

Sams Creek gold resource estimate rises 250%

25 January 2004 - The gold resource estimate for the Sams Creek gold prospect in Golden Bay at the north of the South Island has increased over 250% following encouraging drilling in the past year, Perth-based GRD NL says in its report for the third quarter of 2003.

GRD has increased its resource estimate for the main zone of the intrusive porphyry dike from 200,000 ounces to 725,000 ounces (based on 10.7 million tonnes at 2.12 g/t grade at a 0.7 g/t cut-off).

The resource remains open at depth and along strike, and is based on the limited drilling completed to date at the main zone prospect (only 10% of the known dike extent).

The Sams Creek mineralised dyke is the only known granite associated gold deposit in New Zealand and has been traced over a length of 7 km, with thickness of up to 60m and a vertical depth of at least 900 m. The known gold mineralisation is confined to the dike where it is associated with complex zones of multiple quartz veining, making up an intense irregular stockwork.

Two higher-grade shoots potentially exist at Sams Creek, separated and bounded by a halo of moderate to low grade gold mineralisation. These shoots are open down plunge (down dip of the dike) and along strike.

Earlier this year Len Jubber, GRD Macraes chief operating officer said Sams Creek had the potential to support major gold mine based on the deposit with the potential to be "at least" as big as the company's Reefton gold mine now under development.

GRD said in the September report that the main zone exploration results were highly encouraging with three of the four holes drilled intersecting significant mineralisation. Highlights were DDH48 intersecting 38m at 3.19g/t, DDH45 intersecting 49m at 2.57 g/t, and DDH44 intersecting 144 m at 1.53 g/t.

Further drilling of the main zone was to begin in late 2003. Many other intrusion-related gold deposits elsewhere in the world, including Fort Knox, Pogo and Porgera, are very large.