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29 April 2025

MARCH 2025 QUARTERLY ACTIVITIES REPORT

HIGHLIGHTS

- Austral is actively conducting due diligence on several potential growth transactions, including merger and/or acquisitions.
 - The Board considers an expanded and strategically repositioned Austral has the potential to better position the Company to attract a broader pool of capital.
 - Austral successfully completed its mining campaign of the West pit of Anthill which demonstrates Austral's resilience and technical experience to overcome numerous challenges.
 - Austral's robust grade control program identified a further 18kt of high grade copper ore from below the original designed pit shell which was safely extracted through challenging wet conditions.
 - In March 2025, Austral was pleased to announce that it had signed a Memorandum of Understanding (**MOU**) with New Frontier Minerals (**NFM**) in relation to a strategic alliance targeting to increase production at its Mt Kelly processing facility.
 - Austral's securities will remain suspended until the Company completes its planned equity raise and recapitalisation process.
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Copper producer Austral Resources Australia Ltd (ASX:ARI) ("Austral" or the "Company") is pleased to announce the quarterly report for the period ended 31 March 2025 ("Quarter" or the "Report").

CHAIRMAN'S COMMENT:

Austral's Chairman, Mr David Newling, commented:

"The March Quarter marked an important period of operational delivery and strategic activity for Austral. Despite the challenges brought on by seasonal flooding and ongoing recapitalisation efforts, our team demonstrated unwavering resilience – achieving significant milestones including the completion of the Anthill West Pit and progress across our Mt Kelly processing facility.

The signing of a Memorandum of Understanding with New Frontier Minerals reinforces our commitment to long-term growth, targeting increased copper production and operational

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synergies. Importantly, our exploration efforts continue to highlight the potential of our extensive copper portfolio, with advancements made toward resource development and future monetisation of sulphide assets.

As we advance through 2025, the Board remains focused on completing the recapitalisation process to strengthen our financial foundation and resource to unlock value for shareholders and be re-quoted on ASX. We remain optimistic about the path ahead and confident in Austral's ability to emerge stronger and more competitively positioned in the Australian copper sector."

RECAPITALISATION UPDATE

On 20 June 2024, Austral entered into a Framework Agreement ("**Framework Agreement**") to facilitate the quarantining of secured debt under the Anthill Project Agreement ("**APA**") and initiate a comprehensive recapitalisation of the Company. Since then, the Board has diligently pursued the implementation of this Framework Agreement with the primary objective of preserving value for existing shareholders and suppliers. This strategic approach was deliberately adopted to avoid the need for voluntary administration, a path recently taken by several other copper companies operating in the Mt Isa region, either voluntarily or under financial distress.

Throughout this period, the Board has worked to strike a careful balance between attracting new equity investment and maintaining fairness for existing shareholders. While the recapitalisation process is still ongoing, the Company remains focused on delivering a positive outcome that supports long-term sustainability and growth. The Board acknowledges that delays may have caused concern among some shareholders, but remains confident that this strategy will ultimately position the Company for renewed success.

Austral is also actively engaging with third-party stakeholders and evaluating strategic opportunities that align with the Company's growth trajectory and reflect the value and prospectivity of its high-quality copper assets. During the Quarter, Austral signed a MOU with New Frontier Minerals targeting a production increase at its Mt Kelly processing facility.

OPERATIONAL HIGHLIGHTS

Whilst the recapitalisation process remains ongoing, the Company advanced several key operational objectives during the Quarter, despite challenges associated with historic rainfall and flooding events impacting the region during the wet season.

- Anthill mining and haulage continued throughout the Quarter with a total material movement of 828,558 bank cubic metres ("**BCM**"), the largest quarterly movement by mining contractor Regroup, to date. The Anthill Run of Mine ("**ROM**") ended the Quarter with 336 kilotonnes ("**kt**") of



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ore on hand containing a total of 1,906 tonnes (“t”) of copper while the Mt Kelly ROM held 86kt containing 426t of copper metal.

- Mt Kelly processed 337,720 dry metric tonnes (“dmt”) of ore, below the budgeted target of 544,551 tonnes, with copper stripping totalling 1,493 tonnes and plated copper at 1,561 tonnes.
- Two scheduled shutdown periods during the Quarter enabled critical maintenance works within the crushing circuit. These included repairs to the secondary cone crusher and the replacement of the lower screen deck cassette which had suffered from a premature failure. These activities were completed as planned, ensuring continued plant reliability and operational efficiency.
- The Company maintained full compliance with all Queensland Mines Inspectorate audits conducted. As part of the Occupational Hygiene Monitoring program undertaken in the Quarter, two exceedances were identified at the Lady Annie operations. Corrective actions have been initiated in response.
- No Environmental compliance issues.
- During the Quarter (“Q1”), operational activities at Anthill progressed with the successful completion of mining in the West Pit, including the extraction of the final extensional ‘goodbye’ cut located in the southwest corner. This marked a key milestone in the planned execution of mining Anthill.

Q1 PERFORMANCE	GUIDANCE NOTE	ACTUAL FIGURES
Total Material Movement	1,922,696t	1,746,600t
Total Ore Mined	217,323t	390,102t
Total Contained Cu	1,474t	2,272t
Total Cu Produced	1,788t	1,562t

ANTHILL MINE

Anthill operational activities for the Quarter included the completion of West Pit and the extraction of the final extensional ‘goodbye’ cut in the southwest corner of the pit. This final extension beyond original pit design parameters produced 67kt at a grade of 0.68% copper (“Cu”). During the Quarter, a total of 30,969BCM of ore and 10,156BCM of waste were mined from West Pit. All waste from West Pit was backfilled into West Pits in pit waste dump.

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In the East Pit Stage 2, a total of 636,833BCM of waste and 150,600BCM of ore were mined from the 300RL through 285RL benches. As in West Pit, all waste from East Pit was backfilled in pit, continuing to reduce haulage distance and cost, providing an efficient and effective disposal process and rapid cycle times.

Production during the Quarter reached 390k wet metric tonnes (“wmt”) of ore with an average copper grade of 0.62%, resulting in a production of approximately 2,272 tonnes of contained copper metal.

During the Quarter, a total of 360kt of ore was transported from Anthill to the Mt Kelly ROM with equipment availability and low staff levels hampering haulage rates.

The closing stockpile at Mt Kelly ROM was 86Kt containing 426t of copper, while the stockpile at the Anthill ROM was 336Kt containing 1906t of copper.

In summary, Anthill ROM continuing to be run above nameplate capacity to accommodate ore stockpiles during the Quarter alongside consistent rates of drilling and production. Water and poor ground conditions added notable challenges to the completion of West Pit but were overcome to achieve completion of West Pit prior to wet season. Mining rates throughout the Quarter continued to be plagued by low machinery availability and low operator staff numbers.

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

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Figure 1: AHE Stage 1 Backfill Waste Dump

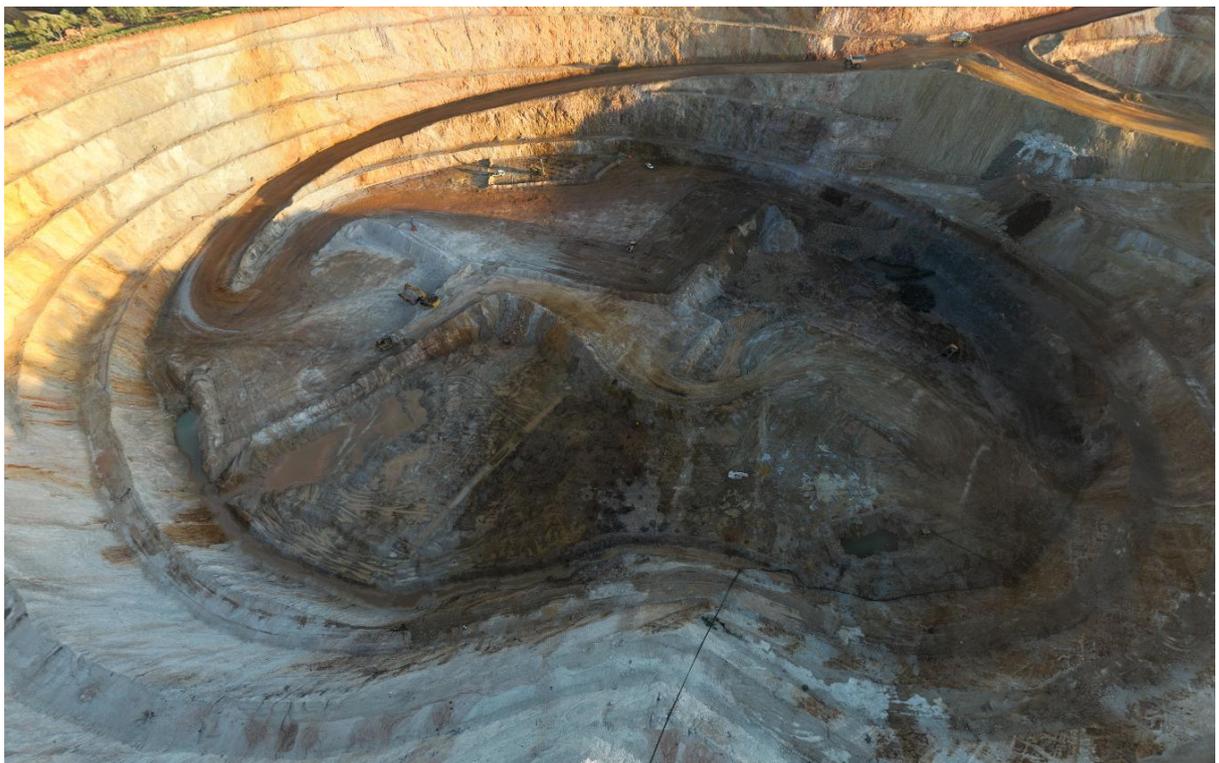


Figure 2: AHE Stage 2 Progression through 285 Bench

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Figure 3: Anthill ROM

PROCESSING

During the Quarter, the Company experienced a complex operating environment for the Mt Kelly Processing Facility, with performance influenced by a combination of weather, mechanical, and supply chain challenges. A total of 239.5mm of rainfall was recorded across the Quarter, with regional flooding in February and March affecting pad preparation, ore movement, and acid deliveries. Despite these setbacks, the processing team implemented a series of targeted improvements that helped maintain strong plant stability and set the groundwork for improved performance in the June 2025 Quarter.

A total of 320,207 dmt of ore was processed, yielding an estimated 2,036 tonnes of contained copper. Copper stripped totalled 1,493 tonnes, with 1,561 tonnes plated. Cathode purity remained consistently high at 99.999%.

Heap Leach and Stacking Operations

During the Quarter, ore stacking totalled 337,720 wet metric tonnes (“wmt”):

- January: 123,769 wmt;
- February: 123,701 wmt; and
- March: 90,250 wmt.

Stacking performance was impacted by a combination of loader availability constraints, wet weather, and early Quarter downtime associated with the screen deck failure. March saw the largest impact, with saturated underfoot conditions and acid supply delays contributing to a 50% shortfall against stacking forecasts. A key milestone during the period was the successful completion of

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structural repairs to the screen deck, with no further issues recorded since – restoring reliability to a critical part of the crushing circuit. Despite the challenges, heap leach operations remained controlled, with consistent pond management and recovery processes mitigating more severe disruptions.

Heap Leach and SX-EW Performance

During the Quarter, copper leached totalled:

- January: 590.7 tonnes;
- February: 462.0 tonnes; and
- March: 539.7 tonnes.

While leach kinetics were constrained by reduced ore throughput and variable acid dosing, the solvent extraction electrowinning (“SX-EW”) circuit demonstrated high availability and strong operational control – even through peak rainfall events.

Key achievements during the Quarter included:

- Completion of an anode cleaning campaign, which restored current distribution and improved overall cell performance.
- Ongoing optimisation of the organic phase, with a new clay treatment regime significantly reducing phase disengagement time (“PDT”) and supporting more efficient copper recovery.
- Centrifuge repairs completed for organic cleaning, with recommissioning scheduled for the June Quarter 2025 – a key enabler for improved long-term solvent extraction (“SX”) performance.
- Effective wet weather planning in SX-EW, which ensured minimal downtime and high plant availability through the wet season.
- Enhancements to the PRONTO maintenance workflow, leading to improved task scheduling and proactive maintenance.

Month	Cu Plated (t)	Cu Stripped (t)
January 2025	538.6	525.1
February 2025	486.9	443.4
March 2025	536.1	524.7
Total (Quarter)	1,561.6	1,493.2

Although quarterly production fell below initial forecasts, the site made measurable progress in plant reliability, chemical performance, and maintenance discipline. These foundational improvements,

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combined with the commissioning of key infrastructure in the June Quarter 2025, are expected to drive stronger and more consistent results in the months ahead.



Figure 4. Radial Stacker Starting Pad 15

PRODUCTION GUIDANCE

The Board has decided that it would be in the Company's best interests to provide quarterly production figure guidance to better allow shareholders to understand the Company's operations as the only copper cathode producer in Australia.¹

The Company will publish a quarterly update (in the quarterly report following the end of the previous quarter) outlining the actual production figures from the previous calendar quarter, and the forecast production for the next quarter. For the June Quarter 2025 ("Q2"), the Company provides the following production estimates:

Q2 PERFORMANCE	GUIDANCE NOTE
Total Material Movement	2,383,613t
Total Ore Mined	500,786t
Total Contained Cu	3,740t
Total Cu Produced	2,013t

¹ Utilising the SX-EW processing plant and oxide feed material.

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The Company makes no representation on the current or future London Metal Exchange (“LME”) copper price or foreign exchange rates.

EXPLORATION HIGHLIGHTS

Regional Exploration Achievements

During the Quarter, the Company continued to maintain its tenement holdings and perform generative work utilising a reduced Exploration team to continue exploration for copper oxides and sulphides. Due to the late start of the wet season, field work was able to be continued along access tracks and sealed roads before heavier rain fell in early February and again in early March.

To support ongoing exploration activities during the Quarter, the Company:

- Collected 595 Mag Lag samples to date from over 120 line kilometre (“km”), prepared them in-house and analysed by X-Ray Fluorescence (“XRF”) during the Quarter to determine the mineral potential of the respective sample areas.
 - This has in effect saved the Company over \$33,000 in assaying costs.
 - Multiple Cu, lead (“Pb”) and zinc (“Zn”) anomalies requiring follow up work have been detected.
- Made an additional 186 density measurements using immersion methods from the Enterprise diamond drill core. This data will be utilised in future resource calculations for the Enterprise resource.
- Sent out Notice of Entry forms to all landholders in preparation for the 2025 field season.

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Figure 5: Copper Staining Outcropping at McLeod Hill

RESOURCE EXPLORATION AND DEVELOPMENT

WSP Golders was engaged to validate the Mineral Resource Estimate (“MRE”) for the publication of the 2024 Annual Report. The only material update to the table involved the Mineral Resource Estimates for McLeod Hill, which was updated during 2024 by ResEval. Ore Reserves reporting (for Anthill) comprises the majority of the cost (and time) required by WSP, as it is their first-time reporting the Ore Reserves in conjunction with the higher-level of regulatory scrutiny regarding the declaration of Ore Reserves.

A key focus of the exploration team during 2025 will be the expansion and eventual monetisation of Austral’s Cu sulphide Mineral Resource base, which collectively stands at 25.1 million tonnes grading



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@ 0.90% Cu across 8 separate deposits.² This comes off the back of the 2023 drilling results reported for Lady Colleen and Flying Horse,³ located on Austral’s Mt Kelly Extended ML’s, which demonstrated open continuity of +3% Cu grade.

Preparation for the 2025 field season is underway with thirty-five drillholes (both percussion and diamond) for a total of 4,552m, targeting several of the Company’s Cu resources. These have been designed and optimised in preparation for an update to the MRE some time in 2025 and eventual Pre-Feasibility Study (“PFS”) in mid-late 2025.

TENURE

During the Quarter, there were no changes to Austral’s previously reported tenure holdings (Figure 7). 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 is in good standing.

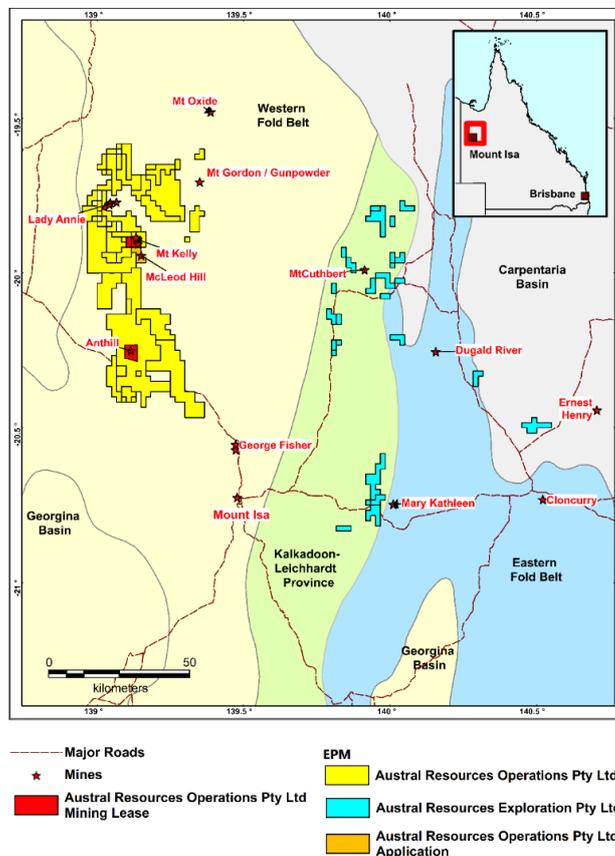


Figure 6: Plan of Austral Tenure

² ASX Announcement, “Austral Resources Annual Report to Shareholders”, 1 April 2025.

³ ASX Announcement, “High-Grade Copper Mineralisation Intercepted at Flying Horse”, 28 May 2024 and “High-Grade Cu Continuity Confirmed at Lady Colleen”, 30 July 2024.

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This announcement is authorised for market release by the Board of Directors.

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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 Estimate (ORE) of 2.87Mt at 0.94% Cu (comprising 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 of 53.74Mt@ 0.74% Cu (comprising of 9.39Mt at 0.75% Cu Measured MRE, 33.03Mt at 0.76% Cu Indicated MRE and 11.32Mt at 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.

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, "Significant increase for the McLeod Hill Copper Mineral Resource" on 20 May 2024, "Mt Kelly Heap Leach Mineral Resource Estimate" on 28 October 2024 and "Austral Resources Annual Report to Shareholders" on 1 April 2025.

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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 and forecast financial information derived from the production target continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original announcements.

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



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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 17,240,465 Rights on issue as at 31 March 2025 (of those issued at IPO).
- During the Quarter, no 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 25
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	7,704,986
4	Share price target of \$0.50	8,907,500	30 Jun 25	30 Jun 26	6,163,990
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	3,081,996
Total ⁴		44,537,500			17,240,465

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”).

#	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	<p>This KPI will be considered satisfied where both of the following criteria are met during the relevant period:</p> <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 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

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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.