

MEDIA RELEASE

Austral Gold Limited

7 August 2017

Austral Gold Announces Key Appointments: Chief Operating Officer and VP Technical Services

Austral Gold Limited (“the Company” or “Austral”) (ASX: AGD; TSX-V: AGLD) is pleased to announce that Juan Andres Morel, Min.Eng, MBA, has joined the Company as Chief Operating Officer. Rodrigo Ramirez, Min.Eng, has also been appointed as the Vice President of Technical Services. The strengthening of the operational team follows the significant growth in the company over the last year.

“The addition of Mr Morel to manage our three operations in Chile (the new Amancaya Mine and existing Guanaco Mine) and Argentina (the Casposo Mine) is a significant achievement for the Company. Mr Morel has a wealth of executive and operational experience with top shelf companies such as Antofagasta PLC, CODELCO and Meridian Gold. We expect his leadership and operational expertise in both open pit and underground operations will be critical as we focus on high margins at our current operations and look to grow through acquisitions and discovery”, said Stabro Kasaneva, CEO of Austral Gold. “The well-deserved promotion of Mr Ramirez, Mining Engineer, to Vice President of Technical Services solidifies his outstanding achievements at the Company since its founding in 2009. Rodrigo’s successful track record with Antofagasta PLC and Meridian Gold and his key role in the growth of Austral Gold will help him lead our efforts to continuously improve our operations and look at other value adding opportunities.”

Chief Operating Officer

Juan Andres Morel will assume this newly created role following the rapid expansion of the company from one operation in Chile to two operations and a new mine in Argentina in less than a year. He is a Senior Mining Executive with more than 25 years of experience in operations, business development, engineering and management of mining companies and projects. Mr Morel was most recently Manager of Operations at Antofagasta PLC’s Los Pelambres open pit mine in Chile. Prior to that he was Executive Director for Antofagasta International, leading business development and exploration, CEO of an Antofagasta PLC JV (Twin Metals- Minnesota) and General Manager of Antofagasta PLC’s El Tesoro mine in Chile. He has a Mining Engineering degree from Universidad de Chile and Executive-MBA from Pontificia Universidad Católica de Chile.

Vice President of Technical Services

Rodrigo Ramirez will assume the new role of VP Technical Services as the company looks to maximize efficiencies across three operations and seek out growth opportunities. He has been involved with the company since it was founded to recommission the Guanaco mine. He has led mining and engineering

activities since then as well as all reviews and analysis of the Company's growth activities. He recently led the design and construction of the company's new agitation leach plant at Guanaco, and prior to joining Austral, had senior operational, planning and execution roles at Antofagasta PLC, and at Meridian Gold's (acquired by Yamana Gold) world class El Peñon mine. He has a Mining Engineering Degree from the University of Chile.

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 low-cost gold and silver producing mine with further exploration upside. Austral commenced open-pit mining operations at Amancaya in 2017. The Company also owns 70% and is 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 (TSX-V: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:

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Forward Looking Statements

Statements in this news release that are not historical facts are forward-looking statements. Forward-looking statements are statements that are not historical, and consist primarily of projections - statements regarding future plans, expectations and developments. Words such as "expects", "intends", "plans", "may", "could",

“potential”, “should”, “anticipates”, “likely”, “believes” and words of similar import tend to identify forward-looking statements. Forward-looking statements in this news release include those concerning the Company’s expectation that Mr. Morel’s leadership and operational expertise will be critical as it focuses on high margins and growth, as well as its expectation that Mr. Ramirez’ track record will help him lead the Company’s efforts to continuously improve its operations and look at other value adding opportunities. All of these forward-looking statements are subject to a variety of known and unknown risks, uncertainties and other factors that could cause actual events or results to differ from those expressed or implied, including, without limitation, business integration risks; uncertainty of production, development plans and cost estimates, commodity price fluctuations; political or economic instability and regulatory changes; currency fluctuations, the state of the capital markets, uncertainty in the measurement of mineral reserves and resource estimates, Austral’s ability to attract and retain qualified personnel and management, potential labour unrest, reclamation and closure requirements for mineral properties; unpredictable risks and hazards related to the development and operation of a mine or mineral property that are beyond the Company’s control, the availability of capital to fund all of the Company’s projects and other risks and uncertainties identified under the heading “Risk Factors” in the Company’s continuous disclosure documents filed on SEDAR. You are cautioned that the foregoing list is not exhaustive of all factors and assumptions which may have been used. Austral cannot assure you that actual events, performance or results will be consistent with these forward-looking statements, and management’s assumptions may prove to be incorrect. Austral’s forward-looking statements reflect current expectations regarding future events and operating performance and speak only as of the date hereof and Austral does not assume any obligation to update forward-looking statements if circumstances or management’s beliefs, expectations or opinions should change other than as required by applicable law. For the reasons set forth above, you should not place undue reliance on forward-looking statements.

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