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INFORMATION RELATING TO CLUNES PROJECT.

In various correspondence to the Shire of Hepburn, the Directors have requested temporary access to a small area of Council-owned vacant land for intended drilling purposes.

Drilling in years 2006, 2007, and again this year, have all demonstrated that a 50 metre width in the original centre of the Port Phillip mine area escaped the attention of old miners.

This central zone is enriched in quartz, much of which is gold-bearing, as confirmed by assays reported to NSX on 17 April, 2015.

All these recent drill holes show that the economic geology of the central section, Clunes Goldfield, is a variation of that described by sketches in the 1870s.

Further, the relative positions of drilled intercepts suggests that the 1985 percussion hole CP116 (WMC) is likely to be too far west for present purposes..

Any southern extension to the body of quartz of interest today is more likely to be found beneath WMC holes CP109 / 110, as on the section published NSX, 6 June, 2015.

For those wondering how it could be that the old miners failed to test this south-central section, hindsight through archive records confirms -

1. the underground access south from the Port Phillip mostly took place by re-use of older, pre-existing levels (saving costs at that time),
2. the one cross-cut at the old south boundary came east from the west veins, only part-way towards the centre (not far enough), and
3. the gold-bearing structure recently intersected is actually nearer the surface than either those east mine workings of the late 1880's, or the very last, in 1893.

The reasonable possibility is that this 50 metre wide quartz structure extends southwards, perhaps for a considerable distance.

Drilling in year 2006 discovered that below this 50 metre wide quartz structure there is a steeply east-dipping gold-mineralized footwall (yet to be investigated).

Drilling from the Council-owned freehold position is preferable for confirmation of these various prospects.

Directors have been advised that a Councillor briefing session about this request to drill is a confirmed agenda item for a meeting on 7 July, 2015.

Should Council be undecided about what to do in this circumstance, *there are other alternatives* for Company Directors to pursue.

Given this progressive situation, and current activity at Glenfine, **Directors intend to dispose of all the shortfall shares of the last Rights issue, for applications by any person or party.**

Any interested person is advised to follow the download on the web-site of the Company.

A share price of 8 cents applies until the shortfall shares are all taken. Thereafter, the price of sales by Directors is likely to reflect changing circumstances for gold.

Email responses welcome.

F.L.Hunt,
Chairman