

Exploration Licence 006608

Burkes Flat – Avoca Fault Project

Proposed program of work

Exploration of the tenement area will be a staged process consisting of multiple stages, as detailed below, but not limited to. As the exploration program is undertaken it will progressively evolve and the next step of exploration will be dependent upon the results of the earlier stage of exploration.

Office based work (Low Impact Exploration)

The initial stage of exploration will be to research and collect all previous exploration and mining undertaken in and surrounding the tenement application area. Sources of information may be historical reporting (newspaper articles, government publications, expired tenement reports) maps, plans and sections generated from previous exploration and mining, along with any geochemical or geophysical data.

A review of the historic mining undertaken within, and nearby the tenement area will be undertaken. This will provide an indication of the historic ore and gold recovered from the tenement area, and provide an understanding on the grade of mineralisation.

The above data will be imported into appropriate database formats (GIS and 3 dimensional modelling software) where it will be reviewed and interrogated, it is expected to provide a preliminary understanding of the geology, mineralisation styles, controls of gold mineralisation, and may also identify immediate target areas which can be explored at an early stage for mineralisation.

A vital component of the early stage office based work will be to review and develop an understanding of the environment and communities in which it is proposed to operate. A majority of the tenement area is located over Freehold Land, and as such any proposed exploration will require the consent of the Owner and/or Occupier, it will be vital to the ongoing exploration that the Company understands the Community in which we intend to explore. Additionally the Company will undertake a preliminary assessment of the Flora and Fauna of the project area, whilst the project area is situated upon Freehold Land, there remains the potential for areas of significant Fauna and Flora value needing to be recognised.

Ground exploration activities (Low Impact Exploration)

In conjunction with office based work, opportunities for further exploration will be investigated, with site inspections and reconnaissance mapping. This work will assist in prioritising the exploration potential of the project area.

It is expected that a program of soil geochemical sampling and mapping will be undertaken, this will utilise a hand held GPS system in the field, and a portable XRF at the Company exploration offices to analyse soil samples for gold and associated minerals. This work is typically undertaken on a grid pattern, and assists in determining anomalous target areas that may warrant further exploration.

Surface mapping and rock chip sampling would be undertaken through the project area, this will allow a determination of the project area geology, and geologic structures which contain gold mineralisation.

The above mentioned ground activities will all require the consent of the land owner or occupier prior to the commencement of exploration upon Freehold Land.

Subsurface exploration activities

Subsurface exploration may be undertaken over the project area following the initial stages of exploration outlined above. Such subsurface exploration would be likely to consist of drilling with either oriented diamond drill core and/or reverse circulation percussive drilling methods. Such exploration will significantly improve the geological understanding and provide further detail on the amounts of gold mineralisation below surface.

Such exploration, depending upon the method used could last from 1 day to approximately 2 weeks on each particular site. Full rehabilitation of drill sites will be undertaken at the completion of each drill site, with the intent of the company to leave the site equal to or in better condition than it was prior to the commencement of exploration drilling.

Mineralisation targeted in project area

The Company is seeking economic gold mineralisation. Within the general area of the exploration licence, historic high grade gold mining was undertaken, the Company seeks to locate further extensions and repeats of the past mining associated with the regional scale fault structures present.

Indication of the Location and Focus of exploration

The main focus of exploration is expected to be along a north south trend, associated with the regional scale Avoca Fault traversing the project area. Historic exploration however has indicated that a secondary structure may be present, as past exploration appears to have focused on a southeast to northwest structure, see the diagram below displaying the potential areas targeted for initial exploration.

Geologic Rationale for exploration

The general exploration licence surrounds the historic high grade gold mine - Fones Reef at Burkes Flat (MIN5333, not associated with Castlemaine Goldfields). The mining was reported to have produced 50,000 ounces of gold from 74,000 tonnes of ore.

It is reported that mineralisation at the Burkes Flat – Avoca Fault project was associated with the regional scale Avoca Fault, which forms the boundary of the Bendigo zone to the east, and the Stawell zone to the west. Mineralisation appears to be located along northwesterly striking structures which are interpreted to be splays in the hangingwall of the regional Avoca Fault structure. Here in the hangingwall of the Avoca Fault slivers of interlayered mafic volcanics and sediments are interpreted to have been thrust to the near surface from significant depth in the Stawell zone, historic diamond drilling supports this.

Future exploration will target further fault splays from the regional Avoca Fault, that have upthrust the volcanics and sediments from depth, and which have been identified to contain anomalous gold concentrations. Magnetic pyrrhotite is typically associated with the mineralisation, and this may provide scope for the use of geophysics in the future exploration programs.

Exploration will target both shallow, medium tonnage gold mineralisation and deep high grade structures which may be economically mined and transported to the Company's Ballarat Gold Mine operations for gold recovery.

Proposed timing of Exploration

The exploration programs will be evolving programs and each stage will be dependent on the previous exploration stage. An indication of the timing of exploration may consist of

- Year 1 – Data collection and management, assessment of communities and environments of the project area, review of past geochemical and geophysical exploration, commencement of modelling.
- Year 2 – Data modelling, community engagement, soil geochemistry, surface mapping, ongoing data and modelling reviews, document preparation.
- Year 3-4 – Community engagement, soil geochemistry, subsurface exploration (drilling), revised computer modelling.
- Year 5 – Ongoing drilling operations, possible costeans/trenches for further subsurface geological mapping, refining computer modelling, project assessment to determine future direction of project.

Community Engagement

Introduction

It is a legal requirement of the Mineral Resources (Sustainable Development) Act, 1990 that a tenement holder must consult with the community impacted by the Company operations, S3 39A states:

A licensee has a duty to consult with the community throughout the period of the licence by-

- (a) Sharing with the community information about any activities authorised by the licence that may affect the community; and
- (b) Giving members of the community a reasonable opportunity to express their views about those activities.

In addition there is a strong moral and ethical case for licensees informing their local communities as to their plans in these communities and for licensees to listen to the views of the local communities.

In general terms, the licensee must establish the extent of the local community, work out an effective manner in which to communicate with the various members of the community, actually engage in an on-going communications strategy and to effectively deal with the information that it was able to discover.

The Community Engagement Plan

In general terms, the Company community engagement plan is broadly based on the following:

Identifying individuals or groups which may be impacted by the operations on the licence this involves the compilation of a list of adjacent landowners, persons living on or in the vicinity of the licence and other community groups which may be impacted by the operations. Groups such as the Victorian Farmers Federation or local organisations, Government Departments, Federal, State or local, and other government bodies such as Catchment Management Authorities who have a particular interest in the land on which the licence is situated will also form part of the consultation group.

It will be necessary to identify the expectations or attitudes of these groups and individuals. Often a direct face to face approach is the best way to engage many members of the community, this will be dependent upon the current restrictions in place through the State of Victoria.

The Company will assess the impact of our operations on individuals and groups. Following any consultation, the full impact will be assessed by guidelines provided by the regulator, and internal company policies.

Assessments will be made following consultation as to what level of community input and involvement can be achieved. There are likely to be a range of matters which may need to be considered. Ideally, many of the ideas and suggestions will be mutually beneficial to both the Company and the local community. Matters such as working hours or attitudes to working on days of high fire danger or working on hot and windy days may be matters which the local community could have views which need to be considered by the Company.

Any contact or complaint will be recorded in a community engagement register, and the Company will make suitable arrangements to contact the complainant. Where possible, the matter will be settled between the two parties, but mediators may be requested to assist in resolving any issue or mediating on the matter.

The Company will distribute an information sheet or local newspaper advertising outlining the project and seeking community views and attitudes to the operation.

Such interaction with the community will be used to identify any issues that may be arising from the operations on the licence and will attempt to accommodate the views of the stakeholders in dealing with any such issues.

The community is welcomed for their interest and input into ensuring that there is minimal adverse effects to the amenity of the area or the impact on the expectation of the community for the peaceful enjoyment of their local environment.

The Company is mindful of the need to maintain these exceptionally good community relations and to ensure that the channels of communication between the licence holder and the community in which it operates are kept open. All discussion with the community is based on mutual trust and respect.

Further Information

Castlemaine Goldfields Pty Ltd is committed to providing a safe operating environment to employees, contractors, the environment, community and stakeholders.

If you have any concerns or enquiries relating to the current or proposed operations of Castlemaine Goldfields we encourage you to contact us through the following:



03) 5327 2555 – This number is attended through business hours, messages may be left at other times.



info@cgt.net.au – Your enquiry will be forwarded to the appropriate person in Castlemaine Goldfields (exploration and tenements manager or community engagement officer) to best communicate with you.



Further information on Mineral Resources and Castlemaine Goldfields Pty Ltd, exploration and mining can be sourced from

<https://earthresources.vic.gov.au>

<https://ballaratgoldmine.com.au>

The Earth Resources website of the Department of Jobs, Precincts and Regions has more specific information on subjects at the following:

Exploration Licence guidelines:

<https://earthresources.vic.gov.au/legislation-and-regulations/guidelines-and-codes-of-practice/exploration-licence-guidelines>

Mineral Resources tenements in proximity to your area of interest:

<https://earthresources.vic.gov.au/licensing-approvals/location-of-mining-petroleum-licences/mining-licences-near-me#lat=-36.6460383&lng=143.5388796>

Code of Practice for Mineral Exploration:

<https://earthresources.vic.gov.au/legislation-and-regulations/guidelines-and-codes-of-practice/code-of-practice-for-mineral-exploration>

Community Engagement Guidelines for Mining and Mineral Exploration at

<https://earthresources.vic.gov.au/legislation-and-regulations/guidelines-and-codes-of-practice/community-engagement-guidelines-for-mining-and-mineral-exploration>