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Karangahake Gold Project, Waihi District, New Zealand

Interpretation of geophysical survey data for the Karangahake Project has been completed.

A ground magnetic survey was carried out over the Rahu Ridge-White Rocks zone and detailed image reprocessing of previous aerial magnetic and radiometric surveys was undertaken over the project area.

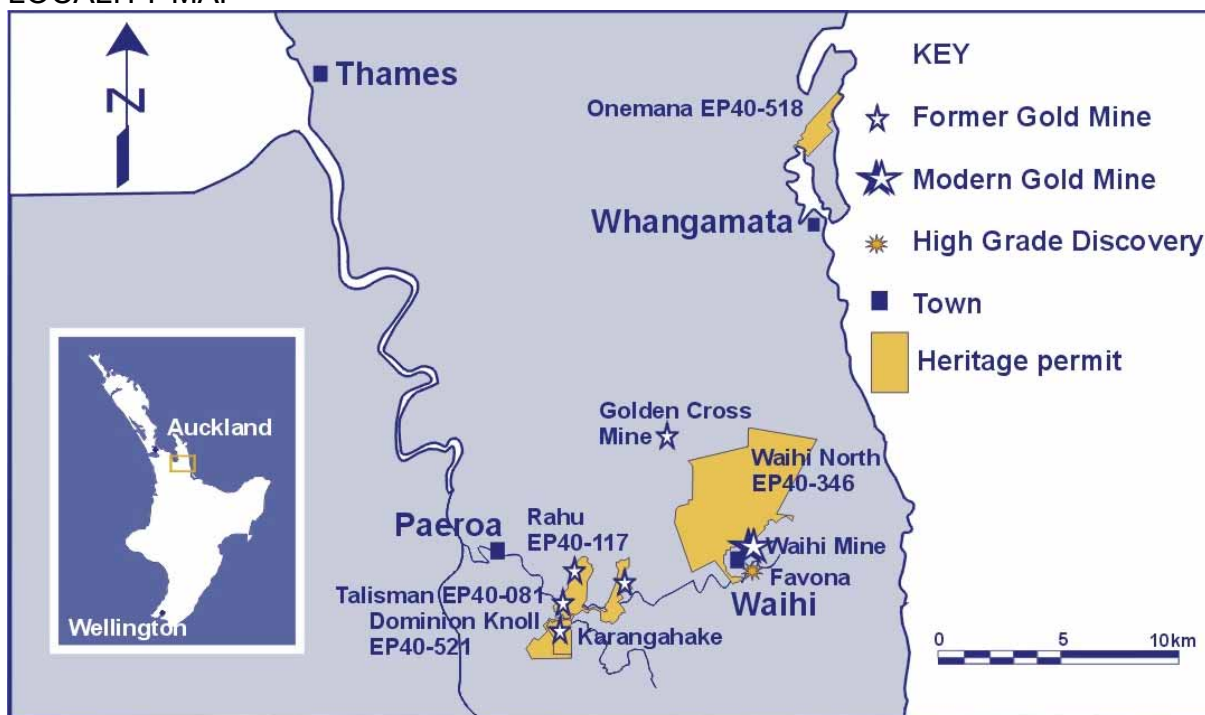
The aerial geophysical data show that the Karangahake epithermal system is outlined by nearly 16 square kilometres of hydrothermal alteration. The data also show prominent structural trends related to gold mineralisation.

A distinct northeast trend highlights the mineralised quartz vein zones in Taukani Hill. This trend is intersected by well developed northwest lineaments, supporting the structural interpretation that mineralisation is best developed at the intersection of northwest faults and quartz vein zones.

In the Rahu Ridge-White Rocks zone, northwest and northeast trends in the aeromagnetic data reflect faults and lineaments within the epithermal system. These trends were not detected in surface mapping and are interpreted as indicating deeper zones of possible gold mineralisation.

Displacement of the strong aeromagnetic anomalies between the Talisman mine and the Rahu Ridge -White Rocks zone, provides evidence of fault movement. Rahu Ridge -White Rocks zone is most likely down thrown relative to the Talisman mine, thus preserving the upper levels of the epithermal system and enhancing the zone's prospectivity.

LOCALITY MAP



Disclosure: Relevant sections in the above statement are based on information compiled by a corporate member of The Australasian Institute of Mining and Metallurgy with over five years relevant experience.

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