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Excellent drilling results from Hargraves

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- The recent 12,000m drilling program on the BNH deposit has been completed and has intersected gold mineralisation over significant lengths in the BNH Central area.
- HGCD32 (9800N) averaged 20g/t over 8.1m from 77m downhole in an interval of 3.6g/t over 52m from 33m below surface.
- HGD13 (9775N) has been extended 140m and now averages 1.8g/t over 213m from 22m, including previous 7.5g/t over 40m from 26m.
- Further drilling is planned to extend the high grade zones and to drill the high grade Feeder Zone/Reef 3 position.
- The BNH deposit is open at depth and along strike and numerous nearby gold bearing structures are to be drilled.
- Maiden Resource Estimation expected in August.

Recent drilling in the BNH Central area has revealed long intersections of gold mineralisation in the BNH structure including the numerous Reef systems, Feeder Zones and adjacent mineralisation. Hole HGD13, located at 9775N, has been extended to 235m and averages 1.8g/t over 213m from 22m, including previously reported results of 7.5g/t over 40m from 26m. The HGD13 Extension has remained close to or within a Feeder Zone to the end of the hole and indicates that the mineralisation continues and is open at that depth.

The bonanza intersection in HGCD32 of 69.9g/t over 1.11m from 84m is the intersection of Reef 5 with a Feeder Zone at 9800N. Very high gold grades averaging 13.7g/t occur within 12.6m of strongly laminated reefs, tension veins and cleavage parallel stringer arrays in the BNH structure hinge zone from 77 metres downhole. This Reef 5 position is part of a longer intersection including Reef 3, that averages 3.6g/t over 52m from 33m.

Other new intersections of individual Reefs include:

HGCD29 (9750N) : 4.3g/t over 12m from 105m;
HGCD20 (9725N) : 5.2g/t over 11.5m from 83m;
HGCD22 (9725N) : 7.1g/t over 4.0m from 95m;
HGCD38 (9700N) : 2.5g/t over 8.1m from 79m;
HGCD25 (9700N) : 7.6g/t over 0.6m from 82m;
HGCD23 (9675N) : 2.3g/t over 6.2m from 74m;
HGCD14 (9675N) : 9.6g/t over 3.2m from 104m;
HGCD28 (9650N) : 13.7g/t over 2.1m from 135m;
HGCD30 (9625N) : 6.3g/t over 5.8m from 58m.

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The majority of the holes in the BNH Central program have targeted the Reef 5 position at ~100m below surface. The Reef 3 position between 50 and 100m below surface has had little drilling to date and holes are planned to drill it out.

In the BNH deposit, the highest grade gold mineralisation occurs within a few metres of the Feeder Zone / Reef intersections and low to moderate grades persist adjacent to the vertical Feeder Zones between the dominant Reefs. The Reefs are spaced at approximately 40-50m down the BNH structure. The Reefs can carry high gold grades for up to 20m either side of the Feeder Zone and very high grade mineralisation occurs within a few metres of the Feeder Zones. Drill holes within close proximity of the Feeder Zones have intersected zones of extensive mineralisation linking the Reefs alongside the Feeder Zones. These have been recognised throughout the BNH Central area and may be suitable for bulk mining methods. Other holes have intersected the narrow, but often high grade, continuation of the Reefs beyond the strong mineralisation adjacent to the Feeder Zones.

The drilling program has established remarkable continuity in the mineralised Reefs over the entire 875 metres strike length tested and interpreted to date.

- Reef 1 now extends for at least 600m from 9000N, where it intersected bonanza grades 40m below surface, to 9600N.
- Reef 3 extends for at least 800m from 9000N to 9800N. Bonanza grades were also intersected at 110m below surface at 9000N, which is close to the southern extent of drilling.
- Reef 5 has been drilled from 9525N to 9825N extending at least 300m and drilling has intersected bonanza grades 70 metres below surface near the northern extent of drilling.

Some drill results are still pending and drill hole data compilation and interpretation is underway. Resource estimation is progressing with initial results expected in August.

Attribution

The information in this report that relates to Exploration Results or Mineral Resources is based on information compiled by Mike Quayle and Philip Bruce. Mr Quayle is a Member of The Australian Institute of Geoscientists and is a full-time geological employee of the company. Mr Bruce is Fellow of the Australasian Institute of Mining and Metallurgy and both Mr Quayle and Mr Bruce have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (The JORC Code). Mr Quayle and Mr Bruce consent to the inclusion in the announcement of the matters based on their information in the form and context in which it appears.

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