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## **Kainantu Gold Project - Mining Lease Granted and Environment Plan Approved**

Today, at a ceremony at parliament house, the Minister for Mining, the Hon Chris Haivetta, executed and issued the Mining Lease for Highlands Pacific's Kainantu Gold Project. The approval of the Kainantu Environmental Plan was also issued at the same ceremony.

The Mining Lease, which covers 226ha, grants Highlands Pacific the right to develop and operate a gold mine on the Irumafimpa Lode System within the Kainantu Project for a period of 12 years. The Minister may renew the lease past 12 years.

Mr Ian Holzberger, Managing Director of Highlands Pacific, praised the landowners, the Department of Mines and the Office of Environment and Conservation staff, the Eastern Highlands Provincial Administration and Highlands Pacific's staff for their efforts in advancing the project to its current status.

Mr Holzberger said "hard work and commitment is required from all stakeholders for a Mining Lease to be granted and it is pleasing to see their efforts rewarded today."

He continued "it is the Company's plan is to proceed with the financing of the project in the 3<sup>rd</sup> Quarter with the objective of commencing construction in the 4<sup>th</sup> Quarter 2002. Based on this timetable, the project should be producing gold in the 4<sup>th</sup> Quarter 2003.

Mr Holzberger added that "he believed that the Kainantu Project area had the potential to be a significant gold province and that Highlands Pacific would be producing gold from the area for many years to the benefit of all the stakeholders".

The current resource at the Irumafimpa lode is estimated at 917,406t at cut 31.4g/t Au (150 g\*m Au upper cut) or uncut 38.4 g/t Au (inferred) with a significant potential to increase both the grade and the tonnage.

The Kainantu Gold Project is located adjacent to the Ramu River valley in the Eastern Highlands Province, Papua New Guinea. Highlands Pacific owns 100% of the project.

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