



**JOINT MEDIA RELEASE**

**Austral Gold Limited and Revelo Resources Corp.**

**2 September 2020**

**Revelo and Austral Gold Announce Signing of Non-Binding Offer Letter  
for Austral to Acquire Revelo for Shares and Cash**

Austral Gold Limited ("Austral") (ASX: AGD; TSX-V: AGLD) and Revelo Resources Corp. ("Revelo") (TSX-V: RVL) are pleased to announce they have entered into a conditional non-binding letter of intent ("Offer Letter") pursuant to which Austral would purchase all the outstanding shares of Revelo (the "Revelo Shares") in exchange for shares in Austral and cash (the "Transaction"). The key terms of the Offer Letter are non-binding, except for exclusivity, confidentiality, term, termination fees and other standard clauses.

Accordingly, the Transaction remains subject to further due diligence, negotiation, and satisfaction of material conditions, such as entering into definitive agreements (which will make the Transaction and all key terms legally binding between the parties). However, as a similar release is being made on the TSX Venture Exchange (the "TSX-V") by Revelo and Austral, the Transaction is also being announced by Austral on the Australian Securities Exchange (the "ASX") to keep the Australian market fully informed.

The parties will continue to negotiate exclusively and in good faith to enter into definitive agreements during September 2020. If and when definitive agreements have been entered into by the parties, a further announcement will be released.

At present, the key details of the Transaction are as follows:

- Each Revelo shareholder (collectively, the "Revelo Shareholders") to receive, in exchange for each Revelo Share held immediately prior to the effective date of the Transaction, 0.9184 (the "Exchange Ratio") common shares of Austral (each whole share, an "Austral Share").
- The Exchange Ratio to result in the current Revelo Shareholders owning approximately 5.90% of the outstanding shares of the combined entity on an undiluted basis and 5.80% on a fully-diluted basis. The Austral Shares will be issued utilising the Company's existing capacity under ASX Listing Rule 7.1.
- In addition, Austral to pay C\$ 1,176,471 (the "Cash Consideration") to the Revelo Shareholders, pro rata, based on their respective shareholdings as of the completion date of the Transaction. Austral proposes to fund the Cash Consideration utilising its existing cash reserves.
- Based on the 30 day volume-weighted trading price of Revelo's and Austral's shares on the TSX-V prior to signing of the Offer Letter, the Austral Shares being issued represent a 55% premium to the price of Revelo's stock and the aggregate of the Austral Shares being issued and the Cash Consideration represents a 77% premium.

- Austral and Revelo have mutually agreed to pay the other party a termination fee of US\$ 500,000 if the Transaction does not close by February 28, 2021, for any reason other than certain exceptions agreed to between the parties in the Offer Letter (which includes the entering into definitive agreements). Therefore, if definitive agreements are not entered into by the parties and the Transaction does not proceed, the termination fee will not be payable.
- The Transaction is expected to proceed on a friendly basis with the unanimous support of the Board of Directors of both Austral and Revelo.
- There will be no changes to the Board of Austral as a consequence of the Transaction.

Chairman, Michael Winn, and President and CEO, Timothy Beale, holding an aggregate of 19,938,869 common shares of Revelo, representing approximately 51.6% of the outstanding common shares of Revelo, have entered into a voting support agreement with Austral pursuant to which they and entities controlled by them have agreed, among other things, to support the Transaction and vote their common shares of Revelo in favour of the Transaction.

As noted above, completion of the Transaction remains subject to a number of material terms and conditions being satisfied, including:

- Revelo Shareholder approval;
- entering into of definitive agreements, including support agreements by Revelo's officers and directors and significant shareholders;
- obtaining all applicable regulatory, court and stock exchange (TSX-V and ASX) approvals;
- the absence of material adverse changes to Revelo or Austral; and
- completion of satisfactory due diligence activities by Revelo and Austral.

Austral does not consider that the Transaction, if it proceeds, will require Austral to seek shareholder approval.

Austral's Chief Executive Officer, Stabro Kasaneva, said; "We are pleased to make an offer for the acquisition of Revelo as they own seven interesting assets, three of which are precious metals projects located in the Paleocene-Eocene belt, which is in the vicinity of our Guanaco/Amancaya mining complex. In addition, Revelo is pursuing an attractive transaction with West Pacific Ventures Corp. which should result in Revelo owning a 19.9% interest in a new vehicle that will control an interesting set of copper projects in the same area. This transaction would allow us to consolidate our leading role in the Paleocene-Eocene Belt in Chile and increase our portfolio of exploration assets."

Revelo's Chairman, Michael Winn, commented; "This is a very attractive deal for Revelo's shareholders. Austral Gold is a growing producer of gold and silver with what we believe to be great upside potential. The proposed business combination between Austral's production and Revelo's exploration assets, with three of Revelo's gold-silver exploration projects within easy trucking distance of Austral's processing plant at Guanaco, make for a compelling story".

Revelo and Austral are working to complete due diligence activities and sign definitive documentation in mid-September with a view to closing the Transaction in mid-November.

Revelo continues to work towards the closing of its previously announced “spin-out” transaction whereby eight of Revelo’s projects are being sold to West Pacific Ventures Corp., following which West Pacific will participate in a reverse take-over transaction with Fireswirl Technologies Inc. (see Fireswirl’s news release dated August 17, 2020). The agreement is subject to the raising of a minimum of C\$ 4,000,000 in financing for the new venture, which will be invested in the exploration of the properties being sold. Austral is fully supportive of this transaction being concluded as soon as possible.

### **ABOUT AUSTRAL**

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. Its flagship Guanaco/Amancaya project in Chile is a gold and silver producing mine with further exploration upside. Austral 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 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 (TSX-V: AGLD), and the Australian Securities Exchange. (ASX: AGD). For more information, please consult Austral’s website [www.australgold.com](http://www.australgold.com).

### **ABOUT REVELO**

Revelo is a Canadian company listed on the TSX Venture Exchange (TSX-V: RVL). Revelo holds interests in a substantial portfolio of gold-silver and copper projects located along world-class mineral belts in northern Chile. Discounting the eight properties in the process of being sold to West Pacific Ventures Corp., as described above, Revelo’s land holdings include 4 projects focused on gold and silver totalling approximately 38,000 hectares, together with three projects focused on copper-gold totalling approximately 30,000 hectares, and represents an important portfolio in the country with many highly-prospective indicators of precious metals and copper porphyry mineralization, including, in some cases, historic drill intercepts. Additionally, Revelo has a 15% equity interest in a private company, Atacama Copper Exploration Ltd., and will have a 19.9% equity interest in the new spin-out venture involving West Pacific Ventures Corp. once that transaction closes.

For more information, please visit Revelo’s website at [www.reveloresources.com](http://www.reveloresources.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

On behalf of Revelo Resources Corp.:  
**“Timothy J Beale”**  
CEO

Release approved by the Chief Executive Officer of  
Austral Gold Limited, **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 that Austral is to purchase all the outstanding shares of Revelo and the terms agreed to in the Offer Letter.

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 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. Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which may have been used. Austral and Revelo cannot assure readers 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 and Revelo's forward-looking statements reflect current expectations regarding future events and operating performance and speak only as of the date hereof and Austral and Revelo do 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, readers should not place undue reliance on forward-looking statements.