

MEDIA RELEASE

Austral Gold Limited

18 January 2017

Austral Gold announces change of auditor

Austral Gold Limited ('the Company') (ASX: AGD; TSX-V: AGLD) is pleased to announce that in accordance with ASX Listing Rule 3.16.3, KPMG has been appointed auditor for the Company and for each one of its subsidiaries ('the Group') effective today.

The change follows the resignation of the Company's current auditor BDO East Coast Partnership ('BDO') and receipt of ASIC's consent to the resignation under Section 329(5) of the Corporations Act 2001.

The Audit Committee and Board selected KPMG to replace BDO as the Company's auditor for the financial year commencing 1 July 2016 and subsequent financial years.

KPMG will act as the Company's auditor on a 'casual vacancy' basis until the next Annual General Meeting to be held in 2017 at which time KPMG will be formally appointed as the Company's new auditor subject to shareholders' approval.

The Board believes that the appointment of KPMG is in the best interests of the Company and its shareholders. The appointment of KPMG will allow the Company to engage a "Big 4" auditor while achieving its objective of streamlining the financial reporting process for all the entities of the Group. The decision to change auditor was not the result of any disagreement between the Company and BDO on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure. The Board extends its appreciation and thanks to BDO for their contribution over the past years and looks forward to working with KPMG in all the Company's jurisdictions across Argentina, Australia, Canada and Chile.

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.

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