

5 March 2010

### **LGL enters Ballarat sale agreement**

Lihir Gold Ltd (LGL) has entered into an agreement with Castlemaine Goldfields Limited for the sale of the Ballarat project in Victoria.

LGL will receive A\$4.5 million in cash plus an additional 2.5% royalty interest\* in future production, capped at A\$50 million. The sale is subject to certain conditions including Castlemaine shareholders approving the issue of new equity to raise a minimum of A\$20 million.

Castlemaine has indicated it intends to take the Ballarat operation forward as an exploration project, and will therefore cease mining and processing for the immediate future.

In preparation for the transition to new ownership, the operation will be wound down and placed on care and maintenance from today. Redundancies will be offered to affected employees. LGL will provide full entitlements and support services to employees and their families, including outplacement assistance.

*\* Calculated on Net Smelter Return*

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