



Niuminco Group Limited

Level 8, 139 Macquarie Street, Sydney NSW 2000 Australia
Tel: (02) 8231 7048 Fax: (02) 9241 5818 Email: info@niuminco.com.au
ABN 44 009 163 919

1st July 2013

Company Announcements
Australian Stock Exchange

EDIE CREEK DRILLING RESULTS

The assay results from the final holes of the first stage of our potential three stage drilling program have now been received. A summary of these results and a recommended Stage 2 Drilling Program from a report prepared by John Nethery is as follows:-

SUMMARY

- Previous drilling focused on narrow northwest trending high grade low-sulphidation vein systems with potential for underground development.
- The focus now is on potential bulk tonnage lower grade targets located around the intersection between the northwest trending high-grade veins and major north trending faults.
- The largest target is the Karuka - Enterprise Stockwork and includes the Enterprise Diatreme and the narrow high-grade Enterprise and Karuka lodes proximal to the Slate Creek Fault.
- Ease of access prompted the initial hole EDD 014 to be located on the southwestern periphery of the Karuka – Enterprise target. This hole was abandoned prematurely due to difficult ground conditions and EDD 016 was drilled nearby at a slightly different azimuth.
- EDD 014 averaged **1.18g/t gold, and 72g/t silver in the 21m** interval from 63m to 84m.
- EDD 016 averaged **1.40g/t gold, and 17g/t silver in the 20m** interval from 62m to 82m.
- The second target is the Edie Creek Diatreme, which occupies the entire upper Edie Creek valley, and includes the Alpha South and Ingopae lodes, proximal to the Edie Creek Fault.
- EDD 015 at Alpha South intersected the **widest section of massive epithermal vein and stockwork to date: 62m from 199m to 261m at average of 0.28g/t gold, 1.7g/t silver.**
- An Induced Polarisation survey is recommended to cover the entire Edie Creek Diatreme.
- A 10 hole for 2000m program of Reverse Circulation drilling is recommended for the Karuka – Enterprise Stockwork

The Board is currently reviewing these results and the recommended Stage 2 Drilling Program along with all other options for our Edie Creek Mining Leases.

The full Nethery Report is attached.

Mark Ohlsson
Company Secretary

The information in this report that relates to exploration results is based on Information prepared by Mr John Nethery (BSc, Dip Ed) who is a Fellow of the Australasian Institute of Mining and Metallurgy (Chartered Professional) and a Fellow of the Australian Institute of Geoscientists. He has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. He consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.



NEDEX PTY LTD

GEOLOGICAL CONSULTANTS ABN 11 064 889 827
1 Eastern Street, CHILLAGOE, QLD, 4871, AUSTRALIA
Tel: +61.7.4094 7128, 4094 7165, 4094 7270 Fax: +61.7.4094 7028,
E-mail: nedex@bigpond.com
Manager: John E Nethery FAIG, FAusIMM, FSEG, MGSA, CP (Geo)

NIUMINCO GROUP LTD: EDIE CREEK PROJECT DRILL REPORT & PROPOSAL – 30 JUNE, 2013

SUMMARY

- Previous drilling focused on narrow northwest trending high grade low-sulphidation vein systems with potential for underground development.
- The focus now is on potential bulk tonnage lower grade targets located around the intersection between the northwest trending high-grade veins and major north trending faults.
- The largest target is the Karuka - Enterprise Stockwork and includes the Enterprise Diatreme and the narrow high-grade Enterprise and Karuka lodes proximal to the Slate Creek Fault.
- Ease of access prompted the initial hole EDD 014 to be located on the southwestern periphery of the Karuka – Enterprise target. This hole was abandoned prematurely due to difficult ground conditions and EDD 016 was drilled nearby at a slightly different azimuth.
- EDD 014 averaged **1.18g/t gold, and 72g/t silver in the 21m** interval from 63m to 84m.
- EDD 016 averaged **1.40g/t gold, and 17g/t silver in the 20m** interval from 62m to 82m.
- The second target is the Edie Creek Diatreme, which occupies the entire upper Edie Creek valley, and includes the Alpha South and Ingopae lodes, proximal to the Edie Creek Fault.
- EDD 015 at Alpha South intersected the **widest section of massive epithermal vein and stockwork to date: 62m from 199m to 261m at average of 0.28g/t gold, 1.7g/t silver.**
- An Induced Polarisation survey is recommended to cover the entire Edie Creek Diatreme.
- A 10 hole for 2000m program of Reverse Circulation drilling is proposed for the Karuka – Enterprise Stockwork

INTRODUCTION

The Niuminco – Mincor JV previously focused a core drilling program on the narrow high grade low sulphidation quartz – carbonate vein systems with potential for underground mining. The program was recently refocused on potential bulk tonnage lower grade targets incorporating shallow sections of several of the larger high grade veins. High level diatremes, maar sediments and adjacent vein stockworks were recognised as potential targets. Two main targets were defined. The largest potential target is centred on the recently recognised Enterprise Diatreme and includes the adjacent Enterprise - Karuka Stockwork and the narrow high-grade Enterprise and Karuka lodes. The second target is the Edie Creek Diatreme occupying the entire upper Edie Creek valley, and includes the Alpha South and Ingopae lodes. Both targets are located proximal to the intersection between the northwest main vein trend and the north trending Slate Creek Fault and Edie Creek Fault.

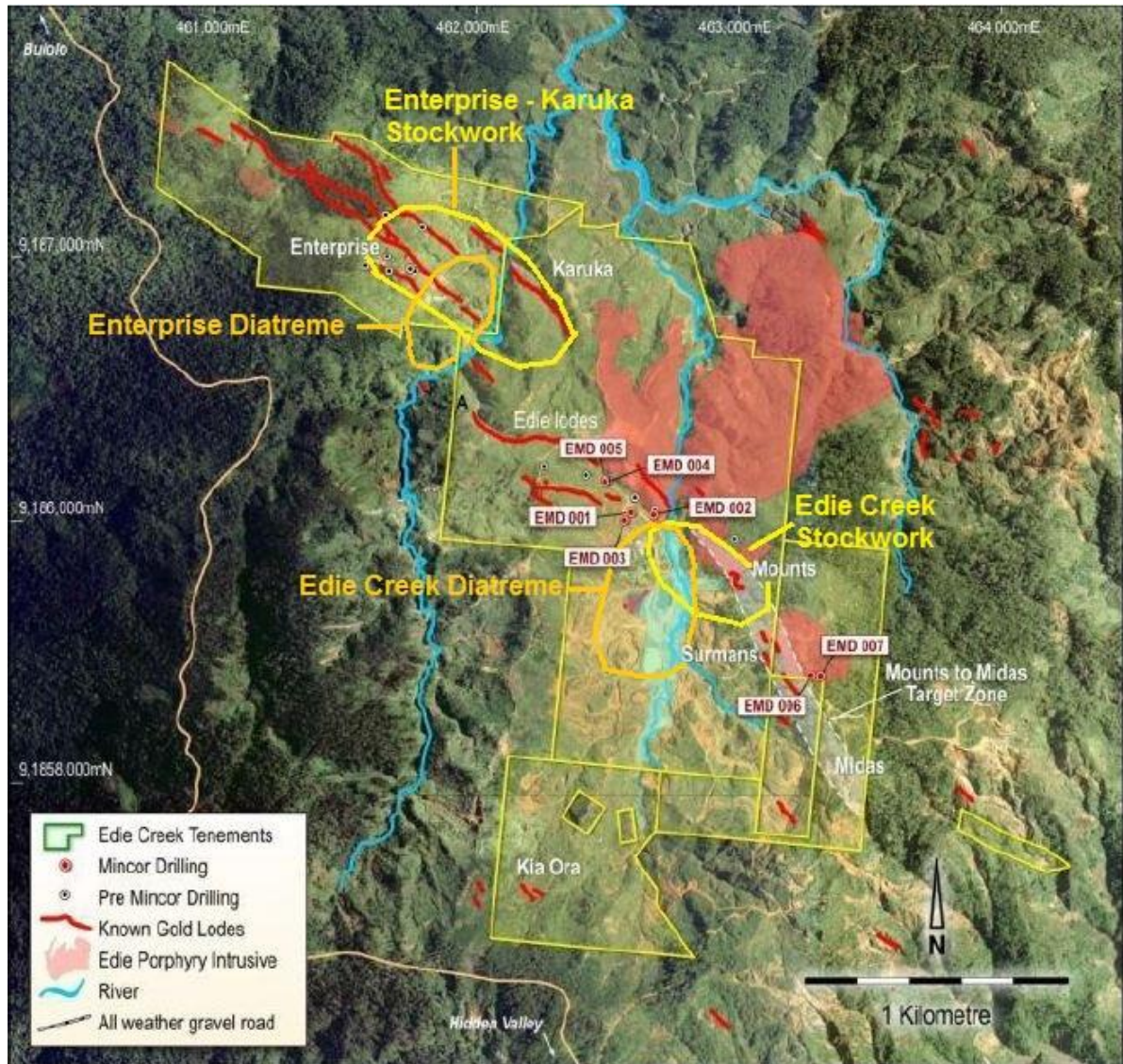


Figure 1: Edie Creek leases showing outlines of areas of diatreme (orange ellipses) and stockwork mineralisation (yellow ellipses) proposed as potential bulk tonnage gold targets, the area of outcrop of the Edie Porphyry, the trace of the main epithermal lodes and general location of the Upper Edie Creek Valley recessive topographic anomaly.

PREVIOUS RGC AND ECM DRILLING

In 1988 Renison Goldfields Consolidated Ltd (RGC) completed two drill holes testing Enterprise and Karuka North lodes, with narrow intersections in both (See Table 1).

In 1997 Edie Creek Mining Pty Ltd (ECM) conducted a 12 hole PQ diamond drilling program over the Enterprise vein, totaling 1511.70m. Drilling focused on the upper 120m of the developed but unexploited workings (See Table 1). Intersections of primary ore in fresh rock returned lower grade results than those within the zone of oxidation. The best mineralized section was 5.2m @ 9.57Au, 53.8Ag from 124.7m in hole 97ENT005, including 2.0m @ 44.18 Au, 50.5 Ag from 127.6m.

Table 1: RGC and ECM drill summary

Hole_ID	mE	mN	RL	AZM Mag	AZM TN	DIP	Depth	Year	Comments/Results	Co.
EC001	461729	9186978	2132	40.0	45.7	-60	150.00	1988	2m @ 5.79Au, 110 Ag from 76m, and 6m @ 3.70Au, 48Ag from 100m (incl. 2m @ 7.24 Au, 110Ag from 100m)	RGC
EC002	461702	9187068	2096	40.0	45.7	-6	144.90	1988	2m @ 1.76Au from 20m and 2m @ 2.02Au from 52m	RGC
97ENTO01	461756	9186947	2116	30.0	35.7	-50	135.80	1997	20.8m @ 0.95 Au, 12.9 Ag from 60.0m (incl. 2.0m @ 2.13 from 61, and 1.0m @ 8.22 Au from 79.1m)	ECM
97ENTO02	461756	9186947	2116	30.0	35.7	-65	116.70	1997	4.3m @ 4.81 Au, 16.5 Ag from 59.0m, and 10.1m @ 1.47 Au, 6.8 Ag from 81.3m (incl. 4.1m @ 2.48 Au, 7.8 Ag from 86.3m)	ECM
97ENTO03	461756	9186947	2116	30.0	35.7	-85	151.00	1997	10.5m @ 1.56 Au from 59.2m (incl. 2.1m @ 2.60 Au from 60.4m) 2.0m @ 1.17 Au from 83.0m, and 1.0m @ 1.02 Au from 91.6m	ECM
97ENTO04	461662	9186948	2132	30.0	35.7	-75	158.20	1997	1.0m @ 1.94 Au, 22.6 Ag from 90.0m, and 2.0m @ 4.26 Au, 35.7 Ag from 102.3m, and 1.0m @ 1.06 Au, 23.0Ag from 112.0m	ECM
97ENTO05	461662	9186948	2132	30.0	35.7	-85	135.00	1997	1.9m @ 0.97 Au, 4.0 Ag from 94.7m, and 5.2m @ 9.57 Au, 53.8 Ag from 124.7m (incl. 2.0m @ 44.18 Au, 50.5 Ag from 127.6m)	ECM
97ENTO06	461662	9186948	2132	30.0	35.7	-50	153.10	1997	1.0m @ 0.82 Au, 3.8 Ag from 105.7m	ECM
97ENTO07	461573	9186967	2163	30.0	35.7	-70	186.50	1997	15.0m @ 0.80 Au, 20.5 Ag from 124m (incl. 1.0m @ 3.73 Au, 113 Ag from 124.0, and 1.0m @ 1.34 Ag, 29.3 Ag from 131.0m) 1.0m @ 0.94 Ag, 38.0 Ag from 170.0m	ECM
97ENTO08	461655	9187001	2151	30.0	35.7	-85	94.80	1997	1.9m @ 0.54 Ag, 46.2 Ag from 77.40m	ECM
97ENTO09	461656	9187000	2151	30.0	35.7	-55	102.40	1997	6.8m @ 3.37 Au, 78.4 Ag from 55.8m (incl. 2.2m @ 8.44 Au, 134.5 Ag)	ECM
97ENTO10	461744	9186953	2121	30.0	35.7	-65	61.60	1997	6.3m @ 4.48 Au, 101.0 Ag from 47.0m (incl. 2.1m @ 9.97 Au, 160.0 Ag from 48.3m)	ECM
97ENTO11	461793	9187112	2114	30.0	35.7	-55	102.40	1997	2.1m @ 4.01 Au, 36.0 Ag from 8.9m, and 1.0m @ 2.60 Au, 52.0 Ag from 37.7m, and 0.9m @ 1.92 Au, 79.0 Ag from 50.6m	ECM
97ENTO12	461650	9187158	2142	30.0	35.7	-50	114.20	1997	3.0m @ 5.62 Au, 125.0 Ag from 9.1m, and 0.6m @ 1.72 Au, 37. Ag from 14m, and 1.2m @ 1.20 Au, 25.0 Ag from 31.9m, and 0.7m @ 1.18 Au, 158.0 Ag from 56.3m, and 1.0m @ 1.16 Au, 7.0 Ag from 9.6m, and 2.5m @ 1.02 Au, 10.0 Ag from 104.2, and 1.6m @ 1.36 Au, 13.0Ag, from 108.2m	ECM

PREVIOUS NIUMINCO AND MINCOR DRILLING

In 2010 Niuminco Ltd completed a 10 hole (EDD001-010) diamond drilling program totaling 1559.80m, testing Edie Lode No.1 and No. 2. Best intersection returned 5.0m @ 131.83g/t gold, 389.4g/t silver from 89.8m. In 2011 a further 2 hole (EDD012-013) drilling program totaled 339.10m, testing Whites Lode. Best results returned 30.0m @ 0.52g/t gold, 3.9g/t silver from 146.9m which included 10.0m @ 0.71g/t gold, 5.3g/t silver, and 1.0m @ 3.61g/t gold, 1.9g/t silver. Recent intercepts in EDD014-016 are included in Table 2 below.

Table 2: Niuminco Drilling Summary

Hole_ID	mE	mN	RL	AZM Mag	ZM TN	DIP	Max_ Depth	Date_ Completed	Comments/Results	Co
EDD001	462677	9186034	2066.0	30.0	35.7	-45	130.50	19/09/10	2.0m @ 1.12 Au , 18.4 Ag from 69.4m	NIU
EDD002	462677	9186034	2065.8	29.0	34.7	-65	103.80	25/09/10	0.9m @ 1.52 Au, 56.5 Ag from 24.m 5.0m @ 131.83 Au, 389.4 Ag from 89.8m (incl. 0.7m @ 217.57 Au, 645.7 Ag from 89.8m)	NIU
EDD003	462597	9186086	2077.5	29.0	34.7	-45	154.70	4/10/10	0.3m @ 2.25 Au, 19.5 Ag from 15.0m 0.4m @ 2.63 Au, 11.1 Ag from 19.3m 0.6m @ 1.32 Au, 10.0 Ag from 38m 0.3m @ 1.21 Au, 4.4 Ag from 39.3m 0.9m @ 2.82 Au, 3.5 Ag from 57.0m 1.0m @ 10.55, 6.1 Ag from 87.7m 0.8m @ 3.23 Au, 91.9 Ag from 97.7m	NIU
EDD004	462597	9186085	2077.5	25.0	30.7	-60	179.10	13/10/10	2.0m @ 1.35 Au, 2.9 Ag from 40.0m, and 4.0m @ 1.06 Au, 17.5 Ag from 79.7m, and 2.0m @ 6.11 Au, 14.1 Ag from 97.0m , and 1.0m @ 5.88 Au, 23.1 Ag from 150.6m	NIU
EDD005	462500	9186150	2094.5	29.0	34.7	-45	153.40	22/10/10	1.0m @ 1.29 Au, 30.1 Ag from 29.8m, and 1.0m @ 1.76 Au, 176.0 Ag from 104.2m, and 3.0m @ 8.85 Au, 374.5 Ag from 131.9m (incl 2.4m @ 12.65 Au, 520.6 Ag)	NIU
EDD006	462500	9186150	2094.5	28.0	33.7	-70	202.70	4/11/10	1.0m @ 1.30 Au, 64.9 Ag from 12.2m, and 1.0m @ 3.09 Au, 7.6 Ag from 52.2m, and 1.6m @ 1.57 Au, 447.0 Ag from 138.1m, and 4.8m @ 1.40 Au, 3.3 Ag from 197.0m (incl 1.0m @ 4.64 Au, 5.4 Ag from 200.8m)	NIU
EDD007	462416	9186169	2115.7	19.0	24.7	-55	150.50	15/11/10	2.0m @ 2.02 Au, 23.6 Ag from 96.0m, and 4.0m @ 4.88Au, 194.1 Ag from 100.0m , and 1.0m @ 1.15Au, 4.4 Ag from 107.6m, and 3.7m @ 2.29 Au, 5.18 Ag from 126.5m (incl. 1.0m @ 5.48 g/t Au, 12.2 Ag)	NIU
EDD008	462415	9186169	2115.7	25.0	30.7	-70	2.20	17/11/10	NSI - Hole Abandoned	NIU
EDD009	462253	9186205	2167.4	12.0	17.7	-45	168.40	26/11/10	7.5m @ 3.20 Au, 91.6 Ag from 90.9m (incl. 2.0 @ 5.71 Au, 148.7 Ag)	NIU
EDD010	462253	9186205	2167.6	14.0	19.7	-70	160.60	11/12/10	16.5m @ 0.34Au, 33.8 Ag from 92.1m (incl. 1.0m @ 2.16 Au, 86.0 Ag), and 5.0m @ 8.46 Au, 30.6 Ag from 137.6m (incl. 1.0m @ 37.0 Au, 61.7 Ag)	NIU
EDD011	462253	9186205	2167.4	14.0	19.7	-70	153.90	18/01/11	6.2m @ 3.01 Au, 284.0 Ag from 147.4m (incl. 1.0m @ 10.90 Au, 561 Ag)	NIU
EDD012	462979	9185930	2147.2	264.0	269.7	-50	210.00	9/02/11	30.0m @ 0.52g/t Au, 3.9 Ag from 146.9m (incl. 10.0m @ 0.71 Au, 5.3 Ag, and 1.0m @ 3.61 Au,	NIU
EDD013	462981	9185930	2147.5	265.0	270.7	-80	189.10	20/02/11	NSI	NIU
EDD014	462221	9186950	2046.9	225.3	231	-60	90.7	13/05/13	21.0m @ 1.18Au, 72.0 Ag from 63.0m	NIU
EDD015	462762	9185951	2057.5	27.3	33	-60	312.6	25/04/13	62.0m @ 0.28 Au, 1.7 Ag from 199.0m	NIU
EDD016	462222	9186950	2046.9	221.3	227	-60	314.3	29/05/13	20.0m @ 1.4 Au, 17 Ag from 62.0m	NIU

In 2012 to early 2013 Mincor PNG Limited managed exploration in the Edie Creek Tenements under a Joint Venture agreement with Niuminco Ltd. Detailed geological and geochemical appraisal along with a 12 hole drilling program, totaling 2615.1m, was completed in February 2013 (See Table 3).

Table 3: Mincor – Niuminco Joint Venture Drilling Summary

Hole_ID	mE	mN	RL	AZM Mag	AZM TN	DIP	Max_ Depth	Date_ Comple	Comments/Results	Co.
EMD001	462585	9186027	2074.2	12.3	18	-63	240.30	20/08/12	1.7m @ 1.14 Au, 15.4 Ag from 40.3m 0.9m @ 1.81 Au, 6.1 Ag from 105.4m	MCR
EMD002	462672	9186026	2065.7	30.3	36	-80	211.00	27/08/12	3.0m @ 1.81 Au, 41.9 Ag from 13.0m 1.0m @ 3.0 Au, 10.5 Ag from 18.0m 1.0m @ 0.74 Au, 1.0 Ag from 92.0m	MCR
EMD003	462562	9185998	2072.0	5.3	11	-69	250.00	15/09/12	NSI	MCR
EMD004	462490	9186150	2095.0	80.3	86	-85	263.40	14/09/12	1.0m @ 1.35Au, 20.2 Ag from 25.0m 1.0m @ 1.72 Au, 9.3 Ag from 114.0m	MCR
EMD005	462490	9186152	2095.0	95.3	101	-85	32.60	16/09/12	NSI - hole abandoned	MCR
EMD006	463272	9185410	2177.7	255.3	261	-60	200.00	29/09/12	1.0m @ 0.96 Au, 450.0 Ag from 67.0m 1.0m @ 1.03 Au, 0.4 Ag from 124.0m 0.4m @ 6.93 Au, 45.4 Ag from 154.1m 0.6m @ 3.82 Au, 42.7 Ag from 186.4m	MCR
EMD007	463300	9185410	2181.0	255.3	261	-84	179.40	18/10/12	0.6m @ 1.25 Au, 207.0 Ag from 89.4m, 1.0m @ 1.33 Au, 272.0 Ag from 102.6m 0.1m @ 3.55 Au, 8.2 Ag from 128.5m	MCR
EMD008	462744	9185986	2056.0	36.3	42	-60	150.10	4/12/12	0.4m @ 16.90 Au, 25.1 Ag from 94.6m	MCR
EMD009	462306	9186020	2176.7	20.3	26	-57	406.00	22/12/12	0.9m @ 1.27 Au, and 106.0 Ag from 65.0m 2.8m @ 1.87 Au, 37.3 Ag from 108.25m 2.1m @ 2.58 Au, 18.4 Ag from 137.0m, 2.0m @ 1.1 Au, 2.7 Ag from 153.0m, 2.0m @ 2.43 Au and 0.5 Ag from 209m, 0.7m @ 0.55 Au and 4.4 Ag from 345.4m	MCR
EMD010	462163	9186167	2150.3	47.3	53	-60	259.00	25/01/13	1.0m @ 7.89 Au and 26.3 Ag from 163m, 0.4m @ 0.05 Au and 4.0 Ag from 228.4m	MCR
EMD011	462312	9186992	2101.0	190.3	196	-59	268.10	07/02/13	0.5m @ 1.07 Au and 3.0 Ag from 106.6m, 0.7m @ 3.32 Au and 5.7 Ag from 179.9	MCR
EMD012	463208	918787	2169.0	259.3	265	-60	291.20	22/02/13	0.6m @ 25.2 Au and 34.6 Ag from 244m	MCR

CURRENT DRILLING PROGRAM

Karuka – Enterprise Stockwork and Edie Creek Diatreme were defined as potential bulk tonnage targets. Both areas had some uncertainty about the robustness of the geochemical and geological models, so a carefully staged drilling program was proposed using a rig that was already on site, and choosing sites requiring a minimum of site and access preparation.

Karuka- Enterprise Stockwork has a strong gold anomaly defined by 1366 continuous chip samples of weathered rock outcrop in trenches which averaged 0.53g/t. The uncertainty was whether this strong gold response is due to supergene enrichment which may decrease at depth, or alternatively represent a surface leached zone from which grade increases with depth to the base of oxidation, as suggested by the district-wide assessment of Lowenstein (1982).

The uncertainty about the Edie Creek Diatreme was whether the exposed small diatreme bodies link at depth to form a larger diatreme system, or alternatively are a series of discrete small bodies linked to shallow NE-dipping detachment faults. The latter may limit the potential tonnage.

Karuka – Enterprise Stockwork

An initial test of the Karuka- Enterprise Stockwork used the Traverse Drilling “Romeo” rig on site from a currently assessable point on the Enterprise access road. Parameters for EDD014 were: PQ/HQ coring, coordinates 462,221E / 9,186,950N, azimuth 231°TN, inclination -60°, depth 90.7m (See Table 1). This was intended to traverse the main Karuka Stockwork, but was abandoned due to penetration difficulties at 90.7m after passing through a 2m refilled cavity in the Karuka underground workings (Figure 2).

An additional hole EDD016 was drilled from the same site at a slightly different azimuth. Parameters for EDD016 were: PQ/HQ coring, coordinates 462,222E / 9,186,950N, azimuth 227°TN, inclination -60°, depth 314.3m. This was intended to traverse the main Karuka Stockwork and was terminated at 314.3m after failing to intersect any significant stockwork zone.

Both EDD 014 and EDD 016 intersected stockworks of gossanous quartz veinlets in the 20m zone overlying the Karuka underground workings. **EDD 014 averaged 1.18g/t Au, and 72g/t Ag in the 21m interval from 63m to 84m. EDD 016 averaged 1.40g/t Au, and 17g/t Ag in the 20m interval from 62m to 82m.**

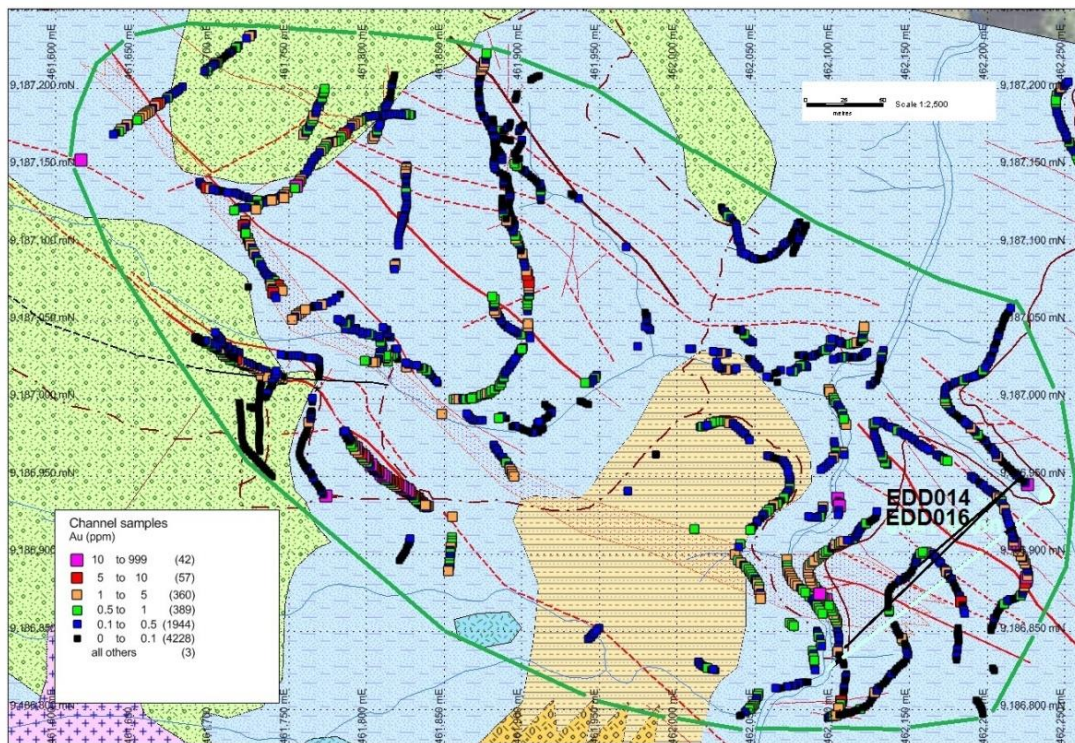


Figure 2: Enterprise – Karuka stockwork zone. Green outline is boundary of the trench sampling used to calculate an average grade of 0.53g/t for 1366 samples. The fawn coloured central lobe is the area of maar lake fill sediments interfingering with diatreme breccia to the south (orange). DDHs 014 and 016 (black) cross-cut the SE projection of the highly anomalous Karuka Stockwork where a sidecut track face 50m northwest of the proposed drill section produced a cumulative 70m @ 1.04g/t. The site was chosen for ease of access and a good first test of the bulk tonnage concept.

Edie Creek Diatreme

The first hole test of the Edie Creek Diatreme was EDD015 with parameters: PQ/HQ coring, coordinates 462,762E / 9,185,951N, azimuth 033°TN, inclination -60°, depth 312.6m. This penetrated directly beneath anomalously high gold chip samples on the Alpha South benches (Figure 3).

The interval 1 to 40m in EDD 015 comprises high level diatreme or maar breccia, which was not evident in surface exposure, while further down the hole diatreme root breccias were intersected. This prompted speculation as to the potential for other such systems hidden beneath transported overburden within the Upper Edie Creek Valley. The maar breccias in EDD015 are similar to those exposed 200m upstream in Edie Creek and near the plant site, which suggests that these maar sediments may be more extensive than currently established.

The focus on potential bulk tonnage exploration targets, reinforced somewhat by the intersection of diatreme breccias in drillhole EDD 015, has prompted an interest in the topography of the Upper Edie Creek Valley.

In EDD 015 veining and brecciation dip at between 70 and 50 degrees to the southwest, in a similar attitude to the main Edie Lode system. A stockwork of low sulphidation partly brecciated and rehealed quartz – carbonate veining extends from 199.0m to 260.6m with massive vein (~100%) in the section 210.6m to 223.0m, then 20% vein from 223.0m to 231.0m and another massive vein from 260.1m to 260.6m. **An intercept of 62m from 199m to 261m averaged 0.28g/t Au, 1.7g/t Ag and this is the widest section of massive vein and vein stockwork intersected to date.**

A summary of EDD015 is as follows:

96 – 97m	Diatreme breccia	1m	1.78g/t Au
98 – 99m	Brecciated porphyry	1m	1.17g/t Au
199 – 210m	Vein stockwork	11m	0.18g/t Au
210 – 223m	Massive vein	13m	0.26g/t Au
223 – 231m	Vein (20%)	8m	0.17g/t Au
231 – 260m	Vein stockwork	29m	0.36g/t Au
260 – 261m	Massive vein	1m	0.28g/t Au

The low gold tenor of this impressive vein and stockwork zone remains unexplained but is likely to be due to pronounced grade variability as is common in such veins.

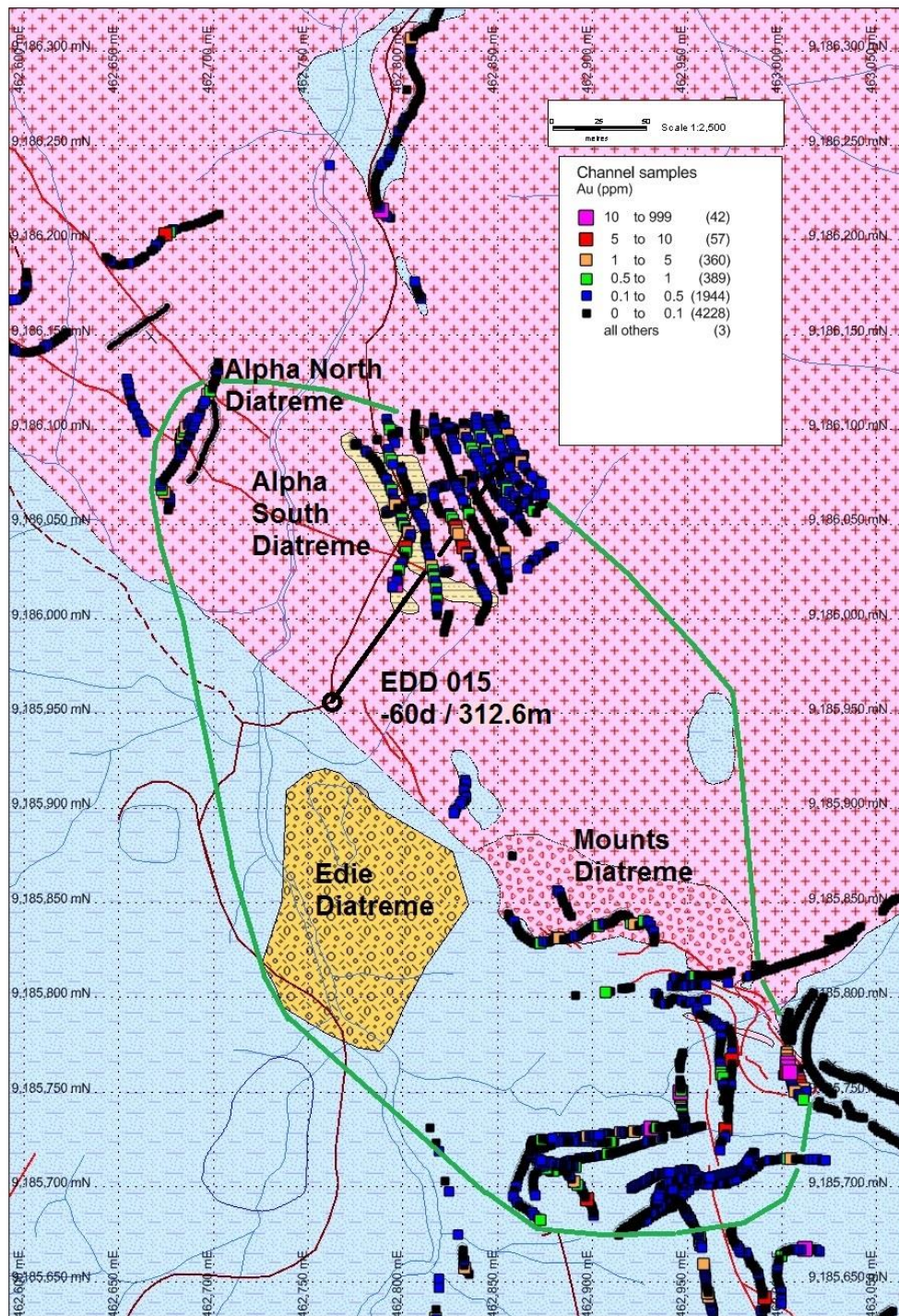


Figure 3: Outline in green of Edie Diatreme with 4 diatreme breccia “fingers”, continuous chip trench and bench samples & proposed drillhole EDD015.

STAGE 2 DRILL PROGRAM PROPOSAL

Further drilling of the Edie Creek Diatreme should be deferred and an Induced Polarisation survey completed over the entire diatreme area. IP Chargeability is expected to define zones of maximum sulphides, while IP resistivity may highlight zones of strong silica alteration beneath the extensive talus cover of the valley.

Stage 2 program for Karuka – Enterprise Stockwork is proposed to intersect the main defined veins and stockworks and zones of anomalously high gold in continuous chip samples. A 10 hole program for 2000m of drilling is envisaged assuming that an RC rig is available (Figure 4). If core drilling is required then some of the hole depth parameters may require variation.

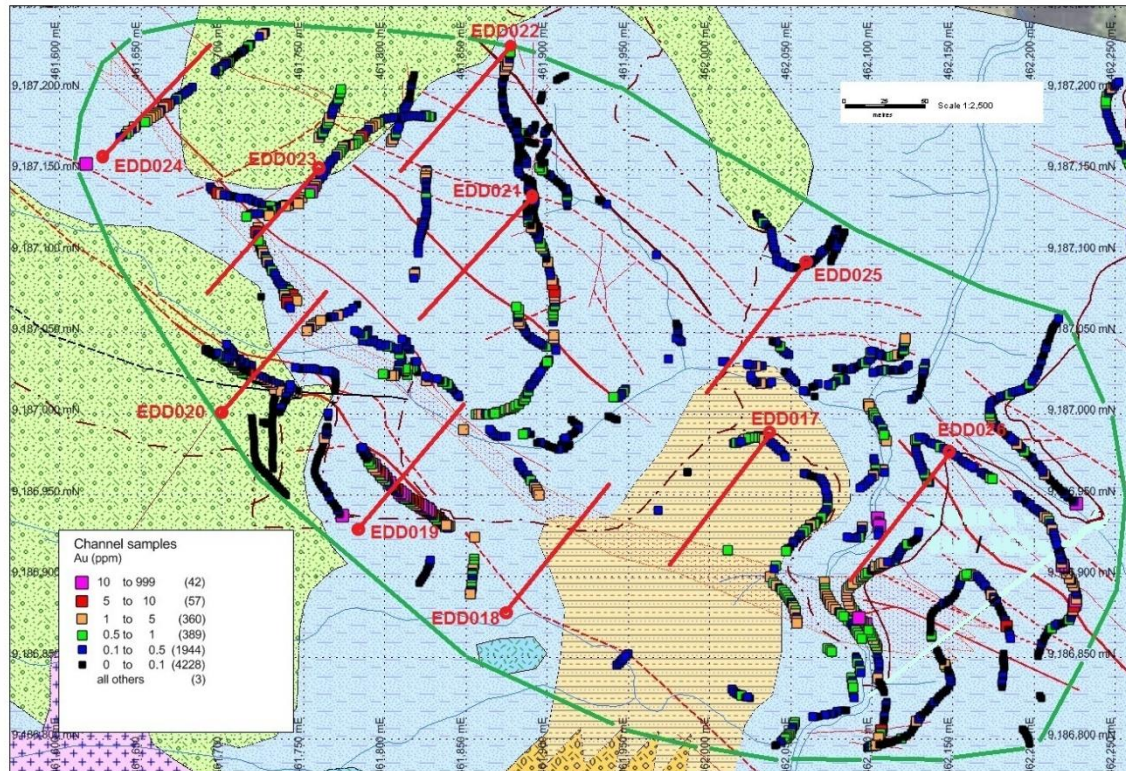


Figure 4: Karuka Enterprise Stockwork with Stage 2 drillhole locations EDD017 to EDD026