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Company Announcements Office
Australian Stock Exchange Limited

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ASX: AGD

AUSTRAL GOLD LIMITED BECOMES A GOLD PRODUCER

Further to Austral Gold's announcement on 12 August 2010 regarding the retreatment of heap leach material at its 100% owned Guanaco Project in northern Chile, the Company is pleased to announce that the first gold dore bar was poured on 19 October.

This important milestone was achieved according to the schedule and plans announced to shareholders and the ASX at the November 2009 Annual General Meeting.

As announced on 6 October, open cut mining of primary ore has recommenced with the objective of increasing gold production above the rate of 2,000 oz per month from heap leach retreatment.

By Order of the Board

Catherine Lloyd
Company Secretary/CFO

PRESS RELEASE