planning in the scoping study due to be released later in Q1 of 2013.
- 12% increase in P-Q Zone resource from 674 million tonnes to 752 million tonnes whilst retaining the overall grade
- Gross total resource now 818 million tonnes (including the 66 million tonnes Main Magnetite Layer resource)

CEO of Bushveld Minerals, Fortune Mojapelo said: *"The identification and modelling of these individual stratigraphic layers within the P-Q Zone is an exciting development that provides an excellent base for mine planning as the stratigraphic layers have clear geological markers and would be easier to high-grade."*

Results of detailed logging and resource modelling of the P-Q Magnetite Layer

During 2012 detailed logging of the P-Q Magnetite Zone by Bushveld enabled the definition of a more detailed stratigraphy for the P-Q Zone than previously reported. This stratigraphy is recognisable in all boreholes drilled to date in the P-Q Zone and can be correlated along strike and down-dip across the entire area drilled to date. Accordingly the Company decided to adopt a stratigraphy-based resource model with its associated practical mining advantages.

These various stratigraphic zones have been defined based on clear changes in the magnetite content (hence Fe grade) of the ore, in addition to other geological information. Subsequent to the identification of this stratigraphy, Bushveld has re-logged all boreholes drilled on the P-Q Zone accordingly.

Because of the distinction in grade between these various stratigraphic units and their continuity over the entire project area, Bushveld commissioned The MSA Group, who have done all previous resource modelling on the project, to remodel the P-Q resource based on this stratigraphy. The P-Q resource was previously calculated based on an upper and lower grade cut-off without stratigraphic distinctions within the mineralised zone. The definition of the detailed stratigraphy has allowed an individual resource to be calculated for each stratigraphic layer, providing a higher level of detail in the resource model and defining high-grade units. With the resource now geologically defined, the upper and lower grade cut-offs were not applied to the mineralised zone modelled, as a result of which the total resource on the P-Q Zone is now 752 million tonnes. This is a 12% increase over the 674 million tonnes of the P-Q Zone announced on 5 December 2012.

The summary of this resource, defined according to the stratigraphic model, is shown in the tables below.

P-Q Layers Indicated Mineral Resources, <200 m vertical depth, as at 1 February 2013

Layer	Tonnes	SG	Fe	Fe_2O_3	TiO_2	V_2O_5	SiO_2	Al_2O_3	P_2O_5	S
Name	million	g/cm3	%	%	%	%	%	%	%	%
Q3	157.17	3.62	30.2	45.0	9.5	0.11	26.7	10.0	0.07	0.60
Q2	89.28	4.07	40.3	60.2	15.3	0.27	12.8	6.8	0.02	0.54
Q1	24.89	3.68	31.8	47.5	11.4	0.29	21.3	9.9	0.03	0.51
PMAG	40.27	3.65	30.7	45.8	10.3	0.28	22.0	10.9	0.04	0.94
PFWDISS	66.16	3.42	26.1	39.0	7.6	0.22	29.7	12.9	0.03	0.47

P-Q Layers Inferred Mineral Resources, 200 m to 400 m vertical depth, as at 1 February 2013

Layer	Tonnes	SG	Fe	Fe_2O_3	TiO_2	V_2O_5	SiO_2	Al_2O_3	P_2O_5	S
Name	million	g/cm3	%	%	%	%	%	%	%	%
Q3	143.57	3.57	29.0	43.3	8.8	0.09	28.3	10.3	0.13	0.63
Q2	94.62	3.99	38.6	57.6	14.1	0.24	15.3	7.6	0.02	0.61
Q1	23.71	3.67	31.8	47.5	11.3	0.27	21.6	10.5	0.02	0.52
PMAG	38.41	3.59	29.2	43.6	9.9	0.27	23.4	11.5	0.04	0.83
PFWDISS	73.64	3.37	25.7	38.3	6.9	0.21	30.2	12.8	0.03	0.43

Combined with the 66 million tonnes of the Main Magnetite Layer ("MML"), the total resource for the iron ore project now stands at 818 million tonnes.

The stratigraphic subdivision is summarised in the table below, with the P-Q hanging wall ("PQHW") being the uppermost stratigraphic zone and the N-Magnetite footwall ("NFW") being the lowermost stratigraphic zone:

STRATIGRAPHIC ZONE CODE	NAME	APPROXIMATE THICKNESS	DESCRIPTION
PQHW	P-Q hanging wall	Variable	All zones above the hanging wall marker, including the phosphate horizon
HWM	Hanging wall marker	0.2m- 2.0m	Pyroxenitic/more mafic horizon where phosphate zone begins
Q3	Q3 - upper 'low-grade' zone	Generally 10m - 15m, but may be up to 50m	Upper Q-Magnetite ore zone, generally running at ~30%Fe, with a more disseminated texture. May have a high proportion of internal waste
Q2	Q2 - lower 'high-grade' zone	10m - 15m	Lower Q-Magnetite ore zone, generally higher grade (~40% Fe), and greater proportion of massive ore.
Q1	Q1 - basal disseminated zone	3m - 4m	Basal zone of lower-grade (~30% Fe) disseminated ore below the massive Q2 horizon
PQPART	Parting between the P and Q Magnetites	~5m	Barren zone with no grade separating the P and Q Magnetite layers
PMAG	P Magnetite	2m - 4m	P-magnetite ore zone, generally higher-grade (>40% Fe), but with some internal waste and often containing more sulphides than the Q horizon, thus necessitating separate modelling
PFWDISS	P-Magnetite disseminated footwall mineralisation	5m - 15m	A zone of disseminated mineralisation in the footwall to the more massive P-Magnetite, lower grade but nonetheless significant
PQFW	P-Q footwall	5m - 20m	Barren gabbronorite footwall below the disseminated footwall
OMAG	O-Magnetite	0.2m -0.5m	Narrow Magnetite marker band
OFW	O-magnetite footwall	0.5m -3.0m	Barren zone between the N and O Magnetites
NMAG	N-Magnetite	0.2m -2.0m	Magnetite marker band
NFW	N-Magnetite footwall	Variable	Barren footwall to the N-Magnetite

The grades average between 26% and 40% Fe in the various mineralised stratigraphic layers. Notably, the stratigraphic layer Q2, which represents a thick, massive magnetite in the P-Q Zone, contains 89 million tonnes (24%) of the Indicated resource at a grade of 40% Fe, 15% TiO_2 and 0.27% V_2O_5. For the Inferred resource the Q2 contains 95 million tonnes (25%) of the resource at a grade of 39% Fe, 14% TiO_2 and 0.24% V_2O_5. This high-grade zone could potentially be mined selectively, and the stratigraphic resource model will form the basis for mine planning as part of the scoping study to be released later in Q1 of 2013.

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This information is provided by RNS
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Notes to the editor

Bushveld Minerals Limited is a mineral development company focused on the Bushveld Iron Ore Project and the Mokopane Tin Project, both located on the northern limb of the Bushveld Complex, South Africa.

The Company was admitted to the AIM market of the London Stock Exchange in March 2012.

Competent Person's Statement:

The MSA Group is an independent provider with extensive knowledge of exploration, evaluation and environmental consulting and contracting services, providing design, execution and management of exploration projects. The MSA Group assists its clients in developing, proving and realising value from their mineral projects and has worked on numerous international and local projects on five continents in more than 30 countries. Its clients include multi-national mining companies and juniors listed throughout the world.

The scientific and technical information contained within this announcement has been reviewed and approved by Mr. Jeremy Witley, a professional geologist with more than 20 years' experience in base and precious metals exploration and mining as well as Mineral Resource evaluation and reporting. He is Principal Resource Consultant for The MSA Group and has the appropriate relevant qualifications, experience, competence and independence to be considered a "Competent Person" under the definitions provided in the JORC Code 2004 Edition.

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