



8 November 2019

Mr Sean Maloney  
ASX Limited  
Level 40, Central Park  
152-158 St Georges Terrace  
Perth WA 6000

Via email – [ListingsCompliancePerth@asx.com.au](mailto:ListingsCompliancePerth@asx.com.au)

Dear Mr Maloney

**AUSGOLD LIMITED – APPENDIX 5B QUERY**

I refer to your letter dated 5 November 2019 in which you require a response to your questions regarding the Company's Appendix 5B for the quarter ended 30 September 2019. We advise as follows:

1. Does the Company expect that it will continue to have negative operating cash flows for the time being and, if not, why not?

*Yes, Ausgold Limited's directors expect negative cash flows for the Company to continue for the time being; the Company is an exploration company without revenue-generating assets.*

2. Has the Company taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

*Since the end of the September 2019 quarter the Company has finalised a \$225,000 short-term funding facility. Following the release of a Scoping Study on the 1.2 million-ounce Katanning Gold Project the Company has now commenced discussions to raise further capital sufficient to fund its immediate operations, including an RC drilling program at Katanning. The Company believes that this raising will be successful having regard to the current market for junior gold stocks, the present stage of the Company's operations focussing on its 100%-owned Katanning Gold Project, and the positive outcome of the Scoping Study.*

3. Does the Company expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

*Yes, as a result of the finalisation of a short-term funding facility and the capital raising referred to in 2 above, the Company expects to continue its operations and thereby meet its business objectives.*

4. Please confirm that the Company is in compliance with Listing Rule 3.1 and that there is no information about its financial condition that should be given to ASX in accordance with that Rule that has not already been released to the market.

*We confirm that the Company is in compliance with ASX Listing Rule 3.1*

5. Please confirm that the Company's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of the Company with delegated authority from the board to respond to ASX on disclosure matters.

*We confirm that the Company's response to the questions has been authorised by an officer of the Company with delegated authority from the Board to respond to the ASX's letter. We further confirm that each of the Company's directors has individually reviewed and approved a draft of this response.*

Yours faithfully

**AUGOLD LIMITED**

A handwritten signature in black ink, appearing to read 'Denis Rakich', written in a cursive style.

**DENIS RAKICH**

Executive Director / Company Secretary



5 November 2019

Reference: 10218

Mr Denis Rakich  
Company Secretary  
Ausgold Limited

By email: drakich@ausgoldlimited.com;

Dear Mr Rakich

**Ausgold Limited ('AUC'): Appendix 5B Query**

ASX refers to AUC's Appendix 5B quarterly report for the period ended 30 September 2019 lodged with ASX Market Announcements Platform on 31 October 2019 (the 'Appendix 5B').

ASX notes that AUC has reported:

- negative net operating cash flows for the quarter of \$830,000;
- cash at the end of the quarter of \$126,000; and
- estimated cash outflows for the next quarter of \$630,000.

It is possible to conclude, based on the information in the Appendix 5B that if AUC were to continue to expend cash at the rate indicated by the Appendix 5B, AUC may not have sufficient cash to continue funding its operations.

In view of that, ASX asks AUC to respond separately to each of the following questions and requests for information:

1. Does AUC expect that it will continue to have negative operating cash flows for the time being and, if not, why not?
2. Has AUC taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
3. Does AUC expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
4. Please confirm that AUC is complying with Listing Rule 3.1 and that there is no information about its financial condition that should be given to ASX in accordance with that rule that has not already been released to the market.
5. Please confirm that AUC's responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of AUC with delegated authority from the board to respond to ASX on disclosure matters.

**When and where to send your response**

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **2:00 PM AWST Friday, 8 November 2019**. If we do not have your response by then, ASX will have no choice but to consider suspending trading in AUC's securities under Listing Rule 17.3. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, AUC's obligation is to

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disclose the information “immediately”. This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at [ListingsCompliancePerth@asx.com.au](mailto:ListingsCompliancePerth@asx.com.au). It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

### **Listing Rule 3.1 and Listing Rule 3.1A**

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity’s securities. Exceptions to this requirement are set out in Listing Rule 3.1A. In responding to this letter, you should have regard to AUC’s obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that AUC’s obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

### **Trading halt**

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in AUC’s securities under Listing Rule 17.1. If you wish to request a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

### **Enquiries**

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

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**Sean Maloney**  
Adviser, Listings Compliance (Perth)