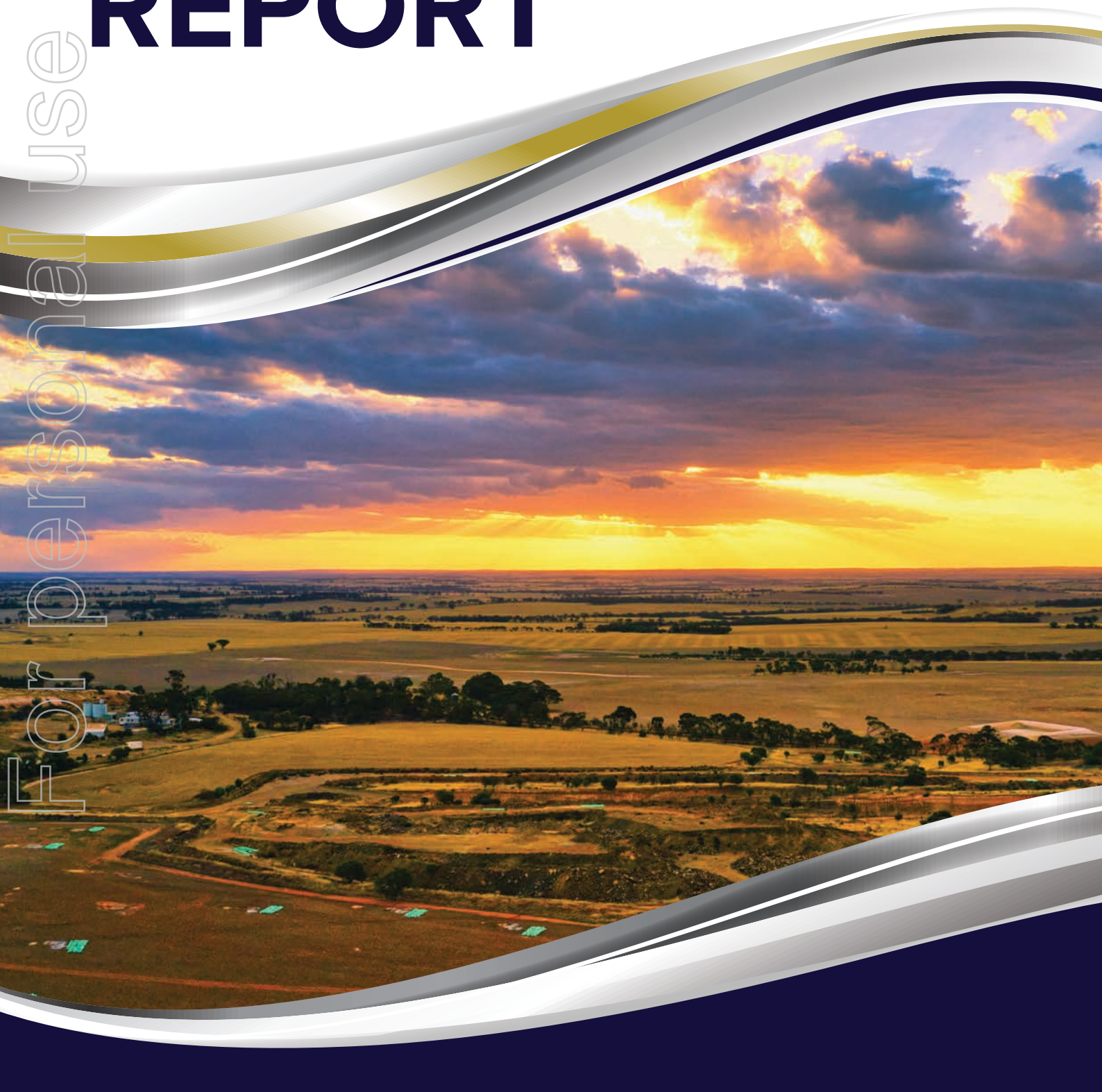


**2021**

# ANNUAL REPORT

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# Corporate Directory

## Directors

### Mr Richard Lockwood

Non-Executive Chairman

### Dr Matthew Greentree

Chief Executive Officer and Managing Director

### Mr Denis Rakich

Executive Director

### Mr Neil Fearis

Non-Executive Director

### Mr Geoffrey Jones

Non-Executive Director

### Mr Timothy Kestell

Non-Executive Director

## Company Secretary

### Mr Denis Rakich

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## Australian Business Number

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# Managing Director's Letter

Dear fellow shareholders,

The 2021 Financial Year was a transformational year for the Company as we continued to expand our flagship Katanning Gold Project (KGP), located in south-west Western Australia. Our vision for Katanning is clear, which is to realise its multi-million ounce potential enabling Ausgold to become a significant gold producer in the near term.

## *Building a Critical Mass*

Ausgold completed over 40,000m of drilling targeting the Central Zone of the KGP's 17km mineralised strike length. Our improved geological modelling and estimation methodology enabled more precise identification of high-grade targets which ultimately delivered an outstanding outcome of a 28% increase to the Mineral Resource. The JORC 2012 Mineral Resource estimate for the KGP now stands at 38.18 Mt at 1.25 g/t for 1.54 million ounces of gold.

Alongside this achievement, we also saw gold grade improve by 14% to 1.25 g/t, the reporting of a new high-grade underground Resource, >1 Moz now in the Measured and Indicated categories, all underpinned by best-in-class discovery economics of less than \$15 per ounce.

We have identified a large Resource, which provides a meaningful foundation that most companies aspire to as their end goal, but we know that this represents a small portion of a much larger mineralised system. Ausgold is perfectly placed to realise its ambition to become a large-scale gold producer.

## *Potential for Larger Scale*

Following exploration success and subsequent Resource growth in the Central Zone, the Company augmented the balance sheet raising \$17.6M in capital to enable its growth ambitions. Being well funded to pursue further Resource growth, Ausgold turned its attention to the potential for large-scale expansion of the project, commencing activities in the Southern Zone of the KGP. The prospective Southern Zone extends for 8km of strike length, which is almost double the size of the Central Zone. An improved geological model has enabled targeting of near-surface and underground gold mineralisation with further repeats and extensions to the existing Resource.

The initial drill program completed for 5,250m focused on previously untested areas, with first results delivering extensive zones of high-grade gold mineralisation, and supports the Company's thesis that there is significant potential to further expand the existing 1.54Moz Resource to the south.

Follow-up drill programs are underway which will support metallurgical test work and geotechnical studies, as the Company plans to accelerate its exploration activities ahead of its highly active summer period.

## *Optionality*

Ausgold's asset portfolio also includes a number of projects in its portfolio that have the potential to realise value alongside the Company's flagship Katanning Gold Project. For example, initial results at Woodanilling demonstrated high-grade copper-silver mineralisation, and elevated Platinum and Palladium grades which offer meaningful potential in the context of other discoveries in the Southwest Yilgarn.

Overall, we are entering an exciting phase where substantial value can be recognised, rewarding all stakeholders. I would like to acknowledge Ausgold's dedicated team for their commitment, and drive, in delivering an array of results this year that have been the envy of our peers. I would also like to thank shareholders for your ongoing support. I believe there is substantially more value to unlock as we continue on a rewarding journey. The achievements this year have begun to be recognised by investors and I believe that FY22 is shaping up to be another pivotal year for Ausgold, on our way to becoming a significant gold producer.

**Matthew Greentree**  
Managing Director



# Review of Operations FY2021

## Highlights:

### Upgraded JORC Resource of 38.18 Mt at 1.25 g/t for 1,539,700 oz gold:

- 28% increase to Resource;
- Improved gold grade by 14%;
- 1 Moz of Resource in Measured and Indicated categories;
- First reported high-grade underground Resource; and
- Best-in-class discovery economics at \$15 per ounce

### 40,000m drilling campaign completed in the Central Zone which delivered the upgraded Resource, along with potential for further Resource growth, including:

- 0.54 Mt at 3.01 g/t Au for 52,240 ounces in Jinkas Underground Resource, reported below 150mRL at a higher 1.8 g/t cut-off grade now shows untested potential at depth;
- Improved geological modelling and estimation methodology enabled better estimating for the high-grade (>3.5 g/t Au) proportions of the Jinkas deposit within the Jinkas, Jinkas South and White Dam lodes;
- New high-grade targets identified within and outside of Resource areas, with 46 advanced gold targets in underexplored greenstone belt;
- Continuity of mineralisation along strike has now been used to delineate three laterally extensive mineralised systems defined from west to east, being - Jinkas, White Dam and Jackson; and
- High-grade Jinkas South gold mineralisation extended to over 1.3km strike length

### Focus on Resource growth with exploration commenced in the Southern Zone, including:

- A highly prospective 8km strike length comprising of the Rifle Range, Dingo and Lukin areas – almost double the size of the Central Zone
- The improved geological model being used for targeted near-surface and underground exploration;
- Initial RC drill program of 5,250m completed within the Rifle Range area which contains over 2.5km of previously untested strike length. First results delivered extensive zones of high-grade gold mineralisation;
- Early work supports the Company's thesis that there is significant potential to further expand the existing 1.54Moz Resource to the south; and
- Follow-up drill programs in train to support metallurgical test work and geotechnical studies

### The Company's portfolio projects offer optionality for additional value to be recognised:

- Ausgold's asset portfolio includes the Woodanilling Project, Lake Magenta Gold Project, Doolgunna Station Cu-Au Project, Yamarna Ni-Cu-Co Project, and the Cracow Au Project;
- Initial drilling at Woodanilling intersected high-grade copper-silver mineralisation (Mine Hill), and elevated Platinum and Palladium grades (Red Hill – Martling trend); and
- This style of mineralization has not been previously reported in the area and has meaningful potential in the context of other discoveries in the area.

### A total of AU\$17.6M raised during the year with the Company well-funded to accelerate its growth plans to in scale of the Katanning Gold Project

# Katanning Gold Project

**WESTERN AUSTRALIA (AUC 100%)**

Ausgold Limited (ASX:AUC) is an ASX listed exploration company which holds a dominant tenure position over the entire Katanning Greenstone Belt, controlling >4,000km<sup>2</sup> of ground in the historically under-explored and highly prospective south west portion of the Yilgarn Craton.

The Katanning Gold Project (KGP) lies within the Katanning Greenstone Belt and is located approximately 35km from the township of Katanning situated 275 km south of Perth in the South West Yilgarn Craton of Western Australia. The KGP lies within a major mineralised structural corridor, with exploration to date having outlined a 17km belt hosting multi-lode gold mineralisation across three key zones including the following gold deposits and prospects (Figure 1):

- Central Zone – Jackson, Olympia, Jinkas, and Jinkas South
- Southern Zone – Rifle Range, Dingo, and Lukin
- Northern Zone – Datatine

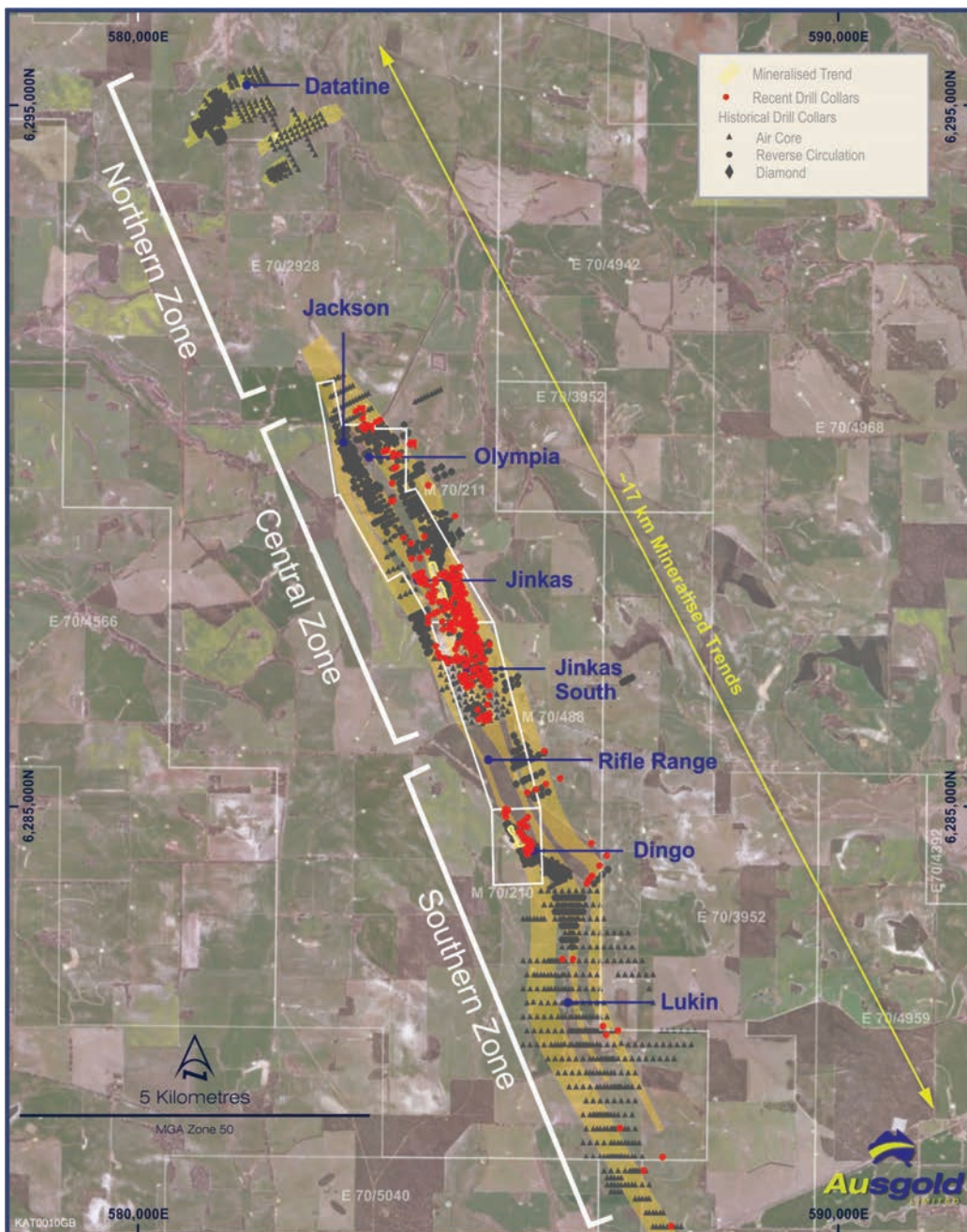


Figure 1 - Katanning Gold Project Resource Block Model

## Upgraded 2021 JORC Resource Mineral Resource

During the year Ausgold engaged independent geological consultants to undertake an update of the KGP geological model to provide an upgrade of the KGP JORC resource, the estimate was completed and announced to ASX in April 2021.

The new Resource which totals 1.54 million ounces of gold (Table 1) is a 28% increase in total contained ounces and a 14% increase in grade, from the previous 2019 Resource estimate (ASX Announcement 1 November 2019).

Completed in accordance with the 2012 JORC Code, assessment has been undertaken of the Central Zone Resource area which extends along a 4.5km strike length. The total Resource includes the Dingo and Datatine deposits which remain unchanged from the 2019 estimation (Figure 1). The Katanning Gold Project is now one of the larger undeveloped gold projects in Western Australia.

### Resource Upgrade Key Points:

- An increase of **338,670 ounces, 28% increase**, at a **low discovery cost of \$15 per ounce**
- Higher overall grade of **1.25 g/t Au**, 14% increase from the 2019 estimate
- **1 Moz in Measured and Indicated categories**, a 72% increase from 2019
- Jinkas – White Dam for a continuous lode with combined Resources of **950,000 ounces**
- **0.54 Mt at 3.01 g/t Au for 52,240 ounces** in Jinkas Underground Resource, reported below 150mRL at a higher 1.8 g/t cut-off grade now shows untested potential at depth
- Independent review of Resource by SRK Consulting (Australasia) Pty Ltd
- Addition of over 31,000m of new RC and diamond drilling
- Improved geological modelling and estimation methodology to enable a better estimate for the high-grade (>3.5 g/t Au) proportions of the Jinkas deposit within the Jinkas, Jinkas South and White Dam lodes.
- Mineral Resource is reported at a 0.6 g/t Au cut-off grade for open pit and 1.8 g/t Au cut-off grade for underground Resource
- Open Pit Resources are reported above 150mRL, to an approximate maximum depth of 220m
- Continuity of mineralisation along strike has now been used to delineate three laterally extensive mineralised systems defined from west to east, these are Jinkas, White Dam and Jackson (Figure 1 & 2)
  - **Jinkas White Dam Resource** extends down dip and coalesces with the Jinkas lode within the high-grade Jinkas South Lode
  - **Olympia** extends southward and is the likely strike extension from Jinkas, but currently there is insufficient drilling to directly link the geological models between the two Resource areas
  - **Jackson Resource** extends towards the north where it coalesces with the Olympia – Jinkas mineralisation

This Resource upgrade provides critical mass to the KGP and supports Ausgold's strategy to develop a standalone mining operation focused on the Central Zone. Importantly, it also shows the exploration potential within the Resource areas and regionally to significantly increase the scale of the Katanning Gold Project with targeted exploration.

## 2021 Mineral Resource Summary

The Mineral Resource estimate for the KGP now reports at **38.18Mt @ 1.25 g/t Au for 1.54 million ounces** of contained gold (Table 1)

Table 1 - Summary Gold Resources for the KGP

Resource category	Tonnes Mt	Grade (g/t au)	Contained gold (oz)
Measured	6.40	1.48	303,300
Indicated	18.74	1.19	718,000
Inferred	13.04	1.24	518,400
<b>Total Resource</b>	<b>38.18</b>	<b>1.25</b>	<b>1,539,700</b>

Notes to Table 1:

Resource is reported at a lower cut-off grade of 0.6 g/t Au and above 150m RL (approximately 220m depth), the underground Resource is reported at 1.8 g/t Au beneath 150m RL.

### Project Infrastructure

The project is located 275 km from Perth and close to high-quality infrastructure which supports the near-term development of the project. Project infrastructure includes:

- Granted mining licences
- Grid power
- Sealed roads
- Water
- Town of Katanning 35 kms from site
- Accommodation
- Airstrip

### KGP Central Zone

The Central Zone contains the majority of the current **JORC Resource of 1.54 Moz**, identified within a 4.5km strike length (Figure 1 and Table 1).

During the year Ausgold completed an extensive 34,587m drilling program at KGP focusing on the Central Zone and in particular the Jinkas South lode, a new discovery which is proving to be a significant addition to the project extending over a strike length of more than 1.3km with mineralisation open to the north and south. The Jinkas South discovery also provides validation of our geological model and targeting techniques for high-grade mineralisation within the KGP.

Recent exploration and Resource drilling has targeted areas of high-grade mineralisation within the Central Zone, using the improved geological model combined with geophysical techniques. Ausgold has refined the exploration targeting methods including the extensive use of Down Hole Electromagnetic techniques to detect and located extensive zones of pyrrhotite – magnetite alteration, which are characteristic of high-grade gold mineralisation. This improved deposit knowledge and exploration targeting methods have enabled Ausgold to further expand the KGP Resource at the relatively low discovery cost of \$15 per Resource ounce.

Following the Resource upgrade RC and diamond drilling continued in the Central Zone with a total of 6,964m of drilling completed which extended areas of interpreted gold mineralisation beyond the current 1.54 Moz KGP Resource.

### Jinkas South

The Jinkas South lode has a total strike length of 1.3 kms and remains open to the north and south.

Significant recent results from the Jinkas South lode include:

- 26m @ 6.60 g/t Au from 117m including 4m @ 37.2 g/t Au
- 16m @ 6.21 g/t Au from 114m including 4m @ 22.4 g/t Au
- 15m @ 3.66 g/t Au from 117m including 5m @ 10.4 g/t Au
- 12m @ 3.52 g/t Au from 120m including 3m @ 9.64 g/t Au
- 9m @ 3.52 g/t Au from 213m including 3m @ 9.43 g/t Au
- 28m @ 1.35 g/t Au from 131m
- 14m @ 1.45 g/t Au from 100m including 2m @ 8.28 g/t Au
- 37m @ 0.86 g/t Au from 150m including 6m @ 2.86 g/t Au
- 15m @ 1.01g/t Au from 117m including 2m @ 3.09 g/t Au
- 7m @ 1.62g/t Au from 83m including 2m @ 3.6 g/t Au
- 19m @ 2.92 g/t Au from 121m including 1m @ 35.4 g/t Au
- 29m @ 1.84 g/t Au from 104m including 18m @ 2.72 g/t Au
- 38m @ 1.12 g/t Au from 113m including 1m @ 8.30 g/t Au and 5m @ 2.10 g/t Au
- 9m @ 2.34 g/t Au from 89m including 5m @ 3.95 g/t Au
- 39m @ 1.32 g/t Au from 96m including 8m @ 4.10 g/t Au
- 7m @ 4.09 g/t Au from 111m including 1m @ 24.90 g/t Au
- 30m @ 0.95 g/t Au from 132m including 9m @ 1.56 g/t Au
- 19m @ 1.02 g/t Au from 114m including 5m @ 2.65 g/t Au
- 16m @ 1.04 g/t Au from 129m

Recent drilling has focused on areas where the geological model and geophysical response have highlighted areas which are likely to host high-grade gold mineralisation within the Jinkas, White Dam and Jinkas South high-grade lodes, targeting host rock associations and the accompanying of pyrrhotite – magnetite alteration zones within broad zones of gold mineralisation.

### Jinkas North

Three diamond and four RC holes have been completed with partial funding from a \$150,000 grant under the Western Australian Government's Exploration Incentive Scheme (EIS). The program has tested 1,750m along strike from the Jinkas deposit and extending north past the Olympia Resource. New drilling has been targeted using coincident VTEM and gravity anomalies (Figure 2).

Three diamond drill holes have intersected disseminated to semi-massive pyrrhotite-magnetite-chalcocopyrite mineralisation at depths between 150-220m which is consistent with mineralisation in the Jinkas lode. All three diamond holes have a strong off-hole electromagnetic response to be tested in future drill programs. Assays results from this drilling are pending. Gold mineralisation encountered in this area will further extend Resource potential north of the current limits of the existing Resource.

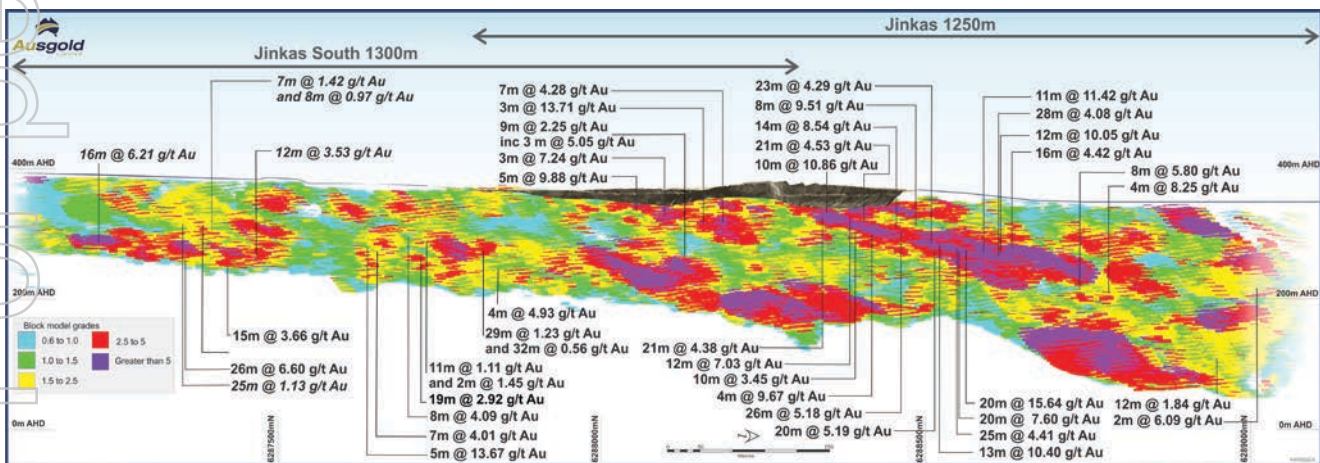


Figure 2 - Long section (view towards west) through the Jinkas Resource area showing extensions of the Jinkas South lode



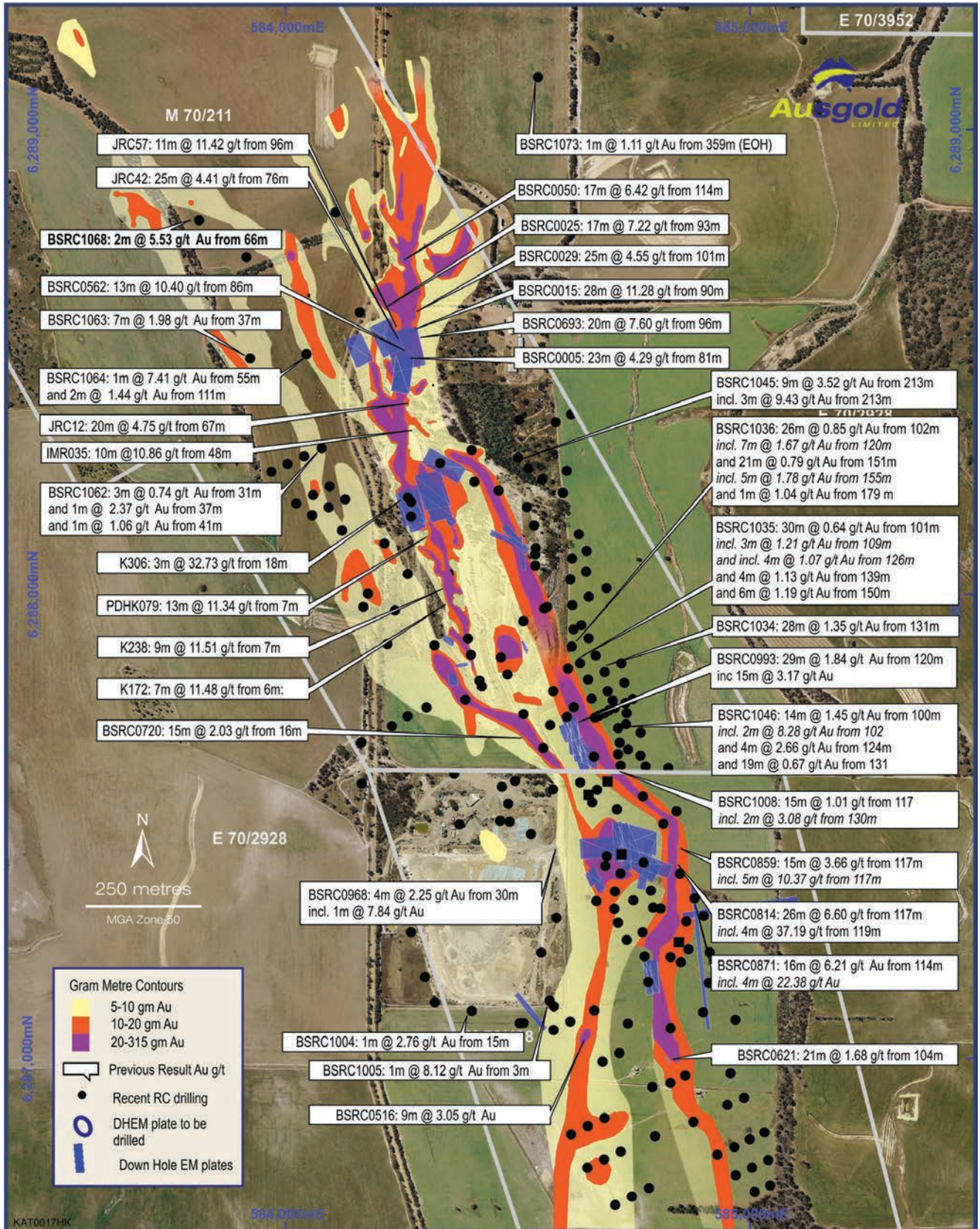


Figure 2a – Recent drilling within Central Zone shown on gram-metre plots (intercept width in metres x grade)

### KGP Southern Zone

During the year the Company submitted an application to Department of Agriculture, Water and the Environment (DAWES) under the Environment Protection and Biodiversity Conservation Act 1999 (EPBC Act) to access the Rifle Range Reserve for exploration purposes. Following consultation DAWES provided a recommendation for a non-controlled action. An Exploration Environmental Management Plan (EEMP) has been prepared to be consistent with the Commonwealth's Environmental Management Plan Guidelines and is designed to ensure that activities will have negligible impact on vegetation, fauna or recreational activities within the area.

Following the receipt of key regulatory approvals, Ausgold completed an RC drill program to test the extensions to KGP gold mineralisation within the Southern Zone including the Rifle Range Reserve. A total of 8,379m were drilled in the Southern Zone which is located on a structural repeat of the same mineralised structure identified within the Central Zone (Figure 1). The drilling program included the Rifle Range, Dingo and Lukin areas along a total strike length of 8km. These areas have demonstrated promising early results which include high-grade gold mineralisation with potential to expand the scale of the total gold Resource at Katanning (Figure 1).

Positive results were received from this programme with high-grade gold mineralisation intersected beyond the current Resource areas. Equally encouraging, was the extensive zone of sulphidic alteration encountered along the full 2.5km strike length in the Rifle Range area, highlighting the presence of a larger mineralised system within the KGP Southern Zone as predicted by Ausgold's updated geological model. Further work is planned to target gold mineralisation within the large mineralised system associated with the large alteration system encountered in a number of drill holes.

New significant results include:

- 10m @ 2.89 g/t Au from 84m including 3m @ 8.35 g/t Au in BSRC1231
- 6m @ 4.5 g/t Au from 32m including 2m @ 12.75 g/t Au in BSRC1168
- 9m @ 2.52 g/t Au from 85m including 5m @ 4.09 g/t Au in BSRC1200
- 18m @ 1.23 g/t Au from 83m in BSRC1230
- 10m @ 2.01 g/t Au from 66m in BSRC1226
- 35m @ 0.52 g/t Au from 28m in BSRC1173
- 2m @ 7.98 g/t Au from 25m in BSRC1195
- 19m @ 0.81 g/t Au from 77m in BSRC1199
- 4m @ 3.32 g/t Au from 84m in BSRC1171
- 4m @ 3.17 g/t Au from 120m in BSRC1169
- 13m @ 0.96 g/t Au from 30m in BSRC1197
- 12m @ 1.00 g/t Au from 125m in BSRC1120
- 14m @ 0.84 g/t Au from 60m in BSRC1204
- 11m @ 0.99 g/t Au from 56m in BSRC1169
- 4m @ 2.72 g/t Au from 100m in BSRC1231
- 9m @ 1.16 g/t Au from 105m in BSRC1170
- 8m @ 1.3 g/t Au from 22m in BSRC1133

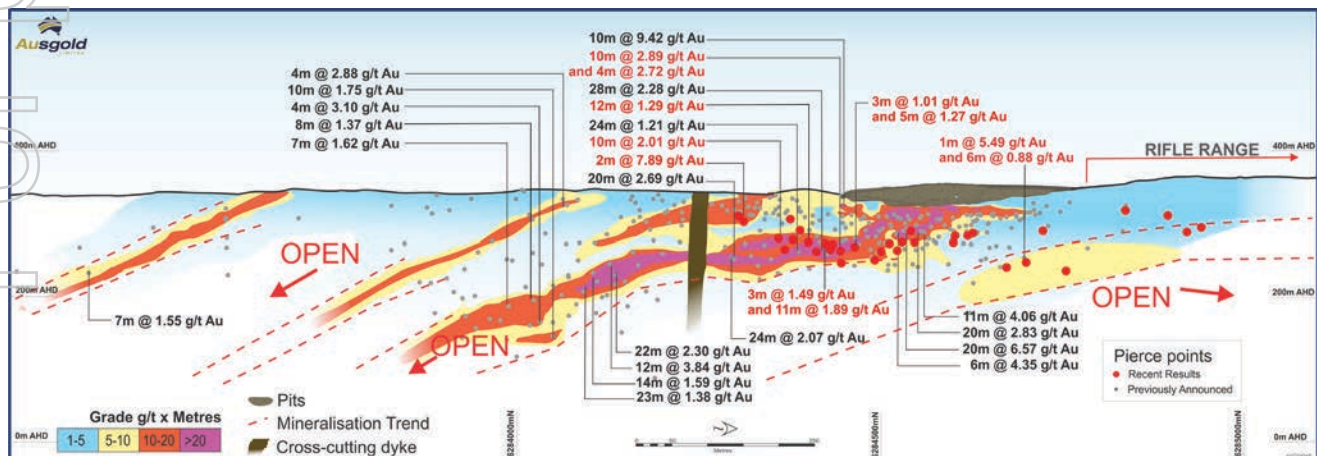


Figure 3 - Long section through Southern Zone Dingo – Rifle Range area with grade as gram-metres (intercept width in metres x grade)



Figure 4 - Picture of Dingo Pit looking south

### **Dingo Resource**

The Dingo Mineral Resource is currently 4.2Mt grading 1.08g/t Au, containing 147,470 ounces Au.

Mineralisation has a modest dip to the east of 45° and a shallow south east plunge. The depth to the base of complete oxidation averages 20m and the depth to the top of fresh rock averages 40m. Drilling to date confirms the continuation of gold mineralisation over a strike length 1.2 kilometres to a vertical depth of around 150m. The gold mineralisation remains open along strike and also at depth. Furthermore, past drilling highlights potential extensions of the Dingo mineralisation indicating that this deposit may extend a further 500m to the south, where it is plunging shallowly at depth. Ausgold is planning an extensive drill programme commencing late 2021, with the aim to add to the Dingo Resource.

### **Southern KGP - Lukin area**

Historical AC drilling has delineated a trend of gold mineralisation (> 0.1 g/t) which extends along the eastern side of a significant gravity high marking a large thrust fault (Figure 5). This thrust fault is a fundamental control on gold mineralisation regionally along the entire strike length of the KGP and across the Southwest Yilgarn Craton. Primary mineralisation intersected in recent RC drilling suggests the southern KGP represents a significant target which to date has received relatively limited exploration. A new RC program will commence in late 2021

### **KGP Northern Zone**

The KGP Northern Zone extends for a strike length of 6 kms and contains the Datatine deposit which contains a gold resource of 671,900m/t at 1.20 g/t for 25,890 ounces.

Datatine differs from the more southern portions of the KGP in that the host rocks and mineralisation strike in an easterly direction with a southern dip as opposed to north-westerly strike with an easterly dip.

Drilling delineated the prospective contact between the mafic granulite and the granite footwall a further 600m west. Drilling has also highlighted a second parallel mineralised trend to the south. Follow-up RC drilling is planned at Datatine to test the strike extents of mineralisation.

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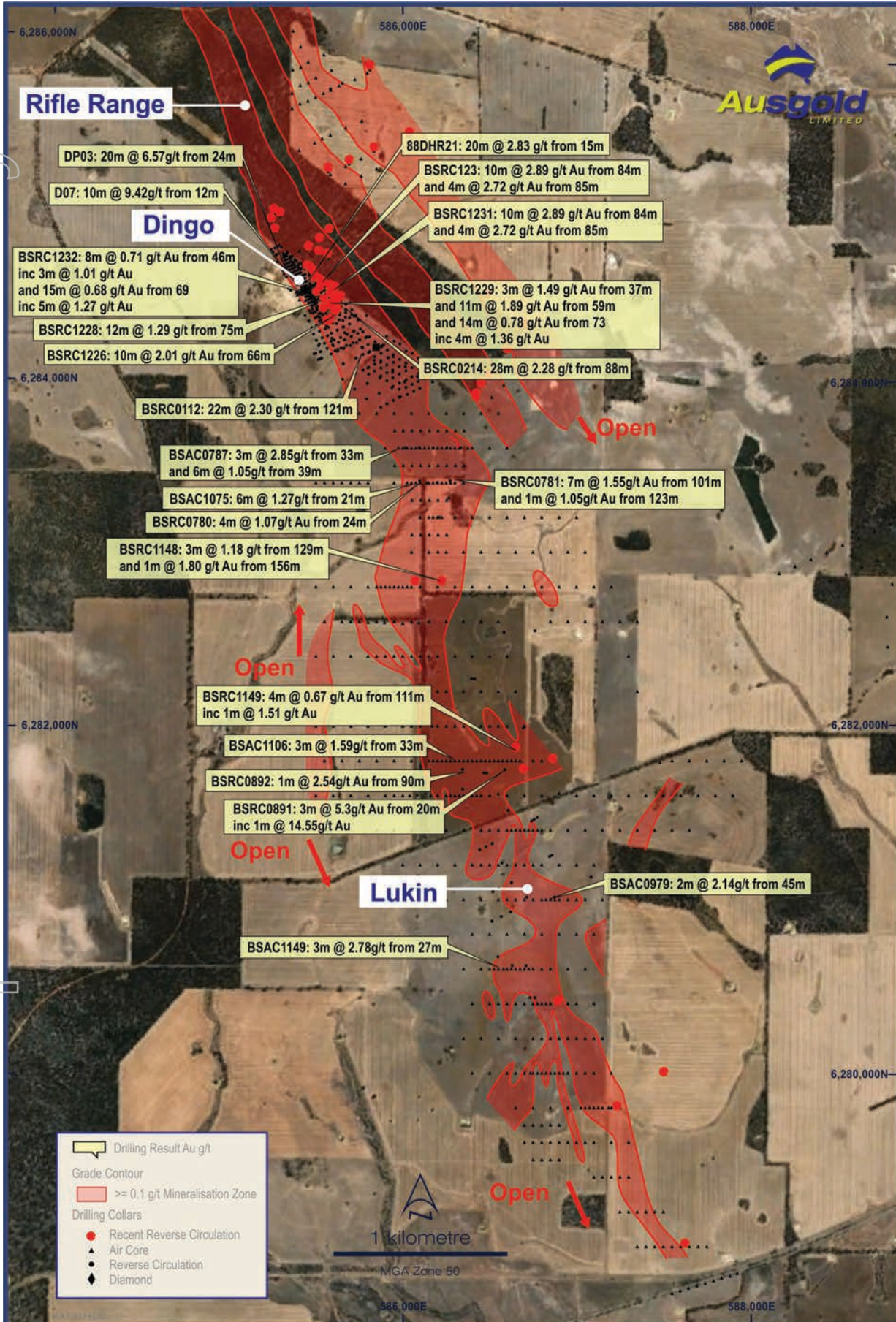


Figure 5 - Drill results Southern Zone KGP

## Regional Exploration

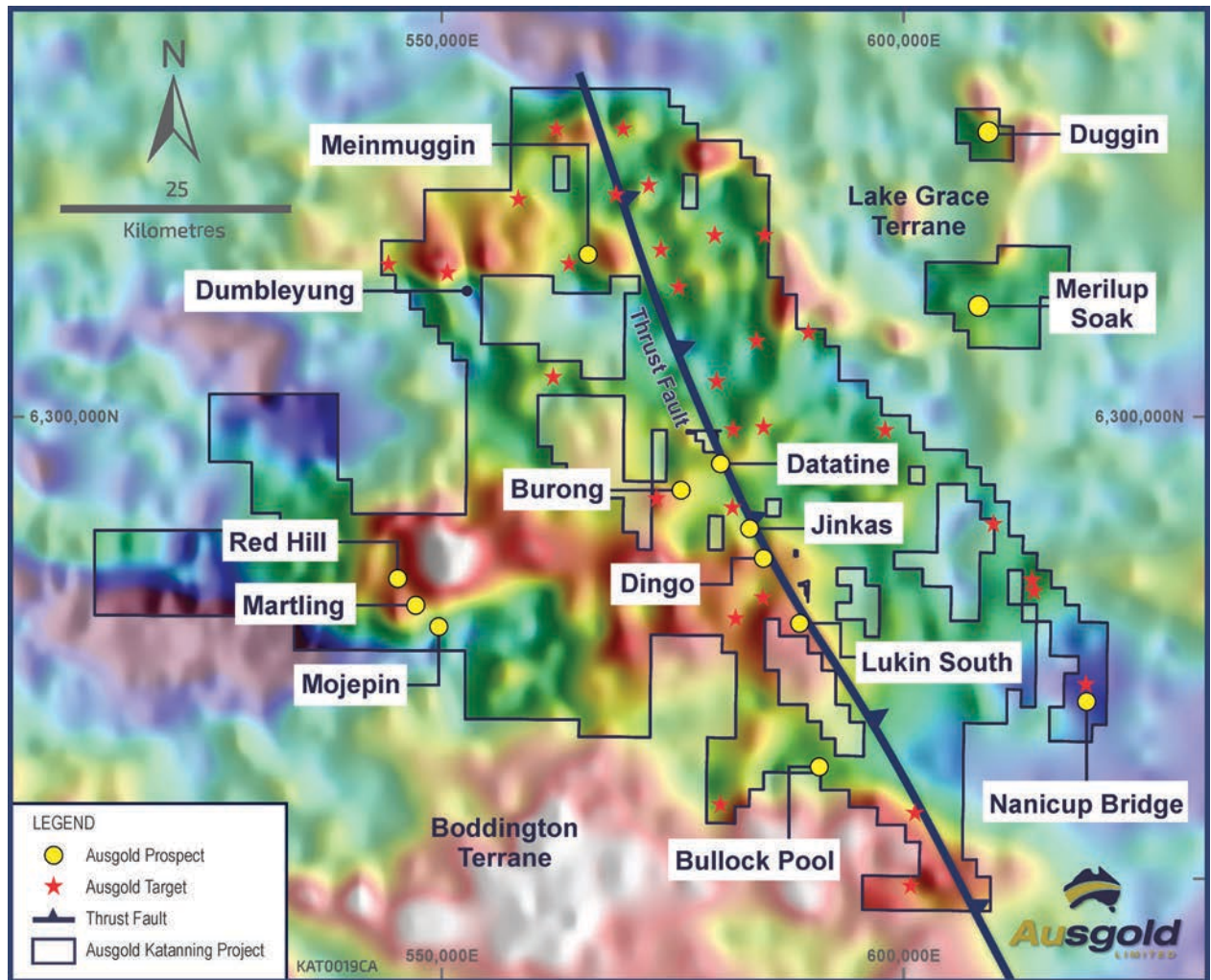


Figure 6 - Regional gold exploration targets within Ausgold's > 4,100 km<sup>2</sup> tenure

Ausgold holds exploration rights over a landholding of more than 4,000km<sup>2</sup> along a significant geological boundary separating the Boddington and Lake Grace Terranes. Faults along this boundary are the same as those that host the gold mineralisation within the KGP. A new geological interpretation of the region based on field mapping has provided a framework under which to conduct exploration. Combined with the significant geochemical database collected by Ausgold and historical data, this has enabled the identification of 46 new regional target areas (Figure 6). The Company continues targeted work programs, including surface sampling, to prioritise the new targets for follow-up assessment, priority targets for drilling commencing late November 2021.

### Burong

Burong is located along a NE-striking thrust fault, which cross-cuts a NNW-striking thrust fault which controls the Central Zone. Gold mineralisation intersected in drilling has a moderate northerly dip and is closely associated with quartz veining in sulphidic mafic and ultramafic granulites.

New drilling at the Burong prospect confirms the regional potential surrounding the KGP. Burong is located along a regionally significant NNW-striking thrust fault, which also hosts the Datatine deposit 10 km to the east. This new mineralised trend is open along strike and is parallel to a major NE striking regional fault, which extends eastward towards Datatine and is perpendicular to the main KGP structure. Further soil sampling is planned to target gold mineralisation along this newly defined mineralised trend, with air-core and RC drilling planned to commence in the coming summer months.

### Nanicup Bridge

This prospect is 30km east of the KGP, where gold mineralisation is identified over a strike length of 20km. Past exploration drilling intersected a large geochemical anomaly centred around a large structure parallel to the one controlling the KGP. Past drilling intersected potassic alteration zone with variable sulphide contents including pyrite, chalcopyrite, bismuthinite and molybdenite.

Significant RC drill intercepts include:

- 15m @ 1.03g/t Au from 51m in 01NBRC008
- 4m @ 2.28g/t Au from 10m and 5.7m @ 1.85g/t Au from 25.7 m in 04NBDH004
- 3m @ 2.44g/t Au from 87m and 9m @ 0.79 g/t Au from 102m in 03NBRC009

Ausgold plans to re-commence exploration at Nanicip Bridge in early 2022 with further RC drilling.

### Bullock Pool

This prospect is located 10km southwest of the KGP with gold mineralisation (>0.1 g/t Au) identified over a strike length of 25km in past AC and RAB drilling (Figure 7). The area has received less exploration than the KGP or Nanicip Bridge, however gold mineralisation has been intersected in mafic-ultramafic and felsic bedrock (Figure 7).

Historical RC Intercepts include:

- 12m @ 1.55g/t from 30m in 00BPRC013
- 4m @ 2.34g/t from 36m in 00BPRC002
- 3m @ 2.02g/t from 00BPRC021

Ausgold plans to re-commence exploration at Bullock Pool in early 2022 with RC drilling.

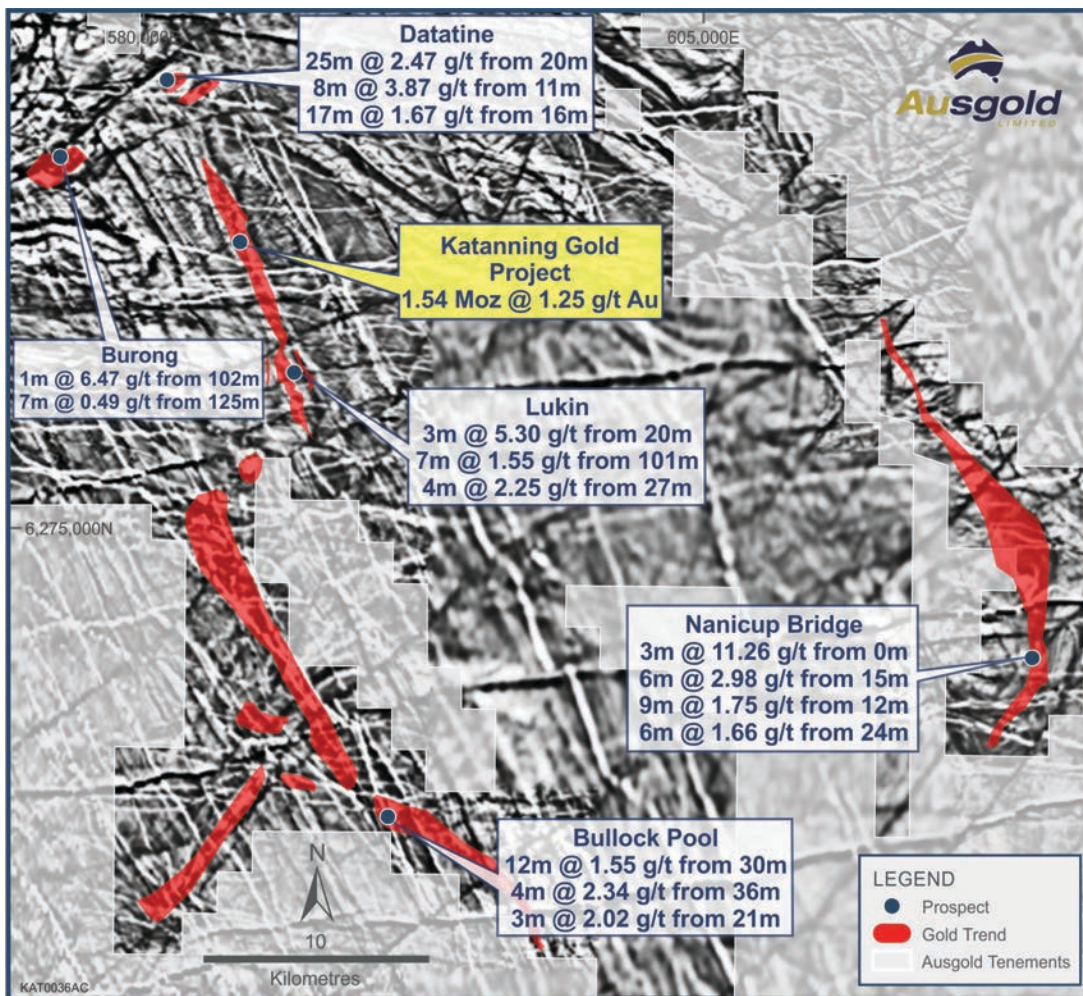


Figure 7 - Regional view of KGP and regional targets showing trend of mineralisation over aeromagnetic image

# Lake Magenta Gold Project

## WESTERN AUSTRALIA (AUC 100%)

The Lake Magenta Gold Project is located near the town of Jerramungup in the South West Yilgarn region of Western Australia. The project comprises E70/5044 and E70/5285 covering an area of 165km<sup>2</sup>.

Previous exploration by Dominion Mining Limited in the early 2000s has outlined a large gold-in-soil anomaly with a strike length of over 17kms which is coincident with a major arcuate structure identified in detailed airborne magnetics and regional gravity (Figure 8). This regional scale fold, which is interpreted as a control on gold mineralisation, is truncated by the Yandina Shear Zone. This deep-seated structure is known to host several significant gold deposits, including Tampia (Ramelius) and Griffins Find.

Past drilling and soils sampling completed at Lake Magenta identified significant gold mineralisation over 17km of strike length along the Yandina Shear. During the past year Ausgold has furthered work on the project with landholder engagement and the design of exploration programs to test the primary gold and potentially copper mineralisation. Ausgold was awarded an Exploration Incentive Scheme Grant in Round 23 to co-fund drilling of up to \$150,000 which is designed to test new geological concepts related to this large gold mineralised system. Drilling planned to be completed in H1 2022.

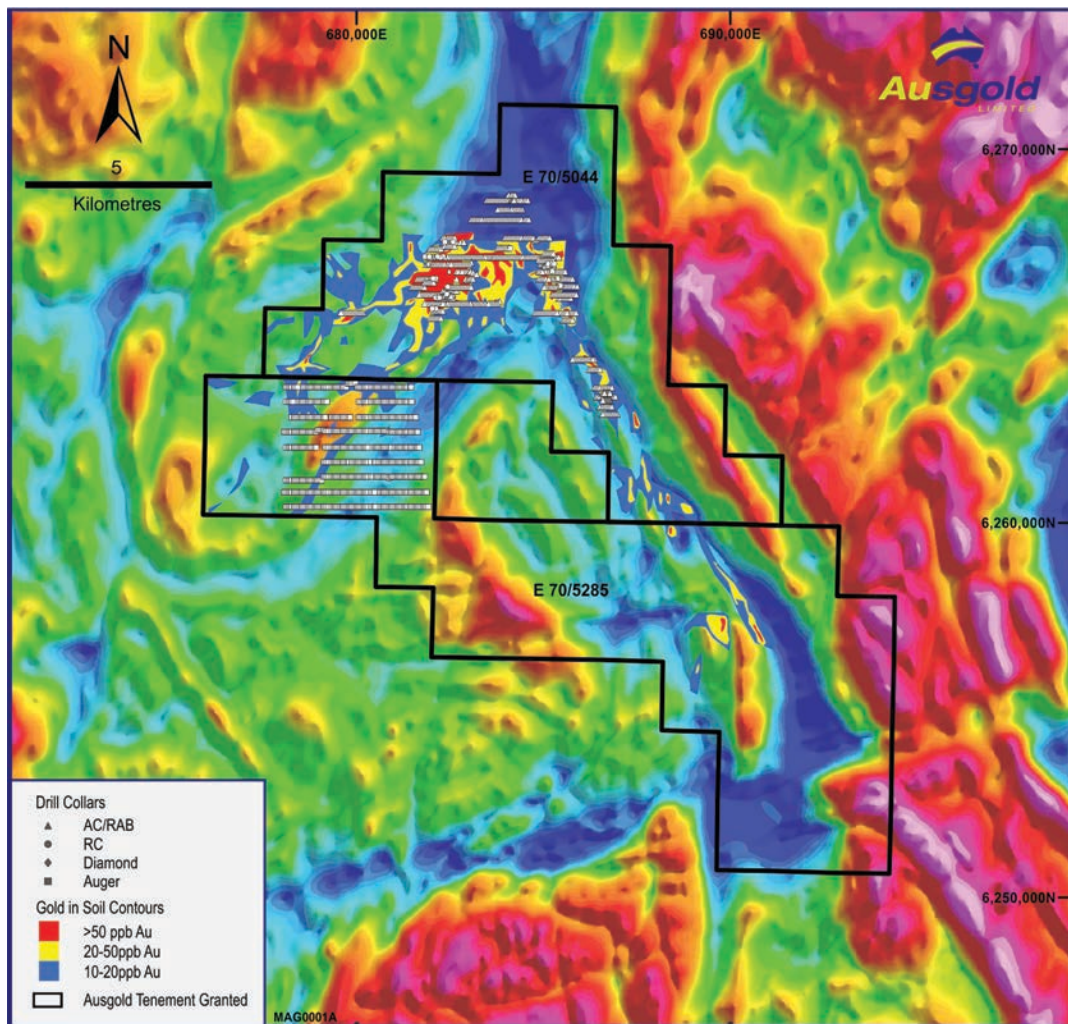


Figure 8 - Lake Magenta Project showing contoured gold in-soil anomaly and drilling extent over TMI magnetic image

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# Woodanilling Project

## WESTERN AUSTRALIA (AUC 100%)

The Woodanilling Project (“Woodanilling”) lies 20km north of Katanning, located 240km southeast of Perth, Western Australia. The project comprises a total area of 1,532 km<sup>2</sup>.

Woodanilling is a layered mafic intrusion complex with extensive past exploration including soil sampling and drilling to test vanadium and PGEs within the project area. The project includes the Mine Hill (E70/4863), Red Hill (E70/5142), Kalang (E70/5142) and Martling (E70/5142) prospects. Past exploration includes 108 RC and six diamond drill holes which have intersected significant widths of vanadium (V<sup>2</sup>O<sup>5</sup>) mineralisation from surface, with thicknesses of up to 60m and multiple zones of mineralisation identified (Figure 9).

In light of the recent Julimar discovery by Chalice Mining Limited, a review of previous work has identified four priority areas of anomalous copper – chrome – gold - PGE (up to 0.04 – 0.07 ppm Pd and 0.03 – 0.05 ppm Pt in 08KTR077).

### Mine Hill copper-silver-gold mineralisation

Diamond hole RHDD001 drilled for 180.6m at Mine Hill, near to historical gold workings intersected a high-grade zone of copper-silver-gold mineralisation. Mineralisation occurs in two near surface zones with semi-massive sulphides including pyrrhotite, chalcopyrite, pyrite and rare trace molybdenite.

Significant intercepts include:

- 1.95m @ 6.65 g/t Ag and 0.70% Cu, including 0.45m @ 12.2 g/t Ag, 1.37 % Cu and 0.14 g/t Au from 56.05m
- 4m @ 1.8 g/t Ag and 0.11 g/t Au from 0m

High-grade Ag-Cu intercepts occur within a broad zone of lower grade mineralisation which extends for over 34.75m and is associated with disseminated sulphides, including pyrrhotite, pyrite and molybdenite with elevated values for Cu, Ag, Au, Bi, Ca, Co, Mo, Rh, Ti and Zn. Mineralisation is hosted within a gabbro with the highest grades being along the contact with a granite. Within these gabbros elevated V<sup>2</sup>O<sup>5</sup> and TiO<sup>2</sup> was intercepted with 24.1m @ 0.22% V<sup>2</sup>O<sup>5</sup> and 4.23% TiO<sup>2</sup> from 131.5m, including 3.3m 0.71% V<sup>2</sup>O<sup>5</sup> and 12.37% TiO<sup>2</sup> from 145.8m.

This new drilling has demonstrated a new style of mineralisation which may have more regional implications. Ausgold is currently reviewing the recent drill results and ground-based geophysics to develop and prioritise new drill targets.

### Regional Ni-PGE targets

New drilling by Ausgold (16 holes for 2,581m) has tested three targets identified from anomalous nickel, copper and chromium in surface geochemistry, showing the presence of layered mafic intrusive rocks and elevated PGEs in past drilling. The enrichment of Cr-Ni and Cu in soils was used to identify ultramafic portions of the Woodanilling layered intrusion, which are the likely hosts for potential Ni-PGE mineralisation. A broad zone over 6km of strike length with anomalous Pt-Pd is enriched in Cr, Cu and Mo, with magmatic chalcopyrite and pyrrhotite noted within a coarse-grained gabbroic rock at Red Hill.

### Martling

Nine RC holes for 1,117m were drilled to target anomalous Cu, Ni and Cr values in historical auger soils and to test an area with strongly anomalous platinum (up to 45 ppb Pt) and palladium (up to 50 ppb Pd) over 56m down hole in historical drilling (drill hole 08KTR077 – ASX Release 13 December 2018). New RC drill hole RHRC009 has intersected this same zone of enriched PGE-Cu with disseminated sulphides including pyrrhotite and pyrite over a total depth of 73m and elevated Pt (up to 48 ppb) and Pd (up to 62 ppb), Ni, Cr (800-980ppm).

### Red Hill

Eight RC holes at the Red Hill (RHRC011 - 16) drilled for 1,335m and one 70.2 m diamond tail (RHR016D). Ausgold’s drilling has targeted areas with potential ultramafic rocks, focusing on areas with high Cr values (800-980ppm) identified in historical auger sampling. New drilling intersected biotite-garnet gneiss, gabbro and minor granites with the gneissic unit contained relatively high levels of chromium up to 571 ppm.

Hole RHRC014 diamond tail was drilled from 180 to 250.2m which intersected coarse grained ferro-gabbro. Sulphides were intersected in the diamond tail between 129-135m and at 179.9m, with a 2cm wide sulphide bands which include chalcopyrite and pyrrhotite intersected within a coarse-grained gabbro.

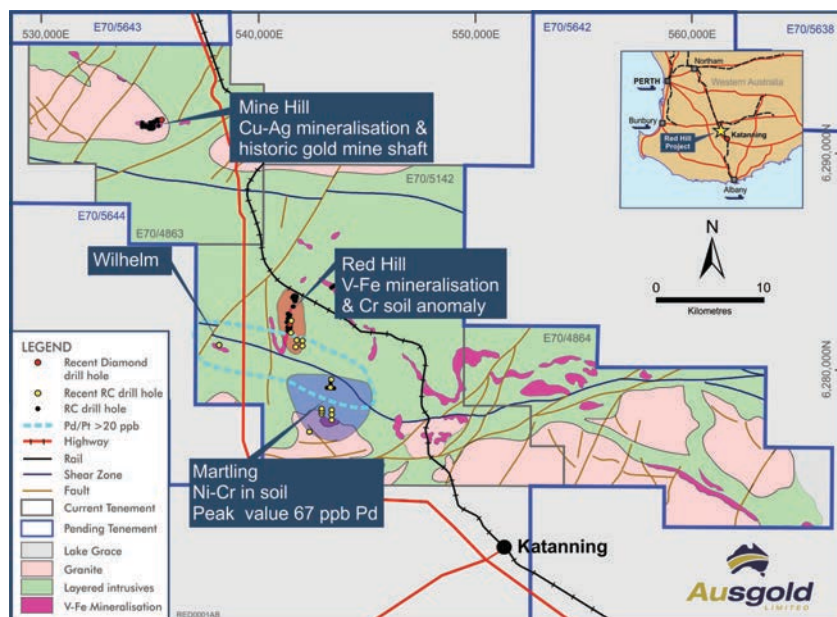


Figure 9 – Geological overview map of the Woodanilling Project



## Doolgunna Station

### WESTERN AUSTRALIA (AUC 100%)

The Doolgunna Station Project, located 150km north-east of Meekatharra in Western Australia's Bryah Basin comprises E52/3031 covering 176km<sup>2</sup> and is located approximately 13km to the west and along trend from the DeGrussa copper-gold operations of Sandfire Resources Limited.

The project is the subject of a Farm-in Agreement with AIC Mines Limited ("AIC") (ASX:A1M), under the terms of the Agreement AIC has the right to earn a 70% interest in the project by spending a minimum of \$2,150,000 over a period of four years. After the spending commitment is met, Ausgold can either retain a 30% contributing interest or reduce to a 20% interest free-carried to a decision to mine.

## Yamarna

### WESTERN AUSTRALIA (AUC 25%)

The Yamarna Project ("Project") is the subject of a Joint Venture Agreement with Great Boulder Resources Limited (ASX:GBR) ("Great Boulder") in which Ausgold has retained a 25% free-carried interest in the Project until a decision to mine. The Project includes the highly prospective Winchester nickel-copper prospect, located 125 km northeast of Laverton in Western Australia.

The Project, which is located 40km north along strike from Great Boulder's Mt Venn Project, comprises exploration licence E38/2129 located in the northern Mt Venn Greenstone Belt.

Great Boulder reported that it planned an upcoming nickel exploration program with a combination of extensional exploration at the Winchester Prospect plus regional reconnaissance on other nearby prospects.

## Cracow

### QUEENSLAND (AUC 100%)

Ausgold holds exploration licence EPM 17054 covering approximately 202km<sup>2</sup> in the Cracow region, 375km north-west of Brisbane, Queensland. The tenement covers extensive areas of the Camboon volcanics which host the multi-million ounce Cracow epithermal gold deposit. No significant fieldwork was undertaken on this project during the year, Ausgold is actively seeking a joint partner to fund future exploration.

## Competent Person's Statements

The information in this report that relates to the Mineral Resource Estimates is based on work done by Dr Michael Cunningham of Sonny Consulting Pty Ltd, Daniel Guibal of Condor Consulting Pty Ltd and Mr Michael Lowry of SRK Consulting (Australasia) Pty Ltd and Dr Matthew Greentree of Ausgold Limited in 2021.

Dr Greentree is Managing Director and is a Shareholder in Ausgold Limited. Dr Greentree takes responsibility for the integrity of the Exploration Results including sampling, assaying, QA/QC, the preparation of the geological interpretations and Exploration Targets. Dr Michael Cunningham is an option holder in Ausgold takes responsibility for the Mineral resource Estimate for the Jackson and Olympia deposits and Mr Daniel Guibal takes responsibility for the Jinkas and White Dam Resources. Mr Michael Lowry takes responsibility for the Mineral Resource Estimates for Dingo and Datatine deposits.

Dr Cunningham, Mr Guibal, Mr Lowry and Dr Greentree are Members of The Australasian Institute of Mining and Metallurgy and have sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration, and to the activity they are undertaking, to qualify as Competent Persons in terms of The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2012 edition).

The Competent Persons consent to the inclusion of such information in this report in the form and context in which it appears.

## Forward-Looking Statements

This report includes "forward-looking statements" as that term within the meaning of securities laws of applicable jurisdictions. Forward-looking statements involve known and unknown risks, uncertainties and other factors that are in some cases beyond Ausgold Limited's control. These forward-looking statements include, but are not limited to, all statements other than statements of historical facts contained in this presentation, including, without limitation, those regarding Ausgold Limited's future expectations. Readers can identify forward-looking statements by terminology such as "aim," "anticipate," "assume," "believe," "continue," "could," "estimate," "expect," "forecast," "intend," "may," "plan," "potential," "predict," "project," "risk," "should," "will" or "would" and other similar expressions. Risks, uncertainties and other factors may cause Ausgold Limited's actual results, performance, production or achievements to differ materially from those expressed or implied by the forward-looking statements (and from past results, performance or achievements). These factors include, but are not limited to, the failure to complete and commission the mine facilities, processing plant and related infrastructure in the time frame and within estimated costs currently planned; variations in global demand and price for coal and base metal materials; fluctuations in exchange rates between the U.S. Dollar, and the Australian dollar; the failure of Ausgold Limited's suppliers, service providers and partners to fulfil their obligations under construction, supply and other agreements; unforeseen geological, physical or meteorological conditions, natural disasters or cyclones; changes in the regulatory environment, industrial disputes, labour shortages, political and other factors; the inability to obtain additional financing, if required, on commercially suitable terms; and global and regional economic conditions. Readers are cautioned not to place undue reliance on forward-looking statements. The information concerning possible production in this announcement is not intended to be a forecast. They are internally generated goals set by the board of directors of Ausgold Limited. The ability of the company to achieve any targets will be largely determined by the company's ability to secure adequate funding, implement mining plans, resolve logistical issues associated with mining and enter into any necessary off take arrangements with reputable third parties. Although Ausgold Limited believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements

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# Director's Report

The Directors present their report together with the financial statements, on the consolidated entity consisting of Ausgold Limited and the entity it controlled for the financial year ended 30 June 2021. Ausgold Limited ("Ausgold" or "the Company") and its controlled entity (collectively known as "the Group" or "consolidated entity") are domiciled in Australia.

## Principal Activities

The consolidated entity's principal activities during the financial year were the exploration for gold and other precious and base metals.

## Directors and Company Secretary

The Directors and Company Secretary of the Company during or since the end of the financial year are:

### Richard Lockwood, Non-Executive Chairman

Non-executive Director since 12 November 2010 and Non-Executive Chairman since 2 September 2012

<b>Experience and expertise</b>	Investment professional with 45 years' experience in mining, funds management and resource investment.
<b>Qualifications</b>	None
<b>Other directorships</b>	None
<b>Special responsibilities</b>	Chairman of the Board Member of Audit and Risk Committee Chairman of Remuneration and Nominations Committee
<b>Interests in securities</b>	Ordinary shares – 56,000,000 Performance Rights – 8,000,000

### Neil Fearis, Non-Executive Director

Since 15 April 2016

<b>Experience and expertise</b>	Corporate lawyer with 40 years' experience in commercial law, M&A, capital raisings and corporate reconstructions with a focus on the mining and resource sectors.
<b>Qualifications</b>	LL.B (Hons) FAICD, F FIN
<b>Other directorships</b>	Jacka Resources Limited (resigned 30 November 2020) Golden Cross Resources Limited (resigned 21 January 2019)
<b>Special responsibilities</b>	Member of the Board Chairman of Audit and Risk Committee Member of Remuneration and Nominations Committee
<b>Interests in securities</b>	Ordinary shares – 10,000,000 Performance Rights – 6,000,000

**Geoffrey Jones, Non-Executive Director**  
 Since 29 July 2016

<b>Experience and expertise</b>	Civil engineer with over 30 years' experience in construction, engineering, mineral processing and project development in Australia and overseas.
<b>Qualifications</b>	BE (Civil), FIEAust, CPEng
<b>Other directorships</b>	Firefly Resources Limited GR Engineering Services Limited Blackham Resources Limited (resigned 24 December 2018) Azumah Resources Limited (resigned 18 July 2018)
<b>Special responsibilities</b>	Member of the Board Member of Audit and Risk Committee Member of Remuneration and Nominations Committee
<b>Interests in securities</b>	Ordinary shares – 9,250,000 Performance Rights – 6,000,000

**Timothy Kestell, Non-Executive Director**  
 Appointed 12 August 2021

<b>Experience and expertise</b>	Broker with over 25 years of Capital Markets experience including working for HSBC, Paterson Securities Limited and Euroz Securities Limited.
<b>Qualifications</b>	BCom
<b>Other directorships</b>	Capricorn Metals Limited (resigned 13 September 2019)
<b>Special responsibilities</b>	Member of the Board
<b>Interests in securities</b>	Ordinary shares – 98,500,000

**Matthew Greentree, Chief Executive Officer and Managing Director**  
 Chief Executive Officer since 10 April 2017 and Managing Director since 19 April 2018

<b>Experience and expertise</b>	Geologist with 20 years' experience in mineral exploration across Australia and overseas. Providing a strong technical focus on the Group's operations and able to draw on experience from working on more than 60 mineral projects.
<b>Qualifications</b>	PhD, BSc Geology (Hons), MAusIMM, MAIG, MAICD
<b>Other directorships</b>	None
<b>Special responsibilities</b>	Member of the Board Member of Audit and Risk Committee Member of Remuneration and Nominations Committee
<b>Interests in securities</b>	Ordinary shares – 15,500,000 Performance Rights – 20,000,000

### Denis Rakich, Executive Director and Company Secretary Since 31 January 2013

<b>Experience and expertise</b>	Accountant with 35 years' experience in resource sector, legal, financial and corporate management.
<b>Qualifications</b>	BBus
<b>Other directorships</b>	Samson Oil and Gas Limited (resigned 23 July 2019)
<b>Special responsibilities</b>	Member of the Board Member of Audit and Risk Committee Member of Remuneration and Nominations Committee
<b>Interests in securities</b>	Ordinary shares – 28,998,681 Performance Rights – 12,000,000

## Directors' Meetings

The number of meetings of the board of directors held during the financial year ended 30 June 2021 and the number attended by each director are as follows:

Director	Board of Directors		Nominations and Remuneration Committee		Audit and Risk Committee	
	Held	Attended	Held	Attended	Held	Attended
R Lockwood	6	6	-	-	1	1
N Fearis	6	6	-	-	1	1
G Jones	6	6	-	-	1	-
M Greentree	6	6	-	-	1	-
D Rakich	6	6	-	-	1	1

In addition to these meetings, during the year the directors considered and passed two circular resolutions pursuant to clause 72 of the Company's constitution.

## Dividends

No dividends have been declared or paid since the end of the previous financial year.

## Significant Changes in the State of Affairs

There were no significant changes in the state of affairs of the consolidated entity during the financial year.

## Likely Developments and Expected Results of Operations

The company's objective is to continue to explore for gold at the Katanning Gold Project ("KGP") in Western Australia, with a view to increasing the overall size of the geological resource and to commence feasibility studies for the future development of the project, whilst at the same time exploring for gold and other metals in other parts of Australia.

## Environmental Regulations

The Group's exploration activities are governed by a range of environmental legislation. To the best of the Directors' knowledge, the Group has adequate systems in place to ensure compliance with the requirements of the applicable environmental legislation and is not aware of any material breach of those requirements during the financial year up to the date of this report.

## Review of Operations

### Exploration

Information On The Group's Operations At Its Katanning Gold Project And Other Projects Is Set Out In The Operations Review on pages 5 – 17 of this report.

### Financial

The Group recorded a consolidated loss of \$3,513,319 (2020: \$1,823,335) for the financial year ended 30 June 2021. At 30 June 2021, the Group had \$7,451,103 (2020: \$1,025,802) in cash and cash equivalents.

## Convertible Securities

### Options

Total options on issue at the date of this report

Grant date	Expiry date	Exercise price	Opening balance	Granted	Exercised	Lapsed	Closing balance
11 Nov 2016	30 Nov 2020	\$0.08	16,000,000	-	-	(16,000,000)	-
10 Apr 2017	31 Jul 2020	\$0.06	5,000,000	-	-	(5,000,000)	-
10 Apr 2017	31 Jul 2020	\$0.08	5,000,000	-	-	(5,000,000)	-
9 Jan 2018	31 Dec 2021	\$0.06	3,700,000	-	-	-	3,700,000
23 Mar 2021	1 Apr 2024	\$0.08	-	10,000,000	-	-	10,000,000
4 May 2021	3 May 2024	\$0.06	-	16,000,000	-	-	16,000,000
5 Jul 2021 <sup>1</sup>	30 Jun 2024	\$0.06	-	4,000,000	-	-	4,000,000
5 Jul 2021 <sup>1</sup>	30 Jun 2024	\$0.08	-	3,000,000	-	-	3,000,000
			<b>29,700,000</b>	<b>33,000,000</b>	-	<b>(26,000,000)</b>	<b>36,700,000</b>

<sup>1</sup> Grant date is the date of employee acceptance which was between July 2021 and September 2021.

## Performance Rights

Total ordinary shares which are subject to performance rights at the date of this report

Grant date	Vesting date	Exercise price	Opening balance	Granted	Vested	Closing balance
8 Nov 2019	30 Apr 2021	\$0.00	35,000,000	-	(35,000,000)	-
20 Nov 2020	30 Jun 2022	\$0.00	-	52,000,000	-	52,000,000
1 Feb 2021	30 Jun 2022	\$0.00	-	6,250,000	-	6,250,000
			<b>35,000,000</b>	<b>58,250,000</b>	<b>(35,000,000)</b>	<b>58,250,000</b>

## Events subsequent to reporting date

On 13 August 2021, Ausgold announced that Mr Timothy Kestell has joined the Board as a Non-Executive Director.

The COVID-19 pandemic has developed rapidly in 2020, with a significant number of cases worldwide. Measures taken by various governments to contain the virus have affected economic activity. The Company has taken a number of measures to monitor and mitigate the effects of COVID-19, such as safety and health measures for its staff (such as social distancing and working from home) and securing the supply of materials that are essential to its activities.

At this stage, the impact on the Company's activities has not been significant and based on their experience to date the Directors expect this to remain the case. The Company will continue to follow the various government policies and advice and, in parallel, will do its utmost to continue its operations in the best and safest way possible without jeopardising the health of its staff.

Other than the above, no matter or circumstance has arisen as at the date of this report that has significantly affected, or may have significantly affected, the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

## Indemnification of Directors

### *Indemnification*

The Company has agreed to indemnify the current Directors and Officers of the Company against all liabilities to another person (other than the company or a related body corporate) that may arise from their designated position in the Company, except where the liability arises out of conduct involving a lack of good faith or breach of duty.

The agreement stipulates that the Company will meet the maximum extent permitted by law, the amount of any such liabilities, including costs and expenses.

### *Insurance premiums*

The Company paid a premium during the year in respect of a Director and Officer liability insurance policy, insuring the Directors of the Company, the Company Secretary, and all executives of the Company against a liability incurred in that capacity to the extent permitted by the Corporations Act 2001.

### *Indemnity and insurance of auditor*

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor. During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

### *Proceedings on behalf of the Company*

As far as the Directors are aware, no person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for the conduct of all or part of those proceedings.

## Corporate Governance

The 2021 Corporate Governance Statement is available on the Company's website at [www.ausgoldlimited.com](http://www.ausgoldlimited.com).

## Non-Audit Services

During the year, BDO Audit (WA) Pty Ltd, the Company's auditor, has performed other services in addition to the audit and review of the financial statements.

Details of the amount paid to the auditor and its related practices for other assurance services are set out below:

	2021	2020
Other services – Valuation of performance rights and options	1,925	3,500
<b>Total</b>	<b>1,925</b>	<b>3,500</b>

The Board of Directors is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are satisfied that the provision of non-audit services by the auditor did not compromise the auditor independence requirements of the Corporations Act 2001.

## The Auditor's Independence Declaration

The Auditor's Independence Declaration is included on page 30 of the financial report.

## Remuneration Report

The Remuneration Report which has been audited is set out on pages 24 to 29 and forms part of the Directors Report.

This report is signed in accordance with a resolution of the Directors.

For and behalf of the Directors



**Denis Rakich**  
Director

Perth, Western Australia

30 September 2021

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## Remuneration Report

The Directors present this Remuneration Report prepared in accordance with the requirements of the Corporations Act 2001 on the consolidated entity for the financial year ended 30 June 2021. This Remuneration Report forms part of the Directors' Report.

### Key Management Personnel

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the consolidated entity, directly or indirectly, including any Director (whether executive or otherwise) of the Company. The key management personnel of Ausgold comprise the Directors who are as follows:

- Richard Lockwood (Non-Executive Chairman)
- Neil Fearis (Non-Executive Director)
- Geoffrey Jones (Non-Executive Director)
- Matthew Greentree (Chief Executive Officer and Managing Director)
- Denis Rakich (Executive Director)

### Overview

The Board is responsible for determining and reviewing remuneration arrangements for its Directors and executives. The performance of the consolidated entity depends on the quality of its Directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

The remuneration framework for the executives comprise a fixed cash component and where applicable, superannuation contributions and the issue of share options, performance rights or other share-based incentives which are intended to provide competitive rewards to attract high calibre executives. Any issuance of share options, performance rights or other share-based incentives to Directors will require the prior approval of shareholders.

The Company remunerates Non-Executive Directors for their time, commitment and responsibilities. The fees paid to Non-Executive Directors are set at levels which reflect both the responsibilities of, and the time commitments required from each Non-Executive Director to discharge his duties and are not linked to the performance of the Company. Non-Executive Directors' fees are set by the Board within the maximum aggregate amount of fees approved by shareholders at a general meeting. The Non-Executive Directors' maximum aggregate cash fee pool is currently \$250,000 per annum.

Options and performance rights are also offered to employees (including Executive Directors and Non-Executive Directors) at the discretion of the Board. Performance criteria are one of the several elements utilised by the Board in assessing the issue of options and performance rights to employees. Length of service with the Company, past and potential contribution of the person to the Group is also considered when awarding options and performance rights to employees. The issuance of options is not linked to the performance of the Company. As an exploration company, the Board does not consider the Company's trading result at year end as one of the performance indicators when determining whether to issue options to employees. There is no Board policy in relation to limiting the recipient exposure to risk in relation to securities.

The table below sets out summary information about the movements in shareholder wealth for the following financial periods:

	2021	2020	2019	2018	2017
Revenue (\$'000)	-	-	4	80	100
Net loss before tax (\$'000)	(3,513)	(1,823)	(1,781)	(1,137)	(2,673)
Net loss after tax (\$'000)	(3,513)	(1,823)	(1,781)	(1,137)	(2,673)
Share price at the start of the year (\$)	\$0.042	\$0.014	\$0.028	\$0.025	\$0.052
Share price at the end of the year (\$)	\$0.043	\$0.042	\$0.014	\$0.028	\$0.025
Dividends (\$)	-	-	-	-	-
Basic loss per share (cents)	(0.26)	(0.19)	(0.26)	(0.22)	(0.78)
Diluted loss per share (cents)	N/A	N/A	N/A	N/A	N/A

### Service Agreements

#### Non-Executive Directors

The Non-Executive Directors' maximum fees payable in aggregate is \$250,000. Set out below is the remuneration paid to Non-Executive Directors during the reporting period:

Name	Role	Commencement date	Fixed annual remuneration
Richard Lockwood	Non-Executive Chairman	12 November 2010	\$50,000
Neil Fearis	Non-Executive Director	15 April 2016	\$40,000
Geoffrey Jones	Non-Executive Director	29 July 2016	\$40,000 plus superannuation



## Executive Directors

Remuneration and other terms of employment for the executives are formalised in service agreements. The principal provisions of the agreements relating to remuneration are set out below:

Name	Role	Commencement date	Fixed annual remuneration including superannuation	Termination notice period
Matthew Greentree	Chief Executive Officer and Managing Director	10 April 2017	\$292,084	6 months
Denis Rakich	Executive Director and Company Secretary	31 January 2013	\$233,033	6 months

## Use of Remuneration Consultants

Due to the size of the Company's operations, the Company has not engaged remuneration consultants to review and measure its remuneration policy and strategy. However, the Board reviews remuneration strategy periodically and if required, will engage remuneration consultants in the future to assist with this process.

## Voting and Comments Made at The Company's 2020 Annual General Meeting

The Company received 99.59% of votes in favour of its remuneration report for the 2020 financial year at the 2020 AGM. The Company did not receive any specific feedback from shareholders at the annual general meeting or during the financial year regarding its remuneration practices.

## Details Of Remuneration

The table below shows the fixed and variable remuneration for key management personnel for the financial year ended 30 June 2021:

2021	Short-term benefits			Long-term benefits	Post-employment benefits	Share-based payments	Total
	Cash salary & fees	Annual leave <sup>1</sup>	Other fees <sup>2</sup>	Long service leave <sup>3</sup>	Superannuation	Options & rights	
<b>Directors</b>							
R Lockwood	\$50,000	-	\$4,821	-	-	\$220,850	\$275,671
N Fearis	\$40,000	-	\$4,821	-	-	\$155,486	\$200,307
G Jones	\$40,000	-	\$4,821	-	\$3,800	\$155,486	\$204,107
M Greentree	\$267,000	\$28,654	\$4,821	\$8,376	\$25,085	\$527,309	\$861,245
D Rakich	\$213,083	\$19,744	\$4,821	\$12,149	\$19,950	\$329,019	\$598,766
<b>Total</b>	<b>\$610,083</b>	<b>\$48,398</b>	<b>\$24,105</b>	<b>\$20,525</b>	<b>\$48,835</b>	<b>\$1,388,150</b>	<b>\$2,140,096</b>

<sup>1</sup> Annual leave relates to movements in annual leave provision during the year and annual leave payment made.

<sup>2</sup> Other fees include the attributable non-cash benefit applied by virtue of the Company's Directors and Officers Liability policy.

<sup>3</sup> Long service leave relates to movements in long service leave provision during the year.

The table below shows the fixed and variable remuneration for key management personnel for the financial year ended 30 June 2020:

2020	Short-term benefits			Long-term benefits	Post-employment benefits	Share-based payments	Total
	Cash salary & fees	Annual leave <sup>1</sup>	Other fees <sup>2</sup>	Long service leave <sup>3</sup>	Superannuation	Options & rights	
<b>Directors</b>							
R Lockwood <sup>4</sup>	-	-	\$4,178	-	-	\$46,538	\$50,716
N Fearis	\$25,000	-	\$4,178	-	-	\$19,945	\$49,123
G Jones	\$20,000	-	\$4,178	-	\$1,900	\$19,945	\$46,023
M Greentree	\$192,400	\$8,778	\$4,178	\$3,174	\$18,050	\$79,779	\$306,359
D Rakich	\$144,000	\$8,077	\$4,178	\$2,388	\$13,300	\$66,483	\$238,426
<b>Total</b>	<b>\$381,400</b>	<b>\$16,855</b>	<b>\$20,890</b>	<b>\$5,562</b>	<b>\$33,250</b>	<b>\$232,690</b>	<b>\$690,647</b>

<sup>1</sup> Annual leave relates to movements in annual leave provision during the year and annual leave payment made.

<sup>2</sup> Other fees include the attributable non-cash benefit applied by virtue of the Company's Directors and Officers Liability policy.

<sup>3</sup> Long service leave relates to movements in long service leave provision during the year.

<sup>4</sup> Mr Lockwood did not receive any fees in his capacity as Chairman for the year ended 30 June 2020.

Options and performance rights are offered to key management personnel having regard, among other things, to the length of service with the Group, and the past and potential contribution of the person to the Group. The issuance of the options is not linked to the performance of the Company.

The percentage of fixed remuneration to total remuneration is as follows:

Directors	Fixed remuneration		Performance-based remuneration		% consisting of options & rights	
	2021	2020	2021	2020	2021	2020
R Lockwood	20%	92%	80%	8%	80%	8%
N Fearis	22%	40%	78%	60%	78%	60%
G Jones	24%	43%	76%	57%	76%	57%
M Greentree	39%	26%	61%	74%	61%	74%
D Rakich	45%	28%	55%	72%	55%	72%

No key management personnel appointed during the period received a payment for agreeing to accept a position with the Group.

## Performance Rights

The Performance Rights Plan is used to reward the Directors for their performance and to align their remuneration with the creation of shareholder wealth. The Performance Rights are issued for nil consideration and no consideration will be payable upon the vesting of the Performance Rights. Each Performance Right entitles the holder to be issued with one Ausgold share. The plan was approved by the shareholders on 20 November 2020.

The grant date of the Performance Rights was 20 November 2020 and, subject to satisfaction of the vesting conditions, the Performance Rights vest on 30 June 2022. The fair value per right is \$0.056.

The vesting conditions for the Performance Rights are as follows:

- Employment at the end of the measurement period (Employment Condition);
- 50% of Performance Rights vest based on a release on the Australian Securities Exchange ("ASX") of a minimum of 1.6 million ounces of Inferred, Indicated and/or Measured Resources, at a minimum lower cut-off grade of 0.5 grams per tonne of gold reported in accordance with the JORC Code on the Katanning Gold Project tenements; and
- 50% of the Performance Rights vest based on the release on the ASX of a mining Pre-Feasibility Study ("PFS") on the Katanning Gold Project which shows the potential to generate an Internal Rate of Return ("IRR") of greater than 20% using consensus commodity prices and Board approved assumptions.

In order to meet the Employment Condition, the relevant Related Party must be employed by the Company at the end of the measurement period.

Number of Performance Rights holdings of the Company held by key management personnel or their related entities as at 30 June 2021 are as follows:

Grant date	Vesting date	Balance at start of year	Granted during the year	Redeemed as shares		Balance at end of year (unvested)	Maximum value yet to vest*
		Number	Number	Number	%	Number	\$
<b>Directors</b>							
8 Nov 19	30 Apr 21	7,000,000	-	(7,000,000)	100	-	-
20 Nov 20	30 Jun 22	-	8,000,000	-	-	8,000,000	258,734
<b>R Lockwood</b>		7,000,000	8,000,000	(7,000,000)	100	8,000,000	258,734
8 Nov 19	30 Apr 21	3,000,000	-	(3,000,000)	100	-	-
20 Nov 20	30 Jun 22	-	6,000,000	-	-	6,000,000	194,051
<b>N Fearis<sup>1</sup></b>		3,000,000	6,000,000	(3,000,000)	100	6,000,000	194,051
8 Nov 19	30 Apr 21	3,000,000	-	(3,000,000)	100	-	-
20 Nov 20	30 Jun 22	-	6,000,000	-	-	6,000,000	194,051
<b>G Jones<sup>2</sup></b>		3,000,000	6,000,000	(3,000,000)	100	6,000,000	194,051
8 Nov 19	30 Apr 21	12,000,000	-	(12,000,000)	100	-	-
20 Nov 20	30 Jun 22	-	20,000,000	-	-	20,000,000	646,835
<b>M Greentree<sup>3</sup></b>		12,000,000	20,000,000	(12,000,000)	100	20,000,000	646,835
8 Nov 19	30 Apr 21	10,000,000	-	(10,000,000)	100	-	-
20 Nov 20	30 Jun 22	-	12,000,000	-	-	12,000,000	388,101
<b>D Rakich<sup>4</sup></b>		10,000,000	12,000,000	(10,000,000)	100	12,000,000	388,101
<b>Total rights</b>		<b>35,000,000</b>	<b>52,000,000</b>	<b>(35,000,000)</b>		<b>52,000,000</b>	<b>1,681,772</b>

\* The maximum value of the deferred shares yet to vest has been determined as the amount of the grant date fair value of the rights yet to be expensed.

1 Relevant interest held through Pendomer Investments Pty Ltd

2 Relevant interest held as trustee of The Lee Jones Superannuation Fund

3 Relevant interest held through M&J Greentree Nominees Pty Ltd

4 Relevant interest held as trustee of the Rakich Retirement Fund

Terms and conditions of the share-based payment arrangement

Grant date	Vesting & exercise date	Expiry Date	Exercise Price	Value per right at grant date	% vested
20 November 2020	30 June 2022	30 June 2022	\$0.00	\$0.056	0%
8 November 2019	30 April 2021	30 April 2021	\$0.00	\$0.008	100%

Directors	2021		2020	
	Performance Rights			
	Value granted	Value expensed	Value granted	Value expensed
R Lockwood	\$448,000	\$189,266	\$56,000	\$24,416
N Fearis	\$336,000	\$141,949	\$24,000	\$10,464
G Jones	\$336,000	\$141,949	\$24,000	\$10,464
M Greentree	\$1,120,000	\$473,165	\$96,000	\$41,855
D Rakich	\$672,000	\$283,899	\$80,000	\$34,879
<b>Total</b>	<b>\$2,912,000</b>	<b>\$1,230,228</b>	<b>\$280,000</b>	<b>\$122,078</b>

## Option Holdings

Number of options held by key management personnel or their related entities as at 30 June 2021 is set out below:

Name	Opening balance	Granted	Exercised	Lapsed	Closing balance	Vested & exercisable	Unvested
R Lockwood	4,000,000	-	-	(4,000,000)	-	-	-
N Fearis <sup>1</sup>	4,000,000	-	-	(4,000,000)	-	-	-
G Jones <sup>2</sup>	4,000,000	-	-	(4,000,000)	-	-	-
M Greentree <sup>3</sup>	10,000,000	-	-	(10,000,000)	-	-	-
D Rakich <sup>4</sup>	4,000,000	-	-	(4,000,000)	-	-	-
<b>Total</b>	<b>26,000,000</b>	<b>-</b>	<b>-</b>	<b>(26,000,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>

<sup>1</sup> Relevant interest held through Pendomer Investments Pty Ltd

<sup>2</sup> Relevant interest held as trustee of The Lee Jones Superannuation Fund

<sup>3</sup> Relevant interest held through M&J Greentree Nominees Pty Ltd

<sup>4</sup> Relevant interest held as trustee of the Rakich Retirement Fund

## Share Holdings

Number of shares held by the Directors of the Company or their related entities as at 30 June 2021 is set out below:

Name	Opening balance	Acquired	Revised on exercise of options	Redeemed from performance rights	Other changes	Balance at resignation	Closing balance
R Lockwood	46,480,471	2,519,529	-	7,000,000	-	-	56,000,000
N Fearis <sup>1</sup>	7,000,000	-	-	3,000,000	-	-	10,000,000
G Jones <sup>2</sup>	6,250,000	-	-	3,000,000	-	-	9,250,000
M Greentree <sup>3</sup>	3,500,000	-	-	12,000,000	-	-	15,500,000
D Rakich <sup>4</sup>	18,998,681	-	-	10,000,000	-	-	28,998,681
<b>Total</b>	<b>82,229,152</b>	<b>2,519,529</b>	<b>-</b>	<b>35,000,000</b>	<b>-</b>	<b>-</b>	<b>119,748,681</b>

<sup>1</sup> Relevant interest held through Pendomer Investments Pty Ltd

<sup>2</sup> Relevant interest held as trustee of The Lee Jones Superannuation Fund

<sup>3</sup> Relevant interest held through M&J Greentree Nominees Pty Ltd

<sup>4</sup> Relevant interest held as trustee of the Rakich Retirement Fund

## Key Management Personnel Transactions With the Company

### *Elstree Nominees Pty Ltd*

Elstree Nominees Pty Ltd ("Elstree") provides the Group with office premises and associated facilities. All services provided by Elstree to the Group are at cost. Mr Denis Rakich is a Director of Elstree and serves as Executive Director and Company Secretary at Ausgold. The total amount charged by Elstree during the financial year was \$168,072 plus GST (2020: \$126,425). There were no monies (2020: \$20,625 plus GST) owing to Elstree as at 30 June 2021. Amounts were due and payable under normal commercial terms.

## Loans to Key Management Personnel

No loans have been granted to key management personnel during the financial year ended 30 June 2021.

### **END OF REMUNERATION REPORT**

This report is signed in accordance with a resolution of the Directors.

For and behalf of the Directors



**Denis Rakich**  
Director

Perth, Western Australia

30 September 2021

For personal use only

# Auditor's Independence Declaration



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Australia

## DECLARATION OF INDEPENDENCE BY ASHLEIGH WOODLEY TO THE DIRECTORS OF AUSGOLD LIMITED

As lead auditor of Ausgold Limited for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Ausgold Limited and the entity it controlled during the period.

A handwritten signature in black ink, appearing to read 'Ashleigh Woodley', is written over a faint, large watermark that says 'For personal use only'.

Ashleigh Woodley  
Director

BDO Audit (WA) Pty Ltd  
Perth, 30 September 2021

BDO Audit (WA) Pty Ltd ABN 79 112 284 787 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit (WA) Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation.

# Consolidated Statement of Profit or Loss and Other Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 \$	2020 \$
Revenue from continuing operations		1,149	611
Other Income	8	380,318	141,606
Net movement in financial assets		106,500	(39,000)
Impairment exploration expenses		(554,675)	(646,457)
Corporate and administration expenses	9	(1,122,348)	(717,392)
Share-based payments expenses	20	(1,859,145)	(232,690)
Occupancy expenses		(68,377)	(53,809)
Other expenses		(124,096)	(71,669)
Accounting expenses		(64,094)	(51,265)
Amortisation and depreciation expenses		(160,870)	(119,232)
Finance costs		(16,651)	(16,970)
Legal fees		(31,030)	(17,068)
<b>Loss before income tax</b>		<b>(3,513,319)</b>	<b>(1,823,335)</b>
Income tax benefit/ (expense)	10	-	-
<b>Net loss attributable to members</b>		<b>(3,513,319)</b>	<b>(1,823,335)</b>
Other comprehensive income/ (loss)			
Other comprehensive income/ (loss)		-	-
<b>Total comprehensive income/ (loss) for the period (net of tax)</b>		<b>(3,513,319)</b>	<b>(1,823,335)</b>
<b>Loss per share for the period attributable to the members of Ausgold Limited</b>			
Basic loss per share (cents per share)	22	(0.26)	(0.19)
Diluted loss per share (cents per share)		N/A	N/A

The consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

# Consolidated Statement of Financial Position

AS AT 30 JUNE 2021

	Note	2021 \$	2020 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	11	7,451,103	1,025,802
Trade and other receivables		80,114	21,016
Security deposits	12	94,611	94,611
Financial assets at fair value	14	159,250	42,000
<b>Total current assets</b>		<b>7,785,078</b>	<b>1,183,429</b>
<b>Non-current assets</b>			
Property, plant and equipment	15	220,510	58,423
Prepayment for exploration assets	13	32,612	1,362
Exploration and evaluation expenditure	13	51,681,303	43,657,287
Right-of-use assets	16	189,349	166,088
<b>Total non-current assets</b>		<b>52,123,774</b>	<b>43,883,160</b>
<b>Total assets</b>		<b>59,908,852</b>	<b>45,066,589</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	17	222,452	261,101
Lease liabilities	16	99,418	95,918
Provisions	18	214,903	105,320
<b>Total current liabilities</b>		<b>536,773</b>	<b>462,339</b>
<b>Non-current liabilities</b>			
Lease liabilities	16	96,940	76,011
Provisions	18	1,173,969	1,157,439
<b>Total non-current liabilities</b>		<b>1,270,909</b>	<b>1,233,450</b>
<b>Total liabilities</b>		<b>1,807,682</b>	<b>1,695,789</b>
<b>NET ASSETS</b>		<b>58,101,170</b>	<b>43,370,800</b>
<b>EQUITY</b>			
Contributed equity		85,708,185	69,043,641
Reserves		7,191,802	5,612,657
Accumulated losses		(34,798,817)	(31,285,498)
<b>TOTAL EQUITY</b>		<b>58,101,170</b>	<b>43,370,800</b>

The Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.



# Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2021

	Notes	Contributed Equity \$	Accumulated Losses \$	Reserves \$	Total Equity \$
<b>Balance as at 1 July 2020</b>		<b>69,043,641</b>	<b>(31,285,498)</b>	<b>5,612,657</b>	<b>43,370,800</b>
<b>Loss for the year</b>			<b>(3,513,319)</b>		<b>(3,513,319)</b>
Other Comprehensive income			-		-
<b>Total comprehensive loss for the year</b>		<b>-</b>	<b>(3,513,319)</b>	<b>-</b>	<b>(3,513,319)</b>
<b>Transactions with owners, recorded directly in equity:</b>					
Shares issued		17,598,705	-	-	<b>17,598,705</b>
Share issue costs		(1,214,161)	-	-	<b>(1,214,161)</b>
Redeemed performance rights		280,000	-	(280,000)	-
Share-based payments	20	-	-	1,859,145	<b>1,859,145</b>
<b>Balance as at 30 June 2021</b>	<b>19</b>	<b>85,708,185</b>	<b>(34,798,817)</b>	<b>7,191,802</b>	<b>58,101,170</b>

	Notes	Contributed Equity \$	Accumulated Losses \$	Reserves \$	Total Equity \$
<b>Balance as at 1 July 2019</b>		<b>64,828,889</b>	<b>(29,462,163)</b>	<b>5,379,967</b>	<b>40,746,693</b>
<b>Loss for the year</b>			<b>(1,823,335)</b>		<b>(1,823,335)</b>
Other Comprehensive income			-		-
<b>Total comprehensive income</b>		<b>-</b>	<b>(1,823,335)</b>	<b>-</b>	<b>(1,823,335)</b>
<b>Transactions with owners, recorded directly in equity:</b>					
Shares issued		4,443,600	-	-	<b>4,443,600</b>
Share issue costs		(228,848)	-	-	<b>(228,848)</b>
Share-based payments		-	-	232,690	<b>232,690</b>
<b>Balance as at 30 June 2020</b>	<b>19</b>	<b>69,043,641</b>	<b>(31,285,498)</b>	<b>5,612,657</b>	<b>43,370,800</b>

# Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 \$	2020 \$
<b>Cash flows from operating activities</b>			
Interest received		1,149	611
Payments to suppliers and employees		(1,450,250)	(1,008,817)
Receipts from rebates and claims		380,318	141,606
<b>Net cash flows used in operating activities</b>	<b>23</b>	<b>(1,068,783)</b>	<b>(866,600)</b>
<b>Cash flows from investing activities</b>			
Payment for property plant and equipment		(208,697)	(14,861)
Payment for investments		(10,750)	-
Payment for exploration expenditure		(8,613,013)	(2,492,837)
<b>Net cash flows used in investing activities</b>		<b>(8,832,460)</b>	<b>(2,507,698)</b>
<b>Cash flows from financing activities</b>			
Repayment of lease obligations		(57,998)	(113,133)
Proceeds from issue of share capital		17,598,705	4,443,602
Transaction costs related to issue of shares		(1,214,163)	(228,848)
<b>Net cash flows generated from financing activities</b>		<b>16,326,544</b>	<b>4,101,621</b>
<b>Net increase in cash and cash equivalents</b>		<b>6,425,301</b>	<b>727,323</b>
Cash and cash equivalents at the beginning of the period		1,025,802	298,479
<b>Cash and cash equivalents at the end of the period</b>	<b>11</b>	<b>7,451,103</b>	<b>1,025,802</b>

The Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

# Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2021

## 1. Reporting Entity

Ausgold Limited ("Ausgold" or "parent entity" or "Company") and its controlled entity (collectively known as "the Group" or "consolidated entity") are domiciled in Australia.

The annual financial report of the Group for the financial year ended 30 June 2021 was authorised for issue in accordance with a resolution of the Directors on 30 September 2021.

The consolidated entity's principal activities during the financial year were the exploration for gold and other precious metals.

## 2. Basis of Preparation

The consolidated annual financial report is a general purpose financial report which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and authoritative pronouncements of the Australian Accounting Standards Board (AASB) and complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The financial report has also been prepared on a historical cost basis except for assets and liabilities which are required to be measured at fair value.

The financial statements were authorised for issue by the Board of Directors on 30 September 2021.

The Group has adopted all the new, revised or amending Accounting Standards and Interpretations issued by the AASB that are mandatory for the current reporting period (see details below).

All new, revised or amending Accounting Standards or Interpretations that are not mandatory have not been early adopted.

New and revised Standards and amendments thereof and Interpretations effective for the current year that are relevant to the Group include:

- AASB 2018-6 – Amendments to Australian Accounting Standards – Definition of a Business
- AASB 2018-7 – Amendments to Australian Accounting Standards – Definition of Material
- AASB 2019-5 – Amendments to Australian Accounting Standards – Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

## 3. Changes in Accounting Policies

The Group has adopted all of the new or amended Accounting Standards, amendments and interpretations issued by the Australian Accounting Standards Board ("AASB") that are mandatory for the current reporting year.

## 4. Significant Accounting Judgments, Estimates and Assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period.

Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events, which are believed to be reasonable under the circumstances. However actual outcomes would differ from these estimates if different assumptions were used and different conditions existed.

The Group has identified the following area where significant judgements, estimates and assumptions are required, and where actual results were to differ, may materially affect the financial position or financial results reported in future periods.

### *Share-based payments*

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using an appropriate valuation technique that takes into account various inputs that represent the best estimates available at the time of performing the calculation but are subject to variability and may be materially different if hindsight was to be used. Details of share-based payments can be found in Note 20.

## 4. Significant Accounting Judgments, Estimates And Assumptions (Cont'd)

### *Exploration And Evaluation Expenditure*

The Group's policy with regards to exploration and evaluation expenditure, including the costs of acquiring licences and permits, are capitalised as exploration and evaluation assets on an area of interest basis (Refer note 13).

### *Impairment Of Assets*

At each reporting date, the Group assesses whether there is any indication that individual assets are impaired. Where impairment indicators exist, recoverable amount is determined and impairment losses are recognised in the statement of profit or loss and other comprehensive income where the asset's carrying value exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

### *Rehabilitation Provision*

The Group assesses its rehabilitation provision at each reporting date. Significant judgment is required in determining the provision for rehabilitation as there are many factors that will affect the ultimate liability payable to rehabilitate the existing mine sites, including future disturbances caused by further development, changes in technology and changes in regulations. When these factors change or become known in the future, such differences will impact the mine rehabilitation provision in the period in which the change becomes known. Refer Note 18 for further details.

### *Incremental Borrowing Rate*

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the entity estimates it would have to pay a third party to borrow the funds necessary to obtain in an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

## 5. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting to the Chief Operating Decision Maker, which has been identified by the Group as the Board of Directors.

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors in assessing performance and determining the allocation of resources. Reportable segments disclosed are based on aggregating operating segments, where the segments have similar characteristics. The Group's sole activity is mineral exploration and resource development wholly with Australia, therefore it has aggregated all operating segments into the one reportable segment being mineral exploration.

The reportable segment is represented by the primary statements forming this financial report.

## 6. Parent Entity Information

The financial statements of the parent entity are set out below:

	Parent Entity 2021 \$	Parent Entity 2020 \$
Current assets	7,680,741	1,059,912
Non-current assets	50,893,139	42,604,030
<b>Total assets</b>	<b>58,573,879</b>	<b>43,663,942</b>
Current liabilities	271,650	145,868
Non-current liabilities	201,059	147,274
<b>Total liabilities</b>	<b>472,709</b>	<b>293,142</b>
<b>NET ASSETS</b>	<b>58,101,170</b>	<b>43,370,800</b>
Contributed equity	92,592,627	75,928,083
Reserves	7,191,802	5,612,657
Accumulated losses	(41,683,259)	(38,169,940)
<b>TOTAL EQUITY</b>	<b>58,101,170</b>	<b>43,370,800</b>
Loss for the year	(3,513,319)	(1,823,335)
Other comprehensive income/(loss)	-	-
<b>Total comprehensive loss for the year</b>	<b>(3,513,319)</b>	<b>(1,823,335)</b>

## 7. Financial Risk Management

### Overview

The overall financial risk management strategy focuses on the unpredictability of the financial markets and seeks to minimise the potential adverse effects on financial performance and protect financial security.

The Group have exposure to the following risks from their use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk (including interest rate risk)

This note presents information about the consolidated entity's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk and the management of capital.

Ausgold's risk management framework is supported by the Board, management and the Audit and Risk Committee. The Board is responsible for approving and review the consolidated entity's risk management strategy and policy. Management is responsible for monitoring that appropriate processes and controls are in place effectively and efficiently manage risk. The Audit and Risk Committee is responsible for identifying, monitoring and managing significant business risks faced by consolidated entity and considering the effectiveness of its internal control system. Due to the size of the Company's operations, the Audit and Risk Committee comprises of the full Board.

## 7. Financial Risk Management (Cont'd)

The consolidated entity holds the following financial instruments:

	2021 \$	2020 \$
Financial assets		
Cash and cash equivalents	7,451,103	1,025,802
Trade and other receivables	80,114	21,016
Security deposits	94,611	94,611
Financial assets at fair value	159,250	42,000
	<b>7,785,078</b>	<b>1,183,429</b>
Financial liabilities		
Trade and other payables	222,452	261,101
Lease liabilities	196,358	171,929
	<b>418,810</b>	<b>433,030</b>

### Credit Risk

Credit risk is the risk of financial loss to the consolidated entity if counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's cash and cash equivalents, deposits with banks and financial institutions. For banks and financial institutions, only independently rated parties with a minimum rating of "A" are accepted.

The consolidated entity does not hold any credit derivatives to offset its credit exposure.

The credit quality of financial assets that are neither past due or impaired will be measured at fair value, with the gains or losses being recognised in profit or loss.

	2021 \$	2020 \$
<b>Trade receivables</b>		
Counterparties without external credit rating		
Group 1 <sup>1</sup>	174,725	115,627
Group 2 <sup>2</sup>	-	-
	<b>174,725</b>	<b>115,627</b>
<b>Deposits</b>		
AA	7,451,103	1,025,802
	<b>7,451,103</b>	<b>1,025,802</b>

<sup>1</sup> Group 1 – Existing receivables (less than 6 months)

<sup>2</sup> Group 2 – Existing receivables (more than 6 months) with no defaults in the past.

## 7. Financial Risk Management (Cont'd)

### Credit Risk (Cont'd)

#### Exposure to credit risk

The carrying amount of the consolidated entity's financial assets represents the maximum credit exposure. The consolidated entity's maximum exposure to credit risk at reporting date was:

	2021 \$	2020 \$
Financial assets		
Cash and cash equivalents	7,451,103	1,025,802
Trade and other receivables	80,114	21,016
Security deposits	94,611	94,611
	<b>7,625,828</b>	<b>1,141,429</b>

### Liquidity Risk

Liquidity risk arises from the financial liabilities of the consolidated entity and the consolidated entity's subsequent ability to meet their obligations to repay their financial liabilities as and when they fall due.

The following are the contractual maturities of financial liabilities on an undiscounted basis, including estimated interest payments. Cash flows for liabilities without fixed amount or timing are based on conditions existing at year end.

	2021 \$	2020 \$
Financial liabilities		
Trade and other payables	222,452	261,101
Lease liabilities	196,358	171,929
	<b>418,810</b>	<b>433,030</b>

Ultimate responsibility for liquidity risk management lies with the Board of Directors. The Board has determined an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves and regularly monitoring budgeted and actual cash flows and matching the maturity profiles of financial assets, expenditure commitments and liabilities.

The amounts disclosed in the table are the actual undiscounted cash flows.

	Less than 6 months	6 to 12 months	Between 1 to 2 years	Total	Carrying amount
Contractual maturity of financial liabilities	\$	\$	\$	\$	\$
<b>Consolidated - 30 June 2021</b>					
Trade and other payables	222,452	-	-	222,452	222,452
Lease liabilities	45,991	59,797	101,650	207,438	207,438
	<b>268,443</b>	<b>59,797</b>	<b>101,650</b>	<b>429,890</b>	<b>429,890</b>
<b>Consolidated - 30 June 2020</b>					
Trade and other payables	261,101	-	-	261,101	261,101
Lease liabilities	47,224	48,695	76,010	171,929	171,929
	<b>308,325</b>	<b>48,695</b>	<b>76,010</b>	<b>433,030</b>	<b>433,030</b>

## 7. Financial Risk Management (Cont'd)

### Market Risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates that will affect the consolidated entity's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising return.

#### Interest rate risk

The consolidated entity's exposure to interest rate primarily relates to the consolidated entity's cash and cash equivalents. The consolidated entity manages market risk by monitoring levels of exposure to interest rate risk and assessing market forecasts for interest rates.

At reporting date, the interest rate profile of the Group's interest bearing financial instruments was:

	2021 \$	2020 \$
Variable rate financial instruments		
Financial assets	7,451,103	1,025,802
Financial liabilities	196,358	171,929
	<b>7,647,461</b>	<b>1,197,731</b>

The Group manages its interest rate risk by monitoring available interest rates while maintaining an overriding position of security whereby the majority of cash and cash equivalents are held in AA-rated bank accounts. The Group's weighted average effective interest rate is 0.002% (2020: 0.06%).

### Capital Risk Management

When managing capital, the Board's objective is to ensure the consolidated entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. The Board also aims to maintain a capital structure that ensures the lowest cost of capital available to the consolidated entity.

The Board is constantly adjusting the capital structure to take advantage of favourable costs of capital or high return on assets. As the market is constantly changing, management may issue new shares, sell assets to reduce the Company's liability or consider entering joint venture agreements to further exploration of the tenements.

The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position although there is no formal policy regarding gearing levels.

There were no changes in the consolidated entity's approach to capital management during the year. The consolidated entity is not subject to any externally imposed capital requirements.

### Fair Value Measurements

The fair value of financial assets and liabilities are determined in accordance with generally accepted pricing models based on estimated future cash flow and observable market prices.

## 8. Other Income

Other income is recognised when the amount can be reliably measured and control of the right to receive income is passed to the Group.

	2021 \$	2020 \$
ATO Cash Boost *	50,000	50,000
EIS Funding	268,623	-
Diesel Fuel Rebate	61,642	26,861
Reimbursement for water bores drilling	-	62,245
Other income	53	2,500
	<b>380,318</b>	<b>141,606</b>

\*The Government has provided temporary cash flow support to small and medium business entities that employ staff during the economic downturn associated with coronavirus. Through the Australian Taxation Office (ATO), the Company has in the last financial year received an initial tax-free cash boost of \$50,000, delivered through credits in the activity statement system. An additional cash flow boost was received this year from June to September. These credits are equal to the total boost credited for March to June 2020.



## 9. Corporate and Administration Expenses

	2021 \$	2020 \$
Directors' fees and salaries	658,918	414,650
Listing fees and statutory related costs	83,524	59,675
Investors relations	167,510	154,012
Other corporate and administration costs	212,396	89,055
Other income	<b>1,122,347</b>	<b>717,392</b>

## 10. Income Tax Expense

The income tax expense or benefit (revenue) is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

	2021 \$	2020 \$
Reconciliation between tax expenses and pre-tax net loss		
<b>Loss before income tax</b>	<b>(3,513,319)</b>	<b>(1,823,335)</b>
Income tax benefit calculated at 26% (2020: 27.5%)	(913,463)	(501,417)
Tax effects on amounts which are not tax deductible	351,552	62,374
Deferred tax asset not brought to account	561,911	439,043
<b>Income tax benefit</b>	<b>-</b>	<b>-</b>
<b>Deferred tax assets not brought to account</b>		
Unused tax losses	73,479,315	63,439,123
Timing differences	(51,253,892)	(42,703,545)
Capital raising cost in equity	1,171,366	318,990
Tax at 25% (2020: 25%)	5,849,197	5,263,642

Deferred tax assets and liabilities are recognised for temporary difference, between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases, at the tax rates expected to apply when then assets are recovered or liabilities settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

## 11. Cash and Cash Equivalents

Cash and cash equivalents include cash at bank and in hand, deposits held at call with financial institutions, other short-term highly liquid deposits with an original maturity of three months or less that are readily convertible to known amounts of cash.

	2021 \$	2020 \$
<b>Current assets</b>		
Cash at bank and in hand	7,451,103	1,025,802
	<b>7,451,103</b>	<b>1,025,802</b>

### Reconciliation To Cash At The End Of The Financial Year

The above figures are reconciled to cash at the end of the financial year as shown on the consolidated statement of cash flows as follows:

	2021 \$	2020 \$
<b>Current assets</b>		
Cash at bank and in hand	7,451,103	1,025,802
<b>Balance as per Consolidated Statement of Cash Flows</b>	<b>7,451,103</b>	<b>1,025,802</b>

### Risk Exposure

The consolidated entity's exposure and a sensitivity analysis for financial assets and liabilities are discussed in Note 7. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of cash and cash equivalents mentioned above.

## 12. Security Deposits

Security deposits are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity.

	2021 \$	2020 \$
<b>Current assets</b>		
Balance at the start of the period	94,611	94,611
Additions / (Reversals)	-	-
	<b>94,611</b>	<b>94,611</b>

## 13. Exploration and Evaluation Expenditure & Prepayment

Exploration and evaluation expenditure encompasses expenditure incurred in connection with the exploration for and evaluation of mineral resources before the technical feasibility and commercial viability of extracting a mineral resource are demonstrable. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Exploration and evaluation expenditure incurred is accumulated for each area of interest and recorded as an asset if:

- the right to tenure of the area of interest are current; and
- at least one of the following conditions is also met:
  - the exploration and evaluation expenditure are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sales; and
  - Exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the areas of interest are continuing.

For each area of interest, expenditure incurred on the exploration of tenements is capitalised and recognised as an exploration and evaluation asset. Exploration and evaluation assets are measured at cost at recognition.

The Group does not record any expenditure made by the farmee on its account. It also does not recognise any gain or loss on its exploration and evaluation farm-out arrangements, but re-designates any costs previously capitalised in relation to the whole interest as relating to the partial interest retained. Any cash consideration received directly from the farmee is credited against costs previously capitalised in relation to the whole interest with any excess accounted for by the farmor as a gain on disposal.

### 13. Exploration and Evaluation Expenditure & Prepayment (Cont'd)

#### Significant Estimates And Judgement

The Directors assesses whether there is any indication of impairment of an area of interest basis, bi-annually. If any such indication exists, the consolidated entity shall estimate the recoverable amount of the assets. For areas of interest that are not considered to have any commercial value, or where exploration rights are no longer current, the capitalised amounts are written off against the provision and any remaining amounts are charged against profit. Recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

	2021 \$	2020 \$
<b>Non-current assets</b>		
<b>Exploration, evaluation, prepayment and development costs carried forward in respect of areas of interest (net of amounts written off)</b>		
Exploration and evaluation expenditure	51,681,303	43,608,219
Prepayment for exploration assets	32,612	1,362
Acquisition of tenements - Dumbleyung Project	-	49,068
	<b>51,713,915</b>	<b>43,658,649</b>
<b>Reconciliation</b>		
Carrying amount at start of year	43,658,649	41,958,611
Exploration expenditure	8,578,691	2,345,133
Prepayment for exploration assets	31,250	1,362
Expenditure written off	(554,675)	(646,457)
<b>Carrying amount at the end of the period</b>	<b>51,713,915</b>	<b>43,658,649</b>

The ultimate recoupment of exploration and evaluation expenditure is dependent upon the successful development and commercial exploitation, or alternatively, sale of the respective areas. The Directors have reviewed the impairment indicators as per AASB 6: Exploration and Evaluation of Mineral Resources and have concluded that due to the relinquishment of certain tenements, there is an impairment of \$554,675 (2020: \$646,457) which resulted in the expenditure being written off at the reporting date.

### 14. Financial Assets at Fair Value Through Profit or Loss

The Group classifies equity investments that are held for trading as financial assets at fair value through profit or loss. The financial assets consist of ordinary shares which have been valued at fair value and have no fixed maturity date or coupon rate. The value of these financial assets has been determined directly by reference to published price quotations in an active market. Changes in the value of the financial assets are recorded in net loss on financial assets in profit or loss.

	2021 \$	2020 \$
<b>Current assets</b>		
Shares carried at fair value	159,250	42,000
	<b>159,250</b>	<b>42,000</b>

## 15. Property, Plant And Equipment

Items of property, plant and equipment are initially recorded at cost, being the fair value of the consideration provided plus incidental costs directly attributable to the acquisition, and depreciated. Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation.

The carrying amount of plant and equipment is reviewed annually to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal.

Depreciation is provided on plant and equipment. Items of property, plant and equipment are depreciated using the diminishing value method over their estimated useful lives to the consolidated entity. The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each of the statement of financial position date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The useful economic life for each class of depreciable asset is:

Vehicles	3 – 5 years
Furniture, fittings and equipment	3 – 5 years

	June 2021 \$	June 2020 \$
<b>Non-current assets</b>		
Balance at the start of the period, net of accumulated depreciation	58,423	51,210
Additions	208,696	33,649
Depreciation charge	(46,609)	(26,436)
<b>Balance net of accumulated depreciation</b>	<b>220,510</b>	<b>58,423</b>

	2021 \$	2020 \$
<b>Non-current assets</b>		
Cost	910,836	702,140
Accumulated depreciation	(690,326)	(643,717)
<b>Net carrying amount</b>	<b>220,510</b>	<b>58,423</b>

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of profit or loss and other comprehensive income. When the re-valued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

## 16. Right-Of-Use Asset And Lease Liability

	2021 \$	2020 \$
<b>Right-of-use assets</b>		
<i>Property - office lease</i>		
Opening balance	70,827	131,536
Amortisation	(60,708)	(60,709)
Closing balance	10,119	70,827
<i>Motor vehicle</i>		
Opening balance	22,308	-
Addition	137,521	25,097
Amortisation	(26,876)	(2,789)
Closing balance	132,953	22,308
<i>Hire purchase assets</i>		
Opening balance	72,953	123,863
Disposal	-	(21,612)
Amortisation	(26,676)	(29,298)
Closing balance	46,277	72,953
<b>Total Right-of-use assets as at 30 June</b>	<b>189,349</b>	<b>166,088</b>
<b>Lease liability</b>		
<i>Property - office lease</i>		
Opening balance	73,416	156,633
Lease payments	(62,593)	(83,217)
Closing balance	10,823	73,416
<i>Motor vehicle</i>		
Opening balance	22,534	-
Addition	137,521	25,097
Lease payments	(25,143)	(2,563)
Closing balance	134,912	22,534
<i>Hire purchase</i>	50,623	75,979
<b>Total lease liability as at 30 June</b>	<b>196,358</b>	<b>171,930</b>
<b>Lease liability</b>		
Current	99,418	95,918
Non-current	96,940	76,011
	196,358	171,929
<b>Amounts recognised in the consolidated statement of profit or loss</b>		
Amortisation of right-of-use asset	114,261	92,796
	<b>114,261</b>	<b>92,796</b>

## 17. Trade And Other Payables

Trade payables represent liabilities for goods or services received prior to the end of the reporting date which are unpaid. Trade accounts payable are normally settled within 60 days. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from reporting date.

	2021 \$	2020 \$
<b>Current liabilities</b>		
Trade creditors	144,122	216,117
Other creditors	78,330	44,984
	<b>222,452</b>	<b>261,101</b>

## 18. Provisions

Provisions are recognised when the consolidated entity has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

	2021 \$	2020 \$
<b>Current liabilities</b>		
Provision for employee benefits	214,903	105,320
	<b>214,903</b>	<b>105,320</b>

	2021 \$	2020 \$
<b>Non-current liabilities</b>		
Provision for employee benefits	31,602	15,072
Provision for rehabilitation	1,142,367	1,142,367
	<b>1,173,969</b>	<b>1,157,439</b>

### Employee Benefits

#### (i) Short-Term Obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

#### (ii) Other Long-Term Obligations

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are recognised in non-current liabilities, provided there is an unconditional right to defer settlement of the liability. The liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national Government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

## 18. Provisions (Cont'd)

### Provision For Rehabilitation

Rehabilitation costs include the dismantling and removal of mining plant, equipment and building structures, waste removal and rehabilitation of the site in accordance with the requirements of the mining permits. Such costs are determined using estimates of future costs, current legal requirements and technology.

Rehabilitation costs are recognised in full at present value as a non-current liability. An equivalent amount is capitalised as part of the cost of the asset when an obligation arises to decommission or restore a site to a certain condition after abandonment as a result of bringing the assets to its present location.

Any changes in the estimates for the costs or other assumptions against the cost of relevant assets are accounted for on a prospective basis. In determining the costs of site restoration there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation.

### Significant estimates and judgements

The ultimate rehabilitation costs are uncertain, and cost estimates can vary in response to many factors, including estimates of the extent and costs of rehabilitation activities, technological changes, regulatory changes, cost increases as compared to the inflation rates (1.73% (2020: 0.87%)), and changes in discount rates (0.2% (2020: 0.26%)). These uncertainties may result in future actual expenditure differing from the amounts currently provided. Therefore, significant estimates and assumptions are made in determining the provision for mine rehabilitation. As a result, there could be significant adjustments to the provisions established which would affect future financial result. The provision at reporting date represents management's best estimate of the present value of the future rehabilitation costs required.

## 19. Contributed Equity

Ordinary shares are classified as equity. Costs directly attributable to the issue of new shares or options are shown as a deduction from the equity proceeds, net of any income tax benefit.

	2021 \$	2020 \$
<b>Equity</b>		
Balance at the start of the period	69,043,641	64,828,889
Shares issued for capital raising purposes	17,598,705	4,443,600
Less share issue costs	(1,214,161)	(228,848)
Performance rights redeemed as shares	280,000	-
	<b>85,708,185</b>	<b>69,043,641</b>

<sup>1</sup> The Company allotted the following shares to fund the Company's continued exploration and working capital:

- 6 August 2020, Ausgold completed a placement of 194.15m shares at \$0.0327

- 23 April 2021, Ausgold completed a placement of 250m shares at \$0.045

### Movement In Share Capital During The Year

	2021 Number of shares	2020 Number of shares
<b>Movement in share capital</b>		
Balance at the start of the period	1,106,199,541	747,149,541
Shares issued for capital raising purposes	444,150,000	359,050,000
Redeemed from performance rights	35,000,000	-
	<b>1,585,349,541</b>	<b>1,106,199,541</b>

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up to the shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

## 19. Contributed Equity (Cont'd)

### Movement In Options During The Year

	2021 Number of options	2020 Number of options
<b>Movement in options</b>		
Balance at the start of the period	29,700,000	61,779,235
Options issued	33,000,000	-
Options lapsed	(26,000,000)	(32,079,235)
	<b>36,700,000</b>	<b>29,700,000</b>

<sup>1</sup> During the financial year, the Company issued the following options:

On 23 March 2021, Ausgold issued 7m options exercisable at \$0.08 per option to IRX Advisors

On 4 May 2021, Ausgold issued 16m options exercisable at \$0.063 per option to Blue Ocean Equities Pty Ltd

On 19 March 2021, Ausgold issued 3m options exercisable at \$0.08 per option to staff

### Movement In Performance Rights During The Year

	2021 Number of performance rights	2020 Number of performance rights
Movement in performance rights		
<b>Balance at the start of the period</b>	35,000,000	19,000,000
Performance rights issued <sup>2</sup>	58,250,000	35,000,000
Performance rights redeemed as shares	(35,000,000)	-
Performance rights lapsed	-	(19,000,000)
	<b>58,250,000</b>	<b>35,000,000</b>

<sup>2</sup> During the financial year, the company granted the following performance rights:

On 10 December 2020, Ausgold granted 52m performance rights to the Directors

On 1 February 2021, Ausgold granted 6.25m performance rights to staff

## 20. Share-Base Payments

Share-based compensation benefits are provided to employees and consultants of Ausgold Limited.

The fair value is measured at grant date and recognised over the period during which the holder become unconditionally entitled to the options/rights. The fair value of options/rights is determined by management using a Black Scholes option pricing model and the fair value of rights are estimated using a Monte Carlo simulation.

In valuing the equity-settled transactions, performance conditions are taken into account.

The cost of equity-settled transactions is recognised, together with corresponding increase in equity, over the period in which the vesting conditions are fulfilled.

The fair value of the options granted excludes the impact of any non-market vesting conditions (for example, an increase in Resources). Non-market vesting conditions are included in assumptions about the number of options/rights that are expected to vest. At each reporting date, the entity revises its estimate of the number of options/rights that are expected to vest. The employee benefit expense recognised each period takes into account the most recent estimate.

The market value of shares issued to employees for no cash consideration is recognised as an employee benefits expense with a corresponding increase in equity when the employees become entitled to the shares. This reserve is used to record the value of equity settled share-based payments provided to employees and directors as part of their remuneration.



## 20. Share-Based Payments (Cont'd)

	2021 \$	2020 \$
<b>Equity</b>		
Balance at the start of period	5,612,657	5,379,968
Share-based payments reserve	1,579,145	232,689
	<b>7,191,802</b>	<b>5,612,657</b>

### Performance Rights Plan for Directors

Performance Rights plans are used to reward the Directors for their performance and to align their remuneration with the creation of shareholder wealth. The Performance Rights are issued for nil consideration and no consideration will be payable upon the vesting of the Performance Rights. Each Performance Right entitles the holder to be issued with one Ausgold share.

The aggregate numbers of Performance Rights holdings of the Company held directly, indirectly or beneficially by Directors are as follows:

Directors	Opening Balance Number	Granted Number	Redeemed as Shares Number	Lapsed Number	Closing Balance Number
R Lockwood	7,000,000	8,000,000	(7,000,000)	-	8,000,000
N Fearis	3,000,000	6,000,000	(3,000,000)	-	6,000,000
G Jones	3,000,000	6,000,000	(3,000,000)	-	6,000,000
M Greentree	12,000,000	20,000,000	(12,000,000)	-	20,000,000
D Rakich	10,000,000	12,000,000	(10,000,000)	-	12,000,000
<b>Total</b>	<b>35,000,000</b>	<b>52,000,000</b>	<b>(35,000,000)</b>	-	<b>52,000,000</b>

During the financial year, 52m Performance Rights were granted to Directors on 20 November 2020 and are subject to satisfaction of the vesting conditions and will expire on 30 June 2022. The Performance Rights plan was approved by shareholders on 20 November 2020.

The vesting conditions for the Performance Rights are as follows:

- Holder's continued service with the Company until the time of vesting;
- 50% of Performance Rights vest based on a release on the Australian Securities Exchange ("ASX") of a minimum of 1.6 million ounces of Inferred, Indicated and/or Measured Resources, at a minimum lower cut-off grade of 0.5 grams per tonne of gold reported in accordance with the JORC Code on the Katanning Gold Project tenements; and
- 50% of the Performance Rights vest based on the release on the ASX of a mining Pre-Feasibility Study ("PFS") on the Katanning Gold Project which shows the potential to generate an Internal Rate of Return ("IRR") of greater than 20% using consensus commodity prices and Board approved assumptions.

As the rights have non-market based vesting conditions, they can be exercised at any time up to expiry date. The fair value per right of \$0.056 reflects the market value of the underlying ordinary share at grant date.

The following inputs and assumptions were made impacting the share-based payment expense for the year ended 30 June 2021:

Number issued	52,000,000
Grant date	20 November 2020
Expiry date	30 June 2022
Commencement of performance period	6 October 2020
Fair value at grant date	\$0.056
Total fair value	\$2,912,000

As at initial recognition and reporting date, management have assessed the achievement of the performance right non-market milestones is probable. Therefore the fair value has been recognised over the expected vesting period commencing on 6 October 2020 to the expiry date.

## 20. Share-Based Payments (Cont'd)

### Performance Rights Plan for Directors (Cont'd)

During the financial year, 35m Performance Rights vested and redeemed as shares. The grant date of the Performance Rights was 8 November 2019 and, subject to satisfaction of the vesting conditions, the Performance Rights will vest on 30 April 2021. The fair value per right is \$0.008.

The vesting conditions for the Performance Rights were as follows:

- Employment at the end of measurement period (Employment Condition)
- Performance of the Company relative to the performance of the S&P/ASX 300 Metals and Mining Index for the period based on Total Shareholder Return ("TSR") (Performance Condition)

In order to meet the Employment Condition, the relevant Related Party must be employed by the Company at the end of the measurement period.

At the end of the measurement period, the Company's performance was determined by reference to the Company's TSR for the period, which was compared against the S&P/ASX Metals and Mining index.

The TSR calculation was based on the percentage change in the share price of the Company over the measurement period. The percentage change calculated was comparing the 20 day volume weighted average price in the 20 business day period immediately before the start and end of the measurement period.

The Company's TSR compared against the S&P/ASX Metals and Mining Index determined the proportion of Performance Rights that vested, as set out below:

Relative TSR over the Measurement Period	Portion of Performance Rights Vested
Below the 50th percentile	0%
At the 50th percentile	50%
Between the 50th and 75th percentile	Pro-rata between 50% and 100%
Above the 75th percentile	100%

The model used for the calculations is Monte Carlo simulation using a hybrid option pricing model. The following key inputs were used to value the equity instruments issued in the previous financial year:

Number issued	35,000,000
Grant date	8 November 2019
Vesting date	30 April 2021
Commencement of performance period	1 October 2019
Risk free interest rate	0.89%
Volatility	86%
Fair value at grant date	\$0.008
Total fair value	\$280,000

## 20. Share-Based Payments (Cont'd)

### Performance Rights Plan for Staff

Share-based compensation benefits are provided to employees of Ausgold Limited. During the financial year, 6.25m Performance Rights were granted to staff on 1 February 2021 and are subject to satisfaction of the vesting conditions and will expire on 30 June 2022.

The vesting conditions for the Performance Rights are as follows:

- Holder's continued service with the Company until the time of vesting;
- 50% of Performance Rights vest based on a release on the Australian Securities Exchange ("ASX") of a minimum of 1.6 million ounces of Inferred, Indicated and/or Measured Resources, at a minimum lower cut-off grade of 0.5 grams per tonne of gold reported in accordance with the JORC Code on the Katanning Gold Project tenements; and
- 50% of the Performance Rights vest based on the release on the ASX of a mining Pre-Feasibility Study ("PFS") on the Katanning Gold Project which shows the potential to generate an Internal Rate of Return ("IRR") of greater than 20% using consensus commodity prices and Board approved assumptions.

As the rights have non-market based vesting conditions, they can be exercised at any time up to expiry date. The fair value per right of \$0.054 reflects the market value of the underlying ordinary share at grant date.

The following inputs and assumptions were made impacting the share-based payment expense for the year ended 30 June 2021:

Number issued	6,250,000
Grant date	1 February 2021
Expiry date	30 June 2022
Commencement of performance period	6 October 2020
Fair value at grant date	\$0.054
Total fair value	\$337,500

As at initial recognition and reporting date, management have assessed the achievement of the performance right non-market milestones is probable. Therefore the fair value has been recognised over the vesting period commencing on 6 October 2020 to the expiry date.

### Share-Based Payment Recognised

A share-based payment expense of \$1,859,146 (2020: \$232,690) was recorded for the financial year ended 30 June 2021 as follows:

	2021 \$	2020 \$
19,000,000 Performance Rights issued to Directors on 29 November 2018	-	110,612
35,000,000 Performance Rights issued to Directors on 8 November 2019	157,922	122,078
52,000,000 Performance Rights issued to Directors on 20 November 2020	1,230,228	-
6,250,000 Performance Rights issued to staff on 1 February 2021	97,836	-
7,000,000 Options issued to IRX Pty Ltd on 23 March 2021	14,970	-
3,000,000 Options issued to staff on 19 March 2021	6,190	-
16,000,000 Options issued to Blue Ocean Equity Pty Ltd on 4 May 2021	352,000	-
	1,859,146	232,690

The fair value of options at grant date is independently determined using an appropriate option valuation methodology that takes into account the exercise price. The options were issued for nil consideration. The volatility is calculated based upon the share price performance of the Company since listing on the ASX.

## 20. Share-Based Payments (Cont'd)

Set out below are summaries of the options and performance rights issued and not exercised for the financial years ended 30 June 2021:

### Options:

Grant date / Agreement Date	Expiry date	Exercise Price	Opening balance (Number)	Granted (Number)	Exercised (Number)	Lapsed (Number)	Closing balance (Number)	Vested (Number)
11 Nov 16	30 Nov 20	\$0.08	16,000,000	-	-	(16,000,000)	-	-
10 Apr 17	31 Jul 20	\$0.06	5,000,000	-	-	(5,000,000)	-	-
10 Apr 17	31 Jul 20	\$0.08	5,000,000	-	-	(5,000,000)	-	-
9 Jan 18	31 Dec 21	\$0.06	3,700,000	-	-	-	3,700,000	3,700,000
23 Mar 21	1 Apr 24	\$0.08	-	10,000,000	-	-	10,000,000	-
4 May 21	3 May 24	\$0.06	-	16,000,000	-	-	16,000,000	16,000,000
<b>Total</b>			29,700,000	26,000,000	-	(26,000,000)	29,700,000	19,700,000
<b>Weighted Average Exercise Price</b>			\$0.07				\$0.07	\$0.06

### Performance Rights:

Grant date / Agreement Date	Expiry date	Exercise Price	Opening balance (Number)	Granted (Number)	Exercised (Number)	Lapsed (Number)	Closing balance (Number)	Vested (Number)
8-Nov-19	30-Apr-21	\$0.00	35,000,000	-	-	(16,000,000)	-	-
20-Nov-20	30-Jun-22	\$0.00	-	52,000,000	-	(5,000,000)	52,000,000	-
1-Feb-21	30-Jun-22	\$0.00	-	6,250,000	-	(5,000,000)	6,250,000	-
<b>Total</b>			35,000,000	58,250,000	-	(26,000,000)	58,250,000	-

The weighted average remaining contractual life of performance rights outstanding at the end of the financial year was 1 year (2020: 0.83 years).

## 21. Accumulated Losses

	2021 \$	2020 \$
<b>Equity</b>		
Accumulated losses at the start of period	(31,285,498)	(29,462,163)
Loss after income tax attributable to owners	(3,513,319)	(1,823,335)
	<b>(34,798,817)</b>	<b>(31,285,498)</b>

## 22. Loss Per Share

Basic earnings or loss per share are calculated by dividing the net profit or loss attributable to members of the parent entity for the reporting period by the weighted average number of ordinary shares of Ausgold Limited.

Diluted earnings or loss per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

	2021 cents per share	2020 cents per share
<b>From continuing operations:</b>		
Basic loss per share	(0.26)	(0.19)
Diluted loss per share	N/A	N/A

The calculation of basic loss per share at 30 June 2021 was based on the loss attributable to ordinary shareholders of \$3,513,319 (2020: \$1,823,335) and a weighted average number of ordinary shares outstanding during the year of 1,331,214,473 (2020: 953,552,956).

### *Earnings used in calculating loss per share*

	2021 \$	2020 \$
<b>For basic and diluted loss per share</b>		
Loss after income tax for the year	(3,513,319)	(1,823,335)

### *Weighted average number of shares used as denominator*

	2021	2020
<b>Weighted Average Number of Ordinary Shares (WANOS)</b>		
Weighted average number of ordinary shares	1,331,214,473	953,552,956

Diluted loss per share must be calculated where potential ordinary shares on issue are dilutive. As the ordinary shares on issue would decrease the loss per share in the current period, they are not considered dilutive and not shown.

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## 23. Cash Flows From Operating Activities Reconciliation

### (a) Reconciliation of cash flow from operating activities with the loss from continuing operations after income tax:

	2021 \$	2020 \$
<b>Loss after income tax for the year</b>	<b>(3,513,319)</b>	<b>(1,823,335)</b>
Adjustments for:		
Non-current assets written off / disposed of	-	2,825
Depreciation and amortisation expenses	160,870	119,232
Share-based payment expenses	1,859,145	232,690
Impairment exploration expenses	554,675	646,457
Fair value adjustments to financial assets at fair value	(106,500)	39,000
(Increase) / Decrease in trade and other receivables	(90,348)	(2,111)
Increase / (Decrease) in trade and other payables	(59,419)	(9,373)
Increase / (Decrease) in provisions	126,113	(71,985)
<b>Net cash flows used in operating activities</b>	<b>(1,068,783)</b>	<b>(866,600)</b>

The total cash outflows from operating and investing activities for the 2021 financial year was \$9,901,243 (2020: \$3,374,298).

### (b) Non-cash investing and financing activities

Non-cash investing and financing activities disclosed in other notes are:

- acquisition of right-of-use assets – Note 16

## 24. Auditor's Remuneration

The following fees were paid or payable for services provided by the auditor of the consolidated entity:

	2021 \$	2020 \$
<b>Auditors of the Group - BDO and related network firms</b>		
Audit and review of the financial statements		
Group	67,380	35,530
Attendance at AGM	550	
<b>Total audit and review of financial statements</b>	<b>67,930</b>	<b>35,530</b>
<b>Non-audit services</b>		
Valuation of performance rights for purpose of notice of meeting	1,925	3,500
<b>Total non-audit services</b>	<b>1,925</b>	<b>3,500</b>
<b>Total services provided by BDO</b>	<b>69,855</b>	<b>39,030</b>

## 25. Commitments

### Remuneration commitments

Names and position held of key management personnel remuneration have been included in the Remuneration Report, which forms part of the Directors' Report.

## 26. Related Party Disclosure

### Subsidiary

Subsidiaries are entities controlled by the consolidated entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The financial statements of the subsidiary are prepared for the same reporting period as the Company, using consistent accounting policies. In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit or losses resulting from inter-entity transactions have been eliminated in full.

The investment in subsidiary held by Ausgold is accounted for at cost in the separate financial statements of the company less any impairment charges. The acquisition of subsidiaries is accounted for using the acquisition method of accounting. The acquisition method of accounting involves allocating the cost of the business combination to the fair value of the assets acquired and the liabilities assumed at the date of the acquisition.

The consolidated financial statements include the financial statements of Ausgold and its subsidiary as below:

Name	Country of incorporation	2021	2020
		Equity interest %	Equity interest %
<b>Parent entity</b>			
Ausgold Limited	Australia	-	-
<b>Directly controlled by Ausgold Limited</b>			
Ausgold Exploration Pty Ltd	Australia	100	100

Loans made by Ausgold Limited to its wholly-owned subsidiary Ausgold Exploration Pty Ltd are made to meet required expenditure, the loans are payable on demand and are not interest bearing.

### Key Management Personnel

Disclosures relating to key management personnel are included in Note 27.

### Elstree Nominees Pty Ltd

Elstree Nominees Pty Ltd ("Elstree") provides the Group with office premises and associated facilities. All services provided by Elstree to the Group are at cost. Mr Denis Rakich is a Director of Elstree and serves as Executive Director and Company Secretary of Ausgold. The total amount charged by Elstree during the financial year was \$168,072 plus GST (2020: \$126,425). There were no monies (2020: \$20,625 plus GST) owing to Elstree as at 30 June 2021. Amounts were due and payable under normal commercial terms.

### Transactions With Other Related Parties

Transactions with other related parties are on normal commercial terms and conditions which are no more favourable to those parties than those available to other parties unless otherwise stated.

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## 27. Key Management Personnel

Key management personnel remuneration

	2021 \$	2020 \$
Short-term employment benefits	682,586	419,145
Post employment benefits	48,835	33,250
Long-term employment benefits	20,525	5,562
Share based payments	1,388,150	232,690
	<b>2,140,096</b>	<b>690,647</b>

Detailed remuneration disclosures are set out in the Remuneration Report, which forms part of the Directors' Report.

Key management personnel received compensation in the form of short-term employee benefits, post-employment benefits and share-based payment awards.

No executive is entitled to any termination payments apart from the remuneration payable up and including the date of termination and all payments due by way of accrued leave.

### *Loans to key management personnel*

No loans have been granted to key management personnel during the current financial year.

### *Other Key Management Personnel Transactions With The Company*

There were no other key management personnel transactions with the Company other than the fees paid to Elstree Nominees Pty Ltd. Details of these fees can be found in Note 25.

## 28. Contingent Liabilities

The Group had contingent liabilities at 30 June 2021 in respect of bank guarantee as rental deposit for the lease of the premise at 140 St Georges Terrace to the amount of \$74,111 (2020: \$74,111). No other contingent liabilities existed as at reporting date.

## 29. Events Subsequent To Reporting Date

The COVID-19 pandemic continues to develop rapidly in 2020, with a significant number of cases worldwide. Measures taken by various governments to contain the virus have affected economic activity. The Company have taken a number of measures to monitor and mitigate the effects of COVID-19, such as safety and health measures for its staff (such as social distancing and working from home) and securing the supply of materials that are essential to its activities.

At this stage, the impact on the Company's activities has not been significant and based on their experience to date the Directors expect this to remain the case. The Company will continue to follow the various government policies and advice and, in parallel, will do its utmost to continue its operations in the best and safest way possible without jeopardising the health of its staff.

On 13 August 2021, Ausgold announced that Mr Timothy Kestell has joined the Board as a Non-Executive Director.

No other matters have arisen since the end of the reporting period which may affect the state of affairs of the Group.



# Directors' Declaration

In the Directors' opinion,

1. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;
2. the attached consolidated financial statements and notes are in accordance with the Corporations Act 2001, including:
  - a. complying with Accounting Standards, the Corporations Regulations 2001, International Reporting Standards as issued by the International Accounting Standards Board and other mandatory professional reporting requirements; and
  - b. giving a true and fair view of the consolidated entity's position as at 30 June 2021 and its performance for the financial year ended that date; and
3. the Directors have been given the declaration as required under s295A of the Corporations Act 2001.

Signed in accordance with a resolution of the Directors made pursuant to section 295(5) of the Corporations Act 2001.

For and on behalf of the Directors



**Denis Rakich**  
Director

Perth, Western Australia

30 September 2021

# Independent Auditor's Report



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## INDEPENDENT AUDITOR'S REPORT

To the members of Ausgold Limited

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Ausgold Limited (the Company) and its subsidiary (the Group), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

BDO Audit (WA) Pty Ltd ABN 79 112 284 787 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit (WA) Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation.



### Carrying Value of Exploration and Evaluation Expenditure

<b>Key audit matter</b>	<b>How the matter was addressed in our audit</b>
<p>As disclosed in Note 13, the carrying value of the exploration and evaluation asset represents a significant asset of the Group.</p> <p>The Group's accounting policies and significant judgements applied to capitalised exploration and evaluation expenditure are detailed in notes 4 and 13 of the financial report.</p> <p>In accordance with AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i> ('AASB 6'), the recoverability of exploration and evaluation expenditure requires significant judgement by management in determining whether there are any facts and circumstances that exist to suggest the carrying amount of this asset may exceed its recoverable amount. As a result, this is considered a key audit matter.</p>	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> <li>• Obtaining a schedule of the areas of interest held by the Group and assessing whether the rights to tenure of those areas of interest remained current at balance date;</li> <li>• Verifying, on a sample basis, exploration and evaluation expenditure capitalised during the year for compliance with the recognition criteria of AASB 6;</li> <li>• Considering the status of the ongoing exploration programmes in the respective areas of interest by holding discussions with management, and reviewing the Group's exploration budgets, ASX announcements and director's minutes;</li> <li>• Considering whether any such areas of interest had reached a stage where a reasonable assessment of economically recoverable reserves existed;</li> <li>• Considering whether any facts or circumstances existed to suggest impairment testing was required; and</li> </ul> <p>Assessing the adequacy of the related disclosures in Notes 4 and 13 to the Financial Report.</p>

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#### Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2021, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

#### Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

[https://www.auasb.gov.au/admin/file/content102/c3/ar1\\_2020.pdf](https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf)

This description forms part of our auditor's report.

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## Report on the Remuneration Report

### Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 24 to 29 of the directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Ausgold Limited, for the year ended 30 June 2021, complies with section 300A of the *Corporations Act 2001*.

### Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit (WA) Pty Ltd

A handwritten signature in black ink, appearing to read 'Ashleigh Woodley', is written over a faint, larger 'BDO' logo.

Ashleigh Woodley

Director

Perth, 30 September 2021

# Shareholder Information

The shareholder information set out below was applicable as at 14 September 2021.

## Distribution of Equity Securities

Analysis of numbers of ordinary shareholders by size of holding:

Spread of Holdings	Number of Holders	Number of Shares
NIL Holding	0	0
1 - 1,000	116	31,397
1,001 - 5,000	96	266,450
5,001 - 10,000	121	1,117,826
10,001 - 100,000	1,120	47,915,348
Over 100,000	854	1,536,018,520
<b>TOTAL ON REGISTER</b>	<b>2,307</b>	<b>1,585,349,541</b>

440 shareholders held less than a marketable parcel (<\$500) or ordinary shares

## Twenty Largest Shareholders

The names of the twenty largest holders of quoted shares are:

Holder Name	Number of Shares	Percentage of shares
CITICORP NOMINEES PTY LIMITED	203,257,102	13%
OLD BLOOD AND GUTS PTY LTD	96,000,000	6%
BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM	71,195,338	4%
MR RICHARD ARTHUR LOCKWOOD	56,000,000	4%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	53,584,958	3%
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	44,481,963	3%
ALL STATES FINANCE PTY LIMITED	35,666,666	2%
BNP PARIBAS NOMS PTY LTD <DRP>	30,051,573	2%
DENIS RAKICH	27,998,681	2%
BUYCO PTY LTD <BUYCO A/C>	22,000,000	1%
BNP PARIBAS NOMINEES PTY LTD SIX SIS LTD <DRP A/C>	20,059,140	1%
THIRTY SIXTH VILMAR PTY LTD	19,362,355	1%
BERNE NO 132 NOMINEES PTY LTD <152417 A/C>	19,020,953	1%
AIC MINES LIMITED	17,665,000	1%
BATTERBURY HOLDINGS PTY LTD	16,080,000	1%
DOUGLAS FINANCIAL CONSULTANTS PTY LTD	15,000,000	1%
TREVOR PAVEY PTY LTD <PAVEY FAMILY A/C>	14,876,482	1%
MOLATE PTY LIMITED <ALLAN HAIN RETIRE FUND A/C>	14,000,000	1%
M&J GREENTREE NOMINEES PTY LTD <M&J GREENTREE FAMILY A/C>	13,950,000	1%
ALBERTUS MAGNUS RESOURCES PTY LTD	13,000,000	1%
<b>Total</b>	<b>803,250,211</b>	<b>51%</b>

### Voting Rights

All fully paid ordinary shares carry one vote per share.

### Substantial holders

The Company has received the following notices of substantial shareholding:

Shareholders	Relevant interest per notice received Number of shares
Dundee Resources Limited	153,750,000
Old Blood and Guts Pty Ltd	90,000,000

### Options on Issue

Option Details	Expiry Dates	Number of Options
Unlisted options exercisable at \$0.06 per share	31-Dec-21	3,700,000
Unlisted options exercisable at \$0.08 per share	01-Mar-24	10,000,000
Unlisted options exercisable at \$0.063 per share	03-May-24	16,000,000
Unlisted options exercisable at \$0.06 per share	30-Jun-24	4,000,000
Unlisted options exercisable at \$0.08 per share	30-Jun-24	3,000,000
<b>Total</b>		<b>36,700,000</b>

Performance Rights	Expiry Dates	Number of Rights
Performance rights granted 20 Nov 2020	30-Jun-22	52,000,000
Performance rights granted 1 Feb 2021	30-Jun-22	6,250,000
<b>Total</b>		<b>58,250,000</b>

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# Schedule of Mineral Tenement Interests

Summary of mining and exploration tenements as at 30 June 2021

State	Tenement	Tenement status	Grant date	Project	Interest %
<b>Western Australia Tenements</b>					
WA	E38/2129	Granted	13 October 2008	Yamarna	25%
WA	E38/3311	Application	-	Yamarna	100%
WA	E52/3031	Granted	4 February 2014	Doolgunna	100%
WA	E70/3952	Granted	18 January 2011	Katanning Regional	100%
WA	E70/4392	Granted	25 March 2013	Katanning Regional	100%
WA	E70/4566	Granted	12 August 2014	Katanning Regional	100%
WA	E70/4604	Granted	13 January 2015	Katanning Regional	100%
WA	E70/4605	Granted	13 January 2015	Katanning Regional	100%
WA	E70/4682	Granted	28 July 2015	Katanning Regional	100%
WA	E70/4728	Granted	8 January 2016	Katanning Regional	100%
WA	E70/4865	Granted	10 January 2017	Katanning Regional	100%
WA	E70/4866	Granted	10 January 2017	Katanning Regional	100%
WA	E70/4896	Granted	9 March 2017	Katanning Regional	100%
WA	E70/4907	Granted	11 April 2017	Katanning Regional	100%
WA	E70/4908	Granted	3 May 2017	Katanning Regional	100%
WA	E70/4942	Granted	21 August 2017	Katanning Regional	100%
WA	E70/4947	Granted	6 November 2017	Katanning Regional	100%
WA	E70/4958	Granted	18 April 2018	Katanning Regional	100%
WA	E70/4959	Granted	11 April 2018	Katanning Regional	100%
WA	E70/4968	Granted	4 January 2018	Katanning Regional	100%
WA	E70/5040	Granted	14 June 2018	Katanning Regional	100%
WA	E70/5042	Granted	14 June 2018	Katanning Regional	100%
WA	E70/5043	Granted	14 June 2018	Katanning Regional	100%
WA	G70/84	Granted	13 June 1989	Katanning Gold Project	100%
WA	G70/85	Granted	13 June 1989	Katanning Gold Project	100%
WA	L70/13	Granted	24 May 1989	Katanning Gold Project	100%
WA	L70/32	Granted	11 December 1995	Katanning Gold Project	100%
WA	L70/33	Granted	11 December 1995	Katanning Gold Project	100%
WA	E70/2928	Granted	26 November 2008	Katanning Gold Project	100%
WA	M70/210	Granted	28 March 1985	Katanning Gold Project	100%
WA	M70/211	Granted	28 March 1985	Katanning Gold Project	100%
WA	M70/488	Granted	19 April 1994	Katanning Gold Project	100%
WA	E70/5044	Granted	14 June 2018	Lake Magenta	100%
WA	E70/5285	Granted	29 October 2019	Lake Magenta	100%
WA	E70/5688	Granted	27 April 2021	Lake Magenta	100%



# Schedule of Mineral Tenement Interests (cont'd)

State	Tenement	Tenement status	Grant date	Project	Interest %
<b>Western Australia Tenements</b>					
WA	E70/5689	Granted	27 April 2021	Lake Magenta	100%
WA	E70/4863	Granted	10 January 2017	Woodanilling	100%
WA	E70/4864	Granted	10 January 2017	Woodanilling	100%
WA	E70/5142	Granted	7 April 2019	Woodanilling	100%
WA	E70/5223	Granted	5 July 2019	Woodanilling	100%
WA	E70/5643	Granted	29 April 2021	Woodanilling	100%
WA	E70/5644	Granted	29 April 2021	Woodanilling	100%
WA	E70/5655	Granted	29 April 2021	Woodanilling	100%
WA	E70/5656	Granted	5 May 2021	Woodanilling	100%
WA	E70/5681	Granted	27 April 2021	Woodanilling	100%
<b>Queensland Tenement</b>					
QLD	EPM17054	Granted	26 November 2010	Cracow	100%

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