



**Registered Office**  
 PO Box 1486  
 Level 9 Pacific Place  
 Musgrave Street  
 Port Moresby NCD 121  
 Papua New Guinea

Telephone: (675) 321 7633  
 Facsimile: (675) 321 7551

**Registered Office in Australia**  
 GPO Box 3086, Brisbane Qld 4001  
 Level 4 Telstra House  
 167 Eagle Street  
 Brisbane Qld 4000  
 Australia

Telephone: (617) 3864 0710  
 Facsimile: (617) 3221 6727

E-MAIL info@highlandspacific.com  
 WEB SITE www.highlandspacific.com

24 May 2002

### Kainantu Gold Resource Upgrade

The Kainantu gold resource contained within the Irumafimpa lode system has been re-estimated to take account of recent work including drilling and the detailed sampling of the lodes from the adit development. The work program is continuing and as additional data becomes available the resource estimate will be further upgraded.

Using the same methodology and parameters, the gold resource has been increased by 120,000 ounces from that previously reported. The resource is now estimated as 917,400 tonnes at 31.4g/t Au. The details are provided below.

### Irumafimpa Inferred Resource

Zone	Average Width	Tonnes	Cut *		Uncut **	
			Au g/t	Contained Ounces	Au g/t	Contained Ounces
East	1.20m	377,200	49.2	597,000	66.3	804,200
Central	0.71m	118,800	16.5	63,100	16.5	63,100
West	1.39m	421,400	19.6	265,900	19.6	265,900
Total	1.15m	917,400	31.4	926,000	38.4	1,133,184

**Notes:**

- \* Cut Resource Grade - cutting parameters applied to estimate grade, lower cut 10 g/t Au, upper cut 150g\*m Au
- \*\* Uncut Resource Grade - cutting parameters applied to estimate resource grade, lower cut 10 g/t Au, no upper cut.
- 1 Inferred resource based on drill hole centred polygonal method.
- 2 Diamond drill core split by diamond saw and half core dispatched for assay.
- 3 Gold assays by 50gm or 2 x 25gm charge fire assays.
- 4 Bulk density of 2.5g/cc used.

5. This information is based on, and accurately reflects, information compiled by Mr Larry Queen who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Queen is employed by Highlands Pacific Limited and has relevant experience in the mineralisation being reported on to qualify as a Competent Person as defined in the "Australasian Code for reporting of identified mineral resources and ore reserves 1999". Mr Queen consents to this report.

**Contact:**

Ian Holzberger, Managing Director

Phone: (675) 321 7633  
(61 7) 3864 0710

Mobile: 0418 886 165

Email: [irh@highlandspacific.com](mailto:irh@highlandspacific.com)

Jeff Forbes, General Manager Finance

Phone: (675) 321 7633

Mobile: 0408 756 790

Email: [jif@highlandspacific.com](mailto:jif@highlandspacific.com)