



ASX Release

3 August 2020

AuStar Gold Limited ACN 107 180 441  
Registered office: 6 Bridge Street, Woods Point, VIC 3723

## AUSTAR GOLD CONCLUDES CONCENTRATE SALES AGREEMENT

### Highlights:

- **Concentrate Sales Agreement concluded with MCC Non-Ferrous Trading (NY)**
- **Agreement provides attractive realisation of contained gold in this product stream with nil residual risks to AuStar Gold**
- **Maiden shipment in train with payment received by AuStar Gold**
- **Enhanced recovery circuit expected to significantly increase concentrate volumes**

**AuStar Gold Limited (ASX: AUL, or the Company)** is pleased to advise shareholders that, after an extensive process of review and commercial negotiations, a definitive Concentrate Sales Agreement has been concluded with MCC Non-Ferrous Trading, for the sale of the Company's high-grade concentrate product.

MCC, a New York based metals trading house, is active in the global market for gold and other metal concentrates. The terms of the Agreement remain commercial-in-confidence, but represent realisation of a very attractive proportion of contained gold, at prevailing market prices, without any further costs or administrative obligations on the part of AuStar Gold beyond point of sale.

The maiden shipment of concentrate, delivered to Shipment Port in late July, comprised 3,234kg (dry weight) of concentrates with an agreed average assay of approximately 1,800g/t gold. A provisional (part) payment of \$228,000 USD (~\$320,000 AUD) has recently been banked by the Company.

By way of background, AuStar Gold entered into agreement to process the Company's concentrates product stream via a third party Intensive Leach Reactor (ILR), shortly after recommencing production in Morning Star in early 2019 (see *AuStar Gold Processing Update*, 11 March 2019). For operational and commercial reasons, the Company began limiting concentrates treatment via ILR and has stockpiled this product stream on site for most of 2020.

In April of this year, work commenced in earnest on the conclusion of an alternative route to commercialisation for this important component of Morning Star's gold output, led by the group's Chair, Senior Metallurgist and, following his appointment, the General Manager. After considering a number of alternatives, concentrate sale to a qualified third party buyer was determined to be most advantageous for the business.

Further high-grade concentrates of approximately 1 tonne from prior periods, along with concentrate produced in July (and August), will be included within the planned August shipment.



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Additionally, the Company's recent investment in a further high-volume tabling circuit, designed to enhance recoveries and further reduce gold diversion to the tails stream, should deliver an additional 20 → 30 tonnes of lower grade concentrates (expected to grade 80 → 100g/t gold), which will also be sold within the monthly shipment program.

AuStar Gold Chair Mr. Philip Amery said: *"We are pleased to have concluded this Agreement, which provides for timely and commercially attractive monetisation of this important component of our production. The AuStar Gold team has been making great strides in lifting gold production at Morning Star, within a very disciplined cost control environment, delivering a step-up in revenues over the last few months despite having this material portion of gold recoveries diverted to stockpile.*

*With a regular contribution from concentrate sales, and work on enhancing recoveries nearing completion, amongst other initiatives, I am confident overall group profitability is now within reach."*

**Released for, and on behalf of, the board of AuStar Gold Limited.**

AuStar Gold welcomes shareholder communication and invites all interested shareholders to make contact at any time.

**For Further Information:**

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**About AuStar Gold Limited:**

AuStar Gold is focused on building a valuable minerals inventory to generate sustainable economic production from its portfolio of advanced high-grade gold projects - with significant infrastructure including processing plant, a strategic tenement footprint, and current production from Morning Star. In addition, AuStar Gold intends to develop its adjoining tenements in the Walhalla to Jamieson gold district (particularly the prolific Woods Point Dyke Swarm) into low-cost high-grade gold production projects.

**Disclaimer:**

Statements in this document that are forward-looking and involve numerous risk and uncertainties that could cause actual results to differ materially from expected results are based on the Company's current beliefs and assumptions regarding a large number of factors affecting its business. There can be no assurance that (i) the Company has correctly measured or identified all of the factors affecting its business or their extent or likely impact; (ii) the publicly available information with respect to these factors on which the Company's analysis is based is complete or accurate; (iii) the Company's analysis is correct; or (iv) the Company's strategy, which is based in part on this analysis, will be successful.