RC drilling intersects southern extension of Jinkas deposit

Highlights:

- **Results for the first eight RC holes drilled for 1,042m received, highlighting continuity of mineralisation for 340m south along strike from the Jinkas deposit**
- **Jinkas near-Resource potential remains open for up to 640m along strike**
- **Consistent shallow gold mineralisation in up-plunge position of Jinkas and White Dam Resources**
- **Further RC drilling planned to increase Jinkas and White Dam Resources**

Ausgold Limited (ASX: AUC) ("Ausgold" or "the Company") is pleased to announce results of reverse circulation (RC) drilling from Jinkas South at its 100%-owned Katanning Gold Project (KGP) in Western Australia's south-west.

Ausgold commenced a significant RC drill program of 24,000m at the start of February (ASX, 7 February 2018), with 32 holes for 6,216 m's completed on wide-spaced traverses (80 x 100m and 80 x 160m) over the Jinkas South, Fraser, Lukin, Jackson and Olympia prospects. The current round of RC drilling is testing targets identified during recent air core (AC) drilling and geophysical programs.

Jinkas South Results

The results for the first eight RC holes drilled for 1,042m along this newly identified trend south of the current Jinkas Resource have intersected a broad zone of gold mineralisation with significant intercepts which include (Table 1 and Figure 2):

- 10m @ 2.09 g/t Au from 84 m including 1m 15.05 g/t Au from 93m in BSRC0759
- 7m 2.09 g/t Au from 69m including 4m 3.15 g/t Au from 71m in BSRC0761
- 8m 2.01 g/t Au from 96m including 4m 3.29 g/t Au from 100m in BSRC0763
- 2m @ 3.32 g/t Au from 58m in BSRC0759

RC drilling 340m south along strike from the Jinkas Resource has intersected a broad zone of gold mineralisation which remains untested for a further extension of 300m along strike (Figure 2, ASX release 13 February 2018 and 3 August 2017).

Drilling has tested the southern extensions of the Jinkas mineralised trend. Mineralisation in this area is located in an up-plunge (shallower) position from the main Jinkas mineralisation with the majority of intercepts between 55m and 100m in depth. The shallow mineralisation supports the Company's geological interpretation and provides significant potential for the extension of the Jinkas Resource further along strike to the south and down dip to the east.

It was noted from the AC drill program that the quartz monzonite that separates the Jinkas lode from the White Dam (Fraser Resource) lode thins to the south, bringing these two lodes closer together south of the currently defined Jinkas and White Dam Resource areas (Figure 3, Figure 4, Figure 5). Although RC drilling has targeted the mafic gneiss that hosts the Jinkas gold mineralisation, drilling has also tested the thinned quartz monzonite and intersected the White Dam mineralisation (Table 1 & Table 2). This finding indicates additional shallow Resource potential within the White Dam Resource east of the current drilling (Figure 2).

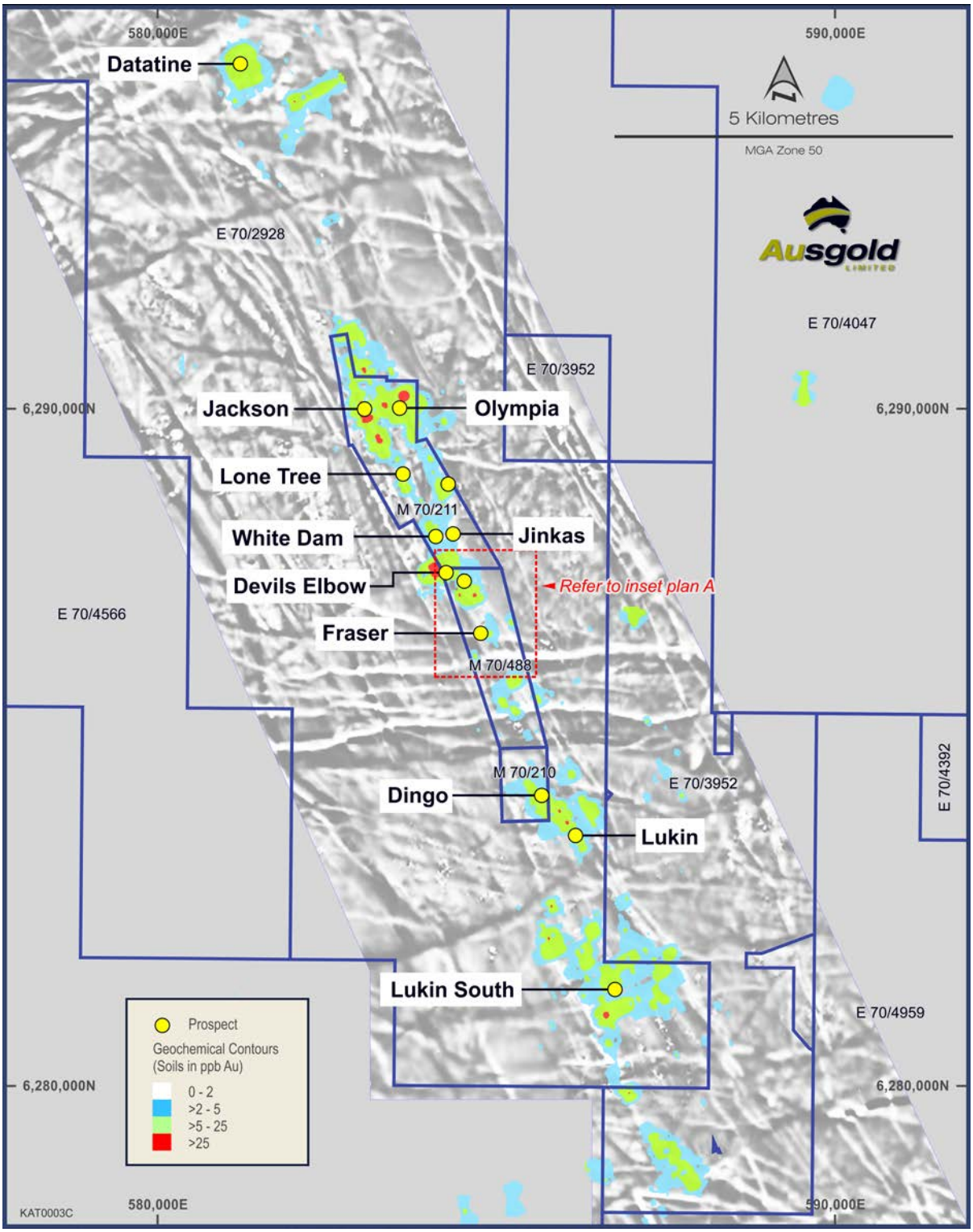

Figure 1 - Location of the prospect areas within the KGP (Inset plan A shown in Figure 2)

Other work programs

Ausgold commenced a significant RC drill program of 24,000m at the start of February (ASX, 7 February 2018), with over 32 holes for 6,216 m's having already been completed since the start of February with the assay results yet to be received for this drilling. Additional targets generated from moving loop (MLEM) and downhole electromagnetic surveys are now being tested within the current RC drill program at the Jackson and Jinkas prospects.

Management Comment

Ausgold's Chief Executive Officer, Matthew Greentree, said:

"RC drilling results from Jinkas highlight the progress we have made using systematic exploration and our improved geological understanding to underpin our work on this project. The Jinkas South drilling has tested a relatively simple target along strike from known mineralisation and is one of many significant gaps which previous exploration drilling has failed to test. The large areas previously left untested by earlier exploration work have the potential to significantly increase the Resource base at the Katanning Gold Project. We plan to rapidly expand the KGP's mineral inventory through these near-Resource additions as well as further discoveries elsewhere along the project's currently identified 17km strike length. "

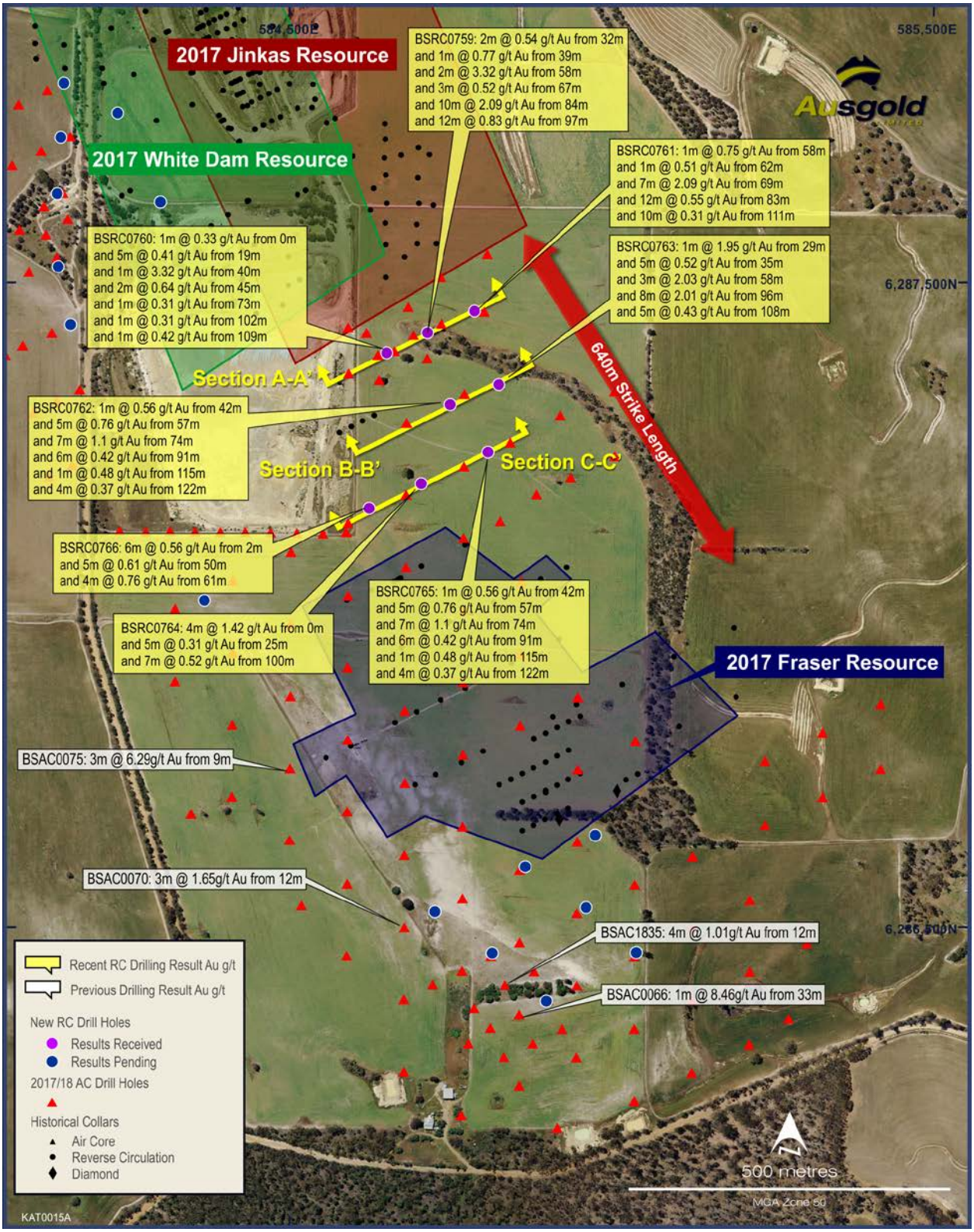

Figure 2 - Location of recent Jinkas South RC drilling

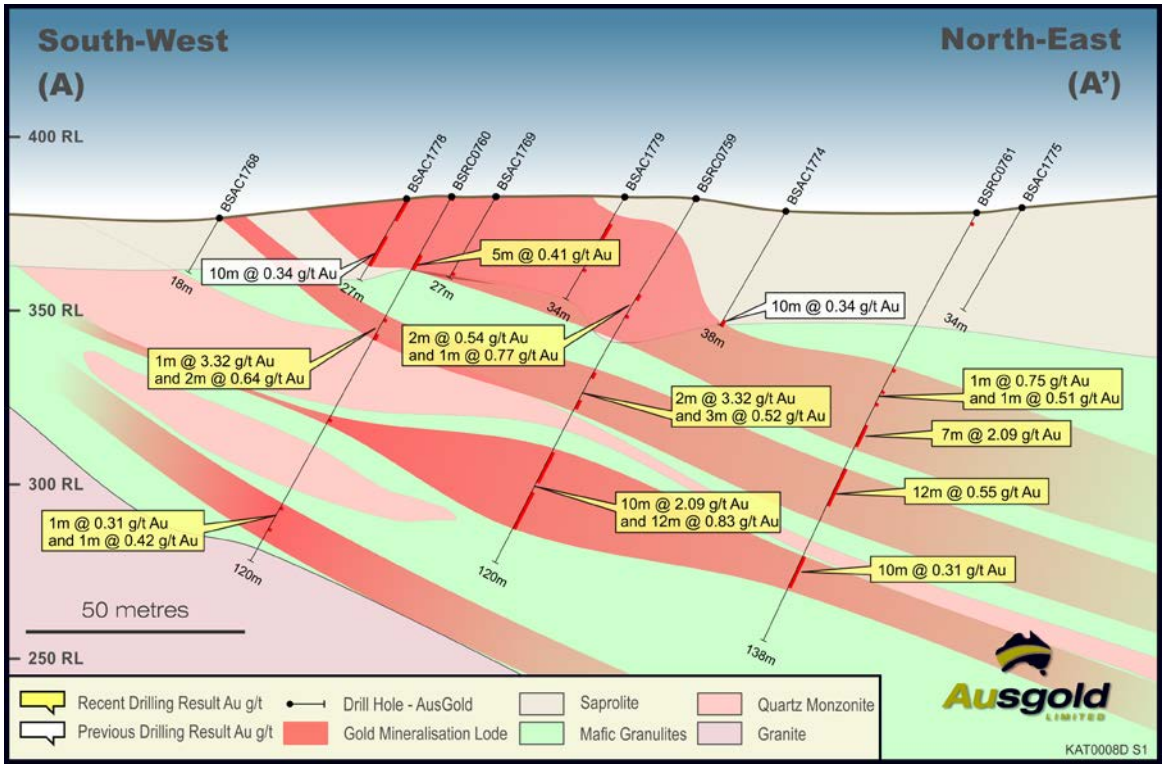

Figure 3– Cross-section A-A' of the Jinkas South RC drilling

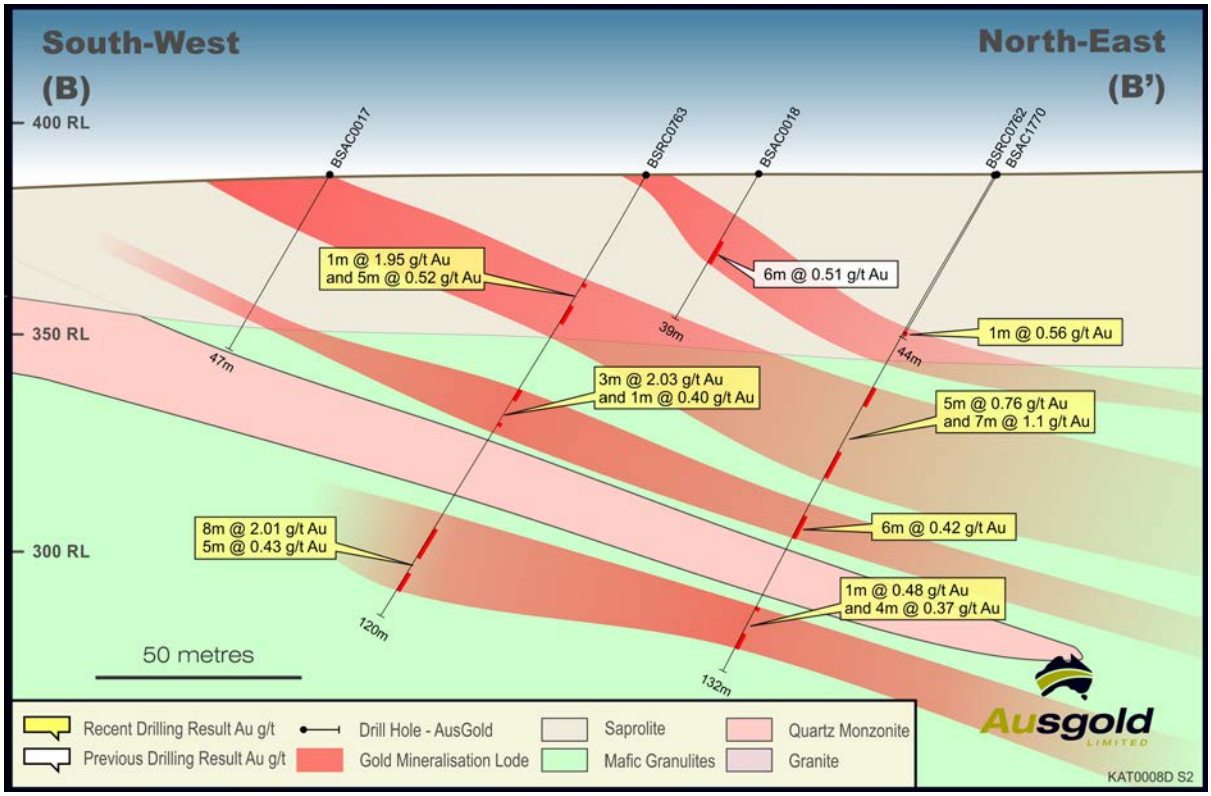

Figure 4 – Cross-section B-B' of the Jinkas South RC drilling

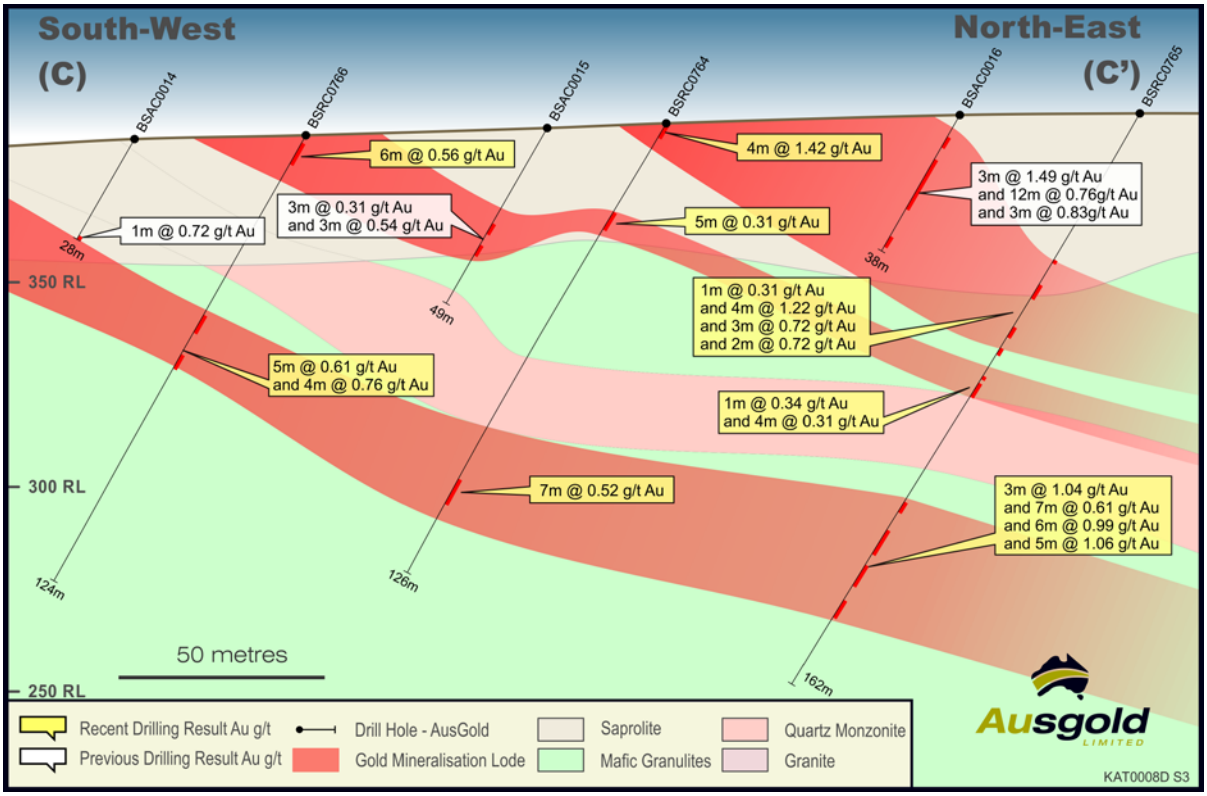

Figure 5 – Cross-section C-C' (refer to figure of the Jinkas South RC drilling

Table 1 - Significant Intercepts

Hole ID	From	To	Interval (m)	Grade g/t Au
BSRC0759	32	34	2	0.54
BSRC0759	39	40	1	0.77
BSRC0759	58	60	2	3.32
including			*1*	*5.81*
BSRC0759	67	70	3	0.52
BSRC0759	84	94	10	2.09
including			*1*	*15.05*
BSRC0759	97	109	12	0.83
BSRC0760	0	1	1	0.33
BSRC0760	19	24	5	0.41
BSRC0760	40	41	1	3.32
BSRC0760	45	47	2	0.64
BSRC0760	73	74	1	0.31
BSRC0760	102	103	1	0.31
BSRC0760	109	110	1	0.42
BSRC0761	3	4	1	0.31
BSRC0761	51	52	1	0.47
BSRC0761	58	59	1	0.75
BSRC0761	62	63	1	0.51
BSRC0761	69	76	7	2.09
including			4	3.15
BSRC0761	83	95	12	0.55
BSRC0761	111	121	10	0.31
BSRC0762	42	43	1	0.56
BSRC0762	57	62	5	0.76
BSRC0762	74	81	7	1.1
including			1	4.57
BSRC0762	91	97	6	0.42
BSRC0762	115	116	1	0.48
BSRC0762	122	126	4	0.37
BSRC0763	29	30	1	1.95
BSRC0763	35	40	5	0.52
BSRC0763	58	61	3	2.03
including			*1*	*4.38*
BSRC0763	67	68	1	0.4
BSRC0763	96	104	8	2.01
including			4	3.29
BSRC0763	108	113	5	0.43
BSRC0764	0	4	4	1.42
including			2	2.12
BSRC0764	25	30	5	0.31
BSRC0764	100	107	7	0.52
BSRC0765	41	42	1	0.31

Hole ID	From	To	Interval (m)	Grade g/t Au
BSRC0765	48	52	4	1.22
BSRC0765	60	63	3	0.72
BSRC0765	66	68	2	0.72
BSRC0765	74	75	1	0.34
BSRC0765	76	80	4	0.31
BSRC0765	110	113	3	1.04
BSRC0765	118	125	7	0.61
BSRC0765	128	134	6	0.99
BSRC0765	138	143	5	1.06
BSRC0766	2	8	6	0.56
BSRC0766	50	55	5	0.61
BSRC0766	61	65	4	0.76

Notes to Table 1.
For AC assay results the intervals reported are thickness weighted averages (ie. XXm grading XX grams per tonne gold content). Reported intervals are calculated using ≥ 0.3g/t Au cut-off grade and using a ≤ 2m minimum internal dilution (unless otherwise stated).

Table 2 - Collar location for Jinkas South RC drilling

Hole ID	Total Depth	MGA North	MGA East	RL (m)	Dip	Azimuth	Tenement
BSRC0759	120	584714	6287422	383	60	244	E70/2928
BSRC0760	120	584651	6287391	383	60	244	E70/2928
BSRC0761	138	584788	6287456	379	60	244	E70/2928
BSRC0762	132	584825.4	6287342	388	60	244	E70/2928
BSRC0763	120	584750	6287311	388	60	244	E70/2928
BSRC0764	126	584705	6287188	389	60	244	E70/2928
BSRC0765	162	584809	6287237	392	60	244	E70/2928
BSRC0766	124	584624	6287154	387	60	244	M70/211

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 785,000 oz gold (Table 3).

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 3 Current Mineral Resource
(Details in ASX release 3 August 2017)

	Tonnes (Mt)	Grade (g/t)	Ounces ('000)
Measured	3.0	1.94	190
Indicated	6.7	1.07	232
Inferred	11.2	1.01	363
Total	**20.9**	**1.17**	**785**

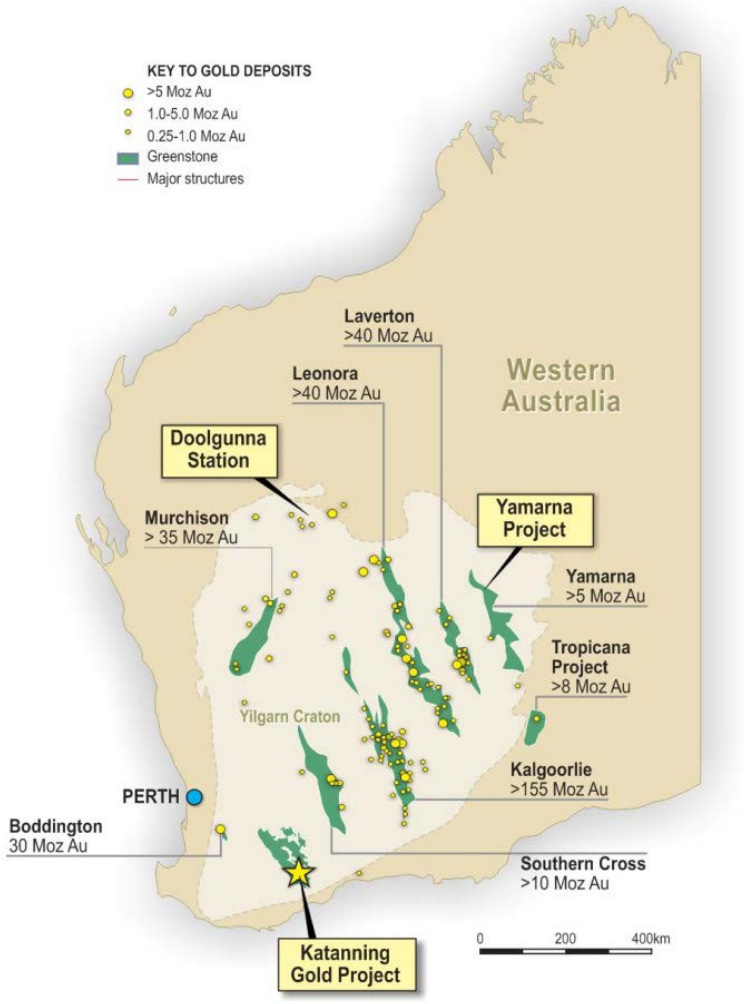

Figure 6 - *Regional map showing the KGP, other Ausgold projects and mineralised greenstone belts*

On behalf of the Board,

Matthew Greentree
Chief Executive Officer
Ausgold Limited

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Competent Person's Statements

The information in this statement that relates to the Mineral Resource Estimates is based on work done by Mr Rod Brown of SRK Consulting (Australasia) Pty Ltd and Dr Matthew Greentree of Ausgold Limited. Dr Greentree is Chief Executive Office and is a Share and Option holder in Ausgold Limited. Dr Greentree takes responsibility for the integrity of the Exploration Results including sampling, assaying, and QA/QC, and the preparation of the geological interpretations. Mr Brown takes responsibility for the Mineral Resource Estimate.

Mr Brown 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.

APPENDIX 1 – TABLE 3.

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1m samples from which 3kg was pulverised to produce a 30g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	The reverse circulation ("RC") drilling program referred to in this announcement consisted of 8 reverse circulation holes for 1,042m. Samples from RC drilling were collected in one metre intervals in mineralised zones with a 1/8 split for assay, split by a cyclone-mounted cone splitter, bagged in pre-numbered calico bags and the remainder retained in large plastic bags. QAQC samples consisting of field duplicates (additional split from RC), with standards and blanks inserted into the sequence of assay samples at a rate of 1 in 10. Each RC metre sampled weighed approximately 2 to 3 kilograms. All RC samples were sent to ALS Laboratories for crushing and pulverising to produce a 25 gram sample charge for analysis by fire assay and flame atomic absorption spectrometry (AAS).
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	All samples in this program were from RC drilling conducted by Top Drill Pty Ltd. Drilling was undertaken by Top Drill utilising a truck mounted 685 Schramm reverse circulation drill rig.
Drill sample	• *Method of recording and assessing core and*	Samples were collected dry with occasional damp samples, sample recoveries were visually estimated as a

Criteria	JORC Code explanation	Commentary
recovery	*chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	semi-quantitative range and recorded in the log. Recoveries were generally excellent (>90%), with reduced recovery in the initial near- surface sample and transported cover material. Drill cyclone and sample bags were used to collect the 1m samples and cleaned between rod changes. In addition, the cyclone was generally cleaned several times during each hole (at the base of transported cover and the base of completed oxidation) and after each hole to minimise downhole and/or cross- hole contamination. The relationship between sample recovery and grade and whether bias has been introduced has not been investigated at this stage.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	All drill holes in the current program have been geologically logged to a level of detail to support the definition of geological domains appropriate to support exploration work. The 1m sampling is appropriate for mineral resource estimation. Representative rock chips were collected in chip trays, and logged by the geologist at the drill site. Sample condition and degree of weathering were recorded qualitatively; geotechnical logging is not possible on RC samples. Lithology, weathering (oxidation state), structure, veining, mineralisation and alteration are recorded in detail using standard digital logging sheets and defined look up tables to ensure that all data is collected consistently. This data is logged using tablet computers. All data is validated by the logging geologist before being entered in an acQuire database. All drill holes are logged.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the*	Dry samples below transported cover are riffle split to obtain representative 1m samples (submitted when anomalous). The samples were recorded as dry, damp or wet. Sample duplicates were obtained by repeating the composite sampling process. All RC samples were sorted, dried, crushed to 10mm, pulverised to -75µm, split to produce a 25g charge or fire assay (1 m bottom of hole).

Criteria	JORC Code explanation	Commentary
	grain size of the material being sampled.	
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	The gold was determined using a 25 g charge using fire assay (Au-AA25). For QAQC samples, a sequence of matrix matched certified reference materials, commercial certified reference materials and blanks were inserted into the sample run at a frequency of approximately one in 14 samples. Sample sizes are considered to be appropriate for the style/texture of oxide and sulphide mineralisation at the Katanning Gold Project. CRM's , field duplicates, blanks and standards were inserted approximately every 10m. Blank samples are inserted to check for contamination in field sampling, laboratory sample preparation and analysis. The blank material used should be below detection limits. The gold standards were sourced from Geostats Pty Ltd and RockLabs with gold certified values ranging between 0.10g/t and 2.4g/t. Standard reference materials are used to check accuracy and bias of the analytical method. The results were similar to the standard concentration for the specific standard. QAQC samples were monitored on a batch-by-batch basis. An assay batch is accepted if the blank samples are within the acceptable limits (5 times the lower detection limit) and the standards are within the + 3SD (standard deviations). One failed standard can cause rejection if the results around the failed standard are not in the normal grade range. A batch is also re-assayed when assay results from two or more standards are outside the acceptable limits. The inserted blank materials did not show any consistent issues with sample contamination. 100% of the gold standards assays were within acceptable limits with no low or high bias. The performance of field duplicates in RC samples is generally reasonable and the variations are related to the style of mineralisation. ALS also insert QAQC samples to internally test the quality of the analysis. These results are received with the assay results in each batch. The ALS QAQC included standards, blanks and duplicates for independent quality control. The results of the lab standards were also monitored on a batch to batch basis by the data geologist. The results did not show any issues with the laboratory. The sample sizes are considered to be appropriate to correctly give an accurate indication of mineralisation given the qualitative nature of the technique and the style of gold mineralisation sought.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.*	High standard QAQC procedures are in place (and will be audited), therefore repeatability issues from a QAQC point of view are not considered to be significant. Significant and/or unexpected intersections were reviewed by alternate company personnel through review of geological logging data, physical examination of remaining samples and review of digital geological interpretations. All assay data was accepted into the database as supplied by the laboratory.

Criteria	JORC Code explanation	Commentary
	• *Discuss any adjustment to assay data.*	Data importation into the database is documented through standard operating procedures and is guided by acQuire import validations to prevent incorrect data capture/importation. Geological, structural and density determination data is directly captured in the database through a validation controlled interface using Toughbook computers and acquire database import validations. Primary data is stored in its source electronic form. Assay data is retained in both the original certificate (.pdf) form and the text files received from the laboratory. Data entry, validation and storage are discussed in the section on database integrity below. No adjustments to assay data were undertaken.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	Drillhole collars (and drilling foresight/backsight pegs) were set out and picked up by Ausgold personnel using a differential GPS; which provided +/- 100 millimetre accuracy. The grid system is MGA94 datum, UTM zone 50. Elevation values were in AHD. An end of hole gyroscopic drill hole survey was completed by the drilling contractors using a Reflex tool. The gyro measured the first shot at 0m followed by every 10m down-hole. The data was examined and validated onsite by the supervising geologist. Any surveys that were spurious were re-taken. Validated surveys are entered into the acQuire data base by data entry personnel.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	RC drilling was conducted on 80 by 100 or 160m spacing. This new drilling followed previous AC drilling conducted at 40m or 80m hole spacing and a line spacing of 100 and 160m. RC results reported are based on 1m samples for gold unless otherwise stated.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	Angled RC drilling (-60 towards 224°) tested the east dipping (40 – 50°) gneissic foliation as to minimise bias. At this stage primary mineralisation is assumed to have the same orientation as historic drilling in the area. The angled orientation of RC drilling may introduce sampling bias due to any unknown orientation of primary mineralisation/structures. This would be considered minimal as the mineralisation is largely foliation parallel.
Sample security	• *The measures taken to ensure sample security.*	RC samples are systematically numbered and placed in pre-printed (numbered) calico bags and placed into numbered polyweave bags which were tied securely and marked with flagging.

Criteria	JORC Code explanation	Commentary
		Assay samples were stored at a dispatch area and dispatched, depending on the frequency of pickups and length of the program. Samples were shipped via Katanning Logistics directly to ALS in Perth. The sample dispatches were accompanied by supporting documentation signed by the geologist and showing the sample submission number, analysis suite and number of samples. The chain of custody is maintained by ALS once the samples are received on site and a full audit trail for every sample is available through the ALS' Webtrieve application. Assay results are emailed to the responsible geology administrators in Perth and are loaded into the acQuire database through an automated process. QAQC on import is completed before the results are finalised.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	Before the commencement of the current RC program, the sampling process was fully reviewed and documented as a standard company process. A number of operational and technical adjustments were identified to improve validation of collected data, interpretation of data and management of QAQC practices. These improvements have been updated into standard operating procedures.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	Reported results are all from 100% owned Ausgold Exploration Pty Ltd Mining Tenements (wholly owned subsidiary of Ausgold Limited), including E70/2928 and M 70/488. The land is used primarily for grazing and cropping. The tenement is in good standing, and all work is conducted under specific approvals from the Department of Mines and Petroleum ("DMP"). Apart from reserved areas, rights to surface land use are held under freehold titles. Ausgold has entered into access and compensation agreements with freehold landowners that permit exploration activities. The registered Aboriginal Heritage Site 5353 known as "Jinkas Hill" which is located on the eastern side of the Jinkas Pit. Ausgold received Ministerial consent pursuant to section 18A of the Aboriginal Heritage Act over the Jinka Hill aboriginal site on 24 January 2018. The consent enables Ausgold to use the site for purposes of exploration, infrastructure and mining.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	Gold mineralisation was discovered by Otter Exploration NL in 1979 at Jinkas Hill, Dyliabing, Lone Tree and White Dam after following up stream sediment anomalies. Between 1984 and 1988 Otter and related companies evaluated the region with several other explorers including South West Gold Mines and Minasco Resources Pty Ltd. In 1987 Glengarry Mining NL purchased the project and in 1990 entered into a joint venture with Uranerz who agreed on minimum payments over three years to earn 50% interest. Uranerz withdrew from the

Criteria	JORC Code explanation	Commentary
		project in 1991 after a decision by their parent company in Germany to cease Australian operations. International Mineral Resources NL ("IMR") purchased the mining leases and the Grants Patch treatment plant from Glengarry Mining NL in 1995 and commenced mining at the Jinkas deposit in December 1995. Ausgold understands the mine was closed in 1997 after producing approximately 20,000 oz of gold from the Jinkas and Dingo Hill open cuts at a head grade of approximately 2.4g/t. In addition, the mine closure was brought about by a combination of the low gold price of the time (<US$400/oz) and the inability of the processing plant's comminution circuit to process hard ore from below the base of weathering. Reports from the period indicate that the ore bodies were reasonably predictable in terms of grade and continuity and appeared to produce consistent and reproducible results from grade control (Ravensgate, 1999). Great Southern Resources Pty Ltd ("GSR") purchased the mining and exploration leases from IMR in August 2000. Ausgold entered into a joint venture with GSR in August 2010, and the mineral titles were transferred to Ausgold in entirety in August 2011.
Geology	• *Deposit type, geological setting and style of mineralisation.*	The project includes two main deposit areas comprising Jinkas in the north, and Dingo in the south. The Jinkas area is further subdivided into a set of mineralised zones. The majority of the project area is overlain by residual clays with outcrop mostly limited to remnants of lateritic duricrust on topographic highs. Gold mineralisation is hosted by medium to coarse-grained mafic gneisses which dip at around 30° to 45° towards grid east (68°). These units represent Archaean greenstones metamorphosed to granulite facies. The mineralised gneissic units are interlayered with barren quartz-monzonite sills up to approximately 120 metres thick and are cross cut by several Proterozoic dolerite dykes that post-date mineralisation and granulite metamorphism. Gold predominantly occurs as free gold associated with disseminated pyrrhotite and magnetite, lesser pyrite and chalcopyrite and traces of molybdenite. Thin remnant quartz veins are associated with higher grade zones.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* o *easting and northing of the drill hole collar* o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* o *dip and azimuth of the hole* o *down hole length and interception depth* o *hole length.* • *If the exclusion of this information is justified on the basis that the information is not*	Plans showing location of drill holes and location of significant results and interpreted trends are provided in the figures of report. Any new significant AC results are provided in tables within the report.

Criteria	JORC Code explanation	Commentary
	Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	All reported RC assays have been arithmetically length weighted. A nominal 0.3g/t Au lower cut- off is reported with internal waste intervals (i.e. <0.3 g/t) to not exceed the width of a 2m. Higher grade intervals within larger intersections are reported as included intervals and noted in results table. No top-cut off grades have been applied until more assay results become available to allow statistical determination.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	The geometry of any primary mineralisation is not known at present due to the early stage of exploration. The angled orientation of RC drilling may introduce some sampling bias (increasing the intercept width of flat lying or vertical mineralisation). All intersections are subsequently presented as downhole lengths. If down hole length varies significantly from known true width then appropriate notes are provided.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	Refer to figures
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to*	Please see information provided in results tables in Report

Criteria	JORC Code explanation	Commentary
	avoid misleading reporting of Exploration Results.	
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	At this stage there is no substantive exploration data from the recent drilling that is meaningful and material to report.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	Further work is discussed in the document in relation to the exploration results.