

5 March 2019

## AUSTAR GOLD UPDATE: McNALLY'S REEF INTERSECTED WITH VISIBLE GOLD OBSERVED

### Highlights

- ✓ McNally's Reef intersected in development as predicted by the geological model
- ✓ Visible gold observed within the quartz reef
- ✓ Mine development to continue along this gold-bearing quartz structure
- ✓ McNally's mine material being stockpiled for processing in March

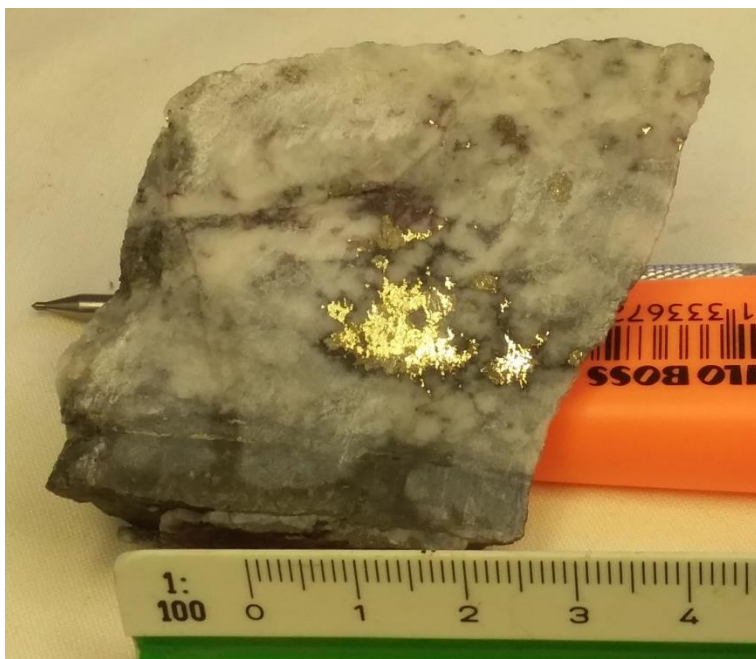
AuStar Gold Limited (ASX: AUL) has made excellent progress in underground development to enable mining and processing of gold from the historic Morning Star gold mine in the eastern goldfields of Victoria.

Underground development work has intersected the targeted McNally's Reef structure as expected, in line with the geological model, and visible gold has been encountered in the exposed face. Mined gold bearing material from McNally's Reef is presently being stockpiled for imminent processing.

### Development Update

Rail development towards the interpreted eastern boundary of the McNally's Reef commenced early in February. On 25<sup>th</sup> February the Reef was successfully intersected in the geologically interpreted position. Firing of the heading on 26<sup>th</sup> February further exposed the Reef with visible gold showing in the face. An alteration halo of pyrite and arsenopyrite extends above and below the reef.

*Photo1: McNally's Reef Showing Abundant Free Gold.*



Chip samples have been taken of the faces since the intersecting of the reef with assay results pending.

*Photo 2: McNally's Reef Development Heading on 27.02.2019 with quartz reef in the position interpreted from diamond drilling*



*Photo 3: McNally's Reef Lower LHS Showing Quartz Breccia Development.*



Exploration at Morning Star continues with the diamond drill rig now mobilised to the Morning Star Adit to undertake exploratory drilling into Upper Whitelaw, Cherries/Morgans and North Stacpoole areas.

**AuStar Gold** CEO, Tom de Vries, said:

*“The intersecting of McNally’s Reef validates the geological model for both the location and tenor of gold mineralisation. Mined material from the development heading will now be stockpiled on the surface in anticipation of milling commencing in March.*”

*“This material represents a continuation of Austar Gold’s stated aim of following a systematic, methodical approach to commencing production from the Morning Star mine. The Company has been able to achieve all the stated goals and reach the planned targets within time and cost constraints.”*

## **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 Woods Point Dyke Swarm) into low cost high grade gold production projects

### **For Further Information:**

Tom de Vries  
Chief Executive Officer  
AuStar Gold Limited  
info@austargold.com  
Ph: + 61 7 3319 4120

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