



AuStar Gold Limited
ACN 107 180 441

PROSPECTUS

In relation to the following offers:

The offer of 244,444,444 Attaching Options (exercise price 1 cent and expiry date 2 years after the date of grant) to Placement Subscribers on the basis of 1 free Attaching Option for every 5 Placement Shares subscribed, or to be subscribed, for by the Placement Subscribers under the Placement **(Placement Options Offer)**.

The offer of up to 222,222,223 New Shares to Eligible Shareholders at an issue price of 0.45 cents per New Share together with up to 44,444,445 free Attaching Options (exercise price 1 cent and expiry date 2 years after the date of grant) on the basis of 1 free Attaching Option for every 5 New Shares subscribed for by Eligible Shareholders to raise up to \$1,000,000 before costs (with the ability to accept oversubscriptions for an additional 222,222,223 New Shares and 44,444,445 Attaching Options to raise a further \$1,000,000) **(SPP Offer)**.

The issue of the Attaching Options under the Placement Options Offer and issue of the New Shares and Attaching Options under the SPP Offer are subject to Shareholder approval at the Company's Extraordinary General Meeting to be held on 28 September 2018.

This Prospectus is a transaction-specific prospectus issued in accordance with section 713 of the *Corporations Act 2001* (Cth). If you are an Eligible Shareholder, this is an important document that requires your immediate attention. It should be read in its entirety. If, after reading this Prospectus, you have any questions about the securities being offered under this Prospectus, you should contact your stockbroker, accountant or other professional adviser.

An investment in securities offered under this Prospectus should be considered as speculative.

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IMPORTANT INFORMATION

This Prospectus is dated 23 August 2018 and was lodged with ASIC on that date. Neither ASIC nor ASX takes any responsibility for the content of this Prospectus or the merits of the investment to which it relates. This Prospectus does not constitute an offer in any place in which or to persons to whom it would not be lawful to make such an offer. The distribution of this Prospectus in jurisdictions outside Australia, New Zealand and the United Kingdom may be restricted by law and any person into whose possession this Prospectus comes should seek advice on, and observe, those restrictions.

No New Shares or Attaching Options will be issued on the basis of this Prospectus after the expiry date, which is 13 months after the date of this Prospectus. This is a Prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) of the Company and has been prepared in accordance with section 713 of the Corporations Act. Accordingly, this Prospectus does not contain the same level of disclosure as an initial public offer prospectus.

No exposure period applies to this Prospectus by operation of ASIC Corporations (Exposure Period) Instrument 2016/74. No person is authorised to give any information or make any representation in connection with any offer which is not contained in this Prospectus. Any information or representation not contained in this Prospectus may not be relied on as having been authorised by the Company or the Directors.

You should read this Prospectus in its entirety before deciding to complete and lodge an Application Form and, in particular, in considering the prospects of the Company, you should consider the risk factors that could affect the Company's financial performance. You should consider these factors in the light of your personal circumstances (including financial and taxation issues). The key risk factors that should be considered by potential investors are outlined in section 3 of this Prospectus. If you have any questions, you should seek professional advice from your stockbroker, accountant or other professional adviser before deciding to invest in New Shares or Attaching Options.

Various risks may affect the future operating and financial performance of the Company and the value of an investment in the Company. Some of these risks are listed in section 3 of this Prospectus. The potential tax effects of participating in the Offers will vary between investors. All investors should satisfy themselves of any possible tax consequences by consulting their own professional tax advisers.

The information provided in this Prospectus is not investment advice and has been prepared without taking into account your investment objectives, financial situation or particular needs (including financial and taxation issues). It is important that you read and consider the information in this Prospectus in full before deciding to invest in New Shares and consider the risks that could affect the performance of the Company.

This Prospectus does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to, or for the account or benefit of, any 'US person' (as defined in Regulation S under the US Securities Act of 1933, as amended (**US Person**)). Shares may not be offered or sold in the United States or to, or for the account or benefit of, any US Person absent registration or an exemption from registration. This Prospectus has been prepared for publication only in Australia, New Zealand and the United Kingdom and may not be released elsewhere.

Certain terms and abbreviations used in this Prospectus have defined meanings as set out in the glossary in section 6 of this Prospectus. All financial amounts shown in this Prospectus are expressed in Australian dollars unless otherwise stated.

Important dates

Event	Date
Record Date for SPP - 7.00pm (Sydney time)	10 August 2018
Announcement of Placement and SPP	13 August 2018
Issue of first tranche of Placement Shares	17 August 2018
Lodgment of Prospectus with ASIC and ASX	23 August 2018
SPP Offer Opening Date	30 August 2018
Extraordinary General Meeting	28 September 2018
Closing Date – SPP Offer and Placement Options Offer	1 October 2018
Issue of second tranche of Placement Shares	2 October 2018
Allotment and issue of New Shares and Attaching Options Despatch date of holding statements	5 October 2018
Normal trading of New Shares commences	6 October 2018

The dates above and other dates referred to in this Prospectus (except the date of this Prospectus) are indicative only. Subject to the Listing Rules and the Corporations Act, the Company, reserves the right to change any date (including to extend the Closing Date of the Offers or to close the Offers early) without prior notice.

Frequently asked questions

Question	Answer	Reference
What are the Offers?	<p>By this Prospectus, the Company offers for subscription:</p> <ul style="list-style-type: none"> • 244,444,444 Attaching Options to Placement Subscribers on the basis of 1 free Attaching Option for every 5 Placement Shares subscribed, or to be subscribed, for by the Placement Subscribers under the Placement (Placement Options Offer). • Up to 222,222,223 New Shares to Eligible Shareholders together with up to 44,444,445 free Attaching Options on the basis of 1 free Attaching Option for every 5 New Shares subscribed for by Eligible Shareholders (with the ability to accept over subscriptions for a further 222,222,223 New Shares and 44,444,445 Attaching Options) (SPP Offer). 	Sections 1.1 and 1.2
What is the Issue Price of the Offers?	<p>New Shares are being issued for 0.45 cents per Share.</p> <p>Attaching Options are being issued for free.</p>	Section 1.2
Who is eligible to subscribe under the Offers?	<p>Applications pursuant to the Placement Options Offer must only be made by investors who have or will participate in the Placement by subscribing for Placement Shares.</p> <p>Applications pursuant to the SPP Offer must only be made by Eligible Shareholders (being a Shareholder with a registered address in Australia, New Zealand or the United Kingdom as at the Record Date).</p>	Section 1.5
What are the terms of the Attaching Options?	<p>The terms of the Attaching Options issued under the Placement Options Offer and the SPP Offer are the same.</p> <p>They have an exercise price of 1 cent and an expiry date 2 years after the date of grant.</p> <p>Application will be made for the Attaching Options to be quoted on ASX.</p>	Section 4.2
Are the Offers conditional?	<p>The Offers are conditional on Shareholder approval to issue the relevant securities at the Extraordinary General Meeting to be held on 28 September 2018.</p>	Section 1.3
Are the Offers underwritten?	<p>No, the Offers are not underwritten.</p>	Section 1.9

Question	Answer	Reference
How much will be raised from the Offers?	<p>The SPP Offer will raise up to approximately \$1,000,000 (before costs) if fully subscribed, and assuming no oversubscriptions are received. Eligible Shareholders will be entitled to apply for a maximum of \$15,000 worth of New Shares under the SPP Offer.</p> <p>The Placement Options Offer will not raise any additional funds as the Attaching Options will be issued for nil consideration.</p>	Section 2.4
What is the purpose of the Offers and the Placement and how will the funds raised be used?	<p>The funds raised under the Offers and the Placement, net of expenses, will be used for:</p> <ul style="list-style-type: none"> • an accelerated resource exploration/definition program at the Morning Star and Rose of Denmark gold mines; • accelerated trial mining and production activities at the Rose of Denmark and Morning Star gold mines; • a regional exploration program across the Company's extensive ~667 square kilometre tenement package, comprising the bulk of the Walhalla/Woods Point gold trend; and • general corporate and working capital purposes (including future growth initiatives). 	Section 2.2
What are the tax implications of participating in the Offers?	<p>Taxation implications will vary depending upon the specific circumstances of individual Shareholders. Investors should obtain their own professional advice as to the particular tax treatment that will apply to them.</p>	Section 5.8
Are there any risks?	<p>There are risks associated with an investment in the Company. These include risks relating to the Company's business, risks relating to the Offers and risks associated with financial investments generally.</p> <p>These risks are set out in more detail in section 3 of this Prospectus.</p> <p>In particular, key risks associated with an investment in the Company include:</p> <ul style="list-style-type: none"> • financing risk; • operating risk; and • development risk. 	Section 3
What is the effect of the Offers?	<p>The potential effect that the issue of New Shares and Attaching Options will have on the capital structure and financial position</p>	Section 2

Question	Answer	Reference
	of the Company are set out in Section 2.	
How do I apply under the Offers?	<p>Placement Subscribers may apply for the Placement Options Offer by completing the Placement Offer Application Form.</p> <p>Eligible Shareholders may apply under the SPP Offer by completing the SPP Application Form and paying the relevant Subscriptions Monies.</p>	Section 1.16 and 1.17
What is the Shortfall Offer?	<p>Any New Shares and Attaching Options not taken up pursuant to the SPP Offer (Shortfall Securities) will form the Shortfall Offer which is made by the Company to any investors by way of this Prospectus.</p> <p>The Shortfall Securities will be issued at the absolute discretion of the Directors.</p>	Sections 1.16(d) and 1.8

Letter from the Chairman

Dear Shareholder

The Company announced on 13 August 2018 that it was conducting a capital raising by way of a \$5.5 million Placement in two tranches. The Company also announced that it would conduct a share purchase plan to allow existing shareholders to subscribe for Shares on the same terms as the Placement.

It is very pleasing to be able to report that the Placement was fully taken up with strong support from existing and new shareholders. The Company is now totally focused on delivering, for shareholders, on the exceptional potential apparent in its position as a well-funded, production-ready gold operation in a region with huge exploration upside.

I invite you to read this document thoroughly in conjunction with the publicly available information relating to AuStar Gold available from our website (www.austargold.com), including the recently released Investor Presentation.

SPP Offer Details

Under the SPP Offer, Eligible Shareholders can acquire up to \$15,000 worth of New Shares without paying brokerage or additional charges.

The SPP Offer gives Eligible Shareholders the opportunity to increase their holding of AuStar Gold Shares at an issue price of 0.45 cents per New Share which represents a discount of:

- 24.5% to the volume weighted average market price of a Share traded on ASX over the 5 trading days prior to the Record Date 0.5960 cents; and
- 25.3% to the volume weighted average market price of a Share traded on ASX over the 30 trading days prior to the Record Date 0.6021 cents.

Eligible Shareholders who subscribe for New Shares under the SPP Offer will also receive 1 free Attaching Option for every 5 New Share subscribed for, exercisable at 1.0 cent and expiring 2 years after the date of grant.

Participation in the SPP Offer is optional and is only open to Eligible Shareholders who were registered as holders of shares in AuStar Gold at 5.00pm (Sydney time) on the Record Date of Friday, 10 August 2018 and whose registered address is in Australia, New Zealand or the United Kingdom.

Placement Option Offer Details

Under the Placement Options Offer, subscribers under the Placement are able to apply for 1 free Attaching Option for each share subscribed for under the Placement for nil consideration. Participation in the Placement Options Offer is only available to investors who subscribed for shares under the Placement.

The Offers will open on Thursday, 30 August 2018 and remain open until 5.00pm (Sydney time) on Monday, 1 October 2018, unless extended.

Full details of the Offers and how to participate are contained within this Prospectus.

Use of Funds

The funds raised under the Offers and the Placement, net of expenses, will be used for:

- An accelerated resource exploration/definition program at the Morning Star and Rose of Denmark gold mines.
- Accelerated trial mining and production activities at the Rose of Denmark and Morning Star gold mines.
- A regional exploration program across the Company's extensive ~667 square kilometre tenement package, comprising the bulk of the Walhalla/Woods Point gold trend.
- General corporate and working capital purposes (including future growth initiatives).

Looking ahead

The Company is well placed to assess and optimise its existing asset base whilst having the ability to consider future growth initiatives from a position of strength. The Board and management are committed and aligned in generating value for all shareholders and I look forward to reporting the progress in due course.

Actions required to participate in the Offers

The Offers close at 5.00pm (Sydney time) on Monday, 1 October 2018, unless extended. To participate, you need to ensure that either your completed Application Form and Subscription Monies (if relevant), or your Subscription Monies submitted by BPAY® (if relevant), are received before this time in accordance with the instructions set out on the relevant Application Form and in section 1.16 of this Prospectus.

I commend the Offers to you and look forward to your participation and support.

For further information, relating to the Offers please contact AuStar Gold directly on +617 3319 4120 or by email at: info@austargold.com.

Yours sincerely

AuStar Gold Limited

A handwritten signature in black ink, appearing to read 'Frank Terranova', with a horizontal line extending to the right.

Frank Terranova
Chairman

1 Details of the Offers

1.1 Background

On 13 August 2018 the Company announced a capital raising comprising:

- (a) a placement to raise \$5,500,000 before costs by the issue of 1,222,222,222 Shares at 0.45 cents each in 2 tranches (**Placement**); and
- (b) an offer to Eligible Shareholders by the SPP to raise up to \$1,000,000 before costs (with the ability to accept oversubscriptions for a further \$1,000,000) (**SPP Offer**).

The Company is conducting the Placement in 2 tranches. The Company issued the first tranche of 173,282,272 Placement Shares on 17 August 2018 utilising existing placement capacities.

The Company will issue the second tranche of 1,048,939,950 Placement Shares subsequent to Shareholder approval at the Extraordinary General Meeting to be held on 28 September 2018.

The terms of the Placement provide that 1 free Attaching Option will be issued for every 5 Placement Shares subscribed for by the Placement Subscribers. The offer of these Attaching Options (**Placement Options Offer**) is one of the Offers being made under this Prospectus.

In conjunction with the Placement, the Company is providing an opportunity by this Prospectus for Eligible Shareholders to participate in a raising of up to a further \$1,000,000 (together with the ability to accept oversubscriptions for a further \$1,000,000) by the SPP. By the SPP Offer, Eligible Shareholders may each apply for up to \$15,000 of New Shares at an issue price of 0.45 cents each together with receiving 1 free Attaching Option for every 5 New Shares subscribed for. The SPP Offer is therefore being conducted on the same terms as the Placement.

ASIC Class Order 09/425 allows a company to undertake a share purchase plan without the need for issuing a prospectus, so long as the share purchase plan complies with certain conditions. The Company is unable to rely on Class Order 09/425 to undertake the SPP Offer as Class Order 09/425 does not allow for the issue of options under a share purchase plan.

By reason of the restrictions in Class Order 09/425, the SPP Offer (of both New Shares and Attaching Options) is being made under this Prospectus. The Company intends to undertake the SPP Offer, to the extent that it is practicable, in accordance with the terms and conditions for share purchase plans expressed in Class Order 09/425.

1.2 The Offers

By this Prospectus, the Company offers for subscription:

- (a) 244,444,444 Attaching Options to Placement Subscribers for nil cash consideration pursuant to the Placement Options Offer; and
- (b) up to 222,222,223 New Shares to Eligible Shareholders at an issue price of 0.45 cents per New Share together with up to 44,444,445 free Attaching Options on the basis of 1 free Attaching Option for every 5 New Shares subscribed for by Eligible Shareholders pursuant to the SPP Offer (with the ability to accept oversubscriptions for an additional 222,222,223 New Shares and 44,444,445 Attaching Options to raise a further \$1,000,000).

Up to approximately \$1,000,000 will be raised by the issue of the New Shares pursuant to the SPP Offer (with the ability to accept oversubscriptions for a further \$1,000,000). Eligible Shareholders will be entitled to apply for a maximum of \$15,000 worth of New Shares under the SPP Offer.

No funds will be raised from the issue of the Attaching Options pursuant to this Prospectus as the Attaching Options are issued for free attaching to the Placement Shares and New Shares.

All of the Attaching Options offered under this Prospectus will be issued on the terms set out in Section 4.2 of this Prospectus.

The New Shares and all of the Shares issued upon the future exercise of the Attaching Options offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 4.1 for further information regarding the rights attaching to Shares.

1.3 **Conditional Offers**

The issue of the New Shares and the Attaching Options are conditional upon the Company obtaining Shareholder approval to issue the relevant securities at the Extraordinary General Meeting.

If Shareholder approval is not obtained for the SPP Offer, all Subscription Monies will be refunded as soon as practicable.

1.4 **Minimum subscription**

There is no minimum subscription for the Offers.

1.5 **Eligible participants**

SPP Offer

Holders of Shares that are registered with an Australian, New Zealand or United Kingdom address at the Record Date are Eligible Shareholders and may participate in the SPP Offer. The Record Date is 10 August 2018. Due to foreign securities laws, it is not practical for Shareholders resident in other countries to be offered the opportunity to participate in the SPP Offer.

Placement Options Offer

Only Placement Subscribers who participated in the Placement may participate in the Placement Options Offer.

1.6 **Joint holders**

Where two or more persons are recorded in the register as jointly holding Shares, they are taken to be a single registered holder and the SPP Offer is made to them jointly.

1.7 **Custodians, trustees and nominees**

If you are an Eligible Shareholder and hold Shares as a custodian (as defined in ASIC Class Order CO 09/425) (refer below) (**Custodian**), you may apply for up to the maximum of New Shares for each beneficiary for whom you act as custodian provided you annex to your SPP Application Form a certificate to the Company (**Custodian Certificate**) with the following information:

- (a) that you or another interposed custodian held Shares on behalf of one or more other persons who are resident in Australia, New Zealand or the United Kingdom (each a **Participating Beneficiary**) at 5:00pm (Sydney time) on the Record Date who have subsequently instructed you to apply for New Shares under the SPP Offer on their behalf;
- (b) the number of Participating Beneficiaries and their names and addresses;
- (c) the number of Shares that you hold on behalf of each Participating Beneficiary;
- (d) the dollar amount of New Shares that each Participating Beneficiary has instructed you, either directly or indirectly through another custodian, to apply for on their behalf;
- (e) that the amount for New Shares applied under the SPP Offer for each Participating Beneficiary for whom you act plus the application amount for any other Shares issued to you as custodian for that Participating Beneficiary under any arrangement similar to the SPP Offer in the prior 12 months does not exceed \$15,000;

- (f) that a copy of the written offer document was given to each beneficiary; and
- (g) where you hold shares on behalf of a beneficiary indirectly, through one or more interposed custodians, the name and address of each interposed custodian.

For the purposes of the SPP Offer, and consistent with ASIC Class Order CO 09/425, you are a "custodian" if you are a registered holder that:

- (i) holds an Australian financial services licence that covers the provision of a custodial or depositary service or operate IDPS accounts;
- (ii) is exempt from the requirement to hold an Australian financial services licence for the provision of a custodial or depositary service by virtue of relevant ASIC class orders or regulations of the Corporations Regulations 2001, provisions of the Corporations Act or an individual instrument of relief granted by ASIC;
- (iii) is a trustee of a self-managed superannuation fund or a superannuation master trusts;
- (iv) is a responsible entity of IDPS-like schemes; or
- (v) is noted on the Company's register of members as holding the shares on account of another person.

If you hold Shares as a trustee or nominee for another person or persons but are not a Custodian as defined above, you cannot participate for beneficiaries in the manner described above. Custodians should request a Custodian Certificate when making an application on behalf of Participating Beneficiaries. To request Custodian Certificate and if you would like further information on how to apply, you should contact the Share Registry during normal business hours. The Company reserves the right to reject any application for New Shares to the extent it considers that the application (whether alone or in conjunction with other applications) does not comply with these requirements.

1.8 Shortfall Offer

Any New Shares and Attaching Options not taken up pursuant to the SPP Offer (**Shortfall Securities**) will form the Shortfall Offer (**Shortfall Offer**) which is made by the Company to any investors by way of this Prospectus.

The Directors reserve the right to issue Shortfall Securities at their absolute discretion and may issue to an applicant a scaled back, lesser number of, or no, Shortfall Securities in relation to the number for which the applicant applies pursuant to the Shortfall Securities Application Form.

The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to 3 months following the Closing Date for the SPP Offer. Applicants need not be a Shareholder to apply for Shortfall Securities.

The Company will issue 1 Attaching Option for every 5 New Shares subscribed for by an investor under the Shortfall Offer. The issue price for Shares to be issued under the Shortfall Offer will be 0.45 cents each, being the price at which New Shares have been offered under the SPP Offer and the price of the Attaching Options will be nil as they are free attaching to the New Shares. There is no maximum limit on the number of New Shares (with free Attaching Options) that an investor may apply for under the Shortfall Offer.

The Shortfall Offer is conditional upon the Company obtaining shareholder approval to issue the relevant Shortfall Securities at the Extraordinary General Meeting. If Shareholder approval is not obtained for the SPP Offer, all Subscription Monies will be refunded as soon as practicable.

Further details on how to apply for Shortfall Securities are set out in the accompanying Shortfall Securities Application Form.

1.9 **No underwriting**

The Offers are not underwritten.

1.10 **Withdrawal of Offers**

The Board reserves the right to withdraw this Prospectus and the Offers.

1.11 **Brokerage, commission and stamp duty**

There is no brokerage, commissions, stamp duty or other participation costs payable by either the Placement Subscribers who apply for Attaching Options under the Placement Options Offer or by Eligible Shareholders who subscribe for New Shares and Attaching Options under the SPP Offer.

1.12 **Opening and Closing Date for applications**

The Offers opens for acceptances on **Thursday, 30 August 2018** and all completed Application Forms and payments of Subscription Monies must be received by no later than the Closing Date, currently **5.00pm Sydney time on Monday, 1 October 2018**.

The Company reserves the right, subject to the Corporations Act, the Listing Rules and any requirements of ASX, to accept late Applications or to extend the Closing Date without prior notice.

If the Closing Date is varied, subsequent dates may also be varied accordingly. Unless the Company decides to accept late Applications or extend the Closing Date, Applications received after 5.00pm Sydney time on the Closing Date may be rejected and Subscription Monies refunded without interest.

1.13 **ASX quotation**

The Company will apply for the quotation of all New Shares and Attaching Options on ASX within seven business days after the date of this Prospectus.

If official quotation of the New Shares is not granted by ASX within three months after the date of this Prospectus (or any longer period permitted by law), the Company will not issue the New Shares and the relevant Attaching Options and the Subscription Monies in respect of those securities will be returned (without interest) to applicants as soon as practicable.

The Attaching Options will only be quoted if the ASX quotation conditions are met. If the quotation conditions are not met or ASX otherwise does not grant quotation of the New Options, the Attaching Options will be unquoted.

The fact that ASX may grant official quotation of the New Shares or the Attaching Options is not to be taken in any way as an indication of the merits of the Company or securities being offered under the Offer.

1.14 **CHES**

Under CHES, Participating Shareholders and other applicants will not receive a certificate but will receive a statement of their holding of New Shares. Participating Shareholders who are broker sponsored will be sent a CHES Statement by ASX Settlement.

The CHES statement will set out the number of New Shares issued under this Prospectus, provide details of your holder identification number and the participant identification number of the sponsor. If you are registered in the issuer sponsored sub register, your statement will be despatched by the Share Registry and will contain the number of New Shares issued to you under this Prospectus and your security holder reference number.

1.15 **Allotment**

Allotment and issue of New Shares and Attaching Options will only be made once the Subscription Monies have been received and ASX has granted permission for quotation of the New Shares.

If permission is granted, it is expected the New Shares and Attaching Options will be allotted on Thursday, 5 October 2018 and holding statements for the New Shares will be despatched on Thursday, 5 October 2018.

It is the responsibility of Eligible Shareholders to determine their allocation prior to trading in the New Shares. Eligible Shareholders who sell New Shares before they receive their holding statement do so at their own risk.

1.16 Applications

(a) Placement Offer

Placement Subscribers may apply for the Placement Options Offer by completing the Placement Options Application Form accompanying this Prospectus in accordance with the instructions outlined on the Placement Options Application Form.

Applications pursuant to the Placement Options Offer must only be made by those investors who have or will participate in the Placement by subscribing for Placement Shares.

(b) SPP Offer

An application for New Shares and Attaching Options under the SPP Offer must be made on the SPP Application Form. Pursuant to the SPP Offer, Eligible Shareholders may apply for a minimum application of \$500 and a maximum of \$15,000 worth of New Shares (and in multiples of \$500 only) by completing the SPP Application Form in accordance with the instructions outlined on the SPP Application Form.

Applications pursuant to the SPP Offer must only be made by Eligible Shareholders.

(c) Related parties

If you are a related party of the Company (as defined in the Corporations Act), then your participation in the Placement and the SPP Offer is conditional on Shareholder approval at the Extraordinary General Meeting.

(d) Shortfall Offer

Any investor may apply for Shortfall Securities by completing the Shortfall Securities Application Form (it is not a requirement that applicants need to be a Shareholder or an Eligible Shareholder) in accordance with the instructions outlined on the Shortfall Securities Application Form.

The Company cannot guarantee that any applicant will receive any of the Shortfall Securities subscribed for.

The Directors reserve the right to issue the Shortfall Securities in their sole discretion, including not to issue, or to scale back applications for Shortfall Securities in their sole discretion.

No related parties will participate in the Shortfall Offer.

1.17 Payment for New Shares

(a) Payment by cheque/bank draft

All cheques in respect of the SPP Offer must be drawn on an Australian bank or bank draft made payable in Australian currency to "AuStar Gold Limited" and crossed "Not Negotiable".

Your completed SPP Application Form and cheque must reach the Share Registry no later than 5.00pm Sydney time on the Closing Date.

(b) Payment by BPAY®

For payment by BPAY[®], please follow the instructions on the SPP Application Form. You can only make a payment via BPAY[®] if you are the holder of an account with an Australian financial institution that supports BPAY[®] transactions. Please note that should you choose to pay by BPAY[®]:

- (i) you do not need to submit the SPP Application Form but are taken to have made the declarations on that SPP Application Form; and
- (ii) you will be deemed to have applied for that number of New Shares which is covered in full by your Subscription Monies.

It is your responsibility to ensure that your BPAY[®] payment is received by the Share Registry by no later than 5.00pm (Sydney time) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment.

Any Subscription Monies received for more than your final allocation of New Shares will be refunded.

No interest will be paid on Subscription Monies received or refunded.

1.18 Representations

By completing, and the Company receiving, your personalised Application Form with the requisite Subscription Monies or making a payment by BPAY[®], you:

- (a) agree to be bound by the terms of this Prospectus and the provisions of the Company's constitution;
- (b) authorise the Company to register you as the holder(s) of the New Shares and Attaching Options allotted or granted to you;
- (c) declare that all details and statements made in the Application Form are complete and accurate;
- (d) declare that you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Offers (as they apply to you);
- (e) acknowledge that once the Company receives the Application Form or your payment by BPAY[®], you may not withdraw it except as allowed by law;
- (f) agree to apply for, and be issued with up to, the number of New Shares and Attaching Options that your payment will pay for at the Issue Price;
- (g) authorise the Company and its officers or agents to do anything on your behalf necessary for the relevant New Shares and Attaching Options to be issued to you, including to act on instructions of the Share Registry upon using the contact details set out in the Application Form;
- (h) if you are participating the SPP Offer, you represent and warranty that you are an Eligible Shareholder;
- (i) acknowledge that the information contained in this Prospectus is not investment advice or a recommendation that New Shares are suitable for you, given your investment objectives, financial situation or particular needs;
- (j) acknowledge that investments in the Company are subject to risks;
- (k) represent and warrant that you have read and understood this Prospectus and the Application Form and that you acknowledge the matters, and make the warranties and representations and agreements contained in this Prospectus and the Application Form;

- (l) are not in the United States and are not a US Person, and are not acting for the account or benefit of, a US Person and are not otherwise a person to whom it would be illegal to make an offer or issue New Shares or Attaching Options under the Offers;
- (m) acknowledge that the New Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction in the United States, or in any other jurisdiction outside Australia, New Zealand and the United Kingdom, and accordingly, the New Shares may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and any other applicable securities laws; and
- (n) have not and will not send any materials relating to the Offers to any person in the United States or that is a US Person, or is acting for the account or benefit of a US Person.

1.19 **Application Form is binding**

Receipt of a completed and lodged Application Form (and, in the case of an Application under the SPP Offer, payment of Subscription Monies) constitutes a binding acceptance of the Company's offer to acquire Attaching Options and, in the case of an Application under the SPP Offer New Shares on the terms and conditions set out in this Prospectus and an acknowledgement by you that you have received and read this Prospectus, you have acted in accordance with the terms of the Offers detailed in this Prospectus, and that you agree to all of the terms and conditions as detailed in this Prospectus.

An Application Form, once lodged, cannot be withdrawn.

An Application Form does not need to be signed to be binding. If the Application Form is not completed correctly, the Company, in its absolute discretion, can reject it or treat it as valid. The Company's decision as to whether to accept or reject an Application Form or how to interpret an incorrectly completed Application Form is final.

1.20 **Subscription Monies**

All Subscription Monies will be held on trust in a bank account maintained solely for the purpose of depositing Subscription Monies received pursuant to this Prospectus until the New Shares. The Company is entitled to retain any interest paid on Subscription Monies, whether or not allotment and issue of the New Shares takes place.

If quotation of the New Shares is not granted by ASX within the time required by law, no New Shares will be allotted and Subscription Monies will be refunded to Eligible Shareholders without interest within the time prescribed under the Corporations Act.

1.21 **Overseas Shareholders**

No action has been taken to register or qualify the New Shares or Attaching Options, or the Offers, or otherwise to permit the offering of the New Shares or Attaching Options, in any jurisdiction outside of Australia, New Zealand and the United Kingdom.

The distribution of this Prospectus within jurisdictions outside of Australia may be restricted by law and persons into whose possession this Prospectus comes should inform themselves about, and observe, any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws.

This Prospectus does not constitute an offer of New Shares or Attaching Options in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus. In particular, this Prospectus may not be distributed to any person, and the New Shares or Attaching Options may not be offered or sold in any country outside Australia except to the extent permitted below.

It is the responsibility of any overseas investor to ensure compliance with all laws of any country relevant to his or her Application. The return of a duly completed Application Form will be taken by the Company to constitute a representation and warranty that there has been no breach of such law and that all necessary approvals and consents have been obtained.

Special notice to New Zealand resident investors

This offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act 2001 (Australia) and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014.

This offer and the content of the offer document are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act 2001 (Australia) and the regulations made under that Act set out how the offer must be made.

There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime.

The rights, remedies, and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies and compensation arrangements for New Zealand financial products.

Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to these offers. If you need to make a complaint about this offer, please contact the Financial Markets Authority, New Zealand (<http://www.fma.govt.nz>). The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian financial products is not the same as for New Zealand financial products.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

This offer may involve a currency exchange risk. The currency for the financial products is not New Zealand dollars. The value of the financial products will go up or down according to the changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.

If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

If the financial products are able to be traded on a financial product market and you wish to trade the financial products through that market, you will have to make arrangements for a participant in that market to sell the financial products on your behalf. If the financial product market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the financial products and trading may differ from financial product markets that operate in New Zealand.

United Kingdom

Neither the information in this document nor any other document relating to the Offers has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (**FSMA**)) has been published or is intended to be published in respect of the Shares.

This document is issued on a confidential basis to fewer than 150 persons (other than "qualified investors" (within the meaning of section 86(7) of FSMA)) in the United Kingdom, and the Shares may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 FSMA) received in connection with the issue or sale of the Shares has only been communicated or caused to be communicated and will only be communicated or caused to be

communicated in the United Kingdom in circumstances in which section 21(1) FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who fall within Article 43 (members or creditors of certain bodies corporate) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005, as amended, or (ii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investment to which this document relates is available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

United States

The New Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state of the United States and may not be offered or sold, directly or indirectly, in the United States or to, or for the account or benefit of, a US person, except in a transaction exempt from the registration requirements of the US Securities Act and applicable United States state securities laws.

This Prospectus is neither an offer to sell nor a solicitation of an offer to buy securities as those terms are defined under the US Securities Act. The Offers are not being made to US persons or persons in the United States.

1.22 Risks

Investors should carefully read the section on risk factors in section 3 of the Prospectus. An investment in New Shares involves various risks, a number of which are specific to the Company and the industry in which it operates.

An investment in New Shares should be regarded as speculative.

2 Effect of the Offers on the Company

2.1 Overview

The Offers will have an effect on the capital structure and the financial position of the Company.

The principal effect of the Placement Options Offer, assuming all Attaching Options offered under the Prospectus pursuant to the Placement Options Offer are issued, will be to increase the number of Options currently on issue by 244,444,444.

The principal effect of the SPP Offer, assuming all New Shares and Attaching Options are issued under the SPP Offer (and assuming maximum oversubscriptions), will be to increase:

- (a) the number of Shares currently on issue by up to 444,444,446; and
- (b) the number of Options on issue by up to 88,888,890.

2.2 Use of funds

The Company intends to use the funds raised from the SPP Offer (together with funds raised from the Placement) as follows:

Funds available from capital raising	\$
Placement funds	\$5,500,000
Funds raised from SPP Offer ¹	\$1,000,000
Total funds available from capital raising ¹	\$6,500,000
Use of Funds	
Accelerated exploration programs – existing mines	\$700,000
Accelerated trial mining programs – existing mines	\$1,750,000
Regional exploration program – tenement package	\$400,000
Corporate and working capital	\$3,650,000
Total use of funds	\$6,500,000

Note 1: Assumes that there are no oversubscriptions under the SPP Offer.

There is no minimum amount sought to be raised by the SPP Offer and the New Shares and Attaching Options may be issued under the SPP Offer in respect of applications irrespective of the total level of subscriptions made.

As with any budget, the actual use of funds raised under the Offer may change depending on the outcome of the initiatives undertaken in accordance with the Company's stated objectives. There is no guarantee that the funds raise will be sufficient to enable the Company to achieve its stated objectives.

This is a statement of present intention only. The Company and the Directors reserve the right to change the way and the amount in which funds are applied, particularly if the SPP Offer is not fully subscribed.

2.3 Effect on capital structure

The effect of the Offers on the Company's issued share capital as at the date of this Prospectus assuming the issue of:

- (a) the maximum number of New Shares and Attaching Options under the SPP Offer;

- (b) the second tranche of Placement Shares; and
- (c) all the Attaching Options under the Placement Offer,

(each being subject to Shareholder approval at the Extraordinary General Meeting to be held on 28 September 2018) is set out in the table below:

Share capital	
Ordinary shares on issue at the date of this Prospectus	2,100,947,601
Second Tranche of Placement Shares ¹	1,048,939,950
Maximum number of New Shares issued under the SPP Offer ²	444,444,446
Total issued share capital on completion of the Offers	3,594,331,997
Options	
Options on issue at the date of this Prospectus	297,678,572
Attaching Options granted under the Placement Option Offer ¹	244,444,444
Maximum number of Attaching Options issued under the SPP Offer ²	88,888,890
Total Options on issue after completion of the Offers	631,011,906

Notes:

1. Subject to Shareholder approval at the Extraordinary General Meeting.
2. Assuming the SPP Offer is fully subscribed and subject to Shareholder approval at the Extraordinary General Meeting.

The Company's actual position on completion of the Offers may differ from the positions illustrated in the pro-forma capital structure table above.

If the Offers are not fully subscribed, fewer New Shares and Attaching Options will be issued and there will be fewer Shares and Options on issue following completion of the Offers.

The Company will announce to ASX the actual number of New Shares and Attaching Options to be issued under the Offers as soon as practicable after all securities have been issued.

2.4 Effect on financial position

(a) General

The broad effect of the Offers on the Company's financial position, if the SPP Offer is taken up, but no oversubscriptions have been accepted under the SPP Offer, will be to increase Shareholders' funds and net assets by up to \$1,000,000 before payment of the expenses of the Offers.

(b) Proforma balance sheets - basis of preparation

To illustrate the effect of the Placement and the Offers on the Company, the following pro-forma consolidated balance sheet of the Company has been prepared based on the unaudited half yearly financial statements of the Company as at 31 December 2017.

The pro-forma balance sheet has been prepared on the basis of accounting policies adopted by the Company in the preparation of its 31 December 2017 half yearly financial statements. The financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by the Australian accounting standards applicable to audited financial statements.

The table below is the proforma balance sheet of the Company as at 31 December 2017 adjusted to reflect the following pro-forma transactions:

- (i) the issue of 1,222,222,222 Placement Shares, raising \$5,500,000. The first tranche of 173,282,272 Placement Shares were issued on 17 August 2018, and the second tranche of 1,048,939,950 Placement Shares will be issued

subject to Shareholder approval at the Extraordinary General Meeting on 28 September 2018;

- (ii) the issue of 244,444,444 Attaching Options for free pursuant to the Placement Options Offer;
- (iii) full subscription under the SPP Offer pursuant to this Prospectus (but without any oversubscriptions) resulting in the issue of 222,222,223 New Shares at an issue price of 0.45 cents each to raise \$1,000,000 and the issue of 44,444,445 Attaching Options for free; and
- (iv) payment of approximately \$385,000 representing the expenses of the Offers.

	31 December 2017 (unaudited)	Proforma Adjustments	31 December 2017 Proforma on completion
ASSETS			
CURRENT ASSETS			
Cash & Cash Equivalents	855,479	6,114,627	6,970,106
Trade & Other Receivables	461,907	0	461,907
Other current assets	32,045	0	32,045
Assets held for sale	925,000	0	925,000
Total Current Assets	2,274,431	6,114,627	8,389,058
NON-CURRENT ASSETS			
Receivables	17,914	0	17,914
Property, Plant & Equipment	604,123	0	604,123
Exploration and evaluation expenditure	5,725,149	0	5,725,149
Total Non-current Assets	6,347,186	0	6,347,186
TOTAL ASSETS	8,621,617	6,114,627	14,736,244
LIABILITIES			
CURRENT LIABILITIES			
Trade & Other Payables	808,131	0	808,131
Provisions	-	0	-
Borrowings	386,708	0	386,708
Derivative liability	352,667	0	352,667
Total Current Liabilities	1,547,506	0	1,547,506
TOTAL LIABILITIES	1,547,506	0	1,547,506
NET ASSETS	7,074,111	6,114,627	13,188,738
EQUITY			
Contributed equity	33,798,099	6,151,082	39,949,181
Reserves	1,840,194	0	1,840,194
Accumulated losses	(28,761,801)	(36,455)	(28,798,256)
Equity attributable to members of the consolidated entity	6,876,492	6,114,627	12,991,119
Non-controlling interest	197,619	0	197,619
TOTAL EQUITY	7,074,111	6,114,627	13,188,738

(c) **Management discussion and analysis of proforma balance sheet**

The proforma balance sheet is not a forecast.

The actual financial position of the Company on completion of the Offers will differ from the position illustrated in the pro-forma capital structure and pro-forma balance sheets due to net expenditure during the period between 31 December 2017 and the date when the Placement and the Offers are completed.

3 Risk factors

3.1 General

There are a number of factors, both specific to the Company and of a general nature, which may affect the future operating and financial performance of the Company, its products, the industry in which it operates and the outcome of an investment in the Company. There can be no guarantee that the Company will achieve its stated objectives or that forward-looking statements will be realised.

This section describes certain, but not all, risks associated with an investment in the Company. Each of the risks set out below could, if it eventuates, have a material adverse impact on the Company's performance, profits and the value of its Shares.

Before deciding to invest in the Company, potential investors should read the entire Prospectus and the risk factors that could affect the financial performance of the Company.

You should carefully consider these factors in light of your personal circumstances and seek professional advice from your accountant, stockbroker or other professional adviser before deciding whether to invest.

3.2 Specific risk factors

In addition to the general risks set out in section 3.1, the Directors believe that there are a number of specific factors that should be taken into account before investors decide whether or not to apply for Shares. Each of these factors could have a materially adverse impact on the Company, its expansion plans, operating and product strategies and its financial performance and position.

These include:

- (a) **Financing risks:** The Company may need to raise additional funds in the future. There is no guarantee that the SPP will be fully subscribed. There is no assurance that the Company will be able to secure additional funding for the exploration program for the Morning Star or Rose of Denmark gold mines, whether debt, equity or otherwise, on acceptable terms, or at all. Any additional equity financing will dilute shareholdings. If AuStar Gold is unable to obtain additional financing as needed, it may be required to reduce the scope or suspend its proposed work programs for these projects.
- (b) **Economic risks:**
 - (i) General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.
 - (ii) If activities cannot be funded, there is a risk that tenements may have to be surrendered or not renewed. Furthermore, share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as general economic outlook, interest rates and inflation rates, currency fluctuations, changes in investor sentiment toward particular market sectors, the demand for, and supply of, capital, terrorism or other hostilities; and government fiscal, monetary and regulatory policies.
 - (iii) None of AuStar Gold, its Directors or officers warrant the future performance of the Company or any return on an investment in the Company.

(c) **Operating risks**

- (i) Operations may be affected by various factors, including failure to achieve predicted gold grades or production rates, operational and technical difficulties, difficulties in commissioning and operating plant and equipment.
- (ii) Mechanical failure or plant breakdown, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment. Losses resulting from any of these risks could have a material adverse effect on the Company's financial resources or could result in a total loss of the assets affected, and accordingly, may affect the market price of the shares.

(d) **Development risks:** Mineral development is a high risk undertaking and successful development cannot be guaranteed. The Company's financial performance will substantially depend on the accuracy of its geological analysis, the gold grades achieved and from cost estimates for its production and exploration activities, working capital requirements and the duration of its works program. A significant factor in the duration and cost of the Company's works program at any of its present or future mine development sites (including Morning Star and Rose of Denmark mines) is the time required to submit and receive approval for mine work plans. Any cost and time forecasts are estimates only, all of which are subject to uncertainty.

(e) **Tenement title**

- (i) Interests in tenements in Australia are governed by Commonwealth and State legislation and are evidenced by the granting of licences or leases. Each licence or lease is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to or its interest in tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments as and when they arise.
- (ii) Further, mining and exploration tenements are subject to periodic renewal. There is no guarantee that current or future tenements will be renewed or approved. Renewal of the term of a granted tenement is at the discretion of the relevant government authority. Renewal conditions may include increased expenditure or work commitments or compulsory relinquishment of the areas comprising the Company's projects. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Company.
- (iii) MIN5299 must be renewed from August 2018. Appropriate documentation and applications have been submitted to the relevant Victorian Government departments and AuStar Gold is awaiting their review and approval. There can be no guarantee that the applications will be approved or of the timing for any approvals.
- (iv) The Morning Star gold mine is owned by Morning Star Gold NL (**MCO**) in which the Company has a 95% shareholding. The position of the minority interest shareholders in MCO is under commercial consideration by the Company. The commercial outcome is not expected to involve a material cost to the Company.

(f) **Mineral resources**

- (i) Mineral Resources which are not Ore Reserves do not have demonstrated economic viability. An estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, operational cost, metal price, mining control, dilution or other relevant issues.
- (ii) The category of reported Inferred Mineral Resources is the lowest level of confidence under the JORC Code. The evaluation of these resources with the intention of upgrading resource categories and converting them to reserves is

impacted by a number of issues, including mining dilution, metallurgical recovery and grade variability. There can be no guarantee that the resources will be developed to the point of production.

- (g) **Commodity prices:** Fluctuations in the market price for gold could have an adverse impact on the Company's future financial performance.
- (h) **Native title:** The Company is aware of a registered native title claim over certain areas of its exploration tenements wherein the claimants seek to negotiate the terms of future financial arrangements should mineral extraction occur from these tenements. The outcome of such negotiations is uncertain as is any future decision to develop the tenements, since no exploration activity has been conducted on these tenements by the Company.
- (i) **General economic climate:** The Company's funding position and financial performance is impacted by a variety of general global economic and business conditions. A deterioration in these conditions could have an adverse impact on the Company's financial performance.
- (j) **Political risk, commodity price volatility and exchange rates risks:** In the event that the Company achieves production success, the revenue it will derive through the sale of commodities exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for gold, technological advancements, forward selling activities and other macro-economic factors. Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company is and will be taken into account in Australian currency, potentially exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar, as determined by international markets.
- (k) **Reliance on Key Personal:** The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its Directors and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these key personnel ceases their involvement with the Company.
- (l) **Trading liquidity:** The Company is a small company in terms of market capitalization and it may not be covered by a broad base of research analysts. As a consequence, there may be relatively few buyers and sellers of securities on the ASX at any given time and the market price may be highly volatile, particularly in times of share market turbulence or negative investor sentiment. This may present difficulties for shareholders seeking to liquidate their holdings.
- (m) **Market conditions:** The market price of the shares in the Company can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration and development stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.
- (n) **Environmental risks**
 - (i) The operations and proposed activities of the Company are subject to State and Commonwealth laws and regulations concerning the environment. As with most exploration and development projects, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws, in order to minimise damage to the environment and risk of liability. Nevertheless, there are certain risks inherent in AuStar Gold's activities which could subject the Company to potential liability.

- (ii) The Morning Star mine has discharged mine water without a permit since inception, a fact which is known by the relevant regulatory authorities. It also has a water treatment plant that requires upgrading and a filter dam that requires de-commissioning. AuStar Gold is addressing each of these issues in co-operation with the relevant regulatory authorities to achieve the required outcomes within agreed timelines and budgets;
 - (iii) The Rose of Denmark mine presently has free-flowing water from the mine and does not require a discharge permit. This will change should mining plans require water to be pumped from the mine site and in such circumstances, application will be made for appropriate water discharge permits.
- (o) **Occupational Health and Safety:** The mining industry has become subject to increasing occupational health and safety responsibility and liability. The potential for liability is a constant risk. If the Company fails to comply with necessary OH&S legislative requirements, it could result in fines, penalties and compensation for damages as well as reputational damage.
- (p) **Changes in political environment and international conflicts**
- (i) The Company's share price and ability to generate returns to investors can be affected by changes in legislation, domestic or foreign governments and government policy. In particular, government policies can have a sudden and material impact on the Company if it results in new trading restrictions, defence or security measures being implemented, or alternatively if such measures are cancelled or postponed.
 - (ii) Additionally, the Company's future sales and returns may be influenced by any future domestic or international trading restrictions, conflicts or peacekeeping missions, particularly where such conflicts may impact upon levels of international business or trade.

3.3 General risk factors

(a) **Share market**

On completion of the Offers, the New Shares may trade on ASX at higher or lower prices than the Issue Price. Investors who decide to sell their New Shares after the Offers may not receive the amount of their original investment. There can be no guarantee that the price of New Shares will increase after listing. The price at which the New Shares trade on ASX may be affected by the financial performance of the Company and by external factors over which the Directors and the Company have no control.

These factors include movements on international share and commodity markets, local interest rates and exchange rates, domestic and international economic conditions, government taxation, market supply and demand and other legal, regulatory or policy changes.

(b) **Dependence on general economic conditions**

The operating and financial performance of the Company is influenced by a variety of general economic and business conditions, including levels of consumer spending, inflation, interest rates and exchange rates, access to debt and capital markets, government fiscal, monetary and regulatory policies.

A prolonged deterioration in general economic conditions, including an increase in interest rates or a decrease in consumer and business demand, could be expected to have a material adverse impact on the Company's business or financial condition. Changes to laws and regulations or accounting standards which apply to the Company from time to time could adversely impact on the Company's earnings and financial performance.

(c) **Tax risk**

Any change to the rate of company income tax in jurisdictions in which the Company operates will impact on shareholder returns, as will any change to the rates of income tax applying to individuals or trusts. Any change to the tax arrangements between Australia and other jurisdictions could have an adverse impact on future earnings and the level of dividend franking.

(d) **Legislative and regulatory changes**

Legislative or regulatory changes, including property or environmental regulations or regulatory changes in relation to products sold by the Company, could have an adverse impact on the Company.

4 Rights attaching to securities

4.1 Rights attaching to New Shares

(a) **General**

The rights and liabilities attaching to Shares (including those that will attach to the New Shares) are set out in the Company's constitution and are regulated by the Corporations Act, the Listing Rules, the rules of ASX Settlement and the general law. Set out below is a summary of the principal rights and liabilities attaching to Shares. This summary is not exhaustive and is not a definitive statement of the rights and liabilities of Shareholders.

(b) **Voting rights**

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at a general meeting, every Shareholder present in person or by proxy, representative or attorney has one vote on a show of hands and, on a poll, one vote for each fully paid Share. If a Share is a partly paid Share, the holder has a vote in respect of each share on a poll that has the same proportionate value as the proportion that the amount paid (excluding any amount paid or credited as paid in advance of a call) on the share bears to the total Issue Price of the share.

A Shareholder is not entitled to vote at a general meeting unless all calls and other sums presently payable by the member in respect of a share have been paid. Where a Share or partly paid share is jointly held, only one of the joint holders may vote.

(c) **General Meeting and Notices**

Each Shareholder is entitled to receive notice of, and to attend and vote at, the Company's general meetings and to receive all notices, accounts and other documents required to be sent to Shareholders under the constitution, the Corporations Act or the Listing Rules.

(d) **Dividends**

Subject to the Corporations Act, the Company's profits which the Directors determine to distribute by way of dividends are divisible amongst the holders of Shares in proportion to the amounts paid (excluding any amount paid or credited as paid in advance of a call) on the Shares.

(e) **Variation of Class Rights**

At present, the Company only has ordinary Shares on issue and has no current plans to create further classes of Shares. The rights and restrictions attaching to a class of the Company's Shares can only be altered with the consent of a special resolution passed at a separate meeting of the holders of that class of share by 75% of those holders, who, being entitled to do so, vote at that meeting or with the written consent of members with at least 75% of votes in the class.

(f) **Further Issues of Shares and Options**

The Directors may, subject to the Corporations Act, the Listing Rules or any special rights conferred on the holders of any Share or class of Share, issue or dispose of Shares or grant options over Shares to any person at any time and on any terms and conditions as they think fit.

(g) **Pre-Emptive Rights**

Holders of Shares do not have any pre-emptive rights under the constitution. Under the Listing Rules, certain restrictions apply to a listed company offering its Shares otherwise than pro-rata among shareholders.

(h) **Winding Up**

Subject to the rights of holders of Shares issued on special terms and conditions, on a winding up of the Company, the liquidator may, with the sanction of a special resolution of the Company, divide among the Shareholders in kind the whole or any part of the Company's property. The liquidator may set such value as it deems fair on any property to be so divided and may determine how the division is to be carried out as between Shareholders or different classes of holders.

(i) **Small Holdings**

Subject to the Listing Rules and ASX Settlement Operating Rules, the Company may sell the shares of a Shareholder who holds less than a marketable parcel of shares.

(j) **Buy Backs**

Subject to applicable laws, in particular the Corporations Act and the Listing Rules, the Company may buy back shares on such terms and conditions as the Board may determine from time to time.

(k) **Transfer of Shares**

Subject to the Listing Rules and the constitution, the shares are transferable in accordance with CHESS (for CHESS Approved Securities), by instrument in writing in any usual or common form or in any other form that the Directors approve. The Directors may, subject to the requirements of the Listing Rules, request ASX Settlement to apply a holding lock to prevent a transfer of shares in the Company.

(l) **Directors**

The minimum number of Directors is 3 and the maximum 9. The Board may appoint additional Directors to fill a casual vacancy subject to the number of Directors not being more than the permitted maximum of 9. The Directors may not reduce the minimum number of Directors below the number in office at the time of the reduction. At each of the Company's annual general meetings, one-third of the Directors (or, if the number of Directors is not a multiple of three, then the number nearest one-third) and any other Director who has held office for three years or more must retire from office. Any Managing Director is exempted from retirement by rotation. A retiring Director is eligible for re-election.

(m) **Indemnities and Insurance**

The Company must to the extent permitted by law and subject to the Corporations Act, indemnify current and past Directors, secretaries and executive officers of the Company and of any subsidiary of the Company against a liability incurred by the person acting in that capacity and against all legal costs incurred in connection with proceedings in which the person becomes involved because of that capacity. The Company may pay the premium on a policy of insurance in respect of a person who is or has been an officer of the Company to the full extent permitted by the Corporations Act.

(n) **Amendment of the Constitution**

The Corporations Act provides that the constitution of a company may be modified or repealed by a special resolution passed by the members of the Company. The Company's constitution does not impose any further requirements to be complied with to effect a modification of the constitution, or to repeal it.

4.2 **Rights attaching to Attaching Options**

The Options entitle the holder to subscribe for Shares on the following terms:

- (a) Each Option gives the Option Holder the right to subscribe for one Share. To obtain the right given by each Option, the Option Holder must exercise the Options in accordance with the terms and conditions of the Options.

- (b) The Options will expire at 5.00pm (WST) on the relevant date of expiry (**Expiry Date**). Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (c) The amount payable upon exercise at each Option will be the relevant exercise price (**Exercise Price**).
- (d) The Options held by each Option Holder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion. Where less than 1,000 Options are held, all Options must be exercised together.
- (e) An Option Holder may exercise their Options by lodging with the Company, before the Expiry Date:
 - (i) a written notice of exercise of Options specifying the number of Options being exercised; and
 - (ii) a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised,

(Exercise Notice).
- (f) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (g) Within 10 business days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will allot the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice.
- (h) The Options are transferable.
- (i) All Shares allotted upon the exercise of Options will upon allotment rank pari passu in all respects with other Shares.
- (j) The Company will apply for quotation of the Options on ASX, however the Options will only be quoted if the ASX quotation conditions are met.
- (k) If at any time the issued capital of the Company is reconstructed, all rights of an Option Holder are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reconstruction.
- (l) There are no participating rights or entitlements inherent in the Options and Option Holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any issue, the record date will be after the issue is announced. This will give Option Holders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
- (m) Other than pursuant to term (n), an Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Option can be exercised.
- (n) In the event the Company proceeds with a bonus issue of securities to Shareholders after the date of issue of the Options, the number of securities over which an Option is exercisable may be increased by the number of securities which the Option Holder would have received if the Option had been exercised before the record date for the bonus issue.

5 Additional information

5.1 Prospectus availability

Eligible Shareholders can obtain a copy of this Prospectus during the Offer Period on the Company's website at or by contacting the Share Registry by phone on 1300 992 916. If you access the electronic version of this Prospectus, you should ensure that you download and read the entire Prospectus.

The electronic version of this Prospectus on the Company's website will not include personalised Application Forms. You will only be entitled to make Applications by completing and returning your personalised Application Form, which accompanies this Prospectus, or by making payment via BPAY® using the information provided on your personalised Application Form (refer to section 1.16 of this Prospectus for further information).

The Corporations Act prohibits any person from passing the Application Form on to another person unless it is attached to a hard copy of this Prospectus or a complete and unaltered electronic version of this Prospectus.

5.2 Continuous disclosure and inspection of documents

The Company is a disclosing entity for the purpose of the Corporations Act. As such, it is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or value of the securities in the Company.

Having taken such precautions and having made all enquiries as are reasonable, the Company believes that it has complied with the general and specific disclosure requirements of the Corporations Act and Listing Rules, which require the Company to notify ASX of information about specific events or matters as they arise, for the purpose of ASX making that information available to the market conducted by ASX.

This Prospectus is issued under section 713 of the Corporations Act. This section enables disclosing entities to issue a prospectus in relation to securities in a class which has been continuously quoted by ASX at all times during the 12 months before the date of the Prospectus. Apart from prescribed matters, this Prospectus need only contain information relating to the terms and conditions of the Offers, the effect of the Offers on the Company and the rights and liabilities attaching to the New Shares. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the Company. Accordingly, this Prospectus does not contain the same level of disclosure as an initial public offer prospectus.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an office of ASIC.

The Company will make available a copy of each of the following documents, free of charge, to any person who asks for it during the Offer Period:

- (a) The annual financial report for the year ended 30 June 2017 (being the annual financial report most recently lodged with ASIC in relation to the Company before the issue of this Prospectus). A copy of the 2017 Annual Report is available at <http://www.austargold.com/wp-content/uploads/2017/09/MNM-ANnual-Report-2017-Final-Lodgement.pdf>.

- (b) The report for the half-year ended 31 December 2017 lodged with ASX on 16 March 2018. A copy of the 31 December 2017 Half Year Financial Report is available at <http://www.austargold.com/wp-content/uploads/2018/03/180316-Half-Yearly-Financial-Statements-Dec-2017-Final-Signed.pdf>.
- (c) Any continuous disclosure notices given by the Company after the lodgement with ASIC of the annual financial report referred to above and before the lodgement with ASIC of a copy of this Prospectus. These include the following announcements:

Date Lodged	Announcement
28/09/2017	Appendix 4G and Corporate Governance Statement
28/09/2017	Results of Meeting
05/10/2017	Cleansing Statement
05/10/2017	Appendix 3B
18/10/2017	Response to ASX Query
18/10/2017	Corporate and Operational Update
30/10/2017	Appendix 3B
30/10/2017	Cleansing Statement
31/10/2017	Quarterly Activities Report
31/10/2017	Quarterly Cashflow Report
07/11/2017	Sale of Non-Core Projects
16/11/2017	Substantial Holder Notices
28/11/2017	Appendix 3B
28/11/2017	Cleansing Statement
29/11/2017	Progress of Trial Mining at Morning Star
29/11/2017	Expiry of Listed MNMOC Options
30/11/2017	Sale of Norton Project
30/11/2017	AGM Address
30/11/2017	Results of Annual General Meeting
30/11/2017	Appendix 3B
04/12/2017	Convertible Notes and Listing Rule 7
05/12/2017	Notices of Change of Interest of Substantial Holder
07/12/2017	Update on Rose of Denmark Gold Mine
08/12/2017	Appendix 3B
08/12/2017	Cleansing Statement
11/12/2017	Drill Program to commence at Rose of Denmark

Date Lodged	Announcement
14/12/2017	Drilling underway at Rose of Denmark Gold Mine
15/12/2017	New Corporate Identity - AuStar Gold Limited
18/12/2017	Multiple Visible Gold in Drillholes
20/12/2017	Notice of change of interest of substantial holder
02/01/2018	Appendix 3B
03/01/2018	Additional funding injection
04/01/2018	Notices of change of interest of substantial holder
09/01/2018	Positive Assay Results at Rose of Denmark
10/01/2018	Ceasing to be a substantial holder
17/01/2018	Appendix 3B
17/01/2018	Cleansing Statement
29/01/2018	Drilling Program results at Rose of Denmark
31/01/2018	Quarterly Activities Report
31/01/2018	Quarterly Cashflow Report
01/02/2018	Appendix 3B
01/02/2018	Cleansing Statement
08/02/2018	Change of Company Secretary
12/02/2018	Progress on Trial Mining at Morning Star Gold Mine
19/02/2018	Significant drilling results from Rose of Demark Gold Mine
20/02/2018	Appendix 3B
20/02/2018	Cleansing Statement
20/02/2018	Cash proceeds received following asset sales
23/02/2018	Appendix 3B
23/02/2018	Cleansing Statement
01/03/2018	Progress Update Trial Mining at the Morning Star Gold Mine
13/03/2018	Progress Update on Trial Mining at Morning Star Gold Mine
16/03/2018	Half Year Financial Reports 31 December 2017
22/03/2018	Appendix 3B
22/03/2018	Cleansing Statement
26/03/2018	Significant High-Grade Gold Results from Rose of Denmark

Date Lodged	Announcement
27/03/2018	Finance News Network Interview with CEO
10/04/2018	Appendix 3B
10/04/2018	Cleansing Statement
12/04/2018	Commissioning Morning Star Gold Mine Process Plant
24/04/2018	Appendix 3B
24/04/2018	Cleansing Statement
30/04/2018	Quarterly Activities Report
30/04/2018	Quarterly Cashflow Report
08/05/2018	Appendix 3B
08/05/2018	Cleansing Statement
31/05/2018	Maiden Gold Pour by AuStar Gold Limited
08/06/2018	Trading Halt
13/06/2018	AuStar Gold acquires full control of Rose of Denmark mine
15/06/2018	Appendix 3B
15/06/2018	Cleansing Statement
18/06/2018	Finance News Network - Interview with CEO
20/06/2018	Over 100 g/t gold from Drilling at Rose of Denmark
26/06/2018	Completion of Rose of Denmark Gold Mine Acquisition
26/06/2018	Appendix 3B
29/06/2018	Completion of the Sale of Norton
03/07/2018	Update on Trial Mining at the Morning Star Gold Mine
09/07/2018	Visible gold and commencement of mining at Rose of Denmark
12/07/2018	Interview with CEO regarding mining at Rose of Denmark
17/07/2018	Update on Mining at Rose of Denmark Gold Mine
24/07/2018	Change of Auditor
25/07/2018	Visible Gold from Drilling at Morning Star Gold Mine
26/07/2018	Further Visible Gold and High Grades from Morning Star Mine
31/07/2018	Quarterly Activities Report
31/07/2018	Quarterly Cashflow Report
01/08/2018	First Gold Processed at Rose of Denmark Gold Mine

Date Lodged	Announcement
01/08/2018	Appendix 3B
01/08/2018	Cleansing Statement
03/08/2018	AuStar Gold Appoints New Director
08/08/2018	Trading Halt
10/08/2018	Suspension from Official Quotation
10/08/2018	Initial Director's Interest Notice
13/08/2018	AuStar Gold Raises \$5.5 Million to Accelerate Development
13/08/2018	Reinstatement to Official Quotation
13/08/2018	Corporate Presentation to Investors

This Prospectus contains details specific to the Offers. If Shareholders require any further information in relation to the Company, the Directors recommend that those Shareholders take advantage of the ability to inspect or obtain copies of the documents referred to above.

5.3 Market Price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX. The highest and lowest market price of the Company's quoted Shares on ASX during the 3 months immediately preceding the date of lodgement of this Prospectus with ASIC and the respective dates of those sales and the last sale on the day prior to lodgement of this Prospectus with ASIC were:

	Price	Date
Highest	\$0.009	5 June 2018
Lowest	\$0.004	22 August 2018
Latest	\$0.004	22 August 2018

5.4 Interests of Directors

Except as disclosed in this Prospectus, no Director:

- (a) holds or has held in the last two years before the lodgement of this Prospectus with ASIC any interest in:
 - (i) the formation or promotion of the Company; or
 - (ii) any property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offers under this Prospectus; or
 - (iii) the Offers under this Prospectus, or
- (b) has been paid or has agreed to be paid or has received or has agreed to receive any benefits:
 - (i) to induce them to become or to qualify as a Director; or
 - (ii) for services rendered by them in connection with the formation or promotion of the Company or the Offers under this Prospectus.

5.5 Remuneration

Directors' remuneration for the last two years was as follows:

Director	Salary and fees (\$)		Other (\$)		Total (\$)	
	2017	2016	2017	2016	2017	2016
Richard Valenta ¹	123,500	Nil	34,350	Nil	157,850	Nil
Ian King	42,000	805	34,350	Nil	76,350	805
Matthew Gill ²	38,500	Nil	34,350	Nil	72,850	Nil
Frank Terranova ³	Nil	Nil	Nil	Nil	Nil	Nil

1. Appointed 25 July 2016

2. Appointed 22 August 2016

3. Appointed 3 August 2018

The constitution of the Company provides that Directors are entitled to receive remuneration for their services as determined by the Company in general meeting.

Shareholders have resolved that the maximum aggregate amount of Directors' fees (which does not include the remuneration of executive Directors and other non-director services provided by Directors) is \$300,000 per annum, inclusive of superannuation entitlements. The Directors may divide that remuneration among the non-executive Directors as they decide.

Directors are entitled to be reimbursed for their reasonable expenses incurred in connection with the affairs of the Company. A Director may also be remunerated as determined by the Directors if that Director performs additional or special duties for the Company.

A former director may also receive a retirement benefit of an amount determined by the Directors in recognition of past services, subject to the Listing Rules and the Corporations Act.

5.6 Shareholdings and Option holdings of Directors

The Directors are not required under the constitution to hold any Shares in the Company.

The following table sets out the relevant interests in Shares and options held by each Director as at the date of this Prospectus:

Director	Shares held directly	Shares held indirectly	Options held (directly and indirectly)
Richard Valenta	Nil	Nil	Unlisted Options: 10,000,000 Unlisted Performance Rights: <ul style="list-style-type: none"> • 5,000,000 (Class A) • 5,000,000 (Class B)
Ian King	Nil	Nil	Unlisted Options: 10,000,000 Unlisted Performance Rights: <ul style="list-style-type: none"> • 5,000,000 (Class A) • 5,000,000 (Class B)
Matthew Gill	Nil	Nil	Unlisted Options: 10,000,000 Unlisted Performance Rights: <ul style="list-style-type: none"> • 5,000,000 (Class A) • 5,000,000 (Class B)
Frank Terranova	Nil	Nil	Nil

Note: This table does not take into account any securities' the Directors may acquire under the Offers or tranche 2 of the Placement. It is proposed that Mr Ian King will acquire 4,444,445 Shares and 888,889 Attaching Options under tranche 2 of the Placement, subject to shareholder approval.

5.7 Disclosure of interests of advisers

Except as set out in this Prospectus, no person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus:

- (a) has any interest, or has had any interest during the last two years, in the formation or promotion of the Company, or in property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or the Offers; or
- (b) has been paid, or has agreed to be paid, any amount and has received or has agreed to receive any benefit that has been given, or agreed to be given, in connection with the services provided by the person in connection with the formation or promotion of the Company, or the Offers.

Thomson Geer have acted as legal adviser to the Offers and are entitled to receive \$20,000 plus outlays and GST in respect of these services. Further amounts may be paid to Thomson Geer in accordance with their usual time-based charge-out rates.

Patersons Securities Limited has acted as joint lead manager to the Placement and is entitled to receive:

- (a) a lead manager fee of 0.5% of the total dollar amount raised in the Placement; and
- (b) a selling fee of 5.5% of the total gross amount raised in the Placement from investors introduced by Patersons or other AFSL holders and corporate advisors. Any such selling fees to be paid to other AFSL holders and corporate advisors will be paid from this fee; and
- (c) 25,000,000 Options (and up to a further 25,000,000 Options at the discretion of the Board) on the same terms as the Attaching Options, which are to be distributed *pari passu* to AFSL holders in line with amounts raised by them under the Placement,

in respect of these services.

APP Securities Pty Limited has acted as joint lead manager to the Placement and is entitled to receive:

- (a) an advisory fee of \$25,000 subject to successful completion of the Placement; and
- (b) a capital raising fee of 5.5% of the total gross amount raised in the Placement from investors introduced by APP,

in respect of these services.

5.8 Taxation

Taxation implications will vary depending upon the specific circumstances of individual Shareholders. It is the responsibility of all Eligible Shareholders to satisfy themselves of the particular tax consequences that apply to them, by consulting their own professional financial and taxation advisers.

Neither the Company nor any of its officers, employees or agents, nor its taxation or other advisers accepts any liability or responsibility in respect of taxation consequences connected with the Offer.

5.9 Privacy

You may provide personal information to the Company and the Share Registry. The Company and the Share Registry collect, hold and use your personal information in order to service your needs as a Shareholder and/or Option Holder, provide facilities and services that you request and carry out appropriate administration.

Company and tax laws require some of the information to be collected. The Company and the Share Registry may disclose your personal information for purposes related to your

shareholding or option holding to their agents and service providers including those listed below or as otherwise authorised under the Privacy Act:

- (a) the Share Registry for ongoing administration of the register; and
- (b) printers and mailing houses for the purposes of preparation and distribution of Shareholder and Option Holder information and for handling of mail.

Under the Privacy Act, you may request access to your personal information held by (or on behalf of) the Company or the Share Registry. You can request access to your personal information by telephoning or writing to the Company through the Share Registry on 1300 992 916 or registrar@securitytransfer.com.au.

5.10 **Consents and disclaimers**

None of the persons named below has authorised or caused the issue of this Prospectus or made any statement that is included in this Prospectus, or any statement on which a statement made in this Prospectus is based, except as stated below. Each of the persons named below expressly disclaims and takes no responsibility for any statements or omissions from this Prospectus. This applies to the maximum extent permitted by law and does not apply to any matter to the extent to which consent is given below.

5.11 **Consents to be named**

Thomson Geer have consented in writing to be named in this Prospectus as solicitors for the Company and has not withdrawn that consent prior to this Prospectus being lodged with ASIC.

Patersons Securities Limited and APP Securities Pty Limited have each consented in writing to be names in this Prospectus as joint lead managers for the Placement and the SPP Offer and have not withdrawn that consent prior to this Prospectus being lodged with ASIC.

The Company's auditors and Share Registry are named for information purposes only and have not been involved in the preparation of any part of this Prospectus and have not consented to being named in this Prospectus.

5.12 **Future performance and forward looking statements**

This Prospectus may contain forward looking statements with respect to the financial condition, results of operations, projects and business of AuStar Gold. These forward looking statements involve known and unknown risks, uncertainties and other factors which are subject to change without notice. AuStar Gold gives no assurance that the anticipated results, performance or achievements expressed or implied in those forward looking statements will be achieved or that actual outcomes will not differ materially from these statements. Except as required by law, and only to the extent so required, no person warrants or guarantees the future performance of the Company or any return on any investment made pursuant to the Offers.

5.13 **Past performance**

Past Share price performance provides no guarantee or guidance as to future Share price performance. Past performance information given in this Prospectus is provided for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance. The historical information in this Prospectus is, or is based upon, information that has been released to the market. For further information, please see past announcements released to the ASX.

5.14 Expenses of the Offers

The estimated costs of the Offers are as follows:

Expense	Estimated cost
ASIC lodgement fee	\$3,206
Legal expenses	\$22,250
Printing, mailing and other expenses	\$11,000
Joint lead manager ¹	\$348,918
Total	\$385,374

Note:

1. Comprises joint lead manager fees, selling fees and advisory fees payable to the joint lead managers under the Placement pursuant to the issue of the Placement Shares. Up to 75,000,000 Options will also be issued to advisors in connection with the Placement. No fee is payable in connection with the SPP Offer.

5.15 Governing law

This Prospectus and the contracts that arise from Acceptances and other applications for Shares or options are governed by the laws of Queensland and each Eligible Shareholder submits to the exclusive jurisdiction of the courts of Queensland.

5.16 Electronic prospectus

This Prospectus is available to Eligible Shareholders who are Australian investors in electronic form at <http://www.austargold.com/investors/asx-announcements/>. The Offer contained in this Prospectus in electronic form is available only to persons accessing and downloading or printing the electronic copy of the Prospectus within Australia and is not available to persons in any other jurisdictions without the prior approval of the Company. Persons in Australia having received a copy of this Prospectus in its electronic form may, before the last date of the Offers, obtain a paper copy of this Prospectus (free of charge) by telephoning the Share Registry on 1300 992 916 (within Australia) and + 61 3 9628 2200 (outside of Australia), at any time from 8:30 am to 5:30 pm (Brisbane time) Monday to Friday during the Offer Period.

5.17 Enquiries

If you are uncertain about any aspect of this Prospectus, including whether the Offer is a suitable investment for you, you should seek professional advice from your stockbroker, lawyer, accountant or other professional adviser.

5.18 Expiry date

No Shares or options will be offered on the basis of this Prospectus later than 13 months after the date of this Prospectus.

5.19 Consent to lodgement

This Prospectus is issued by the Company. Each Director has consented to the lodgement of this Prospectus with ASIC as required by section 720 of the Corporations Act.

6 Glossary

Application means an application made in relation to the Offers under this Prospectus.

Application Form means an application form in respect of either the Placement Options Offer, the SPP Offer or the Shortfall Offer, as applicable.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ABN 98 008 624 691 or, as the context requires, the securities market operated by ASX Limited.

ASX Settlement means ASX Settlement Pty Limited.

ASX Settlement Operating Rules means settlement rules of ASX Settlement (as amended from time to time).

Attaching Options means an Option exercisable at 1 cent, expiring on the date which is 2 years after the date of grant granted on the terms and conditions set out in section 4.2 of this Prospectus.

Board, Board of Directors means the Directors of the Company acting as a board.

CHESS means the Clearing House Electronic Sub-Register System of share transfers operated by ASX Settlement.

Closing Date means the date on which the Offers close, which is expected to be 5.00pm Sydney time on Monday, 1 October 2018 or such other date as Directors determine in accordance with this Prospectus.

Company or **AuStar Gold** means AuStar Gold Limited ACN 107 180 441.

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

Director means each director of the Company at the date of this Prospectus.

Dollars (\$) means Australian dollars unless otherwise indicated.

Eligible Shareholder means a Shareholder with a registered address in Australia, New Zealand or the United Kingdom as at the Record Date.

Extraordinary General Meeting means the extraordinary general meeting of Shareholders to be held on 28 September 2018.

Issue Price means 0.45 cents per New Share.

Listing Rules means the listing rules of ASX as in force from time to time.

New Shares means the up to 222,222,223 Shares (plus an additional 222,222,223 Shares available to meet over-subscriptions) offered under the SPP Offer at 0.45 cents each.

Offer Period means the period commencing on the opening date of 30 August 2018 and ending on the Closing Date.

Offers means the Placement Options Offer and the SPP Offer (including the offer of the Shortfall Securities) which are subject to this Prospectus.

Option means an option to subscribe for unissued Shares.

Option Holder means a holder of an Option.

Participating Shareholder means an Eligible Shareholder who has accepted the SPP Offer by completing an SPP Application Form and returning it together with the applicable Subscription Monies as directed in the SPP Application Form.

Placement means the issue of the Placement Shares and the Placement Options.

Placement Options means the issue of 244,444,444 Attaching Options under this Prospectus on the terms set out in Section 4.2 and on the basis of 1 free Option for every 5 Placement Shares that have or will be subscribed for.

Placement Options Application Form means the application form to acquire Attaching Options in connection with the Placement Options Offer that is attached to or accompanies this Prospectus.

Placement Options Offer means the offer under this Prospectus of free Attaching Options to Placement Subscribers.

Placement Shares the issue of 1,222,222,222 Shares at 0.45 cents each to Placement Subscribers.

Placement Subscribers means subscribers of Placement Shares being sophisticated, professional and other investors who are exempt from the disclosure requirements under Chapter 6D of the Corporations Act.

Prospectus means this document (including any electronic form of this Prospectus), and any supplementary or replacement prospectus in relation to this document.

Record Date means 7.00pm (Sydney time) on Friday, 10 August 2018.

Register means the Company's register of members or option holders, as the context requires.

Share means a fully paid ordinary share in the capital of the Company.

Share Registry means Security Transfer Registrars of Alexandra House, Suite 1, 770 Canning Highway Applecross WA 6153.

Shareholder means a holder of Shares.

Shortfall Offer means the invitations to subscribe for Shortfall Securities contained in this Prospectus.

Shortfall Securities means any New Shares and Attaching Options not taken up under the SPP Offer.

Shortfall Securities Application Form means the application form to acquire Shortfall Securities that is that is part of the SPP Application Form.

SPP means the Company's share purchase plan for the SPP Offer.

SPP Application Form means the application form to acquire New Shares and Attaching Options which is attached to or accompanies this Prospectus.

SPP Offer means the offer under this Prospectus of New Shares and Attaching Options to Eligible Shareholders.

Subscription Monies means monies received from Eligible Shareholders in respect of their Applications.

WST means Australian Western Standard Time.

Unless otherwise indicated, references to time are references to Sydney time.

Corporate Directory

Directors and senior management

Mr Frank Terranova – Chairman
Mr Ian King – Non Executive Director
Mr Richard Valenta – Non Executive Director
Mr Matthew Gill – Non Executive Director

Mr Tom de Vries – Chief Executive Officer
Mr Brent Hofman – Company Secretary

Registered office

Level 6, 15 Astor Terrace
Spring Hill QLD 4000

Website

<http://www.austargold.com/>

Legal advisors

Thomson Geer
Level 16, Waterfront Place
1 Eagle Street
Brisbane QLD 4000
Australia

Auditor

Hall Chadwick
Level 40, 2 Park Street
Sydney, NSW 2000

Joint Lead Managers

Patersons Securities Limited
Level 23 Exchange Tower
2 The Esplanade
Perth WA 6000

APP Securities Pty Limited
Level 41
259 George Street
Sydney NSW 2000

Share Registry

Security Transfer Registrars
Alexandra House
Suite 1, 770 Canning Highway
Applecross WA 6153

Telephone: (08) 9315 2333
Fax: (08) 9315 2233