

Ruby Creek goes for gold

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TOBY HANSEN holds dual positions of Corporate Communications for Ruby Creek Resources INC and Process Engineering for Ruby Creek (Tanzania). He has been an engineer for over 20 years. He began his career designing rare earth magnetostrictive transducers for medical, oil/gas and industrial applications. He spent the last six years leading research and development efforts to enhance electromagnetic devices. A holder of four US patents Mr Hansen earned his Masters in Engineering Mechanics at Iowa State University. He is editor of the Heavy Metal Investor newsletter (www.heavymetalinvestor.com) and was one of the first analysts to recognise the potential of the Mkuvia project.

Tanzania is set to expand its position as one of Africa's biggest gold producers thanks to ventures by companies like Ruby Creek Resources Inc, an American public company based out of New York. Ruby Creek, which trades as RBYC on the OTC system, is developing a gold mine in a previously undeveloped area of southern Tanzania through its 70 per cent ownership and full management of Ruby Creek Resources (Tanzania) Ltd, based in Dar es Salaam. Full-scale operations could begin as early as late this year.

Ruby Creek Tanzania owns the exclusive mineral and mining rights to the 380 square kilometre Mkuvia Gold Project in southern Tanzania. This is believed to be one of Tanzania's largest alluvial goldfields.

This project is particularly exciting because it will be one of the first gold mining ventures in southern Tanzania. The country is one of the fastest-emerging gold producers in Africa, and is now the continent's third-largest gold-producing country after South Africa and Ghana. Annual production of gold has increased from around 43.2 tonnes in 2002 to about 50 tonnes in 2009. A new gold mine has been opened in Tanzania every year since 1998. Gold now accounts for more than 65 per cent of total export revenues. Based on ongoing projects and developing mines, Tanzania's estimated gold reserves have been calculated conservatively to be in excess of 50 million ounces (1,500 tonnes estimated).

Robert Slavik, the President of Ruby Creek, went on the first visit to the Mkuvia property in April 2008. Mr Slavik was impressed by the success of artisanal miners recovering gold on surface, using only hand tools in all areas of the property that he viewed. Deeper diggings revealed coarser gold. Since then Ruby Creek has continued to follow the progress of the Mkuvia project and has been greatly encouraged by the work and results produced to date. When the opportunity presented itself, Ruby Creek purchased the Mkuvia for US\$9,000,000 in cash and equity.

In May 2010, Ruby Creek Tanzania established its corporate headquarters in Dar es Salaam, and retained the law firm of CRB Africa Legal, a leading full-service Tanzanian law practice with expertise in the mining industry headed by Dr Charles Rwechungura. Following on our talks with logistics firms, equipment suppliers, security firms and aviation companies, we have commenced test mining to determine the appropriate

production equipment for the Mkuvia gold project.

Ruby Creek is excited about the venture. Presently, a number of different types of mining equipment are being tested on site. Results, including a classification study, are being analysed in an on-site laboratory for final equipment selection. This testing is being conducted concurrently with obtaining the permits and environmental and mining licenses necessary to commence full operations. It is an important fundamental step in the process of the development of the Mkuvia Gold Project.

Ruby Creek Resources has been impressed at how supportive the Tanzanian authorities have been, at all levels. We are particularly grateful to HE Mwanaidi Sinare Maajar, Tanzania's new Ambassador to the United States, and one of the major architects of the 1998 Tanzanian Mining Act, which was a major catalyst in the transformation of the country's mining industry and led to the tremendous growth in the sector over the last decade.

The emerging prominence of the Tanzanian mining industry has created economic vitality and is a continuing driver in the development of Tanzania's economy. Ruby Creek is also working with other leading Tanzanians such as Professor Dr Abdulkarim Mruma, who will be advising us on geological issues within the Mkuvia and surrounding regions. Dr Mruma is head of the Department of Geology at the University of Dar es Salaam and is the CEO of the Geological Survey of Tanzania at the Ministry of Energy and Minerals.

Ruby Creek Tanzania values the importance of giving back to the community. We are committed to conducting our affairs in a socially and environmentally responsible manner. The Company is endeavouring to be a benchmark in good corporate citizenship in Tanzania. We are currently bringing good paying jobs to the community. In consultation with local leaders we are determining needs and collaborating on developing community programs around water, education, agriculture and health issues. Ruby Creek is opening a microfinance facility and making funding available to help train Tanzanian geology students.

At Ruby Creek we believe this will help Tanzania develop its economy, which is so important for the future of the people of this great country. Ruby Creek is particularly thankful for the assistance and courtesies extended by all levels of society in Tanzania and we encourage other foreign companies in all sectors to consider Tanzania as a great place for investment. **F**