Ausgold LIMITED

ABN 67 140 164 496

PROSPECTUS

For a pro-rata non-renounceable offer to shareholders of 96,191,590 New Shares on the basis of one New Share for every five Shares held at the Record Date at an issue price of 2.5 cents per New Share.

The securities offered by this Prospectus are of a speculative nature.

THIS DOCUMENT IS IMPORTANT

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about this Prospectus or the New Shares being offered under this Prospectus, then you should consult your stockbroker, accountant or other professional adviser.

CONTENTS

KEY DATES

Event	Date
Announcement of Offer	Tuesday, 10 October 2017
Appendix 3B lodged with ASX	Tuesday, 10 October 2017
Lodgement of Prospectus with ASIC	Tuesday, 17 October 2017
Shares quoted on an “ex” basis	Monday, 23 October 2017
Record Date to determine entitlements to New Shares (**Rights**)	Tuesday, 24 October 2017
Prospectus and Entitlement and Acceptance Forms despatched	Thursday, 26 October 2017
Last day for acceptance and payment at 5.00pm WST (**Closing Date**)	Monday, 13 November 2017
New Shares quoted on ASX on deferred settlement basis	Tuesday, 14 November 2017
Issue of New Shares and despatch of holding statements	Monday, 20 November 2017
Trading in New Shares commences	Tuesday, 21 November 2017

These dates are subject to change and are indicative only. Subject to the Corporations Act and ASX Listing Rules, the Company reserves the right to amend this timetable including by extending or bringing forward the Closing Date.

1 IMPORTANT NOTES

This Prospectus is dated 17 October 2017 and a copy was lodged with ASIC and ASX on that date. ASIC and ASX take no responsibility for the content of this Prospectus.

No securities will be allotted or issued on the basis of this Prospectus any later than 13 months after the date of this Prospectus.

No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in the Prospectus. Any information or representation which is not contained in this Prospectus or disclosed by the Company pursuant to its continuous disclosure obligations may not be relied upon as having been authorised by the Company in connection with the Issue or this Prospectus.

In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

This Prospectus including each of the documents attached to it and which form part of this Prospectus is important and should be read in its entirety prior to making an investment decision. If you do not fully understand this Prospectus or are in any doubt as to how to deal with it, you should consult your stockbroker, accountant or other professional adviser.

In particular, it is important that you consider the risk factors (see **Section 9** of this Prospectus) that could affect the performance of the Company before making an investment decision.

Investors should note that past Share price performance of the Company provides no guidance to its future Share price performance. Neither the Company nor any other person warrants or guarantees, or makes any representation as to, the future performance of the New Shares or any return on any investment made pursuant to this Prospectus.

The words “anticipate”, “believe”, “expect”, “project”, “forecast”, “estimate”, “likely”, “intend”, “should”, “could”, “may”, “target”, “plan” and other similar expressions are intended to identify forward looking statements. The forward looking statements in this Prospectus are based on the Company’s current expectations about future events. They are, however, subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of the Company and its Directors, that could cause actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied by the forward looking statements in this Prospectus. Investors should specifically refer to the ‘Risk Factors’ in **Section 9** of this Prospectus. That section refers to some but not all of the matters that may cause actual results to differ from the position stated in any forward looking statement in this Prospectus.

Cooling-off rights do not apply to a subscription for New Shares under this Prospectus. This means that you cannot withdraw your Application once it has been submitted except as required by law. Once the New Shares are issued and quotation is granted by ASX you may sell your New Shares on market.

Application will be made to ASX within 7 days after the date of this Prospectus for official quotation of the New Shares.

This Prospectus has not been, and will not be, lodged, filed or registered with any regulatory authority under the securities laws of any country other than Australia and New Zealand. The securities that are the subject of this Prospectus have not been, nor will they be, approved by or registered with any regulatory authority of any other country. Moreover, this Prospectus does not constitute an offer or issue in any place in which, or to any person to whom, it would not be lawful to make such an offer or issue. Refer to **Section 5.10** for treatment of overseas shareholders.

Those investors who receive this Prospectus electronically are advised that the issue of securities under the electronic prospectus is only available to persons receiving the electronic prospectus within Australia. A paper copy of this Prospectus may be obtained free of charge from the Company or downloaded from the ASX website. The information on www.ausgoldlimited.com does not form part of this Prospectus.

Certain words and terms used in this Prospectus have defined meanings, which are set out in **Section 12**.

Transaction-specific prospectus

This Prospectus is a "transaction-specific" prospectus issued under section 713 of the Corporations Act. Section 713 allows the issue of a more concise prospectus in relation to an offer of continuously quoted securities. The Prospectus is therefore intended to be read in conjunction with the publicly-available information in relation to Ausgold which has been notified to the ASX; it does not include all of the information that would be included in a prospectus for an offering of securities in a company that is not already listed on the ASX. Investors should therefore also have regard to the other publicly-available information in relation to Ausgold before making a decision whether or not to invest in the Company.

2 CORPORATE DIRECTORY

Directors
Richard Lockwood
Geoffrey Jones
Denis Rakich
Neil Fearis

Chief Executive Officer
Matthew Greentree

Company Secretary
Denis Rakich

Registered Office
Level 16, AMP Building
140 St Georges Terrace
Perth WA 6000

Tel: +618 9220 9890
Fax: +618 9220 9820

Email
info@ausgoldlimited.com

Website
www.ausgoldlimited.com

Auditors
BDO Audit (WA)*
28 Station Street
Subiaco WA 6008

Tel: +618 6382 4600
Fax: +618 6382 4601

Legal Advisors
Squire Patton Boggs
Level 21, 300 Murray Street
Perth WA 6000

Share Registrar
Security Transfer Australia*
770 Canning Highway
Applecross WA 6153

Tel: 1300 992 916
Fax: +618 9315 2233

Securities Exchange Listing
Australian Securities Exchange - Code: AUC

* These entities have not been involved in the preparation of this Prospectus. Their names are included for information purposes only.

3 LETTER FROM THE CHAIRMAN

Dear Shareholder

On behalf of the Board I take pleasure in presenting the Prospectus for Ausgold Limited's (Ausgold or Company) rights issue to Eligible Shareholders (defined below).

On 10 October 2017, the Company announced an intention to raise up to approximately $3.9 million through a two stage process consisting of:

(a) a placement to professional investors to raise up to approximately $1.5 million; and
(b) a non-renounceable rights issue to raise up to approximately $2.4 million.

As announced to the ASX on 10 October 2017, the placement was completed on 16 October 2017.
I am now pleased to present you with the Prospectus for the rights issue.

The rights issue is expected to raise approximately $2.4 million and will entail issuing up to approximately 96,191,590 New Shares at an issue price of 2.5 cents per share on the basis of one New Share for every five existing Shares held as the Record Date.

The Offer will be made to all Shareholders with registered addresses in Australia or New Zealand on the Record Date (**Eligible Shareholders**).

Use of funds

The Company intends to apply the funds raised under the placement and rights issue towards:

(a) enabling the Company to continue exploration programmes on the Company's mineral projects;
(b) providing additional working capital; and
(c) defraying the costs of the Offer.

Further detail on the Company can be found in the Company's ASX announcements and website at www.ausgoldlimited.com.

Please read this Prospectus carefully before deciding whether or not to invest. An investment in the Company contains specific risks which you should consider before making that decision. If there is any matter on which you require further information, you should consult your stockbroker, accountant or other professional adviser.

The Board looks forward to your continuing support.

Yours sincerely

RICHARD LOCKWOOD
Chairman - Ausgold Limited

4 KEY INFORMATION

The information set out in this section is not intended to be comprehensive and should be read in conjunction with the full text of this Prospectus.

4.1 Offer

The Company is making a pro-rata non-renounceable issue offering Shareholders one New Share for every five Shares held as at the Record Date, at an issue price of 2.5 cents per New Share.

The closing date and time for acceptances and payments is 5.00pm Perth time on Monday, 13 November 2017. Subject to compliance with the Listing Rules, the Company reserves the right to close the Offer early or to extend the Closing Date.

The details of the Offer are set out in full in Section 5.

4.2 What you need to do

The number of New Shares to which you are entitled is shown on the accompanying Entitlement and Acceptance Form. Fractional entitlements will be rounded up to the nearest whole Share. You may do one of the following:

- accept your Entitlement **in full**;
- accept **part** of your Entitlement;
- allow your Entitlement to lapse; or
- accept your Entitlement **in full** and apply for additional New Shares in excess of your Entitlement.

See Section 7 for detailed instructions on what you need to do.

4.3 Purposes of the Offer and use of proceeds

Assuming the Offer is fully subscribed, it will result in the issue of approximately 96,191,590 New Shares, raising approximately $2,404,789.

The purposes of the Offer are:

(a) to enable the Company to continue exploration programmes on the Company's mineral projects, as discussed further in Section 6;
(b) to provide additional working capital and defray the costs of the Offer; and
(c) to enable Shareholders to participate further in the ownership and growth potential of the Company.

These purposes are discussed more fully in Section 6.

4.4 Effect of the Offer on the share capital of the Company

Assuming the Offer is fully subscribed, after the issue of New Shares there will be 577,149,541 Shares on issue.

A more detailed description of the effects of the Offer including the effects of the Offer in the Company's capital structure is contained in Section 8.

4.5 Risk factors

An investment in the Company involves risks associated with an investment in the minerals industry, as well as risks of investing in equities generally. The price of Shares may rise or fall.

There are also a number of risk factors, both specific to the Company and of a general nature, which may affect the future operating and financial performance of the Company and hence the value of an investment in the Company. These potential risks are set out in detail in Section 9, and include but are not limited to:

- Dependence on successful exploration, development and acquisitions to maintain reserves and cash flow in the future;
- Minerals industry being subject to significant operating risks.

The risks above do not represent an exhaustive list of risks that may be associated with investing in the Company.

Before deciding to invest in the Company, prospective investors should consider the risk factors set out in Section 9 carefully and consult their stockbroker, accountant or other professional adviser to discuss any other relevant risks of participating in the Offer.

5 DETAILS OF THE OFFER

5.1 The Offer

On 10 October 2017 the Company announced that it intends to raise up to approximately $3.9 million by way of:

(a) a placement to raise approximately $1.5 million from professional investors; and
(b) a non-renounceable rights issue to raise up to approximately $2.4 million.

The Company completed the placement on 16 October 2017 by issuing 60,500,000 shares to raise $1,512,500.

The Company is now making a pro rata non-renounceable offer to Eligible Shareholders of approximately 96,191,590 New Shares (assuming no existing Options are exercised before the Record Date and full subscription is achieved), on the basis of one New Share for every five Shares held. The issue price of 2.5 cents per New Share is payable in full on application.

The number of New Shares to which you are entitled is shown on the accompanying Entitlement and Acceptance Form. Fractional entitlements will be rounded up to the nearest whole Share. For this purpose, holdings in the same name are aggregated for calculation of Entitlements, to the extent permitted by the Listing Rules.

The closing date and time for acceptances and payments is 5.00pm Perth time on 13 November 2017.

5.2 Who is entitled to participate in the Offer

Every Shareholder registered as the holder of fully paid ordinary shares in the Company at 5.00pm Perth time on Tuesday, 24 October 2017 (the Record Date), and whose registered address is in Australia or New Zealand, is entitled to participate in the Offer.

5.3 Acceptances

This Offer may be accepted in whole or in part prior to 5.00pm (WST) on 13 November 2017 subject to the rights of the Company to extend the Offer period or close the Offer early.

Instructions for accepting your Entitlement are set out in Section 7 and on the Entitlement and Acceptance Form which accompanies this Prospectus.

5.4 No Rights trading

The Offer is non-renounceable and therefore there will be no rights which are tradeable on ASX or otherwise transferable. Eligible Shareholders will not receive any payment or value in respect of Entitlements not taken up.

5.5 Underwriting

The Offer is not underwritten.

5.6 ASX quotation

The Company will make an application to ASX for admission of the New Shares to quotation on ASX within 7 days after the date of this Prospectus. If such an application is not made within these seven days, or Official Quotation of the New Shares is not granted by ASX within three months of the date of this Prospectus, then the Company will not allot or issue any New Shares and all Application Money received pursuant to this Prospectus will be repaid as soon as practicable, without interest.

The fact that ASX may agree to grant Official Quotation of the New Shares is not to be taken in any way as an indication of the merits of the Company or the New Shares. ASX takes no responsibility for the contents of this Prospectus.

5.7 Issue of New Shares

It is expected that New Shares will be issued and holding statements will be despatched to applicants by 20 November 2017.

Subscription moneys will be held in a subscription account until the New Shares are issued. This account will be established as a trust account and kept by the Company on behalf of Participating Shareholders.

Interest earned on the subscription money will be for the benefit of the Company and will be retained by the Company irrespective of whether New Shares are issued.

5.8 Minimum subscription

There is no minimum subscription to this Offer.

5.9 Rights and Liabilities attaching to the New Securities

The New Shares that are the subject of this Prospectus will rank in respect of dividends and in all other respects pari passu with existing Shares. It is not envisaged that dividends will be paid on those Shares in the foreseeable future.

A summary of the rights and liabilities attaching to the New Shares is set out in Section 10.

5.10 Overseas Shareholders

This Offer is being made only to Shareholders with registered addresses in Australia or New Zealand (being '**Eligible Shareholders**').

In the Company's view, it would be unreasonable to make the Offer to Shareholders with registered addresses outside Australia and New Zealand ('**Ineligible Shareholders**') having regard to the number of Shareholders resident outside those jurisdictions, the number of New Shares that would be offered to them, and the cost of complying with the legal requirements in those jurisdictions in relation to the Offer.

The Offer contained in this Prospectus to Eligible Shareholders with registered addresses in New Zealand is made in reliance on the *Securities Act (Overseas Companies) Exemption Notice 2013* (New Zealand).

Members of the public in New Zealand who are not existing Shareholders on the Record Date are not entitled to apply for any New Securities under this Prospectus.

It is the responsibility of Shareholders to ensure compliance with all laws of any country which may be relevant to the Offer.

5.11 Applications for Additional Shares

In addition to being able to apply for New Shares, Shareholders who subscribe for their full Entitlement will also have the opportunity to apply for New Shares that are not subscribed for in the Offer (**Additional Shares**), subject to the requirements set out in Section 7.4.

It is possible that there will be few or no Additional Shares available for issue, depending on the level of take up of Entitlements by Shareholders. There is also no guarantee that in the event Additional Shares are available for issue, they will be allocated to all or any of the Eligible Shareholders who have applied for them.

It is an express term of the Offer that applicants for Additional Shares will be bound to accept a lesser number of Additional Shares allocated to them than applied for, if those Shares are so allocated. If a lesser number of Additional Shares is allocated to them than applied for, excess Application Money will be refunded without interest. The Company reserves the right to scale back any Applications for Additional Shares in its absolute discretion.

5.12 Directors may not apply for Additional Shares. Shortfall Shares

A Shortfall will arise if the Applications received (and satisfied) for New Shares (including Additional Shares) under the Offer are less than the number of New Shares offered. The Directors reserve the right at their discretion to place any Shortfall Shares remaining after the satisfaction of applications for New Shares by Eligible Shareholders (including applications for Additional Shares made in accordance with Section 5.11). The Shortfall Shares may be issued to investors who are not currently Shareholders.

The offer of the Shortfall Shares (**Shortfall Offer**) is a separate offer pursuant to this Prospectus, on the same terms and conditions as the Offer, and will remain open for up to three months from the Closing Date.

Any investor who is not a Shareholder at the Record Date and who the Company invites to participate in the Shortfall Offer, will need to follow the procedures advised to them by the Company for applications under the Shortfall Offer.

5.13 Directors may not apply for Additional Shares. Allotment and Application Money

New Shares will be issued only after all Application Money has been received and ASX has granted permission for the New Shares to be quoted. It is expected that New Shares will be issued on 20 November 2017 and normal trading of the New Shares on ASX is expected to commence on 21 November 2017.

5.14 All Application Money received before New Shares are issued will be held in a special purpose account. After Application Money is refunded (if required) and New Shares are issued to applicants, the balance of funds in the account plus accrued interest will be received by the Company. Market Prices of Existing Shares on ASX

The highest and lowest market sale price of the Existing Shares, which are on the same terms and conditions as the New Shares being offered under this Prospectus, during the three months immediately preceding the lodgement of this Prospectus with the ASIC, and the last market sale price immediately preceding the lodgement of this Prospectus, are set out below.

	3 months high	3 months low	Last Market Sale Price
Existing Shares	$0.032	$0.024	$0.03

5.15 Opening and Closing Dates

The Offer will open for receipt of acceptances on 17 October 2017 and will close at 5.00pm (WST) (2.00pm (WST) for BPAY®) on 13 November 2017, subject to the right of the Company to vary these dates.

5.16 Notice to nominees and custodians

Nominees and custodians that hold Existing Shares should note that the Offer is available only to Eligible Shareholders. The Company is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of securities. If any nominee or custodian is acting on behalf of a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Offer is compatible with applicable foreign laws.

6 USE OF PROCEEDS

As set out in Sections 3 and 4, the purpose of the Offer is to raise approximately $2.4 million, which the Directors intend to apply towards the following purposes in accordance with the table set out below:

(a) enabling the Company to continue exploration programmes on the Company's mineral projects;
(b) providing additional working capital (including defraying the costs of the Offer).

If the Offer is fully subscribed, the proceeds will be applied towards the following purposes:

	$
Costs associated with Offer	32,581
Exploration on the Company's mineral projects	1,950,000
Working capital	422,208
Total	**2,404,789**

The information set out in the above table is a statement of present intention as at the date of this Prospectus. The exact amount of funds spent by the Company will depend on many factors that cannot be ascertained at this time.

7 WHAT YOU NEED TO DO

If you have any questions about your Entitlements, please contact:

- The Company's Share Registry

  Security Transfer Australia
  770 Canning Highway
  Applecross WA 6153

  T: 1300 992 916; or

- Your stockbroker of professional advisor.

7.1 How to accept up ALL of your Entitlements

Complete the accompanying Entitlement and Acceptance Form according to the instructions on the form.

Send the completed form, together with a cheque or bank draft in payment for all your Entitlements, to reach the Company's share registry, Security Transfer Australia, 770 Canning Highway, Applecross WA 6153, no later than 5.00pm Perth time on Monday, 13 November 2017. If the amount of your cheque(s) or bank draft(s) for Application Money (or the amount for which those cheque(s) or bank draft(s) clear in time for allocation) is insufficient to pay for the number of New Shares you have applied for in your Application Form, you will be taken to have applied for such lower number of New Shares as your cleared Application Money will pay for (and to have specified that number of New Shares in your Application Form) or your Application may be rejected.

7.2 How to accept PART of your Entitlements

Complete the accompanying Entitlement and Acceptance Form for those Entitlements that you wish to accept. Send the completed form together with a cheque or bank draft for the amount due in respect of the New Shares you intend to accept, to the Company's share registry.

7.3 Lapse of Entitlements

If you decide not to accept all or part of your Entitlements, you do not need to do anything. Your Entitlements will lapse on the Closing Date.

7.4 Apply for Additional Shares

If you are an existing Shareholder and wish to accept your Entitlement in full and apply for Additional Shares, complete the Entitlement and Acceptance Form and also fill in the number of Additional Shares you wish to apply for in the space provided on the Entitlement and Acceptance Form.

You must make payment for the appropriate Application Money (at 2.5 cents per New Share subscribed) for the New Shares comprising your Entitlement and any Additional Shares in accordance with Section 7.6 below.

Additional Shares will only be issued if the Offer is undersubscribed and will only be issued to the extent necessary to make up any shortfall in subscriptions. The Directors reserve the right to reject any Application for Additional Shares or to allot a lesser number of Additional Shares than applied for. Application Money received but not applied toward subscription for Additional Shares will be refunded as soon as practicable. No interest will be paid on Application Money held and returned. The Company reserves the right not to issue Additional Shares where to do so would result in a breach of the Corporations Act or the Listing Rules.

Send the completed form, together with a single cheque or bank draft for the amount due in respect of your Entitlements and the Additional Shares for which you are applying, to reach the Company's share registry, Security Transfer Australia, 770 Canning Highway, Applecross WA 6153, no later than 5.00pm Perth time on Monday, 13 November 2017.

7.5 Investors applying for Shortfall Shares

Investors who are not existing Shareholders and receive this Prospectus may apply for Shares comprising the Shortfall by completing the Shortfall Application Form and making payment for the appropriate application monies (at 2.5 cents per New Share subscribed) for the New Shares applied for in accordance with Section 7.6 below.

7.6 Payment

Applications for New Shares (including Additional Shares and Shortfall Shares) must be accompanied by payment in full of 2.5 cents per New Share. Payments must be made by 5.00pm Perth time on Monday, 13 November 2017. Payments will only be accepted in Australian currency and as follows:

Payment by cheque or bank draft must be:

- in Australian currency drawn on an Australian branch of a financial institution; and
- payable to "Ausgold Limited" and crossed "Not Negotiable".

Shareholders must submit a completed personalised Entitlement and Acceptance Form if they elect to submit their Application Money using a cheque or money order.

Payment by BPay®:

- the biller code and reference number appears on your personalised Entitlement and Acceptance Form.
- payment by BPay® should be made according to the instructions set out on your personalised Entitlement and Acceptance Form. If you pay by BPay® and do not pay for all of your Entitlements, the balance of your Entitlements will be treated as not having been taken up.

Shareholders are not required to submit a completed personalised Entitlement and Acceptance Form if they elect to submit their Application Money using BPay®.

It is your responsibility to ensure that your BPAY® payment is received by the Company by no later than 2.00pm (WST) on 13 November 2017. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment.

Cash payments will not be accepted. Receipts for payment will not be provided.

7.7 Entitlement and Acceptance Form is binding

A completed and lodged Entitlement and Acceptance Form constitutes a binding offer to acquire New Shares on the terms and conditions set out in this Prospectus and, once lodged, cannot be withdrawn. If the Entitlement and Acceptance Form is not completed correctly, it may still be treated as a valid application for New Shares. The Directors' decision whether to treat an acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

By completing and returning your Entitlement and Acceptance Form with the requisite Application Money, you will be deemed to have represented and warranted that you are an Eligible Shareholder.

8 EFFECT OF THE ISSUE

8.1 The effect of the placement and Issue (assuming the Offer is fully subscribed and no Options are exercised prior to the Record Date) will be that:

(a) cash reserves will initially increase by approximately $3,884,708;
(b) the number of Shares on issue will increase from 420,457,951 to 577,149,541.

8.2 Effect on the Company's balance sheet

Set out below is an unaudited pro forma consolidated balance sheet of the Group as at 30 June 2017, incorporating the effect of the Issue and the placement, assuming the Offer is fully subscribed, and on the basis of the further assumptions detailed below.

Consolidated Balance Sheet (unaudited)

Ausgold Limited
Consolidated Balance Sheet

	Pro Forma 30 June 2017 $	Effect of Rights Issue $	Pro Forma 30 June 2017 $
ASSETS			
Current Assets			
Cash and cash equivalents	2,115,329	2,372,208	4,487,537
Trade and other receivables	9,714	-	9,714
Security deposits	94,111	-	94,111
Prepayment for exploration assets	8,783	-	8,783
Total Current Assets	**2,227,937**	**2,372,208**	**4,600,145**
Non-Current Assets			
Property, plant and equipment	82,424	-	82,424
Exploration and evaluation expenditure	35,976,245	-	35,976,245
Total Non-Current Assets	**36,058,669**	**-**	**36,058,669**
TOTAL ASSETS	**38,286,606**	**2,372,208**	**40,658,814**
LIABILITIES			
Current Liabilities			
Trade and other payables	422,063	-	422,063
Provisions	93,335	-	93,335
Total Current Liabilities	**515,398**	**-**	**515,398**
Non-Current Liabilities			
Provisions	1,061,826	-	1,061,826
Total Non-Current Liabilities	**1,061,826**	**-**	**1,061,826**
TOTAL LIABILITIES	**1,577,224**	**-**	**1,577,224**
NET ASSETS	**36,709,382**	**2,372,208**	**39,081,590**
EQUITY			
Contributed equity	58,421,336	2,404,789	60,826,125
Reserves	4,831,652		4,831,652
Accumulated losses	(26,543,606)	(32,581)	(26,576,187)
TOTAL EQUITY	**36,709,382**	**2,372,208**	**39,081,590**

Assumptions for Unaudited Pro-Forma Balance Sheet

The pro forma consolidated balance sheet has been prepared on the basis that there have been no material movements in the assets and liabilities of the Company between 30 June 2017 and the close of the Offer other than the following:

- Increase in cash of approximately $3.9 million from the Placement and Issue.
- The Company issued 15,000,000 New Shares and 10,000,000 Options to Chalice Gold Mines Limited to acquire four Exploration Licences.
- The Company issues 60,500,000 New Shares at 2.5 cents per Share pursuant to the Placement.
- The Company issues 96,191,590 New Shares at 2.5 per Share pursuant to the Offer.
- Costs of the Rights Issue of $32,581.
- No Options are exercised.

8.3 Effect on the Company's Income Statement

The Issue will have no effect on the Company's income statement for the year ended 30 June 2017, other than interest earned on funds raised by the Issue pending their expenditure in the manner described in Section 6.

8.4 Effect on the Company's capital structure

Set out below is a table showing the changes (assuming the Offer is fully subscribed) to the capital structure of the Company:

Shares		**$**
480,957,951	Existing issued capital as at 17 October 2017	58,421,336
96,191,590	New Shares the subject of this Prospectus	2,404,789
577,149,541	Total issued capital	60,826,125

Options	
67,019,235 [(1)]	Existing Options
67,019,235	Total Options on issue on completion of the Offer

Notes

[(1)] **Includes:**

2,900,000	Options exercisable at $0.07 expiring on 31.12.2017
9,579,235	Options exercisable at $0.08 expiring on 30.11.2019
16,000,000	Options exercisable at $0.08 expiring on 30.11.2020
2,500,000	Options exercisable at $0.0525 expiring on 06.02.2020
6,040,000	Options exercisable at $0.05 expiring on 30.03.2019
5,000,000	Options exercisable at $0.06 expiring on 31.07.2020
5,000,000	Options exercisable at $0.08 expiring on 31.07.2020
10,000,000	Options exercisable at $0.035 expiring on 13.09.2019
67,019,235	

8.5 Effect on control of the Company

If all Eligible Shareholders take up their Entitlements in full, then the Offer will have no material effect on their ownership of the Company.

If some Eligible Shareholders do not take up all of their Entitlements, then the shareholding interests of those Shareholders in the Company will be diluted.

The proportional interests of Ineligible Shareholders will be diluted because such Shareholders are not entitled to participate in the Offer.

9 RISK FACTORS

9.1 Overview

(a) An investment in the Company is not risk free and investors should consider the risk factors described below, together with information contained elsewhere in this Prospectus, before deciding whether to apply for New Shares. Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for New Shares.

(b) The Directors have considered and identified in this section of the Prospectus the critical areas of risk associated with investing in the New Shares. The risks identified by the Directors are not exhaustive and potential investors should read this Prospectus in full and seek professional advice if they require further information on material risks in deciding whether to subscribe for New Shares. In particular, the Company is subject to risks relating to the exploration and development of mineral properties which are not generally associated with other businesses. Many of the circumstances giving rise to these risks are beyond the control of the Company, its Directors and management.

(c) The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

9.2 Mining and mineral exploration industry risks

(a) Exploration and evaluation risks

The success of the Company depends on the delineation of economically minable reserves and resources in the Company’s projects, access to required development capital, movement in the price of commodities, securing and maintaining licences for the Company's exploration tenements and obtaining all consents and approvals necessary for the conduct of its exploration activities.

Exploration on the Company's existing exploration tenements may be unsuccessful, resulting in a reduction of the value of those tenements, diminution in the cash reserves of the Company and possible relinquishment of the exploration tenements.

(b) Ability to exploit successful discoveries

It may not always be possible for the Company to exploit successful discoveries (if any) which may be made in areas in which the Company has an interest. Such exploration would involve obtaining the necessary licences or clearances from the relevant authorities that may require conditions to be satisfied and/or the exercise of discretions by such authorities. It may or may not be possible for such conditions to be satisfied. Further, the decision to proceed to further exploration may require participation of other companies whose interests and objectives may not be the same as the Company’s.

(c) Mining tenements

Interests in tenements in Western Australia are governed by the *Mining Act 1978* (Cth) (**Mining Act**) 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.

If the Company does not comply with the minimum expenditure requirements or other applicable conditions relating to tenements where it is the registered holder, then those tenements will be at risk of forfeiture unless a total or partial exemption is granted in accordance with relevant legislation. Even if the Company is entitled to seek an exemption, it may nevertheless be subject to the attempt of a third party to claim a failure to satisfy expenditure conditions which may need to be resolved through litigation.

(d) Mining and development risk

Mineral exploration and mining are speculative operations that may be hampered by circumstances beyond the control of the Company. Profitability depends on successful exploration and/or acquisition of reserves, design and construction of efficient processing facilities, competent operation and management and proficient financial management.

Exploration in itself is a speculative endeavour, while mining operations can be hampered by force majeure circumstances and cost overruns for unforeseen events.

(e) Resource estimations

Resource estimates are expressions of judgment based on knowledge, experience and resource modelling. As such, resource estimates are inherently imprecise and rely to some extent on interpretations made. Despite employing qualified professionals to prepare resource estimates, such estimates may nevertheless prove to be inaccurate. Furthermore, resource estimates may change over time as new information becomes available. Should the company encounter mineralisation or geological formations different from those predicted by past drilling, sampling and interpretations, resource estimates may need to be altered in a way that could adversely affect the Company's operations.

(f) Commodity price and exchange rate risks

To the extent the Company is involved in mineral production the revenue derived through the sale of commodities such as gold (if any) may expose the potential income of the Company to commodity price and exchange rate risks.

(i) Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for base metals, technological advancements, forward selling activities and other macro-economic factors.
(ii) A substantial proportion of exploration expenditures and future income (if any) of the Company will be denominated in foreign currencies, exposing the Company to exchange rate risks. Consequently, a fall in the value of the Australian dollar against certain other currencies could have an adverse impact on the Company.
(iii) In addition to adversely affecting the reserve estimates of the Company (if any) and its financial condition, declining commodity prices could impact operations by requiring a reassessment of the feasibility of a particular project. The need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed.

(g) Environmental risks

All phases of the Company's operations are subject to environmental regulation in the jurisdictions in which it operates. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects, and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on the properties on which the Company holds interests which are unknown to the Company at present and which have been caused by previous or existing owners or operators of the properties.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations or in the exploration or development of mineral properties may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws, regulations and permits governing operations and activities of mining and exploration companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in exploration expenses, capital expenditures, require abandonment or delays in development of new mining properties.

(h) Operating risks

Mining is inherently dangerous and subject to conditions or events beyond the control of the Company, and any operating hazards could have a material adverse effect on its business.

The Company’s business operations are subject to risks and hazards inherent in the mining industry. The exploration for and the development of mineral deposits involves significant risks, including: environmental hazards; industrial accidents; metallurgical and other processing problems; unusual or unexpected rock formations; structure cave-in or slides; flooding; fires and interruption due to inclement or hazardous weather conditions. These risks could result in damage to, or destruction of, mineral properties or other properties, personal injury or death, environmental damage, delays in mining, increased production costs, monetary losses and possible legal liability.

9.3 Company specific risks

(a) Future capital requirements

The funds raised by the Offer will be used to carry out the Company’s objectives as detailed in the Prospectus and the Company’s announcements to ASX. However, the Company's activities will require substantial expenditures and the Company expects that it will need to raise additional funds in the short to medium term to successfully achieve all the objectives of the Company's overall business strategy.

If the Company is unable to use debt or equity to fund its operations after the substantial exhaustion of the net proceeds of the Issue (together with the Company’s existing cash reserves, including the placement proceeds) there can be no assurances that the Company will have sufficient capital resources for that purpose, or other purposes.

The Company’s ability to raise further capital (equity or debt) within an acceptable time, of a sufficient amount and on terms acceptable to the Company will vary according to a number of factors, including prospectivity of projects (existing and future), the results of exploration, subsequent feasibility studies, stock market and industry conditions and the price of relevant commodities and exchange rates. In addition, any additional equity financing may be dilutive to Shareholders and any debt financing if available may involve restrictive covenants, which may limit the Company's operations and business strategy.

No assurance can be given that future funding will be available to the Company on favourable terms (or at all). If adequate funds are not available on acceptable terms, the Company may not be able to further develop its projects and it may impact on the Company’s ability to continue as a going concern.

(b) Licences and permits

The Company's mining exploration activities are dependent upon the grant, or as the case may be, the maintenance of appropriate licences, concessions, leases, tenements, permits and regulatory consents which may be withdrawn or made subject to limitations. The maintaining of tenements, obtaining renewals, or getting tenements granted, often depends on the Company being successful in obtaining the required statutory approvals for its proposed activities and that the licences, concessions, leases, permits or consents it holds will be renewed as and when required. There is no assurance that such renewals will be given as a matter of course and there is no assurance that new conditions will not be imposed in connection therewith.

(c) Joint venture parties, agents and contractors

The Directors are unable to predict the risk of financial failure or default (including default by the Company) by a participant in any joint venture or earn-in arrangement to which the Company may become a party or the insolvency or managerial failure by any of the contractors used by the Company in any of its activities or the insolvency or other managerial failure by any of the other service providers used by the Company for any activity.

(d) Potential Acquisitions

As part of its business strategy, the Company may make acquisitions of or significant investments in companies, products, technologies or resource projects. Any such future transactions would be accompanied by the risks commonly encountered in making acquisitions of companies, products, technologies or resource projects.

(e) Reliance on Key Personnel

The Company is reliant on key personnel employed or engaged by the Company. Loss of such personnel may have a material adverse impact on the performance of the Company. In addition, the recruiting of qualified personnel is critical to the Company's success. As the Company's business grows, it will require additional key financial, administrative, mining, marketing and public relations personnel as well as additional staff for operations. While the Company believes that it will be successful in attracting and retaining qualified personnel, there can be no assurance of such success.

(f) Insurance and uninsured risks

The business of the Company is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties, personal injury or death, environmental damage to properties of the Company or others, delays in mining, monetary losses and possible legal liability.

Although the Company maintains insurance to protect against certain risks in such amounts as it considers to be reasonable, its insurance will not cover all the potential risks associated with its operations and insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks because of high premiums or other reasons.

Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to the Company or to other companies in the mining industry on acceptable terms. Losses from these events may cause the Company to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

(g) Government regulation

The mineral exploration activities of the Company are subject to various laws governing prospecting, taxes, labour standards and occupational health, mine safety, toxic substances, land use, water use, land claims of local people, and other matters. Although the exploration and development activities of the Company are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development. Amendments to current laws and regulations governing mineral exploration could have a substantial adverse impact on the Company.

(h) Other risks

Other risk factors include those normally found in conducting business, including litigation through breach of agreements or in relation to employees (through personal injuries, industrial matters or otherwise) or any other cause, strikes, lockouts and other matters that may interfere with the Company's business or trade.

9.4 Investment and economic risks

(a) Economic risks

General economic conditions in Australia and internationally, movements in interest, inflation and currency exchange rates, variations in commodity prices, the global security situation and the possibility of terrorist disturbances, changes to government regulation, policy or legislation, changes which may occur to the taxation of companies as a result of changes in Australian and foreign taxation laws and changes to dividend imputation in Australia may have an adverse effect on the Company's exploration, development and future production activities, as well as on its ability to fund those activities.

(b) Market conditions

The market price of the Company's securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities and in particular, resources stocks. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(c) Securities exchange prices

The market price of a publicly traded security is affected by many variables not all of which are directly related to the success of the Company. In recent years, the securities markets have experienced a high level of price and volume volatility, and the market price of securities of many companies, particularly those considered to be development stage companies, has experienced wide fluctuations which have not necessarily been related to the operating performance or underlying asset values of such companies. There can be no assurance that such fluctuations will not affect the price of the Company's securities.

(d) Liquidity risk

There may be relatively few buyers or sellers of securities on ASX at any given time. This may affect the volatility of the market price of the securities and the prevailing market price at which Shareholders are able to sell their Shares. This may result in Shareholders receiving a market price for their Shares that is less or more than the price paid under the Offer.

10 ENTITLEMENTS AND LIABILITIES ATTACHING TO THE NEW SHARES

10.1 New Shares

The following is a summary to the rights and liabilities attaching to the New Shares.

Full details of the rights attaching to the New Shares arise from a combination of the Company's Constitution (a copy of which is available for inspection at the Company's registered office during normal business hours) the Corporations Act, the ASX Listing Rules and general law.

The rights and liabilities attaching to New Shares can be summarised as follows:

10.2 Share Capital

The share capital of the Company presently consists of ordinary shares only. All existing Shares are of the same class and rank equally in all respects.

10.3 Voting Rights

Subject to any right or restrictions for the time being attached to any class or classes of shares (at present there are none), at a general meeting every holder of Shares present in person or by proxy, attorney or corporate representative has one vote on a show of hands and one vote per share on a poll. A person who holds a Share which is not fully paid is entitled to a fraction of a vote equal to the amount paid up (but not credited as paid up) on the Share divided by the total amount paid and payable on the Share (excluding amounts credited).

10.4 Dividend rights

Subject to the rights of holders of Shares issued with any special or preferential rights (at present there are none), holders of fully paid Shares on which any dividend is declared or paid are entitled to participate in that dividend equally. Each Share which is not fully paid is entitled to a fraction of the dividend declared or paid on a fully paid Share equivalent to the proportion which the amount paid up (but not credited as paid up) on the Share bears to the total amounts paid and payable, whether or not called, (excluding amounts credited) on the Share.

10.5 Rights on winding-up

Subject to the rights of holders of Shares issued upon special terms and conditions (at present there are none), holders of Shares will share in any surplus assets on a winding-up of the Company in proportion to the numbers of Shares held by them respectively.

10.6 Transfer of shares

Subject to the Constitution, the Corporations Act, and the Listing Rules, Shares are freely transferable.

10.7 Future Increases in capital

The allotment and issue of any New Shares is under the control of the Directors. Subject to the Constitution, the Corporations Act, and the Listing Rules, the Directors may allot or otherwise dispose of new Shares on such terms and conditions as they may in their absolute discretion determine.

10.8 Variation of rights

The rights attaching to the Shares may be varied in accordance with the Corporations Act.

11 ADDITIONAL INFORMATION

11.1 Continuous Disclosure Obligations

The Company is a "listed disclosing entity" for the purposes of the Corporations Act. As such, it is subject to regular reporting and disclosure obligations which require it to disclose to the ASX any information of which it is, or becomes, aware concerning the Company and which a reasonable person would expect to have a material effect on the price or the value of the Company's securities.

The New Shares to be issued pursuant to this Prospectus are in the same class as Shares that have been quoted on the official list of the ASX during the 12 months prior to the issue of this Prospectus.

By virtue of section 713 of the Corporations Act, the Company is entitled to issue a "transaction-specific" prospectus in respect of the Issue. That provision allows the issue of a more concise prospectus in relation to an offer of securities in a class which has been continuously quoted by ASX in the three months prior to the date of the prospectus or options to acquire such securities.

In general terms, a "transaction-specific prospectus" is only required to contain information in relation to the effect of the issue of securities on the Company and the rights and liabilities attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position and performance, profits and losses or prospects of the issuing company.

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 a company 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.

Having taken such precautions and having made such enquiries as are reasonable, the Company believes that it has complied with the general and specific requirements of the ASX as applicable from time-to-time throughout the 12 months before the issue of this Prospectus which require the Company to notify the ASX of information about specified events or matters as they arise for the purpose of the ASX making that information available to the stock market conducted by the ASX.

Information that is already in the public domain has not been included in this Prospectus other than that which is considered necessary to make this Prospectus complete.

As a disclosing entity under the Corporations Act, the Company states that:

(a) it is subject to regular reporting and disclosure obligations;
(b) copies of documents lodged with ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, an office of ASIC; and
(c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Issue Date:

    (i) the annual financial report of the Company for the year ended 30 June 2017;
    (ii) the half-year financial report of the Company for the six months ended 31 December 2016; and
    (iii) all continuous disclosure notices given by the Company after the lodgement of the annual financial report referred to in paragraph (i) above and before the lodgement of this Prospectus with ASIC (see below).

There is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules that investors or their professional advisers:

(a) would reasonably require for the purpose of making an informed assessment of:

(i) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; and
(ii) the rights and liabilities attaching to the securities the subject of this Prospectus; and

(b) would reasonably expect to find in this Prospectus.

This Prospectus contains information specific to the Offer. If investors require further information in relation to the Company, they are recommended to take advantage of the opportunity to inspect or obtain copies of the documents referred to above.

The following announcements have been lodged with the ASX in respect of the Company since the lodgement of the annual financial report for the year ended 30 June 2017:

Date	Title
16/10/2017	Notice Under Section 708 of the Corporations Act
16/10/2017	Appendix 3B New Issue Announcement
16/10/2017	Allotment of Placement Shares
10/10/2017	Reinstatement to Official Quotation
10/10/2017	Appendix 3B New Issue Announcement
10/10/2017	Ausgold to raise up to 3.9 million dollars for KGP
10/10/2017	Voluntary suspension request
10/10/2017	Suspension from Official Quotation
06/10/2017	Trading Halt
29/09/2017	Appendix 4G and Corporate Governance Statement

11.2 Interests of Directors and Other Persons Named in this Prospectus

(a) Other than as set out in Section 11.3 or elsewhere in this Prospectus, no:

(i) Director or proposed Director or firm in which a Director is a partner;
(ii) 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;
(iii) promoter of the Company; or
(iv) financial services licensee named in this Prospectus as a financial services licensee involved the Issue,

holds, or has held within two years before the date of this Prospectus, any interest in the Offer or in the formation or promotion of, or in any property acquired or proposed to be acquired by, the Company in connection with the formation or promotion of, the Offer.

(b) Other than as set out in Section 11.3 or elsewhere in the Prospectus, no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given:

(i) to a Director or proposed Director or to any firm in which any such Director is a partner to induce him to become, or to qualify him as, a director of the Company or otherwise for services rendered by him or by the firm in connection with the formation or promotion of the Company or issue of New Shares pursuant to this Prospectus; or
(ii) for services provided in connection with the formation or promotion of the Company or the Issue by any Director or proposed Director, any 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, any promoter of the Company, or any underwriter or financial services licensee named in this Prospectus as an underwriter or financial services licensee involved in the Issue.

11.3 Details of Interests

(a) Directors' interests in Shares and Options as at the date of this Prospectus are:

Director	Shares		Options	
	Direct	Indirect	Direct	Indirect
R Lockwood	-	26,775,392	8,000,000	200,000
D I Rakich	23,900	14,123,521	4,000,000	4,200,000
G Jones	-	1,000,000	4,000,000	-
N Fearis	-	2,428,571	-	4,200,000

(b) The Constitution of the Company provides that the Directors (other than executive Directors) may be paid for their services as Directors, the total amount or value of which must not exceed an aggregate maximum of $120,000 per annum or such other maximum amount determined from time to time by the Company in general meeting, to be divided among the non-executive Directors in such proportion and manner as the Directors agree and in default of agreement then in equal shares.

In the two years preceding lodgement of this Prospectus, $440,114 (excluding GST where applicable) has been paid by the Company by way of remuneration for services provided by all Directors, companies associated with the Directors or their associates in their capacity as Directors, employees, consultants or advisers.

The Directors’ remuneration is disclosed in the annual reports of the Company. The remuneration paid or payable to Directors during the two years ending on the date of this Prospectus is as follows:

	2016/17 $	2015/16 $
R Lockwood	-	-
D Rakich	158,322	157,300
G Jones	20,075	-
N Fearis	37,500	9,167
S Thomas	-	57,750
R Pett	-	2,243

In addition, the Directors were issued 9,579,235 Options in lieu of cash directors’ fees on 11 December 2015.

(c) Squire Patton Boggs is entitled to be paid $3,000 (plus GST) for advice and assistance in relation to certain aspects of this Prospectus, assisting the Company in relation to its due diligence regime and enquiries and in relation to application for quotation of the New Shares on ASX.

Squire Patton Boggs has received approximately $57,192 (plus GST) in legal fees from the Company in the two years prior to the date of this Prospectus.

11.4 Estimated Expenses of Offer

The estimated expenses of the Offer, assuming it is fully subscribed, are as follows;

	$
ASIC fees	2,400
ASX fee	12,181
Legal and accounting	3,000
Printing, postage and other costs	15,000
Total	**32,581**

11.5 Consents and Liability of Persons Named in this Prospectus

Squire Patton Boggs, in its capacity as solicitors to the Company, has given (and not before the date of this document withdrawn) its consent to be named in this Prospectus in the form and context in which it is named.

Squire Patton Boggs has not:

- authorised or caused the issue of this Prospectus;
- made, or purported to have made, any statement in this Prospectus or on which a statement in this Prospectus is based except as set out in this section; or
- assumed the responsibility for any part of this Prospectus except as set out in this section and to the maximum extent permitted by law, expressly disclaims responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this section.

References to BDO Audit (WA) appear for information purposes only. BDO Audit (WA) has not been involved in, authorised or caused the issue of this Prospectus.

References to Security Transfer Australia appear for information purposes only. Security Transfer Australia has not been involved in, authorised or caused the issue of this Prospectus.

11.6 Corporate Governance

The Board is responsible for the corporate governance of the Company and to ensure that the Company is properly managed and controlled. In this regard, the Board is committed to maintaining and promoting the principles of good corporate governance.

The Directors are of the view that the Company has complied in all substantial respects with corporate governance best practice in Australia, including with the ASX Corporate Governance Council Corporate Governance Principles and Recommendations. Where the Company's corporate governance practices depart from the ASX Corporate Governance Council Corporate Governance Principles and Recommendations, the Company is working towards compliance however it does not consider that all practices are appropriate for the Company due to the size and scale of the Company's operations.

The Company's corporate governance policies can be obtained from the Company's registered office and are also available on the Company's website.

11.7 Directors' Consent

In accordance with Section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC and has not withdrawn that consent.

Signed on behalf of the Directors pursuant to a resolution of the Board

DENIS RAKICH
Director – Ausgold Limited

Date: 17 October 2017

12 GLOSSARY

A$** or **$
means Australian dollars;

Additional Shares
means New Shares applied for by Shareholders in excess of their Entitlements;

Application
means an application for New Shares pursuant to the Entitlement and Acceptance Form;

Application Money
means the money received from Eligible Shareholders in respect of their Applications;

ASIC
means the Australian Securities and Investments Commission;

ASX
means ASX Limited (ACN 008 624 691) trading as the Australian Securities Exchange;

Board
means the board of Directors;

Business Day
means a day on which trading takes place on the stock market of the ASX;

Closing Date
means Monday, 13 November 2017, or such other date as the Company may in its absolute discretion notify Shareholders;

Company or **Ausgold**
means Ausgold Limited (ABN 67 140 164 496);

Constitution
means the constitution of the Company;

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

Director
means the director of the Company;

Eligible Shareholders
means Shareholders as at the Record Date with registered addresses in Australia or New Zealand;

Entitlement and Acceptance Form
means the Entitlement and Acceptance Form attached to this Prospectus;

New Shares
means the approximately 96,191,590 Shares comprised in the Offer;

Option
means an option to subscribe for a Share;

Offer
means the offer of New Shares under this Prospectus;

Official Quotation
means official quotation on ASX;

Record Date
means 5.00pm (WST) on 24 October 2017;

Ausgold Shares or **Shares**
means fully paid ordinary shares in the Company;

Shareholders
means holders of Shares;

Shortfall
means the number of New Shares for which applications (not being applications for Additional Shares) have not been received by the Company on or prior to the Closing Date

Shortfall Application Form
means the Shortfall Application Form attached to this Prospectus;

Shortfall Offer
means the offer of New Shares comprising the Shortfall; and

Shortfall Shares
means New Shares for which successful valid Applications have not been received by the Closing Date.

Entitlements
means entitlements to subscribe, on a pro rata basis for New Shares pursuant to this Prospectus;

Existing Options
means unlisted Options on issue as at the date of this Prospectus with various exercise prices and expiry dates, details of which are set out in Section 8.4;

Group
means Ausgold and Ausgold Exploration Pty Ltd;

Issue
means the issue of New Shares the subject of this Prospectus;

Listing Rules or **ASX Listing Rules**
means the Listing Rules of the ASX;