

AUSTRAL GOLD LIMITED

ABN 30 075 860 472

Offer Document

Non-Renounceable Pro-Rata Offer

of

1 New Share for every 7 Shares held as at the Record Date at an issue price of \$0.08 per New Share

and

1 attaching Option for every 1.5 New Shares subscribed to

raise up to a maximum of A\$5,614,407^{(1) (2)}

The Offer closes by no later than **5.00 p.m. (AEST)** on **13 September, 2019 (Closing Date)**.

This is an important document and requires your immediate attention.

This document contains important information about the Offer and should be read in its entirety before any investment decision regarding the New Shares offered under this document is made.

If after reading this document, you have any questions about the Offer, you should speak to your professional adviser.

To the extent that this document relates to the offer of:

- (i) New Shares, it is not a prospectus and does not necessarily contain all of the information that an investor would find in a prospectus or may require before making an investment decision in relation to the Offer; and**
- (ii) Options, it is prospectus that complies with the requirements of section 713 of the Corporations Act, in respect of continuously quoted securities.**

The Offer described in this Offer Document is made only to Eligible Shareholders, as that term is defined in Section 9 - Glossary. The offer is not made to, and not capable of acceptance by, an Ineligible Shareholder, as defined in Section 9 - Glossary.

⁽¹⁾ Assuming Eligible Shareholders comprise all Shareholders as at the date of this Offer Document and before the costs of the Offer

⁽²⁾ Excluding maximum proceeds of A\$4,304,378 on exercise of attaching Options

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES OF AMERICA

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1 Important Notice

This Offer Document contains an offer by Austral Gold Limited ACN 075 860 472 (**Company**) to Eligible Shareholders of 1 New Share for every 7 Shares held at the Record Date at the Offer Price and 1 attaching Option, for no further cash consideration, for every 1.5 New Shares subscribed for.

It is very important that you carefully read this Offer Document in its entirety before deciding whether to invest further in the Company. In particular, you should consider the risk factors set out in **Section 7**, which could affect the financial performance of the Company and the value of the Shares. You should carefully consider all these factors in light of your personal circumstances (including financial and taxation issues) and seek professional advice from your accountant, stockbroker, lawyer or other professional adviser before deciding whether to invest.

This Offer Document does not constitute financial product advice and has been prepared without taking into account the financial objectives, the financial situation or particular needs (including financial and taxation issues) of any Eligible Shareholder.

This Offer Document has been prepared by the Company and is dated 15 August, 2019.

Subject to the comments below, this Offer Document is not a prospectus and does not contain all the information that an investor would find in a prospectus or may require in order to make an informed investment decision regarding, or in respect of the rights and liabilities attaching to, the New Shares, and has not been lodged with ASIC for that purpose.

However, the Offer Document has been:

- lodged with ASIC due to the fact that it constitutes, for the purpose of the offer of the Options, a special prospectus prepared in accordance with the requirements of Section 713 of the Corporations Act, and
- filed on SEDAR in Canada, but has not been lodged or filed with any stock exchange or securities regulator in Canada.

Forward-looking information

This Offer Document includes forward-looking statements that have been based on current expectations about future acts, events and circumstances. In particular, this Offer Document contains forward-looking statements regarding the Company and its current and disclosed future operations. Any statement describing a forecast, goal, expectation, intention or belief of the Company is a forward-looking statement, the achievement of which is subject to risks and uncertainties that are outside of the control of the Company. Actual events, results and outcomes could differ materially from the expectations described in such forward-looking statements. None of the Company, the Directors or any other person can assure you that any forward looking statement or implied outcome will be achieved.

Disclaimer

No person is authorised to give any information or to make any representation in connection with the Offer that is not contained in this Offer Document. Any information or representation in connection with the Offer that is not contained in this Offer Document may not be relied upon as having been authorised by the Company or by any of the Directors. None of the Company, the Directors or any other person warrants the

future performance of the Company or the return of capital or income on any investment made under the Offer, or the amount or availability of any income derived from that investment.

In making representations in this Offer Document, the Company has considered that it is a disclosing entity for the purposes of the Australian Corporations Act and the ASX Listing Rules, and a reporting issuer in the Canadian Provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland subject to applicable Canadian securities laws and regulations and to the Policies of the Canadian TSX.V, as well for certain matters that may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

Restrictions on distribution of this Offer Document

This Offer Document and the accompanying Entitlement and Acceptance Form do not, and are not intended to, constitute an offer of New Shares or Options in any place outside of Australia and New Zealand in which, or to any person to whom, it would be unlawful to make such an offer. The distribution of this Offer Document and the accompanying Entitlement and Acceptance Form in jurisdictions outside of Australia and New Zealand may be restricted by law and persons who come into possession of this Offer Document and the accompanying Entitlement and Acceptance Form should seek professional advice in regard to, and observe, those restrictions. Any failure to comply with those restrictions may constitute a violation of applicable securities laws.

The Offer is not extended to, and no New Shares or Options will be issued to, any Ineligible Shareholder.

This Offer Document has not been, nor will it be, lodged, filed or registered with any regulatory authority under the securities laws of any country other than Australia and New Zealand. Although this Offer Document will be filed on SEDAR in Canada, such filing is for the limited purpose of making public disclosure to Canadian Shareholders. The Offer is not open to, or for acceptance by, Canadian Shareholders.

It is the personal responsibility of each Applicant to ensure that it has complied with all laws of any country relevant to its Application. The return of a completed Entitlement and Acceptance Form will be taken by the Company to be a representation by the Applicant that the Applicant is an Eligible Shareholder and that its Application does not and will not result in a breach of any applicable law.

In particular, neither the Entitlements nor any of the New Shares or Options have been, or will be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States of America.

This Offer Document does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States of America. Accordingly, the Entitlements may not be issued to, purchased by, or taken up or exercised by, and neither the Entitlements nor any of the New Shares or Options may be offered or sold to any US Person, unless such Entitlement, New Share or Option has been registered under the Securities Act, or is offered and sold in a transaction that is exempt from, and not subject to, the registration requirements of the Securities Act and applicable securities laws of any state or other jurisdiction of United States of America. Neither this Offer Document nor any other documents relating to the Offer of Entitlements, New Shares or attaching Options may be sent to or distributed in the United States of America.

This Offer Document does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in Canada. Accordingly, the Entitlements will not be issued to, purchased by, or taken up or exercised by, and neither the Entitlements nor any of the New Shares or Options will be offered or sold to, any Canadian Shareholders.

Please also refer to **Sections 4.5** and **4.6** below.

Application for New Shares

You may exercise your Entitlement to apply for New Shares at the issue price of A\$0.08 per New Share (with the attaching Options) by:

- completing and returning to the Share Registry, the personalised Entitlement and Acceptance Form which accompanies this Offer Document; and
- with that completed Entitlement and Acceptance Form, either:
 - send to the Share Registry a cheque, bank draft or money order for the appropriate Application Money; or
 - make payment of the appropriate Application Money through BPAY® - see **Section 5.4** for further details on payments by BPAY®.

In each case payment of the appropriate Application Money must be made by no later than 5.00 p.m. (AEST) on **13 September, 2019 (Closing Date)**.

For further details of payment obligations, please also see **Section 4.2** and **Section 5.1**.

If you have not received a personalised Entitlement and Acceptance Form, you can obtain one by telephone or online:

- request a replacement by telephone:
 - 1300 288 664 (toll free within Australia);
 - +61 2 9698 5414 (outside Australia); and
- download online at www-au.computershare.com/Investor/ and select Access a Single Holding. Complete the login and choose Statements & Documents at the top of the page. You will need your SRN/HIN to access your Entitlement and Acceptance Form.

Privacy disclosure

The Company, its officers, employees, agents, contractors and third-party service providers (including the Share Registry) (collectively **Collecting Parties**) have already collected certain personal information from Eligible Shareholders. The Entitlement and Acceptance Form accompanying a hard copy of this Offer Document requires Eligible Shareholders to provide information that may be personal information for the purpose of the *Privacy Act 1988* (Cth) (**Privacy Act**) to the Collecting Parties. If an Eligible Shareholder submits an Application, the Collecting Parties may update personal information already collected or collect additional personal information about the Applicant. The personal information collected may include (but is not limited to) the Applicant's full name, date of birth, addresses and phone numbers.

The collection and management of an Applicant's personal information are conducted in accordance with the Privacy Act, which governs the use of a person's personal information and sets out principles governing the ways in which organisations should treat personal information.

Personal information that the Collecting Parties collect from Applicants through their Entitlement and Acceptance Forms is used to evaluate Applications and in the case of successful Applications, to issue securities in the Company to successful Applicants and provide services and appropriate administration in relation to those Applicants' security holdings in the Company.

The Australian Corporations Act requires that the Company include personal information about Shareholders (including name, address and details of Shares held) in its public register and disclose this personal information to ASIC. The information contained in the Company's public register must remain there even if a person ceases to be a Shareholder or an Optionholder. Information contained in the Company's registers is also used to facilitate corporate communications (including the Company's financial results, annual report and other information that the Company may wish to communicate to its Shareholders and Optionholders) and for the purpose of compliance with legal and regulatory requirements.

If the Collecting Parties are obliged to do so by law, an Applicant's personal information will be passed on to other parties strictly in accordance with legal requirements. Once personal information is no longer needed by the Collecting Parties, the Collecting Parties will destroy or de-identify that information.

By submitting an Entitlement and Acceptance Form, each Applicant agrees that the Collecting Parties may:

- use the personal information provided by the relevant Applicant on and in connection with an Entitlement and Acceptance Form or an Application, for the purposes set out in this privacy disclosure statement that is set out in the terms and conditions of the Entitlement and Acceptance Form, and may disclose all or any of it for those purposes to the Company and its related bodies corporate, agents, contractors and third party service providers, including the Share Registry, mailing houses and professional advisers and to ASIC and other regulatory authorities; and
- disclose the relevant Applicant's personal information to recipients both in Australia and other jurisdictions for the purposes set out in this privacy disclosure statement, or as otherwise required by law.

If an Applicant does not provide the information required on the Entitlement and Acceptance Form, the Collecting Parties (as relevant) may not accept or process that Applicant's Application.

For further information about the Company's management of personal information, including how an Applicant may request access to or seek the correction of his or her personal information or submit a complaint or a general privacy-related query, please see the Company's Privacy Policy, which is available at <https://www.australgold.com/privacy-policy/>.

Defined terms

Capitalised terms used in this Offer Document are defined in **Section 9 Glossary and Interpretation**.

2 Timetable *

Event	Anticipated Date*
Issue of notice under section 708AA(2) of Corporations Act ("Cleansing Notice")	15 August, 2019
Announcement of Offer and lodgement of Appendix 3B and Offer Document with ASX and ASIC	15 August, 2019
Notice of Offer sent to Shareholders	16 August, 2019
Shares quoted on an "ex-rights" basis**	19 August, 2019
Record Date for determining eligibility of Shareholders to participate under the Offer	7.00 p.m. (AEST), 20 August, 2019
Offer Document and Entitlement and Acceptance Forms dispatched to Eligible Shareholders	23 August, 2019
Last date to extend the Closing Date	10 September, 2019
Closing Date	5.00 p.m. (AEST), 13 September, 2019
New Shares Quoted on a deferred settlement basis (Options will not be Quoted)	16 September, 2019
Notify ASX of Shortfall Shares (if any)	17 September, 2019
Advice to ASX of entry of New Shares (including those subscribed for under the Shortfall Offer and the Broker Facility) into certificated sub-register or uncertificated sub-register, as applicable	18 September, 2019 (no later than noon)
<ul style="list-style-type: none"> • Issue of New Shares and Options (including those subscribed for under the Shortfall Offer and the Broker Facility); and • issue of confirmatory Appendix 3B with ASX 	20 September, 2019
Dispatch of Shareholder holding statements (deferred settlement trading ends).	23 September, 2019

* These dates are indicative only and subject to change. The Company reserves the right, subject to the Australian Corporations Act, the ASX Listing Rules, applicable Canadian securities laws and regulations, the Policies of the TSX.V and other applicable laws, to vary any of the dates relating to the Offer, including extending the Closing Date or accepting Applications after the Closing Date, either generally or in particular cases, in consultation

with the Broker. However, all Applicants are encouraged to submit their Application as soon as possible. Any extension of the Closing Date will have a consequential effect on the date of issue, and the date of commencement in trading, of the New Shares and Options.

Neither the Offer nor the Shortfall Offer requires the approval of Shareholders.

Any material changes to the above timetable will be announced by the Company on its ASX announcements platform and disclosed on www.Sedar.com and the Company's website www.australgold.com. The Company's announcements are accessible from ASX's website at www.asx.com.au under the code "AGD" and from the TSX.V's website under the code "AGLD".

** Shares commence trading without the right to participate in the Offer.

3 Chairman's Letter

Dear fellow Shareholder,

On behalf of the Board, I am pleased to invite those Shareholders who qualify as an "Eligible Shareholder" to participate in a pro-rata non-renounceable rights issue by the Company to raise up to a maximum of \$5,614,407 (before associated costs) (**Offer**) and excluding any proceeds received as a result of the exercise of any Options.

Details of the Offer

All Shareholders who are registered with Shareholdings listed on the ASX as at 7.00 p.m. on 20 August, 2019 (AEST) (**Record Date**) and who have a registered address in Australia and New Zealand, will be entitled to subscribe of 1 New Share for every 7 Shares held as at the Record Date. In addition, for every 1.5 New Shares subscribed for by an Eligible Shareholder or participant in the Broker Facility, that person will be issued with 1 attaching Option, for no further cash consideration. The attaching Options will be unquoted, with an exercise price of \$0.092 and an expiry date which is two years from the date of issue.

All Entitlements will be rounded up to the nearest whole New Share.

Eligible Shareholders are further invited to subscribe for Shortfall Shares in addition to their Entitlement of the Shortfall Offer. Subject to the terms of the Shortfall Offer, all Shortfall Shares will be placed at the discretion of the Board. Please also refer to **Section 4.3** below.

All New Shares not subscribed for under the Offer or the Shortfall Offer, if determined by the Board, may be offered by the Broker, as agent of the Company, to clients of the Broker and other parties identified by the Broker. Please also refer to **Section 4.4** below.

The Offer is not being underwritten.

The Offer Price payable on application for each New Share (**Offer Price**) is \$0.08, which represents a 4.53% discount to the 5-day volume weighted average closing price (**VWAP**) of Shares on the ASX up to and including Friday, 9 August, 2019, being \$0.0838 per Share. That discount excludes any value that may be assigned to Options that will attach to New Shares subscribed for. The exercise price for the Options is \$0.092, which represents a 9.79% premium to the 5-day VWAP of Shares on the ASX up to and including Friday, 9 August, 2019.

The Offer is currently scheduled to close at 5.00 p.m. (AEST) on 13 September, 2019 for Shareholdings listed on the ASX.

Any variation of the Closing Date will be announced by the Company on the ASX and on SEDAR.

The Entitlements being offered under the Offer are non-renounceable. This means that your Entitlement cannot be sold and, if not taken up by the Closing Date, will lapse and be of no value.

All New Shares issued under this Offer Document (including under the Shortfall Offer and the Broker Facility) will rank equally with existing Shares (see also **Section 4.9**).

The Options will form a new class of Options in the issued capital of the Company and will not be quoted.

Purpose of the Offer

The primary purposes of the Offer is to raise capital to enable the Company to fund:

- brownfield exploration programs at the Company's projects in Chile and Argentina; and
- a portion of the Company's working capital needs.

Further information regarding the use of the funds raised under the Offer and Shortfall Offer is set out in **Section 6**.

Intention of Directors

It is the current intention, as at the date of this Offer Document, of myself and any entity associated with myself that is an Eligible Shareholder, to:

- participate in the Offer; but
- not participate in either:
 - the Shortfall Facility; and
 - the Broker Facility, if applicable.

Actions for Shareholders

I and my fellow Directors encourage Eligible Shareholders to read this Offer Document in its entirety before making any decision as to whether to further invest in the Company. If you have any queries in relation to the Offer or the consequences of subscribing for New Shares in your particular circumstances, it is strongly recommended that you seek professional investment advice. To also assist with any of general inquiries, you may ring the Company Secretary on:

- from within Australia – 1300 288 664; and
- from outside Australia - +61 2 9698 5414.

To be clear, the Company Secretary will not provide any investment advice in regard to any proposed subscription for New Shares or attaching Options under the Offer, the Shortfall Offer or the Broker Facility.

If you decide to participate in the Offer, please ensure that you return your completed Entitlement and Acceptance Form, either:

- with payment of the appropriate Application Money, paid by cheque, bank draft or money order, to the Share Registry; or

- by making payment of the appropriate Application Money by BPAY® - in that regard, see **Sections 5.1, 5.2 and 5.3**, as well as the terms of your Entitlement and Acceptance Form,

so that it is received on or before the close of the Offer, which is scheduled to occur at 5.00 p.m. (AEST) on 13 September, 2019 for Shareholdings listed on the ASX unless extended at the discretion of the Board, after prior consultation with the Broker.

If you:

- are not eligible to participate in the Offer or Shortfall Offer;
- do not participate in the Broker Facility; or
- decide not to exercise all or some of your Entitlement,

it is likely that your current percentage shareholding in the Company will, as a result of the conduct of the Offer, the Shortfall Offer and the Broker Facility, be diluted. The maximum extent of that dilution is estimated to be 17.96%.

For further details on how you can deal with your Entitlement (if any), and the consequences of taking up your Entitlement or otherwise allowing your Entitlement to lapse, please refer to **Section 5**.

On behalf of the Board, I take this opportunity to thank all Shareholders for their support of the Company. The Board looks forward to your continued support in the future.

Yours faithfully,

Eduardo Elsztain
Non-Executive Chairman

4 Details of the Offer, Shortfall Offer and Broker Facility

4.1 Overview

Subject to the provisions of this **Section 4**, the Company is making the Offer to all persons that are registered as a Shareholder, and who have a registered address in Australia or New Zealand, as at the Record Date (each an **Eligible Shareholder**).

In addition, Eligible Shareholders who wish to apply for New Shares and attaching Options in excess of their Entitlement are invited to subscribe for:

- any Shortfall Shares which form part of the Shortfall pursuant to the Shortfall Offer; and
- any Broker Facility Shares pursuant to the Broker Facility.

The Board reserves the right to issue:

- Shortfall Shares and attaching Options, at its sole discretion; and
- Broker Facility Shares and attaching Options, at its sole discretion, but in consultation with the Broker.

For further details in relation to the Offer, please refer to **Section 4.2**. For further details in relation to:

- the Shortfall Offer, please refer to **Section 4.3**; and
- the Broker Facility, please refer to **Section 4.4**.

For details of how to apply under the Offer, the Shortfall Offer and the Broker Facility, please refer to **Section 5**.

This Offer Document, the Offer, the Shortfall Offer, the Broker Facility, if applicable and the contracts formed on acceptance of the Offer and, where applicable, the Shortfall Offer or any offer made pursuant to the Broker Facility, are each governed by the laws applicable in the State of New South Wales, Australia.

4.2 Offer

The Company offers for subscription pursuant to a pro-rata non-renounceable entitlement issue to Eligible Shareholders, 1 New Share for every 7 Shares held as at the Record Date, at an issue price of A\$0.08 per New Share. That Application Money will be payable in full and in cleared and immediately available funds on submission of an Application.

A New Share will be classified as a fully paid ordinary share in the issued capital of the Company in accordance with the provisions of the Offer and the Constitution.

In addition, for every 1.5 New Shares subscribed for by an Eligible Shareholder under the Offer, that person will also be issued with 1 attaching unquoted Option, with an exercise price of A\$0.092 per Option, for no further Application Money or any other cash consideration.

All Entitlements will be rounded up to the nearest whole New Share.

The maximum number of New Shares that each Eligible Shareholder is entitled to apply for under the Offer is shown in the personalised Entitlement and Acceptance Form accompanying this Offer Document. Shareholdings on different registers or sub-registers will be aggregated in calculating Entitlements.

Based on the capital structure of the Company as at the date of this Offer Document and assuming that all Entitlements are taken up in full:

- the maximum aggregate of New Shares and Options to be issued pursuant to the Offer, the Shortfall Offer and the Broker Facility to Eligible Shareholders is:
 - 70,180,092 New Shares; and
 - 46,786,728 Options; and
- the Offer will raise up to a maximum of approximately A\$5.61 million (before the costs of the Offer, Shortfall Offer and Broker Facility, if applicable, and excluding any proceeds received as a result of the exercise of Options).¹

The purpose of the Offer, the Shortfall Offer and the Broker Facility, and the intended use of funds raised pursuant to those offers, are set out in **Section 6**.

The Offer is non-renounceable, which means that rights to subscribe for New Shares and attaching Options under the Offer are unable to be traded.

Eligible Shareholders should take up their Entitlement in whole or in part by no later than the Closing Date, if they wish to participate in the Offer. Otherwise, their Entitlements will lapse. If you wish to apply for New Shares under the Offer, please refer to **Section 5.1**.

The Offer is not conditional and there is no minimum dollar subscription amount.

4.3 Shortfall Offer

Any New Shares that are not the subject of a valid Application received by or on behalf of the Company by the Closing Date, will form the Shortfall and be regarded as Shortfall Shares.

¹ The eligibility of Shareholders to participate under the Offer will not be determined until the Record Date, which is currently scheduled to occur at 7.00 p.m. (AEST) on 20 August, 2019. As such, in calculating this figure, the Company is assuming that all Shareholders will be regarded as Eligible Shareholders as at the date of this Offer Document.

All Eligible Shareholders who have exercised all their Entitlements under the Offer, will be eligible and invited to apply for Shortfall Shares, and attaching Options, at the same price as the Offer Price.

There will be no minimum dollar subscription amount of participation in the Shortfall Offer.

The allocation of Shortfall Shares and attaching Options to Eligible Shareholders under the Shortfall Offer, in addition to all their Entitlements exercised under the Offer, will be determined at the sole discretion of the Board. In particular, the Board retains its discretion not to allocate Shortfall Shares and attaching Options to an Applicant to the extent that doing so would, or in the opinion of the Board is likely to, result in a breach of the Australian Corporations Act (by the Applicant, the Company or otherwise) or any other applicable law or would require shareholder or regulatory approval to be obtained.

Subject to the above, if the aggregate number of Shortfall Shares and attaching Options subscribed for by Applicants is greater than the available number of Shortfall Shares, all available Shortfall Shares will be pro-rated amongst those Applicants provided that:

- no Applicant will be allotted more Shortfall Shares and attaching Options than applied for; and
- in doing so, no breach of the Australian Corporations Act (by the Applicant, the Company or otherwise) or other applicable law occurs or the obtaining of any shareholder or regulatory approval is required to be obtained.

As Eligible Shareholders may apply for New Shares and attaching Options in excess of their Entitlements pursuant to the Shortfall Offer, some Eligible Shareholders may have the opportunity to increase their relative percentage Shareholding by up to 19.99% (in total) of the total Share capital, if there is a Shortfall. However, if the Board is of the view that any allocation of Shortfall Shares or any attaching Options to an Applicant would result in that Applicant (and its associates) holding a relevant interest in more than 20% of the total Share capital, it will only make that allocation if in doing so, the Board is of the opinion that the proposed allocation will not consequently oblige the proposed Applicant, under the takeover laws, as primarily found in Chapter 6 of the Australian Corporations Act, to make a takeover bid for all other Shares.

It is the current intention that, as at the date of this Offer Document, none of the Directors will participate in the Shortfall Offer.

There is no guarantee that the Company will receive acceptances of offers to subscribe for all or any of the Shortfall Shares.

If you wish to apply for Shortfall Shares, please refer to **Section 5.2**.

4.4 Broker Facility

Any New Shares that have not been subscribed for under either the Offer or the Shortfall Offer will be regarded as Shares that may be offered under the Broker

Facility (**Broker Facility Shares**), and with attaching Options, will be offered for subscription by the Broker, as agent of the Company, on the following terms and conditions:

- (a) other than the dates for the opening and closing of the period during which an offer under the Broker Facility can be accepted, all other terms and conditions of any offer under the Broker Facility will be, in all material respects, identical to the terms and conditions of the Offer; and
- (b) subject to the exercise of the discretion of the Board referred to below, any person, including but not limited to any Eligible Shareholder, will be entitled to accept an offer under the Broker Facility.

It is the current intention that, as at the date of this Offer Document, none of the Directors, or any entity associated with them, will participate in the Broker Facility, if made available.

The allocation of Broker Facility Shares and attaching Options under the Broker Facility will be determined at the sole discretion of the Board, but in consultation with the Broker. In particular, the Board retains its discretion not to allocate Broker Facility Shares or any attaching Options to an Applicant to the extent that doing so would, or in the opinion of the Board is likely to, result in a breach of the Australian Corporations Act (by the Applicant, the Company or otherwise) or any other applicable law or would require shareholder or regulatory approval to be obtained.

There is no guarantee that the Broker will receive acceptances of offers to subscribe for all or any of the Broker Facility Shares.

It is a term of any offer made under the Broker Facility that, if applicable, Applicants must accept any lesser number of Broker Facility Shares and attaching Options allotted to them than applied for and must accept a refund of Application Money in relation to Broker Facility Shares applied for but which are not allocated, without interest.

The terms of the remuneration of any or each Broker that is engaged by the Company to act under the Broker Facility, that is or will be payable in consideration for its establishment and operation of the Broker Facility, will be determined when and if any such engagement is made. All such remuneration, if any, will be paid by the Company.

If you wish to apply for Broker Facility Shares, please refer to **Section 5.3**.

4.5 Overseas Shareholders

Subject to **Section 4.6**, neither the Offer, the Shortfall Offer nor the Broker Facility is intended to, and does not, constitute an offer of New Shares or Options in any jurisdiction outside of Australia and New Zealand.

It is not practicable for the Company to comply with the securities laws of most overseas jurisdictions in which Shareholders are located, having regard to the number of overseas Shareholders, the number and value of New Shares, Shortfall Shares and/or Broker Facility Shares, or any attaching Options, that

these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction.

Accordingly, participation in the Offer, the Shortfall Offer and the Broker Facility is not being extended, and neither any New Shares, Shortfall Shares and Broker Facility Shares, nor any attaching Options, are being offered and will not be issued to, any Shareholders or, as is applicable, any other person, with a registered address which is outside Australia and New Zealand as at the Record Date.

Eligible Shareholders holding Shares on behalf of third parties that are resident outside of Australia and New Zealand (including nominees, custodians and trustees):

- are responsible for ensuring that its or their participation under the Offer, the Shortfall Offer and/or the Broker Facility on behalf of any such third party does not breach the laws and regulations of the jurisdiction in which that third party is resident; and
- should seek independent professional advice and observe any applicable restrictions in relation to making an Application or otherwise participating in the Shortfall Offer and/or the Broker Facility.

Return of a completed Entitlement and Acceptance Form or payment by BPAY® will be taken by the Company to constitute a representation that there has been no breach of any applicable foreign laws and regulations.

The Company reserves the right, in its sole discretion, to:

- reject any Application, or participation in the Shortfall Offer and/or the Broker Facility, that the Company believes comes from a person who is not an Eligible Shareholder or otherwise permitted to make such an Application or undertake such a participation; and
- reduce the number of New Shares and attaching Options allocated to Eligible Shareholders, persons claiming to be Eligible Shareholders or claiming to be entitled to participate in the Shortfall Offer and/or the Broker Facility, if the Company reasonably considers any such claim to be false, exaggerated or unsubstantiated.

Shareholders and any person intending to participate in the Shortfall Offer and/or the Broker Facility who are resident in New Zealand should consult their professional advisors as to whether any governmental or other consent is required, or whether other formalities need to be observed, to enable them to exercise their Entitlements under the Offer or otherwise participate in the Shortfall Offer and/or the Broker Facility.

The distribution of this Offer Document and the Entitlement and Acceptance Form outside Australia and New Zealand may be restricted by law. If you come into possession of these documents, you should observe such restrictions and should seek your own advice about such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

4.6 Restrictions on Offer in Singapore, Hong Kong, the United States of America and Canada

4.6.1 Singapore

This Offer Document and any other materials relating to the New Shares or attaching Options being offered pursuant to this Offer Document have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore pursuant to the Securities and Futures Act (Chapter 289 of the Singapore Statutes) (**SFA**). Accordingly, this Offer Document and any other disclosure document, such as a prospectus or other materials in connection with the Offer, the Shortfall Offer and/or the Broker Facility, or the invitation for subscription of these New Shares or attaching Options, may not be issued, circulated or distributed, nor may any New Shares or attaching Options, be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than pursuant to, and in accordance with the exemptions in Subdivision (4) of Division 1, Part XIII of the SFA, or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This Offer Document has been given to you on the basis that you are:

- (i) an “institutional investor” (as defined in section 4A(1)(c) of the SFA);
- (ii) a “relevant person” (as defined in section 275(2) of the SFA); or
- (iii) a person to whom an offer is being made, as referred to in section 275(1A) of the SFA.

Furthermore, by accepting this Offer Document, you represent and warrant that you are an investor falling within the categories set out above and agree to be bound by the disclaimers, limitations and restrictions described herein. In the event that you are not an investor falling within any of the categories set out above, please return this Offer Document immediately to the Company or the Share Registry. You may not forward or circulate this Offer Document to any other person in Singapore.

Any offer is not made to you with a view to any of the New Shares, Shortfall Shares or Broker Facility Shares, or attaching Options, being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares under the Offer, any Shortfall Shares under the Shortfall Offer and/or any Broker Facility Shares under the Broker Facility, or any attaching Options. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

4.6.2 Hong Kong

This Offer Document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the laws of Hong Kong), nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong) (**SFO**). No action has been

taken in Hong Kong to authorise or register this Offer Document or to permit the distribution of this Offer Document or any documents issued in connection with the Offer, the Shortfall Offer and/or the Broker Facility. Accordingly, no New Shares, Shortfall Shares or Broker Facility Shares, or attaching Options, have been and will be offered or sold in Hong Kong other than to “professional investors” (as defined in the SFO).

No advertisement, invitation or document relating to the New Shares, Shortfall Shares or Broker Facility Shares, or attaching Options, has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares, Shortfall Shares or Broker Facility Shares, or attaching Options, that are or are intended to be disposed of only to persons outside of Hong Kong or only to professional investors (as defined in the SFO and any rules made under the SFO). No person allotted New Shares, Shortfall Shares or Broker Facility Shares under the Offer, Shortfall Offer and/or the Broker Facility, or attaching Options, may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six (6) months following the date of issue of such securities.

The contents of this Offer Document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the Offer, the Shortfall Offer and the Broker Facility. If you are in doubt about any contents of this Offer Document, you should obtain independent professional advice.

4.6.3 ***United States of America***

This Offer Document, the Cleansing Statement and any accompanying ASX announcements, and any Entitlement and Acceptance Form, do not constitute an offer to sell, or a solicitation of an offer to buy, any securities to any US Person, or in any other jurisdiction in which such an offer would be illegal. Neither this Offer Document, the Cleansing Statement nor any Entitlement and Acceptance Form may be distributed in or released in the USA or to any US Person.

No Entitlement, New Share, Shortfall Share or Broker Facility Share, or attaching Option, has been or will be registered under the Securities Act or the applicable securities laws of any state or other jurisdiction of USA.

Entitlements may not be exercised or purchased by US Persons. No Entitlement, New Share, Shortfall Share or Broker Facility Share, or attaching Option, may be:

- offered or sold in USA; or
- resold in the USA,

unless such Entitlement, New Share, Shortfall Share or Broker Facility Share, or attaching Option, has been registered under the Securities Act or is offered or sold in a transaction that is exempt from, or not subject to, the registration requirements of the Securities Act or the applicable securities laws of any state or other jurisdiction of USA.

Any Entitlement, New Share, Shortfall Share or Broker Facility Share, or attaching Option, offered and sold in connection with the Offer, the Shortfall Offer or the Broker Facility will only be sold in “offshore transactions” (as defined in Rule 902(h) under the Securities Act) in compliance with Regulation S of the Securities Act.

4.6.4 **Canada**

Neither this Offer Document, the Cleansing Statement and any accompanying ASX announcements, nor any Entitlement and Acceptance Form, constitute an offer to sell, or a solicitation of an offer to buy, any securities to any Canadian Shareholders.

This Offer Document will be filed on SEDAR in Canada.

Entitlements may not be exercised or purchased by Canadian Shareholders. No Entitlement, New Share, Shortfall Share or Broker Facility Share, or attaching Option, will be offered or sold in Canada.

4.7 **Section 713 of the Australian Corporations Act**

This Offer Document is an offer for continuously quoted securities of the Company and options to acquire continuously quoted securities of the Company. This section has been prepared in accordance with the requirements of section 713 of the Australian Corporations Act.

For information regarding:

- the effect of the Offer on the Company, please refer to Section 6 of this Offer Document; and
- the rights and liabilities attaching to the New Shares and Options offered under this Offer Document, please refer to Sections 4.10 and 4.11 of this Offer Document.

The Company is a disclosing entity under the Australian Corporations Act and therefore is subject to regular reporting and disclosure obligations. Under those obligations, the Company is required to comply with all applicable continuous disclosure and reporting requirements in the Australian Corporations Act and the ASX Listing Rules. In particular, the Company must comply with the requirement to disclose any information held by the Company which a reasonable person would expect to have a material effect on the price or the value of the Company’s securities.

This Section has been included to satisfy the requirements for a “transaction specific prospectus” under section 713 of the Australian Corporations Act. In general terms, a “transaction specific prospectus” is a document which is required to contain information in relation to the effect of the Offer on the Company and the rights and liabilities attaching to the securities offered. This Offer Document is not required to provide information regarding the Company’s assets and liabilities, financial position and performance, profits and losses or prospects. This limitation on the content that is required to be disclosed in respect of the Offer, is permitted on the condition that, as at the date of this Offer

Document, the Company has not withheld from its continuous disclosure reporting, any information about such matters that investors and their professional advisers would reasonably require to make an informed assessment of such matters and expect to find in this Offer Document.

Information that is already in the public domain has not been reported in this Offer Document other than that which is considered necessary to make this Offer Document complete.

The Company, as a disclosing entity under the Australian Corporations Act, states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Australian Corporations Act) may be obtained from, or inspected at, the offices of ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request:
 - (i) the annual financial report most recently lodged by the Company with ASIC;
 - (ii) any half-year financial report lodged with ASIC after lodgement of the annual financial report and before lodgement of this Offer Document with ASIC; and
 - (iii) any continuous disclosure notices given by the Company to ASIC in accordance with the ASX Listing Rules after the lodgement of the annual financial report and before the lodgement of this Offer Document with ASIC.

The Company lodged its latest financial report with ASX on 15 March, 2019 (relating to the financial year ended on 31 December, 2018). Since then and until close of trading on ASX on 14 August, 2019, a list of documents filed with ASX by or concerning the Company is set out in the table immediately below.

Date	Description of Announcement
15/03/2019	Corporate Governance Statement and Appendix 4G
18/03/2018	Correction to Annual Report
04/04/2019	Casposo Mine Update
26/04/2019	Notice of Annual General Meeting and Proxy Forms
30/04/2019	Quarterly Activities Report
30/05/2019	Chairman's Address to Shareholders
30/05/2019	Results of Annual General Meeting
31/05/2019	New Constitution
31/07/2019	Change in Company Secretary
31/07/2019	Quarterly Activities Report

4.8 Quotation of New Shares and Options by ASX

An application for Official Quotation of the New Shares was lodged with ASX prior to the announcement of this Offer. The Company does not intend to apply for Official Quotation of the Options and accordingly the Options will not be listed on ASX.

No New Shares or Options will be issued until ASX grants permission for Quotation of the New Shares subscribed for under this Offer, the Shortfall Offer and, if applicable, the Broker Facility. New Shares or Options issued pursuant to this Offer the Shortfall Offer and, if applicable, the Broker Facility, are expected to be allotted and issued in accordance with the timetable in **Section 2**.

The fact that ASX may grant Official Quotation to the New Shares is not to be taken in any way as an indication of the merits of the Company, the New Shares or Options.

4.9 Allotment and issue of New Shares and Options

New Shares or Options subscribed for under the Offer, the Shortfall Offer and/or the Broker Facility will be allotted and issued as soon as practicable after the Closing Date, in accordance with the timetable in **Section 2**.

The Company will allot New Shares and Options subscribed for under:

- the Offer on the basis of Applications received;
- the Shortfall Offer on the basis set out in **Section 4.3**; and
- the Broker Facility on the basis set out in **Section 4.4**.

The Board retains its discretion not to allocate New Shares (including Shortfall Shares and Broker Facility Shares), or attaching Options, to an Applicant to the extent that doing so would result in a breach of the Australian Corporations Act

(by the Applicant, the Company or otherwise) or other applicable law or would require shareholder or regulatory approval to be obtained.

Where the number of New Shares, and attaching Options, issued to an Applicant is less than the number of New Shares applied for, the Application Money received by the Company in respect of those New Shares applied for but not issued, will be refunded, without interest, to the Applicant as soon as practicable after the Closing Date.

Pending the allotment and issue of the New Shares and attaching Options, or the payment of any refunds, all Application Money will be held by the Company in trust for the Applicants in a separate bank account as required by the Australian Corporations Act. The Company will be entitled to retain all interest that accrues on the bank account whether or not the issue of New Shares and attaching Options takes place, and each Applicant waives the right to claim such interest.

4.10 Rights and liabilities attaching to New Shares

All New Shares issued pursuant to the Offer, the Shortfall Offer and the Broker Facility will be fully paid ordinary shares in the issued capital of the Company.

The following is a general description of the more significant rights and liabilities attaching to the New Shares. This summary is not exhaustive. Full details of the rights and liabilities attaching to New Shares are contained in the Company's Constitution, the Australian Corporations Act and the ASX Listing Rules.

General Meeting

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Australian Corporations Act.

Voting

At a general meeting of the Company on a show of hands, every member present in person, or by proxy, attorney or representative has one vote and upon a poll, every member present in person, or by proxy, attorney or representative has one vote for every Share held by them.

Dividends

The New Shares will rank equally with all other issued Shares in the capital of the Company. The New Shares will participate in any dividends the Directors may determine to distribute out of the Company's profits earned from time to time. Subject to the rights of holders of Shares of any special preferential or qualified rights attaching thereto, the profits of the Company are divisible amongst the holders of Shares in proportion to the Shares held by them irrespective of the amount paid up or credited as paid up thereon. The Directors may from time to time pay to Shareholders such dividends as, in their judgment, the position of the Company justifies.

Winding up

Upon paying the Application Monies for New Shares, a holder of New Shares will have no further liability to make payments to the Company in the event of the Company being wound up.

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the assets of the Company, and may for that purpose set such value as the liquidator considers fair upon any assets to be divided and may determine how the division is to be carried out as between the Shareholders.

Shareholder liability

As the Shares issued will be fully paid ordinary shares, they will not be subject to any calls for money by the Directors and will therefore not be liable for forfeiture.

Power to issue Shares

Subject to the ASX Listing Rules, the Board may issue such number of Shares, in addition to currently issued Shares and the New Shares, as it determines. The Board may issue Shares that rank, as to voting or distribution rights or both, equally with, or in priority to, any existing Shares, or the New Shares.

Transfer of Securities

Generally, the securities in the Company will be freely transferable, subject to satisfying the usual requirements of security transfers on the ASX. The Directors may decline to register any transfer of Shares but only where permitted to do so under its Constitution or the ASX Listing Rules.

Increase of capital

The Company may at any time and from time to time, increase the capital of the Company by the creation of additional Shares, of such amounts and of such class as it thinks appropriate.

Sale of non-marketable holdings

The Company may take steps in respect of non-marketable holdings of Shares to effect an orderly sale of those Shares in the event that holders do not elect to retain their holdings.

The Company may only take steps to eliminate non-marketable holdings in accordance with the Constitution and the ASX Listing Rules.

For more details of the rights attaching to Shares, investors should refer to the Constitution.

A copy of the Constitution is available for inspection, free of charge, on the Company's website at:

- <https://www.australgold.com/wp-content/uploads/Constitution.pdf>; and
- the Company's registered office at Level 5, 126 Phillip Street, Sydney NSW 2000, during normal business hours.

4.11 Rights and liabilities attaching to Options

The Options will not be Officially Quoted and will be issued on the following terms and conditions:

- Exercise Price: A\$0.092 per Option;
- Exercise Period: 2 years from date of issue.

The following is a general description of the more significant rights and liabilities attaching to the Options. This summary is not exhaustive. Full details of the rights and liabilities attaching to Options are contained in the Company's Constitution, the Australian Corporations Act and the ASX Listing Rules.

For the purposes of any exercise of an Option, any fractional holding of an Option will be rounded up to the nearest whole number.

Entitlement

Each Option gives the Option holder the right to subscribe for one Share. To obtain the right given by each Option, the Option holder must exercise the Options in accordance with the term and conditions of the Options.

Expiry Date

The Options will, except to the extent that they are exercised earlier, expire at 5:00pm (AEST) on the date that is two years after the date on which they are issued (**Option Expiry Date**). Any Option not exercised before the Option Expiry Date will automatically lapse on the Option Expiry Date.

Notice of Exercise

The Options may be exercised during the Exercise Period by notice in writing to the Company (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

Exercise Date

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

Timing of issue of Shares on exercise

Within 15 Business Days after the Exercise Date, the Company will:

- (i) Allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) If required, give ASX a notice that complies with section 708A(5)(e) of the Australian Corporations Act, or if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Australian Corporations Act and do all such things necessary to satisfy section 708A(11) of the Australian Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) If admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (iii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective lodge with ASIC a prospectus prepared in accordance with the Australian Corporations Act and do all such things necessary to satisfy section 708A(11) of the Australian Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

Shares issued under exercise

Shares issued upon exercise of the Options will rank equally in all respects with the then issued shares of the Company.

Quotations of Shares issued on exercise

If admitted to the official list of the ASX at the time, the Company will apply to ASX for quotation of the Shares issued upon the exercise of the Options.

Variation of Share Capital

If at any time the issued capital of the Company is reconstructed, the number of Options and their Exercise Price shall be adjusted in such a manner as is required under the ASX Listing Rules and as the auditors for the time being of the Company advise the Directors in writing to be, in their opinion, fair and reasonable.

Participation in new issues

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

Change in exercise price

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option may be exercised.

Unquoted

The Company will not apply for quotation of the Options on ASX.

4.12 Taxation implications

The Directors do not consider that it is appropriate to give Shareholders advice regarding the taxation consequences of applying for New Shares or attaching Options, under the Offer, the Shortfall Offer or the Broker Facility, as it is not possible to provide a comprehensive summary of the possible taxation consequences for individual Shareholders.

The Company, its advisers, officers, employees and agents do not accept any responsibility or liability for any taxation consequences arising from subscribing for any New Shares or attaching Options, pursuant to the Offer, the Shortfall Offer and/or the Broker Facility. Shareholders should consult their own professional tax adviser in connection with the taxation implications of acquiring New Shares or attaching Options, pursuant to the Offer, the Shortfall Offer and/or the Broker Facility, before making a decision as to whether to further invest in the Company.

4.13 Withdrawal of Offer, the Shortfall Offer and/or the Broker Facility

The Company reserves the right not to proceed with the Offer, the Shortfall Offer and/or the Broker Facility at any time before the issue of New Shares or attaching Options to Eligible Shareholders or other Applicants. If Offer, the Shortfall Offer and/or the Broker Facility does not proceed, the Company will return all Application Money, without interest, as soon as practicable after giving notice of its withdrawal.

4.14 Enquiries

Shareholders with queries in relation to Offer, the Shortfall Offer and/or the Broker Facility may contact the Company Secretary by:

- telephone:
 - from within Australia – 1300 288 664; and
 - from outside Australia - +61 2 9698 5414
- email: info@australgold.com.

5 Action required by Eligible Shareholders

5.1 How to accept the Offer

Your acceptance of the Offer may be made through the personalised Entitlement and Acceptance Form accompanying this Offer Document in accordance with the instructions set out in this **Section 5.1**.

Acceptance of the Offer must not exceed your Entitlement as specified on your personalised Entitlement and Acceptance Form. If it does, any acceptance exceeding your Entitlement may be attributed to the Shortfall Offer.

You may participate in the Offer as follows:

- (a) if you wish to accept your Entitlement **in FULL**, complete **Step 2** of the Entitlement and Acceptance Form, filling in the details in the spaces provided, and:
 - (i) attach your cheque, bank draft or money order for the amount of the Application Money, as indicated in **Step 2** of that Entitlement and Acceptance Form; or
 - (ii) make payment of the Application Money indicated in **Step 2** of that Entitlement and Acceptance Form through BPAY® as per the instructions for BPAY® set out in the Entitlement and Acceptance Form; or
- (b) if you only wish to accept **PART** of your Entitlement, complete **Step 2** of the Entitlement and Acceptance Form, filling in the details (including the total number of New Shares you wish to accept) in the space provided, and
 - (i) attach your cheque, bank draft or money order for the appropriate amount of Application Money (at \$0.08 per New Share being applied for); or;
 - (ii) make payment of the Application Money through BPAY® as per the instructions for BPAY® set out in the Entitlement and Acceptance Form.

If you do **not** wish to accept any part of your Entitlement, you are not required to take any further action. That part of your Entitlement not taken up will form part of the Shortfall and will be dealt with under the Shortfall Offer, or if applicable, under the Broker Facility.

The duly completed accompanying Entitlement and Acceptance Form and above mentioned payment must be received by the Company no later than **5.00 p.m. (AEST) on 13 September, 2019**.

5.2 Participation in Shortfall Offer

If you wish to take up your Entitlement in full and, in addition, also apply for New Shares forming part of the Shortfall, you are required to:

- (a) complete the accompanying Entitlement and Acceptance Form in accordance with the instructions set out in that form;
- (b) make payment by returning the completed Entitlement and Acceptance Form, together with a payment of the Application Money for all of the New Shares that you have applied for under Both the Offer and the Shortfall Offer; or
- (c) make payment of the Application Money through BPAY® as per the instructions for BPAY® set out in the Entitlement and Acceptance Form; and
- (d) otherwise comply with the applicable instructions set out in **Section 5.1**.

The duly completed accompanying Entitlement and Acceptance Form and above mentioned payment must be received by the Share Registry no later than **5.00 p.m. (AEST) on 13 September, 2019**.

5.3 Participation in Broker Facility

When and if the Company elects to operate the Broker Facility, it will:

- engage a Broker or Brokers on such terms and conditions as agreed with that Broker or those Brokers;
- publish on the Company's ASX Announcements Platform, the material terms and conditions for participation in the Broker Facility;
- through the Broker or Brokers, offer New Shares and attaching Options, on the same commercial terms and conditions of the Offer, to persons selected by the Broker or Brokers, in consultation with the Company; and
- once all issues of New Shares and attaching Options have been made under the Broker Facility, publish and file the relevant disclosure of the issue of all those New Shares and attaching Options on the Company's ASX Announcements platform,

5.4 Payment terms

The issue price for New Shares, at A\$0.08 per New Share, must be paid as stated in **Section 4.2** and elsewhere in this Offer Document and in immediately available funds. No further cash consideration is payable in regard to the issue of any Options attaching to New Shares issued under the Offer, Shortfall Offer or Broker Facility.

To be valid, all Applications must be received by the Share Registry no later than 5.00 p.m. (AEST) on the Closing Date, or such later date as extended at the discretion of the Board.

Payments by cheque, bank draft or money order

All payments made by cheque, bank draft or money order must be drawn on an Australian Bank, made payable in Australian currency to “**Austral Gold Limited**” and crossed “**Not Negotiable**”.

For payments made by cheque, bank draft or money order, your completed Entitlement and Acceptance Form, together with your cheque, bank draft or money order must be forwarded by mail to the Share Registry, using the instructions on the Entitlement and Acceptance Form or in the return envelope provided.

Payments through BPAY®

Those who elect to pay through BPAY® must follow the instructions for BPAY® set out in the Entitlement and Acceptance Form. Investors who elect to pay through BPAY® will not need to return their completed Entitlement and Acceptance Form.

Shareholders should be aware that their own financial institution may implement earlier cut off times with regard to electronic payment and it is the responsibility of the Shareholder to ensure that funds are submitted through BPAY® by the date and time referred to above. If you elect to pay through BPAY®, you must follow the instructions for BPAY® set out in the Entitlement and Acceptance Form.

If you are paying by BPAY®, please make sure to use the specific Biller Code and unique Customer Reference Number on the back of your personalised Entitlement and Acceptance Form. If you receive more than one personalised Entitlement and Acceptance Form, please only use the Customer Reference Number specific to the Entitlement on that form. If you inadvertently use the same Customer Reference Number for more than one of your Entitlements, any additional Application Monies received for New Shares in excess of your Entitlement, may be applied to the Shortfall Offer. Please note that a limit may apply on the dollar amount that can be transferred via BPAY. It is your responsibility to check that the amount you wish to pay via BPAY will not exceed that limit.

If you have multiple holdings, you will have multiple BPAY customer reference numbers provided on each of your personalised Entitlement and Acceptance Forms. To ensure you successfully take up your Entitlement in respect of each holding, you must use the customer reference number shown on each personalised Entitlement and Acceptance Form when paying any New Shares that you wish to apply for in respect of those holdings.

5.5 Entitlement and Acceptance Forms, or payment through BPAY®, are binding

A completed and lodged Entitlement and Acceptance Form, or a payment made through BPAY®, constitutes a binding Application to subscribe for that number of New Shares specified in the Entitlement and Acceptance Form or which the payment by BPAY® will pay for in full (as applicable). That Application cannot be withdrawn once lodged or paid, except to the extent permitted or required by law.

If the Entitlement and Acceptance Form is not completed correctly, the Board, in its absolute discretion, can reject it or treat it as valid, either in whole or in part. The Board's decision as to whether to accept or reject an Entitlement and Acceptance Form, either in whole or in part, or how to construe, amend or complete it, is and will remain final and binding. The Entitlement and Acceptance Form does not need to be signed by or on behalf of the Shareholder to be binding.

6 Purpose and Effect of the Offer

6.1 Purpose of the Offer and use of funds

Assuming that the Offer is fully subscribed, the proceeds of the Offer are planned to be used in accordance with the table set out below:

Proposed application of proceeds of the Offer		\$**
Funding brownfield exploration programs at and near the Company's projects in Argentina and Chile		5,044,407
Working Capital		500,000
Expenses of the Offer		70,000
Total		5,614,407**

* All amounts are approximations.

** The eligibility of Shareholders to participate under the Offer will not be determined until the Record Date. As such, in calculating this figure, the Company is assuming that all Shareholders are eligible Shareholders as at the date of this Offer Document.

6.2 Effect on capital structure

A comparative table showing the potential effect of the Offer on the capital structure of the Company, at different subscription levels, is set out below.

6.2.1 Shares

The actual effect on the capital structure and relative ownership percentages of Shareholders, of the issue of New Shares under this Offer Document will depend on the exact number of New Shares that are subscribed for and issued under the Offer, and if applicable, either or both the Shortfall Offer and the Broker Facility. The potential dilutionary effect of the issue of New Shares on existing Shareholders who do not participate, including those who are not eligible to participate, in the Offer, the Shortfall Offer and the Broker Facility, is (based on the assumptions and qualifications stated) outlined in **Section 6.3**.

	\$1,871,282 raised under the Offer (33.33% subscription)		\$3,742,956 raised under the Offer (66.67% subscription)		\$5,614,407 raised under the Offer (100% subscription)	
	Number of Shares	% of Total Shares	Number of Shares	% of Total Shares	Number of Shares	% of Total Shares
Shares on Issue as at	534,173,010	96%	534,173,010	92%	534,173,010	88%

	\$1,871,282 raised under the Offer (33.33% subscription)		\$3,742,956 raised under the Offer (66.67% subscription)		\$5,614,407 raised under the Offer (100% subscription)	
	<i>Number of Shares</i>	<i>% of Total Shares</i>	<i>Number of Shares</i>	<i>% of Total Shares</i>	<i>Number of Shares</i>	<i>% of Total Shares</i>
Record Date						
Total Shares issued under the Offer	23,391,025	4%	46,786,962	8%	70,180,092	12%
Total Shares on issue on completion of Offer*	557,564,035	100%	580,959,972	100%	604,353,102	100%
Total Options on issue on completion of Offer	15,594,016	100%	31,191,308	100%	46,786,728	100%

6.2.2 Options

As at the date of this Offer Document, there are no Options on issue.

6.3 Dilutive effect on current Shareholdings

The respective Shareholdings of those Shareholders that are not eligible to participate in the Offer, Shortfall Offer and Broker Facility or, being eligible, do not exercise all of their Entitlements or otherwise participate in the Shortfall Offer and Broker Facility, may be diluted by up to 17.96% as a result of the completion of the Offer and, if applicable, the Shortfall Offer and the Broker Facility.

In respect of those Eligible Shareholders that exercise some (but not all) of their Entitlements, the dilutive effect of the Offer on their respective Interest in the Company will depend on the extent to which they take up their Entitlements.

By way of illustration, the following tables show – on a non-diluted and diluted basis - the likely dilutive effect of the Offer, the Shortfall Offer and the Broker Facility on the Interests of Shareholders:

- assuming Mr Eduardo Elsztain and his associated interests (collectively **EE Interests**) participate in the Offer to the full extent of their current Entitlements (see **Section 6.4** below), but do not participate in the Shortfall Offer nor the Broker Facility;
- assuming further that the Eligible Shareholders exercise, in the alternatives, 0%, 25%, 50%, 75% or 100% of their respective

Entitlements and acquire equivalent percentages of the New Shares and attaching Options offered under the Shortfall Offer or Broker Facility, as indicated in the tables below; and

- on the Record Date:
 - EE Interests held a relevant interest in 85.26% (455,443,295) of all Shares;
 - all Shareholders other than the EE Interests and the Eligible Shareholders, held a relevant interest in 8.03% (42,912,396) of all Shares (collectively **Non Eligible Shareholders**); and
 - all Eligible Shareholders other than the EE Interests and the Non Eligible Shareholders, held a relevant interest in 6.71% (35,817,319) of all Shares.

A. Non-diluted basis (i.e. assuming no Options have been exercised)

Percentage of Entitlements exercised by Eligible Shareholders other than EE Interests	Percentage Shareholding of all Shareholders (other than EE Interests) immediately after Closing Date	Percentage Shareholding of all EE Interests immediately after Closing Date
0%	13.14%	86.86%
25%	13.32%	86.68%
50%	13.51%	86.49%
75%	13.69%	86.31%
100%	13.87%	86.13%

Notes:

1. 0% in the above table means that no Eligible Shareholder exercises any of its Entitlements and the EE Interests exercise 100% of their Entitlements;
2. 25% in the above table means that Eligible Shareholders collectively exercise exactly 25% of their Entitlements and the EE Interests exercise 100% of their Entitlements;
3. 50% in the above table means that Eligible Shareholders collectively exercise exactly 50% of their Entitlements and the EE Interests exercise 100% of their Entitlements;
4. 75% in the above table means that Eligible Shareholders collectively exercise exactly 75% of their Entitlements and the EE Interests exercise 100% of their Entitlements;
5. 100% in the above table means that Eligible Shareholders collectively exercise exactly 100% of their Entitlements and the EE Interests exercise 100% of their Entitlements. In that scenario, because there are still 8.03% of all Shareholders i.e.

the Non Eligible Shareholders, who will not have participated in the Offer, the percentage Interest of the EE Interests will unavoidably have slightly increased from the 85.26% Interest that they held at Record Date; and

6. all numbers of Shares have been rounded up or down to the nearest whole number and related percentages of Interests have been rounded up or down to 2 decimal places.

B. Diluted basis (i.e. assuming all Options have been exercised)

Percentage of Entitlements exercised by Eligible Shareholders other than EE Interests	Percentage Shareholding of all Shareholders (other than EE Interests) immediately after Closing Date	Percentage Shareholding of all EE Interests immediately after Closing Date
0%	12.25%	87.75%
25%	12.54%	87.46%
50%	12.83%	87.17%
75%	13.12%	86.88%
100%	13.40%	86.60%

Conversely, if an Eligible Shareholder takes up its Entitlement in full and subscribes for additional New Shares under the Shortfall Offer and/or the Broker Facility, the percentage Shareholding of that Eligible Shareholder may increase as a result of that subscription under the Shortfall Offer and/or the Broker Facility, depending on how many Shortfall Shares and/or Broker Facility Shares are allocated to that Eligible Shareholder.

6.4 No material effect on Control of Company

Based on the analysis disclosed in **Section 6.3** and this **Section 6.4**, the Offer is not expected to have any material effect on the control of the Company, as it exists at the Record Date.

As at the date of this Offer Document, the only Shareholder that has a relevant interest in Shares or voting power in the Company (**Interest**) of 5% or more is as follows:

Substantial Shareholder	Total Shares	Total voting power in AGD
Mr Eduardo Elsztain and Associates	455,443,295	85.26%

As previously indicated in this Offer Document, the EE Interests intend to participate in the Offer, but not in either the Shortfall Offer or the Broker Facility. The EE Interests may not accept the Offer in respect of all of their respective Entitlements.

Accordingly, assuming that the EE Interests exercise all of their respective Entitlements and also exercises all the Options that they acquire under the Offer, and either:

- no Eligible Shareholder exercises any of its Entitlements, and does not acquire any New Shares under either Shortfall Facility or the Broker Facility, then the aggregate relevant Interest in all Shares held by the EE Interests at the close of the Offer, would increase from 85.26% to 87.75%; or
- each Eligible Shareholder exercises all of its Entitlements, and acquires all Shortfall Shares offered under the Shortfall Offer, and also exercises all the Options that it acquires under the Offer and under the Shortfall Offer, then the aggregate relevant Interest in all Shares held by the EE Interests at the close of the Offer, would increase from 85.26% to 86.60%.

At the time of issue of this Offer Document, the Company is unable to determine what, if any, further dilutive effect would occur if, in addition to each Eligible Shareholder exercising all of its Entitlements, and all the Options that it acquires under the Offer, any or all of those Eligible Shareholders also acquired additional New Shares and attaching Options under either or both the Shortfall Offer or Broker Facility. However, the Company will not permit any or all of those Eligible Shareholders to acquire additional New Shares and attaching Options under either or both the Shortfall Offer or Broker Facility, if in doing so, any such acquisition would, or in the opinion of the Board is likely to, result in a breach of the Australian Corporations Act (by any Eligible Shareholder, Applicant, the Company or otherwise) or any other applicable law or would require shareholder or regulatory approval to be obtained.

The allotment and distribution of Shortfall Shares and, if applicable, Broker Facility Shares as between Applicants that apply for Shortfall Shares in excess of their Entitlements and, if applicable, Broker Facility Shares, will be determined at the discretion of the Board in consultation with the Broker (also see **Sections 4.3 and 4.4**).

Further, Mr Eduardo Elsztain has indicated to the Company that he does not have any current intention to, either individually or in concert with any Associate, and in exercise of his or their respective rights as a Shareholder after completion of the Offer, seek:

- (a) any change to the business or business plan of the Company;
- (b) any further representation on the Board;
- (c) any change to the management or employees of the Company;

- (d) any redeployment of the cash resources or fixed assets of the Company;
or
- (e) the transfer of any assets of the Company to Mr Eduardo Elsztain or any
of its associates.

7 Risk Factors

The Company's business is exposed to a variety of commercial and other risks, all of which have some potential to affect the future profitability of the Company, the market price or value of the Shares and the Company's policy with respect to dividends. The Company's business of exploring and producing gold and silver in Chile and Argentina involves a variety of operational, financial and regulatory risks that are typical in the natural resource industry.

There are specific risks which relate directly to the Company's business. In addition, there are general risks to which any investor in the equity capital market is exposed, many of which are largely beyond the control of the Company and the Directors.

The purpose of this **Section 7** is to outline some of the key risk factors that potential investors should have regard in deciding whether to make an investment in the Company, but is not intended to be an exhaustive list of the risks faced by the Company or its investors. Additional risks not currently known to the Company, or that the Company currently deems immaterial, may also impair the Company's operations. If any of the following risks actually occur, the Company's business, financial condition and operating results could be adversely affected.

This **Section 7** has been prepared without taking into account your individual financial objectives, financial situation and needs. New Shares offered under the Offer, Shortfall Offer and Broker Facility carry no guarantee with respect to the payment of dividends, returns of capital or the market value of the New Shares.

Unless otherwise indicated by the context, the references to the Company in this **Section 7** include the Company's subsidiaries and its economic interests.

The Directors strongly recommend that potential Applicants read this Offer Document in its entirety (including this **Section 7**) and consult their professional advisers before deciding whether to apply for any New Shares.

Metal Price Volatility

The profitability of the Company's operations is significantly affected by changes in the market price of gold and silver. Gold and silver prices fluctuate on a daily basis and are affected by numerous factors beyond the control of the Company.

The factors that may affect the price of gold and silver include industry factors such as:

- industrial and jewellery demand;
- the level of demand for the metal as an investment;
- central bank lending, sales and purchases of the metal;
- speculative trading; and
- costs of and levels of global production by producers of the metal.

Gold and silver prices may also be affected by macroeconomic factors, including:

- expectations of the future rate of inflation;
- the strength of, and confidence in, the United States dollar, the currency in which the price of the metal is generally quoted, and other currencies;
- prevailing and anticipated interest rates; and
- global or regional political or economic uncertainties.

The price of gold and/or silver can be subject to volatile and material price movements. Depending on the prices of gold and silver, cash flow from mining operations may not be sufficient to cover costs of production and capital expenditures. If, as a result of a decline in gold and/or silver prices, revenues from metal sales were to fall below cash operating costs, the Company may determine that it is not economically feasible to continue commercial production at some or all of its operations or the development of some or all of its current projects. This could have an adverse impact on the Company's financial performance and results of operations. The Company may curtail or suspend some or all of its exploration activities – either temporarily or permanently - with the result that depleted reserves are not replaced. In addition, the market value of the Company's gold and/or silver inventory may be reduced and existing reserves may be reduced to the extent that ore cannot be mined and processed economically at the prevailing prices.

Regulatory Issues

Mining operations are subject to extensive regulations, including environmental, health and safety and other regulations, as well as the need to manage relationships with local communities

The Company's mining operations and exploration activities are subject to extensive laws and regulations, which include laws and regulations governing, among other things exploration, development, production, exports, taxes, labour standards, mining royalties, price controls, waste disposal, protection and remediation of the environment, reclamation, historic and cultural resource preservation, mine safety and occupational health, handling, storage and transportation of hazardous substances and other matters.

The costs of discovering, evaluating, planning, designing, developing, constructing, operating, closing and rehabilitating the Company's mines and other facilities in compliance with such laws and regulations are significant. It is possible that the costs and commonly experienced delays associated with the Company's ability to comply with such laws and regulations could become such that the Company may elect not to proceed with the development of, or continue to operate, a mine.

As part of its normal course of operating and development activities, the Company has expended significant resources, both financial and managerial, to comply with governmental and environmental regulations and permitting requirements, and will continue to do so in the future. Moreover, it is possible that future regulatory developments, such as increasingly strict environmental

protection laws, regulations and enforcement policies thereunder, and claims for damages to property and persons resulting from the Company's operations, could result in additional substantial costs and liabilities, restrictions on or suspension of the Company's activities and delays in the exploration of and development of its properties.

The Company is required to obtain governmental permits to develop its reserves and for expansion or advanced exploration activities at its operating and exploration properties. Obtaining the necessary governmental permits is a complex and time-consuming process involving numerous agencies and other interested parties. There can be no certainty that these approvals will be granted to the Company in a timely manner, or at all. The duration and success of each permitting effort are contingent upon many variables not within the Company's control. The issue of governmental approvals, licenses and permits are subject to the discretion of the applicable governments or governmental officials, and any exercise of such discretion will typically take into account other parties' interests or rights.

In the context of environmental protection permitting, including the approval of reclamation plans, the Company must comply with known standards, existing laws and regulations that may entail greater or lesser costs and delays depending on the nature of the activity to be permitted and the interpretation of the laws and regulations implemented by the permitting authority. No assurance can be given that the Company will be successful in obtaining or maintaining any or all of the various approvals, licenses and permits required to operate its businesses in full force and effect or without modification or revocation. The failure to obtain or renew certain permits, or the imposition of extensive conditions upon certain permits, could have a material adverse effect on the Company's business, operations and financial condition.

Failure to comply with applicable environmental, health and safety laws can result in injunctions, damages, suspension or revocation of permits and imposition of penalties. There can be no assurance that the Company has been or will be at all times in complete compliance with all such laws or permits, that the Company's compliance will not be challenged or that the costs of complying, as well as the costs of the consequences of failing to comply, with current and future environmental, health and safety laws and permits will not materially or adversely affect the Company's future cash flow, results of operations and financial condition.

As a consequence of public concern about the perceived ill effects of mining and land development, particularly in less developed countries, mining companies such as the Company face increasing public scrutiny of their activities. Criticism of the Company's activities or negative publicity, whether accurate or not, could result in damage to the Company's reputation which could have a material and adverse effect on the Company's share price. The international standards on social responsibility, community relations and sustainability against which the Company benchmarks its operations are becoming increasingly stringent and extensive over time, and adherence to them is increasingly scrutinised by regulatory authorities, citizens groups and environmental groups, as well as by investors and financial institutions.

The Company's mineral exploration and planned development activities are subject to various federal, provincial and local government laws and regulations governing, among other things, acquisition of mining interests, maintenance of claims, tenure, expropriation, prospecting, development, mining, production, price controls, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, water use, land use, treatment of indigenous peoples, environmental protection and remediation, endangered and protected species, mine safety and other matters. Although the Company's exploration and planned development activities are currently believed by the Company to be carried out in accordance with all applicable laws and regulations, no assurance can be given that new laws and/or regulations will not be enacted or that existing laws and regulations will not be applied or amended in a manner that could have a material adverse effect on the business, financial condition and results of operations of the Company. By way of example only, these new laws or regulations could introduce changes to or invalidation of government mining laws and regulations, expropriation or revocation of land or property rights, changes in foreign ownership rights, changes in taxation rates or increased corruption. The Company is subject to changes to the royalty regimes in the jurisdictions in which it operates. The costs and delays associated with obtaining and complying with necessary licences and permits as well as applicable laws and regulations could stop or materially delay or restrict the Company from proceeding with the development of an exploration project. Any failure to comply with applicable laws, regulations or licensing and permitting requirements, even if inadvertent, may result in enforcement actions thereunder.

Social Responsibilities

The Company's operations can also have an impact on local communities, including the need, from time to time, to relocate or resettle communities or infrastructure networks such as railways and utility services. Failure to manage relationships with local communities, governments and non-government organisations may harm the Company's reputation as well as its ability to bring development projects into production. In addition, the costs and management time required to comply with standards of social responsibility, community relations and sustainability, including costs related to resettlement of communities or infrastructure, have increased substantially recently and are expected to further increase over time.

Environmental

The Company's operations sometimes result in the release of hazardous materials into the environment and these releases, whether or not planned, could cause contamination. The Company may be required to investigate and remediate contamination, including at properties it formerly operated, regardless of whether it caused the contamination or whether the activity causing the contamination was legal at the time it occurred. The Company also could be subject to claims by government authorities, individuals, employees or third parties seeking damages for alleged illness, personal injury or property damage resulting from hazardous material contamination or exposure caused by its operations or sites. The Company could be required to establish or substantially increase financial provisions for such obligations or liabilities and, if it fails to accurately predict the amount or timing of such costs, the related impact on its business, financial condition or results of operations could be materially adverse.

Actual and Estimated Production cost and outcomes

The Company prepares estimates of future production, operating costs and capital costs for its operations. Despite the Company's best efforts to budget and estimate such costs, as a result of the substantial expenditures involved in the development of mineral projects and the fluctuation and increase of costs over time, development projects may be prone to material cost overruns. The Company's actual costs may vary from estimates for a variety of reasons, including increased competition for resources and development inputs, cost inflation affecting the mining industry in general, short-term operational problems, revisions to mine plans, risks and hazards associated with mining, natural phenomena, such as inclement weather conditions, water availability, floods, and earthquakes, and unexpected labour shortages or industrial disputes.

Operating costs may also be adversely affected by a variety of factors, including ore grade metallurgy, labour costs, cost of commodities and other inputs, general inflationary pressures and currency exchange rates. Many of these factors are beyond the Company's control. No assurance can be given that the Company's cost estimates will be achieved. Failure to achieve production or cost estimates or material increases in costs could have a materially adverse impact on the Company's future cash flows, profitability, results of operations and financial condition.

The Company's actual production and costs and consequential profitability, may vary from estimates for a variety of reasons, including:

- actual ore mined varying from estimates of grade, tonnage, dilution and metallurgical and other characteristics;
- short-term operating factors relating to the ore reserves, such as the need for sequential development of ore bodies and the processing of new or different ore grades;
- revisions to mine plans;
- shortages and price volatility of input commodities and equipment;
- difficulties with supply chain management, including the implementation and management of enterprise resource planning software;
- risks and hazards associated with mining, including natural phenomena, such as inclement weather conditions, floods, and earthquakes; and
- unexpected labour shortages or industrial disputes.

Costs and volumes of production may also be affected by a variety of factors, including changing waste-to-ore ratios, ore grade metallurgy, labour costs, the cost of supplies and services (for example, power and fuel), general inflationary pressures, interest rates and currency exchange rates.

Cost volatility and supply of Inputs

The Company is dependent on various input commodities (such as diesel fuel, electricity, natural gas, steel, concrete and cyanide) and equipment (including parts) to conduct its mining operations and development projects. A shortage of such input commodities or equipment or a significant increase in their cost could have a materially adverse effect on the Company's ability to carry out its operations and therefore limit, or increase the cost of, production. The Company is also dependent on access to and supply of water and electricity to carry out its mining operations. Such access and supply may not be readily available. Market prices of input commodities can be subject to volatile price movements which can be material over short periods of time and are affected by factors that are beyond the Company's control.

An increase in the cost, or decrease in the availability, of input commodities or equipment may adversely affect the timely conduct and cost of the Company's operations and development projects. If the costs of certain input commodities consumed or otherwise used in connection with the Company's operations and development projects were to increase significantly, and remain at such levels for a substantial period, the Company may determine that it is not economically feasible to continue commercial production at some or all of its operations or the development of some or all of its current projects. Such an outcome could have a materially adverse impact on the Company's financial performance and results of operations.

Mineral Reserve estimates

The mineral reserve and mineral resource figures of the Company are only estimates and are subject to revision based on developing information.

The figures for mineral reserves and mineral resources disclosed by the Company, including the anticipated tonnages and grades that will be achieved or the indicated level of recovery that will be realised, are only estimates and no assurances can be given as to their ultimate accuracy. Such estimates are, in large part, based on interpretations of geological data obtained from drill holes and other sampling techniques. Actual mineralisation or formations may be different from those predicted. It may also take many years from the initial phase of drilling before production is possible, and during that time the economic feasibility of exploiting a deposit may change. Reserve and resource estimates are materially dependent on prevailing gold and silver prices and the cost of recovering and processing minerals at the individual mine sites. Market fluctuations in the price of gold or silver, or increases in recovery costs, as well as various short-term operating factors, may cause a mining operation to be unprofitable in any particular accounting period.

Prolonged declines in the market price of gold and/or silver may render reserves containing relatively lower grades of gold and/or silver mineralisation uneconomic to exploit and could reduce materially the Company's mineral reserves and mineral resources. Should such reductions occur, material write downs of the Company's investment in mining properties or the discontinuation of development or production might be required, and there could be material delays in the development of new projects, increased net losses and reduced cash flow.

No assurance is given that the Company will achieve indicated levels of gold or silver recovery or obtain the prices assumed in determining the mineral reserves. The estimates of mineral reserves and mineral resources attributable to a specific property are based on accepted engineering and evaluation principles. The estimated amount of contained gold and silver in proven and probable mineral reserves does not necessarily represent an estimate of a fair market value of the evaluated properties.

There are numerous uncertainties inherent in estimating quantities of mineral reserves and mineral resources. The estimates are based on various assumptions relating to gold and silver prices and exchange rates during the expected life of production, mineralisation of the area to be mined, the projected cost of mining and the results of additional planned development work. Actual future production rates and amounts, revenues, taxes, operating expenses, environmental and regulatory compliance expenditures, development expenditures and recovery rates may vary substantially from those assumed in the estimates. Any significant change in these assumptions, including changes that result from variances between projected and actual results, could result in material downward revision to current estimates of the Company.

Hazards and Risks

The Company is subject to hazards and risks associated with exploration and mining activities and available insurance may be insufficient to cover these risks.

The operations of the Company are subject to the hazards and risks normally incidental to exploration, development, and production activities of precious metals mining properties, any of which could result in damage to life or property, environmental damage and possible legal liability for such damage. The activities of the Company may be subject to prolonged disruptions due to weather conditions, depending on the location of operations in which the Company has interests. Hazards and risks, such as unusual or unexpected formations, faults and other geologic structures, rock bursts, pressures, cave-ins, flooding, pit wall failures, ground and slope failures and inventory theft, could have an adverse impact on the Company's operations. Severe weather conditions, including those resulting from global climate change, may adversely impact the Company's operations. As a result, production may fall below historic or estimated levels and the Company may incur significant costs or experience significant delays that could have a materially adverse effect on the Company's financial performance, liquidity and results of operations.

Further, delays due to equipment malfunction or inadequacy may adversely affect the Company's results of operations. It is impossible to ensure that the current or proposed exploration programs on properties in which the Company has an interest will result in profitable commercial mining operations.

Infrastructure

Mining, processing, development, and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants which materially affect capital and operating costs. Lack or inadequacy of such infrastructure, unusual or infrequent weather phenomena, sabotage, terrorism, government, or other

interference in the maintenance or provision of such infrastructure could materially adversely affect the Company's operations, financial condition and results of operations.

Insurance

Available insurance does not cover all the potential risks associated with a mining company's operations. The Company may also be unable to maintain insurance to cover insurable risks at economically feasible premiums, and insurance coverage may not be available in the future or may not be adequate to cover any resulting loss.

Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to the Company or to other companies in the mining industry on acceptable terms. As a result, the Company might become subject to liability for environmental damage or other hazards for which it is completely or partially uninsured or for which it elects not to insure because of premium costs or other reasons.

Labour

The business of the Company is dependent on good labour and employment relations.

Production at the Company's mines is dependent upon the efforts of, and maintaining good relationships with employees and contractors of the Company. Relations between the Company and its employees and contractors may be impacted by changes in labour relations which may be introduced by, among others, employee groups, unions and governmental authorities in whose jurisdictions the Company carries on business. Adverse changes in such legislation or in the relationship between the Company and its employees and contractors may have a material adverse effect on the Company's business, results of operations, and financial condition.

Global Financial Conditions

Global financial conditions have been characterised by increased volatility. Although there has been some recovery, there is no certainty that the disruptions and their effects have ended and will not continue to affect the markets. These factors may impact the ability of the Company to obtain equity or debt financing in the future on terms acceptable to the Company or at all. Any or all of these economic factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. If such increased levels of volatility and market turmoil continue, the Company's operations and the trading price of the Company shares, may be materially adversely affected.

Securities of mining companies have experienced substantial volatility, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments in the countries where the Company carries on business and globally, and market perceptions of the attractiveness of particular industries.

Financing

An inability to obtain suitable financing might adversely affect the Company's results of operations.

Mining companies need significant amounts of on-going capital to maintain and improve existing operations, invest in large scale capital projects with long lead times, and manage uncertain development and permitting timelines and the volatility associated with fluctuating metals and input prices. The Company has been successful at financing its projects and operations over the years. However, its ability to continue its exploration, assessment, development and operational activities will depend on the resource industry generally, which is cyclical in nature, and which may, in turn, affect the Company's ability to attract financing, including joint venture financing, debt or bank financing, equity financing or production financing arrangements. Failure to obtain, or difficulty or delay in obtaining, requisite financing could result in delay of certain projects or postponement of further exploration, assessment or development of certain properties or projects. Financing through the issuance of equity will result in dilution of existing shareholders.

Failure to obtain affordable financing could have a material adverse effect on the Company's business, result of operations and financial condition.

Competitors

The mining industry is competitive in all of its phases. The Company faces competition from other mining companies in connection with the acquisition of properties producing, or capable of producing, metals. The Company may also encounter increasing competition from other mining companies in its efforts to hire experienced mining professionals or general labour. Increased competition could adversely affect the Company's ability to attract necessary capital funding, to acquire it on acceptable terms, or to acquire suitable producing properties or prospects for mineral exploration in the future. Increases in copper, nickel and gold prices have in the past, and could in the future, encourage increases in mining exploration, development and construction activities, which in turn is likely to result in increased demand for and cost of contract exploration, development and construction services and equipment. Increased demand for and cost of services and equipment could cause project costs to increase materially, resulting in delays if services or equipment cannot be obtained in a timely manner due to inadequate availability, and increased potential for scheduling difficulties and cost increases due to the need to co-ordinate the availability of services or equipment. Any of these outcomes could materially increase project exploration, development or construction costs, result in project delays, or both. As a result of this competition, the Company may be unable to maintain or acquire attractive mining properties or attract better or more qualified employees or contractors.

Certain directors also serve as directors and/or officers of other companies involved in natural resource exploration and development. There is a possibility that such other companies may compete with the Company for the acquisition of assets. Consequently, there exists the possibility for such directors to be in a position of conflict. If any such conflict of interest arises, then a director who has such a conflict must disclose the conflict to a meeting of the directors and must

abstain from and will be unable to participate in discussion or decisions pertaining to the matter. In appropriate cases, the Company will establish a special committee of independent directors to review a matter in which several directors, or management, may have a conflict.

Share Price volatility

The market price of the Company's Shares may fluctuate significantly in response to a number of factors, many of which will be out of the Company's control

Publicly traded securities from time to time experience significant price and volume fluctuations that may be unrelated to the operating performance of the company that has issued them. The market price of the Company's Shares may fluctuate significantly in response to a number of factors, many of which are beyond the Company's control, including but not limited to variations in operating results in the Company's reporting period, changes in market conditions, changes in financial estimates by securities analysts, speculation about the Company in the press or investment community, changes in market valuation of similar companies, announcements by the Company of corporate events such as significant acquisitions or capital commitments, loss of any customers, additions or departures of key personnel, any shortfall in turnover or net profit or any increase in losses from levels expected by securities analysts, future issues or sales of the Company's Shares, strategic acquisitions by competitors and regulatory changes. Any or all of these events could result in a material decline in the price of the Company's Shares.

Options

The Options attaching to the Shares offered under this Document will not be quoted on the ASX. This means the Options will not be able to be publicly traded and therefore there will be a less liquid market for trading the Options than there would be if the Options were quoted on the ASX. Additionally, as with all options, there is a risk that the value of the Shares will not equal or exceed the exercise price of the Options prior to their expiry date, meaning the Options would expire on that date with no value.

Substantial Shareholder

The Company's largest shareholder is Eduardo Sergio Elsztain and his associated interests, who collectively hold 455,443,295 Shares. As Mr. Elsztain has a controlling interest in the Company, he is in a position to exert significant influence on the corporate actions that the Company takes. In the absence of any conflict of interest that would disqualify Mr Elsztain from voting in his capacity as a Director or Shareholder, he will have a significant influence on determining the outcome of any corporate transaction or other matter submitted to Shareholders for approval, including mergers, consolidations and the sale of all or any of the Company's assets, election of Directors and other significant corporate actions. Mr. Elsztain's controlling interest could also have the effect of delaying or preventing a change of control of the Company or entrenching the Board or the Company's management, which could conflict with the interests of other Shareholders and, consequently, could adversely affect the market price of the

Company's securities. Finally, due to Mr. Elsztain's significant shareholdings, there can be no guarantee of a ready liquid market for the Company Shares.

Dividends or Distributions

The level of any dividends payable to Shareholders may fluctuate.

The ability of the Company to pay any dividends or distributions of capital in respect of Shares will depend on the level of the earnings, reserves and any ongoing capital requirements of the Company as well as its cash position and the judgment of the Directors. Accordingly, the amount of any dividends or distributions paid to Shareholders may fluctuate. Any change in tax or accounting treatment of any dividends may also affect the level of dividends or distributions received by Shareholders.

Currency Exchange Rate

The Company's Shares are quoted on the ASX in Australian dollars and on the TSX.V in Canadian dollars. An investment in the Company's Shares by an investor in a jurisdiction, whose principal currency is not Australian dollars or Canadian dollars, exposes the investor to foreign currency rate risk. Any depreciation of the Australian dollar or the Canadian dollar, as the case may be, may impact the price of the Shares and thereby reduce the value of the investment of the investor in terms of their local currency.

Anti-corruption laws

The Company and certain of its subsidiaries and affiliated entities conduct business in countries where there is government corruption. The Company is committed to doing business in accordance with all applicable laws and its codes of ethics. Nevertheless there is a risk that the Company, its subsidiaries or affiliated entities or their respective officers, directors, employees or agents may act in violation of its codes and applicable laws, including the Canadian Corruption of Foreign Public Officials Act of 1998, the UK Bribery Act 2010, the U.S. Foreign Corrupt Practices Act (1977) and the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions. Any such violations could result in substantial civil and criminal penalties and might materially adversely affect the Company's business and results of operations or financial condition.

Litigation

Legal proceedings may be brought against the Company, its subsidiaries or affiliated entities or their respective officers, directors, employees or agents for example, being litigation based on its business activities, environmental laws, tax matters, volatility in its stock price or failure to comply with its disclosure obligations, which could have a material adverse effect on the Company's financial condition or prospects. Regulatory and government agencies may bring legal proceedings in connection with the enforcement of applicable laws and regulations. As a result, the Company may be subject to expenses of investigations and defence, and fines or penalties for violations if proven. The Company may also potentially incur cost and expense to remediate, increased operating costs or changes to or cessation of operations, if ordered to do so or

required in order to resolve such proceedings. In the event of a dispute arising at the Company's foreign operations, the Company may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdiction of the Company's preferred choice. The Company's inability to enforce its rights could have an adverse effect on its future cash flows, earnings, results of operations and financial condition.

8 Additional Information

8.1 Share performance

The issue price at which the New Shares are being offered under this Offer Document represents a discount to a range of historical trading prices of the Company's Shares on the ASX. Further, the quoted discount percentage excludes any value that may be assigned to Options that will attach to New Shares subscribed for.

Specifically, the Offer Price of \$0.08 per New Share represents a 4.53% discount to the closing price of Shares on the ASX on Friday, 9 August, 2019, being the 5-day VWAP of \$0.0838 per Share.

The highest and lowest traded prices of Shares on the ASX in the 12 months prior to the date of this Offer Document are as follows:

	Price ASX	Date ASX
Highest	A\$0.11	25 March, 2019
Lowest	A\$0.058	5 December, 2018

9 Glossary and Interpretation

9.1 Definitions

In this Offer Document and the Entitlement and Acceptance Form:

AEST means Australian Eastern Standard Time.

Applicant means an Eligible Shareholder or other person or entity who or that applies for New Shares pursuant to the Offer, the Shortfall Offer and/or the Broker Facility.

Application means an application for New Shares made by an Eligible Shareholder or other Applicant through completion and return of an Entitlement and Acceptance Form, payment by BPAY®, participation, participation in the Shortfall Offer and/or the Broker Facility, or such other method prior approved in writing by the Board.

Application Money means, in respect of an Applicant, the total amount payable for the issue of all of the New Shares applied for by that Applicant as specified in its Entitlement and Acceptance Form, or otherwise under the terms of the Broker Facility, at an issue price of A\$0.08 per New Share.

Associate has the meaning given to that term in section 12(2) of the Australian Corporations Act.

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited ACN 008 624 691 or the financial market operated by it, as the context requires.

ASX Listing Rules means the Listing Rules of the ASX, as amended from time to time.

Australian Corporations Act means the *Corporations Act 2001* (Cth).

Board means the board of Directors unless the context indicates otherwise.

Broker means any broker that is selected by the Company to offer New Shares and attaching Options under the terms and conditions of the Broker Facility. Any reference to “the Broker” or “The Broker” in this Offer Document is intended to be a reference to each Broker duly engaged by the Company to offer, as agent of the Company, New Shares and attaching Options under the terms and conditions of the Broker Facility.

Broker Facility means facility, under the terms and conditions of which, the Broker will offer, as agent of the Company, the subscription and issue of New Shares and attaching Options that were not subscribed for under either the Offer or the Shortfall Offer. Details of that facility are set out in **Section 4.4**.

Broker Facility Share means a New Share that is offered for subscription and issue under the terms and conditions of the Broker Facility.

Business Day means a day on which trading takes place on the ASX.

Canadian Shareholder means any person who is, on the Record Date, registered on the Canadian share register as a Shareholder.

Cleansing Statement means the notice issued by the Company in accordance with the requirements of section 708AA(7) of the Australian Corporations Act.

Closing Date means 5.00 p.m. (AEST) on the closing date of the Offer, being 13 September, 2019 (unless varied by the Company in accordance with the Australian Corporations Act and the ASX Listing Rules and the TSX.V Policies).

Company or **AGD** means Austral Gold Limited ACN 075 860 472, having ASX Stock Code AGD.

Constitution means the Company's constitution as at the date of this Offer Document. A copy is found on the following link: <https://www.australgold.com/wp-content/uploads/Constitution.pdf>

Directors mean the directors of the Company as at the date of this Offer Document.

EE Interests means Eduardo Elzstain, Chairman of the Board and any and each Associate of Eduardo Elzstain.

EST (NA) means North American Eastern Standard time.

Eligible Shareholder means any person who is registered as a Shareholder and whose registered address is, as at the Record Date, located in Australia or New Zealand.

Entitlement means the entitlement of an Eligible Shareholder under the Offer, being 1 New Share for every 7 Shares held by that Eligible Shareholder as at the Record Date, together with 1 Option for every 1.5 New Shares subscribed for under the Offer, Shortfall Offer or Broker Facility as the case may be.

Entitlement and Acceptance Form means the entitlement and acceptance form either attached to or accompanying this Offer Document.

Ineligible Shareholder means any person who is registered as a Shareholder and whose registered address is, as at the Record Date, not located in Australia or New Zealand.

Interest means, in respect of a company, a relevant interest in the voting shares of, and the relevant person's voting power in, that company.

New Share means a share offered by the Company for issue pursuant the Offer, Shortfall Offer or Broker Facility as the case may be.

Offer means the offer by the Company to Eligible Shareholders of non-renounceable rights to be issued New Shares, with attaching Options, pursuant to the terms set out in this Offer Document.

Offer Period means the period during which the Offer is open for acceptance, being the period commencing on and including the date of dispatch of this Offer Document and ending on and including the Closing Date.

Offer Price means A\$0.08 per New Share.

Official Quotation or **Quotation** means official quotation on ASX.

Option means the right to acquire a Share in accordance with the terms and conditions of issue of that option, the material terms and conditions of which are set out in **Section 4.11**.

Optionholder means the person registered as the holder of an Option.

Record Date means 7.00 p.m. (AEST) on 20 August, 2019.

relevant interest has the meaning given to that term in sections 608 and 609 of the Australian Corporations Act.

Securities Act means U.S. Securities Act of 1933 (as amended).

SEDAR means The System for Electronic Document Analysis and Retrieval maintained by the Canadian Securities Administrators to:

- facilitate the electronic filing of securities information as required by Canadian Securities Administrator;
- allow for the public dissemination of Canadian securities information collected in the securities filing process; and
- provide electronic communication between electronic filers, agents and the Canadian Securities Administrator.

Share means a fully paid ordinary share in the issued capital of the Company.

Shareholder means a person registered as a holder of one or more Shares, including for the sake of clarity any New Shares, on the register of members of the Company.

Share Registry means Computershare Investor Services Pty Limited, the details of which are set out in **Section 10**.

Shortfall or **Shortfall Shares** means those New Shares offered under the Offer which have not been validly applied for by Shareholders in exercise of their Entitlement by the Closing Date.

Shortfall Offer means the offer described in **Section 4.3**.

TSX.V means the Toronto Stock Exchange Venture.

US Person means a person in the United States of America or acting for the account or benefit of a person in the United States of America, and for the avoidance of doubt, does not have the same defined meaning as is ascribed to the term "US Person" in Regulation S of the Securities Act.

USA means the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia.

9.2 Interpretation

In this Offer Document and the Entitlement and Acceptance Form:

- (a) the singular includes the plural and vice versa and a gender includes other genders;
- (b) other grammatical forms of a defined word or expression have a corresponding meaning;
- (c) words and phrases have the same meaning as given to them in the Australian Corporations Act (if any), unless otherwise defined above;
- (d) a reference to a Section is a reference to a section of this Offer Document;
- (e) a reference to a document or agreement, includes the document or agreement as novated, altered, supplemented or replaced from time to time;
- (f) a reference to any statute, regulation, proclamation, ordinance or by-law includes all statutes, regulations, proclamations, ordinances or by-laws amending, varying, consolidating or replacing it and a reference to a statute includes all regulations, proclamations, ordinances and by-laws issued under that statute;
- (g) a reference to A\$, \$A, \$, AUD, dollar or cents is to Australian currency;
- (h) a reference to time is to the time in Sydney, Australia;
- (i) a reference to a year (other than a financial year) or a month means a calendar year or calendar month respectively;
- (j) a reference to a person includes a natural person, partnership, firm, body corporate, trust, joint venture, association, governmental or local authority or agency or other entity;
- (k) the words “include”, “including”, “for example”, “such as” and similar expressions are not used as, nor are they to be interpreted as, words of limitation and, when introducing specific examples, do not limit the meaning of the words to which those examples relate or examples of a similar kind;
- (l) a reference to "Company", "AGD", "we", "our" and "us" is to Austral Gold Limited ACN 075 860 472;
- (m) a reference to “you” is to a person to whom the Offer is made;
- (n) headings, boldings, italics and underlines are for convenience only and do not affect the interpretation of this Offer Document;

- (o) all references in this Offer Document to time are to the time in Sydney, New South Wales, Australia, unless expressly stated otherwise; and
- (p) for the sake of clarity, the meaning of the phrase “breach of the Australian Corporations Act” includes any act or omission, the consequence of which, whether or not intended, and whether or not certain or reasonably likely in outcome, is that any person would, or would be reasonably be likely to, be required to commence and effect a takeover bid for all or any of the Shares, Options or any other securities in the issued capital of the Company, in which that person does not already hold a relevant interest.

10 Corporate Directory

Board of Directors

Non-Executive Chairman and Director

Mr Eduardo Elzstain

Non-Executive Directors

Mr Saul Zang
Pablo Vergara del Carrill
Wayne Hubert
Robert Trzebski
Ben Jarvis

Executive Director

Stabro Kasaneva

Company Secretary

Mr David Hwang

Registered Office (Australia)

Level 5
126 Phillip Street
Sydney NSW 2000

Phone: +61 2 8072 1400
Email: info@australgold.com
Web: www.australgold.com

Share Registry

Computershare Investor Services Pty
Limited
GPO Box 2975
Melbourne VIC 3001

Phone: 1300 850 505 (within Australia)
Phone: +61 3 9415 5000 (outside
Australia)

Auditor

KPMG
www.kpmg.com.au

Legal Adviser

David P. Selig
Lawyer
Level 11, 52 Phillip Street
Sydney NSW 2000
Phone: +61 2 8316 3953
Email: dpselig@dpslawyers.com.au

Listed Security Exchanges:

Australian Securities Exchange
ASX Code: AGD

TSX Venture Exchange
TSXV Code: AGLD