

Terrace Tower
Suite 605
Level 6 80 William Street
Sydney NSW 2011

Telephone: +61 2 9380 7233
Facsimile: +61 2 9380 7972

E-mail: info@australgold.com.au
Web: www.australgold.com.au

Company Announcements Office
Australian Stock Exchange Limited

6 October 2010

AUSTRAL GOLD ANNOUNCES RE COMENCEMENT OF OPEN CUT MINING AT GUANACO

On 17 August 2010, Austral Gold Limited (ASX: AGD) announced to the ASX the completion of the Bankable Feasibility Study into restarting mining operations at its wholly owned Guanaco Gold Project in Region II of Chile.

Austral Gold Limited (ASX:AGD) is now pleased to announce the engagement of Incopesa, an open cut mining contractor, to undertake open pit and heap leach operations at Guanaco.

Incopesa is a company with 30 years experience in the construction and operation of major open cut mining projects in Chile. It has extensive resources both in terms of mining equipment and of qualified and experienced personnel.

Work on deepening existing open pits and re-handling heap leach material for secondary treatment has now commenced.

Shareholders and the ASX will be kept informed as further decisions are taken to implement full scale mining and treatment operations of Guanaco.

By Order of the Board



Catherine Lloyd
Company Secretary/CFO

P
R
E
S
S

R
E
L
E
A
S
E