MEDIA RELEASE

Austral Gold Limited

29 January 2021

Austral Gold Announces Filing of Q4 2020 Quarterly Activity Report

Austral Gold Limited (the "Company") (ASX: AGD; TSX-V: AGLD) is pleased to announce that it has filed its Q4 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 gold and silver mining, development and exploration company building a portfolio of quality assets in Chile, the USA and Argentina. Austral owns 100% interest in the Guanaco/Amancaya mine in Chile and the Casposo Mine (care and maintenance) in Argentina, and a 26.46% interest in the Rawhide Mine in Nevada. In addition, Austral owns an attractive portfolio of exploration projects in the Paleocene Belt in Chile and a 100% interest in the Pingüino project 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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DECEMBER 2020

Quarterly Activity Report

KEY QUARTERLY HIGHLIGHTS

- **Q4 2020 production reached 12,728 gold equivalent ounces** (12,153 gold ounces and 44,833 silver ounces) leading Austral to **achieve its full-year production guidance of 55,000-60,000 gold equivalent ounces**.
- **FY2020 production totaled 55,190 gold equivalent ounces** (52,306 gold ounces and 253,066 silver ounces) despite the on-going challenges related to the COVID-19 pandemic, the interruption to operations from a miners´ strike during Q2 2020, and the transition to outsource the Amancaya underground mining operations as announced on 21 December 2020.
- **Strong free cash flow generation during the quarter driven by attractive gold prices and sound operational margins.** Quarterly and YTD cash cost of production (C1) were US$762/oz and US$704/oz while all-in-sustaining cost (AISC) totaled US$1,197/oz and US$1,021/oz, respectively. Quarterly and YTD average selling prices were US$1,877/oz and US$1,765/oz respectively.
- **Quarterly operating cash flow was US$11.4 million with** sales reaching 14,476 gold equivalent ounces (“AuEq”) and US$27.2 million. **Cash at the of the quarter totaled US$12.4 million** while adding the fair value of ~**6,000 refined gold ounces in inventory totaled US$24.1 million**.

- **Total financial debt reached US$8.4 million at 31 December 2020 whereas total debt net of cash turned negative at US$4.0 million** (net of US$12.4 million cash and cash equivalents).
- **Focused on exploration and organic growth** at its flagship Guanaco/Amancaya mine complex. Positive drilling results announced on 27 January 2021 that extends the known veins to depth. Highlights from reported assays include:

    - DAM-002 1.4 meters @14.7 g/t gold and 50.6 g/t silver including 42.4 g/t gold and 124 g/t silver over 0.4 meters
    - DAM-003 2.1 meters @12.1 g/t gold and 57.5 g/t silver including 21.0 g/t gold and 143g/t silver over 0.9 meters
    - DAM-008 2.5m of 12.2 g/t gold and 8.5 g/t silver in the Central Vein and 30m at 4 g/t gold including 4.1 meters @23.5 g/t gold and 29.3 g/t silver in a newly discovered mineralized breccia zone at depth
    - DAM-012 0.4 meters @41.9 g/t gold and 7.5 g/t silver

- **Continued seeking quality assets through M&A in stable jurisdictions by:**

    - **signing a definitive arrangement agreement with Revelo Resources Corp.** ("Revelo") (TSX-V: RVL) to acquire all the outstanding common shares of Revelo for cash consideration of approximately US$920,000 (C$1,176,471) and 35,475,113 Austral Shares. The transaction is expected to close in early February 2021, and
    - **entering into a Subscription and Investment Agreement with Ensign Gold Inc.** ("Ensign") as announced on 15 December 2020.

- **Subsequent to quarter-end, Austral held an Extraordinary General Meeting** to approve the adoption of a Stock Incentive Plan, issuance of securities under the plan and the issuance of restricted securities. All resolutions were passed.

PRODUCTION

- **Guanaco/Amancaya gold and silver production during the quarter totaled 12,728 gold equivalent ounces** (or 12,153 gold ounces and 44,833 silver ounces), a **21% decrease compared to the September 2020 quarter.**
- **Rawhide production (100% basis) during the December 2020 quarter totaled 6,124 gold equivalent ounces representing a 16% decrease from September 2020 quarterly production of 7,324 gold equivalent ounces**. The Company´s December 2020 quarterly share of production was 1,620 gold equivalent ounces compared to the September 2020 quarterly share of production of 1,938 gold equivalent ounces.

Quarterly Production figures

Operations	Guanaco/ Amancaya Mines			Rawhide*		Net to Austral		
	Dec Qtr 2020	Sept Qtr 2020	Dec Qtr 2019	Dec Qtr 2020	Sept Qtr 2020	Dec Qtr 2020	Sept Qtr 2020	Dec Qtr 2019
Processed (t)	52,977	50,058	66,295	496,848	535,166	184,443	191,663	66,295
Gold produced (Oz)	12,153	15,169	16,578	5,632	6,696	13,643	16,941	16,578
Silver produced (Oz)	44,833	76,277	116,380	41,603	39,213	55,841	86,653	116,380
Gold-Equivalent (Oz) **	**12,728**	**16,160**	**17,953**	**6,124**	**7,324**	**14,348**	**18,098**	**17,953**

* C1 and AISC calculated based on 100% Processed (t). December 2020 Quarterly Weighted average of 26.46% (September 2020 - 26.46%) ownership in the Rawhide Mine as effective 31, January 2020 Austral held a 23.62% ownership interest in Rawhide.

**AuEq ratio is calculated at 78:1 Ag:Au for the December 2020 Quarter; 77:1 Ag:Au for the September 2020 Quarter; 85:1 Ag:Au for the December 2019 Quarter. Rawhide's AuEqu ratio equaled 85:1 Ag:Au for December 2020 Quarter; 85:1 for the September 2020 Quarter.

Forecasted Calendar 2021 Production and Costs:

- **Production guidance for 2021 for the Guanaco and Amancaya Mine complex** is estimated at 50,000-55,000 gold equivalent ounces with C1 and AISC at US$700-800 and US$800-1,000 respectively per gold equivalent ounce.
- Production guidance for 2021 provided by Rawhide is estimated at 35,000-40,000 gold equivalent ounces.

EXPLORATION

- During the quarter, the exploration activities were focused on the drilling campaigns at Amancaya and Sierra Inesperada in Chile and the definition of the drilling targets at the Manantiales - Casposo district in the San Juan Province, Argentina.
- Significant results were obtained from the deep drilling campaign of the Amancaya Vein System as announced on 27 January 2021. During the quarter, a total of 4,806 meters were drilled extending the mineralization down to 1600 level at the Amancaya mine.
- Drill hole DAM-008 successfully extended the eastern edge of the Amancaya diatreme as a major mineralization control, intercepting 30m @ 4.04 gpt Au which contains high-grade veins and hydrothermal injection breccias. This zone also included a high-grade intersection on the hanging wall of 4.1m of 23.5 g/t Au and 29 g/t Ag.
- During Q4 2020, drilling targets were defined based on new concepts resulting in our confirmation of the presence of high-grade gold rock chip samples related to new veins at the Cerro Amarillo area in the Manantiales - Casposo District. A drilling campaign is planned to start during February 2021.

FINANCIALS

- **At the end of Q4 2020, Cash and cash equivalents was US$12.4 million and combined with the fair value of ~6,000 refined gold ounces in inventory totals US$ US$24.1 million**. The table below summarizes the quarterly cash flow compared to the September 2020 quarter and previous year quarter ended December 2019.

Cash Flow (US$´M)	Dec 2020 Qtr	Sept 2020 Qtr	Dec 2019 Qtr
Operating Cash flow before change in working capital	10.1	9.6	14.3
Changes in working capital	1.3	(3.8)	(0.3)
Operating cash flow after change in working capital	11.4	5.8	14.0
Net cash used in investing activities	(4.3)	(2.2)	(6.8)
Net cash used in financing activities	(2.5)	(5.5)	(2.5)
Net (decrease) increase in cash	4.6	(1.9)	4.7
Cash beginning of period	7.8	9.7	4.5
Cash end of period	12.4	7.8	9.2

- **Operating cash flow** for the quarter reached US$11.4 million. The change in working capital during Q4 was driven by the decrease in gold equivalent ounces in inventory from ~8,000 oz in Q3 to ~6,000 oz in Q4 and the payment of total severance of ~US$4.3 million to employees dismissed as a result of the decision to outsource operations during Q4.
- **Net cash used in investing activities** was US$4.3 million, of which half was used for exploration activities and the remining for sustaining capital expenditures.
- **Net cash used in financing activities** was US$2.5 million, following the repayment of borrowings.
- The table below summarizes the net financial debt position.

Net Financial Debt Position (US$´M)	December 2020 *	September 2020	December 2019 *
Cash & Cash Equivalents **	12.4	7.8	9.2
Financial Debt ***	8.4	10.6	15.5
Net Financial Debt	(4.0)	2.8	6.3

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

- **Reduction of consolidated net financial debt to negative US$4.0 million** at 31 December 2020, a decrease of US$6.8 million from 30 September 2020. As of 31 December 2020, financial debt (***) was US$8.4 million (of which US$4.7 million is long-term debt), a decrease of US$~2.2 million or approximately ~20% from the prior quarter.

Guanaco & Amancaya Mines
Antofagasta, Chile

100% Interest

Casposo Mine
San Juan, Argentina

100% Interest

Pingüino Project
Santa Cruz, Argentina

100% Interest

Rawhide Mine
Fallon Nevada, USA

26.46% Interest

Austral Gold Limited ('the Company' or 'Austral') and its subsidiaries ('the Group') is a precious metals mining and exploration company building a portfolio of assets in South America and recently entered the North American market. The Group produces gold and silver from the Guanaco and Amancaya Mines in Chile. The Group also holds the Casposo Mine in San Juan, Argentina, which is currently on care and maintenance and the recently acquired 26.46% effective interest including the options exercised in May 2020 in the Rawhide Mine located ~50 miles outside of Fallon, Nevada, United States. It also holds an attractive portfolio of exploration projects including the Pingüino project in Santa Cruz, Argentina (100% interest) and the San Guillermo and Reprado projects near Amancaya (100% interest) in Chile.

CHILE

Guanaco and Amancaya Mines

Background

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

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

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

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

Safety

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

Production

Quarterly production at Guanaco/Amancaya **decreased by 21% to 12,728 gold equivalent ounces** (12,153 gold ounces and 44,833 silver ounces) from 16,160 gold equivalent ounces (15,169 gold ounces and 76,277 silver ounces) during the September 2020 quarter and decreased **by 29%** from 17,953 gold equivalent ounces (16,578 gold ounces and 116,380 silver ounces) during the December 2019 quarter. The **cost of production (C1) and the all-in sustaining cost (AISC)** at Guanaco/Amancaya in the December 2020 quarter increased to **US$762AuEq Oz** and **US$1,197/AuEq Oz** respectively from US$717/AuEq Oz and US$1,055/AuEq Oz during the September 2020 quarter.

Mining

During the December 2020 quarter, 51,784 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 2020	September 2020	December 2019
Processed (t)	52,977	50,058	66,295
Average Plant Grade (g/t Au)	6.8	8.9	8.3
Average Plant Grade (g/t Ag)	27.6	48.0	68.2
Gold produced (Oz)	12,153	15,169	16,578
Silver produced (Oz)	44,833	76,277	116,380
Gold-Equivalent (Oz) ***	12,728	16,160	17,953
C1 Cost of Production (US$/AuEq Oz) *	762	717	551
All-in Sustaining Cost (US$/Au Oz) *	1,197	1,055	843
Realised gold price (US$/Au Oz)	1,877	1,915	1,493
Realised silver price (US$/Ag Oz)	25	24	17

* The cash cost (C1) includes: Mine, Plant, On-Site G&A, Smelting, Refining, and Royalties (excludes Corporate G&A). It is the cost of production per gold equivalent ounce.
** The All-in Sustaining Cost (AISC) includes: C1, Sustaining Capex, Brownfield Exploration, and Mine Closure Amortisation
*** AuEq ratio is calculated at 77:1 Ag:Au for the 31 December 2020 quarter 77:1 Ag:Au for the 30 September 2020 quarter; and 85:1 for the 31 December 2019 quarter

Exploration

Amancaya District Exploration

During the quarter, a 4,806 meter drilling campaign was executed with the goal of validating the continuity of mineralization along strike and to depth, and expanding the resource as disclosed in the September 2020 quarterly report. Complete drilling results were disclosed in the Company's press release dated 27 January 2021.

A detailed relogging and UG mine mapping program identified new controls for the veins related to the phreatomagamtic breccia complex geometry.

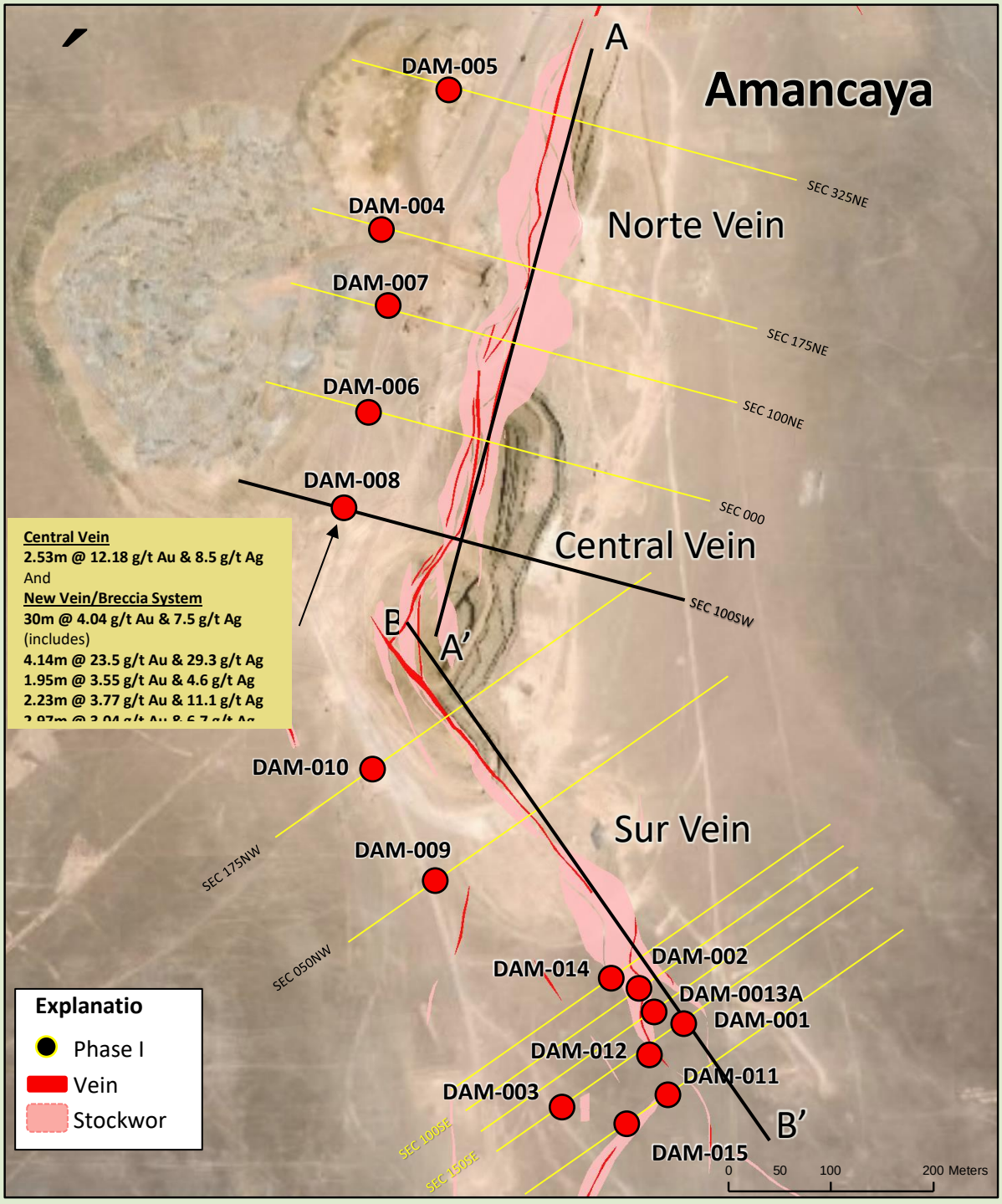
Based on these controls, a drilling program was designed and completed to validate the continuity at depth up to the 1600 meter level. Encouraging results were obtained in the central vein, mainly at the southern end of the Sur vein, opening exploration to the south of this sector.

Additionally, one drill hole was successfully extended to explore the eastern edge of the Amancaya diatreme as a major mineralization control, intercepting 30m @ 4.04 gpt Au (DAM-008), which includes high-grade veins and hydrothermal injection breccias. This zone also included a high-grade intersection on the hanging wall of 4.1m of 23.5 g/t Au and 29 g/t Ag.

During Q1 2021, we plan on focusing the drilling activities on defining the continuity of the mineralization intercepted by hole DAM-008, recognizing the southern and northern extension of this new Vein/Breccia System. In addition, an infill drilling program is planned to categorize resources at the north, central and south veins.

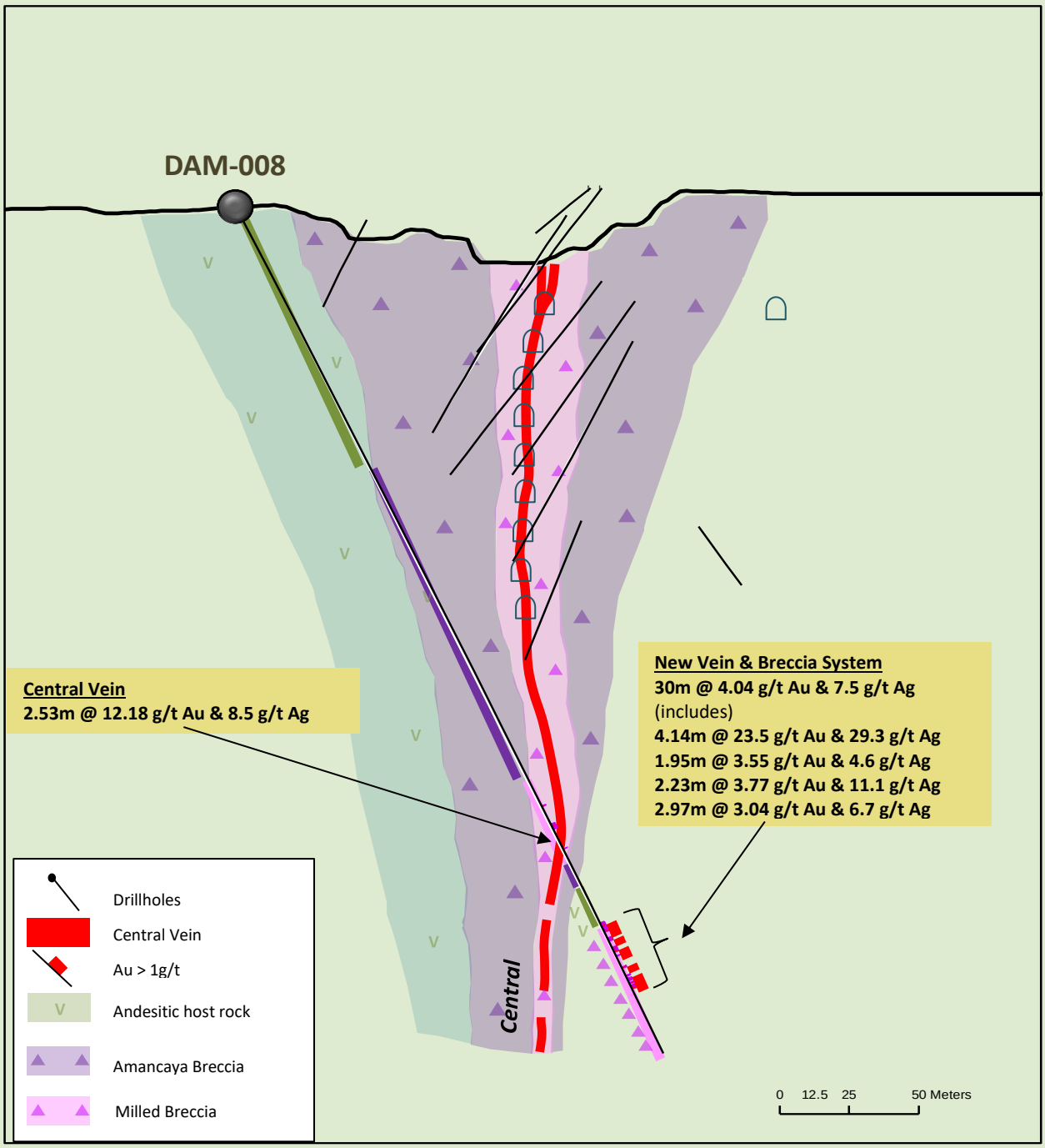
For 2021 we have also budgeted for a near mine exploration program with the goal of discovering vein systems based on the new structural - geological district model and ore controls related to phreatomagmatic breccias complex learned from the current program.

AMANCAYA MINE
Plan view map



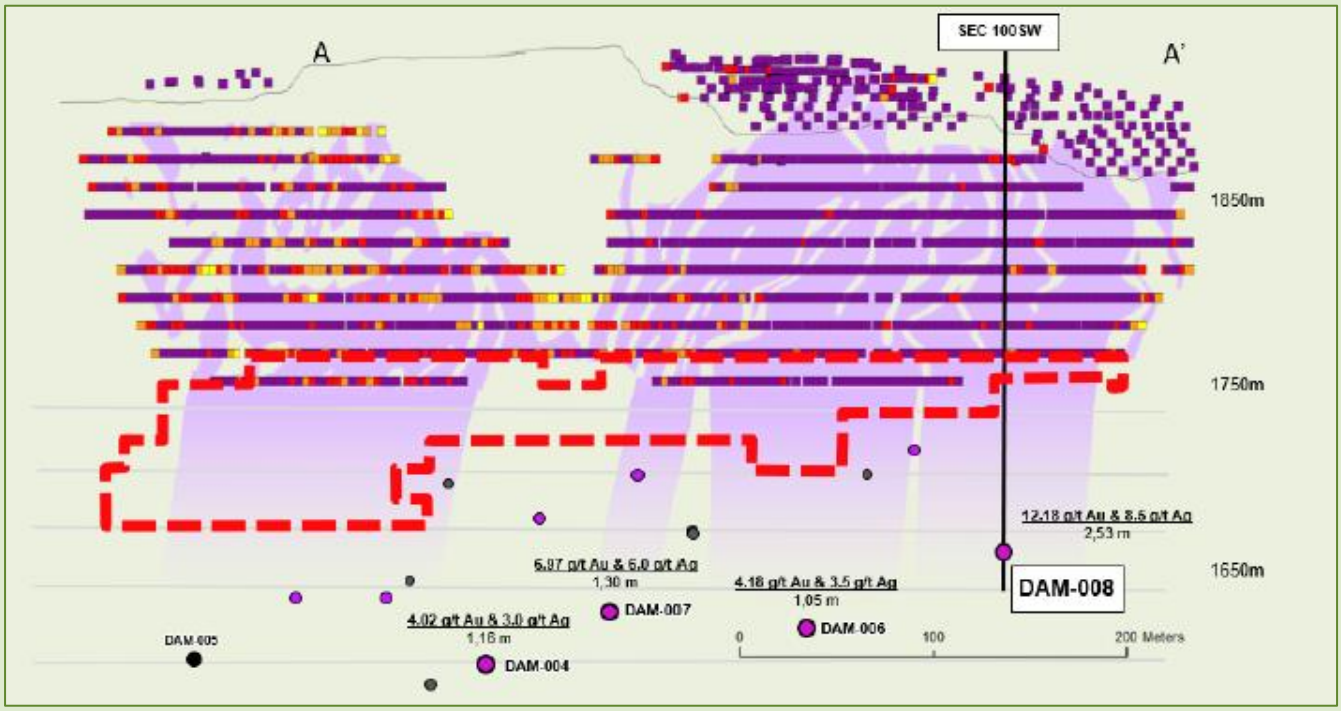
AMANCAYA MINE

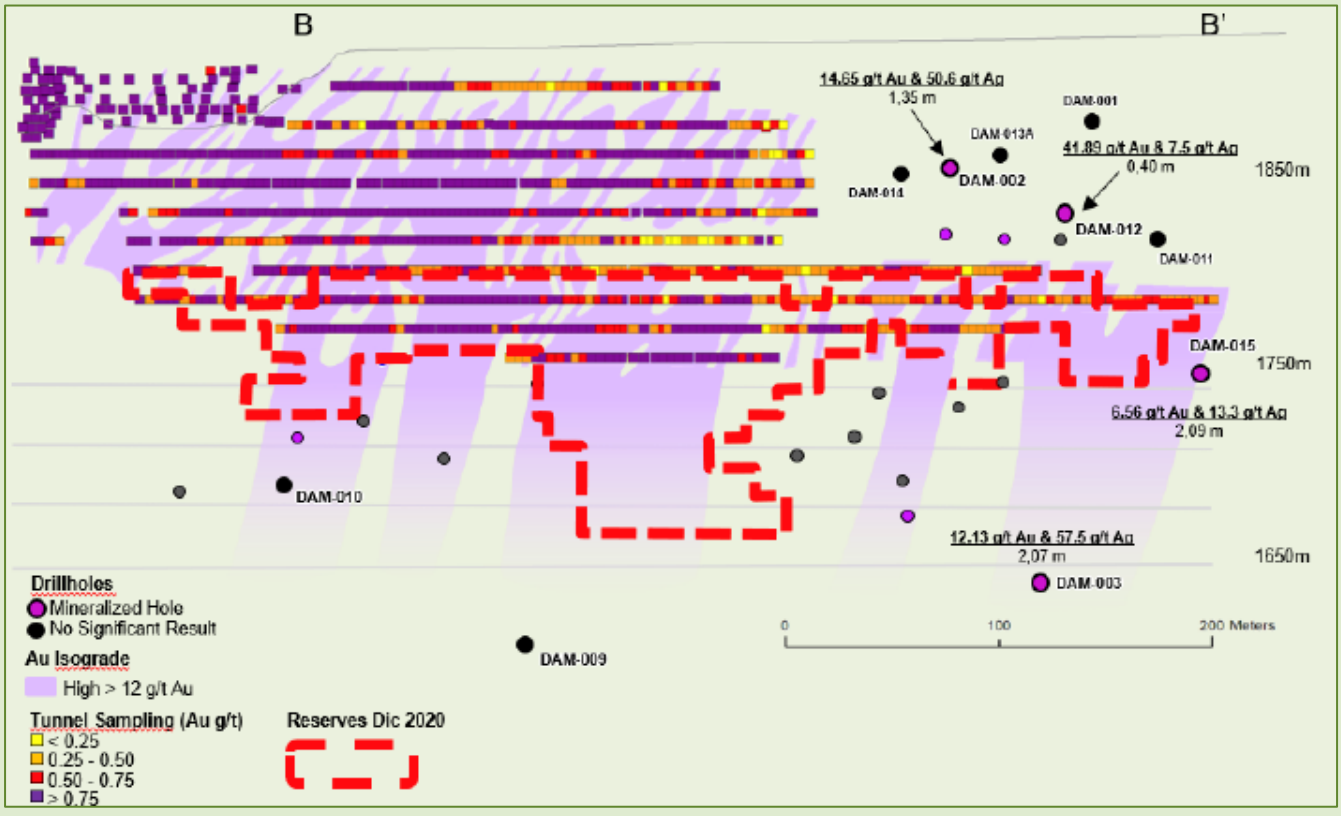
DAM-008 Section – New Mineralized Breccia Zone



AMANCAYA MINE

Norte, Central & Sur Veins – Au Longitudinal Section





Guanaco District Exploration

During the quarter, the focus continued on the Sierra Inesperada area with delineation and drilling activities. A total of 2,239 meters were drilled, starting with Mina Inesperada and continuing with a first phase drill campaign at the Carla and Purisima veins.

At Mina Inesperada, two drillholes with different azimuth were completed. The ore control has been identified with drill hole DIN-003, opening the upside to the north. It also confirms that the favorable alteration and the gold mineralization is related and hosted in the phreatomagmatic breccia body.

The most interesting results from our Q4 drilling program relates to drill holes DIN-006A and DIN-008 at Purisima, where low grade gold mineralization was intercepted and which suggests a fertile Diatreme-Dome system. The following table summarizes the drilling results of the Q4 2020 drilling campaign.

Hole	Sector	Section	Intercept	From (m)	To (m)	Lenght (m)	Au gpt	Ag
SIERRA INESPERADA RESULTS								
Significant intercepts reported at 0.2 gpt Au cutoff; include at 1.0 gpt Au cutoff, sub-include at 3.0 gpt Au cutoff								
DIN-001	Mina Inesperada	300NW	No significant intercepts					
DIN-002	Mina Inesperada	210NW	No significant intercepts					
DIN-003	Mina Inesperada	90NE		**14,00**	**81,00**	**67,00**	**1,12**	20,4
			Include	*56,00*	*66,00*	*10,00*	*2,82*	48,7
				93,00	**109,00**	**16,00**	**0,87**	18,8
				120,37	**122,00**	**1,63**	**16,19**	1,5
				134,00	**145,00**	**11,00**	**0,73**	9,0
DIN-004	Carla	438,900E	No significant intercepts					
DIN-005	Carla	7,220,100N	No significant intercepts					
DIN-006A	Purisima	7,219,600N		**43,00**	**53,00**	**10,00**	**1,40**	8,2
			Include	*51,00*	*53,00*	*2,00*	*3,93*	0,8
DIN-007	Purisima	7,219,600N	No significant intercepts					
DIN-008	Purisima	7,219,675N		**28,00**	**40,00**	**12,00**	**0,43**	2,1

The 2021 exploration program is expected to continue with drilling activities in (i) the Mina Inesperada area with the goal of validating an extension of the mineralization to the North, and (ii) the Purisima and Ines areas. This has been adjusted based on the results of DIN-007 to address a preferred drilling direction from West to East (Purisima, Ines) and North South (Ines).

Cerro Buenos Aires Project

During December 2020, Austral entered into a purchase option agreement of 36 mining concessions named Buenos Aires del 1 a la 199 from Mr. Simunovic Petricio ("Vendor").

The total cost of the option is US$5.05 million and is to be paid in Chilean pesos. US$100,000 was paid on signing the agreement and the balance is payable as follows:

	US$
6 months from the date of the agreement	100,000
12 months from the date of the agreement	350,000
18 months from the date of the agreement	500,000
24 months from the date of the agreement	1,000,000
30 months from the date of the agreement	500,000
36 months from the date of the agreement	1,000,000
48 months from the date of the agreement	1,500,000

The Company has the option of exiting the agreement without paying the option installments. However, none of the option payments made will be refundable.

During the life of the Option, GCM will be responsible for Property maintenance costs.

The Vendor will keep a Net Smelter Return ("NSR") royalty over the mining properties of 2% for precious metals and 1.5% for the sale or disposal of any other mineral, metal and/or other refined or unrefined mining products ripped up and extracted from the mining properties.

Sociedad Química y Minera de Chile (SQM) property (Cerro Buenos Aires area)

During December 2020, the Company entered into an agreement to acquire the Sierra Amarilla properties (334 hectares) from SQM (SQM:NYSE). The total consideration was US$40,000 (paid) plus a 1% NSR royalty over precious metals extracted from those properties.

Background

Cerro Buenos Aires (the Property) is a potential High Sulfidation (HS) project with a significant hydrothermal alteration footprint. However, to date no anomalous gold values have been reported in the sector which has been under evaluation by various companies in the past as a possible copper porphyry system.

There are geophysical studies in the sector that generated favorable indicators for the occurrence of an HS type deposit. Another strong indicator is the age of the hydrothermal alteration totally synchronous with other similar deposits in the belt.

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 and in December 2019 acquired the balance of the project.

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

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.

Safety

During the December 2020 quarter, there were no lost-time accidents (LTA) and 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 Q4 2020.

Casposo - Manantiales Exploration

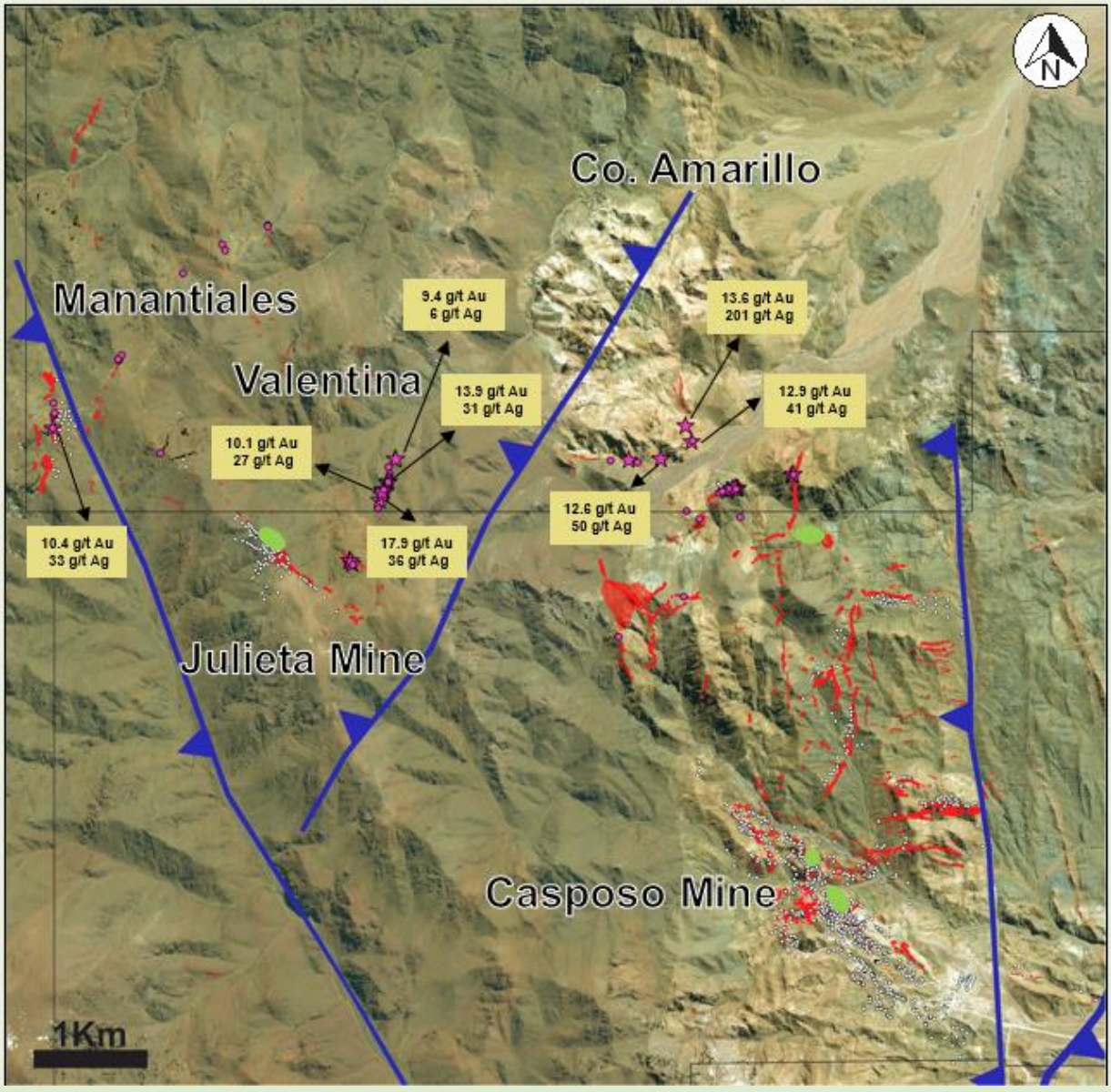
During Q4 2020, the exploration team completed the delineation of five quality drilling targets within the Casposo-Manantiales district.

Manantiales and Valentina veins were selected as priority strategic targets. At Manantiales, a potential south extension and two new secondary veins were identified through geological mapping and surface activities whereas at Valentina, historic results were reviewed and validated with gold values up to 7.66 g/t Au.

The Cerro Amarillo area was also identified with exploration potential for a high-grade gold veins system based on multiple rock chip samples +10 gpt Au.

The drilling program is expected to commence in Q1 2021 at the Valentina Vein target followed by the Manantiales veins and Cerro Amarillo area.

CASPOSO-MANANTIALES DISTRICT
Target Location – Rock Chip Sampling Results



Pingüino and Sierra Blanca Projects (Santa Cruz Cluster)

No fieldworks activities to report during the quarter.

During the quarter, Austral and New Dimension Resources Ltd. (TSX-V:NDR) ("New Dimension") signed 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. As per the agreement, Austral paid US$100,000 on closing.

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

The geological team also began planning the exploration activities for 2021 including a US$100,000 work commitment program for Sierra Blanca over the next 12 months.

United States

Background

On 17 December, 2019, Austral Gold announced that its newly formed Nevada subsidiary, Austral Gold North America Corp. ("AGNA"), had acquired an equity interest in Rawhide Acquisition Holding LLC ("RWH"), a privately-held Delaware limited liability company that owns Rawhide Mining LLC which in turn owns the Rawhide Mine located ~50 miles outside of Fallon, Nevada, United States.

The Rawhide mine is a fully permitted operation that produces gold and silver through an open pit heap leaching operation. In 2019, Rawhide received a mine expansion permit associated with the Regent open pit. Rawhide is a historical mining operation that started in the early 1900s located in the Walker Lane structural zone, one of the most prolific gold mining districts in the world, and is located 50 miles from Fallon, Nevada, USA. It is surrounded by multiple 1.0 million+ gold oz deposits. Rawhide was formerly operated as a subsidiary of Kennecott Corp. prior to Coral Reef Capital partnering with the Rawhide mine management team to acquire the property from Rio Tinto Plc in 2010. Coral Reef Capital is the controlling shareholder.

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

RWH continued production from the Regent open pit and former heap leach pads during Q4 2020. The company also advanced an independent resource estimate and technical report for the former old heap leach pads under NI-43-101.

Rawhide Operations	Quarter ended December 2020		Quarter ended September 2020	
	100% basis	Net to Austral Gold*	100% basis	Net to Austral Gold*
Processed (t)	496,848	131,466	535,166	141,605
Gold produced (Oz)	5,632	1,490	6,696	1,772
Silver produced (Oz)	41,603	11,008	39,213	10,376
Gold-Equivalent (Oz) ***	6,124	1,620	7,324	1,938

*September 2020 Quarterly Weighted average of 26.46% (June 2020-25.31%) ownership in the Rawhide Mine as effective 31, January 2020 Austral held a 23.62% ownership interest in Rawhide.

Q4 2020 Update

Quarterly production was 6,124 gold equivalent ounces (100% basis) or 1,620 gold equivalent ounces (net to Austral) This represents a 16% decrease over Q3 production. The lower production was mainly due to interruptions at the crushing plant due to repairs and the ramp up of the crushing conveying system.

Corporate Summary & Financial Performance

The main financial highlights during the quarter were as follows:

- Gold and silver revenues reached US$27.2 million from the Guanaco/Amancaya mines. Average selling price was US$1,877/oz while the cost of sales was US$726/oz**.** Cash & cash equivalents at quarter end was US$12.4 million while gold and silver in inventory totaled ~6,000 gold equivalent ounces (“(GEOs”), a decrease of ~2,000 GEOs from 30 September 2020.
- Cash flow from operations after changes in working capital was US$11.4 million.
- Net cash used in investing activities was US$4.3 million, of which half was used for exploration activities and the remaining for sustaining capital expenditures.
- Net cash used in financing activities was US$2.5 million, following the net repayment of borrowings.

By order of the Board

David Hwang
Company Secretary

GUANACO (MINA INESPERADA) MINE EXPLORATION
JORC Code, 2012 Edition – Table 1 Report
Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code Explanation	Commentary
Sampling techniques	• Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. • Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. • Aspects of the determination of mineralisation that are Material to the Public Report. • In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1m samples from which 3kg was pulverised to produce a 30g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual	• Industry standard practices were used for sampling of diamond drilling. • The diamond drilling core was recovered from drill tubes and stored in core wood boxes, where it was geologically logged then half core samples were taken using an automatic core splitter, bagged and sent to the laboratory. • Samples were assayed for gold, and ICP-AES at a certified external laboratory, AAA (Andes Analytical Assay, Chile).

Criteria	JORC Code Explanation	Commentary
	commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.	
Drilling techniques	• Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face- sampling bit or other type, whether core is oriented and if so, by what method, etc).	• Drilling techniques used were surface core drilling rig producing core at HQ size.
Drill sample recovery	• Method of recording and assessing core and chip sample recoveries and results assessed. • Measures taken to maximise sample recovery and ensure representative nature of the samples. • Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	• Sample recovery is generally >95%. • The mineralised zone appeared to be quite competent and core recoveries were excellent. • All core was carefully placed in HQ sized core wooden boxes and transported a short distance to a core processing-sampling area where core recovery, depth markup and photography could be completed.

Criteria	JORC Code Explanation	Commentary
Logging	• Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. • Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. • The total length and percentage of the relevant intersections logged.	• Diamond drill core was geologically logged using predefined logging codes for lithological, mineralogical, and physical characteristics. • Logging, structural and geotechnical measurements and the estimation of recoveries, was quantitative in nature. • Drill core was photographed and digitally stored for visual reference. • All holes were logged from start to finish.
Sub-sampling techniques and sample preparation	• If core, whether cut or sawn and whether quarter, half or all core taken. • If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. • For all sample types, the nature, quality and appropriateness of the sample preparation technique. • Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. • Measures taken to ensure that the	• For the diamond drill holes, sample intervals were marked, and the core was sawn with an automatic splitter. One half of the core was placed in plastic bags and tagged with a unique sample number. The other half of the core was returned to the core box and securely stored.

Criteria	JORC Code Explanation	Commentary
	sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. • Whether sample sizes are appropriate to the grain size of the material being sampled.	
Quality of assay data and laboratory tests	• The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. • For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. • Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.	• Drill samples were collected and bagged and sent to AAA laboratories. There they were crushed and prepared. Gold assays were done using FA-AAS procedure on a 50g sample. • ICP-AES method with aqua regia digestion, final determination of 35 elements. Internal laboratory checks were made regarding sample preparation and assaying procedures.
Verification of sampling and assaying	• The verification of significant intersections by either independent or alternative company personnel. • The use of twinned holes. • Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. • Discuss any adjustment to assay data.	• Not applicable. • Not applicable. • Samples data entered manually into electronic spreadsheets. Data then entered in GVMapper software using Getac rugged tablets.

Criteria	JORC Code Explanation	Commentary
Location of data points	• Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. • Specification of the grid system used. • Quality and adequacy of topographic control.	• Drilling collar survey used Trimble 3601DR total station, +- 1mm precision. • The datum used was PSAD56 and UTM coordinate system. • Downhole surveys are completed by downhole methods (Champ Gyro) at regular intervals (25m and total hole).
Data spacing and distribution	• Data spacing for reporting of Exploration Results. • Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. • Whether sample compositing has been applied.	• At Mina Inesperada, drill hole spacing is approximately 25m (northing) by 25m (easting). Drill locations were defined to determine the ore control and distribution of mineralisation. • At Purisima target, drill hole spacing is approximately 75 to 150 m (northing) by 50 to 200 m (easting). Drill locations were defined to identify the major ore control of the alteration and mineralization at this stage. • Data spacing and distribution are sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedures. • No sample compositing is applied during the sampling process.
Orientation of data in relation to geological structure	• Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. • If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	• The breccia bodies outcrop at surface and this orientation combined with historical sampling and drilling has allowed for the geological modelling of the possible trend of the breccias. • Based on a structural interpretataion and volcanic facies mapping, drill azimuths were planned to intersect the potential ore control perpendicular to their strike.

Criteria	JORC Code Explanation	Commentary
Sample security	• The measures taken to ensure sample security.	• Samples are transported from the sampling area to the certified external lab via laboratory transport. The laboratory received sample dispatch documents for every sample batch. • Laboratory returns pulp samples and excess material.
Audits or reviews	• The results of any audits or reviews of sampling techniques and data.	• Not applicable.

SECTION 2 REPORTING OF EXPLORATION RESULTS

(Criteria listed in the preceding section also apply to this section)

Criteria	JORC Code Explanation	Commentary
Mineral tenement and land tenure status	• Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, over-riding royalties, native title interests, historical sites, wilderness or national park and environmental settings. • The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area.	• The Guanaco Mine is located 220 km southeast of Antofagasta. The Guanaco Mine area consists of 208 granted exploitation concessions totalling 23,541ha. There are claims held by third parties within the Guanaco Project area that are excisions from the Minera Guanaco tenure holding, and are not included in the Project. • A net smelter royalty of 3% is payable to ENAMI. • All necessary statutory permits have been granted and the requirements have been met. Austral is in compliance with all environmental and work permits.
Exploration done by other parties	• Acknowledgment and appraisal of exploration by other parties.	• Historically the following work has been recorded on the Guanaco Project: • Gold mineralisation was discovered at Guanaco in 1878 by miners from the nearby Cachinal silver mines. There was only small-scale production until 1886. From 1887 until 1890, more than 200 underground mines were developed, and approximately 200,000 Oz of gold were produced from high-grade veins. • In the early 1980s, BHC completed a reverse circulation (RC) drilling campaign. No other details about work conducted by this company have been recorded. • During 1987, Minera Guanaco, at that stage controlled by the Gordo brothers, became operators of the Project by undertaking an underground production at a minimum rate of 500 t/d within six months. By the end of 1990, Minera Guanaco had drilled 179 exploration holes and developed a 1,800 t/d open-pit/heap-

		leach operation. The Gordo brothers produced an estimated 75,000 Oz gold to the end of 1991. • Amax entered into a purchase- option agreement with Minera Guanaco effective 1 April 1991, and subsequently commenced mapping, geochemical sampling, and reverse circulation drilling. A pre-feasibility study was completed the same year. In 1992, Amax Gold leased additional properties from Enami. In April 1992, Amax acquired a 90% interest in the Project for US$35m through a wholly owned subsidiary. • Open-pit mining commenced in early 1993, with gold recovered from heap leach pads and a Merrill Crowe recovery plant. From 1993 to 1996, in addition to mining operations, work completed included mineral resource and mineral reserve estimation, airborne and ground geophysical surveys, rock chip and grab sampling, geological mapping, and RC and core drilling. In 1997, the operation was placed on care and maintenance due to a combination of low gold prices and poor metallurgical recoveries due to the presence of copper. • In 1999, Kinross acquired Amax, and operations were conducted by Kinross' indirect subsidiary Kinam Guanaco. • In 2002, Golden Rose, a subsidiary of AGD, entered into a purchase-option agreement with Kinross, which was executed in March 2003. From 2003 to 2012, Austral Gold (until 2007 AGD) undertook data reviews, core and RC drilling, mineral resource and mineral reserve estimation, hydrological, geotechnical and metallurgical studies, reviews of social and environmental conditions, and assessments of existing infrastructure and equipment, and commissioned a feasibility study during 2009–2010.

Criteria	JORC Code Explanation	Commentary
Geology	• Deposit type, geological setting and style of mineralisation.	• The gold-bearing shoots in the Guanaco ledges appear to be closely associated with ledge segments that underwent fracturing, brecciation, and introduction of late- stage quartz and barite (barium sulphate). The shoots have different sizes, but tend to be both horizontally and vertically more restricted in the northwestern part of the district, • Pervasive silicification commonly replaces all the primary rocks, whereas vuggy silica resulting from extreme acid leaching is a preferred host of the gold mineralisation. • The most important structural features related to gold mineralisation at Guanaco follow east–west and east–northeast–west–southwest trends. In the Dumbo sector, these trends underwent appreciable dextral-oblique normal displacement. Movements along other gold-bearing structures are far less constrained, but appear to have been substantially less than on the Dumbo structure.

Drill hole Information	• A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: ○ easting and northing of the drill hole collar ○ elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar ○ dip and azimuth of the hole ○ down hole length and interception depth ○ hole length. • If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	• All drill holes are reported in this document.

Criteria	JORC Code Explanation	Commentary
Data aggregation methods	• In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are	• Sum product Weighted averaging was used to report gold and silver grades over sample intervals that contained more than one sample. Significant intercepts reported at 1 gpt Au cutoff.
	usually Material and should be stated. • Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. • The assumptions used for any reporting of metal equivalent values should be clearly stated.	
Relationship between mineralisation widths and intercept lengths	• These relationships are particularly important in the reporting of Exploration Results. • If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. • If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').	• The orientation of the veins is generally north and the dip of the mineralisation is sub-vertical. • The majority of drilling is oriented close to perpendicular to the known strike orientation of the mineralisation. Downhole intersections are generally oblique to the dip of mineralisation due to the sub-vertical attitude of the veins. • The intersection length is measured down the hole trace and may not be the true width.
Diagrams	• Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	• Sections are included in the report above this.
Balanced reporting	• Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	• All assay results that are considered anomalous are reported, and in diagrams where low grades were encountered where the structures were intersected the assays results are reported as from the laboratory.

Criteria	JORC Code Explanation	Commentary
Other substantive exploration data	• Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	• No metallurgical samples or bulk density sampling has currently been undertaken with the reported drilling results. In the event that the samples are used they will be reported at such time.
Further work	• The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). • Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	• The reported results from this drilling campaign represent the 37.7% (2,239m) of the total planned drilling campaign (6,000m).

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 2021 forecasted production guidance and costs, Rawhide's 2021 forecasted production, planned exploration activities in Chile and Argentina in Q1 2021, that the Revelo transaction is expected to close in early February 2021, and that Management continues to evaluate opportunities to extend the life of mine of the Guanaco and Amancaya mines.

All of these forward-looking statements are subject to a variety of known and unknown risks, uncertainties and other factors that could cause actual events or results to differ from those expressed or implied, including, without limitation, business integration risks; uncertainty of discovery and production, development plans and cost estimates, commodity price fluctuations; political or economic instability and regulatory changes; currency fluctuations, the state of the capital markets, uncertainty in the measurement of mineral reserves and resource estimates, the Company's ability to attract and retain qualified personnel and management, potential labour unrest, reclamation and closure requirements for mineral properties; unpredictable risks and hazards related to the development and operation of a mine or mineral property that are beyond the Company's control, the availability of capital to fund all of the Company's projects and other risks and uncertainties identified under the heading "Risk Factors" in the Company's continuous disclosure documents filed with the ASX and on SEDAR. You are cautioned that the foregoing list is not exhaustive of all factors and assumptions which may have been used. The Company cannot assure you that actual events, performance or results will be consistent with these forward- looking statements, and management's assumptions may prove to be incorrect. The Company's forward-looking statements reflect current expectations regarding future events and operating performance and speak only as of the date hereof and the Company does not assume any obligation to update forward-looking statements if circumstances or management's beliefs, expectations or opinions should change other than as required by applicable law. For the reasons set forth above, you should not place undue reliance on forward- looking statements.

Compliance Statement

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

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

Sign here: Date: 29 January 2021

(Company secretary)

Print name: David Hwang