AUSGOLD LIMITED
ABN 67 140 164 496

NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY MEMORANDUM

PROXY FORM

Date: Friday 17 November 2017

Time: 11.00am 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 Friday 17 November 2017 at 11.00am (AWST).

AGENDA

ORDINARY BUSINESS

FINANCIAL STATEMENTS

To receive, consider and discuss the Company's financial statements for the year ended 30 June 2017 and the reports of the directors and auditors on those statements.

RESOLUTION 1 – RE–ELECTION OF DIRECTOR – MR DENIS RAKICH

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 Denis Rakich, a Director who retires by rotation and, being eligible, offers himself for re-election, is re-elected as a Director."

RESOLUTION 2 – RE–ELECTION OF DIRECTOR – MR NEIL FEARIS

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 Neil Fearis, a Director who retires by rotation and, being eligible, offers himself for re-election, is re-elected as a Director."

RESOLUTION 3 – 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 2017 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 3 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.

RESOLUTION 4 – RATIFY ALLOTMENT OF SHARES

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

"That for the purpose of ASX Listing Rule 7.4 and all other purposes, the allotment on 16 October 2017 of a total of 60,500,000 fully paid ordinary shares in the Company on the terms described in the explanatory memorandum which accompanied the notice convening this meeting be and is hereby ratified".

Voting exclusion statement:
For the purpose of Listing Rule 7.5.6, and for all other purposes, the Company will disregard any votes cast on this Resolution 4 by any individual who participated in the issue and any of his associates.

However, the Company will not disregard a vote if;

a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
b) 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 11.00 am on Wednesday 15 November 2017 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

DENIS I RAKICH
Director
17 October 2017

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 Friday 17 November 2017 at 11.00am.

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

- re-electing two directors who retire by rotation;
- adopting the remuneration report; and
- ratifying the allotment of shares;

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 DENIS RAKICH 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, if any) must retire from office. Each retiring Director is entitled to offer himself for re-election as a Director at the annual general meeting.

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

Mr Rakich is an Accountant and Company Secretary with extensive knowledge and experience within the mineral and petroleum production and exploration industries. Mr. Rakich is responsible for the legal, financial and corporate management Ausgold Limited. He is a fellow of the CPA Australia and has served as a Director and Company Secretary on other ASX-listed companies within the resources sector.

Mr Rakich was appointed as a director of the Company on 31 January 2013.

Board recommendation: the Board (other than Mr Rakich) recommends that Shareholders vote in favour of Resolution 1.

3. RESOLUTION 2 – RE–ELECTION OF MR NEIL FEARIS 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, if any) must retire from office. Each retiring Director is entitled to offer himself for re-election as a Director at the annual general meeting.

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

Mr Fearis is a corporate and commercial lawyer specialising in mergers and acquisitions, capital raisings and corporate reconstructions, with a particular focus on the mining and resources sector. He has been in practice for more than 38 years and worked as a commercial lawyer in London, Sydney and Perth. He provides corporate and commercial legal advice to public company clients and has advised on some of the largest corporate transactions ever undertaken in Australia. Prior to studying law, Neil spent several years engaged in mineral exploration in both Australia and southern Africa and as a result has a good understanding of the practical issues facing companies developing resource projects in remote locations, both in Australia and overseas.

Mr Fearis was appointed as a director of the Company on 15 April 2016.

Board recommendation: the Board (other than Mr Fearis) recommends that Shareholders vote in favour of Resolution 2.

4. RESOLUTION 3 – 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. Pursuant to section 250R(2) of the Corporations Act, the Company submits to Shareholders for consideration and adoption by way of a non-binding resolution, its remuneration report for the year ended 30 June 2017.

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 require 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 2017.

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

Previous voting results

At the Company's 2016 Annual General Meeting less than 25% of the total votes cast on the resolution to approve the remuneration report considered at that meeting were cast against the resolution. Accordingly, a Spill Resolution is not relevant for this Annual General Meeting.

Proxy voting restrictions

A voting exclusion statement is included in the Notice of Meeting in respect of the advisory vote on Resolution 3.

Board Recommendation

The Board unanimously recommends that Shareholders vote in favour of Resolution 3.

5. RESOLUTION 4 – RATIFY ALLOTMENT OF SHARES

On 16 October 2017 the Company issued a total of 60,500,000 Shares of which 59,968,692 Shares were issued pursuant to Listing Rule 7.1 and 531,308 Shares were issued pursuant to Listing Rule 7.1A. The issue raised A$ 1,512,500 before costs of the issue.

The purpose of this issue was to fund exploration on the Company's Katanning Gold Project, Doolgunna Station Project and to provide additional working capital.

Listing Rule 7.1 prohibits a company from issuing or agreeing to issue Equity Securities representing more than 15% of its expanded capital in any 12 month period without first obtaining shareholder approval.

Listing Rule 7.4 allows a company to seek ratification by shareholders of an issue of Equity Securities which has been made without approval under Listing Rule 7.1 provided the issue did not breach Listing Rule 7.1.

As the issue the subject of Resolution 4 was not in breach of Listing Rule 7.1 and was not previously approved by Shareholders, the Board now seeks Shareholder ratification of that issue pursuant to Listing Rule 7.4.

The effect of passing Resolution 4 will be to refresh the Company's 15% capacity under Listing Rule 7.1 to the extent of the 59,968,692 Shares and under Listing Rule 7.1A to the extent of 531,308 Shares, issued on 16 October 2017.

The Board considers that this is a timely and cost effective opportunity to put Resolution 4 to shareholders at the General Meeting.

For the purposes of Listing Rule 7.5, the following information is provided in relation to Resolution 4:

(1) The total number of Shares issued was 60,500,000 Shares.
(2) The Shares were issued at a price of 2.5 cents each. The Shares rank equally in all respects with the Company's existing Shares.
(3) The Shares were issued to professional and sophisticated investors unrelated to the Company.
(4) The purpose of this issue was to fund exploration on the Company's Katanning Gold Project, Doolgunna Station Project and to provide additional working capital.
(5) A voting exclusion statement for Resolution 4 is included in the Notice of Meeting.

Board Recommendation

The Board unanimously recommends that Shareholders vote in favour of Resolution 4.

6. 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.

10. GLOSSARY

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

$	means Australian Dollars.
Act or **Corporations Act**	means the *Corporations Act 2001* (Cth).
AGM or **General Meeting**	the annual general meeting of the Company to be held on 17 November 2017.
ASIC	Australian Securities and Investments Commission.
Associate	Has the meaning given to it by Division 2 of Part 1.2 of the Corporations Act.
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.
Chairperson	the person appointed to chair the Meeting convened by the Notice.
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 *Corporations Regulations 2001* (Cth).
Company or **Ausgold**	Ausgold Limited (ABN 67 140 164 496).
Constitution	means the Company's constitution.

Corporations Regulations	Corporations Regulations 2001 (Cth) as amended from time to time.
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.
Explanatory Memorandum	the explanatory memorandum which accompanies and forms part of the Notice of Meeting.
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.
Shareholder	a registered holder of a share.

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 11.00am on Friday 17 November 2017 and at any adjournment thereof in accordance with this Proxy Form.

The Chairman of the meeting will act as your proxy if you do not appoint someone. It is the Chairman's intention to exercise all undirected proxies in favour of all of the resolutions.

If the Chairman is appointed as your proxy (either expressly or by default) and you do **not** wish to direct your proxy how to vote, please place a mark in this box ❑

By marking the box above you acknowledge that if you have appointed the Chairman as your proxy (either expressly or by default):
(1) he may exercise the undirected proxy even if he has an interest in the outcome of resolution 3 votes cast by him other than as proxy would be disregarded because of that interest; and
(2) he is expressly authorised to exercise the undirected proxy in respect of resolution 3 in the manner described above even though resolution 3 is connected with the remuneration of a member of the Key Management Personnel.

If you do not mark the box above, and you have not directed your proxy how to vote, then in respect of resolution 4 the Chairman will not cast your votes and your votes will not be counted in calculating the required majority if a poll is called on that resolution.

	RESOLUTIONS	**FOR**	**AGAINST**	**ABSTAIN***
1.	To re-elect Mr Denis Rakich as a director	❑	❑	❑
2.	To re-elect Mr Neil Fearis as a director	❑	❑	❑
3.	Adoption of remuneration report	❑	❑	❑
4.	Ratify allotment of shares	❑	❑	❑

* **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:…………………………………………….2017.

………………………………………………………………… ………………………………………………………………………….
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.