



Quarterly Activities Report for period ended 31 March 2011

Friday 29 April 2011

COMPANY OVERVIEW

Ausgold Limited was formed to discover new gold and copper deposits, utilising some of the latest innovation in geosciences within emerging mineral provinces across Australia.

Multiple ore zones have been identified over a continuous 15km strike at the Company's key Katanning gold discovery and results indicate it has the potential to host a multi-million ounce gold deposit.

CAPITAL DETAILS

ASX: AUC

As at 28 April 2011

Share Price: \$1.50

Tradeable Shares: 61,156,672

Escrowed Shares: 32,737,014

Tradeable Options: 51,734,202

Unlisted Options: 36,872,112

Market Capitalisation: \$141million

HIGHLIGHTS

Latest RC drilling at Katanning continues to intersect significant gold mineralisation along strike of Jinkas

- New true-width intercepts along strike from Katanning gold discovery include:
 - BSRC0050 - 10m @ 10.73 g/t Au from 116m
 - BSRC0053 - 9m @ 6.40 g/t Au from 118m
- Drilling confirms depth continuation of mineralisation beneath historic oxide pit at Jinkas
 - BSRC0061 - 10m @ 3.45 g/t Au from 68m
- Jinkas gold mineralisation continuous over 900m and remaining open in all directions
- Drill testing commenced of other targets along strike of Jinkas, including Jackson, Dingo & Olympia
- Two additional RC drill rigs secured to expedite resource drill-out – five rigs expected on site by June
- Assay results pending for Dingo and Jackson drilling

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SUMMARY OF EXPLORATION ACTIVITIES

Ausgold Limited ("Ausgold" or the "Company") (ASX: AUC) is pleased to release its Quarterly Activities Report for the period ended 31 March 2011.

Katanning gold discovery, Western Australia (AUC 80%)

Ausgold's 100%-owned Katanning gold discovery (within Ausgold's Boddington South exploration project) is located 275 km southeast of Perth (Figure 1) and is an intrusion-related gold deposit demonstrating mineralogy and ore genesis similar to Newmont's 26 million ounce Boddington Gold Mine, one of Australia's largest producing gold mines. Recognising the potential repetition of the world-class Boddington Gold Mine, Ausgold commenced drill testing the primary gold mineralisation of Katanning in September 2010.

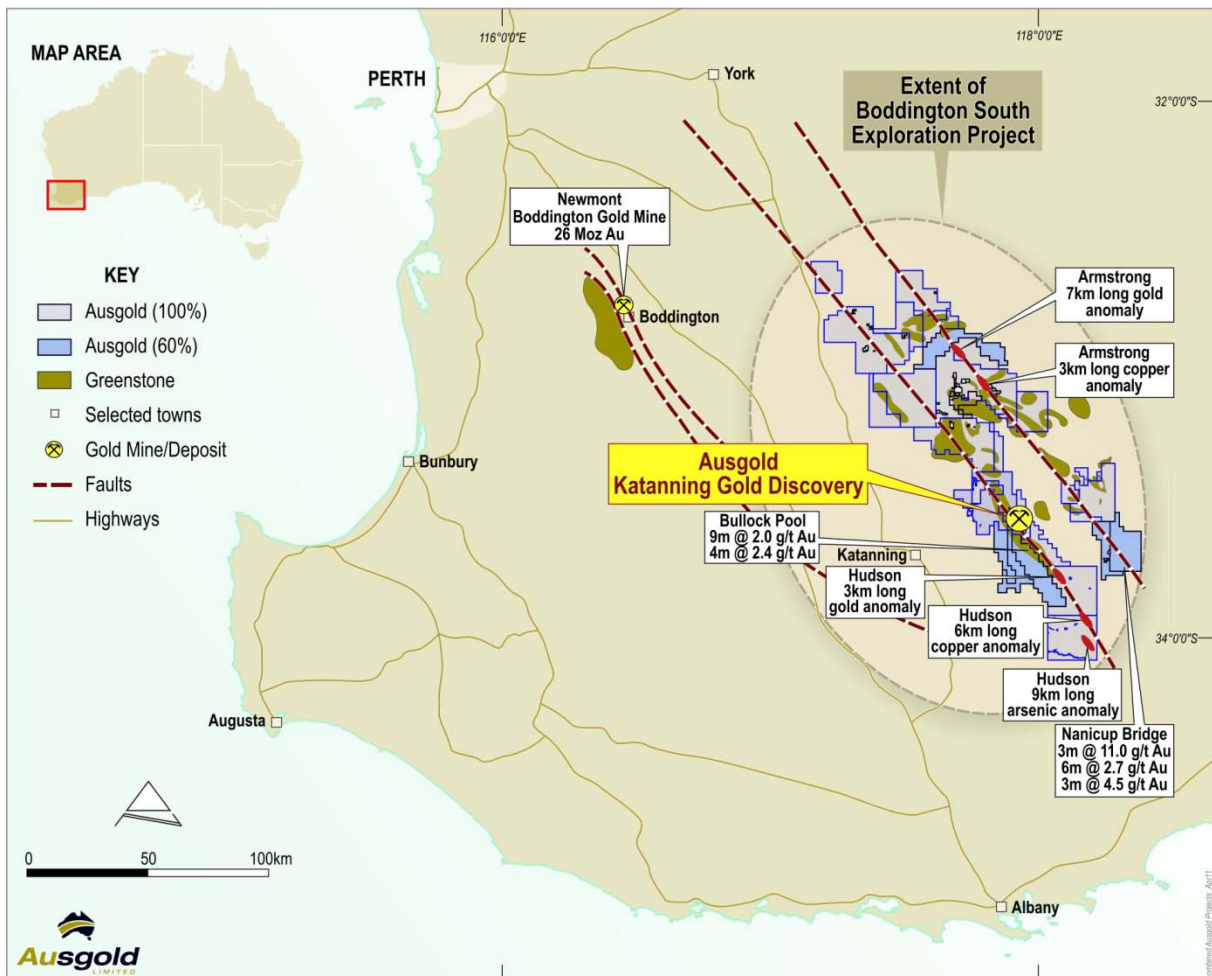


Figure 1: Location map of Ausgold Katanning gold discovery

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Gold mineralisation across the Boddington South project area occurs along the contact of a regionally-metamorphosed mafic unit and an intruded granitic body. The deposition of gold along this geological contact is the result of a simple chemical reaction, whereby gold is carried in suspension from deep within the Earth's crust by acidic fluids associated with the intruding granite. When these gold-bearing fluids contact the more alkaline mafic geology, the pH of the auriferous fluid decreases to a level where it is no longer acidic enough to keep the gold in solution. Thus, the gold precipitates out of the fluid and is deposited within the mafic geology. These granites preferentially intrude along planes of relative weakness, such as geological faults (*Figure 2*).

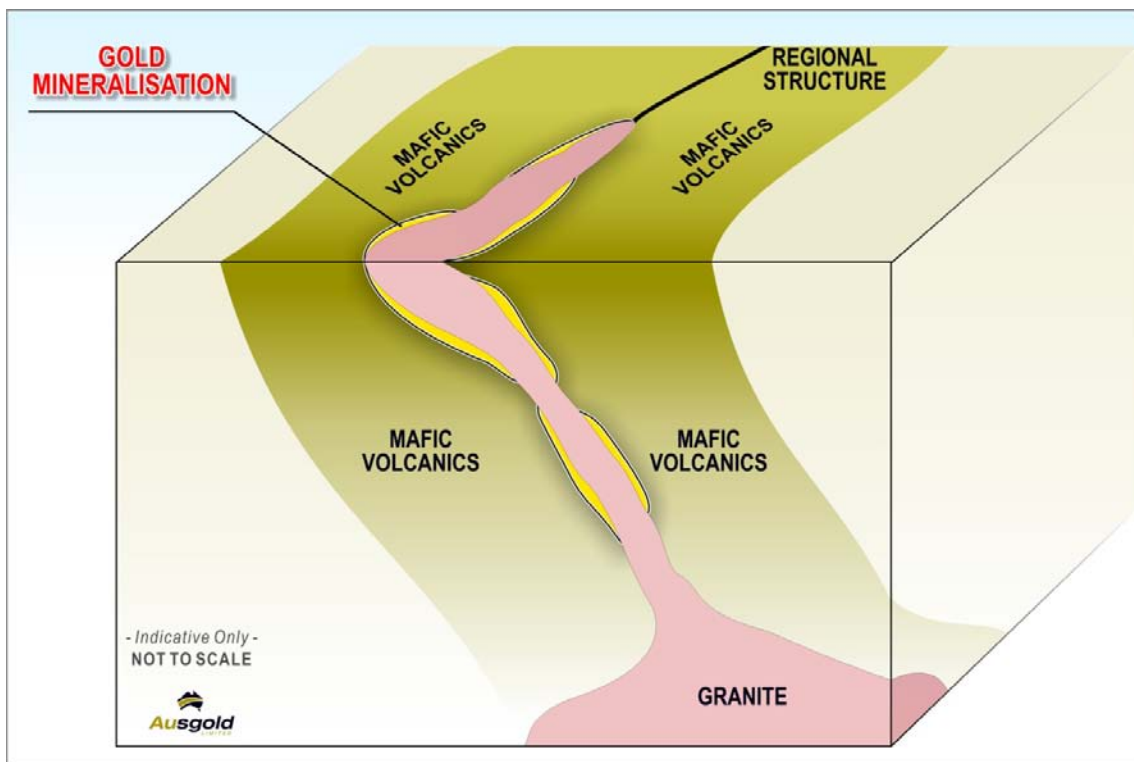


Figure 2: Stylised model for gold deposition across Ausgold's Boddington South exploration project

Multiple ore zones have been identified over a continuous 15km strike and Ausgold firmly believes the potential exists for Katanning to host multi-million ounce resource (*Figure 3*). Due to its favourable location with full infrastructure in place, shallow depth and good grade, ore in the ground at Katanning has arguably high potential value.

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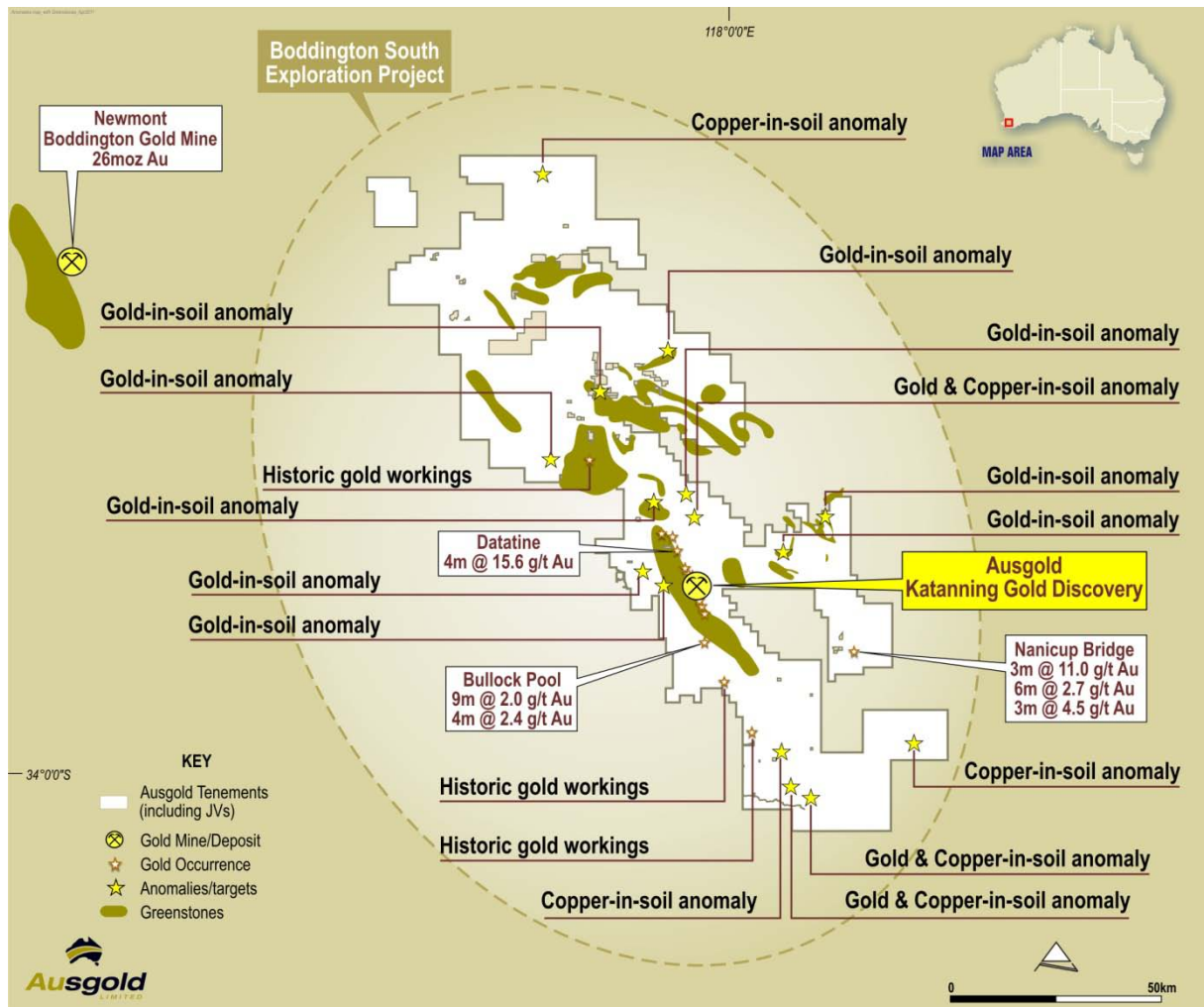


Figure 3: Regional targets of Ausgold's Boddington South exploration project

Historical exploration including a series of shallow drilling programs resulted in a resource being established to a depth of 30 metres below the surface and several shallow pits were dug in the 1990's predominantly mining this free-milling oxide ore. At present, there is a historic oxide gold resource covering five ore bodies and it is the Company's intention to release a JORC resource for the primary gold mineralisation by the end of 2011.

Work carried out at Katanning during this quarter included:

Jinkas

During the March Quarter, assay results from the Company's ongoing reverse circulation ("RC") drilling program continued to reveal significant intersections. To date 7,000m of drilling has been conducted at the Jinkas deposit to test and drill out the primary mineralisation which lies beneath the existing pit and extends to the north (Figure 4). This gold mineralisation has been so far identified and drilled over a strike length of 900m to a depth of 120m. Drilling has revealed that the ore body remains open along strike, at depth and down plunge.

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Key results from the ongoing drilling program intersected to date include

20m @ 15.64 g/t Au from 97m	12m @ 10.05 g/t Au from 93m
28m @ 4.08 g/t Au from 97m	20m @ 5.19 g/t Au from 93m
23m @ 4.29 g/t Au from 81m	6m @ 12.63 g/t Au from 102m
15m @ 4.53 g/t Au from 98m	19m @ 3.93 g/t Au from 89m
15m @ 3.68 g/t Au from 75m	8m @ 5.57 g/t Au from 94m
3m @ 15.71 g/t Au from 90m	6m @ 7.65 g/t Au from 107m
22m @ 2.10 g/t Au from 96m	16m @ 2.54 g/t Au from 89m
14m @ 3.73 g/t Au from 92m	10m @ 4.50 g/t Au from 88m

It is the Company's intention to commence a 100,000m RC program at Jinkas in June using five RC rigs to complete the drill out. The RC program is designed to further test the Jinkas ore body to a depth of 500m and along strike to 1400m. A diamond core drill rig is also expected on site in July.

Dingo

The Dingo deposit is located less than 4km south, and along strike of, the Jinkas ore body. Work during the March quarter by the Company included the completion of a 150 hole drilling program which Ausgold expects to announce the assay results within the coming fortnight.

Jackson

Drilling has commenced at Jackson and Olympia. To date 38 RC holes were completed at the Jackson prospect, located 2km north of the Jinkas ore body and Ausgold anticipates receiving these results late May / early June (*Figure 5*).

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Figure 4: Air photo of Ausgold's Jinkas ore body (looking south). Location of Ausgold's recent drilling indicated by green sample bags

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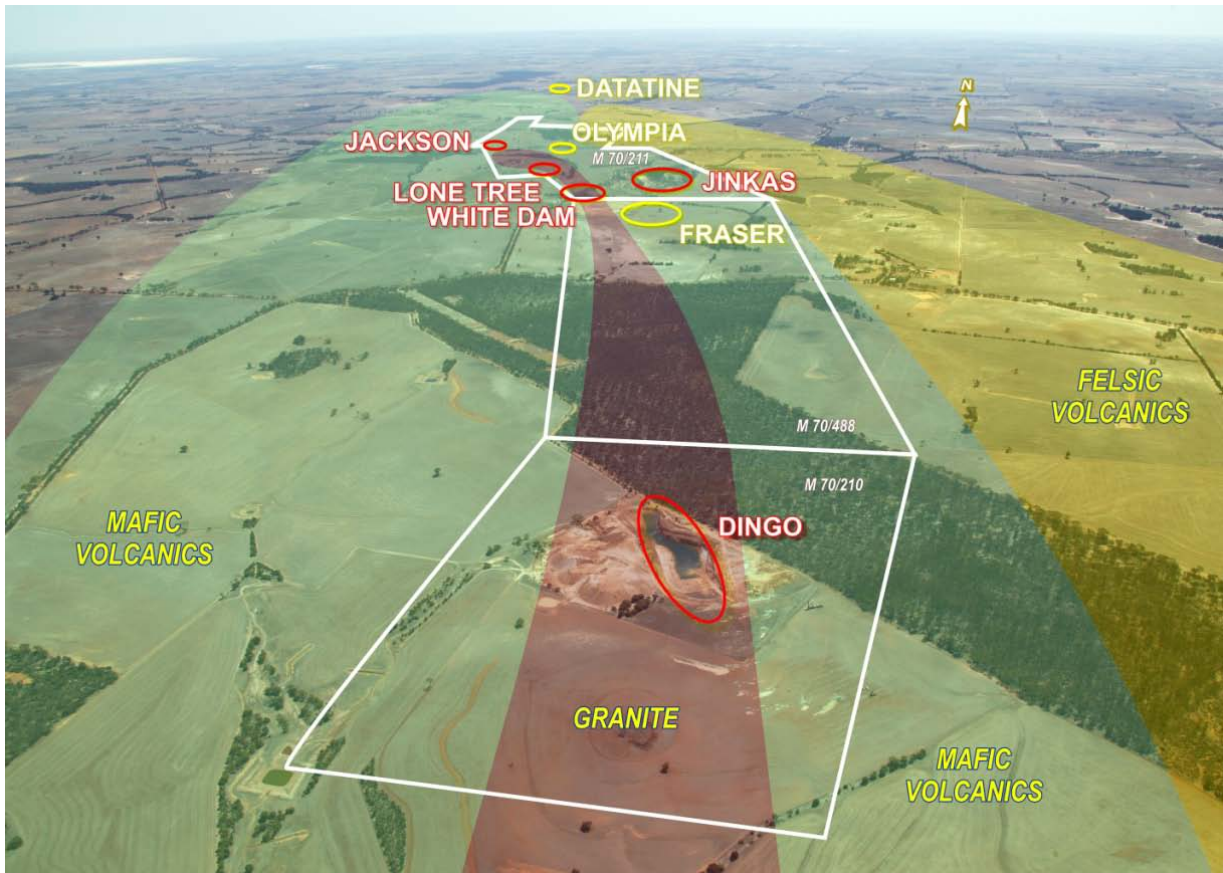


Figure 5: Stylised geology superimposed over an oblique air photo at Katanning

Boddington South exploration project, Western Australia (AUC 100% & Joint Venture)

Ausgold's Boddington South exploration project is located southwest of Perth covering an area in excess of 6,000 km² within the Western Gneiss Terrane of the Yilgarn Craton. It is home to Ausgold's Katanning gold discovery and the Company believes it demonstrates the potential to host repetitions of similar ore bodies. 100km of previously unmapped Archaean greenstones has been identified including numerous gold and copper anomalies.

It is Ausgold's belief that from historic workings and the Company's exploration program to date that multiple anomalies warrant further follow-up exploration and as such, regional exploration will commence in July 2011 with an auger sampling program.



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Yamarna, Western Australia (AUC 100%)

Situated 125 kilometres northeast of Laverton, Western Australia, Ausgold's Yamarna project covers over 550 km² of prospective ground over the eastern-most Archaean greenstone belt of the Yilgarn Craton (*Figure 6*).

The Yamarna project is covered by layer of sand up to 10m thick which has discouraged previous exploration. Ausgold's drilling in 2011, which intersected **31m @ 0.58% Cu and 0.35% Ni** (including 2.46% Cu and 1% Ni) demonstrated that copper & nickel mineralisation is present within area. Ausgold's subsequently completed a fixed loop (ground) electromagnetic survey over priority targets early in this quarter.

Fourteen strong bedrock conductors have been identified and a 5,000m RC drill program is scheduled to commence in June to establish if these targets, initially detected by the airborne electromagnetic survey, relate to economic base metal ore bodies.

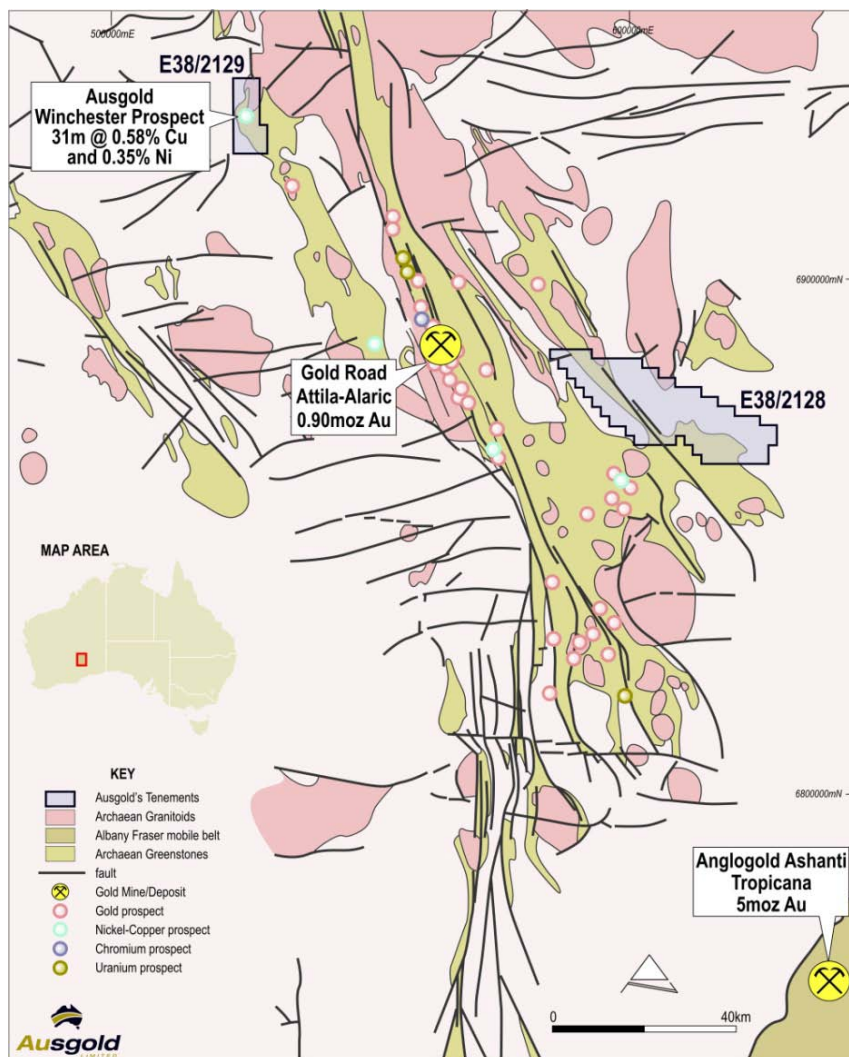


Figure 6: Location of Ausgold's Yamarna project over simplified bedrock geology

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Doolgunna Station, Western Australia (AUC 100%)

Ausgold's Doolgunna Station project is located adjacent to Sandfire Resources' DeGrussa copper-gold ore bodies and only 35 kilometres from the 7 million ounce Plutonic gold mine (*Figure 7*). Doolgunna Station is considered prospective for similar volcanogenic massive sulphide (VMS) copper-gold mineralisation to that at DeGrussa and covers over 5km strike length of prospective Jenkins Fault and Narracoota Volcanics.

The Company has previously completed an airborne electromagnetic survey over this project targeting DeGrussa-style copper-gold mineralisation adjacent to the Jenkins Fault. The Company believes that the apparent presence of a strongly-conductive pyrrhotitic (iron sulphide) sedimentary unit coincident with this regional fault may be masking the more subtle electromagnetic response often associated with copper-gold mineralisation.

During the quarter Ausgold commenced reconciliation of the results of the gravity data against the Company's other datasets (including the high-resolution aeromagnetic and airborne electromagnetic data) in order to prioritise before drill testing. Ausgold is currently in the process of obtaining the necessary drill approvals and anticipates undertaking an RC drilling program of the priority targets in the coming months.

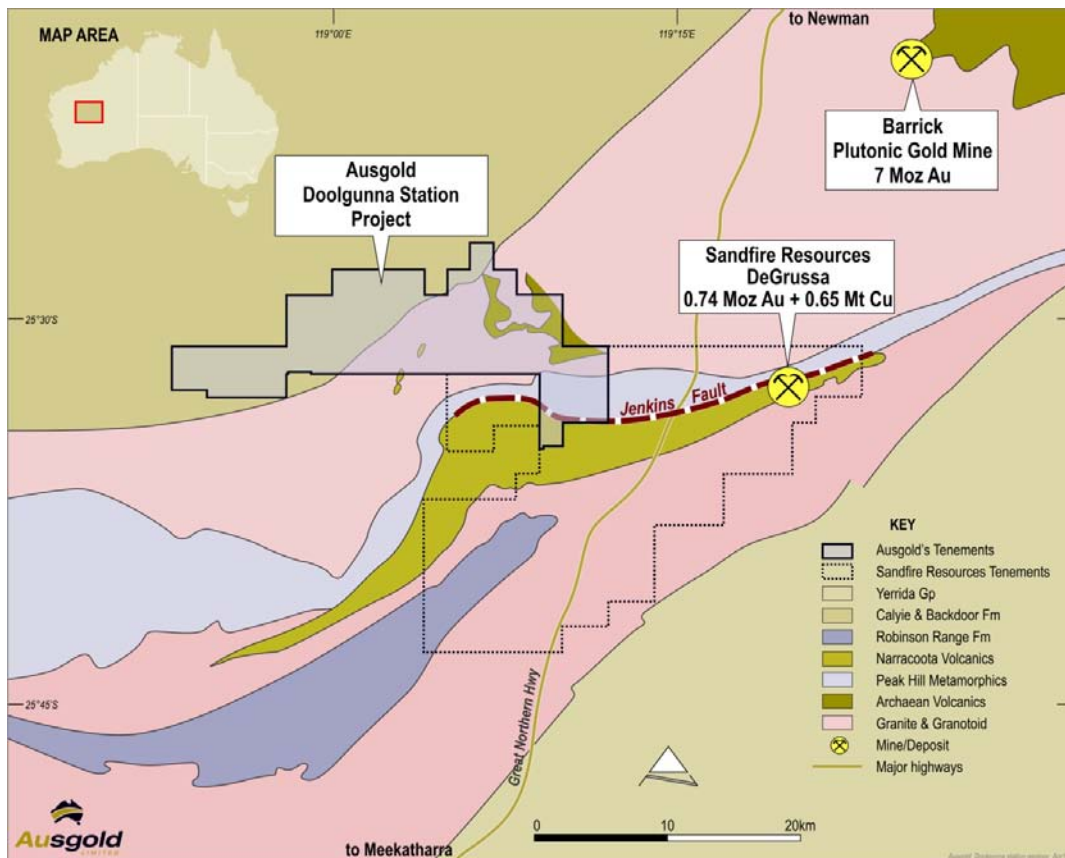


Figure 7: Location of Ausgold's Doolgunna Station project over simplified bedrock geology



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Cracow, Queensland (AUC 100%)

Three hundred and seventy five kilometres northwest of Brisbane, the Company's Cracow project covers an area of 1,200km² and is located only 16 kilometres north of Newcrest's 1 million ounce Cracow gold mine.

A surface geochemical sampling program recent undertaken by Ausgold identified eight separate gold-in-soil anomalies within the Company's project area that warrant further investigation (*Figure 8*). It is the Company's belief that these areas demonstrate potential for repetitions of the neighbouring Cracow ore body.

A follow-up exploration program, plus a reconnaissance survey of tenement EPM17054 was implemented in late 2010. This survey, however, concluded prematurely due to the heavy rainfall experienced across Queensland. Ausgold anticipates recommencing this program once land access conditions improve.

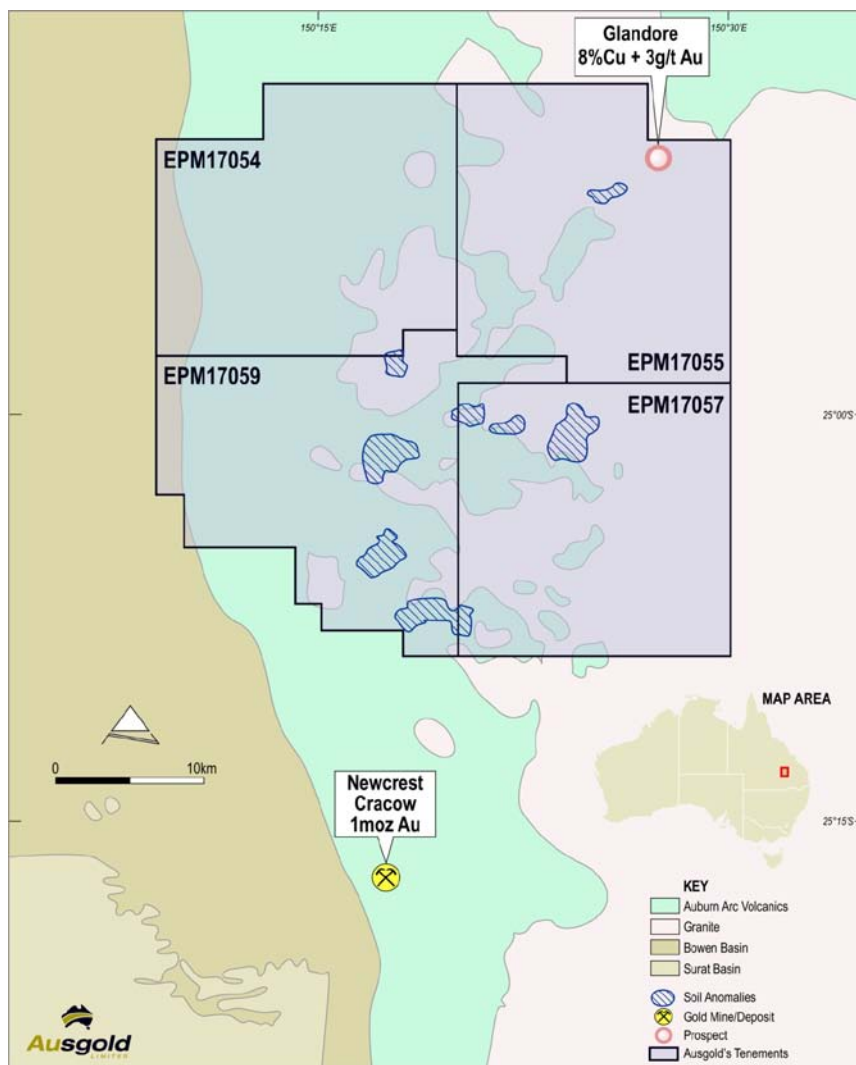


Figure 8: Gold-in-soil anomalies superimposed over simplified bedrock geology of Ausgold's Cracow project



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Paterson, Western Australia (AUC earning into non uranium rights)

Ausgold has agreed to farm-in to this exploration licence application once it is granted. The Paterson Project is an exploration licence application covering an area of 296km². The project is located in a highly prospective area between the Nifty copper mine and Encounter Resources' recent BM1 copper discovery.

Recruitment of Senior Managers

Ausgold appointed an Exploration Manager and Chief Resource Geologist during this quarter to oversee the ongoing exploration and development of the company's gold and copper projects.

Ausgold's Tenement Portfolio

Subsequent to the end of the quarter, Ausgold entered into an agreement to acquire the remaining 20% interest in the Katanning gold discovery. On settlement Ausgold will hold a 100% interest in the three mining leases (M70/210, M70/211 & M70/488) and two exploration licences (E70/2590 & E70/ 2928) previously covered under the joint venture agreement with Great Southern Resources Pty Ltd ("GSR").

Pursuant to the terms of the agreement, Ausgold will pay to GSR \$2 million cash consideration, 2,758,621 Ausgold ordinary shares and 500,000 Ausgold options exercisable at \$1.45 per share. Settlement is scheduled for next quarter.

In January 2011, Ausgold announced it had entered into a farm-in and joint venture agreement with Quadrio Resources Pty Ltd, a wholly-owned subsidiary of Dominion Mining Limited to acquire 60% interest in their Bullock Pool and Nanicup Bridge prospects, adjacent to Ausgold's Boddington South exploration project.

Ausgold relinquished its Croydon tenements during the March quarter and is currently seeking to divest its interest in the company's Koonenberry project in New South Wales. As of the end of the March quarter Ausgold's tenement portfolio, therefore, comprised 36 granted exploration and mining licences (including tenements under joint venture) and 23 exploration licence applications (*Table 2*).

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CORPORATE

As of 31 March 2011, Ausgold had \$3.2 million in cash.

CONTACT DETAILS

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Competent Persons Statement

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Benjamin Bell, who is a Member of the Australian Institute of Geoscientists. Mr Bell is the Chief Executive Officer and full-time employee of Ausgold Limited, and has sufficient experience relevant to the style of mineralisation under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Bell consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

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Table 1: Summary of significant reverse circulation (RC) drill intercepts from Ausgold's Katanning gold discovery

Hole Number	Easting	Northing	Total Depth (metres)	From (metres)	To (metres)	Interval (metres)	Gold (g/t)
BSRC0001	584314	6288469	168	18	19	1	0.56
				50	51	1	8.42
				66	67	1	0.56
				82	84	2	0.91
				87	90	3	2.17
				99	102	3	2.15
				151	153	2	0.75
				166	end of hole	2	0.67
BSRC0002	584251	6288527	90	0	1	1	1.70
				9	10	1	1.05
				16	17	1	0.89
				35	37	2	1.00
				48	49	1	0.99
				54	55	1	0.90
				61	63	2	1.71
				67	69	2	2.24
BSRC0003	584300	6288552	126	52	53	1	1.29
				81	82	1	1.53
				85	86	1	2.67
				89	108	19	3.93
				110	111	1	0.54
BSRC0004	584318	6288560	132	37	38	1	0.72
				89	90	1	5.31
				92	93	1	1.25
				97	111	14	3.73
					Including	1	10.40
					&	1	11.80
	114	116	2	0.64			
BSRC0005	584294	6288526	114	61	62	1	0.53
				76	77	1	0.75
				81	104	23	4.29
BSRC0006	584314	6288536	132	40	41	1	0.70
				93	113	20	5.19
BSRC0007	584318	6288516	144	31	32	1	2.44
				59	60	1	1.02
				67	68	1	0.59
				77	78	1	1.53
				80	81	1	2.46
				88	98	10	4.50
					Including	1	20.20
					104	107	3
	114	115	1	1.95			

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Hole Number	Easting	Northing	Total Depth (metres)	From (metres)	To (metres)	Interval (metres)	Gold (g/t)
BSRC0008	584314	6288491	126	43	44	1	1.51
				77	79	2	1.15
				85	86	1	0.58
				88	89	1	1.74
				91	93	2	1.91
				105	110	5	1.89
BSRC0009	584188	6288518	54	18	19	1	2.60
BSRC0010	584205	6288527	84	33	34	1	13.70
BSRC0011	584224	6288536	72	-	-	-	No sig. assays
BSRC0012	584242	6288545	80	62	63	1	2.16
BSRC0013	584260	6288554	96	40	41	1	0.72
				51	52	1	1.07
				55	56	1	0.83
				71	78	7	2.36
BSRC0014	584295	6288572	120	53	54	1	0.54
				87	108	21	2.17
BSRC0015	584313	6288581	126	60	61	1	0.82
				73	74	1	0.99
				91	92	1	0.96
				94	95	1	0.56
				97	117	20	15.64
					Including	1	182.00
		1	68.50				
BSRC0016	584331	6288590	150	12	13	1	0.64
				59	60	1	7.82
				66	68	2	0.73
				107	112	5	1.41
				126	128	2	2.24
BSRC0018	584215	6288554		42	43	1	11.20
BSRC0019	584251	6288572	90	53	54	1	0.63
				70	72	2	4.21
BSRC0020	584300	6288597	138	46	47	1	0.51
				50	51	1	0.73
				54	55	1	0.78
				68	69	1	1.17
				90	95	5	0.93
				98	113	15	4.53
				115	116	1	1.84
				118	119	1	1.66
				122	123	1	2.82
	132	133	1	0.87			



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Hole Number	Easting	Northing	Total Depth (metres)	From (metres)	To (metres)	Interval (metres)	Gold (g/t)
BSRC0022	584224	6288581	66	9	10	1	0.55
				46	47	1	1.01
				50	52	2	3.75
BSRC0023	584260	6288599	132	10	11	1	0.69
				59	60	1	0.72
				82	84	2	3.57
BSRC0024	584215	6288599	72	13	14	1	0.55
				31	33	2	0.58
				46	47	1	0.71
				51	53	2	0.96
BSRC0025	584268	6288626	114	43	44	1	0.53
				48	50	2	1.05
				68	70	2	1.17
				83	85	2	2.49
				93	105	12	10.05
				109	110	1	1.58
BSRC0026	584287	6288635	120	0	1	1	1.18
				7	8	1	0.61
				12	13	1	1.49
				23	26	3	0.90
				32	37	5	0.45
				45	46	1	0.61
				53	56	3	0.84
				89	105	16	2.54
BSRC0027	584304	6288644	126	61	62	1	0.81
				96	118	22	2.10
BSRC0028	584323	6288653	144	73	74	1	0.54
				83	84	1	0.58
				107	113	6	7.65
				125	127	2	0.96
BSRC0029	584314	6288626	138	51	52	1	0.54
				57	58	1	0.97
				97	125	28	4.08
BSRC0030	584332	6288635	144	73	74	1	0.55
				108	113	5	1.82
				130	131	1	1.62
BSRC0031	584234	6288632	84	13	16	3	1.17
				31	32	1	1.31
				45	46	1	0.51
				68	73	5	1.76

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Hole Number	Easting	Northing	Total Depth (metres)	From (metres)	To (metres)	Interval (metres)	Gold (g/t)
BSRC0051	584327	6288745	168	90	96	6	1.12
				120	122	2	0.93
				131	133	2	0.65
				138	140	2	1.04
				147	148	1	0.87
				151	152	1	0.50
BSRC0052	584315	6288716	151	51	52	1	0.98
				66	67	1	0.72
				78	83	5	1.33
				87	88	1	0.67
				98	99	1	1.83
				114	115	1	0.52
				118	119	1	5.12
				125	128	3	1.56
				133	134	1	8.09
				140	142	2	1.56
BSRC0053	584324	6288697	144	67	69	2	0.75
				79	80	1	0.51
				87	88	1	0.56
				118	127	9	6.40
				130	131	1	0.76
BSRC0054	584261	6288733	120	34	35	1	0.66
				51	52	1	1.92
				57	58	1	1.95
				65	66	1	0.54
				95	96	1	1.97
BSRC0055	584276	6288741	126	42	44	2	0.76
				58	59	1	0.92
				62	66	4	2.64
				102	106	4	1.27
BSRC0056	584298	6288752	138	50	51	1	1.93
				67	69	2	0.84
				76	78	2	0.89
				119	124	5	0.73
BSRC0057	584332	6288545	142	28	29	1	0.62
				41	42	1	0.67
				60	61	1	1.04
				102	106	4	2.51
				121	123	2	0.65
BSRC0058	584341	6288527	142	81	82	1	0.68
				100	101	1	0.86
				104	108	4	2.29
				126	128	2	1.36

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Hole Number	Easting	Northing	Total Depth (metres)	From (metres)	To (metres)	Interval (metres)	Gold (g/t)
BSRC0059	584332	6288500	130	58	59	1	0.51
				60	61	1	0.58
				94	102	8	2.03
				107	108	1	0.50
				111	114	3	1.96
				117	118	1	5.80
BSRC0060	584333	6288456	130	54	58	4	1.03
				75	76	1	0.88
				88	89	1	0.57
				94	96	2	2.99
				100	111	11	1.56
BSRC0061	584289	6288434	106	42	45	3	0.87
				57	58	1	0.53
				64	66	2	0.80
				68	78	10	3.45
				81	82	1	0.93

Co-ordinates are in MGA Zone 50 GDA94. All holes are drilled on an azimuth of 243 and dip at -60 degrees.

Intercepts calculated using a 0.5 g/t Au Cu lower cut, no upper cut, and a maximum 2 metre internal dilution

All assays determined by 1 metre split samples using fire assay by Ultra Trace Laboratories and Quantum Analytical Services in Perth

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Table 2: Ausgold's tenement portfolio as of 31 March 2011

**Granted tenements other than Katanning wholly owned by Ausgold
Katanning (80% owned by Ausgold agreement to purchase remaining 20%)**

M70/210	M70/211	M70/488	E70/2590
E70/2928			

Boddington South

E70/3342	E70/3343	E70/3344	E70/3345
E70/3721	E70/3722	E70/3724	E70/3725
E70/3735	E70/3726	E70/3738	E70/3952
E70/3961			

Yamarna

E38/2128	E38/2129		
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Doolgunna Station

E52/2162			
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Cracow

EPM17054	EPM17055	EPM17057	EPM17059
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Koonenberry

EL7102	EL7103	EL7014	EL7498
EL7500	EL7501		

Granted tenements subject to joint venture with Kingsgate Consolidated Limited

Boddington South

E70/2908	E70/2910	E70/2970	E70/3201
E70/3754			

Exploration licence applications

Boddington South

E70/3723	E70/3737	E70/3953	E70/3954
E70/3955	E70/3956	E70/3957	E70/3958
E70/3959	E70/3960	E70/3962	E70/4045
E70/4046	E70/4047	E70/4048	E70/4049
E70/4050	E70/4051	E70/4052	E70/4061

Marymia

E69/2463			
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Mount Manning

E77/1516			
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Exploration licence application subject to conditional farm-in agreement with the applicant, Regalpoint Resources Limited

Paterson

E45/3037			
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