



Definitive Feasibility Study on 3.04Moz Katanning Gold Project on track for delivery next quarter

DFS is based on the recently upgraded 3.04Moz Resource and is de-risking the development of what is expected to be the largest new free-milling, open cut gold project in WA.

Highlights:

- **Definitive Feasibility Study (DFS) on the 3.04Moz Katanning Gold Project in WA well advanced with several key milestones achieved recently, including:**
 - *Seasonal Flora and Fauna surveys*
 - *Open pit geotechnical assessment*
 - *Metallurgical test work program*
 - *Comminution test work for Process Plant design*
 - *Identification of accommodation sites*
 - *Proposals for onsite power supply*
 - *Upgraded 3.04 Moz Mineral Resource*
- **Lead Engineer GR Engineering Services Limited (GRES) fully engaged on the DFS, with multiple outstanding workstreams currently in progress and on track for completion in Q2 2024.**
- **Binding agreements secured to acquire two farming properties at Katanning covering key mining and infrastructure areas, significantly de-risking the project.**
- **Non-dilutive funding discussions with financial institutions is underway with several expressions of interest received. The funding workstreams are intended to support a potential Final Investment Decision (FID) targeted by Q4 2024/Q1 2025.**

Ausgold Limited (ASX: **AUC**) (**Ausgold** or the **Company**) is pleased to advise that it has made strong progress with the Definitive Feasibility Study (**DFS**) on the 3.04Moz Katanning Gold Project (**KGP** or the **Project**) and is on track for delivery next quarter.

The DFS is based on the updated 3.04Moz Mineral Resource announced on 4 September 2023 and encompasses the expanded operational scope targeting long-life gold mine at Katanning.

Management Comments

Commenting on the DFS update, Ausgold Managing Director, Matthew Greentree, said:

“The Katanning Gold Project DFS is now moving into its final stages, with our lead engineering partner, GR Engineering Services, fully engaged and working with our in-house team and other consultants with the clear objective of finalising and delivering the DFS to market during Q2 2024.

This is an exciting time for our team as we move forward on the DFS and take further important steps towards becoming Australia’s next mid-tier gold producer.

The Katanning Gold Project is one of the most significant new gold development assets in Australia. Underpinned by a large-scale, high-quality 3.04Moz Resource, the project will support a long-life, high-margin operation that is ideally placed to deliver significant returns to all of our key stakeholders. We are excited about what the next few months will deliver for Ausgold as we unlock the significant value of this Project against the backdrop of a record Australian Dollar gold price and a very robust outlook for the gold sector.”

Board Appointments

Executive search for board appointments to recruit an experienced non-executive Chairman and a technical non-executive director has advanced. These new board appointments will complement Ausgold’s transition from explorer to developer at the Katanning Gold Project.

Feasibility Study

The Definitive Feasibility Study is well advanced following the Pre-Feasibility Study (PFS) and maiden 1.28Moz Ore Reserve announced on 1 August 2022, highlighting the KGP as the largest undeveloped free milling open-cut gold mining development project in Western Australia.

Lead Engineer, GR Engineering Services Limited is fully engaged on the DFS with the overall Project Development timeline outlined below:

Project Development Timeline

Key Milestone	Q1 CY 2024	Q2 CY 2024	Q3 CY 2024	Q4 CY 2024
Definitive Feasibility Studies				
Permitting & Approvals				
Project Financing and FID				

Key completed and upcoming workstreams being undertaken as part of the DFS are summarised below:

Open Pit Mining

Open pit mining optimisation studies and strategic analysis is being undertaken on the updated 3.04Moz Mineral Resource which will provide updated open pit mining inventory and mining schedules. The development of an updated cost model, supported by contractor pricing and mining fleet confirmation, is in progress. Cube Consulting has been engaged to undertake strategic analysis of mining and processing schedules. Concurrently, pit, waste and haul road designs are being finalised.

Pit Geotechnical Assessment

The geotechnical assessment for open pit mining is now complete.

Metallurgy

Drill core samples were collected across all major ore zones and composited for metallurgical test work. Comminution test work on the composite samples is complete and gravity and leach recovery test work programs against targeted processing grind size are being undertaken at ALS Metallurgical Laboratory. Additional metallurgical test work has been completed to further optimise gold recoveries and to finalise reagent consumption.

Process Design

Comminution modelling based on recent and earlier comminution data, along with throughput and target grind size, has been completed. This modelling was performed to confirm the crushing and grinding circuits proposed in the PFS and provide an optimised mill arrangement. Trade-off analyses on the comminution circuit configuration and assessment of the flowsheet against new metallurgical test work results has been completed. Plant and infrastructure layout with cost estimation is still to be completed.

Tailings Storage Facility and Surface Water Management

Tailings physical and geochemical test work have been completed and the Tailings Storage Facility (TSF) designs have been developed with site investigation underway and geotechnical assessments to be completed in Q1 2024. Concept surface water management features have been developed.

Hydrogeology

Groundwater exploration drilling for water supply and pit dewatering was completed in Q2 2023. DWIR Part V permitting to enable water extraction is underway and applications for Miscellaneous Licences (DMIRS) for bore sites have been submitted. Production bore installation is scheduled to commence in Q1 2024, followed by test pumping and numerical modelling to determine groundwater yields.

Power Supply

Energy requirements determined by GR Engineering's plant design have been assessed with potential supply by Grid connection through a capacity study from Western Power. Further study of on-site energy infrastructure is being assessed with studies for both thermal and renewable energy supply. Proposals for on-site power and LNG supply contracts have been received which will further support the costings that underpin the Feasibility Study. Data collection for both wind and solar resources is currently underway with further site investigations planned to determine the site layout.

Accommodation

Ausgold has been in discussion with the local councils and businesses to assess the availability of accommodation in the region. Several potential development sites for accommodation have been identified within Katanning and these sites are being further investigated with concept accommodation designs underway.

It is envisaged that these facilities will provide comfortable living spaces, amenities and essential services required by workers from the KGP. Engagement with various stakeholders in the local community and businesses will further refine the potential development locations, construction methodology options and capital investment strategies.

More detailed work is now underway to establish the requirements of workers' accommodation for other local business and organisations, which will further identify potential development sites and their opportunities. This work will include identification of potential partnerships and government grants applicable to the proposed development.

Project Access

Last year, Ausgold entered into binding agreements to acquire two farming properties at the KGP. The two properties cover a combined area of 1,026 hectares.

One property, located within Mining Lease 70/488, covers an area of 94 hectares and encompasses the southern extent of the Central Zone Resource (the Jinkas, Jinkas South and Jackson deposits) – an area which will be a primary source of ore in the first 18 months of production at the KGP.

The agreements are each on usual terms, with settlement of the acquisitions not subject to any material conditions precedent and the total consideration being \$10.76 million, with \$3.12 million paid on signing of the agreements and the balance to be paid in early April 2024. The vendors are not related parties of the Company.

Funding

Ausgold has received numerous offers from financiers and is currently considering traditional and non-dilutive funding alternatives to fund the deferred consideration and land acquisitions as part of the overarching project finance for the development of the KGP.

Approvals update

Tenure

Ausgold is preparing to submit Mining Lease applications over the KGP to support development infrastructure for the broader KGP.

Environmental Studies

Final reports for seasonal flora and fauna studies are expected in Q1 2024 and will be incorporated into the Assessment on referral Information (ARI) to be submitted to the Environmental Protection Agency (EPA). Co-ordination of reporting and preparation of the ARI is being completed by Talis Consultants.

The mine waste characterisation study has been completed in addition to the preliminary noise and visual impact assessments. Spring flora and fauna surveys over the Project area and other baseline biological surveys including subterranean fauna surveys have been completed which will contribute to the environmental impact assessment.

Furthermore, noise screening desktop assessment has commenced with regional aerial photography and LIDAR surveys across the project area. As further details of project layout and accommodation sites are refined, a traffic management study will also be undertaken.

Community and Stakeholder Engagement

The Company is continuing with community consultation as part of the social and economic impact assessment (SEIA) for the KGP. Ausgold has joined the Katanning Regional Business Group to promote stakeholder engagement and identify local businesses that may be involved in the project development and operations.

Ausgold intends to build upon this survey to substantiate the stakeholder engagement program which will form part of the approvals process.

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 (ASX: AUC) 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 3.04 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 and the Cracow Au Project in Queensland.

Table 1 - Current Mineral Resource and Reserve

(Details in ASX release 1 August 2022 and 4 September 2023)

Mineral Resource	Tonnes (Mt)	Grade (g/t)	Contained gold (Moz)
Measured	38.1	1.10	1.35
Indicated	31.8	1.04	1.07
Inferred	18.9	1.02	0.62
Total	88.9	1.06	3.04
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 4 September 2023 (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.

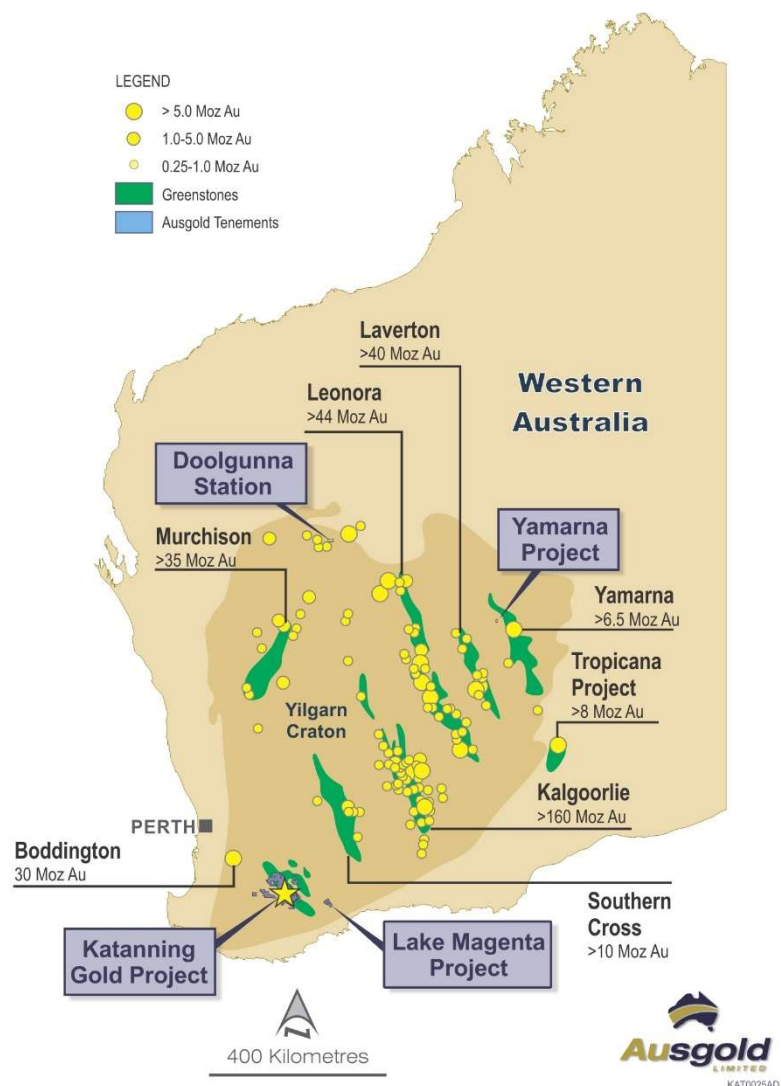


Figure 1 - Regional map showing the KGP, other Ausgold projects and mineralised greenstone belts

Competent Person's 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, 2022 and 2023. The information in this Report that relates to the Ore Reserve estimates is based on work carried out by Mr Andrew Hutson of Resolve Mining Solutions in 2022 and 2023.

Dr Greentree is Managing Director and is 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 and takes responsibility for the Mineral Resource Estimate for the Jackson, Olympia, Dingo and Datatine deposits and Mr Daniel Guibal takes responsibility for the Jinkas and White Dam Resources.

Dr Cunningham and Dr Greentree are Members of The Australasian Institute of Mining and Metallurgy, Mr Daniel Guibal is a Fellow (CP) of The Australasian Institute of Mining and Metallurgy. They 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 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.