



## **MEDIA RELEASE**

Austral Gold Limited

30 July 2020

### **Austral Gold Announces Filing of Q2 2020 Quarterly Activity Report**

Austral Gold Limited (the “Company”) (ASX: AGD; TSX-V: AGLD) is pleased to announce the is pleased to announce that it has filed its Q2 2020 Quarterly Activity Report. The Report is available under the Company’s profile at [www.asx.com.au](http://www.asx.com.au), [www.sedar.com](http://www.sedar.com) and on the Company’s website at [www.australgold.com](http://www.australgold.com).

#### **About Austral Gold**

*Austral Gold Limited is a growing gold and silver mining, development and exploration company building a portfolio of quality assets in Chile, the US 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), a ~26.46% interest in the Rawhide Mine (Nevada, USA) and an attractive portfolio of exploration projects including the Pingüino and Sierra Blanca projects 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](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.

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

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# JUNE 2020

## Quarterly Activity Report

### KEY QUARTERLY HIGHLIGHTS

- **Continued sound financial performance following the upward trend of gold and silver prices that offset lower quarterly production due to a miners' strike of 24 days and several precautionary measures taken to protect the health of our people to address the risk of the COVID-19 virus.**
- **Quarterly production at Guanaco/Amancaya mines was 9,206 gold equivalent ounces (8,808 gold ounces and 42,227 silver ounces) – a ~50% decrease from the March 2020 and June 2019 quarters. YTD production totaled 26,302 gold equivalent ounces (24,984 gold ounces and 131,956 silver ounces). Despite the interruption to operations, we are still on track to achieve production at the lower end of our 2020 Guidance of 55,000-60,000 gold equivalent ounces.**
- **Quarterly operating cash flow was US\$7.9 million and US\$9.7 million before and after changes in working capital respectively.** Quarterly sales were 11,296 gold equivalent ounces and revenue of US\$19.4 million. The average selling price was US\$1,717/oz while the cost of sales per ounce was US\$857/oz.
- **Cash & cash equivalents at quarter end was US\$9.7 million, a 47% increase from the previous quarter ended March 2020, while gold and silver in inventory totaled 1,275 gold equivalent ounces at June 2020.**
- **Reduction of consolidated net debt to US\$3.2 million at 30 June 2020 from \$7.2 million at 31 March 2020.**

- **Quarterly cash cost of production (C1)** was **US\$874/oz** while the all-in-sustaining cost (**AISC**) equaled to **US\$1,255/oz**. Increase in C1 and AISC from the quarters ended March 2020 and June 2019 were mainly due to the cost of settling the miners' strike and the lower production. **Adjusted quarterly June 2020 C1 and AISC**, (which excludes the cost of settling the miners' strike) were **US\$747/oz** and **US\$1,080/oz** respectively compared to C1 and AISC of US\$685/oz and US\$893/oz during March 2020.
- **Entered into an agreement** with New Dimension Resources (TSXV:NDR) for the acquisition of **the Sierra Blanca gold-silver project located in Santa Cruz, Argentina** as announced on 1 April 2020. **Expect to close in Q3 2020**.
- **Executed the remaining two option agreements** to increase our interest in Rawhide to 26.46%. Total cost was US\$0.54 million.
- **Declaration of A\$0.009 per share dividend to shareholders totaling approximately US\$3.5 million. Dividend paid in July 2020.**
- **All resolutions were passed at the Company's 27 April 2020 Annual General Meeting.**

## PRODUCTION

- **Guanaco/Amancaya gold and silver production during the quarter totaled 9,206 gold equivalent ounces** (or 8,808 gold ounces and 42,227 silver ounces). **The lower production compared to the March 2020 quarter (46% decrease)** is mainly a result of the miners' strike which shutdown the mine for approximately one month.
- **No output at Casposo is due to placing the mine on care and maintenance during the June 2019 quarter.**
- **Rawhide gold and silver production (100% basis) during the quarter totaled 7,805 gold equivalent ounces** (or 7,279 gold ounces and 44,739 silver ounces) **a 56% increase from March 2020 production of 5,012 gold equivalent ounces** (or 4,606 gold ounces and 34,558 silver ounces). The Company's June 2020 quarterly share of production (25.31% basis during the June 2020 quarter) was 1,975 gold equivalent ounces (or 1,842 gold ounces and 11,321 silver ounces) compared to the March 2020 quarterly share of production (23.24% basis) of 1,165 gold equivalent ounces (or 1,071 gold ounces and 8,033 silver ounces).

## Quarterly Production figures

Operations	Guanaco/ Amancaya Mines			Rawhide Mine (100% basis)		Casposo Mine (100% basis)			Net to Austral Gold*		
	June Qtr 2020	Mar Qtr 2020	June Qtr 2019	June Qtr 2020	Mar Qtr 2020	June Qtr 2020	Mar Qtr 2020	June Qtr 2019	June Qtr 2020	Mar Qtr 2020 (***)	June Qtr 2019
Processed (t)	37,278	54,983	64,719	350,113	473,210	-	-	3,375	125,875	164,977	67,082
Gold produced (Oz)	8,808	16,176	16,604	7,279	4,606	-	-	846	10,650	17,247	17,196
Silver produced (Oz)	42,227	89,729	152,773	44,739	34,558	-	-	37,112	53,548	97,762	178,751
<b>Gold-Equivalent (Oz) **</b>	<b>9,206</b>	<b>17,096</b>	<b>18,322</b>	<b>7,805</b>	<b>5,012</b>	-	-	<b>1,275</b>	<b>11,181</b>	<b>18,261</b>	<b>19,215</b>

\*Effective December 2019, Austral Gold owned 100% of Casposo. From March 2017 to 22 December 2019, Austral Gold owned 70% of Casposo; C1 and AISC calculated based on 100% Processed (t). June 2020 Quarterly Weighted average of 25.31% (March 2020 - 23.24%) ownership in the Rawhide Mine as effective 31, January 2020 Austral held a 23.62% ownership interest in Rawhide. On 8, May 2020 the ownership interest was increased to 26.46%.

\*\*AuEq ratio is calculated at 97:1 Ag:Au for the March 2020 Quarter; 85:1 Ag:Au for the December 2019 Quarter; 84:1 Ag:Au for the June 2019 Quarter

\*\*\*The March 2020 quarterly report did not include the production from Rawhide.

## Forecasted Calendar 2020 Production and Costs:

- **Production guidance for 2020 for the Guanaco and Amancaya Mine complex** remains at 55,000-60,000 gold equivalent ounces range. As a result of the strike, we forecast production to be at the lower end of the Guidance and **C1 and AISC to increase by US\$100 per gold equivalent ounce to US\$700-800 and US\$1,000-1,100** respectively per gold equivalent ounce.
- Production guidance for 2020 provided by Rawhide has been revised to 30,000-35,000 (formerly 40,000-45,000) gold equivalent ounces. Austral Gold holds a 26.46% interest in Rawhide after exercising its final two options during the quarter for US\$536,236.

## EXPLORATION

- **Our exploration program continues to focus on studying brownfield project opportunities near our processing plants in Chile and Argentina.** During the period, activities were reduced due to the restrictions implemented as a result of the Covid-19 virus.

### Chile

- During the quarter, due to the miners' strike and the COVID-19 situation, the Company did not initiate any new drilling programs. Our geologists continued with surface studies to determine the next drilling targets for Q3-Q4 2020 at Sierra Inesperada, Los Nanos and Amancaya. A brief description of the activities performed in these areas during the quarter are as follows:
  - Sierra Inesperada: As announced on 30 January 2020, significant new intersections were identified at Sierra Inesperada associated with a NW structural trend of gold mineralization. During the quarter, the exploration team started working on a more detailed geological map along with further hydrothermal alteration maps supported by Terraspec equipment. Our objective is to vectorise the mineralisation centers and expand known areas.
  - Los Nanos: This area represents the opportunity to expand the mineral resource base surrounding the developed zones of the Cachinalito Underground Mine. During the quarter, we initiated a trenching program and identified a potential open pit resource associated with the crossing of two mineralized systems EW and NW. Further studies will continue during the third quarter.
  - Amancaya: During the period, we continued with detailed surface mapping in the Veta Julia area and the veins located in the northern sector of Amancaya.

### Argentina

- During the quarter, all fieldworks were suspended following the mandatory isolation measures in effect in the country. Geologists continued the work of reinterpreting existing information and designing the next drill campaign. A brief description of the activities performed during the quarter are as follows:
  - Casposo: The activities focused on consolidating and integrating the information from different exploration campaigns carried out in recent years. We identified several targets that will be reviewed once activities are resumed as part of the design of the next drilling campaign for Q4 2020.
  - Manantiales: We continued collecting and reviewing historical information of this new project acquired during previous quarter. Due to the Covid-19 situation we temporarily suspended the district mapping that started in Q1 2020 (~ 30% complete).
  - Pingüino: No fieldworks activities to report during the quarter. The team began planning the exploration activities for Q3-Q4 2020 along with the anticipated exploration commitments at Sierra Blanca over the next 12 months.

## FINANCIALS

- **Sound cash and cash equivalents balance at US\$9.7 million as of 30 June 2020.** The table below summarizes the quarterly cash flow compared to the previous year quarter.

Cash Flow (US\$ 'M)	June 2020 qtr	June 2019 qtr
Operating Cash flow before change in working capital	7.9	5.4
Changes in working capital	1.8	(1.3)
Operating cash flow after change in working capital	9.7	4.1
Net cash used in investing activities	(5.2)	(2.3)
Net cash used in financing activities	(1.4)	(1.1)
Net increase in cash	3.1	0.7
Cash beginning of period	6.6	1.8
Cash end of period	9.7	2.5

- **Operating cash flow** for the quarter reached US\$7.9 million and US\$9.7 million before and after changes in working capital, respectively.
- **Net cash used in investing activities** was US\$5.2 million, most of which was used for sustaining capital expenditures and to increase our equity investment from ~23.62% to ~26.46% in Rawhide through the exercise of two options that were set to expire on 8 May 2020..
- **Net cash used in financing activities** was US\$1.4 million, following the net repayment of borrowings.
- **The net increase in cash and cash equivalents** during the quarter ended 30 June 2020 is mainly explained by i) the increase in working capital, ii) an increase in investments, iii) and other operating outflows not expected to occur during the remainder of the year such as bonus payments of US\$~3.5 million to mining employees at Guanaco based on negotiations with the Union. The latter payment agreed by the Union have generally been paid once every three years.

- The table below summarizes the net financial debt position at 30 June 2020 versus the previous quarter.

Net Financial Debt Position (US\$'M)	June 2020 *	March 2020
Cash & Cash Equivalents **	9.7	6.6
Financial Debt ***	12.9	13.8
Net Financial Debt	3.2	7.2

\* Consolidated unaudited figures

\*\* Includes short-term investments in US treasury bills less than 90 days

\*\*\* Includes Borrowings and Financial leases

- **Consolidated net financial debt remains at healthy levels totaling US\$3.2 million at 30 June 2020**, a decrease of US\$4.0 million from 31 March 2020.
- As of 30 June 2020, financial debt (\*\*\*) was US\$12.9 million (of which US\$6.6 million is long-term debt), a decrease of US\$~1 million or approximately 12% from the prior quarter.

**Guanaco & Amancaya Mines**  
Antofagasta, Chile



**Casposo Mine**  
San Juan, Argentina



**Pingüino Project**  
Santa Cruz, Argentina



**Rawhide Mine**  
Fallon Nevada, USA



Austral Gold Limited ('the Company' or 'Austral') and its subsidiaries ('the Group') is a precious metals mining and exploration company building a portfolio of assets in South America and recently entered the North American market.

The Group produces gold and silver from the Guanaco and Amancaya Mines in Chile. The Group also holds the Casposo Mine in San Juan, Argentina, which is currently on care and maintenance and the recently acquired 26.46% effective interest including the options exercised in May 2020 in the Rawhide Mine located ~50 miles outside of Fallon, Nevada, United States. It also holds 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) in Chile.

## CHILE

### Guanaco and Amancaya Mines

#### Background

The Guanaco and Amancaya mine complex remains the Company's flagship asset in Chile.

Guanaco is located approximately 220km south-east of Antofagasta in Northern Chile at an elevation of 2,700m and 45km from the Pan American Highway. Guanaco is embedded in the Paleocene/Eocene belt, a geological feature which runs north/south through the centre of the Antofagasta region, Chile.

Amancaya is located approximately 60km south-west of the Guanaco mine. Amancaya is a low sulphidation epithermal gold-silver deposit consisting of eight mining exploration concessions covering 1,755 hectares (and a further 1,390 hectares of second layer mining claims).

At Amancaya, underground operations started in 2018. The Amancaya ore is being trucked to the agitation leaching plant at Guanaco for processing.

#### Safety

During the quarter, there was one lost-time accident (LTA) and zero no-lost-time accidents (NLTA's) involving Guanaco employees and contractors. Safety and environmental protection are core values of the Company. The implementation of best practice safety standards along with a sound risk management program are key priorities for Austral Gold.

#### Production

**Quarterly production** at Guanaco/Amancaya **decreased by 46% to 9,206 gold equivalent ounces** (8,808 gold ounces and 42.227 silver ounces) from 17,096 gold equivalent ounces (16,176 gold ounces and 89,729 silver ounces) during the March 2020 quarter and **decreased by 50%** from 18,322 gold equivalent ounces (16,604 gold ounces and 152,773 silver ounces) during the June 2019 quarter. The decreases were mainly a result of the miners' strike during the quarter which resulted in the mine being shut down for approximately one month which lead to lower throughput at Amancaya. The **cash cost of production (C1) and the all-in sustaining cost (AISC)** at Guanaco/Amancaya in the June 2020 quarter was **US\$874/AuEq Oz and US\$1,255/AuEq Oz** respectively compared to US\$717/AuEq Oz and US\$952/AuEq Oz during the June 2019 quarter and US\$685/AuEq Oz and US\$893/AuEq Oz during the March 2020 quarter. **Adjusted C1 and AISC** during the June 2020 quarter, (which excludes the cost of settling the miners' strike) were **US\$747/oz and US\$1.080/oz**, respectively.

## Mining

During the June 2020 quarter, mining continued at the Guanaco underground operations with a total of 245 tonnes mined while 30,503 tonnes were mined from the Amancaya underground operations. Management continues to evaluate opportunities to extend the life of mine of the Guanaco and Amancaya mines.

Operations	Guanaco/Amancaya Quarter ended		
	June 2020	March 2020	June 2019
Processed (t)	32,278	54,983	64,719
Average Plant Grade (g/t Au)	9.5	8.9	7.8
Average Plant Grade (g/t Ag)	46.3	53.6	82.4
Gold produced (Oz)	8,808	16,176	16,604
Silver produced (Oz)	42,227	89,729	152,773
Gold-Equivalent (Oz) ***	9,206	17,096	18,322
C1 Cash Cost (US\$/AuEq Oz) *	874	685	717
All-in Sustaining Cost (US\$/Au Oz) *	1,255	893	952
Realised gold price (US\$/Au Oz)	1,717	1,593	1,308
Realised silver price (US\$/Ag Oz)	18	18	15

\* The cash cost (C1) includes: Mine, Plant, On-Site G&A, Smelting, Refining, and Royalties (excludes Corporate G&A). It is the cost of production per gold equivalent ounce.

\*\* The All-in Sustaining Cost (AISC) includes: C1, Sustaining Capex, Brownfield Exploration, and Mine Closure Amortisation

\*\*\* AuEq ratio is calculated at 106:1 Ag:Au for the 30 June 2020 quarter; 94:1 for the 31 March 2020 quarter and 89:1 for the 30 June 2019 quarter.

## **Amancaya District Exploration**

The exploration at the Amancaya District is based on two main pillars: i) consolidation of the geological resources in extensions of known structures, and ii) confirm the geological potential of the district through the review of structural features and geophysics anomalies towards the search for new vein systems.

During the June 2020 quarter, the exploration team continued the review of proposals for Infill drilling in sectors considered reserves to be mined during 2021. Additionally, work is being carried out on the reinterpretation of certain sections with the objective of finding opportunities to add new resources outside the reserves.

During the quarter, the Veta Central Norte sector was reviewed with the intent to extend resources north of the location of the current drifts.

## **Guanaco District Exploration**

As announced on 30 January 2020, significant new intersections were identified at Sierra Inesperada associated with a NW structural trend of gold mineralization. During the period, the exploration team began working on sections and the review of drill holes in the Dumbo Oeste sector to identify new geological units and hydrothermal alteration minerals with Terraspec equipment. The objective of this work is to associate the described geology with a new geological model that allows for expansion and the search for new resources.

Los Nanos represents the opportunity to expand the mineral resource base surrounding the developed zones of the Cachinalito Underground Mine. During the quarter, we started a trenching program and identified a potential open pit resource associated with the crossing of two mineralized systems EW and NW. Further studies will continue during the third quarter.

# **ARGENTINA**

## **Casposo Mine**

### **Background**

The Casposo mine is located in the department of Calingasta, San Juan Province, Argentina, approximately 150km from the city of San Juan, and covers an area of 100.21km<sup>2</sup>. Casposo is a low sulfidation epithermal deposit of gold and silver located in the eastern border of the Cordillera Frontal geological province.

In March 2016, Austral Gold acquired a controlling stake and management of the Casposo gold and silver project. Since then, Austral Gold has undertaken a complete revision of historical work (geology, geochemistry, geophysics and drillings), and completed a regional mapping at a 1:10,000 scale with the goal of identifying potential opportunities for discovering additional mineralisation and ranking a series of mine and brownfield exploration targets.

The Casposo Mine consists of several narrow steeply dipping ore bodies known as Aztec, B-Vein, B-Vein1, Inca0, Inca1, Inca2A, Inca2B, and Mercado.

During the June 2019 quarter, Austral completed a comprehensive review of operations, and as the mine operator, decided to temporarily place the mine on care and maintenance.

**The Casposo Mine continues to be on care and maintenance, although exploration activities commenced during the December 2019 quarter with the goal of recommencing processing operations in the future.**

### **Safety**

During the June 2020 quarter, there were no lost-time accidents (LTA) and one no-lost-time accidents (NLTA) involving employees and contractors of Casposo. Safety and environmental protection are core values of the Company. The implementation of best practice safety standards along with a sound risk management program are key priorities for Austral Gold.

### **Production**

There was no production in Q2 2020.

### **Casposo Exploration**

The exploration team continues with the analysis of other brownfield targets within the Casposo mining property. After the acquisition of the Manantiales property as disclosed in the March 2020 quarter report, an integrated new surface mapping including Casposo was prepared during the quarter while a review of the next drilling campaign is underway.

In addition, fieldwork was carried out in the northern and eastern sectors of the Manantiales properties. A survey and sampling of areas with little information and geological data were made. In total, 21 rock samples were taken and sent to the laboratory.

### **Pingüino and Sierra Blanca Projects (Santa Cruz Cluster)**

#### **Recent activities**

Austral and New Dimension Resources Ltd. (TSX-V:NDR) (“New Dimension”) entered into an agreement for Austral to purchase an 80% interest in New Dimension’s Sierra Blanca gold-silver project (the “Project”) in Santa Cruz Province, Argentina for US\$800,000 in cash and work commitments in various installments throughout a 3-year period. The agreement also includes a ‘follow -on’ option to purchase the remaining 20% interest for an additional US\$2,300,000 in cash and work commitments throughout an additional 2-years period. The transaction is subject to execution of a definitive agreement and certain undertakings from New Dimension and is expected to close during Q3 2020.

With this transaction, Austral will expand the area of its Pingüino project by securing an additional 7,000 hectares, resulting in a new exploration cluster in the Province of Santa Cruz. In addition, the exploration team carried out the inventory of the veins of both projects to design the next exploration campaign.

## United States

### Background

On 17 December, 2019, Austral Gold announced that its newly formed Nevada subsidiary, Austral Gold North America Corp. (“AGNA”), had 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.

The Rawhide mine 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.

During the June 2020 quarter, AGNA executed the remaining option agreements to increase its interest in Rawhide to 26.46%.

Rawhide Operations	Quarter ended June 2020		Quarter ended March 2020	
	100% basis	Net to Austral Gold*	100% basis	Net to Austral Gold*
Processed (t)	350,113	88,597	473,210	109,994
Gold produced (Oz)	7,279	1,842	4,606	1,071
Silver produced (Oz)	44,739	11,321	34,558	8,033
Gold-Equivalent (Oz) ***	7,805	1,975	5,012	1,165

\*June 2020 Quarterly Weighted average of 25.31% (March 2020-23.24%) ownership in the Rawhide Mine as effective 31, January 2020 Austral held a 23.62% ownership interest in Rawhide. On 8, May 2020 the ownership interest was increased to 26.46%.

### Q2 2020 Update

During the June 2020 quarter, the Board of Rawhide revised estimated production guidance for the year to 30,000-35,000 gold equivalent ounces from 40,000-45,000 gold equivalent ounces.

Quarterly production reached 7,805 gold equivalent ounces (100% basis) This represents a 56% increase over Q1 production or 1,975 gold equivalent ounces (net to Austral). Production is below budget as a result of the failure of the shaft on the primary crusher, which was repaired by the end of the quarter.

## Corporate Summary & Financial Performance

During the June 2020 quarter, the Company held its Annual General Meeting (AGM) and all resolutions were passed.

On 30 June 2020, the Company declared a A\$0.009 per share dividend to shareholders totaling approximately US\$3.5 million, which was paid in July 2020.

The main financial highlights during the quarter were as follows:

- Gold and silver revenues reached US\$19.4 million from the Guanaco/Amancaya mines. Average selling price was US\$1,717/oz while the cost of sales was US\$857/oz. Cash & cash equivalents at quarter end was US\$9.7 million while gold and silver in inventory totaled 1,275 gold equivalent ounces.
- Cash flow from operations after changes in working capital was US\$9.7 million following the realization of higher gold and silver prices that partially offset the higher costs of production during the quarter as compared to the March 2020 quarter. Cash flow from operations was impacted by the payment of the bonus and other benefits to mining employees at Guanaco/Amancaya due to the new collective union agreement after the miners' strike during May/June.
- Net cash used in investing activities was US\$5.2 million, most of which was used for sustaining capital expenditures and to increase our equity investment from ~23.62% to ~26.46% in Rawhide through the exercise of two options that were set to expire on 8 May 2020.
- Net cash used in financing activities was US\$1.4 million, following the net repayment of borrowings and financial leases.

By order of the Board

**David Hwang**  
Company Secretary

## Forward Looking Statements

Statements in this quarterly activity report 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 quarterly activity report include the Company's 2020 forecasted production guidance and costs, Rawhide's 2020 forecasted production, the exploration teams plans to design the drilling campaigns in Chile and Argentina for Q3-Q4 2020, expectation to close the agreement to acquire Sierra Blanca in Q3 2020, Rawhide expectations to resolve technical issues and increase production during the second half of 2020 and that Management continues to evaluate opportunities to extend the life of mine of the Guanaco and Amancaya mines.

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 discovery and 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, the Company'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 with 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. The Company 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. The Company's forward-looking statements reflect current expectations regarding future events and operating performance and speak only as of the date hereof and the Company 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.

## Compliance Statement

This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

This statement gives a true and fair view of the matters disclosed.

Sign here:

Date: 30 July 2020

(Company secretary)

Print name: David Hwang

