ASX Release

9 May 2019

Aircore drilling intersects gold mineralisation at newly identified Western Trends

Highlights:

- **Results from the maiden drill program at Katanning Gold Project's newly identified Western Trends show:**
  - Gold anomalism up to 1.17 g/t gold identified along a combined strike length of 2,500m
  - New prospects are less than 5km from the main Resource area
  - Gold is closely associated with sulphidic mafic granulite
  - Newly identified northeast-striking mineralised trend highlights potential beyond previously identified mineralisation
- **Ground gravity geophysical surveys highlight significant structural trends adjacent to previously untested gold-in-soil anomalies vital for targeting future RC drill programs**
- **Results build on the Company's regional exploration program which has already identified 42 new target areas**

Ausgold Limited (**ASX: AUC**) ("**Ausgold**" or "**the Company**") is pleased to announce results of the maiden air core (AC) drill program at the newly identified Western Trends prospects at its 100%-owned Katanning Gold Project (KGP) in Western Australia's south-west Yilgarn craton.

The recent exploration program includes ground gravity, auger soils (840 samples) sampling, and a wide-spaced AC drill program of 98 holes for 3,506m to test large gold-in-soil anomalies along the two newly identified prospects collectively referred to as the Western Trends (Figure 1).

Historical auger sampling collected at 1km spacings (ASX announcement, 19 September 2018) and recent follow-up 200m x 200m-spaced auger sampling has defined a broad zone of mineralisation > 10 ppb gold with peak values of 114 ppb gold. Gold anomalism occurs along an interpreted antiform adjacent to a regionally significant strike slip fault.

New AC drilling intersected anomalous gold > 100 ppb gold in regolith and fresh rock with all holes drilled to blade refusal 3 - 51m depths (Figure 2 and 3). AC drilling has been conducted on wide-spaced holes (120m x 275m and 60m x 160m; Table 1 & Table 2).

Burong

Located 5km west from the main Resource area, an infill auger programme with 200m x 200m sample spacing (566 samples) identified gold mineralisation > 10 ppb gold (with peak values of up to 69 ppb gold) covering an interpreted open antiform adjacent to a northwest-striking fault (Figure 1).

An AC drilling program has been completed over gold-in-soil anomalies (>20 ppb gold) with mineralisation intersected over a strike length of 2,600 m, with this mineralisation remaining open along strike. This northeast trend is evident in aeromagnetic and ground gravity images (Figure 3). The northeast trend corresponds to a gold-in-soil anomaly, with the recent AC drilling having confirmed this new mineralised trend with significant intercepts of > 100 ppb gold (Table 1, Figure 2 and 3) over a strike length of 850m, including three bottom-of-hole intercepts of > 500 ppb gold (> 0.5 g/t gold).

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Significant intercepts include:

- 5m @ 370 ppb Au from 18m, including 1 m @ 1,170 ppb Au in BSAC1938 (eoh)
- 9m @ 450 ppb Au from 39m, including 3m @ 760 ppb Au in BSAC1940 (eoh)
- 3m @ 110 ppb Au from 48m in BSAC1936 (eoh)
- 6m @ 160 ppb Au from 12m in BSAC1898
- 1m @ 210 ppb Au from 47m in BSAC1890
- 3m @ 280 ppb Au from 36m in BSAC1905

Jinkas West

Located 2.5 km west from the Jinkas Resource, the Jinkas West prospect is localised along an easterly-dipping thrust fault which has been mapped along a 10km strike length. Jinkas West structure is geologically similar to the thrust fault that controls KGP and is interpreted as a splay fault from the main KGP structure (Figure 1).

A gold-in-soils anomaly with gold anomalism over 10ppb and peak values of up to 114 ppb Au has been identified along a 6 km strike length. This has been defined with auger sampling using a grid of 1km spaced sampling (ASX release September 2018) and infill auger sampling to 200m x 200m spacing (247 samples). The recent AC drilling was limited in extent to test a few key areas with anomalous soils, with low-level gold anomalism being intersected in mafic-intermediate granulite similar to the rocks that host gold mineralisation at Jinkas.

Management Comment:

Ausgold's Managing Director, Matthew Greentree, commented:

"The recent AC drill program confirms golds anomalism over a significant strike length. These new results highlight the potential of the Western Trends to host significant gold mineralisation, with the potential to significantly expand the KGP's current Mineral Resource with near-Resource additions. Our constantly improving geological understanding is underpinning this work with new geological concepts now being applied to exploration within our regional project with the aim of unlocking the multi-million ounce potential of the project."

Other work programs

Ausgold has engaged Mine Scope Consultants to conduct a metallurgical study of the KGP with re-sampling of past drill core and new drilling. An exploration program, including 4,000m RC and 1,000 diamond drilling, is underway to target extensions to the current Resource areas. Down Hole Electromagnetic (DHEM) and Magnetometric Resistivity (MMR) surveys have been conducted at Jinkas South, Jinkas and Jinkas North areas. Further work includes petrographic and multi-element geochemical analysis to characterise the mineralisation within the Jinkas deposit.

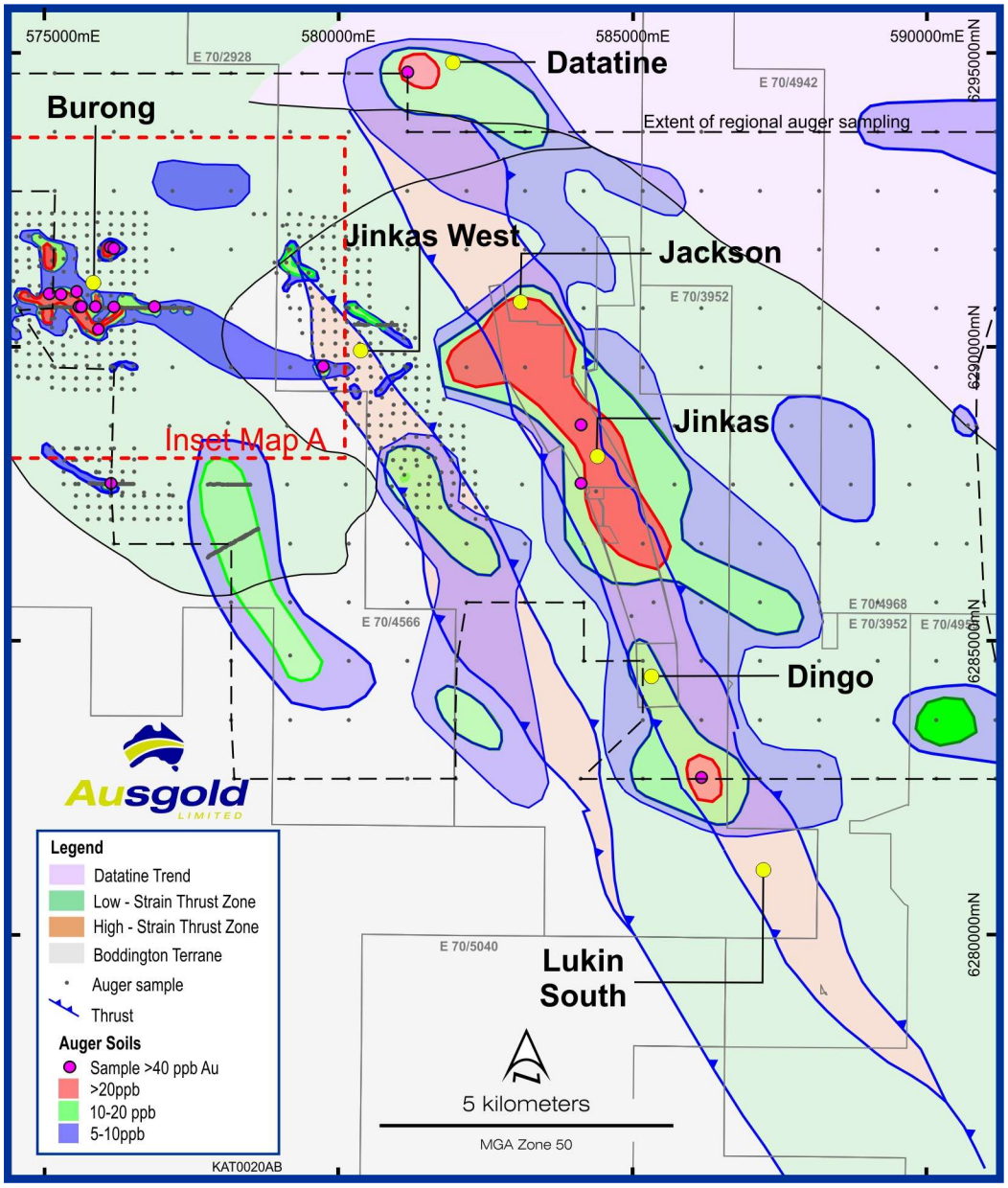

Figure 1 - *Location of newly defined anomalous trends west of the main Katanning Gold Project with gold-in-soils shown over interpreted geology*

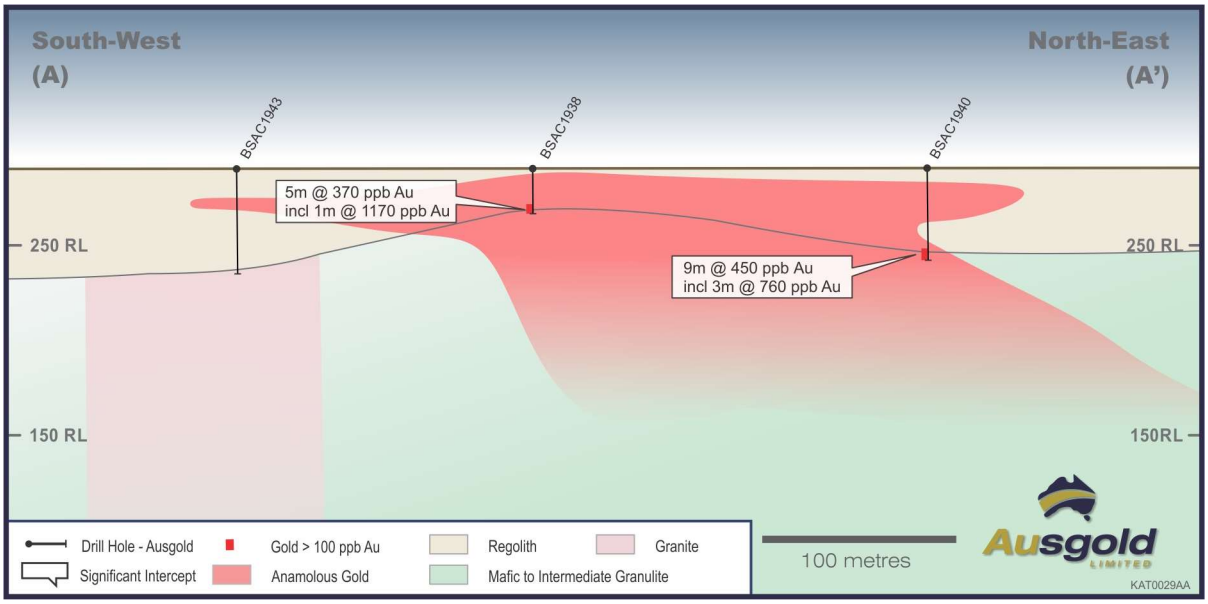

Figure 2 - *Cross-section A-A' of AC drilling Burong, location shown on Figure 3*

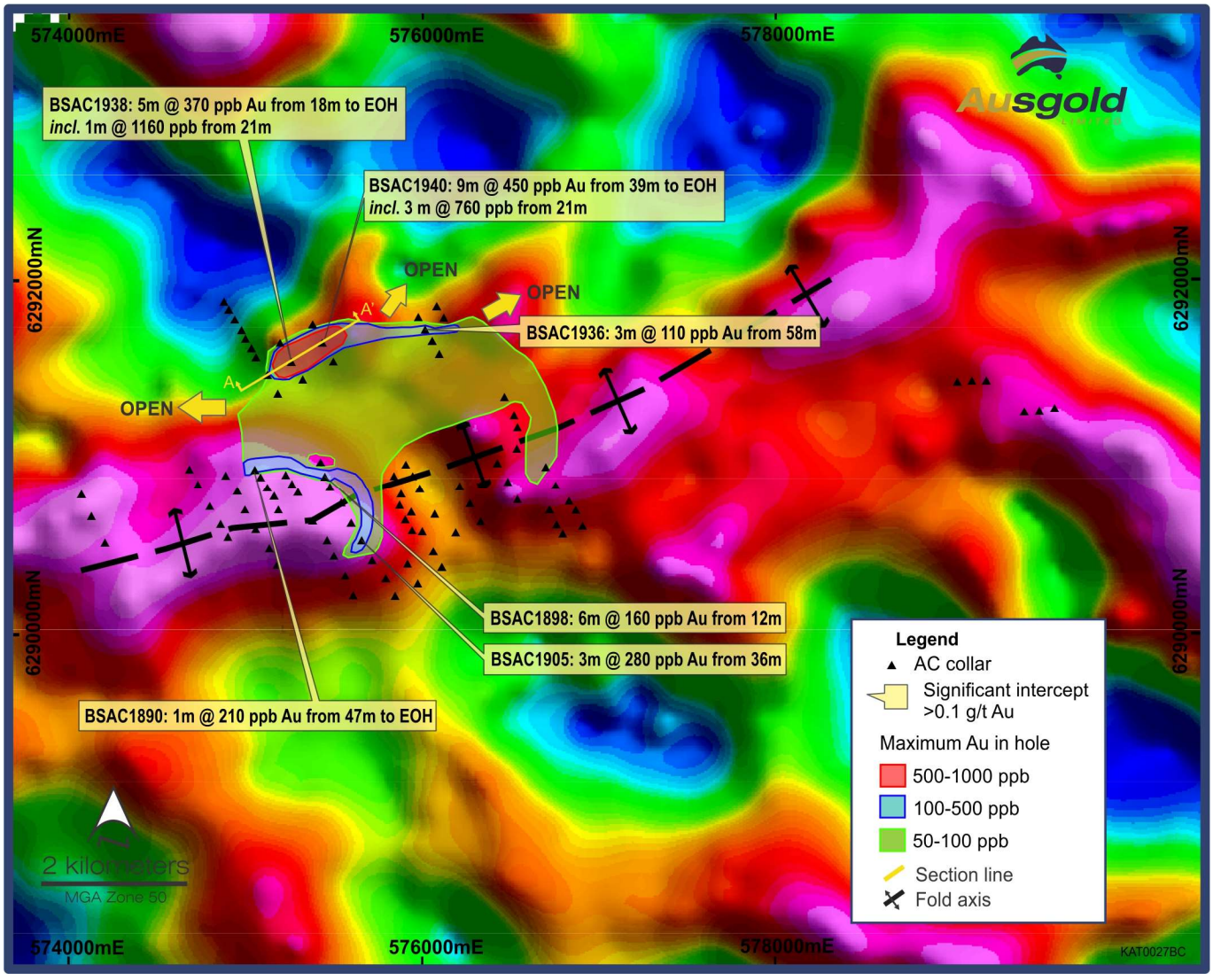

Figure 3 - *Western Trends prospects shown over gravity image (location shown as Inset A in Figure 1)*

Table 1 – *Significant intercepts*

HOLE ID	To (M)	From (M)	Length (M)	Grade g/t Au
BSAC1890	47	48	1	0.21
BSAC1898	12	18	6	0.16
BSAC1905	36	39	3	0.28
BSAC1936	48	51 eoh	3	0.11
BSAC1938	18	23 eoh	5	0.37
		Including	1	1.17
BSAC1940	39	48 eoh	9	0.45

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 ≥ 0.1g/t Au cut-off grade and using a ≤ 4m minimum internal dilution (unless otherwise stated). End of hole intercepts are denoted by eoh.

***Table 2**- Collar location for recent AC drilling along Western Trends*

HOLE ID	EAST	NORTH	RL	DEPTH
BSAC1879	574675.2	6290922	284.3527	41
BSAC1880	574723.8	6290834	272.0336	42
BSAC1881	574880.1	6290886	269.2487	49
BSAC1882	574792	6290711	272.3713	49
BSAC1883	574849.7	6290612	272.6884	50
BSAC1884	574892.3	6290537	269.0144	47
BSAC1885	575050.3	6290583	275.2224	47
BSAC1886	575124.6	6290472	273.6412	42
BSAC1887	575173	6290382	271.4559	48
BSAC1888	574987.2	6290694	273.6956	48
BSAC1889	574945	6290800	273.0675	48
BSAC1890	575044.3	6290920	273.1118	48
BSAC1891	575075.9	6290877	268.8964	49
BSAC1892	575114.6	6290818	274.0654	51
BSAC1893	575152.9	6290772	275.9928	46
BSAC1894	575179.2	6290693	273.9766	46
BSAC1895	575218.1	6290889	272.2779	47
BSAC1896	575254.8	6290839	276.2509	47
BSAC1897	575287.8	6290795	285.9849	44
BSAC1898	575441.2	6290881	281.2845	47
BSAC1899	575416.4	6290963	274.9229	43
BSAC1900	575468.1	6290822	274.0281	48
BSAC1901	575531.3	6290733	274.1412	48
BSAC1902	575589.8	6290618	283.8535	39
BSAC1903	575371.5	6290631	274.1169	45
BSAC1904	575453.3	6290520	271.8257	37
BSAC1905	575647.9	6290518	275.6398	42
BSAC1906	575707.4	6290404	281.5339	36
BSAC1907	575906.2	6290389	282.739	37
BSAC1908	575966.4	6290276	276.3093	42
BSAC1909	575837.6	6290205	279.4387	35
BSAC1910	575783.9	6290304	276.267	34
BSAC1911	575555.6	6290319	272.3414	29
BSAC1912	575600.5	6290208	266.1979	45
BSAC1913	575490.9	6290430	276.5673	34
BSAC1914	576053.9	6290457	272.468	37
BSAC1915	576102.1	6290370	277.4681	32
BSAC1916	576180.1	6290564	282.077	38
BSAC1917	575991.6	6290570	281.1229	38
BSAC1918	575931.4	6290574	281.1205	44
BSAC1919	575894.6	6290638	278.4073	46

HOLE ID	EAST	NORTH	RL	DEPTH
BSAC1920	575862.2	6290722	275.731	36
BSAC1921	575870.9	6290784	271.9702	32
BSAC1922	575928.7	6290683	274.1678	38
BSAC1923	575831.5	6290885	304.6772	23
BSAC1924	575899.4	6290949	277.5874	27
BSAC1925	575935.5	6290883	277.9913	26
BSAC1926	575976.2	6290811	280.0129	34
BSAC1927	576061.6	6290669	289.8988	36
HOLEID	EAST	NORTH	RL	DEPTH
BSAC1928	576318.9	6290628	280.5203	38
BSAC1929	576260.1	6290728	279.8192	27
BSAC1930	576201.6	6290827	277.1006	33
BSAC1931	576415.5	6290958	291.2991	36
BSAC1932	576474.1	6290853	281.911	23
BSAC1933	576528.3	6290753	282.7728	11
BSAC1934	576087.2	6291577	289.517	30
BSAC1935	576046.4	6291648	283.7408	45
BSAC1936	576005.8	6291712	290.055	55
BSAC1937	575315.2	6291431	288.7443	51
BSAC1938	575249.5	6291530	288.9727	23
BSAC1939	575370.6	6291741	296.2401	24
BSAC1940	575427.1	6291637	287.7773	48
BSAC1941	575488.4	6291531	286.3484	31
BSAC1942	575174.5	6291352	278.9575	55
BSAC1943	575114	6291456	286.3128	52
BSAC1944	575187.9	6291638	296.0243	3
BSAC1945	575051.2	6291557	295.8004	7
BSAC1946	575026.1	6291605	296.5681	7
BSAC1947	574992.2	6291661	295.8244	4
BSAC1948	574969.2	6291710	303.2682	3
BSAC1949	574931.5	6291769	302.2606	4
BSAC1950	574897.5	6291823	304.8844	4
BSAC1951	574869.1	6291870	307.0256	5
BSAC1952	575967.3	6291783	290.6302	33
BSAC1953	576111.9	6291780	276.4208	47
BSAC1954	576071.1	6291844	291.4563	47
BSAC1955	576524.1	6291040	282.0914	54
BSAC1956	576528.5	6291163	288.3725	23
BSAC1957	576509.4	6291229	278.0426	29
BSAC1958	576454.2	6291333	274.7951	20
BSAC1959	574197.7	6290504	273.478	57
BSAC1960	574121.4	6290658	275.819	33
BSAC1961	574064.5	6290779	268.4264	48

HOLE ID	EAST	NORTH	RL	DEPTH
BSAC1962	579015.4	6291420	292.1726	35
BSAC1963	579095.4	6291423	295.6048	32
BSAC1964	579179	6291423	296.4631	34
BSAC1965	579392.5	6291250	292.4305	28
BSAC1966	579476.3	6291255	295.0154	13
BSAC1967	579563	6291269	292.9947	24
BSAC1968	576709.9	6290693	285.7557	37
BSAC1969	576745.4	6290831	279.4505	45
BSAC1970	576818.4	6290744	281.2052	35
BSAC1971	576857.7	6290692	283.4908	35
BSAC1972	576687	6290934	283.6789	45
BSAC1973	576749.5	6290608	272.6651	38
BSAC1974	576785.5	6290557	275.7614	39
BSAC1975	576898.7	6290599	281.1841	39

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 1.04Moz 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 3 - Current Mineral Resource
(Details in ASX release 26 November 2018)

	Tonnes (Mt)	Grade (g/t)	Ounces ('000)
Measured	2.07	2.15	143
Indicated	8.29	1.28	340
Inferred	14.79	1.17	556
Total	**25.1**	**1.29**	**1.039**

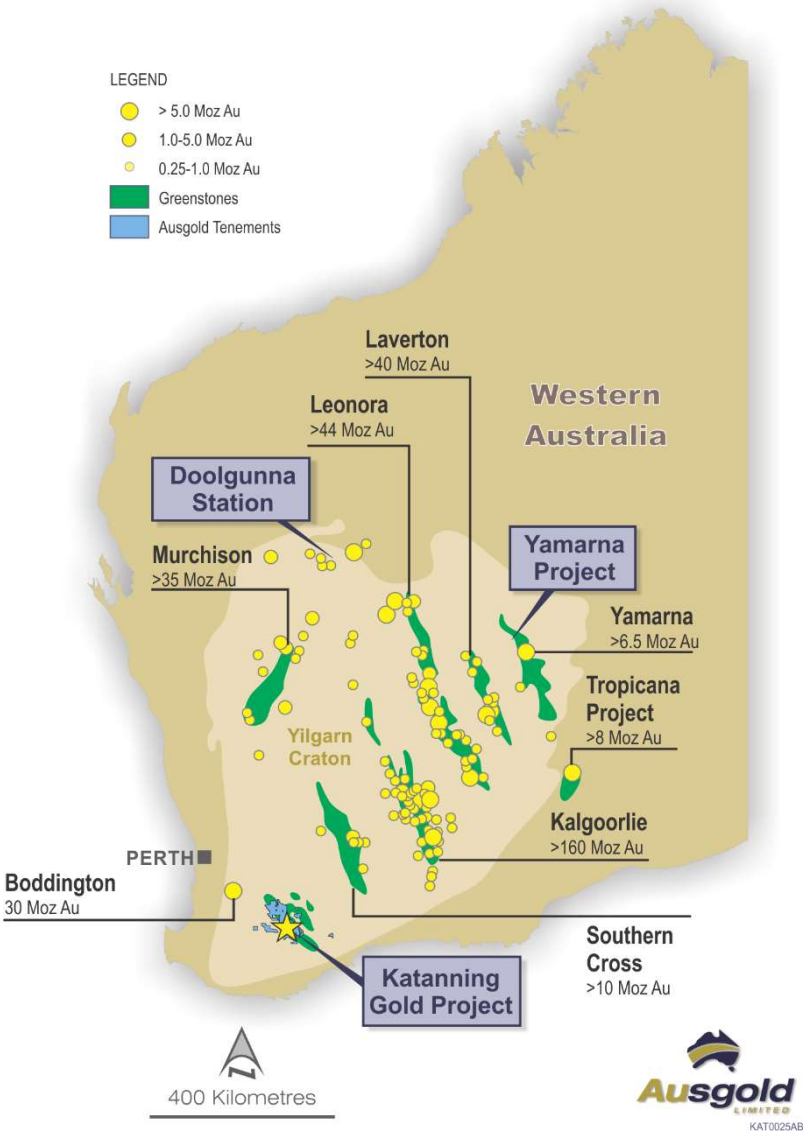

Figure 4 - *Regional map showing the KGP, other Ausgold projects and mineralised greenstone belts*

On behalf of the Board,

Matthew Greentree
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Ausgold Limited

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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 Michael Lowry 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, QA/QC, the preparation of the geological interpretations and Exploration Targets. Mr Lowry takes responsibility for the Mineral Resource Estimate.

Mr Lowry 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.

APPENDIX 1 – TABLE 4

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.*	Air Core ("AC") drilling consisted 98 AC drill holes for 3,506 m. Drilling was on a nominal line spacing of 100m, 200m or 400m. All holes were drilled to blade refusal. 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. Penultimate samples were reduced depending on hole depth to 1 or 2m where necessary. Sampling was undertaken using Ausgold's sampling protocols and QAQC procedures in line with industry best practice. The 3kg AC composite samples were sent to Minanalytical Laboratory in Perth. Initial samples were sorted, dried and crushed to 3mm and split to produce a 500g charge for Photon Assay. Samples were sorted, dried, crushed to 10mm, pulverised to -75µm and split to produce a 50g sub sample (charge) for gold analysis by fire assay with a 5ppb lower detection limit (4,000 ppb upper limit). 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 60 elements (Ag, Al, As, Ba, Be, Bi, Ca, Cd, Ce, Co, Cr, Cs, Cu, Dy, Er, Fe, Ga, Gd, Ge, Hf, Ho, In, K, La, Li, Lu, Mg, Mn, Mo, Na, Nb, Nd, Ni, P, Pb, Pr, Rb, Re, S, Sb, Sc, Se, Sm, Sn, Sr, Ta, Tb, Te, Th, Ti, Tl, Tm, U, V, W, Y, Yb, Zn, Zr). Auger sampling program consisted of 813 sample points conducted on a nominal spacing of 200 x 200m. Where possible, samples were sieved to -250mm in field, or collected to -1mm and further sieved in lab. Samples were sent to ALS for Fire assay analysis for Au. Ground gravity survey use a Scintrex CG-5 Autograv Gravity Meter which can read to better than 0.01 milligals. All gravity surveys are read in closed loops as regularly as possible. All downloading and processing of the gravity data is highly automated and fully integrated with the GPS solutions. All observations are reduced to Bouguer Anomalies at 2.67 density and connected to the Australian National Gravity Grid.
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*	All samples in this program were from AC drilling conducted by Top Drill Pty Ltd. AC drilling was carried out using a 6½" slimline blade bit to refusal, generally at the fresh rock interface. Drilling was undertaken by Top Drill utilising a truck mounted Sandvik UDR-KL150 drill rig. Auger sampling was conducted using a hand held power auger used to drill to a maximum depth of 75cm.

Criteria	JORC Code explanation	Commentary
	oriented and if so, by what method, etc).	Ground gravity survey was conducted Haines Surveys during January 2019.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and 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.*	Samples were collected dry with occasional damp samples, AC drill recoveries were visually estimated as a semi-quantitative range and recorded in the log. Recoveries were generally excellent (>90%), with reduced recovery in the initial near- surface sample and transported cover material. 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. The relationship between sample recovery and grade and whether bias has been introduced has not been investigated at this stage. Auger samples were collected at blade refusal with maximum depth of 75 cm depth with soils sieved to 250 µm.
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.*	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 exploration work. The 3m composited sampling is not appropriate for mineral resource estimation, but provides indicative results to target future drilling campaigns. 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, geotechnical logging is not possible on AC samples. 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. Auger sample logging record the Location, colour, soil type and setting soil samples where samples were collected
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-*	AC composite samples and EOH samples are collected with a sample scoop. The first 493 AC samples were sorted, dried, crushed to 3mm. The subsequent samples were sorted, dried, crushed to 10mm, pulverised to -75µm, split to produce a 50g charge (3m composites) or 50g charge for fire assay and 0.5g for four acid digest (end of hole Auger samples were collected at blade refusal to maximum 75 cm depth with soils sieved to 250 microns.

Criteria	JORC Code explanation	Commentary
	sampling stages to maximise representivity of samples. • *Measures taken to ensure that the sampling is representative of the insitu 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.*	
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.* • *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.*	Down hole composite samples were determined using a 50 g charge using fire assay. End of hole AC samples underwent a four-acid digest which is considered a total digest to collect multielement data. Gold determination using a 500 g charge using photon assay by MinAnalytical, BSRC1879 – BSRC1905 (493samples) the method proved had a lower precision around low grade anomalism (0.01 ppm) due to the floating cut-off grade. The method was then changed to 50g charge fire assay for subsequent samples. 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. 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. The gold standards were sourced from Geostats Pty Ltd with gold certified values ranging between 0.10g/t and 2.40g/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. 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. 100% of the gold standards assays were within acceptable limits with no low or high bias. The performance of field duplicates in AC samples is generally reasonable and the variations are related to the style of mineralisation. Minanalytical also insert QAQC samples to internally test the quality of the analysis. These results are received with the assay results in each batch. The Minanalytical QAQC included standards, blanks and

Criteria	JORC Code explanation	Commentary
		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. 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.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	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. 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. All assay data was accepted into the database as supplied by the laboratory. 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 is 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. No adjustments to assay data were undertaken. Ground gravity had processing to bouguer anomalies is completed each evening. Bouguer and elevation line profiles are produced together with station location maps, contour maps and images. The ability to completely process all data each evening allows decisions to be quickly made regarding data quality and resolution of underlying geology. It is important to note that results attained each evening are “first pass” results which may need additional data adjoining the current days data to allow a full error analysis to be undertaken.
Location of data points	• *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.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	AC drillhole collars and auger sample locations were set out and picked up by Ausgold personnel using a hand held GPS; which provided +/- 10 m accuracy. The grid system is MGA94 datum, UTM zone 50. Elevation values were in AHD. Validated surveys are entered into the acQuire data base by data entry personnel.AC 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 The grid system is MGA94 datum, UTM zone 50. Elevation values were in AHD. Validated surveys are entered into the acQuire data base by data entry personnel.

Criteria	JORC Code explanation	Commentary
		Ground gravity stations located using Real Time Kinematic GPS accuracy for detailed projects. (+/- 0.5m) Accurate heights and horizontal coordinates from Kinematic GPS Real Time Kinematic GPS is used. Raw GPS data is also collected which is post processed to attain the exact location and height of each gravity station. The Kinematic GPS roving receiver is lightweight and backpackable and can be easily removed from the vehicle if necessary. An accuracy the order +/- 5 cm is generally achieved relative to the local GDA94 and Australian Height Datum (AHD).
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *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.* • *Whether sample compositing has been applied.*	Sampling was conducted via AC on 80m or 160m hole spacing and a line spacing of 100m, 200m or 400m. AC results reported are based on 3m composite samples for gold unless otherwise stated. Ground gravity stations where aligned to previous drill lines where possible and conducted on a spacing of 400 x 200 and infilled to 200x 100m over the Jinkas, Lukin and Jackson prospects
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *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.*	Vertical AC drilling on 330° lines (Burong) and 270° (Jinkas West) orthogonal to the gneissic foliation as to minimising bias. At this stage primary mineralisation is assumed to have the same orientation as historic drilling in the area. The vertical orientation of AC drilling may introduce sampling bias due to any unknown orientation of primary mineralisation/structures. This would be considered minimal as drilling coverage is restricted to the overlying regolith and rarely penetrates fresh rock by more than a couple of metres.
Sample security	• *The measures taken to ensure sample security.*	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. 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 Minanalytical in Perth. The sample dispatches were accompanied by supporting documentation signed by the geologist and showing the sample submission number, analysis suite and number of samples. The chain of custody is maintained by Minanalytical once the samples are received on site and a full audit trail for every sample is available. 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.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	Before the commencement of the current AC program, the sampling process was fully reviewed and 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
Mineral tenement and land tenure status	• *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.*	Reported results are all from 100% owned Ausgold Exploration Pty Ltd Mining Tenements (wholly owned subsidiary of Ausgold Limited), including E70/2928 and E70/4566. 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. The tenement is in good standing, and all work is conducted under specific approvals from the Department of Mines and Petroleum ("DMP").
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	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. 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. 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 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 (<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). Great Southern Resources Pty Ltd ("GSR") purchased the mining and exploration leases from IMR in August 2000. Ausgold entered into a joint venture with GSR in August 2010, and the mineral titles were transferred to Ausgold in entirety in August 2011.
Geology	• *Deposit type, geological setting and style of mineralisation.*	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. The majority of the project area is overlain by residual clays with outcrop mostly limited to remnants of lateritic duricrust on topographic highs.

Criteria	JORC Code explanation	Commentary
		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. 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. 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.

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 location of significant results and interpreted trends are provided in the figures of report.
		
		Any new significant AC 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.* • *The assumptions used for any reporting of metal equivalent values should be clearly*	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. <0.1 g/t) to not exceed the width of a 4m composited sample. 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.

Criteria	JORC Code explanation	Commentary
	stated.	
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *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').*	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). All intersections are subsequently presented as downhole lengths. If down hole length varies significantly from known true width then appropriate notes are provided.
Diagrams	• *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.*	Refer to figures
Balanced reporting	• *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.*	Please see information provided in results tables in Report
Other substantive exploration data	• *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.*	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.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	Further work is discussed in the document in relation to the exploration results.