



Dear Fellow Shareholders,

It is my pleasure on behalf of my fellow Board members to welcome you here to the 2020 Annual General Meeting of AuStar Gold Limited. This meeting, as you would all be aware, is being undertaken as a virtual meeting, facilitated by our professional providers Express Virtual Meetings, and I would like to thank EVM, as well as our Company Secretary, Ms. Toni Griffith, for their assistance in facilitating today's meeting.

I am joined here today by my fellow Directors Mr. Paul McNally, Mr. Matthew Gill, and Mr. Christopher Wellesley, along with AuStar's Company Secretary and CFO, Ms. Toni Griffith. Our General Manager Mr. Franz Schlosser is also present, joining us from Morning Star, along with Mr. Ta Seng, representing the group's auditors, Hall Chadwick. Hall Chadwick Partner, Mr. Drew Townsend, is travelling and extends his apologies.

2020 has been a challenging year for many in the business community, and the community at large. It is a great testament to the professionalism of AuStar's Management and Board teams, and to all of our staff, that operations have continued with minimal impact and no Covid-19 events, while Victoria operated for several months under major public health restrictions. I think it is appropriate here to particularly acknowledge the contributions of two of our senior staff, who domiciled for extended periods at site due to cross-order quarantine requirements, away from family, in order to ensure continuity of operations. Their efforts, along with those of Franz, Toni and all staff, delivered a safe and supportive work environment and no cessation of activities during this difficult period.

As I noted in my forward to the Company's 2020 Annual Report, the year was one of significant operational challenges, but one in which very substantial capital improvements were either completed or substantially progressed. This positive momentum across the business, particularly within the Mining and Geology departments, has continued over the last several months, and notwithstanding some recent operational challenges within the Morning Star Mill, as noted in this morning's Production and Geology update, group management is confident of a strong finish to the Half Year.

The net loss for the financial year of \$1,514,406 (\$1,485,243 after excluding provisions, non-cash impairments and the notional value of share-based compensation) was disappointing, however it does compare favourably with the company's loss of \$14,485,243 (\$3,391,672, likewise excluding certain non-cash items) in the 2019 financial year. It is also important to note that the company's 2020 financial year net loss was substantially front ended to the first half of the year (\$954,243 for H1 vs \$531,000 for H2).

I want to make it clear to shareholders that the Board and Management of AuStar Gold are not satisfied with this financial performance nor with the recent failure of the business to achieve consistent profitability and positive operating cashflow. The business has proven, regularly, that it is capable of delivering robust financial performance during relevant monthly operating periods and the Board and Management team are working tirelessly to overcome the recent operational issues that have impacted the ability to sustain and improve upon the strong performance demonstrated earlier this year, particularly in June and July. I want to stress that the Company is now confident these issues are behind it. Substantial improvements in cost control were delivered in the first half of the current calendar year and as shareholders will note from this morning's release, geological confidence in the outlook for Morning Star has never been greater.

As I also noted earlier this year, the AuStar team invested a considerable amount of time and resources in the pursuit of a corporate transaction that ultimately did not proceed. While this was, understandably, a frustrating experience for the Company and its shareholders, the discipline exhibited in walking away from a deal where circumstances change and terms no longer meet the Board's risk/return threshold is important. As we assess other potential opportunities, that discipline is being maintained.

I am pleased to report that group safety culture remains of paramount importance to everyone within the organization. I and other directors have seen first-hand the organic focus on safety at all levels of the operation at Morning Star. Unfortunately, after a very pleasing 250 LTI free days, there was a worker injury requiring medical treatment earlier this month within the Mining operation, however I am pleased to note that the worker involved remained in good spirits throughout and is expected to return to work within the next two weeks. Board and Management are confident that all possible steps to limit the risk of recurrence of such an accidental injury have been taken, to a high standard.

Environmental compliance has remained a focus of the business and as a smaller operator, AuStar takes its obligations in this area very seriously. While there have been only a limited number of exceedance events recorded, extensive rainfall in Victoria in recent months has identified the need for enhancements to our water discharge and mine dewatering infrastructure and limits. While these items are not currently impacting operations, the Company has commenced engagement with relevant state regulators to increase discharge capacity and undertake other long term improvements to the legacy environmental footprint of the Morning Star operation.

As a significant regional employer, AuStar Gold's relationship with its local community and its regulatory partners generally, remains, overall, excellent.

As shareholders would be aware, AuStar undertook a strongly-supported Placement and Entitlement Issue in September of this year, welcoming the EMA GARP Fund and Crescat Capital to the register as material shareholders. Many other longstanding shareholders also strongly participated in the capital raising and the Board would like to thank all of them for their support of the Company.

As noted previously, due to current concerns regarding Covid-19 this meeting is being held via audio conferencing. While this is not ideal, it does provide shareholders with the opportunity to participate in the meeting without breaching Covid-19 restrictions.

Once the formal items of business of the meeting are concluded, myself, the Board, the CFO and the General Manager would be delighted to take questions. On behalf of the Board, I take the opportunity to again thank you for your support of the Company and for your attendance today.

We now turn to the formal items of business.