



Austral Gold Announces Initial Results from Infill Drill Program at its Gold Silver Amancaya Project, including intersection of 4 metres at 39.74 g/t Gold and 283.3 g/t Silver

VANCOUVER, BRITISH COLUMBIA--(Newsfile – December 15, 2016) Austral Gold Limited (ASX: AGD) (TSX-V:AGLD) (the "Company" or "Austral") is pleased to announce the first batch of assay results from the infill drilling program at its 100% owned Amancaya Project.

The infill program, which commenced on September 8th, targeted the Central and Julia veins, which host the gold and silver epithermal inferred resource that is the focus of an ongoing Pre-Feasibility study expected to be completed by the first quarter of 2017. The Amancaya project is located 60 km southwest of the Company's underground gold mine, Guanaco, approximately 250 km from Antofagasta in northern Chile.

Highlights from assays received to date:

- Drilling has expanded high grade zones and has shown there is a good consistency to date within the resource on the Central Vein,
- AM-038: **7.5 metres @ 22.56 g/t gold and 713.7 g/t silver** from 12 metres,
- AM-028: **4 metres @ 39.74 g/t gold and 283.3 g/t silver** from 72 metres,
- AM-047: **3.4 metres @ 35.13 g/t gold and 76.9 g/t silver** from 150.74 metres
- AM-027: **10 metres @ 11.64 g/t gold and 270.4 g/t silver** from 24 metres
- AM-036: **4.01 metres @ 25.79 g/t gold and 226.2 g/t silver** from 155.96 metres
- AM-017: **3.97 metres @ 23.63 g/t gold and 337.8 g/t silver** from 49.55 metres
- AM-047: **3.42 metres @ 35.13 g/t gold and 76.9 g/t silver** from 150.74 metres

"We are very pleased with the first assay results from the infill program, where drilling has recently been completed. These initial assays from the Central Vein have confirmed and extended the multiple high grade zones. In general, the width of the vein encountered to date is greater than that previously modelled", stated Stabro Kasaneva, CEO of Austral Gold. "We look forward to receiving the remaining 50% of the assays, and are hopeful that the revised model will see an increase in ounces and grade as we advance the Pre-Feasibility study towards completion during the first quarter of 2017."

The infill program of approximately 13,312 metres was completed on November 30th. A total of 93 holes were drilled, all of which were initially drilled with reverse circulation collaring and converted to diamond drilling as they approached the vein target areas. This resulted in approximately 87% of the drilled metres being comprised of reverse circulation, and 13% represented as diamond drilling. Assay results for 49 of these holes, all on the Central Vein, have been received and are reported in this news release.

The drill program was designed to test and confirm the presence and consistency of

mineralisation within the inferred resource that was previously reported at Amancaya in the amended Technical Report (Amancaya Technical Report) “Guanaco Gold Project, Antofagasta Province, Region II, Chile, NI 43-101 Technical Report”, which had an effective date of November 24, 2015 and which was amended June 30 2016, and filed on July 25, 2016 on the Company’s profile on www.sedar.com¹. Most of the historical drilling used to define the inferred resource was reverse circulation drilling.

Summary of significant results from the drilling with assays from 49 holes obtained to date:

HOLD Id	From	To	Down Hole length	True Width*	Au g/t	Ag g/t
AM-001	78.7	82.2	3.5	2.4	7.77	20.5
AM-002	86.0	88.0	2.0	1.6	2.84	15.5
AM-006	56.8	62.0	5.3	3.7	1.96	20.3
AM-010	130.0	132.0	2.0	1.6	6.00	21.2
AM-011	188.6	189.6	1.0	0.8	2.59	13.6
AM-012	254.0	256.1	2.1	1.5	8.59	17.6
AM-014	102.6	103.9	1.3	1.0	10.10	165.8
AM-015	155.0	159.0	4.0	2.9	16.46	50.2
AM-016	76.2	78.7	2.5	2.0	14.67	123.7
AM-016	80.5	81.5	1.0	0.8	32.76	117.5
AM-017	49.6	53.5	4.0	3.2	23.63	337.8
AM-018	213.9	216.4	2.5	2.1	24.74	21.2
AM-020	34.5	37.0	2.5	2.0	10.13	291.8
AM-021	81.0	86.0	5.0	3.5	18.34	63.9
AM-022	200.0	203.2	3.2	2.2	19.82	76.5
AM-023A	165.0	166.5	1.5	1.3	3.25	26.6
	174.5	176.6	2.1	1.8	18.55	24.2
AM-024	255.0	258.0	3.0	2.4	5.31	10.0
AM-025	223.6	224.8	1.2	1.0	8.90	16.7
AM-026	211.5	215.6	4.1	2.6	14.07	69.7
incl	211.5	213.0	1.5	1.0	31.15	111.6
AM-027	24.0	34.0	10.0	8.0	11.64	270.4
AM-028	72.0	76.0	4.0	3.2	39.74	283.3
AM-030	137.0	142.9	5.9	4.1	1.68	10.6
AM-031	80.0	90.0	10.0	7.0	3.32	35.5
AM-032	144.0	147.0	3.0	2.1	4.36	10.6
AM-033	158.6	159.4	0.8	0.5	8.25	51.6
AM-034	122.0	125.0	3.0	2.4	6.95	27.4
AM-035	100.0	108.0	8.0	5.6	6.93	31.7
AM-036	156.0	160.0	4.0	3.1	25.79	226.2
incl	157.9	160.0	2.1	1.7	47.18	419.0
	170.8	172.5	1.7	1.3	4.25	4.3
AM-038	12.0	19.5	7.5	5.3	22.56	713.7

¹ The Technical Report was not made JORC2012 compliant, and as such should be treated as a Foreign Estimate.

incl.	13.6	17.1	3.5	2.4	46.16	1445.4
AM-039	159.6	164.0	4.4	3.1	21.28	30.8
AM-040	170.0	174.0	4.0	2.8	7.90	10.8
AM-041	152.7	153.2	0.5	0.4	4.17	26.6
AM-042	158.0	162.0	4.0	2.8	7.44	31.0
AM-044	79.0	82.0	3.0	2.1	20.47	628.3
AM-045	84.0	86.0	2.0	1.3	3.01	8.5
AM-046	142.7	145.0	2.3	1.7	31.73	143.8
AM-047	146.1	147.4	2.1	1.4	3.36	7.2
	150.2	154.2	3.9	2.6	31.05	73.9
AM-048	124.0	125.0	1.0	0.7	4.36	32.1
	134.0	135.0	1.0	0.7	4.32	3.7
AM-049	157.0	158.0	1.0	0.7	14.58	8.6
	162.0	166.0	4.0	2.6	15.70	16.2

*True width is inferred as being 70% of the down-hole intercept, although ranges from 65-89% subject to intersection with sub-vertical veins and drilling dip.

Holes not reported in the table above did not have any significant results.

The Central Vein

All the results received and reported to date come from the Central Vein (see Figure 1). Drilling commenced in the northern section of this vein and progressed moving south along the vein, with holes designed and drilled to intersect the vein as close to perpendicular as possible. As seen in Figure 1 the Central Vein strikes NNE in the outcropping northern half of the vein before changing to a more NW trend to the south. This change of strike is the combination of the two mineralized strikes present at the Amancaya project (see inset map in Figure 1), and are assumed to represent tensional syn-mineralisation faulting. The Central Vein is hosted in a lithic-rich andesitic pyroclastic flow unit (Amancaya Breccia), with argillic alteration. The high silver grades (up to 794 g/t Ag) exhibited mainly in the shallower areas of the mineralisation are assumed to have been the result of secondary enrichment during weathering. Figure 2 shows a typical cross section of the vein, showing the thickness and grades continuity at depth, with high grades along a vertical interval of ~300 metres.

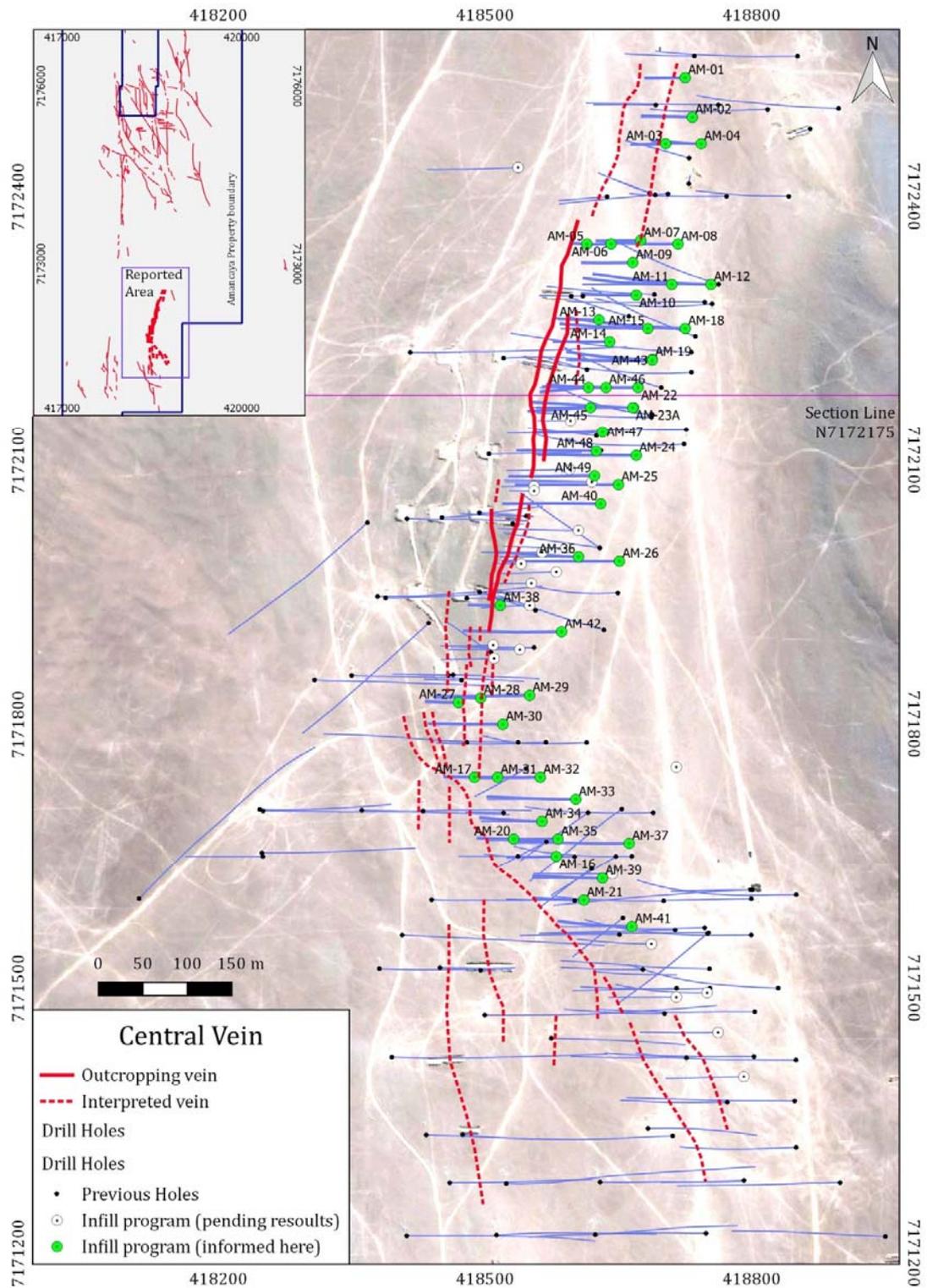


Figure 1: Central Vein Drilling Plan and Reported Results

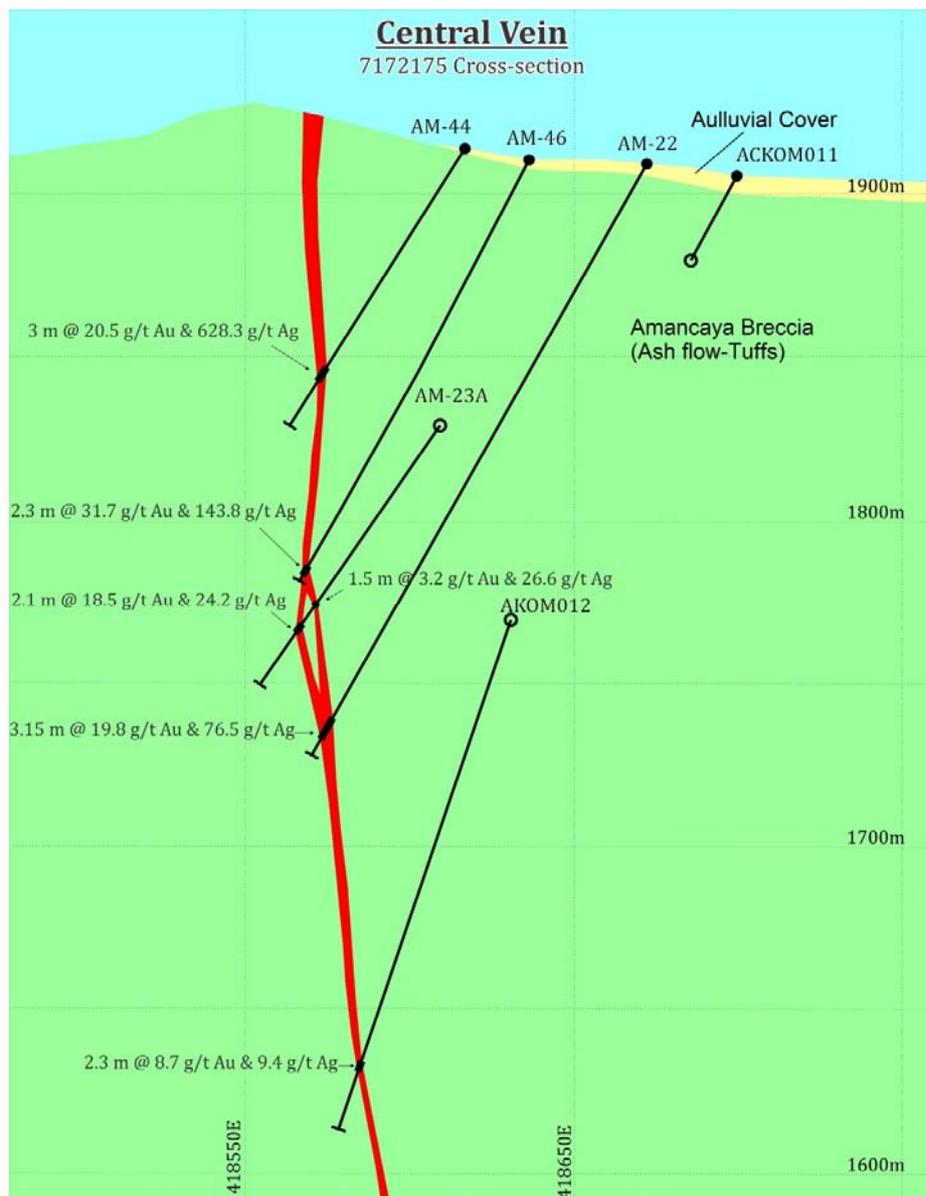


Figure 2: Cross Section Central Vein: 7172175N

Figure 3 shows a grade (g/t gold) by true width (metres) contoured long section of the Central Vein prior to the infill program. Incorporation of the results from the 49 holes reported in this press release shows a significant growth in the size of the high grade areas (see Figure 4). In general, the high grade zone develops from surface to ~200 metres deep, and it has a different plunge for the two different strikes of the vein: almost horizontal in the NNE (north) portion, and close to 45 degrees SE in the NW (south) portion of the vein. The results received to date from the northern half of the Central Vein (Figure 4) have considerably extended the northern high grade zone that was previously intersected by the reverse circulation hole EX-022. Holes AM-015, AM-018, AM-022, AM-044, AM-047 and AM-048 have extended the horizontal strike extent of this zone to approximately 200 m and the vertical extent to 100 metres. A second high grade zone that was previously interpreted to extend from surface to 125 metres below surface immediately to the north of the change in strike of the vein has been considerably extended in horizontal length and vertical depth by these results. This high grade zone, with a central high

grade core (AM-028: 4 m at 39.74 g/t gold and 283.3 g/t silver) now has a vertical depth from surface of approximately 175 metres and a horizontal strike length of approximately 250 metres. The northern half section of the Central Vein remains open at depth in the central section and sub horizontal extensions to the north.

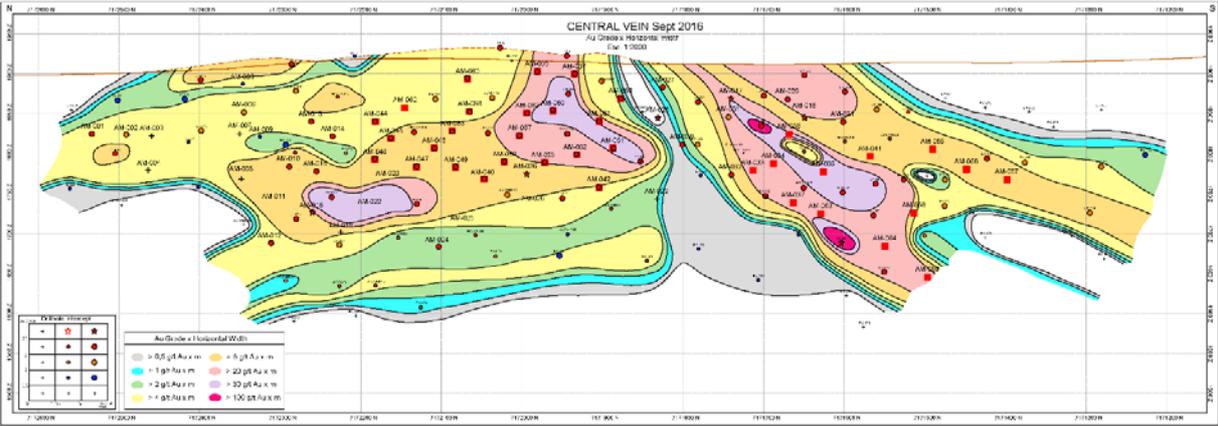


Figure 3: Long section of Central Vein Prior to Infill Drill Program: Gold (g/t) x metres Contours

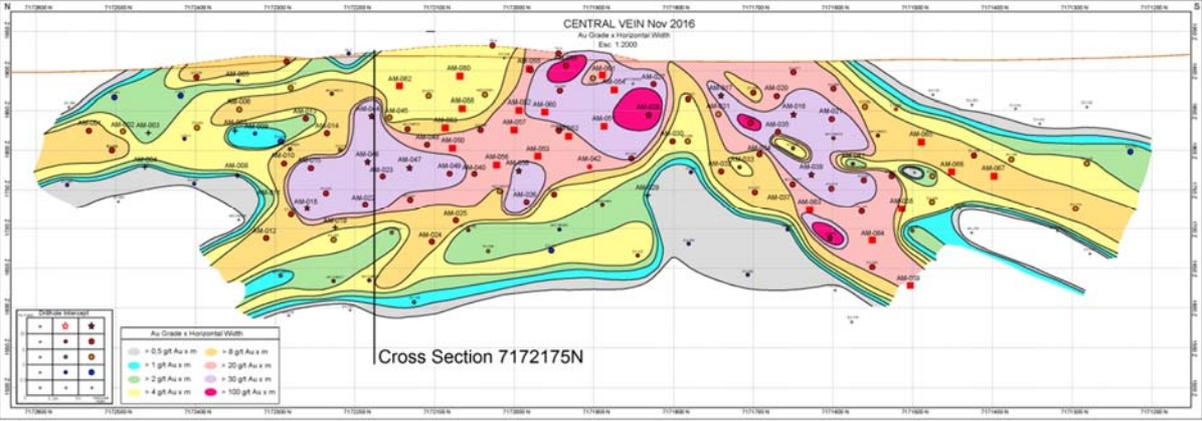


Figure 4: Long section of Central Vein Including Infill Drill Program: Gold (g/t) x metres Contours

Quality Assurance

For reverse circulation drilling two samples were collected following passing through a cyclone and riffle splitter. Chip samples were collected and bagged with a unique identifier number. For diamond drill holes, sample intervals were marked and the core was split with a mechanical splitter. One half of the core was placed in plastic bags and tagged with a unique sample number. The other half of the core was returned to the core box and securely stored. During the sampling processes, as per the QA/QC protocols, blanks and standards were submitted into the sample stream at regular intervals. Drill samples were sent to the Actlabs laboratory in Coquimbo, Chile, where they were crushed and prepared. Gold assays were done using 1A2-30 code FA-AAS procedure on a 30g sample. Base metal assaying was done by multi-element 5AAS-07 AR-AAS 2g/100ml ICP-MS analysis. Samples over limit in silver, lead, zinc, and/or copper are reanalysed by a high detection limit ICP-ES analysis (7AR procedure). Activation Laboratories Ltd. is an ISO 17025 certified full-service commercial laboratory, with its head office located in Ancaster, Ontario, Canada.

Qualified Persons

The information in this report that relates to Exploration Results is based on information compiled by Mike Brown, a competent person who is a Geologist and Member of Australian Institute of GeoScientists. Mr Brown is a full-time employee of the company. Mr Brown has sufficient experience that is relevant to the style of mineralisation and the type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.' Mr Brown consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. The scientific and technical content of this news release has been prepared by, or under the supervision of Michael Brown, MAIG, and has been reviewed and approved by him. Mr Brown is a Geologist and Member of Australian Institute of GeoScientists and an employee of Austral Gold Limited. Mr Brown is a "qualified person" for the purposes of National Instrument 43-101, *Standards of Disclosure for Mineral Projects*.

About Austral Gold

Austral Gold Limited is a growing precious metals mining, development and exploration company building a portfolio of quality assets in Chile and Argentina. The Company's flagship Guanaco project in Chile is a low-cost gold and silver producing mine with further exploration upside. The Company is also operator of the underground silver-gold Casposo mine in San Juan, Argentina. 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 Gold Limited is listed on the TSX Venture Exchange (TSX-V:AGLD), and the Australian Securities Exchange (ASX: AGD). For more information, please consult the company's website 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.

On behalf of Austral Gold Limited:

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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; are hopeful that the revised model will see an increase in ounces and grade, expectations that the Pre-Feasibility study will advance and be completed by the first quarter of 2017. 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, 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 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.

JORC Code, 2012 Edition – Table 1 report template

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> Nature and quality of sampling (eg cut channels, random chips, or specific specialized industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralization that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverized to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralization types (eg submarine nodules) may warrant disclosure of detailed information. 	<ul style="list-style-type: none"> Industry standard practices were used for sampling of reverse circulation drilling and diamond drilling. In the case of reverse circulation samples were collected in one metre sections in large PVC bags. Sub-samples were taken for logging and for laboratory analysis. Sub sampling using a splitter produced a 2-3kg sample for laboratory analysis. Sampling was done on a one or two metre composite basis according to the geology. In the case of diamond drilling core was recovered from drill tubes and stored in core boxes, where it was geologically logged then half core samples were taken using a mechanical core splitter, bagged and sent to the laboratory. Standards and blanks were routinely inserted as per company QA/QC procedure. Samples were assayed for gold and base metals at an independent and accredited laboratory.
Drilling techniques	<ul style="list-style-type: none"> Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc). 	<ul style="list-style-type: none"> Drilling techniques used Reverse Circulation (RC)/5.5", face sampling hammer and core drilling rig producing core at HQ size. Drill holes have been collared at 10m from surface with casing to maintain hole integrity.
Drill sample recovery	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximize sample recovery and ensure representative nature of the samples. Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	<ul style="list-style-type: none"> Sample recoveries are estimated by the weight for each meter. Sample recoveries have averaged >95%. The mineralized zone appeared to be quite competent and core recoveries were excellent. All core was carefully placed in HQ sized core trays and transported a short distance to a core processing area where core recovery, depth markup and photography could be completed.
Logging	<ul style="list-style-type: none"> Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical 	<p>Reverse circulation chips were geologically logged using predefined logging codes for lithological, mineralogical, and physical characteristics. Diamond drill core was geologically logged using predefined logging codes for lithological, mineralogical, and physical characteristics.</p>

Criteria	JORC Code explanation	Commentary
	<p><i>studies.</i></p> <ul style="list-style-type: none"> • <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i> • <i>The total length and percentage of the relevant intersections logged.</i> 	<ul style="list-style-type: none"> • <i>Logging was generally quantitative in nature with the exception of structural and geotechnical measurements and the estimation of recoveries.</i> • <i>Drill core was photographed and digitally stored for visual reference</i> • <i>All holes are logged from start to finish.</i>
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> • <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> • <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i> • <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> • <i>Quality control procedures adopted for all sub-sampling stages to maximize representivity of samples.</i> • <i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i> • <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i> 	<p><i>Drilling included assaying of half core for diamond drill holes and chip samples for RC holes:</i></p> <ul style="list-style-type: none"> • <i>For diamond drill holes, sample intervals were marked and the core was split with a mechanical splitter. One half of the core was placed in plastic bags and tagged with a unique sample number. The other half of the core was returned to the core box and securely stored. For RC drilling, two chip samples were collected with a cyclone. During the sampling processes, as per the QA/QC protocols, blanks and standards were submitted into the sample stream at regular intervals.</i>
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> • <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> • <i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i> • <i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i> 	<ul style="list-style-type: none"> • <i>Drill samples were collected and bagged and sent to the Actlabs laboratory in Coquimbo, Chile. There they were crushed and prepared. Gold assays were done using 1A2-30 code FA-AAS procedure on a 30g sample. Base metal assaying was done by aqua regia 5AAS 07 AR AAS 2gr 100 with final determination by atomic adsorption AAS. Activation Laboratories Ltd. is an ISO 17025 certified full-service commercial laboratory, with its head office located in Ancaster, Ontario, Canada.</i> • <i>Internal laboratory checks are made by Actlabs regarding sample preparation and assaying procedures.</i>
Verification of sampling and assaying	<ul style="list-style-type: none"> • <i>The verification of significant intersections by either independent or alternative company personnel.</i> • <i>The use of twinned holes.</i> • <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> • <i>Discuss any adjustment to assay data.</i> 	<ul style="list-style-type: none"> • <i>Not applicable.</i> • <i>Not applicable</i> • <i>Logged on paper and entered manually into electronic spreadsheets. Data then entered into CSV Database and validated before being processed by industry standard software packages such as Vulcan.</i> • <i>Not applicable.</i>

Criteria	JORC Code explanation	Commentary
Location of data points	<ul style="list-style-type: none"> Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. Specification of the grid system used. Quality and adequacy of topographic control. 	<ul style="list-style-type: none"> Sample locations recorded using differential GPS considered to have an accuracy of +/- 4m. The system used was WGS84 Drilling collar survey used Trimble S5 electronic theodolite. Downhole surveys are completed by gyroscopic downhole methods at regular intervals.
Data spacing and distribution	<ul style="list-style-type: none"> Data spacing for reporting of Exploration Results. Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. Whether sample compositing has been applied. 	<ul style="list-style-type: none"> Drillhole spacing is approximately 25m (northing) by 25m (easting). Data spacing and distribution are sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedures. No sample compositing is applied during the sampling process.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. If the relationship between the drilling orientation and the orientation of key mineralized structures is considered to have introduced a sampling bias, this should be assessed and reported if material. 	<ul style="list-style-type: none"> The Central and Julieta veins outcrop at surface and this orientation combined with historical drilling has allowed for the geological modelling of the host quartz veins. Based on this model drill azimuths were planned to intersect the veins perpendicular to their strike.
Sample security	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	<ul style="list-style-type: none"> Samples are transported from the field to the external laboratory via a third party transportation company. The laboratory received sample dispatch documents for every sample batch. Laboratory returns pulp samples and excess material within 60 days.
Audits or reviews	<ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> Upon receipt of results from assays they are reviewed and standards, blanks and duplicates are checked. In the event of data discrepancies with the control samples the laboratory is contacted and the preparation and assaying records are reviewed.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure	<ul style="list-style-type: none"> Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, 	<p>The properties are located approximately 220 km SSE of Antofagasta, Chile, in Region III. The Amancaya project is comprised of the Amancaya property and the San Guillermo property.</p>

Criteria	JORC Code explanation	Commentary
status	<p>historical sites, wilderness or national park and environmental settings.</p> <ul style="list-style-type: none"> The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area. 	<p>The Amancaya property consists of eight individual exploitation mining concessions covering a total area of 1,755 ha and is 100% owned by Minera Guanaco.</p> <p>The San Guillermo properties cover an area of 12,500 ha and are being worked under an Earn-In Option with Revelo Resources Limited. The properties are in good standing and there are no restricted or protected areas within or overlapping either of the properties. The surface rights are controlled by the federal government and access is normally granted as required.</p> <ul style="list-style-type: none"> The current Amancaya water rights amount to 1.6 L/s of underground water, located in Agua Verde sector of Taltal County. The extraction well called "Zazzali" is located at 7,189,625.540 North and 400,453.353 East. A royalty of 2.25% of the net smelter return (NSR) on all production from the Amancaya mining concessions is payable to Meridian Gold Inc. (Meridian)/Yamana. All necessary statutory permits have been granted and the requirements have been met. Austral is in compliance with all environmental and work permits.
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<p>Historically the following work has been recorded on the Amancaya Project:</p> <ul style="list-style-type: none"> 1950s: Small scale exploration and mining of copper and gold in the Rosario del Llano and Juanita veins. 1992: Exploration by Recursos Mineros Andinos consisting of soil and rock geochemistry and 20 reverse circulation drill holes. The information from this work has been lost. 2003: Placer Dome Inc. completed 20 reverse circulation drill holes totalling 2,661 m and collected 515 surface rock samples. Some anomalous results were located in the north part of the property (e.g. 2.84 g/t Au and 16.7 g/t Ag over 2 m), however, structures in the south were not recognized. Trenching was also completed. 2004 to 2008: Geophysical surveys, surface and trench sampling, geological mapping, radiometric dating, and fluid inclusion analysis were completed by Meridian/Yamana. Yamana also completed a total of 202 reverse circulation drill holes for 54,782 m and 16 trenches totalling 486.1 m. A total of 40 drill holes and four surface trenches are used in the

Criteria	JORC Code explanation	Commentary
		<p>subsequent resource estimate.</p> <ul style="list-style-type: none"> 2009: Resampling of trenches and some resampling of historic drill core was performed by Cenizas. Cenizas carried out a drill campaign totaling 5,054 m in 23 holes to confirm the thickness of the Veta Central, the distribution of gold and silver grades within the vein and host rocks, and the density of the mineralization. 2014: Austral Gold purchases the property.
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralization. 	<p>The Amancaya project represents a low sulphidation gold-silver epithermal deposit. The critical features that define the mineralization at Amancaya include lithological and structural control. The mineralization and alteration are focused along high-angle structures in a dacite-andesite volcanic dome. The structural system provided a pathway for rising hydrothermal fluids. The Central Vein exhibits banded textures, with bands of grey chalcedonic quartz, clear crystalline quartz, amethyst, and dark bands containing sphalerite, silver, and lead sulphosalts. Other textures include coliform texture, sinuous alternating bands of chalcedonic quartz and amethyst, and crustiform quartz. Interstices are filled with clays, limonite, manganese oxide, and carbonates (ankerite).</p>
Drill hole Information	<ul style="list-style-type: none"> A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> easting and northing of the drill hole collar elevation or RL (Reduced Level – elevation above sea level in meters) of the drill hole collar dip and azimuth of the hole down hole length and interception depth hole length. If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case. 	<ul style="list-style-type: none"> All significant results are reported within the main text of the news release. Holes not reported in the news release did not have significant results. All drill holes are reported in Annex 1
Data aggregation methods	<ul style="list-style-type: none"> In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. 	<p>Sum product Weighted averaging was used to report gold and silver grades over sample intervals that contained more than one sample. No upper or lower cut-off grades were used.</p>

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> The assumptions used for any reporting of metal equivalent values should be clearly stated. 	
Relationship between mineralization widths and intercept lengths	<ul style="list-style-type: none"> These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralization with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known'). 	<p>The orientation of the veins is generally north and the dip of the mineralization is sub-vertical.</p> <p>The majority of drilling is oriented close to perpendicular to the known strike orientation of the mineralization. Downhole intersections are generally oblique to the dip of mineralization due to the sub-vertical attitude of the veins.</p> <ul style="list-style-type: none"> The intersection length is measured down the hole trace and may not be the true width.
Diagrams	<ul style="list-style-type: none"> Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views. 	<ul style="list-style-type: none"> These are included in the News Release, available on www.asx.com.au and company website, www.australgold.com
Balanced reporting	<ul style="list-style-type: none"> Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results. 	<ul style="list-style-type: none"> All assay results that are considered anomalous are reported, and in diagrams where low grades were encountered where the structures were intersected the assays results are reported as from the laboratory.
Other substantive exploration data	<ul style="list-style-type: none"> Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances. 	<ul style="list-style-type: none"> No metallurgical samples or bulk density sampling has currently been undertaken with the reported drilling results. In the event that the samples are used they will be reported at such time.
Further work	<ul style="list-style-type: none"> The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive. 	<ul style="list-style-type: none"> The reported results from this drilling campaign represent approximately 50% of the total planned drilling campaign. As soon as the remaining assays are received and verified they shall also be released.

ANNEX 1:

HOLDID	EAST	NORTH	ELEV (m.a.s.l.)	Azimuth	Dip	Total Depth (m)
AM-001	418,724.3	7,172,534.8	1894.7	267.7	-60.17	90
AM-002	418,732.4	7,172,490.0	1895.5	272.12	-55.98	100
AM-003	418,702.5	7,172,459.9	1896.5	267.53	-54.76	75
AM-004	418,743.5	7,172,459.8	1896.3	271.84	-64.31	130
AM-005	418,613.7	7,172,346.0	1904.8	272.42	-57.8	30
AM-006	418,641.3	7,172,345.9	1902.5	267.21	-60.57	65
AM-007	418,674.7	7,172,350.3	1901.4	268.66	-58.5	100
AM-008	418,717.2	7,172,346.0	1900.3	270.15	-59.65	164.85
AM-009	418,665.7	7,172,325.1	1902.7	268.72	-55.7	100
AM-010	418,669.7	7,172,288.1	1903.9	268.21	-64.92	145
AM-011	418,710.1	7,172,299.8	1902.1	270.44	-60.87	195
AM-012	418,754.0	7,172,300.0	1900.4	271.89	-60.91	270
AM-013	418,627.7	7,172,259.9	1907.8	267.21	-58.79	90.2
AM-014	418,639.9	7,172,234.9	1907.4	269.76	-55.86	110
AM-015	418,682.9	7,172,250.2	1904.7	271.65	-56.56	170
AM-016	418,579.7	7,171,650.0	1907.5	268.01	-49.69	85
AM-017	418,487.9	7,171,739.8	1905.9	270.9	-55.89	58
AM-018	418,724.5	7,172,249.9	1902.2	271.94	-54.07	225.1
AM-019	418,687.8	7,172,215.0	1905.2	269.54	-63.87	220
AM-020	418,531.6	7,171,670.0	1906.9	270.63	-54.99	70
AM-021	418,610.5	7,171,600.0	1909.2	270.71	-55.09	100
AM-022	418,671.9	7,172,182.9	1906.6	270.32	-59.82	207.9
AM-023A	418,666.2	7,172,159.7	1907.3	272.58	-54.89	195.15
AM-024	418,669.7	7,172,104.9	1908.1	270.99	-64.65	260
AM-025	418,649.9	7,172,072.1	1909.4	268.87	-60.21	245
AM-026	418,650.6	7,171,985.0	1909.7	270.07	-54.9	228.65
AM-027	418,469.6	7,171,824.9	1906.9	270.71	-55.28	65
AM-028	418,494.8	7,171,830.0	1907.8	271.75	-58.04	100
AM-029	418,549.8	7,171,832.9	1909.0	269.49	-64.06	185
AM-030	418,519.6	7,171,800.0	1907.5	270.64	-59	160
AM-031	418,513.7	7,171,739.9	1906.4	270.54	-53.58	103
AM-032	418,561.7	7,171,739.9	1907.9	268.66	-64.34	174
AM-033	418,601.8	7,171,715.0	1908.9	270.02	-55.74	172.85
AM-034	418,563.9	7,171,690.0	1907.1	270.77	-64.67	160
AM-035	418,581.0	7,171,669.6	1907.4	268.92	-54.34	135
AM-036	418,604.4	7,171,989.7	1912.2	271.4	-59.15	177
AM-037	418,661.5	7,171,664.9	1909.8	269.32	-54.56	232.2
AM-038	418,516.5	7,171,935.1	1919.3	270.74	-54.06	60
AM-039	418,631.7	7,171,625.0	1909.9	269.73	-59.7	168.4
AM-040	418,629.8	7,172,050.0	1910.6	269.52	-55.96	190
AM-041	418,664.5	7,171,569.9	1911.7	271.21	-57.17	155.1
AM-042	418,586.4	7,171,904.9	1911.4	269.62	-54.59	195.1
AM-043	418,686.6	7,172,214.9	1905.3	268.04	-64.43	220
AM-044	418,616.1	7,172,183.0	1911.5	266.41	-57.02	100
AM-045	418,618.7	7,172,159.8	1911.1	266.74	-54.78	120
AM-046	418,642.2	7,172,183.2	1908.2	270.18	-61.93	147.4
AM-047	418,632.0	7,172,131.9	1909.9	269.69	-61.23	159.65
AM-048	418,624.9	7,172,110.0	1910.9	271.48	-56.15	135
AM-049	418,619.3	7,172,082.0	1912.2	271.26	-61.49	190