

Environmental Review Committee

One of the many licence conditions for Castlemaine Goldfields is to have an Environmental Review Committee (ERC). This committee is made up of representatives from regulatory authorities (DEDJTR, EPA, City of Ballarat), special interest groups, and residents from within the local community. If you would like to learn more about the role of Community Representatives, or express your interest in joining the ERC, please call the Environment & Community team on 5327 2555.

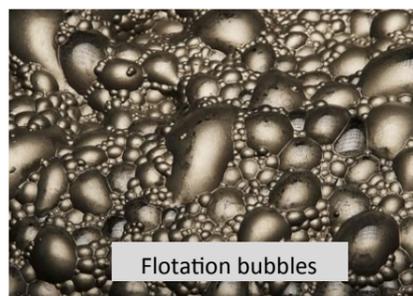
Exploration

CGT has Exploration tenements (licences) in Central Victoria. The Exploration department has focussed on the consolidation and retention of the regional exploration tenements, in addition to the geological modelling of the structural controls of gold mineralisation at the Ballarat South project.

Ballarat South MIN4847 licence has been renewed for a further period of five years, and now expires October 2019. Exploration studies have progressed from the conceptual modelling of the mineralisation controlling structures. Geologists are now identifying potential sites from which to further explore the mineralised structures through diamond drilling from surface.

Flotation to Aid recovery rates

The Processing Plant at Ballarat has been purpose built to capture coarse nugget gold. Just like the old timers in the 1850's, we use gravity to separate the heavy gold particles from the lighter rocks. Unfortunately, the gravity separation method does not capture the very fine gold. Overtime this leads to a significant amount of gold being deposited in the tailings storage facility.



Flotation bubbles

It has been known for some time through metallurgical test work that additional gold recovery can be achieved using flotation methods. Flotation adds a sticky layer to the fine gold particles and when air is introduced the sticky gold particles attach to the air bubbles and float to the surface where they are collected. CGT has recently installed a flotation circuit to increase gold recovery. CGT is also considering the installation of a ball mill to further improve recovery rates.



Flotation Circuit

International Visitors



Mining Engineers from Bochum, Germany.

CGT has hosted two groups of international visitors in recent months. The first, a group of third year university students from Germany touring Australian mines looking at engineering challenges.

The second group was a delegation from Argentina comprising of regulators, politicians and NGOs. The study tour of Australia, hosted by the University of Queensland, had a focus on Corporate and Social Responsibilities and Community Engagement processes undertaken by Australian Mining companies. CGT's Golden Point shaft was used as a case study for the group.

Education Resource

If you would more information or would like to try your hand at operating a flotation circuit head to the oresomeresources.com flotation interactive game. Just type oresome froth into your search engine or use the link:
http://www.oresomeresources.com/interactives_view/resource/interactive_oresome_froth

Community Newsletter

#8 June 2015



Message from the General Manager

Welcome to our first Community Newsletter for 2015. I am delighted to have recently joined the team at Castlemaine Goldfields as General Manager and hope that this newsletter will bring you up to date with activities at our Ballarat operation. As a mining engineer, I have worked in most Australian states during my career, accompanied by my wife and three sons. However, I am particularly pleased to be back here in Victoria (being originally from Melbourne) and to have the opportunity to work in the historic gold mining city of Ballarat.



We commenced our new financial year in April after a strong performance for 2014/15. Our mining crews developed 3,169 metres of underground tunnels during the year, and brought 257,337 tonnes of gold-bearing ore to the surface, a 51% increase on our previous year. We processed 250,664 tonnes of ore to produce 46,039 ounces of gold, a 15% increase on the previous year. Achieving these results during a challenging year was a fine effort by the whole CGT team.

The areas of activity underground during the year included the Britannia, Llanberris and Sovereign compartments and it is planned to continue mining these areas during the coming year.

We are seeking to build on last year's solid performance by completing the commissioning of a new flotation circuit at the process plant to improve the recovery of the fine gold in the orebody. Our geologists are also planning a substantial increase, to 65km, in the amount of drilling they will undertake to give further definition to the areas of mineralisation for our mining crews to target. This will also help to increase our total mineral resource base. In addition, an investment in our mining fleet will be made to upgrade some of the older equipment.

Our performance in environmental areas such as noise, vibration, dust generation and surface water discharge have all been within compliance limits. We will, however, continue to regularly review our performance in response to feedback received from the community. I would like to encourage all residents who may be experiencing vibration, or other impacts related to our operation to contact us on 5327 2555 any time.

We are continually exploring opportunities to reduce the level of vibration felt at the surface from the underground blasting of the rock required for our ore production. A leading blasting consultant recently visited the mine and we are working with him to see if we can fine tune our blast designs to be more effective. We thank the residents that have given us feedback on our blasting - this helps greatly with our research in this area.

Castlemaine Goldfields continues to be a strong employer in Ballarat and our team consisted of 147 employees and 49 contractors on site at the start of the financial year. Last year our expenditure in regional Victoria through wages and goods and services was in excess of thirty four million dollars, with around 65% of this in Ballarat.

We look forward to keeping you informed of our team's activities during the year.

A handwritten signature in black ink, appearing to read 'M. P. Adams'.

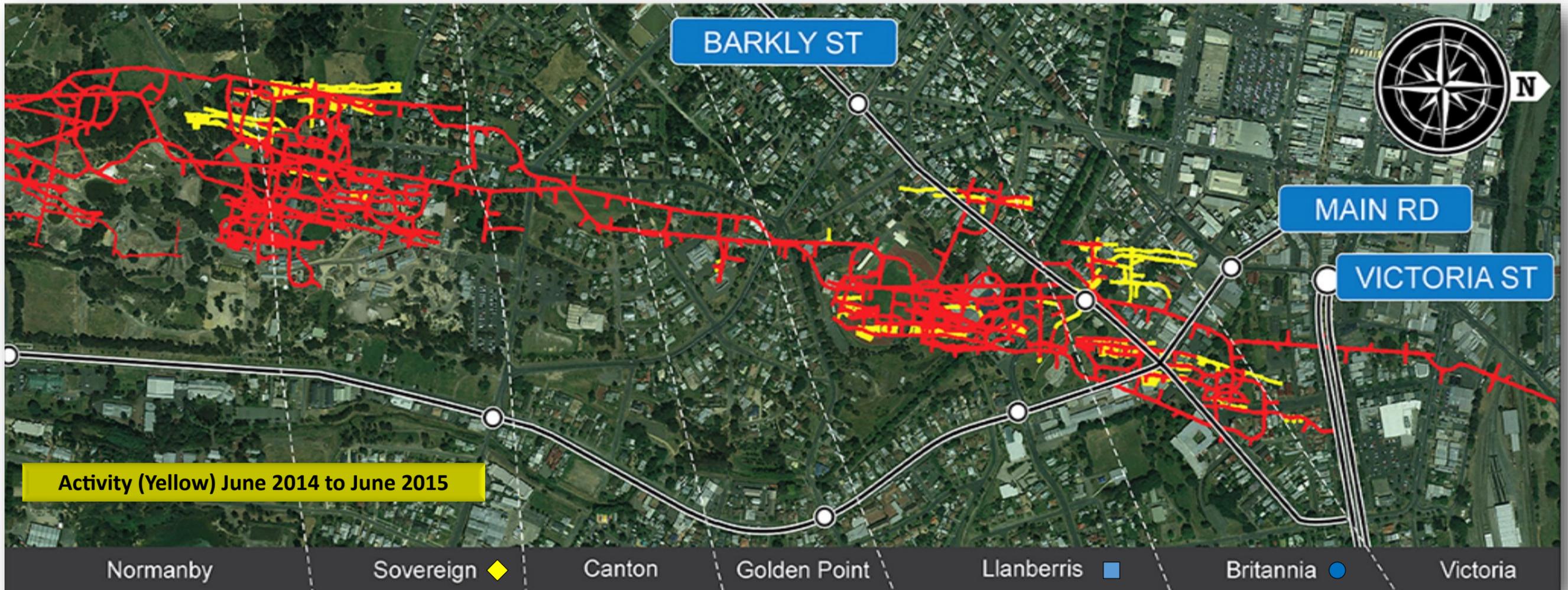
Marty Adams

24/7 Contact

If you have any concerns or enquires relating to our mining operations we encourage you to contact us on 5327 2555. Alternatively you can email- info@cgt.net.au

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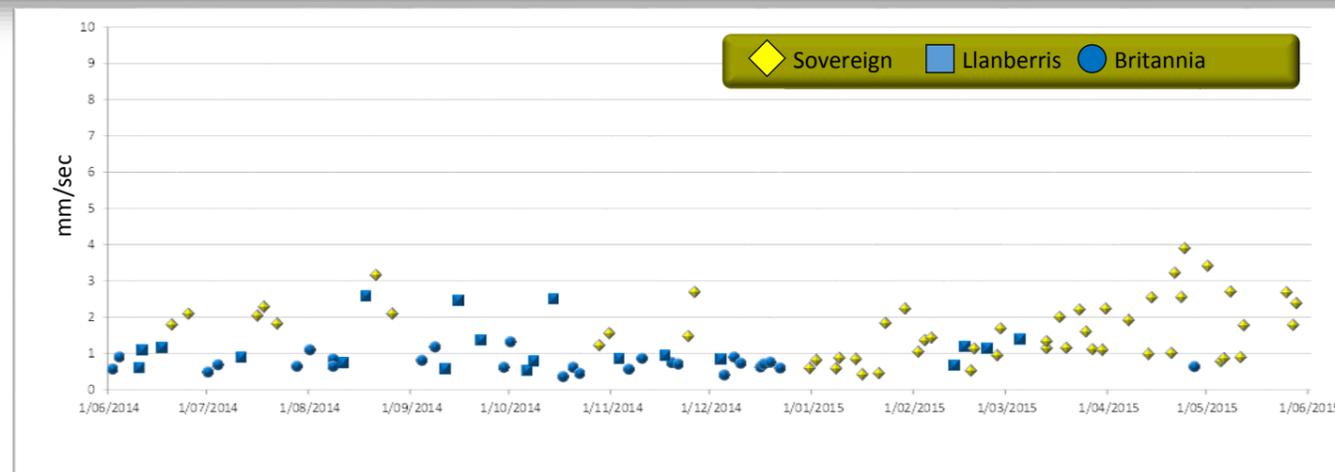
Sovereign

Development dominated activity in the Sovereign compartment during the first quarter of 2014-15. A return to stoping commenced late in the first quarter with some community concerns raised. By the third quarter, 85% of stopes were within the Sovereign compartment, with CGT having the flexibility of several active headings. The fourth quarter saw 94% of stopes occur within the Sovereign compartment. Looking forward, approximately one third of CGT's 2015-2016 production (stopping) will be undertaken within the Sovereign compartment.

Vibration

CGT has fired 471 times in the last twelve months. While most firings go virtually unnoticed on the surface, others are felt, heard or both. On a daily basis CGT undertakes 'development' firings to develop tunnels to reach modelled orebodies. Once at the orebody, we use production 'stope' firings to break the ore for transport to the surface for processing. Stopes typically break larger volumes of rock and occur less often than development firings. Stopes also carry the potential to create elevated levels of vibration on the surface. Over the past twelve months, CGT has been in full gold production and has undertaken 98 stope firings: (Britannia 27, Llanberris 19 & Sovereign 52). CGT installs up to six blast monitors in strategic locations (usually based on community feedback) for each stope to record vibration levels experienced on the surface. The graph above details the maximum level of vibration recorded for each stope firing over the past twelve months. CGT has a licence limit of 10mm/sec and 95% of firings must be less than 5mm/sec.

CGT has received feedback from the community, in particular from Ballarat East, Golden Point and Mt Pleasant, that stope firings create noticeable levels of noise and vibration within homes. CGT Mining Engineers continue to monitor and review stope performance for vibration at the surface and a production perspective. The overarching factor in stope design is to minimise the volume of explosives required to break **only** the targeted orebearing rock. Blasting rock beyond the modelled ore body 'dilutes' the ore, increases rehabilitation and processing costs and increases vibration at the surface. This year we have been working to reduce surface vibration by using blast initiation patterns to shorten the duration of the firing and to avoid natural harmonics of the ground and buildings. We have also used different explosives products and, where possible, changed the mining method from one or two firings, to three smaller firings in the same volume of rock. These initiatives reduce the quantity of explosive going off at one time and can reduce the vibration experienced by our neighbours.



Llanberris and Britannia

Development and stoping was undertaken in both the Llanberris and Britannia compartments during the first two quarters of 2014-2015. The third quarter saw a shift from stoping/development to development in the northern end of the mine with a total of five stopes in Britannia/Llanberris.

One third of the next twelve months' production will be from the Llanberris and one third from the Britannia compartment.

