QUARTERLY ACTIVITIES REPORT
FOR PERIOD ENDED 30 SEPTEMBER 2012

HIGHLIGHTS

Exploration:

- **On track to deliver maiden interim mineral resource estimate in 2012**
- **Detailed, low-level aeromagnetic survey completed over the Katanning Gold Project "Corridor"**
- **Planned drilling activities scheduled for Katanning following conclusion and analysis of aeromagnetic survey**
- **Encouraging gold, silver and copper assays from reconnaissance rock chip sampling at Cracow Project.**

Corporate:

- **Successful equity raising of $7.2m completed in the September quarter**

Commenting on the quarterly results, Dr Andrew Tunks, CEO of Ausgold Limited said:

"Following the successful equity raising completed during the quarter the Ausgold exploration team has initiated further activities at the Katanning Gold Project. This has seen the acquisition of a detailed aeromagnetic and radiometric survey over the most prospective area surrounding the Jinkas and Dingo pits. Based on the highly magnetic alteration associated with the gold mineralisation we believe this technique will greatly increase our drilling success."

"After several months of intensive data compilation, we are also in a position to hand over the data for our Maiden Mineral Resource Estimate which we expect to deliver to the market during the forthcoming December quarter."

ASX Code:
AUC

Directors and Management:

Dr. Andrew Tunks
Chief Executive Officer

Mr Robert Pett
Non-Executive Chairman

Mr Simon Trevisan
Non-Executive Director

Mr Richard Lockwood
Non-Executive Director

Mr Christopher Kelsall
Non-Executive Director

Mr Mark Di Silvio
CFO & Company Secretary

Mr Gary Brabham
Exploration Manager

Registered Office:

80 Churchill Avenue
Subiaco WA 6008

Share Registry:

Security Transfer Registrars
770 Canning Highway,
Applecross WA 6153

Issued Capital: (30 Sep 12)

Ordinary Shares:	153.9M
Listed Options:	71.6M
Unlisted Options:	7.0M

Key Shareholders:

Praetorian:	9%
CQS:	8%
JP Morgan:	7%
Capital Group:	3%

Investor Relations:

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SUMMARY OF EXPLORATION ACTIVITIES

Ausgold Limited ("Ausgold" or the "Company") (ASX: AUC) is pleased to release its Quarterly Activities Report for the period ended 30 September 2012.

KATANNING GOLD PROJECT, WESTERN AUSTRALIA (AUC 100%)

The Katanning Gold Project is located 275 kilometres southeast of Perth. In its own right and through joint venture, Ausgold holds over 7,000 square kilometres of tenure in the region (Figure 1).

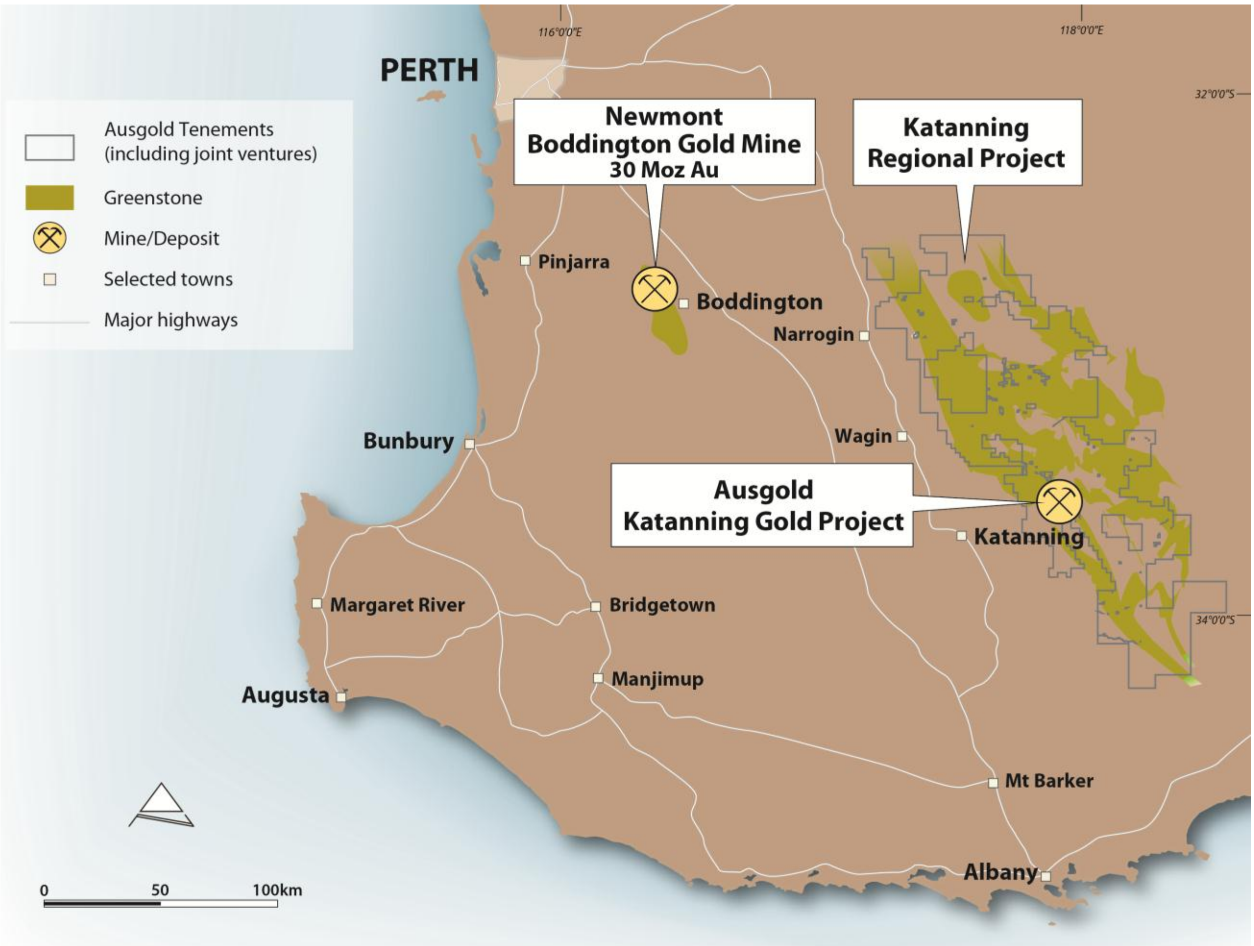

Figure 1: Location map of Ausgold's Katanning Gold Project

The Katanning Gold Project ("KGP") comprises an area of multi-lode gold mineralisation, encompassing the Jinkas, Dingo and Jackson deposits, that Ausgold's exploration has now demonstrated exceeds 20km strike length (Figure 2). Soil sampling and aircore drilling have confirmed the potential for significant gold mineralisation in the area and it remains open to the north and south.

RESOURCE DEFINITION

Following receipt of assays from diamond core holes drilled at Jinkas and Dingo deposits in the March 2012 quarter, activity has concentrated on items necessary to support JORC-compliant estimates of gold resources, including:

- database validation;
- check sampling and assaying;
- geological interpretations and check logging as required;
- import and validation of historic drilling data;
- review of historic metallurgical test work.

At present the Company anticipates preliminary resource estimates will be completed during the forthcoming December 2012 quarter.

KATANNING GOLD PROJECT “CORRIDOR” EXPLORATION

Ausgold’s systematic soil sampling programs have outlined large areas of significant gold anomalies over an area that extends for approximately 5km north of Jinkas deposit and 8km south of Dingo mine (Figure 2). Multi-element assays of soil samples have also demonstrated that mafic gneisses, representing metamorphosed prospective Archaean greenstones, are far more extensive in the area than has previously been recognised. The structural corridor that hosts gold mineralisation at Katanning has thus been extended to over 20km and remains open north and south.

Reconnaissance aircore geochemical drilling completed in 2011 and the March quarter of 2012 on 200m spaced traverses through the Dingo South – Lukin area has outlined 12 targets for follow-up drilling.

The area north of Jinkas deposit remains to be scout drilled. Limited shallow historic RC drilling between Jackson and Datatine returned a result of 4m @ 15.6 g/t that was never followed up nor tested within fresh rock. The trend remains open to the north and remains an excellent target for further drilling.

The recently recognised correlation between gold mineralisation and sulphide (pyrrhotite) and magnetite alteration points to the potential of geophysics to assist in prioritising follow-up drilling of high grade targets. During the quarter, Ausgold commissioned a detailed, low-level aeromagnetic survey over the KGP Corridor, comprising approximately 4,150 line kilometres (Figure 2). Flying has been completed and final data products are expected during the forthcoming December 2012 quarter.

Planning and execution of follow-up drilling in the Datatine and Dingo South – Lukin areas will immediately proceed based on the new aeromagnetic data combined with previous interpretation of the gold in soil anomalies.

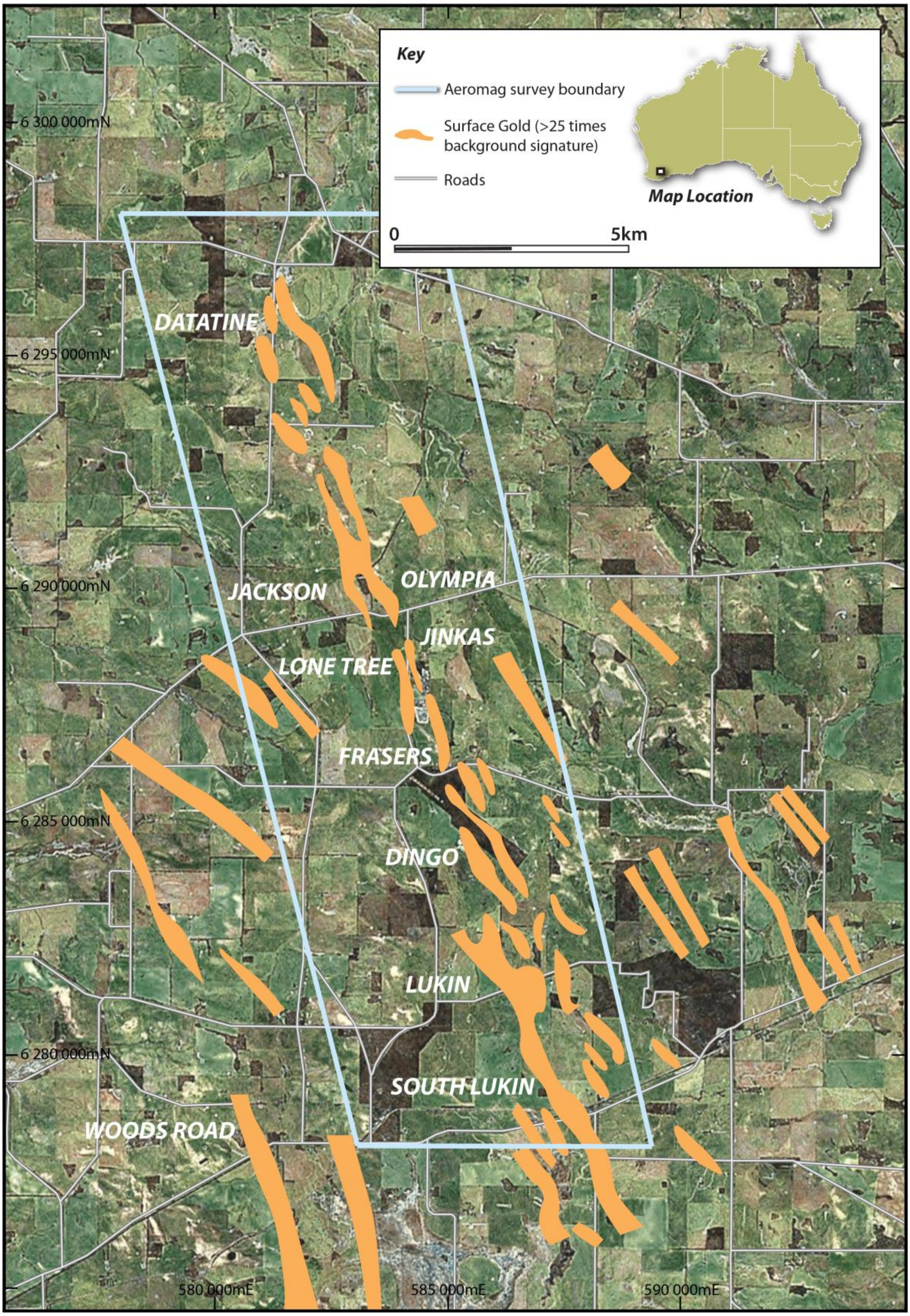

Figure 2: Soil gold anomalies/corridors within the KGP "Corridor", adjacent gold zones to the east and west, and aeromagnetic survey extents

KATANNING REGIONAL PROJECT, WA (AUC 100% & Quadrio JV)

Ausgold's Katanning regional tenement position covers a strike length of 250 kilometres east and south of the 30 million ounce Boddington Gold Deposit and surrounding the Katanning Gold Project.

KATANNING GREENSTONE BELT

To date, Ausgold has collected over 9,300 soil and 750 stream samples for multi-element analyses. Combining those data with geochemical data from other sources, the Company has compiled a regional data set of approximately 60,000 samples. Those data, combined with open file geophysics, have identified 54 regional gold targets that are being progressively prioritised and investigated (Figure 3).

QUADRIO JV (Ausgold 60%)

Ausgold has earned 60% interest in the Bullock Pool and Nanicup Bridge projects in a joint venture with Quadrio Resources Pty Ltd, a wholly owned subsidiary of Kingsgate Consolidated Limited. Tenements comprising those projects are contiguous with Ausgold's Katanning Regional Project.

Previous exploration at Bullock Pool and Nanicup Bridge by Quadrio Resources Pty Ltd returned highly encouraging shallow gold intercepts, including:

Bullock Pool:	9m @ 2.0 g/t Au from 30m, Hole 00BPRC013
	4m @ 2.4 g/t Au from 36m, Hole 00BPRC002
Nanicup Bridge:	3m @ 11.0 g/t Au from 0m, Hole 01NBR082
	6m @ 2.1 g/t Au from 25m, Hole 04NBDH004
	3m @ 4.5 g/t Au from 6m, Hole 01NVR011

Ausgold has completed 28,000 metres of aircore drilling in 689 holes within the JV tenements, on 400m x 100m hole spacing, which in conjunction with previous drilling has defined two large gold systems that represent extensions to previously identified gold mineralisation at the Woods Road/Bullock Pool prospect and the Nanicup Bridge prospect (Figure 4). Both systems display strong similarities to the signatures of gold mineralisation at the Katanning Gold Project.

Infill aircore drilling and geophysical surveys are proposed prior to initial RC drilling of priority targets.

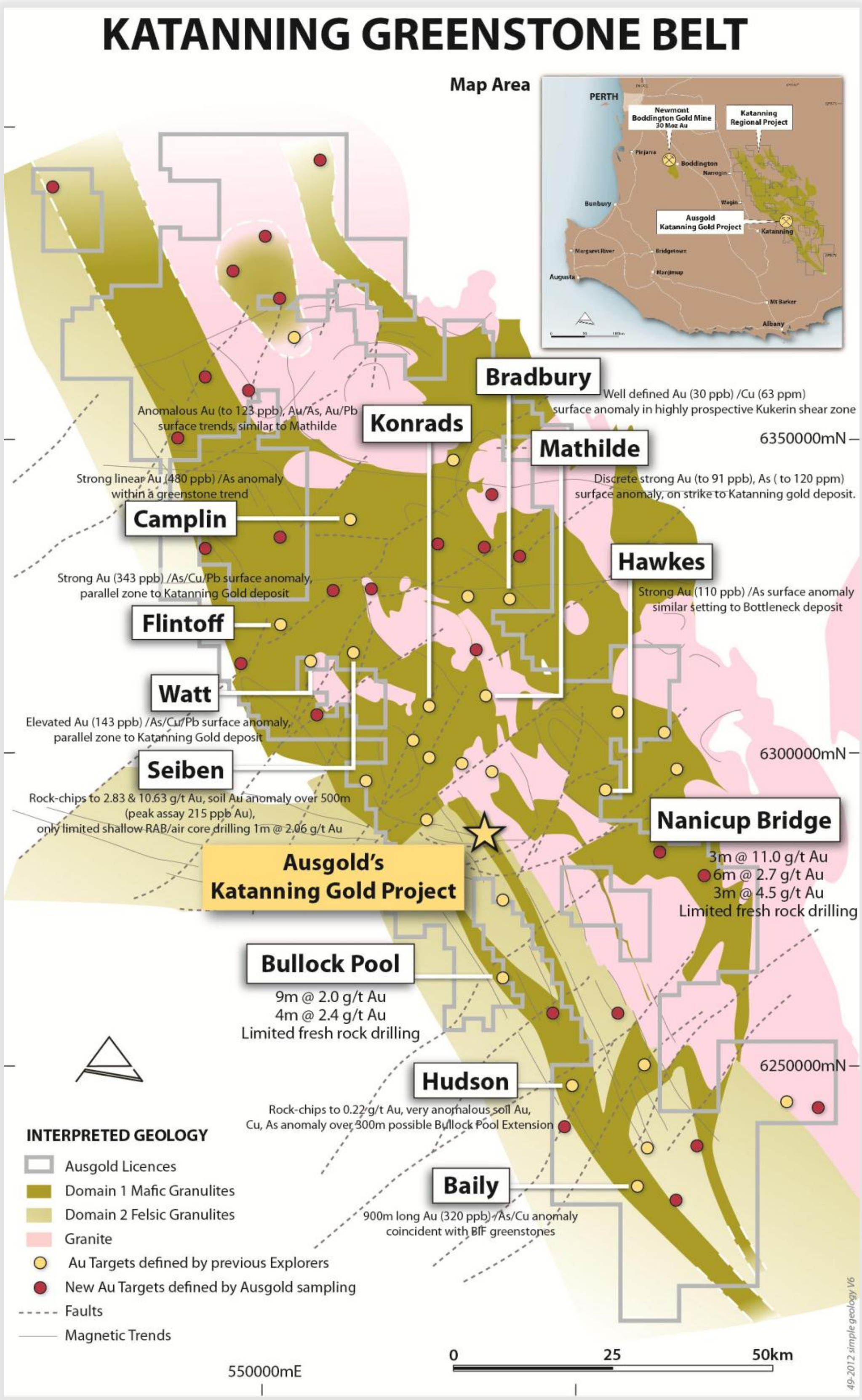

Figure 3: Katanning Regional Project tenement holding with greenstone derivative lithologies and gold targets highlighted

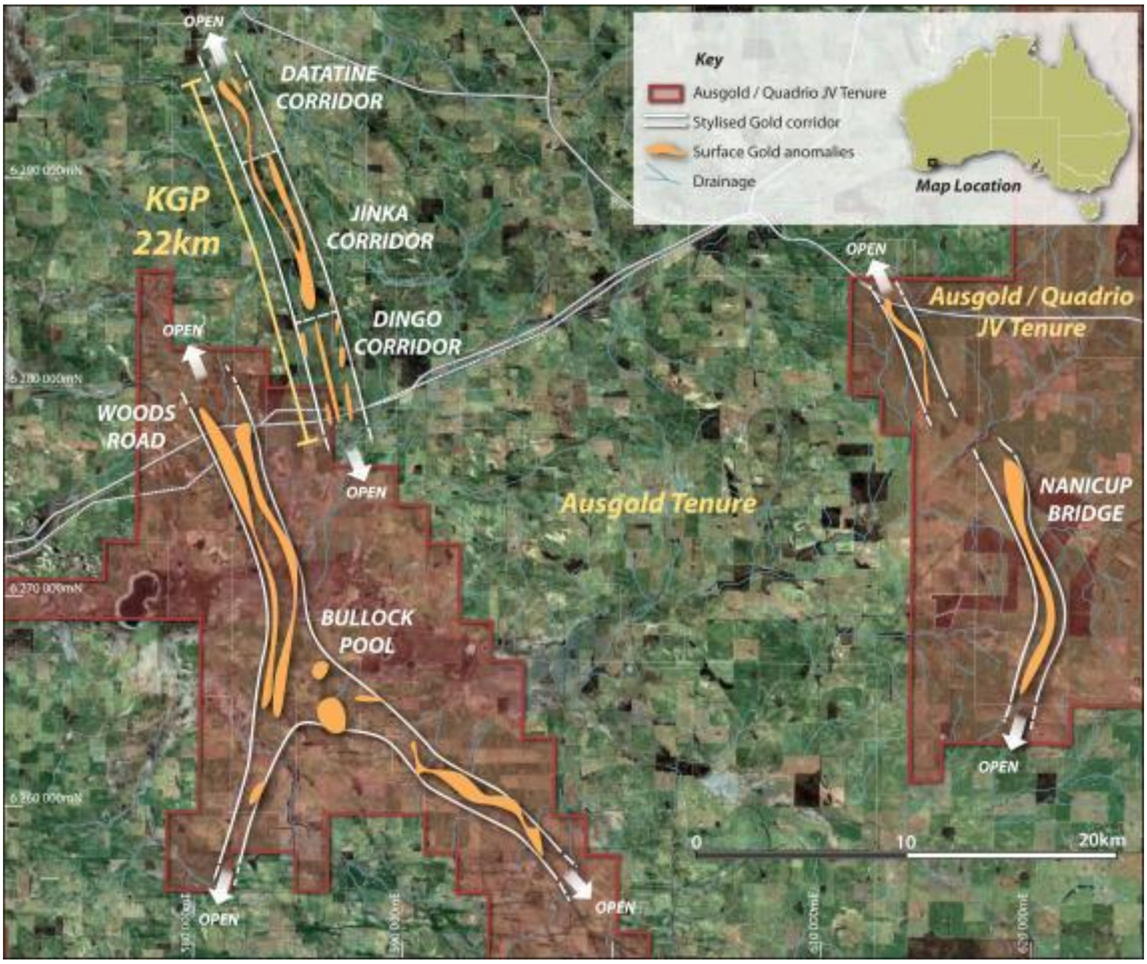

Figure 4: Gold anomalies defined by aircore drilling over 60km strike at Bullock Pool and Nanicup Bridge Prospects

CRACOW, QUEENSLAND (AUC 100%)

During the quarter Ausgold received an offer of grant for an additional tenement at Cracow. Following grant the Cracow project will comprise five tenements covering approximately 1,470 square kilometres, located approximately 375km north-west of Brisbane, Queensland (Figure 5). Three additional tenement applications, covering approximately 265 square kilometres, are pending grant. The tenements and applications enclose extensive areas of highly prospective Camboon Volcanics, host to the +1 million ounce Cracow gold mine located 16km south of Ausgold's area of interest.

Exploration to date at Cracow has included geological mapping, stream sediment sampling and follow-up by systematic soil geochemical sampling of target areas. Soil sampling to date has clearly defined several multi-element geochemical anomalies with characteristics typical of high-grade epithermal Au-Ag mineralised systems (Figure 6).

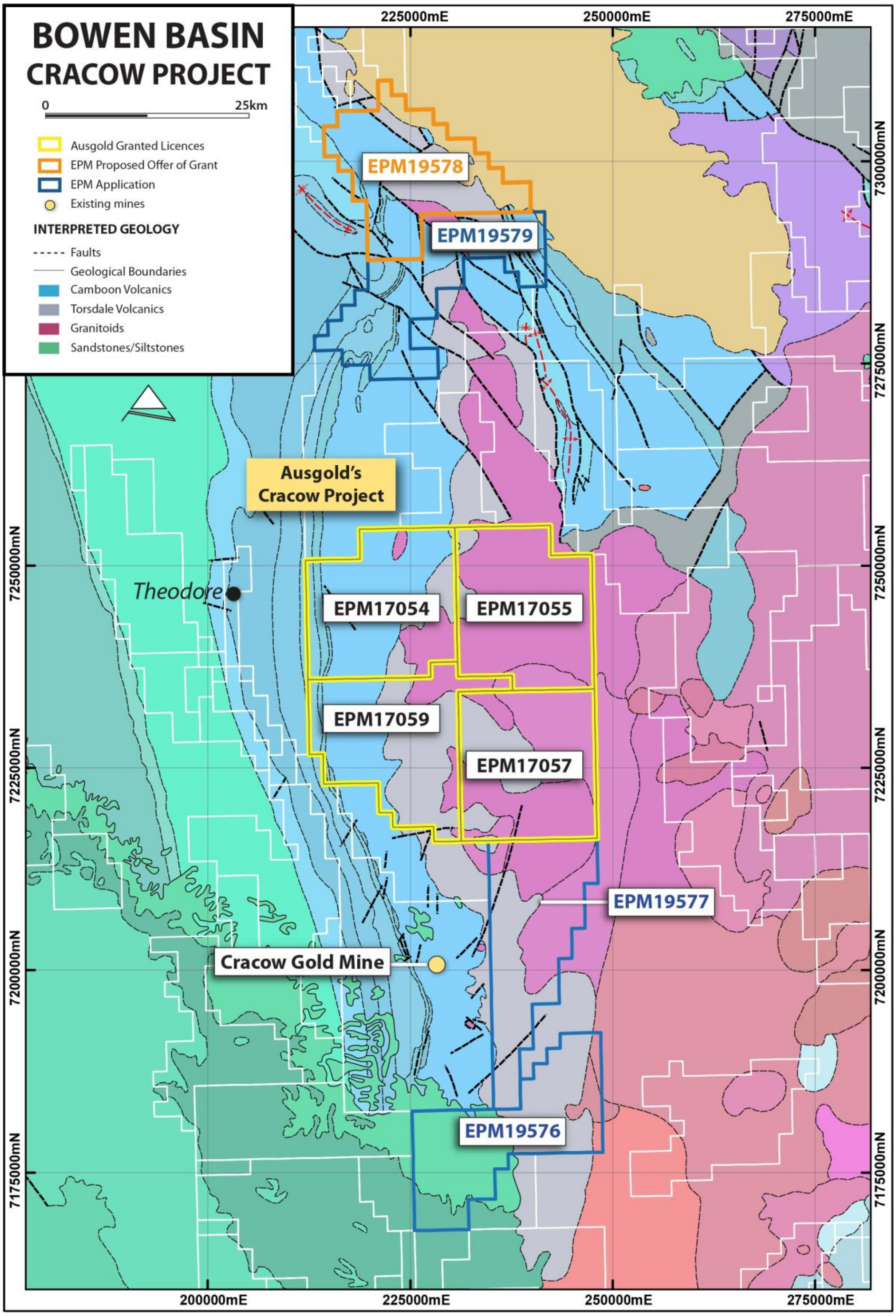

Figure 5: Cracow Project tenements and application areas

First-pass mapping and rock chip sampling has now been completed over several areas with encouraging results including assays up to 0.18g/t Au, 6.3g/t Ag and 3.1% Cu (in separate samples; Figure 7 & Table 1). Several of the target areas feature very sparse outcrop but areas of significant silica-sericite alteration and pervasive pyritization demonstrate that hydrothermal mineralising systems have been active in the project area. Ausgold regards the results as highly encouraging and further follow-up is proposed, along with extensions to existing soil sample coverage. A senior management field trip to Cracow is scheduled for early in the December quarter to review and progress a strategy within this exciting opportunity.

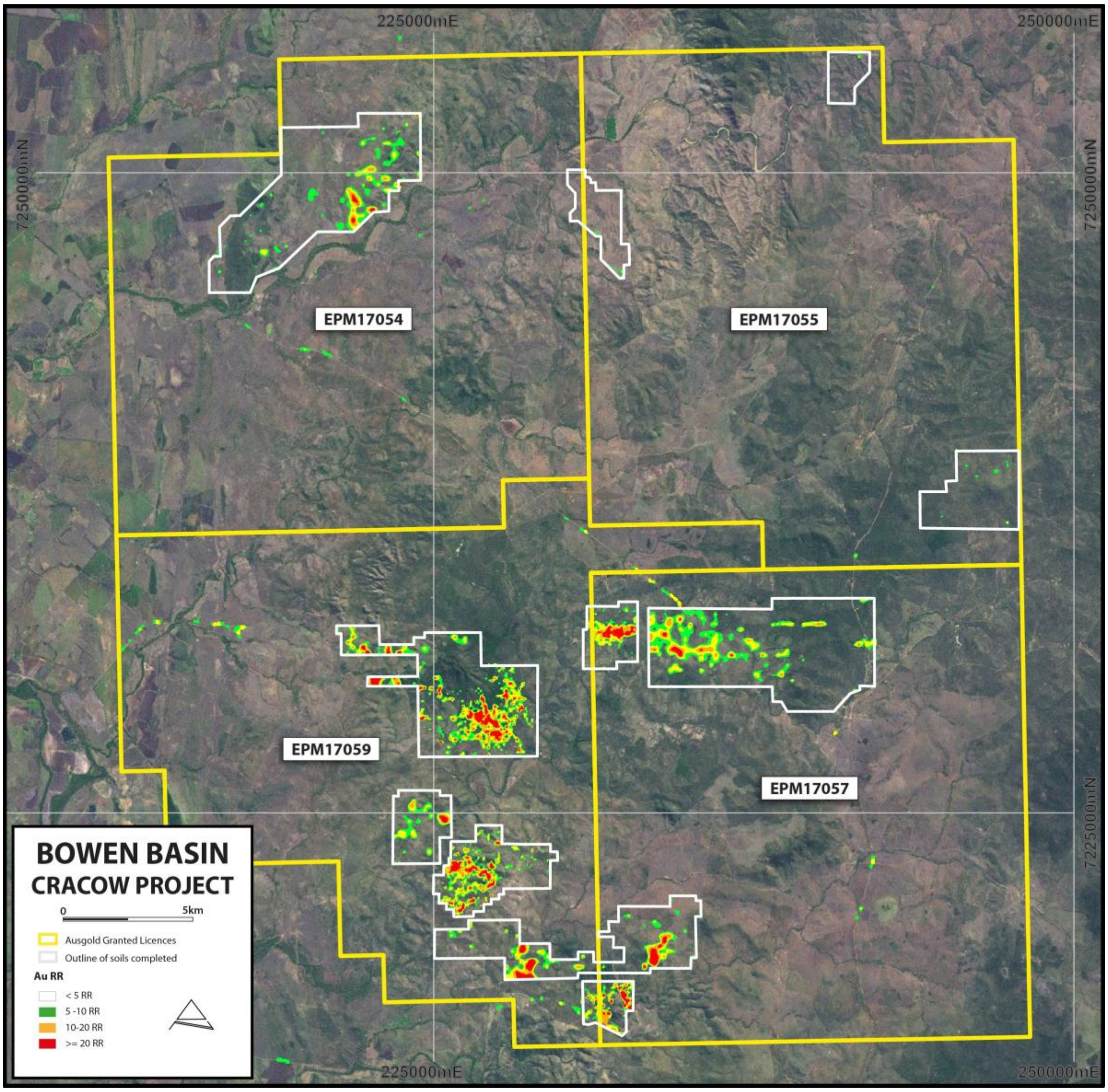

Figure 6: Cracow soil gold geochemistry and target areas

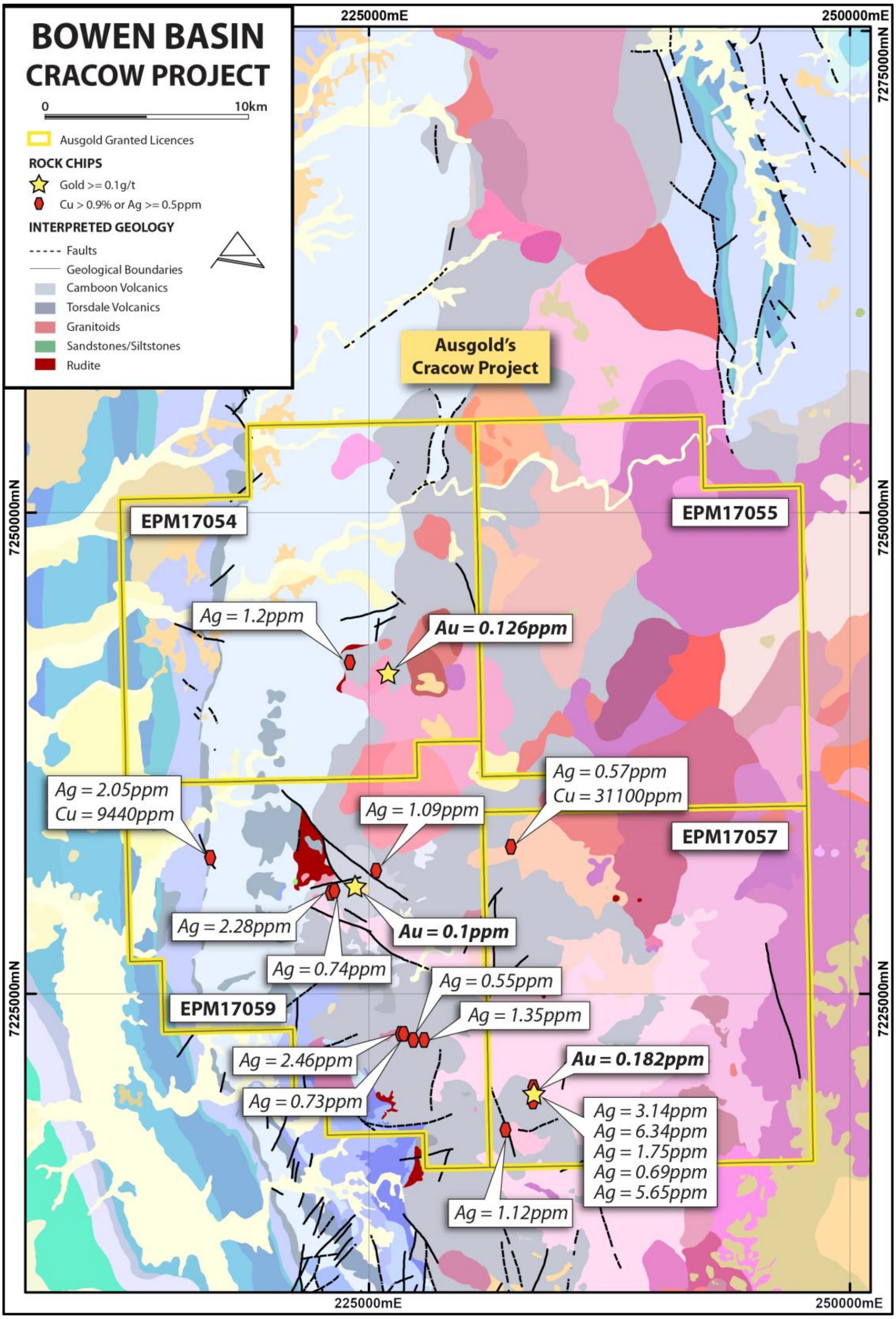

Figure 7: Cracow significant rock chip sample results

EAST	NORTH	Au g/t	Ag g/t	Cu ppm
233374	7219569	0.05	6.3	29
233367	7219472	0.18	5.7	6
233414	7219200	0.01	3.1	29
226712	7222918	0.02	2.5	58
223051	7230360	0.02	2.3	11
216814	7232207	0.00	2.1	0.94%
233414	7219314	0.01	1.8	21
227154	7222789	0.01	1.4	5
223941	7242077	0.01	1.2	22
231965	7217826	0.01	1.1	44
225094	7231759	0.01	1.1	41
232330	7232540	0.02	0.6	3.1%
226179	7241824	0.13	0.4	9
224109	7230778	0.10	0.1	42

Table 1: Significant rock chip assays – Cracow project

Quoted co-ordinates are in MGA Zone 56 GDA94. Gold assays by 50g aqua regia digest with ICP-MS finish by ALS Global Townsville. Other elements by 4 acid digest and ICP-OES/MS by ALS Global Townsville. Reference standards and blanks are routinely inserted

YAMARNA, WESTERN AUSTRALIA (AUC 100%)

The Yamarna Project is located approximately 125 kilometres north-east of Laverton in central Western Australia on Exploration Licence ("EL") 38/2129. It comprises approximately 600 square kilometres of prospective ground over the eastern-most Archaean greenstone belt of the Yilgarn Craton – the Yamarna belt. The Winchester Copper-Nickel Discovery was originally identified from Ausgold's 2010 drilling campaign which returned a significant copper, nickel and cobalt intervals.

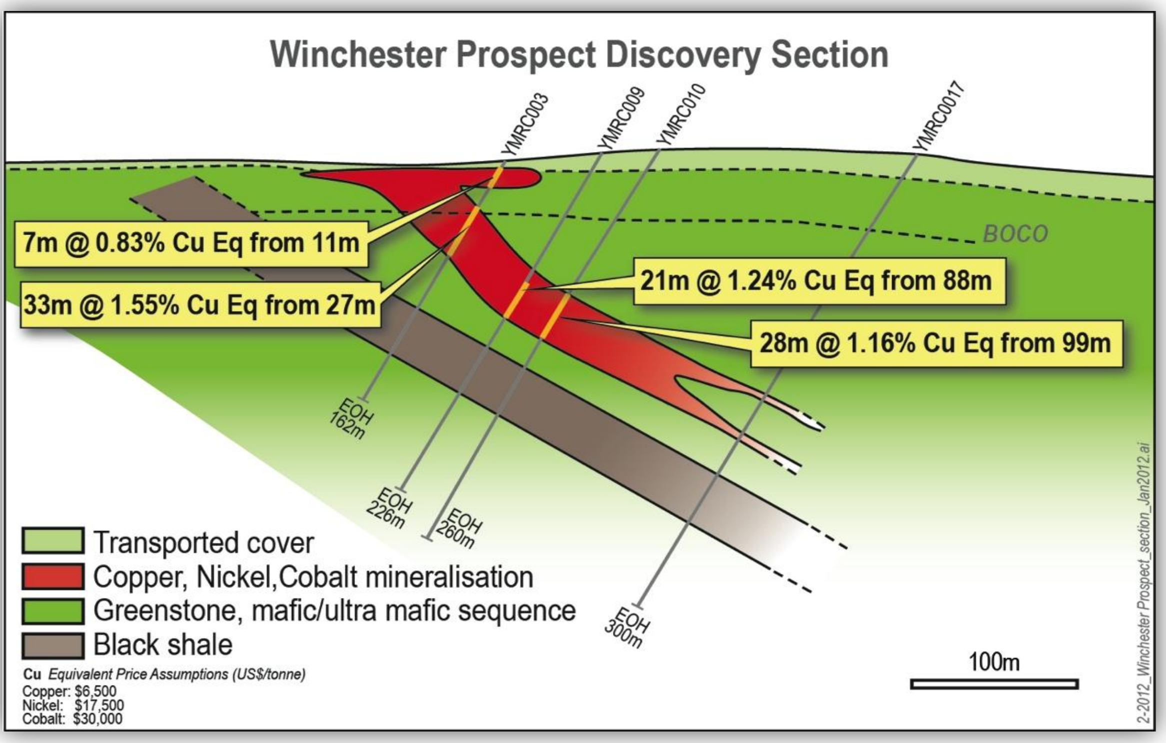

Figure 8: Winchester Prospect Discovery Section, Yamarna

Ausgold is intending to drill adjacent sections at Winchester to determine the extent of the mineralising system in future and is reviewing drill options for targets generated from completed downhole EM surveys.

CORPORATE ACTIVITIES

During the September quarter the Company completed an equity raising of $7.2 million (inclusive of $3.0 million in listed securities) via share placement, share exchange and share purchase plan arrangements for continued exploration and working capital purposes.

As a component of equity raising activities, Ausgold entered into a Share Placement and Share Exchange Agreement with Praetorian Resources Limited ("Praetorian"), a company listed on the Alternative Investment Market of the London Stock Exchange. Under the terms of the agreements:

- Ausgold issued 4,545,455 ordinary fully paid shares to Praetorian at an issue price of $0.33 cash, to raise $1,500,000; and
- Ausgold issued 9,090,909 ordinary fully paid shares to Praetorian at an issue price of $0.33 and in exchange Praetorian allotted Ausgold 3,683,015 ordinary fully paid shares at an issue price of £0.55.

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About Ausgold Limited
Ausgold Limited was formed to utilise some of the latest innovations in geosciences to target areas in Australia prospective for the discovery of gold and copper-gold ore bodies. This work was initially carried out by the Centre for Exploration Targeting, an internationally renowned group affiliated with the University of Western Australia and Curtin University, using a team of highly qualified geoscientists with extensive experience in gold mineralised systems and exploration targeting.

The result was Ausgold's acquisition of tenements covering 17,500 km² of ground prospective for gold and copper mineralisation. These tenements cover a range of mineralised systems in known and emerging mineral provinces throughout Australia, where potential exists for new gold and copper discoveries.

Ausgold has identified a major new greenstone belt 200 km in length within south Western Australia similar to other greenstone belts in the Yilgarn and with attributes of other Giant Archaean gold camps.

This successful targeting by Ausgold has led to the unearthing of the Katanning Gold Discovery, 275 km south west of Perth. The discovery sits within the greater Katanning Regional Project covering an impressive 7,500 km² in the Yilgarn to the southeast of Newmont's Boddington Gold Mine.

A major reverse circulation drilling program undertaken by Ausgold has identified multiple gold mineralised horizons at Katanning within a corridor having a strike length in excess of 20 kilometres. To date, three main zones have been uncovered within the confines of the Katanning Gold Discovery, those being Jackson, Jinkas and Dingo with gold mineralisation at a fourth prospect, Fraser, also being discovered.

In addition to the burgeoning Katanning Gold Discovery and Katanning Regional Project, highly prospective ground has also been identified and acquired at Doolgunna Station, Yamarna and Cracow.

Competent Persons Statement

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Gary Brabham, who is a Member of the Australian Institute of Geoscientists and a Member of the Australasian Institute of Mining and Metallurgy. Mr Brabham is a full-time employee of Ausgold Limited, and has sufficient experience relevant to the style of mineralisation under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Brabham consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.