



Quarterly Report for period ending 30 September, 2018

Highlights:

- Review of data and geological modelling underway ahead of Katanning Gold Project (KGP) Resource upgrade in December quarter
- Diamond and RC drilling provides valuable information regarding orientation of high grade mineralisation at Jinkas South
- Two new trend structures identified to the west of the main KGP Resource area to be prioritised for future exploration
- Mapping and sampling programs identify 42 new regional targets
- Assessment of Red Hill vanadium potential continues
- Option Agreement signed with Great Boulder Resources over Yamarna Project, WA

Ausgold Limited (ASX: AUC) ("Ausgold" or "the Company") is pleased to present its Quarterly Report for the period ended 30 September, 2018. Activities during the quarter focused primarily on advancing the 100%-owned Katanning Gold Project (KGP), 40km from the township of Katanning in Western Australia, with further drilling completed that will be factored in to a new Resource estimate anticipated for release in the December 2018 quarter (Figure 1).

Management comment

Ausgold Chief Executive Officer and Managing Director Dr Matthew Greentree said:

"The Company continued to progress with drilling and other exploration activities during the September quarter, both on the central KGP and on the regional project area, which extends for more than 4,000km². We have commenced modelling of the geology and gold mineralisation across the KGP in preparation for the release of a new upgraded Resource estimate, while the regional work we have undertaken has strengthened our view that the tenement package has multi-million-ounce potential and a huge amount of upside that is yet to be realised."

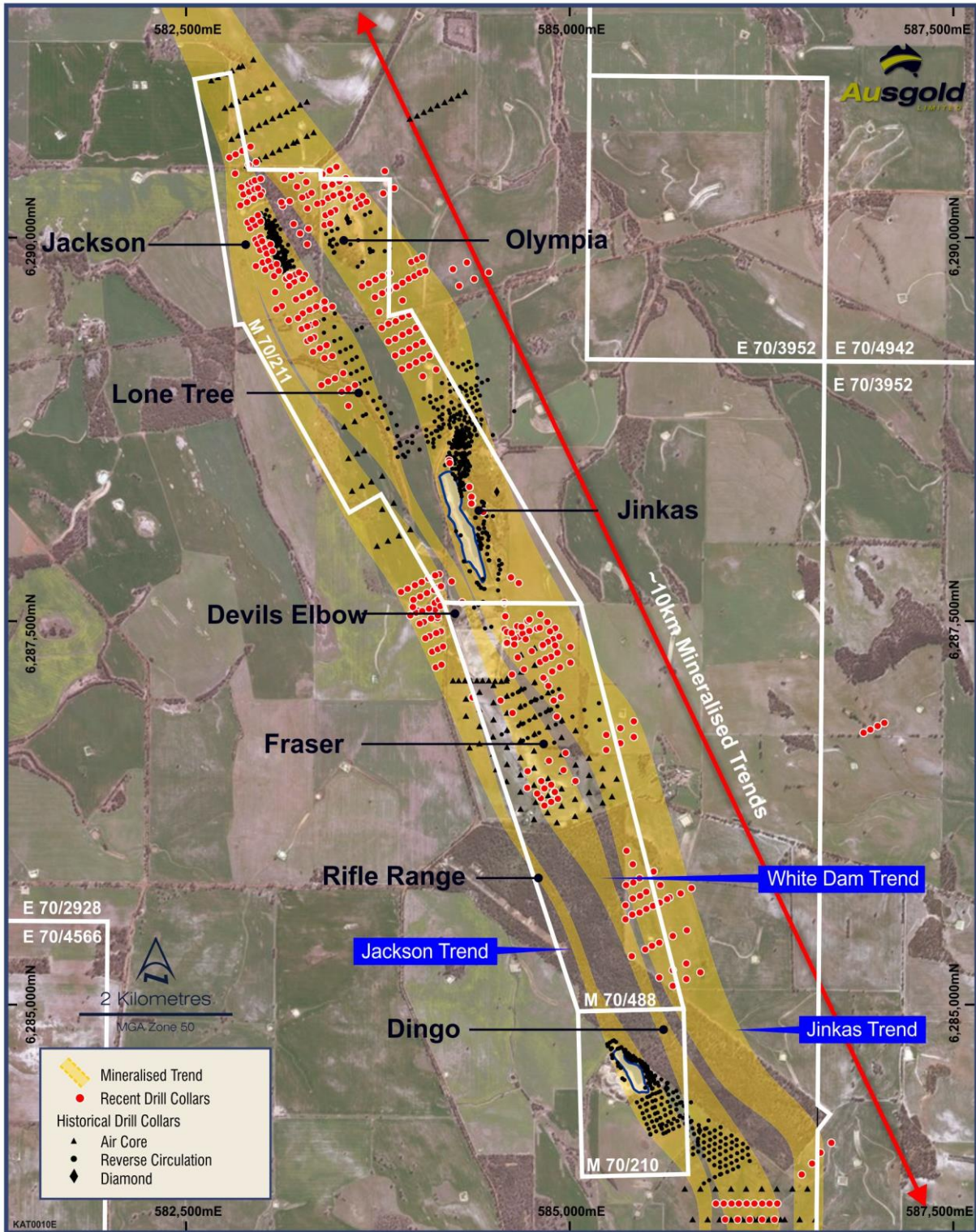


Figure 1 - Location of recent drilling at the KGP

Katanning Gold Project, WA

AUC interest 100%

Diamond and RC drilling – Jinkas South

During the quarter, Ausgold commenced a 1,200m diamond drilling program co-funded through the Western Australian Government's Exploration Incentive Scheme at the Jinkas South prospect (Figure 2). The program was designed together with key geological information to target extensions to high-grade mineralisation at Jinkas South, which includes intersections of 26m at 6.6 g/t Au from 117m (including 4m at 37.19 g/t Au from 119m) in BSRC0814 (Figure 3), and 15m at 3.66 g/t Au from 117m (including 5m at 10.37 g/t Au from 117m) in BSRC0859. The drill targets in this program tested south along strike and down dip from known mineralisation at Jinkas and White Dam (which currently contain Resources of 6.8Mt at 1.45 g/t Au for 315.7koz and 3.67Mt at 1.30 g/t Au for 153.7koz respectively). The holes have provided additional geological information regarding the orientation of the newly defined mineralisation and helped to inform the planning of a larger reverse circulation (RC) drill program at Jinkas South that commenced subsequent to the end of the September quarter.

The RC program will comprise 1,500m of drilling using information regarding the geometry of mineralisation and alteration gained from diamond hole BSDD016 and will test for a further 300m along strike to the north, an area that sits outside the current Jinkas and White Dam Resources.

Jinkas South mineralisation differs to the gold mineralisation identified elsewhere within the KGP, with higher grades, strong hydrothermal alteration, and a north-east, rather than north-west, strike direction. As such, the prospect has been identified as a priority focus for further exploration.

Data from the Jinkas South drilling will be incorporated into the geological review and modelling that is currently being undertaken ahead of the announcement of an updated Mineral Resource estimate for the KGP. The current Mineral Resource stands at 20.98 million tonnes at 1.17 g/t Au for 785,800 ounces of contained gold (Table 1). Ausgold has been able to incorporate a significant amount of drilling that couldn't previously be factored in to its modelling. This is expected to assist in bringing the KGP deposits, which extend over a 5km strike length, together into a single geological model.

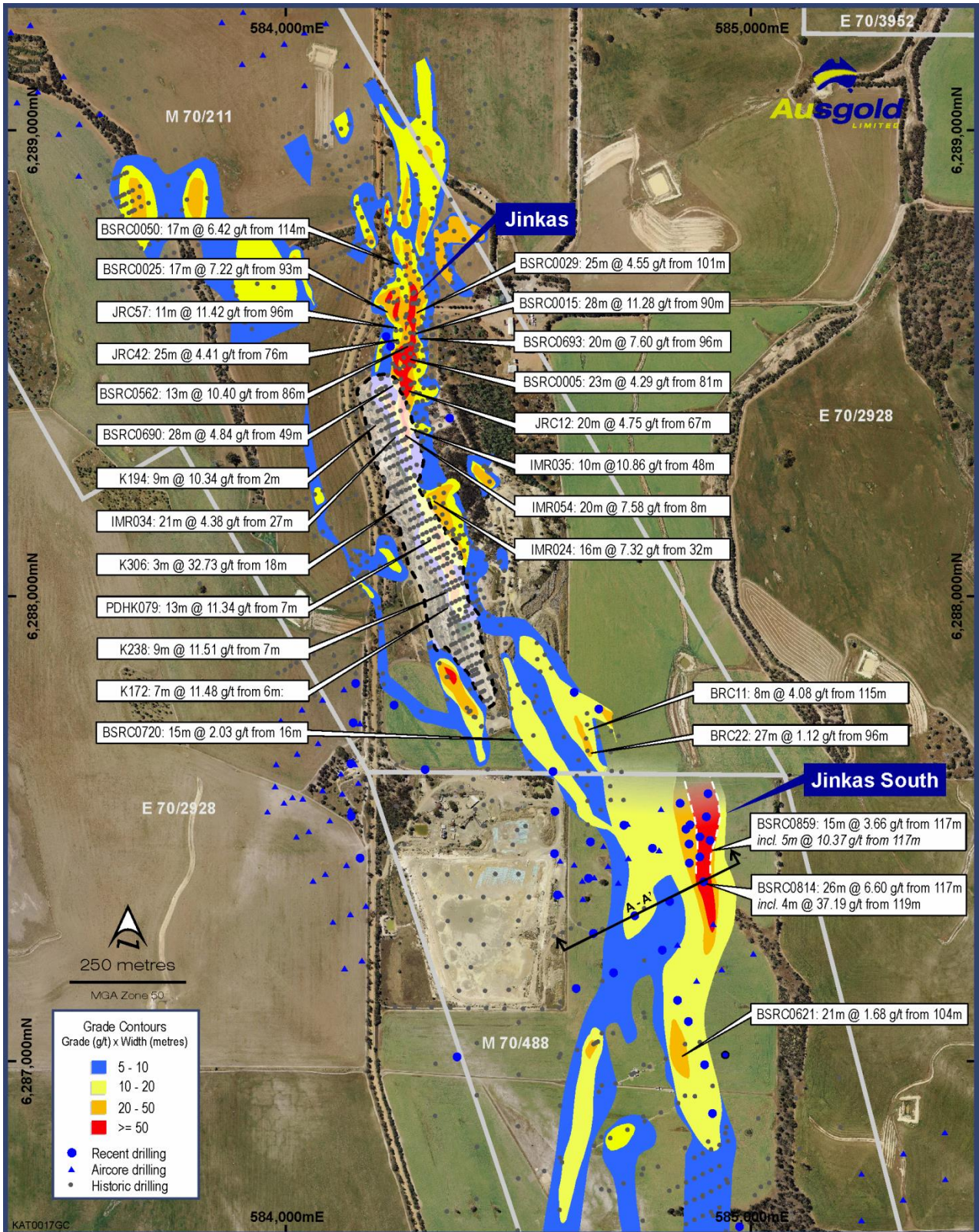


Figure 2 - Grade contours showing gold mineralisation within the Jinkas area

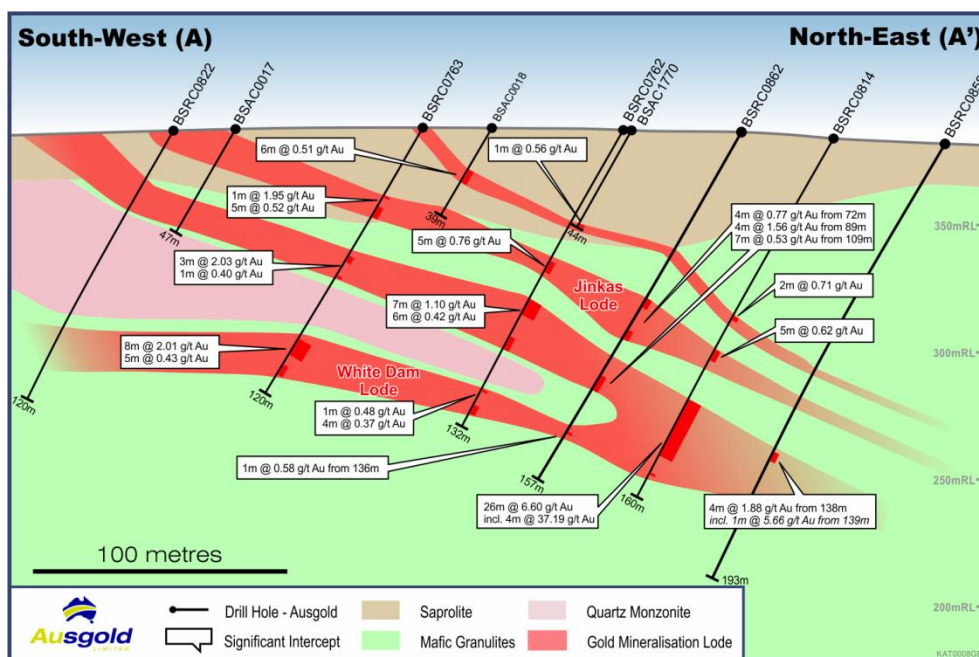


Figure 3 - Section A-A' showing Jinkas South mineralisation

Mineral Resource

The current JORC 2012 Mineral Resource estimate for KGP is 20.98Mt at 1.17 g/t Au for 785,800 ounces of gold.

Table 1: KGP Mineral Resource estimate 2017 prepared by SRK Consulting in accordance with JORC 2012 (ASX Release 3 August 2017).

Lode	Measured			Indicated			Inferred			Total		
	Tonnes (Mt)	Grade (g/t)	Koz	Tonnes (Mt)	Grade (g/t)	Koz	Tonnes (Mt)	Grade (g/t)	Koz	Tonnes (Mt)	Grade (g/t)	Koz
Jinkas	2.61	2.06	173.1	1.80	1.10	64.0	2.33	1.05	78.8	6.75	1.45	315.7
Dingo	0.44	1.22	17.1	3.58	1.05	120.0	0.69	0.71	16.0	4.70	1.01	153.2
Jackson	-	-	-	7.81	1.22	30.5	0.39	1.06	13.7	1.18	1.16	44.2
Lone Tree	-	-	-	0.17	0.93	5.0	1.2	0.76	29.2	1.37	0.78	34.3
White Dam	-	-	-	0.39	0.99	12.5	3.27	1.34	141.0	3.67	1.30	153.7
Fraser	-	-	-	-	-	-	3.31	0.80	84.7	3.31	0.80	84.7
Total	3.05	1.94	190.0	6.73	1.07	232.4	11.20	1.01	363.3	20.98	1.17	785.8

Note: The estimates are based on a 0.5 g/t Au cut-off applied to individual model cells located above 210 mRL and a minimum elevation of 275 mRL was used for Fraser.

Newly identified western trends

Two high priority target areas have been identified approximately 2.5km to the west of the main KGP Resource area using high-resolution geophysics. These western trends represent easterly dipping thrust structures that extend for more than 10km and show geological similarities to the main KGP Resource area in field mapping and interpretation of geophysics.

Previous auger sampling at 1km spacing identified broad gold anomalism >20ppb over a strike length of more than 10km (Figure 4). Infill auger sampling and follow-up drilling on the structures is planned.

Katanning regional

Ausgold holds exploration rights over a landholding of more than 4,000km² along a significant geological boundary separating the Boddington and Lake Grace Terranes. Faults along this boundary are the same as those that host the gold mineralisation within the KGP.

A new 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 new regional target areas (Figure 5). The Company continues target work programs including surface sampling to prioritise the new targets for follow-up assessment.

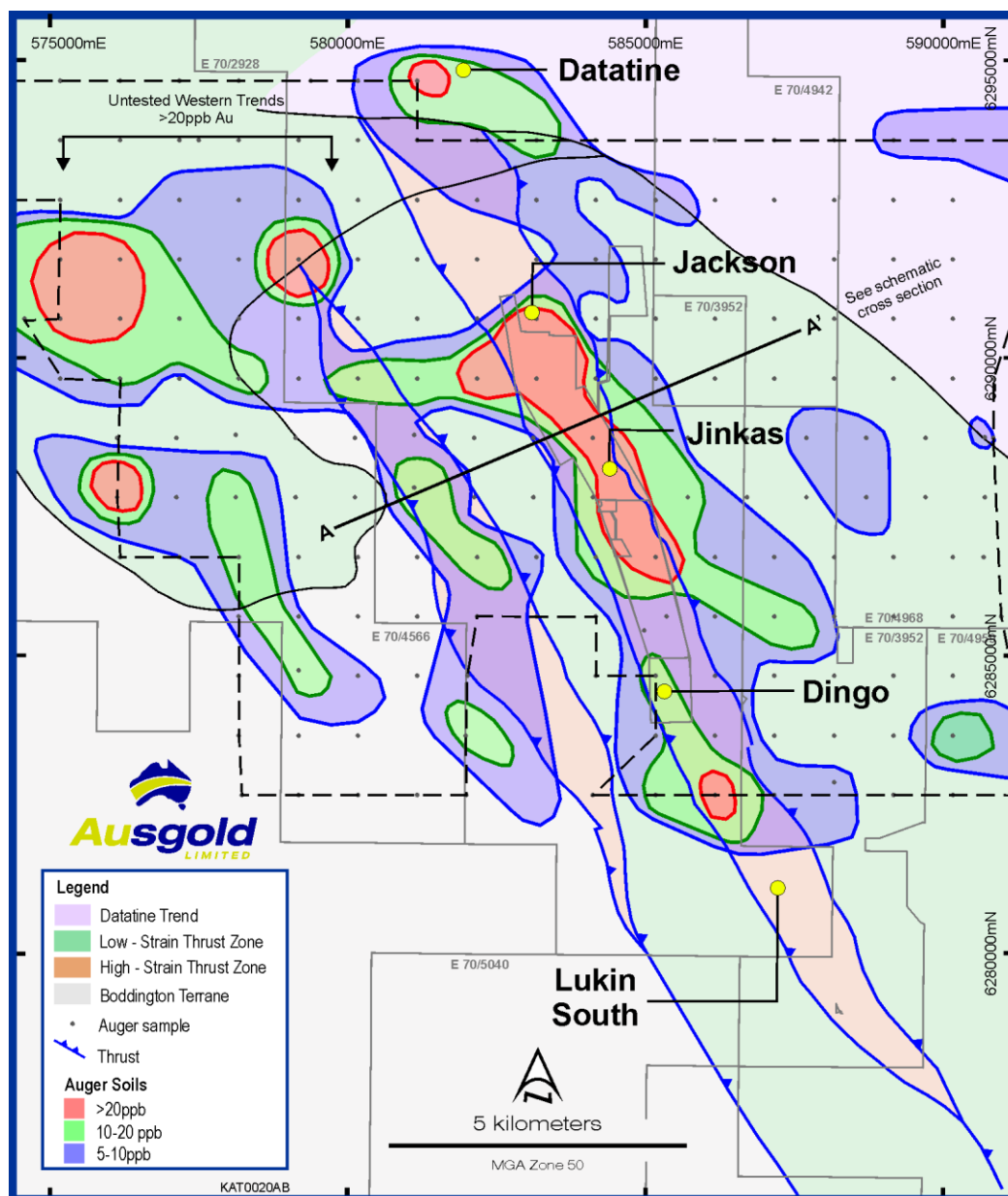


Figure 4 - Location of western trends with historic mineralisation from 1 km spaced auger sampling

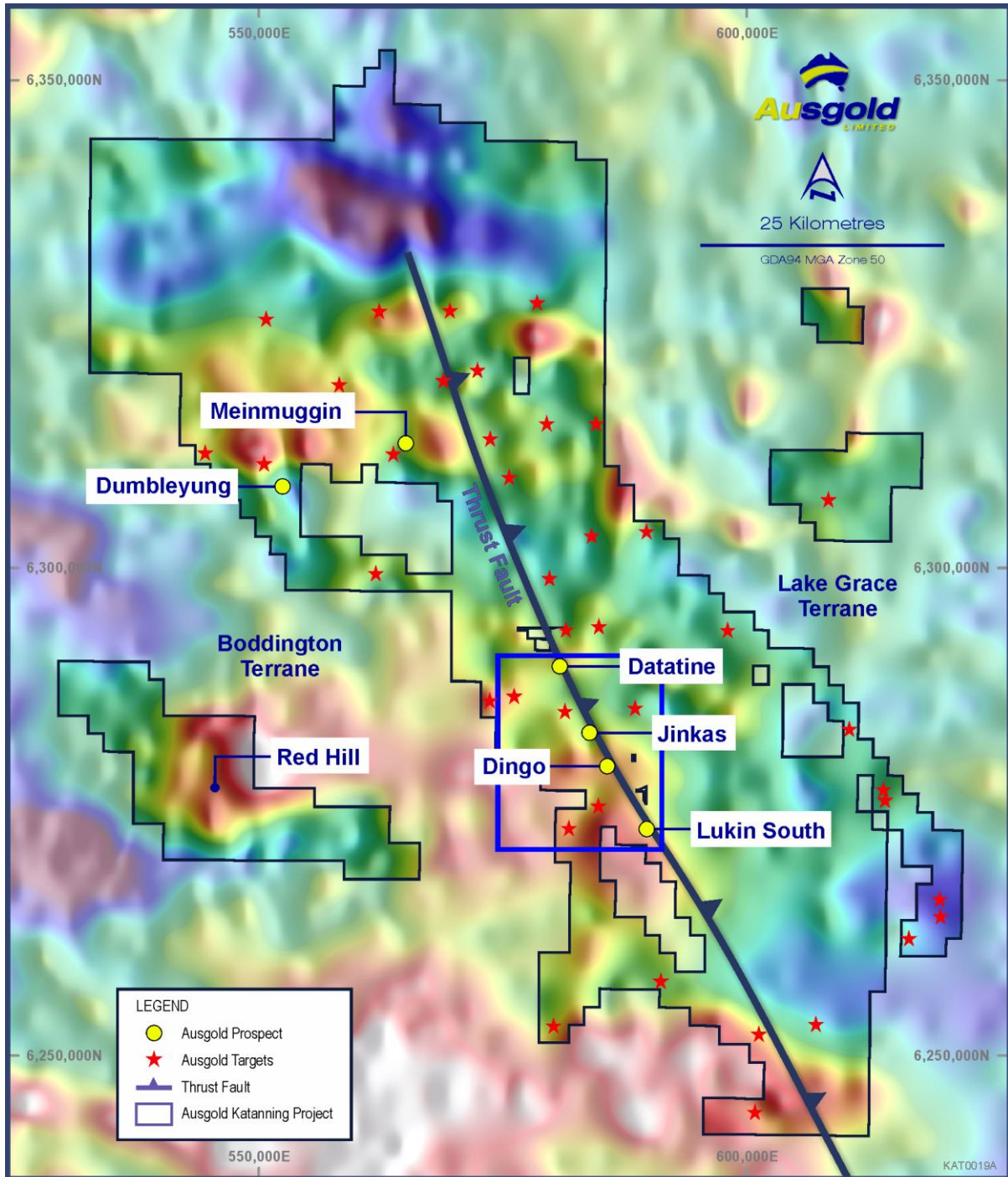


Figure 5 - Regional gold exploration targets within Ausgold's > 4,000km² tenure

Red Hill Vanadium Project, WA

AUC interest 100%

The Red Hill Vanadium Project, which covers an area of 350km², is located 10km north of the town of Katanning and lies within the Company's regional KGP tenure. During the quarter Ausgold conducted a further assessment of this project as it seeks to determine the potential value of the asset (Figure 6).

Red Hill came to Ausgold's attention during a search of open file exploration records which showed that a considerable amount of exploration had previously been completed on the project, including airborne magnetics, surface geochemistry, auger sampling and drilling (93 RC holes and six diamond holes). The drilling identified extensive near-surface vanadiferous mineralisation over three prospect areas. The largest of these was the Red Hill prospect, where mineralisation was identified over a strike length of 1.7km and remains open along strike.

The assessment of Red Hill is ongoing and to date has included the collection of additional data from previous owners, reprocessing airborne geophysics, modelling ground magnetics, developing a new geological interpretation and conducting geological mapping to assess the extent of the intrusive complex that hosts the mineralisation. Currently, Ausgold has interpreted magnetite mineralisation extending over 30km within this intrusive complex.

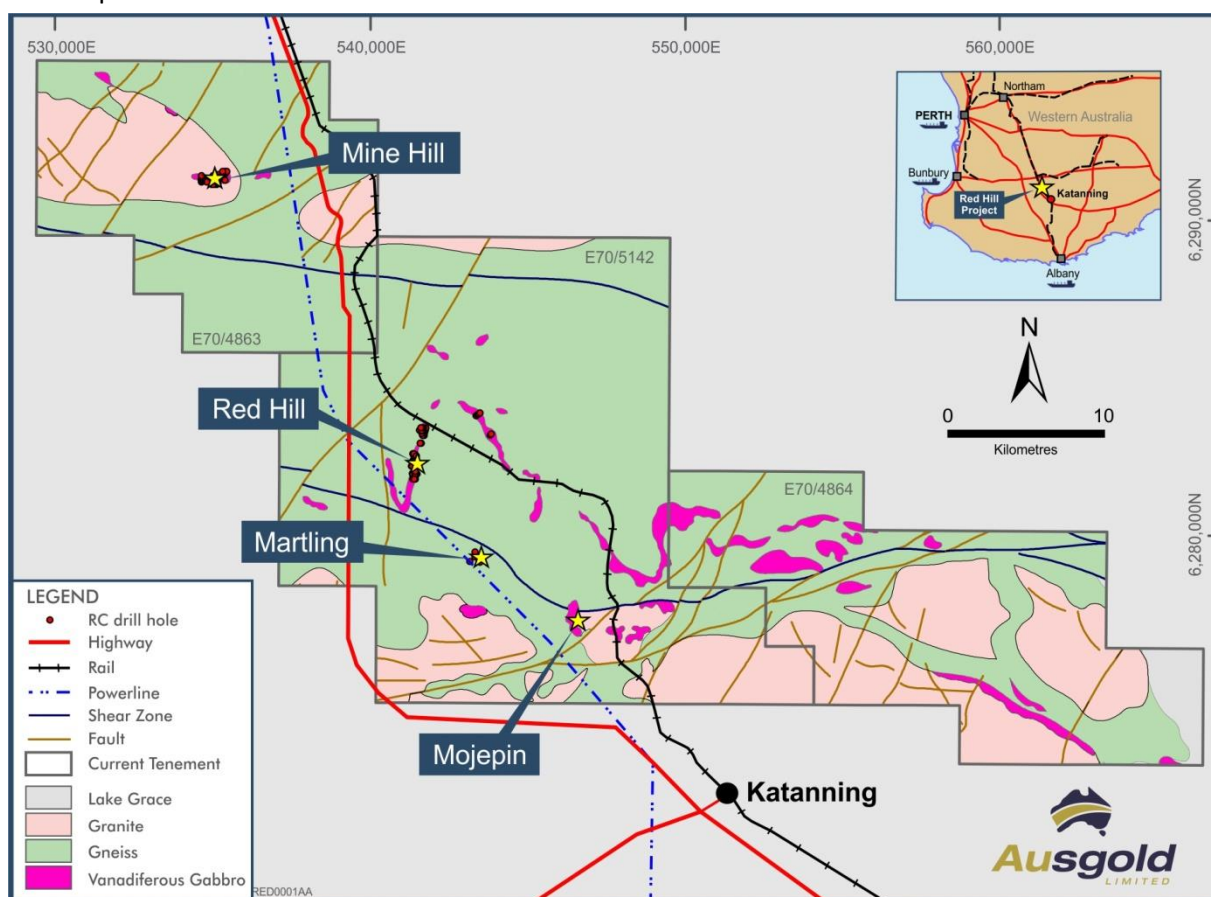


Figure 6 - Red Hill Vanadium Project showing the interpreted vanadiferous – magnetite mineralisation

Doolgunna Station, WA

AUC interest 100%

During the June 2018 quarter Ausgold announced it had entered into a Farm-in Agreement with Intrepid Mines Limited over the Doolgunna Station Project, located 150km north east of Meekatharra in WA's Bryah Basin. The project comprises E 52/3031 covering 176km² and is located approximately 13km to the west and along trend from the DeGrussa copper-gold operations of Sandfire Resources Limited (Figure 7). Under the terms of the agreement Intrepid has the right to earn a 70% interest in the Project by spending a minimum of \$2,150,000 over two years. The project is prospective for volcanic-hosted massive sulphide base metal mineralisation like that found at DeGrussa and orogenic Plutonic-style gold mineralisation.

After the spending commitment is met, Ausgold can either retain a 30% contributing interest or reduce to a 20% interest free-carried to a decision to mine.

During the September quarter a review of the existing exploration data from the project was undertaken, and a preliminary drilling programme was developed.

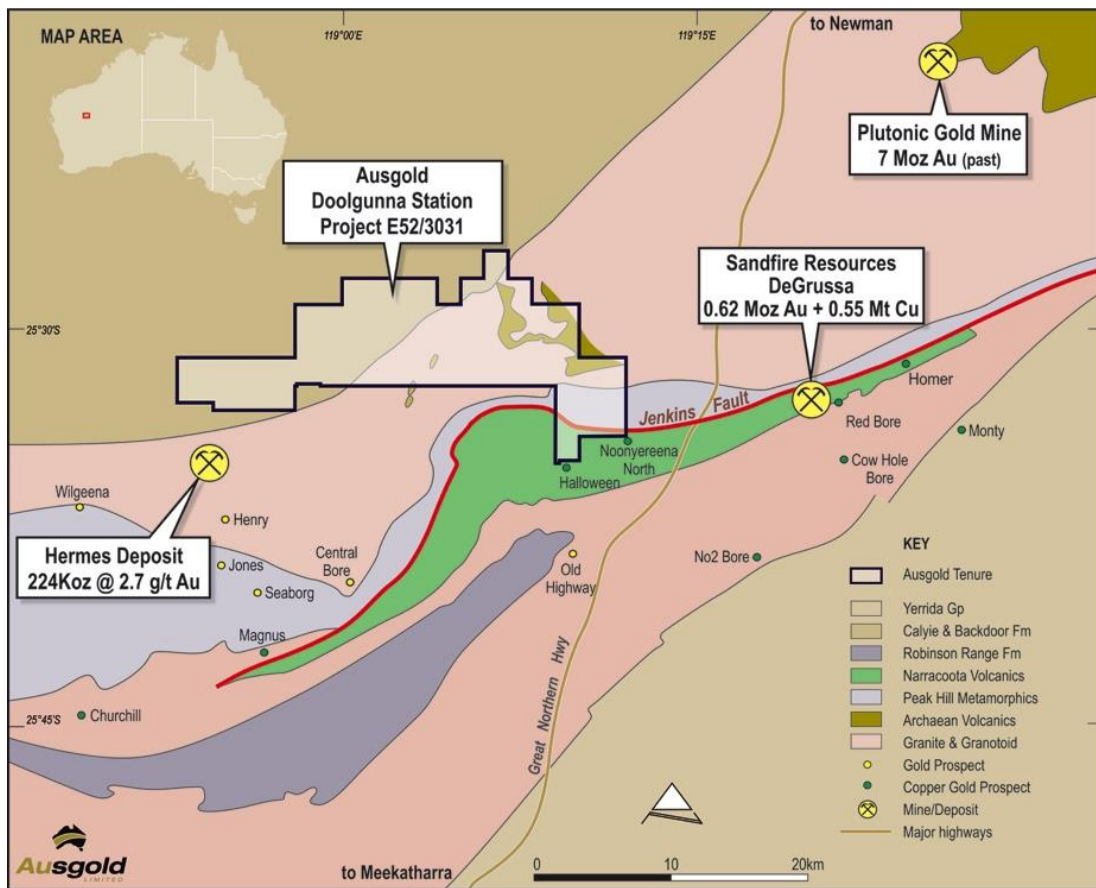


Figure 7 - Location of Ausgold's Doolgunna Station JV Project

Yamarna Project, WA

AUC interest 100%

The Yamarna Project is located approximately 125km north-east of Laverton in central Western Australia on exploration licences E38/2129 and E38/2863 (Figure 8). The Project area covers 300km² of prospective ground over the Yamarna Belt, the eastern-most Archean greenstone belt of the Yilgarn Craton.

Past exploration by Ausgold identified disseminated sulphides (up to 10%) comprising chalcopyrite (copper-iron sulphide), pentlandite (iron-nickel sulphide) and pyrite (iron sulphide) contained within mafic-ultramafic rocks. A review by Fathom Geophysics identified nine Ni-Cu-Co, four PGE and 15 gold targets in the project area based on geophysical responses combined with structural complexity and favourable interpreted lithology.

Subsequent to the end of the quarter, Ausgold entered into an option agreement with ASX-listed exploration company Great Boulder Resources Limited (Great Boulder) in relation to the Yamarna Project, which lies 40km north along strike from Great Boulder's Mt Venn project.

Under the agreement, Ausgold has granted Great Boulder an option to form a joint venture through the expenditure of \$50,000 on E38/2129 in the current reporting year. Great Boulder has met this commitment by drilling two EM targets at the Winchester prospect, with results anticipated in the December quarter.

Upon exercise of the option, Great Boulder will have the right to earn a 75% interest in the Yamarna Project by issuing Ausgold 1,500,000 fully paid ordinary shares and spending a minimum \$500,000 on exploration over a term of four years. Should Great Boulder meet the minimum expenditure milestone, Ausgold will retain a 25% free-carried interest up until a decision to mine.

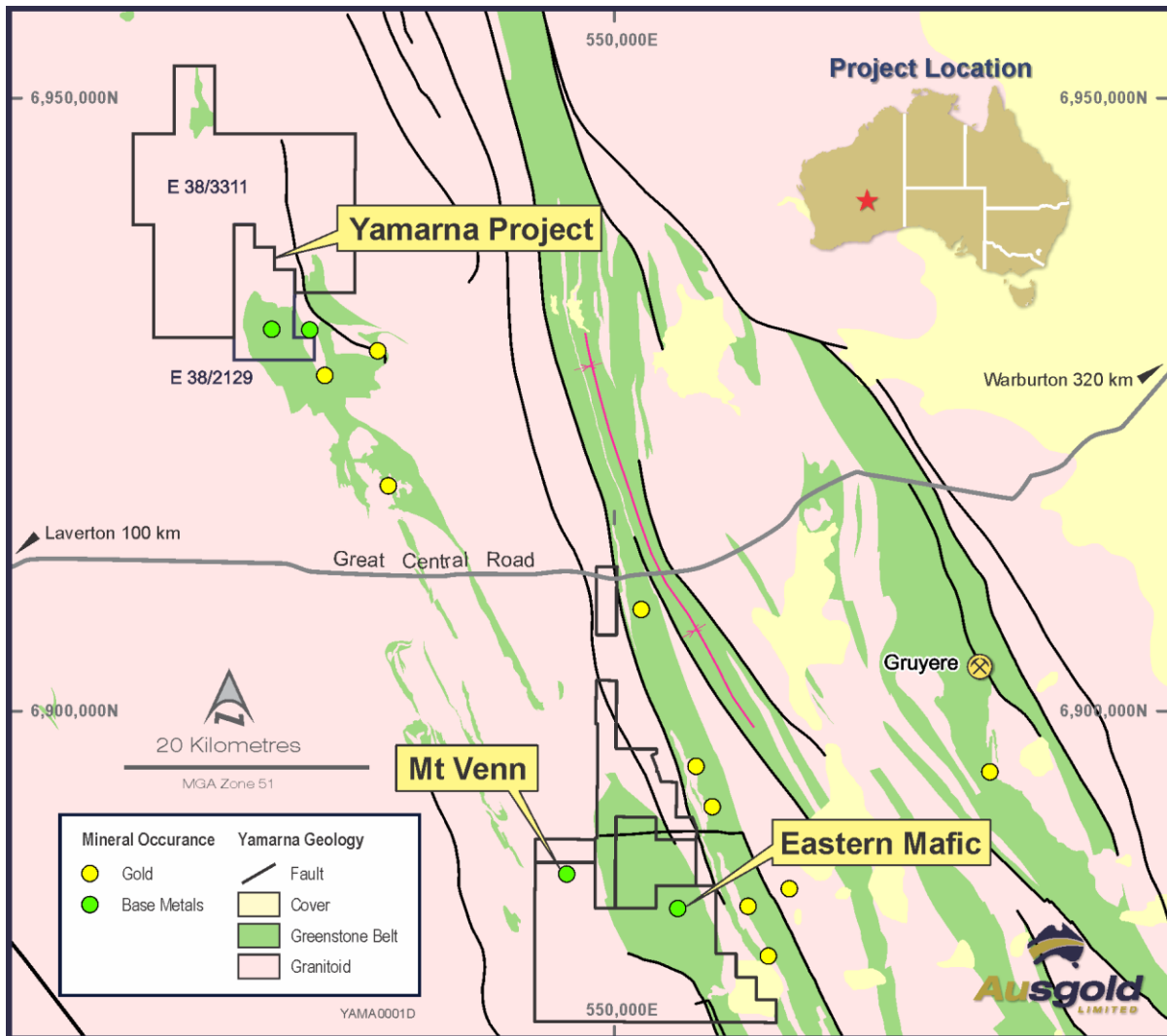


Figure 8 - Location of Ausgold's Yamarna Project relative to Great Boulder's Mt Venn Project to the south

Cracow, QLD

AUC interest 100%

Ausgold holds exploration licence EPM17054 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 multi-million ounce Cracow epithermal gold deposit.

No meaningful exploration was carried out on the Cracow Project during the September quarter as the Company focused on advancing the KGP.

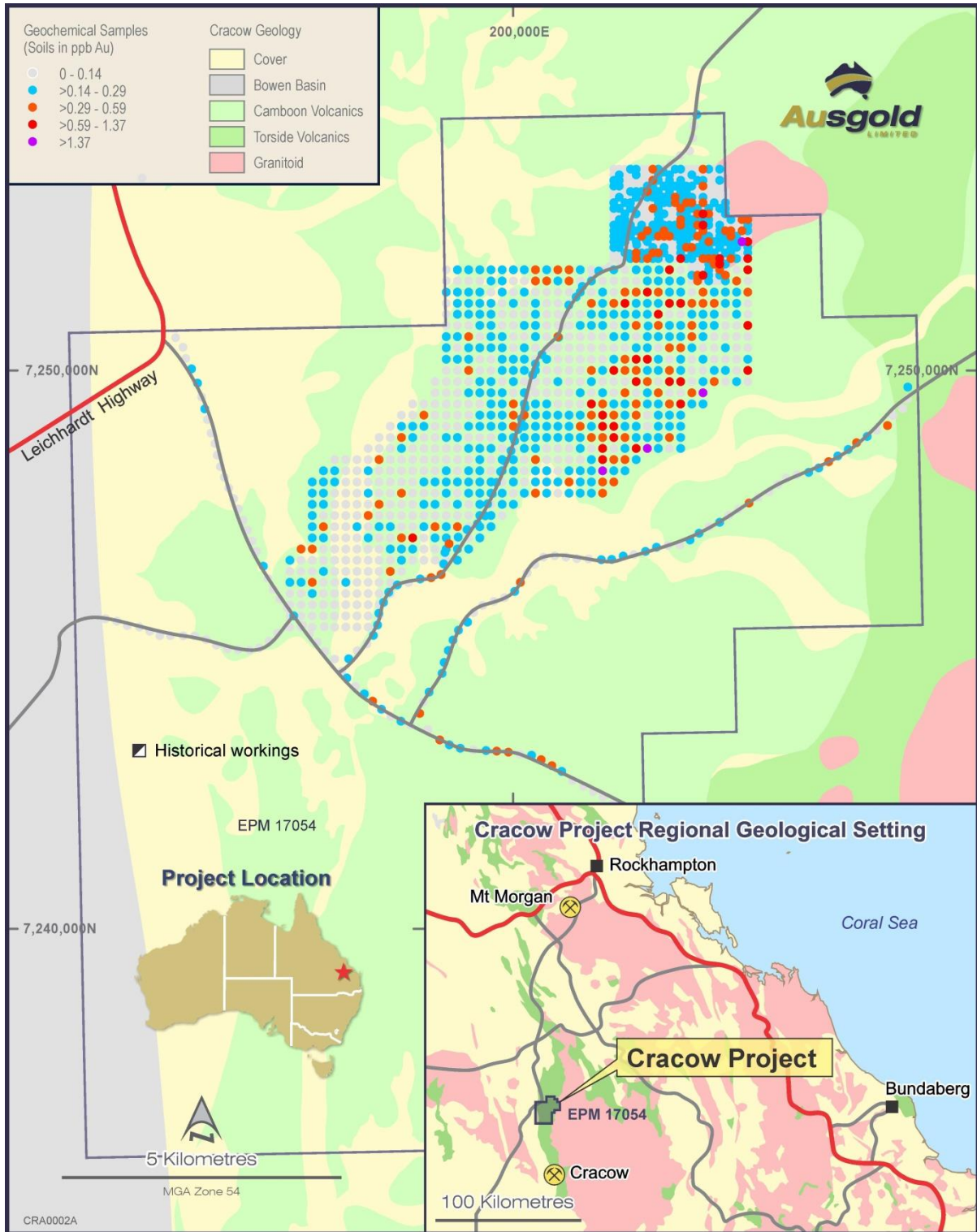


Figure 9 - Location of the Cracow Project, Queensland

December Quarter 2018 – Planned Activity

KGP

- Completion of RC and diamond drill programs
- Analyse results from Jinkas South diamond and RC drilling
- Geological modelling of the Datatine, Jackson, Olympia, Jinkas, Lone Tree, Fraser, White Dam, and Dingo prospect areas to enable an upgraded Mineral Resource estimation
- Announcement of new Resource estimate for the Katanning Gold Project
- Complete auger drilling along newly identified western trends to develop RC drill targets
- Red Hill vanadium assessment
- District-scale exploration targeting using Geographic Information System (GIS) analysis to develop a prospectivity map of the regional project area
- Spectral analysis of remote sensing data over the western Bottleneck trend

Yamarna

- Two RC drill holes were planned to be drilled by Great Boulder in the December quarter. Drilling will target two EM conductors down dip of nickel sulphide mineralisation intersected in the previous drilling at the Winchester prospect.
- Results are yet to be received

Doolgunna

- The Company will work with Intrepid Mines Limited (ASX:IAU) on plans and the necessary approvals required to start an Exploration Incentive Scheme (EIS) co-funded RC and diamond drilling campaign

CORPORATE

Share capital

As at 30 September, 2018 Ausgold had 657,149,541 fully paid ordinary shares and 67,019,235 unlisted options with various strikes prices and expiry dates on issue.

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

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Managing Director, Ausgold Limited
T: +61 (0)8 9220 9890
E: info@ausgoldlimited.com

Competent Person's Statements

The information in this report 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 Managing Director 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 report includes "forward-looking statements" within the meaning of that term in the 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 report, 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 report is not intended to be a forecast. It is in the nature of 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 30 September 2018:

State	Lease	Lease status	Grant date	Project	Interest %
Western Australia Tenements					
WA	E38/2129	Granted	13 October 2008	Yamarna	100%
WA	E38/3311	Application	-	Yamarna	100%
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	E70/4863	Granted	10 January 2017	Katanning Regional	100%
WA	E70/4864	Granted	10 January 2017	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	E70/5044	Granted	14 June 2018	Katanning Regional	100%
WA	E70/5142	Application	-	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%
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%
Queensland Tenement					
QLD	EPM17054	Granted	26 November 2010	Cracow	100%

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

AUSGOLD LIMITED

ABN

67 140 164 496

Quarter ended ("current quarter")

30 September 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(542)	(542)
(b) development	-	-
(c) production	-	-
(d) staff costs	(100)	(100)
(e) administration and corporate costs	(230)	(230)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	2
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (rebates, refunds etc)	-	-
1.9 Net cash from / (used in) operating activities	(870)	(870)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (security deposits)	(1)	(1)
2.6 Net cash from / (used in) investing activities	(1)	(1)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	-
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	(83)	(83)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (proceeds received pending shares to be issued)	-	-
3.10 Net cash from / (used in) financing activities	(83)	(83)

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	2,217	2,217
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(870)	(870)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(1)	(1)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	(83)	(83)
4.5 Effect of movement in exchange rates on cash held	-	-
4.6 Cash and cash equivalents at end of period	1,263	1,263

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	1,246	2,200
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other – term deposit	17	17
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,263	2,217

6.	Payments to directors of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	108
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Directors' fees and salary, and superannuation.

7.	Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1	Aggregate amount of payments to these parties included in item 1.2	56
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3	Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

Use of office premises and associated facilities at cost.

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

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9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	700
9.2 Development	-
9.3 Production	-
9.4 Staff costs	100
9.5 Administration and corporate costs	170
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	970

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2 Interests in mining tenements and petroleum tenements acquired or increased				

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.



Sign here: _____
Director/Company Secretary

Date: 31 October 2018

Print name: Denis Ivan Rakich

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly 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 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.