

## MEDIA RELEASE

Austral Gold Limited  
5 June 2017

# Austral Gold Completes Connection to National Grid and Commences Ramp up Testing of New Plant.

Austral Gold Limited ('the Company') (ASX: AGD; TSX-V: AGLD) is pleased to announce that on 6 June 2017 the 35km long 33kv transmission line from the mine to the northern Chile National grid (SING) will be energized, following final approval from the national grid operator CEN (Coordinador Eléctrico Nacional).

- Connection to the grid should provide lower cost electricity, secured through a purchase agreement with the Almeyda Solar, a subsidiary of Enel Green Power Group. Since recommencement of operations at Guanaco in 2010 all electricity has been produced using diesel generators at the company's own onsite powerhouse.
- The electrification of the line enables the company to commence ramp up testing of the recently commissioned agitation leach plant prior to going fully operational. The company expects to commence full operation by the end of the month.
- Once the plant is operational, trucking and processing of mineralised material that is currently being stockpiled at Amancaya is expected to commence .

"The approval for the energization of the transmission line is a significant step in the transformation at Guanaco. Not only do we expect a reduction of our electrical input costs, but it also allows us to commence ramp up testing of the new 1500tpd mill and agitation leach, Merrill-Crowe circuit," stated Stabro Kasaneva, CEO of Austral Gold. "We are very excited about this transition to a high recovery operation that should benefit our production and provide a platform for potential long term operations at Guanaco."

The transmission line connects the mine's substation to the northern grid at the Taltal Wind farm substation. The Chilean national grid is in the process of interconnecting the central grid (SIC) with the northern grid (SING), with the interconnecting transmission line under construction. The Company's existing diesel generators will provide back-up power to the mine in the event of disruption of supply from the grid.

### **Agitation Leach, Merrill-Crowe Plant**

The new plant has been completed, with all elements of the plant fully tested. Ramp up testing is underway, with the complete circuit being tested at varying feed rates. It is expected that full operation will commence by the end of the month.

## **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](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:

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## **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 the Company's expectation that connection should provide lower cost electricity; operation of the line enables commencement of ramp up testing of the agitation leaching plant, that the plant should be operational by the end of the month, and expectation that the transition to a high recovery operation that should benefit our production and provide a platform for potential long term operations at Guanaco. 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.

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