
AUSTAR GOLD REGIONAL EXPLORATION REVIEW COMPLETED

Highlights:

- ✓ **Geological similarities to the Costerfield Mineralogical Domain and, specifically, the Fosterville goldfield**
- ✓ **36 targets identified with 8 targets nominated as high priority based upon available geochemical information.**
- ✓ **2 of the 8 high priority targets are on Austar Gold Mining Leases.**
- ✓ **Continuing validation of AuStar Gold consolidation strategy**

AuStar Gold Limited (ASX: AUL) ('AuStar Gold' or 'the Company') has undertaken an independent review of the company's ground holdings in the Woods Point Walhalla Goldfield which is one of Australia's most prolific goldfields having produced in excess of 6.0Moz.

The purpose of the review was to further priorities the Company's expansive body of exploration targets and consolidate the vast data set held over the AuStar Gold tenement package which is currently in excess of 667sq.km.

This review was conducted by Telemark Geoscience's Principal Consultant, Dr Dennis Arne, RPGeo (MAIG), PGEO (British Columbia), FAAG. Dr Arne is an internationally respected geoscientist having worked on gold projects in Canada, Australia, South America, Asia and Africa for over 35 years and was formerly Managing Director of CSA Global's Vancouver office.

Summary:

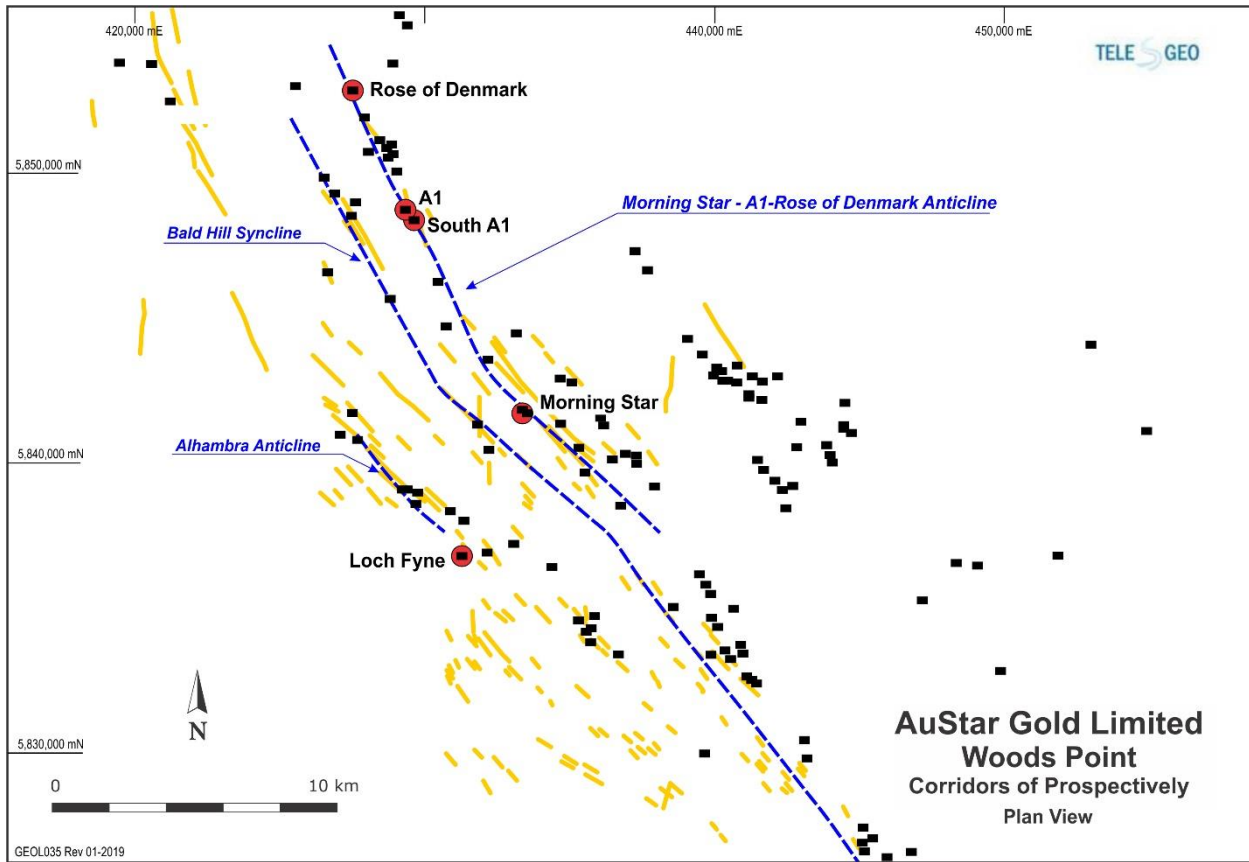
Regionally Important Characteristics

A review of all existing public open-file data including the AuStar Gold extensive exploration database was undertaken and a list of priority targets generated.

Key findings from the review included identification that the overall metallogenic setting of the Woods Point goldfield shows some similarities to the Fosterville and Costerfield gold deposits of central Victoria, including:

- a. Location of near the margin of the Precambrian Selwyn Block inferred to underlie the Melbourne Zone;
- b. A regional tectonic architecture involving tight, northwest-trending folding formed during east-west compression, coupled with thrust faults;
- c. Controls on high-grade gold mineralisation by east-west orientated structures (Swan and Eagle faults at Fosterville; geophysical lineaments at Woods Point);
- d. A Late Devonian timing for the introduction of gold mineralisation;
- e. An association with magmatism, with at least some gold mineralisation hosted by dykes
- f. The presence of gold in both disseminated sulphide minerals and as free-milling gold in quartz veins; and
- g. A strong antimony association either directly with gold mineralisation or through near-by antimony deposits (i.e. Costerfield Mineralogical Domain).

Figure 1. Corridors of prospectivity within the AuStar Gold Exploration and Mining lease holdings



Locally Important Geological Controls

Recognition of the lithostructural control on the distribution of significant gold deposits in the Woods Point goldfield leads to the recognition of three main corridors, with the highest exploration potential. These are, in order of priority:

- An anticlinal hinge that links the Morning Star, A1 and Rose of Denmark in a highly prospective corridor (MARC). Its northern and southern extensions are also considered to have high exploration potential;
- An anticlinal hinge line to southwest of the MARC, referred to here as the Alhambra anticline corridor, that hosts the Loch Fyne deposit;
- Gold occurrences associated with minor anticlinal structures in the Norton Gully Sandstone associated with regional faults, such as the Transit of Venus Fault; and
- Dyke bulges along the Bald Hill synclinal hinge within the Monty's Hut Formation slates, with the Norton Gully Sandstone folding seen as having higher prospectivity.

A key control for exploration focus are Northeast to Southwest-trending lineaments inferred from both aeromagnetic and radiometric data which may provide a critical control on the location of individual dyke emplacement and gold mineralisation. Further processing of geophysical data and their integration with bedrock geology are required to test their significance and can be undertaken with minimal cost.

36 exploration targets have been identified based on a review of the existing geochemical data that warrant follow-up by on the ground investigation. In many cases some of the geochemical anomalies will undoubtedly be due to contamination by historical mine workings and batteries, or to the presence of high-level alluvial gravels which airborne radiometric data can identify. These targets have been prioritised based on the lithostructural controls on significant gold deposits in the Woods Point goldfield.

The Woods Point goldfield has seen limited geochemical exploration using modern sampling methods and low-level, ICP-MS multi-element analyses. There is therefore opportunity to identify new, subtle geochemical anomalies related to poorly exposed gold mineralisation and intrusive dykes that may not be evident in existing geochemical data.

The use of high-resolution gravity surveys is to be reviewed as a method of direct detection of dykes, but they will not indicate whether they are mineralised, requiring further geochemical exploration.

Management Commentary

CEO Mr Tom de Vries said: *“This review is a landmark study for the Company, bringing together for the first time a fully independent and structured assessment of all the Company’s exploration assets. The exploration portfolio is a strategic asset and this study enables the ability to objectively prioritise the vast number of identified targets.*

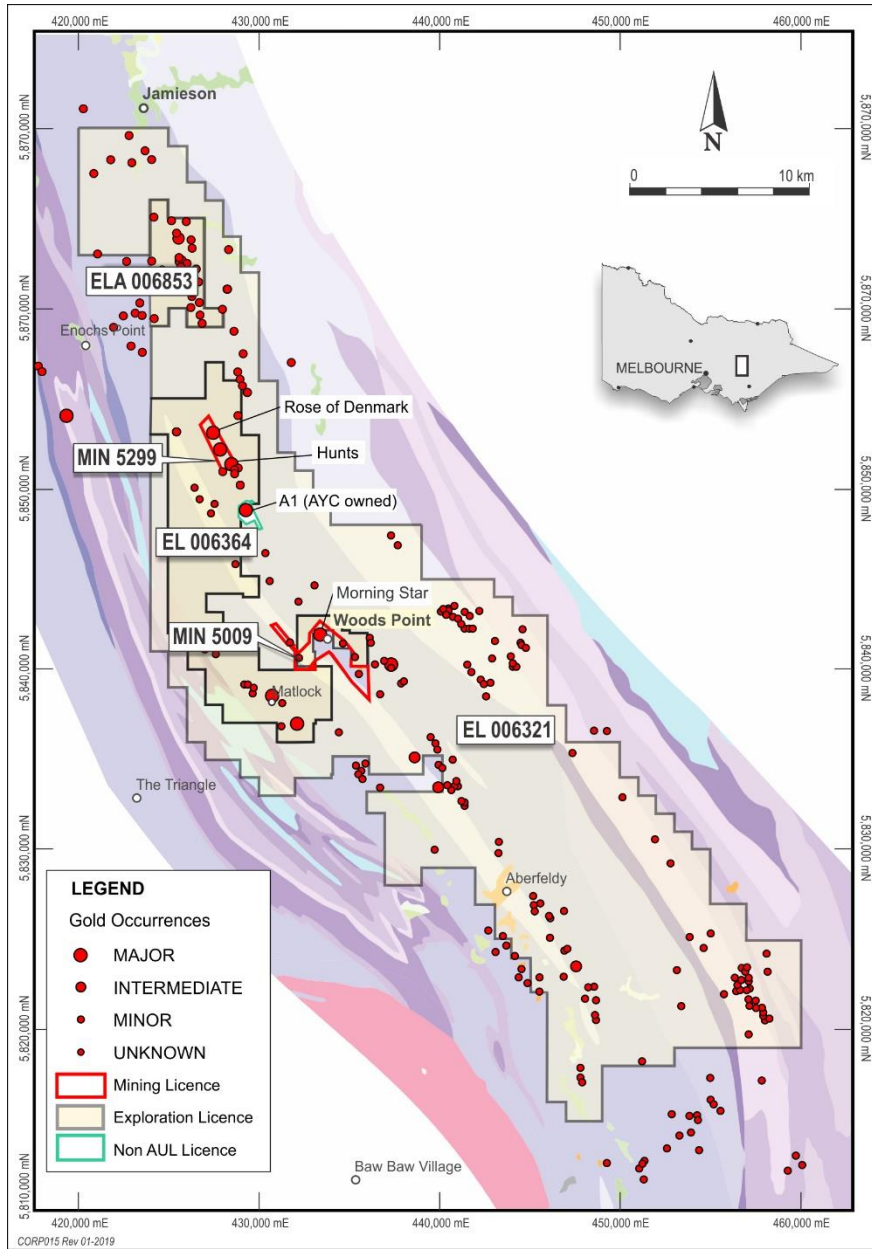
The identification of a favourable structural corridor as a primary target, with key markers will create a pipeline of projects beyond our existing Morning Star and Rose of Denmark mines and support our efforts in identifying the next Morning Star gold mine in the region.”

CEO Tom de Vries added “ Ensuring profitable and sustainable production remains our priority. This report allows for the development of a fully costed and scheduled multi-phased approach towards creating a world-class pipeline of projects. Capital allocation towards accelerating these opportunities will be a function of operational cashflows and assessing various potential joint venture opportunities.”

Next Steps

- AuStar Gold will commence fieldwork in March, undertaking geochemical sampling on identified high priority targets. Updates on the progress will be provided to the market.
- Post the completion of this phase of work, the Company will review its exploration program and determine the capital allocation towards near mine and regional exploration activities.
- The Company also plans to commence discussions with possible joint venture exploration partners given the scale and potential size of the Company’s tenement assets, and the exploration targets under evaluation.

Figure 2. Location of exploration and mining licences in the Woods Point goldfield controlled by AuStar Gold Limited (coloured), except for MIN5294 & MIN4889. (Centennial A1 Gold mine)



Competent Persons Statement.

The information in this report that relates to exploration activities and exploration results is based geological information compiled by Dr Dennis Arne, (PhD, MSc, BSc - Geology), RPGeo (MAIG), PGeo (British Columbia), FAAG, a consulting geoscientist on behalf of AuStar Gold Limited. Dr Arne is a member of the Australian Institute of Geoscientists (MAIG) and is 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), having more than five years' experience which is relevant to the style of mineralisation and type of deposit described in this report, and to the activity for which he is accepting responsibility. Dr Arne consents to the publishing of the information in this report in the form and context in which it appears.

About AuStar Gold Limited:

AuStar Gold is an emerging gold producer with the objective of generating sustainable gold production from its portfolio of high-grade gold projects, utilising its significant operational infrastructure located at Woods Point in Victoria.

The near term focus is to further identify economic volumes of ore within its portfolio of mining leases whilst further exploring its adjoining tenements in the Walhalla to Jamieson gold district (particularly the prolific Woods Point Dyke Swarm).

For Further Information:

Tom de Vries
Chief Executive Officer
AuStar Gold Limited
info@austargold.com
P: +61 408 453 256

Frank Terranova
Executive Chairman
AuStar Gold Limited
info@austargold.com
+61 448 187 557