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Company Announcement Office  
Australian Stock Exchange Limited

## **AUSTRAL GOLD ANNOUNCES THE COMPLETION OF THE 2009/10 DRILLING CAMPAIGN AT GUANACO**

Austral Gold is pleased to announce the completion of the exploration drilling program conducted between October 2009 and January 2010 at its 100% owned Guanaco Project in northern Chile.

58 reverse circulation (RC) holes totaling 10,593 metres were drilled and two high grade gold intersections were made in the Natalia and San Lorenzo veins.

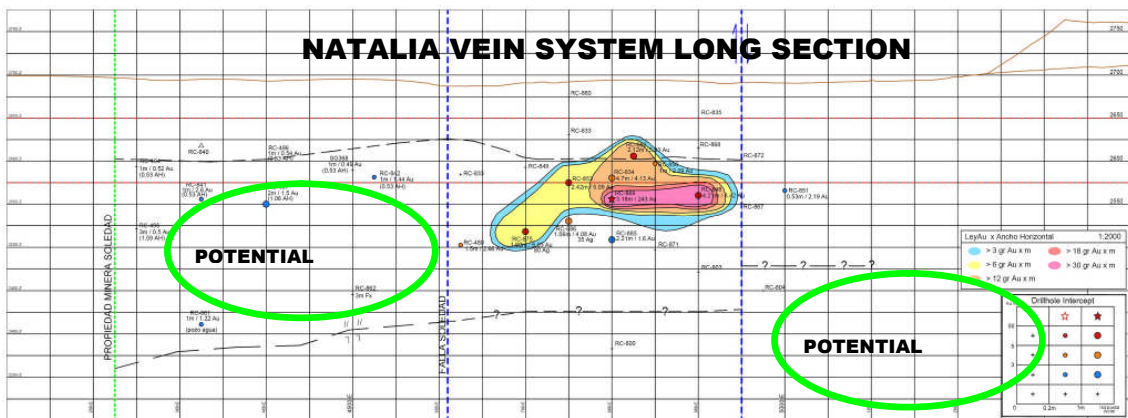
The Natalia and San Lorenzo veins are located approximately 150 metres south and parallel to the Cachinalito vein and have similar geological features of the dacitic porphyry host rock. Both structures were intercepted over more than one kilometre along strike. The economical mineralisation is limited to small-scale ore shoots of less than 200 metres in length with an irregular distribution.

### **Natalia Vein**

The Natalia vein is the most prominent structure that shows ore shoots of 200 metres in strike, 2.5 to 3 metres in thickness and 80 to 100 metres in height. The ore shoots were defined by seven intersections with average grades from 5.09 g/t Au (RC-853) to 243 g/t Au (RC-869).

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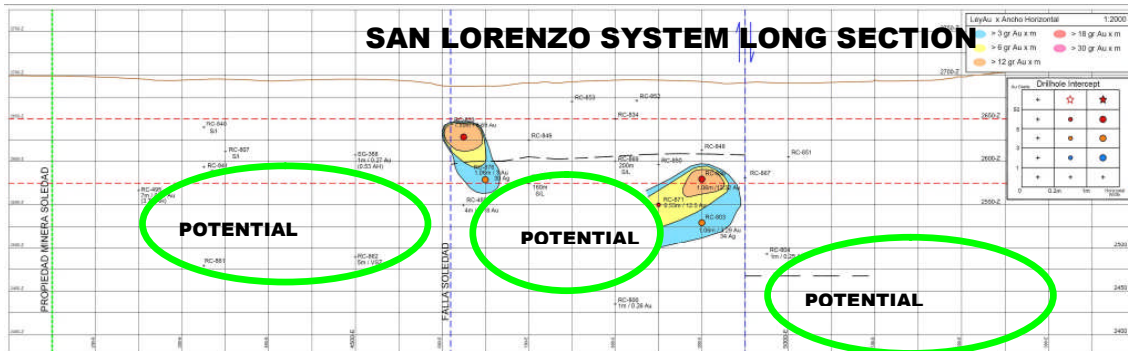
Natalia											
Hole	East	North	Azimuth	Dip	Length	From	To	Width (m)	Au g/t	Ag g/t	Cu %
RC-834	444800	7223806	180	-60	180	125	134	9	4.13	5.4	0.01
RC-839	443800	7223430	180	-55	120	85	87	2	1.61	4.0	0.09
RC-840	444325	7223684	180	-52	130	201	204	3	1.76	33.1	0.47
RC-841	444325	7223714	180	-55	280	161	162	1	2.60	22.4	0.16
RC-842	444525	7223741	180	-60	170	129	130	1	1.44	37.6	0.08
RC-843	444525	7223650	180	-64	160	104	107	3	2.30	1.7	0.02
						140	141	1	1.57	59.0	0.17
RC-845	443650	7223433	180	-60	170	156	157	1	1.98	6.8	0.06
RC-846	443680	7223510	180	-60	170	124	125	1	2.56	33.5	0.12
RC-850	444850	7223859	180	-60	180	151	152	1	2.62	3.5	0.00
						173	175	2	1.07	113.5	0.07
RC-852	444825	7223798	180	-60	180	98	102	4	5.93	9.0	0.03
RC-853	444750	7223780	180	-60	180	133	137	4	5.09	46.0	0.01
RC-861	444325	7223784	180	-60	350	318	319	1	1.22	174.0	0.30
RC-862	444500	7223828	180	-60	350	96	98	2	2.25	1.8	0.01
						128	132	4	3.53	19.9	0.01
RC-869	444800	7223842	180	-60	200	159	165	6	243.73	57.0	0.12
RC-870	444750	7223752	180	-60	95	22	23	1	2.90	<0.5	0.00
RC-871	444850	7223889	180	-60	220	167	168	1	3.40	0.7	0.01
						171	172	1	12.50	1.3	0.03
RC-875	444700	7223828	180	-60	160	195	198	3	6.93	80.3	0.34
RC-885	444800	7223843	180	-68	230	202	203	1	1.18	42.8	0.10
RC-886	444750	7223842	180	-60	220	176	178	2	2.08	35.3	0.08



## San Lorenzo Vein

The San Lorenzo vein is approximately one metre in thickness and returned high grades up to 12 g/t Au.

San Lorenzo											
Hole	East	North	Azimuth	Dip	Length	From	To	Width (m)	Au g/t	Ag g/t	Cu %
RC-833	444625	7223766	180	-60	180	69	72	3	8.69	4.5	0.01
RC-836	444900	7223890	180	-60	182	139	141	2	12.32	28.2	0.03
						169	173	4	2.24	8.3	0.18
RC-850	444850	7223859	180	-60	180	146	147	1	2.04	4.6	0.02
RC-851	445000	7223905	180	-60	180	157	158	1	2.19	11.7	0.01
RC-856	443500	7223462	180	-60	180	94	95	1	1.40	28.3	0.45
RC-859	444850	7223922	180	-60	200	184	185	1	7.20	4.1	0.05



Both Natalia and San Lorenzo veins are still open along strike and at depth. Further drilling is being planned for 2010.

## Cachinalito Vein

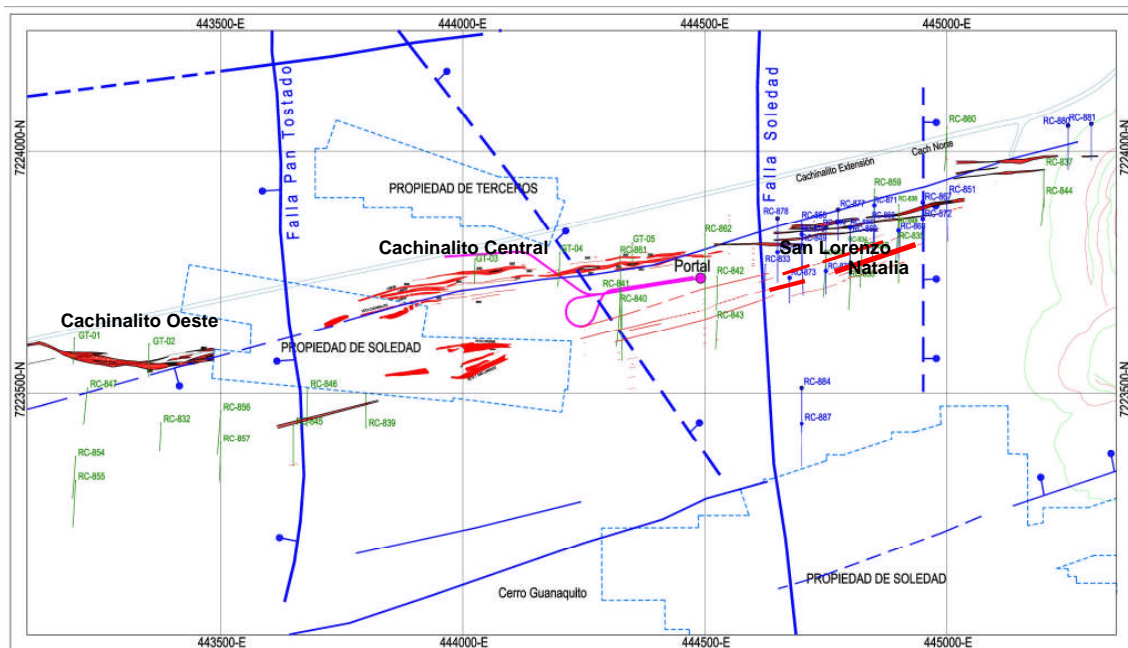
Five new holes were drilled in the Cachinalito vein system with the objective of delineating mineralisation mainly in the Cachinalito extension. The intercepts show average grades of 5 g/t Au.

Cachinalito											
Hole	East	North	Azimuth	Dip	Length	From	To	Width (m)	Au g/t	Ag g/t	Cu %
RC-858	444700	7223858	180	-60	113	87	94	7	6.24	3.1	0.01
RC-859	444850	7223922	180	-60	200	110	111	1	28.00	10.2	0.01
						127	129	2	3.14	5.3	0.02
						184	185	1	7.20	4.1	0.05
RC-877	444775	7223880	180	-60	130	74	77	3	2.51	3.7	0.02
RC-878	444650	7223862	180	-60	130	85	87	2	6.40	1.6	0.01
RC-880	445250	7224052	180	-60	180	176	179	3	1.69	23.4	0.48

The drilling contractor was Major Drilling Company and the ACME Laboratory in Chile prepared and assayed the drill samples.

The drilling program results included in this report were reviewed by Dr Robert Trzebski, a Director of Austral Gold Limited. Dr Trzebski is a member of the Australian Institute of Mining and Metallurgy (AusIMM) who qualifies as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.

#### DRILLHOLES AND DECLINE LOCATION PLANVIEW



These drilling results will now be subject to geostatistical analysis and a revised resource statement will be announced as soon as available.

By order of the Board

Catherine Lloyd  
Company Secretary