

Australian Gold and Copper Ltd

Exploring the Lachlan Fold Belt, Central NSW

Australian Gold and Copper (ASX:AGC) is a junior explorer focused on three gold, copper and base metals projects in the world class Lachlan Fold Belt in Central New South Wales. The company was spun out of Magmatic Resources (ASX:MAG) which combined its drill-ready, non-porphyry Central Lachlan Fold assets with those of privately held New South Resources Pty Ltd. AGC listed on the ASX in January 2021 after raising \$10m, in an oversubscribed offer, at \$0.20/share to give a market capitalisation at listing of \$20m. The company immediately began three drill programmes across its seven drill-ready targets. Significant mineralisation (5m at 4.9% Pb+Zn, 0.3% Cu, 4g/t Ag from 89m) was found at the Cargelligo Project's Achilles Cu-base metals target with further follow up drilling imminent.

The Projects

AGC owns three drill ready copper-gold projects covering ~1,000 km² of the Central Lachlan: the Moorefield project which contains gold and copper, the Cargelligo project which has Cobar Hera Mine style Au-Cu and polymetallic targets, and the Gundagai Project which has orogenic gold targets consistent with McPhillamys' style Au. The Moorefield project comprises two exploration licences covering nearly 500km² and includes the drill ready 15km long Boxdale-Carlisle Reefs orogenic gold trend with significant existing drill results to follow up: 36m @ 1.21g/t Au from 81m and 30m @ 1.6m g/t Au from 80m (both Carlisle Reefs); and 19m @ 1.28 g/t Au from 114m and 15m @ 1.00 g/t Au from 85m (Boxdale). Moorefield historically hosted the Boxdale Mine (originally called Coronation) from 1955 but there are records of alluvial mining in the area dating back to 1894.

Current drilling programme

Since its IPO in January, AGC has completed three drilling programmes with more about to commence, with the initial focus on the Cargelligo Project's Achilles Cu-base metals target. The company noted in a presentation to the market on May 4 that the first results from drilling Achilles were highly significant; yielding 5m @ 4.9% Pb+Zn, 0.3% Cu and 4 g/t Ag from 89m including 1m @ 10.6% Pb+Zn, 1.4% Cu and 12 g/t Ag. Australian Gold and Copper about to kick off an additional drilling programme at Achilles to drill under these near surface intercepts. The company then plans to drill the Moorefield project in early July at the 15km long Boxdale-Carlisle Reefs orogenic gold trend following up its significant gold intercepts. This includes a 1km long drill ready section at Carlisle Reefs and a 4km long section at Boxdale. A third section, called Tree Area, has been identified with a 7.5km long, growth target with access and sparse tree vegetation.

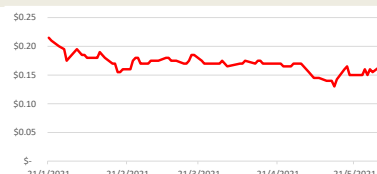
Pathway to development

With \$8m cash in hand, Australian Gold and Copper is well-funded to complete the current drilling programmes at Cargelligo and Boxdale and conduct significant follow up programmes. The company has demonstrated a conservative approach to its use of cash, sharing corporate and technical facilities with its shareholder Magmatic Resources in Orange, NSW, so as to maximise shareholder funds on exploration. With exploration capital in hand for the current drilling programme and increasing global demand for metals, particularly copper, AGC is well placed for future growth through a drilling discovery.

Share details

ASX Code	AGC
Share Price	\$0.1655
Market Capitalisation	\$16.5M
Number of shares	100M
Options on issue (\$0.30 strike price)	15M
Cash at 31 Mar '21	\$8M

Share price performance (since IPO)



Upside Case

- Portfolio contains high value Cobar style targets similar to Aurelia Metals' Peak and Hera mine and McPhillamys' style gold
- Quickly advancing under-drilled targets and hosts seven drill ready areas
- Team has a track record of discoveries

Downside Case

- Still early stage in exploration programme
- Additional capital likely required with discovery success
- No guarantee of drilling success

Catalysts

- Outcome of June drilling programme at Cargelligo
- Outcome of July drilling programme at Moorefield

Comparative companies (Australia & NZ)

AAU, BNR, BTR

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FINANCIAL SERVICES GUIDE

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AFSL 456663

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