

26 April 2019

Dear Shareholder

**Annual General Meeting**

On behalf of the Board, I am pleased to invite you to attend the Annual General Meeting of Austral Gold Limited. This meeting will be held at 8.00am (AEST) on Thursday 30 May 2019 at:

Automic Group  
Level 5  
126 Phillip Street  
Sydney NSW 2000  
Australia

Enclosed are the following documents:

- Notice of Meeting and Explanatory Statement;
- Proxy Form for the Annual General Meeting; and
- Annual Report for the period ended 31 December 2018, for those Shareholders who have requested a printed copy.

Collectively, "the Meeting Materials"

If you are unable to attend the Meeting, I encourage you to appoint a proxy by following the instructions on pages 3, 4 and 5 of the Notice of Meeting. You may also provide questions or comments in advance of the Meeting, by contacting the Company Secretary, using the details set out on page 18 of the Notice.

**2018 Annual Report**

Shareholders are reminded that the Annual Report is only mailed to those Shareholders who have elected to receive it in hard copy. If you have not elected to receive it in hardcopy, please find a copy of the 2018 Annual Report on the Company's website at <http://www.australgold.com>.

We look forward to seeing you at the Annual General Meeting.

Yours faithfully,



Andrew Bursill  
Company Secretary  
Austral Gold Limited



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## AUSTRAL GOLD LIMITED

ABN 30 075 860 472

## NOTICE OF ANNUAL GENERAL MEETING

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**TIME:** 8.00am (AEST)

**DATE:** Thursday, 30 May 2019

**PLACE:** Automic Group  
Level 5  
126 Phillip Street  
Sydney NSW 2000  
Australia

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

In accordance with Canadian National Instrument 71-102 (the "Instrument") *Continuous Disclosure and Other Exemptions Relating to Foreign Issuers*, Austral Gold Limited confirms that it is a Designated Foreign Issuer as defined in the Instrument and is subject to the regulatory requirements of the Australian Securities Exchange Limited. The Company confirms that, in accordance with Section 3.2 of NI 71-102, this Notice of Meeting has been sent to all shareholders with a registered address in Canada in the same manner and at the same time, or as soon as practicable after it was sent to holders of securities of that class in the Company's local jurisdiction, being Australia.

Should you wish to discuss the matters in this Notice of Meeting, please do not hesitate to contact the Company Secretary, using the contact details on page 18.

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## YOUR VOTE IS IMPORTANT

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The business of the Annual General Meeting affects your shareholding and your vote is important.

## VOTING IN PERSON

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To vote in person, please attend the Annual General Meeting on the date, time and at the place set out on page 6 of this Notice.

## APPOINTING A PROXY

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A Shareholder who is entitled to attend and vote at the Meeting may appoint a proxy to attend and vote at the Meeting on their behalf. A proxy does not need to be a Shareholder of Austral.

If a Shareholder is entitled to cast two or more votes at the Meeting, the Shareholder may appoint two proxies and may specify the percentage or number of votes each proxy can exercise. If the proxy form does not specify the percentage or number of the Shareholder's votes that each proxy may exercise, each proxy may exercise half of the Shareholder's votes on a poll. Fractions will be disregarded.

### **For shareholders on the Australian register:**

To appoint a proxy online, please go to the Computershare website below:

- (a) [www.investorvote.com.au](http://www.investorvote.com.au); or
- (b) [www.intermediaryonline.com](http://www.intermediaryonline.com) for Intermediary Online subscribers only (Custodians).

Alternatively, you can appoint a proxy by completing and signing your proxy form and sending the form:

- (a) By post to Computershare Investor Services Pty Limited, GPO Box 242, Melbourne 3001, Victoria, Australia; or
- (b) By facsimile to Computershare on 1 800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia)

The deadline for receipt of proxy forms is **8:00am (AEST) on 28 May 2019**, being not later than 48 hours before the commencement of the Meeting.

***Any proxy appointments received later than this time will not be valid for the Meeting.***

### **For shareholders on the Canadian register:**

To appoint a proxy online, please go to the Computershare website [www.investorvote.com](http://www.investorvote.com) using the control number located on your proxy.

Alternatively, you can appoint a proxy by completing and signing your proxy form and sending the form:

- (a) By post to Computershare Investor Services, 8<sup>th</sup> Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, Canada; or
- (b) By phone to Computershare on 1-866-732-VOTE (8683) (Toll free within Canada or US) or +1 312 588 4290; (International direct dial)

The deadline for receipt of proxy forms for those on the Canadian register is **8:00am (PT) on Monday, 27 May 2019**.

***Any proxy appointments received later than this time will not be valid for the Meeting.***

### **POWER OF ATTORNEY**

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If the proxy form is signed under a power of attorney on behalf of a Shareholder, then the attorney must make sure that either the original power of attorney or a certified copy is sent with the proxy form, unless the power of attorney has already been provided to the Share Registry.

### **CORPORATE REPRESENTATIVES**

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If a representative of a corporate Shareholder or a corporate proxy will be attending the Meeting, the representative should bring to the Meeting adequate evidence of their appointment, unless this has previously been provided to the Share Registry.

An appointment of corporate representative form may be obtained from Computershare by online at: <https://www-au.computershare.com/Investor/help/printableforms>

### **VOTING BY NON-REGISTERED SHAREHOLDERS IN CANADA**

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Only registered Shareholders or the persons they appoint as their proxies are permitted to vote at the Meeting. Most Canadian Shareholders are “non-registered” or “beneficial” Shareholders (“Non-Registered Shareholders”) because the Shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the Shares.

Shares beneficially owned by a Non-Registered Shareholder are registered either: (i) in the name of an intermediary (“Intermediary”) that the Non-Registered Shareholder deals with in respect of the Shares; or (ii) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc. (“CDS”)) of which the Intermediary is a participant.

In accordance with applicable securities law requirements, the Company will have distributed copies, via mail or electronically, of the Meeting Materials to the clearing agencies and Intermediaries for distribution to Non-Registered Shareholders. Intermediaries are required to forward the Meeting Materials to Non-Registered Shareholders unless a Non-Registered Shareholder has waived the right to receive them. Intermediaries often use service companies to forward the Meeting Materials to Non-Registered Shareholders.

Generally, Non-Registered Shareholders who have not waived the right to receive Meeting Materials will either:

- (i) be given a voting instruction form which is not signed by the Intermediary and which, when properly completed and signed by the Non-Registered Shareholder and returned to the Intermediary or its service company, will constitute voting instructions (often called a “voting instruction form”) which the Intermediary must follow. Typically, the voting instruction form will consist of a one-page pre-printed form. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“Broadridge”) in Canada

and the United States. Broadridge typically prepares a machine-readable voting instruction form, mails those forms to Non-Registered Shareholders and asks Non-Registered Shareholders to return the forms to Broadridge or otherwise communicate voting instructions to Broadridge (by way of the Internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of the shares to be represented at the Meeting. Sometimes, instead of the one-page pre-printed form, the voting instruction form will consist of a regular printed proxy form accompanied by a page of instructions which contains a removable label with a bar-code and other information. For this form of proxy to validly constitute a voting instruction form, the Non-Registered Shareholder must remove the label from the instructions and affix it to the form of proxy, properly complete and sign the form of proxy and submit it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company. A Non-Registered Shareholder who receives a voting instruction form cannot use that form to vote his or her Shares at the Meeting;

OR

- (ii) be given a form of proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature), which is restricted as to the number of Shares beneficially owned by the Non-Registered Shareholder but which is otherwise not completed by the Intermediary. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Shareholder when submitting the proxy. In this case, the Non-Registered Shareholder who wishes to submit a proxy should properly complete the form of proxy and deposit it with Computershare Investor Services, 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, Canada.

In either case, the purpose of these procedures is to permit Non-Registered Shareholders to direct the voting of the Common Shares they beneficially own. Should a Non-Registered Shareholder who receives one of the above forms wish to vote at the Meeting, or any adjournment(s) or postponement(s) thereof, (or have another person attend and vote on behalf of the Non-Registered Shareholder), the Non-Registered Shareholder should strike out the persons named in the voting instruction form and insert the Non-Registered Shareholder or such other person's name in the blank space provided.

In either case, Non-Registered Shareholders should carefully follow the instructions of their Intermediary, including those regarding when and where the voting instruction form is to be delivered.

A Non-Registered Shareholder may revoke a voting instruction form or a waiver of the right to receive Meeting Materials and to vote which has been given to an Intermediary at any time by written notice to the Intermediary provided that an Intermediary is not required to act on a revocation of a voting instruction form or of a waiver of the right to receive Meeting Materials and to vote, which is not received by the Intermediary at least seven (7) days prior to the Meeting. Non-Registered Shareholders fall into two categories: those who object to their identity being made known to the issuers of securities which they own ("Objecting Beneficial Owners" or "OBOs") and those who do not object to their identity being made known to the issuers of the securities they own ("Non-Objecting Beneficial Owners" or "NOBOs").

The Company is not sending Meeting Materials directly to the NOBOs. The Company will use and pay intermediaries and agents to send the Meeting Materials and intends to pay for intermediaries to deliver the Meeting Materials to the OBOs.

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## NOTICE OF ANNUAL GENERAL MEETING

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Notice is given that the Annual General Meeting (**AGM**) of Shareholders of Austral Gold Limited will be held at Automic Group, Level 5, 126 Phillip Street, Sydney NSW 2000, Australia at 8.00am (AEST) on Thursday, 30 May 2019. Registration will open at 7.30am (AEST).

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the AGM. Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary on page 19.

The Directors have determined under Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders of the Company that are quoted on the ASX at 7.00pm (AEST) on 28 May 2019.

The Company shall make a list of all persons who are registered holders of Shares that are listed on the TSX-V as at the close of business at 5pm (Toronto time) on Friday, 12 April 2019 (the "Record Date") and the number of Shares registered in the name of each person on that date. Each Shareholder is entitled to one vote for each Share in that Shareholder's name as it appears on the list.

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### AGENDA

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**1. ITEM 1 – ADOPTION OF THE FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2018**

*"To receive and to consider the Company's Financial Report, the Directors' Report and the Auditor's Report for the period ended 31 December 2018."*

Note: This item of ordinary business is **for discussion only and is not a resolution**.

Shareholders are reminded that the Financial Report has only been mailed to those Shareholders who have elected to receive financial reports in hard copy. The Financial Report can be viewed on the Company's website at [www.australgold.com](http://www.australgold.com).

If you have not previously elected to receive a printed copy of the Financial Report and would like one, please phone +61 (2) 8072 1400 or email [info@australgold.com](mailto:info@australgold.com) and a copy will be sent to you free of charge.

Shareholders will be asked to consider, and if thought fit, to pass, with or without amendment, the Resolution below, which will be proposed as a Non-Binding Ordinary Resolution:

**2. RESOLUTION 1 – ADOPTION OF THE REMUNERATION REPORT**

*"To adopt the Remuneration Report for the period ended 31 December 2018."*

Please refer to the voting exclusion statement on page 8 of this Notice.

Shareholders will be asked to consider, and if thought fit, to pass, with or without amendment, each of the Resolutions below, which will each be proposed as an Ordinary Resolution:

**3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR BENJAMIN JARVIS**

*"That Mr Benjamin Jarvis, who retires by rotation in accordance with the Company's Constitution and ASX Listing Rule 14.5, and being eligible, offers himself for re-election as a Director of the Company, effective immediately."*

**4. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – MR EDUARDO ELSZTAIN**

*"That Mr Eduardo Elsztain, who retires by rotation in accordance with the Company's Constitution and ASX Listing Rule 14.5, and being eligible, offers himself for re-election as a Director of the Company, effective immediately."*

**5. RESOLUTION 4 – RE-ELECTION OF DIRECTOR – MR PABLO VERGARA DEL CARRIL**

*“That Mr Pablo Vergara Del Carril, who retires by rotation in accordance with the Company’s Constitution and ASX Listing Rule 14.5, and being eligible, offers himself for re-election as a Director of the Company, effective immediately.”*

**6. RESOLUTION 5 – RE-ELECTION OF DIRECTOR – MR ROBERT TRZEBSKI**

*“That Mr Robert Trzebski, who retires by rotation in accordance with the Company’s Constitution and ASX Listing Rule 14.5, and being eligible, offers himself for re-election as a Director of the Company, effective immediately.”*

**7. RESOLUTION 6 – RE-ELECTION OF DIRECTOR – MR SAUL ZANG**

*“That Mr Saul Zang, who retires by rotation in accordance with the Company’s Constitution and ASX Listing Rule 14.5, and being eligible, offers himself for re-election as a Director of the Company, effective immediately.”*

**8. RESOLUTION 7 – RE-ELECTION OF DIRECTOR – MR WAYNE HUBERT**

*“That Mr Wayne Hubert, who retires by rotation in accordance with the Company’s Constitution and ASX Listing Rule 14.5, and being eligible, offers himself for re-election as a Director of the Company, effective immediately.”*

Shareholders will be asked to consider, and if thought fit, to pass, with or without amendment, each of the Resolutions below, which will each be proposed as a Special Resolution:

**9. RESOLUTION 8 – APPROVAL OF 10% CAPACITY TO ISSUE EQUITY SECURITIES**

*“That for the purposes of ASX Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of equity securities up to 10% of the issued capital in the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and otherwise on the terms and conditions in the Explanatory Statement which accompanies and forms part of this Notice of Meeting.”*

Please refer to the voting exclusion statement on page 8 of this Notice.

**10. RESOLUTION 9 – ADOPTION OF NEW CONSTITUTION**

*“That, for the purposes of section 136 of the Corporations Act and for all other purposes, the constitution of the Company be repealed and replaced with a constitution in the form of the document tabled at this Meeting and signed by the Chairman for the purposes of identification, effective immediately.”*

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DATED: 26 April 2019

By Order of the Board



Andrew Bursill  
Company Secretary  
Austral Gold Limited

## Voting Exclusion Statement

For the definitions of Key Management Personnel (**KMP**) and Closely Related Parties, please refer to the Glossary on page 19.

The Corporations Act restricts members of the KMP of the Company and their Closely Related Parties from voting in relation to remuneration related Resolutions (such as Resolution 1).

In addition, separate voting restrictions apply in respect of Resolution 8 under the ASX Listing Rules.

### What this means for Shareholders

If you intend to appoint a member of the KMP (other than the Chairman of the Meeting) as your proxy, please ensure that you direct them how to vote on Resolution 1. If you do not do so, your proxy will not be able to vote on your behalf on Resolution 1.

If you intend to appoint the Chairman of the Meeting as your proxy (and you are not a KMP or a Closely Related Party), you are encouraged to direct him how to vote by marking a box for Resolution 1 (for example if you wish to vote for, or against, or to abstain from voting). If you appoint the Chairman as your proxy without directing him how to vote on a resolution where he is a related party, the Chairman will not be able to vote on your behalf. However, the Company will not disregard a vote cast by the Chairman of the Meeting where it is in accordance with a direction on the proxy form to vote as the proxy decides. The Chairman of the Meeting intends to vote in favour of all Resolution 1 (where permissible). If you do not want your vote exercised in favour of Resolution 1, you should direct the Chairman of the Meeting to vote “against”, or to abstain from voting on Resolution 1.

The Company will disregard votes cast on Resolution 1 by the persons detailed in the table below.

Resolution	Voting Exclusions
Resolution 1 – Adoption of Remuneration Report	<p>A vote must not be cast in any capacity by or on behalf of:</p> <ul style="list-style-type: none"> <li>- A current or former member of the KMP whose remuneration details are included in the Remuneration Report for the period ended 31 December 2018, and</li> <li>- Any Closely Related Parties of such member of the KMP.</li> </ul> <p>In addition, no votes may be cast as a proxy by any other person who has become a member of the KMP by the time of the AGM, or their Closely Related Parties.</p> <p>However, the Company need not disregard a vote cast as proxy for a person who is entitled to vote on Resolution 1 if:</p> <ul style="list-style-type: none"> <li>- The vote is cast in accordance with the directions on the proxy form, specifying how the proxy is to vote on Resolution 1, and it is not cast on behalf of a KMP or their Closely Related Parties; and</li> <li>- The vote is cast by the Chairman of the Meeting and the proxy form authorises the Chairman to vote as the Chairman decides on the Resolution (even though it is connected with the remuneration of members of the KMP, including the Chairman).</li> </ul>
Resolution 8 – Approval of 10% Capacity to Issue Equity Securities	<p>The Company will regard any votes cast in favour of Resolution 8 by or on behalf of:</p> <ul style="list-style-type: none"> <li>- a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company); or</li> <li>- Any associates of those persons.</li> </ul> <p>However, the Company need not disregard a vote if:</p> <ul style="list-style-type: none"> <li>- 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</li> </ul>

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|  | <ul style="list-style-type: none"><li>- it is cast by the Chairman of 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.</li></ul> |
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## EXPLANATORY STATEMENT

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This Explanatory Statement has been prepared for the information of the Shareholders of the Company in connection with the business to be conducted at the Annual General Meeting to be held on Thursday, 30 May 2019 at 8.00am (AEST).

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether to pass the Resolutions in the Notice of Meeting.

If you are in any doubt about what to do in relation to the Resolutions contemplated in the Notice of Meeting and this Explanatory Statement, it is recommended that you seek advice from an accountant, solicitor or other professional advisor.

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### 1. **ITEM 1 - ADOPTION OF FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2018**

The business of the Annual General Meeting will include receipt and consideration of the Company's Financial Report, the Directors' Report and the Auditor's Report for the period ended 31 December 2018, which are included in Austral's Financial Report.

In accordance with the Corporations Act, Shareholders will be given a reasonable opportunity at the Annual General Meeting to ask questions and make comments on the Financial Report, and on the management of Austral.

No resolution is required for this item, but Shareholders will be given the opportunity to ask questions and to make comments on the management and performance of the Company.

The Company's auditor will be present at the Meeting. During the discussion of this item, the Auditor will be available to answer questions on the:

- Conduct of the audit;
- Preparation and content of the Auditor's Report;
- Accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- Independence of the Auditor in relation to the conduct of the audit.

#### Written questions for the Auditor

If you would like to submit a written question about the content of the Auditor's Report or the conduct of the Audit of the Financial Report to the Company's Auditor, please send your question to the Company Secretary. A list of qualifying questions will be made available at the Meeting.

Please note that all written questions must be received at least five business days before the Meeting, that is, by Tuesday 22 May 2019.

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## 2. RESOLUTION 1 – ADOPTION OF THE REMUNERATION REPORT FOR THE PERIOD ENDED 31 DECEMBER 2018

The Remuneration Report is set out in the Financial Report for the period ended 31 December 2018. The Remuneration Report details the Company's remuneration arrangements for the Directors and senior management of the Company.

Section 250R(2) of the Corporations Act requires that a resolution to adopt the Remuneration Report be put to the vote of the Company. Shareholders should note that the vote on Resolution 1 is advisory only and not binding on the Company or its Directors.

However, under the Corporations Act, if at least 25% of the votes cast on Resolution 1 are against the adoption of the Remuneration Report then:

- If comments are made on the Remuneration Report at the Meeting, Austral's Remuneration Report will be required to include an explanation of the Board's proposed action response or, if no action is proposed, the Board's reasons for this; and
- If, at next year's AGM, at least 25% of the votes cast on the resolution for adoption of the Remuneration Report are against it, Austral will be required to put to Shareholders a resolution proposing that an Extraordinary General Meeting (**EGM**) be called to consider the election of Directors (**Spill Resolution**). If the Spill Resolution is passed (i.e. more than 50% of the votes cast are in favour of it), all of the Directors (other than the Managing Director) will cease to hold office at the subsequent EGM, unless re-elected at that Meeting.

Last year, a resolution was passed to adopt the 2018 Remuneration Report, with in excess of 75% of votes cast in favour of the resolution on a show of hands (noting that in excess of 75% of proxies lodged were also in favour of the resolution).

In accordance with the Corporations Act, Shareholders will be given a reasonable opportunity at the Annual General Meeting to ask questions and make comments on the Remuneration Report.

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## 3. RE-ELECTION OF DIRECTORS

Clause 13.2 of the Constitution requires that all the Directors must retire at each Annual General Meeting. In accordance with this clause the Managing Director of the Company is exempt from retiring.

Directors who retire under clause 13.2 are eligible for re-election.

Clause 17.4 of the Constitution notes that a Managing Director shall not retire by rotation in accordance with clause 13.2. As Mr. Stabro Kasaneva is the Company's Managing Director, he is not required to retire as a Director and therefore does not require re-election at this meeting. In addition, ASX Listing Rule 14.5 requires that an entity which has directors to hold an election of directors at each annual general meeting.

### RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR BENJAMIN JARVIS

Mr Benjamin Jarvis was appointed to the Board on 2 June 2011. He is an Independent, Non-Executive Director and a member of the Audit Committee.

Mr Jarvis retires as a Director and now seeks re-election in accordance with clause 13.2 of the Constitution. He was last re-elected by shareholders on 30 May 2018.

Mr Jarvis is the Managing Director of Six Degrees Investor Relations, an Australian advisory firm that provides investor relations services to a broad range of companies listed on the Australian Securities Exchange. Mr Jarvis was educated at the University of Adelaide where he majored in Politics.

Mr Jarvis has not held any other Directorships with Australian or Canadian listed companies in the last three years.

**Board Recommendation:** *The Directors (with Mr Jarvis abstaining) unanimously recommend the re-election of Mr Jarvis.*

### **RESOLUTION 3 – RE-ELECTION OF DIRECTOR – MR EDUARDO ELSZTAIN**

Mr Eduardo Elsztain was appointed to the Board on 29 June 2007. He is a Non-Executive Director and Chairman.

Mr Elsztain retires as a Director and now seeks re-election in accordance with clause 13.2 of the Constitution. He was last re-elected by shareholders on 30 May 2018.

Mr Eduardo Elsztain is Chairman of IRSA Inversiones y Representaciones SA (NYSE:IRS; BASE: IRSA), one of Argentina's largest and most diversified real estate companies; and IRSA Commercial Properties (NASDAQ:IRCP; BASE: IRCP), with 15 shopping centres in Argentina, premium office buildings, five-star hotels and residential developments. These investments also extend into the US real estate market.

He also serves as Chairman of Cresud (NASDAQ:CRESY; BASE: CRES) and BrasilAgro (NYSE: LND; BVMF: AGRO3), leading Latin American agricultural companies that own directly and indirectly almost one million hectares of farmland.

Mr Elsztain is also Chairman of Banco Hipotecario SA (BASE: BHIP) and of BACS, a leading Argentinean bank specialised in providing innovative financial solutions to local companies.

He is Chairman of IDB Development, a leading conglomerate in Israel which directly and indirectly owns Discount Investment Corporation Ltd. (TASE: DISI); Property & Building Corp. (TASE: PTBL); Elron Electronic Industries (TASE: ELRN); Clal Insurance Enterprises Holdings (TASE: CLIS); Shufersal (TASE: SAE); and Cellcom (NYSE: CEL; TASE: CEL), among others.

Mr Elsztain is also a member of the World Economic Forum, the Council of the Americas, the Group of 50 and Argentina's Business Association (AEA).

He is President of Fundacion IRSA, which promotes education among children and young people, including "Puerta 18", a program that provides free computing and technology education for young people from low-income backgrounds in order to develop their scientific, artistic and professional talents.

Mr Elsztain has not held any other Directorships with Australian or Canadian publicly listed companies in the last three years.

**Board Recommendation:** *The Directors (with Mr Elsztain abstaining) unanimously recommend the re-election of Mr Elsztain.*

### **RESOLUTION 4 – RE-ELECTION OF DIRECTOR – MR PABLO VERGARA DEL CARRIL**

Mr Pablo Vergara del Carril was appointed to the Board on 18 May 2006. He is a Non-Executive Director and a member of the Audit Committee.

Mr Vergara del Carril retires as a Director and now seeks re-election in accordance with clause 13.2 of the Constitution. He was last re-elected by shareholders on 30 May 2018.

He is a member of the International Bar Association, the American Bar Association and the AMCHAM, among other legal and business organizations. He is a founding Board member of the Australian-Argentinean Chamber of Commerce. He is a Board member of the Argentine Chamber of Corporations and also an Officer of its Legal Committee. He is recognised as a leading lawyer in Corporate, Real Estate, M&A, Banking & Finance and Real Estate Law by international publications such as Chamber & Partners, Legal 500, International Financial Law Review, Latin Lawyer and Best Lawyer.

He is a Director of Banco Hipotecario SA (BASE: BHIP), Nuevas Fronteras (owner of the Intercontinental Hotel in Buenos Aires), IRSA Commercial Properties (NASDAQ: IRCP, BASE: APSA) and Emprendimiento Recoleta SA (owner of the Buenos Aires Design Shopping Centre),

among other companies. Mr Vergara del Carril is also a Director of Guanaco Mining Company Limited and Guanaco Capital Holding Corp.

Mr Vergara del Carril has not held any other Directorships with publicly listed companies in the last three years.

**Board Recommendation:** *The Directors (with Mr Vergara del Carril abstaining) unanimously recommend the re-election of Mr Vergara del Carril.*

#### **RESOLUTION 5 – RE-ELECTION OF DIRECTOR – MR ROBERT TRZEBSKI**

Mr Robert Trzebski was appointed to the Board on 22 May 2007. He is an Independent, Non-Executive Director and Chairman of the Audit Committee.

Mr Trzebski retires as a Director and now seeks re-election in accordance with clause 13.2 of the Constitution. He was last re-elected by shareholders on 30 May 2018.

Dr Trzebski holds a degree in Geology, PhD in Geophysics, Masters in Project Management and has over 25 years of professional experience in mineral exploration, project management and mining services. He is currently Chief Operating Officer of Austmine Ltd and a fellow of the Australian Institute of Mining and Metallurgy.

Dr Trzebski has not held any other Directorships with publicly listed companies in the last three years.

**Board Recommendation:** *The Directors (with Mr Trzebski abstaining) unanimously recommend the re-election of Mr Trzebski.*

#### **RESOLUTION 6 – RE-ELECTION OF DIRECTOR – MR SAUL ZANG**

Mr Saul Zang was appointed to the Board on 29 June 2007. He is a Non-Executive Director.

Mr Zang retires as a Director and now seeks re-election in accordance with clause 13.2 of the Constitution. He was last re-elected by shareholders on 30 May 2018.

Mr. Zang obtained a law degree from Universidad de Buenos Aires. He is a founding member of the law firm Zang, Bergel & Viñes.

Mr Zang is an adviser and Member of the Board of Directors of Buenos Aires Stock Exchange and provides legal advice to national and international companies. Mr Zang currently holds:

- (i) Vice-Chairmanships on the Boards of IRSA (NYSE: IRS, BASE: IRSA), IRSA Commercial Properties (NASDAQ: IRCP, BASE: IRCP), Cresud (NASDAQ: CRESY, BASE: CRES) and
- (ii) Directorships with Banco Hipotecario (BASE: BHIP), BrasilAgro (NYSE: LND, BVMF:AGRO3), IDB Development – a leading conglomerate in the State of Israel which directly and indirectly owns Clal Insurance Enterprises Holdings (TASE: CLIS), Shufersal (TASE: SAE), Cellcom (NYSE & TASE: CEL), Properties & Building Corp. (TASE: PTBL), ADAMA Agricultural Solutions, Elron Electronic Industries (TASE: ELRN) among others.

Mr Zang has not held any other Directorships with publicly listed companies in the last three years.

**Board Recommendation:** *The Directors (with Mr Zang abstaining) unanimously recommend the re-election of Mr Zang.*

#### **RESOLUTION 7 – RE-ELECTION OF DIRECTOR – MR WAYNE HUBERT**

Mr Wayne Hubert was appointed to the Board on 18 October 2011. He is an Independent, Non-Executive Director.

Mr Hubert retires as a Director and now seeks re-election in accordance with clause 13.2 of the Constitution. He was last re-elected by shareholders on 30 May 2018.

Mr Hubert is a mining executive with over 15 years' experience working in the South American resources sector. From 2006 until 2010 he was the Chief Executive Officer of ASX-listed Andean Resources Limited ('Andean'), and led the team that increased Andean's value from \$70 million to \$3.5 billion in four years. Andean was developing a world-class silver and gold mine in Argentina with a resource of over 5 million ounces of gold when it was acquired by Goldcorp Inc. of Canada.

Mr Hubert holds a degree in Engineering and a Master of Business Administration and has held executive roles for Meridian Gold with experience in operations, finance and investor relations.

In addition to his role at Austral Gold Limited, Mr Hubert is the Chief Executive Officer and Director of InZinc Mining Limited (TSX-V: IZN). He has not held any other Directorships with publicly listed companies in the last three years.

**Board Recommendation:** *The Directors (with Mr Hubert abstaining) unanimously recommend the re-election of Mr Hubert.*

#### **4. RESOLUTION 8 - APPROVAL OF 10% CAPACITY TO ISSUE EQUITY SECURITIES**

##### **(a) ASX Listing Rule 7.1**

ASX Listing Rule 7.1 restricts listed companies in relation to the number of equity securities that they can issue or agree to issue without Shareholder Approval. Generally, a listed company cannot, in any 12-month period, issue a number of equity securities which is more than 15% of their fully paid ordinary shares on issue without Shareholder Approval (15% Limit), unless an exception under ASX Listing Rule 7.2 applies. The Company has not exceeded this 15% Limit.

##### **(b) ASX Listing Rule 7.1A**

ASX Listing Rule 7.1A enables eligible entities to issue equity securities up to 10% of their issued capital through placements over a 12-month period after an annual general meeting. This 10% placement capacity (10% Limit) is in addition to the Company's 15% Limit under ASX Listing Rule 7.1.

An eligible entity for the purposes of ASX Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

##### **(c) Shareholder Approval**

Shareholder Approval is now sought in accordance with ASX Listing Rule 7.1A to give the Company the ability to issue equity securities under the 10% Limit. Resolution 9 must be passed as a Special Resolution, meaning that at least 75 per cent of the votes cast at the AGM must be in favour of Resolution 9. Shareholder approval for the Company to issue equity securities under the 10% Limit was previously provided on 30 May 2018. This approval expires on 30 May 2019. The Company is seeking shareholder approval for the Company to issue equity securities under the 10% Limit for the period of 12 months from the date of the Annual General Meeting.

##### **(d) Current Securities on Issue**

As at the date of this Notice, the Company has the following classes and numbers of equity securities on issue:

<b>Security Class</b>	<b>Number on Issue</b>
Ordinary Shares	534,173,010

**(e) Duration of Approval of 10% Limit**

Shareholder Approval of the 10% Limit under ASX Listing Rule 7.1A is valid from the date of the Annual General Meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) The date that is 12 months after the date of the Annual General Meeting at which the approval is obtained; or
- (ii) The date of the approval by shareholders of a transaction under ASX Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or ASX Listing Rule 11.2 (disposal of main undertaking), (**the Period of Approval**).

**(f) Formula for Calculation of 10% Limit**

The exact number of equity securities to be issued under the 10% Limit will be determined in accordance with the following formula, which is prescribed in ASX Listing Rule 7.1A.2:

Eligible entities which have obtained Shareholder Approval at an Annual General Meeting may issue or agree to issue, during the Period of Approval, a number of equity securities calculated in accordance with the following formula:

**(A x D) – E**

**A** Is the number of ordinary shares on issue 12 months before the date of issue or agreement:

- Plus the number of fully paid ordinary shares issued in the 12 months under an exception in ASX Listing Rule 7.2;
- Plus the number of partly paid ordinary shares that became fully paid in the 12 months;
- Plus the number of fully paid ordinary shares issued in the 12 months with approval of holders of ordinary shares under ASX Listing Rule 7.1 or ASX Listing Rule 7.4. This does not include an issue of fully paid ordinary shares under the entity's 15% Limit without Shareholder Approval;
- Less the number of fully paid ordinary shares cancelled in the 12 months.

Note that A has the same meaning in ASX Listing Rule 7.1 when calculating an entity's 15% Limit.

**D** Is 10%

**E** Is the number of equity securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under ASX Listing Rule 7.1 or ASX Listing Rule 7.4.

ASX Listing Rule 7.3A requires the following information to be provided to Shareholders:

**(g) Minimum Price**

The issue price of equity securities issued under ASX Listing Rule 7.1A must be not less than 75% of the VWAP of the Company's equity securities in the same class, calculated over the 15 Trading Days immediately before:

- (i) The date on which the price at which the equity securities are to be issued is agreed; or
- (ii) If the equity securities are not issued within five trading days of the date in paragraph (i) above, the date on which the equity securities are issued.

## (h) Risk of Voting Dilution

If Resolution 8 is approved by Shareholders and the Company issues equity securities under the 10% Limit, the existing Shareholders' voting power in the Company will be diluted as shown in the below table. There is a risk that:

- (i) The market price for the Company's equity securities may be significantly lower on the date of the issue of the equity securities than on the date of the Meeting; and
- (ii) The equity securities may be issued at a price that is at a discount to the market price for the Company's equity securities on the issue date or the equity securities are issued as part of the consideration for the acquisition of a new asset.

The table below shows the dilution of existing Shareholders on the basis of the current market price of ordinary shares and the current number of ordinary shares for variable 'A', calculated in accordance with the formula in ASX Listing Rule 7.1A(2), as at the date of this Notice.

The table also shows:

- (i) Two examples where variable 'A' has increased, by 50% and 100%. Variable 'A' is based on the number of ordinary shares the Company currently has on issue. The number of ordinary shares on issue may increase as a result of issues of ordinary shares that do not require Shareholder Approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under ASX Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- (ii) two examples of where the issue price of ordinary shares has decreased by 50% and increased by 100% as against the current market price.

Variable 'A' in ASX Listing Rule 7.1A.2		Dilution		
		\$0.055 50% decrease in Issue Price	\$0.110 Issue Price	\$0.220 100% increase in Issue Price
Current Variable 'A' 534,173,010	10% Voting Dilution	53,417,301	53,417,301	53,417,301
	Funds Raised \$	\$2,937,952	\$5,875,903	\$11,751,806
50% increase in current variable 'A' 801,259,515	10% Voting Dilution	80,125,952	80,125,952	80,125,952
	Funds Raised \$	\$4,406,927	\$8,813,855	\$17,627,709
100% increase in current variable 'A' 1,068,346,020	10% Voting Dilution	106,834,602	106,834,602	106,834,602
	Funds Raised \$	\$5,875,903	\$11,751,806	\$23,503,612

The above table has been prepared on the following assumptions:

- (i) the issue price is \$0.110 being the closing market price of the ordinary shares on the ASX on 2 April 2019;
- (ii) the Company issues the maximum number of equity securities available under the 10% Limit;
- (iii) no Options are exercised into ordinary shares before the date of the issue of equity securities;

- (iv) the 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%;
- (v) the table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Limit, based on that Shareholder's holding at the date of the Meeting;
- (vi) the table shows only the effect of issue of equity securities under ASX Listing Rule 7.1A, not under the 15% Limit under ASX Listing Rule 7.1; and
- (vii) the issue of equity securities under the 10% Limit consists only of ordinary shares.

**(i) Period of Approval**

The Company will only issue and allot the equity securities during the Period of Approval. The approval under Resolution 9 for the issue of the equity securities will cease to be valid in the event that Shareholders approve a transaction under ASX Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or ASX Listing Rule 11.2 (disposal of main undertaking).

**(j) Purpose of Issue under 10% Limit**

The Company may seek to issue the equity securities for the following purposes:

- (i) Non-cash consideration for the acquisition of assets such as mineral exploration tenements, or a business or company holding mineral exploration tenements. In such circumstances the Company will provide a valuation of the non-cash consideration as required by ASX Listing Rule 7.1A.3; or
- (ii) Cash consideration. In such circumstances, the Company intends to use the funds raised towards continued exploration and feasibility study expenditure on the Company's current assets and/or general working capital.

The Company will comply with the disclosure obligations under ASX Listing Rules 7.1A(4) and 3.10.5A upon issue of any equity securities.

**(k) Allocation Policy**

The Company's Allocation Policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Limit. The identity of the allottees of equity securities will be determined on a case by case basis, having regard to the factors including but not limited to the following:

- (i) The purpose of the issue;
- (ii) The alternative methods for raising funds that are available to the company at the time, including but not limited to, rights issues or other issues in which existing security holders can participate;
- (iii) The effect of the issue of the equity securities on the control of the company;
- (iv) The circumstances of the company, including the financial position and solvency of the company; and
- (v) Advice from corporate, financial and broking advisers (if available).

The allottees under the 10% Limit have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

**(l) Voting Exclusion Statement**

A voting exclusion applies to this item of business, as set out in the Notice.

At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder to participate in the issue of the equity securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in this Notice.

**(m) Previous Approval under ASX Listing Rule 7.1A**

The Company previously obtained Shareholder Approval under ASX Listing Rule 7.1A at the Company's Annual General Meeting on 30 May 2018.

During the period preceding the date of this Meeting, being from and including 30 May 2018 to and including 26 April 2019, being the date of this Notice of Meeting (relevant period), the Company had issued in aggregate nil ordinary shares.

**Board Recommendation:** The Directors unanimously recommend that Shareholders vote in favour of approving the 10% Limit. This will enable the Company to have the flexibility to issue further equity securities representing up to 15% of the Company's share capital under ASX Listing Rule 7.1 and an additional 10% of the Company's share capital under ASX Listing Rule 7.1A during a 12-month period without seeking further Shareholder Approval.

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**5. RESOLUTION 9 – ADOPTION OF NEW CONSTITUTION**

The Company's current constitution was adopted by the Company following receipt of Shareholder approval on 30 November 2016.

For the following reasons, the Board of the Company wishes to amend its existing Constitution:

- Presently, any proceeds of sale of a Minority Member's shareholding must be processed as a cheque sent by post to the Member. This payment method is inefficient, costly and less reliable in comparison to other payment methods, such as by Electronic Funds Transfer (EFT). In many cases, the fees associated with drawing the cheque (and postage) will exceed the cheque amount. The proposed amendments will extend the range of permissible payment methods to include an EFT to the shareholder's nominated account, any other payment method that the Board (at its discretion) considers appropriate, and even to donate the proceeds to a charity that the Directors determine (provided that the Minority Member provides written consent to do so). This will avoid the Company incurring unnecessary costs from the sale of Minority Member shareholdings.
- The current procedure for calculating the price per share at which a Minority Member's shareholding is to be sold is onerous. The price, which is based upon the last sale price over the previous ten trading days, must effectively be recalculated every day until an offer exceeding the price is received. The amendments will enable the Company to sell Minority Member shares at the best price reasonably available at the time (as determined by the Directors). This will improve flexibility in relation to the sale of Minority Member shareholdings as well as remove the need for continuous recalculation of the price.

Accordingly, the Company has prepared an updated Constitution (**New Constitution**) which incorporates the following key amendments:

- (a) clause 3.8 has been amended to provide greater flexibility to the Company in the provision of the proceeds of sale of a Minority Member's securities to that Member; and
- (b) clauses 3.2, 3.4(a) and 3.5 have been amended to enable the sale of a Minority Member's securities at a price which the Directors consider is the best reasonably available price at the time.

Prior to the Meeting, a copy of the New Constitution will be available for review by Shareholders at the Company's registered office during normal business hours. A copy of the New Constitution

can also be sent to Shareholders of the Company upon a request being made to the Company on (02) 8072 1400.

A complete signed copy of the New Constitution will be tabled at the Meeting.

Pursuant to section 136(2) of the Corporations Act, a modification to the Company's Constitution can only be effected by way of a Special Resolution passed by its Shareholders. Therefore, this Resolution is a Special Resolution that can only be passed if at least 75% of the total votes cast by Shareholders entitled to vote on this Resolution are voted in its favour.

- If you have any doubt or do not understand this Resolution, it is strongly recommended that you seek advice from a solicitor or other professional advisor.

**Board Recommendation:** The Directors unanimously recommend that Shareholders vote in favour of this Resolution.

## 6. ENQUIRIES

Shareholders may contact the Company Secretary if they have any queries in respect of the matters set out in these documents.

Andrew Bursill  
Company Secretary  
Austral Gold Limited

c/- Automic Group  
Level 5  
126 Phillip Street  
Sydney NSW 2000  
Australia

Tel: (+61 2) 9698 5414

Email: [info@australgold.com](mailto:info@australgold.com)

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## 7. GLOSSARY

**AEST** means Australian Eastern Standard Time, Sydney, New South Wales, Australia.

**Austral Group** means Austral and its controlled entities.

**Annual General Meeting, AGM or Meeting** means the meeting convened by the Notice.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited (ABN 98 008 624 691).

**ASX Listing Rules** means the Listing Rules of ASX.

**Auditor's Report** means the auditor's report of KPMG dated 15 March 2019 as included in the Financial Report.

**Board** means the Board of Directors of the Company as constituted from time to time.

**Business Day** has the meaning given to that term in ASX Listing Rule 19.12.

**Closely Related Parties**, in relation to a member of KMP, means the member's spouse, child or dependant (or a child or dependant of the member's spouse), anyone else in the member's family who may be expected to influence or be influenced by the member in the member's dealings with Austral (or the Austral Group), and any company the member controls.

**Company or Austral or Austral Gold** means Austral Gold Limited (ACN 075 860 472).

**Constitution** means the Constitution of the Company.

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

**Directors** mean the Directors of the Company.

**Directors' Report** means the report of Directors as included in the Financial Report.

**Documents** means each of the Notice, Explanatory Statement and the Proxy Form and all other documents that accompany each other when sent to each Shareholder.

**Explanatory Statement** means the explanatory statement accompanying the Notice.

**Financial Report** means the 2018 Annual Report to Shareholders for the period ended 31 December 2018 as lodged by the Company with ASX on 15 March 2019 (including the correction to Annual Report lodged by the Company with ASX on 18 March 2019).

**Key Management Personnel or KMP** means those persons having authority and responsibility for planning, directing and controlling the activities of Austral or the Austral Group, whether directly or indirectly. Members of the KMP include Directors and certain senior executives.

**Notice** means the notice of Meeting that accompanies and forms part of the Documents.

**Option** means an option, if exercised in accordance with its terms, to acquire one Share in the Company.

**Ordinary Resolution** means a resolution passed by more than 50 per cent of the votes at a general meeting of Shareholders.

**PT** means Pacific Time, Vancouver, British Columbia, Canada.

**Remuneration Report** means the remuneration report as set out in the Financial Report.

**Resolutions** means the resolutions set out in the Notice, or any one of them, as the context requires.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a holder of a Share.

**Share Registry** means Computershare Investor Services Pty Limited.

**Special Resolution** means a resolution passed by at least 75 per cent of the votes at a general meeting of Shareholders.

**Trading Day** has the meaning given to that term in ASX Listing Rule 19.12.

**TSX-V** means TSX Venture Exchange.

**VWAP** means the volume weighted average price of trading in Shares on the ASX market and the Chi-X market over a specified period, excluding block trades, large portfolio trades, permitted trades during the pre-trading hours period, permitted trades during the post-trading hours period, out of hours trades and exchange traded option exercises.

## **Interpretation**

In these Documents, unless the context requires otherwise:

- (a) A reference to a word includes the singular and the plural of the word and vice versa;
- (b) A reference to a gender includes any gender;
- (c) If a word or phrase is defined, then other parts of speech and grammatical forms of that word or phrase have a corresponding meaning;
- (d) A term which refers to a natural person includes a company, a partnership, an association, a corporation, a body corporate, a joint venture or a governmental agency;
- (e) Headings are included for convenience only and do not affect interpretation;
- (f) A reference to a document includes a reference to that document as amended, novated, supplemented, varied or replaced;
- (g) A reference to a thing includes a part of that thing and includes but is not limited to a right;
- (h) The terms “included”, “including” and similar expressions when introducing a list of items do not exclude a reference to other items of the same class or genus;
- (i) A reference to a statute or statutory provision includes but is not limited to:
  - (i) A statute or statutory provision which amends, extends, consolidates or replaces the statute or statutory provision;
  - (ii) A statute or statutory provision which has been amended, extended, consolidated or replaced by the statute or statutory provision; and
  - (iii) Subordinate legislation made under the statute or statutory provision including but not limited to an order, regulation, or instrument;
- (j) Reference to “\$”, “a\$”, “Australian dollars” or “dollars” is a reference to the lawful tender for the time being and from time to time of the commonwealth of Australia; and
- (k) A reference to an asset includes all property or title of any nature including but not limited to a business, a right, a revenue and a benefit, whether beneficial, legal or otherwise.