



31 October 2019

Quarterly Activities Report for the Three Months Ended 30 September, 2019

Highlights:

- Recent diamond drilling assays continue to deliver significant results at Gimlet, with 12m @ 4.0 g/t Au from 223m depth, including 1m @ 29 g/t Au
- 1800m of RC drilling to commence in November to further test extent of Gimlet mineralisation
- Aircore program completed in August identifies a continuation of the Gimlet-Teal mineralised system
- SAM survey at Horan's Dam completed, new conductors identified
- Additional prospective leases acquired and applied for consolidating ground position to the north west of Gimlet
- FAU announced a \$1.5 million private placement to Sophisticated and Professional investors

Overview of Operations

The September, 2019 quarter has delivered further significant exploration success at the 100% owned Gimlet Gold Project, near Kalgoorlie. On 28 October, FAU announced assay results received from the September, 2019 diamond drilling programme, including **12m @ 4.0 g/t Au** (from 223m). The Gimlet Deposit has a JORC Inferred Resource of **69,000 oz Au** (refer to ASX release dated 7 May 2019).

Results from two diamond drillholes indicate that the mineralised system continues down dip, with drillhole 19GDD004 providing a > 25-gram metre Au intersection below 200 metres vertical depth. The two diamond holes form the **first part of a more extensive program which includes proposed RC drilling that will commence in November**, primarily to continue targeting potential Gimlet mineralisation at depth, as well as gold anomalism and alteration identified from recent aircore in drilling along strike (refer to ASX release dated 30 August 2019). A recent successful drilling campaign by DGO Gold (see DGO ASX announcement on the 22nd October 2019) in tenements located 10kms to the north of the Gimlet resource sited in similar stratigraphy and structure, as well as Horizon Minerals' (ASX:HRZ) Teal Deposits (total of 289,000 Oz Au) to the south of Gimlet, suggests a potential major mineralised corridor within the Black Flag Group, between the Abattoir and Zuleika shears (Figure 1).

In addition to this recent drilling, a SAM (Sub-audio magnetics) survey was completed at the Horan's Dam Prospect, located 600m to the west of Gimlet. Early assessment of the preliminary data depicts a large conductive feature which parallels a geochemical anomaly already identified. Processing and interpretation of data is underway.

Diamond Drilling at Gimlet

As part of the next phase of drilling, which was announced to the market during September (ASX announcement 19 September 2019), the Company has now completed two diamond holes for a total 504 m. Both holes intersected Au mineralisation, with assays results as follows:

- Drillhole 19GDD004 – **12m @ 4.0 g/t Au** from 223 m
(including 1m @ 28.7 g/t Au from 228m)
– **1m @ 3.2 g/t Au** from 253m
- Drillhole 19GDD003 – **3.5 m @ 3.8 g/t Au** from 209m
(including 1m @ 7 g/t Au from 211m)

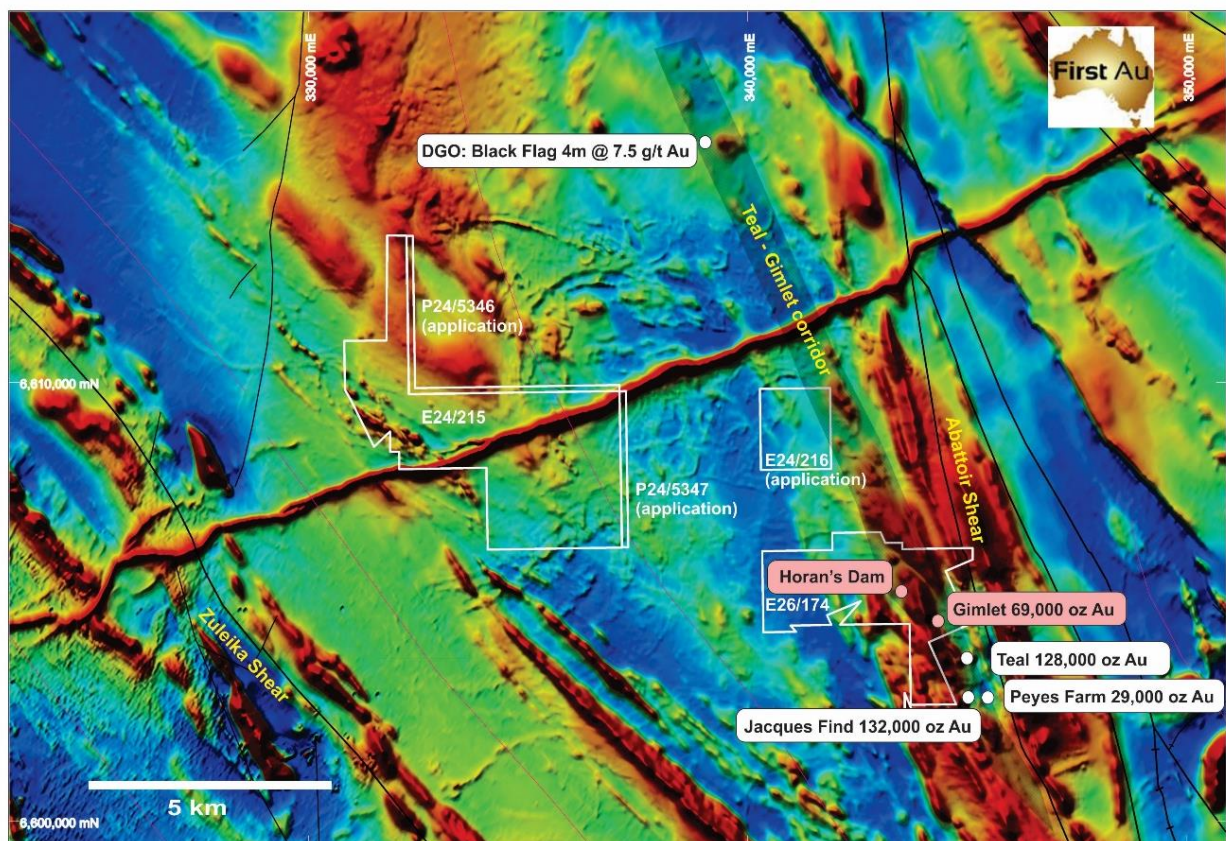


Figure 1. TMI image with FAU tenement overlay. Also outlined are deposits / prospects located along the Teal-Gimlet mineralised corridor.

Drillholes 19GDD003 and 19GDD004 were drilled to target high grade extensions to mineralisation (Figures 2-5). The assay results and geology from these two drillholes indicate the mineralising system is still open at depth. Observations from both diamond hole cores showed evidence of sheared and altered intermediate sedimentary volcanic rock, containing lenses, disseminated and stringer phases of sulphides, as well as quartz and carbonate veinlets. Pyrite and arsenopyrite appear to be the dominant sulphide phase. The mineralised shear appears near vertical in orientation and resembles what has been observed in past diamond drilling at Gimlet. In drillhole 19GDD003, a late, cross-cutting secondary structure has potentially stopped out some of the earlier mineralisation, possibly reducing the grammes of Au in this intersection. It is still projected that the mineralised system will continue with depth and this will be further tested with the forthcoming RC drilling.

Collar details of the diamond drilling are reported in Table 1 below, and additional information is provided in the JORC Table 1 within the Appendix.

Table 1: Diamond drill hole locations at Gimlet

Hole ID	Easting#	Northing#	RL (m)	Max_depth (m)	Dip	Azimuth
19GDD003	344219	6604471	347	237	-55	050
19GDD004	344286	6604377	347	267.2	-5	050

#Coordinates - # MGA94 Z51 (see JORC table for further details)

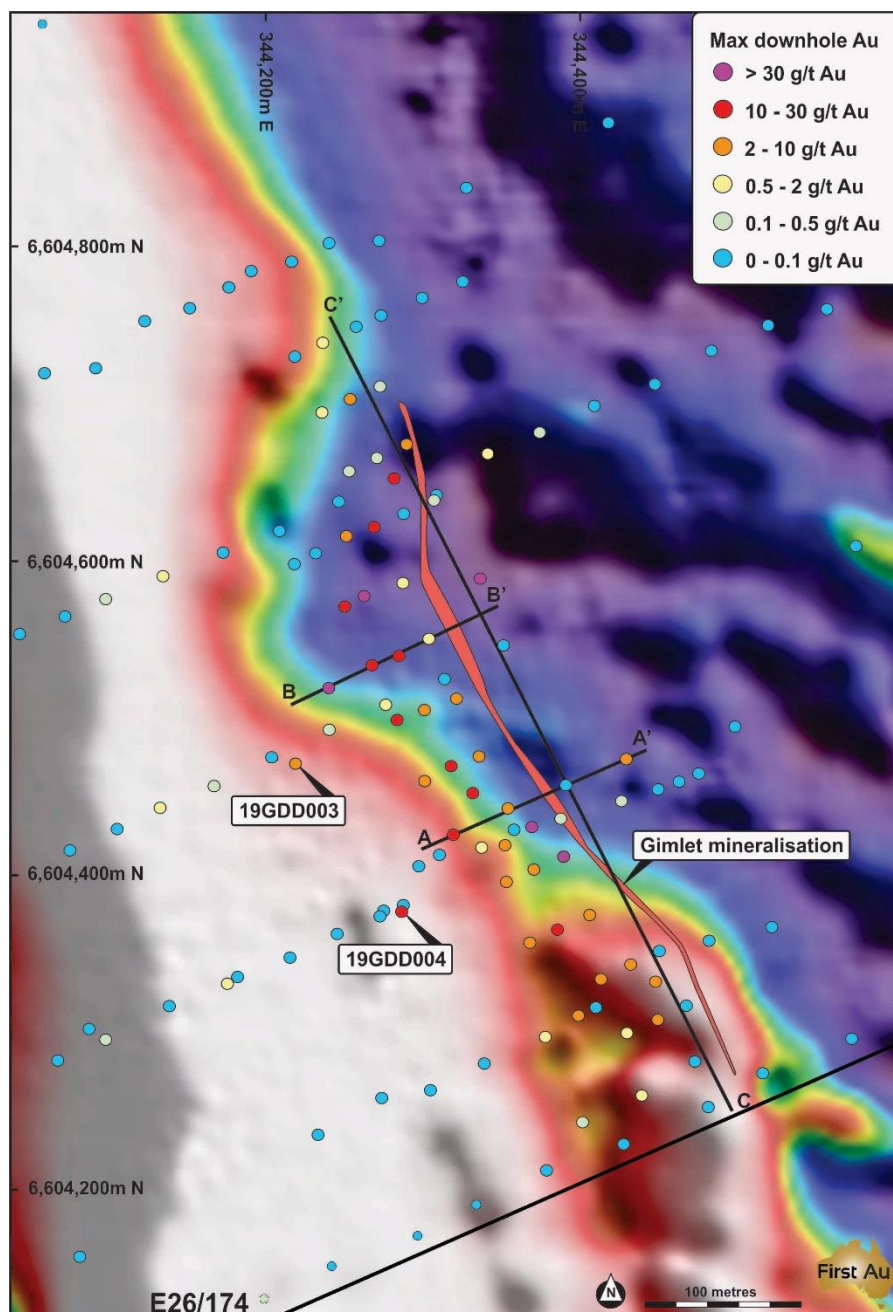


Figure 2. Plan view of the various drill campaigns at the Gimlet Mineralised Zone. Also outlined is the lode mineralisation projected to surface and locations of new diamond intersections. Note cross / long section locations for Figures 2,3 and 4.

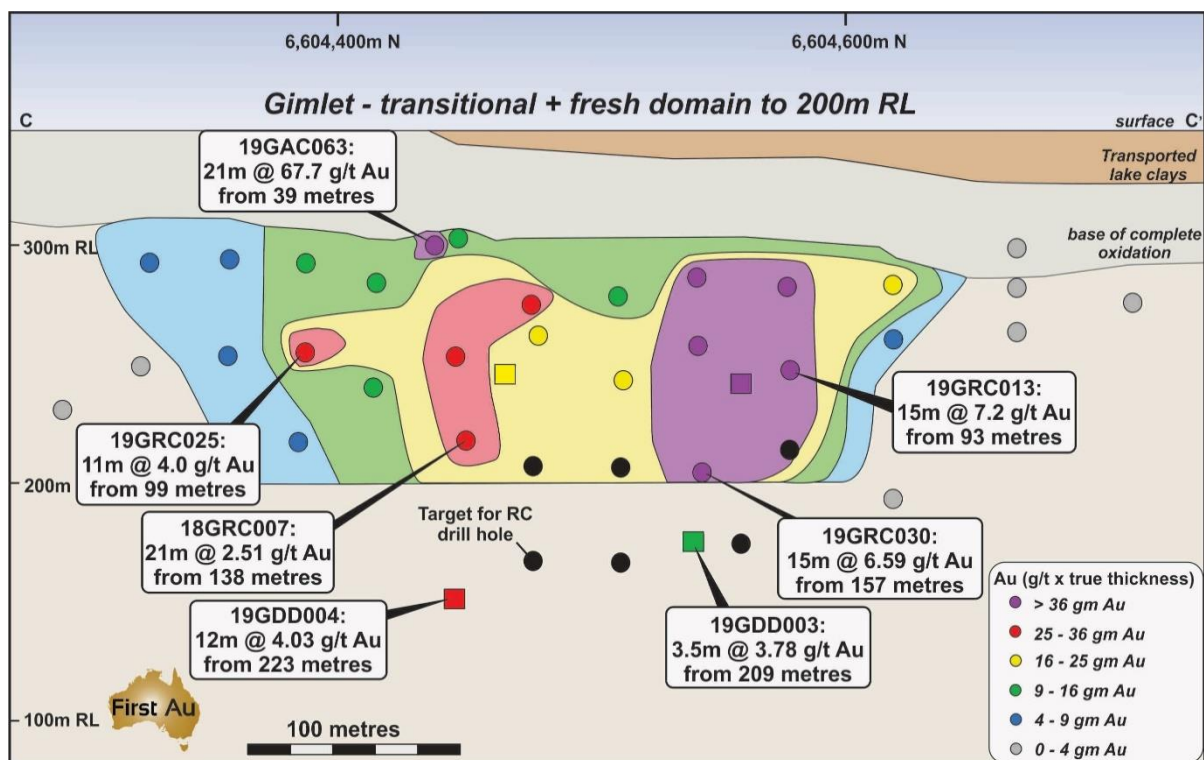


Figure 3. Long Section at Gimlet (see C-C' in Figure 1 for location) showing contoured gram metres Au, depicting piece points of new diamond drilling. Also see new RC drilling locations for next round of drilling in November. Note mineralisation is open with depth (Drilling results in this figure were announced to the ASX on the 8th March 2019 and 28th May 2019)

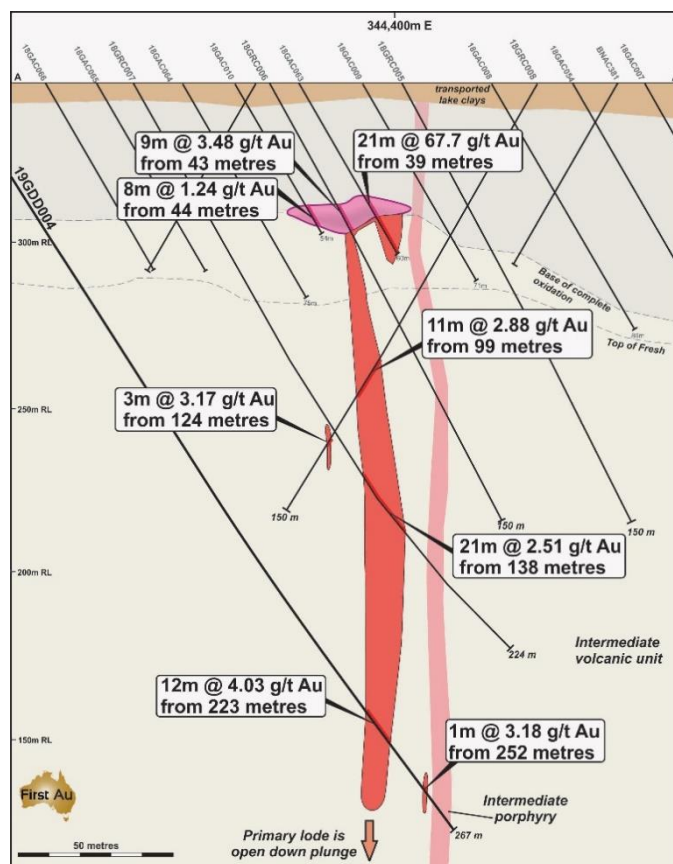


Figure 4. Drilling Cross Section depicting 19GDD004 (see A-A' in Figure 1 for location)

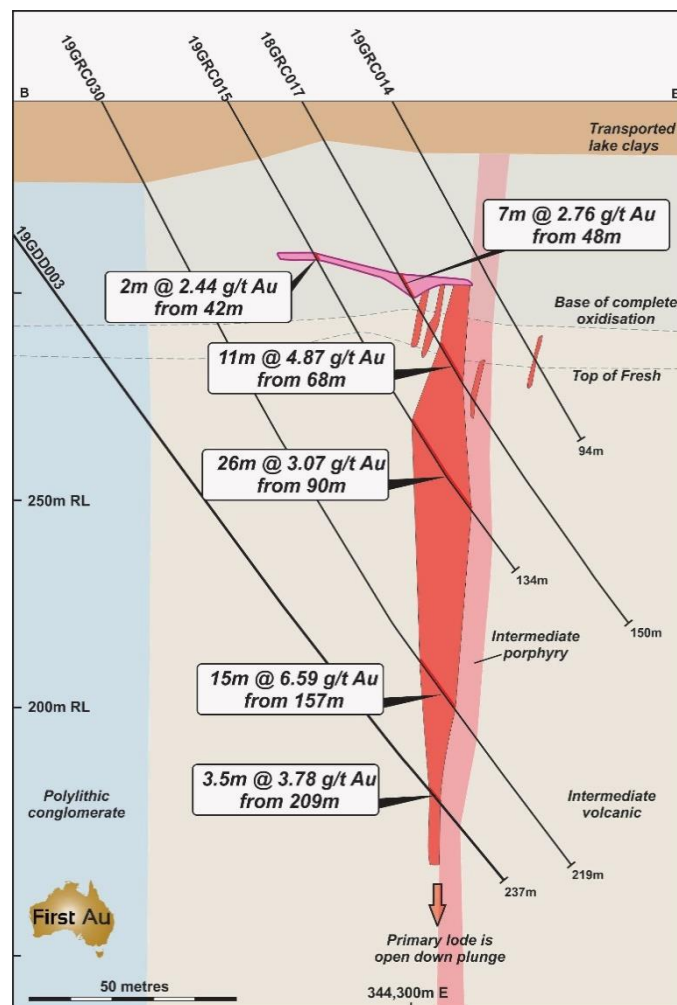


Figure 5. Drilling Cross Section depicting 19GDD004 (see B-B' in Figure 1 for location)

Proposed RC Drilling

An 1800-2000m RC drilling program around Gimlet will commence in November with rig availability. The drilling will test depth extent of the current Gimlet Resource, which has a strike length of ~450m (see Figure 2). In addition, drilling will occur along strike to target gold anomalism and alteration identified from recent aircore drilling (refer to ASX release dated 30 August 2019). The features observed in several of the drill holes from this aircore program are like those observed in the early aircore programs which resulted in the Gimlet discovery.

Recent drilling by DGO Gold (DGO ASX announcement on the 22nd October 2019) at their Black Flag Project, has demonstrated the Teal-Gimlet corridor continues to extend 10km north of the Gimlet Resource, with mineralisation (i.e. 4m @ 7.5 g/t Au from 116m) occurring along similar structure and stratigraphy (Figure 1). Interestingly, this was a blind discovery, primarily targeting the Gimlet-Teal structural corridor, and was not seen in the near surface regolith.

June, 2019 Aircore Program

On 30 August, 2019 the Company announced results from its 6,450 metre aircore program, which was primarily designed to target along strike of the Gimlet resource. The aircore program identified evidence of the mineralised system north of Gimlet, with low grade gold mineralisation (greater than 100 ppb Au)

within the supergene blanket, as well as evidence of sulphide and sericite alteration within the fresh rock, of a similar style to that seen at Gimlet.

Drilling included a fence of aircore holes 300 metres north of Gimlet that delineated a potential site for the continuation of the Gimlet-Teal mineralised system below the regolith, indicating the presence of disseminated pyrite (up to 10% in a metre), intense sericite alteration over several metres and gold at low concentrations. Extrapolating this further, the assay at 19GAC060 situated a further 500 metre northwards, recorded 4m @ 0.62 g/t Au from 40m in its composite sample. FAU's exploration team is proposing to follow up with RC drilling at these localities.

Metallurgical Update

Preliminary metallurgical studies have been undertaken on Gimlet ore material using drill cuttings from the RC programs completed in 2018 and 2019. Gravity recovery and cyanide leach testing at varying grind sizes and leaching duration were conducted. The initial studies indicate that the total recovery of gold from oxide material to be 98% while material from the upper transitional zone, at potential open pit depths showed recoveries of 78%. While this work is of a preliminary nature, it would suggest the material would be amenable to toll treatment at several of the gold mills surrounding Kalgoorlie.

The fresh ore and lower transitional ore material were found unsuitable for conventional cyanide leach and gravity recovery, with the ore being refractory in nature. Initial studies on the fresh ore using the RC material were hampered by the hydrophobic nature of fluid used in the RD drilling process. The Company is carrying out a series of tests utilising the available diamond core which will be more representative of the fresh sulphide ore and will not have these hydrophobic issues.

SAM Survey – Horan's Dam

A 25m line-spaced, 0.9 km by 1.3 km SAM (Sub Audio Magnetics) survey was completed over part of the Horan's Dam Prospect by GAP Geophysics in late September-early October 2019. SAM is tailored for high-definition mapping of magnetic and electrical properties in the sub-surface and can overcome the difficulties of highly conductive surface layers like those at the paleolakes seen at Gimlet. SAM has been successful in identifying gold mineralised structures in other project areas throughout the Archean Yilgarn Craton.

Historic exploration has successfully defined a regolith gold anomaly ~ 3.6km in length and ~ 400m wide, of >100 ppb Au (*See ASX announcement 6th April 2018, Independent Geology Report*). This significant gold anomaly has previously been referred to as the Eastern Shear Zone or Horan's Dam Prospect. This supergene anomaly forms a flat lying blanket, which has significant but thin high-grade gold intersects. It is interpreted that this gold is sourced from nearby fresh sulphide-quartz lodes like the ore system seen at Gimlet, as it trends in a similar NNW-SSE direction. The limited RC and diamond drilling at Horan's Dam has failed so far to delineate significant fresh mineralisation and therefore there is potential to find a new gold deposit along this trend with this new insight. While the SAM data is still preliminary in nature and requires further interpretation, it is evident that a previously un-recognised NNW-SSE trending conductive feature occurs parallel to the geochemical anomaly at Horan's Dam which is being further investigated (Figure 6). These conductive features may relate to alteration / structure or sulphide-rich stratigraphy.

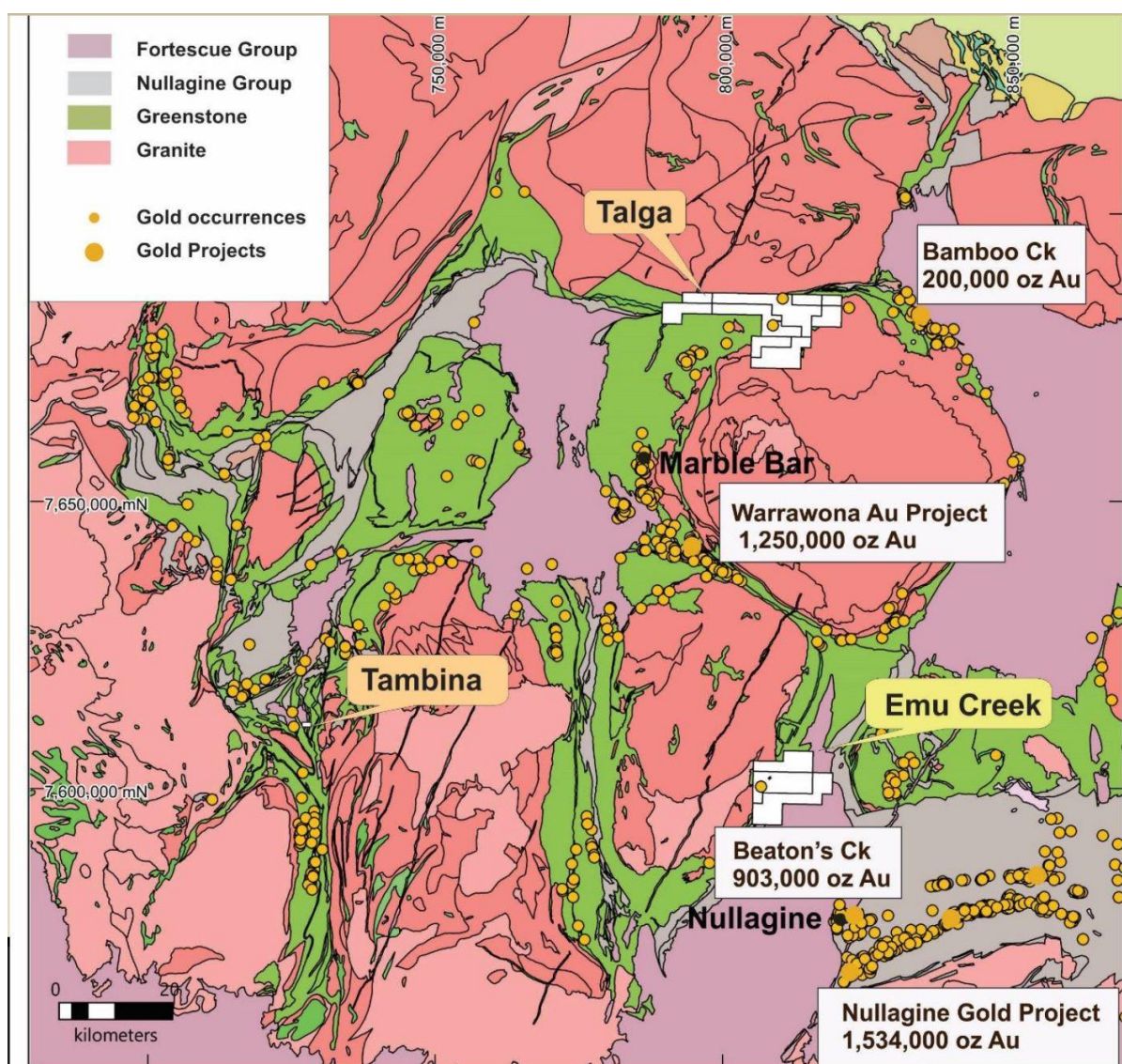
The data produced from this SAM survey is currently being reprocessed and will then be interrogated along with the previous geological data to provide new targets for a planned RC program at Horan's Dam.

Additional Tenement Acquisitions

On 9 July, 2019 the Company announced it had entered into the White Flag option agreement with Kelsi Chemical Pty Ltd to acquire E24/215 located 3.5km north west of Gimlet and mining lease application M26/849, located 5km north east of the Kundana Mining Camp (Northern Star) and the major gold carrying Zuleika Shear.

Pilbara Activities

FAU's East Pilbara portfolio currently consists of the Emu Creek, Talga and Tambina gold and/or base metal projects. Emu Creek is a joint venture between FAU and Atlas Iron (Giralia) with FAU holding a 51% equity and the right to earn an additional 19% by the completion of a BFS on or before November 2021. Talga is 100% owned by FAU. Tambina is held under a JV between WWI and FAU where FAU may earn up to 80% . All tenements are in good standing.



No material new field activity occurred during the September quarter with the Company focussing on analysis of the exploration work completed in the previous quarter.

Placement of Shares and Attaching Options

On 13 August, 2019 the Company announced it had received firm commitments for a private placement to Sophisticated and Professional investors for up to \$1.5 million. The placement was for up to 60 million new shares with 1 for 2 attaching options at an issue price of 2.5 cents per share. The attaching options are exercisable at 6 cents per share on or before 15 December, 2020 and rank pari passu with the Company's existing listed options. The price represented an 8.1% discount to the 15-day volume-weighted average price (VWAP) of 2.72 cents. The issue was to be undertaken in two tranches with 37.1m shares issued subject to the Company's capacity under Listing Rule 7.1 and the balance of 22.9m shares issued subject to shareholder approval. All attaching options also to be allotted subject to shareholder approval. On 11 September the Company advised that it revised the allotment of attaching options from a 1 for 2 basis to a 3 for 2 basis. A meeting of shareholders has been convened for 7 November to consider this matter.

On Behalf of the Board



Bryan Frost
Executive Chairman

About First Au: First Au is an advanced gold and base metals exploration company listed on the Australian Securities Exchange (ASX: FAU) and is pursuing a well-funded and aggressive exploration program at its 100% owned Gimlet Gold project near Kalgoorlie and its Emu Creek, Talga and Tambina Projects in the Eastern Pilbara region of Western Australia.

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The information in this ASX Release that relates to the Company's Mineral Resources estimates is extracted from and was originally reported in the Company's ASX announcements "Maiden JORC Resource at Gimlet" dated 7 May 2019, which is available at www.asx.com.au the competent person being Mr. Andrew Bewsher of BM Geological Services. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimates in those announcements continue to apply and have not materially changed. The Company confirms that the form and context of the Competent Person's findings in relation to those Mineral Resources estimates are presented have not been materially modified from the original market announcements.

The information in this ASX Release that relates to Exploration Results is extracted from the following reports which are all available at www.asx.com.au.

- 7th May, 2019, Maiden JORC Resource at Gimlet, Dr Gavin England competent person
- 30th August, 2019, Gimlet Exploration Update, Dr Gavin England competent person
- 19 September, 2019 Extensive Drilling Program Starts at Gimlet Gold Project, WA, Dr Gavin England competent person
- 28th October, 2019, Gimlet Mineralisation Continues at Depth, Dr Gavin England competent person

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. The Company confirms that the form and context of the respective competent persons' findings in relation to those reports are presented have not been materially modified from the original market announcements.

Interests in Mining Tenements

Tenements	Location	Held at end of quarter	Acquired during the quarter	Disposed during the quarter
E26/174 M26/849 P24/5346 P24/5347	Gimlet Kalgoorlie Region Western Australia	100% 100% 100% 100%	- - - -	- - - -
E45/3679 E45/3857 E45/4615 E45/4137 E45/5571	Talga Pilbara Region Western Australia	100% 100% 100% 100% 100%	- - - - E45/5571	- - - - -
E46/1285 E46/732 E46/1066	Emu Creek Pilbara Region Western Australia	100% 51% 51%	- - -	- - -
M45/990 M45/991 M45/988	Tambina Pilbara Region Western Australia	20% 20% 20%	- - -	- - -
E24/216 E24/215	White Flag Kalgoorlie Region Western Australia	100% Option to acquire up to 85% interest	- Option to acquire up to 85% interest	- -