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Rahu Drilling Results – Karangahake Project

The Company has completed four RC (reverse circulation) drillholes, RHRC-1 to RHRC-4, in the northern part of the Rahu grid. All four holes intersected gold/silver mineralisation in quartz vein zones interpreted to have a near vertical dip. Two of these holes intersected significant zones as follows:

- **RHRC-2: 10 – 16m downhole; 6.0m at 2.41g/t Au and 63.6g/t Ag, including 14 – 15m downhole; 1.0m at 7.80g/t Au and 198.0g/t Ag.**
- **RHRC-3: 13 – 18m downhole; 5.0m at 1.73g/t Au and 3.6g/t Ag.**

Initial interpretation suggests the better grades are associated with vein zones in andesitic rocks at lower topographic levels, supporting the Company's geological model of gold grades improving at greater depth, below a weakly mineralised surface zone.

These first four holes were designed to test at shallow depths the validity of coincident geochemical and geophysical anomalies resulting from the recent surface exploration programme. Samples of drill chips were taken at 1m intervals and analysed by fire assay.

Adverse weather conditions and equipment breakdowns have delayed the planned completion of the RC drilling programme. The remaining four holes will be reported at the end of the programme.

Details of drilling results are as follows:

Hole	Grid Co-ords	Bearing (True)	Dip	Depth (metres)	Downhole Intersections
RHRC-1	994mE 2028mN	120°	-60°	25.5	14 – 25.5m: 11.5m of anomalous gold values ranging from 0.08 to 0.32g/t Au; including 23 – 25.5m: 2.5m at 0.25g/t Au and 3.0g/t Ag.
RHRC-2 (300m south of Hole 1)	861mE 1722mN	110°	-60°	24.0	3 – 24m: 21.0m of anomalous gold and silver values, ranging from 0.09 to 7.80g/t Au and 1.7 to 198.0g/t Ag; including 10 – 16m: 6.0m at 2.41g/t Au and 63.6g/t Ag; including 14 – 15m: 1.0m at 7.80g/t Au and 198.0g/t Ag.
RHRC-3 (80m north of Hole 1)	1180mE 2099mN	110°	-60°	30.0	0 – 30m: 30.0m of anomalous gold and silver values ranging from 0.18 to 2.56g/t Au and up to 6.1g/t Ag; including 7 – 30m: 23.0m at 0.94 g/t Au and 2.0g/t Ag; including 13 – 18m: 5.0m at 1.73g/t Au and 3.6g/t Ag.
RHRC-4 (130m east of Hole1)	1117mE 2035mN	290°	-60°	32.0	0 - 32m: 32.0m of anomalous gold and silver values ranging from 0.04 to 0.80g/t Au and up to 4.7g/t Ag.

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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Company Secretary