

# HEEMSKIRK

## Announcement



1 July 2010

### High grade gold assays at Pajingo (40%)

#### KEY POINTS

- ▶ **Positive infill and extensional drilling at the Pajingo Gold Mine (40%) detail eastern extension potential**
- ▶ **Results included high grade intercepts in the Sonia Lode system of 4m @ 60.7g/t gold (including 0.4m @ 428g/t gold), 3.8m @ 49.9g/t gold and 6.4m at 44.8g/t gold (including 1.6m @ 172g/t gold)**
- ▶ **The Jandam Lode system also returned strong results such as 3m @ 18.0g/t gold and at Faith 1.1m @ 41.5g/t gold**
- ▶ **Assays pending on a number of additional recently completed holes**

Diamond drilling exploration and delineation results completed by the Pajingo Joint Venture (Heemskirk Consolidated 40% : North Queensland Metals 60% and Manager), have been received.

These results confirm continuity in an easterly direction both in terms of structure and gold grades on a number of lode systems. The information is detailed in Table 1 (overleaf).

In relation to these results, Managing Director Mr Kevin Robinson said:

*"We are very encouraged by these strong results as they assist in the ongoing refinement of mine planning, both short term and long term. Broader scale exploration will also continue within the Joint Venture lease area following up a series of promising targets."*

Drilling was conducted from the recently completed underground mine access drive on the 767RL level. This development, including infrastructure, cost approximately A\$5M and allows for delineation drilling and subsequent exploitation of the Zed-Sonia\* and Bunty areas. This same horizon has also been used to drill holes to explore for extensions of the main ore system. This area is named Faith.

The delineation drilling at the Zed and Sonia areas are designed to tighten ore lode pierce point intervals to approximately 20m x 20m. The objective of this activity is to elevate Inferred category mineralisation to the Indicated category. The information gained will also contribute to optimal positioning of future development.

Faith appears to be an extension of the main line of lode (see Figure 1) and appears to extend deeper in keeping with the trend of the main ore zone. A review of other exploration data has identified another exploration target, Dawn, which lies still further to the east.

Assays are pending on a number of completed diamond drill holes on the Zed East, Bunty and Zed West areas.

\* The current Inferred Resource for Zed-Sonia is 710,000t @ 8.7g/t gold (198,000 oz). North Queensland Metals announcement dated 24 June 2010 – see 2009 Mineralised Resources (excludes Ore Reserves)

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Kevin Robinson  
Managing Director



**Table 1: - Drilling Results**

Prospect	Hole_Id	From	To	Down Hole Length	Au g/t	Comments	
Jandam	2009_10_JD	90.00	91.80	1.80	<b>8.22</b>	<45° to orebody strike	
	2009_10_JD	132.36	139.00	6.63	<b>4.09</b>	<45° to orebody strike	
	2009_11_JD	134.00	135.00	1.00	<b>1.90</b>		
	2009_12_JD	114.13	116.00	1.87	<b>2.18</b>		
	2009_13_JD	102.70	105.46	2.76	<b>3.21</b>		
	2009_14_JD	104.90	106.40	1.50	<b>8.68</b>		
	2009_15_JD	150.00	153.00	3.00	<b>17.97</b>		
	2009_15_JD	160.00	166.00	6.00	<b>7.05</b>	Reported previously	
	2009_16_JD	139.80	142.00	2.20	<b>3.58</b>	Reported previously	
	2009_16_JD	154.00	157.48	3.48	<b>3.12</b>	Reported previously	
	2009_17_JD	182.00	183.45	1.45	<b>7.84</b>	<45° to orebody strike	
	2009_18_JD	129.54	130.50	0.96	<b>1.30</b>		
	2009_18_JD	132.00	133.27	1.27	<b>5.18</b>		
	2009_19_JD	123.00	125.20	2.20	<b>0.71</b>		
	2009_20_JD	143.00	147.00	4.00	<b>15.49</b>	Reported previously	
	2009_21_JD	180.00	181.62	1.62	<b>15.04</b>	<45° to orebody strike	
	2009_21_JD	199.00	201.00	2.00	<b>1.70</b>	<45° to orebody strike	
	2009_22_JD	113.00	114.00	1.00	<b>3.55</b>		
	2009_23_JD	109.00	112.00	3.00	<b>5.54</b>		
	Faith	2009_29_JD	125.00	126.20	1.20	<b>2.25</b>	<45° to orebody strike
		2009_31_JD	101.00	102.00	1.00	<b>2.76</b>	
		2009_32_JD	89.00	93.00	4.00	<b>2.65</b>	
		2009_33_JD	83.40	85.00	1.60	<b>7.74</b>	
2009_34_JD		87.00	91.00	4.00	<b>2.09</b>		
2009_35_JD		83.00	84.60	1.60	<b>1.83</b>		
2009_36_JD		111.20	112.70	1.50	<b>18.47</b>		
2009_37_JD		115.00	115.70	0.70	<b>17.15</b>		
2009_38_JD		149.30	150.30	1.00	<b>7.43</b>		
2009_40_JD		105.50	106.60	1.09	<b>41.45</b>		
Sonia	2009_41_JD	92.00	93.00	1.00	<b>13.25</b>		
	2009_41_JD	106.30	107.40	1.10	<b>6.26</b>		
	2009_01_SO	88.30	94.70	6.40	<b>44.77</b>	Includes 1.6m @172g/t	
	2009_02_SO	92.00	95.80	3.80	<b>49.92</b>		
	2009_03_SO	118.20	120.70	2.50	<b>6.89</b>		
	2009_05_SO	213.00	219.30	6.30	<b>2.14</b>		
	2009_05_SO	225.00	226.90	1.89	<b>1.61</b>	<45° to orebody strike	
2009_07_SO	87.00	91.00	4.00	<b>60.68</b>	Includes: 0.4m@428g/t 0.4m @152g/t		
Zed East	2009_08_ZE					awaiting assays	
	2009_09_ZE					awaiting assays	
	2009_10_ZE					awaiting assays	
Bunty	0769_01_BN					awaiting assays	
	0769_03_BN					awaiting assays	
	0769_04_BN					awaiting assays	
	0769_05_BN					awaiting assays	
	0769_06_BN					awaiting assays	
Zed West	17 holes					Drilled, not logged	

Information provided by Pajingo Joint Venture Manager, North Queensland Metals Limited (60%)  
Note: intersections may not be true width, some intersections are drilled at oblique angles

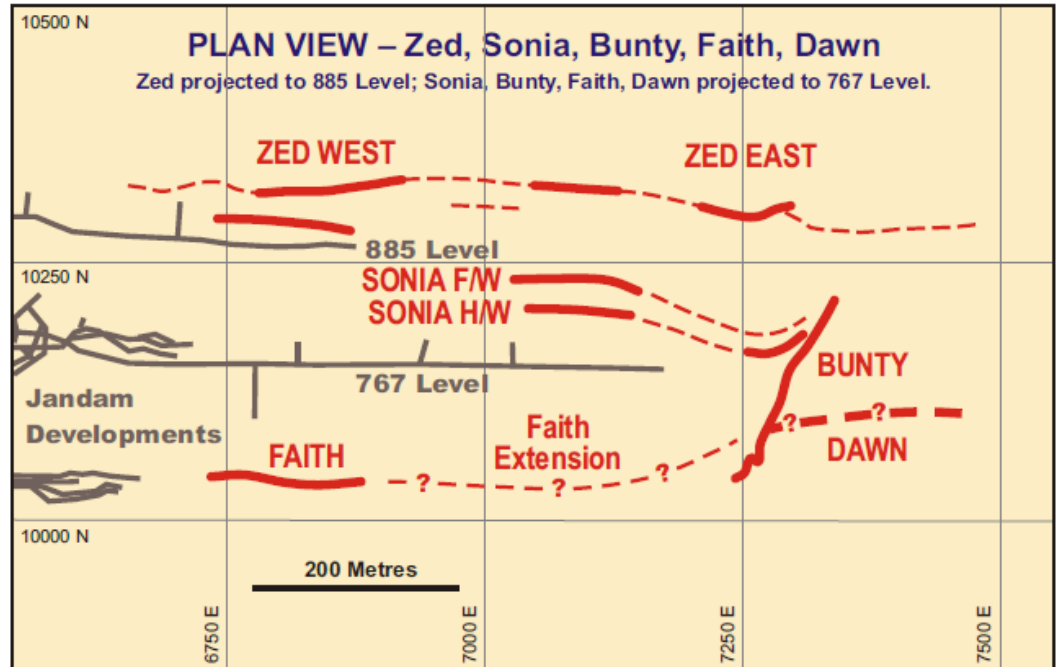


Figure 1: - Plan section showing Faith and Dawn target zones in relation to the Zed Sonia and Bunty orebodies at Pajingo Gold Mine

## Directors

Bruce Kay  
(Non-Executive Chairman)

Ross Herron  
(Non-Executive Director)

Lex Hansen  
(Non-Executive Director)

Kevin Robinson  
(Managing Director)

Peter Bird  
(Executive Director  
Corporate & Markets)

### Current Results

The information in this report that relates to Pajingo Reserves and Resources is based on information compiled by Philip Agnew, who is a Member of the Australian Institute of Mining and Metallurgy. At the time of production Mr Agnew was a full time employee of North Queensland Metals Limited. Philip Agnew has sufficient experience which is relevant to the style of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Agnew consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

### Zed-Sonia

The information in this report that relates to Pajingo Reserves and Resources is based on information compiled by Jason Butler, who is a Member of the Australian Institute of Mining and Metallurgy. At the time of production Mr Butler was a full time employee of North Queensland Metals Limited. Jason Butler has sufficient experience which is relevant to the style of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Butler consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.