

ASX ANNOUNCEMENT

30 April 2024

March 2024 Quarterly Activities Report

Key Points

- March quarter achieved total revenue of \$24.5m generating a net operating cash outflow of \$5.8m.
- Total operating site costs for Q1, including mining, processing, and maintenance was \$23.4m. Capex and exploration costs were \$0.5m during the quarter.
- 1,805 tonnes copper cathode was produced during the quarter. Accumulated cathode stock on site by end of March stood at over 375 tonnes, primarily due to disrupted transport routes caused by weather conditions.
- Austral's securities remain in voluntarily suspension. The Company is currently finalising a significant restructuring aimed at enhancing the Company's financial position. To facilitate the successful conclusion of these negotiations, Austral plans to continue its voluntary suspension of trading in its securities.



Figures 1 to 4. Copper inventory on-site at end of March Quarter ready to be dispatched.

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Operational Update

- Thiess maintained strong production efforts at Anthill mine, excavating a significant volume of 1.120 million BCM. Notably, East Pit Stage One was completed in January despite significant rainfall events. This milestone significantly contributed to the increase in waste BCM mined in March.
- In the first quarter of 2024, 485,000 tonnes of ore with an average 0.77% Cu were mined, totalling approximately 4,004 tonnes of copper metal. At the end of the quarter, ROM stocks at Anthill stood at 245,000 tonnes, containing 1,723 tonnes of copper, reflecting effective stockpile management and production adjustments.
- The Mt Kelly processing facility navigated significant operational hurdles during the quarter, particularly from ongoing rainfall that challenged both the heap leach and SX-EW operations. Austral's proactive/reactive management and adaptability in managing the impacts associated with the extreme weather without compromising safety or equipment integrity exemplifies the resilience and proactive strategies of the operational and safety management teams.
- Haulage operations were dynamically adjusted throughout the quarter, with total tonnes hauled reaching 345,000 against a backdrop of logistical challenges imposed by continuous adverse weather. This quarter also saw the change out of the haulage contractor with the contract being awarded to RE Group.

Exploration

- **Review and Strategy Update:** The 2023 Exploration Strategy was reviewed, leading to the 2024 plan emphasising more reconnaissance-level field exploration, resource development, and near-mine drilling. An innovative, cost-effective geochemical sampling method was developed to improve surface data acquisition.
- **Geochemical Reconnaissance:** During the March quarter, Austral completed 39.5 line-km of geochemical surveys across western tenements, analysing 993 samples, with infill sampling of anomalies already in progress.
- **Glencore JV Collaboration:** Ongoing collaboration between Austral and Glencore covered technical, operational, and logistical aspects, though environmental regulations delayed diamond core drilling plans in the JV area near Lady Annie Mine during the wet season.
- **Tenure Maintenance:** Austral maintained its tenure with no changes reported this in the March quarter, holding 2,181 km² of exploration lands and 15 mining leases, all in good standing.

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Future Growth

Austral is actively working with ERM Australia Consultants (ERM), independent third-party consultants, to progress the Company's expansion projects. These projects include re-optimisation of the existing Lady Annie, Mt Clarke, and Flying Horse pits (oxide projects) and advancing the Lady Colleen Scoping Study to Definitive-Feasibility Study (DFS) level, marking Austral's first sulphide project. This development is occurring simultaneously with the planned recommencement of oxide mining within the Company's existing open-cut pits.

Dan Jauncey Managing Director and CEO commented:

"As the first quarter of 2024 concludes, I'm pleased to report that despite significant rainfall, Austral successfully produced and dispatched 1,587.4 tonnes of copper, although 377.6 tonnes remained on site as of 31 March 2024 due to transport disruptions.

The adverse weather also presented significant challenges to our Mt Kelly processing facility and haulage operations. Nonetheless, operations maintained operational integrity and continuity. On the exploration front, our 2024 strategy focuses on reconnaissance-level field exploration, resource development, and near-mine drilling with 39.5 line-km of geochemical surveys completed.

Concurrently, we are advancing our expansion projects, including the progression of the Lady Colleen Scoping Study to Definitive Feasibility Study (DFS) level, alongside the re-optimisation of existing oxide pits.

As we finalise a significant restructuring to enhance our financial stability, Austral's securities will remain in voluntary suspension to protect the negotiations from market fluctuations. We deeply appreciate the support of our shareholders and all stakeholders during this time, as it is invaluable in helping us sustain our operational momentum and drive substantial growth in the upcoming quarters."



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Environment, Social and Safety

Injuries Rolling 12 Months TRIFR (per million hours)

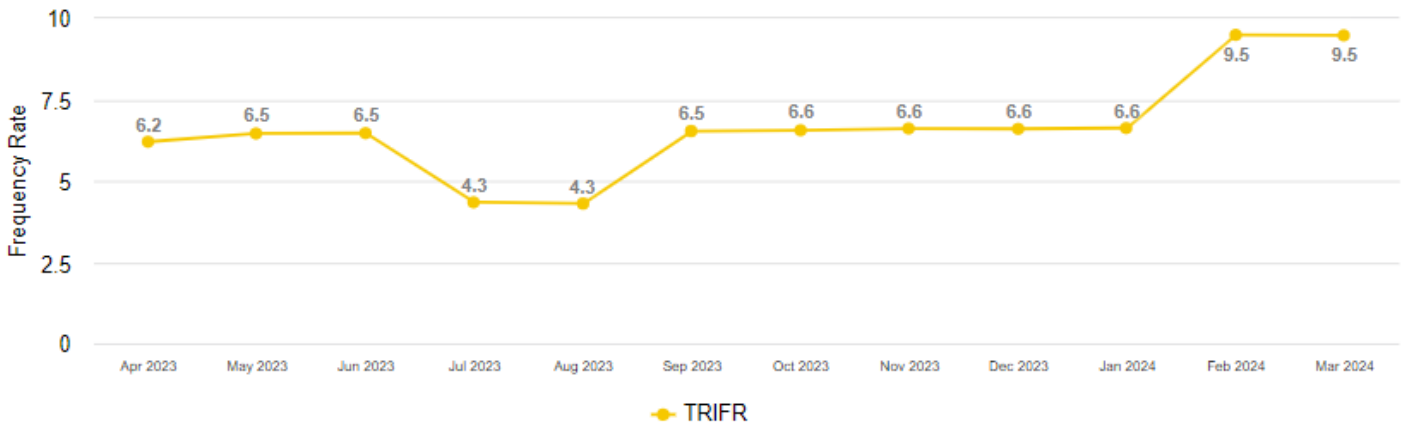


Figure 5. Injuries rolling 12 months TRIFR (per million hours).

Injuries Rolling 12 Months LTIFR (per million hours)

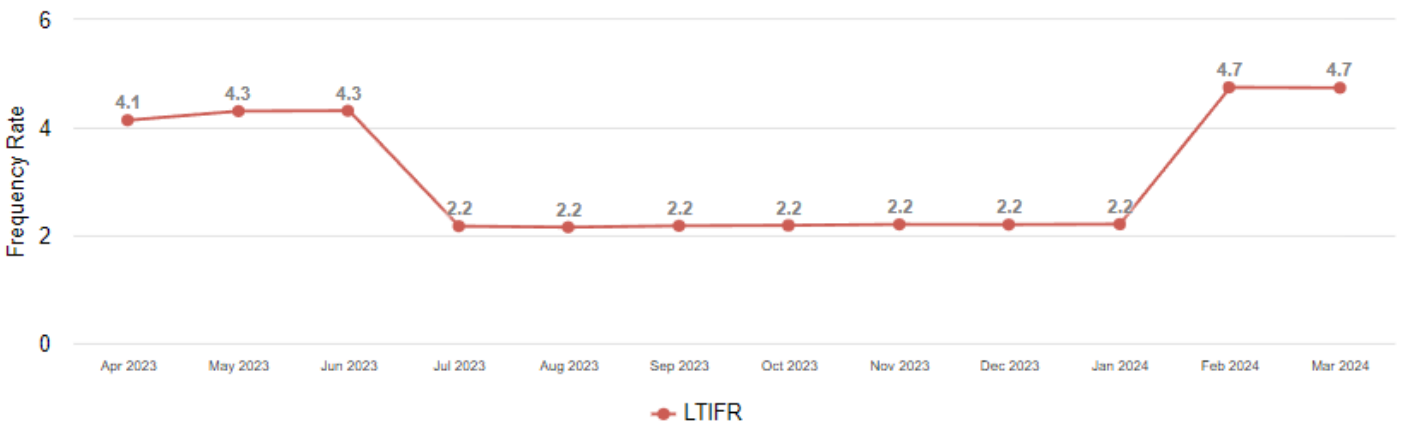


Figure 6. Injuries rolling 12 months LTIFR (per million hours).

- The 12-month rolling average for Total Recordable Injury Frequency Rate (TRIFR) and Lost Time Injury Frequency Rate (LTIFR) for Austral were 9.5 and 4.7 respectively, at the end of the quarter. The LTIFR has increased as two lost time injuries were recorded during the quarter. An employee was exposed to a chemical during removal of redundant pipework on the heap leach. A second employee suffered a soft tissue injury in the processing plant. The two cases have been investigated and mitigation measures set in place.
- No serious environmental incidents during the March quarter.

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Austral's ESG Program

In the first quarter of 2024, Austral reviewed and reset its ESG program for the coming year. In February, key members of the leadership team met with its ESG advisory partner to realign the Company's focus for the next 12 months. As a part of this focus group, current ESG initiatives were discussed, and a roadmap for the forthcoming year was developed.

Frequency and format of ESG communication

Austral will communicate progress on its ESG program to stakeholders with progress updates in quarterly reporting as well as a dedicated sustainability chapter in the annual report. Development of a sustainability section on the website is also being planned for later in the year (target Q4).

Outward Facing Sustainability Symbol

Illustrating Austral's core values of safety, health and the environment, ownership, cooperation, honesty and integrity and business excellence and improvement as Austral's key ESG focus areas. Austral's ESG program aims to incorporate the Company's values to identify focus areas material to the business.



Sponsorship Criteria Form

Austral has implemented a dedicated Sponsorship Criteria Form, allowing community members to directly contact Austral when seeking sponsorship for community shared benefit initiatives. This will streamline the sponsorship selection process, ensuring the relevant information for decision making is gathered and that there is alignment between the sponsorship initiative and the Company values and ESG priorities. Austral will be able to measure potential impact and efficacy of its sponsorships, promote transparency and fairness, fostering trust and goodwill with potential applicants. The form will be uploaded to the website in the Q2.

Looking Ahead

Planning has commenced for Q2 activities, including preparation for future Sustainability metric reporting and the scheduling of a Sustainability and Climate Risk Assessment.

Austral will undertake a sustainability reporting metrics gap analysis against both the Council for Mining and Metals (ICMM) recommendations and the Global Reporting Initiative (GRI) mining sector standards. This analysis will help Austral determine a baseline of current data gaps, and considerations future sustainability metrics for inclusion in annual reporting.

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The climate risk assessment will involve key management and operational employees and is an important step in understanding Austral's climate risk profile and is a significant theme in the incoming Australian Sustainability Reporting Standards (ASRS). Although Austral is not immediately impacted by the incoming national climate-related financial reporting requirements, the Company is taking a proactive approach, allowing time to implement strategies to lower its climate risk profile.

Austral Operations

Anthill Mine

Anthill mine's operational activities for the first quarter of 2024 involved extensive drilling, excavation, and ore production across various pits. Performance in the quarter was variable against targets due to varying conditions resulting in a solid production and excavation performance amidst challenges such as boggy conditions and increased moisture content due to significant rain events and mining below the water table.

Production Drilling:

- January: Achieved 95% of the drilling target, completing 22,002m against a planned 23,250m. Drilling efficiency was hampered by boggy conditions in EI but saw improvements in Anthill East Pit Stage 2.
- February: Drilling fell to 73% of the monthly target, achieving 15,849m. Performance was affected by boggy conditions and equipment breakdowns.
- March: Exceeded the drilling target by 8%, achieving 24,395m, notably with effective rates in East Pit Stage 2 and completion of crucial patterns.

Total Excavated BCM:

- January: 120,023 BCM excavated across Anthill West and East pits.
- February: 154,364 BCM, with significant improvements in dig rates in East Pit Stage 2.
- March: 314,286 BCM, with strategic waste backfilling in AHEI reducing haulage costs.

First quarter saw the production of 485,000 of wet metric tonnes (wmt) of ore with an average copper grade of 0.77%, resulting in a production of approximately 4,004 tonnes of contained copper metal.

A total of 345,000 of ore was transported from Anthill to the Mt Kelly RoM during the quarter. Notably, discrepancies in haulage were observed during March due to changes in haulage contractors and equipment. Further impacted by high moisture content.

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The Anthill RoM ended the quarter with a stockpile of 245,000, averaging 0.76% Cu, containing approximately 1,723 tonnes of copper. The Mt Kelly RoM stockpile stood at 106,000, with an average copper content of 729 tonnes.

Increased ore moisture content significantly impacted the handling and processing of ore, requiring adjustments in moisture discounting strategies. Operational adjustments due to weather impacts and equipment breakdowns were effectively managed, maintaining a reasonable output against the set targets.

In summary the first quarter of 2024 highlighted the resilience of Anthill mine's operations amid environmental and operational challenges. The strategic focus on maintaining production and efficiency, despite the setbacks, underscores the operational capability and readiness to meet future targets. Continuous monitoring and adjustment of moisture content strategies will be crucial to optimise the processing and quality of the mined ore.

Note: All figures regarding mined ore and production are based on wet metric tonnes with adjusted moisture content calculations.



Figure 7. AHE stage 1 completed.

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Figure 8. AHW showing advancement - continues to deliver the bulk of ore supply.



Figure 9. Anthill ROM

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Mt Kelly Processing Facility

The first quarter of 2024 posed significant operational challenges due to persistent rainfall impacting all stages of the processing operation, from ore handling in the Crushing/Heap Leach area to copper stripping in the Solvent Extraction and Electrowinning (SX-EW) stages. Despite high operational availability and efforts to mitigate these effects, the target production figures were not met, primarily due to reduced ore throughput and associated disruptions in the leaching and plating processes.

The quarter experienced considerable rainfall totalling 425mm, directly impacting ore processing rates and acid consumption. Significant shortfalls in copper production were evident with stripped and plated copper not meeting set targets across the quarter.

Ore Stacked: A total of 248,515wmt was processed, against a target of 544,551wmt, a shortfall of 54%. 1,843.2 tonnes of copper was leached from the stacked ore, falling short of the target by 24%.

The plant achieved a total of 1,868.6 tonnes of copper plated against a planned 2,391 tonnes, a shortfall of 22%. Despite high plant availability (above 99%), output was constrained by reduced feedstock and power supply issues.

Challenges and Mitigation:

- Ore Moisture and Handling: Continuously high moisture levels due to rainfall severely impacted the ore handling and stacking efficiency.
- Leach Efficiency: Decreased PLS (Pregnant Leach Solution) grades and flow rates due to dilution from rainwater, along with disrupted leach kinetics due to lower residence times of solvent in the heaps.
- Power Supply: Intermittent power disruptions influenced the steady operations of the SX-EW plants, affecting the electro-winning efficiency.

A total of 1,587.4 tonnes of copper were dispatched from the site. Accumulated stock on site by end of March stood at 377.6 tonnes, primarily due to disrupted transport routes caused by weather conditions.

The first quarter of 2024 underscored the vulnerability of the heap leach and SX-EW operations to severe weather conditions. Moving forward, enhancing weather resilience through improved drainage, and contingency planning for power and chemical supplies is imperative to mitigate similar impacts in future. The operational focus will also include recovery efforts to bring production levels back to target as environmental conditions stabilise.

Note: Some production figures are based on estimates due to delayed assay results, and the copper figures mentioned are provisional, subject to confirmation upon receipt of accurate metallurgical testing.

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Figure 10. Bundles of copper awaiting dispatch.

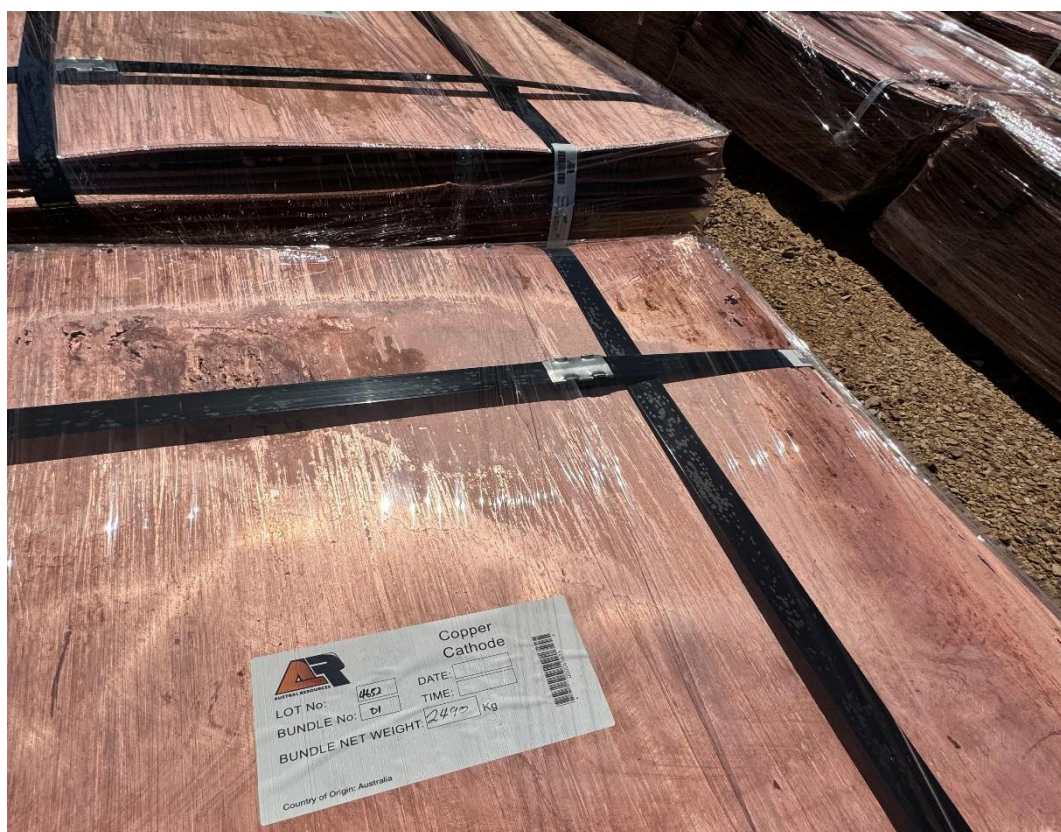


Figure 11. A bundle of copper after being wrapped ready for dispatch.

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Exploration

During the Quarter, the Company began undertaking field exploration work to identify new geochemical anomalies and develop an updated prospect pipeline for drill testing during mid 2024 (Figure 12).



Figure 12. During the March Quarter, Exploration staff have been busy undertaking the necessary field work required to facilitate discovery in 2024.

Review and Update of the Austral 2024 Exploration Strategy

During the March Quarter, an in-house review of the 2023 Exploration Strategy was conducted as part of the formulation of the 2024 Exploration Strategy. The review highlighted a need to increase reconnaissance-level field exploration concurrently with undertaking resource development work and near-mine exploration drilling. A method of geochemical sampling was developed in-house, which enables more reliable, lower cost and faster acquisition of surface geochemical data than methods previously utilised. Surface geochemical prospecting using this method enables the renewal the Company's extensive prospect pipeline at the same time as it is being depleted by drill testing, scheduled to commence mid-2024.

Geochemical Reconnaissance

During the Quarter, a total of 39.5 line-km of geochemical surveys were completed in the western tenements, totalling 993 individual sample analyses. Infill sampling of several anomalies is already underway.

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Glencore JV

Regular technical, operational and logistical collaboration continued between Austral and Glencore technical and executive teams.

Environmental regulations enforced during the Wet Season (November – March) delayed the planned diamond core drilling by Glencore / MIM Exploration on the JV area, to the North and Northwest of Lady Annie Mine.

Tenure

During the Quarter, there were no changes to Austral’s previously reported tenure holdings (Figure 13). The Company continues to hold 2,181km² of highly prospective exploration tenure comprised of 37 EPM’s and 1 EPMA. The Company also holds 15 Mining Leases covering 53km². All tenure held by the Company remains in good standing.

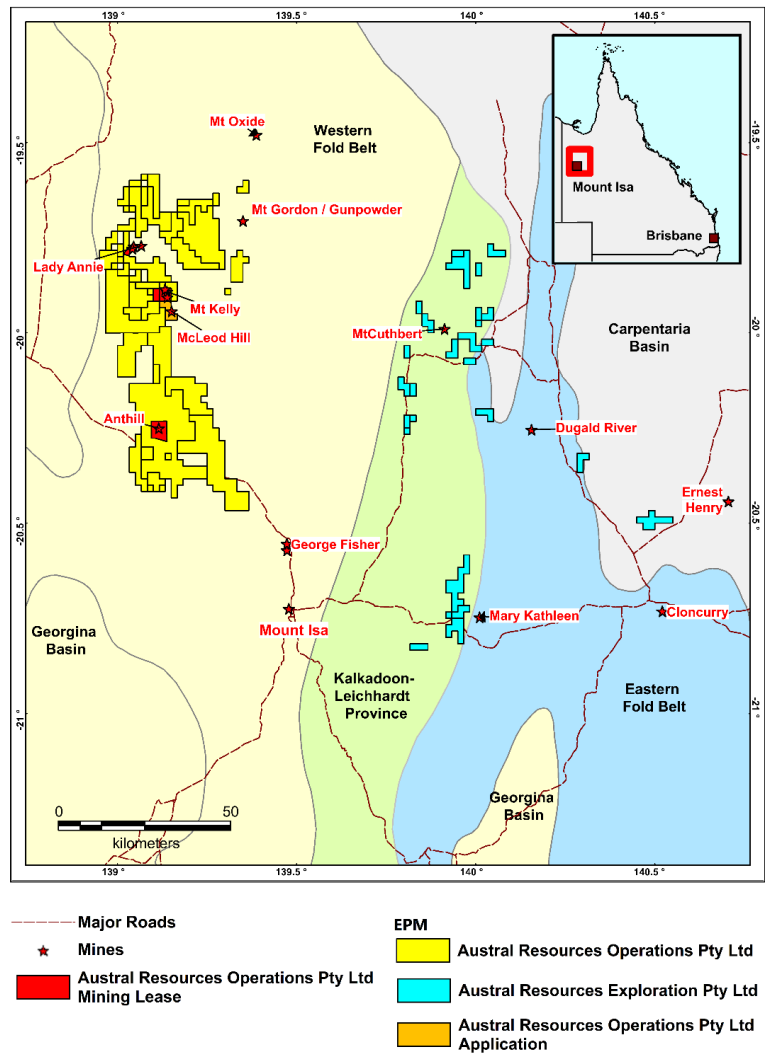


Figure 13. Plan of Austral tenure.

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This announcement is authorised for market release by Managing Director and CEO, Dan Jauncey.

FOR FURTHER INFORMATION PLEASE CONTACT:

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About Austral Resources

Austral Resources Australia Ltd (ASX:ARI) is a copper cathode producer operating in the Mt Isa region, Queensland, Australia. Its Mt Kelly copper oxide heap leach and solvent extraction electrowinning (SX-EW) plant has a nameplate capacity of 30,000tpa of copper cathode. Austral has developed its Anthill oxide copper mine, which has an Ore Reserve of 2.87Mt at 0.94% Cu. The Company has been producing copper cathode from mid-2022.

Austral also owns a significant copper inventory with a JORC-compliant Mineral Resource Estimate of 53.74Mt@ 0.74% Cu and 2,100km² of highly prospective exploration tenure in the heart of the Mt Isa district, a world-class copper and base metals province. The Company is implementing an intensive exploration and development program designed to extend the life of mine, increase its resource base, and then review options to commercialise its copper resources.

To learn more, please visit: www.australres.com

The Company confirms that it is not aware of any new information or data that materially affects the exploration results and estimates of Mineral Resources and Ore Reserves as cross-referenced in this release and that all material assumptions and technical parameters underpinning the estimates continue to apply and have not changed.



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Appendix I. Performance Right Information

Condition 11.5 of Austral's "Conditions of quotation" of the Company following its initial public offering (IPO) requires certain disclosures be made in relation to unquoted KPI based performance rights (Rights) disclosed in the Company's IPO Prospectus.

- Austral has 26,170,235 Performance Rights on issue as at 31 March 2024 (of those issued at IPO).
- During the quarter, none of these Rights were converted into ordinary shares and no Rights lapsed.
- Each Performance Right converts into one ARI share upon vesting and exercise.

The Rights set out above will vest on satisfaction of the below mentioned performance hurdles:

#	Key Performance Indicator	Performance Right #	Vesting Date ¹	Expiry Date ²	Remaining 31 Mar-24
1	First material ore production from Anthill deposit	11,134,372	Vested ³	30 Jun 25	289,493
2	Production of 20kt of copper cathode from Anthill Project	4,453,752	30 Jun 24	30 Jun 26	3,981,654
3	Generate 20kt inferred resource	11,134,372	30 Jun 25	30 Jun 26	9,954,129
4	Share price target of \$0.50	8,907,500	30 Jun 25	30 Jun 26	7,963,305
5	Health Safety Security Environment and Quality (HSSEQ) and Indigenous Affairs – FY 2022	2,226,876	Cancelled	n/a	-
6	HSSEQ and Indigenous Affairs – FY 2023	2,226,876	Cancelled	n/a	-
7	Generate 20kt inferred resource	4,453,752	30 Jun 25	30 Jun 26	3,981,654
	Total⁴	44,537,500			26,170,235

¹ Unless otherwise specified, the Vesting Date represents the last possible date by which the relevant KPI must be met in order for the relevant Rights to vest.

² Expiry date applies where the KPI has been met by the relevant Vesting Date. Where a KPI is not met, the Rights will lapse no later than 3 months after the Vesting Date.

³ Some of the vested rights have been exercised.

⁴ Total Rights on issue at IPO requiring disclosure. Austral has additional Rights on issue not requiring disclosure under the IPO Prospectus.

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The table below provides an overview of the Key Performance Indicators.

No.	KPI	Overview
1	5,000 tonnes of ore moved from the Anthill deposit within 6 months of commencement of overburden mining at the Anthill Project	This KPI will be considered satisfied on the movement of 5,000 tonnes of ROM ore from the Anthill pit to the crusher. This is defined as removing overburden and transporting ore from the Anthill pit within 6 months of commencement of overburden mining at the Anthill Project.
2	Production of at least 20,000 tonnes of copper cathode.	This KPI will be considered satisfied if the Company produces 20,000 tonnes of LME grade Copper cathode by the relevant Vesting Date.
3	Generate a JORC compliant Inferred Mineral Resource estimate of 20,000t of contained Cu through the exploration programme within 70km of the Mt Kelly processing facility	This KPI represents an exploration target for the exploration team to either continue more detailed exploration work on the top 12 prospects or explore and drill a new Mineral Resource estimate so that collectively an Inferred Mineral Resource estimate of 20,000 tonnes of contained Cu at a cut-off grade of 0.2% is achieved. This represents approximately half the resource at Anthill and must be within 70km of the Mt Kelly facility.
4	Share price target of \$0.50	This KPI will be considered satisfied where the volume weighted price average of the Company's Shares trades at or above \$0.50 for 20 consecutive Trading Days (as that term is defined in the Listing Rules).
5	Health, Safety, Security, Environment, Quality (HSSEQ) and Indigenous Affairs – to 30 June 2022	This KPI will be considered satisfied where both of the following criteria are met during the relevant period: <ol style="list-style-type: none">the Company's published Lost Time Injury Frequency Rate (LTIFR) is no more than 10% higher than the twelve-month rolling average LTIFR for surface minerals mines as reported in the Queensland Government 'Mines and Quarries Safety Performance and Health Reports' (adjusted on a pro-rata basis for any

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- period prior to first production at the Anthill Project); and
- the Company (or its relevant subsidiary) is not in material breach or in material dispute with any counterparty to any indigenous land use agreement (ILUA) (including for example the agreements set out in section 12.7 of the Prospectus).
- 6 HSSEQ and Indigenous Affairs – from 1 July 2022 to 30 June 2023
- This KPI will be considered satisfied where both of the following criteria are met during the relevant period:
- the Company's published LTIFR is no more than 10% higher than the twelve-month rolling average LTIFR for surface minerals mines as reported in the Queensland Government 'Mines and Quarries Safety Performance and Health Reports'; and
 - the Company (or its relevant subsidiary) is not in material breach or in material dispute with any counterparty to any ILUA (including for example the agreements set out in section 12.7 of the Prospectus).
- 7 Generate a JORC compliant Inferred Mineral Resource estimate measuring 20,000 tonnes contained Cu in sulphide mineralisation
- This KPI represents an exploration target for the exploration team to develop a more detailed exploration work on the sulphides (from existing pits, existing targets and drill a new Mineral Resource so that collectively an Inferred Mineral Resource estimate generating 20,000 tonnes of contained Cu in the sulphides at a cut-off grade of 0.2%.

Terms of the employee incentive plan under which the Rights were issued are listed in the Company's IPO prospectus.