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## **Attu Zn-Pb-Ag-Cu Deposit Update**

### **Current Assessment**

Compilation and modeling of historic drill data, trench mapping/sampling, and detailed high resolution magnetic surveys by Attu Zinc Ltd. over the past two years indicate the following:

- Although the historic view of Attu is that of a low-grade deposit, high-grade zones ranging from 5% combined Zn/Pb + 55 g/t Ag (\$170/ton) up to 7% combined Zn/Pb + 87 g/t Ag (\$240/ton), with thicknesses of 3 meters to over 8 meters and over 120 m long, can be defined as continuous bodies to at least the 120 m level at the east end where the deposit comes to surface.
- While the past drilling density is insufficient to define proven reserves, current data using SurPac wire frame modeling indicates probable resources in one zone to be approximately 166,000 t of 4.05% Zn, 3.15% Pb, 87 g/t Ag and 0.14% Cu to the 125 m level, while a larger indicated resource of approximately 550,000 tons can be defined with a lower, but economically significant, grade of 3.0% Zn, 2.0% Pb, 55 g/t Ag and 0.14% Cu in the same part of the deposit.
- High-grade zones have been intersected in section drilling up to 200 meters to the west and to depths of 500m – the maximum extent of drilling to date – indicating their continuity down plunge. However, drill section spacing in this area is too large for reliable tonnage and grade estimates.

These results indicate the presence of economically viable zones at Attu, which could be mined via a decline, with the ore being shipped by sea and processed at appropriate facilities in Scandinavia.

### **Planned Work Program for 2008**

The objective of the next phase of work is to demonstrate the viability of mining and to determine possible profitability and rate of return on investment. To achieve this, Attu Zinc management has decided to carry out a comprehensive work program starting in May 2008 for the purpose of:

- Defining up to 500,000 tons of near-surface mineable high-grade reserves
- Carrying out a pre-feasibility study to determine the costs and viability of mining and processing the ore
- Obtaining a bulk sample of high grade ore for the purpose of processing and metallurgical testing

The field portion of the work program is planned to consist of large-diameter (140mm) percussion drilling and a limited amount of diamond drilling. A preliminary study of the different concentration and smelting options with cost estimates is planned to be done simultaneously. Later a more comprehensive pre-feasibility study of the mining, shipping and processing of the ore is planned and would be contracted to a professional mining/metallurgical consulting firm.

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