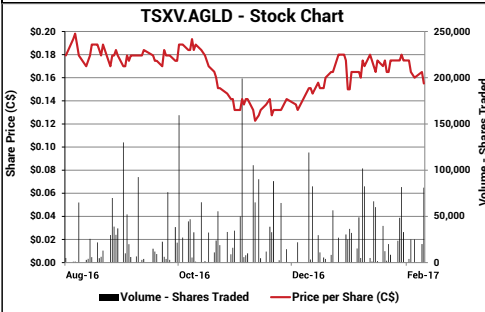


**Austral Gold Ltd - TSXV:AGLD, ASX:AGD**

March 7, 2017

## Austral Increases Interest in Casposo to 70%

Austral Gold Ltd. (TSXV:AGLD, ASX:AGD) announced it has acquired an additional 19% stake in the Casposo gold-silver mine in Argentina for US\$1.0 million. By way of the transaction, the company has brought its total interest in the mine to 70%. Austral acquired a 51% interest in Casposo in 2016 and has options to acquire the outstanding 30% for US\$7.0 million by 2020. Austral has commenced various operational improvement initiatives at the mine and spent US\$5.8 million to date on development and re-commissioning. The mine was re-commissioned in Q3 2016 and Austral's attributable share in Q4, the mine's full operational quarter, amounted to ~5,500 oz AuEq. We view Austral's ownership increase in Casposo positively. Based on Austral's 2017 guidance of 50,000 oz AuEq, the company's annualized attributable share would amount to ~35,000 oz AuEq. We expect that the ongoing ramp-up of the Casposo project, a resource update, pre-feasibility study (Q1 2017) and initial production from Amancaya, in addition to the completion of the mill expansion at Guanaco are likely to be key catalysts in the near-term.

Company Information: Austral Gold Ltd (TSXV:AGLD, ASX:AGD)																																																													
Austral Gold is a growing precious metals producer with three key assets in Argentina and Chile: the Casposo mine in Argentina, the Amancaya project and the Guanaco gold and silver mine in Chile. The company's current production averages ~50k oz AuEq/year but the company expects to expand production to 125k oz AuEq by the end of 2017. Initial production from Amancaya is slated for Q1 2017. A PFS for Amancaya + Guanaco is expected in H1 2017 where the company expects to upgrade the category of inferred resource.																																																													
 <p>TSXV:AGLD - Stock Chart</p>	<table border="1"> <thead> <tr> <th colspan="4">Key Projects</th> </tr> <tr> <th>Project</th> <th>Stage</th> <th>Current Resources (M&amp;I+)</th> <th>Notes</th> </tr> </thead> <tbody> <tr> <td>Guanaco (Chile)</td> <td>Production</td> <td>723k oz AuEq (5.7Mt @ 3.93 g/t AuEq)</td> <td>Ann. prod: 50,000/year at US\$914/oz AuEq. Has been a 100% underground mine since 2014.</td> </tr> <tr> <td>Amancaya (Chile)</td> <td>Near Production</td> <td>455k oz AuEq (1.7Mt @ 8.18 g/t AuEq)</td> <td>Infill drilling completed in Q4 2016. Underground development is expected to commence in Q2 2017.</td> </tr> <tr> <td>Casposo - (51%) (Argentina)</td> <td>Production</td> <td>508k oz AuEq (2.5Mt @ 6.31 g/t AuEq)</td> <td>Austral is operator and has an option to purchase the remaining 49% interest for US\$8M</td> </tr> </tbody> </table>			Key Projects				Project	Stage	Current Resources (M&I+)	Notes	Guanaco (Chile)	Production	723k oz AuEq (5.7Mt @ 3.93 g/t AuEq)	Ann. prod: 50,000/year at US\$914/oz AuEq. Has been a 100% underground mine since 2014.	Amancaya (Chile)	Near Production	455k oz AuEq (1.7Mt @ 8.18 g/t AuEq)	Infill drilling completed in Q4 2016. Underground development is expected to commence in Q2 2017.	Casposo - (51%) (Argentina)	Production	508k oz AuEq (2.5Mt @ 6.31 g/t AuEq)	Austral is operator and has an option to purchase the remaining 49% interest for US\$8M																																						
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Company Name	Ticker Symbol	Disclosures
Austral Gold Ltd.	TSXV:AGLD, ASX:AGD	1,2,7

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