



Quarterly Report for period ending 31 December 2020

Highlights:

- High-grade Jinkas South gold mineralisation extended to 1.3km strike length and remains open to the north and south, with RC and diamond drilling underway
- Large portion of Jinkas South outside the current Resource areas, highlighting the potential to further expand the KGP's existing 1.2 million-ounce gold Resource
- Reprocessed VTEM data and DHEM programs within Central Zone have identified new targets with potential to further extend mineralisation
- RC and diamond drilling targeting Ni-Cu-PGE mineralisation completed within layered mafic – ultramafic intrusive complex at Woodanilling (formerly the Red Hill prospect)
- Ausgold holds a strategic tenure position in the South West Yilgarn Craton with over 42 gold targets identified and further potential for PGE-Ni-Cu group metals at the Woodanilling layered mafic intrusion

Ausgold Limited (ASX: AUC) ("**Ausgold**" or the "**Company**") is pleased to provide the following report for the quarter ended 31 December 2020. During the quarter Ausgold continued its exploration programs on the Company's 100%-owned Katanning Gold Project (KGP), located 40km from the township of Katanning in the south-west of Western Australia.

Management comment

Ausgold Chief Executive Officer and Managing Director Dr Matthew Greentree commented:

"During the December quarter Ausgold completed a large drilling campaign, completing 73 holes for 10,496m focusing on the Central Zone and in particular the Jinkas South lode. This new discovery is proving to be a significant addition to the project with grades higher than the current Resource grade over a strike of more than 1.3km. Its discovery also provides validation of our geological model and targeting techniques for high-grade mineralisation within the KGP. New drilling further extends the high-grade gold mineralisation within the Jinkas South lode, we anticipate these new results will add to the Resource upgrade planned for March 2021 and benefit the projects economics overall."

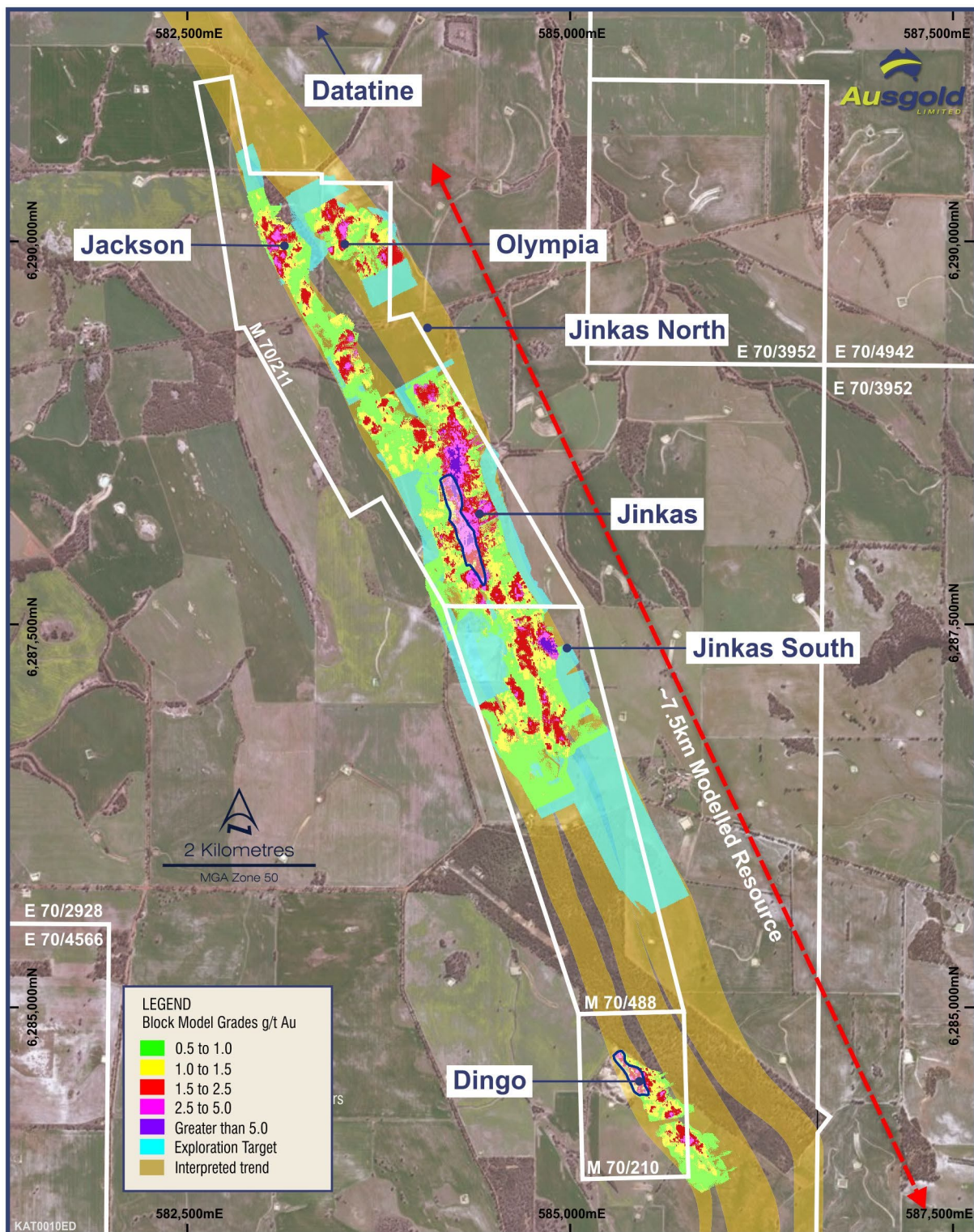
"The EIS co-funded drilling at Jinkas North highlights the untested exploration potential within the Central Zone. This area is currently a large undrilled gap in the current Resource covering over 850m of strike length and new geophysical targets east of the current Resource areas at Jinkas and Olympia, which extend this prospectivity over a total strike length of 1,900m."

"The recent re-evaluation of regional projects such as the Woodanilling project, only 50 km west from the KGP, further highlights the potential of Ausgold's regional exploration tenements covering in excess of 4,000km² over the highly prospective southwest Yilgarn."

"With a large exploration program underway, I look forward to providing the market with further updates on progress at KGP during the coming quarter"

March Quarter 2021 – Planned Activity

- Resource upgrade for KGP planned for release in March 2021
- RC drilling to define the extent of the Jinkas South lode
- EIS co-funded RC drilling program to test northern extensions of Jinkas orebody
- DHEM program to continue to identify new EM drilling targets and further extend gold mineralisation
- Finalisation of approvals to access the Rifle Range area immediately south of the Central Zone
- Metallurgical testwork at KGP
- Regional soils and Aircore drilling program
- EIS co-funded RC and diamond drilling at Nanicup Bridge and Bullock Pool Prospects
- RC drilling at Lukin Prospect
- Results pending from RC/diamond drilling at the Woodanilling Project (formerly known as the Red Hill Project)
- DHEM program to identify drilling targets at the Woodanilling layered mafic intrusive



Katanning Gold Project, WA

AUC interest 100%

The KGP is held within Ausgold's dominant tenure position in the Katanning Greenstone Belt, with the Company holding approximately 4,100 km² of ground located in the South West Yilgarn Craton. The region is historically underexplored but highly prospective for gold and potentially other minerals.

The project is located 275km from Perth, WA and close to high-quality infrastructure which supports the near-term development of the project. The significant near-Resource exploration potential improves the economics of this project, with planned drill programs to further enhance project economics. The current Resource estimate for the KGP is 33.9 Mt at 1.1 g/t Au for 1.2 million ounces of gold (Table 1). The Resource estimate was completed by SRK Consulting (Australasia) Pty Ltd in accordance with the 2012 JORC Code.

Table 1 – Summary Gold Resources for the KGP¹

Resource category	Tonnes (Mt)	Grade (g/t Au)	Contained gold ('000 oz.)
Measured	2.26	2.05	149,000
Indicated	11.99	1.14	440,690
Inferred	19.68	0.97	611,340
Total Resource	33.93	1.10	1,201,030

¹The 2019 Mineral Resources for the Central Zone deposit are reported using a 0.6 g/t Au cut-off applied to individual model cells located above 200mRL (approximately 160m depth) at Dingo, Datatine, Jackson, Olympia and White Dam and above 130mRL (approximately 230m depth) at Jinkas whereas the 2018 Mineral Resources were reported above a 0.7g/t Au cut-off applied to individual model cells located above 200mRL

Tonnes have been rounded to the nearest 100t, Au ounces have been rounded to the nearest 10 ounces.

The information in this report that relates to the Mineral Resource in Table 1 is based on information announced to the ASX on 1 November 2019. 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.

Central Zone Exploration

New RC drilling during the quarter has extended exploration in the Jinkas South, White Dam and Jinkas West Resource areas with 55 holes for 7,887m. New drill holes have been used as a platform for further down hole electromagnetic (DHEM) surveys which have identified a further 18 DHEM targets within the Jinkas South and White Dam lodes, and RC drilling is continuing to test them. At Jinkas North one diamond drill hole for 243m and 3 RC holes were drilled for 662 m with results pending.

Jinkas South Lode

24 holes for 4,704m have targeted the Jinkas South lode intersecting gold mineralisation north along strike a further 600m from previous high-grade gold mineralisation. This new drilling has shown that the Jinkas South lode has a total strike length of 1.3km and remains open to the north and south (Figure 1, 2 and 3).

Significant results from new drilling during the quarter within Jinkas South lode include:

- **19m @ 2.92 g/t Au from 121m including 1m@ 35.4 g/t Au in BSRC1002**
- **29m @ 1.84 g/t Au from 104m including 18m @ 2.72 g/t Au in BSRC0993**
- **38m @ 1.12 g/t Au from 113m including 1m @ 8.30 g/t Au and 5m @ 2.10 g/t Au in BSRC1003**
- **7m @ 4.09 g/t Au from 111m including 1m @ 24.90 g/t Au in BSRC1007**
- **30m @ 0.95 g/t Au from 132m including 9m @ 1.56 g/t Au in BSRC0996**
- **19m @ 1.02 g/t Au from 114m including 5m @ 2.65 g/t Au in BSRC0994**
- **16m @ 1.04 g/t Au from 129m in BSRC0998**
- **23m @ 0.7 g/t Au from 117m in BSRC0997**
- **9m @ 3.52 g/t Au from 213m including 3m@ 9.43 g/t Au in BSRC1045**
- **28m @ 1.35 g/t Au from 131m in BSRC1034**
- **14m @ 1.45 g/t Au from 100m including 2m @ 8.28 g/t Au in BSRC1046**
- **4m @ 2.66 g/t Au from 124m in BSRC1046**
- **19m @ 0.67 g/t Au from 131m in BSRC1046**
- **37m @ 0.86 g/t Au from 150m including 6m @ 2.86 g/t Au in BSRC1024**
- **42m @ 0.73 g/t Au from 119m including 3m @ 2.53 g/t Au in BSRC1033**
- **24m @ 0.83 g/t Au from 114m including in BSRC1025**
- **15m @ 1.01g/t Au from 117m including 2m @ 3.09 g/t Au in BSRC1008**
- **14m @ 0.85g/t Au from 180m including 5m @ 1.28 g/t Au in BSRC1010**
- **7m @ 1.62g/t Au from 83m including 2m @ 3.6 g/t Au in BSRC1009**
- **11m @ 0.8 g/t Au from 225m including 1 @ 3.41 g/t Au in BSRC1044**

New RC drilling within the Jinkas South lode has intersected further high-grade gold mineralisation along a total strike length of 1.3 km which remains open along strike and is outside of the current 1.2 Moz Resource. The broad zones of gold mineralisation indicate the Jinkas South lode is increasing in thickness and these higher-grade intercepts add to the Resource upgrade planned for Q1 2021.

Two holes targeting the northern extension of the Jinkas South lode (BSRC1044 and BSRC1045) indicate this mineralisation remains open along strike (Figure 1, 2 and 3) with additional RC and diamond drilling planned. A follow-up program of Downhole EM (DHEM) is underway to locate pyrrhotite alteration associated with gold mineralisation and assist drill targeting.

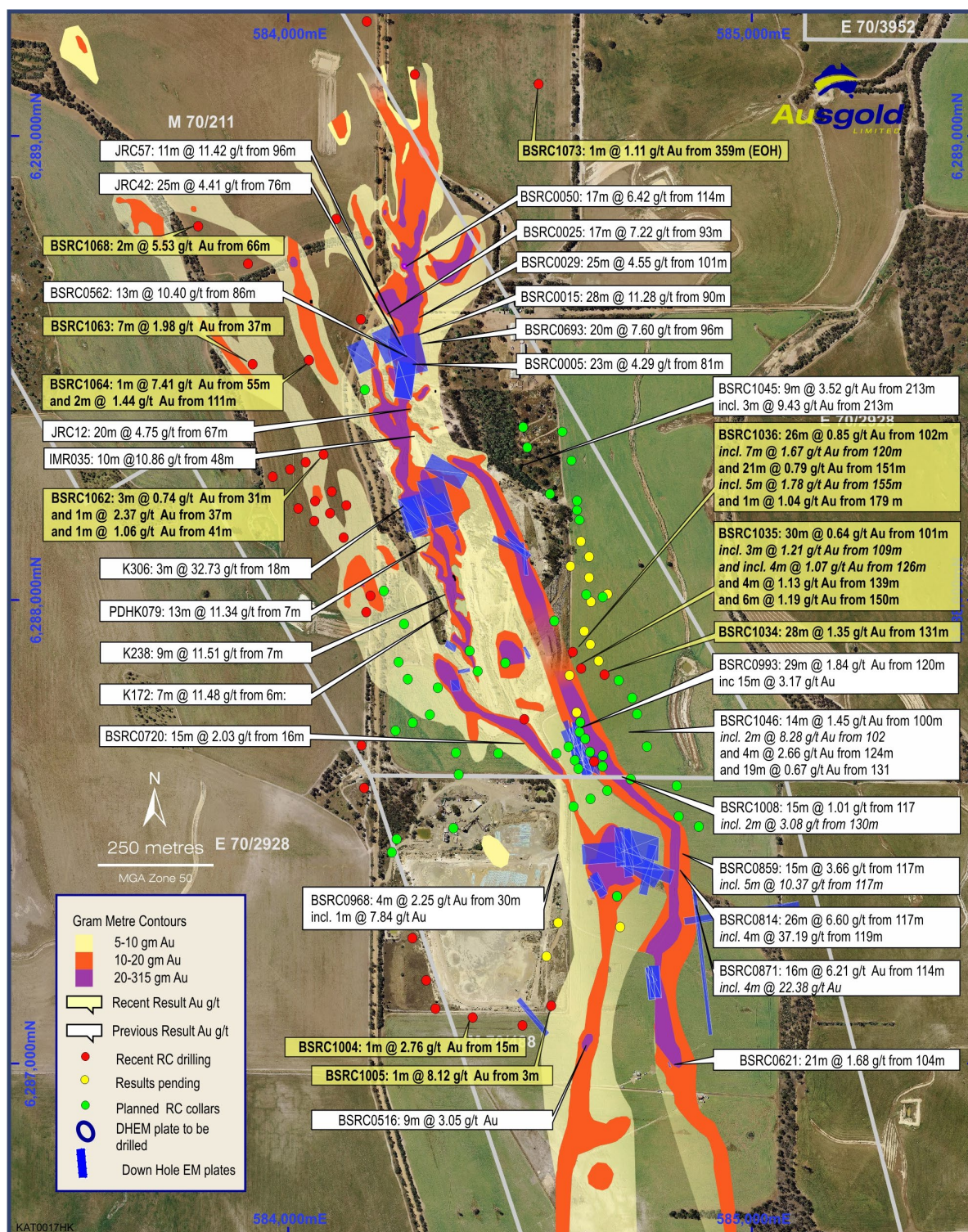


Figure 2 - New drilling within Central Zone shown on gram-metre plots (intercept width in metres x grade)

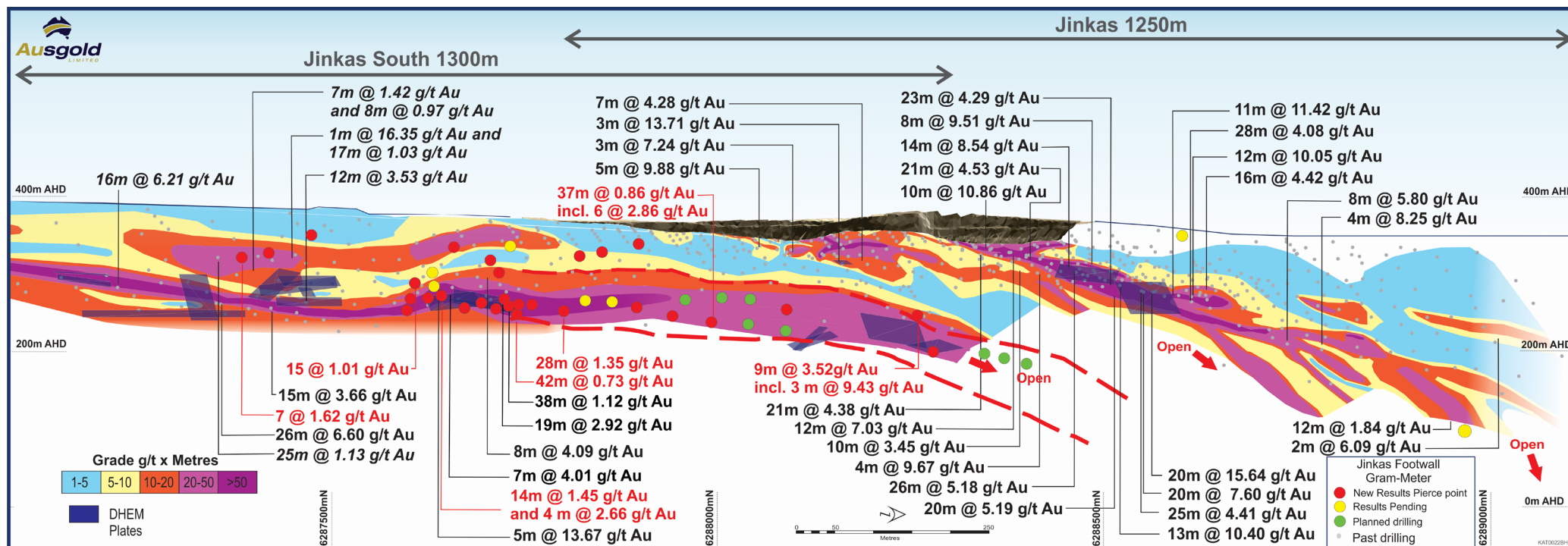


Figure 3 - Long section (view towards west) through the Jinkas Resource area showing extensions of the Jinkas South Lode

Jinkas North

A grant for \$150,000 under the Western Australian Government's Exploration Incentive Scheme (EIS) will partly fund RC and diamond drilling at Jinkas North. The program consists of ten holes for 2,200m planned along a 1,750m strike length to test the northern extensions of high-grade gold mineralisation north along strike from the Jinkas deposit (Figure 2).

New drilling has targeted coincident anomalies identified in ground gravity and re-processed VTEM data. Two RC and one diamond hole BSDD025 for 220m of this program were completed late in the quarter. Visual inspection of core from BSDD025 indicates a zone of disseminated to semi-massive pyrrhotite – magnetite – chalcopyrite mineralisation between 157 and 217m depth, this mineralisation is consistent with mineralisation within the Jinkas lode, and has a corresponding strong (552 Siemen) DHEM off-hole response. Assay results are pending for BSDD025.

Rifle Range Area

During the quarter Ausgold completed submissions to Government departments to gain access to the Rifle Range area immediately south of the Central Zone (Figure 4). The Company expects the access approval process to be completed during the March 2021 quarter.

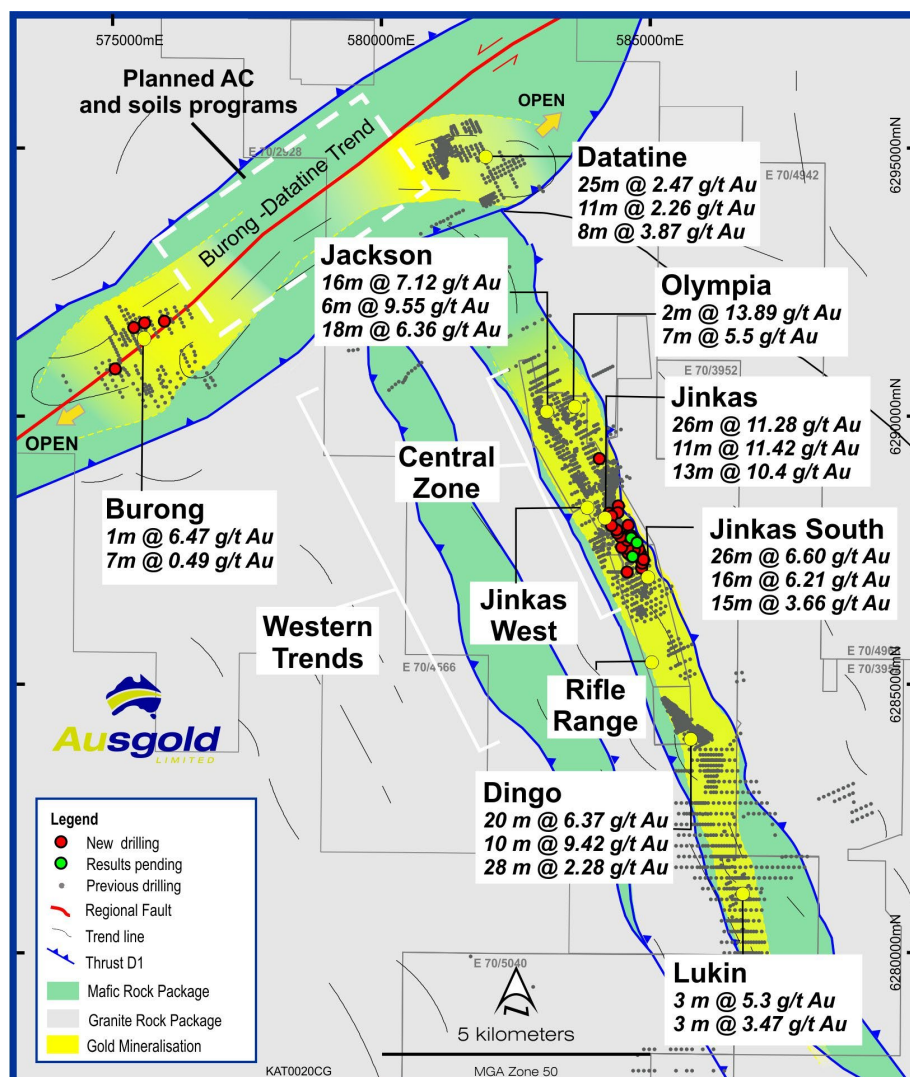


Figure 4 - Location of Central Zone, Burong and Western Trends

Katanning Regional

Ausgold's exploration tenements extend over 4,100 km² along a significant geological boundary which separates the Boddington and Lake Grace Terranes. The crustal scale faults along this boundary are the same as those that host the gold mineralisation within the KGP and are clearly visible in multiple geophysical datasets, including gravity and aeromagnetic.

Ausgold's geological interpretation of the region based on field mapping has provided a framework under which to conduct exploration. Combined with the significant geochemical database collected by Ausgold and historical data, this has enabled the identification of 42 new regional target areas (Figure 6). The Company continues targeted exploration programs, including surface sampling, to prioritise new targets for follow-up assessment. EIS co-funded drilling programs will commence on the Nanicup Bridge and Bullock Pool Prospects during the March quarter as well as further aircore programs at regional targets. (Figure 7)

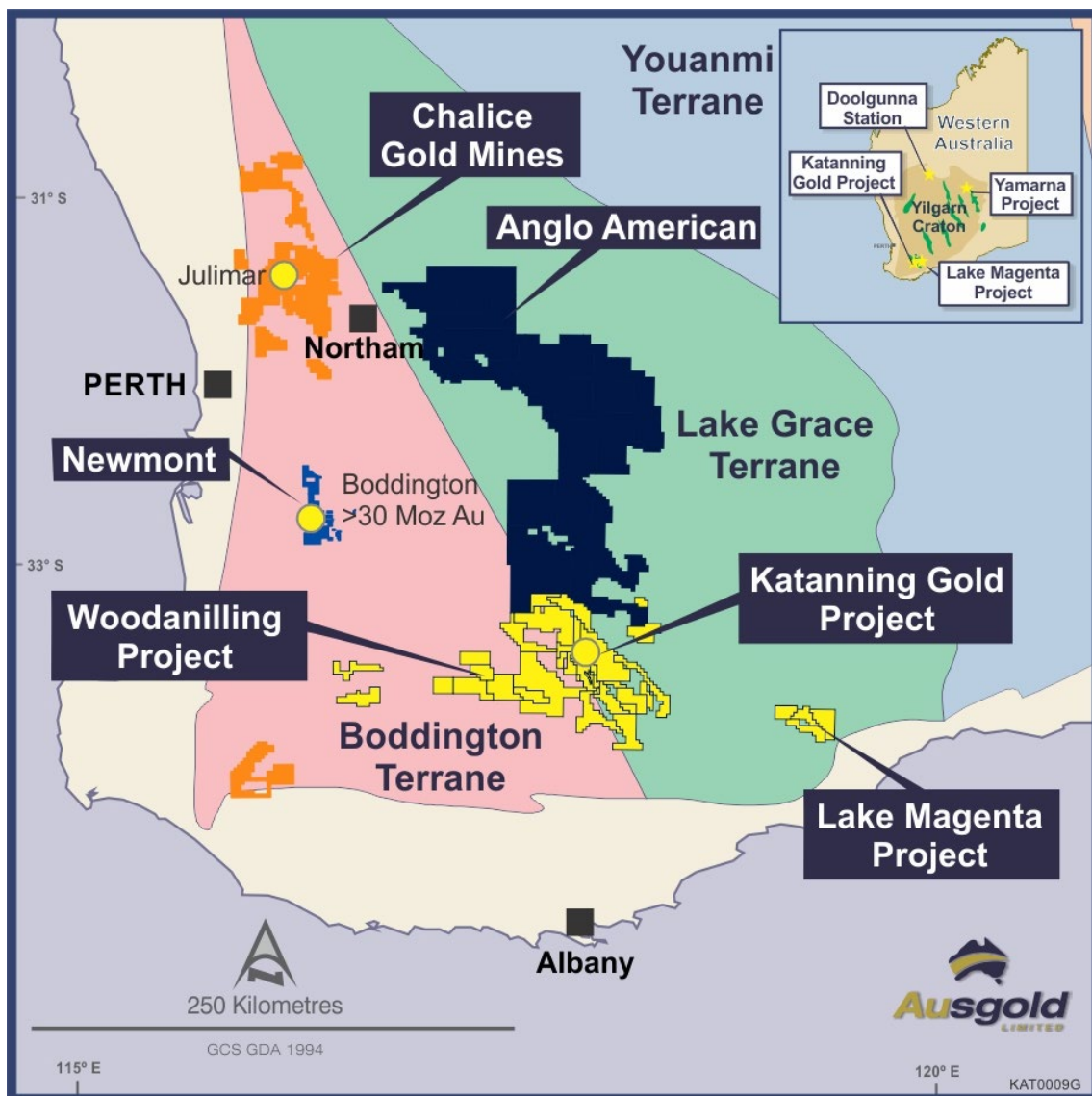


Figure 5 Ausgold's regional tenement location shown in yellow

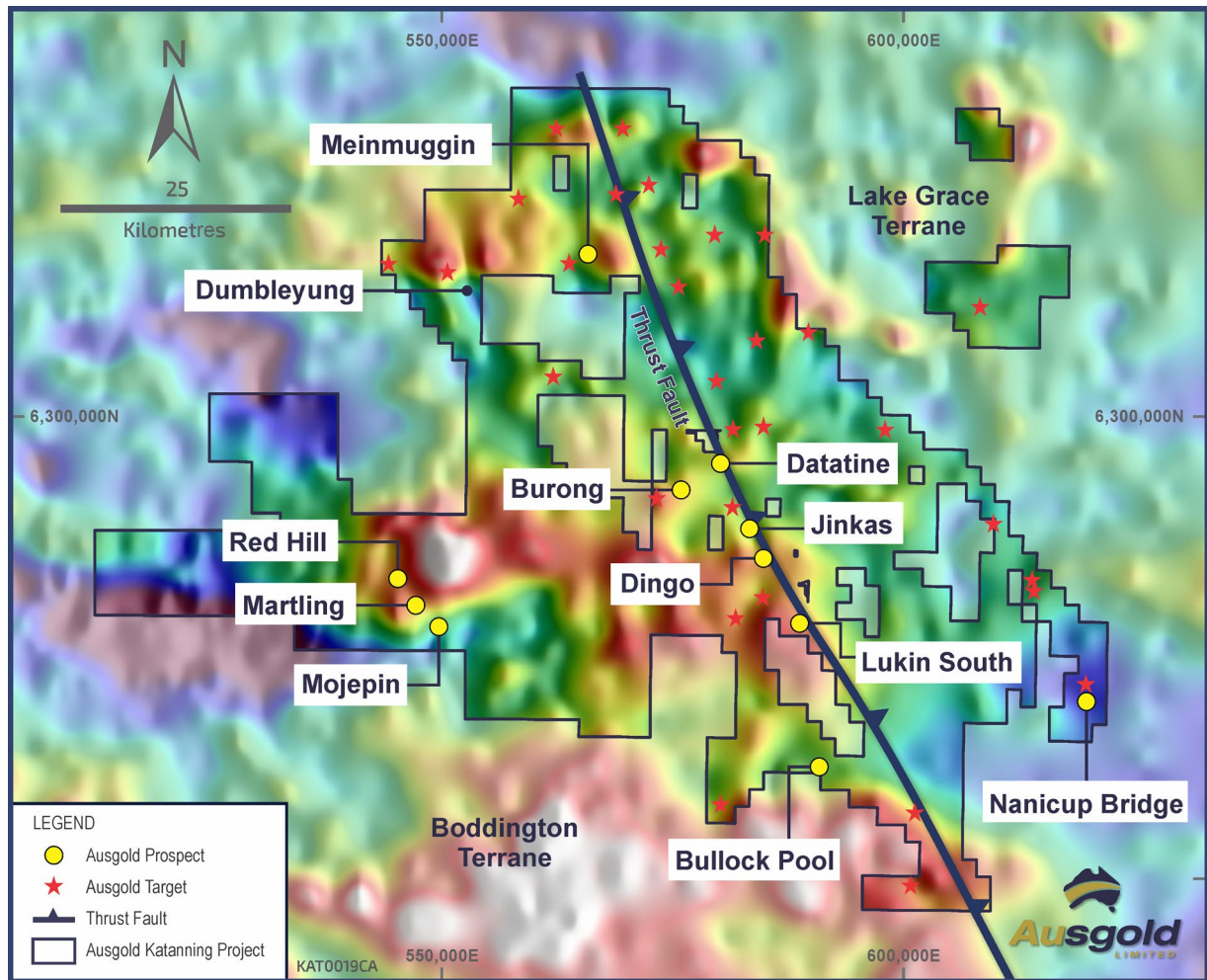


Figure 6 - Regional gold exploration targets within Ausgold's > 4,100 km² tenure

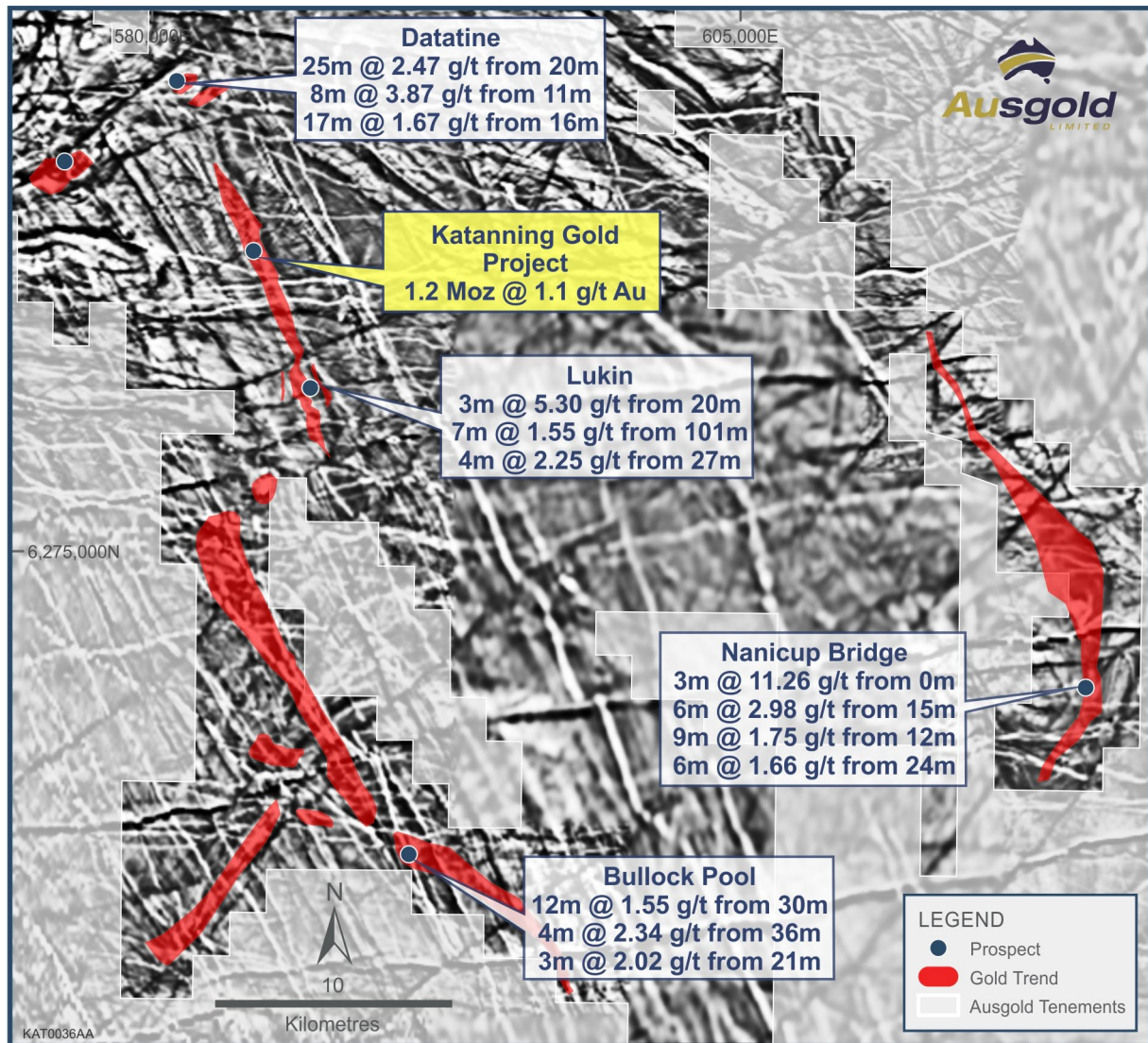


Figure 7 - Regional view of KGP and regional targets showing trend of mineralisation over aeromagnetic image

Lake Magenta Gold Project, WA

AUC interest 100%

The Lake Magenta Gold Project is located near the town of Jerramungup in the South West Yilgarn region of Western Australia. The project comprises E70/5044, E70/5285 and applications 70/5688 and 70/5689 covering a total area of 378 km².

Previous exploration by Dominion Mining Limited in the early 2000s has outlined a large gold-in-soil anomaly with a strike length of over 17kms which is coincident with a major arcuate structure identified in detailed airborne magnetics and regional gravity (Figure 8). This regional-scale fold, which is interpreted as a control on gold mineralisation, is truncated by the Yandina Shear Zone. This deep-seated structure is known to host several significant gold deposits, including Tampia (Ramelius) and Griffins Find.

Prior drilling has outlined a continuous zone of bedrock mineralisation along the length of the anomaly. Widely-spaced drilling has confirmed that gold mineralisation extends at depth. During the quarter Ausgold completed a site visit and commenced landowner access discussions to enable initial field work to commence. Reprocessing of geophysics to enable a re-interpretation of the geology has been completed, with a gravity survey planned in the March quarter to support drill planning of this large gold anomaly.

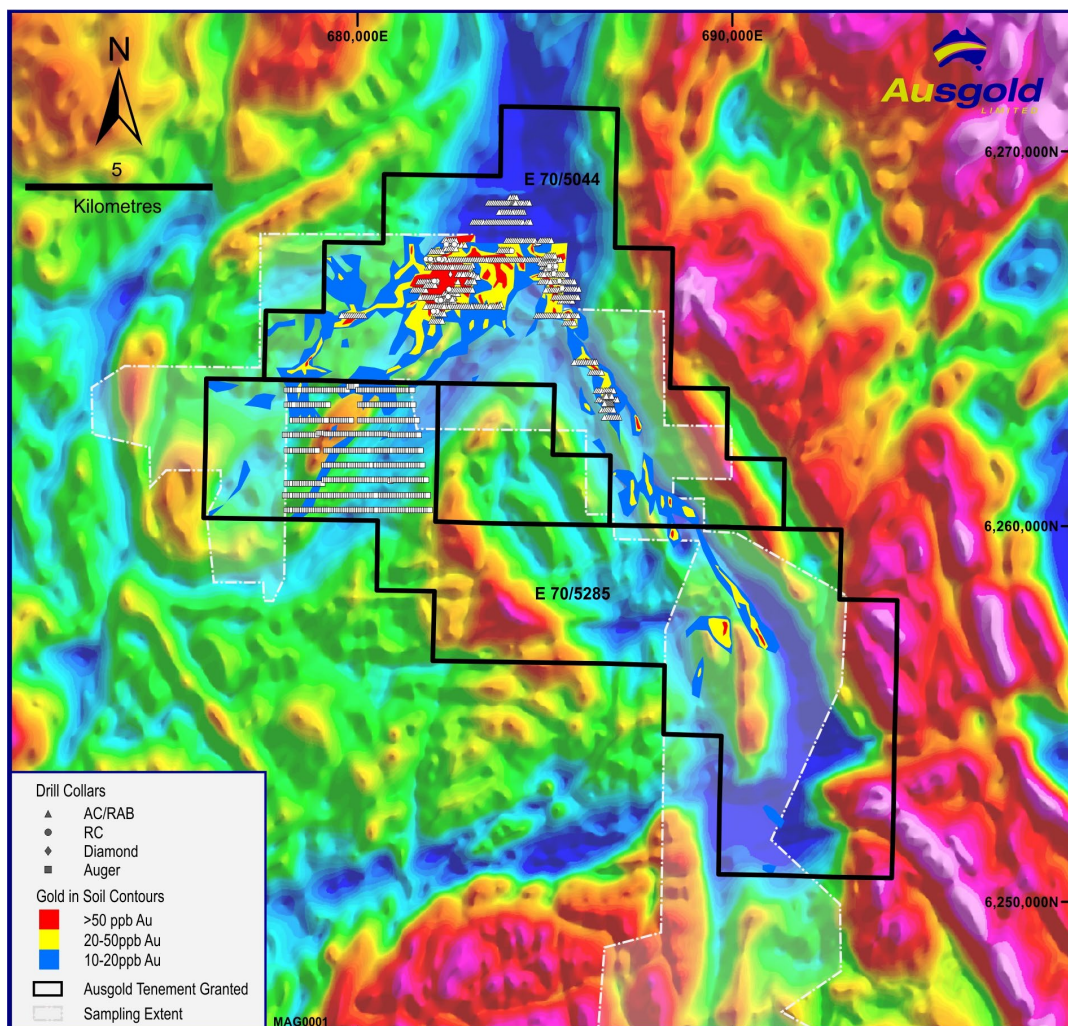


Figure 8 – Lake Magenta Project showing contoured gold in-soil anomaly and drilling extent over TMI magnetic image.

Woodanilling Project, WA

AUC interest 100%

The Woodanilling Project (“Woodanilling”), formerly named the Red Hill Project lies 20km north of Katanning, located 240km southeast of Perth, Western Australia. The project comprises four granted exploration licences and six new exploration licence applications for a total area of 1,532 km².

Woodanilling is a layered mafic intrusion complex with extensive past exploration including soil sampling and drilling to test vanadium and PGEs within the project area. The Project includes the Mine Hill (E70/4863), Red Hill (E70/5142), Kalang (E70/5142) and Martling (E70/5142) prospects. Past exploration includes 108 RC and six diamond drill holes which have intersected significant widths of vanadium (V₂O₅) mineralisation from surface, with thicknesses of up to 60m and multiple zones of mineralisation identified (Figure 9).

In light of the recent Julimar discovery by Chalice Mining Limited a review of previous work has identified four priority areas of anomalous copper – chrome – gold - PGE (up to 0.04 – 0.07 ppm Pd and 0.03 – 0.05 ppm Pt in 08KTR077).

Funding for \$150,000 under the Western Australian Government’s Exploration Incentive Scheme (EIS) round 20 was awarded to Ausgold to test five areas within the Woodanilling Intrusive complex, which includes the Red Hill and Mine Hill prospects, and three coincident geochemical and geophysical targets. Results pending for 17 RC drill holes for 2,540 m and two diamond drill holes for 220m drilled within the Woodanilling intrusive complex during December (Figure 9). A follow-up program of moving loop and DHEM surveys is underway to test disseminated pyrrhotite, magnetite and chalcopyrite identified within drilling at Red Hill and Mine Hill.

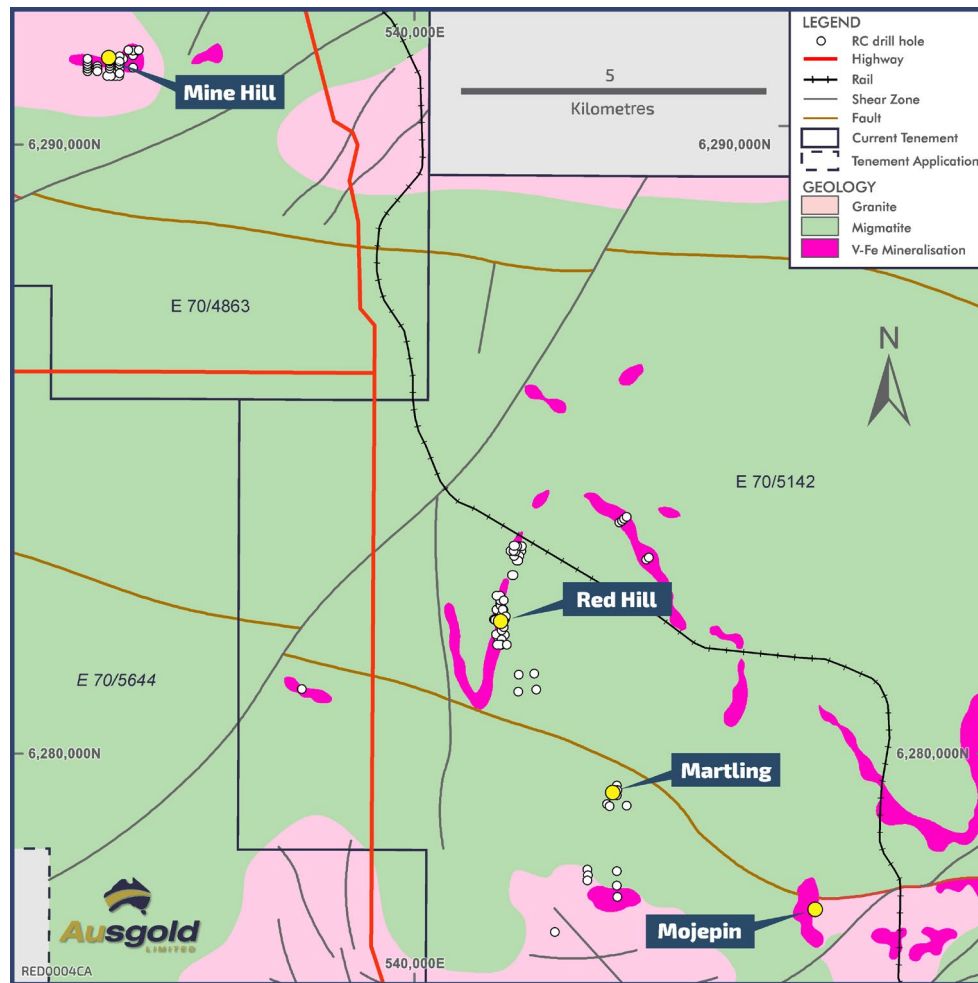


Figure 9 – New drill collars at the Woodanilling Project

Doolgunna Station JV, WA

AUC interest 100%

Ausgold entered into a Farm-in Agreement with AIC Mines Limited (“AIC”) (ASX:A1M) in 2018 over the Doolgunna Station Project, located 150km north-east of Meekatharra in Western Australia’s Bryah Basin. The project comprises E52/3031 covering 176km² and is located approximately 10km to the west and along trend from the DeGrussa copper-gold operations of Sandfire Resources N.L.

Under the terms of the Agreement AIC has the right to earn a 70% interest in the project by spending a minimum of \$2,150,000. After the spending commitment is met, Ausgold can either retain a 30% contributing interest or reduce to a 20% interest free-carried until a decision to mine.

At Doolgunna, the presence of the prospective Karalundi sequence, host to the DeGrussa and Monty Cu-Au mines, has been confirmed over a strike length of approximately 5 kilometres and of substantial but unknown thickness. The base of the Karalundi sequence at Doolgunna remains untested, the base is the position of the DeGrussa Cu-Au deposit in the sequence.

A heritage survey by the traditional landowners was completed during the December 2020 quarter providing access to the area. DHEM geophysical surveys of existing holes (drilled in 2018) are planned, subject to contractor availability.

Yamarna Project JV, WA

AUC interest 25%

Ausgold has entered a Farm-in and Joint Venture Agreement with Great Boulder Resources Limited (ASX:GBR) (“Great Boulder”) with respect to the Company’s Yamarna Project (the “Project”). The Project includes the highly prospective Winchester nickel-copper prospect, located 125 km northeast of Laverton in Western Australia.

Under the terms of the Agreement, Great Boulder has a 75% interest in the Project and Ausgold has retained a 25% free-carried interest in the Project until a decision to mine. The Project, which is located 40km north along strike from Great Boulder’s Mt Venn Project, comprises exploration licence E38/2129 located in the northern Mt Venn Greenstone Belt.

Great Boulder reported that it planned to commence a nickel exploration program during the coming quarter with a combination of extensional exploration at the Winchester Prospect plus regional reconnaissance on other nearby prospects.

Cracow Project, QLD

AUC interest 100%

Ausgold holds exploration licence EPM 17054 covering approximately 202km² in the Cracow region, 375km north-west of Brisbane, Queensland. The tenement covers extensive areas of the Camboon volcanics, which host the multi-million ounce Cracow epithermal gold deposit. No significant fieldwork was undertaken on this project during the quarter.

COVID 19 UPDATE

Ausgold is adhering to the formal guidance provided by State and Federal health authorities by implementing measures to minimise the risk of infection and transmission of the coronavirus. At this stage, the impact on the Company's activities has not been significant and based on their experience to date the Directors expect this to remain the case. The Company will continue to follow the various government policies and advice and, in parallel, will do its utmost to continue its operations in the best and safest way possible without jeopardising the health of its staff.

CORPORATE

Appendix 3B

As at 31 December 2020, Ausgold held \$2,825,000 in cash and \$85,750 in listed investments.

During the quarter, the Company spent \$2,164,000 on exploration activities, \$133,000 on staff costs, \$336,000 on corporate and administration costs and \$134,000 on capital equipment.

Payments to related parties and their associates totalled \$185,827 for the quarter, consisting of Executive Directors' salaries including superannuation and non-executive Director fees totalling \$152,207 and office lease and facilities at cost, totalling \$33,620.

Share Capital

As at 31 December 2020 Ausgold had on issue 1,300,349,541 fully paid ordinary shares, 87,000,000 performance rights and 3,700,000 unlisted options with various strikes prices and expiry dates.

The Board of Directors of Ausgold Limited approved this quarterly report and Appendix 5B for release to ASX.

For further information please visit Ausgold's website or contact:

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E: investor@ausgoldlimited.com

Competent Person's Statements

The information in this statement that relates to the Mineral Resource Estimates is based on work done by Mr Michael Lowry of SRK Consulting (Australasia) Pty Ltd and Dr Matthew Greentree of Ausgold Limited. 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. Mr Michael Lowry takes responsibility for the Mineral Resource Estimate.

Mr Lowry 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).

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 report includes "forward-looking statements" within the meaning of that term in the 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 report, 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 report is not intended to be a forecast. It is in the nature of 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.

SCHEDULE OF MINERAL TENEMENT INTERESTS

Summary of mining and exploration tenements as at 31 December 2020

State	Tenement	Tenement status	Grant date	Project	Interest %
Western Australia Tenements					
WA	E38/2129	Granted	13 October 2008	Yamarna	25%
WA	E38/3311	Application	-	Yamarna	100%
WA	E52/3031	Granted	4 February 2014	Doolgunna	100%
WA	E70/3952	Granted	18 January 2011	Katanning Regional	100%
WA	E70/4392	Granted	25 March 2013	Katanning Regional	100%
WA	E70/4566	Granted	12 August 2014	Katanning Regional	100%
WA	E70/4604	Granted	13 January 2015	Katanning Regional	100%
WA	E70/4605	Granted	13 January 2015	Katanning Regional	100%
WA	E70/4682	Granted	28 July 2015	Katanning Regional	100%
WA	E70/4728	Granted	8 January 2016	Katanning Regional	100%
WA	E70/4865	Granted	10 January 2017	Katanning Regional	100%
WA	E70/4866	Granted	10 January 2017	Katanning Regional	100%
WA	E70/4896	Granted	9 March 2017	Katanning Regional	100%
WA	E70/4907	Granted	11 April 2017	Katanning Regional	100%
WA	E70/4908	Granted	3 May 2017	Katanning Regional	100%
WA	E70/4942	Granted	21 August 2017	Katanning Regional	100%
WA	E70/4947	Granted	6 November 2017	Katanning Regional	100%
WA	E70/4958	Granted	18 April 2018	Katanning Regional	100%
WA	E70/4959	Granted	11 April 2018	Katanning Regional	100%
WA	E70/4968	Granted	4 January 2018	Katanning Regional	100%
WA	E70/5040	Granted	14 June 2018	Katanning Regional	100%
WA	E70/5042	Granted	14 June 2018	Katanning Regional	100%
WA	E70/5043	Granted	14 June 2018	Katanning Regional	100%
WA	G70/84	Granted	13 June 1989	Katanning Gold Project	100%
WA	G70/85	Granted	13 June 1989	Katanning Gold Project	100%
WA	L70/13	Granted	24 May 1989	Katanning Gold Project	100%
WA	L70/32	Granted	11 December 1995	Katanning Gold Project	100%
WA	L70/33	Granted	11 December 1995	Katanning Gold Project	100%
WA	E70/2928	Granted	26 November 2008	Katanning Gold Project	100%
WA	M70/210	Granted	28 March 1985	Katanning Gold Project	100%
WA	M70/211	Granted	28 March 1985	Katanning Gold Project	100%
WA	M70/488	Granted	19 April 1994	Katanning Gold Project	100%
WA	E70/5044	Granted	14 June 2018	Lake Magenta	100%
WA	E70/5285	Granted	29 October 2019	Lake Magenta	100%
WA	E70/5688	Application	-	Lake Magenta	100%
WA	E70/5689	Application	-	Lake Magenta	100%
WA	E70/4863	Granted	10 January 2017	Woodanilling	100%
WA	E70/4864	Granted	10 January 2017	Woodanilling	100%
WA	E70/5142	Granted	7 April 2019	Woodanilling	100%
WA	E70/5223	Granted	5 July 2019	Woodanilling	100%
WA	E70/5642	Application	-	Woodanilling	100%
WA	E70/5643	Application	-	Woodanilling	100%
WA	E70/5644	Application	-	Woodanilling	100%

WA	E70/5655	Application	-	Woodanilling	100%
WA	E70/5656	Application	-	Woodanilling	100%
WA	E70/5681	Application	-	Woodanilling	100%

Queensland Tenement

QLD	EPM17054	Granted	26 November 2010	Cracow	100%
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APPENDIX 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Ausgold Limited

ABN

67 140 164 496

Quarter ended ("current quarter")

31 December 2020

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation (if expensed)	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(133)	(249)
	(e) administration and corporate costs	(336)	(489)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	13	51
1.8	Other (provide details if material)		
	- Diesel Fuel Rebate	62	62
	- EIS funding	17	17
1.9	Net cash from / (used in) operating activities	(377)	(608)
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(134)	(184)
	(d) exploration & evaluation (if capitalised)	(2,164)	(3,330)
	(e) investments	-	(11)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	(f) other non-current assets	-	-
	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(2,298)	(3,525)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	6,349
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(395)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(12)	(22)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	(12)	5,932
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	5,512	1,026
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(377)	(608)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2,298)	(3,525)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(12)	5,932
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	2,825	2,825

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	2,810	5,497
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other – term deposits	15	15
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,825	5,512

6. Payments to related parties of the entity and their associates

	Current quarter \$A'000
6.1 Aggregate amount of payments to related parties and their associates included in item 1	186
6.2 Aggregate amount of payments to related parties and their associates included in item 2	-

The related party transactions refer to the use of premises and associated facilities at cost, directors fees to non-executive directors and salaries of executive directors.

7. Financing facilities		Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>			
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>			
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (Item 1.9)	(608)
8.2	Capitalised exploration & evaluation (Item 2.1(d))	(2,164)
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	(2,772)
8.4	Cash and cash equivalents at quarter end (Item 4.6)	2,825
8.5	Unused finance facilities available at quarter end (Item 7.5)	-
8.6	Total available funding (Item 8.4 + Item 8.5)	2,825
8.7	Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	1

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: Yes, the Company expects to maintain the current level of net operating cash flows.

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: The Company plans to raise additional working capital to fund its drilling programs at the Katanning Gold Project and provide additional working capital, the Directors are very confident that a future capital raising will be successful.

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: The Company will continue its current operations primarily at the Katanning Gold Project where resource definition drilling will continue leading to an upgrade of the current resource during the March 2021 quarter, together with the commencement of drilling programs at a number of regional gold targets including Nanicip Bridge, Bullock Pool, Burong and the Lukin Prospect.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: **29 January 2021**

Authorised by: **By the Board**
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.