



Ausgold raises \$11.25M to advance the Katanning Gold Project

Highlights:

- Ausgold successfully raises \$11.25 million in a Placement to institutional and sophisticated investors, with strong support for the Katanning Gold Project (KGP)
 - The placement was corner stoned by Dundee Goodman Merchant Partners, who will increase their stake in AUC from 7.1% to 9.9%
 - Placement completed at \$0.045 per share, a discount of 10% to the 5-day VWAP
 - Funds raised will be used for exploration, an extensive drilling campaign, and feasibility studies
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Ausgold Limited (ASX: AUC) (**Ausgold** or the **Company**) is pleased to announce that it has received binding commitments from institutional and sophisticated investors for a share placement (**Placement**) to raise \$11.25 million, before costs, to continue an extensive exploration and Resource expansion drill program at its 100% owned Katanning Gold Project in Western Australia.

The Company received strong demand for the Placement from institutional and sophisticated investors, which has been corner stoned by Dundee Goodman Merchant Partners, who will increase their interest in the Company from 7.1% to 9.9%.

The new shares to be issued under the Placement are priced at \$0.045 which represents a 10% discount to the last close of \$0.05 on Wednesday, 21 April 2021 and an 11.8% discount to the 15-day VWAP.

Blue Ocean Equities Pty Ltd acted as Lead Manager to the Placement.

Management Comment:

Ausgold's Managing Director, Matthew Greentree, said:

"The Company is pleased with the level of support we have received from our cornerstone investor Dundee Goodman and from existing and new investors. This placement of \$11.25m now enables Ausgold to progress through a transformational period.

With the release of the upgraded KGP Resource of 1.54 Moz at a grade of 1.25 g/t Au, we have a meaningful foundation that underpins our ambition to unlock the scale of the Katanning Gold Project. Our new geological model and exploration plan in a whole of belt play is designed to add further high-grade Resource ounces. It is an exciting time to be an Ausgold shareholder."

Use of funds

Proceeds from the Placement will be used to accelerate exploration, resource development, and conduct additional feasibility studies at the KGP, as well as provide additional working capital.

Placement

The Placement will be completed pursuant to section 708 of the Corporations Act 2001 (Cth) (Act) and in accordance with Listing Rule 7.1 and 7.1A of the ASX Listing Rules. A total of 123,000,000 new shares will be issued under Listing Rule 7.1 and 127,000,000 new shares will be issued under Listing Rule 7.1A. Settlement is scheduled for Monday 3 May with the Allotment scheduled for Tuesday 4 May.

The Board of Directors of Ausgold Limited approved this announcement for release to ASX.

On behalf of the Board,

MATTHEW GREENTREE

Managing Director

Ausgold Limited

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

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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 1.54 Moz gold (Table 1).

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

Table 1 - Current Mineral Resource
(Details in ASX release 15 April 2021)

	Tonnes (Mt)	Grade (g/t)	Ounces ('000)
Measured	6.40	1.48	303
Indicated	18.74	1.19	718
Inferred	13.04	1.24	518
Total	38.18	1.25	1.539

The information in this report that relates to the Mineral Resource in Table 1 is based on information announced to the ASX on 15 April 2021. 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.

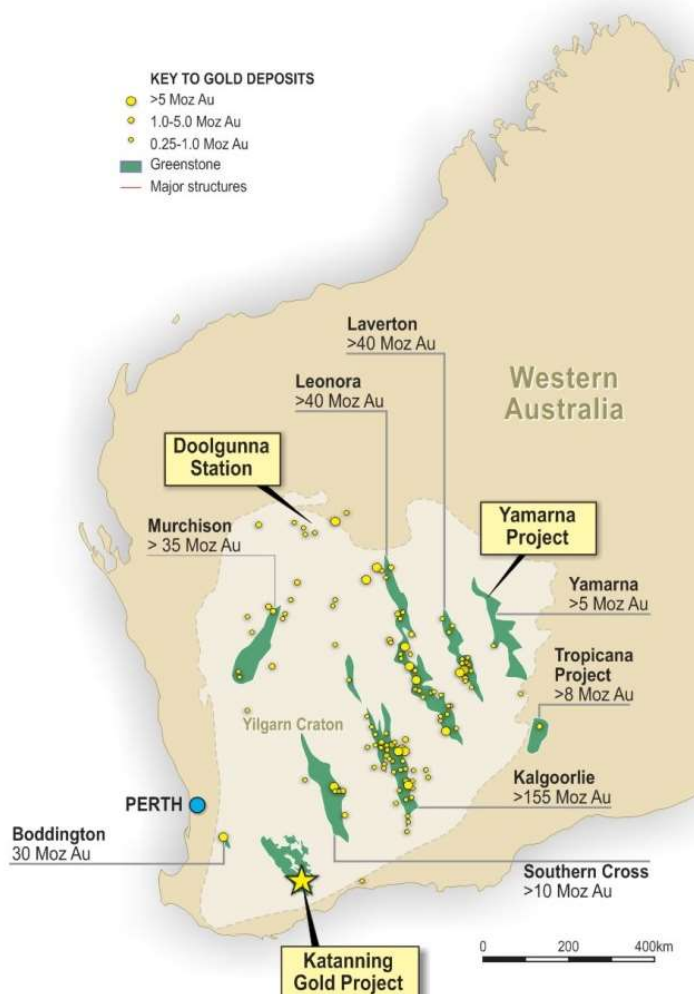


Figure 1 - Regional map showing the KGP, other Ausgold projects and mineralised greenstone belts

Competent Person's Statements

The information in this statement that relates to the Mineral Resource Estimates is based on work done by Mr Michael Cunningham of Sonny Consulting Pty Ltd, Daniel Guibal of Condor Consulting Pty Ltd and Mr Michael Lowry of SRK Consulting (Australasia) Pty Ltd and Dr Matthew Greentree of Ausgold Limited in 2021.

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 and Exploration Targets. Dr Michael Cunningham is an option holder in Ausgold takes responsibility for the Mineral resource Estimate for the Jackson and Olympia deposits and Mr Daniel Guibal takes responsibility for the Jinkas and White Dam Resources. Mr Michael Lowry takes responsibility for the Mineral Resource Estimates for Dingo and Datatine deposits.

Dr Cunningham, Mr Guibal, 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 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.