

AuStar Gold Limited ACN 107 180 441
Registered office: 6 Bridge Street, Woods Point, VIC 3723

AUSTAR GOLD: EXPLORATION UPDATE

Highlights:

- **New geological leadership has delineated and is commencing the Company's regional exploration program for the coming half year;**
- **Multiple regional prospects have been identified targeting near-term potential for conversion to mining opportunities;**
- **AuStar Gold progressing program on a 100% basis.**

AuStar Gold Limited (ASX: AUL, or the Company) is pleased to provide the following update to shareholders regarding the planned regional exploration program within the Company's extensive exploration licenses, surrounding its flagship Morning Star mining operation at Woods Point, Victoria.

Over the last several months, the Company has held numerous discussions with highly qualified counterparties interested in farming in or joint venturing sections of the Company's exploration portfolio. Notwithstanding the receipt of a number of potentially attractive proposals, which included significant proposals of investment, the Company has elected to progress its program alone and retain 100% interest in its portfolio of exploration ground.

Following a program of regional site visits and a detailed assessment of prospectivity led by the group's Geology team, the Company's Board and Management reached a unanimous view that the exploration upside represented by the Company's tenement portfolio was too significant to dilute.



Fig (1): Maid of the Mountain



Fig (2): Toombon

This region of Victoria, the Walhalla-Woods Point goldfields has produced more than 6Moz Au. Within this belt, the company holds a tenure position of approximately 670km² with historical production of 1.7Moz Au.

The Morning Star mine historically produced ~857koz gold at an average grade of ~26.5g/t Au. Other major historical operations in the license tenements include:

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Prospect	Produced ~Au oz
Comet, Little Comet	76,000
All Nations	131,000
Loch Fyne	86,000
Toombon	50,844
Rose of Denmark	36,000
Hunts	20,000
Dempsey	24,000
New Lauraville	2,300
Royal Standard	15,000
Wallaby	7,000
Great Eldorado	13,000

Table (1): Tenement Historical Production

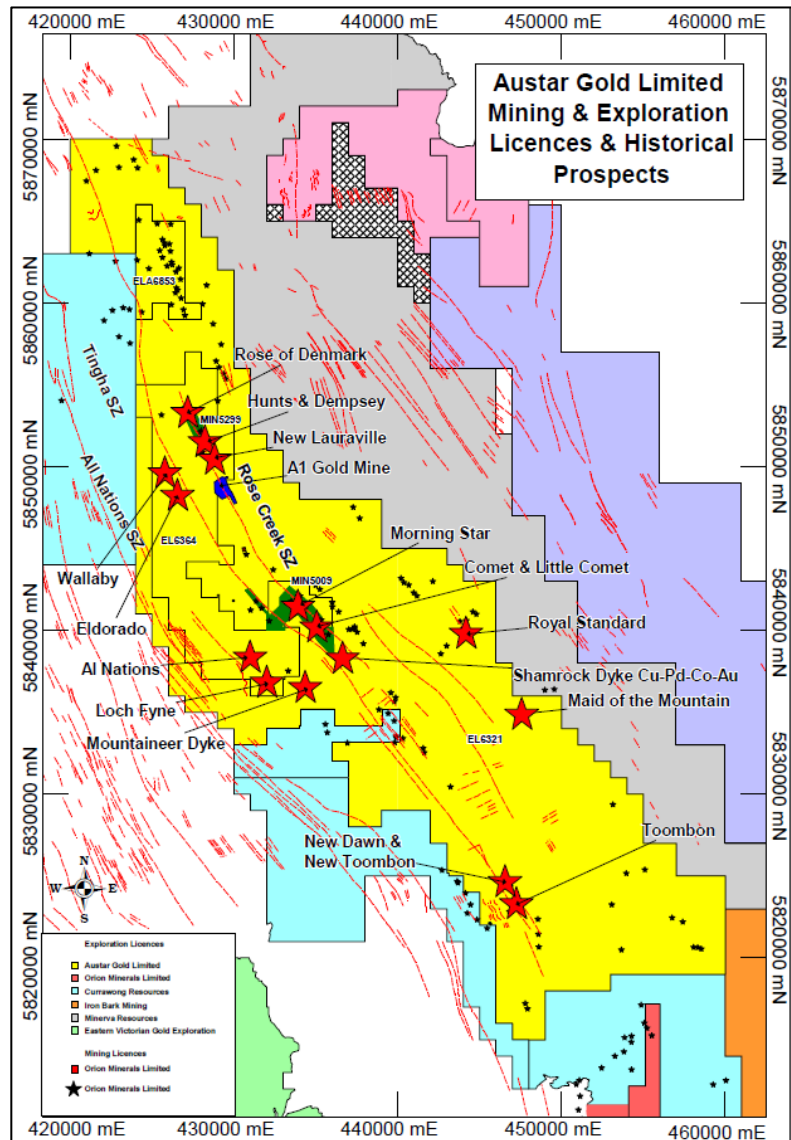


Fig (3): Regional Prospects

Prospect targeting:

Current desktop studies have highlighted multiple high priority targets for the program in the H1 of 2020 and H2 of 2021.

Currently the team is reviewing geological records of exploration, and mining history, including past geochemical data from the Victorian Geological Department, undertaking field reconnaissance for access and planning future work programs.

Ranking criteria is being based on lithology, local and regional structures, geochemical anomalies, production history, historical drilling density, geophysical data and accessibility with an eye to near-term conversion of discoveries to production.

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Based on this ranking, the new technical team is re-evaluating and re-prioritising the regional tenure for projects and has identified several high priority projects that include:

- The Toombon to New Dawn area;
- The Loch Fyne and All Nations mines and their immediate vicinity;
- Eldorado to Wallaby and
- The Rose of Denmark, Hunts & Dempsey areas through New Lauraville, up to (but not including) the A1 mine (Centennial Mining Limited).

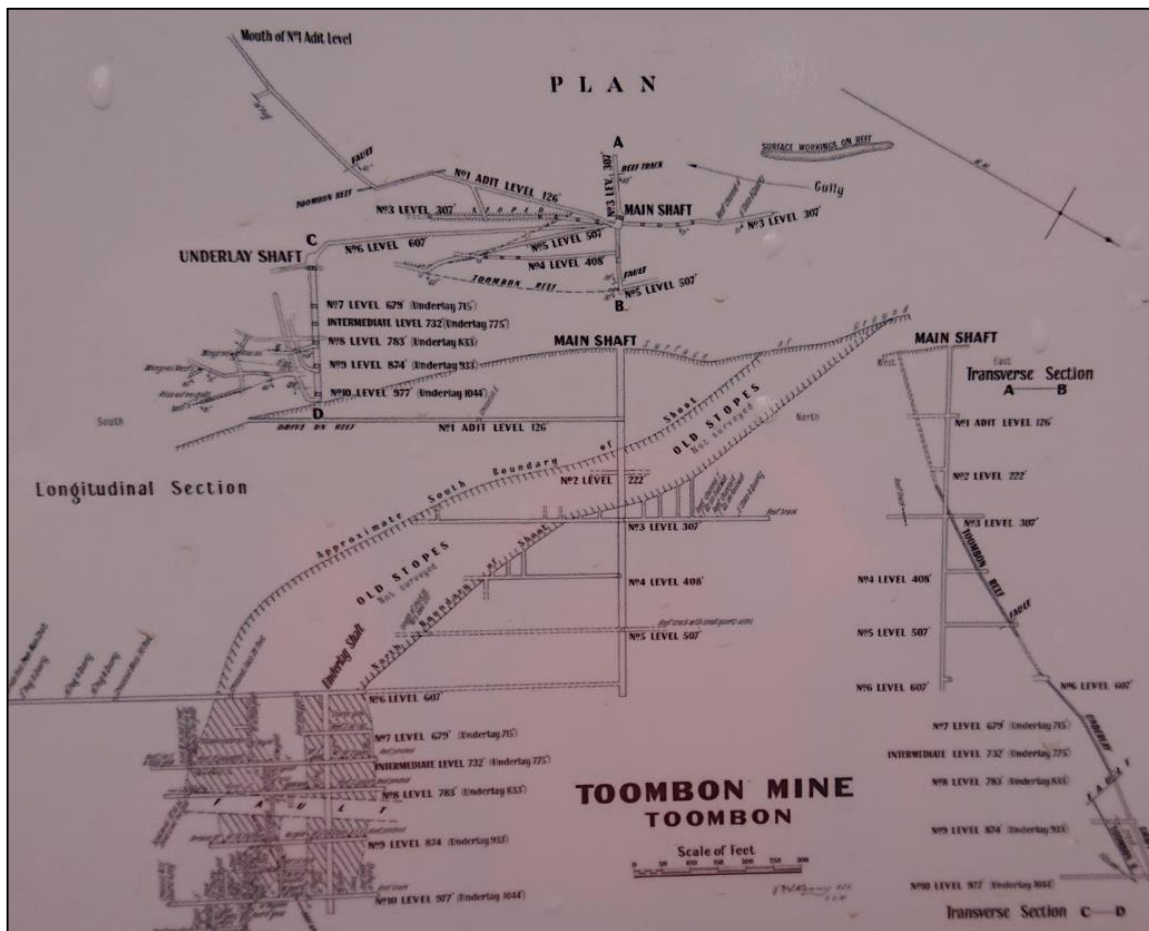


Fig (4): Cross-section of historical workings at Toombon

In-Company Expertise and Equipment

The Geological and group Management team has been refreshed over recent months with the appointment of Jason Larocca as group Senior Geologist and Franz Schlosser as General Manager. The new team brings experience from overseas, Australia and the local exploration environment. The team will be augmented with further expertise in the coming months as the program develops and expand.

Capital expenditure within the exploration programs will ensure that the team is equipped with the essential equipment to carry out the activities, including vehicles, software, and field equipment.



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The Company, having successfully established in-mine drilling competency, also expects to acquire at least one further electric-hydraulic drill rig suitable for the testing of deeper targets.

The immediate work program includes:

- Reviewing geological and workings mapping;
- Undertaking extensive sampling within targeted historical workings on tenement;
- Field Geochem programs within the tenements;
- Generating conceptual 3D modelling of prospective targets;
- Ranking programs to establish priority drilling targets in H1 2021;
- Planning and permitting for regional exploration drilling.

As the regional exploration program proceeds, the company intends to update shareholders via its regular monthly operational reporting, except where exceptional results may warrant immediate announcement.

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

AuStar Gold welcomes shareholder communication and invites all interested shareholders to make contact at any time.

For Further Information:

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* See AuStar Gold Limited ASX release *Drilling Recommences at Morning Star* 23 July 2020.

About AuStar Gold Limited:

AuStar Gold is focused on building a valuable minerals inventory to generate sustainable economic production from its portfolio of advanced high-grade gold projects - with significant infrastructure including processing plant, a strategic tenement footprint, and current production from Morning Star. 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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Competent Persons Statement:

The information in this report that relates to exploration and mining activities and based geological information compiled by Jason Larocca, (BSc, MSc), a Senior Geologist employed by AuStar Gold Limited.

Jason Larocca is a member of the Australian Institute of Geoscientists (MAIG) and is a Competent Person as defined by the 2012 edition of the Australasian Code for Reporting of Exploration and mining Results, Mineral Resources and Ore Reserves (JORC Code), having more than five years' experience which is relevant to the style of mineralisation and type of deposit described in this report, and to the activity for which he is accepting responsibility. Jason Larocca consents to the publishing of the information in this report in the form and context in which it appears.

Disclaimer:

Statements in this document that are forward-looking and involve numerous risk and uncertainties that could cause actual results to differ materially from expected results are based on the Company's current beliefs and assumptions regarding a large number of factors affecting its business. There can be no assurance that (i) the Company has correctly measured or identified all of the factors affecting its business or their extent or likely impact; (ii) the publicly available information with respect to these factors on which the Company's analysis is based is complete or accurate; (iii) the Company's analysis is correct; or (iv) the Company's strategy, which is based in part on this analysis, will be successful.