

MEDIA RELEASE

Austral Gold Limited

11 January 2022

AUSTRAL COMMENCES DRILLING AT MORROS BLANCOS, CHILE

AustralGold Limited (“**Austral**” or the “**Company**”) (ASX: AGD; TSX-V: AGLD) is pleased to announce that the Company commenced the first phase of the drilling program at the Morros Blancos project located in the Paleocene Mineral Belt in northern Chile and close to the Guanaco/Amancaya operating mines.

The drilling program is pursuant to the option agreement (the “Agreement”) with Pampa Metals Corporation (CSE:PM) (FSE:FIRA) (OTCQX:PMMC) (“Pampa”) as announced on 28 July 2021. The Agreement with Pampa entitles Austral to acquire up to an 80% interest in Pampas’ Morros Blancos and Cerro Blanco properties which comprise ~7,300 and ~6,500 hectares, respectively. Since signing the Agreement, we have incurred ~US\$0.5 million in exploration expenditure on both properties. To acquire the first 60% interest in both properties, exploration expenses of US\$1M must be incurred in year 1 and US\$2M in year 2.

Drilling Program:

The first phase of the drilling activities will involve approximately 2,000m of diamond drilling (DD) in 5 holes at the delineated target of Rosario del Alto. The targeting process from a semi-regional exploration program was based on the definition of the structural framework and remote sensing reprocess. Three prospective areas identified at the intersection of first order NE and NW striking, thick skinned faults and a 15x3 km NE favorable alteration corridor.

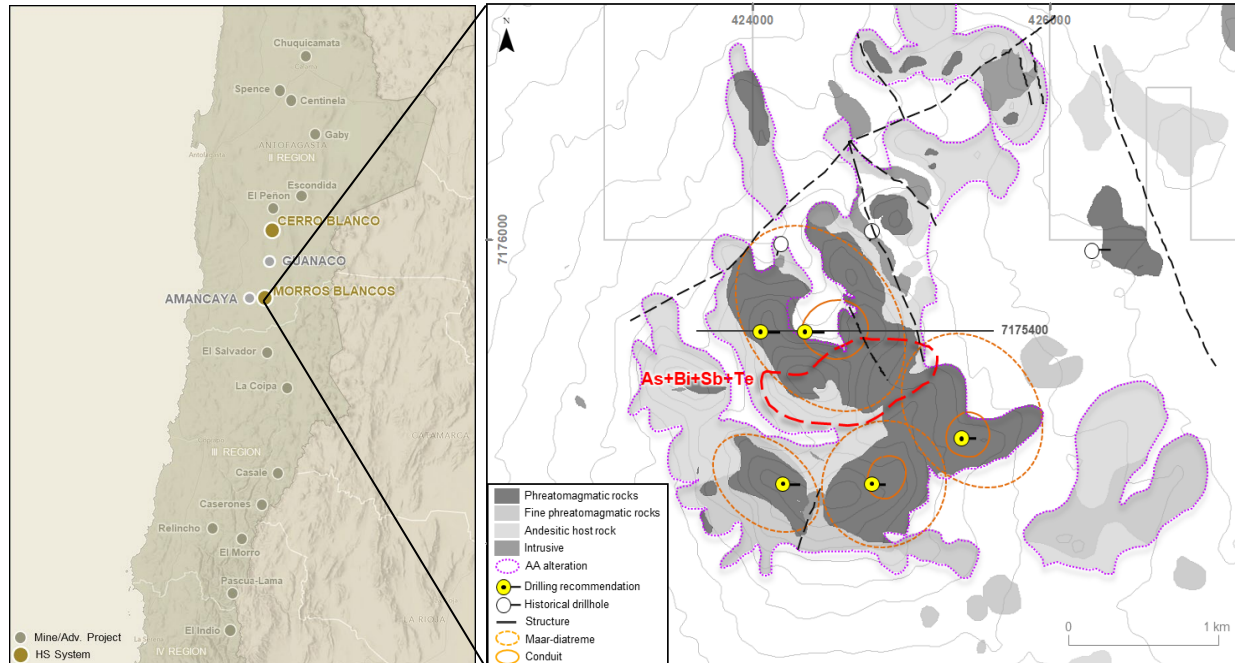
Delineation has been completed at Rosario del Alto, where key elements of high-sulphidation systems have been field validated, including four maar-diatreme structures, multiplicity of phreatomagmatic breccias extending ~2x1 km and a preserved structural block based on shallow volcanic features and high-level alteration.

Systematic surface geochemistry prospection with 297 rock chip samples and over 450 spectrometry measurements validated extensive advanced argillic alteration (~4x3 km) with preserved shallow levels. Low Au values were detected corresponding with the exposure level of the system. A pathfinder anomaly is concentrated on the central zone and apparently controlled by the border of suggested crater.

Newly acquired high-resolution ground magnetic data collected on 38 North-South oriented lines (100 m spacing) is being processed by an external consultant. Preliminary results show demagnetized areas, presumably due to an acidic hydrothermal alteration with spatially matching phreatomagmatic features. Five East -West oriented CSAMT lines (totaling ? 12 km) were surveyed over favorably altered centers and confirmed subvertical cone-shaped resistors over 10,000 ohms/m in 1D and 2D inversions.

MORROS BLANCOS

Rosario del Alto Target



Competent Person

Technical Information in this press release has been reviewed by Robert Trzebski, who is a member of the Australasian Institute of Mining and Metallurgy (AusIMM) 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 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 Morros Blancos

The project is located along the Paleocene Mineral Belt of northern Chile, south of the prominent El Peñon gold-silver mining district. The project is prospective for high-sulphidation epithermal gold-silver (+/- copper) and possibly deep porphyry copper (+/- gold +/- molybdenum) deposits. The project is characterised by a relatively small-scale outcropping hill displaying "lithocap", spatially coincident with a significant magnetic high and surrounded by extensive post-mineral cover materials.

About Austral Gold

Austral Gold Limited is a growing gold and silver mining, development and exploration company whose strategy is to expand the life of its cash generating assets in Chile, restart its Casposo mine in Argentina and build a portfolio of quality assets in Chile, the USA and Argentina organically through a Tier 1 or 2 exploration strategy and via acquisitions and strategic partnerships. Austral owns a 100% interest in the Guanaco/Amancaya mine in Chile and the Casposo Mine (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 an attractive portfolio of exploration projects in the Paleocene Belt in Chile (including those acquired in the recent acquisition of Revelo Resources Corp), a non-controlling interest in Pampa Metals 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 the 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 our plans to complete the first phase of approximately 2,000m of diamond drilling in 5 holes at the priority delineated target Rosario del Alto.

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.