

**Report of Organizational Actions
 Affecting Basis of Securities**

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name Austral Gold Limited		2 Issuer's employer identification number (EIN) 98-1342837	
3 Name of contact for additional information Jose Bordogna	4 Telephone No. of contact 011-54-11-4323-7558	5 Email address of contact JBordogna@australgold.com.ar	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 1108 Bolivar Street C1066AAD, City of Buenos Aires Argentina		7 City, town, or post office, state, and Zip code of contact City of Buenos Aires Argentina	
8 Date of action August 19, 2016	9 Classification and description Common stock		
10 CUSIP number Q0819E	11 Serial number(s)	12 Ticker symbol ASX:AGD TSX-V:AGLD	13 Account number(s)

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶

On August 19, 2016, Austral Gold Limited ("Austral") and Argentex Mining Corporation ("Argentex") completed a plan of arrangement involving, among other things, the acquisition by Austral of all of the issued and outstanding common shares of Argentex. Under the terms of the arrangement, Argentex shareholders became entitled to receive approximately 0.564676 of an ordinary share of Austral for each Argentex common share held at 12:01 a.m. (Toronto time) on August 19, 2016.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶

Argentex shareholders became entitled to receive 0.564676 of an ordinary share of Austral for each Argentex common share held.

As an example, if a shareholder held 100,000 Argentex shares prior to August 19, 2016, they would have received 56,467 shares of Austral after August 19, 2016.

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶

The implied valuation of approximately C\$0.085 for each Argentex Share as of February 1, 2016, represents an implied premium of approximately 136% based on the 20 day volume weighted average of the closing price of Argentex Shares and the Austral Shares on the TSX Venture Exchange ("TSXV") and the Australian Securities Exchange, respectively, for the trading day ending on February 1, 2016 after adjusting for Argentex Shares already owned by Austral and its subsidiaries and foreign exchange rates for the same period.

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ►
Section 368(a)

Blank lines for listing applicable Internal Revenue Code sections.

18 Can any resulting loss be recognized? ► **No.**

Blank lines for providing information regarding loss recognition.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ►
The reportable tax year is 2016.

Blank lines for providing other information necessary to implement the adjustment.

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature ► */s/ Jeff Finkelstein* Date ► *January 12, 2017*

Print your name ► **Jeff Finkelstein** Title ► **Finance Manager**

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
Firm's name ►			Firm's EIN ►	
Firm's address ►			Phone no.	