Great Boulder
RESOURCES LIMITED

Great Boulder secures highly prospective nickel-copper project in WA

New project has potential to complement Great Boulder's neighbouring Mt Venn and Eastern Mafic deposits, strengthening the combined economic prospects

Great Boulder Resources (**ASX: GBR**) is pleased to announce it has entered into a binding option agreement with Ausgold Limited (ASX: AUC) to form a Joint Venture over Ausgold's Yamarna nickel project in WA.

The Yamarna nickel project is located just 40km north of Great Boulder's Mt Venn copper-nickel-cobalt project (Figure 1) and covers 300sqkm of prospective mafic-ultramafic intrusive complexes.

Drilling has intersected nickel-copper sulphide mineralisation at the Winchester prospect, which is considered one of the primary targets at the Yamarna nickel project.

Drilling intersected mostly disseminated chalcopyrite (copper), pentlandite (nickel) and pyrrhotite/pyrite (iron). The high nickel tenor of this mineralisation makes it particularly attractive as a blend for Mt Venn, as does its potential to host higher grade nickel sulphide.

Significant results from previous Ausgold RC drilling at the Winchester prospect include[1]:

- 31m @ 0.58% Cu, 0.35% Ni from 29m (YMRC003)[2]
- 21m @ 0.63% Cu, 0.20% Ni, and 0.02% Co from 88m (YMRC009)[3]
  - *including 3m @ 0.9% Cu, 0.5% Ni, 0.03% Co from 99m*
  - *including 3m @ 1.2% Cu, 0.2% Ni, 0.01% Co from 105m*
- 28m @ 0.50% Cu, 0.21% Ni, and 0.02% Co from 99m (YMRC010) [3]
  - *including 10m @ 0.8% Cu, 0.4% Ni, 0.03% Co from 99m*

Under the proposed terms of the Joint Venture, Great Boulder can earn up to 75% of the Yamarna nickel project by issuing Ausgold 1.5m GBR shares and spending $500,000 on exploration over four years.

In addition to Winchester, Ausgold identified numerous nickel-copper-cobalt and PGE targets from aircore drilling and EM surveys. Great Boulder will assess these as part of its proposed Joint Venture earn-in on the Yamarna nickel project (Figure 2).

1. Ausgold ASX announcement 5 April 2017
2. **Predominantly oxide and transitional material**
3. **Fresh sulphide material**

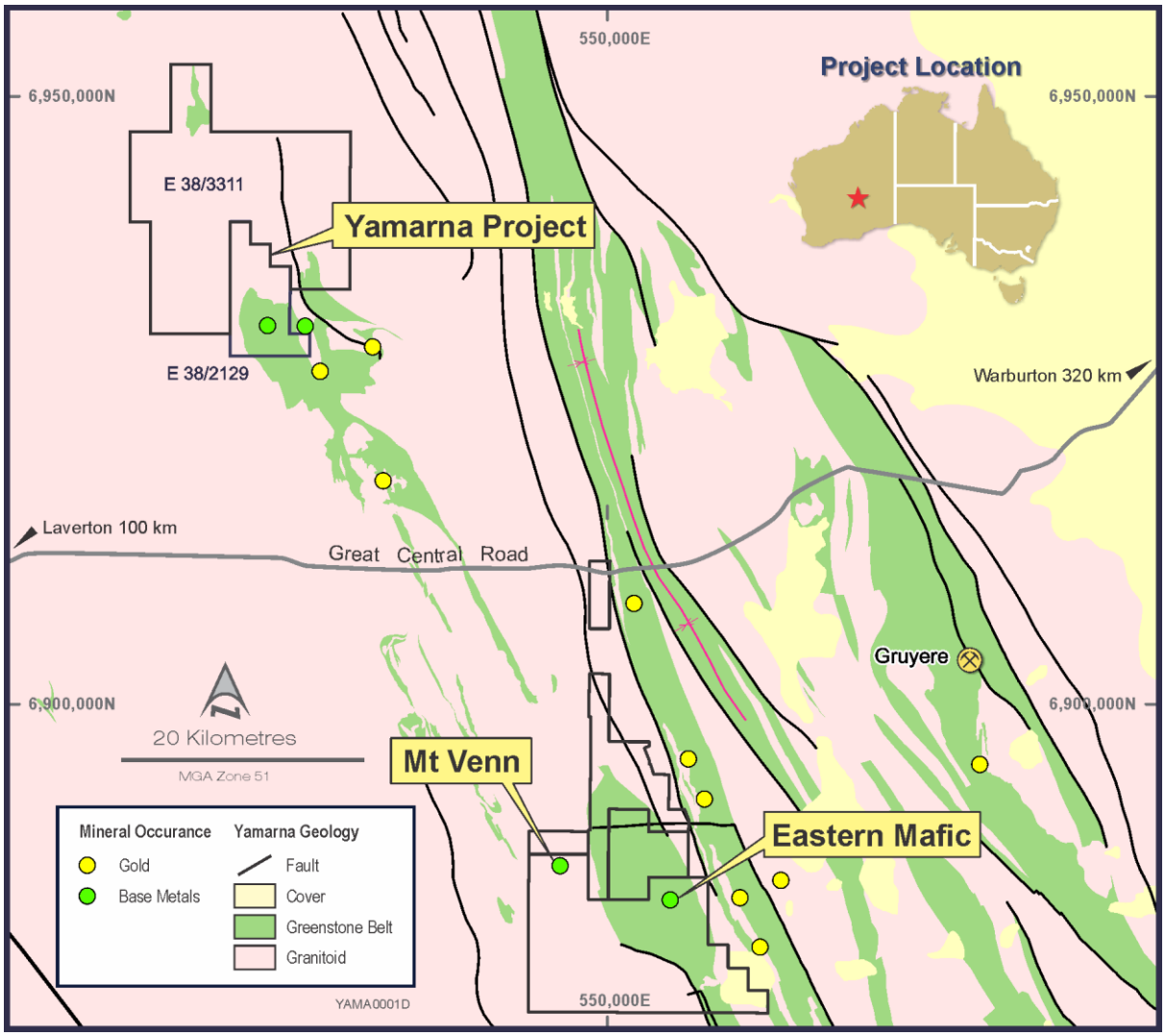

Figure 1. *Location map showing Great Boulder Mt Venn and Eastern Mafic projects and Ausgold's Yamarna nickel project*

Great Boulder Managing Director Stefan Murphy said the Yamarna nickel project and recently announced Mt Carlon project had the potential to play an important role in the Company's strategy to establish a substantial copper-nickel-cobalt operation.

"We have established extensive mineralisation across Mt Venn and the Eastern Mafic and while our exploration program is ongoing and still in its early phase, it is clear that this is a large mineralised province," Mr Murphy said.

"The results at the Yamarna nickel project show that this area is also mineralised and has the potential to host higher-grade nickel which could blend with that at Mt Venn and the Eastern Mafic."

Ausgold's Managing Director, Matthew Greentree, said the farm-in agreement with Great Boulder over the Yamarna Project ensures the asset will be advanced by a committed explorer in the region through a well-funded exploration program.

"This structure allows the Company to focus exploration funds on its 100%-owned Katanning Gold Project, where the Company continues to experience exploration success and is progressing towards a mine development. We are pleased that Great Boulder will commence exploration immediately by drilling two EM conductors within the Winchester Prospect."

BACKGROUND

In 2010 Ausgold identified 19 electromagnetic ("EM") targets from airborne and ground surveys. Initial RC drilling at the Winchester Prospect intercepted significant Cu and Ni in drill hole YMRC003. During 2011 eight RC holes were completed across the Winchester Prospect and two other EM targets. Drill holes YAM09 and YAM10 retuned significant copper and nickel sulphide intersections.

In March 2013 an AC drill program totalling 2,282 metres for 77 holes was completed on the Winchester Prospect. The program was designed to test for extensions to the Cu-Ni mineralisation encountered in earlier drilling and to define the extent of the host pyroxenite unit, which is currently defined over approximately 500m of strike. Significant aircore assay results include:

- 48m @ 0.6% Cu and 0.3% Ni
  - *including 9m @ 1.1% Cu and 0.4% Ni*
- 39m @ 0.4% Cu and 0.2% Ni

Mineralisation is characterised by disseminated sulphides (up to 10%) comprising chalcopyrite (copper), pentlandite (nickel) and pyrite/pyrrhotite (iron) contained within mafic-ultramafic rocks.

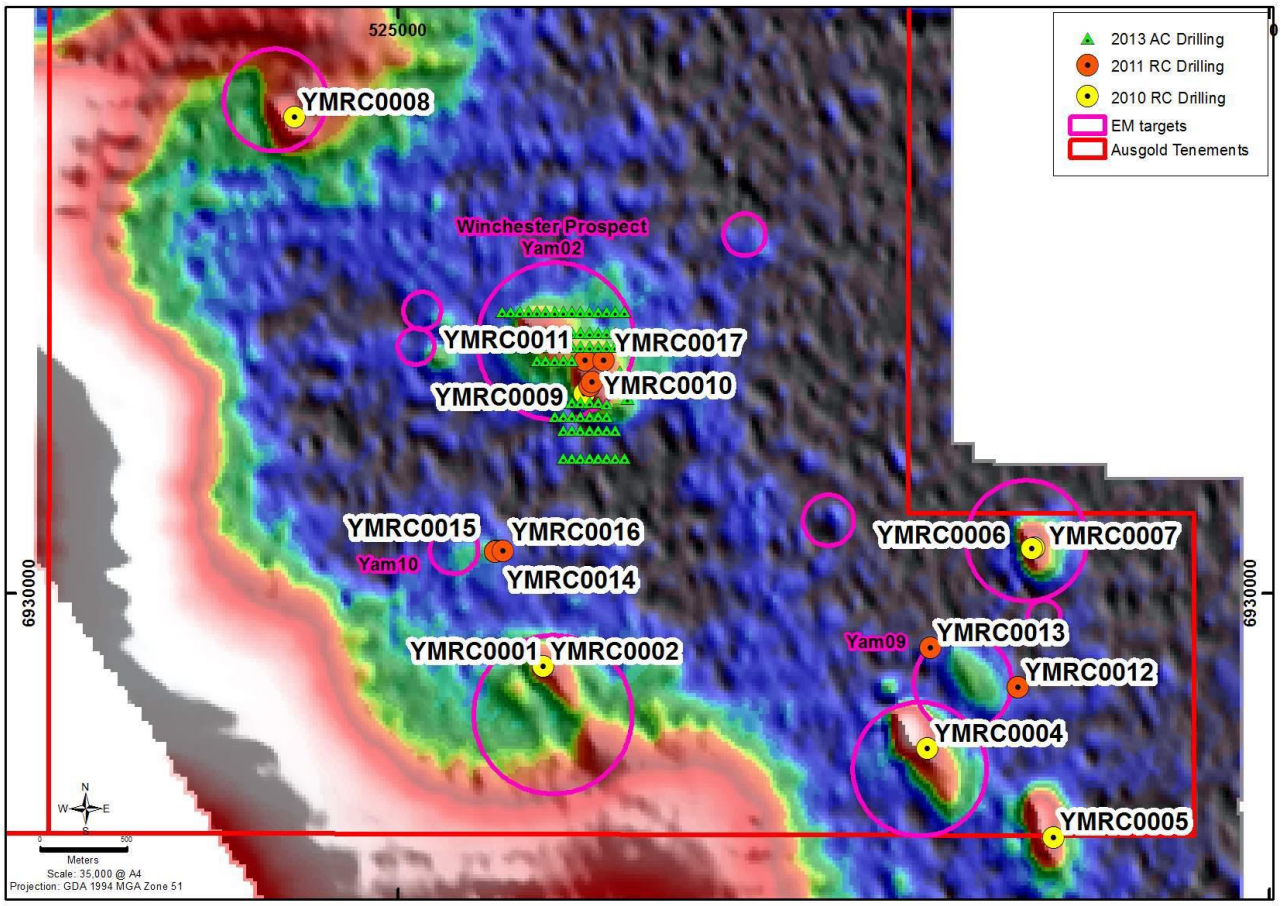

Figure 2. *Portion of Ausgold's E38/2129 tenement, showing EM (Ch48) targets and drilling campaigns*

The Winchester Prospect (Yam02) and Yam09 are high priority targets with untested EM conductors.

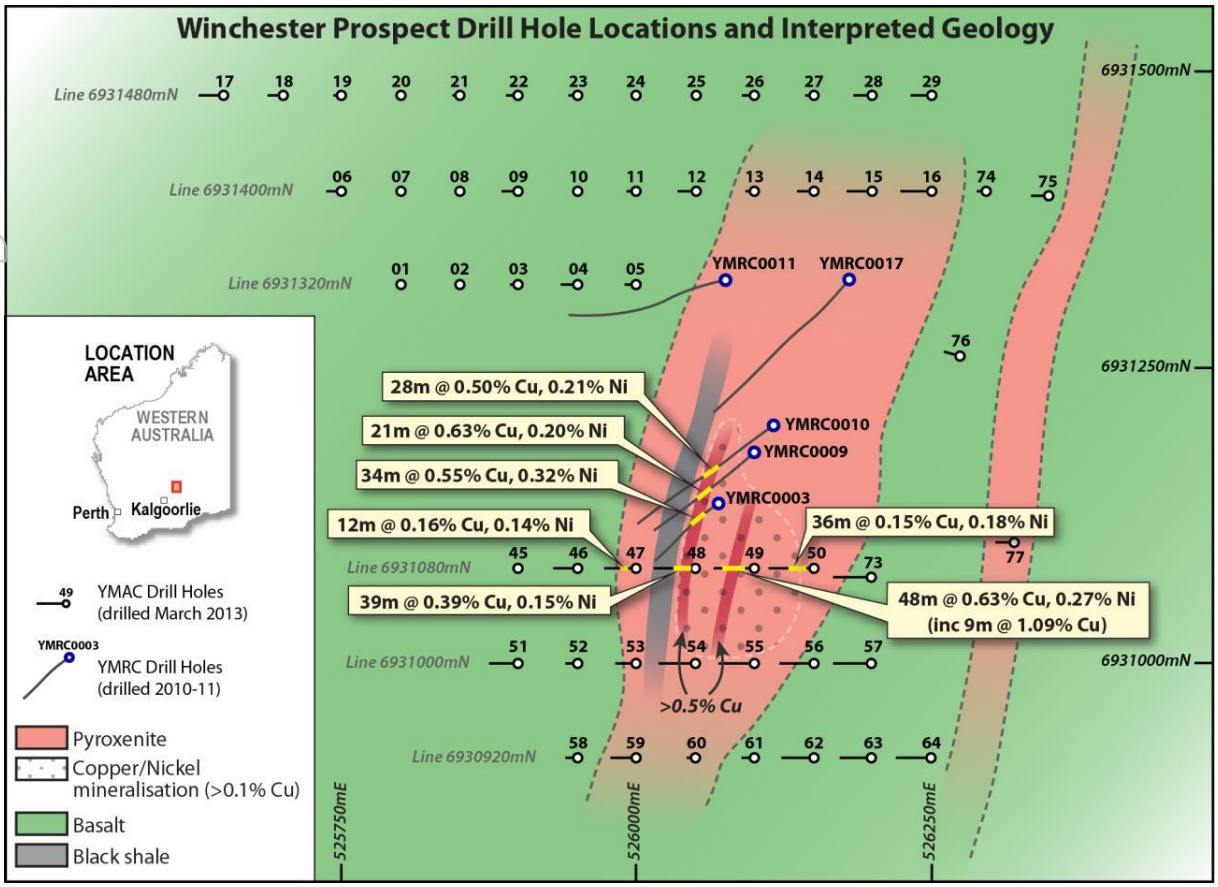

Figure 3. *Winchester Drill Hole plan showing interpreted geology and significant intercepts*

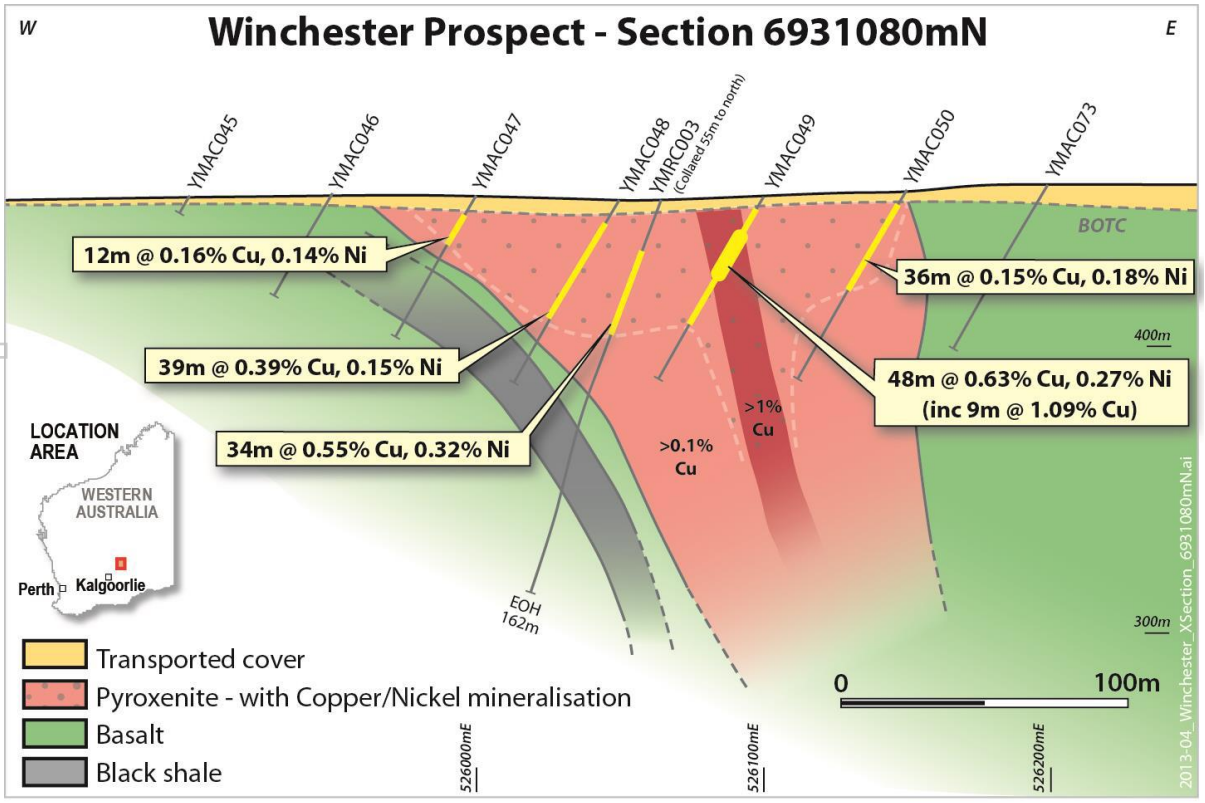

Figure 4. *Winchester cross-section 6931080mN showing interpreted geology and significant intercepts*

NEXT STEPS

Great Boulder will mobilise an RC drill rig to Winchester following the completion of drilling at the Eastern Mafic. Two-three holes have been planned to test the DHEM modelled conductor plate and interpreted down-dip extension of the copper-nickel bearing lens at the Winchester prospect (Figures 5 and 6).

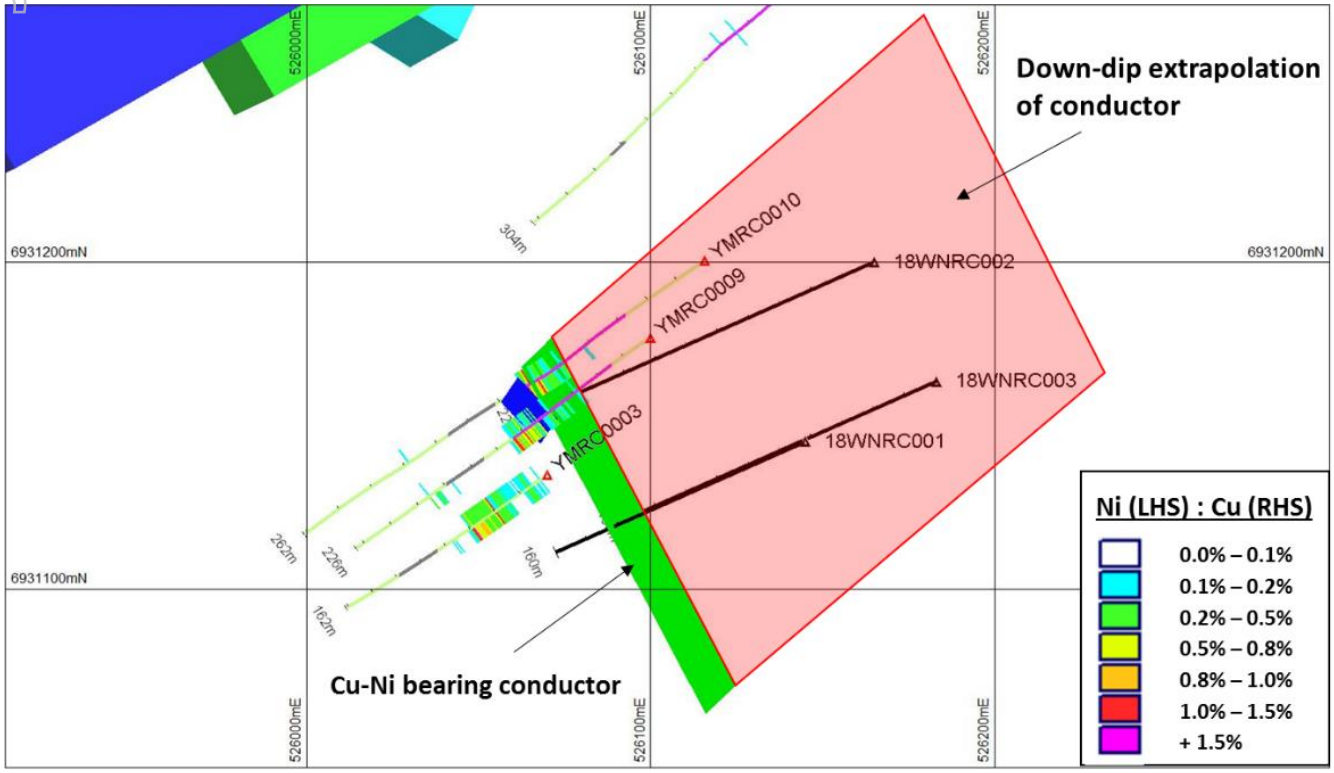

Figure 5. *Plan view of Winchester prospect - Downhole assays from previous drilling and planned drill holes (black). The target Cu-Ni bearing conductor is shown in green; the red polygon shows the down-dip extrapolation of this conductor.*

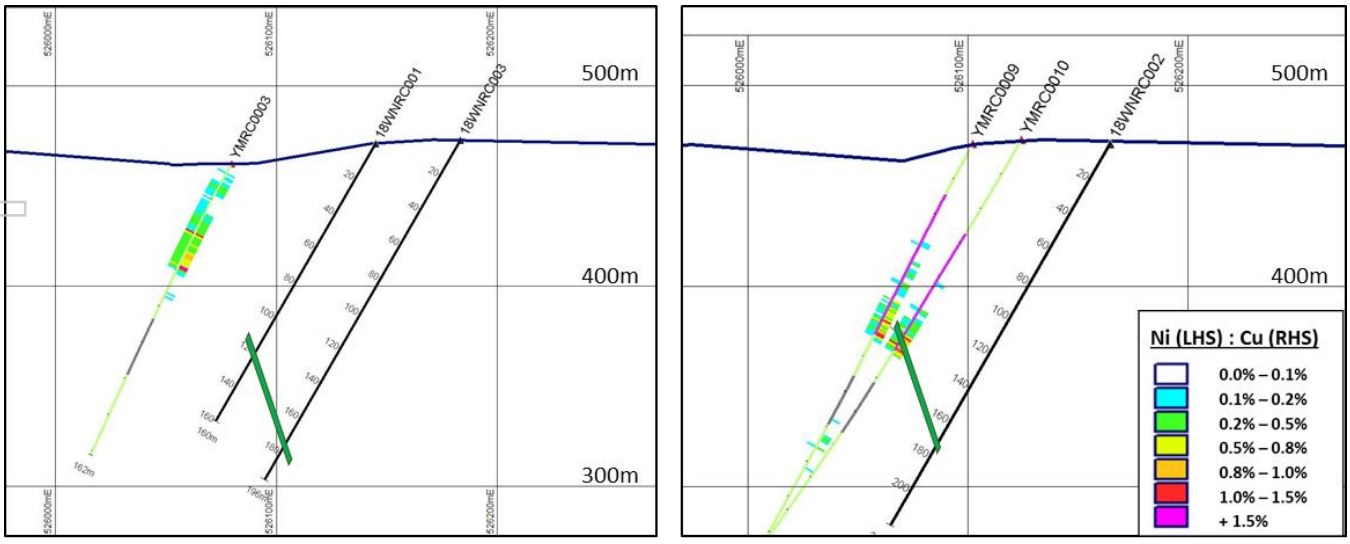

Figure 6. *Cross section of existing and planned RC drilling at the Winchester prospect – Cu-Ni bearing conductor is shown in green*

TRANSACTION STRUCTURE

Ausgold has granted Great Boulder an Option to form a Joint Venture on granted tenement E38/2129 and application E38/3311 (the Yamarna nickel project) through the expenditure of $50,000 on E38/2129 during the current reporting year. Tenement E38/2129 is nearing the end of its term and will be subject to an extension of term application.

Should Great Boulder elect to exercise its Option to form a Joint Venture on the Yamarna nickel project, the Company will issue Ausgold 1,500,000 fully paid ordinary shares on formation of the Joint Venture. Great Boulder will then have the right to earn an initial 51% through the expenditure of $250,000 over 2 years, and an additional 24% (total 75%) through the expenditure of $250,000 over an additional 2 years (total 4 years).

Upon Great Boulder meeting the minimum expenditure milestone, Ausgold will retain a 25% free-carried interest in the Yamarna nickel project to a decision to mine

Appendix 1 - RC Drill Hole Location

Hole ID	Depth	Easting	Northing	Azimuth	Dip
YMRC0001	59	525836	6929570	235	-60
YMRC0002	179	525835	6929570	235	-61
YMRC0003	162	526070	6931135	235	-64
YMRC0004	234	528040	6929100	270	-58
YMRC0005	224	528760	6928590	270	-59
YMRC0006	145	528650	6930250	250	-80
YMRC0007	259	528640	6930247	250	-80
YMRC0008	262	524410	6932720	270	-60
YMRC0009	226	526100	6931177	235	-62
YMRC0010	262	526116	6931201	235	-59
YMRC0011	382	526075	6931325	255	-65
YMRC0012	382	528560	6929450	225	-60
YMRC0013	100	528055	6929675	225	-60
YMRC0014	34	525565	6930230	270	-60
YMRC0015	382	525557	6930226	270	-60
YMRC0016	390	525604	6930230	225	-60
YMRC0017	304	526180	6931325	270	-60

(MGA94 datum, UTM zone 51. Elevation values in AHD)

Appendix 2 – Aircore Drill Hole Location

Hole ID	Depth	Easting	Northing	Azimuth	Dip
YMAC001	7	525800	6931320	270	-60
YMAC002	7	525850	6931320	270	-60
YMAC003	12	525900	6931320	270	-60
YMAC004	29	525950	6931320	270	-60
YMAC005	21	526000	6931320	270	-60
YMAC006	26	525750	6931400	270	-60
YMAC007	10	525800	6931400	270	-60
YMAC008	11	525850	6931400	270	-60
YMAC009	30	525900	6931400	270	-60
YMAC010	5	525950	6931400	270	-60

Hole ID	Depth	Easting	Northing	Azimuth	Dip
YMAC011	17	526000	6931400	270	-60
YMAC012	32	526050	6931400	270	-60
YMAC013	15	526100	6931400	270	-60
YMAC014	27	526150	6931400	270	-60
YMAC015	43	526200	6931400	270	-60
YMAC016	52	526250	6931400	270	-60
YMAC017	43	525650	6931480	270	-60
YMAC018	27	525700	6931480	270	-60
YMAC019	13	525750	6931480	270	-60
YMAC020	9	525800	6931480	270	-60
YMAC021	13	525850	6931480	270	-60
YMAC022	24	525900	6931480	270	-60
YMAC023	14	525950	6931480	270	-60
YMAC024	10	526000	6931480	270	-60
YMAC025	5	526050	6931480	270	-60
YMAC026	22	526100	6931480	270	-60
YMAC027	11	526150	6931480	270	-60
YMAC028	33	526200	6931480	270	-60
YMAC029	37	526250	6931480	270	-60
YMAC030	53	525600	6931600	270	-60
YMAC031	38	525650	6931600	270	-60
YMAC032	32	525700	6931600	270	-60
YMAC033	21	525750	6931600	270	-60
YMAC034	25	525800	6931600	270	-60
YMAC035	12	525850	6931600	270	-60
YMAC036	23	525900	6931600	270	-60
YMAC037	16	525950	6931600	270	-60
YMAC038	9	526000	6931600	270	-60
YMAC039	16	526050	6931600	270	-60
YMAC040	9	526100	6931600	270	-60
YMAC041	16	526150	6931600	270	-60
YMAC042	15	526200	6931600	270	-60
YMAC043	26	526250	6931600	270	-60
YMAC044	14	526300	6931600	270	-60
YMAC045	7	525900	6931080	270	-60
YMAC046	41	525950	6931080	270	-60
YMAC047	57	526000	6931080	270	-60
YMAC048	74	526050	6931080	270	-60
YMAC049	73	526100	6931080	270	-60
YMAC050	76	526150	6931080	270	-60
YMAC051	36	525900	6931000	270	-60
YMAC052	10	525950	6931000	270	-60
YMAC053	23	526000	6931000	270	-60
YMAC054	65	526050	6931000	270	-60
YMAC055	56	526100	6931000	270	-60
YMAC056	66	526150	6931000	270	-60
YMAC057	75	526200	6931000	270	-60
YMAC058	18	525950	6930920	270	-60
YMAC059	44	526000	6930920	270	-60
YMAC060	18	526050	6930920	270	-60
YMAC061	23	526100	6930920	270	-60
YMAC062	55	526150	6930920	270	-60
YMAC063	56	526200	6930920	270	-60
YMAC064	60	526250	6930920	270	-60
YMAC065	33	525950	6930760	270	-60

Hole ID	Depth	Easting	Northing	Azimuth	Dip
YMAC066	23	526000	6930760	270	-60
YMAC067	10	526050	6930760	270	-60
YMAC068	7	526100	6930760	270	-60
YMAC069	51	526150	6930760	270	-60
YMAC070	47	526200	6930760	270	-60
YMAC071	28	526250	6930760	270	-60
YMAC072	49	526300	6930760	270	-60
YMAC073	66	526199	6931072	270	-60
YMAC074	15	526295	6931398	270	-60
YMAC075	28	526349	6931395	270	-60
YMAC076	29	526274	6931260	280	-60
YMAC077	33	526320	6931102	270	-60

(MGA94 datum, UTM zone 51. Elevation values in AHD)

Appendix 3 – Summary of Winchester Significant RC Drill Intersections

YMRC003

From	To	Interval	Cu % (max graph 1%)	Ni % (max graph 1%)	Co ppm (max graph 1000ppm)
29	30	1	0.22	0.21	180
30	31	1	0.17	0.18	155
31	32	1	0.14	0.20	185
32	33	1	0.50	0.42	340
33	34	1	0.43	0.33	305
34	35	1	0.31	0.21	170
35	36	1	0.33	0.22	180
36	37	1	0.24	0.20	230
37	38	1	0.23	0.17	195
38	39	1	0.34	0.18	155
39	40	1	1.32	1.05	555
40	41	1	0.62	0.63	195
41	42	1	0.34	0.46	135
42	43	1	0.40	0.45	115
43	44	1	0.37	0.43	145
44	45	1	0.38	0.41	115
45	46	1	0.66	0.46	210
46	47	1	0.41	0.23	200
47	48	1	0.33	0.23	195
48	49	1	0.28	0.23	160
49	50	1	0.70	0.49	315
50	51	1	0.88	0.31	190
51	52	1	0.92	0.33	225
52	53	1	0.97	0.36	225
53	54	1	0.70	0.25	215
54	55	1	0.56	0.23	140
55	56	1	0.71	0.24	170
56	57	1	0.55	0.45	315
57	58	1	2.46	0.72	600
58	59	1	1.18	0.27	240
59	60	1	0.33	0.17	110

YMRC009

From	To	Interval	Cu % (max graph 1%)	Ni % (max graph 1%)	Co ppm (max graph 1000ppm)
88	89	1	0.50	0.25	190
89	90	1	0.26	0.08	85
90	91	1	0.17	0.14	135
91	92	1	0.33	0.07	80
92	93	1	0.56	0.21	170
93	94	1	0.48	0.16	135
94	95	1	0.50	0.28	200
95	96	1	0.63	0.19	155
96	97	1	0.74	0.12	125
97	98	1	0.33	0.09	105
98	99	1	0.51	0.10	110
99	100	1	1.14	0.24	210
100	101	1	0.76	0.71	460
101	102	1	0.70	0.46	320
102	103	1	0.42	0.14	105
103	104	1	0.65	0.13	115
104	105	1	0.38	0.24	170
105	106	1	0.97	0.24	185
106	107	1	1.14	0.12	115
107	108	1	1.46	0.16	135
108	109	1	0.54	0.10	80

YMRC010

From	To	Interval	Cu % (max graph 1%)	Ni % (max graph 1%)	Co ppm (max graph 1000ppm)
99	100	1	0.36	0.13	140
100	101	1	0.29	0.12	135
101	102	1	0.13	0.07	85
102	103	1	0.09	0.06	90
103	104	1	0.06	0.07	110
104	105	1	0.12	0.05	85
105	106	1	0.20	0.05	75
106	107	1	0.46	0.21	180
107	108	1	0.39	0.14	135
108	109	1	0.40	0.15	150
109	110	1	0.44	0.17	160
110	111	1	0.40	0.21	170
111	112	1	0.44	0.21	155
112	113	1	0.19	0.06	65
113	114	1	0.49	0.24	175
114	115	1	0.74	0.23	175
115	116	1	1.13	0.26	195
116	117	1	0.88	0.16	135
117	118	1	0.63	0.14	115
118	119	1	0.52	0.32	225
119	120	1	0.96	0.33	245
120	121	1	0.56	1.18	740
121	122	1	0.95	0.53	345
122	123	1	1.12	0.36	260
123	124	1	0.85	0.27	220
124	125	1	0.61	0.13	120
125	126	1	0.43	0.09	90
126	127	1	0.07	0.02	40

Competent Person's Statement

Exploration information in this Announcement is based upon work undertaken by Mr Stefan Murphy whom is a Member of the Australasian Institute of Geoscientists (AIG). Mr Stefan Murphy has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a 'Competent Person' as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC Code). Mr Stefan Murphy is an employee of Great Boulder and consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.

Forward Looking Statements

This Announcement is provided on the basis that neither the Company nor its representatives make any warranty (express or implied) as to the accuracy, reliability, relevance or completeness of the material contained in the Announcement and nothing contained in the Announcement is, or may be relied upon as a promise, representation or warranty, whether as to the past or the future. The Company hereby excludes all warranties that can be excluded by law. The Announcement contains material which is predictive in nature and may be affected by inaccurate assumptions or by known and unknown risks and uncertainties and may differ materially from results ultimately achieved.

The Announcement contains "forward-looking statements". All statements other than those of historical facts included in the Announcement are forward-looking statements including estimates of Mineral Resources. However, forward-looking statements are subject to risks, uncertainties and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by such forward-looking statements. Such risks include, but are not limited to, copper, gold and other metals price volatility, currency fluctuations, increased production costs and variances in ore grade recovery rates from those assumed in mining plans, as well as political and operational risks and governmental regulation and judicial outcomes. The Company does not undertake any obligation to release publicly any revisions to any "forward-looking statement" to reflect events or circumstances after the date of the Announcement, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws. All persons should consider seeking appropriate professional advice in reviewing the Announcement and all other information with respect to the Company and evaluating the business, financial performance and operations of the Company. Neither the provision of the Announcement nor any information contained in the Announcement or subsequently communicated to any person in connection with the Announcement is, or should be taken as, constituting the giving of investment advice to any person.

Appendix- JORC Code, 2012 Edition Table 1

The following table relates to activities undertaken by Ausgold Limited on its Yamarna nickel project.

Section 1 Sampling Techniques and Data

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

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *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.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1m samples from which 3kg was pulverised to produce a 30g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	The RC drilling programs referred to in this announcement were drilled over two campaigns during August-September 2010 and September-October 2011 by Ausgold Exploration Pty Ltd across base-metal targets as determined by soil sampling and EM geophysics. The AC drilling referred to in this announcement was drilled during March 2013 at the Winchester prospect designed to confirm the orientation and extent of the Cu-Ni hosting pyroxenite discovered in the RC drilling. It is assumed that industry standard sapling was conducted with all the previously conducted drilling. Samples from RC drilling were collected in one metre intervals in mineralised zones with a 1/8 split for assay, split by a cyclone-mounted cone splitter, bagged in pre-numbered calico bags and the remainder retained in large plastic bags. QAQC samples consisting of field duplicates (additional split from RC), with standards and blanks were inserted into the sequence of assay samples at a rate of 1 in 30. Each RC metre sampled weighed approximately 2 to 3 kilograms. All RC samples were sent to Ultratrace Laboratories. Samples from AC drilling were collected a rig-mounted cyclone by bucket in one meter intervals. Sample material was placed directly on the ground from the buckets in rows of ten. A spear sample was taken from each bulk sample and composited to 3m, weighing to approximately 3kg. Spear samples were taken as consistently full and level for each sample. An additional 1m end-of-hole (EOH) sample was taken for multi-element and gold assay. The 3kg AC composite samples were sent to ALS Laboratory in Perth.
Drilling techniques	• *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).*	All samples in this program were from RC drilling conducted by Boart Longyear. The RC drill holes utilised a down hole hammer and face sampling bit and were 5.5 inches in diameter. All samples in this program were from AC drilling conducted by Drillpower.

Criteria	JORC Code explanation	Commentary
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *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.*	RC drilling sample weights (inclusive of moisture) were recorded for bulk reject samples. Recoveries are calculated qualitatively. The relationship between sample recovery and grade and whether bias has been introduced has not been investigated at this stage.
Logging	• *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.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	Representative rock chips were collected in chip trays, and logged the geologist at the drill site. Sample condition and degree of weathering were recorded qualitatively. No geotechnical logging is possible on reverse circulation samples. Lithology, weathering (oxidation state), structure, veining, mineralisation and alteration are recorded in detail using an acquire front end digital logging system sheets to ensure that all data was collected consistently. This data is logged using tablet computers. All data is validated by the logging geologist before being entered in an acQuire database. All drill holes are logged.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *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.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	RC chip samples were collected from each sampling interval from the rig mounted cyclone. This sample was riffle split to produce a sample that represents 12.5% of the initial sample collected. Another 25% sample is retained as a reference sample and when required (1 in 30) another 12.5% sample was collected as a field duplicate. All AC samples were collected with a spear as a 3m composite. Other composites were collected where required to match the end of hole. It is assumed that both wet and dry samples were collected. All samples are dried before analysis. The size of the sample is considered appropriate for the mineralisation styles sought and for the analytical techniques used. For QAQC samples, a sequence of matrix matched certified reference materials, commercial certified reference materials and blanks were inserted into the sample run at a frequency of approximately 1 in 25 samples. Sample sizes are considered to be appropriate for the style/texture of potential oxide and sulphide mineralisation
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *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.*	RC drill samples were analysed by Ultratrace Laboratories (Perth) using methods Au-FA002 and ICP302 for determination of Ag, As, Bi, Co, Cr, Cu, Fe, Mn, Mo, Ni, Pb, S, Sn, Te and Zn by ICPAES or ICS-MS as required. Au, Pt and Pd were analysed fire assay with ICP quantification. AC drill samples were analysed by ALS Laboratories (Perth) using methods Au-TL43 and ME-MS62 for determination of Au, Ag, As,

Criteria	JORC Code explanation	Commentary
	• *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.*	Bi, Co, Cr, Cu, Fe, Mn, Mo, Ni, Pb, S, Sn, Te and Zn by ICPAES or ICS-MS as required. Au, Pt and Pd were analysed fire assay with ICP quantification. Samples were sorted, dried, crushed to 10mm, pulverised to -75µm and split to produce a 10g sub sample (charge) for aqua regia digestion and gold analysis by ICP- MS with a 1ppb lower detection limit (4,000 ppb upper limit). The analytical techniques used are considered appropriate using four acid digestion or sample fusion. Certified field duplicates, blanks and standards were inserted approximately every 20m. Blank samples are inserted to check for contamination in field sampling, laboratory sample preparation and analysis. The blank material used should be below detection limits. The gold standards were sourced from RockLabs and Gannet Holdings with gold certified values ranging between 0.201g/t and 3.370g/t. Standard reference materials are used to check accuracy and bias of the analytical method. The results were similar to the standard concentration for the specific standard. 100% of the gold standards assays were within acceptable limits with no low or high bias. Ultratrace and ALS also insert QAQC samples to internally test the quality of the analysis. These results are received with the assay results in each batch. QAQC included standards, blanks and duplicates for independent quality control. The results of the lab standards were also monitored on a batch to batch basis by the data geologist. The results do not appear to show any issues with the laboratory.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	The significant drill intersections reported in this announcement have been sourced from the Ausgold Limited Quarterly Report for the period ended 31 December 2013 and from ASX Announcement “Latest Results Indicate Significant/Copper/Nickel Discovery at Yamarna Project” 21 December 2011. No changes to the reported results have been made in this announcement unless otherwise noted. Data importation into the database is documented through standard operating procedures and is guided by acQuire import validations to prevent incorrect data capture/importation. Geological, structural and density determination data was directly captured in the database through a validation controlled interface using Toughbook computers and acquire database import validations. Primary data is stored in its source electronic form. Assay data is retained in both the original certificate (.pdf) form and the text files received from the laboratory. Data entry, validation and

Criteria	JORC Code explanation	Commentary
		storage are discussed in the section on database integrity below.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	It is assumed that RC and AC drill collars were surveyed sing a handheld GPS with a considered accuracy of +/-5m horizontally and +/-10m vertically. Downhole surveys were taken every 30-50m using a single shot camera tool. The grid system is MGA94 datum, UTM zone 51. Elevation values were in AHD. It is not known or recorded how the topographic control is determined. The considered accuracy from the existing data is +/-10m. Validated surveys were entered into the acQuire data base by data entry personnel.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *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.* • *Whether sample compositing has been applied.*	RC drilling during adopted a targeted drilling approach with nominal spacing considered to be appropriate for the prospect level and exploration stage The AC drilling was designed at 50m spaced holes on 80m spaced lines. Sand dunes in the north and the south necessitated wider spaced lines (120m and 160m respectively). The line spacing is considered close enough to discover the short strike length of the potential mineralised shoot and the hole spacing and coverage is sufficient to map out bedrock geology and test mineralised trends. Drill hole details are contained within the body of this report. No sample compositing has been applied to the RC drilling. Sample compositing has been applied to the AC drilling. Standard 3m composited were taken with other composites taken as required to match the end of hole.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *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.*	All holes were designed to best capture the interpreted dip and strike of the mineralisation and oriented perpendicular to the trend of interpreted lithology and structures to obtain as much as possible a true width representation. Observations of the current program do not suggest a bias in sampling from the drilling orientation given the early stage of the prospect and exploration.
Sample security	• *The measures taken to ensure sample security.*	Ausgold is not aware of the sample security measures in place at the time of the drilling campaigns. However, it is assumed that measures adopted were completed to acceptable industry standards. The chain of custody is maintained by the laboratory once the samples are received on site.

Criteria	JORC Code explanation	Commentary
		Assay results are emailed to the responsible geology administrators in Perth and loaded into the acQuire database through an automated process. QAQC on import is completed before the results are finalised.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	No audits or reviews of the sampling techniques or data have been completed by Ausgold since the completion of the campaigns concerning these drilling results.

Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *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.* • *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.*	The Winchester prospect and results referred to in this announcement are located on E38/2129, which is 100% owned by Ausgold Exploration Pty Ltd. The tenement is not subject to any native title claim and exploration is subject to a Heritage Protection Agreement between Ausgold Exploration Pty Ltd and the Goldfields Land and Sea Council (GLSC; the "Wongatha agreement") dated 14/3/2008. Consent to mine on Use and Benefit of Aborigines on Reserve 22032 was granted on 18 August 2010. The tenement is in good standing, and all work is conducted under specific approvals from the Department of Mines and Petroleum (DMP).
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	Helix Resources held the historical E38/1354 which covered part of the current tenement E38/2129 from 2001-2003. During this time, Helix resources conducted a drilling program of 263 vacuum holes (JVC705 to JVC967) for a total of 1309 metres. The goal of the drilling was to find platinum group metals and base metal mineralisation. All of the holes drilled are located on the current tenement. In 2001, Helix Resources took 166 Soil samples on a 12.5m and 25 m spacing. Of the 166 soil samples, there is 16 on the current tenement. The aim of the sampling was to infill and close off PGM mineralisation identified in the Mt Warren sill. The sampling closed off the PGM zone, illustrating a 25m wide +20ppb Platinum and Palladium stratiform and stratabound anomaly. The anomalous area is located 50 to 100m above the gabbro and pyroxenite contact. From 2001 to 2002, Helix Resources conducted drilling over a large proportion of the current tenure. There was a 3025.5 metre drilling program conducted for 613 vacuum holes. There are 332 holes for a total of 1882.5 m of drilling on the current tenure. Quadrant Australia picked up the Jutson Rock project in the mid 1980's as Elmina Resources. In 1986 Elmina completed a reconnaissance rock chip sampling program. The results were promising with anomalies in gold, platinum, palladium and chromium.
Geology	• *Deposit type, geological setting and style of mineralisation.*	Ausgold's Yamarna Project is located at the northern end of the Mt Venn Greenstone belt of the Burtville Terrane of the Eastern Yilgarn Craton, Western Australia. Recent governemnt mapping and

Criteria	JORC Code explanation	Commentary
		interpretation of the area indicates that the Burtville Terrane has many similarities with the Youanmi Terrane which hosts the Murchison and Southern Cross gold districts. The Mt Venn Greenstone belt is bounded by granitoids and comprises greenschist amphibolite facies intrusive ultramafics, mafics, felsics and meta-sediments. The north-northwest trending Mount Venn greenstone belt has parallel sheared contacts with the surrounding granites. The lower part of the succession in the belt contains inter-bedded basalt and komatiitic basalt, which are locally metamorphosed to amphibolite, chlorite schist, and tremolite–chlorite– talc schist. Basalts along the eastern side of the belt contain thin, parallel sheets of dolerite, leucogabbro and pyroxenite. The pyroxenites are generally metamorphosed to talc–serpentine–chlorite schist. In the northern part of the belt, the basalts have been concordantly intruded by the 2755+5 Ma Mapa Igneous Complex, a layered body which is at least 400 m thick (the upper contact is not preserved). The complex contains two lower gabbroic layers that grade from pyroxenite through melanocratic gabbro to more leucocratic gabbro at the top, and an upper layer of homogeneous, medium-grained dolerite. The basalts locally contain elongate to lenticular units of variably metamorphosed, locally micaceous, fine- to coarse-grained sandstones with minor laminated siltstones (Pawley & Hall 2010). The sedimentary and mafic rocks are overlain by variably deformed, felsic volcanic and volcaniclastic rocks of the Palkapiti Formation. Finally, the greenstones were discordantly intruded by several late granite stocks. E38/2129 is relatively unexplored, with limited drilling prior to Ausgold's 2010 RC campaign. Some RAB drilling was carried out by Kilkenny in 1995 in the northern part of E38/2129. Previous exploration at Mt Warren and Mt Cumming, located to the immediate east of E38/2129, targeted gold (Au), base metals (Cu, Ni, Cr) and Platinum Group Elements (PGE's) associated with the Mapa Igneous Complex. The historical Chapman's Reward gold mine is located approximately 10 km along strike to the southeast.

Drill hole Information	• *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:*
	  ○ *easting and northing of the drill hole collar*
	  ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*
	  ○ *dip and azimuth of the hole*
	  ○ *down hole length and interception depth*
	  ○ *hole length.*
	• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report,*
		Plans showing location of drill holes and also location of significant results and interpreted trends are provided in the figures of report.
		
		Any new significant results are provided in tables within the report.

Criteria	JORC Code explanation	Commentary
	the Competent Person should clearly explain why this is the case.	
Data aggregation methods	• *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.* • *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.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	For RC and aircore assay results the intervals reported are thickness weighted averages. No grade truncations were applied to these exploration results. No metal equivalent values have been reported.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *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').*	The geometry of the anomalous base metal values with respect to the RC drilling angles and orientation are unknown. All intersections are subsequently presented as downhole lengths. If down hole length varies significantly from known true width then appropriate notes are provided.
Diagrams	• *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.*	Refer to Figures in market release
Balanced reporting	• *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.*	Not applicable at this stage, other than expressed in this report.
Other substantive exploration data	• *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.*	At this stage there is no substantive exploration data from the recent drilling that is meaningful and material to report

Criteria	JORC Code explanation	Commentary
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	Further work is discussed in the document in relation to the exploration results.