

ANNUAL REPORT

30 JUNE 2017



All figures reported in USD

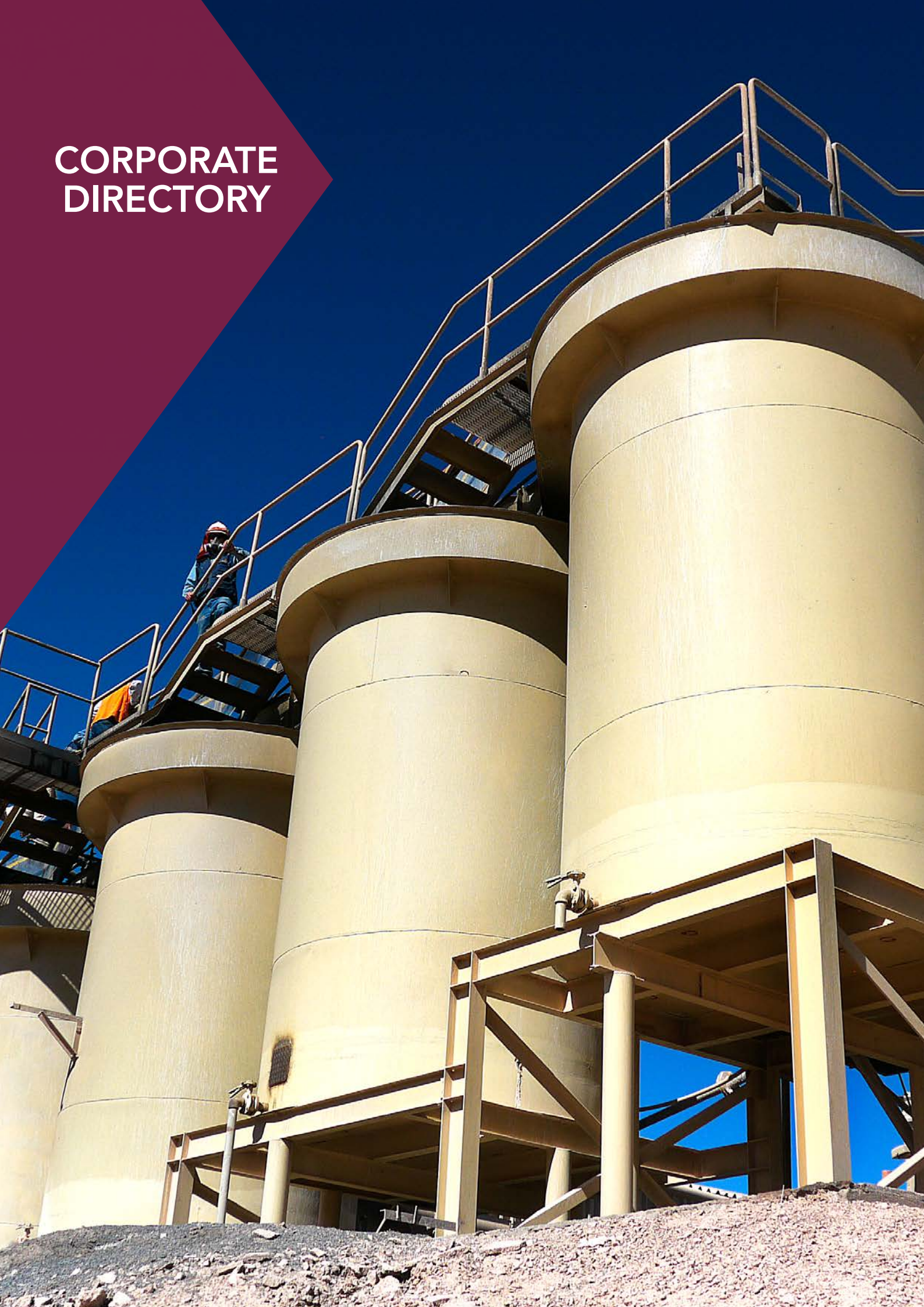




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**CORPORATE
DIRECTORY**



CORPORATE DIRECTORY

Directors:	Eduardo Elzstain Saul Zang Pablo Vergara del Carril Stabro Kasaneva Wayne Hubert Robert Trzebski Ben Jarvis	Chairman & Non-Executive Director Non-Executive Director Non-Executive Director Executive Director Independent Non-Executive Director Independent Non-Executive Director Independent Non-Executive Director
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www.kpmg.com.au

Principal Bankers: National Australia Bank Limited
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Solicitors: David Selig
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Sydney NSW 2000 Australia

Listed:	Australian Securities Exchange ASX: AGD	TSX Venture Exchange TSXV: AGLD
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Place of Incorporation: Western Australia

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CHAIRMAN'S LETTER



Dear Shareholders,

The 2017 financial year ("FY17") has been another year of significant progress for Austral Gold. We expanded our asset base, constructed a new processing facility at our flagship Guanaco mine in Chile and strengthened our team. Combined, these put us in a solid position as we look to continue to grow and seek value enhancing opportunities.

Austral Gold continued to deliver stable production and FY17 was the fifth consecutive year where we met or exceeded production guidance. We expect to be able to grow future production as Austral Gold realises the benefits from the investment we have made in expanding production capacity in Chile, and from the increase in our ownership of the Casposo mine in Argentina from 51% to 70%.

The Board is proud of some key milestones Austral Gold achieved in FY17 and early FY18:

- We commenced open pit mining operations on the Central Vein at Amancaya, which is a high grade gold and silver vein hosted deposit approximately 70 kilometres from the Guanaco mine.
- The pre-feasibility study completed for the combined operation of both Guanaco and Amancaya has demonstrated robust economics and a life of mine of five years from current reserves. The Amancaya ore is being trucked to the nearby plant at Guanaco, which has greatly reduced the capital expenditure. We expect Amancaya to be a platform for long term production in Chile, with significant exploration opportunity to potentially expand mining operations on the property, which we consider to represent a significant vein camp.
- We completed construction of the 1,500 tonnes per day agitation leach and Merrill-Crowe processing plant in Chile to process production from our Guanaco and Amancaya mining operations.
- We connected to the Taltal Wind Farm and commenced a power supply agreement with the northern Chile power grid. This grid connection should not only decrease current power consumption costs by more than 50%, but it should also significantly reduce the carbon footprint of the Guanaco operation by avoiding the diesel consumption that is currently used to generate power at the on-site power plant.
- Following the acquisition of our initial interest in the Casposo mine from Troy Resources in FY16, we exercised the option to acquire a further 19% in March 2017. There have now been three full quarters of production at Casposo and Austral Gold personnel have acted quickly to enhance the operations and spearhead the resumption of gold and silver production.

- We ramped up exploration activities throughout the year with the most prospective results realised to date including the discovery of a new high grade gold vein at the Amancaya property.
- Our CEO, Stabro Kasaneva structured and strengthened the corporate and technical teams to manage the scale up of our operations, and to lead efforts to continuously improve operations and pursue further value adding opportunities.
- Major work was done to establish a platform of long term reserves at our operations. During FY17, a maiden reserve and resource estimate, in accordance with both NI 43-101 and JORC2012, for both the Guanaco and Amancaya mines was completed. Similarly, for the re-commissioned Casposo mine, a new resource and reserve estimate was completed by independent consultants in September 2016 which coincided with the relaunch of production at the Casposo mine.
- We completed the acquisition of Argentex Mining Corporation in August 2016, which owns the Pingüino Project, an advanced stage Silver-Gold-Zinc-Lead-Indium development project located 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.
- Lastly, we successfully dual listed on the TSX-V, a key exchange for resource stocks, under the ticker AGLD. The Company now trades on both the ASX (AGD) and the TSX-V.

We continue to invest in value-accretive projects. On 13 July 2017, we entered into a binding Letter of Intent to acquire the San Guillermo and Reprado projects in Chile from Revelo Resources Corporation. These projects are strategically located around and along strike to the Amancaya property, which we believe is prospective for further exploration discovery of additional precious metals mineralisation.

Safety is a key focus for our Company. We are working at integrating this culture across our new operation at Casposo, Argentina, the new open pit operation at Amancaya and the new processing plant at Guanaco. We remain committed to the well-being of our employees and the communities in which we operate and continue to promote the highest health, safety and environmental standards. We are committed to supporting the local communities in which we operate through local hiring of personnel and community and education initiatives.

Austral Gold is well placed for FY18. Our strategic acquisitions, backed by an experienced management team, strong technical team with a proven operational and exploration track record, exceptional networking in Chile and Argentina and a deep knowledge of the mining industry in both countries provide the platform for continued growth. We anticipate this will be a landmark year of growth and development as we ramp up processing at the new agitation leach plant from the combined Guanaco mine and Amancaya mine in Chile, continue to streamline and enhance production at Casposo in Argentina, secure further brownfield opportunities in both Chile and Argentina and explore new strategic opportunities.

Stabro Kasaneva and his team are to be commended for their efforts this year. I can assure fellow shareholders that we indeed have one of the best exploration and mine development teams in South America and this gives us a major strategic advantage as we continue to build Austral Gold into a leading precious metals company. Our Board is committed to this stated vision.

I also believe gold and silver prices have begun a new, long-term bull market and I expect Austral Gold to deliver value to investors by increasing both our revenues and the capital value of our mineral resources.

I would like to thank our shareholders for their continued support, all of our employees and contractors, and our Board members for their hard work and dedication throughout the year.

Eduardo Elsztain

Chairman

REVIEW OF ACTIVITIES

Austral Gold Limited ('the Company' or 'Austral') and its subsidiaries ('the Group') is a growing precious metals mining and exploration company building a portfolio of assets in South America. The Company's flagship Guanaco and Amancaya mines in Chile are low-cost gold and silver producing mines with further exploration upside. The Company is also operator and 70% owner of the Casposo mine in San Juan, Argentina, which has had several quarters of production since being recommissioned in September 2016. With an experienced and highly regarded major shareholder, Austral Gold is strengthening its asset base by investing in new precious metals projects in Chile and Argentina that have near-term development potential.



CHILE

Guanaco Gold and Silver Mine, (100% interest)

The 100% owned Guanaco mine has been producing gold since the first doré bar was poured in October 2010 and remains the Company's flagship asset. Guanaco is located approximately 220km SE of Antofagasta in Northern Chile at an elevation of 2,700m and 45km from the Pan American Highway. Guanaco is located in the Paleocene/Eocene belt, a structural trend which runs north/south through the centre of Chile, and hosts several large gold and copper mining operations including Zaldivar, El Peñon and Escondida. Currently, the majority of the ore processed from the Guanaco operation comes from the Cachinalito

underground system and nearby vein systems with higher average grades. Gold mineralisation at Guanaco is controlled by pervasively silicified, E/NE trending sub-vertical 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 shoots. High grade ore shoots (up to 180 g/t Au), 0.5m to 3.0m 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 ores have led to the classification as a high-sulfidation epithermal deposit.

- **Operations**
(Guanaco/Amancaya & Casposo)
- **Projects**
(Pingüino)



Amancaya Gold and Silver Mine (100% interest)

In July 2014, the Group acquired the Amancaya Project ('Amancaya') from Yamana Gold Inc which is located approximately 60km south-west of the Guanaco mine. Amancaya is a low sulphidation 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).

Prestripping was finalised and open-pit mining operations began in April 2017. The Amancaya ore is being trucked to the new plant at Guanaco for processing where it is being stockpiled until the new agitation leach plant is fully commissioned.

New Plant and Technical Report on Combined Resources

Construction of a new agitation leach plant at Guanaco mine site has been completed with processing currently in a commissioning phase. The Company released the results of an independent resource and reserve estimate in accordance with the CIM Definitions 2014 in National Instrument ("NI") 43-101 and Joint Ore Reserves Committee Code, 2012 (JORC12) on 8 June 2017. Highlights from the estimate confirms the high-grade nature of the Amancaya project:

Amancaya:

- Total Indicated resource of 804,690 tonnes at 9.64 g/t gold and 80.7 g/t silver for 277,352 Gold Equivalent ("AuEq") ounces, including a maiden probable reserve of 948,053 tonnes grading 6.77 g/t gold and 63.2 g/t silver for 232,074 AuEq ounces which includes a maiden open pit probable reserve of 254,596 tonnes grading 7.56 g/t gold and 119.5 g/t silver for 74,993 AuEq ounces; and
- Total Inferred resource of 959,554 tonnes at 6.79 g/t gold and 36.1 g/t Ag for 220,000 AuEq ounces.

Guanaco:

- Measured and Indicated resource of 2,193,000 tonnes grading 2.9 g/t gold and 13.0 g/t silver for 217,000 AuEq ounces, including;
- Total reserves of 489,635 tonnes grading 2.99 g/t gold and 3.6 g/t silver for 47,907 AuEq ounces, including Proven reserves of 189,613 tonnes grading 3.41 g/t gold and 4.1 g/t silver for 21,106 AuEq ounces and Probable reserves of 300,022 tonnes grading 2.73 g/t gold and 3.4 g/t silver for 26,801 AuEq ounces.
- Inferred resource: 1,200,000 tonnes grading 2.6 g/t gold and 12.9 g/t silver for 110,000 AuEq ounces.

In addition, the Company recently announced the discovery of high grade gold mineralisation along the Nueva Vein at Amancaya. Results have indicated the presence of high grade gold hosted by quartz veining along this 2.8km structure.

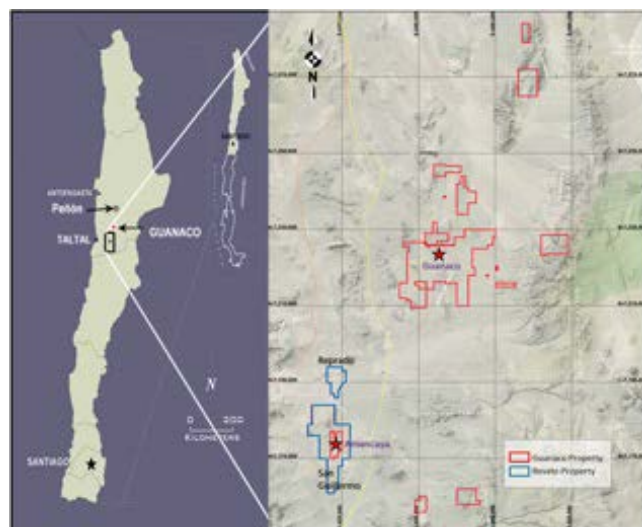
San Guillermo and Reprado Properties

As announced on 18 July 2017, Austral Gold 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 (capped at US\$0.21/share) and subject to existing Net Smelter Royalties ('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.

The San Guillermo properties consist of concessions totalling 12,175 hectares that surround the Company's high grade gold and silver Amancaya project, 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 project. Historical drilling undertaken by Teck Resources Ltd. intersected gold in low sulphidation quartz veins trending essentially E-W.

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 US\$5.1m would have been due. This agreement will be terminated upon entering a definitive agreement with Revelo.



Austral Gold concessions in northern Chile after the agreement with Revelo

Production

Total production from the heap-leach process reached a total of 44,275 gold ounces and 58,832 silver ounces for the 12-month period ended 30 June 2017.

For the 12-month period ended 30 June 2016, the average operating cash cost was US\$759/AuEq oz.

Mining

During the year mining was focused mainly at the Cachinalito and Dumbo underground areas with a total of 548,309 tonnes mined. The crushed and leached ore totalled 505,711 tonnes for the quarter at an average grade of 3.96 g/t Au and 8.44 g/t Ag.

During the year ended 30 June 2017, a total of 8,330 metres of underground mine development was advanced, of which 2,312 metres related to developments and accesses and 6,018 metres to advances in production.

Guanaco Operational Performance	12 months ending 30 June	
	2017	2016
Total Ore Processed (t)	505,711	502,257
Average Plant grade (g/t Au)	3.96	2.82
Average Plant grade (g/t Ag)	8.44	8.24
Gold produced (oz)	44,275	39,776
Silver produced (oz)	58,832	47,667
C1 Cash Cost (US\$/AuEq oz)	759	761
All-in Sustaining Cost (US\$/Au oz)	908	914
Realised gold price (US\$/Au oz)	1,251	1,160
Realised silver price (US\$/Ag oz)	17	16

Safety

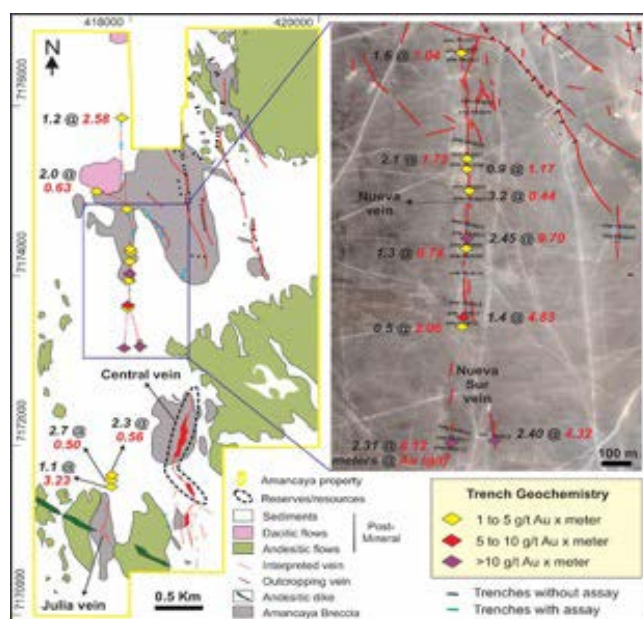
Six (6) lost-time accidents (LTAs) occurred and eight (8) nil-lost-time accidents (NLTAs) were reported involving employees and third party contractors of the Group during the year ended 30 June 2017. All accidents were investigated and corrective actions were identified and implemented to prevent recurrence. Safety and environmental protection are core values of the Group. The implementation of safety best practices along with a sound risk management program are key priorities for Austral Gold.

Mine Exploration Program

Exploration activities in the first half of 2017 were focused on resource drilling and exploration at Amancaya to enable the Company to complete a Mineral Resource and Ore Reserve

estimate in accordance with NI 43-101 and JORC2012. This supported a robust financial return from the project with a four year life of mine plan via an initial open pit operation on the Central Vein to be followed by an underground operation. Subsequently the Company focussed on a short drill program on the San Guillermo property, focussing on veining previously identified to the south of the Company's Central Vein. Drilling identified a number of narrow veins with anomalous mineralisation. Given the narrowness and geology further review of this area of the property is expected to be required before any additional work is considered.

Brownfield activities during the year at Amancaya have seen the majority of exploration activity. This entailed an initial gradient IP test over the Central Vein to determine a signature for this vein hosted mineralisation, as well as ground magnetics and Very Low Frequency (VLF) surveys. Following positive results in terms of these methods identifying structures and potential mineralisation a broader program of ground magnetics and VLF surveying commenced over the Amancaya property. A significant amount of vein like structures were identified and trenches were excavated on the structures defined in these surveys, targeting float geochemistry anomalies. A total of 136 trenches were excavated. Mapping and sampling commenced and results were released in August 2017, most notably the discovery of high grade gold mineralisation along the Nueva Vein. This area is a priority exploration target for the Company, with a program of infill trenching and geophysics expected to be completed to help define initial drill targets. Subject to results the Company expects to commence a preliminary drilling campaign during the year.



Trench geochemistry results at Amancaya property (including high grade discovery at Nueva Vein)

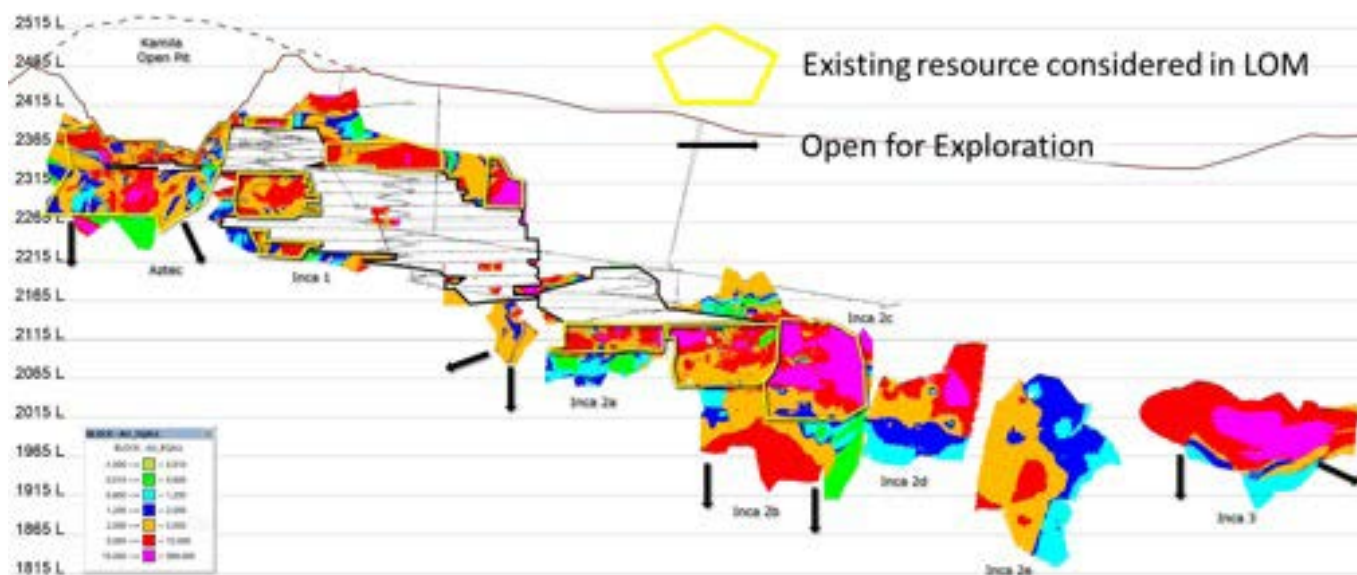
ARGENTINA

Casposo Mine, San Juan (70% interest)

The Casposo mine consists of an underground mining operation and processing plant. The mine and plant are located 10km NW of the township of Calingasta, 150km from San Juan, capital of San Juan province.

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 sulphidation epithermal environments.

Mineralisation at Casposo occurs along a 10km long W–NW to E–SE-trending regional structural corridor, with the main Kamila Vein system forming a sigmoidal set 500m-long near the centre. The Mercado Vein system is the northwest continuation of Kamila, and is separated by an E–W fault from the Kamila Deposit. The Casposo Norte deposit is located on a parallel structure approximately two kilometres north of Kamila.



Gold Equivalent Long Section of Casposo Block Model

Underground Mine

The Casposo Mine consists of a number of narrow steeply dipping ore bodies known as Aztec, B-Vein, B-Vein1, Inca0, Inca1, Inca2A, Inca2B, Mercado, and Julieta. The main production from the underground mine to date has been from Inca1, Aztec, and Inca2A.

The mining method used at the Casposo Mine is Longitudinal Longhole Retreat. Mine production is made up

of a combination of ore development through sill drifts (34%) and stope production (66%).

The processing and recovery method is well known and widespread throughout the gold and silver mining industry namely Merrill Crowe. Gold Recovery from the plant is ~91% and 83% for silver.

Production and Safety

The table below summarises the latest three quarter results since the recommissioning of the mine.

Casposo Operational Performance	June Quarter 2017	March Quarter 2017	December Quarter 2016
Total Ore processed (t)	65,124	48,602	66,328
Gold recovery (%)	89%	89%	91%
Silver recovery (%)	86%	86%	84%
Average Plant Grade (g/t Au)	2.4	2.5	2.3
Average Plant Grade (g/t Ag)	224	217.75	241.37
Gold produced (oz)*	4,360	3,487	4,489
Share of Gold produced (oz)**	3,052	2,008	2,289
Silver produced (oz)*	374,583	288,327	434,607
Share of Silver produced (oz)**	262,208	167,777	221,650
C1 Cash Cost (US\$/AuEq oz)	981	1,058	969
All-in Sustaining Cost (US\$/AuEq oz)	1,311	1,353	1,200
Realised gold price (US\$/Au oz)	1,254	1,214	1,212
Realised silver price (US\$/Ag oz)	17	17	16

* Production on 100% basis

** Calculation of production on a prorata basis following the % ownership interest of Austral Gold in Casposo (70% share) March 2017 quarter production (51% share to 5 March; 70% share to 31 March) and December 2016 quarter production (51% share)

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

From a safety perspective, there were eight (8) lost-time accidents (LTA) and eight (8) nil-lost-time accidents (NLTA) involving employees of Casposo and third party contractors since recommissioning of the mine. 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

Exploration activity in FY17 has focused on brownfield exploration at Casposo mine. This commenced with the consolidation of the previous owner's database. There are numerous high grade grab, trench and drilling samples from structures and veins within the mine properties and a review and prioritisation of these was commenced. Follow up work on the Julieta resource, which is 8km to the NW from the underground operations, was also undertaken, and review

of the area between the Julieta resource and current operations, known as "The Gap" was also undertaken. The Cerro Norte vein area was selected as the most prospective near mine target and initial trenching was planned to supplement sporadic work done to date.



Argentex Properties, Santa Cruz and Rio Negro (100% interest)

The Company completed the acquisition of TSX Venture Exchange listed company, Argentex Mining Corporation ('Argentex') on 22 August 2016.

Argentex had assembled an impressive land portfolio in Argentina's Santa Cruz and Rio Negro provinces. In total, Argentex owns 100% mineral rights of more than 21 properties with over 166,598 acres (67,420 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 mineralisation, 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 35kms north-west along the 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 nearby communities and more than 70% of surface land is owned by the Company.

In FY17, a camp has been re-opened at the project site. Analysis of the project continues with a view to establishing a development strategy that would allow the project to be profitable.



8 de Julio Project, Santa Cruz (100% interest)

The Group holds “manifestations of discovery” over more than 17,000 hectares in the Deseado Massif corridor in the Province of Santa Cruz (the “8 de Julio Project”). Activity during the year related to continued filing of base geological reports and other activities for compliance with local regulations.

Mineral Resources and Ore Reserves Statement

Tables 1 and 2 are the Company’s Mineral Reserves and Resource Estimates as at 30 June 2017 compared to Tables 3 and 4 which are the Company’s Mineral Reserves and Resource Estimates as at 30 June 2016.

Please note that numbers in the tables are subject to rounding differences.

**Table 1: Ore Reserves Estimate
30 June 2017**

Ore Reserves (JORC 2012 and NI 43-101 Compliant)									
Location	Proven Reserves			Probable Reserves			Total Ore Reserves		
Gold (Au)	Tonnes (Kt)	Grade (g/t)	Contained Metal (koz)	Tonnes (Kt)	Grade (g/t)	Contained Metal (koz)	Tonnes (Kt)	Grade (g/t)	Contained Metal (koz)
GUANACO									
Underground	126	3.9	16	200	3.2	21	326	3.5	36
Total Guanaco	126	3.9	16	200	3.2	21	326	3.5	36
AMANCAYA									
Open Pit	-	-	-	255	7.6	62	255	7.6	62
Underground	-	-	-	693	6.5	145	693	6.5	145
Total Amancaya	-	-	-	948	6.8	207	948	6.8	207
Total Combined	126	3.9	16	1,148	6.2	228	1,274	5.9	244
CASPOSO									
Underground	27	2.0	2.0	792	2.6	66	819	2.6	68
Total Casposo	27	2.0	2.0	792	2.6	66	819	2.6	68
Total	153	3.6	18	1,940	4.7	294	2,093	4.6	311
Silver (Ag)	Tonnes (Kt)	Grade (g/t)	Contained Metal (koz)	Tonnes (Kt)	Grade (g/t)	Contained Metal (koz)	Tonnes (Kt)	Grade (g/t)	Contained Metal (koz)
GUANACO									
Underground	126	4.8	19	200	3.7	24	326	4.1	43
Total Guanaco	126	4.8	19	200	3.7	24	326	4.1	43
AMANCAYA									
Open Pit	-	-	-	255	119.5	980	255	119.5	980
Underground	-	-	-	693	42.5	946	693	42.5	946
Total Amancaya	-	-	-	948	63.2	1,926	948	63.2	1,926
Total Combined	126	4.8	19	1,148	52.8	1,950	1,274	48.1	1,969
CASPOSO									
Underground	27	320.0	278	792	227.0	5,780	819	230.1	6,058
Total Casposo	27	320.0	278	792	227.0	5,780	819	230.1	6,058
Total	153	60.4	297	1,940	123.9	7,730	2,093	119.3	8,027

Table 2: Mineral Resources Estimate
30 June 2017

Mineral Resources (JORC 2012 and NI 43-101 Compliant)												
Location	Measured (Me)			Indicated (Ind)			Total (Me + Ind)			Inferred (Inf)		
Gold (Au)	Tonnes (Kt)	Grade (g/t)	Contained Metal (koz)	Tonnes (Kt)	Grade (g/t)	Contained Metal (koz)	Tonnes (Kt)	Grade (g/t)	Contained Metal (koz)	Tonnes (Kt)	Grade (g/t)	Contained Metal (koz)
GUANACO												
Underground	583	3.0	57	1,436	2.9	132	2,019	2.9	189	1,165	2.6	97
Total Guanaco	583	3.0	57	1,436	2.9	132	2,019	2.9	189	1,165	2.6	97
AMANCAYA												
Open Pit	-	-	-	172	11.2	62	172	11.2	62	60	7.6	15
Underground	-	-	-	633	9.2	187	633	9.2	187	900	6.7	194
Total Amancaya	-	-	-	805	9.6	250	805	9.6	250	960	6.8	209
Total Combined	583	3.0	57	2,241	5.3	382	2,824	4.8	438	2,125	4.5	306
CASPOSO												
Underground	176	2.7	15	1,186	3.0	114	1,362	3.0	130	1,052	4.2	142
Total Casposo	176	2.7	15	1,186	3.0	114	1,362	3.0	130	1,052	4.2	142
Total	759	2.9	72	3,427	4.5	496	4,186	4.2	568	3,177	4.4	448
Silver (Ag)	Tonnes (Kt)	Grade (g/t)	Contained Metal (koz)	Tonnes (Kt)	Grade (g/t)	Contained Metal (koz)	Tonnes (Kt)	Grade (g/t)	Contained Metal (koz)	Tonnes (Kt)	Grade (g/t)	Contained Metal (koz)
GUANACO												
Underground	583	13.7	257	1,436	13.4	619	2,019	13.5	875	1,165	13.0	487
Total Guanaco	583	13.7	257	1,436	13.4	619	2,019	13.5	875	1,165	13.0	487
AMANCAYA												
Open Pit	-	-	-	172	177.5	982	172	177.5	982	60	110.0	212
Underground	-	-	-	633	54.5	1,109	633	54.5	1,109	900	31.0	897
Total Amancaya	-	-	-	805	37.9	2,091	805	80.8	2,091	960	35.9	1,109
Total Combined	583	13.7	257	2,241	37.6	2,709	2,824	32.7	2,966	2,125	23.4	1,596
CASPOSO												
Underground	176	251.0	1,420	1,186	218.2	8,320	1,362	222.4	9,740	1,052	137.0	4,634
Total Casposo	176	251.0	1,420	1,186	218.2	8,320	1,362	222.4	9,740	1,052	137.0	4,634
Total	759	68.7	1,677	3,427	100.1	11,030	4,186	94.4	12,707	3,177	61.0	6,230

Notes to the Mineral Resources and Ore Reserves Statement

Casposo Mine

The RPA Qualified Persons ("QP") for the Casposo Reserve and Resource Estimate include: Jason J. Cox, P.Eng. (Mineral Reserves) and Chester M. Moore, P.Eng., (Mineral Resources). The Mineral Resources and Reserves are

classified and reported in accordance with Canadian Institute of Mining, Metallurgy and Petroleum Definition Standards for Mineral Resources and Ore Reserves dated May 10, 2014 ("CIM") definitions as incorporated in NI 43-101, as well as JORC2012, within the Technical Report on the Casposo Gold-Silver Mine, Department of Calingasta, San Juan Province, Argentina dated 7 September 2016.

Mineral resources have been updated to account for depletion from mining activities by Nicolas Pizarro, P.Eng, an Austral Gold employee and a QP as per NI-43-101 and a Competent Person ("CP") as per JORC2012. Ore reserves have been updated to account for depletion from mining activities by Dr Robert Trzebski, who is an Independent Director of Austral Gold, and a QP as per NI-43-101 and a CP as per JORC2012.

The information is extracted from the news release published on the ASX website (www.asx.com.au) on 27 September 2016. 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 CP's findings are presented have not been materially modified from the original market announcement.

Guanaco and Amancaya Mines

The RPA Qualified Persons (QPs) for the Amancaya and Guanaco Reserve and Resource Estimate include: Kathleen Ann Altman, P.E., Ph.D. (Metallurgy); Jason J. Cox, P.Eng. (Mineral Reserves); Ian Weir, P.Eng. (Mineral Reserves);

Chester M. Moore, P.Eng., (Mineral Resources). The Mineral Resources and Reserves are classified and reported in accordance with CIM definitions as incorporated in NI 43-101, as well as JORC 2012, within the Guanaco and Amancaya Gold Project, Region II, Chile, dated 16 June, 2017, with an effective date of 31 December 2016. Mineral resources have been updated to account for depletion from mining activities by Nicolas Pizarro, P.Eng, an Austral Gold employee and a QP as per NI-43-101 and a CP as per JORC2012. Ore reserves have been updated to account for depletion from mining activities by Dr Robert Trzebski, who is an Independent Director of Austral Gold, and a QP as per NI-43-101 and a CP as per JORC2012.

The information is extracted from the news release published on the ASX website (www.asx.com.au) on 13 June 2017. 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 CP's findings are presented have not been materially modified from the original market announcement.

**Table 3: Ore Reserves Estimate
30 June 2016**

Ore Reserves (JORC 2012 and NI 43-101 Compliant)									
Location	Proven Reserves			Probable Reserves			Total Ore Reserves		
Gold (Au)	Tonnes (Kt)	Grade (g/t)	Contained Metal (koz)	Tonnes (Kt)	Grade (g/t)	Contained Metal (koz)	Tonnes (Kt)	Grade (g/t)	Contained Metal (koz)
CASPOSO									
Underground	115	1.8	7	857	2.6	72	972	2.5	78,293
Total Casposo	115	1.8	7	857	2.6	72	972	2.5	78,293
Silver (Ag)	Tonnes (Kt)	Grade (g/t)	Contained Metal (koz)	Tonnes (Kt)	Grade (g/t)	Contained Metal (koz)	Tonnes (Kt)	Grade (g/t)	Contained Metal (koz)
CASPOSO									
Underground	115	169.9	628	857	239.2	6,591	972	231.0	7,219
Total Casposo	115	169.9	628	857	239.2	6,591	972	231.0	7,219

Table 4: Mineral Resources Estimate
30 June 2016

Mineral Resources (JORC 2012 and NI 43-101 Compliant)												
Resources	Measured (Me)			Indicated (Ind)			Total (Me + Ind)			Inferred (Inf)		
Gold (Au)	Tonnes (Kt)	Grade (g/t)	Contained Metal (koz)	Tonnes (Kt)	Grade (g/t)	Contained Metal (koz)	Tonnes (Kt)	Grade (g/t)	Contained Metal (koz)	Tonnes (Kt)	Grade (g/t)	Contained Metal (koz)
GUANACO												
Underground	869	2.9	80	2,314	2.5	190	3,183	2.6	270	2,217	2.4	168
Open Pit	360	1.8	21	419	1.5	20	779	1.6	41	15	1.7	1
Heap Leach	7,988	0.5	136	-	-	-	7,988	0.5	136	2,777	0.6	49
Total Guanaco	9,217	0.8	237	2,733	2.4	210	11,950	1.2	447	5,009	1.4	218
CASPOSO												
Underground	178	2.7	15	1,237	3.0	119	1,415	3.0	135	1,085	5.0	174
Total Casposo	178	2.7	15	1,237	3.0	119	1,415	3.0	135	1,085	5.0	174
Total Combines	9,395	0.8	253	3,970	2.6	329	13,365	1.4	582	6,094	2.0	392
Silver (Ag)												
Silver (Ag)	Tonnes (Kt)	Grade (g/t)	Contained Metal (koz)	Tonnes (Kt)	Grade (g/t)	Contained Metal (koz)	Tonnes (Kt)	Grade (g/t)	Contained Metal (koz)	Tonnes (Kt)	Grade (g/t)	Contained Metal (koz)
GUANACO												
Underground	869	9.8	273	2,314	12.0	897	3,183	11.4	1,170	2,217	12.0	858
Open Pit	360	18.5	214	419	13.4	180	779	15.7	394	15	10.6	5
Heap Leach	7,988	2.7	683	-	-	-	7,988	2.7	683	2,777	2.6	235
Total Guanaco	9,217	3.9	1,170	2,733	12.3	1,077	11,950	5.8	2,247	5,009	6.8	1,098
CASPOSO												
Underground	178	255.0	1,459	1,237	235.2	9,354	1,415	237.7	10,813	1,085	143.4	5,002
Total Casposo	178	255.0	1,459	1,237	235.2	9,354	1,415	237.7	10,813	1,085	143.4	5,002
Total Combined	9,395	8.71	2,630	3,970	81.7	10,431	13,365	30.4	13,060	6,094	31.1	6,100

The Company ensures that the Ore Reserves and Mineral Resource Estimates are subject to appropriate levels of governance and internal controls.

Governance of the Company's Ore Reserves and Mineral Resources development and the estimation process is a key responsibility of the Executive Management of the Company.

The Chief Executive Officer of the Company oversees the review and technical evaluations of the Ore Reserves and Mineral Resource estimates.

Competent Persons Statements

The information in the report to which this statement is attached that relates to Mineral Resources is based upon information compiled by Nicolas Pizarro, a Competent Person who is a registered member of The Association of Professional Engineers and Geoscientists of BC. Nicolas Pizarro is a fulltime employee of the company and has sufficient experience that is relevant to the style of mineralisation and the type of deposit under consideration

and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Nicolas Pizarro consents to the inclusion in the report of matters based on his information in the form and context in which it appears.

The information in the report to which this statement is attached that relates to Ore Reserves is based upon information compiled by Dr Robert Trzebski, a Competent Person who is a fellow of the Australian Institute of Mining and Metallurgy (AUSIMM). Dr Robert Trzebski is a Non-Executive Director of the Company and has sufficient experience that is relevant to the style of mineralisation and the type of deposit under consideration and to the activity being undertaken to qualify 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 in the report of matters based on his information in the form and context in which it appears.



DIRECTORS' REPORT



DIRECTORS' REPORT

Austral Gold Limited and its Subsidiaries

For the Year Ended 30 June 2017

Your Directors present the following report for the financial year ended 30 June 2017 together with the consolidated financial report of Austral Gold Limited (the Company) and its subsidiaries, (referred to hereafter as the Group) for the year ended 30 June 2017 and the auditor's report thereon.

Principal Activities

The principal activities of the Group during the course of the financial year were exploration, evaluation of mineral properties, and gold and silver production as described in the Review of Activities. There were no significant changes in the nature of those activities during the year.

Review and Results of Operations

Operating Results and Dividends

The Group's net loss attributable to shareholders for the year ended 30 June 2017 (FY17) was US\$4.4m (FY16: net profit US\$25.1m).

The Group earned revenue of US\$104m in FY17 (FY16: US\$55.9m) as production increased to 81,591 AuEq oz (FY16: 40,395 AuEq oz). The increase of US\$48m was due to (i) the re-commissioning of the Casposo mine during the period (+US\$38m increase vs. FY16); (ii) the sales volume and average gold price achieved at Guanaco (+ US\$7m), and (iii) the US\$2.5m revenue from collection of silver tax credits at Casposo.

FY17 Production Summary

	Guanaco	Casposo*	Net to Austral**	Total Group
Ore Processed (t)	505,711	248,109	148,144	753,820
Average plant grade (g/t Au)	3.96	2.55	2.55	3.5
Average plant grade (g/t Ag)	8.44	215.49	215.49	76.59
Gold produced (oz)	44,275	16,793	9,622	61,068
Silver produced (oz)	58,832	1,411,292	811,662	1,470,124
Gold-Equivalent (oz)	45,098	36,493	20,952	81,591
C1 Cash Cost (US\$/AuEq oz)	759	998	998	849
All-in Sustaining Cost (US\$/Au oz)	908	1,280	1,280	1,049

* Casposo production includes the last three Quarters of FY17 and also includes production during recommissioning.

** Austral Gold owned 51% of Casposo from commissioning until February 2017, when it increased its stake in Casposo to 70%

***AuEq is based on a gold:silver ratio of 1:72

Cost of production increased by 79% which is attributable to the start-up of the Casposo mine. Casposo averaged cash cost of US\$998/AuEq oz in the three quarters of production during FY17. Guanaco mine maintained its cash cost levels (US\$759/AuEq oz in FY17 compared to US\$761/AuEq oz in FY16).

The Group earned a gross profit of US\$12.6m or 12.1% (including US\$30.0m of depreciation) during FY17 (FY16: US\$4.6m or 8.3% and US\$14.6m respectively). Excluding depreciation, the group earned a gross profit of US\$42.6m or 40.9% (FY16: US\$19.3m or 34.5%)

FY17 administration expenses increased by 87% to US\$15.5m (FY16: US\$8.3m) while costs remained constant as a percentage of revenue at 15%. Higher administration costs were mainly due to additions to the corporate team to manage the expansion of operations, restructuring of operations at Casposo, costs related to the acquisition of Argentex, the cost of technical reports and

DIRECTORS' REPORT

higher public company costs resulting from the Company's listing on the TSX-V. The loss in the fair value of financial assets of US\$2.3m in FY17 was due to a decrease in the number and fair value of the Fortuna shares and warrants held during the period.

Finance costs increased by US\$237k in FY17 to US\$729k mainly due to an increase in borrowings during the period used to finance operations and the building of the new agitation leach plant at Guanaco mine site.

An interim unfranked dividend of A\$0.009 (US\$0.006) per ordinary share or A\$4,670,849 (US\$3,361,656) was paid on 1 February 2017. The total distribution was based on the number of ordinary shares on issue as at 18 January 2017.

FY17 EBITDA was US\$24.5m (FY16: US\$42.8m). Excluding the gain/(loss) on movements in financial assets and the gain on the acquisition of the 51% interest in the Casposo mine resulted in adjusted EBITDA of US\$26.8m (FY16: US\$10.6m).

	30-Jun-17	30-Jun-16
	US\$000	US\$000
Revenue	104,008	55,865
Gross profit	12,569	4,648
Gross profit %	12.10%	8.30%
Adjusted gross profit (excluding depreciation)	42,562	19,263
Adjusted gross profit %	40.90%	34.50%
EBITDA	24,490	42,818
EBITDA per share (basic)	4.80c	8.9c
Adjusted EBITDA*	26,752	10,595
Adjusted EBITDA per share (basic)	5.20c	2.20c
(Loss)/profit attributed to shareholders	-4,380	25,130
(Loss)/profit attributed to non-controlling interests	-100	-724
(Loss)/earnings per share (Basic)	(0.85)c	5.25c
(Loss) /earnings per share (Diluted)	(0.85)c	5.25c
Comprehensive loss/(income)	-3,905	33,146

*excluding gain/(loss) on movements in financial assets and gain on acquisition of subsidiary

Note: Readers are cautioned that net/(loss) profit before finance costs, income tax expense and depreciation ('Adjusted EBITDA') do not have standardised meanings as prescribed by IFRS and may not be comparable to similar measures presented by other companies. Further, readers are cautioned that Adjusted EBITDA should not replace profit or loss or cash flows from operating, investing and financing activities (as determined in accordance with IFRS), as an indicator of the Company's performance.

Financial Position

The net assets of the Group have decreased by US\$4.5m since 30 June 2016 to US\$103.4m at 30 June 2017 (2016: US\$107.9m).

The decrease in financial assets is mainly explained by the sale of the Fortuna shares during FY17 and the 19.9% investment in Argentex through a private placement no longer classified as a financial asset as a result of the transaction to acquire the remaining shares of Argentex not held by Austral in August 2016.

The increase in inventory is mainly explained by (i) the stock pile of Amancaya (partially offset by the reduction of the stock pile at Casposo); and (ii) the higher gold/silver in process in Guanaco due to production cut-off dates. Materials and spare parts remain at similar levels as previous year despite an increase in the allowance for inventory obsolescence (increased by US\$~800K at Casposo).

Non-current assets increased by US\$26.7m in FY17 compared to the prior year primarily due to an increase in capital expenditures at Guanaco as a result of the construction of the new agitation leach plant.

DIRECTORS' REPORT

Provisions increased by US\$4.5m in FY17 due to an increase in the mine closure provision for Guanaco. The increase in liabilities by US\$24.4m in FY17 is mainly due to financing required to construct the agitation leach plant at Guanaco and for short-term working capital at both Casposo and Guanaco.

As at 30 June 2017, the Group had a current ratio equal to 1.4x along with US\$6m cash and cash equivalents. The Group used part of its FY17 operating cashflows of US\$27.7m (FY16: US\$15.2m), proceeds from the sale of financial assets and increase in short-term credit facilities to meet its final commitments regarding deferred consideration for the acquisitions of Cachinalito and Amancaya and for capital expenditures to support production and construction of the new plant at Guanaco and support the work on recommissioning the Casposo mine.

Therefore, the Directors are confident the Company is in a position to maintain its current operations.

Significant Changes in the State of Affairs

There were no significant changes in the state of affairs of the Group during the financial year other than those disclosed in the Review and Results of Operations above.

Future Developments, Prospects and Business Strategies

Since its incorporation, Austral Gold has been an explorer for precious metals. First production of gold from Guanaco occurred in late 2010, with gold production steady since that time. The Guanaco gold mine remains the Company's key asset in Chile, which has been strengthened following commencement of mining operations at nearby Amancaya and the construction of a new processing plant at Guanaco. In Argentina, Austral operates and owns 70% of the Casposo mine and a number of high quality early exploration assets.

In terms of organic growth, exploration is a key activity for the Company. Activity will be focused primarily on Casposo and Amancaya. Austral Gold is working on advancing organisational and technical changes at its 70% owned and operated Casposo mine, with a goal of increasing production and reducing costs. Discovery of additional ounces to feed the mill is a key goal to potentially improve production efficiency. Brownfield exploration is ongoing and there are numerous indications of mineralisation that are currently being investigated and are the ongoing focus for exploration activities at Casposo. Located to the north of the open pit operation at Amancaya, the recent discovery of high grade mineralisation from trenching, the Nueva Vein, is a potentially significant discovery given its closeness to Guanaco and Amancaya. Exploration by Austral Gold has already doubled the strike length of known veins on the property and delineation of drill targets and continued greenfield exploration will be a high priority for the Company. The Company is also looking to advance its silver-zinc-gold-lead-indium Pingüino project in Santa Cruz Argentina, given the current outlook for zinc and the significant potential of untested veins on the project.

The expertise and proven track record in precious metal underground mining, agitation leaching, exploration and strong local networks is a considerable competitive advantage for Austral Gold. The Company hopes to leverage these capabilities in identifying and securing new projects in Latin America to create value for shareholders and is very active in searching and evaluating such opportunities.

Events Subsequent to Balance Date

On 13 July 2017 Austral Gold executed a binding letter to acquire the San Guillermo and Reprado projects from Revelo Resources Corporation ('Revelo', 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 ('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.

Performance In Relation to Environmental Regulation

The Group has no exploration activities in Australia and is therefore not subject to any particular and significant environmental regulations under a law of the Commonwealth or of a State or Territory.

In relation to the Group's mineral exploration operations in Chile, licence requirements relating to "Bases Generales de Medio Ambiente" exist under the Chilean Law No.19,300. The Directors are not aware of any breaches during the period covered by this report. Moreover, all exploration activities performed so far have been approved by the Environmental Authority, Comisión Nacional de Medio Ambiente (CONAMA).

DIRECTORS & OFFICERS

The Directors and Officers of the Company throughout and since the end of the financial year are:



Eduardo Elsztain

Chairman

Appointed Director 29 Jun 2007

Re-elected by shareholders on 26 Nov 2015

Appointed Chairman on 2 Jun 2011

Mr. Eduardo Elsztain is Chairman of IRSA Inversiones y Representaciones S.A. (NYSE:IRS; BASE:IRSA), one of Argentina's largest and most diversified real estate companies; and IRSA Commercial Properties (NASDAQ:IRCP; BASE: IRCP), with 16 shopping centres in Argentina, premium office buildings, five-star hotels and residential developments. These investments are also extended into the US real estate market.

He also serves as Chairman of Cresud (NASDAQ:CRESY; BASE: CRES) and BrasilAgro (NYSE:LND; BVMF: AGRO3), leading Latin American agricultural companies that own directly and indirectly almost one million hectares of farmland.

Mr Elsztain is also Chairman of Banco Hipotecario S.A. (BASE:BHIP) and of BACS, a leading Argentinean bank specialised in providing innovative financial solutions to local companies.

He is Chairman of IDB Development, a leading conglomerate in Israel which directly and indirectly owns Discount Investment Corporation Ltd. (TASE: DISI); Property & Building Corp. (TASE: PTBL); Elron Electronic Industries (TASE: ELRN); Clal Insurance Enterprises Holdings (TASE: CLIS); Shufersal (TASE: SAE); and Cellcom (NYSE: CEL; TASE: CEL), among others.

Mr. Elsztain has not held any other Directorships with listed companies in the last three years.

Mr. Elsztain is also a member of the World Economic Forum, the Council of the Americas, the Group of 50 and Argentina's Business Association (AEA).

He is President of Fundacion IRSA, which promotes education among children and young people, including "Puerta 18", a program that provides free computing and technology education for young people from low-income backgrounds in order to develop their scientific, artistic and professional talents.



Stabro Kasaneva

Executive Director, Chief Executive Officer

Appointed 7 Oct 2009

Re-elected by shareholders on 26 Nov 2015

Mr. Kasaneva is a Geologist with a degree from the Universidad Católica del Norte, Chile and has over 30 years of experience in production geology, exploration and management of precious metal mining operations.

Since Mr. Kasaneva joined Austral Gold in 2009, he has been instrumental in transforming the Company by consolidating the operation of Guanaco Mine in Chile, restarting operations at the Casposo Mine in Argentina as well as identifying a number of opportunities that represent the growth potential for Austral Gold.

Throughout his career as a geologist, he worked on exploration and production gaining vast experience in grade control, QA/QC, modeling and geological resources estimation.

Mr. Kasaneva led Business Development Departments for several years evaluating a number of mining business opportunities in South America, Central America and North America. He has held the roles of General Manager of Mining Operations, Vice-President of Operations and COO.

Mr. Kasaneva has not held any other Directorships with listed companies in the last three years.



Saul Zang

Non-Executive Director

Appointed 29 Jun 2007

Re-elected by shareholders on 16 Dec 2014

Mr. Zang obtained a law degree from Universidad de Buenos Aires. 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 the Buenos Aires Stock Exchange and provides legal advice to national and international companies. Mr Zang currently holds:

- (i) Vice-Chairmanships on the Boards of IRSA (NYSE: IRS, BASE: IRSA), IRSA Commercial Properties (NASDAQ: IRCP, BASE: IRCP), Cresud (NASDAQ: CRESY, BASE: CRES) and
- (ii) Directorships with Banco Hipotecario (BASE: BHIP), BrasilAgro (NYSE: LND, BVMF:AGRO3), IDB Development – a leading conglomerate in the State of Israel which directly and indirectly owns Clal Insurance Enterprises Holdings (TASE: CLIS), Shufersal (TASE: SAE), Cellcom (NYSE & TASE: CEL), Properties & Building Corp. (TASE: PTBL), ADAMA Agricultural Solutions, Elron Electronic Industries (TASE: ELRN) among others.

Mr Zang has not held any other Directorships with listed companies in the last three years.



Wayne Hubert

Non-Executive Director

Member of the Audit Committee

Appointed 18 Oct 2011

Re-elected by shareholders on 16 Dec 2014

Mr Hubert is a mining executive with over 15 years' experience working in the South American resources sector. From 2006 until 2010 he was the Chief Executive Officer of ASX-listed Andean Resources Limited and led the team that increased Andean's value from \$70 million to \$3.5 billion in four years. Andean was developing a world-class silver and gold mine in Argentina with a resource of over 5 million ounces of gold when it was acquired by Goldcorp Inc. of Canada.

Mr Hubert holds a degree in Engineering and a Master of Business Administration and has held executive roles for Meridian Gold with experience in operations, finance and investor relations. In addition to his role at Austral Gold Limited, Mr Hubert is a Director of InZinc Mining Limited (TSX-V: IZN).

DIRECTORS & OFFICERS



Ben Jarvis

Non-Executive Director

Appointed 2 Jun 2011

Re-elected by shareholders on 16 Dec 2014

Mr Jarvis is the Managing Director of Six Degrees Investor Relations, an Australian advisory firm that provides investor relations services to a broad range of companies listed on the Australian Securities Exchange.

Mr Jarvis was educated at the University of Adelaide where he majored in Politics.

Mr Jarvis has not held any other Directorships with listed companies in the last three years.



Pablo Vergara del Carril

Non-Executive Director

Member of the Audit Committee

Appointed 18 May 2006

Re-elected by shareholders on 30 Nov 2016

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

He is a member of the International Bar Association, the American Bar Association and the AMCHAM, among other legal and business organisations. He is a founding Board member of the recently incorporated Australian-Argentinean Chamber of Commerce. He is a Board member of the Argentine Chamber of Corporations and also an officer of its Legal Committee. He is recognised as a leading lawyer in Corporate, Real Estate, M&A, Banking & Finance and Real Estate Law by international publications such as Chamber & Partners, Legal 500, International Financial Law Review, Latin Lawyer and Best Lawyer.

He is a Director of Banco Hipotecario SA. (BASE: BHIP), Nuevas Fronteras (owner of the Intercontinental Hotel in Buenos Aires), IRSA Commercial Properties (NASDAQ: IRCP, BASE: APSA) and Emprendimiento Recoleta SA (owner of the Buenos Aires Design Shopping Centre), among other companies. Mr Vergara del Carril is also a Director of Guanaco Mining Company Limited and Guanaco Capital Holding Corp.

Mr Vergara del Carril has not held any other Directorships with listed companies in the last three years.



Robert Trzebski

Non-Executive Director

Chairman of the Audit Committee

Appointed 10 Apr 2007

Re-elected by shareholders on 30 Nov 2016

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, project management and mining services.

He is currently Chief Operating Officer of Austmine Ltd. As a fellow of the Australian Institute of Mining and Metallurgy, Dr Trzebski has acted as the Competent Person (CP) for the Company's ASX releases.

Dr Trzebski has not held any other Directorships with listed companies in the last three years.



Andrew Bursill

(Franks & Associates)

Company Secretary

Appointed 10 Jan 2014

Mr. Bursill holds a Bachelor of Agricultural Economics from the University of Sydney and is a Chartered Accountant, qualifying with PricewaterhouseCoopers (formerly Price Waterhouse).

Since commencing his career as an outsourced CFO and Company Secretary in 1998, Mr Bursill has been CFO, Company Secretary and/or Director for numerous ASX listed, unlisted public and private companies, in a range of industries covering mineral exploration, oil and gas exploration, biotechnology, technology, medical devices, retail, venture capital and wine manufacture and distribution.

In addition to his role at Austral Gold Limited, Mr Bursill is currently a Director of Argonaut Resources Limited.



Directors' Meetings

The number of Directors' meetings (including meetings of Committees of Directors) and number of meetings attended by each of the Directors of the Company during the financial year are:

Director	Directors' meetings		Audit Committee meetings	
	A	B	A	B
Pablo Vergara del Carril	2	2	3	3
Robert Trzebski	2	2	3	3
Wayne Hubert	2	2	3	3
Eduardo Elsztain	2	2	N/A	N/A
Saul Zang	2	2	N/A	N/A
Stabro Kasaneva	2	2	N/A	N/A
Ben Jarvis	2	2	N/A	N/A

A: Number of meetings attended

B: Number of meetings held during the time the Director held office during the year

Board and Audit Committee Meetings held from July 2016 - June 2017

Shares and Options

At the date of this report there are no options over the Company's ordinary shares.

During or since the end of the financial year, the Company has not granted options over its ordinary shares.

Indemnity and Insurance of Officers

Under a deed of access, indemnity and insurance, the Company indemnifies each person who is a Director or secretary of Austral Gold Limited against:

- any liability (other than for legal costs) incurred by a Director or secretary in his or her capacity as an officer of the Company or of a subsidiary of the Company; and
- reasonable legal costs incurred in defending an action for a liability incurred or allegedly incurred by a secretary in his or her capacity as an officer of the Company or of a subsidiary of the Company.

The above indemnities:

- apply only to the extent the Company is permitted by law to indemnify a Director or secretary;
- are subject to the Company's constitution and the prohibitions in section 199A of the Corporations Act; and
- apply only to the extent and for the amount that a Director or secretary is not otherwise entitled to be indemnified and is not actually indemnified by another person (including a related body corporate or an insurer).

Indemnity and Insurance of Auditor

- The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.
- During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Interests of Directors

- The relevant interest of each Director (directly or indirectly) in the share capital of the Company, as notified by the Directors to the Australian Securities Exchange in accordance with S205G(1) of the Corporations Act 2001, at the date of this report is as follows:

Director	Ordinary Shares
P Vergara del Carril	68,119
R Trzebski	-
E Elsztain	450,741,567
S Zang	1,435,668
S Kasaneva	1,691,398
B Jarvis	-
W Hubert	1,750,000

It is also noted:

1. P Vergara del Carril, E Elsztain and S Zang are Directors of Guanaco Capital Holding Corp which holds 31,386,890 shares according to the last substantial holder notice lodged in February 2017.
2. E Elsztain and S Zang are Directors of IFISA which holds 414,440,857 shares according to the last substantial holder notice lodged in February 2017.

E Elsztain is the ultimate beneficial owner of IFISA.

Remuneration Report (Audited)

Remuneration Policy

The full Board of Austral Gold is responsible for determining remuneration policies in respect of executives and Key Management Personnel (KMP).

The Company has a Remuneration Policy that aims to ensure the remuneration packages of Directors and senior executives properly reflect the person's duties, responsibilities and level of performance, as well as ensuring that remuneration is competitive in attracting, retaining and motivating people of the highest quality.

The level of remuneration for non-executive Directors is considered with regard to the practices of other public companies and the aggregate amount of fees paid to non-executive Directors approved by shareholders.

At this stage, the level of remuneration is based on market rates and is not directly linked to shareholders' wealth.

The Key Management Personnel (KMP) during or since the end of the financial year were:

The Directors of the Group during or since the end of the financial year:

- Eduardo Elsztain Non-Executive Chairman
- Saul Zang Non-Executive Director
- Pablo Vergara de Carril Non-Executive Director
- Wayne Hubert Non-Executive Director
- Robert Trzebski Non-Executive Director
- Ben Jarvis Non-Executive Director
- Stabro Kasaneva Chief Executive Officer

The Senior Executive KMP during or since the end of the financial year:

- José Bordogna Chief Financial Officer
- Michael Brown Vice President Corporate Development
- Diego Guido Vice President Exploration
- Juan Andres Morel Chief Operating Officer (appointed 7 August 2017)
- Rodrigo Ramirez Vice President Technical Services (appointed 7 August 2017)

Remuneration of KMP

The Group has employment agreements with all executive KMP in accordance with the laws in the jurisdiction in which the KMP is employed.

Remuneration of executive KMP is made up of a fixed component and a variable component comprising short-term and long-term goals. Performance against pre-determined targets (KPIs) are used to determine the portion of the variable component paid annually.

The KPIs are based on financial and non-financial indicators and include production, safety, cash flow generation and new business and value accretive investments.

Link Between Remuneration and Performance

The Group aims to align its executive remuneration to its strategic and business objectives and the creation of shareholder wealth. The table below shows the measures of the Group's financial performance over the last 5 years as required by the Corporations Act 2001. However, these are not necessarily consistent with the measures used in determining the variable amounts of remuneration to be awarded to KMP. As a consequence, there may not always be a direct correlation between the statutory key performance measure and the variable remuneration awarded.

	2013	2014	2015	2016	2017
Sales Revenue (US\$'000)	64,209	66,376	62,465	55,865	104,008
Profit/(loss) before tax (US\$'000)	(4,755)	(8,966)	(3,088)	27,711	(6,232)
Basic EPS (US cents per share)	(4.50)	(6.82)	(1.58)	5.25	(0.85)
Share price (cents AUD)	9.9	7.6	14.2	15.6	15.0

Details of Remuneration

Details of the nature and amount of each major element of the remuneration of each Directors of the Group and each of the KMP of the Group during the financial year are:

YEAR ENDED 30 JUNE 2017

	PRIMARY			POST-EMPLOYMENT		SHARE-BASED		TOTAL
	Cash Salary and Fees	Cash Bonus	Non-monetary benefits	Superannuation	Retirement benefits	Shares	Options	
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
Directors								
E Elsztain	80,000	-	-	-	-	-	-	80,000
S Zang	40,000	-	-	-	-	-	-	40,000
S Kasaneva	353,880	490,377	-	-	-	-	-	844,257
W Hubert	48,000	-	-	-	-	-	-	48,000
R Trzebski	27,681	-	-	2,630	-	-	-	30,311
B Jarvis	27,681	-	-	2,630	-	-	-	30,311
P Vergara del Carril	40,000	-	-	-	-	-	-	40,000
Total Directors	617,242	490,377	-	5,260	-	-	-	1,112,879
Executive KMP								
D Guido*	144,562	20,905	-	-	-	-	-	165,467
M Brown*	167,817	117,737	6,963	-	-	-	-	292,517
J Bordogna#	99,912	99,249	-	-	-	-	-	199,161
Total Executive KMP	412,291	237,891	6,963	-	-	-	-	657,145
Total 2017	1,029,533	728,268	6,963	5,260	-	-	-	1,770,024

* KMP was not employed by the Group for the full financial year.

#J Bordogna became a KMP on 1 July 2016 and hence is not included in the 2016 KMP remuneration table.

YEAR ENDED 30 JUNE 2016

	PRIMARY			POST-EMPLOYMENT		SHARE-BASED		TOTAL
	Cash Salary and Fees	Cash Bonus	Non-monetary benefits	Superannuation	Retirement benefits	Shares	Options	
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
E Elsztain	80,000	-	-	-	-	-	-	80,000
S Zang	40,000	-	-	-	-	-	-	40,000
S Kasaneva	310,371	163,398	-	-	-	-	-	473,769
W Hubert	48,000	-	-	-	-	-	-	48,000
R Trzebski	26,668	-	-	2,517	-	-	-	29,185
B Jarvis	26,668	-	-	2,517	-	-	-	29,185
P Vergara del Carril	40,000	-	-	-	-	-	-	40,000
Total Directors	571,707	163,398	-	5,034	-	-	-	740,139
Total 2016	571,707	163,398	-	5,034	-	-	-	740,139

Contractual Arrangement with Executive KMP

Name	Term of Agreement and notice period	Base salary	Termination payments
Stabro Kasaneva Chief Executive Officer	No fixed term 30 days notice	235,511,082 Chilean pesos annually (US\$353,880 at USD:CLP exchange rate 1:625)	Pro rata bonus accrued
Jose Bordogna Chief Financial Officer	No fixed term 30 days notice	1,580,942 Argentine pesos annually (US\$99,912 at ARS:USD exchange rate 16:1)	Pro rata bonus accrued
Michael Brown VP Corporate Development	No fixed term 30 days notice	250,000 Canadian dollars annually (US\$204,918 at USD:CAD exchange rate 1:1.22)	<p>i. a lump sum payment equivalent to nine (9) months' Annual Base Salary, less applicable deductions, plus one additional month's Base Salary for each full year of service completed after August 1, 2012, up to a maximum of 18 months;</p> <p>ii. all Annual Base Salary and vacation pay accrued and owing, less applicable deductions;</p> <p>iii. if applicable, a pro-rata bonus payment in accordance with Article III.02; and</p> <p>iv. continuation of the Employer's contributions necessary to maintain the Employee's participation for the minimum period prescribed by the applicable employment standard legislation in all group insurance and benefit or pension plans or programs provided to the Employee by the Employer immediately prior to the termination of the Employee's employment. The Employee agrees that the Employer may deduct from any payments hereunder the Employee's benefit plan contributions which were regularly made during the term of this Agreement and the Employee's employment in accordance with the terms of all plans or programs.</p>
Diego Guido VP Exploration	No fixed term 30 days notice	3,152,667 Argentine pesos annually (US\$200,000 at ARS:USD exchange rate 16:1)	Pro rata bonus accrued

Relative Proportion of Fixed vs Variable Remuneration Expense

The following table shows the relative proportions of executive remuneration that are linked to performance and those that are fixed, based on the amounts disclosed as statutory remuneration expense in the tables above.

NAME	FIXED REMUNERATION		AT RISK - SHORT-TERM INCENTIVE		AT RISK - LONG-TERM INCENTIVE	
	2017	2016	2017	2016	2017	2016
Executive Directors						
Stabro Kasaneva	42%	66%	58%	34%	0%	0%
KMP						
Diego Guido	67%	0%	33%	0%	0%	0%
Michael Brown	60%	0%	40%	0%	0%	0%
Jose Bordogna	50%	0%	50%	0%	0%	0%

End of Remuneration Report (Audited)

Other transactions with KMP

Zang, Bergel & Viñes Abogados is a related party since two Directors, Saul Zang and Pablo Vergara del Carril have significant influence over this law firm based in Buenos Aires, Argentina. Legal fees charged to the Company for the year ended 30 June 2017 amounted to US\$129,532 (2016: US\$89,888). This concludes the remuneration report, which has been audited.

Auditors

During the year, KPMG were appointed as auditors, and the appointment will be put to shareholders in a resolution at the upcoming general meeting. This is in accordance with the requirements of the Corporations Act 2001.

Non-audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 6 to the financial statements.

The Directors are satisfied that the provision of non-audit services during the financial year by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The Directors are of the opinion that the services as disclosed in note 6 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

Proceedings on Behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2017 has been received and is included in this report.

Signed in accordance with a resolution of Directors at Sydney.

Rounding of Amounts

The Company is a company of the kind referred to in ASIC Instrument 2016/191, dated 1 April 2016, and in accordance with that Instrument amounts in the Directors' Report and the financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

Signed in accordance with a resolution of Directors made pursuant to s.298(2) of the Corporations Act 2001.

For and on behalf of the board



Robert Trzebski

Director

29 September 2017



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Austral Gold Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of Austral Gold Limited for the financial year ended 30 June 2017 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

Daniel Camilleri
Partner

Sydney
29 September 2017

FINANCIAL STATEMENTS



STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Austral Gold Limited and its Subsidiaries

For the year ended 30 June 2017

All figures are reported in US\$

	Notes	Consolidated	
		30 June 2017 US\$'000	30 June 2016 US\$'000
CONTINUING OPERATIONS			
Revenue	4	104,008	55,865
Cost of sales	5	(91,439)	(51,217)
Gross profit		12,569	4,648
Administration expenses	5	(15,498)	(8,306)
Loss from foreign exchange		(312)	(362)
Gain/(loss) on movements in financial assets		(2,262)	4,888
Gain on acquisition of subsidiary	22	-	27,335
Finance costs		(729)	(492)
(Loss)/Profit before income tax		(6,232)	27,711
Income tax (expense) / Benefit	7	1,752	(3,305)
(Loss)/Profit after income tax expense		(4,480)	24,406
(Loss)/Profit attributable to:			
Owners of the Company	22	(4,380)	25,130
Non-controlling interests		(100)	(724)
		(4,480)	24,406
OTHER COMPREHENSIVE INCOME/(LOSS)			
Items that may not be classified subsequently to profit or loss			
Profit/(Loss) arising on revaluation of financial assets, net of tax	24	824	8,753
Items that may be classified subsequently to profit or loss			
Foreign currency translation	24	(249)	(13)
Total comprehensive (loss)/income for the year		(3,905)	33,146
Comprehensive (loss)/income attributable to:			
Owners of the Company		(3,805)	33,870
Non-controlling interests		(100)	(724)
		(3,905)	33,146
EARNINGS PER SHARE (cents per share):			
Basic earnings per share	8	(0.85)c	5.25c
Diluted earnings per share	8	(0.85)c	5.25c

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION

Austral Gold Limited and its Subsidiaries

As at 30 June 2017

All figures are reported in US\$

		Consolidated	
	Notes	30 June 2017 US\$'000	30 June 2016 US\$'000
ASSETS			
Current assets			
Cash and cash equivalents	10	6,094	11,878
Trade and other receivables	12	14,781	13,928
Financial assets	13	975	8,142
Inventories	11	19,347	14,202
Total current assets		41,197	48,150
Non-current assets			
Other receivables	12	626	341
Mine properties *	14	15,942	18,699
Property, plant and equipment *	15	80,554	54,207
Exploration and evaluation expenditure	16	14,175	12,247
Goodwill *		926	926
Deferred tax assets	7	2,935	2,016
Total non-current assets		115,158	88,436
TOTAL ASSETS		156,355	136,586
LIABILITIES			
Current liabilities			
Trade and other payables	17	16,933	12,914
Employee entitlements	18	1,733	1,336
Borrowings	20	10,880	1,879
Total current liabilities		29,546	16,129
Non-current liabilities			
Trade and other payables	17	8	39
Provisions	19	10,195	5,697
Borrowings	20	11,649	2,071
Deferred tax liability	7	1,578	4,676
Total non-current liabilities		23,430	12,483
TOTAL LIABILITIES		52,976	28,612
NET ASSETS		103,379	107,974
EQUITY			
Issued capital	21	99,050	93,537
Accumulated losses**	22	(9,911)	235
Reserves**	24	39	(7,448)
Non-controlling interest	23	14,201	21,650
TOTAL EQUITY		103,379	107,974

* Goodwill, Mine properties, PPE and Exploration and evaluation expenditure for 30 June 2016 has been reclassified for comparability with current year classifications and disclosures for these assets. Refer to Note 2.5.

** Accumulated losses and reserves at 30 June 2016 have been restated. Refer to Note 22.

STATEMENT OF CHANGES IN EQUITY

Austral Gold Limited and its Subsidiaries

For the year ended 30 June 2017

All figures are reported in US\$

	Note	Consolidated				Total US\$'000
		Issued capital	Accumulated losses	Reserves	Non- controlling interest	
		US\$'000	US\$'000	US\$'000	US\$'000	
Balance at 1 July 2015		93,537	(29,379)	(7,179)	1,557	58,536
Profit/(loss) for the year		-	25,130	-	(724)	24,406
<i>Other comprehensive income for the year, net of income tax:</i>						
Revaluation of financial assets	24	-	-	8,753	-	8,753
Revaluation of financial assets transferred to accumulated losses	24	-	3,504	(3,504)	-	-
Remeasurement of retained earnings related to 51% acquisition of Casposo	22	-	980	-	-	980
Foreign exchange movements from translation of financial statements to US dollars	24	-	-	(13)	-	(13)
Total comprehensive income/(loss) for the year			29,614	5,236	(724)	34,126
Acquisition of subsidiary with non-controlling interest	23	-	-	(5,505)	20,955	15,450
<i>Transactions with owners in their capacity as owners:</i>						
Dividend distribution		-	-	-	(138)	(138)
Balance at 30 June 2016		93,537	235	(7,448)	21,650	107,974
Profit/(loss) for the year		-	(4,380)	-	(100)	(4,480)
<i>Other comprehensive income for the year, net of income tax:</i>						
Revaluation of financial assets	24	-	-	824	-	824
Revaluation of financial assets transferred to accumulated losses	24, 22	-	(1,741)	1,741	-	-
Share options expired	24, 22		13	(13)		
Profits transferred to profit reserve	24, 22	-	(3,362)	3,362	-	-
Foreign exchange movements from translation of financial statements to US dollars	24	-	-	(249)	-	(249)
Total comprehensive income/(loss) for the year		-	(9,470)	5,665	(100)	(3,905)
Transfer of minority interest to retained earnings	22	-	(991)	-	991	-
Acquisition of additional 19% of Casposo with non-controlling interest	24	-	315	5,184	(8,184)	(2,685)
<i>Transactions with owners in their capacity as owners:</i>						
Shares issued	21	5,513	-	-	-	5,513
Dividend distribution	26	-	-	(3,362)	(156)	(3,518)
Balance at 30 June 2017		99,050	(9,911)	39	14,201	103,379

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes

STATEMENT OF CASH FLOWS

Austral Gold Limited and its Subsidiaries

For the year ended 30 June 2017

All figures are reported in US\$

		Consolidated	
	Notes	30 June 2017 US\$'000	30 June 2016 US\$'000
Changes in cash and cash equivalents			
Cash and cash equivalents at the beginning of the period		11,878	7,303
Cash and cash equivalents, at the end of the period	10	6,094	11,878
Net increase / (decrease) in cash and cash equivalents		(5,784)	4,575
Causes of change in cash and cash equivalents			
Operating activities			
Profit/(Loss) after income tax		(4,480)	24,406
Non-cash items			
Income tax expense recognised in profit or loss		(1,752)	3,305
Depreciation and amortisation		29,993	14,616
Loss from foreign exchange		312	362
Interest received		(14)	(123)
Recognition option to acquire further 10% of Casposo mine		(245)	-
Finance Charges		532	-
Expense recognised related to the mine closure provision		170	-
Expense recognised related to inventory obsolescence		949	-
Allowance for doubtful debts		97	-
Non-cash employee entitlements		397	-
(Gain)/loss in fair value of financial assets		2,262	(4,893)
Gain on acquisition of subsidiary		-	(27,335)
Write-off and disposal of plant and equipment		-	194
Net cash from operating activities before change in assets and liabilities		28,220	10,532
Changes in working capital:			
Decrease / (increase) in inventory		(6,094)	4,726
Decrease / (increase) in trade and other receivables		(3,866)	7,859
Increase / (decrease) in trade and other payables		9,426	(7,952)
Net cash provided through operating activities		27,687	15,165
Cash flows from investing activities			
Acquisition of subsidiary, net of cash acquired (Casposo 51%)		-	1,129
Exercise of option to acquire further 19% of Casposo	22	(3,000)	-
Net additions to plant and equipment		(34,480)	(11,295)
Net proceeds from sale of investment in listed shares		1,907	7,547
Deferred consideration for investment in subsidiaries (Cachinalito)		(246)	(766)
Final payment for Amancaya exploration and evaluation		(2,000)	(5,824)

STATEMENT OF CASH FLOWS

Austral Gold Limited and its Subsidiaries

For the year ended 30 June 2017

All figures are reported in US\$

	Consolidated		
	Notes	30 June 2017 US\$'000	30 June 2016 US\$'000
Cash acquired Argentex acquisition	29	26	-
Payment for investment in exploration and evaluation	16	(1,008)	(2,329)
Payment for investment in mine properties	14	(2,536)	(814)
Interest received		14	123
Net cash used in investing activities		(41,323)	(12,228)
Cash flows from financing activities			
Net proceeds/(payments) from borrowings	20	12,607	4,638
Financial leases payments	20	(4,052)	(3,082)
Dividend distribution to shareholders	26	(3,362)	-
Dividend distribution to non-controlling interests		-	(270)
Repayment of loan issued to related party	32	2,659	351
Net cash provided by financing activities		7,852	1,638
Net increase / (decrease) in cash and cash equivalents		(5,784)	4,575

The above Statement of Cash Flows should be read in conjunction with the accompanying notes

NOTES TO THE FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

1.1 Reporting entity

Austral Gold Limited ("the Company") is a company limited by shares that is incorporated and domiciled in Australia, whose shares are publicly traded on the Australian Securities Exchange under the symbol AGD and on the TSX Venture Exchange under the symbol AGLD.

These consolidated financial statements comprise the Company and its subsidiaries ('the Group') and are presented in English. They were authorised for issue in accordance with a resolution of the Board of Directors on 29 September 2017.

The nature of the operations and principal activities of the Group are described in the Directors' Report.

1.2 Basis of accounting

The consolidated financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. The consolidated financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The consolidated financial statements have been prepared under the historical cost convention, except for certain financial assets and liabilities which are stated at fair value.

1.3 Presentation and functional currency

These consolidated financial statements are presented in United States dollars (US\$), which is the presentation and functional currency of the Group.

1.4 Rounding off

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 191/2016 and in accordance with that Instrument, amounts in the financial report and Directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

1.5 Use of estimates and judgements

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively. Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 30 June 2017 is detailed below:

Estimated impairment / reversal of impairment of mine properties

Where indicators of impairment or reversal of impairment are identified the recoverable amounts of the assets are determined. The recoverable amounts of the assets have been determined using reports from independent experts. The calculations require the use of assumptions. Refer to note 14 for details of these assumptions.

Estimated impairment of exploration and evaluation assets

The Group tests at each reporting date whether there are any indicators of impairment as identified by AASB 6 "Exploration for and Evaluation of Mineral Resources". Where indicators of impairment are identified, the recoverable amounts of the assets are determined. No indicators of impairment were identified in the current year.

Estimate of mine closure provisions

Obligations associated with exploration and mine properties are recognised when the Group has a present obligation, the future sacrifice of the economic benefits is probable, and the provision can be measured reliably. The provision is measured at the present value of the future expenditure and a corresponding rehabilitation asset is also recognised.

On an ongoing basis, the rehabilitation will be remeasured in line with the changes in the time value of money (recognised as an expense and an increase in the provision), and additional disturbances (recognised as additions to a corresponding asset and rehabilitation liability).

NOTES TO THE FINANCIAL STATEMENTS

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1 – the instrument has quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – inputs other than quoted prices within Level 1 that are observable for the asset or liability, either directly (i.e. as prices), or indirectly (i.e. derived from prices)
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Group holds listed equity securities at fair value, which are measured at the closing bid price at the end of the reporting period. These financial assets held at fair value fall within Level 1 of the fair value hierarchy. The Group also holds options (warrants) which rely on estimates and judgements to calculate a fair value for these financial instruments using the Black Scholes model. These financial assets held at fair value fall within Level 2 of the fair value hierarchy. The option to buy a further 10% in the Casposo mine is within Level 3 of the fair value hierarchy.

1.6 Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 30.

2. SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the material accounting policies adopted by the Group in the preparation of the consolidated financial statements. The accounting policies have been consistently applied, unless otherwise stated.

2.1 Basis of consolidation

A subsidiary is any entity over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

A list of subsidiaries is contained in note 28 to the financial statements. The financial statements of the subsidiaries are prepared for the same reporting periods as the parent company using consistent accounting policies.

All intercompany balances and transactions between entities in the Group, including any unrealised profits or losses, have been eliminated on consolidation.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting.

Non-controlling interests in the equity and results of the subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the Group.

Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

2.2 Revenue recognition

Sale of minerals

Sale of minerals is recognised at the point of sale, which is when the customer has taken delivery of the goods, the risks and rewards have been transferred to the customer and there is a valid contract.

NOTES TO THE FINANCIAL STATEMENTS

Interest revenue

Interest revenue is recognised as it accrues, using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

2.3 Goods and services tax (GST)/ Value added tax (VAT)

Revenues, expenses and assets are recognised net of the amount of GST/VAT, except where the amount of GST/VAT incurred is not recoverable from the tax authorities. In these circumstances the GST/VAT is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables in the statement of financial position are shown inclusive of GST/VAT. Cash flows are presented in the statement of cash flows on a gross basis, except for the GST/VAT component of investing and financing activities, which are disclosed as operating cash flows.

2.4 Foreign currency translation

The financial statements are presented in United States Dollars (US\$), which is the Group's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into US\$ using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

2.5 Mine Properties

Mines in production represent the aggregated exploration and evaluation expenditure and capitalised development costs in respect of areas of interest in which mining is ready to or has commenced. Mine development costs are deferred until commercial production commences, at which time they are depreciated on a units-of-production basis over the mineable reserves. Once production commences, further development expenditure is classified as part of the cost of production, unless substantial future economic benefits can be established.

Reclassifications were made to the comparative balances of Intangible Assets & Goodwill, Property, Plant & Equipment and Exploration and Evaluation Expenditure to enable the increased transparency of disclosure of Mine Properties. The impact of the reclassification is outlined in the table below:

	Consolidated		
	30 June 2016 Remeasured US\$'000	30 June 2016 Previously Reported US\$'000	Impact US\$'000
Intangible Assets & Goodwill	-	19,017	(19,017)
Mine properties	18,699	-	18,699
Property, plant and equipment	54,207	51,453	2,754
Exploration and evaluation expenditure	12,247	15,609	(3,362)
Goodwill	926	-	926
Impact on Non-Current Assets			-

There was no impact on the comparative Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity or Statement of Cashflows of this reclassification.

Amortisation

Aggregated costs on productive areas are amortised over the life of the area of interest to which such costs relate on the units-of-production basis.

NOTES TO THE FINANCIAL STATEMENTS

Deferred stripping costs

Deferred stripping costs represent certain mining costs, principally those that relate to the stripping of waste, which provides access so that future economically recoverable ore can be mined. Stripping (i.e. overburden and other waste removal) costs incurred in the production phase of a surface mine are capitalised to the extent that they improve access to an identified component of the ore body and are subsequently amortised on a systematic basis over the expected useful life of the identified component of the ore body.

Capitalised stripping costs are disclosed as a component of Mine Properties. Components of an ore body are determined with reference to life of mine plans and take account of factors such as the geographical separation of mining locations and/or the economic status of mine development decisions. Capitalised stripping costs are initially measured at cost and represent an accumulation of costs directly incurred in performing the stripping activity that improves access to the identified component of the ore body, plus an allocation of directly attributable overhead costs. The amount of stripping costs deferred is based on a relevant production measure which uses a ratio obtained by dividing the tonnage of waste mined by the quantity of ore mined for an identified component of the ore body. Stripping costs incurred in the period for an identified component of the ore body are deferred to the extent that the current period ratio exceeds the expected waste to ratio for the life of the identified component of the ore body. Such deferred costs are then charged against the statement of profit and loss when the stripping ratio falls below the life of mine ratio. These are a function of the mine design and therefore any changes to the design will generally result in changes to the ratio. Changes in other technical or economic parameters that impact on reserves may also have an impact on the component ratio even though they may not impact the mine design. Changes to the life of mine plan, identified components of an ore body, stripping ratios, units of production and expected useful life are accounted for prospectively. Deferred stripping costs form part of the total investment in a cash generating unit, which is reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable.

2.6 Exploration and evaluation expenditure

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest and carried forward in the statement of financial position where:

2.6.1 rights to tenure of the area of interest are current; and

2.6.2 one of the following conditions is met:

- i such costs are expected to be recouped through successful development and exploitation of the area of interest or alternatively, by its sales; or
- ii exploration and/or evaluation activities in the area of interest have not, at reporting date, yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in the area are continuing.

Expenditure relating to pre-exploration activities is written off to the profit or loss during the period in which the expenditure is incurred.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Accumulated expenditure on areas that have been abandoned, or are considered to be of no value, are written off in the year in which such a decision is made.

When the technical and commercial feasibility of an undeveloped mining project has been demonstrated, the project enters the construction phase. The cost of the project assets are transferred from exploration and evaluation expenditure and reclassified into construction phase and include past exploration and evaluation costs, development drilling and other subsurface expenditure. When full commercial operation commences, the accumulated costs are transferred into Mine Properties or an appropriate class of property, plant and equipment.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the production output basis.

2.7 Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses.

NOTES TO THE FINANCIAL STATEMENTS

Depreciation

The depreciated amount of property, plant and equipment is recorded either on a straight-line basis or on the production output basis to the residual value of the asset over the lesser of mine life or estimated useful life of the asset.

Depreciation rates and methods are reviewed annually for appropriateness. When changes are made, adjustments are reflected prospectively in current and future periods only. Depreciation is expensed, except those that are included in the amount of exploration assets as an allocation of production overheads.

The depreciation rate used for fixed assets which are not used in mining production is between 10%-20%. The depreciation rate used in mining production is provided for over the life of the area of interest on a production output basis.

De-recognition and disposal

An item of property, plant and equipment is de-recognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on de-recognition of the asset (calculated as the difference between net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss in the year the asset is de-recognised.

2.8 Cash and cash equivalents

For the purpose of the Statement of Cash Flows, cash includes:

- i cash on hand and at call deposits with banks or financial institutions; and
- ii other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

2.9 Income Tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by reporting date.

Deferred income tax is provided on all temporary differences at reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- i when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- ii when the taxable temporary difference is associated with investments in subsidiaries, associates, or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- i when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- ii when the deductible temporary difference is associated with investments in subsidiaries, associates, or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of any deferred income tax assets recognised is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply for the year when the asset is realised or the liability is settled, based on tax laws that have been enacted or substantively enacted at reporting date.

NOTES TO THE FINANCIAL STATEMENTS

Income taxes relating to items recognised directly to equity are recognised in equity and not in profit or loss. Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

2.10 Inventories

Materials and supplies are stated at the lower of cost and net realisable value on a 'first in first out' basis. Cost comprises direct materials and delivery costs, direct labour, import duties and other taxes, an appropriate proportion of variable and fixed overhead expenditure based on normal operating capacity.

If the ore stockpile is not expected to be processed in 12 months after reporting date, it is included in non-current assets and the net realisable value is calculated on a discounted cash flow basis. Stockpiles are measured by estimating the number of tonnes added and removed from the stockpile, the number of contained ounces based on assay data, and the estimated recovery percentage. Stockpile tonnages are verified to periodic surveys.

Gold bullion and gold-in-process are valued at the lower of cost and net realisable value. Net realisable value is determined using the prevailing metal prices.

2.11 Trade and other receivables

Trade accounts receivable, amounts due from related parties and other receivables represent the principal amounts due at balance date plus accrued interest and less, where applicable, any unearned income and provisions for doubtful accounts.

2.12 Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. They are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

2.13 Interest bearing liabilities

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method. Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

2.14 Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.15 Leases

Assets held by the Group under leases that transfer to the Group substantially all of the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments.

Lease payments for operating leases, where all the risks and benefits remain with the lessor, are recognised as an expense in the profit or loss on a straight line basis over the lease term.

2.16 Impairment of non-financial assets

At each reporting date, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell or value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the profit or loss. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax rate.

NOTES TO THE FINANCIAL STATEMENTS

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives or more frequently if events or circumstances indicate that the carrying value may be impaired.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

2.17 De-recognition of financial assets and financial liabilities

Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- i the rights to receive cash flows from the asset have expired; or
- ii the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or
- iii the Group has transferred its rights to receive cash flows from the asset and either:
 - (a) has transferred substantially all the risks and rewards of the asset; or
 - (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration received that the Group could be required to repay.

Fair value through other comprehensive income

The Group's investments in equity securities are classified as 'fair value through Other Comprehensive Income'. Subsequent to initial recognition fair value through other comprehensive income investments are measured at fair value with gains or losses being recognised directly through Other Comprehensive Income in the Statement of Profit or Loss and Other Comprehensive Income.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2.18 Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.19 Earnings per share

Basic earnings per share

Basic earnings per share is determined by dividing net profit after income tax attributable to members of the parent, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS

2.20 Borrowing costs

Borrowing costs are recognised as an expense when incurred unless they are attributable to qualifying assets, in which case they are then capitalised as part of the assets.

2.21 Employee leave benefits

Short-term employee benefits

Liabilities for employees' entitlements to wages and salaries, annual leave and other employee entitlements expected to be settled within 12 months of the reporting date are recognised in the current provisions in respect of employees' services up to reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated cash outflows.

Superannuation

The Company contributes to employee superannuation funds. Contributions made by the Company are legally enforceable. Contributions are made in accordance with the requirements of the Superannuation Guarantee Legislation.

2.22 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer.

2.23 New, revised or amending Accounting Standards and Interpretations adopted

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the AASB that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

3. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS NOT YET MANDATORY OR EARLY ADOPTED

There are currently no AASB standards, amendments to standards and interpretations that have been identified as those which may impact the entity in the period of initial application.

IFRS 15 Revenue from Contracts with Customers

The IASB has issued a new standard for the recognition of revenue with an effective date of 1 January 2018. This will replace IAS 18 which covers contracts for goods and services and IAS 11 which covers construction contracts.

The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards.

A new five-step process must be applied before revenue can be recognised:

- identify contracts with customers
- identify the separate performance obligation
- determine the transaction price of the contract
- allocate the transaction price to each of the separate performance obligations, and
- recognise the revenue as each performance obligation is satisfied.

These accounting changes may have flow-on effects on the entity's business practices regarding systems, processes and controls, compensation and bonus plans, contracts, tax planning and investor communications.

AASB 16 Leases

AASB 16 removes the classification of leases as either operating or finance leases – for the lessee – effectively treating all leases as finance leases. Short leases (less than 12 months) and leases of low-value assets (such as personal

NOTES TO THE FINANCIAL STATEMENTS

computers) are exempt from the lease accounting requirements. There are also changes in accounting over the life of a lease. In particular, companies will now recognise a front-loaded pattern of expenses for most leases, even when they pay constant annual rentals. Lessor accounting remains similar to current practice – ie. Lessors continue to classify leases as finance and operating leases.

AASB 16 is effective for annual reporting periods beginning on or after 1 January 2019. The Group does not foresee a significant impact for its operations or its financial statement disclosures with regard to this new accounting standard given that the majority of leases held by the Group are already classified as finance leases.

4. REVENUE

	Consolidated	
	30 June 2017 US\$'000	30 June 2016 US\$'000
Operating activities		
Revenue from gold and silver sales	101,025	54,693
Interest revenue	18	1,097
Other revenue	2,965	75
Total revenue	104,008	55,865

5. (LOSS)/PROFIT FOR THE YEAR

	Consolidated	
	30 June 2017 US\$'000	30 June 2016 US\$'000
Profit before income tax includes the following specific expenses:		
Production	28,829	26,919
Staff costs	28,156	7,929
Allowance for inventory obsolescence	634	-
Royalties	3,814	1,741
Mining Fees	13	13
Depreciation of plant and equipment	18,386	8,863
Depreciation of mine properties	11,607	5,752
Total cost of sales	91,439	51,217
Payroll costs within administration expenses	7,172	4,515

6. AUDITORS' REMUNERATION

	Consolidated	
	30 June 2017 US\$	30 June 2016 US\$
Remuneration of the auditors of the parent entity for:		
Auditing or reviewing the financial reports	76,260	53,269
Other services/ taxation	22,350	11,737
Total auditors' remuneration – parent entity	98,610	65,006
Remuneration of auditors of subsidiaries for:		
Auditing or reviewing the financial reports	206,750	113,393
Other services/taxation	40,497	48,428
Total auditors' remuneration – subsidiaries	247,247	161,821

Note: KPMG acted as auditors of the parent entity and its subsidiaries for the current year. BDO acted as auditor for the parent entity in the prior year.

NOTES TO THE FINANCIAL STATEMENTS

7. INCOME TAX EXPENSE

	Consolidated	
	30 June 2017 US\$'000	30 June 2016 US\$'000
(A) INCOME TAX EXPENSE COMPRISES:		
Current tax payable	2,164	1,451
Deferred tax expense	(3,916)	1,854
Income tax (benefit)/expense	(1,752)	3,305
(B) RECONCILIATION OF EFFECTIVE INCOME TAX RATE		
Profit/ (Loss) before tax	(6,232)	27,711
Prima facie income tax (benefit)/expense calculated at 30%	(1,870)	8,313
Difference due to blended overseas tax rate*	(375)	-
Difference due to change in tax rate	322	1,459
Allowance for doubtful carry forward tax losses	446	-
Non-deductible expenses	(968)	2,774
Temporary differences not brought into account	693	-
Non-assessable gain on acquisition	-	(9,241)
Income tax (benefit)/expense	(1,752)	3,305
* Chile tax rate: 25.5% (2016: 24%)		
(C) DEFERRED TAX ASSETS AND LIABILITIES		
Deferred tax assets		
Inventory	703	853
Mining concessions	2,028	-
Accrual for mine closure	185	205
Purchase Price Allocation (Casposo)	(419)	(606)
Leasing assets	(3)	425
Tax losses carried forward	955	1,505
Property, plant and equipment	(518)	(856)
Other accrued expenses	4	490
Total deferred tax assets	2,935	2,016
Deferred tax liabilities		
Other provisions	(144)	7
Mining concessions	(1,597)	(3,451)
Accrual for mine closure	569	252
Accrual for annual leave/payroll	361	195
Financial assets	(125)	(1,370)
Leasing assets	(642)	(309)
Total deferred tax liabilities	(1,578)	(4,676)
Net deferred tax assets/(liabilities)	1,357	(2,660)
Movement in deferred tax balances		
Opening balance	(2,660)	(805)
Exchange rate difference	101	-
Charged to profit and loss	3,916	(1,855)
Closing balance	1,357	(2,660)

NOTES TO THE FINANCIAL STATEMENTS

8. EARNINGS PER SHARE

	Consolidated	
	30 June 2017 US\$'000	30 June 2016 US\$'000
Net profit attributable to owners	(4,380)	25,130
Weighted average number of shares used as the denominator		
Number for basic earnings per share	513,253,037	478,761,995
Number for diluted earnings per share	513,253,037	478,761,995
Basic earnings per ordinary share (cents)	(0.85)c	5.25c
Diluted earnings per ordinary share (cents)	(0.85)c	5.25c

9. OPERATING SEGMENTS

Management have determined the operating segments based on reports reviewed by the Chief Operating Decision Maker ("CODM"). The CODM considers the business from both an operations and geographic perspective and has identified two reportable segments, Guanaco and Casposo. The CODM monitors the performance in these two regions separately. The two reportable segments have changed compared to the prior year with the addition of the Casposo mine to Austral Gold operations. The comparative information for operating segments has been restated to reflect this change.

	Consolidated							
	30 June 2017				30 June 2016			
	Guanaco/ Amancaya US\$'000	Casposo US\$'000	Group and unallocated items US\$'000	Consolidated US\$'000	Guanaco/ Amancaya US\$'000	Casposo US\$'000	Group and unallocated items US\$'000	Consolidated US\$'000
Revenue from gold and silver sales	57,316	43,708	1	101,025	48,575	6,118	-	54,693
Interest revenue	-	12	6	18	882	194	21	1,097
Other revenue	55	2,910	-	2,965	17	-	58	75
Total segment revenue	57,371	46,630	7	104,008	49,474	6,312	79	55,865
Cost of sales	(28,082)	(33,364)	-	(61,446)	(30,864)	(5,737)	-	(36,601)
Depreciation and amortisation expense	(21,279)	(8,688)	(26)	(29,993)	(14,168)	(445)	(3)	(14,616)
Finance costs	(293)	(436)	-	(729)	(393)	(50)	(49)	(492)
Gain/(Loss) from foreign exchange	468	(793)	13	(312)	(413)	51	-	(362)
Gain on acquisition of a subsidiary	-	-	-	-	-	-	27,335	27,335
Administration expenses	(7,648)	(3,823)	(4,027)	(15,498)	(2,806)	(3,844)	(1,656)	(8,306)
Gain/ (loss) in fair value of financial assets	-	-	(2,262)	(2,262)	-	-	4,888	4,888
Income tax expense	(144)	919	977	1,752	(2,252)	1,406	(2,459)	(3,305)
Segment profit/(loss)	393	445	(5,318)	(4,480)	(1,422)	(2,307)	28,135	24,406
Segment assets	88,929	58,664	11,781	159,374	67,899	51,625	17,062	136,586
Segment liabilities	42,502	12,680	813	55,995	17,576	8,501	2,535	28,612
Capital expenditure	37,607	11,700	19	49,326	14,094	285	59	14,438

NOTES TO THE FINANCIAL STATEMENTS

Geographical information:

	Consolidated	
	30 June 2017 US\$'000	30 June 2016 US\$'000
Revenue by geographic location		
Chile	57,371	49,474
Argentina	46,635	6,391
Australia	2	-
Canada	-	-
Total revenue	104,008	55,865
Non-current assets by geographic location		
Chile	68,875	51,277
Argentina	46,269	37,159
Australia	-	-
Canada	14	-
Total non-current assets	115,158	88,436

10. CASH AND CASH EQUIVALENTS

	Consolidated	
	30 June 2017 US\$'000	30 June 2016 US\$'000
Cash at call and in hand	6,094	11,827
Short-term bank deposits	-	51
Total cash and cash equivalents	6,094	11,878

Reconciliation of Cash

Cash at the end of the financial year as shown in the Statement of Cash Flows, is reconciled to items in the Statement of Financial Position as follows:

Cash and cash equivalents	6,094	11,878
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Risk Exposure

The Group's exposure to interest rate risk is discussed in note 25. The maximum exposure to credit risk at the reporting date is the carrying amount of each class of cash and cash equivalents mentioned above.

NOTES TO THE FINANCIAL STATEMENTS

11. INVENTORIES

	Consolidated	
	30 June 2017 US\$'000	30 June 2016 US\$'000
Materials and supplies	7,637	8,688
Ore stocks*	3,592	2,443
Gold bullion and gold in process	8,118	3,071
Total inventories	19,347	14,202

* Ore stock inventories require estimates and assumptions most notably in regards to grades, volumes, densities, future completion costs and ultimate sale price. Such estimates and assumptions may change as new information becomes available which may impact upon the carrying value of inventory. The allowance for inventory obsolescence forming part of the above balance is US\$949k (2016: US\$257k).

12. TRADE AND OTHER RECEIVABLES

	Consolidated	
	30 June 2017 US\$'000	30 June 2016 US\$'000
CURRENT		
Trade receivables	1,865	3,077
Other current receivables	1,586	2,695
Prepaid income tax	4,245	-
Loans receivable from related parties	-	2,659
GST/VAT receivable	7,085	5,497
Total current receivables	14,781	13,928
NON CURRENT		
GST/VAT receivable	265	133
Other	361	208
Total non-current receivables	626	341
TRADE DEBTORS		
The ageing of trade receivables is 0 – 30 days	1,865	3,077

12.1 Past due but not impaired

There were no receivables past due at 30 June 2017 (2016: nil).

12.2 Fair value and credit risk

Due to the short term nature of trade receivables, their carrying amount is assumed to approximate their fair value.

The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivables mentioned above. Refer to note 25 for more information on the risk management policy of the Group and the credit quality of the receivables.

12.3 Key customers

The Company is not reliant on any one customer to sell gold and silver produced from the Guanaco and Casposo mines.

NOTES TO THE FINANCIAL STATEMENTS

13. FINANCIAL ASSETS

	Consolidated	
	30 June 2017 US\$'000	30 June 2016 US\$'000
CURRENT		
Call option to buy a further 10% of Casposo - level 3	245	-
Options (warrants) - level 2	417	4,893
Listed equity securities - level 1	313	3,249
Total current financial assets at fair value	975	8,142

The table above sets out the Group's assets and liabilities that are measured and recognised at fair value at 30 June 2017. The options (warrants) are those attaching to the shares of Fortuna Silver (TSE: FVI) and the fair value is based on the Black Scholes method using the following assumptions:

- Spot Price: C\$6.35 per share
- Volatility: 48.622%
- Strike Price: C\$6.0105
- Maturity: October 2018

Listed equity securities as at 30 June 2017 are Fortuna Silver shares being held after the Group exercised warrants during the year. The listed equity securities on hand as at 30 June 2016 relating to Goldrock Mines Corp were disposed of during the period while those related to Argentex were eliminated as part of the acquisition (see Note 29 for further details).

The Group has options to buy the remaining 30% of the Casposo mine with only the first 10% tranche option considered to be 'in the money' as at 30 June 2017. The call options were valued by comparing the discounted future cashflows related to each remaining 10% tranche and comparing against the contracted price for each 10% option. Only the first 10% tranche was "in the money" for US\$245k.

Fair value hierarchy

Refer to note 1.5 of these financial statements for details of the fair value hierarchy.

Transfers

During the year ended 30 June 2017 there were no transfers between the financial instrument levels of hierarchy.

NOTES TO THE FINANCIAL STATEMENTS

14. MINE PROPERTIES

	Consolidated		
	Guanaco/Amancaya US\$'000	Casposo US\$'000	Total US\$'000
Mine Properties - 30 June 2017			
Cost	58,849	8,661	67,510
Accumulated depreciation	(49,910)	(1,658)	(51,568)
Carrying value - Mine Properties	8,939	7,003	15,942
MOVEMENTS IN CARRYING VALUE			
Carrying amount at beginning of the year	9,655	9,044	18,699
Additions for the year	1,556	47	1,603
Increase in mine closure provision	3,593	-	3,593
Transfers from Exploration and Evaluation Expenditure	6,274	-	6,274
Disposals for the year	(2,657)	(3)	(2,660)
Adjustment	490	(450)	40
Depreciation for the year	(9,972)	(1,635)	(11,607)
Carrying amount at end of the year	8,939	7,003	15,942
Mine Properties - 30 June 2016			
Cost	49,593	9,067	58,660
Accumulated depreciation	(39,938)	(23)	(39,961)
Carrying value - Mine Properties	9,655	9,044	18,699
MOVEMENTS IN CARRYING VALUE			
Carrying amount at beginning of the year	23,518	-	23,518
Additions for the year	2,801	12,142	14,943
Increase in mine closure provision	285	-	285
Transfers to Property, Plant and Equipment	(1,315)	(1,440)	(2,755)
Transfers to Exploration and Evaluation Expenditure	(9,905)	(1,635)	(11,540)
Depreciation	(5,729)	(23)	(5,752)
Carrying amount at end of the year	9,655	9,044	18,699

The comparative figures have been reclassified as Mine Properties whereas they were disclosed as Intangible assets in financial statements for the year ended 30 June 2016.

Impairment – Guanaco/Amancaya

The Guanaco mine has been determined by Management, along with the Amancaya properties in the surrounding areas, and including the small mining services on-site provider, to be a single cash generating unit ("CGU"). The mine properties noted above and the property, plant and equipment that is an intrinsic part of the mine and its structure (included in note 15) are included in determining the carrying value of the CGU for the purposes of assessing for impairment.

Management have assessed the fair value and book value of the Guanaco project to be both within the acceptable range of between US\$84.2m and US\$127.5m (preferred value US\$105.9m) (2016: US\$85.5m) and therefore no impairment charge has been applied to the assets for the current year. The fair value is based on an independent valuation using a discounted cash flow model and the following assumptions:

- Gold price: US\$1,250/oz – US\$1,310/oz (2016: US\$1,325/oz – US\$1,207/oz)
- Life of Mine: 8 years (Life of mine based on most recent financial model used for impairment testing)
- Discount Rate (post-tax): 6.3% (2016: 5.7%)

NOTES TO THE FINANCIAL STATEMENTS

Goodwill

Goodwill has arisen on the acquisition of a subsidiary, Ingenieria y Minería Cachinalito Limitada. The recoverable amount of the goodwill arising from the Cachinalito business has been determined by including it as part of the combined Guanaco/Amancaya CGU described above.

In light of the results of the independent valuation, management has assessed the goodwill as not being impaired.

Impairment – Casposo

After the recent acquisition of and as part of the restart of full operations at the Casposo gold-silver mine ('Casposo') an update to the Mineral Resource and Ore Reserve estimate was made. The estimates were reviewed by independent consultants Roscoe Postle Associates ("RPA"), and are summarised in a National Instrument 43-101 ("NI 43-101") and JORC 2012 compliant Technical Report dated September 7, 2016.

Management have assessed the fair value and book value of Casposo to be both within the acceptable range of between US\$21.4m and US\$43.4m (preferred value US\$32.4m) and therefore no impairment charge has been applied to the assets for the current year. The fair value is based on an independent valuation using a discounted cash flow model and the following assumptions:

- Gold price: US\$1,250/oz – US\$1,310/oz
- Life of Mine: 5 years (Life of mine based on most recent financial model used for impairment testing)
- Discount Rate (post-tax): 8.3%

15. PROPERTY, PLANT AND EQUIPMENT

	Consolidated	
	30 June 2017 US\$'000	30 June 2016 US\$'000
Property, plant and equipment - at cost	132,175	87,442
Accumulated depreciation	(51,621)	(33,235)
Carrying amount at end of year	80,554	54,207
MOVEMENTS IN CARRYING VALUE		
Carrying amount at beginning of the year	54,207	28,945
Additions for the year	45,873	11,295
Additions from a business combination	-	20,258
Transfers from Mining Properties	-	2,755
Write-off	-	(194)
Disposals for the year	(1,140)	-
Depreciation for the year	(18,386)	(8,852)
Carrying amount at end of year	80,554	54,207

The majority of the property, plant and equipment is included in either the Guanaco cash-generating unit or the Casposo cash-generating unit. Refer to note 14 for discussion on impairment. Property, plant and equipment that does not form part of the Guanaco or Casposo cash generating units are being carried at the lower of their book value and recoverable amount.

The Group leases production equipment under a number of finance leases. At 30 June 2017, the net carrying amount of lease equipment was US\$17,347k (2016: US\$5,855k).

NOTES TO THE FINANCIAL STATEMENTS

16. EXPLORATION AND EVALUATION EXPENDITURES

	Consolidated	
	30 June 2017 US\$'000	30 June 2016 US\$'000
Costs carried forward in respect of areas of interest:		
Carrying amount at the beginning of the year	12,247	649
Additions for the year	8,202	58
Transfers to Mining Properties	(6,274)	11,540
Carrying amount at end of the year	14,175	12,247

The recovery of the carrying amount of the exploration and evaluation assets is dependent on the successful development and commercial exploration or sale of the areas of interest. This balance mainly relates to expenditure Guanaco, Casposo and Pingüino exploration projects.

Additions for the year relate mainly to the Argentex acquisition. Refer to Note 29 for further details.

17. TRADE AND OTHER PAYABLES

	Consolidated	
	30 June 2017 US\$'000	30 June 2016 US\$'000
CURRENT		
Trade payables	10,088	5,890
Accrued expenses	2,187	2,812
Royalty Payable	1,738	-
Income tax payable	292	1,159
Other payables	2,628	3,053
Total current trade and other payables	16,933	12,914
NON CURRENT		
Other payables	8	39

Refer to note 25 for detailed information on financial instruments.

18. EMPLOYEE ENTITLEMENTS

	Consolidated	
	30 June 2017 US\$'000	30 June 2016 US\$'000
CURRENT		
Employee entitlements	1,733	1,336
MOVEMENT IN CURRENT PROVISIONS		
Opening balance	1,336	692
Charged to the profit and loss	397	644
Closing balance	1,733	1,336

The current provision for employee entitlements includes all unconditional entitlements in accordance with the applicable legislation. The entire amount is presented as current, since the Group does not have an unconditional right to defer payment. The entire balance of employee benefits is expected to be settled within the next 12 months.

NOTES TO THE FINANCIAL STATEMENTS

19. PROVISIONS

	Consolidated	
	30 June 2017 US\$'000	30 June 2016 US\$'000
NON CURRENT		
Mine closure	10,195	5,697
MOVEMENT IN NON CURRENT PROVISIONS		
Opening balance	5,697	1,842
Additions	4,458	3,855
Present Value Adjustment	40	-
Closing balance	10,195	5,697

The mine closure (restoration) provision relates to the estimated costs of dismantling and restoring mining sites and exploration tenements to their original condition at the end of the life of the mine or exploration drilling program. The provision at year end represents the present value of the Directors' best estimate of the future sacrifice of economic benefits that will be required for meeting environmental obligations for existing tenements after activities have been completed. The provision is reviewed annually by the Directors.

Concurrent reclamation, along with mining operations, is ongoing throughout the facility and continues to be a vital part of the Company's reclamation practices. The plans are developed taking into consideration all legal, regulatory, governmental, and community requirements and compromises. Thus, the plan incorporates a number of assumptions used to estimate closure and post-closure objectives.

As at 30 June 2017, the total restoration provision amounts to US\$6.4m for Guanaco mine. The present value of the restoration provision was determined based on the following assumptions:

- Undiscounted rehabilitation costs: US\$6.9m; and
- Remaining life of Mine: 8 years (Life of mine based on most recent financial model used for impairment testing).

As at 30 June 2017, the total restoration provision amounts US\$3.8m for the Casposo mine. The present value of the restoration provision was determined based on the following assumptions:

- Undiscounted rehabilitation costs: US\$4.2m; and
- Remaining life of Mine: 5 years (Life of mine based on most recent financial model used for impairment testing).

20. BORROWINGS

	Consolidated	
	30 June 2017 US\$'000	30 June 2016 US\$'000
CURRENT		
Lease liability	5,825	1,879
Credit facilities	5,055	-
Total current borrowings	10,880	1,879
NON-CURRENT		
Lease liability	8,149	2,071
Credit facilities	3,500	-
Total non-current borrowings	11,649	2,071

NOTES TO THE FINANCIAL STATEMENTS

20.1 Lease liabilities

The Group leases production equipment under a number of finance leases. Refer to note 15 for further information.

20.2 Current Credit facilities

The current Credit facilities consists of the following facilities:

- a US\$1.5m pre-export facility for Casposo mine operation with Banco San Juan (180 days) at an annual interest rate of 4%;
- a US\$2m pre-export facility for Guanaco mine operation with Santander Bank, Chile (240 days) at an annual interest rate of 4%; and
- the current portion of a US\$5m credit facility with the BAF Latam Credit Fund, amounting to US\$1.5m. See below for more details.

20.3 Non-Current Credit facilities

The non-current borrowings of US\$3.5m is part of 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.

21. ISSUED CAPITAL

	Consolidated		
	30 June 2017 US\$'000	30 June 2016 US\$'000	
Fully paid ordinary shares (US\$'000)	99,050	93,537	
Number of ordinary shares at year end	518,983,178	478,761,995	
Movements in ordinary share capital	Date	Number of ordinary shares	US\$'000
Balance at 30 June 2015		478,761,995	93,537
No movement for the year			
Balance at 30 June 2016		478,761,995	93,537
Shares issues to purchase Argentex	22 Aug 16	40,221,183	5,513
Balance at 30 June 2017		518,983,178	99,050

During the year, Austral Gold issued 40,221,183 new ordinary shares valued at US\$5,513k as consideration for the remaining 80.1% of Argentex Mining Corporation not already owned by the Group. Further explanations are given in Note 29.

Ordinary shares participate in dividends and the proceeds on winding up of the Parent Entity in proportion to the number of shares held. At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands. The ordinary shares do not have any par value.

NOTES TO THE FINANCIAL STATEMENTS

22. ACCUMULATED LOSSES

	Consolidated	
	30 June 2017 US\$'000	30 June 2016 US\$'000
Retained earnings/ (Accumulated losses) at beginning of year	235	(29,379)
Net profit/(loss) for the year	(4,380)	25,130
Profits transferred to profit reserve	(3,362)	-
Acquisition of subsidiary with non-controlling interests	(676)	980
Share options expired	13	-
Transfer to retained earnings realised gain on shares sold during the year	(1,741)	3,504
Retained earnings/ (Accumulated losses) at end of year	(9,911)	235

On 4 March 2016 the Group entered into an agreement with Troy Resources Limited ('Troy') to acquire a 51% interest in their Casposo silver-gold project ('Casposo') in Argentina as well as takeover the day-to-day operations of Casposo. The initial accounting for this business combination transaction was provisional at 30 June 2016. As part of the finalisation of the fair value measurement process of the assets and liabilities acquired, the Group has remeasured the net assets acquired by an additional US\$2 million. A further remeasurement of the options asset to acquire an additional 19% interest resulted in a US\$5.5 million option value. As a result, the gain on bargain purchase has increased to US\$27,335,188 for the year ended 30 June 2016, (Original 30 June 2016 : \$20,809,923). This is offset by an option reserve of US\$5.5 million and an increase in net assets acquired by US\$2 million.

	Consolidated		
	30 June 2016 Remeasured US\$'000	30 June 2016 Previously Reported US\$'000	Impact US\$'000
Liabilities acquired in business combination ¹	12,914	14,914	(2,000)
Accumulated losses ¹	980	-	980
Gain on bargain purchase ²	27,335	20,810	6,525
Option reserve ³	(5,505)	-	(5,505)

¹ Impact on Statement of Financial Position

² Impact on Statement of Profit or Loss and Other Comprehensive Income and non cash items in the Statement of Cash Flows

³ Impact on Statement of Changes in Equity

23. NON-CONTROLLING INTEREST

	Consolidated	
	30 June 2017 US\$'000	30 June 2016 US\$'000
Non controlling interest in subsidiaries comprise:		
Acquired as part of subsidiary	14,201	21,650

NOTES TO THE FINANCIAL STATEMENTS

24. RESERVES

	Consolidated	
	30 June 2017 US\$'000	30 June 2016 US\$'000
FOREIGN CURRENCY TRANSLATION RESERVE		
Balance at beginning of year	609	622
Foreign exchange movements from translation of financial statements to US dollars	(249)	(13)
Balance at end of year	360	609
SHARE OPTION RESERVE		
Balance at beginning of year	(5,492)	13
Options expired	(13)	-
Option reserve for the 19% purchase option on Casposo	-	(5,505)
Step acquisition of subsidiary with non-controlling interest	5,184	-
Balance at end of year	(321)	(5,492)
PROFIT APPROPRIATION RESERVE		
Balance at beginning of year	-	-
Profits transferred to profit reserve	3,362	-
Dividend paid	(3,362)	-
Balance at end of year	-	-
ASSET REVALUATION RESERVE		
Balance at beginning of year	(2,565)	(7,814)
Fair value movement during the year	824	8,753
Transfer to retained earnings realised gain on shares sold during the period	1,741	(3,504)
Balance at end of year	-	(2,565)
Total Reserves	39	(7,448)

NATURE AND PURPOSE OF RESERVES

Foreign Currency Translation Reserve

Exchange differences arising on translation of the non-US\$ denominated non-monetary balances of Group Companies are recognised in the foreign currency translation reserve. The reserve is recognised in profit or loss when the net investment is disposed of.

Share Option Reserve

Options granted / issued as share-based payments are recognised in the share option reserve. These options expired during the year ended 30 June 2017.

Asset Revaluation Reserve

The reserve is used to recognise increments and decrements in the fair value of equity securities.

NOTES TO THE FINANCIAL STATEMENTS

25. FINANCIAL INSTRUMENTS

Financial risk management objectives

The Group's principal financial instruments comprise borrowings, receivables, listed equity securities, cash and short-term deposits. These activities expose the Group to a variety of financial risks: market risk (interest rate risk and foreign currency risk), credit risk, price risk and liquidity risk.

The Group recognises the importance of risk management, and has adopted a Risk Management and Internal Compliance and Control policy which describes the role and accountabilities of management and of the Board. The Directors manage the different types of risks to which the Group is exposed by considering risk and monitoring levels of exposure to the main financial risks by being aware of market forecasts for interest rates, foreign exchange rates, commodity and market prices. The Group does not have significant exposure to credit risk and liquidity risk is monitored through general business budgets and forecasts.

Interest Rate Risk

The Group's main interest rate risk arises from finance leases. The Group's borrowings are at fixed rates and therefore do not carry any variable interest rate risk.

Foreign Currency Risk

The Group undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign currency exchange rate fluctuations.

Foreign exchange rate risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the functional currency of the Group. The risk is measured using cash flow forecasting. Foreign currency risk is minimal as most of the transactions are settled in US\$.

Price Risk

The Group's revenues are exposed to fluctuations in the price of gold, silver and other prices. Gold and silver produced is sold at prevailing market prices in US\$.

The Group has resolved that for the present time the production should remain unhedged. The Group considers exposure to commodity price fluctuations within reasonable boundaries to be an integral part of the business.

Historical Evolution in the gold and silver commodity prices (US\$)



Sensitivity to Changes in Commodity Prices (Gold and Silver)

The below sensitivity analysis demonstrates the after tax effect on the profit/(loss) and equity which could result if there were changes in the gold and silver commodity prices by +/- 10% of the actual commodity prices realised by the Group in 2016 and 2017.

	Effect on profit/(loss)		Effect on equity	
	2017 US\$'000	2016 US\$'000	2017 US\$'000	2016 US\$'000
10% increase in gold and silver price	4,270	3,692	4,270	3,692
10% decrease in gold and silver price	(4,270)	(3,692)	(4,270)	(3,692)

NOTES TO THE FINANCIAL STATEMENTS

Financial Market Risk

The financial market risk is the risk that the fair value or future cash flows of the financial instruments will fluctuate because of changes in market prices, which occurs due to the Group's investment in listed securities where share prices can fluctuate over time. This risk however is not deemed to be significant as these investments are held for long term strategic purposes and therefore movement in the market prices do not impact the short-term profit or loss or cash flows of the Group.

Credit Risk

The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any allowance for doubtful debts, as disclosed in the statement of financial position and notes to the financial statements.

The Group trades only with recognised, creditworthy third parties, and as such collateral is not requested nor is it the Group's policy to securitise its other receivables.

In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. There are no significant concentrations of credit risk.

Liquidity Risk

The liquidity of the Group is managed to ensure sufficient funds are available to meet financial commitments in a timely and cost effective manner.

Management continuously reviews the Group's liquidity position through cash flow projections based upon the current life of mine plan to determine the forecast liquidity position and maintain appropriate liquidity levels.

Maturities of financial liabilities

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date.

The amounts disclosed in the table are the contractual undiscounted cash flows.

	Consolidated				Total US\$'000
	< 6 months US\$'000	6-12 months US\$'000	1-5 years US\$'000	> 5 years US\$'000	
YEAR ENDED 30 JUNE 2017					
FINANCIAL LIABILITIES					
Trade and other payables	16,933	-	8	-	16,941
Lease liabilities	4,123	2,220	8,546	-	14,889
Total 2017 liabilities	21,056	2,220	8,554	-	31,830
YEAR ENDED 30 JUNE 2016					
FINANCIAL LIABILITIES					
Trade and other payables	12,790	124	39	-	12,953
Lease liabilities	1,198	645	2,304	-	4,147
Total 2016 liabilities	13,988	769	2,343	-	17,100

NOTES TO THE FINANCIAL STATEMENTS

26. DIVIDENDS

	Consolidated	
	30 June 2017 US\$'000	30 June 2016 US\$'000
Dividends paid during the financial year were as follows:		
Interim dividend for the year ended 30 June 2017 or A\$0.009 per ordinary share	3,362	-

On 31 December 2016 the Directors declared an interim dividend of A\$0.009 (US\$0.006) per ordinary share. The dividend was paid on 1 February 2017. The total distribution amounted to A\$4,670,849 (US\$3,361,656) based on the number of ordinary shares on issue as at 18 January 2017. No dividends were paid or proposed during the previous year.

27. COMMITMENTS

	Consolidated	
	30 June 2017 US\$'000	30 June 2016 US\$'000
LEASE COMMITMENTS – FINANCE		
Committed at the reporting date and recognised as liabilities, payable:		
Within one year	6,343	1,843
One to five years	8,546	2,304
Total commitment	14,889	4,147
Less: Future finance charges	(915)	(197)
Net commitment recognised as liabilities	13,974	3,950
Representing:		
Lease liability – current	5,825	1,879
Lease liability – non-current	8,149	2,071

28. SUBSIDIARIES

	Country of Incorporation	30 June 2017 % owned	30 June 2016 % owned
PARENT ENTITY			
Austral Gold Limited	Australia		
SUBSIDIARIES			
Guanaco Mining Company Limited	British Virgin Islands	100.000	100.000
Guanaco Compañía Minera SpA	Chile	99.998	99.998
Austral Gold Argentina S.A.	Argentina	99.970	99.960
Ingenieria y Minería Cachinalito Limitada	Chile	51.000	51.000
Argentex Mining Corporation*	Canada	100.000	n/a
SCRN*	Canada	100.000	n/a
Casposo Project**	Argentina	70.000	51.000

* Entity became a subsidiary during the year

** Additional 19% purchase in the Casposo Project in March 2017

NOTES TO THE FINANCIAL STATEMENTS

29. ACQUISITION ARGENTEX (ASSET ACQUISITION)

On 19 August 2016 the plan of arrangement ('the Arrangement') between Austral Gold and Argentex Mining Corporation ('Argentex') was finalised with the dual listing of Austral Gold on the TSX Venture Exchange under code AGLD. Under the terms of the Arrangement, Argentex shareholders received approximately 0.564676 of an ordinary share of Austral for each Argentex common share held at that date. Austral Gold issued a total of 40,221,183 shares to Argentex shareholders and Argentex became a wholly-owned subsidiary of Austral.

At the time of acquisition, Argentex's main asset was the Pingüino project with indicated and inferred resources but no probable and proven resources. The Pingüino project was not in production and there was no mine plan to place it into production. For these reasons, among others, the acquisition was accounted for as an acquisition of assets and liabilities and not a business combination as defined under AASB3.

29.1 Consideration transferred

The fair value of the ordinary shares issued was based on the listed share price of the Company at the date of issue on 22 August 2016, AUD\$0.19 (US\$0.137) per share, which valued the share consideration transferred at US\$5.5m. In addition, a previously owned 19.9% interest was treated as consideration at fair value of US\$1.37m at the date of acquisition.

29.2 Assets acquired and liabilities assumed

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition.

	2017 US\$'000
Cash & cash equivalent	26
Other current receivables	28
Property, plant and equipment	229
Exploration areas (Pingüino Project)	7,194
Accounts payable	(98)
Related party liabilities	(482)
Other non-current liabilities	(13)
Total identifiable net assets acquired	6,884

The Group incurred acquisition related costs of US\$215,000 on legal fees and due diligence costs. These costs were capitalised against the value of the net assets acquired.

NOTES TO THE FINANCIAL STATEMENTS

30. PARENT ENTITY INFORMATION

	Consolidated	
	30 June 2017 US\$'000	30 June 2016 US\$'000
Current assets	71	57
Total assets	66,964	63,243
Current liabilities	12,066	13,575
Total liabilities	12,066	13,575
Net assets	54,898	49,668
Issued capital	99,050	93,537
Accumulated losses	(40,495)	(43,824)
Reserves	(3,657)	(45)
Total shareholders' equity	54,898	49,668
Gain/(Loss) of the parent entity	3,328	(704)
Total comprehensive income/(loss) of the parent entity	3,328	(704)
Details of any guarantees entered into by the parent entity in relation to the debts of its subsidiaries	A*	None
Details of any contingent liabilities of the parent entity	None	None
Details of any contractual commitments by the parent entity for the acquisition of property, plant or equipment.	None	None

A* Austral Gold is guarantor for the credit facility of US\$5m between BAF and Austral Gold subsidiary, Guanaco Compania Minera SpA.

31. SUBSEQUENT EVENTS

On 13 July 2017 Austral Gold executed a binding letter to acquire the San Guillermo and Reprado projects from Revelo Resources Corporation ('Revelo', 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 ('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.

32. RELATED PARTY TRANSACTIONS

32.1 KMP holdings of shares and share options

- Mr Eduardo Elsztain holds 450,741,567 shares indirectly in Austral Gold Limited.
- Mr Saul Zang holds 1,435,668 shares indirectly in Austral Gold Limited.
- Mr Pablo Vergara del Carril holds 68,119 shares directly in Austral Gold Limited.
- E Elsztain and S Zang are Directors of IFISA which holds 421,538,417 shares according to the last substantial holder notice lodged in January 2017.
- P Vergara del Carril, E Elsztain and S Zang are Directors of Guanaco Capital Holding Corp which holds 31,386,890 shares according to the last substantial holder notice lodged in January 2017.
- Mr Stabro Kasaneva holds 1,691,398, shares indirectly in Austral Gold Limited.
- Mr Wayne Hubert holds 1,750,000 shares indirectly in Austral Gold Limited.
- Michael Brown holds 34,716 shares directly in Austral Gold Limited.

NOTES TO THE FINANCIAL STATEMENTS

32.2 Directors and Key Management Personnel Remuneration

The aggregate compensation made to Directors and other members of Key Management Personnel of the Group is set out below:

	Consolidated	
	30 June 2017 US\$'000	30 June 2016 US\$'000
Short-term employment benefits	1,765	735
Post-employment benefits	5	5
Total	1,770	740

Other transactions with related parties

Zang, Bergel & Viñes Abogados is a related party since two Directors, Saul Zang and Pablo Vergara del Carril have significant influence over this law firm based in Buenos Aires, Argentina. Legal fees charged to the Company for the year ended 30 June 2017 amounted to US\$129,532 (2016: US\$89,888).

32.3 Lending to majority shareholder

In May 2015, a short-term loan for US\$3m was made to Inversiones Financieras del Sur SA, a related party, on better than arm's length terms. The loan balance outstanding of US\$2,720,364 (Including accrued interest) was fully repaid on 1 February 2017.

32.4 Ultimate parent entity

The Parent Entity is controlled by IFISA with a 81.62% interest in Austral Gold Limited and is incorporated in Uruguay.

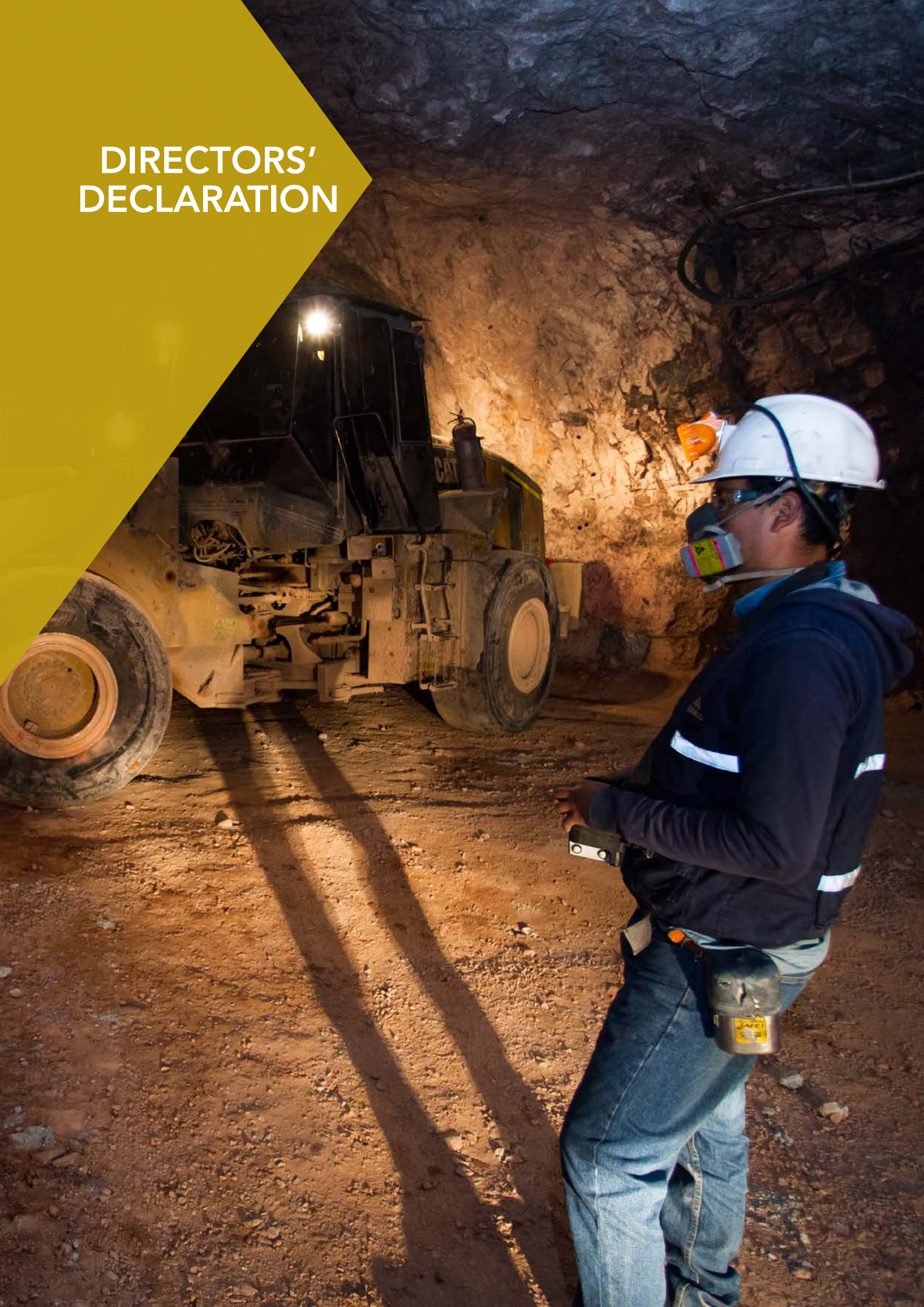
The ultimate beneficial owner of IFISA is Eduardo Elsztain.

33. UNRECOGNISED DEFERRED TAX ASSETS

In certain entities of the Group, tax losses have not been recognised as deferred tax assets in respect of the following items, because it is not probable that future taxable profit will be available against which the Group can use the benefits therefrom.

Australia	US\$ '000	Expiry
Tax losses	19,724	No Expiry
Capital losses	4,707	No Expiry
Argentina		
Capital losses	1,565	2018
Canada		
Tax losses	17,778	2017-2037

DIRECTORS' DECLARATION





In the Directors' opinion:

1. the attached consolidated financial statements and notes thereto comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
2. the attached consolidated financial statements and notes thereto comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the consolidated financial statements;
3. the attached consolidated financial statements and notes thereto give a true and fair view of the Group's financial position as at 30 June 2017 and of its performance for the financial year ended on that date; and
4. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations required by section 295A of the Corporations Act 2001. Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

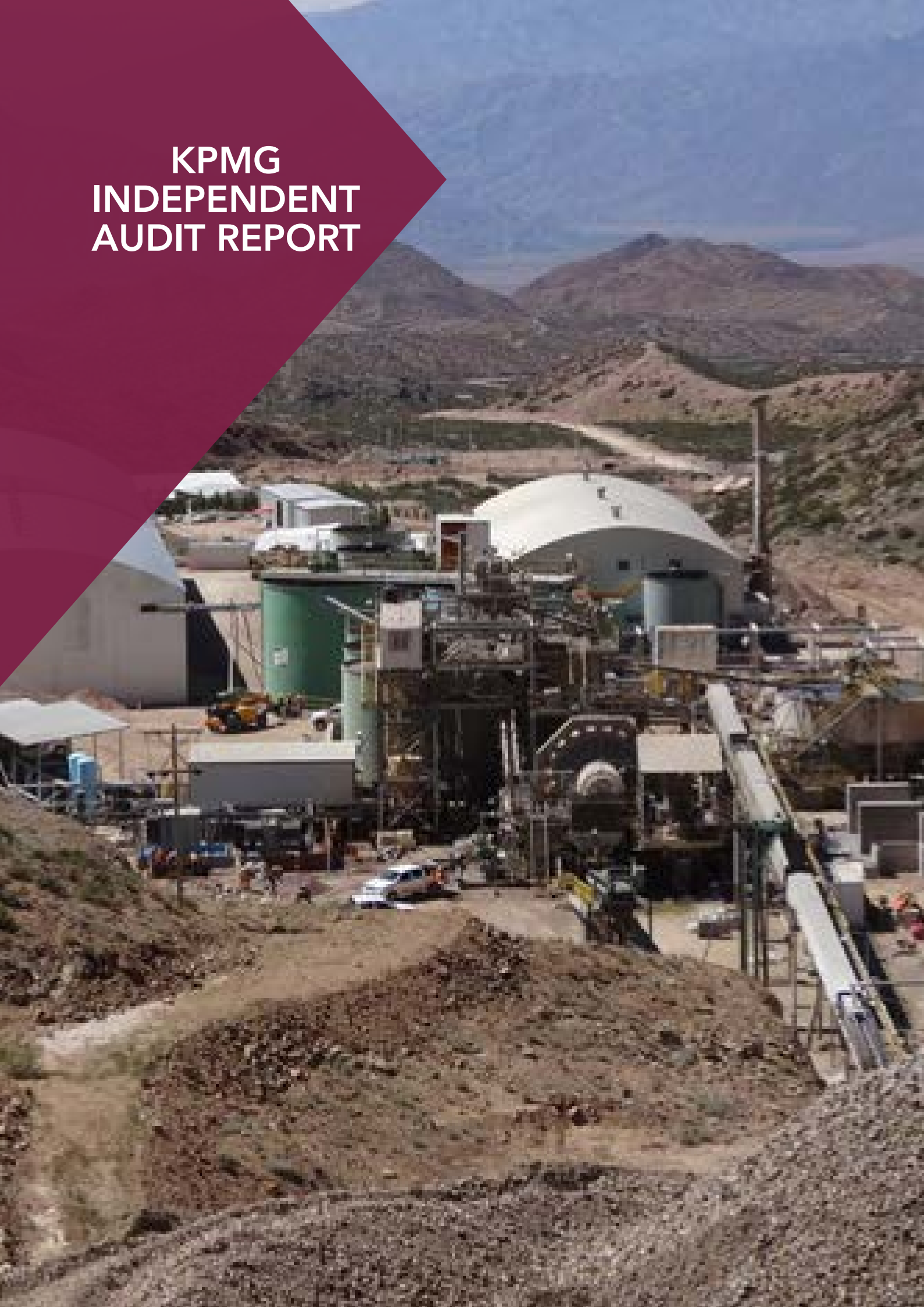
Signed on behalf of the Directors by:

A handwritten signature in black ink, appearing to read "R. Trzebski".

Robert Trzebski
Director

Sydney
29 September 2017

**KPMG
INDEPENDENT
AUDIT REPORT**





Independent Auditor's Report

To the shareholders of Austral Gold Limited

Report on the audit of the Financial Report

Opinion

We have audited the **Financial Report** of Austral Gold Limited (the Company).

In our opinion, the accompanying Financial Report of the Company is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the **Groups** financial position as at 30 June 2017 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The **Financial Report** comprises:

- Consolidated statement of financial position as at 30 June 2017
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended
- Notes including a summary of significant accounting policies
- Directors' Declaration.

The **Group** consists of the Company and the entities it controlled at the year-end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.

Key Audit Matters

The **Key Audit Matters** we identified are:

- Carrying value of mine assets and plant & equipment
- Carrying value of exploration and evaluation assets
- Argentex acquisition accounting
- Consolidation accounting

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

These matters were addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Carrying value of mine assets and plant & equipment (\$96.5m)

Refer to Note 14 and 15 to the Financial Report

The key audit matter	How the matter was addressed in our audit
<p>The Group's mine assets and plant & equipment were a significant portion (62%) of the Group's total assets, and their carrying value was a key audit matter due to the high level of judgement required by us to assess the carrying value.</p> <p>The key judgements involved in the carrying value assessment are forward looking assumptions, as used in the Group's value in use models. The key assumptions are forecast production, gold and silver prices, discount rates and reserve estimates. The Group obtained a reserve report from a third party expert to assist in their carrying value assessment.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> • We obtained the Group's value in use models, and: <ul style="list-style-type: none"> • In order to identify areas of increased audit focus, we performed sensitivity analysis on key assumptions in the value in use models such as production forecasts, gold and silver prices, discount rates and reserve estimates. We also compared historical production results with the historical production forecast. • Compared the total forecast production assumptions to board approved future production forecasts and to the Group's third party expert report • Corroborated forecast production assumptions and mine closure plans with the key operational and finance personnel • We assessed the competence, capability and objectivity of the Group's third party experts. • We compared the forecast gold and silver price assumptions against published forecast price expectations of industry commentators and investigated inconsistencies.

Carrying value of exploration and evaluation assets (\$14.2m)

Refer to Note 16 to the Financial Report

The key audit matter	How the matter was addressed in our audit
<p>The carrying value of exploration and evaluation assets (E&E assets) is a key audit matter due to:</p> <ul style="list-style-type: none"> the significance of the Group's E&E asset balance (being 9% of total assets); and the greater level of audit effort to evaluate the Group's application of the requirements of the industry specific accounting standard <i>AASB 6 Exploration for and Evaluation of Mineral Resources</i>, in particular the conditions allowing capitalisation of relevant expenditure and presence of impairment indicators. The presence of impairment indicators would necessitate a detailed analysis by the Group of the value of E&E. Therefore, given the criticality of this to the scope and depth of our work, we involved senior team members to challenge the Group's determination that no such indicators existed. <p>In assessing the conditions allowing capitalisation of relevant expenditure, we focused on:</p> <ul style="list-style-type: none"> the determination of the areas of interest (areas) in particular evaluating the results of the external expert engaged by the Group; documentation available regarding rights to tenure, via licensing, and compliance with relevant conditions, to maintain current rights to an area of interest. Additional complexity arose from the rights held in Chile and Argentina and the Group's intention to continue the relevant E&E activities; the Group's determination of whether the E&E are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale. <p>In assessing the presence of impairment indicators, we focused on those factors that may draw into question the commercial continuation of E&E activities for the areas of</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> Evaluating the Group's accounting policy to recognise exploration and evaluation assets using the criteria in the accounting standard; We assessed the results of the external expert and the Group's determination of its areas of interest for consistency with the definition in the accounting standard; For each area of interest, we assessed the Group's current rights to tenure by corroborating the ownership of the relevant license to government registries and evaluating agreements in place with other parties. We also tested for compliance with conditions, such as minimum expenditure requirements, on a sample of licenses; We tested the Group's additions to E&E for the year by evaluating a sample of recorded expenditure for consistency to underlying records, the capitalisation requirements of the Group's accounting policy and the requirements of the accounting standard; We evaluated Group documents, such as minutes of directors meetings and ASX market announcements, for consistency with their stated intentions for continuing E&E in certain areas. We corroborated this through interviews with key operational and finance personnel; We analysed the Group's determination of recoupment through successful development and exploitation of the area (or by its sale) by evaluating the Group's documentation of planned future/continuing activities including work programmes and project and corporate budgets for a sample of areas; We assessed the impact of the changes in the gold and silver prices to the Group's modelling underlying their decision for commercial continuation of activities; We obtained project and corporate budgets

<p>interest where significant capitalised E&E exists.</p> <p>In addition to the assessments above and given the changes in the gold and silver prices, we paid particular attention to:</p> <ul style="list-style-type: none"> • The impact of changes in gold and silver prices to the Group’s strategy and intentions • The intention of the Group to fund the continuation of activities • Results from latest activities regarding the existence or otherwise of economically recoverable reserves/commercially viable quantity of the reserves. The Group engaged an external third party expert to assist with these assessments. 	<p>identifying areas with existing funding and those requiring alternate funding sources. We compared this for consistency with areas with E&E, for evidence of the ability to fund continued activities. We identified those areas relying on alternate funding sources and evaluated the capacity of the Group to secure such funding.</p> <ul style="list-style-type: none"> • We compared the results from the external third party expert engaged by the Group regarding the existence of reserves and resources for consistency to the treatment of E&E and the requirements of the accounting standard.
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Argentex acquisition accounting	
<p>Refer to Note 29 to the Financial Report</p>	
The key audit matter	How the matter was addressed in our audit
<p>The Argentex acquisition accounting was a key audit matter given the complexity in applying the accounting standard requirements to the specific terms and conditions of the acquisition, and the potential significant magnitude of an incorrect share price for measuring the fair value of the existing interest in Argentex previously equity accounted for.</p> <p>We assessed whether the acquisition was a business combination or asset acquisition. These have differing accounting outcomes, therefore the assessment is critical to our audit.</p> <p>The specific conditions giving rise to the issue and a focus of our procedures included reviewing evidence of the presence or not of inputs, processes and outputs at Argentex against criteria in the business combinations accounting standard, which would result in accounting as a business combination.</p> <p>We involved accounting specialists in these considerations.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> • Assessment of the Group’s determination of the Argentex acquisition characteristics, including the presence of the required inputs, processes and outputs to constitute a business, as per criteria in the accounting standards. We evaluated the presence of proven and probable resources purchased by the Group. • To assess the cost of acquisition recognised by the Group: <ul style="list-style-type: none"> • We obtained from the TSX the closing share price of Argentex prior to acquisition by the Group and recalculated the fair value of the ownership interest held immediately prior to the acquisition and compared this to the amount recorded by the Group. • We compared the Group’s share price on date of acquisition to the amount

<p>Additional audit effort was applied to assessing the measurement of the acquisition. This resulted from the complexity of also valuing the previously equity accounted interest in Argentex, on the basis of the fair value of the interest immediately prior to the acquisition, and the fair value of the Group's shares issued to Argentex shareholders under AASB 2 Share Based Payments.</p>	<p>used to calculate the value of the Group's equity issued as consideration under AASB 2 Share Based Payments in order to determine the cost of acquisition.</p>
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Consolidation accounting	
The key audit matter	How the matter was addressed in our audit
<p>The Group has operations in Argentina and Chile, a corporate head office in Australia and an entity registered in Canada. There are also minority interests held in certain subsidiaries of the Group, with other subsidiaries in a cross ownership structure that are 100% owned on consolidation.</p> <p>As a result, the consolidation accounting process is a key audit matter due to the complexity of the manual consolidation process and its susceptibility to error and the impacts of the incorrect consolidation methodology are significant.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> • We held discussions with management, read the minutes of directors meetings and ASX announcements, and used this knowledge to assess the consolidation journals are appropriate given the facts and circumstances of transactions entered into by the Group; • Obtaining the Group's manual consolidation spreadsheet and testing: <ul style="list-style-type: none"> • the individual financial information for entities included in the consolidation for consistency with the reporting we received from component auditors; • elimination of intercompany balances and transactions; • elimination of investment ownership percentages held at component level and replacement with the Group ownership percentages and Group accounting treatment; • sources for each journal and relevance for inclusion in the consolidation; and • recognition of minority interests journals and compared these with the minority interests held in the Group.

Other Information

Other Information is financial and non-financial information in Austral Gold Limited's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error
- assessing the Group's ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_files/ar2.pdf. This description forms part of our Auditor's Report.

Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of Austral Gold Limited for the year ended 30 June 2017, complies with *Section 300A* of the *Corporations Act 2001*.

Directors' responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with *Section 300A* of the *Corporations Act 2001*.

Our responsibilities

We have audited the Remuneration Report included in pages 29 to 32 of the Directors' report for the year ended 30 June 2017.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with *Australian Auditing Standards*.



KPMG



Daniel Camilleri
Partner

Sydney
29 September 2017

ADDITIONAL INFORMATION

CORPORATE GOVERNANCE STATEMENT

Austral Gold Limited and its subsidiaries have adopted the corporate governance framework and practices set out in its Corporate Governance Statement. The Corporate Governance Statement is available on the Company's website at www.australgold.com.

STATEMENT OF ISSUED CAPITAL

As at 31 August 2017 the total issued capital of Austral Gold Limited was 518,983,178 ordinary shares. 486,196,947 shares were quoted on the Australian Securities Exchange under the code AGD. The only shares of the Company on issue are fully paid ordinary shares. None of these shares are restricted securities or securities subject to voluntary escrow within the meaning of the Listing Rules of the Australian Securities Exchange. 32,786,231 shares were quoted on the TSX Venture Exchange under the code AGLD.

There are no restrictions on the voting rights attached to the fully paid ordinary shares. On a show of hands, every member present in person, by proxy, by attorney or by representative shall have one vote. On a poll, every member present in person, by proxy, by attorney or by representative shall have one vote for every share held.

DISTRIBUTION OF FULLY PAID ORDINARY SHARES

As at 31 August 2017

Size of Holding	Holders	Shares Held	% of issued capital
1 - 1,000	607	237,584	0.05%
1,001 - 5,000	273	745,547	0.14%
5,001 - 10,000	96	798,275	0.15%
10,001 - 100,000	90	3,180,110	0.61%
>100,000	32	514,021,662	99.04%
	1,098	518,983,178	100%

The number of members holding less than a marketable parcel of 2,942 ordinary shares (based on a market price of AUD \$0.17 on 31 August 2017) is 765. They hold a total of 534,645 ordinary shares.

SUBSTANTIAL SHAREHOLDERS

The Company has been notified of the following substantial shareholdings as at 31 August 2017:

Registered Holder	Beneficial Holder	Shares Held
Citicorp Nominees	Inversiones Financieras Del Sur SA (IFISA)	413,665,357
HSBC Custody Nominees	Inversiones Financieras Del Sur S.A. (IFISA)	775,500
HSBC Custody Nominees	Guanaco Capital Holding Corp	31,386,890
Citicorp Nominees	Eduardo Sergio Elsztain	4,913,820
		450,741,567

TOP TWENTY SHAREHOLDERS AS AT 31 AUGUST 2017

Rank	Name	No. of shares	% of issued capital
1	CITICORP NOMINEES PTY LIMITED	433,809,541	83.59%
2	CANADIAN REGISTER CONTROL	30,572,082	5.89%
3	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	27,164,863	5.23%
4	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	6,630,212	1.28%
5	J P MORGAN NOMINEES AUSTRALIA LIMITED	2,682,810	0.52%
6	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <EUROCLEAR BANK SA NV A/C>	2,211,726	0.43%
7	FORSYTH BARR CUSTODIANS LTD <FORSYTH BARR LTD-NOMINEE A/C>	2,006,603	0.39%
8	MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	1,741,466	0.34%
9	ASOCIACION ISRAELITA ARGENTINA TZEIRE AGUDATH JABAD	1,158,265	0.22%
10	MR HAROLD JOSEPH FREIMAN	770,416	0.15%
11	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAIL CLIENT DRP>	736,717	0.14%
12	BNP PARIBAS NOMS PTY LTD <DRP>	663,524	0.13%
13	MR ZHEN DUO GUO	389,268	0.08%
14	MR RODNEY DAVID JACKSON	300,000	0.06%
15	JP MORGAN TRUST COMPANY LTD <NEW AUSTRIA TRUST LLC A/C>	297,445	0.06%
16	LIMOL TRADING CORP	297,445	0.06%
17	MR RUDOLF ALBERT SCHULZ	251,796	0.05%
18	BIRCHALL PROJECTS LTD	230,000	0.03%
19	MR MARCUS EINFELD	200,000	0.03%
20	GREENFORD INVESTMENTS LIMITED	200,000	0.03%
	Total	512,314,179	98.71%
	Other	6,668,999	1.29%
	Total shares on issue	518,983,178	100.00%

Forward Looking Statements

Statements in this annual report 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. All 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, 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 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.

MINING TENEMENTS

Tenement Number	Tenement name	Locality	Group ownership	Tenement Number	Tenement name	Locality	Group ownership
405.334/CID/05	Tranquilo 1	Pinguino/Santa Cruz	100%	420.152/AG/12	Juangui VI	Santa Cruz	100%
405.335/CID/05	Tranquilo 2	Pinguino/Santa Cruz	100%	426.619/AG/11	Juangui II	Santa Cruz	100%
405.336/CID/05	Cañadon	Pinguino/Santa Cruz	100%	424.416/AG/10	Juangui IV	Santa Cruz	100%
414.409/CID/00	Pinguino	Pinguino/Santa Cruz	100%	429.333/AG/11	Juangui IV-A	Santa Cruz	100%
423.542/SCRN/15	Plata Leon	Pinguino/Santa Cruz	100%	426.127/AG/13	Juangui IV-C	Santa Cruz	100%
400.720/SCRN/07	Alto Condor	Other Santa Cruz	100%	426.126/AG/13	Juangui IV-D	Santa Cruz	100%
414.085/CID/00	Condor Manifestacion de Descubrimiento	Other Santa Cruz	100%	423.390/AG/13	Juangui IV-B	Santa Cruz	100%
407.929/CID/03	Diamante 1	Other Santa Cruz	100%	428.949/AGA/14	Juangui IV-E-1	Santa Cruz	100%
407.928/CID/03	Diamante 2	Other Santa Cruz	100%	428.953/AGA/14	Juangui IV-E-2	Santa Cruz	100%
424.987/SCRN/10	Contreras Oeste	Other Santa Cruz	100%	428.948/AGA/14	Juangui IV-E-3	Santa Cruz	100%
424.988/SCRN/10	Contreras Este	Other Santa Cruz	100%	424.417/AG/10	Juangui V	Santa Cruz	100%
407.934/CID/03	Nuevo Oro 2	Other Santa Cruz	100%	428.952/AGA/14	Juangui IV-E-4	Santa Cruz	100%
28036M2003	Menucos 6	Rio Negro	100%	428.951/AGA/14	Juangui IV-E-5	Santa Cruz	100%
28037M2003	Menucos 7	Rio Negro	100%	427.811/AG/13	Juangui IV-F	Santa Cruz	100%
28038M2003	Menucos 8	Rio Negro	100%	429.335/AG/11	Juangui V-A	Santa Cruz	100%
28039M2003	Menucos 9	Rio Negro	100%	422.958/AGA/12	Juangui V-B	Santa Cruz	100%
28040M2003	Menucos 10	Rio Negro	100%	427.818/AGA/13	Juangui VI-D	Santa Cruz	100%
28041M2003	Menucos 11	Rio Negro	100%	426.544/AG/13	Juangui VI-A	Santa Cruz	100%
28042M2003	Menucos 12	Rio Negro	100%	427.815/AGA/13	Juangui VII-B	Santa Cruz	100%
28043M2003	Menucos 13	Rio Negro	100%	426.545/AG/13	Juangui VII-A	Santa Cruz	100%
428.950/AGA/14	8 de Julio IX	Santa Cruz	100%	426.787/AG/13	Juangui VIII-A	Santa Cruz	100%
406.843/GCHA/08	8 de Julio X	Santa Cruz	100%	431.875/AG/15	Barroso Chico I	Santa Cruz	100%
424.414/AG/10	Juangui I	Santa Cruz	100%	431.874/AGA/15	Barroso Chico II	Santa Cruz	100%
420.324/AG/12	Juangui I-A	Santa Cruz	100%	435.059/AGA/16	Cerro Contreras Norte	Santa Cruz	100%
427.819/AGA/13	Juangui I-B	Santa Cruz	100%	5200438-M-1998	KAMILA	San Juan	70%
424.415/AG/10	Juangui III	Santa Cruz	100%	4141348-I-2005	JULIETA	San Juan	70%
420.150/AG/12	Juangui II-A	Santa Cruz	100%	11240189-I-2007	ALICIA I	San Juan	70%
425.573/AG/13	Juangui II-B	Santa Cruz	100%	11240190-I-2007	MARÍA JOSÉ	San Juan	70%
425.571/AG/13	Juangui II-C	Santa Cruz	100%	11240191-I-2007	Vallecito	San Juan	70%
427.820/AGA/13	Juangui II-D	Santa Cruz	100%	1124 59-T-2011	MARÍA PAZ	San Juan	70%
427.826/AGA/13	Juangui VI-C	Santa Cruz	100%	1124 62-T-2011	Carolina	San Juan	70%
				1124 64-T-2011	MARÍA Luz	San Juan	70%

MINING TENEMENTS

Tenement Number	Tenement name	Locality	Group ownership	Tenement Number	Tenement name	Locality	Group ownership
1124225-T-2013	PALOMA	San Juan	70%	02205-0016-0	Salvadora	TALTAL , GUANACO	100%
1124226-T-2013	JULIA	San Juan	70%	02205-0017-9	San Benito	TALTAL , GUANACO	100%
1124220-T-2014	ALINA	San Juan	70%	02205-0018-7	Sapiola	TALTAL , GUANACO	100%
425315-C-2002	Sin nombre	San Juan	70%	02205-0019-5	San Manuel	TALTAL , GUANACO	100%
425120-C-2003	Sin nombre	San Juan	70%	02205-0020-9	San Antonio	TALTAL , GUANACO	100%
414299-I-2004	Sin nombre	San Juan	70%	02205-0030-6	Zelmira	TALTAL , GUANACO	100%
414375-I-2004	Sin nombre	San Juan	70%	02205-0037-3	Ventura	TALTAL , GUANACO	100%
414501-I-2004	Sin nombre	San Juan	70%	02205-0038-1	Veintiuno de Mayo	TALTAL , GUANACO	100%
414504-I-2004	Sin nombre	San Juan	70%	02205-0039-K	Wolney	TALTAL , GUANACO	100%
414717-I-2004	Sin nombre	San Juan	70%	02205-0063-2	Unión	TALTAL , GUANACO	100%
1124350-I-2007	Rosalía	San Juan	70%	02205-0064-0	Universal	TALTAL , GUANACO	100%
02205-0481-6	Estrella de Venus Uno al Dos	TALTAL , GUANACO	100%	02205-0066-7	Verónica	TALTAL , GUANACO	100%
02202-1101-0	Blanca Estela	TALTAL , GUANACO	100%	02205-0069-1	Valparaíso	TALTAL , GUANACO	100%
02205-0240-6	Quillota	TALTAL , GUANACO	100%	02205-0070-5	Victoria ó Victorina	TALTAL , GUANACO	100%
02205-0314-3	Inés 1 al 3	TALTAL , GUANACO	100%	02205-0071-3	Vallenarina	TALTAL , GUANACO	100%
02202-1132-0	Alfa Uno al Mil	TALTAL , GUANACO	100%	02205-0075-6	Talca	TALTAL , GUANACO	100%
02202-1134-7	Cristina 1 al 397	TALTAL , GUANACO	100%	02205-0080-2	Tropezón	TALTAL , GUANACO	100%
02202-1135-5	Dumbo 1 al 4	TALTAL , GUANACO	100%	02205-0081-0	Trinchera	TALTAL , GUANACO	100%
02202-1136-3	Florita 1 al 766	TALTAL , GUANACO	100%	02205-0082-9	Tulipan Negro	TALTAL , GUANACO	100%
02202-1138-K	Guanaco 1 al 168	TALTAL , GUANACO	100%	02205-0083-7	Teresa	TALTAL , GUANACO	100%
02202-1139-8	Los Pepes 7	TALTAL , GUANACO	100%	02205-0084-5	Talita	TALTAL , GUANACO	100%
02202-1238-6	Los Pepes 14	TALTAL , GUANACO	100%	02205-0085-3	Toribio	TALTAL , GUANACO	100%
02202-1239-4	Los Pepes 1 al 2	TALTAL , GUANACO	100%	02205-0090-K	Todos Santos	TALTAL , GUANACO	100%
02202-1240-8	Los Pepes 11 al 13	TALTAL , GUANACO	100%	02205-0117-5	San Roberto	TALTAL , GUANACO	100%
02202-1241-6	Los Pepes 18 al 19	TALTAL , GUANACO	100%	02205-0141-8	Santo Domingo	TALTAL , GUANACO	100%
02202-1242-4	Los Pepes 26	TALTAL , GUANACO	100%	02205-0142-6	Susana	TALTAL , GUANACO	100%
02202-1243-2	Los Pepes 3 al 5	TALTAL , GUANACO	100%	02205-0156-6	San Juan	TALTAL , GUANACO	100%
02205-0305-4	Inesperada 1 al 3	TALTAL , GUANACO	100%	02205-0162-0	San Andrés	TALTAL , GUANACO	100%
02202-1228-9	Resolución	TALTAL , GUANACO	100%	02205-0163-9	Sabina	TALTAL , GUANACO	100%
02205-0009-8	Santa Clara	TALTAL , GUANACO	100%	02205-0164-7	Sajonia	TALTAL , GUANACO	100%
02205-0010-1	Santa Rita	TALTAL , GUANACO	100%	02205-0176-0	Océano Pacífico	TALTAL , GUANACO	100%
02205-0012-8	Sol	TALTAL , GUANACO	100%	02205-0177-9	Oro Escapado	TALTAL , GUANACO	100%

MINING TENEMENTS

Tenement Number	Tenement name	Locality	Group ownership
02205-0179-5	Oyama	TALTAL , GUANACO	100%
02205-0191-4	Panchita	TALTAL , GUANACO	100%
02205-0194-9	Pique Wessel	TALTAL , GUANACO	100%
02205-0195-7	Portales	TALTAL , GUANACO	100%
02205-0196-5	Progreso	TALTAL , GUANACO	100%
02205-0198-1	Perseverancia	TALTAL , GUANACO	100%
02205-0201-5	Pensilvania Uno al Dos	TALTAL , GUANACO	100%
02205-0216-3	Paraguaya	TALTAL , GUANACO	100%
02205-0242-2	Ricardo	TALTAL , GUANACO	100%
02205-0243-0	Rosita	TALTAL , GUANACO	100%
02205-0244-9	Río Huasco	TALTAL , GUANACO	100%
02205-0250-3	Río Huasco	TALTAL , GUANACO	100%
02205-0251-1	Rosario del Llano	TALTAL , GUANACO	100%
02205-0252-K	Rosalbita	TALTAL , GUANACO	100%
02205-0256-2	Rita	TALTAL , GUANACO	100%
02205-0257-0	Rosalbita Segunda	TALTAL , GUANACO	100%
02205-0259-7	Resguardo Primera	TALTAL , GUANACO	100%
02205-0260-0	Resguardo Segunda	TALTAL , GUANACO	100%
02205-0274-0	Restauradora	TALTAL , GUANACO	100%
02205-0275-9	Rica	TALTAL , GUANACO	100%
02205-0296-1	Mauricio	TALTAL , GUANACO	100%
02205-0300-3	Altamira	TALTAL , GUANACO	100%
02205-0306-2	Isolina	TALTAL , GUANACO	100%
02205-0307-0	Imperial	TALTAL , GUANACO	100%
02205-0308-9	Isabel Antigua	TALTAL , GUANACO	100%
02205-0309-7	Ixora	TALTAL , GUANACO	100%
02205-0310-0	Istria	TALTAL , GUANACO	100%
02205-0311-9	Iliria	TALTAL , GUANACO	100%
02205-0323-2	Jenoveva	TALTAL , GUANACO	100%
02205-0324-0	Josefina	TALTAL , GUANACO	100%
02205-0325-9	Juana Maria	TALTAL , GUANACO	100%
02205-0329-1	J	TALTAL , GUANACO	100%

Tenement Number	Tenement name	Locality	Group ownership
02205-0330-5	Juanita	TALTAL , GUANACO	100%
02205-0331-3	Juana Luisa	TALTAL , GUANACO	100%
02205-0352-6	Lealtad	TALTAL , GUANACO	100%
02205-0355-0	Lira	TALTAL , GUANACO	100%
02205-0356-9	Laguna	TALTAL , GUANACO	100%
02205-0360-7	Lucrecia	TALTAL , GUANACO	100%
02205-0364-K	Lilita	TALTAL , GUANACO	100%
02205-0368-2	Lucila	TALTAL , GUANACO	100%
02205-0398-4	María Luisa	TALTAL , GUANACO	100%
02205-0401-8	Mister Meiggs	TALTAL , GUANACO	100%
02205-0402-6	Milagro	TALTAL , GUANACO	100%
02205-0403-4	Mapocho	TALTAL , GUANACO	100%
02205-0405-0	Mercedes Segunda	TALTAL , GUANACO	100%
02205-0407-7	Manuel Antonio Matta	TALTAL , GUANACO	100%
02205-0408-5	Mercedes	TALTAL , GUANACO	100%
02205-0410-7	María Teresa	TALTAL , GUANACO	100%
02205-0413-1	Mercedes	TALTAL , GUANACO	100%
02205-0415-8	María Lastenia	TALTAL , GUANACO	100%
02205-0416-6	Mar Adriatico	TALTAL , GUANACO	100%
02205-0419-0	Mercedes	TALTAL , GUANACO	100%
02205-0447-6	Naciente	TALTAL , GUANACO	100%
02205-0449-2	Nebulosa	TALTAL , GUANACO	100%
02205-0526-K	Deslindante	TALTAL , GUANACO	100%
02205-0527-8	Domitila	TALTAL , GUANACO	100%
02205-0528-6	Don Eduardo	TALTAL , GUANACO	100%
02205-0529-4	Don Felipe	TALTAL , GUANACO	100%
02205-0531-6	Desdicha	TALTAL , GUANACO	100%
02205-0532-4	Dos Amigos	TALTAL , GUANACO	100%
02205-0533-2	Don Juan	TALTAL , GUANACO	100%
02205-0534-0	D	TALTAL , GUANACO	100%
02205-0535-9	Duilia	TALTAL , GUANACO	100%
02205-0536-7	Diamante	TALTAL , GUANACO	100%

MINING TENEMENTS

Tenement Number	Tenement name	Locality	Group ownership	Tenement Number	Tenement name	Locality	Group ownership
02205-0537-5	Dos Carmelos	TALTAL , GUANACO	100%	02205-0821-8	Amapola	TALTAL , GUANACO	100%
02205-0549-9	Defensa	TALTAL , GUANACO	100%	02205-0822-6	Amalia	TALTAL , GUANACO	100%
02205-0580-4	Escapada	TALTAL , GUANACO	100%	02205-0824-2	Amparo	TALTAL , GUANACO	100%
02205-0581-2	Esperanza	TALTAL , GUANACO	100%	02205-0825-0	Andacollo	TALTAL , GUANACO	100%
02205-0583-9	Emma Luisa	TALTAL , GUANACO	100%	02205-0826-9	Aurora	TALTAL , GUANACO	100%
02205-0584-7	E	TALTAL , GUANACO	100%	02205-0827-7	A	TALTAL , GUANACO	100%
02205-0585-5	Emma	TALTAL , GUANACO	100%	02205-0828-5	Alemania	TALTAL , GUANACO	100%
02205-0586-3	Elba	TALTAL , GUANACO	100%	02205-0829-3	Asturiana	TALTAL , GUANACO	100%
02205-0587-1	Estefanía	TALTAL , GUANACO	100%	02205-0830-7	Amistad	TALTAL , GUANACO	100%
02205-0588-K	Elquina	TALTAL , GUANACO	100%	02205-0831-5	Arco Iris	TALTAL , GUANACO	100%
02205-0619-3	Fortunata	TALTAL , GUANACO	100%	02205-0832-3	Angela	TALTAL , GUANACO	100%
02205-0620-7	F	TALTAL , GUANACO	100%	02205-0851-K	Augusto	TALTAL , GUANACO	100%
02205-0621-5	Fortuna	TALTAL , GUANACO	100%	02205-0892-7	Brillante	TALTAL , GUANACO	100%
02205-0622-3	Filomena	TALTAL , GUANACO	100%	02205-0894-3	Bio Bio	TALTAL , GUANACO	100%
02205-0623-1	Fraternidad	TALTAL , GUANACO	100%	02205-0896-K	Buenos Muchachos	TALTAL , GUANACO	100%
02205-0624-K	Fresia	TALTAL , GUANACO	100%	02205-0897-8	Brilladora	TALTAL , GUANACO	100%
02205-0627-4	Fedra	TALTAL , GUANACO	100%	02205-0904-4	B	TALTAL , GUANACO	100%
02205-0628-2	Fides	TALTAL , GUANACO	100%	02205-0906-0	Bruna María	TALTAL , GUANACO	100%
02205-0645-2	Guanajuatos	TALTAL , GUANACO	100%	02205-0934-6	Cupido	TALTAL , GUANACO	100%
02205-0646-0	G	TALTAL , GUANACO	100%	02205-0936-2	Carolina	TALTAL , GUANACO	100%
02205-0647-9	Guillermo	TALTAL , GUANACO	100%	02205-0938-9	Convención	TALTAL , GUANACO	100%
02205-0649-5	Guicelda	TALTAL , GUANACO	100%	02205-0940-0	Cachapoal	TALTAL , GUANACO	100%
02205-0650-9	Graciela	TALTAL , GUANACO	100%	02205-0941-9	Crisomega	TALTAL , GUANACO	100%
02205-0667-3	Huascar	TALTAL , GUANACO	100%	02205-0942-7	California	TALTAL , GUANACO	100%
02205-0671-1	H	TALTAL , GUANACO	100%	02205-0943-5	Copiapina	TALTAL , GUANACO	100%
02205-0672-K	Herminia	TALTAL , GUANACO	100%	02205-0944-3	C	TALTAL , GUANACO	100%
02205-0674-6	Horacio	TALTAL , GUANACO	100%	02205-0945-1	Ciclón	TALTAL , GUANACO	100%
02205-0815-3	Aconcagua	TALTAL , GUANACO	100%	02205-0946-K	Cuncuna	TALTAL , GUANACO	100%
02205-0816-1	Angela	TALTAL , GUANACO	100%	02205-0947-8	Carolina	TALTAL , GUANACO	100%
02205-0818-8	Araucana	TALTAL , GUANACO	100%	02205-0950-8	Catalina	TALTAL , GUANACO	100%
02205-0819-6	Argentina	TALTAL , GUANACO	100%	02205-0951-6	Chacabuco	TALTAL , GUANACO	100%
02205-0820-K	Auristela	TALTAL , GUANACO	100%	02205-0954-0	Chinchosa	TALTAL , GUANACO	100%

MINING TENEMENTS

Tenement Number	Tenement name	Locality	Group ownership	Tenement Number	Tenement name	Locality	Group ownership
02205-0956-7	Complemento	TALTAL , GUANACO	100%	02202-6633-8	Las Pailas XVI, 1 al 30	TALTAL , GUANACO	100%
02205-1023-9	María Estela	TALTAL , GUANACO	100%	02205-0400-K	María Luisa	TALTAL , GUANACO	100%
02205-0955-9	Chile	TALTAL , GUANACO	100%	02205-0953-2	Chilena	TALTAL , GUANACO	100%
02202-3035-K	Paila Dos, 1 al 29	TALTAL , GUANACO	100%	02202-2480-5	Boa A	TALTAL , GUANACO	100%
02201-1327-2	Yolita 1 al 7	TALTAL , GUANACO	100%	02202-2481-3	Boa B	TALTAL , GUANACO	100%
02205-0029-2	Zunilda	TALTAL , GUANACO	100%	02202-2482-1	Boa C	TALTAL , GUANACO	100%
02205-0582-0	Elvira	TALTAL , GUANACO	100%	02202-2483-K	Boa D	TALTAL , GUANACO	100%
02205-0893-5	Barcelona	TALTAL , GUANACO	100%	02202-2484-8	Boa E	TALTAL , GUANACO	100%
02205-0590-1	Esperanza Tercera	TALTAL , GUANACO	100%	02202-2485-6	Boa F	TALTAL , GUANACO	100%
02202-4588-8	Pancha 1 al 2	TALTAL , GUANACO	100%	02202-2486-4	Boa G	TALTAL , GUANACO	100%
02202-4696-8	Boa - K 1, 1 al 25	TALTAL , GUANACO	100%	02202-2487-2	Boa H	TALTAL , GUANACO	100%
02202-4697-3	Cata 5 - 1, 1 al 25	TALTAL , GUANACO	100%	02202-2489-9	Boa J	TALTAL , GUANACO	100%
02202-4698-1	G - 23 1, 1 al 25	TALTAL , GUANACO	100%	02202-2490-2	Boa K	TALTAL , GUANACO	100%
02202-4699-K	G - 101 1, 1 al 25	TALTAL , GUANACO	100%	02202-1134-7	Chancho 1, 1 al 20	TALTAL , GUANACO	100%
02202-4700-7	G - 102 1, 1 al 25	TALTAL , GUANACO	100%	02202-6599-4	Chancho 2, 1 al 20	TALTAL , GUANACO	100%
02202-4701-8	WE - 49 1, 1 al 25	TALTAL , GUANACO	100%	02202-6600-1	Chancho 3, 1 al 20	TALTAL , GUANACO	100%
02202-4702-3	WE - 61 1, 1 al 25	TALTAL , GUANACO	100%	02202-6601-K	Chancho 4, 1 al 20	TALTAL , GUANACO	100%
02202-4703-1	WE - 62 1, 1 al 25	TALTAL , GUANACO	100%	02202-6602-8	Chancho 5, 1 al 20	TALTAL , GUANACO	100%
02202-4934-4	Diamante 1	TALTAL , GUANACO	100%	02202-6603-6	Chancho 6, 1 al 20	TALTAL , GUANACO	100%
02202-5252-3	Rocío 1	TALTAL , GUANACO	100%	02202-6604-4	Chancho 7, 1 al 20	TALTAL , GUANACO	100%
02202-5253-1	Rocío 2, 1 al 2	TALTAL , GUANACO	100%	02202-6605-2	Chancho 8, 1 al 20	TALTAL , GUANACO	100%
02202-5254-K	Rocío 3, 1 al 2	TALTAL , GUANACO	100%	02202-6606-0	Chancho 9, 1 al 20	TALTAL , GUANACO	100%
02202-5255-8	G-1, 1 al 40	TALTAL , GUANACO	100%	02202-6607-9	Chancho 10, 1 al 20	TALTAL , GUANACO	100%
02202-5263-9	G-2, 1 al 40	TALTAL , GUANACO	100%	02202-6608-7	Chancho 11, 1 al 30	TALTAL , GUANACO	100%
02202-5256-6	WE-64 B, 1 al 25	TALTAL , GUANACO	100%	02202-6609-5	Chancho 12, 1 al 20	TALTAL , GUANACO	100%
02202-5264-7	Protector I, 1-40	TALTAL , GUANACO	100%	02202-6610-9	Chancho 13, 1 al 20	TALTAL , GUANACO	100%
02202-5265-5	Protector II, 1-60	TALTAL , GUANACO	100%	02202-6611-7	Chancho 14, 1 al 30	TALTAL , GUANACO	100%
02205-0347-K	K	TALTAL , GUANACO	100%	02202-6612-5	Chancho 15, 1 al 30	TALTAL , GUANACO	100%
02202-6420-3	G-9, 1 al 10	TALTAL , GUANACO	100%	02202-6613-3	Chancho 16, 1 al 30	TALTAL , GUANACO	100%
02202-6421-1	G-18, 1 al 10	TALTAL , GUANACO	100%	02202-6595-1	Salvadora 1, 1 al 20	TALTAL , GUANACO	100%
02202-6631-1	Las Pailas XIV, 1 al 30	TALTAL , GUANACO	100%				
02202-6632-K	Las Pailas XV, 1 al 30	TALTAL , GUANACO	100%				

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Tenement Number	Tenement name	Locality	Group ownership	Tenement Number	Tenement name	Locality	Group ownership
02202-6596-K	Salvadora 2, 1 al 20	TALTAL , GUANACO	100%	02202-6958-2	G-20, 1 al 30	TALTAL , GUANACO	100%
02202-6597-8	Salvadora 3, 1 al 20	TALTAL , GUANACO	100%	02202-6959-0	G-21, 1 al 30	TALTAL , GUANACO	100%
02202-6794-6	Las Pailas I, 1 al 30	TALTAL , GUANACO	100%	02202-6960-4	G-22, 1 al 30	TALTAL , GUANACO	100%
02202-6795-4	Las Pailas II, 1 al 30	TALTAL , GUANACO	100%	02202-6961-2	G-23, 1 al 30	TALTAL , GUANACO	100%
02202-6796-2	Las Pailas III, 1 al 30	TALTAL , GUANACO	100%	02202-6962-0	G-24, 1 al 30	TALTAL , GUANACO	100%
02202-6797-0	Las Pailas IV, 1 al 30	TALTAL , GUANACO	100%	02202-6963-9	G-25, 1 al 20	TALTAL , GUANACO	100%
02202-6798-9	Las Pailas V, 1 al 30	TALTAL , GUANACO	100%	02202-6964-7	G-26, 1 al 30	TALTAL , GUANACO	100%
02202-6799-7	Las Pailas VI, 1 al 30	TALTAL , GUANACO	100%	02202-6965-5	G-27, 1 al 30	TALTAL , GUANACO	100%
02202-6800-4	Las Pailas VII, 1 al 30	TALTAL , GUANACO	100%	02202-6966-3	G-28, 1 al 20	TALTAL , GUANACO	100%
02202-6801-2	Las Pailas VIII, 1 al 30	TALTAL , GUANACO	100%	02202-6967-1	G-29, 1 al 30	TALTAL , GUANACO	100%
02202-6802-0	Las Pailas IX, 1 al 30	TALTAL , GUANACO	100%	02202-6968-K	G-30, 1 al 30	TALTAL , GUANACO	100%
02202-6803-9	Las Pailas X, 1 al 20	TALTAL , GUANACO	100%	02202-6969-8	G-31, 1 al 30	TALTAL , GUANACO	100%
02202-6804-7	Las Pailas XI, 1 al 20	TALTAL , GUANACO	100%	02202-6970-1	G-32, 1 al 30	TALTAL , GUANACO	100%
02202-6805-5	Las Pailas XII, 1 al 20	TALTAL , GUANACO	100%	022026971-K	G-33, 1 al 30	TALTAL , GUANACO	100%
02202-6806-3	Las Pailas XIII, 1 al 20	TALTAL , GUANACO	100%	02202-6972-8	G-34, 1 al 30	TALTAL , GUANACO	100%
02202-6807-4	G-3, 1 al 6	TALTAL , GUANACO	100%	02202-6973-6	G-35, 1 al 30	TALTAL , GUANACO	100%
02202-6808-K	G-4, 1 al 6	TALTAL , GUANACO	100%	02202-6974-4	G-36, 1 al 20	TALTAL , GUANACO	100%
02202-6809-8	G-5, 1 al 20	TALTAL , GUANACO	100%	02202-6975-2	G-37, 1 al 20	TALTAL , GUANACO	100%
02202-6810-1	G-6, 1 al 20	TALTAL , GUANACO	100%	02202-6976-0	G-38, 1 al 20	TALTAL , GUANACO	100%
02202-6811-K	G-7, 1 al 20	TALTAL , GUANACO	100%	02202-6977-9	G-39, 1 al 20	TALTAL , GUANACO	100%
02202-6812-8	G-8, 1 al 20	TALTAL , GUANACO	100%	02202-6978-7	G-40, 1 al 20	TALTAL , GUANACO	100%
02202-6813-6	G-9, 1 al 19	TALTAL , GUANACO	100%	02202-5397-K	Justicia 1 al 25	TALTAL , GUANACO	100%
02202-6814-4	G-10, 1 al 18	TALTAL , GUANACO	100%	02202-4509-8	Limbo Uno, 1 al 5	TALTAL , GUANACO	100%
02202-6815-2	G-11, 1 al 20	TALTAL , GUANACO	100%	02202-4510-1	Limbo Dos, 1 al 5	TALTAL , GUANACO	100%
02202-6816-0	G-12, 1 al 20	TALTAL , GUANACO	100%	02202-4511-K	Limbo Tres, 1 al 5	TALTAL , GUANACO	100%
02202-6817-9	G-13, 1 al 20	TALTAL , GUANACO	100%	02202-6979-5	FORTUNA I, 1 al 30	TALTAL , FORTUNA	100%
02202-6818-7	G-14, 1 al 20	TALTAL , GUANACO	100%	02202-6980-9	FORTUNA II, 1 al 30	TALTAL , FORTUNA	100%
02202-6819-5	G-15, 1 al 20	TALTAL , GUANACO	100%	02202-6981-7	FORTUNA III, 1 al 30	TALTAL , FORTUNA	100%
02202-6820-9	G-16, 1 al 20	TALTAL , GUANACO	100%	02202-6982-5	FORTUNA IV, 1 al 20	TALTAL , FORTUNA	100%
02202-6955-8	G-17, 1 al 20	TALTAL , GUANACO	100%	02202-6983-3	FORTUNA V, 1 al 20	TALTAL , FORTUNA	100%
02202-6956-6	G-18, 1 al 20	TALTAL , GUANACO	100%	02202-6984-1	FORTUNA VI, 1 al 20	TALTAL , FORTUNA	100%
02202-6957-4	G-19, 1 al 30	TALTAL , GUANACO	100%	02202-7148-K	FORTUNA VII, 1 al 30	TALTAL , FORTUNA	100%
				02202-7149-8	FORTUNA VIII, 1 al 20	TALTAL , FORTUNA	100%

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Tenement Number	Tenement name	Locality	Group ownership	Tenement Number	Tenement name	Locality	Group ownership
02202-7150-1	FORTUNA IX, 1 al 30	TALTAL , FORTUNA	100%	02201-O936-5	Loreto II	TALTAL , CERRO PROVIDENCIA	100%
02202-7151-K	FORTUNA X, 1 al 20	TALTAL , FORTUNA	100%	02201-O937-3	Loreto III	TALTAL , CERRO PROVIDENCIA	100%
02202-7152-8	FORTUNA XI, 1 al 30	TALTAL , FORTUNA	100%	02201-O938-1	Loreto IV	TALTAL , CERRO PROVIDENCIA	100%
02202-7153-6	FORTUNA XII, 1 al 20	TALTAL , FORTUNA	100%	02202-4675-2	Amancaya 1A, 1 al 20	Taltal, Amancaya	100%
02202-7154-4	FORTUNA XIII, 1 al 30	TALTAL , FORTUNA	100%	02202-4676-0	Amancaya 1B, 1 al 30	Taltal, Amancaya	100%
02202-7155-2	FORTUNA XIV, 1 al 20	TALTAL , FORTUNA	100%	02202-4677-9	Amancaya 2, 1 al 55	Taltal, Amancaya	100%
02202-7351-2	FORTUNA XV, 1 al 5	TALTAL , FORTUNA	100%	02202-4678-7	Amancaya 3, 1 al 60	Taltal, Amancaya	100%
02201-8025-5	ESCONDIDA I, 1 al 30	TALTAL , ESCONDIDA	100%	02202-4679-5	Amancaya 4, 1 al 60	Taltal, Amancaya	100%
02201-8026-3	ESCONDIDA II, 1 al 30	TALTAL , ESCONDIDA	100%	02202-4680-9	Amancaya 5, 1 al 60	Taltal, Amancaya	100%
02201-8027-1	ESCONDIDA III, 1 al 30	TALTAL , ESCONDIDA	100%	02202-4681-7	Amancaya 6, 1 al 40	Taltal, Amancaya	100%
02202-7156-0	ESCONDIDA IV, 1 al 30	TALTAL , ESCONDIDA	100%	02202-4112-2	Janita 1 al 15	Taltal, Amancaya	100%
02201-8028-K	ESCONDIDA V, 1 al 30	TALTAL , ESCONDIDA	100%	02202-5483-6	Sabina 1, 1 al 28	Taltal, Amancaya	100%
02201-8029-8	ESCONDIDA VI, 1 al 30	TALTAL , ESCONDIDA	100%	02202-5486-0	Sabina 4, 1 al 60	Taltal, Amancaya	100%
02201-8030-1	ESCONDIDA VII, 1 al 30	TALTAL , ESCONDIDA	100%	02202-5487-9	Sabina 5, 1 al 60	Taltal, Amancaya	100%
02201-8031-K	ESCONDIDA VIII, 1 al 30	TALTAL , ESCONDIDA	100%	02202-5488-7	Sabina 6, 1 al 40	Taltal, Amancaya	100%
02201-8032-8	ESCONDIDA IX, 1 al 30	TALTAL , ESCONDIDA	100%	02202-5489-5	Sabina 7, 1 al 30	Taltal, Amancaya	100%
02202-7157-9	ESCONDIDA X, 1 al 30	TALTAL , ESCONDIDA	100%	02202-5485-2	Sabina 3, 1 al 60	Taltal, Amancaya	100%
02202-7158-7	ESCONDIDA XI, 1 al 20	TALTAL , ESCONDIDA	100%	02202-7138-2	Sabina Dos, 1 al 18	Taltal, Amancaya	100%
02202-7159-5	ESCONDIDA XII, 1 al 30	TALTAL , ESCONDIDA	100%	02202-4528-4	BARBARA 1, 1-60	Taltal, Juncal	100%
02202-7346-6	Mateo I, 1 al 30	TALTAL , GUANACO	100%	02202-4529-2	BARBARA 2, 1-30	Taltal, Juncal	100%
02202-7347-4	Mateo II, 1 al 30	TALTAL , GUANACO	100%	02202-4530-6	BARBARA 3, 1-60	Taltal, Juncal	100%
02202-7348-2	Mateo III, 1 al 30	TALTAL , GUANACO	100%	02202-5497-6	BARBARA 4, 1-60	Taltal, Juncal	100%
02202-7356-3	Mateo IV, 1 al 21	TALTAL , GUANACO	100%	02202-4532-2	BARBARA 5, 1-30	Taltal, Juncal	100%
02202-7349-0	Mateo V, 1 al 30	TALTAL , GUANACO	100%	02202-4533-0	BARBARA 6, 1-60	Taltal, Juncal	100%
02202-7350-4	Mateo VI, 1 al 17	TALTAL , GUANACO	100%	02202-4534-9	BARBARA 7, 1-30	Taltal, Juncal	100%
02202-5742-8	Vino 2, 1 al 60	TALTAL , GUANACO	100%	02202-4835-6	FLORA 1, 1-20	Taltal, Juncal	100%
02202-5743-6	Vino 3, 1 al 60	TALTAL , GUANACO	100%	02202-4836-4	FLORA 2, 1-30	Taltal, Juncal	100%
02202-5744-4	Vino 4, 1 al 60	TALTAL , GUANACO	100%	02202-4837-2	FLORA 3, 1-30	Taltal, Juncal	100%
02202-5746-0	Vino 6, 1 al 60	TALTAL , GUANACO	100%	02202-4838-0	FLORA 4, 1-30	Taltal, Juncal	100%
02202-5747-9	Vino 7, 1 al 60	TALTAL , GUANACO	100%				
02202-5749-5	Vino 9, 1 al 60	TALTAL , GUANACO	100%				
02201-O935-7	Loreto I	TALTAL , CERRO PROVIDENCIA	100%				

