

OceanaGold extends high grade Panel 2 Deeps zone at Frasers

12 October 2009 - More higher grade gold ore has been located beneath the floor of the Frasers underground mine at Macraes goldfield in the Panel 2 Deeps.

OceanaGold said that drilling had revealed good thicknesses and higher than average grades in the deeps zone than in other Panel 2 ore.

The Deeps zone is estimated so far to contain mineral resources of some 880,000 tonnes of ore at an average grade of 4.0 grams a tonne, giving an estimated 114,200 oz in contained gold. This resource calculation was based on results from 63 holes completed up to July 31, 2009.

The Panel 2 Deeps is a sub-parallel zone located approximately 10 to 20 m below the current area of mining.

The deeps zone has been found in a front of holes drilled from south west to north east across the panel. The deeps deposit remains open to the south and east.

When OceanaGold first reported the existence of the deeps zone in April 2009, it was based on 39 holes from surface and underground drilling. The deeps zone was discovered during decline development at the underground mine.

In the three months to July, a further 23 holes for 646 m were drilled from underground extending the resource by approximately 200 m to the northeast.

To facilitate further exploration drilling from underground, development of a exploration drive into the unmined eastern side of Panel 2 has commenced. This will provide access for further drilling for extensions at Panel 2 Deeps and also be used to target additional mineralization down dip from Panel 2.

Underground exploration drilling from this drive was expected to start in late September.

Marcus Engelbrecht, Interim CEO & Chief Financial Officer, said the Panel 2 Deeps is an exciting new area of the Frasers Underground mine.

"We are hopeful that we can continue to expand and advance this deposit to a stage where it can be integrated into the mine plan by late next year."

Sources: OceanaGold and Lindsay Clark

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