



1. Company details

Name of entity:	Austral Resources Australia Ltd
ABN:	50 142 485 470
Reporting period:	For the half-year ended 30 June 2024
Previous period:	For the half-year ended 30 June 2023

2. Results for announcement to the market

			\$'000
Revenues from ordinary activities	down	39% to	42,864
Loss from ordinary activities for the half-year after tax attributable to the owners of Austral Resources Australia Ltd, from a profit of \$9.452 million	down	110% to	(978)
Loss for the half-year attributable to the owners of Austral Resources Australia Ltd, from a profit of \$9.452 million	down	110% to	(978)

Dividends

No dividends have been paid, recommended, or declared during the current financial period (2023: Nil).

Comments

The loss for the consolidated entity after providing for income tax amounted to \$978,000 (30 June 2023: loss of \$10,873,000).

Austral Resources Australia Ltd has achieved the following for the six months ended 30 June 2024:

- Copper cathode sales of 3,268 tonnes (2023: 5,068 tonnes) at an average sale price of US\$8,814 per tonne (2023: US\$8,214 per tonne);
- Revenue from continuing operations \$42,864,000 (2023: \$61,936,000);
- Net operating cash inflows of \$9,113,000 (2023: \$24,021,000);
- Cash and cash equivalents of \$939,000 (31 December 2023: \$1,145,000).

3. Net tangible assets

	Reporting period \$	Previous period \$
Net tangible assets per ordinary security	(0.02)	(0.01)

4. Control gained over entities

No change during the period

Austral Resources Australia Ltd
Appendix 4D
Half-year Report

5. Loss of control over entities

No change during the period

6. Details of associates and joint venture entities

No change during the period

7. Audit qualification or review

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

8. Attachments

The Interim Report of Austral Resources Australia Ltd for the half-year ended 30 June 2023 is attached.

9. Signed

Signed



Dan Jauncey
Managing Director and Chief Executive Officer
Brisbane

Date: 30 August 2024

Austral Resources Australia Ltd

ABN 50 142 485 470

Interim Report - 30 June 2024

Austral Resources Australia Ltd

Directors' report

30 June 2024

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 half-year ended 30 June 2024.

Directors

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

David Newling (Appointed 30 June 2024)
Phillip Thomas (Resigned 30 June 2024)
Daniel Jauncey
Michael Hansel

Principal activities

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

Review of operations

The loss for the consolidated entity after providing for income tax amounted to \$978,000 (30 June 2023: \$10,873,000).

Austral Resources Australia Ltd has achieved the following for the six months ended 30 June 2024:

- Copper cathode sales of 3,268 tonnes (2023: 5,068 tonnes) at an average sale price of US\$8,814 per tonne (2023: US\$8,214 per tonne);
- Revenue from continuing operations \$42,864,000 (2023: \$61,936,000);
- Net operating cash inflows of \$9,809,000 (2023: \$24,021,000);
- Cash and cash equivalents of \$939,000 (31 December 2023: \$1,145,000).

Significant changes in the state of affairs

On 1 May 2024, Receivers and Managers were appointed by the senior secured creditor Win Finance No. 359 Pty Ltd. and were subsequently retired on 10 May 2024.

On 13 May 2024, Glencore Australia Holdings Pty Limited acquired the senior secured debt from Win Finance No. 359 Pty Ltd. and assumed the role of senior secured creditor.

On 20 June 2024 the company entered into a Framework Agreement with Glencore, Secover, and Thiess to discharge all secured debt and the unsecured trade payable owed to Thiess. Under this agreement, all secured debt will be repaid from the proceeds of the Anthill Project. A manager will be appointed by Austral for Anthill's operations and Glencore and Secover will receive the project's proceeds to repay the debt. The company will share in 10% of the production proceeds once the secured debt is repaid in full. The company will also provide operational and processing services on a cost-plus basis to be agreed in the formal transaction documentation.

On 28 June 2024, the company entered into a facility agreement with Secover Pty Ltd for \$11.7 million to fund the repayment of the Thiess secured payable.

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.

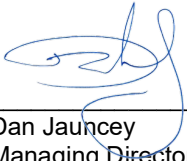
Auditor's independence declaration

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.

Austral Resources Australia Ltd
Directors' report
30 June 2024

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



Dan Jauncey
Managing Director and Chief Executive Officer

30 August 2024
Brisbane

RSM Australia Partners

Level 27, 120 Collins Street Melbourne VIC 3000
PO Box 248 Collins Street West VIC 8007

T +61 (0) 3 9286 8000
F +61 (0) 3 9286 8199

www.rsm.com.au

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Austral Resources Australia Ltd for the half year ended 30 June 2024, 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 review; and
- (ii) any applicable code of professional conduct in relation to the review.

**RSM AUSTRALIA PARTNERS**

R J MORILLO MALDONADO
Partner

Dated: 30 August 2024
Melbourne, Victoria

Austral Resources Australia Ltd

Contents

30 June 2024

Statement of profit or loss and other comprehensive income	5
Statement of financial position	6
Statement of changes in equity	7
Statement of cash flows	8
Notes to the financial statements	9
Directors' declaration	21
Independent auditor's review report to the members of Austral Resources Australia Ltd	22

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 half-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 30 August 2024.

Austral Resources Australia Ltd
Statement of profit or loss and other comprehensive income
For the half-year ended 30 June 2024

		Consolidated	
	Note	30 Jun 2024	30 Jun 2023
		\$'000	\$'000
Revenue	3	42,864	61,936
Cost of goods sold		(38,897)	(39,716)
Gross profit		<u>3,967</u>	<u>22,220</u>
Other income	4	7,543	492
Expenses			
Other operating expenses		(4,792)	(3,718)
Administration expenses		(1,345)	(1,643)
Depreciation and amortisation expense		(648)	(62)
Share based payments		84	(585)
Finance expense	5	(5,791)	(5,161)
Net foreign exchange loss		<u>4</u>	<u>(671)</u>
(Loss)/profit before income tax expense		(978)	10,873
Income tax expense		<u>-</u>	<u>-</u>
(Loss)/profit after income tax expense for the half-year		(978)	10,873
Other comprehensive income			
Other comprehensive income for the half-year, net of tax		<u>-</u>	<u>-</u>
Total comprehensive income for the half-year attributable to the owners of Austral Resources Australia Ltd		<u><u>(978)</u></u>	<u><u>10,873</u></u>
		\$	\$
Earnings per share			
Basic earnings per share	18	(0.00)	0.02
Diluted earnings per share	18	(0.00)	0.02

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

Austral Resources Australia Ltd
Statement of financial position
As at 30 June 2024

		Consolidated	
	Note	30 Jun 2024	31 Dec 2023
		\$'000	\$'000
Assets			
Current assets			
Cash and cash equivalents	6	939	1,145
Trade and other receivables	7	7,960	3,878
Prepayments		739	885
Inventories	8	47,158	40,125
Other assets		842	1,181
Total current assets		<u>57,638</u>	<u>47,214</u>
Non-current assets			
Property, plant and equipment	10	64,139	37,807
Right-of-use assets	11	3,464	66,412
Exploration and evaluation assets		685	4,360
Other financial assets	9	37,807	685
Total non-current assets		<u>106,095</u>	<u>109,264</u>
Total assets		<u>163,733</u>	<u>156,478</u>
Liabilities			
Current liabilities			
Trade and other payables		61,527	58,145
Borrowings	12	70,292	63,452
Employee benefits		651	545
Lease liabilities		1,710	1,769
Forward foreign exchange contracts		-	-
Total current liabilities		<u>134,180</u>	<u>123,911</u>
Non-current liabilities			
Provisions	13	36,472	37,624
Lease liabilities		2,415	3,215
Total non-current liabilities		<u>38,887</u>	<u>40,839</u>
Total liabilities		<u>173,067</u>	<u>164,750</u>
Net liabilities		<u>(9,334)</u>	<u>(8,272)</u>
Equity			
Issued capital	14	71,546	71,546
Reserves	15	2,165	2,249
Accumulated losses		<u>(83,045)</u>	<u>(82,067)</u>
Deficiency in equity		<u>(9,334)</u>	<u>(8,272)</u>

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

Austral Resources Australia Ltd
Statement of changes in equity
For the half-year ended 30 June 2024

Consolidated	Issued capital \$'000	Reserves \$'000	Accumulated losses \$'000	Total equity \$'000
Balance at 1 January 2023	71,546	1,298	(91,519)	(18,675)
Profit after income tax expense for the half-year	-	-	10,873	10,873
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive profit for the half-year	-	-	10,873	10,873
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments (note 19)	-	585	-	585
Balance at 30 June 2023	<u>71,546</u>	<u>1,883</u>	<u>(80,646)</u>	<u>(7,217)</u>
Consolidated	Issued capital \$'000	Reserves \$'000	Accumulated losses \$'000	Total equity \$'000
Balance at 1 January 2024	71,546	2,249	(82,067)	(8,272)
Profit after income tax expense for the half-year	-	-	(978)	(978)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive profit for the half-year	-	-	(978)	(978)
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments (note 19)	-	(84)	-	(84)
Balance at 30 June 2024	<u>71,546</u>	<u>2,165</u>	<u>(83,045)</u>	<u>(9,334)</u>

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

Austral Resources Australia Ltd
Statement of cash flows
For the half-year ended 30 June 2024

	Consolidated	
Note	30 Jun 2024	30 Jun 2023
	\$'000	\$'000
Cash flows from operating activities		
Receipts from customers	42,045	67,385
Payments to suppliers and employees (inclusive of GST)	(39,174)	(43,577)
	<u>2,871</u>	<u>23,808</u>
Interest received	147	76
Other revenue	6,363	2,285
Interest and other finance costs paid	(268)	(2,148)
	<u>9,113</u>	<u>24,021</u>
Net cash from operating activities		
Cash flows from investing activities		
Payments for property, plant and equipment	(8,456)	(18,758)
Payments for exploration and evaluation assets	-	(44)
	<u>(8,456)</u>	<u>(18,802)</u>
Net cash used in investing activities		
Cash flows from financing activities		
Repayment of borrowings	-	(3,375)
Repayment of lease liabilities	(857)	(785)
Transaction costs related to loans and borrowings	-	(65)
	<u>(857)</u>	<u>(4,225)</u>
Net cash used in financing activities		
Net increase/(decrease) in cash and cash equivalents	(200)	994
Cash and cash equivalents at the beginning of the financial half-year	1,145	1,535
Effects of exchange rate changes on cash and cash equivalents	(6)	(100)
	<u>939</u>	<u>2,429</u>
Cash and cash equivalents at the end of the financial half-year		

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

Note 1. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 30 June 2024 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 31 December 2023 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period 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.

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 incurred a loss of \$978,000 for the half-year ended 30 June 2024. In addition, as at that date, the consolidated entity's current liabilities exceed its current assets by \$76.5M and it had a net liability position of \$9.3M, related to liabilities amounting to \$173.1M offset by assets amounting to \$163.7M.

These 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 be able to continue as a going concern, 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 significant net cash inflows from its operating activities;
- The consolidated entity has the ability to scale down its operations in order to curtail exploration expenditure, in the event cash available is insufficient to meet projected expenditure;
- As disclosed in note 12 below, the company has entered into a framework agreement with Glencore, Secover, and Thiess to discharge all secured debt and the unsecured trade payable owed to Thiess. Under this agreement, all secured debt will be repaid from the proceeds of the Anthill Project; and
- The Company is progressing towards the removal of its suspension from the ASX and, subsequently will seek to raise additional capital through the issuance of 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.

Note 2. 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.

Austral Resources Australia Ltd
Notes to the financial statements
30 June 2024

Note 2. Operating segments (continued)

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 half-year ended 30 June 2024 approximately \$42,864,000 (30 June 2023: \$61,936,000) of the consolidated entity's external revenue was derived from sales to a major Australian copper exporter.

Geographical information

	Sales to external customers		Geographical non-current assets	
	30 Jun 2024 \$'000	30 Jun 2023 \$'000	30 Jun 2024 \$'000	30 Jun 2023 \$'000
Australia	42,864	61,936	70,554	66,741
	<u>42,864</u>	<u>61,936</u>	<u>70,554</u>	<u>66,741</u>

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 3. Revenue

	Consolidated	
	30 Jun 2024 \$'000	30 Jun 2023 \$'000
<i>Revenue from contracts with customers</i>		
Sale of goods	42,864	61,936
Revenue	<u>42,864</u>	<u>61,936</u>

Disaggregation of revenue

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

	Consolidated	
	30 Jun 2024 \$'000	30 Jun 2023 \$'000
<i>Major product lines</i>		
Copper Cathode	<u>42,864</u>	<u>61,936</u>
<i>Geographical regions</i>		
Australia	<u>42,864</u>	<u>61,936</u>
<i>Timing of revenue recognition</i>		
Goods transferred at a point in time	<u>42,864</u>	<u>61,936</u>

Austral Resources Australia Ltd
Notes to the financial statements
30 June 2024

Note 4. Other income

	Consolidated	
	30 Jun 2024	30 Jun 2023
	\$'000	\$'000
Insurance recoveries	4,227	-
Interest income	951	525
Other income	2,365	(33)
	<u>7,543</u>	<u>492</u>

Note 5. Finance expenses

	Consolidated	
	30 Jun 2024	30 Jun 2023
	\$'000	\$'000
Interest on interest bearing loans	4,756	4,204
Interest on leases	171	219
Interest on unwinding rehabilitation provision	864	738
	<u>5,791</u>	<u>5,161</u>

Note 6. Current assets - Cash and cash equivalents

	Consolidated	
	30 Jun 2024	31 Dec 2023
	\$'000	\$'000
Cash on hand	1	1
Cash at bank	938	1,144
	<u>939</u>	<u>1,145</u>

Note 7. Current assets - Trade and other receivables

	Consolidated	
	30 Jun 2024	31 Dec 2023
	\$'000	\$'000
Trade receivables	7,297	3,601
Less: Allowance for expected credit losses	-	-
GST receivable	663	277
	<u>7,960</u>	<u>3,878</u>

Austral Resources Australia Ltd
Notes to the financial statements
30 June 2024

Note 8. Current assets - Inventories

	Consolidated	
	30 Jun 2024	31 Dec 2023
	\$'000	\$'000
Spare parts and consumables	3,430	2,950
Copper ROM	1,024	-
Copper in process	39,998	34,635
Copper cathode	2,706	2,540
	<u>47,158</u>	<u>40,125</u>

Note 9. Non-current assets – Other financial assets

	Consolidated	
	30 Jun 2024	31 Dec 2023
	\$'000	\$'000
Term deposits as security for bank guarantees (i)	37,700	37,700
Security deposits for Queensland Mines Department	107	107
	<u>37,807</u>	<u>37,807</u>

- (i) Security deposits held with ANZ as security for the issuance of a bank guarantee 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 10. Non-current assets - Property, plant and equipment

	Consolidated	
	30 Jun 2024	31 Dec 2023
	\$'000	\$'000
Land and buildings – at cost	6,292	6,292
Less: Accumulated depreciation	(6,290)	(6,289)
	<u>2</u>	<u>3</u>
Plant and equipment - at cost	40,628	35,116
Less: Accumulated depreciation	(35,277)	(34,670)
	<u>5,351</u>	<u>446</u>
Office Equipment, furniture and fittings - at cost	1,964	1,923
Less: Accumulated depreciation	(1,677)	(1,635)
	<u>287</u>	<u>288</u>
Capital works in progress - at cost	<u>210</u>	<u>10,530</u>
Mine development – at cost	234,781	231,278
Less: Accumulated amortisation	(232,798)	(228,967)
	<u>1,983</u>	<u>2,310</u>
Stripping activity asset – at cost	82,824	74,701
Less: Accumulated amortisation	(26,518)	(21,866)
	<u>56,306</u>	<u>52,835</u>
	<u>64,139</u>	<u>66,412</u>

Austral Resources Australia Ltd
Notes to the financial statements
30 June 2024

Note 10. Non-current assets - Property, plant and equipment (continued)

Reconciliations

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

Consolidated	Capital works In progress \$'000	Land and buildings \$'000	Office equipment, furniture and fittings \$'000	Mobile equipment \$'000	Mine development \$'000	Stripping activity asset \$'000	Total \$'000
Balance at 1 January 2024	10,530	3	288	446	2,310	52,835	66,412
Additions/Transfers	(10,320)	-	41	5,512	5,102	8,123	8,458
Reduction in mine rehabilitation	-	-	-	-	(1,598)	-	(1,598)
Depreciation and amortisation expense ¹	-	(1)	(42)	(607)	(3,831)	(4,652)	(9,133)
Balance at 30 June 2024	<u>210</u>	<u>2</u>	<u>287</u>	<u>5,351</u>	<u>1,983</u>	<u>56,306</u>	<u>64,139</u>

¹ Depreciation and amortisation of mine development and stripping activity asset is initially capitalised as part of inventory and subsequently recognised as cost of goods sold when the inventory is sold.

Note 11. Non-current assets – Right-of-use assets

	Consolidated	
	30 Jun 2024	31 Dec 2023
	\$'000	\$'000
Land and buildings - right-of-use	254	254
Less: Accumulated depreciation	(156)	(117)
Plant and equipment - right-of-use	7,944	7,944
Less: Accumulated depreciation	(4,578)	(3,721)
	<u>3,464</u>	<u>4,360</u>

The consolidated entity leases office space under an agreement of two years. On renewal, the terms of the leases are renegotiated. There is no option to extend. 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 12. Current liabilities - Borrowings

	Consolidated	
	30 Jun 2024	31 Dec 2023
	\$'000	\$'000
Wingate Facility (Assigned to Glencore Australia)	25,512	23,707
Glencore Prepayment Facility	20,891	26,929
Secover Facility (2022)	13,798	12,816
Secover Facility (2024)	10,090	-
	<u>70,292</u>	<u>63,452</u>

Note 12. Current liabilities - Borrowings (continued)

Wingate Facility (Assigned to Glencore Australia Holdings Pty Limited)

On 9 August 2021, the company 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 Company 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.

On 13 May 2024, Glencore Australia Holdings Pty Limited acquired the senior secured debt from Win Finance No. 359 Pty Ltd. and assumed the role of senior secured creditor following Receivers and Managers being appointed by Win Finance on 1 May 2024.

Assets pledged as security

The Wingate Facility (Assigned to Glencore Australia Holdings Pty Limited) is secured by first mortgages over the Anthill and Mount Kelly mining leases.

Glencore prepayment facility

On 3 February 2022, the company 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. On 22 December 2022, the maturity date was changed 23 November 2023. At 30 June 2024 this facility was fully drawn down.

Secover Facility (2022)

On 22 December 2022, the company 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 30 June 2024 this facility was fully drawn down.

Secover Facility (2024)

On 28 June 2024, the company entered into a facility agreement with Secover Pty Ltd for \$11.7 million, to fund the repayment of the Thiess secured payable. The facility is not interest bearing and payable within 12 months of the facility agreement date. At 30 June 2024 this facility was fully drawn down.

Assets pledged as security

The Secover Facility (2024) is secured by second ranking mortgages over the Anthill and Mount Kelly mining leases.

As announced to the market on 20 June 2024 the company entered into a Framework Agreement with Glencore, Secover, and Thiess to discharge all secured debt and the unsecured trade payable owed to Thiess. Under this agreement, all secured debt will be repaid from the proceeds of the Anthill Project. A manager will be appointed by Austral for Anthill's operations and Glencore and Secover will receive the project's proceeds to repay the debt. The company will share in 10% of the production proceeds once the secured debt is repaid in full. The company will also provide operational and processing services on a cost-plus basis to be agreed in the formal transaction documentation.

Note 13. Non-current liabilities - Provisions

	Consolidated	
	30 Jun 2024	31 Dec 2023
	\$'000	\$'000
Mine rehabilitation and closure	<u>36,471</u>	<u>37,624</u>

Environmental

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. Assumptions based on the current economic environment have been made, which management believes are a reasonable basis upon which to estimate the future liability. These estimates are reviewed regularly to take into account any material changes to the assumptions. However, actual rehabilitation costs will ultimately depend upon future market prices for the necessary rehabilitation works required that will reflect market conditions at the relevant time.

Movements in provisions

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

	Rehabilitation \$'000
Carrying amount at 1 January 2024	37,624
Reduction due to increase in discount rates	(2,016)
Amounts transferred to current	-
Unwinding of discount	<u>863</u>
Carrying amount at 30 June 2024	<u>36,471</u>

Note 14. Equity - Issued capital

	Consolidated			
	30 Jun 2024	31 Dec 2023	30 Jun 2024	31 Dec 2023
	Shares	Shares	\$'000	\$'000
Ordinary shares - fully paid	<u>527,165,826</u>	<u>527,165,826</u>	<u>71,546</u>	<u>71,546</u>

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$'000
Balance	1 January 2024	<u>527,165,826</u>		<u>71,546</u>
Balance	30 June 2024	<u>527,165,826</u>		<u>71,546</u>

Note 15. Equity - Reserves

	Consolidated	
	30 Jun 2024	31 Dec 2024
	\$'000	\$'000
Share-based payments reserve	<u>2,165</u>	<u>2,249</u>

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.

Austral Resources Australia Ltd
Notes to the financial statements
30 June 2023

Note 15. Equity – Reserves (continued)

Movements in reserves

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

	Share-based payments reserve \$'000
Consolidated	
Balance at 1 January 2024	2,249
Share-based payments expense during the half-year	(84)
Balance at 30 June 2024	2,165

Note 16. Contingent liabilities

There are no contingent liabilities of the consolidated entity as at 30 June 2024 and 31 December 2023.

Note 17. Events after the reporting period

No matter or circumstance has arisen since 30 June 2024 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 18. Earnings per share

	Consolidated 30 Jun 2024 \$'000	30 Jun 2023 \$'000
<i>Earnings per share for profit / (loss)</i>		
Profit / (loss) after income tax	(978)	10,873
Profit after income tax attributable to the owners of Austral Resources Australia Ltd	(978)	10,873
	\$	\$
Basic earnings per share	(0.00)	0.02
Diluted earnings per share	(0.00)	0.02
	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	527,165,826
Adjustments for calculation of diluted earnings per share:		
Performance rights	32,933,597	32,858,644
Weighted average number of ordinary shares used in calculating diluted earnings per share	560,099,423	560,024,470

Note 19. Share-based payments

Directors and key management personnel

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 \$84,000 (2023: \$585,000) for the half-year ended 30 June 2024.

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

		Balance at 1 January 2024	Granted as part of remuneration	Number of Rights Exercised	Number of Rights Lapsed / Cancelled	Balance at 30 June 2024
KPI 1	First material ore production from Anthill deposit	690,330	-	-	-	690,330
KPI 2	Production of 20kt of copper cathode from Anthill Project ¹	4,141,989	-	-	-	4,141,989
KPI 3	Generate 20kt inferred resource 1	10,354,966	-	-	-	10,354,966
KPI 4	Share price target of \$0.50	8,283,975	-	-	-	8,283,975
KPI 5	Health Safety Security Environment and Quality (HSSEQ) and Indigenous Affairs – FY 2022	-	-	-	-	-
KPI 6	HSSEQ and Indigenous Affairs – FY 2023	-	-	-	-	-
KPI 7	Generate 20kt inferred resource 2	4,141,989	-	-	-	4,141,989
HSSEQ1	HSSEQ and Indigenous Affairs – FY 2023	2,070,995	-	-	(68,925)	2,002,070
HSSEQ2	HSSEQ and Indigenous Affairs – FY 2024 ¹	2,070,995	-	-	-	2,070,995
	Total	31,755,239	-	-	(68,925)	31,686,314

¹ On 25 July 2024, an additional 5,267,333 performance rights lapsed on assessment of KPI's 2 and HSSEQ2. The accounting assessment for these performance rights has been included in these financial statements as at 30 June 2024.

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 21,814,055 Performance Rights on issue as at 30 June 2024 (of those issued at IPO);
- 4,396,268 performance rights were forfeited in June 2024 following the lapse of ungranted KPI2, HSSEQ1 and HSSEQ2; and
- Each Performance Right converts into one AR1 share upon vesting and exercise.

Note 19. Share-based payment (continued)

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

#	Key Performance Indicators	Performance Right #	Vesting Date ¹	Expiry Date ²
1	First material ore production from Anthill deposit	11,134,372	Vested ³	30 Jun 25
2	Production of 20kt of Copper cathode from Anthill Project	4,453,752	Lapsed	30 Jun 26
3	Generate 20kt inferred resource 1	11,134,372	30 Jun 25	30 Jun 26
4	Share price target of \$0.50	8,907,500	30 Jun 25	30 Jun 26
5	Health Safety Security Environment and Quality (HSSEQ) and Indigenous Affairs – FY 2022	2,226,876	Cancelled	30 Jun 25
6	HSSEQ and Indigenous Affairs – FY 2023	2,226,876	Cancelled	30 Jun 26
7	Generate 20kt inferred resource 2	4,453,752	30 Jun 25	30 Jun 26
Total		44,537,500		

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. Where a KPI is not met, the Performance Rights will be forfeited.
2. Expiry date applies where the KPI has been met by the relevant Vesting Date.
3. Some of the vested rights have been exercised

Note 19. Share-based payment (continued)

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

No.	KPI	Overview
1	5,000 tonnes of ore moved from the Anthill deposit within 6 months of commencement of overburden mining at the Anthill Project	This KPI will be considered satisfied on the movement of 5,000 tonnes of ROM ore from the Anthill pit to the crusher. This is defined as removing overburden and transporting ore from the Anthill pit within 6 months of commencement of overburden mining at the Anthill Project.
2	Production of at least 20,000 tonnes of Copper cathode.	This KPI will be considered satisfied if the Company produces 20,000 tonnes of LME grade Copper cathode by the relevant Vesting Date.
3	Generate a JORC compliant Inferred Mineral Resource estimate of 20,000t of contained Cu through the exploration program within 70km of the Mt Kelly processing facility	This KPI represents an exploration target for the exploration team to either continue more detailed exploration work on the top 12 prospects or explore and drill a new Mineral Resource estimate so that collectively an Inferred Mineral Resource estimate of 20,000 tonnes of contained Cu at a cut-off grade of 0.2% is achieved. This represents approximately half the resource at Anthill and must be within 70km of the Mt Kelly facility.
4	Share price target of \$0.50	This KPI will be considered satisfied where the volume weighted price average of the Company's Shares trades at or above \$0.50 for 20 consecutive Trading Days (as that term is defined in the Listing Rules).
5	Health, Safety, Security, Environment, Quality (HSSEQ) and Indigenous Affairs – to 30 June 2022	This KPI will be considered satisfied where both of the following criteria are met during the relevant period: (1) the Company's published Lost Time Injury Frequency Rate (LTIFR) is no more than 10% higher than the twelve month rolling average LTIFR for surface minerals mines as reported in the Queensland Government 'Mines and Quarries Safety Performance and Health Reports' (adjusted on a pro-rata basis for any period prior to first production at the Anthill Project); and (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 (ILUA) (including for example the agreements set out in section 12.7 of the Prospectus).
6	HSSEQ and Indigenous Affairs – from 1 July 2022 to 30 June 2023	This KPI will be considered satisfied where both of the following criteria are met during the relevant period: (1) 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 (2) the Company (or its relevant subsidiary) is not in material breach or in material dispute with any counter-party to any ILUA (including for example the agreements set out in section 12.7 of the Prospectus).
7	Generate a JORC compliant Inferred Mineral Resource estimate measuring 20,000 tonnes contained Cu in sulphide mineralisation	This KPI represents an exploration target for the exploration team to develop a more detailed exploration work on the sulphides (from existing pits, existing targets and drill a new Mineral Resource so that collectively an Inferred Mineral Resource estimate generating 20,000 tonnes of contained Cu in the sulphides at a cut-off grade of 0.2%.

Note 19. Share-based payment (continued)

The fair value of performance rights granted is estimated at the date of grant.

The following table lists the inputs to the models used for the valuation of the performance rights issued to key management personnel:

	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
	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

Note 20. Dividends

There were no dividends declared for the half-year ended 30 June 2024 (2023: Nil)

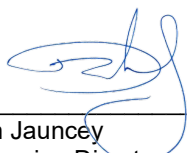
Austral Resources Australia Ltd
Directors' declaration
30 June 2024

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2024 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



Dan Jauncey
Managing Director and Chief Executive Officer

30 August 2024
Brisbane

RSM Australia Partners

Level 27, 120 Collins Street Melbourne VIC 3000
PO Box 248 Collins Street West VIC 8007

T +61 (0) 3 9286 8000
F +61 (0) 3 9286 8199

www.rsm.com.au

INDEPENDENT AUDITOR'S REVIEW REPORT To The Member of Austral Resources Australia Ltd

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Austral Resources Australia Ltd ('the Company') and its controlled entities (together 'the Consolidated entity') which comprises the statement of financial position as at 30 June 2024, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Austral Resources Australia Ltd is not in accordance with the *Corporations Act 2001* including:

- a) giving a true and fair view of the Consolidated entity's financial position as at 30 June 2024 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* ('ASRE 2410'). Our responsibilities are further described in the Auditor's Responsibilities for the Review 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 (including Independence Standards)* (the Code) that are relevant to our audit of the annual 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 Austral Resources Australia Ltd, would be in the same terms if given to the directors as at the time of this auditor's review report.

Report on the Half-Year Financial Report (Continued)

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report, which indicates that the consolidated entity incurred a loss of \$978,000 for the half-year ended 30 June 2024. In addition, as at that date, the Consolidated entity's current liabilities exceeded its current assets by \$76.5 million and had a net liability position of \$9.3 million. As stated in Note 1, these 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 conclusion is not modified in respect of this matter.

Directors' Responsibility for the Half-Year Financial Report

The directors of Austral Resources Australia Ltd are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Half-Year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Consolidated entity's financial position as at 30 June 2024 and of its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



RSM AUSTRALIA PARTNERS



R J MORILLO MALDONADO

Partner

Dated: 30 August 2024
Melbourne, Victoria