



ABN 67 140 164 496

INTERIM FINANCIAL REPORT

FOR THE HALF-YEAR ENDED

31 DECEMBER 2021

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CORPORATE DIRECTORY

DIRECTORS

Mr Richard Lockwood
Non-Executive Chairman

Dr Matthew Greentree
Chief Executive Officer and Managing Director

Mr Denis Rakich
Executive Director

Mr Geoffrey Jones
Non-Executive Director

Mr Neil Fearis
Non-Executive Director

Mr Timothy Kestell
Non-Executive Director

COMPANY SECRETARY

Mr Denis Rakich

REGISTERED OFFICE

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PERTH WA 6000

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AUSTRALIAN BUSINESS NUMBER

ABN 67 140 164 496

SECURITIES EXCHANGE

Australian Securities Exchange (ASX)

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152-158 St Georges Terrace
PERTH WA 6000

ASX Code: AUC

SHARE REGISTRY

Automatic Group
Level 5, 191 St Georges Terrace
PERTH WA 6000

Telephone: 1300 288 664

AUDITORS

BDO Audit (WA) Pty Ltd
Level 9, Mia Yellagonga Tower 2
5 Spring St
PERTH WA 6000

Telephone: (08) 6382 4600

Facsimile: (08) 6382 4601

BANKERS

Westpac Banking Corporation
Level 8, 109 St Georges Terrace
PERTH WA 6000

SOLICITORS

Squire Patton Boggs (AU)
Level 21, 300 Murray Street
PERTH WA 6000

Lawton McMaster Legal
Level 9, 40 The Esplanade
Perth WA 6000

DIRECTORS' REPORT

The Directors present their report, together with the financial statements, on the consolidated entity consisting of Ausgold Limited and the entities it controlled for the half-year ended 31 December 2021. Ausgold Limited ("Ausgold" or "the Company") and its controlled entities (collectively known as "the Group" or "consolidated entity") are domiciled in Australia.

PRINCIPAL ACTIVITIES

The consolidated entity's principal activities during the course of the half-year were the exploration for gold and other precious metals.

DIRECTORS

The names and details of the Company's Directors in office during the half-year and until the date of this report are as follows:

Name	Period of Directorship
Mr Richard Lockwood Non-Executive Chairman	Non-Executive Chairman since 2 September 2012
Dr Matthew Greentree Chief Executive Officer and Managing Director	Chief Executive Officer since 10 April 2017 Managing Director since 19 April 2018
Mr Denis Rakich Executive Director and Company Secretary	Director since 31 January 2013
Mr Geoffrey Jones Non-Executive Director	Director since 29 July 2016
Mr Neil Fearis Non-Executive Director	Director since 15 April 2016
Mr Timothy Kestell Non-Executive Director	Director appointed 12 August 2021

REVIEW OF OPERATIONS

EXPLORATION

Katanning Gold Project, WA (100% interest)

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

The KGP lies within a major mineralised structural corridor, representing a 17km belt hosting multi-lode gold mineralisation across three key zones, which include the following Resource deposits and prospects (Figure 1)

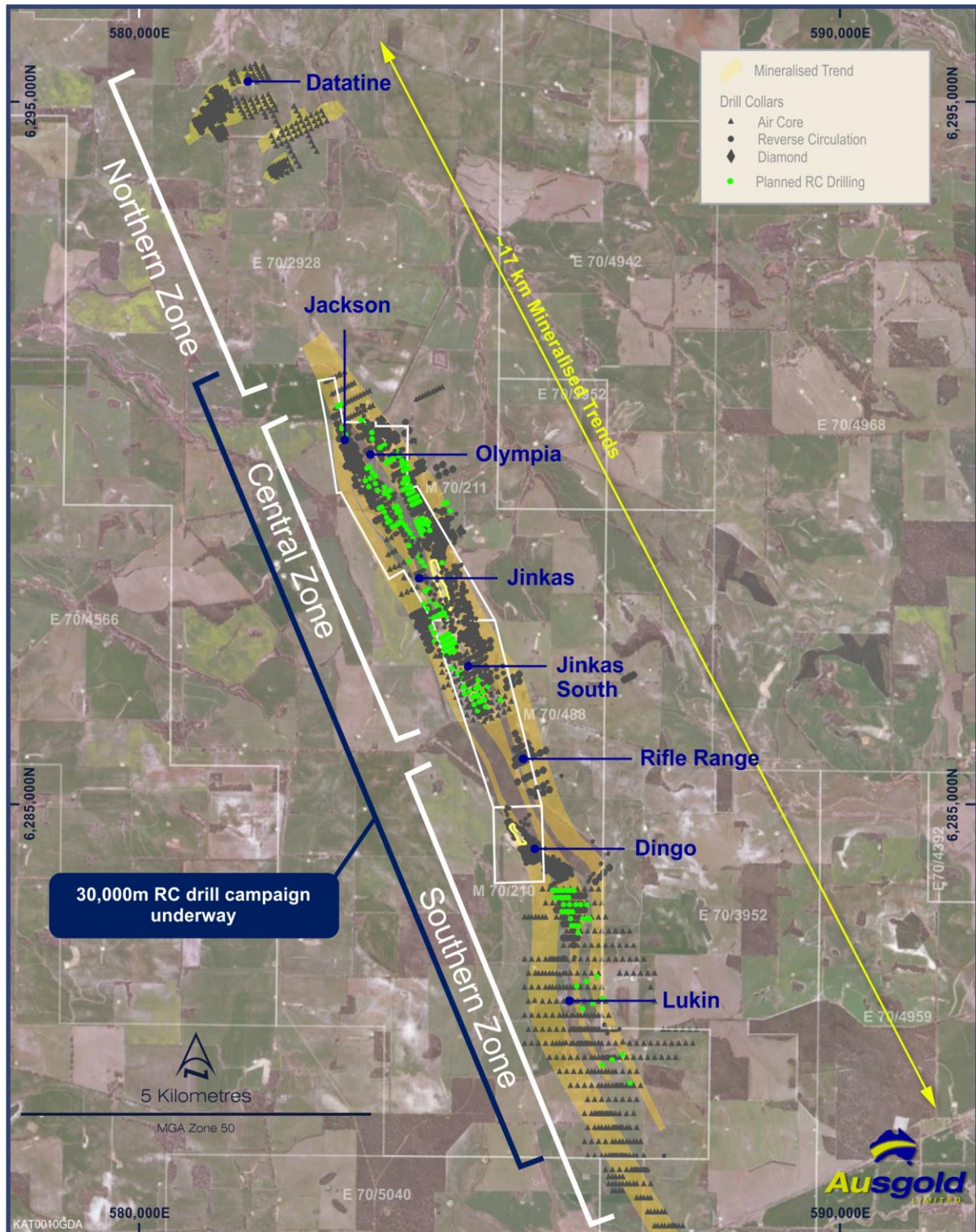
- **Northern Zone** – Datatine
- **Central Zone** – Jackson, Olympia, Jinkas, and Jinkas South
- **Southern Zone** – Rifle Range, Dingo, and Lukin

During the half-year, Ausgold engaged independent geological consultants to undertake an update of the KGP geological model to provide an upgrade of the KGP JORC resource. The estimate was completed and announced to ASX on 7 December 2021. The new Resource which totals 1.84 million ounces of gold (Table 1) is a 19% increase in total contained ounces from the previous Resource estimate which had been upgraded in April 2021 (ASX Announcement 15 April 2021).

Completed in accordance with the 2012 JORC Code, assessment has been undertaken of the Central Zone and Dingo resource areas. The Central Resource area contains most of the Resource at KGP and includes the stacked Jinkas-White Dam (now combined), Olympia and Jackson lodes and updated density estimation. In addition, several high-grade ore shoots are identified within the Jinkas, White Dam and Jinkas South lodes. The total Resource includes the Dingo area has been re-estimated based on new drilling and updated density estimation. The Datatine deposit remains unchanged from the 2019 estimate.

REVIEW OF OPERATIONS (CONT'D)

Figure 1 – Map of the 17km Katanning Gold Project, including the Northern, Central and Southern Zones



REVIEW OF OPERATIONS (CONT'D)

Table 1 – Summary Gold Resources for the KGP¹

Resource Category	Tonnes MT	Grade (g/t Au)	Contained Gold (oz)
Measured	6.59	1.65	349,000
Indicated	21.97	1.19	841,000
Inferred	17.58	1.14	647,000
Total Resource	46.14	1.24	1,837,000

¹ Resource is reported at a lower cut-off grade of 0.6 g/t Au and above 150m RL (approximately 220m depth) at Dataline, Dingo, Jackson, Jinkas-White Dam and Olympia, and the underground Resource at Jinkas is reported at 1.8 g/t Au beneath 150m RL.

Tonnes have been rounded to the nearest 100t, Au ounces have been rounded to the nearest 10 ounces.

The information in this table is based on information announced to the ASX on 7 December 2021. Ausgold confirms that it is not aware of any new information or data that materially affects the information included on the relevant market announcement and that all material assumptions and technical parameters underpinning the estimates in that announcement continue to apply and have not materially changed.

During the half-year, Ausgold continued exploration and Resource drilling programmes targeting areas of high-grade mineralisation in the Central Zone using an improved geological model combined with geophysical techniques. Ausgold has refined the exploration targeting methods, including the extensive use of DHEM techniques to detect and locate extensive zones of pyrrhotite-magnetite alteration, which are characteristic of high-grade gold mineralisation. This improved deposit knowledge and exploration targeting method has enabled Ausgold to further expend the KGP Resource.

A large-scale 30,000m multi-rig drill campaign commenced in late November focusing on high value targets identified in the Central and Southern Zones of the KGP with a Resource upgrade planned for April 2022.

Katanning Regional

Ausgold holds exploration rights over a landholding of more than 4,200km² along a significant geological boundary separating the Boddington and Lake Grace Terranes. The major crustal scale fault along this boundary is the same as that which hosts the gold mineralisation within the KGP extending northwards and is clearly visible in multiple geophysical datasets, including gravity and aeromagnetics

Ausgold's geological interpretation of the region based on field mapping has provided a framework under which to conduct exploration. During the half-year, Ausgold finalised consultation with landowners within the Katanning regional tenure, allowing the Company to commence a regional exploration program of 2,500m of auger and 30,000m of air core drilling, to test 12 high priority gold and PGE targets across the Company's regional ground holding.

Woodanilling Project, WA (100% interest)

The Woondanilling Project ("Woondanilling") lies 20km north of Katanning, located 240km southeast of Perth, Western Australia. The project comprises a total area of 1,532km².

Woondanilling is a layered mafic intrusion complex with extensive past exploration, including soil sampling and drilling, to test vanadium and PGEs within the project area. The project includes the Mine Hill (E70/4863), Red Hill (E70/5142), Kalang (E70/5142), and Martling (E70/5142) prospects.

In light of the recent Julimar discovery by Chalice Mining Limited in the same western portion of Yilgarn Craton, Ausgold has conducted a review of previous work which has highlighted four priority areas of anomalous copper-chrome-gold-PGE (with up to 154 ppb Pt-Pd in 08KTR077). An auger drilling program commenced in early December to test first pass prospective targets within the project.

PREFEASIBILITY STUDIES

Following the results from a 1,200m diamond drill program to support metallurgical and geotechnical studies, work is underway to support feasibility studies for the project, which will assess mine development scenarios for the KGP. GR Engineering has been engaged to lead the engineering studies and the Company anticipates that a prefeasibility study for the initial stage of development at the KGP will be completed in Q2 2022.

FINANCIAL

The Group recorded a consolidated loss of \$2,690,730 for the half-year ended 31 December 2021 (December 2020: \$1,411,693). At 31 December 2021, the Group had \$3,591,030 in cash and cash equivalents (June 2021: \$7,451,103).

On 23 July 2021, a new subsidiary Magenta Resources Pty Ltd ("Magenta") was incorporated. Magenta is wholly owned and controlled by Ausgold Limited, and is consolidated for reporting purposes.

EVENTS SINCE THE END OF THE REPORTING PERIOD

The COVID-19 pandemic continues to develop rapidly in 2021, with a significant number of cases worldwide. Measures taken by various governments to contain the virus have affected economic activity. The Company have taken a number of measures to monitor and mitigate the effects of COVID-19, such as safety and health measures for its staff (such as social distancing and working from home) and securing the supply of materials that are essential to its activities.

At this stage, the impact on the Company's activities has not been significant and based on their experience to date the Directors expect this is to remain the case. The Company will continue to follow the various government policies and advice and, in parallel, will do its utmost to continue its operations in the best and safest way possible with jeopardising the health of its staff.

On 14 March 2022, Ausgold finalised a placement to institutional and sophisticated investors, raising \$16.6 million before costs. The two-tranche placement was structured as follows:

	Number of shares	Amount	Indicative Completion Date
Tranche 1			
Dundee Corporation - Unconditional Placement	29,750,380	\$1,190,015.20	11 March 2022
Dundee Corporation - Conditional Placement (subject to Foreign Investment Review Board approval)	70,249,620	\$2,809,984.80	Late March 2022
Other institutional and sophisticated investors	245,000,000	\$9,800,000.00	11 March 2022
Tranche 2			
Jupiter Asset Management	70,000,000	\$2,800,000.00	Mid-April 2022
Total	415,000,000	\$16,600,000.00	

The funds raised will be used to continue an extensive exploration and resource expansion drill program and feasibility studies at its 100% owned Katanning Gold Project. The issued capital of the Company, prior to the placement, was 1,614,474,541 shares.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

No other matters have arisen since the end of the reporting period which may affect the state of affairs of the Group.

AUDITOR'S INDEPENDENCE DECLARATION

The Auditor's Independence Declaration is included on page 8 of this financial report.

This report is signed in accordance with a resolution of the Directors.

For and on behalf of the Directors



Denis Rakich
Director

Perth, Western Australia
14 March 2022

DECLARATION OF INDEPENDENCE BY ASHLEIGH WOODLEY TO THE DIRECTORS OF AUSGOLD LIMITED

As lead auditor for the review of Ausgold Limited for the half-year ended 31 December 2021, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Ausgold Limited and the entities it controlled during the period.



Ashleigh Woodley
Director

BDO Audit (WA) Pty Ltd
Perth, 14 March 2022

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 31 DECEMBER 2021

	Note	Dec 2021 \$	Dec 2020 \$
Revenue from continuing operations		292	903
Other Income		121,589	129,225
Net movement in financial assets		82,250	27,750
Impairment exploration expenses	5	(242,989)	(231,495)
Corporate and administration expenses		(657,893)	(644,110)
Share-based payments expenses	7	(1,629,270)	(491,838)
Occupancy expenses		(113,926)	(22,905)
Other expenses		(73,620)	(53,741)
Accounting expenses		(38,230)	(26,997)
Amortisation and depreciation expenses		(75,864)	(68,688)
Finance costs		(10,227)	(6,321)
Legal fees		(52,842)	(23,476)
Loss before income tax		(2,690,730)	(1,411,693)
Income tax benefit/ (expense)		-	-
Net loss attributable to members		(2,690,730)	(1,411,693)
Other comprehensive income/ (loss)			
Other comprehensive income/ (loss)		-	-
Total comprehensive income/ (loss) for the period (net of tax)		(2,690,730)	(1,411,693)
Loss per share for the period attributable to the members of Ausgold Limited			
Basic loss per share (cents per share)		(0.17)	(0.11)
Diluted loss per share (cents per share)		N/A	N/A

The Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

	Note	Dec 2021 \$	Jun 2021 \$
ASSETS			
Current assets			
Cash and cash equivalents		3,591,030	7,451,103
Trade and other receivables		134,461	80,114
Security deposits		94,611	94,611
Financial assets at fair value		241,500	159,250
Total current assets		4,061,602	7,785,078
Non-current assets			
Property, plant and equipment		249,272	220,510
Prepayment for exploration assets		-	32,612
Exploration and evaluation expenditure	5	55,274,125	51,681,303
Right-of-use assets		171,506	189,349
Total non-current assets		55,694,903	52,123,774
Total assets		59,756,505	59,908,852
LIABILITIES			
Current liabilities			
Trade and other payables		1,105,216	222,452
Lease liabilities		82,447	99,418
Provisions		243,443	214,903
Total current liabilities		1,431,106	536,773
Non-current liabilities			
Lease liabilities		96,530	96,940
Provisions		1,189,159	1,173,969
Total non-current liabilities		1,285,689	1,270,909
Total liabilities		2,716,795	1,807,682
NET ASSETS		57,039,710	58,101,170
EQUITY			
Contributed equity	6	87,332,935	85,708,185
Reserves		7,196,323	7,191,802
Accumulated losses		(37,489,548)	(34,798,817)
TOTAL EQUITY		57,039,710	58,101,170

The Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 31 DECEMBER 2021

	Note	Contributed Equity \$	Accumulated Losses \$	Reserves \$	Total Equity \$
Balance as at 1 July 2021		85,708,185	(34,798,817)	7,191,802	58,101,170
Loss for the year		-	(2,690,730)	-	(2,690,730)
Other Comprehensive income		-	-	-	-
Total comprehensive loss for the year		-	(2,690,730)	-	(2,690,730)
Transactions with owners, recorded directly in equity:					
Redeemed performance rights	6	1,624,750	-	(1,624,750)	-
Share-based payments		-	-	1,629,270	1,629,270
Balance as at 31 December 2021		87,332,935	(37,489,547)	7,196,322	57,039,710

	Note	Contributed Equity \$	Accumulated Losses \$	Reserves \$	Total Equity \$
Balance as at 1 July 2020		69,043,641	(31,285,498)	5,612,657	43,370,800
Loss for the year		-	(1,411,693)	-	(1,411,693)
Other Comprehensive income		-	-	-	-
Total comprehensive income		-	(1,411,693)	-	(1,411,693)
Transactions with owners, recorded directly in equity:					
Shares issued		6,348,705	-	-	6,348,705
Share issue costs		(394,747)	-	-	(394,747)
Share-based payments		-	-	491,838	491,838
Balance as at 31 December 2020		74,997,599	(32,697,191)	6,104,495	48,404,903

The Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED 31 DECEMBER 2021

	Dec 2021	Dec 2020
	\$	\$
Cash flows from operating activities		
Interest received	292	903
Payments to suppliers and employees	(590,830)	(736,572)
Receipts from rebates and claims	121,589	129,171
Net cash flows used in operating activities	(468,949)	(606,498)
Cash flows from investing activities		
Payment for property plant and equipment	(60,913)	(183,676)
Payment for investments	-	(10,750)
Payment for exploration expenditure	(3,293,939)	(3,331,867)
Net cash flows used in investing activities	(3,354,852)	(3,526,293)
Cash flows from financing activities		
Repayment of lease obligations	(36,272)	(22,296)
Proceeds from issue of share capital	-	6,348,705
Transaction costs related to issue of shares	-	(394,747)
Net cash flows (used in) /generated from financing activities	(36,272)	5,931,662
Net increase /(decrease) in cash and cash equivalents	(3,860,073)	1,798,871
Cash and cash equivalents at the beginning of the period	7,451,103	1,025,802
Cash and cash equivalents at the end of the period	3,591,030	2,824,673

The Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

1. REPORTING ENTITY

The interim condensed consolidated financial statements of Ausgold Limited and its controlled entities (collectively known as “the Group” or “consolidated entity”) for the half-year ended 31 December 2021 were authorised for issue in accordance with a resolution of the directors on 14 March 2022.

Ausgold Limited (“Ausgold” or “parent entity” or Company”) is a company limited by shares, incorporated and domiciled in Australia whose shares are publicly traded. The Group’s principal activities are the exploration for gold and other precious metals.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

Basis of preparation

The interim condensed consolidated financial statements for the half-year ended 31 December 2021 have been prepared in accordance with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

These financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual report for the year ended 30 June 2021 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

Significant accounting policies

The preparation of the interim condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period.

The accounting policies, judgements, estimates and assumptions adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 30 June 2021, except as disclosed below.

Changes in accounting policies

The Group has adopted all of the new or amended accounting standards and interpretations issued by the Australian Accounting Standards Board (“AASB”) that are mandatory for the current reporting period.

Any new or amended accounting standards or interpretations that are not yet mandatory have not been early adopted.

3. GOING CONCERN

The financial statements have been prepared on the basis that the entity is a going concern, which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business.

Subsequent to the reporting date, Ausgold finalised a placement raising \$16.6 million before costs. The Group has received binding commitments for the full amount and have received \$13.8 million (representing the total of Tranche 1 placement) as at the date of this report, with the remainder expected in the coming month (refer to Note 10). These funds will be used to continue an extensive exploration and resource expansion drill program and feasibility studies.

The Group has approved a budget that contemplates an additional equity raising during the next 12 months to fund an expensive exploration program. However, the Group has the ability to defer exploration expenditure or divest assets in the event that the terms of an equity raising are not considered suitable to the Group.

4. SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting to the Chief Operating Decision Maker ("CODM"), which has been identified by the Group as the Board of Directors.

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors in assessing performance and determining the allocation of resources. Reportable segments disclosed are based on aggregating operating segments, where the segments have similar characteristics. The Group's sole activity is mineral exploration and resource development wholly within Australia; therefore, it has aggregated all operating segments into the one reportable segment being mineral exploration.

The reportable segment is represented by the primary statements forming this financial report.

5. EXPLORATION AND EVALUATION EXPENDITURE AND PREPAYMENT

	Dec 2021	Jun 2021
	\$	\$
Non-current assets		
Exploration, evaluation, prepayment and development costs carried forward in respect of areas of interest (net of amounts written off)		
Exploration and evaluation expenditure	55,274,125	51,681,303
Prepayment for exploration assets	-	32,612
	55,274,125	51,713,915
Reconciliation		
Carrying amount at start of year	51,713,915	43,658,649
Exploration expenditure	3,803,199	8,578,691
Prepayment for exploration assets	-	31,250
Expenditure written off	(242,989)	(554,675)
Carrying amount at the end of the period	55,274,125	51,713,915

6. CONTRIBUTED EQUITY

	Dec 2021	Jun 2021
	\$	\$
Equity		
Balance at the start of the period	85,708,185	69,043,641
Shares issued for capital raising purposes	-	17,598,705
Less share issue cost	-	(1,214,161)
Performance rights redeemed as shares	1,624,750	280,000
	<u>87,332,935</u>	<u>85,708,185</u>

	Dec 2021	Jun 2021
	Number of shares	Number of shares
Movement in share capital		
Balance at the start of the period	1,585,349,541	1,106,199,541
Shares issued for capital raising purposes	-	444,150,000
Redeemed from performance rights	29,125,000	35,000,000
	<u>1,614,474,541</u>	<u>1,585,349,541</u>

	Dec 2021	Jun 2021
	Number of shares	Number of shares
Movement in options		
Balance at the start of the period	36,700,000	29,700,000
Options issued	-	33,000,000
Options lapsed	(3,700,000)	(26,000,000)
	<u>33,000,000</u>	<u>36,700,000</u>

	Dec 2021	Jun 2021
	Number of shares	Number of shares
Movement in performance rights		
Balance at the start of the period	58,250,000	35,000,000
Performance rights issued	-	58,250,000
Performance rights redeemed as shares	(29,125,000)	(35,000,000)
	<u>29,125,000</u>	<u>58,250,000</u>

7. RESERVES

Performance Rights Plan for Directors

The Performance Rights Plan is used to reward the Directors for their performance and to align their remuneration with the creation of shareholder wealth. The Performance Rights are issued for nil cash consideration and no consideration will be payable upon the vesting or exercise of the Performance Rights. Subject to satisfaction of the vesting conditions, each Performance Right entitles the holder on exercise to be issued one Ausgold share.

The aggregate numbers of Performance Rights holdings of the Company held directly, indirectly or beneficially by Directors are as follows:

	Opening balance	Redeemed as Shares	Closing balance
Directors	Number	Number	Number
R Lockwood	8,000,000	(4,000,000)	4,000,000
N Fearis	6,000,000	(3,000,000)	3,000,000
G Jones	6,000,000	(3,000,000)	3,000,000
M Greentree	20,000,000	(10,000,000)	10,000,000
D Rakich	12,000,000	(6,000,000)	6,000,000
Total	52,000,000	(26,000,000)	26,000,000

During the financial period ending 31 December 2021, 26 million Performance Rights granted on 20 November 2020 have vested following achievement of JORC resource condition. The rights have been exercised by the holders and have been redeemed as shares.

The vesting conditions for the Performance Rights were as follows:

- Holder's continued service with the Company until the time of vesting;
- 50% of Performance Rights vest based on a release on the Australian Securities Exchange ("ASX") of a minimum of 1.6 million ounces of Inferred, Indicated and/or Measured resources, at a minimum lower cut-off grade of 0.5 grams per tonne of gold reported in accordance with the JORC Code on the Katanning Gold project tenements; and
- 50% of the Performance Rights vest based on the release on the ASX of a mining Pre-Feasibility Study ("PFS") on the Katanning Gold Project which shows the potential to generate an Internal Rate of Return ("IRR") of greater than 20% using consensus commodity prices and Board approved assumptions.

As the rights have non-market based vesting conditions, they can be exercised at any time up to expiry date. The fair value per right of \$0.056 reflects the market value of the underlying ordinary share at grant date.

Performance Rights Plan for Staff

During the financial period ending 31 December 2021, 3.125 million Performance Rights have vested following achievement of JORC resource condition. The rights have been exercised by the holders and have been redeemed as shares.

7. RESERVES (CONT'D)

Share-based payment recognised

A share-based payment expense of \$1,629,270 (December 2020: \$491,838) was recorded for the half-year ended 31 December 2021 as follows:

	Dec 2021	Dec-20
	\$	\$
35,000,000 Performance Rights issued to Directors on 8 November 2019	-	95,585
52,000,000 Performance Rights issued to Directors on 20 November 2020	1,264,785	396,253
6,250,000 Performance Rights issued to staff on 1 February 2021	180,241	-
7,000,000 Options issued to IRX Pty Ltd on 23 March 2021	27,823	-
3,000,000 options issued to staff on 19 March 2021	58,592	-
3,000,000 options issued to staff on 30 June 2021 (ex price \$0.06)	74,217	-
3,000,000 options issued to staff on 30 June 2021 (ex price \$0.08)	23,612	-
	1,629,270	491,838

The fair value of options at grant date is independently determined using an appropriate option valuation methodology that takes into account the exercise price. The options were issued for nil consideration. The volatility is calculated based upon the share price performance of the Company since listing on the ASX.

8. COMMITMENTS AND CONTINGENCIES

There were no material changes to the commitments of the Group during the half-year ended 31 December 2021.

The Group had contingent liabilities at 31 December 2021 in respect of bank guarantee for the amount of \$74,111 (2020: \$74,111). No other contingent liabilities existing at reporting date.

9. RELATED PARTY DISCLOSURE

Subsidiaries

The consolidated financial statements include the financial statements of Ausgold and its subsidiaries as below:

		2021	2020
		Equity interest	Equity interest
Name	Country on incorporation	%	%
Parent entity			
Ausgold Limited	Australia	-	-
Directly controlled by Ausgold Limited			
Ausgold Exploration Pty Ltd	Australia	100	100
Magenta Resources Pty Ltd	Australia	100	

Elstree Nominees Pty Ltd

Elstree Nominees Pty Ltd ("Elstree") incurs costs on behalf of the Group in regards to office premises and associated facilities. The total costs incurred by Elstree and reimbursed by the Group during the half-year was \$139,465 (December 2020: \$59,457).

Mr Denis Rakich is a Director of Elstree and serves as Executive Director and Company Secretary of Ausgold.

There were no other material changes to the related party transactions of the Group during the half-year ended 31 December 2021.

10. EVENTS SUBSEQUENT TO REPORTING DATE

The COVID-19 pandemic continues to develop rapidly in 2021, with a significant number of cases worldwide. Measures taken by various governments to contain the virus have affected economic activity. The Company have taken a number of measures to monitor and mitigate the effects of COVID-19, such as safety and health measures for its staff (such as social distancing and working from home) and securing the supply of materials that are essential to its activities.

At this stage, the impact on the Company's activities has not been significant and based on their experience to date the Directors expect this is to remain the case. The Company will continue to follow the various government policies and advice and, in parallel, will do its utmost to continue its operations in the best and safest way possible with jeopardising the health of its staff.

On 14 March 2022, Ausgold finalised a placement to institutional and sophisticated investors, raising \$16.6 million before costs. The two-tranche placement was structured as follows:

	Number of shares	Amount	Indicative Completion Date
Tranche 1			
Dundee Corporation - Unconditional Placement	29,750,380	\$1,190,015.20	11 March 2022
Dundee Corporation - Conditional Placement (subject to Foreign Investment Review Board approval)	70,249,620	\$2,809,984.80	Late March 2022
Other institutional and sophisticated investors	245,000,000	\$9,800,000.00	11 March 2022
Tranche 2			
Jupiter Asset Management	70,000,000	\$2,800,000.00	Mid-April 2022
Total	415,000,000	\$16,600,000.00	

The funds raised will be used to continue an extensive exploration and resource expansion drill program and feasibility studies at its 100% owned Katanning Gold Project. The issued capital of the Company, prior to the placement, was 1,614,474,541 shares.

No other matters have arisen since the end of the reporting period which may affect the state of affairs of the Group.

DIRECTORS' DECLARATION

In the Directors' opinion,

- (a) the financial statements and notes of Ausgold Limited for the half-year ended 31 December 2021 are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Group's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
 - (ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
- (b) there are reasonable grounds to believe that the Company and Group will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors made pursuant to section 295(5) of the Corporations Act 2001.

For and on behalf of the Directors

A handwritten signature in black ink, appearing to read "Denis Rakich".

Denis Rakich
Director

Perth, Western Australia
14 March 2022

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Ausgold Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Ausgold Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2021 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the directors for the financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the Group's financial position as at 31 December 2021 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit (WA) Pty Ltd

A handwritten signature in black ink. The signature starts with 'BDO' in a stylized, blocky font, followed by a large, fluid, cursive signature that appears to be 'Ashleigh Woodley'.

Ashleigh Woodley
Director

Perth, 14 March 2022