



Ausgold to raise up to \$3.6 million for Katanning Gold Project

Highlights:

- Placement and Share Purchase Plan to raise up to \$3.6 million
- Funds will be used to accelerate an extensive drilling program at the Katanning Gold Project to commence immediately, targeting high-grade gold mineralisation
- Placement demand strongly supported by new Australian institutional investors

Ausgold Limited (ASX: AUC) ('Ausgold' or 'the Company') is pleased to announce that it has received binding commitments from institutional and sophisticated investors for a share placement ('Placement') to raise \$2,376,000 before costs. Taylor Collison acted as sole Lead Manager to the Placement.

The Company will also be conducting a Share Purchase Plan ("SPP" and together with the Placement, the "Capital Raising") to existing eligible shareholders.

The new shares to be issued under the Capital Raising will be priced at 1.2 cents ("Issue Price") which represents a 14.3% discount to the last closing price and an 8.4% discount to the 10-day VWAP of Ausgold's shares.

Use of Funds

Proceeds from the Capital Raising will be used to accelerate exploration at the Company's Katanning Gold Project (KGP), with a significant exploration drilling campaign designed to target further high-grade mineralisation within the Central Zone at KGP, the completion of metallurgical test work and to provide additional working capital.

The planned drilling program will target Resource extensions including the following recent significant intercepts:

- 26m @ 6.6 g/t Au from 117m including 4m @ 37.2 g/t Au
- 16m @ 6.2 g/t from 114m including 4m @ 22.4 g/t Au
- 15m @ 3.7 g/t from 117m including 5m @ 10.4 g/t Au
- 17.6m @ 2.2 g/t Au from 55m

Placement

Under the Placement, the Company will issue a total of 198,000,000 shares at an issue price of 1.2 cents per share. The Placement will be made to professional and sophisticated investors, pursuant to section 708 of the Corporations Act 2001. The Company will issue 79,200,000 shares in accordance with ASX Listing Rule 7.1A and 118,800,000 shares in accordance with Listing Rule 7.1. Shareholder approval for the Placement is not required.

The Company expects to issue the Placement shares on or around 10 December 2019.

Share Purchase Plan

The Company has obtained a waiver to the Listing Rules from ASX to allow it to conduct a SPP to enable all shareholders to participate in the Capital Raising.

The total funds to be raised under the SPP will be limited to a maximum of \$1.2 million. If applications are received in excess of this amount, the directors of Ausgold reserve the right to scale back applications.

The SPP will provide existing shareholders with the opportunity to apply for up to \$15,000 worth of the Company's shares (equal to 1,250,000 shares), subject to any scale-back, without incurring brokerage or other transaction costs. Only shareholders with a registered address in Australia or New Zealand are eligible to participate.

The SPP booklet and application form will be sent directly to eligible shareholders shortly.

INDICATIVE SPP TIMETABLE	
SPP Record Date	5.00pm (Perth time) on Monday 2 December 2019
Despatch of SPP Offer and Application Form	Monday 9 December 2019
SPP Offer Opens	Monday 9 December 2019
SPP Offer Closes	5.00pm (Perth time) on Monday 30 December 2019
SPP Issue Date	Thursday 2 January 2020
Despatch of Holding Statements	Friday 3 January 2020

Subject to its obligations under the ASX Listing Rules, the Company may at any time change any of the above dates by sending a revised timetable to ASX. Quotation of shares issued under the Capital Raising is subject to confirmation from ASX.

Taylor Collison has a right to place any shortfall arising under the SPP on the same terms as the Placement.

The Board of Directors of Ausgold Limited approved this announcement for release to ASX.

Management comment

Ausgold's Managing Director, Matthew Greentree, said:

"Ausgold is delighted with the strong support for the Placement and is pleased to welcome a number of high profile domestic institutions to the Ausgold share register.

An extensive drill campaign will commence immediately targeting high-grade gold mineralisation within the Central Zone of Katanning Gold Project. This new drilling will build on the findings of the recent Scoping Study and will include extensions to the high-grade gold mineralisation identified in areas where this mineralisation remains open both along strike and down-dip. It is anticipated that drilling these extensions will further expand the current 1.2-million-ounce gold Resource.

The planned exploration will also extend to Ausgold's regional targets including the Burong and Nanicup Bridge prospects, leveraging on the recently awarded \$150,000 of co-funding provided under the WA Government's Exploration Incentive Scheme. Drilling these prospects, along with other low-cost high-impact exploration programs, will be conducted on Ausgold's regional land package of over 4,000 km² of underexplored Archean greenstone belt, further developing the Company's geological understanding of the region.

The Company is now well positioned to accelerate its exploration programs at the Katanning Gold Project and looks forward to updating the market as results become available."

On behalf of the Board,
MATTHEW GREENTREE
Managing Director
 Ausgold Limited

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