

MEDIA RELEASE

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AUSTRAL GOLD RENEGOTIATES TERMS WITH AMINSA

The Directors of Austral Gold Limited announce today that it has renegotiated terms with Argentina Minera SA that:

- removes the obligation to fund a further US \$8.7 million investment in the AMINSA Project;
- enables recovery of US \$6.65 million invested to date; and
- provides potential for a new on-going revenue stream.

The Directors of Austral Gold Limited (ASX: AGD) announce today that it has executed documents with Argentina Minera SA (AMINSA) to withdraw from the 2008 earn-in agreement and enter into a new Net Smelter Royalty Agreement (NSR) in the AMINSA Project in north-west Argentina.

By exiting the 2008 earn-in agreement Austral Gold has reduced its future investment obligations in the AMINSA Project from US \$8.7 million over two years to a payment of US \$350,000. US \$250,000 of this has been paid and US \$100,000 is due for payment in March 2014. The new NSR Agreement provides Austral Gold with a 2% royalty from the Project until all funds invested have been recovered (US \$6.65 in total), after which the royalty will decrease to 0.5% providing a new on-going revenue stream with no further outlay.

Austral Gold has taken the decision to renegotiate terms on the AMINSA Project so it can strategically invest in under-valued precious metals companies with attractive production potential as well as to deploy funds on its own projects.

Following the C\$5 million investment for a 19.9% stake in Argentex Mining Corporation (TSX-V: ATX | OTCQB: AGXMF) announced last month, Austral Gold is assessing further opportunities in Latin America, specifically in Chile and Argentina, that will strengthen its portfolio in precious metals assets.

The Company can confirm that the Guanaco gold-silver mine in Chile is performing well and continues to generate positive cash flows. This gives Austral Gold the financial flexibility to continue to fund its growth strategy.

For more information please contact the Company Secretary.

By Order of the Board

Catherine Lloyd
Chief Financial Officer and Company Secretary