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## **Kainantu Gold Project – Update 2**

### **Summary:**

- ◆ Two distinct lodes have been intersected in the adit within the overall Irumafimpa lode system. A third lode will be intersected shortly.
- ◆ The intersections are north of the Irumafimpa gold resource block and are expected to add significantly to the overall resource base.
- ◆ The Central Lode is developed over 6m (true width).
- ◆ High-grade intercepts reported from detailed mapping and channel sampling of the Central Lode include 0.7m @ 12.8 g/t Au, 0.6m @ 14.6 g/t Au, 0.7m @ 36.0 g/t Au and 2.2m @ 26.0 g/t Au.
- ◆ The Western Lode is developed over 2.0m (true width) and reports gold grades between 4 & 8 g/t Au from adit sampling and nearby drill holes.
- ◆ The adit is mining on towards the Eastern Lode.
- ◆ Subsequently, two underground sites will be developed to enable detailed infill drilling of the gold resource to be undertaken.

### **Program Report:**

The underground adit has now been advanced to 237m from the portal. Two distinct, well defined gold bearing lode structures within the overall Irumfimpa Lode system have been intersected. A third, the Eastern Lode, remains to be intersected (Refer attached plan).

As previously reported, the Western Lode was intersected over 2m and reported gold grades between 4 and 8 g/t Au from the adit and nearby drill hole sampling. Eight metres further to the east the adit mined through a broad zone of gold mineralisation measuring 6m true width, which is interpreted as the central lode. Within the central lode four discrete zones have been identified with widths and grades established from detailed mapping and face and channel sampling as follows:

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<b>Zone</b>	<b>True Width meters</b>	<b>Grade g/t Au</b>
One	0.7	12.8
Two	0.6	14.6
Three	0.7	36.0
Four	2.2	26.0

A third lode structure, the Eastern Lode, is expected to the east of the central lode. The adit is now mining towards this position.

Both lode intersections are located 120m (approx) north of the Irumafimpa Resource block which contains an estimated 805,000 ounces of gold (886,700t @ 28.3 g/t Au inferred). The exposure of these well-developed lodes at this position suggests a significant gold resource potential in addition to the estimated resource.

At two points in the adit at 251 and 331m from the portal drill cuddies will be established. These sites (cuddy D and cuddy E on the attached plan) will be used for infill drilling to better define the resource which will form the basis of an initial mine development.

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