



ASX Announcement

27 November 2013

## NON RENOUNCEABLE RIGHTS ISSUE

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Ausgold Limited ("the Company") (ASX : AUC) announces that the Company is undertaking a pro-rata Non Renounceable Rights Issue to raise \$1.15 million (before costs) subject to lodgment of a Prospectus dated 27 November 2013.

### Entitlement offer

Eligible shareholders will be entitled to subscribe for one (1) New Share for every two (2) existing shares held at Friday 6 December 2013, the Record Date, at an issue price of 1.5 cents per share together with one (1) free attaching New Option for every one New Share allotted.

### Use of funds

Proceeds from the Rights Issue will be used to fund the Company's ongoing exploration programmes including at the Katanning Gold Project where the Company has today announced the results of an independent study by SRK Consulting (Australasia) Pty Ltd. The study provides a new and different interpretation of the geology and gold mineralisation at Katanning and has profound implications for the future exploration and development of the project.

The study is based on a comprehensive review of all data previously generated at Katanning including aircore drill data, RC and Diamond drilling, geochemical and geophysical surveys and provides a new geological model and a fresh understanding of the source and location of high grade gold mineralisation within the project area.

As a result multiple new targets for high grade gold at Katanning have been identified which will be the primary focus of ongoing exploration.

Ausgold will now be able to target high grade gold at Katanning to supplement gold mineralisation already identified at Jinkas and Dingo with the aim, given the current gold price, to establish a high grade low tonnage gold operation.

The Rights Issue will also provide additional working capital.

### Additional shares

Eligible shareholders may also apply for Shares in excess of their Entitlement which are not taken up under the Entitlement Offer (Additional Shares). The Directors reserve the right to place any Additional Shares which are not subscribed for by eligible shareholders at their discretion within three months of the closing date of the Entitlement Offer.

### Underwriting

The Rights Issue is not underwritten.



## Timetable

The Rights Issue will be conducted in accordance with the following timetable:

Event	Date
Announcement of Offer	Wednesday, 27 November 2013
Lodgement of Prospectus with ASIC / Appendix 3B lodged with ASX	Wednesday, 27 November 2013
Shares quoted on an "ex" basis	Monday, 2 December 2013
<b>Record Date</b> to determine entitlements to New Shares and New Options ( <b>Rights</b> )	Friday, 6 December 2013
Prospectus and Entitlement and Acceptance Forms despatched	Monday, 9 December 2013
Last day for acceptance and payment ( <b>Closing Date</b> )	Friday, 24 January 2014
New Shares and New Options quoted on ASX on deferred settlement basis	Tuesday, 28 January 2014
Issue of New Shares / New Options and despatch of holding statements	Tuesday, 4 February 2014
Trading in New Shares and New Options commences	Wednesday, 5 February 2014

**\*\*\*ENDS\*\*\***

**For further information, shareholders and media please contact:**

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