

Quarterly Report for period ending 31 December 2022

Highlights:

- Definitive Feasibility Study (DFS) commenced on the Katanning Gold Project with expected completion in Q3 CY2023
- Pre-Feasibility Study (PFS) delivered on the 2.16 Moz Katanning Gold Project, confirming a robust and substantial gold project defining the KGP as the largest undeveloped free-milling open-cut gold project in Western Australia:
 - Maiden Ore Reserve of 1.28 Moz at 1.25g/t
 - Average gold production of 105koz per year for 11 years
 - Ore to be processed on-site via a simple, conventional gravity and CIL processing facility
 - Excellent metallurgical characteristics with gold recoveries over 90%
 - Post-tax cashflow of \$547 million / NPV₅ \$364 million
 - Assumed A\$2,300 gold price
 - IRR 40.7 % and a payback of 1.7 years
 - Pre-production capital costs of \$225 million
 - Initial 6 years of production will focus on delivering a higher 1.47g/t grade for an average 126koz of gold pa, generating \$555M of after-tax free cashflow
- 9,000m of 25,000m multi-rig exploration drill campaign completed targeting gold mineralisation along strike within the Southern and Northern Zones and repeats in the Central Zone
- EIS co-funded regional drill programs continue along the Stanley Thrust and KGP deeps areas
- Assessment of lithium potential progressing with soil sampling and aircore drilling underway on multiple targets



Figure 1 – AC rig drilling at Lake Magenta

Ausgold Limited (ASX: **AUC**) (**Ausgold** or the **Company**) is pleased to provide the following report for the quarter ended 31 December 2022. The Company holds approximately 5,500km² of tenure within the South-West Yilgarn Craton, a region which is historically underexplored but is highly prospective for gold, copper, Lithium and Ni-PGE metals.

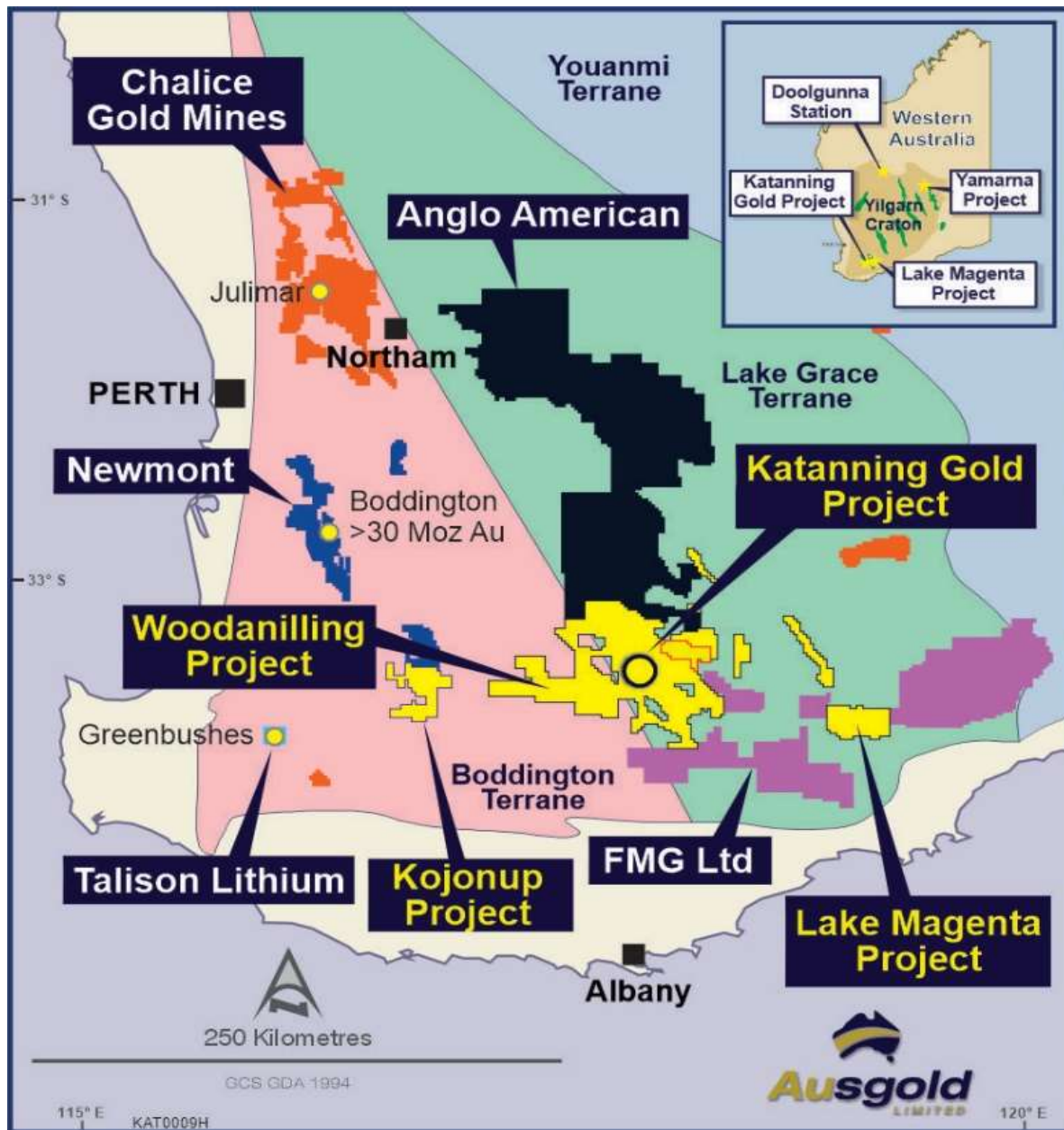


Figure 2 - Ausgold's regional South-West tenure location shown in yellow

Katanning Gold Project, WA

AUC interest 100%

During the quarter, Ausgold continued to advance its 100%-owned flagship Katanning Gold Project (**KGP** or the **Project**), located 275km from Perth, Western Australia.

Background

The KGP represents a 17km mineralised trend with significant potential across three key zones, which include the following Resource deposits and prospects (Figure 3):

- **Northern Zone** – Datatine
- **Central Zone** – Jackson, Olympia, Jinkas, and Jinkas South
- **Southern Zone** – Rifle Range, Dingo, and Lukin

Definitive Feasibility Study

During the quarter the Company commenced work on a Definitive Feasibility Study (**DFS**) following completion of a Pre-feasibility Study (**PFS**) which was 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, a Tier 1 mining jurisdiction. 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 105,000oz 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 NPV₅ of A\$364M assuming A\$2,300 gold price
- Internal Rate of Return (IRR) of 40.7% post-tax
- All-In-Sustaining Cost (AISC) of A\$1,370/oz in the 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.

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 Q1 CY2023.

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 mining 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 operation. Attendees at the show were invited to complete a simple survey on their impressions of gold mining operations 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.

Prefeasibility Study

On 1 August 2022 Ausgold announced the results of the PFS and Maiden Ore Reserve for the KGP.

Table 1 Key LOM financial and physical metrics

Key Metrics	
Life of Mine	11 years after 1.5 years construction
Ore Tonnes Mined	32 Mt
Ore Processing Rate	3 Mtpa
Stripping Ratio	9
Average gold grade – years 1 - 6	1.47 g/t Au
Average gold production (recovered) – years 1 - 6	126 kozpa
Average gold grade – LOM	1.25 g/t Au
Average gold production (recovered) – LOM	105 koz
Recovered Gold	1.16 Moz
Financial Metrics	
Revenue	A\$2,669M
All in Sustaining Costs (AISC) – first 6 years' production	A\$1,370 per oz
All in Sustaining Costs (AISC) – LOM	A\$1,481 per oz
Net free cashflow (pre-tax)	A\$746M
Net free cashflow (post-tax)	A\$540M
EBITDA – LOM	A\$981M
Payback period (post-tax)	1.7 years
NPV (pre-tax)	A\$515M
NPV (post – tax)	A\$364M
Internal Rate of Return (IRR) pre-tax	50.5%
Internal Rate of Return (IRR) post-tax	40.7%
Gold Price assumption	A\$2,300 per oz
Capital Expenditure and Closure Costs	
Pre-Production Capital and Operating Costs	A\$225M
Sustaining Capital Costs	A\$31M
Closure Costs	A\$8M

Table 2 Mineral Resources and Ore Reserve Inventory

Mineral Resource	Tonnes (Mt)	Grade (g/t Au)	Contained Ounces
Measured	19.0	1.31	800,000
Indicated	26.8	1.14	984,000
Inferred	9.5	1.03	370,000
Total	56.0	1.21	2,160,000
Ore Reserve	Tonnes (Mt)	Grade (g/t Au)	Contained Ounces
Probable	32.0	1.25	1,280,000
Total	32.0	1.25	1,280,000

Notes: Mineral Resources are Reported at a 0.6 g/t Au cut-off grade and ore reserves are reported based on a A\$2,200 gold price as a basis for cut-off grade estimations and pit optimisations. Life of mine only includes Central zone and Dingo Resource areas. The Ore Reserve and LOM only include Measured and Indicated Resource.

The information in this report that relates to the Mineral Resource in Table 2 is based on information announced to the ASX on 1 August 2022. 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.

For further information regarding the PFS and Maiden Ore Reserve, refer to the Executive Summary Report included in ASX announcement 1 August 2022, as **Appendix 1**. The Ore Reserve was prepared and reported in accordance with the *Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves* (JORC Code, 2012 edition) (the **JORC Code**).

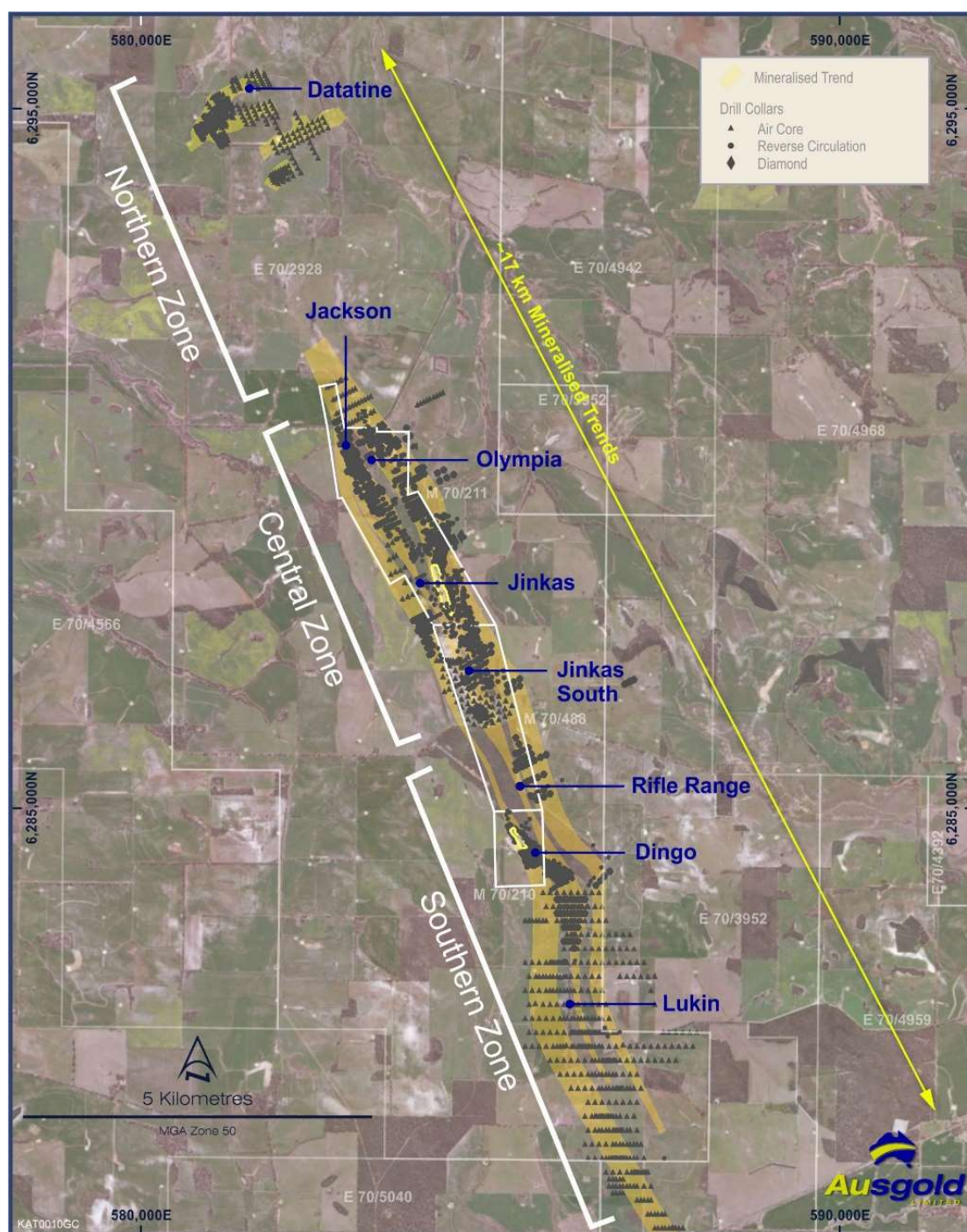


Figure 3 – Map of the 17km Katanning Gold Project, including the Northern, Central and Southern Zones

Katanning Gold Project Exploration

New exploration targets developed within the KGP and environs are designed to test the multi-million-ounce gold potential of the Project. The 10,000m multi-rig drill program will be undertaken using AC, RC and DD rigs and will target gold mineralisation along strike from the KGP within the Southern and Northern Zones and repeats east and west of the Central Zone (Figure 4).

KGP Central Zone

The Central Zone contains the majority of the current **JORC Resource of 2.16 Moz**, identified within a 4.5km strike length (Figures 3 and 4).

Recent exploration and Resource drilling programs have targeted areas of high-grade mineralisation in the Central Zone using an improved geological model combined with geophysical techniques. Ausgold has refined the exploration targeting methods, including the extensive use of DHEM techniques to detect and locate extensive zones of pyrrhotite-magnetite alteration, which are characteristic of high-grade gold mineralisation. This improved deposit knowledge and exploration targeting method has enabled Ausgold to further expand the KGP Resource.

Southern Zone extends 8km south along strike from the Dingo Resource area, the Lukin Prospect contains the same rocks that host gold mineralisation as are found in the Central Zone (Figure 4). Historical AC and RC drilling has demonstrated gold mineralisation along the zone's strike length and has the potential to support a larger gold Resource at the KGP. The current exploration drilling program will test the potential gold mineralisation extending southward along this 8km of strike length. Significant past results include:

- 3m @ 5.3 g/t Au from 20m including 1m @ 14.55 g/t Au from 20m in BSRC0891 (ASX announcement 28th May 2019)
- 1m @ 2.64 g/t Au from 90m in BSRC0892 (ASX announcement 28th May 2019)
- 3m @ 0.5 g/t Au from 42m, 3m @ 1.18 g/t Au from 129m and 1m @ 1.8 g/t Au from 156m in BSRC1148 (ASX announcement 27th August 2021)

Northern Zone extends 4.5km north of the current Resource areas at the Central Zone towards the Datatine Resource area (Figure 4). To date, this area has had very limited drilling testing beyond the current Resource areas. Detailed interpretation of geophysics, including aeromagnetic, VTEM and ground gravity, indicates mine sequence extends northward with proposed RC drilling to target additional near-surface gold mineralisation at Jackson North. Significant results include:

- 2m @ 6.07 g/t Au from 54m in BSRC0804 (ASX announcement 28th May 2018)
- 4m @ 2.00 g/t Au from 170m in BSRC1158 (ASX announcement 23rd June 2021)
- 3m @ 1.70 g/t Au from 67m BSRC0922 (ASX announcement 20th January 2021)

Western and Eastern trends an aircore (AC) drill program is planned to test parallel structures and prospective mine geology west and east of KGP Resource. The prospectivity of these two areas is based on geophysics and field mapping with limited sampling. Gold mineralisation has been identified with bottom-of-hole gold anomalism (including 3m @ 0.4 g/t in BSAC0895; ASX announcement 28th March 2018) in past reconnaissance AC drilling. Limited work east of the Central Zone has identified prospective mafic geology which correlates with 70ppb gold in soil anomalism.

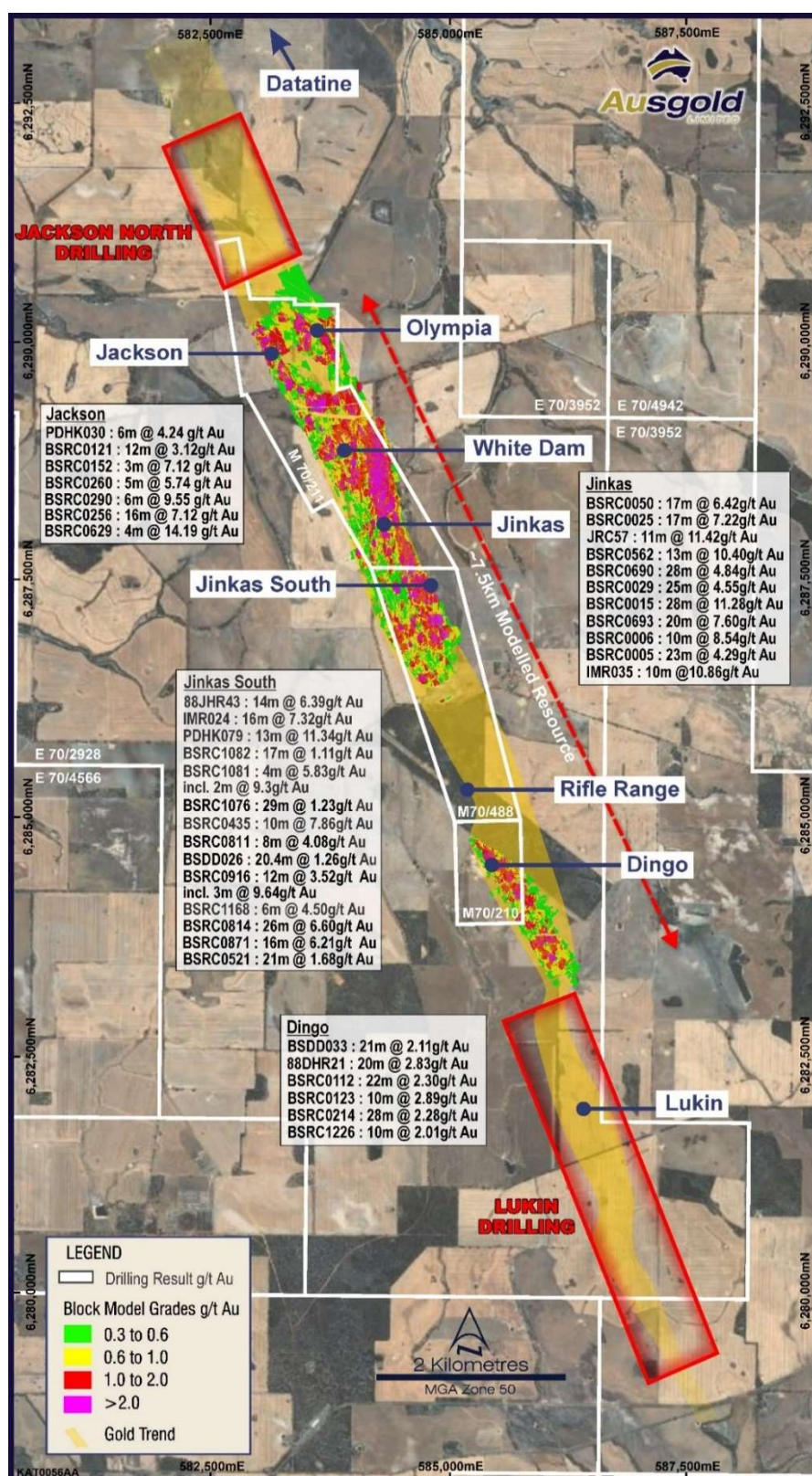


Figure 4 – KGP Resource May 2022 Resource block model and target areas of the current drilling program

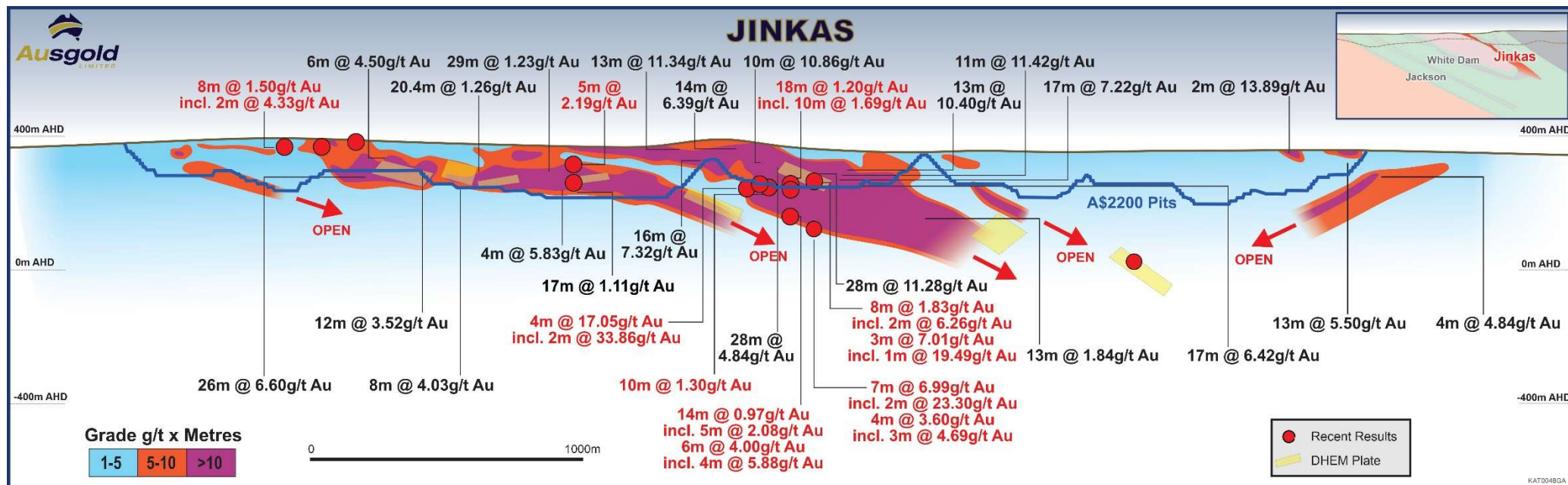


Figure 5 - Long section view towards the west of the KGP Central Zone showing grade as gram metres and location of DHE

Katanning Regional

Ausgold's strategic land holding of approximately 5,500 km² covers a crustal-scale geological boundary separating the Southwest and Youanmi Terranes. The major crustal-scale fault along this boundary is the same as that which hosts the gold mineralisation within the KGP and extends northwards being clearly visible in multiple geophysical datasets, including gravity and aeromagnetics.

Ausgold's geological interpretation of the region based on field mapping has provided a framework under which to conduct exploration. Combined with the significant geochemical database collected by Ausgold and historical data, this has enabled the identification of 42 regional targets.

Late in the quarter, a 15,000m AC drilling program commenced targeting gold mineralisation along major structures which are considered as focal zones for gold mineralisation, these included the Duggan, Stanley, Tamacurring and Gundaring areas located approximately 40km NW of the KGP. As part of this regional exploration program, Ausgold is also targeting areas considered prospective for pegmatite-hosted lithium based on results from a recent target generation study. Early-stage exploration work is underway to assess lithium potential at several pegmatite occurrences at Lake Magenta and at the Kojonup Project.

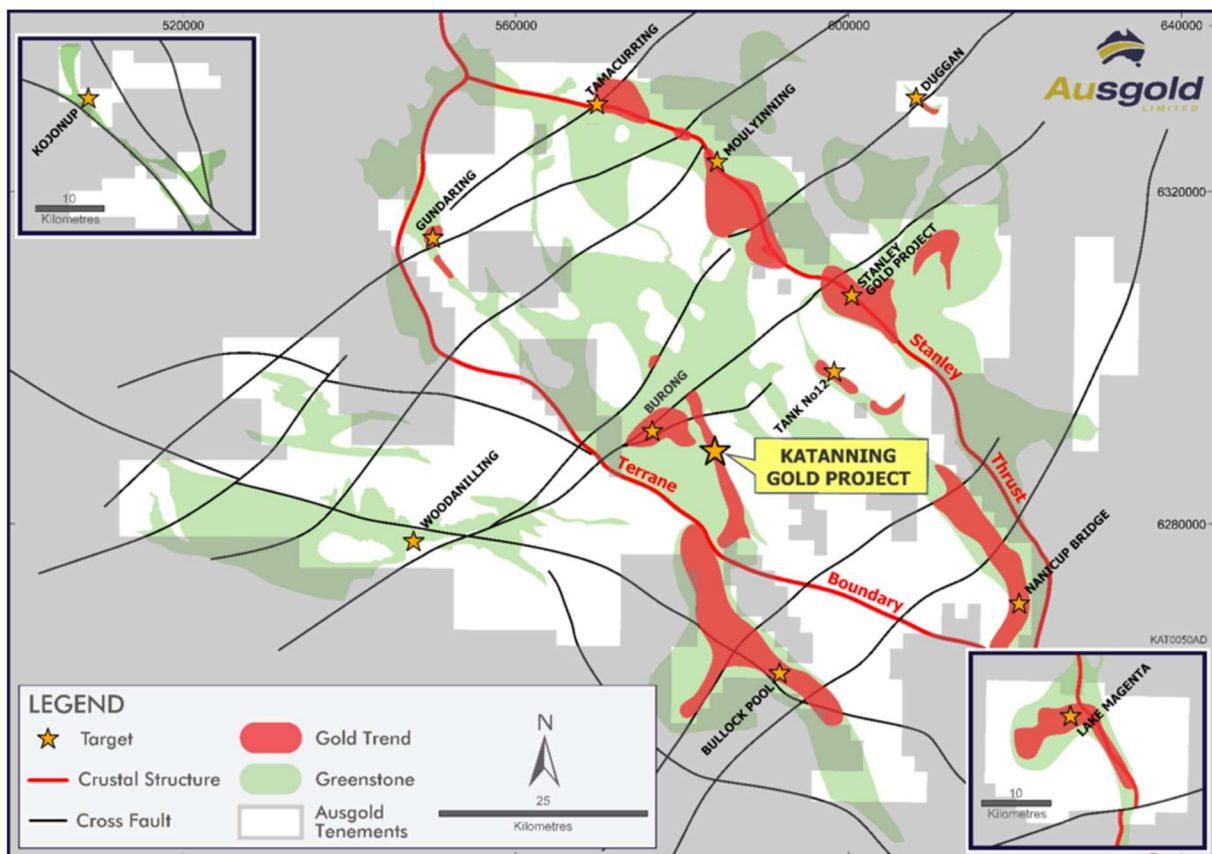


Figure 6 - Regional view of KGP and regional targets showing trend of mineralisation

Duggan Regional Prospect

The Duggan prospect is located 50km along sealed roads northeast of the KGP (Figure 6). The recently completed phase two drill program of 1,216m of RC drilling has intercepted extensive gold mineralisation extending along strike and down dip from previous RC results, which included **7m @ 4.05 g/t Au from 19m including 5m @ 5.50 g/t Au from 19m** in DUGRC015 and **4m @ 5.48 g/t Au from 72m including 3m @ 7.17 g/t Au from 72m** in DUGRC019 (see ASX Release 26 April 2022).

This drill program intersected significant gold mineralisation extending mineralisation of two gold lodes within 100m of surface. Additional high-grade mineralisation of **1m @ 43.20g/t Au from 52m in DUGRC036** was intercepted in a newly discovered lode to the southwest, with gold mineralisation remaining open both along strike and down dip. Significant results include (ASX announcement 7th September 2022):

- **4m @ 9.30g/t Au from 84m in DUGRC042**
- **1m @ 43.20g/t Au from 52m in DUGRC036 (new lode)**
- **5m @ 1.15g/t Au from 10m in DUGRC038**

Gold mineralisation is associated with a zone of sulphide alteration with extensive pyrite and pyrrhotite within a sequence of gneissic rocks. Drilling has targeted mineralisation dipping 60° towards the northeast and a moderate plunge towards the south (Figures 7 and 8). Further exploration drilling is planned with the aim of extending the known footprint of the primary lode along strike, up- and down-dip and down-plunge (Figures 7 and 8) and identifying and confirming additional stacked lodes south of the primary lode.

The Company is encouraged by the extent of near-surface gold mineralisation intersected in initial drilling at Duggan. Significant potential exists considering gold mineralisation at Duggan remains open along strike, up- and down-dip and down-plunge.

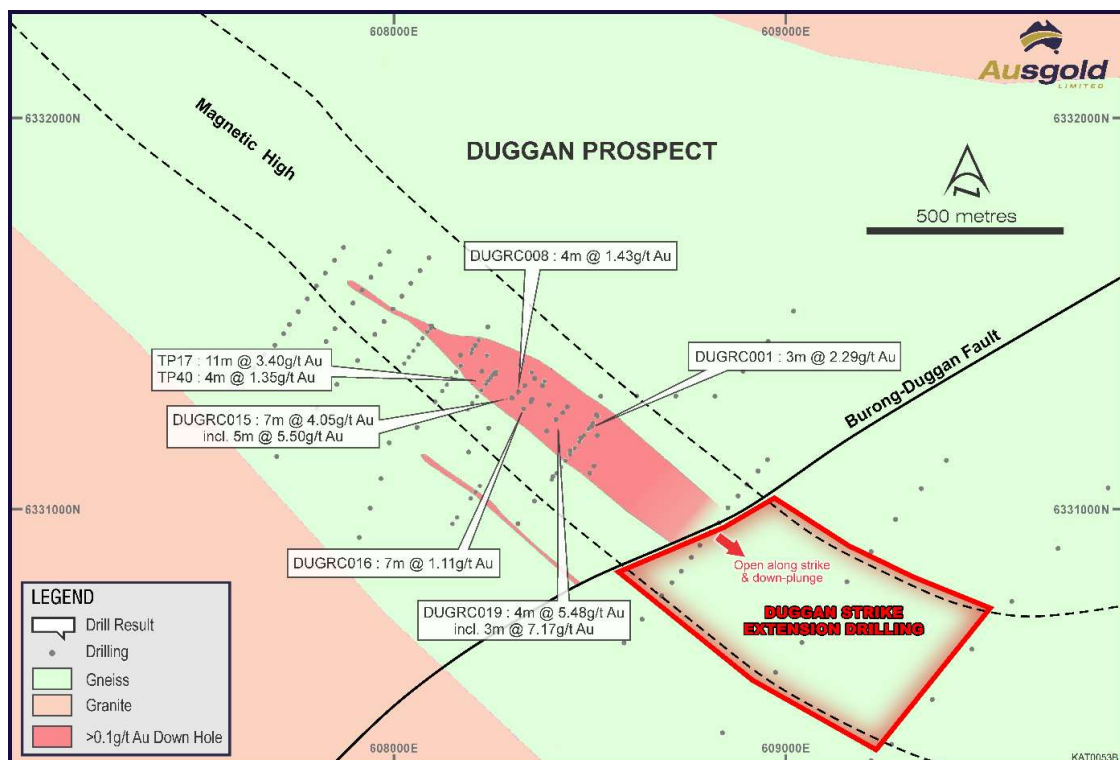


Figure 7 – Prospect scale plan map of the Duggan Project

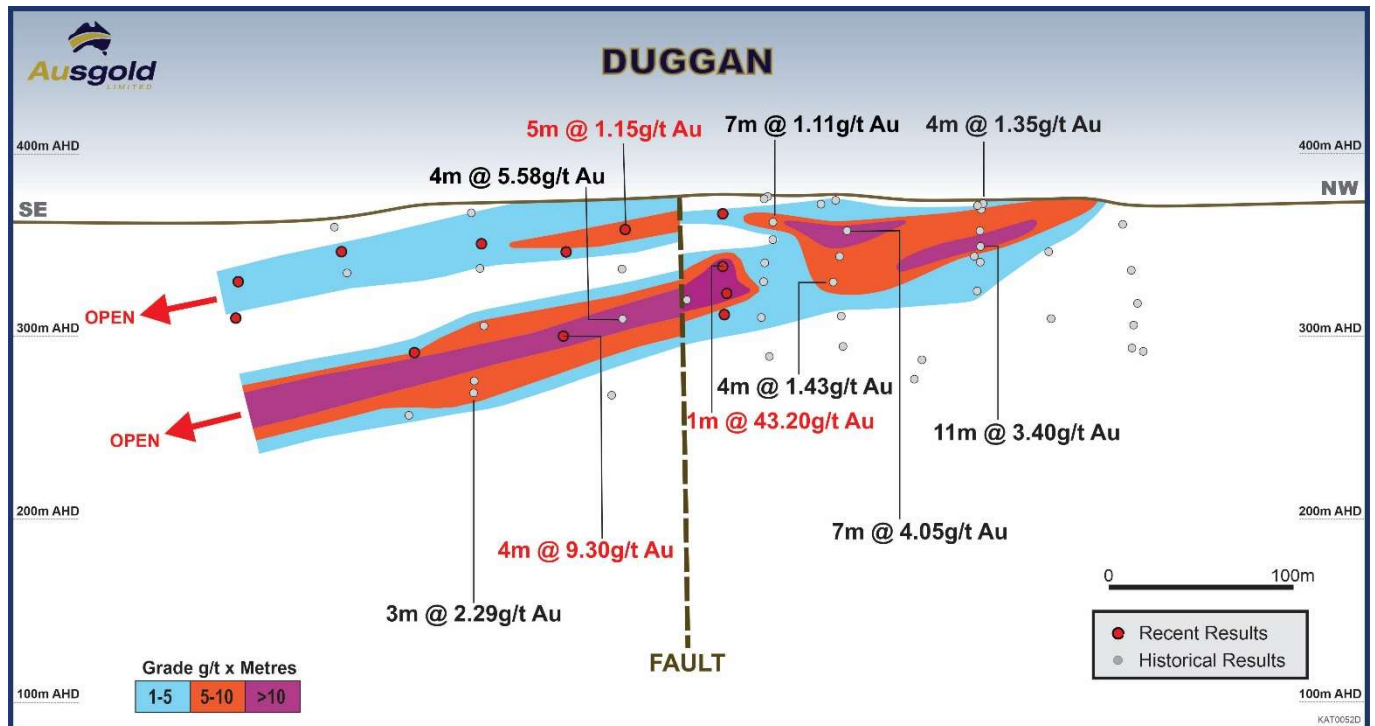


Figure 8 – Long section of Duggan

Stanley Gold Project Joint Venture

Ausgold entered into farm-in agreement with Cygnus Gold Limited to acquire a majority interest in the Stanley Gold Project located 25km northeast of the KGP. Under the agreement Ausgold can earn an 85% interest in the project by expending \$750,000 over 3 years.

The project covers a 233km² land position along a 24km strike length of highly prospective greenstone belt that contains the same geological sequence that hosts the KGP.

Stanley Gold Project Overview

The Stanley Gold Project comprises two 100%-owned tenements: E70/5131 and E70/4787 positioned along 24km of highly prospective greenstone belt. The greenstone belt has potential for gold and Ni-PGE mineralisation with abundant mafic to ultramafic rocks located along the intersection of the Kukerin and Pingaring shear zones and cross-structures such as the Burong fault (Figure 6). The geological setting, coupled with highly anomalous surface geochemistry and the following previously reported significant near-surface gold intercepts, highlight the prospectivity of the area:

- 8.5m @ 33.00g/t Au from 37.7m inc 2.4m @ 114.62g/t Au in BNDD001
- 8.6m @ 19.27g/t Au from 24.7m inc 5.7m @ 28.60g/t Au in BNDD003
- 7m @ 12.56 g/t from 21m in 09KUAC164
- 16m @ 4.99 g/t from 30m in 09KUAC009
- 9m @ 6.87 g/t from 24m in 09KUAC012
- 27m @ 2.26 g/t from 21m in 09KUAC008
- 15m @ 3.96 g/t from 24m in 08KUAC075
- 9m @ 5.01 g/t from 22m in 09KUAC158
- 3m @ 6.77 g/t from 42m in 09KUAC011
- 8m @ 1.83 g/t from 37m in PRRB119
- 2m @ 5.49 g/t from 81m in STRC0020
- 3m @ 3.26 g/t from 42m in 08KUAC075
- 12m @ 0.63 g/t from 21m in 11KUAC003
- 6m @ 1.25 g/t from 33m in 09KUAC007

Six advanced drill-ready targets, including those adjacent to Ausgold's extensive ground position, have been identified in recently collected geophysics, geochemistry, and drilling. With a large, mineralised strike length, the project demonstrates the potential for large-scale discovery in a relatively underexplored region.

During the quarter Ausgold advanced land access negotiations and drill program planning with the aim of identifying a large-scale gold system at Stanley. An RC drilling program will commence early in Q1 CY2023 to test a number of prospective gold targets.

Gundaring is located 40km NW of the KGP and is an extensive soil 10-20ppb gold anomaly following a major structure extending over 3km of strike length (Figure 6) which has had no effective previous drill testing and will be tested by AC drilling early in Q1 CY2023.

Review of Lithium Potential

Ausgold is undertaking a review of potential for lithium across the Company's tenements in the SW Yilgarn. The area is considered highly prospective for lithium-bearing pegmatite and a review of geochemical data sets alongside historical drilling results is underway. Initial review has identified eight pegmatite occurrences across Ausgold's tenements, with re-analysis (75 samples) of drilling and rock chip samples from the KGP Woodanilling Project and Nanicup Bridge underway. A recent ground gravity survey successfully identified a high-density anomaly over the western portion of Lake Magenta, coincident with interpreted greenstone stratigraphy and gold-in soil-anomalism. In addition to gold mineralisation, significant lithium in laterite samples (112 and 65ppm) is reported by a recent CSIRO study¹ (Figure 6).

The prospectivity of Ausgold's ground position is highlighted by its relative proximity to the Greenbushes lithium deposit approximately 60km to the west of Ausgold's tenements (Figure 2).

¹ Noble, Ryan; Otto, Alexander; Lampinen, Heta; Huntington, Jon; Pinchand, Tenten. Critical metals in laterite related to pegmatite mineral systems of the western Yilgarn Craton (Li, W, Sn, Ta, REE). Perth: CSIRO; 2021. <https://doi.org/10.25919/ew2z-aj55>

Woodanilling Project, WA

AUC interest 100%

The Woodanilling Project (**Woodanilling**) lies 20km north of the town of Katanning. Woodanilling comprises a total area of 1,300 km².

Woodanilling is a layered mafic intrusion complex with extensive past exploration, including soil sampling and drilling, to test vanadium and PGEs within the project area. Woodanilling includes the Mine Hill (E70/4863), Red Hill (E70/5142), Kalang (E70/5142), and Martling (E70/5142) prospects. Past exploration includes 108 RC and six diamond drill holes which have intersected significant widths of vanadium (V₂O₅) mineralisation from surface, with thicknesses of up to 60m and multiple zones of mineralisation identified.

In light of the recent Julimar discovery by Chalice Mining Limited in the same western portion of the Yilgarn Craton, Ausgold has conducted a review of previous work, which has highlighted four priority areas of anomalous copper-chrome-gold-PGE (with up to 154 ppb Pt-Pd in 08KTR077).

During the quarter numerous pegmatite occurrences have been mapped across the project area, with samples currently being analysed at the lab.

Mine Hill copper-silver-gold mineralisation

Diamond hole RHDD001 drilled in early 2021 for 180.6m at Mine Hill, near to historical gold workings, intersected a high-grade zone of copper-silver-gold mineralisation. Mineralisation occurs in two near-surface zones with semi-massive sulphides, including pyrrhotite, chalcopyrite, pyrite and rare trace molybdenite.

Previously reported significant intercepts include:

- 1.95m @ 6.65 g/t Ag and 0.70% Cu, including 0.45m @ 12.2 g/t Ag, 1.37 % Cu and 0.14 g/t Au from 56.05m
- 4m @ 1.8 g/t Ag and 0.11 g/t Au from surface

High-grade Cu-Ag intercepts occur within a broad zone of lower grade mineralisation which extends for over 34.75m and is associated with disseminated sulphides, including pyrrhotite, pyrite and molybdenite with elevated values for Cu, Ag, Au, Bi, Ca, Co, Mo, Rh, Ti and Zn. Mineralisation is hosted within a gabbro, with the highest values being along the contact with a granite. Within these gabbros, elevated V₂O₅ and TiO₂ was intercepted with 24.1m @ 0.22% V₂O₅ and 4.23% TiO₂ from 131.5m, including 3.3m @ 0.71% V₂O₅ and 12.37% TiO₂ from 145.8m.

This drilling has demonstrated a new style of mineralisation which may have more regional implications. During the quarter Ausgold reviewed the drill results and ground-based geophysics to develop and prioritise new drill targets.

Kojonup Project, WA

AUC interest 100%

The Kojonup Project (**Kojonup**) is comprised of three exploration tenements covering a total area of 830km². The tenements cover northwest striking greenstone which is bound by major northwest-trending faults which have broad zones of coincident gold and multi-element geochemical anomalism.

Considering Kojonup's location is only 60 km east of the world class Greenbushes Lithium Mine the primary focus is for its potential to host a significant lithium deposit. Soil sampling and geological mapping commenced during the quarter and will provide an assessment of the lithium and gold potential (Figure 2).

Lake Magenta Gold Project, WA

AUC interest 100%

Lake Magenta is located near the town of Jerramungup in the Southwest Yilgarn Region of Western Australia covering a total area of 378 km² (Figure 2). Previous exploration has outlined an extensive gold-in-soil anomaly (>10ppb) along 17km of strike length which is coincident with the major Yandina Shear zone and regional-scale folding (Figure 9).

As noted above, a recent ground gravity survey successfully identified a high-density anomaly over the western portion of Lake Magenta, coincident with interpreted greenstone stratigraphy and gold-in soil-anomalism. In addition to gold mineralisation, significant lithium in laterite samples (112 and 65ppm) is reported by a recent CSIRO study¹ (Figure 6).

Ausgold has conducted surface mapping and re-logging of historical diamond holes and has identified 16 pegmatite intrusions coincident with anomalous lithium in-laterites. Results are pending for rock chip sampling of pegmatites and re-sampling of historical drill core and analysed for lithium. Late in the quarter a first pass AC drilling program commenced over prospective areas on the western portion of Lake Magenta (Figure 9).

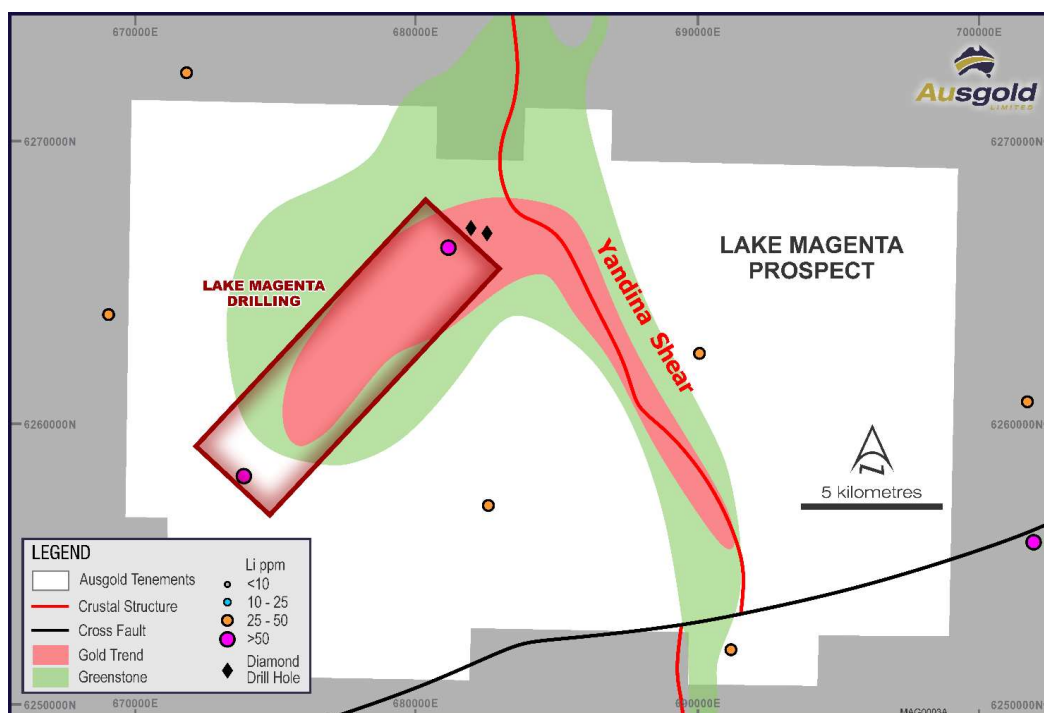


Figure 9 – Geological plan map of Lake Magenta highlighting the drilling target along a gold and lithium anomalous trend

¹ Noble, Ryan; Otto, Alexander; Lampinen, Heta; Huntington, Jon; Pinchand, Tenten. Critical metals in laterite related to pegmatite mineral systems of the western Yilgarn Craton (Li, W, Sn, Ta, REE). Perth: CSIRO; 2021. <https://doi.org/10.25919/ew2z-aj55>

Doolgunna Station, WA

AUC interest 100%

The Doolgunna Station Project, located 150km north-east of Meekatharra in Western Australia's Bryah Basin, comprises E52/3031 covering 176km² and is located approximately 13km to the west of and along trend from the DeGrussa copper-gold operations of Sandfire Resources Limited.

Yamarna Project JV, WA

AUC interest 25%

The Yamarna Project is the subject of a Joint Venture Agreement with Cosmo Metals Limited (ASX: CMO) (**Cosmo**) in which Ausgold has retained a 25% free-carried interest in the Yamarna Project until a decision to mine. The Yamarna Project includes the highly prospective Winchester nickel-copper prospect, located 125 km northeast of Laverton in the Goldfields-Esperance Region of Western Australia.

The Yamarna Project, which is located 40km north along strike from Cosmo's Mt Venn Project, comprises exploration licence E38/2129 located in the northern Mt Venn Greenstone Belt.

Cracow Project, QLD

AUC interest 100%

Ausgold holds exploration licence EPM 17054 covering approximately 202km² in the Cracow region, 375km north-west of Brisbane, Queensland. The tenement covers extensive areas of the Camboon volcanics, which host the multimillion-ounce Cracow epithermal gold deposit. During the quarter the term of the exploration licence was extended for a further two years. No significant fieldwork was undertaken on this project during the quarter. The Company is actively seeking a joint venture partner to fund future exploration on the project.

March Quarter 2023 – Planned Activity

- **KGP drilling** - Ausgold has completed planning the next phase of drilling at the KGP which commenced in the December quarter. Drilling will aim to
 1. Intersect high-grade zones at Jinkas Deeps which will demonstrate the scalability of a potential underground Resource (where Ausgold has been awarded \$220,000 of EIS co-funding to support drilling in the Central Zone to test conceptual extensions of high-grade mineralisation at depth);
 2. Extend the current Resource in the undertested portions of the KGP along strike to the north at Jackson (2km strike length) and south at Lukin (4km strike length); and
 3. Test for additional thrust zones and repeated KGP stratigraphy to the east and west of the current Resource.
- **Mine Development Study** - Work is continuing on a DFS for the KGP, which will assess potential mine development scenarios. GR Engineering has been engaged to lead the DFS and the Company anticipates that the DFS will be completed in Q3 CY2023.
- **Geotechnical, hydrogeology and metallurgical drilling** - in the Central Zone and Dingo Resource areas to support future open-pit and underground mining studies, which will continue in Q1 CY2023.
- **Metallurgical test work** – Ongoing test work is now focused on optimisation of comminution flow sheets and leach test work on sulphide composites which will support the DFS. Initial waste rock and tailings characterisation test work continues.
- **Community and environmental studies** – Stakeholder engagement is continuing along with development of the approvals pathway. Ground water and waste rock characterisation studies will continue.
- **Regional exploration** – Whole-of-belt target generation is underway including gold, Ni-PGE and lithium, with exploration programs being planned to test the most prospective regional targets commencing in Q4 CY2022 and continuing in Q1 CY2023. Drilling will be supported by WA government EIS co-funding in the north - eastern regional KGP (EIS Round 25).

COVID 19 Update

Ausgold is adhering to the formal guidance provided by State and Federal health authorities by implementing measures to minimise the risk of infection and transmission of the coronavirus. At this stage, the impact on the Company's activities has not been significant and based on their experience to date the Directors expect this to remain the case. The Company will continue to follow the various government policies and advice and, in parallel, will do its utmost to continue its operations in the best and safest way possible without jeopardising the health of its staff and contractors.

Corporate

Appendix 5B

As at 31 December 2022, Ausgold held \$6,495,000 in cash and \$159,000 in listed investments.

During the quarter, cash outflows comprised \$1,629,000 on exploration activities, \$260,000 on staff costs, \$246,000 on corporate and administration costs, \$4,000 on equipment and \$13,000 on motor vehicle finance costs. Cash inflows comprised \$19,000, being interest income, \$2,000 being proceeds of equity issue, and EIS grant refund of \$65,000.

Payments to related parties and their associates totalled \$211,000 for the quarter, consisting of Executive Directors' salaries (including superannuation) and non-executive directors' fees.

Share Capital

At 31 December 2022, Ausgold had on issue 2,029,474,541 fully paid ordinary shares 46,000,000 unlisted options with various strikes prices and expiry dates and 32,200,000 performance rights.

The Board of Directors of Ausgold Limited approved this quarterly report and Appendix 5B for release to ASX.

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

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E: investor@ausgoldlimited.com

Competent Person's 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.

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 and takes responsibility for the Mineral Resource Estimate for the Jackson, Olympia, Dingo and Datatine deposits and Mr Daniel Guibal takes responsibility for the Jinkas and White Dam Resources.

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).

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.

SCHEDULE OF MINERAL TENEMENT INTERESTS

Summary of mining and exploration tenements as at 31 December 2022

State	Tenement	Tenement status	Grant date	Project	Interest %
Western Australia Tenements					
WA	E38/2129	Granted	13 October 2008	Yamarna	25%
WA	E52/3031	Granted	4 February 2014	Doolgunna	100%
WA	E70/3952	Granted	18 January 2011	Katanning Regional	100%
WA	E70/4392	Granted	25 March 2013	Katanning Regional	100%
WA	E70/4566	Granted	12 August 2014	Katanning Regional	100%
WA	E70/4604	Granted	13 January 2015	Katanning Regional	100%
WA	E70/4605	Granted	13 January 2015	Katanning Regional	100%
WA	E70/4682	Granted	28 July 2015	Katanning Regional	100%
WA	E70/4728	Granted	8 January 2016	Katanning Regional	100%
WA	E70/4855	Granted	29 November 2016	Katanning Regional	100%
WA	E70/4865	Granted	10 January 2017	Katanning Regional	100%
WA	E70/4866	Granted	10 January 2017	Katanning Regional	100%
WA	E70/4896	Granted	9 March 2017	Katanning Regional	100%
WA	E70/4907	Granted	11 April 2017	Katanning Regional	100%
WA	E70/4908	Granted	3 May 2017	Katanning Regional	100%
WA	E70/4942	Granted	21 August 2017	Katanning Regional	100%
WA	E70/4947	Granted	6 November 2017	Katanning Regional	100%
WA	E70/4958	Granted	18 April 2018	Katanning Regional	100%
WA	E70/4959	Granted	11 April 2018	Katanning Regional	100%
WA	E70/4968	Granted	4 January 2018	Katanning Regional	100%
WA	E70/5040	Granted	14 June 2018	Katanning Regional	100%
WA	E70/5042	Granted	14 June 2018	Katanning Regional	100%
WA	E70/5043	Granted	14 June 2018	Katanning Regional	100%
WA	E70/5692	Granted	22 April 2021	Katanning Regional	100%
WA	E70/5850	Granted	7 September 2021	Katanning Regional	100%
WA	E70/5885	Granted	8 November 2021	Katanning Regional	100%
WA	E70/5922	Granted	19 November 2021	Katanning Regional	100%
WA	E70/5923	Granted	19 November 2021	Katanning Regional	100%
WA	E70/5924	Granted	19 November 2021	Katanning Regional	100%
WA	E70/5925	Granted	19 November 2021	Katanning Regional	100%
WA	E70/5926	Granted	19 November 2021	Katanning Regional	100%
WA	E70/5927	Granted	19 November 2021	Katanning Regional	100%
WA	E70/5928	Granted	19 November 2021	Katanning Regional	100%
WA	E70/5929	Granted	19 November 2021	Katanning Regional	100%
WA	E70/5930	Granted	19 November 2021	Katanning Regional	100%
WA	E70/5931	Granted	19 November 2021	Katanning Regional	100%
WA	E70/6030	Granted	5 April 2022	Katanning Regional	100%
WA	E70/6058	Granted	9 August 2022	Katanning Regional	100%
WA	E70/6311	Granted	20 December 2022	Katanning Regional	100%
WA	G70/84	Granted	13 June 1989	Katanning Gold Project	100%
WA	G70/85	Granted	13 June 1989	Katanning Gold Project	100%
WA	L70/13	Granted	24 May 1989	Katanning Gold Project	100%

State	Tenement	Tenement status	Grant date	Project	Interest %
WA	L70/32	Granted	11 December 1995	Katanning Gold Project	100%
WA	L70/33	Granted	11 December 1995	Katanning Gold Project	100%
WA	E70/2928	Granted	26 November 2008	Katanning Gold Project	100%
WA	M70/210	Granted	28 March 1985	Katanning Gold Project	100%
WA	M70/211	Granted	28 March 1985	Katanning Gold Project	100%
WA	M70/488	Granted	19 April 1994	Katanning Gold Project	100%
WA	E70/4991	Granted	31 January 2018	Lake Magenta	100%
WA	E70/5044	Granted	14 June 2018	Lake Magenta	100%
WA	E70/5188	Granted	12 February 2019	Lake Magenta	100%
WA	E70/5285	Granted	29 October 2019	Lake Magenta	100%
WA	E70/5688	Granted	27 April 2021	Lake Magenta	100%
WA	E70/5689	Granted	27 April 2021	Lake Magenta	100%
WA	E70/5131	Granted	26 October 2018	Stanley JV	-
WA	E70/4787	Granted	1 July 2016	Stanley JV	-
WA	E70/4863	Granted	10 January 2017	Woodanilling	100%
WA	E70/4864	Granted	10 January 2017	Woodanilling	100%
WA	E70/5142	Granted	7 April 2019	Woodanilling	100%
WA	E70/5223	Granted	5 July 2019	Woodanilling	100%
WA	E70/5643	Granted	29 April 2021	Woodanilling	100%
WA	E70/5644	Granted	29 April 2021	Woodanilling	100%
WA	E70/5681	Granted	27 April 2021	Woodanilling	100%
WA	E70/5770	Granted	15 July 2021	Woodanilling	100%
WA	E70/5655	Granted	29 April 2021	Kojonup	100%
WA	E70/5656	Granted	5 May 2021	Kojonup	100%
Queensland Tenement					
QLD	EPM17054	Granted	26 November 2010	Cracow	100%

APPENDIX 5B

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

Name of entity

Ausgold Limited

ABN

67 140 164 496

Quarter ended ("current quarter")

31 December 2022

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(260)	(480)
	(e) administration and corporate costs	(246)	(820)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	19	29
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	65	65
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	(422)	(1,206)

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(4)	(10)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
	(d) exploration & evaluation	(1,629)	(3,137)
	(e) investments	-	-
	(f) other non-current assets	-	-
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 (Security Deposit for new leased premise)	-	(57)
2.6	Net cash from / (used in) investing activities	(1,633)	(3,204)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	2	2
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	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(13)	(25)
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	(11)	(23)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	8,561	10,928
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(422)	(1,206)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,633)	(3,204)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(11)	(23)
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	6,495	6,495

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	6,480	8,546
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	15	15
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	6,495	8,561

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	211
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>The related party transactions refer to directors' fees to non-executive directors and salaries of executive directors.</i>		

7.	Financing facilities <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>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
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)	(422)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(1,629)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(2,051)
8.4	Cash and cash equivalents at quarter end (item 4.6)	6,495
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	6,495
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	3.17
<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:		
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:		

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:

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.

31 January 2023

Date:

The Board of Directors

Authorised by:

(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.