

PROGRESS OF TRIAL MINING AT THE HIGH-GRADE MORNING STAR GOLD MINE

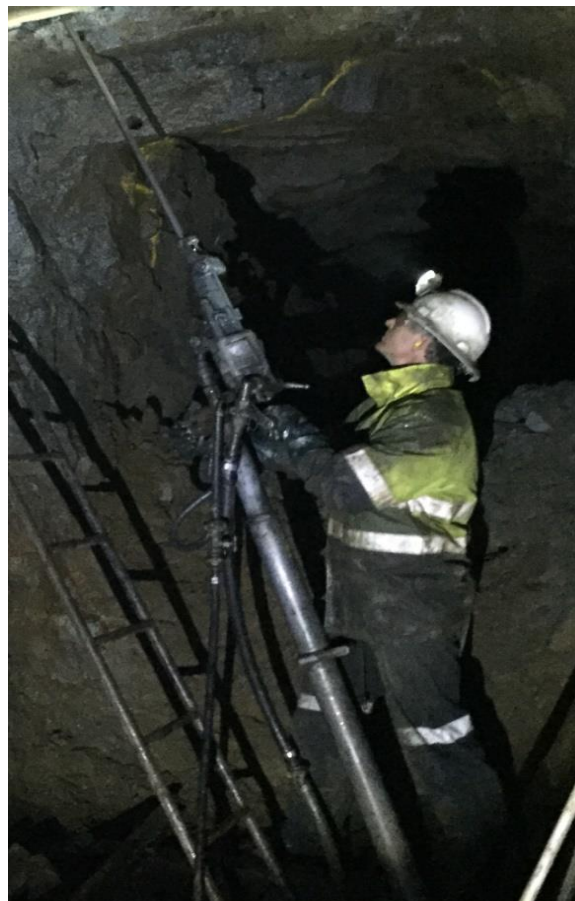
AuStar Gold Limited (ASX: AUL) ('AuStar' or 'the Company') provides the following update on progress to trial mining at the Stacpoole Zone.

Highlights:

- Development continues on schedule:
- Exposure of the Stacpoole zone is imminent:
 - The Eastern rise is within 10m (6 days) of the ore zone
 - Development in the North crosscut is expected to intersect the ore zone within 2 weeks
- Recommissioning of the processing plant progresses to intensive testing phase

Figure 1 BELOW: Northern development face marked up for drilling and blasting.

Figure 2 RIGHT: Rise miner preparing to drill a rise into the Stacpoole zone



Mantle CEO, Tom de Vries said "Development in the North crosscut on 2 Level at the Morning Star Mine has continued on schedule. In addition, the access rise is ready and available for development and will shortly enter the ore zone. Due to the imminent exposure of the Stacpoole zone, the onsite gold processing plant is now being inspected, tested and recommissioned, ready to receive the ore from the trial mining for processing."

The Northern heading on the 2 level at the Morning Star Mine (*refer to ASX: AUL release dated 12 Feb 2018*) has consistently advanced daily at 1.8 metres, totaling 35 metres to date. It is expected that the heading will intersect the Stacpoole zone in the next two weeks. Development will continue across the full zone to identify the strongest gold-bearing structure which will then be driven along as a contour drive by rail and also followed up plunge using handheld machines, electric scraper and hoe.

Concurrently, a rise on 2 level has begun and it is expected that the Stacpoole zone should be intersected in 10 metres. The rise development will fully cross the zone, be closely examined, mapped and sampled before advancing on the most visible, richest and viable structure.

MORNING STAR PROCESSING PLANT: RECOMMISSIONING CONTINUES

Activity in restarting the process plant has been timed to coincide with the development exposing the Stacpoole Zone. Progress in preparation for processing has been to test all electrical circuits and motors in the plant, as well as all valves, electrical and pneumatic controls to individual units.

The detailed recommissioning inspection and testing has identified a number of items that require expert assistance in calibration and replacement of worn components and operating spares. The next stage of the commissioning process is to run all the plant components together, followed by wet commissioning the plant by running water through the plant. Prior to processing high grade ore, low grade ore, which is already on the mill processing pad, will be run through the plant to ensure optimum recovery.

Figure 3. BELOW: Electricians testing process plant circuits prior to testing entire plant.

Figure 4. RIGHT: Plant Metallurgist cleaning out Inline Pressure Jig (IPJ) prior to wet testing.



End

About AuStar Gold Limited:

AuStar is focused on the return to production of the Morning Star mine and its environs - **an advanced high-grade gold project, with significant infrastructure including processing plant, a strategic tenement footprint, and prospectively, well positioned for near-term trial mining.** In addition, AuStar 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.

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