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# Ausgold raises $16.6M to accelerate exploration and development of the Katanning Gold Project

## Highlights:

- **Ausgold successfully raises $16.6 million in a two-tranche placement to institutional and sophisticated investors, reflecting strong support for the Katanning Gold Project (KGP)**
- **The placement was cornerstoned by two institutional investors, Dundee Corporation, who (subject to FIRB approval) will increase their existing stake in Ausgold from 9.52% to 12.5% and new institutional investor Jupiter Asset Management who will emerge with a 6.2% holding at the completion of the Placement**
- **Placement completed at $0.04 per share, a discount of 4.1% to the 5-day VWAP**
- **Funds raised will be used for exploration, an extensive drilling campaign, and feasibility studies**

Ausgold Limited (ASX: AUC) (**Ausgold** or the **Company**) is pleased to announce that it has received binding commitments from investors for a share placement (**Placement**) to raise $16.6 million, before costs.

Funds raised will primarily be used to continue an extensive exploration and Resource expansion drill program and feasibility studies at the Company's 100% owned Katanning Gold Project in Western Australia.

The Placement will result in the issue of 415,000,000 new shares (**New Shares**) to be issued at $0.04 per New Share which represents a 4.1% discount to the last close of $0.043 on Tuesday 1 March 2022 and a 7.8% discount to the 15-day VWAP.

The Company received strong demand for the Placement which has been cornerstoned by two institutional investors subscribing for $9 million of the total $16.6 million raise, including existing shareholder Dundee Corporation (**Dundee**) which has subscribed for A$4 million (taking its interest in the Company from 9.5% to 12.5% once the Placement is fully complete) and new institutional investor Jupiter Asset Management (**Jupiter**) who will emerge with a 6.2% holding at the completion of the Placement.

## Details of Placement

The Placement will be structured in two tranches, such that:

- **First Tranche:** The first tranche of the Placement will involve the issue of a total of 345,000,000 New Shares, comprising:
  - Dundee will subscribe for 100,000,000 New Shares (**Dundee Placement**) and increase their interest in the Company from 9.5% to 12.5%. The Dundee Placement issue will take place in two stages, with 29,750,380 New Shares (the **Dundee Unconditional Placement**) to be issued immediately to Dundee. The remaining 70,249,620 New Shares to be issued under the Dundee Placement (the **Dundee Conditional Placement**) are to be issued to Dundee subject to the receipt of Foreign Investment Review Board (**FIRB**) approval to increase its interest in the Company beyond 10%; and

- institutional and sophisticated investors, who will subscribe for 245,000,000 New Shares (**Institutional Placement**).
- **Second Tranche**: The second tranche of the Placement involves the issue of an additional 70,000,000 New Shares to Jupiter (the **Second Tranche Placement**), conditional upon Company shareholders approving the issue of those New Shares in connection with the Second Tranche Placement for the purposes of Listing Rule 7.1.

The issue of New Shares under the Dundee Unconditional Placement and Institutional Placement will occur immediately, whereas the Dundee Conditional Placement and Second Tranche Placement will occur at a later date, as soon as the respective conditions for those components of the Placement can be satisfied.

The New Shares issued to Dundee under the Dundee Conditional Placement will occur on a later date, given such issue is subject to, and cannot occur until, FIRB approval has been obtained. Despite this, Dundee has agreed to advance the full sum of its subscription funds to the Company at the same time as participants in the Institutional Placement. The Company will hold subscription funds advanced in connection with the Dundee Conditional Placement on trust pending FIRB approval for the Dundee's participation in the Dundee Conditional Placement (such approval expected in late March 2022).

Completion of the Second Tranche Placement is conditional upon the Company receiving shareholder approval, with the Company to hold a general meeting for the purposes of approving the issue of New Shares under the Second Tranche Placement for the purposes of Listing Rule 7.1 in mid-April 2022 (the **Placement General Meeting**). The New Shares to be issued under the Second Tranche Placement will be issued as soon as practicable following receipt of shareholder approval.

Save as to timing and conditionality as set out above, First Tranche and Second Tranche of the Placement will be on the same terms, with all New Shares issued in connection with the Placement to be issued at the price $0.04 per New Share to raise a total of $16.6 million before costs.

Argonaut Securities Pty Ltd acted as Lead Manager to the Placement, with Euroz Hartley's Securities Limited acting as Co-Lead Manager.

## Management Comment:

**Ausgold's Managing Director, Matthew Greentree, said:**

*"The Company is pleased with the continued support we have received from our cornerstone investor Dundee Corporation as well as other existing and new institutional investors. This placement of $16.6m now enables Ausgold to continue its targeted drilling campaign of key areas within the Central and Southern Zones as we progress towards the planned April Resource Upgrade and completion of Pre-feasibility studies to deliver a maiden Ore Reserve Statement in June.*

*With the release of the upgraded KGP Resource of 1.84 Moz at a grade of 1.24 g/t Au, we have a meaningful foundation that underpins our ambition to unlock the multi-million ounce potential of the Katanning Gold Project."*

**Use of funds**

Proceeds from the Placement will be used to continue exploration, Resource development, conduct feasibility studies at the KGP, meet costs of the raise and provide additional working capital.

Following completion of the Placement, the Company will have approximately $17.5 million cash on hand.

**Placement (Tranche 1)**

The First Tranche of the Placement, which totals 345,000,000 New Shares, will be issued under the Company's existing placement capacity under Listing Rule 7.1 and Listing Rule 7.1A of the ASX Listing Rules. The Company will issue:

- 126,315,426 New Shares to Dundee and sophisticated and institutional investors pursuant to Listing Rule 7.1 in connection with the Institutional Placement and the Dundee Unconditional Placement;
- 148,434,954 New Shares to sophisticated and institutional investors pursuant to the Company's additional placement capacity under Listing Rule 7.1A in connection with the Institutional Placement; and
- 70,249,620 New Shares to Dundee pursuant to Listing Rule 7.1 in connection with the Dundee Conditional Placement.

**Placement (Tranche 2)**

The Second Tranche of the Placement totals 70,000,000 New Shares to be issued following receipt of shareholder approval pursuant to Listing Rule 7.1 to be obtained at the Placement General Meeting.

**Indicative Timetable**[1]

| Event | Day | Date |
|---|---|---|
| Announcement of Placement | Friday | 4 March 2022 |
| Settlement of New Shares in connection with:<br>• Institutional Placement; and<br>• Dundee Unconditional Placement | Friday | 11 March2022 |
| Funds for Dundee Placement Advanced to Company | Friday | 11 March 2022 |
| ASX Quotation of New Shares issued in connection with:<br>• Institutional Placement;<br>• Dundee Unconditional Placement; | Monday | 14 March 2022 |
| FIRB Approval for Dundee (expected) | | Late March 2022 |
| Issue and Quotation of Dundee Conditional Placement New Shares (expected) | | Late March 2022 |
| Placement General Meeting | | Mid April 2022 |
| Issue and Quotation of Second Tranche Placement New Shares (expected) | | Mid April 2022 |

[1] The timings set out in this timetable are indicative only and subject to variation. The Company reserves the right to alter the timetable at its absolute discretion and without notice, subject to the ASX Listing Rules, the Corporations Act and other applicable laws. The commencement of quotation of the New Shares is subject to confirmation from ASX.

**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

All dollar amounts are in Australian dollars unless otherwise indicated. 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 1.84 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 December 2021)

| | Tonnes (Mt) | Grade (g/t) | Ounces ('000) |
|---|---|---|---|
| Measured | 6.59 | 1.65 | 349 |
| Indicated | 21.97 | 1.19 | 841 |
| Inferred | 17.58 | 1.14 | 647 |
| **Total** | **46.14** | **1.24** | **1,837** |

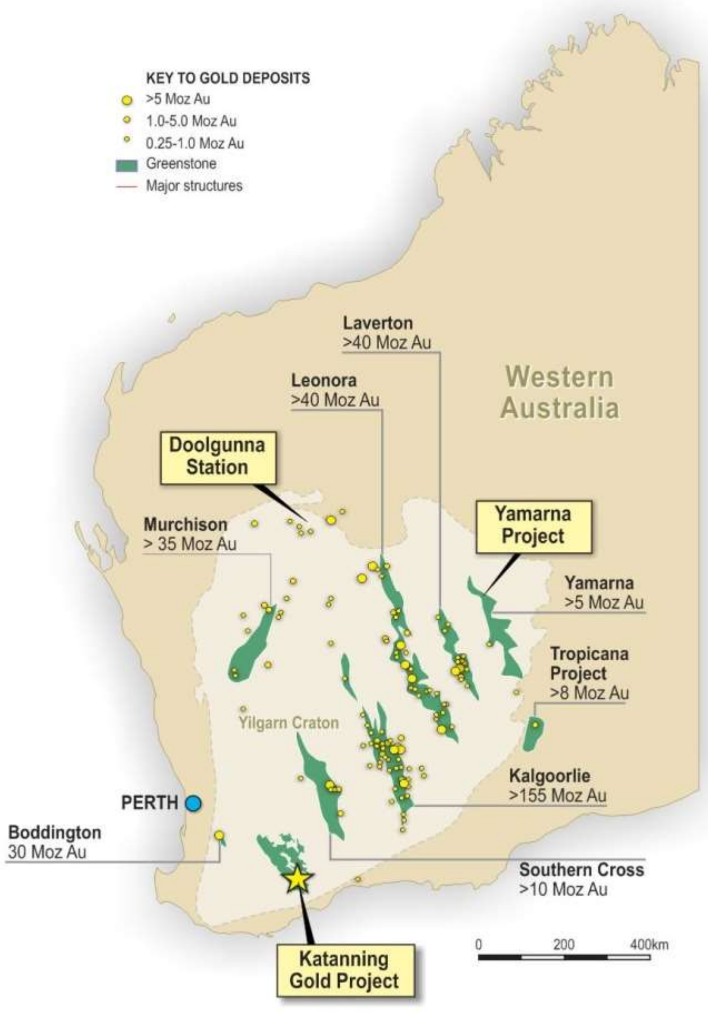


**Figure 1 -** Regional map showing the KGP, other Ausgold projects and mineralised greenstone belts

The information in this report that relates to the Mineral Resource in Table 1 is based on information announced to the ASX on 7 December 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.

## Competent Person's Statements

The information in this statement that relates to the Mineral Resource Estimates is based on work done by Dr 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 Datatine deposit.

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.

## Not an offer in the United States

This announcement has been prepared for publication in Australia and may not be released to US wire services or distributed in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction. Any securities described in this announcement have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws