MEDIA RELEASE
Austral Gold Limited
29 July 2022

Austral Gold Files Q2 2022 Quarterly Activity Report

Austral Gold Limited (the "Company") (ASX: AGD; TSX-V: AGLD) is pleased to announce that it has filed its Q2 2022 Quarterly Activity Report. The complete Report is available under the Company's profile at www.asx.com, www.sedar.com and on the Company's website at www.australgold.com/.

KEY QUARTERLY HIGHLIGHTS

- **At the Casposo-Manantiales mine complex in Argentina,** the second drilling campaign which started in Q1 2022 continued as part of our strategy to restart mining operations. Results were announced on 27 July 2022 and obtained from 5 new drillholes at the Manantiales vein. **Best intercepts were at:**
    - ***MDH-02-63: 4.40 meters @ 18.65 g/t gold and 58 g/t silver***
        - *including: 3.12 meters @ 26.04 g/t gold and 37 g/t silver*
        - *sub-including: 0.75 meters @ 76.26 g/t gold and 75 g/t silver*
    - ***MDH-02-64: 2.35 meters @ 15.61 g/t gold and 81 g/t silver***
        - *including: 1.58 meters @ 22.30 g/t gold and 116 g/t silver*
    - ***MDH-02-60: 2.50 meters @ 9.73 g/t gold and 49 g/t silver***
        - *including: 0.90 meters @ 25.48 g/t gold and 125 g/t silver*
- **At the Guanaco-Amancaya mine complex (Chile),** production was 6,375 gold equivalent ounces ("GEOs") in Q2 2022 (13,868 GEOs during the first half of the year (1H 2022)). **The Group expects production to increase during the second half of the year and meet its revised annual production guidance** of 30,000-35,000 GEO's.
- **Cost of production** ("C1") per GEO was US$1,435 in Q2 2022 (US$1,404 in 1H 2022) while **All-in-sustaining cost** ("AISC") per GEO was US$1,850 in Q2 2022 (US$1,766 in 1H 2022).
- **Average GEO selling price** was US$1,879 per GEO in Q2 2022 (1H 2022 in US$1,869 per GEO). **Cash flow generated from operating activities was US$3.7 million in Q2 2022 (1H 2022: US$4.5 million).** Cash on hand was US$1.6 million and combined with the fair value of unsold and unrefined GEOs in inventory totaled US$3.9 million at 30 June 2022.
- **During the June 2022 quarter,** the Company invested US$1.1 million in exploration

(US$2.4 million in 1H 2022) which also included the required expenditures to complete the first year work commitments at the Cerro Blanco and Morros Blancos projects in Chile and to advance with the second tranche of the Sierra Blanca project option in Argentina to acquire an additional 29% interest.

- **All resolutions were passed at the Company's 27 May 2022 Annual General Meeting.**

PRODUCTION

- **Guanaco/Amancaya gold and silver production during the June 2022 quarter totaled 6,375 GEOs** (or 6,165 gold ounces and 18,104 silver ounces), **a 15% decrease from the March 2022 quarter** and a **24% decrease from the June 2021 quarter. Total production for the first half of the year ended June 2022 (1H 2022) was 13,868 GEOs, a 6% increase** from the 6-month period ended June 2021 (1H 2021).
- Quarterly production at Amancaya was lower than forecasted during the period mainly due to lower throughput, lower gold and silver grades, and lower plant inventory. The full impact of the Q1 2021 initiatives to increase production (hiring a new contractor as mining operator and another contractor to maintain the mining fleet and leasing additional mainly vertical drilling equipment) is expected to result in increased production during the second half of 2022 along with the Company's plan to mine higher grade ore. Q2 2022 production from Guanaco included 122 GEOs (Q1 2022: 211 GEOs, Q2 2021: nil GEOs) from historical heap material processed through the agitation leaching plant.

Quarterly and YTD Production figures

Operations	Guanaco/ Amancaya Mines				
	Q2 2022 (June)	Q1 2022 (March)	Q2 2021 (June)	1H 2022 (6-month)	1H 2021 (6-month)
Processed (t)	64,511	70,900	42,969	135,411	69,149
Gold (Oz)	6,165	7,224	7,966	13,389	12,416
Silver (Oz)	18,104	21,187	26,332	39,291	42,363
GEOs **	**6,375**	**7,493**	**8,351**	**13,868**	**13,035**

* Quarterly Weighted average of 24.84% (March 2022-24.84% and June 2021-26.46%).

** Au:Ag ratio is calculated at 86:1 Ag:Au for the June 2022 Quarter; 79:1 Au:Ag for the March 2022 Quarter and 68:1 Au:Ag for the June 2021 Quarter; 82:1 Ag:Au for 1H 2022 and 68:1 Ag:Au for 1H 2021 .

Forecasted Calendar 2022 Production and Costs:

- Production guidance for 2022 for the Guanaco and Amancaya Mine complex has been revised to 30,000-35,000 gold-equivalent ounces from 35,000 to 40,000 with forecasted C1 and AISC of US$1,250-US$1,350 and US$1,500-US$1,650 per GEO.

EXPLORATION

- During Q2 2022, the main exploration activities were as follows:
  - **Brownfield:**
    - **Guanaco-Amancaya mine complex (Chile):** Designed a new exploration program named “Near Mine” with the goal of reviewing opportunities to increase the mineral reserves, which are close to the existing infrastructure of the Amancaya Mine.
    - **Casposo-Manantiales mine complex (Argentina):** Completion of 1,234 meters of drilling at Manantiales and La Puerta Oeste veins, continuing with channel sampling at the La Puerta and Awada areas, and reviewing remnant mineral resources at the Casposo property. The most significant results were the extension of the south ore shoot (MDH-22-060) and the extension at depth of the north ore shoot (MDH-22-063) in Manantiales as follows:
      - The best result obtained to date is drillhole MDH-22-63, which intercepted a high-grade gold structure with a width of more than 4 meters. This intercept indicates that the best mineralisation control in Manantiales vein is related to the lower contact of the dacitic intrusive opening the potential along this discontinuity and at depth.
      - Results from the holes MDH-022-60 and MDH-022-64, confirmed the continuity of the blind ore-shoot previously intercepted by drillings MDH-022-57/58. In the case of hole MDH-022-60, opening the mineralisation at depth, while drillhole MDH-22-64 indicates mineralisation closer to the surface.
  - **Greenfield:**
    - **Morros Blancos and Cerro Blanco (Chile):** Designed the next drilling campaign for 1H 2023 as work commitments for 2022 under the option agreement were completed.
    - At Morros Blancos, all drillholes were relogged and surface rock geochemistry was revised. Field mapping commenced on the area named Morro Colorado with focus on the structural setting and the identification of phreatomagmatic centers. At Cerro Blanco, expansion of the high-resolution ground magnetometry was completed.
    - **Sierra Inesperada (Chile):** A new drilling program of 800 to 1,000 meters was designed and is expected to commence in Q4 2022. The plan is to drill intercepts obtained in previous drilling campaigns and test new conceptual target.

      Sierra Blanca-Pinguino (Argentina): The relogging and the first schematic section of the Chala Vein confirmed historic economic intercepts. We expect to perform follow-up exploration activities this year including a systematic grid sampling that we started designing.

About Austral Gold

Austral Gold Limited is a growing gold and silver mining, development and exploration company whose strategy is to expand the life of its cash generating assets in Chile, restart its Casposo mine in Argentina and build a portfolio of quality assets in Chile, the USA and Argentina organically through a Tier 1 or 2 exploration strategy and via acquisitions and strategic partnerships. Austral owns a 100% interest in the Guanaco/Amancaya mine in Chile and the Casposo Mine (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 100% interest in the Pingüino project and a 51% interest in the Sierra Blanca project, both 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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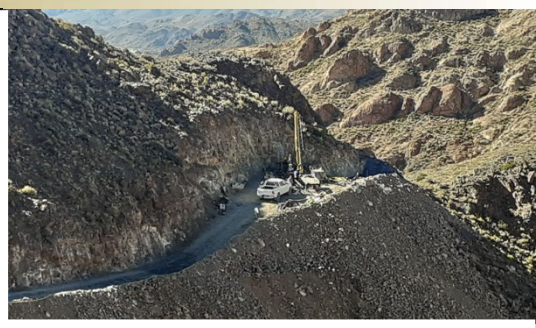
Forward Looking Statements

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 the Company’s the Company’s 2022 forecasted production guidance and costs, the Company’s expectation for production to increase during the second half of the year and meet its revised annual production guidance of 30,000-35,000, due to the Company’s plans to mine higher grade ore, and planned future exploration activities.

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 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.



JUNE 2022

Quarterly Activity Report

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COVID-19

- The Company continued to address the COVID-19 pandemic and minimise the potential impact at its operations. The Company places the safety and well-being of its workforce and all stakeholders as its highest priority and continues to implement measures and precautionary steps to manage and respond to the risks associated with COVID-19 to ensure the safety of its employees, contractors, suppliers, and surrounding communities where it operates.

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FINANCIALS

- **At the end of Q2 2022, cash and cash equivalents were US$1.6 million and combined with the fair value of ~1,200 unsold and unrefined GEOs in inventory totaled US$3.9 million**. The table below summarises the June 2022 quarterly cash flow compared to the March 2022 quarter and prior year quarter ended June 2021.

Cash Flow (US$´M)	Q2 2022 (June)	Q1 2022 (March)	Q1 2021 (June)
Operating Cash flow before change in workingcapital	3.5	0.7	3.3
Changes in working capital	0.2	0.2	(4.8)
Operating cash flow after change in workingcapital	3.7	0.9	(1.5)
Net cash used in investing activities	(2.7)	(2.8)	(4.1)
Net cash from (used in) financing activities	(0.4)	0.7	2.1
Net (decrease) increase in cash	0.6	(1.2)	(3.5)
Cash beginning of period	1.1	2.3	5.3
Cash end of period	1.6	1.1	1.8

- **Cash flow generated from operating activities was** US$3.7 million during Q2 2022, an increase of US$2.8 million from US$0.9 million during Q1 2022. The increase was mainly due to a refund of 60% of prepaid 2021 income taxes. The remaining 40% of approximately US$1.5 million is expected to be received in Q3 2022.
- **Net cash used in investing activities** was US$2.7 million, mainly due to US$1.7 million for sustaining capital expenditures and US$1.1 million for exploration activities.
- **Net cash used in financing activities** was US$0.4 million due to the net decrease in borrowings. **The table below summarises the net financial debt position.**

Net Financial Debt Position (US$´M)	June 2022 *	March 2022*	June 2021**
Cash & Cash Equivalents ***	1.6	1.1	1.8
Financial Debt ****	12.2	11.6	10.1
Net Financial Debt	10.6	10.5	8.3

* Consolidated unaudited figures
** Consolidated audited figures
*** Includes short-term investments that mature in less than 90 days
**** Includes Borrowings and Financial leases

- **As of 30 June 2022, consolidated net financial debt was US$10.6 million**, a net increase of US$0.1 million from 30 June 2022. At the end of Q2 2022, total financial debt of US$12.2 million was comprised of US$8.8 million of short-term debt and US$3.4 million of long-term debt. **As of 30 June 2022,** net current liabilities were US$6.4 million.
- These are preliminary balances and final balances will be disclosed in the Company's 2022 half year report.

Austral Gold Equity Investments and Projects

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 one no-lost-time accident (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

June 2022 quarterly production at Guanaco/Amancaya **decreased** by **15% to 6,375 GEOs** (6,165 gold ounces and 18,104 silver ounces) from **7,493** GEOs (7,224 gold ounces and 21,187 silver ounces) during the March 2022 quarter and **decreased by 24%** from 8,351 GEOs (7,966 gold ounces and 26,332 silver ounces) during the June 2021 quarter. The cost of production ("C1") and the all-in sustaining cost ("AISC") at the Guanaco/Amancaya mine complex in the June 2022 quarter increased to US$1,435 per GEO and US$1,850 per GEO respectively from US$1,377 per GEO and US$1,694 per GEO during the March 2022 quarter and US$1,115 per GEO and US$1,625 per GEO respectively during the June 2021 quarter. The increase in costs were mainly due to lower production and lower grades.

1H 2022 production at Guanaco/Amancaya **increased** by **6% to 13,868 GEOs** (13,389 gold ounces and 39,291 silver ounces) from **13,035** GEOs (12,416 gold ounces and 42,363 silver ounces) during 1H 2021. The cost of production ("C1") per GEO increased to US$1,404 in 1H 2022 from US$1,280 in 1H2021 while the all-in sustaining cost ("AISC") per GEO decreased to US$1,766 in 1H 2022 from US$1,988* in 1H 2021.

*revised from US$2,011 per GEO in the Company's 30 June 2021 half year report

Mining

During the June 2022 quarter, 53,190 tonnes were mined from the Amancaya underground operations.

Operations	Guanaco/AmancayaQuarter ended		
	June 2022	March 2022	June 2021
Processed (t)	64,511	70,900	42,969
Average Plant Grade Underground (g/t Au)	3.8	4.3[6]	5.7
Average Plant Grade Heap (g/t Au)	0.7	1.2[6]	-
Average Plant Grade Underground (g/t Ag)	12.8	15.7[6]	19.9
Average Plant Grade Heap (g/t Ag)	2.8	3.8	-
Gold produced (Oz)	6,165	7,224	7,966
Silver produced (Oz)	18,104	21,187	26,332
Gold-Equivalent (Oz) [1] [2]	6,375	7,493	8,351
C1 Cost of Production(US$/AuEq Oz) [3]	1,435	1,377	1,115
All-in Sustaining Cost (US$/AuOz) [4]	1,850	1,694[5]	1,625[5]
Realised gold price (US$/AuOz)	1,879	1,861	1,830
Realised silver price (US$/AgOz)	23	24	27

(1) AuEq ratio is calculated at 86:1 Ag:Au for the 31 June 2022 quarter; 79:1 for the 31 March 2022 quarter and 68:1 Ag:Au for the 30 June 2021 quarter.

(2) Includes 122 Gold equivalent (Oz) from Guanaco historical heap material processed through the agitation leaching plant during the 30 June 2022 quarter; 211 GEOs during the 31 March 2022 quarter and nil GEOs during the 30 June 2021 quarter.

(3) 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.

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

(5) Revised from US$1,810 in the 31 March 2022 quarterly activity report and US$1,647 in the 30 June 2021 quarterly activity report.

(6) Restated from the 31 March quarterly activity report

Heap Reprocessing Project

As disclosed in the SLR Consulting (Canada) Ltd. (“SLR”) Technical Report that provided updated mineral reserve and resource estimates during Q1 2022, reprocessing of the heaps (the “Project”) is scheduled to commence in 2023.

The Project's first step includes the archaeological work detailed in the environmental approval and the operational permits required from the mining authority. The archaeological program was submitted to the Chilean authorities in June 2022 and after it has been approved, the permits are expected to be granted to the Company. We expect both initiatives to be completed during the third quarter of 2022.

Highlights from the Technical Report are included in the Group’s 29 March 2022 media release www.australgold.com/wp-content/uploads/2022/03/2022-03-29-Austral-Gold-Files-Updated-Reserve-and-Resource-Estimate-at-Guanaco-Amancaya-Final.pdf.

The technical team is evaluating the option of increasing the design capacity for the heap leaching project from 3,000tpd up to 6,000tpd and different source of financing of the HPGR equipment.

Exploration

Guanaco - Amancaya Exploration

Guanaco-Amancaya mine complex (Chile): During Q2 2022, the geology team started the design of a new exploration program named "Near Mine," to review opportunities to increase the mineral reserves of the existing exploitation areas. In Guanaco, we believe there are two main sectors with the potential to increase resources, Dumbo Oeste and Cachinalito Oeste. In both zones, the mineralisation appears to remain open, both in strike and depth.

At Amancaya Mine, the opportunities to potentially add new reserves are currently in Veta Central Sur. The encouraging results obtained in the extension to the southeast at the 1,735 level open the possibility of finding new resources below that level, extending further along the strike as depth increases. In the extreme northwest, the high gold grade intercept announced on 27 January 2021 in drill hole DAM-008 at 1,624m elevation opened the possibility of defining new high-grade resources between elevations 1,700m and 1,600m.

In addition, an infill drilling program has been designed in the Oeste Vein sector, a structure located 150 meters southwest of Veta Central Sur. The goal of the program is to increase mineral reserves which are close to the existing infrastructure at the Amancaya Mine.

Paleocene HS Districts Exploration

During Q2 2022, the Company reviewed the results of previous exploration activities in Morros Blancos and Cerro Blanco with the goal of designing the next exploration campaign for next year as the work commitments for the first year were completed under the option agreement with Pampa Metals Corp (CSE:PM) as announced in Q1 2022.

At the Rosario Alto target (Morros Blancos), surface lithology, structures and alteration have been reinterpreted. Such analysis confirmed the structural setting while Maar-diatreme complexes were reinterpreted. The sections of the current geological model has allowed to refine the drilling recommendations that follow the geological and geochemical vectors in prominent magnetic lows

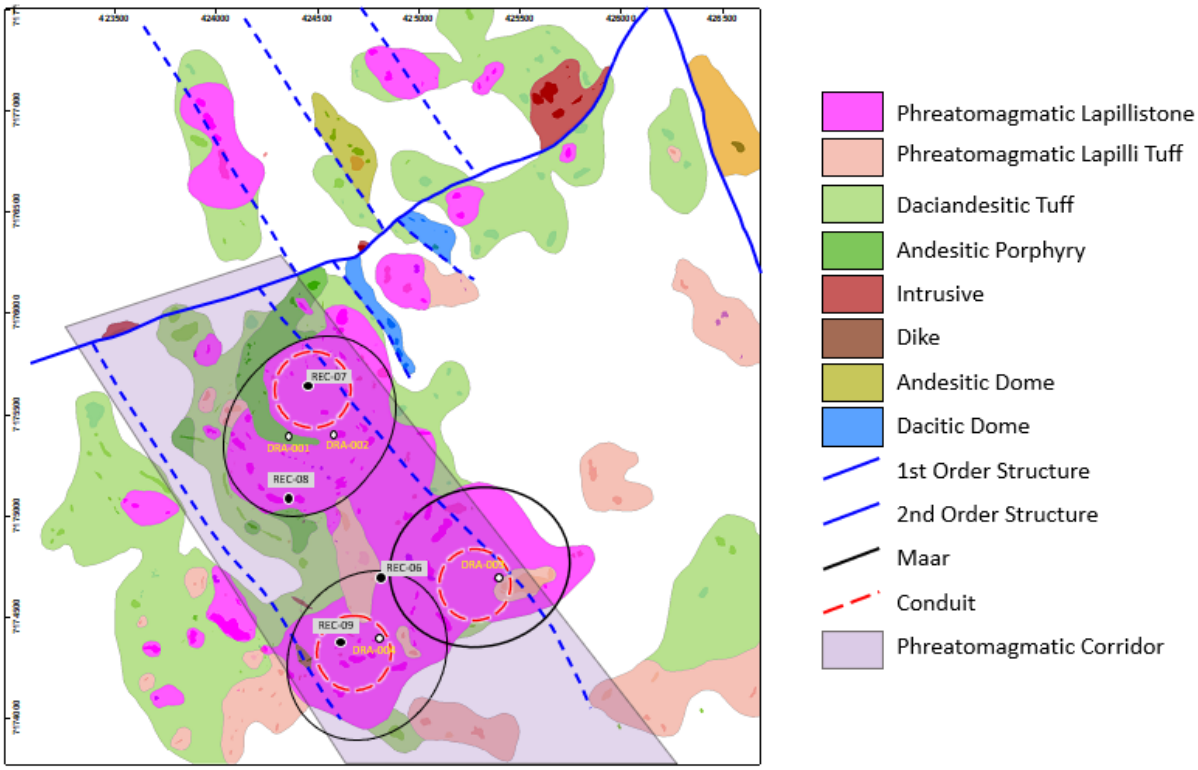
in the Central and Austral maars. At the Morro Colorado target (Morros Blancos), surface mapping confirmed that subparallel NNE to NE high angle faults configure a structural arrangement with a main preserved block in which the phreatomagmatic rocks are hosted in sequences of dacitic tuffs (Chile-Alemania Fm.). These host rocks, with a favorable chemical signature, appear silicified in the vicinity of the two faults that define the block, consistent with significant demagnetized zones in the 3D model, increasing the potential for target type alteration at depth that should be tested during the next season of drilling.

At Cerro Blanco, expansion of the high-resolution ground magnetometry was completed. RAB drilling in low magnetic anomalies is proposed for the definition and validation of HS targets. The program will consist of 20 drillholes averaging 60m (1,200m) to be executed during 2023.

At Sierra Inesperada, the other potential HS district, a new drilling program of 800 to 1,000 meters was designed and is expected to commence in Q4 2022. The plan addresses both the follow-up of the gold and silver intercepts obtained in phase 3 and the remaining untested areas with the potential to contain at least Mina Inesperada-type deposits.

MORROS BLANCOS

Rosario del Alto Target: Interpreted lithology and limits of maar facies



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 100.21km². Casposo is a low sulfidation epithermal deposit of gold and silver located in the eastern border of the Cordillera Frontal geological province.

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.

Safety

During the June 2022 quarter, there were zero lost-time accidents (LTA's) and zero 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 2022.

Casposo - Manantiales Exploration

At the Manantiales vein, the follow-up drilling program intercepted high gold grades for the first time, opening the upside at depth and indicating the continuity of mineralisation in the south ore-shoot.

- ***MDH-02-63: 4.40 meters @ 18.65 g/t gold and 58 g/t silver***
  - *including: 3.12 meters @ 26.04 g/t gold and 37 g/t silver*
  - *sub-including: 0.75 meters @ 76.26 g/t gold and 75 g/t silver*
- ***MDH-02-64: 2.35 meters @ 15.61 g/t gold and 81 g/t silver***
  - *including: 1.58 meters @ 22.30 g/t gold and 116 g/t silver*
- ***MDH-02-60: 2.50 meters @ 9.73 g/t gold and 49 g/t silver***
  - *including: 0.90 meters @ 25.48 g/t gold and 125 g/t silver*
  - *sub-including: 0.45 meters @ 48.16 g/t gold and 192 g/t silver*

At the Cerro Amarillo project, the delineation process continued with rock-chip sampling providing gold grades up to 149.74 grams per tonne ("g/t") Au and 622 g/t Ag at the La Puerta, Awada and Fabiola targets. Subsequent follow-up with channel sampling indicates high-grade mineralisation associated with intense silicification and the presence of multiple minor veining. The channels with the best results by area are:

- *La Puerta:6.20 m @ 11.22 g/t gold and 76 g/t silver*
- *Awada: 2.60 m @ 19.62 g/t gold and 54 g/t silver*
- *Fabiola: 1.50 m @ 19.70 g/t gold and 12 g/t silver*

The first phase of drill testing in La Puerta, Awada and Fabiola were completed. At La Puerta, the three holes drilled had no significant results, while the results from the three holes in Fabiola and one in Awada have not yet been received.

To date, a total of 2,321.3 meters were drilled in 12 diamond drillholes and assays from 8 drillholes have been received to date.

We plan to resume the drilling program in September 2022 when weather conditions improve, which we expect to include the following:

1. infill drilling program at the Manantiales vein;
2. follow-up drilling program at the best targets at the Cerro Amarillo project;
3. revisit of remaining mineral resources in the Casposo mine

Manantiales Vein

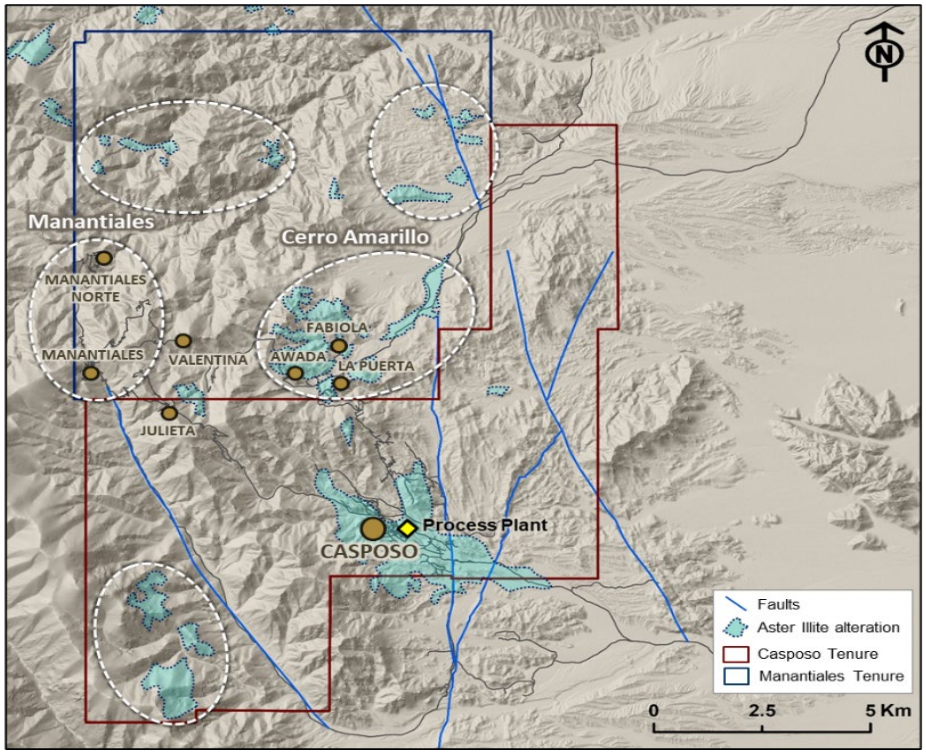
The phase II drilling campaign commenced in 2022 as announced in the Company´s press release dated 28 April 2022. The drill campaign covered 1,273 meters in five holes with four holes oriented to define the South ore-shoot extensions and a fifth hole to explore the continuity of mineralisation in the North ore-shoot at the lower contact of the flat intrusive.

The best result obtained to date is drillhole MDH-22-63, which intercepted a high-grade gold structure with a width of more than 4 meters. This intercept indicates that the best mineralisation control in Manantiales vein is related to the lower contact of the dacitic intrusive opening the potential along this discontinuity and at depth.

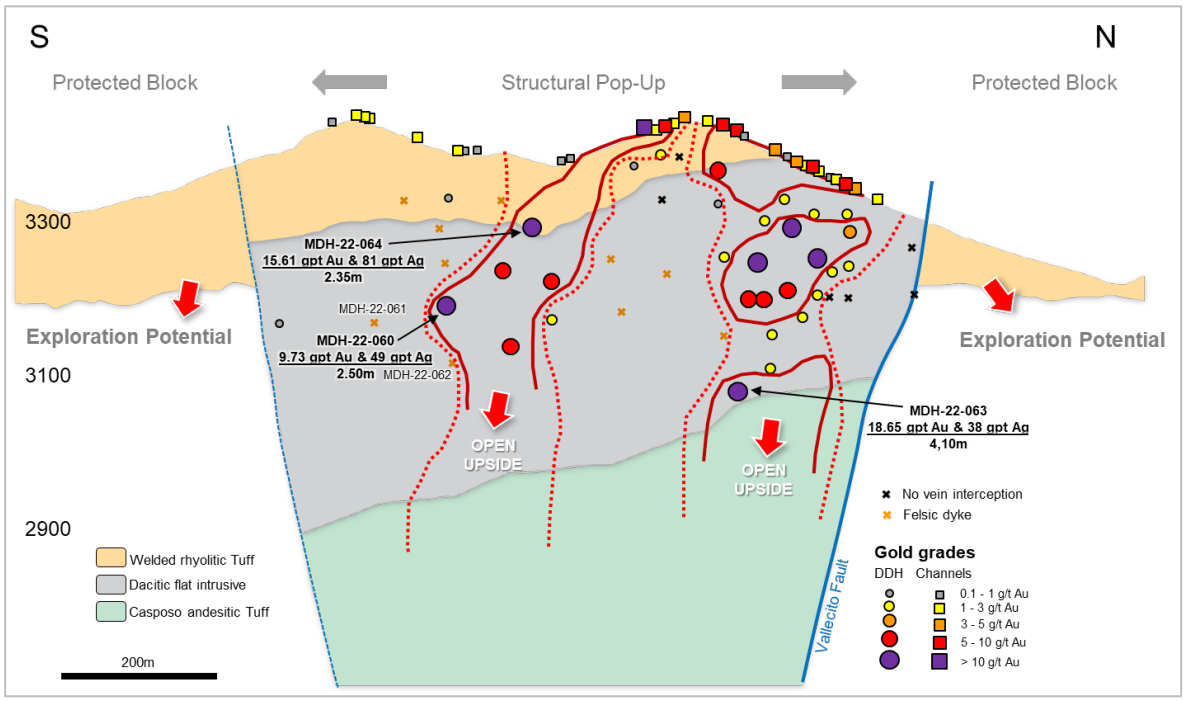
Results from the holes MDH22-60 and MDH-022-64, confirmed the continuity of the blind ore-shoot previously intercepted by drillings MDH-022-57/58. In the case of hole MDH-022-60, opening the mineralisation at depth, while drillhole MDH-22-64 indicates mineralisation closer to the surface.

The next drilling campaign is being planned to define the upside of North and South ore- shoots and to explore the potential to the south and north at the protected blocks related to the Vallecito reverse faulting.

Casposo – Manantiales District: Targeting and Location Map



Manantiales Vein: Drilling results at longitudinal section



Cerro Amarillo

At Cerro Amarillo, the delineation process continued with rock chip sampling showing high gold values in the La Puerta, Awada and Fabiola sectors.

These results are related to multiple centimeter veinlets in at least three main directions, all preferably hosted in a complex of exogenous rhyolitic domes. The largest known structures appear to be controlled by the NS fault contacts of the domes with an andesitic tuff (Oveja Negra Fm) and related to a low sulphidation system, likely developed as sheeted veinlets and stockwork of millimeter to centimeter veinlets of quartz and quartz-adularia with the presence of ginguro.

The results of reconnaissance sampling in veinlets and veins from 2 to 60 cm obtained the following results:

- *La Puerta:*
  - *Sample 9935 – 149.74 g/t gold and 622 g/t silver*
  - *Sample 10098 – 106.39 g/t gold and 1,110 g/t silver*
  - *Sample 9959 – 89.11 g/t gold and 441 g/t silver*
  - *Sample 9897 – 68.11 g/t gold and 200 g/t silver*
- *Awada:*
  - *Sample 0122 – 38.22 g/t gold and 65 g/t silver*
  - *Sample 10124 – 27.36 g/t gold and 65 g/t silver*
  - *Sample 10125 – 6.61 g/t gold and 12 g/t silver*
  - *Sample 9411 – 6.52 g/t gold and 12 g/t silver*
- *Fabiola:*
  - *Sample 9207 – 5.12 g/t gold and 11 g/t silver*
  - *Sample 9589 – 1.03 g/t gold and 201g/t silver*

Subsequent follow-up channel sampling confirmed high-grade mineralisation associated with intense silicification and the presence of veining. Highlights of the results from the channels are as follows:

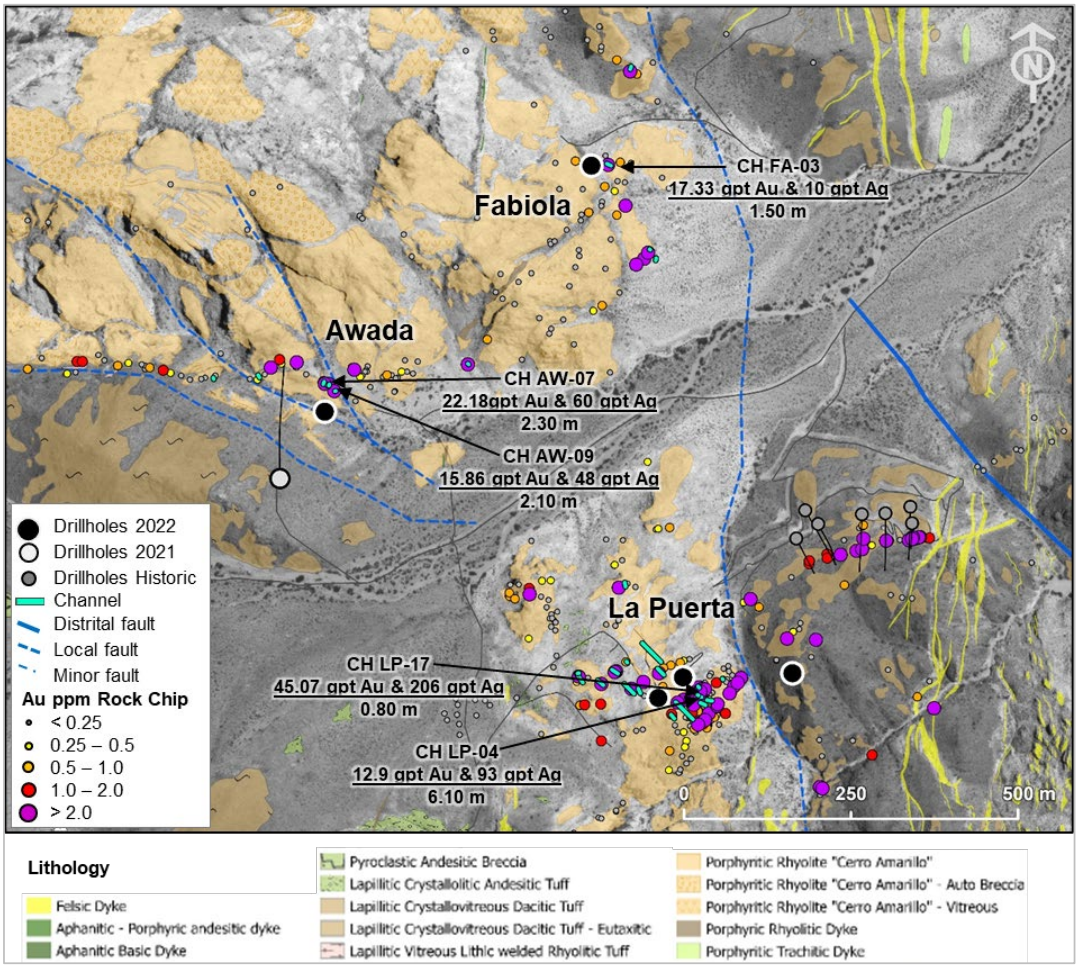
- *La Puerta:*
  - *Channel LP04 – 6.20 m @ 11.22 g/t gold and 76 g/t silver*
    - *Including 5.10 m @ 13.47 g/t gold and 91 g/t silver*
    - *sub-including: 2.90 meters @ 20.06 g/t gold and 127 g/t silver*
  - *Channel LP17 – 0.80 m @ 45.07 g/t gold and 206 g/t silver*
    - *Including 0.40 m @ 83.45 g/t gold and 353 g/t silver*
- *Awada:*
  - *Channel AW07 – 2.6 m @ 19.62 g/t gold and 54 g/t silver*
    - *Including 2.30 m @ 21.95 g/t gold and 60 g/t silver*
    - *sub-including: 1.05 meters @ 40.85 g/t gold and 118 g/t silver*
  - *Channel AW09 – 1.60 m @ 20.36 g/t gold and 62 g/t silver*
    - *Including 0.50 m @ 27.51 g/t gold and 61 g/t silver*
- *Fabiola:*
  - *Channel FA03 – 1.50 m @ 19.70 g/t gold and 12 g/t silver*
    - *Including 0.65 m @ 34.61 g/t gold and 21 g/t silver*

At La Puerta, the first phase of drilling was completed including three holes without significant results. The drill testing program was completed in Fabiola and the results are pending. The three holes intercepted the structure with widths that do not exceed one meter.

At Awada, one follow-up hole was drilled to the high grade AW07 channel, intercepting the sheeted quartz veinlets with apparent presence of ginguro, continuing 50 meters below surface. We expect to receive the results from this drill hole shortly.

Upcoming work program priorities are focused on drilling the second phase in Fabiola and Awada, with the goal of finding the vertical continuity of high-grade mineralisation. In addition, the second drilling phase at La Puerta is being designed.

Cerro Amarillo: Channel and rock chip sampling results



Jaguelito Project

During Q1 2022, we acquired an earn-in option from Mexplort, where we may acquire a 50% interest in the Jaguelito project, located in the Province of San Juan, Argentina, which is a High Sulfidation deposit that has had 30,000 meters drilled.

During Q2 2022, we initiated the field activities completing a district structural mapping and volcanic facies study in Jaguelito Norte. Also, the detailed geological mapping in roads and outcrops achieved a 50% of progress. Now during winter season, the relogging of previous drillholes and section interpretation is underway.

The volcanic facies study validates the presence of at least two Maar-diatreme systems in Jaguelito Norte, of which the largest (“La Cuña” diatreme) has a strong mineralization potential and has not been tested to date whileas the relogging and the new three NE sections interpretated confirm phreatomagmatic breccia bodies in Capote-Alcatraz, controlling alteration and gold mineralization opening the potential of continuity to the untested southwest covered area.
In addition, the Company is awaiting the approval of the Option Agreement by the Instituto Provincial de Exploraciones y Explotaciones Mineras de la Provincia de San Juan (IPEEM).

Pingüino and Sierra Blanca Projects

During Q2 2022, the relogging and the first schematic section of the Chala Vein confirmed historic economic intercepts. We expect to perform follow-up exploration activities this year including a systematic grid sampling that we started designing.

United States

Rawhide Mine LLC

Q2 2022 Update

During Q2 2022, the company continued reviewing different alternatives to stabilize production and repay overdue financial debt and trade payables. Rawhide management agreed to add an independent director selected by the major financial lender to its management committee as part of a Forbearance agreement executed during the quarter between the major lender and the owners of the company.

Ensign Gold (Mercur project)

Q2 2022 Update

The option agreement with Barrick was amended to extend the date of the option payment from May 13, 2023, to January 1, 2024. For Ensign to exercise the option to purchase the Main Mercur property for C$20 million in cash or common stock (which is at the option of Barrick) the Company must have spent at least C$6 million on the property during the term. During the first year of the agreement Ensign spent C$4.4 million.

Ensign is working on an updated resource model on Main and South Mercur and Ensign expects it to be completed during the third quarter of 2022.

Ensign's 2022 exploration plans are as follows:

- Main Mercur~12,000 meters of core and RC drilling and detailed geological mapping
- South Mercur ~1,510m Core drilling, detailed geologic mapping and geochemical sampling
- West Mercur-detailed geological mapping

Ensign's goals are to continue to build on a successful 2021 exploration program, discover new mineralized zones and grow mineral inventory in both tonnes and grade.

Ensign's 2022 drill exploration program commenced in June 2022. The drilling started at Main Mercur with a core drill and reverse circulation drilling commenced in July 2022. The drilling is focusing on potential feeder structures, lower grade oxide in the Marion Hill and Rover areas, and extensions of currently modeled mineralisation.

Permitting for the 2022 drilling program is well underway with 13 proposed holes at South Mercur, and 10 holes at West Mercur fully permitted and bonded. At Main Mercur, 44 new sites are permitted, subject to posting an additional reclamation bond prior to the start of drilling.

Ensign placed its IPO on hold and continues to evaluate market conditions before moving forward with it.

Corporate Summary & Financial Performance

The main corporate and financial highlights during the quarter were as follows:

- **Cash and cash equivalents were US$1.6 million** and combined with the fair value of ~1,200 unsold and unrefined gold equivalent ounces in inventory totaled US$3.9 million.
- **Quarterly operating cash flow** before changes in working capital was US$3.5 million; after changes in working capital the balance was US$3.7 million.
- **Net cash used in investing activities** was US$2.7 million, mainly due to US$1.7 million for sustaining capital expenditures and US$1.1 million for exploration activities.
- **Net cash used financing activities** was US$0.4 million due to lease payments which was partially offset by a net increase in borrowings.
- **Net financial debt** of US$10.6 million and **net current liabilities of US$6.4 million** as of 30 June 2022**.** These are preliminary balances and final balances will be disclosed in the Company's 2022 half year report.
- **All resolutions were passed at the Company's 27 May 2022 Annual General Meeting.**

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 the Company's 2022 forecasted production guidance and costs, the Company's expectation for production to increase during the second half of the year and meet its revised annual production guidance of 30,000-35,000, due to the Company's plans to mine higher grade ore, planned future exploration activities, and the Company's expectation for permits to be granted to the Company from the Chilean mining authority for its heap reprocessing project.

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.

Confirmation: For the purposes of ASX Listing Rule 5.23.2, Austral confirms that is not aware of any information or data that materially affects the information included in its press releases dated 26 October 2021 and 28 January 2022.

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: 29 July 2022

(Company secretary)

Print name:

David Hwang