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## **Kainantu Gold Project - Update**

### **Summary:**

- ◆ The Irumafimpa lode system has been intersected in the adit development 120m north of the Irumafimpa high-grade resource block.
- ◆ Both the western and eastern lodes are well developed over 2m and 9m respectively and are expected to add significantly to the Irumafimpa gold resource base.
- ◆ Underground sampling and drill hole intercepts report gold grades between 4 and 8 g/t in the western lode.
- ◆ A single drill hole, which ended in mineralisation, reported 9m at 21.7 g/t Au in the eastern lode at this locality. The adit has now penetrated 4m into the eastern lode and is mining on.
- ◆ A four hole drill program at Kora which is located 1000m south of the Irumafimpa gold resource block on the Irumafimpa lode system has confirmed its southerly extension and the potential for additional gold resources.
- ◆ High-grade gold intercepts were returned by all holes from both the western and eastern lodes at Kora.

### **Adit Development:**

The assessment work on the Irumafimpa lode system at Kainantu has continued with the major focus being the development of the underground adit. The adit has been designed to intersect the lode system to provide physical access for further testwork and sites for underground drill assessment. This work forms part of an overall program to prove the viability of a mining development.

The adit has intersected both the western and eastern lodes of the Irumafimpa lode system 120m north of the area containing an estimated gold resource containing 805,600 ozs of gold (886,700t @ 28.3 g / t Au, inferred). Currently, the adit is mining through the eastern lode system and is 203m from the portal.

In this area, the lode systems are well developed but of a different character to that found in the resource block. The western lode comprises banded quartz, sulphide and clay over two metres. Underground drilling and adit sampling shows that it grades between 4 and 8 g/t Au. No revision to the resource estimate has been attempted at this time.

Due to difficult drilling conditions, the eastern lode has only been partially tested by a single drill hole DDH 02UG003, which reported 9m averaging 21.7 g/t Au ending in mineralisation.

The adit has now penetrated approximately 4m (true width) of the eastern lode and is mining on in the lode. Underground sampling has been initiated but results are not yet available.

The intersection of such well developed and wide lode systems north of the Irumafimpa resource block are expected to add significantly to the resource base.

### Surface Activities:

A four-hole drill program has been completed on the Irumafimpa lode at a locality known as Kora. Kora is located 1000m south of the Irumafimpa resource block. The work has demonstrated that the Irumafimpa lode system continues strongly to the south being extremely well developed in this area. All four holes report strong intersection in both the western and eastern lode. The intersections are presented in the table below:

DDH.	Dip	Az.	EOH	North metres	East metres	RL	From m	To m	Int. m	g/t Au	Lode
048BD02	-50.0	270	125	53898.4	29853.3	1779.2	68.0	69.0	1.0	19.0	West Lode
							73.0	74.0	1.0	15.7	West Lode
049BD02	-50.0	90	210.6	58556.5	29722.5	1770.5	116.0	118.0	2.0	49.4	West Lode
050BD92	-50.0	270	106.5	58511.0	29852.7	1799.2	74.0	76.0	2.0	17.9	East Lode
							92.5	93.0	0.5	17.3	Central
051BD02	-70.0	270	118.6	58511.0	29852.7	1799.2	105.5	106.5	1.0	85.6	East Lode
051RBD02 redrill	-70.0	270	189.8	58511.0	29852.7	1799.2	108.0	116.0	8.0	35.8	East Lode
						INCL	109.0	11.0	2.0	138.6	East Lode
							171.0	172.0	1.0	14.3	West Lode

This work confirms the potential for further gold resources.

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