

# MEDIA RELEASE

18 September 2013

## **Austral Gold to invest C\$9.3 million in Goldrock Mines Limited**

- **Austral Gold to subscribe up to 11,560,000 new shares in TSX-V listed Goldrock Mines Corp Limited**
- **Austral Gold will hold up to 15% equity stake in Goldrock Mines Corp Limited (“Goldrock”)**
- **Placement made at C\$0.80 per share**
- **Austral Gold also to be issued 1 new warrant for each new share subscribed at C\$0.80 exercise price**
- **Goldrock Mines Corp’s flagship asset is the 1.52 Moz gold Lindero project in Argentina**
- **Transaction marks the next step in creating a leading South American-focused resource company**

The Directors of Austral Gold Limited (ASX: AGD) are pleased to announce that the company has entered into a Subscription Agreement with Goldrock Mines Corp Limited (TSX-V: GRM) (“Goldrock”) where Austral Gold will subscribe for up to 11,560,000 new shares at C\$0.80 per share for a total consideration of C\$9.3 million. As part of the Subscription Agreement, Austral Gold will also be issued 1 new warrant for every new share subscribed with the warrants having a strike price of C\$0.80 per warrant for a period of 60 month from closing.

Upon completion of the Subscription Agreement, which is anticipated to be closed by 31 October 2013, Austral Gold will hold up to 15% of Goldrock and will have the right to appoint one non-executive director to Goldrock’s Board and one member to Goldrock’s technical committee. Chad Williams, our consultant in Canada with wide experience in the Canadian market and mining sector, will be our nominee to Goldrock’s Board, while AGD Director, Stabro Kasaneva, who leads our management team with an impressive track record in mine construction and development, will be designated as a member of Goldrock’s Technical Committee.

In addition, the subscription agreement grants pre-emptive or anti-dilution rights to AGD, entitling AGD to participate in any future sales or equity offerings to maintain its pro-rata shareholding. With this investment, AGD will become the largest shareholder of Goldrock.

Goldrock holds 100% of the Lindero gold project located in northwest Argentina (Salta Province). The project has proven and probable mineral reserves of 65.5Mt grading 0.72 g/t gold for 1.52 million ounces of contained gold and a NPV of US\$215 million based on a Feasibility Study completed in May 2013 based on a gold price of \$1,400/oz.

Austral Gold's Non-Executive Chairman Mr Eduardo Elsztain said: "This is an excellent transaction for Austral Gold and it marks the next step in our strategy of creating a leading South American-focused precious metals resource company. We are pleased to build a strong relationship with Goldrock, and gain access to the impressive Lindero gold development project located in the province of Salta where I have invested in other industries over many years. Our technical team is very encouraged by this project and its unlocked value, and once our initial investment is concluded, we will focus on working with Goldrock's team to bring the project into production.

"As well as this transaction, we are continuing discussions with Argentex Mining Corporation around a possible business combination. These discussions are progressing well, and we see significant upside in our investment in Argentex.

"Austral Gold has now committed almost US\$15 million into precious metals investments in South America in recent months. Our Guanaco gold mine in Chile continues to perform very well, and the free cash it generates gives us the financial flexibility to strengthen our portfolio of assets through equity investments and directly into new projects."

Paul Matysek, President and CEO of Goldrock commented: "We are very pleased with this investment by Austral Gold and the resulting strategic relationship with an experienced Argentinean business partner. The Austral Gold team includes a number of high profile mining and financial professionals with extensive investment experience in Argentina in particular. In addition, this private placement has enabled Goldrock to take the next critical steps in the construction of Lindero, and significantly de-risks the project's development schedule."

Further details about Goldrock and the Lindero Project are available at [www.goldrockmines.com](http://www.goldrockmines.com)

By order of the Board

Catherine Lloyd  
CFO & Company Secretary

## Competent Person's Statement

*Dr Robert Trzebski is a Director of Austral Gold Limited. He has a Degree in Geology, a PhD in Geophysics, a Masters in International Project Management and has over 20 years professional experience in mineral exploration, project management and research and development.*

*Dr Robert Trzebski is a member of the Australian Institute of Mining and Metallurgy (AUSIMM) and qualifies as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.' Dr Robert Trzebski consents to the inclusion of the resources noted in this report.*