

ASX ANNOUNCEMENT



30 January 2024

Operational Update: Challenges Faced, Yet Still Mining

Austral Resources Australia Ltd (ASX:ARI) (Austral or the Company) provides the following operations update.

Impact of Bushfires on Austral Operations

During the December quarter, Austral encountered unprecedented events when destructive bushfires threatened local properties and mining sites in the western province of Far North Queensland over a three-week period.

Site personnel were evacuated due to the threat of bushfires surrounding the Company's operations and local community. The safety and well-being of all staff and contractors was the top priority. Austral's emergency response plan was activated with key management and trained staff remaining on-site to assist the surrounding community with the firefighting efforts. Mining and hauling campaigns were suspended to ensure all personnel could be safely evacuated and out of harm's way.

- Over 1.8 million acres surrounding and including Austral's tenure was affected.
- Drill core from 237 drill holes was damaged.
- 26km of water pipe infrastructure was damaged.
- Insurance assessors are currently evaluating the overall extent of damage to the operations.
- Heap leach pads and SX/EW plant remain operational and were minimally impacted by fire.

All staff, contractors, and members of the local community remained unharmed and safe, highlighting the effectiveness of the emergency response efforts.



Figures 1 and 2. Fire front surrounding the processing area and fire damage at core yard.

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Rainfall associated with Cyclone Kirrily

The Company has faced the recent impact associated with Cyclone Kirrily. Austral's crushing circuit at Mt Clarke faced a setback, resulting in one week's interruption to production. This disruption was primarily caused by exceedingly wet ore that caused significant and continual blockages.



Figures 3 and 4. Rainfall impacts on-site.

Appointment of Haulage Contractor

Austral is currently facing a shortfall of 487,000 tonnes in its road haulage activities for the Anthill project when measured against its budget targets.

To address this shortfall, Austral is pleased to announce that a new haulage contract has been successfully executed with REGROUP. Under this agreement, REGROUP will be providing 5 brand-new Kenworth C509 trucks, each equipped to tow new ultra quad trailers, with a Gross Vehicle Mass (GVM) weight of 240 tonnes. This transition aims to ensure more efficient and reliable haulage operations for the Anthill project moving forward.

Upon the commissioning of REGROUP's trucks, the Austral recovery plan will be to transport 250,000 tonnes of ore per month for the first three months before returning to the budgeted 200,000 tonnes per month.

Managing Director of Regroup Michael Still commented:

"REGROUP is looking forward to partnering with Austral Resources. With past experience in copper haulage and a significant investment in assets for our WA operations, we are excited to expand our offering into Queensland. The Anthill project delivers a great production platform into the local market and Austral has been incredibly accommodating in facilitating our arrival to site. Having already commenced haulage on site and being able to fill most roles with existing Queensland based staff, we are confident in delivering the required tonnes to the Run of Mine (ROM) for our client."

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Figures 5, 6 and 7. Regroup mobilising January 2024.

Shane O'Connell, Chief Operating Officer commented:

"I am conscious that we are regularly informing the market about these unique one-off events that continue to impact our operations, however the past 12 months has been a challenging period, dealing with issues that include fires and floods that have surpassed historical events. Throughout all of this, the safety of our employees and contractors has remained our highest priority. The addition of Regroup to our operations will play a pivotal role in helping us restore and normalise production to meet our budgeted targets."

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

FOR FURTHER INFORMATION PLEASE CONTACT:

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About Austral Resources

Austral Resources Australia Ltd (ASX:ARI) is a copper cathode producer operating in the Mt Isa region, Queensland, Australia. Its Mt Kelly copper oxide heap leach and solvent extraction electrowinning (SX-EW) plant has a nameplate capacity of 30,000tpa of copper cathode. Austral has developed its Anthill oxide copper mine which has an Ore Reserve of 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. The Company confirms that it is not aware of any new information or data that materially affects the exploration results and estimates of Mineral Resources and Ore Reserves as cross referenced in this release and that all material assumptions and technical parameters underpinning the estimates continue to apply and have not changed.