

AUSTAR GOLD LIMITED

ACN 107 180 441

NOTICE OF EXTRAORDINARY GENERAL MEETING

EXPLANATORY MEMORANDUM

PROXY FORM

Date of Meeting

Friday, 26 June 2020

Time of Meeting

11.00 am (Australian Eastern Standard time)

Via Audio

Conferencing

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.

NOTICE OF GENERAL MEETING

Notice is hereby given that a General Meeting (**Meeting**) of the Shareholders of AuStar Gold Limited ACN 107 180 441 (**Company**) will be held on Friday, 26 June 2020 via an audio conference, commencing at 11.00 am (Australian Eastern Standard time).

Due to the current COVID-19 related restrictions on public gatherings the Meeting will be held online utilising audio conference technology. Recent temporary changes to the Corporations Act provide for the holding of a meeting via teleconference provided it gives all Shareholders a reasonable opportunity to participate without being physically present in the same place. Shareholders participating in the Meeting via teleconference are taken to be present.

Shareholders wishing to join the meeting must register by sending an email to info@austargold.com utilising the email subject "EGM Registration". Information on how to join the meeting will then be provided via return email on 25 June. Information on how to ask questions and vote will be provided at point of dial-in prior to the meeting.

Shareholders are invited to lodge questions in advance of the Meeting by sending an email containing their question(s) to info@austargold.com to ensure they are received by no later than 5.00pm, 25 June 2020. Please use the email subject "June EGM Question". As many of the emailed questions as possible will be addressed during the Meeting. Shareholders in attendance at the Meeting will also be provided with the opportunity to ask questions.

All resolutions at the Meeting will be decided on a poll. Shareholders are encouraged to record their vote by proxy in advance of the meeting using the personalized Proxy Form enclosed with this Notice. Further details on how to vote via Proxy are set out in this Notice, following the description of the items of business. Shareholders in attendance at the Meeting will be asked to register when joining the Meeting and will then be provided with an opportunity to vote on each resolution.

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.

Resolutions

ORDINARY BUSINESS

Resolutions

1. Approval to issue Convertible Notes and New Options to Amery Partners Pty Ltd

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

"That for the purpose of Listing Rule 10.11 and for all other purposes, shareholder approval is given to:

- (a) the issue of 506 Convertible Notes to Amery Partners Pty Ltd;*
- (b) the resultant issue of the Maximum Number of 270,202 Shares to Amery Partners Pty Ltd under the Convertible Note Agreement; and*
- (c) the issue of 101,010 New Options to Amery Partners Pty Ltd on the terms and conditions set out in the Explanatory Statement."*

Voting Exclusion: The Company will disregard any votes cast (in any capacity) in favour of Resolution 1 by or on behalf of any of the following persons:

- (a) Amery Partners Pty Ltd, Mr Philip Amery and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the entity); or
- (b) an associate of that person or those persons.

However, this does not apply to a vote cast in favour of a resolution by:

- (c) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (d) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (e) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

2. Approval to issue Convertible Notes and New Options to McNally Clan Super

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

"That for the purpose of Listing Rule 10.11 and for all other purposes, shareholder approval is given to:

- (d) the issue of 2,650 Convertible Notes to McNally Clan Super;*
- (e) the resultant issue of the Maximum Number of 1,417,749 Shares to McNally Clan Super under the Convertible Note Agreement; and*
- (f) the issue of 530,000 New Options to McNally Clan Super, on the terms and conditions set out in the Explanatory Statement."*

Voting Exclusion: The Company will disregard any votes cast (in any capacity) in favour of Resolution 2 by or on behalf of any of the following persons:

- (a) McNally Clan Super, Mr Paul McNally and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the entity); or
- (b) an associate of that person or those persons.

However, this does not apply to a vote cast in favour of a resolution by:

- (c) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (d) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (e) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

3. Approval to issue Convertible Notes and New Options to M&C Gill SMSF

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

"That for the purpose of Listing Rule 10.11 and for all other purposes, shareholder approval is given to:

- (g) the issue of 90 Convertible Notes to M&C Gill SMSF;*

- (h) *the resultant issue of the Maximum Number of 48,150 Shares to M&C Gill SMSF under the Convertible Note Agreement; and*
- (i) *the issue of 18,000 New Options to M&C Gill SMSF, on the terms and conditions set out in the Explanatory Statement."*

Voting Exclusion: The Company will disregard any votes cast (in any capacity) in favour of Resolution 3 by or on behalf of any of the following persons:

- (a) M&C Gill SMSF, Mr Matthew Gill and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the entity); or
- (b) an associate of that person or those persons.

However, this does not apply to a vote cast in favour of a resolution by:

- (c) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (d) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (e) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

4. Ratification of prior agreement to issue Convertible Notes and consequential issue of Shares

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

"That for the purpose of Listing Rule 7.4 and for all other purposes, shareholder approval is given to the prior agreement to issue 14,000 Convertible Notes to sophisticated and institutional investors and to the issue of the Maximum Number of 7,113,577 Shares under the Convertible Note Agreements, on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion: The Company will disregard any votes cast (in any capacity) in favour of Resolution 4 by or on behalf of any of the following persons:

- (a) a person who is expected to participate in the issue of the securities; or
- (b) an associate of that person or those persons.

However, this does not apply to a vote cast in favour of a resolution by:

- (c) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (d) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (e) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

5. Approval to issue New Options

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

"That for the purpose of Listing Rule 7.1 and for all other purposes, shareholder approval is given to the issue of 2,800,000 New Options to sophisticated and institutional investors, on the basis set out in the Explanatory Memorandum."

Voting Exclusion: The Company will disregard any votes cast (in any capacity) in favour of Resolution 5 by or on behalf of any of the following persons:

- (f) a person who is expected to participate in, or who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the entity); or
- (g) an associate of that person or those persons.

However, this does not apply to a vote cast in favour of a resolution by:

- (h) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (i) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (j) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (iii) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (iv) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

ATTENDANCE AND VOTING INSTRUCTIONS

Due to the current COVID-19 related restrictions on public gatherings the Meeting will be held online utilising audio conference technology. Recent temporary changes to the Corporations Act provide for the holding of a meeting via teleconference provided it gives all Shareholders a reasonable opportunity to participate without being physically present in the same place. Shareholders participating in the Meeting via teleconference are taken to be present.

Shareholders wishing to join the meeting must register by sending an email to info@austargold.com utilising the email subject "EGM Registration". Information on how to join the meeting will then be provided via return email on 25 June.

Shareholders are invited to lodge questions in advance of the Meeting by sending an email containing their question(s) to info@austargold.com to ensure they are received by no later than 5.00pm, 25 June 2020. Please use the email subject "June EGM Question". As many of the emailed questions as possible will be addressed during the Meeting. Shareholders in attendance at the Meeting will also be provided with the opportunity to ask questions via the audio conference questions and answers process.

All resolutions at the Meeting will be decided on a poll. Shareholders are therefore strongly encouraged to lodge directed proxies in advance of the Meeting. Upon a poll, every person who has lodged a proxy or will be voting in real time, will have one vote for each Share held by that person.

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 11.00 am (Australian Eastern Daylight Savings time) on Wednesday 24 June 2020 shall, for the purposes of the Meeting, be entitled to vote at the Meeting.

Voting by proxy must utilise the personalized Proxy Form enclosed with this Notice. To be valid, the Proxy Form must be completed, signed and returned in accordance with the instructions set out on the Proxy Form. Completed Proxy Forms must be received by the Company's share registry by no later than 11.00am (Australian Eastern Daylight Savings time) on Wednesday 24 June 2020 being 48 hours prior to the commencement of the Meeting.

All resolutions at the Meeting will be decided on a poll. Shareholders are encouraged to record their vote by proxy in advance of the meeting using the personalized Proxy Form enclosed with this Notice. Further details on how to vote via Proxy are set out in this Notice, following the description of the items of business. Shareholders in attendance at the Meeting will be asked to provide shareholder details when joining the Meeting and will then be provided with an opportunity to vote on each resolution.

Due to current COVID-19 related restrictions on public gatherings, proxies will not be able to physically attend the Meeting. Accordingly, Shareholders entitled to vote may only appoint the Chairman as their proxy for this Meeting.

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.

If a proxy is instructed to abstain from voting on an item of business, the shares that are the subject of the proxy appointment will not be counted in calculating the required majority for that item of business.

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

If a proxy form is returned nominating a proxy other than the Chair of the meeting, the Chair of the meeting will act in place of the nominated proxy and vote in accordance with any instructions.

The proxy form must be signed by the member or his/her attorney duly authorized in writing, or if the shareholder is a corporation, in a manner permitted by the Corporations Act or in accordance with the laws of that corporation's place of incorporation.

Shareholders are invited to contact AuStar Gold via email or on 5777 8268 if they have any queries in respect of the matters set out in these documents.

DATED 1 June 2020

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



**PHILIP AMERY
CHAIRMAN**

EXPLANATORY MEMORANDUM

IMPORTANT NOTICE

This Explanatory Memorandum forms part of the Notice convening the Extraordinary General Meeting of Shareholders of AuStar Gold Limited to be held on 26 June 2020 at 11.00 am (Australian Eastern Daylight 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.

BACKGROUND

On 3 April 2020, the Company announced that it had completed the issue of Convertible Notes raising \$1,400,000 (before costs) (**Capital Raising**).

The funds raised are to be used for mine productivity enhancements, in-mine drilling programs, processing enhancements and working capital purposes.

The Convertible Notes were offered to sophisticated, professional and other investors (**Note Holders**) who qualified under section 708 of the Corporations Act 2001 (Cth) (Corporations Act) and included entities associated with Mr Philip Amery, Mr Paul McNally and Mr Matthew Gill, directors of the Company (**Participating Directors**) for the following amounts:

Mr Philip Amery	\$50,505
Mr Paul McNally	\$265,000
Mr Matthew Gill	\$9,000

Each Convertible Note:

- has a face value of \$100;
- bears interest at 7% per annum, payable quarterly in arrears;
- is an unsecured obligation of the Company, subordinated to any senior debt;
- may be converted at the election of the Note Holder prior to 31 March 2021 (the **Maturity Date**) into Shares at an issue price of 20 cents per Share; and
- at the election of the Note Holder is repayable in cash or convertible into shares on the Maturity Date at 80% of the average daily VWAP during the 30 Trading Days prior to that date.

The Convertible Notes will not be quoted or tradable on the ASX.

The terms and conditions of the Convertible Notes are set out in Convertible Note Agreements entered into by the Company and each Note Holder. A summary of these terms and conditions is set out in Schedule 1 to this Explanatory Memorandum.

Under the terms and conditions of the Convertible Note Agreements, each Note Holder has the option to convert any Amount Outstanding under the Convertible Notes into Shares at an issue price of 20 cents per Share. The Amount Outstanding includes the total aggregate Face Value of the outstanding Convertible Notes together with all accrued and unpaid Interest. Accordingly, for the purpose of the Resolutions, the Maximum Number of Shares which may be issued upon conversion of the Convertible Notes has been calculated to include all Interest payable in respect of those Convertible Notes for the full term of the Convertible Notes.

The issue of Convertible Notes and grant of the rights of conversion to the Participating Directors, and the issue of the Maximum Number of Shares under the related Convertible Note Agreements, are subject to and conditional upon approval of the shareholders of the Company in accordance with Resolutions 1, 2 and 3.

Resolution 4 seeks shareholder ratification of the prior agreement to issue Convertible Notes to the other Note Holders and to the issue of the Maximum Number of Shares under the related Convertible Note Agreements.

Subject to and conditional upon shareholder approval pursuant to Resolution 5, the Company has agreed that each Note Holder will receive 200 options for each Convertible Note issued to them, exercisable at 20 cents per option on or before 30 June 2021 (*New Options*). The terms and conditions of the New Options are set out in Schedule 2 to this Explanatory Memorandum.

DETAILS OF THE RESOLUTIONS

ORDINARY BUSINESS

1. Resolution 1 – Approval to issue Convertible Notes and New Options to Amery Partners Pty Ltd

1.1 Background

Resolution 1 seeks shareholder approval for the purpose of Listing Rule 10.11 and all other purposes for:

- (a) the issue of 506 Convertible Notes to Amery Partners Pty Ltd;
- (b) the resultant issue of the Maximum Number of 270,202 Shares to Amery Partners Pty Ltd under the Convertible Note Agreement; and
- (c) the issue of 101,010 New Options to Amery Partners Pty Ltd

Amery Partners Pty Ltd is a related party of Mr Philip Amery, a director of the Company.

The relevant interest of Mr Amery in securities of the Company prior to the issue of the Convertible Notes and his expected relevant interest assuming conversion of all of the Convertible Notes into Shares is set out in Schedule 3 to this Explanatory Memorandum.

1.2 Listing Rule Requirements

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue equity securities to:

- 10.11.1 a related party;
- 10.11.2 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company;
- 10.11.3 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so;
- 10.11.4 an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3; or
- 10.11.5 a person whose relationship with the company or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it obtains the approval of its shareholders.

The issue under Resolution 1 falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of Shareholders under Listing Rule 10.11.

If Resolution 1 is passed, Amery Partners Pty Ltd will hold:

- (a) 506 Convertible Notes, which may be converted at the election of Amery Partners Pty Ltd into a Maximum Number of 270,202 Shares at an issue price of 20 cents per Share; and
- (b) 101,010 New Options, exercisable at 20 cents per New Option on or before 30 June 2021.

If Resolution 1 is not passed then Amery Partners Pty Ltd will be unable to convert the 506 Convertible Notes into Shares and the face value of the Convertible Notes issued to Amery Partners Pty Ltd (being

\$50,505) will be repayable by the Company in cash on the Maturity Date.

Listing Rule 10.13 sets out a number of matters which must be included in a notice of meeting proposing an approval under Listing Rule 10.11.

For the purposes of Listing Rule 10.13, the following information is provided in relation to Resolution 1:

- (i) The securities will be issued to Amery Partners Pty Ltd
- (ii) Amery Partners Pty Ltd is a related party of Mr Philip Amery, a director of the Company and a related party of the Company under Listing Rule 10.11.1
- (iii) 506 Convertible Notes, which may be converted into the Maximum Number of 270,202 Shares in the Company and 101,010 New Options, being options to subscribe for fully paid ordinary shares in the Company, are to be issued
- (iv) The material terms of the Convertible Notes are set out in Schedule 1 to this Explanatory Memorandum and the material terms of the New Options are as set out in Schedule 2 to this Explanatory Memorandum
- (v) The Convertible Notes have been issued and the New Options will be issued not later than one month after the date of the Meeting. The grant of the rights of conversion to Amery Partners, and the exercise of such rights of conversion have not yet occurred and are subject to and conditional upon the approval of this resolution
- (vi) The Convertible Notes were issued for a total purchase price of \$50,505. There is no consideration for the New Options
- (vii) The purpose of the issue of the Convertible Notes is to raise funds to be used for mine productivity enhancements, in-mine drilling programs, processing enhancements and working capital purposes
- (viii) The issue is not intended to remunerate or incentivise the director
- (ix) A voting exclusion statement is included in the Notice of Meeting of which this Explanatory Memorandum forms part.

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 – Approval to issue Placement Shares and Placement Options to McNally Clan Super

2.1 Background

Resolution 2 seeks shareholder approval for the purpose of Listing Rule 10.11 and all other purposes for:

- (a) the issue of 2,650 Convertible Notes to McNally Clan Super;
- (b) the resultant issue of the Maximum Number of 1,417,749 Shares to McNally Clan Super under the Convertible Note Agreement; and
- (c) the issue of 530,000 New Options to McNally Clan Super.

McNally Clan Super, is an associate of Mr Paul McNally, a director and substantial shareholder of the Company.

The relevant interest of Mr McNally in securities of the Company prior to the issue of the Convertible Notes and his expected relevant interest assuming conversion of all of the Convertible Notes into Shares is set out in Schedule 3 to this Explanatory Memorandum.

2.2 Listing Rule Requirements

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue equity securities to:

- 10.11.1 a related party;
- 10.11.2 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company;
- 10.11.3 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so;
- 10.11.4 an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3; or
- 10.11.5 a person whose relationship with the company or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it obtains the approval of its shareholders.

The issue under Resolution 2 falls within Listing Rule 10.11.3 and 10.11.4 and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of Shareholders under Listing Rule 10.11.

If Resolution 2 is passed, McNally Clan Super will hold:

- (a) 2,650 Convertible Notes, which may be converted at the election of McNally Clan Super into the Maximum Number of 1,417,749 Shares at an issue price of 20 cents per Share; and
- (b) 530,000 New Options, exercisable at 20 cents per New Option on or before 30 June 2021.

If Resolution 2 is not passed then McNally Clan Super will be unable to convert the 2,650 Convertible Notes into Shares and the face value of the Convertible Notes issued to McNally Clan Super (being \$265,000) will be repayable by the Company in cash on the Maturity Date.

Listing Rule 10.13 sets out a number of matters which must be included in a notice of meeting proposing an approval under Listing Rule 10.11.

For the purposes of Listing Rule 10.13, the following information is provided in relation to Resolution 2:

- (i) The securities will be issued to McNally Clan Super
- (ii) McNally Clan Super is an associate under Listing Rule 10.11.4 of Mr Paul McNally, a director and related party of the Company under Listing Rule 10.11.1 and a substantial holder of more than 10% of the Company under Listing Rule 10.11.3
- (iii) 2,650 Convertible Notes, which may be converted into the Maximum Number of 1,417,749 Shares in the Company and 530,000 New Options, being options to subscribe for fully paid ordinary shares in the Company, are to be issued
- (iv) The material terms of the Convertible Notes are set out in Schedule 1 to this Explanatory Memorandum and the material terms of the New Options are as set out in Schedule 2 to this Explanatory Memorandum
- (v) The Convertible Notes have been issued and the New Options will be issued not later than one month after the date of the Meeting. The grant of the rights of conversion to McNally Clan Super, and the exercise of such rights of conversion have not yet occurred and are subject to and conditional upon the approval of this resolution

- (vi) The Convertible Notes were issued for a total purchase price of \$265,000. There is no consideration for the New Options
- (vii) The purpose of the issue of the Convertible Notes is to raise funds to be used for mine productivity enhancements, in-mine drilling programs, processing enhancements and working capital purposes
- (viii) The issue is not intended to remunerate or incentivise the director
- (ix) A voting exclusion statement is included in the Notice of Meeting of which this Explanatory Memorandum forms part.

2.3 Board Recommendation

The Board unanimously recommends that Shareholders vote **FOR** Resolution 2.

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

3. Resolution 3 – Approval to issue Placement Shares and Placement Options to M&C Gill SMSF

3.1 Background

Resolution 3 seeks shareholder approval for the purpose of Listing Rule 10.11 and all other purposes for:

- (a) the issue of 90 Convertible Notes to M&C Gill SMSF;
- (b) the resultant issue of the Maximum Number of 48,150 Shares to M&C Gill SMSF under the Convertible Note Agreement; and
- (c) the issue of 18,000 New Options to M&C Gill SMSF.

M&C Gill SMSF, is an associate of Mr Matthew Gill, a director of the Company.

The relevant interest of Mr Gill in securities of the Company prior to the issue of the Convertible Notes and his expected relevant interest assuming conversion of all of the Convertible Notes into Shares is set out in Schedule 3 to this Explanatory Memorandum.

3.2 Listing Rule Requirements

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue equity securities to:

- 10.11.1 a related party;
- 10.11.2 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company;
- 10.11.3 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so;
- 10.11.4 an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3; or
- 10.11.5 a person whose relationship with the company or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it obtains the approval of its shareholders.

The issue under Resolution 3 falls within Listing Rule 10.11.4 and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of Shareholders under Listing Rule 10.11.

If Resolution 3 is passed, M&C Gill SMSF will hold:

- (a) 90 Convertible Notes, which may be converted at the election of M&C Gill SMSF into the Maximum

- Number of 48,150 Shares at an issue price of 20 cents per Share; and
(b) 18,000 New Options, exercisable at 20 cents per New Option on or before 30 June 2021.

If Resolution 3 is not passed then M&C Gill SMSF will be unable to convert the 90 Convertible Notes into Shares and the face value of the Convertible Notes issued to M&C Gill SMSF (being \$9,000) will be repayable by the Company in cash on the Maturity Date.

Listing Rule 10.13 sets out a number of matters which must be included in a notice of meeting proposing an approval under Listing Rule 10.11.

For the purposes of Listing Rule 10.13, the following information is provided in relation to Resolution 3:

- (i) The securities will be issued to M&C Gill SMSF
- (ii) M&C Gill SMSF is an associate under Listing Rule 10.11.4 of Mr Matthew Gill, a director and related party of the Company under Listing Rule 10.11.1
- (iii) 90 Convertible Notes, which may be converted into the Maximum Number of 48,150 Shares in the Company and 18,000 New Options, being options to subscribe for fully paid ordinary shares in the Company, are to be issued
- (iv) The material terms of the Convertible Notes are set out in Schedule 1 to this Explanatory Memorandum and the material terms of the New Options are as set out in Schedule 2 to this Explanatory Memorandum
- (v) The Convertible Notes have been issued and the New Options will be issued not later than one month after the date of the Meeting. The grant of the rights of conversion to M&C Gill SMSF, and the exercise of such rights of conversion have not yet occurred and are subject to and conditional upon the approval of this resolution
- (vi) The Convertible Notes were issued for a total purchase price of \$9,000. There is no consideration for the New Options
- (vii) The purpose of the issue of the Convertible Notes is to raise funds to be used for mine productivity enhancements, in-mine drilling programs, processing enhancements and working capital purposes
- (viii) The issue is not intended to remunerate or incentivise the director
- (ix) A voting exclusion statement is included in the Notice of Meeting of which this Explanatory Memorandum forms part.

3.3 Board Recommendation

The Board unanimously recommends that Shareholders vote **FOR** Resolution 3.

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

4. Resolution 4 - Ratification of prior agreement to issue Convertible Notes and consequential issue of Shares

4.1 Background

Resolution 4 seeks shareholder approval for the purpose of Listing Rule 7.4 to the prior agreement to issue 10,755 Convertible Notes to sophisticated and institutional investors under the Capital Raising (being the balance of the Convertible Notes to be issued under the Capital Raising after deducting the number of Convertible Notes to be issued to associates or related parties for which approval is sought under

Resolutions 1, 2 and 3) and to the issue of the Maximum Number of 5,377,476 Shares under the related Convertible Note Agreements.

4.2 Listing Rule Requirements

In summary, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the total number of fully paid ordinary shares it had on issue at the beginning of the 12 month period. In addition to the 15%, the Company's shareholders approved an additional placement capacity of 10% under Listing Rule 7.1A at its Annual General Meeting held on 29 November 2019 such that the Company has a combined placement capacity limit of 25%.

The agreement to issue the Convertible Notes under Resolution 4 does not fit within any of these exceptions and, as it has not yet been approved by Shareholders, the Maximum Number of Shares that can be issued under the Convertible Notes, being 5,377,476 Shares, effectively uses up a large proportion of the Company's placement capacity under Listing Rule 7.1 and Listing Rule 7.1A, reducing the Company's capacity to issue further securities without shareholder approval under Listing Rule 7.1 for the 12 month period following the issue date.

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

Resolution 4 therefore seeks Shareholder approval to the prior agreement to issue the 10,755 Convertible Notes and to the issue of the Maximum Number of 5,377,476 Shares under the terms of the related Convertible Note Agreements, under and for the purpose of Listing Rule 7.4.

If Resolution 4 is passed, the 10,755 Convertible Notes and the Maximum Number of 5,377,476 Shares which may be issued on the conversion of the Amounts Outstanding in respect of those Convertible Notes will not be counted as reducing the number of equity securities which the Company can issue without Shareholder approval under its 15% placement limit imposed by Listing Rule 7.1 and its additional 10% placement capacity under Listing Rule 7.1A, effectively increasing the number of securities the Company can issue without shareholder approval over the 12 month period following the date of this Meeting.

If Resolution 4 is not passed, the issue of the Convertible Notes and the Maximum Number of 5,377,476 Shares which may be issued on the conversion of the Amounts Outstanding in respect of those Convertible Notes will be included in calculating the Company's placement capacity under Listing Rule 7.1 and Listing Rule 7.1A, effectively decreasing the number of equity securities it can issue without shareholder approval over the 12 month period following the issue date.

The following information is provided in accordance with Listing Rule 7.5

- (i) The persons to whom the Company will issue the Placement Shares are certain sophisticated and institution investors identified or selected by the Company
- (ii) The Company has issued 10,755 Convertible Notes, which at the election of the Note Holders may be converted into the Maximum Number of 5,377,476 fully paid ordinary shares in the Company
- (iii) The material terms of the Convertible Notes are set out in Schedule 1 to this Explanatory Memorandum
- (iv) The Convertible Notes were issued on or about 3 April 2020
- (v) The Convertible Notes were issued for a total purchase price of \$1,075,495
- (vi) The purpose of the issue of the Convertible Notes is to raise funds to be used for mine

productivity enhancements, in-mine drilling programs, processing enhancements and working capital purposes

- (vii) The terms of the Convertible Note Agreements entered into by the Company and each Note Holder are summarised in Schedule 1
- (viii) A voting exclusion statement is included in the Notice of Meeting of which this Explanatory Memorandum forms part

4.3 Board recommendation

The Board unanimously recommends that Shareholders vote **FOR** Resolution 4.

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

5. Resolution 5 - Approval to issue New Options

5.1 Background

Resolution 5 seeks shareholder approval for the purpose of Listing Rule 7.1 to the issue of 2,800,000 New Options to the Note Holders referred to in Resolution 4.

5.2 Listing Rule Requirements

In summary, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the total number of fully paid ordinary shares it had on issue at the beginning of the 12 month period.

The issue of the New Options under Resolution 5 does not fit within any of these exceptions and, exceeds the Company's placement capacity under Listing Rule 7.1 therefore requiring Shareholder approval under Listing Rule 7.1.

Resolution 5 seeks the required Shareholder approval under and for the purposes of Listing Rule 7.1.

If Resolution 5 is passed, the issue of the New Options will not be counted as reducing the number of equity securities which the Company can issue without Shareholder approval under its 15% placement limit imposed by Listing Rule 7.1 and its additional 10% placement capacity under Listing Rule 7.1A, effectively increasing the number of securities the Company can issue without shareholder approval over the 12 month period following the issue date.

If Resolution 5 is not passed, the Company will not be able to issue the New Options as they exceed the Company's placement capacity under Listing Rule 7.1.

The following information is provided in accordance with Listing Rule 7.3

- (i) The persons to whom the Company will issue the New Options are certain sophisticated and institutional investors identified or selected by the Company to whom Convertible Notes have been issued
- (ii) The Company will issue 2,150,990 New Options, being options to acquire fully paid ordinary shares in the Company exercisable at \$0.20 and expiring 30 June 2021 on the terms set out in Schedule 2 to this Explanatory Memorandum
- (iii) The material terms of the New Options are set out in Schedule 2 to this Explanatory Memorandum
- (iv) The New Options are expected to be issued on 29 June 2020 and will be issued not later than three months after the date of the Meeting

- (v) There is no consideration for the New Options
- (vi) The purpose of the issue is to satisfy the Company's obligations to issue the New Options under the Capital Raising. No immediate funds will be raised by the issue of the New Options
- (vii) The securities are not being issued under, or to fund, a reverse takeover
- (viii) A voting exclusion statement is included in the Notice of Meeting of which this Explanatory Memorandum forms part

5.3 *Board recommendation*

The Board unanimously recommends that Shareholders vote **FOR** Resolution 5.

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

Glossary

In this Explanatory Memorandum and the Notice of Meeting:

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

Amount Outstanding means the aggregate total Face Values of outstanding Convertible Notes plus accrued and unpaid Interest

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

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

Audio Conference means a conference between multiple parties utilising telephones, mobiles or other devices

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

Capital Raising means the capital raising by way of issue of Convertible Notes by the Company raising \$1,400,000 (before costs), as announced to ASX on 3 April 2020

Chair means the chair of the Meeting

Company means AuStar Gold Limited ACN 107 180 441

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

Convertible Notes means the convertible notes with a face value of \$100 each issued by the Company under the Capital Raising on the terms and conditions set out in Schedule 1

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 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

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

Interest means interest at the rate of 7% calculated on daily balances on the basis of a 360 day year

Listing Rules means the official Listing Rules of ASX

Maturity Date means the maturity date of the Convertible Notes, being 31 March 2021

Maximum Number means the maximum number of Shares which may be issued on conversion of the Amount Outstanding under the terms of the relevant Convertible Note Agreement

McNally Clan Super means Mr Paul John McNally and Mrs Vivian McNally <McNally Clan Super Fund>

M&C Gill SMSF means Mr Matthew Gill and Mrs Carmel Gill <M&C Gill Super Fund A/c>

New Options means options to subscribe for Shares in the Company, exercisable at \$0.20 and expiring 30 June 2021, on the terms set out in Schedule 2

Note Holders means the holders of Convertible Notes

Notice of Meeting means the notice of extraordinary general meeting dated 26 June 2020 which this Explanatory Memorandum accompanies and in which the Resolutions are set out

Official Quotation means official quotation of the securities by ASX in accordance with the Listing Rules

Participating Directors means each of Mr Philip Amery, Mr Paul McNally and Mr Matthew Gill, being Directors of the Company who have participated in the Capital Raising

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

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

SCHEDULE 1

Terms of Convertible Notes

The following is a broad summary of the rights, privileges and restrictions attaching to the Convertible Notes as set out in Convertible Note Agreements entered into by the Company with each Note Holder. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of the Note Holders.

Maturity Date	31 March 2021
Maturity Price	80% of the average daily VWAP during the 30 Trading Date immediately prior to the Maturity Date
Face Value	\$100
Interest	Interest is payable at 7% per annum, will accrue daily and is payable quarterly in arrears commencing on and from 30 June 2020
Attaching Options	Subject to shareholder approval, each Note Holder will receive 200 options for each Convertible Note issued to them, exercisable at 20 cents per option on or before 30 June 2021
Early Conversion	A Note Holder may elect to convert all amounts outstanding in respect of the Convertible Notes held, including interest (Amount Outstanding), into Shares at the price of 20 cents per Share (Base Price) prior to the Maturity Date
Election at Maturity	On the Maturity Date, each Note Holder must elect whether to: <ul style="list-style-type: none"> - redeem the Amount Outstanding in cash; or - to convert the Amount Outstanding into Shares at the Maturity Price
Early Redemption by the Company	<p>Prior to the Maturity Date, the Company may redeem all outstanding Convertible notes for the 105% of Face Value (Redemption Amount) plus all accrued and unpaid interest owing at the date of redemption.</p> <p>Early redemption by the Company may only be given on the first Trading Day of a calendar month, where the 5 day VWAP for the 5 Trading Days prior to that date is less than the Base Price.</p>
Ranking	<p>The Convertible Notes constitute unsecured obligations of the Company; rank equally with all other unsecured obligations of the Company; and rank behind secured obligations of the Company.</p> <p>Shares issued upon conversion of the Convertible Notes will rank equally in all respects with existing ordinary shares of the Company.</p>
Quotation	<p>The Convertible Notes will not be listed on ASX.</p> <p>The Company will apply to the ASX for listing of all Shares issued upon conversion of the Convertible Notes.</p>
Shareholder Approval	<p>Shareholder Approval will be sought to issue of the Attaching Options for the purpose of Listing Rules 7.1 and for all other purposes.</p> <p>Where shareholder approval is required for the conversion of the Convertible Notes or issue of securities under the terms of the Convertible Notes, the Convertible Notes will not be able to be converted and the Securities will not be</p>

	issued, unless and until such approvals are obtained.
Warranties and Representations	The Company has provided representations and warranties to Note Holders usual in transactions of this nature.
Negative Covenants	<p>For so long as there is any Amount Outstanding the Company must not:</p> <ul style="list-style-type: none"> - consolidate its share capital; - change the nature of its business; - make an application under section 411 of the Corporations Act; or - grant any general Security Interest over all of its assets (excluding hire purchase of similar agreements or general Security Interests not exceeding \$500,000 in respect of ordinary working overdraft facilities or as required by law.
Default	<p>Events of Default include failure to pay moneys due, removal of the Company from listing on ASX, a change of control or the Company or material adverse effect occurring in relation to the Company's operations, assets, liabilities or business.</p> <p>Upon occurrence of an Event of Default a Note Holder, at its election, may redeem the Convertible Notes for the Redemption Amount or convert the Amount Outstanding into Shares at the Maturity Price.</p> <p>In the event that the Company fails to redeem or convert the Convertible Notes following an Event of Default, the Company has agreed to grant to Note Holders a Security Interest over the assets of the Company and all Group Companies securing repayment of the Amount Outstanding, with each Convertible Noteholder ranking equally with the others in terms of priority.</p>

SCHEDULE 2 – Terms of the New Options

The terms and conditions of each New Options are as follows:

- (a) Each Option entitles the holder to subscribe for one ordinary share in the Company upon exercise of the Option.
- (b) The Options are exercisable at any time prior to 7.00pm (AEST) on the Option Expiry Date of 30 June 2021.
- (c) Options not exercised on or before the Option Expiry Date will automatically lapse.
- (d) Each Option entitles the holder to subscribe for one Share upon payment of \$0.20 (20 cents) per Option.
- (e) The Options are exercisable wholly or in part by completing an option exercise form delivered to the Company's Share Registry, accompanied by payment of \$0.20 per Option and received by it any time on or before 7.00pm (AEST) on the Option Expiry date.
- (f) Shares issued on the exercise of the Options will rank pari-passu with existing Shares.
- (g) The Options will be unlisted.
- (h) The Company will make application for Official Quotation on ASX for any Shares allotted on exercise of the Options.
- (i) There will be no participating entitlements inherent in the Options to participate in new issues of capital which may be offered to Shareholders during the currency of the Options. An Option holder may only participate in new issues of securities to holders of 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 Listing Rules.
- (j) In the event the Company proceeds with a pro rata issue (except a bonus issue) of Shares to the holders of Shares after the date of issue of the Options, the exercise price of the Options will be adjusted in accordance with the formula set out in Listing Rule 6.22.2.
- (k) If there is a bonus issue to the holders of Shares, 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.
- (l) In the event of any re-organisation (including reconstructions, consolidations, subdivision, and reduction of capital) of the issued capital of the Company, the Options will be re-organised as required by the Listing Rules, but in all other respects the terms of exercise will remain unchanged.
- (m) The Options will not give any right to participate in dividends or vote on resolutions at general meetings of the Company until Shares are allotted pursuant to the exercise of the relevant Options.

SCHEDULE 3

The relevant interests of the Participating Directors in securities of the Company prior to issue of the Convertible Notes and the New Options are set out in the table below:

Director	Shares	% of issued share capital	Listed Options Expiring 30 September 2020	Unlisted Options Expiring 8 September 2021	Performance Rights
Mr Philip Amery	393,000	1.16%	80,000	Nil	Nil
Mr Paul McNally	4,243,547	12.52	346,668	Nil	Nil
Mr Matthew Gill	Nil	Nil	Nil	100,000	300,000

The participation of Participating Directors in the issue of Convertible Notes and New Options via their related parties is set out in the table below, which is subject to Shareholder approval under Resolutions 1, 2 and 3

Director	Convertible Notes	Shares*	New Options	Price
Mr Philip Amery	506	270,202	101,010	\$50,505.00
Mr Paul McNally	2,650	1,417,749	530,000	\$265,000.00
Mr Matthew Gill	90	48,150	18,000	\$9,000.00

*being the Maximum Number of Shares that may be issued under the relevant Convertible Note Agreement

The expected relevant interests of the Participating Directors referred to in Resolutions 1, 2 and 3 in Shares and Options in the Company assuming conversion of the Maximum Number of Shares in respect of all Convertible Notes are set out below:

Director	Shares post conversion	% of issued share capital post conversion	Options Expiring 30 September 2020	Options Expiring 8 September 2021	Performance Rights	New Options expiring 30 June 2021
Mr Philip Amery	663,202	1.62%	80,000	Nil	Nil	101,010
Mr Paul McNally	5,661,296	13.80%	346,668	Nil	Nil	530,000
Mr Matthew Gill	48,150	0.12%	Nil	100,000	300,000	18,000

This table assumes that no Options are exercised prior to the conversion of the Amounts Outstanding under the Convertible Notes.

Registration Card

The meeting will be held online via audio conference. Refer to Notice of Meeting for instruction on how to register, attend and participate in the meeting.

Holder Number:

Vote by Proxy: AUL

Your proxy voting instruction must be received by **11.00am (AEST) on Wednesday 24th June 2020**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY VOTE ONLINE

Vote online at <https://investor.automic.com.au/#/loginsah>

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting form.

- ✓ **Save Money:** help minimise unnecessary print and mail costs for the Company.
- ✓ **It's Quick and Secure:** provides you with greater privacy, eliminates any postal delays and the risk of potentially getting lost in transit.
- ✓ **Receive Vote Confirmation:** instant confirmation that your vote has been processed. It also allows you to amend your vote if required.



SUBMIT YOUR PROXY VOTE BY PAPER

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

VOTING UNDER STEP 1 - APPOINTING A PROXY

As proxies will be unable to physically attend the meeting, you may only appoint the Chair of the meeting as your proxy.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, the Chair will vote your undirected proxies in favour of each item of business. If you mark more than one box on an item your vote on that item will be invalid.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided

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 should sign.

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications dispatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to join the Meeting electronically the appropriate 'Appointment of Corporate Representative' form should be emailed to info@austargold.com with your request to register for the meeting. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

ATTENDING THE MEETING

In the interests of public health and safety of our Shareholders, the Company is **not able to allow Shareholders to physically attend the Shareholder Meeting**. Shareholders wishing to join the meeting electronically must register by sending an email to info@austargold.com.

POWER OF ATTORNEY

If a representative as power of attorney of a Shareholder of the Company is to join the Meeting electronically, a certified copy of the Power of Attorney, or the original Power of Attorney, must be emailed to the Company in the same manner, and by the same time as outlined for proxy forms.

