



ASX Release

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AuStar Gold Limited ABN 70 107 180 441

Registered Office: 6 Bridge Street, Woods Point VIC 3723

MARCH 2020 QUARTERLY ACTIVITIES REPORT

AuStar Gold Limited (ASX: AUL) is pleased to provide the following update on its activities for the quarter ended 31 March 2020.

Highlights:

- **Gold sales revenue of A\$1,706,769** achieved at an average realised gold price of A\$2,376 per ounce, a decrease of ~5.9% quarter on quarter (QOQ);
- **Quarterly gold sales of 718.15 Oz Au with Dore gold production of 650.53 Oz Au (- 22% QOQ);**
- **2,250 tonnes of gold-rich concentrate** was also produced in the quarter containing an estimated 98 Oz gold;
- **Realised grade** from the McNally's and Stones reefs continued to perform to forecast expectations over the quarter.
- Milling operations continuing to achieve close to **nameplate productivity** with minimal operational downtime;
- There were **nil lost time incidents**, OHS or material environmental events for the quarter with AuStar Gold maintaining a high standard of Environmental, Safety and Community (ESC) outcomes.
- The Company continued capital raising activities during the quarter with the completion of a **\$1.4m Convertible Note** issuance as announced 3 April.

Mining:

Mining at the Morning Star Gold Mine continued during the Quarter with the 7 Level McNally reef and the 8 sub Level Stone reef contributing to overall production, with McNallys dominating.

For the Quarter, the Morning Star mine delivered 2,238 tonnes of ore feed to the mill. Nil waste hoisted and minimal waste development underground completed. Waste generated from underground development was able to be safely stockpiled within existing workings. The Company continues to proactively minimise waste development within its mine planning and methods.

Plant and equipment reliability remained within expectations with minimal lost time due to breakdowns.

Processing:

The AuStar Gold process plant at the Morning Star mine site utilises standard gravity methods to recover gold from the Company's Morning Star ores. Through the gravity process, the gold room captures approximately 65% to 75% of the gold directly to bullion, with an additional 10% to 15% of fine free gold residing in the gold bearing concentrate tails (middlings).

650.53 ounces of refined gold from Dore was produced from the gravity circuit in the December quarter from 2,259 dry tonnes processed.

An additional 67.6 ounces of gold were gained from the concentrate production and was sold in the March quarter.

Both Dore and concentrate sales produced a gold sales revenue A\$1,706,769 for an average gold price of \$2,376 / ounce.

An estimated 98 ounces of gold from 2,250 tonnes of concentrate was produced in the quarter. No concentrate was shipped for processing in the quarter as the business is actively reviewing alternative processing options for this material. Concentrate continues to be securely stockpiled on site with contained gold recognized as an accumulating asset;

There was minimal stockpiling of middlings or oversized materials during the March quarter as the previously installed high-speed centrifugal concentrator continued to extract additional gold and sulphides out of the middlings stream.

Milling uptime was good with minimal disruptions, allowing time for milling to process some of the accumulated lower grade stockpiles, middling and other material. This had a one-off impact in reducing gold production, particularly in March, but has cleared the bulk of this material (a substantial oversize portion remains to be processed and has been stockpiled for management when opportunities present between higher grade material).

There were nil lost time incidents, OHS or material environmental events for the quarter with AuStar Gold maintaining a high standard of Environmental, Safety and Community (ESC) outcomes. A single minor water discharge exceedance event was reported with no further action required from the Company's regulatory stakeholders.

Exploration/Geology:

Morning Star:

Planning for the upcoming in-mine exploration drilling program was undertaken during the quarter and completed in April with an Epiroc Diamec 232 electric hydraulic rig mobilising to site mid-May for an anticipated drill program commencing from the Morning Star Addit targeting upper mining zones amenable to near terms production.

Corporate:

Matters subsequent to the reporting period:

The Company completed a \$1.4m Convertible Note issuance as announced 3 April.

On 24 April the Company announced the appointment of Mr. Franz Schlosser as General Manager. Mr. Schlosser will be based at the Woods Point operation.

Mr. Bill Frazer, who was engaged to oversee a planned integration of assets pursuant to the proposed merger of AuStar Gold Limited and Centennial Mining Limited has stepped back from his CEO role, however continues to be available to the business on a consultative basis.

ENDS

Released by order of, and on behalf of, the board of AuStar Gold Limited.

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