

# ASX ANNOUNCEMENT



20 May 2022

## Response to ASX Price and Volume Query

Copper producer **Austral Resources Australia Ltd** (ASX:ARI) (“Austral” or “ARI” or the “Company”) provides the following responses to the ASX Price and Volume Query letter dated 19 May 2022.

1. Is ARI aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities?

**No. ARI is not aware of any information concerning it, that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities.**

2. If the answer to question 1 is “yes”.
  - a) Is ARI relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1? Please note that the recent trading in ARI’s securities would suggest to ASX that such information may have ceased to be confidential and therefore ARI may no longer be able to rely on Listing Rule 3.1A. Accordingly, if the answer to this question is “yes”, you need to contact us immediately to discuss the situation.

**Not applicable**

- b) Can an announcement be made immediately? Please note, if the answer to this question is “no”, you need to contact us immediately to discuss requesting a trading halt (see below).

**Not applicable**

- c) If an announcement cannot be made immediately, why not and when is it expected that an announcement will be made?

**Not applicable**

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3. If the answer to question 1 is “no”, is there any other explanation that ARI may have for the recent trading in its securities?

Austral Resources Australia Ltd continues to deliver on its Initial Public Offering objectives and milestones through:

- The commencement of mining at Anthill in January this year and removal of overburden.
- The increase in ore production at Anthill.
- Securing its cash position via an offtake and prepayment agreement with Glencore.
- Commencement of ore shipments from the Anthill Mine to the Mt Kelly plant.
- Imminent commencement of heap leach stacking and projected increase in copper cathode production from approx. 100 tonnes per month to 1,000+ tonnes per month.
- Continued and ongoing discussions with multiple potential joint venture partners.

Austral is also aware of the Stockhead article *“One copper stock to watch as Robert Friedland’s ‘supply cliff’ approaches”* and specifically that the Company CEO, Mr Steve Tambanis “hinted that an exploration deal with an industry gorilla was not far off”.

The article and statements within in it broadly reflect ARI’s disclosures on this point. However the Board of ARI is of the view that the terminology used is uncertain and lacks specificity as to what constitutes “an industry gorilla” and the timing of when such “exploration deal” will be consummated.

ARI seeks to address and clarify statements made in this article:

Since listing on ASX, the Company has been approached by multiple parties seeking to conduct earn-in and joint venture arrangements over its current tenement suite. ARI has consistently advised the market that it is in discussion with potential joint venture partners; more recently in its last [Quarterly Report](#) and [RIU Conference Presentation](#).

When selecting potential joint venture partners, the Austral Board adopts a disciplined assessment criteria in ensuring any such arrangement delivers value to shareholders. Key components in such assessment must include their respective exploration expertise, reputation and financial standing.

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Consequently, ARI is reviewing a number of joint venture opportunities and participants that the Board considers meet the key elements of that criteria (i.e. significant participants in the mining and exploration industry).

ARI is currently negotiating an indicative non-binding earn-in and joint venture transaction with a significant participant in the mining industry that meets that criteria. The transaction term sheet is advanced but remains subject to final negotiation and execution. Once executed, the parties intend to formalise the transaction by negotiating and entering into binding documentation.

ARI intends to keep the market updated in accordance with its continuous disclosure obligations.

4. Please confirm that ARI is complying with the Listing Rules and, in particular, Listing Rule 3.1.

ARI confirms that the Company is complying with the Listing Rules and, in particular, Listing Rule 3.1.

5. Please confirm that ARI's responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of ARI with delegated authority from the board to respond to ASX on disclosure matters.

ARI's responses to the questions have been authorised and approved by its Board.

Yours faithfully

Jarek Kopias

Company Secretary

Austral Resources Australia Ltd



19 May 2022

Reference: 52608

Mr Jarek Kopias  
Company Secretary  
Austral Resources Australia Ltd

By email

Dear Mr Kopias

**Austral Resources Australia Ltd ('AR1'): Price and Volume Query**

ASX refers to the following:

- A. The change in the price of AR1's securities from a low \$0.21 on 12 May 2022 to an intraday high of \$0.38 today.
- B. The significant increase in the volume of AR1's securities traded from 12 May 2022 to 19 May 2022.

**Request for information**

In light of this, ASX asks AR1 to respond separately to each of the following questions and requests for information:

- 1. Is AR1 aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities?
- 2. If the answer to question 1 is "yes".
  - (a) Is AR1 relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1? Please note that the recent trading in AR1's securities would suggest to ASX that such information may have ceased to be confidential and therefore AR1 may no longer be able to rely on Listing Rule 3.1A. Accordingly, if the answer to this question is "yes", you need to contact us immediately to discuss the situation.
  - (b) Can an announcement be made immediately? Please note, if the answer to this question is "no", you need to contact us immediately to discuss requesting a trading halt (see below).
  - (c) If an announcement cannot be made immediately, why not and when is it expected that an announcement will be made?
- 3. If the answer to question 1 is "no", is there any other explanation that AR1 may have for the recent trading in its securities?
- 4. Please confirm that AR1 is complying with the Listing Rules and, in particular, Listing Rule 3.1.
- 5. Please confirm that AR1's responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of AR1 with delegated authority from the board to respond to ASX on disclosure matters.

**When and where to send your response**

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **1:00 PM AWST Thursday, 19 May 2022**. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, AR1's obligation is to disclose the information

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‘immediately’. This may require the information to be disclosed before the deadline set out in the previous paragraph and may require AR1 to request a trading halt immediately.

Your response should be sent to me by e-mail at **ListingsCompliancePerth@asx.com.au**. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

### **Trading halt**

If you are unable to respond to this letter by the time specified above, or if the answer to question 1 is “yes” and an announcement cannot be made immediately, you should discuss with us whether it is appropriate to request a trading halt in AR1’s securities under Listing Rule 17.1. If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

### **Suspension**

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in AR1’s securities under Listing Rule 17.3.

### **Listing Rules 3.1 and 3.1A**

In responding to this letter, you should have regard to AR1’s obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. It should be noted that AR1’s obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

### **Release of correspondence between ASX and entity**

We reserve the right to release a copy of this letter, your reply and any other related correspondence between us to the market under Listing Rule 18.7A.

### **Questions**

If you have any questions in relation to the above, please do not hesitate to contact me.

Yours sincerely

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**Damian Dinelli**  
Adviser, Listings Compliance (Perth)