



AUSGOLD LIMITED
ABN 67 140 164 496

NOTICE OF GENERAL MEETING

EXPLANATORY MEMORANDUM

PROXY FORM

Date: Friday 22 April 2022

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 Friday 22 April 2022 at 11.00 am (AWST) to consider, and if thought fit, to pass the following Resolutions.

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

AGENDA

ORDINARY BUSINESS

RESOLUTION 1 – APPROVAL OF ISSUE OF SECOND TRANCHE SHARES TO JUPITER ASSET MANAGEMENT

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

“That for the purpose of ASX Listing Rule 7.1 and all other purposes, Shareholders approve the issue of 70,000,000 fully paid ordinary shares in the Company to Jupiter Asset Management 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 Resolution 1 by or on behalf of Jupiter Asset Management and any other person who will obtain a material benefit as a result of the proposed issue (except a benefit solely by reason of being a holder of ordinary shares in the Company) or any Associates of that person or those persons.

However, this does not apply to a vote cast in favour of Resolution 1 by:

- (a) 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;
- (b) the Chairman 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 Chairman to vote on the Resolution as the Chairman decides; or
- (c) 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.

RESOLUTION 2 – RATIFICATION OF PRIOR ISSUE – FIRST TRANCHE SHARES (LR 7.1)

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 14 March 2022 of a total of 126,315,426 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 Resolution 2 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 Resolution 2 by:

- (a) 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;
- (b) the Chairman 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 Chairman to vote on the Resolution as the Chairman decides; or
- (c) 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.

RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE – FIRST TRANCHE SHARES (LR 7.1A)

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 14 March 2022 of a total of 148,434,954 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 Resolution 3 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 Resolution 3 by:

- (a) 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;
- (b) the Chairman 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 Chairman to vote on the Resolution as the Chairman decides; or
- (c) 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.

RESOLUTION 4 – RATIFICATION OF AGREEMENT TO ISSUE SHARES TO DUNDEE CORPORATION

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 agreement to issue 70,249,620 fully paid ordinary shares in the Company to Dundee Corporation 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 Resolution 4 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 Resolution 4 by:

- (a) 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;
- (b) the Chairman 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 Chairman to vote on the Resolution as the Chairman decides; or
- (c) 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.

RESOLUTION 5 – APPROVAL OF ISSUE OF LEAD MANAGER OPTIONS TO ARGONAUT INVESTMENTS PTY LTD

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

“That for the purpose of ASX Listing Rule 7.1 and all other purposes, Shareholders approve the issue of 10,000,000 Options in the Company to Argonaut Investments Pty Ltd, 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 Resolution 5 by or on behalf of Argonaut Investments Pty Ltd and any other person who will obtain a material benefit as a result of the proposed issue (except a benefit solely by reason of being a holder of ordinary shares in the Company) or any Associates of that person or those persons.

However, this does not apply to a vote cast in favour of Resolution 5 by:

- (a) 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;
- (b) the Chairman 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 Chairman to vote on the Resolution as the Chairman decides; or

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- (c) 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.

RESOLUTION 6 – APPROVAL OF ISSUE OF LEAD MANAGER OPTIONS TO ZENIX NOMINEES PTY LTD

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

“That for the purpose of ASX Listing Rule 7.1 and all other purposes, Shareholders approve the issue of 5,000,000 Options in the Company to Zenix Nominees Pty Ltd, 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 Resolution 6 by or on behalf of Zenix Nominees Pty Ltd and any other person who will obtain a material benefit as a result of the proposed issue (except a benefit solely by reason of being a holder of ordinary shares in the Company) or any Associates of that person or those persons.

However, this does not apply to a vote cast in favour of Resolution 6 by:

- (a) 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;
- (b) the Chairman 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 Chairman to vote on the Resolution as the Chairman decides; or
- (c) 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.

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 4, 251 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 Wednesday 20 April 2022 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 AND Company Secretary

21 March 2022

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 Friday 22 April 2022 at 11.00am.

At this meeting, Shareholders will be asked to consider the following resolutions:

- To approve the issue of shares comprising the Second Tranche of the Placement;
- To ratify the shares issued under the First Tranche of the Placement; and
- To approve the issue of options in connection with the Placement.

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 resolutions. 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. BACKGROUND TO RESOLUTIONS 1 - 6

On 4 March 2022, the Company announced that it had received binding commitments from investors for a share placement to raise \$16.6 million before costs (the **Placement**).

The Placement was structured as follows:

- (a) the issue of 274,750,380 New Shares consisting of:
 - (i) 29,750,380 New Shares issued to Dundee on 14 March 2022; and
 - (ii) 245,000,000 New Shares issued to other institutional and sophisticated investors on 14 March 2022(together, the **First Tranche Shares**);
- (b) subject to the receipt of shareholder approval for the purpose of Listing Rule 7.1, the issue of 70,000,000 New Shares to Jupiter Asset Management (the **Second Tranche Shares**); and
- (c) subject to the receipt of approvals required under the *Foreign Acquisitions and Takeovers Act 1975* (Cth), the issue of 70,249,620 New Shares to Dundee (**Further Dundee Shares**).

On 14 March 2022, the Company issued the First Tranche Shares including:

- (a) 126,315,426 New Shares under Listing Rule 7.1; and
- (b) 148,434,954 New Shares under Listing Rule 7.1A,

at an issue price of \$0.04 per share to raise \$10,990,015 (before costs).

As at the date of this Notice of Meeting, the Company has not issued the Further Dundee Shares.

In connection with the Placement, the Company agreed to issue total of 10,000,000 Options to Argonaut and 5,000,000 Options to Euroz (the **Lead Manager Options**) on the terms set out in this Explanatory Statement.

Proceeds from the Placement will be used by the Company to fund the Company's exploration and development programmes at the Katanning Gold Project, including to accelerate exploration and conduct resource development and feasibility studies, as well as to provide additional working capital.

3. RESOLUTION 1 – APPROVAL OF ISSUE OF SECOND TRANCHE SHARES TO JUPITER ASSET MANAGEMENT

BACKGROUND

As set out in section 2 above, the Company proposes, subject to obtaining approval, to issue 70,000,000 Second Tranche Shares to Jupiter Asset Management.

Under Resolution 1, the Company is seeking shareholder approval for the purpose of Listing Rule 7.1 for the issue of the Second Tranche Shares to Jupiter Asset Management.

LISTING RULE 7.1

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 shares it had on issue at the start of that period.

The proposed issue of Second Tranche Shares does not fall within any of these exceptions and, together with the issue of the First Tranche Shares, would exceed the 15% limit in Listing Rule 7.1. It therefore requires the approval of the Company's shareholders under Listing Rule 7.1.

Resolution 1 seeks the required shareholder approval to issue the Second Tranche Shares to Jupiter Asset Management under and for the purposes of Listing Rule 7.1.

TECHNICAL INFORMATION REQUIRED FOR THE PURPOSES OF LISTING RULE 14.1A

If Resolution 1 is passed, the Company will be able to issue the Second Tranche Shares to Jupiter Asset Management.

In addition, the issue of the Second Tranche Shares will be excluded from the calculation of the number of Equity Securities that the Company can issue without shareholder approval under Listing Rule 7.1.

If Resolution 1 is not passed, the Company will not be able to issue the Second Tranche Shares to Jupiter Asset Management, which will result in the Company being unable to fulfil the commercial terms of the Placement in full and may require the Company to enter into separate commercial arrangements with Jupiter Asset Management.

INFORMATION REQUIRED BY ASX LISTING RULE 7.3

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 1:

- (a) the Second Tranche Shares will be issued to Jupiter Asset Management, who is not a related party of the Company;
- (b) the maximum number of Second Tranche Shares to be issued is 70,000,000 Shares which are fully paid ordinary shares which will rank equally with all other Shares on issue;
- (c) the Second Tranche Shares will be issued as soon as possible following the passing of Resolution 1, but not later than 3 months after the date of the Meeting;
- (d) the Second Tranche Shares will be issued at a price of \$0.04 per Share and will raise a total of \$2,800,000 (before costs);
- (e) the purpose of the Placement is 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 feasibility studies, as well as to provide additional working capital;
- (f) the Second Tranche Shares are not being issued under an agreement, other than customary placement confirmation letters;
- (g) the Second Tranche Shares are not being issued under, or to fund, a reverse takeover; and
- (h) a voting exclusion statement for Resolution 1 is included in the Notice of Meeting preceding this Explanatory Memorandum.

BOARD RECOMMENDATION

The Directors unanimously recommend that Shareholders vote in favour of Resolution 1.

4. RESOLUTIONS 2 AND 3 – RATIFICATION OF PRIOR ISSUES – FIRST TRANCHE SHARES

BACKGROUND

As set out in section 2 above, on 14 March 2022 the Company issued the First Tranche Shares including:

- (a) 126,315,426 New Shares under Listing Rule 7.1; and
- (b) 148,434,954 New Shares under Listing Rule 7.1A,

at an issue price of \$0.04 per share to raise \$10,990,015 (before costs).

Resolutions 2 and 3 seek shareholder ratification pursuant to Listing Rule 7.4 for the issue of the First Tranche Shares.

LISTING RULE 7.4

A summary of Listing Rule 7.1 is set out in section 3 above.

Under Listing Rule 7.1A, however, an eligible entity (which includes the Company) can seek approval from its members, by way of a special resolution passed at its annual general meeting, to have an additional placement capacity broadly equivalent to 10% of its fully paid ordinary issued capital.

The Company obtained approval to utilise the additional 10% placement capacity at the Annual General Meeting held on 26 November 2021.

The issue of the First Tranche Shares does not fall within any of the exceptions to Listing Rule 7.1 and, as it has not yet been approved by Shareholders, the issue effectively uses up part of the placement capacity available under Listing Rules 7.1 and 7.1A, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rules 7.1 and 7.1A for the 12 month period following the issue date of the First Tranche Shares.

Listing Rule 7.4 allows the 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 so does not reduce the company's capacity to issue further Equity Securities without shareholder approval under that rule.

The Company wishes 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, Resolutions 2 and 3 seek Shareholder approval to ratify the issue of the First Tranche Shares under and for the purposes of Listing Rule 7.4.

The securities issued, for which approval and ratification is sought under Resolution 2 and 3, comprise approximately 14.54% of the Company's undiluted issued capital (based on the number of Shares on issue as at the date of this Notice).

TECHNICAL INFORMATION REQUIRED FOR THE PURPOSES OF LISTING RULE 14.1A

If Resolutions 2 and 3 are passed, the First Tranche Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of Equity Securities the Company can issue without Shareholder approval over the 12 month period following the issue date of the First Tranche Shares.

If Resolutions 2 and 3 are not passed, the First Tranche Shares will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of Equity Securities the Company can issue without Shareholder approval over the 12 month period following the issue date of the First Tranche Shares.

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 Resolutions 2 and 3:

- (a) the First Tranche Shares were issued to:
 - (i) Dundee, who is not a related party of the Company; and
 - (ii) clients of the lead managers to the Placement, Argonaut and Euroz, comprising various professional and sophisticated investors, none of whom is a related party of the Company; and
- (b) in accordance with paragraph 7.4 of ASX Guidance Note 21, the Company confirms that none of the recipients of First Tranche Shares (other than Dundee) is:
 - (i) a related party of the Company;
 - (ii) a member of the Key Management Personnel;

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- (iii) a substantial holder of the Company;
 - (iv) an adviser to the Company; or
 - (v) an associate of any of the above,
- (each a **Material Person**), who will be issued more than 1% of the Company's current issued capital under the Placement;
- (c) the Company issued 274,750,380 First Tranche Shares on the following basis:
 - (i) 126,315,426 New Shares under Listing Rule 7.1 (ratification of which is sought under Resolution 2); and
 - (ii) 148,434,954 New Shares under Listing Rule 7.1A (ratification of which is sought under Resolution 3);
 - (d) the First Tranche Shares are fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares;
 - (e) the Company issued the First Tranche Shares on 14 March 2022;
 - (f) the First Tranche Shares were issued at a price of \$0.04 each, raising a total of \$10,990,015 (before costs);
 - (g) the purpose of the 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 feasibility studies, as well as to provide additional working capital;
 - (h) the First Tranche Shares were not issued under an agreement, other than customary placement confirmation letters; and
 - (i) voting exclusion statements for Resolutions 2 and 3 are included in the Notice of Meeting preceding this Explanatory Memorandum.

BOARD RECOMMENDATION

The Directors unanimously recommend that Shareholders vote in favour of Resolutions 2 and 3.

5. RESOLUTION 4 – RATIFICATION OF AGREEMENT TO ISSUE SHARES TO DUNDEE

BACKGROUND

On 4 March 2022, the Company agreed to issue a further 70,249,620 New Shares under Listing Rule 7.1 to Dundee subject to the receipt of all approvals required under the *Foreign Acquisitions and Takeovers Act 1975* (Cth) being obtained.

As at the date of this Notice of Meeting, Dundee has not yet obtained all necessary approvals such that the Further Dundee Shares have not been issued by the Company.

Resolution 4 seeks shareholder ratification pursuant to Listing Rule 7.4 for the agreement to issue the Further Dundee Shares.

LISTING RULE 7.4

A summary of Listing Rule 7.1 is set out in section 3 above.

The agreement to issue the Further Dundee Shares does not fall within any of the exception to Listing Rule 7.1 and, as it has not yet been approved by the Company's Shareholders, the agreement to issue Equity Securities effectively uses up part of the placement capacity available under Listing Rule 7.1, reducing the Company's capacity to issue further Equity Securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the date the Company agreed to issue to the Further Dundee Shares.

Listing Rule 7.4 allows the 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 so does not reduce the company's capacity to issue further Equity Securities without Shareholder approval under that rule.

The Company wishes 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 4 seeks Shareholder approval and ratification to the agreement to issue the Further Dundee Shares under and for the purposes of Listing Rule 7.4.

The securities which the Company has agreed to issue, for which approval and ratification is sought under Resolution 4, comprise approximately 3.72% of the Company's undiluted issued capital (based on the number of Shares on issue as at the date of this Notice).

TECHNICAL INFORMATION REQUIRED FOR THE PURPOSES OF LISTING RULE 14.1A

If Resolutions 4 is passed, the Further Dundee Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of Equity Securities the Company can issue without Shareholder approval over the 12 month period following the date the Company agreed to issue to the Further Dundee Shares.

If Resolution 4 is not passed, the Further Dundee Shares will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of Equity Securities the Company can issue without Shareholder approval over the 12 month period following the date the Company agreed to issue to the Further Dundee Shares.

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 4:

- (a) the Company has agreed to issue the Further Dundee Shares to Dundee, who is not a related party of the Company; and
- (b) the Company has agreed to issue 70,249,620 Further Dundee Shares under Listing Rule 7.1;
- (c) the Further Dundee Shares will be fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares;
- (d) the Company agreed to issue the Further Dundee Shares on 4 March 2022. The Further Dundee Shares will be issued as soon as possible following Dundee receiving the necessary approval

under the *Foreign Acquisitions and Takeovers Act 1975* (Cth), but not later than 3 months after the date of the Meeting;

- (e) the Further Dundee Shares will be issued at a price of \$0.04 each, raising a total of \$2,809,984 (before costs);
- (f) the purpose of the 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 feasibility studies, as well as to provide additional working capital;
- (g) the Company is party to a placement confirmation letter with Dundee pursuant to which the Company agreed, subject to all approvals required under the *Foreign Acquisitions and Takeovers Act 1975* (Cth) being obtained, to issue 70,249,620 New Shares to Dundee at an issue price of \$0.04 per New Share; and
- (h) a voting exclusion statement for Resolution 4 is included in the Notice of Meeting preceding this Explanatory Memorandum.

BOARD RECOMMENDATION

The Directors unanimously recommend that Shareholders vote in favour of Resolution 4.

6. RESOLUTIONS 5 AND 6 – APPROVAL OF ISSUE OF LEAD MANAGER OPTIONS

BACKGROUND

The Lead Manager to the Placement, Argonaut, and the Co-Lead Manager, Euroz, are entitled under the terms of their mandates to receive, respectively, 10,000,000 and 5,000,000 Lead Manager Options as part consideration for their services.

Under Resolutions 5 and 6, the Company is seeking Shareholder approval for the purpose of Listing Rule 7.1 for the issue of the Lead Manager Options to Argonaut and to Euroz.

LISTING RULE 7.1

A summary of Listing Rule 7.1 is set out in section 3 above.

The issue of the Lead Manager Options does not fall within any of these exceptions and, together with the issue of First Tranche Shares, would exceed the 15% limit in Listing Rule 7.1. It therefore requires the approval of Shareholders under Listing Rule 7.1.

Resolutions 5 and 6 seek the required Shareholder approval to Lead Manager Options to Argonaut and to Euroz (or their nominees) under and for the purposes of Listing Rule 7.1.

TECHNICAL INFORMATION REQUIRED FOR THE PURPOSES OF LISTING RULE 14.1A

If Resolutions 5 and 6 are passed, the Company will be able to issue the Lead Manager Options to Argonaut and to Euroz (or their nominees).

In addition, the issue of the Lead Manager Options will be excluded from the calculation of the number of Equity Securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolutions 5 and 6 are not passed, the Company will not be able to issue the Lead Manager Options to Argonaut and Euroz (or their nominees), which will result in the Company being unable to fulfil the commercial terms of the Joint Lead Managers' mandate in full and may require the Company to enter into separate commercial arrangements with Argonaut and Euroz.

INFORMATION REQUIRED BY ASX LISTING RULE 7.3

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolutions 5 and 6:

- (a) the Lead Manager Options will be issued to:
 - (i) Argonaut Investments Pty Ltd; and
 - (ii) Zenix Nominees Pty Ltd (as nominee for Euroz),neither of whom is a related party of the Company.
- (b) the maximum number of Lead Manager Options to be issued is 15,000,000 Options;
- (c) the Lead Manager Options will be issued as soon as possible following the passing of Resolutions 5 and 6, but not later than 3 months after the date of the Meeting;
- (d) the terms and conditions of the Lead Manager Options are set out in Schedule One;
- (e) the Lead Manager Options will be issued at a price of \$0.0001 each, raising a total of \$1,500 in aggregate (before costs). If the Lead Manager Options are exercised prior to expiry, the Company will raise up to \$900,000 on receipt of the exercise price for the Lead Manager Options and anticipates it will use those funds for working capital purposes as required at that time;
- (f) the Lead Manager Options are to be issued as part consideration for the services provided by Argonaut and Euroz as Lead Manager and Co-Lead Manager to the Placement;
- (g) the Company is party to a mandate agreement with Argonaut and Euroz, under which they agreed to act as Lead Manager and Co-Lead Manager for the Placement. Under the mandate agreement, the Company agreed to pay the Joint Lead Managers (subject to exclusions for funds raised from certain identified investors):
 - (i) a management fee of 2% of the total funds raised under the Placement; and
 - (ii) a selling fee of 3% of the funds raised by the under the Placement.

The Company also agreed to issue 15,000,000 Lead Manager Options to Argonaut and Euroz with such options issued for a subscription price of \$0.0001 per option, exercisable at \$0.06, expiring on 31 March 2025 (these being the Lead Manager Options the subject of Resolutions 5 and 6);

- (h) the Lead Manager Options are not being issued under, or to fund, a reverse takeover; and
- (i) voting exclusion statements for Resolutions 5 and 6 are included in the Notice of Meeting preceding this Explanatory Memorandum.

BOARD RECOMMENDATION

The Directors unanimously recommend that Shareholders vote in favour of Resolutions 5 and 6.

7. 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.
Argonaut	Argonaut Securities Pty Ltd
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.
Chairman	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.
Dundee	Dundee Corporation
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.
Euroz	Euroz Hartley's Securities Limited
Explanatory Memorandum	the explanatory memorandum which accompanies and forms part of the Notice of Meeting.
First Tranche Shares	has the meaning given to that term in section 2 of the Explanatory Memorandum.
GM or General Meeting or Meeting	the general meeting of the Company to be held on Friday, 22 April 2022.

Issue Date	means 14 March 2022, as set out in the Background to Item 2 of the Explanatory Memorandum.
Joint Lead Managers	means Argonaut and Euroz
Lead Manager Options	has the meaning given to that term in section 2 of the Explanatory Memorandum.
New Shares	means the 415,000,000 Shares comprised in the Placement
Notice of Meeting	the notice convening the GM which accompanies this Explanatory Memorandum.
Option	an option to acquire a Share.
Placement	has the meaning given to that term in section 2 of the Explanatory Memorandum.
Proxy Form	the proxy form which accompanies this Explanatory Memorandum.
Second Tranche Shares	has the meaning given to that term in section 2 of the Explanatory Memorandum.
Shares or Ausgold Shares	fully paid ordinary shares in the Company.
Shareholder	a registered holder of a share.

SCHEDULE ONE - TERMS AND CONDITIONS OF LEAD MANAGER OPTIONS

- (a) Each Option shall confer the right to subscribe for one fully paid ordinary share in the capital of Ausgold Limited (the **Company**) (**Share**).
- (b) Subject to paragraph (i), the exercise price for each Option is \$0.06 (**Exercise Price**).
- (c) The Options will expire at 5.00pm WST on 31 March 2025 (the **Expiry Date**).

Any Options that have not been validly exercised before the Expiry Date will lapse.

- (d) A certificate will be issued for the Options. On the reverse side of the certificate there will be endorsed a statement of the rights of the Option holder and a notice that is to be completed when exercising the Options (**Exercise Notice**). If there is more than one Option comprised in this certificate and prior to the Expiry Date those Options are exercised in part, the Company will issue another certificate for the balance of the Options held and not yet exercised.
- (e) Subject to paragraphs (c) and (m) the Options are exercisable at any time before the Expiry Date by the delivery to the registered office of the Company of the Exercise Notice and the Exercise Price in cleared funds. The Exercise Notice and cleared funds must be received before the Expiry Date. The Options may be exercised in whole or in part. If the Options are exercised in part each Exercise Notice must be for not less than 1,000 Shares and in multiples of 1,000 Shares.
- (f) After an Option is validly exercised, the Company must as soon as possible following receipt of the Exercise Notice and receipt of cleared funds equal to the subscription monies due:
 - (i) issue the Shares;
 - (ii) if required, give the Australian Securities Exchange a notice that complies with section 708A(5)(e) of the *Corporations Act 2001* (Cth) (the **Corporations Act**), or, if the Company is unable to issue such a notice, lodge with the Australian Securities and Investments Commission a prospectus prepared in accordance with the Corporations Act and do all things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
 - (iii) do all such acts, matters and things to obtain the grant of quotation of the Shares by ASX by no later than 15 business days after the date of exercise of the Option.
- (g) There are no participating rights or entitlements inherent in the Options and holders of the Options will not be entitled to participate in any new issues of capital that may be offered to shareholders during the currency of the Options.
- (h) Subject to paragraph (c) and (m), Option holders have the right to exercise their Options prior to the date of determining entitlements to any capital issues to the then existing shareholders of the Company, made during the currency of the Options.
- (i) In the event of a reorganisation of the issued capital of the Company, the Options will be reorganised in accordance with the Listing Rules of the Australian Securities Exchange, but in all other respects, the terms of exercise will remain unchanged.

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- (j) The Options are transferable.
 - (k) There is no right to change the exercise price of Options nor the number of underlying Shares over which the Options can be exercised, if the Company completes a bonus or pro-rata issue.
 - (l) Application will not be made for official quotation of the Options on the Australian Securities Exchange.
 - (m) The exercise of the Options by an Option holder is subject at all times to the Corporations Act.

If you are attending the meeting
in person, please bring this with you
for Securityholder registration.

Holder Number:

Your proxy voting instruction must be received by **11:00am (AWST) on Wednesday, 20 April 2022**, 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.

STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

STEP 2 - VOTES ON ITEMS OF BUSINESS

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, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

Individual: Where the holding is in one name, the Shareholder must sign.

Joint holding: Where the holding is in more than one name, all 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 despatched 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 attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

