

Carl Firman Editor, *Global Capital Magazine* with thanks to Clive de Larrabeiti, chief executive and president of Mayfair Mining

Mayfair Mining: Diversifying its African portfolio

Mayfair Mining & Minerals Inc is an emerging public company involved in mineral exploration and mining project development. The company was listed in the US on the NASDAQ OTC (over the counter) Bulletin Board until November 2006 and has been subsequently listed on the Pink Sheets market with the stock symbol MFMM. The company is also quoted on the Frankfurt Stock Exchange under the symbol M1M. Mayfair Mining holds a portfolio of diverse gemstones, minerals and metals projects in the Southern African Development Community countries of Zambia and Madagascar.

Mayfair Mining entered into a joint venture in January 2005 with two Zambian corporations owned by the influential Nyendwa Family of Kafue, Zambia. Pursuant to the agreement, the company incorporated a new Zambian joint venture company, Mayfair Mining & Minerals (Zambia) Ltd. The Nyendwa Family's companies have been in existence for 16 years and control a number of gemstone and metals licences in Zambia. These include the licence for the Funzwe River gold project, and a second licence encompassing four mining projects in the major amethyst producing area of the country, near Lake Kariba.

In recent years there has been a surge in interest in gold exploration in Zambia that has attracted major operators to the country. Gold occurrences discovered to date are associated with linear belts bounded by major shear zones. The key shear zones are: Kpiri Mposhi Mkushi shear zone, Mwembeshi shear zone; and, Mushika Machete shear zone. Between these zones, many gold occurrences are associated with greenstones, but the most significant occurrences are associated with dome-like features of the basement that have proved prospective for gold and other minerals, including platinum group metals and nickel.

In 2006, Mayfair acquired control of Union Prospection Minière (UPM),

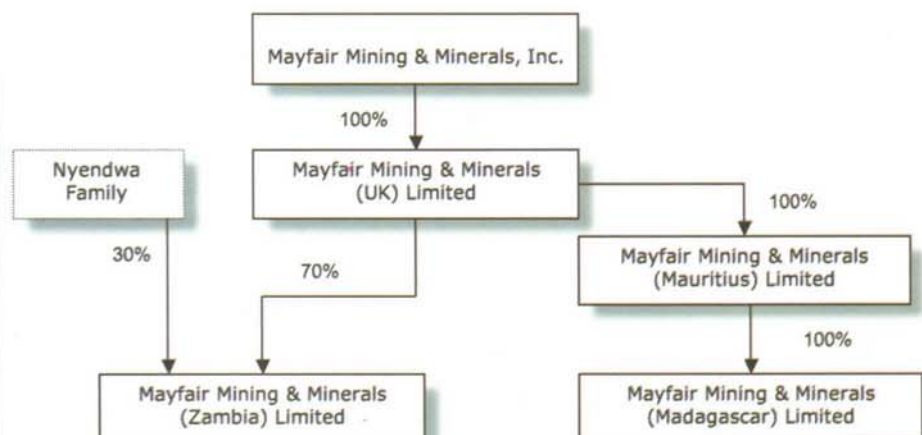
a Madagascan private company. Under the terms of the agreement, Mayfair Mining gained control of 16 sapphire licences covering an area of 1487km² in the Ilakaka sapphire mining district in Southern Madagascar. One of the properties, the Benahy-Imaloto sapphire mine, was an operating mine producing sapphires. As part of the transaction the company also received a full geological and technical review of the sapphire properties prepared by an independent geological consultancy. Since the discovery of the Andranondambo sapphire deposit in the early 1990s, closely followed by the uncovering of several other major gemstone deposits, Madagascar's mining sector has experienced a substantial boom.

Zambia-Funzwe River project

Mayfair Mining's Funzwe River project is located on a geological feature called the Mpande dome. This lies between the Mwembeshi shear zone and the Mushika Machete shear zone. In the area of the dome, the geology is dominated by the basement super group (gneiss and quartzite overlain by meta-dolerite, tuff and metabasalt), which, in turn, is overlain by the Katanga super group (schist, carbonate, quartzite and conglomerate).

Below left: An example of alluvial gold (not representative)

Below: Mayfair Mining corporate structure



Right: An example of twinned crystals of Madagascan star sapphire corundum, showing the gem zone in the upper left (not representative).

The Funzwe River licence lies within 40km of Lusaka and Kafue and contains an area of approximately 70km². Work to date has identified occurrences of bedrock, gold, alluvial gold, bedrock-hosted platinum group metals, and alluvial platinum group metals. Trial pits have been excavated and tested over an area of 10-15km² yielding grades of 3.5 - 4.5 g/t gold. Sample spacing, however, was wide and follow-up and infill work is required.

According to Mayfair Mining, tests have shown that gold could be recovered from the Funzwe River licence by gravity, hydraulic or centrifuge methods, which are low in cost and have a low impact on the environment. Therefore, the company decided to move forward with a small-scale selective sampling operation. Mayfair Mining recently purchased and installed a small-scale washing plant on the licence. The training of the local staff in the protocols involved in trial mining and environmental protection has already been completed and bulk sampling of the alluvial gravels has commenced. To date, it is anticipated that the resources at Funzwe River are sufficient for a six-year operation from the alluvial sands, depending on the rate of processing. Beyond year six, the operation could be modified to process the alluvial gold, extending operations for an additional ten years.

Mapatizya Amethyst



Right: An example of Zambian amethyst (not representative)..

Mayfair's amethyst properties are located in the Mapatizya constituency of the Kalomo District. Mapatizya is the principal amethyst mining area in Zambia. The company's amethyst concessions consist of a group of four mining licences near Lake Kariba. These concessions are thought to contain a significant gemstone resource, as indicated by the limited preliminary work of the Geological Survey of Zambia and independent European Union geological consultants. The demand for amethyst is consistent and growing in the jewellery industry worldwide

Coloured gemstone prices are generally determined by supply and demand. Based on data from the US International Trade Centre, the three largest markets for loose finished gemstones are the US, Europe and Japan, which account for US\$1.341bn, while the markets for rough unfinished stones are Thailand, India and China, which account for US\$695m. Thailand and India are the main cutting centres that acquire bulk shipments of rough stones and then export the finished product to the US and European markets. Hong Kong has become the major brokerage centre for mainland China.

Once production has increased to the appropriate levels, expected during calendar year 2008, Mayfair Zambia will be marketing its rough, sorted and graded amethyst to Hong Kong. Enquiries for



the product have also been received from India and Thailand. The demand for amethyst is so great that the company expects to be able to sell all of its production, from the low-grade industrial quartz to the high-end gem quality each and every month.

Madagascar-Ilakaka sapphire mining district

Mayfair Mining holds 16 sapphire licenses covering an area of 1,487km² in the Ilakaka coloured sapphire mining district of Southern Madagascar. This area, which is located 500km by air south-southwest of Antananarivo, the country's capital, has already established a reputation for supplying high quality multi-colored sapphires to the world market.

Conclusion

Mayfair Mining is well positioned in terms of its license holdings of different metals and minerals projects in both Zambia and Madagascar. The company plans to seek additional opportunities in the metals, minerals and gemstone sectors to add to its existing holdings. To this end, Mayfair will focus on and seek additional opportunities in Zambia and in the gemstone sector in Madagascar, Mozambique and Malawi, three relatively unexplored countries within the Southern African Development Community.

Management Structure

Mayfair is currently expanding its board of directors and management team and has recruited additional advisory board members consisting of industry professionals with varied backgrounds in the financial and geological consultancy sectors. The company has recruited individuals whose professional experience includes exploration and development of alluvial gold and platinum, exploration and development of hard rock occurrences of gold, platinum and copper, as well as the production and marketing of gemstones. The company has also recruited Clinton Burhouse, a highly qualified geologist/gemologist and marketing advisor for its operations in Zambia and is also in the process of recruiting additional on-site management and staff for its Zambian and Madagascan mining operations.