

# Appendix 5B

## Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

AUSGOLD LIMITED

ABN

67 140 164 496

Quarter ended ("current quarter")

31 December 2010

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date 6 months \$A'000
1.1 Receipts from product sales and related debtors	-	-
Payments for (a) exploration & evaluation	(1,497)	(2,832)
1.2 (b) development	-	-
(c) production	-	-
(d) administration	(170)	(300)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	89	199
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	136	96
<b>Net Operating Cash Flows</b>	<b>(1,442)</b>	<b>(2,837)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(32)	(49)
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)	-	-
<b>Net investing cash flows</b>	<b>(32)</b>	<b>(49)</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(1,474)</b>	<b>(2,886)</b>

+ See chapter 19 for defined terms.

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1.13	Total operating and investing cash flows (brought forward)	(1,474)	(2,886)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	43	43
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	<b>Net financing cash flows</b>	43	43
	<b>Net increase (decrease) in cash held</b>	(1,431)	(2,843)
1.20	Cash at beginning of quarter/year to date	6,525	9,368
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	5,094	6,525

**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	136
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, administration fees and office space cost paid to director related entities
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**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
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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
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**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	-	-

**Estimated cash outflows for next quarter**

\$A'000
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+ See chapter 19 for defined terms.

4.1	Exploration and evaluation	2,000
4.2	Development	-
4.3	Production	-
4.4	Administration	130
<b>Total</b>		<b>2,130</b>

### 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	62	56
5.2 Deposits at call	4,764	6,201
5.3 Bank overdraft	-	-
5.4 Other (Bank Guarantee)	268	268
<b>Total: cash at end of quarter</b> (item 1.22)	<b>5,094</b>	<b>6,525</b>

### 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	E31/0816	Registered Holder	100%	0%
	E39/1366	Registered Holder	100%	0%
	EL5127	Registered Holder	100%	0%
	EL5128	Registered Holder	100%	0%
	EL5129	Registered Holder	100%	0%
	EL7098	Registered Holder	100%	0%
	EL7100	Registered Holder	100%	0%
	EL7499	Registered Holder	100%	0%
	EPM16025	Registered Holder	100%	0%
	EPM17067	Registered Holder	100%	0%
	EPM17068	Registered Holder	100%	0%

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	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.2 Interests in mining tenements acquired or increased	ML70/210	Earned under Farm-In	0%	80%
	ML70/211	Earned under Farm-In	0%	80%
	ML70/488	Earned under Farm-In	0%	80%
	EL70/2590	Earned under Farm-In	0%	80%
	EL70/2928	Earned under Farm-In	0%	80%
	E70/3342	Registered Holder	0%	100%
	E70/334	Registered Holder	0%	100%
	E703721	Registered Holder	0%	100%
	E70/3722	Registered Holder	0%	100%
	E70/3724	Registered Holder	0%	100%
	E70/3725	Registered Holder	0%	100%
	E703735	Registered Holder	0%	100%
	E70/3736	Registered Holder	0%	100%
	E70/3738	Registered Holder	0%	100%
	EPM17054	Registered Holder	0%	100%

**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 <b>Preference +securities</b> <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	90,265,000	55,792,888		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	215,000	215,000	0.20	<i>Fully Paid</i>
7.5 <b>+Convertible debt securities</b> <i>(description)</i>				

+ See chapter 19 for defined terms.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> (description and conversion factor)	89,835,000 900,000 1,250,000	55,362,888 - -	<i>Exercise price</i> 0.20 0.20 0.20	<i>Expiry date</i> 31 March 2013 31 March 2013 31 March 2013
7.8 Issued during quarter				
7.9 Exercised during quarter	215,000	215,000	0.20	31 March 2013
7.10 Expired during quarter				
7.11 <b>Debentures</b> (totals only)				
7.12 <b>Unsecured notes</b> (totals only)				

## 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 give a true and fair view of the matters disclosed.



Sign here: .....

Date: 28 January 2011

(Company secretary)

## 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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