



MEDIA RELEASE
Austral Gold Limited
18 December, 2019

Austral Gold Enters North American Market with Investment in the Rawhide Gold and Silver Mine

Austral Gold Limited (“**Austral**” or the “**Company**”) (ASX:AGD; TSXV:AGLD) is pleased to announce that its newly-formed Nevada subsidiary, Austral Gold North America Corp. (“**AGNA**”), has acquired an equity interest in Rawhide Acquisition Holding LLC (“**RWH**”), a privately-held Delaware limited liability company that owns Rawhide Mining LLC which in turn owns the Rawhide Mine located ~50 miles outside of Fallon, Nevada, United States.

About Rawhide

Rawhide Acquisition Holding LLC is privately held and acquired the Rawhide mine (“Rawhide”) through Rawhide Mining LLC in 2010. Rawhide is a fully permitted operation that produces gold and silver through an open pit heap leaching operation. In 2019, Rawhide received a mine expansion permit associated with the Regent open pit.

Rawhide is a historical mining operation that started in the early 1900s located in the Walker Lane structural zone, one of the most prolific gold mining districts in the world, and is located 50 miles from Fallon, Nevada, USA. It is surrounded by multiple 1.0 million+ gold oz deposits.

Rawhide was formerly operated as a subsidiary of Kennecott Corp. prior to Coral Reef Capital partnering with the Rawhide mine management team to acquire the property from Rio Tinto Plc in 2010. Coral Reef Capital is the controlling shareholder.

Transaction Terms

Under the transaction agreement, AGNA made an initial purchase of approximately 22.48% (21.28% on a fully diluted basis) directly from Rawhide for a purchase price of US \$3,957,406, of which US \$2,000,000 was paid in cash at closing. The balance of US \$1,957,406 is to be paid pursuant to the terms of a promissory note maturing January 31, 2020. The initial purchase is to be funded primarily from Austral’s existing cash reserves.

In addition, AGNA has entered into three option agreements with three existing Unit owners pursuant to which it has the option to purchase up to an additional 3.795 percent of the issued and outstanding Rawhide Units for an aggregate purchase price of US \$750,813 (collectively, the “**Options**”) until they expire at various dates during the first six months of 2020. If AGNA exercises all of these Options, it will own approximately 26.46% (25.04% on a fully diluted basis). Funding of the Option payments is expected to be paid either with new debt or from cash generated from operations.

AGNA is entitled to nominate one manager to the six-member Rawhide management committee. Upon exercise of the Options, AGNA will be entitled to a second seat on a seven-member Rawhide management committee. AGNA is also entitled to nominate one member of each of Rawhide’s Operating and Exploration Committees.

Austral Gold's Chief Executive Officer Stabro Kasaneva said: "I believe Rawhide is a project with considerable unlocked value and this investment presents an excellent entry point into the North American mining sector backed by experienced and proven operators who have worked at major mining companies including Rio Tinto and Argonaut Gold Inc.

Nevada, is one of the world's preeminent mining locations and there is room for future growth. We are confident that we can leverage our experience from our mines to benefit the operations at Rawhide, which has an open pit mining operation and heap leaching process. The mining district and land package controlled by Rawhide is large and we believe there is potential to considerably increase the mineral inventory."

Rawhide's Director Marceau Schlumberger said: "We are pleased to have Austral Gold as an investor and partner in the Rawhide Mine. We believe the experience of the Austral team combined with Rawhide management provides the necessary skill set to complete the production ramp up and fully optimize the operational and exploration potential of Rawhide. We welcome Austral and look forward to the future success of this operation."

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/Amancaya project in Chile is a gold and silver producing mine with further exploration upside. The company also holds the Casposo Mine (San Juan, Argentina) and an attractive portfolio of exploration projects including the Pingüino project in Santa Cruz, Argentina (100% interest) and the San Guillermo and Reprado projects near Amancaya (100% interest). 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 (TSXV: AGLD), and the Australian Securities Exchange. (ASX: AGD). For more information, please consult the company's website www.australgold.com.

Neither the 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"

CEO

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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 balance of US \$1,957,406 is to be paid pursuant to the terms of a promissory note maturing January 31, 2020, the initial purchase is to be funded primarily from Austral's existing cash reserves, funding of the Option payments is expected to be paid either with new debt or from cash generated from operations, Rawhide is a project with considerable unlocked value, there is room for future growth, there is potential to considerably increase the mineral inventory, the experience of the Austral team combined with Rawhide management provides the necessary skill set to complete the production ramp up and fully optimize the operational and exploration potential of Rawhide and we look forward to the future success of this operation. 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 the ASX and 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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