



Ausgold Considers Larger Scale Development Options for Katanning Gold Project

Highlights:

- Ausgold to explore options to deliver a significantly larger operation for the multi-million-ounce Katanning Gold Project.
- Focus on a larger gold operation is underpinned by ongoing exploration success, identification of new targets and optimisation activities associated with existing study work.
- A number of workstreams have commenced to support new development options, including:
 - Scoping Study which will consider a range of scenarios for up to a 6Mtpa operation, with the study to run in parallel with the existing 3Mtpa Definitive Feasibility Study;
 - Strategic Business Review to assess optimal size of operations, funding options, and enhancement of executive team; and
 - Argonaut PCF appointed as corporate advisor.
- Board restructure completed to support Ausgold's focus and transition to becoming a mid-tier gold producer:
 - Geoff Jones appointed Non-Executive Chairman (currently Non-Executive Director);
 - Richard Lockwood moves to a Non-Executive Director role (formerly Non-Executive Chairman); and
 - Neil Fearis retires from the Board.

Ausgold Limited (ASX: **AUC**) (**Ausgold** or the **Company**) is pleased to announce that the Company is exploring options to deliver a significantly larger operation for the 100%-owned multi-million-ounce Katanning Gold Project (**KGP**) in Western Australia.

Scoping Study Katanning Gold Project

Due to the scale of gold mineralisation identified at the KGP and ongoing exploration success, Ausgold has commenced a Scoping Study to assess the potential to support a larger throughput processing plant. The Scoping Study will build on the economics developed within the Pre-feasibility study (PFS) (ASX August 1, 2022) and consider a range of scenarios based on higher processing throughputs at 4Mt, 5Mt and 6Mt per annum supported by different mining schedules and economic cut-off grades.

The Scoping Study will be completed in parallel with the current Definitive Study which was announced to ASX on 11 January 2023. This assumes a 3Mt annual throughput which delivers 105 Koz per annum following the findings of the PFS.

New exploration targets developed within the KGP and environs continue to demonstrate the multi-million-ounce gold potential of the Project. With the 25,000m multi-rig drill program well advanced, gold mineralisation has been intersected over a 4km along strike from the KGP within the Southern and Northern Zones and further drilling will test repeats east and west of the Central Zone and beneath the current Resource areas (ASX 22 December 2022). At Datatine two diamond holes have been drilled to test for Resource extensions down plunge, and assays are awaited.

Commenting on the focus for a larger operation for the Katanning Gold Project, Ausgold Managing Director, Dr Matthew Greentree, said:

“The success of our drilling programs and the substantial gold endowment has shown that the Katanning Gold Project is capable of supporting a materially larger operation. Ausgold already has the largest underdeveloped free milling open-cut gold Reserve in Western Australia. We see this strongly growing and able to support a long term mine life exceeding 150Koz pa of gold production. We are still full steam ahead with the Definitive Feasibility Study but our work will show what makes most sense for shareholders”.

Board Transition

Ausgold is pleased to advise that current Non-Executive Director, Geoff Jones, has been appointed as the Company’s Non-Executive Chairman, effective immediately. The Company’s current Non-Executive Chairman, Richard Lockwood will remain on the Board as a Non-Executive Director.

Geoff Jones is an engineer with over 30 years experience in project development, construction and mineral processing globally. Geoff has extensive experience in the gold sector, initially as a project development engineer with Resolute Limited and various engineering groups. More recently Geoff held the position of Managing Director of GR Engineering Limited for more than 9 years until his recent retirement. GR Engineering Limited has grown to be one of Australia’s leading engineering groups particularly in the gold sector.

In addition, Non-Executive Director, Neil Fearis has retired from the Board after 7 years of service. Ausgold intends to appoint of a new non-executive director with operational and project delivery experience. Ausgold is currently undergoing an executive search process to identify the new appointment.

These changes are being made to ensure the Company’s Board has the appropriate operational expertise in place to successfully take the KGP through development and into production.

Ausgold’s Managing Director, Dr Matthew Greentree said:

“On behalf of the Board I would like to extend our appreciation to Richard Lockwood for his service and commitment to the Company in his role as Chairman. I would also wish to thank Neil Fearis for his service as a non-executive director over the past 7 years.

The Board welcomes Geoff Jones to the role of Chairman of Ausgold as the Company enters an exciting phase on the road to developing the Katanning Gold Project.”

Strategic Review

Ausgold is pleased to advise that it is undertaking a company-wide strategic review with the assistance of specialist natural resources investment bank, Argonaut PCF (**Strategic Review**). The review has been initiated to consider the range of pathways available to unlock the considerable value of the KGP for shareholders and will be undertaken in parallel with current exploration and feasibility study workstreams.

Key aspects of the Strategic Review will include:

- **Determining the optimal size of operations:** Ausgold recognises that KGP is capable of supporting a much larger gold mine and as such, has commenced the Scoping Study for up to a 6Mtpa operation in parallel with the current DFS (refer Scoping Study comments above);
- **Funding alternatives:** Argonaut will assist Ausgold on considering traditional and non-traditional non-dilutive funding alternatives for the development of KGP; and
- **Further enhancement of executive team:** Ausgold recognises that the Board and management team needs to evolve as KGP advances towards development (refer Board Transition comments above) and will continue to make further changes as required to ensure the Company has a strong, operationally focused Board and executive team in place, capable of successful project delivery.

Commenting on the Strategic Review, Ausgold Non-Executive Chairman, Geoff Jones said:

“The decision to undertake this Strategic Review is a necessary and pragmatic decision which we firmly believe will ultimately deliver positive outcomes for our shareholders.”

The Board of Directors of Ausgold Limited approved this announcement for release to the ASX.

On behalf of the Board,

Matthew Greentree

Managing Director

Ausgold Limited

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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 2.16 Moz gold (Table 1).

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

Table 1 - Current Mineral Resource and Reserve
(Details in ASX release 25 May 2022 and 1 August 2022)

Mineral Resource	Tonnes (Mt)	Grade (g/t)	Contained gold (Moz)
Measured	19.0	1.31	0.80
Indicated	26.8	1.14	0.98
Inferred	9.5	1.03	0.37
Total	56.0	1.21	2.16
Ore Reserve			
Probable	32	1.25	1.28
Total	32	1.25	1.28

The information in this report that relates to the Mineral Resource and Ore Reserve in Table 1 is based on information announced to the ASX on 25 May 2022 (Resource) and 1 August 2022 (Ore Reserve) and Ausgold confirms that it is not aware of any new information or data that materially affects the information included in 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.

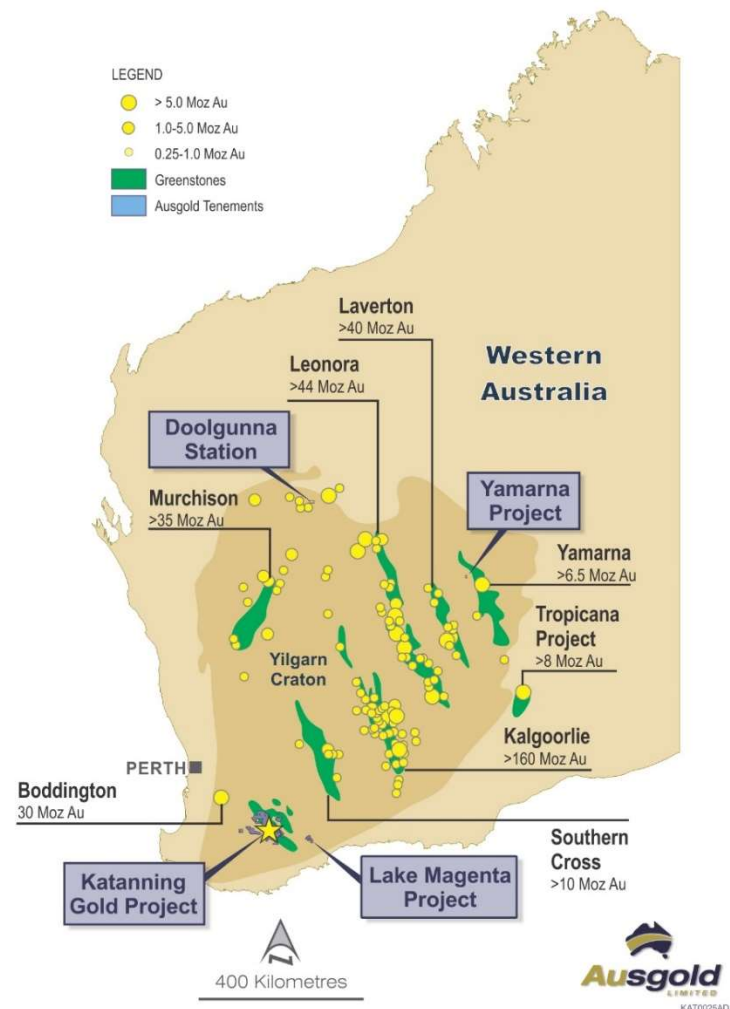


Figure 1 - Regional map showing the KGP, other Ausgold projects and mineralised greenstone belts

Competent Persons' Statements

The information in this statement that relates to the Mineral Resource estimates is based on work carried out by Dr Michael Cunningham of Sonny Consulting Services Pty Ltd, Mr Daniel Guibal of Condor Geostats Services and Dr Matthew Greentree of Ausgold Limited in 2021 and 2022. The information in this statement that relates to the Ore Reserve estimates is based on work carried out by Mr Andrew Hutson of Resolve Mining Solutions in 2022.

Dr Greentree is Managing Director and a shareholder 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. Dr Michael Cunningham is an option holder in Ausgold Limited and takes responsibility for the Mineral Resource estimates for the Jackson, Olympia, Dingo and Datatine deposits. Mr Daniel Guibal takes responsibility for the Mineral Resource estimates for the Jinkas and White Dam deposits.

Dr Cunningham, Mr Guibal 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).

Mr Hutson is a Fellow 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).

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 is understood 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 timeframe and within estimated costs currently planned; variations in global demand and price for commodities; fluctuations in exchange rates between the US 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 but relates to internally generated goals set by the Board of Directors of Ausgold Limited. Ausgold's ability to achieve any targets will be largely determined by its ability to secure adequate funding, implement mining plans, resolve logistical issues associated with mining and enter into any necessary offtake arrangements with reputable third parties. Although Ausgold Limited believes that the 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.