



**AUSTRAL RESOURCES**

**ANNUAL REPORT**  
31 DECEMBER 2023





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A large excavator is silhouetted against a bright orange and red sunset sky. The excavator's arm and bucket are visible on the left side of the frame. The ground is dark and flat.

# Monetising a large contained copper JORC resource

**Austral Resources Australia** Ltd is a copper producer, developer, and explorer located in the Mt Isa District of northwest Queensland.





The Company is actively mining its Anthill copper project. In 2023, Austral focused on reaching its objective of producing LME Grade A copper cathode through its wholly owned Heap Leach and SXEW processing facility, while also aiming to extend the Company's mine life through an intensive exploration program.



# Annual report overview

Throughout 2023, Austral remained focused on its target to produce a total of 40,000 tonnes of copper cathode from its flagship Anthill project. As the year closed on 31 December 2023, the Anthill project was reported to have a JORC Ore Reserve of 2.87 million tonnes at a copper grade of 0.94%. The operation faced a series of challenges over the year, including extraordinary weather conditions marked by significant rainfall and bushfires. Despite these adversities, production persevered, showcasing the Company's robust risk management framework and effective emergency response strategies. This steadfast commitment to maintaining mining operations and production, even in the face of such challenges, underlines Austral's resilience and dedication to achieving its objectives, whilst keeping the safety of its people its number one priority.

Austral wholly owns the Mt Kelly heap leach and SXEW (Solvent Extraction and Electrowinning) processing facility, designed to produce LME (London Metal Exchange) Grade-A copper cathode. The plant has the capability to produce 30,000 tonnes of copper cathode annually.

## Exploration

The Company continues to prioritise and test new targets across greater than 2,100km<sup>2</sup> of highly prospective tenement holdings as it seeks to identify additional oxide and sulphide resources. Between May and November, a total of 11,794m of reverse circulation holes and 1,901m of diamond holes were drilled.

Austral is also pursuing development plans for the Lady Colleen project with 7 new diamond drill holes completed from October to November 2023. Further drilling of exploration targets on its mine leases was completed throughout the year with targets tested at Lady Annie ML90179 (18 RC Holes), Anthill ML90233 (40 RC holes) Mt Kelly ML90170 (52 RC holes), McLeod Hill ML5474 (21 RC holes) and Flying Horse ML5447 (2 Diamond holes).

The exploration team is continuing to extend the

current copper inventory by developing the Lady Colleen and Flying Horse sulphide projects and identifying and testing new resources within the Company's tenements.

## Mining

Austral operates the Anthill Mine using a conventional truck and shovel approach. 2023 saw East Pit Stage 1 nearing completion while East Pit stage 2 pre-strip was well advanced. In West Pit the overburden has been removed to expose a copper oxide ore layer. The pits are now largely developed with the majority of waste material removed and can now be scheduled in a way that provides the optimal ore blends from each pit. This aims to provide around 6,000 tonnes per day of feed to the Mt Kelly processing area. The Company's technical services continue to manage the overall operation with mining, drilling, blasting, and road haulage activities contracted out to external parties.

## Processing

The SXEW (Solvent Extraction-Electrowinning) process at Mt Kelly continues to be a cornerstone of our operations, known for its energy efficiency, cost-effectiveness, and proven ability to produce high-purity LME Grade-A copper from oxide ores. The ore undergoes a series of steps starting from blending on the ROM pad, followed by crushing, sizing, and agglomeration. It is then placed in the heap leach, where diluted sulphuric acid is applied to extract the copper.

The copper-laden solution moves by gravity to the solvent extraction circuit for concentration, then to the electrowinning circuit, where copper is plated onto stainless steel cathodes through electrolysis. These cathodes are then processed, bundled, and prepared for export at Townsville Port.



# Performance highlights

▲ 104.2%    9,075t    \$110.28m

Total revenue  
increase

Copper  
sales

Sales  
revenue





13.7k

**Metres drilled  
in Exploration**

30tpd

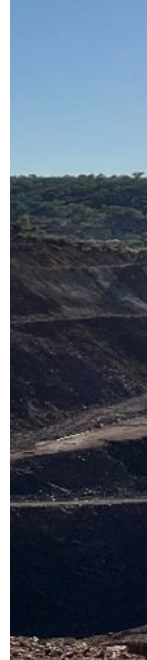
**Averaged  
in 2023**

9.15Mt

**Total material  
moved**



# Chairman and CEO's letter



## Dear fellow Shareholders,

2023 was an exceptionally challenging year not only for the company, but the shareholders. It was a year highlighted by extraordinary events with bushfires damaging assets, floods halting mining, haulage, crushing and processing, a sub US four dollar per pound copper price persisted, and an exchange rate that reached 0.67 USD/AUD. Challenges in transport and logistics getting our copper cathode from site to port and the ever present increase in the cost of supplies resulted in the need to implement a suspension of trading on the ASX to address our finance maturity date we had looming. These factors all contributed to a reduction in profit and the need to reorganise our balance sheet for the future success of the Company – therefore an extended suspension of trading was put in place. We now have the groundwork completed for a positive 2024 and beyond, a recapitalisation and resumption of trading.

Many global issues continue to impact the copper industry such as a slowdown in the Chinese economy, billion dollar insolvencies in financial and commodity markets, the persistence of civil unrest in Ukraine and Israel and a dramatic downward momentum in commodity prices including lithium and nickel created challenges in attaining the profits budgeted. The focus on copper as a critical mineral in China, Europe and USA and particularly in the electric vehicle markets highlights our potential for future success.

On a brighter note the Company made plans to produce an additional 1-3,000 tonne of ore per month from commencing operations at Lady Colleen and previously mined pits of Lady Annie, Lady Brenda, Mt Clarke and Flying Horse expected in mid-2024. Our substantial copper inventory will be further expanded through scheduled exploration, that currently sits at Mineral Resource Estimate of 53.74Mt @ 0.74% Cu (contained copper: 397,676t ASX 31 March 2023

release). In terms of costs we expect a reduction due to the accelerated pre-stripping operations at the Anthill mine. Our copper production from February 2024 onwards has been budgeted to improve to achieve our name plate production that is currently 833 tonnes of copper cathode per month.

The Company's objective is to increase the production potential of these targets through our own exploration team and sharing of exploration data with our exploration JV partners Glencore. We have a large number of copper oxide targets (west and east Mt Isa inliers) we are actively exploring. Our exploration focus will include multiple targets in the eastern tenement area in 2024 near Cloncurry. The exploration team drilled 147 holes with approximately 1,900m DDH and 11,794 metres RC in 2023 with encouraging results.

## ENVIRONMENT, SOCIAL AND GOVERNMENT INTERACTION

Our work on ESG has put a solid framework in place to extend our efforts in environmental, social and governance arenas. Our strategy of creating value for our stakeholders during the year, that includes shareholders, traditional owners, government resource departments and various contractors came from hard work, and a keen focus on the issues. Our creek diversion was successful again during the heavy rains (in 2023 Gunpowder recorded in excess of 1089mm).

We have six stakeholder value creation metrics that the board and management have designed to drive value creation across the Company and allow others to assess our performance. Even though we are 2 years into our production cycle we are on target to achieve most of these.

Throughout 2023, Austral steadfastly pursued its commitment to engaging with and supporting the community, evident through a series of shared benefit initiatives that highlighted its





dedication to nurturing a sense of community. Key activities included the sponsorship of the Yelvertolf Campdraft and Rodeo event, alongside generous donations to the IPCA Isolated Children's Parents Association in Mt Isa, and backing the AusIMM NQ Branch Critical Minerals Forum, showcasing the Company's extensive involvement across various community segments.

Austral further showcased its support by sponsoring the local U11 Representative team of the Mount Isa Amateur Netball Association, facilitating their competition in championships. The Company was also a sponsor of the Kalkadoon NAIDOC Elders Dinner during NAIDOC Week, thus prioritising the local Indigenous community's welfare. Beyond monetary support, Austral's contribution to the community also took on practical forms, such as donating scrap copper, and providing water trucks, graders and troughs for use to local landowners as well as complimentary accommodation for mustering camps. In a strategic move to deepen stakeholder relationships and better grasp community and environmental concerns, Austral initiated an ESG sentiment survey and established a local ESG Subcommittee, marking a comprehensive approach to bolstering stakeholder engagement.

## 2024 PRIORITIES

Looking ahead, our focus in 2024 will be:

- Recapitalisation and resume trading as soon as possible;
- Continued focus on safety, environment, governance and social licence
- Expand our exploration into both east and western inliers;
- Accelerate our joint venture exploration opportunities with Glencore;

- Anthill continuing to achieve approximately 830 up to 1000 tonnes per month of LME grade copper cathode;
- Continuing our exploration activities to expand Lady Annie, Flying Horse and Lady Colleen and other pits to acquire new copper oxide/sulphide resources;
- Further enhance our decarbonisation strategy, to reduce our greenhouse gases and diesel usage, and implement solar based energy in the camp;
- Managing the volatility of copper, AUD/USD currency exposures through hedging strategies
- Continue as a sustainable and responsible copper producer creating value for our stakeholders.

We thank our stakeholders for your continued support and confidence in the board, management and operations teams. The Company is acutely focussed on delivering safe and environmentally compliant operational performance, advancing our exploration projects and excited about what can be achieved in 2024 and beyond.

**Phillip Thomas**  
Chairman

**Dan Jauncey**  
CEO and  
Managing Director









# Review of operations

## Environmental and safety throughout 2023

Austral Resources' integrated Environmental and Safety Management department actively managed a broad spectrum of challenges, underscoring the Company's unwavering commitment to upholding exceptional safety and environmental standards. The department utilised key performance indicators such as the Total Recordable Injury Frequency Rate (TRIFR) and Lost Time Injury Frequency Rate (LTIFR) as benchmarks for assessing the efficacy of the company's safety protocols. The TRIFR's 12-month rolling average was reported at 6.6, while the LTIFR remained stable at 2.2, indicating a period devoid of lost time injuries. This stability highlights the effectiveness of Austral's health and safety management systems in fostering a secure work environment.

The year witnessed a variety of Health, Safety, Environmental, and Quality (HSEQ) incidents, including minor injuries, environmental spills, equipment damage, and near misses. These incidents provided valuable insights for ongoing improvement in safety and environmental practices. Efforts to enhance environmental stewardship focused on mitigating impacts such as process solution spills

and leaks alongside efficiently managing sewage treatment requirements under revised standards in line with the new environmental authority.

The department also faced, and adeptly managed challenges posed by wildfires across its leases, necessitating coordinated responses to protect property, land, and the environment. This holistic approach to safety and environmental management emphasised the importance of preparedness and responsiveness in the face of natural disasters.

The department's initiatives throughout 2023 illustrate Austral's comprehensive strategy towards environmental and safety concerns. Despite facing numerous challenges, the commitment to environmental stewardship and safety remained strong, with continuous efforts aimed at improving HSEQ outcomes across all areas of its operation.

## Mining operations throughout 2023

Anthill mining operations were centred on essential activities crucial for the mine's productivity. The year was marked by intensive drilling and blasting, aimed at optimising ore extraction through achieving proper





fragmentation. Despite facing variable ground conditions, Austral's operations adapted their strategies to maintain efficiency. The total meters drilled in 2023 reached 231,911.

After the completion of drilling operations, the subsequent critical tasks involved excavation and ore production. These processes entail the removal of overburden and the actual extraction of ore to ensure alignment between the volumes produced and the mine's planned output. In total, Austral moved 4.66 million bank cubic meters (BCMs) of material, providing a clear indicator of the substantial effort required to access valuable ore deposits.

A significant part of the annual review for Austral is addressing the challenges faced during 2023, particularly the issues

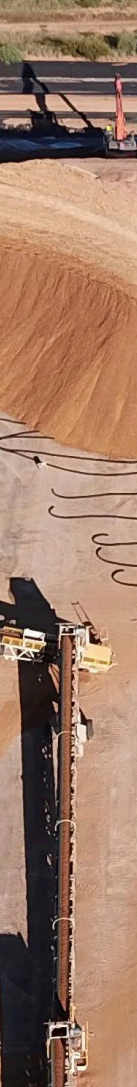
with crusher throughputs at the Mt Kelly processing facility. The primary issue identified was a considerable shortfall in ore availability, largely due to haulage challenges, which significantly impacted our operations. Road haulage is critical to the Company's logistics, playing a vital role in transporting mined ore to the processing hub. Throughout the year, there was a focused effort to enhance haul routes and improve the reliability of haul trucks, highlighting the commitment to improving logistical efficiency. These initiatives are key to reducing transportation costs and ensuring timely ore delivery. The total tonnes transported by road trains in 2023, recorded at 1.77 million wet metric tonnes, reflect Austral's continuous efforts to refine operations and boost productivity.

The metrics provided—total drill meters, total BCMs mined, and total tonnes hauled—serve as key performance indicators, showcasing the scale of Austral's mining activities throughout the year.

### **Mt Kelly processing department**

In 2023, the Mt Kelly processing department faced a series of operational challenges that significantly impacted its performance across multiple areas. The year was characterised by a distinct lack of ore availability at the Mt Kelly ROM, primarily attributed to challenges in haulage. Further complications arose from severe weather events, mechanical failures, and the issues involved in processing wet ore. These factors collectively resulted in notable decreases in crusher





throughputs, adversely affecting the department's overall productivity.

Despite these hurdles, the processing department showcased exceptional adaptability and resilience. This adaptability was key in overcoming the diverse challenges encountered throughout the year, allowing the Company to maintain operational continuity in the face of adverse conditions.

The department's achievements in copper production, including both stripping and plated outputs, sometimes exceeded the targets set for the year. This accomplishment demonstrates the department's ability to navigate and surmount operational challenges to meet production objectives under challenging circumstances. The operational efficiency of the SX/EW plant stood out, highlighting the department's skilful management of its resources. With a total of 1,500,747 dry tonnes stacked, total copper leached from the heap leach 8,639t, and

total copper stripped from the EW plant 9,159t. These figures represent key aspects of the department's performance over the year.

This account illustrates the Mt Kelly processing department's journey through 2023, marked by a series of challenges, adaptability, and significant achievements. Despite facing operational inefficiencies, the department's unwavering commitment to adapt and excel underscores its dedication to achieving operational excellence and fostering continuous improvement.

### Exploration in 2023

Austral has in excess of 2,100km<sup>2</sup> of highly prospective exploration tenure, with a global Mineral Resource endowment of 397,676t of contained copper with its 53.7Mt @ 0.70%Cu JORC compliant Mineral Resource. Exploration is structured and prioritised to maximise the potential to add economic inventory and extend Austral's life of mine. The exploration team is focused on drill testing

of prioritised targets and turning over prospects in a disciplined, timely and efficient manner. A simple 4-pronged strategy:

1. Discover additional oxide ore to extend Anthill's current mine life;
2. Monetise the current sulphide ore resource endowment;
3. Commence regional exploration for new sulphide resources; and
4. Review alternatives to purchase and toll treat other oxide ores; JV exploration tenure and acquire stranded copper resources in the region.

After an exceptional record wet season, Austral continued the execution of the exploration program as detailed in the prospectus and subsequent press releases. Prospects evaluated and drilling achieved during 2023 are detailed in Table 1, with publicly released results as detailed in Appendix 1.

**Table 1. Drilling achieved over Austral Resources exploration tenure**

|                     | Prospect        | RC (m)       | DDH (m)     | Holes      |
|---------------------|-----------------|--------------|-------------|------------|
| <b>Tenement</b>     | <b>OXIDE</b>    |              |             |            |
| Anthill ML90233     | Anthill         | 2546         |             | 28         |
|                     | Python          | 1679         |             | 22         |
| Mt Kelly ML90170    | Kryptos         | 941          |             | 14         |
|                     | Mt Kelly SE     | 540          |             | 10         |
|                     | Swagman N       | 1582         |             | 23         |
|                     | Spinifex        | 1123         |             | 5          |
| Lady Annie ML90179  | Lady Annie      | 1424         |             | 18         |
| McLeod Hill ML5474  | McLeod Hill     | 1896         |             | 21         |
|                     | <b>SULPHIDE</b> |              |             |            |
| Flying Horse ML5447 | Flying Horse    |              | 415         | 2          |
| Mt Kelly ML90170    | Lady Colleen    | 63           | 1486        | 7          |
| <b>Total</b>        |                 | <b>11794</b> | <b>1901</b> | <b>150</b> |



### Highlights from 2023

#### Lady Annie ML90179

A total of 18 RC holes were completed at Lady Annie in April for a total of 1,424m drilling<sup>1</sup>. Drilling intercepted moderate grade copper oxide horizons extending into the pit walls to the east and north of the existing Lady Annie open pit. Follow up work is planned to further evaluate copper resources adjacent to the current mine lease boundary in a strategic collaboration with Glencore who operate the surrounding Lady Loretta ML<sup>2</sup>. Copper intercepts were also recorded further to the west of the waste dumps extending the anomalous results from historical drilling into untested ground.

**Figure 1. Copper oxide in RC chips from Lady Annie drilling.**



#### McLeod Hill ML 5474

21 reverse circulation holes for 1896m were drilled this year between May and August to expand the oxide and sulphide resource and to increase confidence in the historical intercepts. Early results are encouraging<sup>3</sup> and are being used to update the 2010 MRE of 1.42Mt @ 0.49% Cu. Mineralisation is interpreted to extend out of the ML to the north into the adjacent EPMA 28881 Canyon. Austral has applied for the tenement and expect no issues in granting the application in 2024.

**Figure 2. Drilling at McLeod Hill, teapot relic from historic mining days filled with copper weed.**



1. ASX Release 21 June 2023.

2. ASX Release 21 July 2023.

3. ASX Release 6 September 2023.



### Mt Kelly Regional ML90170

Several prospective structures were tested by 52 drill holes for 4186m between May and July<sup>4</sup>. Minor remnant copper oxide was intersected in Mt Kelly SE adjacent to the Flying Horse pit. The remaining holes were spread over the tenement testing the Spinifex fault which controls mineralisation at Flying Horse and extends WNW to Lady Colleen and Swagman fault which hosts the Swagman resource 1km to the south east.

**Figure 3. Drilling at the Swagman North prospect**



### Anthill ML90233

At Anthill, 50 reverse circulation holes for a total of 4225m were completed between July and September on and adjacent to the mine lease continuing the program from 2022. 28 holes for 2546m was drilled on the Anthill ML testing potential extensions to the existing resource and

favourable geological and structural positions defined by geophysical data and regional mapping. The remaining 22 holes for 1679m were drilled at the Python prospect north west of the operating mine on the ML and extending north into EPM 16244. No significant oxide results were intersected

but potential still exists for deeper blind sulphide targets. Geochemical review of the effectiveness of legacy RAB drilling indicates more than 30% of the Anthill Mining Lease (ML) has no effective sampling with large areas to the south east remaining inadequately tested.

4. ASX Release 1 November 2023.



### Sulphide Resource

#### Lady Colleen ML90170

Austral Resources has received an initial evaluation of the economics of mining the copper resource at the Company's 100% owned Lady Colleen Project. The independent Scoping Study, prepared by CSA Global, indicates that construction

of an open cut mine at Lady Colleen is viable. Lady Colleen's current Total Mineral Resource is 2.8Mt @ 1.9% Cu<sup>5</sup>, which is part of Austral's current total JORC Resource Estimate of 397,676t<sup>2</sup>. Austral plans to follow through on key recommendations coming out of the independent Scoping Study to further improve the economics of the proposed mine.

From September to November, 7 new holes were drilled for 1486m of diamond drilling and 63m of reverse circulation drilling was completed at the Lady Colleen Project. The aim was to determine if there was significant mineralisation beyond the current block model and within mining distance of the whittle pit shells produced in 2022.

**Figure 4. Lady Colleen sulphide mineralisation**



#### Flying Horse ML5447

2 holes for 415m of diamond drilling were completed in November in the Flying Horse Pit. Targets were designed to test the extent of sulphide mineralisation adjacent to the existing block model. A significant intersection would indicate that there is potential for further unrecorded copper tonnes in the sulphide orebodies.

#### Regional Exploration

As part of the strategy to cover as much area as possible with the most efficient use of the budget, there was a focus on the available open file geophysical datasets, specifically the use of

Hyperspectral data from the Sentinel II satellites launched in 2015 and 2017. The higher resolution data is superior to the previous ASTER data from 1999 and is crucial in separating clay mineralogy spectra. This data set was unavailable to previous explorers and AR has the first opportunity to apply this freely available information to the current exploration holdings. AR in partnership with a consultant have employed the newly emerging AI technologies to separate the mineral signatures. This will allow a low cost, more targeted field reconnaissance in 2024 to ground truth the information and prioritise drill targets for the future

New areas are opening up for exploration targets in 2024 with the Canyon EPM adjacent to the McLeod Hill ML and the Lady Maggie Mine area 2km and 9km respectively to the south of the processing plant. The proximity to the SX-EW plant at Mt Kelly makes these prospects particularly prospective.

**Figure 5. Azurite crystals**



5. ASX Release 15 February 2023.



## Glencore/MIM Exploration agreement

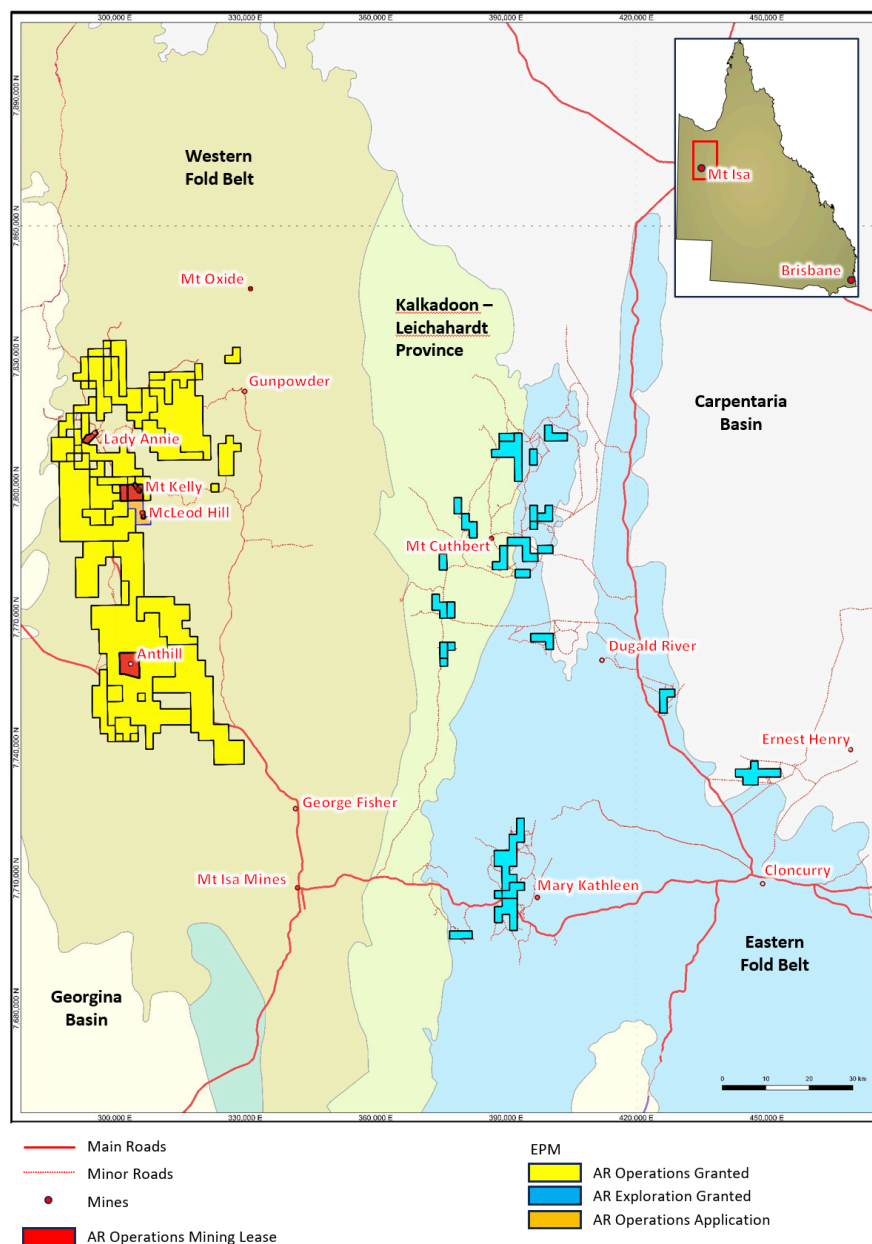
Regular technical, operational and logistical collaboration continued between Austral and Glencore technical and executive teams. In May, the Company made an application for a Regional Interests Development Application (RIDA) covering the majority of the Glencore JV area was submitted. This was to comply with Environmental Legislation requirements for access to mineral tenements. The application was granted in September.

Bush wildfires and environmental constraints prevented Glencore from commencing drilling of any exploration targets over the JV. With the early onset of the wet season, Glencore suspended all field activities pending recommencement in 2024.

## Tenure

During 2023 EPMLA 28349 and 28325 were approved and issued by the Queensland Government. This increases Austral's access to prospective ground immediately adjacent and contiguous to existing tenement holdings.

The Company holds 2,147km<sup>2</sup> of highly prospective exploration tenure comprised of 37 EPM's and 1 EPMA. Under the finalised Earn-in Agreement with MIM, Austral is entitled to earn-in up to 65% interest within MIM's Russell Fault EPM by spending A\$2.0 million over four years, effectively further increasing the Company's copper exploration area by 116km<sup>2</sup>. The Company also holds 15 Mining Leases covering 53km<sup>2</sup>.





# Austral Resources ESG

## Our ESG Commitment

ESG refers to three inter-related factors expressed as standards for an organisation's operational and corporate behaviour. Underpinned by the concept of sustainability, ESG is about achieving strong environmental, social and governance outcomes over a long term, common future.

Austral's mission is to profitably mine and process ores to make copper metal, to provide a return to its investors, to be a valued contributor to the Mt Isa district and its stakeholders, and to meet and exceed its environmental obligations over the life of its assets. Most importantly, the Company's governance is such that it complies with the mining regulations that create a framework for environmental practices and interface effectively with indigenous communities.

## ESG at Austral

In 2022 Austral formalised its ESG journey, with the development of an ESG Strategy and Program.

Key highlights from 2022 included:

- Identifying how operational fleet and water use impacts environmental footprint.
- Notable contributions to various community-led initiatives.
- Review corporate policies to strengthen governance.
- Development of ESG Committee and Charter to oversee Sustainability and ESG.
- Dissemination of an ESG Stakeholder Sentiment Survey.

In 2023, Austral commenced the year by finalising results from the ESG Stakeholder Sentiment Survey. The survey

targeted internal and external stakeholders and was designed to collect stakeholder feedback on Austral's ESG performance to date, as well as understand where Stakeholders would like to see Austral develop and focus efforts in future. One-on-one interviews were also held with key members of the Austral operations team to identify initiatives that would benefit employees on site, as well as the local community. Results from the sentiment survey and stakeholder interviews were used to underpin Austral's ESG materiality baseline and set priorities for development and delivery in its ESG program.

Austral held its first ESG Committee meeting in February 2023, followed by an ESG strategy workshop in March with the Austral leadership team to discuss the stakeholder feedback collected, and set future ESG





priorities for the program. Deliverables included a number of initiatives as well as stakeholder re-engagement points.

Key highlights from 2023 included:

- Endorsement and adoption of updated Corporate Governance Policy documents.

- Development of ESG Initiatives Workbook to capture existing and proposed ESG initiatives.
- Alignment of project initiatives to corporate objectives and sustainability reporting frameworks (SDGs, ICMM and GRI).
- Inclusion of ESG messaging in quarterly reporting.

- Alignment between project initiatives and corporate sustainability objectives.
- Establishment of ESG Subcommittee made up of a cross section of stakeholders, and hosting of its first meeting (detailed further below).

**Figure 6. Austral 2023 ESG Program Achievements**



## Environment

Copper is on the Australian Strategic Materials List and is important for the global transition to net zero as it supports technologies allowing progressive global decarbonisation. Austral Resources in a unique position to be part of solution to move the world away from fossil fuel consumption.

While Austral's mining fleet, light vehicles and camp power still rely on diesel, Austral is

actively investigating solar power generation where practical to reduce its carbon footprint and produce lower-carbon copper. At this stage, the consideration of solar power has been primarily for camp infrastructure, indicating a focused yet initial step towards integrating renewable energy sources within its operations. The heap leach SX and EW processing system relies on diesel due to the high amperage required but has a lower carbon footprint than

conventionally smelted copper sulphide.

Austral has implemented "wobbler" sprinklers and a "dripper irrigation" system to irrigate the heap at the Anthill Mine, projected to save up to 30% of makeup water. This builds on existing water recycling practices, including using treated sewage water and water from disused pits.

This year, Austral employees swapped single-use plastics for reusable steel containers





for packaging lunches and dinners, reducing onsite waste that would have otherwise headed for landfill. To ensure hygiene, industrial dishwashers have been installed at camp sites. Site employees are also recycling cans and bottles, using the local Mt Isa Containers for Change program. The proceeds feed back into the Austral Social club to assist with delivery of onsite social activities for its members.

In October, bushfires threatened several Austral's mining sites and the neighbouring properties. Collaboration between local landowners and mining staff ensured no injuries were reported. The following weeks were dedicated to restoration with teams repairing essential services and providing temporary accommodation. Austral's emergency preparedness and teamwork was apparent and celebrated.

Austral's 2024 ESG plan will look to further elevate sustainability and climate-related risk identification and mitigation as part of its overall operational and strategic risk management approach. Site-based workshops will be facilitated for assessing and mitigating emerging physical and transitional risks of climate change as a part of the commitment to responsible risk management and in preparation for future extreme weather events.

### **Social**

In 2023 Austral continued to support its existing community shared benefit initiatives. These included:

- Sponsorship of the Yelvertoft Campdraft and Rodeo event in Mt Isa
- Donations to the IPCA Isolated Children's Parents Association Inc. Mt Isa branch of the Air

- Support of the AusIMM NQ Branch Critical Minerals Forum
- Sponsorship of the local under 11 representative team of the Mount Isa Amateur Netball Association
- Sponsorship of the Kalkadoon NAIDOC Elders Dinner during NAIDOC Week
- Ongoing community support, such as using scrap copper for donations, offering use of water trucks and graders free of charge, donated troughs to local landholders and providing free accommodation for mustering camps.

In addition to undertaking a stakeholder ESG sentiment survey to collect stakeholder feedback, Austral took the opportunity to engage with a range of stakeholders in the form of an ESG Subcommittee meeting as further detailed below.



**Figure 7. Austral's Inaugural ESG Sub-Committee Meeting**



### ESG Subcommittee Meeting

A diverse cross section of stakeholders, including employees, landholders, supply partners and a local Member of Parliament attended Austral's inaugural ESG Subcommittee meeting in July 2023.

Across the day, Austral presented an overview of ESG initiatives delivered so far and future intentions. Key milestones such as results from the ESG Stakeholder Materiality Survey, strategy development, operational embedment and Corporate Governance were emphasised.

Stakeholders were subsequently interviewed about their experience at the engagement session and feedback was overall positive. The following initiatives were collected have been taken into consideration for future planning:

- Landholder and Indigenous group session as a collective – involve other mine sites in the area to avoid 'engagement fatigue'.
- Potential to bring on an indigenous elder who has experience as a liaison to mentor an Austral employee on indigenous engagement.
- Showcase on legacy and historical disturbance and rehabilitation efforts to date.
- Stakeholders would like to see elements of renewable energy utilised at Austral where possible and/or practical.
- Identify ways to support family and communities of FIFO workers.
- Review of other local successful traditional owner employers for inspiration.

This meeting was one of the highlights of 2023 and served as an opportunity to

bring together stakeholders from throughout Austral's value chain. Austral looks forward to presenting another collaboration in 2024.

### Our People

To ensure Austral continues to attract and retain its skilled workforce, we can also report on the following employee-centric initiatives that have been implemented during 2023:

- Upgrade of telecommunications equipment, ensuring employees have adequate phone reception to contact friends and family.
- Flying employees out on the morning of their final shift while still paying them a full day.
- Broadening the use of QR codes for employee feedback.



## Corporate Governance

To oversee transparency, Austral conducts regular ESG committee meetings, including attendance by members of the board, and maintains open communication with its stakeholders. This ensures all decisions and actions are aligned with its sustainability strategy.

Key focus areas for 2023 of Austral's governance included:

- Incorporation of feedback from ESG Stakeholder Sentiment survey.
- Establishment of ESG Committee and Governance.
- Quarterly ESG committee meetings.

- Regular review of corporate governance policy documents to ensure currency.

Focus for 2024 will be on:

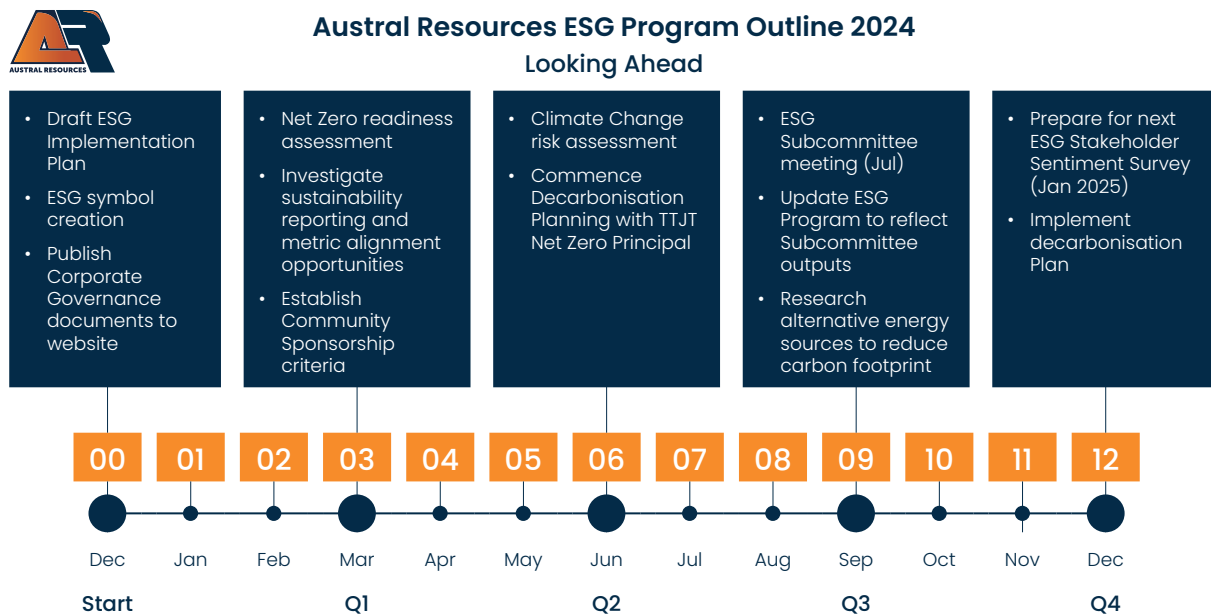
- Incorporation of feedback from stakeholders at the ESG Subcommittee.
- Gap analysis of sustainability reporting metrics.
- Performing a climate change risk assessment.
- Continue to enhance and expand its corporate policies and strategies.

## Looking Ahead

During 2024, Austral intends to further develop its ESG program with clear objectives, measurable targets, and transparent reporting systems to track progress. Key areas of focus are:

- Continue to engage with stakeholders with biannual sub-committee meetings.
- Targeted focus on initiatives that support the community and key stakeholders.
- Take steps towards the development of an achievable decarbonisation roadmap.
- Undertake a Sustainability and Climate Related Risk assessment.

**Figure 8. Austral 2024 ESG Program Outline**









# Board of Directors

## **Phillip Thomas**

Chairman

*Bachelor of Science in Geology; Masters in Business*

### **Memberships**

*Australian Institute of Geoscientists (AIG) Member; The Australasian Institute of Mining and Metallurgy (AusIMM) Fellow; Australasian Institute of Mineral Valuers and Appraisers (AIMVA) Member, Designation of Certified Mineral Valuer, and Director and past Chairman.*

### **Directorships**

Executive Chairman of Patagonia Lithium Ltd (ASX:PL3).

Phillip has previously been CEO and Chairman of a number of ASX and TSX companies and has a wealth of experience in exploration, mine feasibility and development, operations, minerals trading, corporate strategy and valuation. He has significant trading and investment banking experience having been a senior executive at Macquarie Bank, ABN-Amro, Watson Wyatt and McIntosh Securities.

Phillip has substantial Australian and international mining experience having worked in Chile (copper), Argentina, Peru, Mexico (copper), USA, Canada (copper) and Malaysia. He has a keen understanding of the skills required for the successful development of mining businesses and the teams that run them. He is a strong proponent of “get it right the first time” and developing people to excel in their roles. Phillip’s commodity experience includes copper, gold, iron ore, lithium, and rare earths.

Phillip joined the Board as a non-executive director in June 2021 and has since been appointed Chairman. His key responsibility is to provide guidance and share his experience, skills and expertise with other Board members and the CEO. The Board meets on a regular basis to receive CEO reports on the Company’s progress and assist in the decision making of significant endeavours. Phil is also the Chair of the Company’s ESG and Exploration Committees.

Phillip focuses on creating shareholder value. This means an increase in the share price, commensurate with positive economic developments achieved by the Company.



## **Dan Jauncey**

Managing Director and Chief Executive Officer

### **Memberships**

*Australian Institute of Company Directors (AICD); Young Presidents Organisation*

### **Directorships**

Executive Director of Austral Resources and subsidiaries; Non-Executive Director of Williams Engineering; Non-Executive Director of Austral Equipment Solutions; Non-Executive Director of Willows Health and Lifestyle Centre; Non-Executive Director of Club Toowoomba.

Dan 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. Dan was instrumental in the acquisition of the key mining assets for Austral Resources in 2019. Since acquisition, he has been involved in all facets of Austral Resources, from day-to-day operations through to capital raising. He takes a holistic, hands-on approach to business, regularly visiting sites and being involved with the team.

In July 2022, Dan was appointed the Managing Director and Chief Executive Officer of Austral Resources. Ultimately, he is responsible for ensuring the Company continues to grow through its LME Grade A copper production, Anthill Project and exploration.

Dan is keenly aware of the need to be agile and competitive in a global industry. He will position the Company to take full advantage of the team's skills and knowledge to diversify its production and maintain its position as a market leader.

## **Michael Hansel**

Non-executive Director

*LLB (Hons), BCom (Hons), BBus*

### **Memberships**

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. He was appointed as a non-executive director of Austral Resources in February 2022 and is Chair of the Company's Audit and Risk Committee. He also holds a non-executive director position with ASX listed Cannindah Resources Limited.

Michael is consistently recognised as a leading corporate, business and commercial lawyer by various legal publications including Doyle's Guide and The Best Lawyer™.



# Senior management team

## **Shane O'Connell**

### **Chief Operating Officer**

*Airline Transport Pilot Licence – CASA and CAA of Papua New Guinea; Chief Pilot Approvals and Head of Check and Training (CASA and CAA); Authorised Flight Examiner (CASA and CAA); Approved Maintenance Controller (CASA); Certificate Crew Resource and Management; Certificate Human Factors and Psychology; Certificate II Security; Certificate II Dangerous Goods Approvals; Certificate II Fire Management; Certificate III in Civil Construction*

Shane has over 20 years' experience in senior management roles across a range of industries, including an extensive and highly esteemed career in aviation and senior operational management.

Shane has experience as both a Director and Senior Manager and has worked as a Government Delegate facilitating compliance and safety programs for various civil aviation safety authorities in Australia, Papua New Guinea, and the United States of America.

Prior to joining Austral Resources, Shane was Managing Director and owner of a private earthmoving company that specialises in civil engineering and rehabilitation works.

Shane joined Austral Resources in July 2019. Previously, as Managing Director, Shane was responsible for the management, safety and compliance, and growth and production performance of the Company's operations. Shane has also been responsible for all negotiations with state regulators including the Department of Resources, Department of Environment and Science, and Queensland Treasury, particularly in relation to the Anthill Project.

Shane is a fundamental part of day-to-day internal communications with the production and processing teams, ensuring continued LME Grade A copper cathode is produced on time and on budget. Shane is also a member of the Company's ESG Committee.



### **Angus Peterson**

Acting Chief Financial Officer

*Bachelor of Commerce (Finance and Accounting)*

#### **Memberships**

Institute of Chartered Accountants Australia and New Zealand (ICAAANZ)

Angus has been an auditor with KPMG, where he worked for over 9 years with both listed and private companies. In this role, he had a particular focus on energy and natural resources and spent over 2 years in Houston, Texas working with oil and gas clients. Angus also spent 2 years working as the Financial Reporting Manager for TerraCom Resources, an ASX Listed coal mining company.

Angus joined Austral Resources in March 2021. As Interim CFO Angus is responsible for day-to-day accounting functions, integrating finance operations, managing the cash flow, the production of monthly financial reporting, and the preparation of the Company's financial statements.

### **Jarek Kopias**

Company Secretary

*Bachelor of Commerce (Accounting); Graduate Diploma in Advanced Corporate Governance; Chartered Secretary (AGIA, ACG (CS, CGP)); Certified Practising Accountant (CPA Australia)*

Jarek has over 25 years' industry experience in a wide range of financial and secretarial roles within the resources industry. This includes 5 years at WMC Resources Limited's Olympic Dam operations, 5 years at Newmont Mining Corporation in the Australian corporate office, and 5 years at Stuart Petroleum Limited, an oil and gas producer and explorer, prior to its merger with Senex Energy Limited.

Jarek is currently the CFO and Company Secretary of Resolution Minerals Ltd (ASX: RML) and iTech Minerals Ltd (ASX: ITM) and Company Secretary of Core Lithium Ltd (ASX: CXO), Iron Road Ltd (ASX: IRD), Copper Search Limited (ASX:CUS) and Patagonia Lithium Ltd (ASX:PL3). He has held similar roles with other ASX entities in the past, and has other business interests with numerous unlisted entities.

Jarek joined Austral Resources as Company Secretary in July 2021. With his extensive experience as a professional Company Secretary, Jarek is well versed in strategic planning and implementing best practice corporate governance processes. He continues to support in assisting the Board in carrying out its fiduciary duties as well as identifying opportunities for strategic governance and continuous improvement in systems and processes. Jarek is also a member of the Company's ESG Committee.







A large mining truck is visible in the lower half of the page, with its headlight and front wheel prominent. The background is a dramatic sunset sky with orange and yellow clouds.

# Financial report

## Contents

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## General information

The financial statements cover Austral Resources Australia Ltd as a consolidated entity consisting of Austral Resources Australia Ltd and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Austral Resources Australia Ltd's functional and presentation currency.

Austral Resources Australia Ltd is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

### Registered office and principal place of business

RACQ House  
Level 9, 60 Edward Street  
Brisbane City QLD 4000

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 28 March 2024. The directors have the power to amend and reissue the financial statements.



# Directors' report

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Austral Resources Australia Ltd (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 31 December 2023.

## Directors

The following persons were directors of Austral Resources Australia Ltd during the whole of the financial year and up to the date of this report, unless otherwise stated:

Phillip Thomas

Daniel Jauncey

Michael Hansel

Jeffrey Innes (resigned on 16 March 2023)

## Principal activities

During the financial year the principal activities of the consolidated entity consisted of production, development and exploration activities of copper resources at the consolidated entity's mining tenements predominately situated in Queensland, Australia.

## Dividends

No dividends have been paid, recommended, or declared during the current financial year (2022: Nil).

## Review of operations

The profit attributable to the owners of Austral Resources Australia Ltd for the consolidated entity after providing for income tax amounts to \$9,452,000 (31 December 2022: Loss of \$29,800,000).

Austral Resources Australia Ltd has achieved the following for the year ended 31 December 2023:

- Copper cathode sales of 9,075 tonnes (2022: 4,423 tonnes) at an average sale price of US\$8,442 per tonne (2022: US\$8,359 per tonne);
- Revenue from operations \$110,280,000 (2022: \$53,993,000);
- Net operating cash inflows of \$41,913,000 (2022: outflows of \$1,801,000);
- Cash and cash equivalents of \$1,145,000 (2022: \$1,535,000).

## Matters subsequent to the end of the financial year

There are no matters or circumstances that have arisen since the end of the reporting period which significantly affected or may significantly affect the operations of the consolidated entity, the results of the operations or the state of affairs in the subsequent period.

## Likely developments and expected results of operations

The consolidated entity intends to continue its production, development and exploration activities on its existing projects and to acquire further suitable projects for exploration as opportunities arise.

## Environmental regulation

The consolidated entity is subject to and is compliant with all aspects of environmental regulation of its exploration and mining activities. The directors are not aware of any environmental law that is not being complied with.



## **Principal risks**

The consolidated entity operates in the copper industry in Australia. There are a number of factors, both specific to the consolidated entity and to the copper industry in general, which may, either individually or in combination, affect the future operating and financial performance of the consolidated entity, its prospects and/or the value of the consolidated entities shares. Many of the circumstances giving rise to these risks are beyond the control of the board and management. The major risks believed to be associated with investment in the consolidated entity are as follows:

### **Operational Risk**

The Company's current and proposed copper production operations may be affected by a range of operational factors. These include failure to achieve the predicted grade in mining, processing, technical difficulties encountered in commissioning and operating plant and equipment, mechanical failure, problems which affect extraction rates and costs, adverse weather conditions, industrial and environmental accidents, industrial disputes, unforeseen delays, unexpected shortages or increase in the costs of consumables, spare parts, plant and equipment.

### **Development risk**

There is a risk that circumstances (including unforeseen circumstances) may cause a delay to project development, exploration milestones or other operating factors, resulting in receipt of revenue at a later date than expected. Additionally, the construction of new projects/expansion by the consolidated entity may exceed the currently envisaged timeframe or cost for a variety of reasons outside the control of the consolidated entity.

### **Exploration and evaluation risk**

The long-term value of Austral will depend on its ability to find and develop resources that are economically recoverable within Austral's licences. Mineral exploration and development is inherently highly speculative and involves a significant degree of risk. There is no guarantee that it will be economic to extract these resources or that there will be commercial opportunities available to monetise these resources.

### **Reserves and resource estimates**

The Ore Reserves estimates represent expressions of judgement on the estimated tonnages and grades which Austral has determined are technically feasible and economically viable to mine and process under present and assumed future conditions. Any adjustments to reserves could affect the consolidated entity's exploration and development plans which may, in turn, affect the consolidated entity's performance. If Austral's actual realisation of mineral quantities and grades is less than estimated, there will be a corresponding effect on the operations and financial performance of the Company.

### **Environmental risks**

The consolidated entity's operations and projects are subject to the laws and regulations of all jurisdictions in which it has interests and carries on business, regarding environmental compliance and relevant hazards.

As with most development and exploration projects operations, the consolidated entity's activities are expected to have an impact on the environment. Significant liability could be imposed on the consolidated entity for damages, clean-up costs, or penalties in the event of certain discharges into the environment, environmental damage caused by previous owners of property acquired by the consolidated entity, or non-compliance with environmental laws or regulations.

There is also a risk that the environmental laws and regulations may become more onerous; increasing the consolidated entity's operation costs.



### Changes in commodity price

The consolidated entity's potential future revenues are likely to be derived mainly from copper revenue and/or from royalties gained from potential joint ventures or other arrangements. Consequently, the consolidated entity's potential future earnings will likely be closely related to the price of copper.

If the consolidated entity is producing copper and the market price of copper were to fall below the costs of production and remain at such a level for any sustained period, the consolidated entity would experience losses and could have to curtail or suspend some or all of its proposed activities.

### Exchange rate risk

The revenues, earnings, assets and liabilities of the consolidated entity may be exposed adversely to exchange rate fluctuations.

### Information on directors

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|                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|-------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Name:</b>                                                | <b>Phillip Thomas</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>Title:</b>                                               | Non-executive Chairman                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Qualifications:</b>                                      | BSc MBM FAusIMM MAIG MAIMVA(CMV)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>Experience and expertise:</b>                            | <p>Mr Thomas has been CEO and Chairman of a number of ASX and TSX companies and has a wealth of experience in exploration, mine feasibility and development, operations, minerals trading, corporate strategy and valuation. He has significant trading and investment banking experience having been a senior executive at Macquarie Bank, ABN-Amro, Watson Wyatt and McIntosh Securities.</p> <p>Mr Thomas has substantial Australian and international mining experience having worked in Chile (copper), Argentina, Peru, Mexico (copper), USA, Canada (copper) and Malaysia. He has a keen understanding of the skills required for the successful development of mining businesses and the teams that run them. He is a strong proponent of "get it right the first time" and developing people to excel in their roles. Mr Thomas' commodity experience includes copper, gold, iron ore, lithium, and rare earths.</p> |
| <b>Other current directorships:</b>                         | Executive Chairman of Patagonia Lithium Ltd (ASX:PL3).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Former directorships (last 3 years):</b>                 | None                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Special responsibilities:</b>                            | Member of the Audit & Risk Committee                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Interests in shares, options and performance rights:</b> | 1,170,837 ordinary shares held by entities controlled by Mr Thomas and 1,199,845 performance rights, subject to KPI based vesting criteria, held by Mr Thomas.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |

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|                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|-------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Name:</b>                                                | <b>Daniel Jauncey</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Title:</b>                                               | Managing Director and Chief Executive Officer                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Qualifications:</b>                                      | AICD                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>Experience and expertise:</b>                            | <p>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, Mr Jauncey 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, he has 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.</p> <p>Mr Jauncey was instrumental in the acquisition of the key mining assets for Austral Resources in 2019. Since acquisition, he has been involved in all facets of Austral Resources, from day-to-day operations through to capital raising. He takes a holistic, hands-on approach to business, regularly visiting sites and being involved with the team.</p> |
| <b>Other current directorships:</b>                         | None                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>Former directorships (last 3 years):</b>                 | None                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>Special responsibilities:</b>                            | Member of the Audit & Risk Committee                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>Interests in shares, options and performance rights:</b> | 264,933,671 ordinary shares held by entities controlled by Mr Jauncey and related parties and 16,664,507 performance rights, subject to KPI based vesting criteria, held by an entity controlled by Mr Jauncey.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |

|                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|-------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Name:</b>                                                | <b>Jeffrey Innes (resigned on 16 March 2023)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Title:</b>                                               | Non-executive Director                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>Qualifications:</b>                                      | BEng, DipFin, FAusIMM and GAICD                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Experience and expertise:</b>                            | <p>Mr Innes is a professional leader with high integrity and demonstrated performance in operations management, strategic planning in mines, feasibilities, mine expansion, and HR restructuring. He possesses a progressive style of leadership, with a strong customer focus and an ability to view the organisation in a global context. His management style involves focusing teams on value adding priorities. His commodity experience includes zinc, silver, lead, iron ore, gold, copper, uranium and coal.</p> <p>Mr Innes has worked across senior management levels at a number of companies, including General Manager positions with MIM, Joy Global, HSE Mining, BHP, and Ok Tedi Mining Limited (PNG), as well as COO for Conquest Mining.</p> |
| <b>Other current directorships:</b>                         | None                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Former directorships (last 3 years):</b>                 | None                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Special responsibilities:</b>                            | Member of the Audit & Risk Committee                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Interests in shares, options and performance rights:</b> | 650,837 ordinary shares held by Mr Innes and an associate at the time of ceasing to be a director.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |



|                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|-------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Name:</b>                                                | <b>Michael Hansel</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>Title:</b>                                               | Non-executive Director                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Qualifications:</b>                                      | LLB (Hons), BCom (Hons), BBus                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Experience and expertise:</b>                            | <p>Mr Hansel is a Corporate Partner of HopgoodGanim Lawyers specialising in mergers and acquisitions, IPO's, corporate governance, capital raisings, takeovers and joint ventures. Mr Hansel acts for a number of ASX-listed entities and large domestic and foreign private companies in the resources sectors.</p> <p>Mr Hansel has previously held a non-executive director position with ASX listed Metro Mining Limited.</p> <p>Mr Hansel has consistently been recognised as a leading corporate, business and commercial lawyer by various legal publications including Doyle's Guide and The Best Lawyer™.</p> |
| <b>Other current directorships:</b>                         | None                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Former directorships (last 3 years):</b>                 | None                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Special responsibilities:</b>                            | Chairman of the Audit & Risk Committee                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Interests in shares, options and performance rights:</b> | 500,000 ordinary shares held by entities controlled by Mr Hansel, 400,000 unquoted options, \$0.40 exercise price and 3 November 2024 expiry, held by an entity controlled by Mr Hansel and 1,600,682 performance rights, subject to KPI based vesting criteria, held by an entity controlled by Mr Hansel.                                                                                                                                                                                                                                                                                                            |

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

### Company secretary

Jaroslav Kopias (CPA, AGIA, ACG (CS, CGP) has held the role of Company Secretary since July 2022. He is currently the CFO and Company Secretary of Resolution Minerals Ltd (ASX: RML) and iTech Minerals Ltd (ASX: ITM) and Company Secretary of Core Lithium Ltd (ASX: CXO), Iron Road Ltd (ASX: IRD), Copper Search Limited (ASX:CUS) and Patagonia Lithium Ltd (ASX:PL3). He has held similar roles with other ASX entities in the past, and has other business interests with numerous unlisted entities.

### Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') and of each Board committee held during the year ended 31 December 2023, and the number of meetings attended by each director were:

|                                           | Full Board |      | Audit and Risk Committee |      |
|-------------------------------------------|------------|------|--------------------------|------|
|                                           | Attended   | Held | Attended                 | Held |
| Phillip Thomas                            | 12         | 13   | 2                        | 3    |
| Daniel Jauncey                            | 13         | 13   | 3                        | 3    |
| Jeffrey Innes (resigned on 16 March 2023) | 2          | 2    | 0                        | 1    |
| Michael Hansel                            | 12         | 13   | 3                        | 3    |

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.



## **Remuneration report (audited)**

The remuneration report details the key management personnel remuneration arrangements for the consolidated entity, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

### **Principles used to determine the nature and amount of remuneration**

The objective of the consolidated entity's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness;
- acceptability to shareholders;
- performance linkage/alignment of executive compensation; and
- transparency.

The Board is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the consolidated entity depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

The Board has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the consolidated entity.

The reward framework is designed to align executive reward to shareholders' interests. The Board has considered that it should seek to enhance shareholders' interests by:

- having economic profit as a core component of plan design;
- focusing on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value; and
- attracting and retaining high calibre executives.

Additionally, the reward framework should seek to enhance executives' interests by:

- rewarding capability and experience;
- reflecting competitive reward for contribution to growth in shareholder wealth; and
- providing a clear structure for earning rewards.

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

### Non-executive director remuneration

Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually by the Board. The Board may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. The chairman's fees are determined independently to the fees of other non-executive directors based on comparative roles in the external market. The chairman is not present at any discussions relating to the determination of his own remuneration.

### Executive remuneration

The consolidated entity aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has four components:

- base pay and non-monetary benefits;
- short-term performance incentives;
- share-based payments; and
- other remuneration such as superannuation and long service leave.

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Board based on individual and business unit performance, the overall performance of the consolidated entity and comparable market remunerations.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the consolidated entity and provides additional value to the executive.

The short-term incentives ('STI') program is designed to align the targets of the business units with the performance hurdles of executives. STI payments are granted to executives based on specific annual targets and key performance indicators ('KPIs') being achieved and include share-based payments. KPIs include profit contribution, leadership contribution and product management.

The long-term incentives ('LTI') include long service leave and share-based payments. Shares are awarded to executives over a period of three years based on long-term incentive measures. These include increase in shareholder value relative to the entire market and the increase compared to the consolidated entity's direct competitors. The Board reviewed the long-term equity-linked performance incentives specifically for executives during the year ended 31 December 2023.

### Consolidated entity performance and link to remuneration

Remuneration for certain individuals is directly linked to the performance of the consolidated entity. A portion of cash bonus and incentive payments are dependent on defined earnings per share targets being met. The remaining portion of the cash bonus and incentive payments are at the discretion of the Board. Refer to the section 'Additional information' below for details of the earnings and total shareholders return for the last five years.

The Board is of the opinion that the continued improved results can be attributed in part to the adoption of performance based compensation and is satisfied that this improvement will continue to increase shareholder wealth if maintained over the coming years.

### Use of remuneration consultants

During the financial year ended 31 December 2023, the consolidated entity did not engage remuneration consultants.



## Voting and comments made at the company's 2023 Annual General Meeting ('AGM')

At the 2023 AGM, 95% of the votes received supported the adoption of the remuneration report for the year ended 31 December 2022. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

## Details of remuneration

### Amounts of remuneration

Details of the remuneration of key management personnel of the consolidated entity are set out in the following tables.

The key management personnel of the consolidated entity consisted of the following directors of Austral Resources Australia Ltd:

- Phillip Thomas – Non-Executive Chairman
- Daniel Jauncey – Managing Director and Chief Executive Officer
- Jeffrey Innes – Non-Executive Director (resigned on 16 March 2023)
- Michael Hansel – Non-Executive Director

And the following persons:

- Steve Tambanis – Chief Executive Officer (resigned on 31 July 2022)
- Shane O'Connell – Chief Operating Officer
- Luke Johnston – Chief Financial Officer
- Jaroslaw Kopias – Company Secretary

|                                        | Short-term<br>benefits        | Post-<br>employment<br>benefits | Share-based<br>payments     |                  |
|----------------------------------------|-------------------------------|---------------------------------|-----------------------------|------------------|
|                                        | Cash salary<br>and fees<br>\$ | Super-<br>annuation<br>\$       | Performance<br>Rights<br>\$ | Total<br>\$      |
| <b>2023</b>                            |                               |                                 |                             |                  |
| <i>Non-Executive Directors:</i>        |                               |                                 |                             |                  |
| Phillip Thomas (Chairman)              | 55,944                        | 5,972                           | 37,539                      | 99,455           |
| Jeffrey Innes <sup>(i)</sup>           | 12,138                        | 1,274                           | (34,325)                    | (20,913)         |
| Michael Hansel                         | 54,545                        | 5,864                           | 53,121                      | 113,530          |
| <i>Executive Directors:</i>            |                               |                                 |                             |                  |
| Daniel Jauncey                         | 350,000                       | 26,346                          | 521,370                     | 897,716          |
| <i>Other Key Management Personnel:</i> |                               |                                 |                             |                  |
| Shane O'Connell                        | 390,000                       | 28,769                          | 173,095                     | 591,863          |
| Luke Johnstone <sup>(ii)</sup>         | 238,461                       | 16,612                          | 173,095                     | 428,168          |
| Jaroslaw Kopias                        | 48,400                        | –                               | 27,112                      | 75,512           |
|                                        | <b>1,149,489</b>              | <b>84,836</b>                   | <b>951,007</b>              | <b>2,185,331</b> |

(i) Represents remuneration from 1 January 2023 to 16 March 2023.

(ii) Represents remuneration from 1 January 2023 to 22 August 2023, at this time Mr Johnstone stepped away from the CFO position and into an advisory role. He remains with the company however is no longer considered a KMP.

## Directors' report *continued*

|                                        | Short-term<br>benefits        | Post-<br>employment<br>benefits | Share-based<br>payments     |                  |
|----------------------------------------|-------------------------------|---------------------------------|-----------------------------|------------------|
|                                        | Cash salary<br>and fees<br>\$ | Super-<br>annuation<br>\$       | Performance<br>Rights<br>\$ | Total<br>\$      |
| <b>2022</b>                            |                               |                                 |                             |                  |
| <i>Non-Executive Directors:</i>        |                               |                                 |                             |                  |
| Phillip Thomas (Chairman)              | 72,727                        | 7,455                           | 80,894                      | 161,076          |
| Jeffrey Innes <sup>(i)</sup>           | 54,545                        | 5,591                           | 80,894                      | 141,030          |
| Michael Hansel                         | 47,203                        | 4,857                           | 125,893                     | 177,953          |
| <i>Executive Directors:</i>            |                               |                                 |                             |                  |
| Daniel Jauncey                         | 350,000                       | 24,430                          | 1,123,532                   | 1,497,962        |
| <i>Other Key Management Personnel:</i> |                               |                                 |                             |                  |
| Steve Tambanis <sup>(ii)</sup>         | 337,298                       | –                               | 73,451                      | 410,749          |
| Shane O'Connell                        | 300,000                       | 24,430                          | 373,013                     | 697,443          |
| Luke Johnstone                         | 294,820                       | 24,307                          | 373,013                     | 692,140          |
| Jaroslav Kopias                        | 66,532                        | –                               | 58,424                      | 124,956          |
|                                        | <b>1,523,125</b>              | <b>91,070</b>                   | <b>2,289,114</b>            | <b>3,903,309</b> |

(i) Represents remuneration from 14 February 2022 to 31 December 2022.

(ii) Represents remuneration from 1 January 2022 to 31 July 2022.

The proportion of remuneration linked to performance and the fixed proportion are as follows:

|                                        | Fixed remuneration |      | At risk – STI |      | At risk – LTI |      |
|----------------------------------------|--------------------|------|---------------|------|---------------|------|
| Name                                   | 2023               | 2022 | 2023          | 2022 | 2023          | 2022 |
| <i>Non-Executive Directors:</i>        |                    |      |               |      |               |      |
| Phillip Thomas (Chairman)              | 62%                | 50%  | 11%           | 15%  | 27%           | 35%  |
| Jeffrey Innes                          | 64%                | 43%  | 49%           | 17%  | 115%          | 40%  |
| Michael Hansel                         | 53%                | 29%  | 14%           | 21%  | 33%           | 50%  |
| <i>Executive Directors:</i>            |                    |      |               |      |               |      |
| Daniel Jauncey                         | 42%                | 25%  | 17%           | 23%  | 41%           | 53%  |
| <i>Other Key Management Personnel:</i> |                    |      |               |      |               |      |
| Steve Tambanis                         | –                  | 82%  | –             | 5%   | –             | 13%  |
| Shane O'Connell                        | 71%                | 47%  | 9%            | 16%  | 20%           | 37%  |
| Luke Johnstone                         | 60%                | 46%  | 12%           | 16%  | 28%           | 38%  |
| Jaroslav Kopias                        | 64%                | 53%  | 11%           | 14%  | 25%           | 33%  |



## Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

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|                             |                                                                                                                                                                                                                                                                                                                               |
|-----------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Name:</b>                | <b>Daniel Jauncey</b>                                                                                                                                                                                                                                                                                                         |
| <b>Title:</b>               | Managing Director and Chief Executive Officer                                                                                                                                                                                                                                                                                 |
| <b>Agreement commenced:</b> | 30 July 2022                                                                                                                                                                                                                                                                                                                  |
| <b>Term of agreement:</b>   | No fixed term                                                                                                                                                                                                                                                                                                                 |
| <b>Details:</b>             | Base salary for the year ending 31 December 2023 of \$350,000 plus superannuation, to be reviewed annually by the board. 4-week termination notice by either party, participation in the STI and LTI Schemes and performance rights plan as per Board approval and KPI achievement, non-solicitation and non-compete clauses. |

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|                             |                                                                                                                                                                                                                                                                                                                                |
|-----------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Name:</b>                | <b>Shane O'Connell</b>                                                                                                                                                                                                                                                                                                         |
| <b>Title:</b>               | Chief Operating Officer                                                                                                                                                                                                                                                                                                        |
| <b>Agreement commenced:</b> | 12 August 2019                                                                                                                                                                                                                                                                                                                 |
| <b>Term of agreement:</b>   | No fixed term                                                                                                                                                                                                                                                                                                                  |
| <b>Details:</b>             | Base salary for the year ending 31 December 2023 of \$300,000 plus superannuation, to be reviewed annually by the board. 3-month termination notice by either party, participation in the STI and LTI Schemes and performance rights plan as per Board approval and KPI achievement, non-solicitation and non-compete clauses. |

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|                             |                                                                                                                                                                                                                                                                                                                                |
|-----------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Name:</b>                | <b>Luke Johnstone</b>                                                                                                                                                                                                                                                                                                          |
| <b>Title:</b>               | Chief Financial Officer                                                                                                                                                                                                                                                                                                        |
| <b>Agreement commenced:</b> | 5 August 2019                                                                                                                                                                                                                                                                                                                  |
| <b>Term of agreement:</b>   | No fixed term                                                                                                                                                                                                                                                                                                                  |
| <b>Details:</b>             | Base salary for the year ending 31 December 2023 of \$250,000 plus superannuation, to be reviewed annually by the board. 3-month termination notice by either party, participation in the STI and LTI Schemes and performance rights plan as per Board approval and KPI achievement, non-solicitation and non-compete clauses. |

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|                             |                                                                                                                                                                                                                                             |
|-----------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Name:</b>                | <b>Jaroslav Kopias</b>                                                                                                                                                                                                                      |
| <b>Title:</b>               | Company Secretary                                                                                                                                                                                                                           |
| <b>Agreement commenced:</b> | 5 July 2022                                                                                                                                                                                                                                 |
| <b>Term of agreement:</b>   | No fixed term                                                                                                                                                                                                                               |
| <b>Details:</b>             | Variable hourly rate fee to be reviewed annually by the Board. 30-day termination notice by either party, participation in the performance rights plan as per Board approval and KPI achievement, non-solicitation and non-compete clauses. |

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Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

## Performance Rights

On 4 August 2021, 44,537,500 performance rights were issued to key management personnel under the Performance Share Plan. Where an employee leaves during the vesting period and the KPI's are not met within three months of the employees termination date the performance rights will be forfeited. In the scenario where the KPI's were met then the employee is eligible to elect to exercise the rights through to the expiry date. On 12 May 2022, 1,603,350 performance rights were issued to Michael Hansel under the Performance Share Plan and were approved at the company's AGM. These performance rights are subject to the same KPIs as the performance rights issued to the key management personnel on 4 August 2021. Each Performance Right converts into one ARI share upon vesting and exercise.

On 17 October 2022, 4,302,326 performance rights were issued to key management personnel under the Performance Share Plan. Where an employee leaves during the vesting period and the KPI's are not met within three months of the employees termination date the performance rights will be forfeited. In the scenario where the KPI's were met then the employee is eligible to elect to exercise the rights through to the expiry date. These performance rights were re-issued following the cancellation of the existing HSSEQ performance rights after the Directors identified the HSSEQ KPI should be better defined.

The value and number of the performance rights granted during the year at grant date are as follows:

There were no performance rights granted in the year ended 31 December 2023.

|                                        | Number of<br>performance<br>rights granted | Fair Value<br>at Grant<br>Date<br>\$ |
|----------------------------------------|--------------------------------------------|--------------------------------------|
| <b>2022</b>                            |                                            |                                      |
| <i>Non-Executive Directors:</i>        |                                            |                                      |
| Phillip Thomas (Chairman)              | 160,336                                    | 19,709                               |
| Jeffrey Innes                          | 160,336                                    | 19,709                               |
| Michael Hansel                         | 1,683,518                                  | 234,085                              |
| <i>Executive Directors:</i>            |                                            |                                      |
| Daniel Jauncey                         | 2,226,876                                  | 273,739                              |
| <i>Other Key Management Personnel:</i> |                                            |                                      |
| Shane O'Connell                        | 739,322                                    | 90,881                               |
| Luke Johnstone                         | 739,322                                    | 90,881                               |
| Jaroslav Kopias                        | 115,798                                    | 14,235                               |
|                                        | <b>5,825,508</b>                           | <b>743,239</b>                       |

The terms and conditions of each grant of Performance Rights during the year affecting remuneration in the current or a future period with respect to KMP are shown below. In addition to the performance condition, KMP must satisfy a service condition of continuous employment with the Company up to and including the date when the performance conditions are achieved. Performance Rights are issued for no consideration and no amount is payable on vesting.



| #            | Key Performance Indicators                                | Performance Right # | Vesting Date <sup>1</sup> | Expiry Date <sup>2</sup> |
|--------------|-----------------------------------------------------------|---------------------|---------------------------|--------------------------|
| KPI 1        | First material ore production from Anthill deposit        | 690,330             | Vested <sup>3</sup>       | 30 Jun 25                |
| KPI 2        | Production of 20kt of Copper cathode from Anthill Project | 3,402,666           | 30 Jun 24                 | 30 Jun 26                |
| KPI 3        | Generate 20kt inferred resource                           | 8,506,660           | 30 Jun 25                 | 30 Jun 26                |
| KPI 4        | Share price target of \$0.50                              | 6,805,330           | 30 Jun 25                 | 30 Jun 26                |
| KPI 5        | HSSEQ1                                                    | 1,701,334           | 30 Jun 23 <sup>4</sup>    | 30 Jun 25                |
| KPI 6        | HSSEQ2 <sup>4</sup>                                       | 1,701,334           | 30 Jun 24                 | 30 Jun 26                |
| KPI 7        | Generate 20kt inferred resource 2                         | 3,402,666           | 30 Jun 25                 | 30 Jun 26                |
| <b>Total</b> |                                                           | <b>26,210,320</b>   |                           |                          |

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. Some of the vested rights have been exercised.

4. Subsequent to the end of the financial year, 2,002,070 HSSEQ1 performance rights vested and 68,925 lapsed.

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).                                                                                                                                                                                                                                    |

| No. | KPI    | Overview                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|-----|--------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 5   | HSSEQ1 | <p data-bbox="544 315 1347 405">This KPI will be considered satisfied where the following criteria are met during the relevant period (<i>measurement period 1 July 2022 to 30 June 2023</i>):</p> <ol style="list-style-type: none"> <li data-bbox="544 434 1347 763">1. <i>Safety KPI – 50% of the HSSEQ1 Performance Rights on issue</i> <ul style="list-style-type: none"> <li data-bbox="576 479 1315 539">• 100% vesting upon achieving a 20% decrease in the All Injury Frequency Rate (AIFR) from the previous year.</li> <li data-bbox="576 551 1315 611">• 50% vesting upon achieving a 10% decrease in the AIFR from the previous year.</li> <li data-bbox="576 622 1347 683">• 0% vesting upon achieving a 0% decrease in the AIFR from the previous year.</li> <li data-bbox="576 694 1299 754">• Pro rata vesting allocation by 1% increments for a 1% to 19% decrease in the AIFR.</li> </ul> </li> <li data-bbox="544 786 1347 1003">2. <i>Environment KPI – 30% of the HSSEQ1 Performance Rights on issue</i> <ul style="list-style-type: none"> <li data-bbox="576 831 1347 891">• 100% vesting upon achieving no environmental fines/breaches from DES (Breach) for the year to June 2023.</li> <li data-bbox="576 902 1315 1003">• The % vested is reduced by the value of any fines imposed (calculated with reference to the Company's Share price at the time of the Breach) in the year to June 2023.</li> </ul> </li> <li data-bbox="544 1025 1347 1301">3. <i>Indigenous Affairs KPI – 20% of the HSSEQ1 Performance Rights on issue</i> <ul style="list-style-type: none"> <li data-bbox="576 1099 1347 1200">• 100% vesting upon achieving no impact on operations due to breaches/delays resulting from Indigenous Affairs matters for the year to June 2023.</li> <li data-bbox="576 1211 1331 1301">• 0% vesting where management of Indigenous Affairs matters results in a material impact on operations due to breaches/delays for the year to June 2023.</li> </ul> </li> </ol> |



| No. | KPI                                                                                                                          | Overview                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|-----|------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 6   | HSSEQ2                                                                                                                       | <p>This KPI will be considered satisfied where the following criteria are met during the relevant period (<i>measurement period 1 July 2023 to 30 June 2024</i>):</p> <ol style="list-style-type: none"> <li>1. <i>Safety KPI – 50% of the HSSEQ1 Performance Rights on issue</i> <ul style="list-style-type: none"> <li>• 100% vesting upon achieving a 20% decrease in the All Injury Frequency Rate (AIFR) from the previous year.</li> <li>• 50% vesting upon achieving a 10% decrease in the AIFR from the previous year.</li> <li>• 0% vesting upon achieving a 0% decrease in the AIFR from the previous year.</li> <li>• Pro rata vesting allocation by 1% increments for a 1% to 19% decrease in the AIFR.</li> </ul> </li> <li>2. <i>Environment KPI – 30% of the HSSEQ1 Performance Rights on issue</i> <ul style="list-style-type: none"> <li>• 100% vesting upon achieving no environmental fines/breaches from DES (Breach) for the year to June 2024.</li> <li>• The % vested is reduced by the value of any fines imposed (calculated with reference to the Company's Share price at the time of the Breach) in the year to June 2024.</li> </ul> </li> <li>3. <i>Indigenous Affairs KPI – 20% of the HSSEQ1 Performance Rights on issue</i> <ul style="list-style-type: none"> <li>• 100% vesting upon achieving no impact on operations due to breaches/delays resulting from Indigenous Affairs matters for the year to June 2024.</li> <li>• 0% vesting where management of Indigenous Affairs matters results in a material impact on operations due to breaches/delays for the year to June 2024.</li> </ul> </li> </ol> |
| 7   | Generate a JORC compliant Inferred Mineral Resource estimate measuring 20,000 tonnes contained Cu in sulphide mineralisation | <p>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%.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |

## Directors' report *continued*

The movements in the current year of the number of Performance Rights granted to KMP are as follows:

| Grant Date                       | Vesting Date | Balance at the start of the year | Granted as part of remuneration | Number of Rights Vested | Number of Rights Exercised | Number of Rights Forfeited / other | Balance at the end of the year |
|----------------------------------|--------------|----------------------------------|---------------------------------|-------------------------|----------------------------|------------------------------------|--------------------------------|
| <b>Phil Thomas</b>               |              |                                  |                                 |                         |                            |                                    |                                |
| 04 Aug 21                        | 30 Jun 24    | 160,335                          | -                               | -                       | -                          | -                                  | 160,335                        |
| 04 Aug 21                        | 30 Jun 25    | 400,837                          | -                               | -                       | -                          | -                                  | 400,837                        |
| 04 Aug 21                        | 30 Jun 25    | 320,670                          | -                               | -                       | -                          | -                                  | 320,670                        |
| 04 Aug 21                        | 30 Jun 25    | 160,335                          | -                               | -                       | -                          | -                                  | 160,335                        |
| 17 Oct 22                        | 30 Jun 23    | 80,168                           | -                               | -                       | -                          | -                                  | 80,168                         |
| 17 Oct 22                        | 30 Jun 24    | 80,168                           | -                               | -                       | -                          | -                                  | 80,168                         |
| <b>Jeffrey Innes<sup>1</sup></b> |              |                                  |                                 |                         |                            |                                    |                                |
| 04 Aug 21                        | 30 Jun 24    | 160,335                          | -                               | -                       | -                          | (160,335)                          | -                              |
| 04 Aug 21                        | 30 Jun 25    | 400,837                          | -                               | -                       | -                          | (400,837)                          | -                              |
| 04 Aug 21                        | 30 Jun 25    | 320,670                          | -                               | -                       | -                          | (320,670)                          | -                              |
| 04 Aug 21                        | 30 Jun 25    | 160,335                          | -                               | -                       | -                          | (160,335)                          | -                              |
| 17 Oct 22                        | 30 Jun 23    | 80,168                           | -                               | -                       | -                          | (80,168)                           | -                              |
| 17 Oct 22                        | 30 Jun 24    | 80,168                           | -                               | -                       | -                          | (80,168)                           | -                              |
| <b>Michael Hansel</b>            |              |                                  |                                 |                         |                            |                                    |                                |
| 12 May 22                        | 7 Jul 22     | 400,837                          | -                               | -                       | -                          | -                                  | 400,837                        |
| 12 May 22                        | 30 Jun 24    | 160,335                          | -                               | -                       | -                          | -                                  | 160,335                        |
| 12 May 22                        | 30 Jun 25    | 400,837                          | -                               | -                       | -                          | -                                  | 400,837                        |
| 12 May 22                        | 30 Jun 25    | 320,670                          | -                               | -                       | -                          | -                                  | 320,670                        |
| 12 May 22                        | 30 Jun 25    | 160,335                          | -                               | -                       | -                          | -                                  | 160,335                        |
| 17 Oct 22                        | 30 Jun 23    | 80,168                           | -                               | -                       | -                          | -                                  | 80,168                         |
| 17 Oct 22                        | 30 Jun 24    | 80,168                           | -                               | -                       | -                          | -                                  | 80,168                         |
| <b>Daniel Jauncey</b>            |              |                                  |                                 |                         |                            |                                    |                                |
| 04 Aug 21                        | 30 Jun 24    | 2,226,875                        | -                               | -                       | -                          | -                                  | 2,226,875                      |
| 04 Aug 21                        | 30 Jun 25    | 5,567,187                        | -                               | -                       | -                          | -                                  | 5,567,187                      |
| 04 Aug 21                        | 30 Jun 25    | 4,453,750                        | -                               | -                       | -                          | -                                  | 4,453,750                      |
| 04 Aug 21                        | 30 Jun 25    | 2,226,875                        | -                               | -                       | -                          | -                                  | 2,226,875                      |
| 17 Oct 22                        | 30 Jun 23    | 1,113,438                        | -                               | -                       | -                          | -                                  | 1,113,438                      |
| 17 Oct 22                        | 30 Jun 24    | 1,113,438                        | -                               | -                       | -                          | -                                  | 1,113,438                      |
| <b>Shane O'Connell</b>           |              |                                  |                                 |                         |                            |                                    |                                |
| 04 Aug 21                        | 30 Jun 24    | 739,323                          | -                               | -                       | -                          | -                                  | 739,323                        |
| 04 Aug 21                        | 30 Jun 25    | 1,848,306                        | -                               | -                       | -                          | -                                  | 1,848,306                      |
| 04 Aug 21                        | 30 Jun 25    | 1,478,645                        | -                               | -                       | -                          | -                                  | 1,478,645                      |
| 04 Aug 21                        | 30 Jun 25    | 739,323                          | -                               | -                       | -                          | -                                  | 739,323                        |
| 17 Oct 22                        | 30 Jun 23    | 369,661                          | -                               | -                       | -                          | -                                  | 369,661                        |
| 17 Oct 22                        | 30 Jun 24    | 369,661                          | -                               | -                       | -                          | -                                  | 369,661                        |



| Grant Date                        | Vesting Date | Balance at the start of the year | Granted as part of remuneration | Number of Rights Vested | Number of Rights Exercised | Number of Rights Forfeited / other | Balance at the end of the year |
|-----------------------------------|--------------|----------------------------------|---------------------------------|-------------------------|----------------------------|------------------------------------|--------------------------------|
| <b>Luke Johnstone<sup>2</sup></b> |              |                                  |                                 |                         |                            |                                    |                                |
| 04 Aug 21                         | 30 Jun 24    | 739,323                          | -                               | -                       | -                          | (739,323)                          | -                              |
| 04 Aug 21                         | 30 Jun 25    | 1,848,306                        | -                               | -                       | -                          | (1,848,306)                        | -                              |
| 04 Aug 21                         | 30 Jun 25    | 1,478,645                        | -                               | -                       | -                          | (1,478,645)                        | -                              |
| 04 Aug 21                         | 30 Jun 25    | 739,323                          | -                               | -                       | -                          | (739,323)                          | -                              |
| 17 Oct 22                         | 30 Jun 23    | 369,661                          | -                               | -                       | -                          | (369,661)                          | -                              |
| 17 Oct 22                         | 30 Jun 24    | 369,661                          | -                               | -                       | -                          | (369,661)                          | -                              |
| <b>Jaroslav Kopias</b>            |              |                                  |                                 |                         |                            |                                    |                                |
| 04 Aug 21                         | 07 Jul 22    | 289,493                          | -                               | -                       | -                          | -                                  | 289,493                        |
| 04 Aug 21                         | 30 Jun 24    | 115,798                          | -                               | -                       | -                          | -                                  | 115,798                        |
| 04 Aug 21                         | 30 Jun 25    | 289,493                          | -                               | -                       | -                          | -                                  | 289,493                        |
| 04 Aug 21                         | 30 Jun 25    | 231,595                          | -                               | -                       | -                          | -                                  | 231,595                        |
| 04 Aug 21                         | 30 Jun 25    | 115,798                          | -                               | -                       | -                          | -                                  | 115,798                        |
| 17 Oct 22                         | 30 Jun 23    | 57,899                           | -                               | -                       | -                          | -                                  | 57,899                         |
| 17 Oct 22                         | 30 Jun 24    | 57,899                           | -                               | -                       | -                          | -                                  | 57,899                         |
| <b>Total</b>                      |              | <b>32,957,752</b>                | <b>-</b>                        | <b>-</b>                | <b>-</b>                   | <b>(6,747,432)</b>                 | <b>26,210,320</b>              |

1. Performance right issued to Mr Innes were forfeited following his resignation from the board on 16 March 2023. The value of the forfeited rights were \$34,324.

2. Performance rights for Mr Johnstone have been removed as he is no longer considered KMP following his move into an advisory role in August 2023.

## Additional information

The earnings of the consolidated entity for the five years to 31 December 2023 are summarised below:

|                                | 2023<br>\$'000 | 2022<br>\$'000 | 2021<br>\$'000 | 2020<br>\$'000 | 2019<br>\$'000 |
|--------------------------------|----------------|----------------|----------------|----------------|----------------|
| Sales revenue                  | 110,280        | 54,828         | 37,260         | 25,042         | 24,308         |
| EBITDA                         | 39,256         | (11,026)       | (4,692)        | (17,798)       | 1,899          |
| EBIT                           | 20,330         | (22,477)       | (5,067)        | (17,861)       | 1,218          |
| Profit/(loss) after income tax | 9,452          | (29,800)       | (11,728)       | (22,531)       | (7,103)        |

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

|                                                      | 2023  | 2022   | 2021   | 2020      | 2019     |
|------------------------------------------------------|-------|--------|--------|-----------|----------|
| Share price at financial year end (\$) <sup>1</sup>  | 0.160 | 0.215  | 0.165  | -         | -        |
| Total dividends declared<br>(dollars per share)      | -     | -      | -      | -         | -        |
| Basic profit/(loss) per share<br>(dollars per share) | 0.02  | (0.06) | (0.08) | (225,314) | (71,030) |

1. The consolidated entity listed on the ASX on 3 November 2021, there was no share price at the end of any financial year prior to 31 December 2021.

## Additional disclosures relating to key management personnel

### Shareholding

The number of shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

|                               | Balance at<br>the start of<br>the year | Additions      | Disposals/<br>Other <sup>(ii)</sup> | Balance at<br>the end of<br>the year |
|-------------------------------|----------------------------------------|----------------|-------------------------------------|--------------------------------------|
| <b>Ordinary shares</b>        |                                        |                |                                     |                                      |
| Phil Thomas (Chairman)        | 1,170,837                              | –              | –                                   | 1,170,837                            |
| Jeffrey Innes                 | 650,837                                | –              | (650,837)                           | –                                    |
| Daniel Jauncey <sup>(i)</sup> | 263,968,818                            | 964,853        | –                                   | 264,933,671                          |
| Michael Hansel                | 500,000                                | –              | –                                   | 500,000                              |
| Shane O'Connell               | 1,848,306                              | –              | –                                   | 1,848,306                            |
| Luke Johnstone                | 1,848,306                              | –              | –                                   | 1,848,306                            |
|                               | <b>269,070,234</b>                     | <b>964,853</b> | <b>(650,837)</b>                    | <b>270,301,120</b>                   |

(i) Balance of holdings includes shares held by related parties as required under the accounting standards and Corporations Act 2001.

(ii) Disposals/other represents shares held at resignation date.

### Option holding

The number of options over ordinary shares in the company held by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

|                                     | Balance at<br>the start of<br>the year | Granted  | Exercised | Expired/<br>forfeited/<br>other | Balance at<br>the end of<br>the year |
|-------------------------------------|----------------------------------------|----------|-----------|---------------------------------|--------------------------------------|
| <i>Options over ordinary shares</i> |                                        |          |           |                                 |                                      |
| Michael Hansel                      | 400,000                                | –        | –         | –                               | 400,000                              |
|                                     | <b>400,000</b>                         | <b>–</b> | <b>–</b>  | <b>–</b>                        | <b>400,000</b>                       |



## Other transactions with key management personnel and their related parties

### *Austral Equipment Solutions Pty Ltd*

Payments to Austral Equipment Solutions Pty Ltd relate to the hire of equipment during the year. Austral Equipment Solutions Pty Ltd is owned by Dan Jauncey, the Managing Director and Chief Executive Officer of Austral Resources Australia Pty Ltd. The total value of transactions during the year was \$1,432,049 (2022: \$2,032,653) and payable at 31 December 2023 is \$538,306 (2022: \$431,324). All transactions were made on normal commercial terms and conditions and at market rates.

### *Austral Equipment Holding Pty Ltd*

Payments to Austral Equipment Holding Pty Ltd relate to the hire of equipment during the year. Austral Equipment Solutions Pty Ltd is owned by Dan Jauncey, the Managing Director and Chief Executive Officer of Austral Resources Australia Pty Ltd. There were no transactions with Austral Equipment Holding Pty Ltd during the year (2022: \$64,755) and the amount payable at 31 December 2023 is nil (2022: nil). All transactions were made on normal commercial terms and conditions and at market rates.

### *Equipment Engineering Solutions Pty Ltd*

Payments to Equipment Engineering Solutions Pty Ltd relate to engineering services during the year. Equipment Engineering Solutions Pty Ltd is owned by Dan Jauncey, the Managing Director and Chief Executive Officer of Austral Resources Australia Pty Ltd. The total value of transactions during the year was \$332,640 (2022: \$166,320) and amount payable at 31 December 2023 is \$194,040 (2022: \$110,880). All transactions were made on normal commercial terms and conditions and at market rates.

### *Trustee for O'Connell family trust T/A Rural Earthworx*

Payments to Rural Earthworx relate to the hire and operation of heavy equipment during the year. Rural Earthworx is owned by Shane O'Connell, the Chief Operating Officer of Austral Resources Australia Pty Ltd. The total value of transactions during the year was \$1,111,393 (2022: \$1,352,808) and amount payable at 31 December 2023 is nil (2022: \$174,874). All transactions were made on normal commercial terms and conditions and at market rates.

***This concludes the remuneration report, which has been audited.***

## Performance rights issued

Performance rights subject to performance conditions at the date of this report are as follows:

| KPI No.      | Grant date | Vesting Date | Expiry date | Fair value at Grant date | Number of performance rights |
|--------------|------------|--------------|-------------|--------------------------|------------------------------|
| 1.           | 4 Aug 21   | Vested       | 30 Jun 25   | \$0.200                  | 690,330                      |
| 2.           | 4 Aug 21   | 30 Jun 24    | 30 Jun 26   | \$0.200                  | 4,141,989                    |
| 3.           | 4 Aug 21   | 30 Jun 25    | 30 Jun 26   | \$0.200                  | 10,354,966                   |
| 4.           | 4 Aug 21   | 30 Jun 25    | 30 Jun 26   | \$0.090                  | 8,283,975                    |
| 5.           | 17 Oct 22  | 30 Jun 23    | 30 Jun 25   | \$0.165                  | 2,002,070                    |
| 6.           | 17 Oct 22  | 30 Jun 24    | 30 Jun 26   | \$0.165                  | 2,070,995                    |
| 7.           | 4 Aug 21   | 30 Jun 25    | 30 Jun 26   | \$0.200                  | 4,141,989                    |
| <b>Total</b> |            |              |             |                          | <b>31,686,314</b>            |

Each Performance Right converts into one ARI share upon vesting and exercise.

## Shares issued on the exercise of performance rights

There were no Austral Resources Australia Ltd ordinary shares issued on the exercise of performance rights during the year ended 31 December 2023 (2022: 10,844,879).

## Shares under option

Unissued ordinary shares of Austral Resources Australia Ltd under option at the date of this report are as follows:

| Grant date    | Expiry date     | Exercise price | Number under option |
|---------------|-----------------|----------------|---------------------|
| 5 August 2021 | 3 November 2024 | \$0.40         | 10,000,000          |

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the company or any other body corporate.

## Shares issued on the exercise of options

There were no ordinary shares of Austral Resources Australia Ltd issued on the exercise of options during the year ended 31 December 2023 (2022: nil) and up to the date of this report.

## Indemnity and insurance of officers

The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.



### **Indemnity and insurance of auditor**

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

### **Proceedings on behalf of the company**

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

The consolidated entity was not a party to any such proceedings during the period.

### **Officers of the company who are former partners of RSM Australia Partners**

There are no officers of the company who are former partners of RSM Australia Partners.

### **Rounding of amounts**

The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

### **Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

### **Auditor**

RSM Australia Partners continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



**Daniel Jauncey**

*Managing Director and Chief Executive Officer*

28 March 2024  
Brisbane

# Auditor's independence declaration



## RSM Australia Partners

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PO Box 248 Collins Street West VIC 8007

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[www.rsm.com.au](http://www.rsm.com.au)

## AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Austral Resources Australia Ltd for the year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

A handwritten signature in blue ink that reads "RSM".

**RSM AUSTRALIA PARTNERS**

A handwritten signature in blue ink that reads "R J Morillo Maldonado".

**R J MORILLO MALDONADO**  
Partner

Melbourne, VIC  
Dated: 28 March 2024

## THE POWER OF BEING UNDERSTOOD AUDIT | TAX | CONSULTING

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.  
RSM Australia Partners ABN 36 965 185 036

Liability limited by a scheme approved under Professional Standards Legislation





# Financial statements

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## General information

The financial statements cover Austral Resources Australia Ltd as a consolidated entity consisting of Austral Resources Australia Ltd and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Austral Resources Australia Ltd's functional and presentation currency.

Austral Resources Australia Ltd is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

### Registered office

RACQ House  
Level 9, 60 Edward Street  
Brisbane City QLD 4000

### Principal operations address

Anthill Mine Site and Mt Kelly Processing Area  
McNamara Road (off Barkly Highway)  
Mount Isa QLD 4825

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 28 March 2024. The directors have the power to amend and reissue the financial statements.

# Statement of profit or loss and other comprehensive income

for the year ended 31 December 2023

|                                                                                                    | Note | Consolidated   |                 |
|----------------------------------------------------------------------------------------------------|------|----------------|-----------------|
|                                                                                                    |      | 2023<br>\$'000 | 2022<br>\$'000  |
| Revenue                                                                                            | 5    | 110,280        | 53,993          |
| Cost of goods sold                                                                                 |      | (78,927)       | (58,623)        |
| <b>Gross (loss)/profit</b>                                                                         |      | 31,353         | (4,630)         |
| Other income                                                                                       | 6    | 1,902          | 402             |
| <b>Expenses</b>                                                                                    |      |                |                 |
| Administration expenses                                                                            |      | (2,996)        | (4,032)         |
| Depreciation and amortisation expense                                                              |      | (114)          | (89)            |
| Finance expense                                                                                    | 7    | (10,878)       | (7,323)         |
| Share-based payments                                                                               |      | (951)          | (7,289)         |
| Other operating expenses                                                                           |      | (8,490)        | (5,799)         |
| Net foreign exchange loss                                                                          |      | (374)          | (1,040)         |
| <b>Profit/(loss) before income tax expense</b>                                                     |      | 9,452          | (29,800)        |
| Income tax expense                                                                                 | 8    | –              | –               |
| <b>Profit/(loss) after income tax expense for the year</b>                                         |      | 9,452          | (29,800)        |
| <b>Other comprehensive income</b>                                                                  |      |                |                 |
| Other comprehensive income for the year, net of tax                                                |      | –              | –               |
| <b>Total comprehensive profit/(loss) for the year</b>                                              |      | <b>9,452</b>   | <b>(29,800)</b> |
|                                                                                                    |      | \$             | \$              |
| <b>Earnings per share for profit attributable to the owners of Austral Resources Australia Ltd</b> |      |                |                 |
| Basic profit/(loss) per share                                                                      | 39   | 0.02           | (0.06)          |
| Diluted profit/(loss) per share                                                                    | 39   | 0.02           | (0.06)          |

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.



# Statement of financial position

as at 31 December 2023

|                                    |      | Consolidated   |                 |
|------------------------------------|------|----------------|-----------------|
|                                    | Note | 2023<br>\$'000 | 2022<br>\$'000  |
| <b>Assets</b>                      |      |                |                 |
| <b>Current assets</b>              |      |                |                 |
| Cash and cash equivalents          | 9    | 1,145          | 1,535           |
| Trade and other receivables        | 10   | 3,878          | 7,854           |
| Prepayments                        |      | 885            | 844             |
| Inventories                        | 11   | 40,125         | 26,876          |
| Other assets                       |      | 1,181          | 105             |
| Total current assets               |      | 47,214         | 37,214          |
| <b>Non-current assets</b>          |      |                |                 |
| Financial assets                   | 12   | 37,807         | 37,807          |
| Property, plant and equipment      | 13   | 66,412         | 52,555          |
| Right-of-use assets                | 13   | 4,360          | 6,121           |
| Exploration and evaluation assets  | 14   | 685            | 603             |
| Total non-current assets           |      | 109,264        | 97,086          |
| <b>Total assets</b>                |      | <b>156,478</b> | <b>134,300</b>  |
| <b>Liabilities</b>                 |      |                |                 |
| <b>Current liabilities</b>         |      |                |                 |
| Trade and other payables           | 17   | 58,145         | 44,415          |
| Borrowings                         | 18   | 63,452         | 59,122          |
| Provisions                         | 19   | 545            | 554             |
| Lease liabilities                  | 20   | 1,769          | 1,557           |
| Forward foreign exchange contracts | 21   | -              | 96              |
| Total current liabilities          |      | 123,911        | 105,744         |
| <b>Non-current liabilities</b>     |      |                |                 |
| Provisions                         | 22   | 37,624         | 42,386          |
| Lease liabilities                  | 23   | 3,215          | 4,845           |
| Total non-current liabilities      |      | 40,839         | 47,231          |
| <b>Total liabilities</b>           |      | <b>164,750</b> | <b>152,975</b>  |
| <b>Net liabilities</b>             |      | <b>(8,272)</b> | <b>(18,675)</b> |
| <b>Equity</b>                      |      |                |                 |
| Issued capital                     | 24   | 71,546         | 71,546          |
| Reserves                           | 25   | 2,249          | 1,298           |
| Accumulated losses                 | 26   | (82,067)       | (91,519)        |
| <b>Total equity</b>                |      | <b>(8,272)</b> | <b>(18,675)</b> |

The above statement of financial position should be read in conjunction with the accompanying notes.

# Statement of changes in equity

for the year ended 31 December 2023

| <b>Consolidated</b>                                                     | <b>Issued capital<br/>\$'000</b> | <b>Reserves<br/>\$'000</b> | <b>Accumulated losses<br/>\$'000</b> | <b>Total equity<br/>\$'000</b> |
|-------------------------------------------------------------------------|----------------------------------|----------------------------|--------------------------------------|--------------------------------|
| Balance at 1 January 2022                                               | 47,926                           | 1,178                      | (61,719)                             | (12,615)                       |
| Loss after income tax expense for the year                              | –                                | –                          | (29,800)                             | (29,800)                       |
| Other comprehensive income for the year, net of tax                     | –                                | –                          | –                                    | –                              |
| Total comprehensive loss for the year                                   | –                                | –                          | (29,800)                             | (29,800)                       |
| <i>Transactions with owners in their capacity as owners:</i>            |                                  |                            |                                      |                                |
| Contributions of equity, net of transaction costs                       | 16,801                           | –                          | –                                    | 16,801                         |
| Share-based payments (Note 40)                                          | 2,169                            | 120                        | –                                    | 2,289                          |
| Share-based payments – Thiess Restructure fee, net of transaction costs | 4,650                            | –                          | –                                    | 4,650                          |
| <b>Balance at 31 December 2022</b>                                      | <b>71,546</b>                    | <b>1,298</b>               | <b>(91,519)</b>                      | <b>(18,675)</b>                |

| <b>Consolidated</b>                                          | <b>Issued capital<br/>\$'000</b> | <b>Reserves<br/>\$'000</b> | <b>Accumulated losses<br/>\$'000</b> | <b>Total equity<br/>\$'000</b> |
|--------------------------------------------------------------|----------------------------------|----------------------------|--------------------------------------|--------------------------------|
| Balance at 1 January 2023                                    | 71,546                           | 1,298                      | (91,519)                             | (18,675)                       |
| Profit after income tax expense for the year                 | –                                | –                          | 9,452                                | 9,452                          |
| Other comprehensive income for the year, net of tax          | –                                | –                          | –                                    | –                              |
| Total comprehensive profit for the year                      | –                                | –                          | 9,452                                | 9,452                          |
| <i>Transactions with owners in their capacity as owners:</i> |                                  |                            |                                      |                                |
| Share-based payments (Note 40)                               | –                                | 951                        | –                                    | 951                            |
| <b>Balance at 31 December 2023</b>                           | <b>71,546</b>                    | <b>2,249</b>               | <b>(82,067)</b>                      | <b>(8,272)</b>                 |

The above statement of changes in equity should be read in conjunction with the accompanying notes.



# Statement of cash flows

For the year ended 31 December 2023

|                                                                   |      | Consolidated   |                |
|-------------------------------------------------------------------|------|----------------|----------------|
|                                                                   | Note | 2023<br>\$'000 | 2022<br>\$'000 |
| <b>Cash flows from operating activities</b>                       |      |                |                |
| Receipts from customers (inclusive of GST)                        |      | 112,572        | 50,023         |
| Payments to suppliers and employees (inclusive of GST)            |      | (73,691)       | (53,498)       |
|                                                                   |      | 38,881         | (3,475)        |
| Interest and other costs of finance paid                          |      | (2,457)        | (1,112)        |
| Interest received                                                 |      | 94             | 82             |
| Other revenue                                                     |      | 5,395          | 2,704          |
| Net cash from/(used in) operating activities                      |      | 41,913         | (1,801)        |
| <b>Cash flows from investing activities</b>                       |      |                |                |
| Payments for property, plant and equipment                        |      | (35,074)       | (47,545)       |
| Payments for exploration and evaluation                           |      | (83)           | (86)           |
| Payments for mine development                                     |      | (2,123)        | (1,782)        |
| Net cash used in investing activities                             |      | (37,280)       | (49,413)       |
| <b>Cash flows from financing activities</b>                       |      |                |                |
| Proceeds from issue of shares                                     |      | –              | 17,000         |
| Proceeds from borrowings                                          |      | –              | 31,048         |
| Share issue transaction costs                                     |      | –              | (549)          |
| Repayment of borrowings                                           |      | (3,375)        | (6,750)        |
| Repayment of lease liabilities                                    |      | (1,575)        | (1,487)        |
| Transaction costs related to loans and borrowings                 |      | (65)           | (311)          |
| Net cash (used in)/from financing activities                      |      | (5,015)        | 38,951         |
| Net decrease in cash and cash equivalents                         |      | (382)          | (12,263)       |
| Cash and cash equivalents at the beginning of the financial year  |      | 1,535          | 13,334         |
| Effects of exchange rate changes on cash and cash equivalents     |      | (8)            | 464            |
| <b>Cash and cash equivalents at the end of the financial year</b> | 9    | <b>1,145</b>   | <b>1,535</b>   |

The above statement of cash flows should be read in conjunction with the accompanying notes.

# Notes to the financial statements

## **Note 1. Material accounting policy information**

The accounting policies that are material to the consolidated entity are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### **New or amended Accounting Standards and Interpretations adopted**

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

### **Basis of preparation**

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

### **Historical cost convention**

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

### **Critical accounting estimates**

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 2.

### **Going Concern**

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the consolidated entity's current liabilities exceeded its current assets by \$76,697,000 and had net liabilities of \$8,272,000. The ability of the consolidated entity to continue as a going concern is dependent on a number of factors, the most significant of which is the ability to finance the debt obligations through funding arrangements.

The above factors indicate a material uncertainty which may cast significant doubt as to whether the consolidated entity will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.



The Directors believe that there are reasonable grounds to believe that the consolidated entity will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report after consideration of the following factors:

- The Directors have reviewed the cash forecast, for the forthcoming 12 months which indicates the consolidated entity will continue to generate positive net cash inflows from its operating activities;
- The consolidated entity is in negotiations with its existing lenders and a significant creditor to restructure the existing liabilities, repay and/or extend the repayment terms and the Directors believe that it will be successful in the negotiations (refer to Note 17 and Note 18); and
- In connection with the above plans, the consolidated entity is planning to raise funds through the issue of additional shares under the Corporations Act 2001.

Accordingly, the Directors believe that the consolidated entity will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the consolidated entity does not continue as a going concern.

### **Parent entity information**

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in Note 33.

### **Principles of consolidation**

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Austral Resources Australia Ltd ('company' or 'parent entity') as at 31 December 2023 and the results of all subsidiaries for the year then ended. Austral Resources Australia Ltd and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

### **Operating segments**

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

### **Foreign currency translation**

The financial statements are presented in Australian dollars, which is Austral Resources Australia Ltd's functional and presentation currency.

### **Foreign currency transactions**

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

### **Revenue recognition**

The consolidated entity recognises revenue as follows:

#### **Revenue from contracts with customers**

Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

#### **Sale of copper cathode**

Revenue from the sale of copper cathode is recognised when the performance obligations are satisfied, at which time all the following conditions are satisfied:

- the Company has transferred to the buyer the significant ownership of the goods;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the consolidated entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

In most instances, sales revenue is recognised when the product is delivered to the destination specified by the customer, which is typically the customer's storage facility.

The majority of the copper cathode is sold under-pricing arrangements whereby the final prices are determined using quoted market prices in the month of contracted shipment. Or in some circumstances, revenue is recorded at the time of sale based on forward prices for the expected date of the final settlement. Subsequent variations in the price are recognised in the profit or loss as settlement adjustments each period end and in the period when the price is finalised.

## Interest

Interest revenue is recognised as interest accrues.

## Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

## Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled, and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Austral Resources Australia Ltd (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.



### **Current and non-current classification**

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

### **Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### **Trade and other receivables**

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 10 days.

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

### **Contract assets**

Contract assets are recognised when the consolidated entity has transferred goods or services to the customer but where the consolidated entity is yet to establish an unconditional right to consideration. Contract assets are treated as financial assets for impairment purposes.

### **Inventories**

Copper in process inventory consists of copper contained in mineral ores, the ore on leach pads and in-circuit material within processing operations. Copper inventories are valued at the lower of weighted average production cost or net realisable value. Cost comprises of direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure based on normal operating capacity.

Consumables used in operations, such as fuel, chemicals and reagents, as well as spare parts are valued at the lower of weighted average cost or net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The estimated selling price per tonne of copper is determined by the average of predicted future copper prices.

## **Stripping activity (waste removal) costs**

After the commencement of production, further development of the mine may require a phase of unusually high stripping. Stripping activities undertaken during the production phase of a surface mine (production stripping) are accounted for as set out below.

Production stripping is generally considered to create two benefits, being either the production of inventory or improved access to the ore to be mined in the future.

Where the benefits are realised in the form of inventory produced in the period, the production stripping costs are accounted for as part of the cost of producing those inventories.

Where the benefits are realised in the form of improved access to ore to be mined in the future, the costs are recognised as a non-current asset, referred to as a 'stripping activity asset', if the following criteria are met:

- future economic benefits (being improved access to the ore body) are probable;
- the component of the ore body for which access will be improved can be accurately identified; and
- the costs associated with the improved access can be reliably measured.

If any of the criteria are not met, the production stripping costs are charged to profit or loss as operating costs as they are incurred.

The stripping activity asset is initially measured at cost, which is the accumulation of costs directly incurred to perform the stripping activity that improves access to the identified component of ore, plus an allocation of directly attributable overhead costs. If incidental operations are occurring at the same time as the production stripping activity, but are not necessary for the production stripping activity to continue as planned, these costs are not included in the cost of the stripping activity asset.

If the costs of the inventory produced and the stripping activity asset are not separately identifiable, a relevant production measure is used to allocate the production stripping costs between the inventory produced and the stripping activity asset. This production measure is calculated for the identified component of the ore body and is used as a benchmark to identify the extent to which the additional activity of creating a future benefit has taken place. The Group uses the expected volume of waste extracted compared with the actual volume for a given volume of ore production of each component.

The stripping activity asset is accounted for as an addition to, or an enhancement of, an existing asset, being the mine asset, and is presented as part of 'Property, plant and equipment' in the statement of financial position. This forms part of the total investment in the relevant cash generating units, which is reviewed for impairment if events or changes of circumstances indicate that the carrying value may not be recoverable.

The stripping activity asset is subsequently depreciated using the units of production method over the life of the identified component of the ore body that became more accessible as a result of the stripping activity. Economically recoverable reserves, which comprise proven and probable reserves, are used to determine the expected useful life of the identified component of the ore body. The stripping activity asset is then carried at cost less depreciation and any impairment losses.

## **Derivative financial instruments**

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

### **Investments and other financial assets**

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

### **Impairment of financial assets**

The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

### **Property, plant and equipment**

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

|                        |            |
|------------------------|------------|
| Mobile Equipment       | 5-10 years |
| Furniture and fittings | 1-10 years |
| Office Equipment       | 1-10 years |

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

For accounting policy information on mine development refer to 'Mine development asset' and for stripping activity refer to 'Stripping activity (waste removal) costs'.



## **Right-of-use assets**

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

## **Exploration and evaluation assets**

Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made.

## **Mine development**

Capitalised mining development costs include expenditures incurred to develop new ore bodies to define further mineralisation in existing ore bodies, to expand the capacity of a mine and to maintain production. Mining development also includes costs transferred from exploration and evaluation phase once production commences in the area of interest.

Amortisation of mining development is computed by the units of production basis over the estimated proved and probable reserves. Proved and probable mineral reserves reflect estimated quantities of economically recoverable reserves which can be recovered in the future from known mineral deposits. These reserves are amortised from the date on which production commences. The amortisation is calculated from recoverable proven and probable reserves and a predetermined percentage of the recoverable measured, indicated and inferred resource. This percentage is reviewed annually.

Restoration costs expected to be incurred are provided for as part of development phase that give rise to the need for restoration.

## **Impairment of non-financial assets**

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

### **Trade and other payables**

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

### **Borrowings**

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

The component of the convertible notes that exhibits characteristics of a liability is recognised as a liability in the statement of financial position, net of transaction costs.

### **Lease liabilities**

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

### **Finance costs**

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

### **Provisions**

Provisions are recognised when the consolidated entity has a present (legal or constructive) obligation as a result of a past event, it is probable the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

#### **(i) Rehabilitation and closure provision**

A provision is recognised in the consolidated statement of financial position when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that resources will be expended to settle the obligation and a reliable estimate can be made of the amount of the obligation.

A provision is made for the estimated cost of mine rehabilitation relating to areas disturbed during the mine's operation up to reporting date but not yet rehabilitated. A provision has been made in full for all disturbed areas at the reporting date based on current estimates of costs to rehabilitate such areas, discounted to their present value based on expected future cashflows. The estimated costs of rehabilitation include the current cost of re-contouring, topsoiling and revegetation based on legislative requirements. Changes in estimates are dealt with on a prospective basis as they arise.

The amount of the provision relating to rehabilitation of mine infrastructure and dismantling obligations is recognised at the commencement of the mining project and/or construction of the assets where a legal or constructive obligation exists at that time. The provision is recognised as a liability with a corresponding asset included in mine development assets.

At each reporting date, the mine rehabilitation and closure liability is re-measured in line with changes in discount rates, of expected cash outflows and amount of the costs to be incurred. Changes in the liability relating to rehabilitation of mine infrastructure and dismantling obligations are added to or deducted from the related asset, other than the unwinding of the discount which is recognised as a finance expense in the statement of profit or loss and other comprehensive income as it occurs.

For closed mines, changes to estimated costs are recognised immediately in the statement of profit or loss and other comprehensive income.

## **(ii) Employee benefits**

### **Short-term employee benefits**

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

### **Other long-term employee benefits**

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

### **Defined contribution superannuation expense**

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred. Total expenditure for the year was \$699,000 (2022: \$576,00).

### **Share-based payments**

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.



The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

### **Fair value measurement**

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change

in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

### **Issued capital**

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

### **Dividends**

Dividends are recognised when declared during the financial year and no longer at the discretion of the company.

### **Earnings per share**

#### **Basic earnings per share**

Basic earnings per share is calculated by dividing the profit attributable to the owners of Austral Resources Australia Ltd, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

#### **Diluted earnings per share**

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

### **Goods and Services Tax ('GST') and other similar taxes**

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

### **Rounding of amounts**

The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

### **New Accounting Standards and Interpretations not yet mandatory or early adopted**

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 31 December 2023. The consolidated entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

## **Note 2. Critical accounting judgements, estimates and assumptions**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

### **Share-based payment transactions**

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity. Refer to Note 40 for further information.

### **Revenue from contracts with customers involving sale of copper cathode**

When recognising revenue in relation to the sale of copper cathode to customers, the key performance obligation of the consolidated entity is considered to be the point of delivery of the goods to the customer, as this is deemed to be the time that the customer obtains control of the promised goods and therefore the benefits of unimpeded access.

### **Determination of variable consideration**

Judgement is exercised in estimating variable consideration which is determined using quoted market prices in the month of contracted shipment. Revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised under the contract will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

### **Provision for impairment of inventories**

The provision for impairment of inventories assessment requires a degree of estimation and judgement. The level of the provision is assessed by taking into account the recent sales experience, the ageing of inventories and other factors that affect inventory obsolescence.

### **Inventory net realisable value**

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The estimated selling price per tonne of copper is determined by the average of predicted future copper prices.

### **Estimation of useful lives of assets**

The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.



### **Lease term**

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the consolidated entity's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The consolidated entity reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

### **Incremental borrowing rate**

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the consolidated entity estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

### **Rehabilitation provision**

A provision has been made for the present value of anticipated costs for future rehabilitation of land explored or mined. The consolidated entity's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. The consolidated entity recognises management's best estimate for assets retirement obligations and site rehabilitations in the period in which they are incurred. Actual costs incurred in the future periods could differ materially from the estimates. Additionally, future changes to environmental laws and regulations, life of mine estimates and discount rates could affect the carrying amount of this provision.

### **Exploration and evaluation costs**

Exploration and evaluation costs have been capitalised on the basis that the consolidated entity will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

### **Unit-of-production method of depreciation/amortisation**

The consolidated entity uses the unit-of-production basis when depreciating/amortising life of mine specific assets which results in a depreciation/amortisation charge proportionate to the depletion of the anticipated remaining life of mine production. Each asset's economic life, which is assessed annually, has due regard for both its physical life limitations and to present assessments of economically recoverable mine plan of the mine property at which it is located. These calculations require the use of estimates and assumptions.

### Stripping asset

The consolidated entity capitalises stripping costs incurred during the production phase of mining. As a result, the consolidated entity distinguishes between the production stripping that relates to the extraction of inventory and that which relates to the stripping asset.

The consolidated entity has identified its production stripping for each surface mining operation it identifies the separate components of the ore bodies for each of its mining operations. An identifiable component is a specific volume of the ore body that is made more accessible by the stripping activity. Judgement is required to identify and define these components, and also to determine the expected volumes of waste to be stripped and ore to be mined in each of these identified components.

These assessments are undertaken for each individual identified component based on life of mine strip ratio. Judgement is also required to identify a suitable production measure to be used to allocate production stripping costs between inventory and any stripping activity asset for each identified component.

### Note 3. Restatement of Comparative Information

Where necessary, comparative information has been restated to conform with changes in presentation in the current year.

During the preparation of the prior year annual financial statements management reviewed the classification of revenue and certain expenses and determined, in accordance with AASB 101 Presentation of Financial Statements and the consolidated entity's accounting policies, that certain selling costs had been misclassified as cost of goods sold. Accordingly, the comparative figure in this financial report has been restated. This reclassification has neither impacted the profit or loss of the year ended 31 December 2022, nor the financial position of the consolidated entity as at 31 December 2022.

Details of the reclassifications (being only those line items affected) are disclosed below:

|                                            | 2022<br>Reported<br>\$'000 | Adjusted<br>\$'000 | 2022<br>Restated<br>\$'000 |
|--------------------------------------------|----------------------------|--------------------|----------------------------|
| Revenue                                    | 54,828                     | (835)              | 53,993                     |
| Cost of goods sold                         | (59,458)                   | 835                | (58,623)                   |
| <b>Gross profit/(loss)</b>                 | <b>(4,630)</b>             | <b>–</b>           | <b>(4,630)</b>             |
| Loss before income tax expense             | (29,800)                   | –                  | (29,800)                   |
| Loss after income tax expense for the year | (29,800)                   | –                  | (29,800)                   |
| Total comprehensive loss for the year      | (29,800)                   | –                  | (29,800)                   |

### Note 4. Operating segments

#### Identification of reportable operating segments

The consolidated entity is organised into one operating segment, being mining and exploration operations. This operating segment is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources.

The CODM reviews EBITDA (earnings before interest, tax, depreciation and amortisation). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information reported to the CODM is on a monthly basis.

## Types of products and services

The principal products and services of this operating segment are the mining and exploration operations in Australia.

## Major customers

During the year ended 31 December 2023 all of the consolidated entity's external revenue, being \$110,280,000 (2022: \$53,993,000), was derived from sales to a single major Australian copper exporter.

## Geographical information

|           | Sales to external customers |                | Geographical non-current assets |                |
|-----------|-----------------------------|----------------|---------------------------------|----------------|
|           | 2023<br>\$'000              | 2022<br>\$'000 | 2023<br>\$'000                  | 2022<br>\$'000 |
| Australia | 110,280                     | 53,993         | 71,457                          | 59,279         |
|           | <b>110,280</b>              | <b>53,993</b>  | <b>71,457</b>                   | <b>59,279</b>  |

The geographical non-current assets above are exclusive of, where applicable, financial instruments, deferred tax assets, post-employment benefits assets and rights under insurance contracts.

## Note 5. Revenue

|                                       | Consolidated   |                |
|---------------------------------------|----------------|----------------|
|                                       | 2023<br>\$'000 | 2022<br>\$'000 |
| Revenue from contracts with customers |                |                |
| Sale of copper cathode                | 110,280        | 53,993         |

## Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

|                                      | Consolidated   |                |
|--------------------------------------|----------------|----------------|
|                                      | 2023<br>\$'000 | 2022<br>\$'000 |
| Major product lines                  |                |                |
| Copper Cathode                       | 110,280        | 53,993         |
| Geographical regions                 |                |                |
| Australia                            | <b>110,280</b> | <b>53,993</b>  |
| Timing of revenue recognition        |                |                |
| Goods transferred at a point in time | <b>110,280</b> | <b>53,993</b>  |



**Note 6. Other income**

|                      | Consolidated   |                |
|----------------------|----------------|----------------|
|                      | 2023<br>\$'000 | 2022<br>\$'000 |
| Insurance recoveries | 771            | 74             |
| Interest income      | 1,168          | 83             |
| Other                | (37)           | 245            |
| <b>Other income</b>  | <b>1,902</b>   | <b>402</b>     |

**Note 7. Finance Expenses**

|                                                   | Consolidated   |                |
|---------------------------------------------------|----------------|----------------|
|                                                   | 2023<br>\$'000 | 2022<br>\$'000 |
| Interest on interest bearing loans                | 8,927          | 6,245          |
| Interest on leases                                | 429            | 512            |
| Unwinding of discount on rehabilitation liability | 1,502          | 566            |
|                                                   | <b>10,878</b>  | <b>7,323</b>   |

## Note 8. Income tax expense

|                                                                                         | Consolidated   |                |
|-----------------------------------------------------------------------------------------|----------------|----------------|
|                                                                                         | 2023<br>\$'000 | 2022<br>\$'000 |
| <i>Income tax expense</i>                                                               |                |                |
| Current tax                                                                             | –              | –              |
| Deferred tax – origination and reversal of temporary differences                        | –              | –              |
| Adjustment recognised for prior periods                                                 | –              | –              |
| <b>Total income tax expense</b>                                                         | <b>–</b>       | <b>–</b>       |
| Deferred tax included in income tax expense comprises:                                  |                |                |
| Net increase in deferred tax (Note 16)                                                  | –              | –              |
| Deferred tax – origination and reversal of temporary differences                        | –              | –              |
| <i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>     |                |                |
| Loss before income tax expense                                                          | 9,452          | (29,800)       |
| Tax at the statutory tax rate of 30%                                                    | 2,836          | (8,940)        |
| Tax effect amounts which are not deductible/(taxable)<br>in calculating taxable income: |                |                |
| Adjustment recognised for prior period                                                  | (1,775)        | –              |
| Non-deductible share-based payments                                                     | 361            | 2,111          |
| Non-deductible fines and penalties                                                      | 9              | –              |
| Recognition of prior period deferred tax (assets)/liabilities                           | (1,431)        | 6,829          |
| Adjustment recognised for prior periods                                                 | –              | –              |
| <b>Income tax expense</b>                                                               | <b>–</b>       | <b>–</b>       |

As at 31 December 2023, the consolidated entity had carried forward losses of \$70,868,000 (2022: \$62,716,000) resulting in a deferred tax asset of \$21,260,000 (2022: \$18,815,000).

The consolidated entity has not recognised a deferred tax asset on any temporary differences.

The deferred tax relating to carry forward losses and other temporary differences has not been brought to account and will only be recognised if:

- future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised;
- the conditions for deductibility imposed by tax legislation continue to be complied with; and
- the group is able to meet the continuity of business and/or continuity of ownership test.

**Note 9. Current assets – cash and cash equivalents**

|              | <b>Consolidated</b>    |                        |
|--------------|------------------------|------------------------|
|              | <b>2023<br/>\$'000</b> | <b>2022<br/>\$'000</b> |
| Cash on hand | 1                      | 1                      |
| Cash at bank | 1,144                  | 1,534                  |
|              | <b>1,145</b>           | <b>1,535</b>           |

**Note 10. Current assets – trade and other receivables**

|                                            | <b>Consolidated</b>    |                        |
|--------------------------------------------|------------------------|------------------------|
|                                            | <b>2023<br/>\$'000</b> | <b>2022<br/>\$'000</b> |
| Trade receivables                          | 3,601                  | 6,749                  |
| Less: Allowance for expected credit losses | -                      | -                      |
| GST Receivable                             | 277                    | 1,105                  |
|                                            | <b>3,878</b>           | <b>7,854</b>           |

**Note 11. Current assets – inventories**

|                             | <b>Consolidated</b>    |                        |
|-----------------------------|------------------------|------------------------|
|                             | <b>2023<br/>\$'000</b> | <b>2022<br/>\$'000</b> |
| Spare parts and consumables | 2,950                  | 2,749                  |
| Copper in process           | 34,635                 | 22,375                 |
| Copper cathode              | 2,540                  | 1,752                  |
|                             | <b>40,125</b>          | <b>26,876</b>          |

**Note 12. Non-current assets – Other financial assets**

|                                                              | <b>Consolidated</b>    |                        |
|--------------------------------------------------------------|------------------------|------------------------|
|                                                              | <b>2023<br/>\$'000</b> | <b>2022<br/>\$'000</b> |
| Term deposits as security for bank guarantees <sup>(i)</sup> | 37,700                 | 37,700                 |
| Security deposits for Queensland Mines Department            | 107                    | 107                    |
|                                                              | <b>37,807</b>          | <b>37,807</b>          |

(i) Security deposits held with ANZ as security for the issuance of a bank guarantees to satisfy the financial assurance requirements with the Queensland Government's Department of Environment and Science for the Lady Annie Mine's Environmental Authority EPML00753513.



## Note 13. Non-current assets – property, plant and equipment

|                                                    | <b>Consolidated</b>    |                        |
|----------------------------------------------------|------------------------|------------------------|
|                                                    | <b>2023<br/>\$'000</b> | <b>2022<br/>\$'000</b> |
| Land and buildings – at cost                       | 6,292                  | 6,292                  |
| Less: Accumulated depreciation                     | (6,289)                | (6,289)                |
|                                                    | 3                      | 3                      |
| Mobile equipment – at cost                         | 35,116                 | 35,063                 |
| Less: Accumulated depreciation                     | (34,670)               | (34,614)               |
|                                                    | 446                    | 449                    |
| Office Equipment, furniture and fittings – at cost | 1,923                  | 1,860                  |
| Less: Accumulated depreciation                     | (1,635)                | (1,585)                |
|                                                    | 288                    | 275                    |
| Capital works in progress – at cost                | 10,530                 | 9,921                  |
| Mine development – at cost                         | 231,278                | 235,419                |
| Less: Accumulated amortisation                     | (228,967)              | (225,753)              |
|                                                    | 2,310                  | 9,666                  |
| Stripping activity – at cost                       | 74,701                 | 40,352                 |
| Less: Accumulated amortisation                     | (21,866)               | (8,111)                |
|                                                    | 52,835                 | 32,241                 |
|                                                    | <b>66,412</b>          | <b>52,555</b>          |

### Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

| <b>Consolidated</b>                                      | <b>Land and<br/>buildings<br/>\$'000</b> | <b>Mobile<br/>equipment<br/>\$'000</b> | <b>Office<br/>equipment,<br/>furniture<br/>and fittings<br/>\$'000</b> | <b>Capital<br/>works in<br/>progress<br/>\$'000</b> | <b>Mine<br/>development<br/>\$'000</b> | <b>Stripping<br/>activity<br/>asset<br/>\$'000</b> | <b>Total<br/>\$'000</b> |
|----------------------------------------------------------|------------------------------------------|----------------------------------------|------------------------------------------------------------------------|-----------------------------------------------------|----------------------------------------|----------------------------------------------------|-------------------------|
| Balance at<br>1 January 2022                             | 3                                        | 305                                    | 119                                                                    | 3,117                                               | 3,014                                  | –                                                  | 6,558                   |
| Additions                                                | –                                        | 199                                    | 189                                                                    | 6,804                                               | 8,456                                  | 40,352                                             | 56,000                  |
| Depreciation and<br>amortisation expense                 | –                                        | (55)                                   | (33)                                                                   | –                                                   | (1,804)                                | (8,111)                                            | (10,003)                |
| Balance at<br>31 December 2022                           | 3                                        | 449                                    | 275                                                                    | 9,921                                               | 9,666                                  | 32,241                                             | 52,555                  |
| Additions                                                | –                                        | 53                                     | 63                                                                     | 609                                                 | 2,123                                  | 34,349                                             | 37,197                  |
| Reduction in mine<br>rehabilitation and<br>closure asset | –                                        | –                                      | –                                                                      | –                                                   | (6,264)                                | –                                                  | (6,264)                 |
| Depreciation and<br>amortisation expense                 | –                                        | (56)                                   | (50)                                                                   | –                                                   | (3,215)                                | (13,755)                                           | (17,076)                |
| <b>Balance at<br/>31 December 2023</b>                   | <b>3</b>                                 | <b>446</b>                             | <b>288</b>                                                             | <b>10,530</b>                                       | <b>2,310</b>                           | <b>52,835</b>                                      | <b>66,412</b>           |

**Note 14. Non-current assets – right-of-use assets**

|                                    | <b>Consolidated</b>    |                        |
|------------------------------------|------------------------|------------------------|
|                                    | <b>2023<br/>\$'000</b> | <b>2022<br/>\$'000</b> |
| Land and buildings – right-of-use  | 254                    | 97                     |
| Less: Accumulated depreciation     | (117)                  | (61)                   |
|                                    | 137                    | 36                     |
| Plant and equipment – right-of-use | 7,944                  | 7,944                  |
| Less: Accumulated depreciation     | (3,721)                | (1,859)                |
|                                    | 4,223                  | 6,085                  |
|                                    | <b>4,360</b>           | <b>6,121</b>           |

Additions to the right-of-use assets during the year were \$157,000 (2022: \$1,153,000) and depreciation expense was \$429,000 (2022: \$513,000).

The consolidated entity leases office space under an extended agreement of four years. The consolidated entity also leases power generators for the processing plant under an agreement of four years. This agreement has escalation clause, and the consolidated entity has the right to extend a further two years.

The consolidated entity leases mining and office equipment under agreements of less than one year. These leases are either short-term or low-value, so have been expensed as incurred and not capitalised as right-of-use assets.

**Note 15. Non-current assets – exploration and evaluation**

|                                      | <b>Consolidated</b>    |                        |
|--------------------------------------|------------------------|------------------------|
|                                      | <b>2023<br/>\$'000</b> | <b>2022<br/>\$'000</b> |
| Exploration and evaluation – at cost | 685                    | 603                    |
| Less: Impairment                     | -                      | -                      |
|                                      | <b>685</b>             | <b>603</b>             |

**Reconciliations**

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

| <b>Consolidated</b>         | <b>Exploration and evaluation<br/>\$'000</b> |
|-----------------------------|----------------------------------------------|
| Balance at 1 January 2022   | 516                                          |
| Additions                   | 87                                           |
| Balance at 31 December 2022 | 603                                          |
| Additions                   | 82                                           |
| Balance at 31 December 2023 | <b>685</b>                                   |

## Note 16. Non-current assets – deferred tax

|                                                                            | Consolidated   |                |
|----------------------------------------------------------------------------|----------------|----------------|
|                                                                            | 2023<br>\$'000 | 2022<br>\$'000 |
| <i>Deferred tax asset comprises temporary differences attributable to:</i> |                |                |
| Amounts recognised in profit or loss:                                      |                |                |
| Provision for Mine Rehabilitation Asset                                    | 11,287         | 12,716         |
| Other Current Assets                                                       | (9,281)        | (9,180)        |
| Rehabilitation Asset                                                       | (89)           | (2,151)        |
| Mining Leases                                                              | (15,309)       | (7,078)        |
| Property, Plant and Equipment                                              | (46)           | (208)          |
| Employee Provisions                                                        | 163            | 252            |
| Inventory                                                                  | (1,401)        | (825)          |
| Other                                                                      | 260            | (7)            |
| Losses                                                                     | 21,260         | 14,755         |
| Total deferred tax asset, (net)                                            | 6,843          | 8,274          |
| Total deferred tax asset not brought to account                            | <b>(6,843)</b> | <b>(8,274)</b> |
| <b>Deferred tax asset</b>                                                  | <b>-</b>       | <b>-</b>       |

## Note 17. Current liabilities – trade and other payables

|                             | Consolidated   |                |
|-----------------------------|----------------|----------------|
|                             | 2023<br>\$'000 | 2022<br>\$'000 |
| Trade payables and accruals | 57,084         | 43,481         |
| Interest payable            | 1,061          | 934            |
|                             | <b>58,145</b>  | <b>44,415</b>  |

Due to the short-term nature, the current trade and other payables have a carrying value which approximates their fair value.

Refer to Note 27 for further information on financial instruments.



**Note 18. Current liabilities – borrowings**

|                                              | <b>Consolidated</b>    |                        |
|----------------------------------------------|------------------------|------------------------|
|                                              | <b>2023<br/>\$'000</b> | <b>2022<br/>\$'000</b> |
| Wingate Facility <sup>(i)</sup>              | 23,707                 | 24,266                 |
| Glencore Prepayment Facility <sup>(ii)</sup> | 26,929                 | 23,815                 |
| Secover Facility <sup>(iii)</sup>            | 12,816                 | 11,041                 |
|                                              | <b>63,452</b>          | <b>59,122</b>          |

**(i) Wingate facility**

On 9 August 2021, the consolidated entity entered into a facility agreement with Win Finance No. 359 Pty Ltd, primarily to fund its working capital and to restructure the company through the listing process. The facility is interest bearing with an interest rate of 15% per annum, payable quarterly in arrears and for a period of 36 months from the date of initial drawdown. An initial drawdown of \$20 million was made on 13 August 2021 and the remaining \$10 million was drawn following the company successfully listing on the ASX in November 2021. The facility is subject to debt covenants and obligations to make principal and interest payments on set dates. Should these terms not be met by the consolidated entity and event of default may eventuate.

On 30 September 2022, the facility was amended to an interest rate of BBSY bid rate plus 12% margin, and on 22 December 2022 upon entering into the Secover facility, it was agreed to bring the termination date of this facility forward to 23 November 2023.

**Assets pledged as security**

The Wingate facility is secured by first mortgages over the consolidated entity's tenements.

**(ii) Glencore prepayment facility**

On 3 February 2022, the consolidated entity entered into a facility agreement with Glencore International AG for USD \$15 million, primarily to accelerate its exploration program and fund working capital. The facility is interest bearing with an interest rate of LIBOR plus a margin of 8.5% per annum, payable monthly in arrears and for a period of 24 months from the date of initial drawdown. An initial drawdown of USD \$15 million was made on 17 March 2022. At 31 December 2022 this facility was fully drawn down.

**(iii) Secover facility**

On 22 December 2022, the consolidated entity entered into a facility agreement with Secover Pty Ltd for \$11 million, to fund working capital. The facility is interest bearing with an interest rate of 15% per annum, payable monthly in arrears and for a period of 12 months from the initial date of drawdown. Any interest that has accrued and is not paid is capitalised and added to the principal outstanding balance on that date. An initial drawdown of \$11 million was made on 23 December 2022. At 31 December 2022 this facility was fully drawn down.

At 31 December 2023, the above three facilities are considered due and payable. However, payments have been deferred while the entity is in negotiations with its existing debt providers to restructure the existing debt and/or extend the repayment terms as disclosed in Note 1 for the accounting policy surrounding going concern.

Refer to Note 27 for further information on financial instruments.

## Note 19. Current liabilities – provisions

|                   | Consolidated   |                |
|-------------------|----------------|----------------|
|                   | 2023<br>\$'000 | 2022<br>\$'000 |
| Employee benefits | 545            | 554            |

### Amounts not expected to be settled within the next 12 months

The current provision for employee benefits includes all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The entire amount is presented as current, since the consolidated entity does not have an unconditional right to defer settlement. However, based on past experience, the consolidated entity does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

## Note 20. Current liabilities – lease liabilities

|                 | Consolidated   |                |
|-----------------|----------------|----------------|
|                 | 2023<br>\$'000 | 2022<br>\$'000 |
| Lease liability | 1,769          | 1,557          |

Refer to Note 27 for further information on financial instruments.

## Note 21. Current liabilities – forward foreign exchange contracts

|                                                       | Consolidated   |                |
|-------------------------------------------------------|----------------|----------------|
|                                                       | 2023<br>\$'000 | 2022<br>\$'000 |
| Forward foreign exchange contracts – cash flow hedges | –              | 96             |

Refer to Note 27 for further information on financial instruments.

**Note 22. Non-current liabilities – provisions**

|                                                | <b>Consolidated</b>    |                        |
|------------------------------------------------|------------------------|------------------------|
|                                                | <b>2023<br/>\$'000</b> | <b>2022<br/>\$'000</b> |
| Mine rehabilitation and closure <sup>(i)</sup> | 37,624                 | 42,386                 |

**(i) Mine rehabilitation and closure provision**

The rehabilitation provision represents the present value of rehabilitation costs relating to mine sites, which are expected to be incurred over the life of the estimated life of mine, which is when the producing mine properties are expected to cease operations.

**Movements in provisions**

Movements in each class of provision during the current financial year, other than employee benefits, are set out below:

| <b>Consolidated – 2023</b>                                               | <b>Mine<br/>rehabilitation<br/>and closure<br/>\$'000</b> |
|--------------------------------------------------------------------------|-----------------------------------------------------------|
| Carrying amount at the start of the year                                 | 42,386                                                    |
| Reduction due to reassessment of liability and increase in discount rate | (6,264)                                                   |
| Amounts transferred to current                                           | -                                                         |
| Unwinding of discount                                                    | 1,502                                                     |
| <b>Carrying amount at the end of the year</b>                            | <b>37,624</b>                                             |

**Note 23. Non-current liabilities – lease liabilities**

|                 | <b>Consolidated</b>    |                        |
|-----------------|------------------------|------------------------|
|                 | <b>2023<br/>\$'000</b> | <b>2022<br/>\$'000</b> |
| Lease liability | 3,215                  | 4,845                  |

Refer to Note 27 for further information on financial instruments.



## Note 24. Equity – issued capital

|                              | Consolidated   |                |                |                |
|------------------------------|----------------|----------------|----------------|----------------|
|                              | 2023<br>Shares | 2022<br>Shares | 2023<br>\$'000 | 2022<br>\$'000 |
| Ordinary shares – fully paid | 527,165,826    | 527,165,826    | 71,546         | 71,546         |

### Movements in ordinary share capital

| Details                                                 | Date                    | Shares             | Issue price | \$'000        |
|---------------------------------------------------------|-------------------------|--------------------|-------------|---------------|
| Balance                                                 | 1 January 2022          | 445,375,000        |             | 47,926        |
| Exercise of performance rights – KMP                    | 7 April 2022            | 1,848,306          | 0.20        | 370           |
| Exercise of performance rights – Directors and KMP      | 14 April 2022           | 8,595,736          | 0.20        | 1,719         |
| Issue of placement shares                               | 18 August 2022          | 43,243,244         | 0.37        | 16,000        |
| Exercise of performance rights – Directors              | 18 August 2022          | 400,837            | 0.20        | 80            |
| Issue of placement shares to D Jauncey                  | 4 November 2022         | 2,702,703          | 0.37        | 1,000         |
| Issue of shares – Thiess restructure fee <sup>(i)</sup> | 23 December 2022        | 25,000,000         | 0.20        | 5,000         |
| Cost of share issue                                     |                         | –                  |             | (549)         |
| Balance                                                 | 31 December 2022        | 527,165,826        |             | 71,546        |
| <b>Balance</b>                                          | <b>31 December 2023</b> | <b>527,165,826</b> |             | <b>71,546</b> |

(i) Shares issued as a part of restructuring the deferred payment and accounts payable balance owed to Thiess, the global mining services provided working at the Anthill Mine.

### Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

### Options

On 5 August 2021, the company issued 10,000,000 options to pre-IPO capital raising participants with an exercise price of \$0.40 and expiry date of 3 November 2024. There has been no movement in these options since the grant date. There have been no other options granted in the current year (2022: Nil).

### Share buy-back

There is no current on-market share buy-back.

### Capital risk management

The consolidated entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current company's share price at the time of the investment. The consolidated entity is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The consolidated entity is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions.

The capital risk management policy remains unchanged from the 31 December 2022 Annual Report.

## Note 25. Equity – reserves

|                              | Consolidated   |                |
|------------------------------|----------------|----------------|
|                              | 2023<br>\$'000 | 2022<br>\$'000 |
| Share-based payments reserve | 2,249          | 1,298          |

### Share-based payments reserve

The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

### Movements in reserves

Movements in each class of reserve during the current and previous financial year are set out below:

| Consolidated                                  | Share-based<br>payments reserve<br>\$'000 |
|-----------------------------------------------|-------------------------------------------|
| Balance at 1 January 2022                     | 1,178                                     |
| Share-based payments expensed during the year | 2,289                                     |
| Performance rights exercised during the year  | (2,169)                                   |
| Balance at 31 December 2022                   | 1,298                                     |
| Share-based payments expensed during the year | 951                                       |
| Performance rights exercised during the year  | –                                         |
| <b>Balance at 31 December 2023</b>            | <b>2,249</b>                              |

## Note 26. Equity – accumulated losses

|                                                            | Consolidated    |                 |
|------------------------------------------------------------|-----------------|-----------------|
|                                                            | 2023<br>\$'000  | 2022<br>\$'000  |
| Accumulated losses at the beginning of the financial year  | (91,519)        | (61,719)        |
| Profit/loss after income tax expense for the year          | 9,452           | (29,800)        |
| <b>Accumulated losses at the end of the financial year</b> | <b>(82,067)</b> | <b>(91,519)</b> |

## Note 27. Financial instruments

### Financial risk management objectives

The consolidated entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity. The consolidated entity uses derivative financial instruments such as forward foreign exchange contracts to hedge certain risk exposures. Derivatives are exclusively used for hedging purposes, i.e. not as trading or other speculative instruments. The consolidated entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, ageing analysis for credit risk and beta analysis in respect of investment portfolios to determine market risk.

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the consolidated entity and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the consolidated entity's operating units. Finance reports to the Board on a monthly basis.

### Market risk

#### Foreign currency risk

The consolidated entity undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

The consolidated entity held assets of \$3,648,000 denominated in foreign currencies at 31 December 2023 (2022: \$7,230,000). Based on this exposure, the following tables detail the effect on the consolidated entity's profit before tax and equity had the Australian dollar weakened or strengthened by 5% (2022: weakened or strengthened by 5%) against these foreign currencies with all other variables held constant.

| Consolidated 2023 | % change | AUD strengthened                   |                         | AUD weakened                       |                         |
|-------------------|----------|------------------------------------|-------------------------|------------------------------------|-------------------------|
|                   |          | Effect on Profit before tax \$'000 | Effect on Equity \$'000 | Effect on Profit before tax \$'000 | Effect on Equity \$'000 |
| USD Cash Deposits | 5%       | (2)                                | 2                       | 2                                  | (2)                     |
| Trade Receivables | 5%       | (180)                              | 180                     | 180                                | (180)                   |
|                   |          | <b>(182)</b>                       | <b>182</b>              | <b>182</b>                         | <b>(182)</b>            |

| Consolidated 2022 | % change | AUD strengthened                   |                         | AUD weakened                       |                         |
|-------------------|----------|------------------------------------|-------------------------|------------------------------------|-------------------------|
|                   |          | Effect on Profit before tax \$'000 | Effect on Equity \$'000 | Effect on Profit before tax \$'000 | Effect on Equity \$'000 |
| USD Cash Deposits | 5%       | (24)                               | 24                      | 24                                 | (24)                    |
| Trade Receivables | 5%       | (338)                              | 338                     | 338                                | (338)                   |
|                   |          | <b>(362)</b>                       | <b>362</b>              | <b>362</b>                         | <b>(362)</b>            |



### Price Risk

The consolidated entity is exposed to commodity price risk arising from copper held as inventory.

The policy of the consolidated entity is to sell copper at the spot price and it has not entered into any hedging contracts. The consolidated entity's revenues were exposed to fluctuations in the price of copper. If the average selling price of copper of US\$8,442/tonne (2022: \$8,359/tonne) for the financial year had increased/decreased by 6% the change in the profit before income tax for the consolidated entity would have been an increase/decrease of AU\$6,617,000 (2022: AU\$3,240,000).

If there was a 6% increase or decrease in market price of copper, the net realisable value of inventory on hand would increase/decrease by \$2,885,000 (2022: \$2,024,000). As copper on hand is held at cost there would be no impact on profit or loss.

### Interest rate risk

The consolidated entity's main interest rate risk arises from long-term borrowings. Borrowings obtained at variable rates expose the consolidated entity to interest rate risk. Borrowings obtained at fixed rates expose the consolidated entity to fair value risk.

The consolidated entity's borrowings outstanding, totalling \$63,452,000 (2022: \$59,122,000), are principal and interest payment loans. Monthly cash outlays of approximately \$783,000 (2022: \$502,000) per month are required to service the interest payments. An official increase/decrease in interest rates of 400 (2022: 400) basis points would have an adverse effect on profit before tax of \$1,778,000 (2022: 1,297,000) per annum. The percentage change is based on the expected volatility of interest rates using market data and analysts forecasts. In addition, all principal repayments of \$63,452,000 (2022: \$59,122,000), refer to Note 18 for borrowings, and liquidity risk below regarding repayment terms.

### Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity is exposed to credit risk from its operating activities (trade receivables) and from its financing activities, including deposits with banks and financial institutions and foreign exchange transactions.

### Trade receivables

It is the consolidated entities policy that all customers who wish to trade on credit terms are subject to credit verification procedures including an assessment of their independent credit rating, financial position, past experience and industry reputation. Risk limits are set for each individual customer in accordance with parameters set by the board. These risk limits are regularly monitored.

Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. The consolidated entity obtains guarantees where appropriate to mitigate credit risk. Outstanding customer receivables and contract assets are regularly monitored. At 31 December 2023, the consolidated entity had one customer (2022: one) that owed it more than \$3.6 million (2022: \$6.7 million) which accounted for 100% (2022: 100%) of the trade receivables balance.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for more than one year and are not subject to enforcement activity. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The consolidated entity trades only with recognised, creditworthy third parties, and as such collateral is not requested.

Set out below is the information about the credit risk exposure on the Group's trade receivables and contract assets using a provision matrix:

|                                       | Trade Receivables |                    |                      |                    |                 |
|---------------------------------------|-------------------|--------------------|----------------------|--------------------|-----------------|
|                                       | Current<br>\$'000 | Days past due      |                      |                    | Total<br>\$'000 |
|                                       |                   | <30 days<br>\$'000 | 30-60 days<br>\$'000 | >61 days<br>\$'000 |                 |
| <b>31 December 2023</b>               |                   |                    |                      |                    |                 |
| Expected credit loss rate             | 0.00%             | 0.1%               | 5%                   | 10%                |                 |
| Estimated total gross carrying amount | 3,601             | -                  | -                    | -                  | 3,601           |
| Expected credit loss                  | -                 | -                  | -                    | -                  | -               |

|                                       | Trade Receivables |                    |                      |                    |                 |
|---------------------------------------|-------------------|--------------------|----------------------|--------------------|-----------------|
|                                       | Current<br>\$'000 | Days past due      |                      |                    | Total<br>\$'000 |
|                                       |                   | <30 days<br>\$'000 | 30-60 days<br>\$'000 | >61 days<br>\$'000 |                 |
| <b>31 December 2022</b>               |                   |                    |                      |                    |                 |
| Expected credit loss rate             | 0.00%             | 0.1%               | 5%                   | 10%                |                 |
| Estimated total gross carrying amount | 6,749             | -                  | -                    | -                  | 6,749           |
| Expected credit loss                  | -                 | -                  | -                    | -                  | -               |

## Liquidity risk

Vigilant liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The consolidated entity manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

## Remaining contractual maturities

The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

|                              | Weighted<br>average<br>interest rate<br>% | 1 year<br>or less<br>\$'000 | Between<br>1 and 2<br>years<br>\$'000 | Between<br>2 and 5<br>years<br>\$'000 | Remaining<br>contractual<br>maturities<br>\$'000 |
|------------------------------|-------------------------------------------|-----------------------------|---------------------------------------|---------------------------------------|--------------------------------------------------|
| <b>Consolidated – 2023</b>   |                                           |                             |                                       |                                       |                                                  |
| <b>Non-derivatives</b>       |                                           |                             |                                       |                                       |                                                  |
| <i>Non-interest bearing</i>  |                                           |                             |                                       |                                       |                                                  |
| Trade payables               | -                                         | 42,331                      | -                                     | -                                     | 42,331                                           |
| <i>Interest-bearing</i>      |                                           |                             |                                       |                                       |                                                  |
| Wingate Facility             | 16.2%                                     | 23,707                      | -                                     | -                                     | 23,707                                           |
| Glencore Prepayment Facility | 13.57%                                    | 26,929                      | -                                     | -                                     | 26,929                                           |
| Secover Facility             | 15.00%                                    | 12,816                      | -                                     | -                                     | 12,816                                           |
| Lease liability              | 7.90%                                     | 1,769                       | 1,626                                 | 1,589                                 | 4,984                                            |
| <b>Total non-derivatives</b> |                                           | <b>107,552</b>              | <b>1,626</b>                          | <b>1,589</b>                          | <b>110,767</b>                                   |

## Notes to the financial statements *continued*

| <b>Consolidated – 2022</b>   | <b>Weighted<br/>average<br/>interest rate<br/>%</b> | <b>1 year<br/>or less<br/>\$'000</b> | <b>Between<br/>1 and 2<br/>years<br/>\$'000</b> | <b>Between<br/>2 and 5<br/>years<br/>\$'000</b> | <b>Remaining<br/>contractual<br/>maturities<br/>\$'000</b> |
|------------------------------|-----------------------------------------------------|--------------------------------------|-------------------------------------------------|-------------------------------------------------|------------------------------------------------------------|
| <b>Non-derivatives</b>       |                                                     |                                      |                                                 |                                                 |                                                            |
| <i>Non-interest bearing</i>  |                                                     |                                      |                                                 |                                                 |                                                            |
| Trade payables               | –                                                   | 29,182                               | –                                               | –                                               | 29,182                                                     |
| <i>Interest-bearing</i>      |                                                     |                                      |                                                 |                                                 |                                                            |
| Wingate Facility             | 15.03%                                              | 24,266                               | –                                               | –                                               | 24,266                                                     |
| Glencore Prepayment Facility | 10.30%                                              | 23,815                               | –                                               | –                                               | 23,815                                                     |
| Secover Facility             | 15.00%                                              | 11,041                               | –                                               | –                                               | 11,041                                                     |
| Lease liability              | 7.80%                                               | 1,557                                | 3,453                                           | 1,392                                           | 6,402                                                      |
| <b>Total non-derivatives</b> |                                                     | <b>88,861</b>                        | <b>3,453</b>                                    | <b>1,392</b>                                    | <b>93,706</b>                                              |

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

### Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

## Note 28. Key management personnel disclosures

### Compensation

The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

|                              | <b>Consolidated</b> |                    |
|------------------------------|---------------------|--------------------|
|                              | <b>2023<br/>\$</b>  | <b>2022<br/>\$</b> |
| Short-term employee benefits | 1,149,489           | 1,523,125          |
| Post-employment benefits     | 84,836              | 91,070             |
| Long-term benefits           | –                   | –                  |
| Share-based payments         | 951,007             | 2,289,114          |
|                              | <b>2,185,331</b>    | <b>3,903,309</b>   |

## Note 29. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by RSM Australia Partners, the auditor of the company, its network firms and unrelated firms:

|                                                | <b>Consolidated</b> |                    |
|------------------------------------------------|---------------------|--------------------|
|                                                | <b>2023<br/>\$</b>  | <b>2022<br/>\$</b> |
| <i>Audit services – RSM Australia Partners</i> |                     |                    |
| Audit or review of the financial statements    | 138,666             | 125,000            |



## Note 30. Contingent assets and liabilities

### Contingent assets

The consolidated entity has an insurance claim related to bushfire damage from an event in October 2023. An interim payment on the claim of \$1 million has been confirmed of which \$700,000 was received during the year. The remaining amount of the claim is subject to review and approval by the insurer.

### Contingent liabilities

The consolidated entity has given performance guarantees as at 31 December 2023 of \$37,699,487 (2022: \$37,699,487) to the Queensland Government's Department of Environment and Science to satisfy the financial requirement for the Lady Annie Mine's Environmental Authority EPML00753513.

## Note 31. Commitments

|                                                                             | Consolidated   |                |
|-----------------------------------------------------------------------------|----------------|----------------|
|                                                                             | 2023<br>\$'000 | 2022<br>\$'000 |
| Exploration and evaluation commitments                                      |                |                |
| Committed at the reporting date but not recognised as liabilities, payable: |                |                |
| Within one year                                                             | 1,374          | 296            |
| One to five years                                                           | 3,956          | 60             |
| More than five years                                                        | –              | –              |
|                                                                             | <b>5,330</b>   | <b>356</b>     |

## Note 32. Related party transactions

### Parent entity

Austral Resources Australia Ltd is the parent entity.

### Subsidiaries

Interests in subsidiaries are set out in Note 34.

### Key management personnel

Disclosures relating to key management personnel are set out in Note 28 and the remuneration report included in the directors' report.

### Transactions with related parties

The following transactions occurred with related parties:

|                                                                   | Consolidated |            |
|-------------------------------------------------------------------|--------------|------------|
|                                                                   | 2023<br>\$   | 2022<br>\$ |
| Payment for goods and services:                                   |              |            |
| Payment for services from Austral Equipment Solutions Pty Ltd     | 1,321        | 1,997      |
| Payment for services from Austral Equipment Holdings Pty Ltd      | –            | 111        |
| Payment for services from Equipment Engineering Solutions Pty Ltd | 249          | 55         |
| Payment for services from Rural Earthworx                         | 1,155        | 1,178      |

## Notes to the financial statements *continued*

### Receivable from and payable to related parties

The following balances are outstanding at the reporting date in relation to transactions with related parties:

|                                                           | Consolidated |            |
|-----------------------------------------------------------|--------------|------------|
|                                                           | 2023<br>\$   | 2022<br>\$ |
| Current payables:                                         |              |            |
| Trade payables to Austral Equipment Solutions Pty Ltd     | 538          | 431        |
| Trade payables to Equipment Engineering Solutions Pty Ltd | 194          | 111        |
| Trade payables to Rural Earthworx                         | –            | 175        |

### Austral Equipment Solutions Pty Ltd

Payments to Austral Equipment Solutions Pty Ltd relate to the hire of equipment during the year. Austral Equipment Solutions Pty Ltd is owned by Dan Jauncey, the Managing Director and Chief Executive Officer of Austral Resources Australia Pty Ltd. The total value of transactions during the year was \$1,432,049 (2022: \$2,032,653) and amount payable at 31 December 2023 is \$538,306 (2022: \$431,324).

### Austral Equipment Holding Pty Ltd

Payments to Austral Equipment Holding Pty Ltd relate to the hire of equipment during the year. Austral Equipment Solutions Pty Ltd is owned by Dan Jauncey, the Managing Director and Chief Executive Officer of Austral Resources Australia Pty Ltd. There were no transactions with Austral Equipment Holding Pty Ltd during the year (2022: \$64,755) and the amount payable at 31 December 2023 is nil (2022: nil).

### Equipment Engineering Solutions Pty Ltd

Payments to Equipment Engineering Solutions Pty Ltd relate to engineering services during the year. Equipment Engineering Solutions Pty Ltd is owned by Dan Jauncey, the Managing Director and Chief Executive Officer of Austral Resources Australia Pty Ltd. The total value of transactions during the year was \$332,640 (2022: \$166,320) and amount payable at 31 December 2023 is \$194,040 (2022: \$110,880).

### Trustee for O'Connell family trust T/A Rural Earthworx

Payments to Rural Earthworx relate to the hire and operation of heavy equipment during the year. Rural Earthworx is owned by Shane O'Connell, the Chief Operating Officer of Austral Resources Australia Pty Ltd. The total value of transactions during the year was \$1,111,393 (2022: \$1,352,808) and amount payable at 31 December 2023 is nil (2022: \$174,874).

### Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

### Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

### Note 33. Parent entity information

Set out below is the supplementary information about the parent entity.

#### Statement of profit or loss and other comprehensive income

|                                | Parent         |                |
|--------------------------------|----------------|----------------|
|                                | 2023<br>\$'000 | 2022<br>\$'000 |
| Profit/(loss) after income tax | 4,919          | (8,126)        |
| Total comprehensive income     | 4,919          | (8,126)        |

#### Statement of financial position

|                              | Parent          |                 |
|------------------------------|-----------------|-----------------|
|                              | 2023<br>\$'000  | 2022<br>\$'000  |
| Total current assets         | 10              | 10              |
| Total assets                 | 10              | 10              |
| Total current liabilities    | (12,815)        | (18,685)        |
| Total liabilities            | (12,815)        | (18,685)        |
| Equity                       |                 |                 |
| Issued capital               | 71,546          | 71,546          |
| Share-based payments Reserve | 2,249           | 1,298           |
| Accumulated losses           | (86,600)        | (91,519)        |
| <b>Total equity</b>          | <b>(12,805)</b> | <b>(18,675)</b> |

#### Contingent liabilities

The parent entity had no contingent liabilities as at 31 December 2023 and 31 December 2022.

#### Capital commitments – Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 31 December 2023 and 31 December 2022.

#### Material accounting policy information

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in Note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.



**Note 34. Interests in subsidiaries**

The consolidated financial statements incorporate the assets, liabilities and results of the following wholly-owned subsidiaries in accordance with the accounting policy described in Note 1:

| Name                                  | Principal place of business/<br>Country of incorporation | Ownership interest |           |
|---------------------------------------|----------------------------------------------------------|--------------------|-----------|
|                                       |                                                          | 2023<br>%          | 2022<br>% |
| Austral Resources Operations Pty Ltd  | Australia                                                | 100%               | 100%      |
| Austral Resources Exploration Pty Ltd | Australia                                                | 100%               | 100%      |

**Note 35. Events after the reporting period**

No matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

**Note 36. Reconciliation of profit after income tax to net cash from operating activities**

|                                                     | Consolidated   |                |
|-----------------------------------------------------|----------------|----------------|
|                                                     | 2023<br>\$'000 | 2022<br>\$'000 |
| Loss after income tax expense for the year          | 9,452          | (29,800)       |
| Adjustments for:                                    |                |                |
| Depreciation and amortisation                       | 18,995         | 11,451         |
| Accrued interest                                    | 6,051          | 3,530          |
| Share-based payments                                | 951            | 7,289          |
| Unwinding of discount on rehabilitation liability   | 1,502          | 566            |
| Impairment losses                                   | –              | –              |
| Foreign exchange differences                        | (395)          | 1,040          |
| Change in operating assets and liabilities:         |                |                |
| Decrease/(increase) in trade and other receivables  | 3,108          | (6,240)        |
| (Increase) in inventories                           | (14,969)       | (23,547)       |
| (Increase)/decrease in Secured Deposits             | –              | 85             |
| Decrease in prepayments                             | –              | (399)          |
| Decrease/(increase) in other operating assets       | 1,870          | (412)          |
| (Decrease)/increase in other provisions             | (9)            | 240            |
| Increase in trade and other payables                | 15,351         | 35,277         |
| Increase/(decrease) in other operating liabilities  | 6              | (881)          |
| <b>Net cash from/(used in) operating activities</b> | <b>41,913</b>  | <b>(1,801)</b> |

## Note 37. Non-cash investing and financing activities

|                                      | Consolidated   |                |
|--------------------------------------|----------------|----------------|
|                                      | 2023<br>\$'000 | 2022<br>\$'000 |
| Additions to the right-of-use assets | 157            | 1,153          |
|                                      | <b>157</b>     | <b>1,153</b>   |

## Note 38. Changes in liabilities arising from financing activities

| Consolidated                                 | Borrowings<br>\$'000 | Lease<br>liability<br>\$'000 | Total<br>\$'000 |
|----------------------------------------------|----------------------|------------------------------|-----------------|
| Balance at 1 January 2022                    | 27,455               | 6,522                        | 33,977          |
| Net cash from/(used in) financing activities | 23,987               | (1,487)                      | 22,500          |
| Acquisition of leases                        | –                    | 1,153                        | 1,153           |
| Interest charged                             | 7,680                | 214                          | 7,894           |
| Balance at 31 December 2022                  | 59,122               | 6,402                        | 65,524          |
| Net cash from/(used in) financing activities | (3,375)              | (2,004)                      | (5,379)         |
| Acquisition of leases                        | –                    | 157                          | 157             |
| Interest charged                             | 7,705                | 429                          | 8,134           |
| <b>Balance at 31 December 2023</b>           | <b>63,452</b>        | <b>4,984</b>                 | <b>68,436</b>   |

## Note 39. Earnings per share

|                                                                                                                                     | Consolidated   |                 |
|-------------------------------------------------------------------------------------------------------------------------------------|----------------|-----------------|
|                                                                                                                                     | 2023<br>\$'000 | 2022<br>\$'000  |
| Profit/(loss) after income tax attributable to the owners of Austral Resources Australia Ltd used in calculating earnings per share | <b>9,452</b>   | <b>(29,800)</b> |
|                                                                                                                                     | <b>\$</b>      | <b>\$</b>       |
| Basic earnings per share                                                                                                            | 0.02           | (0.06)          |
| Diluted earnings per share                                                                                                          | 0.02           | (0.06)          |

|                                                                                           | Number             | Number             |
|-------------------------------------------------------------------------------------------|--------------------|--------------------|
| <i>Weighted average number of ordinary shares</i>                                         |                    |                    |
| Weighted average number of ordinary shares used in calculating basic earnings per share   | 527,165,826        | 449,947,229        |
| Adjustments for calculation of diluted earnings per share:                                |                    |                    |
| Performance rights                                                                        | 32,302,135         | –                  |
| Weighted average number of ordinary shares used in calculating diluted earnings per share | <b>559,467,961</b> | <b>449,947,229</b> |

## Note 40. Share-based payments

### Performance rights

On 4 August 2021, 44,537,500 performance rights were issued to key management personnel under the Performance Share Plan. Where an employee leaves during the vesting period and the KPI's are not met within three months of the employees termination date the performance rights will be forfeited. In the scenario where the KPI's were met then the employee is eligible to elect to exercise the rights through to the expiry date. On 12 May 2022, 1,603,350 performance rights were issued to Michael Hansel under the Performance Share Plan and were approved at the company's AGM. These performance rights are subject to the same KPIs as the performance rights issued to the key management personnel on 4 August 2021. Each Performance Right converts into one AR1 share upon vesting and exercise.

On 17 October 2022, 4,302,326 performance rights were issued to key management personnel under the Performance Share Plan. Where an employee leaves during the vesting period and the KPI's are not met within three months of the employees termination date the performance rights will be forfeited. In the scenario where the KPI's were met then the employee is eligible to elect to exercise the rights through to the expiry date. These performance rights were re-issued following the cancelation of the existing HSSEQ performance rights after the Directors identified the HSSEQ KPI should be better defined.

Total expense arising from share-base payments transactions is \$951,000 (2022: \$2,289,000) in current financial year.

The movements in the current year of the number of Performance Rights issued to Key Management Personnel (KMP) are as follows:

|               |                                                           | Balance at<br>1 January<br>2023 | Granted<br>as part of<br>remuneration | Number<br>of Rights<br>Exercised | Number<br>of Rights<br>Lapsed/<br>Cancelled | Balance at<br>31 December<br>2023 |
|---------------|-----------------------------------------------------------|---------------------------------|---------------------------------------|----------------------------------|---------------------------------------------|-----------------------------------|
| <b>KPI 1</b>  | First material ore production from Anthill deposit        | 690,330                         | –                                     | –                                | –                                           | 690,330                           |
| <b>KPI 2</b>  | Production of 20kt of copper cathode from Anthill Project | 4,302,324                       | –                                     | –                                | (160,335)                                   | 4,141,989                         |
| <b>KPI 3</b>  | Generate 20kt inferred resource 1                         | 10,755,803                      | –                                     | –                                | (400,837)                                   | 10,354,966                        |
| <b>KPI 4</b>  | Share price target of \$0.50                              | 8,604,645                       | –                                     | –                                | (320,670)                                   | 8,283,975                         |
| <b>KPI 7</b>  | Generate 20kt inferred resource 2                         | 4,302,324                       | –                                     | –                                | (160,335)                                   | 4,141,989                         |
| <b>HSSEQ1</b> | HSSEQ and Indigenous Affairs – FY 2023                    | 2,151,163                       | –                                     | –                                | (80,168)                                    | 2,070,995                         |
| <b>HSSEQ1</b> | HSSEQ and Indigenous Affairs – FY 2024                    | 2,151,163                       | –                                     | –                                | (80,168)                                    | 2,070,995                         |
| <b>Total</b>  |                                                           | <b>32,957,752</b>               | <b>–</b>                              | <b>–</b>                         | <b>(1,202,513)</b>                          | <b>31,755,239</b>                 |

The Key Performance indicators of the new performance rights are as follows:

**HSSEQ1 KPI – to be met by 30 June 2023  
(measurement period 1 July 2022 to 30 June 2023)**

This KPI will be considered satisfied where the following criteria are met during the relevant period:

- 1. Safety KPI – 50% of the HSSEQ1 Performance Rights on issue**
  - 100% vesting upon achieving a 20% decrease in the All Injury Frequency Rate (AIFR) from the previous year.
  - 50% vesting upon achieving a 10% decrease in the AIFR from the previous year.
  - 0% vesting upon achieving a 0% decrease in the AIFR from the previous year.
  - Pro rata vesting allocation by 1% increments for a 1% to 19% decrease in the AIFR.
- 2. Environment KPI – 30% of the HSSEQ1 Performance Rights on issue**
  - 100% vesting upon achieving no environmental fines/breaches from DES (Breach) for the year to June 2023.
  - The % vested is reduced by the value of any fines imposed (calculated with reference to the Company's Share price at the time of the Breach) in the year to June 2023.
- 3. Indigenous Affairs KPI – 20% of the HSSEQ1 Performance Rights on issue**
  - 100% vesting upon achieving no impact on operations due to breaches/delays resulting from Indigenous Affairs matters for the year to June 2023.
  - 0% vesting where management of Indigenous Affairs matters results in a material impact on operations due to breaches/delays for the year to June 2023.

**HSSEQ2 KPI – to be met by 30 June 2024  
(measurement period 1 July 2023 to 30 June 2024)**

This KPI will be considered satisfied where the following criteria are met during the relevant period:

- 1. Safety KPI – 50% of the HSSEQ1 Performance Rights on issue**
  - 100% vesting upon achieving a 20% decrease in the All Injury Frequency Rate (AIFR) from the previous year.
  - 50% vesting upon achieving a 10% decrease in the AIFR from the previous year.
  - 0% vesting upon achieving a 0% decrease in the AIFR from the previous year.
  - Pro rata vesting allocation by 1% increments for a 1% to 19% decrease in the AIFR.
- 2. Environment KPI – 30% of the HSSEQ1 Performance Rights on issue**
  - 100% vesting upon achieving no environmental fines/breaches from DES (Breach) for the year to June 2024.
  - The % vested is reduced by the value of any fines imposed (calculated with reference to the Company's Share price at the time of the Breach) in the year to June 2024.
- 3. Indigenous Affairs KPI – 20% of the HSSEQ1 Performance Rights on issue**
  - 100% vesting upon achieving no impact on operations due to breaches/delays resulting from Indigenous Affairs matters for the year to June 2024.
  - 0% vesting where management of Indigenous Affairs matters results in a material impact on operations due to breaches/delays for the year to June 2024.



## Notes to the financial statements *continued*

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 31 December 2023 (of those issued at IPO);
- 1,202,513 performance rights were forfeited during the year following the resignation of Jeff Innes on 15 March 2023; and
- Each Performance Right converts into one ARI share upon vesting and exercise.

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

| #            | Key Performance Indicators                                                                       | Performance Right # <sup>1</sup> | Vesting Date <sup>2</sup> | Expiry Date <sup>3</sup> |
|--------------|--------------------------------------------------------------------------------------------------|----------------------------------|---------------------------|--------------------------|
| KPI 1        | First material ore production from Anthill deposit                                               | 11,134,372                       | Vested <sup>4</sup>       | 30 Jun 25                |
| KPI 2        | Production of 20kt of Copper cathode from Anthill Project                                        | 4,453,752                        | 30 Jun 24                 | 30 Jun 26                |
| KPI 3        | Generate 20kt inferred resource 1                                                                | 11,134,372                       | 30 Jun 25                 | 30 Jun 26                |
| KPI 4        | Share price target of \$0.50                                                                     | 8,907,500                        | 30 Jun 25                 | 30 Jun 26                |
| KPI 5        | Health Safety Security Environment and Quality ( <b>HSSEQ</b> ) and Indigenous Affairs – FY 2023 | 2,226,876                        | Cancelled                 | 30 Jun 25                |
| KPI 6        | HSSEQ and Indigenous Affairs – FY 2023                                                           | 2,226,876                        | Cancelled                 | 30 Jun 26                |
| KPI 7        | Generate 20kt inferred resource 2                                                                | 4,453,752                        | 30 Jun 25                 | 30 Jun 26                |
| <b>Total</b> |                                                                                                  | <b>44,537,500</b>                |                           |                          |

1. Number of rights granted at IPO.

2. 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. Where a KPI is not met, the Performance Rights will be forfeited.

3. Expiry date applies where the KPI has been met by the relevant Vesting Date.

4. Some of the vested rights have been exercised.

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).                                                                                                                                                                                                                                    |

| No. | KPI                                                                                                                          | Overview                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|-----|------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 5   | Health, Safety, Security, Environment, Quality ( <b>HSSEQ</b> ) 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"> <li>1. the Company's published Lost Time Injury Frequency Rate (<b>LTIFR</b>) 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</li> <li>2. 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 (<b>ILUA</b>) (including for example the agreements set out in section 12.7 of the Prospectus).</li> </ol> |
| 6   | HSSEQ and Indigenous Affairs – from 1 July 2022 to 30 June 2023                                                              | <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"> <li>3. 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</li> <li>4. 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).</li> </ol>                                                                                                                                                                                |
| 7   | Generate a JORC compliant Inferred Mineral Resource estimate measuring 20,000 tonnes contained Cu in sulphide mineralisation | <p>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%.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                |

The fair value of performance rights granted is estimated at the date of grant. The following table list the inputs to the models used for the valuation of the performance rights:

|                             | Performance rights under KPI #4 | Performance rights under KPI #1-3 and #5-7 |
|-----------------------------|---------------------------------|--------------------------------------------|
| Expected volatility (%)     | 90%                             | 90%                                        |
| Risk-free interest rate (%) | 0.89%                           | 0.89%                                      |
| Expected life               | 4 years                         | 4 years                                    |
| Model used                  | Monte Carlo                     | Black-Scholes                              |
| Grant date                  | 4 August 2021                   | 4 August 2021                              |

## Notes to the financial statements *continued*

The following table lists the inputs to the models used for the valuation of the performance rights issued to Michael Hansel:

|                             | Performance rights under KPI #4 | Performance rights under KPI #1-3 and #5-7 |
|-----------------------------|---------------------------------|--------------------------------------------|
| Expected volatility (%)     | 108.7%                          | 108.7%                                     |
| Risk-free interest rate (%) | 2.66%                           | 2.66%                                      |
| Expected life               | 3.2 years                       | 3.2 years                                  |
| Model used                  | Monte Carlo                     | Black-Scholes                              |
| Grant date                  | 12 May 2022                     | 12 May 2022                                |

The following table lists the inputs to the models used for the valuation of the performance rights issued during the year to Directors and KMP:

|                             | Performance rights under HSSEQ1 | Performance rights under HSSEQ2 |
|-----------------------------|---------------------------------|---------------------------------|
| Expected volatility (%)     | 104.09%                         | 104.09%                         |
| Risk-free interest rate (%) | 3.35%                           | 3.35%                           |
| Expected life               | 0.7 years                       | 1.7 years                       |
| Model used                  | Black-Scholes                   | Black-Scholes                   |
| Grant date                  | 17 October 2022                 | 17 October 2022                 |

# Directors' declaration

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in Note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2023 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



**Daniel Jauncey**

*Managing Director and Chief Executive Officer*

28 March 2024  
Brisbane



# Independent auditor's report



## RSM Australia Partners

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## INDEPENDENT AUDITOR'S REPORT To the Members of Austral Resources Australia Ltd

### Opinion

We have audited the financial report of Austral Resources Australia Ltd (the 'Company') and its subsidiaries (together the 'Consolidated entity'), which comprises the statement of financial position as at 31 December 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of the Consolidated entity is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Consolidated entity's financial position as at 31 December 2023 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Consolidated entity in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## THE POWER OF BEING UNDERSTOOD AUDIT | TAX | CONSULTING

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RSM Australia Partners ABN 36 965 185 036

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### Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report, which indicates that as at 31 December 2023 the Consolidated entity's current liabilities exceeded its current assets by \$76,697,000 and had net liabilities of \$8,272,000. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Consolidated entity's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

| Key Audit Matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | How our audit addressed this matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Revenue Recognition</b><br>Refer to Note 5 in the financial statements                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Revenue recognition was considered a key audit matter because it is the most significant account balance in the statement of profit or loss and other comprehensive income, and because the Consolidated entity's process of revenue recognition is complex and involves significant management judgements.<br><br>These include: <ul style="list-style-type: none"> <li>• Identification of the different performance obligations in the offtake agreement;</li> <li>• Determination of the timing of meeting the performance obligations under the offtake agreement; and</li> <li>• The estimation of variation in the final sale price.</li> </ul> | Our audit procedures in relation to revenue included: <ul style="list-style-type: none"> <li>• Assessing whether the Consolidated entity's revenue recognition policy is in compliance with Australian Accounting Standards. This assessment included, along other procedures, reviewing offtake agreements to understand terms and conditions of sale, the performance obligations involved and the timing of meeting the performance obligations;</li> <li>• Evaluating the appropriateness of the design of the internal controls related to revenue recognition, and conducting tests to corroborate they were operating effectively during the year 2023;</li> <li>• Conducting test of details over a sample of revenue transactions to verify the accuracy and validity of revenue recognition;</li> <li>• Performing substantive analytical tests;</li> <li>• Conducting cut-off testing for revenue transactions;</li> <li>• Searching and reviewing large and/ or unusual transactions during the financial year; and</li> <li>• Assessing the appropriateness of disclosure in the financial statements</li> </ul> |

**Key Audit Matters (continued)**

| Key Audit Matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | How our audit addressed this matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Property, Plant and Equipment - Stripping Activity Asset</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Refer to Note 13 in the financial statements                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <p>As at 31 December 2023, the Consolidated entity has a stripping activity asset with a carrying value of \$52.8 million.</p> <p>We consider this to be a key audit matter due to its significance to the statement of financial position and the significant management judgements and estimates involved in determining the appropriate accounting treatment in accordance with IFRIC 20 <i>Stripping Costs in the Production Phase of a Surface Mine</i> ('IFRIC 20').</p> <p>Areas of judgement include:</p> <ul style="list-style-type: none"> <li>The recognition and measurement of stripping activity asset, including the identification of the components within the ore body being stripped, determining the costs relating to the stripping activity and estimating the stripping ratio in accordance with the Life of Mine Plan for each component; and</li> <li>Application of the units of production method in determining the amortisation charge, which includes determining the appropriate mine reserve estimate.</li> </ul> | <p>Our audit procedures included, among others:</p> <ul style="list-style-type: none"> <li>Assessing whether the recognition of stripping activity asset was consistent with the requirements of IFRIC 20. This assessment included the determination of the date of commercial production, the identification of the relevant ore body and whether the costs incurred enhanced access to the ore body;</li> <li>Reviewing management's calculation of stripping activity asset, including: <ul style="list-style-type: none"> <li>Agreeing relevant mining costs to general ledger;</li> <li>Assessing the reasonableness of cost allocation among components;</li> <li>Checking mathematical accuracy of the calculations of stripping activity asset based on expected vs actual waste to ore ratio of each component; and</li> <li>Agreeing expected waste to ore ratio to Life of Mine Plan of each component.</li> </ul> </li> <li>Assessing management's depreciation model and agreeing key inputs to supporting information, including Life of Mine Plan and the mine reserve estimate;</li> <li>Testing the mathematical accuracy of the amortisation rates applied; and</li> <li>Assessing the appropriateness of disclosure in the financial statements.</li> </ul> |

#### Key Audit Matters (continued)

| Key Audit Matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | How our audit addressed this matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Provision for mine rehabilitation and closure</b><br>Refer to Note 22 in the financial statements                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <p>As a result of the Consolidated entity's past activities, there is an obligation to rehabilitate and restore mine sites. As at 31 December 2023, the Consolidated entity has brought to account a provision of \$37.6 million.</p> <p>This was considered to be a key audit matter due to the significant judgements and estimates involved in assessing the provision for rehabilitation including:</p> <ul style="list-style-type: none"> <li>• Determination of costs to be incurred in future years and its timing;</li> <li>• Complexity involved in the quantification of the provision based on areas disturbed; and</li> <li>• The methodology used to calculate the provision amount to ensure compliance with Australian Accounting Standards.</li> </ul> | <p>Our audit procedures included, among others:</p> <ul style="list-style-type: none"> <li>• Obtaining an understanding of the process involved in the determination of the provision for mine rehabilitation and closure;</li> <li>• Obtaining the rehabilitation plan developed by the independent experts and evaluate the objective, competence and independence of the expert;</li> <li>• Verifying that the methodology for the calculation for the provision for mine rehabilitation and closure is in accordance with AASB 137 <i>Provisions, Contingent Liabilities and Contingent Assets</i>;</li> <li>• Reviewing the key assumptions used in the calculations and agreeing them to evidence supporting assumptions used; and</li> <li>• Assessing the appropriateness of the disclosures included in the financial statements.</li> </ul> |

#### Other Information

The directors are responsible for the other information. The other information comprises the information included in the Consolidated entity's annual report for the year ended 31 December 2023, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Consolidated entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Consolidated entity or to cease operations, or have no realistic alternative but to do so.





**Auditor's Responsibilities for the Audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance; but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [https://www.auasb.gov.au/admin/file/content102/c3/ar2\\_2020.pdf](https://www.auasb.gov.au/admin/file/content102/c3/ar2_2020.pdf)

This description forms part of our auditor's report.

**Report on the Remuneration Report**

*Opinion on the Remuneration Report*

We have audited the Remuneration Report included in pages 33 to page 45 of the directors' report for the year ended 31 December 2023.

In our opinion, the Remuneration Report of Austral Resources Australia Ltd, for the year ended 31 December 2023, complies with section 300A of the *Corporations Act 2001*.

*Responsibilities*

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

A handwritten signature in black ink that reads 'RSM'.

**RSM AUSTRALIA PARTNERS**

A handwritten signature in black ink that appears to read 'R J Morillo Maldonado'.

**R J MORILLO MALDONADO**  
Partner

Melbourne, Victoria  
Dated: 28 March 2024

# Mineral Resource and Ore Reserve Statement

## Mineral Resource Estimate

Mineral Resource Estimate at 31 December 2022 – Copper Mineral Resource, Queensland.

| Classification | Tonnes<br>(million) | Cu%         | Ca%        | Mg%        |
|----------------|---------------------|-------------|------------|------------|
| Measured       | 10.33               | 0.75        | 3.8        | 2.3        |
| Indicated      | 33.75               | 0.76        | 5.0        | 3.0        |
| Inferred       | 11.33               | 0.67        | 5.7        | 3.4        |
| <b>Total</b>   | <b>55.41</b>        | <b>0.74</b> | <b>4.9</b> | <b>2.9</b> |

Global JORC 2012 Copper Mineral Resources (0.3% Cu cut off grade)

Mineral Resource Estimate at 31 December 2023 – Copper Mineral Resource, Queensland.

| Classification | Tonnes<br>(million) | Cu%         | Ca%        | Mg%        |
|----------------|---------------------|-------------|------------|------------|
| Measured       | 9.39                | 0.75        | 4.2        | 2.3        |
| Indicated      | 33.03               | 0.76        | 5.1        | 3.5        |
| Inferred       | 11.32               | 0.67        | 4.5        | 2.7        |
| <b>Total</b>   | <b>53.74</b>        | <b>0.74</b> | <b>4.8</b> | <b>3.2</b> |

Global JORC 2012 Copper Mineral Resources (0.3% Cu cut off grade)

Relative to the 2022 Global Mineral Resource Estimate (**MRE**) of 410,034 tonnes of contained copper, the 2023 Global Mineral Resource Estimate reports 397,676 tonnes of contained copper. This relative difference of 12,358 tonnes of contained copper results from the following changes to the Mineral Resource Base through mining depletion.

### Anthill

Open pit mining of Anthill commenced on 7 January 2022 and is ongoing. No additional drilling was available for the Anthill deposit and therefore the MRE did not require updating, prior to depletion.

The current Mineral Resource update used the same Anthill mine depletion surfaces as applied for the Ore Reserve update, depleting the previous resource model (2012) to build the current Mineral Resource statement tables presented in this report.

### Lady Colleen

The Lady Colleen resource model was updated by ResEval on 28 October 2022. There is no material changes to these resources for 2023.

### Enterprise

Utilising historically completed & reported drilling, a maiden MRE was completed for Enterprise by ResEval on 9 August 2022. As such, there is no material changes to these resources for 2023.

# Mineral Resource and Ore Reserve Statement *continued*

## Ore Reserves

Ore Reserves at 31 December 2022 – Copper Ore Reserve, Queensland.

| Classification | Tonnes<br>(million) | Cu%         | Ca%         |
|----------------|---------------------|-------------|-------------|
| Proved         | 1.78                | 0.81        | 0.53        |
| Probable       | 2.63                | 0.88        | 0.81        |
| <b>Total</b>   | <b>4.41</b>         | <b>0.85</b> | <b>0.70</b> |

Global JORC 2012 Copper Ore Reserves

Ore Reserves at 31 December 2023 – Copper Ore Reserve, Queensland.

| Classification | Tonnes<br>(million) | Cu%         | Ca%         |
|----------------|---------------------|-------------|-------------|
| Proved         | 0.90                | 0.90        | 0.90        |
| Probable       | 1.97                | 0.96        | 0.87        |
| <b>Total</b>   | <b>2.87</b>         | <b>0.94</b> | <b>0.88</b> |

Global JORC 2012 Copper Ore Reserves

Relative to the 2022 Global Ore Reserve Estimate of 37,485 tonnes of contained copper, the 2023 Global Ore Reserve Estimate reports 26,969 tonnes of contained copper. This relative difference of 10,516 tonnes of contained copper results from the following changes to the Ore Reserve Base through mining depletion.

## Anthill

Open pit mining of Anthill commenced on 7 January 2022 and is ongoing. No additional drilling was undertaken for the Anthill deposit and therefore the MRE did not require updating, prior to depletion.

The above reserve has been generated by considering only resources between the pit base as-mined as at 31 December 2023 and the current final pit design at that time. The same depletion surfaces representing the as-mined 31 December 2023 position were applied for updating the Anthill Mineral Resource.

The cut-off method used allows for calcium penalties and is unchanged from the Ore Reserve report by CSA Global dated April 2021. The resource block model and modifying factors used are unchanged from the Ore Reserve report by CSA Global dated April 2021.

Production from the Anthill operation continued throughout 2023 overcoming several obstacles to achieve steady state production.

Initial challenges included the identification of tenorite/cuprite minerals in the shallow ore zones of East Pit 1 with associated metallurgical recovery issues. A higher cutoff grade was applied for the discrete zone containing the tenorite/cuprite and additional RC drilling was completed across the project to gather metallurgical composites and confirm its limited impact to the reserve assumptions.

Water inflow from major rainfall event limited access to the E1 and W1 pits following the event. During de-watering activities mining was diverted to pre-stripping of E2. While this delayed ore delivery to the ROM it enabled the contract miner to continue production activities and reducing variations.

Limitations around road haulage movements limited ore delivery to the Mt Kelly ROM, resulting in a deficit of ore at the Mt Kelly processing facility. Staffing of technical services personnel was impacted throughout the year with a competitive labour market.

Despite these challenges the contract miner has been able to achieve the project schedule and further de-risk the operation with multiple ore sources now available to deliver to the ROM on an as need basis. The East Pit Stage 1 was nearing completion producing from the final 265/260 benches.

West Pit production has advanced to the 290RL where the highest ore tonnes per bench meter are available. In East Pit Stage 2, most of the floor has been mined to the 305RL where again ore tonnes per bench meter improves.

In house grade control reconciliations, thus far have indicated excellent correlation to the block model supporting the resource assumptions.

Updates to the final pit design were undertaken late in 2021, changing the ramp locations, width and gradient to suit the selected haul trucks and also best achieve the resources highlighted within the targeted whittle shells. Small incremental changes to accommodate changes in conditions have been made to the final design that have had a negligible impact on ore reserve.

Detailed information that relates to Ore Reserves and Mineral Resource Estimates is provided in the tables below.

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 Don Fraser and Mr Tim Fisher, Competent Persons who are Members of the Australian Institute of Geoscience and Australasian Institute of Mining and Metallurgy respectively.

Mr Fraser is the Senior Geologist for Austral Resources and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results and Ore Reserves (2012 JORC Code)' for Mineral Assets, Exploration Targets, Exploration Results and Mineral Resources.

Mr Fisher is a consultant mining engineer and was the Austral Mining Manager until December 2022. Mr Fisher has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results and Ore Reserves (2012 JORC Code)' for Ore Reserves.

Mr Fraser and Mr Fisher consent to the inclusion in this announcement of the matters based on this information in the form and context in which it appears.

Additional details including JORC 2012 reporting tables, where applicable can be found in cross referenced announcements lodged with the ASX. The Company is not aware of any new data or information that materially affects the information included in the announcements listed in this Annual Report and that all material assumptions and technical parameters underpinning the Mineral Resource estimate and Ore Reserve continue to apply and have not materially changed.

The Mineral Resource Estimate and Ore Reserve are reported as at 31 December 2023 and represent the third year that Austral has reported a Mineral Resource and Ore Reserve since listing and as disclosed in the Company's IPO Prospectus lodged as an ASX announcement 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 relies on drilling results from accredited laboratories in providing assay results used to estimate Mineral Resources and Ore Reserves.

The Company ensures that all Mineral Resource estimates are subject to appropriate levels of governance and internal controls. Exploration results are collected and managed by an independent competent qualified geologist. All data collection activities are conducted to industry standards based on a framework of quality assurance and quality control protocols covering all aspects of sample collection, topographical and geophysical surveys, drilling, sample preparation, physical and chemical analysis and data and sample management. Mineral Resource estimates and Ore Reserves are prepared by qualified independent Competent Persons. If there is a material change in the estimate of a Mineral Resource or Ore Reserve, the estimate and supporting documentation in question is reviewed by a suitable qualified independent Competent Persons. The Company reports its Mineral Resources and Ore Reserves on an annual basis in accordance with JORC Code 2012.



Austral Resources Mineral Resources by deposit at 31 December 2022 – Copper Mineral Resource, Queensland.

**104 Austral Resources (ASX:AR1)**

| Deposit                  | Material Type | Measured Resources |             |                  | Indicated Resources |              |             | Inferred Resources |                  |              | Total Resources |                  |                  |
|--------------------------|---------------|--------------------|-------------|------------------|---------------------|--------------|-------------|--------------------|------------------|--------------|-----------------|------------------|------------------|
|                          |               | Mt                 | Cu%         | Ca% <sup>1</sup> | Mg% <sup>1</sup>    | Mt           | Cu%         | Ca% <sup>1</sup>   | Mg% <sup>1</sup> | Mt           | Cu%             | Ca% <sup>1</sup> | Mg% <sup>1</sup> |
| McLeod Hill              | Oxide         | -                  | -           | -                | -                   | -            | -           | -                  | -                | 0.48         | 0.35            | -                | -                |
|                          | Transition    | -                  | -           | -                | -                   | -            | -           | -                  | -                | 0.55         | 0.57            | -                | -                |
|                          | Sulphide      | -                  | -           | -                | -                   | -            | -           | -                  | -                | 0.39         | 0.56            | -                | -                |
|                          | <b>Total</b>  | -                  | -           | -                | -                   | -            | -           | -                  | -                | <b>1.42</b>  | <b>0.49</b>     | -                | -                |
| Swagman                  | Oxide         | 0.14               | 0.67        | -                | -                   | 0.03         | 0.62        | -                  | -                | 0.02         | 0.53            | -                | -                |
|                          | Transition    | -                  | -           | -                | -                   | 0.07         | 0.60        | -                  | -                | 0.04         | 0.45            | -                | -                |
|                          | Sulphide      | -                  | -           | -                | -                   | -            | -           | -                  | -                | 0.03         | 0.45            | -                | -                |
|                          | <b>Total</b>  | <b>0.14</b>        | <b>0.67</b> | -                | -                   | <b>0.10</b>  | <b>0.61</b> | -                  | -                | <b>0.09</b>  | <b>0.47</b>     | -                | -                |
| Enterprise               | Oxide         | -                  | -           | -                | -                   | -            | -           | -                  | -                | -            | -               | -                | -                |
|                          | Transition    | -                  | -           | -                | -                   | -            | -           | -                  | -                | -            | -               | -                | -                |
|                          | Sulphide      | -                  | -           | -                | -                   | -            | -           | -                  | -                | 0.95         | 0.97            | -                | -                |
|                          | <b>Total</b>  | -                  | -           | -                | -                   | -            | -           | -                  | -                | <b>0.95</b>  | <b>0.97</b>     | -                | -                |
| <b>Total<sup>2</sup></b> | Oxide         | 4.12               | 0.62        | 0.6              | 0.4                 | 10.3         | 0.53        | 0.7                | 0.5              | 0.86         | 0.36            | 1.2              | 0.8              |
|                          | Transition    | 3.82               | 0.66        | 6.5              | 3.8                 | 9.92         | 0.69        | 7.2                | 4.2              | 1.69         | 0.51            | 6.9              | 4.3              |
|                          | Sulphide      | 2.39               | 1.12        | 5.0              | 2.9                 | 13.53        | 0.98        | 6.7                | 3.9              | 8.78         | 0.73            | 5.8              | 3.4              |
|                          | <b>Total</b>  | <b>10.33</b>       | <b>0.75</b> | <b>3.8</b>       | <b>2.3</b>          | <b>33.75</b> | <b>0.76</b> | <b>5.0</b>         | <b>3.0</b>       | <b>11.33</b> | <b>0.67</b>     | <b>5.7</b>       | <b>3.4</b>       |
|                          |               |                    |             |                  |                     |              |             |                    |                  | <b>55.41</b> | <b>0.74</b>     | <b>4.9</b>       | <b>2.9</b>       |

Notes:

1. Due to the sparseness of Ca and Mg assays the Ca and Mg estimates are indicative only.
2. Totals may contain discrepancies associated with rounding.
3. Lady Colleen reported at 0.5%Cu cut-off as Sulphide Resource).

Austral Resources Mineral Resources by deposit at 31 December 2023 – Copper Mineral Resource, Queensland.

| Deposit                   | Material Type | Measured Resources |      |                  |                  | Indicated Resources |      |                  |                  | Inferred Resources |      |                  |                  | Total Resources |      |                  |                  |
|---------------------------|---------------|--------------------|------|------------------|------------------|---------------------|------|------------------|------------------|--------------------|------|------------------|------------------|-----------------|------|------------------|------------------|
|                           |               | Mt                 | Cu%  | Ca% <sup>1</sup> | Mg% <sup>1</sup> | Mt                  | Cu%  | Ca% <sup>1</sup> | Mg% <sup>1</sup> | Mt                 | Cu%  | Ca% <sup>1</sup> | Mg% <sup>1</sup> | Mt              | Cu%  | Ca% <sup>1</sup> | Mg% <sup>1</sup> |
| Anthill                   | Oxide         | 1.33               | 0.68 | 0.41             | 0.3              | 4.52                | 0.64 | 0.4              | 0.5              | 0.14               | 0.37 | 0.3              | 0.3              | 5.99            | 0.64 | 0.4              | 0.4              |
|                           | Transition    | 0.29               | 0.90 | 5.8              | 3.3              | 1.82                | 0.76 | 5.6              | 3.1              | 0.26               | 0.47 | 5.5              | 3.3              | 2.37            | 0.75 | 5.6              | 3.1              |
|                           | Sulphide      | 0.02               | 0.70 | 5.9              | 3.4              | 0.84                | 0.61 | 5.5              | 3.1              | 1.67               | 0.54 | 6.5              | 3.9              | 2.53            | 0.56 | 6.2              | 3.6              |
|                           | Total         | 1.64               | 0.72 | 1.4              | 0.9              | 7.18                | 0.67 | 2.3              | 1.5              | 2.07               | 0.52 | 6.0              | 3.6              | 10.89           | 0.65 | 2.9              | 1.8              |
| Lady Annie                | Oxide         | 0.51               | 0.56 | 1.0              | 0.6              | 1.35                | 0.44 | 0.5              | 0.5              | 0.03               | 0.40 | 0.4              | 0.7              | 1.89            | 0.47 | 0.6              | 0.5              |
|                           | Transition    | 1.94               | 0.68 | 8.0              | 4.7              | 3.33                | 0.83 | 8.1              | 4.9              | 0.12               | 0.57 | 9.2              | 5.8              | 5.39            | 0.77 | 8.1              | 4.8              |
|                           | Sulphide      | 0.55               | 0.91 | 8.3              | 4.9              | 3.84                | 0.89 | 9.7              | 5.9              | 0.49               | 0.58 | 10.4             | 6.5              | 4.88            | 0.86 | 9.6              | 5.9              |
|                           | Total         | 3.00               | 0.70 | 6.9              | 4.0              | 8.52                | 0.8  | 7.6              | 4.6              | 0.64               | 0.57 | 9.7              | 6.1              | 12.16           | 0.76 | 7.5              | 4.6              |
| Lady Brenda               | Oxide         | 0.33               | 0.43 | 1.6              | 1.0              | 2.76                | 0.39 | 1.3              | 0.9              | 0.16               | 0.35 | 2.2              | 1.4              | 3.25            | 0.39 | 1.4              | 1.0              |
|                           | Transition    | 0.29               | 0.57 | 10.2             | 5.8              | 2.99                | 0.52 | 8.9              | 5.2              | 0.65               | 0.46 | 7.4              | 4.6              | 3.94            | 0.51 | 8.7              | 5.1              |
|                           | Sulphide      | 0.02               | 0.42 | 2.6              | 1.3              | 0.45                | 0.56 | 10.4             | 6.2              | 0.37               | 0.45 | 7.1              | 4.2              | 0.84            | 0.51 | 8.7              | 5.2              |
|                           | Total         | 0.64               | 0.49 | 5.5              | 3.2              | 6.2                 | 0.47 | 5.6              | 3.4              | 1.18               | 0.44 | 6.6              | 4.0              | 8.03            | 0.46 | 5.7              | 3.5              |
| Flying Horse              | Oxide         | 0.72               | 0.47 | 0.7              | 0.7              | 0.57                | 0.44 | 0.6              | 0.6              | 0.01               | 0.34 | 0.1              | 0.1              | 1.30            | 0.46 | 0.6              | 0.6              |
|                           | Transition    | 0.76               | 0.59 | 5.0              | 2.9              | 1.37                | 0.61 | 4.3              | 2.6              | 0.06               | 0.56 | 2.7              | 1.5              | 2.19            | 0.6  | 4.5              | 2.6              |
|                           | Sulphide      | 0.95               | 1.16 | 5.1              | 2.9              | 5.75                | 0.85 | 5.9              | 3.4              | 4.01               | 0.77 | 5.2              | 3.1              | 10.71           | 0.85 | 5.5              | 3.3              |
|                           | Total         | 2.42               | 0.78 | 3.8              | 2.2              | 7.69                | 0.78 | 5.2              | 3.0              | 4.08               | 0.77 | 5.1              | 3.1              | 14.2            | 0.77 | 4.9              | 2.9              |
| Mt Clarke                 | Oxide         | 0.15               | 0.46 | 0.4              | 0.6              | 0.35                | 0.43 | 0.2              | 0.5              | 0.02               | 0.48 | 0.3              | 0.8              | 0.52            | 0.44 | 0.3              | 0.5              |
|                           | Transition    | 0.41               | 0.55 | 1.5              | 1.0              | 0.16                | 0.47 | 2.2              | 1.3              | 0.00               | 0.46 | 6.4              | 2.8              | 0.57            | 0.53 | 1.7              | 1.1              |
|                           | Sulphide      | 0.36               | 0.61 | 1.2              | 0.8              | 0.69                | 0.57 | 1.9              | 1.2              | 0.5                | 0.55 | 2.4              | 1.4              | 1.55            | 0.57 | 1.9              | 1.2              |
|                           | Total         | 0.92               | 0.56 | 1.2              | 0.8              | 1.2                 | 0.52 | 1.5              | 1.0              | 0.52               | 0.55 | 2.4              | 1.4              | 2.64            | 0.54 | 1.5              | 1.0              |
| Lady Colleen <sup>3</sup> | Oxide         | <0.01              | 0.77 | 3.0              | 1.5              | <0.01               | 0.8  | 2.5              | 1.3              | -                  | -    | -                | -                | <0.01           | 0.79 | 2.7              | 1.4              |
|                           | Transition    | 0.13               | 0.85 | 2.0              | 1.0              | 0.18                | 0.99 | 3.4              | 1.7              | <0.01              | 0.61 | 8.5              | 4.7              | 0.32            | 0.93 | 2.9              | 1.4              |
|                           | Sulphide      | 0.49               | 1.70 | 4.0              | 2.2              | 1.96                | 1.91 | 4.5              | 2.4              | 0.37               | 1.50 | 5.9              | 3.1              | 2.82            | 1.82 | 4.6              | 2.5              |
|                           | Total         | 0.63               | 1.51 | 3.6              | 1.9              | 2.14                | 1.83 | 4.4              | 2.4              | 0.37               | 1.49 | 5.9              | 3.2              | 3.15            | 1.73 | 4.4              | 2.4              |

| Deposit                   | Material Type | Measured Resources |             |            |            | Indicated Resources |             |            |            | Inferred Resources |             |            |            | Total Resources |             |            |            |
|---------------------------|---------------|--------------------|-------------|------------|------------|---------------------|-------------|------------|------------|--------------------|-------------|------------|------------|-----------------|-------------|------------|------------|
|                           |               | Mt                 | Cu%         | Ca%        | Mg%        | Mt                  | Cu%         | Ca%        | Mg%        | Mt                 | Cu%         | Ca%        | Mg%        | Mt              | Cu%         | Ca%        | Mg%        |
| McLeod Hill               | Oxide         | -                  | -           | -          | -          | -                   | -           | -          | -          | 0.48               | 0.35        | -          | -          | 0.48            | 0.35        | -          | -          |
|                           | Transition    | -                  | -           | -          | -          | -                   | -           | -          | -          | 0.55               | 0.57        | -          | -          | 0.55            | 0.57        | -          | -          |
|                           | Sulphide      | -                  | -           | -          | -          | -                   | -           | -          | -          | 0.39               | 0.56        | -          | -          | 0.39            | 0.56        | -          | -          |
|                           | <b>Total</b>  | -                  | -           | -          | -          | -                   | -           | -          | -          | <b>1.42</b>        | <b>0.49</b> | -          | -          | <b>1.42</b>     | <b>0.49</b> | -          | -          |
| Swagman                   | Oxide         | 0.14               | 0.67        | -          | -          | 0.03                | 0.62        | -          | -          | 0.02               | 0.53        | -          | -          | 0.19            | 0.65        | -          | -          |
|                           | Transition    | -                  | -           | -          | -          | 0.07                | 0.60        | -          | -          | 0.04               | 0.45        | -          | -          | 0.11            | 0.55        | -          | -          |
|                           | Sulphide      | -                  | -           | -          | -          | -                   | -           | -          | -          | 0.03               | 0.45        | -          | -          | 0.03            | 0.45        | -          | -          |
|                           | <b>Total</b>  | <b>0.14</b>        | <b>0.67</b> | -          | -          | <b>0.10</b>         | <b>0.61</b> | -          | -          | <b>0.09</b>        | <b>0.47</b> | -          | -          | <b>0.33</b>     | <b>0.60</b> | -          | -          |
| Enterprise                | Oxide         | -                  | -           | -          | -          | -                   | -           | -          | -          | -                  | -           | -          | -          | -               | -           | -          | -          |
|                           | Transition    | -                  | -           | -          | -          | -                   | -           | -          | -          | -                  | -           | -          | -          | -               | -           | -          | -          |
|                           | Sulphide      | -                  | -           | -          | -          | -                   | -           | -          | -          | 0.95               | 0.97        | -          | -          | 0.95            | 0.97        | -          | -          |
|                           | <b>Total</b>  | -                  | -           | -          | -          | -                   | -           | -          | -          | <b>0.95</b>        | <b>0.97</b> | -          | -          | <b>0.95</b>     | <b>0.97</b> | -          | -          |
| <b>Total</b> <sup>2</sup> | Oxide         | 3.18               | 0.58        | 0.7        | 0.5        | 9.58                | 0.52        | 0.7        | 0.6        | 0.86               | 0.36        | 0.5        | 0.4        | 13.62           | 0.52        | 0.7        | 0.6        |
|                           | Transition    | 3.82               | 0.66        | 6.5        | 3.8        | 9.92                | 0.69        | 7.1        | 5.8        | 1.68               | 0.51        | 4.5        | 2.8        | 15.42           | 0.66        | 6.7        | 5.0        |
|                           | Sulphide      | 2.39               | 1.12        | 5.0        | 2.4        | 13.53               | 0.98        | 6.7        | 3.9        | 8.78               | 0.73        | 4.9        | 2.9        | 24.7            | 0.90        | 5.9        | 3.4        |
|                           | <b>Total</b>  | <b>9.39</b>        | <b>0.75</b> | <b>4.2</b> | <b>2.3</b> | <b>33.03</b>        | <b>0.76</b> | <b>5.1</b> | <b>3.5</b> | <b>11.32</b>       | <b>0.67</b> | <b>4.5</b> | <b>2.7</b> | <b>53.74</b>    | <b>0.74</b> | <b>4.8</b> | <b>3.2</b> |

Notes:

1. Due to the sparseness of Ca and Mg assays the Ca and Mg estimates are indicative only.
2. Totals may contain discrepancies associated with rounding.
3. Lady Colleen reported at 0.5%Cu cut-off as Sulphide Resource).



# Shareholder information

The shareholder information set out below was applicable as at Additional information required by the ASX Limited Listing Rules and not disclosed elsewhere in this report is set out below. This information is effective as at 29 February 2024.

There is no current on-market buy-back.

## Corporate Governance

The Board has adopted the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations – 4th Edition (**ASX Recommendations**). The Board continually monitors and reviews its existing and required policies, charters and procedures with a view to ensuring its compliance with the ASX Recommendations to the extent deemed appropriate for the size of the Company and its development status.

A summary of the Company's ongoing corporate governance practices is set out annually in the Company's Corporate Governance Statement and can be found on the Company's website at <https://www.australres.com/investors/corporate-governance/>.

## Voting rights

|                    |                                                                                                                                                 |
|--------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|
| Ordinary shares    | On a show of hands, every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote. |
| Options            | No voting rights.                                                                                                                               |
| Performance rights | No voting rights.                                                                                                                               |

## Distribution of equity by security holder

| Holding                          | Quoted                   |               | Unquoted                                      |                               |
|----------------------------------|--------------------------|---------------|-----------------------------------------------|-------------------------------|
|                                  | Ordinary Shares          |               | Options \$0.40 exercise price 3 Nov 24 expiry | Performance rights            |
|                                  | ARI                      |               |                                               |                               |
|                                  | #                        | %             |                                               |                               |
| 1 – 1,000                        | 55                       | 0.00          | -                                             | -                             |
| 1,001 – 5,000                    | 431                      | 0.25          | -                                             | -                             |
| 5,001 – 10,000                   | 353                      | 0.57          | -                                             | -                             |
| 10,001 – 100,000                 | 833                      | 6.14          | -                                             | -                             |
| 100,001 and over                 | 260                      | 93.03         | 14                                            | 6                             |
| <b>Number of Holders</b>         | <b>1,932<sup>1</sup></b> |               | <b>14</b>                                     | <b>6</b>                      |
| Securities on issue <sup>4</sup> | <b>527,165,826</b>       | <b>100.00</b> | <b>10,000,000<sup>2</sup></b>                 | <b>31,686,314<sup>3</sup></b> |

1. There were 303 holders of less than a marketable parcel of ordinary shares (\$500 amounts to 3,125 shares at \$0.16).

2. Kamjoh Pty Limited holds 2,250,000 options

3. Performance Rights were issued under the Company's Performance Share Plan.

4. There are no securities subject to ASX restriction or voluntary escrow.

## Equity security holders

### Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

|                                                | Ordinary shares    |                          |
|------------------------------------------------|--------------------|--------------------------|
|                                                | Number held        | % of total shares issued |
| Yellow Gear Pty Ltd <Super Snake A/C>          | 235,100,000        | 44.60                    |
| Thiess Group Investments Pty Ltd               | 25,000,000         | 4.74                     |
| G Harvey Nominees Pty Ltd <Harvey 1995 DT A/C> | 16,608,109         | 3.15                     |
| Sparta AG                                      | 15,900,000         | 3.02                     |
| Mr John Kamara                                 | 13,179,833         | 2.50                     |
| 2Invest AG                                     | 10,991,012         | 2.08                     |
| Kamjoh Pty Limited                             | 8,449,972          | 1.60                     |
| Moose 2.0 Pty Ltd <The Moose A/C>              | 8,269,890          | 1.57                     |
| Kamjoh Pty Ltd                                 | 6,231,668          | 1.18                     |
| Ms Renee Jauncey                               | 5,171,859          | 0.98                     |
| HSBC Custody Nominees (Australia) Limited      | 5,074,717          | 0.96                     |
| Mr Wil Jauncey                                 | 5,091,824          | 0.97                     |
| Mr Daniel Jauncey <Ms Lucy Jauncey A/C>        | 5,000,000          | 0.95                     |
| Mr Daniel Jauncey <Ms Maggie Jauncey A/C>      | 5,000,000          | 0.95                     |
| Mrs Simone Elise Rappell                       | 4,960,948          | 0.94                     |
| Mr Daniel Jauncey                              | 4,874,431          | 0.92                     |
| Citicorp Nominees Pty Limited                  | 3,078,627          | 0.58                     |
| Agilis Pty Ltd <The Agilis A/C>                | 2,800,000          | 0.53                     |
| Mr Jacob Alan Burgoyne                         | 2,753,809          | 0.52                     |
| Mr Nicholas James Procter                      | 2,743,805          | 0.52                     |
|                                                | <b>386,280,504</b> | <b>73.26</b>             |

## Substantial holders

Substantial holders in the Company are set out below:

|                     | Ordinary shares    |                          |
|---------------------|--------------------|--------------------------|
|                     | Number held        | % of total shares issued |
| Yellow Gear Pty Ltd | 235,100,000        |                          |
| Moose 2.0 Pty Ltd   | 8,269,890          |                          |
| Daniel Jauncey      | 14,874,431         |                          |
| Renee Jauncey       | 5,171,859          |                          |
| <b>Total</b>        | <b>263,416,180</b> | <b>49.97</b>             |

The above holders are associates of Daniel Jauncey.

|              | Ordinary shares   |                          |
|--------------|-------------------|--------------------------|
|              | Number held       | % of total shares issued |
| 2 Invest AG  | 12,342,364        |                          |
| Sparta AG    | 16,995,102        |                          |
| <b>Total</b> | <b>29,337,466</b> | <b>5.57</b>              |

2 Invest AG and Sparta AG are associated entities.

# Corporate directory

## **Directors**

Phillip Thomas  
Daniel Jauncey  
Michael Hansel

## **Company secretary**

Jaroslav Kopias

## **Registered office and principal place of business**

RACQ House  
Level 9, Suite 902  
60 Edward Street  
Brisbane QLD 4000  
Phone: 07 3520 2500

## **Mining operations**

Anthill Mine Site and Mt Kelly Processing Area  
McNamara Road (off Barkly Highway)  
Mount Isa QLD 4825

## **Share register**

Automic  
Level 5  
126 Phillip Street  
Sydney NSW 2000  
Phone: 1300 288 664

## **Auditor**

RSM Australia Partners  
Level 27  
120 Collins Street  
Melbourne VIC 3000

## **Solicitors**

HopgoodGanim Lawyers  
Level 8  
Waterfront Place  
1 Eagle Street  
Brisbane QLD 4000

## **Bankers**

ANZ  
Level 17  
111 Eagle Street  
Brisbane QLD 4000

## **Stock exchange listing**

Austral Resources Australia Ltd shares are listed on the Australian Securities Exchange (ASX code: AR1)

## **Website**

[www.australres.com](http://www.australres.com)

## **Corporate Governance Statement**

<https://www.australres.com/investors/corporate-governance/>



