



Fieldwork underway at Cracow Project, Qld

Ausgold Limited (ASX: AUC) (“Ausgold” or “the Company”) is pleased to announce the commencement of a new program of fieldwork at its 100%-owned Cracow Project, 375km north-west of Brisbane, Queensland, as it continues to assess the project’s potential to host epithermal and intrusion-related gold – copper mineralisation.

The fieldwork program will primarily consist of geochemical sampling and spectral analysis aimed at verifying alteration zones identified using open file satellite imagery that appear to be analogous with Evolution Mining Limited’s multi-million ounce Cracow epithermal gold deposit, 40km along strike to the south.

Ausgold holds Exploration Licence EPM17054 covering approximately 202km² in the Cracow region (Figure 1). The tenement covers extensive areas of the Camboon Volcanics, which is the formation that hosts Evolution Mining Limited’s deposit.

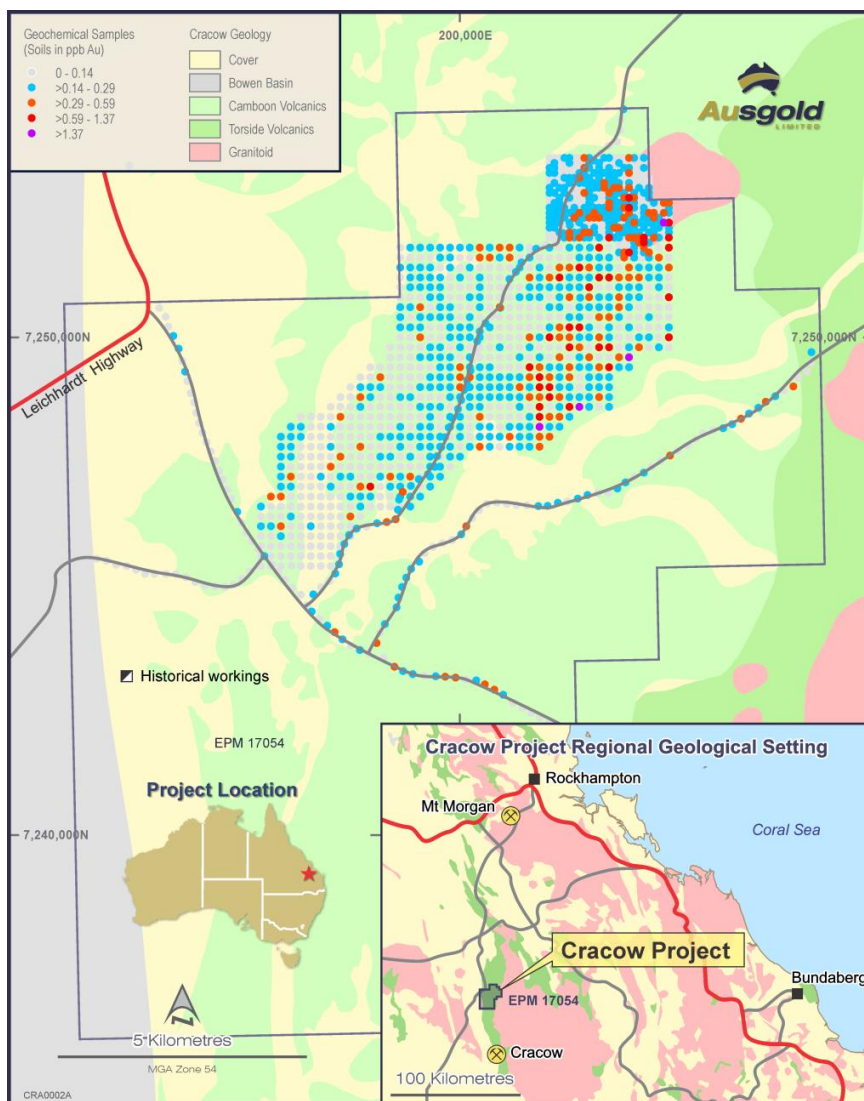


Figure 1 - Location of Ausgold’s Cracow Project, Queensland

About Ausgold Limited

Ausgold Limited is a gold exploration and development company based in Western Australia.

The Company's flagship project is the Katanning Gold Project (KGP) located 275km south-east of Perth and approximately 40km north-east of the wheatbelt town of Katanning. Ausgold holds a dominant ground position in this relatively underexplored greenstone belt (Figure 2), an area prospective for Archean gold deposits.

Ausgold's portfolio also includes the Doolgunna Station Cu-Au project and the Yamarna Ni-Cu-Co project in Western Australia as well as the Cracow Au project in Queensland.

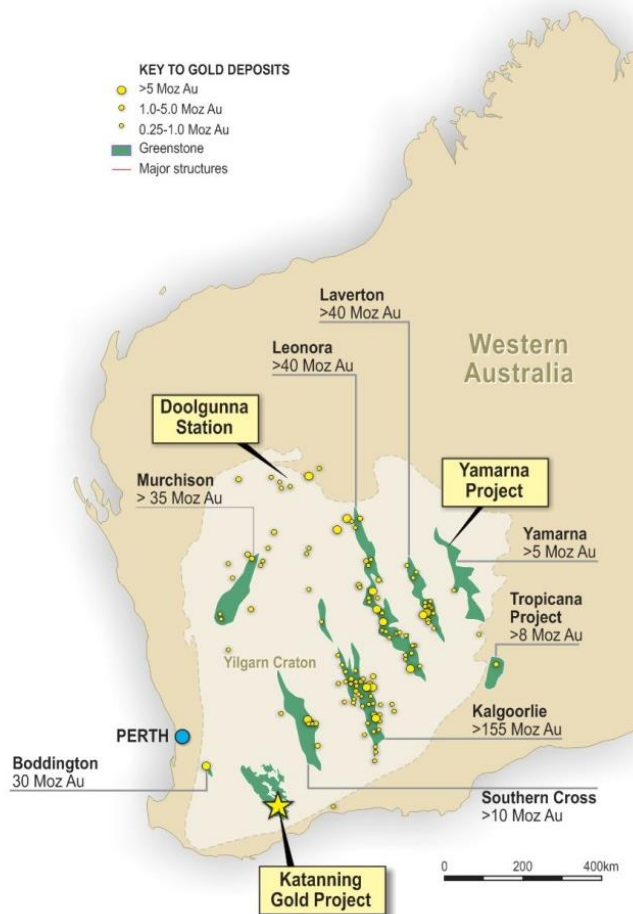


Figure 2 - Regional map showing the KGP, other Ausgold projects and mineralised greenstone belts

On behalf of the Board,

Matthew Greentree
Chief Executive Officer
 Ausgold Limited

For further information please visit Ausgold's website or contact:

Matthew Greentree
 Chief Executive Officer, Ausgold Limited
 T: +61 (0)8 9220 9890
 E: info@ausgoldlimited.com

Competent Person's Statements

The information in this statement that relates to exploration work and Dr Matthew Greentree takes responsibility for the integrity of the Exploration Results including sampling, assaying, and QA/QC, and the preparation of the geological interpretations. Dr Matthew Greentree is Chief Executive Officer and is a Share and Option holder in Ausgold Limited.

Dr Matthew Greentree is a Member of The Australasian Institute of Mining and Metallurgy and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration, and to the activity 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)". Dr Greentree as the Competent Person consents to the inclusion of such information in this report in the form and context in which it appears.

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.