



ASX Release

13 August 2018

Updated Corporate Presentation

AuStar Gold Limited (ASX: AUL) ('AuStar' or 'the Company') is pleased to provide a copy of an updated corporate presentation made available to investors and shareholders of AuStar Gold Limited.

The presentation can also be viewed at <http://www.austargold.com/investors/presentations>

End

About AuStar Gold:

AuStar Gold is focused on the return to production of the Morning Star mine and its environs - **an advanced high-grade gold project, with significant infrastructure including processing plant and a strategic tenement footprint.**

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.

For Further Information:

Tom de Vries
Chief Executive Officer
AuStar Gold Limited
info@austargold.com



AuStar is focused on the return to production of the Morning Star mine and its environs - an advanced high-grade gold project, with significant infrastructure including processing plant and an extensive regional tenement footprint. In addition, AuStar Gold intends to develop its adjoining tenements in the Walhalla to Jamieson gold district into low cost high grade gold production projects

Important Information and Disclaimer



This Presentation has been prepared by AuStar Gold Limited ('AuStar' or 'Company'). It does not constitute or form part of, and should not be considered to constitute or form part of, an offer for sale, or a solicitation of an offer to purchase or subscribe for, any securities in the Company in any jurisdiction in which it would be unlawful. The distribution of this presentation outside Australia may be restricted by law. Any recipient of this presentation outside Australia must seek advice on and observe any such restrictions.

This Presentation is not a prospectus, disclosure document or other offering document and has not been lodged with ASIC or any other securities regulatory body.

The information contained in this presentation is for information purposes only and does not constitute an offer, invitation or recommendation to subscribe for or purchase any securities and does not form the basis of any contract or commitment. No agreement to subscribe for shares in the Company will be entered into on the basis of this presentation.

No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in this presentation. To the maximum extent permitted by law, none of the Company, its related bodies corporate, their respective directors, officers, affiliates, employees, representatives and advisers, nor any other person accepts any liability, including, without limitation, any liability arising out of fault or negligence, for any loss arising from the use of the information contained in this presentation. In particular, no representation or warranty (express or implied) is given as to the accuracy, reliability, relevance or completeness of the material contained in this presentation and nothing contained in this presentation is, or may be relied upon as a promise, representation or warranty, whether as to the past or the future. The Company hereby excludes all warranties that can be excluded by law.

The Presentation contains prospective financial material which is predictive in nature and may be affected by inaccurate assumptions or by known or unknown risks and uncertainties and may differ materially from results ultimately achieved.

The Presentation contains "forward-looking statements". All statements other than those of historical facts included in the Presentation are forward-looking statements. Where the Company expresses or implies an expectation or belief as to future events or results, such expectation or belief is based on expectations, estimates and projections as at the date of this presentation. These forward-looking statements are subject to risks, uncertainties and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by such forward-looking statements. Such risks include, but are not limited to, gold and other metals price volatility, currency fluctuations, increased production costs and variances in ore grade or recovery rates from those assumed in mining plans, as well as political and operational risks and governmental regulation and judicial outcomes. The Company will not necessarily publish updates or revisions of these forward-looking statements to reflect the Company's circumstances after the date hereof. Accordingly, there can be no assurance that the forward looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements.

The Presentation contains general background information about the Company and its activities current as at the date of this presentation. The information in this Presentation has been prepared for general information purposes only and does not purport to be all inclusive or to contain all the information necessary to fully evaluate any transaction or investment or to make an informed assessment of the Company's prospects. It should be read in conjunction with the Company's other periodic and continuous disclosure announcements lodged with the ASX, which are available at www.asx.com.au and other publicly available information on the Company's website at www.austargold.com.

The information contained in this presentation is not investment, tax, accounting, legal or financial product advice and is not intended to be used as the basis for making an investment decision. The presentation has been prepared without taking into account the investment objectives, financial situation or particular needs of any particular person. You should conduct your own investigation, perform your own analysis, and seek your own advice from your professional adviser before making any investment decision.



Important Information and Disclaimer (cont.)



Morning Star JORC Compliance Statement: For information on the existing resource, please refer to the report entitled "910,000 Ounces Gold JORC Resource" created on 30 July 2008, which is available to view at www.asx.com.au under ASX code MCO. The Mineral Resource estimate is not AuStar's estimate and AuStar has not done sufficient work to report the estimate in accordance with the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (JORC Code). AuStar is not aware of anything to suggest that the assumptions underpinning the estimate have materially changed and will commence work to validate the Mineral Resource and disclose it in accordance with the 2012 edition of the JORC Code. Investors should treat the estimate with caution until validated.

The information in this presentation that relates to exploration activities and exploration results is based geological information compiled by Mr Peter de Vries, (BAppSc) a consulting geologist, on behalf of AuStar Gold Limited. Mr de Vries is a member of the Australasian Institute of Mining and Metallurgy (MAIMM) and the Australian Institute of Geoscientists (MAIG) and is a Competent Person as defined by the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code), having more than five years' experience which is relevant to the style of mineralisation and type of deposit described in this report, and to the activity for which he is accepting responsibility. Mr de Vries consents to the publishing of the information in this report in the form and context in which it appears.



Contents

- Board and Management
- AuStar Investment Case
- Morning Star Gold Mine
- Rose of Denmark Gold Mine
- Exploration and Growth Potential
- Processing
- Core Operating Principles
- Capital Raising Overview
- Appendix



Corporate Team



BOARD & MANAGEMENT

Frank Terranova Chairman	<p>Fellow of the Institute of Chartered Accountants with extensive leadership experience in the gold sector.</p> <p>Formerly Group Financial Controller at Amcor Limited, Group Manager (Treasury) at Normandy Mining Limited, Managing Director, Allied Gold Mining Plc, Chairman, Chesser Resources Limited, Taruga Gold and Unity Mining Limited.</p>	Dr. Rick Valenta Non-Executive Director	<p>PhD Geologist with over thirty years experience in senior resource leadership positions encompassing exploration, development and M&A.</p>
		Ian King Non-Executive Director	<p>25 year investment banker with broad Australian advisory and capital markets expertise, founder and partner of BBB Capital, Sydney.</p>
Tom deVries Chief Executive Officer	<p>Mining Engineer & MBA with extensive Victorian mechanized gold mining experience, including the management of the Stawell gold mine. Prior leadership roles at WMC, Bendigo Mining, Centennial Mining and MIM.</p>	Matt Gill Non-Executive Director	<p>Mining Engineer with key leadership roles in the development, construction and commissioning of three successful underground gold mines. Current Managing Director and Chief Executive Officer of White Rock Minerals Limited.</p>



AuStar Investment Case



Funded for Growth

- AuStar is now fully funded to execute an aggressive mine development strategy and exploration program in a high grade gold region, the Woods Point Dyke Swarm
- New funding has been successfully arranged via a \$5.5 million placement, with a follow-on share purchase plan on the same terms (see details later in presentation)
- The placement was strongly supported by both new and existing shareholders, with a number of professional and sophisticated investors from Australia and the United Kingdom welcomed to the register. These new investors substantially broaden the shareholder base
- This new funding will:
 - Enable AuStar to to accelerate its immediate trial mining activities; and
 - Support an accelerated exploration program, both at the Company's key mining projects and in its extensive ~667 square kilometre tenement package, comprising the bulk of the Walhalla/Woods Point gold trend)

High Quality Projects & Trial Mining Underway

- With low-cost, short lead-time production capability. Two mining projects (both on approved mining leases (MINs)) and with trial mining underway, are the high-grade Morning Star mine and Rose of Denmark mine:
 - Morning Star mine is a proven past producer (830k Oz at 26.5g/t gold), with significant shaft access infrastructure in place and multiple high grade zones identified and untested high grade intercepts
 - Rose of Denmark mine has a long predictable dyke zone, vastly unexplored, with a fully refurbished ~3m wide adit suitable for mechanised mining and ore capable of processing through our fully recommissioned processing plant



AuStar Investment Case (cont.)



Major Infrastructure

- Only fully permitted as-new gold processing plant in the region (also expandable). Cumulative capital expenditure on mine infrastructure ~ \$30m by prior operator
- Now fully recommissioned and is processing multiple ore types efficiently and with minimal loss of gold

Extensive Regional Exploration Upside

- Dominant 667 km² land holding in the region, with major development targets under ELs/MINs
 - Tenements contain extensive serviceable adits, shafts, power access and old infrastructure which reduce exploration and development costs

Vast Data Base

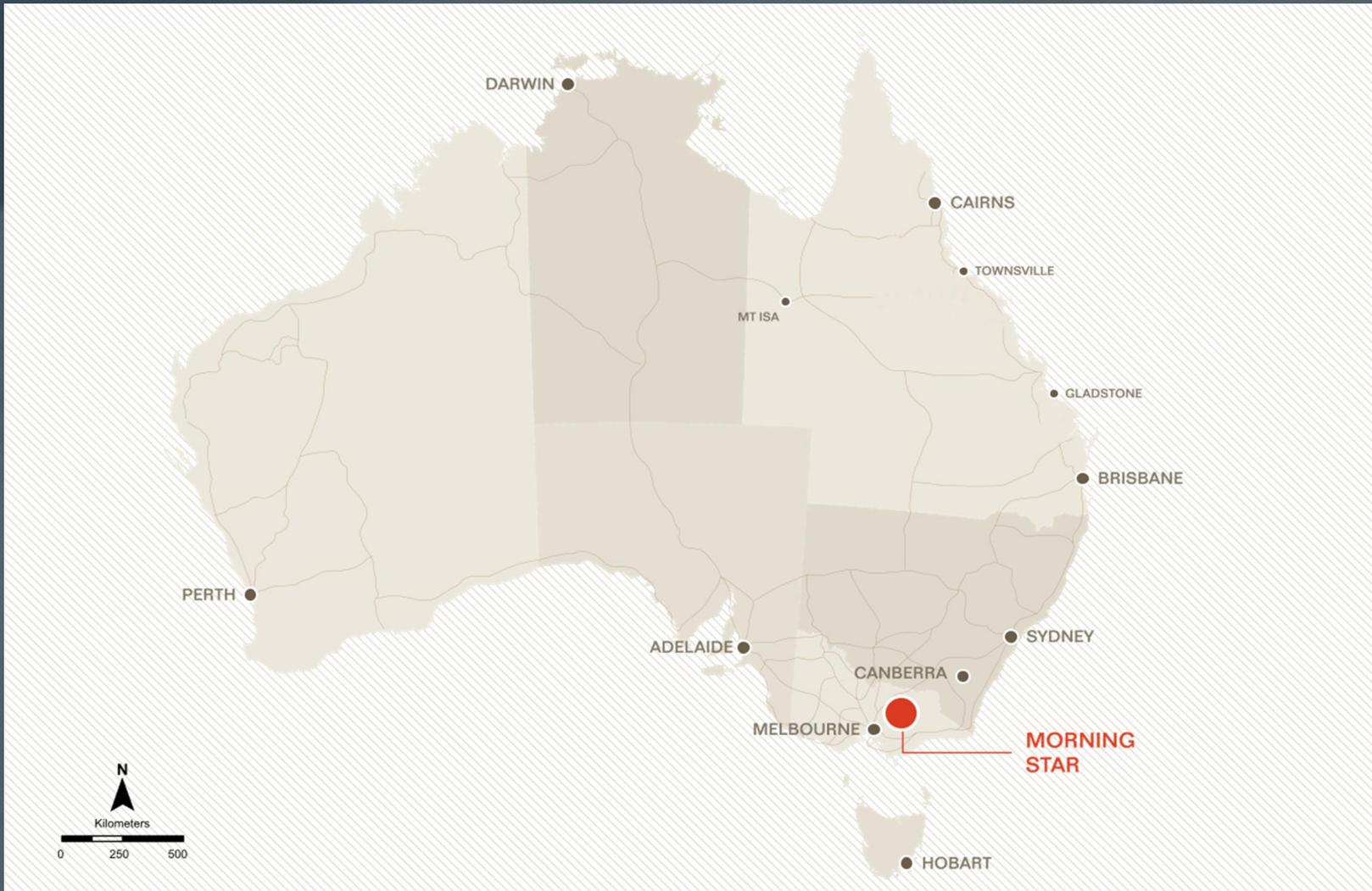
- Compiled over many years, will assist in efficient regional exploration and development. The extensive data base of drill holes and results is invaluable



MORNING STAR GOLD MINE



Morning Star Gold Mine – in State of Victoria



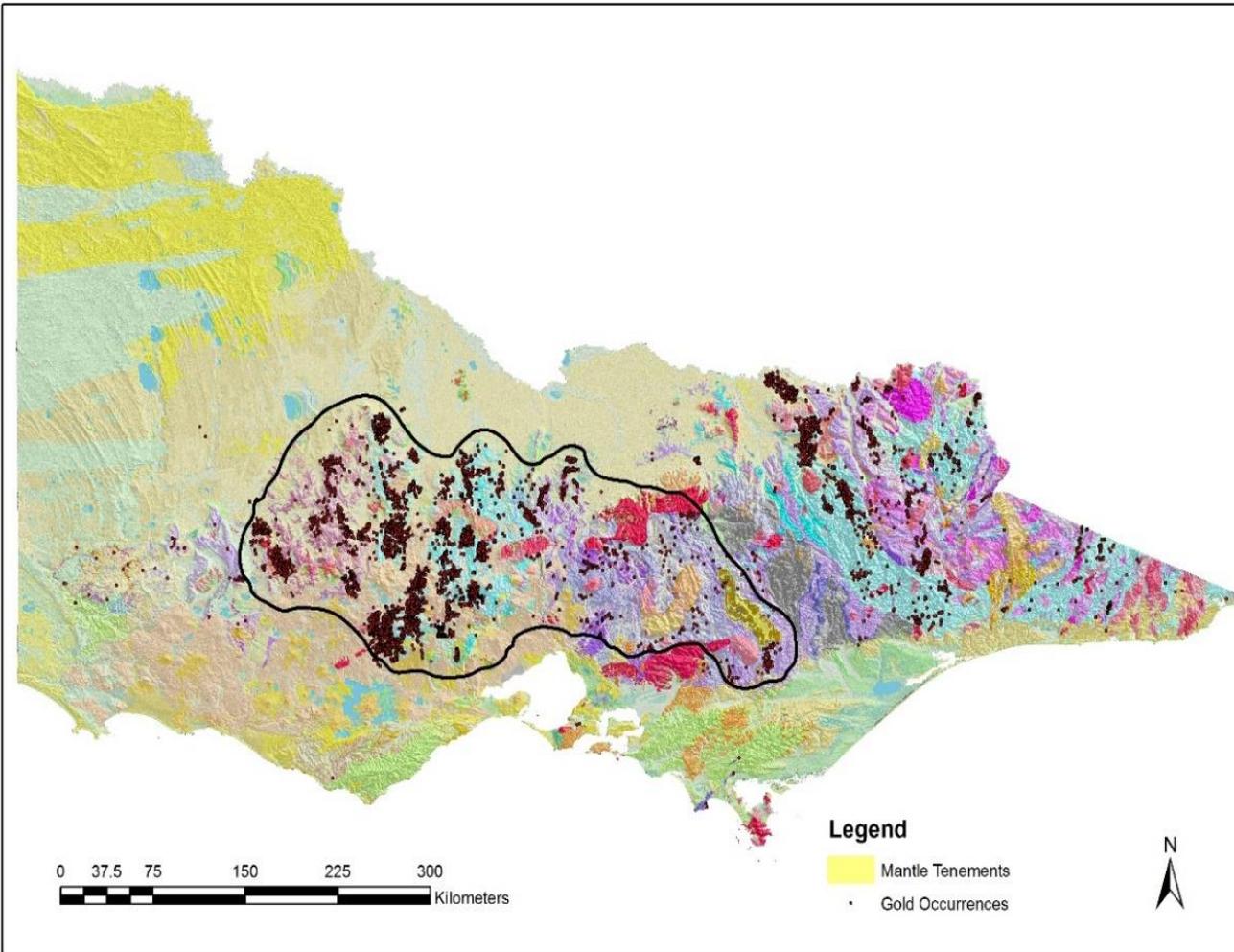
The Morning Star Mine

The Walhalla to Woods Point goldfield – 6M ozs gold historical production

In the late 1950's Morning Star was one of Australia's largest gold mines having reportedly produced in excess of **800,000 ounces at an average grade of 26.5 g/t** over its lifetime. The mine was owned and operated by Gold Mines of Australia (GMA) later merged into Western Mining Corporation (WMC).



Gold Production in Victoria – Global Comparison



World gold production is approx. 165,000 tonnes Gold
Victoria:

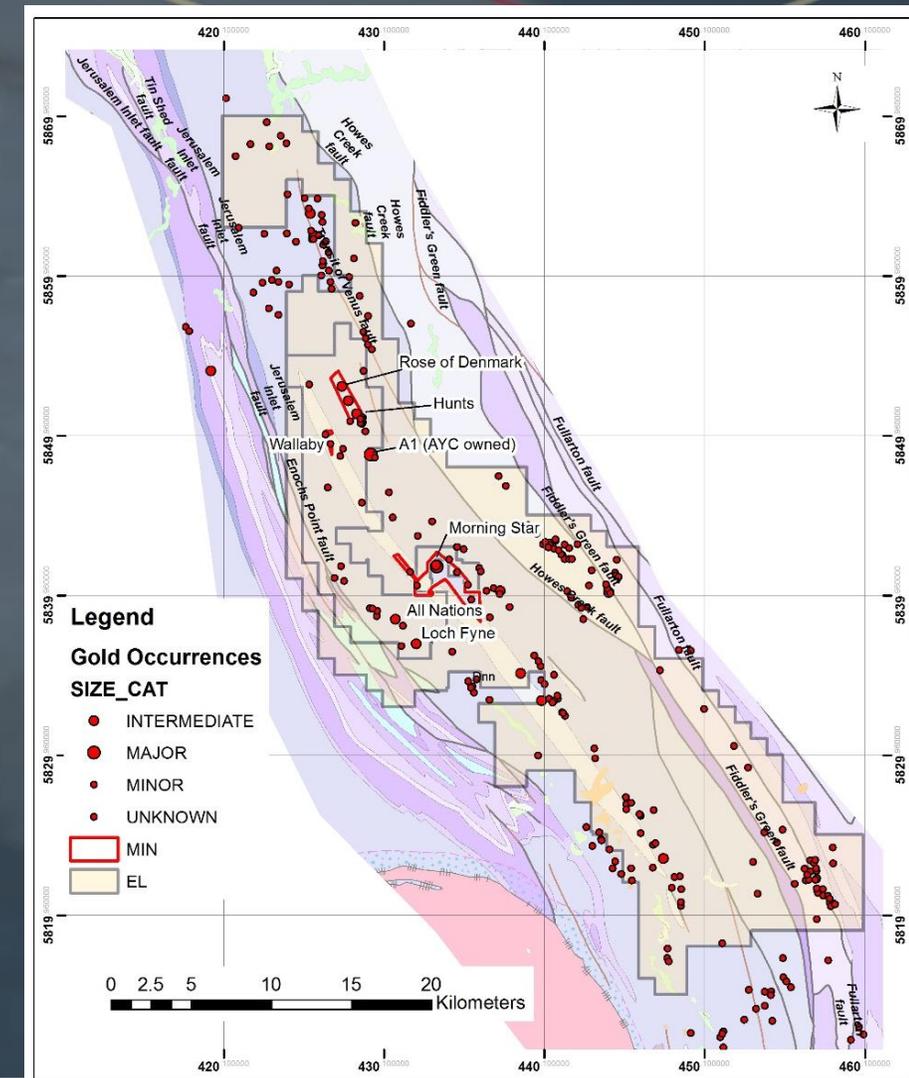
- Produced approx. 2,500 tonnes of gold since 1850 (80 million Oz), which is **1.5%** of all the world's gold production
- Victoria goldfield geology: **2 Orders of Magnitude (100x) richer in gold** than the global average*
- Geological Survey of Victoria indicates several multi-million Oz gold deposits remain undiscovered
- Woods Point-Walhalla has produced ~6 million oz and is third largest hard rock gold field in Eastern Australia
- AuStar Gold has a dominant tenement holding in this region

* Extract from Ross Cayley, GSV presentation, Melbourne Mining club, Cutting edge series 16 May 2007

Extensive Regional Holdings

- AuStar Gold controls extensive mining and exploration titles central to Woods Point Dyke Swarm:
 - Two granted Mining Licences (MINs 5009, 5299)
 - Huge exploration licences encompass circa 667 Km² (EL's 6321, 6364, and MIN 5560)
 - Some of these mines have extensive production history
- AuStar controls MIN 5009 (the Morning Star mine and Process Plant), providing an advanced exploration platform, +500t bulk sample processed without issue, ready for focussed exploration along with Rose of Denmark (MIN 5299)
- Regional Review to provide extensive exploration program at Rose of Denmark, Wallaby, Alhambra, Hunts, Loch Fyne

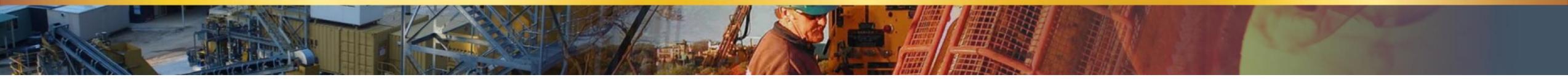
Becoming a Significant Regional Player



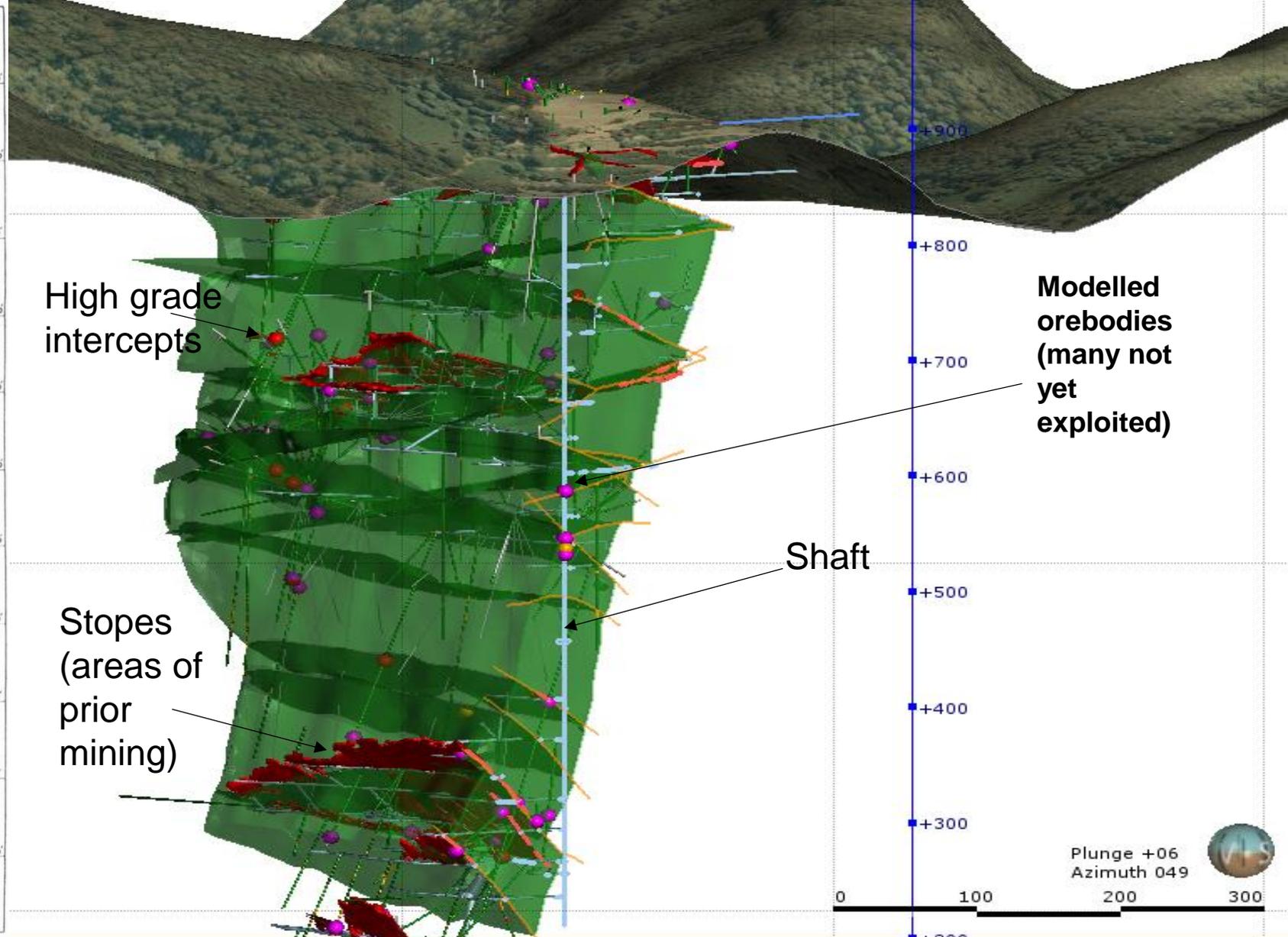
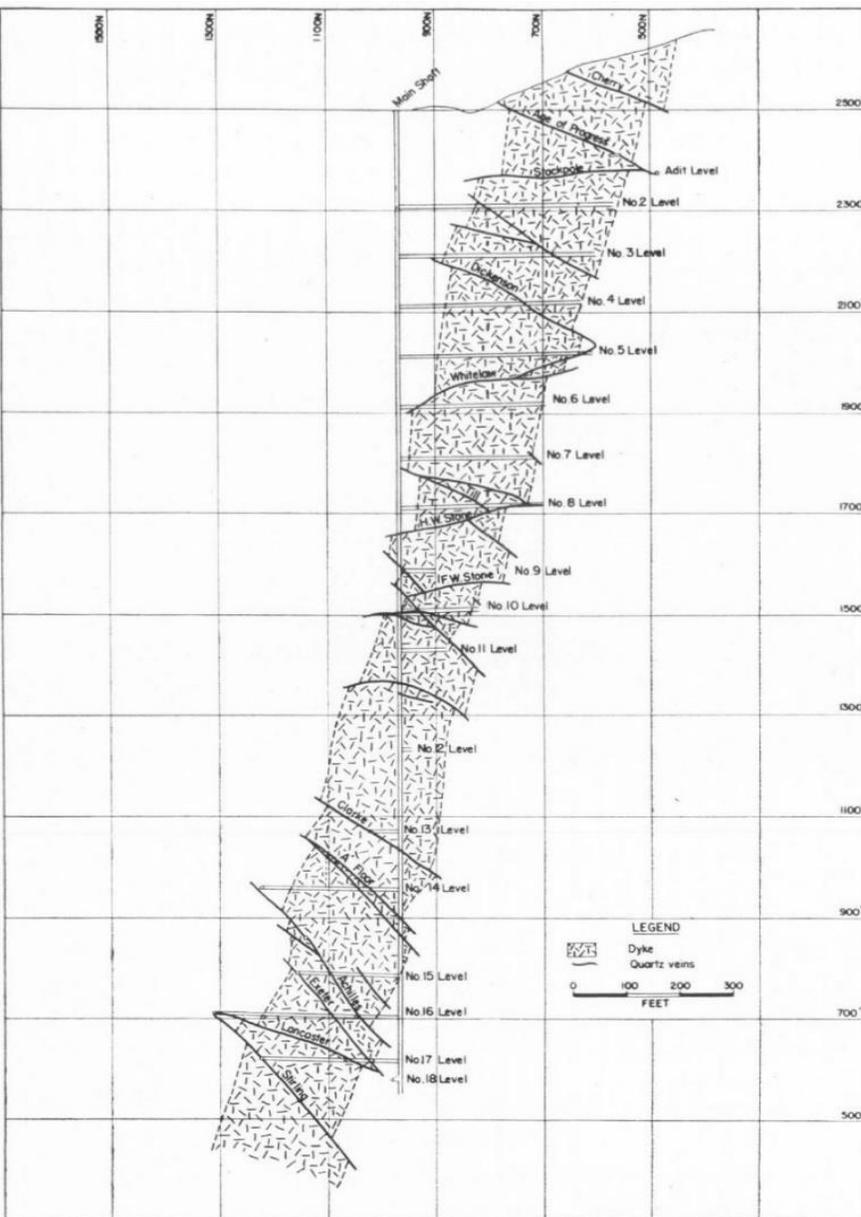
Morning Star: Key Assets

Morning Star Assets comprise:

- Held via 95% shareholding in Morning Star Gold NL ('MCO')
- Morning Star Mine Shaft to 800m (refurbished to 300m below surface, accessible to 9 level)
- 80 KTPA Processing Plant (Expandable)
- Paste Fill Plant
- Administration Office and 9 person Accommodation Facility, Buildings and Fitout
- 667 sq km of MINs and ELs, as per Appendix
- \$30 million accumulated tax losses potentially available to reduce future assessable income



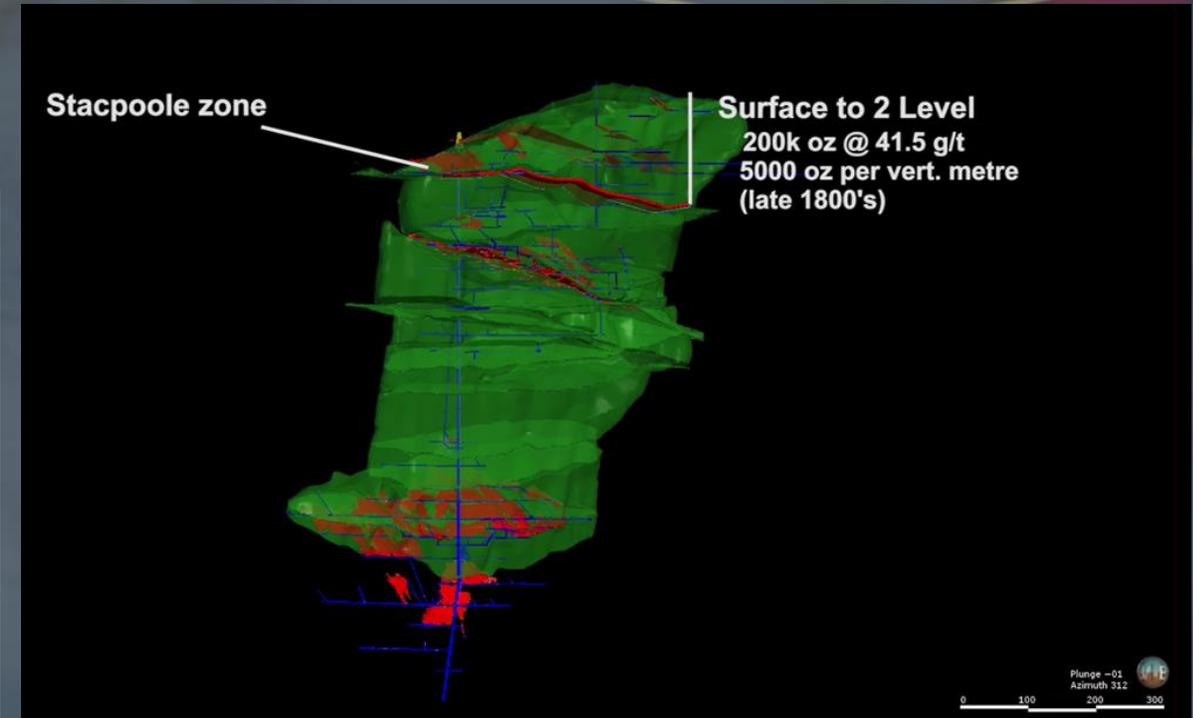
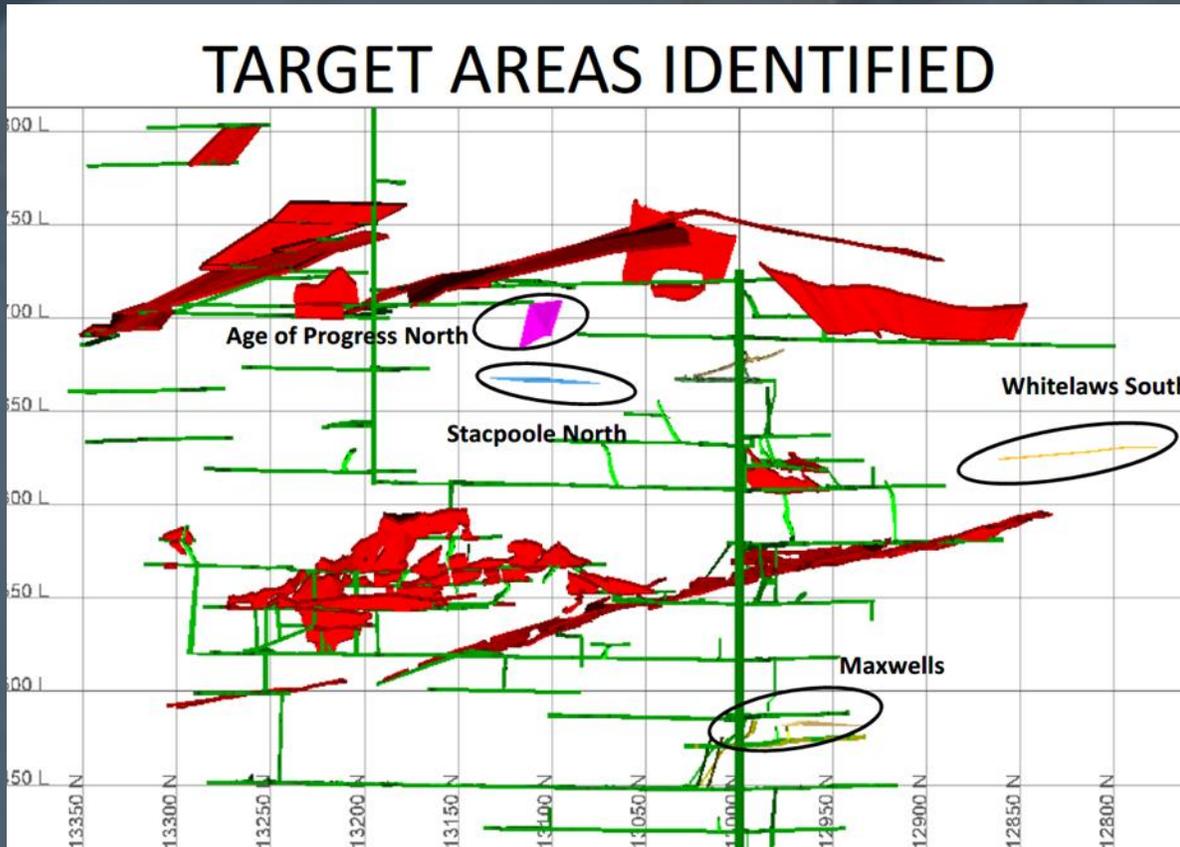
Morning Star Development Potential



Prospective Targets in next 6 Months

Below:

- Drill Targets for the next 6 – 12 months
- Maxwells/Stones zone most prospective
- Stacpoole North supported by isolated high grade holes, requiring further drilling

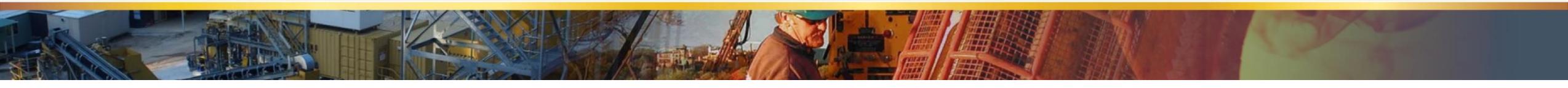


Above:

- Area of highest gold ounces per vertical metre

MOTIVATION

- Shallow, easy first access to production



Maxwells/Stones – Next unmined Structure

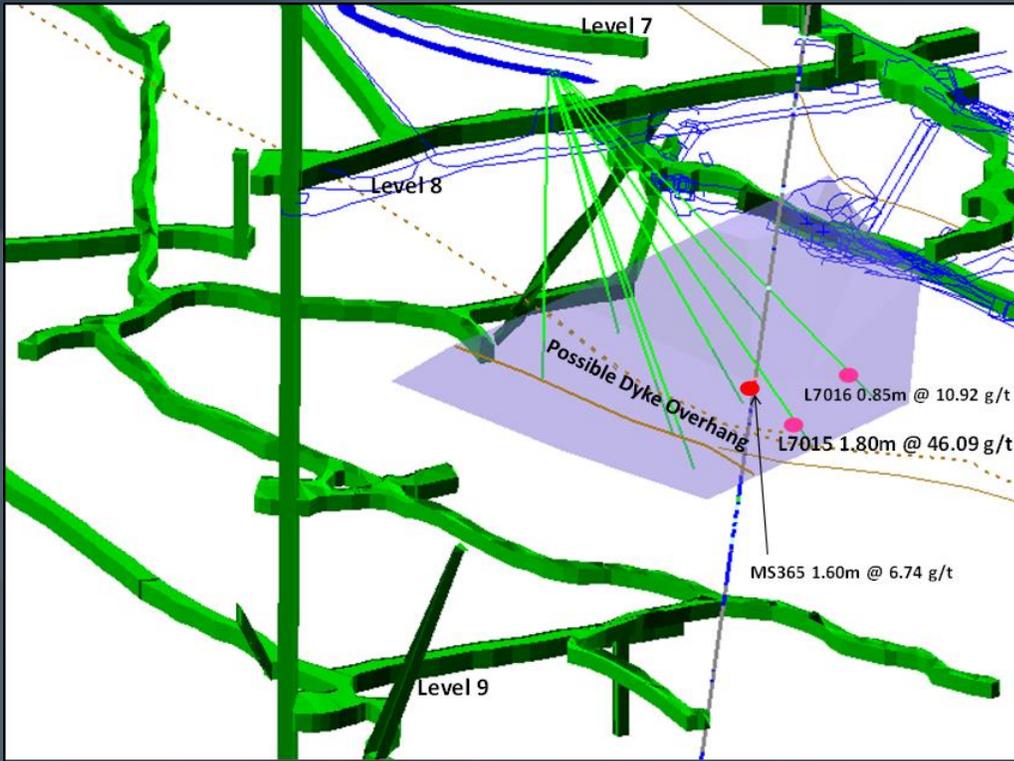
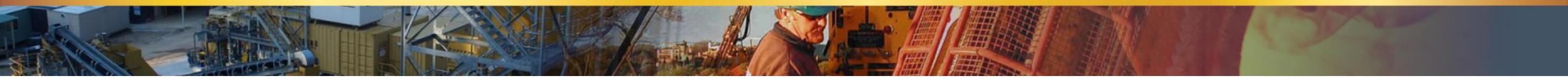


Table 1. Drill Holes and Significant Intersections

HOLE ID	Sample ID	From	To	Interval	Grade g/t	Comment
L7016	A7010	31.30	31.90	0.60	6.02	
L7016	A7012	42.75	43.40	0.65	1.31	
L7016	A7013	43.40	44.25	0.85	10.92	Viz Gold at 44.15
L7015	A7020	41.60	42.20	0.60	1.48	
L7015	A7021	42.20	42.80	0.60	34.41	
L7015	A7022	42.80	43.40	0.60	102.39	Visible Gold at 43.15m

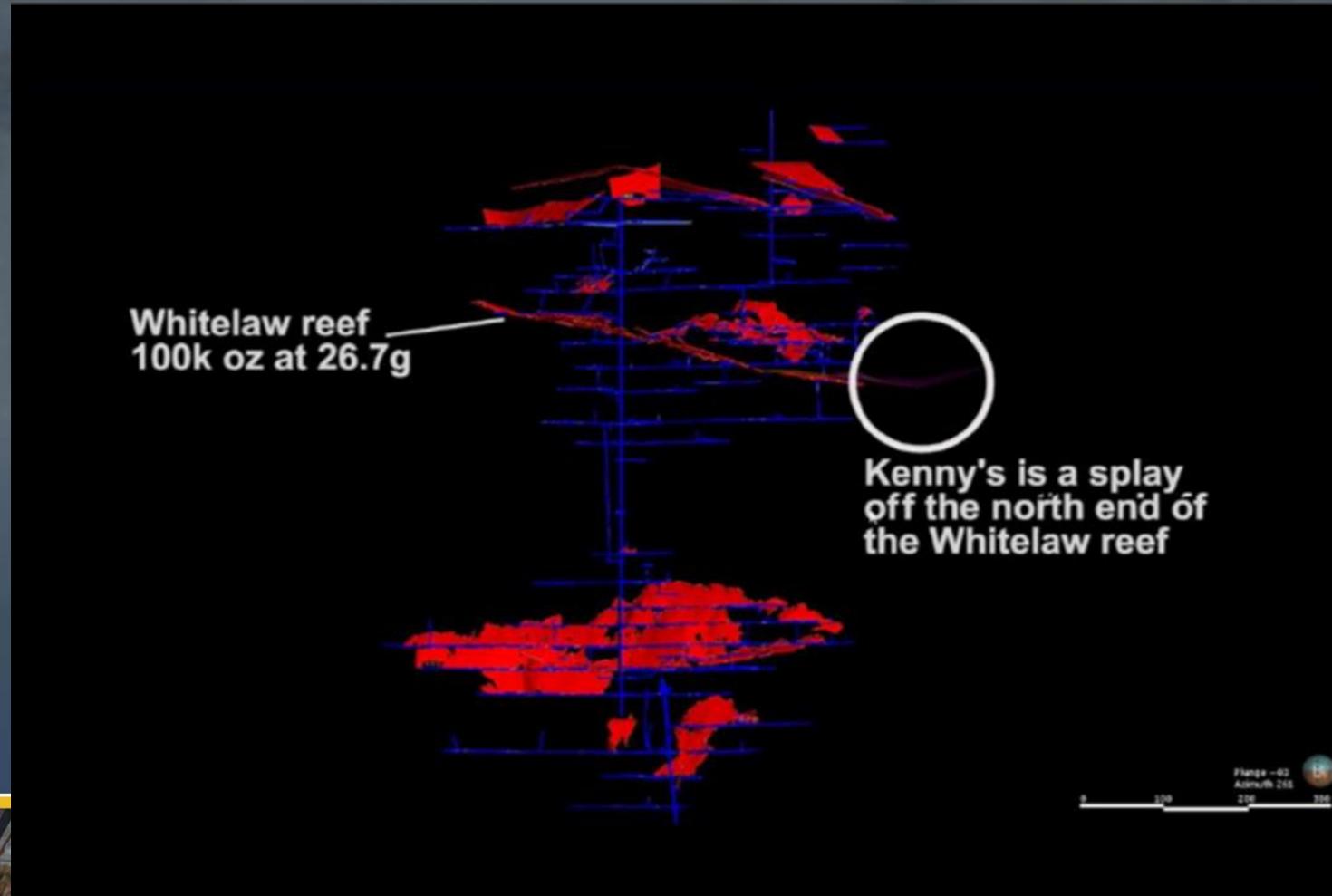
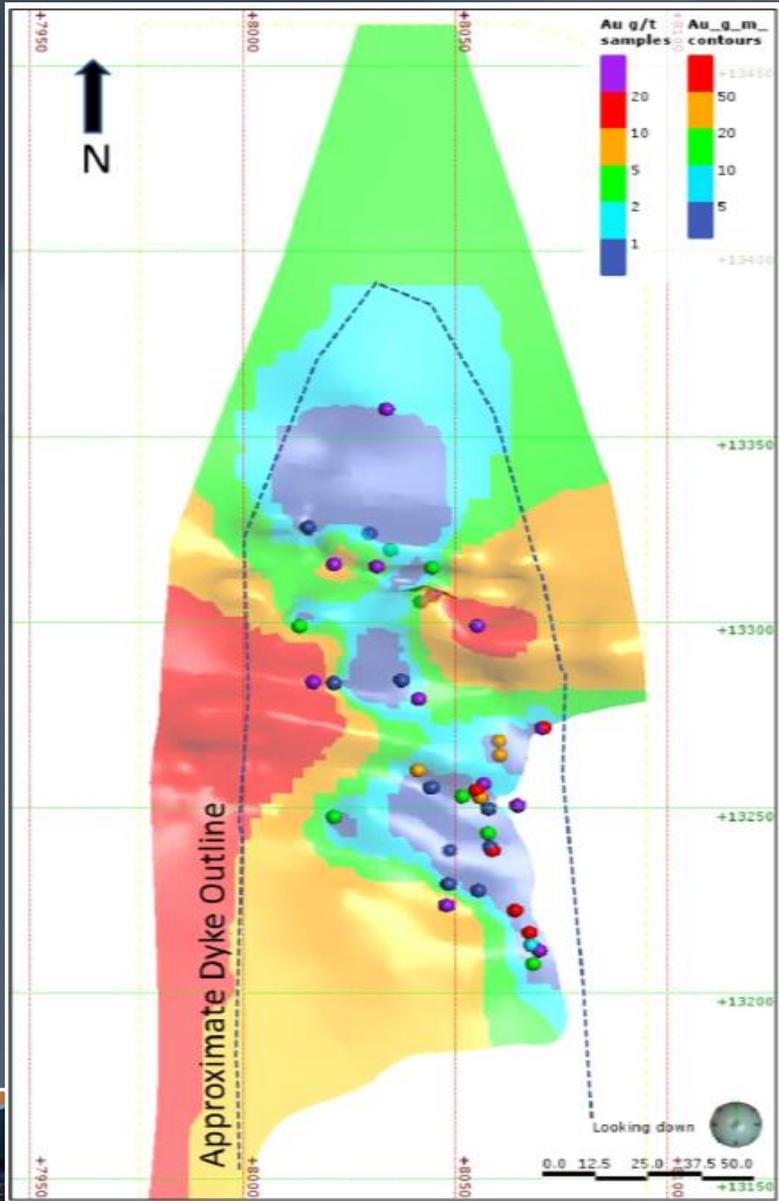
- Current drill program underway: Eight Holes – 270m to test potential Dyke/Sediment Overhang between Level 7 and Level 9
- Targets around higher grade intersections. Following up on:
 - MS364 (1.6m@ 6.74g/t Au)
 - MS420 (0.8m@ 4.48g/t Au)
 - MS424 (2.31m@ 11.17g/t Au)
 - MS444 (2.1m@ 10.28g/t Au)
- First two holes of program reported visible gold, refer table
- Assays from the second diamond drill hole include the following significant results:
 - 1.80m at 46.09g/t Au including 1.20m @ 68.40 g/t from 42.20m down hole, refer table
- Confidence increases for successful identification of potential mineable tonnage from Morning Star gold mine



Kenny's Reef – Available for Mining

Below: The location of Kenny's is a northern splay from the rich Whitelaw's reef. Available for mining from 8 level. Dewatering required.

Left: A plan view of Kenny's reef, showing size, drill hole Pierce Points and interpreted gm.metre contours

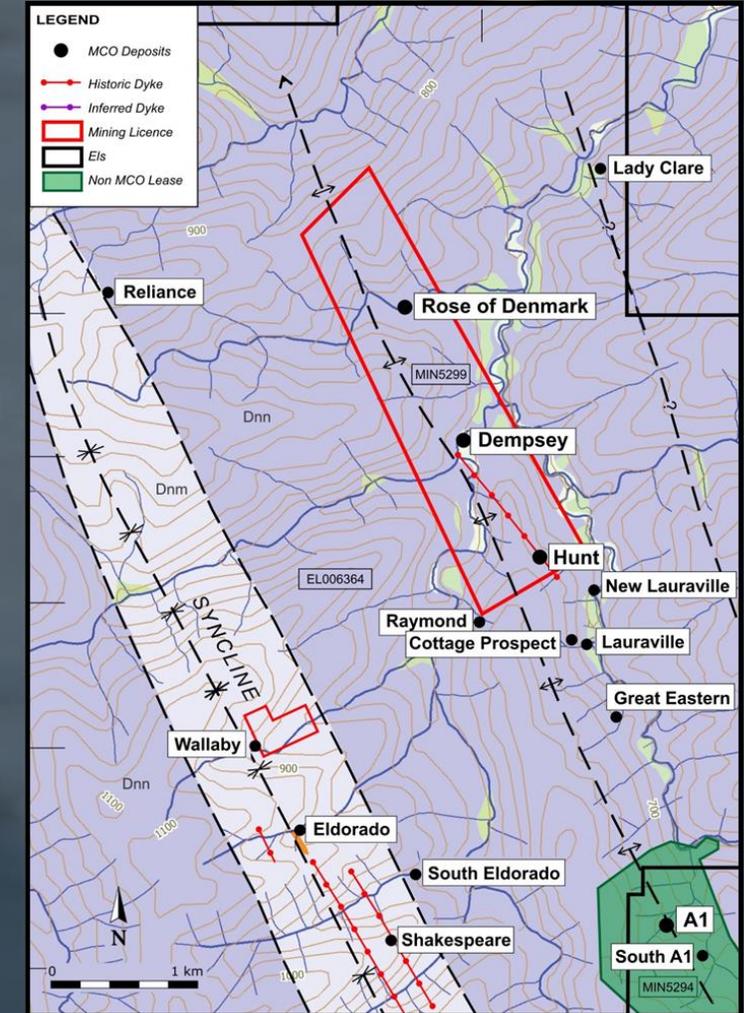


Rose of Denmark Gold Mine (RoD)



• Rose of Denmark

- Provides an immediate mining platform reducing risk and also has significant exploration expansion
- A second mine significantly de-risks ore supply issues for AuStar
- 2012 trial stope processed ore without issues (softer rock and less sulphide)
- Identify ore zones on adit level, channel sampling and drill program completed
- Mining now underway: visible gold and encouraging high grade assays returned
- Intention: ramp and mine ore as each level accessed



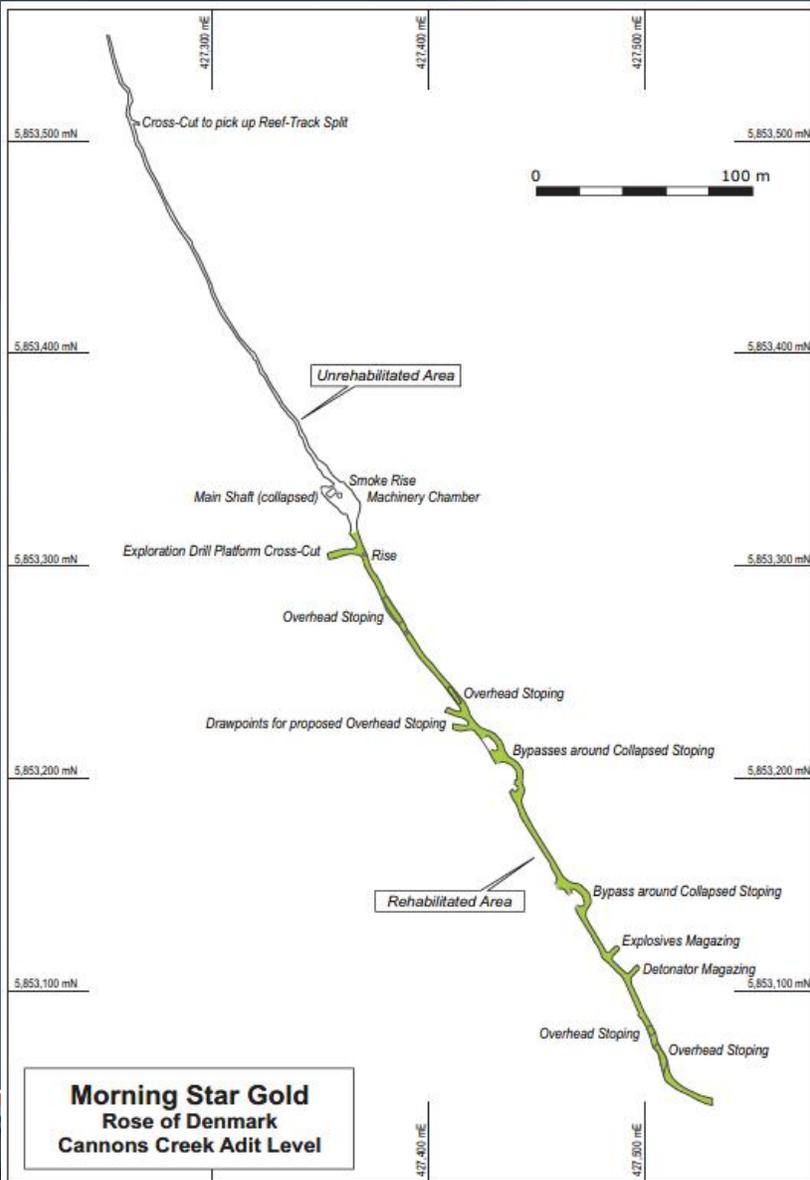
RoD Features

Left

- Plan: Green area depicts development in 2011 from adit mouth to dyke bulge – over 300 metres of strike

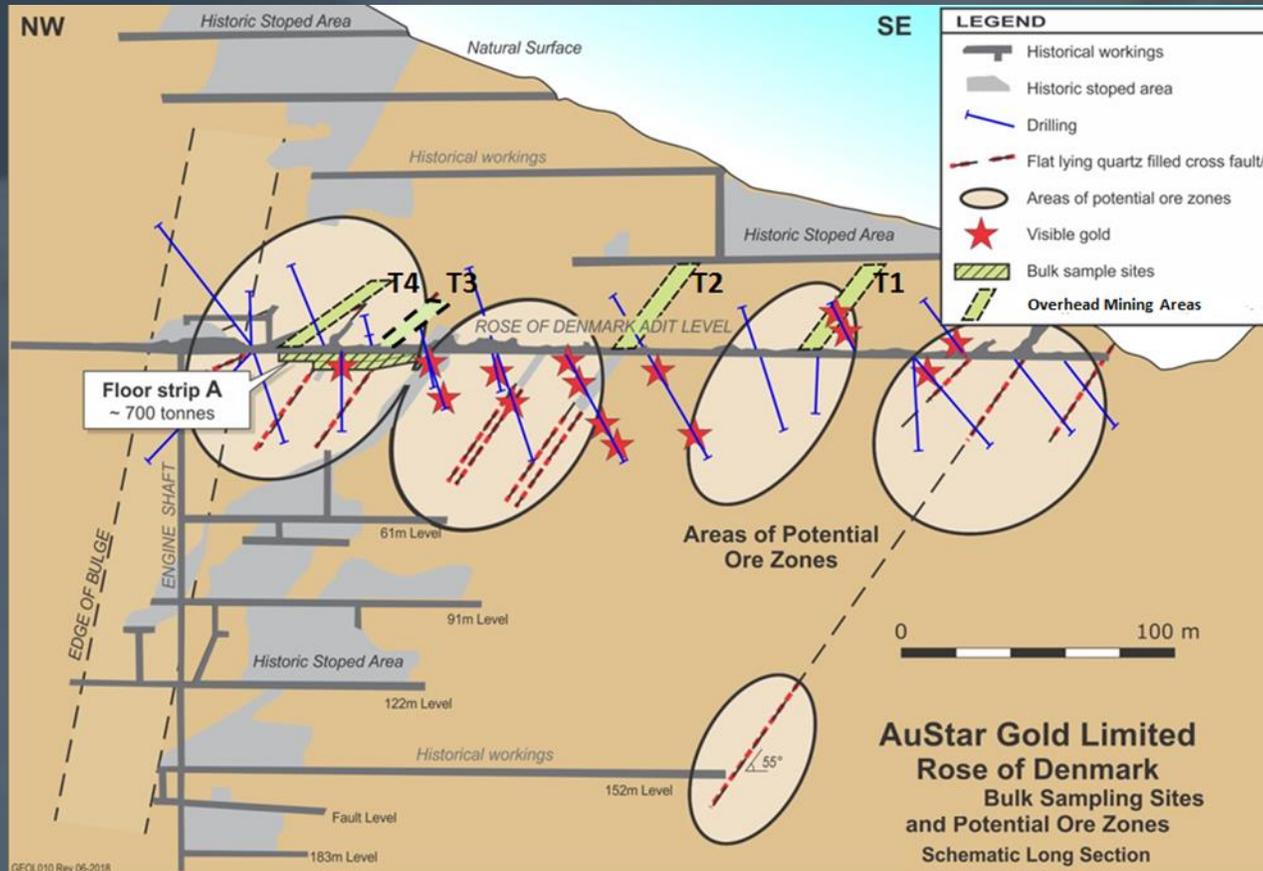
Right

- Dyke is sub vertical, varies in width from 2.5 metres to 5 metres
- Gold associated with Quartz tension veins



RoD Trial Mining and Grade Correlation

Table Showing Approximate Positions of Mining in Progress



Mining is underway, in an initial program of approximately 3 months duration, with these objectives:

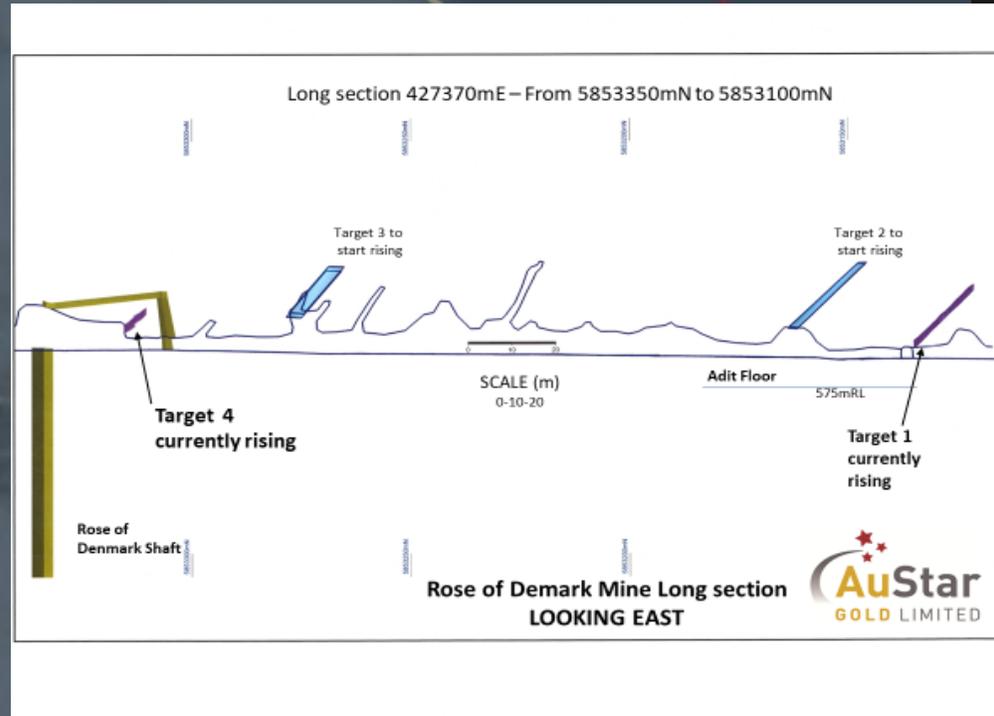
- Ascertain the drill grade to face grade
- Cut by cut sampling to provide data for a “bulk” grade for mechanized mining
- Processing to reconcile face sampling and drill grade
- Ascertain recovery factor for the mill
- Test geological models and proposed mining methodology
- Develop an economic model



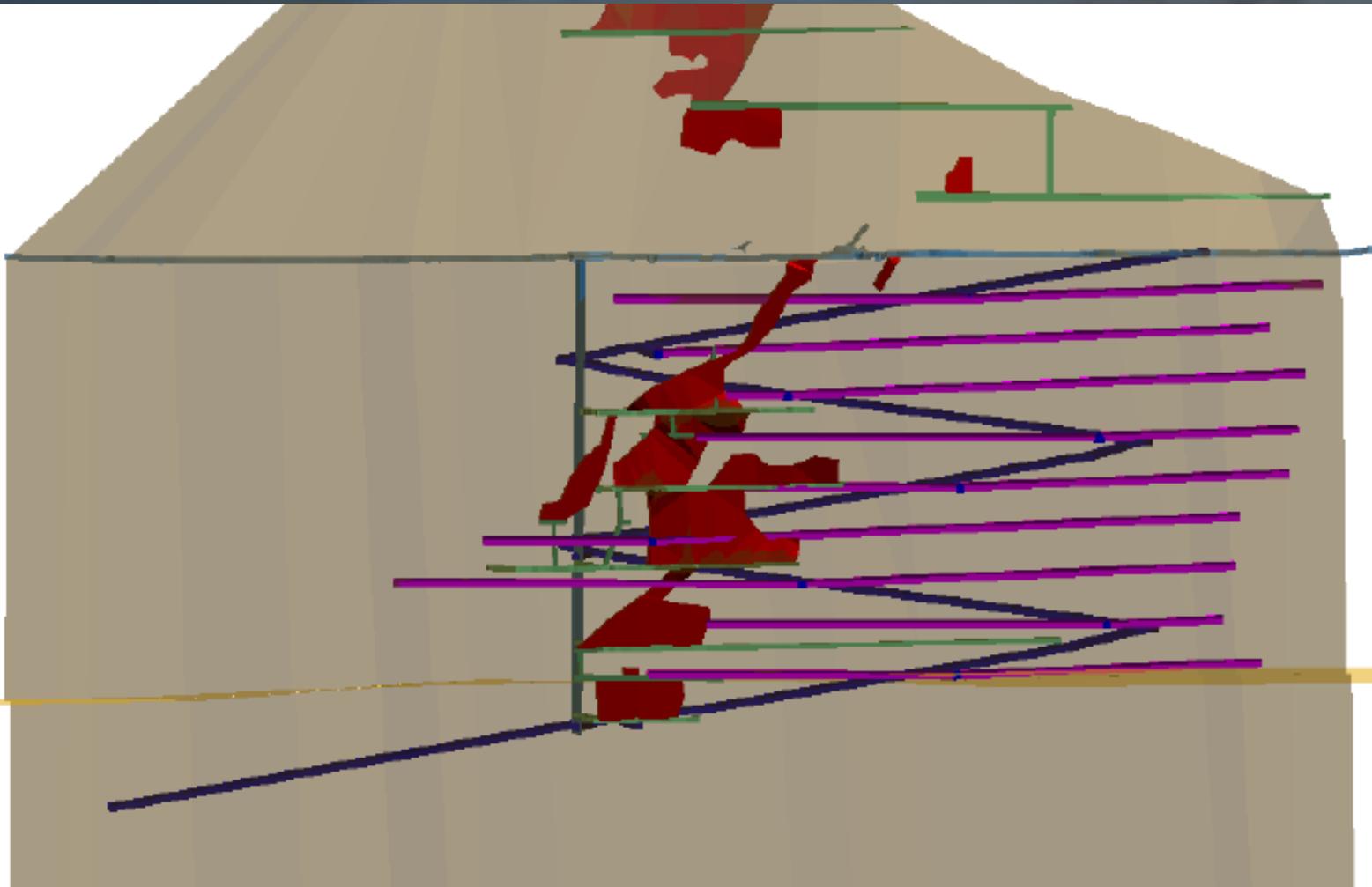
RoD Trial Mining (cont.)

Mining Update August 2018

- Presently mining above adit level to test high grade drill hole hits
- Mining is underway on target areas, with significant visible gold and quartz veining observed in development material mined to date
- Average processing throughput rates at AuStar Gold's gravity plant for RoD mine material are at a higher rate than that of Morning Star material previously processed
- Significant visible gold was seen on the gravity separation table
- High grade gold concentrate (free gold and sulphides) has been produced from RoD material
- High grade coarse gold was evident in processing, leading to a first gold dore bar poured
- Geological and processing reconciliation is ongoing with final grade reconciliation (from face sampling to drill grade to mill grade) to occur on conclusion of initial program



RoD Conceptual Mine Plan – Steps to Success



Looking East

1. Bench areas
2. Assess grade
3. Fill mechanised mined benches for stability and access
4. Fill comes from decline as required.

To be determined:

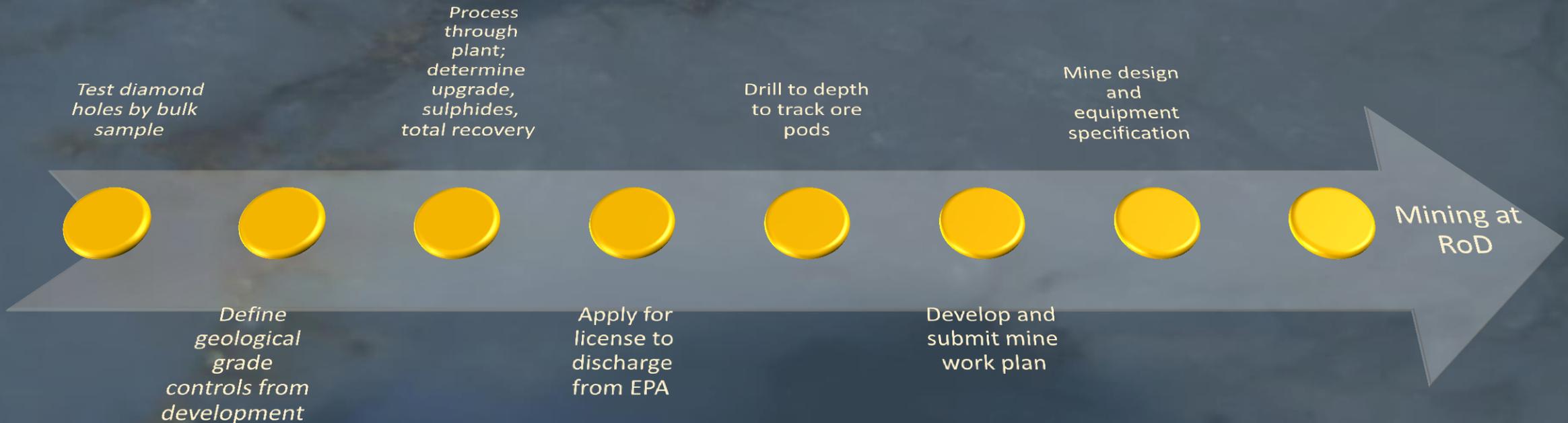
- Location of decline
- Length of benches
- Decline gradient
- Level distance
- Ultimate mining method



Steps Toward Full Production



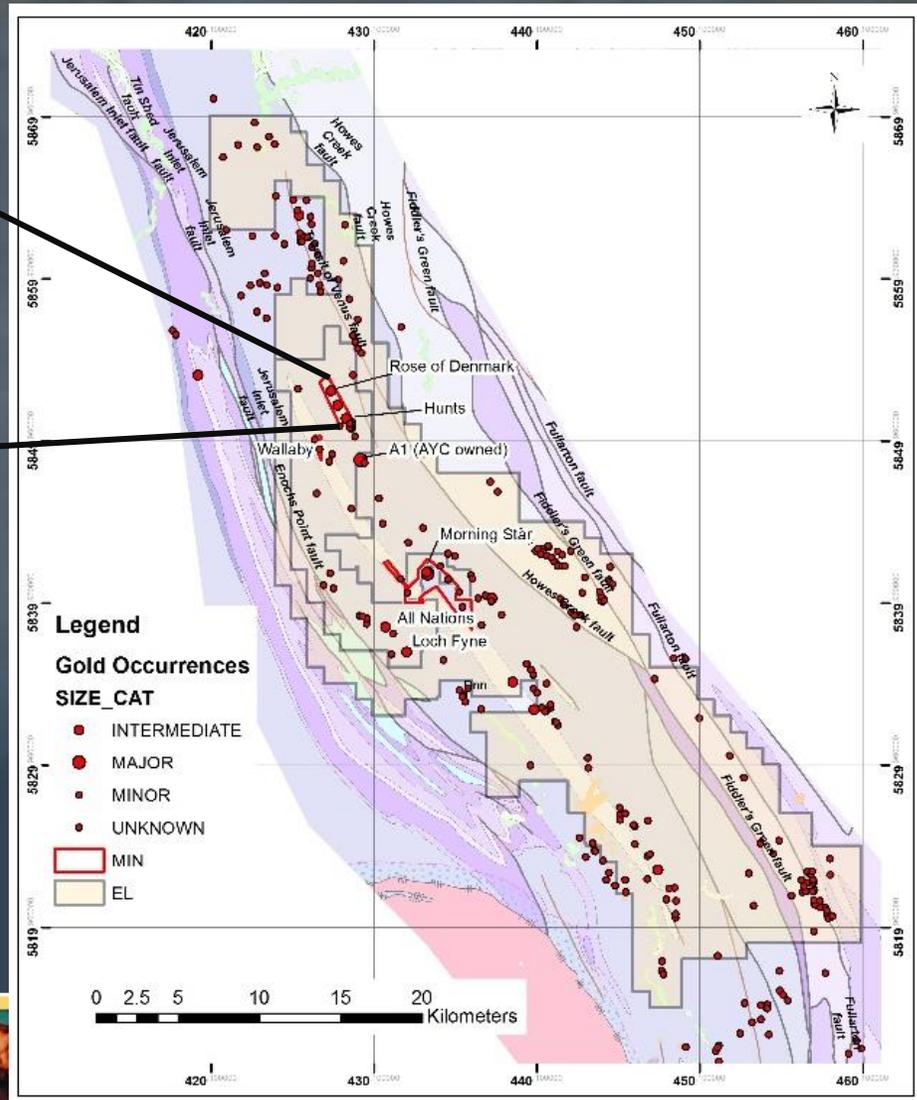
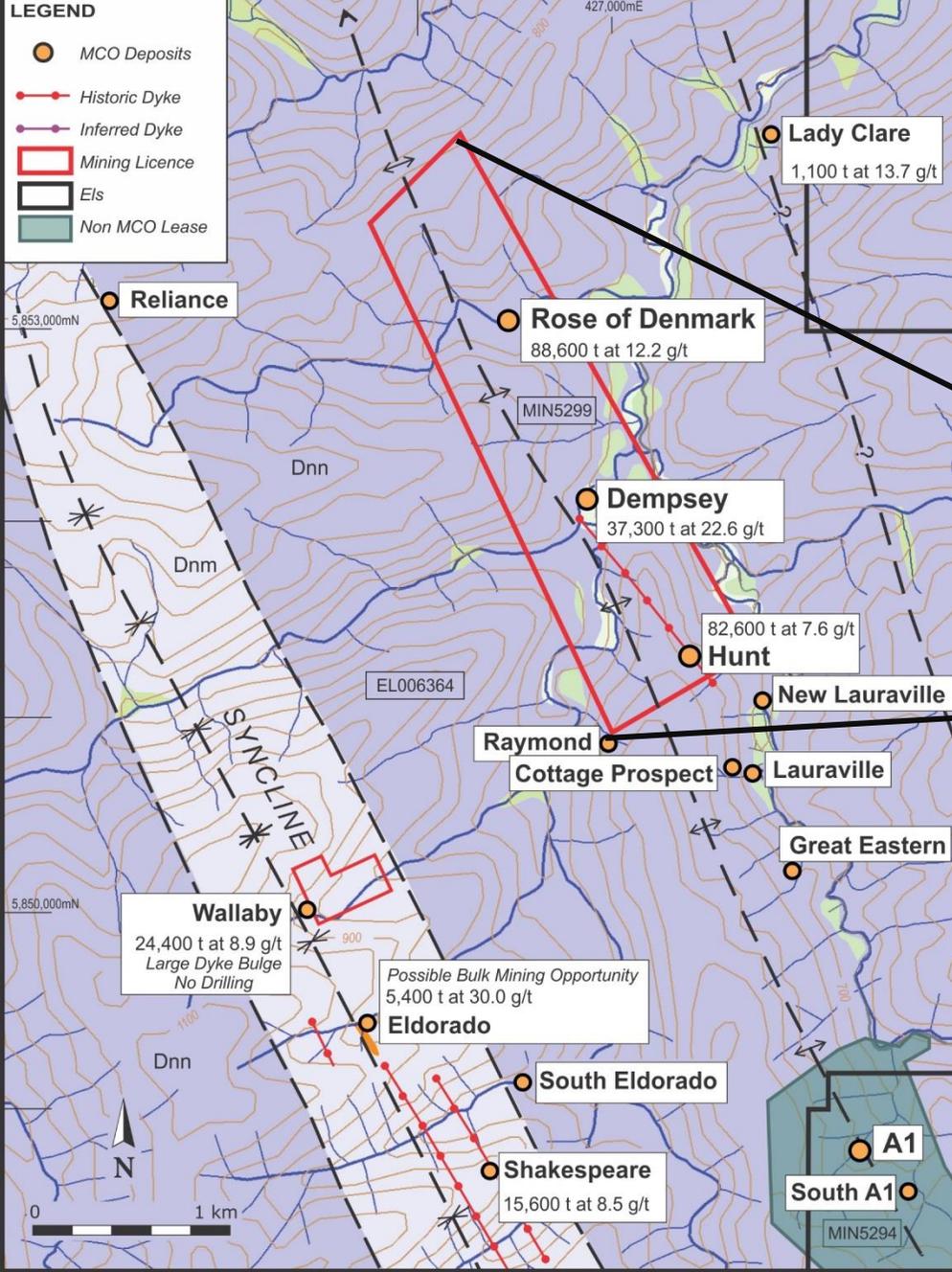
- Mining presently undertaken as “bulk sampling”
- Leadtime to Mining Workplan is identified
- Other key steps can occur concurrently with Workplan submission



Exploration and Growth Potential



AuStar has extensive regional exploration acreage



Exploration Targets April 2018
Past Production

Growth Potential



Morning Star Gold Mine

- Onsite Gravity Gold Processing plant has through-put upside
- Large amount of data with exceptional high grades, in the upper levels to be fully tested
- Gap zone available for testing

Rose of Denmark & Regional Development

- Virtually unexplored – no drilling below adit level
- Predictable dyke zone
- Number of historic mines with limited production below water table, existing infrastructure

Sensible Corporate and Acquisition Opportunities



AuStar's Gravity Process Plant



Gold room showing gold concentrate after multiple passes on the gravity separation table



- Plant is fully operational, allows recovery of gold and assessment of grade of feed
- First gold ingots poured from both Morning Star and RoD mines, RoD first dore pour of ~250grams
- Optimisation will be an ongoing process
- Tails grade <0.7 gramme

First Gold Ingot Poured from Rose of Denmark



<https://vimeo.com/264362424> Commissioned plant
<https://vimeo.com/272687074> Gold Pour



AuStar's Core Operating Principles



- **Our Core Operating Principles: to Minimise Cost and Risk**
 - *Develop multiple ore sources, in-mine and intra mine*
 - *Select mining method that allows variance in plan as data is found*
 - *Select core team of quality people, set clear goals and objectives*
 - *Use modern exploration techniques*
 - *Use data to justify expenditure on focussed drilling*
 - *Minimise capital commitments and lead times*
 - *Minimise permanent employees to provide flexibility and accommodate variances in plan*
 - *Maximise variable cost and minimise fixed costs*
 - *Rolling Plan, reviewed regularly*
 - *Regular communications*



Capital Raising Overview



Placement

- AuStar has successfully arranged a \$5.5 million placement at 0.45c per share (**'Issue Price'**) to Professional and Sophisticated Investors in Australia and the United Kingdom
- Placement shares will be issued in two tranches:
 - Tranche 1: comprising 173,282,272 shares, utilising the Company's existing placement capacity under ASX Listing Rules 7.1 (92,223,574 shares) and 7.1A (81,058,698 shares) to raise c \$0.78 million. Tranche 1 is unconditional and will complete in accordance with the indicative timetable
 - Tranche 2: will be conditional on shareholder approval and complete after shareholder approval per the timetable below
- Investors in the Placement will (subject to shareholder approval) be issued one (1) attaching option for every five (5) shares exercisable at 1.0 cent and expiring 2 years after the date of grant (Attaching Options)

Share Purchase Plan

- In order to provide an opportunity for the Company's loyal shareholder base to participate in the capital raising, the Company intends, subject to shareholder approval, to conduct a share purchase plan (SPP) to raise up to \$1 million (with the ability to accept oversubscriptions of a further \$1 million) at the same price as the Placement together with Attaching Options
- Further details regarding the SPP, will be provided to shareholders shortly

Capital Raising Overview (cont.)

Capital Structure before Placement

AUL CURRENT CAPITAL STRUCTURE

ASX Code:	AUL
Shares on Issue:	1,928m
Options (unlisted):	198m 3c exp. 30/11/18 25m 1.5c exp.30/11/18 30m 1.5c exp. 30/11/19 30m 1.8c exp. 8/9/21 15m 2c exp. 30/11/21
Market Cap:	A\$11.6 M (0.6c)
Debt (excluding convertibles)	Nil
Top 20 Shareholders:	own ~40%

Capital Structure after Placement and SPP

- Following the placement and SPP (assuming it is fully subscribed but without oversubscriptions), the indicative capital structure of the Company (excluding convertible notes) including all new Attaching Options is set out below

AUL NEW CAPITAL STRUCTURE

	Capital Raising (\$m)	Ordinary Shares (m)	New Attaching Options (m)	% Shares on Issue after Placement	% Shares on Issue after SPP
Existing Shares on Issue		1,928		61%	57%
Placement	5.5	1,222	244	39%	36%
Sub Total	5.5	3,150	244		
SPP	1.0	222	44		7%
Total	6.5	3,372	289	100%	100%



Capital Raising Overview (cont.)



Use of Funds

- The net proceeds of the capital raising will be used to fund:
 - an accelerated resource exploration/definition program of the Rose of Denmark and Morning Star gold mines;
 - Accelerated trial mining and production activity at the Rose of Denmark and Morning Star mines;
 - A regional exploration program; and
 - Corporate liquidity and future growth initiatives and working capital
- The indicative Use of Funds (excluding SPP funds) is set out below:

Activity	Placement (\$5.5m)
Accelerated exploration program	\$0.7m
Capital expenditure and working capital applied to Rose of Denmark and Morning Star mines	\$1.75m
Costs associated with the offer	\$0.4m
Corporate liquidity and future growth initiatives	\$2.65m
Total Use of Funds	\$5.5m

- Funds raised from the SPP will be applied to working capital to supplement the activities set out above

Note: The information above is indicative only and is subject to a range of risks, uncertainties and factors contained in the presentation, including the disclaimer. For further information on risk factors please refer to subsequent pages of this presentation. If less than the maximum amount is raised, activities will be prioritised to activities at the Rose of Denmark and Morning Star mines.

Indicative Timetable

Record Date for eligible shareholders to participate in the SPP	Friday, 10 August 2018
ASX announcement of Placement, SPP and resumption of trading	Monday, 13 August 2018
Issue and trading of Tranche 1 Placement shares	Friday, 17 August 2018
Lodgement of Prospectus with ASIC and ASX	Monday, 20 August 2018
SPP opens	Monday, 27 August 2018
General Meeting	Monday, 24 September 2018
SPP offer closes	5:00pm Sydney time, Thursday 27 September 2018
Issue and trading of Tranche 2 Placement shares	Thursday 27 September 2018
Grant of Attaching Options	Thursday 27 September 2018
Despatch of holding statements for SPP shares and Attaching Options	Tuesday, 2 October 2018

Note: The timetable is indicative only and subject to change

Appendix: AuStar Gold's Tenement Schedule



Tenement	Project	Name	Grant Date	Expiry Date	Area	Interest %
MIN 5009 ¹	Morning Star	Morning Star	21/09/1990	Renewal	657 Ha	95
MIN 5299 ²	Morning Star	Rose of Denmark	10/11/1981	30/08/2018	211 Ha	97.55%
MIN 5560 ¹	Morning Star	Wallaby	17/12/2013	16/12/2018	10 Ha	95
EL 006364	Woods Point	Morning Star Sth.	Application	N/A	101 km ²	95
EL 006321	Woods Point	Morning Star Nth	Application	N/A	566 km ²	95
PL 6332 ³	Woods Point	Eldorado	Application	N/A	5 (Ha)	95
PL 6334 ³	Woods Point	Alhumbra	Application	N/A	5 (ha)	95
PL 6335 ³	Woods Point	All Nations	Application	N/A	5 (Ha)	95
EL 6074	Lionsville	Lionsville	06/05/2003	Renewal	4 units	100

¹ Morning Star is 100% owned by Morning Star Gold NL. in turn held 95% by AuStar Gold Limited.

² MIN 5299 is 51% owned by AuStar Gold Limited and 49% owned by Morning Star Gold NL.

³ PL are prospecting licences placed to protect the EL during the application transition.



Appendix: Summary of Key Risks



The following contains a summary of some of the key risks associated with an investment in AuStar. This summary of risks below should be considered in the context of previous disclosures made by AuStar in accordance with its periodic and continuous disclosure obligations. The following is not intended to be an exhaustive list of the risk factors to which AuStar is exposed.

Financing Risks

- The Company may not raise sufficient funds from this capital raising and may need to raise additional funds in the future. There is no guarantee that the SPP will be fully subscribed. There is no assurance that the Company will be able to secure additional funding for the exploration program for the Morning Star or Rose of Denmark gold mines, whether debt, equity or otherwise, on acceptable terms, or at all. Any additional equity financing will dilute shareholdings. If AuStar is unable to obtain additional financing as needed, it may be required to reduce the scope or suspend its proposed work programs for these projects.

Economic Risks

- General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.
- If activities cannot be funded, there is a risk that tenements may have to be surrendered or not renewed. Furthermore, share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as general economic outlook, interest rates and inflation rates, currency fluctuations, changes in investor sentiment toward particular market sectors, the demand for, and supply of, capital, terrorism or other hostilities; and government fiscal, monetary and regulatory policies.
- None of AuStar, its directors or officers warrant the future performance of the Company or any return on an investment in the Company.

Operating Risks

- Operations may be affected by various factors, including failure to achieve predicted grades or production rates, operational and technical difficulties, difficulties in commissioning and operating plant and equipment,
- mechanical failure or plant breakdown, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment. Losses resulting from any of these risks could have a material adverse effect on the Company's financial resources or could result in a total loss of the assets affected, and accordingly, may affect the market price of the shares.



Summary of Key Risks (cont.)

Development Risks

- Mineral development is a high risk undertaking and successful development cannot be guaranteed. The Company's financial performance will substantially depend on the accuracy of its geological analysis, the gold grades achieved and from cost estimates for its production and exploration activities, working capital requirements and the duration of its works program. Any cost and time forecasts are estimates only, all of which are subject to uncertainty.

Tenement Title

- Interests in tenements in Australia are governed by Commonwealth and State legislation 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 as and when they arise.
- Further, mining and exploration tenements are subject to periodic renewal. There is no guarantee that current or future tenements will be renewed or approved. Renewal of the term of a granted tenement is at the discretion of the relevant government authority. Renewal conditions may include increased expenditure or work commitments or compulsory relinquishment of the areas comprising the Company's projects. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Company.

Mineral Resources

- MIN5299 must be renewed from August 2018. Appropriate documentation and applications have been submitted to the relevant Victorian Government departments and AuStar is awaiting their review and approval. There can be no guarantee that the estimated time for this approval will be achieved, or at all.
- Mineral Resources which are not Ore Reserves do not have demonstrated economic viability. An estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, operational cost, metal price, mining control, dilution or other relevant issues.
- The category of reported Inferred Mineral Resources is the lowest level of confidence under the JORC Code. The evaluation of these resources with the intention of upgrading resource categories and converting them to reserves is impacted by a number of issues, including mining dilution, metallurgical recovery and grade variability. There can be no guarantee that the resources will be developed to the point of production.



Summary of Key Risks (cont.)

Commodity Prices

- Fluctuations in the market price for gold could have an adverse impact on the Company's future financial performance.

Native Title

- The Company is aware of a registered native title claim over the area of its tenements which may materially adversely affect its future operations or performance. No guarantee can be given that these native title rights (nor any native title rights over areas in which the Company may in future acquire an interest in) will not affect the Company.

General Economic Climate

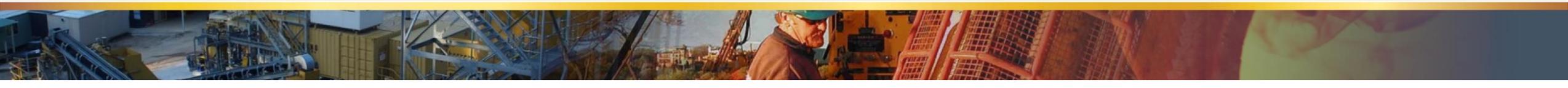
- The Company's funding position and financial performance is impacted by a variety of general global economic and business conditions. A deterioration in these conditions could have an adverse impact on the Company's financial performance.

Political risk, commodity price volatility and exchange rates risks

- In the event that the Company achieves production success, the revenue it will derive through the sale of commodities exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for gold, technological advancements, forward selling activities and other macro-economic factors. Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company is and will be taken into account in Australian currency, potentially exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar, as determined by international markets.

Reliance on Key Personnel

- The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its directors and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these key personnel ceases their involvement with the Company.



Summary of Key Risks (cont.)

Trading Liquidity

- The Company is a small company in terms of market capitalization and it may not be covered by a broad base of research analysts. As a consequence there may be relatively few buyers and sellers of securities on the ASX at any given time and the market price may be highly volatile, particularly in times of share market turbulence or negative investor sentiment. This may present difficulties for shareholders seeking to liquidate their holdings.

Market Conditions

- The market price of the shares in the Company can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration and development stocks in particular. Neither the Company nor the directors warrant the future performance of the Company or any return on an investment in the Company.

Environmental Risks

- The operations and proposed activities of the Company are subject to State and Commonwealth laws and regulations concerning the environment. As with most exploration and development projects, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws, in order to minimise damage to the environment and risk of liability. Nevertheless, there are certain risks inherent in AuStar's activities which could subject the Company to extensive liability.

Occupational Health and Safety

- The mining industry has become subject to increasing occupational health and safety responsibility and liability. The potential for liability is a constant risk. If the Company fails to comply with necessary OH&S legislative requirements, it could result in fines, penalties and compensation for damages as well as reputational damage.



Summary of Key Risks (cont.)

Market Perceptions

- The Company is a small company in terms of market capitalization and it may not be covered by a broad base of research analysts. As a consequence there may be relatively few buyers and sellers of securities on the ASX at any given time and the market price may be highly volatile, particularly in times of share market turbulence or negative investor sentiment. This may present difficulties for shareholders seeking to liquidate their holdings.
- The market price of the shares in the Company can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration and development stocks in particular. Neither the Company nor the directors warrant the future performance of the Company or any return on an investment in the Company.

Changes in political environment and international conflicts

- The Company's share price and ability to generate returns to investors can be affected by changes in legislation, domestic or foreign governments and government policy. In particular, government policies can have a sudden and material impact on the Company if it results in new trading restrictions, defence or security measures being implemented, or alternatively if such measures are cancelled or postponed.
- Additionally, the Company's future sales and returns may be influenced by any future domestic or international trading restrictions, conflicts or peacekeeping missions, particularly where such conflicts may impact upon levels of international business or trade.

