

Chairman's Address

Austral Gold Limited General Meeting- 30 May 2019

Dear Shareholders,

For 2018, I am pleased to report record production of 88,107 gold equivalent ounces from the two mine sites in Argentina and Chile. However, this past year has not been without its challenges. Significant progress has been made at our Guanaco/Amancaya mine in Chile, while production at our Casposo mine in Argentina was less than we expected.

During the second half of 2017, we stabilised production at our new agitation leaching plant at Guanaco, which led to a 65% year over year increase year in 2018 of gold equivalent ounces produced at Guanaco. More significantly, production cash costs ("C1") and all in sustaining costs ("AISC") decreased at Guanaco due to higher gold and silver grades, higher recovery rates and higher throughput. We anticipate production at Guanaco/Amancaya to increase in 2019 and for the team to continue to improve operational efficiencies.

In late 2018, management performed a comprehensive review of the Casposo operational and business model following the lower than expected production volume and negative margins. Based on this review, the Company implemented cost saving initiatives and reduced the workforce to align with the newly designed mine plan, while continuing evaluating alternatives for the project with the goal of extending the life of the mine. On April 4, 2019 we announced our decision to temporarily place the mine on care and maintenance.

We forecast production in 2019 at our Guanaco/Amancaya mines to be stable at 70,000-75,000 gold equivalent ounces and our 2019 C1 and AISC to continue to improve.

The Board is proud of key milestones that Austral Gold achieved this year, including:

- Increased production at Guanaco/Amancaya due to completion of the construction of the new agitation leaching plant in the latter part of 2017, higher gold and silver grades, improved recovery rates and higher throughput;
 - Reduced cash and ASIC costs of production at Guanaco/ Amancaya;
 - Reduced administration costs compared to 2017 on a pro-rata basis;
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We continued exploration activities at Guanaco/Amancaya and Casposo which we believe will result in an expansion of both these very prospective resources. At Amancaya, exploration focused on performing a detailed review of the potential of a variety of veins as our goal is to identify high-grade gold and silver mineralised ore shoots. At Casposo, we worked to design a drill program with the goal of discovering new mineral bodies.

Our CEO, Stabro Kasaneva restructured the technical teams in an effort to continuously improve operations and deliver further value from our projects.

Other opportunities aligning with our strategic vision for value accretive investments in Latin America continue to be explored as well as unlocking value from other properties.

Safety remains a key focus and priority for Austral Gold. We are committed to the well-being of our employees and the communities in which we operate, and continue to promote the highest health, safety and environmental standards. We are very supportive of the local communities in which we operate through local hiring of personnel and community and education initiatives.

Our strategic acquisitions and organic growth opportunities, backed by an experienced management team with a proven operational and exploration track record, and an exceptional understanding of the Chilean and Argentinean resources sector provides the foundation for continued growth.

We anticipate this will be a good year for the Guanaco/ Amancaya mine as production is expected to increase from last year while we continue to resolve our operational issues at Casposo, and unlock value from Austral Gold's other mining and exploration properties. In addition, we will actively explore new strategic opportunities. In last year's letter to shareholders, I informed you that we were beginning to witness gold and silver prices trending upwards. Prices decreased during the first nine months of the year, however more recently, we have witnessed an upward trend in the price of gold and silver. We at Austral Gold will continually work to strengthen profit margins through lower costs of production, while increasing the value of our mineral resources to ultimately increase shareholder value.

I would like to thank our shareholders for their continued support, all of our employees and contractors, and our Board members for their hard work and dedication during this year.

Robert Trzebski (on behalf of Austral Gold Ltd Chairman, Eduardo Elsztain)

Non-Executive Director

Austral Gold Limited

Forward Looking Statements

Statements in this Chairman's Address 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, 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 Chairman's Address include: we anticipate production at Guanaco/Amancaya to increase in 2019 and for the team to continue to improve operational efficiencies, the Casposo mine will be temporarily placed on care and maintenance, we forecast production in 2019 at our Guanaco/Amancaya mines to be stable at 70,000-75,000 gold equivalent ounces and our 2019 C1 and AISC to continue to improve and we will actively explore new strategic 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 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. 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.