

Drilling completed at Doolgunna Station Project

Highlights:

- EIS co-funded drill program of eight drill holes for a total of 2,467m drilled 15km along strike from the DeGrussa Cu-Au VHMS deposit.
- Four drill holes intersect prospective Narracoota and Karalundi Formations, the same rocks that host the DeGrussa copper – gold VHMS deposit
- Further work planned to test VHMS potential

Ausgold Limited (ASX: AUC) (“**Ausgold**” or the “**Company**”) announces that farm-in partner Intrepid Mines Limited (“**Intrepid**”) (ASX:IAU) has completed an eight-hole diamond drill program at the Doolgunna Station Project in Western Australia, targeting Degrussa-style volcanic hosted massive sulphide (VHMS) copper-gold mineralisation on the south-eastern portion of the property.

Doolgunna Station is located in the Bryah Basin, 150km north east of Meekatharra, Western Australia. The project comprises E52/3031 covering 176km² located approximately 13km to the west and along trend from Sandfire Resources Limited’s DeGrussa copper-gold operations. A field assessment of the project has highlighted the strong potential not only for VHMS mineralisation but also orogenic Plutonic-style gold mineralisation.

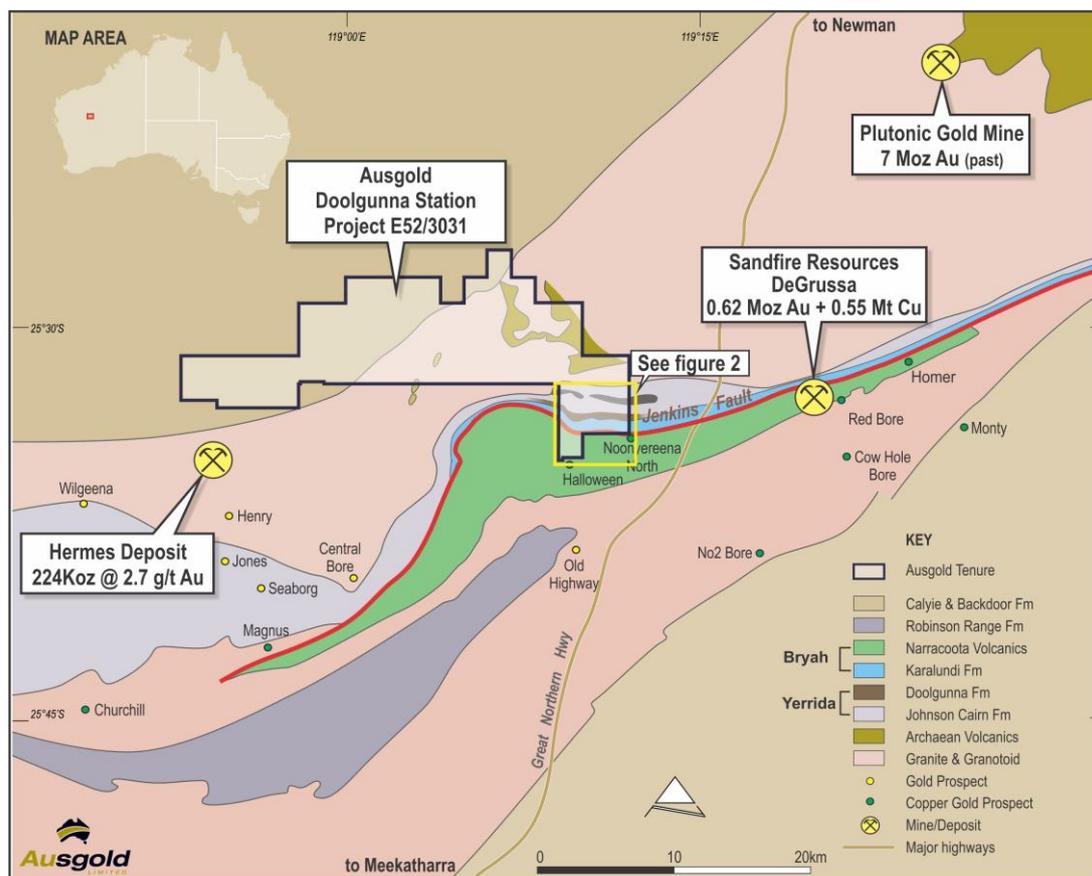


Figure 1 – Regional geology of the Doolgunna Station Project

Eight holes were drilled for a total of 2,467m, including 735.7m of RC pre-collaring and 1,731.7m of HQ diameter diamond coring (see Table 1). The drilling was primarily designed to test the geological setting as well as several geochemical and geophysical (magnetic and gravity) anomalies in rocks mapped as the Narracoota Formation.

Management Comment

Ausgold's Managing Director, Matthew Greentree, said

We are pleased with the progress Intrepid have made in ensuring the highly prospective Doolgunna Project is advanced with a focused exploration program over the next two years. Intrepid's merger with AIC shows their commitment to exploration in the region, where it has committed to spend \$2.1M to earn a 70% interest in the project."

"The Joint Venture is structured so Ausgold retains a 30% contributing interest which reverts to a 20% free carried interest through to a decision to mine, allowing Ausgold to focus its funds on its 100%-owned Katanning Gold Project, where the Company continues to have exploration success and is progressing towards development of the 1.04 Moz gold Resource."

Results

The recent diamond drill program and a review of drill core has redefined the stratigraphy within the project area. The new drilling highlights key stratigraphic horizons within the project area that are known to host DeGrussa-style VHMS copper-gold mineralisation (Figures 2 and 3).

The four southern-most drill holes DDG001-003 and DDG006 intersect prospective Narracoota and Karalundi Formations, the same rocks that host the DeGrussa Cu-Au VHMS deposit. The contact between basalts from the Narracoota Formation and underlying volcano-sedimentary rocks of the Karalundi Formation is marked by the Jenkins Fault.

DDG001 and DDG002 Narracoota Formation basalts (hyaloclastite) extend into the underlying Karalundi Formation volcaniclastic sedimentary and turbiditic rocks. This sequence of rocks has potential to host DeGrussa-style VHMS mineralisation. DDG006 is closer to the Jenkins Fault having intersected a significant thickness of volcanogenic breccia known to form a lateral marker unit at the base of DeGrussa stratigraphy (Figure 2). In parts DDG006 has a mafic derived chlorite-sericite-biotite magnetite altered sedimentary rocks with intense carbonate alteration and carbonate breccia, previously been referred to as the Peak Hill Schist.

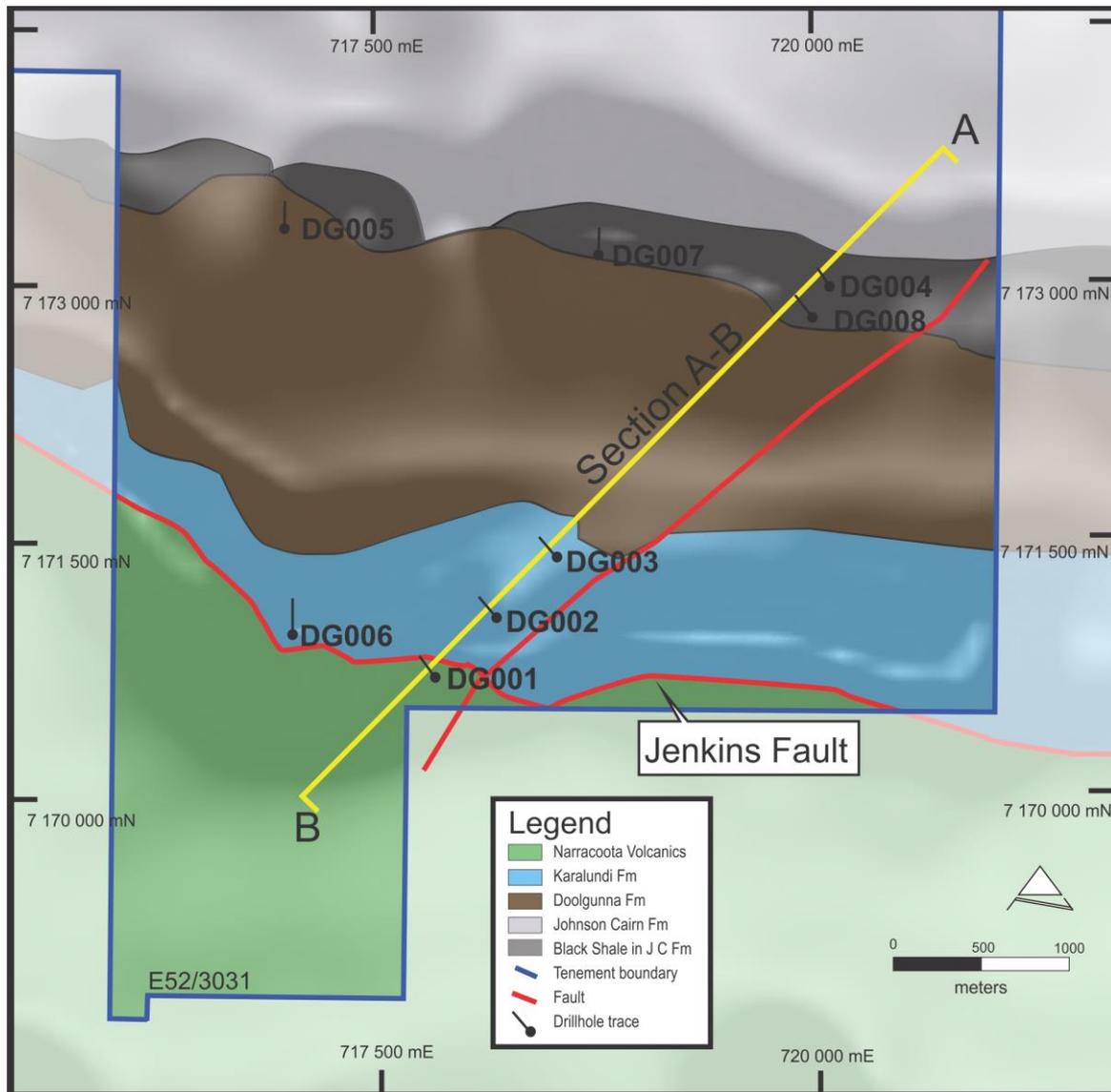


Figure 2 - Re-interpreted geological boundaries shown over the aeromagnetic image

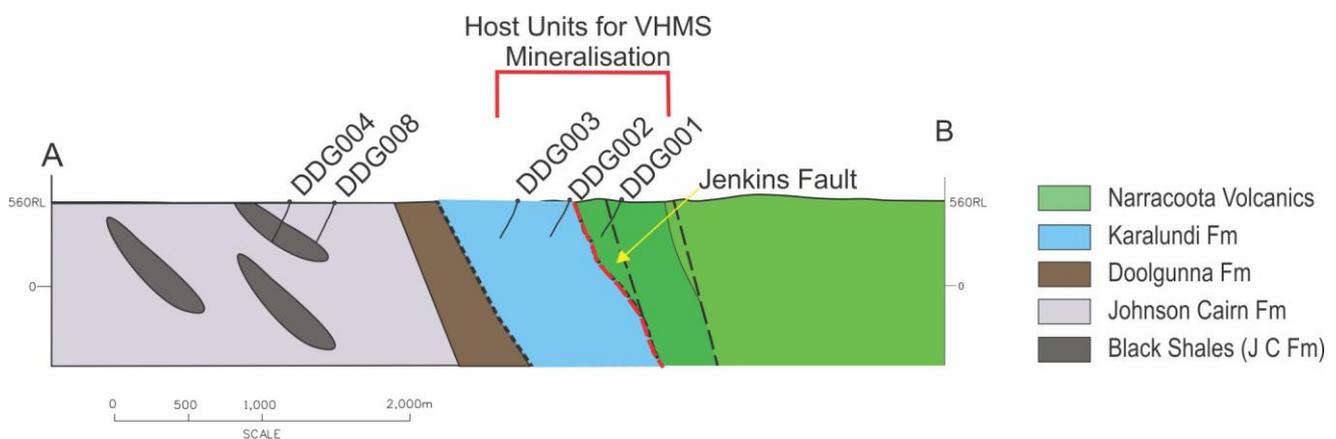


Figure 3 - Cross-section showing the relative position of prospective geological units

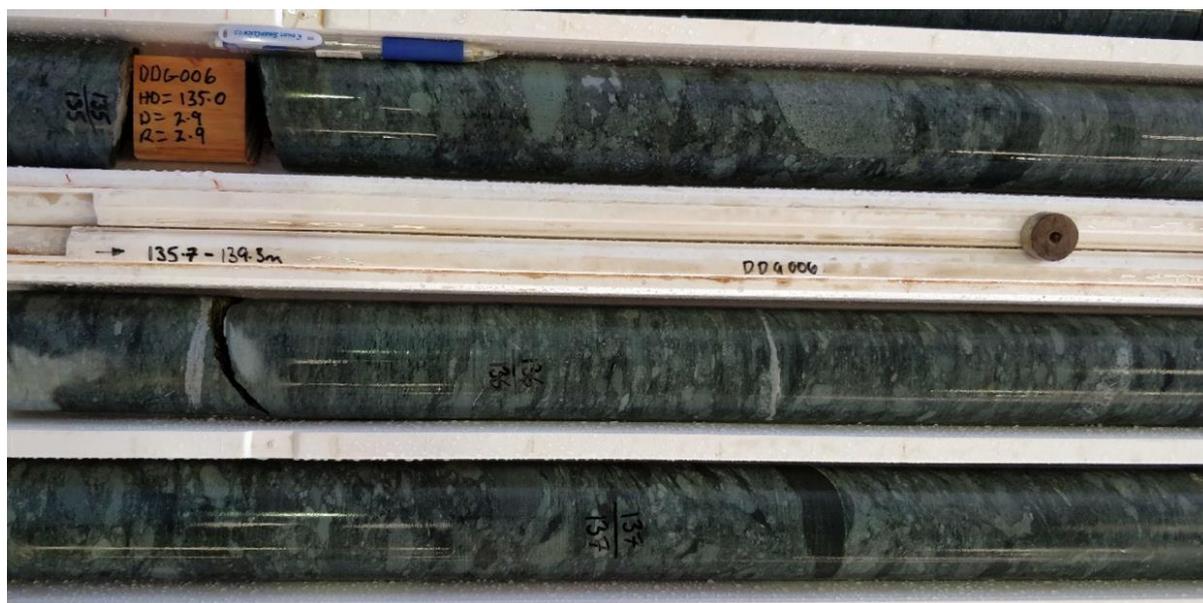


Figure 4 - Mafic breccia in Narracoota Formation intersected in DD006

The northern drill holes (DDG004 – 005 and DDG007-008) intersect the Johnson Cairn Formation. This is a package of sediments previously interpreted as ‘Peak Hill Schist’ is strongly deformed in some places with the sedimentary rocks in DDG007 suggesting that the sequence is part of the Yerrida Group and is similar to the stratigraphy that underlies the DeGrussa deposit.

The geochemical results from the drilling were weakly anomalous copper and gold with increased sulphides. It is worth noting that the DeGrussa deposit has a small alteration halo and the alteration is typically less than 5m wide zone with strongly chloritized schist which surrounds the deposit being the only indication that mineralisation is nearby.

The new geological understanding highlights areas of prospectivity along the southern portion of the project areas and will be the focus of future geophysical and drilling programs.

Table 1 - Drill hole collar locations and information

Hole ID	East MGA	North MGA	Azimuth	Dip	RC Pre-collars	DD Tail m	Total Depth m
DDG 001	717,825	7,170,697	315°	-60	61	239.8	300.8
DDG 002	718,179	7,171,050	315°	-60	96.7	203.6	300.3
DDG 003	718,523	7,171,404	315°	-60	92.9	207.4	300.3
DDG 004	720,088	7,172,960	315°	-60	96.8	218	314.8
DDG 005	716,990	7,173,323	0°	-60	98.1	199.1	297.2
DDG 006	717,010	7,170,955	0°	-60	96.5	233.5	330
DDG 007	718,766	7,173,165	0°	-60	96.7	214.7	311.4
DDG 008	719,911	7,172,783	315°	-60	97	215.6	312.6

Future work programs at Doolgunna

The recent drilling has confirmed the presence of prospective Narracoota and Karalundi Formations in drill core. Future work programs are being planned to target VHMS mineralisation hosted in these formations. Geological mapping and re-logging of aircore holes is being carried out with drilling concentrating on the southern parts of the tenement which are considered most prospective for DeGrussa-style VHMS mineralisation.

Doolgunna Joint Venture

As announced on 4 June 2018, Ausgold entered into a joint venture and farm in agreement with Intrepid for the Doolgunna Station Project, whereby Intrepid can earn up to a 70% interest in the Project by spending a minimum of \$2,150,000 over two years. After the spending commitment is met, Ausgold has the right to retain a 30% contributing interest or revert to a 20% free carried interest to a decision to mine.

On behalf of the Board,

Matthew Greentree
Managing Director
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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 2 - 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

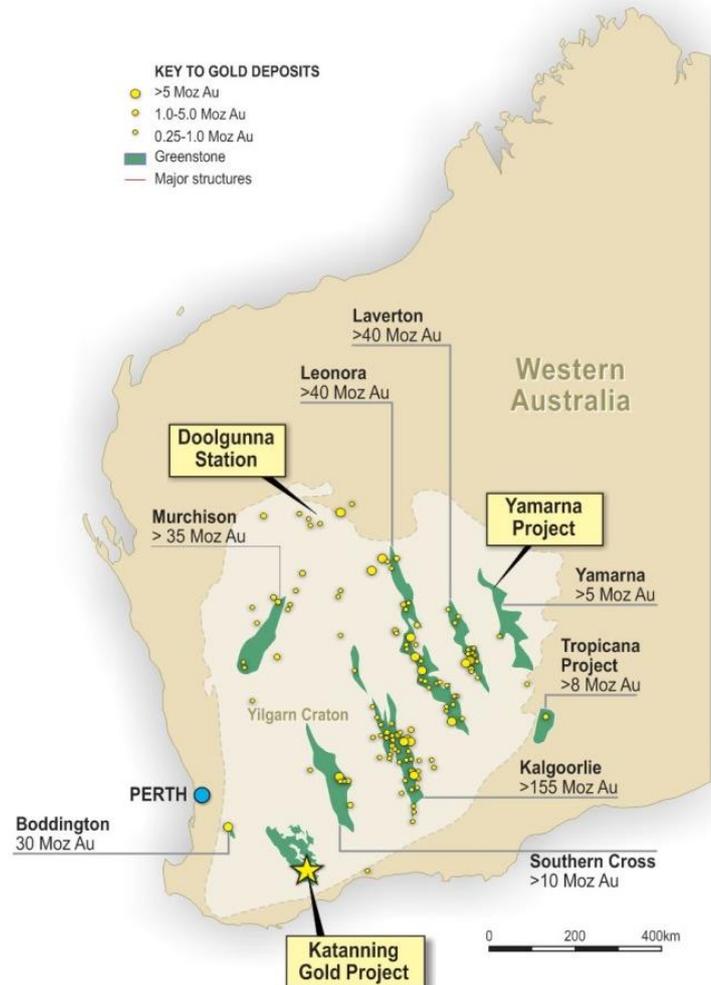


Figure 5 - Regional map showing the KGP, other Ausgold projects and mineralised greenstone belts

Competent Person's Statements

The information in this statement that relates to the Mineral Resource Estimates for KGP is based on work done by Mr Mike Lowry 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 Lowry takes responsibility for the Mineral Resource Estimate.

Mr Lowry 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.