

ASX ANNOUNCEMENT



20 April 2023

Austral to increase oxide production by up to 100%

Highlights:

- Whittle optimisation study, recently conducted by independent consultant ERM Australia Consultants Pty. Ltd. (trading as CSA Global) applying A\$12,500 per tonne copper price to previously mined pits (Lady Annie, Lady Brenda, Mount Clarke, and Flying Horse), confirms an additional **~94,000** tonnes of contained copper to be mined by Austral in the next two to five years.
- As part of this optimisation study, an additional lens adjacent to the existing Lady Colleen deposit was identified that could potentially offer a further **~36,000** tonnes of total copper production to Austral's mine life, pushing the total to an additional **~130,000** tonnes of contained copper:
 - Additional **30,000** tonnes of contained copper oxide and transitional ore can be mined using Austral's existing processing hub, and
 - More than **90,000** tonnes of additional contained copper ore can be processed via flotation – using a 3rd party mill.
- Board to fast-track development of these pits combining them with existing production at Anthill to mine an additional **20,000 – 23,000 tonnes of Contained Copper oxide ore**. (increasing Austral's current oxide production by **110%** between 2024 and 2025).
- A combination of Anthill's existing production plus additional cut-back oxide tonnes from Lady Colleen will increase annual production to over **35,000 to 40,000 tonnes** of copper production expected over the next 3-5 years, which will be transformational for Austral Resources.
- All optimised pits are on existing Mining leases and are based on existing JORC-compliant Mineral Resources estimates that have been prepared by a Competent Person. This provides a rapid pathway to production and a compelling risk/return exploration opportunity.
- Approximately 90% of the Mineral Resources included in this study are within the Measured or Indicated JORC resource classification.



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- There is a low level of geological confidence associated with the inferred mineral resources and there is no certainty that further exploration work will result in the upgrade to a determination of indicated mineral resources or that the production target itself will be realised.

Whittle Optimisation Summary (Based on a copper price of A\$12,500/t)

Deposits	Process	Tonnes (Mt)	Cu (%)	Cu (Kt)
Lady Annie	Heap Leach	1.82	0.44%	7.94
	Flotation	2.13	1.19%	25.36
Lady Brenda	Heap Leach	1.69	0.36%	6.08
	Flotation	0.02	1.15%	0.23
Mt Clarke + Flying Horse	Heap Leach	3.45	0.35%	11.91
	Flotation	3.87	1.08%	41.94
Lady Collen Extension	Heap Leach	0.40	0.89%	3.56
	Flotation	2.28	1.42%	32.46
New Potential Small Pit	Heap Leach	0.18	0.43%	0.77
	Flotation	0.00	0.00%	0.00
Total	Heap Leach	7.54	0.40%	30.26
	Flotation	8.30	1.20%	99.99
	Total	15.84	0.82%	130.25

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This Whittle optimisation study is based on information reviewed and collated under the supervision of Howard Simpson, who is a Member of the Australasian Institute of Mining and Metallurgy and a CSA Global consultant to Austral Resources Australia Ltd.

Next Steps

- Geological drilling to upgrade the inferred Mineral Resources (approximately 10% of Mineral Resources in this study) to indicated.
- 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. Include a penalty for calcium in the materials going through heap leaching.
- Currently updating the Lady Colleen Scoping Study based on the additional identified resources in this study.

Copper producer Austral Resources Australia Ltd (ASX: ARI) (“Austral” or the “Company”) is pleased to announce the Company’s results of the pit optimisation study conducted by CSA. This study highlights the potential cutbacks for Lady Annie, Lady Brenda, Mount Clarke, and Flying Horse. Furthermore, there is a new potential small pit within the Mount Clarke – Flying Horse area; and an upside potential for Lady Colleen resulting from the additional lens identified. Anthill has paved the way for Austral and funded and facilitated the complete refurbishment of the crushing and SX/EW infrastructure. The high-grade zone at Lady Colleen remains open along strike and down plunge and will be drill tested in 2023 (strong potential for further resource growth). Importantly, all production sources identified are from existing Mineral Resources announced by the Company.

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Austral's Managing Director and CEO, Dan Jauncey, commented.

"We are delighted with the outcomes of the optimisation study demonstrating the strength of Austral Resources' copper production long-term growth story. This has also underpinned Austral's business plan for a sustainable future, delivering a great outcome for our shareholders and helping with ESG goals.

The optimisation work supports a viable go-forward case, and is a very exciting development for Austral, our partners and shareholders.

The Optimisation work confirms we have a business that can continue to be significant and has the scale to potentially be a mid-size copper producer with economic relevance, especially as we continue to move into a greener world.

These exciting outcomes allow the Austral team to focus on progressing the study, potentially increasing our total production by more than 100% in the next 12-18 months.

I want to thank all our stakeholders and shareholders for their continued support, and I look forward to sharing more positive updates with you as we progress. I couldn't be more excited about what lies ahead for our shareholders".

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

FOR FURTHER INFORMATION, PLEASE CONTACT:

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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 of 4.41Mt at 0.85% Cu. 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 55Mt@ 0.7% Cu 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. This document is 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%" and in the Annual Report dated 31 March 2023. 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 continue to apply and have not changed. The estimated Mineral Resources underpinning the production target have been prepared by a competent person in accordance with the JORC code. The key assumptions on which the production target is based are included below.



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Key assumptions

Financial input parameters

Input	Unit	Lady Annie	Lady Brenda	Mount Clarke	Flying Horse
Currency	AU\$	AU\$	AU\$	AU\$	AU\$
Price for Copper	\$AU/t	12,500	12,500	12,500	12,500
Government royalties	%revenue	4%	4%	4%	4%

Mining input parameters

Input	Unit	Lady Annie	Lady Brenda	Mount Clarke	Flying Horse
Mining recovery	%	95.0 (0.95)	95.0 (0.95)	95.0 (0.95)	95.0 (0.95)
Mining dilution	%	5.0 (1.05)	5.0 (1.05)	5.0 (1.05)	5.0 (1.05)
Overall slope angle	Degrees	40.0	40.0	40.0	40.0
Mining costs (inc. D&B)	AU\$/t	4.50	4.50	4.50	4.50
Mining cost adjustment factor	AU\$/t/m depth	0.01	0.01	0.01	0.01
Rehabilitation cost	AU\$/t waste	No allowance made	No allowance made	No allowance made	No allowance made

Processing and selling costs

Input	Unit	Lady Annie	Lady Brenda	Mount Clarke	Flying Horse
Froth Flotation					
Processing	AU\$/dmt ore	25.00	25.00	25.00	25.00
Transport Cost (to Mt. Isa Concentrator)	AU\$/dmt ore	15.50	15.50	15.00	15.00
Heap Leaching					
Heap Leach (Ox and Low-Calcium Trans)	AU\$/dmt ore	16.93	16.93	13.88	13.88



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Concentrate specifications and deductions

Description	Unit	Copper – Flotation	Copper – Heap Leach
Metal Price	\$/t Cu	\$12,500	\$12,500
Refining Charge	\$/lb Cu	\$0.115	
	\$/t Cu	(\$254)	
Concentrate deductions			
Smelting Charge	\$/t conc	\$115	
	\$/t Cu	(\$501)	
Freight Credit Charge	\$/t conc	\$200	
	\$/t Cu	(\$870)	
Deducted Metal Price	\$/t Cu	\$10,875.60	\$11,650.00
Concentrate Grade	%Cu	23.0%	-
Payability	%	95.70%	100.00%
Net Metal Price (before royalty)	\$/t Cu	\$10,407.94	\$11,650.00
Government Royalty	%revenue	4.00%	4.00%
	\$/t Cu	(\$416.32)	(\$466.00)
Net Metal Price (after royalty)	\$/t Cu	\$9,991.63	\$11,184.00
Total deductions from Cu price	\$/t Cu	\$2,508.37	\$1,316.00

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Production by Mineral Resource category

Deposits	Process	Tonnes (Mt)	Cu (%)	Cu (Kt)
Lady Annie	Measured	1.35	0.85%	11.48
	Indicated	2.57	0.84%	21.59
	Inferred	0.04	0.34%	0.14
Lady Brenda	Measured	0.23	0.40%	0.92
	Indicated	1.47	0.89%	13.08
	Inferred	0.00	0.25%	0.00
Mt Clarke + Flying Horse	Measured	2.83	0.59%	16.70
	Indicated	4.10	0.80%	32.80
	Inferred	0.38	1.14%	4.33
Lady Collen Extension	Measured	0.01	0.66%	0.04
	Indicated	2.04	1.29%	26.32
	Inferred	0.64	1.53%	9.79
New Potential Small Pit	Measured	0.00	0.00%	0.00
	Indicated	0.16	0.00%	0.00
	Inferred	0.02	0.48%	0.10
Total	Measured	4.42	0.66%	29.14
	Indicated	10.34	0.91%	93.79
	Inferred	1.08	1.33%	14.36
	Total	15.84	0.82%	137.29

Amounts in table are impacted by rounding