

31 March 2022

Austral's Anthill Mine ore shipments commence

Highlights:

- *First oxide ore deliveries from Austral's Anthill Mine to Mt Kelly plant commenced on Tuesday 22 March 2022*
- *Austral is on schedule to commence Anthill ore processing in April 2022, achieve significant copper cathode production increases from May 2022 and benefit from the current high copper price*
- *Ore delivery schedule expects 5,000t in March, 55,000t in April and 155,000t in May 2022. Cathode production will triple by May 2022, 10x by September*
- *The Crushing circuit processed its first rock on 24 March 2022*

Copper producer **Austral Resources Australia Ltd** (ASX:AR1) ("Austral" or the "Company") is pleased to announce first ore haulage from its new Anthill Mine to the Mt Kelly processing plant and the intention to begin Anthill ore processing by the end of April 2022.



Figure 1. Anthill east pit showing drilling and shot loading in the foreground, overburden removal and ore mining in the background 26 March 2022.

Steve Tambanis, Austral's Chief Executive Officer commented:

"The first Anthill ore delivery to our processing facility represents a significant milestone achievement for the Company.

Ore stacking onto the heap leach pad is expected to begin in late April and first plates of Anthill copper cathode will be produced in May 2022. From July onwards, copper cathode production is expected to exceed 1,000t per month. Rapidly increasing production and higher than forecast copper prices will combine to see healthy sales revenue from May.

Over 4Mt of overburden has been moved since 6 January this year. When full scale haulage commences with 125t road trains, each train contains sufficient copper to produce one tonne of recovered copper cathode or >US\$10,000 per train at current copper prices.

The crushing circuit successfully processed its first rock as part of the refurbishment and commissioning process.

*We currently have over 100 staff and contractors on site, finishing the plant refurbishment and beginning full scale ore production. **Austral is on track to achieve a planned copper production rate of 10,000tpa from mid-2022** for a four-year period. We look forward to further updating shareholders as we commence maiden Anthill copper production and step-up exploration and development activities."*



Figure 2. Loading the first Anthill ore shipment onto a road train, 22 March 2022.

Production forecast

We are here...

	2021		2022											
	Nov	Dec	January	February	March	April	May	June	July	August	September	October	November	December
Austral Listing	✓													
Mt Kelly Plant Refurb														
Anthill Creek Diversion														
Anthill Pre-stripping (kt)			665	1,400	1,750	1,502	1,294	1,393	1,407	1,394	1,389	1,421	1,382	1,323
Anthill Ore Mining (t)				3,000	5,000	53,000	177,500	172,500	169,500	187,000	164,500	158,000	179,000	237,000
Ore delivery to Mt Kelly (t)					5,000	55,000	155,000	150,000	155,000	155,000	150,000	155,000	150,000	155,000
Ore stacking Mt Kelly (t)						34,000	161,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Cathode Production tonnes	100	175	175	125	125	117	380	763	964	1,135	1,242	1,382	1,392	1,426
Copper source	Remnant Mining production					Anthill Copper Production								
Gross Sales Revenue A\$M*	\$1.3	\$2.2	\$2.2	\$1.6	\$1.6	\$1.5	\$4.8	\$9.7	\$12.3	\$14.5	\$15.8	\$17.6	\$17.7	\$18.2

Table 1. Austral mining and production forecast (@A\$12,750/t copper price)

Table 1 summarises planned production for the rest of 2022:

- Ore deliveries have commenced and will build to 150kt/month in May 2022.
- Ore stacking onto the heap leach to commence late April.
- Anthill copper cathode production to begin in May 2022 with projected production of:
 - 380t in May 2022
 - 760t in June 2022
 - >1,000t per month from July 2022
- Strong revenue growth from May 2022 aided by a >25% higher copper price than Austral's 2021 Independent Technical Assessment Report.



Figure 3. Tim Huang, Mining engineer, monitoring drilling and sampling in the east pit.

Summary

Austral Resources continues to meet its Prospectus deliverables:

1. Ore haulage has commenced on schedule;
2. First ore stacking – new copper production – expected in late April;
3. Significant cathode production increases expected from May 2022; and
4. Significant revenue increases from May 2022 from increased copper production and a 25% increase in copper price compared to our 2021 Independent Technical Assessment Report. Copper price was AUD13,866 per tonne on 28 March 2022



Figure 4. Inspecting copper quality and strapping a 2.5t bundle of LME Grade cathode.

This announcement is authorised for market release by Steve Tambanis, Chief Executive Officer.

FOR FURTHER INFORMATION PLEASE CONTACT:

Jane Morgan
Investor and Media Relations Manager
+ 61 (0) 405 555 618
jm@janemorganmanagement.com.au

Company contact:
Level 9, 60 Edward Street
Brisbane City QLD 4000
+ 61 (0) 7 3520 2500

About Austral Resources

Austral Resources Australia Ltd is an ASX listed copper cathode producer operating in the Mt Isa region, Queensland, Australia. Its Mt Kelly copper oxide heap leach and solvent extraction electrowinning (SXEW) plant has a nameplate capacity of 30,000tpa of copper cathode. Austral is operating its Anthill oxide copper mine which has an Ore Reserve of 5.06Mt at 0.94% Cu. The Company expects to produce 40,000t of copper cathode over a four-year period from mid-2022.

Austral also owns a significant copper inventory with a JORC compliant Mineral Resource Estimate of 60Mt@ 0.7% Cu and 1,940km² of highly prospective exploration tenure in the heart of the Mt Isa district, a world class copper and base metals province. The Company has commenced an intensive exploration and development programme designed to extend the life of mine, increase its resource base and then review options to commercialise its copper resources.

Competent Persons' Statement

The information in this announcement that relates to Mineral Assets, Exploration Targets, Exploration Results, Mineral Resources and Ore Reserves is based on and fairly reflects information compiled and conclusions derived by Mr Andrew Beaton and Mr Steven Tambanis, Competent Persons who are Members of the Australasian Institute of Mining and Metallurgy. Mr Beaton is the Site General Manager at Austral and Mr Tambanis is Chief Executive Officer of the Company. Mr Tambanis and Mr Beaton are geologists and have sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results and Ore Reserves (2012 JORC Code)'. Mr Tambanis and Mr Beaton consent to the inclusion in this announcement of the matters based on this information in the form and context in which it appears.

Ore Reserve and Mineral Resource Estimate Statements

Detailed information that relates to Ore Reserves and Mineral Resource Estimates is provided in Austral Resources Prospectus, Section 7, Independent Technical Assessment Report. This document is available on Austral's website: www.australres.com and on the ASX released as "Prospectus" on 1 November 2021. The Company confirms that it is not aware of any new information or data that materially affects the estimates of Mineral Resources and Ore Reserves as cross referenced in this release and that all material assumptions and technical parameters underpinning the estimates continue to apply and have not changed.

Performance Right KPI met

In accordance with Austral's conditions of quotation on the ASX, the Company confirms that KPI 1; *"First material ore production from Anthill deposit"* has been met and the corresponding performance rights have vested.

KPI is defined as *"5,000 tonnes of ore moved from the Anthill deposit within 6 months of commencement of overburden mining at the Anthill Project"*. The 6 month period commenced on 7 January 2022 as announced by Austral on 11 January 2022 (ASX:AR1: "Austral Resources Commences Mining at Anthill"). The detailed description of the KPI in the Company's IPO prospectus is *"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."*

Key Austral ASX announcements

DATE	TITLE
1 Nov 2021	Austral Prospectus
3 Nov 2021	Austral lists on ASX
9 Nov 2021	Anthill and Mt Kelly development underway
17 Nov 2021	Anthill blasting commences
7 Dec 2021	Thiess signing
14 Dec 2021	Updated Company presentation
11 Jan 2022	Mining commences at Anthill
29 Jan 2022	December Quarter report
3 Feb 2022	Offtake and Pre-payment agreement secured
14 Feb 2022	Appointment of new Director
01 Mar 2022	Company Presentation update