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Company Announcement Office
Australian Stock Exchange Limited

FIRST GOLD PRODUCTION IN OCTOBER 2010 FROM GUANACO HEAP LEACH RETREATMENT

Austral Gold Limited (ASX : AGD) announces that activities with the objective of limited scale gold production from the retreatment of heap leach material at Guanaco are at an advanced stage.

Refurbishment of critical components of the crushing and gold recovery facilities has been undertaken offsite and this equipment is now being reassembled and recommissioned. A third leach pad has now been constructed with pre-treated ore commencing to be stacked on it for retreatment.

Other site works including upgrades to roads, maintenance facilities, power and water supply, camp and other infrastructure are also advanced.

The Company is now projecting first production from retreatment of heap leach material in October 2010 at the rate of approximately 2,000 oz per month.

By order of the Board

Catherine Lloyd
Company Secretary