

AGD

MR SAM SAMPLE  
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SAMPLEVILLE VIC 3030

Dear Shareholder,

16 August 2019

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

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

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

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

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

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

The Offer is not renounceable, so Eligible Shareholders are not able to trade their entitlements. Any entitlements which are not taken up by the applicable Eligible Shareholder will lapse.

**Purpose of the Offer**

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

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

\* All amounts are approximations.

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

## Eligibility

As an Eligible Shareholder, the Company is extending the Offer to you. You should read the Offer Document carefully and in full before deciding whether or not to participate in the Offer. If so required, you are advised to seek professional investment advice before deciding what course of action to take.

The Offer Document and Entitlement and Acceptance Form will be issued to Eligible Shareholders in paper form or as electronically where Eligible Shareholders have requested to receive notice by email.

Your personal entitlement will be set out in the Entitlement and Acceptance Form that will be sent to you.

For the purpose of calculating each Eligible Shareholders' entitlement, fractions have been rounded up to the nearest whole number of New Shares or New Options (as applicable).

## Actions required of Eligible Shareholders

There are a number of actions which Eligible Shareholders may take, as follows:

- 1) You may accept **all** of your rights to subscribe for New Shares and New Options pursuant to the Offer Document.
- 2) You may accept **all** of your rights to subscribe for New Shares and New Options pursuant to the Offer Document and apply for additional New Shares and New Options under the Shortfall Offer (as defined in the Offer Document).
- 3) You may accept **part** of your rights to subscribe for New Shares and New Options pursuant to the Offer Document.
- 4) You may elect to do **nothing**. If you choose to do nothing with your Entitlements, while you will continue to hold the same number of Shares, your interest in the Company may be diluted.

## Offer timetable

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

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

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

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

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

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

By Order of the Board  
Austral Gold Limited