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Serengeti raises exploration money for Kwanika

Vancouver - **Serengeti Resources** (SIR-V) has raised \$5 million to fund follow-up drilling on its Kwanika property in north central British Columbia, after confirming the existence of a potentially rich copper-gold zone.

The private placement financing comes on the heels of exploration results, released on January 9, which sent shares of the TSX Venture Exchange-listed junior up 40% to 82 cents in early trading.

The stock was ignited by a single drill hole which coughed up a 111 meter intersection averaging 0.69% copper and 0.54 grams gold per tonne in a sulphide zone. A higher grade zone near the base of the same drill intersection returned 1.49% copper and 1.90 grams gold over 22 metres.

Hole K-06-9 is one of five holes, which the Vancouver company drilled last November on wholly-owned ground, which is located between the well-known Mt. Milligan property and Kemess mines. Kwanika is accessible by road from Fort St. James.

"This is a significant result and represents one of the best holes drilled on a greenfields porphyry copper-gold discovery in British Columbia in a long time," said Serengeti chief executive officer David Moore.

Mr. Moore and Serengeti chief geologist Myron Ostatenko are both veterans of Teck Cominco's global exploration operations and have assembled a large property position covering 770 square kilometres in 14 separate claim blocks.

K-06-9 was drilled near the centre of a large induced polarization geophysical anomaly which potentially indicates a large sulphide system measuring 2,500 metres in length and up to 700 metres wide.

K-06-9 was located to the south of the other four holes.

The company is planning to commence more drilling next month on a find that may represent a new porphyry discovery, according to Graeme Currie, a mining analyst with Canaccord Capital. "Based on the initial results, there is early evidence that the target could develop significant size," Mr. Currie said in a report.

However, he was quick to describe his comments as "pure conjecture at this very early stage of exploration."

Serengeti is poised to continue its drill program following news of a non-brokered private placement that raised \$5 million. Proceeds included \$2.5 million from the sale of 2.8 million flow through common shares, priced at 90 cents.

The balance of the money raised comes from the sale of non flow-through units priced at 80 cents a piece. Each unit consists of one common share and one-half of one non-transferable share purchase warrant. Each whole warrant is exercisable to acquire one additional common share at \$1 for a period of 12 months after the financing closes.

The funds from the private placement will be added to \$600,000 already in the company's treasury.