
ADDITIONAL FUNDING INJECTION

AuStar Gold Limited (ASX: AUL) ('AuStar' or 'the Company') provides the following update in relation to its current activities.

Further to the ongoing promising drilling programs at both the high grade Morning Star and Rose of Denmark gold projects, and in preparation for initial bulk sampling activities from the Morning Star project, the Company has considered it prudent to seek an injection of capital.

To that extent AuStar has completed the following capital raising activities:

- 1) A placement has been made to current sophisticated shareholders providing an additional \$400,000 in cash funds.

Terms of this placement are the issue of ordinary shares at \$0.008 per share plus one unlisted option for every two shares issued. The options have an exercise price of \$0.015 per share and an expiry date of 30 November 2016.

- 2) The Company has also taken up its option for the second tranche of \$500,000 funding via the issue of Convertible Notes to financier, MEF I L.P (Magna). This has resulted in the issue of 390,000 Convertible Notes on the terms and conditions previously disclosed to ASX on 30 August 2017.

The Company has the option to take up one further tranche of \$500,000 under the agreement.

For Further Information:

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About AuStar Gold Limited:

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, a strategic tenement footprint, and prospectively, well positioned for near-term trial mining.**

In addition, AuStar 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.