
Rose of Denmark Gold Mine Operational Update

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

Highlights:

- **Stage II Exploration Program at RoD is now underway:**
 - **Objective is to identify and compile further gold-bearing mineral inventory for sustainable economic production**
 - **Underground percussion drill contractor mobilised and currently drilling in the adit**
 - **Diamond drill contract awarded and contractor mobilising to site**

AuStar Gold CEO, Tom de Vries said "*Following the renewal of Mining License MIN5299, AuStar Gold is pleased to announce that the next stage of activity at the Rose of Denmark gold mine is underway.*"

As stated in a previous ASX announcement (ASX:AUL 24th October 2018), developing a gold-bearing mineral inventory is the next stage at the RoD mine, whilst concurrently applying for mine water discharge permits and developing a Mine Work Plan for state government approval. This second stage will comprise percussion gold sample drilling as well as conventional diamond drilling.

From this work, and in conjunction with our gold processing and gold grade reconciliation review currently underway, we can develop lowest risk and lowest cost alternatives for developing the Rose of Denmark mine".

Stage II Exploration Program at RoD

A pneumatic top end hammer percussion drill rig specifically designed and manufactured for underground drilling (longhole drill) has been mobilised to RoD with the aim of rapidly drilling around recently mined zones, and other identified high grade gold zones. The resultant drill cuttings will be collected and sampled for gold (sludge drilling) to ascertain:

- If cheaper percussion (sludge) drilling is applicable in identifying the boundaries of the high grade gold zones underground at RoD;
- To replicate as much as possible, the handheld mining zones of extraction and then apply this to other untested areas in the mine;
- To more rapidly and cheaply test areas in the adit not previously diamond drilled; and
- To test if mechanised, longhole drill mining is an applicable and achievable method of mining at RoD.

In addition to the pneumatic longhole drill rig, a separate diamond drill contract has been awarded. The contractor is mobilising an electric powered hydraulic drill rig to site in the coming weeks.

The diamond drilling is aimed at identifying areas below and above the adit that cannot be readily tested by the longhole drill rig or airleg mining without significant development. The objective is to develop sufficient mineral inventory to justify the resumption of mining on a more sustainable, cost effective and low risk basis.

The duration of this initial drill program is approximately three to four months.

Figure 1. Longhole drill rig sludge sample drilling in the RoD adit.



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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