AUSTRALASIAN GOLD

ASX Announcement | ASX: A8G | 17 September 2021

High grade gold intersected at May Queen and lithium exploration commences at Mt Peake

Highlights

- Surface rock chip sampling reveals up to **2.66 g/t gold** and **3.43% copper** at May Queen gold project, Queensland
- Shallow gold mineralisation confirmed and parallel structure intersected including **6m @ 1.99 g/t Au** from 35m and **1m @ 9.39 g/t Au** from 68m (Hole MQD0001)
- Drill program results will refine phase II drilling following up on intense alteration with strong porphyry signatures
- On 19 September exploration activities will commence at the 100% owned Mt Peake Lithium Project in the Arunta pegmatite province in the North Territory near Core Lithium's (ASX: CXO) Anningie and Barrow Creek Lithium Projects
- Exploration will target **LCT pegmatite potential** through surface sampling of targets generated from remote sensor image interpretation and historic exploration
- The company sees potential to make a significant lithium discovery at the Mt Peake pegmatite field

Managing Director of the Company, Dr Qingtao Zeng said:

"*Our maiden drilling program at May Queen has confirmed the presence of high-grade gold mineralisation and identified a number of exciting follow up drill targets. On Sunday we will commence exploration at our lithium project in the Northern Territory where we hope to make a transformative lithium discovery in the Arunta pegmatite province*."

Australasian Gold Limited (**ASX: A8G**, **Australasian** or the **Company**) is pleased to report results from its maiden diamond drill (**DD**) program at the 100% owned May Queen Gold Project within Queensland's Brovinia region. The DD program, in combination with rock chip sampling, has delivered highly encouraging initial results, indicating the potential of a gold-copper porphyry system within the project area. A petrological study on some representative geological units has significantly lifted our geological understanding on the project.

The company has also completed preparation for its maiden exploration program at the exciting Mt Peake Lithium pegmatite project in the Northern Arunta pegmatite province in the Northern Territory, with site activities to commence on Sunday, 19 September 2021.

May Queen - Surface rock chip sampling

During the drilling program, 9 rock chip samples were taken from surface outcrops. The detailed description and location are presented in Table 1.

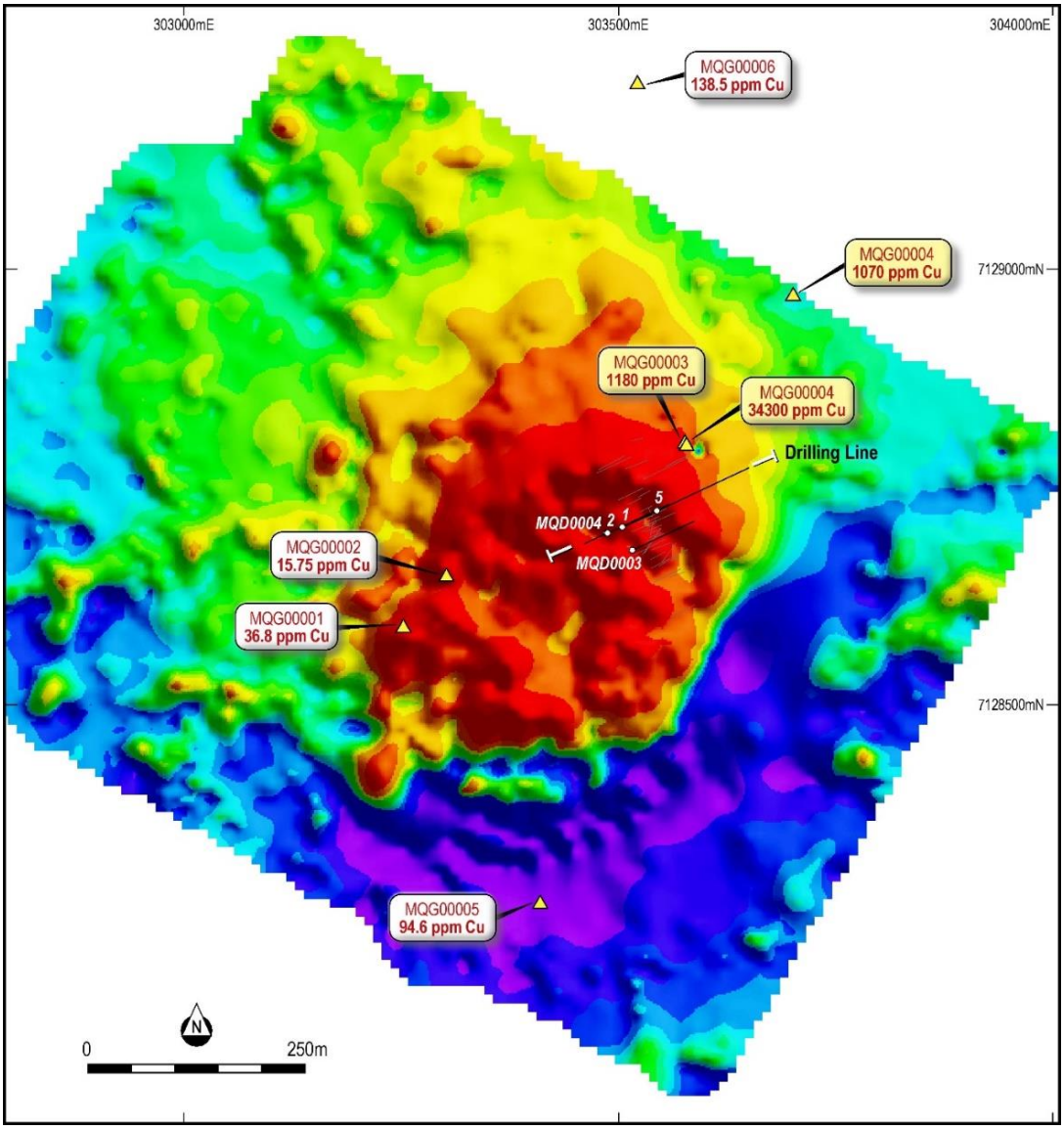

Figure 1: *Rock chip and drill collar locations over ground magnetics base map.*

Table 1: *Rock chip sampling locations and results*

Sample ID	Easting	Northing	Comments	Au (ppm)	Cu (ppm)	Cu %
MQG00001	303252.7	7128590	Brecciated siliceous cherty with gerthite staining on fractures	0.005	36.8	
MQG00002	303302.6	7128649	Dark colour hornfels with gerthite	0.014	15.75	
MQG00003	303576.1	7128800	Marly Sandstone, gerthitic	0.342	1180	
MQG00004	303577.1	7128798	Gossanous breccia with copper oxides and secondary copper carbonates	**2.66**	**>10000**	**3.43%**
MQG00005	303409.8	7128271	Gossanous Sandstone, siltstone breccia with Qtz vein	0.055	94.6	
MQG00006	303522.3	7129212	Brecciated marly sandstone, siltstone with pyrite	0.02	138.5	
MQG00007	303701	7128970	Sandstone, Quartzite with pyrite	0.035	1070	
MQG00008	304317.5	7128673	Fine grained intrusive with Magnetite Hematite Pyrite	0.005	49.4	
MQG00009	304312.3	7128671	Fine grained intrusive with Magnetite euhedral K-Feldspar crystals 2-3mm	0.005	3.78	

MQG0003 was a marly sandstone with gerthitic alteration. It carries gold and copper anomalies of 0.34 g/t gold and 0.1% copper. Sample MQG0004 is a gossanous silica rich breccia with oxidized sulphide with carbonate, chloride and sericite alteration, located as shown in Figure 1 has over **2.66 g/t gold** and **3.43% copper**.

These results highlight the potential high-grade gold-copper breccia mineralisation in the northeast part of this dome-shape magnetic anomaly.

Diamond Drilling Results

Diamond drilling at our May Queen project in Queensland has revealed alteration assemblages and zonation which are highly indicative of porphyry alteration that will guide future exploration at the project (Figure 2). The drilling collar was listed in Table 2.

Table 2*: Diamond drill hole collar locations*

Hole ID	EAST	NORTH	RL	Azim GDA	Dip	End of Hole (m)
MQD0001	303505	7128699	260	65	-60	73.7
MQD0002	303489	7128692	260	65	-60	152.0
MQD0003	303517	7128673	260.5	65	-60	153.3
MQD0004	303487	7128692	260	245	-75	105.6
MQD0005	303544	7128717	259	65	-60	228.2

Significant Results (using a min 1m interval and above 0.25 g/t):

- MQD0001: **6m @ 1.99 g/t Au** from 35m & **1m @ 9.39 g/t** from 68m (note 69m – 73.7m not sampled)
- MQD0002: **1m @ 0.55 g/t** from 120m
- MQD0003: **1m @ 1.92 g/t** from 48m
- MQD0005: **4m @ 0.29 g/t** from 154m**, 1m @ 1.39 g/t** from 174m **& 2m @ 0.28 g/t** from 180m

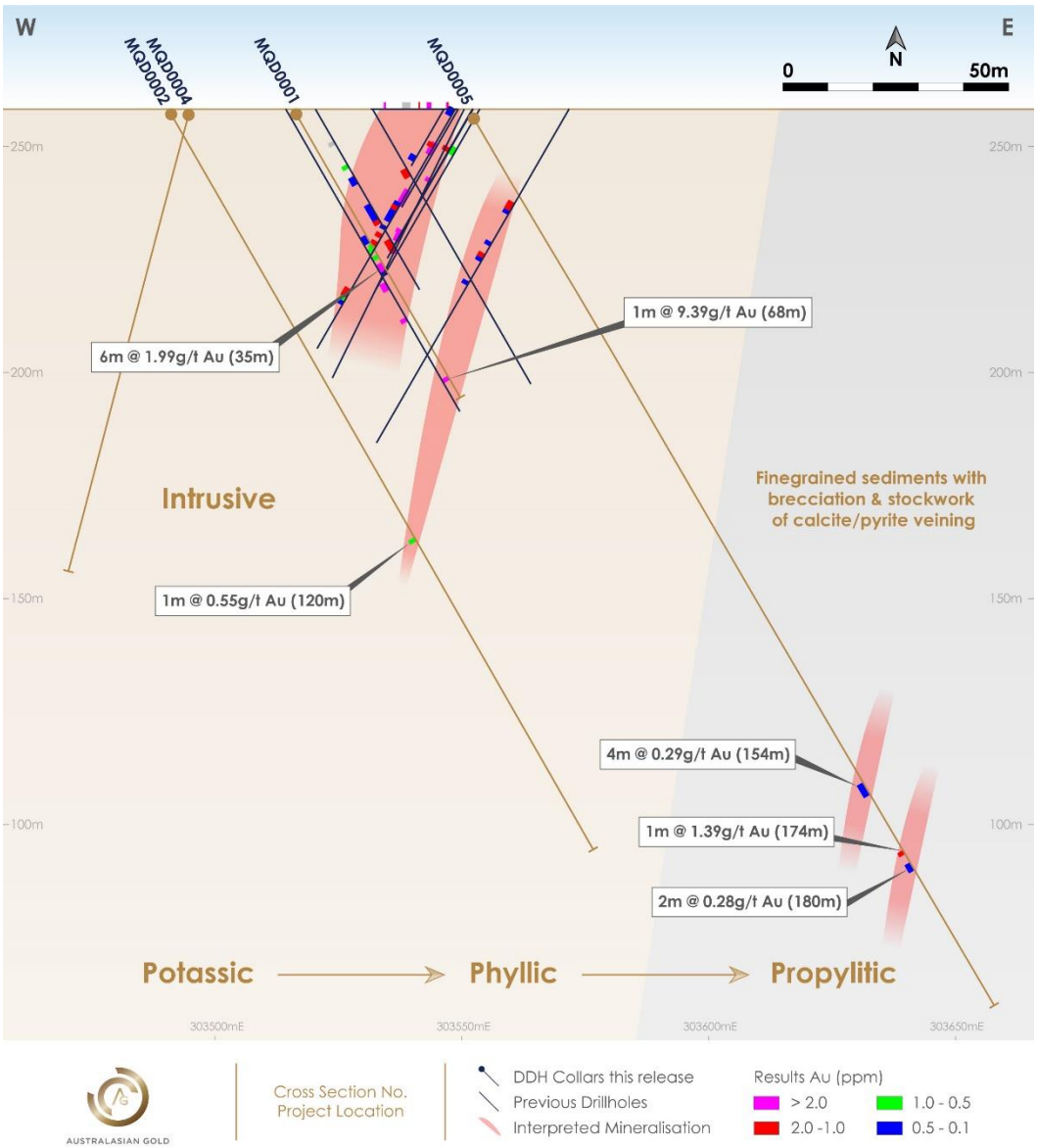

Figure 2: *Schematic interpretation of the cross section with MQD0001, 0002, 0004 and 0005*

Alterations

Through field observations and further confirmed by a petrographic study carried out by Mintex Petrological Solutions on selected drill core and rock chip samples, we have been able to establish a distinct alteration zonation from potassic alteration in the south-west of the project area. This zonation is dominated by potassium feldspar mineralisation (Figures 3 and 4) through a central phyllic zone which is characterised by sericitization of feldspars and biotite then grading into propylitic alteration which is dominated by chlorite and epidote as seen in hole MQD0003 further to the north-east (Figures 3 and 4).

***Figure 3**: Drill core from MQD0004 displaying intense potassic alteration, from 52.5m to 59.5m*

***Figure 4**: Drill core from MQD0003 between 32.7m to 35.1m. Sericitised and chloritised plagioclase-rich porphyritic diorite.*

The boundary between the intrusive stock and the surrounding sediments is within the propylitic zone and displays moderately intense pyrite mineralisation as intersected in hole MQD0005 over a zone of approximately 40m within the sediments and was associated with calcite veining, stockwork and brecciation. There are several intercepts with elevated gold, including: 4m @ 0.29g/t from 154m, 1m @ 1.39g/t from 174m and 2m @ 0.28 g/t from 180m.

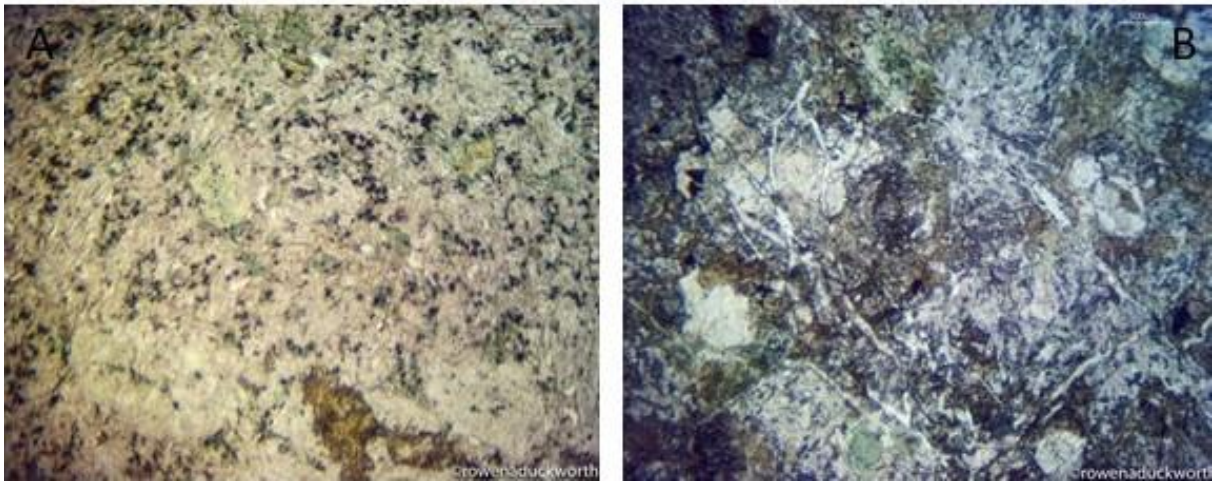

***Figure 5**: A. Plane polarised land reflected light photomicrograph of sample MQD0003-50 (x2). Sericitised and chloritised plagioclase-rich porphyritic diorite with plagioclase groundmass and phenocrysts and chlorite alteration of probable primary amphibole/biotite. B. Plane polarised land reflected light photomicrograph of sample MQD0003-124.5 (x2). Amphibole-epidote-chlorite-carbonate altered clinopyroxene-phyric gabbro porphyry.*

The intrusive stock has historically been classified as gabbro but Intermediate intrusive rocks in drill core and outcrop southwest of MQD0004 suggest different phases of intrusive emplacement (Figure 5).

Potential porphyry gold and copper system

From the drilling and mapping, several key observations have been made that indicate we have strong potassium alteration at depth below the high-grade gold mineralisation, revealed in DD holes MQD0002, MQD0003, MQD0004 and MQD0005. Propylitic and argillic alteration observed in these holes, compose a textbook porphyry alteration assemblage (Figure 6). The Company believes that we are in a porphyry gold-copper system and the high-grade mineralisation intersected to date represent shoots or splays off a potentially larger system. The key to unlocking the puzzle relies on further work to locate more high-grade shoots or detect further porphyry potential at depth.

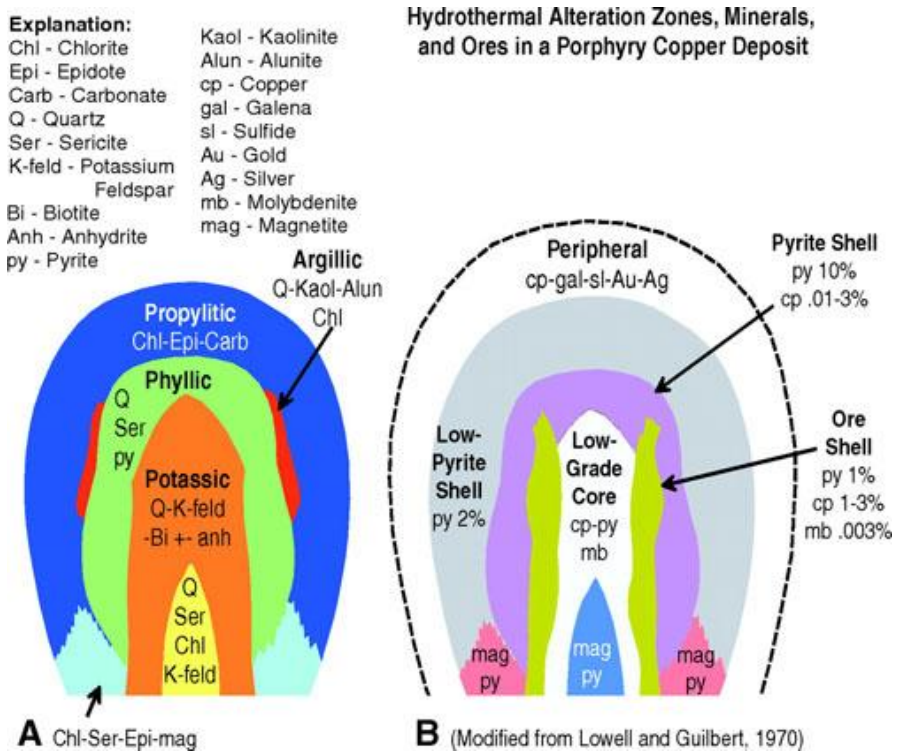

Figure 6: *Classic porphyry copper system. Our drilling has revealed intensive K-feldspar and biotite alteration as shown in Figure 3 and propylitic (Chl-Epi-Carb) alterations as in Figure 4 and some of the sub-vertical ore shell, has been intercepted in MQD0001*

Upcoming Exploration

Gold. The Company plans to undertake additional geophysical surveys, including a Dipole-dipole IP survey, to define potential silica enriched areas with possible disseminated sulphides. Results of the IP survey will assist the Company with a follow-up reverse circulation drilling program to be undertaken in the coming months.

Lithium. Preliminary satellite image investigation in combination with 1:250,000 scale geological map has highlighted several key areas with pegmatite outcrops within the Mt Peake project. The Company has engaged four experienced geologists to conducting surface mapping and rock chip sampling starting this Sunday (19 September 2021). We are excited to explore the area focussing on lithium as the targeted mineral for the first time.

This announcement is approved for release by the Board of Directors.

Reference

J. David Lowell and John M. Guilbert. (1970) Lateral and vertical alteration-mineralization zoning in porphyry ore deposits. Economic Geology 65 (4): 373–408

ENDS

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Competent Person Statement

The information in this report that relates to Exploration Results is based on, and fairly represents, information and supporting documentation prepared by Mr Graeme Fraser, Non-executive Director of Australasian Gold Limited. Mr Fraser is a member of the Australasian Institute of Mining and Metallurgy and he has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which has been undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Fraser consents to the inclusion in this release of the matters based on the information in the form and context in which they appear. Mr Fraser is a shareholder of Australasian Gold Limited.

Section 1 Sampling Techniques and Data – (Criteria in this section apply to all succeeding sections.)

Criteria	Commentary
Sampling techniques	• Both HQ and NQ were used in this program Core sample intervals were geological logged, measured for average length, photographed, and placed into numbered core trays. Sample has been sent to ALS Brisbane under standard preparation procedures.
Drilling techniques	• Diamond drilling accounts for 100% of the drilling.
Drill sample recovery	• The recovery of the Diamond drilling samples was reported by the operators and supervised by our consulting geologist • No sample bias has been established.
Logging	• The diamond drilling was geologically logged. • All logging is quantitative, based on visual field estimates. • MQD0001 to MQD0005 logging are completed.
Sub-sampling techniques and sample preparation	• Samples were received as whole core in core trays. • Nominated samples were photographed as-received (no further wetting, PHO-DRY), then cut utilizing an Almonte automatic core-saw (SAW-01), and sampled as per instructions provided (SAM-COR01). • Samples requiring analysis were crushed utilizing a jaw crusher (CRU-21), with samples greater than three kilograms split utilizing a riffle splitter (SPL-21) prior to pulverization in LM5 mills (PUL-21). One sample from each mill was checked for fineness at the start of the workorder (PUL-QC, minimum of 85% passing 75µm), followed by a rate of 1:50 thereafter. Composite samples were generated by compositing nominated samples and homogenizing (CMP-21, HOM-01). • Prepared sample was submitted to the Brisbane (Stafford) laboratory for base metals analysis by ME-MS61L, with fire-assay, AAS finish analysis (Au-AA24) carried out by the Townsville laboratory. • The QC procedure for historical RC samples is unknown but considered immaterial.
Quality of assay data and laboratory tests	• ME-MS61L methodology utilizes a four-acid, near total digestion (GEO-4A01L), with 0.25g of prepared material digested with nitric, perchloric and hydrofluoric acids, then leached with hydrochloric acid, to a final volume of 12.5mL. Internal QC of 1 blank, 2 CRMs and 2 duplicates are included per batch of 35 unknown samples. Analysis is performed utilizing both ICPAES and ICPMS analysis, with detection and upper limits. • Au-AA24 utilizes a lead-collection, fire-assay fusion (FA-FUS02), with a nominal 50g charge weight of sample mixed with fire-assay flux and fused at 1050 degrees, and further processed to generate a precious metal bead. Internal QC is inserted at a rate of 1 blank, 2 CRMs and 3 duplicates per batch of 78 unknown samples. The resultant bead is digested with nitric and hydrochloric acids, with the resultant solution read by flame AAS
Verification of sampling and assaying	• The verification work between composite samples and meter by meter assays were conducted and there is good consistence.

Criteria	Commentary
	• The Company didn't put duplicate and blank samples for the drilling assay for this time. Only cores with visible alteration and mineralization were assayed. • No significant adjustments to the assay data have been required.
Location of data points	• The drill holes have been reported as being located by hand-held GPS. Historical drill holes and mine shafts have been verified by GPS. • The grid datum for May Queen is MGA_GDA94, Zone 55. • Government topographic maps have been used for topographic validation. The GPS is considered sufficiently accurate for elevation data. • For the diamond drill holes, down hole dip surveys were taken at approximately 30m intervals and at the bottom of the hole.
Data spacing and distribution	• Drill spacing of drill holes ranges between 12.5 and 25 m which is considered adequate for reporting Exploration Results.
Orientation of data in relation to geological structure	• Drilling is designed to test anomalies and potential mineralization. They were oriented sub-perpendicular to the potential mineralised trend and stratigraphic contacts as determined by field data and cross section interpretation. Intersection widths will therefore be longer than true widths. • No significant sample bias has been identified from drilling due to the optimum drill orientation described above. Where present, sample bias will be reported.
Sample security	• The core samples were sent to ALS Brisbane to cut and prepare, and all the sample renamed with lab code preventing lab info leaking. ALS internal sample security protocol is followed.
Audits or reviews	• There has been no review of the sampling techniques and data.

Section 2 Reporting of Exploration Results – (Criteria listed in the preceding section also apply to this section.)

Criteria	Commentary
Mineral tenement and land tenure status	• **May Queen** The May Queen Project currently comprises one exploration licence covering 74.1 km^2. The tenement is held 100% by Australian Gold Limited. No aboriginal sites or places have been declared or recorded in areas where Australasian intend exploring. There are no national parks over the license area. Before substantial exploration can proceed, a survey will be required to ensure there are no aboriginal sites are located in areas where Australasian intend exploring. There are no national parks over the license area. • Australasia have assured the author that the tenements are in good standing with no known impediments.
Exploration done by other parties	• The May Queen deposit has been drilled by several previous owners. This drilling has not been previously reported compliant with the JORC Code (2012) for reporting exploration results and Mineral Resources.
Geology	• The May Queen lies within the Brovinia goldfield in Queensland. This goldfield is located in the northern part of the Surat Basin with the tenement mostly covered by

Criteria	Commentary
	Early to Late Jurassic sediments that unconformably overlay outcropping Late Devonian – Mississippian volcanoclastic sedimentary rocks hosting the structurally controlled May Queen gold mineralisation.
Drill hole Information	• Drill hole collar details are tabulated in the body of this report. • Core assay results over 0.25 g/t over 1 m have been reported in the body of announcement. Assays less than the above is considered insignificant.
Data aggregation methods	• All reported historical assays have been length weighted. No top cuts have been applied. A nominal lower cut -off of approximately 0.25 g/t Au has been applied when reporting significant results.
Relationship between mineralisation widths and intercept lengths	• The majority of drill holes to date have been sub-perpendicular to the mineralised trend and stratigraphy so interval widths are longer than true widths unless otherwise stated.
Diagrams	• Please refer to Figures in body of text. Only parts of the drilling photo are presented here.
Balanced reporting	• All results reported are representative.
Other substantive exploration data	• Assessment of other substantive exploration data is not yet complete however considered immaterial at this stage.
Further work	• Follow up work programmes will be subject to interpretation of recent and historic results which is ongoing. There are several generations of hydrothermal fluids revealed by the diamond drilling core in the May Queen areas. The Company believes that the gold and copper prefer to follow silica rather than carbonate veinlets. All the good grades so far are associated with silicification, sericite, disseminated sulphide. Dipole Dipole IP survey will be considered to define further target for next round of RC drilling.