



MEDIA RELEASE

Austral Gold Limited

25 February 2021

Austral Gold Closes Acquisition of Ensign Gold

Austral Gold Limited (the “**Company**” or “**Austral**”) (ASX: AGD; TSX-V: AGLD) is pleased to announce that its wholly-owned subsidiary, Argentex Mining Corp., has completed its purchase of 5,950,000 units (each a “**Unit**”) in the capital of Ensign Gold Inc. (“**Ensign**”), a privately-held Canadian company with exploration assets in the state of Utah, U.S.A., for an aggregate purchase price of C\$1,487,500 (approximately US\$1,171,260), or C\$0.25 per Unit.

Each Unit consists of one Class A share (each, a “**Share**”) in the capital of Ensign and one-half of one transferable share purchase warrant (each whole warrant, a “**Warrant**”). Each Warrant will entitle the holder to purchase one additional Share at an exercise price of \$1.50 for a period of 36 months, subject to an acceleration provision. After adjusting for this subscription, Argentex owns approximately 19.96% of the issued and outstanding Ensign Shares on an undiluted basis and approximately 27.22% on a partially diluted basis (approximately 22.90% on a fully diluted basis).

About Ensign

Ensign is a privately-held federally incorporated Canadian company. It is not a reporting issuer in any Province of Canada, nor is it listed on any stock exchange. It is currently assembling a 5,000-hectare land package on favourable Carlin-type gold deposit geology in the state of Utah with the goal of consolidating the Mercur camp for the first time. Ensign owns 54 patented claims, 370 unpatented claims, and 5 SITLA claims on South Mercur, West Mercur and North Mercur. Historically, this region produced over 3 million ounces of gold and was shut down over two decades ago when gold was selling for less than \$300 per ounce.

Chief Executive Officer, Stabro Kasaneva commented: “We are pleased to close this transaction with Ensign as this investment is consistent with our expansion plans into North America – investing in one of the first Carlin type discoveries, with significant exploration upside remaining at today’s gold prices. The Mercur property is adjacent to the prolific Bingham Canyon mine which has produced over 50 million ounces of gold and over 30 million tonnes of copper on the other side of the mountain range. This represents a modest investment to potentially unlock another gold opportunity for us in North America.”

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 USA and Argentina. Austral owns 100% interest in the Guanaco/Amancaya mine in Chile and the Casposo Mine (care and maintenance) in Argentina, and a 26.46% interest in the Rawhide Mine in Nevada. In addition, Austral owns an attractive portfolio of exploration projects in the Paleocene Belt in Chile (including those acquired in the recent acquisition of Revelo Resources Corp) and a 100% interest in the Pingüino project in Santa Cruz, Argentina. Austral Gold Limited is listed on the TSX Venture Exchange (TSX-V: AGLD), and the Australian Securities Exchange. (ASX: AGD). For more information, please

consult Austral's website at (www.australgold.com).

Neither 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.

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 statements concerning the Company's belief that there is exploration upside at the Mercur property at today's gold prices and that this investment represents a modest investment to potentially unlock another gold opportunity for Austral Gold in North America.

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 the Mercur project 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.