

**MULTIPLE VISIBLE GOLD IN DRILLHOLES**

AuStar Gold Limited (ASX: AUL) ('AuStar' or 'the Company') provides the following update in relation to its current drilling program at the Rose of Denmark gold mine:

**Highlights**

- **Multiple Visible Gold (VG) occurrences found in drillholes at Rose of Denmark Gold Mine**
- **50% of drillholes to date contain VG**
- **Early drilling success confirms significant potential of Rose of Denmark**
- **Drill Program continues to test for high grade gold zones and new geological theory identified by the Company**

CEO Mr Tom de Vries said "It is exciting to report visible gold in 3 out of 6 drill holes drilled in the program to date at the Rose of Denmark gold mine. This initial indication provides us added confidence in achieving the objectives of the drill program.

"The Rose of Denmark gold mine is situated within a current mining licence (MIN5299) and is just 12km from our own processing plant. Previous metallurgical testing and bulk sampling indicates the compatibility of the Rose of Denmark ore for our gold processing plant."

**Visible Gold in Drill Core**

*Plate 1 - Visible gold in drillcore from 16m down hole ROD 012A*



*Plate 2 - Visible gold in a 2 cm stockwork vein in highly altered diorite dyke at 12.9 metres down hole ROD 012A*



Plate 3 - Hole ROD 020B at 8 metres



Plate 4 - Hole ROD 020B at 16 metres

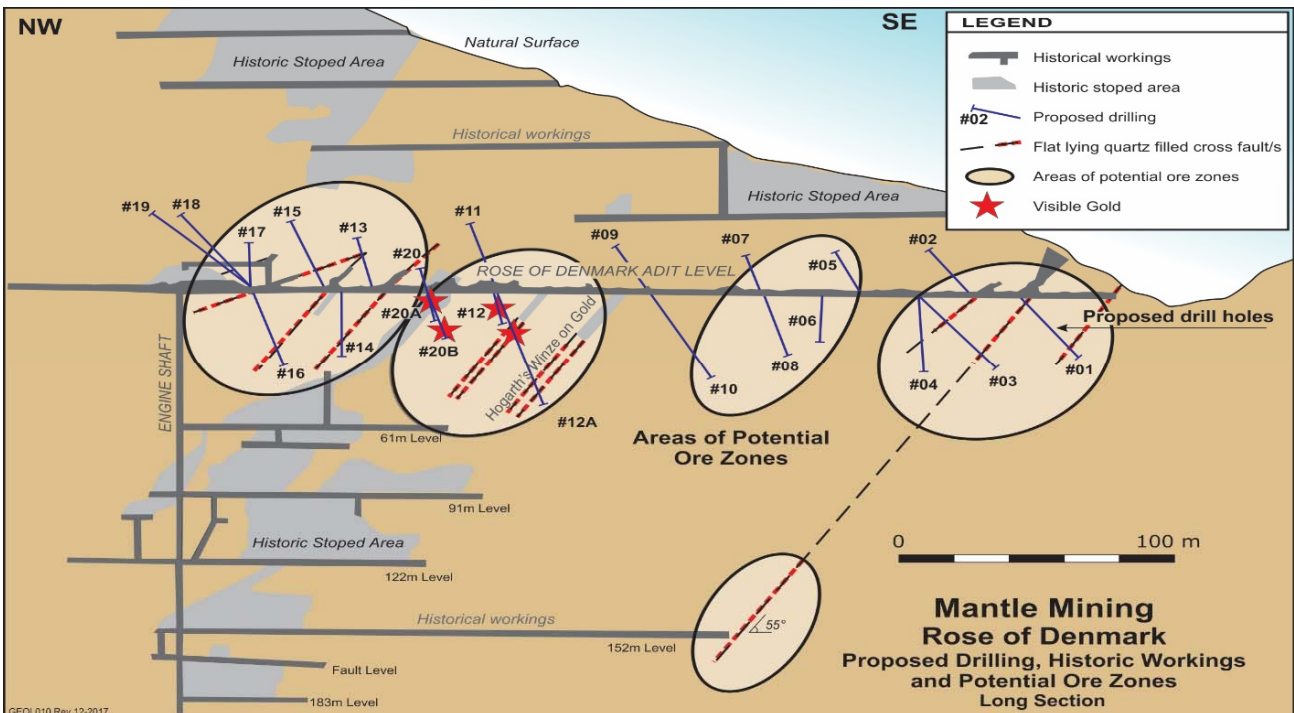


The Company reports that visible gold has been found in three out of six drill holes conducted to date, with 17 further holes, in 11 locations yet to be drilled in the diamond drilling program at the Rose of Denmark gold mine.

Drilling to date has focused on planned hole locations #11, #12 and #20. Hole ROD 012A ran out of the dyke early and was repeated to depth by ROD 012B, with repeated positive results of visible gold (refer to Plate 1 and Plate 2). Similarly, ROD 020A had a speck of gold but ran out early and was repeated by ROD 020B with repeated visible gold seen (refer to Plate 3 and Plate 4). Holes ROD 011 and ROD 020 were drilled as upholes. Figure 1 below shows the location of the visible gold in the core.

Full details of the current drilling status will be released once assay results are received and processed. Drilling is continuing within the Rose of Denmark adit.

Fig 1. Drilling program at Rose of Denmark, with visible gold hits after drilling at 2 locations – holes #11, #12 and location #20. Remaining locations are yet to be drilled.



### **About the Rose of Denmark**

Historical gold production at Rose of Denmark totaled approximately 37,000 ounces at 12.5 g/t and was sourced from both within the near surface adit and from a deeper production shaft (~200m deep).

The current drilling will assist the Company gain a clearer understanding of the geology and structures controlling the gold mineralization which in turn will assist mine development design to reflect higher grade zones identified from this phase of drilling as well as historical data.

The size of the drill program is 500 to 600m of drilling, designed to be drilled in the dyke 20m above and 30m below the adit level, as a first phase of drilling (refer to figure 1).

### **About AuStar Gold Limited:**

AuStar is focused on the return to production of the Morning Star mine and its environs - **an advanced high-grade gold project, with significant infrastructure including processing plant, a strategic tenement footprint, and prospectively, well positioned for near-term trial mining.**

In addition, AuStar 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.

### **For Further Information:**

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### **Competent Persons Statement**

*Information in this report relating to exploration targets and exploration results is based on information compiled by John Cahill BSc MAIG, a competent person who is a member of the Australasian Institute of Geoscientists. Mr. Cahill has sufficient experience in the style of deposit and the activities reported on to qualify as a competent person as defined by the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC code). Mr. Cahill consents to the inclusion in this report of matters based on his information in the form and context of which it appears.*

## Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> <li>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</li> <li>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</li> <li>Aspects of the determination of mineralisation that are Material to the Public Report.</li> <li>In cases where 'industry standard' work has been done this would be relatively simple.</li> </ul>	<ul style="list-style-type: none"> <li>Full drill core has been submitted for analysis. the drill core is LTK 60 in size</li> <li>Sample intervals are approximately 0.5 metres as the mineralisation consists of multiple narrow veins within a diorite host.</li> <li>The presence of coarse gold will see underestimation of gold grades in drilling utilizing Fire Assay techniques</li> </ul>
Drilling techniques	<ul style="list-style-type: none"> <li>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</li> </ul>	<ul style="list-style-type: none"> <li>The Rose of Denmark diamond drilling program is being undertaken utilizing a short feed LM 30 diamond drill producing LTK 60 size drill core (NQ) and capable of drilling up and down holes to angles of ~85 degrees</li> <li>Drilling was carried out by Starwest Drilling</li> <li>As most holes were ~20metre in length, down hole surveys were not carried out although it is planned to undertake collar surveys to check "as drilled" dip and direction</li> <li>Core orientations were not measured.</li> </ul>
Drill sample recovery	<ul style="list-style-type: none"> <li>Method of recording and assessing core and chip sample recoveries and results assessed.</li> <li>Measures taken to maximise sample recovery and ensure representative nature of the samples.</li> <li>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</li> </ul>	<ul style="list-style-type: none"> <li>The core is marked up and measured by geologists. <b>Core recovered</b> (CR) is compared with the <b>metres drilled</b> (MD, recorded by the drillers in their 'run sheets') and a 'core recovery' percentage is calculated; <math>CR/MD \times 100 = \% \text{ recovered}</math>.</li> </ul>
Logging	<ul style="list-style-type: none"> <li>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</li> <li>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</li> </ul>	<ul style="list-style-type: none"> <li>Logs exist for all of the drillholes on the property. The history of Exploration on the property has seen the one set of log codes utilized consistently.</li> <li>The logging describes the dominant and minor rocktypes, colour, mineralisation, oxidation, alteration, vein type, core recovery, basic structure (hardness has not been logged).</li> <li>Some geotechnical logging has taken place, though in most cases the existence of extensive underground development has meant that geotechnical work has been more focused on underground exposures.</li> </ul>



Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> <li>The total length and percentage of the relevant intersections logged.</li> </ul>	<ul style="list-style-type: none"> <li>Core is photographed after markup and before sampling.</li> <li>Marked core for sampling is also photographed.</li> </ul>
<b>Sub-sampling techniques and sample preparation</b>	<ul style="list-style-type: none"> <li>If core, whether cut or sawn and whether quarter, half or all core taken.</li> <li>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</li> <li>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</li> <li>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</li> <li>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</li> <li>Whether sample sizes are appropriate to the grain size of the material being sampled.</li> </ul>	<ul style="list-style-type: none"> <li>Full core has been sampled</li> <li>Core samples were assayed at the Gekko laboratory located in Ballarat, and at Onsite labs in Bendigo</li> <li>Total pulverization before subsampling for assay is carried out at the lab.</li> <li>Initial sampling is by 50 g Fire assay with anomalous results resubmitted for a 2kg BLEG (leachwell) to test for coarse gold.</li> <li>A further fire assay of the washed pulp after leaching is undertaken to test for residual un leached gold.</li> </ul>
<b>Quality of assay data and laboratory tests</b>	<ul style="list-style-type: none"> <li>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</li> <li>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</li> <li>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</li> </ul>	<p>A standard sample is randomly inserted for approximately every 15 - 20 samples that are submitted.</p> <p>Laboratory blanks and random rechecks are also utilized by Gekko</p>
<b>Verification of sampling and assaying</b>	<ul style="list-style-type: none"> <li>The verification of significant intersections by either independent or alternative company personnel.</li> <li>The use of twinned holes.</li> <li>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</li> </ul>	<ul style="list-style-type: none"> <li>Higher sample values are subjected to re-assay by performing a 2Kg leachwell BLEG analysis on the remaining sample pulp</li> <li>All reported data was subjected to validation and verification prior to release</li> <li>Submitted standard are tabled and compared to stated value</li> <li>Data from logging and assay is being entered into Micromine for modelling and geological analysis.</li> </ul>
<b>Location of data points</b>	<ul style="list-style-type: none"> <li>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine</li> </ul>	<ul style="list-style-type: none"> <li>All holes were located by direct measurement from underground survey points.</li> <li>The coordinates used are GDA 94</li> </ul>

Criteria	JORC Code explanation	Commentary
	<p><i>workings and other locations used in Mineral Resource estimation.</i></p> <ul style="list-style-type: none"> <li>• <i>Specification of the grid system used.</i></li> <li>• <i>Quality and adequacy of topographic control.</i></li> </ul>	<ul style="list-style-type: none"> <li>• The topography control is of a high standard</li> </ul>
<b>Data spacing and distribution</b>	<ul style="list-style-type: none"> <li>• <i>Data spacing for reporting of Exploration Results.</i></li> <li>• <i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i></li> <li>• <i>Whether sample compositing has been applied.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Drilling has been carried out from underground drill cuddies. Reported drill holes are spaced at between 25 - 50 metres depending on suitability at each intended location for drill deployment. At several locations, angled holes were undertaken to locate the geological contacts</li> <li>• The aim of the drill program is to drill up and down thru the dyke unit to assess the grades and geology adjacent the current adit development. The dyke dips steeply west and is also subject to thrust fault offsets making it difficult to target the dyke consistently.</li> <li>• Sample compositing has not been applied</li> </ul>
<b>Orientation of data in relation to geological structure</b>	<ul style="list-style-type: none"> <li>• <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i></li> <li>• <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i></li> </ul>	<ul style="list-style-type: none"> <li>• The drilling has been targeted to intersect mineralized veins at a steep angle, although some oblique holes have been drilled due to the locations of available drill sites. However, this has been taken into account in such a way as to eliminate sampling bias.</li> <li>• No significant sample bias based on drill hole orientation is noted</li> <li>• The mineralisation at Rose of Denmark plunges north at ~40 degrees and drilling is predominantly south at ~70 degrees to drill across the general trend</li> </ul>
<b>Sample security</b>	<ul style="list-style-type: none"> <li>• <i>The measures taken to ensure sample security.</i></li> </ul>	<ul style="list-style-type: none"> <li>• The chain of custody for samples was managed by Morning Star Gold NL, with an established set of procedures designed to maintain sample security</li> </ul>
<b>Audits or reviews</b>	<ul style="list-style-type: none"> <li>• <i>The results of any audits or reviews of sampling techniques and data.</i></li> </ul>	<ul style="list-style-type: none"> <li>• No independent review has been undertaken of the announced drill results</li> </ul>

## Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
<b>Mineral tenement and land tenure status</b>	<ul style="list-style-type: none"> <li>• <i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i></li> <li>• <i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i></li> </ul>	<ul style="list-style-type: none"> <li>• The Rose of Denmark lies wholly within MIN5299 and is 49% held in JV with Shandong Tianye</li> </ul>
<b>Exploration done by other parties</b>	<ul style="list-style-type: none"> <li>• <i>Acknowledgment and appraisal of exploration by other parties.</i></li> </ul>	<ul style="list-style-type: none"> <li>• The Rose of Denmark ceased production in 1926 and was dormant until 2012 when Morning Star Gold enacted the JV and opened the Rose of Denmark adit, stripping the adit to ~2 metres width and undertaking mapping sampling, several</li> </ul>

Criteria	JORC Code explanation	Commentary
		<p>diamond drillholes and bulk sampling before the company ceased work in late 2012. Au star has this data.</p> <ul style="list-style-type: none"> <li>.</li> </ul>
<b>Geology</b>	<ul style="list-style-type: none"> <li><i>Deposit type, geological setting and style of mineralisation.</i></li> </ul>	<ul style="list-style-type: none"> <li>The project area lies within the Woods Point – Walhalla Synclinorium structural domain of the Melbourne zone, a northwest-trending belt of tightly folded Early Devonian Walhalla Group sandy turbidites. The domain is bounded by the Enoch's Point and Howe's Creek Faults, both possible detachment-related splay structures that may have controlled the intrusion of the Woods Point Dyke Swarm and provided the conduits for gold-bearing hydrothermal fluids. The local structural zone is referred to as the Ross Creek Faults Zone (RCFZ)</li> <li>Most gold mineralisation in the Woods Point to Gaffney's Creek corridor occurs as structurally-controlled quartz ladder vein systems hosted by dioritic dyke bulges. Rose of Denmark exhibits all these characteristics</li> </ul>
<b>Drill hole Information</b>	<ul style="list-style-type: none"> <li><i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i> <ul style="list-style-type: none"> <li><i>easting and northing of the drill hole collar</i></li> <li><i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i></li> <li><i>dip and azimuth of the hole</i></li> <li><i>down hole length and interception depth</i></li> <li><i>hole length.</i></li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Awaiting assays and final drilling data</li> </ul>
<b>Data aggregation methods</b>	<ul style="list-style-type: none"> <li><i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</i></li> <li><i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i></li> <li><i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i></li> </ul>	<ul style="list-style-type: none"> <li>In all previous ASX releases the assays are given 'un-cut' unless otherwise stated &amp; weighted averaging of results is used: in which the average grade is the sum of the products of length and grade for each sample in the interval, divided by the total length of the interval. A nominal cutoff of 1g/t is used for identification of potentially significant intercepts for reporting purposes.</li> <li>Most of the reported intercepts are shown in sufficient detail, including gold maxima and subintervals, to allow the reader to make an assessment of the balance of high and low grades in the intercept.</li> <li>Metal equivalents are not used.</li> </ul>
<b>Relationship between mineralisation widths and intercept lengths</b>	<ul style="list-style-type: none"> <li><i>These relationships are particularly important in the reporting of Exploration Results.</i></li> <li><i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i></li> </ul>	<ul style="list-style-type: none"> <li>Mineralized structures at Rose of Denmark are variable in orientation, and therefore drill orientations have been adjusted from place to place in order to allow intersection angles as close as possible to true widths.</li> <li>Exploration results have been reported as an interval with 'from' and 'to' stated in tables of significant economic intercepts. Tables clearly indicate that true widths will generally be narrower than those reported.</li> </ul>

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> <li>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</li> </ul>	<ul style="list-style-type: none"> <li>The Rose of Denmark is being tested as a bulk mining target and as such, the grades of quartz veins or quartz breccias, are not being specifically sought although it should be noted that these features are not absolutely planar and considerable anastomosing of fine veinlets does occur, with variable strike and dip. All of the veining is contained within or closely proximal to the dyke vein.</li> </ul>
<b>Diagrams</b>	<ul style="list-style-type: none"> <li>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</li> </ul>	<ul style="list-style-type: none"> <li>See Plates 1 -4 and figure 1.</li> </ul>
<b>Balanced reporting</b>	<ul style="list-style-type: none"> <li>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</li> </ul>	<ul style="list-style-type: none"> <li>This announcement relates to the presence of visible gold. Full details of the assays which are awaited will be released when details are fully to hand .</li> </ul>
<b>Other substantive exploration data</b>	<ul style="list-style-type: none"> <li>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</li> </ul>	<ul style="list-style-type: none"> <li>Results of an ongoing structural reappraisal of the mine are presented in some of the diagrams in this release</li> </ul>
<b>Further work</b>	<ul style="list-style-type: none"> <li>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</li> <li>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</li> </ul>	<ul style="list-style-type: none"> <li>Further exploration drilling from surface and underground is planned, along with face sampling in order to gain confidence regarding grades</li> </ul>

### Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Section 3 does not pertain to this report.

### Section 4 Estimation and Reporting of Ore Reserves

(Criteria listed in section 1, and where relevant in sections 2 and 3, also apply to this section.)

Section 4 does not pertain to this report.