

ASX ANNOUNCEMENT



16 September 2022

Austral Board Approves Scoping Study for Lady Colleen Development Project

Highlights:

- *Previously reported positive results from the current drilling program provide support to progress the technical and economic evaluation of Lady Colleen¹*
- *Discussions are being held with potential processing partners within the local area for treatment of the sulphide ore*
- *Core for metallurgical test work to be sourced from the current drilling program*
- *An updated Mineral Resource Estimate incorporating results from the current drilling program is underway*
- *The Scoping Study will be used to determine if the project is robust enough to proceed to a Pre-Feasibility Study*

Copper producer Austral Resources Australia Ltd (ASX:ARI) (“Austral” or the “Company”) is pleased to announce that the Austral Board has approved a Scoping Study for the Lady Colleen (LC) Development Project. The scoping study has commenced to assess the potential of the LC Mineral Resource to support an open cut mining project.

Lady Colleen is located on an existing Mining Lease (ML90170) within 2 km of the Mt Kelly processing facility where Austral is currently producing copper cathode from the Anthill mine. Existing infrastructure, which sits within granted mining leases, will also be available for the Lady Colleen project, including workshop, haul road, ROM pad, and camp – See Figure 1 below.

The current diamond drilling program at Lady Colleen is targeting extensions to the existing Mineral Resource Estimate as well as upgrading portions of the Inferred Resource to Indicated and Measured status. Drill core from the current drilling program will be utilised to create a composite that is representative of the Lady Colleen deposit, that will be used for flotation test work and to test the metallurgical characteristics of the ore.

¹ Appendix 1, ASX release 28 July 2022 and 5 September 2022

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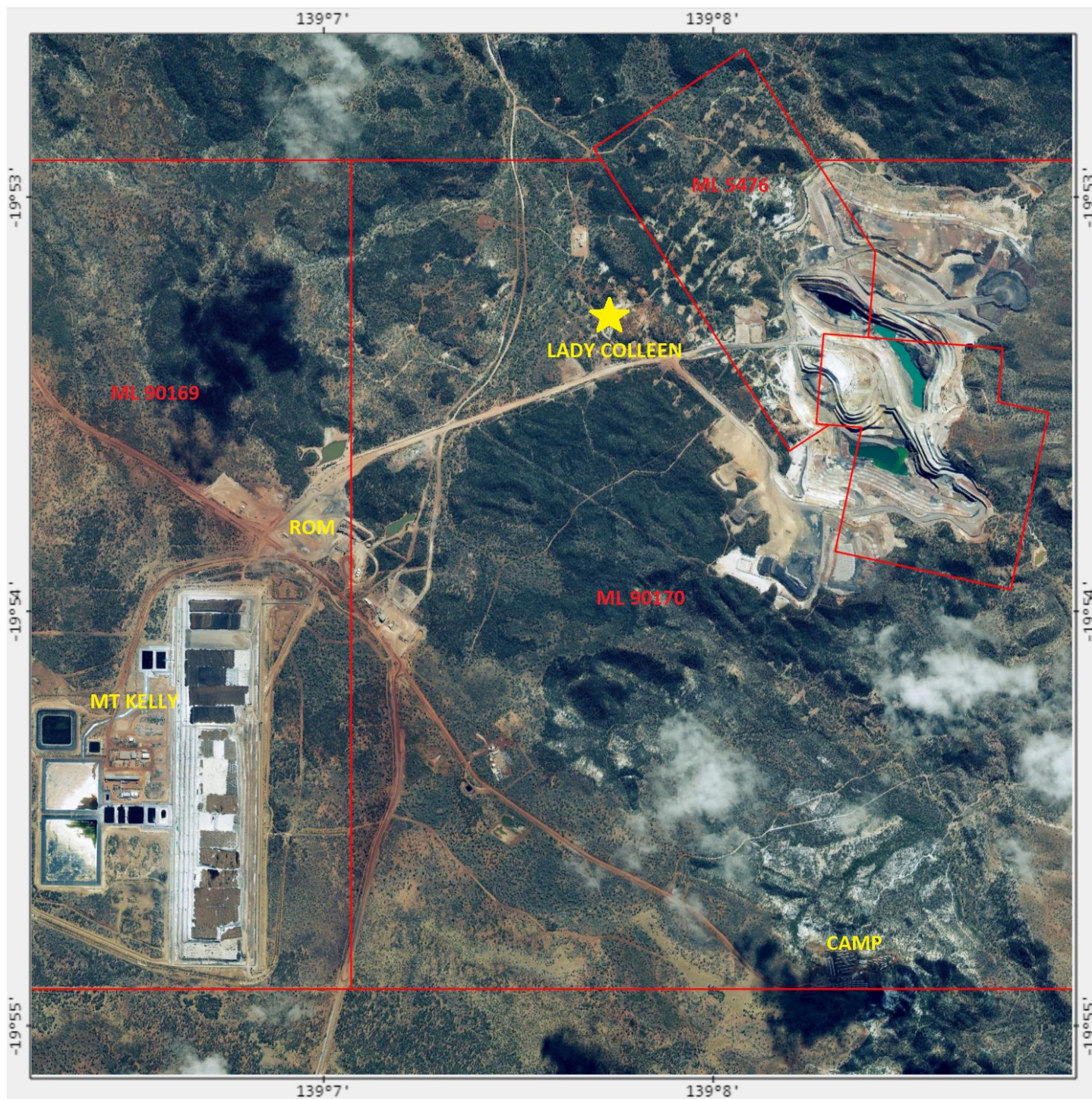


Figure 1. Satellite image showing location of the Lady Colleen deposit in relation to existing infrastructure on the Mt Kelly Mining Leases.

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Lady Colleen contains a JORC Mineral Resource Estimate of 7.9MT at 0.84% Cu – see Table 1 below ⁽²⁾. The quoted resource was calculated in 2013 by the previous mine owner and released by Austral in its IPO prospectus.

DEPOSIT	MATERIAL TYPE	MT	CU%	CA%	MG%	CONTAINED CU TONNES
LADY COLLEEN	Oxide	0.2	0.58	0.9	0.4	1,160
	Transitional	2.1	0.75	3.8	2.1	15,750
	Sulphide	5.6	0.89	4.4	2.4	49,840
	Total**	7.9	0.84	4.2	2.3	66,750

Table 1. Lady Colleen JORC Mineral Resource Estimate. ** Rounding applied to resource numbers.

Work is currently underway with an independent resource geologist to incorporate the results from the existing drilling into an updated Mineral Resource Estimate for Lady Colleen. Austral are targeting a lower tonnage, higher grade sulphide resource that could be economically mined by open pit.

This announcement is authorised for market release by the board of the Company.

FOR FURTHER INFORMATION PLEASE CONTACT:

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² Appendix 1, ASX release 1 November 2021

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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 of 60Mt@ 0.7% Cu (420,000t of contained copper) 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 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 Ben Coutts, Competent Persons who are Members of the Australasian Institute of Mining and Metallurgy. Mr Beaton is the Site General Manager at Austral and Mr Coutts is Exploration Manager at Austral. Mr Coutts 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 Coutts 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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Appendix 1. Key Austral ASX announcements

DATE	TITLE
1 Nov 2021	<i>Austral Prospectus</i>
3 Nov 2021	<i>Austral lists on ASX</i>
9 Nov 2021	<i>Anthill and Mt Kelly development underway</i>
17 Nov 2021	<i>Anthill blasting commences</i>
7 Dec 2021	<i>Thiess signing</i>
14 Dec 2021	<i>Updated Company presentation</i>
11 Jan 2022	<i>Mining commences at Anthill</i>
30 Jan 2022	<i>December Quarter Report</i>
3 Feb 2022	<i>Offtake and Prepayment Agreement secured with Glencore</i>
31 Mar 2022	<i>Austral's Anthill Mine Ore Shipments Commence</i>
26 Apr 2022	<i>Exploration update</i>
28 Apr 2022	<i>March Quarter Report</i>
4 May 2022	<i>RIU Conference presentation</i>
6 Jun 2022	<i>Austral exploration update</i>
8 Jun 2022	<i>Glencore (MIM) JV</i>
8 Jun 2022	<i>Resources Rising Stars Presentation</i>
14 Jun 2022	<i>First Anthill Copper Cathode Plated</i>
21 Jun 2022	<i>Austral Appoints Exploration Manager</i>
27 Jun 2022	<i>Change of Management</i>
27 Jul 2022	<i>Austral June 2022 Quarterly Update</i>
28 Jul 2022	<i>Lady Colleen Drilling Update</i>
2 Aug 2022	<i>Drilling at Flying Horse confirms 14m @ 2.39% Cu</i>
9 Aug 2022	<i>Maiden Mineral Resource at Enterprise</i>
11 Aug 2022	<i>Austral successfully completes \$17M placement</i>
26 Aug 2022	<i>Operational and Strategic Update</i>
29 Aug 2022	<i>Austral Resource Appendix 4 and half-year report</i>
5 Sep 2022	<i>New Drilling Results at Lady Colleen include 5m @ 7.10% Cu</i>