



## Austral Gold Commissions a Pre-Feasibility Study for Combined Amancaya and Guanaco Operations

---

**VANCOUVER, BRITISH COLUMBIA--(Newsfile – October 28, 2016) – Austral Gold Limited.** ("Austral" or the "Company") (ASX:AGD) (TSXV:AAM) is pleased to announce it has commissioned Roscoe Postle Associates Inc ("**RPA**") to undertake a Pre-Feasibility Study ("**PFS**") to evaluate the viability of Austral's plan to build and operate the Amancaya Project in conjunction with its operation of the nearby Guanaco underground mine and agitation leach plant. The Company expects the report to be completed by the first quarter of 2017.

"We are pleased to announce the engagement of RPA to undertake this PFS, which will contemplate the combined operation of our high grade gold-silver Amancaya Project with our Guanaco mine in Chile", stated Stabro Kasaneva, CEO of Austral Gold. "Infill drilling commenced in the first week in September with the goal to provide data for this study. In parallel, we are expecting to continue to advance other elements of the project that would put us in the position to ramp up quickly to commencing operations at Amancaya if the results of the PFS are favourable."

The Amancaya Project is 60 kilometres to the southwest of Austral's underground gold mine at Guanaco. If the PFS is favourable, Austral expects to haul production from initial small open pits on two veins at Amancaya to the Guanaco plant for processing, which is approximately 73 kilometres from the proposed mine via public roads. In parallel, Austral plans to develop underground infrastructure and access to enable production from the steeply dipping veins that host the gold and silver mineralisation.

### **Qualified Person**

Mike Brown, MAIG, as a qualified person under NI 43-101 and an employee of the Company, has reviewed and prepared all technical information.

### **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:AAM) and the Australian Securities Exchange (ASX: AGD). For more information, please consult the company's website [www.australgold.com](http://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:

**"Stabro Kasaneva"**

President and CEO

**Further information please contact:**

**Alison Crealy**

info@australgold.com.au

+61 (2) 9380 7233

**Mike Brown**

mbrown@australgold.com.au

+1 604 568 2496 ext 21

**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 Austral's expectation that the PFS will be completed by the first quarter of 2017, that the infill drilling is expected to upgrade the category of the existing resource and its expectation that, if the results of the PFS are favourable, it can continue to advance other elements of the Amancaya project that would put it in a position to ramp up quickly to commencing operations at Amancaya, haul production from initial small open pits and develop underground infrastructure and access at Amancaya. 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.