

ASX ANNOUNCEMENT



25 March 2022

Notice of 2022 AGM and Proxy Form

Copper producer **Austral Resources Australia Ltd** (ASX:ARI) (**Austral** or the **Company**) refers to the notice of meeting and accompanying explanatory memorandum released to ASX on 25 March 2022 (together, the **Notice of Meeting**) in respect of the annual general meeting of the Company's shareholders (**Shareholders**) to be held on 12 May 2022 at 10:00am (AEST).

In reliance on section 253RA of the *Corporations Act 2001* (Cth), the Company will not be posting hard copies of the Notice of Meeting to Shareholders unless the Shareholder has given the Company notice in writing electing to receive documents in hard copy only. The Notice of Meeting can be viewed or downloaded from the Company's website or on the ASX announcements page at <https://www.australres.com/investors/announcements/> or at www.asx.com.au.

This announcement has been authorised for release to the ASX by the Company Secretary. For further information, please contact the Company Secretary by telephone on +61 7 3520 2500 or by email at admin@australres.com.

Yours sincerely

Austral Resources Australia Ltd

Jarek Kopias

Company Secretary

FOR FURTHER INFORMATION PLEASE CONTACT:

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ASX ANNOUNCEMENT



About Austral Resources

Austral Resources Australia Ltd is an ASX listed copper cathode producer operating in the Mt Isa region, Queensland, Australia. Austral's Mt Kelly copper oxide heap leach and solvent extraction electrowinning (SXEW) plant has a nameplate capacity of 30,000tpa of copper cathode. Austral is developing 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 and 1,940km² 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 Steven Tambanis, Competent Persons who are Members of the Australasian Institute of Mining and Metallurgy. Mr Beaton is the Site General Manager at Austral and Mr Tambanis is Chief Executive Officer of the Company. Mr Tambanis 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 Tambanis 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.

AUSTRAL RESOURCES AUSTRALIA LTD

ACN 142 485 470

NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY NOTES

PROXY FORM

Date of Meeting

Thursday 12 May 2022

Time of Meeting

10:00am (AEST) (Brisbane time)

Place of Meeting

Offices of HopgoodGanim Lawyers,
Level 8, Waterfront Place, 1 Eagle Street
Brisbane, Queensland

AUSTRAL RESOURCES AUSTRALIA LTD
ACN 142 485 470

NOTICE OF 2022 ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Shareholders of Austral Resources Australia Ltd ("Company" or "Austral") will be held at the offices of HopgoodGanim Lawyers, Level 8, Waterfront Place, 1 Eagle Street, Brisbane, Queensland on Thursday 12 May 2022 at 10:00am AEST.

The business to be considered at the Annual General Meeting is set out below.

This Notice of Meeting should be read in its entirety in conjunction with the accompanying Explanatory Notes, which form part of this Notice of Meeting and contain information in relation to the following Resolutions. If you are in any doubt as to how you should vote on the Resolutions set out in this Notice of Meeting, you should consult your financial or other professional adviser.

Defined terms used in this Notice of Meeting have the meanings given to those terms in the Glossary at the end of the Explanatory Notes.

GENERAL BUSINESS

2021 Financial Statements

To receive, consider and discuss the Company's annual financial report including the Directors' Declaration for the year ended 31 December 2021 and the accompanying Directors' Report, Remuneration Report and Auditor's Report.

ORDINARY BUSINESS

Resolution 1 – Adoption of Remuneration Report

To consider and, if thought fit, to pass with or without amendment, the following Resolution as a non-binding Resolution:

"That the Remuneration Report that forms part of the annual financial report of the Company for the year ended 31 December 2021 be adopted for the purpose of section 250R(2) of the Corporations Act."

Note: Section 250R(3) of the Corporations Act provides that the vote on this Resolution is advisory only and does not bind the Directors or the Company.

Resolution 2 – Re-election of Mr Daniel Jauncey as a Director of the Company

To consider and, if thought fit, pass the following Resolution as an Ordinary Resolution:

"That Mr Daniel Jauncey, a Director retiring by rotation in accordance with clause 39 of the Constitution of the Company and ASX Listing Rule 14.5, being eligible, and having offered himself for re-election, be re-elected as a Director of the Company."

Resolution 3 – Re-election of Mr Michael Hansel as a Director of the Company

To consider and, if thought fit, pass the following Resolution as an Ordinary Resolution:

"That Mr Michael Hansel, a Director having been appointed by the Board and retiring in accordance with clause 37.2 of the Constitution of the Company and ASX Listing Rule 14.4, being eligible, and having offered himself for re-election, be re-elected as a Director of the Company."

SPECIAL BUSINESS

Resolution 4 – Appointment of Auditor

To consider and, if thought fit, pass the following Resolution as an Ordinary Resolution:

“That RSM Australia Partners of Level 13, 65 Castlereagh Street, Sydney, New South Wales having been duly nominated by a shareholder of the Company and having consented in writing to act, be appointed as auditor of the Company.”

Resolution 5 – Issue of Director Performance Rights to Mr Michael Hansel

That, subject to the passing of Resolution 3, (Re-election of Michael Hansel), to consider and, if thought fit, pass the following Resolution as an Ordinary Resolution:

“That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval is given for the issue of Director Performance Rights to Mr Michael Hansel (or his nominee) on the terms and conditions set out in the Notice of Meeting and Explanatory Notes.”

SPECIAL RESOLUTION

Resolution 6 – Approval of 10% Additional Placement Capacity

To consider and, if thought fit, pass the following Resolution as a Special Resolution:

“That, for the purpose of ASX Listing Rule 7.1A, approval is given for the Company to have the additional capacity to issue Equity Securities totalling up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and on the terms and conditions described in the Explanatory Notes.”

VOTING INFORMATION, EXCLUSIONS AND PROHIBITIONS

The business of the Meeting affects your Shareholding and your vote is important.

Voting prohibition statement in relation to Resolution 1

A vote on this Resolution must not be cast (in any capacity) in favour of the Resolution by or on behalf of either of the following persons:

- a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- b) a Closely Related Party of such a member.

However, such person (the voter) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- b) the voter is the Chair of the Meeting and the appointment of the Chair of the Meeting as proxy:
 - i) does not specify the way the proxy is to vote on this Resolution; and
 - ii) expressly authorises the Chair of the Meeting to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

Voting exclusions and voting restriction in relation to Resolution 5

In accordance with the ASX Listing Rules, the Company will disregard any votes cast in favour of this Resolution by Mr Michael Hansel, Mr Phillip Thomas, Mr Daniel Jauncey and Mr Jeffrey Innes in respect of Resolution 5 and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities), or any other their associates. However, this does not apply to a vote cast in favour of a Resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction on the Proxy Form to vote on the Resolution as the Chair of the Meeting decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - o the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
 - o the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Further, in accordance with the Corporations Act, a vote must not be cast on this Resolution (and will be taken not to have been cast if cast contrary to this restriction) by a member of the Key Management Personnel, and any Closely Related Party of such a member, acting as proxy if their appointment does not specify the way the proxy is to vote on this Resolution. However, the member of the Key Management Personnel or any Closely Related Party of such a member may vote if it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on this Resolution or by a person who is the Chair of the Meeting at which this Resolution is voted on and the appointment expressly authorises the Chair of the Meeting to exercise the proxy even if this Resolution is connected directly or indirectly with the remuneration of a Key Management Personnel.

Further, in accordance with the Corporations Act, a vote must not be cast on this Resolution (and will be taken not to have been cast if cast contrary to this restriction) by Mr Phillip Thomas, Mr Daniel Jauncey, Mr Jeffrey Innes and Mr Michael Hansel in respect of Resolution 5 and any associates of Mr Thomas, Mr Jauncey, Mr Innes and Mr Hansel in respect of Resolution 5. However, the Company need not disregard a vote if:

- a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the Resolution; and
- b) it is not cast on behalf of Mr Phillip Thomas, Mr Daniel Jauncey, Mr Jeffrey Innes and Mr Michael Hansel in respect of Resolution 5 and any associates of Mr Thomas, Mr Jauncey, Mr Innes and Mr Hansel (in respect of Resolution 5).

Voting exclusions in relation to Resolution 6

As the Company has not currently identified allottees of Securities pursuant to Resolution 6, a voting exclusion statement is not required.

Important information concerning proxy votes on Resolutions 1 and 5

The Corporations Act places certain restrictions on the ability of Key Management Personnel and their closely related parties to vote on the Resolutions connected directly or indirectly with the remuneration of the Key Management Personnel.

Additionally, the Company will disregard any votes cast on Resolutions 1 and 5 by any person appointed as a proxy by any person who is either a member of the Key Management Personnel or a Closely Related Party of such a member, unless:

- a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the proxy form; or
- b) it is cast by the Chair of the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

For these reasons, Shareholders who intend to vote by proxy should carefully consider the identity of their proxy and are encouraged to direct their proxy as to how to vote on all Resolutions. In particular, Shareholders who intend to appoint the Chair of the Meeting as their proxy (including an appointment by default) are encouraged to direct the Chair of the Meeting as to how to vote on all Resolutions.

If the Chair of the Meeting is appointed, or taken to be appointed, as your proxy, you can direct the Chair of the Meeting to vote for, against or abstain from voting on Resolutions 1 and 5 by marking the box opposite the Resolutions on the Proxy Form. You should direct the Chair of the Meeting how to vote on these Resolutions.

However, if the Chair of the Meeting is your proxy and you do not direct the Chair of the Meeting how to vote in respect of Resolutions 1 and 5 on the Proxy Form, you will be deemed to have directed and expressly authorised the Chair of the Meeting to vote your proxy in favour of these Resolutions. This express authorisation acknowledges that the Chair of the Meeting may vote your proxy even if:

- (a) Resolutions 1 and 5 are connected directly or indirectly with the remuneration of a member or members of the Key Management Personnel of the Company; and
- (b) the Chair of the Meeting has an interest in the outcome of Resolutions 1 and 5 and, that votes cast by the Chair of the Meeting for these Resolutions, other than as authorised proxy holder, will be disregarded because of that interest.

Voting, Attendance Entitlement and proxy

A Member who is entitled to attend and cast a vote at the Meeting and who wishes to vote on the Resolutions contained in this Notice should either attend in person at the time, date and place of the Meeting set out above or appoint a proxy or proxies to attend or vote on the Member's behalf. In the interests of public health and safety of our Shareholders, due to the current COVID-19 pandemic, the Company encourages **Shareholders to vote via proxy and not physically attend the Shareholder Meeting**.

A Member who is entitled to attend and cast a vote at the Meeting and who wishes to vote on the Resolutions contained in this Notice should appoint the Chairman of the Meeting as their proxy to attend and vote on the Member's behalf. Austral encourages shareholders to **appoint the Chairman of the Meeting as their proxy**.

The situation regarding COVID-19 is evolving rapidly and Austral is following the health advice of the Australian Government. Shareholders are encouraged to monitor the Company's ASX announcements and website for any further updates in relation to arrangement for the Company's Shareholder Meeting.

Shareholders are encouraged to lodge their Proxy Forms online at <https://www.automicgroup.com.au/>.

In completing the attached Proxy Form, Members must be aware that where the Chair of the Meeting is appointed as their proxy, they will be directing the Chair of the Meeting to vote in accordance with the Chair of the Meeting's voting intention unless you indicate otherwise by marking the "For", "Against" or "Abstain" boxes. The Chair of the Meeting intends to vote undirected proxies in favour of each item of business. Members should note that they are entitled to appoint the Chair of the Meeting as a proxy with a direction to cast the votes contrary to the Chair of the Meeting's voting intention, or to abstain from voting, on any Resolution in the Proxy Form. Also, Members may appoint, as their proxy, a person other than the Chair of the Meeting.

A proxy need not be a Member of the Company. For the convenience of Members, a Proxy Form is enclosed. A Member who is entitled to attend and cast two or more votes is entitled to appoint two proxies. Where two proxies are appointed, each appointment may specify the proportion or number of voting rights each proxy may exercise. If the Member appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half of the votes able to be cast by the appointing Member.

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form. In order to be valid, the Proxy Form must be received by the Company at the address specified below, along with any power of attorney or certified copy of a power of attorney (if the Proxy Form is signed pursuant to a power of attorney), by no later than 48 hours before the Meeting (i.e., by no later than 10:00am AEST on 10 May 2022):

On-line: <https://www.automicgroup.com.au/>.

By mail: Automic
GPO BOX 5193
SYDNEY NSW 2001

By hand: Level 5, 126 Phillip Street
SYDNEY NSW 2000

By e-mail: meetings@automicgroup.com.au

Any Proxy Forms received after that time will not be valid for the Meeting.

A Member who is a body corporate may appoint a representative, including an individual, to attend the Meeting in accordance with the Corporations Act. Representatives will be required to present documentary evidence of their appointment on the day of the Meeting.

For the purpose of determining the voting entitlements at the Meeting, the Directors have determined that Shares will be taken to be held by the registered holders of those Shares at 7:00pm AEST on 10 May 2022. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

By order of the Board

Jaroslav (Jarek) Kopias
Company Secretary
Brisbane, 25 March 2022

ANNUAL GENERAL MEETING - EXPLANATORY NOTES

These Explanatory Notes accompanying this Notice of Meeting are incorporated in and comprise part of this Notice of Meeting and should be read in conjunction with this Notice of Meeting.

If any Shareholder is in doubt as to how they should vote, they should seek advice from their legal, financial or other professional adviser prior to voting.

Introduction

These Explanatory Notes have been prepared to provide Shareholders with material information to enable them to make an informed decision on the business to be considered at the Annual General Meeting of the Company. The Directors recommend Shareholders read these Explanatory Notes in full before making any decision in relation to the Resolutions.

Terms defined in the Notice of Meeting have the same meaning in these Explanatory Notes.

Receiving financial statements and reports

The Corporations Act requires that Shareholders consider the annual consolidated financial statements and reports of the Directors and auditor every year.

There is no requirement either in the Corporations Act or the Constitution for Shareholders to approve the financial report, the Directors' report or the auditor's report. Shareholders will be given a reasonable opportunity at the Meeting to:

- a) ask questions about, or make comments on, the management of the Company; and
- b) ask a representative of the Company's Auditor, Grant Thornton, questions relevant to:
 - 1) the conduct of the audit;
 - 2) the preparation and content of the Auditor's Report;
 - 3) the accounting policies adopted by the Company in relation to the preparation of the financial statements; and
 - 4) the independence of the Auditor in relation to the conduct of the audit.

A Member who is entitled to cast a vote at the Meeting may submit written questions to the Company's Auditor if the question is relevant to the content of the Auditor's report or the conduct of the audit of the annual financial report. A written question must be submitted by giving the question to the Company no later than 5:00pm AEST on Thursday 5 May 2022, being five business days before the day on which the Meeting is to be held and, the Company will then, as soon as practicable after the question has been received, pass the question on to the Auditor.

The Chair of the Meeting will allow a reasonable opportunity at the Annual General Meeting for a representative of the Company's Auditor to answer any such written questions submitted. If the Company's Auditor has prepared written answers to written questions, the Chair of the Meeting may allow these to be tabled at the Meeting and such written answers will be available to Members as soon as practicable after the Meeting. The Company will make copies of the question list reasonably available to Members attending the Meeting.

No Resolution is required to be moved in respect of this item of general business.

GENERAL BUSINESS

Resolution 1: Adoption of Remuneration Report

The Remuneration Report for the financial year ended 31 December 2021 is ordinarily set out in the Directors' Report within the 2021 Annual Financial Report, which is available on the Company's website: <https://www.australres.com/>. The Remuneration Report sets out the Company's remuneration arrangements for Directors, including the Managing Director, and members of the Company's Key Management Personnel.

Section 300A of the Corporations Act requires the Directors to include a Remuneration Report in their report for the financial year. Section 250R(2) of the Corporations Act requires the Remuneration Report to be put to a vote at the Company's Annual General Meeting. The vote on the Resolution is advisory only and does not bind the Directors or the Company. However, the Board will take the outcome of the vote into consideration when reviewing remuneration practices and policies.

The Directors believe that the Company's remuneration policies and structures are appropriate relative to the size of the Company and its business.

Board Recommendation: The Board, while noting that each Director has a personal interest in their own remuneration from the Company, recommends that Members vote in favour of Resolution 1.

Resolution 2: Re-election of Mr Daniel Jauncey as a Director of the Company

In accordance with clause 39 of the Constitution, there must be an election of Directors at each Annual General Meeting. A retiring Director is eligible for re-election.

ASX Listing Rule 14.5 provides that an entity which has directors must hold an election of directors at each annual general meeting.

Clause 39 of the Constitution provides, among other things, that:

- 39.1 Where the Company is listed, at each annual general meeting of the Company, the following Directors must retire from office:
- (a) any Director required to submit to re-election because of Rule 39.6;
 - (b) any Director required to submit to re-election because of their appointment to fill a casual vacancy or as an addition to the Board;
 - (c) one-third of the Directors for the time being excluding:
 - a. any Director who has been appointed to fill a casual vacancy or as an addition to the Board; and
 - b. any Managing Director where there is more than one Managing Director,or if their number is not a multiple of three then the greater of:
 - c. one; or
 - d. the number nearest to but not exceeding one-third.
- 39.2 Rule 39.1 does not apply to the Managing Director but if there is more than one Managing Director, Rule 39.1 does not apply to that Managing Director determined in accordance with Rule 44.2(b).
- 39.3 The Directors to retire under Rule 39.1(c) shall be determined according to the length of time each Director has spent in office, with those having spent the longest time in office retiring.
- 39.4 Where two or more Directors have been in office an equal length of time, the Directors to retire shall, in default of agreement between them, be determined by lot.
- 39.5 The length of time a Director has been in office shall be computed from the Director's last election or appointment where the Director has previously vacated office.
- 39.6 Subject to Rule 39.2 but despite anything to the contrary in this Constitution, a Director shall not continue in office for a period in excess of three consecutive years or until the third annual general meeting following the Director's appointment, whichever is the longer, without submitting to re-election.
- 39.7 A retiring Director shall retain office until the conclusion of the Meeting at which the retiring Director's successor is elected.
- 39.8 A retiring Director shall be eligible for re-election.

Accordingly, Mr Daniel Jauncey is required to retire as Directors of the Company and being eligible, has offered himself for re-election. A resume of Mr Jauncey follows:

Mr Daniel Jauncey (Executive Director)

Mr Jauncey founded Matilda Earthmoving in 2000. This business was based in Toowoomba, Queensland and operated predominately in Southern Queensland and Northern New South Wales. In 2003, Dan saw an opportunity in the resource sector to supply late model, low-hour ancillary equipment on a rental basis. This alleviated a number of industry challenges and, as a result, Matilda Earthmoving was wound down and Matilda Equipment was formed. Over a 15-year period, Dan expanded Matilda Equipment nationally and also established a branch operating in Papua New Guinea. In 2012, Matilda Equipment was recognised as one of the fastest growing companies in the country and was placed in the BRW Fast 100 Companies. In 2018, Matilda Equipment was sold to an ASX listed company.

Mr Jauncey was instrumental in the acquisition of the key mining assets for Austral in 2019. Since acquisition, he has been involved in all facets of Austral, from day-to-day operations through to capital raising. Mr Jauncey continues to drive the direction of Austral, with the management team, on operational and financial aspects of the business and works with the board of directors to ensure the Company is progressing according to its objectives. Mr Jauncey continue to work closely with the investor relations team on market strategy and maintaining a strong relationship with shareholders.

The Board considers Mr Jauncey not to be an independent Director as defined under the ASX Corporate Governance Principles and Recommendations.

Mr Jauncey has been a Director of the Company since 19 July 2019.

Board Recommendation: The Directors (other than Mr Jauncey who is not entitled to make, and does not make, a recommendation in relation to the Resolution) recommend that Shareholders vote in favour of Resolution 2.

The Chair of the Meeting intends to vote all undirected proxies in favour of the re-election of Mr Jauncey.

Resolution 3: Re-election of Mr Michael Hansel as a Director of the Company

In accordance with ASX Listing Rules, the Corporations Act and clause 37.2 of the Company's Constitution, a Director, having been appointed to the Board of the Company to fill a casual vacancy or as an additional Director may not hold office beyond the next Annual General Meeting.

Accordingly, Mr Michael Hansel, who was appointed as an additional Director of the Company since the Company's last Annual General Meeting, retires automatically as a Director of the Company and being eligible, has offered himself for election. A resume of Mr Hansel follows:

Mr Michael Hansel, LLB (Hons), BCom (Hons), BBus (Non-Executive Director)

Mr Hansel is a Corporate Partner of HopgoodGanim Lawyers specialising in mergers and acquisitions, IPO's, corporate governance, capital raisings, takeovers and joint ventures. Michael acts for a number of ASX-listed entities and large domestic and foreign private companies in the resources sectors. Michael has previously held a non-executive director position with ASX listed Metro Mining Limited.

Mr Hansel has consistently been recognised as a leading corporate, business & commercial lawyer by various legal publications including *Doyle's Guide* and *The Best Lawyer™*.

The Board considers Mr Hansel to be an independent Director as defined under the ASX Corporate Governance Principles and Recommendations.

Mr Hansel has been a Director of the Company since 14 February 2022.

Board Recommendation: The Directors (other than Mr Hansel who is not entitled to make, and does not make, a recommendation in relation to the Resolution) recommend that Shareholders vote in favour of Resolution 3.

The Chair of the Meeting intends to vote all undirected proxies in favour of the re-election of Mr Hansel.

Resolution 4: Appointment of Auditor

RSM Australia Partners were appointed as auditor in accordance with section 327A(1) of the Corporations Act. That appointment will lapse in accordance with section 327A(2) of the Corporations Act at the Company's Annual General Meeting. Section 327B(1) requires the appointment of an auditor at the Company's Annual General Meeting.

RSM Australia Partners of Level 13, 65 Castlereagh Street, Sydney, New South Wales has been duly nominated for appointment as the Company's auditor, as required by section 328B of the Corporations Act.

A copy of the nomination appears in Appendix 1.

RSM Australia Partners have consented to the firm's appointment.

Board Recommendation: The directors recommend that shareholders vote in favour of Resolution 4.

The Chair of the Meeting intends to vote all undirected proxies in favour of the appointment of RSM Australia Partners as the Company's auditor.

Resolution 5: Issue of Director Performance Rights to Mr Michael Hansel

Background

Mr Hansel is a non-executive Directors with responsibility of steering and oversight of the Company. For the purpose of remunerating Mr Hansel based on his qualifications and experience and the desire to preserve cash, the Board has determined to include an incentive based component to his remuneration package to align his remuneration with that of the other non-executive Directors. Mr Hansel has been invited by the board of the Company to receive up to 1,603,350 Director Performance Rights if approved by Members at this Meeting.

Reason for approval – Listing Rules

ASX Listing Rule 10.14 requires Shareholder approval for the issue of securities to a related party, or a person whose relationship with the entity, or a related party is, in ASX's opinion, such that approval should be obtained where the issue is under an employee incentive scheme. A Director is a related party of the Company. Accordingly, Mr Hansel is a related party of the Company due to his position as a Director and is therefore a person falling within category 10.14.1 of Listing Rule 10.14.

As Mr Hansel is a Director of the Company, shareholder approval is sought for the issue of a total of 1,603,350 Director Performance Rights to Mr Hansel (or his nominee) on the terms set out below. If approval of the issue of the Director Performance Rights is given under Listing Rule 10.14, approval is not required under Listing Rule 7.1. The issue of Director Performance Rights to Mr Hansel will therefore not be included in the 15% calculation for the purposes of Listing Rule 7.1.

All Director Performance Rights are proposed to be issued under the Company's Performance Share Plan (PSP).

If Resolution 5 is passed, then Mr Hansel will receive 1,603,350 Director Performance Rights.

If Resolutions 5 is not passed, Mr Hansel will not be issued with Director Performance Rights pursuant to the PSP.

Reason for approval – Corporations Act

The Corporations Act restricts the Company from giving certain "benefits" to certain persons (those who hold a managerial or executive office, as defined in the Corporations Act) on ceasing their employment with the Company (**Termination Benefits**), in the absence of prior shareholder approval unless an exemption applies.

The term "benefit" is defined broadly in the Corporations Act and includes benefits arising from the Board exercising its discretion under the rules of the PSP.

Accordingly, Resolution 5 also seek Shareholder approval for the purpose of the Company providing these Termination Benefits to Mr Hansel in accordance with the terms of the PSP.

Specifically, Shareholder approval is being sought to enable the Board to exercise certain discretions under the PSP, including the discretion to determine to waive some or all of the vesting conditions attaching to Performance Rights or accelerate their vesting, where a participant ceases to be employed or engaged by the Company, including as a result of redundancy, death, total or permanent incapacity and other circumstances determined by the Board.

This approval is being sought in respect of the current participation in the PSP, and the Termination Benefits that may arise if and when Mr Hansel ceases to be engaged by the Company.

Other than as expressly set out in Resolution 5, Mr Hansel will not participate in the PSP unless separate Shareholder approval is first obtained.

For the purposes of section 200E of the Corporations Act, the Company advises that various matters will or are likely to affect that value of the Termination Benefits that the Board may give under the PSP and, therefore the value of the Termination Benefits cannot be determined in advance.

The value of a particular benefit resulting from the exercise of the Board's discretion under the PSP will depend on factors such as the Company's share price at the time of the exercise of this discretion and the number of Performance Rights that the Board decides to waive the exercise conditions in respect of or for which the vesting date is accelerated. Some of the factors that may affect the value of the Termination Benefits are as follows:

- (a) the nature and extent of any exercise conditions waived by the Board;
- (b) the number of exercise conditions that have been satisfied at the time that the Board exercises this discretion; and
- (c) the number of unexercised Performance Rights that Mr Hansel holds at the time that this discretion is exercised.

Issue of Director Performance Rights

Upon approval at this Meeting, the Company intends to issue 1,603,350 Director Performance Rights to Mr Michael Hansel within 5 business days of the Meeting. The Director Performance Rights will vest in tranches upon each performance hurdle being met as approved by the Board. The Company will not issue the Director Performance Rights later than 1 month after the Meeting.

In the event that all Director Performance Rights vest upon satisfaction of the KPIs (at the Board's discretion), the maximum number of Shares that would be issued to Mr Hansel is 1,603,350. The Shares to be issued upon vesting of the Director Performance Rights will all be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.

The Company advises that there are no loans provided to Mr Hansel in relation to the issue of Director Performance Rights. Further key terms of the PSP are included in Appendix 2 to this Notice.

Issue Price and Exercise Price

There is no issue price and consequently there are no funds raised upon issue of the Director Performance Rights as they are issued for nil consideration. Each Performance Right issued to the Director will have a nil exercise price.

Key Performance Indicators

The Performance Rights vest and become exercisable if the KPI hurdle is satisfied by the vesting date.

Where KPI's are met and Performance Rights are exercised, Shares on the exercise of Performance Rights are expected to be issued progressively over the period to expiry.

Performance Rights will lapse approximately three months after vesting date if the KPI hurdles are not met.

#	Key Performance Indicator	Performance Right #	Vesting Date ¹	Expiry Date ²
1	First material ore production from Anthill deposit	400,837	See Note 3 below	30 Jun 25
2	Production of 20kt of Copper cathode from Anthill Project	160,335	30 Jun 24	30 Jun 26
3	Generate 20kt inferred resource 1	400,837	30 Jun 25	30 Jun 26
4	Share price target of \$0.50	320,670	30 Jun 25	30 Jun 26
5	Health Safety Security Environment and Quality (HSSEQ) and Indigenous Affairs – FY 2022	80,168	30 Jun 22	30 Jun 25
6	HSSEQ and Indigenous Affairs – FY 2023	80,168	30 Jun 23	30 Jun 26
7	Generate 20kt inferred resource 2	160,335	30 Jun 25	30 Jun 26
Total		1,603,350		

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 Performance 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 Performance Rights will lapse no later than 3 months after the Vesting Date.
3. The Vesting Date will be the date which is six months following the commencement of overburden mining at the Anthill Project - set at 7 July 2022.

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 program 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	This KPI will be considered satisfied where both of the following criteria are met during the relevant period: (a) 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 period prior to first production at the Anthill Project); and (b) the Company (or its relevant subsidiary) is not in material breach or in material dispute with any counter-party 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: (a) 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 (b) the Company (or its relevant subsidiary) is not in material breach or in material dispute with any counter-party 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%.

Total current remuneration

Mr Hansel's remuneration is \$60,000 per annum with payments commencing from 14 February 2022, upon appointment as a Director.

Mr Hansel has the following relevant interest in Equity Securities of the Company (not including the proposed issue of Securities subject to Shareholder approval at this Meeting):

Shares 500,000

If all of the Director Performance Rights granted to Mr Hansel vest and are exercised, then a total of 1,603,350 new Shares would be issued. This will increase the number of Shares on issue from 445,375,000 to 446,978,350 (assuming that no other options or rights are exercised and no other Shares are issued) with the effect that the shareholding of existing Shareholders would be diluted by approximately 0.36%.

The market price for Shares during the term of the Director Performance Rights will affect the value of the perceived benefit given to Mr Hansel. If, at any time, any of the Performance Rights vest, then there may be a perceived cost to Austral. The trading history of Shares on ASX in the 12 months before the date of this Notice (commencing 3 November 2021 upon the Company's initial listing on the ASX to 28 February 2022) are:

	Price	Date
Highest	\$0.22	9 November 2021 and 3 February 2022
Lowest	\$0.15	3 November 2021 and 24 December 2021
Last	\$0.20	28 February 2022

Corporations Act

Under Chapter 2E of the Corporations Act, a public company cannot give a financial benefit to a related party unless an exception applies or shareholders have in a general meeting approved the giving of that financial benefit to the related party.

Mr Hansel is a Director so is a related party of the Company. In accordance with section 208 of the Corporations Act, to give a financial benefit to a related party, the Company must obtain Shareholder approval unless the giving of the financial benefit falls within an exception in sections 210 to 216 of the Corporations Act.

The Board has formed the view that Shareholder approval under section 208 of the Corporations Act is not required for the proposed issue of the Director Performance Rights, pursuant to Resolution 5 as the exception in section 211 of the Corporations Act applies. Shareholder approval must nonetheless be obtained pursuant to ASX Listing Rule 10.14. The Performance Rights which are proposed to be issued are considered by the Board to be reasonable remuneration for the purposes of section 211 of the Corporations Act.

ASX Listing Rules Disclosure

ASX Listing Rule 10.14 provides that a Company must not issue or agree to issue securities to a related party (a Director), without first obtaining shareholder approval.

ASX Listing Rule 10.15 requires that the following information be provided to Shareholders when seeking an approval for the purposes of ASX Listing Rule 10.14:

- (a) the Performance Rights will be issued to a nominee of Mr Hansel;
- (b) the number of Performance Rights to be issued is up to a total of 1,603,350;
- (c) the issue of the Performance Rights subject of Resolution 5 is expected to occur no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and in any case no later than 3 years from the date of the Meeting, but will vest upon meeting the required KPIs;
- (d) the Performance Rights will be issued for no consideration and no consideration is payable by Mr Hansel upon the exercise and conversion of the Performance Right to a Share;
- (e) The Company will undertake a valuation using the Monte Carlo and Black Scholes valuation methods for these rights if approved by Shareholders, in the same way as for other KMP disclosed in the 2021 annual report. Indicatively, the weighted average fair value of Performance Rights issued to KMP in August 2021 (with the same KPI's) was approx 16.3 cents per Performance Right.
- (f) Mr Hansel has not previously been issued Performance Rights under the PSP; and
- (g) no funds will be raised upon the issue of Performance Rights.

Details of any Performance Rights issued under the PSP will be published in the Company's annual report relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14.

Any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of Performance Rights under the PSP after the Resolution is approved and who were not named in the Notice will not participate until approval is obtained under Listing Rule 10.14.

Board Recommendation

Mr Hansel declines to make a recommendation to Shareholders in relation to Resolution 5 due to his material personal interest in the outcome of the Resolution on the basis he is to be issued 1,603,350 Director Performance Rights should Resolution 5 be passed.

With the exception of the Performance Rights to himself, no other Director has a personal interest in the outcome of Resolution 5. The Directors (other than Mr Hansel in respect of Resolution 5) recommend that Shareholders vote in favour of Resolution 5 for the following reasons:

- the issue of Director Performance Rights to Mr Hansel will better align the interests of Mr Hansel with those of Shareholders;
- the issue of the Director Performance Rights is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would, if cash payments were given to Mr Hansel under their employment arrangements; and
- it is not considered that there aren't any significant opportunity costs to Austral or benefits foregone by Austral in the issue of Director Performance Rights on the terms proposed.

In forming their recommendations, each Director considered the skills and experience Mr Hansel brings to the Company and the current market price of Shares when determining the number of Director Performance Rights to be issued.

The Chair of the Meeting intends to vote all undirected proxies in favour of Resolution 5.

Resolution 6: Approval of 10% Additional Placement Capacity

Background

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued Share capital through placements over a 12 month period after the Annual General Meeting at which approval by special resolution of the issue is obtained (**10% Placement Facility**). This 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1 and allows the Company to issue up to 25% of its issued capital in total.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity at the date of this Notice of Meeting and must remain compliant with the requirements of Listing Rule 7.1A at the date of the Meeting to be able to utilise the additional capacity to issue Equity Securities under that Listing Rule.

Any Equity Securities issued under the 10% Placement Capacity must be in the same class as an existing class of quoted Equity Securities.

The Company is now seeking Shareholder approval by way of a Special Resolution which requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative) to have the ability to issue Equity Securities under the 10% Placement Facility. The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2.

If Resolution 6 is passed, the Directors will be able to issue Equity Securities in the Company for up to 10% of the Company's Securities on issue during the period up to 12 months after the Meeting, calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2.

If Resolution 6 is not passed, the Directors will be unable to issue Equity Securities under the Company's 10% Additional Placement Capacity and the Company will be unable to raise funds using the Company's 10% Additional Placement Capacity.

Number of Securities

The formula for calculating the maximum amount of Securities to be issued or agreed to be issued under the 10% Placement Facility is calculated as follows:

$$(A \times D) - E$$

A is the number of fully paid ordinary Securities on issue 12 months before the date of issue or agreement:

- plus the number of fully paid ordinary Securities issued in the 12 months under an exception in Listing Rule 7.2 (other than exception 9, 16 or 17);
- plus the number of fully paid ordinary Securities issued in the 12 months on the conversion of convertible securities within Listing Rule 7.2 exception 9 where:
 - o the convertible securities were issued or agreed to be issued before the commencement of the 12 months; or
 - o the issue of, or agreement to issue, the convertible securities was approved, or taken under the Listing Rules to have been approved, under Listing Rule 7.1 or Listing Rule 7.4;
- plus the number of fully paid ordinary Securities issued in the 12 months under an agreement to issue Securities within Listing Rule 7.2 exception 16 where:
 - o the agreement was entered into before the commencement of the 12 months; or
 - o the agreement or issue was approved, or taken under the Listing Rules to have been approved, under Listing Rule 7.1 or Listing Rule 7.4;
- plus the number of partly paid ordinary Securities that became fully paid in the 12 months;
- plus the number of any other fully paid ordinary Securities issued in the 12 months with approval under Listing Rule 7.4 (excluding an issue of Shares under the Company's 15% placement capacity without Shareholder approval);
- less the number of fully paid ordinary Securities cancelled in the 12 months.

D is 10%

E is the number of Equity Securities issued or agreed to be issued under this Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement and where the issue or agreement has not been subsequently approved by Shareholders under Listing Rule 7.4.

The ability to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

A number of scenarios showing potential issues under Listing Rule 7.1A are detailed in **Table 1**.

As at the date of this Notice of Meeting, the Company does not have any intention to issue any Equity Securities under ASX Listing Rule 7.1A.

Specific information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Additional Placement Capacity as follows:

1. Timing

The date by which the Equity Securities may be issued is the earlier of:

- i) 12 months after the date of this Annual General Meeting;
- ii) the time and date of the Company's next annual general meeting; and
- iii) the time and date of approval by Shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking).

2. Minimum issue price

The issue price of Equity Securities issued under this 10% Additional Placement Capacity must be in an existing quoted class of the Company's Equity Securities and issued for a cash consideration per security which is not less than 75% of the VWAP for Securities in that class, calculated over the 15 trading days on which trades in that class were recorded immediately before:

- i) the date on which the price at which the Securities are to be issued is agreed by the Company and the recipient of the Securities; or
- ii) if the Securities are not issued within 10 trading days of the date in paragraph i), the date on which the Securities are issued.

3. Purposes for which Equity Securities may be issued

The Company may seek to issue the Equity Securities to use the funds raised towards an acquisition of new projects, assets or investments (including expenses associated with such acquisition), continued exploration, development or production expenditure on the Company's current assets and/or general working capital. Shares issued under the 10% Additional Placement Capacity will be for cash consideration only.

4. Risk of economic and voting dilution

If this Resolution is approved by Shareholders and the Company issues Equity Securities under the 10% Additional Placement Capacity, there is a risk of economic and voting dilution to existing Shareholders, including the risk that:

- i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting in which the approval under rule 7.1A is given; and
- ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date.

Table 1 below shows:

- i) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary Securities the Company has on issue. The number of ordinary Securities on issue may increase as a result of ordinary Securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future meeting of Shareholders; and
- ii) two examples where the issue price of ordinary Securities has decreased by 50% and increased by 100% as against the current market price.

TABLE 1

Variable "A" in Listing Rule 7.1A.2		Dilution		
		\$0.10 50% decrease in issue price	\$0.20 Issue Price	\$0.40 100% increase in issue price
Current Variable A	10% voting dilution	44,537,500 Shares	44,537,500 Shares	44,537,500 Shares
445,375,000 Shares	Funds raised	\$4,454,000	\$8,908,000	\$17,815,000
50% increase in current Variable A	10% voting dilution	66,806,250 Shares	66,806,250 Shares	66,806,250 Shares
668,062,500 Shares	Funds raised	\$6,681,000	\$13,361,000	\$26,723,000
100% increase in current Variable A	10% voting dilution	89,075,000 Shares	89,075,000 Shares	89,075,000 Shares
890,750,000 Shares	Funds raised	\$8,908,000	\$17,815,000	\$35,630,000

Table 1 has been prepared on the following assumptions:

- Variable A being 445,375,000 Shares as at the date of this Notice of Meeting and on issue at the time of the Company's IPO;
- The issue price set out above is based on a price of 20 cents, being approximate weighted average price of Austral Shares since IPO and the IPO issue price.
- The Company issues the maximum number of Equity Securities available under the 10% Additional Placement Capacity.
- The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. It is assumed that no options or performance rights are exercised into Shares before the date of issue of the Equity Securities.
- The 10% voting dilution reflects the aggregate percentage dilution against the issued capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- **Table 1** does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Additional Placement Capacity, pursuant to an exception set out in Listing Rule 7.2 or any other issue with the approval of shareholders.
- **Table 1** shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- The funds raised have been rounded to the nearest thousand dollars.

5. Allocation policy

The Company's allocation policy is dependent upon the prevailing market conditions at the time of any proposed issue pursuant to the 10% Additional Placement Capacity. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to, but not limited to, the following factors:

- i) The purpose of the issue;
- ii) the methods of raising funds that are available to the Company, but not limited to, rights issues or other issues in which existing security holders can participate;
- iii) the effect of the issue in the Equity Securities on control of the Company;
- iv) the financial situation and solvency of the Company;
- v) prevailing market conditions; and
- vi) advice from corporate, financial and broking advisors (if applicable).

The allottees under the 10% Additional Placement Capacity have not been determined as at the date of this Notice, but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

6. Previously obtained approval under ASX Listing Rule 7.1A

The Company has not previously obtained Shareholder approval under Listing Rule 7.1A

Board Recommendation: The Directors recommend that Shareholders vote in favour of Resolution 6.

The Chairman of the Meeting intends to vote all undirected proxies in favour of the approval of 10% Additional Placement Capacity.

Glossary

In the Notice of Meeting and Explanatory Notes:

10% Additional Placement Capacity means the Equity Securities issued under Listing Rule 7.1A.

AEST means Australian Eastern Standard Time (Brisbane time).

Associate has the meaning given to that term in the Listing Rules.

ASX means ASX Limited (ABN 98 008 624 691).

Austral or the Company means Austral Resources Australia Ltd (ABN 50 142 485 470).

Board means the board of Directors of Austral.

Chair of the Meeting means the chairman of the Meeting.

Closely Related Party has the meaning given to it in the Corporations Act and the Corporations Regulations.

Constitution means the constitution of the Company.

Corporations Act means the *Corporations Act 2001* (Cth).

Corporations Regulations means the *Corporations Regulations 2001* (Cth).

Director means a director of the Company.

Director Performance Rights means unquoted performance rights issued under the Company's PSP.

Equity Securities or **Securities** has the same meaning as in the Listing Rules.

Explanatory Notes means these explanatory notes.

IPO means Initial Public Offering.

Key Management Personnel means a member of the key management personnel as disclosed in the Remuneration Report.

Listing Rules and **ASX Listing Rules** means the listing rules of ASX.

Meeting, AGM or Annual General Meeting means the annual general meeting of Shareholders to be held at the offices of HopgoodGanim Lawyers, Level 8, Waterfront Place, 1 Eagle Street, Brisbane, Queensland on Thursday 12 May 2022 at 10:00am AEST.

Member or **Shareholder** means each person registered as a holder of a Share.

Notice or **Notice of Meeting** means this Notice of Annual General Meeting.

Ordinary Resolution means a resolution passed by more than 50% of the votes cast by Shareholders entitled to vote at a general meeting of Shareholders.

Proxy Form means the proxy form attached to this Notice of Meeting.

PSP means Performance Share Plan as disclosed in the Company's Prospectus and Supplementary Prospectus dated lodged as an ASX announcement on 1 November 2021.

Remuneration Report means the section of the Directors' report of Austral that is included in the Company's Annual Report.

Resolution means a resolution referred to in this Notice.

Share means a fully paid ordinary share in the capital of the Company.

Special Resolution means a resolution passed by at least 75% of the votes cast by Shareholders entitled to vote at a General Meeting of Shareholders.

Appendix 1

16 February 2022

Mr Jarek Kopias
The Company Secretary
Austral Resources Australia Ltd
Level 9, 60 Edward Street
BRISBANE CITY QLD 4000

Dear Sir,

AUSTRAL RESOURCES AUSTRALIA LTD – NOMINATION OF AUDITOR

In accordance with section 328B(1) of the Corporations Act 2001 (Cth), I Steven Tambanis, being a shareholder of Austral Resources Australia Ltd ("Company"), hereby nominate RSM Australia Partners of Level 13, 65 Castlereagh Street, Sydney, New South Wales as auditor of the Company.

Yours faithfully



STEVEN TAMBANIS

Key terms of the PSP

1. Eligibility

- a. The Board may, in its absolute discretion, grant Performance Rights to an "Eligible Employee".
- b. An "Eligible Employee" is a Director, senior executive or full or part time employee or contractor of the Company or its related body corporate, who is invited by the Board to participate in the PSP.

2. Rights attaching to Performance Rights

- a. A Performance Right entitles its holder to a Share which can be exercised once the Performance Right has become exercisable and provided it has not lapsed.
- b. The Board may determine that certain performance conditions must be satisfied before the Performance Right becomes exercisable.
- c. If the performance conditions are satisfied, the Performance Rights vest and become exercisable.
- d. A Performance Right does not give the holder a legal or beneficial right to Shares.
- e. Performance Rights do not carry any rights or entitlements to dividends, return of capital or voting in shareholder meetings
- f. A Performance Right does not entitle the holder to participate in any new issues of securities unless, before the record date for determining entitlements under the new issue, that performance right has vested, been exercised and a share has been issued in respect of that right.

3. Exercise of Performance Rights

- a. Performance Rights will vest and become exercisable if:
 - i. the performance conditions set by the Board at the time of the grant are met;
 - ii. an event occurs such as the winding up of the Company; or
 - iii. the Board determines that a Performance Right becomes a vested Performance Right.
- b. Once the Performance Rights become exercisable, the holder will need to exercise those rights to acquire Shares.
- c. The exercise of any vested Performance Right granted under the PSP will be effected in the form and manner determined by the Board.
- d. Consideration, if any, for the issue of Performance Rights will be determined by the Board.

4. Lapse and Forfeiture

- a. The Performance Rights will lapse on their expiry date.
- b. This period may be shortened if the holder ceases to be employed under certain circumstances or where performance conditions have not been met.
- c. A Share issued on the exercise of an option will be forfeited upon the holder perpetrating fraud as against, acting dishonestly or committing a breach of its obligations to, the Company or any of its associated bodies corporate.

5. Restrictions

- a. The maximum number of Performance Rights that can be issued under the PSP is that number which equals 5% of the total number of issued Shares in existence from time-to-time subject to the Corporations Act, the ASX Listing Rules or any other statutory or regulatory requirements. Participants in the PSP are prohibited from transferring Performance Rights without the consent of the Board.
- b. Performance Rights will not be listed for quotation on the ASX. Shares issued on exercise of vested Performance Rights will be subject to transfer restrictions as determined by the Board at the time of granting the Performance Right.
- c. In the event of any reconstruction of the issued capital of the Company between the date of allocation of the Performance Rights and the exercise of those rights, the number of Shares to which the holder will become entitled on the exercise of the Performance Right or any amount payable on exercise of the Performance Right will be adjusted as determined by the Board and in accordance with the Listing Rules.



Austral Resources Australia Ltd | ACN 142 485 470

Proxy Voting Form

If you are attending the meeting
in person, please bring this with you
for Securityholder registration.

Holder Number:

Your proxy voting instruction must be received by **10.00am (AEST) on Tuesday, 10 May, 2022**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY VOTE ONLINE

Vote online at <https://investor.automic.com.au/#/loginsah>

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting form.

- ✓ **Save Money:** help minimise unnecessary print and mail costs for the Company.
- ✓ **It's Quick and Secure:** provides you with greater privacy, eliminates any postal delays and the risk of potentially getting lost in transit.
- ✓ **Receive Vote Confirmation:** instant confirmation that your vote has been processed. It also allows you to amend your vote if required.



SUBMIT YOUR PROXY VOTE BY PAPER

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

Individual: Where the holding is in one name, the Shareholder must sign.

Joint holding: Where the holding is in more than one name, all Shareholders should sign.

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.



