

2 July 2015

INFORMATION ON PROGRESS

Glenfine Project MIN 5492.

The experimental plant at Glenfine has been shut down and re-started numerous times, in efforts to resolve how to handle various types of material found to be within the feed.

In addition, one type of quartz particle seemed to be the cause of chokes in pumping.

These material handling issues appear to have been brought under control. Batch processing commissioning checks have taken place recently.

The plant resumed operations last week. Steady progress has occurred. A parcel of about 80 tonnes has been processed, in order to investigate the take-up of gold into carbon.

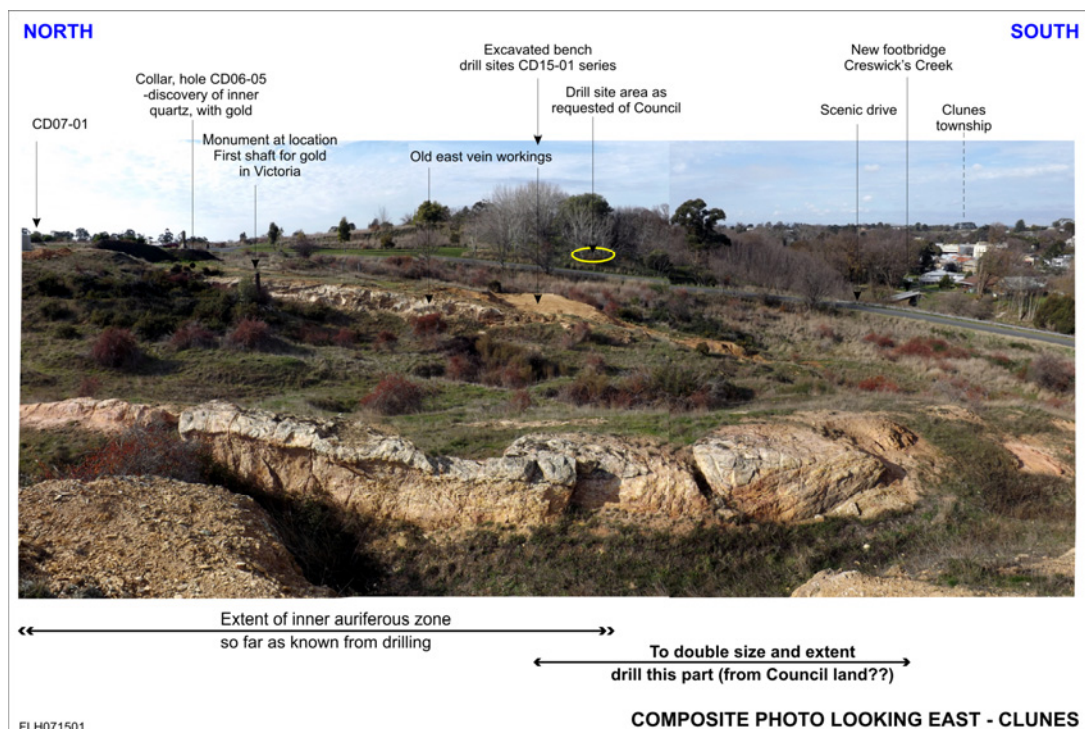
Sequential samples were collected for gold assay, to be forwarded shortly to the assay lab for control evaluation throughout the time of treatment.

The batch processing will resume again after the control data is available. More information will be provided as it comes to hand.

Clunes Project MIN 5391.

The photo below is looking from the west to the east, at the south end of MIN 5391. Creswick's Creek is to the right of the photo, and Clunes township is further to the right.

The excavated area across the foreground of the photo is after historic mining of the outcrop, the Old Man Vein. This vein dips to the east. The zone found by drilling to be still intact is located below and parallel to the Old Man Vein, where that vein is dipping to the east.



The Old Man Vein changes its dip to near-vertical at depth below Scenic Drive.

One possibility is that the newly drilled zone will also roll over to become a parallel vein.

The request to Council to carry out drilling from the site marked on the photo has the purpose of testing this possibility.

Another possibility is that the newly drilled zone might pre-exist the Old Man Vein. In that case, the large body of the gold-bearing quartz may remain open-ended going south.

In either case, the potential up-side is more good drilling results - a prospect if true very rewarding for those involved.

Directors believe the size of the gold-bearing quartz structure as developed to this date certainly warrants on-going investigation.

Directors are seeking to place the recent Rights issue shortfall shares, to ensure this prospect has the drilling it clearly warrants.

F.L.Hunt,
Chairman