

ASX ANNOUNCEMENT 9th November 2010

Continued encouragement from Ballarat drilling

Castlemaine Goldfields Limited (ASX:CGT) announces continuing success from exploration in the Britannia compartment at its Ballarat Gold Project in Victoria, Australia.

Highlights from diamond drilling of the Britannia-Mako Fault Zone:-

- High gold grades from northern intersections;
 - 4.4m @ 17.9 g/t Au in CBU061,
 - 6.4m @ 61.2 g/t Au in CBU062,
 - 6.7m @ 5.2 g/t Au in CBU063,
 - 11.0m @ 8.1 g/t Au in CBU064.
- Confirmation that the Mako Fault Zone (MFZ) is highly mineralised in the Britannia Compartment.

Managing Director Mr. Matthew Gill commented "These highly encouraging results give confidence that the Ballarat Gold Project resource inventory can be expanded.

This first assessment of the resource potential continues to highlight that the Mako Fault Zone in the Llanberris and Britannia compartments as being the priority gold mineralised target for initial mine development and subsequent production. Detailed mine planning and scheduling is currently being progressed by CGT engineers and external consultants".

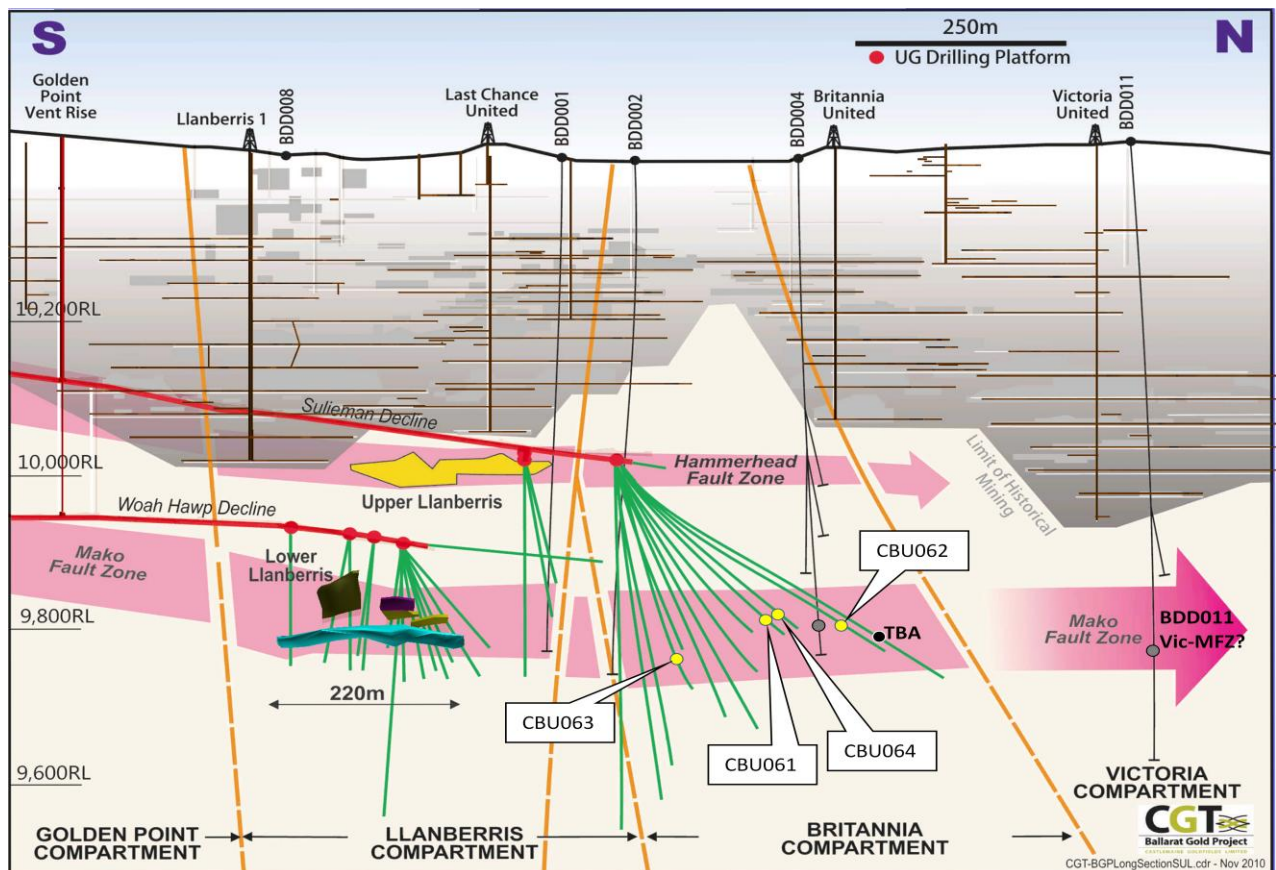


Figure 1. Long section (looking west) of the northern zone of the Ballarat East goldfield showing the drilled areas of the Llanberris and Britannia compartments. Drilling is now reaching the northern limits within the Britannia-Mako Fault Zone. Yellow circles are locations for new assay results in this announcement.

BALLARAT GOLD PROJECT – Britannia Compartment Results:

Drilling of the highly prospective Mako Fault Zone within the Britannia compartment has now extended northward and is close to the practical technical limits which can be drilled from the current drilling platform. Encouragingly, the Mako Fault Zone (MFZ) has been found across the entire length tested and contains numerous high grade gold intersections (also see CGT September Quarterly Report).

Recent assay results for holes CBU061 to CBU064 have confirmed that the MFZ is highly mineralised with the **northern hole CBU062** containing a **best result of 6.4 metres at 61.2 g/t Au** from 376 metres downhole. Importantly, high gold grades have been obtained from the distinctive **massive quartz breccia** in hole **CBU064** which reports **11 metres at 8.1 g/t** from 314.1m. The full list of assay results is given in Table 1.

Drilling has now generated two sections, one north and one south, of the gold intersections within the historical drill hole BDD004 and it's close wedge BDD004A (drilled from surface by Ballarat Goldfields in the 1980's). Holes CBU061 and CBU064 form a section approximately 60 metres south of BDD004 (11.7 metres at 18.9 g/t Au) and BDD004A (9.3 metres at 30.3 g/t Au). Both holes report a number of spur veins surrounding a fault forming the higher parts of the MFZ and contain very nuggety high gold grades (see Figure 2 and Table 1).

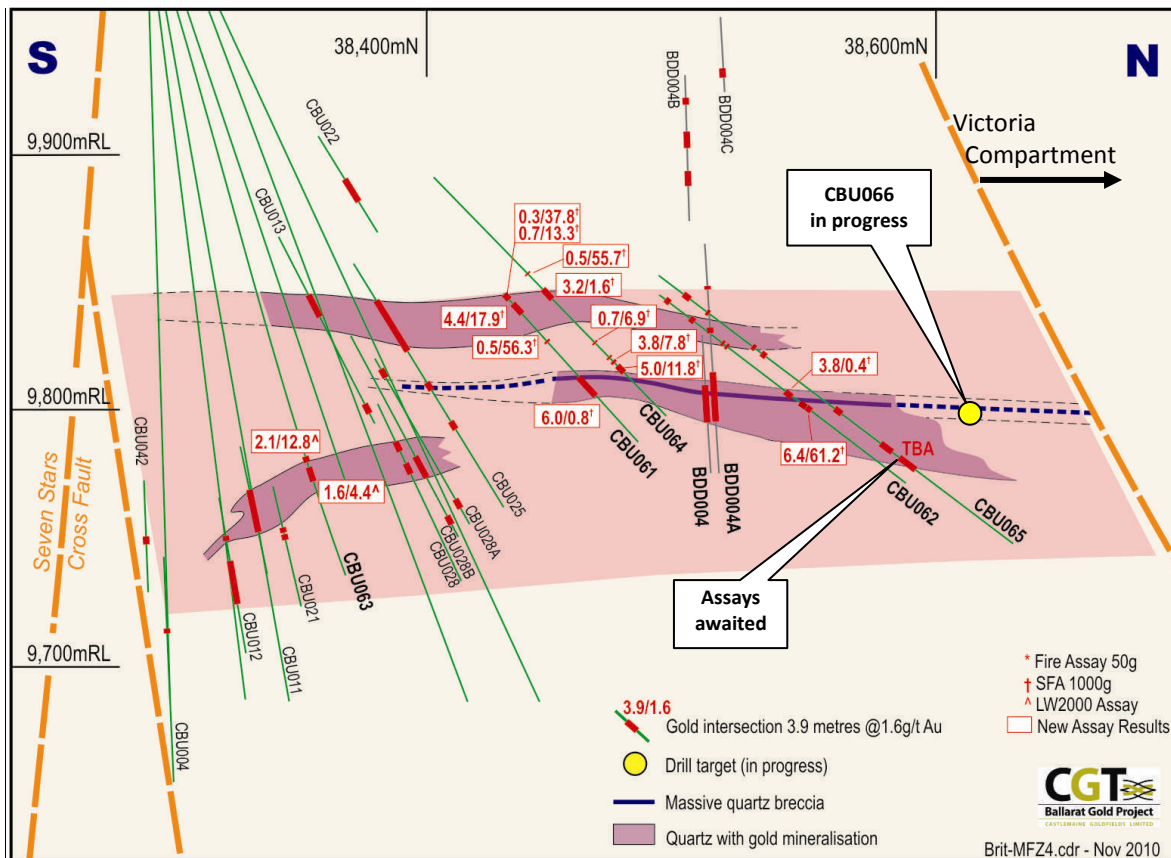


Figure 2. New assay results in red for the Britannia Mako Fault Zone showing the extension of the gold mineralisation northwards within this compartment.

Approximately 40m north of the BDD004 intersections is hole CBU062 which contains a massive quartz breccia (3.8m downhole at 0.4g/t Au) with an underlying footwall fault zone approximately 5 metres below the massive quartz. This footwall set of strong faults is broadly correlated to the Mako Fault in the Llanberris compartment and contains a very mineralised intersection of veins including **1.0 metre at 382.3 g/t Au** (CBU062, from 381.4m).

This footwall fault and associated quartz veins can be correlated with a yet to be assayed intersection in hole CBU065 which is both down dip and 40 metres further north of CBU062 (see Figure 2). CBU065 has also intersected an upper zone of massive quartz but with a lesser degree of brecciation than found in CBU062 and CBU061.

With the Mako Fault Zone now located in the northern end of the Britannia compartment, it is increasingly likely that the gold bearing fault intersected in the Victoria compartment (BDD011 and it's wedge BDD011A, drilled in 1991, and with it's historical assays listed in Table 2 below) is a further northward continuation of the MFZ in the northern Ballarat East goldfield. Exploration of the MFZ in the Victoria compartment is the next logical step to building additional gold resources given the success targeting this highly mineralised fault zone in the Britannia and Llanberris compartments (see Figure 1).

With drilling now finished in the Lower Llanberris resource target, and progressing to the northern extremities of the Britannia compartment, the 9 month exploration program initiated upon purchase of the Ballarat gold Project in May 2010 is due for completion next month, ahead of schedule and within budget.



Matthew Gill
Managing Director and Chief Executive Officer

For further details contact Matt on 0437 315 901 or (03) 5327 2555
www.cgt.net.au

Information in this document which relates to exploration results and Mineral Resources, is based on information compiled by Mr Wesley Edgar, Exploration Manager for Castlemaine Goldfields Limited, who is a member of the Australasian Institute of Mining & Metallurgy, and who has the relevant experience as a competent person, as defined in the 2004 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code)'. Mr Edgar, has given and has not withdrawn prior to lodgement, his written consent to be named in this Announcement as the person responsible for the Exploration Result statements and to the inclusion of these statements in the form and context in which they appear

Note on assay widths: Drillhole assay results for holes CBU061, CBU062 and CBU064 cannot be considered as true width dimensions. These holes intersect the mineralised veins and associated fault zones at acute angles between 42° and 60° to the strike of the historical mineralisation known for mines above the Britannia-MFZ. At this time no holes have been drilled up or down dip on the MFZ to determine the dip of the mineralised fault zones or orientation of individual quartz veins. The intersection widths discussed above and listed in Table 1 are downhole lengths only and the reader is cautioned against assuming such widths may be representative of possible true width intersections in the Britannia compartment.

Table 1. Significant assay results for Britannia-MFZ (downhole lengths)

Drill hole	From (m)	To (m)	Length (m)	Au (g/t)	Gold Intersection	
CBU061	162.9	164.0	1.1	9.51	1.1m @ 9.5 g/t Au from 162.9m	
	205.4	206.4	1.0	13.71	1.0m @ 13.7 g/t Au from 205.4m	
	259.4	289.6	30.2	4.17	30.2m @ 4.2 g/t Au from 259.4m	
			0.3	37.84	including 0.3m @ 37.8 g/t Au from 259.4m	
			0.7	13.29	and 0.7m @ 13.3 g/t Au from 262.5m	
			4.4	17.88	and 4.4m @ 17.9 g/t Au from 267.0m	
			0.5	56.34	and 0.5m @ 56.3 g/t Au from 289.1m	
	*	306.0	319.1	13.1	0.49	13.1m @ 0.5 g/t Au from 306.0m
6.0				0.81	including 6.0m @ 0.8 g/t Au from 306.0m	
CBU062	256.4	257.5	1.1	4.58	1.1m @ 4.6 g/t Au from 256.4m	
	259.0	160.5	1.5	2.02	1.5m @ 2.0 g/t Au from 259.0m	
	301.0	302.0	1.0	3.53	1.0m @ 3.5 g/t Au from 301.0m	
	*	367.3	371.1	3.8	0.38	3.8m @ 0.4 g/t Au from 367.3m
				6.4	61.17	6.4m @ 61.2 g/t Au from 376.0m
		376.0	382.4	1.0	382.32	including 1.0m @ 382.3 g/t Au from 381.4m
CBU063	274.9	281.6	6.7	5.25	6.7m @ 5.2 g/t Au from 274.9m	
			2.1	12.85	including 2.1m @ 12.8 g/t Au from 274.9m	
			1.6	4.41	and 1.6m @ 4.4 g/t Au from 280.0m	
CBU064	215.2	215.7	0.5	14.59	0.5m @ 14.6 g/t Au from 215.2m	
	255.3	255.8	0.5	55.71	0.5m @ 55.7 g/t Au from 255.3m	
	270.9	274.1	3.2	1.57	3.2m @ 1.6 g/t Au from 270.9m	
	302.5	303.2	0.7	6.90	0.7m @ 6.9 g/t Au from 302.5m	
	*	314.1	325.1	11.0	8.07	11.0m @ 8.1 g/t Au from 314.1m
				3.8	7.83	including 3.8m @ 7.8 g/t Au from 314.1m
			5.0	11.81	and 5.0m @ 11.8 g/t Au from 320.1m	

All results are Screen Fire Assay using 1000g sample, except CBU063 which was analysed at the newly commissioned Gekko Ballarat Laboratory using Leachwell cyanide leach 2000g analysis.

* Massive Quartz Breccia

Table 2. Significant assay results for Victoria Compartment historical BDD011holes (downhole lengths)

Drill hole	From (m)	To (m)	Length (m)	Au (g/t)	Gold Intersection
BDD011	691	692	1	1.76	1.0m @ 1.8 g/t Au from 691m
	700	704	4	1.32	4.0m @ 1.3 g/t Au from 700m
BDD011A	692	695	3	2.25	3.0m @ 2.2 g/t Au from 692m
	698	699	1	2.82	1.0m @ 2.8 g/t Au from 698m
	702	705	3	1.27	3.0m @ 1.3 g/t Au from 702m