



AUSTRALASIAN GOLD

ASX Announcement | ASX: A8G | 27 July 2021

QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 30 JUNE 2021

Highlights

- Australasian Gold listed on ASX on 13 May 2021, following its successful ~\$5.5 million IPO
- Ground magnetic survey provided guidance to delineate further targets parallel to the known north-west mineralisation structure
- Maiden diamond drilling program underway at the May Queen gold project, designed to test down-dip and strike extensions, as well as the potential for parallel structures
- The Company entered into a binding tenement sale and purchase agreement to acquire the highly-prospective Capella gold project, central Queensland
- The Capella gold project hosts high-grade historical drill intercepts, including:
 - ARC009: **32m at 3.8 g/t Au** from 22m, including **2m at 32.8 g/t Au** from 22 m and **2m at 18.9 g/t Au** from 50m;
 - ARC008: **22m at 1.1 g/t Au** from 60m depth;
 - CAR003: **22m at 1.7 g/t Au** from 20m, including 1 m at 8.3 g/t; and
 - CAR005: **6 m at 5.1 g/t Au** from 40m depth.

Australasian Gold Limited (**ASX: A8G, Australasian** or the **Company**) is pleased to present its quarterly activities report for the June quarter.

Corporate

The Company successfully listed on ASX on 13 May 2021, following a ~\$5.5 million initial public offering.

On 7 June 2021, the Company announced that it had entered into a binding tenement sale and purchase agreement (**SPA**) to acquire a 100% interest in the Capella gold project (EPM 25956) from Cape Coal Pty Ltd (**Acquisition**). The Capella gold project is strategically located around 10km south from the Company's Mt Clermont polymetallic project. Through the Acquisition, the Company's land holding will increase by 50% in the highly prospective Clermont goldfield. The Capella gold project is situated on 100% exclusive land with no Native Title.



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Operations

Queensland Projects

Ground Magnetic Survey – May Queen

At the May Queen project in the Brovinia region, the Company undertook a ground magnetic survey commissioned by Planetary Geophysics Pty Ltd (**Figure 1**). Geological mapping at May Queen has long established a relationship between gold and magnetic featured structures, particularly in the limited surface exposure of breccia, skarn minerals and quartz veining (**Figure 2**). The intensity and consistency of the magnetic anomaly shown by this survey is at odds with these observations and is suggestive of a more pervasive magnetic-related mineralisation which may carry associated gold and copper mineralisation.

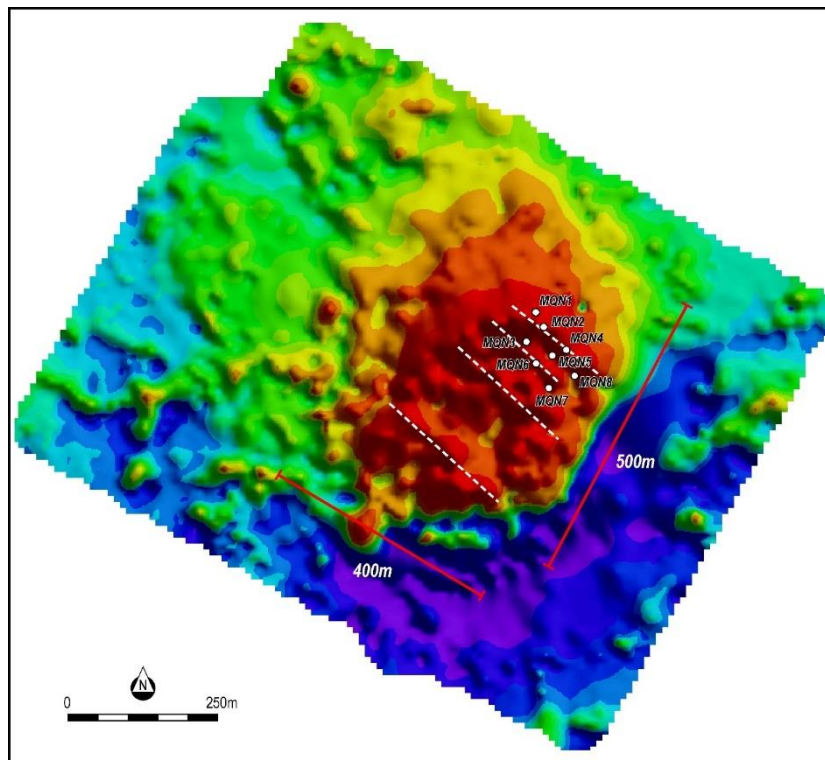


Figure 1: Ground magnetic survey and interpretation in May Queen area, the location of the map is marked in Figure 2. The white grid lines are the interpreted lineation structures, the two northern structures have been tested with drilling and surface working showing high grade shallow gold mineralization. 8 Historical RC drill collars have been plotted for reference.

Also observed in the survey data is a number of weak NW-SE trends which correspond to similar trends observed in the regional magnetics that has been the driving geological feature



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behind the previous drilling (**Figure 2**). These parallel structures have the potential to host similar mineralisation to that revealed by previous drill programs.

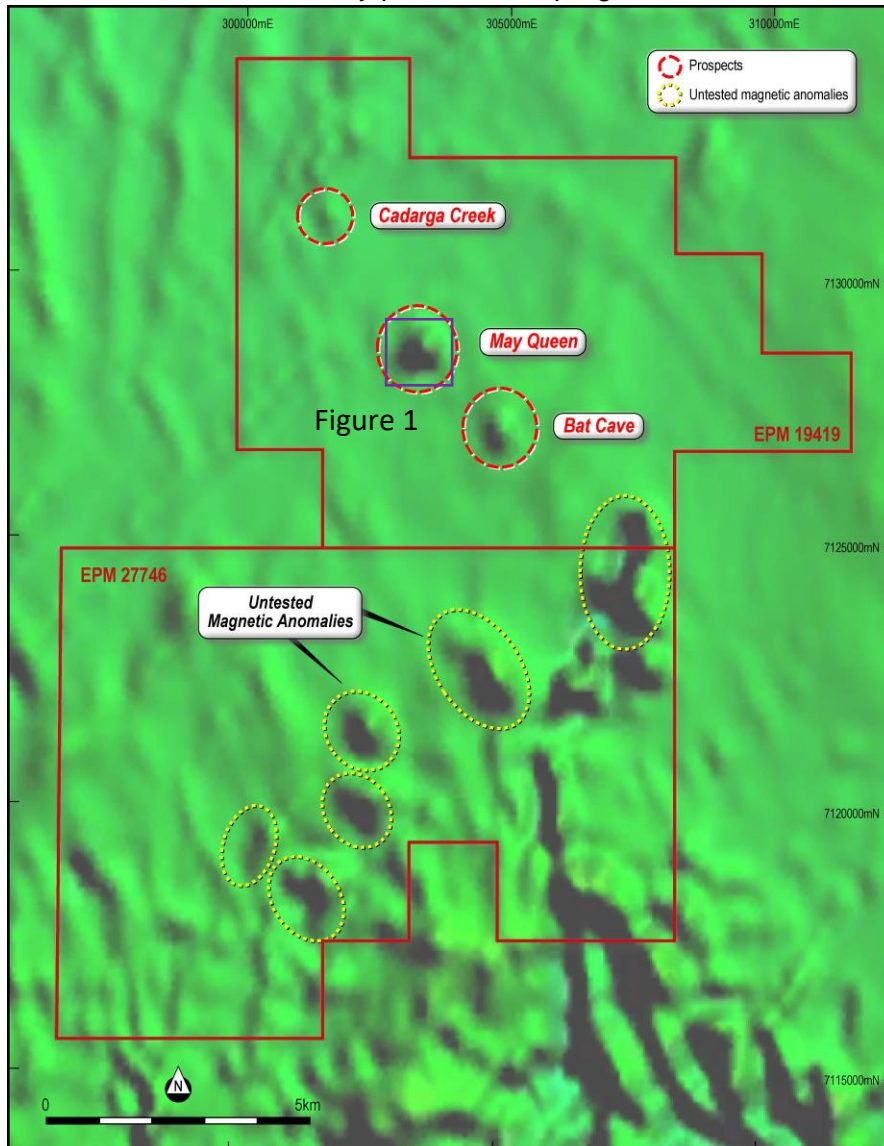


Figure 2: Regional Magnetics covering May Queen and May Queen South prospects.

Maiden drilling program – May Queen

On 17 June 2021, the Company's maiden diamond drilling (**DD**) program commenced at the May Queen gold project. Historical RC drilling at the May Queen project by previous explorers returned numerous high-grade gold intervals at shallow depth (**Figures 3 and 4**). The



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Company believes that significant depth and strike extensions to the existing mineralisation and parallel structure potential remains at May Queen.

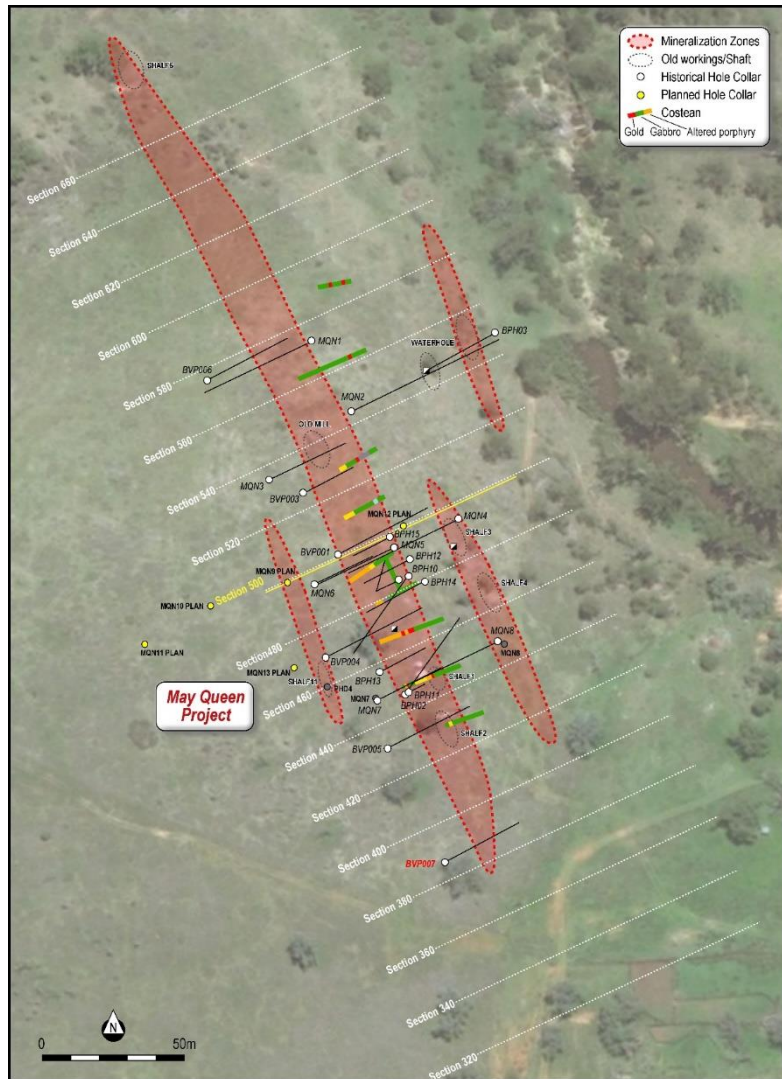


Figure 3: Plan view on the May Queen gold project



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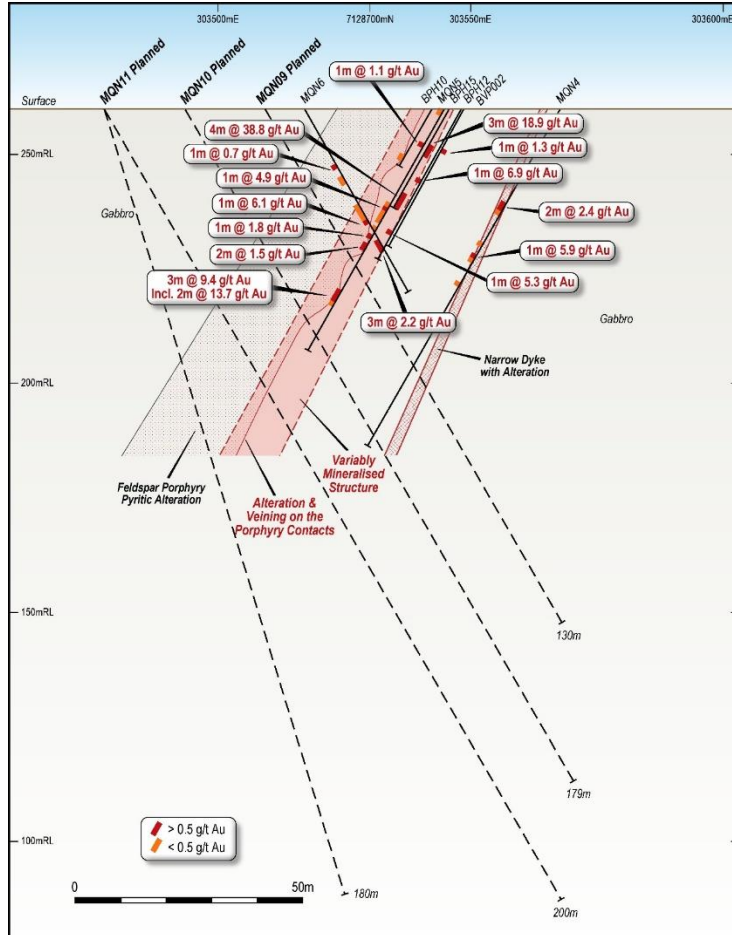


Figure 4: Cross section with maiden DD holes along the Section line 500 in Figure 3

The 5-hole DD program (Table 1) completed safely and on schedule, with the drill core from first two diamond holes having been sent to ALS Brisbane for preparation and assay.

Table 1: Collar details of maiden DD program

Hole ID	EAST	NORTH	RL	Azim GDA	Dip	End of Hole (m)
MQD0001	303505	7128699	260	65	-60	73.7
MQD0002	303489	7128692	260	65	-60	152.0
MQD0003	303517	7128673	260.5	65	-60	153.3
MQD0004	303487	7128692	260	245	-75	105.6
MQD0005	303544	7128717	259	65	-60	228.2



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MQD0001 is designed to verify the mineralised structures under the historical high grade intersection (BPH015) and we believe it intercepted the target. In-house geological interpretation has started. Current logging has identified several sections of potential mineralisation waiting for assay to confirmation with intensive potassium feldspar alteration along with sericite, calcite, and sulphides with minor silica alteration.

Hole MQD0005 was drilled to test previously reported 1 m at 0.6 g/t gold and 1.3% copper results of MQN02 from 46 m down dip. It intercepted a unit of sediments from 150m to 193m with visible sulphide disseminated and in veinlets with calcite, chlorite, sericite and propylitic alteration.

Mt Clermont Project

The Company is continuing with the re-processing of all the available historical data relating to the Mt Clermont polymetallic project as part of the prioritisation of targets for a maiden drilling program.

Western Australian Project

Fairview Project

Exploration application (ELA08/3248) is well advanced in the permitting system, with grant expected in the September quarter.

Finance and use of funds

Pursuant to ASX listing rule 5.3.4, the Company provides a comparison of its actual expenditure against the estimated expenditure on items set out in in section 5.7 of the Company's Prospectus.

Activity Description	Funds Allocated	Actual to Date (2 months)
Exploration (2 years)	\$3,600,000	\$139,000
Administration (2 years)	\$1,265,000	\$181,000
Expenses of the Offer	\$409,000	\$120,000

Note 6 to Appendix 5B

Payments to related parties of the entity and their associates: during the quarter \$80,000 was paid to Directors and associates for director and consulting fees.



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This announcement is approved for release by the Board of Directors

ENDS

For Further Information

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Joint-Company Secretary
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Competent Person Statement

The information in this report that relates to Exploration Results is based on, and fairly represents, information and supporting documentation prepared by Dr Qingtao Zeng, Managing Director of Australasian Gold Limited. Dr Zeng is a member of the Australasian Institute of Mining and Metallurgy and he has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which has been undertaken to qualify as a Competent Person as defined in the 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Dr Zeng consents to the inclusion in this release of the matters based on the information in the form and context in which they appear. Dr Zeng is a shareholder of Australasian Gold Limited.

Annexure 1: Australasian Gold Limited – tenements held directly by Australasian Gold or subsidiary company

Tenements	Acquired during quarter	Disposed of during quarter	Held at end of quarter	Country
May Queen, EPM 19419	-	-	100%	Australia
May Queen, EPM 27746	-	-	100%	Australia
Mt Clermont, EPM 14116	-	-	100%	Australia
Fairview, E08/3248	-	-	100%	Australia
Capella, EPM 25956	-	-	Binding term sheet to acquire 100%	Australia

Appendix 5B

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

Name of entity

AUSTRALASIAN GOLD LIMITED

ABN

54 625 744 907

Quarter ended ("current quarter")

30 June 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation (if expensed)	-	(29)
(b) development	-	-
(c) production	-	-
(d) staff costs	-	-
(e) administration and corporate costs	(181)	(297)
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	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(181)	(326)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	(6)
(c) property, plant and equipment	-	-
(d) exploration & evaluation (if capitalised)	(139)	(191)
(e) investments	-	-
(f) other non-current assets	-	-

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	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	(139)	(197)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	5,513	5,813
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	(147)	(198)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings (lease liability)	(22)	(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	5,344	5,593

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	219	173
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(181)	(326)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(139)	(197)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	5,344	5,593

Appendix 5B

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	5,243	5,243

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	5,243	219
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	5,243	219

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	(24)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	(56)

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

Amounts at item 6.1 are in relation to managing director fees included in item 1.2.

Amounts at item 6.2 are in relation to consulting fees included in item 2.1.

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

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)	(181)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(139)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(320)
8.4 Cash and cash equivalents at quarter end (item 4.6)	5,243
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	5,243
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	16
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 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: N/A	
8.8.2 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: N/A	

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

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

Answer: N/A

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

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: 27 July 2021.....

Authorised by:Board of Directors.....
(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.