



September 2017

QUARTERLY ACTIVITY REPORT

Key Highlights

- Quarterly combined production (100% Casposo, Guanaco and Amancaya) was 10,482 gold ounces and 549,571 silver ounces (or 17,732 gold equivalent ounces) or 9,163 gold ounces and 397,917 silver ounces (Net to Austral*).
- Quarterly cash cost (C1) and all-in-sustaining cost (AISC) across all operations were US\$955 and US\$1,113 per gold equivalent ounce respectively with average selling prices at US\$1,274 per ounce of gold and US\$17 per ounce of silver.
- Sales proceeds for the September quarter was US\$22.3m of which the Guanaco mine contributed with US\$7.8m and the Casposo mine with US\$14.5m.

Guanaco and Amancaya Production

- Quarterly production was 6,086 gold ounces and 44,057 silver ounces (or 6,668 gold equivalent ounces) as compared to 11,762 gold ounces and 16,109 silver ounces (or 11,985 gold equivalent ounces) in the September quarter 2016. Production was affected by lower tonnes processed due to some delays in the commissioning phase of the new agitation leach plant.
- Although YTD Production is 24,767 AuEq oz, we anticipate full year production to be at the lower end of the 45,000-50,000 guidance in gold equivalent ounces provided in June 2017 as higher production is expected in the last quarter of 2017 as a result of the ramp-up in processing at the new agitation leach plant.
- Open-pit mining operations at Amancaya continued in the current quarter while more selective processes in defining ore material within the narrow Central Vein to control dilution were implemented.

Casposo Production

- Quarterly production was 4,396 gold ounces and 505,514 silver ounces (100% basis). Austral Gold's 70% share of production was 3,077 gold ounces and 353,860 silver ounces (70% basis).
- Casposo production continued to show improvement on a quarter over quarter basis as silver production increased by 130,931 silver ounces or 35% from the prior quarter.

A summary of key operational parameters is set out in the following table:

Operations	Guanaco/Amancaya		Casposo (100% basis)		Net to Austral*	
	Sept Quarter 2017	Sept Quarter 2016	Sept Quarter 2017	Sept Quarter 2016	Sept Quarter 2017	Sept Quarter 2016
Processed (t)	99,240	140,460	65,481	68,055	145,077	175,168
Gold produced (oz)	6,086	11,762	4,396	4,457	9,163	14,035
Silver produced (oz)	44,057	16,109	505,514	313,765	397,917	176,129
Gold-Equivalent (oz) ***	6,668	11,985	11,048	8,585	14,402	16,363
C1 Cash Cost (US\$/AuEq oz) **	997	673	930	804	955	728
All-in Sustaining Cost (US\$/Au oz) #	1,229	848	1,043	1,200	1,113	995
Realised gold price (US\$/Au oz)	1,274	1,330	1,274	1,330	1,274	1,330
Realised silver price (US\$/Ag oz)	17	19	17	19	17	19

* Austral Gold owned 70% of Casposo for the quarter ended 30 September 2017; 51% for the quarter ended 30 September 2016

** The cash cost (C1) includes: Mine, Plant, On-Site G&A, Smelting, Refining, and 3% ENAMI Royalty (excludes Corporate G&A)

The All-in Sustaining Cost (AISC) includes: C1, Sustaining Capex, Brownfield Exploration, and Mine Closure Amortisation

*** AuEq ratio is calculated at 76:1 Ag:Au for September Quarter 2017

- Production guidance for the full calendar year (100% basis) is 85,000-90,000 gold equivalent ounces, below the initial guidance of 95,000-101,000 gold equivalent ounces.

Exploration

- Exploration in Chile focussed on exploration at the Amancaya project, with the initial program of 134 trenches and a ground magnetic survey completed. Following the discovery of high grade mineralisation on the Nueva Vein (see Company's News Release on 21 August 2017) additional infill trenches were completed and more detailed ground magnetics commenced. The Company expects to commence first pass drilling on the Nueva Vein by the end of the year.
- Exploration in Argentina focussed on near Casposo mine targets with mapping and channel sampling to complete the existing database and review of potential targets. Targets are initially being assessed on open pit potential.

Mergers & Acquisitions

- On 13 July 2017, Austral Gold executed a binding letter to acquire the San Guillermo and Reprado projects from Revelo Resources Corp. (TSX-V: RVL) for consideration of up to ten million Austral Gold ordinary shares (capped at US\$0.21/share) and subject to existing Net Smelter Royalties (each an “NSR”) and an additional NSR of up to 1%. The offer is subject to entering into a definitive agreement and customary regulatory and exchange approvals.
- Other opportunities aligning with Austral Gold’s strategic vision for value accretive investments in Latin America are being explored.

Financial Figures

- Cash on hand at 30 September 2017 was US\$4.9m.
- Total consolidated financial debt as at 30 September 2017 was US\$21m, of which US\$13m was 3-year financial leases with local banks in Chile and Argentina. Net debt repayments during the quarter totalled US\$1.7m.

Property Locations



Figure 1: Property Locations

Guanaco and Amancaya Mines

Background

The wholly-owned Guanaco mine remains the Company's flagship asset. Guanaco is located approximately 220km south-east of Antofagasta in Northern Chile at an elevation of 2,700m and 45km from the Pan American Highway. Guanaco is embedded in the Paleocene/Eocene belt, a geological feature which runs north/south through the centre of the Antofagasta region, Chile. Currently, most of the production from the Guanaco operation comes from the Cachinalito and Dumbo veins and nearby vein systems with higher average grades.

Gold mineralisation at Guanaco is controlled by pervasively silicified, sub-vertical east/northeast-west/southwest trending zones with related hydrothermal breccias. Silicification grades outward into advanced argillic alteration and further into zones with propylitic alteration. In the Cachinalito vein system, most of the gold mineralisation is concentrated between depths of 75m and 200m and is contained in elongated mineralised shoots. High grade shoots (up to 180 g/t Au), 0.5m to 12.0m wide, have been exploited, but the lower grade halos, below 3 g/t Au, can reach up to 20m in width. The alteration pattern and the mineralogical composition of the Guanaco mineralisation have led to the classification as a high-sulfidation epithermal deposit.

In July 2014, the Company acquired the Amancaya Project ('Amancaya') from Yamana Gold Inc which is located approximately 60km south-west of the Guanaco mine. Amancaya is a low sulfidation epithermal gold-silver deposit consisting of eight mining exploration concessions covering 1,755 hectares (and a further 1,390 hectares of second layer mining claims).

The Amancaya ore is being trucked to the new plant at Guanaco for processing.

Production

Production from underground operations generated 6,086 Au oz and 44,057 Ag oz during the quarter ended 30 September 2017. When measured in gold equivalent ounces¹ (AuEq oz) total production was 6,668 AuEq oz compared to 11,985 AuEq oz in the September quarter 2016.

The lower production for the quarter was due to lower processed tonnage in September due to delays in commissioning the new plant. To compensate for the lower production, a contingency plan was implemented in August involving feeding Guanaco ore to the heap leach pads (the former production process at Guanaco) and feeding Amancaya ore only to the new agitation leach processing plant at an initial rate of 600 tpd increasing each month to 1,200 tpd by October. By the end of September, the agitation plant had a performance close to the design parameters being 1,210 tpd and 54 tph.

The September 2017 quarter operating cash cost² (C1) at Guanaco was US\$997/AuEq oz while the all-in sustaining cost³ (AISC) was US\$1,229/AuEq oz compared to US\$673/AuEq oz and US\$848/AuEq oz respectively for the September quarter 2016.

Mining

During the September 2017 quarter, mining continued at the Guanaco underground operations with a total of 62,668 tonnes mined while 34,316 tonnes were mined at the Amancaya open pit. The crushed and leached material totalled 99,240 tonnes for the quarter with 56,054 tonnes fed to the heap leach and 40,754 tonnes fed to the new agitation leach plant.

¹ AuEq ratio is calculated at 76:1 Ag:Au

² The cash cost (C1) for the Guanaco Mine includes: Mine, Plant, On-Site G&A, Smelting, Refining, and 3% ENAMI Royalty (excludes Corporate G&A)

³ The All-in Sustaining Cost (AISC) for the Guanaco Mine includes: C1, Sustaining Capex, Exploration, and Mine Closure Amortisation

During the quarter, a total of 1,323m of underground mine development was advanced, of which 120 metres related to developments and accesses and 1,203m to advances in production.

Operations	Guanaco/Amancaya		
	Sept Quarter 2017	June Quarter 2017	Sept Quarter 2016
Processed (t)	99,240	78,407	140,460
Average Plant Grade (g/t Au)	3.5	2.5	5.5
Average Plant Grade (g/t Ag)	47.4	8.7	8.2
Gold produced (oz)	6,086	7,404	11,762
Silver produced (oz)	44,057	15,651	16,109
Gold-Equivalent (oz)	6,668	7,617	11,985
C1 Cash Cost (US\$/AuEq oz)	997	1,122	673
All-in Sustaining Cost (US\$/Au oz)	1,229	1,263	848
Realised gold price (US\$/Au oz)	1,274	1,263	1,330
Realised silver price (US\$/Ag oz)	17	18	19

Plant Commissioning

During this quarter work advanced in getting the new plant to operate at design levels. All sections of the plant are currently running at or near design specifications, albeit additional work is ongoing on the Merrill-Crowe circuit to improve performance and recoveries. Some of the low grade Guanaco material is being crushed and sent to the leach pad.

Safety

During this quarter no lost-time accidents (LTA) and one nil-lost-time accident (NLTA) were reported involving Guanaco employees and third party contractors. Safety and environmental protection are core values of the Company. The implementation of best practice safety standards along with a sound risk management program are key priorities for Austral Gold.

Mine Exploration Program

The proposal for mineral exploration drilling in the northern portion of the Dumbo Oeste area was improved. The final program comprises 13 holes or 1,735m (1000m in a first stage and the rest will depend on results) to be drilled from underground operation (1,670, 2,650 and 2,626 levels).

Future activities will be focused in the southern portion of the area. Drilling is expected to start by mid-October.

Exploration

During the quarter the initial trenching program on the Amancaya property was completed. A total of 134 trenches were excavated, mapped and sampled, with a total of 1,251 samples taken from the trenches, and completed with 118 blanks, duplicates and standards as per QAQC protocols. These samples were all sent to ActLab Lab in groups. Results from the first batch were reported on August 21, showing high grade gold mineralisation along the Nueva Vein, which has been traced for approximately 2.8km along its north-south strike.

A ground magnetic survey over the entire Amancaya property was also completed. This shows the presence of north-south structures/veins and a northwest striking structural trend.

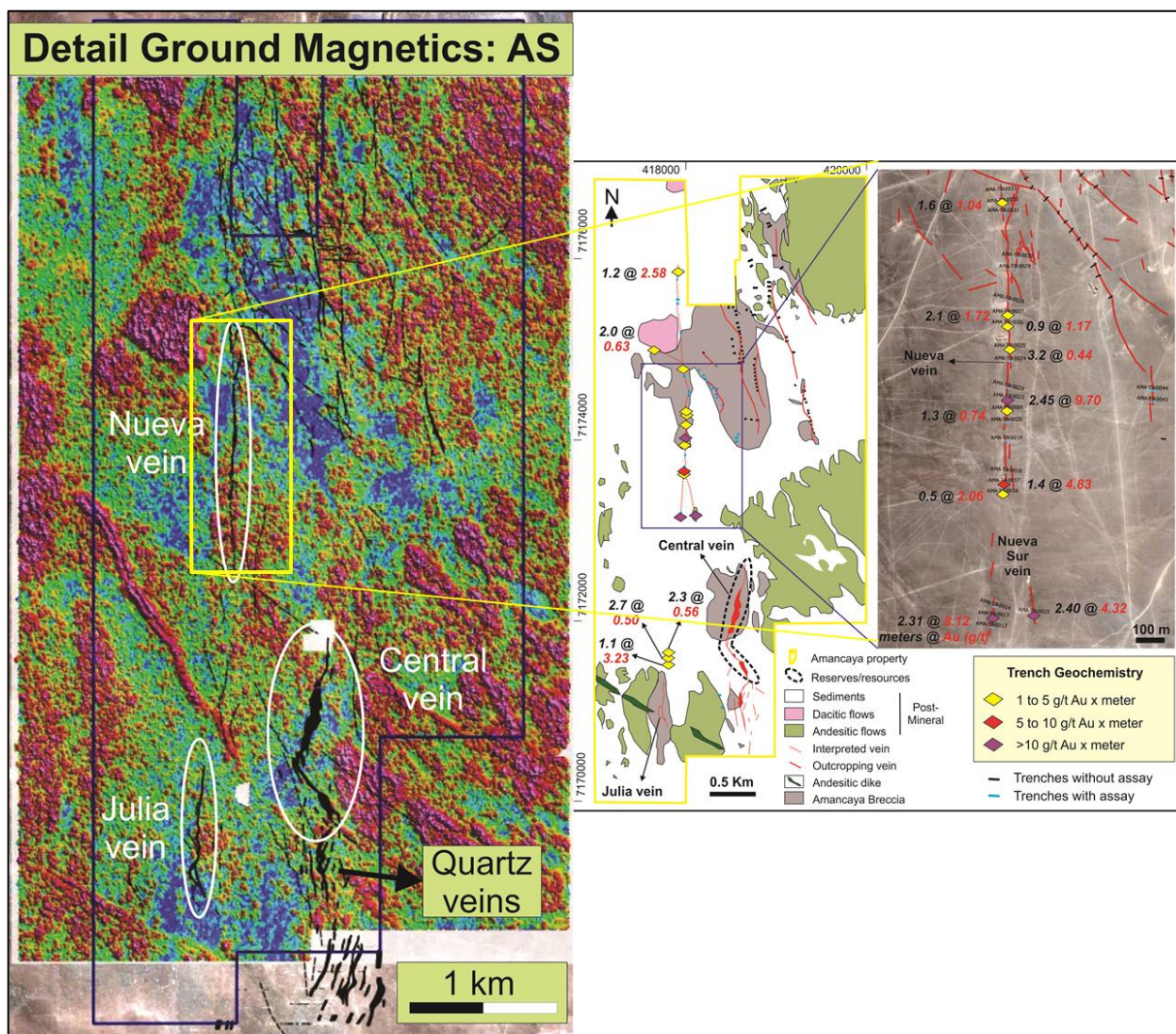


Figure 2: Ground Magnetic Survey (Amancaya)

Following up on the Nueva Vein discovery an infill trenching program was undertaken, with an additional 20 trenches excavated along the north-south structure. Cleaning, mapping and sampling are in progress. Additionally, approximately 34km of a VLF survey was completed (55% of the proposed survey), and 12km of a detailed linear ground mag survey (10% completion) at the Nueva Vein area.

San Guillermo and Reprado Properties

The Company executed a binding letter to acquire the San Guillermo and Reprado projects from Revelo Resources Corp. ('Revelo', TSX-V: RVL) for consideration of up to ten million Austral Gold ordinary shares, subject to existing Net Smelter Royalties (each an 'NSR') and an additional NSR of up to 1%. The offer is subject to entering into a definitive agreement and customary regulatory and exchange approvals.

The San Guillermo property consists of concessions totaling 12,175 hectares that surround the Company's high grade gold and silver Amancaya operation, which Austral began mining via open pit operations this year.

The Reprado Project consists of concessions totalling 3,960 hectares situated approximately 20km north of the Company's Amancaya operation. Historical drilling undertaken by Teck Resources Ltd. intersected gold in low sulfidation quartz veins trending essentially east-west.

Revelo and Austral Gold had previously signed an Option and Sale Agreement dated 8 February 2016 over the San Guillermo Project. Under this agreement total payments and work commitments of \$US5.1m would be due. This agreement will be terminated upon entering a definitive agreement.

Guanaco and Other Mining Properties in Chile - Tenements Status

A complete list of the Guanaco and Amancaya mining tenements in which the Company has an interest is presented in **Appendix A**, attached to this report. There have been some minor changes to the Company's interests in these mining tenements during the quarter. All mining properties are fully owned by the Company through its subsidiaries.

Appendix D lists the San Guillermo mining properties acquired as part of the new purchase agreement with Revelo Resources (TSX-V: RVL).

ARGENTINA

Casposo Mine

The Casposo mine is located in the department of Calingasta, San Juan Province, Argentina, approximately 150km from the city of San Juan, and covers an area of 100.21km². Casposo is a low sulfidation epithermal deposit of gold and silver.

The Cordillera Principal runs along the Chile-Argentina border for approximately 1,500km. It is a volcanically and seismically active zone formed by subduction of the Nazca Plate beneath the South American continent. The Casposo gold-silver mineralisation occurs in both the rhyolite and underlying andesite, where it is associated with banded quartz-chalcedony veins, typical of low sulfidation epithermal environments. Post-mineralisation dykes of rhyolitic (Kamila), aphanitic-felsic, and trachytic (Mercado) composition often cut the vein systems. These dykes, sometimes reaching up to 30m thickness, are usually steeply dipping and north-south oriented. Mineralisation at Casposo occurs along a 10km long west-northwest to east-southeast trending regional structural corridor, with the main Kamila Vein system forming a 500m long sigmoidal set near the centre. The Mercado Vein system is the northwest continuation of Kamila and is separated by an east-west fault from the Kamila deposit. The Julieta Zone is located 5km along strike to the northwest of the Kamila and Mercado deposits and is situated within the same regional structural corridor. The Casposo Norte deposit is located on a parallel structure, approximately 2km north of Kamila.

Production and Safety

The table below summarises the September 2017 quarter results for Casposo as well as those from the June 2017 quarter and the September 2016 quarter.

Operations	Casposo		
	Sept Quarter 2017	June Quarter 2017	Sept Quarter 2016
Processed (t)	65,481	65,124	68,055
Gold recovery (%)	92%	89%	90%
Silver recovery (%)	86%	86%	78%
Average Plant Grade (g/t Au)	2.4	2.4	3.0
Average Plant Grade (g/t Ag)	272.2	223.6	180.9
Gold produced (oz)	4,396	4,360	4,457
<i>Share of Gold produced *</i>	<i>3,077</i>	<i>3,052</i>	<i>2,273</i>
Silver produced (oz)	505,514	374,583	313,765
<i>Share of Silver produced*</i>	<i>353,860</i>	<i>262,208</i>	<i>160,020</i>
C1 Cash Cost (US\$/AuEq oz)	930	981	804
All-in Sustaining Cost (US\$/Au oz)	1,043	1,311	1,200
Realised gold price (US\$/Au oz)	1,274	1,254	1,330
Realised silver price (US\$/Ag oz)	17	17	19

* Austral Gold owned 70% of Casposo for the quarters ended 30 September 2017 and 30 June 2017; 51% for the quarter ended 30 September 2016

Production at Casposo for the September 2017 quarter improved from the June 2017 quarter due to higher silver grades and process improvements that resulted in higher gold recovery rates and lower costs.

Expected production for calendar year 2017 is 50,000 gold equivalent ounces with a target AISC of US\$957/AuEq oz, as per the Casposo Gold-Silver Mine Technical Report, dated 7 September 2016, with an effective date of 30 June 2016 and available on SEDAR under the Company's profile.

From a safety perspective, there were four lost-time accidents (LTA) and four nil-lost-time accidents (NLTA) involving employees of Casposo and third party contractors during the September quarter. Safety and environmental protection are core values of the Company. The implementation of best practice safety standards along with a sound risk management program are key priorities for Austral Gold.

Exploration Activities

3D digitalisation continues at Kamila veins using Leapfrog software.

Cerro Norte Targeting: The final report is progressing (85% complete). Extra channel samples were taken at the South vein extension, finishing the surface sampling (108 samples in total). Results show the presence of high-grade, narrow veins in the area.

Lucia Targeting: Lucia target started to be explored in September. A total of 32 cross sections were interpreted to define the morphology and structural control of the Lucia vein. A long section was prepared with previous channel and drill holes. New channel samples were taken and analysed at Casposo lab. Results are encouraging, and they will complete the surface portion of the long section.

Regional mapping: Mapping of the Casposo mine main area was completed at a 1:10,000 scale was completed.

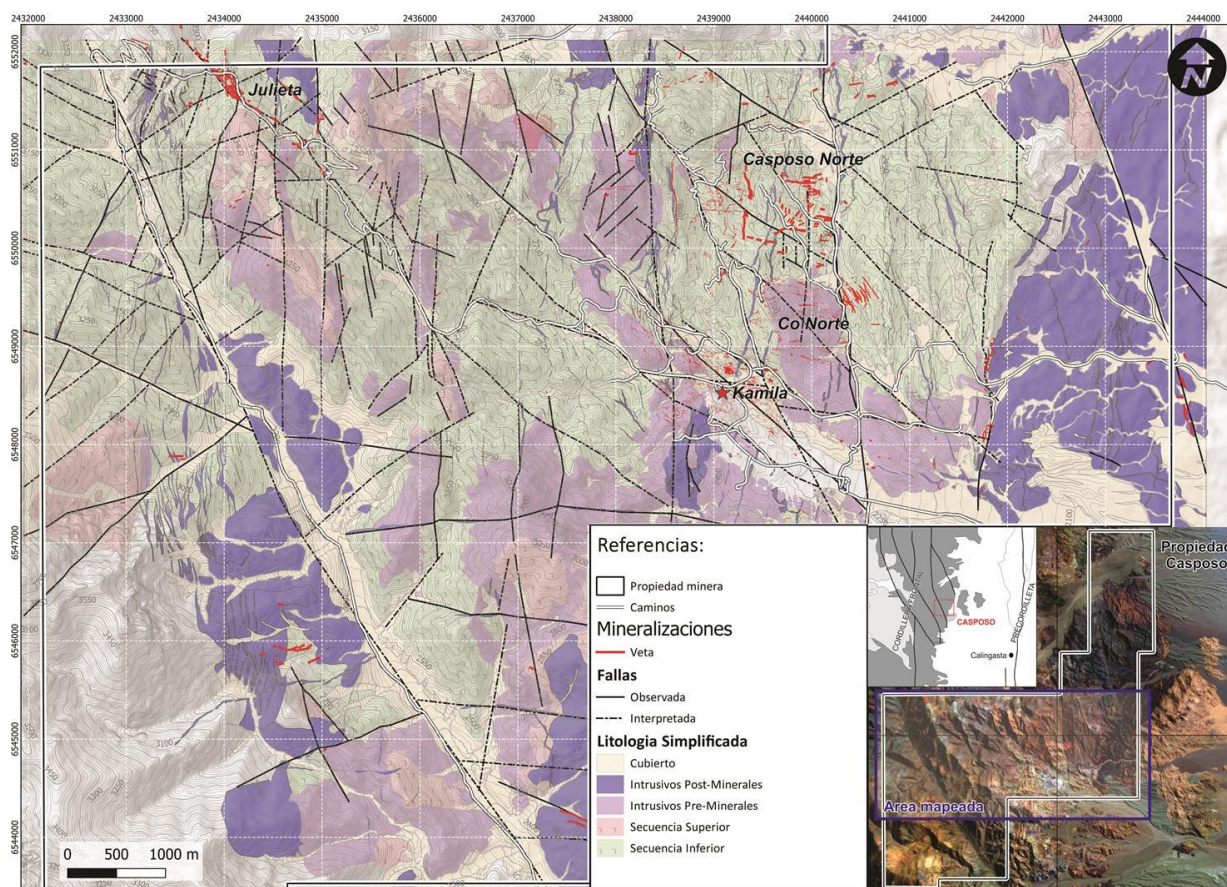


Figure 3: Regional Mapping (Casposo)

Casposo Mine Properties - Tenements Status

A complete list of the mining tenements in which the Company has an interest is in **Appendix C**, attached to this report. There were minor changes to the Company's interests in these mining tenements during the quarter. All mining properties are 70% owned by the Company through its subsidiaries.

Pingüino Project

The Company completed the acquisition of Toronto Venture Exchange listed company, Argentex Mining Corporation ('Argentex') on 22 August 2016. Currently, Argentex owns 100% mineral rights of 20 properties with over 51,000 hectares of land. These properties are located within two prominent geographical features, the Deseado and Somuncura Massifs, both of which have proven to host significant epithermal precious metal deposits. The large epithermal vein swarm at Pingüino contains Argentex's discovery of indium-enriched vein-hosted base metal mineralisations which represented a new deposit type for the region, as well as low sulphidation precious metal vein mineralisation. The combination of these two types of mineralisation within the same property is unique for the province of Santa Cruz and a significant asset for the Company.

The Silver-Gold-Zinc-Lead-Indium Pingüino Project is an advanced stage development project located in south-central Argentina, 300km southwest of the city of Comodoro Rivadavia and 220km northwest of Puerto San Julián. In the last 15 years, six mines have been constructed in Santa Cruz, making it one of the most prolific precious metal provinces in the world, including world class deposits such as Cerro Vanguardia and Cerro Negro.

The Pingüino Project lies in a vein field similar but smaller to Cerro Vanguardia some 35km north-west along same controlling structure as Pingüino deposit (225km strike length of veins vs 115km strike length of veins).

The project has year round access, is close to major infrastructure, has no nearby communities and more than 70% of surface land is owned by the Company.

During September, studies were completed to understand the potential sulphide mineralisation potential. Data gathered during the visit was sent to Borrastero to check more observations. A field trip to properties in the Rio Negro province was also conducted during the quarter to evaluate the various tenements held by the Company.

Pingüino Project (and surrounds) Properties - Tenements Status

A complete list of the mining tenements in which the Company has an interest is in **Appendix E**, attached to this report. There were minor changes to the interests in these mining tenements during the quarter. All mining properties are 100% owned by the Company through its subsidiaries.

8 de Julio

No significant activity for the period.

8 de Julio Area - Tenements Status

A complete list of the mining tenements in which the Company has an interest is in **Appendix B**, attached to this report. There have been no changes to the Company's interests in these mining tenements during the quarter. All mining properties are fully owned by the Company through its subsidiaries.

CORPORATE SUMMARY & FINANCIAL PERFORMANCE

Austral Gold had a cash balance of US\$4.9m as of 30 September 2017.

Main highlights during the quarter are as follows:

- Cash proceeds from the sale of gold and silver during the quarter were US\$22.3m of which the Guanaco mine contributed US\$7.8m and the Casposo mine contributed US\$14.5m. Recovery of VAT from both operations contributed an additional US\$2.2m.
- On 13 July 2017 Austral Gold executed a binding letter to acquire the San Guillermo and Reprado projects from Revelo Resources Corp. (TSX-V: RVL) for the consideration of up to ten million Austral Gold ordinary shares (capped at US\$0.21/share) representing approximately 1.9% of the total outstanding shares of Austral, subject to existing Net Smelter Royalties (each an "NSR") and an additional NSR of up to 1%. The offer is subject to due diligence, entering into a definitive agreement and customary regulatory and exchange approvals.
- Austral Gold holds 344,463 warrants related to its 2013 purchase of an equity stake in Goldrock Mines Corp (TSX-V: GRM). The warrants were converted to Fortuna Silver warrants when that company acquired Goldrock in August 2016 (converted at the acquisition ratio of 0.133133). These warrants are exercisable at CAD\$6.01 per warrant and expire October 2018.
- Austral Gold holds an option to acquire the remaining 30% of Casposo which it does not own as follows: 10% for US\$1.5m by December 2018; 10% for US\$2.5m by December 2019; and 10% for US\$3.0m by December 2020. The exercise price of each option is subject to adjustment if the price of silver is at US\$16/oz Ag or greater.
- On 30 September 2017 Austral Gold released its FY2017 Annual Report.

By order of the Board.

Andrew Bursill
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.

The numbers presented in this report are unaudited figures and may be subject to minor variation.

Appendices: List of Tenements in which the Company currently has an interest

Appendix A: Guanaco and Amancaya (Chile) Tenements

Property Name	Claim Type	Size (hectares)
Mining Concessions under exploration	Constituted Mining Claims	42,814
VINO (3, 4, 6, 7, 9)	Constituted Mining Claims	1,800
ARGOMEDO (1 to 6)	Mining claims in process	1,800
EMILIO (1 to 10)	Mining claims in process	100
Loreto I, Loreto II, Loreto III and Loreto IV	Mining claims in process	1,000
Barbara and Flora concessions	Constituted Mining Claims	3,200
Total		50,714

Appendix B: 8 de Julio Site (Argentina) Tenements

Property Name	Claim Type	Size (hectares)
8 de Julio IX	Cateo	7,002
8 de Julio X	Cateo	3,497
Cerro Contreras Norte	Cateo	10,000
Juanguí II	Manifestation of discovery	4,200
Juanguí VII-B	Manifestation of discovery	4,000
Juanguí VI-D	Manifestation of discovery	4,000
Juanguí I	Manifestation of discovery	3,970
Juanguí IV	Manifestation of discovery	3,226
Juanguí I-B	Manifestation of discovery	3,936
Juanguí II-D	Manifestation of discovery	3,740
Juanguí VIII-A	Manifestation of discovery	840
Juanguí VI-C	Manifestation of discovery	3,148
Juanguí III	Manifestation of discovery	4,081
Juanguí IV-F	Manifestation of discovery	2,286
Juanguí I-A	Manifestation of discovery	2,008
Juanguí V	Manifestation of discovery	1,920
Juanguí II-A	Manifestation of discovery	840
Juanguí VI-A	Manifestation of discovery	840
Juanguí VII-A	Manifestation of discovery	840
Juanguí VI	Manifestation of discovery	840
Juanguí IV-A	Manifestation of discovery	840
Juanguí IV-B	Manifestation of discovery	840
Juanguí IV-C	Manifestation of discovery	840
Juanguí IV-D	Manifestation of discovery	840
Juanguí IV- E 1	Manifestation of discovery	840
Juanguí IV- E 2	Manifestation of discovery	840
Juanguí IV- E 3	Manifestation of discovery	840
Juanguí IV- E 4	Manifestation of discovery	840
Juanguí IV- E 5	Manifestation of discovery	840
Juanguí V-A	Manifestation of discovery	840
Juanguí V-B	Manifestation of discovery	840
Juanguí II-C	Manifestation of discovery	638
Juanguí II-B	Manifestation of discovery	615
Barroso Chico I	Manifestation of discovery	840
Barroso Chico II	Manifestation of discovery	840
Total		77,387

Appendix C: Casposo Mine (Argentina) Tenements

Property Name	Claim Type	Size (Hectares)
Kamila	Constituted Mining claim	3,497
Julieta	Constituted Mining claim	2,625
Alicia -I	Constituted Mining claim	16
Various	Mining claims in process	16,420
Various	Cateos	17,492
Total		40,050

Appendix D: San Guillermo (Chile) Tenements

Property Name	Claim Type	Size (hectares)
Mining Concessions under exploration	Constituted Mining Claims	8,375
Cepillo Rojo 7D	Mining claims in process	200
Cepillo Rojo 8D	Mining claims in process	100
Cepillo Rojo 11C	Mining claims in process	200
Cepillo Rojo A	Mining claims in process	100
Cepillo Rojo 1D	Mining claims in process	300
Cepillo Rojo 2D	Mining claims in process	300
Cepillo Rojo 3D	Mining claims in process	300
Cepillo Rojo 4D	Mining claims in process	300
Cepillo Rojo 5D	Mining claims in process	300
Cepillo Rojo 6D	Mining claims in process	300
Cepillo Rojo 9D	Mining claims in process	200
Cepillo Rojo 10D	Mining claims in process	200
Cepillo Rojo 12D	Mining claims in process	200
Cabello 11D	Mining claims in process	300
Cabello 12D	Mining claims in process	300
Cabello 13D	Mining claims in process	200
Total		12,175

Appendix E: Pingüino Project (and surrounds) (Argentina) Tenements

Property Name	Claim Type	Size (hectares)
Pingüino		
Tranquilo 1	Mine	3,484
Tranquilo 2	Mine	3,182
Cañadon	Mine	1,827
Pingüino	Mine	1,493
Plata Leon	Manifestation of discovery	3,500
Other Santa Cruz properties		
Mina Alto Cóndor	Mine	3,016
Cóndor	Mine	1,500
Diamante 1	Mine	2,906
Diamante 2	Mine	2,862
Contreras Oeste	Mine	2,938
Contreras Este	Mine	1,622
Nuevo Oro 2	Mine	840
Rio Negro		
Menucos 6	Manifestation of discovery	2,999
Menucos 7	Cateo	2,880
Menucos 8	Cateo	2,959
Menucos 9	Cateo	2,999
Menucos 10	Cateo	2,730
Menucos 11	Cateo	1,840
Menucos 12	Cateo	2,920
Menucos 13	Cateo	2,965
Total		51,462

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

AUSTRAL GOLD LIMITED

ABN

30 075 860 472

Quarter ended ("current quarter")

30 September 2017

Consolidated statement of cash flows	Current quarter US\$'000	Year to date (3 months) US\$'000
1. Cash flows from operating activities		
1.1 Receipts from customers/tax credits	24,538	24,538
1.2 Payments for		
(a) exploration & evaluation	(81)	(81)
(b) development	(3,352)	(3,352)
(c) production	(11,264)	(11,264)
(d) staff costs	(7,379)	(7,379)
(e) royalties paid	(214)	(214)
(f) administration and corporate costs	(1,799)	(1,799)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	(228)	(228)
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	128	128
1.9 Net cash from / (used in) operating activities	349	349

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	(1)	(1)
(c) investments	(206)	(206)
(d) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter US\$'000	Year to date (3 months) US\$'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	320	320
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	113	113

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	242	242
3.6	Repayment of borrowings	(1,935)	(1,935)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	(1,693)	(1,693)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	6,129	6,129
4.2	Net cash from / (used in) operating activities (item 1.9 above)	349	349
4.3	Net cash from / (used in) investing activities (item 2.6 above)	113	113
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(1,693)	(1,693)
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	4,898	4,898

5.	Reconciliation of cash and cash equivalents At the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter US\$'000	Previous quarter US\$'000
5.1	Bank balances	4,898	6,129
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	4,898	6,129

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter US\$'000
122
-

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter US\$'000
-
-

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end US\$'000	Amount drawn at quarter end US\$'000
8.1 Loan facilities	8,511	8,511
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	13,600	13,600
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

8.1	Loan facilities include a US\$5m credit facility with the BAF Latam Credit Fund, an unrelated third party lender. The credit facility is secured by a guarantee from the Company and a corresponding proportion of the receipts of doré sales from the Guanaco mine in Chile. Amounts drawn against the credit facility are to be repaid within eighteen months.
8.3	The outstanding balance of financial leases from local banks in Chile and Argentina reached ~US\$13.6m at 30 September 2017 (secured, interest rates 3-4%).

9. Estimated cash outflows for next quarter	US\$'000
9.1 Exploration and evaluation	239
9.2 Development	3,036
9.3 Production	15,727
9.4 Staff costs	5,556
9.5 Royalties	1,426
9.6 Administration and corporate costs	1,657
9.7 Income tax	110
9.8 Total estimated cash operating outflows	27,751

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter (Ha)	Interest at end of quarter (Ha)
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	Mochas 2, Rio Negro, Argentina	Cateo	9,960	-
	Mina Alto Condor, Santa Cruz, Argentina	Mine	5,014	3,016
	Plata Leon, Santa Cruz, Argentina	Manifestation of Discovery	7,500	3,500
10.2 Interests in mining tenements and petroleum tenements acquired or increased	VINO (3, 4, 6, 7, 9), Taltal, Guanaco, Chile	Constituted Mining Claims	-	1,800
	ARGOMEDO (1 to 6)	Mining Claims in Process	-	1,800
	EMILIO (1 to 10)	Mining Claims in Process	-	100
	Various, San Juan, Argentina	Cateos	-	17,492

Compliance Statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:


(Company secretary)

Date: 31 October 2017

Print name:

Andrew Bursill

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.