



## Binding option agreement signed for Yamarna Project

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### Highlights:

- On exercising option Great Boulder Resources Limited to issue 1.5 million shares and spend minimum \$500,000 over four years to earn 75% interest in Ausgold's Yamarna Project, Western Australia
  - Drilling to commence immediately on EM targets at Winchester prospect
  - Ausgold will retain a 25% interest free-carried to decision to mine
  - Allows both companies to use regional expertise across a single, large belt
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Ausgold Limited (ASX: AUC) ("Ausgold", "the Company") is pleased to announce that it has entered into an option agreement with fellow ASX-listed mineral exploration company Great Boulder Resources Limited (ASX:GBR) ("Great Boulder") in regards to its 100% owned Yamarna Project ("the Project"), located 125 km northeast of Laverton in Western Australia.

The Yamarna Project, which is 40km north along strike of Great Boulder's Mt Venn Project, comprises exploration licences E38/2129 and ELA 38/3311 covering approximately 300km<sup>2</sup> of the northern Mt Venn Greenstone Belt.

With drilling on the Winchester Prospect having intersected disseminated sulphides chalcopyrite (copper), pentlandite (nickel) and pyrite (iron). Since this drilling Ausgold has identified further nickel-copper-cobalt, platinum group elements (PGE) and gold targets.

Under the terms of the agreement, Ausgold has granted Great Boulder an option to form a joint venture on granted tenement E38/2129 and application E38/3311 through the expenditure of \$50,000 on E38/2129 during the current reporting year. With Great Boulder to drill two EM targets immediately at the Winchester Prospect. Upon exercise of the option Great Boulder will have the right to earn a 75% interest in the Yamarna Project by issuing Ausgold 1,500,000 fully paid ordinary shares and spending a minimum \$500,000 on exploration on the tenements over a term of four years. Upon Great Boulder meeting the minimum expenditure milestone, Ausgold will retain a 25% free-carried interest in the Project up until a decision to mine.

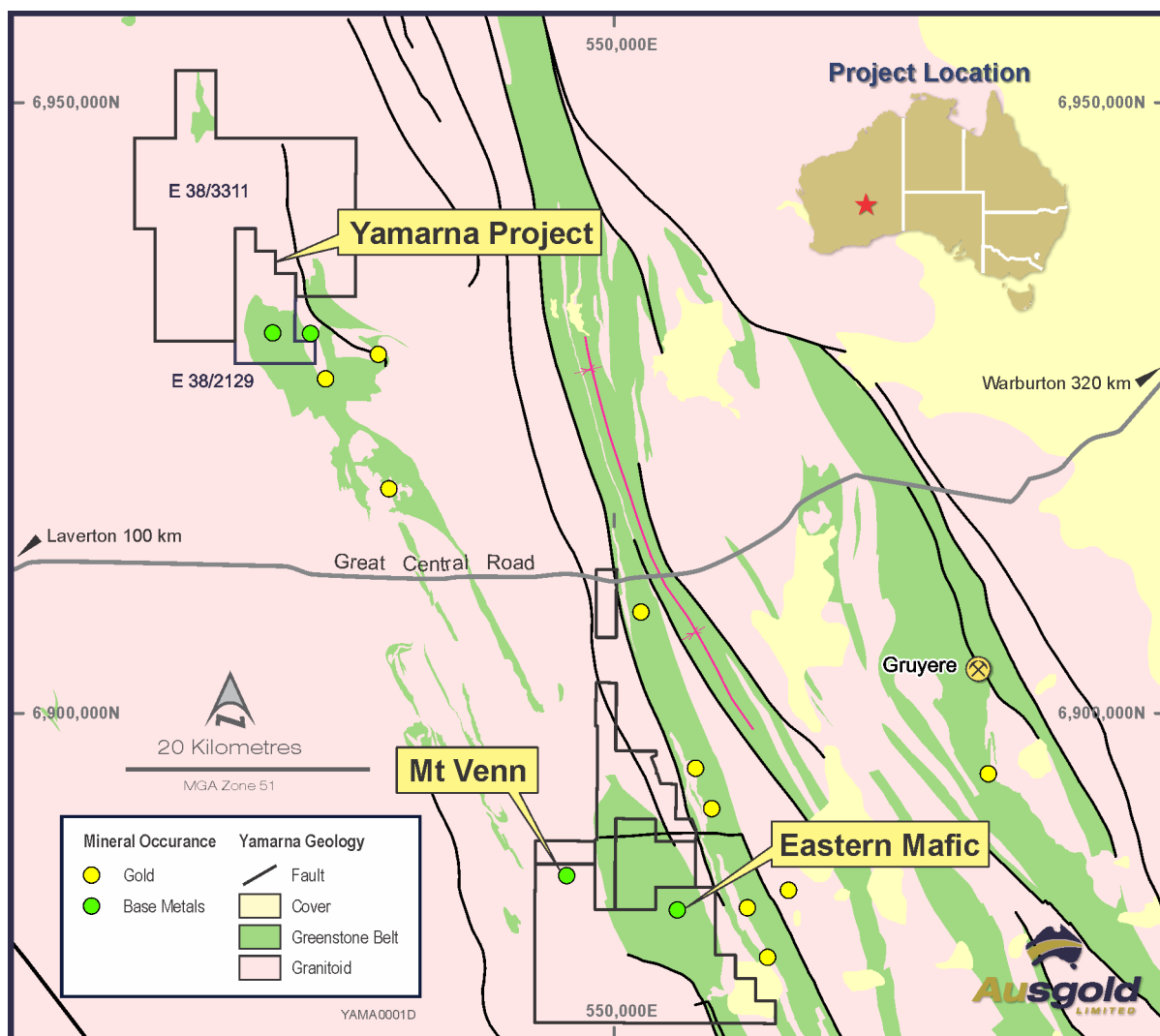
### Management Comment

**Ausgold's Managing Director, Matthew Greentree, said:**

*"The farm-in agreement with Great Boulder over the Yamarna Project ensures the asset will be advanced by a committed explorer in the region through a well-funded exploration program. As with the recent farm-in deal we completed on the Doolgunna Station Project, Ausgold will retain a significant stake in the project and be free-carried through to a decision to mine. This structure allows the Company to focus exploration funds on its 100%-owned Katanning Gold Project, where the Company continues to experience exploration success and is progressing towards mine development. We are pleased that Great Boulder will commence exploration immediately by drilling two EM targets within the Winchester Prospect."*

**Great Boulder Managing Director Stefan Murphy, said:**

*"We have established extensive mineralisation across Mt Venn and the Eastern Mafic and while our exploration program is ongoing and still in its early phase, it is clear that this is a large mineralised province. The results at the Yamarna nickel project show that this area is also mineralised and has the potential to host higher-grade nickel which could blend with that at Mt Venn and the Eastern Mafic."*



**Figure 1 - Location of Ausgold's Yamarna and Great Boulders Mt Venn projects**

### The Project

Ausgold has identified 19 targets at the Yamarna Project using both airborne and fixed loop ground electromagnetic (EM) surveying methods (ASX Release, 7 April, 2010). Plates derived from the EM surveys were tested using Reverse Circulation (RC) drilling, with the initial drilling at the Winchester Prospect intercepting significant copper and nickel mineralisation. In particular, drill hole YMRC003 returned 31m @ 0.58% copper, and 0.35% nickel from 29m (Figure 2, Figure 3 and Figure 4, ASX Release 23 September 2010).

During 2011 a further eight RC holes were completed across the Winchester Prospect and two other EM targets, Yam09 and Yam10 (Figure 4 and ASX Release 21 December 2011 and 5 April 2017). Significant results from this drilling included:

- **21m @ 0.63% Cu, 0.20% Ni, and 0.02% Co from 88m (YMRC009), including 3m @ 0.9% Cu, 0.5% Ni, 0.03% Co from 99m and 3m @ 1.2% Cu, 0.2% Ni, and 0.01% Co from 105m**
- **28m @ 0.50% Cu, 0.21% Ni, and 0.02% Co from 99m (YMRC010), including 10m @ 0.8% Cu, 0.4% Ni, and 0.03% Co from 99m**

An aircore (AC) drilling program of 77 holes for 2,282 metres was completed across the broader Winchester Prospect, which identified a further 500 metres of strike extensions to the prospective pyroxenite unit and copper-nickel mineralisation. This 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.

AC drilling intersected elevated copper-nickel grades in weathered bedrock 55 metres south of previous RC intercepts suggesting potential for a larger mineralised system (ASX Release 27 June 2013), with best results including:

- **48m @ 0.6% Cu and 0.3% Ni, including 9m @ 1.09% Cu and 0.4% Ni**
- **39m @ 0.4% Cu and 0.2% Ni**

## About Ausgold Limited

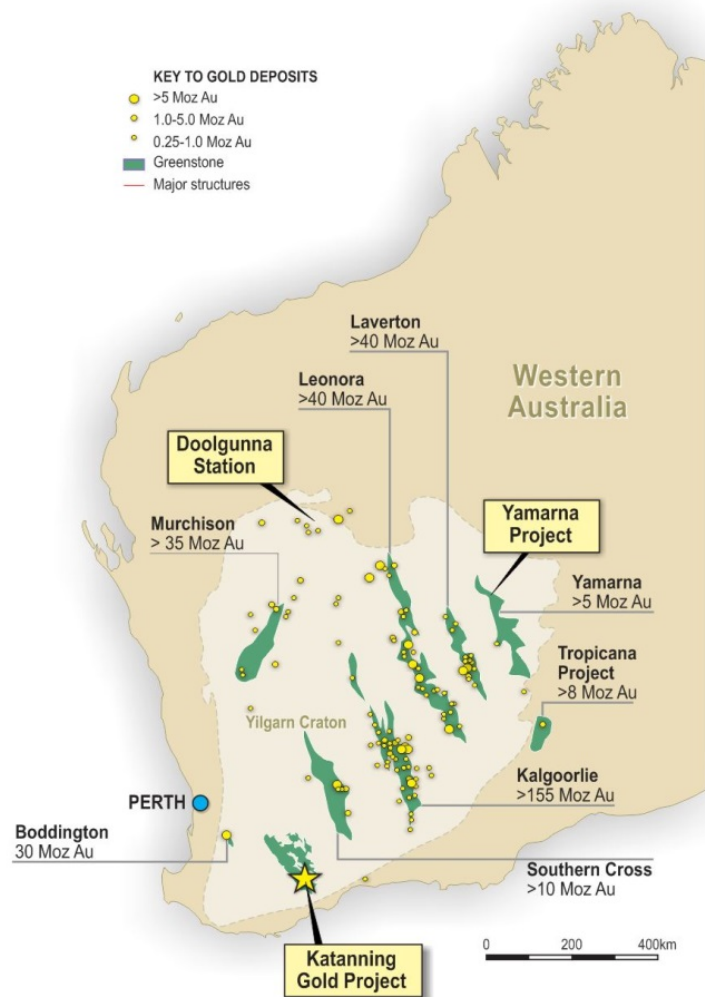
Ausgold Limited is a gold exploration and development company based in Western Australia.

The Company's flagship project is the Katanning Gold Project, 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, an area prospective for Archean gold deposits. The current Resource at Katanning is 785,000 oz gold (Table 1).

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

**Table 1 - Current Mineral Resource**  
(Details in ASX Release 3 August 2017)

|              | Tonnes (Mt) | Grade (g/t) | Ounces ('000) |
|--------------|-------------|-------------|---------------|
| Measured     | 3.0         | 1.94        | 190           |
| Indicated    | 6.7         | 1.07        | 232           |
| Inferred     | 11.2        | 1.01        | 363           |
| <b>Total</b> | <b>20.9</b> | <b>1.17</b> | <b>785</b>    |



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

On behalf of the Board,

**Matthew Greentree**  
**Managing Director**  
 Ausgold Limited

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

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## Competent Person's Statements

The information in this statement that relates to the Mineral Resource Estimates is based on work done by Mr Rod Brown of SRK Consulting (Australasia) Pty Ltd and Dr Matthew Greentree of Ausgold Limited. Dr Greentree is Managing Director and is a Share and Option holder in Ausgold Limited. Dr Greentree takes responsibility for the integrity of the Exploration Results including sampling, assaying, and QA/QC, and the preparation of the geological interpretations. Mr Brown takes responsibility for the Mineral Resource Estimate.

Mr Brown and Dr Greentree are Members 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 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 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.