

Chairman's Address

Austral Gold Limited General Meeting – 26 November 2015

Dear Shareholders,

Financial and production results

Austral Gold has experienced another year of strong progress in the Financial Year 2015 ("FY2015").

Sales revenue surpassed US\$60 million for the third consecutive year despite some downward pressure on the gold price. The Company reported an EBITDA for the year of US\$15 million, an increase of US\$4.5 million compared to prior year.

The Company reported strong levels of production FY2015 with 51,534 ounces of gold and 40,108 ounces of silver produced.

Guanaco Mine maintains its record as an exceptional low-cost gold producer with an average cash cost for FY2015 of US\$548/AuEq oz and all-in sustaining costs of US\$694/AuEq oz.

Net cash flows from operations were US\$23 million. Austral Gold's strong, low cost production continues to deliver steady and predictable cash flows which gives the company the financial flexibility to pursue its growth objectives.

During the year, the Company converted the full debt balance of US\$53.7 million with Inversiones Financieras del Sur S.A. (IFISA) for the issue of 307,930,858 ordinary shares in the Company. This has improved the Company's financial ratios and the entire balance sheet considerably.

Growth and acquisitions

In early FY2015 we finalised the acquisition of Amancaya – a strategically significant project and a key to our future growth in production. Amancaya is a fully permitted gold-silver deposit in Chile, consisting of eight mining concessions covering 1,755 hectares. Of the US\$12 million purchase price, a balance of US\$5 million remains to be paid in 2016, leaving only future royalties to be paid once Austral Gold sells gold and silver mined at Amancaya.

Austral Gold also recently announced its intention to acquire all of the remaining shares in Argentex Mining Corporation (about 80.1%) and become dual-listed on the Australian and Canadian securities exchanges. The technical work and various regulatory approval processes are currently ongoing and we are looking to finalise this transaction in the first half of 2016.

Austral Gold is looking to further consolidate assets in the Guanaco region and is currently pursuing several joint ventures and brownfield opportunities in Argentina that will strengthen our portfolio.

Safety

The Board was pleased to note a marked improvement in safety performance with only two lost-time accidents and 7 nil-lost-time accidents during FY2015.

Austral continues to focus on safety for all its employees, contractors and the communities in which we operate and we continue to promote the highest health, safety and environmental standards.

People

One of the key strengths of this company, is its people. The pleasing performance in FY2015 reflects the dedication and hard work of Austral Gold's technical team and especially the operational team at the Guanaco Mine, complemented by our executives in Antofagasta and Buenos Aires.

The Board remains committed to its stated vision of transforming Austral Gold into a leading South America-focused precious metals company, and in doing so, delivering maximum value to shareholders. This vision has been well advanced in FY2015 with continued progress expected in FY2016.

On behalf of the Board, I would like to thank our shareholders for their continued support.

Ben Jarvis (on behalf of Austral Gold Ltd Chairman, Eduardo Elsztain)

Non-executive Director

Austral Gold Limited

26 November 2015