



ACN 064 755 237



10 January 2003
 The Manager
 Company Announcements
 Australian Stock Exchange Limited

ASX Code: CNN

INITIAL DRILLING PROGRAM ON JIM'S LUCK PROSPECT IN BOTSWANA INTERSECTS SIGNIFICANT GOLD MINERALISATION.

SUMMARY:

Cardia Technologies Ltd is pleased to announce results of an initial drilling program at its Jim's Luck joint venture property in north-east Botswana. (Cardia 20%, Galley Gold Ltd 60% Mineral Holdings Botswana (Pty) Ltd 20%)

All three RC percussion holes drilled on the property by Cardia's joint venture partner Galley Gold Limited, in December 2002, have intersected significant gold mineralisation. Best intersections are 10 metres @ 7.5 g/t gold (including 3 metres @ 13.3 g/t) and 8 metres @ 5.8 g/t gold.

Early indications are that the Jim's Luck prospect has excellent potential to provide gold reserves that can be trucked to a proposed 100,000 ounce a year gold plant scheduled to be built by Galley Gold on its adjacent tenements in July 2003. (Subject to financing and other approvals).

Gold intersections from the three drill holes, applying a 1.0 g/t cut-off, follow:

Hole No.	From m	To m	Interval m	Grade g/t gold
JIMC 001	70	73	3	2.5
JIMC 002	59	67	8	5.8
JIMC 003	34	44	10	7.5
	including 37	40	3	13.7
JIMC 003	51	59	8	3.8

A geological sketch plan and drill hole cross section is attached (Figure 1)

CARDIA TECHNOLOGIES LTD

MELBOURNE OFFICE

Level 1, 89 High Street, Kew. VIC. 3101. Australia

Telephone (03) 9854 6138 Facsimile (03) 9817 7137 Email cardia@bigpond.com

BRISBANE OFFICE

Unit 1, 151 Granite Street, Geebung. QLD 4051
 Telephone (07) 3265 1699 Facsimile (07) 3265 1699

Transfer of Gold Exploration Assets to New co and shareholders entitlements

In November 2002, Cardia shareholders approved the establishment of a new Mineral exploration company that will hold Cardia's Botswana and Queensland exploration tenements. Shareholders will be offered an entitlement of one new share for every 3 shares held in Cardia at 1 cent per share. These funds are to provide working capital for an exploration program on the Magophate gold tenements held by Cardia (50%) and Mineral Holdings Botswana (Pty) Ltd. (50%) These tenements are located to the south east of Jims Luck. Subject to the results of a recent soil sample program completed at Magophate, a drill program is planned in the coming months.

Jims Luck- Details as supplied by Galley Gold Limited.

Galley Gold Limited can earn a 60% interest in the Jim's Luck property from partners Cardia Technologies Ltd and Mineral Holdings Botswana (Pty) Ltd under the terms of a joint venture agreement by expending Botswana Pula 750,000 (A\$221,250 approximately) within three years. Cardia can elect to maintain a 20% interest by contributing to future expenditure or dilute to a royalty on profits if no future funding is contributed.

The initial work program at Jim's Luck has focussed on a banded iron formation which hosts a number of small historic gold workings over a strike length of 1,500 metres. The work program has included geological mapping, detailed soil geochemical sampling, an induced polarisation survey and the three reverse circulation percussion drill holes totalling 288 metres.

The gold mineralisation is hosted by banded iron formation and accompanied by an arsenopyrite – pyrite sulphide assemblage.

Early indications are that the Jim's Luck has excellent potential to provide additional gold reserves that could be trucked to the proposed Galley plant for processing.

The Jim's Luck property is adjacent to Galley Gold Limited wholly owned Matsiloje prospect which contains a 3,400 metre strike extension of the Jim's Luck banded iron formation hosting additional historic gold workings. **Galley has recently completed a first pass 32 hole / 2,396 metre drill program at Matsiloje where the best intersection is 6 metres @ 6.5 g/t Au from 26 metres.**

Data compilation for both prospects is in progress and early follow-up drilling is planned.

Galley Gold is presently finalising a feasibility study for the development of a wholly owned gold mining operation on its nearby Mupane Gold Project. In December, Galley confirmed a reserve of 630,000 ounces of gold at Mupane. Subject to securing financing and Board approval, construction of a 1.0 million tonne per annum gold treatment plant producing some 100,000 ounces per year is scheduled to commence in July this year.

Early indications are that the twin Jim's Luck and Matsiloje prospects have excellent potential to provide additional gold reserves that could be trucked to the Mupane plant for processing.

The Cardia board believes these initial drill results warrants continued involvement in the Jims Luck tenements and exploration in Botswana.

Yours faithfully



Patrick Volpe
Chairman

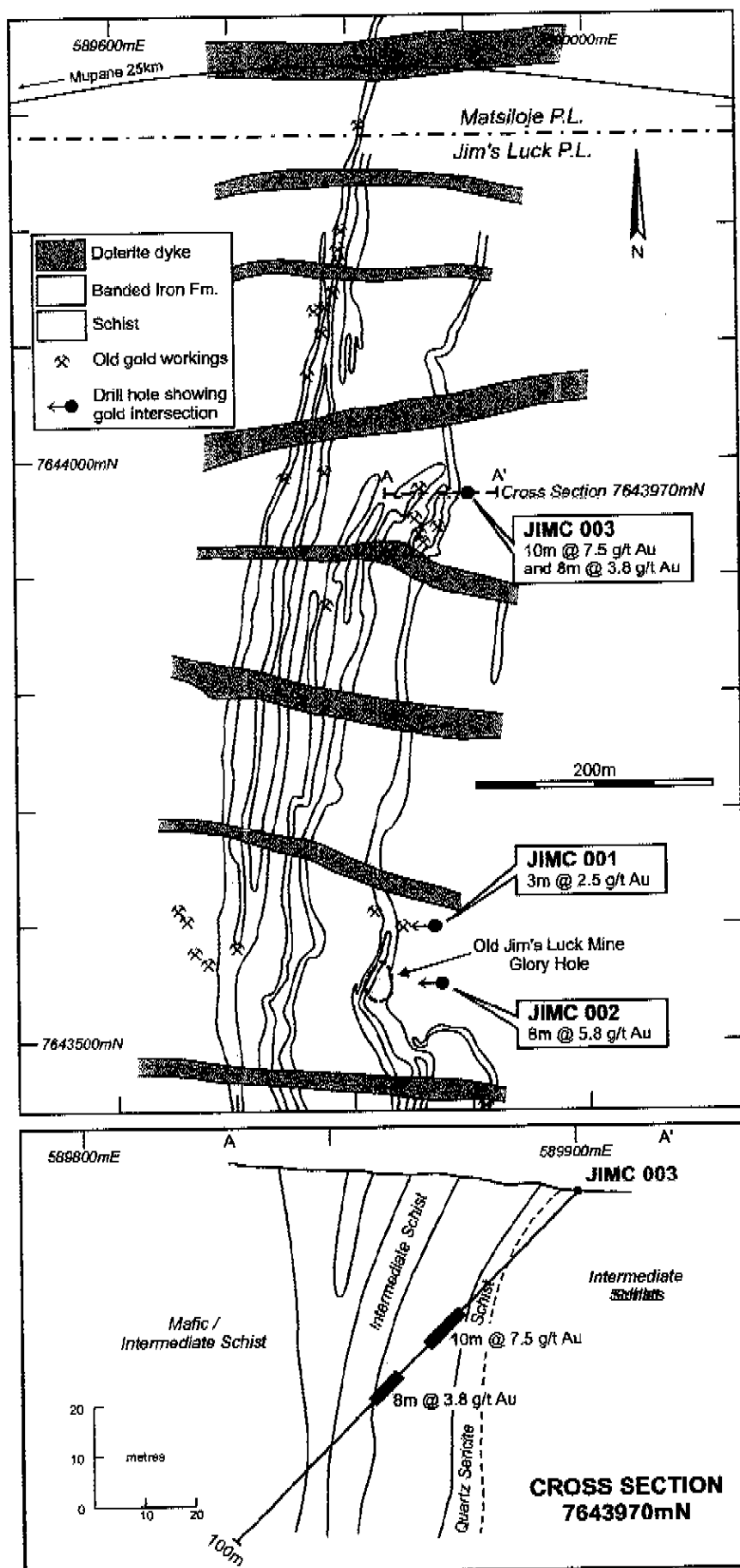


Figure 1 : Jim's Luck prospect showing new drilling results.