

AGD

MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

Dear Shareholder,

16 August 2019

**Austral Gold Limited – Non-renounceable Entitlements Offer**

Austral Gold Limited ACN 075 860 472 (**Company**) has today announced a non-renounceable, pro-rata entitlement offer to shareholders of one (1) new share (each a **New Share**) for every seven (7) shares held as at the record date, being 20 August 2019, at a price of \$0.08 per New Share (**Offer**). For every 1.5 New Shares for which an Eligible Shareholder subscribes, they will receive one attaching option, that will be unquoted, with an exercise price of \$0.092 per option, and an expiry date on the second anniversary of the date of issue (each a **New Option**). If fully subscribed, the Offer will raise A\$5,614,407 before the costs of the Offer.

The Company lodged the Offer Document with ASX and ASIC on 15 August 2019. A copy of the Offer Document is available on the ASX website using the Company’s ticker code: AGD.

The Offer is being made to all shareholders of the Company named on its register of members at 7:00 p.m. (AEST) on 20 August 2019 (**Record Date**), whose registered address is in Australia or New Zealand (each an **Eligible Shareholder**).

Each New Share will rank equally with all fully paid ordinary shares in the capital of the Company already on issue. The Offer may be accepted at any time up to 5:00 pm (AEST) on 13 September 2019 (**Closing Date**).

Assuming that the Offer is fully subscribed, the Company will issue approximately 70,180,092 New Shares and 46,786,728 New Options (subject to rounding).

**Purpose of the Offer**

The purpose of the Offer is to raise up to A\$5,614,407 before the costs of the Offer. The funds raised in the Offer are planned to be used as follows:

<b>Proposed application of proceeds of the Offer</b>	<b>\$'s *</b>
Funding brownfield exploration programs at and near the Company’s projects in Argentina and Chile	5,044,407
Working Capital	500,000
Expenses of the Offer	70,000
<b>Total</b>	<b>5,614,407**</b>

\* All amounts are approximations.

\*\* The eligibility of Shareholders to participate under the Offer will not be determined until the Record Date. As such, in calculating this figure, the Company is assuming that all Shareholders are Eligible Shareholders as at the date of this Offer Document.

**Eligibility**

The Company has determined, in accordance with ASX Listing Rule 7.7.1(a), that due to the:

- (a) costs of complying with legal and regulatory requirements in jurisdictions outside of Australia and New Zealand;
- (b) small number of Ineligible Shareholders; and

(c) number and value of New Shares and New Options to which they would otherwise be entitled,

a Shareholder who has a registered address outside Australia and New Zealand as at the Record Date (**Ineligible Shareholder**) will not be able to participate in the Offer. **Accordingly, you are an Ineligible Shareholder.**

**Offer timetable**

<b>Event</b>	<b>Anticipated Date*</b>
Issue of notice under section 708AA(2) of Corporations Act ( <b>Cleansing Notice</b> )	<b>15 August 2019</b>
Announcement of Offer and lodgement of Appendix 3B and Offer Document with ASX and ASIC	<b>15 August 2019</b>
Notice of Offer sent to Shareholders	<b>16 August 2019</b>
Shares quoted on an “ex-rights” basis**	<b>19 August 2019</b>
Record Date for determining eligibility of Shareholders to participate under the Offer	<b>7.00 p.m. (AEST) 20 August 2019</b>
Offer Document and Entitlement and Acceptance Forms dispatched to Eligible Shareholders	<b>23 August 2019</b>
Last date to extend the Closing Date	<b>10 September 2019</b>
Closing Date	<b>5.00 p.m. (AEST) 13 September 2019</b>
New Shares Quoted on a deferred settlement basis (Options will not be Quoted)	<b>16 September 2019</b>
Notify ASX of Shortfall Shares (if any)	<b>17 September 2019</b>
Advice to ASX of entry of New Shares (including those subscribed for under the Shortfall Offer and the Broker Facility) into certificated sub-register or uncertificated sub-register, as applicable	<b>18 September 2019 (no later than noon)</b>
<ul style="list-style-type: none"> <li>• Issue of New Shares and Options (including those subscribed for under the Shortfall Offer and the Broker Facility); and</li> <li>• issue of confirmatory Appendix 3B with ASX</li> </ul>	<b>20 September 2019</b>
Dispatch of Shareholder holding statements (deferred settlement trading ends)	<b>23 September 2019</b>

\* These dates are indicative only and subject to change. The Company reserves the right, subject to the Corporations Act 2001 (Cth), the ASX Listing Rules, applicable Canadian securities laws and regulations, the Policies of the TSX.V and other applicable laws, to vary any of the dates relating to the Offer, including extending the Closing Date or accepting Applications after the Closing Date, either generally or in particular cases.

Neither the Offer nor the Shortfall Offer requires the approval of Shareholders.

Any material changes to the above timetable will be announced by the Company on its ASX announcements platform and disclosed on [www.Sedar.com](http://www.Sedar.com) and the Company’s website [www.australgold.com](http://www.australgold.com). The Company’s announcements are accessible from ASX’s website at [www.asx.com.au](http://www.asx.com.au) under the code “AGD” and from the TSX.V’s website under the code “AGLD”.

\*\* Shares commence trading without the right to participate in the Offer.

If you have any queries regarding the Offer, please contact the Company on 02 9380 7233.

By Order of the Board  
Austral Gold Limited