

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

AUSTAR GOLD LIMITED

ABN

70 107 180 441

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | |
|---|---|
| 1 +Class of +securities issued or to be issued | <p>Ordinary Shares</p> <p>Free listed options (Exercise Price \$0.01 and Expiry Date 30 September 2020)</p> <p>Performance Rights</p> |
| 2 Number of +securities issued or to be issued (if known) or maximum number which may be issued | <p>Placement Offer</p> <p>Tranche 1</p> <p>1. 34,656,454 free attaching listed options (Exercise Price \$0.01 and Expiry Date 30 September 2020)</p> <p>Tranche 2</p> <p>2. 1,048,939,950 Ordinary Shares</p> <p>3. 209,787,991 free attaching listed options (Exercise Price \$0.01 and Expiry Date 30 September 2020)</p> <p>Conversion of Notes</p> <p>4. 111,111,112 Ordinary Shares</p> <p>5. 22,222,224 free attaching listed options (Exercise Price \$0.01 and Expiry Date 30 September 2020)</p> <p>Performance Rights</p> <p>6. 100,000,000 Performance Rights</p> <p>Broker Options</p> <p>7. 25,000,000 free listed options (Exercise Price \$0.01 and Expiry Date 30 September 2020)</p> |

- 3 Principal terms of the securities (e.g. if options, exercise price and expiry date; if partly paid securities, the amount outstanding and due dates for payment; if convertible securities, the conversion price and dates for conversion)

Placement Offer

1. Fully Paid Ordinary Shares ranking equally with existing ordinary shares issued pursuant to the completion of Tranche 2 of the Placement announced on 13 August 2018 and approved under Resolutions 8 and 9 of the EGM held on 28 September 2018.
2. Free attaching listed options issued pursuant to the Placement announced on 13 August 2018 and approved under Resolutions 9 and 10 of the EGM held on 28 September 2018. The free attaching options are exercisable at \$0.01 and have an expiry date of 30 September 2020.

Conversion of Notes

3. Fully Paid Ordinary Shares ranking equally with existing ordinary shares issued as a result of the conversion of loans from shareholders approved under Resolutions 12 and 13 of the EGM held on 28 September 2018.
4. Free attaching listed options issued as a result of the conversion of loans from shareholders approved under Resolutions 12 and 13 of the EGM held on 28 September 2018. The free attaching listed options are exercisable at \$0.01 and have an expiry date of 30 September 2020.

Performance Rights

5. Performance rights issued pursuant to the Company's Performance Rights Plan approved by Shareholders on 28 November 2016 and subsequently approved under Resolutions 15 to 18 of the EGM held on 28 September 2018.

Broker Options

6. Free listed options issued pursuant to the mandate of the joint lead manager of the Placement as set out in the Prospectus issued on 23 August 2018. The free listed options are exercisable at \$0.01 and have an expiry date of 30 September 2020.

- 4 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?

If the additional +securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

Placement Offer

1. Ordinary Shares issued will rank pari passu with the existing fully paid Ordinary Shares on issue.
2. Upon the exercise of free attaching listed options, Shares issued will rank pari passu with the existing fully paid ordinary shares on issue.

Conversion of Notes

3. Ordinary Shares issued will rank pari passu with the existing fully paid Ordinary Shares on issue.
4. Upon the exercise of free attaching listed options, Shares issued will rank pari passu with the existing fully paid ordinary shares on issue.

Performance Rights

5. Ordinary Shares issued on the exercise of Performance Rights will rank pari passu with existing fully paid ordinary Shares.

Broker Options

6. Upon the exercise of free listed options, Shares issued will rank pari passu with the existing fully paid ordinary shares on issue.

- 5 Issue price or consideration

Placement Offer

1. Ordinary Shares - 0.45 cents per share being \$4,720,230
2. Free attaching options - Nil consideration

Conversion of Notes

3. Ordinary Shares - 0.45 cents per share being \$500,000
4. Free attaching options - Nil consideration

Performance Rights

5. Performance rights - Nil consideration

Broker Options

6. Free options - Nil consideration

6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	The Company will use the net proceeds of the placement announced on 13 August 2018 to fund its exploration and trial mining activities and for general corporate and working capital purposes as announced as set out in the Prospectus issued on 23 August 2018.
6a	Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A? If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i	Yes
6b	The date the security holder resolution under rule 7.1A was passed	30 November 2017
6c	Number of +securities issued without security holder approval under rule 7.1	25,000,000 free options (Exercise Price \$0.01 and Expiry Date 30 September 2020)
6d	Number of +securities issued with security holder approval under rule 7.1A	Nil
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	<p>Placement Offer</p> <ol style="list-style-type: none"> 1. 1,048,939,950 Ordinary Shares 2. 244,444,445 free attaching options (Exercise Price \$0.01 and Expiry Date 30 September 2020) <p>Conversion of Notes</p> <ol style="list-style-type: none"> 3. 111,111,112 Ordinary Shares 4. 22,222,224 free attaching options (Exercise Price \$0.01 and Expiry Date 30 September 2020) <p>Performance Rights</p> <ol style="list-style-type: none"> 5. 100,000,000 Performance Rights <p>The issue of the securities above was approved at the Extraordinary General Meeting held on 28 September 2018.</p>
6f	Number of +securities issued under an exception in rule 7.2	Nil

6g If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.

N/A

6h If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements

N/A

6i Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements

Under 7.1 – 387,584,501
Under 7.1A – 305,241,056

7 +Issue dates
Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.
Cross reference: item 33 of Appendix 3B.

5 October 2018

8 Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)

Number	+Class
3,285,187,642	Ordinary Shares
291,666,670	Listed Options: (Exercise at \$0.01 cents each expiring 30 September 2020)

	Number	+Class
9	Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	<p>Unlisted Options: (Exercise at \$0.03 cents each expiring 30 November 2018)</p> <p>197,678,572</p> <p>25,000,000 (Exercise at \$0.015 cents each expiring 30 November 2018)</p> <p>30,000,000 (Exercise at \$0.018 cents each expiring 8 September 2021)</p> <p>30,000,000 (Exercise at \$0.015 cents each expiring 30 November 2019)</p> <p>15,000,000 (Exercise at \$0.02 cents each expiring 30 November 2021)</p> <p>Unlisted Performance Rights: (Class A expiring 31 December 2018), and (Class B expiring 31 December 2019)</p> <p>15,000,000</p> <p>15,000,000</p> <p>50,000,000 (Series 1 expiring 28 September 2022), and 50,000,000 (Series 2 expiring 28 September 2022)</p>

10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	n/a
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Part 2 - Pro rata issue

11	Is security holder approval required?	n/a
12	Is the issue renounceable or non-renounceable?	n/a
13	Ratio in which the +securities will be offered	n/a
14	+Class of +securities to which the offer relates	n/a

15	+Record date to determine entitlements	n/a
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	n/a
17	Policy for deciding entitlements in relation to fractions	n/a
18	Names of countries in which the entity has security holders who will not be sent new offer documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	n/a
19	Closing date for receipt of acceptances or renunciations	n/a
20	Names of any underwriters	n/a
21	Amount of any underwriting fee or commission	n/a
22	Names of any brokers to the issue	n/a
23	Fee or commission payable to the broker to the issue	n/a
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	n/a
25	If the issue is contingent on security holders' approval, the date of the meeting	n/a
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	n/a
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	n/a

- 28 Date rights trading will begin (if applicable)
- 29 Date rights trading will end (if applicable)
- 30 How do security holders sell their entitlements in full through a broker?
- 31 How do security holders sell part of their entitlements through a broker and accept for the balance?
- 32 How do security holders dispose of their entitlements (except by sale through a broker)?
- 33 ⁺Issue date

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of ⁺securities (tick one)
- (a) ⁺Securities described in Part 1
- (b) All other ⁺securities
Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders
- 36 If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories
 1 - 1,000
 1,001 - 5,000
 5,001 - 10,000
 10,001 - 100,000
 100,001 and over
- 37 A copy of any trust deed for the additional ⁺securities

Entities that have ticked box 34(b)

38	Number of +securities for which +quotation is sought					
39	+Class of +securities for which quotation is sought					
40	<p>Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 					
41	<p>Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another +security, clearly identify that other +security)</p>					
42	<p>Number and +class of all +securities quoted on ASX (including the +securities in clause 38)</p>	<table border="1"> <thead> <tr> <th data-bbox="788 1473 1080 1507">Number</th> <th data-bbox="1080 1473 1375 1507">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="788 1507 1080 1736"></td> <td data-bbox="1080 1507 1375 1736"></td> </tr> </tbody> </table>	Number	+Class		
Number	+Class					

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here: Date: 5 October 2018
(Company Secretary)

Print name: Brent Hofman

+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	1,476,343,827
<p>Add the following:</p> <ul style="list-style-type: none"> • Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 • Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval • Number of partly paid +ordinary securities that became fully paid in that 12 month period <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>Include only ordinary securities here – other classes of equity securities cannot be added</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	1,726,066,732
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	-
“A”	3,202,410,559

+ See chapter 19 for defined terms.

Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	480,361,584
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
<p>Insert number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p>Note:</p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	92,777,083*
“C”	92,777,083
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
“A” x 0.15 <i>Note: number must be same as shown in Step 2</i>	480,361,584
Subtract “C” <i>Note: number must be same as shown in Step 3</i>	92,777,083
Total [“A” x 0.15] – “C”	387,584,501 <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

*Includes 67,777,083 being the full amount of 9,281,985 shares issued and converted on 5 September 2017, plus the estimated 58,495,098 calculated shares to be issued from the unconverted convertible notes on 5 October 2017.

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	3,202,410,559
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	305,241,056
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A <i>Notes:</i> <ul style="list-style-type: none"> • <i>This applies to equity securities – not just ordinary securities</i> • <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	15,000,000
“E”	15,000,000

+ See chapter 19 for defined terms.

Step 4: Subtract "E" from ["A" x "D"] to calculate remaining placement capacity under rule 7.1A	
"A" x 0.10 <i>Note: number must be same as shown in Step 2</i>	305,241,056
Subtract "E" <i>Note: number must be same as shown in Step 3</i>	15,000,000
Total ["A" x 0.10] – "E"	305,241,056 <i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.