

9 November 2021

Austral Resources ramp up Anthill Mine development and Mt Kelly plant refurbishment

Highlights:

- *October 2021 Copper Cathode production of 171 tonnes*
- *Anthill Mine development is underway with first blasting scheduled mid-November*
- *Mt Kelly processing plant refurbishment underway*
- *Austral is on track to be producing 10,000tpa of copper cathode for four years from mid 2022*
- *Exploration and development work has commenced to extend mine life and evaluate sulphide resource commercialisation*

Copper Cathode producer **Austral Resources Australia Ltd** (ASX:AR1) (**Austral** or the **Company**) is pleased to provide shareholders with an operational and exploration update.

The Company is focussed on developing its new Anthill Mine and ramping production to 10,000t of copper cathode by mid 2022. Site activities are building momentum with an additional 23 personnel onsite bringing the total to 50 personnel to develop the Anthill Mine and prepare key equipment at the Mt Kelly processing plant.



Figure 1. Mobilisation of equipment underway at Anthill Mine. Sealed road to Mt Kelly in top left.

Anthill Mine Development

Final approval to commence mining at Anthill was received on 25 October 2021. Plant and equipment are being mobilised to site with surface clearance works underway. The pit areas are being cleared with vegetation and topsoil stockpiled for mine rehabilitation prior to the commencement of pre-stripping. Thiess is mobilising its fleet in November whilst clearing and site infrastructure is installed. Bulk overburden mining is planned to commence early January. The first planned blast of ironstone capping over the east pit is scheduled mid November.



Figure 2. Commencement of clearing at Anthill Mine, October 2021 with blasthole rig beginning the first shot pattern over the east pit.



Figure 3. Drilling for overburden depth.



Figure 4. Drilling the first blasthole pattern at Anthill east pit.

Mt Kelly processing plant refurbishment

The Mt Kelly heap leach and SX-EW processing facility is operational and continues producing copper cathode from a 2020 mining campaign. In preparation for Anthill Mine ore deliveries in Q2 next year, sections of the plant are being refurbished to ensure high plant availability to stack and process a planned 5,000tpd of oxide ore. The crushing, agglomeration and stacking system is being upgraded with new conveyor rubber, rollers and safety equipment. The SX-EW plant is being restocked for critical spares and being prepared to increase copper cathode production from the current 200t/month to 1,000t/month. The camp is being prepared to cater for 150 employees and contractors when in full production.



Figure 5. Stacking Conveyors at Mt Kelly being refurbished.



Figure 6. ROM pad in the background with feed bin, jaw, secondary crusher and screen house. Agglomerator on the front left of image feeds the conveyor to the heap leach pad.



Figure 7. Agglomerator (LHS) is being re-lined in preparation for recommissioning Q1 2022.



Figure 8. Jaw Crusher feeder maintenance.



Figure 9. Mt Kelly electrowinning tank house in foreground and solvent extraction circuit in the background.

Summary

- Site works are underway at the new Anthill Mine and Mt Kelly plant with bulk earthmoving planned to commence in January 2022
- Ore deliveries are scheduled to commence in March/April 2022
- Planned nameplate capacity of 10,000tpa of copper cathode production is anticipated by mid 2022
- Anthill has a four year mine life, expected to deliver 40,000 tonnes of copper cathode
- Exploration and development work is underway to extend mine life and evaluate options to commercialise copper sulphide resources

Steve Tambanis, Chief Executive Officer said:

"It's exciting to see that site works are proceeding as planned with bulk earthmoving to commence in January 2022 and first ore deliveries expected in April 2022. Both Anthill Mine development and Mt Kelly plant refurbishment are progressing to plan. The exploration team is being mobilised with a regional structural review and geophysical studies commencing in November 2021.

Our goal is to achieve planned copper production of 10,000tpa by mid 2022.

Exploration work is underway in preparation for planned drilling to commence Q2 2022.

We look forward to updating investors as key milestones are achieved over the next few months."

Table 1: October Copper Production at Mt Kelly

OCTOBER 2021	
Copper produced (t)	171
Copper shipped (t)	74.16
Copper sales (USD '000)	\$729

This announcement is authorised for market release by Steve Tambanis, Chief Executive Officer.

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About Austral Resources

Austral Resources Australia Ltd is an ASX listed copper cathode producer operating in the Mt Isa region, Queensland, Australia. Its Mt Kelly copper oxide heap leach and solvent extraction/electrowinning (SXEW) plant has a nameplate capacity of 30,000tpa of copper cathode. Austral is developing its Anthill oxide copper mine which has an Ore Reserve of 5.06Mt at 0.94% Cu. The Company expects to produce 40,000t of copper cathode over a four-year period from mid-2022.

Austral also owns a significant copper inventory with a JORC compliant Mineral Resource Estimate of 60Mt@ 0.7% Cu and 1,940km² 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 programme designed to extend the life of mine, increase its resource base and then review options to commercialise its copper resources.

Competent Persons' Statement

The information in this announcement that relates to Mineral Assets, Exploration Targets, Exploration Results, Mineral Resources and Ore Reserves is based on and fairly reflects information compiled and conclusions derived by Mr Andrew Beaton and Mr Steven Tambanis, Competent Persons who are Members of the Australasian Institute of Mining and Metallurgy. Mr Beaton is the Site General Manager at Austral and Mr Tambanis is Chief Executive Officer of the Company. Mr Tambanis and Mr Beaton are geologists and have sufficient experience that is relevant to the style of mineralisation and 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 and Ore Reserves (2012 JORC Code)'. Mr Tambanis and Mr Beaton consent to the inclusion in this announcement of the matters based on this information in the form and context in which it appears.

Ore Reserve and Mineral Resource Estimate Statements

Detailed information that relates to Ore Reserves and Mineral Resource Estimates is provided in Austral Resources Prospectus, Section 7, Independent Technical Assessment Report. This document is available on Austral's website: www.australres.com and on the ASX released as "Prospectus" on 1 November 2021. The Company confirms that it is not aware of any new information or data that materially affects the 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.