



ASX Release

11 September 2020

AuStar Gold Limited ACN 107 180 441

Registered office: 6 Bridge Street, Woods Point, VIC 3723

LETTERS TO SECURITY HOLDERS

AuStar Gold Limited (ASX: AUL, or the Company) advises that it has today sent the attached letters to holders of its securities in relation to the Company's pro rata non-renounceable entitlement offer and bonus options offer.

Released for, and on behalf of, the board of AuStar Gold Limited.

For Further Information:

Mr. Philip Amery
Chair
AuStar Gold Limited
philip.amery@austargold.com
T: +61 402 091 180

About AuStar Gold Limited:

AuStar Gold is focused on building a valuable minerals inventory to generate sustainable economic production from its portfolio of advanced high-grade gold projects - with significant infrastructure including processing plant, a strategic tenement footprint, and current production from Morning Star. In addition, AuStar Gold intends to develop its adjoining tenements in the Walhalla to Jamieson gold district (particularly the prolific Woods Point Dyke Swarm) into low-cost high-grade gold production projects.

Disclaimer:

Statements in this document that are forward-looking and involve numerous risk and uncertainties that could cause actual results to differ materially from expected results are based on the Company's current beliefs and assumptions regarding a large number of factors affecting its business. There can be no assurance that (i) the Company has correctly measured or identified all of the factors affecting its business or their extent or likely impact; (ii) the publicly available information with respect to these factors on which the Company's analysis is based is complete or accurate; (iii) the Company's analysis is correct; or (iv) the Company's strategy, which is based in part on this analysis, will be successful.

11 September 2020

Dear Convertible Note Holder and Optionholder,

Entitlement Offer and Bonus Options Offer: Information for Convertible Note Holders and Option holders

AuStar Gold Limited (**AuStar Gold**) 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 10 Shares held by Eligible Shareholders on the Record Date (5.00pm AEST on 17 September 2020), at an issue price of \$0.30 per New Share (**Offer Price**) together with 1 New Option for every 3 New Shares subscribed for, exercisable at \$0.60 (**New Option**) and expiring 31 December 2021 to raise up to approximately \$1.05M (before costs); and
- a pro-rata, non-renounceable entitlement issue (**Bonus Options Offer**) of 1 Bonus Option exercisable at \$0.60 per Bonus Option on or before 31 December 2021 for every 10 Shares held by Eligible Shareholders on the Record Date.

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 a Placement Offer to sophisticated and professional investors to raise an additional \$1.96M (before costs), in addition to the Entitlement Offer and Bonus Options Offer.

The Entitlement Offer and Bonus Options Offer are being extended to shareholders who have a registered address at 5.00 pm (Melbourne time) on 17 September 2020 (**Record Date**) in Australia and New Zealand or for certain sophisticated, institutional or limited numbers of Shareholders, in jurisdictions where the Company is satisfied that it is lawful to make the Offers and issue the New Shares and New Options under the Offers.

Under the terms of the Convertible Notes and AuStar Gold options you currently hold, there is no entitlement to participate in the Entitlement Offer or Bonus Options Offer in respect of those securities unless you convert the Convertible Notes held by you or exercise the AuStar Gold options held by you and are registered as the holder of the underlying AuStar Gold shares before the Record Date.

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

To convert your Convertible Notes you will need to give notice in writing to AuStar Gold in accordance with the terms and conditions of issue of those Convertible Notes.

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

Your validly completed notice of conversion of Convertible Notes and/or notice of exercise of options, and your payment for the exercise of the options must be received prior to 17 September 2020 (the Record Date) in order for you to participate in the Entitlement Offer and Bonus Options Offer in respect of the underlying shares.

You are encouraged to read the Prospectus relating to the Entitlement Offer and Bonus Options Offer before converting your Convertible Notes or exercising any of your AuStar Gold options.

If you have any queries in relation to the Offer, please do not hesitate to contact Toni Griffith, the Company Secretary on 0487 999 060 or via email: toni.griffith@austargold.com.

Your ongoing support of the Company is deeply appreciated.

Yours faithfully,



Philip Amery

Chairman

AuStar Gold Limited

philip.amery@austargold.com

+61 (0) 402 091 180



Austar Gold Limited
ABN 70 107 180 441
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Woods Point VIC
3723

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Brisbane QLD 4000
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E Info@AuStarGold.com

11 September 2020

Dear Shareholder

As you may be aware, AuStar Gold Limited (**AuStar**) announced on 8 September 2020 that it intends to raise up to approximately \$3.2 million (before costs) through a capital raising comprising:

- a placement of fully paid ordinary shares to certain institutional, professional and sophisticated investors to raise approximately \$1.96 million (**Placement Offer**); and
- an Entitlement Offer to existing Eligible Shareholders to raise up to approximately \$1.08 million, before costs (**Entitlement Offer**).

The Entitlement Offer comprises an offer of 1 New Share for every 10 ordinary shares held at 5.00 pm (Melbourne time) on 17 September 2020 (**Record Date**) at an issue price of \$0.30 per New Share (**Offer Price**) and 1 free attaching New Option for every 3 New Shares subscribed for under the Entitlement Offer, with an exercise price of \$0.60 and expiring 31 December 2021 (**New Option**).

AuStar also announced its intention to make a bonus entitlement issue to Eligible Shareholders (**Bonus Options Offer**) of 1 New Option for every 10 Shares held by Eligible Shareholders on the Record Date.

AuStar has today lodged a Prospectus for these Offers with ASIC and ASX which sets out further details in respect of the Offers. A copy of the Prospectus is available on AuStar's website: www.austargold.com

The Entitlement Offer and Bonus Options Offer are being extended to Eligible Shareholders who have a registered address in Australia and New Zealand, or for certain sophisticated, institutional or other limited numbers of Shareholders, in jurisdictions where the Company is satisfied that it is lawful to make the Offers and issue the New Shares and New Options under the Offers.

If you have not elected to receive communications electronically from the Company, a copy of the Prospectus and your personalised Entitlement and Acceptance Form for the Entitlement Offer will be sent to your registered address on the **Opening Date of 18 September 2020**. Eligible Shareholders who have elected to receive electronic communications will be sent an email with the same information on that date. The Entitlement Offer is currently scheduled to close at **5.00 pm (AEDT) on 9 October 2020**.

In light of the substantial delays in postage times as a result of the COVID-19 virus, as an Eligible Shareholder, you are encouraged to download and read the electronic version of the Prospectus and access a copy of your personalised Entitlement and Acceptance Form which will be available **from 18 September 2020** on the Automic Investor Portal: <https://investor.automic.com.au>.

The Board recommends that you read the Prospectus carefully and in its entirety and seek professional advice if you require further assistance in deciding whether to subscribe for New Shares and New Options under the Entitlement Offer.

We thank you for your ongoing support of the Company.

Yours sincerely,

Philip Amery
Chair



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11 September 2020

Dear Shareholder

Entitlement Offer - Notification to Ineligible Shareholders

As you may be aware, AuStar Gold Limited (**AuStar**) announced on 8 September 2020 that it intends to raise up to approximately \$3.2 million (before costs) through a capital raising comprising:

- a placement of fully paid ordinary shares to certain institutional and sophisticated investors to raise approximately \$2.5 million; and
- a pro-rata, non-renounceable entitlement offer (**Entitlement Offer**) of 1 new fully paid ordinary share in the Company (**New Shares**) for every 10 Shares held by Eligible Shareholders on the Record Date (5.00pm AEST on 17 September 2020), at an issue price of \$0.30 per New Share (**Offer Price**) together with 1 New Option for every 3 New Shares subscribed for, exercisable at \$0.60 (**New Option**) and expiring 31 December 2021, to raise up to approximately \$1.08M (before costs).

The Company has also announced a pro-rata, non-renounceable entitlement issue (**Bonus Options Offer**) of 1 Bonus Option exercisable at \$0.60 per Bonus Option on or before 31 December 2021 for every 10 Shares held by Eligible Shareholders on the Record Date.

The Entitlement Offer and Bonus Options Offer comprise an offer to Eligible Shareholders who have a registered address at 5.00 pm (Melbourne time) on 17 September 2020 (**Record Date**) in Australia and New Zealand, or, for certain sophisticated, institutional or limited numbers of Shareholders, in jurisdictions where the Company is satisfied that it is lawful to make the Offers and issue the New Shares and New Options under the Offers. AuStar has today lodged a Prospectus for the Offers with ASIC and ASX which sets out further details in respect of the Offers.

As your AuStar shares are registered with an address outside the above jurisdictions, you do not satisfy the eligibility criteria to be classified as an Eligible Shareholder. Under the terms of the Offers, you are not eligible to subscribe for New Shares and New Options under the Entitlement Offer and will not receive Bonus Options under the Bonus Options Offer and you will not be sent a copy of the Prospectus.

As the Offers are non-renounceable, you will not receive any payment or value for entitlements in respect of any New Shares or New Options that would have been offered or issued to you if you were eligible. This notice is to inform you about the Offers. This letter is not an offer to issue New Shares or New Options to you, nor an invitation for you to apply for New Shares or New Options.

You are not required to do anything in response to this letter.

Yours faithfully

A handwritten signature in black ink, appearing to read "Philip Amery", written in a cursive style.

Philip Amery
Chair



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11 September 2020

Dear Optionholder

Entitlement Offer - Information for Optionholders

AuStar Gold Limited (**AuStar**) today lodged its Prospectus (**Prospectus**) with ASIC and ASX for:

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- a pro-rata, non-renounceable entitlement issue (**Bonus Options Offer**) of 1 Bonus Option exercisable at \$0.60 per Bonus Option on or before 31 December 2021 for every 10 Shares held by Eligible Shareholders on the Record Date.

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 a Placement Offer to sophisticated and professional investors to raise an additional \$1.96M (before costs), in addition to the Entitlement Offer and Bonus Options Offer.

The Entitlement Offer and Bonus Options Offer are being extended to shareholders who have a registered address at 5.00 pm (Melbourne time) on 17 September 2020 (**Record Date**) in Australia and New Zealand, or, for certain sophisticated, institutional or limited numbers of Shareholders, in jurisdictions where the Company is satisfied that it is lawful to make the Offers and issue the New Shares and New Options under the Offers.

Under the terms of the AuStar options you currently hold, there is no entitlement to participate in the Entitlement Offer or Bonus Options Offer unless you exercise the AuStar options held by you and are 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 the Bonus Options 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 and may then participate in the Entitlement Offer and the Bonus Options Offer in respect of those shares.

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.

Your validly completed notice of exercise of options, and your payment for the exercise of the options must be received prior to 17 September 2020 (the Record Date for the Offers) in order for you to participate in the Entitlement Offer and Bonus Options Offer in respect of the underlying shares.

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

If you have any queries in relation to the Offer, please do not hesitate to contact Toni Griffith, the Company Secretary on 0487 999 060.

A handwritten signature in black ink, appearing to read 'Philip Amery', written in a cursive style.

Philip Amery
Chair