



31 July 2020

Quarterly Activities Report

Highlights:

- **First Au to acquire large Victorian Eastern Goldfields Project**
- **Due diligence completed on VicGold acquisition**
- **New option to acquire Snowstorm Project in Eastern Goldfields, Victoria**
- **IP survey completed at Gimlet, with potential new target area identified**
- **New diamond drilling program to commence immediately at Gimlet Gold Project, near Kalgoorlie**
- **Successful completion of private placement and Share Purchase Plan**

Review of Operations

In response to the COVID-19 outbreak conditions for field activities and exploration drilling were delayed during the quarter. Most mining and exploration companies were operating under uncertain or changed circumstances which impacted on the timing and execution of planned exploration programs. As a result, First Au delayed the next phase of its planned drilling program at its flagship Gimlet Gold Project until such time as the Company was able to properly assess prevailing conditions and was able to secure drilling contractors and return to the field. It is proposed that a new drilling program will commence in August seeking to find additional extensions to the Gimlet gold discovery where First Au has already defined a JORC Inferred Resource of approximately 69,000 ounces of gold (Refer ASX release dated 7 May, 2019).

During the quarter First Au announced that it had entered into an agreement to acquire an 80% interest in Victorian Goldfields Pty Ltd ("VicGold"), the owner of the Victorian Gold Project, centered on the Haunted Stream historical gold workings, including newly interpreted gold and porphyry copper targets. The VicGold geological team were first movers in this area and initiated a mineralized systems study that has provided a new conceptual model to be tested once the exploration lease applications are granted. The 2,250 km² tenement application area will, subject to grant, make First Au a significant player in the Eastern Goldfields region of Victoria.

Subsequent to the end of the quarter, First Au announced that it had entered into an option agreement with Mines of Stirling Pty Ltd ("Stirling") to acquire an 85% (diluting to 80%) interest in granted exploration licence EL 5505 and prospecting licence application PL 007319, located 15 kms (30 minutes' drive) directly north of the Victorian Goldfields Project ("Snowstorm Project"). Snowstorm contains the same Ordovician-aged rocks as Haunted Stream, has historically yielded high grade results and exhibits correlation to the same gold targets as the Victorian Gold Project. Like Haunted Stream, Snowstorm offers near term, drill ready targets for First Au to pursue.

On 17 July 2020, the Company announced that it had successfully completed its due diligence investigations in respect to VicGold, a major condition precedent for completion of the acquisition.

On 11 June 2020, the Company announced that it had completed a share placement of 74,700,00 shares at a subscription price of \$ 0.01 (1 cent) per share which raised \$747,000, before allowing for costs associated with the issue. Subsequent to the end of the quarter, the Company also announced that had completed a heavily oversubscribed Share Purchase Plan ("SPP"). The SPP was announced on 11 June 2020 to raise up to \$280,000 through the allotments of up to 28 million shares at a subscription price of \$ 0.01 (1 cent) per share. The SPP closed on 13 July 2020 having received application funds for a total of \$3,033,500, 11 times oversubscribed and resulting in a scale back of 89%.

VicGold Transaction Details

On 3 June 2020, First Au announced that it had entered into a binding term sheet (**Term Sheet**) to acquire 80% of the issued share capital of VicGold which holds applications making up the Victorian Goldfields Project. The Project comprises 5 Exploration License Applications (EL 006975, EL 006976, EL 006977, EL 005422 and EL 006816) in East Gippsland, Victoria, located around the towns of Bruthen, Swift Creek and Dargo (Figures 1 and 2). The Project presents an opportunity for First AU to establish a stake in the highly prospective Victorian goldfields. The Haunted Stream application area (EL 006816) shows potential for significant high-gold continuity, indicated from historic workings and rock chip sampling for over 8 Km strike length (Figure 3). Historic mine records dating back as far as the 1880's from Victorian Government show ore being extracted at above 1 ounce per tonne (e.g. Exhibition Mine reported production at over 5 oz Au per tonne) (Refer ASX release dated 3 June 2020). The total application area of over ~ 2,250 km², would subject to grant, make First AU one of the significant leaseholders in Eastern Victoria.

The Haunted Stream area contains significant historic workings that have had limited to no drilling to effectively test their depth extents. In addition to the historic workings, there occur untested, prospective, saddle-reef style zones and numerous under-explored mafic intrusive dykes associated within the system presenting new and immediate high-grade Central Victoria-style orogenic targets, as well as Walhalla and Morning Star analogue exploration opportunities. The gold fertility of the tenement package is also further evident in the long history of alluvial mining in the area.

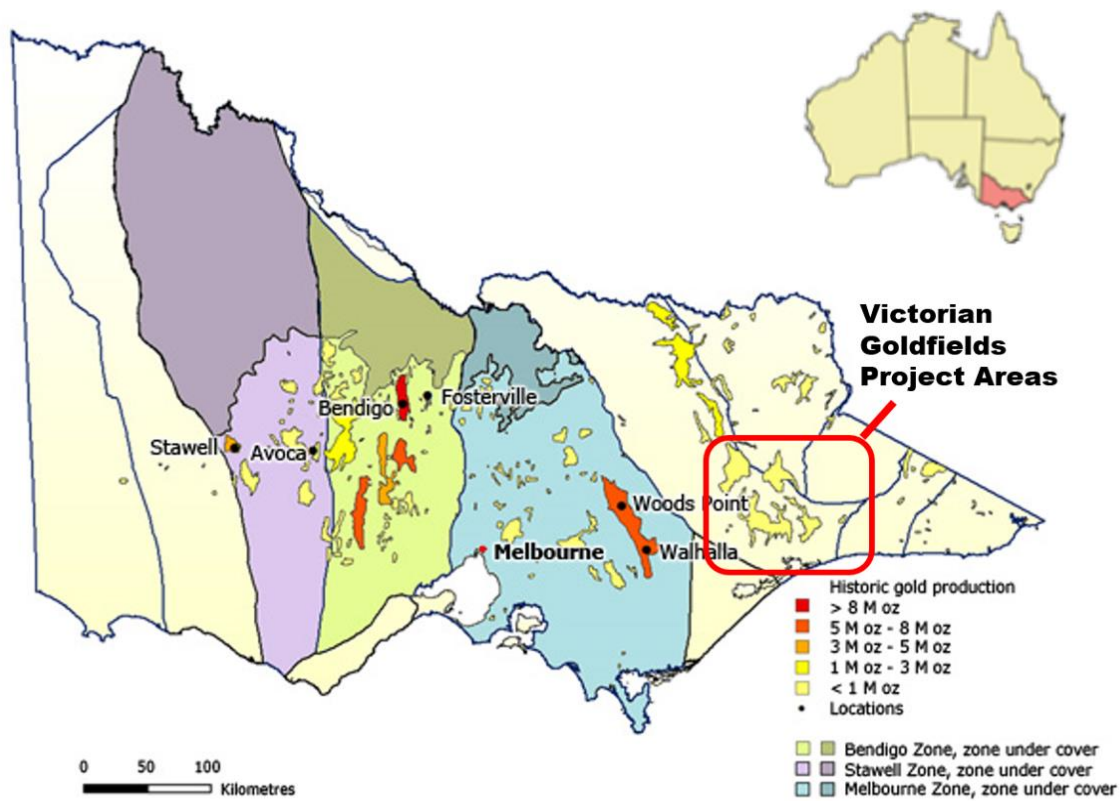


Figure 1. Location map of the Victorian Goldfields Project, Gippsland Victoria

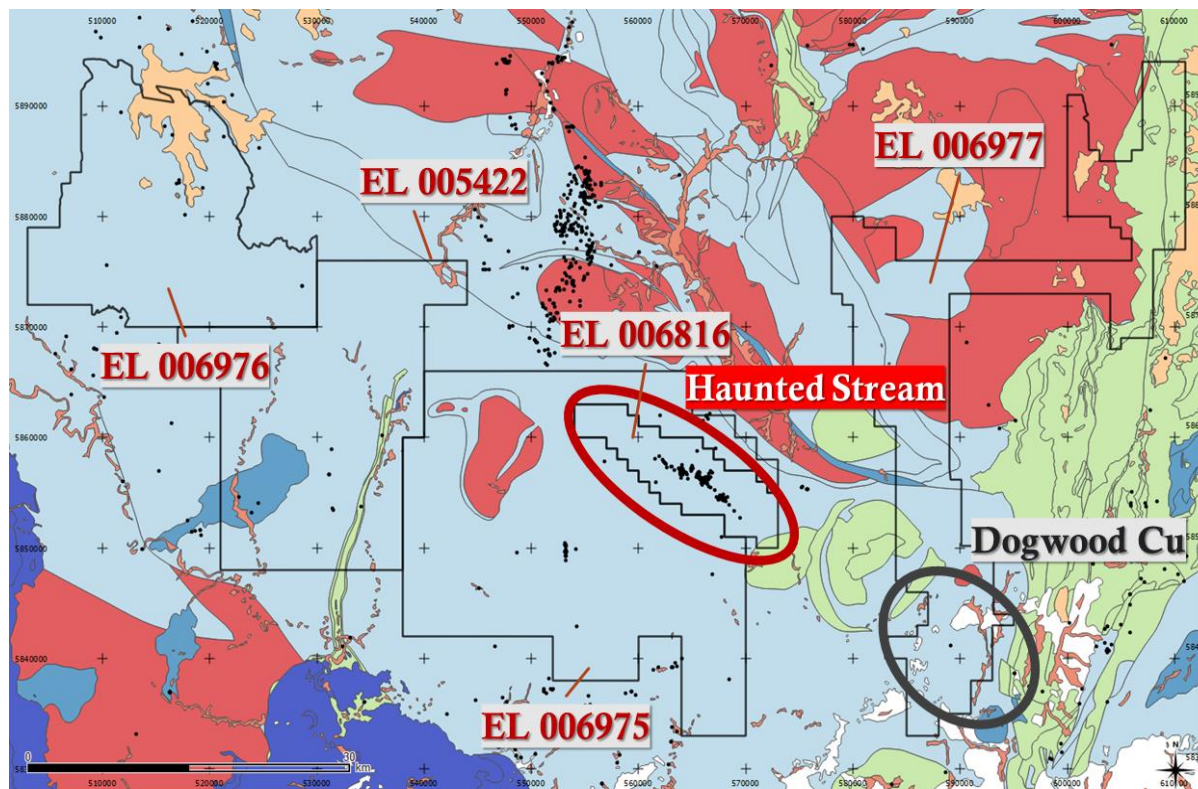


Figure 2. Outline of the tenement applications, showing main project focus of Haunted Stream Au and Dogwood Cu-Au Porphyry, East Gippsland. Black dots indicate historic gold workings (Coordinates in MGA94 zone 55)

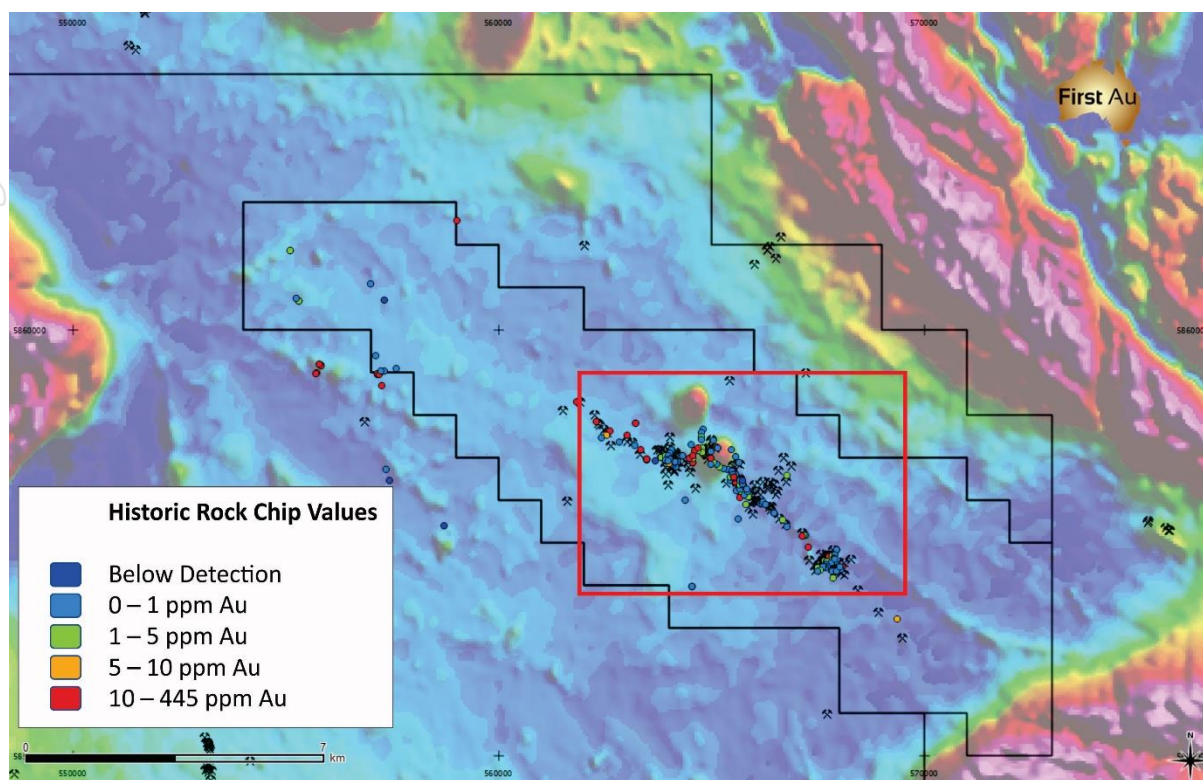


Figure 3. TMI magnetic image with Haunted Stream Tenement Application EL006816 showing rock chip data and historic workings. Note location of figure 4 (Coordinates in MGA94 zone 55)

About the VicGold Project

The VicGold Project is in the southern extent of the Lachlan Fold Belt of Victoria's East Gippsland region (Figure 1). Previous exploration efforts on the Project area have targeted geophysical features or assumed a simple deposit style without a structural geological context.

Gold exploration in the East Gippsland region has traditionally focused on Cassilis and other deposits around the Omeo area which are high sulphidation systems hosted in the Silurian-Devonian stratigraphy, whereas the focus here in the VicGold Project is low-sulphide orogenic gold deposits hosted in the Ordovician stratigraphy. VicGold identified the prospectivity of the region early in 2018 after academic studies presented by the Geological Survey of Victoria (GSV) cited new geological evidence which supported the porphyry copper exploration initiative for the Staveland Province, Western Victoria. This same study also presented a new interpretation for the origin of the eastern arm of Ordovician Turbidites in East Gippsland as an equivalent and extension of the highly mineralised Bendigo-Fosterville terrane (i.e. Orocline Model). In addition, academic research undertaken by the GSV included two new seismic traverses across the Alpine region in South Eastern Australia to provide deep insight into the subsurface geology and major tectonic-scale structures which further supported this model. VicGold used this knowledge to apply for prospective tenure. Subsequently, detailed field mapping by VicGold was conducted in conjunction with geophysics reprocessing and interpretation, which has led to the development of a new prospectivity map for the project areas, focusing primarily on orogenic turbidite-hosted gold deposits.

In the Haunted Stream area, this emerging geological insight provides an opportunity to examine overlooked and misunderstood mineralised systems that remain open down plunge of historical workings or in new target areas that have had little exploration. VicGold geologists have conducted a preliminary data compilation and research examining the high-grade gold mineralisation in the area.

Structure of VicGold Transaction

The proposed acquisition by First AU of 80% of the issued share capital of VicGold is referred to as “the **Transaction**”. The consideration for the acquisition will be an initial allotment of 10 million ordinary shares of First AU and up to a further 70 million shares of First AU subject to achievement of specific milestones which are subject to ASX approval. An amount of \$75,000 is also payable at completion. A summary of the Term Sheet, including the conditions precedent and milestones are set out in **Annexure A to the ASX release dated 3 June 2020**. The Company notes that the Transaction was subject to several conditions precedent, the prime one being that the flagship Haunted Stream exploration licence application EL 006816 must be granted. Other conditions included the satisfactory completion of due diligence investigations and First AU raising approximately \$1 m of new capital. The company announced on 17 July 2020 that it had successfully completed its due diligence investigations and on 15 July 2020 that it had completed the Share Purchase Plan (“SPP”). The SPP together with the placement that was completed on 11 June, 2020 raised \$1,207,000 in total and therefore satisfied this condition.

Mines of Stirling Transaction

On 9 July 2020 First Au announced that it had entered into an option agreement with Mines of Stirling Pty Ltd (“Stirling” or “the Vendors”) to acquire an 85% interest (diluting to 80.0%) in granted exploration license EL 5505 and prospecting license application PL 007319 (“Snowstorm Project”) (Refer Figure 4 below), located in East Gippsland, Victoria.

The Snowstorm Project is located approximately 15 kms (30 minutes’ drive) directly north of the VicGold Haunted Stream Project. It has the same Ordovician-aged rocks as Haunted Stream, has historically yielded high-grade gold results and exhibiting similarities to the same gold targets as the Victorian Gold Project. The Snowstorm Project contains Ordovician sediments (same as Haunted Stream), free gold and sulphide lodes and is “structurally controlled” with walk up drill targets once mapping is completed. Numerous mafic dykes are observed in the area and importantly, occur immediately adjacent to mineralised quartz reefs.

The main targets identified to date include a series of fault hosted lodes occurring sub-parallel to bedding trending NW-SE. First AU has further identified a series of cross-structures that bear striking similarity to those of Haunted Stream, supporting the hypothesis that this Snowstorm Project area is highly fertile for auriferous deposits and reflects similar structural controls to those observed at Haunted Stream.

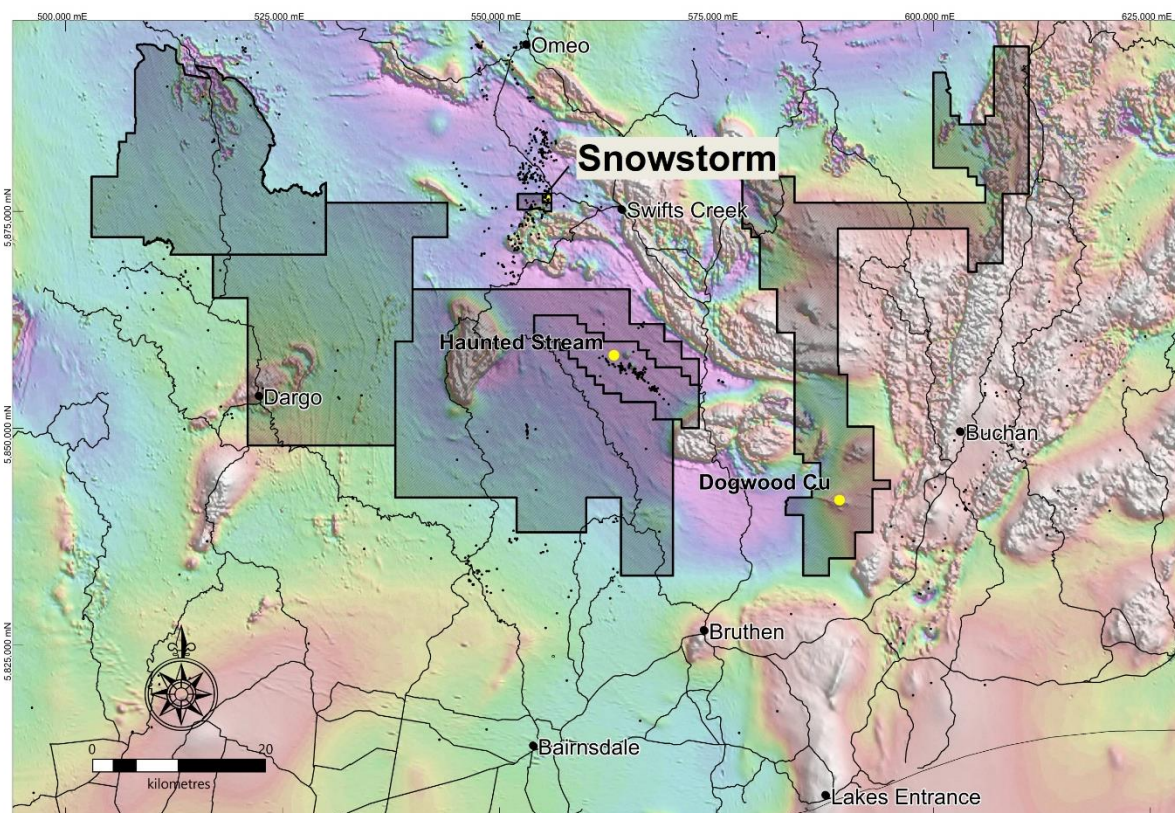


Figure 4. TMI magnetic image with the VicGold Tenement application area, including the new Snowstorm Project location. (Co-ords MGA94, Zone 55)

Under the agreement with Stirling, First Au has a two-year option secured, by the payment of \$20,000, upon satisfaction (or waiver) of the last of the conditions precedent and a further \$20,000 within 12 months of the satisfaction (or waiver) of the last condition precedent. First Au, at its sole election, can extend the option period for a further 12 months by the payment of an additional \$40,000. First Au is required to spend \$50,000 on exploration within the initial 12 months after completion and a further \$50,000 within the following 12 months. If First AU elects to extend the option period for a further 12 months, First Au would be required to spend an additional of \$50,000 on exploration. Upon completion, a 5.0% free carried interest in the tenements will be transferred to Ian Neilson or nominee(s) ("Neilson Interests") leaving First Au with an 80% interest. The Neilson Interest was granted in recognition of the work undertaken by him in respect to securing the Snowstorm Project for First AU and geological work performed in providing technical information for the Company.

Conditions include, First AU completing its due diligence within 30 days of signing, EL 5505 being renewed for a further term of not less than 3 years and the PL 007319 being granted.

Should First Au elect to exercise the option \$250,000 is payable to the Vendors in cash or shares or a combination of cash and shares at the election of First AU. The share price to be used is based on the 30-day VWAP at the time. The Vendors and Ian Neilson Interests will be free carried to a decision to mine stage. First Au has the option to acquire the remaining 20% interest collectively held by the Vendors and the Neilson Interests at decision to mine at fair market value.

Gimlet Gold Project (100% owned)

The First AU 100% owned Gimlet Project occurs 15 km NW of Kalgoorlie, Western Australia (Figure 5). The tenement (EL26/174 and application M26/849) occupies 9.6 km² in area and adjoins the tenements of Horizon Minerals Limited (ASX: HZR) in the south, containing the Teal, Jacques Find and Peyes gold deposits (289,000 oz Au). Drilling in 2018 and 2019 by First AU produced a 69,000 Oz Au Inferred Resource at Gimlet, announced to the ASX on the 7th May 2019.

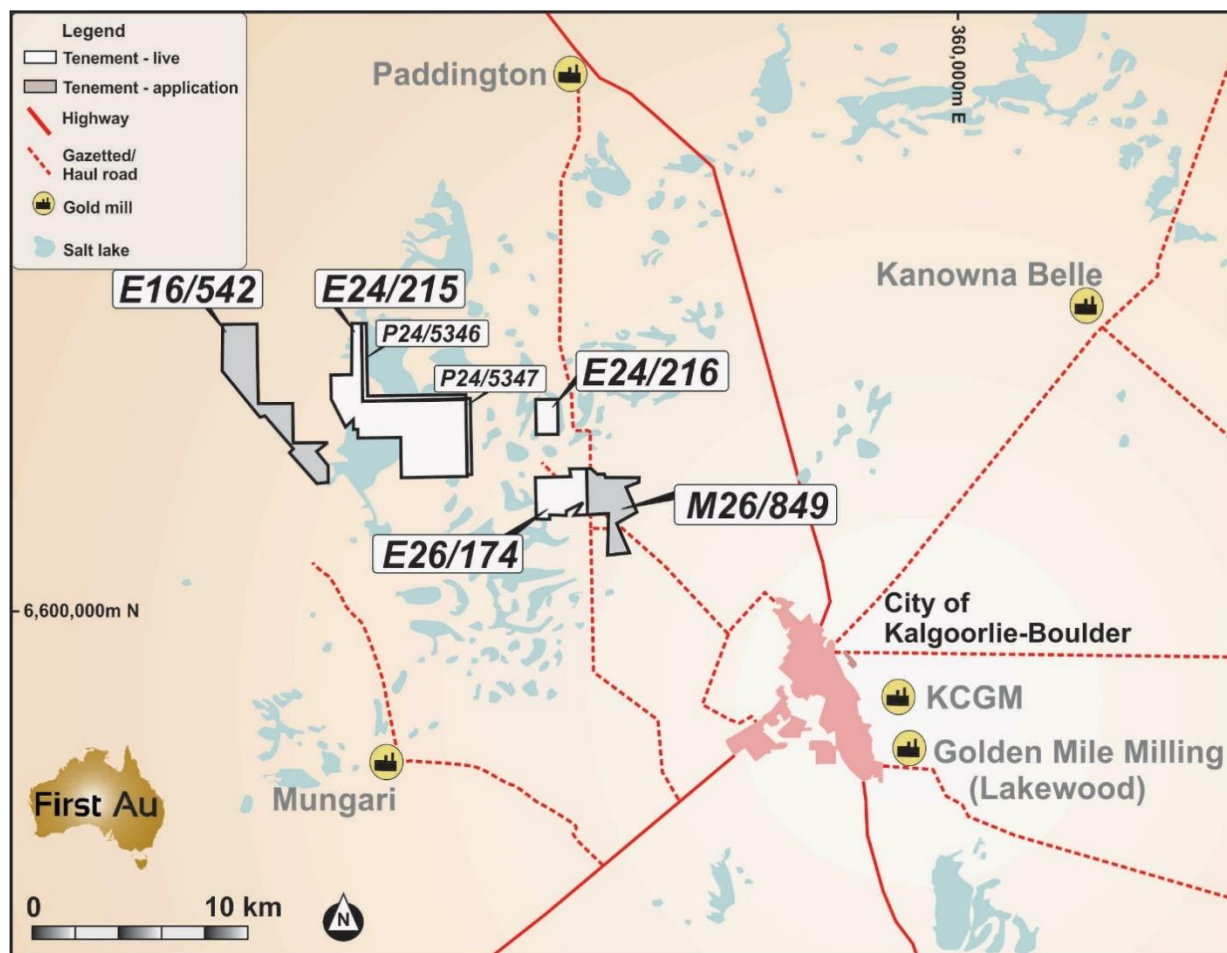


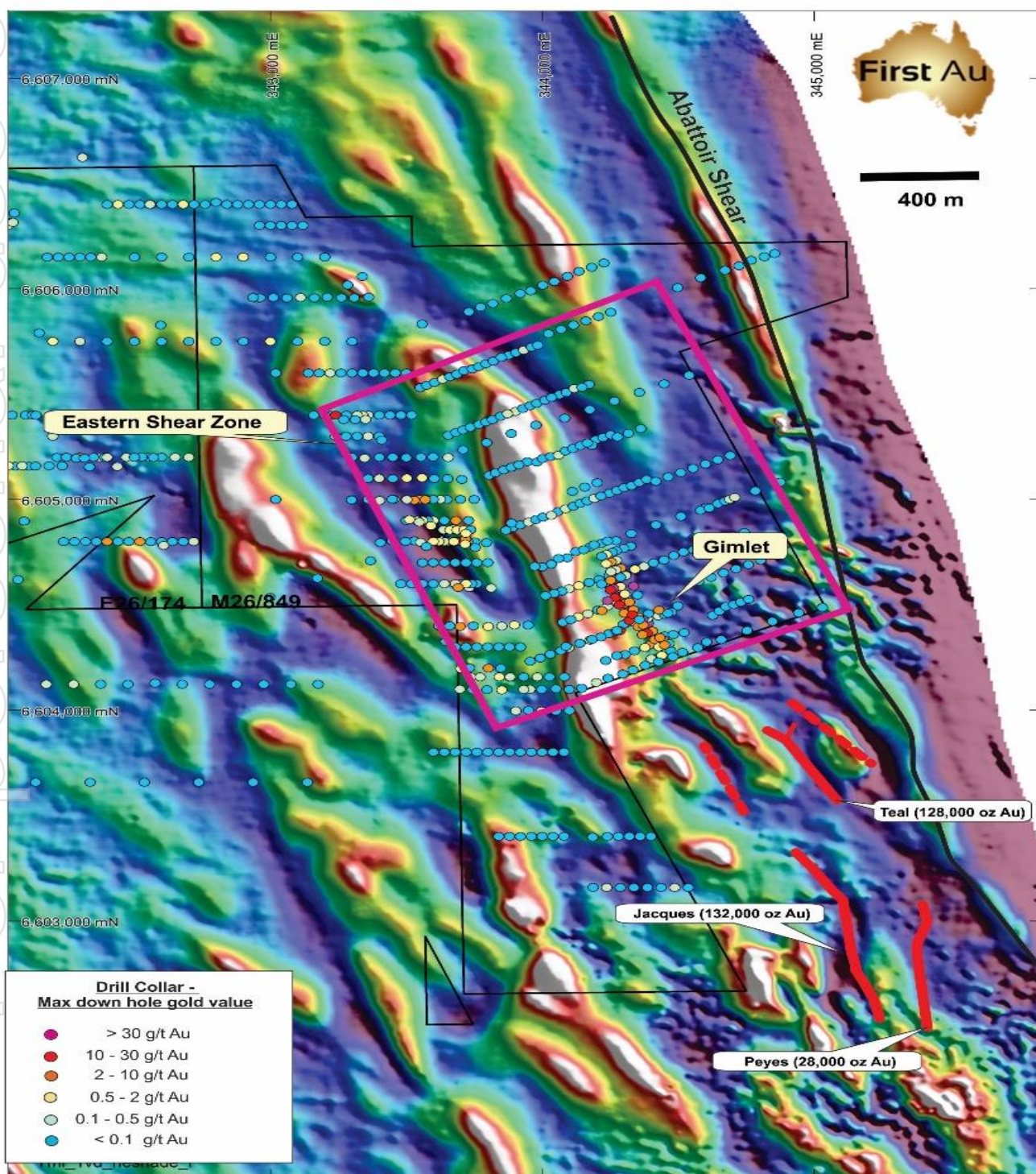
Figure 5. FAU project are near Kalgoorlie, including Gimlet. (Co-ords MGA94, Zone 51)

In addition, the Company entered an option agreement to explore the prospective White Flag tenement EL24/215, which lies ~4km WNW of the Gimlet tenement (refer to ASX release dated 9th July 2019). The company also has other exploration and prospecting licenses in the surrounding area (Figure 5). All these leases lie within close trucking distance of five gold mills within the Kalgoorlie area, with several offering the toll treatment of ore to third parties. The geology in the tenement is prospective for gold, dominated by metamorphosed felsic and intermediate volcanic rocks of Black Flag Group of the Kalgoorlie Terrane, Yilgarn Craton. This Archean geology is overlain by Cainozoic sediments, including some areas covered with salt lakes, which has previously inhibited the effectiveness of some of the historic exploration.

During the Quarter, the company embarked on an induced polarization (IP) and resistivity survey covering areas surrounding Gimlet and the Horan's Dam Prospect (Figure 6). IP has been successfully used in exploration within the Yilgarn area and was applied at the Teal Deposit (Horizon Minerals) and within the Binduli mineralised system (e.g. Janet Ivey Deposit) to the south of Gimlet. The objective of the survey is to map disseminated sulfides and alteration associated with gold mineralisation. While the final results to

that survey are yet to be received, preliminary data has identified potential new target areas interpreted to be related to an alteration halo, around and along strike to Gimlet.

This IP survey will be integrated into to a new mineralisation study of the project area by First AU geological consultant Ian Neilson, who has had extensive experience in mineralisation studies within the Kalgoorlie region. The outcome of this study is to produce a series of new targets for further drilling over the next 12 months. A first phase of these works is a diamond drilling program to commence in August at Gimlet, to test down plunge to the current mineralised envelope, as well as providing core material for alteration and structural mapping to integrate into this new study.



East Pilbara Projects

First Au's East Pilbara projects comprise the Talga and the Tambina gold and/or base metals projects. All tenements are in good standing. No field work was conducted during the period with activities restricted to reporting, data compilation and assessment.

Financial Analysis of selected items within Appendix 5B:

Aggregate amount of payments to related parties and their associates included in item 6.1 of Appendix 5B for the quarter ended 30 June 2020:

Comprising:

Directors Services: \$31,250

CEO Services: \$15,000

Consulting services by a Director on normal commercial terms: \$25,000

Legal services provided by a legal firm of which a Director is a Partner. Services provided on normal commercial terms \$27,700

Authorised by:



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 Talga and Tambina Projects in the Eastern Pilbara region of Western Australia. First Au recently entered into agreements to provide the Company significant exposure to prospective projects located in the Eastern Goldfields of Victoria.

For enquiries in relation to this announcement please contact:

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Competent Persons Statement

The information in this announcement that relates to Exploration Results is based on information compiled by Dr Gavin England, Competent Person who is a Member of the Australian Institute of Mining and Metallurgy and the Australian Institute of Geosciences. Dr England is a consultant to First Au Limited. Dr England has sufficient experience that is relevant to the style of mineralization and type of deposit under consideration and to the activity being 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 England consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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.

- 6th April, 2018, Prospectus-Independent Geological Report
- 7th May, 2019, Maiden JORC Resource at Gimlet, Dr Gavin England, Competent Person
- 3rd June, 2020, First Au to Acquire Victorian Gold Exploration Project
- 9th July, 2020, First Au to Expand Victorian Gold Interests

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 the reports presented have not been materially modified from the original market announcements.

Interests in Mining Tenements:

Quarter ended 30 June 2020

Tenements	Location	Held at end of quarter	Acquired during the quarter	Disposed during the quarter
E26/174	Gimlet	100%	-	-
M26/849	Kalgoorlie Region	100%	-	-
P24/5346	Western Australia	100%	-	-
P24/5347		100%	-	-
E45/3679	Talga	100%	-	-
E45/3857	Pilbara Region	100%	-	-
E45/4615	Western Australia	100%	-	-
E45/4137		100%	-	-
E45/5571		100%	-	-
E45/5595		100%	-	-
E45/5596		100%	-	-
M45/990	Tambina	20%	-	-
M45/991	Pilbara Region	20%	-	-
M45/988	Western Australia	20%	-	-
E16/542	White Flag	100%	E16/542*	-
E24/216	Kalgoorlie Region	100%		
	Western Australia			
E24/215		Option to acquire up to 85% interest	-	-

*Application lodged