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Dear Optionholder

### Entitlement Offer - Information for Optionholders

AuStar Gold Limited (**AuStar**) today lodged its Prospectus (**Prospectus**) with ASIC and ASX for a pro-rata, non-renounceable entitlement offer (**Entitlement Offer**) of 1 new fully paid ordinary share in the Company (**New Shares**) for every 2 Shares held by Eligible Shareholders on the Record Date (7.00pm AEDT on 17 December 2019), at an issue price of \$0.30 per New Share (**Offer Price**) together with 1 Option for every 3 New Shares exercisable at \$0.60 (**New Option**) and expiring 30 June 2022 (**New Option Expiry Date**) to raise up to approximately \$5,085,545 (before costs).

Details of the Entitlement Offer are set out in the Prospectus and terms used in this letter are as defined in the Prospectus. The Prospectus also includes the following Offers, in addition to the Entitlement Offer:

- an offer to certain sophisticated, institutional and/or professional investors to apply for up to \$2,500,000 worth of New Shares at the Offer Price plus one free attaching New Option for every three Placement Shares applied for as announced to ASX on 5 December 2019 (**Placement Offer**);
- an offer to Avior Consulting and Gandel Metals to apply for up to a combined amount of \$900,000 worth of New Shares at the Offer Price plus one free attaching New Option for every three Shares applied for (**Subscription Offer**); and
- an offer of the Entitlement Offer Shortfall Shares, if any, on the same terms as the Offer sophisticated, institutional and/or professional investors (Shortfall Offer).

Under the Entitlement Offer, every Eligible Shareholder who is registered as the holder of AuStar Shares at 7.00 pm (Melbourne time) on 17 December 2019 (**Record Date**) will be entitled to participate in the Entitlement Offer in respect of the number of AuStar shares for which that person is then registered as the holder.

Accordingly, to be eligible to participate in the Entitlement Offer in respect of the AuStar shares to be issued on exercise of the AuStar options you hold, you must exercise those AuStar options and be registered as the holder of the underlying AuStar shares before the Record Date.

The purpose of this letter is to advise you of the Entitlement Offer and to give you adequate opportunity to exercise some or all of your AuStar options so that you may be registered as the holder of the underlying AuStar shares before the Record Date so that you may participate in the Entitlement Offer.

To exercise some or all of your AuStar options you will need to give notice in writing to AuStar in accordance with the terms and conditions of issue of those AuStar options together with payment of the exercise price for each AuStar option exercised.

You are encouraged to read the Prospectus relating to the Entitlement Offer documents before exercising any of your AuStar options.

Yours faithfully

A handwritten signature in blue ink, appearing to read 'Frank Terranova', followed by a long horizontal line.

**Frank Terranova**

Chairman

AuStar Gold Limited