

MEDIA RELEASE

Austral Gold Limited

27 January 2021

AUSTRAL GOLD EXTENDS AMANCAYA HIGH GRADE TO DEPTH

Highlights from reported assays:

- DAM-002 1.35 meters @14.65 g/t gold and 50.60 g/t silver including 42.43 g/t gold and 124 g/t silver over 0.44 meters
- DAM-003 2.07 meters @12.13 g/t gold and 57.50 g/t silver including 21.01 g/t gold and 142.8 g/t silver over 0.88 meters
- DAM-008 2.53 meters @12.18 g/t gold and 8.50 g/t silver in the Central Vein and 30m at 4.04 g/t gold and 7.50 g/t silver including 4.14 meters @23.50 g/t gold and 29.30 g/t silver in a newly discovered mineralized breccia zone at depth
- DAM-012 0.40 meters @41.89 g/t gold and 7.50 g/t silver

Austral Gold Limited (the “Company” or “Austral”) (ASX: AGD; TSX-V: AGLD) is pleased to announce that it has received assay results for the first fifteen drill holes reflecting 4,806m at its Amancaya mine.

Extending the known veins to depth

The drilling program started in the fourth quarter of 2020 in order to extend resources and reserves at the Amancaya mine at depth. Previous exploration was not successful in intercepting the veins at depth when drilling was performed from east to west. Austral mapped out the contact between two breccia zones at the location of the veins and observed a steepening of this contact zone. Consequently, drilling was undertaken from west to east, and intersected the vein with similar widths and tenor that is currently being mined 50m to 100m under previous intersections. See attached longitudinal sections.

New Discovery – New Mineralized Breccia Zone

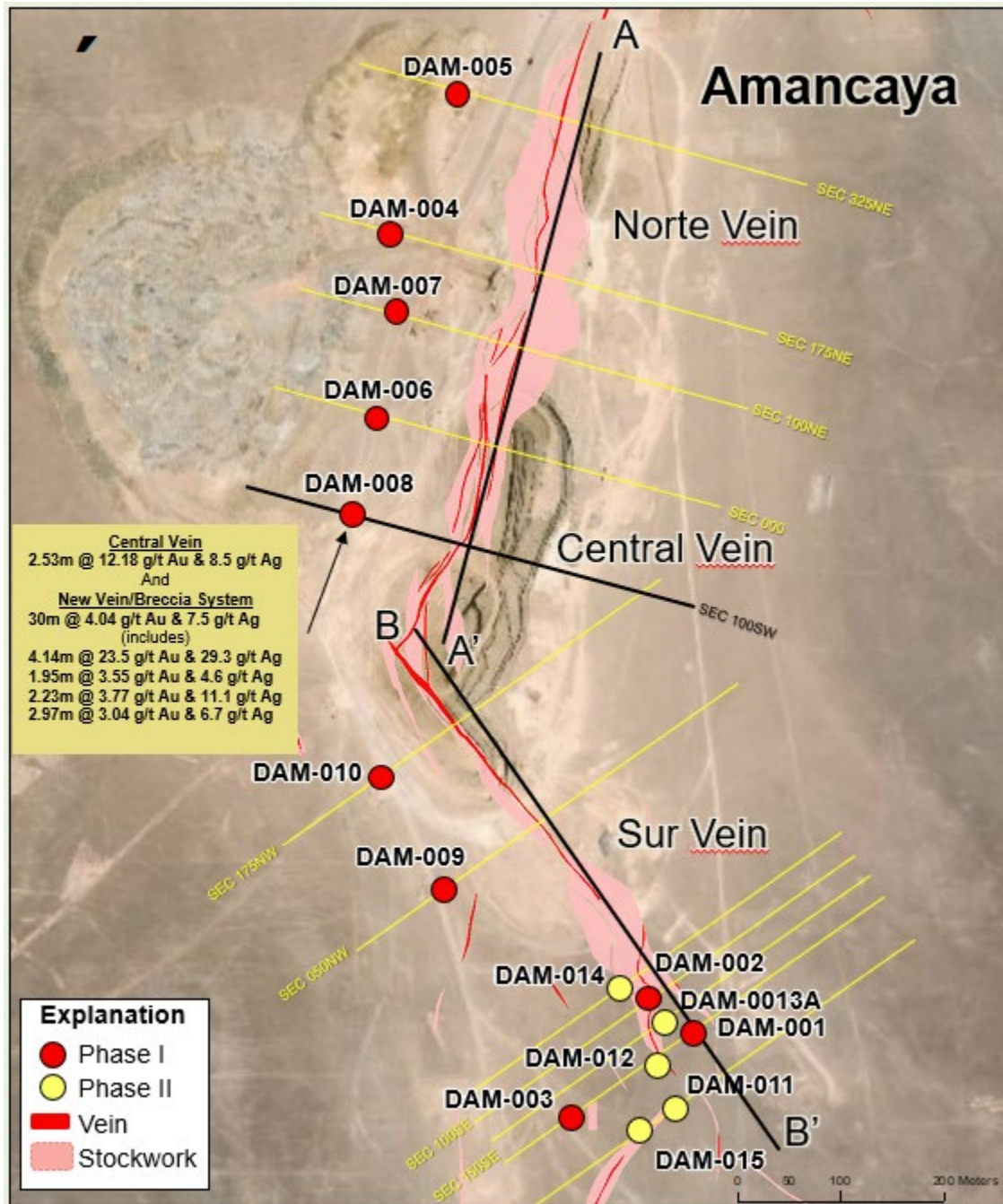
In addition, drill hole DAM-008 successfully extended the eastern edge of the Amancaya diatreme as a major mineralization control, intercepting 30m @ 4.04 gpt Au which contains high-grade veins and hydrothermal injection breccias. This zone also included a high-grade intersection on the hanging wall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

Chief Executive Officer, Stabro Kasaneva commented: “I am delighted with the success of the exploration team – they discovered a new wide zone of hydrothermal breccia that could transform the production profile at the Amancaya mine and are on the right track to extend the mine life of this low cost operation”.

Table 1: Drill Intersections

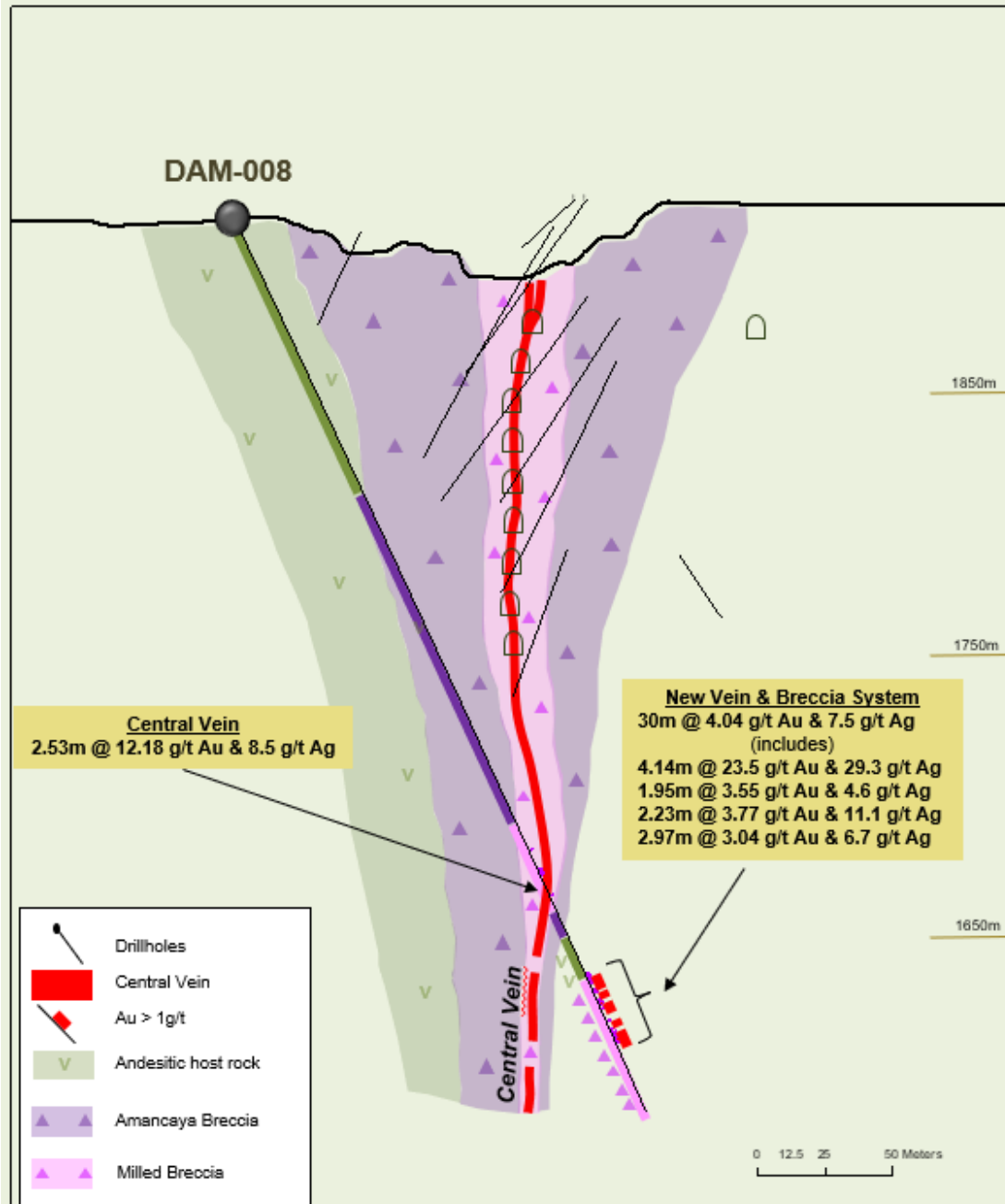
Hole	Sector	Section	Intercept	From (m)	To (m)	Length (m)	Au gpt	Ag	
<i>Significant intercepts reported at 1 gpt Au cutoff; include at 3 gpt Au cutoff, sub-include at 10 gpt Au cutoff True widths are 30-50% of drilled widths</i>									
DAM-002	Veta Sur	150 SE		70.21	71.56	1.35	14.65	50.7	
			<i>Include</i>	71.12	71.56	0.44	42.43	124.0	
DAM-003	Veta Sur	200 SE		307.89	309.96	2.07	12.13	57.5	
			<i>Include</i>	308.38	309.26	0.88	21.01	142.8	
DAM-004	Veta Norte	175 NE		348.80	349.96	1.16	4.02	3.0	
DAM-005	Veta Norte	325 NE	No significant intercepts						
DAM-006	Veta Central	0		313.37	314.42	1.05	4.18	3.5	
DAM-007	Veta Central	100 NE		311.38	312.68	1.30	6.97	6.0	
DAM-008	Veta Central	100 SW		266.08	268.61	2.53	12.18	8.5	
	New Zone	100 SW		308.85	312.99	4.14	23.50	29.3	
			<i>Include</i>	309.24	310.14	0.90	17.24	50.59	
			<i>Include</i>	311.29	312.99	1.70	44.46	25.25	
			<i>sub-include</i>	312.47	312.99	0.52	89.70	44.30	
				314.98	316.93	1.95	3.55	4.6	
			<i>Include</i>	315.32	315.66	0.34	10.81	16.20	
				319.37	321.60	2.23	3.77	11.1	
				332.81	334.06	1.25	2.90	5.8	
				334.60	337.57	2.97	3.04	6.7	
DAM-009	Veta Sur	50 NW	No significant intercepts						
DAM-010	Veta Sur	175 NW		98.78	99.13	0.35	4.88	0.6	
DAM-011	Veta Sur	250 SE		119.27	119.92	0.65	2.78	0.5	
DAM-012	Veta Sur	200 SE		104.21	104.61	0.40	41.89	7.5	
DAM-013A	Veta Sur	175 SE		66.05	66.36	0.31	19.25	0.3	
DAM-014	Veta Sur	126 SE	No significant intercepts						
DAM-015	Veta Sur	250 SE		192.56	194.65	2.09	6.56	13.3	
			<i>Include</i>	192.56	193.18	0.62	12.36	12.5	

AMANCAYA MINE Plan View Map



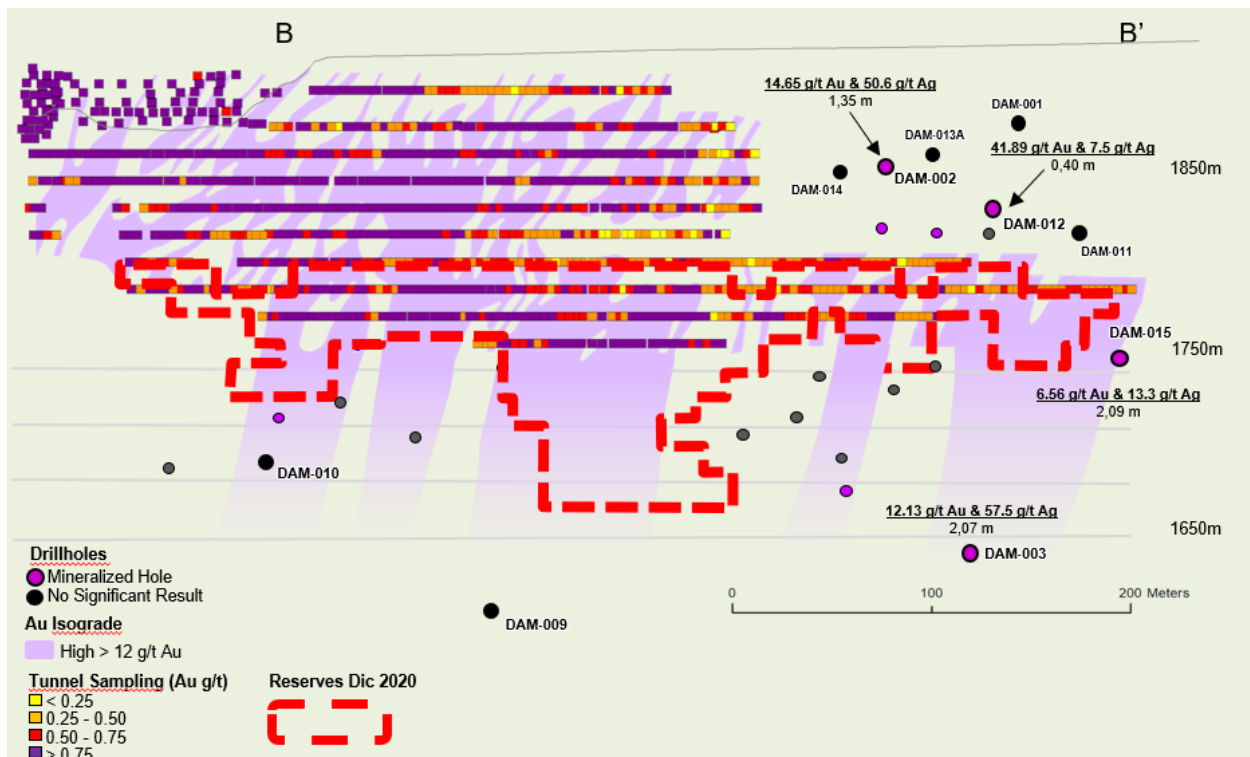
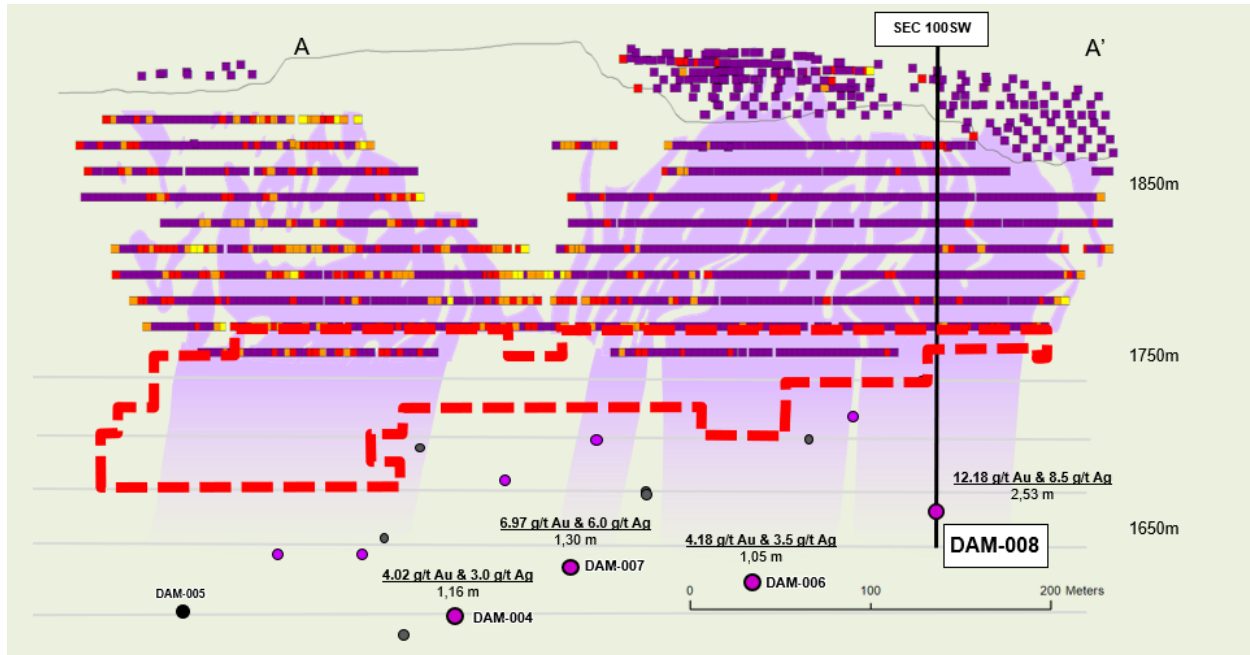
AMANCAYA MINE

DAM-008 Section – New Mineralized Breccia Zone



AMANCAYA MINE

North, Central & Sur Veins – Au Longitudinal Sections



Quality Assurance

Industry standard practices were used for sampling of diamond drilling. Drilling Samples were sent to the Activation Geological Services (AGS) chemical laboratory, located in the city of Coquimbo, Chile, where the samples were mechanically prepared (crushed and pulverized according to standard protocol). Chemical gold analyzes were performed using Au50 FA-AAS procedures (50 gram weight used for assays). Fusion with final determination performed by Atomic Absorption; The results obtained equal to or greater than 5gr / ton., were analyzed by Au30GRAV, fusion with final gravimetric determination. For the base metal assays, acid digestion was performed with final determination by ICPMS (Ultra-trace multi-element package). AGS has NCh 17025-2005 accreditation for the aforementioned tests and its central laboratory is located at Avenida La Cantera 2270, Coquimbo, Chile.

Competent Person

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

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

About Amancaya

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). Underground operations at Amancaya started in 2018 and the ore at Amancaya is trucked to the agitation leaching plant at Guanaco for processing.

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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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 the exploration team discovered a new wide zone of hydrothermal breccia that could transform the production profile at the Amancaya mine and are on the right track to extend the mine life of this low cost operation.

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 especially in light of the effects of the novel coronavirus, 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.

AMANCAYA 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	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> 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-Mass (58 elements package) at a certified external laboratory, AGS (Chile).

Criteria	JORC Code Explanation	Commentary
	<p>commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</p>	
<p>Drilling techniques</p>	<ul style="list-style-type: none"> • 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). 	<ul style="list-style-type: none"> • Drilling techniques used were surface core drilling rig producing core at HQ size.
<p>Drill sample recovery</p>	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • 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. • Second half core was used for internal check assays and no physical backup was left.

Criteria	JORC Code Explanation	Commentary
	<p>sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</p> <ul style="list-style-type: none"> • Whether sample sizes are appropriate to the grain size of the material being sampled. 	
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • Drill samples were collected and bagged and sent to AGS laboratories. There they were crushed and prepared. Gold assays were done using FA-AAS procedure on a 50g sample. • ICP-Mass method with 4 acids digestion, final determination of 58 elements (Accredited Method by NCh17025-2017). • Internal laboratory checks were made regarding sample preparation and assaying procedures.
Verification of sampling and assaying	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • Drill hole spacing is approximately 25m (northing) by 25m (easting). Drill locations were defined to determine the distribution of mineralisation in vein lower parts. • 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	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • The Central vein outcrop at surface and this orientation combined with historical drilling has allowed for the geological modelling of the host quartz vein. • Based on this model drill azimuths were planned to intersect the vein perpendicular to their strike.
	<ul style="list-style-type: none"> • 	<ul style="list-style-type: none"> •

Criteria	JORC Code Explanation	Commentary
Sample security	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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. <p>Acknowledgement and appraisal of exploration by other parties</p>	<p>The properties are located approximately 220km SSE of Antofagasta, Chile, in Region III. The Amancaya project is comprised of the Amancaya property and the San Guillermo property.</p> <p>The Amancaya property consists of eight individual exploitation mining concessions covering a total area of 1,755 ha and is 100% owned by Guanaco Compañía Minera.</p> <p>The San Guillermo properties cover an area of 12,500 ha. The surface rights are controlled by the federal government and access is normally granted as required.</p> <ul style="list-style-type: none"> The current Amancaya water rights amount to 1.6 L/s of underground water, located in Agua Verde sector of Taltal County. The extraction well called "Zazzali" is located at 7,189,625.540 North and 400,453.353 East. A royalty of 2.25% of the net smelter return (NSR) on all production from the Amancaya mining concessions is payable to Meridian Gold Inc (Meridian)/Yamana All necessary statutory permits have been granted and the requirements have been met. Austral is in compliance with all environmental and work permits. Historically the following work has been recorded on the Amancaya Project: <ul style="list-style-type: none"> 1950s: Small scale exploration
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none">

Criteria	JORC Code Explanation	Commentary
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> 2014: Austral Gold purchased the property. <p>The Amancaya project represents a low sulphidation gold-silver epithermal deposit. The critical features that define the mineralisation at Amancaya include lithological and structural control. The mineralisation and alteration are focused along high-angle structures in a dacite-andesite volcanic dome. The structural system provided a pathway for rising hydrothermal fluids. The Central Vein exhibits banded textures, with bands of grey chalcedonic quartz, clear crystalline quartz, amethyst, and dark bands containing sphalerite, silver, and lead sulphosalts. Other textures include coliform texture, sinuous alternating bands of chalcedonic quartz and amethyst, and crustiform quartz. Interstices are filled with clays, limonite, manganese oxide, and carbonates (ankerite).</p>
Drill hole Information	<ul style="list-style-type: none"> 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: <ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> All drill holes are reported in Annex 1.
	<ul style="list-style-type: none"> 	<ul style="list-style-type: none">

Criteria	JORC Code Explanation	Commentary
Data aggregation methods	<ul style="list-style-type: none"> In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are 	<ul style="list-style-type: none"> 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.
	<p>usually Material and should be stated.</p> <ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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'). 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Sections are included in the report above this.
Balanced reporting	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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; 	<ul style="list-style-type: none"> 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.
	bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	
Further work	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> The reported results from this drilling campaign represent the 85% (4,019m) of the total planned drilling campaign (4737m).