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## Rose of Denmark Operational Update

**AuStar Gold Limited (ASX: AUL) ('AuStar Gold' or 'the Company')** provides the following operational update and progress at its Rose of Denmark (RoD) gold mine where recent gold-bearing mineralised material has been successfully mined and processed.

### Highlights:

- **Processing of remainder of RoD gold bearing material is complete**
- **Refining of remaining gold ingot and sale is imminent**
- **Production of 2,605 grams of gold ingot has occurred to date and further gold in concentrate is pending sale**
- **Reconciliation of gold from mining to processing is pending assays**
- **Stage 2 Exploration Program at RoD is now underway**
- **Objective is to identify and compile further minerals inventory for sustainable economic production**
- **Diamond drill contractor nominated and mobilising**
- **Sludge drill contractor nominated and inspected drilling areas**

**AuStar Gold** CEO, Tom de Vries said "*Following the renewal of Mining License MIN5299, AuStar Gold is pleased to announce that next stage of activity at the Rose of Denmark gold mine is underway. We have finalised ore processing for the moment and our gold sales program is ongoing.*

*We are presently embarking on our stage 2 exploration program at RoD under our newly implemented development strategy. This strategy encompasses a disciplined approach to the identification of ongoing minerals inventory in the lead up to commencement of sustainable mining activity. The lowest risk and optimal approach to mining cost effectively is to identify a sufficient minerals inventory prior to mining, ideally from multiple ore sources, in order to avoid expensive mobilisation and de-mobilisation costs associated with haphazard or non-continuous mining.*

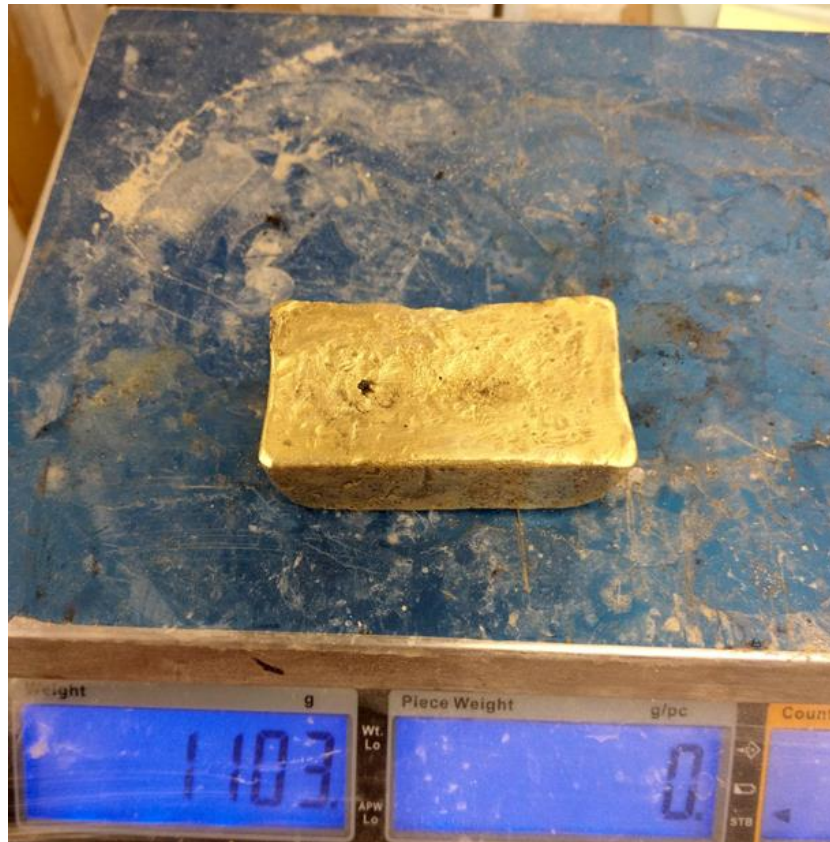
### Trial Mining and Processing Rose of Denmark Material

The first stage of trial mining at RoD which commenced in 2 July 2018 (see ASX release 9 July 2018) has now successfully completed and mining activity has paused pending gold grade reconciliation and further mine planning, discussed below.

The remainder of the stockpile of recently mined Rose of Denmark material has now been processed with a final reconciliation pending upon leech well assays. This will allow a comparison of diamond drill grades to mined development face grades, plant head grades and finally doré gold, middlings and gold concentrates. This is important in assisting management in predicting the likely grade of gold in future mine planning when it has diamond drill hole assay results and assays from the development and mining.

Another doré gold ingot has been poured weighing 1,103 grams which was produced from several target sources from within the RoD (Photo 1). This bar will now be refined by a registered refiner to provide a final gold recovered figure.

Photo 1: Gold Ingot from October 2018 processing week 1.



## Stage 2 Exploration Program at RoD Underway

The immediate next step in AuStar's mine development strategy involves an additional exploration program at the RoD gold mine involving diamond drilling, sludge hole drilling, consequential geological review and mine design work, contemporaneously with the ongoing diamond drilling program at Stacpoole North, Stones, McNallys and Whitelaw Sth. at the Morning Star gold mine (See ASX releases dated 25 July 2018, 26 July 2018, 21 September 2018, 4 October 2018) in order to identify ore bodies that are economic.

AuStar Gold has commenced a second stage exploration program at RoD, in order to:

- (i) Further assist in the development of a robust geological model of the RoD dyke and mineralisation to aid in mine planning; and
- (ii) Identify and compile further minerals inventory for sustainable economic production.

To that end, a further round of diamond drilling will commence from recently established drill cuddies developed into the hanging-wall sediments adjacent to the dyke. A number of underground diamond drilling contractors were invited to supply services, with the successful contractor set to mobilise their electrically powered drilling equipment later this month and with drilling scheduled to commence in early November.

In addition to the diamond drilling campaign, a pneumatically powered long-hole drill rig, specifically designed for small profile drives, has also been contracted to undertake a limited sludge-hole drill program within the adit to ascertain if this is a viable method of delineating orebodies within the dyke and if it is more applicable at the RoD than diamond drilling and then mining with airleg miners. If successful, this could lead to a lower-cost, more mechanised mining method. The long-hole rig is expected to be mobilised to site for commencement of drilling shortly.

**About AuStar Gold Limited:**

AuStar Gold is focused on building a valuable minerals inventory to generate sustainable economic production from its portfolio of advanced high-grade gold projects - with significant infrastructure including processing plant, a strategic tenement footprint, and prospectively-well positioned for near-term mining.

In addition, AuStar Gold intends to develop its adjoining tenements in the Walhalla to Jamieson gold district (particularly the prolific Woods Point Dyke Swarm) into low cost high grade gold production projects

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**Disclaimer:**

*Statements in this document that are forward-looking and involve numerous risk and uncertainties that could cause actual results to differ materially from expected results are based on the Company's current beliefs and assumptions regarding a large number of factors affecting its business. There can be no assurance that (i) the Company has correctly measured or identified all of the factors affecting its business or their extent or likely impact; (ii) the publicly available information with respect to these factors on which the Company's analysis is based is complete or accurate; (iii) the Company's analysis is correct; or (iv) the Company's strategy, which is based in part on this analysis, will be successful.*