



Ausgold completes acquisition of Dumbleyung Gold Project

Highlights:

- Ausgold completes acquisition of Dumbleyung Gold Project in Katanning, WA from Chalice Gold Mines
 - Dumbleyung comprises four Exploration Tenements covering an area of 461km² of prospective greenstones adjacent to Katanning Gold Project
 - Contiguous land package completes ownership of area of interest for Ausgold and increases Company's exploration potential in Katanning
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Ausgold Limited (ASX: AUC) ("Ausgold" or "the Company") is pleased to announce that it has completed the acquisition of the Dumbleyung Gold Project ("Dumbleyung" or "The Project") in Katanning, Western Australia from Chalice Gold Mines Limited ("Chalice").

The Dumbleyung Project consists of four Exploration Licences covering an area of 461km² adjacent to Ausgold's Katanning Gold Project ("KGP"). The Project comprises of Mineral Tenements E70/4863, E70/4864, E70/4865 and E70/4866 (Figure 1). The results of early stage work on these properties are encouraging, with a number of targets defined in areas adjacent to Ausgold's KGP.

Under the terms of a Purchase and Sale Agreement, Ausgold has allotted to Chalice 15 million ordinary fully paid shares (vendor shares) together with 10 million options exercisable at a price of 3.5 cents each, expiring two years after the date of the grant. The shares are subject to an escrow period of 12 months from the date of allotment. Chalice will retain a 2% net smelter royalty over the mineral tenements.

Management Comment:

Ausgold's Chief Executive Officer, Matthew Greentree, said:

"We are very pleased to finalise this transaction with Chalice, a significant new shareholder in Ausgold. The potential within the four new exploration tenements acquired is significant, and builds on Ausgold's dominant ground holding at Katanning, which now covers 4,031km² in Western Australia's most under-explored greenstone belt. We look forward to continue to explore and progress the exciting Katanning Gold Project".



Figure 1: Location of the Ausgold's Mineral Tenements and those to be acquired from Chalice

On behalf of the Board,

Matthew Greentree
Chief Executive Officer
Ausgold Limited

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