

## MEDIA RELEASE

Austral Gold Limited

3 February 2016

# Austral Gold enters into definitive agreement with Argentex

Austral Gold Limited (“Austral” or “the Company”) (ASX:AGD) is pleased to announce that it has entered into the definitive arrangement agreement (‘Agreement’) with Argentex Mining Corporation (“Argentex”) (TSX-V:ATX; OTC PINK: AGXMF) with respect to the acquisition by Austral of Argentex. The execution of this agreement clears the way for Argentex to seek the approval of its shareholders for the merger transaction as announced on 31 August 2015.

The Agreement provides for the acquisition by Austral of all outstanding Argentex securities not already owned by Austral and its controlled entities by way of a share-for-share exchange as part of a plan of arrangement pursuant to Canadian law (the “Transaction”). The Transaction contemplates an exchange ratio pursuant to which each outstanding common share of Argentex will be exchanged for 0.5651 of an ordinary share of Austral, implying a valuation of CAD\$~0.08 per common share of Argentex (or CAD\$~5.8 million total valuation). This ratio may be subject to adjustment in certain circumstances, including changes to the capital structure of either Austral or Argentex subsequent to the date of the Agreement and prior to the completion of the Transaction (other than a change resulting from the completion of a financing by Austral on specified terms). The ordinary shares of Austral issued to the former holders of common shares of Argentex are expected to represent, in the aggregate, ~7.75% of the total outstanding ordinary shares of Austral after accounting for the issue of such shares.

In connection with the Agreement, all of the directors and senior officers of Argentex have entered into a voting agreement with Austral Gold whereby each has agreed, subject to the terms of the Agreement and the voting agreement, to vote any securities held by them in favour of the Transaction at the special meeting of Argentex shareholders to be held to consider the Transaction. The Agreement contemplates that upon the effective time of the Transaction all of the directors and officers of Argentex, other than Wayne Hubert, will resign from their positions.

The proposed Transaction is subject to all applicable regulatory, court, stock exchange and shareholder approvals. In addition, pursuant to the Agreement, Austral is required to obtain the conditional approval of the TSX Venture Exchange for the listing of its ordinary shares on the TSX Venture Exchange as a condition precedent to the completion of the Transaction.

### **Further information please contact:**

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