

11 January 2022

Austral Resources Commences Mining at Anthill

Highlights:

- *First overburden moved on 7 January, as scheduled, with ore mining expected to commence in April*
- *Initial mobilisation complete with two 350t excavators, four 210t dump trucks, two blasthole rigs and support fleet operating*
- *Mine development and plant preparation proceeding on schedule*
- *Austral is on track to produce 10,000tpa of copper cathode from mid-2022*

Copper producer **Austral Resources Australia Ltd** (ASX:ARI) (“Austral” or the “Company”) is pleased to announce the commencement of mining at Anthill. This follows several months of site preparation to establish site infrastructure, mobilise plant, clear the pit areas, and prepare haul roads. The Mount Kelly processing plant refurbishment is proceeding to schedule with the crushing circuit at 70% completion and work underway at the heap leach solvent extraction plant to process Anthill ore in the second quarter of 2022.



Figure 1. Commencement of Anthill East Pit mining, 7 January 2022.

Anthill Mine development

Commencement of bulk mining at Anthill on 7 January 2022 represents a key development milestone for Austral's copper production strategy.

In two short months since listing on the ASX, Austral's team of employees and contractors have safely managed the transformation of a paddock into a mine. The mining fleet was mobilised whilst the site team cleared the pit areas, established haul roads and ROM pad, installed site infrastructure, then began drilling and blasting.

Mining commenced on 7 January with one excavator and two trucks on dayshift. A second excavator and trucks will begin bulk mining this week and the operation will commence mining on both a dayshift and nightshift. Drilled and blasted volumes are well ahead of schedule with 430,000bcm ready for mining. This should see Anthill achieve planned development tonnages by the end of January and first ore mined in April 2022.



Figure 2. Anthill, pre-dawn start.

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Figure 3. Whilst mining is underway at Anthill east pit (top left), adjacent benches have been drilled and loaded for firing.



Figure 4. At Mount Kelly, the heap leach stacker being refurbished in preparation for test commissioning of the crushing and stacking circuit.

Mount Kelly refurbishment

The Mount Kelly facility is being prepared to process Anthill ore from Q2 this year. The crushing and heap leach ore stacking circuit refurbishment is approximately 70% complete and on schedule to begin trial commissioning in late February. Work includes conveyor belt replacement, electrical test work, structural repairs, secondary crusher rebuild, safety guarding and agglomerator relining.

The electrowinning circuit is being readied to increase production from the current 5tpd of copper cathode to 30tpd by mid 2022, corresponding to 10,000tpa of cathode production.



Figures 5-8. Interior of the crushed ore agglomerator, which has been re-lined in preparation for operation, replacing feed bin grizzly bars, adjusting sensors on stacker, and re-mining heap leach ore.

Austral's Chief Executive Officer, Steve Tambanis, commented:

"It's pleasing to see site work conducted safely, on schedule and building momentum. This is a testament to the hard work of Austral's employees and contractors.

The Anthill mine is a hive of activity with two blast rigs working ahead of the mining fleet to deliver broken ground. Clearing is nearing completion over the two pits, dewatering and monitoring bores are being installed, and topsoil is being stockpiled for future rehabilitation. Our Mount Kelly processing facility is being prepared to accept Anthill ore with the crushing and stacking circuit refurbishment 70% complete. The electrowinning circuit is being prepared to produce in excess of 1,000 tonnes/month of copper cathode.

We have 100 personnel onsite to undertake the Anthill Mine development and plant refurbishment prior to ore deliveries from April this year. Multiple mining contractors are working safely and seamlessly to assist Austral achieve planned copper production of 10,000tpa commencing mid-2022.

Exploration and development activities are currently being expanded with the goal of fast-tracking discoveries.

We look forward to further shareholder updates as we prepare to commence maiden copper production from Anthill and begin exploration and development activities."



Figure 9. Inspecting blast holes at Anthill east pit prior to loading explosives.

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

FOR FURTHER INFORMATION PLEASE CONTACT:

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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.

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Key Austral ASX announcements

Date	Announcement
1 Nov 2021	Austral Prospectus
3 Nov 2021	Austral lists on ASX
9 Nov 2021	Anthill and Mt Kelly development underway
17 Nov 2021	Anthill blasting commences
7 Dec 2021	Thiess signing
14 Dec 2021	Updated Company presentation
11 Jan 2022	Anthill mining commences