



AUSTRALASIAN GOLD

ASX Announcement | ASX: A8G | 28 October 2021

## QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2021

### Highlights

#### Lithium

- Exploration License Application (ELA32830) lodged with the Northern Territory Department of Industry, Tourism and Trade.
- ELA32830 covers over 640km<sup>2</sup> of highly prospective land bordering Core Lithium Limited's (ASX: CXO) Anningie lithium project.
- Research partnership with CSIRO to undertake a joint research project focused on Li exploration in the Mt Peake pegmatite field.

#### Gold

- Maiden diamond drilling program (~1,000m) completed at the May Queen gold project.
  - Assay results included **6m @ 1.99 g/t Au** from 35m and **1m @ 9.39 g/t Au** from 68m (Hole MQD0001).
  - The drill program identified intense alteration with strong porphyry signatures and will be instrumental in the design of a second phase of drilling.
- Fairview gold project (E08/3248), Western Australia, was granted during the period.

#### Corporate

- Acquisition of the Capella gold project, central Queensland was completed.
- Australasian joined the Federal Government's Junior Minerals Exploration Incentive (**JMEI**) scheme for the 2021/2022 income year, with an allocation of \$375,000 of exploration credits.
- Company remains well funded, with \$7 million in cash reserves following recent \$2.5 million placement completed post quarter-end.

Australasian Gold Limited (**ASX: A8G, Australasian** or the **Company**) is pleased to present its quarterly activities report for the September quarter.

### Corporate

Following quarter-end, the Company raised \$2.5 million through the placement of 5,555,553 new fully paid ordinary shares at \$0.45 each (**Placement**). The Placement was made to major lithium industry players Shandong Ruifu Lithium Industry Co Ltd (**Ruifu**) and Tangshan Xinfeng (Hong Kong) Limited (**Xinfeng**) (\$1 million investment each) and other sophisticated and professional investors.



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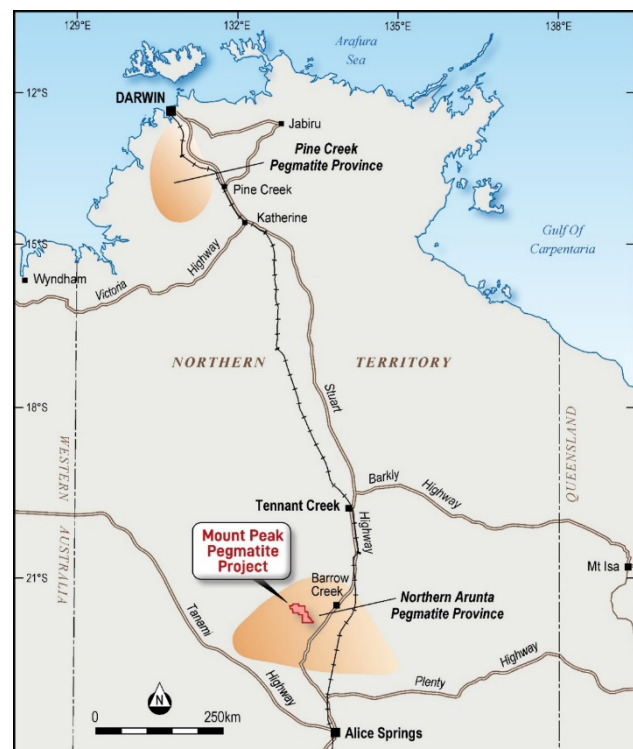
On 6 September 2021, the Company completed the acquisition of a 100% interest in the Capella gold project (EPM 25956) from Cape Coal Pty Ltd (**Acquisition**). Further information regarding the Capella gold project can be found in the Company's ASX announcement dated 7 June 2021.

During the quarter the Company was notified that it had been successful in its application to participate in the Junior Minerals Exploration Incentive (**JMEI**) scheme for the 2021/2022 tax year, with an allocation of \$375,000 of exploration credits. The JMEI enables Australasian to create and issue tax credits by giving up a portion of its tax losses from greenfield mineral exploration expenditure, which can then be distributed to eligible shareholders. Tax credits can only be generated for new shares issued in the 2021/2022 income year. Australian resident shareholders issued with a tax credit are entitled to a refundable tax offset or additional franking credits. Participation in the JMEI will promote new investment in the Company in the future if required.

### Operations

#### **Mt Peake Lithium**

On 25 August 2021, the Company announced that it had applied for an exploration license in the Anningie pegmatite province (**ELA32830 or Mt Peake lithium project**). ELA32830 is located in the Mt Peake area of the Anningie Tin-Tantalum-Pegmatite fields which are within the north Arunta Region of the NT. The area is considered highly prospective for hard rock lithium mineralisation. ELA32830 covers over 640km<sup>2</sup> and shares a boundary with Core Lithium Limited's (ASX: CXO) Anningie lithium project. There are two major pegmatite districts in Northern Territory: the first, in the north of the territory is called Pine Creek pegmatite province, while the Northern Arunta pegmatite province is ~200km north of Alice Springs (**Figure 1**).



**Figure 1:** Mt Peake Lithium project location in the

Northern Arunta Pegmatite provinces of the Northern Territory



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The Mount Peake lithium project is located approximately 200km north of Alice Springs and 250km south of Tennant Creek along the Stuart Highway in the Northern Territory.

Following quarter-end, the Company partnered with the CSIRO under to the CSIRO Kick-Start Program, to research the topic “Lithium (Li) Exploration in the Mt Peake Pegmatite Field” at Mt Peake. Through CSIRO, the Company will gain access to state-of-the-art optical, thermal and geophysical remote sensing data analysis and interpretation workflows, as well as instrumental equipment to identify potential key features of Li-bearing pegmatites.

Field work commenced at Mt Peake following quarter-end. The Company and CSIRO have embarked on a detailed mapping and targeting exercise using a combination of ground-based surveying techniques and detailed satellite imagery to highlight potential lithium bearing zones. Representative geological unit samples have been collected for optical analysis, which will assist the CSIRO team to improve remote imagery interpretation. The Company has identified perspective areas and geochemical sampling was conducted to test mineralization. The aim of the program is to define targets for a maiden drilling campaign in early 2022.

### ***Queensland Projects***

#### *Rock chip sampling – May Queen*

At the May Queen project in the Brovinia region, the Company undertook a limited rock chip sampling program in conjunction with the maiden drilling program, 9 rock chip samples were taken from surface outcrops (**Figure 2**).



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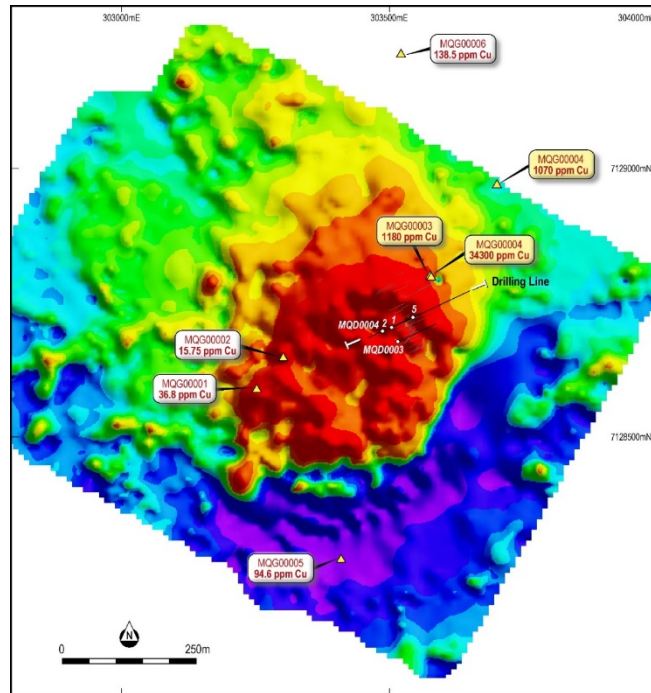


Figure 2: Rock chip and drill collar locations over ground magnetics base map.

Table 1: Rock chip sampling locations and results

Sample ID	Easting	Northing	Comments	Au (ppm)	Cu (ppm)	Cu %
MQG00001	303252.7	7128590	Brecciated siliceous cherty with gerthite staining on fractures	0.005	36.8	
MQG00002	303302.6	7128649	Dark colour hornfels with gerthite	0.014	15.75	
MQG00003	303576.1	7128800	Marly Sandstone, gerthitic	0.342	1180	
MQG00004	303577.1	7128798	Gossanous breccia with copper oxides and secondary copper carbonates	2.66	>10000	3.43%
MQG00005	303409.8	7128271	Gossanous Sandstone, siltstone breccia with Qtz vein	0.055	94.6	
MQG00006	303522.3	7129212	Brecciated marly sandstone, siltstone with pyrite	0.02	138.5	
MQG00007	303701	7128970	Sandstone, Quartzite with pyrite	0.035	1070	
MQG00008	304317.5	7128673	Fine grained intrusive with Magnetite Hematite Pyrite	0.005	49.4	
MQG00009	304312.3	7128671	Fine grained intrusive with Magnetite euhedral K-Feldspar crystals 2-3mm	0.005	3.78	

### Maiden diamond drilling program – May Queen

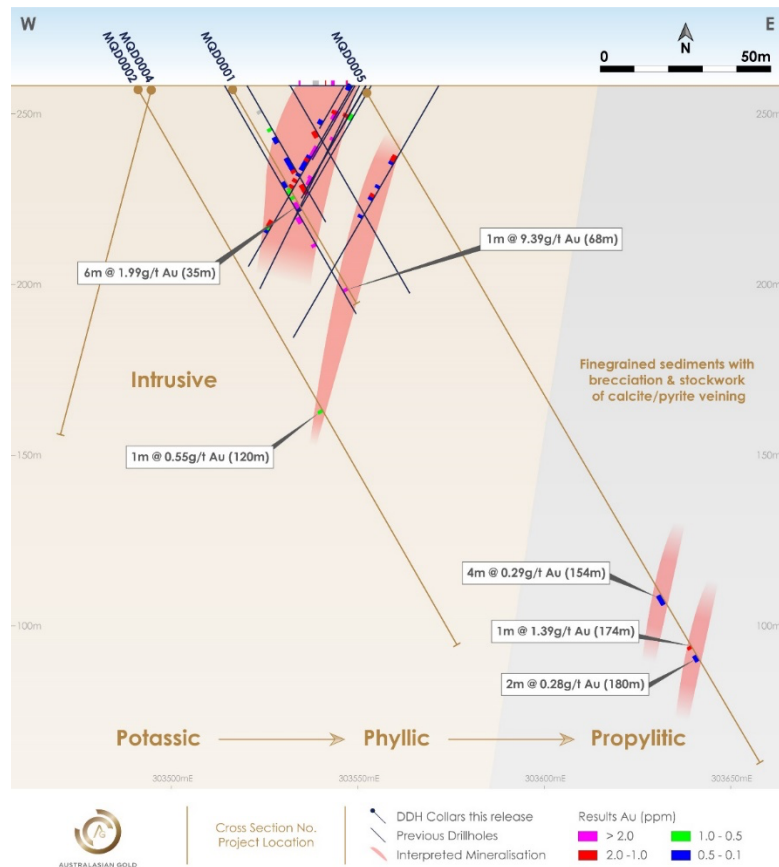
On 17 June 2021, the Company's maiden diamond drilling program commenced at the May Queen gold project. Historical RC drilling at the May Queen project by previous explorers returned numerous high-grade gold intervals from shallow depth. The maiden drilling program has revealed alteration assemblages and zonation which are highly indicative of porphyry



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alteration that will guide future exploration at the project (Figure 3). The drill collars are listed in **Table 2**.



**Figure 3:** Schematic interpretation of the cross section with MQD0001, 0002, 0004 and 0005

**Table 2:** Diamond drill hole collar locations

Hole ID	EAST	NORTH	RL	Azim GDA	Dip	End of Hole (m)
MQD0001	303505	7128699	260	65	-60	73.7
MQD0002	303489	7128692	260	65	-60	152.0
MQD0003	303517	7128673	260.5	65	-60	153.3
MQD0004	303487	7128692	260	245	-75	105.6
MQD0005	303544	7128717	259	65	-60	228.2

Significant results from the DD program included (using a min 1m interval and above 0.25 g/t):

- **MQD0001:** 6m @ 1.99 g/t Au from 35m & 1m @ 9.39 g/t from 68m (note 69m – 73.7m not sampled)
- **MQD0002:** 1m @ 0.55 g/t from 120m



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- **MQD0003: 1m @ 1.92 g/t** from 48m
- **MQD0005: 4m @ 0.29 g/t** from 154m, **1m @ 1.39 g/t** from 174m & **2m @ 0.28 g/t** from 180m

### ***Mt Clermont Project***

The Company has engaged Mr Ian Cooper to conduct a targeting exercise on the Mt Clermont polymetallic project and a field trip focusing on investigating the potential northeast mineralising structure was undertaken in October.

### ***Western Australian Projects***

#### *Fairview gold project*

The Fairview gold project lies within the Pilbara Granite-Greenstone Complex in the northwest of Western Australia. The exploration target is structurally similar to the Mt Clement deposit (less than 5 km to the south-east) and the Paulsens Gold Mine, operated by Northern Star Limited (ASX:NST) (around 30 km to the northwest).

The Fairview gold project (EL08/3248) was granted in the September quarter. The Company has commenced initial field work at the project and in-house targeting exercises are well advanced.

### **Finance and use of funds**

Pursuant to ASX listing rule 5.3.4, the Company provides a comparison of its actual expenditure against the estimated expenditure on items set out in section 5.7 of the Company's Prospectus.

Activity Description	Funds Allocated	Actual to Date (5 months)
Exploration (2 years)	\$3,600,000	\$471,000
Administration (2 years)	\$1,265,000	\$390,000
Expenses of the Offer	\$409,000	\$266,000

### ***Note 6 to Appendix 5B***

Payments to related parties of the entity and their associates: during the quarter \$82,333 was paid to related parties and associates in relation to managing director remuneration and director and consulting fees in accordance with existing service agreements.

This announcement is approved for release by the Board of Directors



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**ENDS**

**For Further Information**

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**Managing Director**  
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**Mr Dan Smith**  
**Joint-Company Secretary**  
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**Competent Person Statement**

The information in this report that relates to Exploration Results is based on, and fairly represents, information and supporting documentation prepared by Dr Qingtao Zeng, Managing Director of Australasian Gold Limited. Dr Zeng is a member of the Australasian Institute of Mining and Metallurgy and he has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which has been undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Dr Zeng consents to the inclusion in this release of the matters based on the information in the form and context in which they appear. Dr Zeng is a shareholder of Australasian Gold Limited.

**Annexure 1: Australasian Gold Limited – tenements held directly by Australasian Gold or subsidiary company**

Tenements	Acquired during quarter	Disposed of during quarter	Held at end of quarter	Country
May Queen, EPM 19419	-	-	100%	Australia
May Queen, EPM 27746	-	-	100%	Australia
Mt Clermont, EPM 14116	-	-	100%	Australia
Fairview, E08/3248	-	-	100%	Australia
Capella, EPM 25956	100%	-	100%	Australia
Mt Peake, ELA 32830	100%		100%	Australia



## Appendix 5B

### Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

AUSTRALASIAN GOLD LIMITED

ABN

54 625 744 907

Quarter ended ("current quarter")

30 September 2021

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation (if expensed)	(23)	(23)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	-	-
	(e) administration and corporate costs	(194)	(194)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(217)</b>	<b>(217)</b>
<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(5)	(5)
	(d) exploration & evaluation (if capitalised)	(309)	(309)
	(e) investments	-	-
	(f) other non-current assets	-	-



<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(314)</b>	<b>(314)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(146)	(146)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings (lease liability)	(10)	(10)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(156)</b>	<b>(156)</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	5,243	5,243
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(217)	(217)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(314)	(314)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(156)	(156)

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	4,556	4,556

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	4,556	5,243
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	4,556	5,243

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	(25)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	(58)
<p><i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i></p> <p>Amounts at item 6.1 are in relation to director fees included in item 1.2.</p> <p>Amounts at item 6.2 are in relation to consulting fees included in item 2.1.</p>		

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7.	<b>Financing facilities</b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	<b>Total financing facilities</b>	-	-
7.5	<b>Unused financing facilities available at quarter end</b>		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8.	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	(217)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(309)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(526)
8.4	Cash and cash equivalents at quarter end (item 4.6)	4,556
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	4,556
8.7	<b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	8.7
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>		
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A		
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A		

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

*Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.*

## Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: ..... 28 October 2021.....

Authorised by: .....Board of Directors.....  
(Name of body or officer authorising release – see note 4)

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.