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ASX CODE

AUC

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YAMARNA COPPER – NICKEL – COBALT PROJECT REVIEW HIGHLIGHTS SIGNIFICANT DISCOVERY POTENTIAL

- **Strategic review of Ausgold's Yamarna project highlights significant potential for copper (Cu)- nickel (Ni)- cobalt (Co) mineralisation**
- **Significant historic results from first-pass reverse circulation ("RC") drilling include:**
 - **31m @ 0.58% Cu and 0.35% Ni from 29m (YMRC003);**
 - **21m @ 0.63% Cu, 0.20% Ni, and 0.02% Co from 88m (YMRC009); and**
 - **28m @ 0.50% Cu, 0.21% Ni, and 0.02% Co from 99m (YMRC010).**
- **Significant historic results from air core ("AC") drilling include:**
 - **48m @ 0.63% Cu and 0.27% Ni, including 9m @ 1.09% Cu and 0.36% Ni; and**
 - **39m @ 0.39% Cu and 0.15% Ni.**
- **Results of the review highlight untested EM targets including those at the Winchester Cu-Ni discovery**
- **Numerous EM targets occur within mafic-ultramafic rocks to be followed up in future work programs**

Ausgold Limited (ASX: AUC) ("Ausgold" or "the Company") is pleased to advise that a strategic and technical review of the Company's 100%-owned Yamarna Project has highlighted numerous targets for follow-up exploration to commence in the coming quarter.

The Yamarna Project is located approximately 125 kilometers north-east of Laverton in central Western Australia on exploration licenses E38/2129 and E38/2863 (Figure 1). The project area covers 300km² of prospective ground over the eastern-most Archaean greenstone belt of the Yilgarn Craton – the Yamarna belt.

In 2010 the Company identified 19 electromagnetic ("EM") targets. Initial RC drilling at the Winchester Prospect intercepted significant Cu and Ni in drill hole YMRC003 returning 31m @ 0.58% Cu, and 0.35% Ni from 29m (Figure 2, Figure 3 and Figure 4).

During 2011 eight RC holes were completed across the Winchester Prospect and two other EM targets, Yam09 and Yam10 (Figure 4). Significant assays received were:

- **21m @ 0.63% Cu, 0.20% Ni, and 0.02% Co from 88m (YMRC009);**
- **28m @ 0.50% Cu, 0.21% Ni, and 0.02% Co from 99m (YMRC010); and**
- **153m @ 0.1 Ni from 5m (YMRC012).**

In March 2013 an AC drill program totalling 2,282 metres for 77 holes was completed on the Winchester Prospect. The program was designed to test for extensions to the Cu-Ni mineralisation encountered in earlier drilling and to define the extent of the host pyroxenite unit, which has currently been defined over approximately 500m of strike.

AC drilling successfully intersected Cu-Ni mineralisation in weathered bedrock 55 metres south of previous RC intercepts. Best results included:

- 48m @ 0.63% Cu and 0.27% Ni, including 9m @ 1.09% Cu and 0.36% Ni
- 39m @ 0.39% Cu and 0.15% Ni.

Mineralisation is characterised by disseminated sulphides (up to 10%) comprising chalcopyrite (copper-iron sulphide), pentlandite (iron-nickel sulphide) and pyrite (iron sulphide) contained within mafic-ultramafic rocks.

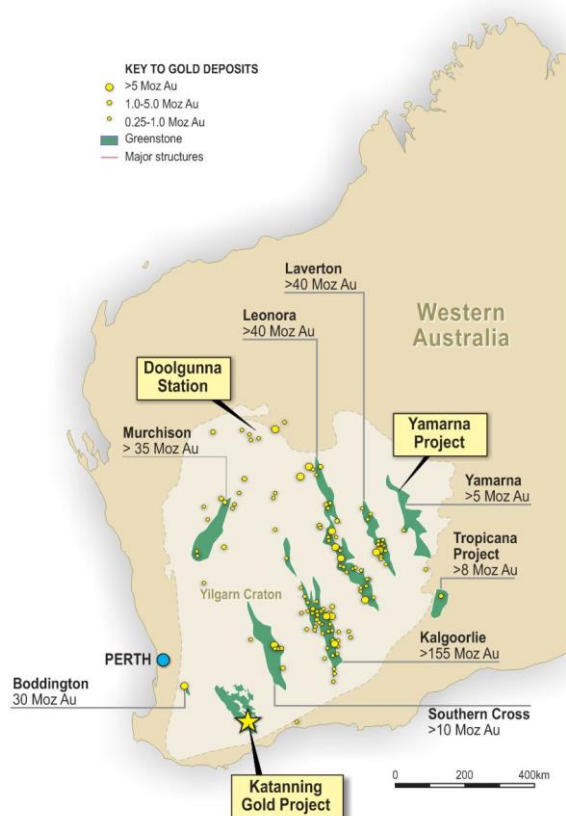


Figure 1: Location of Ausgold's Yamarna Project

Interpretation and Follow-up

Historical drilling across E38/2129 encountered very encouraging Cu and Ni mineralisation at the Winchester Prospect. Follow-up work has extended the Cu and Ni mineralisation a further 55 metres south of the previous drilling, bringing the known mineralisation to 250 metres.

In light of these additional encouraging results, Ausgold engaged Fathom Geophysics who completed geophysical data enhancement, structural and lithological interpretation and targeting across the Yamarna Project. Fathom Geophysics concluded that the Winchester Prospect (Yam02) has not been adequately tested by drilling.

The overall outcome of the strategic and technical review was the identification of nine Ni-Cu-Co, four PGE and 15 gold targets as shown in Figure 5. In addition a series of prioritised target areas for Cu-Ni, PGEs and gold have been highlighted for follow-up (see Figure 5).

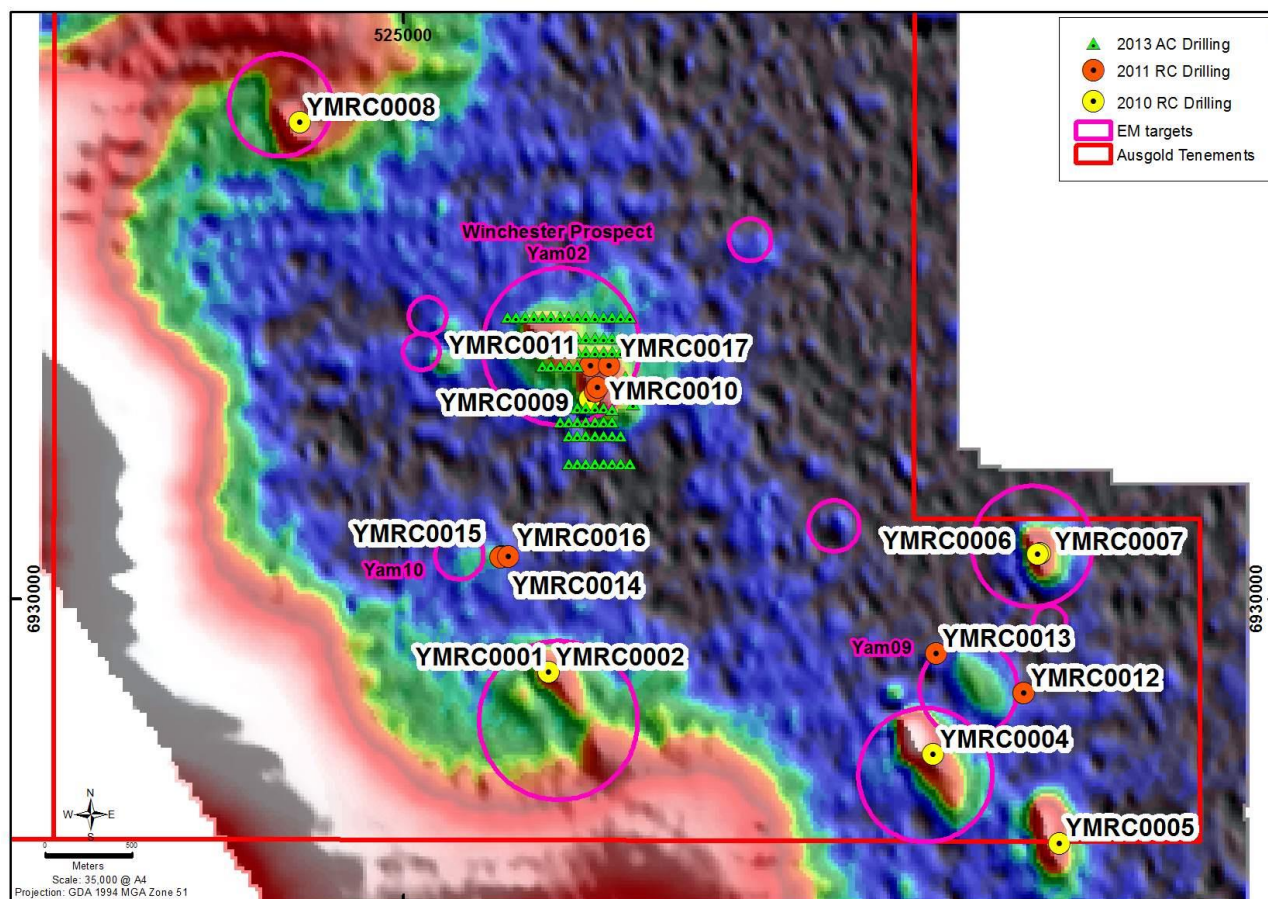


Figure 2. Portion of Ausgold's E38/2129, showing EM (Ch48) targets and drilling campaigns

Each target in Figure 5 is annotated by the assigned ranking of the target (for the specific commodity). Note that Ni-Cu-Co and PGE targets only occur within the EM coverage area (where conductors can be identified).

A number of high priority targets as well as coincident targets (Priority 1) have been identified based on magnetic and EM responses combined with structural complexity and favourable interpreted lithology.

The Winchester Prospect (Yam02) and Yam09 are high priority targets as some of the drill holes have failed to effectively test EM conductors. Follow-up RC drilling is planned for the coming Quarter as well as coincident down-hole EM surveying.

First pass AC drilling is planned for the high priority EM targets other than Winchester and Yam09 during Quarter 3, 2017.

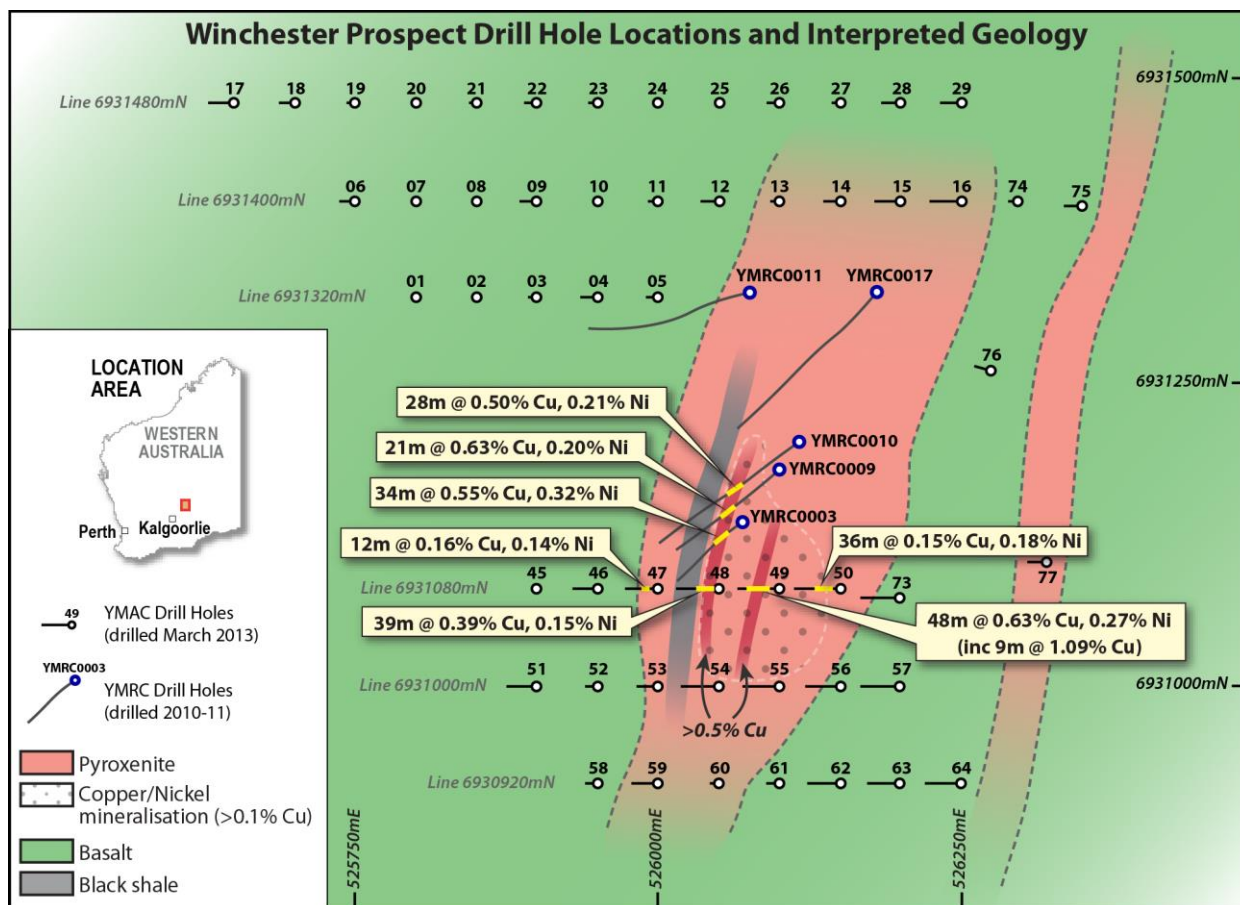


Figure 3. Winchester Discovery Drill Hole plan showing interpreted geology and significant intercepts

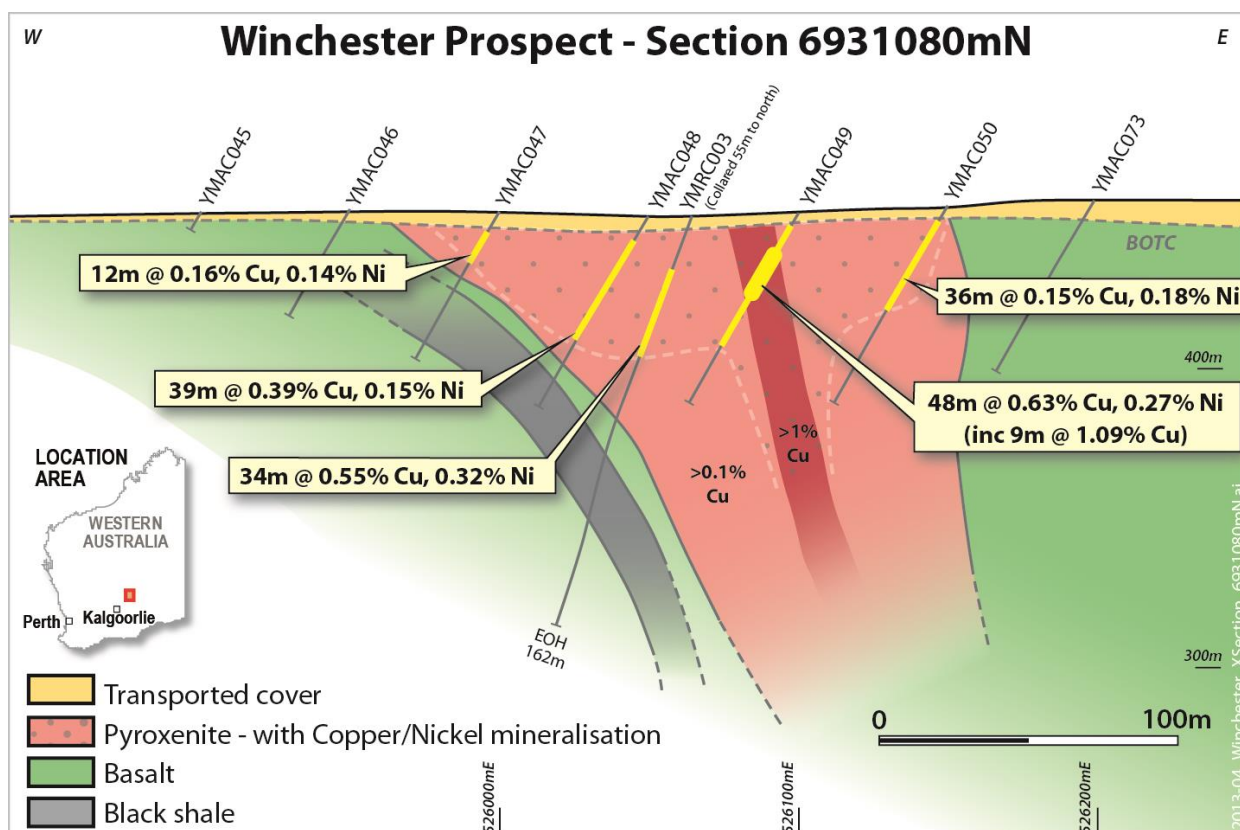


Figure 4. Winchester cross-section 6931080mN showing interpreted geology and significant intercepts

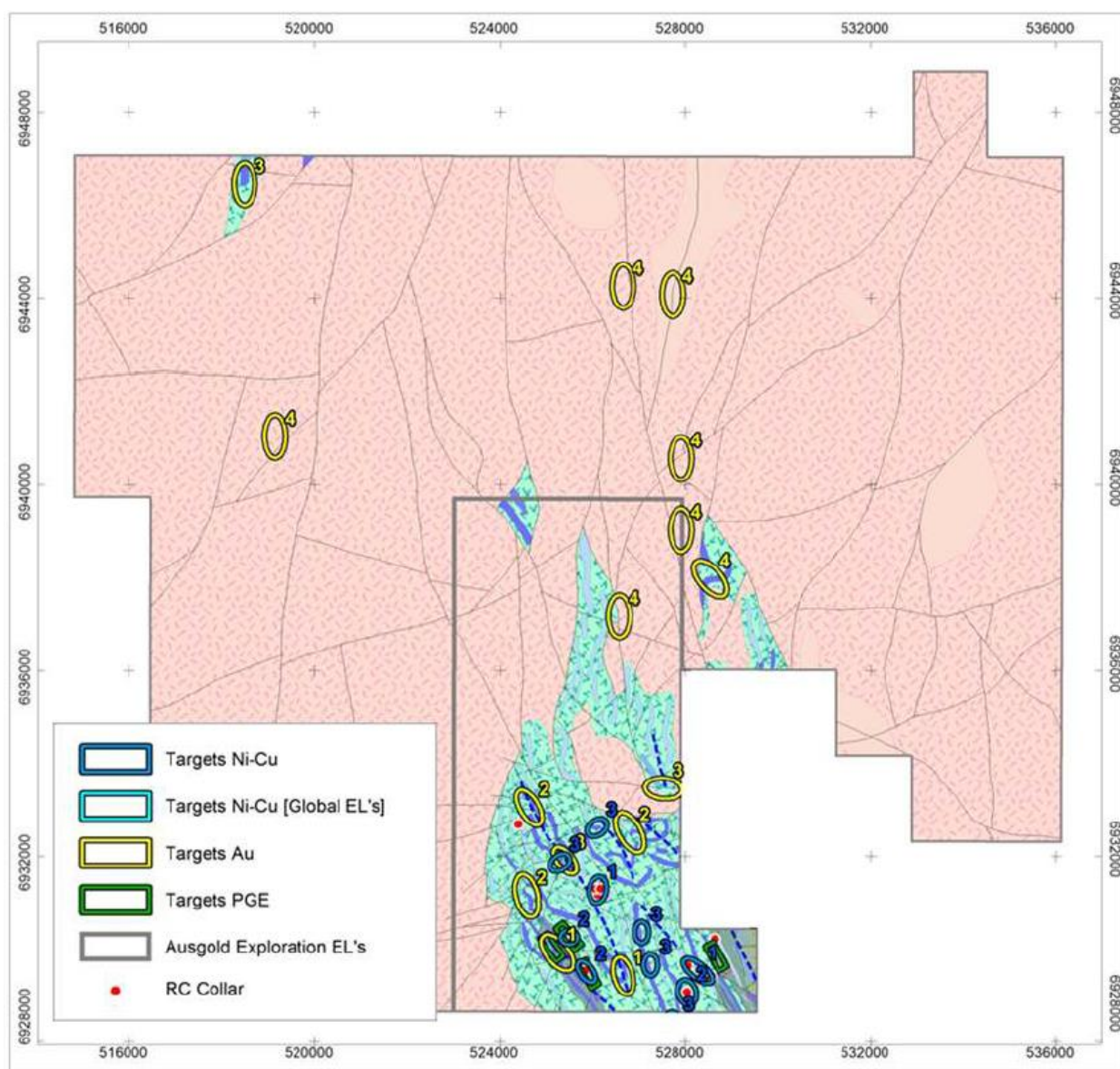


Figure 5. Combined targets across E38/2129.

The Company believes that the recent work at Yamarna has enhanced the prospectivity of the immediate area and region for Cu-Ni-Co and Ni sulphide mineralisation and that further exploration will demonstrate this conclusively.

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Forward-Looking Statements

This announcement includes “forward-looking statements” as that term within the meaning of securities laws of applicable jurisdictions. Forward-looking statements involve known and unknown risks, uncertainties and other factors that are in some cases beyond Ausgold Limited’s control. These forward-looking statements include, but are not limited to, all statements other than statements of historical facts contained in this presentation, including, without limitation, those regarding Ausgold Limited’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 Ausgold Limited’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 the mine facilities, processing plant and related infrastructure in the time frame and within estimated costs currently planned; variations in global demand and price for coal and base metal materials; fluctuations in exchange rates between the U.S. dollar, and the Australian dollar; the failure of Ausgold Limited’s suppliers, service providers and partners 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. They are internally generated goals set by the board of directors of Ausgold Limited. 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, resolve logistical issues associated with mining and enter into any necessary off take arrangements with reputable third parties. Although Ausgold Limited 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 these forward-looking statements.

Competent Person’s Statements

The information in this announcement 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 Ausgold Limited and consents to the inclusion in this report of the matters based on the information in the form and context in which it appears.

Miss Sutterby is a member of The Australasian Institute of Mining and Metallurgy and have sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration, and to the activity that they are undertaking, to qualify as Competent Persons in terms of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves” (JORC Code, 2012 edition). The Competent Persons consent to the inclusion of such information in this announcement in the form and context in which it appears.

Table 1. RC drillhole collar information from E38/2129 (MGA94 datum, UTM zone 51. Elevation values in AHD)

HOLEID	DEPTH	Easting	Northing	RL	Azimuth (GDA94)	DIP	PROSPECT
YMRC0001	59	525836	6929570	452	235	-60	YAMARNA
YMRC0002	179	525835	6929570	452	235	-61	YAMARNA
YMRC0003	162	526070	6931135	461	235	-64	WINCHESTER
YMRC0004	234	528040	6929100	465	270	-58	YAMARNA
YMRC0005	224	528760	6928590	468	270	-59	YAMARNA
YMRC0006	145	528650	6930250	472	250	-80	YAMARNA
YMRC0007	259	528640	6930247	471	250	-80	YAMARNA
YMRC0008	262	524410	6932720	456	270	-60	YAMARNA
YMRC0009	226	526100	6931177	471	235	-62	WINCHESTER
YMRC0010	262	526116	6931201	473	235	-59	WINCHESTER
YMRC0011	382	526075	6931325	473	255	-65	WINCHESTER
YMRC0012	382	528560	6929450	470	225	-60	YAMARNA
YMRC0013	100	528055	6929675	470	225	-60	YAMARNA
YMRC0014	34	525565	6930230	465	270	-60	YAMARNA
YMRC0015	382	525557	6930226	460	270	-60	YAMARNA
YMRC0016	390	525604	6930230	441	225	-60	YAMARNA
YMRC0017	304	526180	6931325	470	270	-60	WINCHESTER

Table 2. AC drillhole collar information at the Winchester Prospect (MGA94 datum, UTM zone 51. Elevation values in AHD)

HOLEID	DEPTH	Easting	Northing	RL	Azimuth	DIP (degrees)
YMAC001	7	525800	6931320	450.9	270	-60
YMAC002	7	525850	6931320	451.9	270	-60
YMAC003	12	525900	6931320	453.4	270	-60
YMAC004	29	525950	6931320	455.4	270	-60
YMAC005	21	526000	6931320	456.6	270	-60
YMAC006	26	525750	6931400	449.4	270	-60
YMAC007	10	525800	6931400	449.2	270	-60
YMAC008	11	525850	6931400	450.2	270	-60
YMAC009	30	525900	6931400	451.6	270	-60
YMAC010	5	525950	6931400	453.6	270	-60
YMAC011	17	526000	6931400	455.4	270	-60
YMAC012	32	526050	6931400	456	270	-60
YMAC013	15	526100	6931400	455.2	270	-60
YMAC014	27	526150	6931400	454.7	270	-60
YMAC015	43	526200	6931400	454	270	-60
YMAC016	52	526250	6931400	454.7	270	-60
YMAC017	43	525650	6931480	451.1	270	-60
YMAC018	27	525700	6931480	451.7	270	-60
YMAC019	13	525750	6931480	452.4	270	-60
YMAC020	9	525800	6931480	452.6	270	-60
YMAC021	13	525850	6931480	452.6	270	-60
YMAC022	24	525900	6931480	453.2	270	-60
YMAC023	14	525950	6931480	453.7	270	-60
YMAC024	10	526000	6931480	455.3	270	-60
YMAC025	5	526050	6931480	456	270	-60
YMAC026	22	526100	6931480	456	270	-60
YMAC027	11	526150	6931480	455.5	270	-60
YMAC028	33	526200	6931480	455.8	270	-60

HOLEID	DEPTH	Easting	Northing	RL	Azimuth	DIP (degrees)
YMAC029	37	526250	6931480	457.2	270	-60
YMAC030	53	525600	6931600	455.3	270	-60
YMAC031	38	525650	6931600	456.4	270	-60
YMAC032	32	525700	6931600	457.9	270	-60
YMAC033	21	525750	6931600	459.1	270	-60
YMAC034	25	525800	6931600	459	270	-60
YMAC035	12	525850	6931600	459.8	270	-60
YMAC036	23	525900	6931600	458.6	270	-60
YMAC037	16	525950	6931600	456.9	270	-60
YMAC038	9	526000	6931600	455.8	270	-60
YMAC039	16	526050	6931600	456.2	270	-60
YMAC040	9	526100	6931600	457.7	270	-60
YMAC041	16	526150	6931600	459.9	270	-60
YMAC042	15	526200	6931600	462.1	270	-60
YMAC043	26	526250	6931600	463	270	-60
YMAC044	14	526300	6931600	463.9	270	-60
YMAC045	7	525900	6931080	452.2	270	-60
YMAC046	41	525950	6931080	453	270	-60
YMAC047	57	526000	6931080	452.3	270	-60
YMAC048	74	526050	6931080	451.1	270	-60
YMAC049	73	526100	6931080	452	270	-60
YMAC050	76	526150	6931080	454.4	270	-60
YMAC051	36	525900	6931000	452	270	-60
YMAC052	10	525950	6931000	452.1	270	-60
YMAC053	23	526000	6931000	451.5	270	-60
YMAC054	65	526050	6931000	450.3	270	-60
YMAC055	56	526100	6931000	449.3	270	-60
YMAC056	66	526150	6931000	450.9	270	-60
YMAC057	75	526200	6931000	452.8	270	-60
YMAC058	18	525950	6930920	452	270	-60
YMAC059	44	526000	6930920	451.3	270	-60
YMAC060	18	526050	6930920	450.6	270	-60
YMAC061	23	526100	6930920	449.8	270	-60
YMAC062	55	526150	6930920	451.6	270	-60
YMAC063	56	526200	6930920	453.1	270	-60
YMAC064	60	526250	6930920	454.7	270	-60
YMAC065	33	525950	6930760	449.9	270	-60
YMAC066	23	526000	6930760	451	270	-60
YMAC067	10	526050	6930760	450.9	270	-60
YMAC068	7	526100	6930760	451	270	-60
YMAC069	51	526150	6930760	451.3	270	-60
YMAC070	47	526200	6930760	453	270	-60
YMAC071	28	526250	6930760	454.7	270	-60
YMAC072	49	526300	6930760	457.8	270	-60
YMAC073	66	526199	6931072	456.2	270	-60
YMAC074	15	526295	6931398	455.8	270	-60
YMAC075	28	526349	6931395	457.1	270	-60
YMAC076	29	526274	6931260	461	280	-60
YMAC077	33	526320	6931102	461.5	270	-60

Appendix 1 – Table 3.

Section 1 Sampling Techniques and Data

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

Criteria	JORC Code explanation	Commentary
Sampling techniques	- 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. - Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. - Aspects of the determination of mineralisation that are Material to the Public Report. - 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.	The RC drilling programs referred to in this announcement were drilled over two campaigns during August-September 2010 and September-October 2011 by Ausgold Exploration Pty Ltd across base-metal targets as determined by soil sampling and EM geophysics. The AC drilling referred to in this announcement was drilled during March 2013 at the Winchester prospect designed to confirm the orientation and extent of the Cu-Ni hosting pyroxenite discovered in the RC drilling. It is assumed that industry standard sapling was conducted with all the previously conducted drilling. Samples from RC drilling were collected in one metre intervals in mineralised zones with a 1/8 split for assay, split by a cyclone-mounted cone splitter, bagged in pre-numbered calico bags and the remainder retained in large plastic bags. QAQC samples consisting of field duplicates (additional split from RC), with standards and blanks were inserted into the sequence of assay samples at a rate of 1 in 30. Each RC metre sampled weighed approximately 2 to 3 kilograms. All RC samples were sent to Ultratrace Laboratories. 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. A spear sample was taken from each bulk sample and composited to 3m, 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. The 3kg AC composite samples were sent to ALS Laboratory in Perth.
Drilling techniques	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 oriented and if so, by what method, etc).	All samples in this program were from RC drilling conducted by Boart Longyear. The RC drill holes utilised a down hole hammer and face sampling bit and were 5.5 inches in diameter. All samples in this program were from AC drilling conducted by Drillpower.
Drill sample recovery	- Method of recording and assessing core and chip sample recoveries and results assessed. - Measures taken to maximise sample recovery and	RC drilling sample weights (inclusive of moisture) were recorded for bulk reject samples. Recoveries are calculated qualitatively. The relationship between sample recovery and grade and whether bias has been introduced has not been investigated

Criteria	JORC Code explanation	Commentary
	ensure representative nature of the samples. 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.	at this stage.
Logging	- 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. - Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. - The total length and percentage of the relevant intersections logged.	Representative rock chips were collected in chip trays, and logged the geologist at the drill site. Sample condition and degree of weathering were recorded qualitatively. No geotechnical logging is possible on reverse circulation samples. Lithology, weathering (oxidation state), structure, veining, mineralisation and alteration are recorded in detail using an acquire front end digital logging system sheets to ensure that all data was 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.
Sub-sampling techniques and sample preparation	- If core, whether cut or sawn and whether quarter, half or all core taken. - If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. - For all sample types, the nature, quality and appropriateness of the sample preparation technique. - Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. - 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. - Whether sample sizes are appropriate to the grain size of the material being sampled.	RC chip samples were collected from each sampling interval from the rig mounted cyclone. This sample was riffle split to produce a sample that represents 12.5% of the initial sample collected. Another 25% sample is retained as a reference sample and when required (1 in 30) another 12.5% sample was collected as a field duplicate. All AC samples were collected with a spear as a 3m composite. Other composites were collected where required to match the end of hole. It is assumed that both wet and dry samples were collected. All samples are dried before analysis. The size of the sample is considered appropriate for the mineralisation styles sought and for the analytical techniques used. 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 1 in 25 samples. Sample sizes are considered to be appropriate for the style/texture of potential oxide and sulphide mineralisation
Quality of assay data and laboratory tests	- The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. - 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.	RC drill samples were analysed by Ultratrace Laboratories (Perth) using methods Au-FA002 and ICP302 for determination of Ag, As, Bi, Co, Cr, Cu, Fe, Mn, Mo, Ni, Pb, S, Sn, Te and Zn by ICPAES or ICS-MS as required. Au, Pt and Pd were analysed fire assay with ICP quantification. AC drill samples were analysed by ALS Laboratories (Perth) using methods Au-TL43 and ME-MS62 for determination of Au, Ag, As, Bi, Co, Cr, Cu, Fe, Mn, Mo, Ni, Pb, S, Sn, Te and Zn by ICPAES or ICS-MS as required. Au, Pt and Pd were analysed fire assay with ICP quantification. Samples were sorted, dried, crushed to 10mm, pulverised to -75µm and split to produce a 10g sub sample (charge) for

Criteria	JORC Code explanation	Commentary
	<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>	aqua regia digestion and gold analysis by ICP- MS with a 1ppb lower detection limit (4,000 ppb upper limit). The analytical techniques used are considered appropriate using four acid digestion or sample fusion. Certified field duplicates, blanks and standards were inserted approximately every 20m. 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. The gold standards were sourced from RockLabs and Gannet Holdings with gold certified values ranging between 0.201g/t and 3.370g/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. 100% of the gold standards assays were within acceptable limits with no low or high bias. Ultratrace and ALS also insert QAQC samples to internally test the quality of the analysis. These results are received with the assay results in each batch. 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 do not appear to show any issues with the laboratory.
<i>Verification of sampling and assaying</i>	<i>The verification of significant intersections by either independent or alternative company personnel.</i> <i>The use of twinned holes.</i> <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> <i>Discuss any adjustment to assay data.</i>	The significant drill intersections reported in this announcement have been sourced from the Ausgold Limited Quarterly Report for the period ended 31 December 2013 and from ASX Announcement “Latest Results Indicate Significant/Copper/Nickel Discovery at Yamarna Project” 21 December 2011. No changes to the reported results have been made in this announcement unless otherwise noted. Data importation into the database is documented through standard operating procedures and is guided by acQuire import validations to prevent incorrect data capture/importation. Geological, structural and density determination data was directly captured in the database through a validation controlled interface using Toughbook computers and acquire database import validations. 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.
<i>Location of data points</i>	<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> <i>Specification of the grid system used.</i> <i>Quality and adequacy of topographic control.</i>	It is assumed that RC and AC drill collars were surveyed using a handheld GPS with a considered accuracy of +/-5m horizontally and +/-10m vertically. Downhole surveys were taken every 30-50m using a single shot camera tool. The grid system is MGA94 datum, UTM zone 51. Elevation values were in AHD. It is not known or recorded how the topographic control is determined. The considered accuracy from the existing data is +/-10m. Validated surveys were entered into the acQuire data base by data entry personnel.
<i>Data spacing</i>	<i>Data spacing for reporting of Exploration Results.</i>	RC drilling during adopted a targeted drilling approach with nominal spacing considered to be appropriate for the

Criteria	JORC Code explanation	Commentary
<i>and distribution</i>	<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> <i>Whether sample compositing has been applied.</i>	prospect level and exploration stage The AC drilling was designed at 50m spaced holes on 80m spaced lines. Sand dunes in the north and the south necessitated wider spaced lines (120m and 160m respectively). The line spacing is considered close enough to discover the short strike length of the potential mineralised shoot and the hole spacing and coverage is sufficient to map out bedrock geology and test mineralised trends. Drill hole details are contained within the body of this report. No sample compositing has been applied to the RC drilling. Sample compositing has been applied to the AC drilling. Standard 3m composited were taken with other composites taken as required to match the end of hole.
<i>Orientation of data in relation to geological structure</i>	<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> <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>	All holes were designed to best capture the interpreted dip and strike of the mineralisation and oriented perpendicular to the trend of interpreted lithology and structures to obtain as much as possible a true width representation. Observations of the current program do not suggest a bias in sampling from the drilling orientation given the early stage of the prospect and exploration.
<i>Sample security</i>	<i>The measures taken to ensure sample security.</i>	Ausgold is not aware of the sample security measures in place at the time of the drilling campaigns. However, it is assumed that measures adopted were completed to acceptable industry standards. The chain of custody is maintained by the laboratory once the samples are received on site. Assay results are emailed to the responsible geology administrators in Perth and loaded into the acQuire database through an automated process. QAQC on import is completed before the results are finalised.
<i>Audits or reviews</i>	<i>The results of any audits or reviews of sampling techniques and data.</i>	No audits or reviews of the sampling techniques or data have been completed by Ausgold since the completion of the campaigns concerning these drilling results.

Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
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Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure status</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. - 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.	The Winchester prospect and results referred to in this announcement are located on E38/2129, which is 100% owned by Ausgold Exploration Pty Ltd. The tenement is not subject to any native title claim and exploration is subject to a Heritage Protection Agreement between Ausgold Exploration Pty Ltd and the Goldfields Land and Sea Council (GLSC; the "Wongatha agreement") dated 14/3/2008. Consent to mine on Use and Benefit of Aborigines on Reserve 22032 was granted on 18 August 2010. The tenement is in good standing, and all work is conducted under specific approvals from the Department of Mines and Petroleum (DMP).
<i>Exploration done by other parties</i>	Acknowledgment and appraisal of exploration by other parties.	Helix Resources held the historical E38/1354 which covered part of the current tenement E38/2129 from 2001-2003. During this time, Helix resources conducted a drilling program of 263 vacuum holes (JVC705 to JVC967) for a total of 1309 metres. The goal of the drilling was to find platinum group metals and base metal mineralisation. All of the holes drilled are located on the current tenement. In 2001, Helix Resources took 166 Soil samples on a 12.5m and 25 m spacing. Of the 166 soil samples, there is 16 on the current tenement. The aim of the sampling was to infill and close off PGM mineralisation identified in the Mt Warren sill. The sampling closed off the PGM zone, illustrating a 25m wide +20ppb Platinum and Palladium stratiform and stratabound anomaly. The anomalous area is located 50 to 100m above the gabbro and pyroxenite contact. From 2001 to 2002, Helix Resources conducted drilling over a large proportion of the current tenure. There was a 3025.5 metre drilling program conducted for 613 vacuum holes. There are 332 holes for a total of 1882.5 m of drilling on the current tenure. Quadrant Australia picked up the Jutson Rock project in the mid 1980's as Elmina Resources. In 1986 Elmina completed a reconnaissance rock chip sampling program. The results were promising with anomalies in gold, platinum, palladium and chromium.
<i>Geology</i>	Deposit type, geological setting and style of mineralisation.	Ausgold's Yamarna Project is located at the northern end of the Mt Venn Greenstone belt of the Burtville Terrane of the Eastern Yilgarn Craton, Western Australia. Recent government mapping and interpretation of the area indicates that the Burtville Terrane has many similarities with the Youanmi Terrane which hosts the Murchison and Southern Cross gold districts. The Mt Venn Greenstone belt is bounded by granitoids and comprises greenschist amphibolite facies intrusive ultramafics, mafics, felsics and meta-sediments. The north-northwest trending Mount Venn greenstone belt has parallel sheared contacts with the surrounding granites. The lower part of the succession in the belt contains inter-bedded basalt and komatiitic basalt, which are locally metamorphosed to amphibolite, chlorite schist, and tremolite-chlorite-talc schist. Basalts along the eastern side of the belt contain thin, parallel sheets of dolerite, leucogabbro and pyroxenite. The pyroxenites are generally metamorphosed to talc-serpentine-chlorite schist. In the northern part of the belt, the basalts have been concordantly intruded by the 2755±5 Ma Mapa Igneous Complex, a layered body which is at least 400 m thick (the upper contact is not preserved). The complex contains two lower gabbroic layers that grade from pyroxenite through melanocratic gabbro to more leucocratic gabbro at the top,

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		and an upper layer of homogeneous, medium-grained dolerite. The basalts locally contain elongate to lenticular units of variably metamorphosed, locally micaceous, fine- to coarse-grained sandstones with minor laminated siltstones (Pawley & Hall 2010). The sedimentary and mafic rocks are overlain by variably deformed, felsic volcanic and volcaniclastic rocks of the Palkapiti Formation. Finally, the greenstones were discordantly intruded by several late granite stocks. E38/2129 is relatively unexplored, with limited drilling prior to Ausgold's 2010 RC campaign. Some RAB drilling was carried out by Kilkenny in 1995 in the northern part of E38/2129. Previous exploration at Mt Warren and Mt Cumming, located to the immediate east of E38/2129, targeted gold (Au), base metals (Cu, Ni, Cr) and Platinum Group Elements (PGE's) associated with the Mapa Igneous Complex. The historical Chapman's Reward gold mine is located approximately 10 km along strike to the southeast.
Drill hole Information	- 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: - easting and northing of the drill hole collar - elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar - dip and azimuth of the hole - down hole length and interception depth - hole length. - 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.	Plans showing location of drill holes and also location of significant results and interpreted trends are provided in the figures of report. Any new significant results are provided in tables within the report.
Data aggregation methods	- 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. - 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.	For RC assay results the intervals reported are thickness weighted averages (ie. XXm grading XX grams per tonne gold content). Reported intervals are calculated using $\geq 0.5\text{g/t Au}$ cut-off grade and using a $\leq 2\text{m}$ minimum Internal Dilution (unless otherwise stated). No metal equivalent values have been reported. AC drill intercepts were calculated as $\geq 0.1\% \text{ Cu}$

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	<i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i>	
<i>Relationship between mineralisation widths and intercept lengths</i>	<i>These relationships are particularly important in the reporting of Exploration Results.</i> <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> <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>	The geometry of the anomalous gold and base metal values with respect to the RC drilling angles and orientation are unknown. All intersections are subsequently presented as downhole lengths. If down hole length varies significantly from known true width then appropriate notes are provided.
<i>Diagrams</i>	<i>Appropriate maps and sections (with scales) 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>	Refer to Figures in market release
<i>Balanced reporting</i>	<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>	Not applicable at this stage, other than expressed in this report.
<i>Other substantive exploration data</i>	<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>	At this stage there is no substantive exploration data from the recent drilling that is meaningful and material to report
<i>Further work</i>	<i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological</i>	Further work is discussed in the document in relation to the exploration results.

Criteria	JORC Code explanation	Commentary
	<i>interpretations and future drilling areas, provided this information is not commercially sensitive.</i>	