
AUSTAR GOLD PROPOSED SHARE CONSOLIDATION: QUESTIONS AND ANSWERS

AuStar Gold Limited (ASX: AUL, or the Company) has received several questions from shareholders regarding the Company's proposed share consolidation. AuStar Gold welcomes shareholder engagement and is pleased to provide this summary Q & A release to address certain concerns raised:

1. Q: Does the proposed 100:1 consolidation dilute shareholders' interests in the Company?

A: No. Shareholders' interests remain unchanged in percentage terms. A given dollar value of shares in the Company pre-consolidation will be worth the same post-consolidation, all things being equal.

2. Q: Will the proposed consolidation increase the number of unmarketable parcels or otherwise reduce trading in the Company's securities?

A: Not necessarily. Unmarketable parcels are defined by dollar value, not number of shares. The Company believes that, post-consolidation, the Company's shares may be more appealing to a wider range of investors, which may increase liquidity and contribute to a healthy market for the Company's securities.

3. Q: Can the Company assure investors that any future capital raisings will provide an opportunity for retail shareholders to maintain their interest in the Company on equitable terms?

A: While the Company cannot bind itself or otherwise limit its capital flexibility, the board is committed to ensuring, wherever practicable, that future capital raising/s, if undertaken, include an entitlement (or rights) issue made on equitable terms to all shareholders.

4. Q: Does the Company intend to increase shareholder representation on the Board?

A: The Company is continuously reviewing its Board composition and representative mix of skills and contribution.

5. Q: Does the Company plan to take steps to improve or enhance shareholder communication?

A: The Company's CEO, Chairman and individual directors are happy to engage with and answer shareholder questions to the best of their ability, subject to listing rule and other appropriate limitations. The Company holds semi-regular site visits which have been announced via the ASX and to which all interested shareholders are free to respond. Going forward the Company intends to hold bi-annual shareholder briefings in at least Melbourne and Sydney to ensure shareholders enjoy enhanced access to AuStar Gold's Board and Management. The Company does intend to deploy more resources to public relations and shareholder communications in due course, but believes its present focus should be wholly on the delivery of operational performance given the potential inherent in its asset portfolio.



ASX Release

July 17th 2019

6. Q: Can I ask further questions?

A: Yes, by emailing the Company at info@austargold.com.

About AuStar Gold Limited:

AuStar Gold is an emerging gold producer with the objective of generating sustainable gold production from its portfolio of high-grade gold projects, utilising its significant operational infrastructure located at Woods Point in Victoria.

The near-term focus is to further identify economic volumes of ore within its portfolio of mining leases whilst further exploring its adjoining tenements in the Walhalla to Jamieson gold district (particularly the prolific Woods Point Dyke Swarm).

For Further Information:

Tom de Vries
Chief Executive Officer
AuStar Gold Limited
info@austargold.com
P: +61 408 453 256

Frank Terranova
Executive Chairman
AuStar Gold Limited
info@austargold.com
+61 448 187 557