



## JOINT MEDIA RELEASE

Austral Gold Limited and New Dimension Resources Ltd.

13 October 2020

### **Austral Gold Closes Acquisition of New Dimension's Sierra Blanca Gold-Silver Project**

Austral Gold Limited (“**Austral**”) (ASX: AGD; TSX-V: AGLD) and New Dimension Resources Ltd. (“**New Dimension**”) (TSX-V:NDR) are pleased to announce the closing of the previously announced acquisition of New Dimension's Sierra Blanca Gold-Silver Project in Santa Cruz Province, Argentina. The transaction enables Austral to acquire an initial 80% interest in Sierra Blanca S.A. (“**SBSA**”) that owns the Sierra Blanca project for a total of US\$800,000 in cash and work commitments, with a ‘follow-on’ option to purchase the remaining 20% interest for an additional US\$2,300,000 in cash and work commitments. Austral plans to fund the cost of the transaction from cash flow generated from operations. Please refer to the Joint News release dated 1 April 2020 for further details of the transaction.

**Austral Gold's Chief Executive Officer, Stabro Kasaneva said:** “We are pleased to add Sierra Blanca to our portfolio of attractive exploration projects in Argentina. The project complements our Pingüino project and expands our exploration footprint to over 17,000 hectares over the two projects. Both projects are located adjacent to each other in the geological zone of Deseado Massif in the Santa Cruz Province, one of the most prominent precious metal regions in the world including world-class deposits such as Cerro Vanguardia <sup>1</sup>.”

<sup>1</sup> Mineralisation hosted on nearby and/or adjacent properties is not necessarily indicative of mineralisation hosted on the Company's properties

**Eric Roth, New Dimension's CEO, commented:** “I am pleased to be reporting the closing of the Sierra Blanca Transaction, after an extended Due Diligence process which had been significantly impacted by Covid-19 lockdowns and travel restrictions in Argentina. We are now looking forward to Austral initiating field activities at Sierra Blanca and continuing to work towards unlocking the full economic potential of the combined Sierra Blanca-Pingüino district.

With the closing of the Sierra Blanca Transaction, New Dimension now has three projects in which day-to-day operations are managed by Joint Venture partners (Sierra Blanca, Domain, and the recently-announced Joint Venture with Ethos Gold Corp. at the Savant Lake Project). This will allow us to focus on advancing our recently acquired, high-grade Løkken and Kjølvi copper projects in Norway and the Southern Gold Line project in Sweden towards drilling. I look forward to keeping the market informed on advances at our Canadian and Scandinavian projects, as well as shortly providing an update on our Las Calandrias project”.

### **Options to Acquire 50% of Underlying Net Smelter Royalties**

New Dimension also entered into agreements with both Iamgold Corporation (“Iamgold”) and Sandstorm Gold Limited (“Sandstorm”) that provide SBSA with options to acquire one-half of their respective royalties on the Sierra Blanca project.

The agreement with Iamgold provides SBSA the option to acquire one half (0.75%) of its 1.5% NSR for CAD \$750,000 at any time prior to the commencement of commercial production. In further consideration of this agreement, and subject to approval by the TSX Venture Exchange, New Dimension will issue Iamgold 500,000 NDR common shares.

The agreement with Sandstorm provides SBSA the option to acquire one-half (1%) of its existing 2% NSR for CAD \$1,000,000 at any time prior to the commencement of commercial production.

### **About the Sierra Blanca project:**

New Dimension acquired a 100% interest in the Sierra Blanca gold-silver project from Sandstorm Gold Limited (“Sandstorm”) in May, 2018, as part of the acquisition of a larger portfolio of three gold-silver projects - Las Calandrias, Los Cisnes, and Sierra Blanca – all located in the highly-prospective and mining-friendly Santa Cruz Province. The Sierra Blanca project was previously controlled by Mariana Resources Limited (“Mariana”) and consists of approximately 7,000 Ha (70 square kilometres) of mining claims.

Previous work at Sierra Blanca had mostly been focused on the E-W-trending Chala-Achen and Lucila vein systems, where high-grade silver values had been derived from surface channel sampling (including 9.4m @ 2,362 g/t Ag at Chala-Achen; see New Dimension News Release dated 4 March 2019 (Figures 2 and 3)). During 2019, exploration activities at Sierra Blanca were focused on trenching and sampling on the NW-trenching Ana (and Ana Splay), Tranquilo, and Laguna “vein fields” with targets for follow-up drilling having been defined. A total of 10 target areas have been identified for further work at Sierra Blanca (typically dilation zones associated with the intersection of mineralized NE- and NW-trending vein/fault systems), and only 4 of these have been partially tested by historical drilling (a total of 122 holes for 15,924 m, completed mostly in the Chala-Achen-Lucila corridor). All of the major vein systems known in the eastern portion of the Sierra Blanca are interpreted by New Dimension to extend into the adjacent Pingüino property.

### **About the Pingüino project**

The Silver-Gold-Zinc-Lead-Indium Pingüino Project is an advanced stage development project located in the south-central part of Argentina; 300km southwest of the city of Comodoro Rivadavia and 220km northwest of Puerto San Julián. In the last 15 years, six mines were constructed in the Santa Cruz Province, making it one of the most prominent precious metal regions in the world, including world class deposits such as Cerro Vanguardia and Cerro Negro<sup>1</sup>. The Pingüino Project is embedded in a vein field similar, but smaller to Cerro Vanguardia, some 35km north-west along the same controlling structure as the Pingüino deposit (225km strike length of veins vs 115 km strike length of veins). The project has year-round access, is close to major infrastructure, has no nearby communities and more than 70% of surface land is owned by the Austral.

The 2014 updated Resource Estimate Highlights include:

**Ag Eq. = Ag+ 50\* Au**

**Zn, Pb and In are not included in the resource for Ag equivalent**

- The Technical report was prepared by Mine Development Associates (“MDA”) of Reno Nevada and dated 19 September 2014
- AGD is not aware of any new information or data that materially affects the data above
- All material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.
- The form and context in which the Competent Person’s findings are presented have not been materially modified.

Link to the Pingüino project technical report:

<https://www.australgold.com/technical-reports/>

**Qualified Persons and Disclosure Statement**

The technical information in this news release relating to the Pingüino project has been approved by Dr Robert Trzebski, a Competent Person and a Qualified Person under NI 43-101 who is a fellow of the Australian Institute of Mining and Metallurgy (AUSIMM) and an Independent Director of Austral Gold.

**About Austral Gold**

Austral Gold Limited is a growing gold and silver mining, development and exploration company building a portfolio of quality assets in Chile, the US and Argentina. Austral's flagship Guanaco/Amancaya project in Chile is a gold and silver producing mine with further exploration upside. Austral also holds the Casposo Mine (San Juan, Argentina), a 26.46% interest in the Rawhide Mine (Nevada, USA) and an attractive portfolio of exploration projects including the Pingüino project in Santa Cruz, Argentina (100% interest) and the San Guillermo and Reprado projects near Amancaya, Chile (100% interest). With an experienced local technical team and highly regarded major shareholder, Austral's goal is to continue to strengthen its asset base through acquisition and discovery. Austral is listed on the TSX Venture Exchange (TSXV: AGLD), and the Australian Securities Exchange. (ASX: AGD). For more information, please consult Austral's website [www.australgold.com](http://www.australgold.com).

**About New Dimension Resources Ltd**

New Dimension is engaged in the acquisition, exploration, and development of quality mineral resource properties in favourable jurisdictions with a focus on high-grade gold and base metal deposits. The Company’s current focus is on the discovery through exploration of high-grade gold deposits on its newly-acquired 100%-owned Southern Gold Line Project (Sweden), as well as on its Savant Lake project (Ontario) and its 29.6% interest in the Domain Joint Venture with Yamana Gold in Manitoba (Canada). In addition, the Company has acquired 100% interests in two large properties covering the past-producing Løkken and Kjølvi copper-rich massive sulfide deposits in central Norway and in which drill-ready targets have already been identified.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

On behalf of Austral Gold Limited:  
**"Stabro Kasaneva"**  
CEO

On Behalf of New Dimension Resources Ltd.  
**"Eric Roth"**  
CEO

Release approved by the Chief Executive Officer of Austral Gold, **Stabro Kasaneva**

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**Forward Looking Statements**

Statements in this news release that are not historical facts are forward-looking statements. Forward-looking statements are statements that are not historical, and consist primarily of projections, statements regarding future plans, expectations and developments. Words such as "expects", "intends", "plans", "may", "could", "potential", "should", "anticipates", "likely", "believes" and words of similar import tend to identify forward-looking statements. Forward-looking statements in this news release include we expect that the acquisition of Sierra Blanca will enable us to increase the value of our Pingüino project, that Austral plans to fund the cost of the transaction from cash flow generated from operations, Austral will initiate field activities at Sierra Blanca and continue to work towards unlocking the full economic potential of the combined Sierra Blanca-Pingüino district, New Dimension will keep the market informed on advances at its Canadian and Scandinavian projects, as well as shortly providing an update on its Calandrias project.

All of these forward-looking statements are subject to a variety of known and unknown risks, uncertainties and other factors that could cause actual events or results to differ from those expressed or implied, including, without limitation, business integration risks; uncertainty of production, development plans and cost estimates, commodity price fluctuations; political or economic instability and regulatory changes; currency fluctuations, the state of the capital markets especially in light of the effects of the novel coronavirus, uncertainty in the measurement of mineral reserves and resource estimates, Austral's ability to attract and retain qualified personnel and management, potential labour unrest, reclamation and closure

requirements for mineral properties; unpredictable risks and hazards related to the development and operation of a mine or mineral property that are beyond the Company's control, the availability of capital to fund all of the Company's projects and other risks and uncertainties identified under the heading "Risk Factors" in the Company's continuous disclosure documents filed on the ASX and on SEDAR. You are cautioned that the foregoing list is not exhaustive of all factors and assumptions which may have been used. Austral cannot assure you that actual events, performance or results will be consistent with these forward-looking statements, and management's assumptions may prove to be incorrect. Austral's forward-looking statements reflect current expectations regarding future events and operating performance and speak only as of the date hereof and Austral does not assume any obligation to update forward-looking statements if circumstances or management's beliefs, expectations or opinions should change other than as required by applicable law. For the reasons set forth above, you should not place undue reliance on forward-looking statements.