

Tuesday 7 June 2016

**ASX CODE**

AUC

**DIRECTORS & MANAGEMENT**

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*Non-Executive Chairman*

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**ISSUED CAPITAL (04.05.16)**

Ordinary shares: 306.5m  
Unlisted options: 26.5m

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**KATANNING GOLD PROJECT – PLANNED RC DRILLING AT DATATINE**

**Highlights**

- **High grade gold intersected in reconnaissance AC drilling at Datatine**
- **Gold anomalism at Datatine is present within in-situ laterite that overlies apparent bedrock hosted mineralisation**
- **Geology and alteration at Datatine similar to the Jinkas Corridor**
- **Significant discovery potential with the exploration model validated by recent AC drilling**
- **Follow-up RC drilling at Datatine planned**

**Ausgold Limited** (ASX: AUC) (“Ausgold” or “the Company”) is pleased to advise that the remaining assay results have been received from recent Air Core (“AC”) drilling at its 100% owned Katanning Gold Project (“KGP”).

The AC drilling was designed to test the Company’s untested exploration model and targeted two areas, Datatine and Jinkas West. At Datatine, the programme has been exceedingly successful with high-grade mineralisation intersected. No economic mineralisation was intersected in the wide-spaced reconnaissance AC drilling at Jinkas West.

Significant results at Datatine that were previously announced in ASX release dated 05/05/2016 include (see also **Table 1**):

- **22m @ 3.67 g/t (from 4m to the end of hole), including 4m @ 16.90 g/t from 4m in BSAC1343, and**
- **17m @ 1.00 g/t (from 16m to the end of hole), in BSAC1344**

Subject to the availability of funding, the Company has planned systematic follow-up drilling, consisting of:

- RC drill testing of high grade intercepts at Datatine later this quarter (approximately 500m)
- Wider AC drilling at Datatine during the September Quarter (approximately 5000m)
- AC drilling of priority target areas over the wider KGP (approximately 8000m)

Ausgold’s Geology Manager, Miss Melanie Sutterby comments:

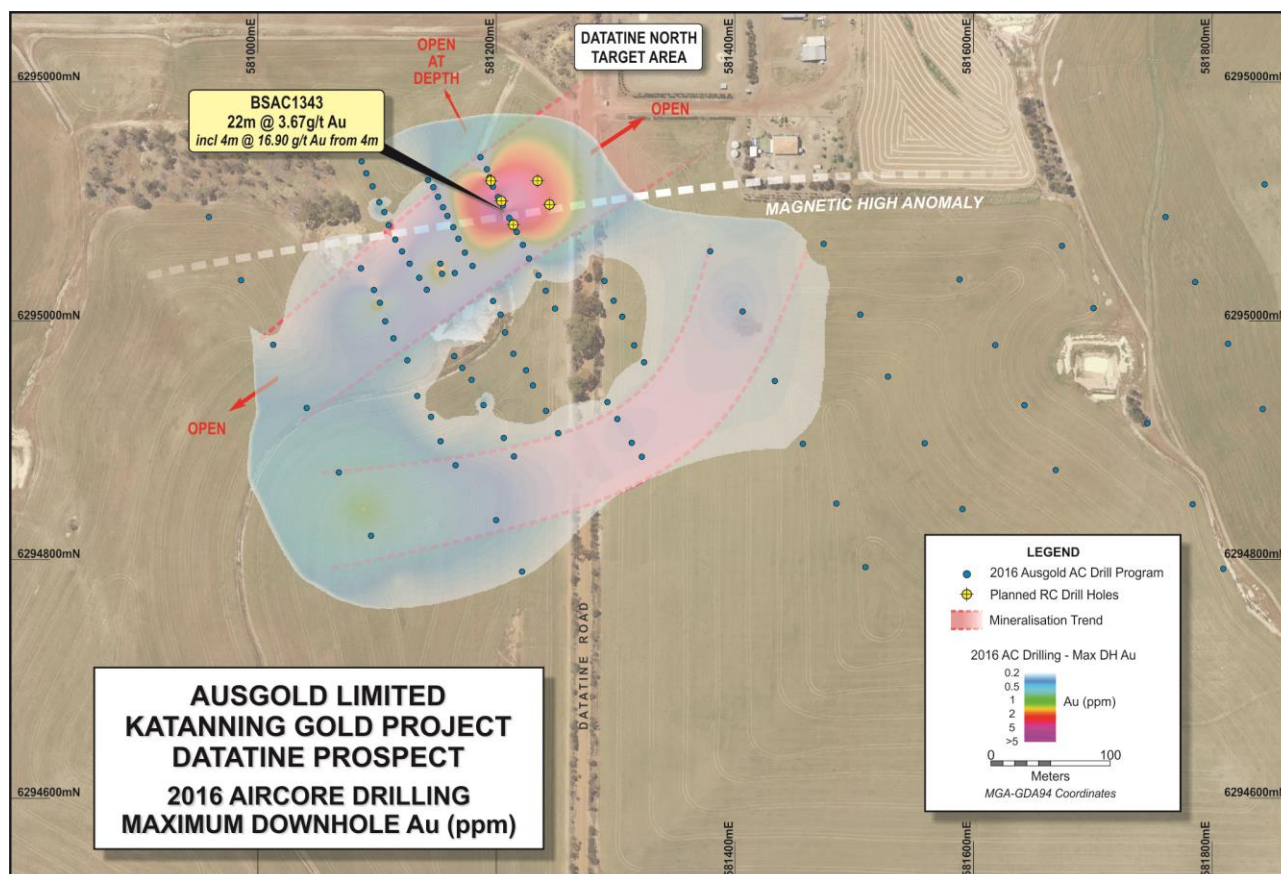
*“The results of the AC program have been highly successful. The Datatine prospect is an exciting development with significant gold mineralisation intersected.*

*The recent drilling program has demonstrated proof of our exploration concept and Ausgold can now confidently advance further exploration programs.”*

## Drilling Program Results

The total drilling program at Datatine consisted of 112 AC holes for a total of 3312m testing a coincident gold-in-soil geochemical anomaly and interpreted geophysical target (**Figure 1**).

These results have identified significant gold anomalism extending over 400m in strike, which appears to be open in all directions, including at depth (**Figure 2**). The gold anomalism intersected in the AC drilling corresponds to existing coherent gold-in-soil anomalies and a prospective fold structure as interpreted from airborne magnetics (**Figure 3**). Significant results are included in **Table 1**.



**Figure 1.** Datatine prospect AC plan showing gridded max DH Au, mineralisation trends and planned RC holes

## Planned Follow-up Drilling

The assay and geological data derived from the AC drilling has assisted in modelling the major mineralised trends at the Datatine North target area. The aim of the planned RC drilling is to better define the lateral and vertical extents of this mineralisation.

The initial phase of follow-up RC drilling has been planned to commence in June. This program will comprise 5 RC holes for approximately 500m. A number of RC holes are designed to re-confirm the high-grade AC intercepts, while other holes will test down dip and approximately 50m along strike to the east-north-east.

Further reconnaissance AC drilling across priority targets (**Figure 3**) is planned to commence in the September Quarter, in addition to further follow-up RC drilling, subject to availability of funding.

A Program of Works (POW) has been submitted and approved by the Department of Mines and Petroleum (DMP).

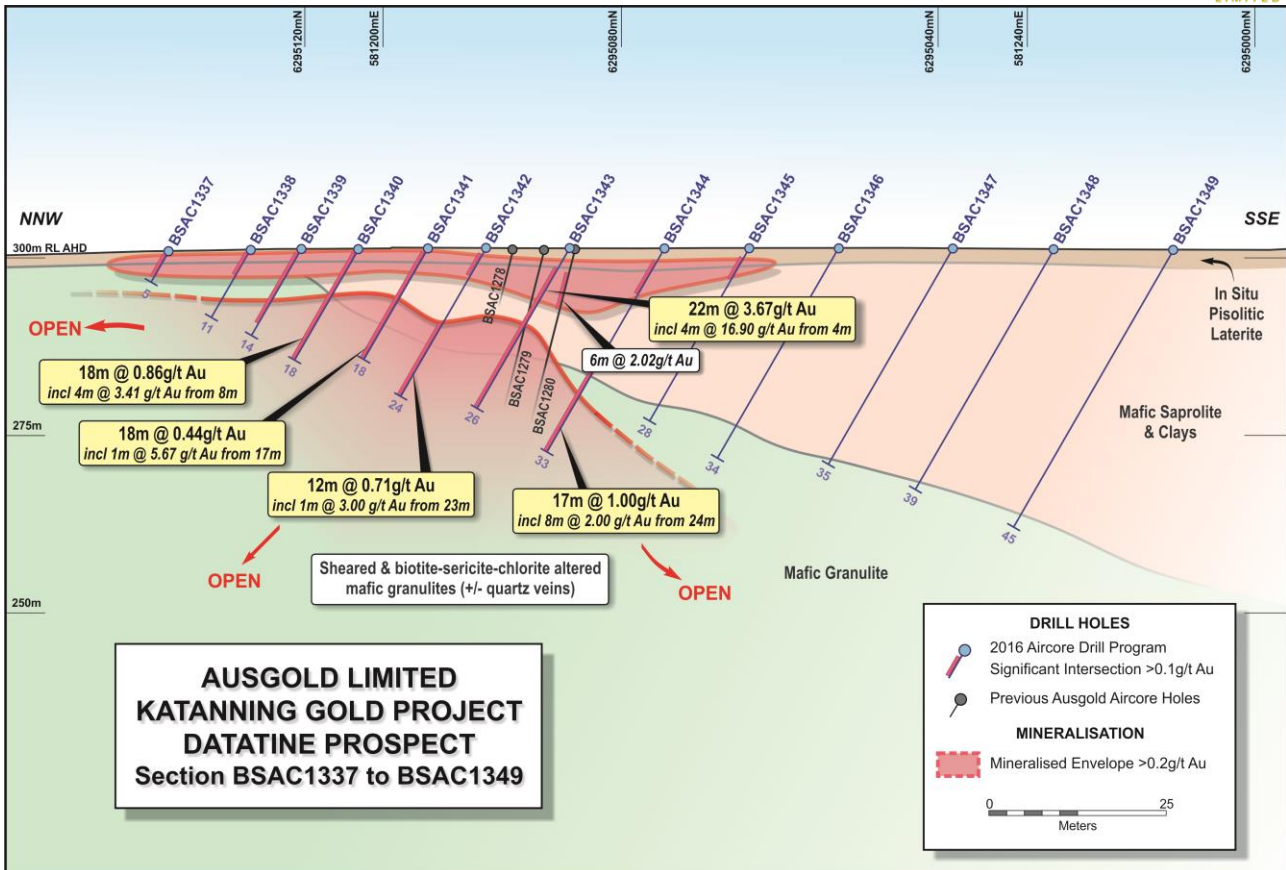


Figure 2. Datatine prospect cross section showing AC drilling, interpreted geology and mineralisation

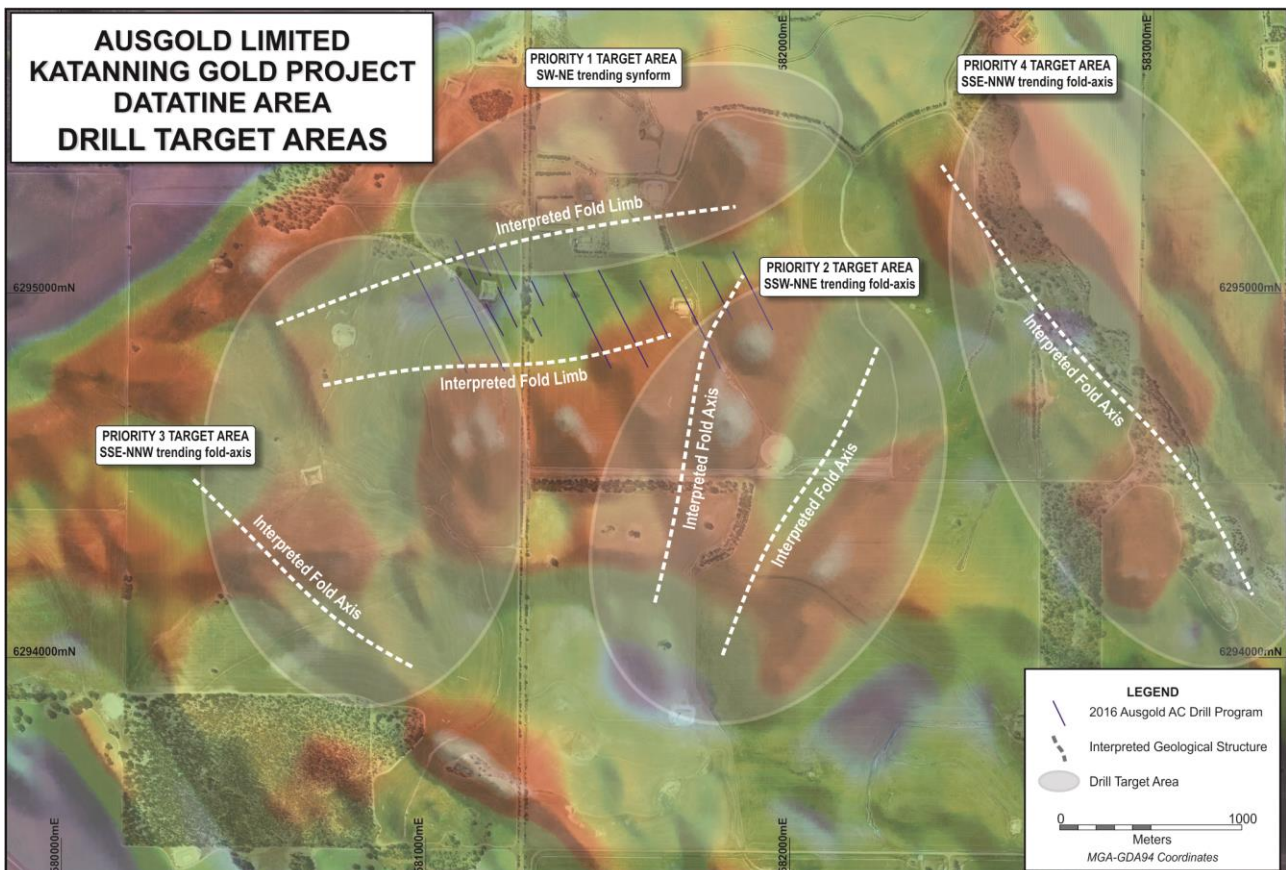


Figure 3. Datatine prospect location, IVD Aeromagnetic image, priority target areas and recent AC drill hole lines.

## Other Activities

An assertive, multi-faceted exploration and development strategy will systematically identify, develop and progress new mineral resources, exploration targets and realise the value of the KGP asset.

Ausgold is engaging SRK Consulting (SRK) as part of its exploration and research strategy to target high-grade gold mineralisation at the KGP. Using these new geoscience concepts, initially developed with the assistance of SRK, has already enabled Ausgold to recognise the exploration and discovery potential at KGP. It is anticipated that the continuing development of these new geological concepts with SRK will give Ausgold a competitive edge in identifying further opportunities at the KGP.

Ausgold is also embarking on a Mineral Resource update for the White Dam deposit following the recently announced exceptional drilling results (refer ASX announcement “Drilling confirms high grade shoot extensions at KGP” dated 7/4/16).

In addition, a scoping study update is proposed which will include the Jackson and White Dam Mineral Resources. Market changes and recent drilling results at these deposits have improved their viability for inclusion in preliminary mining development studies.

## Datatine Discovery Lead Up

The KGP is located 275 kilometres southeast of Perth and approximately 40km northeast from the wheat belt town of Katanning. Ausgold holds a dominant ground position in this relatively under-explored greenstone belt (**Figure 4**), an area highly prospective for Archean gold deposits.

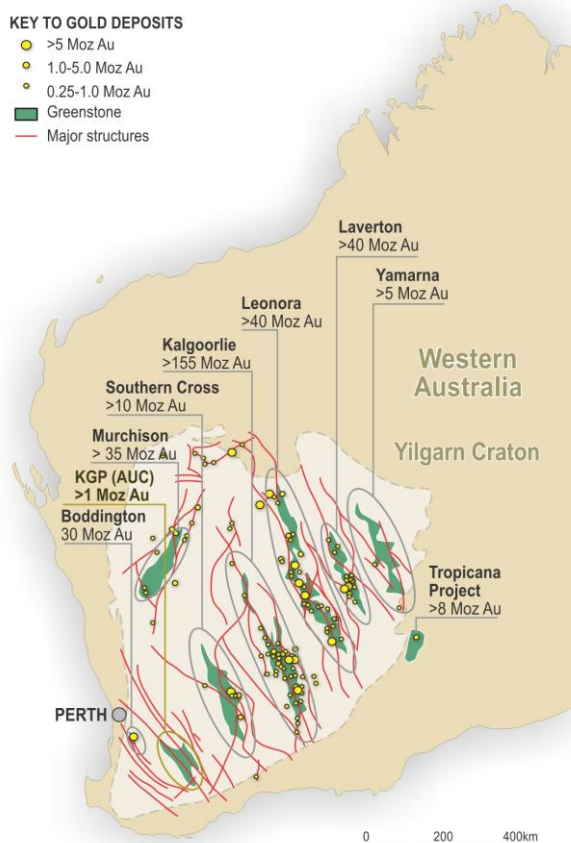
At the KGP, the conventional exploration paradigm favoured a porphyry or stratigraphic-style exploration model, where gold-bearing fluids migrated along porosity-permeability controls.

While pervasive pyrrhotite-pyrite alteration and minor quartz veining was observed, there was little emphasis placed on the significant role that structural controls played within these ore bodies.

During a hiatus in exploration activity at the KGP between 2013 and 2015 a thorough re-interpretation using the data available (including open pit exposures, diamond core, drill logs, geophysical and geochemical datasets) revealed the complexity of controls on mineralisation and highlighted the presence of high grade pipe-like shoots.

Datatine represents a high priority target with a coherent geochemical anomaly and a coincident Jinkas magnetic “look-alike” geophysical signature.

The magnetic anomaly at Datatine is orientated east-west, rather than north-north-west, as at Jinkas. Historic drill holes at Datatine were drilled on an east-west orientation, which in light of the geophysical analysis was deemed to have been sub-optimal. The recent AC drilling was re-oriented on a north-south direction (335° azimuth) to intersect any potential mineralised structures.



**Figure 4.** Regional location map showing KGP, mineralised greenstone belts and major structures.

**Table 1.** Significant drill intersections from first pass AC drilling at the Datatine Prospect, KGP.

Hole ID	Northing*	Easting*	From (m)	To (m)	Interval (m)	Au (ppm)
<b>DATATINE PROSPECT</b>						
<b>BSAC1281</b>	6295040	581165	0	2	2	0.15
<b>BSAC1282</b>	6295039	581154	0	2	2	0.22
			6	7	1	0.11
			12	15	3	0.23
			25	27	2	0.91
<b>BSAC1283</b>	6295048	581153	0	2	2	0.32
			15	16	1	0.28
<b>BSAC1284</b>	6295087	580959				No Sig Int
<b>BSAC1285</b>	6295034	580986				No Sig Int
<b>BSAC1286</b>	6294980	581013				No Sig Int
<b>BSAC1287</b>	6294927	581041	32	33	1	0.17
<b>BSAC1288</b>	6294873	581068	32	40	8	0.24
<b>BSAC1289</b>	6294820	581095	4	8	4	0.31
			<b>32</b>	<b>35</b>	<b>3</b>	<b>0.76</b>
<b>BSAC1290</b>	6294767	581122				No Sig Int
<b>BSAC1291</b>	6295044	581087				No Sig Int
<b>BSAC1292</b>	6295026	581097				No Sig Int

Hole ID	Northing*	Easting*	From (m)	To (m)	Interval (m)	Au (ppm)
BSAC1293	6295015	581102				No Sig Int
BSAC1294	6295000	581107	24	28	4	1.25
BSAC1295	6294985	581114	33	34	1	0.11
BSAC1296	6294967	581125	28	30	2	0.23
BSAC1297	6294937	581134				No Sig Int
BSAC1298	6294920	581145				No Sig Int
BSAC1299	6294899	581153	40	41	1	0.12
BSAC1300	6294879	581166				No Sig Int
BSAC1301	6295145	581082				No Sig Int
BSAC1302	6295134	581087				No Sig Int
BSAC1303	6295124	581091				No Sig Int
BSAC1304	6295113	581096				No Sig Int
BSAC1305	6295099	581102				No Sig Int
BSAC1306	6295091	581106				No Sig Int
BSAC1307	6295080	581110	0 26	4 27	4 1	0.10 0.70
BSAC1308	6295068	581115				No Sig Int
BSAC1309	6295058	581121				No Sig Int
BSAC1310	6295048	581127	0	4	4	0.18
BSAC1311	6295036	581135	20	27	7	0.16
BSAC1312	6295026	581142	0 24	4 25	4 1	0.18 0.17
BSAC1313	6294970	581165				No Sig Int
BSAC1314	6294961	581171				No Sig Int
BSAC1315	6294951	581179				No Sig Int
BSAC1316	6294929	581189				No Sig Int
BSAC1317	6294912	581199	36	37	1	0.33
BSAC1318	6294902	581206				No Sig Int
BSAC1319	6294886	581215				No Sig Int
BSAC1320	6295118	581143				No Sig Int
BSAC1321	6295112	581147	0	4	4	0.10
BSAC1322	6295104	581151	0	4	4	0.18
BSAC1323	6295095	581155	0	4	4	0.21
BSAC1324	6295088	581159				No Sig Int
BSAC1325	6295078	581164	0 16	4 24	4 8	0.11 0.18
BSAC1326	6295069	581168	0 20	4 26	4 6	0.12 0.29
BSAC1327	6295057	581174	0 24	4 28	4 4	0.14 0.12
BSAC1328	6295046	581180	28	34	6	0.27

Hole ID	Northing*	Easting*	From (m)	To (m)	Interval (m)	Au (ppm)	
BSAC1329	6295017	581197				No Sig Int	
BSAC1330	6295005	581204	35	36	1	0.26	
BSAC1331	6294990	581207				No Sig Int	
BSAC1332	6294972	581214				No Sig Int	
BSAC1333	6294959	581225				No Sig Int	
BSAC1334	6294946	581231				No Sig Int	
BSAC1335	6294925	581242				No Sig Int	
BSAC1336	6294906	581252				No Sig Int	
BSAC1337	6295137	581187	0	4	4	0.18	
BSAC1338	6295127	581192	0	4	4	0.18	
BSAC1339	6295120	581194	0	12	12	0.13	
BSAC1340	6295113	581197	0	18	18	0.86	
		<i>Including</i>	<b>8</b>	<b>12</b>	<b>4</b>	<b>3.41</b>	
BSAC1341	6295104	581201	0	18	18	0.44	
			<b>17</b>	<b>18</b>	<b>1</b>	<b>5.67</b>	
BSAC1342	6295097	581205	0	4	4	0.28	
			12	24	12	0.71	
			<i>Including</i>	<b>23</b>	<b>24</b>	<b>1</b>	<b>3.00</b>
BSAC1343	6295086	581211	4	26	22	3.67	
			<i>Including</i>	<b>4</b>	<b>8</b>	<b>4</b>	<b>16.90</b>
			<i>Including</i>	<b>20</b>	<b>26</b>	<b>6</b>	<b>1.91</b>
BSAC1344	6295074	581217	0	8	8	0.13	
			<b>16</b>	<b>33</b>	<b>17</b>	<b>1.00</b>	
			<i>Including</i>	<b>24</b>	<b>32</b>	<b>8</b>	<b>2.00</b>
BSAC1345	6295064	581222	0	4	4	0.11	
BSAC1346	6295052	581227	28	32	5	0.12	
BSAC1347	6295038	581235				No Sig Int	
BSAC1348	6295025	581241				No Sig Int	
BSAC1349	6295010	581249				No Sig Int	
BSAC1350	6294833	581200	24	28	4	0.29	
			36	41	5	0.25	
BSAC1351	6294790	581222	36	40	4	0.18	
BSAC1352	6294757	581205				No Sig Int	
BSAC1353	6294739	581150				No Sig Int	
BSAC1354	6294932	581293				No Sig Int	
BSAC1355	6294918	581301				No Sig Int	
BSAC1356	6294898	581314	32	36	4	0.16	
BSAC1357	6294886	581322	32	36	4	0.14	
BSAC1358	6295033	581291				No Sig Int	
BSAC1359	6295017	581298				No Sig Int	
BSAC1360	6295003	581306				No Sig Int	

Hole ID	Northing*	Easting*	From (m)	To (m)	Interval (m)	Au (ppm)
BSAC1361	6294979	581316				No Sig Int
BSAC1362	6294965	581324				No Sig Int
BSAC1363	6295058	581379				No Sig Int
BSAC1364	6295008	581406	0	4	4	0.21
BSAC1365	6294950	581433	0	4	4	0.10
BSAC1366	6294897	581457				No Sig Int
BSAC1367	6294847	581485				No Sig Int
BSAC1368	6294794	581509				No Sig Int
BSAC1369	6295064	581474				No Sig Int
BSAC1370	6295005	581505				No Sig Int
BSAC1371	6294953	581528				No Sig Int
BSAC1372	6294897	581559				No Sig Int
BSAC1373	6294842	581591				No Sig Int
BSAC1374	6294795	581611				No Sig Int
BSAC1375	6295035	581588				No Sig Int
BSAC1376	6294980	581618				No Sig Int
BSAC1377	6294929	581643				No Sig Int
BSAC1378	6294875	581669				No Sig Int
BSAC1379	6295063	581674				No Sig Int
BSAC1380	6295011	581701				No Sig Int
BSAC1381	6294914	581746				No Sig Int
BSAC1382	6294846	581784				No Sig Int
BSAC1383	6294792	581809				No Sig Int
BSAC1384	6295087	581761				No Sig Int
BSAC1385	6295032	581786				No Sig Int
BSAC1386	6294981	581813				No Sig Int
BSAC1387	6294926	581842				No Sig Int
BSAC1388	6295114	581844				No Sig Int
BSAC1389	6295062	581873				No Sig Int
BSAC1390	6295012	581900				No Sig Int
BSAC1391	6294960	581929				No Sig Int
BSAC1392	6294898	581954				No Sig Int

**JINKAS WEST PROSPECT**

BSAC1393	6287990	583745				No Sig Int
BSAC1394	6288026	583816				No Sig Int
BSAC1395	6288060	583884				No Sig Int
BSAC1396	6288099	583960	12	16	4	0.12
BSAC1397	6288352	583580				No Sig Int
BSAC1398	6288384	583644				No Sig Int
BSAC1399	6288411	583706				No Sig Int
BSAC1400	6288449	583779				No Sig Int
BSAC1401	6288772	583529				No Sig Int
BSAC1402	6288805	583596				No Sig Int
BSAC1403	6288565	583557				No Sig Int
BSAC1404	6288596	583614				No Sig Int
BSAC1405	6288616	583659				No Sig Int
BSAC1406	6288231	583779				No Sig Int
BSAC1407	6288274	583850				No Sig Int

**Notes to Table 1.**

For AC assay results the intervals reported are thickness weighted averages (ie. XXm grading XX grams per tonne gold content). Reported intervals are calculated using  $\geq 0.1\text{g/t}$  Au cut-off grade and using a  $\leq 4\text{m}$  minimum Internal Dilution (unless otherwise stated).

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**CONTACT DETAILS**

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## Forward-Looking Statements

This Announcement includes “forward-looking statements” within the meaning of that term in securities laws of applicable jurisdictions. Forward-looking statements involve known and unknown risks, uncertainties and other factors that are in some cases beyond the Company’s control. These forward-looking statements include, but are not limited to, all statements other than statements of historical facts contained in this Announcement, including, without limitation, those regarding the Company’s future expectations. Readers can identify forward-looking statements by terminology such as “aim,” “anticipate,” “assume,” “believe,” “continue,” “could,” “estimate,” “expect,” “forecast,” “intend,” “may,” “plan,” “potential,” “predict,” “project,” “risk,” “should,” “will” or “would” and other similar expressions. Risks, uncertainties and other factors may cause the Company’s actual results, performance, production or achievements to differ materially from those expressed or implied by the forward-looking statements (and from past results, performance or achievements). These factors include, but are not limited to, the failure to complete and commission mine facilities, processing plant and related infrastructure in the timeframe and within estimated costs currently planned; variations in global demand and price for gold; fluctuations in exchange rates between the U.S. dollar and the Australian dollar; the failure of the Company’s suppliers and service providers to fulfil their obligations under construction, supply and other agreements; unforeseen geological, physical or meteorological conditions, natural disasters or cyclones; changes in the regulatory environment, industrial disputes, labour shortages, political and other factors; the inability to obtain additional financing, if required, on commercially suitable terms; and global and regional economic conditions. Readers are cautioned not to place undue reliance on forward-looking statements. The information concerning possible production in this Announcement is not intended to be a forecast. It is an internally generated goal set by the Company’s board of directors. The ability of the Company to achieve any targets will be largely determined by the Company’s ability to secure adequate funding, implement mining plans, and resolve logistical issues associated with mining and processing. Although the Company believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with those statements.

## Competent Person’s Statement

The information in this report that relates to Exploration Targets and Exploration Results is based on information compiled by Miss Melanie Sutterby who is a member of the Australasian Institute of Mining and Metallurgy (AusIMM) and has sufficient experience relevant to the style of mineralisation under consideration and to the activity which she undertakes to qualify as a Competent Person as defined in the 2012 edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Miss Sutterby is an employee of the Company and consents to the inclusion in this report of the matters based on the information in the form and context in which it appears.

## Appendix 1 – Table 2.

### Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> <li>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</li> <li>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</li> <li>Aspects of the determination of mineralisation that are Material to the Public Report.</li> <li>In cases where ‘industry standard’ work has been done this would be relatively simple (eg ‘reverse circulation drilling was used to obtain 1m samples from which 3kg was pulverised to produce a 30g charge for fire assay’). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</li> </ul>	<p>This Air Core (“AC”) drilling program consisted of 112 AC holes for 3312m. Drilling was on a nominal line spacing of 100m, 200m or 400m with hole spacing on a top-to-tail basis or nominal 80m spacing. All holes were drilled to blade refusal.</p> <p>Samples from AC drilling were collected a rig-mounted cyclone by bucket in one meter intervals. Sample material was placed directly on the ground from the buckets in rows of ten.</p> <p>A spear sample was taken from each bulk sample and composited to 4m, weighing to approximately 3kg.. Spear samples were taken as consistently full and level for each sample. An additional 1m end-of-hole (EOH) sample was taken for multi-element and gold assay.</p> <p>Sampling was undertaken using Ausgold’s sampling protocols and QAQC procedures in line with industry best practice.</p> <p>The 3kg AC composite samples were sent to ALS Laboratory in Perth. Samples were sorted, dried, crushed to 10mm, pulverised to -75µm and split to produce a 10g sub sample (charge) for aqua regia digestion and gold analysis by ICP- MS with a 1ppb lower detection limit (4,000 ppb upper limit).</p> <p>The EOH AC samples were prepared in the same manner but underwent a four acid digestion (total digest) and eventual multi- element analysis by ICP-OES and ICP-MS for 63 elements (Au, Ag, Al, As, Ba, Bi, Ca, Cd, Ce, Co, Cr, Cs, Cu, Dy, Er, Eu, Fe, Ga, Gd, Hf, Hg, Ho, In, K, La, Li, Lu, Mg, Mn, Mo, Na, Nb, Nd, Ni, P, Pb, Pd, Pr, Pt, Rb, Re, S, Sb, Sc, Se, Sm, Sn, Sr, Ta, Tb, Te, Th, Ti, Tl, Tm, U, V, W, Y, Yb, Zn, Zr).</p>
Drilling techniques	<ul style="list-style-type: none"> <li>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is</li> </ul>	<p>All samples in this program were from AC drilling conducted by Topdrill Pty Ltd.</p> <p>AC drilling was carried out using a 3½” blade bit to refusal, generally at the fresh rock interface. Drilling was undertaken by Topdrill utilising a KL150 drill rig truck mounted vehicle.</p>

Criteria	JORC Code explanation	Commentary
	<p><i>oriented and if so, by what method, etc).</i></p>	
<p><i>Drill sample recovery</i></p>	<ul style="list-style-type: none"> <li>• <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i></li> <li>• <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i></li> <li>• <i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i></li> </ul>	<p>Samples were mainly dry with some localised damp samples (95% of the Archean samples collected were dry). AC drill recoveries were visually estimated as a semi-quantitative range and recorded in the log.</p> <p>Recoveries were generally excellent (&gt;90%), with reduced recovery in the initial near- surface sample and transported cover material.</p> <p>Drill cyclone and sample buckets were used to collect the 1m samples and cleaned between rod changes. In addition, the cyclone was generally cleaned several times during each hole (at the base of transported cover and the base of completed oxidation) and after each hole to minimise downhole and/or cross- hole contamination.</p> <p>The relationship between sample recovery and grade and whether bias has been introduced has not been investigated at this stage.</p>
<p><i>Logging</i></p>	<ul style="list-style-type: none"> <li>• <i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i></li> <li>• <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i></li> <li>• <i>The total length and percentage of the relevant intersections logged.</i></li> </ul>	<p>All drill holes in the current program have been geologically logged to a level of detail to support the definition of geological domains appropriate to support Mineral Resource estimation and classification. The 4m composited sampling is not appropriate for mineral resource estimation.</p> <p>Representative rock chips from the EOH were collected in chip trays, and logged by the geologist at the drill site. Sample condition and degree of weathering were recorded qualitatively. No geotechnical logging is possible on AC samples.</p> <p>Lithology, weathering (oxidation state), structure, veining, mineralisation and alteration are recorded in detail using standard digital logging sheets and defined look up tables to ensure that all data is collected consistently. This data is logged using tablet computers. All data is validated by the logging geologist before being entered in an acQuire database. All drill holes are logged.</p>
<p><i>Sub-sampling techniques and sample preparation</i></p>	<ul style="list-style-type: none"> <li>• <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i></li> <li>• <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i></li> <li>• <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i></li> <li>• <i>Quality control procedures adopted for all sub-</i></li> </ul>	<p>AC composite samples and EOH samples are collected with a sample scoop. Dry samples below transported cover are riffle split to obtain representative 1m samples (submitted when anomalous). The samples were recorded as dry, damp or wet. Sample duplicates were obtained by repeating the composite sampling process.</p> <p>All AC samples were sorted, dried, crushed to 10mm, pulverised to -75µm, split to produce a 10g charge prior to digestion via aqua regia (standard industry method).</p>

Criteria	JORC Code explanation	Commentary
	<p><i>sampling stages to maximise representivity of samples.</i></p> <ul style="list-style-type: none"> <li>• <i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i></li> <li>• <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i></li> </ul>	
<p><i>Quality of assay data and laboratory tests</i></p>	<ul style="list-style-type: none"> <li>• <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i></li> <li>• <i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i></li> <li>• <i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i></li> </ul>	<p>The composite and EOH AC gold analytical technique used a 10g charge with an aqua regia digestion (partial digestion) which is considered appropriate for a first pass analysis of oxide-dominated material within the regolith intercepted by AC drilling. EOH AC samples underwent a four acid digest which is considered a total digest</p> <p>AC samples were collected at 1m intervals and composited into 4m samples using a scoop to sample individual metre samples.</p> <p>For QAQC samples, a sequence of matrix matched certified reference materials, commercial certified reference materials and blanks were inserted into the sample run at a frequency of approximately one in 14 samples. Sample sizes are considered to be appropriate for the style/texture of oxide and sulphide mineralisation at the Katanning Gold Project.</p> <p>CRM's , field duplicates, blanks and standards were inserted approximately every 10m. Blank samples are inserted to check for contamination in field sampling, laboratory sample preparation and analysis. The blank material used should be below detection limits.</p> <p>The gold standards were sourced from Geostats Pty Ltd and RockLabs with gold certified values ranging between 0.10g/t and 0.80g/t. Standard reference materials are used to check accuracy and bias of the analytical method. The results were similar to the standard concentration for the specific standard.</p> <p>QAQC samples were monitored on a batch-by-batch basis. An assay batch is accepted if the blank samples are within the acceptable limits (5 times the lower detection limit) and the standards are within the + 3SD (standard deviations). One failed standard can cause rejection if the results around the failed standard are not in the normal grade range. A batch is also re-assayed when assay results from two or more standards are outside the acceptable limits. The inserted blank materials did not show any consistent issues with sample contamination.</p>

Criteria	JORC Code explanation	Commentary
		<p>100% of the gold standards assays were within acceptable limits with no low or high bias.</p> <p>The performance of field duplicates in AC samples is generally reasonable and the variations are related to the style of mineralisation.</p> <p>ALS also insert QAQC samples to internally test the quality of the analysis. These results are received with the assay results in each batch. The ALS QAQC included standards, blanks and duplicates for independent quality control. The results of the lab standards were also monitored on a batch to batch basis by the data geologist. The results did not show any issues with the laboratory.</p> <p>The sample sizes are considered to be appropriate to correctly give an accurate indication of mineralisation given the qualitative nature of the technique and the style of gold mineralisation sought.</p>
<p><i>Verification of sampling and assaying</i></p>	<ul style="list-style-type: none"> <li>• <i>The verification of significant intersections by either independent or alternative company personnel.</i></li> <li>• <i>The use of twinned holes.</i></li> <li>• <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i></li> <li>• <i>Discuss any adjustment to assay data.</i></li> </ul>	<p>High standard QAQC procedures are in place (and will be audited), therefore repeatability issues from a QAQC point of view are not considered to be significant.</p> <p>Significant and/or unexpected intersections were reviewed by alternate company personnel through review of geological logging data, physical examination of remaining samples and review of digital geological interpretations.</p> <p>All assay data was accepted into the database as supplied by the laboratory.</p> <p>Data importation into the database is documented through standard operating procedures and is guided by acQuire import validations to prevent incorrect data capture/importation.</p> <p>Geological, structural and density determination data is directly captured in the database through a validation controlled interface using Toughbook computers and acquire database import validations.</p> <p>Primary data is stored in its source electronic form. Assay data is retained in both the original certificate (.pdf) form and the text files received from the laboratory. Data entry, validation and storage are discussed in the section on database integrity below.</p> <p>No adjustments to assay data were undertaken.</p>
<p><i>Location of data points</i></p>	<ul style="list-style-type: none"> <li>• <i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i></li> <li>• <i>Specification of the grid system used.</i></li> </ul>	<p>Drill hole collars were located by handheld GPS. Expected accuracy is +/- 4m for easting, northing and +/- 10m elevation coordinates. This is considered acceptable for these regional style exploration activities</p> <p>The grid system is MGA94 datum, UTM zone 50. Elevation values were in AHD.</p> <p>Validated surveys are entered into the acQuire data base by data entry personnel.</p>

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> <li>• <i>Quality and adequacy of topographic control.</i></li> </ul>	
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> <li>• <i>Data spacing for reporting of Exploration Results.</i></li> <li>• <i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i></li> <li>• <i>Whether sample compositing has been applied.</i></li> </ul>	<p>Sampling was conducted via AC on a nominal top-to-tail, 40m or 80m hole spacing and a line spacing of 100m, 200m or 400m.</p> <p>AC results reported are based on 4m composite samples for gold unless otherwise stated.</p>
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> <li>• <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i></li> <li>• <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i></li> </ul>	<p>Angled AC drilling (-60 towards 330 north) tested the interpreted north dipping stratigraphy perpendicular (based from field mapping and magnetic inversion modelling) minimising lithological bias. At this stage any primary mineralised structural orientation is unknown and no comment can be made</p> <p>The angled orientation of AC drilling may introduce sampling bias due to the unknown orientation of primary mineralisation/structures. This would be considered minimal as drilling coverage is essentially restricted to the overlying regolith and seldom penetrates fresh rock by more than a couple of metres.</p>
<i>Sample security</i>	<ul style="list-style-type: none"> <li>• <i>The measures taken to ensure sample security.</i></li> </ul>	<p>AC samples are systematically numbered and placed in pre-printed (numbered) calico bags and placed into numbered polyweave bags which were tied securely and marked with flagging.</p> <p>Assay samples were stored at a dispatch area and dispatched, depending on the frequency of pickups and length of the program. Samples were shipped via Katanning Logistics directly to ALS in Perth.</p> <p>The sample dispatches were accompanied by supporting documentation signed by the geologist and showing the sample submission number, analysis suite and number of samples.</p> <p>The chain of custody is maintained by ALS once the samples are received on site and a full audit trail for every sample is available through the ALS' Webtrieve application.</p> <p>Assay results are emailed to the responsible geology administrators in Perth and are loaded into the acQuire database through an automated process. QAQC on import is completed before the results are finalised.</p>
<i>Audits or</i>	<ul style="list-style-type: none"> <li>• <i>The results of any audits or reviews of sampling</i></li> </ul>	<p>Before the commencement of the current AC program, the sampling process was fully reviewed and</p>

Criteria	JORC Code explanation	Commentary
reviews	<i>techniques and data.</i>	documented as a standard company process. A number of operational and technical adjustments were identified to improve validation of collected data, interpretation of data and management of QAQC practices. These improvements have been updated into standard operating procedures.

## Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> <li><i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i></li> <li><i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i></li> </ul>	<p>Reported results are all from 100% owned Ausgold Exploration Pty Ltd Mining Tenements (wholly owned subsidiary of Ausgold Limited), including E70/2928.</p> <p>Apart from reserved areas, rights to surface land use are held under freehold titles. Ausgold has entered into access and compensation agreements with freehold landowners that permit exploration activities.</p> <p>Bordering the eastern wall of the Jinkas open pit, there is a registered Aboriginal Heritage Site 5353 known as “Jinkas Hill”. No access for exploration or mining activities is allowed within this site unless a section 18 application to move/destroy an Aboriginal Heritage Site is submitted to the Department of Indigenous Affairs. The land is used primarily for grazing and cropping.</p> <p>The tenement is in good standing, and all work is conducted under specific approvals from the Department of Mines and Petroleum (“DMP”).</p>
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> <li><i>Acknowledgment and appraisal of exploration by other parties.</i></li> </ul>	<p>Gold mineralisation was discovered by Otter Exploration NL in 1979 at Jinkas Hill, Dyliabing, Lone Tree and White Dam after following up stream sediment anomalies. Between 1984 and 1988 Otter and related companies evaluated the region with several other explorers including South West Gold Mines and Minasco Resources Pty Ltd.</p> <p>In 1987 Glengarry Mining NL purchased the project and in 1990 entered into a joint venture with Uranerz who agreed on minimum payments over three years to earn 50% interest. Uranerz withdrew from the project in 1991 after a decision by their parent company in Germany to cease Australian operations.</p> <p>International Mineral Resources NL (“IMR”) purchased the mining leases and the Grants Patch treatment plant from Glengarry Mining NL in 1995 and commenced mining at the Jinkas deposit in December 1995. Ausgold understands the mine was closed in 1997 after producing approximately 20,000 oz of gold from</p>

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		<p>the Jinkas and Dingo Hill open cuts at a head grade of approximately 2.4g/t. In addition, the mine closure was brought about by a combination of the low gold price of the time (&lt;US\$400/oz) and the inability of the processing plant's comminution circuit to process hard ore from below the base of weathering. Reports from the period indicate that the ore bodies were reasonably predictable in terms of grade and continuity and appeared to produce consistent and reproducible results from grade control (Ravensgate, 1999).</p> <p>Great Southern Resources Pty Ltd ("GSR") purchased the mining and exploration leases from IMR in August 2000.</p> <p>Ausgold entered into a joint venture with GSR in August 2010, and the mineral titles were transferred to Ausgold in entirety in August 2011.</p>
Geology	<ul style="list-style-type: none"> <li>• <i>Deposit type, geological setting and style of mineralisation.</i></li> </ul>	<p>The project includes two main deposit areas comprising Jinkas in the north, and Dingo in the south. The Jinkas area is further subdivided into a set of mineralised zones.</p> <p>The majority of the project area is overlain by residual clays with outcrop mostly limited to remnants of lateritic duricrust on topographic highs.</p> <p>Gold mineralisation is hosted by medium to coarse-grained mafic gneisses which dip at around 30° to 45° towards grid east (68°). These units represent Archaean greenstones metamorphosed to granulite facies.</p> <p>The mineralised gneissic units are interlayered with barren quartz-monzonite sills up to approximately 120 metres thick and are cross cut by several Proterozoic dolerite dykes that post-date mineralisation and granulite metamorphism.</p> <p>Gold predominantly occurs as free gold associated with disseminated pyrrhotite and magnetite, lesser pyrite and chalcopyrite and traces of molybdenite. Thin remnant quartz veins are associated with higher grade zones.</p>
Drill hole Information	<ul style="list-style-type: none"> <li>• <i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i> <ul style="list-style-type: none"> <li>○ <i>easting and northing of the drill hole collar</i></li> <li>○ <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i></li> <li>○ <i>dip and azimuth of the hole</i></li> </ul> </li> </ul>	<p>Plans showing location of drill holes and location of significant results and interpreted trends are provided in the figures of report.</p> <p>Any new significant AC results are provided in tables within the report.</p>

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> <li>○ <i>down hole length and interception depth</i></li> <li>○ <i>hole length.</i></li> <li>● <i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i></li> </ul>	
<p><i>Data aggregation methods</i></p>	<ul style="list-style-type: none"> <li>● <i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</i></li> <li>● <i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i></li> <li>● <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i></li> </ul>	<p>All reported AC assays have been arithmetically length weighted. A nominal 0.1g/t Au lower cut- off is reported as being potentially significant in the context of the grassroots geological setting. Internal waste intervals (i.e. &lt;0.1 g/t) to not exceed the width of a 4m composited sample.</p> <p>Higher grade intervals within larger intersections are reported as included intervals and noted in results table. No top-cut off grades have been applied until more assay results become available to allow statistical determination.</p>
<p><i>Relationship between mineralisation widths and intercept lengths</i></p>	<ul style="list-style-type: none"> <li>● <i>These relationships are particularly important in the reporting of Exploration Results.</i></li> <li>● <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i></li> <li>● <i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</i></li> </ul>	<p>The geometry of any primary mineralisation is not known at present due to the early stage of exploration. The angled orientation of AC drilling may introduce some sampling bias (increasing the intercept width of flat lying or vertical mineralisation).</p> <p>All intersections are subsequently presented as downhole lengths. If down hole length varies significantly from known true width then appropriate notes are provided.</p>
<p><i>Diagrams</i></p>	<ul style="list-style-type: none"> <li>● <i>Appropriate maps and sections (with scales)</i></li> </ul>	<p>Refer to figures</p>

Criteria	JORC Code explanation	Commentary
	<p><i>and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i></p>	
<p><i>Balanced reporting</i></p>	<ul style="list-style-type: none"> <li><i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i></li> </ul>	<p>Please see information provided in results tables in Report</p>
<p><i>Other substantive exploration data</i></p>	<ul style="list-style-type: none"> <li><i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i></li> </ul>	<p>At this stage there is no substantive exploration data from the recent drilling that is meaningful and material to report i.e. at this early stage of reporting of drill hole results there is insufficient data to composite cross sections.</p>
<p><i>Further work</i></p>	<ul style="list-style-type: none"> <li><i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i></li> <li><i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i></li> </ul>	<p>Further work is discussed in the document in relation to the exploration results.</p>