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Clunes Goldfield - what it is

The historic goldfield at Clunes is entirely natural. The passing years since closure in 1893 have shown it to be a proven community-safe environs.

When underground operations were suspended, then closed, numerous "official" records confirm that informed people of the time understood residual gold resources existed.

This should mean that the Victorian public have a right to expect the State will make sure residual gold resources are not sterilised. Now see below.

Licences at Clunes - an explanation

Clunes is a once-famous goldfield. The Company has been working within the known and well-recorded bounds of Clunes Goldfield. It has recently acted to remove the limitations to exploration which applied to licence EL 5492 of the Company in the south Clunes area. It did so immediately those limitations were fully understood.

The large, remaining area of EL 5492 continues as a valid, on-going licence, all of which carries an exemption regarding Crown land. No person or Company is permitted to explore within any Crown land remaining within the borders of EL 5492. In south Clunes, an area of about 3 sq. km. (once part of EL5492, and containing **separated** areas of Crown land) was relinquished, then applied for again on 18th October, 2016, as ELA 6406. There were no competing applications. The relinquishment effectively brought about cancellation of the prior exempt status for Crown land.

Those persons who have read the account of Clunes mining activity as recorded by John Woodland ("*Sixteen Tons of Clunes Gold* ") will recall that the concluding stages of mine life were centred on South Clunes, its prospects for further production being evident in those times (1893). The amalgamation plans of that time failed. The prospects remain.

It can be stated that the work of the former South Clunes United mine was comprehensively recorded in the manner of the time. Subsequent work by geoscientists working for Mount Rommel Mining Ltd. have confirmed those early prospects, and indicated additional prospective locations. The location specifics become extraordinarily relevant, due to the terms of the Land Use Activity Agreement (LUAA) authorised by the State of Victoria, applicable to Crown land in this area since 25 October, 2013.

The area of Victoria - many goldfields - covered by this LUAA is shown on the attached map. It is the law.

This NSX announcement includes a plan diagram of ELA 6406, as is given under the *Mineral Resources Sustainable Development Act*. The prepared inset to this plan shows exactly the separated **parts of Crown land, as though those were all of the same status - which they are not**. While most Crown land is included under the LUAA, some appears excluded, and any variance takes no account of possible locations of gold prospects, all of which are beneath the lava flows of south Clunes.

At the forthcoming AGM of the Company there will be on display a plan showing the specific relationship between old workings, drilling targets, and the Crown land areas of south Clunes.

Directors of the Company are actively seeking to understand the procedures required for exploration drilling. Given these circumstances, it behoves Directors to evaluate potential risk to funding, and the compliance expense introduced by the State of Victoria, through this LUAA. We wish to know exactly where the Agreement Land applies, or not.

In the normal course of exploration, an expectation about the sub-surface leads to targets for drilling. Thus the collar of a proposed hole is determined on the prospects expected.

Knowledge about the LUAA is having a direct impact on decision-making in respect of the most fundamental aspect of exploration. The reason -- in south Clunes, as the inset map reveals, the parts of Crown land are separated, and the unresolved question has to do with the approvals process in such a circumstance. There is also a holder of vacant private land with a common lot boundary to Crown land, whose property is in the midst of an area of significance. The LUAA sets up a statutory payment schedule -- but no money under that schedule is due to any private landholder. There is a commercial benefit under the LUAA, and sites for work are the medium by which benefit is assessed for payment.

Perceptions of the Company

Differences in opinion are common. Community sentiment and aspirations can and do change.

The drilling of holes at Clunes has resulted in a biased portrayal of this Company. The media intent was to show us as *just a driller of holes*, a group of little use or value to a vocal segment of the community.

The fact is that the Company is custodian to one of the largest land areas of Clunes, and also one which cover residual gold resources.

Through the LUAA, for land adjacent to our private land, there is a new custodian, with aspirations of their own.

As landowners, we are searching for ways to open up value in what historically were considered "closed" mine sites at Clunes. We are doing so because history has been expanded by our own drilling results.

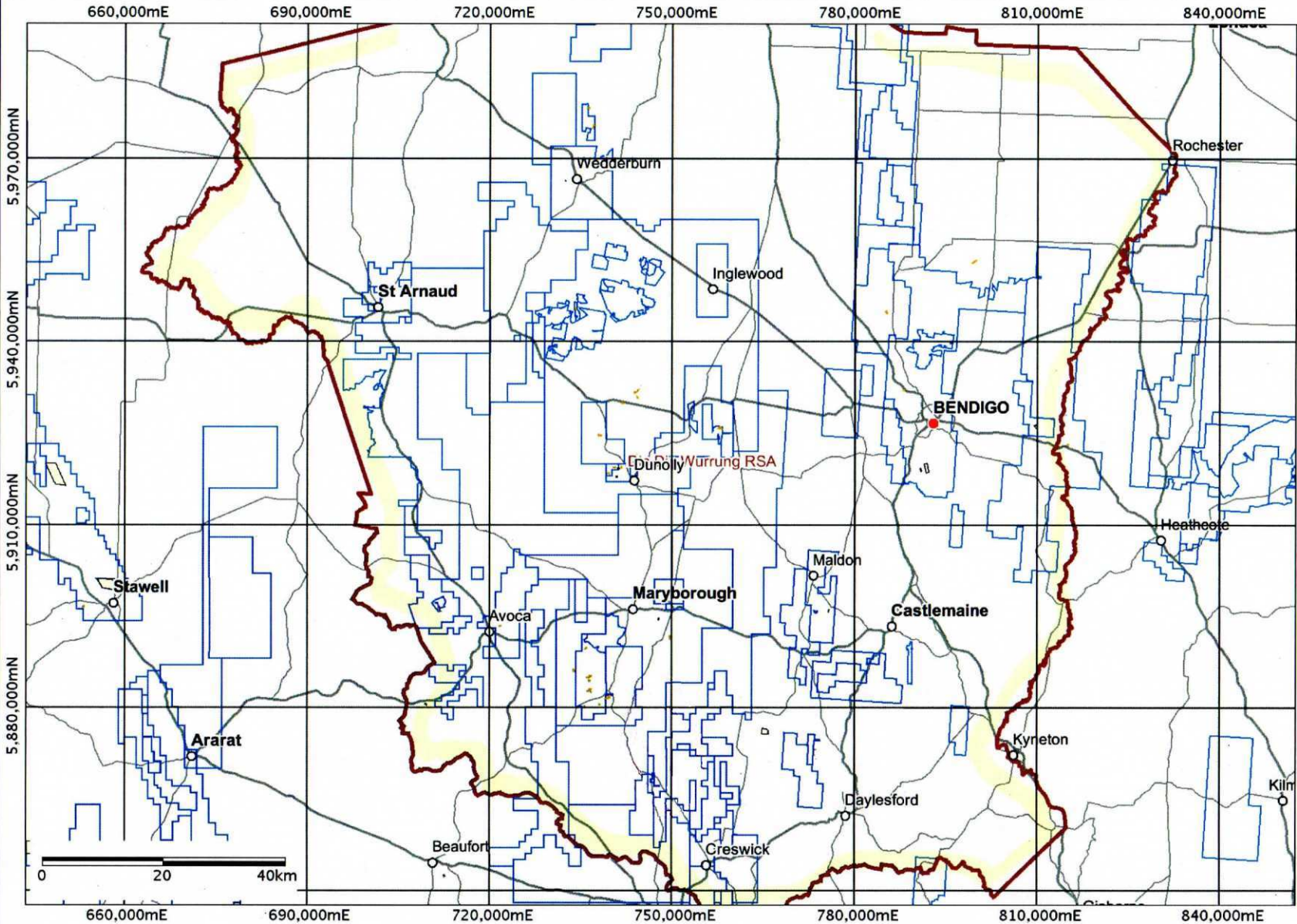
We trust that other existing land forms anywhere in Clunes, whether included in LUA Agreement Land or not, are to be preserved much as they are now, in the interests of facilitating future development.

We expect forward-thinking residents and landowners of Clunes would expect their Council to ensure future regional development is of benefit to them, and not be sterilised.

The Company seeks to acquire ELA 6406, as this basic step allows this Company to set about restoring confidence - we *know* there is gold at Clunes!!

More information will be provided as it becomes available.

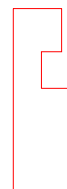
F.L.Hunt
Chairman



EXPLORATION LICENCE APPLICATION 006406

- Unavailable for Searching or Exploration or Mining MRSDA 1990 Sec 6. Includes National, State & Wilderness Parks and Reference Areas
- Exempted from being subject to Exploration &/or Mining Licences. MRSDA 1990 Sec 7. May be revoked by notice in the Govt Gazette.
- Restricted Crown Land. Schedule 3 of MRSDA 1990. Consent required to do work on the land.
- Other Crown Land
- Commonwealth Land. Subject to Commonwealth legislation.
- Exploration Initiative Area exempted for a limited time from being subject to Exploration and/or Mining Licences. MRSDA 1990 Sec. 7

Native Title Approximate Claim or Determination Area (grey)



Water Supply Catchment Area (grey)



GDA94
MGA
ZONE 54

SCALE
1:25,000

1:100 000
Map sheets
CRESWICK (7623)

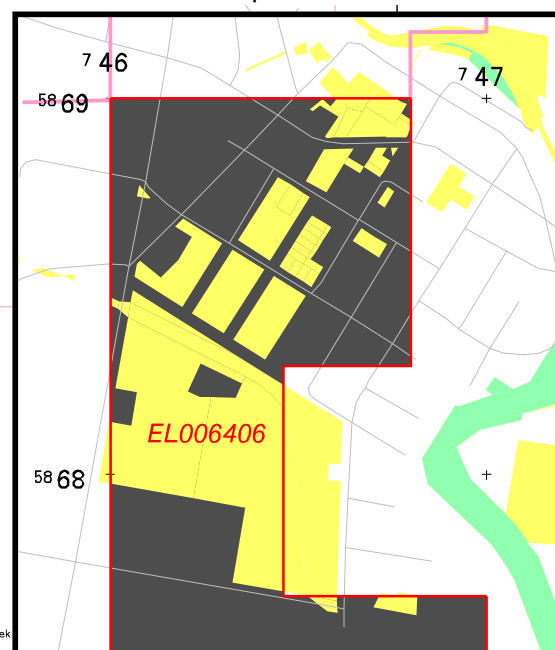
Area in Grats

Total 3
NET 3



Inset

Showing separated parcels of Crown land
within part ELA 6406



NOTE:

The accuracy of the location of the land status areas may vary according to the scale and mapping accuracy. Areas of private land within Crown Land may not be shown. The precise locations should be verified with Crown Land & Assets.

Where the Licence Application abuts unavailable land, the Licence boundary is defined by the boundary of the Unavailable Land. Discrepancies on this plan between the boundaries may be due to scale and mapping accuracy.



Produced by
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on
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