

16th October 2012



<Shareholder Name>
<Address One>
<Address Two>
<Address Three>
<Suburb> <State> <Postcode>

Dear Shareholder,

AUSTRAL GOLD LIMITED - ANNUAL GENERAL MEETING WEDNESDAY 28 NOVEMBER 2012

I am pleased to invite you to the Annual General Meeting of Austral Gold Limited shareholders to be held on Wednesday 28 Nov 2012 at 10:00am at the offices of Addisons, Level 12, 60 Carrington St, Sydney NSW 2000.

The purpose of the meeting is to put to shareholders a number of resolutions that will, in the view of your Board, assist the future development of the Company. Information about each of the resolutions is set out in the Explanatory Statement to the Notice of Meeting and I ask you to read this carefully. The Board fully supports all of the resolutions to be put to Shareholders at the Annual General Meeting.

An overview of the Company's current projects will be presented at the meeting and our 2012 Annual Report is available online at www.australgold.com.au

If you are unable to attend the meeting, you are encouraged to appoint a proxy to attend and vote on your behalf. Instructions for the lodgement of the proxy form are included with the Notice of Meeting. If you will be attending the meeting, I look forward to seeing you there. Should you have any questions, please contact the Company Secretary on +61 (2) 9380 7233.

Dr. Robert Trzebski
Director

2012

NOTICE OF ANNUAL GENERAL MEETING



Time: 10:00am (AEDT)
Date: 28 November, 2012
Place: Offices of Addisons Lawyers
Level 12
60 Carrington Street
Sydney NSW 2000



This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting, please contact the Company Secretary on +61 (2) 9380 7233.

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The meeting and how to vote

Venue

The Annual General Meeting of the Shareholders of Austral Gold Limited will be held at the offices of Addisons Lawyers located at Level 12, 60 Carrington Street, Sydney, New South Wales on Wednesday, 28 November 2012 at 10:00am AEST.

Your vote is important

The business of the Annual General Meeting affects your shareholding and your vote is important.

Voting in person

To vote in person, attend the Annual General Meeting on the date and at the place set out above.

Voting by proxy

To vote by proxy, please complete and sign the proxy form enclosed and send it either:

- by post to Suite 605, 80 William Street, Sydney, New South Wales 2011; or
- by facsimile to Austral Gold on facsimile number +61 (2) 9380 7972.

so that it is received no later than 10.00 a.m. AEST on Monday, 26 November 2012.

PROXY FORMS RECEIVED LATER THAN THIS TIME AND DATE WILL BE INVALID.

If a Shareholder appoints a proxy, the Shareholder can direct the proxy how to vote by following the instructions on the proxy form. Shareholders are encouraged to direct the proxy, in the manner prescribed in the proxy form, as to how to vote on each of the Resolutions.

If the Chair of the General Meeting is appointed or is taken to be appointed as a proxy but the appointment does not specify how to vote on a Resolution, the Chair intends to exercise all its votes in favour of that Resolution.

Direction to Chair for Item 2 – Adoption of the Remuneration Report

- If you appoint the Chair or the Chair is taken to be appointed as your proxy, you can direct the Chair to vote “For”, “Against” or “Abstain” from voting on Item 2 by marking the appropriate box on the proxy form.
- If you do not direct a voting preference on the proxy form, the proxy will be taken as a direction to the Chair to vote in favour of Item 2 and you will be taken to have authorised the Chair to exercise the proxy even if the Chair has an interest in the outcome of Item 2.

Notice of Annual General Meeting

Notice is given that an Annual General Meeting of Shareholders of Austral Gold Limited (AGD or Company) will be held at the offices of Addisons Lawyers located at Level 12, 60 Carrington Street, Sydney, New South Wales on Wednesday, 28 November 2012 at 10:00 am AEDT.

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the General Meeting. The Explanatory Statement and the proxy form are part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001 (Cth)* that the persons eligible to vote at the General Meeting are those who are registered Shareholders on Monday, 26 November 2012 at 10.00 am (AEST).

AGENDA FOR ANNUAL GENERAL MEETING

Item 1 – Receive and consider Financial Statements and Directors Report

To receive and consider the Financial Statements (including the accompanying notes) of the Group for the year ended 30 June 2012 and the related Directors' Report and Auditor's Report.

Item 2 – Adoption of Remuneration Report

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

“That the Remuneration Report for the year ended 30 June 2012, submitted as part of the Directors' Report, be adopted pursuant to sections 250R(2) and 250R(3) of the Corporations Act.”

This resolution is advisory only and does not bind the Directors or the Company.

Voting Exclusion Statement:

In accordance with the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of:

- i a member of the Key Management Personnel details of whose remuneration are included in the Remuneration Report; or
- ii a closely related party of such Key Management Personnel.

However, a Key Management Personnel or its closely related party, may cast a vote on this Resolution in Item 2 if:

- i the person does so as a proxy appointed by writing that specifies how the proxy is to vote on the Resolution; and
- ii the vote is not cast on behalf of a Key Management Personnel or its closely related party.

Item 3 – Re-election of Mr Eduardo Elsztain

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

“That Mr Eduardo Elsztain, who retires by rotation in accordance with clause 13.2 of the Constitution and, being eligible, offers himself for re-election, be re-elected as a Director.”

Item 4 – Re-election of Mr Stabro Kasaneva

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

“That Mr Stabro Kasaneva, who retires by rotation in accordance with clause 13.2 of the Constitution and, being eligible, offers himself for re-election, be re-elected as a Director.”

Item 5 – Additional Issue Approval to issue 10% of Securities

To consider and, if thought fit, pass the following Resolution as a Special Resolution:

“That for the purposes of Listing Rule 7.1A and for all other purposes, approval be given for the Company to issue and allot, or agree to issue and allot, Equity Securities in the issued capital of the Company at any time in the period commencing on the date of this Annual General Meeting and ending on the first anniversary of that date, on one or more occasions, provided that the maximum number of Equity Securities issued and allotted or agreed to be issued and allotted in reliance on this approval is calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and any such issue or allotment or agreement to issue and allot is otherwise made on the terms and conditions as more particularly set out in Item 5 of the Explanatory Statement that accompanies this Notice of Meeting.”

Voting Exclusion Statement:

In accordance with the Listing Rules, the Company will disregard any votes cast on this Resolution by:

- any person who may participate in an issue of Equity Securities pursuant to the approval sought under this Resolution, or any other person who may obtain a benefit as a result of the passing of this Resolution (other than a benefit solely in the capacity as a Shareholder); and
- any Associate of those persons.

However, the Company need not disregard any votes cast on this Resolution if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the Annual General Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

Item 6 – Amendments to Austral Gold Limited Constitution – Electronic Communication

To consider and if thought fit, to pass the following Resolution as a Special Resolution:

“That, in accordance with section 136(2) of the Corporations Act, the Constitution be amended by inserting the following clause as Clause 25.6 and re-numbering the remaining clauses of Clause 25 accordingly:

25.6 Meaning of ‘notice’

For the purposes of clause 25, “notice” means any notice or document that the Company gives to a Shareholder, including but without limitation:

- a) any notice given under this Constitution;**
- b) the Company’s annual financial report, annual director’s report and annual auditor’s report (and any concise report) required by the Corporations Act to be provided by the Company to each Shareholder;**
- c) any dividend statements provided by the Company to a Shareholder;**
- d) any explanatory memorandums or statements that the Company may provide to a Shareholder from time to time; and**
- e) any notice of any meetings of Shareholders (including the Company’s Annual General Meeting) and the related meeting materials and proxies.”**

Item 7 – Other Business

To transact any other business as may be brought before the Annual General Meeting.

Dated: 18 October 2012

By Order of the Board
Austral Gold Limited



Catherine Lloyd
CFO and Company Secretary

Explanatory Statement

This Explanatory Statement has been prepared for the information of the Shareholders of Austral Gold Limited [AGD or Company] in connection with the business to be conducted at a General Meeting to be held at the offices of Addisons Lawyers located at Level 12, 60 Carrington Street, Sydney on Wednesday, 28 November 2012 at 10:00 am.

The purpose of this Explanatory Statement is to provide information that the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

Item 1 – Receive and Consider Financial Statements and Directors Reports

The Corporations Act requires the Directors to lay before the Annual General Meeting the financial statements, the Directors' report and the auditor's report for the last financial year that ended before that Annual General Meeting.

Shareholders will be provided with a reasonable opportunity to ask questions or make statements in relation to these reports but no formal resolution to adopt the reports will be put to Shareholders.

Item 2 – Adoption of Remuneration Report

The Remuneration Report is set out in the Directors' Report on pages 17-18 of the Group's 2012 Annual Report. To view the 2012 Annual Report, visit www.australgold.com.au. To request a hard copy of the 2012 Annual Report, please phone +61 (2) 9380 7233 or email info@australgold.com.au.

The Remuneration Report sets out the Group's remuneration arrangements for the Directors and Key Management Personnel.

In accordance with section 250SA of the Corporations Act, a reasonable opportunity will be provided for discussion of the Remuneration Report at the Annual General Meeting.

Non-binding Resolution

The Corporations Act requires that a resolution to adopt the Remuneration Report be put to the vote of the Shareholders. However, Shareholders should note that the vote on this Item 2 Resolution is advisory only and not binding on the Company or its Directors. The Directors will consider the outcome of the vote and comments made by Shareholders on the Remuneration Report at the Annual General Meeting when reviewing the Company's remuneration policies.

Two Strikes Rule

Shareholders should also note that if 25% or more of the votes on a resolution to adopt the remuneration report, vote against adoption of that remuneration report at two consecutive Annual General Meetings of the Company, Shareholders will be required to vote at the second of those Annual General Meetings on a resolution [Spill Resolution] that another general meeting [Spill Meeting] be held within 90 days of the date of that second Annual General Meeting at which:

- all the Directors (other than the Managing Director) cease to hold office immediately before the end of the Spill Meeting; and
- resolutions are put to the vote at the Spill Meeting to fill each of those vacancies.

If the Spill Resolution is passed, the Company must convene and hold the Spill Meeting within the prescribed period. Directors' positions are vacated at the Spill Meeting and candidates stand for election or re-election (as the case may be).

At the 2011 Annual General Meeting of the Company less than 25% of votes cast, voted against adoption of the remuneration report. Therefore, there is currently no strike outstanding in relation to this Item 2 Resolution.

Voting Exclusion

No votes can be cast in relation to this Item 2 Resolution by or on behalf of a member of Key Management Personnel (as identified in the Remuneration Report) or any of their closely related parties (as that term is defined in the Corporations Act and which includes certain of their family members, dependants and companies they control) [collectively referred to as a *Prohibited Voter*]. However, a Prohibited Voter may vote directed proxies for someone other than a Prohibited Voter.

If you do not direct the person chairing the Annual General Meeting how to vote and you are not a Prohibited Voter, by marking the box on, and submitting, the proxy form, you will be taken to have:

- authorised the Chair of the General Meeting to exercise the proxy even though this Item 2 Resolution is connected directly or indirectly with the remuneration of a Key Management Personnel, and
- directed the Chair of the General Meeting to vote in accordance with his stated intention to vote in favour of this Item 2 Resolution.

If you do not want your votes exercised in favour of this Item 2 Resolution, you should direct the Chair of the General Meeting to vote “against”, or abstain from voting on this Item 2 Resolution.

Item 3 – Re-election of Mr Eduardo Elsztain

Mr Elsztain was appointed as a Director on 29 June 2007 and was re-elected at the Annual General Meeting of the Company on 20 November 2009. He was appointed Chairman on 2 June 2011. He now retires by rotation and, being eligible, seeks re-election in accordance with rule 13.2 of the Constitution.

A brief profile of Mr Elsztain is contained in the Company’s 2012 Annual Report on page 14.

Item 4 – Re-election of Mr Stabro Kasaneva

Mr Kasaneva was appointed as a Director on 7 October 2009 and was re-elected at the Annual General Meeting of the Company on 20 November 2009. He now retires by rotation and, being eligible, seeks re-election in accordance with clause 13.2 of the Constitution.

A brief profile of Mr Kasaneva is contained in the Company’s 2012 Annual Report on page 14.

Item 5 – Additional Issue Approval to issue 10% of Securities

As permitted by Listing Rule 7.1A, the Directors are seeking approval from Shareholders pursuant to a Special Resolution [*Additional Issue Approval*] for capacity, over a period that will not exceed the first anniversary of the date on which the Additional Issue Approval is given at this Annual General Meeting [*Additional Issue Period*], to issue or agree to issue, that number of Equity Securities that is equal to, or exercisable into, an additional 10% of the number of ordinary securities on issue in the Company at the time of the proposed issue or agreement to issue (less any Exempt Shares issued in the immediately preceding 12 months), without further Shareholder approval [*Additional Issue Securities*].

The Board believes that the ability of the Company to issue the Additional Issue Securities over the following 12 months – as and when the need or opportunity arises during that period – is in the best interests of the Company and the Shareholders. However, when and if the Additional Issue Approval is given at this Annual General Meeting, the Company is not thereupon obliged to issue any Additional Issue Securities pursuant to an Additional Issue Approval.

The exact number of Additional Issue Securities to be issued under the Additional Issue Approval will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 – see sub-paragraph 5.2 overleaf.

Any issue made pursuant to the Additional Issue Approval would be in addition to the Equity Securities that the Company may also be permitted to issue under Listing Rule 7.1 or any other Listing Rule.

In accordance with the requirements of Listing Rule 7.3A, the Company advises as follows:

5.1 Minimum Issue Price – As stated in Listing Rule 7.1A.3, the minimum price at which a proposed issue of Additional Issue Securities is made must not be less than 75% of the VWAP for Equity Securities of the same class as those Additional Issue Securities, calculated over the 15 trading days on which trades in those Equity Securities were recorded immediately before:

- the date on which the issue price of those Additional Issue Securities is agreed, or
- the issue date of those Additional Issue Securities (if those Additional Issue Securities are not issued within 5 trading days of the date on which the issue price is agreed).

Where the Company proposes to issue Additional Issue Securities in consideration for acquiring non-cash consideration, such as new resources, assets and investments, the Company will be required to provide to the market an independent expert's valuation of the non-cash consideration, as required by Listing Rule 7.1A.3, at or immediately prior to the time of that issue.

5.2 Dilution of Existing Securityholders – the Company, as at the date of this Notice of Meeting, has on issue one class of Equity Securities, being the Shares. As at the date of this Notice of Meeting, the Company has 169,139,739 Shares on issue and therefore has a capacity to issue:

- 25,370,960 Shares under Listing Rule 7.1 without further Shareholder approval; and
- subject to obtaining Shareholder approval under this Item 5 Resolution, 16,913,973 Additional Issue Securities under Listing Rule 7.1A.

The actual number of Additional Issue Securities that the Company will have capacity to issue under Listing Rule 7.1A at a given time will be calculated at the date of issue of the relevant Additional Issue Securities.

Listing Rule 7.1A.2 provides that Eligible Entities which have obtained shareholder approval for the purposes of Listing Rule 7.1A at an Annual General Meeting, may issue or agree to issue, during the 12 month period after the date of that Annual General Meeting, a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

Where:

A is the aggregate of the number of:

- i fully paid ordinary securities on issue 12 months before the proposed date of issue of the relevant Additional Issue Securities [*Proposed Issue Date*];
- ii fully paid ordinary securities issued during the 12 months before the Proposed Issue Date under an exception in Listing Rule 7.2;
- iii partly paid ordinary securities that became fully paid ordinary securities in the 12 months before the Proposed Issue Date; and
- iv fully paid ordinary securities issued in the 12 months before the date on which the Item 5 Resolution is approved with the approval of holders of ordinary securities under Listing Rule 7.1 or Listing Rule 7.4,

but excludes:

- v any Exempt Shares issued during the 12 months before the Proposed Issue Date; and
- vi the number of fully paid ordinary securities cancelled in the 12 months before the Proposed Issue Date;

D is 10%; and

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the Proposed Issue Date without the approval of shareholders under Listing Rule 7.1 or Listing Rule 7.4.

If the Item 5 Resolution is approved by Shareholders and the Company issues Shares pursuant to the Additional Issue Approval [*Additional Issue Shares*], the existing Shareholders' voting power and economic interest in the Company will be diluted.

Shareholders should be aware that there is a risk that:

- the market price for the Shares may be significantly lower on the date of issue of the Additional Issue Shares than on the date of the Annual General Meeting;
- the Additional Issue Shares may be issued at a price that is at a discount to the market price for the Shares on the date on which the Additional Issue Shares are issued; and
- the share capital of the Company may be significantly larger on the date of issue of the Additional Issue Shares than it was on the date of the Annual General Meeting,

which may result in the amount of funds raised by the issue of Additional Issue Shares, and the number of Additional Issue Shares actually issued, differing materially from the Company's expectations in the circumstances that prevail at the date of this Notice of Meeting or the date of the Annual General Meeting.

Examples of the possible dilutionary effect on Existing Shareholders resulting from an issue of the maximum number of Additional Issue Shares permissible under the Additional Issue Approval (as calculated in accordance with the above formula, assuming the issue is made on 15 October 2012), assuming:

- three different values for variable "A" in the formula above, that is, the number of Shares on issue; and
 - three different issue prices,
- are set out in the table overleaf.

The table on the next page shows the anticipated dilutionary effect on existing Shareholders on the basis of:

- the current market price of Shares; and
- the current number of Shares on issue,

That is, as at close of trading on 15 October 2012, assuming that:

- i the Company issues the maximum number of Additional Issue Shares available under the Additional Issue Approval;
- ii no Shares are issued pursuant to the exercise of any issued Options before the date of the issue contemplated in paragraph (iii) immediately above;
- iii the Additional Issue Shares issued consist of Shares only; and
- iv the issue price per Additional Issue Share is set at a discount of 25% to the prevailing market price of Shares, being the maximum discount i.e. the highest rate of dilution to existing Shareholders that is permitted under the Listing Rules in respect of an issue of Additional Issue Securities.

The table then compares this scenario with the possible dilutionary effect on Existing Shareholders assuming that:

- the total ordinary share capital of the Company has increased by 50% and by 100% and all newly issued Shares are acquired by non-Existing Shareholders.

Shareholders should be aware that the number of fully paid ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, placements under the 15% Rule, pro rata entitlements issues or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders meeting; and

- the issue price of fully paid ordinary securities has decreased by 50% (i.e. halved), and increased by 100% (i.e. doubled), as against the current market price.

Shareholders should be aware that the price for the Shares is subject to fluctuation, which may result from a diverse range of factors, including non-Company-specific influences such as the general state of the economy, fluctuations in interest and/or foreign exchange rates, monetary and fiscal policies, global hostilities and tensions.

Variable "A" - Total number of ordinary shares on issue	Number of Additional Issue Securities to be issued	Total dilutionary effect of existing Equity Security- holders	Total amount of funds raised from the issue of Additional Issue Securities, assuming an issue price per Additional Issue Securities equal to 75% of VWAP		
			\$0.05625 (50% decrease of the 15-day VWAP of Shares as at close of trading on 15 Oct 2012, less 25% discount)	\$0.1125 (15-day VWAP of Shares as at close of trading on 15 Oct 2012, less 25% discount)	\$0.225 (100% increase of the 15-day VWAP of Shares as at close of trading on 15 Oct 2012, less 25% discount)
169,139,739 Shares (share capital as at date of this Annual General Meeting, held by Existing Shareholders)	16,913,973	9.09%	\$951,411	\$1,902,822	\$3,805,644
253,709,609 Shares (50% increase in the share capital of the Company)	25,370,960	9.09%	\$1,427,117	\$2,854,233	\$5,708,466
338,279,478 Shares (100% increase in the share capital of the Company)	33,827,947	9.09%	\$1,902,822	\$3,805,644	\$7,611,288

Assumptions and Observations

The above table has been prepared based on the following assumptions and observations:

- i the Company issues the maximum number of Additional Issue Shares that it is permitted to issue upon the giving of the Additional Issue Approval;
- ii no Options are exercised before the record date applicable to the issue of the Additional Issue Shares;
- iii no Existing Shareholder is issued with any of the Additional Issue Shares – in other words, the maximum rate of dilution to Existing Shareholders is assumed;
- iv the above table only shows the effect of issues of Shares under Listing Rule 7.1A i.e. under the Additional Issue Approval, and therefore excludes the issue of any Equity Securities issued under the provisions of any other Listing Rule, such as Listing Rule 7.1; and
- v the Additional Issue Shares consist only of Shares.

5.3 Additional Issue Period - no Additional Issue Shares will be issued after the expiry of the period that commences on (and includes) the date of this Annual General Meeting and ends on (and includes) the date upon which the first of the following two events occurs:

- the first anniversary of the date of this Annual General Meeting; and
- the date of approval by Shareholders of a transaction under Listing Rule 11.1.2 or Listing Rule 11.2 (change in nature or scale of the Company)

Approval under Listing Rule 7.1A will cease to be valid if and when Shareholders approve a transaction under Listing Rule 11.1.2 or Listing Rule 11.2.

In the interest of clarity, Shareholders are advised that after the expiry of the Additional Issue Period, the Company will not issue any Additional Issue Shares unless and until it has obtained from Shareholders a further Additional Issue Approval, by means of a Special Resolution, at the Company's next Annual General Meeting;

5.4 Application of consideration received from issue of Additional Issue Shares – the Company may apply consideration received from the issue of Additional Issue Shares for the following purposes:

- if cash consideration is received - the Company intends to use the funds raised towards the acquisition of new assets or investments (including expenses associated with such acquisition), continued exploration and feasibility expenditure on the Company's current assets and/or general working capital; and
- if non-cash consideration is received - the Company will have issued the Additional Issue Securities in consideration for acquiring new resources, assets and investments. If this occurs, the Company will provide a valuation of the non-cash consideration in accordance with the Listing Rule 7.1A.3.

The total amount raised by the issue of Additional Issue Shares will depend on the issue price of Shares at the time of issue of the relevant Additional Issue Shares.

As at the date of this Notice of Meeting, the Company has not formed an intention to offer any Additional Issue Shares to any particular person or at any particular time, assuming that the Item 5 Resolution is passed and the Company receives Additional Issue Approval.

5.5 Allocation Policy - the Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the Additional Issue Approval. The identity of the allottees of Additional Issue Shares will be determined on a case-by-case basis having regard to factors including but not limited to the following:

- the methods of fundraising that are available to the Company at the relevant time, including but not limited to rights issue and other issues in which existing security holders can participate;
- the effect of the issue of the Additional Issue Shares on the control of the Company;
- the financial situation and solvency of the Company; and
- advice from corporate, financial and broking advisers (if applicable).

The allottees under the Additional Issue Approval have not been determined as at the date of this Notice of Meeting.

If the Company is successful in acquiring new resources, assets or investments, it is likely that the, or some of the, allottees under the Additional Issue Approval will be the vendors of the new resources assets or investments, or related parties or Associates of that vendor.

The Company reserves the right to determine, at the time of any issue of Additional Issue Shares and having regard to the circumstances existing at that time, the terms of the allocation policy that will apply to that particular issue;

5.6 Additional information to be disclosed - the Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon the issue of any Additional Issue Securities; and

5.7 Previous issues of Additional Issue Securities - the Company has not previously obtained Shareholder approval under Listing Rule 7.1A.

Voting Exclusion Statement:

The voting exclusion statement in respect of this Item is set out in Item 5 of this Notice of Meeting.

As at the date of this Notice of Meeting, the Company has not identified any particular person or class of persons who may participate in an issue made pursuant to, or otherwise benefit from, the passing of the Item 5 Resolution. As such, no Existing Shareholders shall be excluded from voting on the Item 5 Resolution.

Item 6 – Amendments to Austral Gold Limited Constitution – Electronic Communication

Item 6 is a Special Resolution proposing amendments to the Company's Constitution.

Clause 25.1 of the Constitution currently provides that the Company may give notice to any Shareholder by serving it personally, sending it by post or sending it to the fax number or electronic address nominated by the Shareholder. Clause 25.2 prescribes the circumstances when a notice is deemed to be received by a Shareholder. Clauses 25.3 and 25.4 provide for the giving of notices to joint holders and personal representatives.

The proposed amendments to Clause 25 will update the Constitution to expressly allow the Company to, upon election by the Shareholder, communicate electronically with the Shareholder, including in relation to such correspondence but not limited to:

- Annual Reports;
- Dividend Statements;
- Notices of Annual General Meeting;
- Annual General Meeting Agendas;
- Proxies; and
- any other Shareholder communication.

The Directors believe that the electronic distribution of Shareholder information has the potential to reduce the Company's printing and distribution costs. However, electronic distribution will not be compulsory for any Shareholder who or that does not want to receive its correspondence from the Company in electronic form.

If the Item 6 Special Resolution is approved, Shareholders will have the choice to continue receiving Company correspondence by post or to nominate an electronic address to receive the notices.

Glossary

In this Notice of Meeting and Explanatory Statement:

-
- **2012 Annual Report** means the annual report of the Group in respect of the financial year ended 30 June 2012

 - **Additional Issue Approval** means the approval that will be given if Resolution referred to in Item 5 of the Notice of Meeting is passed by Shareholders in accordance with its terms

 - **AGD or Company** means Austral Gold Limited ACN 075 860 472

 - **Associate** has the meaning given to that term in the note to Listing Rule 14.11

 - **ASX** means ASX Limited or the Australian Securities Exchange, as the context may require

 - **Board** means the board of Directors

 - **Constitution** means the constitution of the Company, as amended from time to time

 - **Corporations Act** means the *Corporations Act 2001 (Cth)*

 - **Directors** means the directors of the Company from time to time

 - **Eligible Entity** means an entity whose securities are listed on the ASX and who at the time that this Annual General Meeting is held:
 - (a) has a market capitalisation of A\$300 million or less; and
 - (a) is not included in the S&P/ASX 300 Index

 - **Equity Security** has the meaning given to that term in Listing Rule 19.12

 - **Exempt Share** means a Share permitted to be issued without the approval of Shareholders pursuant to Listing Rule 7.1

 - **Existing Shareholder** means a Shareholder as at the date of this Notice of Meeting

 - **Explanatory Statement** means the explanatory notes which accompany and are incorporated as part of this Notice of Meeting

 - **General Meeting** means the Annual General Meeting of the Company to be held at 10.00am AEST on Wednesday 28 November 2012
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- **Group** means the Company and its controlled entities
-
- **Item** means an item referred to in the Notice of Meeting
-
- **Key Management Personnel** means key management personnel of the Company and includes the Directors and persons having authority and responsibility for planning, directing and controlling the activities of the Company (directly or indirectly)
-
- **Listing Rule** means the listing rules of and issued by ASX
-
- **Notice of Meeting** means this notice of meeting including the Explanatory Statement, the Proxy Form and any other document accompanying this notice of meeting
-
- **Option** means an option to acquire a Share
-
- **Resolution** means one of the resolutions set out in the Notice of Meeting
-
- **Shares** means fully paid ordinary shares in the capital of the Company
-
- **Shareholder** means the holder of a Share
-
- **Special Resolution** means a resolution that is approved by Shareholders who are entitled to vote on that resolution and who hold no less than 75% (in number) of all voting equity securities
-
- **VWAP** means, in respect of a quoted class of Equity Securities, the volume weighted average price of that class of Equity Securities sold on the ASX during the prescribed number of trading days immediately preceding and including the date on which such price is to be determined, but does not include any transactions defined in the ASX Operating Rules as 'special' crossings prior to the commencement of normal trading, crossings during the after hours adjust phase nor any overseas trades or trades pursuant to the exercise of options over ordinary shares in the capital of the Company.
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INSTRUCTIONS FOR COMPLETING THE PROXY FORM

- (1) A Shareholder entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two proxies to attend and vote on their behalf. Where more than one proxy is appointed, such proxy must be allocated a proportion of the Shareholder's voting rights. If the Shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes.
- (2) A duly appointed proxy need not be a member of the Company. In the case of joint holders, all must sign.
- (3) Corporate Shareholders should comply with the execution requirements set out on the proxy form or otherwise with the provisions of Section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:

- i two directors of the company;
- ii a director and a company secretary of the company; or
- iii for a proprietary company that has a sole director who is also the sole company secretary, that director.

For the Company to rely on the assumptions set out in Section 129(5) and (6) of the Corporations Act, a document must appear to have been executed in accordance with Section 127(1) or (2). This effectively means that the status of the persons signing the document or witnessing the affixing of the seal must be set out and conform to the requirements of Section 127(1) or (2) as applicable. In particular, a person who witnesses the affixing of a common seal and who is the sole director and sole company secretary of the company must state that next to his or her signature.

- (4) Where a body corporate is appointed as your proxy, the representative of that body corporate attending the Annual General Meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the Company's securities registry. Completion of a proxy form by a Shareholder will not prevent that Shareholder from attending the Annual General Meeting in person if they wish. Where a Shareholder completes and lodges a valid proxy form and nevertheless attends the Annual General Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Annual General Meeting.
- (5) Where a proxy form or form of appointment of corporate representative is lodged and is executed under power of attorney, the power of attorney must be lodged in like manner as this proxy.
- (6) To vote by proxy, please complete and sign the proxy form enclosed:

- Send the proxy form by **post** directly to:

Austral Gold Limited,
Suite 605, 80 William Street,
Sydney, NSW 2011;

or

- by **facsimile** to the Company on facsimile number +61 (2) 9380 7972

so that it is received not later than 10.00 am AEDT on 26 November 2012.

PROXY FORMS RECEIVED LATER THAN THIS TIME AND DATE WILL BE INVALID

Proxy Form

I/We

Holder ID

being a member of Austral Gold Limited ACN 075 860 472 (Company), being entitled to attend and vote at the Annual General Meeting of the Company to be held at the offices of Addisons Lawyers, Level 12, 60 Carrington Street, Sydney on 28 November 2012 at 10:00 am AEST and at any adjournment thereof, hereby:

☐ **Appoint the Chair of the Annual General Meeting** (mark box) **OR**
Write in the above box (IN BLOCK LETTERS) the name of the person/body corporate you are appointing if this person is someone other than the Chair of the General Meeting)

OR failing the person/body corporate named, or if no person/body corporate is named, the Chair of the Annual General Meeting, as my/our proxy to act generally on my/our behalf and to vote in accordance with the following instructions (or if no directions have been given, as the proxy sees fit).

Where I/we have appointed the Chair of the Annual General Meeting as my/our proxy (or the Chair of the Annual General Meeting becomes my/our proxy by default) but I/we have not marked any of the boxes opposite Item 2 in the Voting Directions below, I/we expressly authorise the Chair of the Annual General Meeting to exercise my/our proxy even if Item 2 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel of the Company and of any of its subsidiaries.

The Chair of the Meeting intends to vote undirected proxies in favour of all items of business.

Voting instructions will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the due time and date for the convening of the Annual General Meeting. Please read the explanatory notes overleaf before marking any boxes with an **X**.

Important – Voting Exclusions

☐ If the Chair of the Annual General Meeting is appointed as your proxy, or may be appointed by default and you do NOT wish to direct your proxy how to vote as your proxy in respect of any of the Resolutions (other than Item 2 below), please place a mark with an **X** in the adjacent box. By marking this box, you acknowledge that the Chair of the Annual General Meeting may exercise your proxy even though he/she has an interest in the outcome of any of the Resolutions (other than Item 2) and that votes cast by him/her for any such Resolution, other than as proxyholder, would otherwise be disregarded because of that interest. If you do not mark the adjacent box, and you have not directed your proxy how to vote, the Chair of the Annual General Meeting will not cast your votes on any of those Resolutions and your votes will not be counted in calculating the required majority if a poll is called on any of those Resolutions.

The Chair of the Annual General Meeting intends to vote undirected proxies in favour of all of the Resolutions below.

Voting Directions <i>Please mark "x" to indicate your direction(s)</i>	For	Against	Abstain
Item 2 – Adoption of the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 3 – Re-election of Mr Eduardo Elstain	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 4 – Re-election of Mr Stabro Kasaneva	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 5 – Approval of Additional Capacity to Issue 10% of Securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 6 – Amendments to Austral Gold Limited Constitution – Electronic Communication	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If you mark the abstain box for a particular Item, you are directing your proxy not to vote on the Resolution pertaining to that item on a show of hands or on a poll and that your Shares are not to be counted in computing the required majority on a poll.

Signature
Director

Signature
Director / Company Secretary

Signature
Sole Director and
Company Secretary

Companies
affix common seal
if appropriate

Signed this ____ day of _____ 2012
By Individuals and joint holders

