Copper/Gold Soil Anomaly Defined and Drilling to Commence Forthwith at Oomargi Prospect

Grid-based soil sampling and reconnaissance mapping has been completed at the Oomargi Prospect (~7km NW of the Kodu Deposit) EL 1348 in Papua New Guinea, where Tasgold has a 15% free carried interest. Assay results have defined large, porphyry related, coincident copper and gold anomalies, with minor molybdenum. The company’s work followed up limited previous soil sampling and minor trenching undertaken more than a decade ago by BHP.

The copper anomaly is oriented to the NNE/NE, similar to the Kodu Deposit, is cohesive and >2,200m long and 650m to 1000m (averaging ~750m) wide, using a cutoff of >~60ppm. The gold anomaly is coincident with the copper and has a similar overall size at a low-level (~15 ppb) cutoff. Both anomalies have higher tenor cores in the southern section, with copper being pseudo pear-shaped and up to ~500m wide and ~750m long, averaging ~500ppm, with a peak of >0.1% copper. The copper and gold anomalies are very well defined and remain open to the NE.

Lead and zinc anomalies, peripheral to the copper and gold anomalism, indicate zonation typical of porphyry copper/gold deposits in this type of tectonic setting. Assays on the edges of the grid are generally <25ppm copper and below detection (1ppb) for gold. The northern ~40% of the copper and gold anomalies appears to be ~250m left laterally offset by a NW trending fault. This NE sector may represent a higher stratigraphic level in the system, as it is topographically higher than the SW sector, the anomalies have a lower overall assay tenor and silicification is suggested from interpretation of aeromagnetic data. The soil grid is 2,200m x ~1,700m and was sampled every 25m on 200m spaced lines.

The copper and gold at Oomargi appears to be associated high-level calc-alkaline rocks intruding metasediments in an oval shaped ~2,000 x 1,000m phyllic altered zone, surrounded by a halo of moderate to weak silicification. The 622m of historic hand trenching exposed mostly strong quartz-sericite-pyrite (phyllic) altered metasediments. Approximately 60% of the trench results were gold and sometimes copper anomalous, including 2m of 3.89g/t Au, 116m of 0.18g/t Au + 0.06% Cu, 52m of 0.3 g/t Au + 0.06% Cu, 40m of 0.34g/t Au (incl. 6m of 0.9g/t) and 52m of 0.23g/t Au. These intercepts are considered to be excellent first pass results and their mode of occurrence in mineralised country rock reflects on the high overall prospectivity of the associated porphyry copper gold system.

The potential for economic mineralisation at Oomargi will be assessed by 2 scout drill holes about 300m apart that are planned to commence in ~1 week. The holes will be ~250m long and will test the central sector of the strongest copper and gold anomalies.

Diamond core drilling is continuing on the first hole at the Sirimu Prospect, located ~1,000m SW of the company’s previous drilling at Kodu. Locally pyritised, deformed and sulphide veined (phyllic altered) metasediments have been encountered throughout the 100m interval drilled (to 7/10/2005), prior to where the hole was projected to enter the target zone. Galena and sphalerite mineralisation was noted at 96.9m, as centimetre wide veins associated with a slightly wider massive pyrite vein with chalcopyrite on its margins and as disseminations.
TasGold is focussed on exploration in Tasmania and Papua New Guinea with a policy of ‘Year Round Drilling’ with its two environmentally friendly, man-portable diamond core drilling rigs. Targets are high-value mineral deposits including various porphyry Cu/Au, epithermal and intrusive related gold, VHMS silver/base metals. In PNG, the Company has 4 EL applications (2,500km²) and an agreement/JV with South Pacific Minerals Corp. (TSX-V: SPZ) that grants a 15% free carried interest to completion of bankable feasibility study plus financial closure on all ‘mining leases’ granted on 3 ELs and 5 ELAs (7,500km²). TasGold also currently has 3 million shares or ~14.5% equity in South Pacific Minerals Corp.

For additional information relating to the company’s projects please visit our website at www.tasgold.com.au or call me on (08) 9295 0388.

P.A. McNeil, M.Sc.
Managing Director

The information in this report that relates to Exploration Results is based on information compiled by Mr Peter McNeil of TasGold Ltd, who is a Member of the Australian Institute of Geoscientists. Mr McNeil has sufficient experience which is relevant to the style of mineralisation and type 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 McNeil consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.