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**CASTLEMAINE
GOLDFIELDS**

5 March 2010

ACQUISITION OF BALLARAT GOLD PROJECT

CASTLEMAINE SIGNS BINDING CONDITIONAL SALE AGREEMENT TO ACQUIRE THE BALLARAT GOLD PROJECT AND ANNOUNCES CAPITAL RAISING

SUMMARY

Castlemaine Goldfields Limited (CGT) has entered into a binding conditional sale agreement with Lihir Gold Limited (LGL) to acquire the Ballarat Gold Project in Victoria.

CGT will pay LGL A\$4.5m in cash plus an additional 2.5% royalty interest* in possible future production, capped at A\$50m. The sale is conditional on CGT shareholders approving the issue of new equity to raise a minimum of A\$20m. Accordingly, today CGT is also announcing its intention to raise between A\$20m and A\$40m in new equity by way of placement to institutions and sophisticated investors to complete the acquisition and provide additional funding.

The acquisition presents CGT with an opportunity to create significant value for shareholders through the consolidation of operations at two historically prolific Victorian Goldfields.

HIGHLIGHTS OF THE ACQUISITION

- Identified priority drill targets, accessible from existing underground development at depths of 400 – 500m, with the closest targets some 160m away
- Valuable tangible assets being acquired including existing gold mine with ~18km of underground development, a fully commissioned mill, reverse osmosis plant, state of the art laboratory, supporting infrastructure, plant and equipment, real property, stores inventory and all licence areas:
 - o Allows immediate commercialisation following resource definition
 - o Highly valuable tangible asset base relative to the cost of acquisition
- Synergies:
 - o Castlemaine personnel have extensive knowledge of regional and local geology
 - o Potential to process ore recovered from CGT's existing projects at the Ballarat mill, subject to the 2.5% royalty interest
 - o Potential to utilise equipment across both Ballarat and CGT licence areas

CGT'S STRATEGY

The Ballarat Gold Project has today been placed on care and maintenance by LGL.

Following completion of the transaction, CGT will follow a defined strategy to target the northern compartments of the field which have the following attractive characteristics:

- Historically, were the best endowed for large, geologically continuous stopes with higher ounces per vertical metre
- Less geotechnical risk with lower density of cross faulting
- Recent high grade drill intercepts

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CGT is aiming to identify sufficient resources to recommence development and production, targeting a 50,000 oz per annum operation. This would present an opportunity to re-employ local personnel and re-engage local contractors.

CGT will also continue to progress exploration at its existing licence areas. CGT will target the addition of new resources from near term drilling at identified priority targets along the central corridor of the Castlemaine goldfield and nearby CGT's existing 686,000 oz JORC Inferred Resource. Exploration success would improve project economics to unlock the value in the field.

INVESTOR PRESENTATION

Further information in relation to the transaction and the proposed capital raising is contained in the attached investor presentation.

* *Calculated on Net Smelter Return*

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Castlemaine Goldfields Limited holds significant exploration titles encompassing three substantial goldfields in Central Victoria. In particular, the Castlemaine goldfield produced some 5.6 million ounces of gold. Less than 1.1 million of the ounces won from the Castlemaine goldfield came from underground mining, and nearly half of those ounces came from the Wattle Gully mine that was not discovered until the 1930's. Inadequate differentiation of the Castlemaine geology from that of Bendigo and Ballarat limited successful underground mining in the first gold rush and there has been little exploration of the depth potential ever since. CGT is the first company to control virtually all the historical Castlemaine goldfield and undertake an extensive exploration program. The inaugural Inferred Resource for the Chewton Deposit was made in June 2008.

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Castlemaine Goldfields Limited

*Company transformation
through the acquisition of
The Ballarat Gold Project*



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Disclaimer & Disclosure

The presentation (in this projected form and as verbally presented) (“Presentation”) is provided on the basis that none of Castlemaine Goldfields Ltd (“CGT” or the “Company”) nor its respective officers, shareholders, related bodies corporate, partners, affiliates, employees, representatives and advisers make any representation or warranty (express or implied) as to the accuracy, reliability, relevance or completeness of the material contained in the Presentation and nothing contained in the Presentation is, or may be relied upon as a promise, representation or warranty, whether as to the past or the future. The Company hereby excludes all warranties that can be excluded by law.

The Presentation contains prospective financial material which is predictive in nature and may be affected by inaccurate assumptions or by known or unknown risks and uncertainties and may differ materially from results ultimately achieved. Any investment in CGT is subject to numerous operational and other risk factors, together with general equity market risks. In particular, you acknowledge that mining at the Ballarat Gold Project will only recommence if exploration is successful. Consequently an investment in CGT should be considered speculative.

The Presentation contains “forward-looking statements”. All statements other than those of historical facts included in the Presentation are forward-looking statements. Where the Company expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. However, forward-looking statements are subject to risks, uncertainties and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by such forward-looking statements. Such risks include, but are not limited to, gold and other metals price volatility, currency fluctuations, increased production costs and variances in ore grade or recovery rates from those assumed in mining plans, as well as political and operational risks and governmental regulation and judicial outcomes. The Company does not undertake any obligation to release publicly any revisions to any “forward-looking statement”.

All persons should consider seeking appropriate professional advice in reviewing the Presentation and the Company.

The information in this presentation that relates to Exploration Results, Mineral Resources and Exploration Potential is based on information compiled by Mr Wesley Edgar. Mr Edgar is an employee of CGT, is a member of the Australian Institute of Mining and Metallurgy and The Society of Economic Geologists and is a Competent Person under the definition of the 2004 JORC Code. The Exploration Potential described in this Presentation is conceptual in nature, and there is insufficient information to establish whether further exploration will result in the determination of a Mineral Resource. Mr Edgar consents to the publication of this information in the form and content in which it appears. All resources referred to in this presentation are non-JORC compliant unless otherwise stated.

CGT resource estimations and other estimations in relation to the Ballarat Gold Project are based on drillhole and other data supplied by Lihir Gold Limited and has been disclosed to CGT as part of the due diligence process and while all care has been taken to ensure its accuracy neither CGT or RFC Corporate Finance Limited can guarantee its accuracy and the conclusions drawn.

RFC Corporate Finance Limited is acting as an advisor to Castlemaine Goldfields Limited. RFC Corporate Finance Limited is a wholly owned subsidiary of RFC Group Limited which holds ~16% of Castlemaine Goldfields Ltd.

The Proposition

- Lihir Gold Limited (“LGL”) acquired Ballarat Goldfields NL in 2007 and subsequently completed construction of a world class gold plant and related facilities at the Ballarat gold project (“Ballarat” or the “Ballarat Gold Project”)
- Castlemaine Goldfields Limited (“CGT”) has signed a Sale Agreement with LGL to acquire Ballarat for an upfront payment of A\$4.5m, a royalty payment of 2.5% of net smelter return which is capped at A\$50m and assumption of rehabilitation bonds of A\$4.1m
- The Ballarat Gold Project has an extensive underground development network including existing decline development that extends to the edge of the most prospective northern compartments of the Ballarat Gold Project
- Initially, expenditure at Ballarat will be totally focused on establishing the resource potential of identified, near development targets
- Exploration at Castlemaine will continue to focus on high priority targets
- CGT is targeting annual gold production of ~50koz from each of Ballarat and Castlemaine
- In the event the exploration program at Ballarat is unsuccessful, acquired tangible assets will assist in offsetting any closure and rehabilitation costs of the mine
- To evaluate and re-establish production at Ballarat and advance Castlemaine, CGT is seeking to raise up to A\$40m in new equity

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Introduction

- CGT is an Australian Stock Exchange listed, exploration company with a market capitalisation of approximately A\$10m
- CGT has significant experience in the Victorian goldfields, through the exploration and assessment of the Castlemaine, Sebastian and Tarnagulla goldfields
- CGT discovered the Chewton deposit at Castlemaine where a JORC Code Inferred Resource of 686koz gold was released in 2008 and followed up with an independent scoping study that confirmed the potential for development
- CGT has signed a Sale Agreement with LGL to acquire the Ballarat Gold Project
- The acquisition of the Ballarat Gold Project by CGT represents an opportunity to combine accumulated knowledge and resources within both groups to unlock the potential at two historically prolific goldfields
- This presentation sets out the investment opportunity in CGT and Ballarat

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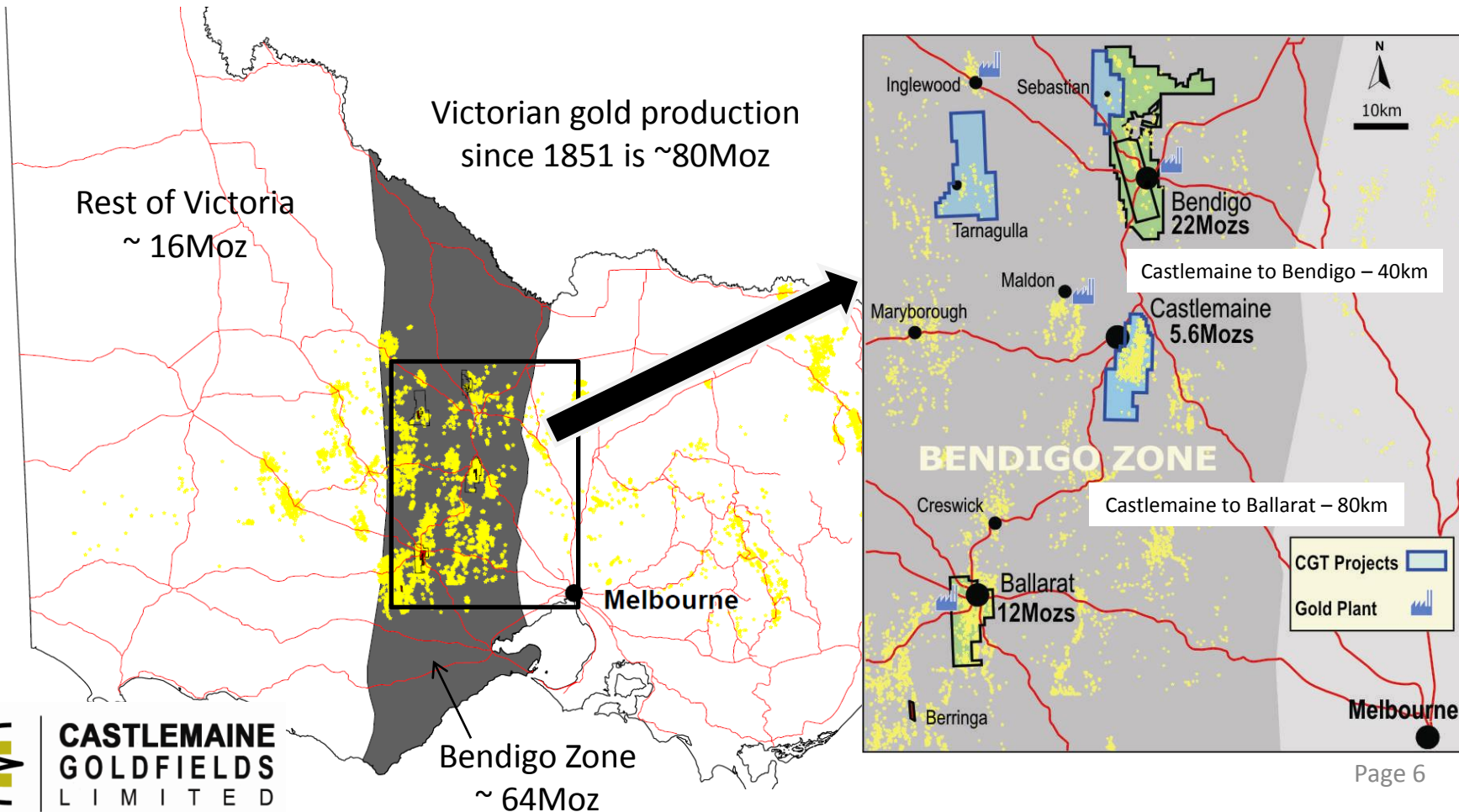
Key Terms of the Transaction

- Upfront cash payment to LGL of \$A4.5m
- Assets purchased include stock of A\$2m and land of A\$1.5m
- Royalty payment of 2.5% net smelter return to LGL on Ballarat and Castlemaine ore treated through the Ballarat mill, capped at A\$50m
- Assumption of the existing A\$4.1m rehabilitation bond over the Ballarat Gold Project
- CGT is seeking to raise up to A\$40m through the issue of ~1,000m shares at A\$0.04/share
- CGT intends to use the proceeds from the raising to:
 - complete the announced purchase of the Ballarat Gold Project;
 - provide funds for the assumption of rehabilitation bond obligations at the Ballarat Gold Project;
 - conduct drilling and development on high priority targets at the Ballarat Gold Project;
 - accelerate drilling at Castlemaine to delineate additional resources to underpin proposed mine development; and
 - for general working capital purposes.

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Central Victorian Gold Projects

- Castlemaine and Ballarat are located in the Bendigo Zone of the Victorian Gold Fields in Australia
- While strongly gold endowed, the fields are complex, requiring specific knowledge and time to understand the geology and develop an appropriate mining strategy



History

Castlemaine

- The Castlemaine goldfield produced 5.6Moz substantially from alluvial sources
- The Wattle Gully gold mine within the CGT licence area was discovered in the 1930s and produced over 400koz at >12g/t head grade
- Castlemaine licences consolidated at a time of low gold prices
- CGT floated in 2005 as Alexander Resources Ltd with 100% of Castlemaine and Tarnagulla goldfields and control of Sebastian project
- Name change to Castlemaine Goldfields in 2006 - commencement of modelling and structural drilling
- Targeted drilling commenced in the December quarter of 2007
- Chewton Mineral Resource estimate released early June 2008 at a discovery cost of ~A\$4/oz
- “Pathway to Production” exploration and development strategy released late June 2008
- Robust independent scoping study of Chewton completed in June 2009
- Historical research, modelling and structural drilling has identified a number of targets across the Castlemaine goldfield
- 3 primary targets have been selected for confirmatory drilling
- Potential for >500koz sought from each prospect

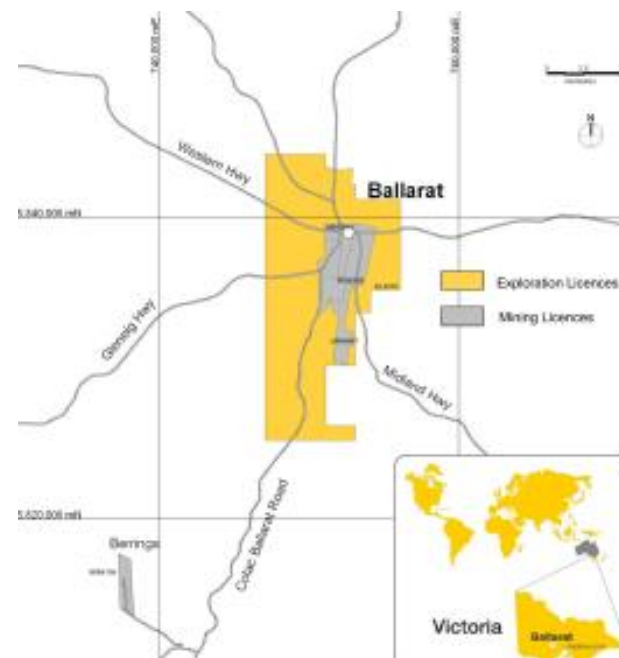
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History

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Ballarat Gold Project

- In excess of 12Moz of gold has been mined from alluvial and quartz vein hosted deposits since the 1850's
- LGL acquired Ballarat Goldfields NL in 2007 and subsequently completed construction of a world class gold plant and related facilities at the Ballarat gold project
- The Ballarat Gold Project includes the current mining licences and extensive exploration ground
- In 2009, production at the Ballarat Gold Project was 105kt at 4.3g/t to produce 13,414oz, including September at 9.6g/t, October at 8.3g/t, November at 7.9g/t. A stope failure occurred in December resulting in only 50t being mined at a grade of 5.0g/t
- Assets include:
 - ~18km of underground development;
 - a 600ktpa processing plant;
 - the Golden Point ventilation shaft; and
 - extensive surface infrastructure
- Mining from the South and Central Zones failed to deliver the targeted gold production
- A decision to sell Ballarat was made in July 2009 after determining the operation would not achieve LGL's desired scale



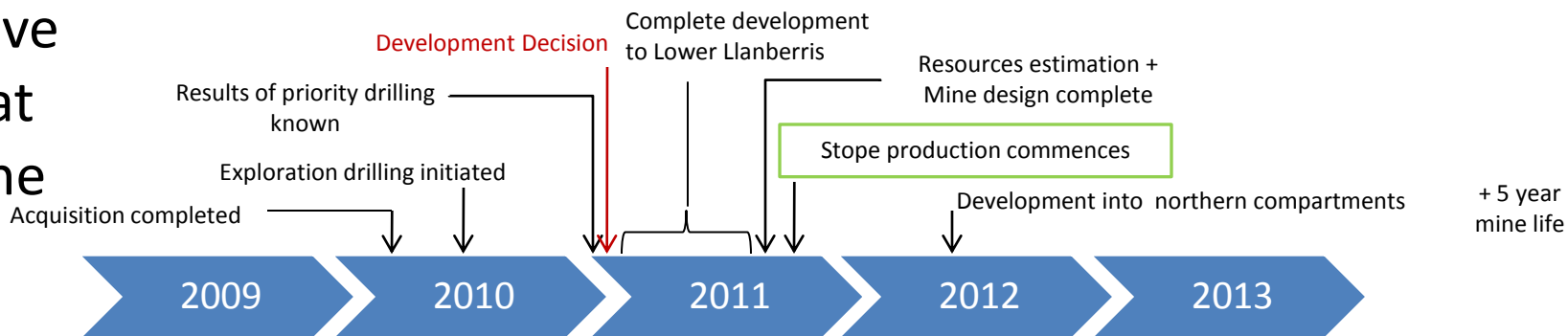
CGT is the Natural Owner of Ballarat

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- CGT is well positioned to make the acquisition of Ballarat a success:
 - Directors and management have extensive geological and mining experience in all the major Victorian goldfields
 - CGT is one of the few groups that understand the style of mineralisation found in the region
 - CGT is a low cost, efficient and successful explorer which has generated resources at ~\$4/oz
 - There are potential synergies between CGT and the Ballarat Gold Project, including the sharing of plant, personnel, administration, services and other supporting infrastructure
 - CGT's relationship with the relevant authorities will assist facilitate an efficient transition of ownership and resumption of underground exploration drilling
- The combined resources and targeted production profile of Castlemaine and Ballarat will deliver critical mass to CGT

CGT Strategic Plan

Indicative Ballarat Timeline



Indicative Castlemaine Timeline



CGT Now

- Shares on Issue 230.7m
- Market Capitalisation ~A\$10m
- Developing Castlemaine with production to commence in 2012 or 2013 (dependent on final development plan)
- Targeting multi-million ounce resource (current JORC Inferred Resource 686koz)
- Under the radar

CGT Upon Acquisition

- Shares on Issue ~1,231m
- Market Capitalisation ~A\$50m
- Cash on hand to progress Ballarat and Castlemaine
- Continue developing Castlemaine
- Evaluating near term production opportunities at Ballarat
- Strong pipeline with 2 projects moving ahead

CGT Targets for 2 - 3yrs

- Shares on Issue ~1,231m
- Producing from Ballarat, targeting ~50kozpa
- Developing Castlemaine, targeting ~50kozpa
- ~2Moz Resource at Castlemaine
- Ability to deploy cash flow from production at Ballarat to the development of Castlemaine
- Potential for significant market re-rating as operations become cash flow positive

Note: The timeline outlined on this page is indicative only and subject to a range of risks, uncertainties and factors as set out in the disclaimer on page 2

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Indicative Use of Funds

Year 1	A\$m	Comment
Acquisition Costs	4.5	Up front cash payment to LGL
Initial Ballarat Assessment	3.0	Underground drilling, geological interpretation and resource estimation
Other Ballarat Operating Costs	4.0	Ballarat holding costs
Corporate Overheads	1.0	
Development to Lower Llanberris	2.0	Development decision dependent on exploration results
Ballarat Rehabilitation Bond	4.1	Funds placed on deposit to secure bonds
Castlemaine Exploration	4.0	Drilling the 3 Priority targets which offer earlier mine development
Total	22.6	
Year 2 – H1*	A\$m	Comment
Development in Lower Llanberris	4.0	Development decision dependent on exploration results
Ballarat Operating Costs	5.5	
Corporate Overheads	1.0	
Castlemaine Exploration	2.0	Progress resource estimation and mining studies
Total	12.5	
	35.1	Total forecast expenditure prior to Ballarat production
	4.9	Capital raising/acquisition costs and additional working capital
	40.0	Total

* Assumes Ballarat begins to generate revenue in the second half of Year 2

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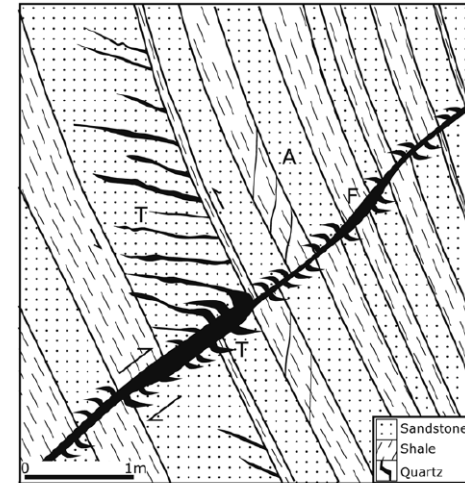
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Note: The use of funds outlined above is indicative only and is subject to a range of risks, uncertainties and factors as set out in the disclaimer on page 2. It assumes initial exploration success at Ballarat which justifies further development

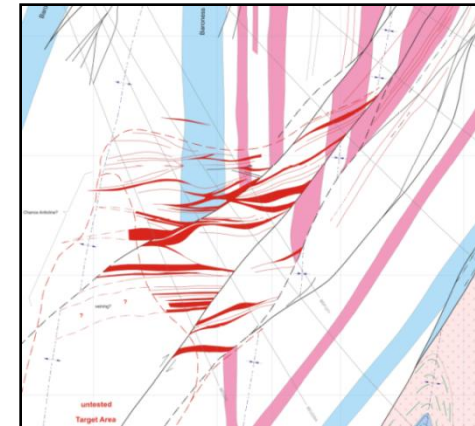
Risk Mitigation Strategy

The table below highlights issues that have been identified at Ballarat and how CGT plans to mitigate these risks

Identified Issue	CGT Mitigants
Complex geological models (see diagrams opposite)	<ul style="list-style-type: none"> ▪ Evaluation period will allow a longer evaluation to model relative to the complexity of the field ▪ Use of “on ore” drilling and sill drive mapping ▪ Focus and discrimination of large orebodies as priority ▪ Minimal use of gold ‘upgrading’ or use of grade factorising unless substantial evidence is available to do so
Extrapolation of resource models	<ul style="list-style-type: none"> ▪ Minimal extrapolation to determine resources ▪ Increased use of ‘on ore’ drilling and sill drive mapping ▪ Reduced use of ‘pre-access’ drilling with capital and geological resources reallocated into ‘on ore’ data acquisition
Application of structural understandings	<ul style="list-style-type: none"> ▪ CGT has time to structurally model vein orientations, density and gold character before resource estimation modelling ▪ Maximise quality of vein orientation data
High level of responsiveness required to changing geological conditions	<ul style="list-style-type: none"> ▪ Seeking to utilize software and technical systems to overcome geological complexity ▪ Mine with emphasis on geological control
Operation scale	<ul style="list-style-type: none"> ▪ Evaluation period prior to commencing development ▪ Key milestones identified prior to a decision to commence mining ▪ Minimise capital and operating expenditure during evaluation to lower risk ▪ Use of selective mining methods to minimise dilution ▪ Employ a mining rate consistent with orebody conditions



Expected

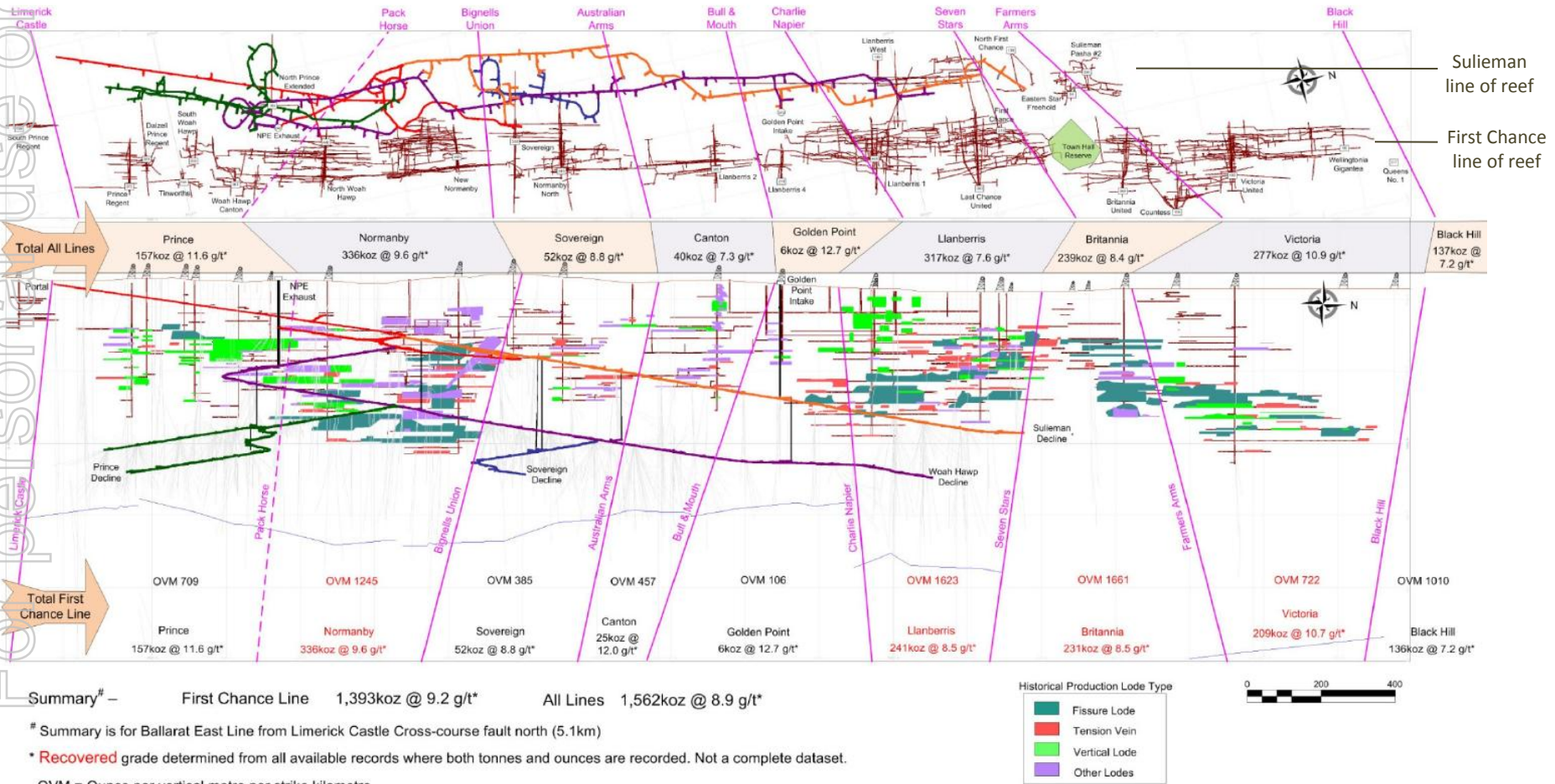


Actual

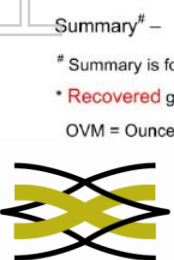


Field Development and Production History

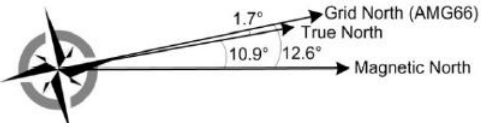
The graphic below shows the present and historical development of Ballarat with ounces per vertical metre (OVM) as presented by LGL



Limerick Castle



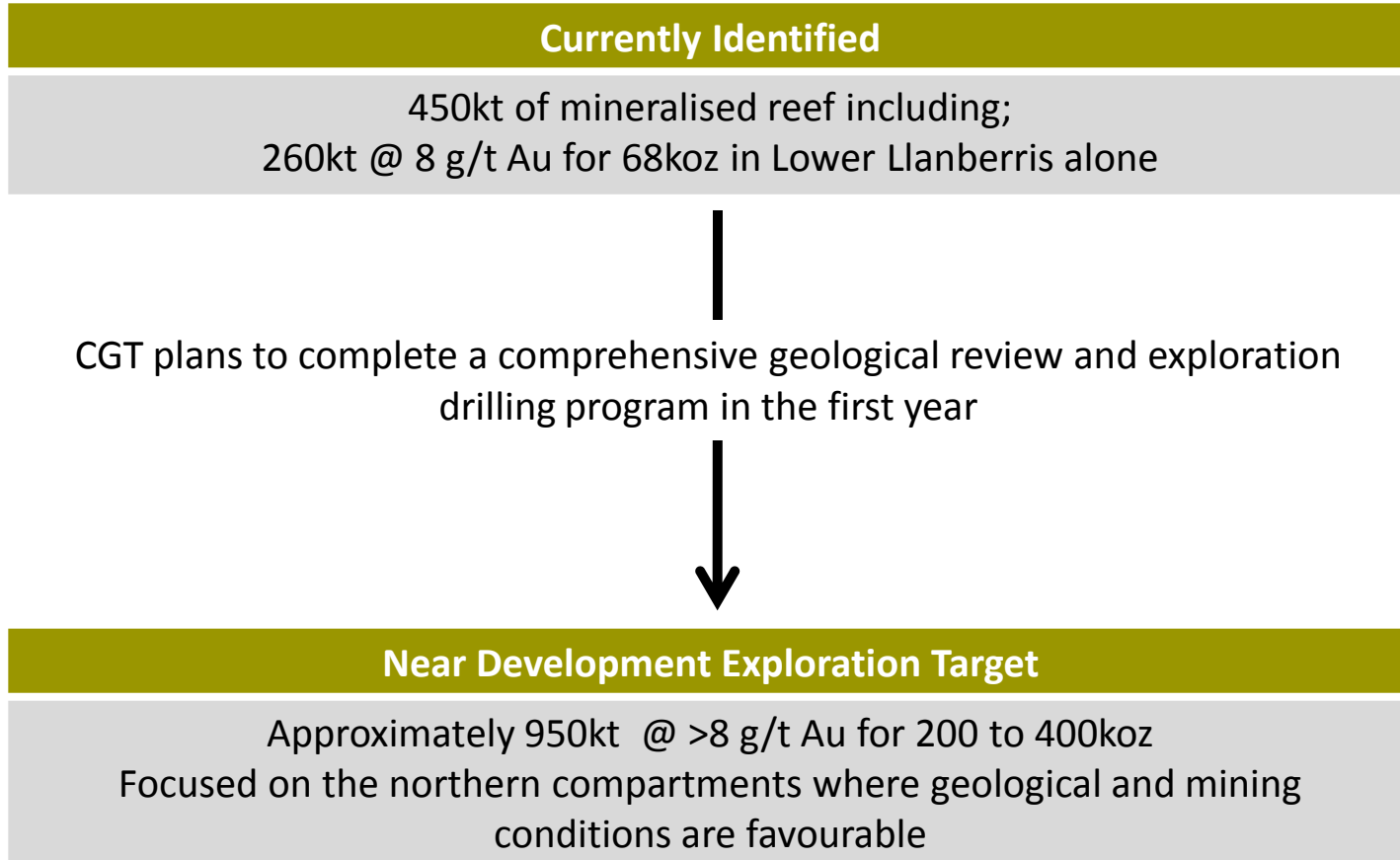
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Ballarat Gold Project Potential

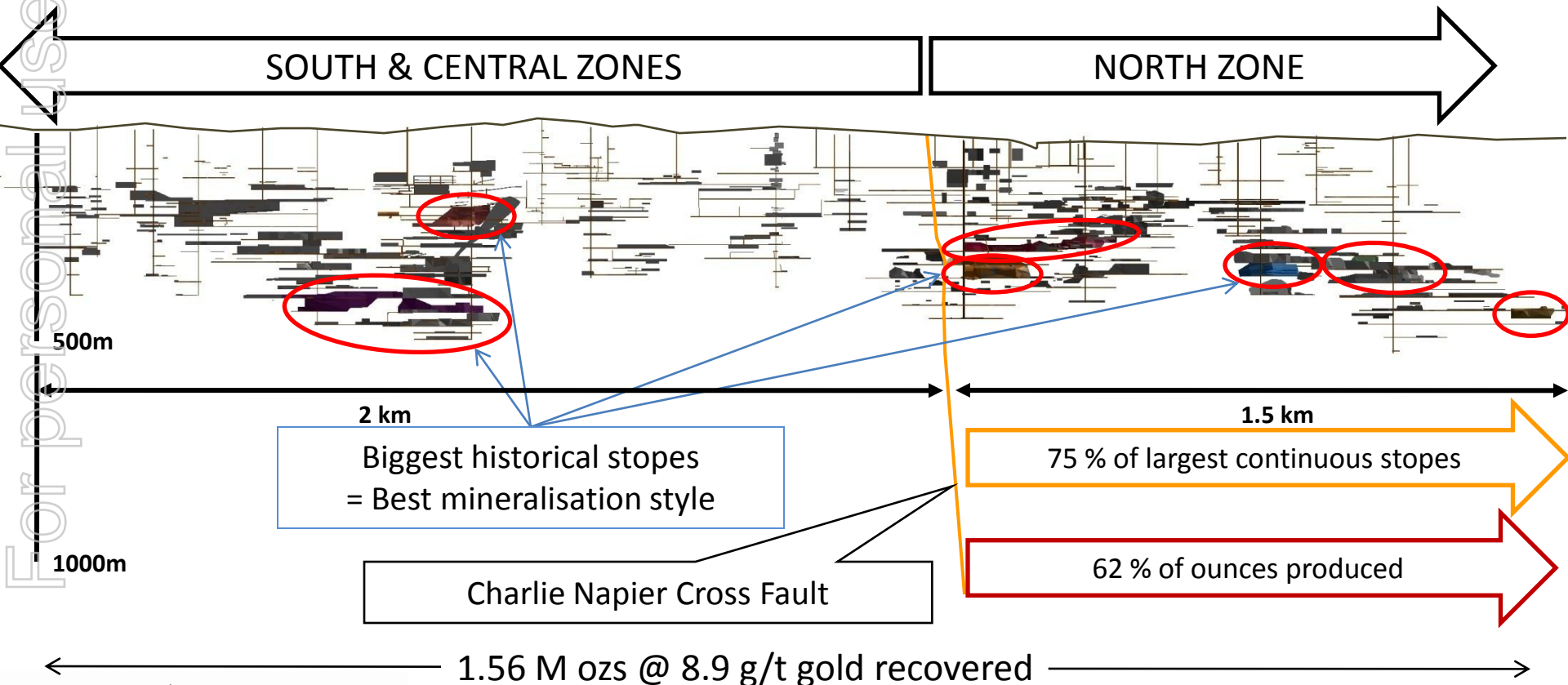
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CGT's current assessment of Ballarat is shown below



Ballarat – Northern Potential

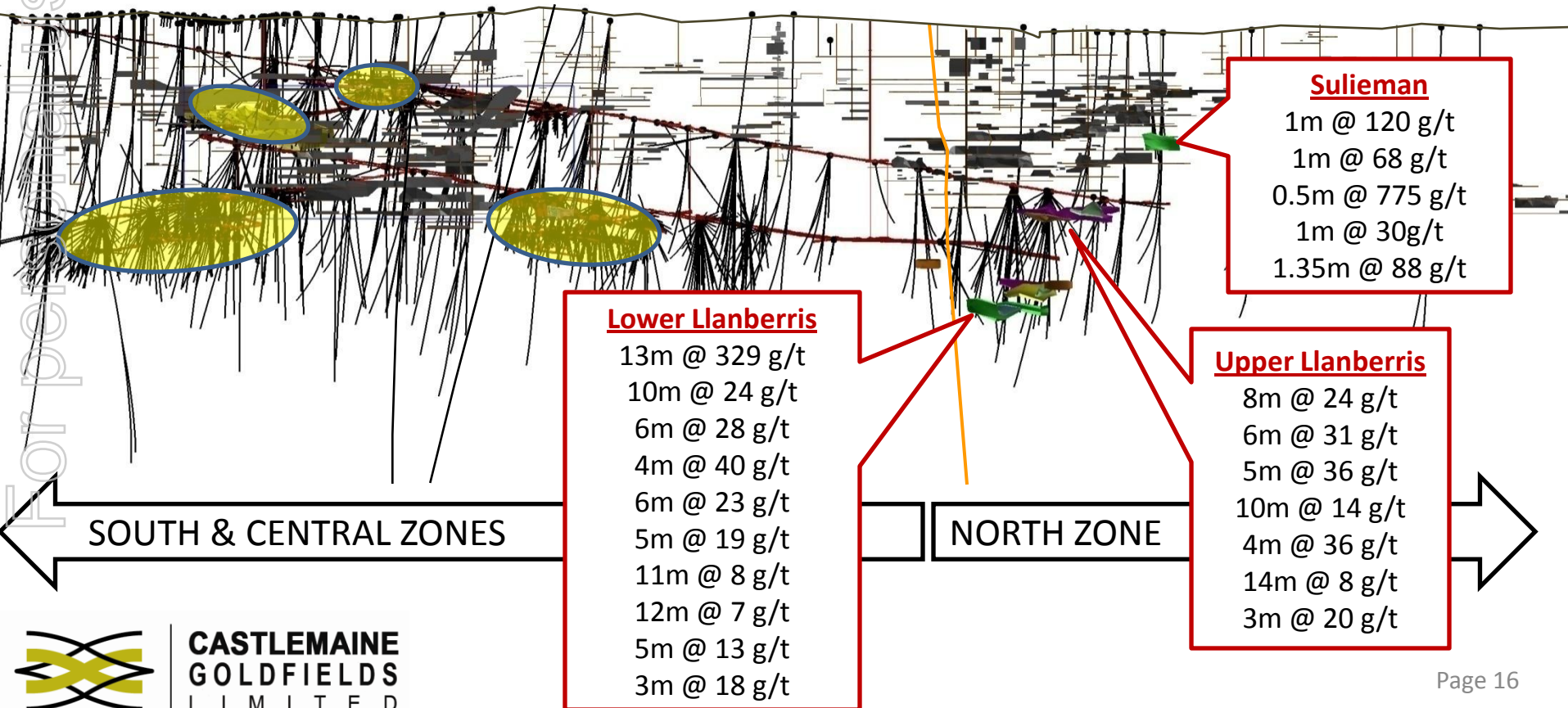
- Northern portion of Ballarat has always been the focus of modern exploration
 - Best endowed for large, geologically continuous stopes with higher ounces per vertical metre
 - Less geotechnical risk with lower density of cross faulting



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Ballarat – Northern Exploration Results

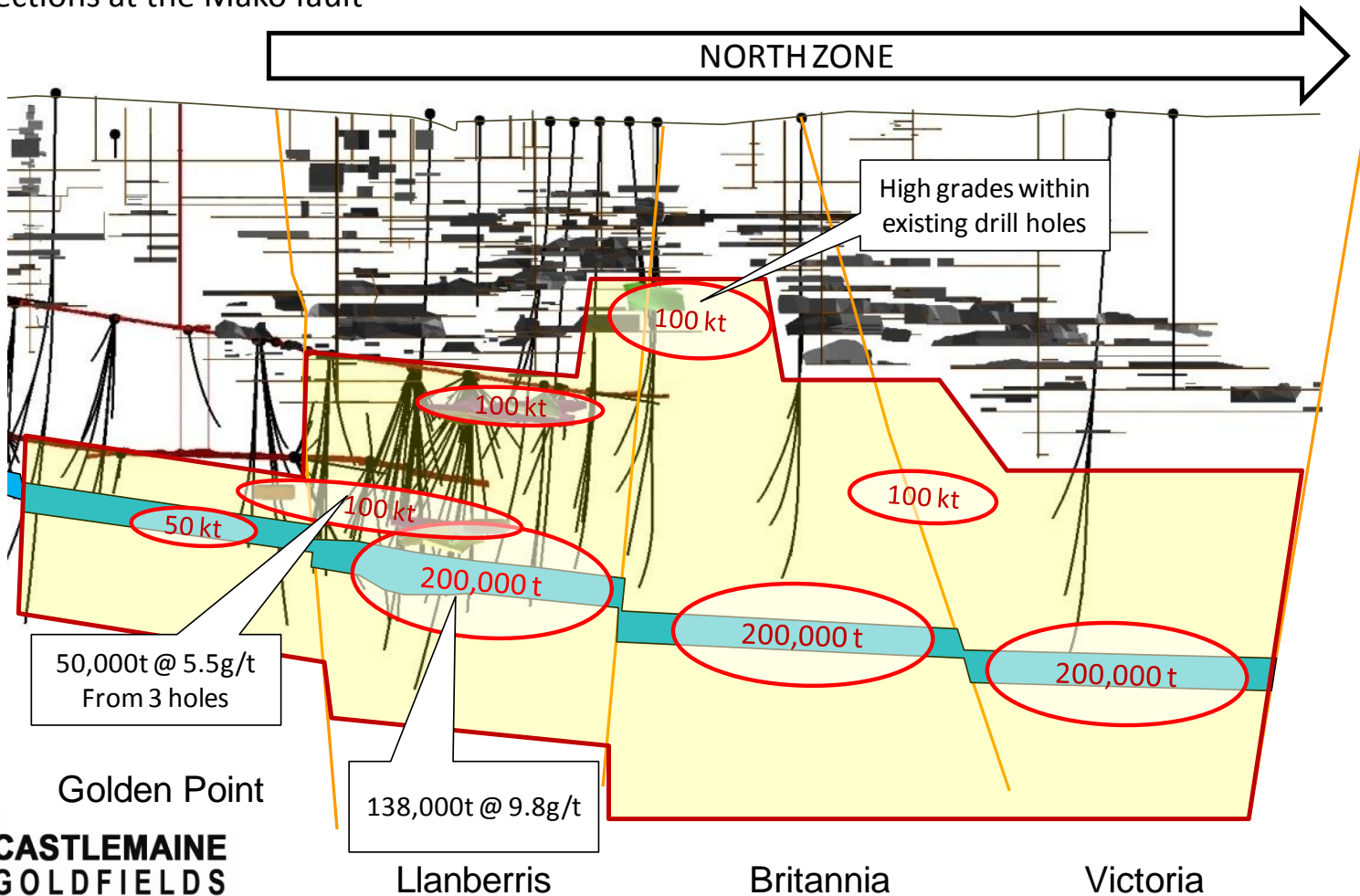
- Strong support that the northern areas are better endowed is provided by the exploration results
- These results have now been modelled by CGT geologists and used to produce preliminary resource estimates
- Noticeably longer strike lengths for mineralised vein arrays were experienced relative to the south



Ballarat – Exploration Targets

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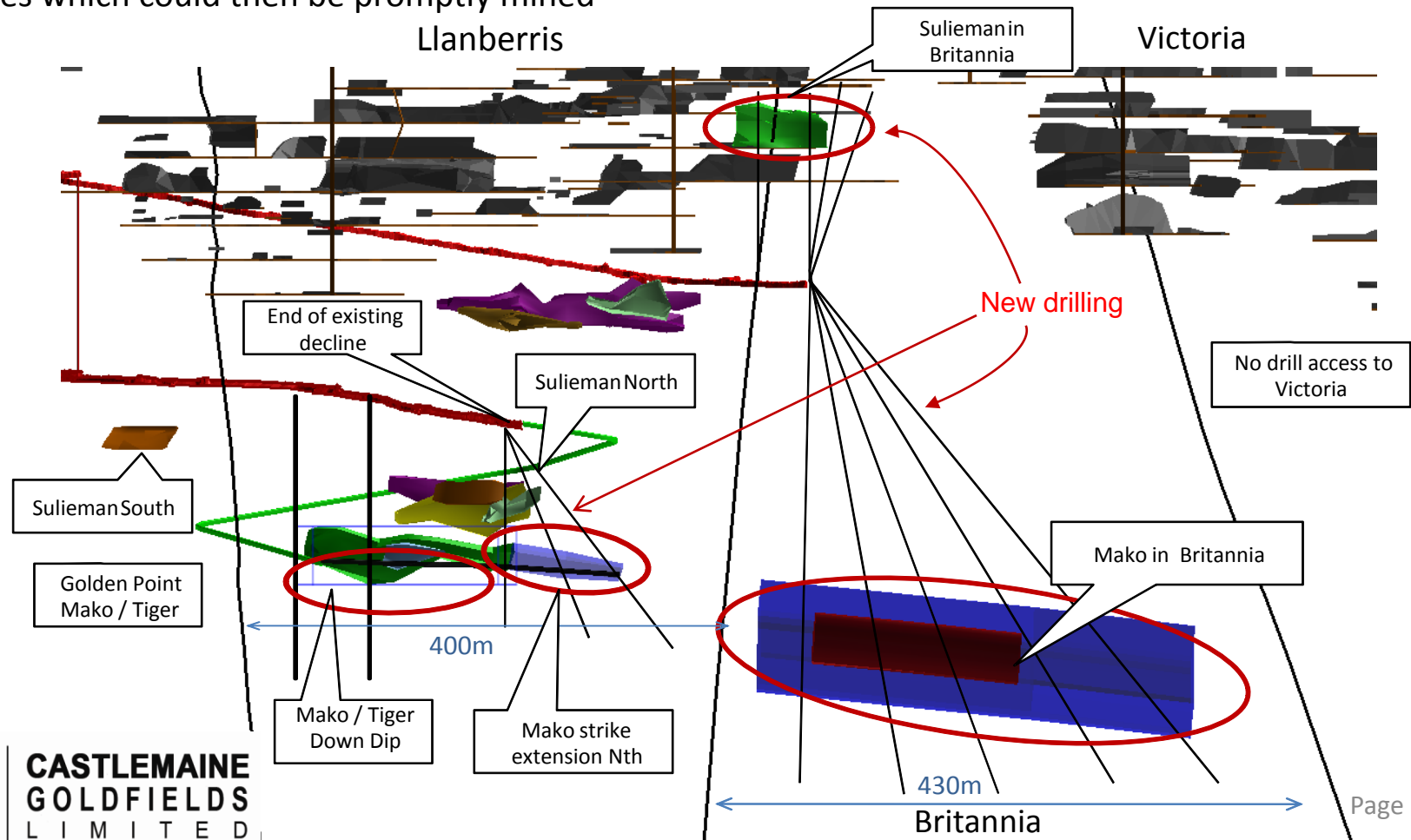
- CGT's early priority is the northern zone targeting exploration at the larger styles of mineralisation
- CGT has identified 3 prime targets, the first of which already contains numerous highly mineralised gold intersections at the Mako fault



Ballarat – Proposed CGT Exploration & Development

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Priority will be to discover a new Mako Fault Reef of significant size in the Britannia compartment AND extend the existing Llanberris resource, which is currently open
Exploration decline development to and along the Llanberris resource will be required to establish stopes which could then be promptly mined



Ballarat Gold Project

- World class gold project facilities



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Supporting Infrastructure

- Ballarat Gold Project surface infrastructure is of a high standard and has the ability to easily support the planned operation

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Maintenance Shed



500 person car park & office building

Gravity + Leach Processing Plant



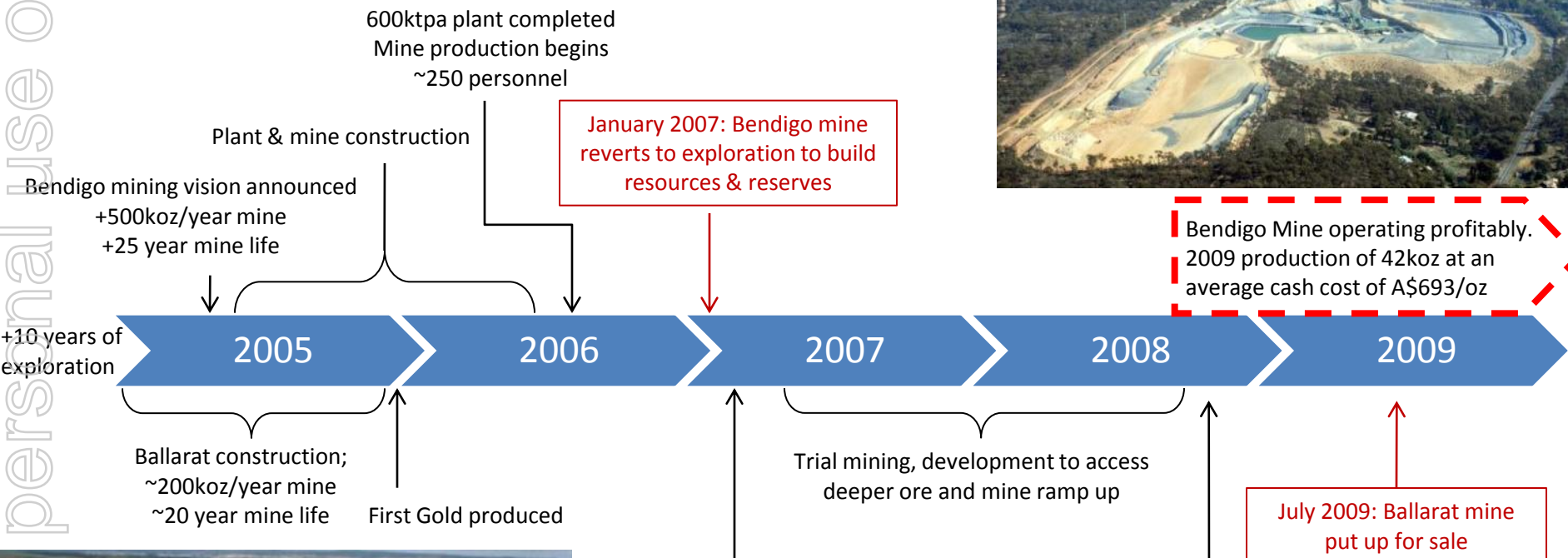
"Stealth" sound-proof drilling rig

Ballarat: A comparison with Bendigo Mine

Bendigo Mining Ltd is proving that Victorian gold projects can be economic with geologically controlled mining at the right scale



BENDIGO MINE



BALLARAT MINE

With the right approach and team Ballarat can be turned around

Substantial Tangible Asset Base

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- The value of the tangible assets at Ballarat relative to the cost of acquisition and initial exploration make the acquisition highly attractive
- Potential for some Ballarat infrastructure to be utilised at Castlemaine

Key Tangible Assets
Gold plant
Mining equipment
Freehold land
Stores inventory
Reverse osmosis plant
Gold lab
Administration buildings
Drilling equipment
Mining licences
Light vehicle fleet

Expenditure Prior to Development Decision	A\$m
Acquisition Costs	5
Initial Assessment Costs	3
Care and Maintenance	4
Sub-Total	~12
Rehabilitation Bonds*	4
Total	~16

* Rehabilitation bonds likely to move with licences

Investment Proposition

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- CGT seeks to raise up to A\$40m to acquire and evaluate the Ballarat Gold Project while advancing its existing projects
- CGT has agreed to acquire Ballarat for an upfront payment of A\$4.5m, assumption of the rehabilitation liability and a 2.5% net smelter royalty capped at A\$50m
- CGT plans to confirm the exploration potential at Ballarat prior to re-commencing production, targeting a rate of 50kozpa from late 2011
- The value of the tangible assets at Ballarat relative to the cost of acquisition and initial exploration provides a highly attractive entry point
- CGT is best placed to acquire Ballarat and has the necessary experience and attributes to make the project work
- The longer term vision is to have ~50kozpa gold production from each of Ballarat and Castlemaine

End

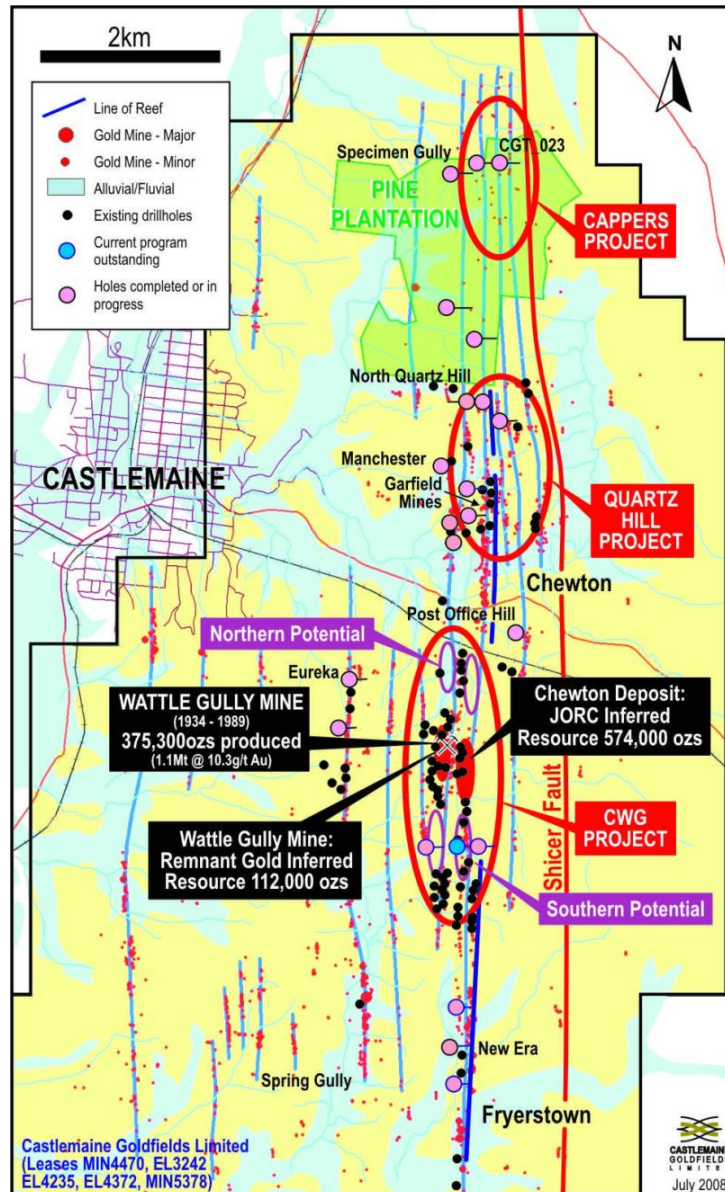
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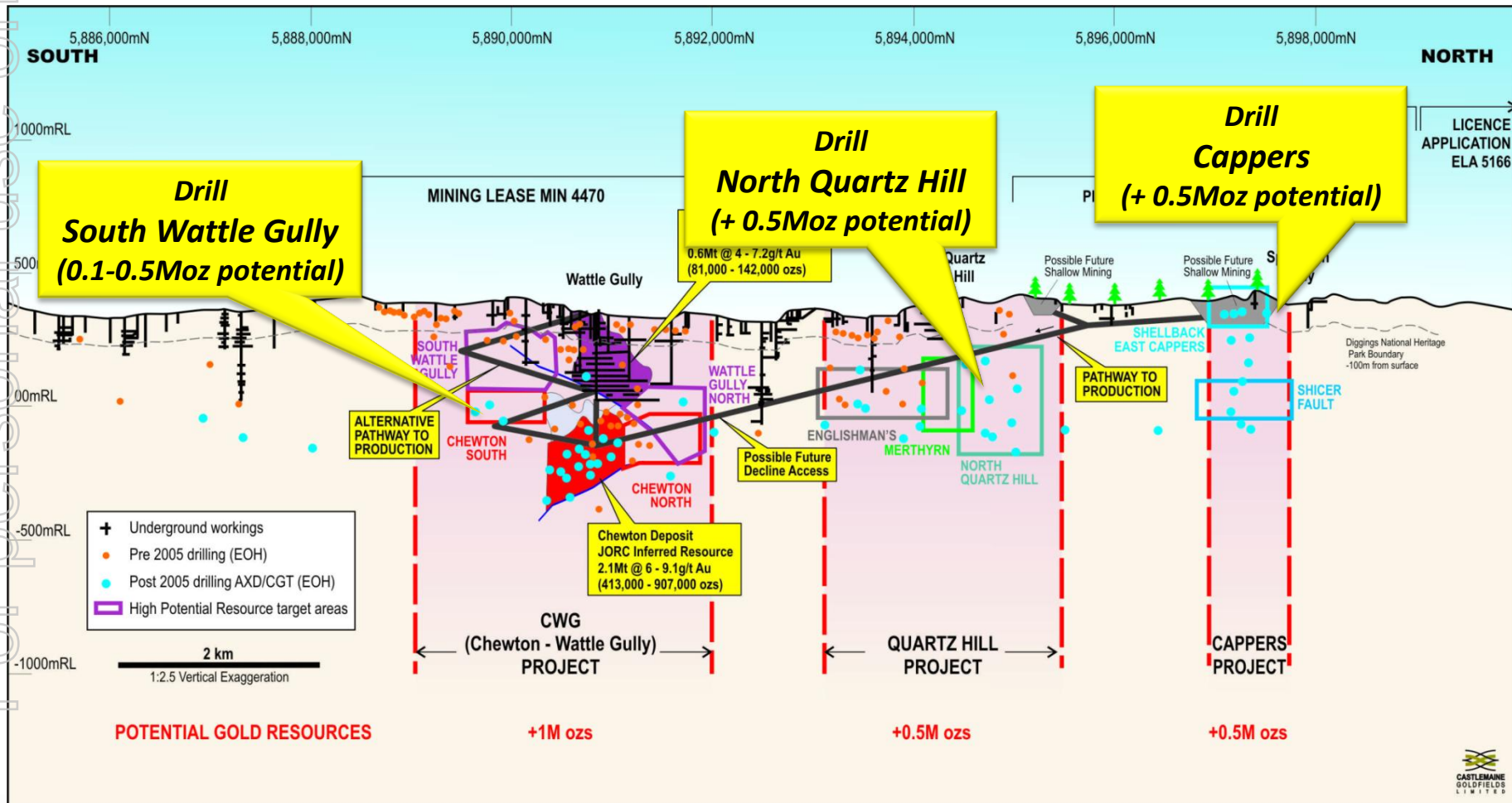
Appendix A – Castlemaine Goldfields Ltd

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Appendix A – Castlemaine Goldfields Ltd

The diagram below provides an overview of CGT's "pathway to Production"



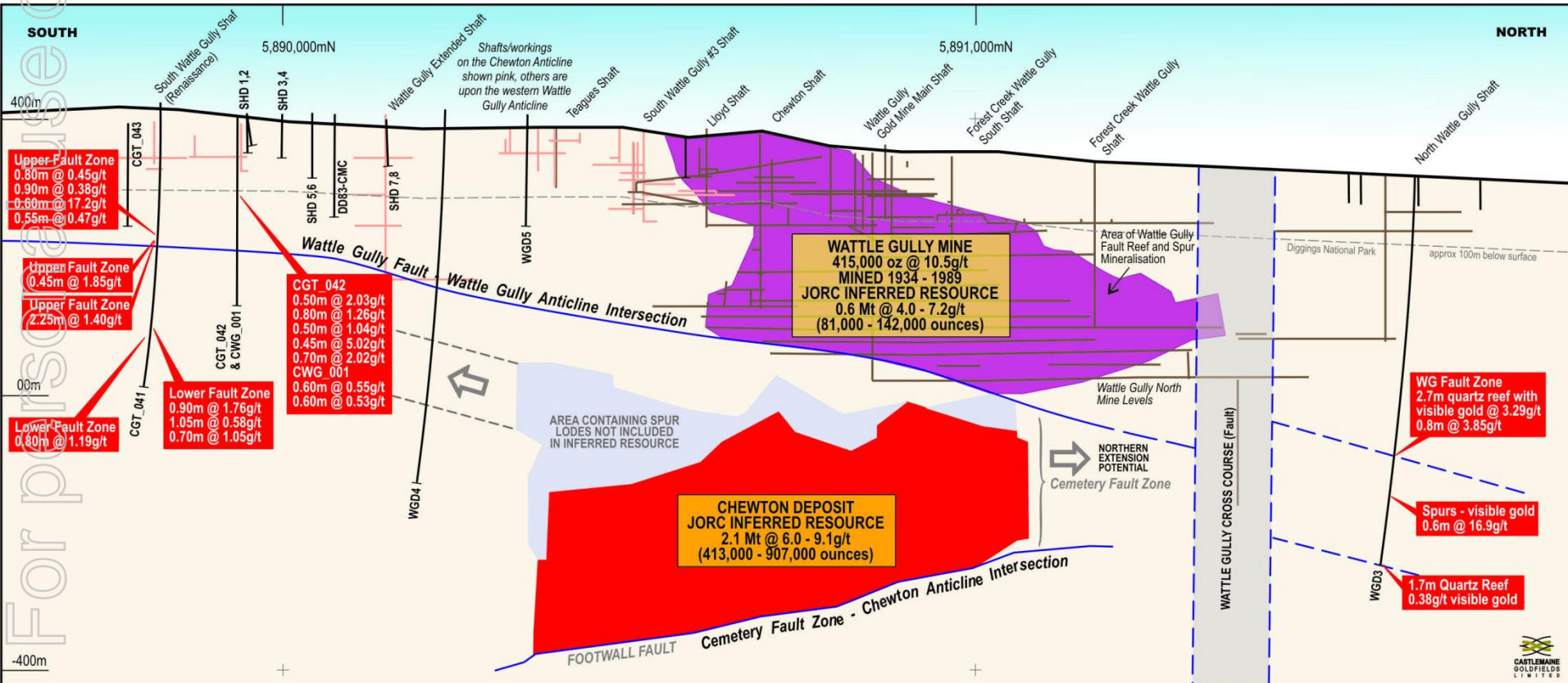
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Appendix B – Chewton Deposit

Chewton-Wattle Gully Project

Resource Estimate

2.1Mt @ 6.1-9.0g/t Au (413,000 - 907,000 ounces)



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Appendix C – Gold in Victoria References

- Victoria, Australia; A World-class Gold Province- Victorian Dept. of Primary Industries paper
[http://www.dpi.vic.gov.au/DPI/nrenmp.nsf/LinkView/354BD52FC2B43284CA2573FD000D47828B3DA072DA032386CA2573DF001C56C6/\\$file/FINALgold%20fact%20sheet_AUG09.pdf](http://www.dpi.vic.gov.au/DPI/nrenmp.nsf/LinkView/354BD52FC2B43284CA2573FD000D47828B3DA072DA032386CA2573DF001C56C6/$file/FINALgold%20fact%20sheet_AUG09.pdf)
- Victorian Gold Production- N. Phillips & M. Hughes, AGSO Journal of Australian Geology & Geophysics

Table 1. Production and features of major Victorian gold producers. Many figures are minima.

Goldfield	Production (t Au)				Host rock
	Total	Primary	Placer	Palaeoplacer	
Bendigo	697	540	157 ¹	-	flysch ²
Ballarat	408	65	273	70	flysch
Castlemaine	173	27	146*	-	flysch
Stawell	82	61		21*	basalt, hornfels
Creswick	81		27	54	flysch
Walhalla	68	68	-	-	diorite dyke
Maldon	65	56	9	-	hornfelsed flysch
Woods Point	52	40	12	-	diorite dyke
Clunes	47	37	10*	-	flysch
Chiltern	46	1	-	45	flysch
Maryborough	32	3	-	29	flysch, diorite dyke
Berringa	30	18		12*	flysch
Fosterville	27	27	-	-	flysch
Egerton	27	16	11	-	hornfelsed flysch
Harrietville	24	12	12*	-	flysch, diorite dyke
Avoca	23	-	18	5	
Ararat	20	1	-	19*	flysch
Daylesford	20	17	3*	-	flysch
Tarnagulla	13	13	-	some	flysch
St Arnaud	12	12	some	-	flysch
Dunolly-Moliagul	10	4	some	3	flysch
Beaufort	10	-	some	8	
Taradale-Lauriston	10	6	some	some	flysch