Woodanilling drilling intersects Copper-Silver-Gold mineralisation

Highlights:

- **High-grade Copper – Silver-Gold mineralisation intersected at Mine Hill, with results including:**
  - *1.95m @ 3.47 g/t Ag and 0.37% Cu, Including 0.45m @ 12.2 g/t Ag, 1.37 % Cu and 0.14 g/t Au from 58m*
  - *4m @ 1.8 g/t Ag and 0.11 g/t Au from 0m*
  - *Semi-massive sulphides anomalous in Cu, Ag, Au, Bi, Ca, Co, Mo, Rh, Ti and Zn*
- **Elevated Platinum and Palladium grades along Red Hill – Martling trend**
  - *Anomalous Pt-Pd intersected over a 6km strike length with peak values of 74 ppb Pt and 62ppb Pd in drilling*
  - *Broad zone of anomalous PGE, gold and copper associated with disseminated magmatic pyrrhotite and semi-massive chalcopyrite*
- **Assessment of results and targeting underway**

Ausgold Limited (ASX: AUC) (**Ausgold** or the **Company**) is pleased to provide an update on exploration activities at the 100%-owned Woodanilling Project which lies 20km north of Katanning, located 240km southeast of Perth, Western Australia.

Past exploration at Woodanilling has targeted layered vanadium – magnetite mineralisation associated with a large complex of gabbroic intrusions. A review of this earlier work has identified four priority areas with anomalous copper – chrome – gold – PGE in auger and past drilling. Ausgold completed a program of 17 RC drill holes for 2,540m and two diamond drill holes for 220m, partly funded by the Western Australian Government's Exploration Incentive Scheme (EIS) Round 20 (Table 1).

Management Comment

Ausgold Managing Director, Matthew Greentree, commented:

"The recent re-evaluation of the Woodanilling Project's new exploration drilling has identified potential for a significant mineralised system at Mine Hill, the first hole within the Project having 1.3% copper and 12.6g/t silver with elevated gold, zinc bismuth, cadmium, cobalt, titanium and zinc. This style of mineralisation has not been previously reported in the area and has the potential to add meaningful scale to Ausgold's portfolio.

Drilling at the Red Hill – Martling areas has intersected gabbros which are enriched platinum and palladium (up to 67 ppb Pd). The highest grades are associated with pyrrhotite and chalcopyrite in RC and diamond drilling which has been conducted over a 6km strike length. This first phase of exploration drilling has shown the Woodanilling layered intrusive complex to be highly enriched in metals including copper, silver, and gold and has potential for PGE mineralisation with further evaluation of this area which is currently underway".

"Woodanilling is a prospective addition to Ausgold's exploration portfolio in the Katanning Region. Our main focus is our 100% owned Katanning Gold Project, where Ausgold is finalising the upgraded Resource estimate to be announced early in the coming week."

Mine Hill copper-silver-gold mineralisation

Diamond hole RHDD001 drilled for 180.6m at Mine Hill, near to historic gold workings intersected a high-grade zone of copper – silver – gold mineralisation. Mineralisation occurs in two near surface zones with semi-massive sulphides including pyrrhotite, chalcopyrite, pyrite and rare trace molybdenite.

Significant intercepts include:

- *1.95m @ 6.65 g/t Ag and 0.70% Cu, including 0.45m @ 12.2 g/t Ag, 1.37 % Cu and 0.14 g/t Au from 56.05m*
- *4m @ 1.8 g/t Ag and 0.11 g/t Au from 0m*

High-grade Ag-Cu intercepts occur within a broad zone of lower grade mineralisation which extends for over 34.75m and is associated with disseminated sulphides including pyrrhotite, pyrite and molybdenite with elevated values for Cu, Ag, Au, Bi, Ca, Co, Mo, Rh, Ti and Zn. Mineralisation is hosted within a gabbro with the highest grades being along the contact with a granite. Within these gabbros elevated V_2O_5 -and TiO2 was intercepted with 24.1m @ 0.22% V_2O_5 and 4.23% TiO_2 from 131.5m, including 3.3m 0.71% V_2O_5 and 12.37% TiO_2 from 145.8m.

This new drilling has demonstrated a new style of mineralisation which may have more regional implications. Ausgold is currently reviewing the recent drill results and ground-based geophysics to develop and prioritise new drill targets.

Regional Ni-PGE targets

New drilling by Ausgold (16 holes for 2,581m) has tested three targets identified from anomalous nickel, copper and chromium in surface geochemistry, showing the presence of layered mafic intrusive rocks and elevated PGE's in past drilling. The enrichment of Cr – Ni and Cu in soils was used to identify ultramafic portions of the Woodanilling layered intrusion, which are the likely hosts for potential Ni-PGE mineralisation. A broad zone over 6km of strike length with anomalous Pt – Pd is enriched in Cr, Cu and Mo, with magmatic chalcopyrite and pyrrhotite noted within a coarse-grained gabbroic rock at Red Hill.

Martling

Nine RC holes for 1,117m were drilled to target anomalous Cu, Ni and Cr values in historical auger soils and to test an area with strongly anomalous platinum (up to 45 ppb Pt) and palladium (up to 50 ppb Pd) over 56m down hole in historical drilling (drill hole 08KTR077 – ASX Release 13 December 2018). New RC drill hole RHRC009 has intersected this same zone of enriched PGE – Cu with disseminated sulphides including pyrrhotite and pyrite over a total depth of 73m and elevated Pt (up to 48 ppb) and Pd (up to 62 ppb), Ni, Cr (800 - 980ppm).

Red Hill

Eight RC holes at the Red Hill (RHRC011 - 16) drilled for 1,335m and one 70.2 m diamond tail (RHR016D). Ausgold's drilling has targeted areas with potential ultramafic rocks, focusing on areas with high Cr values (800 - 980ppm) identified in historical auger sampling. New drilling intersected biotite - garnet gneiss, gabbro and minor granites with the gneissic unit contained relatively high levels of chromium up to 571 ppm.

Hole RHRC014 diamond tail was drilled from 180 to 250.2m which intersected coarse grained ferro-gabbro. Sulphides were intersected in the diamond tail between 129-135m and at 179.9m with a 2cm wide sulphide bands which include chalcopyrite and pyrrhotite intersected within a coarse-grained gabbro.

Wilhelm's Hill

One RC hole for 200m RHRC017 was drilled to test a geophysical (aeromagnetic) target 3.5km west of Red Hill. The target is a modest-sized gabbro sill with drilling intersecting almost 200m of gabbro.

Although the palladium and platinum values in RHRC009 are not of economic grade they are highly anomalous compared to average gabbroic values (typically gabbro has less than 10ppb Pt and Pd). The enrichment of Pt-Pd along with the presence of magmatic sulphides justify further work in this area.

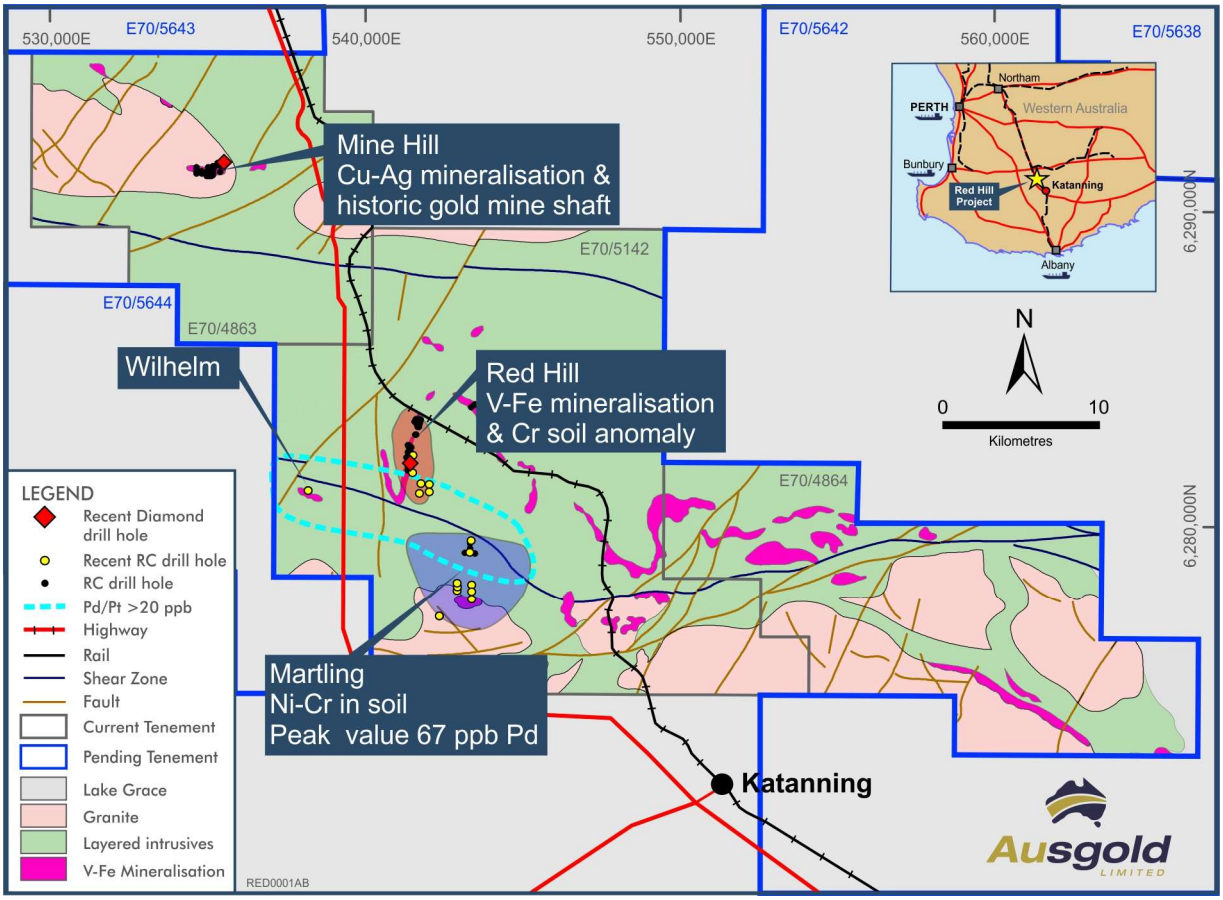

Figure 1 – Geological overview map of the Woodanilling Project

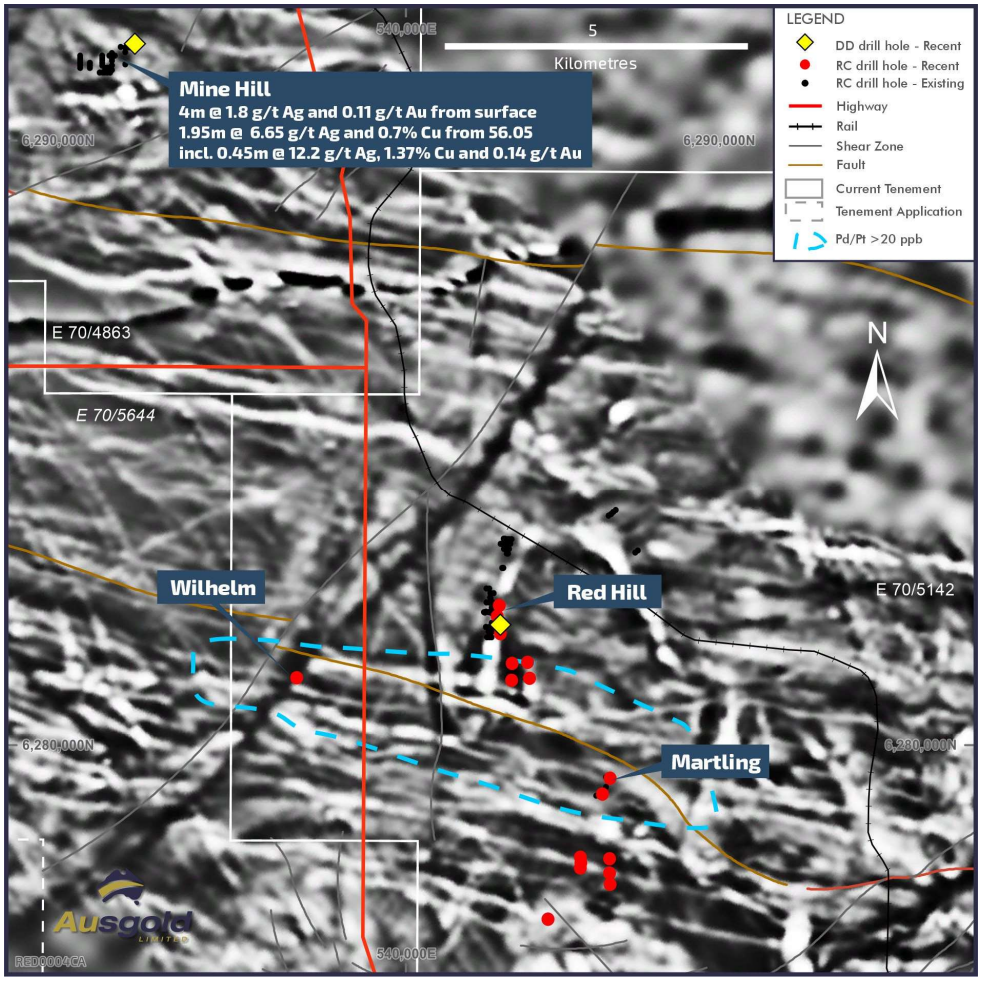

Figure 2 - Location of new drilling shown with 1VD aeromagnetic image

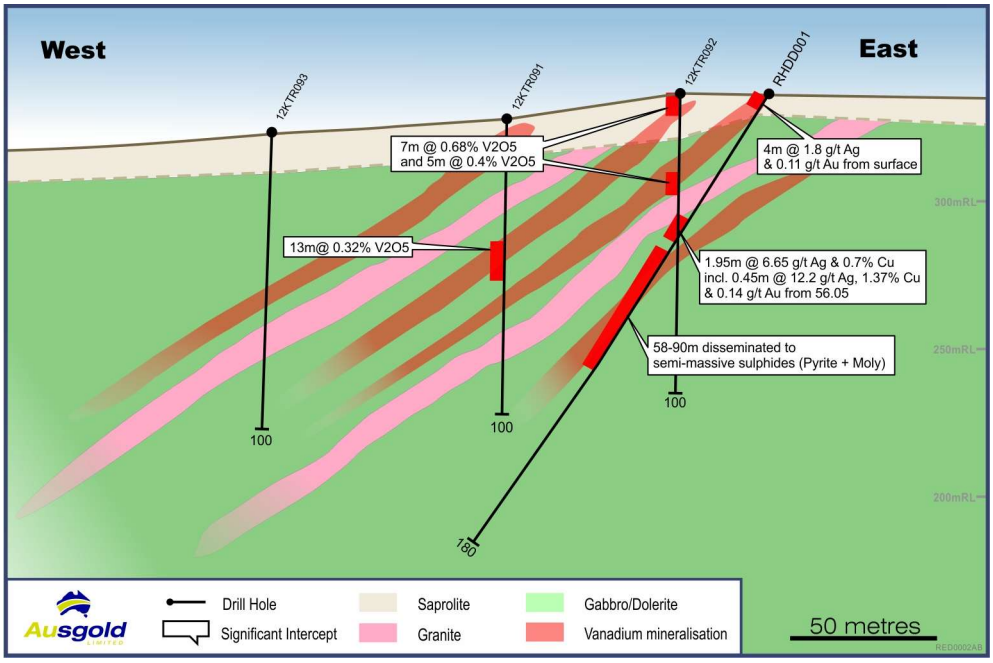

Figure 3 Cross-section Mine Hill

Table 1 – Drill hole Collar locations

Hole ID	Total Depth (m)	MGA East	MGA North	RL (m)	Azimuth	Dip	Tenement	Prospect	Drill type
RHRC001	150.0	542,306	6,277,071	360	001	-61	E70/5142	Martling	RC
RHRC002	102.0	543,314	6,278,071	343	358	-61	E70/5142	Martling	RC
RHRC003	150.0	543,324	6,277,643	354	359	-61	E70/5142	Martling	RC
RHRC004	150.0	543,321	6,277,835	343	358	-61	E70/5142	Martling	RC
RHRC005	84.0	542,837	6,278,098	340	003	-61	E70/5142	Martling	RC
RHRC006	90.0	542,841	6,278,002	341	001	-61	E70/5142	Martling	RC
RHRC007	150.0	542,838	6,277919	339	358	-61	E70/5142	Martling	RC
RHRC008	150.0	543,326	6,279,399	366	64	-60	E70/5142	Martling	RC
RHRC009	150.0	543,197	6,279,139	327	43	-61	E70/5142	Martling	RC
RHRC010	204.0	541,708	6,281,300	331	182	-61	E70/5142	Red Hill	RC
RHRC011	120.0	541,964	6,281,310	323	270	-60	E70/5142	Red Hill	RC
RHRC012	121.0	541,994	6,281,047	335	268	-60	E70/5142	Red Hill	RC
RHRC013	204.0	541,703	6,281,019	339	358	-60	E70/5142	Red Hill	RC
RHRC014	250.2	541,513	6,281,791	339	270	-60	E70/5142	Red Hill	RCD
RHRC015	150.0	541,463	6,282,077	337	269	-59	E70/5142	Red Hill	RC
RHRC016	156.0	541,496	6,282,251	321	271	-61	E70/5142	Red Hill	RC
RHRC017	200.0	538,150	6,281,063	313	180	-60	E70/5142	Wilhelms Hill	RC
RHDD001	180.6	535,479	6,291,550	345	272	-58	E70/4863	Mine Hill	DDH

About Ausgold Limited

Ausgold Limited 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 1.2 Moz gold (Table 2).

Ausgold's portfolio also includes the Woodanilling Project, the Lake Magenta Gold Project, the Doolgunna Station Cu-Au project and the Yamarna Ni-Cu-Co project in Western Australia and the Cracow Au Project in Queensland.

Table 2 - Current Mineral Resource
(Details in ASX release 1 November 2019)

	Tonnes (Mt)	Grade (g/t)	Ounces ('000)
Measured	2.26	2.05	149
Indicated	11.99	1.14	441
Inferred	19.68	0.97	611
Total	**33.93**	**1.10**	**1,201**

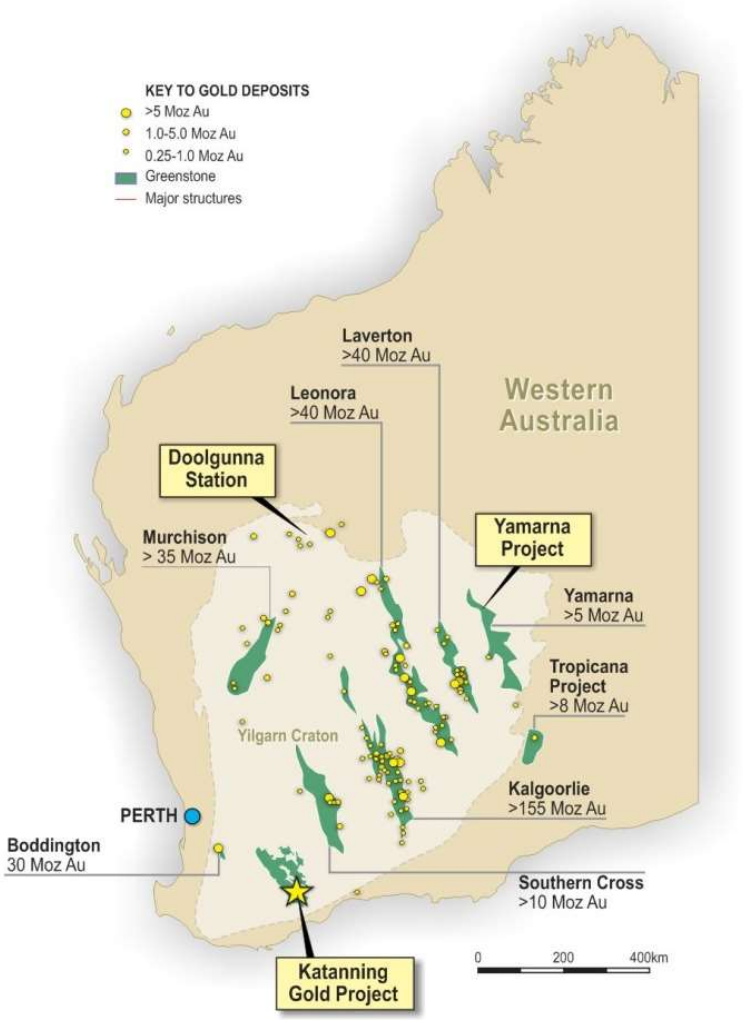

Figure 4 - Regional map showing the KGP, other Ausgold projects and mineralised greenstone belts

The information in this report that relates to the Mineral Resource in Table 2 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.

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

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 interests associated with Dr Greentree hold shares and performance rights issued by 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. 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).

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.

APPENDIX 1 – TABLE 2

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1m samples from which 3kg was pulverised to produce a 30g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.*	The reverse circulation ("RC") drilling program referred to in this announcement consisted of 17 reverse circulation holes for 2,511m with one diamond tail for 70m (RHRC017) and 1 diamond drill hole for 180.6m tail. Samples from RC drilling were composited into three metre intervals in mineralised zones bagged in pre-numbered calico bags and the remainder retained in large plastic bags. QAQC samples consisting of field duplicates (additional split from RC), with standards and blanks inserted into the sequence of assay samples at a rate of 1 in 10. Each RC metre sampled weighed approximately 2 to 3 kilograms. All RC samples were sent to SGS Laboratories for crushing and pulverising to produce a 30 gram sample charge for analysis by fire assay and flame atomic absorption spectrometry (AAS). HQ Diamond drill core was split using a diamond bladed saw into half core to be sent to the Geological Survey of Western Australia as per the EIS agreement. The remaining half core was split again into quarter core, with one quarter being sent for assay and the remaining quarter retained on site. 25 g charge underwent a four acid digestion (total digest) and analysis by ICP-OES and ICP-MS for 63 elements (Ag, Al, As, Ba, Bi, Ca, Cd, Ce, Co, Cr, Cs, Cu, Dy, Er, Eu, Fe, Ga, Gd, Hf, Hg, Ho, In, K, La, Li, Lu, Mg, Mn, Mo, Na, Nb, Nd, Ni, P, Pb, Pd, Pr, Pt, Rb, Re, S, Sb, Sc, Se, Sm, Sn, Sr, Ta, Tb, Te, Th, Ti, Tl, Tm, U, V, W, Y, Yb, Zn, Zr). Au - Pt - Pd was analysed from a separate 30g charge and using fire assay.
Drilling techniques	• *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	Drilling was conducted using a Top Drill truck mounted 650 schramm reverse circulation drill rig and Diamond drilling was conducted with a truck mounted Evolution FH3000 diamond drill rig.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.*	Samples were collected dry with occasional damp samples, sample recoveries were visually estimated as a semi-quantitative range and recorded in the log. Recoveries were generally excellent (>90%), with reduced recovery in the initial near- surface sample and transported cover material.

Criteria	JORC Code explanation	Commentary
	• *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	Drill cyclone and sample bags were used to collect the 1m samples and cleaned between rod changes. In addition, the cyclone was generally cleaned several times during each hole (at the base of transported cover and the base of completed oxidation) and after each hole to minimise downhole and/or cross- hole contamination. The relationship between sample recovery and grade and whether bias has been introduced has not been investigated at this stage.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	All drill holes in the current program have been geologically logged to a level of detail to support the definition of geological domains appropriate to support exploration work. The 3m composite sample is appropriate for early stage exploration. Representative rock chips were collected in chip trays and logged by the geologist at the drill site. Sample condition and degree of weathering were recorded qualitatively; geotechnical logging is not possible on RC samples. Lithology, weathering (oxidation state), structure, veining, mineralisation and alteration are recorded in detail using standard digital logging sheets and defined look up tables to ensure that all data is collected consistently. This data is logged using tablet computers. All data is validated by the logging geologist before being entered in an acQuire database. All drill holes are logged.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	Dry samples where speared to obtain representative 3m samples. The samples were recorded as dry, damp or wet. Sample duplicates were obtained by repeating the composite sampling process. All RC and diamond samples were sorted, dried, crushed to 10mm, pulverised to -75µm, split to produce a 30 g charge for fire assay.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument*	The Au – Pt – Pd was determined using a 30 g charge using fire assay (PGM-MS23 FA ICP-MS). For QAQC samples, a sequence of matrix matched certified reference materials, commercial certified reference materials and blanks were inserted into the sample run at a frequency of approximately one in 14 samples. Sample sizes are considered to be appropriate for the style/texture of oxide and sulphide mineralisation at the Woodanilling Project.

Criteria	JORC Code explanation	Commentary
	make and model, reading times, calibrations factors applied and their derivation, etc. • *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	CRM's, field duplicates, blanks and standards were inserted approximately every 10m. Blank samples are inserted to check for contamination in field sampling, laboratory sample preparation and analysis. The blank material used should be below detection limits. The NPGE standards were sourced from Ore Research Pty Ltd PGE certified values ranging between 0.125 ppm and 0.86 ppm Pt; 0.125 – 0.45 ppm Pd and Standard reference materials are used to check accuracy and bias of the analytical method. The results were similar to the standard concentration for the specific standard. QAQC samples were monitored on a batch-by-batch basis. An assay batch is accepted if the blank samples are within the acceptable limits (5 times the lower detection limit) and the standards are within the + 3SD (standard deviations). One failed standard can cause rejection if the results around the failed standard are not in the normal grade range. A batch is also re-assayed when assay results from two or more standards are outside the acceptable limits. The inserted blank materials did not show any consistent issues with sample contamination. 100% of the PGM standards assays were within acceptable limits with no low or high bias. The performance of field duplicates in RC samples is generally reasonable and the variations are related to the style of mineralisation. ALS also insert QAQC samples to internally test the quality of the analysis. These results are received with the assay results in each batch. The SGS QAQC included standards, blanks and duplicates for independent quality control. The results of the lab standards were also monitored on a batch to batch basis by the data geologist. The results did not show any issues with the laboratory. The sample sizes are considered to be appropriate to correctly give an accurate indication of mineralisation given the qualitative nature of the technique and the style of gold mineralisation sought.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	High standard QAQC procedures are in place), therefore repeatability issues from a QAQC point of view are not considered to be significant. Significant and/or unexpected intersections were reviewed by alternate company personnel through review of geological logging data, physical examination of remaining samples and review of digital geological interpretations. All assay data was accepted into the database as supplied by the laboratory. Data importation into the database is documented through standard operating procedures and is guided by acQuire import validations to prevent incorrect data capture/importation. Geological, structural and density determination data is directly captured in the database through a validation controlled interface using Toughbook computers and acquire database import validations. Primary data is stored in its source electronic form. Assay data is retained in both the original certificate (.pdf) form and the text files received from the laboratory. Data entry, validation and storage are discussed in the section on database integrity below. No adjustments to assay data were undertaken.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*	Drillhole collars (and drilling foresight/backsight pegs) were set out and picked up by Ausgold personnel using a differential GPS; which provided +/- 100 millimetre accuracy. The grid system is MGA94 datum, UTM zone 50. Elevation values were in AHD.

Criteria	JORC Code explanation	Commentary
	• *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	An end of hole gyroscopic drill hole survey was completed by the drilling contractors using a Reflex tool. The gyro measured the first shot at 0m followed by every 10m down-hole. The data was examined and validated onsite by the supervising geologist. Any surveys that were spurious were re-taken. Validated surveys are entered into the acQuire data base by data entry personnel. Ground gravity stations located using Real Time Kinematic GPS accuracy for detailed projects. (+/- 0.5m) Accurate heights and horizontal coordinates from Kinematic GPS Real Time Kinematic GPS is used. Raw GPS data is also collected which is post processed to attain the exact location and height of each gravity station. The Kinematic GPS roving receiver is lightweight and backpackable and can be easily removed from the vehicle if necessary. An accuracy the order +/- 5 cm is generally achieved relative to the local GDA94 and Australian Height Datum (AHD).
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	RC drilling was conducted on > 100mspacing. RC results reported are based on 3m composite samples. Diamond core is sampled based on geological units (< 1m) with ¼ Hq core sent to lab for analysis
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	Angled RC drilling (-60) with variable azimuth between 043 - 001° tested the interpreted gneissic foliation and dip of magnetite united as to minimise bias. At this stage primary mineralisation is assumed to have the same orientation as historic drilling in the area. The angled orientation of RC drilling may introduce sampling bias due to any unknown orientation of primary mineralisation/structures. This would be considered minimal as the mineralisation is largely foliation parallel.
Sample security	• *The measures taken to ensure sample security.*	RC samples are systematically numbered and placed in pre-printed (numbered) calico bags and placed into numbered polyweave bags which were tied securely and marked with flagging. Assay samples were stored at a dispatch area and dispatched, depending on the frequency of pickups and length of the program. Samples were shipped via Katanning Logistics directly to ALS in Perth. The sample dispatches were accompanied by supporting documentation signed by the geologist and showing the sample submission number, analysis suite and number of samples. The chain of custody is maintained by ALS once the samples are received on site and a full audit. Assay results are emailed to the responsible geology administrators in Perth and are loaded into the acQuire database through an automated process. QAQC on import is completed before the results are finalised.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	Before the commencement of the current RC program, the sampling process was fully reviewed and documented as a standard company process. A number of operational and technical adjustments were identified to improve validation of collected data, interpretation of data and management of QAQC practices. These improvements have been updated into standard operating procedures.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	Reported results are all from 100% owned Ausgold Exploration Pty Ltd Mining Tenements (wholly owned subsidiary of Ausgold Limited), including E70/4863, E70/5142, E70/4864, E70/5223. The land is used primarily for grazing and cropping. The tenements are in good standing, and all work is conducted under specific approvals from the Department of Mines and Petroleum ("DMP"). Apart from reserved areas, rights to surface land use are held under freehold titles. Ausgold has entered into access and compensation agreements with freehold landowners that permit exploration activities. Only registered Aboriginal Heritage Site 35607 known as "Boyerine Reserve Burial" which is located on the north eastern corner of E70/4863 occurs over the tenement package. This heritage site lies within a reserve as well. The following reserves occur on the tenement package and will limit / hinder exploration activities, R 28471, R 25243, R 25242, R 13145, and R 20987. The tenements also cover the following town sites which will limit / hinder exploration activities Woodanilling, Boyerine, Moojebing, and Pinwernying
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	Vanadium Mineralisation was first noted around 1930 in the Mine Hill area some 25km NW of Katanning. No other occurences of magnetite were recorded in the district until Otter Exploration geologists discovered titanifeous magnetite 6 km south east of Katanning in March 1980. Otter and AK Minerals (early 1980s):- which included ground and airborne magnetic surveys, geological mapping . The airborne survey helped to outline magnetic anomalies at Martling Farm, Mine Hill and Red Hill. A drilling programme was carried out at Red Hill by AK Minerals but attempts by Accent Resources NL to locate

Criteria	JORC Code explanation	Commentary
		the drill logs and assay results have yet to meet with success. Remote Sensing and Geological Services (1999-2001):- remote sensing, rock and soil sampling and ground magnetometer traverses. Platinum Australia Limited (2005-2006):- carried out a database compilation of previous work, plus stream sediment sampling, mag-lag sampling, aerial photo interpretation and regolith mapping. This exploration programme was orientated towards the platinum group metals. Accent Resources NL's exploration programme was focused towards the discovery and evaluation of vanadium-titanium-magnetite occurrences. The work included remote sensing, an airborne radiometric and magnetic survey, geological mapping and sampling and metallurgical test work. A detailed aeromagnetic and radiometric survey commissioned by Accent Resources NL was flown over the Katanning area in September/October 2007. The purpose of this survey was to pinpoint highly magnetic areas indicative of potential vanadium-titanium-magnetite deposits.
Geology	• *Deposit type, geological setting and style of mineralisation.*	The geology in the project area consists predominantly of fresh granite and minor metagabbro and metadolerite. Extensive laterite cover occurs across much of the combined license area. Anomalous vanadiferous titanomagnetite occurrences are located in the region associated with a titanomagnetite gabbro intrusive and a gold working at Mine Hill
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* ○ *easting and northing of the drill hole collar* ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*	Plans showing location of drill holes and location of significant results and interpreted trends are provided in the figures of report. Any new significant RC and diamond results are provided in tables within the report.

Criteria	JORC Code explanation	Commentary
	○ *dip and azimuth of the hole* ○ *down hole length and interception depth* ○ *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high-grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	Higher grade intervals within larger intersections are reported as included intervals and noted in results table. No top-cut off grades have been applied until more assay results become available to allow statistical determination. Iron content and Titanium content is determined subsequent to determining the Vanadium intercept of interest.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	The geometry of any primary mineralisation is not known at present due to the early stage of exploration. The angled orientation of RC drilling may introduce some sampling bias (increasing the intercept width of flat lying or vertical mineralisation). All intersections are subsequently presented as downhole lengths. If down hole length varies significantly from known true width then appropriate notes are provided.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	Refer to figures
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	Please see information provided in results tables in Report

Criteria	JORC Code explanation	Commentary
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	At this stage there is no substantive exploration data from the recent drilling that is meaningful and material to report.
Further work	• *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	Further work is discussed in the document in relation to the exploration results.