



## Ausgold Commences Katanning Gold Project Definitive Feasibility Study

### Highlights:

- **Definitive Feasibility Study commenced on the 2.16 Moz Katanning Gold Project with expected completion in Q3 CY2023**
- **Multiple work programs are also in train focused on resource expansion drilling and regional exploration**
- **25,000m multi-rig drill program advanced with over 9,000m of drilling already completed**

Ausgold Limited (ASX: **AUC**) (**Ausgold** or the **Company**) is pleased to announce the commencement of its Definitive Feasibility Study (**DFS**) on the 2.16 Moz Katanning Gold Project (**KGP** or the **Project**).

### Management Comments

**Commenting on the DFS commencement, Ausgold Managing Director, Matthew Greentree, said:**

*"Moving forward on the DFS for the growing 2.16 Moz Katanning Gold Project sends a clear signal of our intent to become Australia's next mid-tier gold producer.*

*The team is working through a number of optimisation opportunities identified in the Prefeasibility study to optimise the project size ultimately supporting a project financing process later this year.*

*In parallel, the Company is focused on executing a large 25,000m exploration drill program that is designed to further expand the KGP Resource and test a number of regional exploration opportunities. Over 9,000m of drilling has already been completed during the holiday period with results expected through the quarter."*

### Definitive Feasibility Study

A Prefeasibility Study (**PFS**) was completed and announced on 1 August 2022 highlighting the 2.16 Moz Katanning Gold Project as the largest undeveloped free milling open cut gold mining project in Western Australia. The PFS outcomes will form the basis for the DFS, which demonstrated:

- Maiden Probable Ore Reserve of 32Mt @ 1.25g/t gold for 1.28Moz (Inferred Mineral Resource excluded)
- High 1.47 g/t Au head grade in the initial 6 years of production
- Average annual gold production of 105,000 oz for 11 years LOM using simple open cut mining methods
- Excellent metallurgical characteristics with gold recoveries over 90%
- Project Mineral Resources 56Mt @ 1.21g/t gold for 2.16Moz
- Post-tax NPV<sub>5</sub> of A\$364M assuming A\$2,300 gold price
- Internal Rate of Return (IRR) of 40.7% post-tax
- All-In-Sustaining Cost (AISC) A\$1,370/oz first six years of production
- Payback period of 1.7 years

As a part of the DFS scope, Ausgold has identified a number of opportunities to optimise the planned operation, including a potentially larger project. Lead Engineer, GR Engineering Services Limited (GRES) is engaged on the study, expected to be delivered in Q3 CY2023.

Outlined below is a summary of the work programs underway.

### Project Development Timeline

Key Milestone	Q1 CY 2023	Q2 CY 2023	Q3 CY 2023	Q4 CY 2023
KGP Exploration	✓	✓		
KGP Mineral Resource Update			✓	
Regional Exploration	✓	✓		
Lithium Exploration	✓	✓		
KGP DFS	✓	✓	✓	
Project Financing and FID			✓	✓
Permitting & Approvals	✓	✓	✓	✓

### Geology and Resource

The current drilling programs will extend beyond PFS Resource areas in the Southern and Northern Zones, aiming to expand the Resource and build scale beyond the current Project.

A regional exploration program is underway to test a number of targets for gold at Lake Magenta located 140km E of KGP and the Duggan, Stanley and Tamacurring areas, approximately 40km NW of the KGP. In addition, early-stage exploration work is underway to assess lithium potential at several pegmatite occurrences at Lake Magenta and the Kojonup Project (Figures 1 and 2).

### Mining

Mining studies are underway to optimise throughput, mining and processing schedules. Concurrently, pit, waste and haul road designs will be detailed for contractor pricing and mining fleet confirmation.

### Pit Geotechnical Assessment

The comprehensive pit geotechnical PFS assessment will be continued for the DFS; a data gap analysis was recently completed, and additional laboratory test work on core collected during earlier drilling programs has commenced. Furthermore, additional downhole televiewer surveys on resource definition drill holes will ensue in the first quarter 2023.

### Metallurgy

Drill core samples were collected across all major ore zones and composited for the DFS metallurgical test work. Comminution test work on the composite samples is complete and gravity and leach recovery test work against targeted processing grind size are nearing completion at ALS Metallurgical Laboratory.

## **Process Design**

Comminution modelling based on recent and earlier comminution data, along with throughput and target grind size, has been completed. This modelling was performed to confirm the crushing and grinding circuits proposed in the PFS and provide an optimised mill arrangement.

## **Tailings Storage Facility and Surface Water Management**

Tailings physical and geochemical test work were recently completed. Preparation for tailings storage facility site investigation work is underway and will be completed alongside current drill programs.

## **Hydrogeology**

Hydrogeological (groundwater) studies have commenced to quantify pit dewatering requirements and identify adequate water supply for the operation. Groundwater exploration drilling, with production and monitoring bore installations, is scheduled to commence in February 2023. Following installation, production bores will be tested to support numerical modelling of groundwater yield.

## **Power Supply**

A grid connection and capacity study is underway with Western Power which will also provide preliminary designs and cost estimates. In addition, on site renewable energy infrastructure is being assessed.

## **Accommodation**

Ausgold has been in discussion with the local councils and businesses to assess availability of accommodation in the region. Development sites for accommodation were identified and concept accommodation designs are underway.

## **Environmental Studies**

Mine waste characterisation studies are progressing with sampling complete and submitted for assay. Furthermore, noise screening desktop assessment and, Scope 1 and Scope 2 Greenhouse Gas Emissions assessment have commenced. Spring flora and fauna surveys over the Project area were largely completed, leading into on-going, seasonal, baseline biological surveys, contributing to the environmental impact assessment.

## **Community and Stakeholder Engagement**

Ausgold has joined the Katanning Regional Business Group to promote stakeholder engagement and identify local businesses that may be involved in the project development and operations. Ausgold also recently presented at the Katanning Agricultural Show, providing an opportunity to discuss the results of the PFS, and provide a vision of the size and scale of the proposed mining operations. Attendees at the show were invited to complete a simple survey on their impressions of gold mining operation in proximity to their community and the response was generally positive. Ausgold intends to build upon this survey to substantiate the stakeholder engagement program as part of the approvals process.

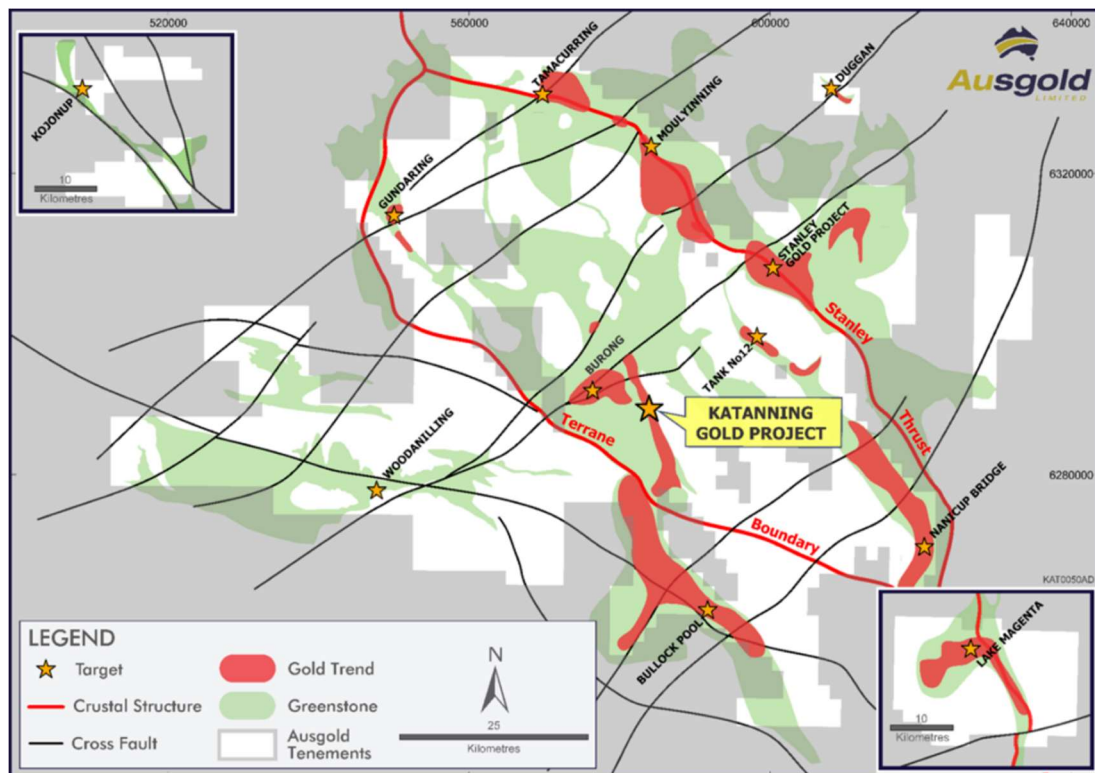


Figure 1 – Regional geological showing current targets

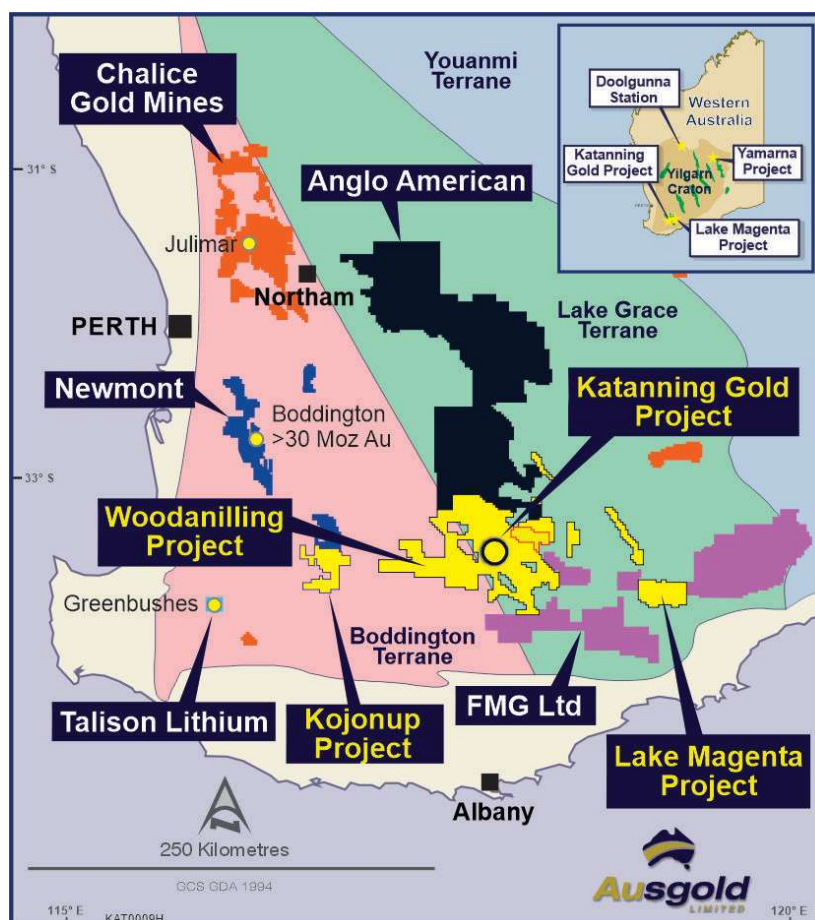


Figure 2 – Ausgold's regional tenement locations shown in yellow

**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

---

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

Matthew Greentree

Managing Director, Ausgold Limited

T: +61 (08) 9220 9890

E: [investor@ausgoldlimited.com](mailto:investor@ausgoldlimited.com)

## 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 2.16 Moz gold (Table 1).

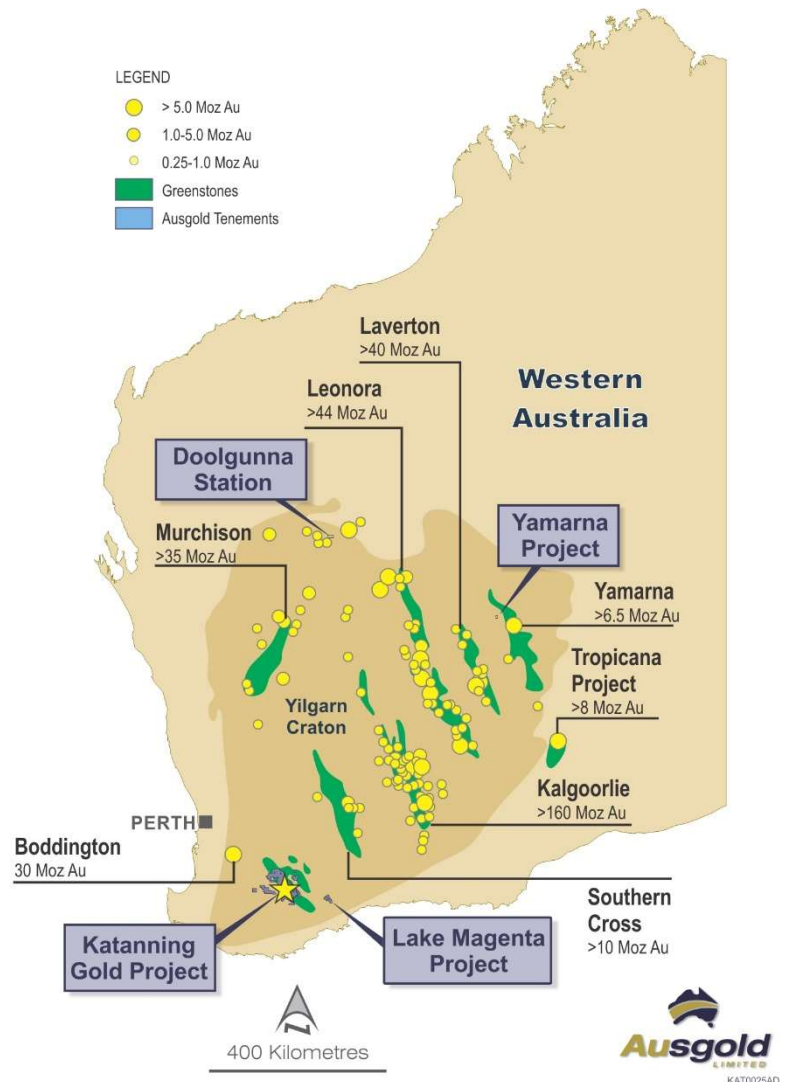
Ausgold's portfolio also includes the Doolgunna Station Cu-Au project and the Yamarna Ni-Cu-Co project in Western Australia

**Table 1 - Current Mineral Resource and Reserve**

(Details in ASX release 25 May 2022 and 1 August 2022)

Mineral Resource	Tonnes (Mt)	Grade (g/t)	Contained gold (Moz)
Measured	19.0	1.31	0.80
Indicated	26.8	1.14	0.98
Inferred	9.5	1.03	0.37
<b>Total</b>	<b>56.0</b>	<b>1.21</b>	<b>2.16</b>
<b>Ore Reserve</b>			
Probable	32	1.25	1.28
<b>Total</b>	<b>32</b>	<b>1.25</b>	<b>1.28</b>

The information in this report that relates to the Mineral Resource and Ore Reserve in Table 1 is based on information announced to the ASX on 25 May 2022 (Resource) and 1 August 2022 (Ore Reserve) and 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 3 - Regional map showing the KGP, other Ausgold projects and mineralised greenstone belts**



### Competent Persons' Statements

The information in this statement that relates to the Mineral Resource estimates is based on work carried out by Dr Michael Cunningham of Sonny Consulting Services Pty Ltd, Mr Daniel Guibal of Condor Geostats Services and Dr Matthew Greentree of Ausgold Limited in 2021 and 2022. The information in this statement that relates to the Ore Reserve estimates is based on work carried out by Mr Andrew Hutson of Resolve Mining Solutions in 2022.

Dr Greentree is Managing Director and 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 Limited and takes responsibility for the Mineral Resource estimates for the Jackson, Olympia, Dingo and Datatine deposits. Mr Daniel Guibal takes responsibility for the Mineral Resource estimates for the Jinkas and White Dam deposits.

Dr Cunningham, Mr Guibal 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).

Mr Hutson is a Fellow of the Australasian Institute of Mining and Metallurgy and has 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 is understood 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 timeframe and within estimated costs currently planned; variations in global demand and price for commodities; fluctuations in exchange rates between the US 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, but relates to internally generated goals set by the Board of Directors of Ausgold Limited. Ausgold's ability to achieve any targets will be largely determined by its ability to secure adequate funding, implement mining plans, resolve logistical issues associated with mining and enter into any necessary offtake arrangements with reputable third parties. Although Ausgold Limited believes that the 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.