

AUSTAR GOLD LIMITED

ACN 107 180 441

**NOTICE OF ANNUAL GENERAL MEETING
EXPLANATORY MEMORANDUM
PROXY FORM**

Date of Meeting

Friday, 29 November 2019

Time of Meeting

10.00 am (Australian Eastern Standard time)

Place of Meeting

**Level 14,
167 Eagle Street, Brisbane QLD**

<p>This Notice of Meeting and Explanatory Memorandum should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.</p>

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that an Annual General Meeting (**Meeting**) of the Shareholders of AuStar Gold Limited ACN 107 180 441 (**Company**) will be held on Friday, 29 November 2019, commencing at 10.00am (Australian Eastern Standard time) at Level 14, 167 Eagle Street, Brisbane QLD. Registration will commence immediately prior to the Meeting.

An online version of the Company's 2019 Annual Report can be downloaded or viewed at www.austargold.com. The 2019 Annual Report has also been sent by post to those Shareholders who have previously elected to receive a hard copy.

This Notice of Meeting incorporates, and should be read together with, the Explanatory Memorandum and Proxy Form. Shareholders are specifically referred to the Glossary in the Explanatory Memorandum which contains definitions of capitalised terms used in both this Notice of Meeting and the Explanatory Memorandum.

ORDINARY BUSINESS

Receipt of financial statements and reports

To receive and consider the Directors' report, the Auditor's report and the financial statements of the Company for the financial year ended 30 June 2019.

Resolutions

1. Adoption of Remuneration Report (non-binding resolution)

To consider and if thought fit, pass, with or without amendment, the following Resolution as an ordinary Resolution under section 250R (2) of the Corporations Act:

"That the Remuneration Report for the financial year ended 30 June 2019 as set out in the Company's 2019 Annual Report be adopted."

Note: Under the Corporations Act, this Resolution is advisory only and does not bind the Directors or the Company. However, if 25% or more votes that are cast are voted against the adoption of the Remuneration Report at two consecutive annual general meetings, Shareholders will be required to vote at that second annual general meeting on an additional resolution on whether another meeting should be held at which all of the Directors, other than the Managing Director, must stand for re-election. Please see the Explanatory Memorandum for further information.

Voting Exclusion: A vote on Resolution 1 must not be cast (in any capacity) by or on behalf of any of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the person is appointed as a proxy by writing that specifies the way the proxy is to vote on the Resolution; or
- (b) the person is the Chair of the Meeting and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on the Resolution; and

- (ii) expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.

2. Re-election of Director, Mr Frank Terranova

To consider and if thought fit, pass, with or without amendment, the following Resolution as an ordinary Resolution:

"That Mr Frank Terranova, who retires as a Director of the Company pursuant to rule 13.2 of the Company's Constitution and being eligible and offering himself for re-election, be re-elected as a Director of the Company."

3. Re-election of Director, Mr Philip Amery

To consider and if thought fit, pass, with or without amendment, the following Resolution as an ordinary Resolution:

"That, for the purpose of clause 13.4 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Mr Philip Amery, a Director who was appointed casually on 4 April 2019, retires, and being eligible, is re-elected as a Director."

4. Re-election of Director, Mr Paul McNally

To consider and if thought fit, pass, with or without amendment, the following Resolution as an ordinary Resolution:

"That, for the purpose of clause 13.4 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Mr Paul McNally, a Director who was appointed casually on 24 July 2019, retires, and being eligible, is re-elected as a Director."

5. Re-election of Director, Lord Christopher Wellesley

To consider and if thought fit, pass, with or without amendment, the following Resolution as an ordinary Resolution:

"That, for the purpose of clause 13.4 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Lord Christopher Wellesley, a Director who was appointed casually on 17 December 2018, retires, and being eligible, is re-elected as a Director."

6. Ratification of prior issue of Options

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary Resolution:

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 15,000,000 Options to Amery Partners Pty Ltd on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of Amery Partners Pty Ltd or any associates of Amery Partners Pty Ltd. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

7. Share Consolidation

To consider, and if thought fit, pass the following resolution as an ordinary resolution:

"That for the purpose of section 254H of the Corporations Act 2001 and the Constitution, and for all other purposes, approval is given that the Issued Capital of the Company shall be consolidated on the basis that:

- (a) every one hundred (100) fully paid ordinary shares in the Company be consolidated into one (1) fully paid ordinary share in the Company, on the terms described in the Explanatory Memorandum; and
- (b) all Options and Performance Rights on issue be adjusted in accordance with Listing Rule 7.22.

Where this Consolidation results in a fraction of a Share, Option or Performance Right being held, the Company be authorised to round that fraction up to the nearest whole Share, Option or Performance Right."

8. Approval to issue Consideration Shares to vendors

To consider, and if thought fit, pass the following resolution as an ordinary resolution:

"That subject to, and conditional upon the passing of Resolution 7, and for the purposes of Listing Rule 7.1, and for all other purposes, approval is given for the issue of up to 24,982,946 Shares (on a Post-Consolidation basis), to the Centennial Vendors, or their nominees, on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of the Centennial Vendors (or their nominees) or any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

SPECIAL BUSINESS

9. Approval of additional 10% placement capacity

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **special resolution**:

"That, for the purposes of ASX Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) (10% Placement Capacity) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the 10% Placement Capacity and a person who might obtain a benefit, except a benefit solely in the capacity of a Shareholder, if the Resolution is passed and any of their Associates, unless it is cast:

- (a) by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or,
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

ATTENDANCE AND VOTING AT THE MEETING

Voting entitlement

In accordance with regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), the Board has determined that Shareholders who are on the Company's share register at 7.00pm (Australian Eastern Daylight Savings time) on Wednesday, 27 November 2019 shall, for the purposes of the Meeting, be entitled to attend and vote at the Meeting.

If you are not the registered holder of a relevant Share at that time, you will not be entitled to vote at the Meeting.

Voting at the Meeting

Ordinary resolutions require the support of more than 50% of the votes cast. Special resolutions require the support of at least 75% of the votes cast. Resolution 9 is a special resolution; all other resolutions are ordinary resolutions.

The passing of each Resolution arising at this Meeting will be decided in the first instance by a show of hands. A poll may be demanded in accordance with the Company's Constitution.

On a show of hands, every Shareholder who is present in person or by proxy, corporate representative or attorney, will have one vote. Upon a poll, every person who is present in person or by proxy, corporate representative or attorney, will have one vote for each Share held by that person.

Voting by proxy

A Shareholder who is entitled to attend and vote at this Meeting may appoint a proxy to attend and vote on the Shareholder's behalf. A proxy need not be a Shareholder. If the Shareholder is entitled to cast two or more votes at the Meeting, the Shareholder may appoint two proxies and may specify the proportion or number of votes that each proxy is appointed to exercise.

To record a valid proxy vote, a Shareholder will need to complete and lodge the Proxy Form with Security Transfer Registry Services in accordance with the instructions set out in the proxy form.

A Proxy Form accompanies this Notice. To be valid, the Proxy Form must be received no later than 10.00am (Australian Eastern Daylight Savings time) on Wednesday, 27 November 2019 being 48 hours prior to the commencement of the Meeting.

If you choose to appoint a proxy, you are encouraged to direct your proxy how to vote on each of the Resolutions by marking either **For**, **Against** or **Abstain** on the voting form for each item of business. As explained further below, your vote on Resolution 1 may not be counted if you do not direct your proxy how to vote.

Pursuant to section 250BB of the Corporations Act, an appointment of a proxy may specify the way the proxy is to vote on a particular Resolution and, if it does:

- (a) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed);
- (b) if the proxy has 2 or more appointments that specify different ways to vote on the Resolution, the proxy must not vote on a show of hands;
- (c) if the proxy is the Chair of the meeting at which the Resolution is voted on, the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- (d) if the proxy is not the Chair, the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Under section 250BC of the Corporations Act, if:

- (a) an appointment of a proxy specifies the way the proxy is to vote on a particular Resolution at a meeting of a company's members;
- (b) the appointed proxy is not the Chair of the meeting;
- (c) at the meeting, a poll is duly demanded on the Resolution; and
- (d) either of the following applies:
 - (i) the proxy is not recorded as attending the meeting;
 - (ii) the proxy does not vote on the resolution,

the Chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the Resolution at the meeting.

Undirected proxies

Please note that if the Chair of the Meeting is appointed as your proxy (or becomes your proxy by default), you expressly authorise the Chair to exercise your proxy on the Resolutions even though they may be connected directly or indirectly with the remuneration of a member of the Key Management Personnel of the Company, which includes the Chair. If you appoint the Chair as your proxy you can direct the Chair to

vote for or against or abstain from voting on any of Resolutions by marking the appropriate box on the Proxy Form.

The Chair intends to vote undirected proxies in favour of each item of business.

Please also note that if you appoint a Director or a member of the Key Management Personnel (or their Closely Related Parties) as your proxy, in accordance with section 250R (5) of the Corporations Act you must direct your proxy how to vote on Resolution 1, otherwise your vote will not be counted. Follow the instructions on the proxy form to direct your proxy how to vote.

Voting by corporate representative

A Shareholder or proxy that is a corporation and entitled to attend and vote at the Meeting may appoint an individual to act as its corporate representative.

Evidence of the appointment of a corporate representative must be in accordance with section 250D of the Corporations Act and be lodged with the Company before the Meeting or at the registration desk on the day of the Meeting.

Voting by attorney

A Shareholder entitled to attend and vote at the Meeting is entitled to appoint an attorney to attend and vote at the Meeting on the Shareholder's behalf.

An attorney need not be a holder of Shares.

An instrument conferring the power of attorney or a certified copy of the authority must be produced to the Company at least 24 hours prior to the commencement of the Meeting.

DATED 20 October 2019

**BY ORDER OF THE BOARD
AUSTAR GOLD LIMITED**

**STEPHEN KELLY
COMPANY SECRETARY**

EXPLANATORY MEMORANDUM

IMPORTANT NOTICE

This Explanatory Memorandum forms part of the Notice convening the Annual General Meeting of Shareholders of AuStar Gold Limited to be held on 29 November 2019 at 10.00 am (Australian Eastern Standard time). This Explanatory Memorandum is to assist Shareholders in understanding the background to, and the legal and other implications of, the Notice and the reasons for the Resolutions proposed. Both documents should be read in their entirety and in conjunction with each other.

Other than the information set out in this Explanatory Memorandum, the Directors believe that there is no other information that could reasonably be required by Shareholders to consider the Resolutions.

If you are in doubt about what to do in relation to the Resolutions, you should consult your financial or other professional adviser.

Words or expressions used in the Notice of Meeting and in this Explanatory Memorandum are defined in the Glossary. Unless otherwise stated, all references to sums of money, '\$' and 'dollars' are references to Australian currency.

This Explanatory Memorandum is dated 20 October 2019.

BACKGROUND TO THE RESOLUTIONS

ORDINARY BUSINESS

Receipt of financial statements and reports

This item does not require voting by Shareholders. It is intended to provide an opportunity for Shareholders to raise questions on the financial statements and reports. The Company's auditor will be present at the Meeting and available to answer any questions.

In addition to asking questions at the Meeting, Shareholders may address written questions to the Chair of the Meeting about the management of the Company or to the Company's Auditor, Hall Chadwick, if the question is relevant to:

- i. the content of the Auditor's report; or
- ii. the conduct of its audit of the financial statements to be considered at the Meeting.

Note: Under section 250PA(1) of the Corporations Act a Shareholder must submit the question to the Company no later than the fifth business day before the day on which the Annual General Meeting is held.

Written questions for Hall Chadwick must be delivered by 22 November 2019 to the address listed on the Proxy Form attached to this Notice of Meeting.

1. Resolution 1 – Adoption of Remuneration Report (non-binding resolution)

1.1 Background

The Annual Report for the year ended 30 June 2019 contains a Remuneration Report that sets out the remuneration policy of the Company and the remuneration details for each Director and for each member of the Company's senior executive management team.

An electronic copy of the 2019 Annual Report is available to download or view on the Company's website at www.austargold.com. The 2019 Annual Report has also been sent by post to those Shareholders who have previously elected to receive a hard copy. In addition, the Company has also enabled online voting, details of which are explained on the Proxy Form.

The Corporations Act requires that a resolution to adopt the Remuneration Report be put to the vote of the Company. Shareholders should note that the vote on Resolution 1 is advisory only and, subject to the matters outlined below, will not bind the Company or the Directors. However, the Directors will take the outcome of the vote into consideration when reviewing the Company's remuneration policy.

1.2 Two strikes

If 25% or more of votes that are cast on this non-binding Resolution are voted against the adoption of the Remuneration Report at two consecutive annual general meetings, Shareholders will be required to vote at the second of these annual general meetings on a resolution (a **Spill Resolution**) that another meeting be held within 90 days (**Spill Meeting**), at which:

- (i) all of the Company's Directors (other than the Managing Director) cease to hold office immediately before the end of the Spill Meeting; and
- (ii) Resolutions to appoint persons to offices that will be vacated immediately before the end of the Spill Meeting will be put to the vote at the Spill Meeting.

The approval threshold for the Spill Resolution is 50% or more of votes that are cast on the Spill Resolution.

At the 2018 Annual General Meeting, Shareholders voted in favour of the Remuneration Report.

1.3 Board Recommendation

The Board unanimously recommends that Shareholders vote **FOR** Resolution 1.

The Chair intends to vote undirected proxies in favour of Resolution 1.

2. Resolution 2 – Re-election of Director, Mr Frank Terranova

2.1 Background

In accordance with ASX Listing Rule 14.4 and clause 13.2 of the Company's Constitution, a Director must not hold office without re-election past the third annual general meeting following the director's appointment, or 3 years, whichever is the longer. A Director who retires in accordance with these requirements is eligible for re-election. At least one-third of Directors, excluding the Managing Director and Directors required to stand for election under clause 14.4 of the Constitution must stand for re-election at each Annual General Meeting.

Taking into consideration the above, Mr Terranova retires at the end of the Meeting and offers himself for re-election.

2.2 Qualifications

A resume for Mr Terranova is as follows:

Mr Terranova has a long and successful corporate career in the resource space with a particular concentration on the gold sector. He was the Chief Financial Officer and Managing Director at Allied Gold Mining Plc, the Managing Director of Polymetals Mining Limited and Acting Managing Director of Unity Mining Limited. He had also served as the Chairman of Chesser Resources and Taruga Gold.

2.3 Independence

If elected, the board considers Mr Terranova will be an independent director.

2.4 Board Recommendation

The Board (with Mr Terranova abstaining) recommends that Shareholders vote **FOR** Resolution 2.

The Chair intends to vote undirected proxies in favour of Resolution 2.

3. Resolution 3 – Re-election of Director, Mr Philip Amery

3.1 Background

The Constitution allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to the Constitution and ASX Listing Rule 14.4, any Director so appointed holds office only until the next following annual general meeting and is then eligible for re-election by Shareholders but shall not be considered in determining the Directors who are to retire by rotation (if any) at that meeting.

Mr Philip Amery having been appointed a Director on 4 April 2019 pursuant to a resolution of Directors will retire in accordance with clause 13.4 of the Constitution and ASX Listing Rule 14.4 and, being eligible, seeks re-election from Shareholders.

3.2 Qualifications

Mr Amery is an experienced capital markets advisor and private banker. He holds BA and LLB degrees and is a graduate of the Financial Asset Management and Engineering Program of the Swiss Finance Institute.

3.3 Independence

If elected, the board considers Mr Amery will be an independent director.

3.4 Board recommendation

The Board (with Mr Amery abstaining) recommends that Shareholders vote **FOR** Resolution 3.

The Chair intends to vote undirected proxies in favour of Resolution 3.

4. Resolution 4 – Re-election of Director, Mr Paul McNally

4.1 Background

The Constitution allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to the Constitution and ASX Listing Rule 14.4, any Director so appointed holds office only until the next following annual general meeting and is then eligible for re-election by Shareholders but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Mr Paul McNally having been appointed a Director on 24 July 2019 pursuant to a resolution of Directors will retire in accordance with clause 13.4 of the Constitution and ASX Listing Rule 14.4 and, being eligible, seeks re-election from Shareholders.

4.2 Qualifications

Mr McNally has more than 30 years' experience in business strategy and management encompassing every facet of establishing private companies, business development, fiscal control, people leadership and corporate growth through to mergers and joint ventures with both private and publicly listed entities. He has served on the Board of a number of industry associations and has been a business advisor and mentor to numerous small to medium sized businesses for more than 10 years.

4.3 Independence

If elected, the board considers Mr McNally will be an independent director.

4.4 Board recommendation

The Board (with Mr McNally abstaining) recommends that Shareholders vote **FOR** Resolution 4.

The Chair intends to vote undirected proxies in favour of Resolution 4.

5. Resolution 5 – Re-election of Director, Lord Christopher Wellesley

5.1 Background

The Constitution allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to the Constitution and ASX Listing Rule 14.4, any Director so appointed holds office only until the next following annual general meeting and is then eligible for re-election by Shareholders but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Lord Christopher Wellesley having been appointed a Director on 17 December 2018 pursuant to a resolution of Directors will retire in accordance with clause 13.4 of the Constitution and ASX Listing Rule 14.4 and, being eligible, seeks re-election from Shareholders.

5.2 Qualifications

Lord Wellesley is a highly experienced banking and capital markets executive with Board and not-for-profit expertise, comprising three decades of senior roles within tier one institutions in London and Hong Kong, working with clients in the resources, energy and funds management sectors. In addition, Lord Wellesley has:

- An extensive network of senior, key relationships across UK capital markets.
- Demonstrated capital raising, corporate and financial markets expertise; and
- A deep commitment and involvement in a range of private, philanthropic activities.

5.3 Independence

If elected, the board considers Lord Wellesley will be an independent director.

5.4 Board recommendation

The Board (with Lord Wellesley abstaining) recommends that Shareholders vote **FOR** Resolution 5.

The Chair intends to vote undirected proxies in favour of Resolution 5.

6. Resolutions 6 to 9 - Resolutions relating to share capital

Resolutions 6 to 9 (inclusive) are Resolutions relating to the Company's share capital.

Resolution 8 to approve the issue of Consideration Shares to the Centennial Vendors is dependent on Resolution 7 relation to the Share Consolidation being approved as the Share Consolidation is a condition precedent for the completion of the Company's acquisition of Centennial Mining Limited.

Table 1 below sets out the potential dilutionary impact of Resolutions 6 to 9 (inclusive) on the Share capital of the Company assuming all Resolutions are approved by Shareholders.

Table 2 below sets out the potential dilutionary impact of Resolutions 6 to 9 (inclusive) on the Share capital of the Company assuming Resolutions 7 and 8 are not approved.

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The below tables reflect the maximum number of equity securities that may be issued by the Company if the relevant Resolution is approved and assuming that no other equity securities are issued by the Company.

Please refer to the explanatory information for each of the Resolutions included in this Notice of Meeting for additional information.

Table 1 - Potential Dilutionary Effect of Resolutions 6 to 9 (assuming all Resolutions are Approved)

Resolution Number	Description	Shares (number)	Shares (cumulative)	% (at issue)	% (after issue of all Shares per Resolution)	Options and Performance Shares (number)	Options and Performance Shares (cumulative)	% (at issue)	% (fully diluted)	Total equities (number)	Total equities (cumulative)
6	Current issued capital (including Options to be ratified pursuant to Resolution 6)	3,390,310,394	3,390,310,394	100%	52%	517,691,218	517,691,218	100%	13%	3,908,001,612	3,908,001,612
7	Share Consolidation	(3,356,407,290)	33,903,104	-99%	52%	(512,514,306)	5,176,912	-99%	13%	(3,868,921,596)	39,080,016
8	Issue of Consideration Shares to vendors	24,982,946	58,886,050	42%	91%	-	5,176,912	0%	8%	24,982,946	64,062,962
9	Approval of additional 10% placement capacity under ASX Listing Rule 7.1A	5,888,605	64,774,655	9%	100%	-	5,176,912	0%	7%	5,888,605	69,951,567

Table 2 - Potential Dilutionary Effect of Resolutions 6 to 9 (assuming Resolutions 7 and 8 are not approved)

Resolution Number	Description	Shares (number)	Shares (cumulative)	% (at issue)	% (after issue of all Shares per Resolution)	Options and Performance Shares (number)	Options and Performance Shares (cumulative)	% (at issue)	% (fully diluted)	Total equities (number)	Total equities (cumulative)
6	Current issued capital (including Options to be ratified pursuant to Resolution 6)	3,390,310,394	3,390,310,394	100%	91%	517,691,218	517,691,218	100%	13%	3,908,001,612	3,908,001,612
7	Share Consolidation	-	3,390,310,394	0%	91%	-	517,691,218	0%	13%	-	3,908,001,612
8	Issue of Consideration Shares to vendors	-	3,390,310,394	0%	91%	-	517,691,218	0%	13%	-	3,908,001,612
9	Approval of additional 10% placement capacity under ASX Listing Rule 7.1A	339,031,039	3,729,341,433	9%	100%	-	517,691,218	0%	12%	339,031,039	4,247,032,651

7. Resolution 6 – Ratification of prior issue of options

7.1 Background

On 22 February 2019, the Company issued 15,000,000 listed options with an exercise price of \$0.01 and an expiry date of 30 September 2020 to Amery Partners as consideration for the provision of corporate advisory services. The listed options were issued pursuant to the Company's capacity under ASX Listing Rule 7.1.

Resolution 6 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Options.

7.2 ASX Listing Rule 7.1

ASX Listing Rule 7.1 prohibits the Company (subject to certain exceptions such as pro-rata issues) from issuing or agreeing to issue equity securities (such as Shares and Options) representing more than 15% of the Company's total issued securities, during a rolling 12-month period, without Shareholder approval (15% Threshold).

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

7.3 Technical information

In accordance with the requirements of Listing Rule 7.5, the following information is provided in relation to Resolution 6:

- (a) 15,000,000 listed options with an exercise price of \$0.01 and an expiry date of 30 September 2020 were issued pursuant to ASX Listing Rule 7.1;
- (b) the listed options were issued for nil cash consideration, in consideration for the provision of corporate advisory services provided to the Company by Amery Partners;
- (c) the listed options were issued to Amery Partners on 22 February 2019. At the time the listed options were issued, Amery Partners was not a related party of the Company. On 4 April 2019 Mr Philip Amery, a Director of Amery Partners was appointed as a Non-Executive Director of the Company;
- (d) the options were issued on the terms and conditions set out in Schedule 1; and
- (e) no funds were raised from the issue of the listed options as they were issued in consideration for corporate advisory services provided by Amery Partners.

7.4 Board Recommendation

The Board (with Mr Amery abstaining) recommends that Shareholders vote FOR Resolution 6.

The Chair intends to vote undirected proxies in favour of Resolution 6.

8. Resolution 7– Share Consolidation

8.1 Background

The Company proposes to consolidate its share capital through the conversion of every 100 ordinary shares in the Company into 1 ordinary share in the Company.

Under section 254H of the Corporations Act 2001, a company may consolidate its shares if the consolidation is approved by an ordinary resolution of shareholders at a general meeting.

Listing Rule 7.20 provides that if any entity proposes to reorganise its capital, it must advise shareholders of certain matters, which are set out below. No voting exclusions apply, and all shareholders can vote on the resolution.

8.2 Reasons for the Consolidation

The Company has 3,390,310,394 shares on issue following completion of various previous equity-based capital raisings. For a company of this size, this is a very large number of securities to have on issue and it subjects the Company to a number of disadvantages including:

- additional share price volatility arising from the fact that the minimum permissible share price movement permitted by the ASX (being 0.1 cent) represents a higher proportion of the Company's share price than it would if the Company had a greater share price;
- the large number of shares on issue is disproportionate to that of comparable companies; and
- negative perceptions associated with a low share price.

The Directors consider that a share consolidation would assist in mitigating these disadvantages. The Directors also consider that the share consolidation will result in a more appropriate and effective capital structure for the Company and a share price that is more attractive to a wider range of investors, particularly overseas investors.

The share consolidation is also a condition precedent for the Company's proposed acquisition of Centennial Mining Limited as announced by the Company on 3 September 2019.

Although the share consolidation has no direct effect on the underlying value of the Company, shareholders should appreciate that the value of the Company's shares on ASX (and in turn the Company's market capitalisation) post consolidation is subject to a range of factors beyond the control of the Company.

8.3 Effect on Shares

If the proposed share consolidation is approved by the Company's shareholders, the number of the Company's shares on issue will be reduced from 3,390,310,394 shares to approximately 33,903,104 shares. As the consolidation applies equally to all shareholders, individual shareholdings will be reduced in the same ratio as the total number of the Company's shares (subject only to the rounding of fractions, where fractions will be rounded up to the nearest whole number). It follows that the consolidation will have no effect on the percentage interest of each individual shareholder.

By way of illustrative example, if a shareholder currently has 1,000,000 shares, representing approximately 0.03% of the Company's issued capital, then if the share consolidation is approved and implemented, the shareholder will have 10,000 shares following the consolidation, still representing the same 0.03% of the Company's issued capital.

The share consolidation will not otherwise result in any change to the rights and obligations of the Company's shareholders. The Company's balance sheet will also remain unaltered as a result of the share consolidation.

8.4 Effect on Options

The Company has listed and unlisted options on issue. In accordance with the option terms and ASX Listing Rule 7.22, these options will be consolidated on the same basis as the shares. That is, every 100 options will be consolidated into 1 option, and their exercise price amended in inverse proportion to the consolidation ratio. Any fractional entitlements will be rounded up to the nearest whole number.

If the proposed consolidation is approved by the Company's shareholders, the effect of the consolidation on the number and exercise price of options is set out below.

	Pre-consolidation		Post-consolidation	
Expiry Date	Exercise Price	Number	Exercise Price	Number
30 September 2020	\$0.01	327,691,218	\$1.00	3,276,912
30 November 2019	\$0.015	30,000,000	\$1.50	300,000
8 September 2021	\$0.018	30,000,000	\$1.80	300,000
30 November 2021	\$0.02	15,000,000	\$2.00	150,000
Total		402,691,218		4,026,912

8.5 Effect on Performance Rights

The Company has unlisted performance rights on issue. In accordance with the terms of the performance rights and ASX Listing Rule 7.22, these rights will be consolidated on the same basis as the shares. That is, every 100 performance rights will be consolidated into 1 performance right and any share price based conversion conditions will be amended in inverse proportion to the consolidation ratio. Any fractional entitlements will be rounded up to the nearest whole number.

If the proposed consolidation is approved by the Company's shareholders, the effect of the consolidation on the number and exercise price of options is set out below.

	Pre-consolidation		Post-consolidation	
Expiry Date	VWAP Condition	Number	VWAP Condition	Number
31 December 2019	Not applicable ¹	15,000,000	Not applicable ¹	150,000
28 September 2022	\$0.01	50,000,000	\$1.00	500,000
28 September 2022	\$0.015	50,000,000	\$1.50	500,000
Total		115,000,000		1,150,000

8.6 Treatment of Fractions

Where the consolidation of a shareholder's holding results in an entitlement to a fraction of a share, the fraction will be rounded up to the nearest whole number of shares.

If the Company reasonably considers that a shareholder has been a party to the division of a shareholding in an attempt to obtain an advantage from this treatment of fractions, the Company may take appropriate action, having regard as appropriate to the terms of the Company's Constitution and the ASX Listing Rules.

8.7 Indicative Timetable

If the share consolidation is approved, it is expected to take effect in accordance with the following timetable (as set out in the Listing Rules):

¹ These performance rights vest and convert into ordinary shares upon attributed production by, or for the benefit of, the Company of not less than 10,000 ounces of gold prior to 31 December 2019. There are no share price based vesting or conversion conditions.

Date*	Event
Friday, 29 November	Shareholder meeting and notice to ASX that shareholders have approved the share consolidation
Monday, 2 December	Last day for trading in pre-consolidated shares
Tuesday, 3 December	Trading in consolidated shares on a deferred settlement basis commences
Wednesday, 4 December	Last day for registration of transfers on a pre-consolidation basis
Thursday, 5 December	First day for registration of transfers on a post-consolidated basis and first day for issue of holding statements. First day for Company to send notice to each holder of the change in their details of holdings.
Wednesday, 11 December	Change of details of holdings date. Deferred settlement trading ends. Last day for securities to be entered into holders' security holdings. Last day for the Company to send notice to each holder of the change in their details of holdings.

*The above timetable is indicative only and subject to change. Any changes will be announced to ASX.

8.8 Holding Statements

From the date of the consolidation all current holding statements for shares and options will cease to have any effect, except as evidence of entitlement. After the consolidation becomes effective, the Company will arrange for new holding statements to be issued.

8.9 Taxation

No capital gains tax (CGT) event is expected to occur as a result of the share consolidation for shareholders holding their investment on capital account. Investors will need to re-allocate the cost base of their existing shares to the consolidated shares. Shareholders should seek independent professional advice for guidance based on their individual circumstances. Likewise, there is not expected to be a tax effect on the Company.

8.10 No Other Material Information

There is no other material information known to the Company's Directors which may be reasonably expected to affect Shareholders' decision-making as to whether to vote in favour of Resolution 1 other than what is set out in these Meeting Materials and has previously been disclosed to Shareholders.

8.11 Recommendation

The Board unanimously recommends that eligible Shareholders vote in favour of Resolution 7. Each Director intends to vote all shares they own or control the right to vote in favour of Resolution 7.

The Chairman intends to vote undirected proxies in favour of Resolution 7.

9 Resolution 8 – Approval to issue Consideration Shares to Investors

9.1 Background

Subject to, and conditional upon the passing of Resolution 7 to approve the share consolidation, the Company is seeking Shareholder approval for Resolution 8 referred to in the accompanying notice of meeting for the purposes of issuing up to 24,982,946 Consideration Shares (on a post consolidation basis) to the shareholders of Centennial Mining Limited (**Centennial Vendors**).

On 3 September 2019, the Company announced that it had reached agreement to acquire via merger 100% of Centennial Mining Limited (“CTL”, or “Centennial”), owner of the A1 Gold Mine near Woods Point and the Maldon CIL processing plant near Bendigo, Victoria, via implementation of a Deed of Company Arrangement (DOCA) over CTL.

AuStar has undertaken to pay the following consideration to acquire a 100% ownership interest in Centennial:

- i. A \$2.4 million cash contribution to the DOCA, closing the Centennial Mining Limited administration. These funds, together with a further \$1.25 million to be subscribed by other parties to the DOCA will be applied by CTL towards the DOCA for the costs of the CTL administration and the settlement of the claims of participating Creditors in the DOCA (“Cash Consideration”).
- ii. Immediately prior to the completion of the DOCA, CTL and AUL will enter into a merger transaction by way of transfer of shares in CTL to AUL under section 444GA of the Corporations Act whereby CTL shareholders (excluding AuStar) will receive a pro rata allocation of 24,982,946 shares in AuStar, representing 31.7% of AUL’s total shares on issue immediately following the merger (post consolidation) and assuming a pre-merger AuStar capital raising of \$4.4 million. The equity issuance to CTL shareholders is capped at 24,982,946 and does not expand in the event AuStar aggregate fundraising exceeds \$4.4m.

The issue price for the Consideration Shares is \$0.30 on a post-consolidation basis (\$0.003 on a pre-consolidation basis).

This Resolution 8 seeks shareholder approval for the issue of the Consideration Shares.

9.2 Legal requirements

ASX Listing Rule 7.1 prohibits the Company (subject to certain exceptions such as pro-rata issues) from issuing or agreeing to issue equity securities (such as Shares and Options) representing more than 15% of the Company's total issued securities, during a rolling 12-month period, without Shareholder approval (15% Threshold).

If Resolution 8 is passed it will permit the Company to issue the Consideration Shares no later than 3 months after the date of the Annual General Meeting (or such longer period as allowed by ASX) without impacting on the Company’s placement capacity under ASX Listing Rule 7.1 and ASX Listing Rule 7.1A.

9.3 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the issue of the Consideration Shares:

- i. the maximum number of Consideration Shares to be issued is 24,982,946;
- ii. the Shares will be issued no later than 3 months after the date of the Annual General Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules). The issue of the Shares is expected to occur in one tranche;
- iii. the Shares will be issued as part consideration for the acquisition of Centennial Mining Limited;

- iv. the issue price of the Shares will be \$0.30 on a post-consolidation basis;
- v. the Shares to be issued are fully paid ordinary shares in the capital of the Company and will be issued on the same terms and conditions as the Company's existing Shares; and
- vi. the Shares will be issued to shareholders of Centennial Mining Limited and / or their nominees, none of whom is a related party of the Company.

9.4 *Directors Recommendation*

The Board recommends that Shareholders vote in favour of Resolution 8.

Chair intends to vote undirected proxies in favour of Resolution 8.

Special Business

10. Resolution 9 – Approval of additional 10% placement capacity

10.1 General

ASX Listing Rule 7.1A provides that an Eligible Entity may seek Shareholder approval at its annual general meeting to allow it to issue Equity Securities up to 10% of its issued capital (**10% Placement Capacity**) without using the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of approximately \$10,170,931 as at 17 October 2019.

An Equity Security is a share, a unit in a trust, a right to a share or unit in a trust or option, an option over an issued or unissued security, a convertible security, or, any security that ASX decides to classify as an equity security.

Any Equity Securities issued under the 10% Placement Capacity must be in the same class as an existing class of quoted Equity Securities.

The Company is now seeking Shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility.

This Resolution is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 10 for it to be passed. The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (see below).

10.2 ASX Listing Rule 7.1A

(a) Period

An approval under ASX Listing Rule 7.1A must be for a period commencing on the date of the Annual General Meeting at which the approval is obtained and expiring on the first to occur of the following:

- (i) the date that is 12 months after the date of the Annual General Meeting at which the approval is obtained; or
- (ii) the date of the approval by Shareholders of a transaction under ASX Listing Rule 11.1.2 or 11.2.

(b) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to Shareholder approval by way of a special resolution at an Annual General Meeting.

(c) Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

The Company, as at the date of the Notice, has on issue 4 classes of Equity Securities, being Shares, Listed Options, Unlisted Options and Performance Rights. Only the Company's Shares and Listed Options are quoted.

(d) Formula for calculating 10% Placement Capacity

Listing Rule 7.1A.2 provides that eligible entities that have obtained Shareholder approval at an AGM may issue or agree to issue, during the 12-month period after the date of the AGM, a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

Where:

- A** is the number of Shares on issue 12 months before the date of issue or agreement:
- ☐ plus, the number of Shares issued in the previous 12 months under an exception in ASX Listing Rule 7.2;
 - ☐ plus, the number of partly paid shares that became fully paid in the previous 12 months;
 - ☐ plus, the number of Shares issued in the previous 12 months with approval of Shareholders of Shares under Listing Rules 7.1 and 7.4. This does not include an issue of fully paid ordinary shares under the entity's 15% placement capacity without Shareholder approval; and
 - ☐ less the number of Shares cancelled in the previous 12 months.
- D** is 10%.
- E** is the number of Equity Securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of holders of Ordinary Securities under ASX Listing Rule 7.1 or 7.4.

(e) Listing Rule 7.1 and Listing Rule 7.1A

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

At the date of this Notice, the Company has on issue 3,390,310,394 Shares. The Company therefore has a capacity to issue:

- (i) 508,546,559 Equity Securities under Listing Rule 7.1 (subject to the passing of Resolutions 3,4 and 5); and
- (ii) 339,031,039 Equity Securities under Listing Rule 7.1A (subject to the passing of Resolution 9).

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 3(c) below).

10.3 Technical information required by ASX Listing Rule 7.1A

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 9:

(a) Minimum Price

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX

trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 ASX trading days of the date in paragraph 4.2(a)(i) the date on which the Equity Securities are issued.

(b) *Date of Issue*

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of the following:

- (i) 12 months after the date of this Meeting; and
- (ii) the date of approval by Shareholders of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking) (after which date, an approval under Listing Rule 7.1A ceases to be valid), (10% Placement Capacity Period).

(c) *Risk of voting dilution*

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 8 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A(2), on the basis of the current market price of Shares and the current number of Equity Securities on issue as at the date of this Notice.

The table also shows the voting dilution impact where the number of Shares on issue (variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

Table 3 - Potential dilutionary impact of Resolution 9 (pre-Share Consolidation per Resolution 7)

Number of Shares on Issue (Variable 'A' in ASX Listing Rule 7.1A2)	Dilution			
	Issue Price (per Share)	\$0.0015 (50% decrease in issue price)	\$0.003 (issue price)	\$0.00375 (25% increase in issue price)
3,390,310,394 (Current Variable 'A')	Shares issued - 10% voting dilution	339,031,039 Shares	339,031,039 Shares	339,031,039 Shares
	Funds Raised	\$508,547	\$1,017,093	\$1,271,366
5,085,465,591 (50% increase in Variable 'A')*	Shares issued - 10% voting dilution	508,546,559 Shares	508,546,559 Shares	508,546,559 Shares
	Funds Raised	\$762,820	\$1,525,640	\$1,907,050
6,780,620,788 (100% increase in Variable 'A')*	Shares issued - 10% voting dilution	678,062,079 Shares	678,062,079 Shares	678,062,079 Shares
	Funds Raised	\$1,017,093	\$2,034,186	\$2,542,733

**The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under ASX Listing Rule 7.1.*

The table above uses the following assumptions:

1. There are currently 3,390,310,394 Shares on issue as at the date of this Notice of Meeting.
2. The current issue price set out above is the closing price of the Shares on the ASX on 17th October 2019, being \$0.003.
3. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
4. The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities.
5. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
6. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.

7. The 10% voting dilution reflects the aggregate percentage dilution against Variable A at the time of issue. This is why the voting dilution is shown in each example as 10%.
8. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.
9. The table assumes that the Share Consolidation proposed by Resolution 7 has not occurred.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

Table 3 below shows the voting dilution impact where the number of Shares on issue (variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity and assuming that the Share Consolidation proposed by Resolution 7 is approved by Shareholders and is implemented by the company:

Table 4 - Potential dilutionary impact of Resolution 9 (post Share Consolidation per Resolution 7)

Number of Shares on Issue (Variable 'A' in ASX Listing Rule 7.1A2)	Dilution			
	Issue Price (per Share)	\$0.15 (50% decrease in issue price)	\$0.30 (Post Consolidation issue price)	\$0.375 (25% increase in issue price)
33,903,104 (Post Consolidation Variable 'A')	Shares issued - 10% voting dilution	3,390,310 Shares	3,390,310 Shares	3,390,310 Shares
	Funds Raised	\$508,547	\$1,017,093	\$1,271,366
50,854,656 (50% increase in Variable 'A')*	Shares issued - 10% voting dilution	5,085,466 Shares	5,085,466 Shares	5,085,466 Shares
	Funds Raised	\$762,820	\$1,525,640	\$1,907,050
67,806,208 (100% increase in Variable 'A')*	Shares issued - 10% voting dilution	6,780,621 Shares	6,780,621 Shares	6,780,621 Shares
	Funds Raised	\$1,017,093	\$2,034,186	\$2,542,733

The table above uses the following assumptions:

1. There are currently 3,390,310,394 Shares on issue as at the date of this Notice of Meeting. The post consolidation variable A in the above table of 33,903,104 represents the current shares on issue divided by 100 assuming the Share Consolidation the subject of Resolution 7 is approved and implemented.
2. The current issue price set out above is the closing price of the Shares on the ASX on 17th October 2019, being \$0.003. The post consolidation issue price of \$0.30 in the above table represents the current issue price multiplied by 100 assuming the Share Consolidation the subject of Resolution 7 is approved and implemented.
3. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
4. The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities.
5. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
6. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
7. The 10% voting dilution reflects the aggregate percentage dilution against Variable A at the time of issue. This is why the voting dilution is shown in each example as 10%.
8. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.
9. The table assumes that the Share Consolidation proposed by Resolution 7 has occurred.

Purpose of Issue under 10% Placement Capacity

The Company may issue Equity Securities under the 10% Placement Capacity for the following purposes:

- (iii) as cash consideration in which case the Company intends to use funds raised for exploration on the Company's exploration projects located in Senegal and for general working capital purposes; or
- (iv) as non-cash consideration for the acquisition of new resources assets and investments, in such circumstances the Company will provide a valuation of the non-cash consideration as required by ASX Listing Rule 7.1A.3.

The Company will comply with the disclosure obligations under ASX Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.

(d) Allocation under the 10% Placement Capacity

The Company's allocation policy for the issue of Equity Securities under the 10% Placement Capacity will be dependent on the prevailing market conditions at the time of the proposed placement(s).

The recipients of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

Further, if the Company is successful in acquiring new resources, assets or investments, it is likely that the recipients under the 10% Placement Capacity will be vendors of the new resources, assets or investments.

(e) *Previous Approval under ASX Listing Rule 7.1A and disclosure required by ASX Listing Rule 7.3A.6*

The Company has previously obtained approval from Shareholders pursuant to ASX Listing Rule 7.1A at its Annual General Meeting held on 30 November 2018.

In accordance with ASX Listing Rule 7.3A.6, the Company makes the following disclosure:

- (i) During the 12-month period preceding the date of the Meeting, the Company did not issue any Equity Securities pursuant to ASX Listing Rule 7.1A:
- (ii) During the 12-month period preceding the date of the Meeting, the Company issued no Shares and 15,000,000 unlisted options pursuant to ASX Listing Rule 7.1. These options are the subject of Resolution 6 in this Notice of Meeting and were issued to Amery Partners nil cash consideration, for the provision of corporate advisory services provided to the Company by Amery Partners. The Listed Options were issued at a 100% discount to their market price of \$0.001 at the time of issue. The total Equity Securities issued by the Company during the 12-month period preceding the date of the Meeting as a percentage of the total diluted number of Equity Securities on issue in the Company at 29 November 2018 as summarised in Table 5:

Table 5 – Issues of Equity Securities since 29 November 2018 as a % of fully diluted equity securities on issue as at 29 November 2018

Item	Quantity
Listed options issued pursuant to Listing Rule 7.1	15,000,000
Total Equity Securities issued in 12 months prior to the date of the Meeting	15,000,000
Total diluted equity securities on issue at 29 November 2018	4,130,680,184
Total Equity Securities issued in 12 months prior to the date of the Meeting as a percentage of total diluted equity securities on issue at 29 November 2018	0.4%

- (f) Compliance with ASX Listing Rules 7.1A.4 and 3.10.5A

When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it will give to ASX:

- (i) a list of the recipients of the Equity Securities and the number of Equity Securities allotted to each (not for release to the market), in accordance with ASX Listing Rule 7.1A.4; and
- (ii) the information required by ASX Listing Rule 3.10.5A for release to the market.

10.4 Voting Exclusion

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 9.

10.5 Directors Recommendation

The Directors recommend that Shareholders vote in favour of Resolution 9.

The Chairman intends to vote undirected proxies in favour of Resolution 9.

Glossary

In this Explanatory Memorandum and the Notice of Meeting:

AUD, \$, AU\$ are references to the Australian Dollar;

Annual General Meeting or **Meeting** means the annual general meeting of the Company to be convened by this Notice of Meeting (unless the context otherwise requires);

Associate(s) has the meaning given in the Corporations Act;

ASX means the Australian Securities Exchange or ASX Limited ACN 008 624 691;

Board means the board of Directors of the Company at the date of this Notice;

Chair means the chair of the Meeting;

Closely Related Party of a member of the Key Management Personnel for an entity, includes:

- i. a spouse or child of the member;
- ii. a child of the member's spouse;
- iii. a dependent of the member or of the member's spouse;
- iv. anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the entity;
- v. a company the member controls; or
- vi. a person prescribed as such by the *Corporations Regulations 2001* (Cth);

Company means AuStar Gold Limited ACN 107 180 441;

Consideration Shares means the 24,982,946 fully paid ordinary shares payable to the vendors of Centennial Mining Limited as part consideration for the acquisition by the Company of 100% of Centennial Mining Limited.

Constitution means the constitution of the Company in effect at the time of the Meeting;

Corporations Act means the *Corporations Act 2001* (Cth);

Directors means the directors of the Company being as at the date of this Notice of Meeting, being Frank Terranova, Matthew Gill, Christopher Wellesley, Philip Amery and Paul McNally;

Explanatory Memorandum means this explanatory memorandum that accompanies and forms part of the Notice of Meeting;

Financial Report means the 30 June 2019 financial report of the Company, a copy of which was lodged with ASX on 30 September 2019 under the announcement "Annual Financial Results";

Key Management Personnel means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise);

Listing Rules means the official Listing Rules of ASX;

Notice of Meeting means the notice of annual general meeting dated 20 October 2019 which this Explanatory Memorandum accompanies and in which the Resolutions are set out;

Proxy Form means a valid proxy form for this Annual General Meeting (unless the context otherwise requires);

Remuneration Report means the remuneration report of the Company for the year ended 30 June 2019 contained in the Financial Report;

Resolution or Resolutions means the resolutions referred to in the Notice of Meeting;

Share means a fully paid ordinary share in the Company;

Shareholder means a holder of Shares;

Spill Meeting has the meaning given in Resolution 1; and

Spill Resolution has the meaning given in Resolution 1.

SCHEDULE 1

TERMS OF OPTIONS ISSUED TO AMERY PARTNERS

1. Each option entitles the holder to one ordinary share in the Company.
2. The options shall have an exercise price of \$0.01 and an expiry of 30 September 2020, vesting immediately.
3. Options not exercised before the expiry of the exercise period will lapse.
4. Options are exercisable by notice in writing to the Board delivered to the registered office of the Company and payment of the exercise price per option in cleared funds.
5. The Company will apply to ASX for official quotation of the options.
6. The Company will make application for official quotation on ASX of new shares allotted on exercise of the options. Those shares will participate equally in all respects with existing issued ordinary shares, and new shares allotted on exercise of the options will qualify for dividends declared after the date of their allotment.
7. An option holder may only participate in new issues of securities to holders of ordinary shares in the Company if the option has been exercised and shares allotted in respect of the option before the record date for determining entitlements to the issue. The Company must give prior notice to the option holder of any new issue before the record date for determining entitlements to the issue in accordance with the ASX Listing Rules.
8. If there is a bonus issue to the holders of ordinary shares in the capital of the Company, the number of ordinary shares over which the option is exercisable will be increased by the number of ordinary shares which the holder of the option would have received if the option had been exercised before the record date for the bonus issue.
9. If, during the currency of the options the issued capital of the Company is reorganised, those options will be reorganised to the extent necessary to comply with ASX Listing Rule

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AUSTAR GOLD LIMITED

REGISTERED OFFICE:
PO BOX 208
SPRING HILL QLD 4004



ACN: 107 180 441

«EFT_REFERENCE_NUMBER»

«Holder_name»
«Address_line_1»
«Address_line_2»
«Address_line_3»
«Address_line_4»
«Address_line_5»

«Company_code» «Sequence_number»

SHARE REGISTRY:
Security Transfer Australia Pty Ltd
All Correspondence to:
PO BOX 52
Collins Street West VIC 8007
Suite 913, Exchange Tower
530 Little Collins Street
Melbourne VIC 3000
T: 1300 992 916
E: registrar@securitytransfer.com.au
W: www.securitytransfer.com.au

Code:

AUL

Holder Number:

«HOLDER_NUM

PROXY FORM

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK BROKER OR LICENSED PROFESSIONAL ADVISOR.

VOTE ONLINE

Lodge your proxy vote securely at www.securitytransfer.com.au
1. Log into the Investor Centre using your holding details.
2. Click on "Proxy Voting" and provide your Online Proxy ID to access the voting area.

«ONLINE

SECTION A: Appointment of Proxy

I/We, the above named, being registered holders of the Company and entitled to attend and vote hereby appoint:

☐

The meeting chairperson

OR

or failing the person named, or if no person is named, the Chairperson of the meeting, as my/our Proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the Proxy sees fit) at the Annual General Meeting of the Company to be held at 10:00am AEST on Friday 29 November 2019 at Level 14, 167 Eagle Street, Brisbane QLD and at any adjournment of that meeting.

SECTION B: Voting Directions

Please mark "X" in the box to indicate your voting directions to your Proxy. The Chairperson of the Meeting intends to vote undirected proxies in FAVOUR of all the resolutions. In exceptional circumstances, the Chairperson of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

RESOLUTION	For	Against	Abstain*		For	Against	Abstain*
1. Adoption of Remuneration Report (non-binding resolution)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7. Share Consolidation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Re-election of Director, Mr Frank Terranova	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	8. Approval to issue Consideration Shares to vendors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Re-election of Director, Mr Philip Amery	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9. Approval of additional 10% placement capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Re-election of Director, Mr Paul McNally	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
5. Re-election of Director, Lord Christopher Wellesley	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
6. Ratification of prior issue of Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

If no directions are given my proxy may vote as the proxy thinks fit or may abstain. * If you mark the Abstain box for a particular item, you are directing your Proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SECTION C: Signature of Security Holder(s)

This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Security Holder

Security Holder 2

Security Holder 3

Sole Director & Sole Company Secretary

Director

Director/Company Secretary

Proxies must be received by Security Transfer Australia Pty Ltd no later than 10:00am AEST on Wednesday 27 November 2019.



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My/Our contact details in case of enquiries are:

Name:

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Number:

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)

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1. NAME AND ADDRESS

This is the name and address on the Share Register of the Company. If this information is incorrect, please make corrections on this form. Shareholders sponsored by a broker should advise their broker of any changes. Please note that you cannot change ownership of your shares using this form.

2. APPOINTMENT OF A PROXY

If the person you wish to appoint as your Proxy is someone other than the Chairperson of the Meeting please write the name of that person in Section A. If you leave this section blank, or your named Proxy does not attend the meeting, the Chairperson of the Meeting will be your Proxy. A Proxy need not be a shareholder of the Company.

3. DIRECTING YOUR PROXY HOW TO VOTE

To direct the Proxy how to vote place an "X" in the appropriate box against each item in Section B. Where more than one Proxy is to be appointed and the proxies are to vote differently, then two separate forms must be used to indicate voting intentions.

4. APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two (2) persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second Proxy, an additional Proxy form may be obtained by contacting the Company's share registry or you may photocopy this form.

To appoint a second Proxy you must:

- On each of the Proxy forms, state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each Proxy may exercise, each Proxy may exercise half of your votes; and
- Return both forms in the same envelope.

5. SIGNING INSTRUCTIONS

Individual: where the holding is in one name, the Shareholder must sign.

Joint Holding: where the holding is in more than one name, all of the Shareholders must sign.

Power of Attorney: to sign under Power of Attorney you must have already lodged this document with the Company's share registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the Company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the Company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director may sign alone. Otherwise this form must be signed by a Director jointly with either another Director or Company Secretary. Please indicate the office held in the appropriate place.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be lodged with the Company before the meeting or at the registration desk on the day of the meeting. A form of the certificate may be obtained from the Company's share registry.

6. LODGEMENT OF PROXY

Proxy forms (and any Power of Attorney under which it is signed) must be received by Security Transfer Australia Pty Ltd no later than the date and time stated on the form overleaf. Any Proxy form received after that time will not be valid for the scheduled meeting.

The proxy form does not need to be returned to the share registry if the votes have been lodged online.

Security Transfer Australia Pty Ltd

Online www.securitytransfer.com.au

Postal Address PO BOX 52
Collins Street West VIC 8007

Street Address Suite 913, Exchange Tower
530 Little Collins Street
Melbourne VIC 3000

Telephone 1300 992 916

Facsimile +61 8 9315 2233

Email registrar@securitytransfer.com.au

PRIVACY STATEMENT

Personal information is collected on this form by Security Transfer Australia Pty Ltd as the registrar for securities issuers for the purpose of maintaining registers of security holders, facilitating distribution payments and other corporate actions and communications. Your personal details may be disclosed to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Security Transfer Australia Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.