

MEDIA RELEASE

Austral Gold Limited

19 September 2022

Expanded Drilling Program Commences at Casposo-Manantiales

Highlights:

- 4,000 metre diamond drill program now underway. Objective is to expand recently discovered high-grade mineralisation.
- Current drilling program to test follow up targets on the Manantiales vein where high gold grades were intersected in three of the five holes drilled in our most recent drill program:
 - MDH-02-63: 4.40 meters @ 18.65 g/t gold and 58 g/t silver
 - MDH-02-64: 2.35 meters @ 15.61 g/t gold and 81 g/t silver
 - MDH-02-60: 2.50 meters @ 9.73 g/t gold and 49 g/t silver
- A strategic objective of Austral Gold is to establish sufficient mineral reserves to restart mining operations at the Casposo-Manantiales mine complex.

Austral Gold Limited (the “Company”) (ASX: AGD; TSX-V: AGLD) is pleased to announce the start of a new drilling campaign (“drilling program”) at the Casposo-Manantiales Project located in the province of San Juan, Argentina. The Company plans to drill approximately 4,000 metres of diamond drilling (“DD”) in 16 DD holes.

The focus of the drilling program is to follow up on the results achieved in previous drilling campaigns at the Manantiales vein disclosed in the 27 July 2022 and 26 October 2021 media releases. The drilling program plans to define the upside of the northern and southern ore-shoots and explore the potential to the South and North at the protected blocks related to the Vallecito reverse fault. To date, 2,313 metres were drilled in 12 DD holes and total exploration costs were US\$1.2 million.

Exploration activities are also ongoing at the Cerro Amarillo Project, including mapping and sampling of trenches in the areas where we previously identified high-gold grades through rock-chip sampling (figure 3). The new drilling program is also expected to include three to four drill holes in the Cerro Amarillo Project to test mineralisation continuity at depth. In addition, following the news release dated 27 July 2022, the last four pending assays from Fabiola and Awada (Cerro Amarillo Project) were received and there are no significant results to report.

Chief Executive Officer, Stabro Kasaneva commented: *“We are pleased to commence the next phase of diamond drilling at Casposo-Manantiales. We are doubling the number of metres to be drilled in this phase based on high gold grades of > 10 g/t received in our most recent drilling program. Austral Gold’s objective at Casposo-Manantiales is to restart mining operations as we have established infrastructure including a 1,500 tpd crushing circuit agitation leach and Merrill Crowe processing plant, which is currently on care and maintenance.”*

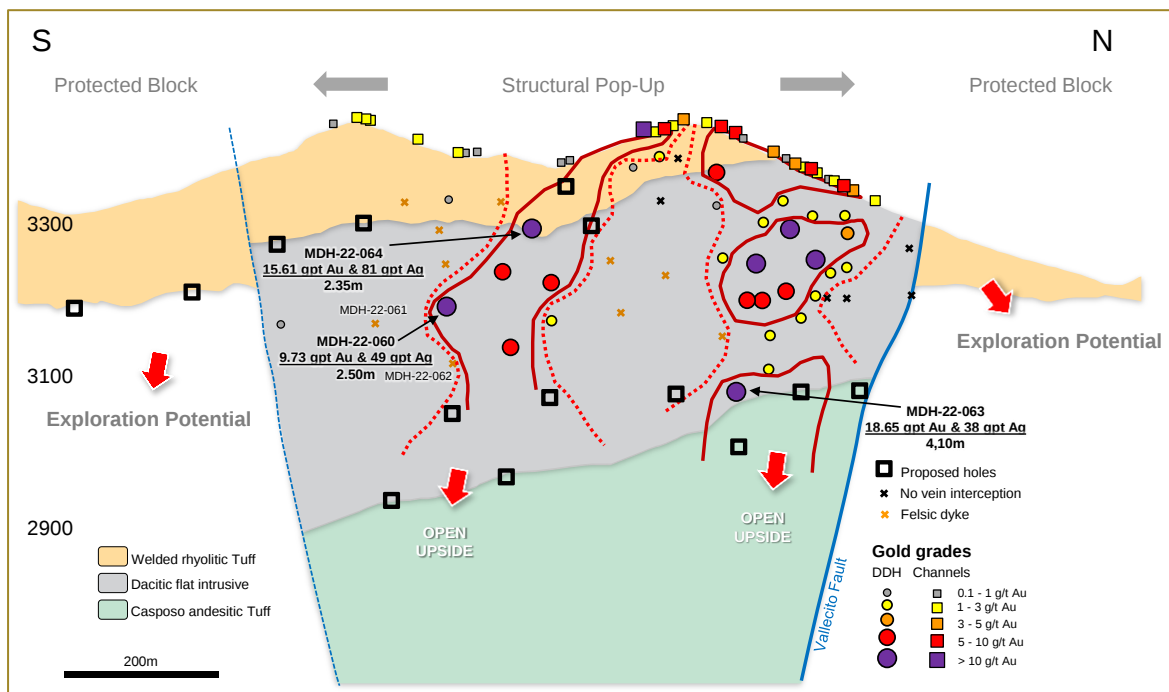


Figure 1: Manantiales Vein Longitudinal Section: New drilling program and highlights of results announced on 27 July 2022 and 26 October 2021

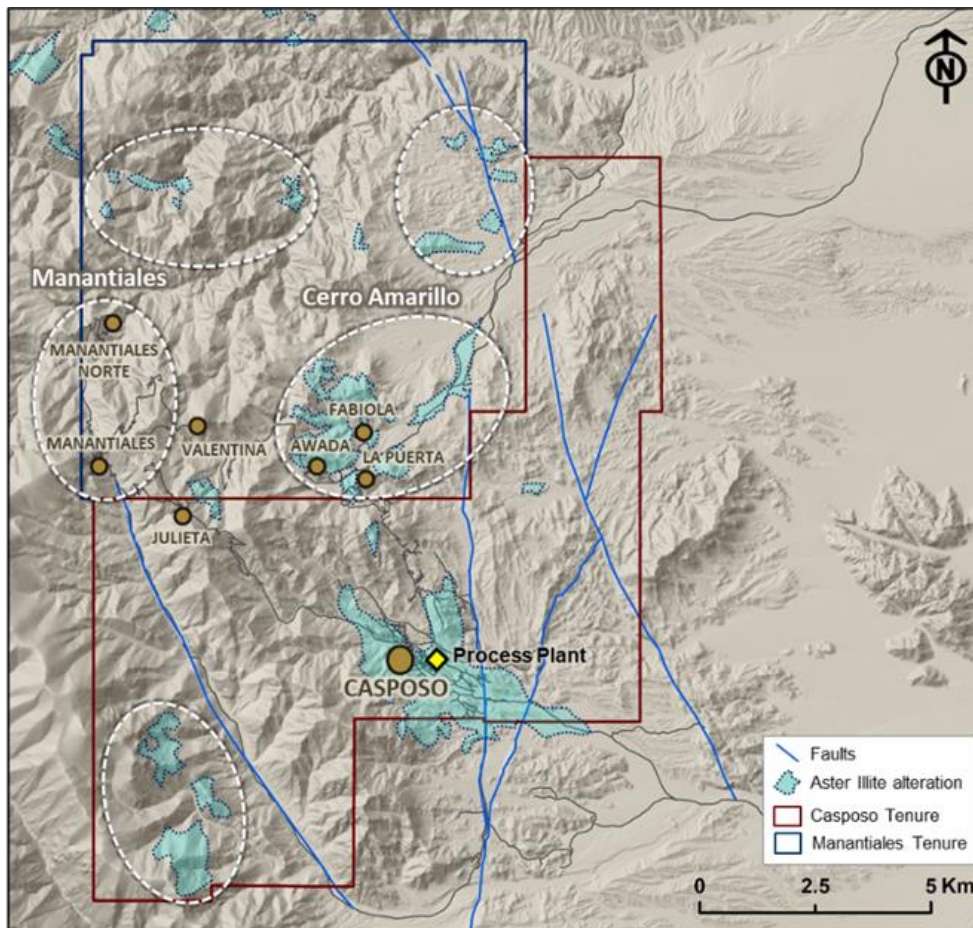


Figure 2: Casposo – Manantiales District: Targeting and Location Map *

*Included in our 27 July 2022 ASX announcement

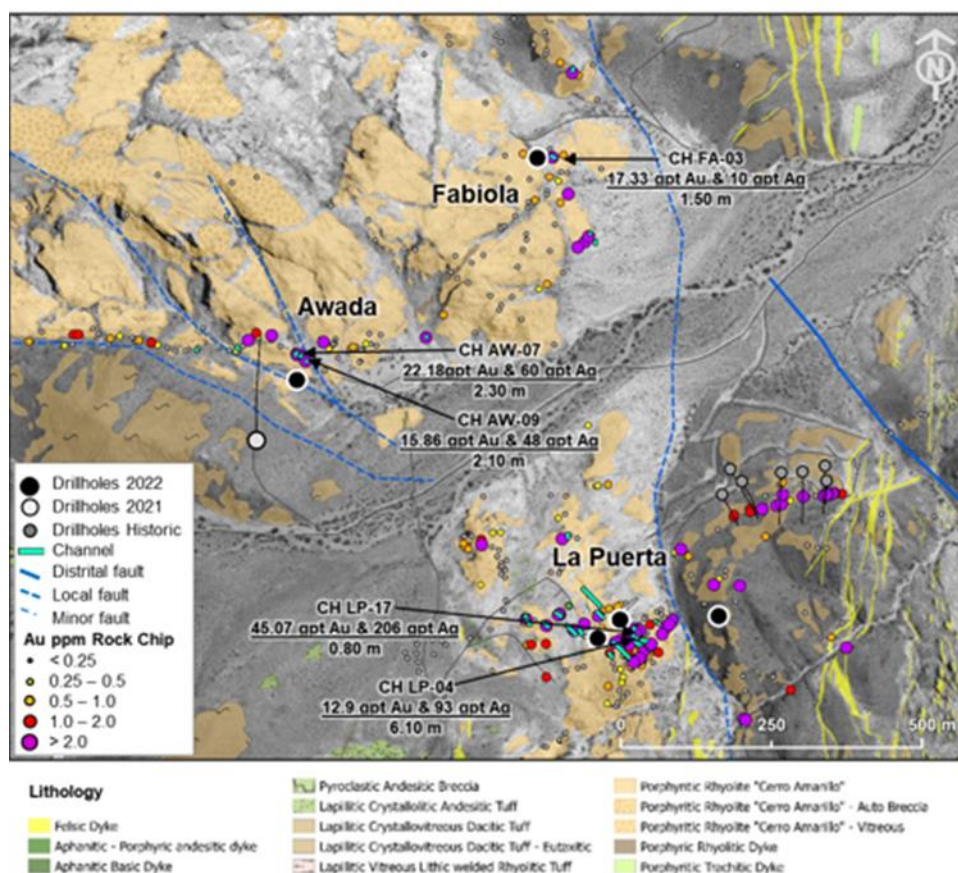


Figure 3: Cerro Amarillo: Channel and rock chip sampling results*

*Included in our 27 July 2022 ASX announcement

Competent Person

Technical information in this media release that relates to Exploration Results is based on work supervised, or compiled on behalf of Robert Trzebski, a Director of the Company. Dr. Trzebski, who is a member of the Australasian Institute of Mining and Metallurgy (AusIMM) and qualifies as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' consents to the inclusion of the technical information that he has reviewed and approved or has been compiled on his behalf.

About Austral Gold

Austral Gold Limited is a gold and silver explorer and mining producer whose strategy is to expand the life of its cash generating assets in Chile, restart its Casposo-Manantiales mine complex in Argentina and build a portfolio of quality assets in Chile, the USA and Argentina organically through exploration and via acquisitions and strategic partnerships. Austral owns a 100% interest in the Guanaco/Amancaya mines in Chile and the Casposo-Manantiales mine complex (currently on care and maintenance) in Argentina, a non-controlling interest in the Rawhide Mine in Nevada, USA and a non-controlling interest in Ensign Gold which holds the Mercur project in Utah, USA.

In addition, Austral owns an attractive portfolio of exploration projects in the Paleocene Belt in Chile (including those acquired in the 2021 acquisition of Revelo Resources Corp), a noncontrolling interest in Pampa Metals and a 100% interest in the Pingüino project and a 51% interest in the Sierra Blanca project, both in Santa Cruz, Argentina. Austral Gold Limited is listed on the TSX Venture Exchange (TSX-V: AGLD) and the Australian Securities Exchange. (ASX: AGD). For more information, please consult Austral's website at 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.

For additional information please contact:

Jose Bordogna

Chief Financial Officer

Austral Gold Limited

Jose.bordogna@australgold.com

+61 466 892 307

Ben Jarvis

Director

Austral Gold Limited

info@australgold.com

+61 413 150 448

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 Company's objective to expand recently discovered high grades and mineralisation in the drilling program, the scope and timing of that drilling program as well as the plans to define the upside of the northern and southern ore-shoots and explore the potential to the South and North at the protected blocks related to the Vallecito reverse fault, and the Company's overall objective to restart mining operations at Casposo-Manantiales.

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, uncertainty of exploration programs, 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.

Confirmation: For the purposes of ASX Listing Rule 5.23.2, Austral confirms that is not aware of any information or data that materially affects the information included in its press releases dated 27 July 2022 and 26 October 2021.