

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

AUSTAR GOLD LIMITED

ABN

70 107 180 441

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

1 +Class of +securities issued or to be issued

A. Fully Paid Ordinary Shares

B. Options with an exercise price of \$0.60 and an expiry date of 30 June 2022.

+ See chapter 19 for defined terms.

- 2 Number of +securities issued or to be issued (if known) or maximum number which may be issued

A. Fully Paid Ordinary Shares

Up to 28,285,150 fully paid ordinary shares comprising up to the following number of shares for each of the Offers pursuant to the Prospectus dated 12 December 2019:

- i. 16,951,815 fully paid ordinary shares to be issued pursuant to the Entitlement Offer.
- ii. 8,333,334 fully paid ordinary shares to be issued pursuant to the Placement Offer.
- iii. 3,000,001 fully paid ordinary shares to be issued pursuant to the Subscription Offer.

B. Options with an exercise price of \$0.60 and an expiry date of 30 June 2022.

Up to 10,539,495 options comprising up to the following number of shares for each of the Offers pursuant to the Prospectus dated 12 December 2019:

- i. 5,650,605 options to be issued pursuant to the Entitlement Offer.
- ii. 2,777,778 options to be issued pursuant to the Placement Offer.
- iii. 1,000,001 options be issued pursuant to the Subscription Offer.
- iv. 1,111,111 options in part satisfaction of the fee payable to the Underwriter.

+ See chapter 19 for defined terms.

- 3 Principal terms of the
+securities (e.g. if options,
exercise price and expiry date; if
partly paid +securities, the
amount outstanding and due
dates for payment; if
+convertible securities, the
conversion price and dates for
conversion)

A. Fully Paid Ordinary Shares

- B. Options with an exercise price of
\$0.60 and an expiry date of 30 June
2022.**

+ See chapter 19 for defined terms.

<p>4 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>A. Fully Paid Ordinary Shares</p> <p>The Shares issued will rank pari passu with the existing fully paid ordinary shares on issue.</p> <p>B. Options with an exercise price of \$0.60 and an expiry date of 30 June 2022.</p> <p>Upon the exercise of the options, the Shares issued will rank pari passu with the existing fully paid ordinary shares on issue.</p>
<p>5 Issue price or consideration</p>	<p>A. Fully Paid Ordinary Shares</p> <p>The fully paid ordinary shares have an issue price of \$0.30 per share to raise up to \$8,485,545.</p> <p>B. Options with an exercise price of \$0.60 and an expiry date of 30 June 2022.</p> <p>Options are issued as free attaching options to shares allotted under the Offers.</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Funds raised from the Offers will be used to contribute \$2.4M to the completion of the DOCA, with the balance of funds to be used for capital development at the A1 mine including a two-level decline development, capital improvements at both the Maldon and Morning Star processing plants, in-mine resource drilling, regional exploration, working capital and transaction costs and potential further growth initiatives.</p> <p>Further information on the Use of Funds is set out in section 4.2 of the Prospectus dated 12 December 2019.</p>

+ See chapter 19 for defined terms.

6a	Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A? If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i	Yes
6b	The date the security holder resolution under rule 7.1A was passed	29 November 2019
6c	Number of +securities issued without security holder approval under rule 7.1	Nil
6d	Number of +securities issued with security holder approval under rule 7.1A	Nil

+ See chapter 19 for defined terms.

6e Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)

The following securities will be issued subject to Shareholder approval being received at an Extraordinary General Meeting of Shareholders to be held on 13 January 2020.

A. Fully Paid Ordinary Shares

Up to 11,333,335 fully paid ordinary shares comprising up to the below mentioned number of shares pursuant to the following offers :

- i. 8,333,334 fully paid ordinary shares to be issued pursuant to the Placement Offer.
- ii. 3,000,001 fully paid ordinary shares to be issued pursuant to the Subscription Offer.

B. Options with an exercise price of \$0.60 and an expiry date of 30 June 2022.

Up to 4,888,890 options comprising up to the below mentioned number of options pursuant to the following Offers:

- i. 2,777,778 options to be issued pursuant to the Placement Offer.
- ii. 1,000,001 options be issued pursuant to the Subscription Offer.
- iii. 1,111,111 options be issued in part satisfaction of fee payable to the Underwriter.

+ See chapter 19 for defined terms.

6f	Number of +securities issued under an exception in rule 7.2	<p>The following securities are being issued pursuant to a pro-rata Entitlement Offer (Exception 1)</p> <p>A. Fully Paid Ordinary Shares</p> <p>16,951,815 fully paid ordinary shares to be issued pursuant to the 1 for 2 non-renounceable pro-rata Entitlement Offer.</p> <p>B. Options with an exercise price of \$0.60 and an expiry date of 30 June 2022.</p> <p>5,650,605 options to be issued pursuant to the Entitlement Offer (eligible participants will be entitled to receive 1 option for every 3 shares allotted to them under the Entitlement Offer).</p>
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	N/a
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/a
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	<p>Listing Rule 7.1 – 9,328,317</p> <p>Listing Rule 7.1A – 6,218,878</p> <p>The above assume that the maximum number of shares is issued under each of the Offers.</p>

+ See chapter 19 for defined terms.

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7 +Issue dates

Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.

Cross reference: item 33 of Appendix 3B.

It is anticipated that the securities will be issued on 14 January 2020.

8 Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)

Number	+Class
62,188,780	Fully paid ordinary shares (including up to 28,285,148 fully paid ordinary shares to be issued pursuant to the Offers)
3,276,982	Listed Options – Exercise price of \$1.00 expiring 30 September 2020.
10,539,495	Listed Options – Exercise price of \$0.60 expiring 30 June 2022 (being the Options to be issued pursuant to the Offers and in part satisfaction of the fee payable to the Underwriter).

+ See chapter 19 for defined terms.

	Number	+Class
9	Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	<p>Unlisted Options</p> <p>300,000 Exercise at \$0.018 cents each expiring 8 September 2021.</p> <p>150,000 Exercise at \$0.02 cents each expiring 30 November 2021.</p> <p>Unlisted Performance Rights</p> <p>150,000 Class B expiring 31 December 2019</p> <p>500,000 Series 1 expiring 28 September 2022</p> <p>500,000 Series 2 expiring 28 September 2022</p>
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/a

Part 2 - Pro rata issue

11	Is security holder approval required?	No
12	Is the issue renounceable or non-renounceable?	Non-renounceable
13	Ratio in which the +securities will be offered	1 for 2
14	+Class of +securities to which the offer relates	Fully paid ordinary shares
15	+Record date to determine entitlements	7.00pm, 18 December 2019

+ See chapter 19 for defined terms.

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16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/a
17	Policy for deciding entitlements in relation to fractions	Fractional entitlements will be rounded up
18	<p>Names of countries in which the entity has security holders who will not be sent new offer documents</p> <p>Note: Security holders must be told how their entitlements are to be dealt with.</p> <p>Cross reference: rule 7.7.</p>	All countries other than Australia and New Zealand
19	Closing date for receipt of acceptances or renunciations	5.00pm 9 January 2020

+ See chapter 19 for defined terms.

20	Names of any underwriters	Claymore Capital Pty Ltd
21	Amount of any underwriting fee or commission	<i>The Underwriter is entitled to a management fee of \$50,000 plus GST and an underwriting fee of \$50,000. The Company has also agreed to issue to the Underwriter or its nominee 1 free option for every 3 Underwritten Shortfall Shares that are issued to the Underwriter (or its nominees).</i>
22	Names of any brokers to the issue	EL&C Baillieu are the Lead Manager for the Placement Offer
23	Fee or commission payable to the broker to the issue	3% of funds raised under the Placement Offer
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	N/a
25	If the issue is contingent on security holders' approval, the date of the meeting	N/a
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	19 December 2019
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	12 December 2019
28	Date rights trading will begin (if applicable)	N/a
29	Date rights trading will end (if applicable)	N/a
30	How do security holders sell their entitlements <i>in full</i> through a broker?	N/a
31	How do security holders sell <i>part</i> of their entitlements through a	N/a

+ See chapter 19 for defined terms.

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broker and accept for the balance?

32 How do security holders dispose of their entitlements (except by sale through a broker)?

N/a

33 ⁺Issue date

14 January 2020

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of ⁺securities
(tick one)

(a) ☒ ⁺Securities described in Part 1

(b) ☐ All other ⁺securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 ☐ If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders

36 ☐ If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories

1 - 1,000

1,001 - 5,000

5,001 - 10,000

10,001 - 100,000

100,001 and over

37 ☐ A copy of any trust deed for the additional ⁺securities

⁺ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

38	Number of +securities for which +quotation is sought	N/A	
39	+Class of +securities for which quotation is sought	N/A	
40	<p>Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	N/A	
41	<p>Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another +security, clearly identify that other +security)</p>	N/A	
42	Number and +class of all +securities quoted on ASX (including the +securities in clause 38)	Number	+Class
		N/A	

+ See chapter 19 for defined terms.

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here: Date: 16 December 2019
(Company secretary)

Print name: Sue-Ann Higgins.....
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+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	33,903,630 (after consolidation)
Add the following: <ul style="list-style-type: none"> Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval Number of partly paid +ordinary securities that became fully paid in that 12 month period Note: <ul style="list-style-type: none"> Include only ordinary securities here – other classes of equity securities cannot be added Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed It may be useful to set out issues of securities on different dates as separate line items 	16,951,815 shares pursuant to Entitlement Offer 8,333,334 shares pursuant to Placement Offer 3,000,001 shares pursuant to Subscription Offer
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	NIL
“A”	62,188,780 on completion of the Offers

+ See chapter 19 for defined terms.

Step 2: Calculate 15% of "A"	
"B"	0.15 <i>[Note: this value cannot be changed]</i>
Multiply "A" by 0.15	9,328,317
Step 3: Calculate "C", the amount of placement capacity under rule 7.1 that has already been used	
<p>Insert number of ⁺equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	Nil
"C"	Nil
Step 4: Subtract "C" from ["A" x "B"] to calculate remaining placement capacity under rule 7.1	
<p>"A" x 0.15</p> <p><i>Note: number must be same as shown in Step 2</i></p>	9,328,317
<p>Subtract "C"</p> <p><i>Note: number must be same as shown in Step 3</i></p>	Nil
Total ["A" x 0.15] – "C"	<p>9,328,317</p> <p><i>[Note: this is the remaining placement capacity under rule 7.1 assuming completion of the Offers]</i></p>

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	62,188,780 on completion of the Offers
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	6,218,878
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A <i>Notes:</i> <ul style="list-style-type: none"> • This applies to equity securities – not just ordinary securities • Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed • Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained • It may be useful to set out issues of securities on different dates as separate line items 	NIL
“E”	Nil

+ See chapter 19 for defined terms.

Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	6,218,878
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	Nil
Total [“A” x 0.10] – “E”	6,218,878 <i>Note: this is the remaining placement capacity under rule 7.1A assuming completion of the offers</i>

+ See chapter 19 for defined terms.