

Glass Earth begins large airborne geophysics campaign over Otago

5 February 2007 - Glass Earth Limited has begun the largest airborne geophysical campaign yet undertaken in New Zealand over the Otago mesothermal gold region in the South Island

The 22,000 sq km electro-magnetics, magnetics and radiometrics survey is targeting the top 100 meters of the earth's crust for new areas with potential for hardrock or alluvial gold, Glass Earth says.

The four-month survey has been contracted to Fugro BTW Ltd who will use two Squirrel helicopters each towing a 9m-long cylindrical drone at 30m elevation.

A Resolve multi-coil frequency domain electromagnetic system, which is specifically designed to map layered earth resistivities with a high degree of accuracy and fine resolution, is being used.

The survey which began in mid-January 2007, will take about four months to complete.

The Otago geophysical survey is the second major geophysical project carried out by Glass Earth, the first being the 2005 Coromandel/Central Volcanic Region project in the North Island.

The Otago region is host to New Zealand's largest gold mine, OceanaGold's 7 million oz Macraes mine. The region was historically a prolific alluvial gold producing region where approximately 8 million ounces of gold was recovered in the 19th Century by prospecting and dredging. Glass Earth says its airborne survey may renew interest in Otago's remaining alluvial potential.

The major part of the survey will be over Glass Earth's 17,980 sq km Prospecting Permit 39 322, the largest ever onshore mineral permit granted by Crown Minerals.

The survey will also cover 1173 sq km of the Macraes West Project, owned Australian exploration company Aurora Minerals, which covers the possible westward extension of the Hyde-Macraes shear zone. Glass Earth has entered into a letter of intent with Aurora Minerals for a proposed joint venture.

Under the joint venture Glass Earth would fund the airborne survey, process and interpret the data and identify targets. Glass Earth would also plan and recommend a follow-up exploration campaign. Glass Earth may also earn 70% equity in the project by spending NZ\$750,000. Aurora may then elect to fund its 30% interest of joint venture expenditure, or dilute.

The aerial survey will also cover 2672 sq km of existing Glass Earth permits (acquired when HPD was taken over by Glass Earth).

The Otago Regional Council is also collaborating to part fund the survey. The council is seeking to gather publicly available data on the region's mineral potential for everything from gravel deposits and building rock to groundwater, limestone and precious metals.

Source: Glass Earth.