

ASX ANNOUNCEMENT



24 October 2024

SEPTEMBER 2024 QUARTERLY ACTIVITIES REPORT

Highlights:

- Austral remained focussed on the completion of its recapitalisation during the September Quarter.
- Activity at the Mt Kelly processing facility was limited to the processing of existing Run of Mine ("RoM") stockpiles. 1,326 tonnes copper cathode was produced during the Quarter.
- September Quarter achieved total revenue of ~\$22m, generating a net operating cash outflow of \$1.75m.
- Total operating site costs for Q3, including mining, processing, and maintenance was \$19.6m. Capex and exploration costs were ~\$1m during the Quarter.
- During the Quarter, Austral announced the successful completion of its Scoping Study conducted by ERM Australia Consultants Pty Ltd ("ERM"), which revealed a significant copper production pipeline.
- Exploration activity continued during the quarter with Austral also announced very positive assay results from the diamond and reverse circulation drilling program.
- Austral's securities will remain suspended until the Company completes its planned equity raise and recapitalisation process.

Copper producer Austral Resources Australia Ltd (ASX:ARI) ("Austral" or the "Company") is pleased to announce the quarterly report for the period ended 30 September 2024.

CHARIMAN'S COMMENT:

Austral's Chairman, Mr David Newling, provided the following comment:

"We are extremely pleased with the positive outcomes of the Scoping Study, which underline Austral's robust copper production pipeline and our long-term growth strategy. The results from the Lady Colleen Project, in particular, are highly encouraging, with significant assay results confirming the potential for resource expansion and enhanced production capacity. This study reaffirms our confidence in Austral's ability to continue delivering value to shareholders and reinforces our position as a leading mid-tier copper producer in Australia. We look forward to fast-tracking the next phase of development as we continue to build on these results."

"In regards to our Quarterly results, despite no mining being completed for an extended period, we were able to mobilise a new mining contractor, Re Group, who commenced mining in August. We are very pleased with the results given the short timeframe. In addition, we were able to reduce debt and continue exploration activities."

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MT KELLY PROCESSING FACILITY

Given the Company's focus on completing recapitalisation activity as outlined further in this report, activity at Mt Kelly was limited to processing RoM stockpiles during the September quarter.

The crushing and stacking circuit processed 172,310 wet metric tonnes ("wmt") of ore with an estimated metal content of 1,066.3 tonnes over the quarter. The stripped copper amounted to over 1,326 tonnes, while the plated copper was 1,408 tonnes.

July totalled 432.4 tonnes of stripped copper and 561.7 tonnes of plated copper. Operational challenges were primarily due to reduced stacking output and the lack of newly stacked ore for leaching. 26,628 wmt of ore was stacked to the heap leach, 85% under the budget amount. Despite this, with increased irrigation efficiency, the heap leach was able to produce 559.9 tonnes of copper leached (12% above target). The SX-EW performance showed average amps at 12,620A (12% above target) and 432.4 tonnes of cathode produced (14% below target) with cathode purity meeting LME Grade A specifications at 99.999%. A total of 710.1t copper was dispatched in July, with 2.5 tonnes in stock.



Figure 1. Pad 2/3 Re-Mine Operation at commencement.

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August performance continued to be hampered by the lack of newly stacked ore for leaching, producing 470.8 tonnes of stripped copper and 426.0 tonnes of plated copper, 6% and 15% below the budgeted 500 tonnes respectively. Logistical challenges in mining and haulage meant that only 2,683 wmt of ore was stacked (99% below target). Subsequently, 422.3 tonnes of copper was leached (16% below target) for the month. The SX-EW performance showed average amps at 9,570 A (15% below target) and 470.8 tonnes of cathode produced (6% below target) with cathode purity at 99.999%. A total of 473.3 tonnes of copper were dispatched, leaving no copper in stock.

September displayed a notable recovery with the crushing and stacking circuit delivering 142,999 wmt of ore stacked to the heap leach. 422.9 tonnes of copper was stripped (6% below the budgeted 450 tonnes) and 420.5 tonnes of plated copper (7% below the budgeted 450 tonnes). The SX-EW performance included average amps at 9,762A (7% below target) with cathode purity at 99.999%. A total of 410.6t tonnes of copper were dispatched. Operational challenges including planned shutdowns and emergency repairs hindered the processing plants availability, and ultimately its outputs.

The primary challenges faced through the July–September quarter stemmed from the cessation in mining activities in prior months. Without newly stacked ore for leaching, the focus was placed on increasing the efficiency of current irrigation design to deliver better outcomes in the processing circuit. Logistical issues with suppliers also meant that critical maintenance issues took longer to resolve than necessary, hindering circuit availability. The September crushed and stacked output provides a level of optimism for future outcomes in the processing circuit.

While the July–September quarter reflects a mixture of results, it's important to note the increased output of the crushing and stacking circuit in the last month, which is a pre-cursor for the performance of the processing plant. The re-mine of older production pads also progressed substantially throughout the quarter with re-mined ore being placed under irrigation in the later part of September. Contingency planning is underway to ensure business continuity through any unexpected logistical issues with key business partners through the current quarter along with continuity preparation for the upcoming wet season.

All 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.

EXPLORATION

During the Quarter, the Company released assay results from the diamond (“DDH”) reverse circulation (“RC”) drilling program at the Lady Colleen Copper Project. The purpose of the drilling was to:

- Expand the limits of known high-grade mineralisation beyond the existing resource model to guide the ongoing scoping studies.
- Assess the potential fertility of the Spinifex Fault for Cu mineralisation along strike from the Lady Colleen Deposit.

The drilling program comprised of 639.7m RC and 1,488.3m DDH totalling 2,128m across nine drillholes.

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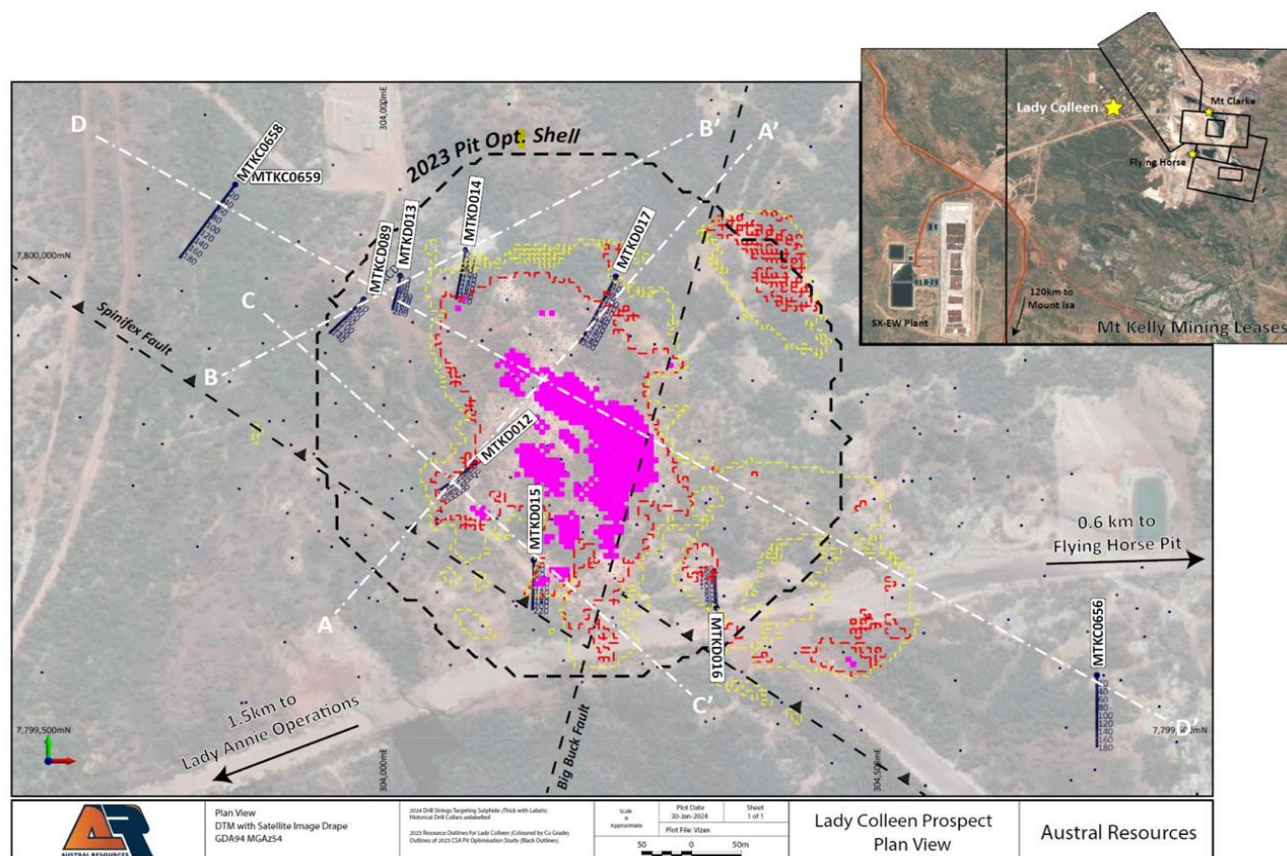


Figure 2. Plan view of the 2023 Drilling Program at the Lady Colleen Cu Deposit. Inset shows the location of Lady Colleen within the broader context of the Mt Kelly Mining Leases and the LAO Cu-Oxide processing facilities.

Key assay highlights included the following. Please refer to the ASX Announcement released on 30 July 2024 (High Grade Cu Continuity Confirmed at Lady Colleen) for further details.

MTKD017

- 47m @ 1.99% Cu from 203m
 - Including 20m @ 3.04% Cu from 217m
- and 16m @ 0.83% Cu from 265m
- and 17m @ 1.01% from 285m

MTKD015

- 5.5m @ 2.68% Cu from 96m

MTKD012

- 20m @ 0.76% Cu from 30m
 - Including 5.6m @ 1.31% Cu from 38m
- and 5m @ 1.06% Cu from 84m.

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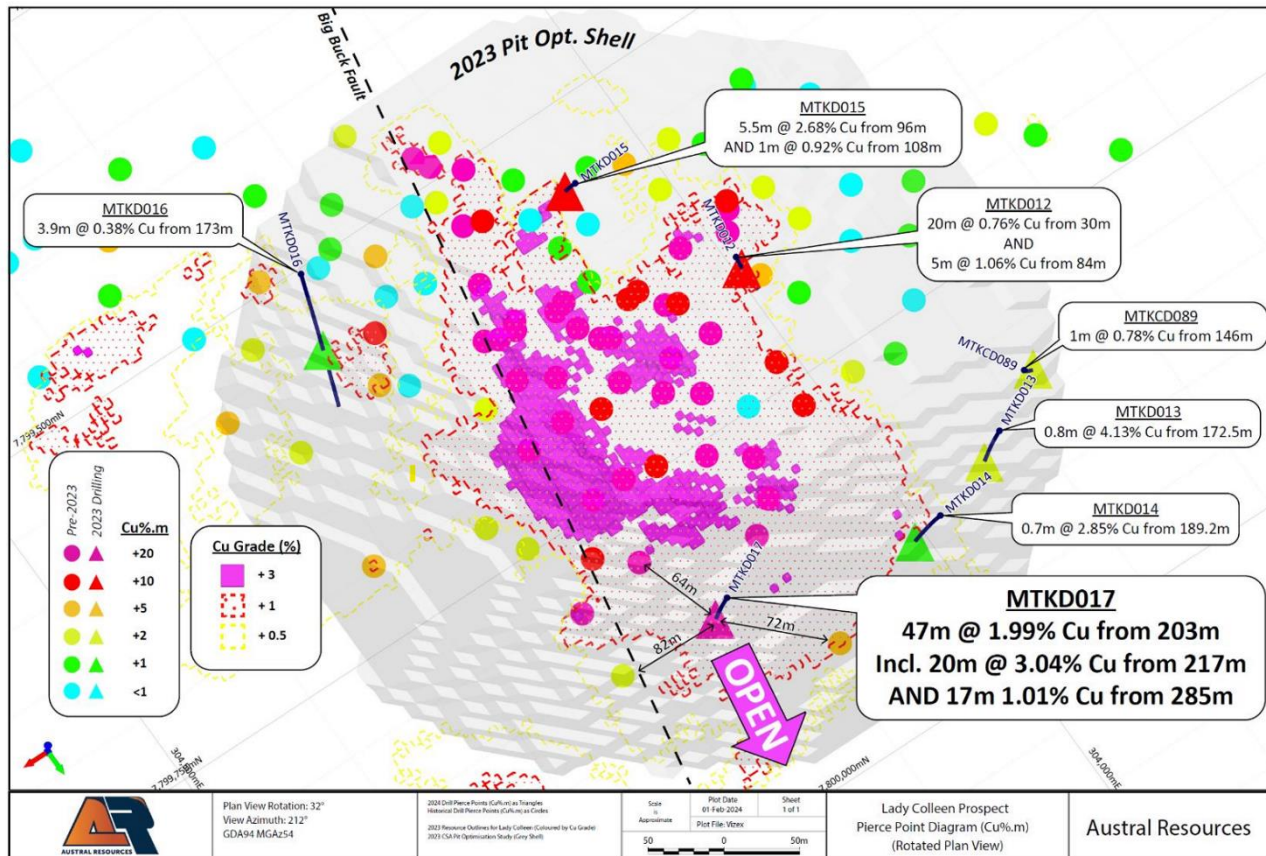


Figure 3. Pierce Point Diagram outlining all drillhole intercepts (as Cu%.m) in the vicinity of the Lady Colleen Deposit. Green arrow in bottom left corner represents north arrow (pointing upwards) (GDA94 MGA54).

SCOPING STUDY

During the Quarter, the Company released its positive Scoping Study across several deposits, including Lady Annie, Lady Brenda, Mount Clarke, and Flying Horse, which revealed strong potential for significant copper production. Furthermore, a new potential small pit within the Mount Clarke – Flying Horse area has been included, as well as an additional lens which has been identified at the Lady Colleen deposit. The high-grade zone at Lady Colleen remains open along strike and down plunge.

Approximately 90% of the Mineral Resources included are within the Measured or Indicated JORC resource classification. Please refer to the ASX Announcement dated 4 October 2024 (Positive Scoping Study Reveals Significant Copper Production) for further details surrounding costs, assumptions and metallurgical recoveries.

The Study included appropriate modifying factors and shows that Austral could expect to mine in the range of approximately from +/- 10,707 Kt to +/- 11,207 Kt grading approximately 1.16% Cu for total mine production ranging from +/- 124 Kt to +/- 131 Kt of contained copper from these deposits, as shown below.

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Whittle Optimisation Summary¹

Deposits	Process	Low range Tonnes (kt)	High range Tonnes (kt)	Cu (%)	Low range Cu (kt)	High range Cu (kt)
Lady Colleen	Heap Leach	192	202	0.84%	1.6	1.7
	Flotation	2,432	2,560	1.85%	44.8	47.2
Lady Annie	Heap Leach	1,131	1,190	0.51%	5.8	6.1
	Flotation	1,503	1,582	1.26%	19.0	20.0
Mt Clarke + Flying Horse	Heap Leach	1,549	1,630	0.5%	7.8	8.2
	Flotation	3,901	4,106	1.16%	45.4	47.8
Total	Heap Leach	2,871	3,022	0.53%	15.2	16.0
	Flotation	7,836	8,248	1.39%	109.3	115.0
	Total	10,707	11,270	1.16%	124.5	131.1

Study Profile by Mineral Resource Category

Deposits	Process	Tonnes (Mt)	Cu (%)	Cu (kt)
Lady Colleen	Measured	0.56	1.54%	8.70
	Indicated	1.88	1.89%	35.40
	Inferred	0.32	1.51%	4.84
Lady Annie	Measured	0.90	0.95%	8.48
	Indicated	1.86	0.94%	17.48
	Inferred	0.02	0.38%	0.07
Mt Clarke + Flying Horse	Measured	1.71	0.88%	15.05
	Indicated	3.64	0.99%	36.12
	Inferred	0.38	1.27%	4.82
Total	Measured	3.17	1.02%	32.23
	Indicated	7.38	1.21%	89
	Inferred	0.72	1.35%	9.73

Tonnages and grades in the table are rounded to appropriately reflect accuracy inherent in study results.

Next steps include:

- Geological drilling to upgrade the Inferred Mineral Resources (approximately 10% of Mineral Resources in this study) to Indicated Resource in Q4 2024.
- Geotechnical drilling and further investigation to reflect more appropriate overall slope angles per area/region instead of the general slope angle used in all deposits.
- Hydrogeological/hydrological work to estimate the water inflows and their effect on the pit walls and cutbacks.
- Further scheduling to optimise the best sequencing of the cutbacks and mine plan with a detailed review of the input parameters.

¹ Assumed copper price of A\$14,250/t

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

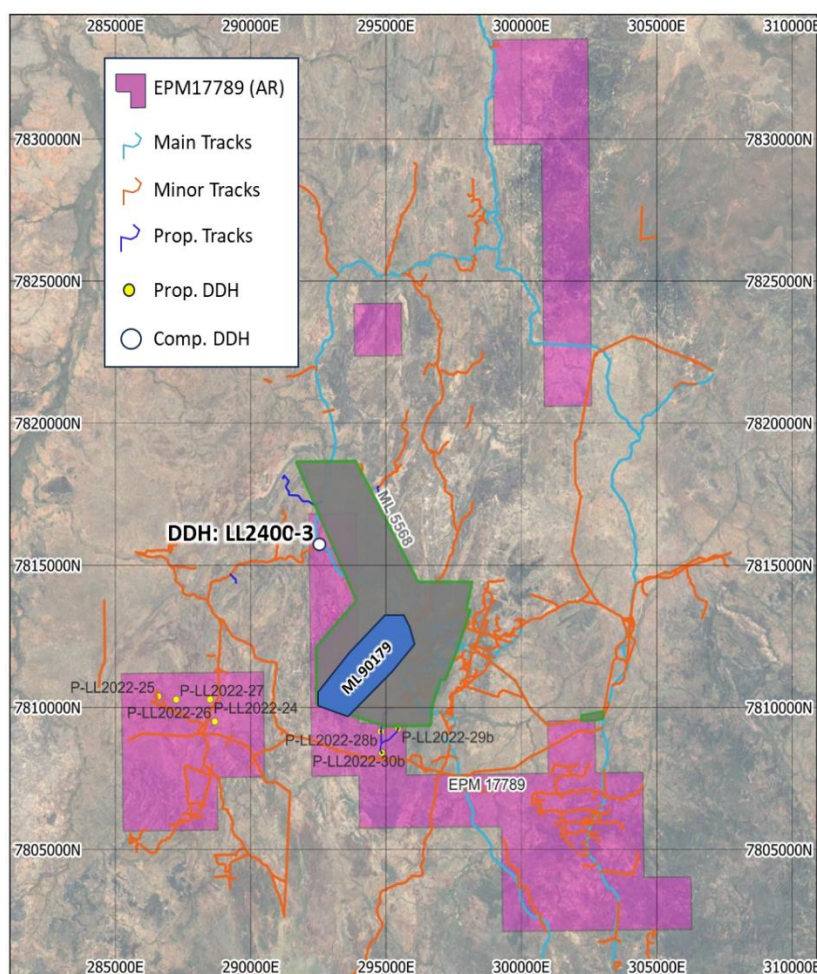


Figure 4. Overview of the status of planned Glencore JV drilling activities as of 30 September 2024.

CORPORATE

On 2 May 2024, Austral's secured debt provider, Win Finance No. 359 Pty Ltd ("**Wingate**"), appointed Deloitte as Receivers and Managers over the Company and its subsidiaries. On 13 May 2024, Austral announced that Glencore Australia Holdings Pty Limited ("**Glencore**"), the Company's strategic offtake partner, has acquired the senior secured debt from Wingate and has assumed the role of senior secured creditor, and this ended the period of Receivership.

On 20 June 2024, following negotiations with Glencore, as well as Thiess Pty Ltd ("**Thiess**") and Secover Pty Ltd ("**Secover**"), entered into an agreement subject to conditions precedent to discharge all secured debt, by granting workout rights pursuant to the Anthill Project Agreement ("**APA**").

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During the September 2024, quarter, Austral was busy progressing activity for a recapitalisation equity raising foreshadowed as part of the APA. This included appointing Bell Potter Securities Limited as Lead Manager in respect of that recapitalisation.

TENURE

During the Quarter, there were no changes to Austral's previously reported tenure holdings (Figure 5). 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.

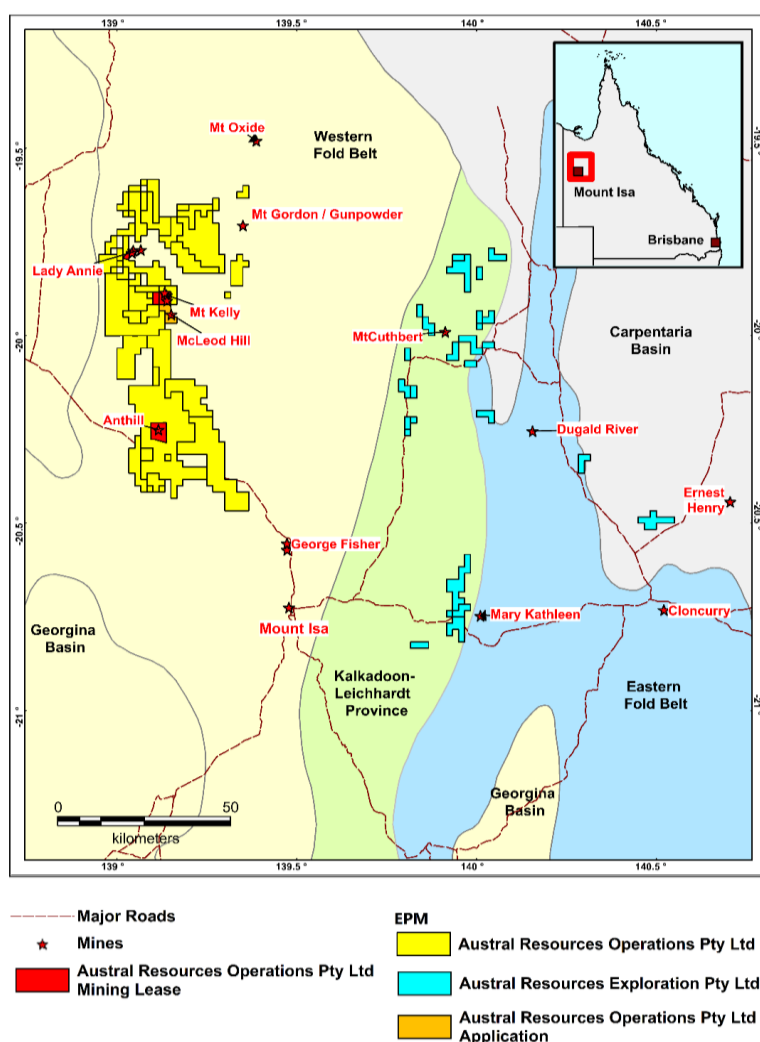
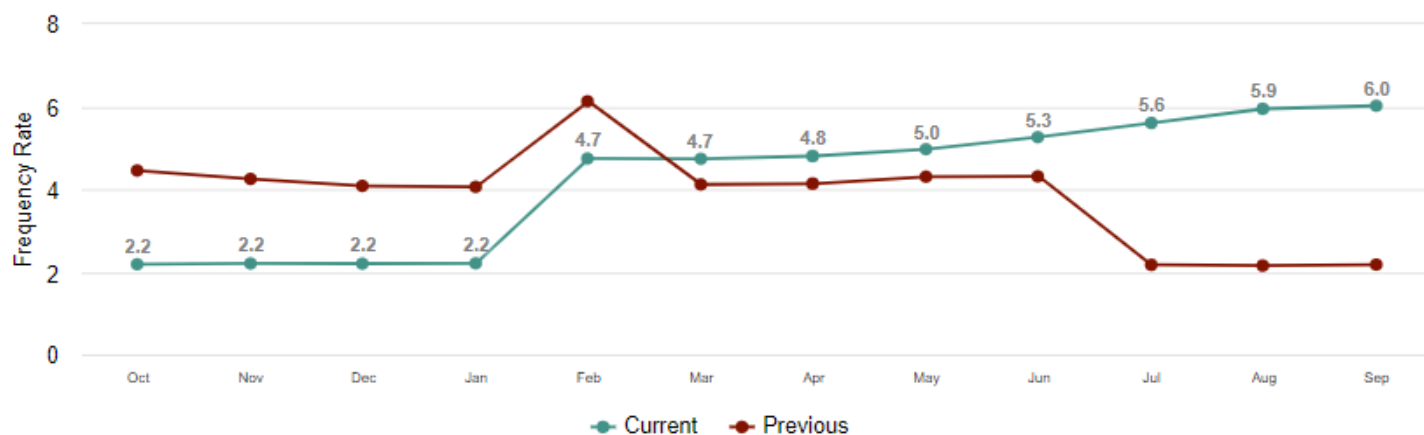


Figure 5. Plan of Austral tenure.

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Incidents LTIFR 12 month rolling comparison



- The 12-month rolling average for Total Lost Time Injury Frequency Rate (LTIFR) for Austral was 6.0 at the end of the Quarter. The LTIFR has increased mainly due to a sharp decline in the manpower onsite skewing the rolling average, in addition to the lost time injury in January.
- Austral successfully completed the annual Department of Environment, Science and Innovation Pre-Wet inspection with full compliance to the Environmental Authority.
- No serious environmental incidents occurred during the September Quarter.

The Quarter saw a focus on critical operational and existing ESG program commitments as the Company focused on renegotiating its financial restructure. Austral's dedicated Sponsorship Criteria Form was uploaded to the website, in preparation for more formal and transparent process of future endorsement of community shared benefit initiatives.

Other initiatives forming part of the 2024 ESG roadmap were also progressed, including the Mt Isa sub-committee and stakeholder meeting which was well attended. The Subcommittee aims to bring together a diverse group of individuals with a passion for sustainability, responsible business practices, and a desire to make a difference to the community and society as a whole. Members of the Subcommittee had the opportunity to actively contribute to Austral's ESG agenda and shape the future of the company's sustainability journey.

As a part of its September Quarter ESG program, Austral commenced a review of its current sustainability metric reporting position, which included the decision to base alignment on the International Council for Mining and Metals ("ICMM") recommendations for now and defer the additional Global Reporting Initiative ("GRI") mining sector standard alignment to a later date. This analysis will help Austral determine a baseline on current data gaps to inform the most practical sustainability metrics for inclusion in our annual reporting. Austral is aiming to continually improve and develop its sustainability disclosures, in line with emerging legislative requirements and investor stakeholder expectations.

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Austral has also assessed its position against emerging Australian Sustainability Reporting Standards ("ASRS") which are currently set to come into effect from January 2025. The standards set out new climate-related financial reporting requirements for entities, which will be phased in starting with a relatively limited group of very large entities that expands to apply to progressively smaller large entities. The size threshold determining the year in which entities are required to commence climate reporting are based on existing concepts in the Corporations Act and Regulations and is a phased approach starting with larger entities first and then expanding to apply progressively to smaller entities (Group 1, 2 and 3).

Based on Austral's current asset, revenue and employee profile, it meets the Group 3 reporting requirements. Under current proposed timing for each entity group size, Austral will be required to report in line with ASRS Climate Related Financial Disclosures from 2027.

In preparation for meeting their reporting obligations, Austral completed a Sustainability and Climate Risk assessment as a predecessor activity to better inform the preparation for compliance with ASRS reporting requirements and timing. The assessment involved key management and operational employees and is an important step in understanding Austral's overarching sustainability risk profile, and areas for development in meeting the emerging climate-related disclosure requirements.

This announcement is authorised for market release by Austral's Managing Director and CEO Dan Jauncey.

FURTHER INFORMATION, PLEASE CONTACT:

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About Austral Resources

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

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Competent Persons' Statement

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 Estimate (ORE) of 2.87Mt at 0.94% Cu (comprised of 0.90Mt at 0.90% Cu proved ORE and 1.97Mt at 0.96% Cu Probable ORE). The Company has been producing copper cathode from mid-2022.

Austral also owns a significant copper inventory with a JORC-compliant Mineral Resource Estimate (MRE) of 53.74Mt@ 0.74% Cu (comprised of 9.39Mt@ 0.75% Cu Measured MRE, 33.03Mt@ 0.76% Cu Indicated MRE and 11.32Mt@ 0.67% Cu Inferred MRE) 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

Detailed Ore Reserves and Mineral Resource Estimates information is provided in Austral Resources Prospectus, Section 7, Independent Technical Assessment Report, and the 2023 Annual Report. These documents are available on Austral's website: www.australres.com, and on the ASX released as "Prospectus" on 1 November 2021 and further updated on 28 October 2022 as "Lady Colleen Grade increases by 200%", "2023 Annual Report to Shareholders" on 2 April 2024, as well as the "Significant increase for the McLeod Hill Copper Mineral Resource" on 20 May 2024.

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, Ore Reserves, exploration results, production targets and forecast financial information derived from production targets as cross-referenced in this release and that all material assumptions and technical parameters underpinning the estimates continue to apply and have not changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original announcement.

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Appendix 1. Performance Right Information

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

- Austral has 18,122,307 Rights on issue as at 30 September 2024 (of those issued at IPO).
- During the Quarter, no Rights were converted into ordinary shares and 8,047,928 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 30 Sep-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	Lapsed	n/a	-
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
Total ⁴		44,537,500			18,122,307

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 (KPI).

N	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: 1. 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 period prior to first production at the Anthill Project); and 2. the Company (or its relevant subsidiary) is not in material breach or in material dispute with any counterparty to any indigenous land

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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:

1. 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
3. 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.