



MEDIA RELEASE

Austral Gold Limited

12 May 2020

Austral Gold announces miners strike at Guanaco/Amancaya

Austral Gold Limited (the "Company") (ASX: AGD; TSX-V: AGLD) announces that workers of Union No. 1 and No. 2 at Austral Gold's Chilean Guanaco/Amancaya mines went on strike on Monday as the previous seven days of mediation talks failed to reach an agreement on the new collective labour agreement covering the next three years, including the amount for a one-time cash payment for each unionized employee known as the end-of-conflict bonus. Both Unions represent 261 employees out of the 370 unionised employees at the mines.

The Company's compensation proposal was filed with the Chilean Government Labour Authorities last week as part of the formal process. The two Unions at the Guanaco/Amancaya mines did not accept the Company's proposal and decided to walk off the job on Monday.

The Guanaco/Amancaya mines currently has three Unions. As announced in the March 2020 quarterly report, the remaining Union representing the mines supervisors accepted the Company's proposal during the quarter.

Austral Gold's Chief Executive Officer, Stabro Kasaneva said: "We and the Union's representatives are making our best efforts to reach an agreement soon. We believe that the Company's proposal is fair and in line with our size and current financial situation. During the strike, all activities will be temporarily suspended except those essential activities regarding security and environment."

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/Amancaya project in Chile is a gold and silver producing mine with further exploration upside. The company also holds the Casposo Mine (San Juan, Argentina), a ~26.46% interest in the Rawhide Mine (Nevada, USA) and an attractive portfolio of exploration projects including the Pingüino project in Santa Cruz, Argentina (100% interest) and the San Guillermo and Reprado projects near Amancaya (100% interest). 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 (TSXV: 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.

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 statement that during the strike, all activities will be temporarily suspended except those essential activities regarding security and environment. 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 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.