



AUSGOLD LIMITED
ABN 67 140 164 496

NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY MEMORANDUM

PROXY FORM

Date: Thursday, 27 November 2014

Time: 10.00am AWST

Venue: Level 1, AMP Building
140 St Georges Terrace
Perth, WA 6000

These documents should be read in their entirety. If shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting



AUSGOLD LIMITED
(ABN 67 140 164 496)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting of Ausgold Limited will be held at Level 1, AMP Building, 140 St Georges Terrace, Perth, Western Australia on Thursday 27 November 2014 at 10.00am (AWST).

AGENDA

ORDINARY BUSINESS

FINANCIAL STATEMENTS

To receive, consider and discuss the Company's financial statements for the year ended 30 June 2014 and the reports of the directors and auditors on those statements.

RESOLUTION 1 – RE-ELECTION OF DIRECTOR – MR RICHARD LOCKWOOD

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

“That, for the purpose of ASX Listing Rule 14.4 and rule 58.1 of the Constitution, and for all other purposes, Mr Richard Lockwood, a Director who retires by rotation and, being eligible, offers himself for re-election, is re-elected as a Director.”

RESOLUTION 2 – ADOPTION OF REMUNERATION REPORT

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

“That, for the purposes of section 250R(2) of the Corporations Act 2001 and for all other purposes, the Remuneration Report contained in the 2014 Annual Report be adopted by shareholders.”

Note:

In accordance with section 250R(3) of the Corporations Act 2001, this resolution is advisory only and does not bind the directors of the Company.

Voting exclusion statement:

The Company will disregard any votes cast on resolution 2 by or on behalf of any member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report, or any Closely Related Party of such a member. However, the Company need not disregard a vote if it is cast by such a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

PROXIES

In accordance with section 249L of the Corporations Act 2001, members are advised that:

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company;
- a member who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is

specified, then in accordance with section 249X(3) of the Corporations Act 2001, each proxy may exercise one-half of the votes.

In accordance with section 250BA of the Corporations Act 2001, the Company specifies the following information for the purposes of receipt of proxy appointments:

Registered Office: Ausgold Limited
Level 16, AMP Building, 140 St George Terrace, Perth WA 6000
Facsimile Number: (08) 9220 9820
Postal Address: PO Box 7654, Cloisters Square, Perth WA 6850

Each member entitled to vote at the general meeting has the right to appoint a proxy to attend and vote at the meeting on his behalf. The member may specify the way in which the proxy is to vote on each resolution or may allow the proxy to vote at his discretion. The instrument appointing the proxy must be received by the Company at the address specified above at least 48 hours before the time notified for the meeting (proxy forms can be lodged by facsimile).

In accordance with regulation 7.11.38 of the Corporations Regulations 2001, the Company determines that shares held as at 10.00 am on Tuesday 25 November 2014 will be taken, for the purposes of the general meeting, to be held by the persons who held them at that time.

By order of the Board

A handwritten signature in black ink, appearing to read "Denis I Rakich".

DENIS I RAKICH
Director

14 October 2014

AUSGOLD LIMITED
(ABN 67 140 164 496)

EXPLANATORY MEMORANDUM TO SHAREHOLDERS

1. INTRODUCTION

This Explanatory Memorandum has been prepared for the information of shareholders of Ausgold in connection with the business to be transacted at the annual general meeting of the Company to be held on Thursday 27 November 2014.

At that meeting, shareholders will be asked to consider resolutions:

- re-electing a director who retires by rotation; and
- adopting the remuneration report.

The purpose of this Explanatory Memorandum is to provide information that the Board believes to be material to shareholders in deciding whether or not to pass those resolutions. The Explanatory Memorandum explains the resolutions and identifies the Board's reasons for putting them to shareholders. It should be read in conjunction with the accompanying Notice of Meeting.

2. RESOLUTION 1 – RE-ELECTION OF MR RICHARD LOCKWOOD AS A DIRECTOR

In accordance with ASX Listing Rule 14.4 and pursuant to Rule 58.1 of the Constitution, at each annual general meeting one-third of the Directors (excluding the Managing Director) must retire from office. Each retiring Director is entitled to offer himself for re-election as a Director at the annual general meeting.

Mr Richard Lockwood will retire by rotation in accordance with the requirements of the Constitution at the AGM. Mr Lockwood is eligible for re-election, he seeks re-election as a director of the Company at the AGM.

Mr Lockwood has 37 years' experience in mining, mining investment and stockbroking. Formerly a mining investment partner for Hoare Govett and McIntosh Securities he was involved in the development and financing of several gold and base metals project in Europe, Australia and Africa. Mr Lockwood is currently a Senior Fund Manager for City Natural Resources High Yield Trust, New City High Yield Trust, Geiger Counter Limited and Golden Prospect Precious Metals.

Mr Lockwood was appointed as a director of the Company on 12 November 2009.

3. RESOLUTION 2 – ADOPTION OF REMUNERATION REPORT

The Corporations Act includes disclosure requirements for companies whose shares are quoted on the ASX by requiring that the directors of the company include a remuneration report in the Company's annual report and that a resolution be put to shareholders each year to adopt that report.

The remuneration report is set out in the Company's Annual Report. The remuneration report:

- outlines the Board's policy for determining the nature and amount of remuneration for directors and executives of the Company;
- discusses the relationship between the Board's remuneration policy and the Company's performance;
- details and explains any performance condition applicable to the remuneration of a director or executive;

- details the remuneration (including options) of each director and executive of the Company for the year; and
- summarises the terms of any contract under which any director or executive is engaged, including the period of notice required to terminate the contract and any termination payments provided for under the contract.

The vote on the resolution is advisory only and does not bind the directors or the Company, nor does it affect the remuneration paid or payable to the Company's directors or the executives. However, the Board will take the outcome of the resolution into account when considering future remuneration policy.

If, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report, and at the first of those annual general meetings a spill resolution was not put to vote, then the Company will be required to put to Shareholders a resolution proposing the calling of a general meeting to consider the appointment of directors of the Company (**Spill Resolution**).

If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must convene the general meeting (**Spill Meeting**) within 90 days of the second annual general meeting. All of the Directors who were in office when the Company's directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the Company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting. Following the Spill Meeting those persons whose election or re-election as Directors is approved will be the Directors of the Company.

The remuneration report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The remuneration report is part of the Directors' report contained in the annual financial report of the Company for the financial year ending 30 June 2014.

A reasonable opportunity will be provided for discussion of the remuneration report at the AGM.

Previous voting results

At the Company's 2013 annual general meeting the resolution to approve the remuneration report considered at that meeting was passed on a show of hands (proxy votes lodged, but not cast, in respect of that resolution were as advised to ASX on 28 November 2013).

Accordingly, a Spill Resolution is not relevant for this Annual General Meeting.

Proxy voting restrictions

A voting exclusion statement is included in the notice convening the AGM in respect of the advisory vote on Resolution 2.

4. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders should read this Explanatory Memorandum carefully before deciding how to vote on the resolutions set out in the Notice of Meeting.

Attached to the Notice of Meeting is a Proxy Form for use by shareholders. All shareholders are invited and encouraged to attend the AGM or, if they are unable to attend in person, to complete, sign and return the Proxy Form to the Company in accordance with the instructions contained in the Proxy Form and the Notice of Meeting. Lodgement of a Proxy Form will not preclude a shareholder from attending and voting at the AGM in person.

5. GLOSSARY

The following terms and abbreviations used in this Explanatory Memorandum have the following meanings:

\$	means Australian Dollars
Act or Corporations Act	means the <i>Corporations Act 2001</i> (Cth)
AGM or General Meeting	the annual general meeting of the Company to be held on 27 November 2014
ASIC	Australian Securities and Investments Commission
ASX	ASX Limited (ACN 008 624 691)
ASX Listing Rules or Listing Rules	the Official Listing Rules of ASX, as amended from time to time
Board	the board of directors of the Company
Business Day	means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day
Closely Related Party	means: (a) a spouse or child of the member; (b) a child of the member's spouse; (c) a dependent of the member or the member's spouse; (d) anyone else who is one of the member's family and may be expected to influence the member or be influenced by the member, in the member's dealing with the entity; (e) a company the member controls; or (f) a person prescribed by the <i>Corporations Regulations 2001</i> (Cth).
Company or Ausgold	Ausgold Limited (ABN 67 140 164 496)
Constitution	means the Company's constitution
Equity Securities	includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security
Key Management Personnel	has the same meaning as in the accounting standards and, broadly, includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the

	Company.
Notice of Meeting	the notice convening the AGM which accompanies this Explanatory Memorandum
Proxy Form	the proxy form which accompanies this Explanatory Memorandum
Shares or Ausgold Shares	fully paid ordinary shares in the Company

PROXY FORM

The Company Secretary
Ausgold Limited
Level 16, AMP Building
140 St Georges Terrace
PERTH WA 6000

I/We
(Full Name – Block Letters)

of
being a member of Ausgold Limited hereby appoint

..... to exercise% of my/our voting rights
(Name of 1st Proxy)

..... to exercise% of my/our voting rights
(2nd Proxy - Optional)

or in his/her absence, or if no person is named, the Chairman of the meeting as my/our proxy/proxies to act generally and vote on my/our behalf at the AGM of the Company to be held at 10.00am on Thursday 27 November 2014 and at any adjournment thereof in accordance with this Proxy Form.

I/We understand that if I/we have not directed my/our proxy how to vote, my/our proxy may vote or abstain from voting as he thinks fit.

The Chairman of the meeting will act as your proxy if you do not appoint someone or failing the attendance of any person named as your proxy. It is the Chairman's intention to exercise undirected proxies in favor of Resolution 1. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

In the case of Resolution 2, if the Chairman is appointed as your proxy (either expressly or by default), then he will cast your votes in favour of the Resolution if you have not specifically directed him to vote against, or abstain from voting on, the Resolution, and by completing and returning this Proxy Form you expressly authorise the Chairman to exercise your proxy on Resolution 2 (except where you have indicated a different voting intention below) even though Resolution 2 is connected directly or indirectly with the remuneration of a member of the key management personnel of the Company. **If you wish to appoint the Chairman as your proxy but do not wish your votes to be cast in favour of Resolution 2, you must indicate your voting intention by marking either 'against' or 'abstain' against Resolution 2 below.**

Voting directions to your proxy - please mark only one of the boxes with an "X" for each resolution to indicate your directions.

RESOLUTIONS	FOR	AGAINST	ABSTAIN*
1. To re-elect Mr Richard Lockwood as a director	☐	☐	☐
2. Adoption of remuneration report	☐	☐	☐

* If you mark the "Abstain" box with an "X" for a particular resolution, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority.

Date:.....2014.

.....
Signature of Member

.....
Signature of Joint Member

Or if a company:
THE COMMON SEAL OF)
was affixed in the presence of, and the sealing is attested by:)

.....
Director/Secretary

.....
Director

Or if a company with no common seal:
EXECUTED by authority of its directors

.....
Director

.....
Director / Company Secretary

INSTRUCTIONS FOR APPOINTMENT OF PROXY

- (1) A member entitled to attend and vote at the meeting is entitled to appoint not more than two proxies.
- (2) Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the member's voting rights. If that proportion is not specified, each proxy may exercise one-half of the member's voting rights.
- (3) A proxy need not be a member of the Company.

Forms to appoint proxies and the Power of Attorney (if any) under which it is signed or an office copy or notarially certified copy thereof must be deposited with the Company at the registered office, Level 16, AMP Building, 140 St Georges Terrace, Perth WA 6000 or faxed to the Company (Fax No: (08) 9220 9820 and for overseas shareholders: (618) 9220 9820), not less than 48 hours before the time for holding the meeting. A proxy presented by a company should be under the common seal of that company.