Austral Gold Updates Mineral Reserve and Resource Estimates in Chile

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Sydney, March 28, 2022 - Austral Gold Ltd. (ASX: AGD) (TSXV: AGLD) ("Austral" or the "Company")is pleased to announce the positive results of updated Mineral Reserve and Mineral Resource Estimates prepared by SLR Consulting (Canada) Ltd. ("SLR") in accordance with CIM Definitions 2014, National Instrument 43-101 ("NI 43-101") and Joint Ore Reserves Committee Code, 2012 (JORC 2012) for the Company's 100% owned Guanaco-Amancaya Operation in Chile. The Guanaco-Amancaya Operation consists of the Guanaco Mine (Guanaco) and Inesperada satellite deposit (Inesperada), the Amancaya Mine (Amancaya), and the Guanaco heap leach pads (Heap Reprocessing project). The updated Mineral Reserve and Mineral Resource estimates will be supported by a technical report prepared in accordance with NI 43-101 that will be filed on SEDAR (www.sedar.com) within 45 days of this news release (the "Technical Report").

Highlights:

- Proven and Probable Mineral Reserves for the Guanaco-Amancaya Operation are estimated to be 12.1 Mt grading 0.84 g/t Au and 4.89 g/t Ag and containing 0.326 million ounces (Moz) Au and 1.91 M oz Ag. The Heap Reprocessing material provides the majority of the increase from previous estimates.
- Measured and Indicated Mineral Resources for the Guanaco-Amancaya Operation are estimated to be 14.9 million tonnes (Mt) grading 1.03 g/t Au and 5.89 g/t Ag
- Inferred Mineral Resources are estimated to be approximately 2.4 Mt grading 1.18 g/t Au and 3.93 g/t Ag
- After-Tax Net Present Value (NPV) at 6.89% discount rate is US$77.0 million
- Undiscounted pre-tax free cash flows of US$132.7 million (post tax US$102.6 million)
- All-in Sustaining Cost (AISC): US$1,050/oz Au
- The mine life is 12 years, based on Mineral Reserves.
- Combined estimated annual average production of 17,400 ounces recovered for gold and 52,800 ounces recovered for silver
- Mine life capital totals US$20.9 million, consisting of installation of a new crusher and heap leach pad for heap reprocessing, capitalized waste stripping, and closure costs (offset by salvage value).
- Average operating cost over the mine life is $17.51 per tonne milled.
- Metallurgical recovery averages 60.4% for gold and 31.7% for silver over the LOM (the average is highly influenced by the Heap Reprocessing material, higher-grade feed has higher recoveries).
- Metal prices: Life of Mine ("LOM") average of US$1,686/oz gold and US$22.88/oz silver, based on consensus of independent forecasts for annual prices.

*See tables below for assumptions used in the estimates.

Chief Executive Officer of Austral, Stabro Kasaneva, commented, "We are excited at the prospect of continuing to increase shareholder value by extending the mine life of Guanaco-Amancaya. The Heap Reprocessing project is expected to utilize excess processing capacity to provide a solid long-term basis for mine operations, covering costs and providing a return at current financial inputs. Opportunities for higher-grade ore sources from exploration or acquisition could be easily integrated into the Life of Mine plan, and would benefit from lower unit costs."

The updated estimates are based on Company infill drilling and exploration activities since the December 31, 2016 Technical Report filed on SEDAR, as well as metallurgical testwork and engineering studies on the Heap Reprocessing project.

Mining at Guanaco was discontinued in February 2020. Amancaya is currently in production, while Guanaco Heap Reprocessing and Inesperada are new projects that are anticipated to commence operations in 2023. Amancaya's Mineral Reserves are expected to be exhausted in 2023 when Inesperada commences production. It is anticipated that the Inesperada open pit Mineral Reserves will be exhausted by the end of

2025. Reprocessing of the heaps is scheduled to commence in 2023 and continue through to the end of mine life in 2033. Heaps I, II, and III are expected to be reprocessed in reverse order of their numbering, beginning with Heap III, continuing with Heap II, and finishing with Heap I. Approximately 15% of the Mineral Reserve contained ounces comes from Amancaya, 68% from Heaps Reprocessing, and 17% from Inesperada.

Summary of Mineral Resources - December 31, 2021
Austral Gold Ltd.- Guanaco-Amancaya Operation

Classification	Tonnes (000) / Grade (g/t Au) / Grade (g/t Ag) / Contained Metal (000 oz Au)	(000 oz Ag)
Guanaco		
Underground		
Measured	[illegible]	236.6
Indicated	[illegible]	492.9
M + I	[illegible]	729.5
Inferred	[illegible]	50.4
Amancaya		
Underground		
Measured	[illegible]	26.4
Indicated	[illegible]	127.9
M+I	[illegible]	154.3
Inferred	[illegible]	21.5
Amancaya Julia and Cerro Amarillo Projects		
Underground		
Measured	-	-
Indicated	[illegible]	21.9
M+I	[illegible]	21.9
Inferred	[illegible]	38.0
Inesperada		
Open Pit		
Measured	-	-
Indicated	[illegible]	778.0
M+I	[illegible]	778.0
Inferred	[illegible]	29.5
Heap Leach Pads		
Measured	[illegible]	1,139.1
Indicated	-	-
M+I	[illegible]	1,139.1
Inferred	[illegible]	161.8
Total Measured	[illegible]	1,402.1
Total Indicated	[illegible]	1,420.7
Total M+I	[illegible]	2,822.8
Total Inferred	[illegible]	301.3

Notes:

1. Mineral Resources followed CIM (2014) definitions and are compliant with the JORC Code.
2. Mineral Resources are reported on a 100% ownership basis.
3. Mineral Resources are inclusive of Mineral Reserves.
4. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.
5. Mineral Resources are estimated at the following cut-off grades:
    1. Amancaya and Guanaco underground Mineral Resources: 2.90 g/t AuEq and 1.50 g/t AuEq, respectively.
    2. Inesperada open pit Mineral Resources: 0.38 g/t Au.
    3. Heap Leach Pads Mineral Resources: zero cut-off grade - the entire volume is included.
6. Mineral Resources at Guanaco and Amancaya are estimated using a long-term gold price of US$1,750/oz and a silver price of US$22/oz. Mineral Resources at Inesperada and Heap Leach Pads are estimated using a long-term gold price of US$1,750/oz.

7. Gold equivalency (AuEq) was calculated as follows:
    1. Guanaco: AuEq = Au + 0.0106 x Ag based on a gold and silver price of $1,750/oz and $22/oz respectively and recoveries of gold and silver of 95% and 80%, respectively.
    2. Amancaya: AuEq = Au + 0.0107 x Ag based on a gold and silver price of $1,750/oz and $22/oz respectively and recoveries of gold and silver of 93% and 79%, respectively.
8. Metallurgical recoveries are 93% for gold and 79% for silver for Amancaya, 95% for gold and 80% for silver for Guanaco, 80% for gold for Inesperada, and 54%, 70%, and 46% for gold for Heaps I, II, and II, respectively.
9. A minimum mining width of 1.5 m is used for resource underground shapes for the Amancaya and Guanaco mines.
10. Bulk densities are 2.5 t/m^3 for Amancaya and Guanaco, 2.44 t/m^3 for Inesperada, and 1.77 t/m^3 for Heap I, 1.50 t/m^3 for Heap II, and 1.70 t/m^3 for Heap III, respectively.
11. Numbers may not add due to rounding.

Guanaco-Amancaya Operation Mineral Reserves - December 31, 2021
Austral Gold Ltd.- Guanaco-Amancaya Operation

Category	Tonnes	Grades		Contained Metal	
	(000 t)	(g/t Au)	(g/t Ag)	(000 oz Au)	(000 oz Ag)
Underground (Amancaya)					
Proven	47	5.74	11.51	9	17
Probable	251	5.01	12.95	40	105
Subtotal Underground	298	5.13	12.72	49	122
Open Pit (Inesperada)					
Proven	-	-	-	-	-
Probable	1,607	1.05	14.39	54	744
Subtotal Open Pit	1,607	1.05	14.39	54	744
Guanaco Heap Leach Pads					
Proven	10,240	0.68	3.17	223	1,043
Probable	-	-	-	-	-
Subtotal Heap Leach Pads	10,240	0.68	3.17	223	1,043
Total					
Proven Total	10,287	0.70	3.21	232	1,060
Probable Total	1,859	1.58	14.2	95	848
Total Proven + Probable	12,146	0.84	4.89	326	1,909

Notes:

1. Mineral Reserves follow CIM (2014) definitions and are compliant with the JORC Code.
2. Mineral Reserves are reported on a 100% ownership basis and estimated at the following cut-off grades:
    1. Amancaya: break-even cut-off grade of 3.04 g/t AuEq, and marginal cut-off grades of 2.37 g/t AuEq and 1.37 g/t AuEq for SLS stopes and drifts respectively.
    2. Inesperada - pit discard cut-off grade of 0.40 g/t Au.
    3. Heap Leach Pads - Marginal cut-off grades for Heap Reprocessing have been estimated as 0.20 g/t Au and 0.15 g/t Au for Heaps I and Heap II respectively, and at zero cut-off for Heaps III.
3. Mineral Reserves are estimated using an average long term gold price of US$1,700/oz and silver price of US$22/oz.
4. Amancaya AuEq was calculated as AuEq = Au + 0.0110 x Ag, based on prices of US$1,700/oz Au and US$22/oz Ag and recoveries of Au and Ag of 93% and 79%, respectively.
5. The following parameters were used for the Amancaya Mineral Reserve estimate:
    1. A minimum mining width of 1.5 m was used for SLS stopes and 3.5 m for drifts.
    2. Stope dilution: 0.5 m in the hanging wall and 0.5 m in the footwall (1.0 m total).
    3. Drift dilution: 0.25 m in each of the side walls (0.5 m total).
6. Metallurgical recovery is 93% for gold and 79% for silver.
7. Bulk density is 2.5 t/m^3.
8. The following parameters were used for the Inesperada Mineral Reserve estimate:
    1. Dilution and mining recovery factors of 0% and 100% respectively were applied.
    2. Metallurgical recovery is 80% for gold.
    3. Bulk density is 2.44 t/m^3.

9. The following parameters were used for the Mineral Reserve estimate for the Guanaco Heaps:
    1. Heap Leach Pad I: maximum of 5% dilution. The average dilution over the LOM is 3.5%. Dilution grades are 0.18 g/t Au and 1.50 g/t Ag.
    2. Heap Leach Pad II: maximum of 5% dilution. The average dilution over the LOM is 2.5%. Dilution grades are 0.13 g/t Au and 1.40 g/t Ag.
    3. Heap Leach Pad III: All internal dilution within the heap limits was included.
10. Metallurgical recoveries for Heaps I, II, and II are 54%, 70%, and 46% for gold respectively.
11. Bulk density is 1.77 t/m^3 for Heap I, 1.50 t/m^3 for Heap II, and 1.70 t/m^3 for Heap III.
12. Numbers may not add due to rounding.

There are no known legal, political, environmental, or other risks that could materially affect the potential development of the mineral resources or mineral reserves.

TECHNICAL CONTENT AND QUALIFIED PERSONS

The Technical Report for the Guanaco-Amancaya Operation referenced in this news release was prepared under the supervision of the following persons, each an Independent "Qualified Person" as defined by NI 43-101:

- Orlando Rojas, MAIG, SLR Associate Principal Geologist,
- Rodrigo Barra, MAIG, SLR Associate Principal Geologist,
- Stephan R. Blaho, MBA, P.Eng., SLR Principal Mining Engineer,
- Varun Bhundhoo, ing., SLR Project Mining Engineer,
- Andrew P. Hampton, M.Sc., P.Eng., SLR Principal Metallurgist, and
- Luis Vasquez, M.Sc., P.Eng, SLR Senior Environmental Consultant and Hydrotechnical Engineer

The technical content of this news release has also been reviewed and approved by the above Qualified Persons.

The Technical Report to support the updated Mineral Reserve and Mineral Resource estimates for the Guanaco-Amancaya Operation, prepared in accordance with NI 43-101, will be filed on SEDAR (www.sedar.com) within 45 days of this news release.

About Austral Gold

Austral Gold Ltd. is a growing gold and silver mining, development and exploration company whose strategy is to expand the life of its cash generating assets in Chile, restart its Casposo mine in Argentina and build a portfolio of quality assets in Chile, the USA and Argentina organically through a Tier 1 or 2 exploration strategy and via acquisitions and strategic partnerships. Austral owns a 100% interest in the Guanaco/Amancaya mine in Chile and the Casposo Mine (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 non-controlling interest in Pampa Metals and a 100% interest in the Pingüino project in Santa Cruz, Argentina. Austral Gold Ltd. is listed on the TSX Venture Exchange (TSXV: 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:

David Hwang
Company Secretary
Austral Gold Ltd.

info@australgold.com
+61 (2) 9698 5414

Ben Jarvis
Director
Austral Gold Ltd.
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 intention to file the Technical Report within 45 days of the news release; the expectation of increased shareholder value from the extension of mine life; the expectation that the Heap Reprocessing project is expected to utilize excess processing capacity for stated benefits; and that stated opportunities can be integrated into the Life of Mine plan that would benefit from lower unit costs.

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, 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.

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