



AUSGOLD LIMITED
ABN 67 140 164 496

NOTICE OF GENERAL MEETING

EXPLANATORY MEMORANDUM

PROXY FORM

Date: Tuesday 22 June 2021

Time: 11.00 am AWST

Venue: Level 1, 111 St Georges Terrace
Perth, WA 6000

These documents should be read in their 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

AUSGOLD LIMITED
(ABN 67 140 164 496)

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a general meeting of Ausgold Limited will be held at Level 1, 111 St Georges Terrace, Perth WA 6000 on Tuesday 22 June 2021 at 11.00 am (AWST) to conduct the following business and to consider, and if thought fit, to pass the following Resolution.

Defined terms used in this Notice and Explanatory Memorandum have the meaning given in the Glossary.

AGENDA

ORDINARY BUSINESS

RESOLUTION 1 – RATIFY ISSUE OF SHARES

To consider, and if thought fit, to pass the following resolution as an **ordinary resolution**:

“That for the purpose of ASX Listing Rule 7.4 and all other purposes, Shareholders approve and ratify the issue on 4 May 2021 of a total of 250,000,000 fully paid ordinary shares in the Company on the terms described in the explanatory memorandum which accompanies the notice convening this meeting.”

Voting exclusion statement:

The Company will disregard any votes cast in favour of this Resolution by or on behalf of any person who participated in the issue or is a counterparty to the agreement being approved or any Associates of that person or those persons.

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

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the directions given to the proxy or attorney to vote on the resolution in that way;
- 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
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - 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
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

PROXIES

In accordance with section 249L of the Corporations Act, members are advised that:

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company;
- a member who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is specified, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

In accordance with section 250BA of the Corporations Act, the Company specifies the following information for the purposes of receipt of proxy appointments:

Registered Office: Ausgold Limited
Level 16, AMP Building,
140 St George Terrace, Perth WA 6000

Facsimile Number: (08) 9220 9820

Postal Address: PO Box 7654, Cloisters Square, Perth WA 6850

Email: info@ausgoldlimited.com

Each member entitled to vote at the general meeting has the right to appoint a proxy to attend and vote at the meeting on his behalf. The member may specify the way in which the proxy is to vote on each resolution or may allow the proxy to vote at his discretion. The instrument appointing the proxy must be received by the Company at the address specified above at least 48 hours before the time notified for the meeting (proxy forms can be lodged by facsimile).

In accordance with regulation 7.11.38 of the Corporations Regulations, the Company determines that shares held as at 11.00am AWST on Sunday 20 June 2021 will be taken, for the purposes of the general meeting, to be held by the persons who held them at that time.

By Order of the Board



D I Rakich
Director

18 May 2021

The Notice of Meeting, Explanatory Memorandum and Proxy Form should be read in their 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.

AUSGOLD LIMITED
(ABN 67 140 164 496)

EXPLANATORY MEMORANDUM TO SHAREHOLDERS

1. INTRODUCTION

This Explanatory Memorandum has been prepared for the information of Shareholders of Ausgold in connection with the business to be transacted at the General Meeting of the Company to be held on Tuesday 22 June 2021 at 11.00am.

At that meeting, Shareholders will be asked to consider the following resolution to ratify the prior issue of Shares to professional and sophisticated investors.

The purpose of this Explanatory Memorandum is to provide information that the Board believes to be material to Shareholders in deciding whether or not to pass the resolution. The Explanatory Memorandum explains the resolution and identifies the Board's reasons for putting the resolution to Shareholders. It should be read in conjunction with the accompanying Notice of Meeting.

2. RESOLUTION 1 – RATIFY ISSUE OF SHARES

BACKGROUND

As announced by the Company on 26 April 2021, the Company successfully completed a \$11.25 million capital raise, before costs, to continue an extensive exploration and resource expansion drill program at the Company's 100% owned Katanning Gold Project in Western Australia.

On 4 May 2021 (the **Issue Date**) the Company issued a total of 250,000,000 Shares to professional and sophisticated investors unrelated to the Company, of which 123,000,000 Shares were issued pursuant to Listing Rule 7.1 and 127,000,000 Shares were issued pursuant to Listing Rule 7.1A (together, the **May Placement**).

LISTING RULE 7.4

Broadly speaking, 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 fully paid ordinary securities it had on issue at the start of that period. The May Placement does not fit within any of these exceptions and, as it has not yet been approved by Ausgold's Shareholders, it effectively used up part of the 15% limit in Listing Rule 7.1, reducing Ausgold's capacity to issue further Equity Securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the Issue Date.

Listing Rule 7.4 allows shareholders of a listed company to approve an issue of Equity 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 does not reduce the company's capacity to issue further Equity Securities without shareholder approval under that rule.

Ausgold wished to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. To this end, Resolution 1 seeks Shareholder approval to the May Placement under and for the purposes of Listing Rule 7.4.

TECHNICAL INFORMATION REQUIRED BY LISTING RULE 14.1A

The effect of passing Resolution 1 will be to refresh the Company's 15% capacity under Listing Rule 7.1 and its additional placement capacity under Listing Rule 7.1A by **excluding** the:

- (a) 123,000,000 Shares issued in connection with the May Placement under Listing Rule 7.1; and
- (b) 127,000,000 Shares issued in connection with the May Placement under Listing Rule 7.1A, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the Issue Date.

If Resolution 1 is not passed, all Shares issued in connection with the May Placement will be **included** in calculating the Company's 15% limit in Listing Rule 7.1 and its additional placement capacity under Listing Rule 7.1A, effectively decreasing the number of Equity Securities the Company can issue without Shareholder approval over the 12 month period following the Issue Date.

The securities issued, for which approval and ratification is sought under Resolution 1, comprise approximately 14.94% of the Company's fully diluted issued capital (based on the number of Shares and Options on issue as at the date of this Notice).

INFORMATION REQUIRED FOR THE PURPOSES OF LISTING RULE 7.5

For the purposes of Listing Rule 7.5, the following information is provided in relation to Resolution 1:

- (1) The Shares issued under the May Placement (the **Placement Shares**) were issued
 - a. clients of the lead manager to the May Placement, Blue Ocean Equities Pty Ltd, comprising various professional and sophisticated investors, none of whom are related parties of the Company; and
 - b. existing investors, including Dundee Goodman Merchant Partners (which corner stoned the placement, increasing their interest in the Company from 7.1% to 9.9%), comprising various professional and sophisticated investors, none of whom are related parties of the Company.

When selecting and determining the allocation of Placement Shares the Company and lead manager considered the size of the proposed investment, whether they were existing and/or strategic investors and previous supporters of capital raisings undertaken by the Company. The total number of Placement Shares issued was 250,000,000 Shares.

- (2) The Placement Shares are fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares.
- (3) The Placement Shares were issued on the Issue Date, 4 May 2021.
- (4) The Placement Shares were issued at a price of 4.5 cents each.
- (5) The purpose of the May Placement was to raise capital to fund the Company's exploration and development programmes at the Katanning Gold Project, including to accelerate exploration and conduct resource development and additional feasibility studies, as well as to provide additional working capital.
- (6) The Placement Shares were not issued under an agreement, other than customary placement confirmation letters
- (7) A voting exclusion statement for Resolution 1 is included in the Notice of Meeting preceding this Explanatory Memorandum.

BOARD RECOMMENDATION

The Board considers that the ratification of the May Placement is beneficial to the Company as it allows the Company to retain the flexibility to issue further securities under the Company's placement capacity during the next 12 months. Accordingly, the Board unanimously recommends that Shareholders vote in favour of Resolution 1.

3. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders should read this Explanatory Memorandum carefully before deciding how to vote on the resolutions set out in the Notice of Meeting.

Attached to the Notice of Meeting is a Proxy Form for use by Shareholders. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, to complete, sign and return the Proxy Form to the Company in accordance with the instructions contained in the Proxy Form and the Notice of Meeting. Lodgment of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

GLOSSARY

The following terms and abbreviations used in this Explanatory Memorandum have the following meanings:

\$	means Australian Dollars.
Act or Corporations Act	means the <i>Corporations Act 2001</i> (Cth).
ASIC	Australian Securities and Investments Commission.
Associate	has the meaning given to it by Division 2 of Part 1.2 of the Corporations Act.
ASX	ASX Limited (ACN 008 624 691).
ASX Listing Rules or Listing Rules	the Official Listing Rules of ASX, as amended from time to time.
Board	the board of directors of the Company.
Business Day	means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.
Chairperson	the person appointed to chair the Meeting convened by the Notice.
Company or Ausgold	Ausgold Limited (ABN 67 140 164 496).
Constitution	means the Company's constitution.
Corporations Regulations	Corporations Regulations 2001 (Cth) as amended from time to time.
Equity Securities	has the meaning given in the Listing Rules and includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.
Explanatory Memorandum	the explanatory memorandum which accompanies and forms part of the Notice of Meeting.
GM or General Meeting or Meeting	the general meeting of the Company to be held on Tuesday 22 June 2021.
Issue Date	means 4 May 2021, as set out in the Background to Item 2 of the Explanatory Memorandum.
May Placement	means the placement of 250,000,000 Shares referred to in the Background to Item 2 of the Explanatory Memorandum.
Notice of Meeting	the notice convening the GM which accompanies this Explanatory Memorandum.

Option	an option to acquire a Share.
Placement Shares	the Shares issued in connection with the May Placement.
Proxy Form	the proxy form which accompanies this Explanatory Memorandum.
Shares or Ausgold Shares	fully paid ordinary shares in the Company.
Shareholder	a registered holder of a share.

PROXY FORM

The Company Secretary
Ausgold Limited
Level 16, AMP Building, 140 St Georges Terrace
PERTH WA 6000

I/We
(Full Name – Block Letters)

of
being a member of Ausgold Limited hereby appoint

..... to exercise% of my/our voting rights
(Name of 1st Proxy)

..... to exercise% of my/our voting rights
(2nd Proxy - Optional)

or in his/her absence, or if no person is named, the Chairman of the Meeting as my/our proxy/proxies to act generally and vote on my/our behalf at the General Meeting of the Company to be held at 11.00am on Tuesday 22 June 2021 and at any adjournment or postponement thereof in accordance with this Proxy Form.

Important for Resolution 1 – If the Chairman of the Meeting is your proxy or is appointed as your proxy by default

By marking the box below, you are expressly authorising the Chairman of the Meeting to exercise your proxy on Resolution 1 as set out below. If you do not mark this box, and you have not directed your proxy how to vote on Resolution 1 the Chairman of the Meeting will not cast your votes on Resolution 1 and your votes will not be counted in computing the required majority if a poll is called on this Resolution. If you appoint the Chairman of the Meeting as your proxy you can direct the Chairman how to vote by either marking the individual resolution box below (for example if you wish to vote against or abstain from voting) or by marking the box (in which case the Chairman of the Meeting will vote in favour of Resolution 1) The Chairman of the Meeting intends to vote all available proxies in favour of Resolution 1.

☐

I/We expressly authorise the Chairman of the Meeting to exercise my/our proxy on Resolution 1. I/We acknowledge that the Chairman of the Meeting may exercise my/our proxy even though Resolution 1 and/or even if the Chairman of the Meeting has an interest in the outcome of Resolution 1 and that votes cast by the Chairman, other than as proxy holder, would be disregarded because of that interest.

It is the Chairman's intention to vote all undirected proxies in favour of the resolution. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

RESOLUTION	FOR	AGAINST	ABSTAIN*
1. Ratify the issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

* If you mark the "Abstain" box with an "X" for the resolution, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority.

Date:.....2021.

.....
Signature of Member

.....
Signature of Joint Member

Or if a company:

THE COMMON SEAL OF)
was affixed in the presence of, and the sealing is attested by:)

.....
Director/Secretary

.....
Director

Or if a company with no common seal:
EXECUTED by authority of its directors

.....
Director

.....
Director / Company Secretary

INSTRUCTIONS FOR APPOINTMENT OF PROXY

- (1) A member entitled to attend and vote at the meeting is entitled to appoint not more than two proxies.
- (2) Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the member's voting rights. If that proportion is not specified, each proxy may exercise one-half of the member's voting rights.
- (3) A proxy need not be a member of the Company.

Forms to appoint proxies and the Power of Attorney (if any) under which it is signed or an office copy or certified copy thereof must be deposited with the Company at the registered office, Level 16, AMP Building, 140 St Georges Terrace, Perth WA 6000 or faxed to the Company (Fax No: (08) 9220 9820 and for overseas shareholders: (618) 9220 9820), not less than 48 hours before the time for holding the meeting.