



RC drilling to commence at Katanning Gold Project

Ausgold Limited (**ASX: AUC**) (“Ausgold” or “the Company”) is pleased to announce the commencement of a reverse circulation (RC) drill program at its 100%-owned Katanning Gold Project (KGP).

The RC drill program will target high-grade gold mineralisation north and south along strike from the Jinkas Resource and will aim to add to the current Resource (25.1 Mt at million tonnes at 1.29 grams of gold per tonne for 1.04 Moz). This drilling will further build on recent RC and diamond drilling with specific targets defined by geophysics gravity and surface electromagnetic surveys where key information regarding the geometry of mineralisation has been used to target extensions to high-grade mineralisation.

The high-grade mineralisation intersected at Jinkas South, includes 26 metres at 6.6 grams of gold per tonne from 117 metres (including 4 metres at 37.19 grams of gold per tonne from 119 metres) in BSRC0814 and 15 metres at 3.66 grams of gold per tonne from 117 metres (including 5 metres at 10.37 grams of gold per tonne from 117 metres) in BSRC0859. This mineralisation will be tested north and south along strike where geophysical targets highlight areas of potential mineralisation.

The Jinkas North area extends for 850m along strike in an area located between Jinkas and Olympia Resources which will be drill tested for the first time. This area has both gravity and Fixed Loop Electromagnetic anomalies which suggest strike extensions of the sulphide rich, high-grade gold mineralisation which characterise the Jinkas gold deposit.

Ausgold’s Managing Director, Matthew Greentree, commented:

“Following the recent placement to institutional and sophisticated investors, Ausgold has now commenced drill testing targets which have the potential to significantly expand the 1.04 Moz gold Resource at Katanning.”

“In addition to these near Resource targets, Ausgold is targeting mineralisation in nearby identified areas such as the Western Trends which are located within 5km of the main Resource. This suggests there is potential for further gold Resources to be discovered.”

“We’re looking forward to updating the market in the coming weeks with the results.”

Other work programs

The remaining results for a recently completed 200 x 200m auger programme over the near-regional Western Trends are awaited which will be followed-up with an aircore drill program. A further gravity program is also planned to infill the Jinkas area and to cover the Western Trends. Further RC drilling is planned on the southernmost extent of the KGP in the Lukin area to test gold mineralisation previously intersected by aircore drilling.

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 1.04Moz gold (Table 1).

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 1 Current Mineral Resource
(Details in ASX release 26 November 2018)*

	Tonnes (Mt)	Grade (g/t)	Ounces ('000)
Measured	2.07	2.15	143
Indicated	8.29	1.28	340
Inferred	14.79	1.17	556
Total	25.1	1.29	1,039

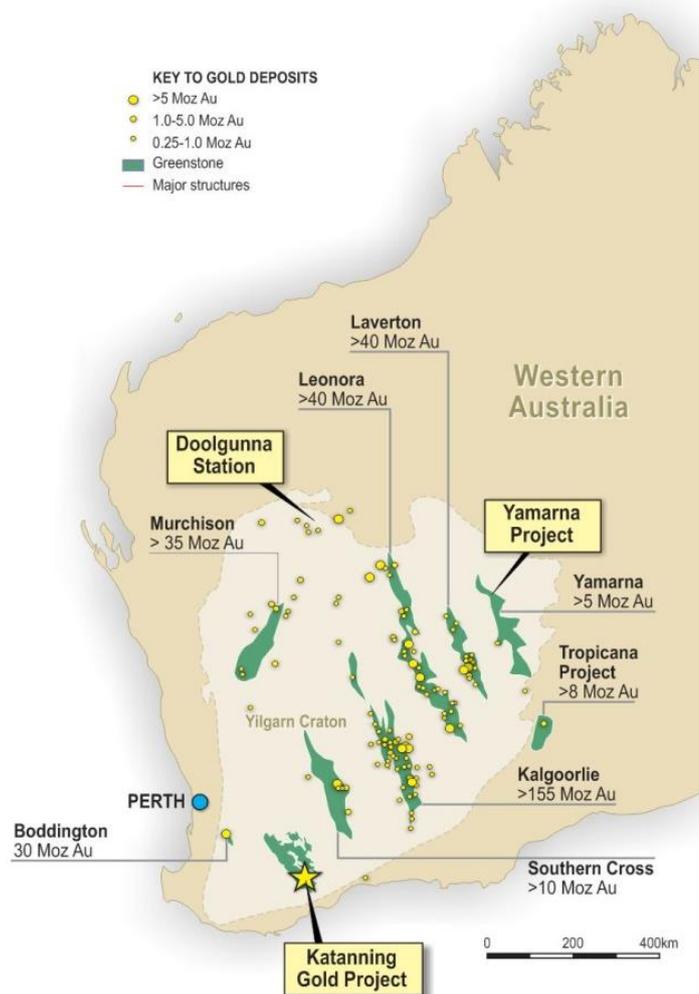


Figure 1 - Regional map showing the KGP, other Ausgold projects and mineralised greenstone belts

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

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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 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 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.