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31 October 2023

September 2023 Quarterly Activities Report

Key Points

- Copper sales of 2,051 tonnes in September quarter achieved total revenue of \$25.4m generating operating cashflow of \$5.1m.
- A total of 3,152 tonnes of copper metal was delivered to the heap leach and an additional 68,766 tonnes of ore is stockpiled at the Anthill ROM.
- Thiess moved a total of 1.79 million BCM of waste material during the September quarter, representing a 67% increase against budget due to the flooding events early this year.
- The forecast strip ratio for the December quarter is now 1.21 against an original budget strip ratio of 4.52.
- Total operating site costs for Q3, including mining, processing, and maintenance was \$22.3m. Capex and exploration costs were \$2.6m during the quarter.
- Austral's securities remain in voluntarily suspension. The Company has made significant progress in restructuring its existing debt facilities, although not to a level that requires material disclosure to shareholders.

Anthill Operations Update

- Thiess continues to outperform despite the impact of the severe wet weather event in March. 1.97 million BCM of material moved in the September quarter, resulting in a cumulative material mined to date of 12.68 million BCM.
- Mining from West pit, extracted 362,199 tons of ore during September quarter, grading 0.89% Cu containing 3,001 tons of copper metal. Austral continued to accelerate East pit Stage 2 to ensure Anthill has the optionality of accessing 3 ore bodies moving forward.
- Haulage activities continued to be impacted by ongoing road repairs between Anthill and Mt Kelly ROMs following the significant rain events early in 2023. A total of 453,684 tonnes of ore was hauled against a budget of 540,000 tonnes for the September quarter. Fulton Hogan were engaged by both Austral and Glencore as part of McNamara Road repairs. Road repairs are close to completion with October haulage close to hitting budget.

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Figures 1 and 2. Road damage March 2023.

Figures 3 and 4. Road Repairs October 2023.

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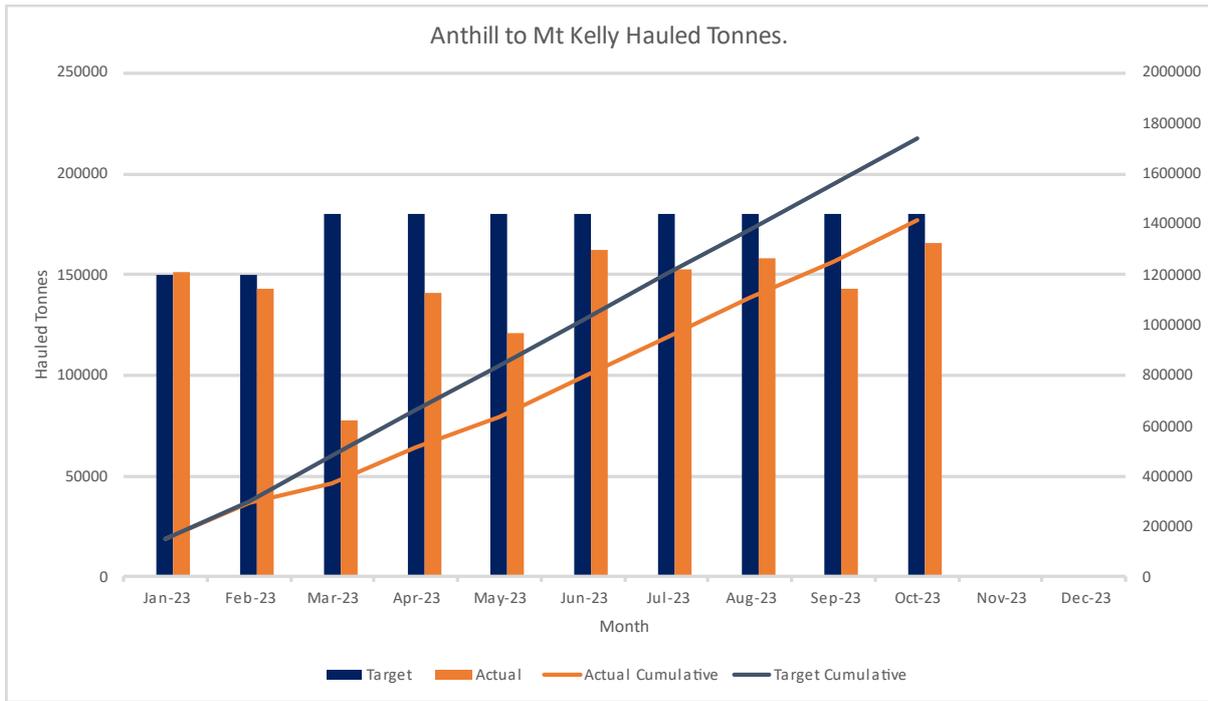


Figure 5. Haulage tonnes YTD.

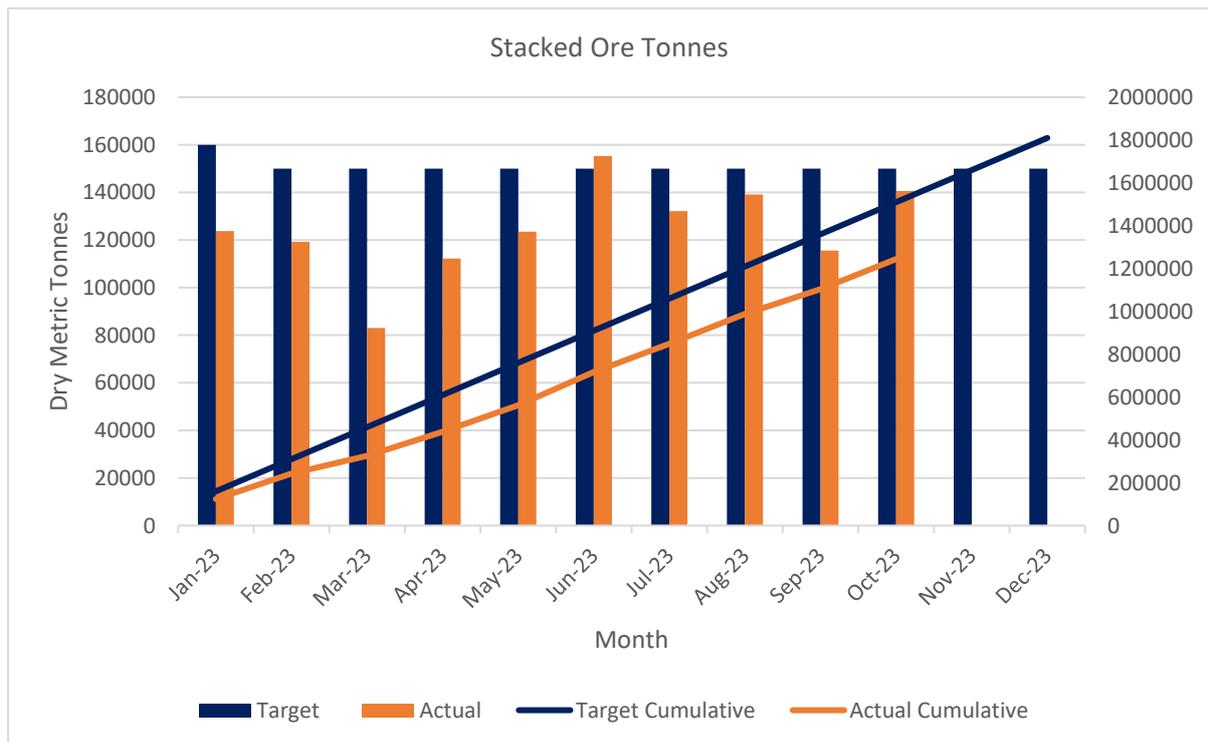


Figure 6. Stacked ore tonnes YTD have been greatly affected due to McNamara Road damage.

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Exploration

Austral completed 6,013m of drilling over 5 prospects during the September quarter.

- **McLeod Hill** – Drilling has intersected multiple zones of significant-grade near-surface copper mineralisation, open to the northwest, returning up to 5m @ 1.97% Cu from oxide and up to 16m @ 2% Cu from transitional (“Highly Prospective Drilling Results at McLeod Hill” – 15 August 2023).
- **Lady Maggie** – Granted EPM28325 “Dingo” with highly prospective exploration potential with prior drilling results returning up to 1.75% Cu from oxide and up to 4.70% Cu from sulphide (“Austral Granted Exploration Licence – includes 6m @ 4.7% Cu” – 10 July 2023).

Future Growth

During the September quarter, Austral maintained its strategic focus on extending mine life. The current Anthill mining campaign is set to conclude in March 2025. The Company has engaged several independent third parties to ensure the continuity of oxide mining and to initiate its maiden sulphide mining campaign within the existing Mt Clarke and Flying Horse open-cut pits.

In addition, progress was made in the Lady Colleen Pre-Feasibility Study (PFS) with metallurgical test results received at the quarter's end. Further diamond drilling activities continued towards the end of the quarter and findings will be reported as data is collected and evaluated.

Austral has also advanced discussions with external parties regarding sulphide ore toll treatment options as part of its ongoing growth strategy.

Dan Jauncey Managing Director and CEO commented:

“Austral continues mining with Thiess again exceeding the Company's mining target this quarter – we have drill rigs running with exploration both on oxide and sulphide opportunities, and we are still producing copper. The reason I'm pointing this out is, it suggests all our stakeholders are aligned with what we are working towards. We have debt maturing, our focus has been on restructuring, giving the Company the best runway to continue growing with the oxide and sulphide opportunities we have already publicly spoken about.

Rest assured, this strategy is in the best interest of Austral's shareholders, and I'm confident when completed, this will be evident. I appreciate all shareholders' patience, no one is more committed to the right outcome than me.”



Environment, Social and Safety

Injuries Rolling 12 Months TRIFR (per million hours)

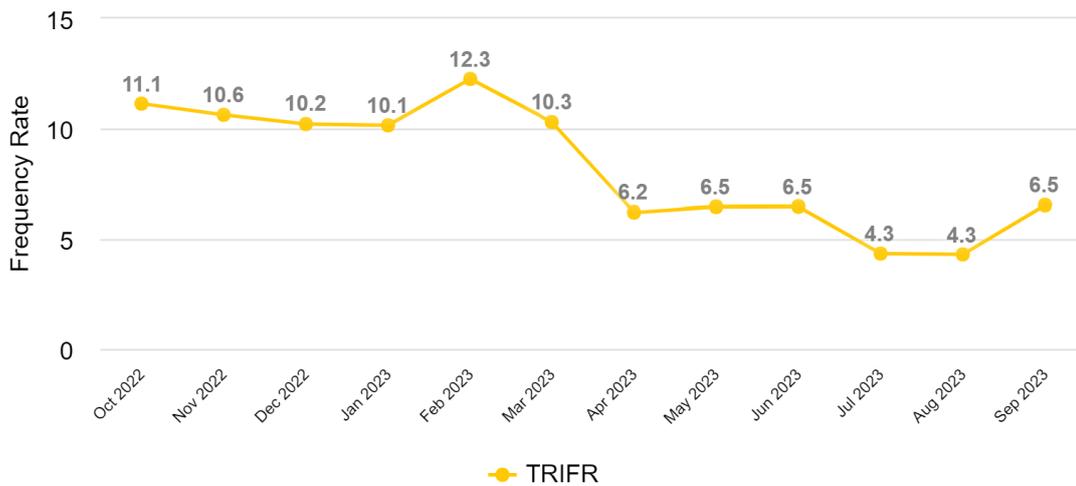


Figure 7. Injuries rolling 12 months TRIFR (per million hours).

Injuries Rolling 12 Months LTIFR (per million hours)

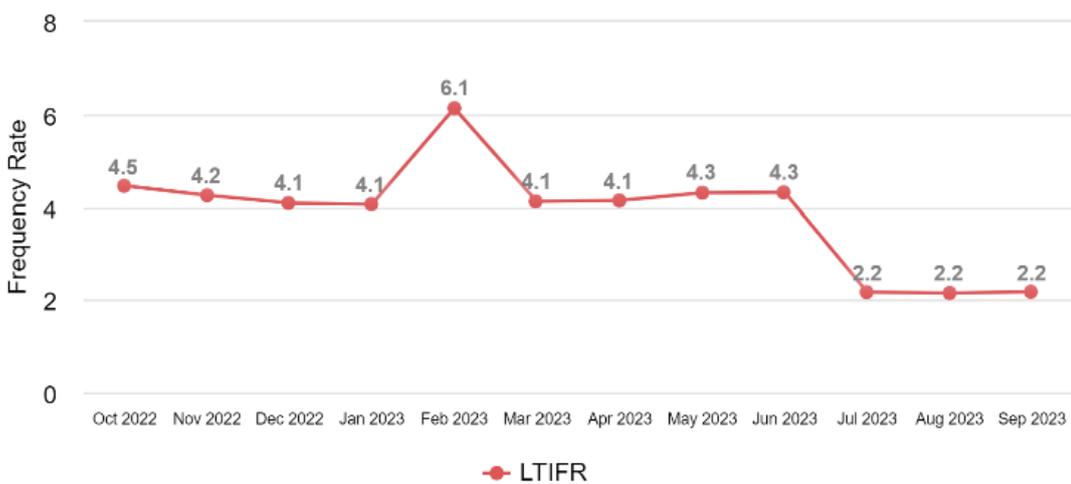


Figure 8. Injuries rolling 12 months LTIFR (per million hours).

- The 12-month rolling average for Total Recordable Injury Frequency Rate (TRIFR) and Lost Time Injury Frequency Rate (LTIFR) for Austral were 6.5 and 2.2 at the end of the quarter. The decrease in LTIFR confirms the Company's dedication to industry-leading safety performance, showcasing its exceptional safety culture and practices throughout the entire organisation.
- No serious environmental incidents during the September Quarter.

Austral's ESG Program



Figure 9. Austral's inaugural ESG sub-committee meeting.

Austral's continues its commitment to advancing its ESG program. The September quarter progressed several planned sustainability initiatives. Following the Company's inaugural ESG sub-committee meeting in July, Austral conducted one-on-one feedback sessions with key stakeholders to gather their thoughts on format, content and appropriate frequency of the sub-committee meetings moving forward. The feedback was largely positive, enhancing Austral's understanding of its current ESG standing and allowing stakeholders to contribute their expertise and ideas for future initiatives.

The Company has also instigated the initial development of a greenhouse gas emissions profile across our mines and facilities, taking the first step in preparing for Austral's decarbonisation journey. Furthermore, Austral commenced reviewing industry best practices for sustainability reporting standards to identify the most suitable metrics and frameworks for our operations. This includes a gap assessment using the International Council of Mining and Metals (ICMM) self-assessment tool and aligning with the Global Reporting Index (GRI) general and mining disclosures, set to release in Q4 this year.

By prioritising the needs of key stakeholders and enhancing sustainability data collection and reporting, Austral aims to maintain transparency and accountability in its ongoing development of its ESG performance.

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Austral Operations

Anthill Mine

Thiess continued to outperform the planned production schedule at the Anthill mine with total material movement for the September quarter of 1.97 million BCM.

By the end of this quarter, total material mined was 12.68M BCM against a target of 11.44M BCM. Ore was sourced predominantly from the West pit.

East Pit stage 1 continues to be subject to extensive dewatering activities, after full recovery following the adverse weather event earlier in the year, mining has now recommenced.

Thiess was able to focus on pre-stripping East pit stage 2, which remains a solid option for mining. A total of 362,199t of ore grading 0.89% Cu containing 3,001t of copper metal was mined for the quarter.

Project to date mining has yielded 2,460,981T of ore grading 0.86% Cu.

ROM stocks at Anthill at the end of the quarter stood at 68,766T at 0.73% Cu.



Figure 10. AHE stage 2 continues to be a source of easy mining for Thiess.

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Figure 11. AHW showing advancement - continues to deliver the bulk of ore supply.



Figure 12. Anthill ROM and MIA.

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Mt Kelly

In the September quarter, the crushing and stacking circuit exceeded its copper metal stacking target despite falling marginally short on its dry metric tonnes of ore stacked goal. Throughout the quarter, a total of 386,869 dry metric tonnes (dmt) of ore were stacked, containing 0.81% copper, which was below the planned target of 450,000 dmt. This represents a 14% deviation from our initial plan.

It is crucial to note that the performance of the crushing and stacking circuit was affected by several factors, including ore availability issues stemming from haulage delays and higher moisture levels in the hauled ore than the design specification of the crushing/stacking plant. Additionally, long interval maintenance activities contributed to reduced circuit availability and, consequently, lower output.

Despite the challenges, the Q3 copper metal stacking budget was exceeded. A total of 3,152 tonnes of copper metal was delivered to the heap leach pads, surpassing the budgeted 3,069 tonnes. Cumulatively, the project has now seen 2,193,543 dmt of ore stacked, resulting in a total of 19,402.75 tonnes of copper metal stacked to date.

During the September quarter, we successfully stacked ore on heap leach pads 7, 6, 5, and 4. Although we encountered initial permeability issues with the ore composition on these pads, adjustments in irrigation construction led to a notable increase in heap percolation, mitigating the early challenges.

Furthermore, there was a notable improvement in copper cathode purity from June quarter to September quarter. Average assayed purity results for the quarter landed at an impressive 99.9988%. Subsequently, physical inspections confirmed an uplift in the quality of cathodes, with bundles achieving higher grading when compared to June quarter.

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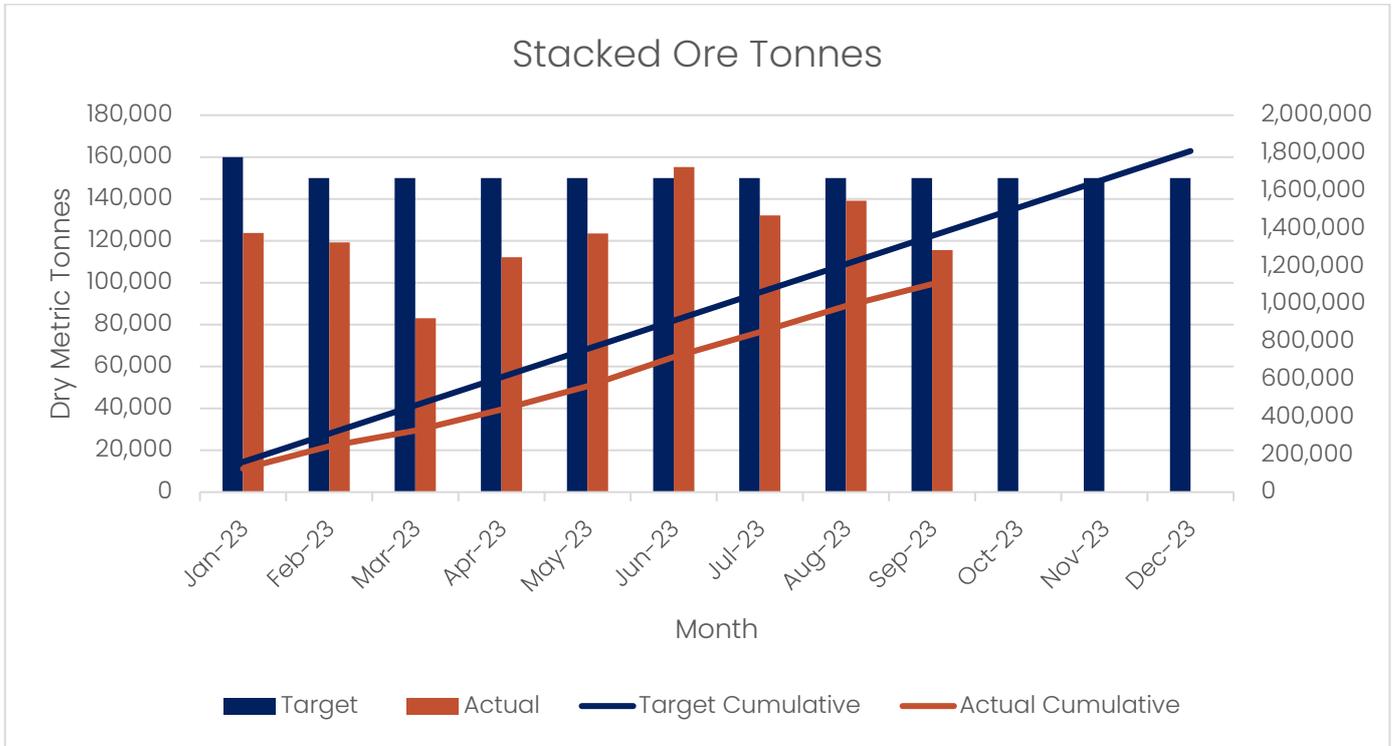


Figure 13. Total ore tonnes stacked on the Mt Kelly leach pad Q3 2023



Figure 14. Bundles of copper awaiting dispatch.



Figure 15. A bundle of copper after being wrapped ready for dispatch.

In addition to these accomplishments, it's worth highlighting our wet season preparations. During the dry season, we successfully reduced stormwater ponds by 128,373ML in the September quarter.

All pads for the September quarter were irrigated via wobbler sprinklers to enhance evaporation potential, and all makeup water in the processing plant was sourced from the stormwater ponds. Other wet season preparations included:

1. Pulling up the sides on the heap leach.
2. Liner repairs.
3. Pump run tests and inspections.

These measures are integral to ensuring the continued efficiency and environmental sustainability of our operations.

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Exploration

During the September quarter the Company continued to progress the 2023 Exploration program (Figure 16).



Figure 16. Drilling BURC0741 behind the Anthill Offices

Delivery of Austral 2023 Exploration Strategy

During the September quarter, the priority focus of the Company's 2023 Exploration strategy was exploration drilling for copper oxides on existing mining leases (MLs) within 50 km of the Mt Kelly solvent-extraction electrowinning (SX-EW) plant.

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At the end of the September quarter the Company commenced exploration drilling for copper sulphide at Lady Colleen. To achieve this during the quarter the Company:

- Used Tulla Drilling, a Mt Isa based contractor also used in 2022.
- For RC drilling, the Company completed a total of **5,627m** comprising 69 holes with drilling undertaken at the Anthill ML, Mt Kelly ML, McLeod Hill ML and EPM 16244 Buckley River.
- For diamond drilling, the Company completed a total of **386m** comprising 2 holes at Lady Colleen. Diamond drilling continued at Lady Colleen at the end of the quarter.

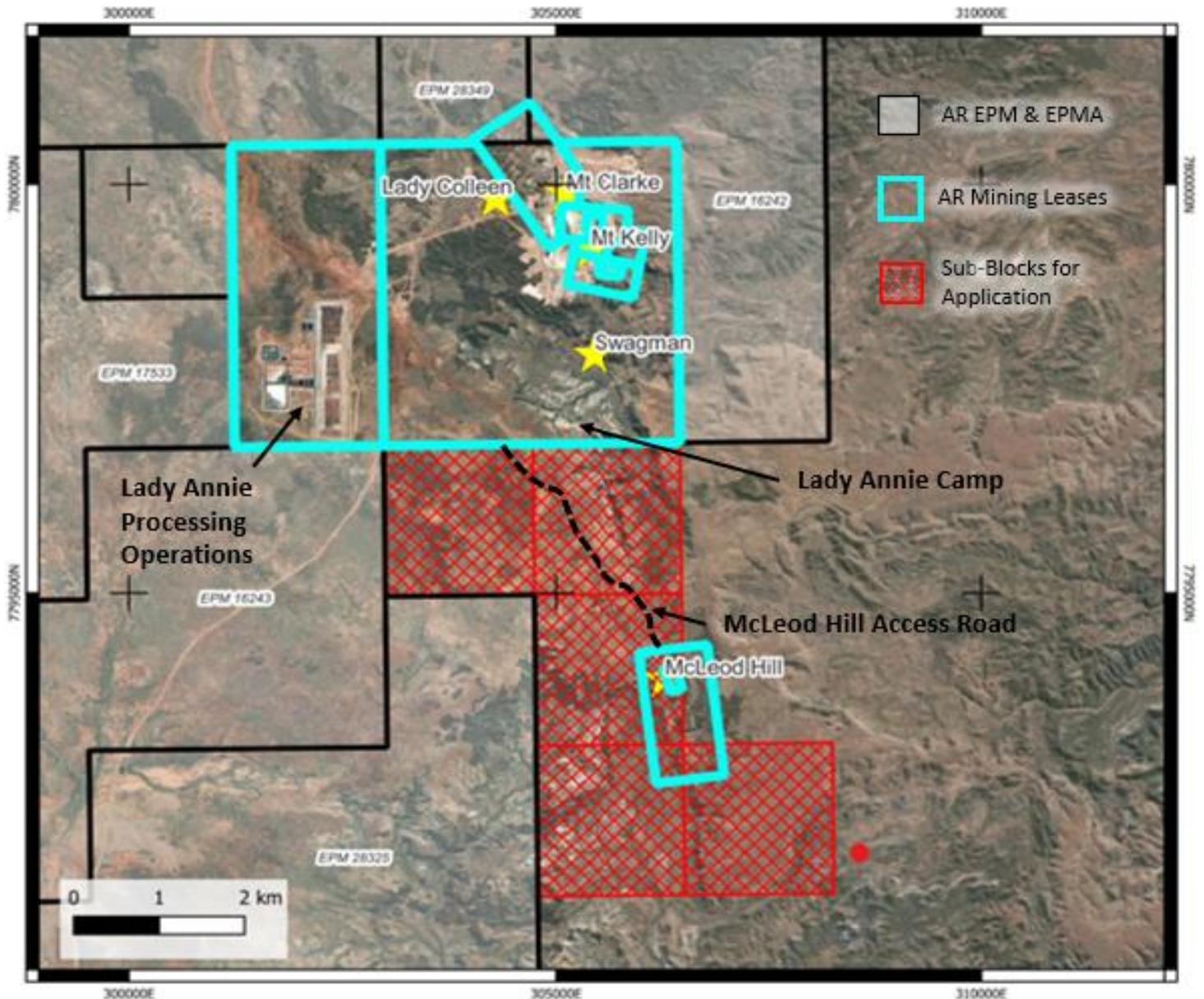


Figure 17. Location of ML5426 McLeod Hill, relative to Mt Kelly SX-EW plant, Red hatched area are sub-blocks adjoining McLeod Hill that have been successfully applied for under EPMA28881.

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McLeod Hill ML

A total of 3 RC holes were completed at McLeod Hill ML5426 for 307m. During the quarter, the Company was pleased to announce outstanding results from recent drilling at the McLeod Hill Mining Lease 5426 (MHML) 5km south of the Mount Kelly SX-EW copper cathode plant (Figure 17)¹².

Recent drilling has intersected significant grade near-surface copper oxide intervals and sulphide results as listed in Table 1.

HOLEID	TYPE	Intercept
MTKC0634	SULPHIDE	15m @ 1.10% Cu from 64m downhole
	INCLUDING	6m @ 1.78% Cu from 71m downhole
MTKC0642	OXIDE	29m @ 0.79% Cu from 39m downhole
	INCLUDING	5m @ 1.97% Cu from 63m downhole
MTKC0705	TRANSITIONAL	25m @ 1.41% Cu from 54m downhole (pXRF)
	INCLUDING	16m @ 2% Cu from 60m downhole (pXRF)

Table 1. Assays from Austral 2023 drilling at McLeod Hill

Copper mineralisation intersected at McLeod Hill is interpreted to define 3 zones, a low-grade sub-surface copper oxide of ~0.3% Cu, a deeper oxide zone of between ~0.60% Cu to >1% Cu, and an underlying transitional / sulphide zone of >1% Cu (Figure 18).

¹ ASX Release 15 August 2023

² ASX Release 6 September 2023

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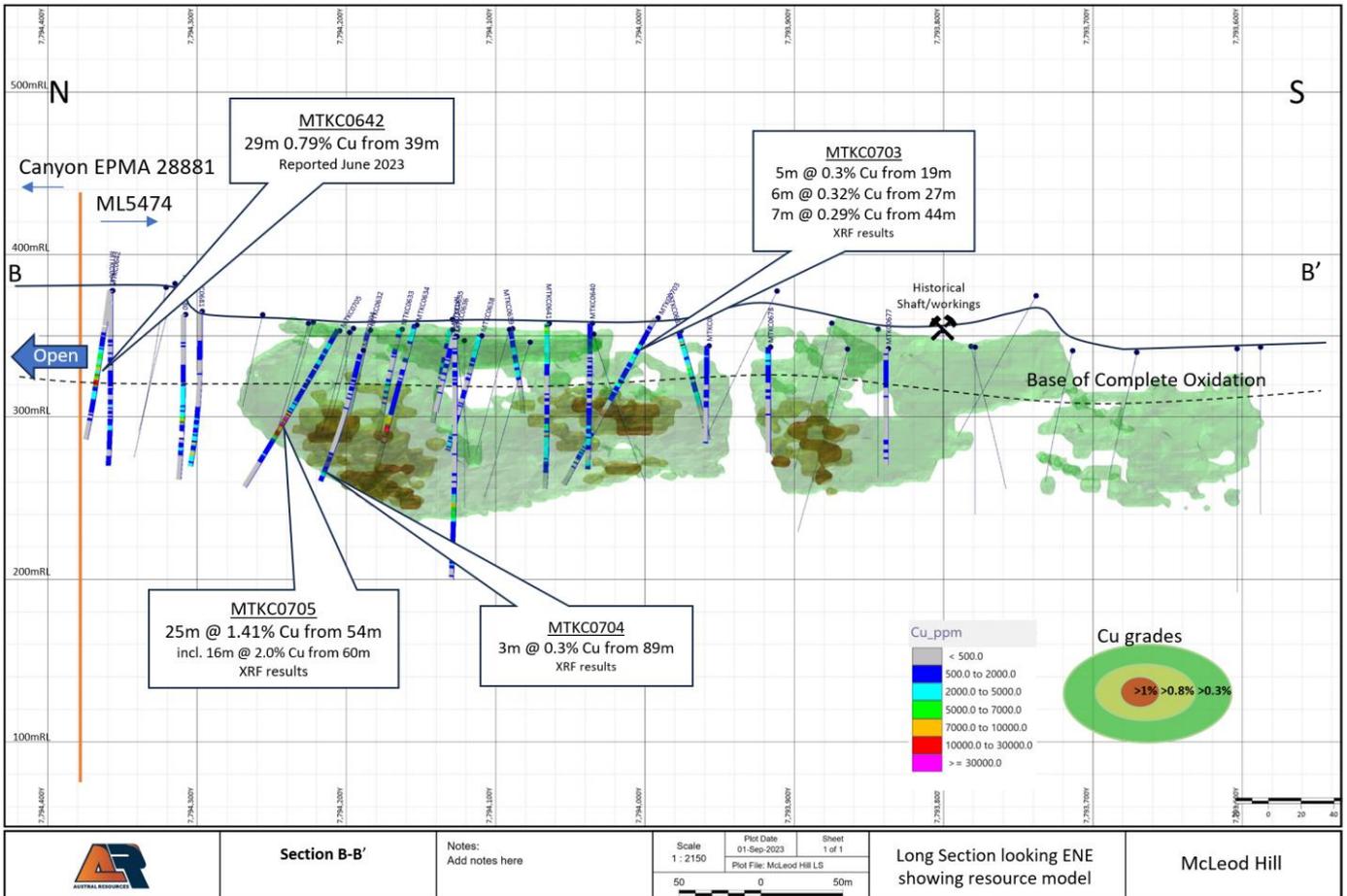


Figure 18. Long section BB' (looking east-northeast) through McLeod Hill showing 2023 drilling traces and assay results the outline of the current Mineral Resource.

Mineralisation is interpreted to continue, open and untested, northwest into the adjoining sub-blocks held by Austral (under EPMA28881 Canyon).

The presence of near-surface potentially economic grades of copper oxide, and the potential to extend the resource volume, located on a ML within 5km of the Mt Kelly SX-EW plant, are positive indicators into further exploration and resource development at MHML.

Austral is progressing further exploration and resource development at McLeod Hill, including further exploration drilling, updating the JORC compliant Mineral Resource and preliminary evaluation of metallurgical performance.

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Dingo EPM

Austral announced the award of EPM28325 “Dingo” which includes the historical Lady Maggie surface and underground mine located 15 kilometres south of the Mount Kelly SX-EW processing plant³.

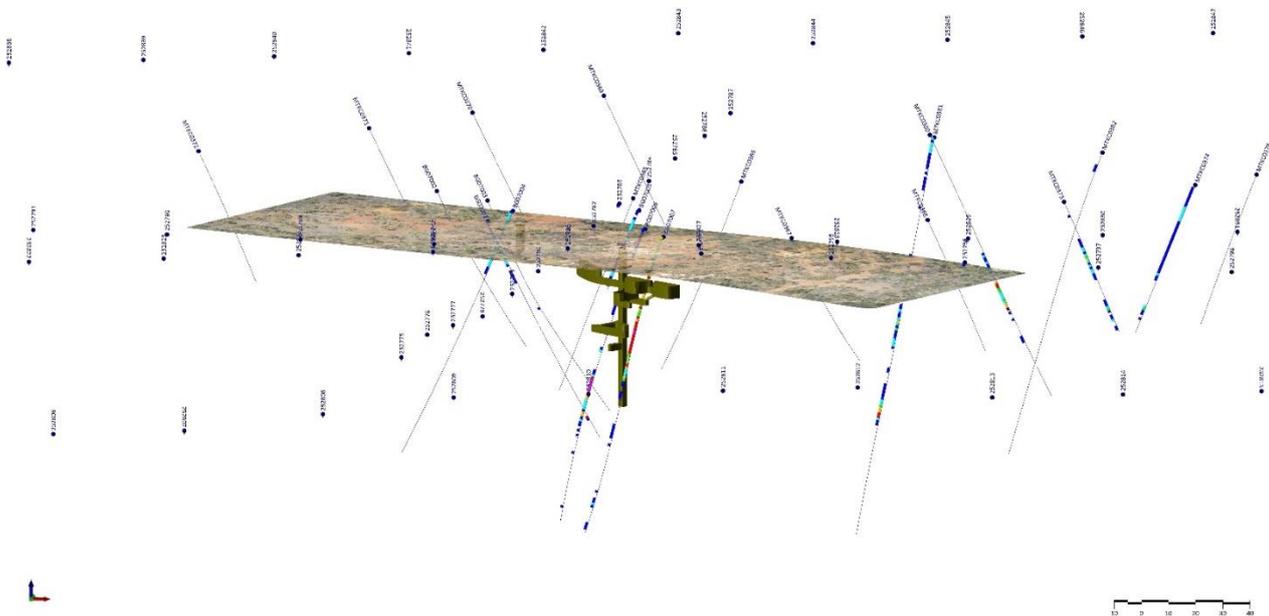


Figure 19. Schematic view of Lady Maggie historical underground workings and historical drilling results.

Prior drilling has intersected substantial high-grade near surface copper intervals with exceptional oxide results including 58m @ 0.97% Cu from surface (including 15m @ 1.75% Cu from 32m downhole) and sulphide results including 17m @ 2.01% Cu from 59m downhole (including 6m @ 4.70% Cu from 60m downhole). Austral has an accelerated focus to complete all required surveys and gain approvals to launch exploration at Lady Maggie. During the Quart, cultural heritage clearance surveys were completed, and meetings held with DES Carins to finalise the appropriate applications to enable high impact exploration activities within an Endangered Regional Ecosystem core zone.

The Lady Maggie historical surface and underground (UG) workings now present as collapsed shaft and minor surface workings. The review of historical exploration data at Lady Maggie included generating an indicative 3D model of legacy UG workings from historical maps (Figure 19). These workings define the known high-grade core of the system and have been used to target Phase 1 exploration drilling.

³ ASX Release 10 July 2023

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Mt Kelly Extended ML (Lady Colleen)

Lady Colleen Pre-Feasibility Study (PFS) progressed with results from metallurgical test-work received at the end of the September quarter (Figure 20). Results will be reviewed and released during December quarter.



Figure 20. Image of cleaner concentrate from Lady Colleen metallurgical testwork

A total of 2 diamond holes were completed at the Lady Colleen prospect within Mt Kelly Extended ML90170 for 384m. Diamond drilling continued at Lady Colleen at the end of the quarter. Results will be reported once all relevant data is received and evaluated.

Anthill ML

A total of 39 RC holes were completed at Anthill ML90233 for 3,320m. Results will be reported once all relevant data is received and evaluated.

Mt Kelly ML

A total of 16 RC holes were completed at McLeod Hill ML90178 for 1,043m. Results will be reported once all relevant data is received and evaluated.

Buckley River EPM

A total of 11 RC holes were completed at the Python North prospect within Buckley River EPM16244 for 882m. Results will be reported once all relevant data is received and evaluated.

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Glencore JV

Regular technical, operational, and logistical collaboration continued between Austral and Glencore technical and executive teams. All required land-owner access agreements, environmental clearances, and cultural heritage clearances to enable exploration activities were completed during the September quarter, including approval of the Regional Interests Development Application (RIDA) covering the majority of the JV area. Pending approval of the RIDA, prospecting Permits covering Thorntonia and Paradise Valley Stations were obtained that enabled access for low-impact exploration activities in preparation for drilling. With the granting of the RIDA, Glencore commenced drilling of exploration targets at the Galah Creek prospect, within ARI's Lady Annie Regional EPM 17789.

Austral and Glencore continued to progress a strategic collaboration to allow Austral to explore for copper oxide immediately to the east of the Lady Annie Mining Lease (LAML), on Glencore Lady Loretta Mining Lease (LLML).

Tenure

During the September quarter there were no changes to Austral's previously reported tenure holdings (Figure 21). The Company continues to hold 2,181km² of highly prospective exploration tenure comprised of 37 EPM's and 1 EPMA. The Company also holds 15 Mining Leases covering 53km². All tenure held by the company is in good standing.

The Company has been granted three Prospecting Permits PP 100741 and PP 100742 (both valid between 10/5/2023 to 9/8/2023) and PP 100749 (valid 9/08/2023 to 09/11/2023) which allows the Company to undertake low-impact exploration activities on Thorntonia and Paradise Valley Stations in areas of the Gulf Rivers Strategic Environment Area.

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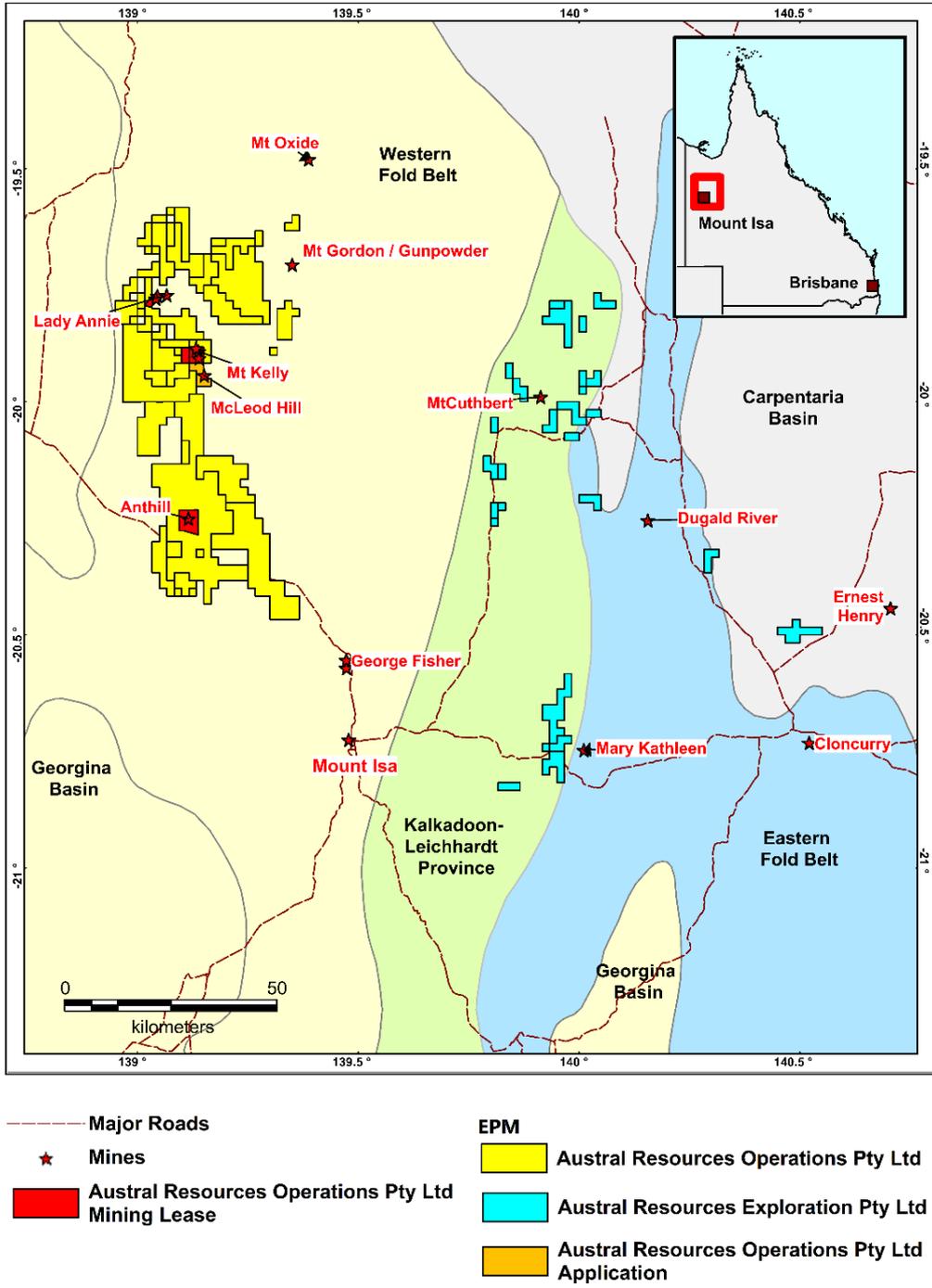


Figure 21. Plan of Austral tenure.

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

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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 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 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 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 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, and forecast financial information derived from these estimates, continue to apply and have not changed.

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Appendix I. Performance Right Information

Condition 11.5 of Austral's "Conditions of quotation" of the Company following its initial public offering (IPO) requires certain disclosures be made in relation to unquoted KPI based performance rights (Rights) disclosed in the Company's IPO Prospectus.

- Austral has 26,170,235 Performance Rights on issue as at 30 September 2023 (of those issued at IPO).
- During the quarter, no Rights were converted into ordinary shares and no Rights lapsed.
- Each Performance Right converts into one ARI share upon vesting and exercise.

The Rights set out above will vest on satisfaction of the below mentioned performance hurdles:

#	Key Performance Indicator	Performance Right #	Vesting Date ¹	Expiry Date ²	Remaining 30 Sep-23
1	First material ore production from Anthill deposit	11,134,372	Vested ³	30 Jun 25	289,493
2	Production of 20kt of copper cathode from Anthill Project	4,453,752	30 Jun 24	30 Jun 26	3,981,654
3	Generate 20kt inferred resource	11,134,372	30 Jun 25	30 Jun 26	9,954,129
4	Share price target of \$0.50	8,907,500	30 Jun 25	30 Jun 26	7,963,305
5	Health Safety Security Environment and Quality (HSSEQ) and Indigenous Affairs – FY 2022	2,226,876	Cancelled	n/a	-
6	HSSEQ and Indigenous Affairs – FY 2023	2,226,876	Cancelled	n/a	-
7	Generate 20kt inferred resource	4,453,752	30 Jun 25	30 Jun 26	3,981,654
Total ⁴		44,537,500			26,170,235

¹ Unless otherwise specified, the Vesting Date represents the last possible date by which the relevant KPI must be met in order for the relevant Rights to vest.

² Expiry date applies where the KPI has been met by the relevant Vesting Date. Where a KPI is not met, the Rights will lapse no later than 3 months after the Vesting Date.

³ Some of the vested rights have been exercised.

⁴ Total Rights on issue at IPO requiring disclosure. Austral has additional Rights on issue not requiring disclosure under the IPO Prospectus.

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The table below provides an overview of the Key Performance Indicators.

No.	KPI	Overview
1	5,000 tonnes of ore moved from the Anthill deposit within 6 months of commencement of overburden mining at the Anthill Project	This KPI will be considered satisfied on the movement of 5,000 tonnes of ROM ore from the Anthill pit to the crusher. This is defined as removing overburden and transporting ore from the Anthill pit within 6 months of commencement of overburden mining at the Anthill Project.
2	Production of at least 20,000 tonnes of copper cathode.	This KPI will be considered satisfied if the Company produces 20,000 tonnes of LME grade Copper cathode by the relevant Vesting Date.
3	Generate a JORC compliant Inferred Mineral Resource estimate of 20,000t of contained Cu through the exploration programme within 70km of the Mt Kelly processing facility	This KPI represents an exploration target for the exploration team to either continue more detailed exploration work on the top 12 prospects or explore and drill a new Mineral Resource estimate so that collectively an Inferred Mineral Resource estimate of 20,000 tonnes of contained Cu at a cut-off grade of 0.2% is achieved. This represents approximately half the resource at Anthill and must be within 70km of the Mt Kelly facility.
4	Share price target of \$0.50	This KPI will be considered satisfied where the volume weighted price average of the Company's Shares trades at or above \$0.50 for 20 consecutive Trading Days (as that term is defined in the Listing Rules).
5	Health, Safety, Security, Environment, Quality (HSSEQ) and Indigenous Affairs – to 30 June 2022	<p>This KPI will be considered satisfied where both of the following criteria are met during the relevant period:</p> <ol style="list-style-type: none"> the Company's published Lost Time Injury Frequency Rate (LTIFR) is no more than 10% higher than the twelve-month rolling average LTIFR for surface minerals mines as reported in the Queensland Government 'Mines and Quarries Safety Performance and Health Reports' (adjusted on a pro-rata basis for any

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- period prior to first production at the Anthill Project); and
- the Company (or its relevant subsidiary) is not in material breach or in material dispute with any counterparty to any indigenous land use agreement (ILUA) (including for example the agreements set out in section 12.7 of the Prospectus).
- 6 HSSEQ and Indigenous Affairs – from 1 July 2022 to 30 June 2023
- This KPI will be considered satisfied where both of the following criteria are met during the relevant period:
- the Company's published LTIFR is no more than 10% higher than the twelve-month rolling average LTIFR for surface minerals mines as reported in the Queensland Government 'Mines and Quarries Safety Performance and Health Reports'; and
 - the Company (or its relevant subsidiary) is not in material breach or in material dispute with any counterparty to any ILUA (including for example the agreements set out in section 12.7 of the Prospectus).
- 7 Generate a JORC compliant Inferred Mineral Resource estimate measuring 20,000 tonnes contained Cu in sulphide mineralisation
- This KPI represents an exploration target for the exploration team to develop a more detailed exploration work on the sulphides (from existing pits, existing targets and drill a new Mineral Resource so that collectively an Inferred Mineral Resource estimate generating 20,000 tonnes of contained Cu in the sulphides at a cut-off grade of 0.2%.

Terms of the employee incentive plan under which the Rights were issued are listed in the Company's IPO prospectus.