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The high grade M2 in the Cornelian area will be mined over the coming months to produce approximately 1,500 tonnes of high grade material for processing. The 2007 Reward test drive along the M2 averaged 58g/t gold over 0.8m between 1400 and 1450N and further driving to date has extended the high grade zone to 90 metres strike length.

The 2007 inferred resource estimate for the Cornelian area M2 was 24,460 tonnes at 8.5g/t gold, however development and processing grades have indicated the actual grade and tonnage to be higher.

Mine planning is being completed for an initial high grade stope between 1400 and 1450N to be mined above and below the Amalgamated level, and for mapping of the geological controls of the very high grade zones within the stoped area. The M2 will be removed from the floor of the drive using a mini excavator, backfilled with waste, then stoping will proceed overhead in a number of 'flatback' lifts up for approximately six to eight metres.

A by-pass tunnel around the planned stope area is underway to provide continued access to the new shaft, where development of the Exhibition sublevels continues. Electrical and compressed air supply facilities are being upgraded to support the new mining areas.

Also commencing shortly is narrow vein driving on the Amalgamated level along the Paxton's to the north and south from the 1555N crosscut, and a rise on the Paxton's from the 1555N crosscut to the 671 sublevel. The Paxton's 1555N rise will meet the 671 sublevel crosscut from the shaft, and the Paxton's 671 sublevel drives to the north and south (the original 'bulk sampling' exercise) will then start immediately.

High grade drill hole intersections below the Amalgamated level have extended the Reward resource potential. Underground diamond drilling has recently intersected abundant visible gold in the Amalgamated vein set at 1250N and 1425N to the west and below the Amalgamated level. The surface drill hole HHRCD22 intersected 220g/t over 0.1m in the Amalgamated vein set 50 metres below the level at 1460N and further underground holes are to be drilled to test high grade continuity of the vein set.

Further test driving and mining in the Cornelian and Exhibition areas is being evaluated.

Attribution

The information in this report that relates to Exploration Results or Mineral Resources is based on information compiled by Philip Bruce. Mr Bruce is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Bruce has 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 Bruce consents to the inclusion in the announcement of the matters based on his information in the form and context in which it appears.

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