

MEDIA RELEASE

Austral Gold Limited

22 August 2016

AUSTRAL GOLD CLOSES ACQUISITION OF ARGENTEX

Austral Gold Limited ('Austral' or 'the Company') (ASX: AGD) and Argentex Mining Corporation ('Argentex') are pleased to announce the completion of the previously announced plan of arrangement (the 'Arrangement') involving the acquisition by Austral of all of the issued and outstanding shares of Argentex, which became effective at 12:01 a.m. (Eastern Daylight Time, Toronto, Canada) on 19 August 2016 (the 'Effective Time').

Pursuant to the Bulletin issued by the TSX Venture Exchange ('TSXV') on 18 August 2016, Argentex's common shares were delisted from the TSXV at the close of trading on 19 August 2016, and Austral's ordinary shares will commence trading at the opening of the TSXV on 22 August 2016 under the symbol "AAM".

Austral's Chairman Eduardo Elsztain commented: "This is a pleasing milestone for Austral Gold, and it is a key catalyst in establishing our business in North America, and importantly, giving us access to the capital markets there. We see significant value in the precious metals sector and we are committed to adding to our asset base in Chile and Argentina."

Stabro Kasaneva, CEO of Austral said: "Our acquisition of Argentex represents another step in Austral's effort to acquire high quality development and production assets on the road to becoming a preeminent precious metals producer in Latin America."

Under the terms of the Arrangement, Argentex shareholders are entitled to receive approximately 0.564676 of an ordinary share of Austral for each Argentex common share held at the Effective Time. At the Effective Time, Argentex became a wholly-owned subsidiary of Austral.

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About Austral Gold

Austral Gold Limited is listed on the Australian Securities Exchange (ASX: AGD) and is a growing precious metals mining and exploration company building a portfolio of assets in South America. The Company's flagship Guanaco project in Chile is a low-cost producing mine with further exploration upside. With an experienced and highly regarded major shareholder, Austral Gold is strengthening its asset base by investing in new precious metals projects in Chile and Argentina that have near-term development potential. For more information, please consult the company's website www.australgold.com.au