

8 February 2021

Successful Placement and Announcement of Proposed Option Rights Issue Option to Fund Drilling at Victoria Gold Project and Gimlet

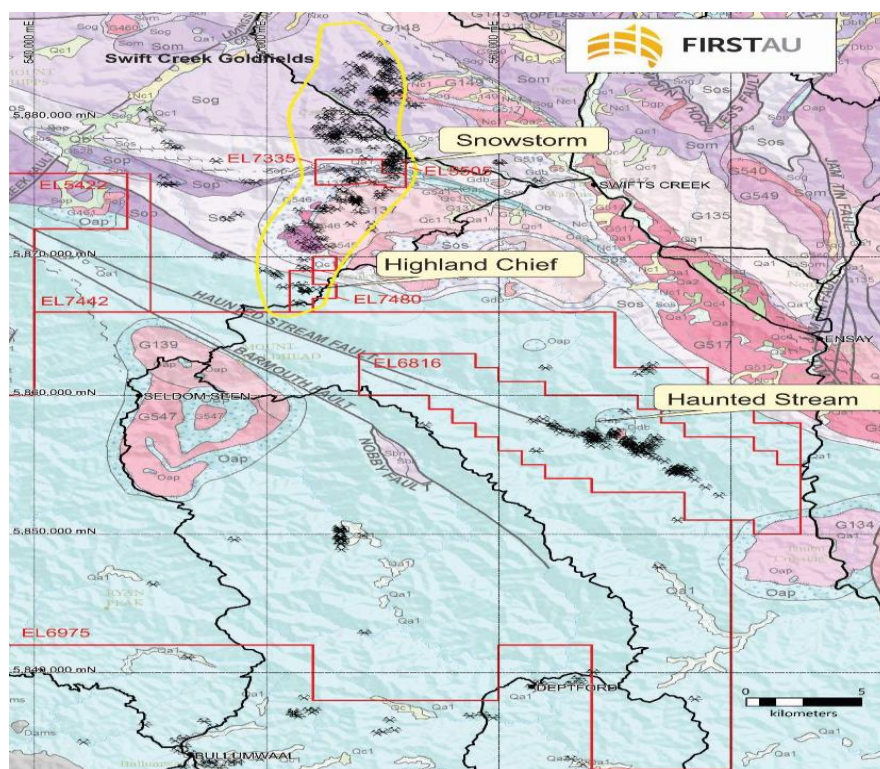
First Au Limited ("FAU" or "the Company") announced today that it had received firm and binding commitments for a \$1,280,000 share placement of 75,294,118 ordinary shares at \$0.017 (1.7 cents) each to new and existing sophisticated investors ("Placement"). The Company also announces a non-renounceable pro-rata offer for eligible shareholders to subscribe for four (4) new options for every five (5) shares held at the Record Date at an issue price of \$0.005 (0.5 cents) per option to raise approximately \$2.45 million ("Option Entitlement"). The Placement and Option Entitlement issue, if fully subscribed will raise up to \$3.73 million (before allowing for costs).

The Placement funds raised will be predominantly applied towards:

- Funding the drilling campaign for the Victorian Goldfields Project, in Gippsland, Victoria (refer ASX release dated 3 February 2021)
- Extensively testing VicGold's Orocline geological exploration model
- Further exploration and drilling at Gimlet Gold, Kalgoorlie WA; and
- General working capital purposes.

Drilling is set to commence in the next two weeks at the Company's Snowstorm Project in East Gippsland Victoria, where recent rock chip sampling continues to deliver high grade results, with up to 86 g/t Au recently reported (see ASX Release 3 February 2021 More High-Grade Rock Chip Results" Competent Person Dr Gavin England). *

FAU's Executive Chairman, Bryan Frost commented, *"This is an exciting time for the Company as FAU are the first movers in the East Gippsland Victorian Goldfields region. Our structural geological team has done extensive work in the field over the last 6 months, now we look forward to testing the structure of the system. We thank shareholders for their ongoing support"*.



Placement and Options Entitlement Issue

The Company has received firm commitments to raise \$1,280,000 from sophisticated and professional investors for a placement of 75,294,118 fully paid ordinary shares (**Placement Shares**) at an issue price of \$0.017 (1.7 cents).

The Placement Shares will be issued using the placement capacity available to the Company under ASX Listing Rules 7.1 and 7.1A. The \$0.017 (1.7 cents) issue price of Placement Shares is a 10.28% discount to the 15-day VWAP of FAU ordinary shares prior to the date of this announcement.

An Appendix 3B for the Placement Shares accompanies this announcement. The Placement Shares are anticipated to be issued on 12 February 2021 and an Appendix 2A will be released at the time of issue. A placement fee of 6% of the funds raised may be paid to unrelated eligible parties who assisted the Company with the Placement.

Options Rights Issue

Following completion of the Placement, the Company proposes conducting a non-renounceable pro-rata offer for eligible shareholders to subscribe for four (4) options (**New Options**) for every five (5) shares held at a record date to be determined at an issue price of \$0.005 (0.5 cents) per New Option to raise up to approximately \$2.45 million before costs.

New Options are proposed to have an exercise price of \$0.028 (2.8 cents), expire on 1 July 2023 and, upon exercise, entitle the holder to one fully paid ordinary FAU share. The Company proposes applying for quotation (listing) of the New Options, subject to meeting the quotation requirements of ASX.

The Option Entitlement Issue offer is proposed to be made to shareholders with an address in Australia or New Zealand in the register of members of the Company on a Record Date to be determined. The Record Date of the Option Entitlement Issue will be undertaken after the issue of the Placement Shares and therefore participants in the Placement, who are eligible shareholders, will be able to participate in the Option Entitlement Issue.

An Appendix 3B for the New Options under the Option Entitlement Issue accompanies this announcement. The Company proposes lodging a prospectus for the Option Entitlement Issue on, or about, 15 February 2021.

Proposed Use of Funds

Funds raised from the Placement and Option Entitlement Issue are proposed to be applied towards the following:

- Drilling at the Snowstorm Project (Vic Gold) to test a new structural architecture responsible for controls on the high-grade mineralisation in the region
- New mapping suggests significant depth potential exists and is to be tested by drilling around the Hibernia-Ernestine trend
- Ongoing exploration and drilling at the Gimlet Gold Project in Kalgoorlie, WA, with potential to increase the existing JORC defined inferred gold resource; and

- General working capital requirements, including the costs of the Placement and Options Entitlement Issue.

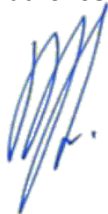
Timetable

An **indicative timetable** for the Placement and Options Entitlement Issue is set out below:

Event	Anticipated date
Issue date of Placement Shares	12 February 2021
Lodgement of Rights Issue prospectus	15 February 2021
Record date for Rights Issue	18 February 2021
Closing date of the Rights Issue	23 March 2021
Announcement of Rights Issue results	26 March 2021
Issue date of New Options	30 March 2021

The above timetable is indicative only and is subject to change without notice

Authorised by:



Bryan Frost
Executive Chairman

- * The Company confirms it is not aware of any new information or data that materially affects the information included in this report. The Company confirms that the form and context in which the Competent Persons findings were presented has not been materially modified.

About First Au: First Au is an advanced gold and base metals exploration company listed on the Australian Securities Exchange (ASX: FAU) and is pursuing a well-funded and aggressive exploration program at its 100% owned Gimlet Gold project near Kalgoorlie. FAU has exploration underway at its Victoria Gold Project.

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