

Newmont enters joint venture to explore Glass Earth's Hauraki permits

28 February 2007 - US-based Newmont Mining Corporation has entered a joint venture agreement to explore all of Wellington-based gold explorer Glass Earth's permits in the Hauraki region around Waihi

Glass Earth said the joint venture with Newmont subsidiary Waihi Gold Company, operator of the Martha and Favona mines, would cover 15 advanced gold prospects within trucking distance of Newmont Waihi's gold plant.

Glass Earth said several of the targets have significant gold intercepts. One of these at Wharekiriponga, DDH4 17.7m @ 4.0g/t Au (in 150m @ 0.93g/t Au) lies just two kms along-strike from the Golden Cross mine which produced 634,000 oz gold between 1991 and 1997.

Another target at Owharoa (historic production 63,334 oz), has a 500m wide alteration zone which is interspersed with innumerable quartz veins.

Under the joint venture agreement Newmont is to spend \$6.2 million over four years over three sectors of the Glass Earth permits — a number of which are in the name of Glass Earth subsidiary HPD New Zealand.

Newmont has become operator of the permits and exploration is to begin immediately, Glass Earth said.

Newmont will earn an initial 65% equity in a venture area, by expending over a 4 year period \$1.65m on the northern venture area; \$1.75m on the central area and \$2.8m on the southern area.

Under the agreement Newmont may elect to prepare a feasibility study to earn a further 10% in a venture area, while Glass Earth may request that Newmont arrange Glass Earth's share of financing in return for a further 5% equity in a venture area.

Glass Earth and Newmont will be liable (in proportion to their equity interests) for the Geoinformatics Exploration Inc 2% royalty on any production from identified and acknowledged targets in the Hauraki region permit area.

Newmont and Glass Earth made their first joint venture agreement in April 2005, on the 280 hectare Waihi West EP 40767 adjacent to the Martha mine after Glass Earth's aerial geophysical surveys indicated good evidence of gold mineralisation from the Martha mine extending into the permit. Newmont was to spend \$400,000 in the first year and after a decision point could spend a further \$1.1 million within the next two years to earn 60% rights in the permit.

The latest agreement with Newmont leaves Glass Earth free to concentrate its physical resources on exploration of its three other regions where it has substantial holdings.

In its Central Volcanic region north of Lake Taupo, Glass Earth said it has six advanced drill-ready prospects in the process of being drilled within its 74 defined epithermal gold targets.

In its Mamaku-Muir's region just south of Te Puke, Glass Earth has 17 recently-defined gold targets.

In the South Island the company's exploration efforts are focussed on the Otago region for mesothermal "Macraes-style" gold targets. Glass Earth has three near drill-ready mesothermal gold prospects in Otago. It is also currently carrying out the largest airborne geophysical survey yet undertaken in New Zealand over 22,000 sq km of Otago, targeting the top 100 metres for potential hardrock or alluvial gold.

Source: Glass Earth