MEDIA RELEASE
Austral Gold Limited
29 April 2020

Austral Gold Announces Filing of Q1 2020 Quarterly Activity Report

Austral Gold Limited (the "Company") (ASX: AGD; TSX-V: AGLD) is pleased to announce that it has filed its Q1 2020 Quarterly Activity Report. The Report is available under the Company's profile at www.asx.com.au, www.sedar.com and on the Company's website at www.australgold.com.

About Austral Gold

Austral Gold Limited is a growing precious metals mining, development and exploration company building a portfolio of quality assets in Chile 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 ~23.62% 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 (TSXV: AGLD), and the Australian Securities Exchange. (ASX: AGD). For more information, please consult the company's website 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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MARCH 2020

Quarterly Activity Report

KEY QUARTERLY HIGHLIGHTS

- **Continued with sound operational performance at the Guanaco/Amancaya mine complex,** except for several precautionary measures to protect the health of our people to address the risk of the COVID-19 virus.
- **Quarterly production in line with 2020 guidance and increased by 33% from the March 2019 quarter and decreased 5% from the December 2019 quarter to 17,096 gold equivalent ounces** (16,176 gold ounces and 89,729 silver ounces).
- **Quarterly Operating Cash Flow of US$12.4 million and US$4.3 million before and after changes in working capital respectively.** Cash & cash equivalents reached US$6.6 million while account receivables were US$6.6 million (collected in early April 2020) and gold and silver in inventory totaled 3,290 gold equivalent ounces.
- **Operating margins remained strong with** quarterly Operating cash cost (**C1**) and All-in-sustaining cost (**AISC**) at **US$685 and US$893** respectively per gold equivalent ounce. **The average selling price for the March 2020 quarter was US$1,593/oz** reflecting the upward trend of the price of gold and silver.

- **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.
- **Executed the first option agreement** (expiring on 31 January 2020) to increase the interest in Rawhide to 23.62% for US$0.2 million.
- **Exploration success with the identification of a mineralised NW structural Corridor at the Guanaco´s property** in the Sierra Inesperada area located 7km from the Guanaco Mine.
- **As announced on 30 January 2020, completion of the quarterly exploration drilling program with 11,363 meters of drilling within the Company´s main projects in Argentina and Chile**. Significant new intersections identified from drilling at Sierra Inesperada including:
  - **Guanaco_INES_38N 8.0m @ 4.26 g/t Au incl. 1m @ 19.17 g/t Au**
  - **Guanaco_INES_27N 14m @ 2.90 g/t Au incl. 1.0m @ 13.77 g/t Au and 16m@ 2.29 g/t Au incl. 2.0m @ 6.64 g/t Au**
  - **Guanaco_INES_42N-DDH 4.05m @ 4.33 g/t Au incl. 0.63m @ 13.80 g/t Au**

PRODUCTION

- **Combined gold and silver production (100% basis*) during the quarter totaled 17,096 gold equivalent ounces** (or 16,176 gold ounces and 89,729 silver ounces) with Guanaco/Amancaya contributing 100% of production.
- **Guanaco/Amancaya´s higher production compared to the March 2019 quarter (33% increase)** is mainly a result of higher throughput from Amancaya, higher gold and silver recoveries, additional mine equipment available and an increase in the amount of ore. Production decreased 5% from the December 2019 quarter mainly due to less throughout at Amancaya and slightly lower gold grades. No output at Casposo is due to placing the mine on care and maintenance during the June 2019 quarter.

Quarterly Production figures

Operations	Guanaco/ Amancaya Mines			Casposo Mine (100% basis)			Net to Austral Gold*		
	Mar Quarter 2020	Dec Quarter 2019	Mar Quarter 2019	Mar Quarter 2020	Dec Quarter 2019	Mar Quarter 2019	Mar Quarter 2020	Dec Quarter 2019	Mar Quarter 2019
Processed (t)	54,983	66,295	57.992	-	-	36,170	54,983	66,295	83,311
Gold produced (Oz)	16,176	16,578	11,211	-	-	1,924	16,176	16,578	12,558
Silver produced (Oz)	89,729	116,380	137,886	-	-	106,430	89,729	116,380	212,387
Gold-Equivalent (Oz) **	**17,096**	**17,953**	**12,851**	-	-	**3,198**	**17,096**	**17,953**	**15,090**

*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).

**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 March 2019 Quarter

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 with **C1 and AISC estimated** at US$600-700 and US$900-1,000 respectively per gold equivalent ounce. As announced on 9 April 2020, we are currently unable to determine the potential impact of the measures taken to de-risk the impact of COVID-19 on the annual 2020 production guidance.
- **Production guidance for 2020 provided by Rawhide** is estimated at 40,000-45,000 gold equivalent ounces range. Austral Gold holds a 23.62% interest in Rawhide and two options to increase the interest to 26.46% for US$536,236. These options expire in May 2020.

EXPLORATION

- **Our exploration program continues to focus on** (i) Chile: brownfield areas in the Amancaya District, and Sierra Inesperada and Los Nanos (Guanaco District), and (ii) Argentina: Casposo (San Juan) and Pingüino (Santa Cruz) in Argentina. Exploration highlights are as follows:

Amancaya District:

- Completion of 1,251 meters of shallow drilling program with 50 holes drilled at the Julia vein, and at a new structure representing a possible extension northeast of the Central vein, named Garita vein. At Julia, 21 holes covering 603 meters were drilled and no significant results were obtained. At the Garita vein, several shallow fences were performed with 29 holes and a total of 648 meters drilled. Anomalous gold values were identified in the structure (above 0.25 g/t Au). However, additional work is required to understand the distribution of those values.

Guanaco District:

- Continued with the exploration activities at the new Sierra Inesperada area with the completion of a drilling program previously announced on 30 January 2020. The program resulted in the identification of a NW structural trend of gold mineralization.
- Commencing drilling activities at Los Nanos project with 7 holes and 609 meters (RC) of the 1,725 meters drill program. Several structures have been confirmed in this area. The drilling program is expected to continue during Q2 2020.

Casposo District:

- Completion of the second phase of the new exploration program with 1,497 meters of DDH drilling at Julieta. Total drilling since 4Q 2019 totaled 4,630 meters (DDH) between Inca 3 and Julieta. No significant intercepts were identified. The exploration team continues with the analysis of other brownfield targets within the Casposo mining property.
- Surface mapping started at a new area named Manantiales which is located immediately to the west and adjacent to the Casposo mining property. This new area was recently granted by Instituto Provincial de Exploraciones y Explotaciones Mineras de la Provincia de San Juan (IPEEM) for an initial payment of US$20,000 plus US$~5,000 for monthly canon fees and a US$1.5 million exploration commitment during a 5-year period (Year 1: US$100K, Year 2: US$150K, Year 3: US$250K, Year 4: US$500K, Year 5: US$500K).

Pinguino District:

- Completion of the trenching program at the Pinguino project which totaled 113 trenches with 5,360 meters excavated within 12 veins (e.g. Tranquilo, Marta Norte, Ana, Marta Northeast, Fantasma, Sol, Ivana, Silvia and Trinda Veins).

FINANCIALS

- **Sound cash and cash equivalents balance at US$6.6 million as of 31 March 2020.** The table below summarizes the quarterly cash flow compared to the previous year quarter.

Cash Flow (US$´M) *	Mar 2020 qtr	Mar 2019 qtr
Operating Cash flow before change in working capital	12.4	2.5
Changes in working capital	(8.1)	3.3
Operating cash flow after change in working capital	4.3	5.8
Net cash used in investing activities	(3.2)	(3.1)
Net cash used in financing activities	(3.7)	(2.7)
Net decrease in cash	**(2.6)**	**0.1**
Cash beginning of period	**9.2**	**1.7**
Cash end of period	**6.6**	**1.8**

- **Operating cash flow** for the quarter reached US$12.4 million and US$4.3 million before and after changes in working capital respectively.
- **Working capital variation is mainly** explained by the increase in receivables and gold and silver inventory as follows:
  - **Receivables** from the sale of **gold and silver** totaled US$6.6 million, which were collected in early April 2020.
  - **Gold and silver of 3,290 gold equivalent ounces ("GEOs") held in inventory** totaled US$2.6 million (current market value of approximately US$5.6 million based on a selling price of US$1,700 per GEO).
- **Net cash used in investing activities** was US$3.2 million, of which US$1.9 million was used for sustaining capital expenditures, US$1.1 million was used to fund exploration and US$0.2 million was paid to increase our equity investment from 22.48% to ~23.62% in Rawhide through the exercise an option that was set to expire on 31 January 2020.
- **Net cash used in financing activities** was US$3.7 million, following the net repayment of borrowings and financial leases including the US$1.9 million repayment of the Promissory Note to Rawhide.
- **The net decrease in cash and cash equivalents** during the quarter ended 31 March 2020 is mainly explained by i) the increase in working capital, ii) the repayment of the US$1.9 million Promissory Note to Rawhide, and iv) other operating outflows not expected to occur during the remainder of the year such as severance payments to former employees at Guanaco totaling US$~0.7 million and bonus payments of US$~1.1 million to supervisors 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 31 March 2020 versus the previous quarter.

Net Financial Debt Position (US$´M)	March 2020 *	December 2019
Cash & Cash Equivalents **	6.6	9.2
Financial Debt ***	13.8	15.5
Net Financial Debt	**7.2**	**6.3**

* Consolidated unaudited figures
** Includes short-term investments in US treasury bills less than 90 days
*** Includes Borrowings, Financial leases and Promissory Note

- **Consolidated net financial debt remains at healthy levels totaling US$7.2 million in March 2020,** an increase of US$0.9 million since December 2019 as a result of the increase in non-cash working capital during the quarter.
- As of 31 March 2020, financial debt (***) was US$13.8 million (of which US$7.5 million is long-term debt), a decrease of $1.7 million or approximately 11% 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 23.62% effective interest including the option exercised in January 2020 (with options to acquire up to an additional 2.655%) 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 were one lost-time accidents (LTA's) 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 **increased by 33% to 17,096 gold equivalent ounces** (16,176 gold ounces and 89,729 silver ounces) from 12,851 gold equivalent ounces (11,211 gold ounces and 137,886 silver ounces) during the March 2019 quarter and decreased **by 5%** from 17,953 gold equivalent ounces (16,578 gold ounces and 116,380 silver ounces) during the December 2019 quarter. The quarterly year over year increase was mainly a result of higher throughput from Amancaya, higher gold and silver recoveries, additional mine equipment available and an increase in the amount of ore. Production decreased 5% from the December 2019 quarter mainly due to less throughout at Amancaya. The **operating cash cost (C1) and the all-in sustaining cost (AISC)** at Guanaco/Amancaya in the March 2020 quarter was **US$685/AuEq Oz and US$893/AuEq Oz** respectively compared to US$797/AuEq Oz and US$1,027/AuEq Oz during the March 2019 quarter and US$551/AuEq Oz and US$843/AuEq Oz during the December 2019 quarter. C1 and AISC during the March 2020 quarter increased from the December 2019 quarter mainly due to higher fuel costs and bonuses paid at Guanaco/Amancaya in March 2020.

Mining

During the March 2020 quarter, mining continued at the Guanaco underground operations with a total of 2,683 tonnes mined while 57,523 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		
	March 2020	December 2019	March 2019
Processed (t)	54,983	66,295	57,992
Average Plant Grade (g/t Au)	8.9	8.3	6.1
Average Plant Grade (g/t Ag)	53.6	68.2	93.9
Gold produced (Oz)	16,176	16,578	11,211
Silver produced (Oz)	89,729	116,380	137,886
Gold-Equivalent (Oz) ***	17,096	17,953	12,851
C1 Cash Cost (US$/AuEq Oz) *	685	551	797
All-in Sustaining Cost (US$/Au Oz) **	893	843	1,027
Realised gold price (US$/Au Oz)	1,593	1,493	1,308
Realised silver price (US$/Ag Oz)	18	17	16

* The cash cost (C1) includes: Mine, Plant, On-Site G&A, Smelting, Refining, and Royalties (excludes Corporate G&A)
** The All-in Sustaining Cost (AISC) includes: C1, Sustaining Capex, Brownfield Exploration, and Mine Closure Amortisation
*** AuEq ratio is calculated at 94:1 Ag:Au for the 31 March 2020 quarter; 85:1 for the 30 December 2019 quarter and 83.5:1 for the 31 March 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 March 2020 quarter, the exploration team designed a shallow drilling program (drillings no longer than 50 meters depth) to search for extensions of known veins (e.g. Central vein and Julia vein). The program resulted in finding gold anomalies that may represent extensions of those structures. Consequently, the team is currently designing and planning a new drilling campaign to target deeper zones to confirm the potential extension of the known veins.

Guanaco District Exploration

Sierra Inesperada mine Area Highlights

The planned drilling campaign for the area was completed. Forty-eight holes were drilled totaling 4,806 meters corresponding to 4,256 meters of RC drilling and 550 meters of DDH.

The focus of this program was to explore the vicinity of an old small mining works, represented by a shaft located in the south west portion of the area known as Sierra Inesperada, and not previously evaluated.

A mineralised structural corridor was identified, which is oriented N60 W / 85 SW, with a thickness that varies between 5 and 40 meters and an interpreted depth greater than 150 meters and strike of 200 meters.

The structures have brecciated textures with fragments of gray quartz, vuggy silica and lithics. The wall rock is affected by an advanced argillic alteration with moderate to intense silicification and a strong presence of alunite.

The oxidation zone is recognized by the presence of iron oxides that mostly correspond to hematite-jarosite and traces of copper oxides. The sulphide zone is clearly represented by the weak to high presence of disseminated pyrite in irregular veinlets. Gray sulphides are observed as enargite and traces of chalcocite, which are arranged as a very thin patina in the pyrite.

The host rock of the mineralization corresponds to a pyroclastic sequence formed by layers of tuffs and lithic tuffs of andesitic-dacitic composition, defined as Inesperada Hydro-magmatic Sequence. It covers a unit of green porphyric andesites with medium-sized plagioclase phenocrystals.

The gold grades observed varied mostly in a range between 0.5 g/t and 3 g/t Au, with a maximum gold grade of 19.17 g/t Au.

The Company believes the geological characteristics and orientation of the structural patterns observed in the veins will provide an important exploration guide to recognize the mineral potential of the Sierra Inesperada.

Significant new intersections were observed as follows (please refer to the Company´s press release dated 30 January 2020. Complete drill results have been posted on the Company's website *www.australgold.com.)*

- Guanaco_INES_38N 8.0m @ 4.26 g/t Au incl. 1m @ 19.17 g/t Au
- Guanaco_INES_27N 14m @ 2.90 g/t Au incl. 1.0m @ 13.77 g/t Au and 16m@ 2.29 g/t Au incl. 2.0m @ 6.64 g/t Au
- Guanaco_INES_42N-DDH 4.05m @ 4.33 g/t Au incl. 0.63m @ 13.80 g/t Au

Sierra Inesperada District Geological Map

In addition, a geological map was developed in the area which defined the lithological units and the hydrothermal alterations, based on field geology, analysis of samples with Terraspec and geochemistry. Three HS type mineralization events were recognized as follows: i) ground preparation-alteration event, ii) phreatomagmatic explosion, and iii) mineralizing event.

The next planned activity along with the drilling program for Q1 2020 along with metallurgical testing is a geophysics campaign using the ground magnetometry method. The objective is to recognise the main trends for mineralisation present in the sector.

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^2. 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 March 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 Q1 2020. Most of the production for the year was produced during Q1 2019.

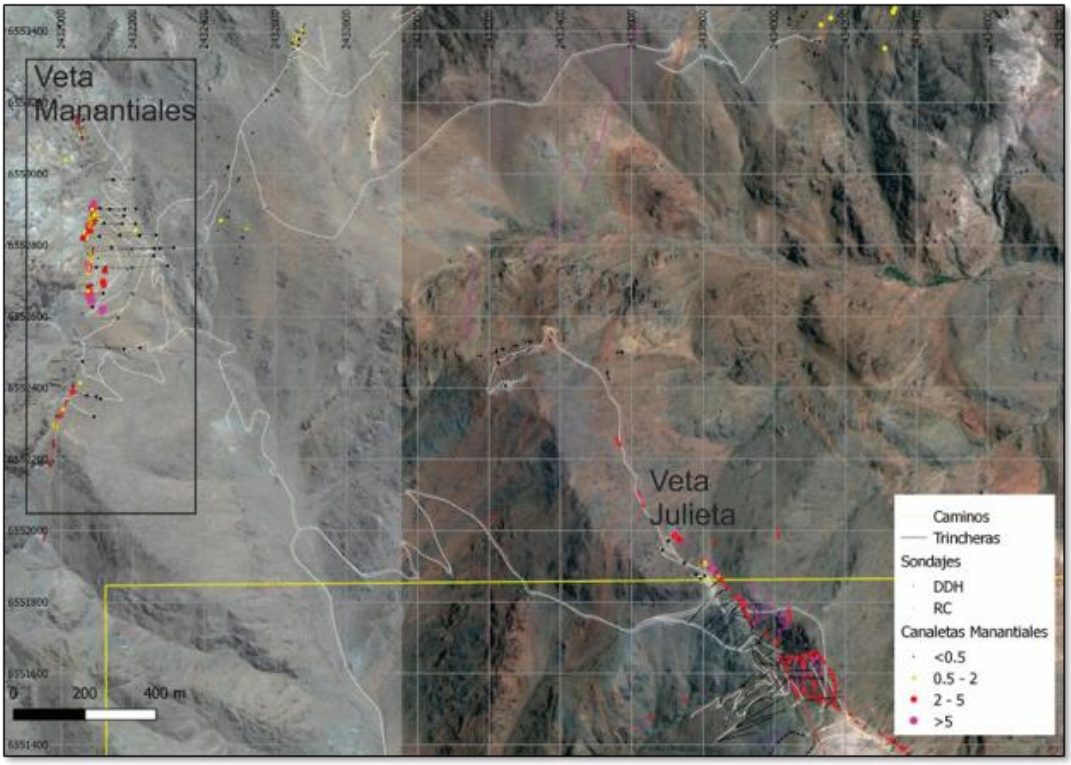
Casposo Exploration

The exploration team continued with the second phase of the exploration program after the drilling campaign in Inca 3 in previous quarter. During the March 2020 quarter the focus was on Julieta with 1,497 meters of DDH drilling leading to a total of 4,631 meters of DDH drilling in both areas since 4Q 2019. No economic intercepts were identified in the drilling campaign. The exploration team continues with the analysis of other brownfield targets within the Casposo mining property.

In addition, during the quarter the exploration team commenced a surface mapping in a new area named Manantiales which is located immediately to the west and adjacent to the Casposo mining property. This new area was recently granted by Instituto Provincial de Exploraciones y Explotaciones Mineras de la Provincia de San Juan (IPEEM) for a drawdown payment of US$20,000 plus US$~5,000 of monthly canon fee and a US$1.5 million exploration commitment during a 5-year period (Year 1: US$100K, Year 2: US$150K, Year 3: US$250K, Year 4: US$500K, Year 5: US$500K).

During Q2 2020, the exploration team will design a drilling program for Q3/Q4 2020.

Figure: Manantiales Project



Pingüino (Santa Cruz) Project

Recent activities

During the March 2020 quarter, the geology team completed the construction of the AgEq solids in 14 veins. This information was integrated into a GIS to combine the geology and geochemical of the Pinguino and Sierra Blanca projects. trenching program at the Pinguino project which totaled 113 trenches with 5,360 meters excavated within 12 veins (e.g. Tranquilo, Marta Norte, Ana, Marta Northeast, Fantasma, Sol, Ivana, Silvia, and Trinda Veins). Samples from the December 2020 trenching program were sent to an external laboratory and the most relevant results are shown in the following table.

Trench	Sample	Au [ppm]	Ag [ppm]	Cu [ppm]	Pb [ppm]	Zn [ppm]
SIL-03-19	605811	0,02	10	186	2173	169
SIL-03-19	605812	0,07	**84**	347	6643	117
SIL-03-19	605813	0,49	**95**	428	**>10000**	408
SIL-03-19	605814	0,48	**180**	489	4743	582
SIL-03-19	605815	0,06	24	132	3271	118
TRI-02-19	605844	<0.01	10	65	2241	149
TRI-02-19	605845	<0.01	39	222	**>10000**	533
TRI-02-19	605846	<0.01	4	41	1061	126
MNW-04-19	605197	0	29	135	870	150
MNW-04-19	605198	0,87	**>200.0**	379	1632	320
MNW-04-19	605199	0,82	**>200.0**	304	867	198
MNW-04-19	605201	0	34	55	400	227

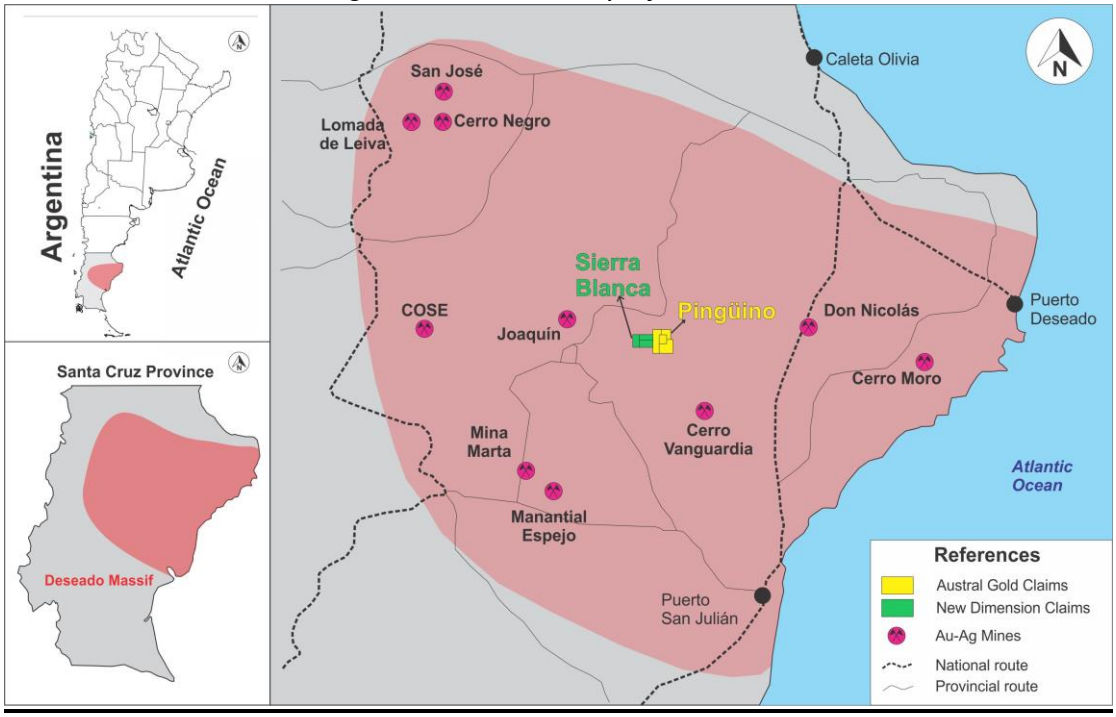
Sierra Blanca Gold-Silver Project

Background

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 Q2 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.

Figure: Sierra Blanca project location



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.

Main terms of the transaction

Under the transaction agreement, AGNA made an initial purchase of approximately 22.48% (21.28% on a fully diluted basis) directly from Rawhide for a purchase price of US $3,957,406, of which US $2,000,000 was paid in cash at closing. The balance of US $1,957,406 was paid prior to the end of January 2020. The full purchase price was funded from Austral's cash reserves.

In addition, AGNA entered into separate option agreements with three existing Unit owners pursuant to which it has the option to purchase up to an additional 3.795 percent of the issued and outstanding Rawhide Units for an aggregate purchase price of US $750,813 (collectively, the "Options") until they expire at various dates during the first six months of 2020. If AGNA exercises all of these Options, it will own approximately 26.46% (25.04% on a fully diluted basis). During January 2020, US $214,576 was paid to exercise one option that had an expiry date of 31 January 2020 increasing AGNA's ownership to approximately 23.62%.

Q1 2020 Update

During the March 2020 quarter, the Board of Rawhide approved the budget for 2020 and provided estimated production guidance for the year at 40,000-45,000 gold equivalent ounces.

Quarterly production reached 5,298 gold equivalent ounces (100% basis) or 1,251 gold equivalent ounces (net to Austral). The company is behind budget due to certain technical issues with the primary crusher equipment that resulted in a decrease of the overall processing capacity. The equipment is expected to be fully operational during Q2 2020. Rawhide management believes that the production guidance is still achievable due to the favorable grade reconciliation between the geological model and actual figures.

Corporate Summary & Financial Performance

The Company had a cash balance of US$6.6 million as of 31 March 2020. Main highlights during the quarter were as follows:

- Cash proceeds from the sale of gold and silver of US$20.8 million from the Guanaco/Amancaya mine.
- Cash flow from operations before changes in working capital of US$12.4 million following the realization of higher gold and silver prices and lower C1 and AISC during the quarter as compared to the March 2019 quarter.
- **Working capital increased** by US$8.2 million to US$11.5 million during the quarter. At 31 March 2020:
    - **Receivables** from the sale of **gold and silver** totaled US$6.7 million
    - **Gold and silver of 3,290 gold equivalent ounces held in inventory** totaled $2.6 million (current market value of approximately US$5.6 million)
- Net cash used in investing activities was US$3.2 million, of which US$1.9 million was used for sustaining capital expenditures, US$1.1 million was used to fund exploration and US$0.2 million was paid to increase our equity investment from 22.48% to ~23.62% in Rawhide through the exercise an option that was set to expire on 31 January 2020.
- Net cash used in financing activities was US$3.7 million, following the net repayment of borrowings and financial leases.
- Borrowings and financial leases at 31 March 2020 were US$13.8 million (of which US$7.5 million is long-term debt), a decrease of US$1.7 million or approximately 11% from the prior quarter.

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, during Q2 2020, Rawhide's 2020 forecasted production, the exploration team will design the drilling campaign at Manantiales for Q3 2020, we expect to close a transaction with New Dimension during Q2 2020 to purchase an 80% interest in New Dimension's Sierra Blanca gold-silver project, the exploration team intends to design the drilling campaign at Casposo for Q3 2020 and 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: 29 April 2020

(Company secretary)

Print name: David Hwang