

17 August 2018

The Manager  
Company Announcements Office  
Australian Stock Exchange Limited  
Exchange Centre  
Level 4, 20 Bridge Street  
Sydney NSW 2000

**DISCLOSURE UNDER ASX LISTING RULE 7.1A.4 (B) AND 3.10.5A OF THE CORPORATIONS ACT 2001**

As Announced on 13 August 2018, AuStar Gold Limited ('the Company') announced it will raise A\$5.5m in two tranches ('Placement') via the issue of 1,222,222,222 new shares at 0.45 cents per share.

As disclosed in the Appendix 3B released by the Company to the ASX today, of the total of 173,282,272 shares issued under tranche 1 of the Placement, 81,058,698 shares were issued under Listing Rule 7.1A.

In accordance with ASX Listing Rules 7.1A.4 (b) and 3.10.5A the Company makes the following disclosures:

- (a) Dilution to existing shareholders as a result of the issue under Listing 7.1A is 4.2%, dilution to existing shareholders as a result of the issue under Listing Rule 7.1 is 4.8% and the total dilution to existing shareholders as a result of tranche 1 of the Placement is 9%.
- (b) The Company issued shares as a placement to sophisticated and professional investors as this was considered to be the most expedient mechanism for raising funds in a timely manner. The Company is extremely pleased with the level of investor interest shown in AuStar and is grateful for the support of its long-term shareholders and has announced its intention to afford those shareholders the opportunity to participate in a Share Purchase Plan on the same terms as the Placement, as announced to ASX on 13 August 2018.
- (c) No underwriting agreements were entered into with respect to the Placement.
- (d) Commissions of 6.5% of the funds raised under the tranche one of the Placement are payable to the Company's advisors and brokers.

Yours faithfully

A handwritten signature in black ink, appearing to read "B. Hofman", with a long, sweeping horizontal line extending to the right.

Brent Hofman  
Company Secretary