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Ausgold raises \$38M to accelerate development of the Katanning Gold Project in WA – now funded through to FID

Highlights:

- Ausgold has received firm commitments totalling A\$38 million in a two-tranche placement to institutional and sophisticated investors, reflecting strong investor support for the Katanning Gold Project (KGP).
- The Placement was cornerstoned by leading international institutional investors, including:
 - existing institutional investor, Jupiter Asset Management, which increases its holding to 12.7%; and
 - existing institutional investor, Dundee Corporation, retains a 10.9% holding through the Institutional Placement (subject to required FIRB approval being obtained).
- Newly appointed Executive Chairman, Mr John Dorward, has agreed to subscribe for A\$1 million under the Institutional Placement, subject to Ausgold obtaining shareholder approval.
- The Placement was completed at A\$0.03 per share, representing a discount of 7.68% to the 20-day VWAP.
- The proceeds will be used to underpin ongoing work programs at the KGP through to a Final Investment Decision (FID), including completion of the Definitive Feasibility Study (DFS), settlement of the acquisition of freehold land and continuing regional exploration.

Ausgold Limited (ASX: AUC) (**Ausgold** or the **Company**) is pleased to announce that it has received binding commitments from investors to raise A\$38 million (before costs) pursuant to an institutional placement (the **Institutional Placement**).

Up to approximately 1,266,666,667 new shares (**New Shares**) will be issued under the Institutional Placement at an issue price of \$0.03 per New Share, which represents a 14.3% discount to the last closing price of \$0.035 on Friday 31 May 2024 and a 7.68% discount to the 20-day VWAP.

Funds raised will primarily be used to underpin ongoing work programs at the Company's 100%-owned 3.04Moz Katanning Gold Project in Western Australia through to a Final Investment Decision (**FID**), including the completion of the Definitive Feasibility Study (**DFS**), settlement of freehold land acquisitions, continuation of regional exploration and the provision of working capital as well as to fund the redemption of unsecured loan notes issued by the Company.

The Company has received strong demand from large institutional investors from UK, Europe and North America and was heavily supported by contributions from key existing shareholders, including:

- Dundee Corporation (**Dundee**), which subscribed for A\$3 million (with a relevant interest in the Company upon completion of the Institutional Placement of 10.9%); and
- Jupiter Asset Management (**Jupiter**), which subscribed for A\$7 million to increase its shareholding from 9.5% to 12.7% at the completion of the Institutional Placement.

The issue of New Shares to Dundee is subject to Dundee obtaining approval from the Treasurer under the *Foreign Acquisitions and Takeovers Act 1975* (Cth) (to the extent required).

Newly appointed Executive Chairman, Mr John Dorward, has also committed to subscribe for A\$1 million under the Institutional Placement, subject to Ausgold obtaining shareholder approval for the purpose of the ASX Listing Rules.

Management Comments:

Ausgold's Executive Chairman, John Dorward, said:

"I am enormously excited about Ausgold's growth potential, leveraging the existing three-million-ounce resource base at the Katanning Gold Project and the Company's large landholding in one of Australia's great, untapped greenstone belts. Subject to shareholder approval, I am pleased to participate in this placement, which will see the Company strongly positioned through to a Final Investment Decision. Ausgold now has the capital to properly pursue its complementary goals of production and exploration-led growth. I would like to sincerely thank all our existing shareholders who participated in the placement and warmly welcome new investors to our register."

Ausgold's Managing Director, Matthew Greentree, said:

"This landmark capital raising will underpin the completion of key work programs at the Katanning Gold Project, which will position Ausgold for a pivotal phase of growth. We are now completing the final elements of the Definitive Feasibility Study for the project development, which will be delivered in the second half of this year. Funding also enabling the Company to complete the acquisition of key farming properties that cover the main orebody and infrastructure areas. Further project de-risking will include a program of grade control drilling and the placement of orders for long-lead items for the project development. Exploration along the 17km KGP mine trend and thirteen drill ready regional targets will aim to deliver the multi-million-ounce potential at Katanning."

Details of Placement

The Company has received firm commitments from sophisticated and professional investors under the Institutional Placement to raise approximately A\$38 million (before costs) through the issue of 1,266,666,667 New Shares at an issue price of A\$0.03 per New Share.

The Institutional Placement consists of:

- 466,000,000 New Shares (the **T1 Placement Shares**) to be issued to sophisticated and professional investors under Ausgold's placement capacity under Listing Rules 7.1 and 7.1A to raise approximately A\$14 million (before costs), comprising:
 - 236,400,000 New Shares to be issued under Listing Rule 7.1; and
 - 229,600,000 New Shares to be issued under Listing Rule 7.1A; and
- 800,666,667 New Shares (the **T2 Placement Shares**) to be issued to sophisticated and professional investors to raise approximately A\$24 million (before costs), subject to:
 - receipt of shareholder approval for the issue of the T2 Placement Shares at a general meeting expected to be held in mid-July 2024; and
 - in respect of the New Shares to be issued to Dundee, Dundee obtaining approval from the Treasurer under the *Foreign Acquisitions and Takeovers Act 1975* (Cth) (to the extent required).

Settlement of the T1 Placement Shares is expected to occur on or around Thursday, 13 June 2024.

Use of funds

Funds raised will primarily be used to underpin ongoing work programs at the Company's 100%-owned 3.04Moz Katanning Gold Project in Western Australia through to FID on the development of the KGP, including:

- completion of the DFS on the KGP;
- settlement of freehold land acquisitions;
- commencement of grade control drilling on the existing KGP resource site;
- exploration drilling on high priority near-mine and regional targets;
- detailed engineering and FEED studies following completion of the DFS
- providing increased flexibility for the purchase of long lead time items to develop the KGP; and
- providing general working capital.

In addition, the proceeds will also be used to fund the redemption of unsecured loan notes issued by the Company.

Following completion of the Institutional Placement, the Company expects to have approximately A\$36 million cash on hand.

Loan Notes

On 27 May 2024, the Company confirmed that it had issued unsecured loan notes to institutional investors with an aggregate face value of A\$3 million (**Loan Notes**). The Loan Notes are to be redeemed by the Company on 20 August 2024 or upon the earlier completion of an eligible financing.

Holders of Loan Notes with an aggregate face value of A\$2.1 million have indicated a willingness to set off the outstanding principal owing by the Company under the Loan Notes against the amounts payable in connection with their participation in the second tranche of the Institutional Placement. The remaining Loan Notes will be redeemed by the Company in accordance with their terms from the proceeds of the Institutional Placement.

Advisers

SCP Resource Finance LP, Arlington Group and Euroz Hartleys Limited acted as Joint Lead Managers to the Institutional Placement.

Gilbert + Tobin acted as legal advisor to the Company.

Indicative Timetable

| Event | Day | Date |
|--|----------|---------------|
| Settlement of the T1 Placement Shares | Thursday | 13 June 2024 |
| Allotment and commencement of trading of the T1 Placement Shares | Friday | 14 June 2024 |
| General Meeting to approve the issue of the T2 Placement Shares (among other things) | | Mid July 2024 |
| FIRB Approval for Dundee | | Mid July 2024 |
| Settlement of the T2 Placement Shares | | Mid July 2024 |
| Allotment and commencement of trading of the T2 Placement Shares | | Mid July 2024 |

The above timetable is indicative only and subject to variation. The Company reserves the right to alter the timetable at its absolute discretion and without notice, subject to the ASX Listing Rules, the Corporations Act and other applicable laws.

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

On behalf of the Board,

MATTHEW GREENTREE
Managing Director
Ausgold Limited

All dollar amounts are in Australian dollars unless otherwise indicated. For further information please visit Ausgold's website or contact:

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About Ausgold Limited

Ausgold Limited (ASX: AUC) 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 3.04 Moz 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 1st August 2022 and 4th September 2023)

| Mineral Resource | Tonnes (Mt) | Grade (g/t) | Contained gold (Moz) |
|--------------------|-------------|-------------|----------------------|
| Measured | 38.1 | 1.10 | 1.35 |
| Indicated | 31.8 | 1.04 | 1.07 |
| Inferred | 18.9 | 1.02 | 0.62 |
| Total | 88.9 | 1.06 | 3.04 |
| Ore Reserve | | | |
| Probable | 32 | 1.25 | 1.28 |
| Total | 32 | 1.25 | 1.28 |

The information in this report that relates to the Mineral Resource and Ore Reserve in Table 1 is based on information announced to the ASX on 4 September 2023 (Resource) and 1 August 2022 (Ore Reserve) and Ausgold confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcement and that all material assumptions and technical parameters underpinning the estimates in that announcement continue to apply and have not materially changed.

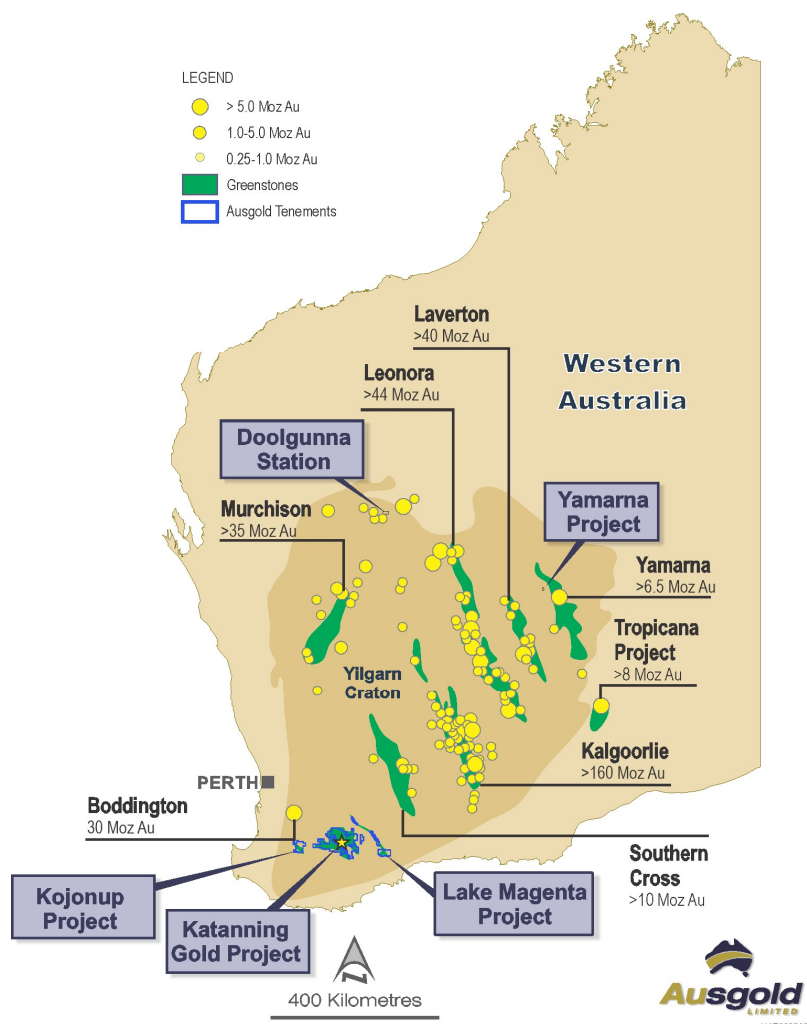


Figure 1- Regional map showing the KGP, other Ausgold projects and mineralised greenstone belts

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.

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