**MEDIA RELEASE**
Austral Gold Limited
**31 January 2019**

# Austral Gold Announces Filing of Q4 2018 Quarterly Activity Report

Austral Gold Limited (the "Company") (ASX: AGD; TSX-V: AGLD) is pleased to announce that it has filed its December 2018 Quarterly Activity Report. The Report is available under the Company's profile at www.asx.com.au and 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 project in Chile is a gold and silver producing mine with further exploration upside. The Company is also operator of the underground silver-gold Casposo mine in San Juan, Argentina. 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.

On behalf of Austral Gold Limited:

**"Stabro Kasaneva" CEO**

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# DECEMBER 2018

## Quarterly Activity Report

## KEY HIGHLIGHTS

- **Combined gold and silver production (100% basis*) for the December 2018 quarter totaled 23,648 gold equivalent ounces** (or 18,648 gold ounces and 421,508 silver ounces) while **YTD combined production (100% basis*) reached 88,107 gold equivalent ounces** (or 65,639 gold ounces and 1,816,517 silver ounces).
- **During the quarter, the Guanaco/Amancaya mine complex (Chile) continued its strong performance with** 17,547 gold equivalent ounces of production representing a 14% increase from the quarter ended 30 September 2018 and a 42% increase from the quarter ended 31 December 2017 when the Company finalised the commissioning phase of the new agitation leaching plant.
- **The production at the Casposo mine (Argentina) was 6,101 gold equivalent ounces during the December 2018 quarter** representing a 5% decrease from the quarter ended September 2018 and a 50% decrease from the quarter ended 31 December 2017.
- **Combined quarterly operating cash cost (C1) and all-in-sustaining cost (AISC) improved from the September 2018 quarter** by 14% to US$792 mainly driven by higher gold and silver grades and higher recovery rates obtained at the Guanaco/Amancaya mine complex

(Guanaco/Amancaya:US$623; Casposo:US$1,277) and 15% to US$980 (Guanaco/Amancaya:US$792; Casposo:US$1,521) per gold equivalent ounce respectively with average selling prices of US$1,227 per ounce of gold and US$15 per ounce of silver.

- **During the quarter, management continued with a comprehensive review of the Casposo operational and business model**.
- Based on our request, Troy Resources Limited agreed to extend the closing date for the exercise of Option 3 of the Casposo Sale Agreement from 15 January 2019 to 31 March 2019.

## Guanaco and Amancaya Mines Production

- **Quarterly production increased** to 15,560 gold ounces and 167,372 silver ounces (17,547 gold equivalent ounces) compared to production of 13,240 gold ounces and 175,718 silver ounces (or 15,398 gold equivalent ounces) in the September 2018 quarter.
- **Quarterly C1 and AISC decreased** to US$623 and US$792 respectively per gold equivalent ounce from US$775 and $930 in the September 2018 quarter. The decrease in costs per ounce were mainly driven by higher gold and silver grades and higher recovery rates, the depreciation of the Chilean peso against the US dollar and by an increase in production.
- **YTD production reached 61,271 gold equivalent ounces which is in full compliance with the 62,000 gold equivalent ounces guidance for the year.**

## Casposo

## Mine Production

- **Quarterly production (100% basis*) decreased** to 3,088 gold ounces and 254,136 silver ounces (6,101 gold equivalent ounces) compared to the September 2018 quarter where production was 3,345 gold ounces and 247,462 silver ounces (6,390 gold equivalent ounces). The Company's quarterly share of production (70% basis) was 2,162 gold ounces and 177,895 silver ounces (4,271 gold equivalent ounces).
- **Quarterly C1 and AISC remained above selling prices at** US$1,277 and US$1,521 per gold equivalent ounce respectively vis-a-vis US$1,274 and US$1,705 per gold equivalent ounce respectively from the quarter ended September 2018.
- **YTD production was 26,836 (100% basis*) gold equivalent ounces** which is in line with the revised production guidance of 26,000 to 28,000 gold equivalent ounces provided in the Company's September 2018 quarterly activity report ("Q3 2018 report), but significantly lower in comparison to the 2018 guidance of 43,000 gold equivalent ounces provided in the Company's December 2017 quarterly report.
- **During the quarter, management continued with a comprehensive review of the Casposo operational and business model**. Based on the review, **the Company has implemented cost saving initiatives and reduced its workforce to align with the newly designed short-term mine plan of 12,000-16,000 gold equivalent ounces for the first half of 2019, while continuing with exploration activities with the goal of extending the life of mine of the project.** Based on the short-term mine plan, management anticipates recording an impairment in the Company's audited 31 December 2018 financial statements.

**A summary of key operational parameters for the December 2018 and 2017 and September 2018 reporting periods is set out in the following table for comparative purposes:**

| Operations | Guanaco/ Amancaya Mines | | | Casposo Mine (100% basis) | | | Net to Austral Gold* | | |
|---|---|---|---|---|---|---|---|---|---|
| | Dec Quarter 2018 | Sept Quarter 2018 | Dec Quarter 2017 | Dec Quarter 2018 | Sept Quarter 2018 | Dec Quarter 2017 | Dec Quarter 2018 | Sept Quarter 2018 | Dec Quarter 2017 |
| Processed (t) | 65,194 | 76,608 | 101,908 | 39,152 | 46,484 | 59,942 | 92,600 | 109,147 | 143,867 |
| Gold produced (Oz) | 15,560 | 13,240 | 11,370 | 3,088 | 3,345 | 5,544 | 17,722 | 15,582 | 15,251 |
| Silver produced (Oz) | 167,372 | 175,718 | 73,440 | 254,136 | 247,462 | 517,125 | 345,267 | 348,941 | 435,428 |
| **Gold-Equivalent (Oz) *** ** | **17,547** | **15,398** | **12,329** | **6,101** | **6,390** | **12,292** | **21,818** | **19,871** | **20,933** |
| **C1 Cash Cost (US$/AuEq Oz) **** | **623** | **775** | **1,160** | **1,277** | **1,274** | **918** | **792** | **922** | **1,039** |
| All-in Sustaining Cost (US$/Au Oz) # | 792 | 930 | 1,384 | 1,521 | 1,705 | 1,145 | 980 | 1,157 | 1,264 |
| Realized gold price (US$/Au Oz) | 1,227 | 1,214 | 1,277 | 1,227 | 1,215 | 1,282 | 1,227 | 1,214 | 1,250 |
| Realized silver price (US$/Ag Oz) | 15 | 15 | 17 | 15 | 15 | 17 | 15 | 15 | 17 |

* Austral Gold owns 70% of Casposo since March 2017
** 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 84:1 Ag:Au for December 2018 Quarter; 81:1 Ag:Au for September 2018 Quarter; 77:1 Ag:Au for December 2017 Quarter

## YTD 2018 and Forecasted Calendar 2018 Production and Costs:

- The table below provides actual results for 2018 YTD and revised production forecasted for calendar year 2018 (provided in the September 2018 quarterly report) due to a reduction in the estimated production at the Casposo Mine.
- **Total 2018 YTD combined production was 88,107 gold equivalent ounces (100% basis) or 80,056 (net to Austral Gold*).**

| Operations | Guanaco/ Amancaya Mines | | Casposo Mine (100% basis) | | Net to Austral Gold* | |
|---|---|---|---|---|---|---|
| | YTD 2018 Actual | Calendar 2018 Forecasted | YTD 2018 Actual | Calendar 2018 Forecasted | YTD 2018 Actual | Calendar 2018 Forecasted |
| Gold produced (Oz) | 54,075 | 56,000 | 11,564 | 10,000-12,000 | 62,170 | 63,000-64,000 |
| Silver produced (Oz) | 585,201 | 520,000 | 1,231,316 | 1,400,000 | 1,447,122 | 1,500,000 |
| Gold-Equivalent (Oz) *** | 61,271 | 62,000 | 26,836 | 26,000-28,000 | 80,056 | 80,000-82,000 |
| C1 Cash Cost (US$/AuEq Oz) ** | 792 | 820-850 | 1,362 | 1,270-1,300 | 957 | 950-990 |
| All-in Sustaining Cost (US$/Au Oz) # | 943 | 950-1,000 | 1,710 | 1,600-1,650 | 1,175 | 1,150-1,200 |
| Sustaining Capital ($000's) | 6,646 | 10,000 | 8,273 | 9,000 | 14,919 | 16,300 |

* Austral Gold owned 70% of Casposo since March 2017
** 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 84:1 Ag:Au for the twelve months ended 31 December 2018

- Actual production costs approximated forecasted figures for the year and C1 Cash Costs and All-in Sustaining Costs continued to decline during our fourth quarter, except for cash costs at Casposo which were impacted by low production. The decrease in costs was mainly driven by cost saving initiatives, the depreciation of the Chilean and Argentine pesos against the US dollar as certain expenses are in local currencies, higher gold and silver grades and higher recovery rates at the Guanaco/Amancaya mine complex.
- **Production guidance for the first half of 2019 for the Casposo mine is 12,000-16,000 gold equivalent ounces while production guidance for 2019 for the Guanaco/Amancaya mines increased to 70,000-75,000 gold equivalent ounces.**

## Exploration

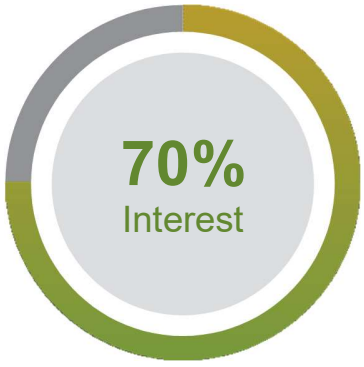
- The exploration at Amancaya, Chile has been focused on performing a detailed review of the potential of different veins identified through surface works such as float mapping and trench construction. The exploration program´s goal is to find the presence of high-grade gold and silver mineralized ore shoots in those structures. Consequently, several structural and mineralogical studies were carried out in the Central Vein to extrapolate the shape of the mineralization distributions to the other veins identified.
- The activities in Argentina were organized as follows:
    - At the Casposo mine we worked on designing an underground drill program aimed at identifying extensions of the bodies in operation and / or growth of the areas with development and another drill program that from surface points to the discovery of new mineral bodies recognized through surface structures by hydrothermal manifestations of lower temperature.
    - At the Pingüino Project, a new selection of samples from the oxidized zone of the most important veins for the execution of metallurgical tests was carried out.

## Financials

- Sales proceeds for the quarter were US$32.1m of which the Guanaco/Amancaya mines contributed US$23.6m and the Casposo mine US$8.5m while tax credits totaled US$0.7m.
- Cash and cash equivalents at 31 December 2018 were US$1.7m.
- Total consolidated financial debt at 31 December 2018 was reduced to US$18.5m (of which US$9.5m is long-term debt). Net debt repayments during the quarter totaled US$3.2m.
- Deferred revenue related to the sale of future production of gold equivalent ounces totaled $2.1 million at 31 December 2018, all of which was settled during January 2019.
- The improvement of the Chilean operations has contributed to higher cash flow and improved liquidity ratios while also partially offsetting the negative margins at Casposo.

**Guanaco & Amancaya Mines**
Antofagasta, Chile

**Casposo Mine**
San Juan, Argentina




**Pingüino Project**
Santa Cruz, Argentina

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.

The Group produces gold and silver from the Guanaco and Amancaya Mines in Chile (100% interest) and the Casposo Mine in San Juan, Argentina (70% interest). The Group 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).

# 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, open-pit mining operations began during the first half of 2017 while underground operations started in 2018. The Amancaya ore is being trucked to the agitation leaching plant at Guanaco for processing.

### San Guillermo and Reprado Properties

The San Guillermo property consists of concessions totaling 12,175 hectares that surround the company's high-grade gold and silver Amancaya operation. The former owner of the project, Revelo Resources (TSXV: RVL) retained Net Smelter Return (NSR) Royalties on future metals production of 1% and 0.5% at Reprado and San Guillermo, respectively.

### Safety

During the quarter, there was one lost-time accident (LTA) and one no-lost-time accidents (NLTA) involving Guanaco employees and third-party 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 to 15,560 Au Oz and 167,372 Ag Oz (or 17,547 AuEq Oz) from 11,370 Au Oz and 73,440 Ag Oz (or 12,329 AuEq Oz) during the December 2017 quarter. The increase in production occurred due to completion of the construction of the new agitation leaching plant at Guanaco during the latter part of 2017, higher gold and silver grades, higher recovery rates and higher throughput. Production also increased from the September 2018 quarter (15,398 AuEq Oz).

The **operating cash cost (C1) and the all-in sustaining cost (AISC)** at Guanaco/Amancaya in the December 2018 quarter **decreased to US$623/AuEq Oz and US$792/AuEq Oz** respectively compared to US$1,160/AuEq Oz and US$1,384/AuEq Oz during the December 2017 quarter and US$775/AuEq Oz and US$930/AuEq Oz during the September 2018 quarter.

## Mining

During the quarter, mining continued at the at the Guanaco underground operations with a total of 15,832 tonnes mined while 49,981 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 | | |
|---|---|---|---|
| | December 2018 | September 2018 | December 2017 |
| Processed (t) | 65,194 | 76,608 | 101,908 |
| Average Plant Grade (g/t Au) | 7.0 | 4.4 | 3.6 |
| Average Plant Grade (g/t Ag) | 91.2 | 78.4 | 43.4 |
| Gold produced (Oz) | 15,560 | 13,240 | 11,370 |
| Silver produced (Oz) | 167,372 | 175,718 | 73,440 |
| Gold-Equivalent (Oz) *** | 17,547 | 15,398 | 12,329 |
| C1 Cash Cost (US$/AuEq Oz) * | 623 | 775 | 1,160 |
| All-in Sustaining Cost (US$/Au Oz) ** | 792 | 930 | 1,384 |
| Realised gold price (US$/Au Oz) | 1,227 | 1,214 | 1,277 |
| Realised silver price (US$/Ag Oz) | 15 | 15 | 17 |

* 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 84:1 Ag:Au for 31 December 2018 quarter; 81:1 for the 30 September 2018 quarter; 77:1 for 31 December 2017 quarter

## Amancaya Mine Exploration

### Amancaya Brownfield Exploration

Brownfield exploration at Amancaya focused on the preparation of the longitudinal sections for Nueva, Nueva Norte, Janita Rosa, Gabriela, and Yesica veins. Two types of sections were identified: (i) drill hole and trench data and; (ii) float data.

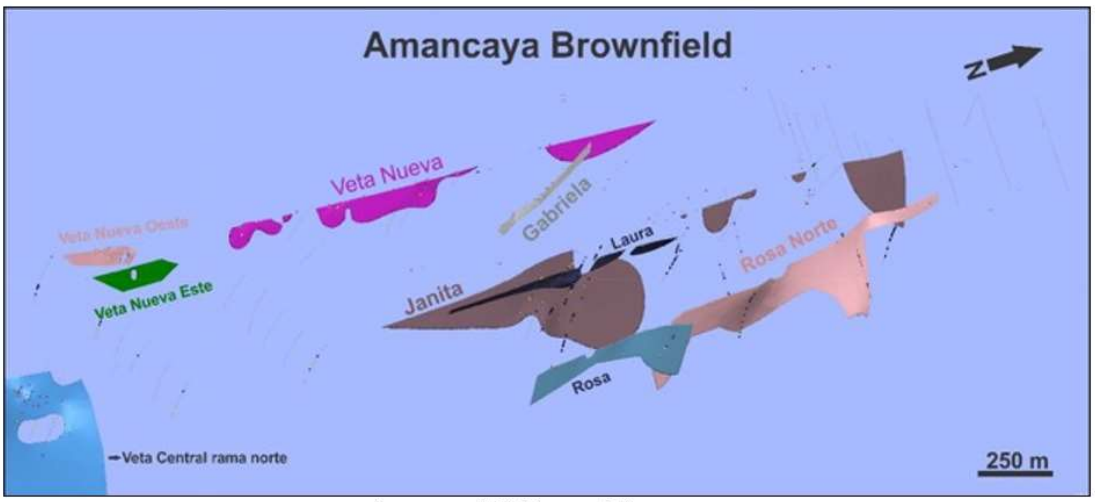
The drilling pattern is 50 meters in some sectors, showing the development of two mineralized ore shoots, with values that reach 49 ppm AuEq x m.

The infill drilling program in Amancaya has progressed well. To date, 1,337 meters have been drilled (1,068 meters corresponding to RC and 229 meters to DDH). Results to date are included in the following table:

| | Intercept | | | | | | Results | | |
|---|---|---|---|---|---|---|---|---|---|
| Hole ID | From | To | Length | H width | Level | Intercept Geology | Au g/t | Ag g/t | Cu ppm |
| AM-189 | 124.37 | 124.75 | 0.38 | 0.22 | 1807 | Brecciated Qz Vein with Jarosite and MnOx weaks | 2.8 | 21 | 379 |
| AM-190A | 184.91 | 186.07 | 1.16 | 0.42 | 1740 | Brecciated Qz Vein with Jar(s) and CuOx(-) | 20.7 | 51 | 3682 |
| | 187.55 | 195.04 | 7.49 | 2.7 | 1735 | Brecciated Qz Vein + veintles(s) with Jar(s) and CuOx(-) | 14.0 | 13 | 1648 |
| AM-191 | 147.57 | 148.83 | 1.26 | 0.57 | 1782 | Brecciated Qz Vein with Jar(w), affected by fault | 6.6 | 20 | 306 |
| AM-192 | 187.6 | 190.35 | 2.75 | 0.92 | 1734 | Brecciated Qz Vein with Jar (+), MnOX, Py, CuOx and Hem (-) | 21.8 | 22 | 2703 |

Drilling holes AM-187 and AM-188 did not intercept mineralized structure.

The following figure shows the 3D veins modelling analysis performed during the quarter.

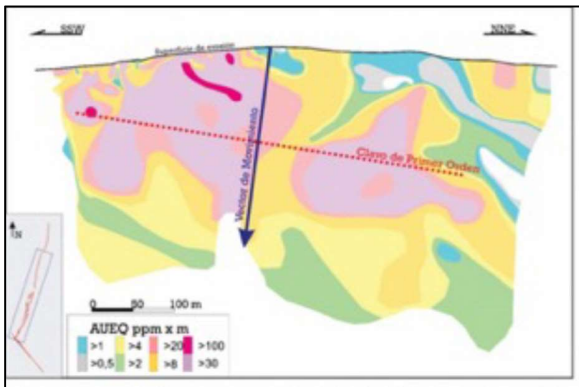



Amancaya 3D Veins modeling

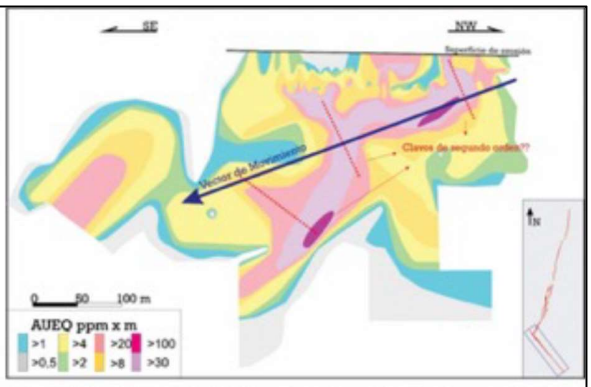
### Central Vein structural analysis

During the quarter, geologists continued studying the structure and mineralization of the Central Vein at Amancaya. The distribution of gold grades along structures is not random but is structurally controlled. This concept indicates that it originated as a dilatational ore shoot from a structure with normal displacement, purely extensional, in T1.

In the South-Central Vein, the orientation of the high-grade ore shoot is subparallel to the movement vector, which may indicate that the morphology is conditioned by the post-mineralization reworking of the structure in T2.




Sección longitudinal que muestra la distribución de las leyes AuEq por metro de la estructura Veta Central Norte. Las líneas demuestran la relación entre la dirección del vector de movimiento y la orientación del clavo principal o de primer orden




Sección longitudinal que muestra la distribución de las leyes AuEq por metro de la estructura Veta Central Sur. Las líneas demuestran la relación entre la dirección del vector de movimiento y la orientación de clavos de menor jerarquía o segundo orden, posibles relictos de la cinemática de $T_1$.

# 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.

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.

### Safety

During the December 2018 quarter, there was one lost-time accidents (LTA) and six no-lost- time accidents (NLTA) involving employees of the Casposo mine and contractor´s companies during the quarter. 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

The table below summarises the December 2018 quarterly results for Casposo as well as those from the September 2018 and the December 2017 quarters. Actual costs approximated forecasted costs but were still high reflecting low production and the high fixed component in Casposo's cost structure despite the depreciation of the Argentine peso during the quarter.

| Operations | Casposo Mine Quarter ended | | |
|---|---|---|---|
| | December 2018 | September 2018 | December 2017 |
| Processed (t) | 39,152 | 46,484 | 59,942 |
| Average Plant Grade (g/t Au) | 2.5 | 2.0 | 2.9 |
| Average Plant Grade (g/t Ag) | 335.0 | 245.0 | 332.0 |
| Gold produced (Oz) | 3,088 | 3,345 | 5,544 |
| *Share of Gold produced* * | 2,162 | 2,342 | 3,881 |
| Silver produced (Oz) | 254,136 | 247,462 | 517,125 |
| *Share of Silver produced** | 177,895 | 173,223 | 361,988 |
| C1 Cash Cost (US$/AuEq Oz) | 1,277 | 1,274 | 918 |
| All-in Sustaining Cost (US$/Au Oz) | 1,521 | 1,705 | 1,145 |
| Realised gold price (US$/Au Oz) | 1,227 | 1,215 | 1,282 |
| Realised silver price (US$/Ag Oz) | 15 | 15 | 17 |

* Austral Gold owned 70% of Casposo since March 2017
** 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 84:1 Ag:Au for December 2018 Quarter; 81:1 Ag:Au for September 2018 Quarter; 77:1 Ag:Au for December 2017 Quarter

YTD production was 26,836 gold equivalent ounces which approximates the revised guidance provided in the September quarterly report.

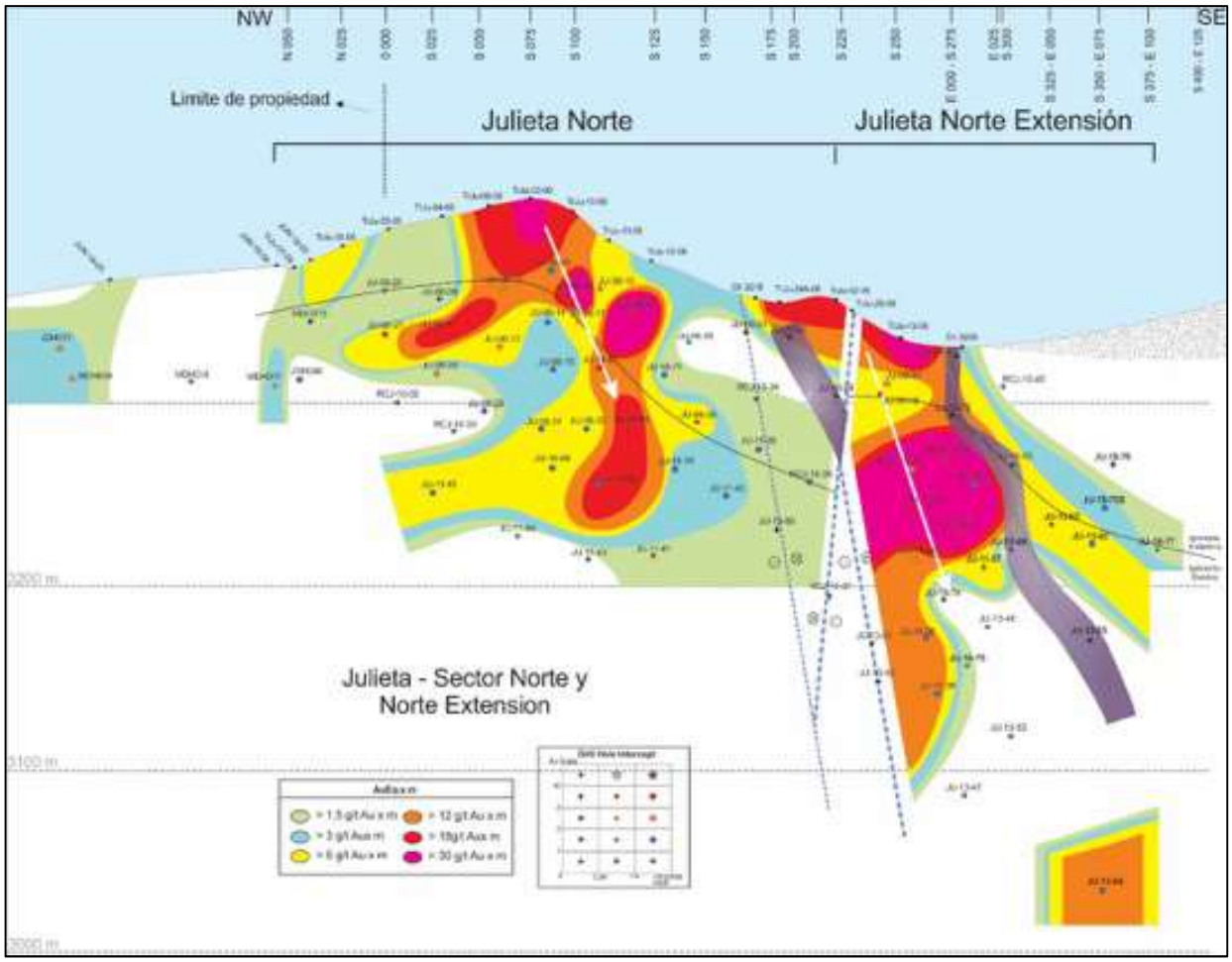
During the quarter, the Company commenced a comprehensive review of the Casposo operational and business model. Based on the review, the Company implemented cost saving initiatives and reduced its workforce to align with the newly designed short-term mine plan of 12,000-16,000 gold equivalent ounces for the first half of 2019, while continuing with exploration activities with the goal of extending the life of mine of the project. Based on the short-term mine plan, management anticipates recording an impairment in the Company's audited 31 December 2018 financial statements.

## Casposo Exploration

### Casposo Brownfield Exploration

During the quarter, the Company designed a brownfield exploration program for Q1 2019 comprising the following main activities: (i) a drilling program to confirm the Southeast extension of the Julieta vein (currently being exploited as open pit) (ii) geophysics studies over the Mercado north west area including Panzon and Maya, (iii) a new modelling of the Kamila offset and Rosarita Hill areas to investigate below steam heated alterations observed at surface.

Other activities included metallurgical sampling at Julieta and analysis of the corresponding thin sections.



### Pingüino Project

#### Recent activities

During the quarter, the Company continued analyzing the various business scenarios for the sulphide mineral resource within the Pingüino vein system while performing metallurgical analysis on certain samples from the oxide zone of the main veins of the project.

## CORPORATE SUMMARY & FINANCIAL PERFORMANCE

The Company had a cash balance of US$1.7m as of 31 December 2018. Main highlights during the quarter were as follows:

- Cash proceeds from the sale of gold and silver during the quarter were US$32.1m of which the Guanaco mine contributed US$23.6m and the Casposo mine contributed US$8.5m.
- Collection of tax credits of US$0.7m were recovered during the quarter.
- Net cash generated from operating activities during the quarter was US$3.5m.
- The Company holds an option to acquire the remaining 30% of Casposo which it does not own as follows: 10% for US$1.5m which in January 2019 was extended to 31 March 2019; 10% for US$2.5m by December 2019; and 10% for US$3.0m by December 2020. The exercise price of each option is subject to adjustment if the price of silver is at US$16/Oz Ag or higher.
- Total consolidated financial debt at 31 December 2018 was reduced to US$18.5m (of which US$9.5m is long-term debt). Net debt repayments during the quarter totaled US$3.2m.
- Deferred revenue related to the sale of future production of gold equivalent ounces totaled approximately $2.1 million at 31 December 2018, all of which was settled during January 2019.

By order of the Board.

**Andrew Bursill**
**Company Secretary**

## Appendix A

### JORC Code, 2012 Edition, Table 1 Report

The Table 1 Report detailing “Sampling Techniques and Data”, “Reporting of Exploration Results” and “Estimation and Reporting of Mineral Resources” in accordance with 2012 edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves” (JORC Code) was released to the ASX by Austral Gold Limited on 27 September 2016 - JORC Resource for Casposo Gold-Silver Mine Austral Gold Announces Restart of Casposo Gold-Silver Mine Operations following Release of an Updated Mineral Resource and Ore Reserve Estimate.

## Appendix B

### Competent Person Statement

The information in this report that relates to Exploration Results listed in the tables below are based on work supervised, or compiled on behalf of, Robert Trzebski, an Independent Director of the Company. Technical Information in this presentation has been reviewed by Robert Trzebski, who is a member of the Australian Institute of GeoScientists (MAIG) and qualifies as a Competent Person as defined in the 2012 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’. Robert Trzebski consents to the inclusion in this presentation of the technical information that he has reviewed and approved.

Robert Trzebski has sufficient experience which is relevant to the style of mineralisation and types of deposits under consideration and to the activity which he has undertaken to qualify as a Competent Person as defined in the JORC Code 2012.

## 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 2019 forecasted production guidance and costs and that Management continues to evaluate opportunities to extend the life of mine of the Guanaco, Amancaya and Casposo 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 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: 31 January 2019

(Company secretary)

Print name: Andrew Bursill