

# Growth Focused Precious Metals Producer



AUSTRALGOLD



Corporate Presentation: August 2017

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- Statements in this presentation 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 presentation include its expectation to continue mining resources at Guanaco for 3 years, its expectation that the new plant at Guanaco will be fully commissioned during Q3 2017; those concerning Austral Gold's plans to truck ore from Amancaya open pit to the new plant at Guanaco and batch process the ore, its plans to complete and initiate operation of a new agitation leach plant, its anticipation that gold recovery for the agitation plant will be used to process production from both Amancaya and Guanaco, its expectation that it can realize 93% recovery for Guanaco production and 89% recovery for Amancaya production; its expectation that it can continue to mine existing and inferred resources; the potential for continuation of the Inca 3 train at Casposo; that cash flow has the potential to grow based on expected growth of current operations and that pipeline projects in prolific jurisdictions will be advanced.
- There can be no assurance that current operations at Austral Gold's mines will continue to be economical or that a commercially viable mineral deposit exists on any of our properties other than Guanaco and Casposo. 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, the following: the uncertainty of production and development plans and cost estimates for the Guanaco mine and the Casposo mine; the advancement of the development of the Amancaya project to a pre-feasibility study stage; the continuing economic feasibility of the transportation of production to the Guanaco plant; Austral Gold's ability to add mineral reserves and resources; differences in U.S., Australian and Canadian practices for reporting Mineral Reserves and Mineral Resources; lack of suitable infrastructure or damage to existing infrastructure; future development risks including start-up delays and cost overruns; Austral Gold's ability to obtain adequate financing for further exploration and development programs and opportunities; uncertainty in acquiring additional commercially mineable mineral rights; delays in obtaining or failure to obtain governmental permits, or non-compliance with permits; Austral Gold's ability to attract and retain qualified personnel and management; potential labour unrest, including labour actions by unionized employees at the Guanaco and Casposo mines; the impact of governmental regulations, including health, safety and environmental regulations, including increased costs and restrictions on operations due to compliance with such regulations; reclamation and closure requirements for mineral properties; social changes; commodity price fluctuations; political or economic instability and unexpected regulatory changes; currency fluctuations; the possibility of future losses; general economic conditions; and the requirement for further exploration before Austral Gold can evaluate whether it would be economically and legally feasible to develop or exploit certain minerals located on its properties.
- **Technical Information**
- Technical information in this presentation relating to the Amancaya, Pinguino and Casposo projects has been reviewed and approved by Michael Brown, MAIG, VP Corporate Development. Technical Information in this presentation relating to the Guanaco mine has been reviewed by Dr. Robert Trzebski. Dr Robert Trzebski is a fellow of the Australian 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. Dr Robert Trzebski consents to the inclusion of the resources noted in this presentation. Both Mr. Brown and Dr. Trzebski are both Qualified Persons and Competent Persons (as defined in National Instrument 43-101 and as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resource and Ore Reserves) and consent to the inclusion in this presentation of the aforementioned technical information that they have reviewed and approved.

# Mineral Resources and Reserves: Cautionary Note

Cautionary Note to US Investors Concerning Estimates of Mineral Reserves and Resources. This presentation has been prepared in accordance with the requirements of Canadian securities laws, which differ from the requirements of U.S. securities laws. Unless otherwise indicated, all mineral reserve and resource estimates included in this presentation have been prepared in accordance with Canadian National Instrument 43-101 – Standards of Disclosure for Mineral Projects (“NI 43-101”) and the Canadian Institute of Mining, Metallurgy and Petroleum classification system. NI 43-101 is a rule developed by the Canadian Securities Administrators that establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. Canadian standards, including NI 43-101, differ significantly from the requirements of the United States Securities and Exchange Commission (the “SEC”), and information concerning mineralization, deposits, mineral reserve and resource information contained or referred to herein may not be comparable to similar information disclosed by U.S. companies. In particular, and without limiting the generality of the foregoing, this presentation uses the terms “measured resources”, “indicated resources” and “inferred resources”. U.S. investors are advised that, while such terms are recognized and required by Canadian securities laws, the SEC does not recognize them. The requirements of NI 43-101 for identification of “reserves” are not the same as those of the SEC, and reserves reported by Austral Gold in compliance with NI 43-101 may not qualify as “reserves” under SEC standards. Under U.S. standards, mineralization may not be classified as a “reserve” unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made. U.S. investors are cautioned not to assume that any part of a “measured resource” or “indicated resource” will ever be converted into a “reserve”. U.S. investors should also understand that “inferred resources” have a great amount of uncertainty as to their existence and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of “inferred resources” exist, are economically or legally mineable or will ever be upgraded to a higher category. Under Canadian securities laws, estimated “inferred resources” may not form the basis of feasibility or pre-feasibility studies except in rare cases. Disclosure of “contained ounces” in a mineral resource is permitted disclosure under Canadian securities laws. However, the SEC normally only permits issuers to report mineralization that does not constitute “reserves” by SEC standards as in place tonnage and grade, without reference to unit measures. Accordingly, information concerning mineral deposits set forth herein may not be comparable with information made public by companies that report in accordance with U.S. standards.

# Key Principles:

Establish position amongst leaders of precious metals miners, with the highest rates of safety and stewardship of the environment.

Strive for the lowest operating costs among companies of the same scale in the Americas.



Be the preferred partner for companies, communities and governments to operate precious metal projects in Latin America, currently focussed in Argentina and Chile.



Maximize value creation  
for shareholders

# Property Locations: South American Focus

**Guanaco/Amancaya**

*Production*

**Casposo**

*Production*

**Pingüino**

*Development*



# Austral Gold Foundations



## Experienced Team

- Technical team with proven track record of success
- Underground, heap and agitation leach specialists
- Majority controlled by preeminent Argentinean businessman
- Outstanding epithermal exploration team

## Low Cost operation

Guanaco: **Historical All-in Sustaining Cost of \$753/oz** over last 4 years

Produced: **~49,000 Au Eq oz per year** over last 4 years

## Operational Cash Flow Growth

FY	2013	2014	2015	2016
<b>EBITDA (incl. Impairments)</b>	<b>14,317,806</b>	<b>10,584,282</b>	<b>15,316,564</b>	<b>36,293,494</b>

## Prolific Favoured Jurisdictions

Chile is one of the most prolific and favoured mining jurisdictions in the world.

Argentina is richly endowed in resources, has little historical mining and is taking significant steps to improve its attractiveness as a jurisdiction for mining investment.

Non GAAP Cautionary note: *EBITDA is defined as earnings before income tax expense, financing costs, depreciation, amortization and stock-based compensation. Adjusted EBITDA is defined as EBITDA adjusted with acquisition, transition and integration costs and other expenses that do not impact core operating performance. All-in Sustaining Cost follows the Non-GAAP measures as outlined by the World Gold Council*  
*NOTE: All dollars (\$) are US dollars in this presentation*

# Strong Growth Potential

## Reserves at Operations

Securing at least 3 year reserve profile:

- Casposo\*: **972,000 tonnes @ 2.53 g/t Au and 231.0 g/t Ag**
- Guanaco+ Amancaya: **2,410 ktonnes @ 4.29 g/t Au and 118.8 g/t Ag**

**TOTAL Owned Ounces<sup>#</sup>: 308,300 gold and 7,024,200 silver**

## Resources near Operations

Total M&I:

**4,413 kt @ 4.16 g/t Au and 97.5 g/t Ag for 590,000 oz Au and 13,815 koz Ag.**

Total Inferred:

**3,240 kt @ 4.7 g/t Au and 62.6 g/t Ag for: 486,000 oz Au and 6,650 koz Ag**

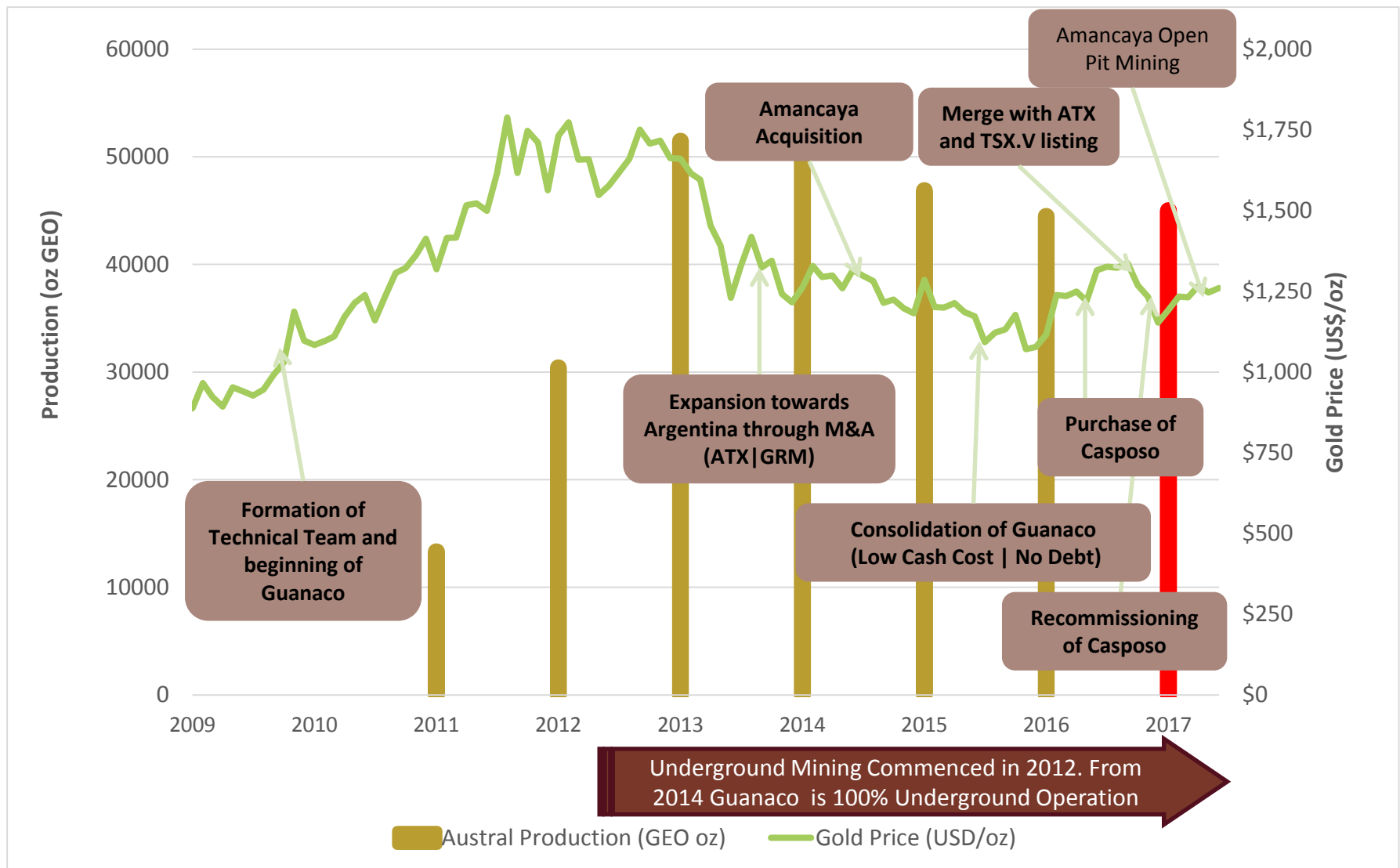
## Exploration Potential

- Significant brownfield opportunities at Guanaco and Casposo operations
- Vein field at Amancaya: covered 2.8km long vein discovered in trenching, with 2.5m @ 9.7 g/t Au most significant intercept
- Advanced Pingüino Silver-Gold-Lead-Zinc project in Santa Cruz
- Attractive Exploration portfolio in Chile and Argentina

\* : Austral is Operator and owns 70%, with Troy Resources 30%

\*Refer to slide #21 and #26 for Resource and Reserve Notes

# Our History: Production vs Gold Price





# Near-term Expectations



2017 Target: ~100K Au Eq  
(Guanaco + Amancaya + Casposo\*)

Full Operation of Agitation  
Leach Plant

Q3, 2017

Complete PFS for Amancaya +  
Guanaco

Q3 2017

Commence Open Pit Mining at  
Amancaya

Q2, 2017

Commence Commissioning of  
Agitation Leach Plant

Q1 2017

# Board of Directors



**Eduardo Elsztain**

**Non-Executive Director and Chairman:**

Mr Elsztain is Chairman of all the companies that IFISA controls. Mr Elsztain is a **member of the World Economic Forum, the Group of 50** and of Argentina's Association of Corporations (AEA).



**Wayne Hubert  
(Independent)**

Mr Hubert was the **Chief Executive Officer of ASX-listed Andean Resources Limited** and held executive roles for Meridian Gold. Currently he is a Director of InZinc Mining Limited [TSX].



**Ben Jarvis  
(independent)**

Mr Jarvis is the Managing Director and co-founder of Six Degrees Investor Relations, **an Australian advisory firm** that provides investor relations services to companies listed on the Australian Securities Exchange.



**Saul Zang**

He is a founding member of the law firm Zang, Bergel & Viñes. Mr Zang is an **adviser and Member of the Board of Directors of Buenos Aires Stock Exchange**



**Pablo Vergara de Carril**

Mr Vergara del Carril is a lawyer and is a professor of **Postgraduate Degrees for Capital Markets, Corporate Law and Business Law** at the Argentine Catholic University.



**Robert Trzebski  
(Independent)**

Dr Trzebski holds a **degree in Geology, PhD in Geophysics, Masters in Project Management** and has over 20 years of professional experience in mineral exploration. He is a Fellow of the AusIMM.

# Senior Management



## **Stabro Kasaneva: CEO, Executive Director**

- Prior to his role as CEO he was Chief Operating Officer of the Company since September 2009 and has led the Company from the re-start of the Guanaco mine in late 2010 .
- Prior to his work with Austral Gold, Stabro served as **Vice President of Operations at Andean Resources Ltd, General Manager of the El Peñon mine in Chile for Meridian Gold Inc.**, and worked for Compañía Minera Mantos De Oro, Inversiones Mineras Del Inca.
- He holds a degree in Geology from the Universidad Católica del Norte, Chile.



## **José Bordogna: CFO**

- Prior to joining Austral Gold, José worked for the International Finance Corporation and Deloitte & Touche in Latin America. He has over 10 years in experience in finance and accounting roles.
- He holds an Accounting degree from the Pontificia Universidad Católica Argentina, a Masters of Corporate Finance from the Universidad del CEMA, Argentina and a Masters of International Business from the University of Sydney, Australia.



## **Mike Brown: VP Corporate Development**

- Geologist with over 20 years experience in natural resources, including development, financing and capital raisings.
- Previously President & CEO of Argentex Mining. Has worked for Kinross Gold, Rio Tinto, Phelps Dodge and Homestake and has worked in Chile, Argentina, Indonesia and Australia.
- He has a BSc (Hons), BA and MBA and is a member of Australian Institute of GeoScientists (MAIG).



## **Dr Diego Guido: VP Exploration**

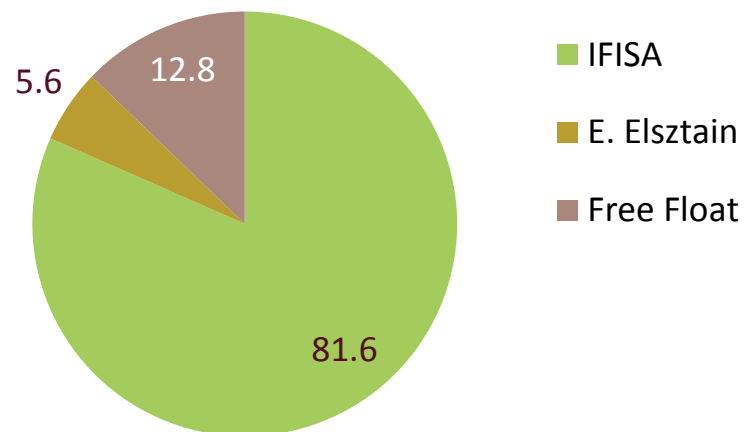
- Epithermal expert and has worked as an independent advisor to mining and exploration companies in Argentina since 2002.
- From 2006 to 2016 he was Chief Technical Advisor to Argentex Mining.
- He is Professor of Ore Deposits at La Plata University in Buenos Aires, a post he has held since 2009. Dr Guido supervises researchers, post-doctoral, PhD, masters and undergraduate students in Argentina and New Zealand universities and has published numerous scientific articles and technical reports.

**Strategy, Financial and Marketing Advisors: RedCloud Klondike Strike**

# Share Information

	\$CND	\$AU
<b>Exchanges:</b>	TSX-V	ASX
<b>Symbol</b>	AGLD	AGD
<b>Share Price: as at 15 August, 2017</b>	0.175	0.175
<b>Shares Outstanding</b>	519 m	519m
<b>Fully Diluted O/S</b>	519 m	519 m
<b>Market Capital</b>	88.2m	96.0m
<b>Cash (\$US) Mar 31, 2017</b>	4 m	
<b>Debt (\$US) Mar 31, 2017</b>	18.7 m	

## Current Share Ownership

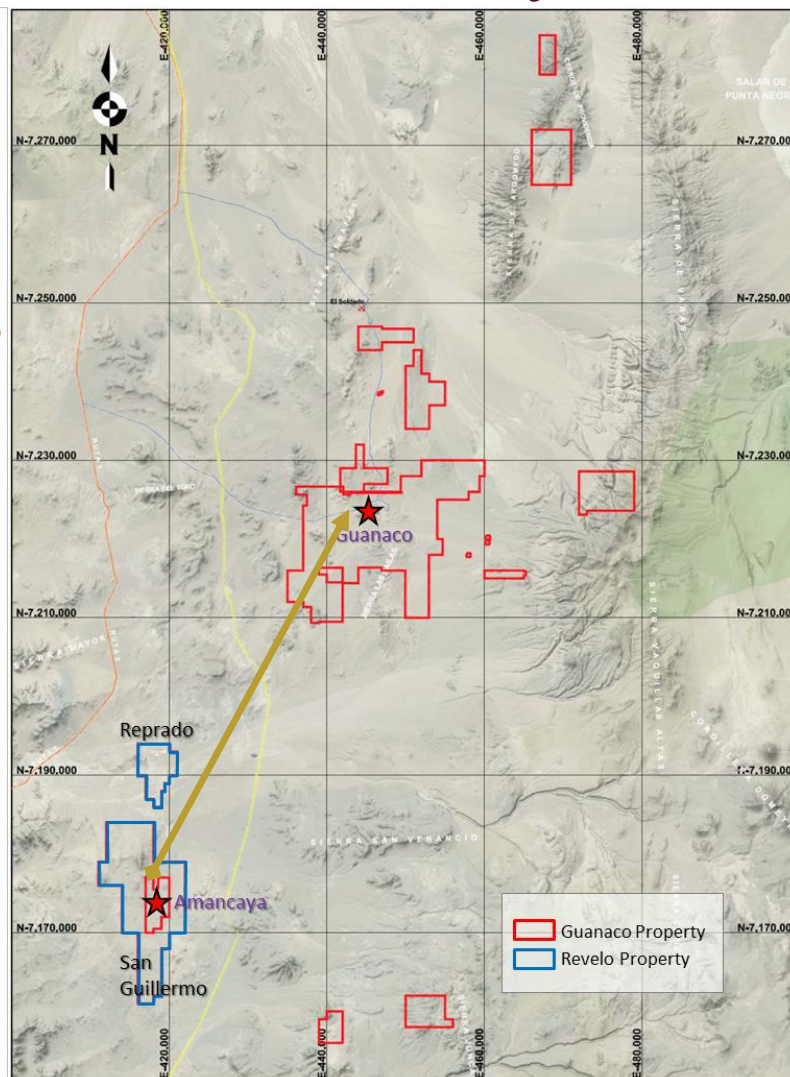
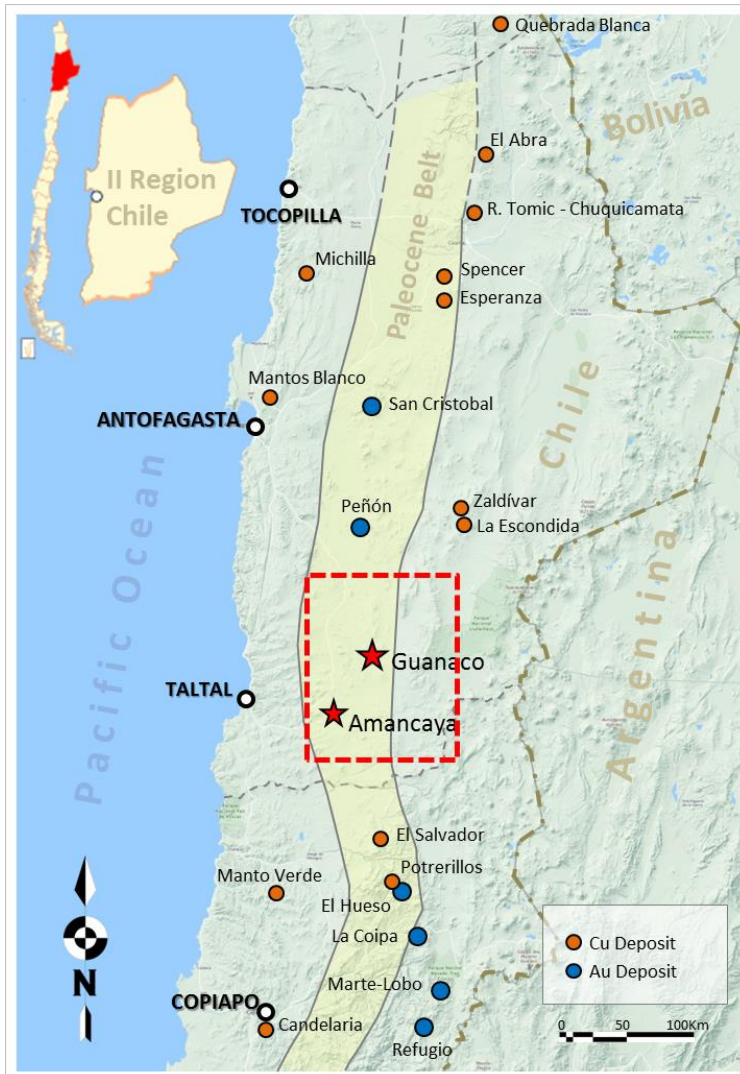


\* Debt is from equipment lease financing from local Chilean bank

**IFISA** is a private diversified holding company with investments in Agribusiness, Banking, Real Estate, Commercial Property and Mining in Latin America, focussed on Argentina. Most of these interests are represented by large public companies that trade on NYSE: such as **LND, IRS, APSA** and **NASDAQ: CRESY**. IFISA has assets in Latin America, US and Israel.

Eduardo Elsztain is Chairman, as well as Chairman of the listed companies.

# Guanaco District: Combined Operation of Guanaco and Amancaya

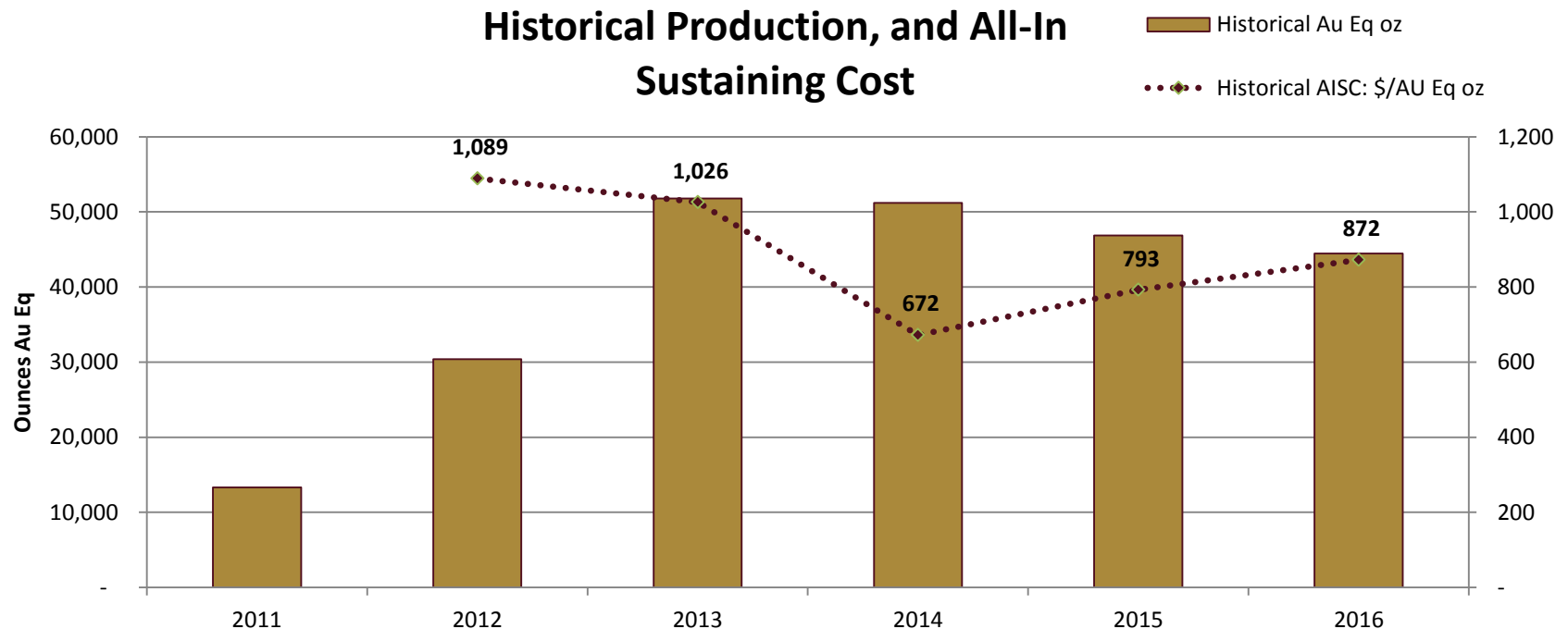


# Guanaco Mine: History

- Guanaco mine is located approximately 230km from the port city of Antofagasta, the major mining hub for northern Chile.
- It is a high sulphidation epithermal vein system of the Paleocene age, with gold mineralisation hosted in E-W structures, which have been historically mined from the 1800's.
- Guanaco open pit mine (AMAX) was closed in 1998 and purchased by Austral in 2003, and following formation of technical team it was refurbished and began open pit and heap leach operations in 2010.
- In late 2011 commenced underground operations
- From 2014 all mining was underground, as a Company owned and operated fleet.
- **In 2017 Austral commenced operating Guanaco underground mine and the Amancaya open pit as a combined operation. Upon full commissioning of new agitation leach, Merrill-Crowe plant at Guanaco the trucking of Amancaya ore 75km to the. Plant is expected to commence.**
- The nearest community is the coastal town Taltal, approximately 100km to the SW of Guanaco.
- Operations are at 2500-2700 masl, with access via the National PanAmerican highway and a 35km gravel road.
- The mine has 350 employees and 100 contractors.

# Guanaco Operations

- Company has historically mined inferred resources, which have contributed up to 95% of production to the plant historically. The company expects to continue to mine resources for 3 years.
- Guanaco cash flow has financed the Argentex and Goldrock private placements, Amancaya purchase, agitation leach plant construction at Guanaco and Casposo mine purchase and recommissioning.



Refer to Guanaco reserve estimate: slide #14. Refer to Guanaco Technical Report: on Company profile [www.sedar.com](http://www.sedar.com)

# Guanaco Plant Construction

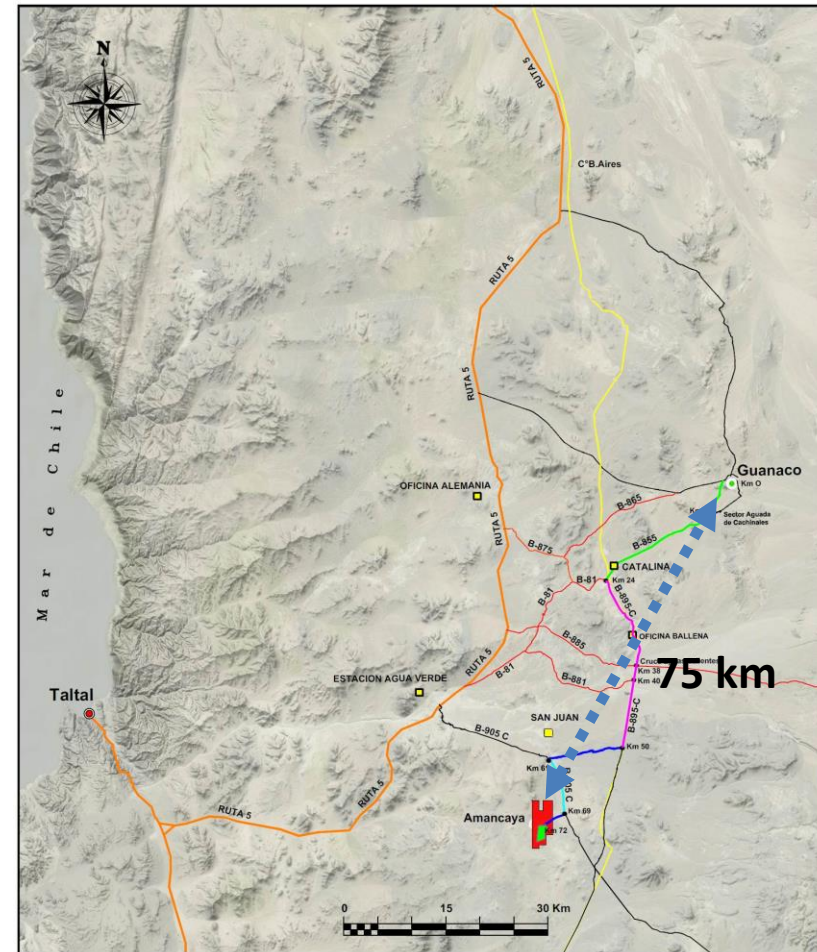


- New 1500 tpd agitation leach and Merrill-Crowe processing plant commenced commissioning tests in Q1 of 2017, and expected to commence full operation during Q3 2017.
- Expected gold recovery: 93%.
- Current recovery of 73% from the operating heap leach.
- Total cost approximately \$18.5m, funded from Guanaco cash flow and equipment lease financing.
- Ore from Guanaco underground and transported ore from Amancaya open pit is expected to be batched processed through the plant.



# Amancaya: New Open Pit Mine

- Open pit mining commenced in early 2017.
- Project purchased from Yamana Gold in 2014, who retain a 2% NSR.
- Mining on single Central Vein from surface expected to last up to 18 months, prior to commencing underground operations
- Mined ore is stockpiled and hauled 75km to the Guanaco plant for processing.
- The high grade gold and silver operation with minimal CAPEX



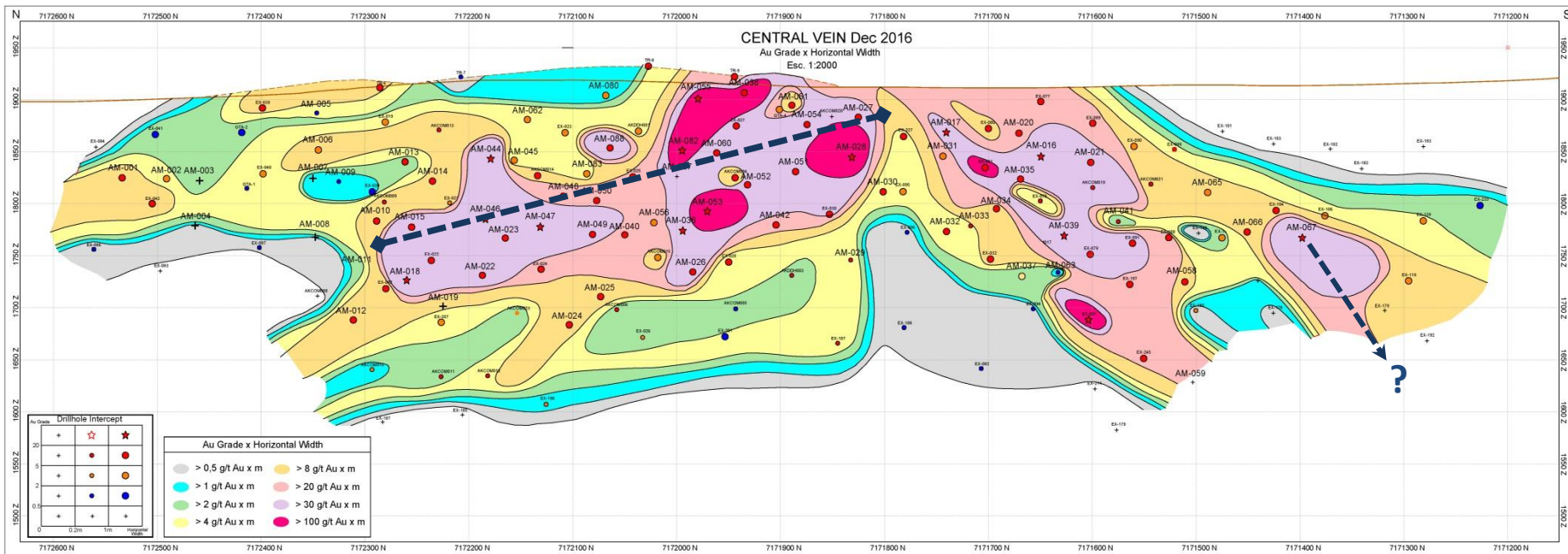
# Amancaya and Guanaco Combined PFS: Positive Economic Results

- RPA prepared an independent Technical Report on both the Guanaco Mine and Amancaya Project operating as a combined operation

## HIGHLIGHTS\*

- **After-Tax Net Present Value (NPV): \$US73.1m** at a 5.0% discount rate
  - **Mine life of 5 years**, based on Mineral Reserves
  - Metal prices: based on a ramp-up from current prices to reserve prices of \$US1,300/oz gold and \$US20/oz silver, based on consensus of independent forecasts
  - **All-In Sustaining Cost (“AISC”) of \$US892/oz gold**
  - Combined average annual production of 53,000 ozs Au, 370,000 ozs Ag.
  - **Metallurgical recovery** estimated to average **92% for gold, 80% for silver for the new processing plant**
  - Average operating cost over the mine life is **\$US111** per tonne milled.
  - Life of Mine (“**LOM**”) sustaining capital costs total **\$US66.4 million**, including reclamation and closure.
  - No additional CAPEX requirements for operation are envisaged, as all infrastructure plant and equipment has been fully funded as of end of December, 2016.
- 
- See “Guanaco and Amancaya Gold Project, Region II, Chile”, dated 16 June, 2017, with an effective date of 31<sup>st</sup> December 2016 and filed July 11, 2017 on SEDAR profile and ASX.

# Infill drilling: Central Vein- expansion of high grade mineralisation



- Significant new high grade shoot 500 m strike length and ~100 m vertical extent from surface
- New high grade intersect potentially the top of a new southerly dipping shoot.

# Combined Reserve and Resources

## Reserves, as of 31 December 2016

	Area	Category	Tonnage (kt)	Grades (g/t)			Contained Metal Ounces (oz)		
				Au	Ag	AuEq	Au	Ag	AuEq
<b>Combined</b>	<b>All</b>	Proven & Probable	<b>1,437.7</b>	<b>5.48</b>	<b>42.9</b>	<b>6.05</b>	<b>253,000</b>	<b>1,980,000</b>	<b>280,000</b>

Refer to Slide 21 for notes on the estimates on this slide..

## Resources, inclusive of Reserves, as of 31 December 2016

Location	Area	Category	Tonnes (kt)	Grades (g/t)			Ounces (koz)		
				Au	Ag	AuEq	Au	Ag	AuEq
<b>Combined</b>	<b>All</b>	Measured	641	3.02	12.9	3.2	62	266	65.8
		Indicated	2,356.7	5.17	36.1	5.7	392.4	2,738.4	428.4
		<b>Total M+I</b>	<b>2,997.7</b>	<b>4.71</b>	<b>31.2</b>	<b>5.1</b>	<b>454.4</b>	<b>3,004.4</b>	<b>494.2</b>
		Inferred	2,150	4.5	23	4.7	310	1,600	330

The information is extracted from the report entitled Technical Report on the Guanaco and Amancaya Gold Project, Region II, Chile., June 16, 2017 and is available to view on the company profile on [www.sedar.com](http://www.sedar.com). The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

# Reserves and Resources

- As of Dec 31 2016 (Guanaco and Amancaya Gold Project, Region II, Chile, Technical Report, June 16, 2017) Guanaco had the following Reserve:

Category	Area	Tonnage (t)	Grades (g/t)			Contained Metal Ounces (oz)		
			Au	Ag	AuEq	Au	Ag	AuEq
Total Proven	All	189,613	3.41	4.1	3.46	20,774	24,813	21,106
Total Probable	All	300,022	2.73	3.4	2.78	26,365	32,503	26,801
<b>Total Reserves</b>	<b>All</b>	<b>489,635</b>	<b>2.99</b>	<b>3.6</b>	<b>3.04</b>	<b>47,139</b>	<b>57,316</b>	<b>47,907</b>

Category	Tonnes (kt)	Grades (g/t)			Ounces (koz)		
		Au	Ag	AuEq	Au	Ag	AuEq
Measured	641	3.02	12.9	3.19	62	266	65.8
Indicated	1,552	2.86	13.0	3.03	143	650	151
<b>Total M+I</b>	<b>2,193</b>	<b>2.90</b>	<b>13.0</b>	<b>3.08</b>	<b>205</b>	<b>916</b>	<b>217</b>
<b>Inferred</b>	<b>1,200</b>	<b>2.6</b>	<b>12.9</b>	<b>2.8</b>	<b>100</b>	<b>500</b>	<b>110</b>

Source: Guanaco and Amancaya Gold Project, Region II, Chile., June 16, 2017. Mineral Resources are inclusive of Reserves. Mineral Resources that are not Ore Reserves do not have any demonstrated economic viability. Mineral Resource and Reserve estimates were prepared by Jason Cox, P.Eng, Ian Weir, P.Eng, and Chester Moore,, P.Eng. senior engineers with RPA and they are the Competent persons for this estimate. Mineral Reserves followed CIM definitions and are compliant with the JORC code. Mineral Reserves are estimated at a break-even cut-off grade of 2.0 g/t AuEq for stopes and an incremental cut-off grade of 1.0 g/t AuEq for drifts. Mineral Reserves are estimated using an average long-term gold price of US\$1,300 per ounce and silver price of US\$20 per ounce. Gold Equivalents (AuEq) were calculated as  $AuEq = Au + 0.0134 \times Ag$ , based on a Au and Ag price of \$1,300/oz and \$20/oz and recoveries of Au and Ag of 92% and 80%, respectively. A minimum mining width of 1.5 m was used for stopes and 3.5 m for drifts. Stope dilution: 0.5 m in the hanging wall and 0.5 m in the footwall (1.0 m total). Drift dilution: 0.25 m in each of the side walls (0.5 m total). Bulk density is 2.5 t/m<sup>3</sup>. Numbers may not add due to rounding.

Resources: Mineral Resources followed CIM definitions and are compliant with the JORC code. Mineral Resources are reported exclusive of Mineral Reserves and do not include dilution. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. Mineral Resources are reported at a 1.5 g/t AuEq cut-off grade where  $AuEq = Au + (0.0134 \times Ag)$ . Mineral Resources are estimated using a long-term gold price of US\$1,300 per ounce, and a silver price of US\$20 per ounce. Gold Equivalents (AuEq) were calculated as  $AuEq = Au + 0.0134 \times Ag$ , based on a Au and Ag price of \$1,300/oz and \$20/oz and recoveries of Au and Ag of 92% and 80%, respectively. A minimum mining width of 1.5 m was not used for the estimation of the Mineral Resource. Bulk density is 2.50 t/m<sup>3</sup>. Numbers may not add due to rounding.

# Reserves and Resources: Amancaya

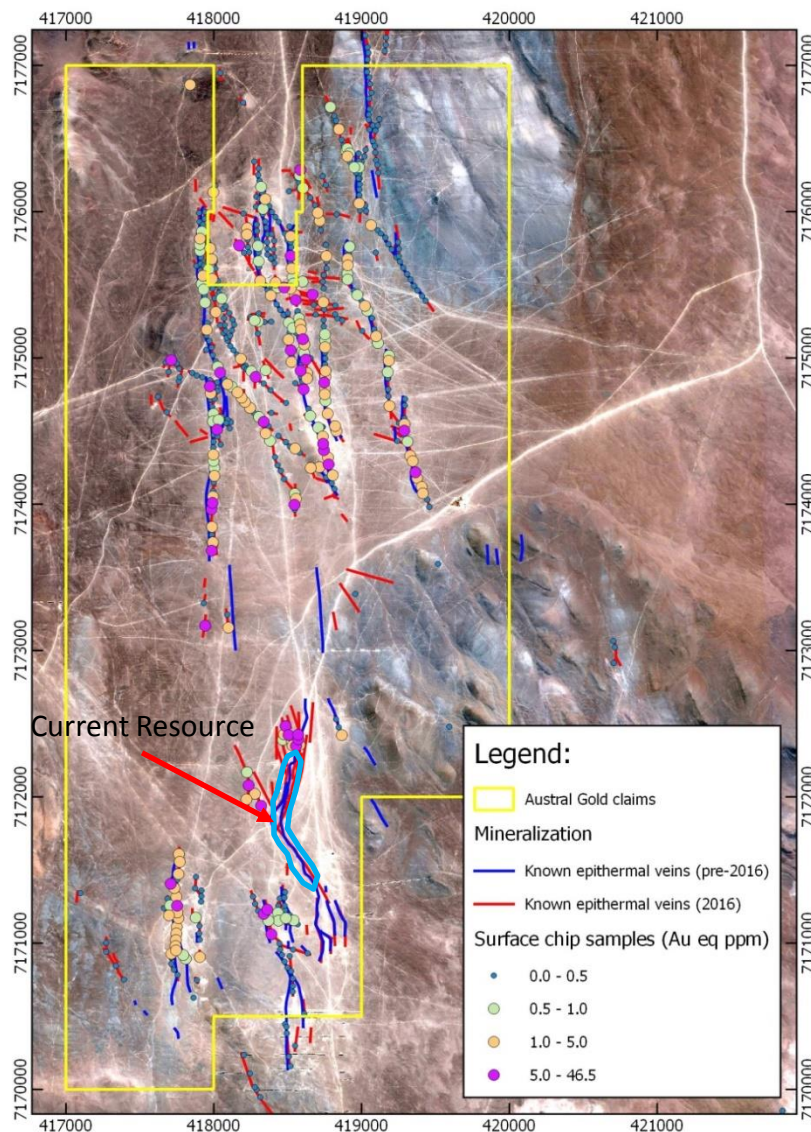
Reserves: as of Dec 31, 2016		Tonnage (kt)	Grades (g/t)			Contained Metal Ounces (oz)		
Area	Category		Au	Ag	AuEq	Au	Ag	AuEq
Underground	Proven & Probable	693.5	6.48	42.5	7.05	144,396	946,681	157,081
Open Pit	Probable	254.6	7.56	119.5	9.16	61,887	978,062	74,993
<b>All</b>	<b>Proven &amp; Probable</b>	<b>948.1</b>	<b>6.77</b>	<b>63.2</b>	<b>7.61</b>	<b>206,283</b>	<b>1,924,742</b>	<b>232,074</b>

Mineral Resources: as of Dec 31, 2016		Tonnes (kt)	Grades (g/t)			Ounces (koz)		
			Au	Ag	AuEq	Au	Ag	AuEq
Open Pit	Indicated	171.5	11.24	177.5	13.61	62.0	978.9	75.1
	Inferred	60	7.57	110.0	9.04	15	210	20
Underground	Indicated	633.2	9.21	54.5	9.94	187.4	1,109.5	202.3
	Inferred	900	6.7	31.4	7.2	195	910	210
<b>Total</b>	<b>Indicated</b>	<b>804.7</b>	<b>9.64</b>	<b>80.7</b>	<b>10.72</b>	<b>249.4</b>	<b>2,088.4</b>	<b>277.4</b>
	<b>Inferred</b>	<b>960</b>	<b>6.8</b>	<b>36.1</b>	<b>7.3</b>	<b>210</b>	<b>1,110</b>	<b>220</b>

Refer to Slide 17 for notes on the above estimates.

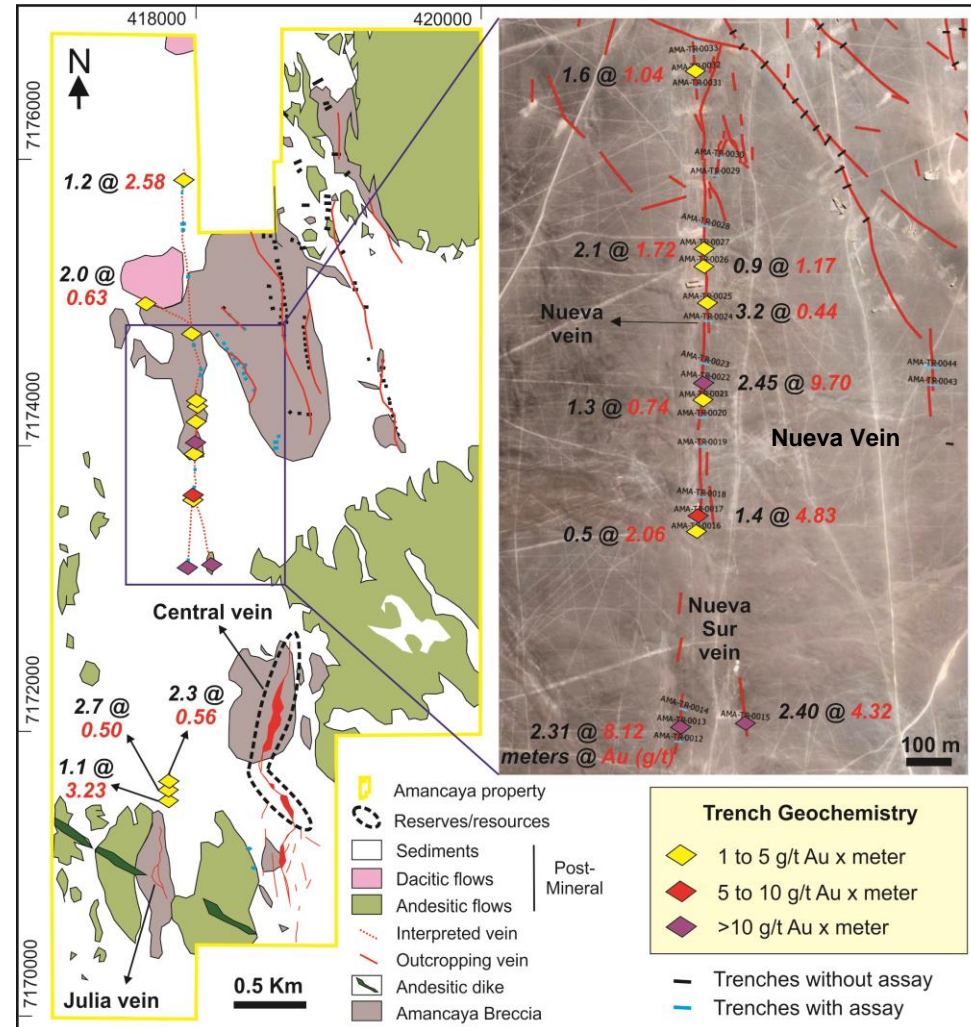
# Amancaya: Emerging Vein Field

- Grab samples from float quartz vein sampling have identified linear features with anomalous gold geochemistry. Preliminary geophysical linear anomalies in general coincide with the float trains observed in the colluvial covered areas, and are seen to underlie the lava flows.
- Strike length of veins known and inferred has increased to 42km from 20km prior to exploration commencing.
- Trenches have been dug in anomalous areas and are pending mapping and sampling
- Amancaya and San Guillermo tenements are a priority for exploration in 2017 for the company.



# Amancaya Exploration: New Vein Discovery

- Results from first 44 trenches sampled have returned encouraging results.
- A new 2.8 km long vein (Nueva Vein) sampled with anomalous to high grade gold intersections in trenching.
- 2.5 metres at 9.70 g/t gold highest trenching interval.
- Nueva Vein is mostly covered by shallow gravels and is just one km from open pit mining operations at Amancaya
- Results from remaining 92 trenches are pending
- Expecting to commence exploration drill planning upon receipt of all results.







# Casposo Underground Silver and Gold Mine



- Troy Resources commenced open pit mining at Casposo in 2010, with processing by way of milling, agitation cyanide leaching and a Merrill-Crowe circuit to first produce doré in November 2010.
- Austral is Operator, with 70% ownership, and an option to purchase additional interest in stages up to 100% for payments totaling \$5 million, subject to silver price adjustments.
- Through expertise in mining underground narrow precious metal veins and a focus on costs Austral is expecting to improve performance of mine.
  - Reduce Dilution
  - Improve plant efficiency

# Casposo Resource and Reserve Estimate

- As of June 30<sup>th</sup> 2016 the resource and reserve estimate is:

	Tonnes (000)	Grades (g/t)		Contained Metal (000 oz)	
		Ag	Au	Ag	Au
Proven	115,000	170	1.76	630	6.5
Probable	857,000	240	2.63	6,602	72.5
<b>Total Reserves</b>	<b>972,000</b>	<b>231</b>	<b>2.53</b>	<b>7,232</b>	<b>79.0</b>

CIM and JORC definitions were followed for Mineral Reserves. Mineral Reserves are estimated using an average long-term silver price of US\$15 per ounce and gold price of US\$1,200 per ounce. Mineral Reserves are estimated at a cut-off grade of 2.8 g/t Au Eq. Development was evaluated at an incremental cut-off grade of 1.3 g/t Au Eq. Gold equivalents (Au Eq) are calculated using a factor of 1 g Au = 81 g Ag, based on metal prices, and metallurgical recoveries (92% for gold, 87% for silver). A minimum mining width of 2 m was used. Bulk density is 2.6 t/m<sup>3</sup>. Numbers may not add due to rounding.

	Tonnes (000)	Grades (g/t)		Contained Metal (000 oz)	
		Ag	Au	Ag	Au
Measured	178	255	2.69	1,460	15.4
Indicated	1,237	235	3.04	9,352	121.1
<b>Total M &amp; I</b>	<b>1,415</b>	<b>238</b>	<b>3.0</b>	<b>10,811</b>	<b>136.5</b>
<b>Inferred</b>	<b>1,090</b>	<b>140</b>	<b>5.0</b>	<b>5,040</b>	<b>176</b>

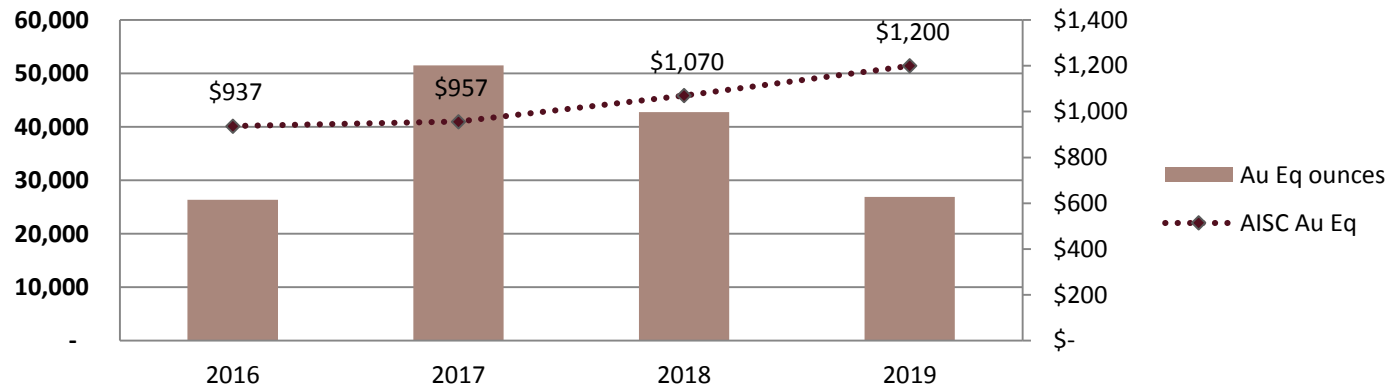
CIM and JORC definitions were followed for Mineral Resources. Mineral Resources are estimated using an average long-term silver price of US\$15 per ounce, and a gold price of US\$1,200 per ounce. Mineral Resources are estimated at a cut-off grade of 2 g/t AuEq. Gold equivalents (AuEq) are calculated using a factor of 1 g Au = 81 g Ag, based on metal prices, and metallurgical recoveries (92% for gold, 87% for silver). A minimum wireframe width of 0.5 m was used. Bulk density is 2.6 t/m<sup>3</sup>. Mineral Resources are inclusive of Mineral Reserves. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. Numbers may not add due to rounding.

*The information is extracted from the report entitled Technical Report on the Casposo Gold and Silver Project, Argentina created on 7 Sept. 2016 and is available to view on the company profile on [www.sedar.com](http://www.sedar.com). The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.*

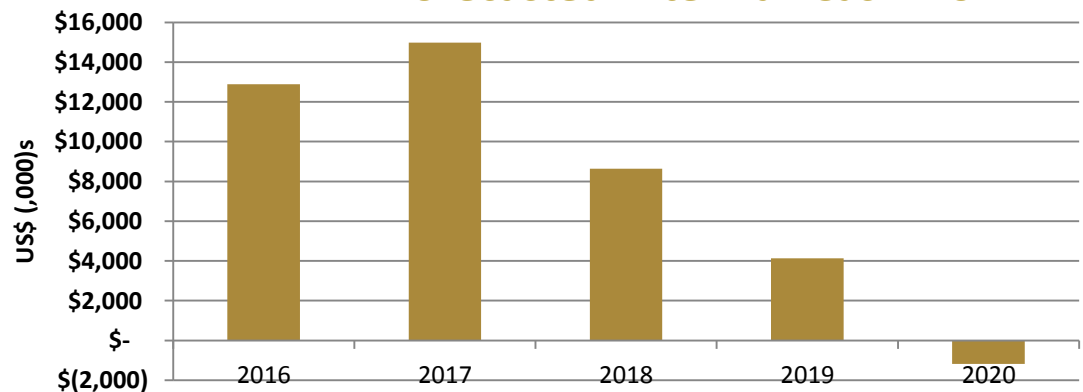
# Casposo LOM Plan

- Pre-Tax NPV of \$53 million, After-Tax NPV \$37 million Average gold production of 21,000 ounces of gold and 1.7 million ounces of silver per year;
- All-In Sustaining Cost of \$1,038/oz gold equivalent.
- Metallurgical recovery based on operating data averaging 91% for gold, 83% for silver

## Forecasted Au Eq production and AISC



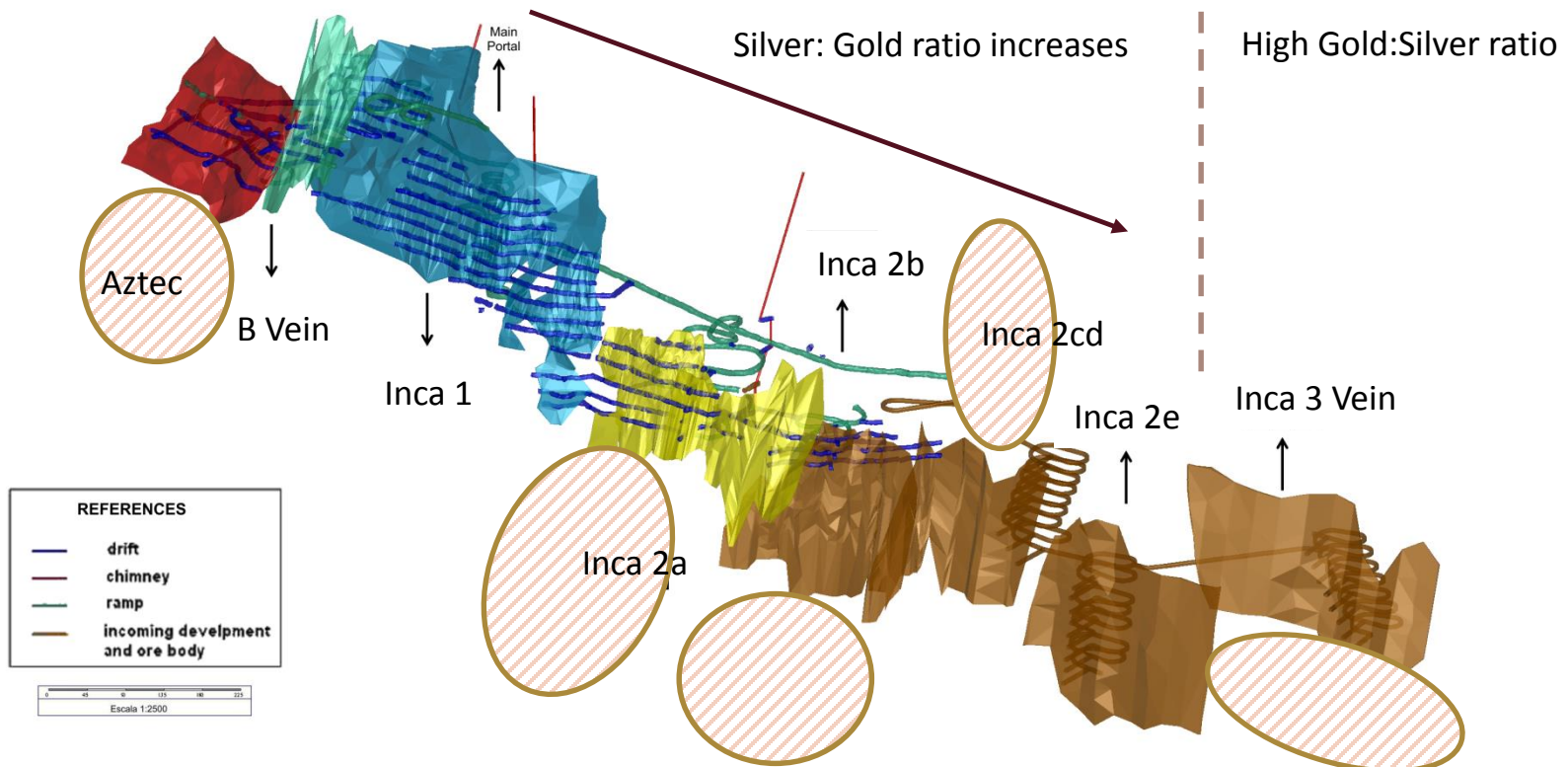
## Forecasted After-Tax Cash Flow



Source: Technical Report on Casposo Gold-Silver Mine, Calingasta, San Juan, Argentina. Date 7 September, 2016. Results do not differ from those released on 27 Sept. 2016 (see Company website: [www.australgold.com.au](http://www.australgold.com.au))

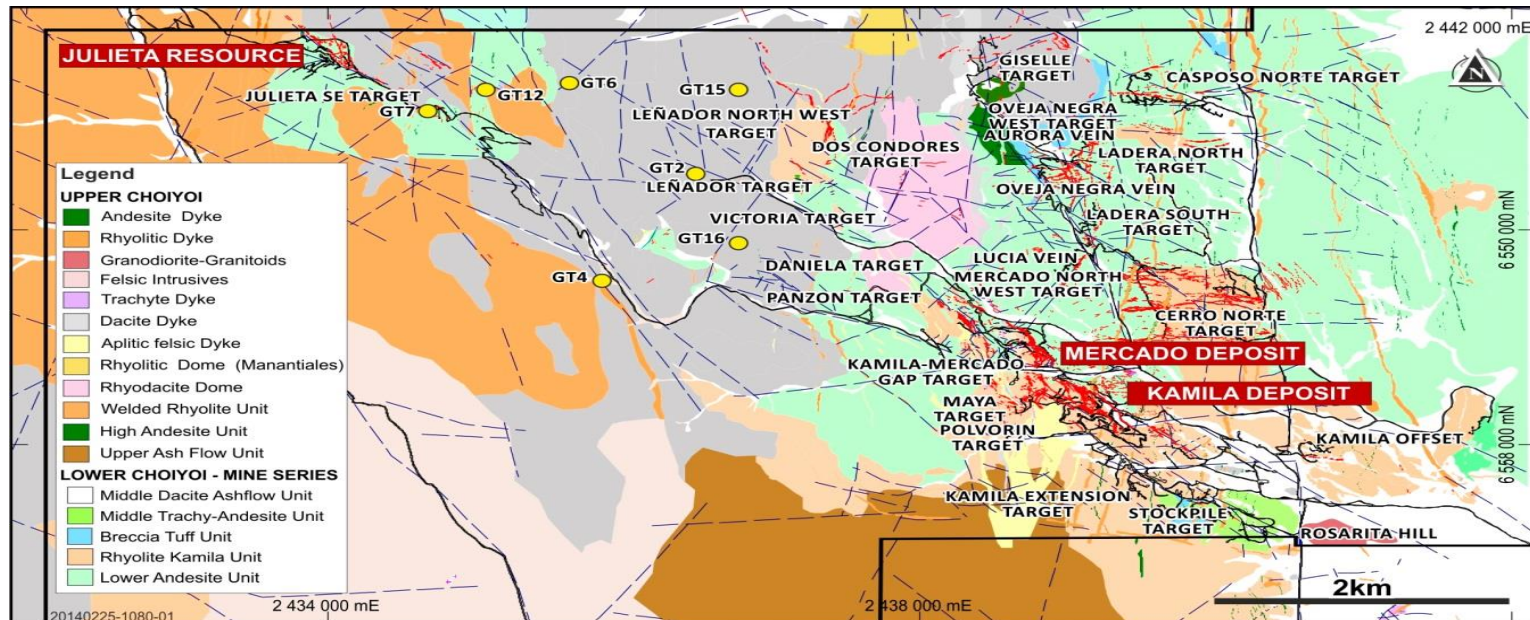
# Casposo Underground Resource

- The existing resource has considerable reserves utilizing a narrower minimum mining width (2m), with many areas already having development in place.
- There is significant potential for expansion of resource through brownfield resource drilling in open areas.
- Inca 3 has a high gold-silver ratio, possibly representing a new system, with potential extensions along same SE orientation



# Future Growth

- Potential Increase of free cash flow through operational growth;
- Exploration Growth;
  - **Amancaya + satellite deposits:** Exploration began in 2016
  - **Casposo:** Exploration planned for 2017
  - **Guanaco brownfield:** Commence exploration in late 2017
- Advance pipeline projects in prolific jurisdictions; Pingüino, Santa Cruz, Argentina
- Execute on strategy via exploration and M&A activities focussed on minimising \$/oz cost through technical excellence.

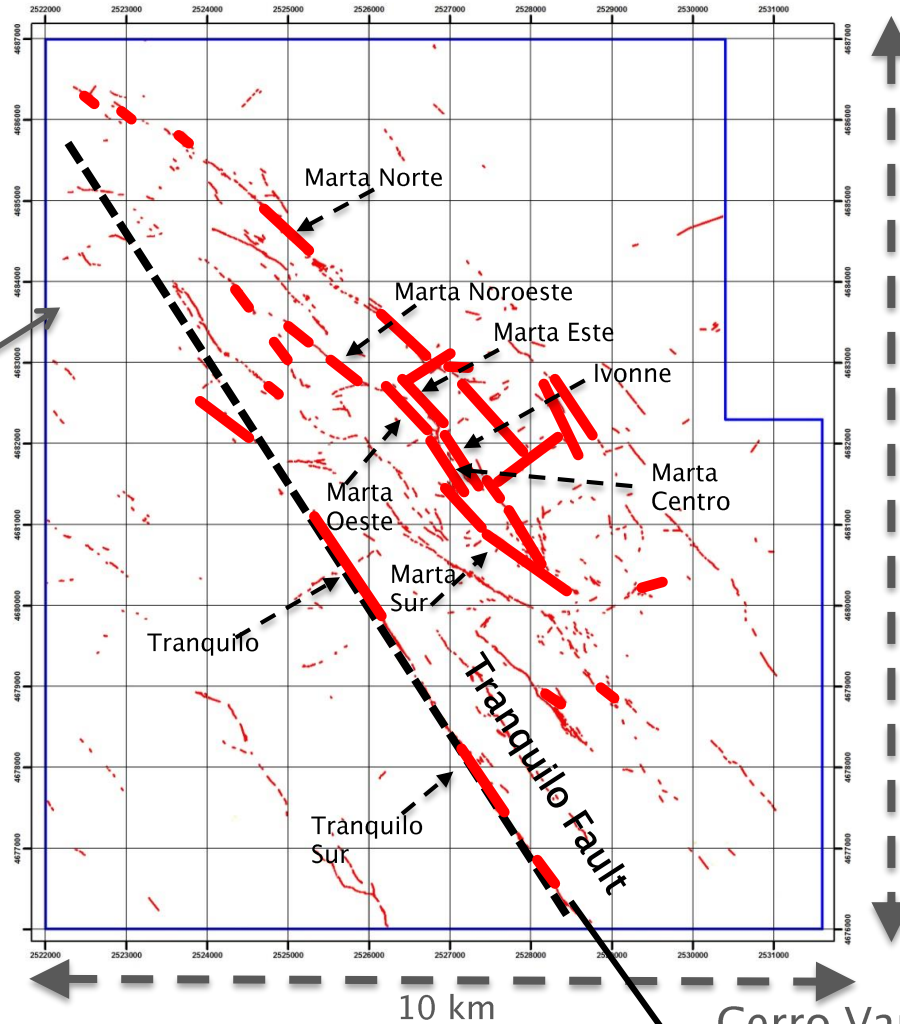


# Pingüino, Santa Cruz, Argentina

- The Silver-Zinc-Gold-Lead-Indium Pingüino project is an advanced stage development project in Santa Cruz, Argentina
- In the last 15 years 6 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 35 kms NW along same controlling structure as Pingüino deposit (225km strike length of veins vs 115 km strike length of veins).
- The project has year round access, is close to major infrastructure, has no near-by communities and more than 70% of surface land is owned by the Company.
- The project has a 43-101 resource estimate, although this was dated effective in August 2014, and is not JORC2012 compliant, so is not currently considered to represent a current resource.

# Pingüino: Silver-Gold-Lead-Zinc Project

Large Vein System:  
12 km long  
X 5 km wide



— 70+ veins identified to date  
**—** 37 veins drill tested to date  
*(some veins overlap on graphic)*

11 km

10 km

Cerro Vanguardia is hosted along same fault system, 35 km to the south

## Upcoming News and Developments

- Full Commissioning of leach agitation plant at Guanaco
- Greenfield exploration at Amancaya
- M&A activities



## **Austral Gold represents a compelling story:**

- Experienced Technical team with proven epithermal track record (El Peñon, Guanaco, Pingüino, Amancaya, Casposo) able to leverage underground vein experience
- Owners and operators of low cost mines in Chile and Argentina with significant potential growth, and self supporting cash flow
- Exceptional networking in Chile and Argentina and a deep knowledge of the industry in both countries.

# Thank You

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