

ASX ANNOUNCEMENT



26 September 2022

\$8.3M to be spent between Austral and Glencore's Mount Isa Mines ("MIM") in executed binding earn-in agreements

The Earn-in agreements are a value generating exploration play for both groups, utilising new geophysical data over the area that has both validated existing targets and generated new targets. Development of prioritised copper oxide exploration targets to commence immediately.

Highlights:

- *Austral and MIM have executed complementary binding Earn-in Agreements for:
 - (1) MIM to explore Austral EPMs (within JV area) surrounding MIM's Lady Loretta zinc, lead, silver Mine and Austral's Lady Annie copper Mine, and;
 - (2) Austral to explore for copper oxide over MIM's neighbouring Russell Fault tenement (EPM26435)*
- *As per the terms of the agreement, Austral retains the rights to the copper oxide mineralisation within the exploration areas and will also explore for copper oxides within MIM's Russell Fault tenement, effectively adding 116km² of highly prospective tenure*
- *Austral will retain 100% rights to its Mt Kelly MLs, associated processing infrastructure and the remaining 1,800km² of its highly prospective exploration tenure*
- *MIM to spend \$6.3m within the Exploration Area over 4 years to earn-in to a 65% holding, with ARI retaining a 35% interest. Austral to spend \$2m expenditure within the Russell Fault over 4 years to earn up to a 65% interest*
- *MIM has a wealth of exploration experience and has developed innovative sulphide exploration techniques to discover new base and precious metals in Queensland's Northwest Minerals Province*
- *Development of prioritised copper oxide exploration targets to commence immediately*

Copper producer Austral Resources Australia Ltd (ASX:ARI) ("Austral" or the "Company") is pleased to announce that the Company has finalised the binding exploration earn-in agreements ("Earn-in Agreements") with MIM, a subsidiary of one of the world's largest mining companies, Glencore.

As announced to the market on 8 June 2022, Austral and MIM entered into a value generating non-binding complementary Exploration Earn-in Agreements with Austral to expand its oxide exploration activity in both the Exploration Area and within MIM's prospective Russell Fault EPM. Under the Earn-in Agreements, the parties agree to share exploration data and certain resources.

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Key details of the Earn-in Agreements can be found below

Under the Earn-in Agreements, MIM will have the right to earn-in up to a 65% interest of Austral's JV EPMs by spending A\$6.3m over four years. Austral retains the right to explore for and commercially exploit copper oxide ore within the Exploration Area. Additionally, under the Earn-in Agreement with MIM, Austral is entitled to earn-in up to 65% interest within MIM's Russell Fault EPM by spending A\$2.0m over four years, effectively increasing the Company's copper exploration area by 116km².

Program of work for the Russell Fault Tenement

Indicative program of works across the Russell Fault EPM 26435 as part of the Glencore JV includes:

- Establish scheduled and recurring meetings between ARI and MIM technical exploration staff.
- Source all relevant Russell Fault exploration data from MIM and evaluate:
 - The extent, vintage and quality of data relevant to copper oxides;
 - Regional and local structures with the emphasis on structural elements known to be highly prospective;
 - Stratigraphic units present within EPM 26435 with the emphasis on the structural juxtaposition of stratigraphy;
 - Surface geochemistry and drilling results to identify areas of known copper anomalism;
 - Review of known and historic prospects, and extent of exploration; and
 - Complete integrated lithological & structural interpretation including 2021 geophysical surveys to identify prospective zones.
- Field visits to prioritised prospective areas including mapping and geochemical sampling if warranted.
- Review and integrate copper oxide targets at Russell Fault EPM 26435 into a prioritised sequence, ranked against current Austral exploration targets, for further testing and evaluation.
- Design and execution of a lean and focused exploration program commensurate with prospectivity.

Austral's Managing Director and Chief Executive Officer, Dan Jauncey, commented:

"This is an exciting JV with Glencore's Mount Isa Mines, as it will provide Austral the opportunity to create significant shareholder value, as the additional expenditure increases the potential for further discoveries. Austral stands to benefit greatly from working with and learning from MIM's seasoned exploration team and we look forward to updating the market with our exploration plans over coming months."

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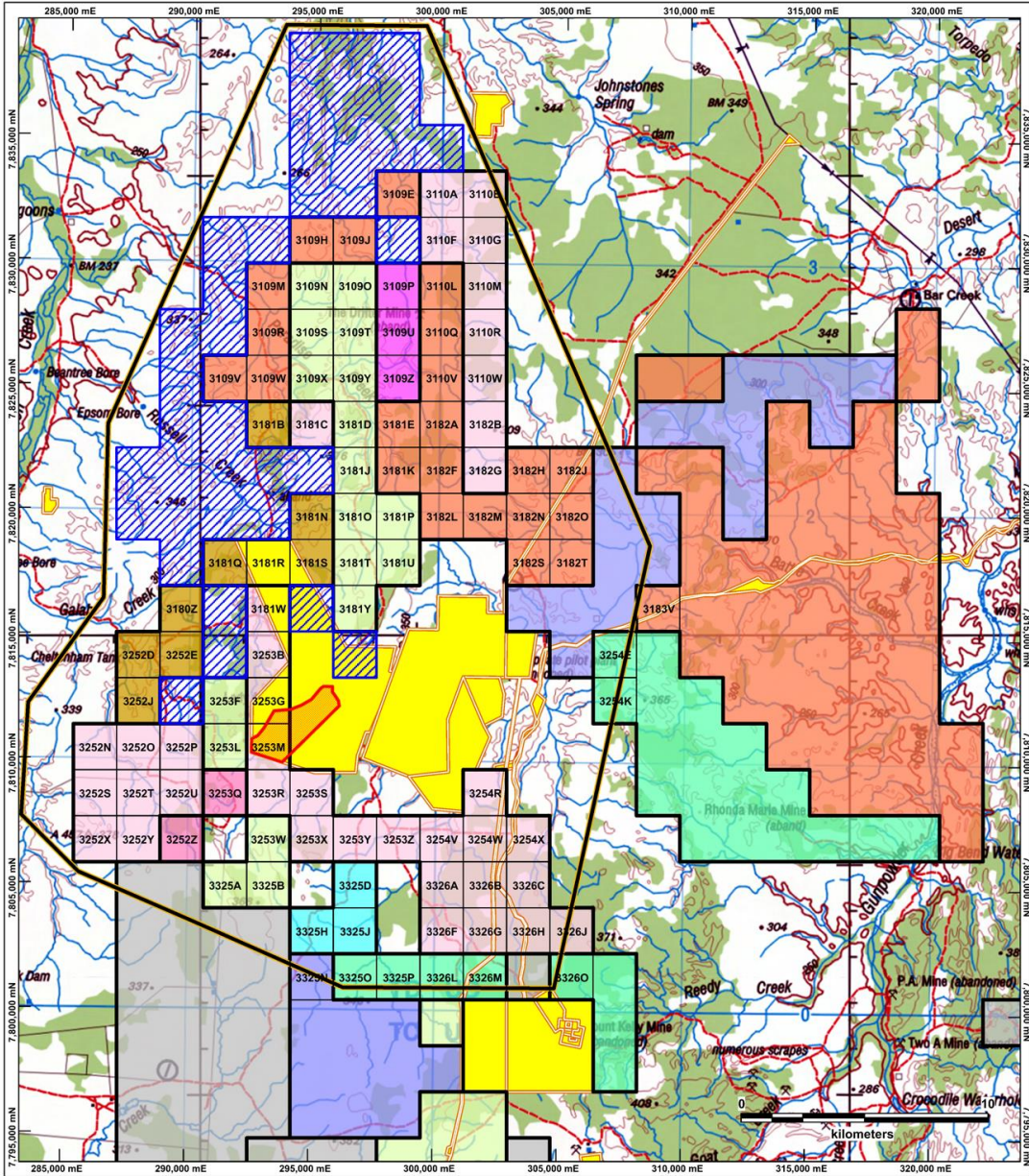


Schedule 1 – Project Tenure

Tenement	Ownership Percentage	Sub-blocks of the tenement that are included in the Project Tenure Area	
1	EPM27979	100%	Total 23 sub blocks: 3109 (E,H,J,M,R,V,W); 3110 (L,Q,V); 3181 (E,K); 3182 (A,F,H,J,L,M,N,O,S,T); 3183 (V)
2	EPM17789	100%	Total 38 sub blocks: 3110 (A,B,F,G,M,R,W); 3181 (C,W); 3182 (B,G); 3252 (N,O,P,S,T,U,X,Y); 3253 (B,G,M,R,S,X,Y,Z); 3254 (R,V,W,X); 3326 (A,B,C,F,G,H,J)
3	EPM17533	100%	Total 1 sub block: 3325 (N)
4	EPM17469	100%	Total 2 sub blocks: 3253 (Q); 3252 (Z)
5	EPM17422	100%	Total 9 sub blocks: 3181 (B,N,Q,R,S); 3180 (Z); 3252 (D,E,J)
6	EPM17415	100%	Total 3 sub blocks: 3325 (D,H,J)
7	EPM17088	100%	Total 3 sub blocks: 3109 (P,U,Z)
8	EPM16243	100%	Total 18 sub blocks: 3109 (N,O,S,T,X,Y); 3181 (D,J,O,P,T,U,Y); 3253 (F,L,W); 3325 (A,B)
9	EPM16242	100%	Total 7 sub blocks: 3254 (E,K); 3325 (O,P); 3326 (L,M,O)

Table 1. Schedule of Project Tenures, ownership, and portion included in the JV Area by Austral Resources. Austral tenure within the JV area is 104 sub-blocks or approximately 330km² of Austral's 2,100km² EPM package in the region.

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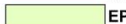











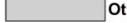
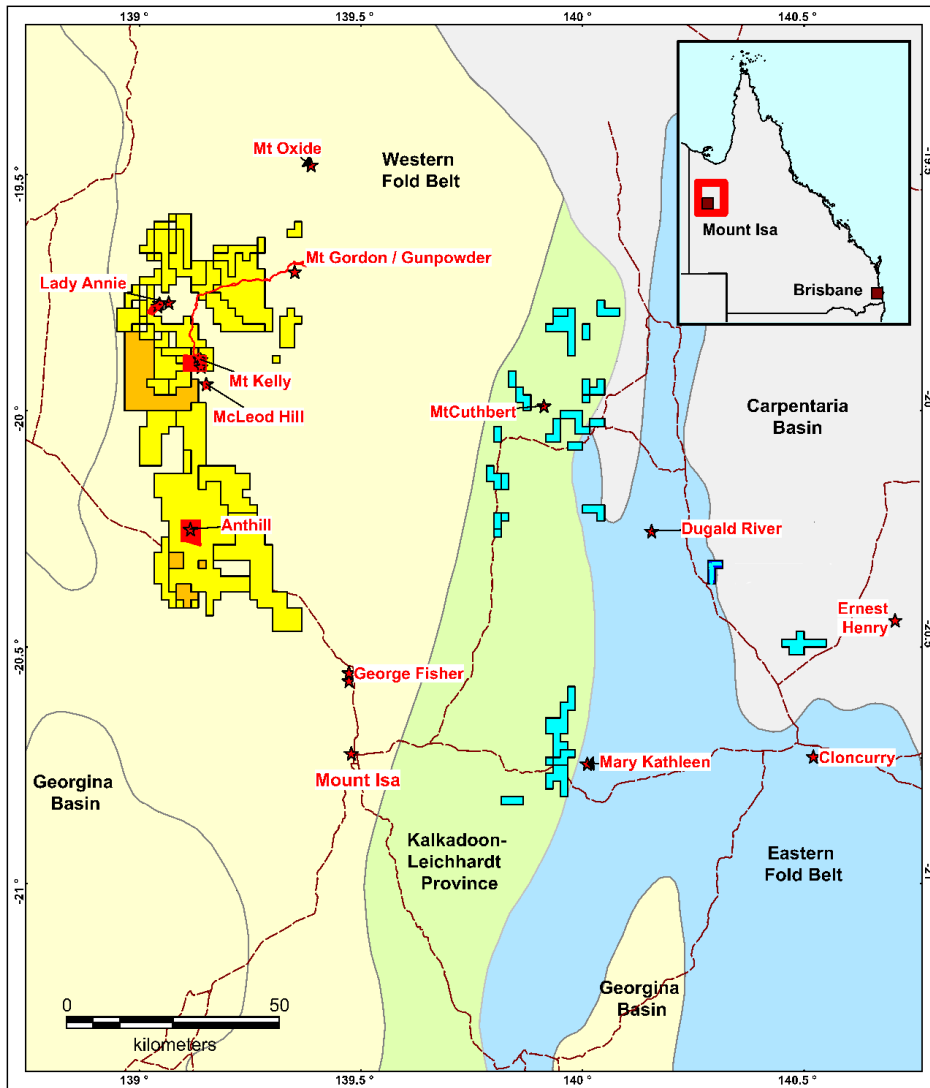
Austral Resources Tenure		Mining Leases	
	EPM 16242 - Mount Kelly East		Mining Leases - Other
	EPM 16243 - Lady Maggie		ML 90179 Lady Annie
	EPM 17088 - Drifter		MIM Tenure
	EPM 17415 - Mount Kelly West		EPM 26435 Russell Fault
	EPM 17422 - Lady Annie West		Boundary of proposed geophysics airborne survey
	EPM 17469 - Lady Annie West 2		EPM 17533 - Mount Kelly West 2
			EPM 17789 - Lady Annie Regional
			EPM 27979 - Battle Creek 2
			EPM 15126 - Battle Creek
			Other

Figure 1: Tenure map of proposed Earn-in area. Orange outline is the boundary of recent geophysical work and defines the Earn-in agreement area. Mining Leases (Yellow) are excluded. MIM tenure in the JV area (Russell Fault EPM26435).

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- Major Roads
- Mines
- Austral Resources Operations Pty Ltd Mining Lease
- Austral Resources Operations Pty Ltd EPM Applications
- Austral Resources Operations Pty Ltd Granted EPMs
- Austral Resources Exploration Pty Ltd Granted EPMs

Figure 2: Map of Austral's Western Succession tenure showing MIM JV area shaded in blue. Note that Austral's Lady Annie ML is not included in the transaction, nor are any of Austral's Mining Leases. The Blue shaded Earn-in area accounts for 330km² of Austral's 2,100km² EPMs, leaving Austral with 1,800km² of EPM's for other exploration initiatives.

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About Glencore's Lady Loretta and Austral's Lady Annie Mines

- Glencore is one of Australia's largest producers of critical metals and minerals including nickel, cobalt, zinc and copper.
- MIM's zinc operations in Queensland include George Fisher underground mine, Lady Loretta underground mine, a zinc-lead concentrator and lead smelter.
- MIM's Lady Loretta underground mine is located 140 kilometres north-west of Mount Isa and operated by Redpath Australia. The mine produced a record 1,696,363 tonnes of zinc-lead-silver ore in 2021, exceeding the previous record of 1,548,852 set in 2020.
- Zinc is a critical mineral that is used in a range of everyday things from galvanising steel to zinc oxides and sulphides which are used in everything from cosmetics, batteries to pharmaceuticals and fluorescent lights.
- Austral's Lady Annie Mine commenced modern production in 2007 and is located 17km north of the Mt Kelly SXEW plant. Austral's geologists believe that this Mining Lease has good potential to yield additional copper oxide ore through further exploration and is planning to commence an initial 5,000m drill programme next quarter. MIM owns the sulphide mineralisation below RL 174m.

About Glencore

Glencore is one of the world's largest global diversified natural resource companies and a major producer and marketer of more than 60 responsibly-sourced commodities that advance everyday life. Through a network of assets, customers and suppliers that spans the globe, Glencore produces, processes, recycles, sources, markets and distributes the commodities that enable decarbonisation while meeting the energy needs of today.

Glencore companies employ around 135,000 people, including contractors. With a strong footprint in over 35 countries in both established and emerging regions for natural resources, marketing and industrial activities are supported by a global network of more than 40 offices.

Glencore's customers are industrial consumers, such as those in the automotive, steel, power generation, battery manufacturing and oil sectors. It also provides financing, logistics and other services to producers and consumers of commodities.

Glencore is proud to be a member of the Voluntary Principles on Security and Human Rights and the International Council on Mining and Metals. Glencore is an active participant in the Extractive Industries Transparency Initiative.

Glencore recognises its responsibility to contribute to the global effort to achieve the goals of the Paris Agreement. Their ambition is to be a net zero total emissions company by 2050. In August 2021, Glencore increased its medium-term emission reduction target to a 50% reduction by 2035 on 2019 levels and introduced a new short-term target of a 15% reduction on 2019 levels.

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Key transaction points

MIM Earn-in Agreement

- MIM holds an Earn-in right for an initial 35% interest in the AR1 Exploration Area (104 sub-blocks) by spending A\$3.65m over two years from signing. MIM can increase its interest to 65% by spending an additional A\$2.65m in years 3-4. MIM is focussed on exploring for sulphide base and precious metals.
- Austral holds the right to explore for copper oxide mineralisation within the Exploration Area at its expense.
- MIM and Austral to share all historic and new exploration data within the Exploration Area.
- If MIM proceeds to 65% ownership through earn-in, Austral will be required to fund 35% of ongoing exploration commitments. Austral has the option not to contribute and be progressively diluted to a 5% holding (by 1% per A\$300,000 that is not contributed), at which point Austral will have this 5% holding converted into a 1.5% Net Smelter Royalty (NSR).
- In the event of a potentially economic sulphide mineral discovery, MIM will sole-fund the cost of economic studies through to completion of a pre-feasibility study (PFS).

Austral Earn-in Agreement

- Austral holds an Earn-in right for a 65% interest in the Russell Fault Exploration Area (36 sub blocks) by spending A\$2.0m over four years from signing. Austral is focussed on exploring for copper oxide mineralisation.
- Austral is exploring for shallow copper oxide mineralisation as feed for its Mt Kelly SXEW plant.
- MIM and Austral to share all historic and new exploration data within the Exploration Area.
- If Austral proceeds to 65% ownership through earn-in, MIM will be required to fund 35% of ongoing exploration commitments. MIM has the option not to contribute and be progressively diluted to a 5% holding (by 1% per A\$50,000 that is not contributed), at which point MIM will have this 5% holding converted into a 1.5% Net Smelter Royalty (NSR).
- In the event of a potentially copper oxide mineral discovery, Austral will sole-fund the cost of economic studies through to completion of a pre-feasibility study (PFS).

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Positive impact on Austral's exploration and development Strategy

Austral initially budgeted \$5m for exploration expenditure over a two-year period from listing. This budget has now been increased to \$10m over the next 12 months and up to \$10m per annum from 2023 onwards, fully funded from Anthill production cashflows. The Company is also considering other value accretive exploration joint venture proposals to leverage its highly prospective 2,100km² tenure holdings, utilise JV partner expertise and share discovery risk.

This is significant for Austral as this larger expenditure increases the potential for value adding discoveries with a larger exploration team to explore multiple prospects in parallel – all in a shorter timeframe. Austral stands to benefit greatly from working with and learning from Glencore's seasoned exploration team.

This announcement is authorised for market release by the board of the Company.

FOR FURTHER INFORMATION PLEASE CONTACT:

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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 has developed its Anthill Mine (Ore Reserve of 5.06Mt at 0.94% Cu) and 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 2,100km² of highly prospective exploration tenure in the heart of the Mt Isa district, a world class copper and base metals province. The Company is implementing an intensive exploration and development 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 Ben Coutts, Competent Persons who are Members of the Australasian Institute of Mining and Metallurgy. Mr Beaton is the Site General Manager at Austral and Mr Coutts is Exploration Manager at Austral. Mr Coutts 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 Coutts 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.

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Key Austral ASX announcements

DATE	TITLE
1 Nov 2021	<i>Austral Prospectus</i>
3 Nov 2021	<i>Austral lists on ASX</i>
9 Nov 2021	<i>Anthill and Mt Kelly development underway</i>
17 Nov 2021	<i>Anthill blasting commences</i>
7 Dec 2021	<i>Thiess signing</i>
14 Dec 2021	<i>Updated Company presentation</i>
11 Jan 2022	<i>Mining commences at Anthill</i>
30 Jan 2022	<i>December Quarter Report</i>
3 Feb 2022	<i>Offtake and Prepayment Agreement secured with Glencore</i>
31 Mar 2022	<i>Austral's Anthill Mine Ore Shipments Commence</i>
26 Apr 2022	<i>Exploration update</i>
28 Apr 2022	<i>March Quarter Report</i>
4 May 2022	<i>RIU Conference presentation</i>
6 Jun 2022	<i>Austral exploration update</i>
8 Jun 2022	<i>Glencore (MIM) JV</i>
8 Jun 2022	<i>Resources Rising Stars Presentation</i>
14 Jun 2022	<i>First Anthill Copper Cathode Plated</i>
21 Jun 2022	<i>Austral Appoints Exploration Manager</i>
27 Jun 2022	<i>Change of Management</i>
27 Jul 2022	<i>Austral June 2022 Quarterly Update</i>
28 Jul 2022	<i>Lady Colleen Drilling Update</i>
2 Aug 2022	<i>Drilling at Flying Horse confirms 14m @ 2.39% Cu</i>
9 Aug 2022	<i>Maiden Mineral Resource at Enterprise</i>
11 Aug 2022	<i>Austral successfully completes \$17M placement</i>
26 Aug 2022	<i>Operational and Strategic Update</i>
29 Aug 2022	<i>Austral Resource Appendix 4 and half-year report</i>
5 Sep 2022	<i>New drilling Results at Lady Colleen include 5m @ 7.10% Cu</i>
16 Sep 2022	<i>Austral Board Approves Scoping Study for Lady Colleen</i>