



Ausgold secures \$3M of Loan Notes from institutional shareholders to advance the 3Moz Katanning Gold Project

Funding will underpin completion of the DFS and drilling of new high-potential exploration targets

Key Points:

- Ausgold has entered into an agreement with its largest shareholder, global mining investor Dundee Resources, and new institutional shareholders Arlington Group Asset Management and nominees of SCP Resource Finance, to raise \$3 million via the issue of unsecured loan notes.
- The funds raised will allow Ausgold to complete the final stages of the Definitive Feasibility Study (DFS) for the 3.04Moz Katanning Gold Project (KGP) in WA.
- The funding will also allow Ausgold to commence a further drilling program at the high-potential Duggan and Stanley Gold Prospects, located 25km from the KGP, where historic drilling returned exceptionally high-grade intercepts.
- The Company will also progress exploration across other advanced targets within the Katanning Regional Project in parallel with the DFS completion, permitting and other pre-development activities.

Ausgold Limited (ASX: AUC) (**Ausgold**, or the **Company**) is pleased to advise that it has entered into a subscription agreement with its largest shareholder, Dundee Resources Limited (**Dundee**), as well as new institutional shareholders, Arlington Group Asset Management Limited (**Arlington**) and nominees of SCP Resource Finance LP (**SCP**), which provide for the issue of A\$3 million of loan notes (**Loan Notes**).

The funding will allow Ausgold to progress its strategy to develop the 3.04Moz Katanning Gold Project (KGP), located 275km south-east of Perth in Western Australia, through the completion of the current Definitive Feasibility Study (DFS). The KGP is expected to be one of the largest, free-milling new open cut gold projects in Australia. It will also enable Ausgold to test key targets within the Katanning Regional Project as part of a significant new exploration initiative outlined recently.

The Notes are unsecured, have a maturity date of 20 August 2024 (or such later date agreed by the parties) and an interest rate of 12% per annum. Further details of the terms and conditions of the Notes are set out in Annexure A to this announcement.

In connection with the issue of Loan Notes, Ausgold has agreed to issue a total of 99,999,999 warrants to Dundee, Arlington and the nominees of SCP. Each warrant entitles the holder to purchase one Ausgold share at an exercise price of \$0.03 and has an expiry date of 30 May 2027. Further details of the terms and conditions of the Warrants are set out in Annexure B to this announcement.

About the Loan Note Investors

Dundee Resources, which has been Ausgold's major shareholder since 2020 with a 12.5% interest, is a highly regarded global resource investor with more than 30 years of experience making accretive mining investments. Founded in 1991 by Ned Goodman, Dundee Corporation has had many highly successful investments in the gold sector including Homestake Mining, Kinross Gold, Repadre Capital Corporation and Osisko Mining, and was the founding shareholder of Dundee Precious Metals Inc.

Arlington Group Asset Management is a financing advisory firm established in 1989 and based in London, United Kingdom. The firm specializes in corporate finance advisory, mergers and acquisitions, disposal negotiations, investment management, and regulatory umbrella services.

SCP Resource Finance is a leading and independent broker dealer specialized in the global mining sector. Established in May 2023, SCP Resource Finance was formed after a management-led buyout of Sprott Capital Partners.

Jonathan Goodman, CEO, Dundee Corporation

"Ausgold today is where Capricorn was with its Karlawinda gold project circa 2020 except Ausgold's Katanning Project is bigger, higher grade with double the tenure and better infrastructure. We see excellent potential for the future development at Katanning."

Management Comment

Ausgold Managing Director, Dr Matt Greentree said:

"We are very pleased to have finalised this financing and welcome the continued support of our major shareholder, Dundee Corporation, together with existing and new institutional investors introduced by London-based Arlington Asset Management and North American-based SCP Resource Finance. The support of these highly regarded global investors is testament to the quality, scale and potential of the Katanning Gold Project, and follows an extensive due diligence process undertaken by the investors."

"The funds raised through the issue of the financing will allow Ausgold to advance the DFS on the Katanning Gold Project through to completion while continuing to advance key permitting and pre-development activities. Importantly, the additional liquidity also allows us to embark on our previously foreshadowed exploration program across the Katanning Regional Project, where we have identified more than a dozen high-potential targets. This work will commence with drilling at the exciting Duggan and Stanley Prospects, where we see a significant opportunity to delineate high-grade resources just 25km from our planned mine and infrastructure."

Use of Funds

The funds raised through the issue of the Notes will be used for the following purposes:

- completion of the DFS for the 3.04Moz Katanning Gold Project, which is progressing well and is at an advanced stage, as outlined in the Company's recent March 2024 Quarterly Report;
- advancing regional exploration activities across the Katanning Regional Project, where the Company has identified 13 new high-priority targets with the potential to host substantial gold deposits;
- commencing a Reverse Circulation drilling program at the Duggan and Stanley Prospects, located 25km north-east of the KGP, which represents a standout 'near-mine' exploration opportunity; and
- general working capital purposes.

This announcement has been approved by the board of directors.

On behalf of the Board,

Matthew Greentree
Managing Director
Ausgold Limited

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About Ausgold Limited

Ausgold Limited (ASX: AUC) 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 3.04 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 1st August 2022 and 4th September 2023)

Mineral Resource	Tonnes (Mt)	Grade (g/t)	Contained gold (Moz)
Measured	38.1	1.10	1.35
Indicated	31.8	1.04	1.07
Inferred	18.9	1.02	0.62
Total	88.9	1.06	3.04
Ore Reserve			
Probable	32	1.25	1.28
Total	32	1.25	1.28

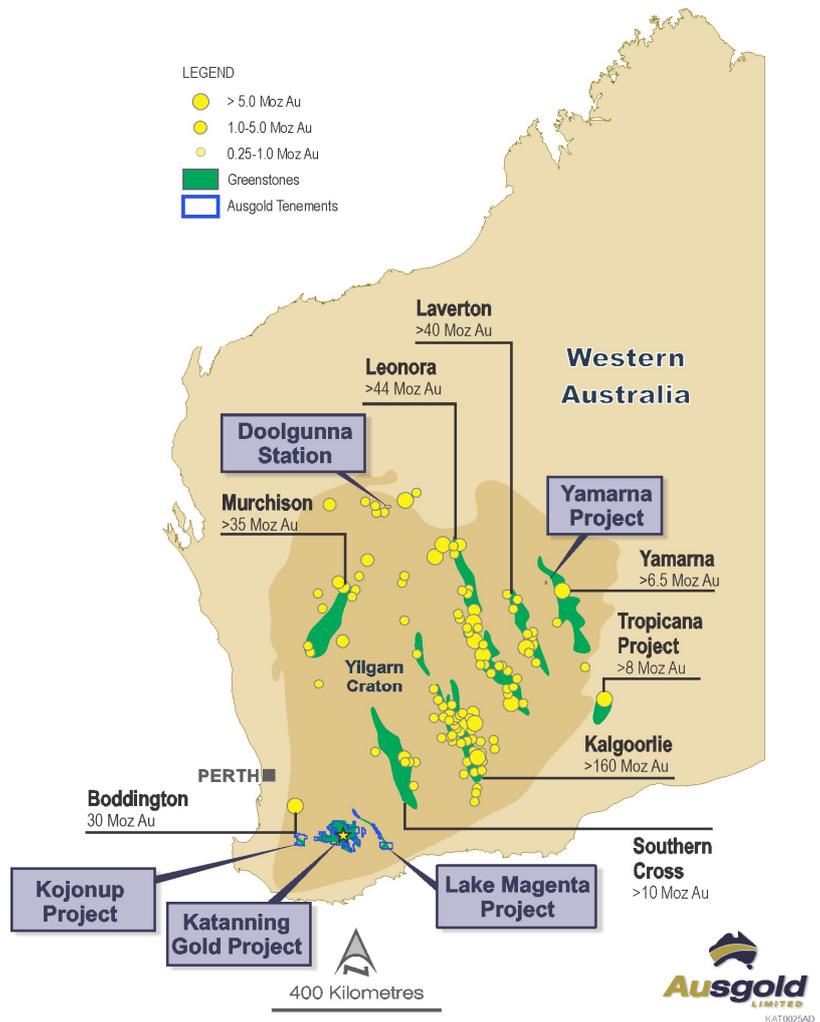


Figure 1- Regional map showing the KGP, other Ausgold projects and mineralised greenstone belts

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. The information in this report that relates to the Ore Reserve estimates is based on work carried out by Mr Andrew Hutson of Resolve Mining Solutions in 2022 and 2023.

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 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 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.

Annexure A: Key terms of the Notes

Key Terms and Conditions – Notes	
Investors	Dundee Resources Limited (Dundee), Arlington Group Asset Management Limited (Arlington) and nominees of SCP Resource Finance LP (SCP) (none of whom is a related party of Ausgold)
Face Value	A\$3 million in aggregate (A\$1 Million from Dundee, A\$1 Million from Arlington and A\$1 Million from nominees of SCP), with each Note having an initial face value of A\$1.00
Maturity Date	20 August 2024 (or such later date agreed by the parties)
Issue	Subject to receipt of the subscription funds from the Investor, issue and settlement to occur five days after execution of the subscription agreement by Ausgold and the Investors. The Warrants (see below) will be issued utilising the Company's existing placement capacity under ASX Listing Rule 7.1. There are transfer restrictions on the Notes.
Warrants	Ausgold to issue 33,333,333 warrants, each warrant to purchase one Ausgold share at an exercise price of \$0.03 and an expiry date of 30 May 2027 to each of Dundee, Arlington and the nominees of SCP (as a whole).
Interest Rate	Interest will accrue daily on the face value of the Notes at 12.0% per annum and will be payable on the maturity date or earlier redemption of the Notes.
Redemption	The Notes are to be redeemed by payment of face value of the Notes plus accrued and unpaid interest on the earlier of completion of an eligible financing, receipt of a redemption notice following occurrence of an event of default or on the maturity date.
Transferability	The Notes are not transferrable, in whole or in part, other than with the prior written consent of Ausgold.
Events of default	Events of default include payment defaults by Ausgold, breach of the terms of the Notes by Ausgold, an insolvency event in relation to Ausgold.
Warranties	Usual warranties for a transaction of this nature from Ausgold and each of the Investors.
Fees	6% of face value, payable to Dundee, Arlington and SCP.
Covenant	So long as the Notes remain outstanding, Ausgold undertakes not to incur financial indebtedness (excluding ordinary course of business liabilities) without the prior written consent from each Investor.

Annexure B: Key terms of the Warrants

Key Terms and Conditions - Warrants	
Entitlement	Each Warrant entitles the holder to subscribe for one Share upon exercise of the Warrant.
Exercise Price	Subject to the provisions relating to adjustments for reorganisations and rights issues, the amount payable upon exercise of each Warrant is \$0.03 (Exercise Price).
Expiry Date	The Warrants will expire at 5:00pm AWST on 30 May 2027 (Expiry Date). A Warrant not exercised before the Expiry Date will automatically lapse on the Expiry Date.
Quotation	Ausgold will not apply for quotation of the Warrants on the ASX.
Transferability	The Warrants are not capable of being transferred, sold, mortgaged, charged, hedged or made subject to any margin lending arrangement or otherwise disposed of or dealt with or encumbered in any way, and the Warrants will lapse immediately if any such thing purports to occur.
Participation in new issues	A Warrant holder is not entitled to participate in any new issue of securities to existing Shareholders unless the Warrant holder has exercised its Warrants before the record date for determining entitlements to the new issue of securities and participates as a result of holding Shares.
Exercise Notice	<p>The Warrants are exercisable at any time prior to the Expiry Date by the delivery to the registered office of Ausgold of a duly completed exercise notice (Exercise Notice) stating the number of Warrants being exercised, together with payment of the aggregate Exercise Price for the Warrants being exercised.</p> <p>An exercise is only effective when Ausgold has received the duly completed Exercise Notice and the full amount of the Exercise Price for each Warrant being exercised in cleared funds. An exercise of only some Warrants shall not affect the rights of the Warrant holder to the balance of the Warrants held by the Warrant holder.</p>
Timing of issue of Shares on exercise	Within five Business Days after the later of the following receipt of an Exercise Notice given in accordance with these terms and conditions and payment of the applicable Exercise Price for each Warrant being exercised, Ausgold will issue the number of Shares required under these terms and conditions in respect of the number of New Warrants specified in the Exercise Notice, and apply for the quotation of those Shares.
Ranking of Shares	The Shares allotted upon the exercise of Warrants shall rank, from the date of allotment, equally with the then existing ordinary shares of Ausgold in all respects.
Adjustments for reorganisation	In the event of any re-organisation (including reconstruction, consolidation, subdivision, reduction or return of capital) of the issued capital of Ausgold, the Warrants will be re-organised as required by the ASX Listing Rules, but in all other respects the terms of exercise will remain unchanged.
Adjustments for bonus issues of Shares	If there is a bonus share issue (Bonus Issue) to the holders of Shares, the number of Shares over which a Warrant is exercisable will be increased by the number of Shares which the Warrant holder would have received if the Warrant had been exercised before

Key Terms and Conditions - Warrants

	<p>the record date for the Bonus Issue (Bonus Shares). The Bonus Shares must be paid up by Ausgold out of the profits or reserves (as the case may be) in the same manner as was applied in the Bonus Issue and upon issue rank pari passu in all respects with the other shares of that class on issue at the date of issue of the Bonus Shares.</p>
Adjustment for rights issue	<p>If there is a pro rata issue (other than a Bonus Issue) to the holders of Shares during the currency of, and prior to the exercise of any Warrants, the Exercise Price of a Warrant will be reduced according to the formula provided for in the Listing Rules (whether or not Ausgold is listed on the ASX at the time).</p>
Dividend rights	<p>The Warrants will not give any right to participate in dividends until Shares are allotted pursuant to the exercise of the relevant Warrants.</p>
Voting rights	<p>A Warrant does not entitle the holder to vote on any resolutions proposed at a general meeting of Ausgold, subject to any voting rights provided under the Corporations Act or the ASX Listing Rules where such rights cannot be excluded by these terms.</p>