

## FIRST GOLD PROCESSED FROM ROSE OF DENMARK MINE

AuStar Gold Limited (ASX: AUL) ('AuStar Gold' or 'the Company') is pleased to provide an update following its recent announcements dated 9<sup>th</sup> and 17<sup>th</sup> July 2018 highlighting progress at its Rose of Denmark (RoD) gold mine, including the commencement of mining operations and processing of material for gold production.

### Highlights:

- RoD mining successfully progressing on targeted areas – Visible gold seen in development
- First gold concentrate has been processed from RoD material at AuStar Gold's gravity processing plant
- First gold ingot poured, approximately 220grams
- Average throughput rates for RoD material are at a higher rate than the Morning Star mine material previously processed
- Significant visible gold seen on the gravity separation table

AuStar Gold CEO, Tom de Vries said "Processing of our first parcel of gold-bearing material from the Rose of Denmark gold mine is another significant achievement for AuStar Gold.

*"This continues the excellent progress made at the RoD mine, where diamond drilling commenced in December 2017, resulting in an exceptional number of visible gold intercepts, and has now resulted in gold bearing material being processed at our gravity processing plant in a period of just 8 months. This program demonstrates the benefits of our recent decision to acquire 100% of this prospective mine, and the experience and capability of AuStar's geological and mining team in exploring, analysing, mining and processing material from projects within its regional exploration portfolio in a safe, timely, compliant and cost effective manner. "*

**Photo 1. First Gold Ingot Poured from Rose of Denmark**



*Photo 2. Gold room: Gold concentrate after multiple passes on the gravity separation table*



*Photo 3. Gold room: Gold concentrate after first pass on the gravity separation table*



### **Processing RoD Mined Material**

AuStar Gold has commenced processing gold bearing material mined from above the level of the main RoD adit as planned. Initially stockpiled at the RoD mine, the gold bearing material is being trucked and is now being processed at AuStar's gravity gold processing plant. The average throughput rates seen for this RoD material are at a higher rate than the Morning Star Gold mine material previously processed due to the softer nature of the material being processed. The gold mineralisation at the RoD mine contains both coarse particles of free gold and other gold that is intimately associated with sulphide grains. This results in a high grade concentrate of sulphide and gold, some of which then needs further refining to fully recover the gold, as well as a portion of free-milling coarse gold.

### **Mining Plan**

Mining is continuing without compromising future access along the main adit level. There are four zones targeted for mining based on the recent diamond drilling with initially three being developed using traditional handheld mining.

Handheld mining allows each development advance to be closely sampled, assayed, photographed and geologically mapped. This program allows the Company to identify both the geological and metallurgical characteristics of the ore type to gain a full understanding on the conversion of drilling results to mined grades and in addition, bring forward a contribution to cashflow.

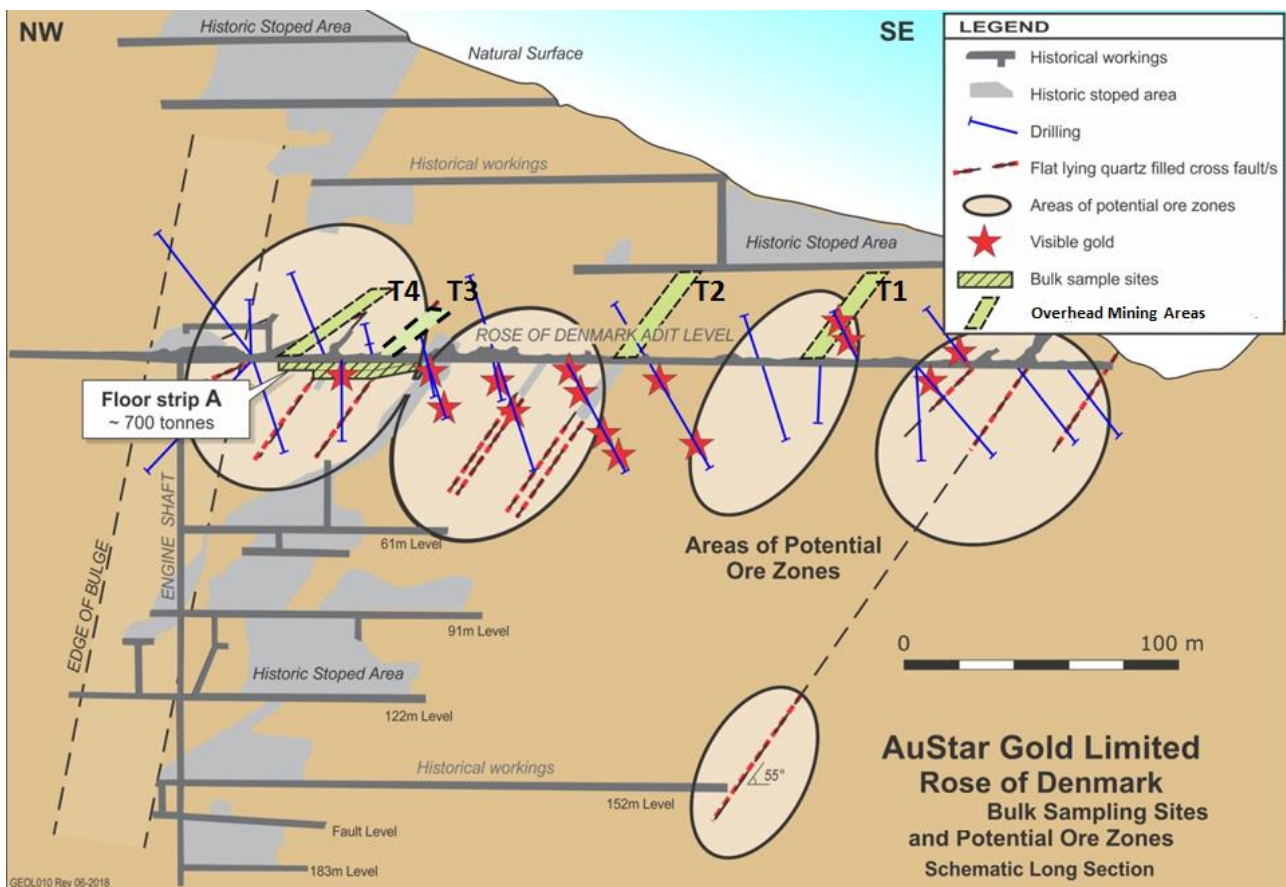
The intention is to continue mining and processing RoD material into the future as rapidly as possible, with the appropriate permitting to allow a mechanised mining system to be undertaken. This first phase of mining is expected to take 2 to 3 months.

Positive outcomes of this phase will be linked with an expanded deeper drilling program, designed to ascertain the extent to which the gold mineralisation extends at depth in the mine. This can be done concurrently with general development and mining of gold bearing zones.

This program is part of the Company's strategy to manage its resources where the mining crew are now utilized at the RoD mine while the diamond drill crew is occupied on the Maxwell zone drilling and other potential targets at the Morning Star Mine, whilst providing an alternative source of feed for the processing plant.



Figure 1. Approximate Positions of RoD Mining in progress



### About AuStar Gold Limited:

AuStar Gold is focused on the return to production of the Morning Star mine and its environs - **an advanced high-grade gold project, with significant infrastructure including processing plant, a strategic tenement footprint, and prospectively, well positioned for near-term trial mining.** In addition, AuStar Gold intends to develop its adjoining tenements in the Walhalla to Jamieson gold district (particularly the prolific Woods Point Dyke Swarm) into low cost high grade gold production projects.

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### Disclaimer:

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