

MEDIA RELEASE

Austral Gold Limited

2 December 2022

Austral Gold Begins Drilling at Jaguelito in Argentina

HIGHLIGHTS

- Austral begins a 5,000 meters drilling campaign at the Jaguelito project in the San Juan Province of Argentina as part of the first stage of the option agreement with Mexplort to acquire 50% of the project
 - Jaguelito represents a key pillar in Austral's strategy to target High-Sulphidation projects in mining friendly jurisdictions
 - Jaguelito is an advanced exploration project located in a world class endowed gold belt close to the Veladero mine and Alturas project
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Austral Gold Limited ("**Austral**") (ASX: AGD; TSX-V: AGLD) is pleased to announce that it started its first drilling program on 30 November 2022 at the Jaguelito project located in the El Indio Belt, San Juan – Argentina, close to the Veladero mine and the Alturas project.

The drilling program is pursuant to the option agreement (the "Agreement") with Mexplort Perforaciones Mineras SA ("Mexplort") announced on 11 February 2022 whereby Austral may acquire a 50% interest in the Jaguelito project by performing the following work commitments within the next four years:

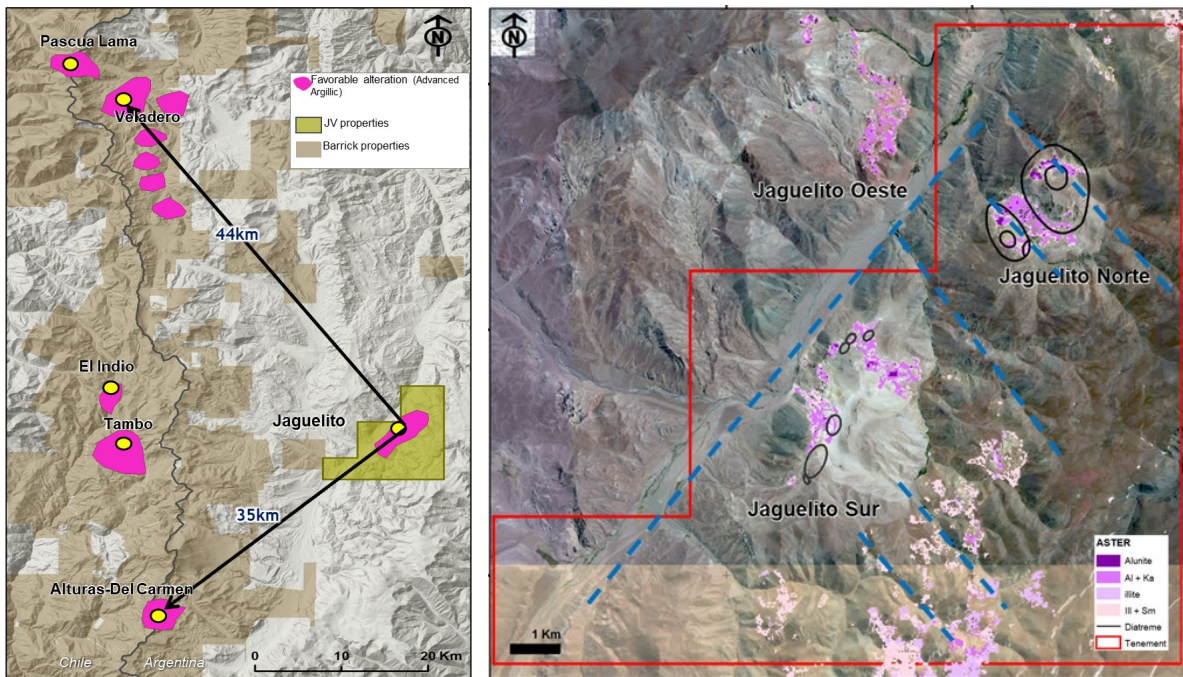
- US\$2 million in exploration expenditures, including drilling a minimum of 5,000 meters on Jaguelito (the "First Stage") by 10 August 2024, two years after the Agreement was approved by the Instituto Provincial de Exploraciones y Explotaciones Mineras de la Provincia de San Juan IPEEM.
- US\$2 million in exploration expenditures on Jaguelito within two years after completing the First Stage (the "Second Stage").

Austral Gold's Chief Executive Officer, Stabro Kasaneva said: *"As part of our strategic alliance with Mexplort, we are pleased to announce the start of our first phase of drilling at the Jaguelito project. Jaguelito is an advanced exploration project with a long history in the province of San Juan. Based on mineralisation of silver and gold intercepted in previous drilling campaigns, Jaguelito appears to have the same affected volcanic units that host a large zone of alteration having the same age as other large high sulphidation projects in the area."*

DRILLING PROGRAM OVERVIEW:

Austral plans to complete the First Stage of approximately 5,000m of diamond drilling (DDH) in 15 to 20 holes at Jaguelito Norte and Jaguelito Sur.

- At **Jaguelito Norte**, five drilling targets have been identified and in this stage at least three targets are expected to be tested with 3,500 meters of DDH drilling. The program intends to prioritise the Capote - Alcatraz sector under a new concept of gold ore control related to northwest direction and to drill the La Cuña maar-diatreme complex, which we recently identified as the main or major control of the hydrothermal system in the area. The third target corresponds to the satellite body of the Guanaco Breccia.
- At **Jaguelito Sur**, preliminary work has identified five structures related to phreatomagmatic activity that may control the alteration and possibly mineralisation in that sector. Progress is being made in the delineation process and our objective is to define drilling targets to be tested with 1,500 meters of drilling.



Casposo-Manantiales Project located in the province of San Juan, Argentina

We are finalising our second drilling campaign in 2022 as announced on 19 September 2022 and anticipate receiving and announcing assay results soon.

About the Jaguelito Project

The Jaguelito project is an advanced exploration stage project located in one of the main districts of precious metals worldwide; the El Indio – Pascua Lama district in the Province of San Juan, Argentina. Its deposits, of the high sulfidation epithermal type of Miocene age, include mines in production, construction and exploration.

The Jaguelito project covers an area of 11,000 approximately hectares, and over 150 holes (~30,000m) were drilled by previous owners (Minera Peñoles, Minera IRL) between 1996 and 2009. It is located approximately 225 kilometers northwest of the city of San Juan in Valle del Cura, Iglesias Department, San Juan Province, Argentina. Its central coordinates are 29° 46' 20" West Latitude, 69° 38' 15 South Longitude and a variable altitude between 3,600 and 4,300 meters above sea level. Jagüelito is a high sulfidation epithermal deposit related to a Miocene volcanism hosted in basement of Permo-Triassic age. Its mineralisation is related to a hydrothermal system controlled by northeast-southwest oriented faults and hosted in porous-permeable volcanoclastic units. These rocks allowed the circulation of precursor acidic hydrothermal fluids that strongly altered the rocks through which they circulated, generating a secondary porosity or vuggy silica, in the alteration cores. The high porosity product of the alteration served as a conduit for the posthumous hydrothermal fluids responsible for the mineralization of gold and silver.

About Austral Gold Limited

Austral Gold Limited is a gold and silver explorer and mining producer whose strategy is to expand the life of its cash generating assets in Chile, restart its Casposo-Manantiales mine complex in Argentina and build a portfolio of quality assets in Chile, the USA and Argentina organically through exploration and via acquisitions and strategic partnerships. Austral owns a 100% interest in the Guanaco/Amancaya mines in Chile and the Casposo-Manantiales mine complex (currently on care and maintenance) in Argentina, a non-controlling interest in the Rawhide Mine in Nevada, USA and a non-controlling interest in Ensign Gold which holds the Mercur project in Utah, USA.

In addition, Austral owns an attractive portfolio of exploration projects in the Paleocene Belt in Chile (including those acquired in the 2021 acquisition of Revelo Resources Corp), a noncontrolling interest in Pampa Metals and a 51% interest in the Sierra Blanca project in Santa Cruz, Argentina. 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 Austral's website at 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.

Release approved by the Chief Executive Officer of Austral Gold, Stabro Kasaneva.

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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 Austral's plans to complete the First Stage of approximately 5,000m of diamond drilling (DDH) in 15 to 20 holes at Jaguelito Norte and Jaguelito Sur and that we are finalising our second drilling campaign in 2022 at the Casposo-Manantiales Project the as announced on 19 September 2022 and anticipate receiving and announcing assay results soon.

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, uncertainty of exploration programs, development plans and cost estimates, commodity price fluctuations; political or economic instability and regulatory changes; currency fluctuations, the state of the capital markets especially in light of the effects of the novel coronavirus, 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.