



Fosterville South Receives Multiple High-Grade Gold Assays from Sampling at Beechworth Project

VANCOUVER, BC, July 2, 2021 /CNW/ - Fosterville South Exploration Ltd. ("Fosterville South" or the "Company") (TSXV: FSX) (OTC: FSXLF) (Germany: 4TU) is pleased to announce it has received positive results, including multiple high-grade gold assays, from recent sampling at Beechworth. This program was conducted in preparation for drilling additional targets to the current Taff and Bon Accord Prospect drill program, which is now underway, within the large Beechworth project area.

Highlights:

- rock chip assays for 173 samples from 45 gold prospects yield gold grades including 54 g/t Au
- grid based soil sampling of 2515 samples covering 10.5 km² completed
- 68 drill hole program designed based on these fieldwork results

With results received from this fieldwork, a drill program has been designed to test multiple high priority targets within the Beechworth Gold Project.

Rock chip assays for 173 samples from 45 gold prospects have yielded gold grades that included 54 g/t Au. Samples were collected along lines of workings of quartz and dump material (mullock).

Grid based soil sampling of 2515 samples has covered 10.5km² of the total 22.7km² of EL4697. All samples have been analysed by portable XRF for arsenic, antimony, and other base metals. Of these samples 1227 samples have been analysed for gold with a 1ppb detection limit. Gold assays from this soil sampling range up to 521 ppb Au (0.52 g/t Au) with most of the gold assays arriving this week.

These results have generated Au-As anomalous geochemical targets associated with old workings on approximately 20 separate subparallel structures. The soil sampling has been used as a means of focusing on the better and broader mineralised targets amongst the plethora of old workings.

Apart from the current drill program at Hillsborough on the Taff and Bon Accord Prospects, two separate LIEP (Low Impact Exploration Permit) drill permit programs are proposed consisting of 68 drill holes within 8 separate sites. First pass drilling would amount to 4200m, with provisions for using the same drill pads to drill deeper by either RC or diamond drilling during a second phase follow up.

It is targeted that the first permits for this additional drilling will arrive in mid to late July which will allow drilling to follow on from the current drill program at the Bon Accord and Taff Reefs targets at Beechworth, where permits have already been received.

The 68 drill holes planned are mainly focused on the Birthday, Perfect Cure, Von Moltke Reefs and Perseverance Reefs. The Birthday Reef is at Hillsborough and is reported to have produced 2425 tons for 1638 oz. Extensive workings occur on the lengthy structure at Perfect Cure but production records are not available.

A separate drill program is also being submitted for approximately 20 additional drill holes at various prospects due to different land status classification.

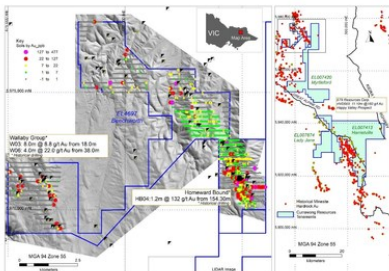


Figure 1 Beechworth Project Overview and Partial Gold Geochemical Assays (CNW Group/Fosterville South Exploration Ltd.)

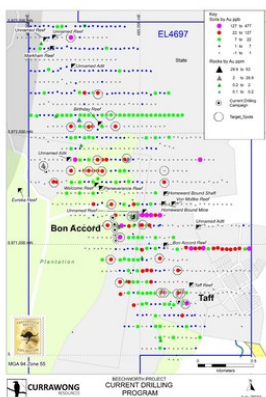


Figure 2 Beechworth: Hillsborough Area Gold Geochemistry (CNW Group/Fosterville South Exploration Ltd.)

The Beechworth Gold Project

The Beechworth Gold Project is a drill ready high-grade gold project to the north-east of the Company's extensive land package in the state of Victoria. The Beechworth Gold Project consists of one granted exploration license (Beechworth license) and three tenement applications (Myrtleford, Harrietteville and Lady Jane) covering an area of 459 km². A large number of prospects were mined in the late 19th and early 20th centuries.

Geologically the entire Beechworth Gold Project lies within the Tabberabbera Zone on the eastern margin with the Omeo Zones of the Lachlan Fold Belt in Victoria. The host rocks are Lower Ordovician marine sediments of the Pinnak Sandstone Formation comprising sandstone, siltstone, and shale. The Hillsborough goldfield occurs in the hanging wall of the major regional Sawpit Gully Fault Zone which separates the Tabberabbera Zone from the Omeo Zone. Mineralisation is typical of orogenic gold deposits. The gold deposits are characteristically associated with deformed (compressed, folded and faulted) and metamorphosed (chemically or thermally altered) mid-crustal blocks, particularly in proximity to major crustal structures (such as major faults or basement shear zones). Mineralised fault zones generally strike north to north-westerly with occasional breccia pipes developed at the intersection of anastomosing fault zones.

Beechworth License

Several key gold prospects and associated fault structures have been identified within the Beechworth license based upon extensive geochemical sampling, geological & LIDAR mapping and very minor previous drilling. These include various historical producing mines located within the Hurdle Flat goldfield (21,715 ounces of production at 15.32 g/t Au) and Hillsborough goldfield (47,492 ounces of production at 17.48 g/t Au).

Within the Hurdle Flat goldfield, at the Wallaby prospect, the existing adit accesses 200m below surface workings including an old open cut. The historically worked mineralized bodies are large subvertical tabular and pipe like structures. The largest historical mineralized shoot had a strike length of 145m, vertical extent of at least 170m, width of 13m, and an average grade of 15 - 20g/t Au. Repetitions of these ore shoots occur along strike and probably at depth.

Extensive channel sampling by previous explorers has occurred on the some prospects at the Beechworth license as follows:

- **Wallaby Prospect.** 25 metres at 7.05 g/t gold; and 5 m at 25.9 g/t gold.
- **Bon Accord Prospect.** 10 metres at 23.7 g/t gold
- **Kingston Prospect.** 10 metres at 7.16 g/t gold.

Previous drilling for depth continuations around these old working has yielded significant intercepts at relatively shallow depths and include:

- **Kingston Prospect.** W03: 8m @ 8.88 g/t Au from 18m
- **Hope Prospect.** W06: 4m @ 22.0 g/t Au from 38m of downhole intervals.
- **Homeward Bound Prospect.** HB04: 1.2m @132 g/t from 154.3m and HB09: 1.25m @ 31.5 g/t Au from 145.6m.

Myrtleford, Harrietteville and Lady Jane Tenement Applications

Fosterville South's Harrietteville tenement application consists of 247km² and is located 33 km south of the Beechworth license. Several key gold prospects have been identified within the Harrietteville tenement application based upon previous gold production. No modern exploration has taken place at any of these prospects. The only exploration drilling that has been carried out was by BHP Minerals searching for alluvial gold deposits with 20 cable tool drillholes completed in the Smoko area. Minor geochemical sampling, as stream sediments, has previously taken place. Historical production from these key mines was 11,836 ounces at 17.68 g/t Au.

The Myrtleford tenement application consists of 118km². The area is east and south of the Beechworth license and is in part contiguous with the Beechworth granted licence and the Myrtleford Property owned by E79 Resources Inc.* Several key gold prospects have been identified within the Myrtleford based upon previous gold production. No modern exploration or drilling has taken place at any of these prospects. Minor geochemical stream sediments sampling has occurred. Historical production resulted in 24,745 ounces produced at 15.14g/t Au.

** Mineralization at the Myrtleford Property owned by E79 Resources Inc. is not necessarily indicative of mineralization at the Beechworth license and Myrtleford and Lady Jane tenement applications owned by Fosterville South.*

The Lady Jane tenement application consists of 58km². The area is west of and is in part contiguous with the Harrietteville application and the Myrtleford Property owned by E79 Resources Inc.* Several key gold prospects have been identified within the Lady Jane based upon previous gold production. No modern exploration or drilling has taken place at any of these prospects. Minor geochemical stream sediments sampling has occurred.

The geological setting of these tenement applications is similar to the Beechworth licence and host rocks are the same Lower Ordovician Pinnak Sandstone Formation with north-westerly striking mineralized fault zones.

About Fosterville South Exploration Ltd.

Fosterville South began with two, 100% owned, high-grade gold projects called the Lauriston and Golden Mountain Projects, and has since acquired a large area of granted and application tenements containing further epizonal (low-temperature) high-grade gold mineralisation called the Providence Project and a large group of recently consolidated license tenement applications called the Walhalla Belt Project, which contain a variety of epizonal and intrusion related style gold mineralisation, all in the state of Victoria, Australia. The Fosterville South land package, assembled over a multi-year period, notably includes a 600 sq. km property immediately to the south of and within the same geological framework that hosts Kirkland Lake Gold's Fosterville epizonal gold tenements. Additionally, Fosterville South has gold-focused projects called the Moormbool and Beechworth, which are also located in the state of Victoria, Australia. Moormbool project has epizonal style gold mineralisation and Beechworth has mesozonal and intrusion related gold mineralisation.

All of Fosterville South's properties, with the possible exception of Moormbool, have had historical gold production from hard rock sources despite limited modern exploration and drilling.

Qualified Person

The technical content of this news release has been reviewed, verified and approved by Rex Motton, AusIMM (CP), COO and Director of Fosterville South, a qualified person as defined by NI 43-101. Historical records were verified by reviewing annual and quarterly reports from government records by the Qualified Person.

On behalf of the Company
Rex Motton
Chief Operating Officer and Director

Forward-Looking Statements

Information set forth in this news release contains forward-looking statements that are based on assumptions as of the date of this news release. These

statements reflect management's current estimates, beliefs, intentions and expectations. They are not guarantees of future performance. Fosterville South cautions that all forward looking statements are inherently uncertain and that actual performance may be affected by many material factors, many of which are beyond their respective control. Such factors include, among other things: risks and uncertainties relating to Fosterville South's limited operating history, its exploration and development activities on the Lauriston, Golden Mountain and Beechworth Properties and the need to comply with environmental and governmental regulations. Accordingly, actual and future events, conditions and results may differ materially from the estimates, beliefs, intentions and expectations expressed or implied in the forward-looking information. Except as required under applicable securities legislation, Fosterville South does not undertake to publicly update or revise forward-looking information.

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