



## Quarterly Activities Report to 30 June 2021

### HIGHLIGHTS

- Phase 2 RC drilling underway at the Cargelligo Project's Achilles target
- Results returned from the maiden RC drilling at Achilles highlights significant base-metal sulphides above large EM conductor
- **The highlight was** hole AC3RC004 which intercepted:
  - 5m @ 4.9% Pb + Zn, 0.3% Cu, 5g/t Ag from 89m
  - including 1m at 10.7% Pb + Zn, 1.4% Cu, 12g/t Ag from 89m
  - within 46m at 1.0% Pb + Zn, 0.1% Cu and 2g/t Ag from 73m
- Achilles soil sampling program extends target zone from 350m in length to 3km above large EM anomaly
- Encouraging copper, gold, silver, lead and zinc results returned from RC drilling and soils at the Cargelligo Project's Mount B target, where shallow drilling intersected multiple encouraging Cobar-style zones with alteration and weak base-metal sulphides, open in all directions
- Rain delays are slowing phase 2 drilling operations and has delayed downhole-EM and aeromagnetic geophysical surveys

Australian Gold and Copper Ltd (ASX: AGC) ("AGC" or the "Company") is pleased to report on its June quarter activities.

### Corporate

#### Employee Share and Option Plan Issue

During the Quarter the Company issued 150,000 unlisted options at an exercise price of \$0.30 and 150,000 unlisted options at an exercise price of \$0.50 under the Company's Employee Share and Option Plan.

#### RIU Sydney Resources Round Up Conference

AGC presented at the RIU Sydney Resources Round Up conference on Tuesday, 4<sup>th</sup> May 2021.

## Exploration and Operations

Late in the quarter, phase 2 drilling commenced at Achilles after encouraging assay results were received from Achilles and Mount B Reverse Circulation (RC) drilling campaigns and soil sampling extended the Achilles target from 350m to 3km.

### Cargelligo Project (Gold & Base-Metals), 100% AGC

#### Achilles Drilling Intersects Base-Metals and Alteration, Phase 2 Drilling Underway

Assay results returned during the quarter for phase 1 Achilles drilling highlighted base-metal sulphides in hole A3RC004 (ASX AGC 3<sup>rd</sup> May 2021) and reinforces that the Achilles target has the potential to host significant mineralisation. The potential at Achilles is further encouraged by the significant EM conductor, see figure 1.

Phase 2 is testing 3 target zones although the unusual amount of rain is slowing operations and limiting availability of drill sites. However, the first holes in the current program are targeted under the previously reported intercept in A3RC004, see ASX AGC 3<sup>rd</sup> May 2021:

Hole A3RC004:

- 5m @ 4.9% Pb + Zn, 0.3% Cu and 5g/t Ag from 89m
- Including 1m at 10.7% Pb + Zn, 1.4% Cu and 12g/t Ag from 89m
- Within 46m at 1.0% Pb + Z, 0.1% Cu and 2g/t Ag from 73m

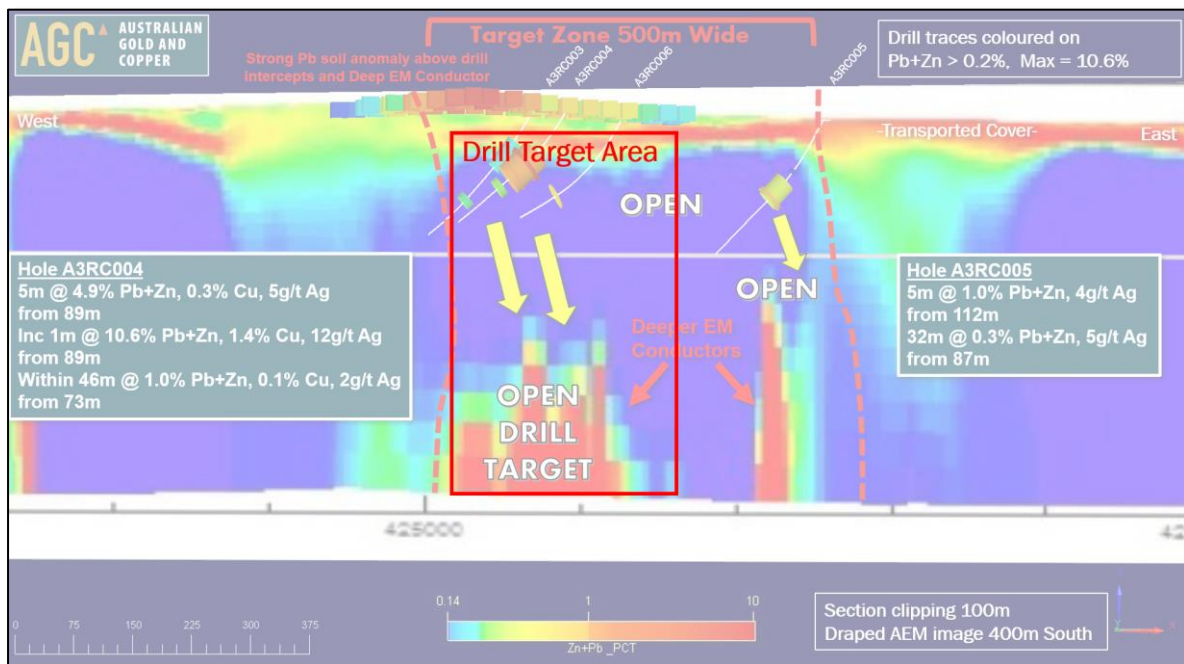


Figure 1: Phase 2 drilling into the Achilles target is underway, directly under strong mineralisation in A3RC004 and above EM target. West to east cross section through 6330500N showing Pb+Zn>0.2% significant assays downhole above red EM conductor. Intensely altered volcanic rocks were drilled in the 500m wide target zone, see ASX AGC 3 May 2021.

The Assays of current Achilles phase 2 drilling are expected in late August.

## Drill testing the New Soil Anomalies Underway

During the quarter, a large pXRF soil sampling program identified two new, large base-metal soil anomalies located immediately south of the Achilles copper/base-metals soil anomaly, see figure 2 and ASX AGC 9<sup>th</sup> June 2021. These soil anomalies are all coincident with large magnetic lows and hills and are seen to be hosted within the Achilles shear zone. All three soil anomalies are considered open as they look to extend under shallow transported cover in areas of low topography.

Phase 2 drilling is also planned to test these two new areas.

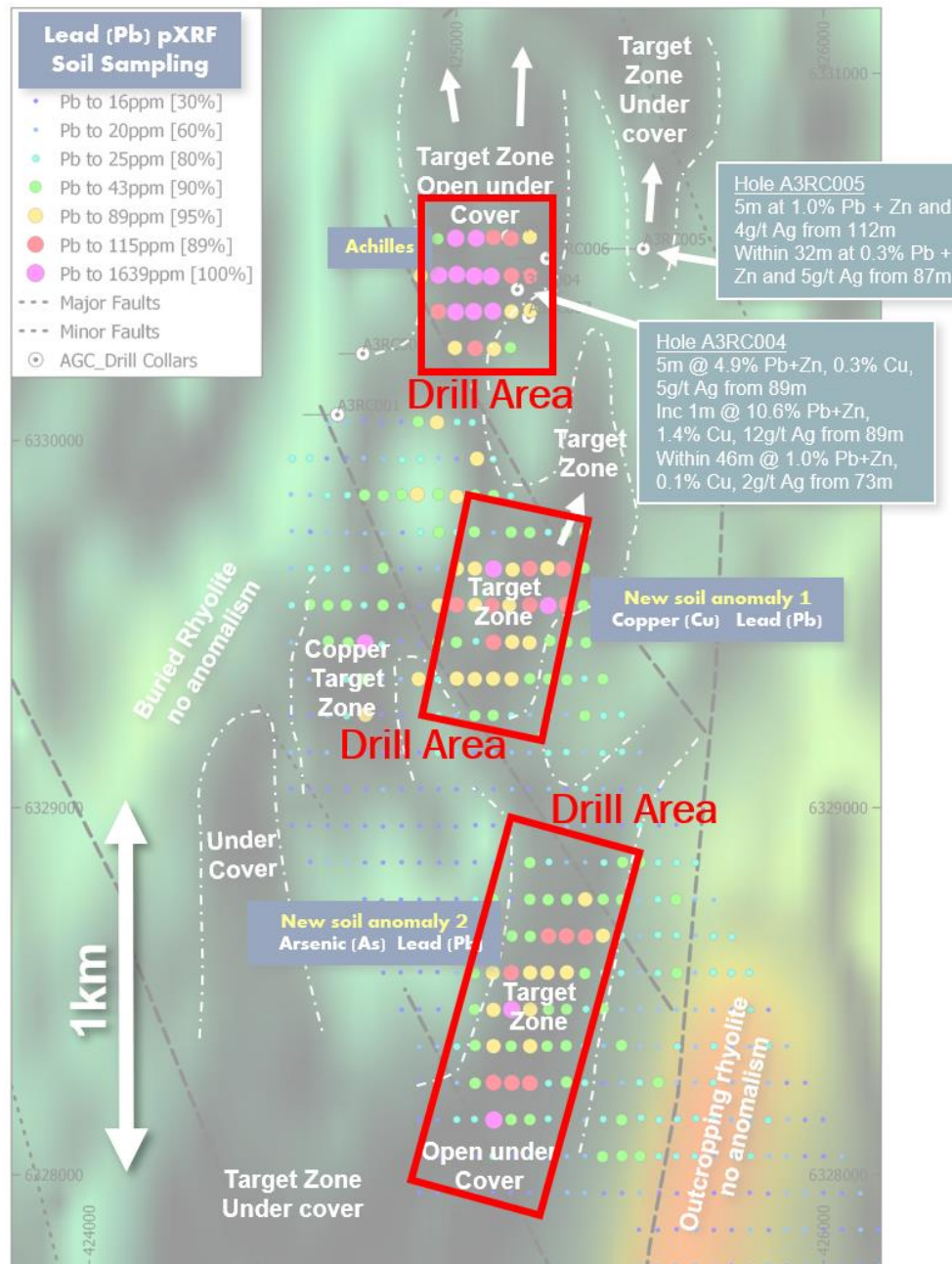


Figure 2: Schematic from ASX AGC announcement 9 June 2021, of soil anomalies faded to highlight current phase 2 drill locations. Drilling is focused under Achilles hole A3RC004 and the two new soil anomalies. Achilles shear lead pXRF soil sampling results over magnetics TMI RTP (overlain on tilt filtered TMI RTP) showing the soil anomalies prominent locations within the darker shading which are areas of deep magnetic lows, interpreted as the Achilles shear zones mineralising fluids which have demagnetised the rock. These are considered the prospective areas. See ASX AGC 9 June 2021

## Mount B Drilling

Assay results were received for an initial RC drilling program completed at the Cargelligo Project, testing the Mount B gold and base-metal target with 1,075m drilled across six holes. Given the positive results, Mount B phase 2 drilling is currently being planned and permitted.

The drilling intersected multiple encouraging zones of alteration and weak base-metal sulphides hosted by volcanics and sediments. One of these zones in MBRC006 was intersected along strike from a large ground EM conductor which is planned to be targeted in a second phase of RC drilling, see figures 3 and 5.

The Hera gold/base-metals mine and recent Federation discovery are examples of Cobar style deposits discovered using lead pathfinders in pre discovery holes under anomalous Pb in soil sampling, (Cooper, 2017; McKinnon and Munroe 2019). Mount B's first drill results are highly encouraging in comparison.

**The highlights were** hole **MBRC005** which intercepted:

- 6m at 0.2% Pb+Zn from 10m
- **60m at 3g/t Ag, 0.3% Pb+Zn** from 100m (65m vertical depth below surface)
- **Inc 1m at 1.0g/t Au, 0.2% Pb + Zn from 153m**
- 1m at 0.4g/t Au from 159m
- 8m at 0.6% Pb+Zn from 166m

And hole **MBRC006** which intercepted:

- **64m at 7g/t Ag, 0.3% Pb+Zn** from 72m (60m vertical depth below surface)
- Inc 7m at 0.2g/t Au from 91m
- Inc 1m at **0.5g/t Au**, 12g/t Ag, 0.1% Cu, 1.1% Pb+Zn from 95m
- Inc 1m at 41g/t Ag, 1.3% Pb+Zn from 108m
- Inc 6m at 0.1g/t Au, 19g/t Ag, 0.2% Cu, 0.4% Pb+Zn from 118m
- Inc 1m at 0.1g/t Au, **53g/t Ag, 0.8% Cu, 1.0% Pb+Zn** from 123m
- EOH assay of 1m at 0.3% Pb + Zn from 149m (**open at depth**)

Although overall grades are modest, widths are encouragingly wide and shallow and there are higher grades within which is significant when placed in context of the style of ore body being targeted.

The drilling intersected three zones of strong alteration and mineralisation hosted by volcanics and sediments. Each zone is considered open down dip and along strike under shallow cover and has potential for thick, high grade mineralisation.

MBRC005 targeted the Eastern Zone which has been mapped for almost 2km in length in soil sampling and historic RAB drilling (by EZ Corporation in 1979; see AGC ASX *prospectus lodged 18<sup>th</sup> November 2020*) and is open to the south towards an historic digging containing abundant gossan.

MBRC006 drilled into the Western Zone and intersected mineralisation 150m south along strike from a large ground EM conductor (called "MLEM Plate" in figure 3 and 5) which is planned to be targeted in a second phase of drilling due to its location within a wooded area.



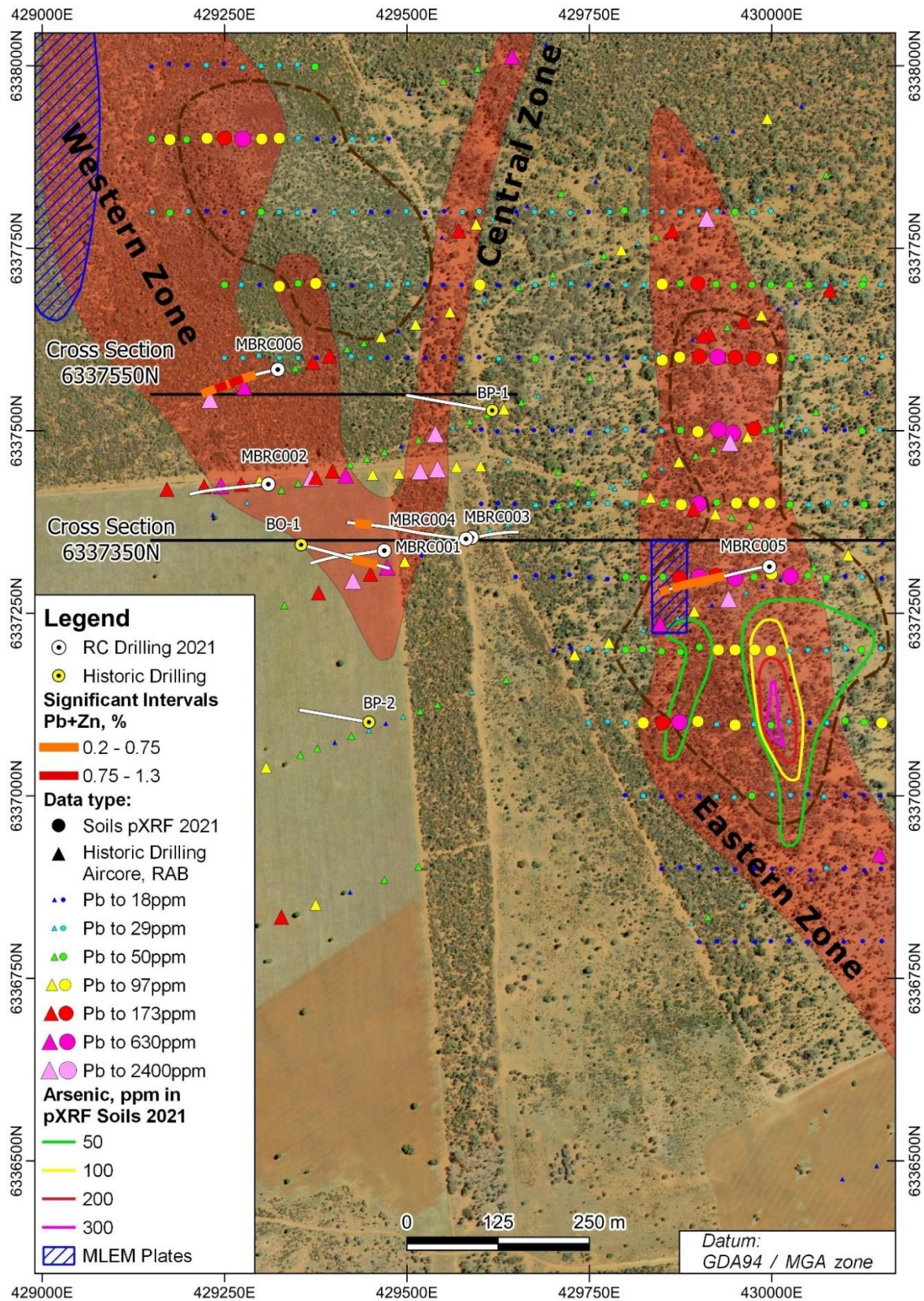


Figure 3: Plan view of Mount B RC collar locations and last quarters lead (Pb) in soil sampling integrated with the Pb in historic RAB and Pb+ (zinc) Zn intervals in drilling (see AGC ASX prospectus lodged 18<sup>th</sup> November 2020). This work has defined the three mineralised zones. MBRC005 was drilled under a strong Pb in soil anomaly however the soil anomalies are confined to the hills and potential for better mineralisation exists under thin cover such as in MBRC006 which was drilled under a strong Pb anomaly defined by shallow RAB drilling but not in our recent soil sampling, indicating transported cover.

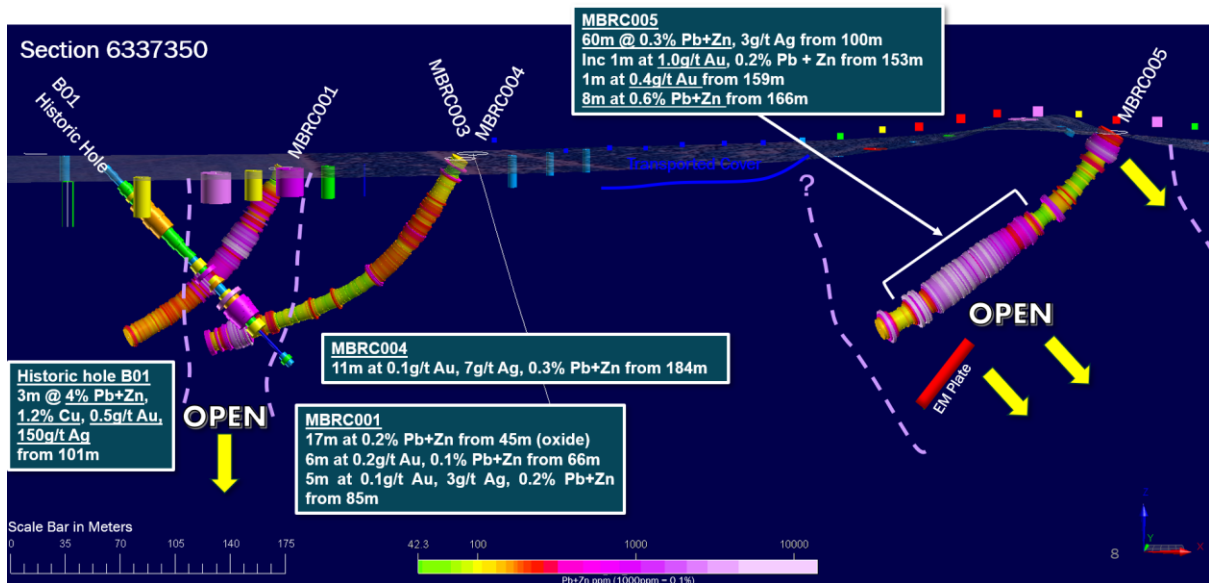


Figure 4 Mount B cross section 6337350 (with 100m clipping) of southern fence of holes including MBRC005 and overlying soil samples (squares) and historic RAB holes (vertical cylinders). Section shows very shallow mineralised zones which is considered open in all mineralised holes. The location and dip of the red EM plate underneath MBRC005 is poorly constrained but still highlights significant potential down dip and should be resolved once DHEM is completed in late July.

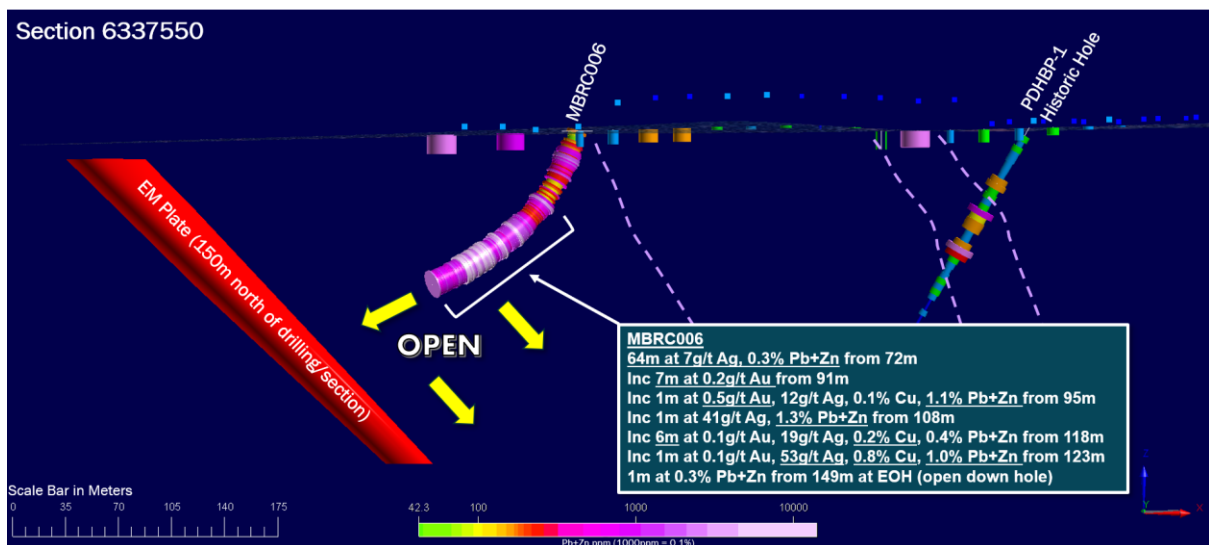


Figure 5 Cross section 6337550 (with 100m clipping) of northern hole MBRC006 which terminated in mineralisation, with soil samples (squares) and RAB drilling (vertical cylinders). The red EM target is 150m north of drilling and presents as a significant drill target. Note the transported cover is masking Pb in soils anomalies in the soil samples (small blue squares) which are seen in the RAB holes (vertical cylinders) above MBRC006.

## Moorefield Project (Gold), 100% AGC

Permitting has been completed for drilling at the Company's extensive orogenic gold Carlisle Reefs and Boxdale targets. This drilling is planned to start once the ground conditions improve after the current and extensive NSW rain events.



## Gundagai Project (Gold), 100% AGC

### Grandview Target: Ground Magnetism Survey Completed

Grandview is prospective for large tonnage gold such as the multi-million ounce McPhillamys Resource in NSW owned by Regis Resources, see AGC ASX prospectus lodged 18<sup>th</sup> November 2020.

During the quarter, a ground magnetism survey was completed at Grandview by Fender Geophysics. The survey was designed to aid in mapping geology, alteration and faults prior to planned drilling of the 1.2km long gold and pathfinder soil anomaly with up to 35g/t gold in 1m composited rockchips.

### ASX Additional Information

As per ASX Listing Rule 5.3.1: Exploration and Evaluation Expenditure during the Quarter was \$494,000. Full details of exploration activity during the Quarter are set out in this report.

As per ASX Listing Rule 5.3.2: There were no substantive mining production and development activities during the Quarter.

As per ASX Listing Rule 5.3.5: Payments to related parties of the Company and their associates during the Quarter \$123,000. The Company advises that this relates to director's fees, shared services and accounting and company secretarial related services.

As per ASX Listing Rule 5.3.4 the following expenditures have occurred since listing:

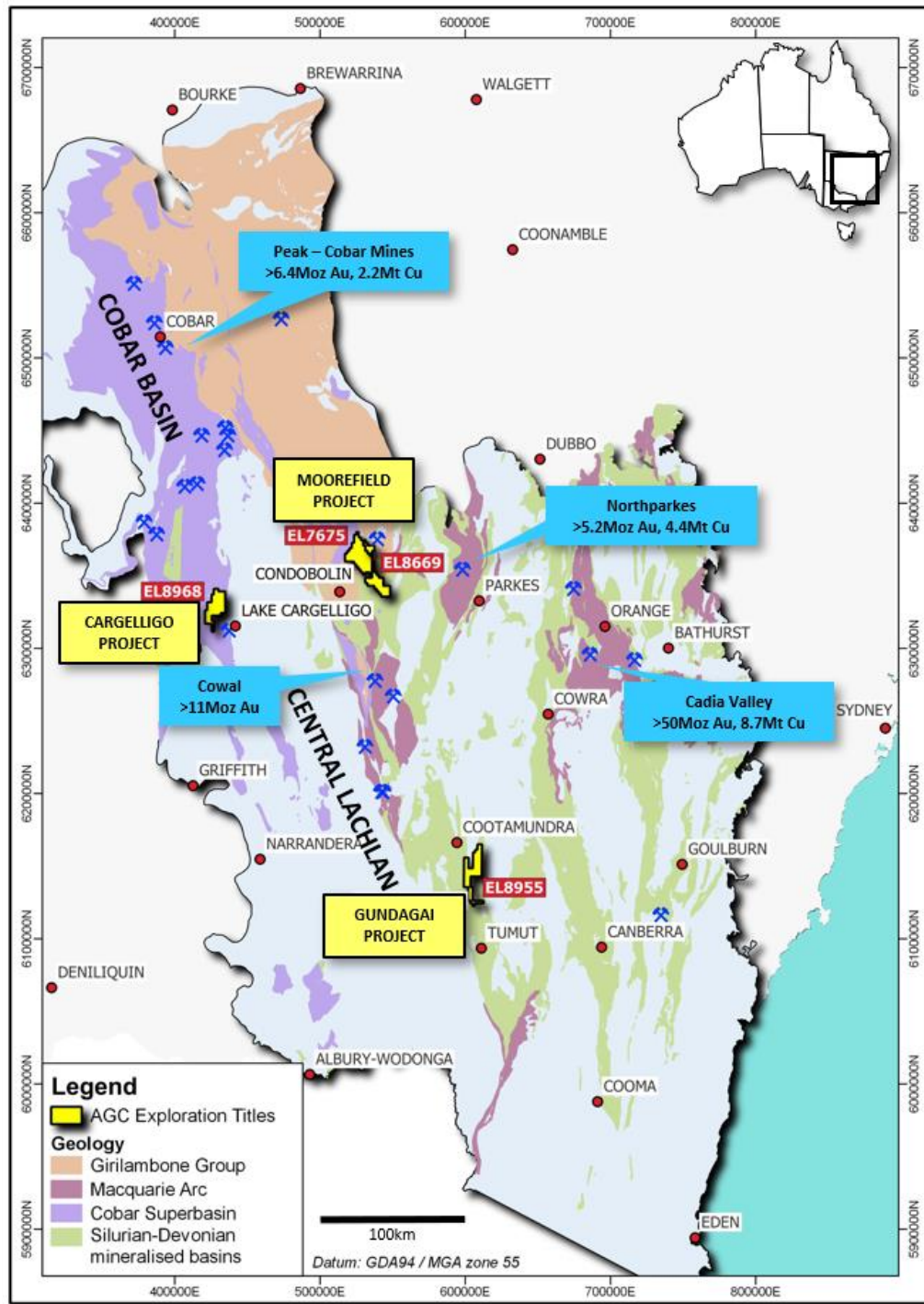
Item	Current Quarter	Year to date	As per IPO Prospectus dated 18 November 2020
Exploration – year 1 Moorefield	\$148K	\$346K	\$1.040m
Exploration – year 1 Cargelligo	\$292K	\$554K	\$970K
Exploration – year 1 Gundagai	\$54K	\$59K	\$300K
Working capital/operating expenses (yr1)	\$194K	\$712K	\$1.500m
Cost of offer – fundraising	-	\$615K	\$600K
Costs of offer – other	-	\$480K	\$400K

The differences in the above, as reported last quarter, are as follows:

- *Costs of Offer – Other.* These costs include legal costs, accounting and tax advice costs, and other support services
  - Legal and related costs increased due to an amendment to the offer, as evidenced by the Supplementary prospectus dated 30 November 2020);
  - Delays in the anticipated listing of the Company increased costs of the offer, predominantly legal costs;
  - The Company exceeded the Financial Acquisitions Threshold (FAT) and was therefore unable to claim all of the GST Input Tax Credits for Legal, ASX and associated costs relating to the IPO. The Prospectus was prepared assuming all GST Input Tax Credits could be claimed and were disclosed on an ex-GST basis.
- *Costs of Offer – Fundraising.* These costs included brokerage fees for the IPO. As the Company exceeded the Financial Acquisitions Threshold (FAT) they were not entitled to claim the full amount of the GST Input Tax Credits for brokerage fees.

## Projects Overview

AGC's portfolio located in the Central Lachlan Fold Belt includes the Moorefield gold project, hosting significant orogenic gold targets, the Cargelligo base-metal project in the southern Cobar Super-Basin exploring for Hera and Federation style deposits, and the Gundagai project, exploring for multi-million ounce McPhillamy's type gold deposits.



**Figure 6.** Location of the Cargelligo, Moorefield and Gundagai Projects in relation to major mines and deposits within the Lachlan Fold Belt., see p100 AGC ASX prospectus lodged 18<sup>th</sup> November 2020.



## References:

AGC ASX prospectus lodged 18<sup>th</sup> November 2020

Cooper I., 2017, Finding Hera, Looking for the rest of the family, CWEDG.  
<http://www.smedg.org.au/pdf/CWEDGAug2017FindingHera.pdf>

McKinnon A. and Munroe S., 2019, The Dominion and Federation discoveries at Nymagee, NSW: an evolving exploration story, Aurelia Metals Ltd. Mines and Wines Conference 2019: Discoveries in the Tasmanides.  
<https://smedg.org.au/wp-content/uploads/2019/11/McKinnon-Dominion-and-Federation.pdf>

## ASX Market Sensitive Announcements

03/05/2021 Base-metal sulphides overlying EM conductor at Achilles  
 04/05/2021 investor Presentation – RIU Conference Sydney  
 09/06/2021 Achilles copper/base metals targets zone extended to 3km  
 22/06/2021 Drilling defines three base-metals zones at Mount B  
 30/06/2021 Phase 2 drilling commenced at Achilles

This announcement has been approved for release by the Board of AGC.

**ENDS**

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## Tenement Register

Tenement	Reference	Location	Interest at 01/04/21	Acquired/Disposed	Interest at 30/06/21
Moorefield	EL 7675	NSW	100%	N/A	100%
Derriwong	EL 8669	NSW	100%	N/A	100%
Cargelligo	EL 8968	NSW	100%	N/A	100%
Gundagai	EL 8955	NSW	100%	N/A	100%

There are no Farm-in or Farm-out Arrangements held by Australian Gold and Copper Ltd

## Forward-Looking Statements

This announcement contains “forward-looking statements.” All statements other than those of historical facts included in this announcement are forward-looking statements. Where the Company expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and based upon information currently available to the company and believed to have a reasonable basis. Although the company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and no assurance can be given that these expectations will prove to be correct as actual results or developments may differ materially from those projected in the forward-looking statements. Forward-looking statements are subject to risks, uncertainties and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by such forward-looking statements. Such risks include, but are not limited to, copper, gold, and other metals price volatility, currency fluctuations, increased production costs and variances in ore grade or recovery rates from those assumed in mining plans, as well as political and operational risks and governmental regulation and judicial outcomes. Readers are cautioned not to place undue reliance on forward-looking statements due to the inherent uncertainty thereof. The forward-

looking statements contain in this press release are made as of the date of this press release and except as may otherwise be required pursuant to applicable laws, the Company does not undertake any obligation to release publicly any revisions to any “forward-looking statement”.

**Competent Persons Statement**

The information in this document that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Glen Diemar who is a member of the Australian Institute of Geoscientists. Mr Diemar is a full-time employee of Australian Gold and Copper Limited, and is a shareholder, however Mr Diemar believes this shareholding does not create a conflict of interest, and Mr Diemar has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking 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”. Mr Diemar consents to the inclusion in this presentation of the matters based on his information in the form and context in which it appears.

**Previously Reported Information**

The information in this report that references previously reported exploration results is extracted from the announcements referenced and the Company’s ASX IPO Prospectus released on the date noted in the body of the text where that reference appears. The ASX IPO Prospectus is available to view on the Company’s website or on the ASX website ([www.asx.com.au](http://www.asx.com.au)). The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. The Company confirms that the form and context in which the Competent Person’s findings are presented have not been materially modified from the original market announcements.