

AuStar Gold Limited ACN 107 180 441
Registered office: 6 Bridge Street, Woods Point, VIC 3723

AUSTAR GOLD PLACEMENT

Highlights:

- **Binding commitments from institutional, sophisticated and professional investors of \$4M received, for the issue of 13,333,334 shares at \$0.30 per Share;**
- **The Placement was heavily oversubscribed with bids of ~A\$6.7m received;**

AuStar Gold Limited (ASX: AUL, or the Company) is pleased to announce a successful share placement to raise \$4M (before costs) (**Capital Raising**).

The Placement will raise \$4M via the issue of 13,333,334 new fully paid ordinary shares (**New Shares**) at \$0.30 per New Share (**Offer Price**) in the Company to institutional, sophisticated and professional investors.

The capital raising was very strongly supported, with bids of ~\$6.7M received.

The Offer Price of A\$0.30 represents a discount of 13% to the Company's last closing price of \$0.345, a 14% discount to the Company's 15 day volume-weighted average price (VWAP) of \$0.349 and a 14% discount to the 30 day VWAP of \$0.3497.

New shares will be issued to Placement participants on or around 26 April 2021 and are within the Company's placement capacity under Listing Rules 7.1(8,159,603 shares) and 7.1A (5,173,731 shares). New shares will rank equally with existing fully paid shares of the Company. No new shares were issued or agreed to be issued in the Placement to a related party, or otherwise to any person referred to in Listing Rule 10.11.

Barclay Pearce Capital Pty Ltd, as Lead Manager, will receive a management fee of up to 6% of funds raised under the Placement.

The Placement is not underwritten.

Use of Funds:

Funds raised from the Placement will be used for:

- Transaction costs associated with the White Rock Minerals (WRM) Scheme of Arrangement;
- In-mine exploration drilling to ensure a robust minable inventory;
- Regional exploration;
- Surface Infrastructure;
- The costs of the Placement; and for
- Working capital and general corporate purposes.



ASX Release

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AuStar Gold Chair, Mr. Paul McNally, commented: *“AuStar Gold is pleased with the response to this placement, noting that it was heavily oversubscribed and supported by a range of new and existing high net worth sophisticated investors and institutional investors both nationally and internationally. This placement will enable AuStar to continue focusing on the improvement of mining and processing at its flagship Morning Star gold mine whilst also accelerating its exploration programs, both in mine where many exciting opportunities exist and also regionally across the highly prospective 670 km² tenement holdings in the Walhalla-Woods Point-Jamieson region, Victoria.*

Additionally, these funds will support the numerous legal and statutory costs being incurred as we progress with the White Rock and AuStar merger which I am pleased to say, whilst delayed by a matter of weeks, is still on track with both companies working diligently towards a successful outcome for all parties involved.

On behalf of the Board of Directors, I would like to thank all employees of AuStar for their hard work and loyalty in working towards realising AuStar’s true potential under the leadership of General Manager – Lionel Musson. I would also like to thank AuStar’s CFO Toni Griffith for her tireless efforts.”

With this announcement, the Company’s trading halt will be lifted.

Released for, and on behalf of, the board of AuStar Gold Limited.

AuStar Gold welcomes shareholder communication and invites all interested shareholders to make contact at any time.

For Further Information:

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About AuStar Gold Limited:

AuStar Gold is focused on building a valuable minerals inventory to generate sustainable economic production from its portfolio of advanced high-grade gold projects - with significant infrastructure including processing plant, a strategic tenement footprint, and current production from Morning Star. In addition, AuStar Gold intends to develop its adjoining tenements in the Walhalla to Jamieson gold district (particularly the prolific Woods Point Dyke Swarm) into low-cost high-grade gold production projects.



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Disclaimer:

Statements in this document that are forward-looking and involve numerous risk and uncertainties that could cause actual results to differ materially from expected results are based on the Company's current beliefs and assumptions regarding a large number of factors affecting its business. There can be no assurance that (i) the Company has correctly measured or identified all of the factors affecting its business or their extent or likely impact; (ii) the publicly available information with respect to these factors on which the Company's analysis is based is complete or accurate; (iii) the Company's analysis is correct; or (iv) the Company's strategy, which is based in part on this analysis, will be successful.

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