MEDIA RELEASE
Austral Gold Limited
31 January 2023

Austral Gold Announces Filing of Q4 2022 Quarterly Activity Report

Austral Gold Limited (the "Company") (ASX: AGD; TSX-V: AGLD) is pleased to announce that it has filed its Q4 2022 Quarterly Activity Report. The complete Report is available under the Company's profile at www.asx.com, www.sedar.com and on the Company's website at www.australgold.com/.

About Austral Gold

Austral Gold Limited is a gold and silver explorer and mining producer whose strategy is to expand the life of its cash generating assets in Chile, restart its Casposo-Manantiales mine complex in Argentina and build a portfolio of quality assets in Chile, the USA and Argentina organically through exploration and via acquisitions and strategic partnerships. Austral owns a 100% interest in the Guanaco/Amancaya mines in Chile and the Casposo-Manantiales mine complex (currently on care and maintenance) in Argentina, a non-controlling interest in the Rawhide Mine in Nevada, USA and a non-controlling interest in Ensign Gold which holds the Mercur project in Utah, USA.

In addition, Austral owns and has options on an attractive portfolio of exploration projects in the Paleocene Belt in Chile (including the Jaguelito project in San Juan, Argentina, projects acquired in the 2021 acquisition of Revelo Resources Corp), a noncontrolling interest in Pampa Metals and a 51% interest in the Sierra Blanca 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 2022

Quarterly Activity Report

KEY QUARTERLY HIGHLIGHTS

SALE OF PINGUINO PROJECT

- Entered into a Share Sale Agreement to **sell SCRN Properties Ltd. ("SCRN"), owner of the Pinguino project**, to E2 Metals (ASX:E2M) for approximately **US$10 million**. Transaction is expected to close during Q1 2023.

OPERATIONS

- **Production increased 35% to 7,934 gold equivalent ounces** ("GEOs") in Q4 2022 from 5,883 GEO in Q3 2022. **Annual production of 27,686 GEO, in line with revised guidance of 27,000-28,000 GEO.**
- **Gold grades increased 26% to 3.7 g/t in Q4 2022 from 2.9 g/t in Q3 2022.**
- **Cost of production** ("C1") **decreased to US$1,229/oz** from US$1,478/oz in Q4 2022 and **all-in-sustaining cost** ("AISC") **decreased to US$1,536/oz** from US$1,932/oz in Q3 2022.
- **Average GEO selling prices remained stable at US$1,727/oz in Q4 2022 and increased in January 2023 to almost US$1,900/oz**.

EXPLORATION

- At the Casposo-Manantiales district, **drilling results from the 4,000-metre drilling campaign that started in September 2022 were received**. As announced on 30 January 2023, the best intercepts at the Manantiales vein were:

- **MDH-22-72: 6.10 meters @ 11.77 gpt gold and 10.0 gpt silver**
- **MDH-22-68: 2.40 meters @ 7.39 gpt gold and 18.0 gpt silver**

- As announced on 2 December 2022, a 5,000-metre drilling campaign began at the Jaguelito project in the San Juan Province of Argentina as part of the first stage of the option agreement with Mexplort to acquire 50% of the project.

HEAP REPROCESSING PROJECT

- Continued advancing with the engineering and civil works to set up the HRC-800 crushing equipment, which arrived in Guanaco during December 2022. Construction activities required for the heaps started in January 2023. Production is forecasted to commence during Q2 2023.
- Total estimated capex for construction of the Project has been reduced to US$4.6M from US$5.7 million.

FINANCIALS

- **Cash flow generated from all operating activities** (excluding changes in working capital) **increased by US$1.2 million to US$0.6 million in** Q4 2022 **from negative US$0.6 million** in Q3 2022.
- **Cash and cash equivalents was US$0.9 million** at the end of Q4 2022 compared to US$0.7 million at the end of Q3 2022. **Total of US$2.6 million when combined with the fair value of ~900 unsold and unrefined GEOs** in inventory at the end of Q4 2022.
- **Capital and Exploration expenditures increased to US$3.8 million** during Q4 2022 from US$2.8 million during Q3 2022 mainly due to the drilling campaigns in Argentina.
- **Net Financial Debt decreased to US$10.6 million at 31 December 2022 from US$12.0 million at 30 September 2022.**
- **Net current liabilities decreased to US$6.0 million 31 December 2022** from US$10.7 million at 30 September 2022 following the reclassification of the Pinguino project from non-current assets to available for sale (current assets), which was offset by an increase of US$3.6 million in accounts payable and accrued liabilities.

PRODUCTION

- **Guanaco/Amancaya gold and silver production during Q4 2022 increased to 7,934 GEOs** (or 7,441 gold ounces and 38,991 silver ounces), **a 35% increase from Q3 2022** and a **9% decrease from Q4 2021.**
- **Quarterly production at Amancaya increased from Q3 2022** mainly due to operational efficiencies, higher gold grades, and an increase in the number of tonnes of ore processed.
- **YTD production was 27,686 GEOs** (or 26,507 gold ounces and 96,541 silver ounces).

Quarterly and YTD Production figures

Operations	Guanaco/ Amancaya Mines				
	Q4 2022 (December)	Q3 2022 (September)	Q4 2021 December)	YTD 2022	YTD 2021
Processed (t)	76,921	71,387	84,096	283,720	233,794
Gold (Oz)	7,441	5,679	8,382	26,507	29,938
Silver (Oz)	38,991	18,260	23,296	96,541	87,050
GEOs *	**7,934**	**5,883**	**8,682**	**27,686**	**31,142**

* Ag:Au ratio is calculated at 79:1 Ag:Au for the December 2022 Quarter; 90:1 Ag:Au for the September 2022 Quarter and 78:1 Ag:Au for the December 2021 Quarter; 82:1 Ag:Au for YTD 2022 and 72:1 Ag:Au for YTD 2021.

Forecasted Calendar 2023 Production and Costs:

- Production guidance for 2023 is estimated to increase in 2023 to 34,000-38,000 GEOs due to annual production from the heaps reprocessing project of 11,000-11,500 GEOs which is forecasted to start production in June 2023.
- C1 is estimated at US$1,200-US$1,250 per GEO for 2023, with a higher average C1 of US$1,450-US$1,500 during the first half of the year mainly due to lower forecasted grades. During the second half of the year, C1 is estimated to decrease to US$1,000-US$1,050 as a result of lower costs of reprocessing material at the heaps.
- Forecasted AISC for 2023 is estimated at US$1,400-US$1,450 per GEO, with higher average AISC costs of US$1,800-US$1,850 during the first half of the year and lower ASIC costs of US$1,100-US$1,150 during the second half of the year due to lower sustaining capex required for the heaps operations.

EXPLORATION

- During Q4 2022, the main exploration activities were as follows:
  - **Guanaco-Amancaya districts (Chile):** Continued reviewing exploration opportunities to increase mineral reserves in the Guanaco and Amancaya district. At Guanaco, we identified Natalia and Los Nanos as the best target areas.
  - **Casposo-Manantiales mine complex (Argentina):** Drilling campaign of 4,265 meters in 15 holes at Manantiales and Cerro Amarillo. The follow-up drilling program at the Manantiales vein intercepted high gold grades at the top and bottom of the central ore-shoot, indicating possible continuity at depth. The best intercepts were:

    MDH-22-72: 6.10 m @ 11.77 gpt gold and 10.0 gpt silver
    (incl. 1.10 m @ 54.03 gpt gold and 21.40 gpt silver)
    MDH-22-68: 2.40 m @ 7.39 gpt gold and 18.0 gpt silver
    (incl. 1.30 m @ 12.93 gpt gold and 22.30 gpt silver)

  - At Cerro Amarillo, two holes were drilled to validate new structural controls in the Awada and La Puerta areas. Favorable alteration was intercepted although with discrete gold anomalies.
  - **Jaguelito Project (Argentina):** Commenced a 5,000 meter drilling campaign in accordance with the required work commitments for the first two years of the agreement. Two drill holes were completed in Capote – Alcatraz. Both holes appear to validate the new ore control proposed, providing continuity of the strongly altered polymictic breccia and confirming mineralisation in both borders of the diatreme. The drilling program is expected to be completed in Q2 2023.

Casposo-Manantiales: Q4 2022 Drilling Campaign

FINANCIALS

- **At the end of Q4 2022, cash and cash equivalents were US$0.9 million. Total of US$2.6 million when combined with the fair value of ~900 unsold and unrefined GEOs in inventory**. The table below summarises the December 2022 quarterly cash flow compared to the September 2022 quarter and prior year quarter ended December 2021.

Cash Flow (US$´M)	Q4 2022 (Dec)	Q3 2022 (Sept)*	Q4 2021 (Dec)
Operating Cash flow before change in working capital	0.6	(0.6)	3.1
Changes in working capital	4.4	2.1	1.3
Operating cash flow after change in working capital	5.0	1.5	4.4
Net cash used in investing activities	(3.4)	(2.6)	(3.8)
Net cash from (used in) financing activities	(1.3)	0.3	(0.6)
Net (decrease) increase in cash	0.3	(0.8)	-
Cash beginning of period	0.7	1.6	2.3
Cash end of period	0.9	0.7	2.3

*Revised from Operating Cash flow and Changes in working capital of US0.9 million and US$0.6 million respectively reported in the Q3 2022 quarterly activity report

- **Cash flow generated from all operating activities** (excluding changes in working capital) **increased by US$1.2 million to US$0.6 million in** Q4 2022 **from negative US$0.6 million** in Q3 2022. Working capital increased by US$4.4 million mainly due to an increase of US$3.6 million in accounts payable and accrued liabilities, a decrease of US$1.5 million in inventory and an increase of US$0.6 million in receivables.
- **Net cash of US$3.4 million used in investing activities**, mainly due to US$1.5 million for sustaining capital expenditures and US$2.2 million for exploration activities, offset by proceeds of US$0.3 million from the sale of inventory and equipment.
- **Net cash of US$1.3 million used in financing activities** from the net repayments of borrowings and lease payments.

Net Financial Debt Position (US$´M)	Dec 2022*	Sept 2022*	Dec 2021
Cash & Cash Equivalents **	0.9	0.7	2.3
Financial Debt	11.5	12.7	10.5
Net Financial Debt	10.6	12.0	8.2

* Consolidated unaudited figures

** Includes short-term investments that mature in less than 90 days

- **Net consolidated financial debt of US$10.6 million at 31 December 2022**, a net decrease of US$1.4 million from 30 September 2022. The financial debt is comprised of US$9.3 million of short-term debt (~50% are renewable pre-export facilities) which the Company anticipates renewing in 2023 and US$2.2 million of long-term debt.

- **Net current liabilities decreased to US$6.0 million 31 December 2022** from US$10.7 million at 30 September 2022 following the reclassification of the Pinguino project[1] from non-current assets to available for sale (current assets) which was offset by an increase in accounts payable and accrued liabilities of US$3.6 million.

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[1]Highlights of the Consideration of SCRN Properties Ltd Expected Sale to E2 Metals (E2):

- **CASH**: US$5 million of which US$2.5 million is to be paid at Closing and the remaining 50% in three annual instalments of:
  - US$0.75 million on the first anniversary of the Closing date;
  - US$0.75 million on the second anniversary of the Closing date; and
  - US$1 million on the third anniversary of the Closing date.
- **SHARES:** Issuance from treasury of such number of E2 shares as is equivalent to 19.99% shareholding in E2 on a non-diluted basis, all of which are to be held in escrow with 50% released on the first anniversary of the Closing date and 50% released on the second anniversary of the Closing date. The E2 share closing price on the day prior to this announcement was A$0.13 valuing 19.99% of Austral's pro-forma investment in E2 at A$6.5 million (US$4.4 million). The final valuation may change as it is dependent on the share price of E2 at Completion.
- **OPTIONS:** Grant of 15 million options, each exercisable for one ordinary share of E2 at an exercise price of 26 cents until the third anniversary of the Closing date. The options can only be exercised to the extent Austral will not exceed voting power in E2 of 19.99%. The value of the options was calculated at US$0.6 million using the Black Scholes model. The final valuation may change as it is dependent on E2's share closing share prices for three years prior to Closing.
- **BOARD REPRESENTATION:** Austral will have the right to appoint one person to the E2 Board for as long as it holds at least nine percent (9%) of E2's outstanding shares.
- **ROYALTIES:** Austral will also retain its option to purchase either all or half of the existing 2% net smelter return royalty on the Pinguino project.

CORPORATE

- Mr. Raúl Guerra resigned as VP of Exploration effective 31 January 2023. Austral Gold's CEO, Mr. Stabro Kasaneva, who is a geologist, to oversee the exploration activities of the company.

Austral Gold Equity Investments and Projects

* In December 2022, Austral entered into a Share Sale Agreement to sell the Pinguino project to E2 Metals.

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).

The Amancaya ore is trucked to the agitation leaching plant at Guanaco for processing.

Safety

During Q4 2022, there were no lost-time accidents (LTA's) and one no-lost-time accidents (NLTA's) involving Guanaco employees and contractors. Safety and environmental protection are core values of the Company and the implementation of best practice safety standards along with a sound risk management program are key priorities for the Company.

Production

Q4 2022 quarterly production at Guanaco/Amancaya **increased** by **35% to 7,934 GEOs** (7,441 gold ounces and 38,991 silver ounces) from **5,883** GEOs (5,679 gold ounces and 18,260 silver ounces) during the September 2022 quarter and **decreased by 9%** from 8,682 GEOs (8,382 gold ounces and 23,296 silver ounces) during the December 2021 quarter.

Cost of production ("C1") decreased to US$1,229 per GEO in Q4 2022 from US$1,478 per GEO during Q3 2022 and increased from US$1,130 per GEO during Q4 2021.

All-in sustaining cost ("AISC") decreased to US$1,536 per GEO in Q4 2022 from US$1,932 per GEO during Q3 2022 and US$1,596 per GEO during Q4 2021.

Production for the year ended December 2022 decreased by **12% to 27,686 GEOs** (26,507 gold ounces and 96,541 silver ounces) from **31,142** GEOs (29,938 gold ounces and 87,050 silver ounces) during the year ended December 2021. The cost of production ("C1") per GEO increased to US$1,370 for the year ended December 2022 from US$1,175 for the year ended December 2021 while the all-in sustaining cost ("AISC") per GEO decreased to US$1,735 for the year ended December 2022 from US$1,739 for the year ended December 2021. The increase in costs of production were mainly due to lower average grades and lower production, noting that a significant proportion of production costs are fixed.

Mining

During Q4 2022, 60,086 tonnes were mined from the Amancaya underground operations.

Operations	Guanaco/Amancaya Quarter ended		
	December 2022	September 2022	December 2021
Processed (t)	76,921	71,387	84,096
Plant Grade Underground (g/t Au)	3.7	2.9	4.9
Plant Grade Heap (g/t Au)	1.2	N/A	1.8
Plant Grade Underground (g/t Ag)	13.6	11.8	19.2
Plant Grade Heap (g/t Ag)	45.9	N/A	4.1
Gold recovery rate (%)	92.4%	93.7%	86.7%
Silver recovery rate (%)	72.8%	77.9%	69.5%
Gold produced (Oz)	7,441	5,679	8,382
Silver produced (Oz)	38,991	18,260	23,296
Gold-Equivalent (Oz) (1) (2)	7,934	5,883	8,682
C1 Cost of Production(US$/AuEq Oz) (3)	1,229	1,478	1,130
All-in Sustaining Cost (US$/AuOz) (4)	1,536	1,932	1,596
Realised gold price (US$/AuOz)	1,727	1,725	1,790
Realised silver price (US$/AgOz)	22	19	23

(1) AuEq ratio is calculated at 79:1 Ag:Au for the 31 December 2022 quarter; 90:1 for the 30 September 2022 quarter and 78:1 Ag:Au for the 31 December 2021 quarter.

(2) Includes 552 Gold equivalent (Oz) from Guanaco historical heap material processed through the agitation leaching plant during the 31 December 2022 quarter; nil GEOs during the 30 September 2022 quarter and 241 GEOs during the 31 December 2021 quarter.

(3) The cash cost (C1) includes: Mine, Plant, On-Site G&A, Smelting, Refining, and Royalties (excludes Corporate G&A). It is the cost of production per gold equivalent ounce.

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

Heap Reprocessing Project

The Project's first step included the archaeological work detailed in the environmental approval and the operational permits required from the mining authority. The archaeological program was submitted to the Chilean authorities in June 2022 and permits were granted to the Company in Q4 2022.

During Q4 2022, the HRC 800 crusher unit and associated structures arrived at the Guanaco site. The Company continued to advance with the engineering and civil works to set up the equipment. Construction activities required for the heaps started in January 2023.

We anticipate production from reprocessing the heaps (the “Project”) to commence in June 2023 and forecast annual 2023 production from the Project to be 11,000-11,500 GEOs.

Total estimated capex for construction of the Project has been reduced to US$4.6M from US$5.7 million. The Company expects to fund the Capex through internal cash generation, proceeds from the sale of SCRN Properties Ltd. (owner of the Pinguino project) to E2 Metals, and additional financing.

Heaps Reprocessing Project: Civil works to set up HRC 800

Exploration

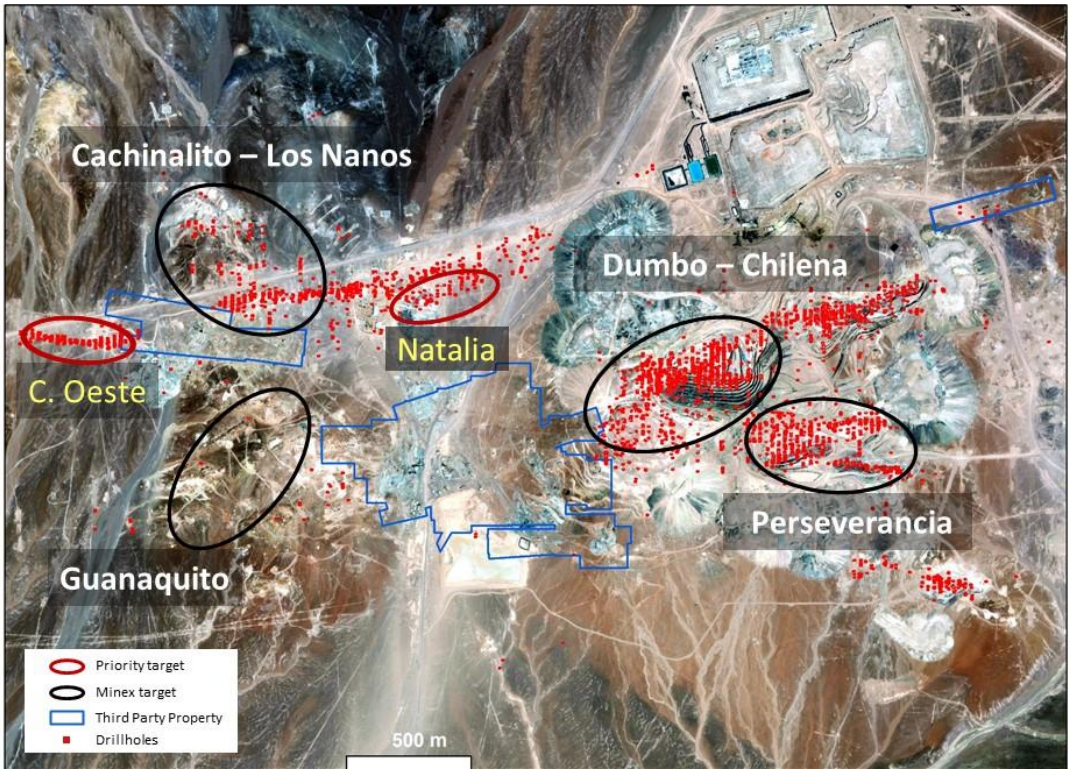
Guanaco - Amancaya Exploration

During Q4 2022, the Company continued to review exploration opportunities through the reinterpretation of certain sectors to increase mineral reserves at the Guanaco and Amancaya districts.

At the Natalia sector in Cachinalito, modeling of the western extension, based on previous intercepts, shows continuity of the mineralisation controls and the distribution of the gold grades, which we expect will allow exploration directly with tunnels between levels 2570 and 2510. A staged drilling program is being designed to explore the Eastern extension and the continuity at depth up to level 2410, 100 meters below the current bottom of the mine.

In the Los Nanos sector, surface reconnaissance mapping and reinterpretation of sections allowed preliminary modeling of gold mineralisation associated with a phreatomagmatic breccia body formed on an intrusive sill corresponding to the "Cachinalito" dacite porphyry.. Mineralisation is disseminated mainly in the breccia.

Guanaco Brownfield Exploration



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 sulphidation epithermal deposit of gold and silver located in the eastern border of the Cordillera Frontal geological province.

The Casposo Mine continues to be on care and maintenance, although exploration activities commenced during the December 2019 quarter with the goal of recommencing processing operations.

Safety

During Q4 2022, there were zero lost-time accidents (LTA's) and zero no-lost-time accidents (NLTA) involving employees and contractors of Casposo. Safety and environmental protection are core values of the Company. The implementation of best practice safety standards along with a sound risk management program are key priorities for the Company.

Production

There was no production in Q4 2022.

Casposo - Manantiales Exploration

A new drilling campaign at the Casposo-Manantiales Project located in the province of San Juan, Argentina started on 19 September 2022. The Company drilled 4,265 metres of diamond drilling ("DD") in 15 DD holes.

The focus of the drilling program was to follow up on the results achieved in previous drilling campaigns at the Manantiales vein disclosed in the 27 July 2022 and 26 October 2021 announcements. The drilling program at the Manantiales vein intercepted high gold grades at the top and bottom of the central ore-shoot, indicating possible continuity at depth. The best two holes intercepted high-grade gold confirming the continuity of mineralisation in the central ore-shoot and opening the upside at depth. During 2022, 6,585 metres were drilled in 27 DD holes and total exploration costs were US$2.8 million.

Drill hole MDH-022-68 appears to confirm shallow mineralisation and provides continuity to previous reported drill hole MDH-022-64 as drill hole MDH-022-72 intercepted gold high-grade confirming the continuity of mineralisation in the central ore-shoot and opening the upside in depth. Best assay results received were:

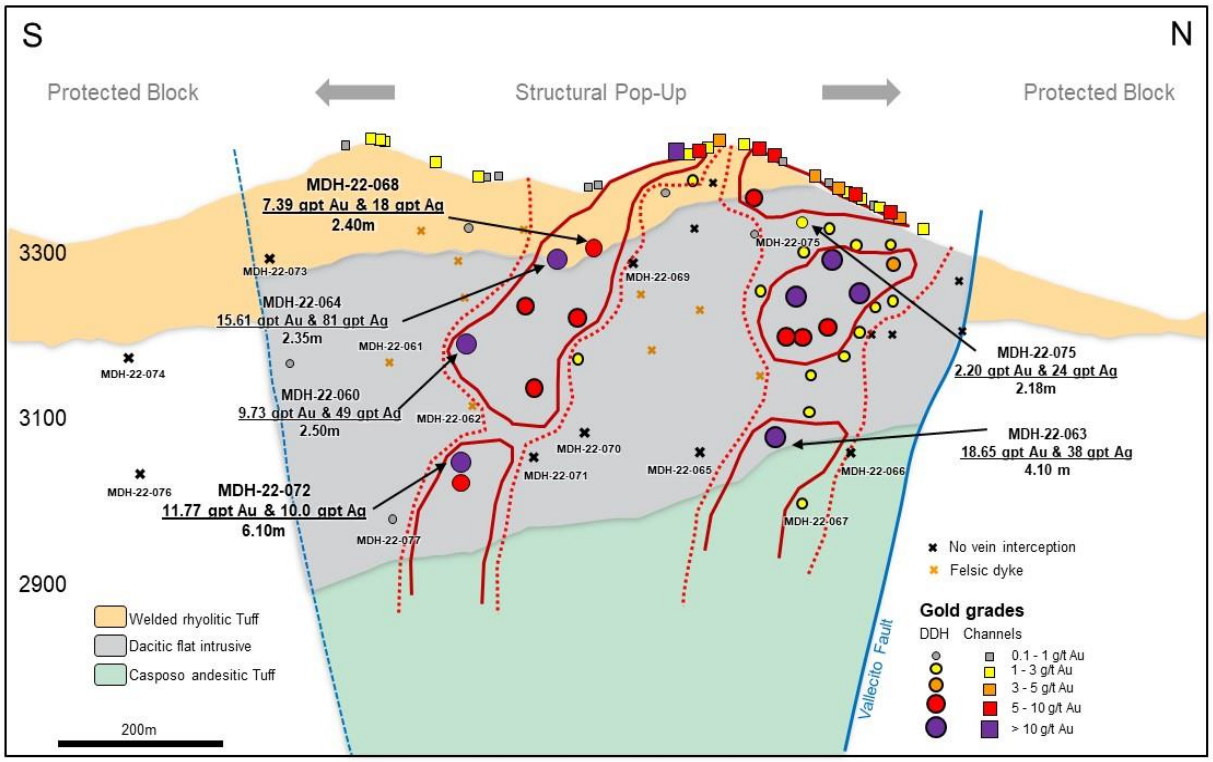
MDH-22-72: 6.10 m @ 11.77 gpt gold and 10.0 gpt silver
(incl. 1.10 m @ 54.03 gpt gold and 21.40 gpt silver)
MDH-22-68: 2.40 m @ 7.39 gpt gold and 18.0 gpt silver
(incl. 1.30 m @ 12.93 gpt gold and 22.30 gpt silver)

Cerro Amarillo – Exploration Update

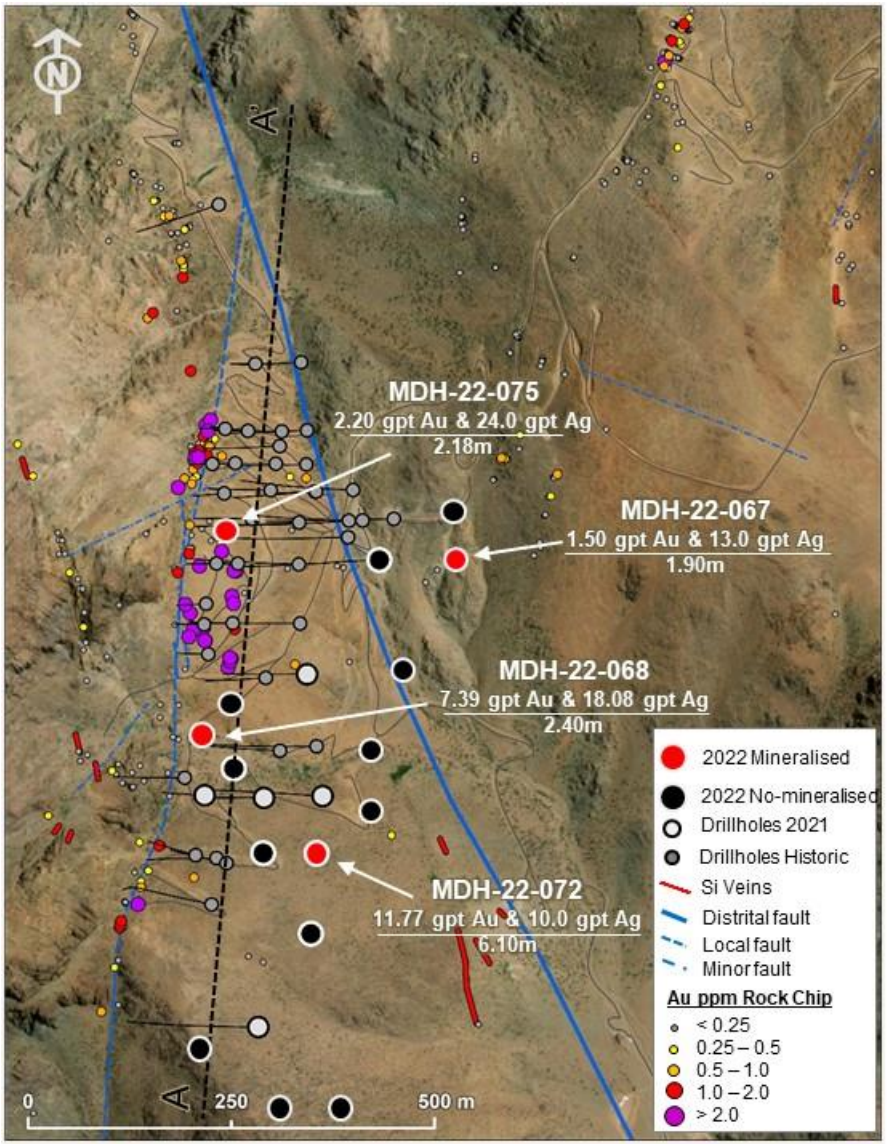
At Cerro Amarillo, which is close to the Manantiales vein (see map below), two holes were drilled; one in Awada (152 metres), and the other in La Puerta (326 metres) to test for new structural and ore controls. Favourable alteration was intercepted although with discrete gold anomalies.

The AWD-22-003 hole located in the western sector of the Awada recognised strong silicification in approximately 50 meters but with low Au anomalies. At La Puerta, the goal of drill hole LPO-22-004 was to intercept the veins in more favorable host rock, however the structures were intercepted in Oveja Negra Fm without significant Au values.

Manantiales Vein: Longitudinal section including new follow-up drillholes



Manantiales Vein: Drill-hole map



Jaguelito Exploration

Subsequent to the approval of the Jaguelito Option Agreement by the Government Authority on 10 August 2022, and in accordance with the required work commitments for the first two years of the agreement, the Company commenced the design of a 5,000 meter diamond drilling campaign in 15 to 20 holes at Jaguelito Norte and Jaguelito Sur.

In Jaguelito Sur, preliminary work identified five structures related to phreatomagmatic activity that would control the alteration and therefore the possible mineralisation in that sector. Currently, progress is being made in the delineation process with the objective of defining the drilling targets that is to be tested with 1,500 meters of drilling.

At Jaguelito Norte, five drilling targets were identified and in this phase at least three of the targets are to be tested over 3,500 meters of drilling. Subsequently, we plan to drill the La Cuña maar-diatreme complex, recently identified as the main or major control of the hydrothermal system in the area. The third area corresponds to the satellite body of the Guanaco Breccia.

During Q4 2022, two drill holes were completed in Capote – Alcatraz (Jaguelito Norte). Both holes appear to validate the new ore control proposed, providing continuity of the strongly altered polymictic breccia and confirming mineralisation in both borders of the diatreme.

The drilling program is expected to be completed in Q2 2023.

Jaguelito Norte: Drilling Program at Capote-Alcatraz

United States

Ensign Minerals Inc. (Mercur project)

Q4 2022 Update

The 2022 exploration drill program commenced on June 5, 2022. During the fourth quarter the Company completed 8 reverse circulation holes (1,004m). Overall, the 2022 program completed 10 core holes (1,778m) and 37 reverse circulation holes (6,498m).

Ensign continued to work on the updated resource model for Main and South Mercur and expects to finalise it in the first quarter of 2023.

The Company continued discussions on various avenues to raise capital and expects that following the release of the resource, it will be in a better position with which to raise capital to fund an exploration program in 2023. In addition, Ensign continues to monitor the market for the potential to do an IPO.

Financial Summary

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

- **Cash and cash equivalents of US$0.9 million. Total of US$2.6 million** when combined with the fair value of ~900 unsold and unrefined gold equivalent ounces in inventory.
- **Quarterly operating cash flow of US$0.6 million** before changes in working capital; and US$5.0 million after changes in working capital.
- **Net cash of US$3.4 million used in investing activities**, mainly due to US$1.5 million for sustaining capital expenditures and US$2.2 million for exploration activities, offset by proceeds of US$0.3 million on the sale of inventory and equipment.
- **Net cash of US$1.3 million used in financing activities** from the net repayments of borrowings and lease payments.
- **Net financial debt of US$10.6 million** (US$3.3 million excluding US$9.3 million of short-term financial debt) **at 31 December 2022.**
- **Net current liabilities decreased to US$6.0 million 31 December 2022** from US$10.7 million at 30 September 2022 following the reclassification of the Pinguino project from non-current assets to available for sale (current assets) which was offset by an increase of US$3.6 million in accounts payable and accrued liabilities.

By order of the Board

Chelsea Sheridan
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 sale of SCRN Properties Ltd. (“SCRN”), owner of the Pinguino project the Pinguino project to E2 Metals for ~US$10M, the transaction is expected to close during Q1 2023, consideration expected to be received from the sale, the Company’s 2023 forecasted production guidance and costs, amount of capex and sources of funding for construction of the heap reprocessing project, the Company’s plan to complete the project by Q2 2023, planned exploration activities, anticipated renewal of Company’s short term debt, Mr. Stabro Kasaneva to oversee the exploration activities of the company and Ensign’s expectation to finalise the updated resource model for Main and South Mercur in the first quarter of 2023, that following the release of the resource, Ensign will be in a better position with which to raise capital to fund an exploration program in 2023 and Ensign continues to evaluate the market before moving forward with an IPO.

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

Confirmation: For the purposes of ASX Listing Rule 5.23.2, Austral confirms that is not aware of any information or data that materially affects the information included in its press releases dated 20 April 2022, 27 July 2022 and 30 January 2023.

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 2023

(Company secretary)

Print name:

Chelsea Sheridan