

ASX ANNOUNCEMENT



1 February 2023

Record Revenue Month Achieved and 2023 Exploration Expanded

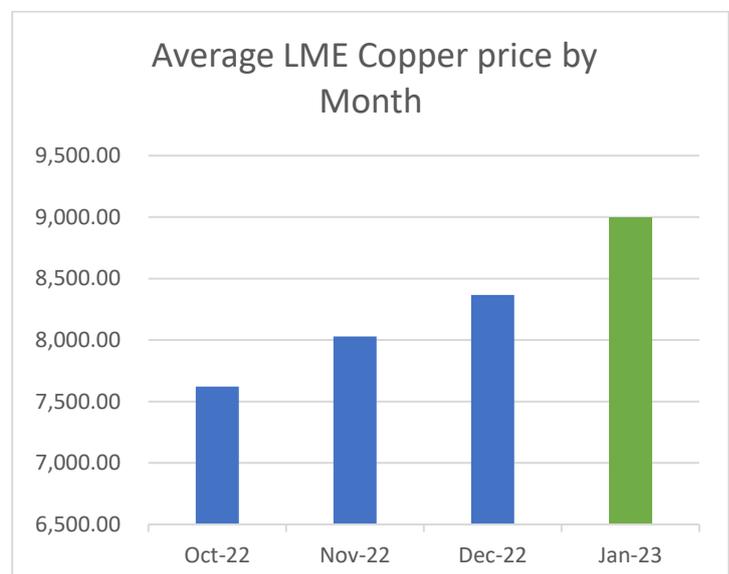
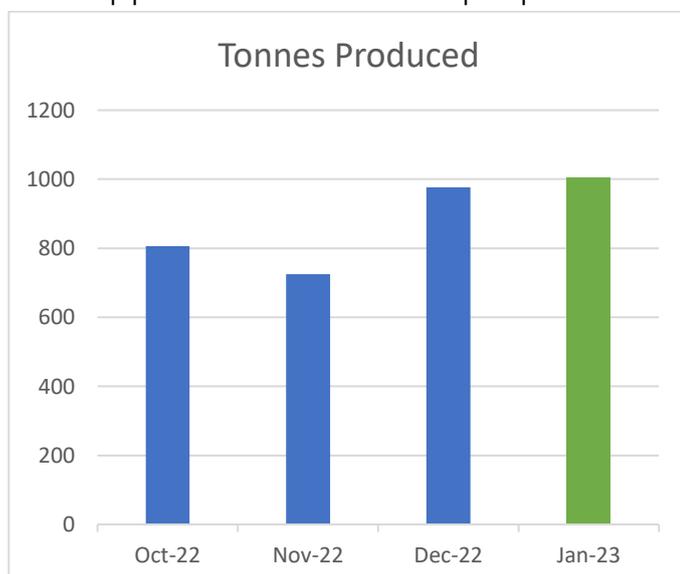
Key highlights:

Production

- Record production of 1,003 tonnes in January 2023 drives record sales revenue of A\$12.6 million.
- January 2023 LME price average has increased by 16% from September 2022 average.

Exploration

- Targeting exploration outcomes:
 - Increase inventory >+20kt through copper oxide and/or sulphide discoveries, with a focus on existing Mining Leases (MLs) within a 50km radius of the Mt Kelly processing facility plant.
 - Unlock copper oxide potential with the Drifter anomaly boasting 16.05% Cu from surface rock chip sample, and highly prospective targets at Anthill and within the Mount Isa Mines (MIM) JV.
 - Unleash copper sulphide opportunities with Lady Colleen's high-grade zone, Enterprise reporting a Maiden Mineral Resource, and targets like Flying Horse, Lady Annie, Investigator, and Neptune.
- \$7.0M expenditure in 2023 focussed on Austral's exploration campaign and to progress JV opportunities with multiple parties.



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Copper producer **Austral Resources Australia Limited (ASX:ARI)** (**Austral** or the **Company**) is pleased to announce January 2023 as a record revenue month for the Company as production rates hit 1,003 tonnes. The Company is also pleased to announce a 2023 exploration and development plan with a budget of A\$7.0M, to include approximately 22,500m of drilling across 20 prospects.

Record Production from Anthill

Austral has successfully navigated an unprecedented wet season that has continued to present challenges to operations, all of which have been overcome for the Company to deliver another steady state production month in January.

Austral is committed to conducting its business activities in a responsible and sustainable manner. As part of the Company's ESG initiatives the operational team identified a waste product (black acid) that has successfully been trialled for use through our processing facility in January.



Chief Operating Officer Shane O'Connell recently hosted the Hon Scott Stewart MP, Queensland's Minister for Resources at the Company's Anthill mining operations and Mt Kelly processing facility. Speaking at Austral's operations, Mr Stewart said *"Mount Isa is the beating heart of the North West Minerals Province and copper has been king here ever since it was first discovered nearly 100 years ago. It is important to see continued investment in copper mining and exploration as this is one of the critical minerals needed for advanced and renewable technologies the world needs to decarbonise."*

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Austral's Exploration Strategy Progresses in 2023

Austral's current total JORC compliant Mineral Resource Estimate of 60Mt @ 0.7%Cu, hosts 420,000t of contained copper¹. Within this headline number, mineralisation by type is approximately 50% sulphide, 25% transitional and 25% oxide.

Austral is constantly reviewing this resource inventory, with the dual aims of expanding and commercialising it.

As previously reported², the Company's key exploration goals continue to be:

- Extend the mine life of Anthill with the discovery of additional copper oxide ore.
- Expand the current 420kt JORC compliant Mineral Resource of copper and tap into its full potential.
- Capitalise on the 210kt of JORC compliant sulphide Mineral Resources and turn this into revenue.
- Uncover primary copper and base metal sulphide deposits across 2,100km² of exploration tenure.

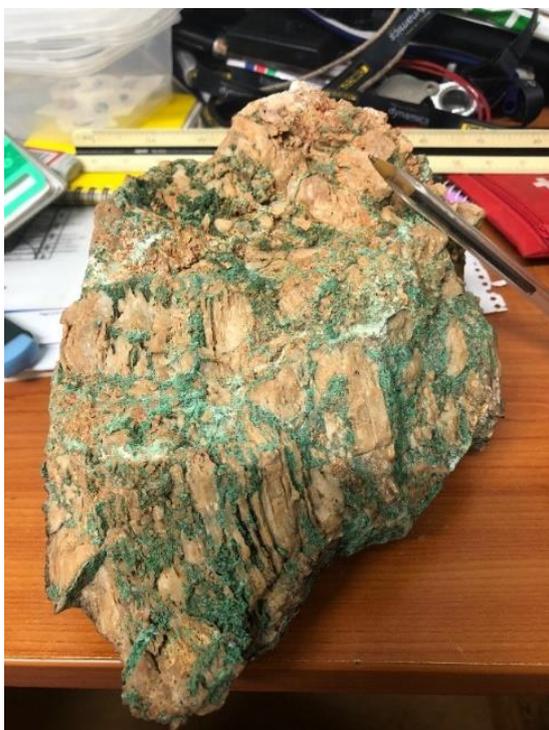


Figure 1: Busy Bee copper oxide mineralisation (16.05% Cu) looking south and Malachite infill in quartz fault breccia

¹ Appendix 1, ASX release 1 November 2021

² Appendix 1, ASX release 9 November 2022

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To enable delivery of these goals, exploration activities planned and budgeted in 2023 include:

- The priority focus for H1/23 will be discovery of >+20kt Cu as oxide on existing ML's, within 50km of the Mt Kelly SX-EW plant.
- The secondary focus for H1/23 is discovery of >+20kt Cu as sulphides on existing ML's, within 50km of the Mt Kelly SX-EW plant.
- Generative work (geochemistry, geophysics, resource geology) will be completed in H1/23 that will further feed into and support drill planning in H2/23.
- Regional high priority copper oxide & copper sulphide prospects to be drill tested in H2/23
 - Includes the Busy Bee prospect where recent surface rock samples of copper oxide returned assays of >16% Cu (Figure 1).

Drilling will commence in March, with the budget and drilling schedule based on a single drill rig (Table 1). The number of rigs and drilling schedule may evolve dependent on discovery results achieved. Details and discussion of 16 of these 20 listed prospects (85% of planned drilling) is contained with the ASX release Exploration Update released on 9 November 2022 (Figure 2).

		Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23
OXIDE ML	Drilling, m's												
Lady Annie (start mid March)	2000												
Anthill	2000												
Mt Kelly	1200												
McLeod hill	800												
Swagman	600												
sub-total	6600												
SULPHIDE ML													
Lady Annie	800												
Lady Colleen	1600												
Flying Horse	400												
subtotal	2800												
REGIONAL													
Oxide													
Drifter / Kechenaj / Busy Bee	2000												
Python / SE Anthill / Taipan	2000												
Russell Fault	600												
Lady Agnes	600												
New Hope	600												
Lady Maggie	1200												
Galah Syncline	1200												
Patricia Joy / Mt Wendy	1200												
Wild Gecko / Barratts Bend	1200												
Spex	600												
subtotal	11200												
Sulphide													
Enterprise	600												
Investigator	600												
Neptune	600												
subtotal	1800												
Total drilling meters	22400			1000	3000	2600	2800	3000	2800	3000	3000	1200	

Table 1: 2023 Drilling schedule over Austral Resources exploration tenure

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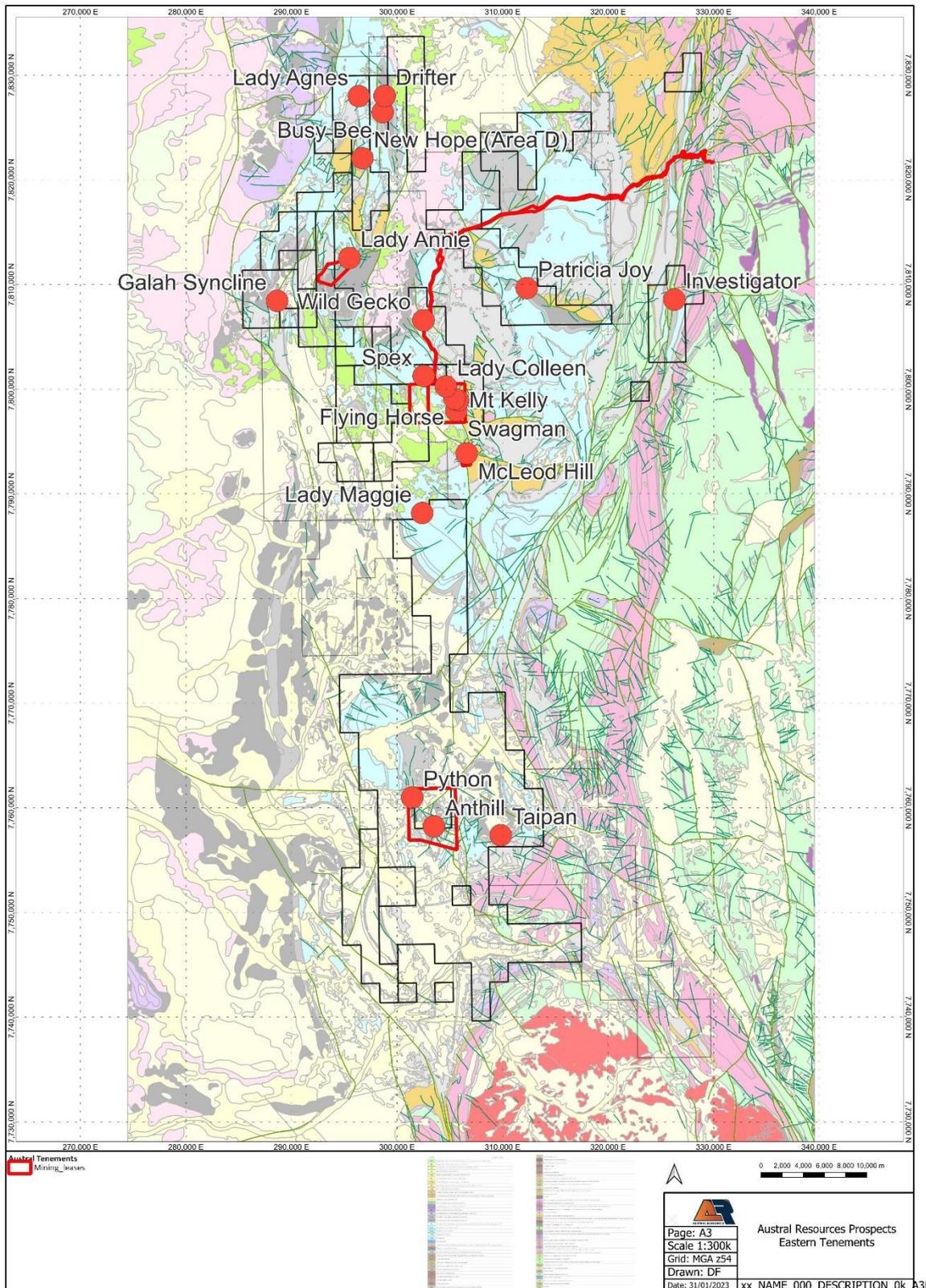


Figure 2. Austral Project and Prospect locations Western Tenement Area

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Delivery of Austral's Exploration Strategy in 2022.

2023 will leverage and build on the successful 2022 exploration and development program. Highlights from 2022 included:

- At Lady Colleen, completion of the 2022 drilling program and generation of an updated Mineral Resource Estimate (MRE) for Lady Colleen³. Results reflected a very successful delivery of the exploration strategy, to explore for higher-grade lower-tonnage zones within the existing copper sulphide Mineral Resource. The updated MRE includes the 18 new drill holes completed in 2022 and the improved geological understanding of structure and stratigraphy. Austral has announced it is undertaking a Scoping Study to assess the potential of the Lady Colleen Mineral Resource to support an open cut mining project at Mt Kelly.
- At Anthill, 41 reverse circulation holes were completed for a total of 3,412m during October and November 2022 (Figure 3). Results will be reported when all assays have been received and collated. Review of the 2022 drilling results defines a strong continuous trend of Cu-As anomalism (coincidental with fertile structures) forming an envelope with the potential to host economic mineralisation. These targets will be further drill tested in 2023.



Figure 3. Tulla RC rig TD04 drilling BURC00686 to south of Anthill open pit.

³ Appendix 1, ASX release 28 October 2022

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Prospects evaluated during 2022 are detailed in Table 2, with publicly released results as detailed in Appendix 1.

Prospect	RC (m)	Days	DDH (m)	Days
OXIDE ML				
Anthill 2.0	3412	53		
SULPHIDE ML				
Flying Horse	221	2	497	24
Lady Colleen	2384	23	934	40
REGIONAL OXIDE				
Dividend	933	8		
Amy's Pocket	2175	22		
TOTAL	9125	108	1431	64

Table 2: 2022 Drilling achieved over Austral Resources exploration tenure

During 2022, daily RC drilling rates delivered an annualised drilling rate of >30,000m.

Austral's Exploration Manager, Ben Coutts, commented:

"The Exploration team has assembled a program over 2023 that is balanced between the two priorities of both increasing economic mineral inventory on Austral ML's and evaluating regional prospects.

Integrated into the 2023 Exploration program is a thorough evaluation of Austral's extensive legacy dataset, and the geology knowledge gained by the exploration team over 2022.

The resource development processes applied to Lady Colleen over 2022 with such success will be repeated over other oxide and sulphide development options on Austral ML's in 2023.

Austral will continue to engage proactively with our peers evaluating JV opportunities, to both monetise Austral tenure, and also gain access to copper prospects currently held by others.

I am confident that we have the right ground, the right team and the right focus for discovery in 2023, and look forward to sharing results with the market as our program is executed."

This announcement is authorised for market release by the board.

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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 has developed 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 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.

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 Ben Coutts, Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Coutts is Exploration Manager of the Company. Mr Coutts is a geologist and has 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 Coutts consents to the inclusion in this announcement of the matters based on this information in the form and context in which it appears. The Company confirms that it is not aware of any new information or data that materially affects the exploration results cross referenced in the announcement.

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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Appendix 1. Key Austral ASX announcements

DATE	TITLE
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	Mining commences at Anthill
3 Feb 2022	Offtake and Prepayment Agreement secured with Glencore
31 Mar 2022	Austral's Anthill Mine Ore Shipments Commence
26 Apr 2022	Exploration update
4 May 2022	RIU Conference presentation
6 Jun 2022	Austral exploration update
8 Jun 2022	Glencore (MIM) JV
8 Jun 2022	Resources Rising Stars Presentation
28 Jul 2022	Lady Colleen Drilling Update
2 Aug 2022	Drilling at Flying Horse
9 Aug 2022	Maiden Mineral Resource at Enterprise
11 Aug 2022	Successful Placement
26 Aug 2022	Operational and Strategic Update
5 Sep 2022	New Drilling at Lady Colleen
16 Sep 2022	Austral Board Approves Scoping Study for Lady Colleen
26 Sep 2022	Austral and Glencore Finalise Agreements for \$8.3M Spend
27 Sep 2022	Lady Colleen Assays Confirm 5m @ 5.74% Cu
13 Oct 2022	Step-out Drilling Delivers 6m @ 2.95% Cu at Lady Colleen
28 Oct 2022	Lady Colleen Grade Increases by 200%
9 Nov 2022	Rock Chip Assays of 16.05% Cu Drive 2023 Drill Targets
23 Dec 2022	Production and Scoping Study Funding
9 Jan 2023	Commercial Production and Positive Operational Cashflow