29 April 2010

AUSGOLD LIMITED (ASX: AUC)

QUARTERLY ACTIVITIES REPORT

For the period ended 31 March 2010

HIGHLIGHTS

- **VMS-style copper-gold target at Doolgunna Station project**
- **3 gold targets identified within Doolgunna Station project, including Plutonic-style gold mineralisation**
- **7 high priority base metal targets recently revealed within Yamarna project by VTEM**
- **Gold target highlighted at Pinjin Goldfields project area – further exploration currently in progress**
- **Heritage Agreements signed for all Boddington South tenements**

Ausgold Limited ("Ausgold" or the "Company") (ASX: **AUC**) is pleased to release its Quarterly Activities Report for the period ended 31 March 2010.

Ausgold implemented a broad range of exploration programs across its portfolio of projects during this period. The results returned from this exploration have been very encouraging. No fewer than 11 priority gold and 8 base metals targets being identified to date, including a VMS copper-gold target within the Narracoota Volcanics at Doolgunna Station. The Company anticipates further targets will be identified once the exploration programs initiated this period are completed.

DOOLGUNNA STATION PROJECT, WA (Ausgold 100%)

The Company's 203km^2 Doolgunna Station project is located 125km north of Meekatharra, adjacent to Sandfire Resources' DeGrussa copper-gold deposit and immediately north of Alchemy Resources' Three Rivers gold deposit. The 7 million ounce Plutonic gold mine is also only 35 kilometres northeast of Ausgold's tenement.

During the quarter Ausgold undertook a study of the broader Doolgunna region to better understand the geological controls of the neighbouring and newly discovered volcanogenic massive sulphide (VMS) copper-gold ore bodies. The outcome of this study has driven the Company's exploration activities during this period.

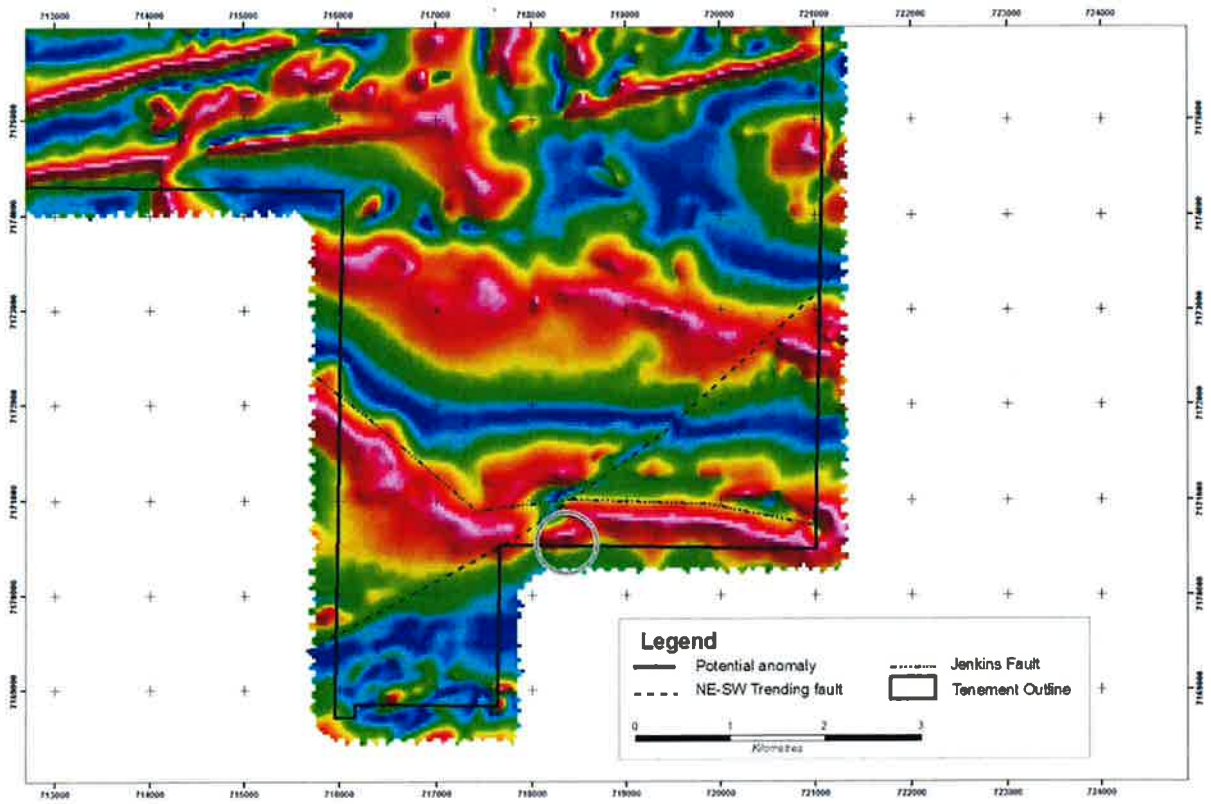
The VMS mineralisation appears to be linked to regions containing the more magnetic units within the Narracoota Volcanics, which occur adjacent to the Jenkins Fault.

Ausgold completed a high-resolution aeromagnetic survey over its Doolgunna Station project this period to map discrete magnetic responses that cannot readily be attributed to bedrock lithology. This survey identified a positive magnetic response along the interpreted contact of the sedimentary and volcanic units near the location of the Jenkins Fault. Preliminary work puts the length of this magnetic body at around 500 metres. This proposed target is located at the juncture of a substantial northeast-southwest trending fault and the regional east-west trending Jenkins Fault.

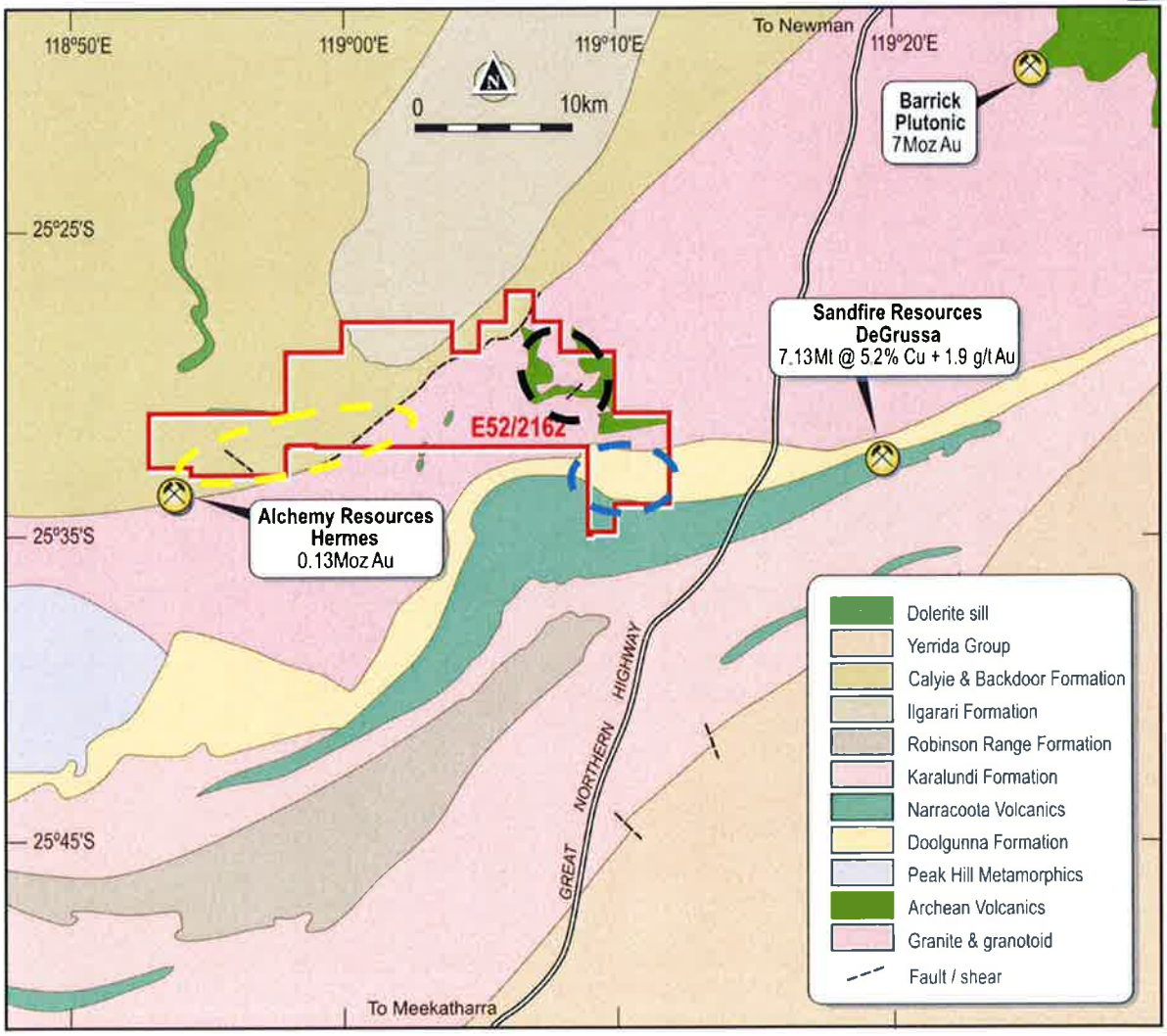
Ausgold also completed a detailed airborne electromagnetic (VTEM) survey over the Narracoota Volcanics during the quarter.

Ausgold's VTEM survey clearly imaged the continuation of the Jenkins Fault across the Company's tenement and delineated two sub-parallel conductive zones running approximately east-west through the survey area. The extensive strike lengths of both these features appear indicative of stratigraphic conductors and their location is consistent with the geological interpretation from the high-resolution aeromagnetic data. The northeast-southwest trending fault is also apparent in the Company's VTEM data.

Ausgold intends to conduct ground geophysics and surface geochemistry over the prospective geological horizon, with a particular focus on the magnetic anomaly.



Reduced-to-pole (RTP) aeromagnetics over Ausgold's Narracoota Volcanics with magnetic target circled



Locations of Ausgold's gold targets within the Company's Doolgunna Station tenement. Plutonic-style gold target circled in black, Peak Hill-style gold target circled in blue and potential extensions of Alchemy Resources' neighbouring gold deposit circled in yellow.

The high-resolution aeromagnetic survey completed over the entire Doolgunna Station project area during the quarter was also designed to highlight potential gold targets within the Company's project area. Interpretation of the resulting data highlighted three prospective areas including mapping a potential greenstone unit not previously recorded on published geological maps. An independent assessment of these newly interpreted greenstones by SRK Consulting confirmed this lithology's potential to host Plutonic-style gold mineralisation.

In addition to the VMS-style copper-gold target, Ausgold newly-acquired high-resolution aeromagnetic data indicated that the Company's Doolgunna Station project is also highly prospective for three styles of gold mineralisation (Figure 2);

1. Plutonic-style gold mineralisation within interpreted greenstones in the northeast of the project area,

2. Peak Hill-style gold mineralisation in the southern section of the tenement, where SRK Consulting has confirmed the geophysical signature and geological setting of this target area

resembles the Peak Hill Gold Mine located 20 kilometres to the southeast of Ausgold's tenement, and

3. Extensions of Alchemy Resources' Three Rivers gold deposit within the southwest of tenement.

Further to the proposed ground geophysics and surface geochemical surveys planned over the Company's copper-gold target, Ausgold also plans to commence a significant field reconnaissance, mapping and surface geochemistry campaign over these three gold target areas in the coming months.

The Company anticipates that the targets as refined by the current programmes will be drill tested next quarter.

YAMARNA, WA (Ausgold 100%)

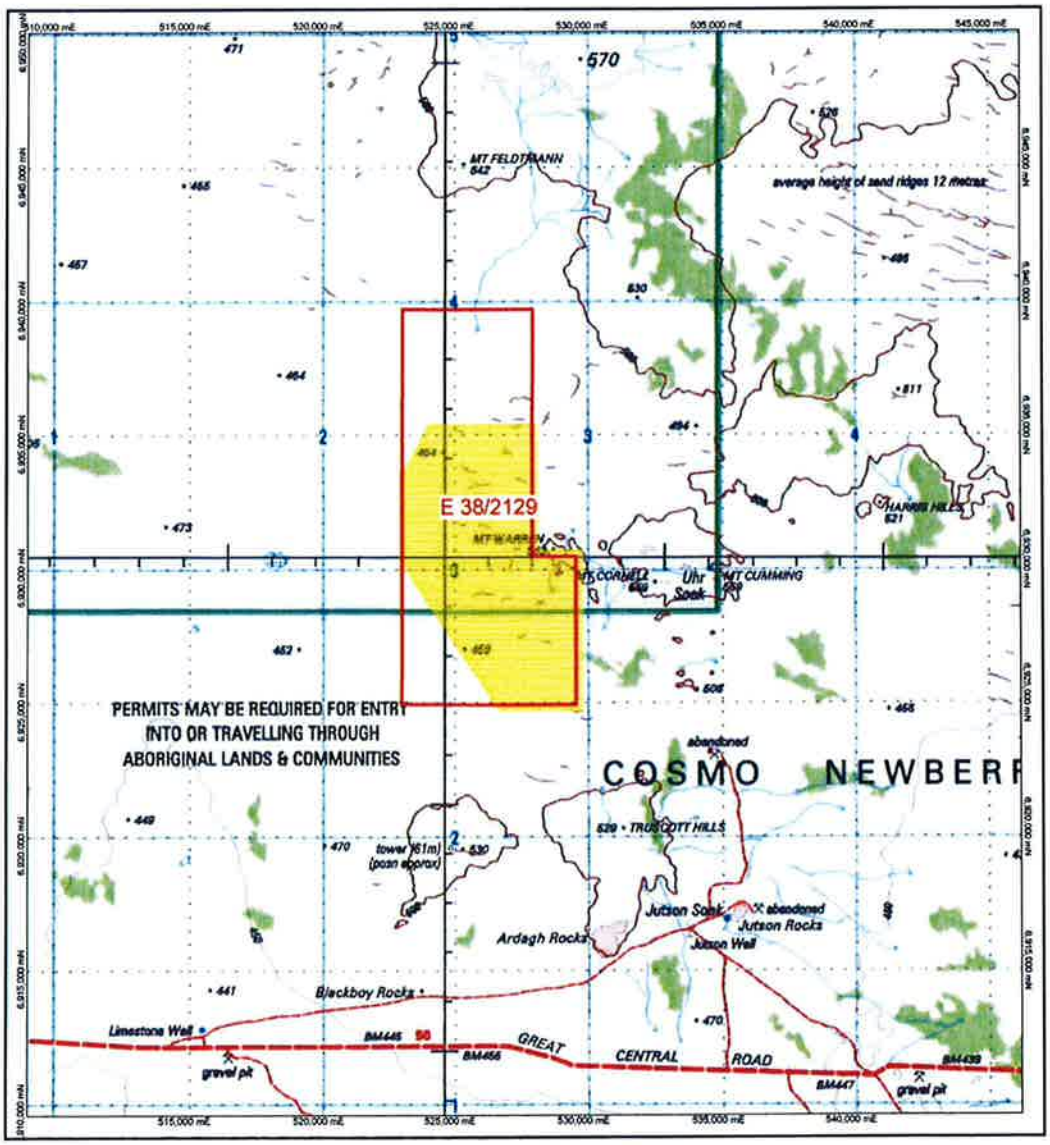
The Company's Yamarna project area is situated approximately 125km northeast of Laverton and 370km northeast of Kalgoorlie.

The Yamarna tenement of E38/2129 covers the northernmost portion of a poorly exposed Archaean greenstone belt within the Yilgarn Craton. During the reporting period Ausgold completed an aeromagnetic interpretation to map the buried geology. The interpreted results indicate that the bedrock geology is dominated by an ultramafic sequence in the south tenement and granites towards the north. Some mafic volcanics and sedimentary units were also noted within the project area.

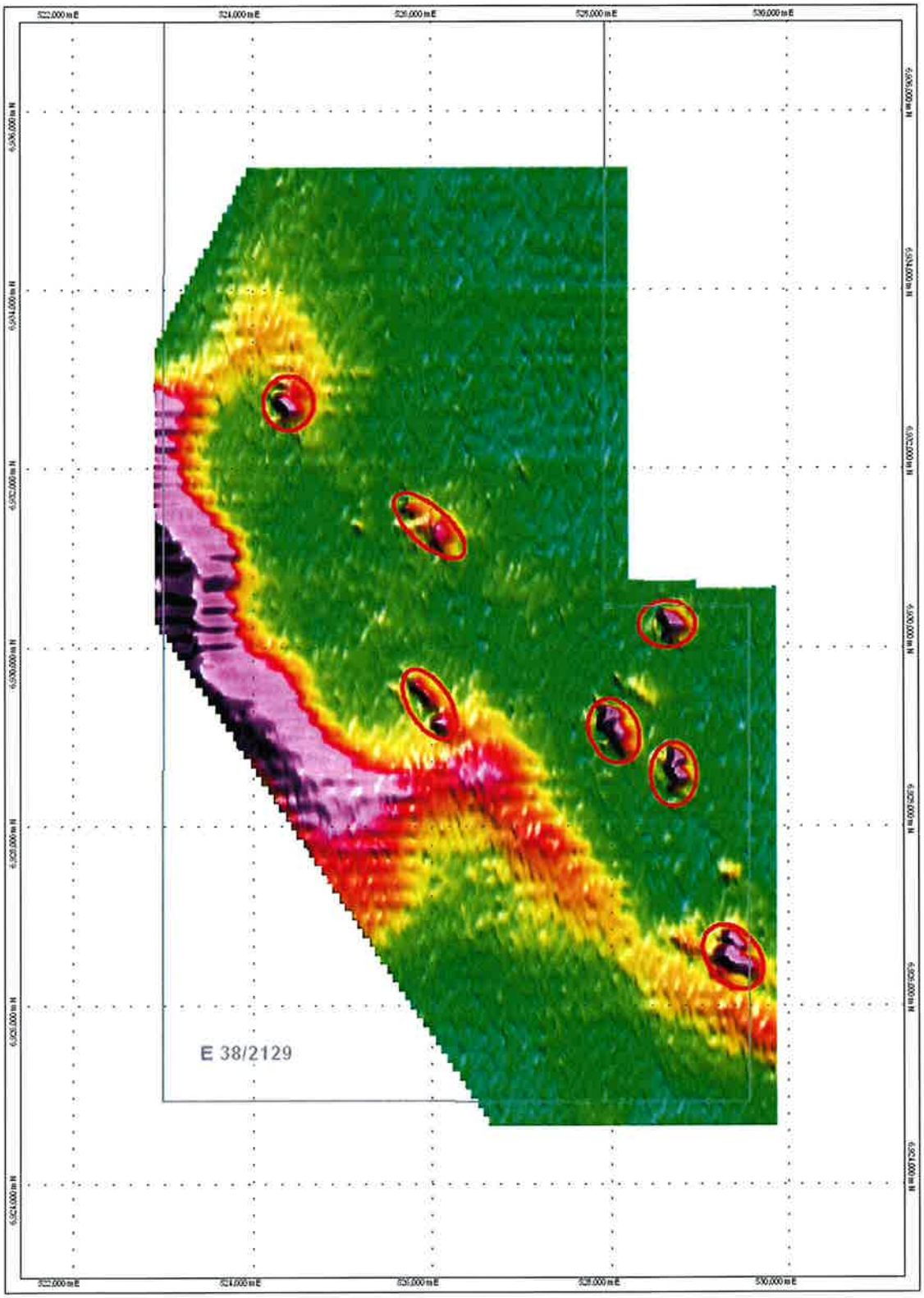
The presence of an ultramafic sequence suggests Ausgold's Yamarna project is highly prospective for base metal mineralisation, particularly nickel and copper sulphide ore bodies. Consequently, Ausgold commissioned a detailed airborne electromagnetic (VTEM) survey over this project during the quarter that returned some highly encouraging results (Figure 3).

Preliminary VTEM data indicates seven strong targets are located within the project's ultramafic sequence with each VTEM anomaly clearly observed in the latest time channels of the VTEM data.

Ausgold is excited by these VTEM results and is developing a drilling and ground geophysics program to further the exploration of this emerging mineral province.



VTEM survey area (highlighted in yellow) over the Company's Yamarna tenement

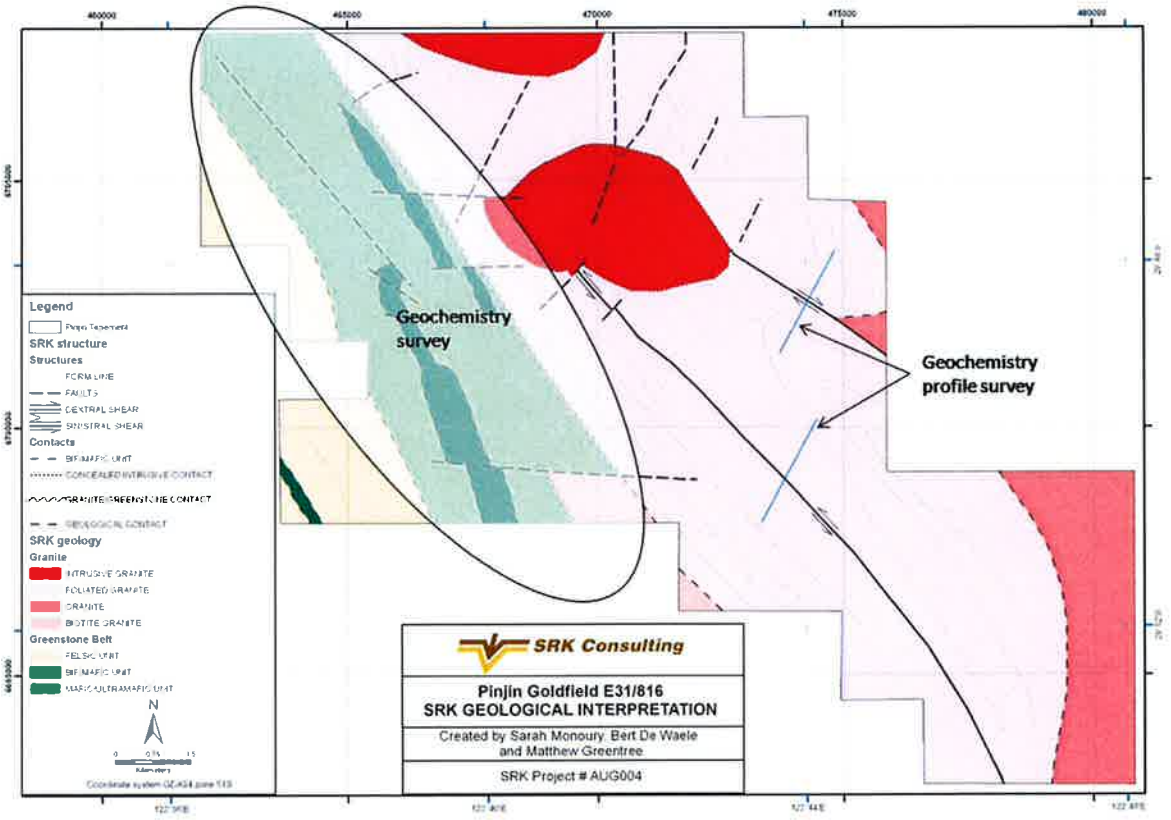


Preliminary results of the VTEM survey over Ausgold's Yamarna tenement E38/2129. Image shows the results from the VTEM system's channel 48 being that latest time recorded by the system. The 7 priority targets are circled.

PINJIN GOLDFIELDS, WA (Ausgold 100%)

The Pinjin Goldfields project is positioned within the Laverton Tectonic Zone, 150km northeast of Kalgoorlie. This region hosts a number of significant gold deposits including the 8 million ounce Wallaby and 7 million ounce Sunrise Dam ore bodies.

A high-resolution aeromagnetic survey was commissioned by Ausgold over its Pinjin Goldfields project early in the quarter. This airborne survey successfully delineated two Banded Iron Formation (BIF) units within the tenement that are of significant interest for gold exploration. A surface geochemical sampling program targeting the BIF units was subsequently designed and is currently in progress.



Location of Ausgold's proposed Pinjin Goldfields surface geochemical sampling program over the geological map derived from the new high-resolution aeromagnetic data.

BODDINGTON SOUTH, WA (Ausgold 100%)

Ausgold's Boddington South project is southwest of Perth and covers an area of almost 4,000km^2. This region hosts a number of Archaean lode gold deposits and has the potential to also host Boddington-style gold mineralisation.

The tenements that comprise the Company's Boddington South project are in the process of being granted with Ausgold recently signing heritage and land access agreements for this project. Boddington South remains a priority project for Ausgold given its considerable potential for hosting large-scale gold mineralisation.

BALLARAT, VIC (Ausgold 100%)

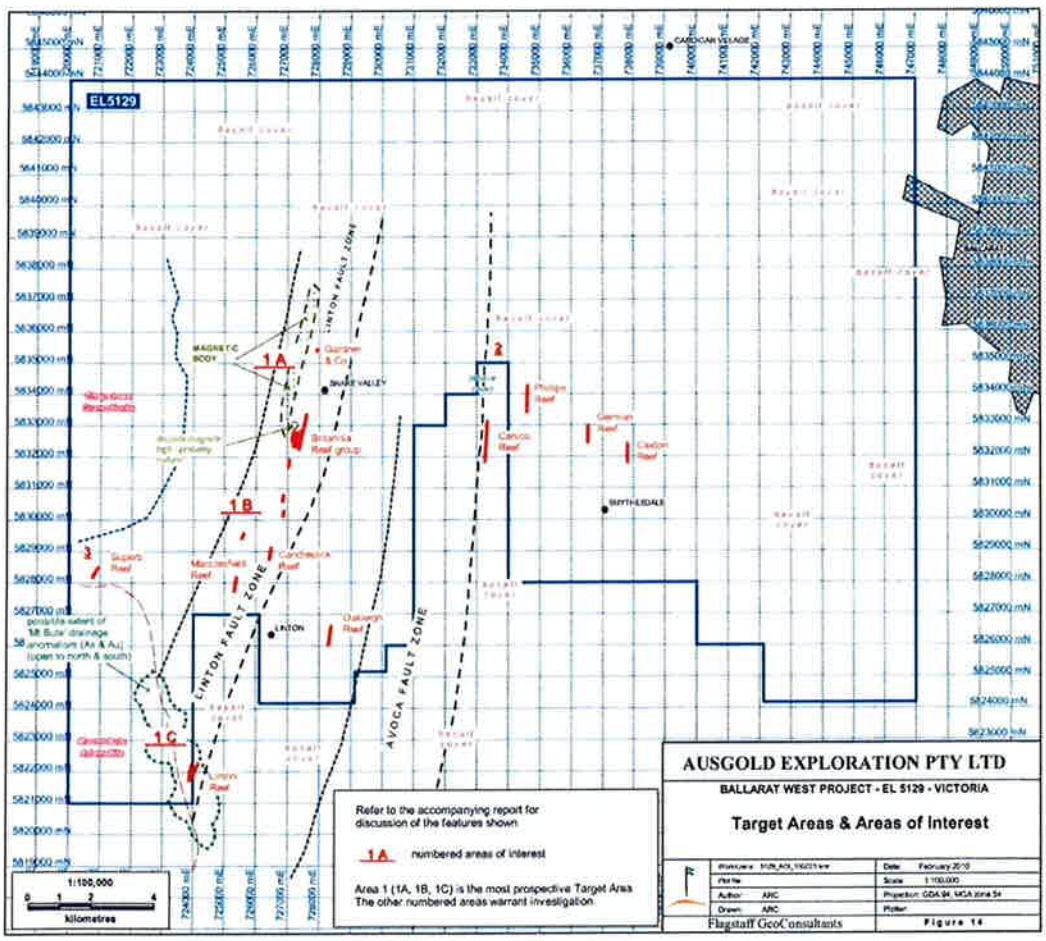
Ausgold's Ballarat project comprises four granted tenements totalling around 1,600km^2 within the significant gold mining region of Ballarat. These tenements neighbour a number of +1 million ounce gold mines with more than 500 gold occurrences known to exist within the Company's tenements.

An assessment of this project during the quarter identified seven high priority gold targets and no fewer than 12 additional areas warranting further investigation across Ausgold's four Victorian tenements.

The seven high priority targets are positioned within the Glendhu, Landsborough and Malakoff Fault Zones within the Company's tenement EL5128 and the Linton Fault Zone on Ausgold's tenement EL5129. These four fault zones are known to host primary, hard-rock gold mineralisation within Ausgold's tenements through a number of auriferous reefs.

Despite hosting gold mineralisation, these geological structures have experienced very limited modern exploration within the project area. Ausgold is, therefore, utilising the latest three-dimensional geological and geophysical modelling and visualisation techniques to map these auriferous reefs and structures at depth. This will enable the Company better targeting a future drill program, particular along strike of any known mineralisation that may be under by a thin cover.

A field reconnaissance and mapping program to complement the three-dimensional modelling will soon commence over the priority target areas.



Location of the priority gold targets (marked as 1A, 1B and 1C) within Ausgold's Victorian tenement of EL5129. Areas marked as 2 and 3 are additional targets that warrant further investigation.

KOONENBERRY, NSW (Ausgold 100%)

The Koonenberry project is located less than 100km from Broken Hill in northwest New South Wales.

During the quarter, Ausgold completed a 1,100 line-kilometre airborne electromagnetic (VTEM) survey over the Grasmere Knee Zone in the southern part of the Koonenberry Belt – an area historically considered prospective for volcanogenic massive sulphide (VMS) copper-gold ore bodies.

Data from the VTEM survey was received by Ausgold in the latter part of the quarter and the data interpretation and modelling are underway.

Depth-to-basement modelling was completed during this period over the entire project area. The purpose of this modelling was to determine an approximate depth for the transported cover across Ausgold's Koonenberry project. A concurrent review of the gold prospectivity within this underexplored region of New South Wales resulted in the Company modifying its landholding.

MARBLE BAR, WA (Ausgold, 100%)

The Company's Marble Bar project is located 25km south of the township of Marble Bar.

A rock chip sampling and geological mapping program over this tenement targeting gold mineralisation was completed during this period. Ausgold is currently awaiting the assay results from this field program.

CRACOW, QLD (Ausgold 100%)

This project is approximately 15km north of the +1 million ounce Cracow gold mine and 375km northwest of Brisbane.

Analysis of historic data indicated that the Company's Cracow project is prospective for two styles of mineralisation; Cracow-style epithermal gold and intrusion-related copper-gold.

Due to heavy rainfall and flooding across the project area, Ausgold's proposed sampling program has been postponed until land access is possible.

CROYDON, QLD (Ausgold 100%)

The Croydon project is located within the Georgetown region of northwest Queensland and is approximately 5km east of the historic Croydon gold mine.

A recent interpretation of the available aeromagnetic data over the project area highlighted a potential gold-bearing geological structure. Due to heavy rainfall across the project area, Ausgold postponed its proposed stream sediment sampling program.

CHARTERS TOWERS, QLD (Ausgold 100%)

The Charters Towers project is situated in northeast Queensland approximately 25km southwest of the township of Charters Towers.

A review of this project for the purpose of identifying potential gold targets commenced in the latter part of the reporting period. This assessment is continuing and is anticipated to be completed in May.

HODGKINSON, QLD (Ausgold 100%)

The Hodgkinson project in northwest Queensland is approximately 50km southwest of Port Douglas.

The project area sits along strike of known gold occurrences and includes at least one fault structure being the interpreted host of this province's known mineralisation. An assessment of the project's potential to host economic gold mineralisation is currently underway and will be completed next month.

PATERSON, WA (Ausgold earning 100% interest in the gold and base metal rights)

Ausgold's Paterson project is approximately 10km south of the Nifty copper mine and 350km southeast of Port Hedland. This tenement is yet to be granted.

MARYMIA, WA (Ausgold 100%)

The Marymia project is located 100km northeast of the +7 million ounce Plutonic gold mine and 260km northeast of Meekatharra. This tenement is yet to be granted.

CORPORATE

As at 31 March 2010, Ausgold had $8.5 million in cash.

Benjamin Bell
Chief Executive Officer

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.

Rule 5.3

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

AUSGOLD LIMITED

ABN	Quarter ended ("current quarter")
67 140 164 496	31 March 2010

Consolidated statement of cash flows

		Current quarter $A'000	Year to date $A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	(12)	(12)
1.2	Payments for (a) exploration and evaluation	(642)	(1,048)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(114)	(213)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	44	54
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	(79)	(144)
	Net Operating Cash Flows	(803)	(1,363)
	Cash flows related to investing activities		
1.8	Payment for purchases of: (a)prospects	-	-
	(b)equity investments	-	-
	(c) other fixed assets	(6)	(17)
1.9	Proceeds from sale of: (a)prospects	-	-
	(b)equity investments	-	-
	(c)other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
	Net investing cash flows	(6)	(17)
1.13	Total operating and investing cash flows (carried forward)	(809)	(1,380)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(809)	(1,380)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	10	10,354
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	(47)	(47)
1.18	Dividends paid	-	-
1.19	Other (Share Issued Cost)	(555)	(555)
	Net financing cash flows	(592)	9,752
	Net increase (decrease) in cash held	(1,401)	8,372
1.20	Cash at beginning of quarter/year to date	9,954	181
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	**Cash at end of quarter**	8,553	8,553

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter $A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	126
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Payment of consulting fees to directors & salaries to employees and administration fees paid to director related entities

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

None

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

None

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available $A'000	Amount used $A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

+ See chapter 19 for defined terms.

Estimated cash outflows for next quarter

		$A'000
4.1	Exploration and evaluation	600
4.2	Development	-
	Total	**600**

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter $A'000	Previous quarter $A'000
5.1	Cash on hand and at bank	413	814
5.2	Deposits at call (Term Deposit)	8,000	9,000
5.3	Bank overdraft	-	-
5.4	Other (Bank Guarantee)	140	140
	Total: cash at end of quarter (item 1.22)	8,553	9,954

Changes in interests in mining tenements

		Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	EL 7099 EL 7101	lapsed lapsed	100% 100%	0% 0%
6.2	Interests in mining tenements acquired or increased		None		

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	**Preference +securities** *(description)*				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	**+Ordinary securities**				
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5	**+Convertible debt securities** *(description)*				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	**Options** *(description and conversion factor)*			*Exercise price*	*Expiry date*
7.8	Issued during quarter				
7.9	Exercised during quarter	50,000		$0.20	31/12/2014
7.10	Expired during quarter				
7.11	**Debentures** *(totals only)*				
7.12	**Unsecured notes** *(totals only)*				

+ See chapter 19 for defined terms.

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).

2 This statement does give a true and fair view of the matters disclosed.

Sign here: ..... Date: 28 April 2010
(Director/~~Company secretary~~)

Print name: .....Simon Trevisan.....

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 wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.