AUSTRAL RESOURCES

PROSPECTUS

Initial Public Offering of Shares

Prospectus for an issue of 150,000,000 Shares to be offered for subscription at $0.20 each to raise $30,000,000

Austral Resources Australia Ltd ACN 142 485 470
ASX: AR1

Lead Manager

PELOTON CAPITAL

This document is important and it should be read in its entirety. If you are in any doubt as to the contents of this document, you should consult your sharebroker, solicitor, professional adviser, banker or accountant without delay.

This Prospectus is issued pursuant to section 710 of the *Corporations Act 2001* (Cth).

The securities offered by this Prospectus are considered to be speculative.

Important Notices

Offer

The offer (the **Offer**) contained in this prospectus (this **Prospectus**) is an invitation to acquire up to 150,000,000 fully paid ordinary shares (**Shares**) in Austral Resources Australia Ltd ACN 142 485 470 (**Austral Resources**, **Austral**, the **Company**, **we** or **us**). This Prospectus is issued by the Company for the purpose of Chapter 6D of the *Corporations Act 2001* (Cth) (**Corporations Act**).

Lodgement and listing

This Prospectus is dated 10 September 2021 and a copy of this Prospectus was lodged with the Australian Securities and Investments Commission (**ASIC**) on that date. The Company will apply to the Australian Securities Exchange (**ASX**) for admission of the Company to the official list of the ASX (the **Official List**) within seven days after the date of this Prospectus. The fact that the ASX may admit the Company to its Official List is not to be taken in any way as an indication of the merits of the Shares, the Offer or the Company.

ASIC, the ASX and their officers take no responsibility for the contents of this Prospectus or the merit of the investment to which this Prospectus relates.

Expiry Date

No Shares will be allotted or issued on the basis of this Prospectus after 10 October 2022, which is 13 months from the date of this Prospectus.

Notice to Applicants

The information in this Prospectus is not financial product advice and does not take into account your investment objectives, financial situation or particular needs. This Prospectus should not be construed as financial, taxation, legal or other advice. The Company is not licensed to provide financial product advice in respect of its securities or any other financial products.

This Prospectus is important and you should read it in its entirety, along with each of the documents incorporated by reference, prior to deciding whether to invest in the Company's Shares. There are risks associated with an investment in the Shares, and you must regard the Shares offered under this Prospectus as a speculative investment. Some of the risks that you should consider are set out in Section 5 (Risk Factors). You should carefully consider these risks in light of your personal circumstances including financial and taxation issues. There may also be additional risks that you should consider in light of your personal circumstances.

If you do not fully understand this Prospectus or are in doubt as to how to analyse or interpret it, you should seek professional guidance from your stockbroker, lawyer, accountant or other professional advisor before deciding whether to invest in the Shares.

No person named in this Prospectus guarantees the Company's performance or any return on investment or any return of capital made pursuant to this Prospectus.

No offer where Offer would be illegal

This Prospectus does not constitute a public offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to register or qualify the Shares or the Offer, or to otherwise permit a public offering of the Shares in any jurisdiction outside Australia.

There may be legal restrictions related to the distribution of this Prospectus (including in electronic form) outside Australia and New Zealand, and therefore any person who resides outside Australia or New Zealand, and who receives this Prospectus outside Australia or New Zealand, should seek advice on, and observe, any such restrictions. Any person who has a registered address in any country outside of Australia and New Zealand, and who receives this Prospectus may only apply for Shares if that person is able to reasonably demonstrate to the satisfaction of the Company that they may participate in the Offer relying on a relevant exception from, or are not otherwise subject to, the lodgement, filing, registration or other requirements of any applicable securities laws in the jurisdiction in which they have such registered address.

The Company will not offer to sell, nor solicit an offer to purchase, any securities in any jurisdiction where such offer, sale or solicitation may be unlawful. Any failure to comply with these restrictions may constitute violation of applicable securities laws.

This document does not constitute an offer of new ordinary shares ("New Shares") of the Company in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

Canada (British Columbia, Ontario and Quebec provinces)

This document constitutes an offering of New Shares only in the Provinces of British Columbia, Ontario and Quebec (the "Provinces"), only to persons to whom New Shares may be lawfully distributed in the Provinces, and only by persons permitted to sell such securities. This document is not a prospectus, an advertisement or a public offering of securities in the Provinces. This document may only be distributed in the Provinces to persons who are "accredited investors" within the meaning of National Instrument 45-106 – *Prospectus Exemptions*, of the Canadian Securities Administrators.

No securities commission or authority in the Provinces has reviewed or in any way passed upon this document, the merits of the New Shares or the offering of the New Shares and any representation to the contrary is an offence.

No prospectus has been, or will be, filed in the Provinces with respect to the offering of New Shares or the resale of such securities. Any person in the Provinces lawfully participating in the offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and receipted by the securities regulator in the applicable Province. Furthermore, any resale of the New Shares in the Provinces must be made in accordance with applicable Canadian securities laws. While such resale restrictions generally do not apply to a first trade in a security of a foreign, non-Canadian reporting issuer that is made through an exchange or market outside Canada, Canadian purchasers should seek legal advice prior to any resale of the New Shares.

The Company as well as its directors and officers may be located outside Canada and, as a result, it may not be possible for purchasers to effect service of process within Canada upon the Company or its directors or officers. All or a substantial portion of the assets of the Company and such persons may be located outside Canada and, as a result, it may not be possible to satisfy a judgment against the Company or such persons in Canada or to enforce a judgment obtained in Canadian courts against the Company or such persons outside Canada.

Statutory rights of action for damages and rescission. Securities legislation in certain Provinces may provide a purchaser with remedies for rescission or damages if an offering memorandum contains a misrepresentation, provided the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities

legislation of the purchaser's Province. A purchaser may refer to any applicable provision of the securities legislation of the purchaser's Province for particulars of these rights or consult with a legal adviser.

Certain Canadian income tax considerations. Prospective purchasers of the New Shares should consult their own tax adviser with respect to any taxes payable in connection with the acquisition, holding or disposition of the New Shares as there are Canadian tax implications for investors in the Provinces.

Language of documents in Canada. Upon receipt of this document, each investor in Canada hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the New Shares (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.*

European Union

This document has not been, and will not be, registered with or approved by any securities regulator in the European Union. Accordingly, this document may not be made available, nor may the New Shares be offered for sale, in the European Union except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the "Prospectus Regulation").

In accordance with Article 1(4)(a) of the Prospectus Regulation, an offer of New Shares in the European Union is limited to persons who are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation).

Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMC Act"). The New Shares are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

Singapore

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an "institutional investor" (as defined in the SFA) or (ii) an "accredited investor" (as defined in the SFA). If you are not an investor falling within one of these categories, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

United Kingdom

Neither this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the New Shares.

The New Shares may not be offered or sold in the United Kingdom by means of this document or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This document is issued on a confidential basis in the United Kingdom to "qualified investors" within the meaning of Article 2(e) of the UK Prospectus Regulation. This document may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will

only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investment to which this document relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this document.

Financial information and amounts

All financial amounts contained in this Prospectus are expressed in Australian Dollars (**Australian Dollars** or **A$**), unless otherwise stated. Any discrepancies between totals and sums of components in figures and tables contained in this Prospectus are due to rounding.

Section 6 sets out in detail the financial information referred to in this Prospectus. The basis of preparation of that information is set out in Sections 6.2.

Disclaimer

No person should rely on any information that is not contained in this Prospectus for making a decision as to whether to acquire Shares under the Offer. No person is authorised by the Company or the Lead Manager to give any information or make any representation in connection with the Offer that is not contained in this Prospectus. Any information or representation that is not contained in this Prospectus may not be relied on as having been authorised by the Company, its Directors or any other person in connection with the Offer. The Company's business, financial condition, results of operations and prospects may have changed since the date of this Prospectus.

This Prospectus may contain forward-looking statements concerning the Company's business, operations, financial performance and condition, as well as the Company's plans, objectives and expectations for its business, operations and financial performance and condition. Any statements contained in this Prospectus that are not of historical facts may be deemed to be forward-looking statements. You can identify these statements by words such as "aim", "anticipate", "assume", "believe", "could", "due", "estimate", "expect", "goal", "intend", "may", "objective", "plan", "predict", "potential", "positioned", "should", "target", "will", "would" and other similar expressions that are predictions of or indicate future events and future trends.

The Anthill Project is near production. However as that project has no historical performance, there are significant uncertainties associated with forecasting the future revenues and expenses of the Company. On this basis, the Directors believe that there is no reasonable basis for the inclusion of financial forecasts in the Prospectus. These forward-looking statements are based on current expectations, estimates and projections about the Company's business and the industry in which the Company operates and Management's beliefs and assumptions. These forward-looking statements are not guarantees of future performance or development and involve known and unknown risks, uncertainties and other factors that are in some cases beyond the Company's control. As a result, any or all of the Company's forward-looking statements in this Prospectus may turn out to be inaccurate. Factors that may cause such differences between forward-looking statements and actual performance include, but are not limited to, the risks described in Section 5 (Risk Factors) of this Prospectus.

You are urged to consider the risk factors carefully for evaluating the forward-looking statements and are cautioned not to place undue reliance on the forward-looking statements. The forward-looking statements speak only as at the date of this Prospectus. Unless required by law, the Company does not intend to publicly update or revise any forward-looking statements to reflect new information or future events or otherwise. You should, however, review the information and risks the Company describes in the reports to be filed from time to time with the ASX after the date of this Prospectus.

This Prospectus contains industry data and forecasts that were obtained from industry publications, third-party market research and publicly available information, including industry reports. These publications generally state or imply that the information contained in them has been obtained from sources believed to be reliable, but the Company has not independently verified the accuracy or completeness of such information. In addition, where a source has been identified in this Prospectus as the source for providing specific information included in the Prospectus, the author of that information has not given their consent to this information being included in the Prospectus and has not authorised or caused the issue of the Prospectus.

This Prospectus also includes trademarks, trade names and service marks that are the property of other organisations.

Exposure Period

The Corporations Act prohibits the Company from processing applications to subscribe for Shares under the Offer (**Application**) during the seven day period after the date of lodgement of this Prospectus (the **Exposure Period**). This period may be extended by ASIC for a further seven days. This period is an Exposure Period to enable market participants to examine this Prospectus prior to the raising of funds under the Offer. Applications received during the Exposure Period will not be processed until after the expiry of the Exposure Period. No preference will be conferred on Applications received during the Exposure Period.

Electronic Prospectus

This Prospectus, with an accompanying Application Form, may be viewed online at the Company Website, www.australres.com. The Offers constituted by this Prospectus in electronic form are only available to Australian and New Zealand residents accessing an electronic version of this Prospectus in Australia or New Zealand. It is not available to persons in other jurisdictions. Persons who access the electronic version of this Prospectus should ensure that they download and read the entire Prospectus.

Privacy

By completing an Application Form, you consent to the collection, use and disclosure of your personal information as summarised below.

Collection of your personal information – We collect personal information about you so that we can administer our dealings with you, provide you with Company information, products and services, service your needs as a Shareholder (if you become one), carry out appropriate administration of your Application and deal with any requests that you may have. If we do not collect your personal information, we may be unable to deal with your request or provide you with services and benefits, and we may not be able to process your Application.

Disclosure of your personal information – We may disclose your personal information to third parties, such as our Share Registry, the Lead Manager, auditors, Management, legal and other professional advisors, service providers, suppliers, insurers, IT providers who run our IT services, payment processors who process payments, marketing providers who provide marketing and public relations services, and if we are required to by law.

Our privacy policy – Our **Shareholder privacy policy** (the **Shareholder Privacy Policy**), which may be found on the Company Website, sets out our approach to the management of personal information. Subject to the Privacy Act 1998 (Cth), you can have access to and seek correction of your personal and sensitive information. The Shareholder Privacy Policy contains information about how you can do this. The Shareholder Privacy Policy also contains information about how you can make a complaint about a breach of privacy.

Company Website

Any documents included on the Company Website (and any reference to them) are provided for convenience only and none of the documents or other information on the Company Website are incorporated by reference into this Prospectus. Any references to documents included on the Company Website are provided for convenience only, and none of the documents or other information on the website are incorporated in this Prospectus by reference unless specified in this Prospectus.

Definitions and abbreviations

Defined terms and abbreviations used in this Prospectus and not otherwise defined herein are defined and explained in the Glossary in Section 14 (Glossary).

References to time

All references to time in this Prospectus refer to the time in Brisbane, Australia (AEST), unless stated otherwise.

Photographs and diagrams

Photographs used in this Prospectus that do not have any description are for illustration or design purposes only and should not be interpreted to mean that any person shown endorses this Prospectus or its contents or that the Company owns the assets shown. Similarly, any assets depicted in the photographs such as equipment, buildings or other property are not necessarily assets that are owned or used by the Company and have been included for presentation and illustrative purposes unless stated otherwise. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in charts, graphs and tables is based on information available as at the date of this Prospectus.

Competent Person Statement

The information in this Prospectus that relates to Exploration Targets or Exploration Results for the Tenements 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 Geology Manager at Austral and Mr Tambanis has been appointed as Chief Executive Officer of the Company. Mr Tambanis and Mr Beaton have sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to gratify 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 the Prospectus of the matters based on this information in the form and context in which it appears.

The information contained in the Independent Technical Report (**ITAR**) that relates to Technical Assessment of the Mineral Assets, Exploration Targets, Exploration Results and Mineral Resources is based on information compiled and conclusions derived by Mr Neal Leggo, a Competent Person who is a Member of the AIG. Mr Leggo is employed by CSA Global. Mr Leggo has sufficient experience that is relevant to the Technical Assessment of the Mineral Assets under consideration, the style of mineralisation and types of deposit under consideration and to the activity being undertaken to qualify as a Practitioner as defined in the 2015 Edition of the "Australasian Code for the public reporting of technical assessments and Valuations of Mineral Assets", and as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Leggo consents to the inclusion in the ITAR of the matters based on his information in the form and context in which it appears.

The information in the ITAR that relates to Technical Assessment of the Ore Reserves is based on information compiled and conclusions derived by Mr Daniel Grosso, a Competent Person who is a Member of the AusIMM. Mr Grosso is employed by CSA Global. Mr Grosso has sufficient experience that is relevant to the Technical Assessment of the Mineral Assets under consideration, the style of mineralization and types of deposit under consideration and to the activity being undertaken to qualify as a Practitioner as defined in the 2015 Edition of the "Australasian Code for the public reporting of technical assessments and Valuations of Mineral Assets", and as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Grosso consents to the inclusion in the ITAR of the matters based on his information in the form and context in which it appears.

Contents

Key Offer Information

Key Offer dates

Lodgement of Prospectus with ASIC	Friday, 10 September 2021
Opening Date of Offer	Friday, 17 September 2021
Closing Date of Offer	Friday, 15 October 2021
Settlement Date of Offer	Wednesday, 20 October 2021
Allotment Date of Shares	Thursday, 28 October 2021
Expected date for dispatch of holding statements	Friday, 29 October 2021
Expected commencement of trading on ASX	Wednesday, 3 November 2021

Notes:

This timetable is indicative only. Unless otherwise indicated, all times given are AEST. The Company, in consultation with the Lead Manager, reserves the right to vary any and all of the above dates without notice (including, subject to the ASX Listing Rules and the Corporations Act, to close the Offer early, to extend the Closing Date, or to accept late Applications or bids, either generally or in particular cases, or to cancel or withdraw the Offer before Completion of the Offer, in each case without notifying any recipient of this Prospectus or Applicants). If the Offer is cancelled or withdrawn before Completion of the Offer, then all Application Monies will be refunded in full (without interest) as soon as possible in accordance with the requirements of the Corporations Act. Investors are encouraged to submit their Applications as soon as possible after the Offer opens.

Key Offer statistics

Offer Price per Share	A$0.20
Shares available under the Offer	150,000,000
Gross proceeds from the Offer	A$30,000,000, before Costs of the Offer[1]
Shares on issue immediately prior to completion of the Offer	295,375,000
Options and Performance Rights on issue immediately prior to completion of the Offer	54,537,500[2]
Total number of Shares on issue following the Offer (on an undiluted basis)	445,375,000[2]
Indicative market capitalisation of the Company at the Offer Price on completion of the Offer (on an undiluted basis)	A$89,075,000[3]
Options and Performance Rights on issue at completion of the Offer	54,537,500[2]

Notes:

1. Costs of the Offer of A$2,491,000 are described in Section 13.6.
2. Assumes that no Shares are issued from the exercise of Options or Performance Rights.
3. Based on the Offer Price and total number of Shares on issue after the Offer (assuming that no Options or Performance Rights are exercised).

Proposed Use of Funds

Pursuant to the Offer, the Company will raise A$30,000,000. The funds raised under the Offer are expected to be allocated as follows:

Use of Proceeds[1]	AUD	%
Exploration	$5.0 million	16.67%
Operating expenses	$4.0 million	13.33%
Capital Expenditure – Anthill	$1.5 million	5.00%
Capital Expenditure – Mt Kelly	$1.4 million	4.67%
Working capital	$1.6 million	5.33%
Costs of the Offer[2]	$2.5 million	8.33%
Loan repayment[3]	$14 million	46.67%
Total uses of funds	$30 million	100%

Notes:

1. The above table is a statement of current intentions as at the date of this Prospectus. Investors should note that, as with any budget, the allocation of funds set out in the above table may change depending on a number of factors, including the outcome of sales success, operational and development activities, regulatory developments, and market and general economic conditions. In light of this, the Board reserves its right to alter the way the funds are applied.
2. Refer to Section 13.6 for details of the Costs of the Offer.
3. In addition to the $14,000,000 debt repayment from Offer proceeds, a further $7,409,000 will be used to repay existing debt facilities applied in the acquisition and development of the Austral Group from the existing $30,000,000 Wingate Facility Agreement. The terms of the Wingate Facility Agreement are summarised in Section 12.11. When all existing debt balances are paid on completion of the Offer, the Austral Group's remaining debt instrument will be the Wingate Facility.

How to Invest

Application for Shares can only be made by completing and lodging an Application Form. Instructions on how to apply for Shares are set out in Section 2.7 and on the Application Form.

Letter from the Chairman

Dear Investors,

It is with great pleasure that I invite you to become a shareholder in Austral Resources Australia Limited (A**ustral**). Investing in Austral means you will hold shares in a LME quality copper cathode producing company that is developing a new open pit copper mine and also has 1,340 km^2 of highly prospective exploration tenements near Mount Isa, northwest Queensland. Some of these tenements have advanced exploration status.

While the mine life from the Anthill copper oxide deposit is estimated at 4 years, successful exploration efforts will allow us to extend this time period. This is an opportunity for investors to invest in a company already producing copper with significant Ore Reserves in the Anthill project only 45 kilometres away from the Mt Kelly processing facility. The facility has crushing equipment, heap leach pads, solvent extraction, electrowinning and infrastructure assets in place, with proven capability to process the Anthill Project. The senior management team has a strong focus on operations and extending the mine life with new copper discoveries.

Our sales contracts are in place and the price for copper has a positive outlook, based on analyst reports and underlying copper demand building from the global push towards decarbonisation – renewable energy and electric vehicles.

Austral's Mt Kelly copper processing facility is located approximately 120 kilometres north of Mount Isa, a well-known copper district in Queensland. We are in good company with Glencore and other major miners close by, ensuring access to contractors and skilled staff. The previous owners of the assets made multi-million dollar investments in plant and equipment, exploration and successfully mined a number of areas.

Upon listing of Austral, we will apply the funds to make our capital structure more efficient and commence development of the Anthill Project. With a JORC compliant Ore Reserve of 5.06Mt @0.94% copper, Anthill holds 47,500t of contained copper that is capable of producing 40,000t of copper cathode over a four year period. All aspects of the mine have been studied and costed, including rehabilitation.

This Prospectus contains detailed information about the offer, as well as risks associated with an investment in the Company. Potential investors are encouraged to read it carefully before making a decision on whether to invest.

On behalf of the board, I look forward to welcoming you as a shareholder in Austral.

Phillip Thomas
Chairman

Austral Resources Australia Ltd.

Section 1.

Investment Overview

The information in this Section 1 is a summary only. It should be read in conjunction with the information set out in the remainder of this Prospectus.

1.1. Background

Topic	Summary	For more information
What is Austral?	Austral is an Australian copper focussed company that owns an operating copper oxide ore processing facility, the nearby Anthill Copper Project and highly prospective exploration tenure holdings.	Section 4
What is the nature of Austral's interests in its projects?	Austral is the holder of the following key suite of assets, located 120km north of Mount Isa, northwest Queensland: (a) The Mt Kelly heap leach and Solvent Extract & Electrowinning (**SXEW**) processing facility that produces LME Grade A copper cathode (99.99% copper metal); (b) A 150 person camp and facilities for staff and contractors; (c) The Anthill Project, an undeveloped, fully permitted, open pittable mine with a JORC Ore reserve of 5.06Mt @0.94% Cu or 47,500 contained tonnes of copper in oxide ore. Anthill is 45km by road from Austral's processing facility; and (d) A highly prospective 1,340km^2 exploration tenure portfolio with a global Mineral Resource Estimate of 60Mt @0.70% Cu, or 423,000t of contained copper.	Sections 3 and 4
Why is the offer being conducted?	The purpose of the Offer is to: (a) raise $30,000,000 to fund: (1) development of the Anthill Project to production; (2) the Company's expenditure commitments and operating costs in relation to exploration and mining costs on the projects; (3) the repayment of certain existing lending facilities; (4) general working capital requirements; (5) corporate overhead and administrative costs; and (6) the costs of the Offer; (b) provide a liquid market for the Shares; (c) meet the requirements of the ASX and satisfy Chapters 1 and 2 of the ASX Listing Rules to enable the Company to list on the ASX; (d) provide the Company with the benefits of an increased profile that arises from being listed; (e) provide the Company with additional financial flexibility and access to capital markets, to assist in pursuing its growth strategy.	Section 2.4

1.2. Key Features of Austral's Business Model

Topic	Summary	For more information
What is the Company's vision and strategy?	Our vision (a) To be an ASX listed, integrated copper business of choice to investors who want exposure to copper metal production and growth potential through exploration. (b) Become a leading player in the mining sector through operational excellence and a deep commitment to teamwork, resourcefulness and innovation. (c) Build a copper production company to enhance significant shareholder value by the discovery and development of large high-quality copper deposits. Our strategy is to utilise our highly capable technical and management team to undertake the following upon listing on the ASX: (a) manage contract mining of the Anthill Project to provide oxide ore feed to Austral's Mt Kelly processing facility. Mining is scheduled to commence in the fourth quarter of 2021 with first ore expected to be delivered to the leach pads in the first quarter of 2022. The Anthill Project is expected to enable Austral to produce 40,000t of copper cathode over a four year period from the commencement of mining; (b) intensive exploration of its tenure to discover additional ore feed for the Mt Kelly processing facility; (c) review of other potential ore sources within economic haulage distance of the processing facility; and (d) a review of sulphide and transition mineralisation for its potential to be economically mined.	Section 4
How will the Company finance its start-up and ongoing operations?	The Company: (a) believes that the net proceeds of the Offer, together with debt funding available under the Wingate Facility and current cash reserves, will be sufficient to fund the Company's operational requirements, and position Austral to achieve its short-term growth strategy and business objectives; and (b) will consider the use of further funding initiatives where appropriate to further accelerate growth or fund a specific project, transaction or expansion.	Sections 4 and 6

Topic	Summary	For more information
What are the material contracts that will affect the Company's operations?	The contracts entered into by Austral which are material to this Offer and its operations are as follows: (a) Lead Manager Agreement; (b) Advisor Mandate with Kamara Group; (c) Executive Services Agreement – Steven Tambanis (CEO); (d) Executive Employment Agreement – Dan Jauncey (Executive Director); (e) Tenement and Road Access Agreement; (f) Marubeni Offtake Agreement; (g) Aggreko Power Station Hire and Services Agreement; (h) North Line Copper Services Agreement; and (i) Wingate Facility Agreement.	Section 12
What is the competition facing the business?	The Company will be involved in a global industry and will be subject to domestic and global competition.	Section 3

1.3. Financial Information

What is the historical financial performance and pro-forma financial position of the Company?

The table below presents the summary audited consolidated historical statutory statement of profit or loss and other comprehensive income for FY18, FY19 and FY20. Further discussion regarding the summarised historical statutory statement of profit or loss and other comprehensive income are set out in Section 6.3.

Section 6

$'000	FY18 Audited	FY19 Audited	FY20 Audited
Net revenue	17,996	23,923	23,661
Gross margin	**(8,580)**	**(3,995)**	**(11,835)**
Gross margin %	*(47.7%)*	*(16.7%)*	*(50.0%)*
Total overheads	**(1,467)**	**(3,024)**	**(5,036)**
EBITDAX	**(10,047)**	**(7,018)**	**(16,871)**
EBITDAX margin %	*(55.8%)*	*(29.3%)*	*(71.3%)*
EBITDA	**(11,459)**	**(8,266)**	**(18,227)**
EBITDA margin %	*(63.7%)*	*(34.6%)*	*(77.0%)*
EBIT	**(12,049)**	**(8,947)**	**(18,290)**
EBIT margin %	*(67.0%)*	*(37.4%)*	*(77.3%)*
NLBT	**(11,122)**	**(7,103)**	**(22,531)**
NLAT	**(11,122)**	**(7,103)**	**(22,531)**

Topic	Summary	For more information
What is the historical financial performance and pro-forma financial position of the Company? *continued*	The table below sets out the summarised audited consolidated historical statutory and unaudited pro forma statement of financial position as at 31 December 2020. Details of the pro forma statement of financial position, including the subsequent events and pro forma adjustments are set out in Section 6.5.	

As at $'000	31 Dec 20 Audited	31 Dec 20 Pro forma
Current assets	45,108	62,384
Non-current assets	539	539
Total assets	**45,647**	**62,923**
Current liabilities	(298,778)	(7,484)
Non-current liabilities	(32,521)	(60,516)
Total liabilities	**(331,299)**	**(68,000)**
Net assets	**(285,652)**	**(5,077)**

The table below sets out the summarised audited consolidated historical statutory statement of cash flows for FY18, FY19 and FY20. Further discussion regarding the summarised historical statement of cash flows is set out in Section 6.4.

$'000	FY18 Audited	FY19 Audited	FY20 Audited
Net operating cash outflows	(8,250)	(2,235)	(23,787)
Net investing cash inflows	3,438	5,437	12,776
Net financing cash flows	(2,845)	(7,935)	11,318
Net change in cash and cash equivalents held	**(7,657)**	**(4,733)**	**307**
Cash at the beginning of the financial period	12,660	5,003	271
Cash at the end of the financial period	**5,003**	**270**	**577**

What is the financial outlook for the Company?	The Anthill Project is near production. However as that project has no historical performance and Austral has historically been loss making, there are significant uncertainties associated with forecasting the future revenues and expenses of the Company. Any forecast or projection information could contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection on a reasonable basis. Accordingly, the Directors believe that there is no reasonable basis for the inclusion of financial forecasts in this Prospectus.	Section 6

1.4. Summary of Key Investment Risks

Topic	Summary	For more information
What are the key risks for the Company?	There are a number of risks associated with an investment in the Company that may affect its financial performance, financial position, cash flows, distributions, growth prospects and Share price. Further details about those listed below and other risks associated with an investment in Austral are set out in Section 5. Potential investors should consider an investment in the Company as speculative and should consult their professional advisors before deciding whether to apply for Shares under the Offer. **Mine development – General** Possible future development of a mining operation at any of the Company's projects including the Anthill Project is dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services. **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. **Increase in costs** Austral's business, operating and financial performance may be affected by increased cost of production inputs and consumables (such as fuel, water and chemicals) and capital costs, some of which are outside of the Company's control and may exceed the Company's future estimates.	Section 5

Topic	Summary	For more information
What are the key risks for the Company? *continued*	**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 Company's exploration and development plans which may, in turn, affect the Company'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. **Yellow Gear will remain a major shareholder** Yellow Gear will hold 52.79% on completion of the Offer and will be in a position to exercise influence over Board constitution and matters requiring Shareholder approval. Yellow Gear's significant shareholding and that a significant percentage of that shareholding being subject to ASX imposed escrow arrangements may reduce the liquidity of trading in the Shares. **Contractual risks** Austral is a party to various contracts and will enter into additional contractual arrangements to successfully develop its current and any future projects. No assurance can be given that all contracts to which Austral is a party will be fully performed by all contracting parties. **Access to utilities** Austral's mining activities rely on a significant quantity of power and water for mining and extraction activities, processing, and related support facilities. Any change or effect on permitted allocation may affect Austral's operations and financial performance generally. Any failure or interruption to secure the necessary levels of power and water on commercially acceptable terms may affect Austral's development programme, production levels and operations generally which could adversely impact its financial performance and future prospects. **Equipment failure** Austral's mining and processing operations are susceptible to equipment failure. The occurrence of any such failure or interruption may interrupt Austral's operations or delay Austral's production programme due to rectification or replacement of equipment.	

Topic	Summary	For more information
What are the key risks for the Company? *continued*	**Infrastructure risk** Austral's mining, processing and development activities rely on critical infrastructure including access to road, rail and port access. A number of factors could affect critical infrastructure and transport services, including third party contractual dispute, weather, global pandemics, infrastructure interruption, rail or port capacity, industrial action, commercial disputes, terrorist attacks or other force majeure events. The occurrence of any such disruptions may affect Austral's ability to deliver its copper product to third parties which could result in contractual breach and a corresponding impact on its financial performance and goodwill and reputation with contract counterparties. **Environmental risks** The Company'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 Company's activities are expected to have an impact on the environment. Significant liability could be imposed on the Company 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 Company, 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 Company's operation costs. **Rehabilitation cost risk** No assurance can be given as to the accuracy of Austral's current provisions for future rehabilitation and closure costs, and actual costs may be substantially greater. Any government-imposed increase in the quantum of the cash backed rehabilitation surety may impact Austral's liquidity and financial position generally. **Ore Reserve depletion** Austral's Ore Reserves will reduce through mining operations, and Austral's medium to long term financial performance and viability will require it to supplement and increase its resources and Ore Reserves through exploration, increasing the resource status of its known resources.	

Topic	Summary	For more information
What are the key risks for the Company? *continued*	**Debt covenant compliance** Austral's debt facility contains covenants linked to the operating and financial performance of Austral. A failure by Austral to achieve its financial objectives may result in Austral breaching a debt covenant which may trigger an accelerated payment of any outstanding amount. Any accelerated payment of any drawn amount which is unable to be sourced from cash reserves or alternate debt facilities, will affect the financial status of Austral and its operations generally. **Hedging risk** Austral is intending to engage in certain hedging activities (setting the price of copper forward contracts and currency exchange rates) to reduce risks associated with copper price and currency volatility. This hedging may cause Austral to lose the benefit of any price increase in commodity prices (if it is above the level of the Austral hedge position). **Title Risk** The exploration and mining permits in which the Company has now, or may, in the future, acquire an interest, are subject to the applicable local laws and regulations. There is no guarantee that any permits, applications or conversions in which the Company has a current or potential interest will be granted. All of the projects in which the Company has an interest will be subject to application for permit renewal from time to time. Renewal of the term of each permit is subject to applicable legislation. If the permit is not renewed for any reason, the Company may suffer significant damage through loss of the opportunity to develop and discover any mineral resources on that permit. **Native Title** The tenements which the Company has an interest in or will in the future acquire such an interest, may be areas over which legitimate common law native title rights of Aboriginal Australians exist. If native title rights do exist, the ability of the Company to gain access to tenements (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and mining phases of operations may be adversely affected. **Changes in commodity price** The Company'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 Company's potential future earnings will likely be closely related to the price of copper. If the Company 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 Company would experience losses and could have to curtail or suspend some or all of its proposed activities.	

Topic	Summary	For more information
What are the key risks for the Company? *continued*	**Failure to satisfy expenditure commitments and licence conditions** The Company's current tenement suite is located in Queensland. Interests in tenements in Queensland are governed by the mining acts and regulations that are current in that jurisdiction and are evidenced by the granting of licences or leases. Each licence or lease is for a specific term and carries with its annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to or its interest in the Tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments. **Competition** The Company will compete with other companies, including major copper companies. Some of these companies have greater financial and other resources than the Company and, as a result, may be in a better position to compete for future business opportunities. There can be no assurance that the Company can compete effectively with these companies. **Financing** Austral has finite financial resources and, presently has no significant excess cash flow from producing assets. On completion of the Offer, Austral anticipates having sufficient financial resources from debt funding and proceeds raised from the Offer to develop and commercialise Austral's Anthill Project. However, the Company will likely require additional financing in order to carry out its exploration and development activities or cover any unforeseen increases in development or production costs associated with the Anthill Project. For example, under the Wingate Facility Agreement, Austral is required to hold a certain minimum cash balance prior to any payment to Top Gallery under the Anthill Production Agreement and generally throughout the term of that facility. If the financial performance of Austral is not sufficient to maintain the prescribed cash levels, Austral will be required to raise additional equity or debt. Austral's ability to effectively implement its business strategy over time may depend in part on its ability to raise additional funds. There can be no assurance that any such equity or debt funding will be available to Austral on favourable terms or at all. **Exchange rate risk** The revenues, earnings, assets and liabilities of the Company may be exposed adversely to exchange rate fluctuations. **Industrial risk** Industrial disruptions, work stoppages and accidents in the course of the Company's operations could result in losses and delays, which may adversely affect Austral's operations and profitability.	

Topic	Summary	For more information
What are the key risks for the Company? ***continued***	**Insurance arrangements** The Company intends to ensure that insurance is maintained within ranges of coverage that the Company believes to be consistent with industry practice and having regard to the nature of activities being conducted. No assurance however, can be given that the Company will be able to obtain such insurance coverage at reasonable rates or that any coverage it arranges will be adequate and available to cover any such claims. **Land access risk** Austral's current projects are located in Queensland. Access to land in Queensland for mining and exploration purposes can be affected by land ownership, including private (freehold) land, pastoral lease and regulatory requirements within the jurisdiction where the Company operates. Access is also facilitated and can be affected by contractual arrangements with underlying tenure holders. **Government policy** Changes in relevant taxation, interest rates, other legal, legislative and administrative regimes, and Government policies in Queensland or at the federal level, may have an adverse effect on the assets, operations and ultimately the financial performance of the Company. These factors may ultimately affect the financial performance of the Company and the market price of its securities. **Reliance on Key Personnel** The Company has a key team of executives and senior personnel to progress its development, exploration and evaluation programme, within the time frames and within the costs structure as currently envisaged. The timing and costs associated with this programme could be dramatically influenced by the loss of existing key personnel or a failure to secure and retain additional key personnel as the Company's exploration and mining programme develops. The resulting impact from such loss would be dependent upon the quality and timing of the employee's replacement. Although the key personnel of the Company have a considerable amount of experience and have previously been successful in their pursuits of acquiring, exploring and evaluating resources projects, there is no guarantee or assurance that they will be successful in their objectives pursuant to this Prospectus. **COVID-19 risks** Austral's business and share price may be adversely affected by future economic uncertainty caused by COVID-19. Government measures, as well as actions taken by third parties, including the distribution, effectiveness and acceptance of vaccines, to contain the spread of COVID-19 and mitigate its public health effects, are beyond the control of Austral and difficult to predict	

1.5. Directors and Key Management

Topic	Summary	For more information
Who are the Directors of the Company?	The Board of Directors comprises: • Mr Phil Thomas; • Mr Dan Jauncey; and • Mr Jeff Innes.	Section 10.1
Who are the key members of Management?	Management comprises: • Mr Steven Tambanis (CEO); • Mr Dan Jauncey (Executive Director); • Mr Luke Johnstone (CFO); and • Mr Shane O'Connell (COO).	Section 10.2

1.6. Key People, Interests and Benefits

Who are the significant Existing Shareholders of the Company and what will their interests be after completion of the Offer?

The current significant Shareholders of the Company and their interests on Completion of the Offer (assuming that no Options or Performance Rights are exercised and the Shareholders do not apply for New Shares under the Offer):

Shareholder	Number of Shares	% holding before completion of Offer	% holding after completion of Offer
Yellow Gear Pty Ltd atf the Super Snake Trust	**235,100,000**	**79.59%**	**52.79%**

Section 2.5

What are the Director shareholdings?

The Directors are expected to hold a direct or indirect interest in the following Shares on Completion of the Offer (assuming that no Options are exercised and the Directors do not apply for New Shares under the Offer):

Director	Shares	% holding after completion of the Offer
Phil Thomas	750,000	0.17%
Dan Jauncey[1]	262,500,000	58.94%
Jeff Innes	250,000	0.06%

1. Mr Dan Jauncey is the sole shareholder of Yellow Gear Pty Ltd, the Company's largest Shareholder. Mr Jauncey has additionally transferred some 27,400,000 existing Shares to related and unrelated parties. The Company considers that Mr Jauncey holds a relevant interest in up to 262,500,000 existing Shares.

Section 2.5

<table>
<tr><th>Topic</th><th>Summary</th><th>For more information</th></tr>
<tr><td>What significant benefits are payable to the Directors?</td><td>The Directors are entitled to the following remuneration and fees:
<table><tr><th>Director</th><th>Remuneration/ Fees</th><th>Performance Rights</th></tr><tr><td>Phil Thomas</td><td>$80,000</td><td>1,603,350</td></tr><tr><td>Dan Jauncey</td><td>$350,000</td><td>22,268,750</td></tr><tr><td>Jeff Innes</td><td>$60,000</td><td>1,603,350</td></tr></table></td><td>Sections 10.4 and 10.5</td></tr>
<tr><td>What escrow arrangements will be in place as at completion of the Offer?</td><td>Shares and Options held by certain Existing Shareholders and Performance Rights held by Directors immediately prior to Completion of the Offer will be subject to escrow arrangements in the period immediately following Completion of the Offer as required by the ASX Listing Rules.</td><td>Section 13.2</td></tr>
<tr><td>What Corporate Governance Policies does the Company have in place?</td><td>A summary of the Corporate Governance policies adopted by the Company are set out in Section 11.</td><td>Section 11</td></tr>
<tr><td>Are there any significant related party transactions?</td><td>Since incorporation, the Company has entered into a number of transactions with related parties. The agreements currently in place with related parties of the Company are:
(a) Debt repayment and forgiveness arrangements relating to the Inter-Company Loan and Working Capital Loan;
(b) Performance Rights issued to each director;
(c) Equipment Hire Agreement – between the Austral Group and related parties namely Austral Equipment Solutions Pty Ltd & Austral Equipment Holdings Pty Ltd;
(d) Executive Service Contracts with Dan Jauncey, an executive director;
(e) Deeds of Access, Indemnity and Insurance with each director; and
(f) Non-executive director letters of appointment and corresponding remuneration arrangements.</td><td>Section 10.9</td></tr>
</table>

1.7. Key terms of the Offer

<table>
<tr><th>Topic</th><th>Summary</th><th>For more information</th></tr>
<tr><td>Who is the issuer of this Prospectus?</td><td>Austral Resources Australia Ltd ACN 142 485 470 is the issuer of this Prospectus.</td><td></td></tr>
<tr><td>What is the Offer?</td><td>This Prospectus provides investors with the opportunity to participate in the initial public offering of Shares in the Company.

The Company is undertaking a public offer of 150,000,000 Shares at A$0.20 per Share.</td><td>Section 1</td></tr>
<tr><td>How will the proceeds of the Offer be used?</td><td>Proceeds are intended to be used to as follows:

<table><tr><th>Use of proceeds</th><th>AUD</th><th>%</th></tr><tr><td>Exploration</td><td>$5.0 million</td><td>16.67%</td></tr><tr><td>Operating expenses</td><td>$4.0 million</td><td>13.33%</td></tr><tr><td>Capital Expenditure - Anthill</td><td>$1.5 million</td><td>5.00%</td></tr><tr><td>Capital Expenditure - Mt Kelly</td><td>$1.4 million</td><td>4.67%</td></tr><tr><td>Working capital</td><td>$1.6 million</td><td>5.33%</td></tr><tr><td>Costs of the Offer</td><td>$2.5 million</td><td>8.33%</td></tr><tr><td>Loan repayment</td><td>$14 million</td><td>46.67%</td></tr><tr><td>Total uses of funds</td><td>$30 million</td><td>100%</td></tr></table></td><td>Section 2.4</td></tr>
<tr><td>Is the Offer underwritten?</td><td>No, the Offer is not underwritten.</td><td></td></tr>
</table>

Topic	Summary	For more information
What are the key dates of the Offer?	Lodgement of Prospectus with ASIC — Friday, 10 September 2021 Opening Date of Offer — Friday, 17 September 2021 Closing Date of Offer — Friday, 15 October 2021 Settlement Date of Offer — Wednesday, 20 October 2021 Allotment Date of Shares — Thursday, 28 October 2021 Expected date for dispatch of holding statements — Friday, 29 October 2021 Expected commencement of trading on ASX — Wednesday, 3 November 2021 These dates are indicative only. The Company reserves the right to vary the dates and times of the Offer, including the Closing Date, without notifying any recipient of this Prospectus or any Applicants, subject to the Corporations Act, the ASX Listing Rules and other applicable laws. Applicants are encouraged to submit their Applications as early as possible after the Offer opens.	Section 2.3
What are the costs of the Offer and who is paying them?	The total estimated costs of the Offer, which will be borne by the Company, are estimated at $2,491,000 (inclusive of GST) and include Lead Manager fees, advisor fees, ASIC and ASX fees, prospectus printing costs and miscellaneous expenses.	Section 13.6
When will I receive dividends on the Shares?	Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the availability of distributable earnings and operating results and financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.	
How can I obtain further information?	By speaking to your sharebroker, solicitor, professional adviser, banker or accountant.	
How can I contact the Company?	For contact details, see the Corporate Directory at the end of this Prospectus.	Corporate Directory
What will the market capitalisation of the Company be upon Listing on the ASX?	The undiluted market capitalisation of the Company on Listing is expected to be approximately A$89,075,000.	Section 2.2

Topic	Summary	For more information
What is the allocation policy applicable to the Offer?	The Company and the Lead Manager have absolute discretion regarding the allocation of Shares to Applicants under the Offer and may reject an Application or bid, or allocate fewer Shares than the number, or the equivalent dollar amount than applied or bid for. For Broker Firm Offer participants, the relevant Broker will decide how it allocates Shares among its retail clients, and it will be responsible for ensuring that retail clients who are allocated Shares receive the relevant Shares.	Section 2.9
What is the minimum Application under the Offer?	Minimum of 10,000 Shares representing a minimum investment of $2,000.	See "Application Form"
When will I receive confirmation that my Application has been successful?	Holding statements, confirming Applicants' allocations under the Offer, are expected to be dispatched to Shareholders on 29 October 2021. Broker Firm Offer Applicants should contact their broker to confirm their allocation.	Section 2.10
Is there any brokerage, commission or stamp duty payable by Applicants?	No brokerage or stamp duty is payable by Applicants on acquisitions of Shares under the Offer. The Company reserves the right to pay a commission of up to 6% (exclusive of goods and services tax) of amounts subscribed through any licensed securities dealers or Australian financial services licensees in respect of any valid applications lodged and accepted by the Company and bearing the stamp of the licensed securities dealer or Australian financial services licensee. Payments will be subject to the receipt of a proper tax invoice from the licensed securities dealer or Australian Financial Services licensee. The Company will be responsible for paying all commissions that the Lead Manager and the Company agree with any other licensed securities dealers or Australian financial services licensee.	Section 2.8
What are the tax implications of investing in the Company?	The taxation implications of investing in Shares will depend on an investor's individual circumstances. Applicants should obtain their own tax advice or financial planning advice prior to investing. Investors should also refer to the following questions in relation to the unavailability of franking credits until the Company can issue dividends on revenue derived in Australia.	Section 13.7

Topic	Summary	For more information
How is the Offer structured and who is eligible to participate?	The Offer comprises the: • the **Retail Offer,** comprising – the Broker Firm Offer, which is open to Australian resident Retail Investors and Sophisticated Investors who have received a firm allocation from their broker; and – a General Offer, which is open to members of the general public who have a registered address in an Eligible Jurisdiction. • **Broker Firm Offer** – which is open to Australian and New Zealand resident retail clients of Brokers who have received a firm allocation of Shares; and • **Institutional Offer** – which consists of an invitation to bid to Institutional Investors in Australia and a number of other Eligible Jurisdictions made under this Prospectus.	Section 2.7
How can I apply for Shares?	Broker Firm Offer Applicants may apply for Shares by completing a Broker Firm Offer Application Form attached to or accompanying this Prospectus and lodging it with the Broker who invited them to participate in the Broker Firm Offer. The Lead Manager separately advised Institutional Investors of the Application procedure under the Institutional Offer. To the extent permitted by law, an Application by an Applicant under the Offer is irrevocable.	Section 2.7
Can the Offer be withdrawn?	The Company reserves the right not to proceed with the Offer at any time before the issue of Shares to successful Applicants. If the Offer, or any part of it, does not proceed, all relevant Application Monies will be refunded (without interest) in accordance with the requirements of the Corporations Act.	Section 2.17
Where can I find more information about this Prospectus or the Offer?	All enquiries in the first instance should be directed to your broker or you can contact the Company directly on +61 7 3520 2500 between 9:00am and 5:00pm AEST, Monday to Friday. If you are unclear in relation to any matter or are uncertain as to whether Austral is a suitable investment for you, you should seek professional guidance from your accountant, financial advisor, tax advisor, stock broker, lawyer or other professional advisor before deciding whether to invest in the Shares.	Section 2.19

Section 2.

Details of the Offer

This section is intended as an introduction and not as a summary of this Prospectus. It should be read in conjunction with the remainder of this Prospectus.

2.1. The Offer

This Prospectus constitutes an offer by Austral. Shares for subscription at an issue price of A$0.20 per Share payable in full on application to raise up to $30,000,000. The Shares offered by this Prospectus will be issued as fully paid shares and, when issued, will rank equally in all respects with the existing Shares.

2.2. Key terms

Offer Price	$0.20 per Share
Number of Shares to be offered under this Prospectus	150,000,000
Shares on issue immediately prior to completion of the Offer	295,375,000
Total Issued Shares to be listed on ASX*	445,375,000
Market Capitalisation of the Company at Offer Price	A$89,075,000

* N.B. Some of the existing Shares may be classified as restricted securities.

2.3. Key dates

Lodgement of Prospectus with ASIC	Friday, 10 September 2021
Opening Date of Offer	Friday, 17 September 2021
Closing Date of Offer	Friday, 15 October 2021
Settlement Date of Offer	Wednesday, 20 October 2021
Allotment Date of Shares	Thursday, 28 October 2021
Expected date for dispatch of holding statements	Friday, 29 October 2021
Expected commencement of trading on ASX	Wednesday, 3 November 2021

These dates are indicative only. The Company reserves the right to vary the closing date of the Issue, which may have a consequential effect on other dates. As such, the date the Shares are expected to commence trading on ASX may vary with any change in the Closing Date.

2.4. Purpose of the offer and proposed use of funds

(a) The purpose of the Offer is to raise funds to:

(1) raise $30,000,000 to fund:

(A) development of the Anthill Project to production;

(B) the Company's expenditure commitments and operating costs in relation to exploration and mining costs on the projects;

(C) the repayment of the Working Capital Loan and a portion of the Inter-Company Loan;

(D) general working capital requirements;

(E) corporate overhead and administrative costs; and

(F) the costs of the Offer;

(2) meet the requirements of the ASX and satisfy Chapters 1 and 2 of the ASX Listing Rules to enable the Company to list on ASX.

(b) The Offer will also:

(1) provide a liquid market for the Shares; and

(2) provide the Company with the benefits of an increased profile that arises from being listed on ASX; and

(3) provide the Company with additional financial flexibility and access to capital markets, to assist in pursuing its growth strategy.

(c) Assuming the Offer is fully subscribed, the directors are satisfied that upon completion of the Offer, Austral will have sufficient funds to meet its stated objectives.

The proposed use of funds associated with the Offer are as follows:

Use of proceeds[1]	AUD	%
Exploration	$5.0 million	16.67%
Operating expenses	$4.0 million	13.33%
Capital Expenditure - Anthill	$1.5 million	5.00%
Capital Expenditure - Mt Kelly	$1.4 million	4.67%
Working capital	$1.6 million	5.33%
Costs of the Offer	$2.5 million	8.33%
Loan repayment	$14 million	46.67%
Total uses of funds	**$30 million**	**100%**

1. The above table is a statement of current intentions as at the date of this Prospectus. Investors should note that, as with any budget, the allocation of funds set out in the above table may change depending on a number of factors, including operational and development activities, regulatory developments, and market and general economic conditions. In light of this, the Board reserves its right to alter the way the funds are applied.
2. Refer to Section 13.6 for details of the Costs of the Offer.
3. In addition to the $14,000,000 debt repayment from the Offer proceeds, a further $7,409,000 will be used to repay existing debt facilities applied in the acquisition and development of the Austral Group from the existing $30,000,000 Wingate Facility Agreement. The terms of the Wingate Facility Agreement are summarised in Section 12.11. When all existing debt balances are paid on completion of the Offer, the Austral Group's remaining debt instrument will be the Wingate Facility.

As at 8 September 2021, the Company had $9.1m of cash in their bank account after the Wingate drawdown but before the repayment of the $7.2m rehabilitaion cost surety band.

The Board believes that the Company's current cash reserves, its cash flow from existing operations, plus the net Proceeds of the Offer will be sufficient to fund the Company's short-term business objectives. The Board will consider the use of further equity funding if appropriate to further accelerate growth or fund a specific project, transaction or expansion.

2.5. Capital Structure post Offer

Upon completion of the Offer and allotment of Shares pursuant to this Prospectus, the Company's capital will be as follows:

(a) Share Capital

Shareholder	Number of Shares prior to completion of Offer	Shares % holding prior to completion of Offer	Number of Shares after Offer	Ordinary Shares % holding after Offer
Yellow Gear Pty Ltd	235,100,000	79.59	233,875,000	52.79
Other shareholders	60,275,000	20.41	60,275,000	13.53
Public			150,000,000	33.68
TOTAL	**295,375,000**	**100**	**445,375,000**	**100**

(b) Options

Optionholder	Number of Options	Options % holding before Offer	Options % holding after Offer	Notes
Existing Option holders	10,000,000	100	100	1, 2
Public	–	-	-	
TOTAL	**10,000,000**	**100**	**100**	

Notes

1. These securities have been issued to pre-IPO capital raising participants. The Options and any resultant Shares issued on exercise may be subject to ASX escrow conditions governing their resale.
2. For full terms and conditions of the Options see Section 13.3 of this Prospectus. Also see the following table for the Directors' and officers' interests.

(c) Performance Rights

Holder	Number[1]
Phil Thomas (Non-Executive Chairman)	1,603,350
Jeff Innes (Non-Executive Director)	1,603,350
Dan Jauncey (Executive Director)	22,268,750
Steve Tambanis (Chief Executive Officer)	3,117,625
Shane O'Connell (Chief Operating Officer)	7,393,225
Luke Johnstone (Chief Financial Officer)	7,393,225
Jarek Kopias (Company Secretary)	1,157,975
TOTAL	**44,537,500**

Notes

1. Performance Share Plan summary is included in Section 10.8 and details of Performance Rights including related performance targets is included in Section 13.4. Executive Remuneration is set out in section 10.4 and Director Interests are set out in Section 10.6.

Directors' Interests in Austral

The Directors and any associates of them are expected to hold a direct or indirect interest in the securities of the Company on completion of the Offer (assuming that the Directors do not apply for New Shares under the Offer) as follows:

Name	Number of Shares	Performance Rights
Phil Thomas[1]	750,000	1,603,350
Dan Jauncey[2]	262,500,000	22,268,750
Jeff Innes[3]	250,000	1,603,350

1. Mr Thomas has indicated his intention to subscribe for 750,000 Shares under the Offer.
2. 235,100,000 existing Shares are held by Yellow Gear Pty Ltd atf the Super Snake Trust, an entity controlled by Mr Dan Jauncey. Mr Jauncey has additionally transferred some 27,400,000 existing Shares to related and unrelated parties. The Company considers that Mr Jauncey has a relevant interest in up to 262,500,000 existing Shares.
3. Mr Innes has indicated his intention to subscribe for 250,000 Shares under the Offer.

2.6. Overview of main terms

Topic	Summary
What is the type of security being offered?	Fully paid ordinary Shares in the capital of Austral.
What are the rights and liabilities attached to the securities?	A description of the rights and liabilities attaching to the Shares is set out in Section 13.1.
What is the Offer Price?	A$0.20 per Share
What is the Offer Period?	The key dates, including details of the Offer Period relating to each component of the Offer, are set out in the Key Offer Information of this Prospectus.
Is the Offer underwritten?	No, the Offer is not underwritten.
Is there a minimum subscription under the Offer?	Yes, $30 million.
What is the minimum and maximum Application size under the Offer?	Applications under the Offer must be for a minimum of A$2,000 worth of Shares and in multiples of A$1,000 worth of Shares thereafter. There is no maximum value of Shares that may be applied for under the Offer. The Lead Manager and the Company also reserve the right to aggregate any Applications that they believe may be multiple Applications from the same person.
When will I receive confirmation that my Application has been successful?	It is expected that initial holding statements will be dispatched by standard post on or about 29 October 2021.

Topic	Summary
When are the Shares expected to commence trading?	It is expected that trading of the Shares on the ASX will commence on or about 3 November 2021 on a normal T +2 settlement basis. It is the responsibility of each Applicant to confirm their holding before trading in Shares. Applicants who sell Shares before they receive an initial statement of holding do so at their own risk. The Company, the Share Registry and the Lead Manager disclaim all liability, whether in negligence or otherwise, to persons who sell Shares before receiving their initial statement of holding, even if such person received confirmation of allocation from the Austral Offer Information Line, a broker or otherwise.
Are there any escrow arrangements?	Yes. Details are provided in Section 13.2.
Are there any tax considerations?	Yes. Refer to Section 13.7.
Are there any brokerage, commission of stamp duty considerations?	No brokerage or stamp duty is payable by Applicants on acquisition of Shares under the Offer. The Company reserves the right to pay a commission of up to 6% (exclusive of goods and services tax) of amounts subscribed through any licensed securities dealers or Australian financial services licensees in respect of any valid applications lodged and accepted by the Company and bearing the stamp of the licensed securities dealer or Australian financial services licensee. Payments will be subject to the receipt of a proper tax invoice from the licensed securities dealer or Australian Financial Services licensee. The Company will be responsible for paying all commissions that the Lead Manager and the Company agree with any other licensed securities dealers or Australian financial services license.
What should I do with any enquiries?	All enquiries in the first instance should be directed to your broker or you can contact the Company directly on +61 7 3520 2500 between from 9.00am and 5.00pm AEST, Monday to Friday. If you are unclear in relation to any matter or are uncertain as to whether Austral is a suitable investment for you, you should seek professional guidance from your stockbroker, solicitor, accountant, financial adviser or other independent professional adviser before deciding whether to invest.

2.7. Application and payment for Shares

(a) Structure of the Offer

The Offer comprises the:

(1) Broker Firm Offer;

(2) General Offer; and

(3) Institutional Offer.

(b) Who may apply?

The Broker Firm Offer is open to Australian and New Zealand resident retail and sophisticated non-institutional clients of Brokers who have a registered address in Australia or New Zealand respectively and who have received an invitation from a Broker to acquire Shares under this Prospectus, and who are not in the United States. If you have been offered a firm allocation by a Broker, you will be treated as an Applicant under the Broker Firm Offer in respect of that allocation. You should contact your Broker to determine whether they may allocate Shares to you under the Broker Firm Offer.

Under the Institutional Offer, Institutional Investors in Australia, New Zealand and certain other Eligible Jurisdictions outside the United States were invited to bid for an allocation of Shares under this Prospectus. The Lead Manager separately advised the Institutional Investors of the Application procedures for the Institutional Offer.

This Prospectus does not constitute an offer of New Shares in any jurisdiction in which it would be unlawful. In particular, this Prospectus may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia or New Zealand. Investors in Eligible Jurisdiction should refer to the important information in relation to the making of the Offer in those jurisdictions as set out under the "Important Information" section at the start of this Prospectus.

Persons into whose possession this Prospectus comes should inform themselves about and observe any restrictions on acquisition or distribution of this Prospectus. Any failure to comply with these restrictions may constitute a violation of securities laws.

(c) How to apply

An application constitutes an offer by you to subscribe for Shares on the terms and conditions as contained in the Offer. An application to subscribe for Shares can only be made on the Application Form contained in this Prospectus. Applications must be for a minimum of 10,000 Shares representing a minimum investment of $2,000 and thereafter in multiples of 5,000 Shares.

Applications for Shares under this Prospectus may only be made under the Offer:

1. by applying online at the Company Website at www.australres.com and paying by BPAY®; or
2. by completing a printed copy of the Application Form attached to or accompanying this Prospectus and paying by cheque, bank draft or money order; or
3. by Broker Firm Offer Applicants lodging an Application Form and Application Monies in accordance with the specific direction from a broker.

The Shares under the Offer may only be issued in response to an Application Form. If the Company does not have reasonable grounds to believe that the form was included in or accompanied by the Prospectus when the Application Form was distributed, any Applications may need to be dealt with in accordance with section 724 of the Corporations Act.

The Application Form contains detailed instructions on how it is to be completed. Payment for the Shares must be made in full at the issue price of $0.20 per Share for each Share subscribed. Applications for Shares must be for a minimum of 10,000 Shares and then in multiples of 5,000 Shares. Applications received by the Company that do not meet these requirements may be

refused at the discretion of the Directors. There is no maximum value of Shares that may be applied for under the Broker Firm Offer. However, the Company and the Lead Manager reserve the right to aggregate any Applications which they believe may be multiple Applications from the same person or reject or scale back any Applications (or aggregation of Applications) in the Broker Firm Offer. The Company may determine a person to be eligible to participate in the Broker Firm Offer, and may amend or waive the Broker Firm Offer Application procedures or requirements, in its discretion in compliance with applicable laws.

If you are an investor applying under the Broker Firm Offer, you should complete and lodge your Application Form with the Broker from whom you received your firm allocation. Application Forms must be completed in accordance with the instructions given to you by your Broker and the instructions set out on the Application Form.

Subject to the minimum subscription of the Offer being achieved for the Shares as well as permission of the ASX for the Shares to be listed for official quotation, the Directors will allot the Shares as soon as possible after the Closing Date of the Offer.

An application for Shares may be accepted in full, for any lesser number or rejected by the Company. If any application is rejected, in whole or in part, the relevant application moneys will be repaid without interest.

By making an Application, you declare that you were given access to this Prospectus (and any supplementary or replacement Prospectus), together with an Application Form. The Corporations Act prohibits any person from passing an Application Form to another person unless it is attached to, or accompanied by, a hard copy of this Prospectus or the complete and unaltered electronic version of this Prospectus.

(d) Closing Date for receipt of Applications

The opening date of the Offer will be 17 September 2021 at 9.00am (AEST), and the closing date will be 15 October 2021 at 5.00pm (AEST).

The Directors, subject to the requirements of the Listing Rules and the *Corporations Act,* reserve the right to:

(1) close the Offer early without prior notice; or

(2) vary any of the important dates set out in this Prospectus, including extending the Issue.

For Applicants under the Broker Firm Offer, your Broker may also impose an earlier closing date. Applicants are therefore encouraged to submit their Applications as early as possible. Please contact your Broker for instructions.

(e) How to obtain a copy of this Prospectus

Please contact your broker for instructions. You may also obtain a copy of this Prospectus as follows:

- you can download a copy at www.australres.com; or
- request a copy directly from the Company via email to info@australres.com or by calling +61 7 3520 2500 between 9.00am and 5.00pm AEST, Monday to Friday.

While you may obtain a copy of these documents as set out above, your Application will not be accepted under the Broker Firm Offer if it is not lodged through your broker.

2.8. Fees and Costs Associated with the Offer

No brokerage or stamp duty is payable by Applicants on the acquisition of Shares under the Offer.

The Company reserves the right to pay a commission of up to 6% (exclusive of goods and services tax) of amounts subscribed through any licensed securities dealers or Australian financial services licensees in respect of any valid applications lodged and accepted by the Company and bearing the stamp of the licensed securities dealer or Australian financial services licensee.

Payments will be subject to the receipt of a proper tax invoice from the licensed securities dealer or Australian Financial Services licensee. The Company will be responsible for paying all commissions that the Lead Manager and the Company agree with any other licensed securities dealers or Australian financial services license.

2.9. Allocation Policy

The Company and the Lead Manager have absolute discretion regarding the allocation of Shares to Applicants under the Offer and may reject an Application or bid, or allocate fewer Shares than the number, or the equivalent dollar amount than applied or bid for.

For Applicants under the Broker Firm Offer, Shares that are allocated to Brokers for allocation to their eligible Australian and New Zealand resident clients will be issued to the Applicants nominated by those Brokers (subject to the right of Austral and the Lead Manager to reject, aggregate or scale back Applications). It will be a matter for the Broker (and not the Company or the Lead Manager) to determine how they allocate Shares among their eligible retail clients.

2.10. Application Monies

The broker, the Share Registry or the Lead Manager, will hold all Application Monies in trust in a separate account, until Shares are issued to successful Applicants.

Application Monies will be refunded to the extent that an Application is rejected or scaled back, or the Offer is withdrawn. No interest will be paid on refunded amounts. The Company will retain any interest earned on Application Monies.

2.11. Allotment

(a) Allotment of the Shares under this Prospectus will take place as soon as practicable after the closing date of the Issue. Application moneys will be held in a subscription account until allotment.

(b) This account will be established and kept by the Company in trust for each applicant. Any interest earned on the application moneys will be for the benefit of the Company and will be retained by the Company irrespective of whether allotment takes place.

(c) Where the number of Shares allotted is less than the number applied for, the surplus monies will be returned by cheque within 30 days of the closing date for applications. Where no allotment is made, the amount tendered on application will be returned in full by cheque within 30 days of the closing date for applications. Interest will not be paid on monies refunded.

(d) The Shares will be allotted and holding statements dispatched to holders as soon as possible after determination by the Company of entitlements.

2.12. ASX listing of Shares

No later than seven days after the date of this Prospectus, the Company will apply to ASX for admission to the Official List and for the Shares to be granted Official Quotation by ASX. The Company is not currently seeking a listing of its Shares on any other stock exchange.

The admission of the Company to the Official List of ASX and Official Quotation of the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares offered for subscription under the Offer.

The ASX takes no responsibility for the contents of this Prospectus.

If permission for quotation of the Shares is not granted within three months after the date of this Prospectus, all Application Monies will be refunded without interest as soon as practicable.

Subject to ASX granting approval for the Company to be admitted to the Official List, the Company will issue the Shares to successful Applicants as soon as practicable after the Closing Date. Holding statements confirming Applicants' allocations under the Offer are expected to be sent to successful Applicants on or around 29 October 2021.

Trading of Shares on the ASX is expected to commence on 3 November 2021 on a normal T + 2 settlement basis.

If you sell Shares before receiving an initial holding statement, you may contravene the ASX Listing Rules and do so at your own risk, even if you have obtained details of your holding from your broker.

2.13. Clearing House Electronic Sub-Register System (CHESS)

The Company will apply to participate in CHESS and will comply with the ASX Listing Rules and the ASX Settlement Operating Rules. CHESS is an electronic transfer and settlement system for transactions in securities quoted on ASX under which transfers are affected in an electronic form.

Following Completion of the Offer, Shareholders will be sent a holding statement that sets out the number of Shares that have been allocated to them. This statement will also provide details of a Shareholder's Holder Identification Number (**HIN**) for CHESS holders or, where applicable, the Securityholder Reference Number (**SRN**) of issuer sponsored holders. Shareholders will subsequently receive statements showing any changes to their holding. Certificates will not be issued.

Shareholders will receive subsequent statements during the first week of the following month if there has been a change to their holding on the register and as otherwise required under the ASX Listing Rules and the Corporations Act. Additional statements may be requested at any other time either directly through the Shareholder's sponsoring broker in the case of a holding on the CHESS subregister or through the Share Registry in the case of a holding on the issuer sponsored subregister.

The Company and the Share Registry may charge a fee for these additional issuer sponsored statements.

2.14. Offer only made where lawful to do so

This Prospectus does not constitute an offer of New Shares in any jurisdiction in which it would be unlawful. In particular, this Prospectus may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia or New Zealand. Investors in Eligible Jurisdictions should refer to the important information in relation to the making of the Offer in those jurisdictions as set out under the "Important Information" section at the start of this Prospectus.

Persons into whose possession this Prospectus comes should inform themselves about and observe any restrictions on acquisition or distribution of this Prospectus. Any failure to comply with these restrictions may constitute a violation of securities laws.

2.15. Electronic Prospectus

The Offer constituted by this Prospectus in electronic form is available only to persons receiving this Prospectus within Australia.

An electronic version of this Prospectus is available from the Company at www.australres.com.

Persons who receive a copy of this Prospectus in electronic form at www.australres.com are entitled to obtain a paper copy of the Prospectus (including any relevant accompanying Application Form) free of charge, during the Offer period, by contacting the Company on +61 7 3520 2500 or by email at info@australres.com.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the Electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered. In such a case, the Application moneys received will be dealt with in accordance with section 722 of the Corporations Act. While the Company believes that it is extremely unlikely that in the Offer period the electronic version of the Prospectus will be tampered with or altered in any way, the Company cannot give any absolute assurance that it will not be the case. Any investor in doubt concerning the validity or integrity of an electronic copy of the Prospectus ought immediately request a paper copy of the Prospectus directly from the Company or a financial adviser.

2.16. Restricted securities

The ASX may, as a condition of granting the Company's application for official quotation of its Shares, classify certain Shares of the Company as restricted securities. If so, prior to official quotation of the Company's Shares, the holders of the Shares that are to be classified as restricted securities will be required to enter into appropriate restriction agreements with the Company. Refer to Section 13.2 for details.

2.17. Discretion Regarding the Offer

The Company may, in consultation with the Lead Manager, withdraw the Offer, or any part of it, at any time before the allotment of Shares to successful Applicants in the applicable part of the Offer. If the Offer, or any part of it, does not proceed, all relevant Application Monies will be refunded. No interest will be paid on unsuccessful Applications.

The Company also reserves the right to close the Offer or any part of it early, extend the Offer or any part of it, accept late Applications or bids either generally or in particular cases, reject any Application or bid, or allocate to any Applicant or bidder fewer Shares than applied or bid for.

2.18. Lead Manager

The terms of the LM Agreement are summarised in Section 12.1.

2.19. Questions or Further Information

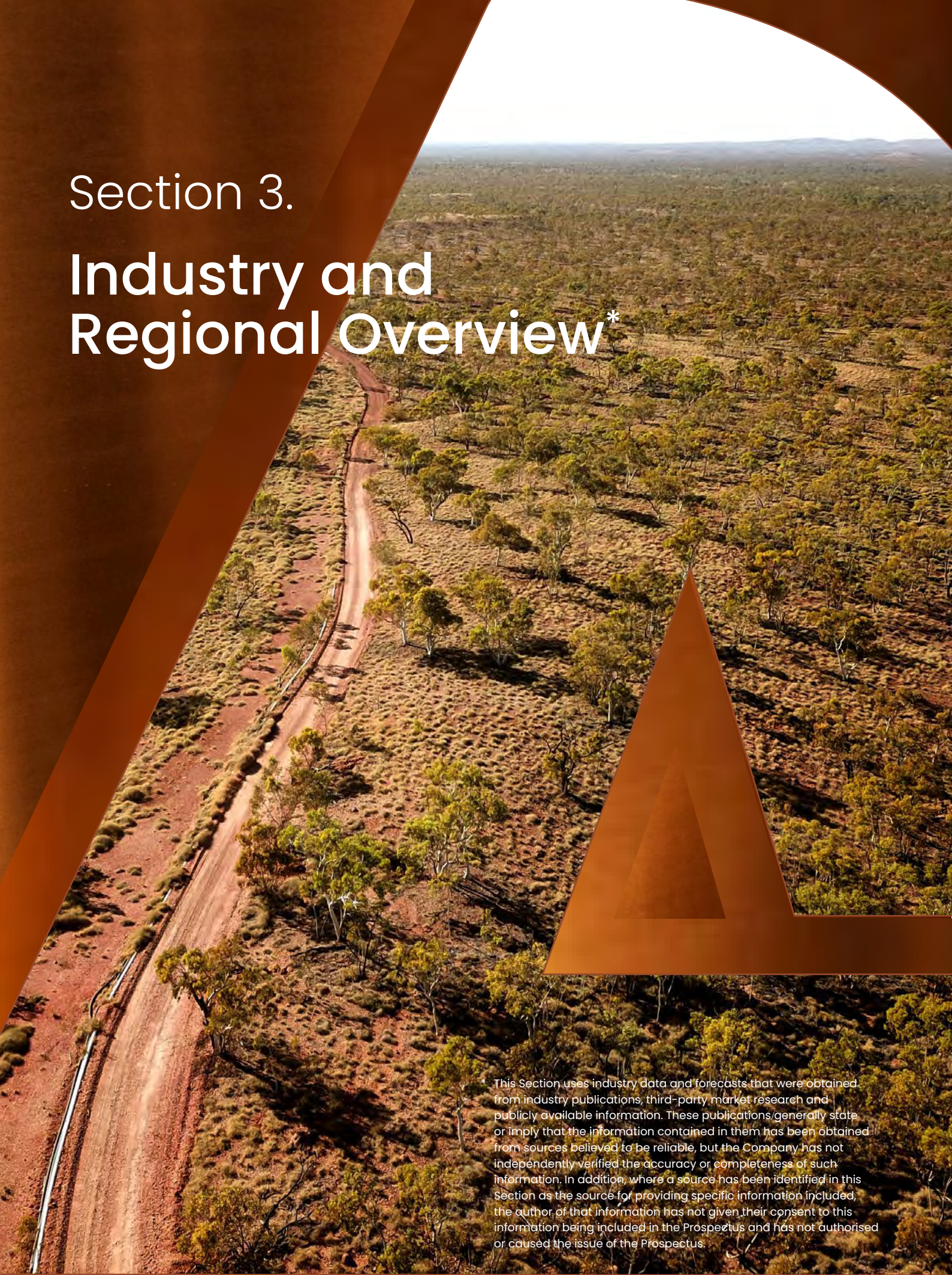
If you have any queries in relation to this Prospectus, including how to complete the Application Form or how to obtain additional copies, then you can:

- contact your broker;
- contact the Company directly on +61 7 3520 2500 between 9.00am and 5.00pm AEST, Monday to Friday; or
- visit the Austral Website to download an electronic copy of this Prospectus at www.australres.com.

If you are unclear in relation to any matter or are uncertain as to whether the Company is a suitable investment for you, you should seek professional guidance from your stockbroker, solicitor, accountant, financial advisor or other independent professional advisor before deciding whether to invest.

Section 3.

Industry and Regional Overview*



* This Section uses industry data and forecasts that were obtained from industry publications, third-party market research and publicly available information. These publications generally state or imply that the information contained in them has been obtained from sources believed to be reliable, but the Company has not independently verified the accuracy or completeness of such information. In addition, where a source has been identified in this Section as the source for providing specific information included, the author of that information has not given their consent to this information being included in the Prospectus and has not authorised or caused the issue of the Prospectus.

3.1. Key Statistics

Copper is the largest globally traded base metal with 24.9Mt of refined copper demand in 2020, valued in excess of US$150 in renewable energy[2].

Demand for copper in renewable energy is projected to increase by ~600% to 5.4Mt and 900% to 8.7Mt in the case of hyper adoption of green technologies and as world industrial production begins to resume to previous levels as the global pandemic is brought under control.

Copper supply is met by mine production and scrap recycling. South America, Chile and Peru provide approximately 40% of mined production. A significant pipeline of existing and new mine expansions are underway to replace ageing assets. However, debate continues as to whether the copper industry will be balanced or in deficit for the rest of the decade.[1]

3.2. Copper Characteristics

Copper is one of the most useful and versatile metals due to its high electrical and thermal conductivities, resistance to corrosion and malleable nature. Copper has long been used for a variety of household and industrial purposes and plays an increasingly vital role for a sustainable future.

Copper is an essential metal for construction, power, industrial equipment, automotive use and consumer end-goods and electronics. It is a critical metal to the global economy given its wide range of end-uses. For example, one tonne of copper brings functionality in 40 cars, powers 60,000 mobile phones, enables operations in 400 computers and distributes electricity to 30 homes.[2]

The copper industry is a major contributor to the global economy providing jobs throughout the entire value chain. As large developing countries have entered the global market, demand for copper has increased.

Key copper characteristics include the following:

(a) **Ductility:** Copper is a ductile metal meaning it can be rolled into sheets and pulled into wires without breaking. This makes it the best metal in cabling for electronics, household wiring and industrial power cabling. Other elements with a single valence electron – such as silver and gold – have similar properties, but are price prohibitive and not available in industrial quantities.

(b) **Electrical conductivity:** The delocalised electrons in copper are free to move throughout the ion array in 3-dimensions and, crucially, can cross grain boundaries, allowing charge to flow across the metal easily. Moreover, the transfer of electromagnetic energy is strongest when there is little resistance. The most effective conductors of electricity are metals that have a single valence electron that is free to move and causes a strong repelling reaction in other electrons. This is the case in the most conductive metals such as copper and silver, gold.

(c) **Thermal conductivity:** Copper is an excellent thermal conductor. Heat energy is picked up by the electrons as additional kinetic energy is passed along the material. As a result, the best conductors have free electrons that can carry this energy along their length. The energy is transferred throughout the rest of the metal by the moving electrons. Apart from silver, copper is the best conductor and is used for radiators and heat sinks for electronics.

(d) **Low reactivity:** Copper is low in the reactivity series, with minimal corrosion of the metal due to a natural protective coating that forms during oxidisation – similar to stainless steel. However, stainless steel is substantially less ductile and its thermal conductivity is 30 times worse than that of copper.

1. Copper is the new oil. Source: Goldman Sachs Commodities Research 13 April 2021.
2. Covid-19 and the new age of copper: Opportunities for Latin America Karina Fernandez-Stark, Penny Bamber, Martin Walter. Source: Copper Alliance 7t hOctober20200 https://voxeu.org/article/covid-19-and-new-age-copper.

3.3. COVID-19

In March 2020, the COVID-19 pandemic triggered acute declines in metals prices, mainly due to a collapse in metals demand. Short and long-term supply were also disrupted by mine closures and a wave of capital spending cuts in the mining sector. One year later, industrial metals market fundamentals are in a very different place, with copper and iron ore prices reaching historic highs.

The strong metals demand and price recoveries have outperformed expectations. Unprecedented levels of government stimulus have boosted demand growth beyond supply growth, providing momentum for metals prices to recover past pre-COVID-19 levels.

Metals prices have recovered faster from COVID-19's initial impacts compared with the Global Financial Crisis (GFC) recovery. The basket of industrial metals prices bottomed one month after the peak of COVID-19 news date of March 16, 2020, and recouped all their losses by September of that year. In the GFC, metals prices bottomed three months after the peak news date of Oct. 1, 2008. However, it was not until April 2011 — 30 months from the crisis peak — that most industrial metals prices recovered to their pre-GFC levels.

In response to the recession brought on by the COVID-19 pandemic, governments around the world have launched various economic recovery packages that focus predominantly on construction, digitalisation and green technology development.

For instance, both China and the European Union (EU) have established reactivation plans supporting 5G telecommunications networks, big data, and artificial intelligence. Similarly, EU has further committed its recovery to moving the region towards carbon neutrality by 2050, proposing a mass adoption of electric vehicles and related charging infrastructure. Such drivers are expected to promote demand for copper over the foreseeable future.[3]

3.4. Decarbonisation and Electric Vehicles (EV)

Traditionally, copper demand hinges on its traditional end-use suite: construction, power, industrial equipment, automotive use and consumer end-goods and electronics.

The focus on developing a greener global economy (decarbonisation) is causing a shift away from fossil fuels to renewable energy electrification and a subsequent increase in demand for copper as electrification requires new metal intensive infrastructure.

The push towards electric vehicles – both hybrid and Battery Electric Vehicles (BEVs) – is gaining momentum with major car manufacturers such as Mercedes Benz announcing their intention to fully convert to electric car manufacture by 2030. The significance of this is that conventional cars contain approximately 20kg of copper per vehicle, hybrid/plug-in hybrid vehicles contain 40-60kg copper and BEVs contain 80kg copper. Adding the charging infrastructure required for BEVs could add another 20kg per vehicle.[4]

In general, BEVs require 4 times the copper (for batteries, electric motor and wiring) than traditional internal combustion vehicles.

BloombergNEF estimate 10 million EV will be sold by 2025 surging to 32 million by 2030 as EV prices decline below the parity price of conventional Internal Combustion Vehicles (ICV). By 2040, 508 million passenger EV are estimated to be on the road globally. As such the increased rate of adoption of EV sales and their need for copper supports the long-term demand for the metal.[5]

3. European Commission 2020 Communication from the commission A clean planet for all. A European strategic long term vision for a prosperous, modern, competitive and climate neutral economy 2018.
4. Copper is the new oil. Source: Goldman Sachs Commodities Research 13 April 2021.
5. Electric Vehicle outlook 2021. Source: BloombergNEF – EVO 2021 (turtl.co)

3.5. Renewable Energy

Copper plays an important role in renewable energy systems such as wind and solar energy due to its excellent thermal and electrical conductivity, durability (lifespan of 25 – 30 years) and relative cost savings compared to other metals. By using copper instead of other low electrical energy efficient metal conductors, less electricity is required to generate the same power.

Conventional power requires ~1 tonne of copper per megawatt, whereas renewable technologies require 4x the amount.

In March 2019, the National Development and Reform Commission (NDRC) of China approved 224 solar and wind energy projects to deliver a total combined capacity of 19.29GW as well as a further 1.47GW of renewable distributed energy resources.[6]

The green transition will support a surge in copper demand. At the core of copper's carbonomics is the need for the world to shift away from a production system based on the chemical energy of hydrocarbons (oil and gas), to one based on a range of sustainable sources – electromagnetic (solar), kinetic (wind) and geothermal.

Copper has the necessary physical properties to transform and transmit these sources of energy to their useful final state, such as moving a vehicle or heating a home. By 2030, copper demand from the transition will grow nearly 600% to 5.4Mt and 900%[7] to 8.7Mt in the case of hyper adoption of green technologies.[8] It is estimated by-mid decade the growth in green demand alone will match, and then quickly surpass, the incremental demand China generated during the 2000s. Ripple effects into non-green channels mean the 2020s are expected to be the strongest phase of volume growth in global copper demand in history.

Even as copper prices have rallied 80% over the last 12 months, there have been no material greenfield project approvals. Coronavirus has only compounded this dynamic, creating enough uncertainty to freeze companies' investment decisions. This combination of surging demand and sticky supply has reinforced current deficit conditions and foreshadows large open-ended deficits from mid-decade. It is now estimated that a long-term supply gap of 8.2Mt by 2030 exists, twice the size of the gap that triggered the bull market in copper in the early 2000s.[9]

3.6. Copper Price

The copper price increased from an average price of US$6,000/t in 2019 to in excess of US$10,000/t in the first half of 2021.

Future copper pricing is the subject of significant debate and conjecture. Some analysts and economists are predicting demand driven shortages will lead to further price increases by 2025 and others predict a softening of the copper price over the next year as new production comes on stream.

The copper price is determined by major commodity exchanges such as The London Metal Exchange (LME), Commodity Exchange Inc. (COMEX) and Shanghai Futures Exchange (SHFE).

6. Mordor Intelligence Copper Market Growth Trends, COVID-19 Impact and forecasts 2021-2026 Copper Market | Growth, Trends, and Forecast (2020 - 2025) (mordorintelligence.com)
7. Copper is the new oil. Source: Goldman Sachs Commodities Research 13 April 2021.
8. Ibid
9. Ibid

3.7. Demand projections

Refined copper demand has grown from ~0.5Mt in 1900 to 24.9Mt in 2020 and is expected to increase by ~5.0% in 2021 to reach ~26.0Mt.[10] The historical long-term growth has been driven from global population growth, economic growth, urbanisation and rises in consumption. More recently, infrastructure focused stimulus spending by countries along with 'green' stimulus spending such as subsidising BEVs, renewable energy generation and grid infrastructure have contributed to the growing demand for the metal. Such factors are expected to drive copper consumption to ~27.0Mt by 2023 (3.0% YoY).[11]

China remains the biggest importer of copper and consumes half of the world's copper. China's copper consumption is expected to continue with policies targeting a transition towards the investment in transportation, power and urbanisation.

3.8. Supply Projections

Five countries including Chile, Peru, Indonesia, Australia, and Canada export three quarters of traded copper concentrate. The two 'Latin leaders' – Chile and Peru – are by far the most important in terms of meeting the new demand since they account for 11 of the 20 largest copper mines and collectively supply ~40.0% of global production.

Mine production is forecast to reach 25 million tonnes in 2023, up an average 6%p.a. on 22 million tonnes in 2021.

New projects are expected to come into operation by mid-late 2023. This delay can be attributed to delays in construction and development arising from COVID-19 headwinds. The largest production increases over the near to medium term are expected to originate from Peru and Chile that has in recent history also been impacted by various factors including labour strike and unfavourable mining tax policies add to the uncertainty of these forecasts.

3.9. Australia

Australia is regarded as a stable mining jurisdiction due to its strong rule of law, access to high quality infrastructure, government support and experienced mining practices.

Australia has the second largest copper resources in the world and is the sixth largest copper producer with more than A$10.0 billion worth of exports recorded in 2020 from 27 active copper projects.[12]

Local copper production is predominantly located in three regions including South Australia, central-western New South Wales and northwest Queensland. Olympic Dam (BHP) and Prominent Hill (OZ Minerals), Cadia Valley (Newcrest) and Mount Isa produced 51% of the total copper mined in Australia in 2020. With the exception of Olympic Dam and Mount Isa, most of copper produced was in the form of copper concentrate that was subsequently exported for smelting in China, Japan and India.

While copper prices are currently high, the pace and extent of project development, expansions and new capacity investment is expected to lead to gradual production increases. In 2022-23 production is forecasted to reach 910Kt (2.2% increase YoY).[13]

10. Resources and Energy Quarterly - June 2021 report Australian Government Department of Industry, Science, Energy and Resources Office of the Chief Economist Resources and Energy Quarterly (industry.gov.au)
11. Ibid
12. Ibid
13. Ibid

3.10. Mount Isa District

Historically, the Mount Isa district has been the major producer of Australian copper and base metals. Mount Isa Mines started in 1924 and has made a significant contribution to the growth and economic prosperity of Queensland. Past production and reserves are 225Mt @3.3% Cu for 7.5Mt of contained copper. Other significant copper mines in the district are Earnest Henry (167Mt@ 1.1% Cu), Eloise Copper Mine (10Mt @3.5% C, 0.9g/t Au), Capricorn Copper (Mineral Resource 62.5Mt @1.8% Cu) and Osborne Copper (27Mt @3.1% Cu, 0.8g/t Au).

The Mount Isa Inlier consists of a window of Lower and Middle Proterozoic rocks extending over an area of 50,000 km^2. The inlier is overlapped on its margins by younger Proterozoic, Palaeozoic and Mesozoic sedimentary basins. This region contains numerous copper, base and precious metal deposits as indicated in Figure 1 in Section 4.2.

3.11. Austral Resources – Exploration Tenure

Austral holds a large 1,340km^2 exploration tenure position, comprised of the most prospective ground retained by previous owners of the project. This tenure is located within a historically prolific copper belt that the Company believes has potential for further discoveries and is discussed in more detail in Sections 4 and 7 of this Prospectus. Austral's processing facility is the only currently operating copper oxide plant in the area.

Section 4.

Company Overview

"Austral Resources Australia Ltd (Austral) is an Australian resources Company focussed on copper. Austral mines and processes copper oxide ore to produce copper cathodes through a standard process known as heap leaching and SX/EW. It operates near Mt Isa, a region well endowed with copper and base metals with numerous mines in operation."

4.1. Our Vision

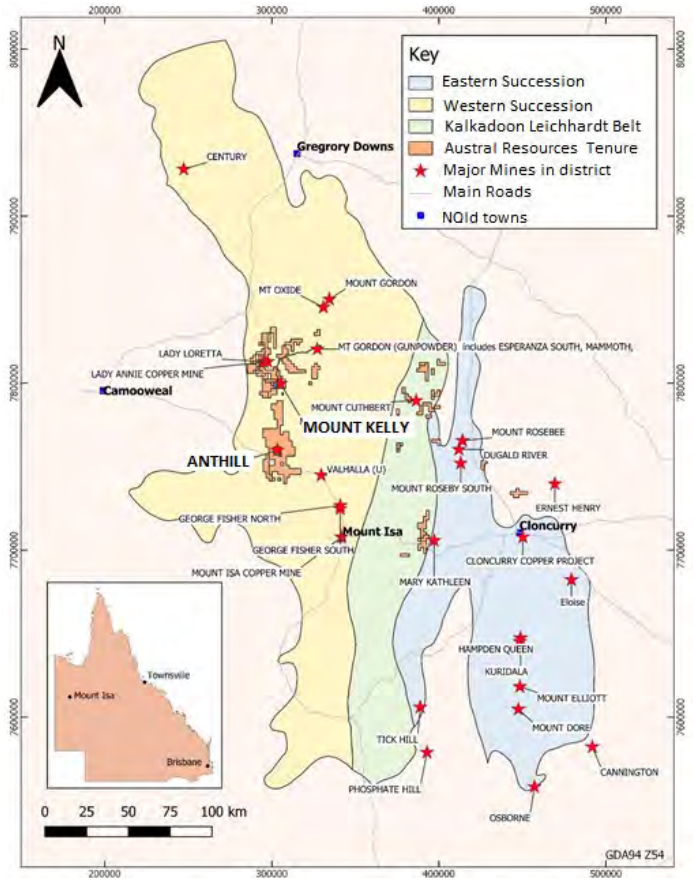
To be a profitable, integrated copper business listed on the ASX and to be the company of choice for investors who want exposure to copper metal production and growth potential through exploration.

4.2. Our Assets

Austral owns the following key assets:

- The Mount Kelly heap leach Solvent Extract and Electrowinning (SX/EW) processing facility (Mt Kelly). It produces LME Grade A copper cathode (99.99% copper metal) and is located 120km north of Mount Isa in Northwest Queensland.
- The Anthill Project. An undeveloped, fully permitted, open-cut mine with a JORC Ore Reserve of 5.06Mt @ 0.94% Cu or 47.5kt of contained copper in oxide ore[1].The Anthill Project is strategically located 45km by bitumen road from Mt Kelly.
- Exploration tenements. A highly prospective 1,340km^2 exploration tenure portfolio with a global JORC compliant Mineral Resource Estimate of 60Mt @ 0.70% Cu, or 423kt of contained copper.[1]

Figure 1: Map of the Mount Isa Inlier showing major mines, Austral tenure, the Mt Kelly processing facility, and the Anthill Project.



1. Austral's Ore Reserve Statement and Mineral Resource Estimate are described in more detail in Section 4.2.3 to 4.10 and Section 7 of this Prospectus.
2. ibid.

4.2.1 Key Objectives

The Company employs a highly capable technical and management team that will undertake the following activities upon listing on the ASX to maximise return on assets:

- Manage contract mining of the Anthill Project to provide copper oxide ore feed to Mt Kelly. The Anthill Project has been the subject of internal and external studies over the past two years to provide costing data, optimise mining and crushing, agglomeration and stacking methods. The Anthill Project is fully permitted for development and is capable of providing sufficient ore to produce 40,000t of copper cathode over a four-year period. Mining is scheduled to commence Q4 of 2021 with the first ore expected to be delivered to the leach pads in Q1 2022. Mt Kelly is maintained and in good working condition and has enabled the Company to develop a first-class operations team.
- Intensive exploration of its tenure to discover additional ore feed for the Mt Kelly facility. The exploration tenure is well endowed with copper containing a 423Kt JORC compliant Inferred and Indicated Mineral Resource Estimate (Section 4.11). Over 49 prospective copper targets have been defined from historic and recent exploration work. Austral is expanding its highly competent exploration team to drive this initiative.
- A review of sulphide and transitional mineralisation (Mineral Resource Estimate of 324kt of contained Cu, tabled in Section 4.10) for its potential to be economically mined and processed. This provides a compelling case to further explore the potential to develop this mineralisation.
- A review of other potential ore sources within an economic haulage distance of the Facility.

4.2.2 Key Events

The following table provides a timeline summary of key events since Austral purchased its copper assets.

Table 1: Austral Resources key events timeline

Austral Resources Timeline	
July 2019	Austral purchased the Lady Annie Operations' asset from CST Minerals.
November 2019	A third party assessment was undertaken of early Ore Resources for recommencement of mining at Lady Annie, Lady Brenda, and Flying Horse pits.
Early 2020	Appointed Geology Manager, Mine Manager and a highly skilled technical team that includes mine geologists, engineers and surveyors.
March 2020	Commenced a remnant mining campaign producing 6,300 tonnes of cathode copper to June 2021.
March 2020	Third-party exploration review and tenure consolidation.
April 2021	Western exploration tenements granted project status.
May 2020	Produced Austral's maiden Ore Reserve and mining study for the Anthill Project.
November 2020	Estimated rehabilitation cost (ERC) decision to include the Anthill Project.
April 2021	Third-party optimisation of the Anthill Project which resulted in an increase in Ore reserve. Crushing/agglomeration optimised.
May 2021	Economic modelling completed and decision made to develop the Anthill Project.

4.2.3 History of Mt Kelly processing facility

Mt Kelly was historically referred to as Lady Annie Operations. It was constructed in 2007 by Ausenco for CopperCo as a 2.6Mtpa oxide ore heap leach facility with a SX/EW circuit capable of producing 19,000tpa of copper cathode. The Facility was modified over the years to a nominal design capacity capable of producing 30,000tpa of copper cathode. It produced a maximum of 22,392t of copper cathode in 2012.

CST Minerals purchased the CopperCo assets in 2009 and operated them until selling to Austral in July 2019.

Mt Kelly has been in continuous production since 2007 and is in good operational condition with minimal work required to ramp up production from the current 7tpd copper cathode production to a forecast 30tpd once heap leach pads achieve design capacity from Anthill ore.

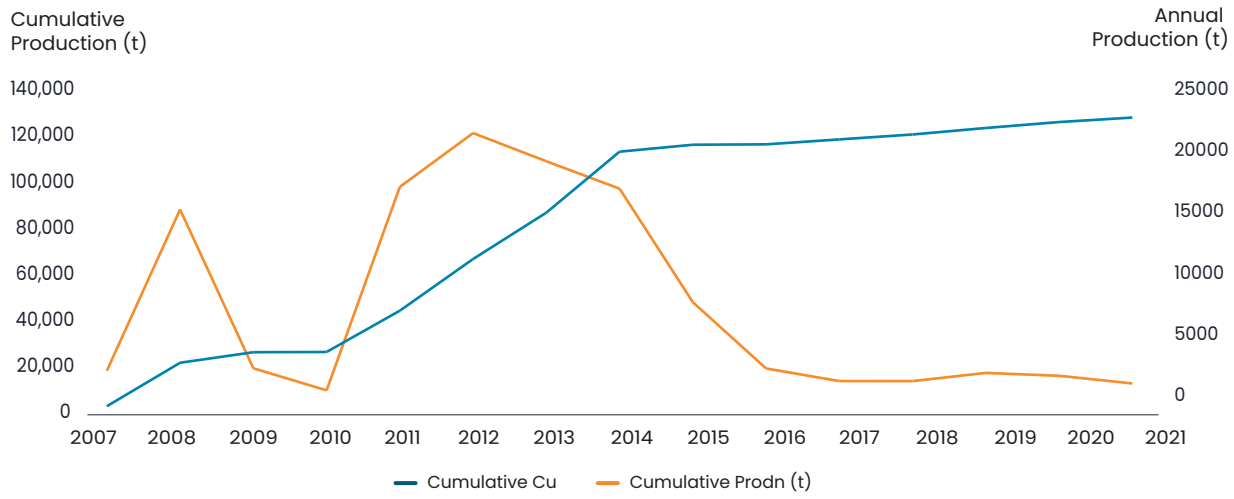
The crushing, agglomeration, conveying and stacking circuit operated from 2007 to 2016. This circuit will be refurbished in Q4 2021, prior to expected ore deliveries from the Anthill Project.

Austral benefits from three key features:

1. The Facility is in sound operating condition.
2. Scaling up production is straightforward.
3. The Company has a seasoned operations and processing team onsite.

Austral and its predecessors have successfully produced over 125,000 tonnes of copper cathode since 2007. The following graph outlines annual and cumulative production from 2007 to 2021.

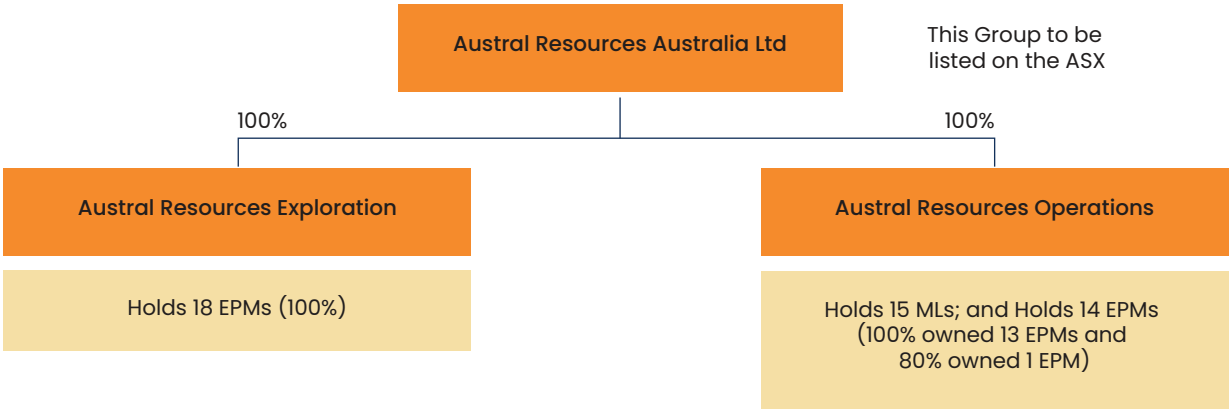
Figure 2: Historic production from Mt Kelly since 2007.



4.3. Corporate Structure

The following diagram outlines the corporate structure of Austral and related entities.

Figure 3: Austral Resources Corporate Structure.



Each company in the Austral Group (including the subsidiaries) is incorporated in Australia

4.4. Business Model

Austral's business model has the following key objectives:

- To list on the ASX which provides a liquid market for existing and new investors, and the ability for Austral to raise funds for future operations and growth opportunities.
- To commence development of the Anthill Project to produce a projected 10,000tpa of copper cathode metal for four years, commencing Q4 of 2021.
- To extend Austral's current four-year mine life by:
  - Utilising a portion of the cash generated by the Anthill Project to intensively explore over 1,340km^2 of highly prospective tenure.
  - Reviewing opportunities to joint venture, fund, acquire or toll treat other oxide copper resources within the immediate area.
  - Reviewing options to develop Austral's sulphide copper resources.
- To be the Company of choice for copper investors and stakeholders.

"Austral intends to commence mining of its Anthill Mine by Q4 of 2021, begin ore deliveries to its Mount Kelly processing facility by early 2022 and see copper cathode production increase to 15,000 tonnes per year at peak production."

4.4.1 People

The core asset of Austral is its people. Since acquiring the mining assets in 2019, the Company has focussed on recruiting, developing, and augmenting a first-class team of operators and management to drive future growth.

Austral uses a combination of outsourced contractors and employees in its operations. This approach has significant advantages in terms of managing and controlling costs, reducing capital requirements, and affording a high degree of flexibility to respond to changing circumstances.

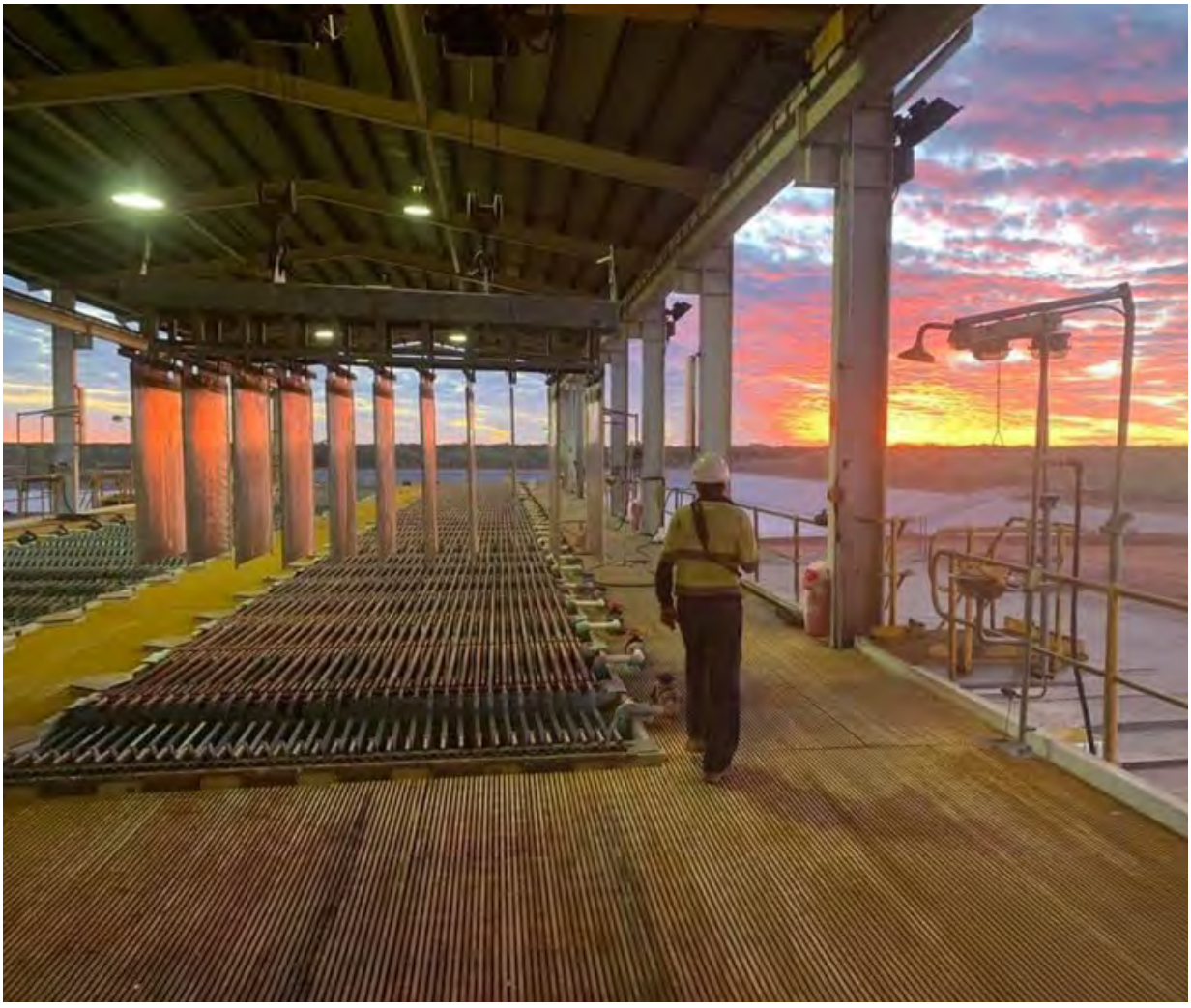
The exploration team is being significantly expanded to manage an intensive exploration initiative. While some services such as drilling may be outsourced, the key geological personnel are company employees whose focus will be discovering the next copper resource.

4.4.2 The Mt Kelly assets

Mt Kelly is fully permitted, operational and consists of the following:

- A fully integrated oxide ore processing operation comprising of a crushing, agglomeration, conveying and stacking circuit, heap leach pads, a full reticulation circuit and a SX/EW plant that produces a copper product to a LME Grade A standard.
- All associated infrastructure such as acid and diesel storage, offices, and workshops.
- A 150-person camp with kitchen facilities, a gym, and associated infrastructure.

Image 1: Stripped copper cathodes being returned to electrowinning cell.



4.4.3 Customers

Austral maintains a strong partnership with major trading entities, including Marubeni, a highly diversified conglomerate. Under the existing offtake agreement, Austral ships cathode copper at the LME settlement price for grade 'A' copper cathode, plus a shipment premium.

Image 2: Austral's 150-person camp facilities adjacent to the Mt Kelly, housing employees and contractors.

4.5. Corporate Objectives

Austral plans to commence developing the Anthill Project to produce an average of 10,000tpa of copper cathode over four years.

The Company intends to utilise cashflow from its operations to pay down its Wingate Facility and fund an intensive near-mine exploration programme, and commence a number of initiatives to extend mine-life beyond four years.

Specific objectives include the following:

- Manage mining, haulage, and production costs to best practice standards by employing and retaining an outstanding operations and management team.
- Maximise returns to shareholders through efficient operations and good decision making.
- Maintain best practice occupational health and safety protocols for employees, contractors, the community, and stakeholders.
- Establish Austral as an employer of first choice. Employ outstanding staff and contractors that contribute to Austral's work outcomes. Create a positive, inclusive culture and embrace diversity.
- Uphold the importance of environmental and social licence. Continue maintaining and developing excellent relationships with the community, indigenous groups, stakeholders, and landowners.
- Manage risks across all aspects of the operation. Minimise the potential for business disruption by engaging all employees to empower, discuss and openly contribute.
- Have mitigation strategies in place to deal with various issues such as reduction in copper price or increase in costs. Hedge a portion of production (copper price and AUD/USD).
- Discover medium to long term ore feed sources through exploration. Attract and retain an outstanding exploration team with a mandate to make new discoveries.

- Review opportunities to fund/joint venture explorers around Mt Kelly, purchase/toll treat external oxide copper ores.
- Determine the potential to develop Austral's sulphide copper resources. Austral has >300kt of contained copper in sulphide resources and every expectation that further exploration will discover additional sulphide copper mineralisation.
- Maintain best practice environmental management protocols. All employees and contractors will be engaged to meet and exceed statutory requirements. Work closely with regulators to achieve this for mining, processing, and exploration activities.

4.6. Key Company Strengths

Austral benefits from many strengths including the following:

- An established, fully permitted, and de-risked processing facility.
- Ore Reserves. Proven and Probable Reserves of 5.06Mt of oxide ore grading 0.94% Cu (47,500 tonnes of contained copper) .
- Effective cost management. Plant capital depreciation and maintenance costs are low, and the processing and mining team are operating to best practice standard.
- Risk management. Management has developed risk mitigation strategies across the business drawing from fourteen years of operational experience.
- A commitment to best practice safety and social licence.
- Strong, experienced leadership from the Board, senior management, and operational teams. A supportive, can-do culture instilled across the workplace.
- Highly experienced exploration team. Austral's exploration team is implementing an intensive exploration programme that leverages forty years of prior data to maximise the potential of delivering new ore to the business. This will be funded initially by funds raised at listing and subsequently then from operational earnings.
- A business development team working in collaboration with the exploration team, with a mandate to deliver alternative ore sources to the Facility and to review other opportunities with value adding potential.

4.7. Growth Strategy

Austral intends to drive growth by leveraging its free cashflow from its Anthill Project to fund exploration and business development opportunities. The main initiative is to discover/acquire significant oxide resources that can be economically trucked to the Mt Kelly Facility.

Key elements of our growth strategy include the following:

- Systematic exploration and development of the Company's key projects.
- Diversify the current ore feed source beyond the Anthill Project.
- Utilise best practice to optimise exploration, mining and processing.
- Utilise modern exploration methods and cost effective programmes to make new discoveries in a copper endowed tenure package.
- Define further drilling targets within the Company's tenure through systematic exploration and interpretation of previous results.
- Advance discoveries to the development stage while also exploring and advancing a pipeline of other projects.
- Develop oxide resources in the district.
- Review the potential to commercialise the significant sulphide ore resources.

4.8. Regulatory Requirements

Austral has a commitment to ensure that it meets its legislative obligations, its environmental protective framework, its social obligations, native title and cultural obligations and Government operating licences.

The environmental framework has the biggest impact as it protects fauna and flora, and monitors noise, water, and air pollution, if any. It also addresses the rehabilitation of the pit, waste rocks dumps and infrastructure at the end of the life of mine. To meet this legislation, regulations and policies are in place that Austral will adhere to. In addition, funds have been lodged with the government as a bond for the proper conduct of the mine, environment and its surrounds.

The Queensland Government has issued Austral an Environmental Authority (EA) which allows the Company to carry out environmentally relevant activities in a controlled manner and minimise potential harm to the environment including (inter alia): mining, mineral processing, waste disposal, sewage treatment, and water and land management.

Rights of the Indigenous landowners are protected by both legislation, negotiated agreements, and Austral's respect for the traditional owners of the land. Austral has robust and mutually beneficial relationships with the two traditional landowner groups. Details of Austral's contractual arrangements with the traditional landowners are set out in Section 12.

The Board is committed to meeting and exceeding Austral's regulatory and statutory requirements. The Company has a number of regulatory obligations and commitments across its business, which are, but not limited to:

- *Health, Safety, and Environment,*
- *Indigenous groups and landowners,*
- *EPMs and MLs – Tenure administration. Keep all tenure in good standing by meeting work plan, environmental and expenditure commitments,*
- *Water licensing and environmental monitoring,*
- *Rehabilitation of mined areas. Progressive rehabilitation is planned. Environmental bonds are in place, and*
- *A Biodiversity bond will be put in place when finalised with the Department of Environment and Science.*

Image 3: Mt Kelly showing the electrowinning tank house in the foreground, the solvent extraction circuit, pregnant leach solution (PLS) ponds.

4.9. Mining and Processing

Austral's mining and processing activities are summarised in the following flow diagram.

Figure 4: Schematic of key activities: Mining, ore haulage, crushing and agglomeration, stacking, leaching, solvent extraction, and electrowinning

1 Mining

Ore is mined and transported to the ROM Pad.

2 Crushing & Agglomeration[1]

Crushed ore is agglomerated with water and acid; allowing the smaller particles to bind to crushed ore.

This binding process allows the acid in the heap to percolate evenly and leach the copper at a faster rate.

3 Heap Leach

The agglomerated ore is stacked on the heap leach pad via conveyors.

Raffinate is sprinkled continuously over the stacked ore and reacts with the malachite to form the PLS[2], which forms the gravity feed that drains into the ponds.

4 Solvent Extraction

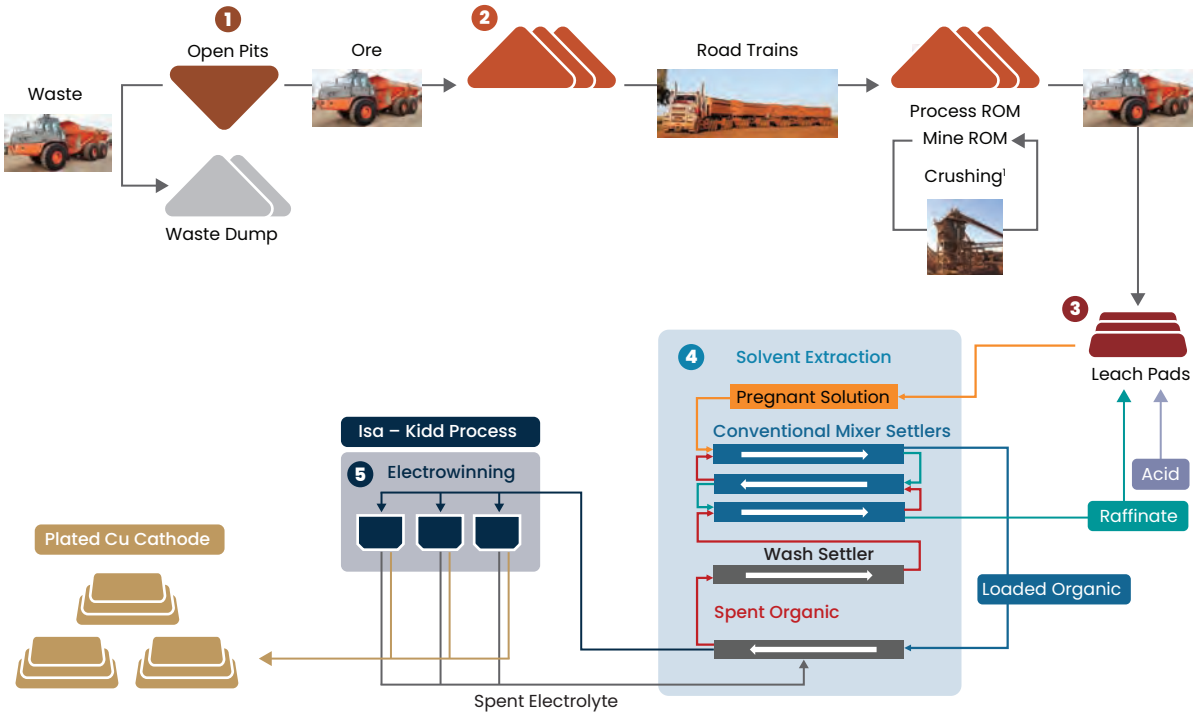
Within Solvent Extraction (SX) tanks, copper is transferred from the PLS to the electrolyte using an organic solution.

The raffinate is recycled to the heap for further leaching. The electrolyte is pumped to the EW cells.

5 Electrowinning

Within the Electrowinning (EW) galvanic cells, copper cathode is plated via an electrical current.

The spent electrolyte is returned to the SX. The copper is stripped from the cathode plates and packed for sales.



4.9.1 Mining

Austral is contracting out the mining, drill and blast, and haulage activities to contractors specialised in their respective areas. The mining method is by conventional truck and shovel (excavator). The mining contractor is responsible for the Anthill Project site preparation, including the construction of a creek diversion prior to commencing overburden removal then mining ore. Austral will utilise the production drill for ore sampling and provide geologists and surveyors for grade control. Waste and ore will be transported from the pits by a fleet of 100t and 135t dump trucks. Waste material is stockpiled to designated areas and ore is taken to a run of mine stockpile (ROM), ready for road haulage. Ore will be loaded onto triple trailer road trains where it will be transported 45km to the Mt Kelly Facility.

4.9.2 Processing

Crushing, Agglomerating, Stacking and Leaching

Stockpiled ore at Mt Kelly is loaded into the crushing circuit where the ore is sized, agglomerated (pre-treated with acid and spent leachate (raffinate) solution to start the leaching process) and then conveyed to a radial stacker for placement on the leach pads.

Throughput at full production is planned to be 5,000 tonnes per day.

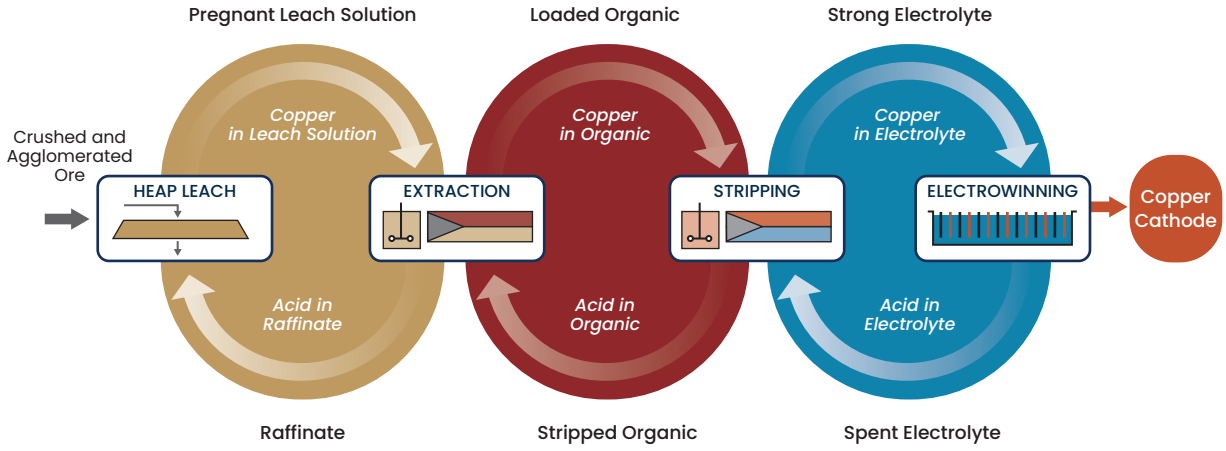
Ore is stacked on prepared leach pads to a height of 4 to 8m. The leach pads are irrigated with dilute sulphuric acid to percolate through the stacked ore and dissolve the oxide copper into pregnant leach solution (PLS). This PLS is gravity fed to lined ponds for further processing. The leach process yields >60% copper recovery after 3 months of leaching, 80% recovery after 6 months, and a planned overall 85% copper recovery after 12 months of leaching.

Solvent Extraction

The purpose of Solvent Extraction (SX) is to receive the pregnant leach solution (PLS) from the heap leach pads and purify and concentrate it into a synthetic, relatively pure solution from which the copper solution can be electrowon to produce copper metal to an LME standard (Figure 5).

Solvent extraction is a well-known and understood technology. The concept of selectively extracting copper from a leach solution followed by stripping the copper into an acidic solution from which electrowon copper cathodes could be produced occurred in the early 1960s. This simple, elegant idea has resulted in a technology by which millions of tonnes of high-quality copper cathode has been produced around the world.

Figure 5: The solvent extraction and electrowinning process. Leach solutions are continuously recovered, recycled and re-used.



Electrowinning

Electrowinning is the process of forming high purity solid copper metal from an electrolyte solution containing dissolved copper by way of electrical deposition. Direct Current (DC) is passed through the electrolyte solution from anodes to cathodes, depositing copper metal at the surface of the cathode. The deposition process requires six days at full production rates before the cathodes are removed and the plates stripped by an automated stripping process. These plates are then stacked and wrapped into 2.5 tonne bundles for shipping.

Tank house technology had its beginning in the zinc industry. During the mid-1970s, MIM Holdings Limited (**Mount Isa Mines**) developed a research program aimed at developing similar permanent cathode technology for copper refining – the ISA Process.

Austral's electrowinning plant has two cell houses, each being powered by one Transformer/Rectifier (**Rectiformer**) unit. The cell houses can be operated in isolation if required. Both cell houses share a common electrolyte system.

At a planned peak rate of 15,600 tonnes in any 12-month period and 1,660 tonnes in the peak month of cathode production, the cell house will be producing up to 55 tonnes per day of cathode. The cathode is expected to be 99.99% purity, conforming to LME Grade A specifications.

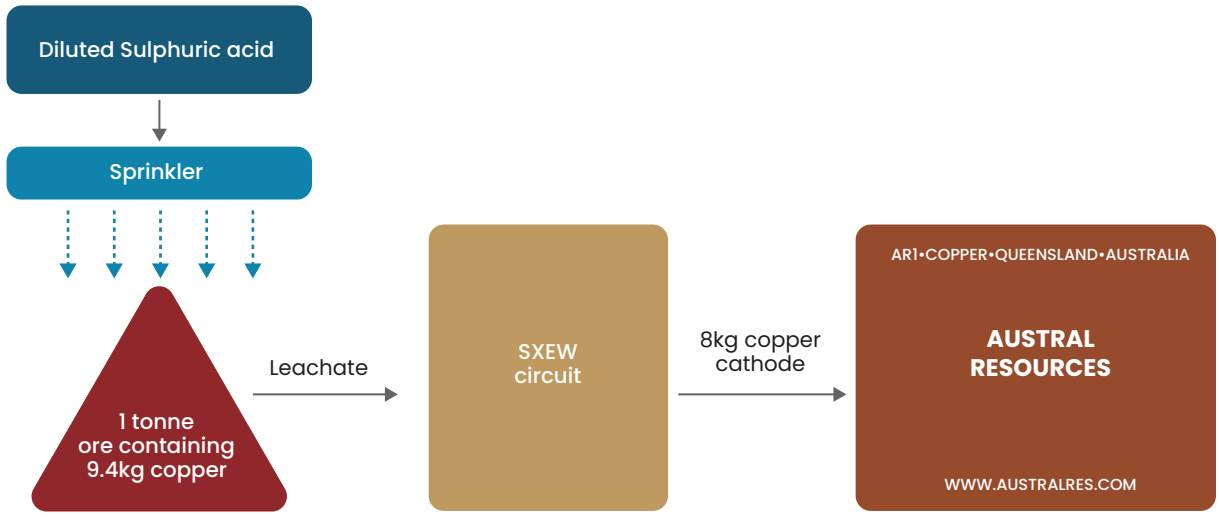
Shipping and Logistics

Electrowon SX/EW cathode from Austral's operations is sold as Grade "A" and complies with the LME's Special Contract Rules for Grade "A" Copper. Copper cathode plates are packed into 2.5 tonne bundles with ten bundles making a 25 tonne lot. This configuration best suits international shipping requirements for 25 tonne shipping containers.

Copper cathode bundles from site are back-loaded on the same trucks delivering the sulphuric acid to site and are delivered to a shipping agent at the Townsville wharf for export.

In summary, one dry tonne of oxide ore grading 0.94% copper contains 9.4kg of copper. At a planned overall 85% process recovery, the leached tonne of ore yields 8kg of cathode copper.

Figure 6: The leaching of 1 tonne of oxide copper ore. At a grade of 0.94% this tonne of ore contains 9.4kg of copper in oxides. The ore is placed onto a leach pad and irrigated with dilute sulphuric acid, dissolving the copper metal and putting it into the acid solution (PLS). This PLS is gravity fed from the leach pad to the SX/EW plant where the copper in solution is stripped of contaminants and electro-won onto cathode plates, producing 8kg of 99.99% purity copper cathode or metal. The leach SX/EW process is 85% efficient.



4.10. Ore Reserves and Mineral Resource Estimate

4.10.1 Anthill Project Ore Reserves

Austral's Anthill Project contains a JORC compliant Ore Reserve of 5.06Mt @ 0.94% copper, or 47,500 tonnes of contained copper.

This is expected to deliver approximately 40,000 tonnes of copper cathode over a four-year period.

Table 2: Anthill Ore Reserve Statement. Source: CSA Global, April 2021.

Classification	Mt	Cu%	Ca%
Proved	1.86	0.93	0.51
Probable	3.20	0.95	0.64
Total**	**5.06**	**0.94**	**0.59**

Notes: Mining dilution of 2% has been applied to represent waste dilution in ore; A fixed mining recovery of 95% has been applied (5% ore loss due to mining); The Ore Reserve estimate has been based on a variable cut-off grade due to acid consumption in line with Ca grade; and totals may not add up due to rounding.

Mineral Resource Estimate

Table 3 summarises Austral's global JORC compliant Mineral Resource Estimate of 60Mt @ 0.70% Cu for approximately 423,000t of contained copper. Sulphide ores make up 212,000t of contained copper, or 50% of the global resource. Transition ore contains 112,000t of contained copper or 26.5% of the global resource, with oxide ore representing the balance of 23.5% or 99,000t of the total 423,000t of contained copper, inclusive of the Anthill Ore Reserve.

Table 3: Lady Annie Project Mineral Resource Estimate at 0.30% Cu as of 30 June 2021. Source: Golders July 2021

Classification	Mt	Cu%	Ca%*	Mg%*
Measured	10.35	0.72	3.6	2.2
Indicated	35.71	0.72	4.9	2.9
Inferred	14.43	0.64	4.4	2.6
Total**	**60.48**	**0.70**	**4.6**	**2.7**

Notes:

* Due to the sparseness of Ca and Mg assays the Ca and Mg estimates are indicative only.

** Totals may not add up due to rounding.

The sulphide and transition mineralisation comprise 324,000t of contained copper in the Mineral Resource Estimate, providing a compelling case to further explore the potential to develop these ore types, which currently cannot be processed with Austral's heap leach processing facility. Austral intends to review sulphide and transition mineralisation treatment options with existing (conventional milling and flotation) and emerging technologies.

Table 4: Global Mineral Resource Estimate for Austral. Source: Golder, July 2021.

The following table YY summarises Austral's JORC compliant Mineral Resource Estimate for eight deposits as tabled, using a copper cut-off grade of 0.30% Cu.

Deposit	Material Type	Measured				Indicated				Inferred				Total			
		Mt	Cu%	Ca%*	Mg%*	Mt	Cu%	Ca%*	Mg%*	Mt	Cu%	Ca%*	Mg%*	Mt	Cu%	Ca%*	Mg%*
Anthill	Oxide	2.70	0.77	0.3	0.2	6.10	0.71	0.3	0.3	0.10	0.37	0.3	0.3	8.90	0.73	0.3	0.3
	Transition	0.30	0.90	5.8	3.3	1.80	0.76	5.6	3.2	0.30	0.47	5.5	3.3	2.40	0.74	5.6	3.2
	Sulphide	0.02	0.70	5.9	3.4	0.80	0.61	5.5	3.1	1.70	0.54	6.5	3.9	2.50	0.57	6.2	3.7
	Total**	3.00	0.79	0.8	0.5	8.70	0.71	1.9	1.2	2.10	0.52	6.0	3.6	13.80	0.70	2.3	1.4
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	0.60	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	14.20	0.77	4.9	2.9
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	0.80	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	6.20	0.47	5.6	3.4	1.18	0.44	6.6	4.0	8.03	0.46	5.7	3.5

Deposit	Material Type	Measured				Indicated				Inferred				Total			
		Mt	Cu%	Ca%*	Mg%*	Mt	Cu%	Ca%*	Mg%*	Mt	Cu%	Ca%*	Mg%*	Mt	Cu%	Ca%*	Mg%*
Lady Colleen	Oxide	-	-	-	-	0.10	0.63	1.0	0.4	0.10	0.52	0.7	0.3	0.20	0.58	0.9	0.4
	Transition	0.10	0.93	5.7	3.2	1.30	0.84	4.5	2.5	0.70	0.55	2.2	1.2	2.10	0.75	3.8	2.1
	Sulphide	0.10	1.08	0.7	0.4	1.90	1.14	6.1	3.3	3.60	0.75	3.5	2.0	5.60	0.89	4.4	2.4
	Total**	0.10	1.00	3.3	1.9	3.30	1.01	5.3	2.9	4.40	0.72	3.2	1.8	7.90	0.84	4.2	2.3
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	0.50	0.55	2.4	1.4	1.55	0.57	1.9	1.2
	Total**	0.92	0.56	1.2	0.8	1.20	0.52	1.5	1.0	0.52	0.55	2.4	1.4	2.64	0.54	1.5	1.0
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	-	-
	Total**	-	-	-	-	-	-	-	-	1.42	0.49	-	-	1.42	0.49	-	-
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	-	-
	Total**	0.14	0.67	-	-	0.10	0.61	-	-	0.09	0.47	-	-	0.33	0.60	-	-
Total	Oxide	4.55	0.66	0.5	0.4	11.26	0.58	0.6	0.5	0.92	0.38	0.5	0.4	16.73	0.59	0.6	0.5
	Transition	3.80	0.66	6.6	3.9	11.02	0.70	6.9	4.1	2.42	0.52	3.8	2.3	17.25	0.67	6.4	3.7
	Sulphide	2.00	0.98	5.0	2.9	13.43	0.86	6.9	4.1	11.09	0.69	4.8	2.9	26.50	0.80	5.9	3.5
	Total**	10.35	0.72	3.6	2.2	35.71	0.72	4.9	2.9	14.43	0.64	4.4	2.6	60.48	0.70	4.6	2.7

Notes:

* Due to the sparseness of Ca and Mg assays the Ca and Mg estimates are indicative only.

** Totals may not add up due to rounding.

4.11. Tenure Summary

Austral holds a significant Exploration Permit (EPM) portfolio of 1,340km^2, Figure 7. This tenure position is carried over from previous mine owners and considered to be highly prospective with 49 copper targets identified for further evaluation by the exploration team.

Table 5: Austral granted Exploration Permit tenements (EPM's)

	Lease	Authorised Holder	Status	Lease Name	Current Expiry Date	Sub Blocks	AR Interest
1	EPM 14693	Austral Resources Operations P/L	Granted	JUDENHAM CREEK	27/9/22	5	100%
2	EPM 16240	Austral Resources Operations P/L	Granted	EASTERN CREEK	25/4/23	11	100%
3	EPM 16241	Austral Resources Operations P/L	Granted	MGF ZONE	25/4/22	3	100%
4	EPM 16242	Austral Resources Operations P/L	Granted	MOUNT KELLY EAST	25/4/23	26	100%
5	EPM 16243	Austral Resources Operations P/L	Granted	LADY MAGGIE	10/1/24	25	100%
6	EPM 16244	Austral Resources Operations P/L	Granted	BUCKLEY RIVER	7/4/23	142	100%
7	EPM 17088	Austral Resources Operations P/L	Granted	DRIFTER	8/2/22	3	100%
8	EPM 17415	Austral Resources Operations P/L	Granted	MOUNT KELLY WEST	29/4/24	3	100%
9	EPM 17422	Austral Resources Operations P/L	Granted	LADY ANNIE WEST	8/8/23	9	100%
10	EPM 17469	Austral Resources Operations P/L	Granted	LADY ANNIE WEST 2	8/2/24	2	100%
11	EPM 17533	Austral Resources Operations P/L	Granted	MOUNT KELLY WEST 2	26/10/22	11	100%
12	EPM 17789	Austral Resources Operations P/L	Granted	LADY ANNIE REGIONAL	6/10/22	38	100%

	Lease	Authorised Holder	Status	Lease Name	Current Expiry Date	Sub Blocks	AR Interest
13	EPM 18817	Austral Resources Operations P/L	Renewal Lodged	OLD MAY DOWNS	16/9/21	14	100%
14	EPM 17634	Austral Resources Exploration P/L	Granted	CAMERON RIVER 3	26/10/22	9	100%
15	EPM 17167	Austral Resources Exploration P/L	Granted	CAMERON RIVER WEST	23/1/22	3	100%
16	EPM 25515	Austral Resources Exploration P/L	Granted	LITTLE BEAUTY	1/4/22	15	100%
17	EPM 17494	Austral Resources Exploration P/L	Granted	CAMERON RIVER 2	22/4/24	4	100%
18	EPM 17298	Austral Resources Exploration P/L	Granted	MIRANDA # 3	23/1/22	4	100%
19	EPM 17530	Austral Resources Exploration P/L	Granted	MIRANDA 6	8/2/22	4	100%
20	EPM 17646	Austral Resources Exploration P/L	Granted	MIRANDA 13	8/2/22	4	100%
21	EPM 17854	Austral Resources Exploration P/L	Granted	MIRANDA 17	8/2/22	2	100%
22	EPM 17855	Austral Resources Exploration P/L	Granted	MIRANDA 19	8/2/22	2	100%
23	EPM 17856	Austral Resources Exploration P/L	Granted	MIRANDA 15	8/2/22	4	100%
24	EPM 17859	Austral Resources Exploration P/L	Granted	MIRANDA 18	8/2/22	4	100%
25	EPM 17861	Austral Resources Exploration P/L	Granted	MIRANDA 16	8/2/22	2	100%
26	EPM 17525	Austral Resources Exploration P/L	Granted	MIRANDA 10	8/2/24	4	100%
27	EPM 17535	Austral Resources Exploration P/L	Granted	MIRANDA 9	8/2/24	2	100%

	Lease	Authorised Holder	Status	Lease Name	Current Expiry Date	Sub Blocks	AR Interest
28	EPM 26068	Austral Resources Exploration P/L	Granted (Renewal lodged)	MIRANDA 21	16/10/21	2	100%
29	EPM 17527	Austral Resources Exploration P/L	Granted	MIRANDA 8	8/2/22	27	100%
30	EPM 17165	Austral Resources Exploration P/L	Granted	QUAMBY	22/7/22	4	100%
31	EPM 17295	Austral Resources Exploration P/L	Granted	CLONCURRY NORTH #2	23/1/22	9	100%
32	EPM 15126	Austral Resources Operations P/L	Granted	BATTLE CREEK	30/5/23	19	80%
				Total Blocks		**416**	
					Total km^2	**1,340**	

The Company also holds 53km^2 of granted Mining Leases (MLs), covering the Mt Kelly processing plant, the undeveloped Anthill Project, and other previously mined areas.

Table 6: Austral Granted Mining Leases (MLs).

	Lease	Authorised Holder	Status	Lease Name	Current Expiry Date	Area (ha)	AR Interest
1	ML 5426	Austral Resources Operations P/L	Granted	McLeod Hill	31/1/27	4.05	100%
2	ML 5435	Austral Resources Operations P/L	Granted	Mt Kelly	31/1/24	3.97	100%
3	ML 5446	Austral Resources Operations P/L	Granted	Flying Horse No 1	28/2/31	28.41	100%
4	ML 5447	Austral Resources Operations P/L	Granted	Spinifex Queen	31/1/31	28.33	100%
5	ML 5448	Austral Resources Operations P/L	Granted	Flying Horse No 2	31/1/31	7.59	100%
6	ML 5474	Austral Resources Operations P/L	Granted	Suzie No 6	31/1/31	130.00	100%

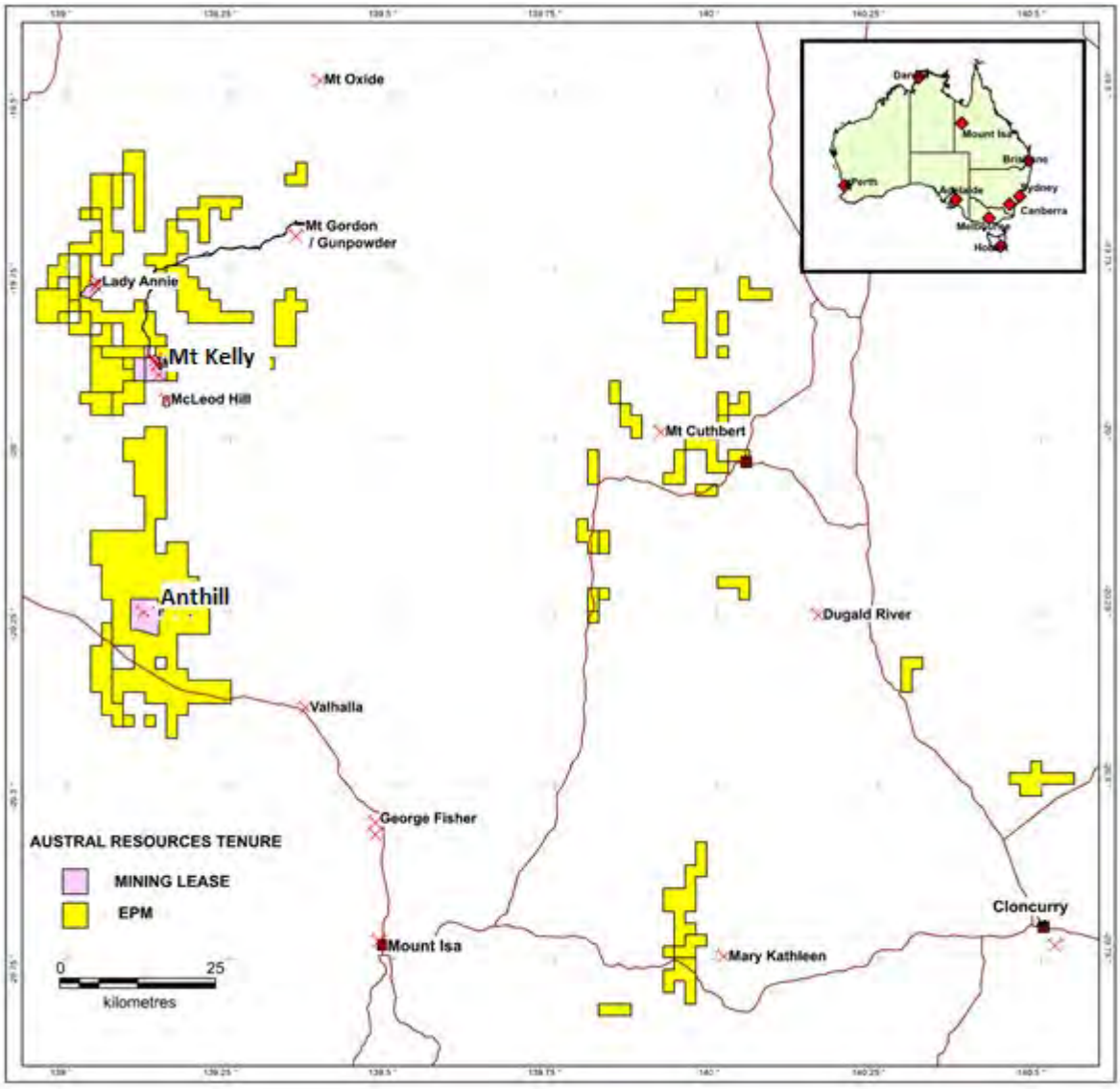
	Lease	Authorised Holder	Status	Lease Name	Current Expiry Date	Area (ha)	AR Interest
7	ML 5476	Austral Resources Operations P/L	Granted	Suzie No 12	31/1/31	111.20	100%
8	ML 5478	Austral Resources Operations P/L	Granted	Suzie No 14	31/1/31	12.99	100%
9	ML 90168	Austral Resources Operations P/L	Granted	Mt Clarke	31/12/27	4.05	100%
10	ML 90169	Austral Resources Operations P/L	Granted	Mt Kelly West	31/12/27	644.00	100%
11	ML 90170	Austral Resources Operations P/L	Granted	Mt Kelly West Extended	31/12/27	1118.00	100%
12	ML 90178	Austral Resources Operations P/L	Granted	Mt Kelly	31/8/28	354.00	100%
13	ML 90179	Austral Resources Operations P/L	Granted	Lady Annie	31/7/29	489.60	100%
14	ML 90184	Austral Resources Operations P/L	Granted	Birla Infrastructure	31/7/29	9.00	100%
15	ML 90233	Austral Resources Operations P/L	Granted	Anthill	31/10/35	2375.80	100%
					Total ha	**5320.97**	
					Total km^2	53.21	

4.12. Exploration Strategy

The Company's exploration strategy is to discover significant new copper oxide resources within a 75km radius of Mt Kelly.

Austral holds a large 1,340km^2 exploration tenure position, comprised of the most prospective ground retained by previous owners of the project. This tenure is located within a historically prolific copper belt that the Company believes has potential for further discoveries.

Figure 7: Austral's tenure across the Mount Isa district.



A superb exploration database exists over the Company's exploration tenure, reflecting over forty years of prior exploration activities. This database will be extensively utilised for the upcoming exploration programmes.

The exploration tenure is highly prospective and backed with a significant JORC compliant Mineral Resource Estimate (MRE) that highlights the copper endowment (Table 3). The Company believes that additional copper resources will be discovered through a disciplined and systematic exploration programme.

$5m of exploration funding has been budgeted over a two-year period from listing. Austral is recruiting a team of exploration geologists, support staff, contractors and equipment to drive this exploration initiative. The Company plans to increase exploration expenditure with cashflow from the Anthill Project once the project is at full capacity.

The exploration strategy is staged as follows:

1. Integrate historical information into an electronic database: mapping, geochemistry, geophysics, drilling.
2. Conduct a detailed review of historical work and identify any gaps in data such as geochemistry and geophysics. Use external consultants as required to augment the in-house exploration team's capabilities.
3. Review the exploration target set, rank and prioritise.
4. Begin low impact mapping, geochemical sampling and geophysics to review, prioritise and progress targets to drill ready status.
5. Drill targets that meet assessment criteria.

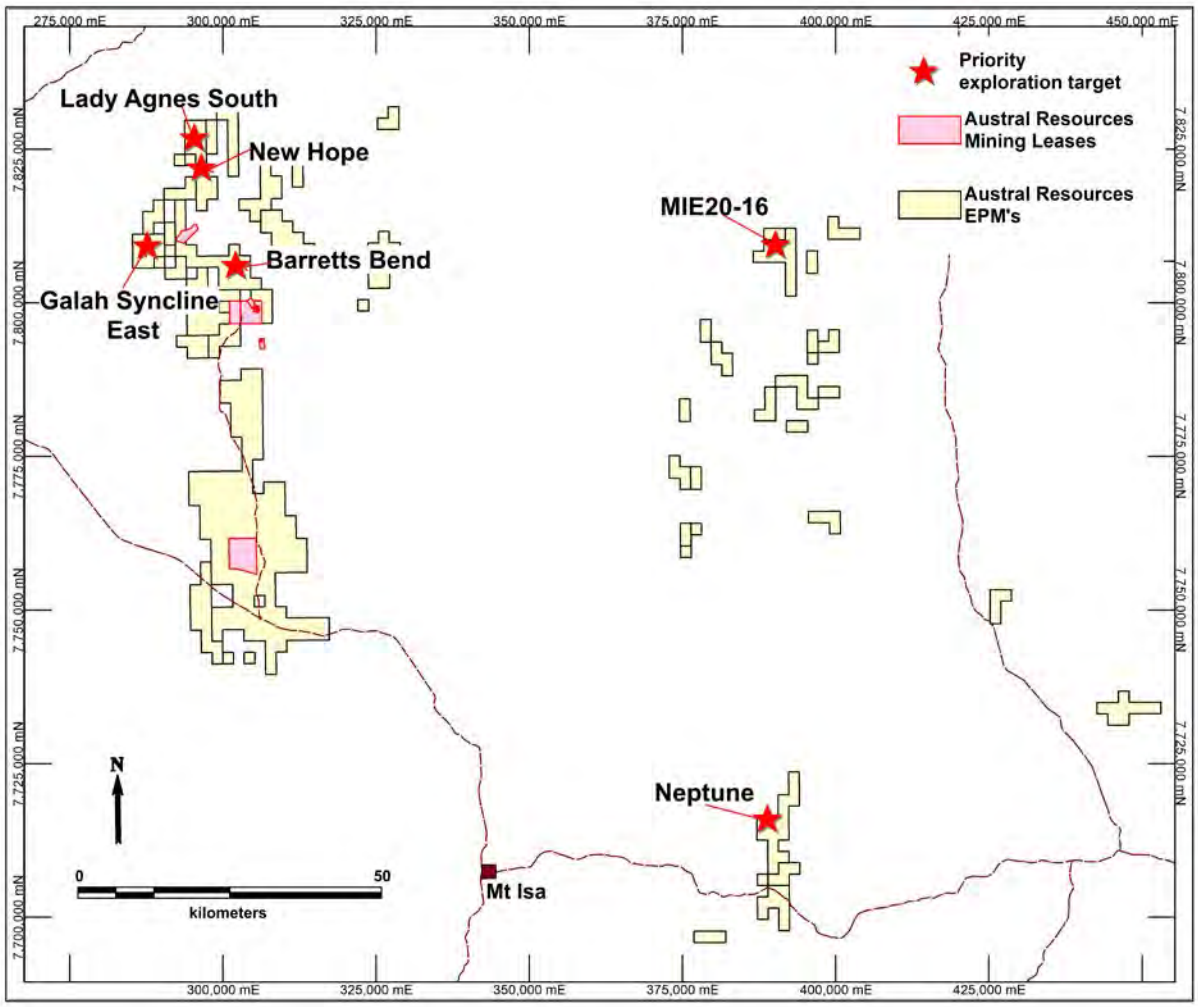
4.12.1 Prioritised Exploration Targets

Austral currently has a portfolio of over 49 copper targets within its exploration tenure. These have been ranked for prospectivity and assigned work plans and budgets. Work is scheduled to begin in Q4 2021. The following six priority exploration targets have been selected from exploration reviews in 2020 and 2021:

Table 7: Six priority exploration targets of 49 copper targets identified from the 2020 and 2021 exploration reviews.

Priority Exploration Targets	Tenement	Comments
Barretts Bend	EPM 17789	large soil anomaly, good structural – stratigraphic position, sparsley drilled
Lady Agnes South	EPM 16243	2km geochem anomaly, sparsely drilled, EA amendment expands access for exploration work
Neptune	EPM 25515	soil anomaly, old workings, good structural – lithological setting, possible IOCG style target, CST drilling intersected 20m @ 0.41% Cu (pXRF) not followed up
MIE20-16	EPM 17527	old workings, good structural setting and ductility contrasts
Galah Syncline East	EPM 17789	large soil anomaly untested by drilling
New Hope	EPM 16243	1.4km geochem anomaly, sparsely drilled, favourable stratigraphy and fault intersetions, EA amendment expands access for exploration work

Figure 8: Map of Austral's tenement areas and advanced targets in red.

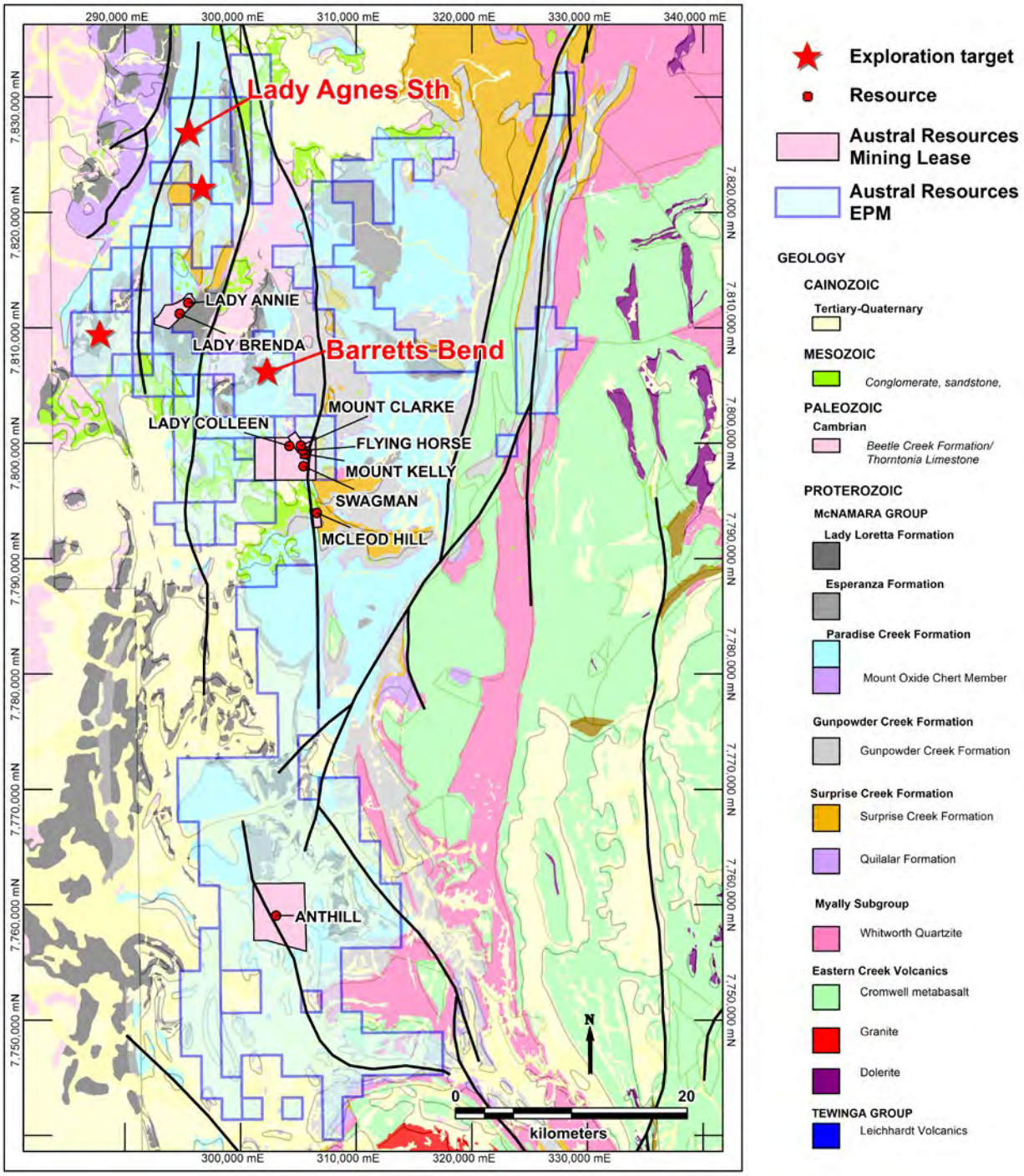


Three of these six prospects are described in more detail below:

Barrett's Bend

Barrett's Bend is located 8km NNW of Mt Kelly. The prospect is primarily straddled by the Mt Kelly haul road on the west and the Waggaboonya water line access track to Gunpowder to the East, providing excellent access.

Figure 9: Austral Resources western tenements over 100K geology, with locations of Lady Agnes south and Barrett's Bend prospects.

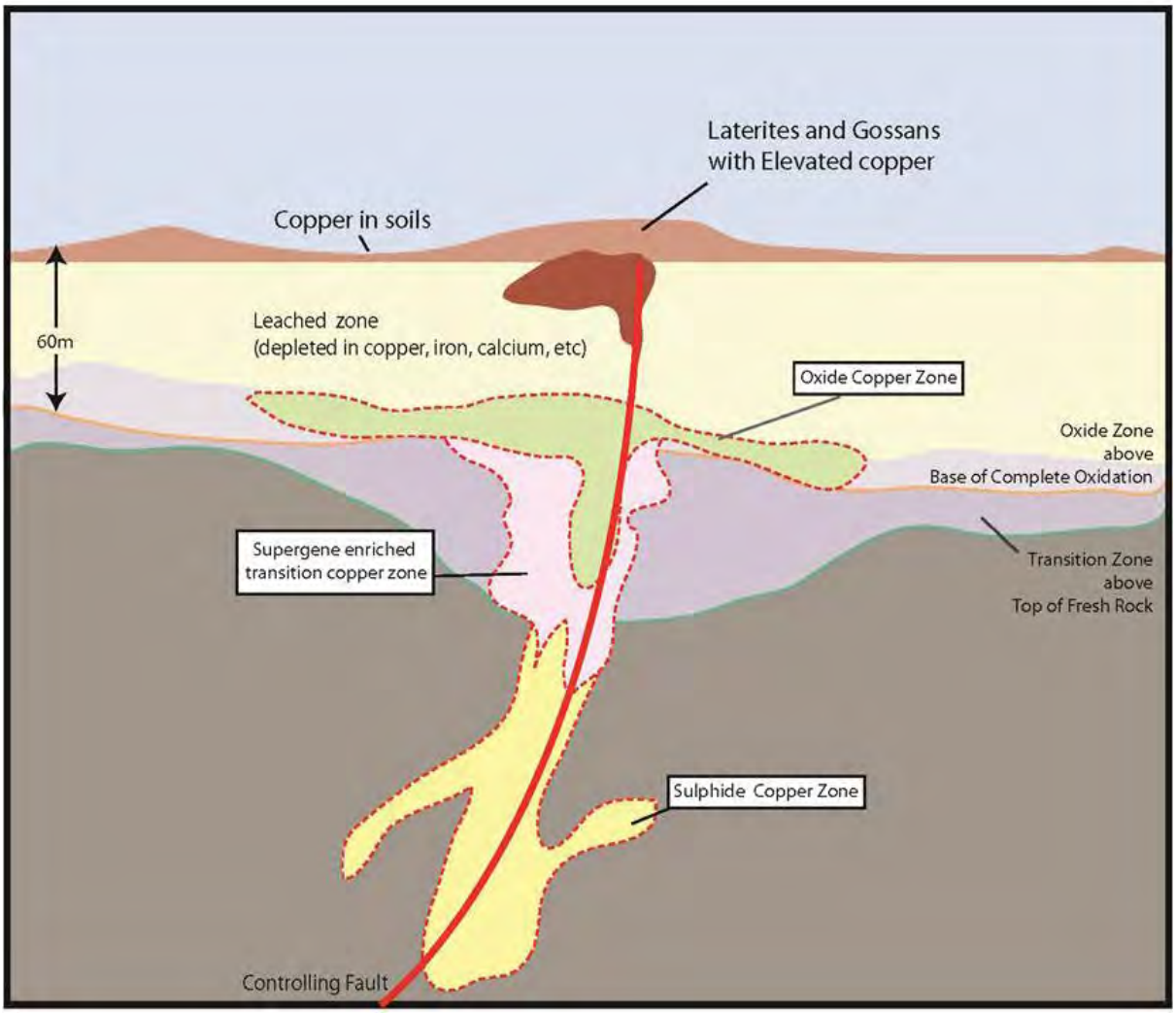


The Paradise Creek Formation and the Gunpowder Creek Formation of the Lower McNamara Group are the principal stratigraphic hosts of the copper mineralisation of the Lady Annie Copper Project. The Lower McNamara consists of basal, coarse clastic rocks which become finer upwards and are overlain by a thick sequence of dolomitic siltstones, dolomitic sandstones and dolomite with an occasional phase of quartz-clastic sedimentation. Chert horizons are common with occasional thin tuff horizons.

Original structural patterns during sedimentation of Cover Sequence 3 were made up of northwest to north-northwest transfer faults in combination with northeast to east-northeast rift structures. Overprinting by the Isan Orogeny began with east-west compression causing progressive activation of a wrench fault network on the northeast and northwest structures. Later shortening was accommodated by thrust movement on north-south faults and refolding of early folds by later structures.

The prospect has been identified as a sparsely drilled, large 5km x 2km soil anomaly. It has potential to host a large oxide deposit, as depicted by Figure 10.

Figure 10: Oxide copper deposit formation model.



Multiple generations of sparse drilling have been completed over the prospect. A few of the best intercepts from the CST drilling program in 2010 being;

Table 8: Barratt's Bend historic drill results.

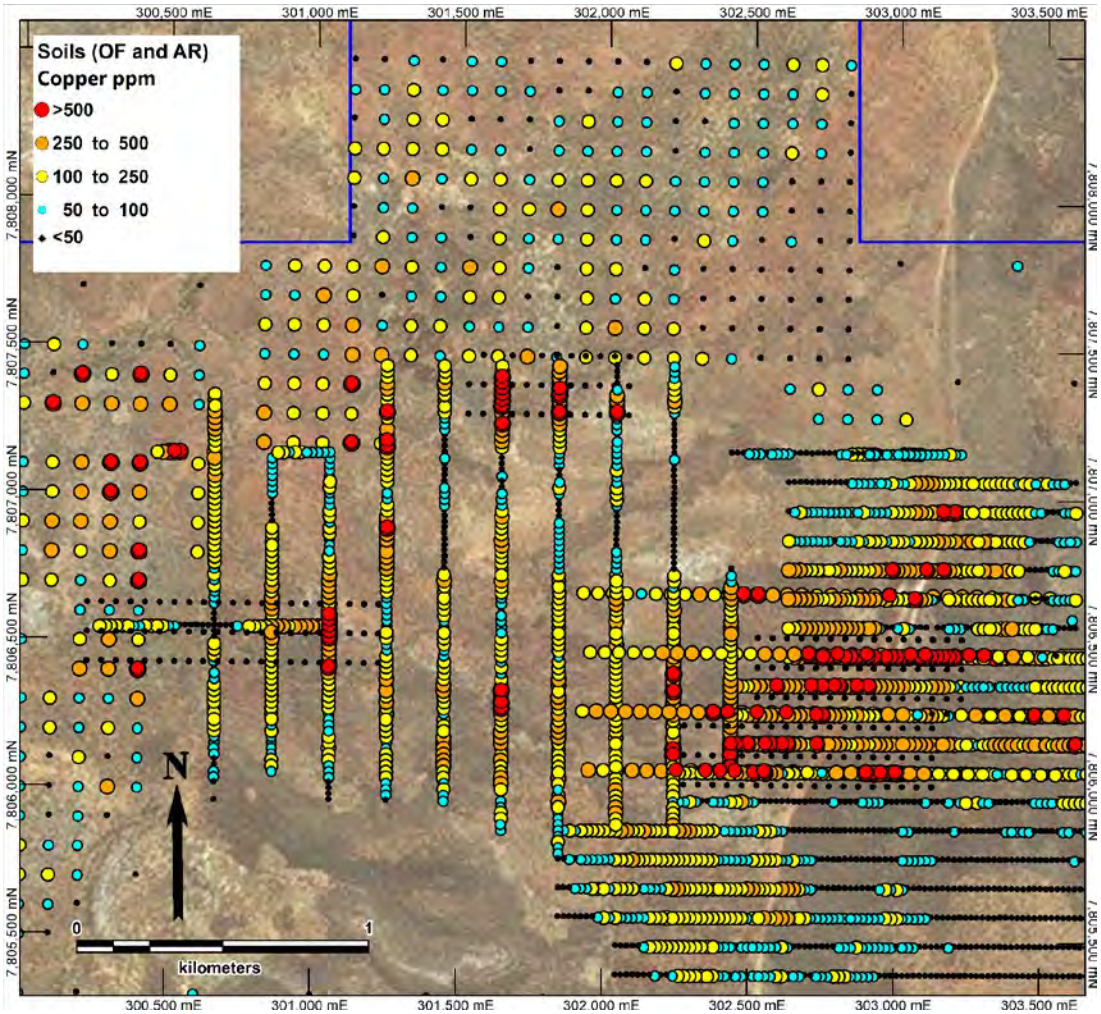
HoleID	Total Depth (m)	MGA94 East	MGA94 North	RL	Azimuth	Dip	From	To	Width	Cu %
LANC0001	102	302726	7806324	346	354	-55	19	24	5	0.40
LANC0010	66	302550	7806250	348	84	-60	45	57	12	0.25
LANC0022	70	301727	7806180	328	39	-55	45	50	5	0.35
LANC0024	60	301395	7806042	340	39	-60	23	31	8	0.55
LANC0026	78	301213	7806325	325	39	-55	72	76	4	0.25
LANC0027	78	301273	7806404	328	219	-55	35	48	13	0.25
LANC0032	78	300655	7806515	328	84	-55	36	39	3	0.25
LANC0055	70	304325	7805100	330	264	-55	12	20	8	0.25

Additional soil sampling undertaken in 2021 adjacent to and west of the central Barrett's Bend prospect show additional prospectively to the west. The higher grades above 500ppm Cu are shown in Table 9 with the soils across the entire prospect area shown in Figure 11.

Table 9: 2021 soil sampling results above 500ppm Cu to the west of the central Barrett's Bend Prospect.

Sample ID	GDA94 North	GDA94 East	Cu_ppm
SS210116	7807400	300400	1691
SS210130	7807100	300400	1448
SS210178	7806400	300400	992
SS210124	7807300	300100	796
SS210139	7807000	300300	747
SS210163	7806700	300400	709
SS210155	7806800	300400	644
SS210118	7807400	300200	564
SS210131	7807100	300300	508

Figure 11: Soil geochemistry (Cu ppm) at Barrett's Bend. OF refers to Open File sourced geochemical data and AR refers to Austral Resources geochemical data



Barrett's Bend remains highly prospective for both copper oxide and sulphide hosts. Key focusses for future work include additional geochemical sampling, tightening the controls on the geological/ structural model and designing drill holes to best intercept the identified structures.

Lady Agnes

The Lady Agnes prospect is located 15km due north of the Lady Annie copper mine. Access is via the Mt Kelly to Lady Annie copper mine haul road, then passing though the Paradise Valley and Thorntonia Station properties.

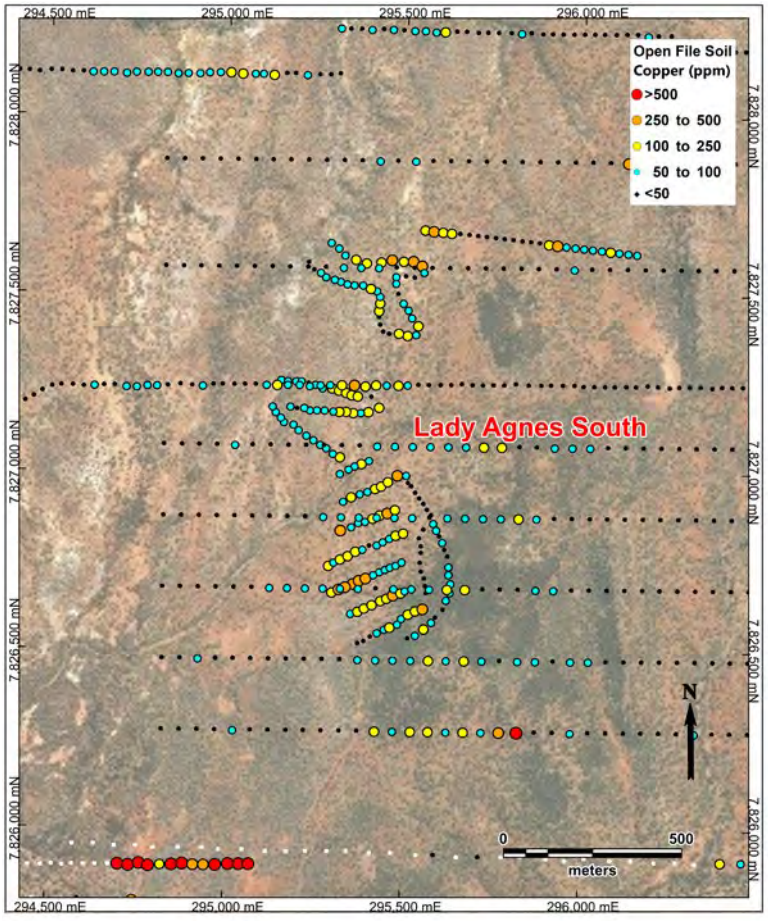
The prospect is characterised by a strong NNW to SSE copper geochemical anomaly persisting over a 2km long strike length. Several companies have explored EPM16243 including MIM, Aberfoyle, BHP, Placer, CRA and CopperCo undertaking soil sampling, rock chip sampling, stream sediment sampling, drilling, and geophysical surveys.

A summary of >500ppm Cu surface samples within the Lady Agnes South prospect are shown in Table 10 with soils across the entire prospect shown in Figure 12.

Table 10: Lady Agnes South historical soil Geochem above 500ppm Cu

SampleID	NAT_North	NAT_East	Cu_ppm	Company
4422	7825900.66	294764.76	9627	BUKA
4431	7825900.65	295045.6	3508	BUKA
4421	7825895.16	294734.73	2877	BUKA
4423	7825894.65	294790.62	1930	BUKA
4420	7825898.16	294704.6	1030	BUKA
4432	7825900.66	295072.83	763	BUKA
4429	7825897.65	294979.73	709	BUKA
4425	7825897.65	294856.5	609	BUKA
4430	7825900.65	295015.51	553	BUKA
S1991	7826275.15	295823.69	550	COPCO
4426	7825900.65	294886.55	506	BUKA

Figure 12: Soil geochemistry (Cu ppm) at Lady Agnes South.



CST Exploration completed additional geological mapping, soil sampling, rock chip sampling, stream sediment sampling, drilling, geophysical surveys and prospectivity studies.

Only four historical drill holes (3 RAB and one RC hole) were drilled at the Lady Agnes prospect with no significant mineralisation intersected. Large sections of the soil anomaly remain untested.

Lady Agnes South remains classed as a high potential target for a large copper deposit. The area remains sparsely drilled and geochemical sampling density is low. Additional geochemical sampling on a 400m x 400m grid with infill sampling where necessary is proposed to better define the extent of the anomaly, combined with detailed structural mapping.

Neptune Prospect

The Neptune prospect is located on EPM 25515, part of the Cameron River Project, approximately 55km east of Mt Isa. EPM25515 is situated within the Mary Kathleen Domain (MKD) close to the boundary with the Kalkadoon – Leichhardt Domain (KLD).

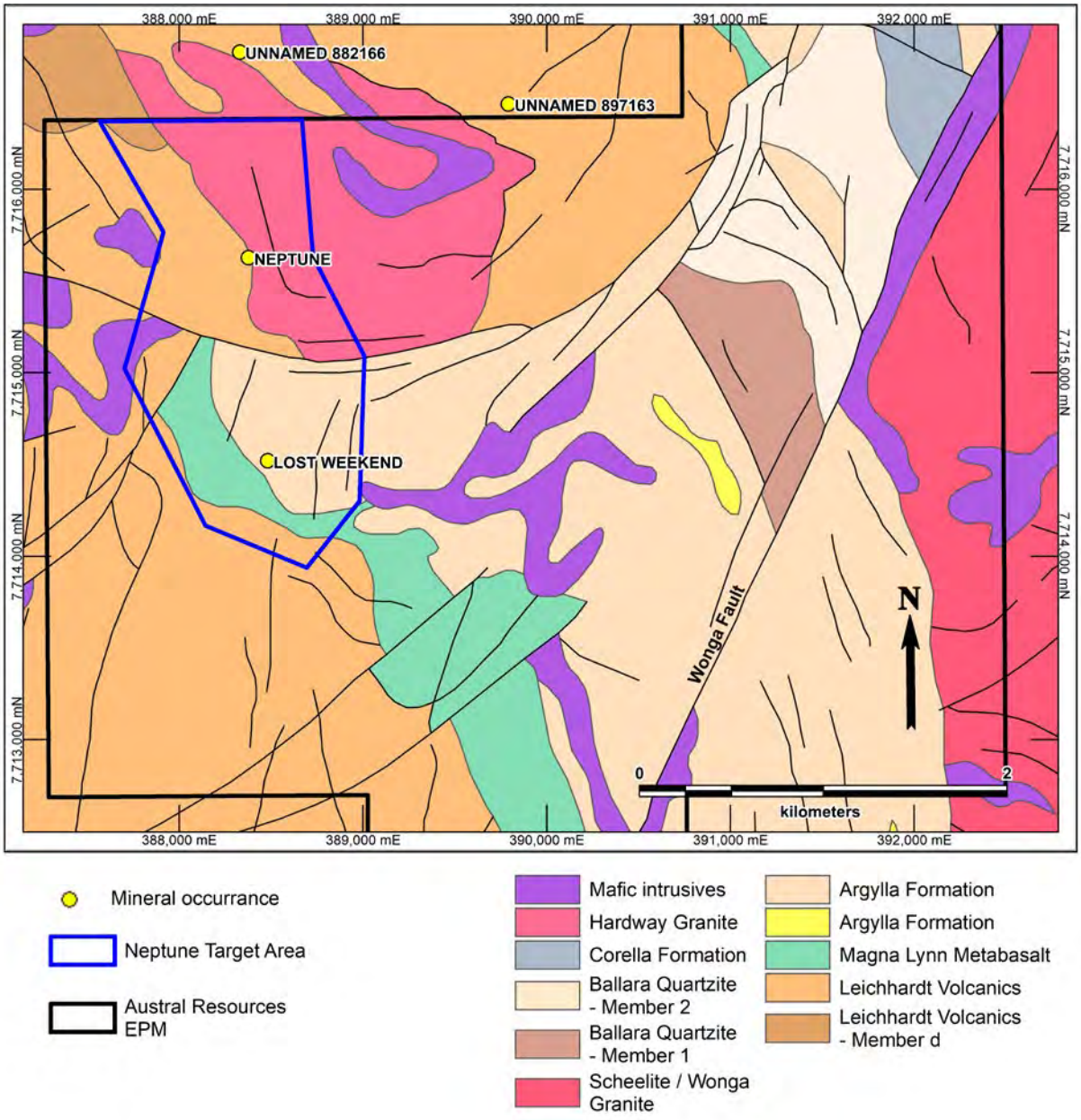
The oldest rocks in the KLD are Kalkadoon Suite granitoids and probably co-genetic Leichhardt Volcanics. The Kalkadoon Suite includes tonalites, granodiorites, and granites. The Leichhardt Volcanics are predominantly felsic quartz porphyries of rhyolite to rhyodacite composition. These rocks occur in a structural outlier in the southwest of EPM25515 separate from the main outcrop of KLD further to the west.

Mineralisation in the region includes abundant small copper deposits and the Mary Kathleen uranium deposit. The copper deposits are fault controlled and occur in rocks of all ages indicating that they are related to the Isan Orogeny. The Mary Kathleen uranium deposit is located in the Mary Kathleen shear zone where it passes through contact skarn in the contact aureole of the Burstall Granite.

The North-West Queensland Minerals and Energy Province Report (2011) classified a number of these copper occurrences as IOCG type.

The Neptune Target Area is located ~2.1km NW of the NNE trending regional Wonga fault at a contact between Leichhardt Volcanics and Argylla Formation. This contact is trending NW in the west of the Target Area and E-W in the centre of the Target Area. Mafic intrusives (primarily dolerite) have exploited the NW contact; these intrusive bodies are mapped as Magna Lynn metabasalt in the Government 1:100,000 scale geological map. A granite (Hardway) is interpreted in the NW of the Target Area intruding the Liechhardt volcanics and terminating at the Argylla Formation contact, it has probably exploited the weakness of the contact area for emplacement. East-west, NNE and NW structures are interpreted within the Target Area. The structural and lithological setting is analogous to the Barbara Cu/Au/Ag/Co Project, ~27kms to the NNW. The Barbara Project comprises several small deposits proximal to each other.

Figure 13: – Neptune Target Area. Tenure map with known mineral occurrences (yellow circles)



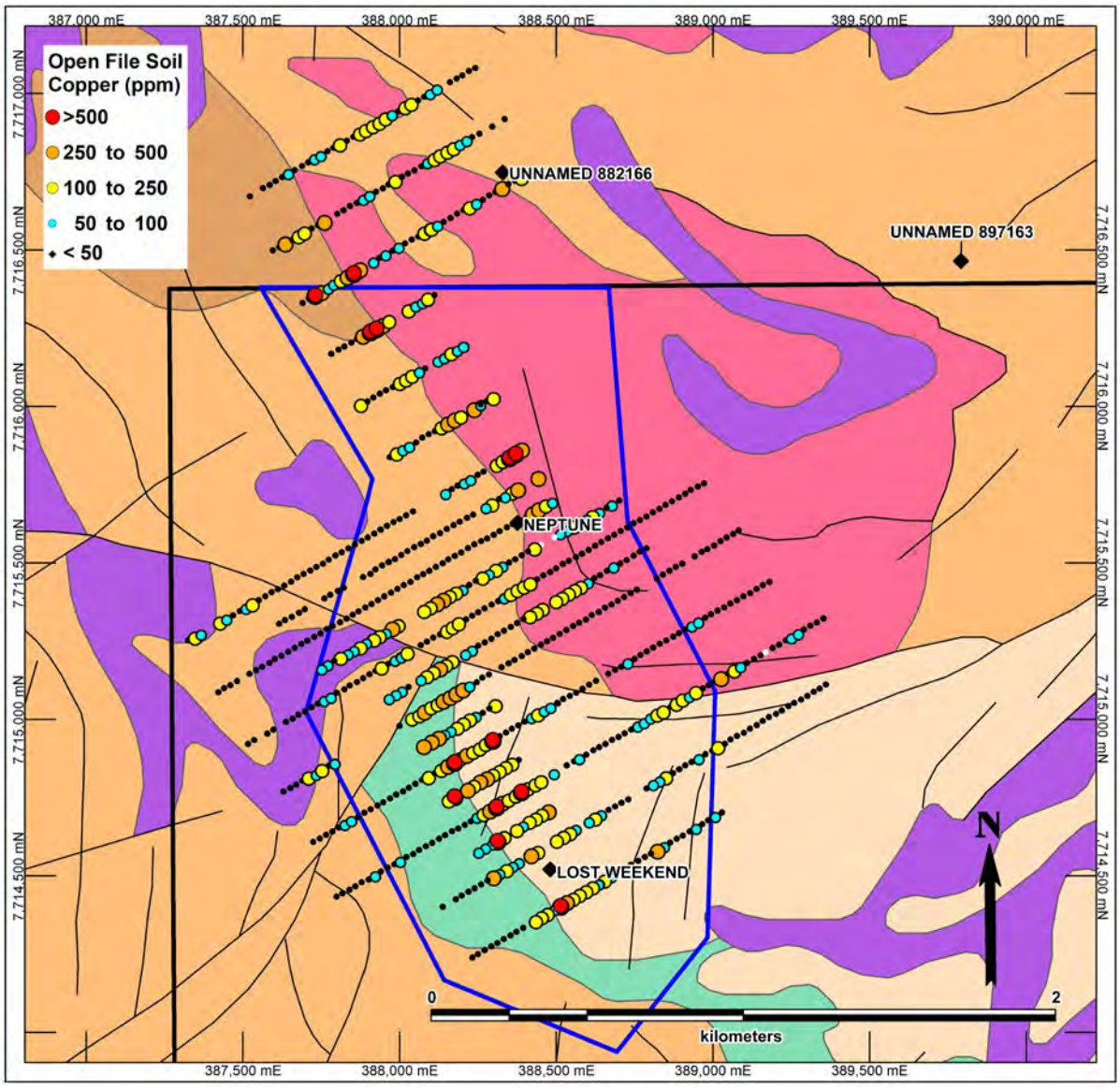
There is a small shaft and some surface workings at Neptune as well workings at Lost Weekend, about 1.1km to the south. The Cu mineralisation trend can be tracked for approximately 2km.

In general, the Cu mineralisation can be seen as malachite on the selvages of ferruginous quartz veins within a sheared mafic host rock. The veins strike ~N-S from Lost Weekend to Neptune but swing to ~330° just north of the Neptune workings up to the northern boundary of the licence.

Surface Geochemistry

100m x 20m soil sampling over the south and central sections of the Target Area and 200m x 20m soil sampling in the northern section has defined a strong, coherent 300m wide, NNW trending en-echelon copper anomaly through the entire Target Area. The anomaly is open along strike in both directions.

Figure 14: Neptune Target Area. Cu values (ppm) in soil sampling with known mineral occurrences (large black diamonds).

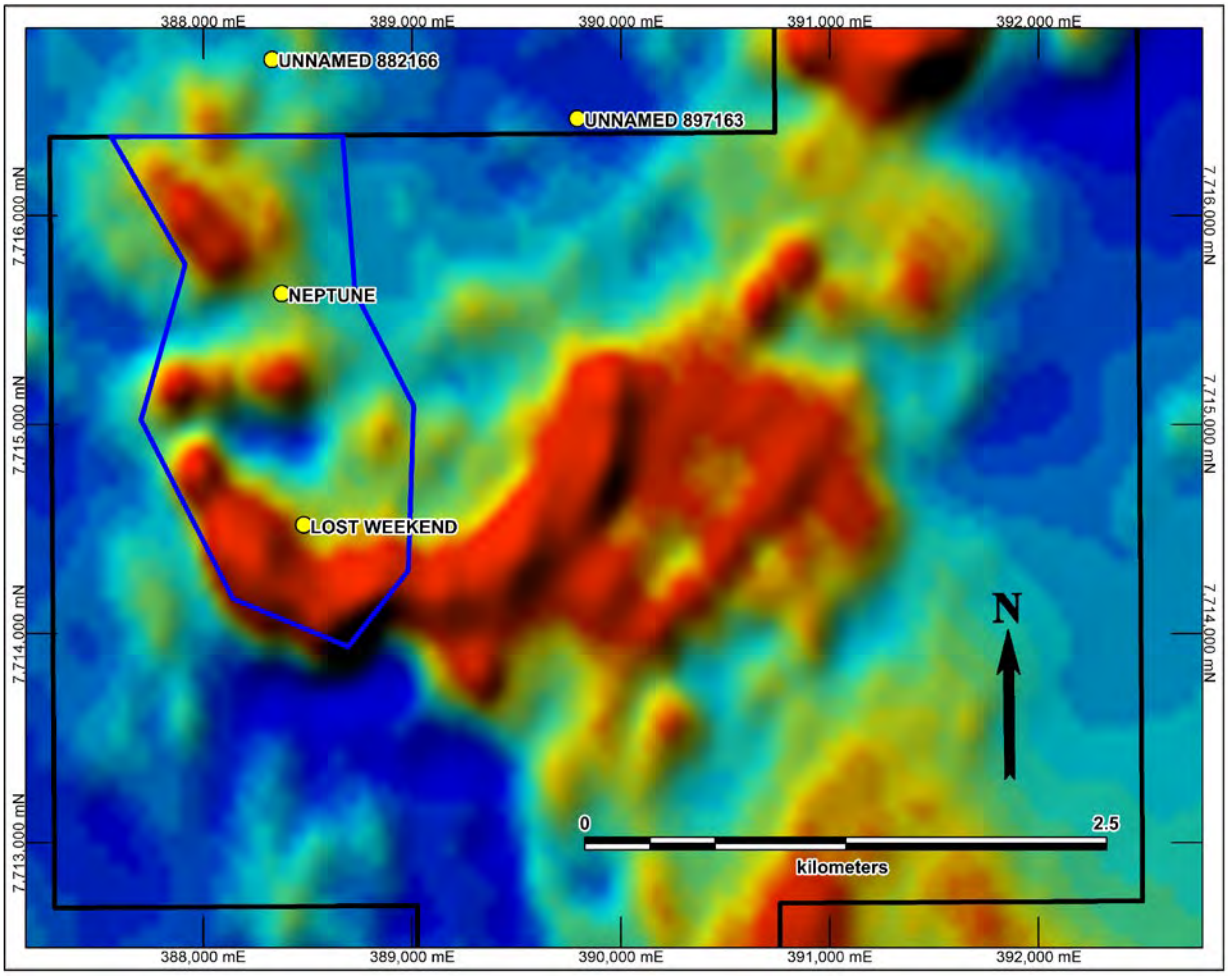


Geophysics

There are strong magnetic anomalies along the western and southern sections of the Target Area (Figure 15) that appear to define:

- Contact zone of Leichhardt volcanics with the Hardway granite,
- Contact zone of Leichhardt volcanics with mafic intrusives,
- Contact zone of Leichhardt volcanics with Argylla Formation, and
- Mafic intrusives.

Figure 15: Neptune Target Area. Total Magnetic Image (airborne survey) with known mineral occurrences (yellow dots).



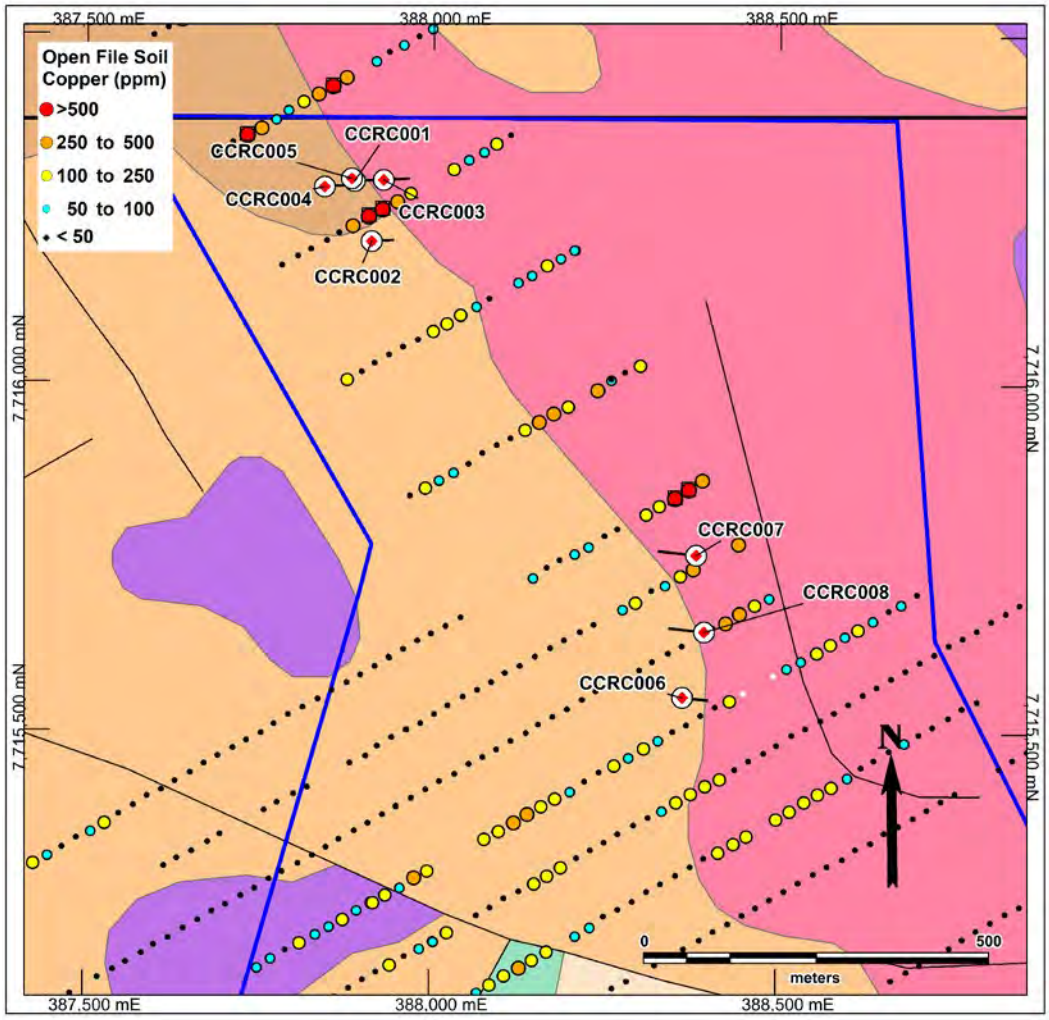
Drilling

Drilling at the Neptune Target was carried out by CST in 2015 in two areas approximately 800m apart and along strike from each other on the NW-SE trending, sheared contact between the Hardway Granite and Leichhardt Volcanics (Figure 16). Three (3) holes, totalling 258m were completed beneath the Neptune Mine workings and five (5) holes totalling 386m were completed beneath a gossanous quartz vein to the NW immediately adjacent the northern boundary of the Little Beauty Tenement (EPM25515).

Samples were only analysed by portable XRF. Hole CCRC001 returned intercepts of 8m@0.82% Cu from 20m and 20m@0.41 Cu from 32m. Nearby hole CCRC005 returned 24m @ 0.27% Cu from 32m and hole CCRC002 returned 54m @ 0.12% Cu from 8m. Directly below the old Neptune workings hole CCRC008 returned 16m @ 0.42% Cu from 32m.

No follow up work has occurred on the prospect since the drilling was completed.

Figure 16: Neptune RC drillhole locations



Austral is planning to follow up the drilling with a ground geophysics program to test for chargeability anomalies that can be drill tested.

Table 11: Neptune Drill Intercepts

HoleID	Total Depth (m)	MGA94 East	MGA94 North	Orig RL	Azimuth	Dip
CCRC001	120	387886	7716289	352.05	91	-60
CCRC002	62	387911	7716203	352.43	86	-60
CCRC003	72	387928	7716291	357.46	86	-60
CCRC004	54	387843	7716281	349.73	86	-60
CCRC005	78	387882	7716293	353.46	0	-90
CCRC006	72	388363	7715551	363.26	96	-60
CCRC007	108	388382	7715755	350.61	276	-60
CCRC008	78	388394	7715645	359.01	276	-50

JORC Tables for Exploration Results

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data (Criteria in this section apply to all succeeding sections)

Criteria	JORC Code explanation	Commentary
Sampling techniques	Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.	**Neptune Surface Sampling Techniques** **Soils** Historical soil sampling was completed by Delta Gold Exploration Pty limited and Kalmet Resources NL, in the year ending July 1992. A 100m x 20m grid was erected over the Neptune prospect, in an area of magnetic anomaly evident from BMR magnetics data and weak copper and gold stream sediment anomalies near the north of EPM 5985. The grid was soil sampled non selectively to the local grid. The open file relinquishment report 'CR28992' does not detail the method in which samples were collected, assayed or quality controlled. **Neptune RC Drill Sampling** CST 2015 – used industry standard RC drilling techniques to produce 1m interval bulk samples of RC chip (approximately 20kg) whilst taking a homogenised (using a triple deck riffle splitter) 2kg offshoot representative sample in a calico bag. Thereafter, the bulk samples were collected into plastic bags and deposited on the ground in rows. Neptune samples were manually composited into four meter intervals by spearing each of the 1m, 2kg triple deck riffle split samples and placing the four individual spear samples into a single numbered calico bag. On completion of the RC hole, the 1m, 20kg bulk samples were stored in a sample farm at the drill site with the hole and metre interval clearly marked on the outside of the bag. The remaining 1m 2kg samples were stored at the CST compound in Cloncurry for future reference. An Olympus Delta X pXRF gun was used to analyse a 50g charge of each 4m calico composite. Whilst the use of XRF cups is mentioned in sample preparation, the method on which to create the 50g charge is unknown.

Criteria	JORC Code explanation	Commentary
Sampling techniques *continued*		**Barretts Bend Soil Sampling 2021** Soil samples were taken indiscriminately over pre-determined soil grids (400m x 400m staggered and 100m x 100m staggered grid infill). Samples were taken below 25cm depth where possible. The bottom material of each hole was sampled and sieved to below 80-micron. The smaller than 80 micron fraction was placed into paper sample packets and labelled with a soil sample I.D increasing consecutively. An Olympus Delta X pXRF gun was used to analyse the collected soil samples. A mixture of inserted standards during sampling (every 25th sample for a standard and every 50th sample for a duplicate) and office inserted XRF cup standards were inserted prior to each days batch of processing. QAQC consisted of comparing XRF cup standards with the daily scanned results. The XRF was found to report low grade copper grade within confidence levels for the standard and so has been determined suitable for reporting the latest grades. **Historical Geochemical Sampling** Historical surface sample grades shown at Barretts Bend and Lady Agnes South consist of a mixture of rock chip, sediment and soil samples from numerous exploration companies going as far back as the 1960's. An assessment as to how each company obtained, assayed and reported their results has not been completed. The results are considered indicative only and require further ground proofing. **Barretts Bend RC Drilling 2010** Drill holes LANC* were drilled using RC drill industry standard technique. Sampling was done over one meter intervals, creating both a bulk (approximately 20kg sample) and a riffle split 2 – 3kg homogeneous sample. Every drilled meter was assayed by a NATA accredited laboratory providing quality assured results.
Drilling techniques	• Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).	**Drilling** All drilling completed was reverse circulation (RC) to industry standards.

Criteria	JORC Code explanation	Commentary
Drill sample recovery	• Method of recording and assessing core and chip sample recoveries and results assessed. • Measures taken to maximise sample recovery and ensure representative nature of the samples. • Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	CST categorised its recovery by numbers 1 to 3. Most records indicated a recovery of 3 being full recovery. Only the collar of CCR005 appeared to have poor recovery classed as 1 for the 0m to 4m interval. No recovery verses grade analysis have been undertaken. Drill holes CCRC002 and CCRC004 were abandoned due to large volumes of water and rods becoming stuck. A relationship between abandoned holes and sample recovery could not be determined as sample recovery records indicate full sample recovery even in these abandoned holes.
Logging	• Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. • Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. • The total length and percentage of the relevant intersections logged.	Every meter of RC drilling has been logged and includes lithology, alteration, mineralogy, and veins. Assays were recorded over 4m composites for some holes and for every meter for others. The logging of chips is generally qualitative in nature. Some percentages of identified minerals have been recorded which were quantitative. The total length of drill intersections were logged.
Sub-sampling techniques and sample preparation	• If core, whether cut or sawn and whether quarter, half or all core taken. • If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. • For all sample types, the nature, quality and appropriateness of the sample preparation technique. • Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. • Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/ second-half sampling. • Whether sample sizes are appropriate to the grain size of the material being sampled.	Composite sampling (~4m intervals) of RC drill samples was by spearing each of the 1m, 2kg triple deck riffle split homogeneous samples in the interval and placing them into a single numbered calico bag. There is no mention as to whether individual meter sample weights differed over the 4m composite range that could bias a composite toward one meter or another when spearing. Each 1m RC homogenised sample is assumed to be of same quantity for combining purposes. At completion of RC holes – the 1m/ 2kg samples were stored at the CST compound in Cloncurry or Lady Annie Operations for future reference.

Criteria	JORC Code explanation	Commentary
Quality of assay data and laboratory tests	• The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. • For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. • Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.	Where RC drill chips have been sent to laboratory for assay (LANC* drilling for example), these were done by a NATA accredited laboratory with results being reported to industry standard. For pXRF analysis of the 4m, 2kg RC spear samples, the machine was set in Geochem mode and at the beginning of each day (or at the beginning of a new field sample area) the following protocols were applied: – 5 x XRF standards (mylar cup): - OREAS standards. – 1x sand blank (mylar cup): - 'SBLANK'. – Analysis of 30 samples. – 5 x XRF standards (mylar cup): - OREAS standards. – 1x sand blank (mylar cup): - 'SBLANK'. – Repeat above process until finished analysis of all samples at end of day. – 5 x XRF standards (mylar cup): - OREAS standards at end of day. – 1x sand blank (mylar cup): - 'SBLANK' at end of day. 5% of the composite 4m, 2kg RC riffle split samples that were analysed at the CST compound in Cloncurry by portable XRF were also sent to a commercial laboratory for a full element analysis, as a check on the portable XRF analysis. The samples were analysed by ME-ICP41 for Ag, Al, As, B, Ba, Be, Bi, Ca, Cd, Co, Cr, Cu, Fe, Ga, Hg, K, La, Mg, Mn, Mo, Na, Ni, P, Pb, S, Sb, Sc, Sr, Th, Ti, Tl, U, V, W, Zn. Where Cu by ME-ICP was greater than 0.3% the sample was then analysed by OG46.

Criteria	JORC Code explanation	Commentary
Verification of sampling and assaying	• The verification of significant intersections by either independent or alternative company personnel. • The use of twinned holes. • Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. • Discuss any adjustment to assay data.	The project data is held in digital format. There have been no adjustments to the assay data as received from ALS laboratories. Corrections were applied to pXRF assay results using software and laboratory assay baselines. CSIRO has configured a spreadsheet for CST to run on all pXRF assay batches to correct the raw data to the laboratory standards for each batch. This is achieved by: – A basic assessment of the pXRF data quality and repeatability in any given analytical batch. – Calculating correction factors for a sub-set of analysed elements such that all data collected by CST over time can be compared with confidence. – This process will correct machine 'drift' over time. Results were run through a QAQC checker spreadsheet that has been set up for CST by CSIRO. This serves the purposes of: • A basic assessment of the pXRF data quality and repeatability in any given analytical batch. • Calculating correction factors for a sub-set of analysed elements such that all data collected by CST over time can be compared with confidence. The "correction" is determined where: Y= MX+C (where Y = corrected value, M= factor, X = raw value, C= offset). M is calculated individually for each element in each batch using the QAQC checker spreadsheet. For many of the elements the regression has been pre-set through to pass through the origin which means that C=0. Use of IOGAS Software for Assay Validation and Analysis CSIRO set up the IoGas software package for CST that allows for a rapid and accurate analysis of the large multi-element assay datasets returned from the pXR and commercial laboratories. – IoGas compares the pXRF results with the CST standards and blanks. – IoGas compares the results and standards of the pXRF 5% check samples (4m, 2kg RC spear samples) sent to the commercial laboratory with the original pXRF samples. – IoGas highlights anomalous assay results for all the elements returned from the pXRF analysis or commercial laboratory analysis of RAB/AC/RC samples at the following levels, set by CST.

Criteria	JORC Code explanation	Commentary
Location of data points	• Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. • Specification of the grid system used. • Quality and adequacy of topographic control.	The documented drill hole collar locations were set out using GPS and recorded X,Y to the nearest meter. Collar elevations were recorded to the nearest 10mm, however the method for acquiring the higher accuracy 'Z' elevation data is not known. Hole azimuths were set out by hand held compass from surface and followed by reflex surveys every 50m down hole where possible. Results are reported in the MGA94 Zone 54 Grid system. Reference is made to drilling below the Neptune Mine workings further verifying the location of drill collars.
Data spacing and distribution	• Data spacing for reporting of Exploration Results. • Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. • Whether sample compositing has been applied.	CST drilling at both Neptune and Barretts Bend was at an early stage, with drillholes targeting old workings or geochemical anomalies. Data spacing at this stage is insufficient to establish the continuity required for a Mineral Resource estimate. Assay data was composited both physically in field (4m interval composites from the rig), additional to multi sample amalgamation (multiples of 4m sections) to report final drill hole grade intercepts.
Orientation of data in relation to geological structure	• Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. • If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	Drill holes at Neptune have been oriented perpendicular to the Hardway Granite and Leichhard Volcanics sheared contact. Drilling at Barretts Bend is also oriented perpendicular to lithological contacts and known structure. The relationship between the drilling orientation and the orientation of the minerlised structures is not considered to have introduced a sampling bias.
Sample security	• The measures taken to ensure sample security.	At completion of all RC holes – the 1m 2kg samples were stored at the CST compound in Cloncurry or at the Lady Annie exploration yard for future reference. No information is available about chain of custody processes.
Audits or reviews	• The results of any audits or reviews of sampling techniques and data.	No audits or reviews of sampling techniques and data have been carried out.

Section 2 Reporting of Exploration Results (Criteria listed in the previous section also apply to this section)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. • The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	The Neptune prospect lies wholly within EPM 25515 which is 100% held by Austral Resources Exploration Pty Ltd. EPM 25515 was granted on the 2nd April 2015 and has an expiry date of 1st April 2022. The Barretts Bend prospect lies wholly within EPM 17789 which is 100% held by Austral Resources Lady Annie Pty Ltd. EPM 17789 was granted on 7th October 2011 and has an expiry date of 6th October 2022. The Lady Agnes South prospect is located on EPM 16243 which is 100% owned by Austral Resources Lady Annie Pty Ltd. EPM 16243 was granted on 11th January 2010 and has an expiry date of 10th January 2024. The tenements are all in good standing and no known impediments exist.
Exploration done by other parties	• Acknowledgment and appraisal of exploration by other parties.	Neptune, Barretts Bend and Lady Agnes South projects have had previous exploration work undertaken by multiple companies. The historical work is considered to be of industry standard.
Geology	• Deposit type, geological setting and style of mineralisation.	The Neptune project area occurs within the Mary Kathleen Zone and the Kalkadoon-Leichhardt Belt of the mid-Proterozoic Mount Isa Inlier. The stratigraphic succession within the area includes Magna Lynn Metabasalt, Argylla Formation, Ballara Quartzite, Corella Formation and Mount Philp Breccia/Agglomerate, intruded by the Wonga Batholith and meta-dolerites of various ages. During the Isan orogeny, these rocks were deformed by an early extensional phase (D1), followed by an east-west directed compressional phase (D2) and finally a late period of faulting (D3). Known gold and/or base metal mineralisation within the Mary Kathleen Zone includes shear and fault-controlled vein copper-gold mineralisation, Tick Hill-style gold-only mineralisation, and stratiform, sediment-hosted lead-zinc-silver mineralisation at Dugald River. Barrets Bend and Lady Agnes South are part of the Lady Annie project. The Paradise Creek Formation and the Gunpowder Creek Formation of the Lower McNamara Group are the principal stratigraphic hosts of the copper mineralisation of the Lady Annie Copper Project. The Lower McNamara consists of basal, coarse clastic rocks which become finer upwards and are overlain by a thick sequence of dolomitic siltstones, dolomitic sandstones and dolomite with an occasional phase of quartz-clastic sedimentation. Chert horizons are common and occasionally there are thin (<50 mm) tuff horizons. Original structural patterns during sedimentation of Cover Sequence 3 were made up of northwest to north-northwest transfer faults in combination with northeast to east-northeast rift structures. Overprinting by the Isan Orogeny began with east-west compression causing progressive activation of a wrench fault network on the northeast and northwest structures. Later shortening was accommodated by thrust movement on north-south faults and refolding of early folds by later structures. The prospects have been identified as a sparsely drilled, large soil anomalies with high potential for a large oxide deposit.

Criteria	JORC Code explanation	Commentary
Drill hole Information	• A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: – easting and northing of the drill hole collar – elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar – dip and azimuth of the hole – down hole length and interception depth – hole length. • If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	Detailed information on the historical drilling at the Neptune and Barretts Bend prospects are given in the body of the report.
Data aggregation methods	• In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. • Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. • The assumptions used for any reporting of metal equivalent values should be clearly stated.	The drill intercepts within the report are on a length weighted basis. No high-grade cuts have been applied to the tabled intersections. The procedure for aggregation of drill intercept grade has not been documented. No metal equivalents are used or presented.

Criteria	JORC Code explanation	Commentary
Relationship between mineralisation widths and intercept lengths	• These relationships are particularly important in the reporting of Exploration Results. • If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. • If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').	Drilling is generally perpendicular to the structure and angled at 50o to 60o to a major shear contact and mapped veins. The true width of intercepted structures is currently unknown.
Diagrams	• Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	Maps and sections are presented in the body of the report.
Balanced reporting	• Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	No new drilling has been completed by Austral Resources. The drilling reported is considered indicative only. Widths drilled but not reported with grade are considered to have no meaningful grade.
Other substantive exploration data	• Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	Other exploration data, where meaningful and material, has been included in the body of the report.

Criteria	JORC Code explanation	Commentary
Further work	• The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). • Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	Austral Resources plans to carry out the following exploration programmes: • Four targets from Glenn Beers review are within EPM 25515, CAMR20-03, CAMR20-04, CAMR20-05 and CAMR20-06. CAMR20-03 and CAMR20-04 are about Neptune Prospect. Here it is proposed to undertake infill surface soil/termite sampling, surface geophysical surveys (IP/EM) and RC drilling to 80m. • Targets CAMR20-05 and CAMR20-06 are linear zones of old working that are to be tested by surface soil/termite sampling (400m spacing). • Continue collaboration with the GSQ on the “critical minerals” project. • Use UAV technology to develop high quality photo images and digital terrain models to upgrade the quality of geological maps and interpretations. These high resolution images and DTM models will be used to help map the faults in the region as well as identify any outcrop to be field checked. Priority area for UAV survey is in the area between the Lost Weekend and Neptune prospects. At Barretts Bend further soils are planned along with surface mapping to better identify the structural setting to enable the generation of drill targets. At Lady Agnes further soils are planned to infill and validate historical geochemistry.

Section 5.

Investment Risks

5.1. Introduction

As with any equities investment, there are risks involved with operating a Company that may impact its share price and liquidity. This Section 5 seeks to identify the major areas of risk associated with the Company, but should not be viewed as an exhaustive list of all risk factors to which the Company and its Shareholders are exposed.

Potential investors should be aware that the risks outlined in Section 1 and this section 5 should be considered in conjunction with the other information in this Prospectus. In deciding whether or not to invest in the Company, potential investors should read this Prospectus in its entirety and consult their professional advisors before deciding whether to apply for Shares.

5.2. Specific Risks

In addition to the general market and economic risks noted in Section 5.3, investors should be aware of the risks specific to an investment in the Company. The major risks are described below.

(a) Mine development

Possible future development of a mining operation at any of the Company's projects including the Anthill Project is dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services.

If the Company commences production, its operations may be disrupted by a variety of risks and hazards which are beyond its control, including environmental hazards, industrial accidents, technical failures, labour disputes, unusual or unexpected rock formations, flooding and extended interruptions due to inclement of hazardous weather conditions and fires, explosions or accidents. No assurance can be given that the Company will achieve commercial viability through the development or mining of its projects and treatment of ore.

(b) 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. Given that both production levels and operating costs are susceptible to external factors, some of which are beyond the control of the Company, its Board and executive, no assurance can be given that adverse operating conditions will not impact on Austral's operations, financial performance or position.

(c) Increase in costs

Austral's business, operating and financial performance may be affected by increased cost of production inputs and consumables (such as fuel, water, acid and other chemicals) and capital costs, some of which are outside of the Company's control and may exceed the Company's future estimates.

The Company intends upon mitigating risks associated with potential increase in production costs by agreeing with third parties on, where possible, long term fixed price contracts and where applicable, hedging arrangements to limit further exposure. However, no guarantee can be given that such arrangements will be secured at commercially acceptable rates or at all.

(d) 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 exploration licences. Mineral exploration and mine 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. The circumstances in which a mineral deposit becomes or remains commercially viable depends on a number of factors. These include the particular attributes of the deposit, such as size, concentration and proximity to infrastructure as well as external factors such as development costs, supply and demand. This, along with other factors such as maintaining title to tenements and consents, commissioning and operating of projects and processing facilities may result in projects not being developed, or operations becoming unprofitable.

Furthermore, while the Company has confidence in its existing projects, should those projects not prove profitable and the Company is unable to secure new exploration and mining areas and resources, there could be a material adverse effect on the Company's prospects for copper exploration and its success in the future.

(e) Reserves and resource estimates

The Ore Reserves estimates set out in this Prospectus represent 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.

However, reserve and resource estimates are expressions of judgment based on knowledge, experience and industry practice and the Joint Ore Reserve Committee code. These estimates are imprecise and depend to some extent on interpretations, which may ultimately prove to be inaccurate and require adjustment or, even if valid when originally calculated, may alter significantly when new information or techniques become available. As further information becomes available through additional drilling and analysis the estimates are likely to change. Any adjustments to reserves could affect the Company's exploration and development plans which may, in turn, affect the Company'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.

For example, Austral experienced discrepancies in the estimated grade and tonnage in mining copper oxide deposits at the Lady Annie Operation. In 2020 the mine plan based on Ore Reserves for the Lady Brenda West pit contained 724,614t or ore grading 0.64% Cu for 4,655t of copper metal. The grade control model for the same pit contained 549,622t of ore grading 0.99% Cu for 5,480t of metal and after reconciliation the final mined figure was 520,604t grading 0.93%Cu for 4,844t of copper metal. The reconciliation of ore mined against the ore reserve was positive due to the higher than estimated grade of the deposit and the ability to selectively mine the deposit efficiently. The Lady Brenda East pit contained a pre mining Ore Reserve of 251,974t grading 0.63% Cu for 1,595t of copper metal. The grade control model for the pit estimated 168,134t of ore grading 0.77% Cu for 1,302t of copper metal. The final mined figure was 168,916t of ore grading 0.71% Cu for 1,198t of copper metal. The Lady Brenda East pit produced a negative reconciliation, despite producing a higher grade, primarily because of an error in the geological modelling of the ore zone towards the bottom of the pit.

(f) Yellow Gear will remain a major shareholder

Following Completion of the Offer, Yellow Gear will hold 52.79% of the issued capital of the Company. This will make Yellow Gear the largest Shareholder. In addition, Yellow Gear will be represented on the board by the Executive Director (Dan Jauncey). Consequently Yellow Gear will be in a position to exercise influence in relation to matters requiring Shareholder approval (including the constitution of the Board of Directors) and to influence the outcome of any offer for the Shares or other similar transactions.

There is no guarantee that the interests of Yellow Gear will always align with the interests of the Company and its other Shareholders, and this may adversely affect the price of the Shares and other Shareholders. Yellow Gear's retained holding of Shares may also reduce the liquidity of trading in the Shares.

Yellow Gear is subject to ASX imposed escrow arrangements in relation to a significant number of its Shares, the details of which are set out in Section 13.2. The absence of any sale of these Shares during the relevant escrow period may cause, or contribute to, limited liquidity in the market for the Shares. This could affect the prevailing market price at which Shareholders are able to sell their Shares. If illiquidity arises, there is a risk that Shareholders will be unable to realise their investment in the Company.

On expiration of any escrow period, a significant sale of Shares by Yellow Gear, or the perception that such sales might occur, could adversely affect the market price for the Shares. Alternatively, the absence of any sale of Shares by Yellow Gear in the period following the relevant escrow period may cause or contribute to a diminution in the liquidity of the market for the Shares.

(g) Contractual risks

Austral is a party to various contracts and will enter into additional contractual arrangements to successfully develop the Anthill Project, including those set forth in Section 12. For example, the Company intends to engage a third party to undertake the mining services for the commercialisation of and operation of the processing plant and associated facilities for the Anthill Project development. Whilst Austral will have various contractual rights in the event of non-compliance by a contracting party, no assurance can be given that all contracts to which Austral is a party will be fully performed by all contracting parties. Additionally, no assurance can be given that if a contracting party does not comply with any contractual provisions, Austral will be successful in securing compliance. Any failure to secure timely compliance or substitution of key contracts may result in the operations of Austral being disrupted which could have a material adverse effect on its operations and financial performance.

(h) Access to utilities

Austral's mining activities rely on a significant quantity of power and water for mining and extraction activities, processing, and related support facilities. Water usage requires appropriate permits, which are granted by government authorities where Austral operates. Water permits are temporal and subject to usage and other conditions. Any change or effect on permitted allocation may affect Austral's operations and financial performance generally. Austral has sought to secure its power supply to the Anthill Project after entering into an agreement with Aggreko for the term of the Anthill project to maintain and supply 4.5MW. Additionally, Aggreko shall provide redundancy capacity of 1(N+1) spare generator at the Power Station throughout the Electricity Power Supply Term to be used for breakdowns, and during service and maintenance of the Power Station. Any failure or interruption to secure the necessary levels of power and water on commercially acceptable terms may affect Austral's development programme, production levels and operations generally which could adversely impact its financial performance and future prospects.

(i) Equipment failure

Austral's mining and processing operations are susceptible to equipment failure. The occurrence of any such failure or interruption may interrupt Austral's operations or delay Austral's production programme due to rectification or replacement of equipment. For example, in November 2020 a blown transformer at an electric substation caused by a reptile infiltration resulted in equipment damage and loss of power to the Company's mine. While Austral will seek to institute and maintain business interruption insurance, there is no guarantee that each incidence of equipment failure or business interruption will be covered by those policies or those policies can be secured on commercially acceptable terms. Any delay in production arising from such equipment failure may adversely affect the performance of the Austral operations.

(j) Infrastructure risk

Austral's mining, processing and development activities rely on critical infrastructure such as road and port access. For example, Austral's access to its Anthill Project is secured pursuant to the Tenement and Road Access Agreement (which is summarised in Section 12.6). Any dispute for failure to comply with the obligations under the Road Access Agreement could affect the access and availability of this

road. In addition, a number of general factors could affect critical infrastructure and transport services, including third party contractual dispute, weather, global pandemics, infrastructure interruption, rail or port capacity, industrial action, commercial disputes, terrorist attacks, cyberattacks or other force majeure events.

The occurrence of any such disruptions may affect Austral's ability to deliver its copper product to third parties which could result in contractual breach and a corresponding impact on its financial performance and goodwill and reputation with contract counterparties. For example, any failure of Austral's third party transportation and logistics contracts to transport its copper product will affect its ability to discharge its obligations under any offtake arrangements it may affect at the time of delivery of its products and affect its operations and financial performance generally.

(k) Environmental risks

The Company'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.

These laws and regulations set standards regulating certain aspects of health and environmental quality and provide for penalties and other liabilities for the violation of such standards. They also establish, in certain circumstances, obligations to rehabilitate current and former facilities and locations where operations are or were conducted.

As with most development and exploration projects operations, the Company's activities are expected to have an impact on the environment. Significant liability could be imposed on the Company 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 Company, or non-compliance with environmental laws or regulations. It is the Company's intention to minimise this risk by conducting its activities to the highest standard of environmental obligation, including compliance with all environmental laws and where possible, by carrying appropriate insurance coverage.

There is also a risk that the environmental laws and regulations may become more onerous, making the Company's operations more expensive. Amendments to current laws, regulations and permits governing operations and activities of copper companies, or a more stringent implementation or enforcement, could have a material adverse impact on the Company and cause increases in exploration expenses, capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new properties.

(l) Rehabilitation cost risk

Austral makes provision in its financial statements for future rehabilitation and remediation costs. Estimating the likely quantum of such costs is uncertain and requires the use of assumptions as to mine life, mine processes, and future rehabilitation and closure costs. As such, no assurance can be given as to the accuracy of Austral's current provisions for future rehabilitation and closure costs, and actual costs may be substantially greater.

Austral's projects operate in Queensland. As a condition of undertaking mining operations, the Queensland government requires Austral to provide a guarantee against future rehabilitation and closure liability, in the form of a performance bond or bank guarantee. The quantum of the surety is determined by the Queensland government regulatory authority, as is required to be based on an assessment of potential disturbance and contamination, and other criteria determined by the regulatory authority. This assessment and resultant determination may result in an increase in the quantum of the surety which would impact Austral's liquidity and financial position generally.

(m) Ore Reserve depletion

Austral's Ore Reserves will reduce through mining operations, and Austral's medium to long term financial performance and viability will require it to supplement and increase its resources and Ore reserves through exploration, increasing the resource status of its known resources or capital investment in alternate but commercially viable extraction methods.

(n) Debt covenant compliance

The Wingate Facility Agreement summarised in Section 12.12 contains covenants linked to the operating and financial performance of Austral. Any further debt facilities required to be entered into by Austral will likely contain similar debt covenants. A failure by Austral to achieve its financial objectives may result in Austral breaching a debt covenant. Any breach of debt covenant, which is incapable of curing, rectification or otherwise waived by Wingate (or any other lender under any future debt facility), may give rise to an event of default under the debt facility. An event of default under a debt facility would trigger an accelerated payment of any outstanding amount. Any accelerated payment of any drawn amount which is unable to be sourced from cash reserves or alternate debt facilities, will affect the financial status of Austral and its operations generally.

(o) Hedging risk

Under the Wingate Loan, Austral is required to engage in certain hedging activities (setting the exchange rates and price of copper forward contracts) to reduce risks associated with currency and copper price volatility reducing cashflows. Any hedging which results in Austral losing the benefit of any price increase in currency or commodity prices (if it is above the level of the Austral hedge position), will have a corresponding opportunity cost on Austral's financial performance.

(p) Title Risk

The exploration and mining permits in which the Company has now, or may, in the future, acquire an interest, are subject to the applicable local laws and regulations. There is no guarantee that any permits, applications or conversions in which the Company has a current or potential interest will be granted.

All of the projects in which the Company has an interest will be subject to application for permit renewal from time to time. Renewal of the term of each permit is subject to applicable legislation. If the permit is not renewed for any reason, the Company may suffer significant damage through loss of the opportunity to develop and discover any mineral resources on that permit.

Although the Company has taken steps to verify the title to the resource properties in which it has or has a right to acquire an interest, in accordance with industry standards for the current stage of exploration and mining of such properties, these procedures do not guarantee title. Title to resource properties may be subject to unregistered prior agreements or transfers, and may also be affected by undetected defects or other stakeholder rights.

(q) Native Title

The tenements which the Company has an interest in or will in the future acquire such an interest, may be areas over which legitimate common law native title rights of Aboriginal Australians exist. If native title rights do exist, the ability of the Company to gain access to tenements (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and mining phases of operations may be adversely affected.

All exploration tenements owned by the Austral Group are subject to native title agreements with either Kalkadoon Native Title Aboriginal Corporation (**KNTAC**) or Indjalandji – Dhidhanu Aboriginal Corporation (**IDAC**). All the exploration tenements have been granted either with Native Title Protection Conditions (**NTPCs**) or an agreement has been reached with the native title party under a Section 31 deed.

All mining leases owned by the Company are subject to a native title agreement with KNTAC. The Anthill mining lease is also subject to a native title agreement with IDAC.

Refer to the Solicitor's Report on Tenements in Section 8 of this Prospectus for further details.

(r) Changes in commodity price

The Company'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 Company's potential future earnings will likely be closely related to the price of copper.

Copper prices fluctuate and are affected by numerous industry factors including demand for the resource, forward selling by producers, production cost levels in major producing regions and macroeconomic factors, e.g. inflation, interest rates, currency exchange rates and global and regional demand for, and supply of, copper. The Company is seeking to mitigate copper price fluctuation by seeking to engage in hedging arrangements over a percentage of its proposed production level. However, there is no guarantee that such hedging arrangements will be able to be entered into on acceptable commercial terms to the Company or at all. If the Company 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 Company would experience losses and could have to curtail or suspend some or all of its proposed activities. In such circumstances, the Company would also have to assess the economic impact of any sustained lower commodity prices on recoverability.

(s) Failure to satisfy expenditure commitments and licence conditions

The Company's current tenement suite is located in Queensland. Interests in tenements in Queensland are governed by the mining acts and regulations that are current in that jurisdiction and are evidenced by the granting of licences or leases. Each licence or lease is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to or its interest in the Tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments.

Refer to the Solicitor's Report on Tenements in Section 8 of this Prospectus for further details of the applicable licence conditions.

(t) Competition

The Company will compete with other companies, including major copper production companies. Some of these companies have greater financial and other resources than the Company and, as a result, may be in a better position to compete for future business opportunities. There can be no assurance that the Company can compete effectively with these companies.

(u) Financing

Austral has finite financial resources and, presently has no significant excess cash flow from producing assets. On completion of the Offer, Austral anticipates having sufficient financial resources from debt funding and proceeds raised from the Offer to develop and commercialise Austral's Anthill Project. However, the Company may require additional financing in order to carry out its exploration and development activities or cover any unforeseen increases in development or production costs associated with the Anthill Project.

Austral's ability to effectively implement its business strategy over time may depend in part on its ability to raise additional funds. For example, under the Wingate Facility Agreement, Austral is required to hold a certain minimum cash balance prior to any payment to Top Gallery under the Anthill Production Agreement and generally throughout the term of that facility. If the financial performance of Austral is not sufficient to maintain the prescribed cash levels, Austral will be required to raise additional equity or debt. There can be no assurance that any such equity or debt funding will be available to Austral on favourable terms or at all. Failure to obtain appropriate financing on a timely basis could cause Austral to be in breach of its financial covenants under the Wingate Facility Agreement and have an impaired ability to expend the capital necessary to undertake or complete drilling programs, forfeit its interests in certain properties, and reduce or terminate its operations entirely. If Austral raises additional funds through the issue of equity securities, this will result in dilution to the existing shareholders and/or a change of control at Austral.

(v) Exchange rate risk

The revenues, earnings, assets and liabilities of the Company may be exposed adversely to exchange rate fluctuations. The Company's revenue may be denominated in Australian Dollars or a foreign currency, such as United States Dollars. As a result, fluctuations in exchange rates could result in unanticipated and material fluctuations in the financial results of the Company.

(w) Industrial risk

Industrial disruptions, work stoppages and accidents in the course of the Company's operations could result in losses and delays, which may adversely affect Austral's operations and profitability.

(x) Insurance arrangements

The Company intends to ensure that insurance is maintained within ranges of coverage that the Company believes to be consistent with industry practice and having regard to the nature of activities being conducted. No assurance however, can be given that the Company will be able to obtain such insurance coverage at reasonable rates or that any coverage it arranges will be adequate and available to cover any such claims.

Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration, development and production activities is not generally available to the Company or to other companies in the copper industry on acceptable terms. The Company might also become subject to liability for pollution or other hazards that may not be insured against or which the Company may elect not to insure against because of premium costs or other reasons. Losses from these events may cause the Company to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

(y) Land access risk

Austral's projects are located in Queensland. Access to land in Queensland for mining and exploration purposes can be affected by land ownership, including private (freehold) land, pastoral lease and regulatory requirements within the jurisdiction where the Company operates. The Company has entered into a shared road access arrangement for access to the Lady Annie Project and the Anthill Project, and associated infrastructure with a third party under the Road Access Agreement, as described in Section 12 of this Prospectus. Any non-performance non-compliance by or dispute with the contract counterparty could affect the Company's ability to access its projects and associated infrastructure which will affect operations and financial performance generally.

(z) Government policy

Changes in relevant taxation, interest rates, other legal, legislative and administrative regimes, and Government policies in Queensland or at the federal level, may have an adverse effect on the assets, operations and ultimately the financial performance of the Company. These factors may ultimately affect the financial performance of the Company and the market price of its securities.

In addition to the normal level of income tax imposed on all industries, the Company may be required to pay government royalties, indirect taxes, GST and other imposts which generally relate to revenue or cash flows. Industry profitability can be affected by changes in government taxation policies.

Changing attitudes to environmental, land care, cultural heritage, together with the nature of the political process, provide the possibility for future policy changes in Queensland and federally. There is a risk that such changes may affect the Company's exploration and development plans or, indeed, its rights and/or obligations with respect to the tenements.

(aa) Reliance on Key Personnel

The Company has a key team of executives and senior personnel to progress its development, exploration and evaluation programme, within the time frames and within the costs structure as currently envisaged. The timing and costs associated with this programme could be dramatically influenced by the loss of existing key personnel or a failure to secure and retain additional key personnel as the Company's exploration and mining programme develops. The resulting impact from such loss would be dependent upon the quality and timing of the employee's replacement.

Although the key personnel of the Company have a considerable amount of experience and have previously been successful in their pursuits of acquiring, exploring and evaluating resources projects, there is no guarantee or assurance that they will be successful in their objectives pursuant to this Prospectus.

(bb) COVID-19 risks

The novel coronavirus pandemic (**COVID-19**) has and continues to impact global economic markets. Given the continued evolving nature of COVID-19, the nature and extent of the effect of the ongoing COVID-19 and the related impact on commodity prices, the global economy and Austral' performance long term remains unknown. Austral's business and share price may be adversely affected in the short to medium term by future economic uncertainty caused by COVID-19. Austral's existing projects are located within Queensland and are not materially affected in the short term by interstate travel restriction. However, any increase in volatility of COVID-19 cases or government response to COVID-19 may affect Austral's suppliers and shipping contractors (engaged to transport Austral's copper product) to travel and access the Austral project sites and deliver the Austral copper product. This may affect Austral's contractual arrangements (where Austral is unable to rely on force majeure or similar remedies) and its financial performance generally, which could have an adverse impact on Austral's production levels and overall financial performance. Such government measures, as well as actions taken by third parties, including the distribution, effectiveness and acceptance of vaccines, to contain the spread of COVID-19 and mitigate its public health effects, are beyond the control of Austral and difficult to predict.

5.3. General Risks

(a) Liquidity risk

In accordance with the escrow requirements in Chapter 9 of the ASX Listing Rules, at Completion of the Offer a significant number of the Shares on issue will not be able to be traded for a period of 24 months commencing on the date of Quotation.

The Shares issued under the Offer will only be listed on ASX and will not be listed for trading on any other securities exchanges in Australia or elsewhere. As such, there can be no guarantee that an active market will develop or continue, or that the market price of the Shares will increase. If a market does not develop or is not sustained, it may be difficult for investors to sell their Shares. If illiquidity arises, there is a real risk that Shareholders will be unable to realise their investment in the Company.

(b) Investment risk

There are a number of risks associated with any stock market investment. The market price of Shares can be expected to rise and fall in accordance with general market conditions and factors and there can be no certainty that, following listing, an active market for the Shares will develop.

The value of the Shares will be determined by the stock market and will be subject to a range of factors beyond the control of the Company or its Directors. These factors include movements in local and international stock exchanges, local interest rates and exchange rates, domestic and international economic and political conditions, government taxation, market supply, competition and demand and other legal, regulatory or policy changes.

The trading price after listing may also be affected by the financial and operating performance of the Company.

(c) Share Market Risk

The market price of Shares, Options and other securities (including Shares) can be expected to rise and fall in accordance with general market conditions and factors specifically affecting the Australian resources sector and exploration and mining companies in particular.

There are a number of factors (both national and international) that may affect the share market price and neither the Company nor its Directors have control of these factors.

(d) Taxation

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation point of view and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability and responsibility with respect to the taxation consequences of applying for Shares under this Prospectus.

(e) Force majeure events

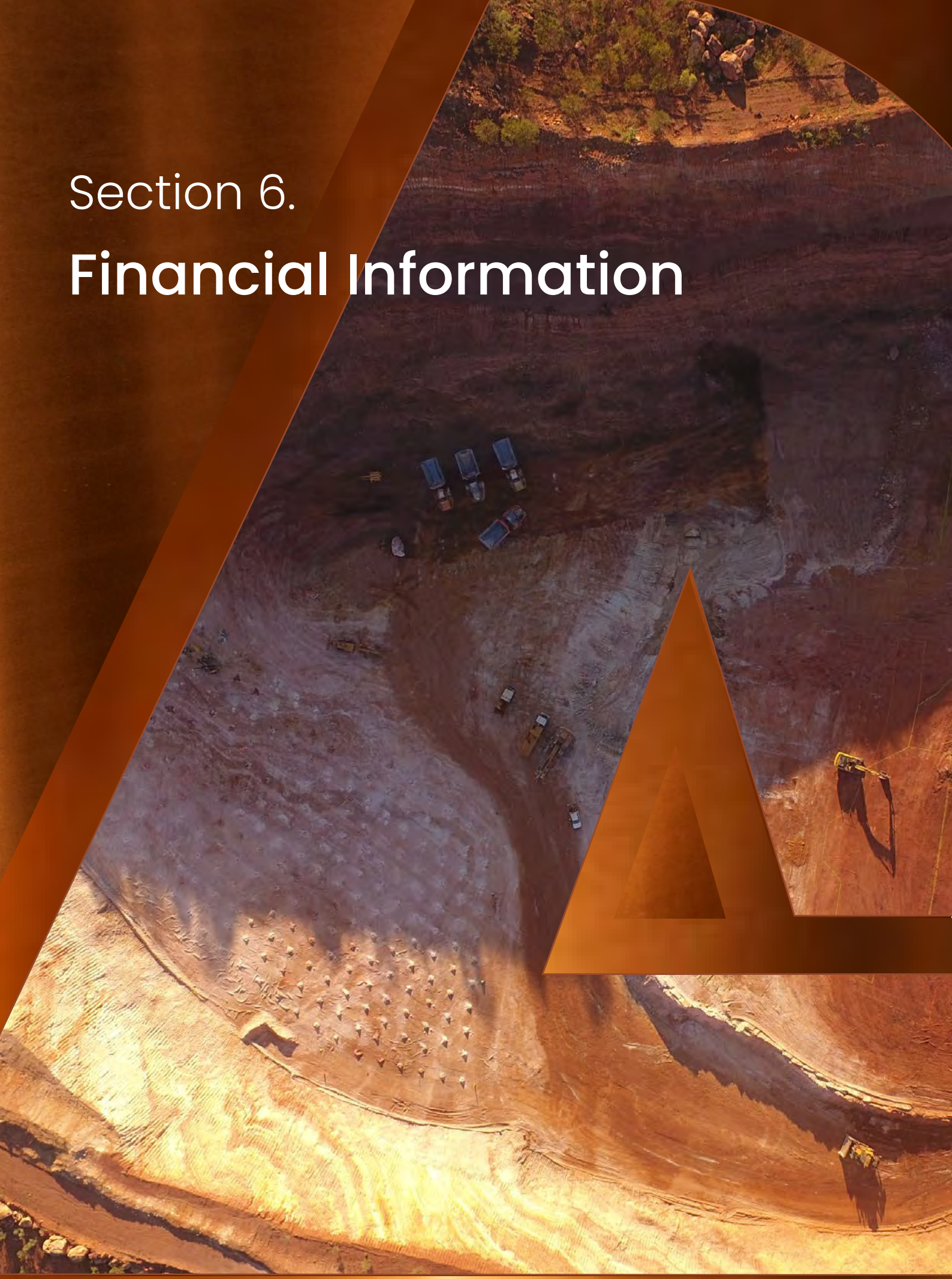
Acts of terrorism, an outbreak of international hostilities, pandemics or fires, floods, earthquakes, labour strikes, civil wars and other natural disasters may cause an adverse change in investor sentiment with respect to the Company specifically or the stock market more generally, which could have a negative impact on the value of an investment in the Shares.

(f) Speculative nature of investment

The above list of risk factors ought not to be taken as an exhaustive list of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may materially affect the financial performance of the Company and the value of the Shares offered under the Offer. The Shares issued under the Offer carry no guarantee in respect of profitability, dividends, return of capital or the price at which they may trade on ASX. Potential investors should therefore consider an investment in the Company as speculative and should consult their professional advisers before deciding whether to apply for Shares under the Offers.

Section 6.

Financial Information



6.1. Introduction

6.1.1 Financial Information

The financial information contained in this Section 6 includes the historical financial information for Austral Resources Australia Limited (Austral Resources) for the financial years ended 31 December 2018 (**FY18**), 31 December 2019 (**FY19**), and 31 December 2020 (**FY20**).

This Section 6 contains a summary of:

- The Historical Statutory Financial Information, comprising:
  - the audited consolidated Historical Statutory Statement of Profit or Loss and Other Comprehensive Income for FY18, FY19 and FY20 (**Historical Statutory Income Statements**);
  - the audited consolidated Historical Statutory Cash Flow Statements for FY18, FY19 and FY20 (**Historical Statutory Cash Flows**); and
  - the audited consolidated Historical Statutory Statement of Financial Position as at 31 December 2020 (**Historical Statutory Statement of Financial Position**), (together, the **Historical Statutory Financial Information**); and
- The Historical Pro Forma Statement of Financial Position, comprising:
  - The unaudited Consolidated Historical Pro Forma Statement of Financial Position as at 31 December 2020 (**Historical Pro Forma Statement of Financial Position**).

The Historical Statutory Financial Information and Historical Pro Forma Statement of Financial Position is together referred to as the "**Financial Information**".

Austral Resources has a 31 December financial year end.

In addition, Section 6 summarises:

- the basis of preparation and presentation of the Financial Information (see Section 6.2);
- information regarding certain non-IFRS financial measures (see Section 6.2.3);
- summary of the Historical Statutory Statement of Profit or Loss and Other Comprehensive Income (see Section 6.3);
- summary of the Historical Statutory Cash Flows (see Section 6.4);
- summary of the Historical Statutory Statement of Financial Position and Historical Pro Forma Statement of Financial Position (see Section 6.5);
- information regarding Austral Resources' liquidity and capital resources (see Section 6.5.1);
- information regarding Austral Resources' contractual obligations, commitments, and contingent liabilities (see Section 6.5.2).
- information regarding Austral Resources' indebtedness and capitalisation (see Section 6.5.3);
- a description of Austral Resources' critical accounting policies (see Section 6.6); and
- Austral Resources' dividend policy (see Section 6.7).

Other key section references which relate to this Section 6 are:

- the description of the uses of the proceeds of the Offer, described in Section 2.4;
- the Independent Limited Assurance Report, set out in Section 9; and
- the indicative capital structure described in Section 2.5.

The information in this Section 6 should also be read in conjunction with the risk factors set out in Section 5 and other information contained in this Prospectus.

All amounts disclosed in this Section 6 are presented in Australian dollars (AUD) and, unless otherwise noted, are rounded to the nearest thousand. Some numerical figures included in this Prospectus have been subject to rounding adjustments. Any differences between totals and sums of components in figures or tables contained in this Prospectus are due to rounding.

Refer to Section 10.9 for a summary of the related party transactions.

6.2. Basis of preparation and presentation of the Financial Information

6.2.1 Overview and preparation and presentation of the Historical Financial Information

The Directors are responsible for the preparation and presentation of the Financial Information.

The Financial Information included in this Prospectus is intended to present potential investors with information to assist them in understanding the underlying historical financial performance, cash flow and financial position of Austral Resources.

Given the fact that Austral Resources has historically been loss making, there are significant uncertainties associated with forecasting the future revenues and expenses of the Company. On this basis, the Directors believe that there is no reasonable basis for the inclusion of financial forecasts in the Prospectus.

The Historical Statutory Financial Information has been prepared in accordance with the recognition and measurement principles of Australian equivalents to International Financial Reporting Standards (**IFRS**) issued by the Australian Accounting Standards Board. Following the listing, the Company will continue to report under IFRS and report in AUD, which is its elected presentation currency. Austral Resources' significant accounting policies are described in Annexure A, to this Section 6.

The Historical Pro Forma Statement of Financial Position has been prepared in accordance with the recognition and measurement principles of Australian Accounting Standards (**AAS**) and IFRS other than it includes certain adjustments which have been prepared in a manner consistent with AAS and IFRS, that reflect the impact of certain transactions as if they had occurred on or before 31 December 2020.

The Financial Information is presented in an abbreviated form, and it does not include all of the presentation and disclosures, statements or comparative information required by AAS and IFRS and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act.

In addition to the Financial Information, Section 6.2.3 describes certain non-IFRS financial measures that Austral Resources' uses to manage and report on the business that are not defined under or recognised by AAS or IFRS.

The FY18 financial statements were audited by Deloitte Touche Tohmatsu, who issued an unqualified audit opinion with an emphasis of matter for "Basis of accounting" that the financial report has been prepared for the purpose of fulfilling the director's financial reporting responsibilities under the Corporation Act 2001 and as a result, the financial report may not be suitable for another purpose.

The FY19 and FY20 financial statements were audited by RSM Australia Partners. In FY19 a qualified audit report was issued due to the accuracy and completeness of inventory quantities held at 31 December 2019 and 31 December 2018 as the auditor could not attend the stock take. In FY20, a qualified audit report was issued due to the accuracy and completeness of inventory quantities held at 31 December 2020. In addition, and since opening inventories enter into the determination of the financial performance and cash flows and which was a consequence of the FY19 and FY20 audit report qualification, RSM Australia Partners were unable to determine whether adjustments might have been necessary in respect of the income for the year reported in the statement of comprehensive income and the net cash flows from operating activities reported in the statement of cash flows.

Refer to **Section 4.3** for a summary of the current corporate structure.

Independent Limited Assurance Report

The Financial Information (as defined above) has been reviewed by *RSM Corporate Australia Pty Limited in accordance with the Australian Standard on Assurance Engagements ASAE 3450: "Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information"* as stated in its Independent Limited Assurance Report set out in Section 9. Investors should note the scope and limitations of the Independent Limited Assurance Report.

6.2.2 Preparation of the Financial Information

The Financial Information has been presented on both a statutory and a pro forma basis.

The Historical Statutory Financial Information for FY18 has been derived from the FY18 audited special purpose financial statements of Austral Resources.

The Historical Statutory Financial Information for FY19 has been derived from the FY19 audited general purpose financial statements of Austral Resources.

The Historical Statutory Financial Information for FY20 has been derived from the FY20 audited general purpose financial statements of Austral Resources.

The Historical Pro Forma Statement of Financial Position has been prepared for the purpose of inclusion in this Prospectus. The Historical Pro Forma Statement of Financial Position has been derived from the audited Historical Statutory Financial Information of Austral Resources for FY20 and adjusted for the subsequent events and effects of the pro forma adjustments.

Section 6.5, Table 6.9 sets out the subsequent events and pro forma adjustments to the Historical Statutory Statement of Financial Position, and a reconciliation of the Historical Statutory Statement of Financial Position to the Historical Pro Forma Statement of Financial Position. Subsequent events and pro forma adjustments were made to the Historical Statutory Statement of Financial Position to reflect the impact of the Offer and refinancing through the Wingate facility on Austral Resources as if it had occurred as at 31 December 2020.

In preparing the Financial Information, Austral Resources' accounting policies have been consistently applied throughout the periods presented.

Investors should note that past results are not a guarantee of future performance.

Changes in accounting standards

There has been no change in accounting standards over FY18, FY19 and FY20.

Going Concern

The Financial Information has been prepared on a going concern basis, which contemplates continuity of normal business activities and realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial information, Austral Resources incurred a loss of $22.5m and had net cash outflows from operating activities of $23.8m for FY20. As at 31 December 2020, the Company had net liabilities of $285.7m.

The Directors believe that it is reasonably foreseeable that Austral Resources will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial information after consideration of the following factors:

- Yellow Gear Pty Ltd ('the parent') will not request the repayment of the parent loan of $223.8m and corresponding accrued interest of $53.1m as of 31 December 2020 for a period of no less than 12 months from the date of the auditor's report for the Group for FY20;
- The parent will not request the repayment of the working capital loan of $11.2m as at 31 December 2020 for a period of no less than 12 months from the date of the auditor's report for the Group for FY20 unless the Company's planned initial public offering at ASX is successful during the period;
- Austral Resources entered into a debt facility with Win Finance No.359 Pty Ltd for $30 million on 9 August 2021;
- Austral Resources is seeking to raise $30m in equity capital from an Initial Public Offering on the Australian Stock Exchange; and
- Austral Resources has the ability to reduce discretionary spending in its mining and production activities.

6.2.3 Explanation of certain non-IFRS financial measures

To assist in the evaluation of the performance of Austral Resources, certain measures are used to report on the Company that are not recognised under AAS or IFRS. These measures are collectively referred in this Section 6 and under Regulatory Guide 230 *Disclosing Non-IFRS Financial Information* published by ASIC as "non-IFRS financial measures". The principal non-IFRS financial measures that are referred to in this Prospectus are as follows:

- **Net revenue** is revenue from the sale of copper cathode after deducting royalty fees and outbound freight expenses;
- **Gross margin** is net revenue less cost of production (i.e., directly attributable costs of production (mining and processing costs));
- **EBITDAX** is earnings/(losses) before interest (net of finance income), taxation, depreciation and amortisation and development and exploration expenditure;
- **EBITDA** is earnings/(losses) before interest (net of finance income), taxation, depreciation, and amortisation. Management uses EBITDA to evaluate the operating performance of the business without the noncash impact of depreciation, amortisation and before interest and taxation. Austral Resources also calculates an EBITDA margin, which is EBITDA expressed as a percentage of net revenue. EBITDA can be useful to help understand the cash generation potential of the business. EBITDA and EBITDA margin should not be considered as an alternative to measures of cash flow. Under IFRS investors should not consider EBITDA in isolation from, or as a substitute for, an analysis of the results of Austral Resources' operations;
- **EBIT** is earnings/(losses) before interest (net of finance income) and taxation;
- **NLBT** is net loss before tax;
- **NLAT** is net loss after tax attributable to shareholders;
- **Operating cash outflow** is EBITDA after adding back noncash items in EBITDA (e.g., impairment of exploration and evaluation assets) and changes in working capital. Austral Resources uses operating cash flow to indicate the level of operating cash flow generated from EBITDA:
- **Working capital** includes trade and other receivables, inventory, and prepayments less trade and other payables and annual leave provisions; and
- **Other income** primarily includes government subsidies in FY20, as well as the reversal of the onerous electricity contracts in both FY18 and FY19 and changes in the rehabilitation liability (FY19).

6.3. Summary of the Historical Statutory Statement of Profit or Loss and Other Comprehensive Income

Table 6.1 sets outs Austral Resources' Historical Statement of Profit or Loss and other Comprehensive Income for FY18, FY19, and FY20.

Table 6.1: Summary of the Historical Statutory Income Statements

$'000	Note	FY18 Audited	FY19 Audited	FY20 Audited
Net revenue	1	17,996	23,923	23,661
Cost of production	2	(26,576)	(27,917)	(35,496)
Gross margin		**(8,580)**	**(3,995)**	**(11,835)**
Overheads				
Professional fees	3	(405)	(1,398)	(1,908)
Employee related costs	4	(568)	(673)	(1,297)
Administration	5	(108)	(368)	(543)
Property expenses	6	(37)	(42)	(24)
Other operating expenses	7	(349)	(543)	(1,263)
Total overheads		**(1,467)**	**(3,024)**	**(5,036)**
EBITDAX		**(10,047)**	**(7,018)**	**(16,871)**
Tenement and mining lease costs	8	(1,181)	(1,171)	(1,356)
Impairment of exploration and evaluation assets	9	(232)	(77)	–
EBITDA		**(11,459)**	**(8,266)**	**(18,227)**
Depreciation	10	(590)	(681)	(63)
EBIT		**(12,049)**	**(8,947)**	**(18,290)**
Interest expense, net	11	(1,813)	(7,447)	(4,416)
Other income	12	7,649	9,291	175
Other expenses	13	(4,909)	–	–
NLBT		**(11,122)**	**(7,103)**	**(22,531)**
Income tax (expense)/benefit	14	–	–	–
NLAT		**(11,122)**	**(7,103)**	**(22,531)**

Description of the key financial terms

Set out below is a description of the key financial terms used in the presentation of the Historical Financial Information:

1. *Net revenue*: represents revenue from the sale of copper cathode after deducting royalty fees and freight expenses;
2. *Cost of production*: represents the mining and processing costs;
3. *Professional fees*: includes expenses incurred for consultants, audit, and legal advisory;
4. *Employees related costs*: includes salaries, superannuation, payroll tax and other payroll expenses;
5. *Administration*: includes travel expenses and airfares incurred for fly in fly out workers, office supplies, motor vehicle expenses and other miscellaneous expenses;
6. *Property expenses*: relates to the rent and utilities for the Cairns office;
7. *Other operating expenses*: primarily includes insurance, software, realised foreign exchange gains and losses, catering and other fees and charges;
8. *Tenement and mining lease costs*: relates to exploration permits for minerals and mining lease annual payments which are net of the capitalised exploration and development costs;
9. *Impairment of exploration and evaluation assets*: relates to the impaired exploration and evaluation assets as the capitalised expenditure was not expected to be recovered;
10. *Depreciation*: refers to depreciation of the property, plant, and equipment and is expensed for the production equipment on a straight line basis (25%) or the units of production method and motor vehicles on a straight line basis (25%);
11. *Interest expense, net*: relates to the interest income generated from the term deposits net of the interest expense accrued for the intercompany loan;
12. *Other income*: the provision for electricity has been reversed amounting to $7.4m in FY18, based on a reassessment of the obligation for the onerous portion of the power contract with Mount Isa Mines Ltd. The provision for electricity ($7.7m) has been reversed in FY19 as the Group has utilised the committed purchase volume in FY19, accrued the payment for the unutilised committed purchase volume in FY20, as well as the electricity contract expiring at the end of FY20. FY18 and FY19 other non operating income related to part of the landholder costs charged to Northline Copper Pty Ltd and FY20 other income related to the Australian Taxation Office cash flow boost. In FY19, following an assessment of the rehabilitation provision, an amount of $1.5m was reversed to reflect this liability's fair value;
13. *Other expenses*: FY18 included an additional accrual for the mine rehabilitation costs of $2.6m and copper stock written down ($2.4m) due to the high operational cost as a result of production inefficiency; and
14. *Income tax expense*: as at 31 December 2020, Austral Resources had carried forward tax losses of $182.3m.

Key financial and operating metrics

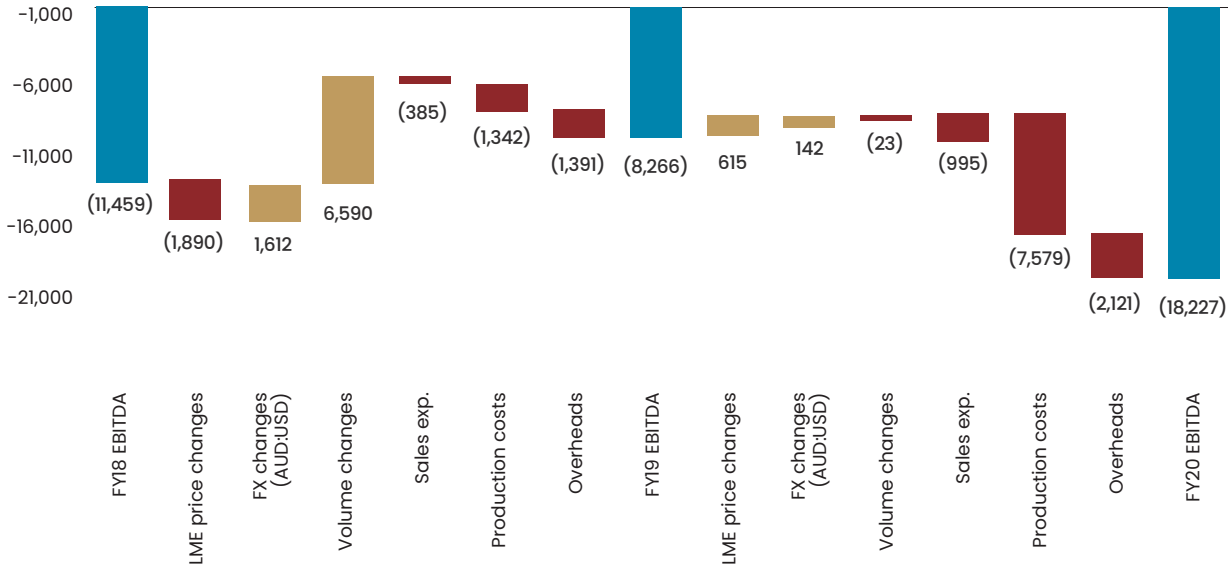
Table 6.2: Summary of the financial metrics

$'000	FY18 Audited	FY19 Audited	FY20 Audited
Net revenue	17,996	23,923	23,661
Gross margin	**(8,580)**	**(3,995)**	**(11,835)**
Gross margin %	*(47.7%)*	*(16.7%)*	*(50.0%)*
EBITDAX	**(10,047)**	**(7,018)**	**(16,871)**
EBITDAX margin %	*(55.8%)*	*(29.3%)*	*(71.3%)*
EBITDA	**(11,459)**	**(8,266)**	**(18,227)**
EBITDA margin %	*(63.7%)*	*(34.6%)*	*(77.0%)*
EBIT	**(12,049)**	**(8,947)**	**(18,290)**
EBIT margin %	*(67.0%)*	*(37.4%)*	*(77.3%)*
NLBT	**(11,122)**	**(7,103)**	**(22,531)**
NLAT	**(11,122)**	**(7,103)**	**(22,531)**

Table 6.3: Summary of the key operating metrics

$'000	FY18	FY19	FY20
Tonnes sold	**2,044**	**2,792**	**2,789**
Average price per tonne ($) (net revenue/tonnes sold)	$8,806	$8,568	$8,483
Cost of production per tonne sold ($)	–$13,004	–$9,999	–$12,726
Gross margin per tonne sold ($)	–$4,198	–$1,431	–$4,243
Net revenue ($'000)	17,996	23,923	23,661
Net revenue growth %	*N/A*	*32.9%*	*(1.1%)*
Cost of production ($'000) (total tonnes sold)	(26,576)	(27,917)	(35,496)
Mining costs per tonne sold ($)			–$8,210
Processing costs per tonne sold ($)			–$4,516
Cost of production per tonne sold ($)	–$13,004	–$9,999	–$12,726
Gross margin ($'000) (total tonnes sold)	(8,580)	(3,995)	(11,835)
Gross margin %	*(47.7%)*	*(16.7%)*	*(50.0%)*
Overheads as a % of net revenue	*8.2%*	*12.5%*	*21.5%*
As at	**31 Dec 18**	**31 Dec 19**	**31 Dec 20**
Headcount (employees)	2	12	45

Figure 1: EBITDA bridge summary



LME = London Metals Index
AUD = Australian dollar
USD = United states dollar
FX = Foreign currency

General factors affecting the historical operating results of Austral Resources

Below is a discussion of the main factors which affected Austral Resources' operations and the relative financial performance in FY18, FY19 and FY20, which Austral Resources expects may continue to affect it in the future. The discussion of these general factors is intended to provide a summary only and does not detail all factors that affected Austral Resources' historical operating and financial performance, nor everything which may affect the Austral Resources' operations and financial performance in the future.

Management discussion and analysis of the historical statement of profit or loss and other comprehensive income

Revenue

The table below provides a breakdown of revenue.

Table 6.4: Summary of revenue (volume and pricing)

$'000	FY18	FY19	FY20
Volume sold (tonnes)	**2,044**	**2,792**	**2,789**
Unit price ($)	$8,806	$8,706	$8,978
Gross revenue ($'000)	**17,996**	**24,308**	**25,042**
Royalty fees	–	(244)	(950)
Freight and other expenses	–	(141)	(430)
Net revenue ($'000)	**17,996**	**23,923**	**23,661**
Unit price ($) per gross revenue	$8,806	$8,706	$8,978
KPIs			
Unit price ($) (net revenue/volume sold)	$8,806	$8,568	$8,483
Royalty fees as a % of gross revenue	–	*1.0%*	*3.8%*
Freight expenses as a % of gross revenue	–	*0.6%*	*1.7%*

FY19 gross revenue increased by $6.3m, mainly due to:

(a) Sale volumes increased from 2,044 tonne in FY18 to 2,792 tonnes in FY19 as a result of the improvement in production efficiency; which was offset by

(b) A slight decrease in the unit price from $8,806 in FY18 to $8,706 in FY19 due to the net impact of the decline in the monthly average LME copper price (USD$6,525 in FY18 vs. USD$6,005 in FY19) and Australian dollar depreciation.

FY20 gross revenue had a slight increase mainly due to the monthly average LME copper price increasing from USD$6,005 in FY19 to USD$6,169 in FY20, with tonnes sold remaining relatively consistent.

Net revenue represents gross revenue after deducting royalty fees charged by the Office of State Revenue on the basis of 3.6% to 3.9% of gross revenue and outbound freight expenses. Northline Copper Pty Ltd (the previous mine contractor) paid the freight and royalty fees on behalf of the Group in FY18 and for three quarters in FY19.

Whilst FY20 gross revenue increased by $734k, FY20 net revenue decreased by $262k, which was attributable to the royalty fee paid to the Office of State Revenue amounting to $950k in FY20.

Figure 2: Price vs. volume analysis

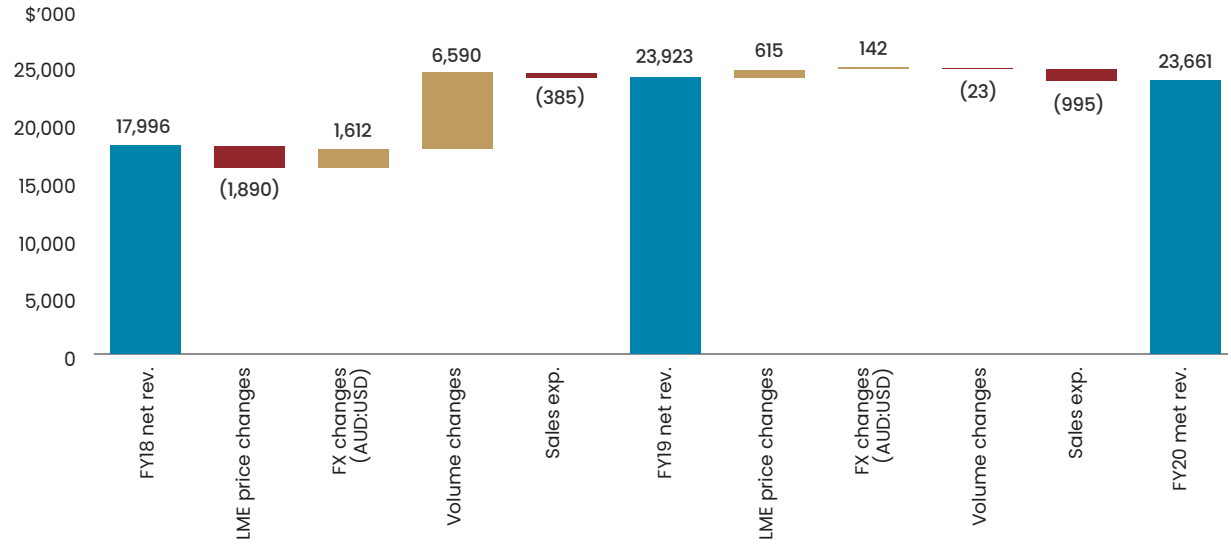
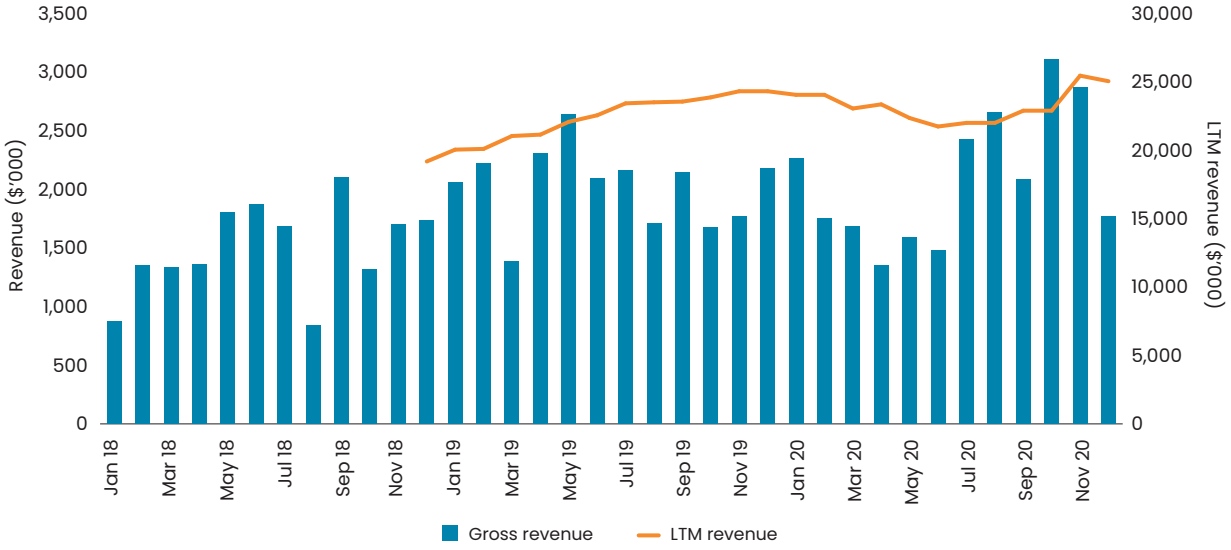


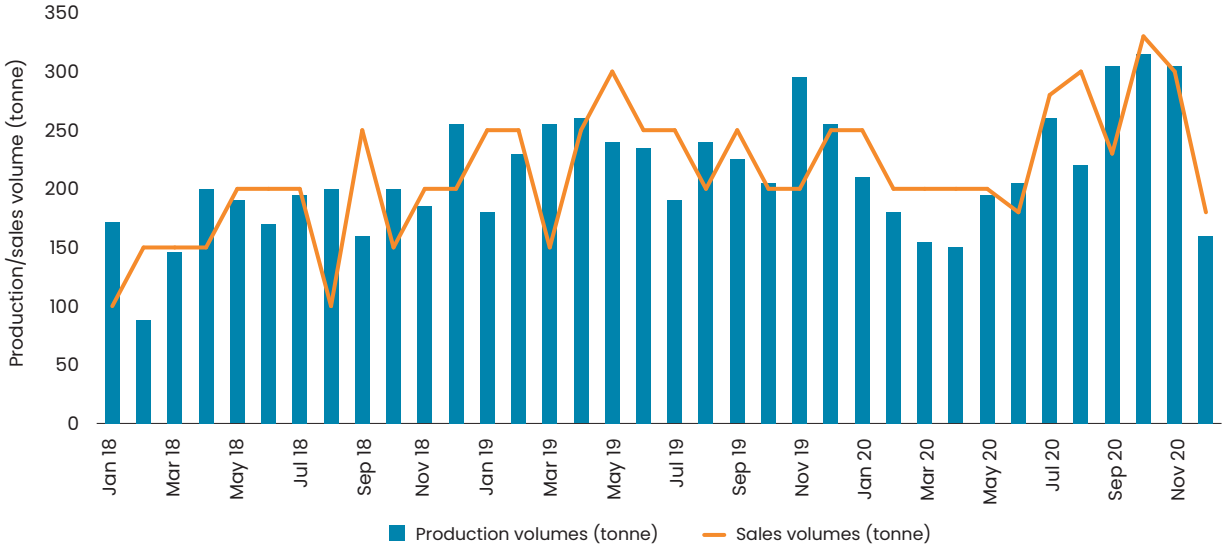
Figure 3: Monthly and LTM gross revenue analysis



LTM = Last twelve months.

Mining exploration is partially affected by the wet weather in North Queensland for the period between November and April. Copper extraction and electrowinning is dependent on the time when the cathode is loaded on the leach pads and stripped.

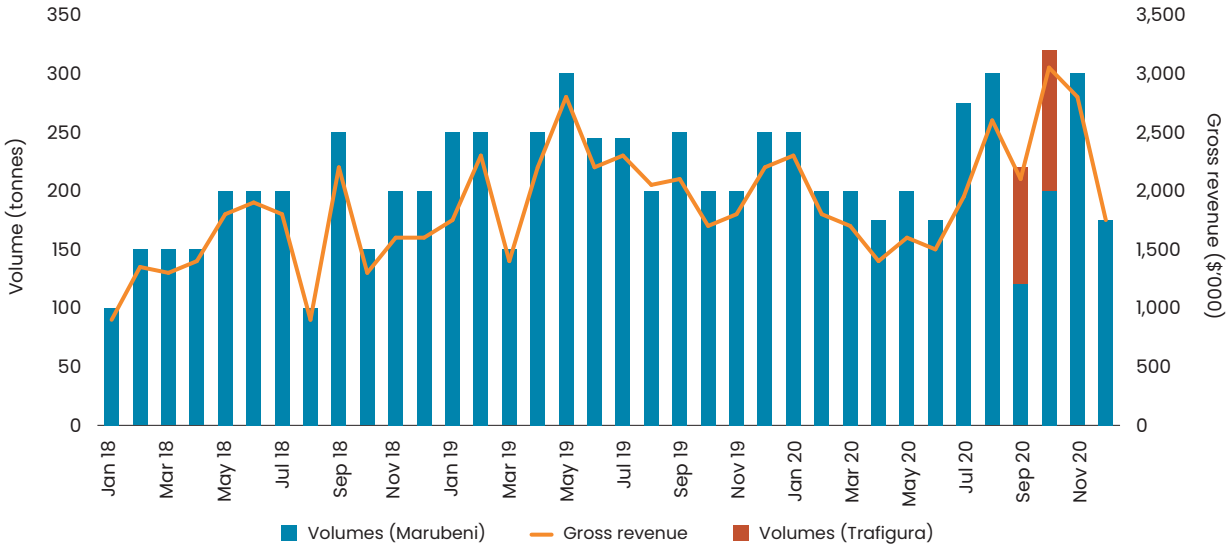
Figure 4: Sales volumes vs. production volumes analysis



Production volume fluctuated from month to month, over FY18 to FY20 ranging from 84 tonnes (February 2018) to 313 tonnes (October 2020).

Austral Resources has primarily derived revenue from the sale of copper cathode to one customer (Marubeni). Sales volumes fluctuated dependent on the production volumes. The unit price paid by Marubeni is based on the monthly average price as quoted by the LME plus a premium. No hedging of the commodity price or FX has been undertaken historically over FY18, FY19 and FY20.

Figure 5: Monthly sale volumes by customer and gross revenue analysis



Austral Resources has a longstanding and producer friendly evergreen offtake agreement with the Marubeni Group (refer to Section 12.14 for a summary of the Marubeni Offtake Agreement) which renews on an annual basis, supplying the Electro-won copper cathode (LME A Grade specification Cu-CATH-land BS EN 1978:1998). The contractual price is the average monthly LME copper price plus a premium. Sales volume ranged from 100 to 550 tonne per month in FY20 (0 to 550 tonne per month in FY19) depending upon Austral Resources production volume. Marubeni commits to a purchase quantity by the 20th day of the month prior to the contractual month of shipment.

In addition, Austral Resources supplied its redundant copper cathode to Trafigura in September and October 2020 with a price based on the average monthly LME copper price plus a premium.

Cost of production

The table below provides a breakdown of the cost of production.

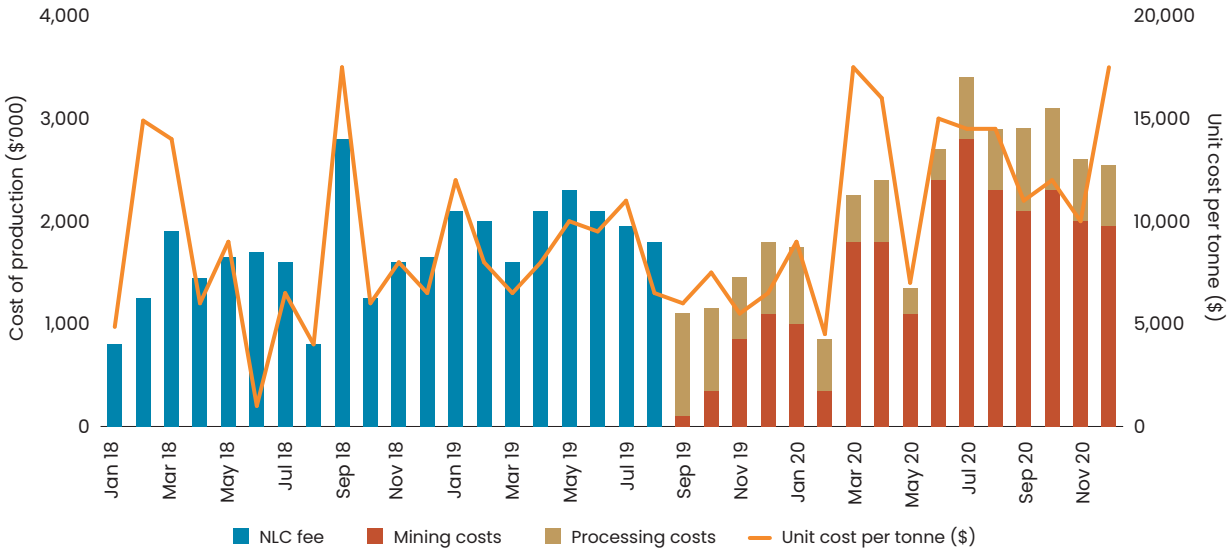
Table 6.5: Summary of the cost of production

	FY18		FY19		FY20	
$'000	COP	%	COP	%	COP	%
NLC service fees	17,787	66.9%	15,875	56.9%	–	–
Mining costs	–	–	2,536	9.1%	22,901	64.5%
Processing costs	8,789	33.1%	9,506	34.1%	12,595	35.5%
Total COP	**26,576**	**100.0%**	**27,917**	**100.0%**	**35,496**	**100.0%**
KPIs						
Tonnes sold	*2,044*		*2,792*		*2,789*	
Mining costs per tonne ($)					*$8,210*	
Processing costs per tonne ($)					*$4,516*	
Unit production costs per tonne($)	***$13,004***		***$9,999***		***$12,726***	

NLC = Northline Copper Pty Ltd

COP = Cost of production

Figure 6: Monthly cost of production analysis



Northline Copper Pty Ltd paid the mining and processing costs on behalf of Austral Resources until September 2019. After this date, Austral Resources recommenced the exploration and production themselves, although Nortline Copper continued to provide mining contractor services albeit on a different pricing arrangement.

In FY20, the mining cost accounted for 64.5% of the total production costs, primarily including:

- Mining services, mainly consisting of equipment hire ($4.8 million), labour hire ($4.5 million), consumables (diesel fuel, $3.4 million) and direct labour costs ($2.8 million);
- Load and haul for the transportation of ore from the site to the Mt Clark ROM ($3.9m);
- Drilling and blasting for the blasting of pit mining ($2.0 million); and
- Geology for the grade control assays performed by a third party.

In FY20, processing costs largely included:

- Processing services paid to Northline Copper Pty Ltd ($2.8 million), electricity costs ($2.3 million), and equipment hire ($535k);
- Heap leaching for the sulphuric acid consumed during the course of leaching ($3.1 million);
- Solvent extraction mainly consists of diluent ($309k) and extractant ($170k) used during the extraction processing;
- R&M (i.e., labour and consumables) for minor processing equipment; and
- Others costs include pumps and water corridor, laboratory expenses, electrowinning, and other miscellaneous costs.

Operating expenses

The table below provides a summary of the overhead cost structure.

Table 6.6: Summary of the overhead cost structure

$'000	FY18 Audited	FY19 Audited	FY20 Audited
Professional fees	405	1,398	1,908
Employee related costs	568	673	1,297
Administration	108	368	543
Property expenses	37	42	24
Other expenses	349	543	1,263
Total	**1,467**	**3,024**	**5,036**
KPIs			
As a % of net revenue			
Professional fees	*2.3%*	*5.8%*	*8.1%*
Employee related costs	*3.2%*	*2.8%*	*5.5%*
Administration	*0.6%*	*1.5%*	*2.3%*
Property expenses	*0.2%*	*0.2%*	*0.1%*
Other expenses	*1.9%*	*2.2%*	*5.4%*
Overheads as a % of net revenue	***8.2%***	***12.5%***	***21.5%***

Professional fees primarily related to consultants, audit, and external legal advisory. The FY20 professional fees mainly included ($565k) for legislation and compliance advisory, ($205k) for capital raising and refinancing services, accounting services provided by an external accountant ($145k), legal ($188k) for legal advice on contract review, employee contract and environmental compliance.

Employee related costs represents all amounts paid in relation to indirect employees.

Administration mainly included travel expenses, office supplies, motor vehicle expenses and other expenses.

Property expenses primarily included the rent and utilities incurred for the Cairns office.

Other operating expenses primarily included insurance, software expenses, realised foreign exchange gains and losses, catering and other fees and charges. FY20 other expenses increased significantly primarily due to an increase in an industrial special risk insurance (previously paid for by Northline Copper Pty Ltd in FY18 and FY19), software for mining operation and the catering in line with the increased headcount.

Employee details

The table below provides a summary of employee by function in FY19 and FY20.

Table 6.7: Summary of FTEs by function

	FY19		FY20	
$'000	Headcount	FTE	Headcount	FTE
Manager/supervisor	2.0	0.4	6.0	4.8
Operator	–	–	15.0	5.5
Technician	–	–	9.0	4.4
Diesel fitter	1.0	0.2	5.0	2.0
Subtotal COP	**3.0**	**0.6**	**35.0**	**16.8**
Management (Managing Director/ CFO)	3.0	1.2	2.0	2.0
Administration	4.0	1.2	6.0	4.0
Finance	2.0	0.7	1.0	0.9
IT	–	–	1.0	0.6
Subtotal overheads	**9.0**	**3.1**	**10.0**	**7.5**
Total	**12.0**	**3.7**	**45.0**	**24.3**

FTE = full time equivalent

Austral Resources outsourced the mining exploration and processing to Northline Copper Pty Ltd before September 2019, therefore, no employees in relation to production were employed in FY18. There were two employees in the Company as at 31 December 2018.

Austral Resources commenced the mine operations themselves from October 2019 and recruited a workshop manager (Sep-19), a diesel fitter (Oct-19), a mobile plant manager (Nov-19) and other administration staff over the second half year of FY19.

FY20 salaries increased primarily due to:

(a) Austral Resources recruited 32 employees (16.2 FTEs) in relation to exploration and production, including managers/supervisors for mine, geology and production, machinery operators, mine geologist and engineer and diesel fitters;

(b) One IT staff and two administration staff joined the Company in FY20; and

(c) The annualisation impact on the salaries of employees recruited in FY19.

6.4. Summary of the Historical Statutory Cash Flows

The table below sets out the Historical Statutory Cash Flows for FY18, FY19 and FY20 which has been disclosed using the indirect method, (i.e reconciling EBITDA to operating cash flows).

Table 6.8: Summary of the Historical Statutory Cash Flows

$'000	FY18 Audited	FY19 Audited	FY20 Audited
Operating cash flows			
EBITDA	**(11,459)**	**(8,266)**	**(18,227)**
Add back non-cash item:			
Impairment of exploration and evaluation assets	232	77	–
Other items			
Other income	206	125	175
Change in trade and other receivables	(2,107)	1,035	326
Change in inventory	3,220	(1,723)	(7,057)
Change in prepayments	263	492	725
Change in trade and other payables	1,395	6,024	271
Net working capital movement	**2,772**	**5,829**	**(5,736)**
Net operating cash outflows	**(8,250)**	**(2,235)**	**(23,787)**
Investing cash flows			
Proceeds from security deposits	3,595	5,622	13,239
Disposal and purchase of PPE	75	(18)	(314)
Payment for exploration and mining assets	(232)	(167)	(149)
Net investing cash inflows	**3,438**	**5,437**	**12,776**
Financing cash flows			
Related party loans[1], proceeds and (repayments)	(3,952)	(8,809)	11,064
Interest income received	1,107	874	254
Net financing cash flows	**(2,845)**	**(7,935)**	**11,318**
Net cash movement	**(7,657)**	**(4,733)**	**307**
Cash at the beginning of the financial period	12,660	5,003	271
Cash at the end of the period	**5,003**	**270**	**577**

1. Related party loans relate to both the working capital and intercompany loan.

PPE = Property, plant and equipment.

Management discussion and analysis of the historical cash flows

Austral Resources has historically been loss making and the Anthill project requires accelerated investment to progress to the stage of full commercialisation. As such, historical operating cash flow has been financed through related party loans.

Net operating cash outflows improved from ($8.3 million) in FY18 to ($2.2 million) in FY19, primarily due to the increase in revenue volume and margin which has flown through to EBITDA which reduced from ($11.5 million) in FY18 to ($8.3 million) in FY19, as well as the net working capital movement. Net operating cash outflows declined significantly in FY20 to ($23.8 million), largely due to the deterioration in EBITDA ($18.2 million), as a result of mining costs being incurred as Austral Resources commenced mining at the remnant site in FY20 themselves as opposed to using a third party contractor, which did not occur in FY18 and FY19.

Net investing cash inflows improved from $3.4 million in FY18 to $12.8 million in FY20, primarily due to the investment in the term deposits reducing. Term deposits act as security for bank guarantees and decreased largely due to a decline in the bank guarantee issued to Mount Isa Mines Ltd as the electricity contract expired at the end of FY20. As at 31 December 2020, the majority of the term deposits related to the financial assurance to the Queensland government in relation to a particular tenement.

FY20 net financing cash inflow was provided by way of a working capital loan (from Dan Jauncey (an Austral Director) to fund Austral Resources working capital and operating losses of $11.1 million.

6.5. Historical Statutory Statement of Financial Position and Historical Pro Forma Statement of Financial Position

Table 6.9 sets out the Historical Statutory Statement of Financial Position of Austral Resources and the subsequent events and pro forma adjustments that have been made to prepare the Historical Pro Forma Statement of Financial Position.

The Historical Pro Forma Statement of Financial Position is provided for illustrative purposes only and is not represented as being necessarily indicative of Austral Resources' view of its financial position upon Completion of the Offer or at a future date. Further information on the sources and uses of funds of the Offer is contained in Section 2.4.

Table 6.9: Consolidated Historical Statutory Statement of Financial Position and Historical Pro Forma Statement of Financial Position as at 31 December 2020

As at 31 December 2020 $'000	Austral Resources Audited	Pro forma
Current assets		
Cash and cash equivalents	577	16,968
Trade and other receivables	2,324	2,459
Inventory	10,327	10,327
Prepayments	104	854
Deposits	31,776	31,776
Total current assets	**45,108**	**62,384**
Non-current assets		
Property, plant and equipment, net	299	299
Exploration and evaluation expenditure	239	239
Total non-current assets	**539**	**539**
Total assets	**45,647**	**62,923**
Current liabilities		
Trade and other payables	10,521	7,321
Annual leave provision	163	163
Related party loans (incl. interest)[1]	288,094	–
Total current liabilities	**298,778**	**7,484**
Non-current liabilities		
Interest bearing liabilities (Wingate facility)	–	27,995
Provision for mine rehabilitation liability	32,521	32,521
Total non-current liabilities	**32,521**	**60,516**
Total liabilities	**331,299**	**68,000**
Net assets	**(285,652)**	**(5,077)**
Equity		
Issued capital	–	44,693
Retained losses	(285,652)	(49,770)
Total equity	**(285,652)**	**(5,077)**

1. Related party loans includes both the intercompany and working capital loans and capitalised interest.

The following transactions and events had not occurred prior to 31 December 2020 but have taken place or will take place on or before the Allotment Date. The pro forma financial information in this Section 6.5 assumes that they occurred on or before 31 December 2020:

Subsequent events:

1. The issue of 10,000,000 ordinary shares at $0.05 per share to the pre IPO investors, amounting to $500k in July 2021, of which $112k was applied to settle a portion of the payable to Kamara Group in consideration of the IPO services undertaken. Each pre IPO investor will receive one free attaching option per share subscribed for and is exercisable at $0.40 with a term of 3 years and which vest upon IPO (Refer to Section 13.3 for a summary of the options);
2. Interest expense accrued and capitalised on the intercompany loan for the period from 1 January 2021 to 30 September 2021, amounting to $3.8 million;
3. Interest expense accrued and capitalised on the working capital loan from Dan Jauncey (an Austral Director), amounting to $1.8 million;
4. Austral Resources has repaid the intercompany loan by a total amount of $750k in May and June 2021;
5. Part of the intercompany loans will be repaid through applying the insurance proceeds (up to a maximum of $2.0 million) arising from an insurance claim made by Austral Resources attributable to fire damage which occured in November 2020. Refer to Section 12.17 for a summary of the repayment of the intercompany loan and working capital loan;
6. Austral Resources has agreed to pay the remaining Anthill Production Payment to Top Gallery of $4.0 million which will be settled via the intercompany loan. The total Anthill Production Payment was $5.0 million, of which $1.0 million has already been paid, $1.3 million will be paid on or before 31 March 2022, $1.3 million will be paid on or before 31 May 2022 and $1.4 million will be paid on or before 19 July 2022. Refer to Section 12.9 for a summary of the Anthill Production Payment Agreement and Section 12.17 for a summary of the repayment of the intercompany loan and working capital loan;
7. Part of the intercompany and the working capital loans has been converted to ordinary shares or forgiven, including:
   (a) $13.3 million of the intercompany loan has been converted to 265,652,706 ordinary shares at an issue price of $0.05 per share and issued to Yellow Gear prior to the IPO. Refer to Section 12.17 for a summary of the repayment of the intercompany loan and working capital loan;
   (b) $3.0 million of the working capital loan has been converted to 59,347,194 ordinary shares at an issue price of $0.05 per share and issued to Yellow Gear prior to the IPO. Refer to Section 12.17 for a summary of the repayment of the intercompany loan;
   (c) $3.0 million of the third party debt to the Gerry Harvey Family Office (HFO) loan (included in the intercompany loan) will be converted to 15,000,000 ordinary shares at an issue price of $0.20 per share and which will be issued on IPO. Refer to Section 12.17 for a summary of the repayment of the intercompany loan and working capital loan; and
   (d) $237.8 million of the intercompany loan has been forgiven by Yellow Gear, which has reduced the accumulated tax losses.
8. Wingate has provided a 36 month $30 million debt facility, of which an initial $20 million was drawn down in August 2021. The initial drawn will be used to repay a rehabilitation cost surety bond of $7.2 million, refinance the existing Remagen facility amounting to $8.5 million (included in the intercompany loan) and pay the upfront fee of this debt facility amounting to $750k, as well as the transaction fees amounting to $400k. The remaining $3.2 million has been used as working capital. Refer to Section 12.11 for a summary of the Wingate Facility Agreement.
9. A share buy back of 62,500,000 ordinary shares at $1.

Pro forma transactions:

In relation to the offer, the following transactions are expected to occur:

10. The advisor and lead manager will be issued 7,875,000 facilitation shares at an issue price of $0.20 upon IPO. The holder will pay $0.0001 per share totalling $787.50. Refer to Section 12.8 for a summary of the Advisor Mandate;
11. Both Wingate and Austral Resources has agreed that 25% of any proceeds raised from the IPO above $20 million off set by the Offer costs will be used to repay part of the facility. Therefore, the subsequent draw down of the debt facility is expected to be $8.0 million (assuming a $30 million raise) on IPO, of which $150k will be paid as a transaction fee, $301k will be paid as an early repayment fee and the remaining $7.5 million will be used for working capital. Refer to Section 12.11 for a summary of the Wingate Facility Agreement;
12. The completion of the offer, raising $30 million (150,000,000 ordinary shares at $0.20 each);
13. $7.5 million from the Wingate debt facility and $14.0 million from the Offer will be used to repay the existing intercompany ($18.5m) and working capital ($3m) loans amounting to $21.5 million, and which after the debt forgiveness and this payment the intercompany and working capital loans will be fully extinguished; and
14. Cash expenses associated with the Offer are estimated to be $2.5 million, with $1.9 million being capitalised and $424k being expensed and a GST credit of $136k. Refer to Section 13.6 for a summary of the Offer costs).

Recognition of a deferred tax asset

A deferred tax asset has not been recognised in relation to the capitalised Offer costs due to the uncertainty surrounding the flow of economic benefits that will flow in future periods.

Pro forma capital structure and cash and cash equivalents

Refer to Section 2.5 for a detailed summary of the capital structure.

Table 6.10: Summary of the capital structure

$'000	Adjustment reference	No. of shares	Issued capital	Retained losses	Net assets
As at 31 December 2020		**100**	**–**	**(285,652)**	**(285,652)**
Subsequent events:					
Pre IPO capital raising	1	10,000,000	500	–	500
Interest accrued on the intercompany loan	2	–	–	(3,840)	(3,840)
Interest accrued on the working capital loan	3	–	–	(1,841)	(1,841)
Insurance claim proceeds	5	–	–	2,000	2,000
Conversion of the intercompany and working capital loans	7(a), 7(b) and 7(d)	324,999,900	16,250	237,826	254,076
Share buy back	9	(62,500,000)	(3,125)	3,125	–
Wingate debt financing tranche 1 & 2	8 & 13		–	(963)	(963)
Pre offer capital structure		**272,500,000**	**13,625**	**(49,346)**	**(35,721)**
Pro forma transactions in relation to the offer					
Conversion of the HFO[1] loan	7(c)	15,000,000	3,000	–	3,000
Corporate advisor's and lead manager facilitation shares	10	7,875,000	–	–	–
Public offer	12	150,000,000	30,000	–	30,000
Offer costs	14		(1,932)	(424)	(2,356)
Total (undiluted)		**445,375,000**	**44,693**	**(49,770)**	**(5,077)**

1. HFO = Gerry Harvey Family Office.

Table 6.11: Summary of the pro forma cash and cash equivalents

$'000	Adjustment reference	Pro forma
Cash and cash equivalents as at 31 December 2020		**577**
Subsequent events:		
Pre IPO capital raising	1	388
Repayment of the intercompany loan	4	(750)
Wingate debt financing tranche 1 cash drawdown	8	3,200
		3,415
Pro forma transactions:		
Wingate debt financing tranche 2 cash drawdown	11	7,544
Proceeds from shares issued under the offer	12	30,000
Repayment of the intercompany and working capital loans	13	(21,500)
Offer costs to be paid	14	(2,491)
Pro forma cash and cash equivalents		**16,968**

6.5.1 Liquidity and capital resources

Following Completion of the Offer, the Company will have on a pro forma basis, net cash of $17.0 million (after paying the costs of the Offer and the intercompany and working capital loans and payment of the Wingate facility) as at 31 December 2020 arising from the Offer.

Following Completion of the Offer, Austral Resources' principal sources of funds are expected to be cash on hand (including the proceeds of the Offer) and revenue generated from operations. Austral Resources' primary use of cash is funding the exploration and production of Anthill Project, repayment of the intercompany and working capital loans, partial repayment of the wingate facility, costs of the Offer as well as to fund working capital. Austral Resource expects that it will have sufficient cash flow from operations and from the proceeds of the Offer to meet its operational requirements and business needs for at least 12 months following Completion of the Offer. Austral Resources' ability to generate sufficient cash depends on its future performance which, to a certain extent, is subject to a number of factors beyond its control including general economic, financial, and competitive conditions.

The Company expects that it will have sufficient cash to meet its short and medium term operational requirements and other business needs.

6.5.2 Contractual obligations, commitments and contingent liabilities

Austral Resources has no operating or finance leases.

Contingent liability

Pursuant to an agreement dated 26 July 2021, Austral is obliged to pay Top Gallery Investment Limited (Top Gallery), the previous owner of the Austral, four payments, totalling $5 million (Anthill Production Payment):

- First payment of $1m which has been paid already;
- Second payment of $1.3 million on or before 31 March 2022;
- Third payment of $1.3 million on or before 31 May 2022, and
- Fourth payment of $1.4 million on or before 19 July 2022.

Refer to Section 12.9 for a summary of the Anthill Production Agreement.

In relation to further contractual obligations and commitments of Austral Resources please refer to Section 12 and specifically:

12.2 Executive Services Agreement – CEO;

12.3. Executive Employment Agreement – Dan Jauncey;

12.4. Executive Services Agreement – CFO;

12.5. Equipment Hire Agreement – Austral Equipment Solutions Pty Ltd & Austral Equipment Holdings Pty Ltd;

12.6. Tenement and Road Access Agreement;

12.7. Native title; and

12.12. Aggreko Power Station Hire and Services Agreement.

Table 6.12: Commitments summary schedule

	$'000
Exploration and evaluation commitments	
Within one year	1,131
One to five years	1,067
More than five years	–
Total	**2,198**
Native title commitments	
Within one year	150
One to five years	50
More than five years	–
Total	**200**
Hire equipment commitments	
Within one year	3,636
One to five years	6,162
More than five years	–
Total	**9,799**
Total commitments	**12,196**

6.5.3 Indebtedness and capitalisation

The below sets out the composition of indebtedness and capitalisation at 31 December 2020, before the Offer and immediately after the Offer.

Table 6.13: Summary of the indebtedness and capitalisation

$'000	31 Dec 20 Audited	31 Dec 20 Pro forma
Related party loans (incl. interest)[1]	288,094	–
Interest bearing liabilities (Wingate facility)	–	27,995
Total borrowings	**288,094**	**27,995**
Cash and cash equivalents	(577)	(16,968)
Net debt [A]	**287,517**	**11,027**
Issued capital	–	44 ,693
Retained losses	(285,652)	(49,770)
Total capitalisation [B]	**(285,652)**	**(5,077)**
Total net indebtedness and capitalisation [A+B]	**1,865**	**5,950**

1. Related party loans includes both the intercompany and working capital loans and capitalised interest.

6.6. Critical Accounting Policies

Preparing financial statements in accordance with AAS requires Management to make judgements, estimates and assumptions about the application of accounting policies that affect the reported revenues and expenses, carrying values of assets and liabilities and the disclosure of contingent liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both the current and future periods. Judgements Austral Resources has made in the application of AAS that have significant effect on the financial statements and estimates with a significant risk of material adjustments in the next financial year are disclosed, where applicable, in the relevant notes to the financial statements. The key areas in which critical estimates and judgements are applied are in respect of tax, as described in the significant accounting policies outlined in Annexure A, to this Section 6.

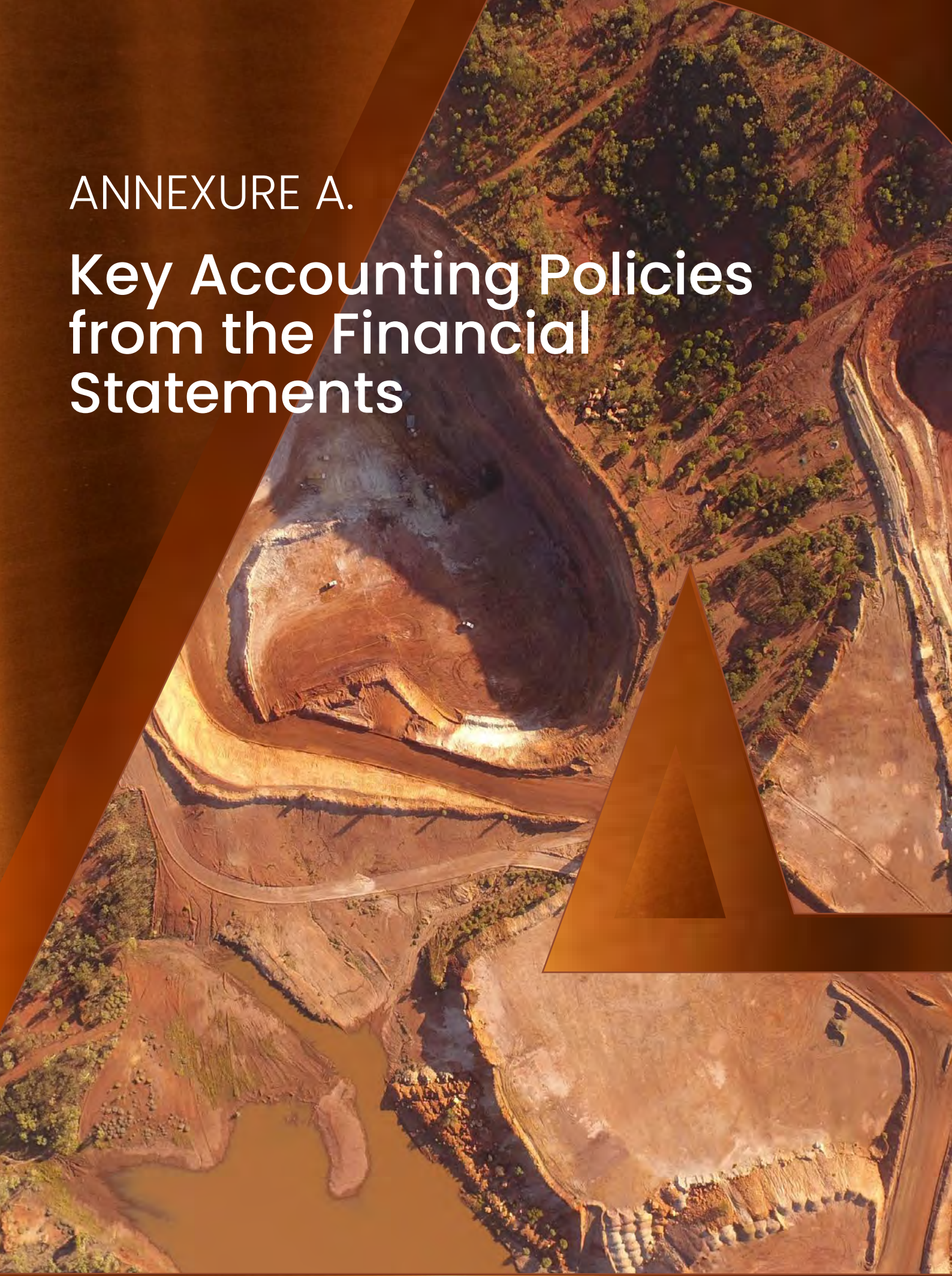
6.7. Dividend Policy

The payment of dividends by the Company is at the complete discretion of the Directors. Given the stage of development of Austral Resources and the Anthill project, the Directors have no current intention to declare and pay a dividend.

In determining whether to declare future dividends, the Directors will have regard to Austral Resources' earnings, overall financial condition, capital requirements and the level of franking credits available. There is no certainty that the Company will ever declare and pay a dividend.

ANNEXURE A.

Key Accounting Policies from the Financial Statements



A. Foreign currency

The financial statements of the Company are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the financial statements, the results and financial position of the entity are expressed in Australian dollars, which is the functional currency of the Company, and the presentation currency for the financial statements.

In preparing the financial statements of the Company, transactions in currencies other than the Company's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise, except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks; and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

B. Goods and services tax

Revenues, expenses, and assets are recognised net of the amount of goods and services tax (GST), except:

i. where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or

ii. for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

C. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

Sales of Goods

Revenue from the sale of goods 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 Company; 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 vessel on which it is shipped, the destination port or the customer's premises.

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 revenue

Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

D. Income tax

Austral Resources Australia Ltd is the head entity of a tax-consolidated group under Australian taxation law. As a result, the Company is subject to income tax through its membership of the tax-consolidated group. The consolidated current and deferred tax amounts for the tax-consolidated group are allocated to the members of the tax-consolidated group. Current tax liabilities and assets and deferred tax assets arising from unused tax losses and relevant tax credits arising from this allocation process are then accounted for as immediately assumed by the head entity, as under Australian taxation law the head entity has the legal obligation (or right) to these amounts.

Entities within the tax-consolidated group have entered into a tax funding arrangement. Under the terms of the tax funding arrangement, the subsidiaries have agreed to pay a tax equivalent payment to or from the head entity equal to the tax liability or asset assumed by the head entity for that period as noted above. Such amounts are reflected in amounts receivable from or payable to the head entity. Accordingly, the amount arising under the tax funding arrangement for each period is equal to the tax liability or asset assumed by the head entity for that period and no contribution from (or distribution to) equity participants arise in relation to income taxes.

Current tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Adjustments are made for transactions and events occurring within the tax-consolidated group that do not give rise to a tax consequence for the group or that have a different tax consequence at the level of the group.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Adjustments are made for transactions and events occurring within the tax-Consolidated group that do not give rise to a tax consequence for the Group or that have a different tax consequence at the level of the Group.

Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the period

Current and deferred tax is recognised as an expense or income in the statement of profit or loss and other comprehensive income, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from the initial accounting for a business combination, in which case it is considered in the determination of goodwill or excess.

E. Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

F. 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.

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.

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.

G. Property, plant, and equipment

Property, plant, and equipment are stated at cost, being the fair value of the consideration given to acquire or construct the asset, including directly attributable costs required to bring the asset to the location or to a condition necessary for operation, the direct cost of dismantling, less accumulated depreciation, and any accumulated impairment losses.

Where an item of property, plant and equipment comprises major components with different useful lives, the components are accounted for as separate items of property, plant, and equipment.

Expenditures incurred to replace a component of an item of property, plant and equipment that is accounted for separately, including major inspection and overhaul expenditures, are capitalised.

Management reviews the estimated useful lives, residual values, and depreciation methods of the Group's property, plant, and equipment at the end of each reporting period and when events and circumstances indicate that such a review should be made. Changes to estimated useful lives, Residual values or depreciation methods resulting from such review are accounted for prospectively.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Capital work in progress

Capital work in progress includes property, plant, and equipment in the course of construction for production or for its own use purposes. Capital work in progress is carried at cost less any recognised impairment loss. Costs include professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Capital work in progress is classified to the appropriate category of property, plant, and equipment when completed and ready for intended use. Depreciation of these assets will commence when the assets are ready for their intended use.

Depreciation

Property, plant, and equipment is depreciated to its estimated residual value over the estimated useful life of the specific asset concerned, or the estimated remaining life of the associated mine, field, or lease, if shorter. Depreciation commences when the asset is available for use.

Capital works in progress are not depreciated until they are substantially complete and available for their intended use.

Other property, plant and equipment items are depreciated on a straight-line basis over their estimated useful life.

H. Mining assets

Exploration and evaluation assets

Exploration and evaluation expenditure relates to expenditure incurred on the exploration and evaluation of potential mineral resources, such as costs of researching and analysing historical exploration data, exploratory drilling, trenching, sampling, and the costs of feasibility studies.

Exploration and evaluation expenditure incurred in respect of each area of interest, other than that acquired through a business combination, is charged to profit or loss as incurred. However, when the expenditure is expected to be recouped from future exploitation or from sale of the area of interest and it is planned to continue with active and significant operations in relation to the area, or at the reporting period end, the activity has not reached a stage which permits a reasonable assessment of the existence of commercially recoverable reserves and resources, the expenditure is capitalised and included as a component in mine assets. Exploration and evaluation assets are recognised at their fair value at acquisition date if they are acquired through a business combination.

Exploration and evaluation assets are measured at cost and assessed for impairment if sufficient data exists to determine technical feasibility and commercial viability; or facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Where a potential impairment is indicated, an assessment is performed for each area of interest or at the cash generating unit level. To the extent that capitalised expenditure is not expected to be recovered, it is recognised in profit or loss.

No amortisation is provided in respect of exploration and evaluation assets until they are reclassified as mine property and development assets following the commencement of commercial production.

When economically recoverable mineral resources have been identified and are reasonably assured, exploration and evaluation assets previously capitalised are first tested for impairment and then reclassified to mine property and development assets.

Mining and development assets

The distinction between mining expenditures and expenditures incurred to develop new ore bodies or to develop mine areas in advance of current production is mainly based on the mining area. For those areas being developed which will be mined in future periods, the expenditures incurred, including costs transferred from exploration and evaluation assets, are capitalised.

Capitalisation of costs incurred ceases when the related mining property and development assets have reached production levels intended by management. Incidental costs to bring mining assets to the condition necessary for it to be capable of operating in the manner intended by management are capitalised.

When future economic benefits are established by further development expenditure in respect of an area of interest in production, such expenditure is carried forward as part of the cost of that mine property. Otherwise, such expenditure is classified as part of the cost of production.

Amortisation

Amortisation of mining and development assets in an area of interest in production is provided for using the unit of production method. The unit of production basis results in a charge proportional to the depletion of estimated recoverable copper contained in proved and probable ore reserves. The amortisation charge is allocated to inventory throughout the production processes from the point at which ore is extracted from the pit until the ore is processed into copper cathode. The proven and probable reserve is determined for each area of interest, with an area-of-interest defined as an individual ore body or pit.

Where a change in estimated recoverable copper, tonnage contained in proved and probable ore reserves is made, adjustments to depreciation and amortisation of mine properties are accounted for prospectively.

For open-pit operations the removal of overburden or waste ore is required to obtain access to the orebody. Stripping costs incurred in the development of a mine (or pit) before production commences are capitalised as part of the mine property and development assets and are subsequently amortised over the life of the mine (or pit) on a unit of production basis.

I. Leases

Leases are classified as finance leases when the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the leased asset to the lessee. All other leases are classified as operating leases.

Company as lessee

Assets held under finance leases are initially recognised as assets at their fair value or, if lower, at amounts equal to the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on borrowing costs.

Finance leased assets are amortised on a straight-line basis over the estimated useful life of the asset.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

J. Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave, and sick leave when it is probable that settlement will be required, and they are capable of being measured reliably.

Liabilities recognised in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the Company in respect of services provided by employees up to reporting date.

K. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company 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 end of the reporting period, considering the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

Provision for mine rehabilitation

Provisions for the Group's obligations for restoration, rehabilitation and environmental costs are based on estimates of required expenditure at the mines in accordance with the relevant rules and regulations. The Group estimates its liabilities for final reclamation and mine closure based upon detailed calculations of the amounts and timing of the future cash expenditure to perform the required work. Spending estimates are escalated for inflation, then discounted at a discount rate that reflects current market assessments of the time value of money and the risks specific to the liability such that the amount of provision reflects the present value of the expenditures expected to be required to settle the obligation. The Group records a corresponding asset as part of the related mine assets in the period in which the liability is incurred. The asset is depreciated using the unit of production method over its expected life and the liability is accreted to the projected expenditure date. As changes in estimates occur (such as mine plan revisions, changes in estimated costs, or changes in timing of the performance of reclamation activities), the revisions to the obligation and asset are recognised at the appropriate discount rate.

L. Borrowings costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

M. Impairment of tangible and intangible assets other goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Section 7.

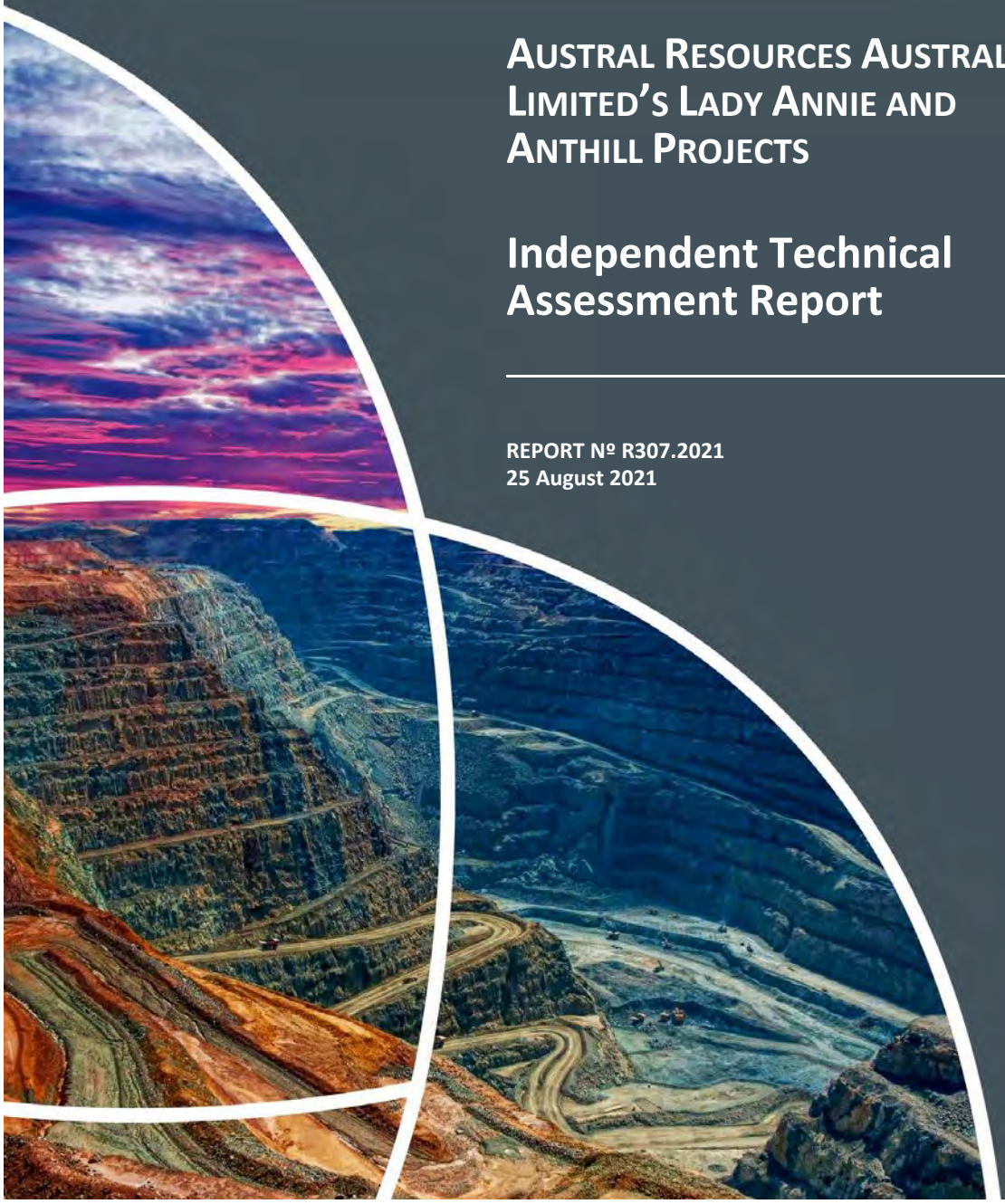
Independent Technical Assessment Report

CSA Global
Mining Industry Consultants
an ERM Group company

AUSTRAL RESOURCES AUSTRALIA LIMITED'S LADY ANNIE AND ANTHILL PROJECTS

Independent Technical Assessment Report

REPORT Nº R307.2021
25 August 2021



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Executive Summary

CSA Global Pty Ltd (CSA Global), an ERM Group company, was requested by Austral Resources Australia Limited ("Austral" or the "Company") to prepare an Independent Technical Assessment Report (ITAR). The ITAR is for use in a prospectus to support an initial public offering (IPO) of shares for Austral to enable a listing on the Australian Securities Exchange (ASX). The funds raised will be used to commence production of the Anthill project, and exploration and evaluation of the Company's other project areas.

Mineral Resources

Mineral Resources are defined for eight copper deposits within Austral's tenements, including Anthill, Lady Annie, Lady Brenda, Mount Clarke, Flying Horse, McLeod Hill, Swagman, and Lady Colleen. Historical open pit mining has taken place on four deposits: Lady Annie, Lady Brenda, Mount Clarke, and Flying Horse. Mineral Resources have recently been estimated in accordance with the JORC Code as summarised in Table 1, with a full statement of Mineral Resources, broken down by deposit, material type and classification provided in Section 3.1 of this report as Table 7.

Table 1: Summary of Mineral Resource estimates

Classification	Mt	Cu%
Measured	10.4	0.7
Indicated	35.7	0.7
Inferred	14.4	0.6

Notes:

- *Mineral Resources are reported at a 0.3% Cu block cut-off and classified in accordance with the JORC Code (2012)*
- *Tonnage is reported as dry tonnes*
- *Rounding has been applied to appropriately reflect the precision of the estimate*
- *Resources are inclusive of Ore Reserves.*

Majority of the underlying data analysis, block modelling and mineral resource estimation work was undertaken in the 2011 to 2012 period. There has subsequently been mining on several of the deposits and the mining depletion of these resources has been accounted for in the Mineral Resources reported.

CSA Global considers the Mineral Resource estimates to have been reported in accordance with the JORC Code, with the level of detail provided in the JORC Table 1 commentary (please see Appendix A) meeting current mining industry standards. CSA Global has undertaken a high-level technical review of the Mineral Resources, finding no major issues with the estimates.

Mining and Ore Reserves

The Anthill deposit is the only deposit within Austral's tenements with current mining studies and an Ore Reserves estimate. The Anthill Project Ore Reserve estimate was completed in April 2021 by CSA Global.

An Ore Reserve of 5.06 Mt has been estimated as 1.86 Mt Proved and 3.20 Mt Probable Ore Reserves, reported in accordance with the JORC Code (2012 Edition) and as shown in Table 2 below.

Table 2: Ore Reserve estimate, April 2021

Category	Ore (Mt)	Copper (%)	Calcium (%)
Proved	1.9	0.9	0.5
Probable	3.2	0.9	0.6
Total	**5.1**	**0.9**	**0.6**

Notes:

- *Mining dilution of 2% has been applied to represent waste dilution in ore*
- *A fixed mining recovery of 95% has been applied (5% ore loss due to mining)*
- *The Ore Reserve estimate has been based on a variable cut-off grade due to acid consumption in line with calcium grade*
- *Totals may not add up due to rounding.*

Historical open pit mining has taken place on four deposits: Lady Annie, Lady Brenda, Mount Clarke, and Flying Horse. Lady Annie has been an operational copper mine for over 10 years. All previous extraction of copper has been based on weathered material. No fresh material forms the basis of the Anthill Ore Reserve.

CSA Global (2021) completed the following mining and Ore Reserve estimation scope:

- Conducted Whittle™ pit optimisation
- Completed detailed pit designs
- Produced a mining and production schedule
- Implemented the mining and production schedule into a project financial model, estimated project capital and operating costs, recovery times, and revenues to a Preliminary Feasibility Study (PFS) level of accuracy.

The financial analysis the Anthill Project is summarised in Table 3 below.

Table 3: Financial analysis summary

Item	Units	Total
Physicals summary		
Waste tonnes mined	Mt	30.2
Run-of-mine (ROM) tonnes mined (ore)	Mt	5.1
Copper ROM grade	%	0.9
Calcium ROM grade	%	0.6
Magnesium ROM grade	%	0.4
Copper metal recovered	'000 t	40.4
Financial summary	**(truncated at period 44)**	
Capital expenditure	A$M	6.7
Operating expenditure	A$M	295.4
Revenue	A$M	461.9
Cash flow from operations	A$M	159.8
NPV$^{7.5}$	A$M	134.5
IRR	%	276%

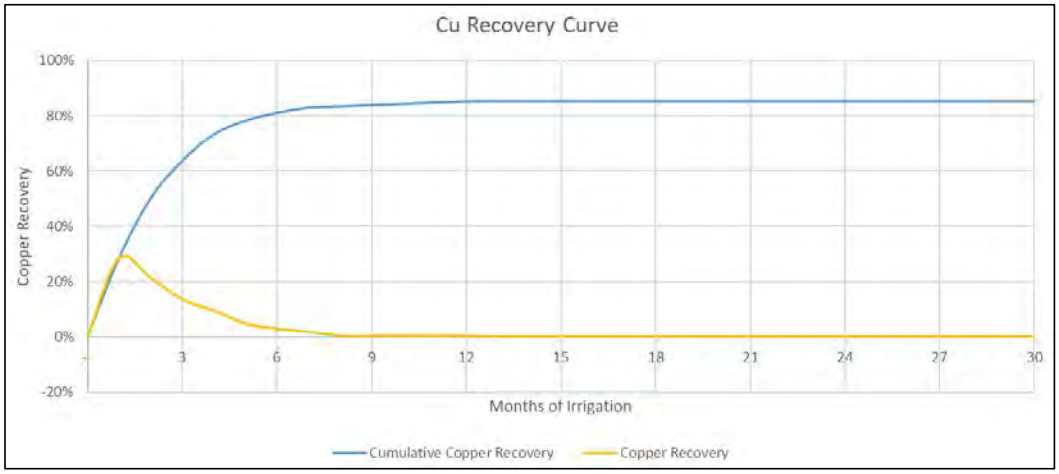

Figure 1: Copper recovery curve

Figure 2 shows the operating cost and revenue per month.

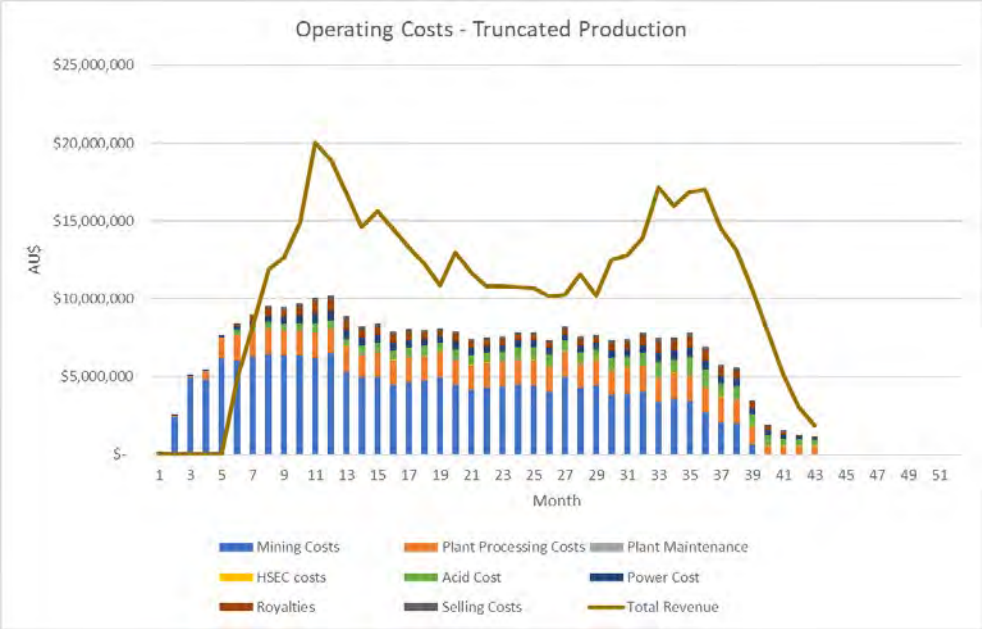

Figure 2: Revenue and costs per month (truncated life)

The payback period has been defined as the first month of the schedule when the cumulative cash flow becomes positive. Project payback occurs in Month 13 as detailed in the cumulative cash flow Figure 3 below.

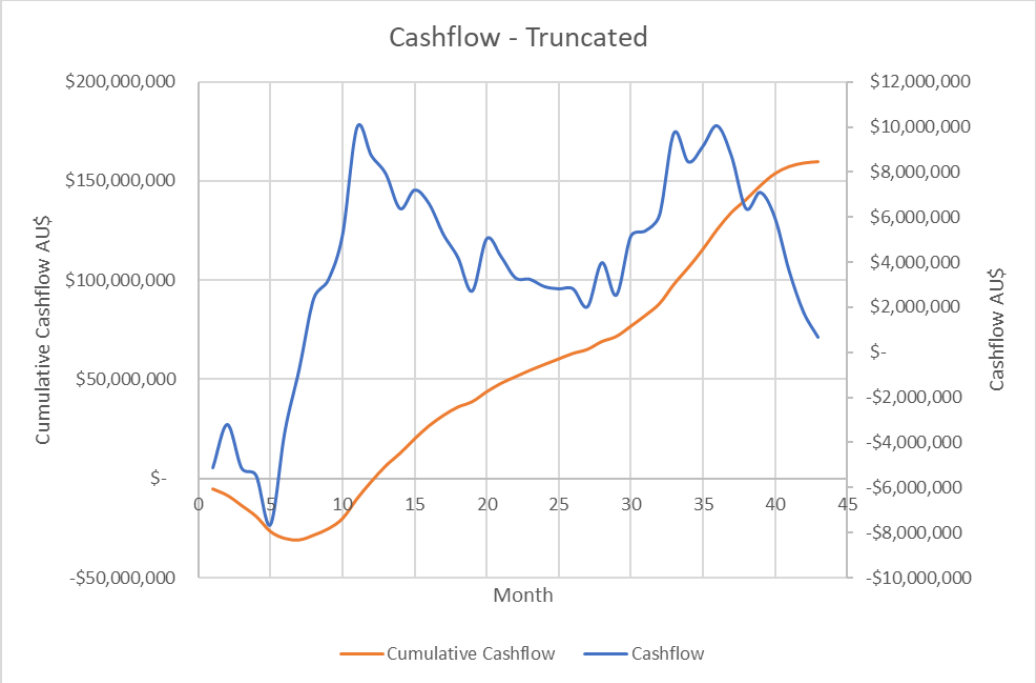

Figure 3: Cumulative cash flow (truncated life)

The project value is most sensitive to variance in copper price and then to variance in operating costs.

Table 4 demonstrates the project NPV for variation of the copper price and operating costs between ±20%.

Table 4: Project value sensitivity (A$ M)

Sensitivity element	-20%	-10%	±0%	+10%	+20%
Copper price	$54	$94	$134	$175	$215
Operating costs	$187	$161	$134	$108	$82

Note: The revenues were based on consensus forecast copper price for each quarter, between US$8,972 and US$7,926 throughout the 44 month life of the project, and a US$:A$ exchange rate of 0.71.

This study is completed to a PFS level of confidence with a potential variance in key parameters of ±20%.

The following conclusions were made by CSA Global about the mining study and Ore Reserve:

- When applying the current project parameters, the Anthill copper project has a positive value of A$134.5 million ($NPV_{7.5}$) and an internal rate of return (IRR) of 276%.
- The project delivers total copper production of 40.4 kt copper at a unit cost of A$7,272/t copper or US$2.34/lb (@ A$1.00:US$0.71).
- The project mines and treats 5.06 Mt of ore at a mined grade of 0.94% Cu and 0.59% Ca.
- The recovery of copper is spread across the life of the heap leach according to the recovery curve, with diminishing levels of copper produced as the heap leach is depleted.
- The mining and processing schedule spans 52 months. The processing schedule is truncated when the revenue generated from copper sales is less than the total operating cost for the residual operation at Month 44.
- A total of 40.4 kt of copper is recovered from a total of 47.7 kt of mined copper for an overall copper heap leach processing recovery of 85.2%.

Metallurgical Testing

The test work undertaken on the Anthill East oxide material has been very thorough and well reported. The results show that the Anthill ore types should achieve similar or slightly higher copper extractions than the recent historical production from the Lady Annie oxide zones. There is a real potential to significantly improve metal production and kinetics in the processing of the Anthill oxides by increasing the acid availability in the heap through crushing and agglomeration of the orebody.

Geology and Exploration Potential

The projects are situated in the Mount Isa Inlier which is host to numerous large base metal deposits, including Mount Isa, Century, and George Fisher, plus numerous smaller base metal deposits. The Inlier consists of a window of Lower and Middle Proterozoic rocks divided into three northerly trending tectonic zones: the Western Fold Belt, the central Kalkadoon-Leichardt Belt, and the Eastern Fold Belt. Austral holds tenements over all these zones covering some 1,340 km^2. CSA Global consider this tenure holds significant potential for the discovery of three styles of deposit: copper oxide blanket, Isa-style copper, and iron oxide copper-gold.

The Mount Isa West exploration project comprises the western tenement holding of Austral which lie in the southern Lawn Hill Platform of the Western Fold Belt. A significant number of known deposits have been discovered, delineated and partially mined by previous explorers including eight deposits with currently defined Mineral Resources. The potential to significantly expand the copper oxide resources of known deposits is limited. The majority of the exploration efforts by previous explorers over the last 15 years have focused on finding and delineating copper oxide material. The sulphide copper Mineral Resources have the potential to be extended with the majority of the drillholes not penetrating significantly into the fresh zone. Targeting of sulphide mineralisation on the mining leases has the stronger brownfields exploration potential.

Austral has reviewed the voluminous historical exploration data defining a number of regional targets for further exploration. This target generation work by Austral has defined 33 targets in the Western tenements

of which three are categorised as having a high potential for large deposits and another 12 with potential for medium-sized deposits.

The Mount Isa East exploration project comprises the eastern tenement holding of Austral which are divided into four groups of exploration tenements and are underlain by rocks of the Kalkadoon-Leichardt Belt and the Eastern Fold Belt. Target generation work by Austral has defined 16 targets of which three are categorised as having potential for medium-sized deposits.

CSA Global has reviewed Austral's proposed exploration budget of A$5.0 million, finding it consistent with the potential of Austral's exploration projects and considered adequate to cover the costs of the proposed programs. The budgeted expenditure is also sufficient to meet the minimum statutory expenditure on the tenements. The proposed budgets are considered consistent with the exploration potential of Austral's projects and considered adequate to cover the costs of the proposed programs. The budgeted expenditure is also sufficient to meet the minimum statutory expenditure on the tenements.

In accordance with the definitions in the VALMIN Code, the Anthill project with a declared Ore Reserve is considered to be a project at the "development" stage, the Mount Isa West project which has Mineral Resources defined is at the "advanced exploration" stage, while the Mount Isa East project is at the "exploration" stage. The mineral properties at the "exploration" stage are intrinsically speculative in nature, while risk is reduced at the more advanced projects, where the Company is a operational mining company.

CSA Global considers that the projects have sound technical merit and to be sufficiently prospective, subject to varying degrees of exploration risk, to warrant further exploration and assessment of their economic potential, consistent with the proposed programs. The Company proposes to allocate a significant portion of the working capital outlined in the Use of Funds tabulation towards commencing production at the Anthill Project, refining operational parameters on the mine and in the processing plant, as well as on on-going environmental monitoring and progressive remediation of disturbed areas as these areas become no longer required for active operation of the project. The proposed development activities which will be the focus for the working capital component of the funds raised will include the following:

- commencement of early stage earth works
- pre-strip in preparation for mining
- drill and blast
- pre-processing activities at Anthill
- administration costs

Approximately half (45%, A$13.5 million) of the liquid assets held, or funds proposed to be raised by Austral, are understood to be committed to the exploration, development and administration of the mineral properties. CSA Global understands Austral has sufficient working capital to carry out its stated objectives, satisfying the requirements of ASX Listing Rule 1.3.3(b).

Austral has prepared staged exploration and evaluation programs, specific to the potential of the projects, which are consistent with the budget allocations, and warranted by the exploration potential of the projects. CSA Global considers that the relevant areas have sufficient technical merit to justify the proposed programs and associated expenditure, satisfying the requirements of ASX Listing Rule 1.3.3(b).

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1 Introduction

1.1 Context, Scope and Terms of Reference

CSA Global Pty Ltd (CSA Global), an ERM Group company, was requested by Austral Resources Australia Limited ("Austral" or the "Company"), a publicly owned, Australian mining company, to prepare an Independent Technical Assessment Report (ITAR). The ITAR is for use in a prospectus to support an initial public offering (IPO) of shares for Austral to enable a listing on the Australian Securities Exchange (ASX). The IPO is for 150 million shares at A$0.20 to raise A$30,000,000. The funds raised will be used for the purpose of commencing production of the Anthill project, and exploration and evaluation of the Company's other project areas.

Austral (directly or through various wholly owned subsidiaries) holds tenure in Queensland across the projects. The Company holds 15 granted mining leases, and 32 granted exploration permits in northwest Queensland (please see Figure 4 and Table 5 in Section 2).

This ITAR has been prepared in accordance with the Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports 2015 ("VALMIN[1] Code"), which is binding upon Members of the Australian Institute of Geoscientists (AIG) and the Australasian Institute of Mining and Metallurgy (AusIMM), the JORC[2] Code, and the rules and guidelines issued by such bodies as the Australian Securities and Investments Commission (ASIC) and ASX that pertain to Independent Expert Reports.

In preparing this ITAR, CSA Global:

- Relied on the accuracy and completeness of the data provided to it by the Company, and that Austral made CSA Global aware of all material information in relation to the projects,
- Required that Austral provide an indemnity to the effect that Austral would compensate CSA Global in respect of preparing the ITAR against any and all losses, claims, damages and liabilities to which CSA Global or its Associates may become subject under any applicable law or otherwise arising from the preparation of the ITAR to the extent that such loss, claim, damage or liability is a direct result of Austral or any of its directors or officers knowingly providing CSA Global with any false or misleading information, or Austral, or its directors or officers knowingly withholding material information, and
- Required an indemnity that Austral would compensate CSA Global for any liability relating to any consequential extension of workload through queries, questions, or public hearings arising from the reports.

1.2 Principal Sources of Information and Reliance on Other Experts

CSA Global has based its review of the projects on information made available to the principal authors by Austral, along with technical reports prepared by consultants, government agencies and previous tenement holders, and other relevant published and unpublished data. CSA Global has also relied upon discussions with Austral's management team for information contained within this assessment. This ITAR has been based upon information available up to and including 25 August 2021.

CSA Global has endeavoured, by making reasonable enquiries, to confirm the authenticity, accuracy, and completeness of the technical data upon which this ITAR is based. Unless otherwise stated, information and data contained in this technical report, or used in its preparation, has been provided by Austral in the form of documentation and digital data. Austral was provided a final draft of this ITAR and requested to identify

[1] Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (The VALMIN Code), 2015 Edition, prepared by the VALMIN Committee of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. <http://www.valmin.org>

[2] Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. The JORC Code, 2012 Edition. Prepared by: The Joint Ore Reserves Committee of The Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia (JORC). <http://www.jorc.org>

any material errors or omissions prior to its lodgement. Austral has warranted to CSA Global that the information provided for preparation of this ITAR correctly represents all material information relevant to the projects.

Full details on the tenements are provided in the Independent Solicitor's Report elsewhere in the Prospectus. CSA Global has not independently verified the legal status or ownership of the property or any of the underlying agreements. This information should be contained within the Independent Solicitor's Report and described therein under Summary of Material Agreements, elsewhere in the Prospectus.

This ITAR contains statements attributable to third parties. These statements are made or based upon statements made in previous technical reports that are publicly available from either government sources or the ASX. The authors of these reports have not consented to their statements used in this ITAR, and these statements are included in accordance with ASIC Corporations (Consent and Statements) Instrument 2016/72.

Figures, maps, and illustrations in this ITAR have been prepared by Austral and supplied to CSA Global, unless otherwise stated.

1.3 Authors of the Report

CSA Global is a mining industry consulting company headquartered in Perth, Western Australia (WA). CSA Global provides geological, resource, mining, management and corporate consulting services to the international mining sector and has done so for more than 30 years.

This ITAR has been prepared by consultants from CSA Global's Perth, WA office. The individuals who have provided input to the ITAR have extensive experience in the mining industry and are members in good standing of appropriate professional institutions. The consultants preparing this ITAR are specialists in their fields of geology and exploration, in particular relating to base metals.

The following individuals, by virtue of their education, experience and professional association, are considered Competent Persons, as defined in the JORC Code (2012), for this ITAR. The Competent Persons' individual areas of responsibility are presented below:

- Coordinating author – Ms Ivy Chen (Manager Corporate and Principal Consultant Geologist – CSA Global, Perth, WA) is responsible for the entire ITAR
- Contributing author – Mr Daniel Grosso (Principal Consultant Engineer – CSA Global, Perth, WA) is responsible for Section 4 (Mining and Ore Reserve Estimate) of the ITAR
- Contributing author – Mr Neal Leggo (Principal Consultant Geologist – CSA Global, Perth, WA) is responsible for Sections 2, 3, 6 and 7 of the ITAR
- Contributing author – Mr Steve Hoban (Associate Principal Metallurgist – CSA Global, Perth, WA) is responsible for Section 5 of the ITAR
- Peer reviewer – Mr Howard Simpson (Manager Mining – CSA Global, Brisbane, Queensland) is responsible for the entire ITAR.

Ms Ivy Chen is a geologist and corporate governance specialist with over 30 years' experience in mining and resource estimation. Ivy served as the national geology and mining adviser for ASIC from 2009 to 2015. Ivy's experience in the mining industry in Australia and China as an operations and consulting geologist includes open pit and underground mines for gold, manganese and chromite, and as a consulting geologist she has conducted mineral project evaluation, strategy development and implementation, through to senior corporate management roles. Recent projects completed include listings and other commercial transactions on the Australian, Singapore, Hong Kong and United Kingdom stock exchanges. Ivy is a Fellow of the AusIMM, a company director, a Member of the VALMIN Committee, and has completed numerous independent technical reports (ITAR, CPR, QPR) and valuations of mineral assets.

Mr Daniel Grosso is an open-pit mining engineer with 11 years' experience in mine operations and consulting. Daniel's key areas of expertise are mine optimisation, design, scheduling, cost estimation, and Ore Reserve

estimation. He commenced with CSA Global in 2016 and has since been instrumental in delivering mining engineering studies and mining operational support across a diverse range of mining operations and commodities. Daniel has a Bachelor of Mining Engineering, Master of Business Administration, an Unrestricted Quarry Manager's Certificate (WA), and is a Member of the AusIMM.

Mr Neal Leggo is a geologist with over 35 years' experience including management, mineral exploration, consulting, resource geology, underground operations, and open pit mining. Neal has worked in a variety of Australian geological terranes and specialises in copper, gold, silver-lead-zinc, and iron ore for which he has the experience required for code-compliant reporting. Neal also has experience with uranium, vanadium, manganese, tin, tungsten, nickel, lithium, niobium, gemstones, mineral sands, and industrial minerals. He provides a range of consulting services including code compliant (JORC, NI 43-101, VALMIN) reporting and valuation, technical studies, and reviews and management of exploration projects. Neal has completed numerous independent technical reports (ITAR, IGR, CPR, QPR).

Steve Hoban is responsible for the assessment of the metallurgical and processing. Steve has 16 years' experience in the mining industry. His main areas of expertise are in commissioning, project design, circuit optimisation and training. Steve's experience covers crushing, grinding, beneficiation and beneficiation/ mineral separation, flotation, thickening, solvent extraction/electrowinning, and smelting. He has worked all over Australia and overseas in a number of commodities including gold, nickel, mineral sands, tin/tungsten and uranium, in numerous roles in the mineral processing industry including principal metallurgist, process commissioning manager and corporate liaison officer.

Mr Howard Simpson is an experienced mining professional who has undertaken the delivery of mining engineering, mine planning and economic evaluation for projects, technical studies, and operations. He has delivered projects and studies across multiple geographies and commodities, with responsibilities for design, planning, scheduling of mine operations, and economic evaluation. Howard has had a particular focus on innovation throughout his career focusing upon technology solutions, integrated mining systems such as in-pit crushing and conveying, and new and alternative mining methodologies. Howard is a Fellow and Chartered Professional (Mining) of the AusIMM and is a Registered Professional Engineer in the state of Queensland.

1.4 Independence

Neither CSA Global, nor the authors of this ITAR, has or has had previously, any material interest in Austral or the mineral properties in which Austral has an interest. CSA Global's relationship with Austral is solely one of professional association between client and independent consultant.

CSA Global is an independent geological consultancy. Fees are being charged to Austral at a commercial rate for the preparation of this ITAR, the payment of which is not contingent upon the conclusions of the ITAR. The fee for the preparation of this ITAR is approximately A$75,000.

No member or employee of CSA Global is, or is intended to be, a director, officer or other direct employee of Austral. No member or employee of CSA Global has, or has had, any shareholding in Austral.

There is no formal agreement between CSA Global and Austral as to the client providing further work for CSA Global.

1.5 Declarations

1.5.1 Purpose of this Document

This ITAR has been prepared by CSA Global at the request of, and for the sole benefit of Austral. Its purpose is to provide an independent technical assessment of Austral's mineral assets in Queensland.

The ITAR is to be included in its entirety or in summary form within a prospectus to be prepared by Austral, in connection with a listing on the ASX. It is not intended to serve any purpose beyond that stated and should not be relied upon for any other purpose.

The statements and opinions contained in this ITAR are given in good faith and in the belief that they are not false or misleading. The conclusions are based on the reference date of 25 August 2021 and could alter over time depending on exploration results, mineral prices, and other relevant market factors.

1.5.2 Practitioner/Competent Person's Statements

The information in this ITAR that relates to Technical Assessment of the Mineral Assets, Exploration Targets, Exploration Results and Mineral Resources is based on information compiled and conclusions derived by Mr Neal Leggo, a Competent Person who is a Member of the AIG. Mr Leggo is employed by CSA Global. Mr Leggo has sufficient experience that is relevant to the Technical Assessment of the Mineral Assets under consideration, the style of mineralisation and types of deposit under consideration and to the activity being undertaken to qualify as a Practitioner as defined in the 2015 Edition of the "Australasian Code for the public reporting of technical assessments and Valuations of Mineral Assets", and as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Leggo consents to the inclusion in the ITAR of the matters based on his information in the form and context in which it appears.

The information in this ITAR that relates to Technical Assessment of the Ore Reserves is based on information compiled and conclusions derived by Mr Daniel Grosso, a Competent Person who is a Member of the AusIMM. Mr Grosso is employed by CSA Global. Mr Grosso has sufficient experience that is relevant to the Technical Assessment of the Mineral Assets under consideration, the style of mineralisation and types of deposit under consideration and to the activity being undertaken to qualify as a Practitioner as defined in the 2015 Edition of the "Australasian Code for the public reporting of technical assessments and Valuations of Mineral Assets", and as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Grosso consents to the inclusion in the ITAR of the matters based on his information in the form and context in which it appears.

1.5.3 Site Inspection

No site visit was made to the projects by the authors of this ITAR as part of this assignment, as a current site visit by the Competent Persons would have been restricted by COVID-19 travel restrictions. CSA Global associates have visited the site recently in 2020, and CSA Global considers that the 2020 site visit adequately address the requirement for a site visit, and that there would be little additional material information to be gained from a subsequent site visit as there has not been significant changes that have occurred.

1.6 About this Report

Austral has two primary mineral projects in Queensland which are the subject of this ITAR – the Lady Annie and Anthill projects. Both projects are at the mining stage of development, with copper being the primary metal. The geology, mineralisation, Mineral Resources, metallurgy and Ore Reserves for the project areas are discussed, as well as past work done, and the results obtained there from. A substantial body of data pertains to the work done on the projects and an effort was made to summarise this to constrain the size and readability of the report. Maps of the areas are presented. The maps are in either MGA94 zone 54 projection, AMG84 zone 54 projection, or Latitude/Longitude WGS84 projection.

This ITAR provides a JORC Code Table 1 commentary, as required by the JORC and VALMIN Codes for reporting of exploration results, Mineral Resources and Ore Reserves. These are included as Appendix A. These have been compiled by the Competent Person(s) responsible for the respective exploration results, Exploration Targets, Mineral Resources and Ore Reserves, and have been reproduced for inclusion in this ITAR.

2 Location, Geography and Tenure

2.1 Location, Access and Infrastructure

The projects are located in northwest Queensland to the north and northeast of the city of Mount Isa (Figure 4). Access to the project areas is good with the National Route A2 (Barkly Highway) traversing the southern extent of the project area. The western tenements are accessed via the sealed McNamara Road to Lady Annie and Lady Loretta mines. The eastern tenements are serviced by the sealed Burke Development Road. Unsealed roads and tracks provide access to most parts of the property enabling all exploration programs to be readily supported by four-wheel drive vehicles. The countryside is generally flat to slightly undulating grassland and low scrubland, providing easy off-road access. Access can be difficult during periods of heavy rainfall but generally not for long periods.

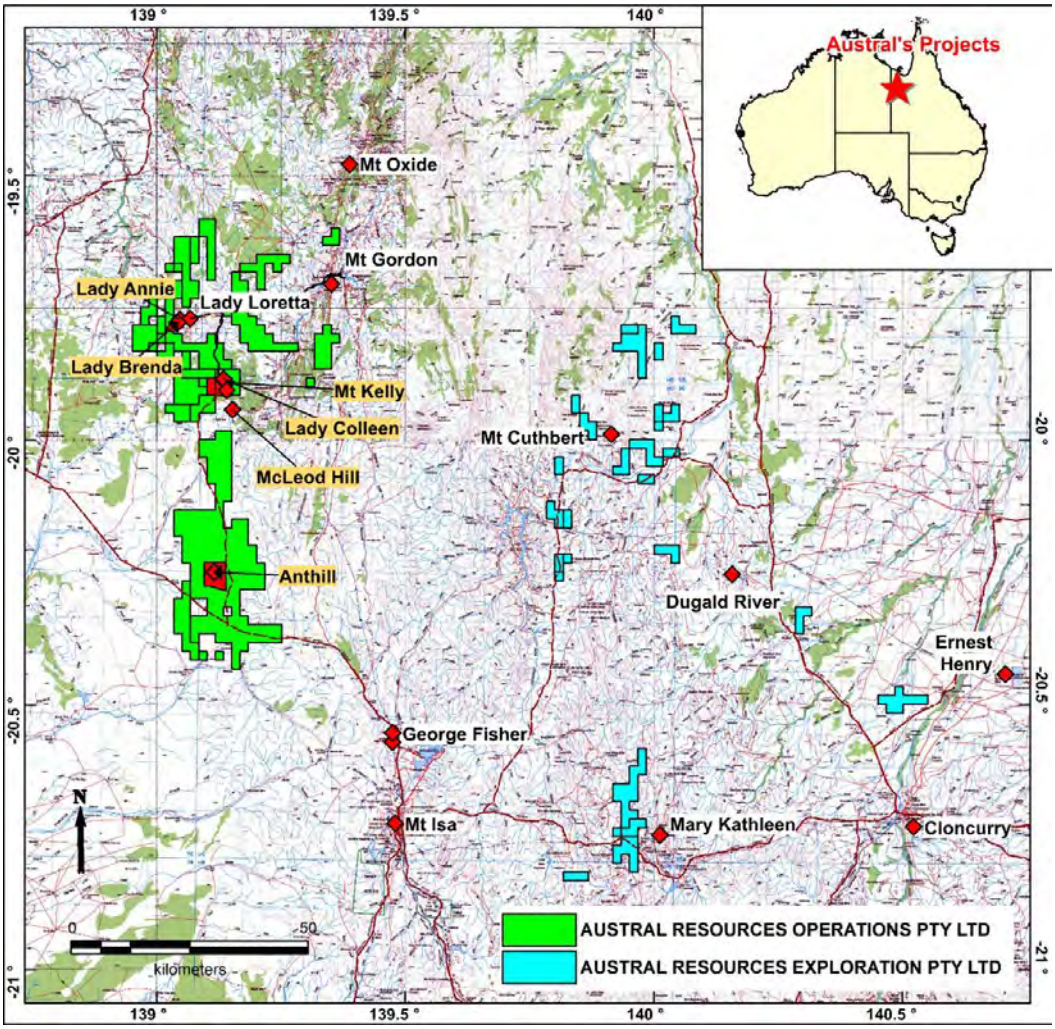


Figure 4: Project location map

The city of Mount Isa is the main population centre and the service hub for the northwest Queensland region with daily air services. It provides an excellent regional base for the projects, with supplies of most provisions needed for exploration and provides a ready source of supply, logistics and infrastructure for mining

operations. The town of Cloncurry provides a useful base for exploration of the eastern project areas. The population density of the tenement areas is low with the only settlements being isolated station homesteads and mine camps.

2.2 Geography

The project areas lay within the tropics and the climate is semi-arid. There is a short rainy season with the bulk of the rainfall in January and February. The area is susceptible to intense rain depressions associated with cyclones that can develop in the Gulf of Carpentaria. The annual rainfall is around 500–700 mm. Mean daily temperature maxima range from 23°C in June and July, to 38°C in November and December. Minima range from less than 10°C in June, July and August, to around 25°C in December, January and February.

The project areas cover a variety of topography including flat plains, rolling hills, sandy drainages, and moderately steep ridges. The rivers and creeks which cross the project areas, are lined with coolibah eucalypts. The remainder of the area is lightly gidgee timbered savannah grassland. Cattle grazing is the primary land use.

2.3 Tenure

The projects consist of 32 Exploration Permits for Minerals (EPMs) and 15 Mining Leases (MLs) covering approximately 1,340 km², located north/northeast of the city of Mount Isa in northwest Queensland. Summary details for the tenements are provided in Table 5 and their outlines are shown in Figure 4.

Table 5: Project tenement summary

Tenement ID	Type	Project	Holder name	Grant date	Expiry date	Area (blocks)	Area (km²)
ML 5426	ML	Western	Austral Resources Operations Pty Ltd	10 Jan 1974	31 Jan 2027	NA	0.04
ML 5435	ML	Western	Austral Resources Operations Pty Ltd	10 Jan 1974	31 Jan 2024	NA	0.04
ML 5446	ML	Western	Austral Resources Operations Pty Ltd	14 Feb 1974	28 Feb 2031	NA	0.28
ML 5447	ML	Western	Austral Resources Operations Pty Ltd	10 Jan 1974	31 Jan 2031	NA	0.28
ML 5448	ML	Western	Austral Resources Operations Pty Ltd	10 Jan 1974	31 Jan 2031	NA	0.08
ML 5474	ML	Western	Austral Resources Operations Pty Ltd	10 Jan 1974	31 Jan 2031	NA	1.30
ML 5476	ML	Western	Austral Resources Operations Pty Ltd	10 Jan 1974	31 Jan 2031	NA	1.11
ML 5478	ML	Western	Austral Resources Operations Pty Ltd	10 Jan 1974	31 Jan 2031	NA	0.13
ML 90168	ML	Western	Austral Resources Operations Pty Ltd	14 Dec 2006	31 Dec 2027	NA	0.04
ML 90169	ML	Western	Austral Resources Operations Pty Ltd	14 Dec 2006	31 Dec 2027	NA	6.44
ML 90170	ML	Western	Austral Resources Operations Pty Ltd	14 Dec 2006	31 Dec 2027	NA	11.18
ML 90178	ML	Western	Austral Resources Operations Pty Ltd	9 Aug 2007	31 Aug 2028	NA	3.54
ML 90179	ML	Western	Austral Resources Operations Pty Ltd	17 Jul 2008	31 Jul 2029	NA	4.90
ML 90184	ML	Western	Austral Resources Operations Pty Ltd	17 Jul 2008	31 Jul 2029	NA	0.09
ML 90233	ML	Western	Austral Resources Operations Pty Ltd	15 Oct 2017	31 Oct 2035	NA	23.76
EPM 16240	EPM	Western	Austral Resources Operations Pty Ltd	26 Apr 2012	25 Apr 2023	11	35.42
EPM 16241	EPM	Western	Austral Resources Operations Pty Ltd	26 Apr 2012	25 Apr 2022	3	9.66
EPM 16242	EPM	Western	Austral Resources Operations Pty Ltd	26 Apr 2012	25 Apr 2023	26	83.72
EPM 16243	EPM	Western	Austral Resources Operations Pty Ltd	11 Jan 2010	10 Jan 2024	25	80.5
EPM 16244	EPM	Western	Austral Resources Operations Pty Ltd	8 Apr 2010	7 Apr 2023	142	457.24
EPM 17088	EPM	Western	Austral Resources Operations Pty Ltd	9 Feb 2012	8 Feb 2022	3	9.66
EPM 17415	EPM	Western	Austral Resources Operations Pty Ltd	30 Apr 2012	29 Apr 2024	3	9.66
EPM 17422	EPM	Western	Austral Resources Operations Pty Ltd	9 Aug 2012	8 Aug 2023	9	28.98
EPM 17469	EPM	Western	Austral Resources Operations Pty Ltd	9 Feb 2012	8 Feb 2024	2	6.44
EPM 17533	EPM	Western	Austral Resources Operations Pty Ltd	27 Oct 2011	26 Oct 2022	11	35.42
EPM 17789	EPM	Western	Austral Resources Operations Pty Ltd	7 Oct 2011	6 Oct 2022	38	122.36

Tenement ID	Type	Project	Holder name	Grant date	Expiry date	Area (blocks)	Area (km^2)
EPM 18817	EPM	Western	Austral Resources Operations Pty Ltd	16 Sep 2011	16 Sep 2021	14	45.08
EPM 17634	EPM	Cameron	Austral Resources Exploration Pty Ltd	26 Oct 2022	26 Oct 2022	9	28.98
EPM 17167	EPM	Cameron	Austral Resources Exploration Pty Ltd	24 Jan 2012	23 Jan 2022	3	9.66
EPM 25515	EPM	Cameron	Austral Resources Exploration Pty Ltd	2 Apr 2015	1 Apr 2022	15	48.3
EPM 17494	EPM	Cameron	Austral Resources Exploration Pty Ltd	23 Apr 2012	22 Apr 2024	4	12.88
EPM 17298	EPM	Miranda	Austral Resources Exploration Pty Ltd	24 Jan 2012	23 Jan 2022	4	12.88
EPM 17530	EPM	Miranda	Austral Resources Exploration Pty Ltd	9 Feb 2012	8 Feb 2022	4	12.88
EPM 17646	EPM	Miranda	Austral Resources Exploration Pty Ltd	9 Feb 2012	8 Feb 2022	4	12.88
EPM 17854	EPM	Miranda	Austral Resources Exploration Pty Ltd	9 Feb 2012	8 Feb 2022	2	6.44
EPM 17855	EPM	Miranda	Austral Resources Exploration Pty Ltd	9 Feb 2012	8 Feb 2022	2	6.44
EPM 17856	EPM	Miranda	Austral Resources Exploration Pty Ltd	9 Feb 2012	8 Feb 2022	4	12.88
EPM 17859	EPM	Miranda	Austral Resources Exploration Pty Ltd	9 Feb 2012	8 Feb 2022	4	12.88
EPM 17861	EPM	Miranda	Austral Resources Exploration Pty Ltd	9 Feb 2012	8 Feb 2022	2	6.44
EPM 17525	EPM	Miranda	Austral Resources Exploration Pty Ltd	9 Feb 2012	8 Feb 2024	4	12.88
EPM 17535	EPM	Miranda	Austral Resources Exploration Pty Ltd	9 Feb 2012	8 Feb 2024	2	6.44
EPM 26068	EPM	Miranda	Austral Resources Exploration Pty Ltd	17 Oct 2016	16 Oct 2021	2	6.44
EPM 17527	EPM	Miranda	Austral Resources Exploration Pty Ltd	9 Feb 2012	8 Feb 2022	27	86.94
EPM 14693	EPM	Western	Austral Resources Operations Pty Ltd	28 Sep 2007	27 Sep 2022	5	16.1
EPM 17165	EPM	Cloncurry	Austral Resources Exploration Pty Ltd	23 Jul 2014	22 Jul 2022	4	12.88
EPM 17295	EPM	Cloncurry	Austral Resources Exploration Pty Ltd	24 Jan 2012	23 Jan 2022	9	28.98
EPM 15126	EPM	Cloncurry	Austral Resources Operations Pty Ltd	31 May 2006	30 May 2023	19	61.18

Source: Austral

Some tenements will reach their renewal milestones in the 2022–2023 timeframe. This will entail Austral following the routine Department of Resources procedure of completing an Application for Renewal. Austral has kept the tenements in good standing (rents, obligations, landholder engagement, native title, reporting), therefore it is anticipated that achieving renewal term will be a relatively risk-free process. Since 25 May 2020, the framework in Queensland has been transitioning to the new *Natural Resources and Other Legislation Amend Act 2019* (NROLA) legislation. Any tenure renewal from that date will be subject to transitional arrangements whereby any valid existing tenure will be permitted for up to a further 10 years of renewal (two x five-year periods) regardless of the current age of the tenure. Further to this, from the transition date (May 2020) no relinquishment will be required until the end of the next five-year renewed term – which in this case will be between seven and eight years from now.

Further details on the tenements (agreements, royalties, Native Title, Crown Reserves etc.) are provided in the Independent Solicitor's Report in Section 8 of the Prospectus.

In May 2020, project status for reporting purposes was granted by the Queensland Government for the western tenements. Tenements included in the Lady Annie Project are detailed in Table 6.

Table 6: Tenements included in the Lady Annie Project for government reporting

EPM name	Registered name	Company
EPM 14693	JUDENHAM CREEK	Austral Resources Operations P/L
EPM 16240	EASTERN CREEK	Austral Resources Operations P/L
EPM 16241	MGF ZONE	Austral Resources Operations P/L
EPM 16242	MOUNT KELLY EAST	Austral Resources Operations P/L
EPM 16243	LADY MAGGIE	Austral Resources Operations P/L
EPM 16244	BUCKLEY RIVER	Austral Resources Operations P/L
EPM 17088	DRIFTER	Austral Resources Operations P/L
EPM 17415	MOUNT KELLY WEST	Austral Resources Operations P/L
EPM 17422	LADY ANNIE WEST	Austral Resources Operations P/L
EPM 17469	LADY ANNIE WEST 2	Austral Resources Operations P/L
EPM 17533	MOUNT KELLY WEST 2	Austral Resources Operations P/L
EPM 17789	LADY ANNIE REGIONAL	Austral Resources Operations P/L
EPM 18817	OLD MAY DOWNS	Austral Resources Operations P/L

3 Mineral Resource Estimates

3.1 Current Mineral Resource Estimates

Mineral Resources are defined for eight copper deposits within Austral's tenements: Anthill, Lady Annie, Lady Brenda, Mount Clarke, Flying Horse, McLeod Hill, Swagman, and Lady Colleen. Historical open pit mining has taken place on four deposits: Lady Annie, Lady Brenda, Mount Clarke, and Flying Horse. The location of these deposits is shown in Figure 5.

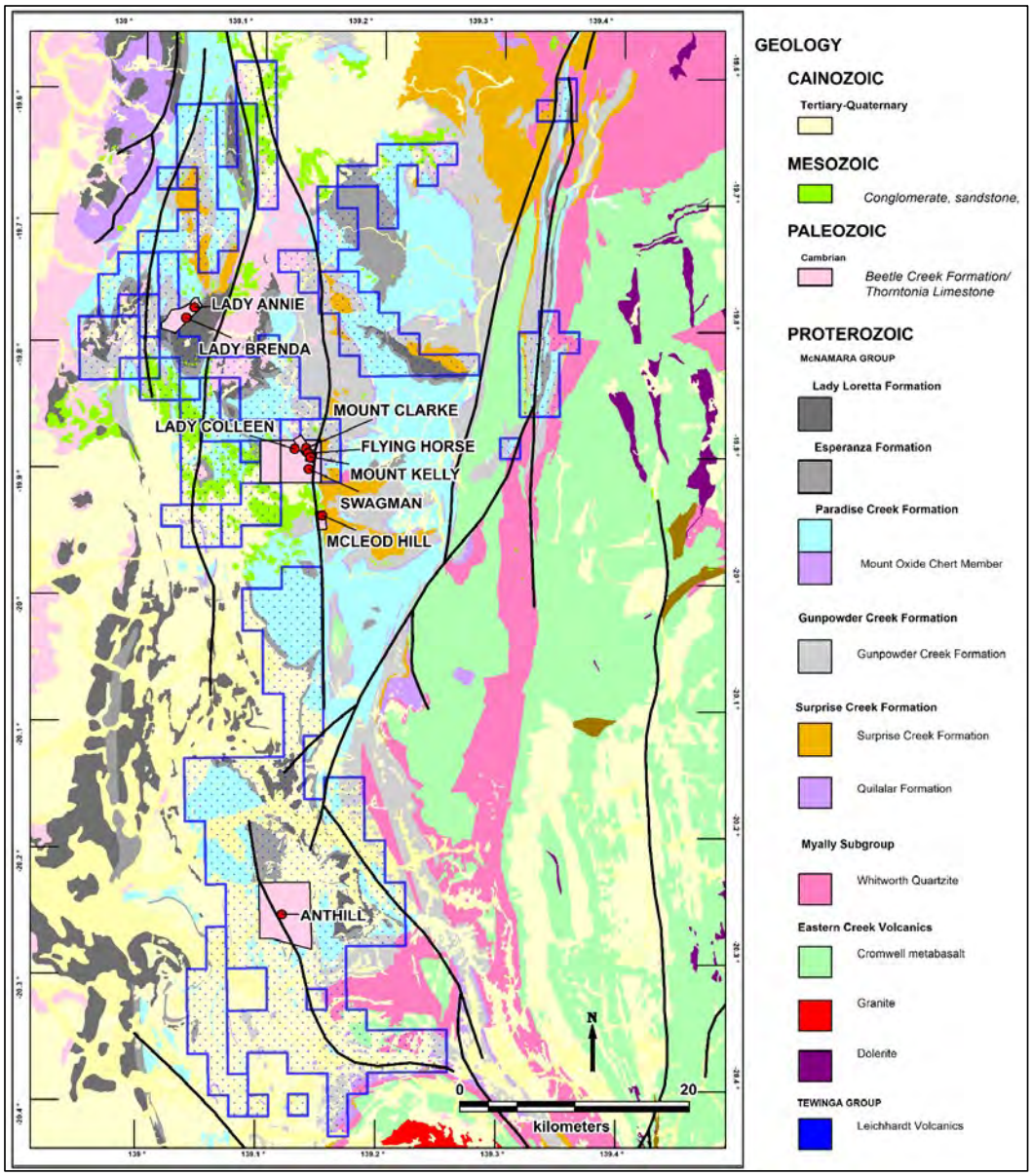


Figure 5: Mineral Resources and Ore Reserves location map

Mineral Resources have recently been estimated by independent consulting group Golder Associates (Golder) in accordance with the JORC Code as detailed in Table 7. "Table 1" commentary on the criteria specified by the JORC Code are provided as Appendix A (Golder, 2021). Majority of the underlying data analysis, block modelling and mineral resource estimation work was undertaken by Golder in the 2011–2012 period (Golder, 2011 and 2012). The only changes since those Mineral Resources were estimated has been depletion of the resources to account for mining extraction of four of the deposits (refer Section 4).

The Mineral Resource estimate is based on block models interpolated from drillhole data using ordinary kriging. Key information about the underlying data and geology model, methods for estimating tonnages and grades, and assumptions regarding prospects for economic extraction are provided in Appendix A, against the criteria set out in Table 1 of the JORC Code.

The oxide mineralisation and low calcium and magnesium parts of the transition mineralisation are suitable for the acid heap leach recovery methods. Fresh mineralisation is not suitable for acid heap leach treatment and therefore none has been processed at the Mount Kelly plant historically. Fresh mineralisation and some transition mineralisation contain copper sulphide minerals that may be suitable for processing via traditional flotation methods.

The Mineral Resource estimate used mine depletion surfaces provided by Austral for the Lady Brenda and Flying Horse deposits, and mine depletion or topographic surfaces provided by the previous owner of the project (CST Minerals) for the other six deposits. These surfaces were used to remove all mined material from the block models.

Mineral Resources have been reported at a 0.3% Cu block cut-off for copper, calcium and magnesium grades; classified into Measured, Indicated or Inferred categories; and subdivided into oxide, transitional and sulphide material types by Golder in accordance with the JORC Code (2012). The Mineral Resources were reported as dry tonnes and rounding has been applied to appropriately reflect the precision of the estimates. Mineral Resources are inclusive of Ore Reserves but exclude surface stockpiles.

Mining at Mount Clarke commenced with pre-stripping in April 2007 and mining at Lady Annie commenced in October 2008. The Mount Kelly processing plant was commissioned in October 2007. Mining stopped in November 2008 and copper production from the treatment plant finished in December 2009. Mining was recommenced at Mount Clarke, Flying Horse, and Lady Annie under previous owners, CST Minerals, in August 2010. Mining at Lady Brenda commenced in October 2014. CST Minerals ceased all mining activities in January 2016.

Austral acquired the assets in July 2019. Austral commenced a remnant mining campaign in February 2020, successfully mining ore from the Lady Brenda and Flying Horse deposits through to January 2021.

No mining has been undertaken at the Anthill deposit to date.

CSA Global considers the Mineral Resource estimates to have been reported in accordance with the JORC Code, with the level of detail provided in the Table 1 commentary meeting current mining industry standards. CSA Global has undertaken a high-level technical review of the Mineral Resources, finding the estimates fit for the purpose of inclusion in this ITAR. A summary description is provided in the following subsections along with CSA Global's opinions.

Table 7: Mineral Resource estimates 0.30% Cu cut-off as of 30 June 2021 (Golder, 2021)

Deposit	Material	Measured				Indicated				Inferred				TOTAL			
		Mt	Cu%	Ca%*	Mg%*	Mt	Cu%	Ca%*	Mg%*	Mt	Cu%	Ca%*	Mg%*	Mt	Cu%	Ca%*	Mg%*
Anthill	Oxide	2.7	0.77	0.3	0.2	6.1	0.71	0.3	0.3	0.1	0.37	0.3	0.3	8.9	0.73	0.3	0.3
	Transition	0.3	0.9	5.8	3.3	1.8	0.76	5.6	3.2	0.3	0.47	5.5	3.3	2.4	0.74	5.6	3.2
	Sulphide	0.02	0.7	5.9	3.4	0.8	0.61	5.5	3.1	1.7	0.54	6.5	3.9	2.5	0.57	6.2	3.7
	Total	**3**	**0.79**	**0.8**	**0.5**	**8.7**	**0.71**	**1.9**	**1.2**	**2.1**	**0.52**	**6**	**3.6**	**13.8**	**0.7**	**2.3**	**1.4**
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	1.3	0.46	0.6	0.6
	Transition	0.76	0.59	5	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**	**4.08**	**0.77**	**5.1**	**3.1**	**14.2**	**0.77**	**4.9**	**2.9**
Lady Annie	Oxide	0.51	0.56	1	0.6	1.35	0.44	0.5	0.5	0.03	0.4	0.4	0.7	1.89	0.47	0.6	0.5
	Transition	1.94	0.68	8	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**	**0.7**	**6.9**	**4**	**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	2.76	0.39	1.3	0.9	0.16	0.35	2.2	1.4	3.25	0.39	1.4	1
	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**	**8.03**	**0.46**	**5.7**	**3.5**
Lady Colleen	Oxide	-	-	-	-	0.1	0.63	1	0.4	0.1	0.52	0.7	0.3	0.2	0.58	0.9	0.4
	Transition	0.1	0.93	5.7	3.2	1.3	0.84	4.5	2.5	0.7	0.55	2.2	1.2	2.1	0.75	3.8	2.1
	Sulphide	0.1	1.08	0.7	0.4	1.9	1.14	6.1	3.3	3.6	0.75	3.5	2	5.6	0.89	4.4	2.4
	Total	**0.1**	**1**	**3.3**	**1.9**	**3.3**	**1.01**	**5.3**	**2.9**	**4.4**	**0.72**	**3.2**	**1.8**	**7.9**	**0.84**	**4.2**	**2.3**
Mount 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	0.16	0.47	2.2	1.3	0	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**	**0.52**	**0.55**	**2.4**	**1.4**	**2.64**	**0.54**	**1.5**	**1**
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	-	-
	Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1.42**	**0.49**	**-**	**-**	**1.42**	**0.49**	**-**	**-**

Deposit	Material	Measured				Indicated				Inferred				TOTAL			
		Mt	Cu%	Ca%*	Mg%*	Mt	Cu%	Ca%*	Mg%*	Mt	Cu%	Ca%*	Mg%*	Mt	Cu%	Ca%*	Mg%*
Swagman	Oxide	0.14	0.67	-	-	0.03	0.62	-	-	0.02	0.53	-	-	0.19	0.65	-	-
	Transition	-	-	-	-	0.07	0.6	-	-	0.04	0.45	-	-	0.11	0.55	-	-
	Sulphide	-	-	-	-	-	-	-	-	0.03	0.45	-	-	0.03	0.45	-	-
	Total	**0.14**	**0.67**	**-**	**-**	**0.1**	**0.61**	**-**	**-**	**0.09**	**0.47**	**-**	**-**	**0.33**	**0.6**	**-**	**-**
TOTAL	**Oxide**	**4.55**	**0.66**	**0.5**	**0.4**	**11.26**	**0.58**	**0.6**	**0.5**	**0.92**	**0.38**	**0.5**	**0.4**	**16.73**	**0.59**	**0.6**	**0.5**
	Transition	**3.8**	**0.66**	**6.6**	**3.9**	**11.02**	**0.7**	**6.9**	**4.1**	**2.42**	**0.52**	**3.8**	**2.3**	**17.25**	**0.67**	**6.4**	**3.7**
	Sulphide	**2**	**0.98**	**5**	**2.9**	**13.43**	**0.86**	**6.9**	**4.1**	**11.09**	**0.69**	**4.8**	**2.9**	**26.5**	**0.8**	**5.9**	**3.5**
	TOTAL	**10.35**	**0.72**	**3.6**	**2.2**	**35.71**	**0.72**	**4.9**	**2.9**	**14.43**	**0.64**	**4.4**	**2.6**	**60.48**	**0.7**	**4.6**	**2.7**

Notes:

- *Mineral Resources are reported at a 0.3% Cu block cut-off and classified in accordance with the JORC Code (2012).*
- *Totals may not add up due to rounding.*
- *Tonnage is reported as dry tonnes.*
- *Rounding has been applied to appropriately reflect the precision of the estimate.*
- *All values noted in Table 7are median values and are subject to the probability of the estimate.*
- **Due to the sparseness of calcium and magnesium assays, the calcium and magnesium estimates are indicative only.*

3.2 Geology

The mineral resources comprise secondary oxide copper mineralisation that form as sub-horizontal blankets in the ferruginous saprolite horizon, immediately above underlying copper sulphide mineralisation which is structurally controlled. Oxide copper mineralisation occurs predominantly in the form of malachite, with minor amounts of azurite, chrysocolla, cuprite, and rare native copper. The primary sulphide mineralisation occurs as chalcopyrite and pyrite, with cuprite and chalcocite occurring in the transitional zone between the oxide and sulphide zones.

The copper deposits in the Lady Annie area are contained within the north trending Lady Loretta High Strain Zone. The Lady Annie deposit is hosted by fault-bounded blocks of gently folded Paradise Creek and Upper Gunpowder Creek formations. The Lady Brenda deposit is located approximately 300 m to the southwest of the Lady Annie deposit. Copper mineralisation at Lady Annie and Lady Brenda is hosted in dolomitic, carbonaceous and argillaceous sandstones and siltstones. Oxidation of these units has removed the dolomitic material leaving behind ferruginous silty sandstones or kaolinitic sandy siltstones. The underlying primary copper sulphide mineralisation appears to be structurally controlled, being commonly associated with well-defined fault-related silicification.

The Mount Kelly area, where Flying Horse and Mount Clarke deposits are located, is dominated by early to mid-Proterozoic siltstones and dolomitic siltstones of the McNamara Group. Copper mineralisation occurs within units of the McNamara Group and is reportedly related to the northwest trending Mount Kelly and Spinifex faults, which intersect and cut the McNamara Fault. The known sulphide mineralisation is associated with multiple phases of brecciation and veining along the fault zones.

The smaller Swagman and McLeod Hill deposits occur within a few kilometres of the Mount Kelly area and have similar rock types and mineralisation styles. The mineralisation at both deposits is controlled by structural features such as shear zones and faults.

The Anthill deposit is hosted predominantly within the Esperanza Formation. The host lithology of the orebody is inferred to be dolomitic siltstones; however, the strong weathering and oxidation process has resulted in the near complete loss of dolomite from the rock in the upper oxide zone. The mineralisation appears to be controlled by a combination of steep structural elements and broad dome features. The Anthill transition is commonly hosted in structurally controlled silicified zones as well as in silicified sedimentary breccia in dolomite, which appear to have been a preferred permeability horizon for mineralising fluids.

Further discussion of the geology of the copper deposits and their host rocks is provided in Section 6.

3.3 Interpretation

The geological interpretation and grade domaining were completed by the site geologists employed by CST Minerals. No report describing this work is available. Golder reported that it reviewed the geology interpretations provided to them, and that interpretation was initially in two dimensional (2D) cross-sections and then wireframed to produce three dimensional (3D) solid models. Copper mineralisation envelopes were interpreted by CST Minerals. A nominal 0.2% Cu lower threshold was used to define the copper mineralisation envelopes. Additional surfaces defining the orientation of the mineralisation were also modelled by CST Minerals for use in building the local anisotropy model for grade estimation. Oxidation domains were interpreted by CST Minerals from geological logging, calcium-magnesium grades and copper sequential assays. They include oxide, transitional and fresh material which broadly defines the degree of oxidation of the rock. These domains broadly determine the copper minerals likely to occur within the rock and consequently the copper recoveries by acid leaching.

3.4 Block Modelling and Grade Estimation

Golder undertook the block modelling and grade estimation for the largest six of the eight deposits, and this work is summarised below. Snowden undertook the block modelling and grade estimation for the McLeod Hill and Swagman deposits, which forms less than 3% of the reported resources, and used similar

methodologies to the Golder work. Detailed topographic pre-mining surfaces covering the deposits was supplied by CST Minerals.

Only reverse circulation (RC) and diamond drillhole data were used for estimating the mineral resource. Datamine mining software was used for building the block model and grade estimation and reporting.

Statistical and geostatistical analysis was conducted on drillhole sample assays composited to 3 m downhole interval lengths on a copper domain basis. Prior to compositing, the samples within the copper domains that had no copper assay were assigned a default grade of 0.01% Cu. Top cuts were applied to the drillhole sample data prior to grade estimation to limit the effect of outlier samples.

A parent block dimension of 10 m x 10 m x 10 m was used for all deposits. The parent blocks were allowed to split into 2 x 2 x 2 sub-blocks with seam filling in the vertical direction to a resolution of 1 m near topography and 5 m near copper domain boundaries to improve estimation of the volume. This results in a minimum block size of 5 m x 5 m x 1 m. The parent blocks were further allowed to split to a minimum size of 2.5 m x 2.5 m x 0.5 m for depleting the model with the current pit surface.

Hard boundaries were used for estimating copper grades within the copper domains, with soft boundaries across oxide domain contacts. Calcium and magnesium were estimated using hard boundaries across the oxide domain contacts and soft boundaries across the copper domains.

Grade estimation was conducted using ordinary kriging (OK) for copper, calcium, and magnesium. Copper grades were estimated by copper mineralisation domains while calcium and magnesium grades were estimated using oxidation domains. Default grades were assigned to blocks that were not estimated. Copper was assigned a default of 0.01% Cu while calcium and magnesium were assigned defaults by oxide domain using the mean grades of the drillhole samples. Dynamic anisotropy was used during grade estimation to accommodate the varying directions (dip and dip direction) of the mineralisation. This method uses local estimates of dip and dip direction that are used to orient the search ellipse and variogram models for grade estimation rather than using a global lookup table based on domain.

Density values were estimated by oxidation domain. Default density values based on the mean density by oxide domain were assigned to blocks that were not estimated.

Validation of the models by Golder included visual inspection in three dimensions comparing the model against the drillhole data, comparison of the mean grades of the estimated against the mean grade of the composite drillhole data, and generation of swath plots (comparison of average grade by section).

CSA Global considers that the block modelling and grade estimation are appropriate for the deposit type and have been performed to current industry standards for the reporting of Mineral Resources.

3.5 Resource Classification

Golder's resource classification was assigned to the block model using the following parameters:

- Measured: At least four drillholes within a radius of 30 m (i.e. 20 m x 20 m drill spacing)
- Indicated: At least four drillholes within a radius of 60 m (i.e. 40 m x 40 m drill spacing)
- Inferred: Fewer than four drillholes within a radius of 60 m (i.e. > 40 m x 40 m drill spacing)
- Resources were reported using a 0.3% Cu grade cut on individual sub-blocks from the grade model.

CSA Global considers that the resource classification is appropriate for the reporting of Mineral Resources.

3.6 Plan and Sections

3.6.1 Anthill Deposit

A surface plan for the Anthill deposit for which Mineral Resources and Ore Reserves have been reported are provided in the following figure. The plan shows the location of drillhole collars and the trace of the hole

path, the outline of the wireframe model of copper mineralisation used for the estimation, the current surface as either original topography or as mined digital terrain model.

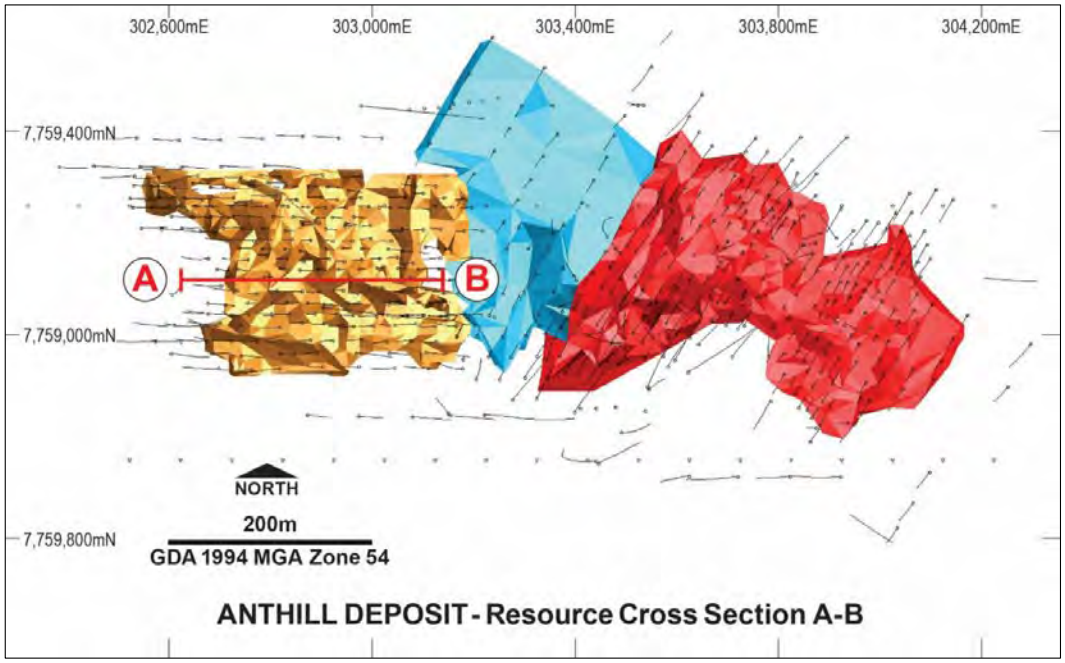


Figure 6: Plan of the Anthill deposit showing drilling and interpreted mineralisation wireframes

The following figure provides an isometric view of the Anthill deposit showing the resource block model cut by the open pit design on which the Ore Reserves are based (refer Section 4).

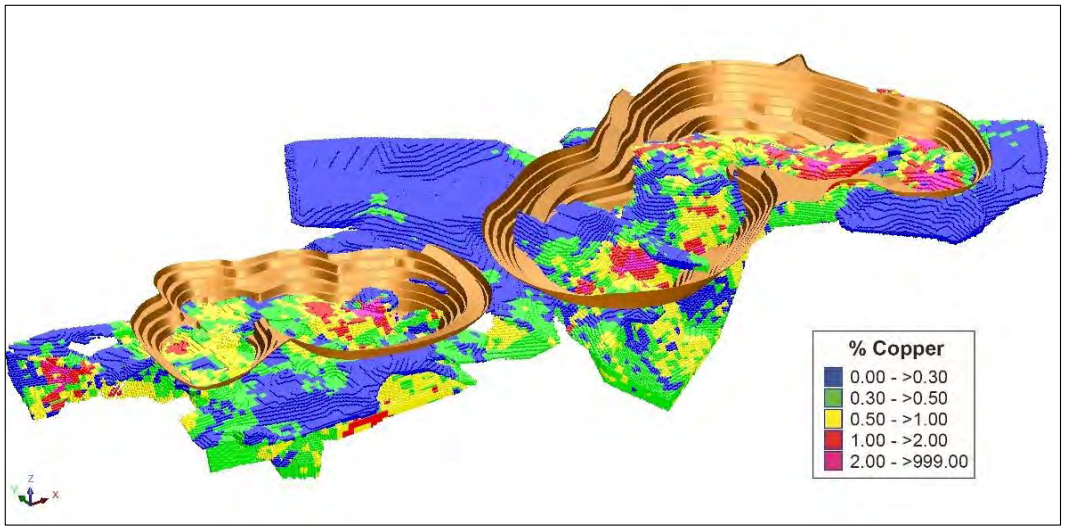


Figure 7: Isometric view of the Anthill deposit showing the resource block model and planned open pit

Image is looking down to the north-northwest and covers 1,600 m east-west. Block model cells are coloured by copper grade. The open pit (brown) was designed by CSA Global as discussed in Section 4.2.4 of this report.

Representative cross-sections for the Anthill deposit are also provided in the following figures. One cross section shows the location of drillhole collars and the trace of the hole path, the outline of the wireframe model of the copper mineralisation used for the estimate and the as mined digital terrain model. A second cross section for each deposit illustrates the grade distribution of the mineralisation by showing the block model coloured by the copper grade of each cell block, with the location of the weathering domains also shown.

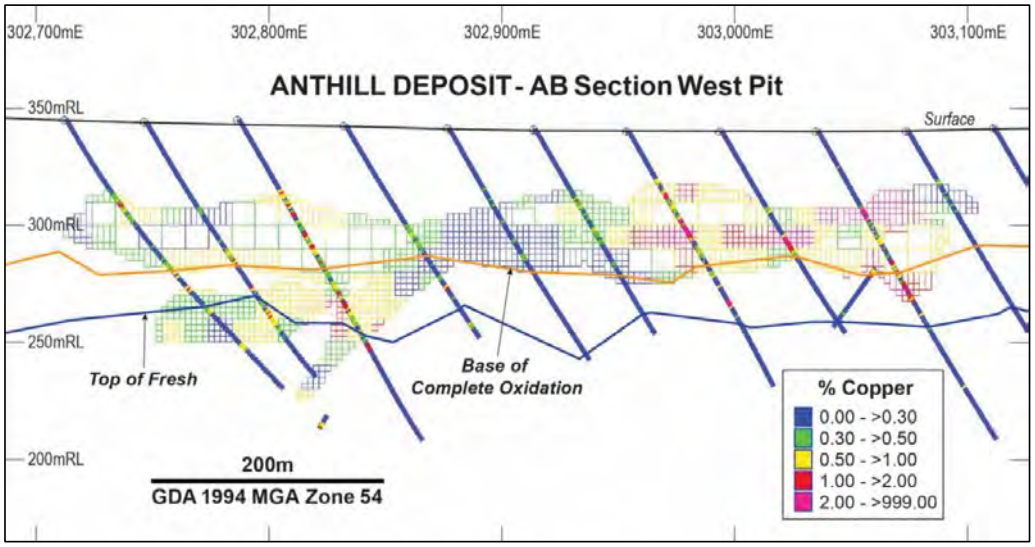


Figure 8: Cross section of the Anthill deposit showing drillholes and block model coloured by copper grade

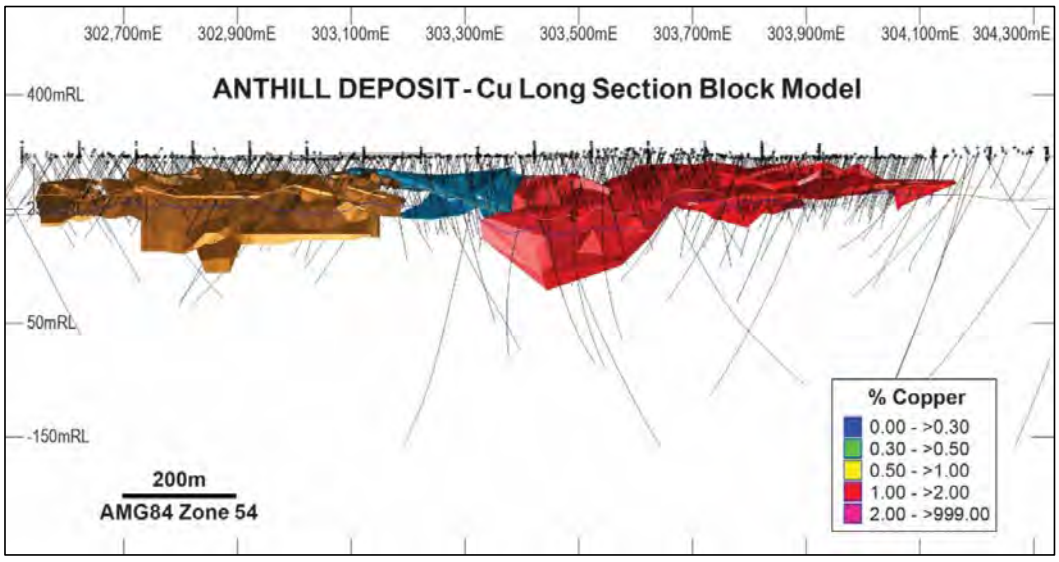


Figure 9: Long section of the Anthill deposit showing all drillholes and interpreted mineralisation wireframes

3.6.2 Other Deposits

Surface plans for each of the other seven deposits for which Mineral Resources have been reported are provided in Appendix B of this ITAR. Plans show the location of drillhole collars and the trace of the hole path,

the outline of the wireframe model of copper mineralisation used for the estimation, the current surface as either original topography or as mined digital terrain model.

Representative cross-sections for each of the seven deposits are also provided in Appendix B. One cross section shows the location of drillhole collars and the trace of the hole path, the outline of the wireframe model of the copper mineralisation used for the estimate and the current surface is either original topography or as mined digital terrain model. A second cross section for each deposit illustrates the grade distribution of the mineralisation by showing the block model coloured by the copper grade of each cell block, with the location of the weathering domains also shown.

3.7 Data

The Lady Annie, Anthill, Lady Colleen, Lady Brenda, Mount Clarke and Flying Horse mineral resource estimates are based on drilling and interpretations of the geology and mineralisation by site geologists undertaken in 2012 immediately following a major program of resource definition drilling (Golder, 2011 and 2012). The Swagman and McLeod Hill Inferred Mineral Resources are based on block models and mineral resource estimates undertaken in 2010 by Snowden Mining Industry Consultants (Snowden, 2010).

In 2012, Golder was engaged by former owners (CST Minerals) to review the data and geology interpretations and complete the resource estimates using Datamine Studio software. Block models covering the extents of the deposits were constructed with parent cell dimensions of 10 m x 10 m x 5 m and constrained by the mineralisation domains defined at a 0.2% Cu lower cut-off grade. Sub-blocking with cell dimensions of 5 m x 5 m x 5 m was allowed around the margins of the interpreted mineralisation domains. OK was used to estimate copper, calcium, magnesium and bulk density for Lady Annie. For the other deposits, OK was used for copper and inverse distance was used for calcium and magnesium and density. For Anthill, density was assigned by oxide domain.

The following data were provided to Golder by the former owners: drillhole data (assays, lithology, collar, survey, bulk density) as ascii comma delimited files; geological interpretations used in the estimation which included: copper mineralisation (at 0.2% cu nominal cut-off) and oxidation wireframes; current open-pit wireframes: topography wireframes; report on quality assurance/quality control (QAQC); and drillhole exclusion lists.

Golder reported that the data included tables for sample assays (136,450 records), soluble copper assays (6,804 records), drillhole collar (1,512 records), drillhole survey (5,831 records), lithology (81,789 records) and bulk density (9,501 records). Also provided was a list of drillholes that were considered unreliable and that should be excluded from the estimate (317 records).

Golder reports completing the following tasks as part of the Mineral Resource estimates:

- Rudimentary data validation
- Review geological interpretations
- Statistical analysis of drillhole assays
- Variography
- Test estimates for Lady Annie to optimise block model and estimation parameters
- Block modelling
- Grade estimation using OK for copper, calcium and magnesium as well as estimation using inverse distance and nearest neighbour
- Model validation.

A Golder principal geologist visited the site on two separate occasions in November 2011 and a Golder consultant visited the site during March 2015.

Golder reported that a brief review of the QAQC information provided showed no major concerns with the quality of the drillhole sample assaying being conducted by CST Minerals (Golder, 2012). Golder reviewed earlier QAQC reports by Maxwell GeoServices covering the CopperCo Limited (CopperCo) data which

determined that the earlier CopperCo assaying was of reasonable quality, however, these earlier reports were not available to CSA Global for review. Snowden (Snowden) reviewed the available QAQC data for Lady Annie in 2010 as part of earlier resource estimates and concluded that the assaying was of reasonable quality (Snowden, 2010). However, Snowden noted several issues including significant validation issues with the field standards reflecting poor data collection.

CSA Global considers that the drillhole data forms an adequate basis for the reporting of Mineral Resources.

3.8 Reasonable Prospects for Eventual Economic Extraction

For the Anthill deposit, the definition of Ore Reserves clearly provides reasonable prospects for economic extraction.

Although the resource report of Golder did not specifically document their considerations in determining the existence of reasonable prospects for eventual economic extraction for the eight mineral resources, the following points are noted in the JORC Code Table 1 commentary (Appendix A).

- A cut-off grade of 0.3% Cu is considered appropriate for reporting a Mineral Resource for open pit mining. This approximates the marginal operating cost for copper production of oxide and low calcium-magnesium transition material through an acid heap leach process used for the Lady Annie and Mount Kelly mining areas.
- Both the Swagman and McLeod Hill deposits are close enough to Mount Kelly that trucking distance is unlikely to be a major factor in the economics of mining the deposits.
- Open cut mining is assumed. Block model cell dimensions were selected on the basis of the mining method with respect to the current smallest mining unit. Internal dilution is incorporated into the mineralisation domains. No edge dilution was considered.
- Golder anticipates that the deeper parts of the resource may need to be accessed in the future via underground mining.
- Low calcium-magnesium oxide and a minor amount of transition material was mined at the Lady Annie mine and processed by acid heap leach.
- There is currently no capability to process the sulphide material and blended high calcium-magnesium transition material. However, this material is likely to be amenable to conventional flotation.

Further consideration of the prospects for eventual economic extraction of the mineral resources are provided in Sections 4 and 5 of this ITAR.

3.9 ASX Listing Rule 5.8 Material Summary Tabulation

The following summary (Table 8) presents a fair and balanced representation of the information contained within the full Mineral Resource estimate report (Golder, 2021).

Table 8: ASX Listing Rule 5.8 Material Summary Tabulation

ASX Listing Rule 5.8.1 criteria	Material summary
Geology and geological interpretation	The Lady Annie mining area is contained within the north trending Lady Loretta High Strain Zone. The Lady Annie deposit is hosted by fault-bounded blocks of gently folded Paradise Creek and Upper Gunpowder Creek formations. The Lady Brenda deposit is located approximately 300 m to the southwest of the Lady Annie deposit. Copper mineralisation at Lady Annie and Lady Brenda is hosted in dolomitic, carbonaceous and argillaceous sandstones and siltstones. Oxidation of these units has removed the dolomitic material leaving behind ferruginous silty sandstones or kaolinitic sandy siltstones. The primary copper sulphide mineralisation appears to be structurally controlled, being commonly associated with well-defined fault-related silicification. The Mount Kelly mining area, where Flying Horse deposit is located, is dominated by early to mid-Proterozoic siltstones and dolomitic siltstones of the McNamara Group. Copper mineralisation occurs within units of the McNamara Group and is reportedly related to the northwest trending Mount Kelly and Spinifex faults, which intersect and cut the McNamara

ASX Listing Rule 5.8.1 criteria	Material summary
	Fault. The known mineralisation is associated with multiple phases of brecciation and veining along the fault zones. The copper oxide mineralisation appears to be shear and fault controlled. The Swagman and McLeod Hill deposits occur within a few kilometres of the Mount Kelly mining area and have similar rock types and mineralisation styles. The mineralisation at both deposits is controlled by structural features such as shear zones and faults. The Anthill deposit is hosted predominantly within the Esperanza Formation. The host lithologies of the orebody are mostly inferred to be dolomitic siltstones; however, the strong weathering and oxidation process have resulted in the near complete loss of dolomite from the rock in the upper oxide zone. The mineralisation appears to be controlled by a combination of steep structural elements and broad domal features. The Anthill transition is commonly hosted in structurally controlled silicified zones as well as in silicified sedimentary breccias in dolomite, which appear to have been a preferred permeability horizon for mineralising fluids. For all resources domaining a nominal 0.2% Cu cut-off grade to distinguish between mineralisation and waste was used. Oxidation surfaces were interpreted from drillhole geological logging of weathering and drillhole copper sequential assays where available. The interpretation was performed in cross sections parallel to the dominant drilling direction and evenly spaced according to drill spacing. Solid wireframes were constructed from the sectional interpretations. Copper mineralisation shows good continuity between drillholes along strike and down-dip.
Sampling and subsampling techniques	RC drilling was sampled on 1 m intervals through a cyclone attached to the drill rig and a riffle splitter to collect 2–3 kg samples. The splitter was cleaned at the end of each rod, the cyclone was cleaned at the start of each hole. Field duplicates were collected for the RC samples from a bucket containing the rejects using a spear. Diamond core drilling was used to sample half core in 1 m lengths based on mineralisation. Diamond core is sawn longitudinally with half core taken for sampling. Duplicates for diamond core samples were taken from the crushed rejects at ALS laboratory. Standards and blanks were inserted at rate of 1:25 and a minimum of two standards per batch. Standards were picked to match the expected grade of the mineralised interval. Blanks were inserted immediately after the standard. Field duplicates were inserted with the blanks and standards. Prior to 2008, there was minimal QAQC, but some check sampling and production reconciliation indicated no material problems with assaying. Available QAQC data was assessed and there were no significant sampling and assaying issues noted. The frequency of standards, blanks and duplicates is considered adequate.
Drilling techniques	RC and percussion methods were used to test near-surface oxide mineralisation while diamond drilling (HQ) was used for evaluating deeper sulphide mineralisation. RC drilling used standard face sampling hammers, high pressure compressor and a riffle splitter. Diamond drilling was HQ size using standard/triple tubing. Drillholes considered unreliable such as water bore, percussion holes, rotary air blast holes, were excluded from the resource estimate.
The criteria used for classification, including drill and data spacing and distribution – this includes separately identifying the drill spacing used to classify each category of Mineral Resources (Inferred, Indicated and Measured) where estimates for more than one category of Mineral Resource are reported	Lady Annie, Mount Kelly and Anthill classification was assigned only within the interpreted 0.2% copper grade envelope using drill spacing: • Measured – at least four drillholes within a radius of 30 m • Indicated – at least four drillholes within a radius of 60 m • Inferred – less than four drillholes within a radius of 60 m. Swagman classification was assigned based on geological confidence, the integrity of the data, the spatial continuity of the mineralisation as demonstrated by the variography, and the quality of the estimation. McLeod Hill Resources were all classified as Inferred due to: drillhole spacing and geological confidence.

ASX Listing Rule 5.8.1 criteria	Material summary
Sample analysis method	Samples were assayed by ALS Mount Isa or ALS Townsville, both National Association of Testing Authorities (NATA) accredited laboratories, using standard minerals industry sample preparation and analytical methods. The mineral suite analysed for varied across the drilling programs, but copper, calcium and magnesium were routinely analysed by ME-ICP41, an aqua regia digest with an inductively coupled plasma-atomic emission spectroscopy (ICP-AES) finish.
Estimation methodology	Golder carried out the resource estimation using CAE Studio's Datamine software using the standard 3D block modelling approach. The 0.2% Cu interpreted mineralisation envelopes, interpreted oxidation surfaces and surveyed topography were used to build the models. Grade estimation was conducted using OK for copper and inverse distance squared for calcium and magnesium. Grades were assigned using a three-pass approach and parent cell estimation. Search distances were based on the variogram. Dynamic anisotropy was used to orient the search and variograms during grade estimation. High-grade cuts were applied to the drillhole samples prior to estimation. Contact analysis was performed to determine the style of the grade trends across the copper domains and oxide domains. Copper was estimated using hard boundaries between mineralisation domains and soft boundaries between oxide domains for Lady Annie, Mount Kelly, and Anthill. Calcium and magnesium estimated per oxide domain using hard boundaries for Lady Annie, Mount Kelly, and McLeod Hill. Density estimated for Lady Annie and Mount Kelly only while density assigned for Swagman and McLeod Hill models based on the Mount Kelly area. Validation was undertaken on the model estimates using visual and statistical methods.
Cut-off grade(s), including the basis for the selected cut-off grade(s)	A cut-off grade of 0.3% Cu is considered appropriate for reporting a Mineral Resource for open pit mining. This approximates the marginal operating cost for copper production of oxide and low calcium-magnesium transition material through an acid heap leach process as currently used by CST Minerals for the Lady Annie and Mount Kelly mining areas. Both the Swagman and McLeod Hill deposits are close enough to Mount Kelly that trucking distance is unlikely to be a major factor in the economics of mining the deposits.
Mining and metallurgical methods and parameters, and other material modifying factors considered to date	Open cut mining is assumed. Block model cell dimensions were selected on the basis of the mining method with respect to the current smallest mining unit. Internal dilution is incorporated into the mineralisation domains. No edge dilution was considered. Golder anticipates that the deeper parts of the resource may need to be accessed in the future via underground mining. Low calcium-magnesium oxide and transition material was mined at the Lady Annie mine and processed by acid heap leach. There is currently no capability to process the sulphide material and blended high calcium-magnesium transition material. However, this material is likely to be amenable to conventional flotation. There are no known environmental factors that restrict or impact on the current Mineral Resource.

4 Mining and Ore Reserve Estimate

4.1 Introduction

Austral engaged CSA Global to complete a mining study and maiden Ore Reserve estimate for the Anthill project which was completed in May 2020. Prior to the May 2020 maiden Ore Reserve estimate, Golder completed a pit optimisation study on the Anthill project (Golder, 2018). The initial CSA Global (2020) mining study assessed the following two mining scenarios:

- Conventional excavator and truck fleet
- Kenworth "bigfoot" trucks and appropriate loading unit.

The initial CSA Global (2020) mining study and maiden Ore Reserve estimate was prepared on a basis excluding crushing and agglomeration, and radial stacking. In 2021, Austral engaged CSA Global to prepare a revised mining study and Ore Reserve estimate for the Anthill Project, with the following updated parameters:

- Updated copper price
- Inclusion of costs for crushing and agglomeration of ore
- Inclusion of costs for radial stacking
- Increased recoveries from crushing and agglomeration.

The revised Ore Reserve estimate for the Anthill project was completed in March 2021. The ore mined at Anthill will be processed at the established Mount Kelly processing facilities, 45 km away from the mining operation.

Historical open pit mining has taken place on four deposits: Lady Annie, Lady Brenda, Mount Clarke, and Flying Horse deposits. Lady Annie has been an operational copper mine for over 10 years. Within this timeframe, the mine has produced a maximum of 22.4 ktpa of copper cathode. In 2016, operations at Lady Annie were reduced to treat low-grade stockpiles whilst feasibility studies were conducted to recommence mining. During the period 2016–2019, the operation produced 125 tonnes per month of copper cathode, under an offtake agreement with Marubeni. This offtake agreement is still in place and is renewed annually.

Austral purchased the assets from CST Minerals in July 2019. This included the Lady Annie operations and recently approved Anthill copper project. The purchase also included a suite of development and exploration assets.

Since Austral acquired Lady Annie, the management team has been renegotiating supplier contracts, increasing its production efficiencies, initiating rehabilitation programs, and increasing production to approximately 250–400 tonnes per month of copper cathode through remnant mining projects at Lady Brenda and Flying Horse.

The Beaton (November 2021, pg. 1) memorandum summarises the remnant mining that occurred between March 2020 and January 2021 of the following deposits, pits, and cutbacks:

- Lady Brenda East pits
- Lady Brenda West pits
- Flying Horse South cutback
- Flying Horse Ease cutback.

The Beaton (2021) memorandum summarises the planned versus realised reconciliation of copper metal from the remnant mining pits.

Mineral Resource estimates exist for eight copper deposits within Austral's tenements, however, there are no mining studies or Ore Reserve estimates for any deposits other than the Anthill deposit.

The copper extraction achieved over several years at the Lady Annie project and surrounding pits is one of the significant contributing factors supporting the Ore Reserve of the Anthill project.

All previous extraction of copper has been based on weathered material. No fresh material forms the basis of the Anthill Ore Reserve.

4.2 Mining Studies

4.2.1 Geotechnical Studies

The geotechnical analysis was completed by PSM Geotechnical Consultants Pty Ltd (PSM) in August 2013 and published in the report titled: "CST Mining, Anthill Copper Project, Mt Isa, Queensland: Stage Two Geotechnical Work Program, Report PSM1819-020R, August 2013".

PSM analysed pit designs within the Anthill mining area and provided pit wall batter and berm configurations for each of the weathering domains. Table 9 shows the design slope definition. This slope geometry was used as a basis for the pit optimisation as well as pit and stage designs within the study.

Table 9: Recommended bench slope and inter-ramp angles (by PSM)

Wall	Geotechnical unit	Bench slope angle	Inter-ramp Angle
West	All	50°	39°
North, South and East	Saprolite	60°	46°
	SW to Fresh rock	70°	53°

The recommended slope geometry comprises bench heights of 20 m with 8 m wide berms. It is also recommended that the overall wall angle within the Saprolite unit not exceed 39° see Figure 10 below.

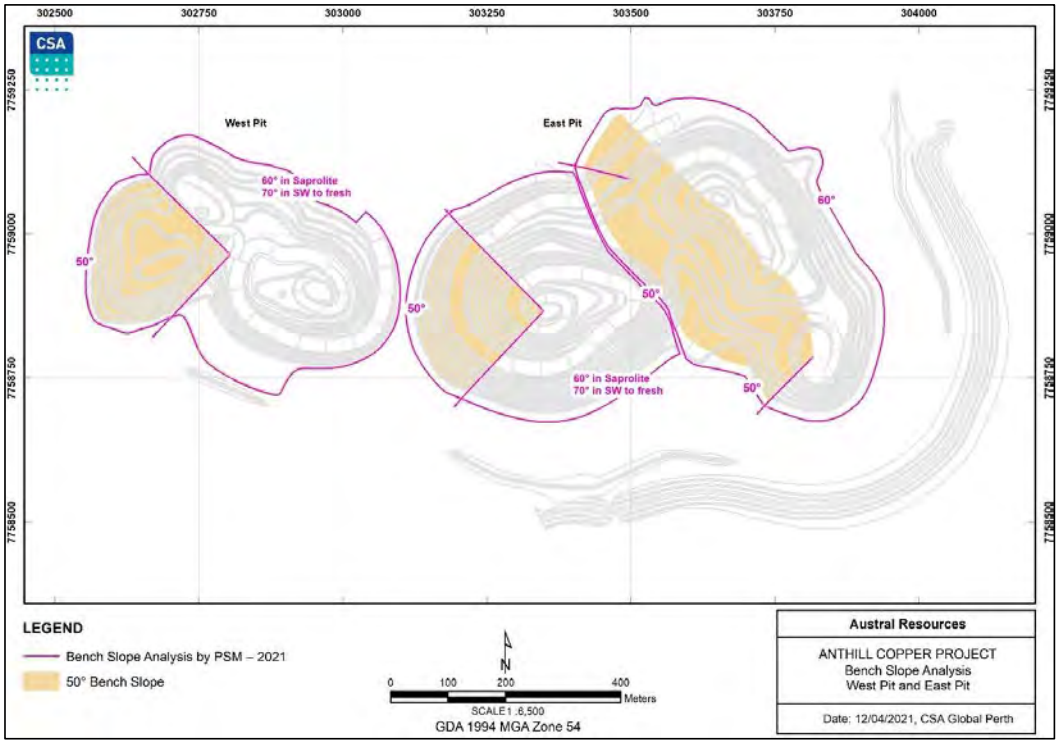


Figure 10: Bench slope analysis (by PSM)

4.2.2 Hydrology and Hydrogeology

A diversion for Johnson Creek is required to enable mining in the Anthill East Pit, as shown below in Figure 11. The diversion must be put in place before the start of Stage 1.

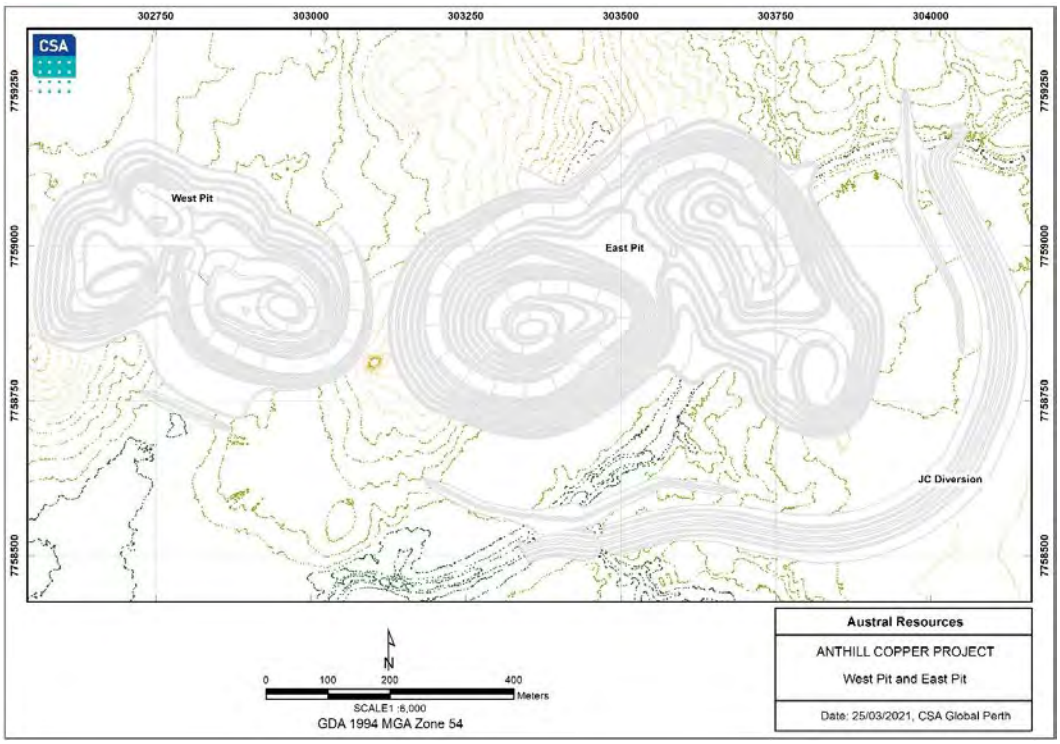


Figure 11: Final (stage 4) pit design with Johnson Creek diversion channel

The initial diversion design was prepared by Alluvium Consulting (Alluvium, 2013). Neilly Group Engineering was engaged to revise and update the Johnson Creek diversion which was completed in October 2020. Neilly Group Engineering (2020) designed two levees to provide flood protection for the pits as well as plug the existing Johnson Creek and direct flows along the new Johnson Creek diversion around the southeast of the East Pit. The structures must be built at a safe distance from the open pit to prevent any fractures from developing. Neilly Group Engineering (2020, pg. 5) completed the following scope:

- A summary of the baseline assessment of the existing Johnson Creek
- Hydrologic modelling for input to hydraulic modelling
- Hydraulic modelling to inform diversion design
- Detailed design drawings.

Figure 12 through to Figure 15 show typical sections from the Neilly Group Engineering (2020) detailed designs.

The water licence for the creek diversion has been approved.

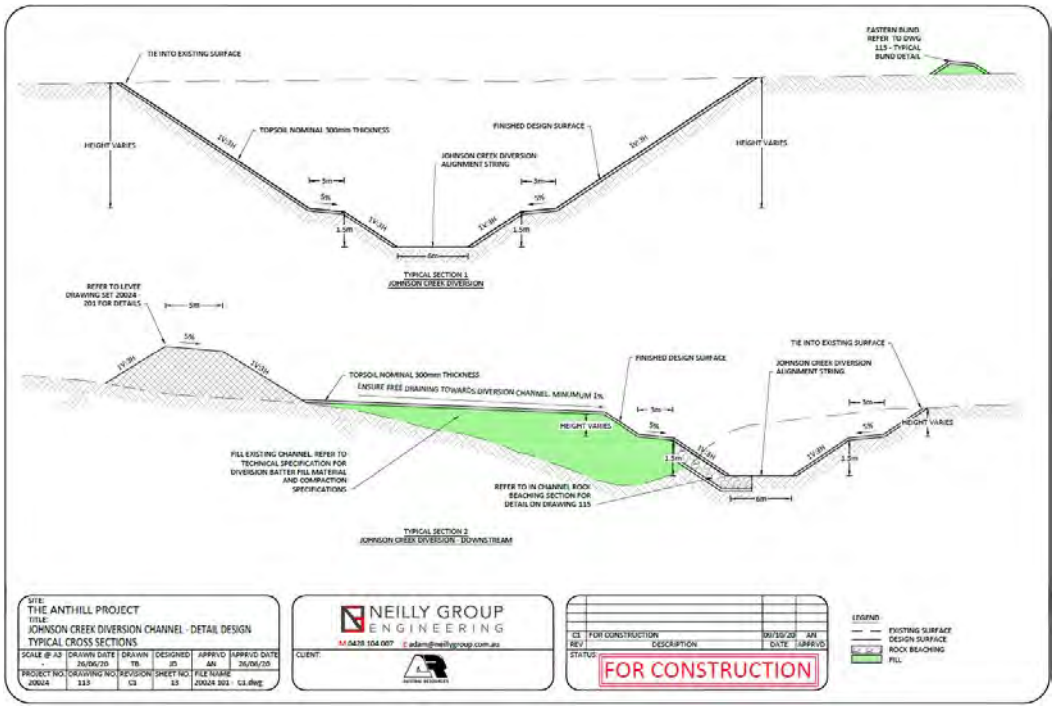


Figure 12: Neilly Group Engineering (2020) typical Johnson Creek diversion design sections 1 and 2

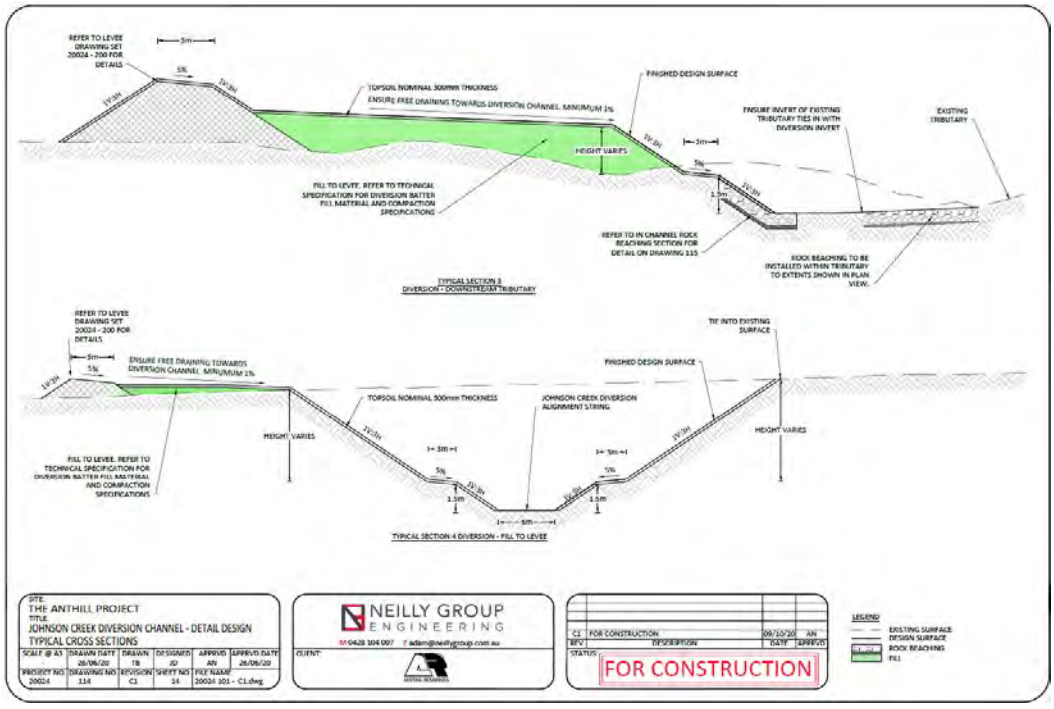


Figure 13: Neilly Group Engineering (2020) typical design sections for downstream tributary and fill to levee

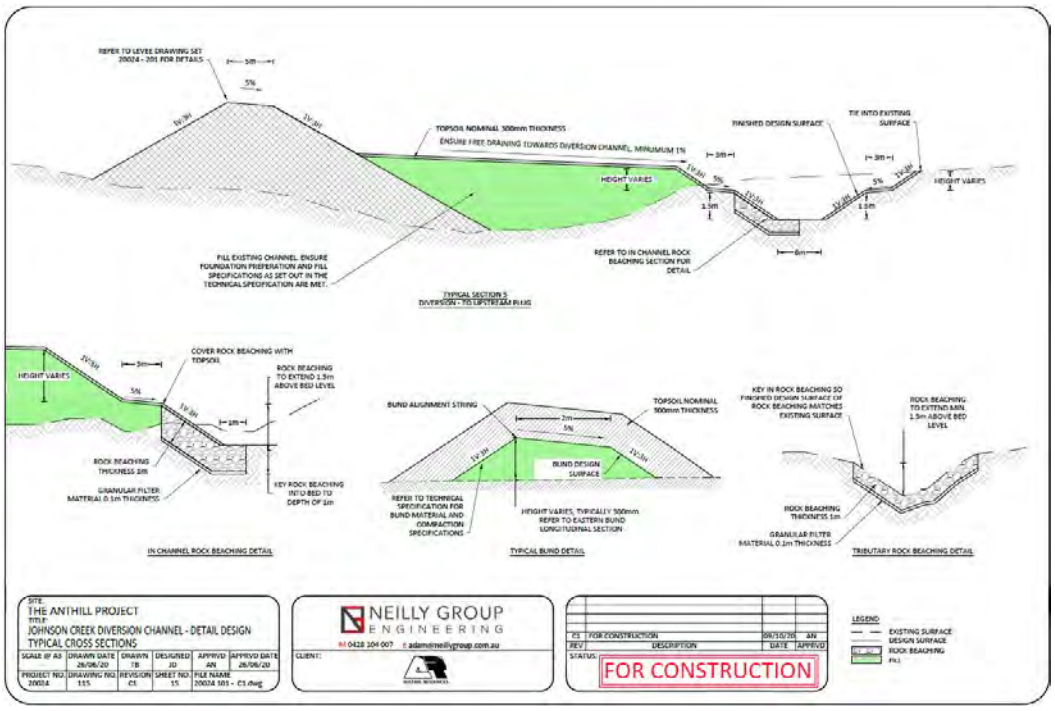


Figure 14: Neilly Group Engineering (2020) typical design sections for upstream plug, in channel rock beaching detail, bund detail, tributary rock beaching detail

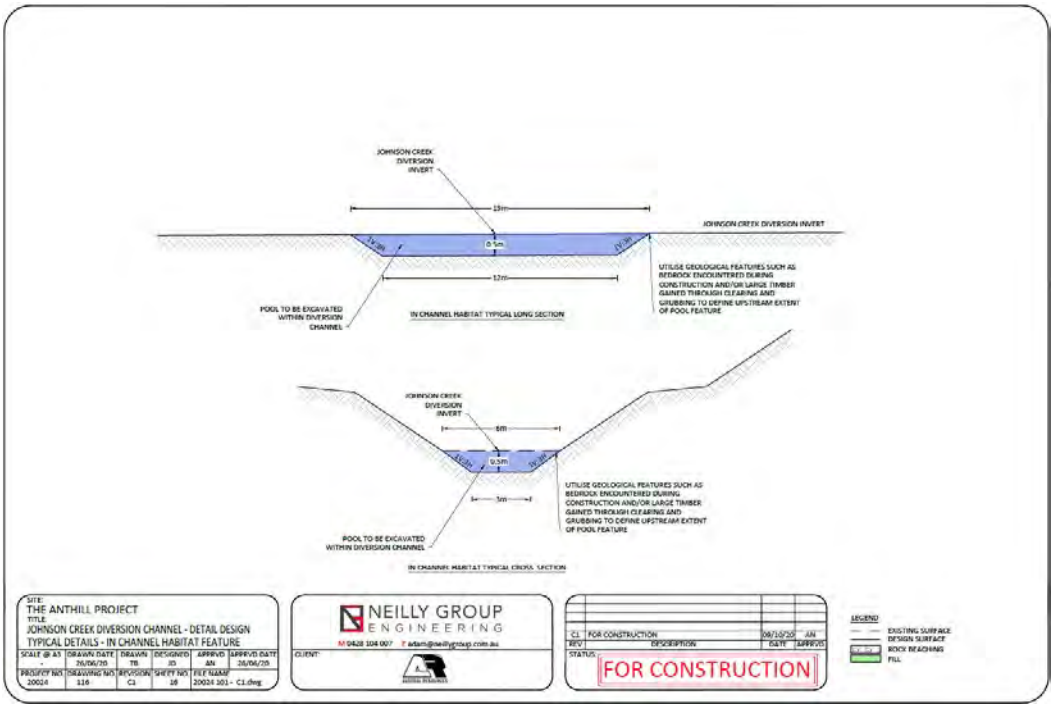


Figure 15: Neilly Group Engineering (2020) typical design sections for in channel habitat

A hydrogeological assessment of the Anthill project was completed by Rob Lait and Associates Pty Ltd (Rob Lait and Associates) in 2013. Rob Lait and Associates (2013, pg. 4) completed the following assessment:

- Review of existing hydrological and hydrogeological information
- A site visit to gather and obtain hydrological and hydrogeological information
- Analysis and assessment of exploration data from boreholes drilled at the Anthill project site
- Characterisation of the existing hydrogeological regime
- Identification of potential hydrogeological impacts.

Rob Lait and Associates (2013, pg. 14) concluded that the groundwater levels are 40–50 m below ground surface. Rob Lait and Associates (2014, pg. 20) noted the following prediction of groundwater inflows for the Austral pits, describing the proximity of the pits as being regarded as a single hydraulic entity:

"Groundwater inflows and drawdown will gradually decrease as mining proceeds to full development, owing to the reduction in head with progressive dewatering, and the physical removal of significant sections of the prime aquifer. So, whilst the current sustainable rate of groundwater extraction is of the order of 42 L/s, the rate of inflow to the pit/s at full development will be substantially reduced as the aquifer material that is located in a discrete area along Johnson Creek will have been removed. "

Rob Lait and Associates (2013, pg. 34) predicted that the radius of influence of drawdown from the open pits at full development will be approximately 1.5 km and that there are no privately owned groundwater bores within this radius. Rob Lait and Associates (2013, pg. 34) noted there is no evidence that any groundwater dependent ecosystems exist within the regional vicinity of the Anthill project. Rob Lait and Associates (2013, pg. 35) recommended:

- *"Maintenance of the existing groundwater monitoring bore network.*
- *Continued and regular collection and analysis of groundwater samples assessing baseline and variations in groundwater quality at the project site, with increasing frequency of measurement as mining commences.*
- *Continued and regular measurement of groundwater levels, increasing the frequency of monitoring as mining commences.*
- *That additional groundwater monitoring bores be assessed as pit development commences."*

4.2.3 Pit Optimisation

Input parameters for the pit optimisation were based on data provided by Austral and reviewed by CSA Global. CSA Global concluded that the pit optimisation parameters were within acceptable benchmark ranges for comparable projects. Product prices are based on consensus forecasts (see Table 10). The operating costs have been based on existing and estimated costs, all to a minimum of a Preliminary Feasibility Study (PFS) standard.

Table 10: Product pricing used for pit optimisations

Category	Item	Unit	Value
Financial	Metal price for copper (base case)	US$/lb	3.72
	Conversion [lb] to [t]	lb/t	2204.63
	Metal price for copper	US$/t	8,200
	FOREX	A$/US$	0.791
	Metal price for copper (base case)	A$/t	10,363
	Selling costs – copper	A$/t	172.0
	Government royalties	%	3.70%
	Royalty estimate	A$/t	383.4
	Net copper price	A$/t	9,808

Note that the project financial parameters shown in Table 10 differ to those used in the detailed project financial model. The project financial model used a variable copper price and an exchange rate of A$1.00:US$0.71.

Planning parameters address the plant throughput – leach pad stacking capacity required to ensure sufficient copper is recovered to support Company operations (see Table 11 below). The planned ore road-trains are triple-trailer configuration rated to carry approximately 125 tonnes of ore from the mine to Mount Kelly run-of-mine (ROM) pad.

Table 11: Pit optimisation planning parameters

Category	Item	Unit	Value
Planning	Plant throughput (dry)	kt per month	150
	Plant throughput (dry)	Mtpa	1.80
	Ore transport requirements	tpd	4,932
	Ore train capacity	t/trip	125
	Ore trains required	net no./day	40
	Ore trains required at OEE	80%	50

Pit optimisations in Geovia Whittle™ software used the product prices as shown above in Table 10. The pit optimisations and the CSA Global mining studies were based on oxide and minor amounts of transitional, Measured and Indicated Mineral Resources. Mining costs were received from a prospective mining contractor (Table 12) and were based on the mining schedule from the 2020 study. The table reflects increasing mining costs with depth. Ore and waste mining costs are the same. The cost covers loading and hauling of material to the ROM pad or a waste rock dump. The drilling and blasting costs were added and are presented in Table 13.

Table 12: Mining contractor load and haul rates

Elevation	Unit (A$)	Oxide	Transitional	Fresh
200	$/t	3.84	3.84	3.57
210	$/t	3.83	3.83	3.11
220	$/t	4.94	3.70	3.43
230	$/t	4.79	3.59	3.34
240	$/t	4.13	3.09	2.87
250	$/t	3.97	2.97	2.76
260	$/t	3.81	2.86	2.65
270	$/t	3.78	2.86	2.63
280	$/t	3.05	2.38	2.12
290	$/t	2.90	2.45	2.02
300	$/t	2.66	2.66	2.66
310	$/t	2.34	2.34	2.34
320	$/t	2.30	2.30	2.30
330	$/t	2.09	2.09	2.09
340	$/t	2.04	2.04	2.04
350	$/t	2.21	2.21	2.21

Mining costs reflect the material weathering profile (see Table 13 below). The mining sustaining cost is part of the contract mining rate. The costs and optimisation parameters presented in this section of the report have been used for the pit optimisation in Geovia Whittle™ software package. The final costs were applied in the project's financial model after mine design and production scheduling.

Table 13: Pit optimisation mining costs

Category	Item	Unit (A$)	Value (A$)
Mining ore and waste	Oxide mining rate (average)	$/t	$3.29
	Transitional mining rate	$/t	$2.83
	Sulphides mining rate	$/t	$2.63
	Cost depth adjustment rate	$/t/m	0.0242
	Reference mining level	m RL	340.0
	Oxide drill and blast rate	$/t	$0.97
	Transitional drill and blast rate	$/t	$1.22
	Sulphides drill and blast rate	$/t	$1.47
	Mining recovery	%	95% (x 0.95)
	Mining dilution	%	2.0% (x 1.02)
	Minimum mining width	m	35.0

Removal of vegetation cover, including topsoil recovery and stockpiling, is assumed to be absorbed in contractor's mining rate.

Loading of ore and waste will be carried out by the contractor's excavator at each bench level and transported to the ROM stockpile or a waste rock dump by a rigid mining dump truck.

Grade-control cost of A$0.32/t of ore is estimated for blast hole sampling, laboratory, and assaying costs, and it is separate from mining rates. The loading of ore from the ROM stockpile is estimated at A$0.60/t of ore. Ore will be loaded onto road trains by the contractor's front-end loader. Each road train (in a triple-trailer configuration) can carry up to 125 tonnes of ore in total. Mine to Plant ROM haulage is estimated at A$5.85/t of ore that is based on an A$0.13/t.km estimated transport cost utilising road trains. The distance to travel is mostly on a bitumen public road that has been recently classified as a heavy haulage road. Part of the route will be on unsealed gravel/mine haul road to connect the ROM stockpile to the main road. The cost of rehandling at the plant ROM is expected to be at A$0.60/t of ore. Plant processing cost were estimated at A$1.90/t of ore and crushing, agglomerating, conveying, and stacking of ore on leach pads estimated at A$5.44/t of stacked ore. Overall processing recovery has increased from 80% to 85% due to addition of crushing, agglomeration, and radial stacking of ore, when compared to the 2020 CSA Global mining study.

Rehabilitation cost includes cover and re-shaping of dumps, removal of any buildings and plant, ripping the roads, and other areas and infrastructure utilised during the mining. The estimated rehabilitation cost is A$2.10/$m^2$ of land area required to be prepared for post mining use (c. 48.3 ha).

4.2.4 Mine Design

Geovia Whittle™ pit optimisation software has been used to define a set of pit shells on which the pit designs and stages were based for the recovery of oxide and transitional Measured and Indicated Mineral Resources. A detailed mine design with pit development stages was developed, based on the optimised pit shells. Figure 16 below shows the final stage pit design, waste rock dump design, and diversion drain for the project.

The pit shells and lobes of mineralisation were then subdivided into the stages:

- Stage 1 East: The Starter Pit to the east, enabling to reach some ore and defer waste rock stripping
- Stage 1 West: Excavation focused on the small West Pit
- Stage 2 East: Expansion of the Starter Pit to the east to final pit cutback design
- Stage 2 West: Development of Starter Pit to the west to final cutback design.

The pit and stage designs incorporate the geotechnical parameters described in Section 4.2.1 of this ITAR.

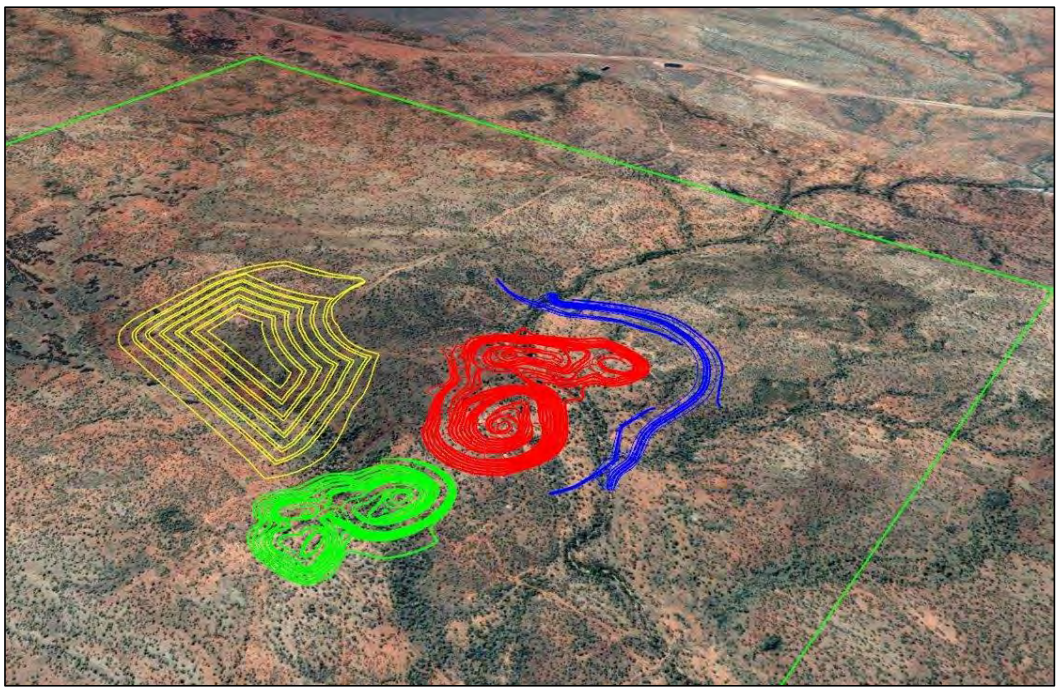


Figure 16: Anthill project mine design
Note: diagram only, please see Figure 11 for the annotated and scaled plan

Pit designs have also included parameters related to the pit ramp dimensions:

- Dual-lane haul roads to be 25 m wide
- Single-lane haul roads of 15 m, reducing to 12 m within 10 m of pit base
- Haul road gradients of 1:9 (11%) increasing to 1:8 (12.5%)
- Incorporating previously designed Johnson Creek diversion structures.

External waste rock dump volume capacity estimates assume that the Stage 1 East Pit and Stage 1 West Pit can be backfilled, and the waste rock dump extended above the original void to create a landform with a batter slope of 1:3. The current Austral mine schedule has the Stage 1 East pit being backfilled up to 355 mRL, which is approximately 15 m above the original void, and has no waste rock going into the Stage 1 West Pit.

Provided Austral considers sterilisation drilling, and that any fresh rock mineralisation can be buried, the size of an external waste rock dump can be further reduced by expanding the in-pit dumps. This should reduce the mining cost by short hauling of the waste rock, help with final landform rehabilitation, and reducing open voids after the mining has ended. Mining of mineralised fresh rock has not been considered in this study.

4.2.5 Mining Operations

The mining method is typical of other operations in the region and there are well established mining contractors who can provide the required mining services, comprising of rigid mining dump trucks, hydraulic excavators and rockdrills. Ore from the ROM area will be rehandled with front-end loaders into the road trains and hauled to the Mount Kelly ROM, where ore will be crushed, agglomerated, and radially stacked onto the leach pads.

A conventional excavator and truck fleet scenario was compared with using Kenworth “bigfoot” trucks before progressing the study in the May 2020 Mining report completed by CSA Global. It was decided to go with conventional truck and excavator as road trains are more suited to wider and shallower pits.

Mining will involve blasting on 10 m benches with load and haul activities on three or four flitches of varying heights. It is planned to use three flitches in large waste zones in the upper parts of the pit with a larger excavator, and four flitches in the ore with a smaller excavator. This approach can ensure selective mining while utilising blast-hole sampling for grade control, as there is a requirement to mine ore and waste with a minimum of dilution and mining ore loss. The recovery and dilution factors selected for the pit optimisation and mine planning are shown in Table 14 below.

Table 14: Mining dilution and recovery factors

Mining method factors	Value	Multiplier
Mining recovery	95%	0.95
Mining dilution	2.0%	1.02

The Remnant Mining Project was undertaken from early 2020 through to 2021 to recover the ore remaining in the Lady Brenda East and West pits, and in the pre-stripped Flying Horse South (and eventually also the East) cutbacks, that had been left after the previous owner (CST Minerals) had ceased operations. The mining was completed with a small fleet of 40-tonne and 50-tonne six-wheeled articulated trucks with one 90-tonne excavator.

4.2.6 Infrastructure

The Mount Kelly heap leach processing facility is well established and the ore from the Anthill project will extend the life of the operation. The product is copper cathode sheets that will be selling into an existing off-take arrangement.

Mining infrastructure for the Anthill project includes the ROM ore pad located within the waste rock dump footprint, topsoil and waste rock dumps, haul roads, equipment park-up area, and crib room and amenities buildings. The majority of the infrastructure, workshops and offices will remain located at Lady Annie. An unsealed all-weather road is required to connect the Anthill site to the sealed McNamara Road. Unsealed haul roads are required to access individual pits and connecting them to the waste rock dump and ROM pad. The establishment of this infrastructure is included in the capital cost estimate for the Anthill project.

4.2.7 Environmental and Social

ML number 90233 for the Anthill copper project was granted on 15 October 2017, with the Environmental Authority number EPML00753513.

An Environmental and Social Impact Assessment has been completed for the project by the independent environmental consultants, NAR Group, and presented in a document: “Environmental Management Plan and Social & Economic Aspects, CST Anthill Project in North West Queensland by North Australia Research Group (Ref: J2595) April 2013”, while SGM Environmental has continued to assist Austral with environmental permitting.

Heritage approvals and cultural clearances have been completed, and agreements are in place with the Indjalandji Dhidhanu and the Kalkadoon native title holders (July 2015). Compensation agreements have also been reached with landholders of Yelvertoft and Calton Hills stations.

4.2.8 Other Studies

All current mining at Lady Annie Operations targets copper oxide mineralisation for treatment by the established heap leach and solvent extraction-electrowinning (SX/EW) process. There are, however, significant sulphide resources below many of the oxide deposits including Lady Annie, Flying Horse, Mount Clarke and others, while the Lady Colleen deposit is predominantly a transitional copper deposit. Fresh mineralisation is not suitable for the existing copper heap leach treatment but may be suitable for processing via traditional flotation methods (Golder, 2021). Further metallurgical test work and study development are required to confirm future production and conversion to Ore Reserve from fresh Mineral Resource.

4.2.9 Financial Analysis

Key Economic Inputs

A financial model has been prepared for the project using the following parameters:

- Monthly periods
- Cash flow analysis based on earnings before interest, taxation, depreciation, and amortisation (EBITDA)
- Discount rate of 7.5%
- Application of capital and operating costs described in this section of the report
- All revenues and costs allocated in Australian dollars (A$)
- Analysis is at a project level in real 2021 terms and excludes inflation and escalation
- Copper price as per Table 15 below
- An exchange rate of A$1.00:US$0.71
- Government royalty of 3.70%.

Table 15: Copper price applied in the financial modelling based on nominal consensus forecast

Year	Quarter	Copper Price (US$/t)
Year 1	Q1	8,972
	Q2	8,780
	Q3	8,723
	Q4	8,588
Year 2	Q1	8,456
	Q2	8,125
	Q3	8,144
	Q4	8,159
Year 3	All	7,808
Year 4	All	7,926

Processing costs that reflect the current processing costs were applied to the Anthill copper project scenario and are listed in Table 16 below. Processing recovery is based on test work and the historical performance of the current heap leach operations, with a leach recovery profile.

Table 16: Anthill copper project estimated processing costs

Category	Item	Unit	Value
Processing	Processing method	Heap leaching and SX-EW	
	Ore grade-control costs	$/t ore	$0.32
	ROM to road-train rehandle	$/t ore	$0.60
	Mine to Plant transport	$/t ore	$5.85
	Crusher feed rehandle	$/t ore	$0.60
	Plant processing costs – Ore	$/t ore	$1.90
	Crushing, conveying, and stacking	$/t ore	$5.44
	Power for SX-EW copper recovery	$/t Cu	$558
	Acid costs	$/t acid	$165
	Plant fixed processing cost	$/month	$357,000
	Plant maintenance	$/month	$40,000
	Health, safety, environment and community costs	$/month	$30,000
	Equivalent processing cost	$/t ore	$19.734
	General and administration costs	$/t ore	Included in plant fixed cost

Category	Item	Unit	Value
	Plant copper recovery	(over time)	85%

Notes:

- *The acid cost affects ore/waste cut-off grade*
- *Acid cost is variable with calcium quantity present in the ore*
- *General and administration costs are included in the Plant Fixed costs.*

Mining costs are applied in the financial model as per the mining costs described in Section 4.2.3 of this ITAR.

The processing recovery of copper is spread across the life of the heap leach according to the recovery curve, with diminishing levels of copper produced as the heap leach is depleted. Figure 17 below shows the copper recovery curved applied within the financial model.

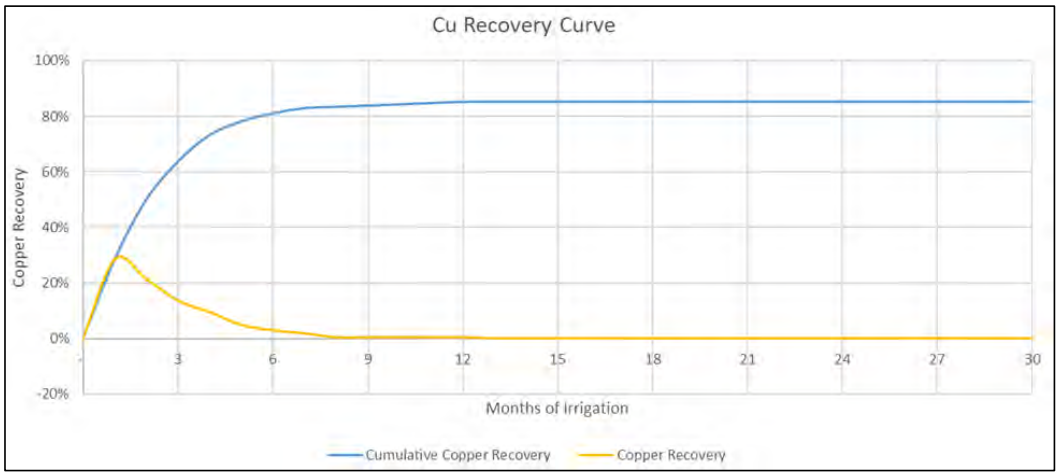


Figure 17: Copper recovery curve

Basis of Cut-Off Grade Applied

The cut-off grade (%Cu) between ore and waste has been determined by the following formula:

$$\text{Cut-off-Grade} = \text{MinDil}*(\text{PCOST} + \text{ACOST})/((\text{Price} - \text{SELLC})*\text{Recovery}*(1 - \text{Royalty}))$$

$$\text{ACOST} = \text{Acid\_Cost}*(14.4465*\text{CA\_grade} + 21.089)/1000 \text{ [\$/t ore]}$$

Where:

- Cut-off-Grade – economical grade of copper [% a number from 0 to 100]
- MinDil – Mining Dilution Factor (= 1.02 for 2% dilution)
- PCOST – Processing costs [$/t of ore]
- ACOST – Acid costs – variable with Ca (Calcium) grade [$/t of ore]
- Price – Metal price received for Cu (Copper) cathodes [$/t of copper]
- SELLC – Selling costs – the cost to get the cathodes to the market
- Recovery – Metal recovery (85%), cumulative over 15 months
- Royalty – Any applicable royalties to the government and other entities
- Acid_Cost – cost of consumed acid in copper recovery [$/t of acid]
- CA_grade – grade of Calcium in the model [% a number from 0 to 100].

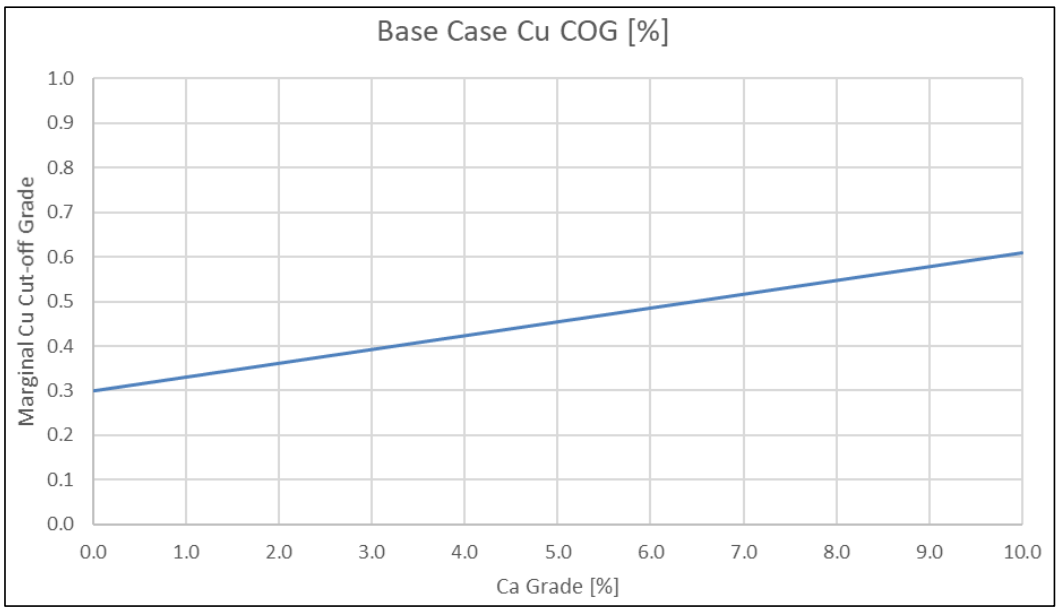


Figure 18: Copper cut-off grade vs calcium grade chart

A block revenue is estimated for each block within the block model, accounting for the total copper recovered to payable product (copper cathode), as well as the respective metal price. The costs are estimated for all operating costs to the point of sale including processing, product transport, plant processing, general and administration, selling costs, royalty, and grade control costs.

Mining and Production Schedule

A detailed open pit mine design was completed and used to generate the mining schedule. The mining schedule has several operating constraints that control operations. The bench-by-bench schedule output is fed into the financial model.

Capital Cost Estimate

Table 17 shows a summary of the total capital costs applied throughout the life of mine. The initial capital cost estimated within the first month of the schedule is A$4.9 million of the total A$6.7 million. The ROM construction cost and haul road construction costs totalling A$1.3 million are applied in the second month of the schedule. The demobilisation costs estimated at A$1.2 million are applied after the completion of mining and stacking activities in Month 39 of the project.

Table 17: Capital cost expenditure summary

Capital cost item	Cost (A$ k)
Mobilisation cost	1,474
Establishment cost	2,057
Geotechnical	230
Dewatering infrastructure	238
Creek diversion	1,264
Haul road construction	200
Company relocation cost	65
Demobilisation	1,200
Total capex	**6,727**

Operating Cost Estimate

The following operating cost estimates are based on termination of the project from Month 44 when the operating costs exceed the revenue of the project.

Truncating production from Month 52 to Month 44 removes the production of 254 tonnes of copper. This lost copper is only 0.6% of the total produced copper and equates to A$2.63 million of revenue. The saving in operating costs is A$3.78 million accumulated over nine months. This improves the project's cash flow by approximately A$1.15 million and net present value (NPV) by A$0.81 million.

The resultant total operating costs are shown in Table 18.

Table 18: Operating cost expenditure summary to truncated copper recovery

Operating cost item	Cost (A$ k)
Mining costs	170,081
Plant processing costs	57,187
Plant maintenance	1,600
Health, safety, environment and community costs	1,200
Acid cost	24,140
Power cost	17,189
Royalties	17,094
Selling costs	6,950
Total opex	**295,441**

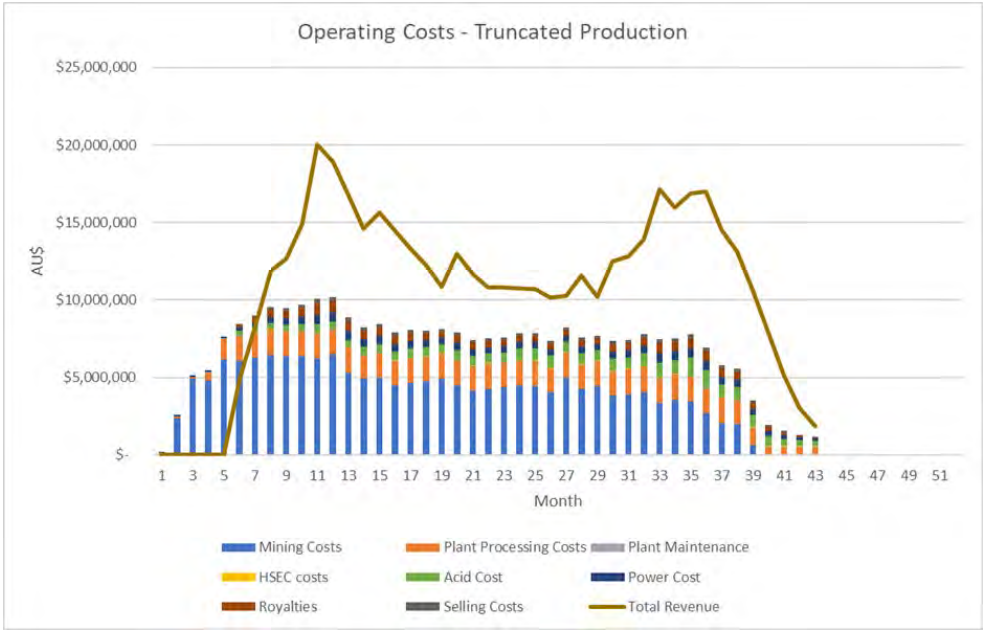


Figure 19: Operating costs per month for the truncated project life

Financial Modelling

Financial analysis has been undertaken on a discounted cash flow (DCF) basis to estimate the NPV of the project at a 7.5% discount rate.

The financial analysis produces an estimated $NPV^{7.5}$ of A$134.5 million and an internal rate of return (IRR) of 276% (see Table 19).

Table 19: Financial analysis summary

Item	Units	Total
Physicals summary		
Waste tonnes mined	Mt	30.2
ROM tonnes mined (ore)	Mt	5.1
Copper ROM grade	%	0.9
Calcium ROM grade	%	0.6
Magnesium ROM grade	%	0.4
Copper metal recovered	'000 t	40.4
Financial summary	(truncated at period 44)	
Capital expenditure	A$M	6.7
Operating expenditure	A$M	295.4
Revenue	A$M	461.9
Cash flow from operations	A$M	159.8
$NPV_{7.5}$	A$M	134.5
IRR	%	276%

The Anthill copper project has a skewed recovery function for copper recovered from the heap leach. Much of the copper is recovered early in the leaching process. The leach metallurgical recovery curve shows 80% copper recovery in the first six months, 85.2% copper recovery was reached after 15 months of leaching. The leach recovery has a long and relatively flat recovery curve after the initial six months of leaching with the last 4% of copper recovered over nine months.

The cash flow model for the project indicates that the operating costs for the project exceed the revenue generated after Month 44 in the production schedule where the cumulative cash flow decreases as operations continue after this point.

The financial analysis for this project is based on a truncation of the production schedule at Month 44. The copper left in the heap leach that could still be recovered is 254 tonnes of copper, which is 0.6% of the total recoverable copper in the project. The resultant net copper recovery for the project is 85.2%.

The payback period has been defined as the first month of the schedule when the cumulative cash flow becomes positive. Project payback occurs in Month 13.

The cumulative cash flow for the project is shown in Figure 20.

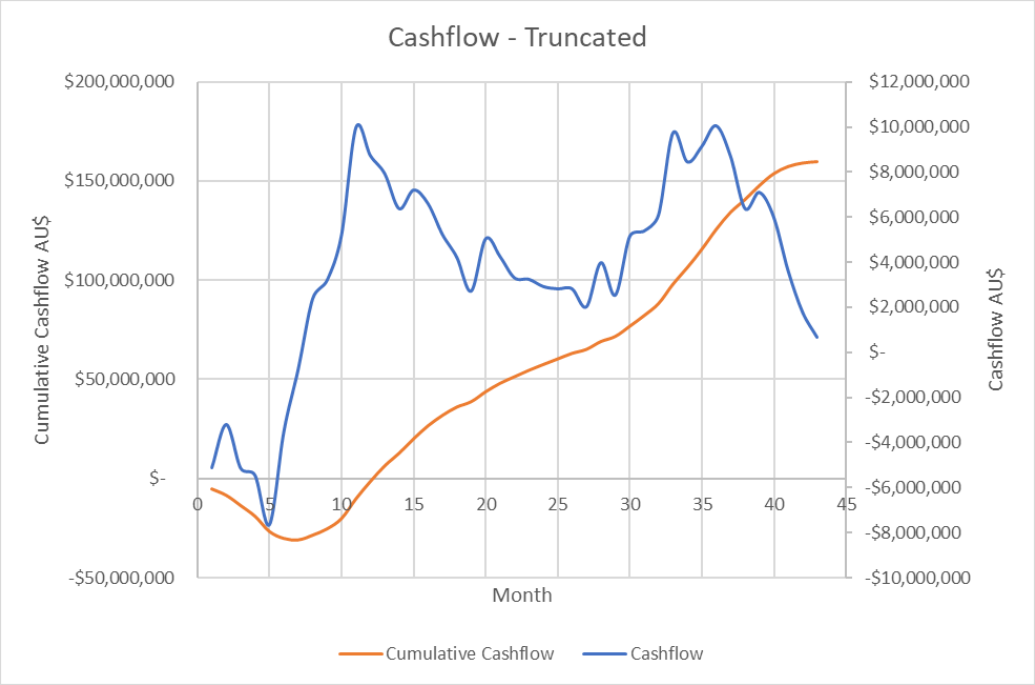


Figure 20: Cumulative cash flow (truncated life)

Sensitivity Analysis

Table 20 demonstrates the project NPV for variation of the copper price and operating costs between ±20%.

Table 20: Project NPV sensitivity (A$ M)

Sensitivity element	-20%	-10%	±0%	+10%	+20%
Copper price	$54	$94	$134	$175	$215
Operating costs	$187	$161	$134	$108	$82

As the Anthill project study is completed to a PFS level of confidence with a potential variance in key parameters of ±20%, the next phase of work should focus on confirming the operating, rehabilitation and closure costs applied in this study as the project profitability is sensitive to price and operating cost movement within the range of confidence of the CSA Global (2021) PFS.

4.3 Ore Reserves

4.3.1 ASX Listing Rule 5.9 Summary

The following summary (Table 21) presents a fair and balanced representation of the information contained within the full Ore Reserve estimate report (CSA Global 2021).

Table 21: ASX Listing Rule 5.9 Summary

ASX Listing Rule 5.9.1 criteria	Anthill project
The material assumptions and the outcomes from the preliminary feasibility study or the feasibility study (as the case may be) – if the economic assumptions are commercially sensitive to the	Appropriate studies for the development of the Anthill copper project have been undertaken by the previous and current owners of the property. Golder has updated a pit optimisation study in 2018 and CSA Global in 2020 and 2021. Both companies are suitably qualified independent consultants, experts, and contracting firms. Study assumptions by CSA Global are to a minimum of a PFS standard and confidence level.

ASX Listing Rule 5.9.1 criteria	Anthill project
mining entity, an explanation of the methodology used to determine the assumptions rather than the actual figure can be reported	The work undertaken in this PFS has addressed all the material Modifying Factors required for the conversion of the Mineral Resources to Ore Reserves and has shown that the mine plan is technically achievable and economically viable. This estimate applies all material Modifying Factors such as mining dilution, mining recovery, infrastructure, costs, legal, environmental, social and regulatory, in line with the PFS. To develop the mine plan for the Anthill deposit, optimised pit shells and pit designs were prepared using the Geovia Whittle, Datamine Studio OP and MineSched software. Input parameters for the pit optimisation were based on data provided by Austral and generated by CSA Global. The input parameters were reviewed by CSA Global and found to be within acceptable benchmark ranges. Product prices are based on consensus forecasts. The operating costs have been based on existing and estimated costs, all to a minimum of a PFS standard. The block model used in the study was developed by Golder in September 2012. Inferred Mineral Resources have not been considered in the pit optimisations and any Inferred Mineral Resources within the final pit design have been treated as waste material in the mining study. Fresh mineralisation located within the final pit design has been treated as waste material in the mining study. Mining infrastructure includes the ROM ore pad located within the waste dump footprint, topsoil and waste rock dumps, haul roads, workshops, and offices. The establishment of this infrastructure is included in the capital cost estimate for the project.
The criteria used for classification, including the classification of the Mineral Resources on which the Ore Reserves are based and the confidence in the modifying factors applied	Proved Ore Reserves were estimated from Measured Resources within the designed pits and exclude any fresh mineralised material as per the JORC (2012) guidelines. Probable Ore Reserves were estimated from Indicated Resources within the designed pits and excluding any fresh mineralised material as per the JORC (2012) guidelines. Mr Karl van Olden, the Competent Person for this Ore Reserve estimation has reviewed the work undertaken to date and considers that it is sufficiently detailed and relevant to the deposit to allow those Ore Reserves derived from Indicated Mineral Resources to be classified as Probable, and Ore Reserves derived from Measured Resources to be classified as Proved.

The mining method selected and other mining assumptions, including mining recovery factors and mining dilution factors	The mining method is based on a four-staged pit design using a conventional open cut drill and blast and load and haul methods.
	Pit slope parameters are in accordance with the calculations made by geotechnical engineers Pells Sullivan Meynink (PSM, 2013):
	• West wall bench face angle of 50° and overall slope angle of 39°
	• North, South and East walls:
	  ○ In Saprolite bench face angle of 60° and overall slope angle of 46°
	  ○ SW to Fresh rock bench face angle of 70° and overall slope angle of 53°.
	10 m-high benches are planned for drilling and basting, with three to four mining flitches in ore. Final bench height at the limits of pit design will be 20 m high with bench berm of 8 m wide.
	Mining dilution of 2% has been applied to represent the waste dilution at the contact between ore and waste. The grade of the diluting material added to the ore is 0% Cu and 0% Ca.
	Mining recovery of 95% (ore loss of 5%) has been applied in the pit optimisation and mine scheduling models.
	These values are considered suitable for the deposit geometry, mining method and the size of the proposed mining equipment.

The processing method selected and other processing assumptions, including the recovery factors applied and the allowances made for deleterious elements	The ore from Anthill deposit will be heap leached and the copper recovered by a SX-EW process. Oxide mineralisation and low calcium + magnesium parts of the Transition (partially oxidised) mineralisation are suitable for the acid leach recovery methods employed at Lady Annie. The recovery process is well tested and employed at many copper mines in the world, including material processed from Lady Annie and Mount Kelly deposits previously. Test work shows that a 140 kg sample of crushed ore from Anthill were successfully column tested. Consideration has been given to calcium and iron, both are acid consuming compounds, the economic cut-off-grade calculation included the grade of calcium.

ASX Listing Rule 5.9.1 criteria	Anthill project
The basis of the cut-off grade(s) or quality parameters applied	A variable economic cut-off grade has been used for this Ore Reserve estimate. The cut-off grade has been based on copper and calcium grades, and if the revenue obtained from the copper product exceeds operating costs in processing, transporting and selling the product, then that block becomes a part of the Ore Reserve, and if it is classified as either a Measured or Indicated Mineral Resource and belongs to oxide or transitional weathering profile. All other blocks within the pit design that do not satisfy these criteria are treated as waste material. The revenues within the cut-off estimate were based on a copper price of A$10,363/t of copper.
Estimation methodology	Geovia Whittle™ pit optimisation software has been used to define a set of pit shells on which the pit designs and stages were based for the recovery of oxide and transitional Measured and Indicated Mineral Resources. A detailed mine design with pit development stages was developed, based on the optimised pit shells. A detailed open pit mine design was completed and used to generate the mining schedule. The mining schedule has several operating constraints that control operations. The bench-by-bench schedule output is fed into the financial model. Capital and operating costs are estimated to a PFS level of confidence and have been applied to the planned activities. The copper metal price assumptions have been based on consensus forecasts. The financial model for the Anthill copper study indicates a positive NPV after tax at a discount of 7.5% of A$134.5 million and an IRR of 276%. The project meets the Company's investment criteria. The sensitivity analysis completed in the study indicates that the project results remain favourable (positive) when the key parameters are changed to ±20% of the study base case value. The project is sensitive to changes in revenue parameters such as the copper price. A 20% reduction in the metal price reduces the project NPV by approximately 60%. A 20% increase in operating costs reduces the NPV by 39%.
Material modifying factors, including the status of environmental approvals, mining tenements and approvals, other governmental factors and infrastructure requirements for selected mining methods and for transportation to market.	ML number 90233 for the Anthill copper project was granted on 15 October 2017, with the Environmental Authority number EPML00753513. An Environmental Management Plan and Social and Economic Aspects has been completed and submitted for the project. The ML gives the holder exclusive rights to carry out, within the tenement on which it is established and during the period of its validity, exploration, development, construction, and mining operations targeting the mineral substances for which the tenement is established and associated or non-associated substances if it has requested an extension. In 2020, Austral transitioned from the financial assurance requirements for resource activities under the *Environmental Protection Act 1994* to the Financial Provisioning Scheme under the *Mineral and Energy Resource (Financial Provisioning) Act 2018* through an approved Estimated Rehabilitation Cost Notice. The mining method is typical of other operations in the region and there are well established mining contractors who can provide the required mining services. The Mount Kelly heap leach processing facility is well established and the ore from the Anthill project will extend the life of the operation. The product is copper cathode sheets that will be sold into an existing off-take arrangement.

4.3.2 Ore Reserve estimate

An Ore Reserve of 5.06 Mt has been estimated as 1.86 Mt Proved and 3.20 Mt Probable Ore Reserves, reported in accordance with the JORC Code (2012 Edition) and as shown in Table 22 below.

Table 22: Ore Reserve estimate, March 2021

Category	Ore (Mt)	Copper (%)	Calcium (%)
Proved	1.86	0.93	0.51
Probable	3.20	0.95	0.64
Total	**5.06**	**0.94**	**0.59**

Notes:

- *Mining dilution of 2% has been applied to represent waste dilution in ore*
- *A fixed mining recovery of 95% has been applied (5% ore loss due to mining)*

- *The Ore Reserve estimate has been based on a variable cut-off grade due to acid consumption in line with calcium grade*
- *Totals may not add up due to rounding.*

5 Metallurgical Testing and Processing

5.1 Metallurgical Testing Introduction

In the period late 2012 to early 2013, CST Minerals undertook a series of heap leach column tests to compare a prepared composite of the Anthill East project material for direct comparison with the Lady Annie ROM ore being treated at the time.

The Lady Annie copper oxide ore type is the basis for the historical production obtained at the project and the direct comparison with the envisaged future ore source(s) is a viable way of comparing and justifying future economic projections on new ore sources.

The CSA Global commentary within this section applies only to the Anthill deposit and a similar style metallurgical characterisation should be undertaken on each of the new resource development deposits in order to qualify and quantify the processing economics and revenue potential.

5.2 Primary Sample Compositing

A master composite was formed from five diamond drillholes evenly spaced across the Anthill East resource location (Table 23). These samples were analysed with the following 900 kg master composite being the feedstock for five verification column leach tests.

Table 23: Anthill Primary composite formation (Moroney, 2013)

	Drillhole	Top m †	Base m †	Cu total %	Core kg	Cu total kg	Blended kg	Blended Cu total%
Anthill primary	BURMET001	56	70	5.07	98	4.97	904	1.64%
	BURMET001	70	92	0.16	154	0.25		
	BURMET002	55	74	5.53	126	6.97		
	BURMET002	74	81	0.61	49	0.30		
	BURMET002	81	93	0.19	77	0.15		
	BURMET003	54	61	0.11	49	0.05		
	BURMET003	61	67	0.58	42	0.24		
	BURMET003	67	79	0.16	84	0.13		
	BURMET004	64	73	0.37	63	0.23		
	BURMET004	76	81	0.39	28	0.11		
	BURMET004	84	89	0.60	43	0.26		
	BURMET004	105	118	1.30	91	1.18		
Anthill marginal	BURMET005	17	53	0.60	238	1.43	238	0.60%

The composite formation contains two significantly high-grade intercepts and several intervals that are at or below the cut-off grade. This is common for heap leach test work, as by nature the deposits are sporadic in nature and predominantly low-grade material and acceptable for the intended purpose of the test work undertaken. Indeed, it is beneficial to see that the high-grade material has been qualified, as it can often have completely different behaviour to that of the surrounding halo or low-grade material via mineralogical make-up and particle sizes.

The primary sample of approximately 900 kg was prepared as a representative sample of the known resource at the time and contained 1.64% Cu. The primary sample head assays across the tests reconciled to 1.37% total copper. A second sample of approximately 200 kg was prepared to represent shallow ore of marginal nature, containing 0.6% Cu.

5.2.1 Test Plan, Formation and Procedure

The test plan was generated and reviewed by expert independent third parties prior to being undertaken.

CSA Global can confirm and verify that the process and procedure represent some of the best practice work undertaken in the heap leach field. The method statement is very thorough, and the utilisation of actual plant Intermediate Leach Solution, as opposed to synthetically generated ones shows a particular attention to detail.

Heap leach is as much a physical operation as a chemical one and the failure and misinterpretation of many operations has been on this basis. The test plan paid particular attention to the physical properties in the comparative works.

5.3 Metallurgical Testing Results

The results for the Anthill East vs Lady Annie Oxide are briefly summarised in relation to the historical operation and applicability of heap leaching the material (Table 24).

Table 24: Physical property test results (Moroney, 2013)

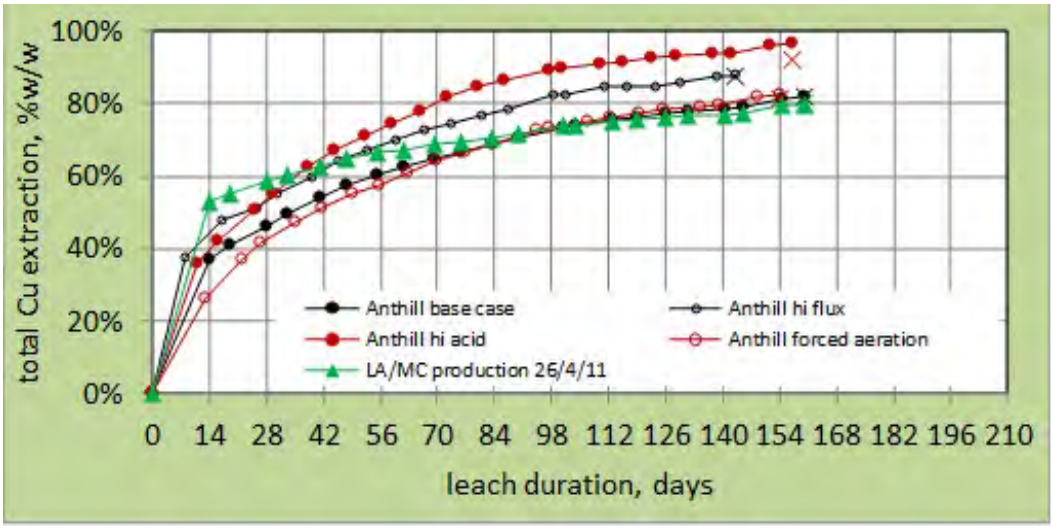
Physical property	Anthill East	Lady Annie Oxide
Fines proportion	34%	18%
Slump	16–8%	9%
Load percolation	>20 m	>20 m
Particle P80	19 mm	23 mm
Particle P50	5 mm	7 mm
Copper oxide P80	87 µm	141 µm
Copper grade	1.37%	0.89%
CO_3 grade	3.17%	2.11%

The load permeability of the Anthill material is less than that of the Lady Annie material at the selected crush size of -25 mm due to the higher percentage fines generation and subsequent slump. Pooling did not occur in the percolation test; this, however, is in a 150 mm diameter column and not a definitive test that is representative of the real-world heap operation. The data, however, does support heap heights of definitely >15 m and potential 20 m.

The leaching comparison was undertaken with an associated variability program focusing on three key variables within the operating process. These were namely:

- Increased lixiviant flux rate ($L/m^3/hr$)
- Increased solution acid concentration (g/L)
- Increased aeration/oxidation.

The summary graph of the leach tests performance vs time is displayed in Figure 21.



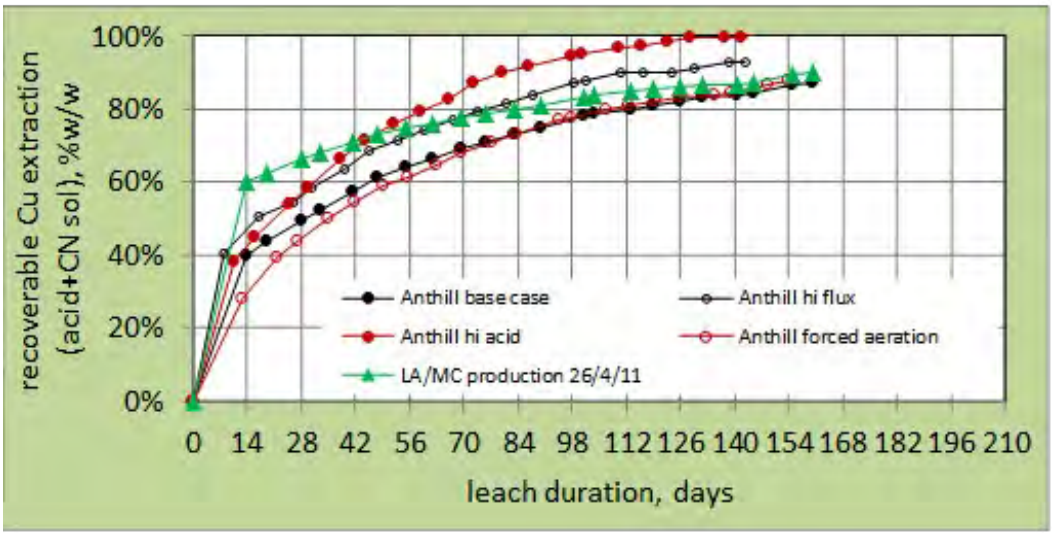


Figure 21: Copper leach extraction vs time
Source: Austral, 2021

The first graph shows the actual performance achieved and the associated kinetic profile, whilst the second is a diagnostic investigation into the speciation of copper remaining in the samples that are deemed sulphide associated due to the cyanide leach differential.

The graphical performance at the 140-day cut-off leach period is tabulated for ease of comparison (Table 25).

Table 25: Summarised leach performance

140 days	Anthill base case	Anthill hi-acid	Anthill hi-flux	Lady Annie Oxide	Anthill aeration
Copper extraction	81.8%	91.9%	88.0%	80.4%	81.1%

The baseline test results for both material types operating under the current plant operating conditions are within natural variation of each other and can be expected to behave very similarly in the operation. The Lady Annie Oxide material has a higher and more pronounced initial extraction before tailing to a constant equilibrium than any of the Anthill tests displayed.

The forced aeration showed no benefit, and the slightly lower extraction may have been attributable to passivating of sulphide particle surfaces that are present.

The higher flux rate test showed improved kinetics and a higher extraction at the 140-day mark. The practicality of achieving 20 L/m^3/hr in the real operation has to be weighed up against the capital cost of upgrading the irrigation system to manage higher pressures and deliver a greater recirculation across the heap including main delivery pumps against the production return.

The increased acid strength or concentration has had a marked effect on both ultimate copper extraction as well as kinetics. The correlation between acid consumption and copper production is almost linear, indicating that the increased acid application is not absorbed by dissolution of other minerals and is directly proportional to copper extraction and should not be a major impact on economics via higher operating cost as reflected in Figure 22.

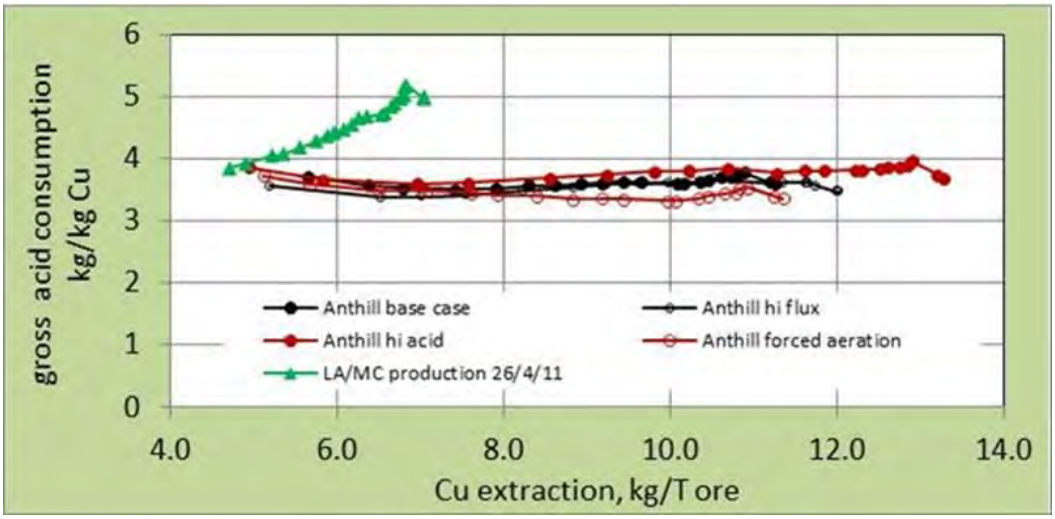


Figure 22: Increased acid concentration vs copper extraction
Source: Austral, 2021

Figure 22 indicates that on the Anthill East ore, almost all extra acid consumed in the high acid test is directly correlated to an increase in metal value extracted. The Lady Annie Oxide material appears to have significant other minerals that are acid consuming and not associated with the copper mineralisation that consumes at significantly higher levels than the Anthill ore type(s). This test doubles the acid concentration over that utilised in the existing operation to 16 g/L from 8 g/L.

5.4 Metallurgical Summary

The test work undertaken on the Anthill East Oxide material has been very thorough and well reported. The results show that the Anthill ore types should achieve similar, or slightly higher copper extractions than the recent historical production from the Lady Annie Oxide zones. There is a real potential to significantly improve metal production and kinetics in the process on the Anthill oxides by increasing the acid availability in the heap.

There is no reason to suggest that the ore sources and types that have been treated historically will perform any different with an average of 78% Cu extraction through the existing operation at the reported resource grades, as long as no significant shift in mineralogy and copper association occurs.

CSA Global would suggest this requires an optimisation test program to optimise, as simply doubling the acid concentration increases the risk of miscellaneous losses and increased cost.

The blanket 15 kg/t of acid utilised in the agglomeration process is the first source of acid to contact the particles and real benefit may be realised by increasing the initial contact of acid with mineral in the agglomeration process as opposed to greatly increasing in the subsequent lixiviant.

There remain trade-offs and optimisations that can be undertaken within the operation as opposed to test work, but in conclusion the treatment of the Anthill oxide ores through the Lady Annie operation pose minimal economic risk at the reported grades and are economic at the current market copper prices.

Other untested resource components should be run through a similar test work program in respect to both physical stability/structural properties as well as chemical recovery and economic considerations before being brought into a minerals reserve and allocated for processing.

5.5 Processing Facility

Copper is produced through an established heap leach, SX-EW process located at the Mount Kelly site, approximately 45 km from the Anthill mining site. The Lady Annie SX-EW process produces a premium copper cathode that meets LME Grade A specification.

The oxide mineralisation at Anthill contains relatively low calcium-magnesium-copper mineralisation and partially oxidised (transitional) mineralisation, that is suitable for the acid leach recovery methods employed at Lady Annie. The mineralisation in fresh rock is not suitable for the existing copper heap leach treatment.

Simplified schematics of leaching and SX-EW processes are shown in Figure 23 below.

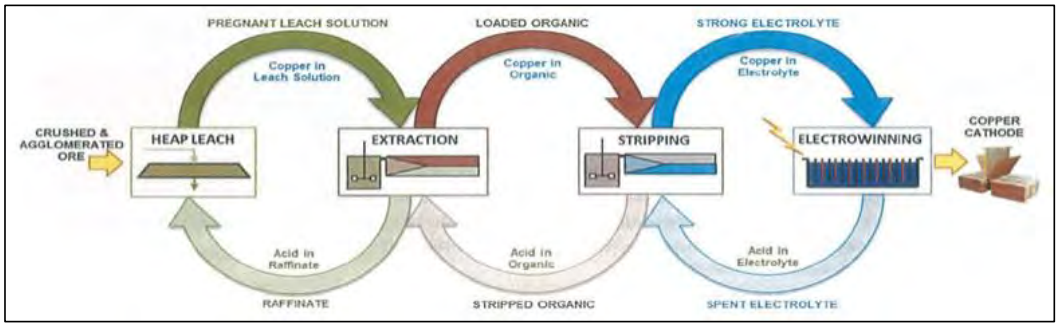


Figure 23: Heap leach and SX-EW flowsheet

5.5.1 Crushing and Stacking

The Lady Annie project crushing plant has a designed capacity of 500 tph at 70% availability which equates to 3.1 Mtpa, which exceeds the requirements of the Anthill project's proposed 1.8 Mtpa crushing and stacking schedule. Austral has planned the refurbishment and recommissioning of the crushing and stacking circuit. Austral has scoped and costed the capital expenditure for the refurbishment and recommissioning of the crushing and stacking circuit. A contract scenario on a per tonne stacked contract has been negotiated.

5.5.2 Heap Leach

The existing heap leach operation at Lady Annie has 20 operational heap leach pads. A heap leach pad is a lined area where the crushed and agglomerated ore is radially stacked and irrigated with an acidic solution. Each heap leach pad at Lady Annie has the following specifications:

- Stack height of approximately 6 m
- Approximately 60–70 m wide
- Contains between 200 kt and 300 kt of ore.

Heap leach solution is irrigated over the leach pad and then collected within a drainage system and splits into an Intermediate Leach Solution and a Pregnant Leach Solution at the base of the heap leach pad. The solution

collected in the drainage system of the leach pad will vary in copper concentration over the life of the heap, with initial concentrations of as high as 10 g/L.

5.5.3 Solvent Extraction and Electrowinning

The existing plant at Lady Annie is made of two systems (trains) and has a total capacity of 30 ktpa. Currently, the plant is operating a single system/train at the following capacities:

- Solvent extraction plant of 18 ktpa
- Electrowinning plant of 11 ktpa.

The solvent extraction process receives the Pregnant Leach Solution from the heap leach pad, containing copper and other metals leached into solution, and transfers the copper to a synthetic and relatively pure solution from which the copper metal can be electrowon with minimal contamination by other metals.

The electrowinning process forms a solid metal using electrical deposition. A direct current is passed from anodes to cathodes, depositing the copper at the surface of the cathode.

The cathodes are a stainless-steel plate using a synthetic two-sided edge strip that carry the deposited copper plate. The anodes are a lead-tin-calcium alloy with synthetic isolators to prevent short circuiting between the anodes and cathodes. The electrowinning plant contains electrowinning cells arranged in electrical series. Each cell requires between 2.05 VDC and 2.25 VDC for the maximum electrical current of 21 kA. Each cell contains 33 cathodes and 34 anodes.

Cathodes are stripped of copper by removing cathode plates and flexing them with air actuated rams to break the bond between the mother plate and the copper cathode plate. The copper is driven away from the stainless-steel plate by force from a pair of separating tools. Copper plates are bundled into groups of approximately 42, weighing around 2,500 kg. From every second bundle, a plate is sampled for quality verification.

5.5.4 Processing Performance

The previous owners, CST Minerals and CopperCo achieved a global copper recovery of 82% of crushed and agglomerated material. Austral claim remined heaps have achieved recoveries more than 90% of remaining copper. Low-grade stockpiles stacked between 2017 and 2019 are currently underway, with recoveries of approximately 65% anticipated by Austral. Figure 24 and Figure 25 show previous processing recovery performance per heap leach pad.

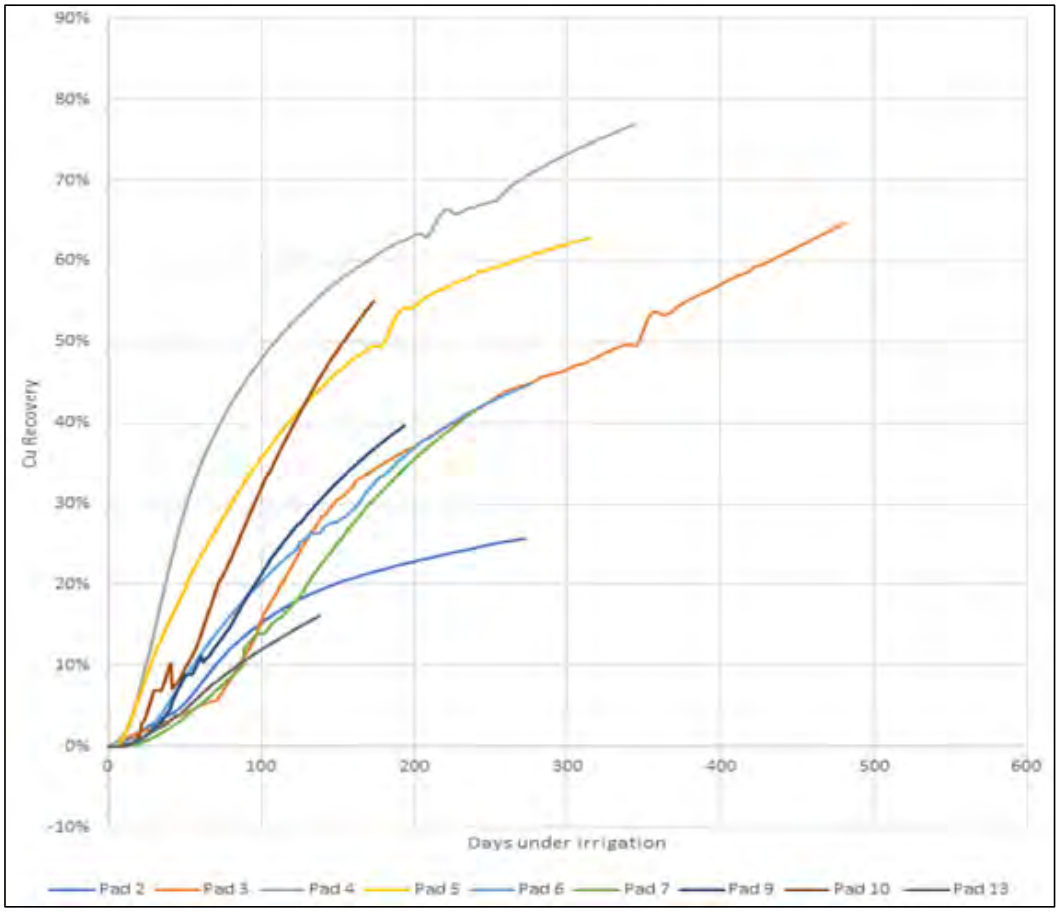


Figure 24: Copper recovery vs days under irrigation, pads 2 to 13 from the remnant mining campaign

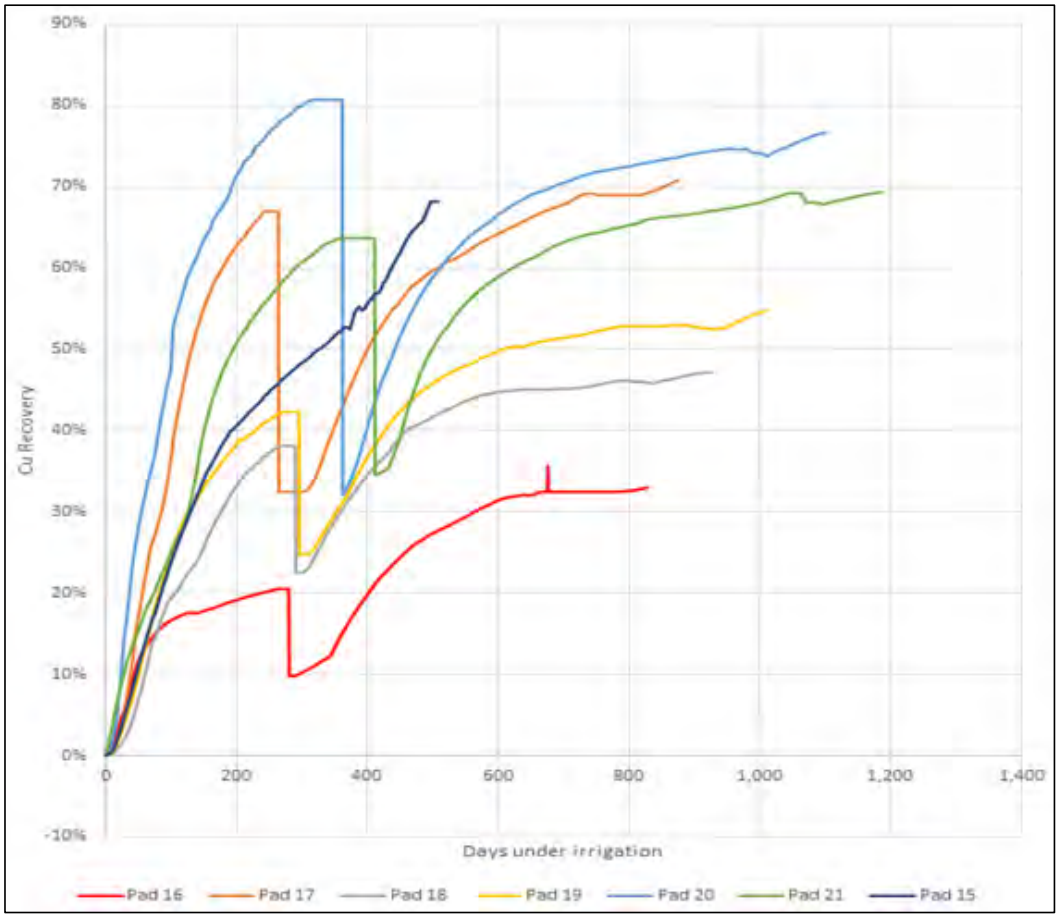


Figure 25: Copper recovery vs days under irrigation, pads 15 to 21 from low-grade stockpiles

5.5.5 Existing Processing Support Infrastructure

Existing processing support infrastructure includes the following:

- Installed 7 MW power station
- Acid unloading, storage and dosing plant of 2.5 kt capacity
- Water supplied from Johnson Creek borefield
- Water supplied from Lake Woogaboonya
- Water treatment plant of 6 kLpa capacity.

6 Geology and Exploration Potential

6.1 Regional Geology

The projects are situated in the Paleoproterozoic aged Mount Isa Inlier which is host to numerous large base metal deposits including Mount Isa, Century, and George Fisher, plus numerous smaller base metal deposits (Figure 26). The Mount Isa Inlier consists of a window of Lower and Middle Proterozoic rocks extending over an area of 50,000 km^2. The inlier is overlapped on its margins by younger Phanerozoic sedimentary basins.

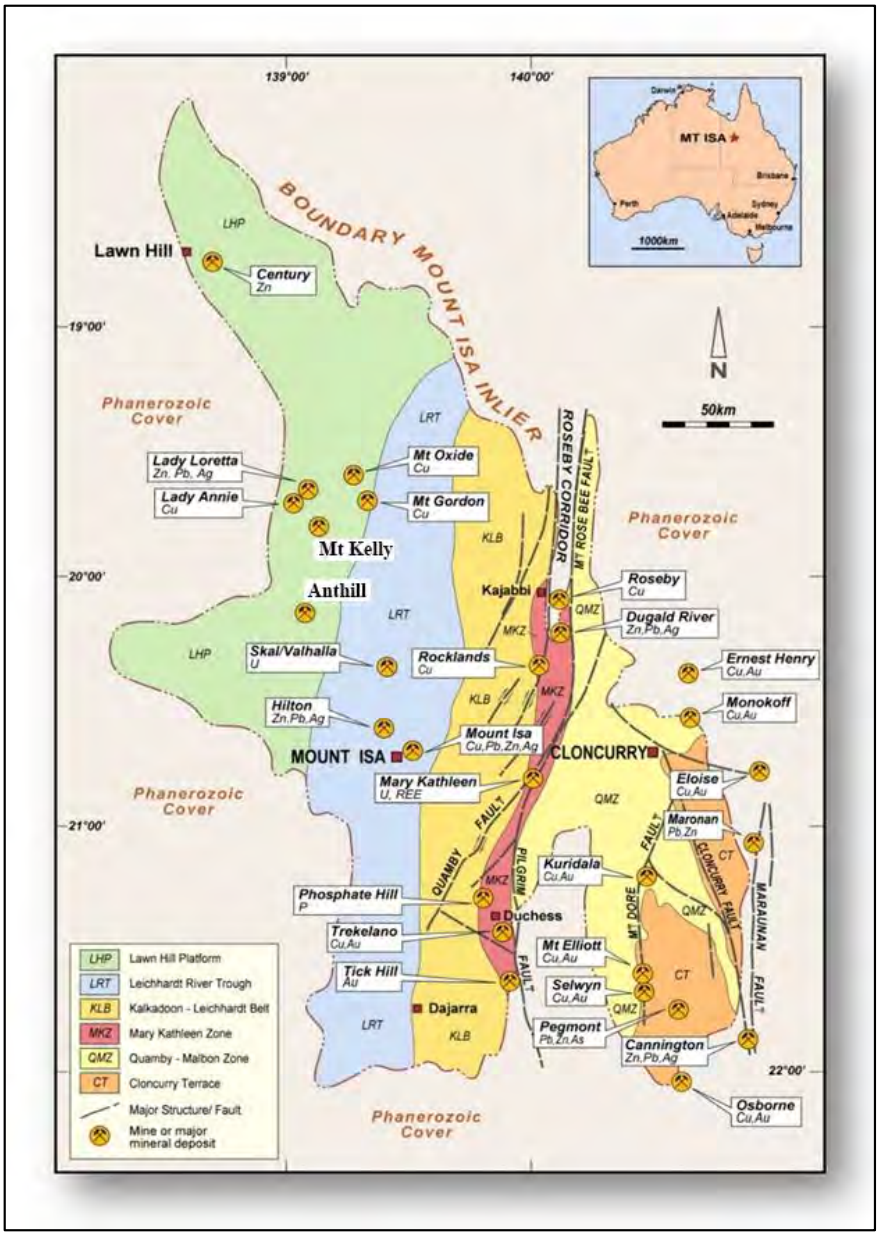


Figure 26: Regional geology of northwest Queensland showing major mineral deposits

The Mount Isa Inlier has been divided into three northerly trending tectonic zones: The Western Fold Belt, the Central Kalkadoon-Leichardt Belt, and the Eastern Fold Belt (Figure 26 above). The Western Fold Belt is divided into the Lawn Hill Platform and the Leichhardt River Trough. The Eastern Fold Belt is subdivided into the Mary Kathleen Zone, the Quamby-Malbon Zone, and the Cloncurry Terrane. The Kalkadoon-Leichhardt Belt is undivided.

Each of these fold belts consist of an older basement core (older than 1879 Ma) overlain by younger Mid-Proterozoic sedimentary sequences referred to as Cover Sequences 1, 2 and 3. These cover sequences are related to major episodes of intra-cratonic rift and sedimentation. Cover Sequence 3 is the most significant for base metal mineralisation.

Three deformation phases are known within the region. The first D1 was a crustal extension phase which induced intense ductile shearing in the lower plate but more brittle deformation in the upper plate due to high strain detachment. The dominantly granitoid Wonga batholith was emplaced during this phase. On a regional scale, the Tick Hill gold orebody is located within this detachment zone at the southern end of the inlier. Extensive skarns are also developed adjacent to some of the Wonga intrusives. The second deformation (D2) comprised crustal compression during the Isan Orogeny and is characterised by north-south oriented folding which also affected D1 structures. This phase was synchronous with peak regional amphibolite facies metamorphism and induced the broad anticlinal Mary Kathleen Zone. The late D3 deformation is characterised by faulting and associated retrograde metamorphism that affected both D1 and D2 structures. Inside the Mount Isa Inlier, the D1 is considered as an important deformation event throughout the Eastern Succession and is invoked by many researchers as being related to mineralisation within the region, with resultant low-angle faults acting as fluid conduits and depositional sites. Fluids rich in iron, silica, base metals and precious metals were circulated along D1 structures during granitic intrusions accompanied and followed by the D2 event. These types of mineralised bodies are preserved as magnetite-rich ironstones, quartz veins and/or siliceous mylonites. Later cross-faulting (D3) generally post-dates mineralisation.

Cover Sequence 3 (1700–1670 Ma) within the Lawn Hill Platform of the Western Fold Belt comprises rocks assigned to the McNamara Group, Surprise Creek Formation, Fiery Creek Volcanics and the Bigie Formation. The McNamara Group hosts the Lady Loretta, Century (lead-zinc-silver) and Lady Annie (copper) deposits.

Cover Sequence 3 within the Leichhardt River Trough of the Western Fold Belt comprises rocks assigned to the Mount Isa Group, which is broadly equivalent to the McNamara Group. The Mount Isa Group hosts the Mount Isa (copper-lead-zinc-silver), Mount Gordon (copper), George Fisher and Hilton (lead-zinc-silver) deposits.

Cover Sequence 2 (1790 ~ 1720 Ma) comprises rocks assigned to the Eastern Creek Volcanics which are older and underlie the rocks of Cover Sequence 3 and are thought to be one of the main sources of base metals for deposits on the Lawn Hill Platform.

The Mary Kathleen Zone comprises of the Tewinga and Mary Kathleen groups which have been intruded by the Wonga Batholith. The Tewinga Group comprises the Magna Lynn Metabasalt and the Argylla Formation deposited during the rift phase of Cover Sequence 2. The Argylla Formation is constituted by felsic meta-volcanics, quartz feldspar meta-psammite, schistose meta-pelite and minor arkosic quartzite. This sequence unconformably overlies Leichhardt Volcanics of Cover Sequence 1 and the cogenetic Kalkadoon Granite. The Mary Kathleen Group is formed of the Ballara Quartzite and the Corella Formation; the Ballara Quartzite being mostly orthoquartzite and the Corella Formation characterised by calc-silicate schist, marble, mica schist and quartzite. This sequence was deposited during the sag-phase of Cover Sequence 2.

Within the Mary Kathleen Zone mineralisation includes abundant, small, shear and fault-controlled vein (copper-gold) deposits, the Tick Hill mylonite-hosted (gold) deposit, the Trekelano and Duchess shear-controlled (copper-gold) deposits, the Mary Kathleen (U-REE) deposit and stratiform, sediment-hosted (silver-lead-zinc) mineralisation at Dugald River.

6.2 Deposit Style

6.2.1 Copper Oxide Blankets

The most economically important mineral deposits defined within the Austral's tenements comprise secondary oxide copper mineralisation that forms as a sub-horizontal blanket in the ferruginous saprolite horizon, immediately above underlying copper sulphide mineralisation (Figure 27). The copper oxide blankets that have formed are up to 500 m x 50 m in area and up to 30 m in thickness.

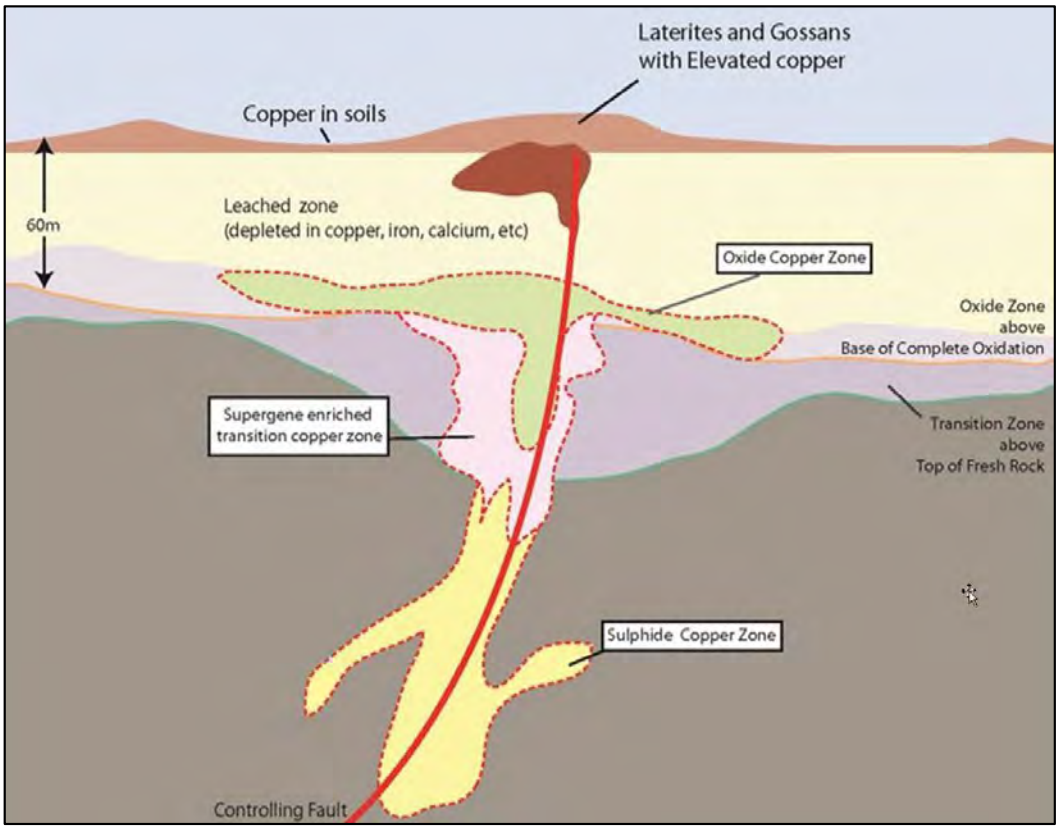


Figure 27: Exploration model for horizontal oxide copper blanket above sulphide mineralisation
Source: Austral

Lady Annie and most of the copper deposits in the Lady Annie project have been known since the early-mid 1900s based on the presence of oxide copper at surface. The Lady Annie deposit itself was discovered in 1919 and worked intermittently on a small scale over the ensuing 40 years (Hancock and Purvis, 1990). Exploration for copper oxide deposits has involved rock and soil sampling to define surface copper anomalism, followed by drilling short vertical percussion holes designed to intercept oxide copper mineralised sub-horizontal blankets at depths of 40–80 m. These represent an easier exploration target than the sub-vertical dipping sulphide bodies that present a smaller target area and exist at greater depth.

6.2.2 Isa-Style Copper Mineralisation

An extensive Proterozoic copper province has long been recognised throughout the western Mount Isa Block, dominated by the world class Mount Isa copper deposit but incorporating scores of smaller deposits and occurrences (van Dijk, 1991). The Mount Isa ore-forming system is interpreted as a high temperature sediment-hosted copper deposit. The close similarity in timing and alteration character of the mineralisation

and its correlation to zones of the "D3" and "D4" deformation strongly suggest a widespread regional mineralising event. This supports the concept of metamorphic mineralisation, involving leaching, transport, focusing, and redeposition of copper by metamorphic fluids into structural traps.

It is this D3-D4 regional mineralising event which is most relevant for exploration of Austral's western tenements and provides the greatest possibility for the development of additional copper sulphide deposits. Significant amounts of geological research have been undertaken on the known copper deposits, defining both controls on genesis of the deposits and useful methods of detection of the mineralising systems surrounding the orebodies.

The Mount Isa mineralisation occurs within the Urquhart Shale within the Mount Isa Group. The copper deposits comprise crosscutting chalcopyrite within a zoned siliceous to dolomitic alteration halo ("silica-dolomite"). Mineralisation lies above a shallow basement fault separating the Mount Isa Group sediments from underlying mafic volcanics (Eastern Creek Volcanics). A common interpretation is that the copper has been sourced by leaching from the Eastern Creek Volcanics and therefore the proximity to mafic volcanics is a prerequisite for copper ore formation. For Mount Isa-style deposits, a protracted development of an alteration system beginning with an early K-feldspar and mica alteration, then formation of fractures and dolomite veins and ending with late massive proximal dolomitisation and silicification occurred during the Isan Orogeny. The phase of dolomitic alteration in the host rocks was associated with epidote-sphene and chlorite-albite alteration in the Eastern Creek Volcanics. As the ore fluids moved away from their source, they were focused along brittle/ductile shear zones, interacting to varying degrees with a range of rock types, partly modifying their character (Hutton, 2012).

Limited silica-dolomite alteration is also evident in some of the smaller deposits (e.g. Mount Kelly, Lady Annie) in crack-seal breccia and fibrous extensional veins (van Dijk, 1991). Many of the smaller deposits are hosted within a 1670–1655 Ma stratigraphic triplet, comprising basal carbonaceous siltstone, massive algal chert and dolomite. Late mineralising copper-rich fluids intersecting this zone in fault and shear settings may deposit copper in dilatant sites along competency boundaries of the chert, by pH change from dolomites, and reduction of the fluid by carbonaceous matter (Hutton, 2012).

The timing of mineralisation at Lady Annie or any of the satellite deposits is not well constrained. Typically, the mineralisation is thought to be of a similar age to the Mount Gordon and Mount Isa copper deposits (Keys, 2008), potentially placing it in the period of D3 to D4 deformation.

6.2.3 Iron Oxide Copper-Gold Mineralisation

The iron oxide copper-gold (IOCG) mineralisation style is well-represented in the Eastern Fold Belt but has only a few examples in the Western Fold Belt. Figure 28 provides a diagrammatic cross-sectional representation of the IOCG genetic model (Geoscience Australia, 2019). The Ernest Henry deposit is an example of a world-class deposit occurring within the Eastern Fold Belt. The ages of the IOCG deposits (1500–1520 Ma) are very similar to that of the Mount Isa-style copper and the two styles of mineralisation are likely broadly related to the same thermal events associated with the Isan Orogeny.

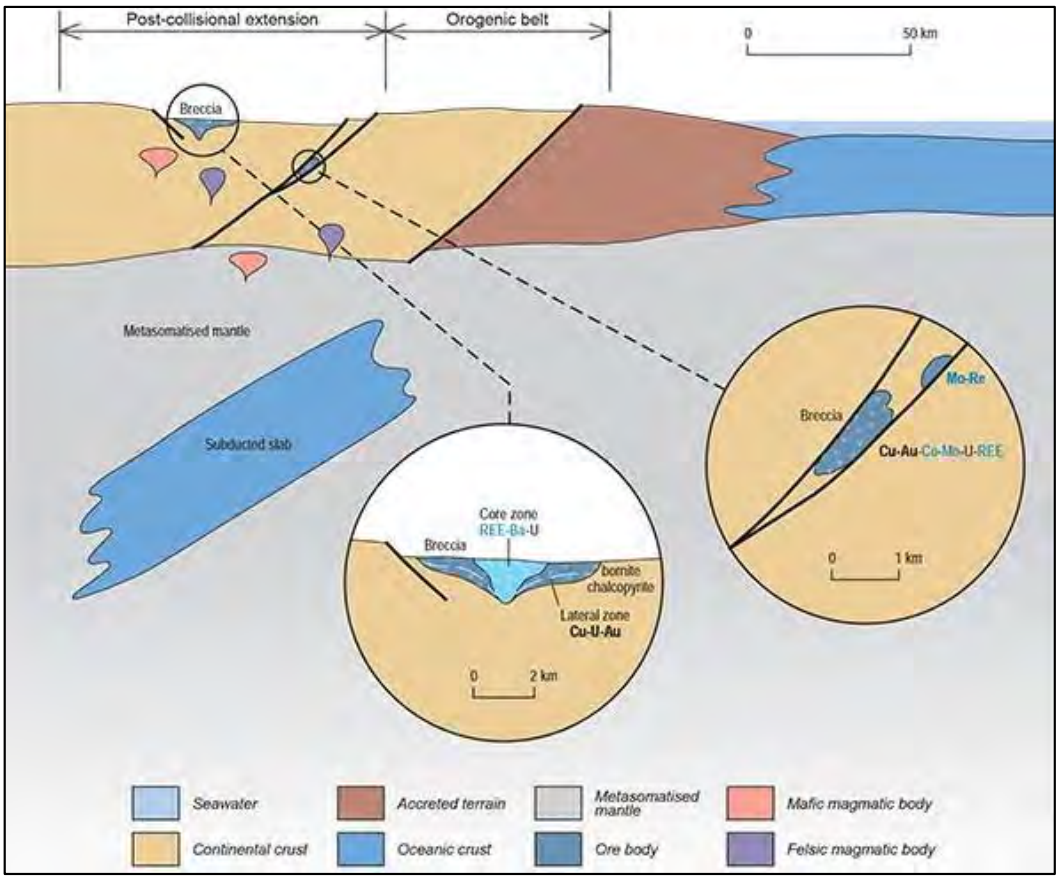


Figure 28: Geological model of an IOCG mineral system
Source: Geoscience Australia website, 2019

6.3 Western Tenements

The Mount Isa West exploration project comprises the western tenement holding of Austral which lie in the southern Lawn Hill Platform. It comprises 14 EPMs and 15 MLs which cover the eight Mineral Resources and the Anthill Ore Reserves. The tenements are largely underlain by poorly outcropping McNamara Group rocks (1670–1640 Ma). Strata are folded around generally north trending axes and cut by a number of major faults. The contact with Eastern Creek Volcanics and associated sediments (Haslingden Group (1800–1750 Ma)), can be inferred at depth from the magnetic imagery. Along the southeast margin of the tenement, the Myally Subgroup forms a tight north-northwest trending anticline, cored by basalt of the Eastern Creek Volcanics also visible in the magnetic imagery. McNamara Group stratigraphy is shown in Figure 29 while the geology of the area is shown in Figure 30.

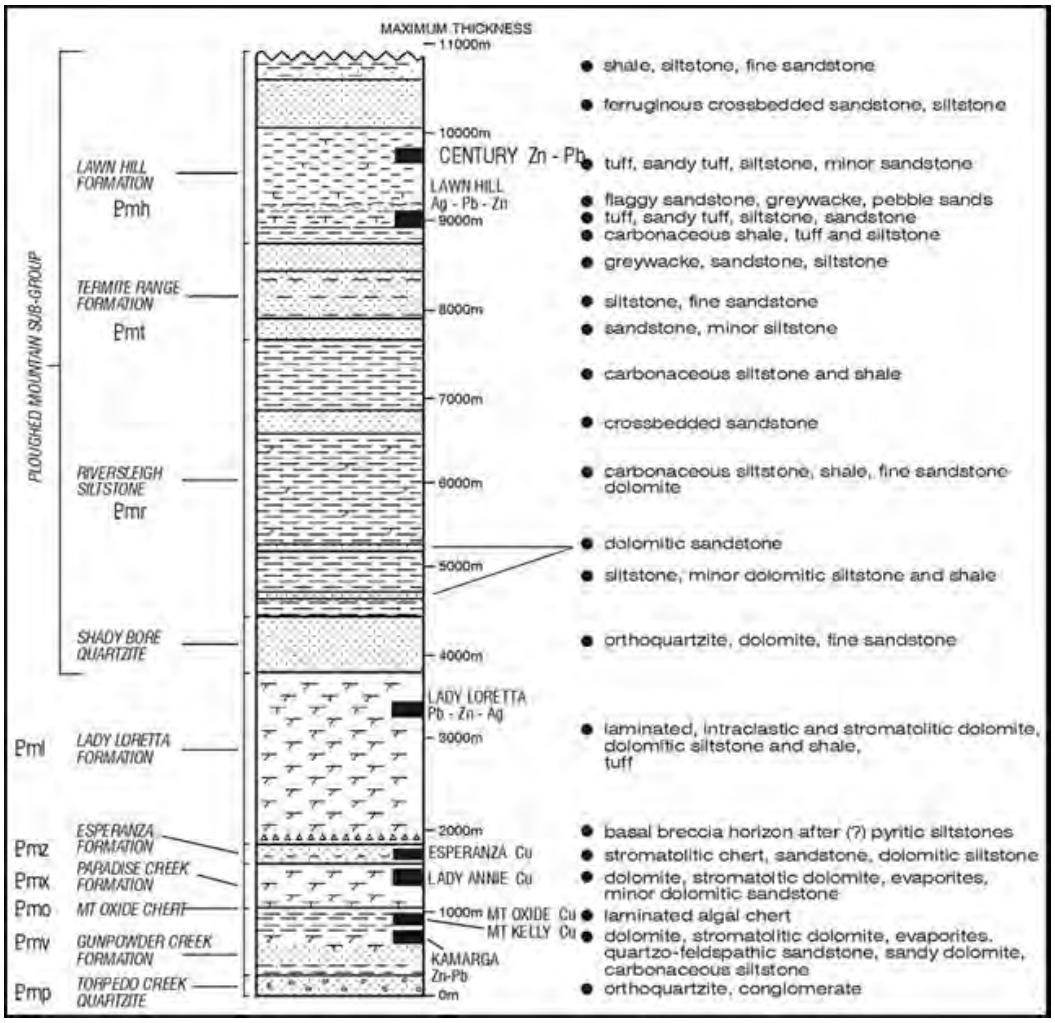


Figure 29: Stratigraphic column – McNamara Group, Lawn Hill Platform

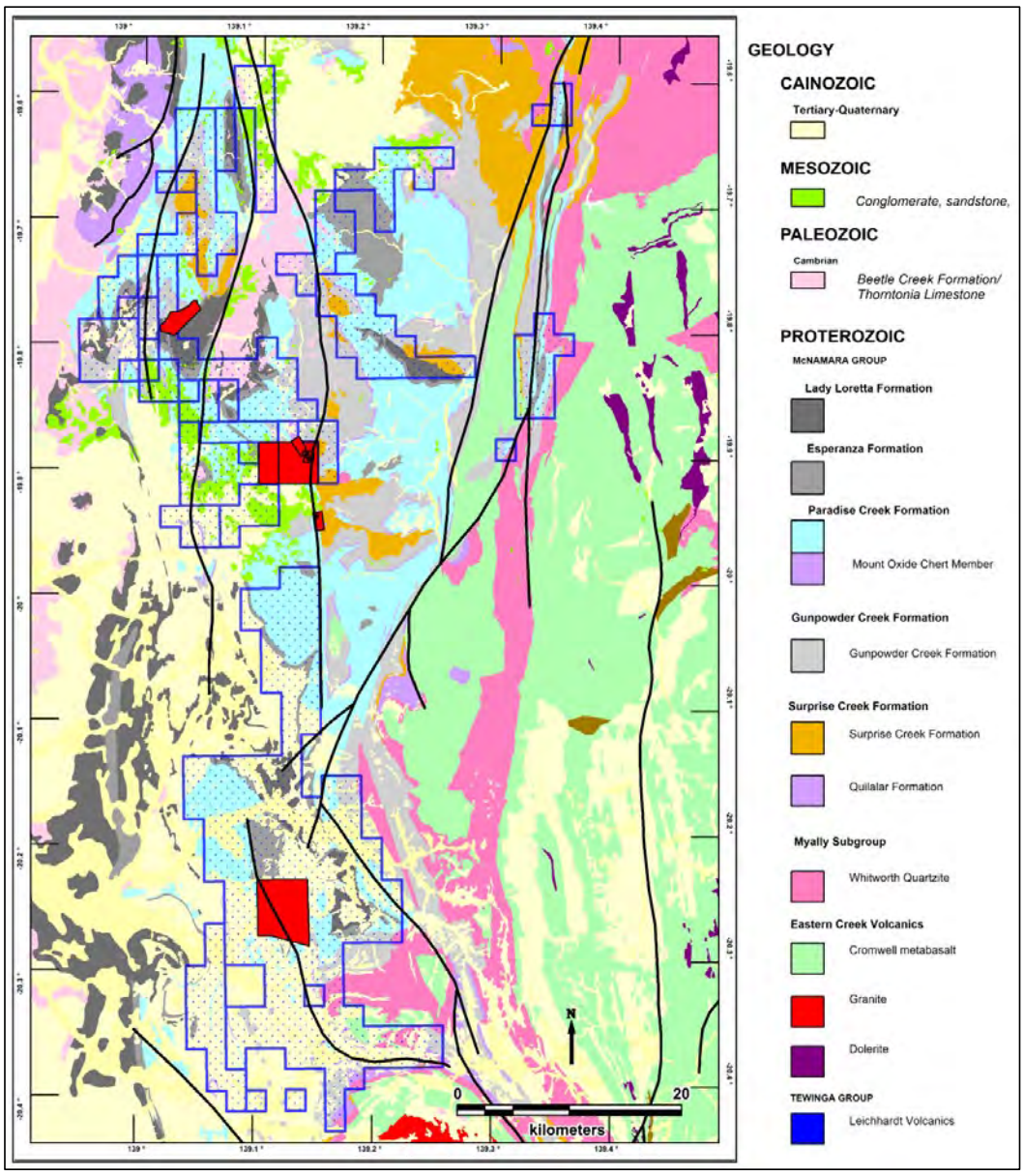


Figure 30: Regional geological map of the Mount Isa west project area

Paradise Creek and Gunpowder Creek formations of the Lower McNamara Group are the principal stratigraphic hosts of the copper mineralisation of the Lady Annie copper project. The Lower McNamara consists of basal, coarse clastic rocks which become finer upwards and are overlain by a thick sequence of dolomitic siltstones, dolomitic sandstones and dolomite with an occasional phase of quartz-clastic sedimentation.

6.3.1 Known Deposits

A significant number of known deposits have been discovered, delineated and partially mined by previous explorers including the eight deposits discussed in Section 3 with currently defined Mineral Resources.

Historically, these have attracted significant surface exploration and comprehensive drill testing and copper oxide potential has been well tested across the MLs. Austral has not defined any exploration targets for extensions to the known deposits at this time. However, Austral has informed CSA Global that it plans to review the potential for Isa-style copper sulphide deposits initially by studying existing intersections of sulphide mineralisation below the oxide deposits (refer Section 6.7).

6.3.2 Regional Prospectivity

Original structural patterns during sedimentation of Cover Sequence 3 were made up of northwest to north-northwest transfer faults in combination with northeast to east-northeast rift structures. Overprinting by the Isan Orogeny began with east-west compression causing progressive activation of a wrench fault network on the northeast and northwest structures. Later shortening was accommodated by thrust movement on north-south faults and refolding of early folds.

In the Buckley River area, where the Anthill deposit occurs, the principal rock types are Proterozoic age siltstones, dolomitic siltstones, cherts and sandstones of the Lower McNamara Group, which are folded around north trending axes and cut by numerous northwest and northeast trending faults. The main structure is the north-northwest trending Kennedy Fault which juxtaposes the Eastern Creek Volcanics against strata of the McNamara Group. The copper mineralisation within the Buckley River area is associated with complex structural positions along regional fault structures, in particular the Kennedy Fault (Anthill deposit) and the Johnson Creek Fault.

The north-south trending Western Border Fault places older McNamara Group rocks to the west, against younger Proterozoic bedrock and Cambrian basin-derived sediments to the east. Dolomites, dolomitic siltstone and minor arkosic sediments outcrop extensively to the west of the fault, with a small anticlinal fold structure present in the centre of tenement EPM17415 exposing Gunpowder Creek sediments directly adjacent to the fault. To the east, the Lady Loretta Formation and Esperanza Formation sediments are locally folded and faulted, partially overlain by phosphatic Beetle Creek Formation.

The Redie Creek Fault is associated with a zone of silica alteration with associated veined, brecciated and ferruginous rocks. The structure trends west northwest, linking the Mount Gordon Fault Zone and McNamara Fault. Published mapping shows the Redie Creek Fault terminating to the east at the Mount Gordon Fault and to the west at the McNamara Fault. However, recently it has been interpreted to continue to both the east and the west. The Redie Creek Fault is interpreted to be a major syn-sedimentary structure which may have been reactivated during compressive deformation. As presently expressed, the fault is a compressional structure, possibly a thrust. The structure is downthrown to the south, juxtaposing Esperanza Formation and Lady Loretta Formation, to the south, against Surprise Creek Formation to the north.

The McNamara Fault in the west is one of the major north trending faults of the western Mount Isa Block. The western portion of EPM16242 contains almost 15 km of strike of this structure. It is downthrown to the west, juxtaposing strata of the lower McNamara Group, to the west, against the Surprise Creek Formation, to the east. As shown by the presence of magnetic highs, the Eastern Creek Volcanics are interpreted to lie immediately beneath the Surprise Creek Formation. The fault is cut by a number of cross faults, including the west-northwest trending Redie Creek Fault and several north-northwest trending faults. A number of small outliers of Cambrian strata overlie the Proterozoic rocks on the western side of the fault. The McNamara Fault is thought to be a late structure, but as for other major north trending faults in the region, it may have been active during the basin stage of tectonic evolution. The extension of the McNamara Fault north of Mount Kelly has only been recognised since the availability of high-resolution aeromagnetic imagery in the early 1990s. As a result, there has been no previous detailed exploration along the structure within the tenements. In the Mount Kelly area, the McLeod Hill, Mount Kelly and Spinifex Queen copper occurrences lie where the McNamara Fault is intersected by cross-faults. Target areas are provided by potential dilatant sites at fault intersections and by concentrations of iron oxides.

CSA Global consider that the Mount Isa West exploration project holds significant potential to host further copper oxide blanket-style mineralisation and Isa-style copper mineralisation.

6.4 Eastern Tenements

The Mount Isa East exploration project comprises the eastern tenement holding of Austral which are divided into three groups of exploration tenements, the Miranda Group, the Cloncurry Group, and the Cameron Group, as illustrated in Figure 31.

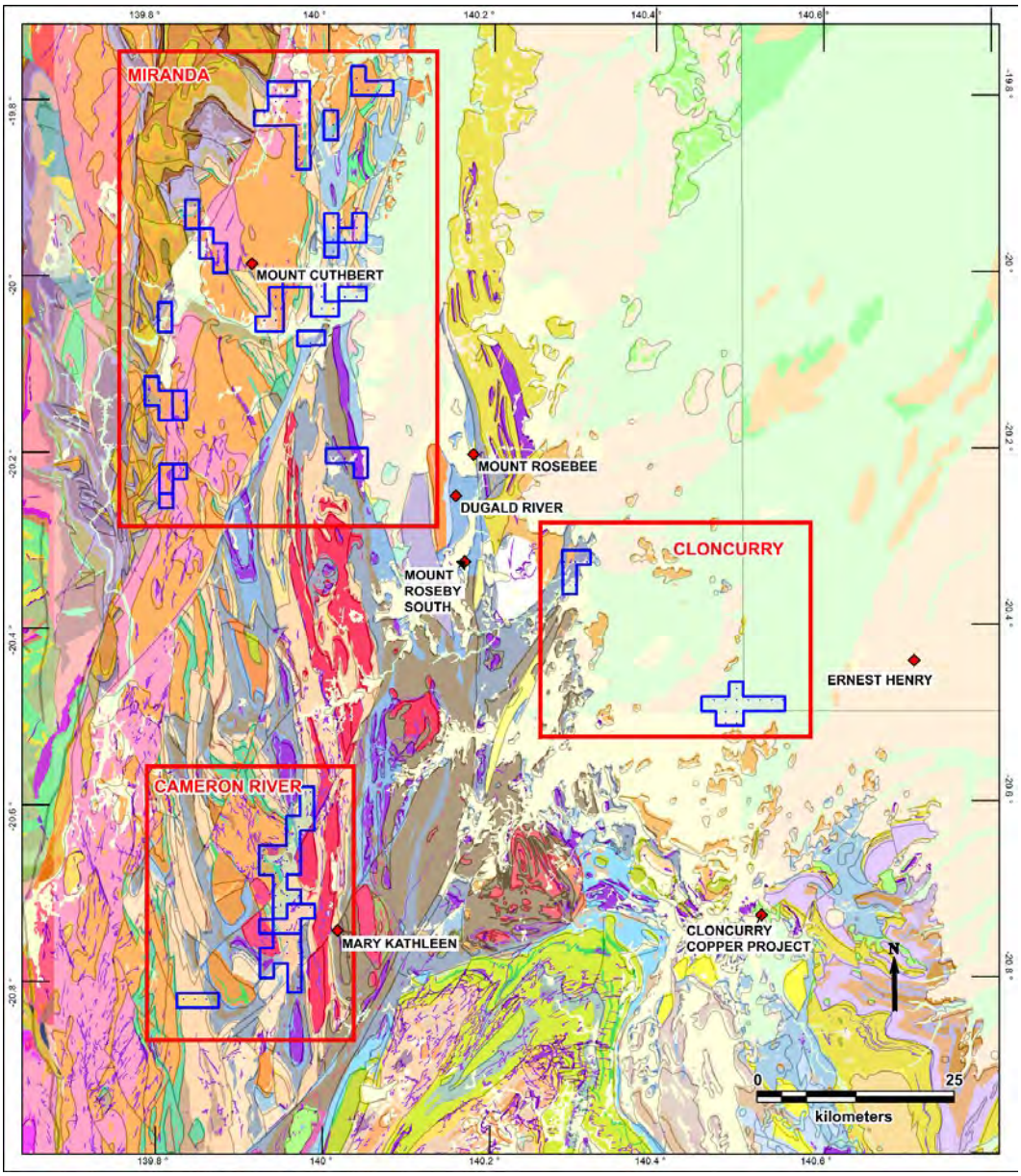


Figure 31: Regional geological map of the Mount Isa East project area

6.4.1 Miranda Group

The Miranda Group is a large tenement group surrounding the Mount Cuthbert mine approximately 100 km northeast of Mount Isa and 100 km northwest of Cloncurry extending south past Kajabbi Township, and northwards to beyond the Dobbyn mine. It comprises 12 EPMs. Austral is exploring for orogenic copper ± gold and IOCG-style mineralisation within the Eastern Fold Belt of the Mount Isa Inlier. Rock units underlying the Miranda tenements comprise Kalkadoon granitoid rocks; Leichhardt Volcanics dominated by dacitic to rhyolitic metavolcanics; Mid-Proterozoic metasediments; felsic-mafic volcanic rocks assigned to the Tewinga Group (Magna Lynn Meta-basalt and Argylla Formation); and calcareous sedimentary rocks of Cover Sequence 2; plus mafic sills and dykes emplaced into the Kalkadoon-Leichhardt Belt rocks prior to the deposition of Cover Sequence 2.

The known copper mineralisation in the Miranda area is confined to shears or dilational zones and are typically developed at structures nodes. In addition, numerous smaller deposits and minor occurrences are spatially associated with the mafic intrusive bodies. Copper mineralisation occurs within quartz veins, on shear planes and as void fills. It was emplaced during late-D2 to late-D3 time. No mineralisation associated with D1 has been noted in the area. The deposits are predominantly small and oxidised to depths of up to 80 m. The depth of oxidation is generally related to the size of the shear or structure hosting mineralisation. Typically, the deposits are zoned from malachite, azurite and chrysocolla at surface to chalcocite, cuprite, tenorite and native copper in the transition zone, to chalcopyrite at depth.

6.4.2 Cloncurry Group

The Cloncurry Group consists of two tenements (EPM17165 and EPM17295) situated 22 km and 45 km north-northwest of Cloncurry. Austral is exploring for IOCG-style mineralisation within rocks of the Eastern Fold Belt. The geology of EPM17295 comprises Naraku Granite, part of the Williams Batholith (1754–1508 Ma). The Naraku Granite is described as pink, medium-grained, generally non-foliated granite, including associated granodiorite, aplite, aplogranite and pegmatite. Blue-green metasediment xenoliths of the Corella Formation are also present in the underlying basement in the north and west of the tenement. The geology of EPM17165 comprises extensive Tertiary/Quaternary sediments overlying the Proterozoic Corella Formation of the Mary Kathleen Group and Mavis Granite from the Williams Batholith.

Early exploration on EPM17295 focused on the discovery of roll-front uranium in the Mesozoic cover sequence and since the 1990s exploration has targeted magnetic features within the granite for Ernest Henry-style mineralisation. Most magnetic anomalies within EPM17295 were tested with surface geochemistry and mapping where appropriate, or shallow drilling in areas of significant cover. The results of this exploration identified the weakly developed magnetic systems to be either magnetite hydrothermal alteration within the granite itself, usually showing some association with intrusive mafic bodies, or strongly altered sediments and fine-grained intrusive units that have been rafted into the granite pluton. Although weakly elevated geochemistry was identified in these systems, they were not considered to represent significant mineralising systems by previous explorers.

Very little historical exploration has occurred over EPM17165 but the Quamby Queen abandoned limestone mine occurs in the southeast corner which operated in the 1940–1950s.

6.4.3 Cameron Group

The Cameron Group consists of four tenements (EPM17167, EPM17494, EPM17634, and EPM25515) centred 55 km west of Cloncurry covering a north trend belt near the Mary Kathleen mine. Austral is exploring for IOCG-style mineralisation. The Cameron Group is situated within the Mary Kathleen Domain close to the boundary with the Kalkadoon-Leichhardt Domain. The oldest rocks are Kalkadoon Suite granitoids and probably co-genetic Leichhardt Volcanics. The Kalkadoon Suite includes tonalities, granodiorites, and granites. The Leichhardt Volcanics are predominantly felsic quartz porphyries of rhyolite to rhyodacite composition. Unconformably overlying these are metamorphosed basalt, andesite, dacite, rhyolite, and clastic sediments of the Magna Lynn Metabasalt and Argylla Formation of the Mary Kathleen Domain. An unconformity separates these sequences from the Ballara Quartzite which is composed of arkose, grit and

conglomerate grading upwards to quartzite. The conformably overlying Corella Formation contains greenschist and amphibolite facies grade marble, calc-silicate granofels, schist, quartzite and amphibolite derived from pure limestone, interlaminated limestone and siliceous rock, calcareous sandstone, calcareous-dolomitic shale, and non-calcareous pelitic sediments.

Mineralisation in the region includes abundant small copper deposits and the Mary Kathleen uranium deposit. The copper deposits are fault controlled and occur in rocks of all ages indicating that they are related to the Isan Orogeny. The Mary Kathleen uranium deposit is located in the Mary Kathleen shear zone where it passes through contact skarn in the contact aureole of the Burstall Granite.

The area has been actively explored since the 1950s. Assessment of the historical data has delineated a number of targets for further exploration (refer Section 6.7).

CSA Global considers that the Mount Isa East exploration project holds potential to host IOCG mineralisation and skarn-style base metal mineralisation.

6.5 Historical Exploration

The areas covered by Austral's tenements have seen very extensive previous exploration and mine development activities over a long period of time stretching back to the early 1900s.

The Lady Annie copper oxide deposit was discovered in 1919. Numerous small-scale companies held tenure of the deposit from this time until 1964, with the main production occurring between 1959 and 1964. Carpentaria Exploration took control of the venture in 1964 and continued mining operations until 1966. They were followed by Triako Mines. A joint venture between Triako Mines and Mitsui Ltd carried out a resource drilling program which indicated a resource of carbonate and oxide ore totalling 3 Mt at 1.30% Cu (now fully mined). A working agreement between Triako Mines and Placer Prospecting (Australia) Pty Ltd culminated in a second resource definition in 1969 which increased the reserve to 6.5 Mt at 1.47% Cu (now fully mined). Placer Prospecting (Australia) Pty Ltd used this opportunity to gain valuable knowledge of the mineralisation and lithological sequence at Lady Annie that could be applied to the surrounding area. A search for lead-zinc mineralisation met with immediate success and the discovery of the adjacent Lady Loretta deposit (owned by others).

6.5.1 Historical Exploration by Previous Owners

CopperCo and CSTLA explored all the tenure currently held by Austral during the period 2008 to 2019, with majority of the work completed in the 2008–2015 period. Most of the work was directed to the Anthill, Lady Annie, Lady Brenda, Mount Clarke, Flying Horse, McLeod Hill, Swagman, and Lady Colleen copper oxide deposits.

Regional exploration carried out by the previous owners consisted of:

- Reconnaissance field mapping
- Mapping
- Rock chip sampling and x-ray fluorescence (XRF) analysis
- Regional reconnaissance and rock chip sampling
- A soil and lag sampling
- An airborne high-resolution TEMPEST electromagnetic survey was flown by Fugro interpreted by Southern Geoscience Group which assisted in defining new targets by mapping host rocks, faults, depth of cover and definition of conductive material
- Douglas Haynes Discovery Pty Ltd undertook a target generation project using an integrated empirical approach on alteration, endowment and redox domain mapping in a GIS environment
- A review of the airborne TEMPEST electromagnetic survey flow by Fugro Airborne Surveys Pty Ltd in 2013 by the Southern Geoscience Group

- Collaborative study with the Commonwealth Scientific and Industrial Research Organisation (CSIRO) including the "Uncover Cloncurry" project
- The collaborative study with the University of New South Wales on a comparison of various surface geochemical sampling techniques was carried out over the Anthill copper deposit
- For detailed information regarding the previous exploration work refer to the following annual reports by Thompson (2013) Orr (2015, 2016, 2017a, 2017b, 2018, 2019), as well as technical reports by Haynes (2014), Gazley et al. (2014), Cohen et al. (2016, 2016b), and Vella (2015).

No historical exploration results are reported in this ITAR.

CSA Global considers that historical exploration has been of sound quality, has been diligently researched, compiled, and effectively assessed by Austral, and forms a strong basis for continued exploration. Significant opportunities remain for the discovery of more copper oxide and base metal sulphide mineralisation within the tenements.

6.6 Recent Exploration Activities

In 2020, Austral engaged a geological consultant to undertake a full review of the exploration potential of its tenements, specifically to prioritise exploration targets and to recommend ground for relinquishment. This review commenced in February 2020 and was completed in April 2020 (Beere, 2020).

In January 2020, Austral commenced a collaboration with the Geological Survey of Queensland (GSQ) as part of the GSQ's regional prospectively of critical minerals project. The GSQ re-analysed a subset of existing pulp, crushing and drill core samples held by major explorers of northwest Queensland, to provide a broad regional coverage. Analysis was for a full suite of elements, using four-acid digest and lithium-borate fusion to ensure complete consumption of refractory phases. The samples were scanned by HyLogger and underwent targeted mineralogical analyses. The goal was to establish a baseline for critical mineral prospectivity in Queensland, with development of a regional database of soil, stream, rock and drillhole samples. The resulting database will feature a consistent and comprehensive element suite. Austral supplied samples for this project and plan to use to resulting data to target for critical mineral deposits in its ground holdings.

No recent exploration results are reported in this ITAR.

6.7 Targets and Planned Exploration

Target generation work by Austral has defined 49 targets earmarked for further assessment, exploration, and eventual drilling (Beere, 2020).

In the Mount Isa West exploration project, 33 targets have been defined of which three are categorised as having a high potential for large deposits and another 11 with potential for medium-sized deposits. These are listed in the following table (Table 26) along with a proposed exploration program. Their locations are shown on Figure 32.

Table 26: Target summary for the Mount Isa West exploration project with ranking ratings and planned exploration program

EPM	Target ID	Rank	Target	Prospectivity	Priority	Size	Comment	Exploration program
17789	Barrats Bend (MIW20-10)	1	Large 5 km x 2 km soil anomaly, sparsely drilled	High	High	Large	Good structural-stratigraphic position, anomaly open	Rotary air blast 400 m x 200 m closing to 200 m x 100 m
16244	MIW20-13	2	4,600 m scattered anomalous drill and surface geochemistry	High	High	Large	No surface geochemistry completed (why?)	Review, infill rotary air blast
16243	Lady Agnes South (MIW20-01)	3	2 km 60geochemical anomaly, sparsely drilled	High	High	Large		Rotary air blast 400 m x 100 m
17789	Galah Syncline East (MIW20-05)	4	2 km soil anomaly untested by drilling	High	High	Medium		Rotary air blast 400 m x 200 m
17789	Galah Syncline West (MIW20-05)	5	2 km soil anomaly untested by drilling	High	High	Medium		Rotary air blast 200 m x 100 m
16243	MIW20-03	6	1.8 km 60geochemical anomaly, sparsely drilled	High	Medium	Medium	Favourable stratigraphy and fault intersections	Rotary air blast 400 m x 100 m
16243	New Hope (Area D) (MIW20-01)	7	1.4 km ill-defined 60geochemical anomaly, sparsely drilled	High	Medium	Medium	Favourable stratigraphy and fault intersections	Infill soils, rotary air blast 200 m x 100 m
16244	MIW20-16	8	Conceptual; fault crosscutting Esperanza stratigraphy	Medium	High	Medium	Not sampled	Reconnaissance, soils/lag
16240	Investigator (MIW20-08)	9	Sparsely drilled 60geochemical anomaly with workings	Medium	Medium	Medium	Favourable stratigraphy and fault intersections	Infill existing drilling -800 m gap
16242	Patricia Joy (MIW20-09)	10	1.2 km low order 60geochemical anomaly, undrilled	Medium	Medium	Medium	Good stratigraphic-structural position	Rotary air blast 200 m x 100 m
16242	Big Bend (MIW20-09)	11	Open surface 60geochemical anomaly	Low	Low	Medium		Reconnaissance, extend soils
16244	MIW20-14	12	Conceptual, mapped fault along strike of Python	Low	High	Large	Bedrock RAB in depletion zone? TEST CASE	Reconnaissance, soils/lag
16241	MIW20-07	13	Conceptual, favourable stratigraphy and structure	Low	Low	Medium	Not sampled	Reconnaissance, soil/lag sampling
16244	MIW20-12	14	Conceptual, fault crossing Paradise Creek Formation	Low	Medium	Medium	No assays in database file	Data review

Note: Targets rated below "medium" in size potential omitted from table.
Source: Austral

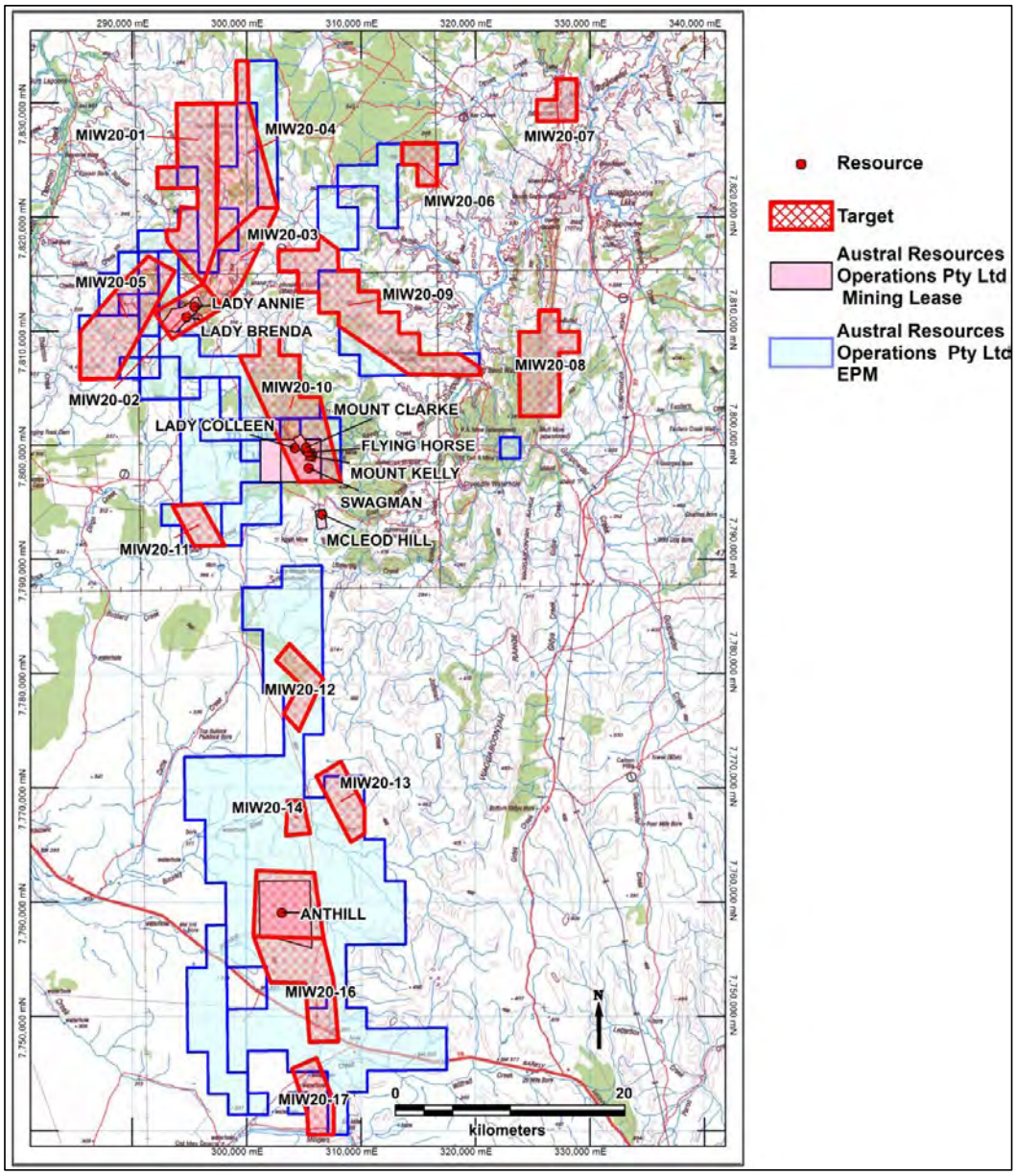


Figure 32: Location map of exploration targets – Western tenements
Source: Austral

In the Mount Isa East exploration project, 16 targets have been defined of which three are categorised as having potential for medium-sized deposits, two of which are a high priority for further work. These are listed in Table 27 below. Their locations are shown on Figure 33.

Table 27: Target summary for the Mount Isa East exploration project with ranking and ratings

Target ID	Rank	Target	Prospectivity	Priority
MIE20-16	1	Conceptual, ductility contrasts, intersecting structures, some workings	Medium	High
MIE20-15	2	Conceptual, ductility contrast along fault, some workings	Medium	High
MIE20-12	3	Conceptual, complex intersecting structures, ductility contrasts	Low	High
MIE20-13	4	Conceptual, ductility contrast along fault, some workings	Medium	Medium
MIE20-08	5	Conceptual, ductility contrast along fault, some workings	Low	Medium
MIE20-04	6	Conceptual; deep gravity structure with workings along strike, margin of gravity high	Low	Medium
MIE20-14	7	Conceptual, complex intersecting structures, ductility contrasts	Low	Medium
CAMR20-03	1	Neptune – soil anomaly, CST reconnaissance drilling north end with ~20 m @ 0.3% Cu; lithology contrast	Medium	Medium
CAMR20-01	2	Auster – 2.5 km zone anomalous rocks parallel/overlying fault in Argylla Formation; adjoins Highway	Medium	Medium
CAMR20-04	3	Unnamed880165 – patchy soil anomaly, not drilled; lithology contrast	Medium	Medium

Note: Targets rated below "medium" size potential omitted from table.
Source: Austral

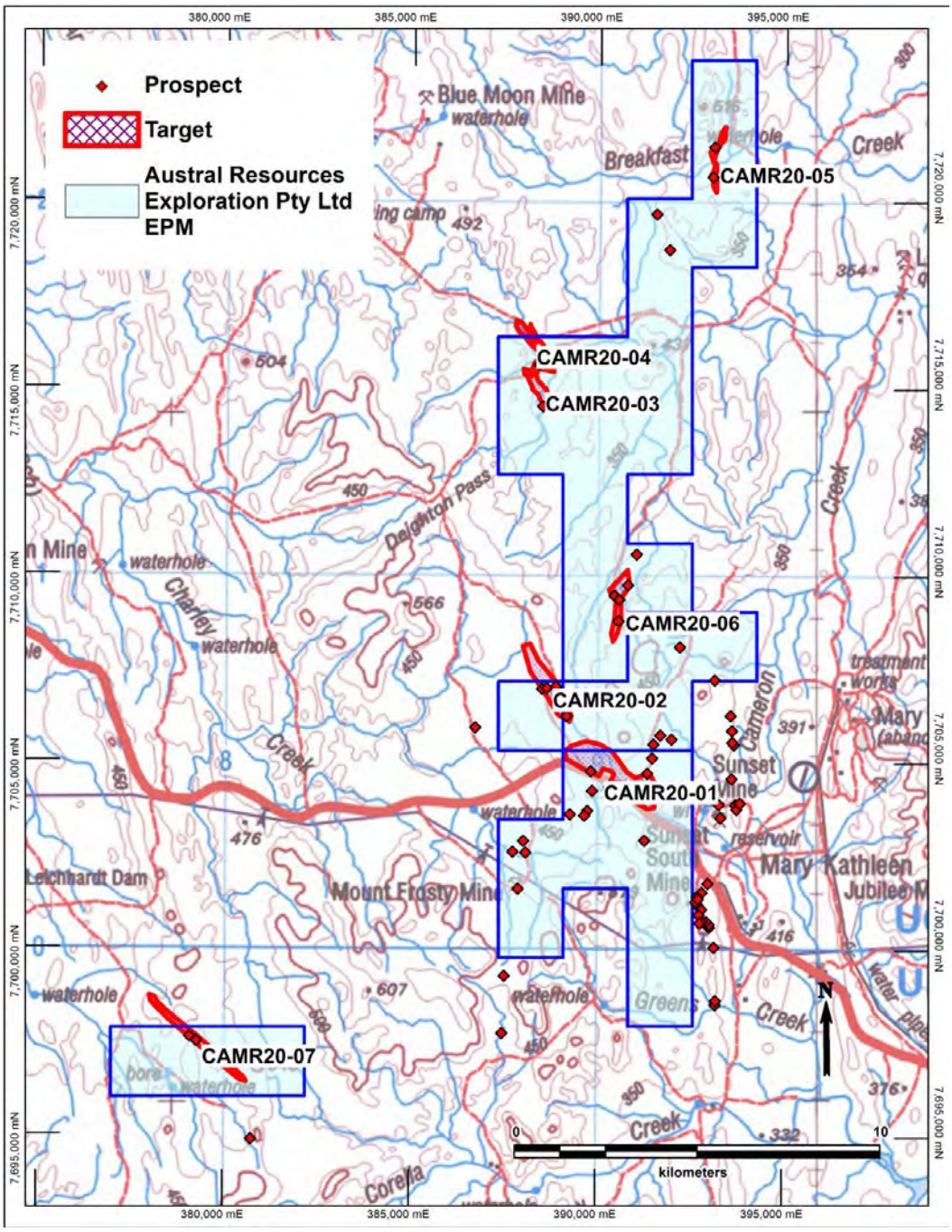


Figure 33: Location map of exploration targets – Eastern tenements – Cameron Group
Source: Austral

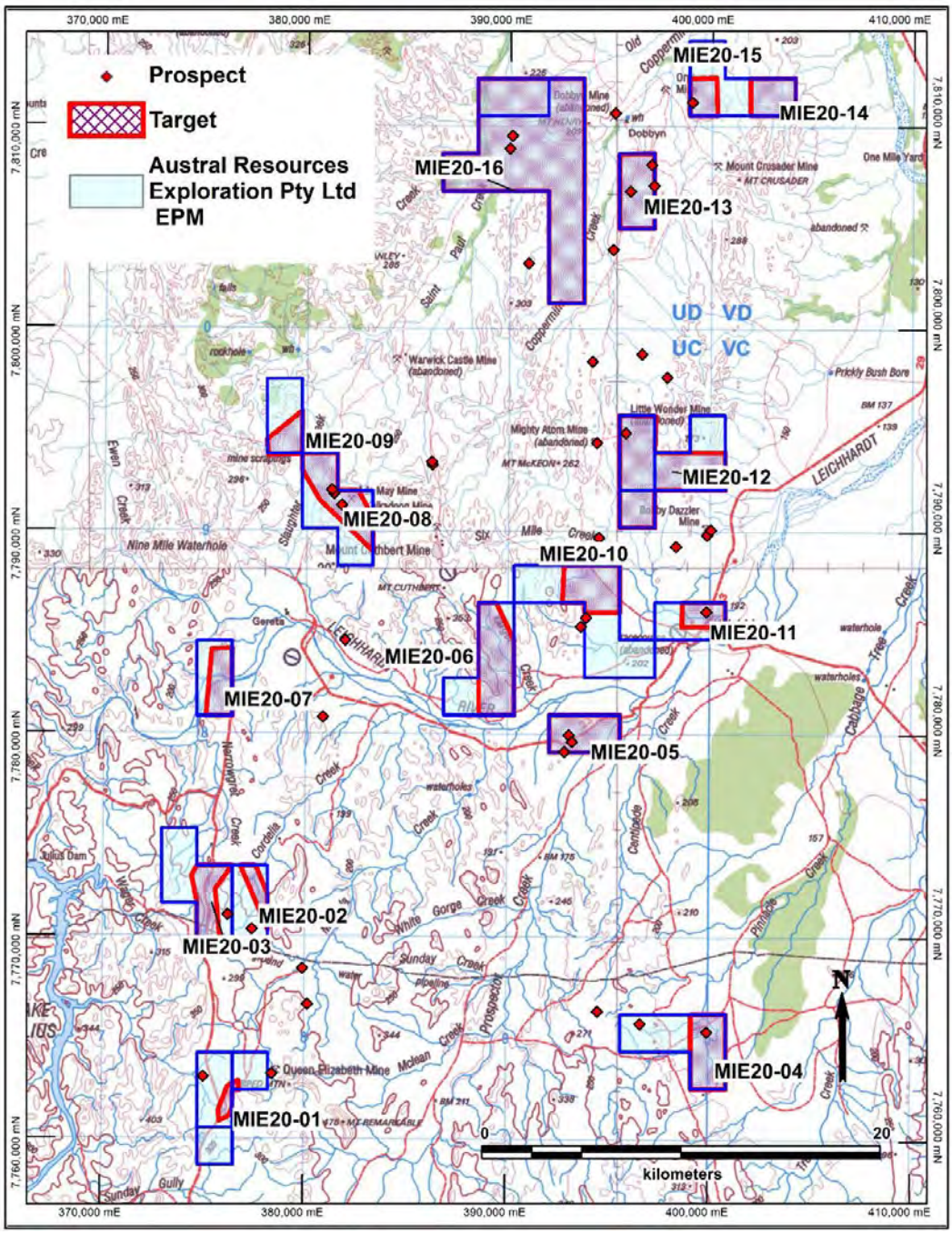


Figure 34: Location map of exploration targets – Eastern tenements – Miranda Group
Source: Austral

6.7.1 Brownfields Exploration

The potential to significantly expand the copper oxide resources of known deposits is limited. Majority of the exploration efforts by previous explorers over the last 15 years have focused on finding and delineating copper oxide material. Austral intends to undertake exploration for copper oxide on the margins of the known deposits and also to follow up on a series of identified copper soil anomalies which it considers to be underexplored.

The sulphide copper Mineral Resources have the potential to be extended. The focus of historical drilling on the deposits has always been on generating oxide resources, with a majority of the drillholes not penetrating significantly into the fresh zone. Targeting of primary sulphide mineralisation on the ML has the stronger brownfields exploration potential. The detailed work required to develop and prioritise specific drilling targets has not as yet been undertaken by Austral, with this planned for Year 1 immediately post-listing, followed by diamond drilling of sulphide copper targets.

7 Proposed Budget and Use of Funds

Austral provided CSA Global with a copy of its planned expenditure for its projects for an initial two-year period following listing on the ASX. Table 28 provides a summary of Austral's planned exploration and development activity for its projects. The exploration strategy is discussed in more detail in Section 6.

Table 28: Proposed use of funds raised

Use of funds	A$
Exploration	$5.0 million
Operating expenses	$4.0 million
Capital Expenditure - Anthill	$1.5 million
Capital Expenditure - Mt Kelly	$1.4 million
Working capital	$1.6 million
Costs of the offer	$2.5 million
Loan repayment	$14 million
Total uses of funds	$30 million

** Rounding may result in percentages not adding to 100*

Table 29 provides a summary of expenditure by activity for Austral's projects for the planned capital raising. All costs included are in Australian dollars (A$). Some of the working capital is going to be applied to production.

Table 29: Proposed two-year exploration expenditure budget by item (all figures are in A$)

Item	Year 1	Year 2	Total
Salaries	416,250	495,000	911,250
Salaries on-cost	116,550	138,600	255,150
Labour hire	158,000	155,000	313,000
Catering – Man days	26,100	32,400	58,500
FIFO airfares	29,000	36,000	65,000
Consultants – Geological	80,000	-	80,000
Consultants – Geophysical	50,000	30,000	80,000
Consultants – Legal	12,500	-	12,500
Contractor – Geological	48,000	48,000	96,000
Contractor – Other	250,000	115,000	365,000
Consumables	2,000	2,000	4,000
Consumables – Drilling	10,000	-	10,000
Consumables – Fuel – diesel	11,000	12,000	23,000
Consumables – Fuel – drilling	90,000	112,500	202,500
Consumables – PPE	2,000	2,000	4,000
Consumables – Tyres – LV	2,500	2,500	5,000
Consumables – Uniforms	1,350	1,350	2,700
Assaying – Drilling	115,000	120,000	235,000
Core/Sample handling and storage	40,000	-	40,000
Environmental fees	23,987	23,987	47,974
Native Title fees	44,136	44,136	88,272
Cultural heritage	60,000	24,000	84,000
Tenement applications/renewals	12,006	2,668	14,674

Item	Year 1	Year 2	Total
Tenement management	20,000	-	20,000
Tenement rent	68,599	68,599	137,198
Drilling – RC and RAB	725,000	900,000	1,625,000
Maintenance material – Equipment	12,000	4,000	16,000
Business travel and accommodation	6,000	6,000	12,000
Computer hardware and access	9,000	-	9,000
Landholder payments	10,000	17,500	27,500
Lease – Light vehicles	57,000	72,000	129,000
Office supplies	2,000	2,000	4,000
Software – Maintenance and licensing	20,000	4,000	24,000
Total	**2,529,978**	**2,471,240**	**5,001,218***

** Rounding may result in figures seeming not to add fully*

The proposed budgets are considered consistent with the exploration potential of Austral's projects and considered adequate to cover the costs of the proposed programs. The budgeted expenditure is also sufficient to meet the minimum statutory expenditure on the tenements.

In accordance with the definitions in the VALMIN Code, the Anthill project with a declared Ore Reserve is considered to be at the "development" stage, the Mount Isa West project which has Mineral Resources defined is at the "advanced exploration" stage, while the Mount Isa East project is at the "exploration" stage. The mineral properties at the "exploration" stage are intrinsically speculative in nature, while risk is reduced at the more advanced projects, where the Company is a operational mining company.

CSA Global considers that the projects have sound technical merit and to be sufficiently prospective, subject to varying degrees of exploration risk, to warrant further exploration and assessment of their economic potential, consistent with the proposed programs. The Company proposes to allocate a significant portion of the working capital outlined in the Use of Funds tabulation towards commencing production at the Anthill Project, refining operational parameters on the mine and in the processing plant, as well as on on-going environmental monitoring and progressive remediation of disturbed areas as these areas become no longer required for active operation of the project. The proposed development activities which will be the focus for the working capital component of the funds raised will include the following:

- commencement of early stage earth works
- pre-strip in preparation for mining
- drill and blast
- pre-processing activities at Anthill
- administration costs

Approximately half (45%, A$13.5 million) of the liquid assets held, or funds proposed to be raised by Austral, are understood to be committed to the exploration, development and administration of the mineral properties. CSA Global understands Austral has sufficient working capital to carry out its stated objectives, satisfying the requirements of ASX Listing Rule 1.3.3(b).

Austral has prepared staged exploration and evaluation programs, specific to the potential of the projects, which are consistent with the budget allocations, and warranted by the exploration potential of the projects. CSA Global considers that the relevant areas have sufficient technical merit to justify the proposed programs and associated expenditure, satisfying the requirements of ASX Listing Rule 1.3.3(b).

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8.2 General References

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9 Glossary

Below are brief descriptions of some terms used in this report. For further information or for terms that are not described here, please refer to internet sources such as Wikipedia (www.wikipedia.org).

aeromagnetic	A survey undertaken by helicopter or fixed-wing aircraft for the purpose of recording magnetic characteristics of rocks by measuring deviations of the Earth's magnetic field.
anomaly	An area where exploration has revealed results higher than the local background level.
aqua regia	Nitro-hydrochloric acid – a highly corrosive mixture of nitric acid and hydrochloric acid, which can dissolve rock effectively, even gold and platinum.
assay	The testing and quantification metals of interest within a sample.
azimuth	The horizontal angle measured in degrees clockwise from true north (describing the orientation of a drillhole or geological feature).
carbonate	Rock or mineral dominated by the carbonate ion (CO^{2-}_3), of sedimentary or hydrothermal origin, composed primarily of calcium, magnesium or iron and carbon and oxygen. Essential component of limestones and marbles.
chlorite	A green-coloured hydrated aluminium-iron-magnesium silicate mineral common in metamorphic rocks.
complex	An intricate assemblage of geological units, typically in metamorphic or igneous terranes.
craton	An old and stable part of the continental lithosphere.
D1, D2, D3	Structural geology term: Deformations are numbered according to their order of formation with the letter D denoting a deformation event.
deformation	A change in the original shape of a rock unit in response to stress and strain. It can be brittle deformation that results in faulting or plastic deformation that results in folding.
diamond drilling	Drilling method employing a (industrial) diamond encrusted drill bit for retrieving a cylindrical core of rock.
diorite	A coarse-grained intrusive igneous rock that contains a mixture of feldspar pyroxene hornblende and sometimes quartz.
dykes	A tabular body of intrusive igneous rock, crosscutting the host strata at a high angle.
epidote	A silicate mineral of lustrous yellow green or black colour, commonly found in regionally metamorphosed rocks.
fabric	In geology, a rock's fabric describes the spatial and geometric configuration of all the elements that make it up.
fault	A wide zone of structural dislocation and faulting.
felsic	Igneous rocks with a large percentage of light-coloured minerals such as quartz, feldspar, and muscovite. It is contrasted with mafic rocks, which are relatively richer in magnesium and iron.
foliation	The planar or layered characteristics of metamorphic rocks that are evidence of the pressures to which the rock was exposed.
geochemical	Pertains to the concentration of an element.
geophysical	Pertains to the physical properties of a rock mass.
granite	A coarse-grained igneous rock containing mainly quartz and feldspar minerals and subordinate micas.

granitoid	A broad category of coarse-grained acid igneous rock including granite, quartz monzonite, quartz diorite, syenite and granodiorite.
intrusive	Any igneous rock formed by intrusion and cooling of hot liquid rock below the earth's surface.
lithology	The description of a rock unit's physical characteristics visible in hand or core samples, such as colour texture grain-size and composition.
lode	A deposit of metalliferous ore formed in a fissure or vein.
mafic	Igneous rock composed dominantly of dark coloured minerals such as amphibole pyroxene and olivine, generally rich in magnesium and iron.
magnetite	A mineral comprising iron and oxygen which commonly exhibits magnetic properties.
metamorphic	A rock that has been altered by metamorphism from a pre-existing igneous or sedimentary rock type.
metamorphism	Alteration of the minerals, textures and composition of a rock caused by exposure to severe heat, pressure and chemical actions.
meta-	Rock which has been altered by metamorphism.
Mineral asset (VALMIN)	Mineral Asset means all property including (but not limited to) tangible property, intellectual property, mining and exploration Tenure and other rights held or acquired in connection with the exploration, development of and production from those Tenures. This may include the plant, equipment and infrastructure owned or acquired for the development, extraction and processing of Minerals in connection with that Tenure. Most Mineral Assets can be classified as either: (a) Early-stage Exploration Projects – Tenure holdings where mineralisation may or may not have been identified, but where Mineral Resources have not been identified; (b) Advanced Exploration Projects – Tenure holdings where considerable exploration has been undertaken and specific targets identified that warrant further detailed evaluation, usually by drill testing, trenching or some other form of detailed geological sampling. A Mineral Resource estimate may or may not have been made, but sufficient work will have been undertaken on at least one prospect to provide both a good understanding of the type of mineralisation present and encouragement that further work will elevate one or more of the prospects to the Mineral Resources category; (c) Pre-Development Projects – Tenure holdings where Mineral Resources have been identified and their extent estimated (possibly incompletely), but where a decision to proceed with development has not been made. Properties at the early assessment stage, properties for which a decision has been made not to proceed with development, properties on care and maintenance and properties held on retention titles are included in this category if Mineral Resources have been identified, even if no further work is being undertaken; (d) Development Projects – Tenure holdings for which a decision has been made to proceed with construction or production or both, but which are not yet commissioned or operating at design levels. Economic viability of Development Projects will be proven by at least a Pre-Feasibility Study; (e) Production Projects – Tenure holdings – particularly mines, wellfields and processing plants – that have been commissioned and are in production.
NQ	Type of diamond drilling producing a drill core of 47.6 mm diameter.
outcrop	A visible exposure of bedrock or ancient superficial deposits on the surface of the Earth.
overprint	The superposition of a new set of structural geological features on an older set.
plunge	The vertical angle between a horizontal plane and the line of maximum elongation (of an orebody, for example).

quartz	Common mineral composed of crystalline silica, with chemical formula SiO_2.
reverse circulation drilling	A percussion drilling method in which the fragmented sample is brought to the surface inside the drill rods, thereby reducing contamination.
resource	In-situ mineral occurrence from which valuable or useful minerals may be recovered.
schist	A metamorphic rock dominated by fibrous or platey minerals, with a strongly foliated fabric (schistose cleavage).
sedimentary	A term describing a rock formed from sediment.
shear	A deformation resulting from stresses that cause rock bodies to slide relatively to each other in a direction parallel to their plane of contact.
soil sampling	The collection of soil specimens for mineral analysis.
strata	Sedimentary rock layers.
stratigraphic	Pertaining to the composition, sequence and correlation of stratified rocks.
strike	Horizontal direction or trend of a geological strata or structure.
structural	Pertaining to rock deformation or to features that result from it.
succession	Group of rock strata that succeed one another in chronological order.
terrane	Any rock formation or series of formations or the area in which a particular formation or group of rocks is predominant.
ultramafic	Igneous and meta-igneous rocks composed of greater than 90% mafic minerals with very high magnesium and iron content, very low silica and potassium content.
volcanics	Rocks formed or derived from volcanic activity.

10 Abbreviations and Units of Measurement

°	degrees
°C	degrees Celsius
2D	two-dimensional
3D	three-dimensional
A$	Australian dollars
Ag	silver
AIG	Australian Institute of Geoscientists
Al	aluminium
ASX	Australian Securities Exchange
ASIC	Australian Securities and Investments Commission
Au	gold
AusIMM	Australasian Institute of Mining and Metallurgy
Austral	Austral Resources Australia Limited
Ba	barium
Ca	calcium
CopperCo	CopperCo Limited
CSA Global	CSA Global Pty Ltd
CSIRO	Commonwealth Scientific and Industrial Research Organisation
Cu	copper
DCF	discounted cash flow
EBITDA	earnings before interest, taxation, depreciation, and amortisation
EPM	exploration permit for minerals
Fe	iron
g	gram(s)
g/L	grams per litre
g/t	grams per tonne
Golder	Golder Associates
GSQ	Geological Survey of Queensland
ICP-AES	inductively coupled plasma-atomic emission spectroscopy
IOCG	iron oxide copper-gold
IPO	initial public offering
IRR	internal rate of return
ITAR	Independent Technical Assessment Report
JORC	Joint Ore Reserves Committee
JORC Code	2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves
kg	kilogram(s)
kg/t	kilograms per tonne
km, km^2	kilometre(s), square kilometre(s)

kt	kilo-tonnes (or thousand tonnes)
ktpa	kilo-tonnes (or thousand tonnes) per annum
L	litre(s)
lb	pound(s)
m, m^3	metre(s), cubic metre(s)
M	million(s)
Ma	million years ago
MAIG	Member of the Australian Institute of Geoscientists
MAusIMM	Member of the Australasian Institute of Mining and Metallurgy
Mg	magnesium
MGA94	Map Grid of Australia 1994 projection
ML	mining lease
mm	millimetres
Mt	million tonnes
Mtpa	million tonnes per annum
MW	megawatts
NATA	National Association of Testing Authorities
Ni	nickel
NPV	net present value
NROLA	Natural Resources and Other Legislation Amendment Act 2019
OK	ordinary kriging
Pb	lead
PFS	preliminary feasibility study
ppm	parts per million; a measure of concentration
PSM	PSM Geotechnical Consultants Pty Ltd
QAQC	quality assurance and quality control
RC	reverse circulation
RL	reduced level
Rob Lait and Associates	Rob Lait and Associates Pty Ltd
ROM	run-of-mine
SX-EW	solvent extraction-electrowinning
t	tonne(s)
tpa	tonnes per annum
tph	tonnes per hour
VALMIN	Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports
XRF	x-ray fluorescence
Zn	zinc

Appendix A JORC Code Table 1

Section 1: Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections)

Criteria	Commentary
Sampling techniques	Reverse circulation (RC) drilling was sampled on 1 m intervals to collect 2–3 kg samples. The splitter was cleaned at the end of each rod, the cyclone was cleaned at the start of each hole. Diamond core drilling was used to sample half core in 1 m lengths based on mineralisation. Samples were sent to ALS lab for sample preparation and analysis. The laboratory conforms to Australian Standards ISO 9001 and ISO 17025.
Drilling techniques	RC and percussion methods were used to test near-surface oxide mineralisation while diamond drilling (HQ) was used for evaluating deeper sulphide mineralisation. RC drilling used standard face sampling hammers, high pressure compressor and a riffle splitter. Diamond drilling was HQ size using standard/triple tubing. Drillholes considered unreliable such as water bore, percussion holes, rotary air blast (RAB) holes, were excluded from the resource estimate
Drill sample recovery	For RC samples the weight of the recovered sample was recorded as high, medium or low or as a number from 1 to 5. The drillhole database indicates that 35% of the samples have a high sample recovery weight and 51% with medium sample recovery weights. For diamond drilling, the sample recovery averages 95.39%. RC and diamond sampling methods are appropriate for the style of mineralisation. The CST Minerals RC drilling procedures include adequate measures to control sample contamination and minimise sample loss.
Logging	Geological logging entered into a Microsoft Access database includes lithology, oxidation, grain size, colour, rock texture, dominant copper minerals, fracture angle and bedding angle (DD).
Subsampling techniques and sample preparation	A diamond core is sawn longitudinally with half core taken for sampling. The RC drilling has an attached cyclone and riffle splitter from which 2–3 kg samples were collected. Field duplicates were collected for the RC samples from a bucket containing the rejects using a spear. Duplicates for diamond core samples were taken from the crushed rejects at ALS laboratory.
Quality of assay data and laboratory tests	Standards and blanks were inserted at a rate of 1:25 and a minimum of two standards per batch. Standards were picked to match the expected grade of the mineralised interval. Blanks were inserted immediately after the standard. Field duplicates were inserted with the blanks and standards. Prior to 2008, there was minimal quality assurance/quality control (QAQC), but some check sampling and production reconciliation indicated no material problems with assaying. Available QAQC data was assessed and there were no significant sampling and assaying issues noted. The frequency of standards, blanks and duplicates is considered adequate.
Verification of sampling and assaying	A twinning program was conducted by CopperCo Limited (CopperCo) of selected Buka Minerals Limited (Buka) drilling at the Lady Annie deposit and assessed by FinOre. The assessment showed that the CopperCo twinned drilling within 7.5 m (81 drillholes) of existing Buka drilling showed a higher mean copper grade while comparison with drilling within 10 m (296 drillholes) showed a lower mean copper grade. However, the older Buka and CopperCo drilling is overwhelmed by the more recent drilling by CST Minerals. There are a small number (19) of closed spaced drilling (within 10 m) that intersect the Anthill copper mineralisation. Comparison of the close-spaced drilling show that in most cases the trend and magnitude of the copper mineralisation is consistent between the paired drillholes. The drillhole database is maintained on site in digital (Microsoft SQL database) and hard-copy format. A designated database administrator maintains the database and is tasked with adding data and making any corrections to the database. Negative assay values indicate half detection limit (typically 0.005). Unsampled intervals within the mineralised envelope were assigned a value of 0.01% Cu.
Location of data points	Majority of the drillhole locations are reported to be by differential global positioning system (GPS) which provides sub-metre accuracy for regional AMG coordinates. All drilling is in Australian Map Grid (AMG84) coordinates Zone 54.

Criteria	Commentary
	Downhole surveys were collected using a range of methods with majority of the drillholes surveyed using a single-shot or multi-shot camera on approximately 30 m intervals. 16% of samples at Lady Annie were surveyed by compass and 3% were vertical. For 34% of the Lady Annie drillholes, the survey method is not recorded in the database. Topography is provided by a detailed survey by Austral Resources Australia Limited (Austral), which is continuously updated with sub-metre accuracy. The current topography surfaces have been updated to the end of January 2021.
Data spacing and distribution	Lady Annie/Lady Brenda: Drill spacing varies from 10 m x 10 m to 100 m x 100 m, averages 20 m x 10 m to 20 m x 20 m. Mount Kelly/Flying Horse: Drill spacing varies from less than 20 m x 20 m to 100 m x 50 m, averages approximately 50 m. Swagman: Drill spacing on oblique grid of 20 m x 20 m. McLeod Hill: Drill spacing is approximately 50 m x 25 m. Anthill: Drill spacing varies from 20 m to over 100 m and averages approximately 20 m x 40 m. Drillhole data was composited to 3 m intervals by mineralisation domain for Lady Annie, Mount Kelly and Anthill main areas, and 1 m intervals by mineralisation and oxide domain for Swagman and McLeod Hill. Drillhole data was composited to 3 m intervals by mineralisation domain for Lady Annie and Mount Kelly/Flying Horse. The drill spacing is sufficient to capture the salient geological features controlling the mineralisation and is sufficient, in places, to define Measured and Indicated Mineral Resources.
Orientation of data in relation to geological structure	Lady Annie/Lady Brenda: Drilling is oriented on average 60° toward an azimuth of 090° and 270°; copper mineralisation shallow dipping in the near-surface oxide. Mount Kelly/Flying Horse: Drilling is oriented 60° toward azimuths of both 040° and 220°; copper mineralisation is flat dipping near-surface oxide and steeper mineralisation is dipping 35–40° with a strike of 120–170°. Swagman: Drilling gridlines are orientated towards the northeast; mineralisation is flat lying in the oxide and dips approximately 50° toward 200° for the transition and sulphide mineralisation. McLeod Hill: Drilling is oriented toward the east-northeast; mineralisation strikes at 170° and dips approximately 60° toward the west. Anthill: Drilling is oriented on average 60° toward azimuths 090° and 270° in Anthill West and 035° and 215° for Anthill East and Link zone. Copper mineralisation is generally shallow dipping in the near-surface oxide. At Anthill West, there is steep mineralisation that dips 40–65° and strikes 300°. Drilling is appropriately oriented to intersect the mineralisation across dip to avoid any sampling bias.
Sample security	Samples were collected by CST Minerals field staff during previous drilling campaigns. Sample numbers are recorded on the sample sheet and the data is later entered into the corresponding drill log. Once the hole/log is complete, the file is sent to the database manager and checked by a geologist. Samples are placed in numbered samples dispatch bins, prior to being sent to the laboratory. The sample number, bin and date-time are recorded in the sample dispatch sheet which is signed by the operating field technician. Each sample bin or approximately every 300 samples are allocated a batch number and a separate laboratory submission sheet. Samples are then dispatched by truck to the ALS Townsville laboratory weekly. The assay results are sent from the laboratory directly to the database The assay results are sent from the laboratory directly to the manager and geologist by email.
Audits or reviews	FinOre Mining Consultants undertook an audit of the drillhole QAQC including an audit of the laboratory in 2005 for the Copper Co. Lady Annie Feasibility Study. In 2007 and 2008, Maxwell GeoServices assessed the CopperCo QAQC data. In 2010, Snowden Mining Industry Consultants Pty Ltd (Snowden) assessed the QAQC data collected since 2008. Golder Associates (Golder) completed a high-level database review in 2012, including undertaking a small number of checks of the hard-copy data with the digital data and rudimentary checks of the drillhole database. No major issues with the sampling and assaying were identified by the reviews. The RC and diamond drilling data are appropriate for Mineral Resource estimation.

Section 2: Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section)

Criteria	Commentary
Mineral tenement and land tenure status	Golder had not independently verified the ownership and current standing and status of Austral's tenements and is not qualified to make any representations in this regard. Austral Resources Lady Annie Pty Ltd holds 15 Mining Leases (MLs) and 14 Exploration Permit for Minerals (EPMs) around the Lady Annie copper project. Mineral Resources, Ore Reserves and all mining and processing infrastructure are located on MLs. A further 18 EPMs are held by Austral Resources Exploration Pty Ltd, a 100% subsidiary of Austral.
Exploration done by other parties	Buka purchased the Lady Annie and Lady Loretta deposits in 1996 and commissioned a prefeasibility study into the development of a standalone cathode copper operation at Lady Annie. In June 2004, Avon Resources was renamed to CopperCo and acquired 100% of the Lady Annie project from Buka. The Lady Annie project was developed by CopperCo and mining commenced at Mount Clarke with pre-stripping in April 2007 and at Lady Annie in October 2008. The Mount Kelly process plant was commissioned in October 2007. Exploration primarily utilised RC and diamond drilling to test the Lady Annie, Mount Kelly and Anthill areas. Drilling at Lady Annie and Mount Kelly was conducted from 1964 to present-day with majority of the drilling completed in 2004 using predominantly modern RC (61% of drilling) and diamond drilling (11% of drilling) methods. The rest of the drilling is predominantly RAB (12% of drilling) and unspecified drilling methods (10%). Drilling at the Anthill deposit was conducted from 1972 to 2012 with the majority completed in 2010 to 2012. Drilling is by predominantly modern RC (70% of drilling) and diamond drilling (14% of drilling) plus RC with diamond tail (12%) methods.
Geology	The Lady Annie mining area is contained within the north trending Lady Loretta High Strain Zone. The Lady Annie deposit is hosted by fault-bounded blocks of gently folded Paradise Creek and Upper Gunpowder Creek formations. The Lady Brenda deposit is located approximately 300 m to the southwest of the Lady Annie deposit. Copper mineralisation at Lady Annie and Lady Brenda is hosted in dolomitic, carbonaceous and argillaceous sandstones and siltstones. Oxidation of these units has removed the dolomitic material leaving behind ferruginous silty sandstones or kaolinitic sandy siltstones. The primary copper sulphide mineralisation appears to be structurally controlled, being commonly associated with well-defined fault-related silicification. The Mount Kelly mining area, where Flying Horse Deposit is located, is dominated by early to mid-Proterozoic siltstones and dolomitic siltstones of the McNamara Group. Copper mineralisation occurs within units of the McNamara Group and is reportedly related to the northwest trending Mount Kelly and Spinifex faults, which intersect and cut the McNamara Fault. The known mineralisation is associated with multiple phases of brecciation and veining along the fault zones. The copper oxide mineralisation appears to be shear and fault controlled. The Swagman and McLeod Hill deposits occur within a few kilometres of the Mount Kelly mining area and have similar rock types and mineralisation styles. The mineralisation at both deposits is controlled by structural features such as shear zones and faults. The Anthill deposit is hosted predominantly within the Esperanza Formation. The host lithologies of the orebody are mostly inferred to be dolomitic siltstones; however the strong weathering and oxidation process has resulted in the near complete loss of dolomite from the rock in the upper oxide zone. The mineralisation appears to be controlled by a combination of steep structural elements and broad domal features. The Anthill transition is commonly hosted in structurally controlled silicified zones as well as in silicified sedimentary breccias in dolomite, which appear to have been a preferred permeability horizon for mineralising fluids.
Drillhole information	Not applicable for this Mineral Resource statement.
Data aggregation methods	Not applicable for this Mineral Resource statement.
Relationship between mineralisation widths and intercept lengths	Drill intersections are reported as downhole intersections and may not reflect true widths.
Diagrams	All diagrams contained in this document are generated from spatial data displayed in industry standard mining and GIS packages.

Criteria	Commentary
Balanced reporting	Not applicable for this Mineral Resource statement.
Other substantive exploration data	Not applicable for this Mineral Resource statement.
Further work	Detailed topographic and stockpile surveys are recommended.

Section 3: Estimation and Reporting of Mineral Resources

Criteria	Commentary
Database integrity	Database validation was performed during a previous resource update carried out by Golder in 2012. During the current resource depletion no database validations were performed.
Site visits	A previous site visit was carried out by Golder to the Lady Annie project during the period 17 to 19 March 2015. No site visit was carried out for the current resource estimate update, as there are no material changes that have affected the current resource models since previous reporting and the mining factors remain similar to the last resource and reserve depletion.
Geological interpretation	The Lady Annie and Mount Kelly interpretations were previously carried out by Golder. The McLeod Hill interpretation was carried out by CST Minerals and the Swagman interpretation by Snowden. Domaining used a nominal 0.2% Cu cut-off grade to distinguish between mineralisation and waste. Oxidation surfaces were interpreted from drillhole geological logging of weathering and drillhole copper sequential assays where available. The interpretation was performed in cross sections parallel to the dominant drilling direction and evenly spaced according to drill spacing. Solid wireframes were constructed from the sectional interpretations. Copper mineralisation shows good continuity between drillholes along strike and down dip.
Dimensions	Lady Annie: Approximately 1,050 m x 850 m, thickness ranges from less than 10–50 m; broad open anticline that plunges to the south and dips approximately 20° on the eastern limb and 30° on the western limb; limited vertically down to 174 m RL as this is the limit of the CST Minerals tenement. Lady Brenda: Approximately 950 m x 750 m, thickness ranges from less than 10 m to up to 35 m in thickness; ranges from 10–40° toward the west and 30° toward the east with flat dipping near surface oxide mineralisation; limited vertically down to 174 m RL as this is the limit of the CST Minerals tenement. Mount Kelly mining area: Mount Clarke approximately 1,150 m x 330 m x 250 m; Flying Horse 1,600 m x 500 m x 500 m; Lady Colleen 600 m x 370 m x 280 m; range in thickness from several metres to up to 50 m; mineralisation consists of flat dipping near surface oxide mineralisation and steeper mineralisation dipping 35–40° toward 030–080°. Swagman: 65 m wide x 150 m in length with a depth extent of 155 m; mineralisation is flat lying in oxide and dips approximately 50° toward 200° for the transition and sulphide mineralisation. McLeod Hill: 1–25 m wide x 600 m in length with a depth extent of 120 m; mineralisation strikes at 170° and dips approximately 60° toward the west. Anthill: Approximately 1,700 m x 770 m and ranges in thickness from less than 10 m to approximately 40 m; mineralisation is subdivided into three areas: Anthill East, Anthill West, and Anthill Link (low-grade).
Estimation and modelling techniques	The resource models updated from 2012 were used for the current study to apply the resource depletion. Golder carried out the resource estimation using CAE Studio's Datamine software using standard three-dimensional block modelling approach. The 0.2% Cu interpreted mineralisation envelopes, interpreted oxidation surfaces and surveyed topography were used to build the models. Grade estimation was conducted using ordinary kriging for copper and inverse distance squared for calcium and magnesium. Grades were assigned using a three-pass approach and parent cell estimation. Search distances were based on the variogram. Dynamic anisotropy was used to orient the search and variograms during grade estimation. High-grade cuts were applied to the drillhole samples prior to estimation. Contact analysis was performed to determine the style of the grade trends across the copper domains and oxide domains. Copper was estimated using hard boundaries between mineralisation domains and soft boundaries between oxide domains for Lady Annie and Mount Kelly and Anthill. Calcium and magnesium estimated per oxide domain using hard boundaries for Lady Annie, Mount Kelly, and McLeod Hill. Density estimated for Lady Annie and Mount Kelly only while density assigned for Swagman and McLeod Hill models based on the Mount Kelly area.

Criteria	Commentary
	Validation was undertaken on the model estimates using visual and statistical methods.
Moisture	All tonnage and density are reported on a dry basis.
Cut-off parameters	A cut-off grades 0.3% Cu is considered appropriate for reporting a Mineral Resource for open pit mining. This approximates the marginal operating cost for copper production of oxide and low calcium-magnesium transition material through an acid heap leach process as currently used by CST Minerals for the Lady Annie and Mount Kelly mining areas. Both the Swagman and McLeod Hill deposits are close enough to Mount Kelly that trucking distance is unlikely to be a major factor in the economics of mining the deposits.
Mining factors or assumptions	Open cut mining is assumed. Block model cell dimensions were selected on the basis of the mining method with respect to the current smallest mining unit. Internal dilution is incorporated into the mineralisation domains. No edge dilution was considered. Golder anticipated that the deeper parts of the resource may need to be accessed in the future via underground mining.
Metallurgical factors or assumptions	Low calcium-magnesium oxide and transition material are currently being mined at the Lady Annie mine and processed by acid heap leach. There is currently no capability to process the sulphide material and blended high calcium-magnesium transition material. However, this material is likely to be amenable to conventional flotation.
Environmental factors or assumptions	There are no known environmental factors that restrict or impact on the current Mineral Resource.
Bulk density	The following description is part of the last resource update performed by Golder: • Lady Annie and Mount Kelly: Estimated dry bulk density from dry bulk density sample measurements; measured using water immersion method on core, both sealed (wax) and unsealed; 6,177 samples at Lady Annie and 2,551 samples at Mount Kelly; density measurements can be subject to sample selection bias and porosity; estimated density is reduced by a factor of 5% to account for porosity that is not adequately measured. • Swagman and McLeod Hill: Assigned density based on Mount Kelly area.
Classification	Lady Annie, Mount Kelly and Anthill classification was assigned only within the interpreted 0.2% Cu grade envelope using drill spacing: • Measured – at least four drillholes within a radius of 30 m • Indicated – at least four drillholes within a radius of 60 m • Inferred – less than four drillholes within a radius of 60 m. Swagman classification was assigned based on geological confidence, the integrity of the data, the spatial continuity of the mineralisation as demonstrated by the variography, and the quality of the estimation. McLeod Hill Resources were all classified as Inferred due to drillhole spacing and geological confidence.
Audits or reviews	No audits or reviews have been undertaken on this Mineral Resource estimate.
Discussion of relative accuracy/ confidence	The following description is part of the last resource update performed by Golder: No studies of relative confidence have been carried out for Swagman or McLeod Hill. For Lady Annie, Mount Kelly and Anthill, no statistical or geostatistical method was used to quantify the relative accuracy of the estimate within confidence limits. The accuracy of the estimate is strongly dependent on accuracy of the drillhole data (location and values); accuracy of the interpretation and geological domaining; orientation of anisotropy and grade estimation parameters. There is moderate to high confidence in the location of the drillhole samples. There were no major issues or bias detected with sampling and assaying. Copper mineralisation shows good continuity between drillholes along strike and down dip. 70–90% of spatial grade variability is within the range of the average drill spacing. Grades can be correlated up to a range of four times the average drill spacing (two times for Anthill). Where the drill spacing is <30 m the grade continuity is sufficient to define either Measured or Indicated. The orientation of anisotropy is defined locally therefore estimated grade better reflects the local continuity. Swath plots show good reproduction of grade trends. A simulation and test estimate exercise for the Lady Annie deposit was used to select estimation parameters, showed estimated grade is insensitive to changes in estimation parameters.

Criteria	Commentary
	Historical workings exist within Lady Annie, the extent is unknown. Golder had not accounted for the historical workings in the mineral resource estimate. The impact assumed to be insignificant.

Section 4: Estimation and Reporting of Ore Reserves

(Criteria listed in section 1, and where relevant in sections 2 and 3, also apply to this section)

Criteria	Commentary
Mineral Resource estimate for conversion to Ore Reserves	The JORC Table 1 Section 1, 2 and 3 are based on Table 1 published in: "CST Minerals Lady Annie Pty Limited, Mineral Resource and Ore Reserve Statement – April 2019". Mineral Resources were reported inclusive of the Ore Reserves.
Site visits	The Competent Person, Karl van Olden (Manager Mining with CSA Global Pty Ltd (CSA Global)) has visited the Lady Annie operations in 2009. CSA Global associates have visited the site recently in 2020. The above visits address the requirement for a site visit. A current site visit by the Competent Person has been restricted by COVID-19 travel restrictions.
Study status	CSA Global completed the Mining Study for Anthill Copper Project to a Prefeasibility Study (PFS) level. The work undertaken in this PFS has addressed all the material modifying factors required for the conversion of the Mineral Resources to Ore Reserves and has shown that the mine plan is technically achievable and economically viable. This estimate applies all material modifying factors such as mining dilution, mining recovery, infrastructure, costs, legal, environmental, social and regulatory, in line with the PFS.
Cut-off parameters	A variable economic cut-off grade has been used for this Ore Reserve estimate. The cut-off grade has been based on copper and calcium grades, and if the revenue obtained from the copper product exceeds operating costs in processing, transporting and selling the product, then that block becomes a part of the Ore Reserve, and if it is classified as either a Measured or Indicated Mineral Resource and belongs to oxide or transitional weathering profile. All other blocks within the pit design that do not satisfy these criteria are treated as waste material. The revenues within the cut-off estimate were based on a copper price of A$10,363/t of copper.
Mining factors or assumptions	To develop the mine plan for the Anthill deposit, optimised pit shells and pit designs were prepared using the Geovia Whittle, Datamine Studio OP and MineSched software. Input parameters for the pit optimisation were based on data provided by Austral and generated by CSA Global. The input parameters were reviewed by CSA Global and found to be within acceptable benchmark ranges. Product prices are based on consensus forecasts. The operating costs have been based on existing and estimated costs, all to a minimum of a PFS standard. The block model used in the study was developed by Golder in September 2012. The mining method is based on a four-staged pit design using a conventional open cut drill and blast and load and haul methods. Pit slope parameters are in accordance with the calculations made by geotechnical engineers Pells Sullivan Meynink (PSM, 2013): • West wall bench face angle of 50° and overall slope angle of 39° • North, South and East walls: o In Saprolite bench face angle of 60° and overall slope angle of 46° o SW to Fresh rock bench face angle of 70° and overall slope angle of 53°. 10 m-high benches are planned for drilling and basting, with two to three mining flitches in ore. Final bench height at the limits of pit design will be 20 m high with bench berm of 8 m wide. Mining dilution of 2% has been applied to represent the waste dilution at the contact between ore and waste. The grade of the diluting material added to the ore is 0% Cu and 0% Ca. Mining recovery of 95% (ore loss of 5%) has been applied in the pit optimisation and mine scheduling models. These values are considered suitable for the deposit geometry, mining method and the size of the proposed mining equipment. Inferred Mineral Resources have not been considered in the pit optimisations and any Inferred Mineral Resources within the final pit design have been treated as waste material in the mining study. Fresh rock located within the final pit design has been treated as waste material in the mining study.

Criteria	Commentary
	Mining infrastructure includes the run-of-mine (ROM) ore pad located within the waste dump footprint, topsoil and waste rock dumps, haul roads, workshops, and offices. The establishment of this infrastructure is included in the capital cost estimate for the project.
Metallurgical factors or assumptions	The ore from Anthill deposit will be heap leached and the copper recovered by a solvent extraction-electrowinning (SX-EW) process. Oxide mineralisation and low calcium + magnesium parts of the Transition (partially oxidised) mineralisation are suitable for the acid leach recovery methods employed at Lady Annie. The recovery process is well tested and employed at many copper mines in the world, including material processed from Lady Annie and Mount Kelly deposits previously. Test work shows that a 140 kg sample of crushed ore from Anthill were successfully column tested. Consideration has been given to calcium and iron, both are acid consuming compounds, the economic cut-off-grade calculation included the grade of calcium.
Environmental	Documents "Supporting Information for an Application to Amend Environmental Authority (MIN 100401006)" dated May 2012 and an "Environmental Management Plan and Social & Economic Aspects" was prepared by North Australia Research Group (Ref: J2595) in April 2013 address the environmental impact of mining at Anthill copper project. The Company expects storing a large quantity of waste in the West Pit (Stage 3) and East Pit (Stage 2) to reduce the total waste required to be stored on the external waste dump. Fresh rock will not be processed, and only a negligible amount of fresh rock will be mined during the operation, and therefore there is no identified risk of ARD material to be exposed on the surface.
Infrastructure	The Anthill copper project is some 40 km south of Lady Annie and 70 km northwest of Mount Isa and is accessible via the Barkly Highway, McNamara Road and station tracks. Access to the Lady Annie plant site is by sealed Barkly Highway from Mount Isa, then the all-weather McNamara Road to the plant and offices. The project will use the available Lady Annie infrastructure wherever possible and remaining required infrastructure and facilities will be established at the Anthill site. Transport infrastructure required: • Unsealed all weather road to connect mine site to the McNamara Road • Short, unsealed haul roads to access individual pits and connecting them to the waste dump. The project requires the following facilities: • Explosives magazine and ANFO and emulsion facility • Site administration and amenities buildings • Workshops and equipment park-up area • Johnson Creek diversion channel to be constructed.
Costs	The capital cost estimate for the Anthill project is based on quotations, budget prices, engineering experience and use of Producer Price Index escalation factors. The capital cost estimate is considered to have an accuracy of ±25%, based on normal PFS standards. The operating cost estimate for the project were derived from company supplied cost information, previous study assumptions and from similar projects on record by CSA Global. Metallurgical test work has not indicated presence of deleterious elements that would impact the sale of products, the company receives premium for the cathode purity of over 99%. The impact of acid consumption by calcium present in ore has been factored into the acid cost in both pit optimisation and financial models. All costs used in the study have been based on Australian dollars (A$). The selling and transport costs were included in the pit optimisation and financial models. A Queensland state royalty rate of 3.7% is applied to all revenues.
Revenue factors	The grade of process feed and metal content is supported by the information in the Mineral Resource estimates and by the mining and production schedules which includes mining dilution and recovery factors. Processing recoveries are based on the metallurgical test work and Lady Annie site experience are applied within the financial model through a long-term recovery function. Copper prices have been based on pricing obtained in July 2021, based on consensus price forecast; and a US$:A$ exchange rate of 0.71.
Market assessment	The metal produced will be in relatively small quantities and therefore with no impact on the market supply or price.

Criteria	Commentary
	On average about 1.1 kt of copper will be produced per month during the mining and stacking operation, less than 750 tonnes per month during the life of the project (44 month). The Ore Reserve was estimated at a market metal price for copper of US$3.72/lb and was converted to A$10,363/t copper through foreign exchange factor of 0.79 A$/US$. The financial model used consensus forecast copper prices for each quarter, between US$8,972 and US$7,926 throughout the 44 month life of the project, and a US$:A$ exchange rate of 0.71.
Economic	The economic analysis is based on capital and operating cost estimates in the Mining Study and cash flow is driven by the production schedule. The cash flow projections include: • Initial and terminal capital estimates • Mining, processing and selling costs • Revenue estimates based on metal pricing • A 7.5% discount factor. The net present value (NPV) at 7.5% discount rate meets investment criteria. The project cash flow has an internal rate of return of 276%. Sensitivity analysis completed indicates that the project results remain positive when the key project parameters are individually flexed to ±20% of the average values.
Social	ML number 90233 was granted on 15 October 2017 and is valid until 31 Oct 2035. Environmental Management Plan and Social and Economic Aspects for the Anthill project was issued in April 2013. Anthill Project – supporting information for an application to Amend Environmental Authority, MIN 100401006, published in May 2012.
Other	No material risks to the project have been identified. There are no apparent impediments to obtaining all government approvals required for the Anthill copper project. The Lady Annie site has been processing stockpiles and leaching copper in the past, therefore, all marketing and off-take agreements are in place or can be extended to cover the processing of ore from the Anthill mine.
Classification	Proven Ore Reserves were estimated from Measured Resources within the designed pits and exclude any fresh mineralised material. Probable Ore Reserves were estimated from Indicated Resources within the designed pits and excluding any fresh mineralised material as per the JORC (2012) guidelines. Mr Karl van Olden, the Competent Person for this Ore Reserve estimation has reviewed the work undertaken to date and considers that it is sufficiently detailed and relevant to the deposit to allow those Ore Reserves derived from Indicated Mineral Resources to be classified as Probable, and Ore Reserves derived from Measured Resources to be classified as Proved.
Audits or reviews	The Mining Study has been internally reviewed by Austral key management personnel. The Mineral Resource estimate, mine design, scheduling, and mining cost model has been subject to internal peer review processes by CSA Global. No material flaws have been identified and the Ore Reserve basis of estimate is considered appropriate for a PFS level of study.
Discussion of relative accuracy/ confidence	This Ore Reserve estimate is supported by the Anthill project Mining Study completed in May 2020. The Anthill Project has an internal rate of return of 276% and NPV of A$134.5 million, which makes it sufficiently robust in terms of cost and revenue variations. The Anthill copper project is most sensitive to copper price variations and processing costs. All estimates are based on local costs in Queensland and Australian conditions. Capital and operating expenditure estimates are considered within ±25% accuracy. The copper extraction at Lady Annie is ongoing for a number of years, and it is considered the strongest factor in considering the viability of this project.

Appendix B Plans and Sections

Lady Annie Deposit

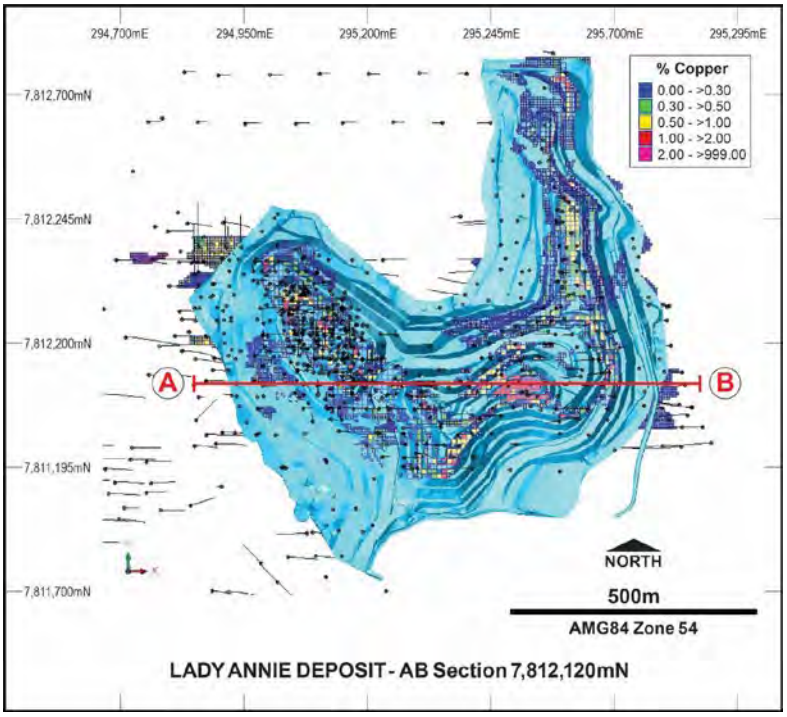

Figure B1: Plan of the Lady Annie deposit showing drilling, pit outline and block model coloured by copper grade

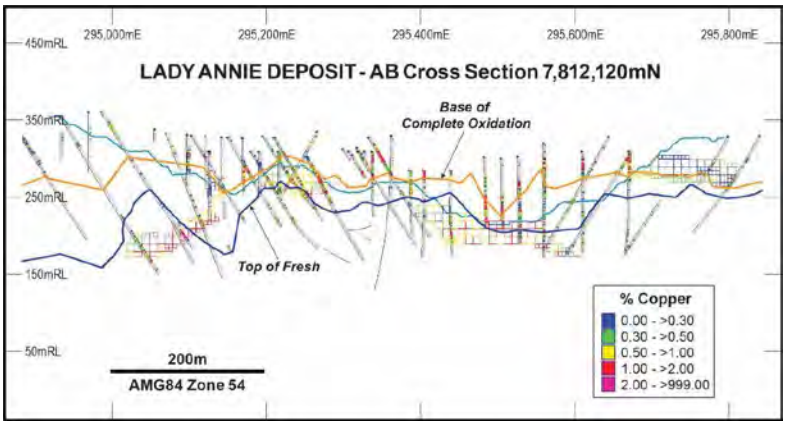

Figure B2: Cross section A-B of the Lady Annie deposit showing drillholes and block model coloured by copper grade (base of open pit in blue)

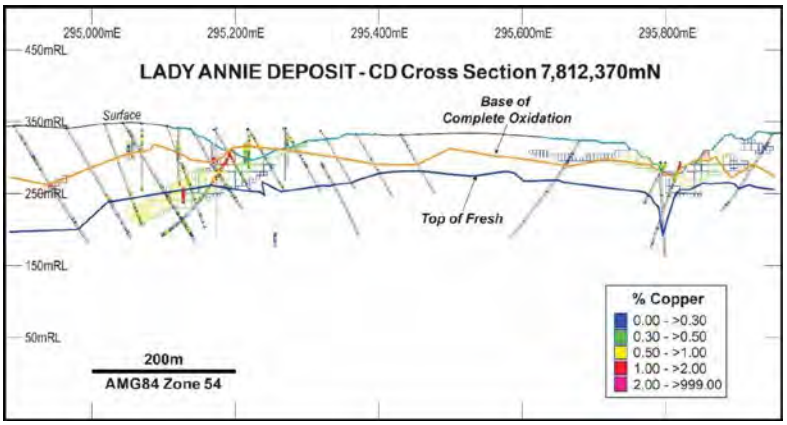

Figure B3: Cross section C-D of the Lady Annie deposit showing drillholes and block model coloured by copper grade (base of open pit in blue)

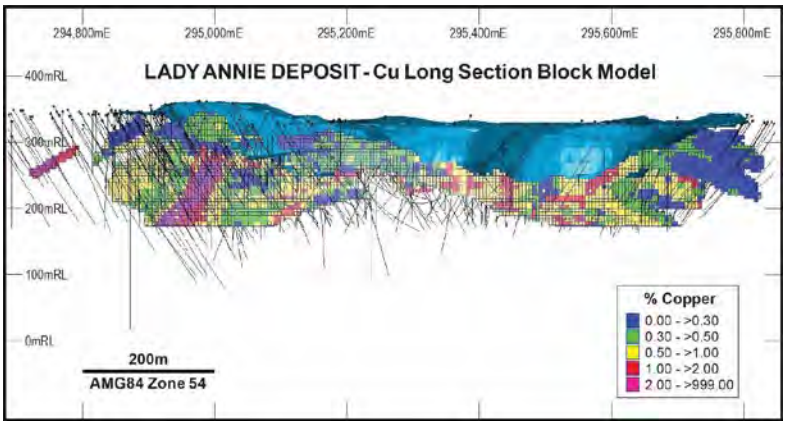

Figure B4: Long section of the Lady Annie deposit showing copper grade ranges of resource model blocks, drillholes and open pit

Lady Brenda Deposit

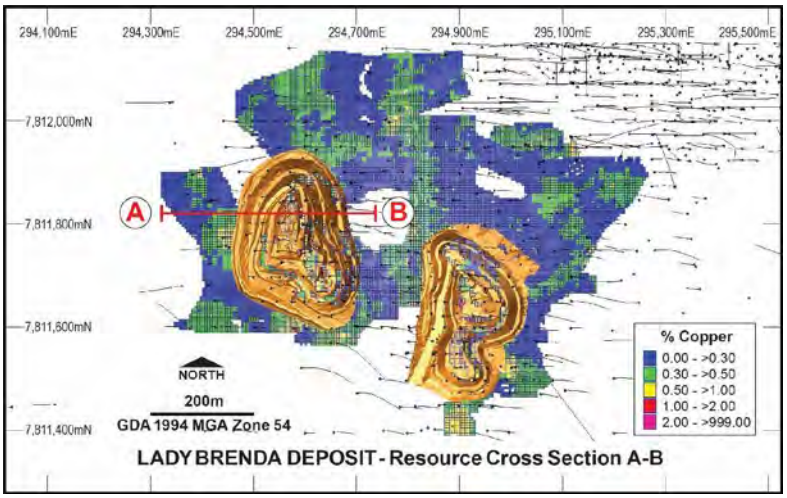

Figure B5: Plan of the Lady Brenda deposit showing drilling, pit outlines and block model coloured by copper grade

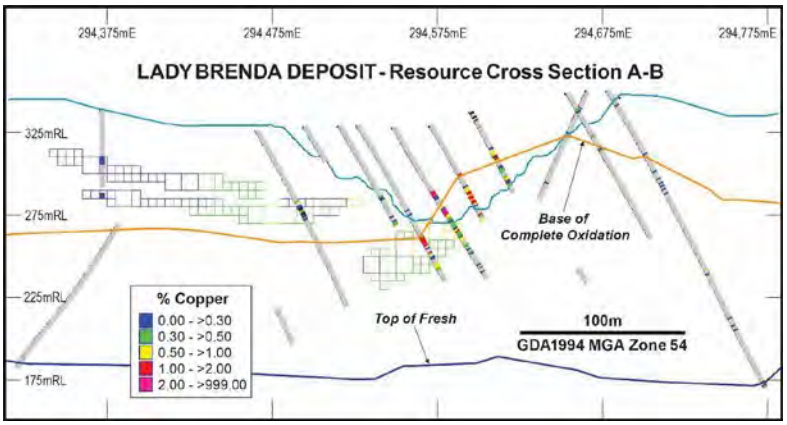

Figure B6: Cross section A-B of the Lady Brenda deposit showing drillholes and copper grade ranges of resource model blocks (base of open pit in blue)

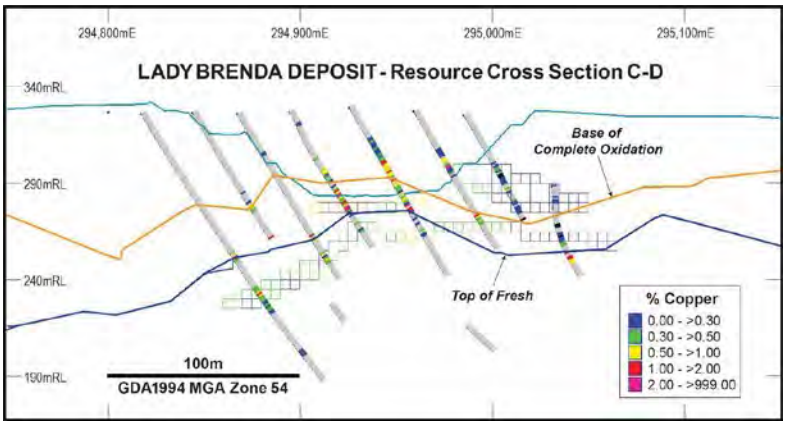

Figure B7: Cross section C-D of the Lady Brenda deposit showing drillholes andcopper grade ranges of resource model blocks (base of open pit in blue)

Lady Colleen Deposit

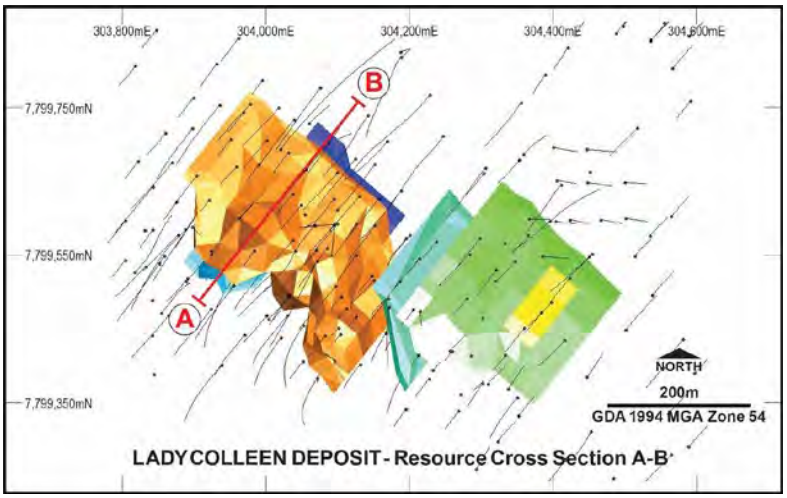

Figure B8: Plan of the Lady Brenda deposit showing drilling and interpreted mineralisation wireframes

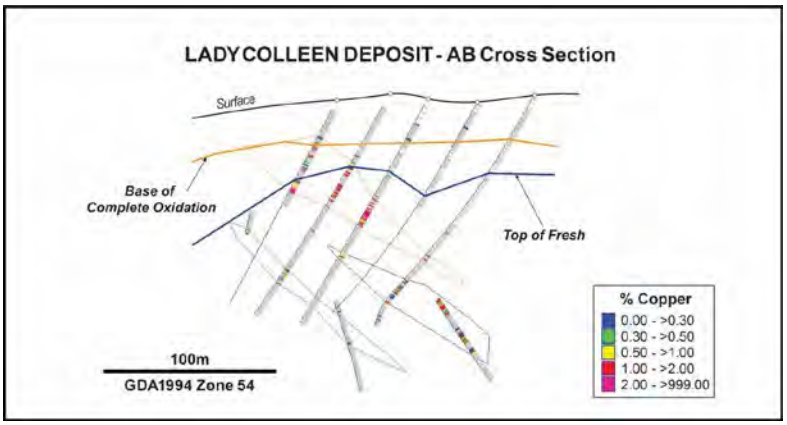

Figure B9: Cross section A-B of the Lady Brenda deposit showing drillholes coloured by copper grades and interpreted mineralisation envelopes

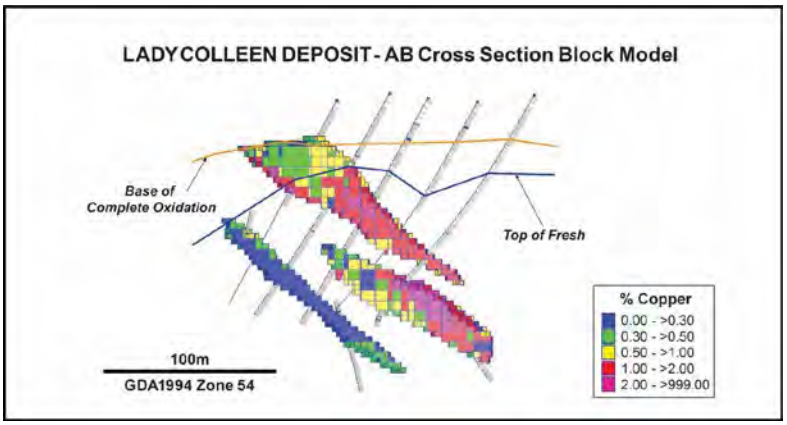

Figure B10: Cross section A-B of the Lady Brenda deposit showing drillholes and copper grade ranges of resource model blocks

Mount Clarke and Flying Horse Deposits

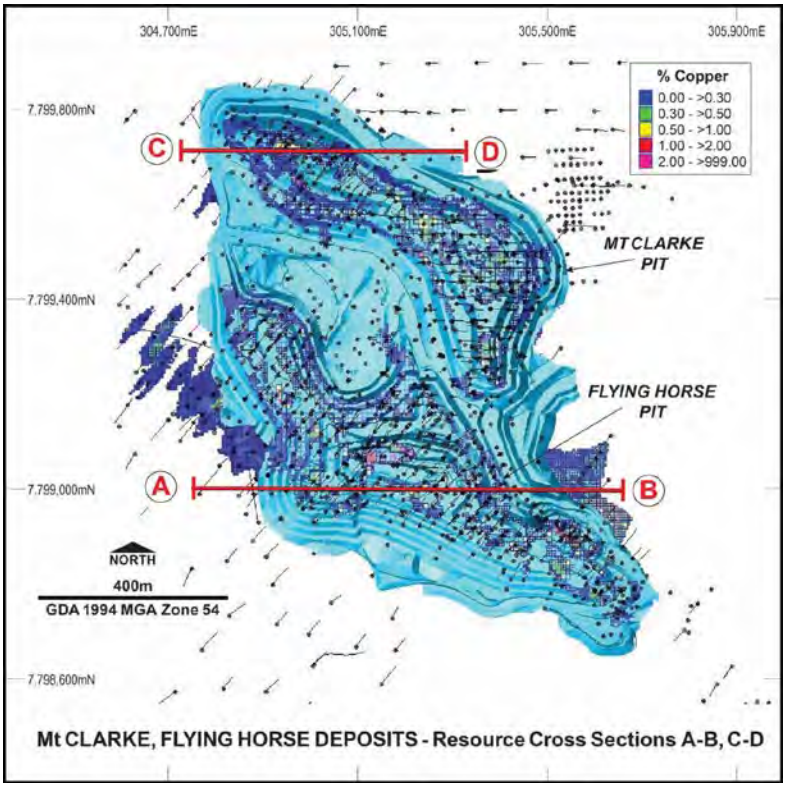

Figure B11: Plan of the Flying Horse deposit showing drilling, interpreted mineralisation as resource model blocks and existing open pit

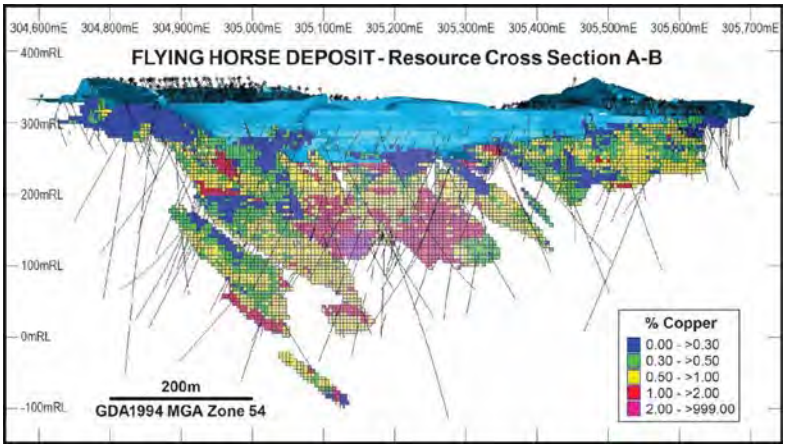

Figure B12: Cross section of the Flying Horse deposit showing drilling, copper grade ranges of resource model blocks and open pit

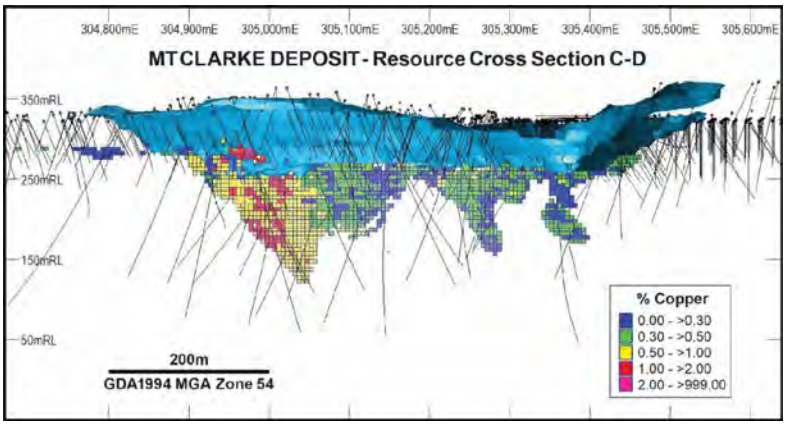

Figure B13: Cross section of the Mount Clarke deposit showing drilling, copper grade ranges of resource model blocks and open pit

Swagman Deposit

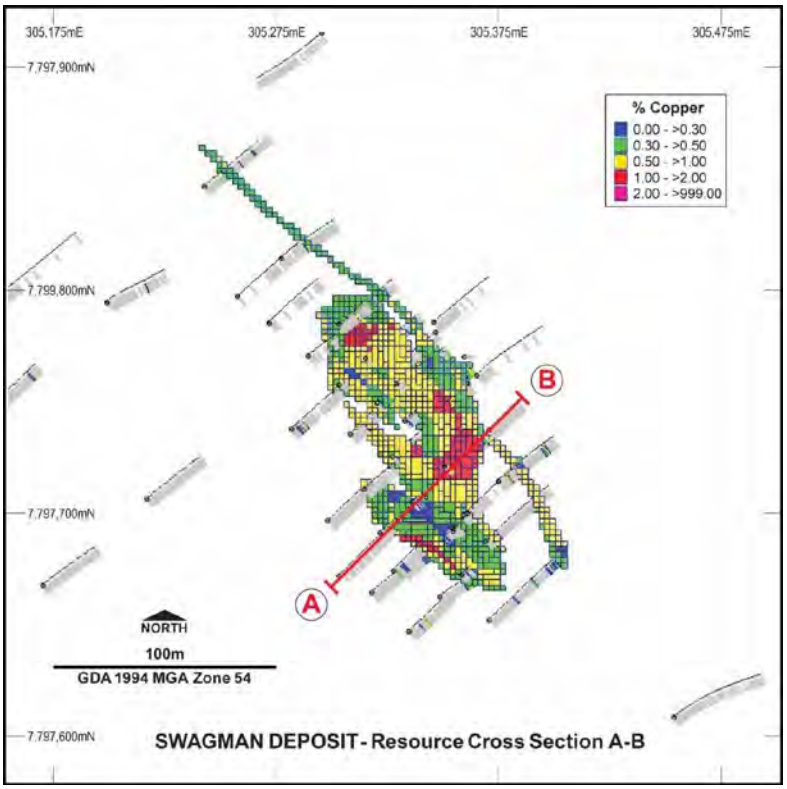

Figure B14: Plan of the Swagman deposit showing drillholes and copper grade ranges of resource model blocks

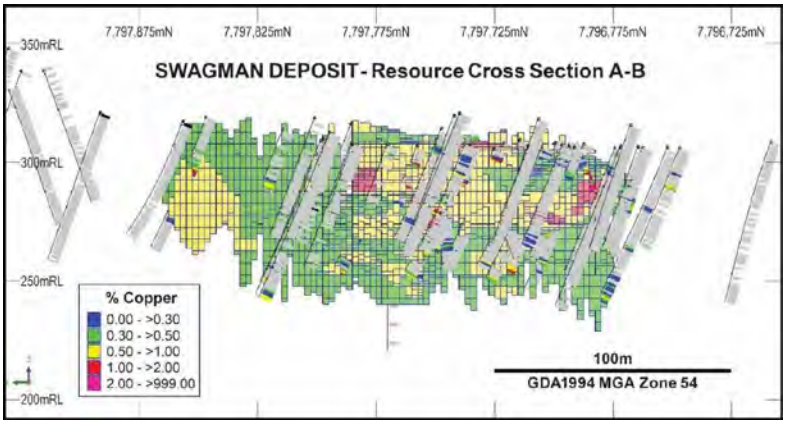

Figure B15: Cross section of the Swagman deposit showing drillholes and copper grade ranges of resource model blocks

McLeod Hill Deposit

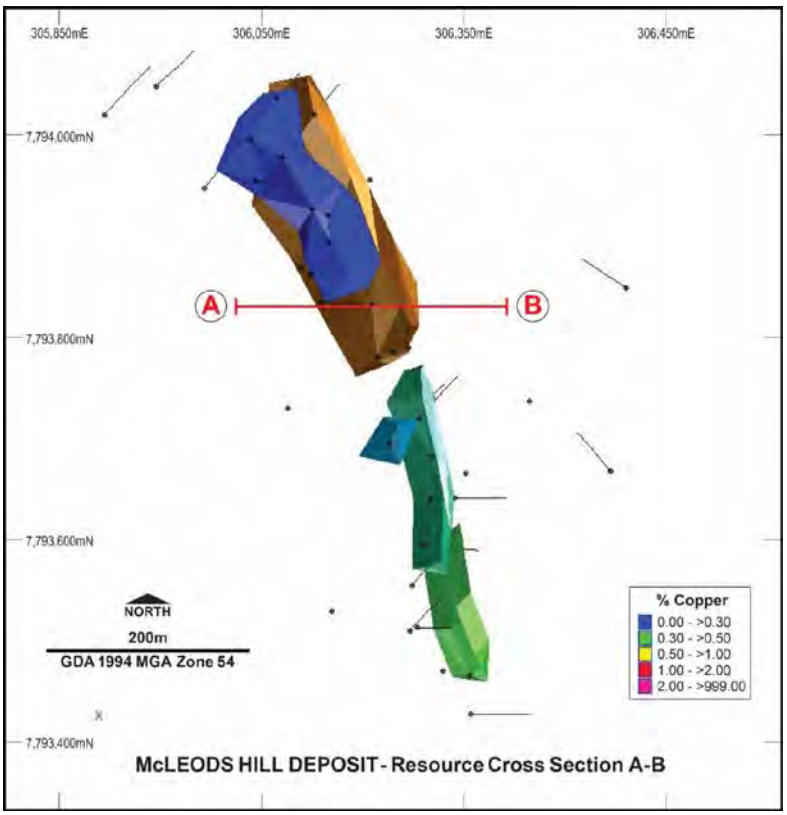

Figure B16: Plan of the McLeod Hill deposit showing drilling, interpreted mineralisation and

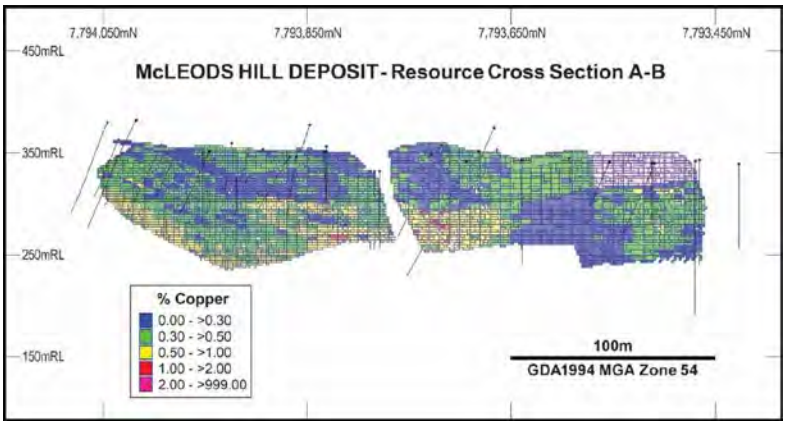

Figure B17: Cross section of the McLeod Hill deposit showing drilling and copper grade ranges of resource model blocks


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Independent Solicitor's Report on Tenements

HopgoodGanim
LAWYERS

8 September 2021

Directors
Austral Resources Australia Ltd

Our ref: 2142107 - Jonathan Fulcher

BRISBANE
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Dear Directors

Independent Solicitor's Tenement Report

This Independent Solicitor's Report is prepared for inclusion in a prospectus (**Prospectus**) to be issued by Austral Resources Australia Ltd ACN 142 485 470 (**Austral**) for the issue of 150,000,000 shares at an issue price of $0.20 per share to raise $30,000,000.

This report relates to the Tenements held by subsidiary companies of Austral, which are listed in Schedule 1.

1. Executive Summary

1.1 **Title**:

(a) Austral Resources Exploration Pty Ltd (**Austral Exploration**) is the current registered holder of EPM 17165, EPM 17167, EPM 17295, EPM 17298, EPM 17494, EPM 17525, EPM 17527, EPM 17530, EPM 17535, EPM 17634, EPM 17646, EPM 17854, EPM 17855, EPM 17856, EPM 17859, EPM 17861, EPM 25515, EPM 26068 (**Austral Exploration Tenements**).

(b) Austral Resources Operations Pty Ltd (**Austral Operations**) is the current sole registered holder of ML 5426, ML 5435, ML 5446, ML 5447, ML 5448, ML 5474, ML 5476, ML 5478, ML 90168, ML 90169, ML 90170, ML 90178, ML 90179, ML 90184, ML 90233, EPM 14693, EPM 16240, EPM 16241, EPM 16242, EPM 16243, EPM 16244, EPM 17088, EPM 17415, EPM 17422, EPM 17469, EPM 17533, EPM 17789 and EPM 18817.

(c) Austral Operations holds an 80% registered interest in EPM 15126. The other holders of EPM 15126 are Terrence John Burt (6.68%), Judy-Anne Galway (6.66%) and Robert William Kirby (6.66%)

(the Tenements listed in 1.1(b) and 1.1(c) above are the **Austral Operations Tenements**).

1.2 **Encumbrances**:

(a) Win Finance No. 359 Pty Ltd ACN 651 786 408 (**Win Finance**) has a mortgage registered against each of the Tenements in respect of the mortgage granted under the Austral – General Security Deed dated 9 August 2021 between Win Finance, Austral, Austral Exploration and Austral Operations. More detail about this mortgage is set out in section 7.2.

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(b) The Pegmont Royalty applies to ML 5426, ML 5435, ML 5446, ML 5447, ML 5448, ML5474, ML 5476, ML 5478, ML 90170, ML 90233, EPM 16240, EPM 16241, EPM 16242 and EPM 16244. The Pegmont Royalty Holders have a caveat registered against ML 5426, ML 5435, ML 5446, ML 5447, ML 5448, ML5474, ML 5476 and ML 5478. Pegmont Mines Limited has a caveat registered against ML 90170, ML 90233, EPM 16240, EPM 16241, EPM 16242 and EPM 16244. More detail about the Pegmont Royalty is set out in section 7.3.

(c) Perilya Freehold Mining Pty Ltd has a consent caveat registered against ML 90178.

1.3 **Compliance**:

(a) The Department of Resources has informed us that:

(1) there are no identified non-compliances with the conditions of the Tenements;

(2) all annual reporting has been lodged for the MLs;

(3) all expenditure reporting has been lodged for the EPMs; and

(4) the holders of the Tenements have complied with their obligations to pay rent for the Tenements.

(b) The Office of State Revenue (**OSR**) has advised that the Lady Annie Copper Operations (ML5476, ML5478, ML5426, ML5435, ML5446, ML5447, ML5448, ML5474, ML90168, ML90170, ML90179, ML90169, ML90178, ML90184 and ML90233) are under a payment arrangement for the June 2021 quarter and therefore defined as “non-compliant” by the OSR. Under the payment arrangement, the debt is due to be paid in full by 12 November 2021.

(c) The holders of the Tenements have not met all the work program commitments for the Tenements (see section 8.5 and Schedule 3).

(d) There are outstanding rates payments owing to the Mount Isa City Council in respect of the MLs (see section 8.4(b)).

1.4 **Environment**:

(a) Environmental authorities (the **Austral EAs**) are held for each of the Tenements, as listed in Schedule 2.

(b) There are no enforcement actions against the Austral EAs.

(c) The Department of Environment and Science (**DES**) has advised that:

(1) annual fees are up to date for the Austral EAs; and

(2) annual returns for the Austral EAs are up to date, except for:

(A) the annual return for 2019 for EPVX02682414 (EPM 17469). This was started electronically by the holder but not completed.

(B) the annual return for 2016-2017 for EPVX02751314 (EPM17530) was not received.

(d) Surety is required for the Austral EAs in accordance with the *Mineral and Energy Resources (Financial Provisioning) Act 2018* (Qld) (**MERFP Act**) and held as set out in Schedule 2. In respect of EPML00753513 for the Austral Operations MLs, the estimated rehabilitation cost (**ERC**) amount under a decision dated 30 November 2020 is $37,699,486.70, but Queensland Treasury only holds surety of $30,504,000. There is outstanding surety of $7,195,486.70 under invoice INV001194 (see section 10.3 and Schedule 2). Activities cannot be carried out under EPML00753513 while surety is outstanding.

1.5 **Native title and cultural heritage:**

(a) The Tenements have been validly granted with respect to native title.

(b) The Tenement holders must comply with the Aboriginal cultural heritage duty of care under the *Aboriginal Cultural Heritage Act 2003* (Qld) (**ACH Act**). Certain agreements relating to the Tenements contain cultural heritage processes which will allow the holder to meet the duty of care. The native title protection conditions (**NTPCs**) which apply to certain EPMs also have a process for managing cultural heritage. More detail is set out in part 14.2.

2. Scope

2.1 **Scope:** This report deals with legal due diligence matters relating to the Tenements and has been prepared to:

(a) confirm (or otherwise) the title to the Tenements;

(b) where possible, confirm the good standing of the Tenements;

(c) where possible, confirm that there has been no material non-compliance with the applicable laws affecting the Tenements as at the date of this report;

(d) where possible, confirm compliance with: environmental obligations; land access obligations; reporting obligations and native title or cultural heritage requirements;

(e) identify any encumbrances; and

(f) identify any overlapping tenures.

(**the Scope**)

2.2 **Outside of Scope:** Paragraph 2.1 contains the Scope. No other matters form part of the Scope. HopgoodGanim Lawyers has not been instructed to, nor have we, concerned ourselves with business, financial or technical due diligence or an assessment of the business, financial, technical or regulatory risks, apart from those regulatory risks necessarily falling within the Scope.

3. Due diligence material

3.1 **Searches**: We have conducted and reviewed the results of the following searches for the Tenements:

(a) Resource authority public reports obtained from the Queensland Department of Resources on 14 June 2021 and updated reports obtained on 4 August 2021 and 6 September 2021.

(b) Searches of the GeoResGlobe database performed between 17 June 2021 and 27 June 2021.

(c) Environmentally sensitive area maps obtained on 15 June 2021.

(d) Cultural heritage searches provided by the Queensland Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships (**ATSIP**) on 9 June 2021 and 11 June 2021.

(e) Search results provided by the National Native Title Tribunal (**NNTT**) on 15 June 2021.

(f) Information from the Financial Provisioning Scheme, Queensland Treasury provided by email on 11 June 2021.

(g) Search results from the environmental authorities register maintained by the Queensland Department of Environment and Science (**DES**) on 16 June 2021.

(h) Search results from the enforcement actions and temporary emissions licences registers maintained by DES on 1 July 2021 and updated searches on 6 September 2021.

(i) Information provided by the Office of State Revenue, Queensland Treasury, to Austral on 7 July 2021 and on 7 September 2021.

(j) Information provided by DES on 14 July 2021, 29 July 2021 and 7 September 2021.

(k) Information provided by the Mount Isa City Council on 20 July 2021 and 8 September 2021.

(l) Search results provided by the Queensland Department of Resources on 21 July 2021 including a Due Diligence Report completed on 20 July 2021.

(m) Searches of EPBC Act public notices from the Commonwealth Department of Agriculture, Water and the Environment on 5 August 2021.

3.2 **Documents provided:** A list of the documents provided by Austral and reviewed by us is contained in Schedule 4.

4. Qualifications

4.1 This report relates only to the relevant laws in force as at the date of the report and, except where expressly referenced, does not address or consider any future amendments or changes that may be made to any relevant laws.

4.2 The conclusions and opinions expressed in this report are limited to our review and analysis of the results of the searches and documents identified in part 3 of this report.

4.3 Where laws are mentioned, this report does not purport to mention every requirement in respect of the relevant law and those that are referred to in many cases are not an

exhaustive list. Accordingly, specific legal advice should be obtained for specific questions about individual laws.

5. Assumptions

5.1 We have made the following assumptions in preparation of this report:

(a) Our investigations were confined to searches set out in part 3 of this report. We note that this report is accurate and complete only to the extent that the reports extracted from the registers are correct as at the date the searches were conducted;

(b) There have been no material changes in the standing of the Tenements since the date of our searches;

(c) All information provided by Austral is true, correct, complete and accurate and all documents are properly executed and valid on their face; and

(d) The Ministers administering the relevant acts and each of their delegates have been validly appointed and have acted within the scope of their power, authority and discretion in granting the Tenements and are able and willing to grant any required consents and approvals under the relevant legislation.

6. Governing legislation

6.1 The MR Act establishes a tenure regime that governs the exploration for and production of minerals in Queensland.

6.2 **Exploration Permit for Minerals**

(a) Section 133 of the MR Act provides that an eligible person may apply to the Minister for an exploration permit (**EP**) for minerals. The applicant must provide the Minister with a proposed work program and details of the applicant's financial and technical resources. The Minister may grant an EP, with or without conditions, or refuse the application (s 136 MR Act). In doing so, the Minister must consider the prescribed criteria in section 137 of the MR Act. This includes whether the Minister has approved the work program.

(b) An EP may be granted in respect of either all minerals other than coal (s 130(1)(a) MR Act) or for coal (s 130(1)(b) MR Act). The EPs held by Austral are for all minerals other than coal (**EPMs**).

(c) The applicant for an EPM must address native title prior to the grant of the tenure in accordance with the provisions of the *Native Title Act 1993* (Cth) (**NT Act**). This is detailed in part 13 of this report. Land access and compensation must also be addressed after the grant has been made. This is detailed in part 12.1 of this report.

(d) Subject to the land access process and other legal requirements, the holder of an EPM has the right to enter any part of the EPM for the purposes of facilitating the exploration of minerals to which the EPM applies (s 129 MR Act). Whilst on the land, the holder of an EPM may carry on any activity authorised by the EPM with or by such vehicles, vessels, machinery and equipment as may be necessary or expedient for the purpose of exploring for any mineral to which the EPM applies (s 129(1)(a) MR Act).

(e) The holder of an EPM, subject to compliance with the MR Act, will have an application for the grant of a mining claim, mineral development licence (**MDL**) or mining lease (**ML**) considered for grant in priority to all other persons (s 129(1)(b) MR Act).

6.3 **ML**

(a) A ML gives the holder the right to mine minerals specified in the lease and for all purposes necessary to carry on that mining (s 234 MR Act).

(b) Objections may be made to an application for a ML. If this occurs, the objections will be referred to the Land Court, and the Land Court will make a recommendation to the Minister as to whether the application be granted or rejected in whole or in part.

(c) The holder of a ML must comply with the general conditions in section 276 of the MR Act.

(d) A ML cannot be granted or renewed, unless compensation has been determined (whether by agreement or determination of the Land Court) between the ML applicant and each landowner the subject of the application (s 279 MR Act). Landholder compensation for the MLs is detailed in part 12.2.

(e) Native title must be addressed before the grant of a ML. This is detailed in part 13 below.

7. Title and encumbrances

7.1 **Title:**

(a) The Tenements, except for EPM 15126, all have Austral Operations or Austral Exploration as the sole registered holder.

(b) The registered holders of EPM 15126 are:

(1) Austral Operations: 80%

(2) Burt, Terrence John: 6.68%

(3) Galway, Judy-Anne: 6.66%

(4) Kirkby, Robert William: 6.66%

(c) We have reviewed the Battle Creek Farmin and Joint Venture Agreement between Reefway Pty Limited (**Reefway**) and Terrence John Burt dated 25 August 2006, under which Terrence Burt gave Reefway (a former registered holder of EPM 15126) the opportunity to acquire up to an 80% interest, and then an additional 12.5% in EPM 15126. We have not reviewed any current joint venture agreement for EPM 15126 or assignment of any agreement from Reefway to Austral Operations. There are no agreements registered against EPM 15126.

7.2 **Mortgage**

(a) Austral, Austral Operations, Austral Exploration and Win Finance No. 359 Pty Ltd ACN 651 786 408 (**Win Finance**) are parties to the Austral – General Security Deed

dated 9 August 2021 (**Win Finance GSD**). Under the Win Finance GSD, the Austral entities grant a security interest over "Collateral", including the Tenements, to Win Finance to secure the payment of money that the Austral entities owe to Win Finance.

(b) Clause 2.1(b)(i) of the Win Finance GSD states that this security interest is a mortgage of the Tenements.

(c) The mortgage granted under the Win Finance GSD to Win Finance has been registered against all Tenements.

7.3 **Pegmont Royalty Deed**

(a) The Pegmont Royalty Deed is the royalty deed originally between Austral Resources Operations, CST Mining Group Ltd, Pegmont Mines Ltd (**Pegmont**), Pegasus Enterprises Ltd (**Pegasus**) and Goldsearch Ltd (now Zoono Group Limited) (**Goldsearch**). Pegmont, Pegasus and Goldsearch are together, the **Pegmont Royalty Holders**.

(b) The royalty is payable in respect of mineral ores, concentrates or other primary, intermediate and final mineral products or other mineral substances from the relevant tenements.

(c) The royalty is payable quarterly and total royalty payments are not capped at any set amount. For copper, no royalty is payable until the production threshold of 100,000 tonnes is met (**Threshold**). If the Threshold is met, the royalty payable is the greater of:

(1) a gross royalty for copper for the relevant quarter; and

(2) a 1% net smelter return (NSR) royalty for copper for the relevant quarter.

(d) The gross royalty payable for copper is the indexed based amount of $25.00 per tonne. The royalty is calculated with reference to the London Metals Exchange Index.

(e) The Pegmont Royalty applies to:

(1) the following MLs, which are listed as "Granted Tenements" in Schedule 1 of the Pegmont Royalty Deed: ML 5426, ML 5435, ML 5446, ML 5447, ML 5448, ML5474, ML 5476 and ML 5478. The Pegmont Royalty Holders have a caveat registered against these MLs; and

(2) the following successor tenements, which were within the area of tenements listed in Schedule 1 of the Pegmont Royalty Deed as at the date of that deed: ML 90170, ML 90233, EPM 16240, EPM 16241, EPM 16242, and EPM 16244. Pegmont has registered the Pegmont Royalty Deed and has a caveat against each of ML 90170, ML 90233, EPM 16240, EPM 16241, EPM 16242, and EPM 16244.

7.4 **Caveat - ML 90178**

Perilya Freehold Mining Pty Ltd (**Perilya**) has a consent caveat registered against ML 90178. We have not identified any underlying agreement between Austral Operations and Perilya that applies to ML 90178.

8. Tenement obligations

8.1 **Rent**

(a) Rent is payable on EPMs and MLs (s 138 MR Act and s 290 MR Act).

(b) The Department of Resources has confirmed that the holders of the Tenements have complied with all obligations in relation to the payment of rent for the Tenements.

8.2 **Security**

(a) Under the MR Act, security must be provided before an EPM or ML is granted or renewed (s 144 MR Act and s 277 MR Act). The amount of security is determined by the Minister and is calculated as reasonable security for:

(1) compliance with the conditions of the EPM or ML; and

(2) compliance with the MR Act; and

(3) rectification of any damage caused under the EPM or ML; and

(4) amounts (other than penalties) payable to the State under the MR Act.

(b) The Department of Resources has confirmed that:

(1) no security is held for any of the MLs;

(2) no security is held for EPM17527; and

(3) security of $500 is held for each of the other EPMs.

8.3 **Royalty**

(a) The holder of a ML must pay royalty in respect of all minerals mined under the ML (s 311 MR Act). The holder must also lodge royalty returns with the revenue commissioner.

(b) The royalty for copper is payable on the gross value of the mineral, at a variable rate between 2.50% and 5.00%, depending on average metal prices (Schedule 3, *Mineral Resources Regulation 2013*).

(c) The Office of State Revenue has advised that:

(1) For the administration of royalty purposes, resource authorities are grouped together to form an operation. ML5476, ML5478, ML5426, ML5435, ML5446, ML5447, ML5448, ML5474, ML90168, ML90170, ML90179, ML90169, ML90178, ML90184 and ML90233 have been grouped together to form Lady Annie Copper Operations.

(2) Lady Annie Copper Operations is under a payment arrangement for the June 2021 quarter and is therefore the OSR defines this as non-compliant, as there is an amount outstanding.

(3) A payment arrangement was in place for the previous March 2021 quarter. All payments in relation to this payment arrangement have been paid in full.

(4) All required royalty returns to date for the Lady Annie Copper Operations have been lodged.

8.4 **Rates**

(a) It is a condition of an ML that the holder pay all local government rates and charges (s 276(1)(k)(iii) MR Act). Pursuant to the *Local Government Act 2009 (Qld)* the owner of land includes the holder of a mining lease.

(b) The Mount Isa City Council has advised that there are outstanding amounts rates and charges owing in respect of the MLs, as follows:

(1) Assessment 07314-10000-000 for ML90233 – Outstanding amount as at 20-07-2021 - $371.65.

(2) Assessment 07290 -80000-000 for ML90169 – Outstanding amount as at 20-07-2021 - $171.21.

(3) Assessment 07798-47210-000 for ML90179 – Outstanding amount as at 20-07-2021 - $149.15.

(4) Assessment 07357-00000-000 for ML90178 & ML90184 – Outstanding amount as at 20-07-2021 - $149.15.

(5) Assessment 07356-00000-000 for multiple MLs – Outstanding amount as at 20-07-2021 - $371.65.

(c) The Minister can cancel a mining lease or impose a penalty if the holder fails to pay any moneys payable (s 308(1) MR Act).

8.5 **Work programs and expenditure**

(a) It is a condition of an EP that the holder must carry out the program of works and studies for the purposes for which the EP was granted (s 141(1)(a) MR Act). The Minister may include as a condition of grant that the holder comply with minimum expenditure requirements.

(b) If the holder of an EP fails to comply with such work program and/or expenditure conditions, the Minister may either cancel the EP or impose a penalty on the holder (s 160(1) MR Act).

(c) Details of the work program commitments for the EPMs and past performance are in Schedule 3. The holders of the EPMs have not met all expenditure commitments for the EPMs.

9. Renewal

9.1 **Renewal**

(a) *EPMs*

(1) An application for renewal of an EPM can be made within the renewal period, being at least 3 months but not more than 6 months before the current term expires (s 147 MR Act).

(2) Where a renewal application for an EPM is made and the holder continues to pay rent and other amounts required, and complies with the MR Act, then the EPM will continue in effect after the expiry date until a decision is made by the Department of Resources on the application or the application is withdrawn (s 147C MR Act).

(3) The current term of EPM 18817 ends on 16 September 2021. A renewal has been lodged.

(4) The current term of EPM 26068 ends on 16 October 2021. A renewal has been lodged.

(5) The current term of each of EPM 17167, EPM 17295 and EPM 17298 ends on 23 January 2022. Any renewal applications for these EPMs must be lodged between 23 July 2021 and 23 October 2021.

(6) Under amendments made to the MR Act from 25 May 2020 by the *Natural Resources and Other Legislation Amendment Act 2019* (**NROLA Act**):

(A) For EPMs that were in force on 25 May 2020, the total of all renewed terms of the EPM after 25 May 2020 cannot be more than 10 years (s 856(2) MR Act). All the Austral EPMs are within this category.

(B) For EPMs granted after 25 May 2020, the EPM cannot be renewed if the total of the initial term and all renewed terms of the EPM are more than 15 years (s 147A(3) MR Act).

(b) *MLs*

(1) An application for renewal of an ML must be lodged at least 6 months before the expiry of the ML, but not more than 1 year before the expiry of the ML (s 286 MR Act).

(2) None of the MLs are in the renewal period.

9.2 **Relinquishment**

(a) The resource authority public reports show that 1 sub-block is required to be relinquished from EPM 17415 on 29 April 2024. There are no other relinquishment obligations during the current terms of the EPMs.

(b) If any of the EPMs are renewed, the area is required to be reduced by 50 percent of the area of the permit by the day that is 5 years after the next renewal (s 857(2) MR Act).

10. Environment

10.1 **Environmental Authorities**

(a) The *Environmental Protection Act 1994* (Qld) (**EP Act**) regulates "environmentally relevant activities", which includes mining activities (ss 18 and 107 of the EP Act).

(b) A person must apply for an environmental authority (**EA**) to carry out environmentally relevant activities (s 116 EP Act).

(c) There are three types of applications for an EA:

(1) "standard applications" apply where the EA is to be subject to the standard conditions for the environmentally relevant activity;

(2) "variation applications" apply when the application seeks to change the standard conditions; and

(3) "site specific applications" apply if any of the proposed environmentally relevant activities for the EA are ineligible environmentally relevant activities.

(d) Details of the EAs held for the Tenements (the **Austral EAs**) are listed in Schedule 2.

10.2 **Compliance with Austral EAs**

(a) There are no enforcement actions in respect of the Austral EAs.

(b) DES has advised that:

(1) annual fees are up to date for the Austral EAs; and

(2) annual returns for the EAs are up to date, except for:

(A) the annual return for 2019 for EPVX02682414 (EPM 17469). This was started electronically by the holder by not completed.

(B) the annual return for 2016-2017 for EPVX02751314 (EPM17530) was not received.

10.3 **Surety**

(a) It is a condition of each of the Austral EAs that activities cannot be carried out under the Austral EA unless:

(1) an estimated rehabilitation cost (**ERC**) decision is in effect for the activities under the tenements, in respect of the estimated cost of:

(A) rehabilitating the land on which activities under the tenements are carried out; and

(B) preventing or minimising environmental harm, or rehabilitating or restoring the environment, in relation to activities under the tenements; and

(2) the holder of the Austral EA has given surety or made a contribution under the MERFP Act (s 297 EP Act).

(b) Details of the surety held for each of the Austral EAs is listed in Schedule 2.

(c) In respect of EPML00753513 for the Austral Operations MLs, the ERC amount is $37,699,486.70, but Queensland Treasury only holds surety of $30,504,000. There is outstanding surety of **$7,195,486.70** under invoice INV001194 due 20 January 2021. Activities cannot be carried out under EPML00753513 while surety is outstanding.

(d) We have reviewed an email from the Scheme Manager of the Financial Provisioning Scheme dated 3 March 2021 to officers of DES, advising that:

(1) the Scheme Manager has agreed to an extension on the due date to provide the outstanding surety for EPML00753513, given the considerations around the commercial development of the Anthill project (the correspondence does not identify the extended due date);

(2) the net uplift in ERC is attributable to the Anthill project and there has been a reduction in ERC for the actual disturbance profile excluding Anthill;

(3) there may be interests for all parties in moving to resolution through completion of a new EA, which includes the Johnson Creek diversion, and confirmation of the new ERC as a basis for the outstanding surety requirement; and

(4) Austral has indicated to the Scheme Manager that they will not undertake activity outside the current EA provisions until a new EA is finalised.

10.4 **Plan of Operations**

(a) At the time EPML007535513 was granted, section 287 of the EP Act required that the EA holder must not carry out, or allow the carrying out, of activities under the MLs unless a plan of operations for all relevant activities had been given to the administering authority.

(b) We have been provided with a Plan of Operations for EPML007535513 for the period 26 July 2018 to 25 July 2021.

(c) As a consequence of the MERFP Act, all site-specific EAs granted prior to 1 November 2019 will transition to the Progressive Rehabilitation and Closure (**PRC**) plan framework over a 3-year period from 1 November 2019. A PRC plan, for land the subject of a mining lease, means a progressive rehabilitation and closure plan for the land that consists of rehabilitation planning and a “PRCP schedule” for the plan. The PRCP schedule must identify proposed post-mining land use for the land and identify the rehabilitation milestones required to achieve a stable condition for the land.

(d) Section 431A of the EP Act now requires that the holder of an EA for a site-specific application for mining activities related to a mining lease must not carry out, or allow the carrying out of, an environmentally relevant activity under the EA unless there is a PRCP schedule for the activity.

(e) Under the transitional provisions for the MERFP Act, if a plan of operations given before 1 April 2019 ends before a PRCP schedule is approved for the MLs, section 431A does not apply until the earlier of:

(1) the day that Austral Operations fails to comply with a notice under section 754 of the EP Act to give a proposed PRC plan, or

(2) the day a PRCP schedule is approved for Austral Operations.

(f) We have been instructed that Austral has not yet been given notice to transition to a PRC plan. Accordingly, the plan of operations continues.

10.5 **Environmentally Sensitive Areas**

(a) Many of the Austral EAs contain conditions that restrict mining activities in certain environmentally sensitive areas (**ESAs**).

(b) There are areas of Category B and Category C ESAs over the Tenements. Details of these ESA areas are listed in Schedule 1.

10.6 **Commonwealth**

(a) The *Environment Protection and Biodiversity Conservation Act 1999* (**EPBC Act**) provides a legal framework to protect and manage nationally and internationally important flora, fauna, ecological communities and heritage places.

(b) A development approval will need to be obtained under the EPBC Act if a proposed development has the potential to have a significant impact on a matter of national environmental significance.

(c) If a person wants a project assessed under the EPBC Act, the person must refer the project to the Department of Agriculture, Water and the Environment. This referral is then released to the public and the relevant Ministers. The Minister will then decide whether the likely environmental impacts should be assessed under the EPBC Act.

(d) Once a project has been assessed by the Department of Agriculture, Water and Environment, the department makes a recommendation to the Minister or delegate about whether or not the project should be approved to proceed (s133 EPBC Act).

(e) The Minister may attach a condition to the approval of the action if he or she is satisfied that the condition is necessary or convenient for:

(1) protecting a matter of national environmental significance; or

(2) repairing or mitigating damage to a matter of national environmental significance.

(f) On 31 May 2012, a delegate of the Minister made a decision under section 75 of the EPBC Act that the Anthill Copper Ore Project (referral 2012/6361 for a development of 288.5 hectares located on Lot 2 on SP 162421 and Lot 6 on SP 162423) is not a controlled action. This means no approval under the EPBC Act was required for the Anthill Copper Ore Project.

11. Water

11.1 **Regulatory Framework**

(a) The Tenements are within the area of the *Water Plan (Gulf) 2007*.

(b) The taking, interference with and use of water is regulated by the requirements of the:

(1) *Water Act 2000* (Qld) (**Water Act**);

(2) *Water Regulation 2016;*

(3) *Water Plan (Gulf) 2007;*

(4) MR Act; and

(5) EP Act.

(c) There are two main categories of water that are likely to be taken, interfered with, and used in the operation of the Tenements:

(1) "underground water" which is water that occurs naturally in, or is introduced artificially into, an aquifer (Schedule 4 of the Water Act); and

(2) "overland flow water" which is water, including floodwater, that is urban stormwater or other water flowing over land, otherwise than in a water course or lake, after having fallen as rain or in any other way, or after rising to the surface naturally from underground.

(d) Underground water can be classified further as:

(1) "associated water" which is underground water taken or interfered with by a holder of a mining lease in the area of the mining lease during the course of, or resulting from, the carrying out of an authorised activity for the mining lease (sections 334ZP(1) and (3) of the MR Act); and

(2) "non-associated water" which is other underground water used in resource projects that is not associated water (for instance, water taken from a bore for use in mining camps).

(e) Any person may interfere with overland flow water (s 94 Water Act). However, it will usually be necessary to obtain an authorisation to take overland flow water.

(f) To interfere with associated water, it may be necessary to obtain an associated water licence (sections 334ZP and 839 of the MR Act).

(g) To interfere with other underground water, a water licence is required.

11.2 **Water Licences**

(a) Water Licence 623710

(1) Austral Operations is the holder of Water Licence 623710, granted 18 March 2021.

(2) This water licence authorises the flow of water in Jonson Creek by changing the course of flow on or adjoining land described as Lot 2 on SP 162421 and ML 90233.

(3) The water licence expires on 30 June 2111.

(b) Water Licence 511261

(1) Water licence 511161 was issued to ACN 076 289 097 Pty Ltd (formerly Lady Annie Operations Pty Ltd) for the taking of underground water from Paradis Creek Formation within the point take under Lot 2 on SP162421. We have

not reviewed any documents showing the transfer of this water licence to Austral.

(2) As a result of the *Land, Water and Other Legislation Amendment Bill 2013*, the water licence expires on 30 June 2011.

12. Land Access

12.1 **Access over EPMs**

(a) The *Mineral and Energy Resources (Common Provisions) Act* (**MERCP Act**) governs access to land to conduct activities under an EPM.

(b) A person must not enter private land to carry out an authorised activity for a resource authority, or cross or gain entry to access land for a resource authority unless the resource authority holder has given each owner and occupier of the land an entry notice about the entry at least 10 business days before the entry (s 39 MERCP Act).

(c) A person must not enter private land to carry out an advanced activity for a resource authority (s 43 MERCP Act) unless each owner and occupier of the land:

(1) is a party to a conduct and compensation agreement (**CCA)** about the advanced activity and its effects; or

(2) is a party to a deferral agreement; or

(3) has elected to opt out from entering into a conduct and compensation agreement or deferral agreement; or

(4) is an applicant or respondent to an application relating to the land made to the Land Court.

(d) We have reviewed one CCA for EPM 16244, EPM 14693 and EPM 18817 with the landholder of Lot 6 on SP 243934, Coolreagh Pastoral Co Pty Ltd. The term of the CCA is between August 2014 to 31 December 2015.

(e) We have not been advised of what activities have occurred on the EPMs and we cannot confirm whether or not the holders of the EPMs have met all the land access requirements for the EPMs.

12.2 **Mining leases**

(a) A ML cannot be granted or renewed until compensation with each owner of land the subject of the ML has been agreed or determined by the Land Court (s 279 MR Act). It is a condition of the ML that the holder must make all payments of compensation and comply with all terms of any compensation agreement (s 276 MR Act).

(b) We have reviewed a Compensation Deed dated 20 January 2014 with Calton Hills Pty Ltd, the then registered holder of term lease numbers PH 13/4151 and PH 13/2515, which provides for:

(1) compensation for the renewal of ML 5446, ML 5447, ML 5448, ML 5474, ML 5476 and ML 5478;

(2) compensation for the grant of ML 90233;

(3) compensation for the grant of a mining lease for the bores at Johnson Creek Borefield and any water supply associated with those bores.

(c) Term lease numbers PH 13/4151 and PH 13/2515 have now expired. Calton Hills is now the registered lessee of new term leases TL 0/238531 and TL 0/238530 over the previous titles, which are Lot 5 on CP865892 and Lot 2 on SP162421. It is a condition of the ML that the holder make all payments of compensation as agreed or determined (s 276(1)(j) MR Act).

(d) We have not reviewed any compensation agreements that apply to:

(1) compensation to landholder Calton Hills (Lot 5 on CP 865892) for ML 5246, ML 5435, ML 90168, ML 90169, ML 90170, ML 90178 or ML 90184;

(2) compensation for the landholder of Lot 1 on UN6 for the grant of ML 90179;

(3) compensation for Coolreagh Pastoral Co Pty Ltd, landholder of Lot 6 on SP187231 for the grant of ML 90233; or

(4) compensation to the landholder of Lot 1 on TG38 for the grant of ML 90184

(e) However, these MLs could not be granted or renewed, without compensation being agreed or determined by the Land Court.

13. Native Title

13.1 The NT Act prescribes a regime by which persons claiming to hold native title may lodge a claim to that effect for determination. Queensland has implemented the *Native Title (Queensland) Act 1993* which adopts the Commonwealth NT Act in Queensland.

13.2 The existence of a native title claim over an area of land is not evidence for the existence or otherwise of native title. The existence of native title is a question of fact to be determined by an assessment of the extent to which native title has been adversely affected or extinguished by adverse government action. A claim is an expression of interest by a native title group, which is subject to a detailed assessment by the government and ultimately the Federal Court. A native title group whose claim meets the registration requirements set out in the NT Act will receive a procedural right to negotiate in relation to land the subject of their native title claim where the grant of a mining tenement is proposed by the State.

13.3 The NT Act provides a regime for the validation of acts, including the grant and renewal of mining tenements, that were carried out prior to the Mabo decision and that could be considered invalid as a result of inconsistency with the provisions of *the Racial Discrimination Act 1975 (Cth)* (which commenced on 31 October 1975).

13.4 The NT Act provides that mining tenements granted before 1 January 1994 have been validated as "past acts" (s 14 of the NT Act). This means that the granting of such tenements was fully effective and valid, notwithstanding that native title rights were not taken into account.

13.5 Mining tenements granted or renewed after 23 December 1996 are subject to the "future act" regime, which provides a process which must be complied with before a proposed future act

which has the potential to impact native title rights can be validly undertaken. For a mining tenement, this procedure could be:

(a) right to negotiate (**RTN**) under Subdivision P, Division 3, Part 2 of the NT Act, resulting in a section 31 deed and ancillary agreement;

(b) an indigenous land use agreement (**ILUA**), which is a voluntary agreement between a native title claimant group and others about the use and management of land and waters; or

(c) for a mining tenement granted for infrastructure purposes only, relying on the procedure in section 24MD(6B) of the NT Act, which gives native title holders and registered claimants have the same procedural rights that they would have if they held ordinary freehold title.

13.6 **Past acts:** ML 5426, ML 5435, ML 5446, ML 5447, ML 5448, ML 5474, ML 5476, ML 5478 were all granted before 1 January 1994 and are valid "past acts" for native title.

13.7 **Future acts – MLs**

Right to negotiate

(a) Our searches show that ML 90168, ML 90169, ML 90170, ML 90179 and ML 90233 were all granted under section 31 agreements.

(b) **ML 90233** (Anthill ML): ML 90233 is overlapped by the Kalkadoon People #4 determination (63.54%) and the Indjalandji-Dhidhanu People determination (36.46%). Agreement was reached under section 31(1)(b) of the NT Act to the grant of ML 90233. Austral Operations is a party to the following ancillary agreements with the Kalkadoon and Indjalandji-Dhidhanu native title holders which apply to ML 90233:

(1) Agreement relating to native title and mining with Kalkadoon Native Title Aboriginal Corporation RNTBC and the Kalkadoon People dated 7 July 2015; and

(2) Agreement relating to native title and mining with the Indjalandji-Dhidhanu Aboriginal Corporation RNTBC on its own behalf and on behalf of the Native Title Holders dated 1 July 2015.

(c) **ML90168, ML90169, ML90170, ML90178 and ML90179**:

(1) The Lady Annie / Mount Kelly Project Agreement relating to native title and mining dated 5 October 2006 (**Project Agreement**) is an agreement under section 31(1)(b) of the NT Act that was entered into by CopperCo Limited with the Kalkadoon People for the grant of ML90168, ML90169, ML90170, ML90178 and ML90179. These Tenements have been validly granted with respect to native title.

(2) We have not reviewed any deed under which Austral Operations (the current holder of these MLs) has assumed the obligations under the Project Agreement, however CST Minerals Lady Annie Pty Limited ACN 136 930 222 (now Austral Operations) was party to a Deed of Variation for this Project Agreement dated 2010.

(3) Although the Project Agreement refers to all of ML90168, ML90169, ML90170, ML90178 and ML90179:

(A) Our searches show that **ML 90178** is a mining lease for infrastructure under section 316 of the MR Act, and was notified and is valid under section 24MD(6B) of the NT Act.

(B) Our searches show that **ML 90179** is entirely over land that is not subject to any native title claim or determination. The resource authority report for ML 90179 indicates that on 5 September 2007, prior to grant on 1 August 2008, the area of ML 90179 that was subject to the Indjilandji/Dithanno registered native title claim QC02/36 was abandoned. ML 90179 is no longer a "Project Tenement" under the Project Agreement as it is no longer the subject of the Kalkadoon claim.

Infrastructure

(d) Our searches show that **ML 90178** and **ML 90184** are mining leases for infrastructure granted under section 316 of the MR Act and are valid under section 24MD(6B) of the NT Act.

ILUAs

(e) There are no ILUAs that apply to the Tenements.

13.8 **Future acts – EPMs**

(a) The RTN process begins with the State issuing a notice under section 29, indicating that it proposes to grant the tenement. The State must indicate whether the State considers the act attracts the expedited procedure. An act will attract the expedited procedure if:

(1) the act is not likely to interfere directly with the carrying on of the community or social activities of the persons who are the native title holders; and

(2) the act is not likely to interfere with areas or sites of particular significance of the native title holders; and

(3) the act is not likely to involve major disturbance to any lands or waters (s 237 NT Act).

(b) Where the State indicates that the expedited procedure applies, the tenement may be granted if any native title parties do not lodge any objection to the NNTT within 4 months after the notification date. If this occurs, in Queensland, the tenement will be granted subject to the standard native title protection conditions (**NTPCs**).

(c) If any native title parties lodge an objection to the application of the expedited procedure, the NNTT must then determine whether or not the expedited procedure applies. Where a native title party lodges an objection, the tenement holder may decide to enter into a section 31 agreement with the native title party.

Application to Austral EPMs – section 31 agreements

(d) **EPM 16423**: we have reviewed a fully executed Section 31 Deed between the State of Queensland, Savannah Resources Pty Ltd and the Kalkadoon People #4 and Indjilandji/Dithannoi People for the grant of EPM 16243. We have not reviewed any associated ancillary agreements with the Kalkadoon and Indjilandji/Dithannoi. Under clause 13, the section 31 deed and any ancillary agreement is assigned with the assignment of EPM 16423. We have not reviewed any documentation confirming the assignment to Austral Operations.

(e) **EPM 16244**: We have reviewed a Section 31 Deed executed by the State of Queensland, Lady Annie Operations Pty Ltd (ACN 076 289 097) and the Kalkadoon People #4 and Indjilandji/Dithannoi for the grant of EPM 16244. We have not reviewed any associated ancillary agreements with the Kalkadoon and Indjilandji/Dithannoi. Under clause 13, the section 31 deed and any ancillary agreement is assigned with the assignment of EPM 16244. We have not reviewed any documentation confirming the assignment to Austral Operations.

(f) **EPM 17088, EPM 17422 and EPM 17469**: Our searches show that these EPMs were granted pursuant to a section 31 Agreement.

(1) *Agreement with Indjalandji-Dhidhanu People:* We have reviewed an Agreement for Exploration – Exploration Permit Numbers 17088, 17422 and 17469 between Austral Operations and the Indjalandji-Dhidhanu People. We have not reviewed a Section 31 Deed for the grant of these EPMs.

(2) *Agreement with Kalkadoon*: By a Deed of Variation from 2010, Austral Operations agreed with the Kalkadoon People that that EPM 17088 and EPM 17469 would be added to the definition of the Project Agreement referred to in clause 13.7(c)(1) above.

(3) By a Deed of Variation from 2010 between CST Minerals Lady Annie Pty Limited ACN 136 930 222 (now Austral Operations) and the Kalkadoon People, applications for EPM 17088, EPM 17469, EPM 17470 and EPM 17704 were added to the definition of "Project Tenements". Only EPM 17088 and EPM 17469 are still held by ARLA.

(g) **EPM 17646, EPM 17494, EPM 17525, EPM 17527, EPM 17530, EPM 17535, EPM 17854, EPM 17856, EPM 17861, EPM 17859, EPM 17855**: The resource authority report records that these EPMs were granted subject to the NTPCs. We have reviewed an unexecuted copy of an Ancillary agreement for exploration between Austral Operations and the Kalkadoon People, which is conditional upon these EPMs being granted without being subject to the NTPCs. We have not reviewed a section 31 deed for the grant of these EPMs.

(h) **EPM 18817**: The resource authority report records that EPM 18817 was granted subject to the NTPCs. However, we have reviewed a fully executed Agreement for Exploration – Exploration Permit Number 18817 between Austral Operations and the Indjalandji-Dhidhanu People for EPM 18817, which is an ancillary agreement for the purposes of section 31 of the NT Act. We have not reviewed a section 31 deed for this EPM.

(i) **EPM 14693 and EPM 26068**: The resource authority reports record that EPM 14693 and EPM 26068 were notified under the expedited procedure, but that an agreement was reached under section 31. We have not reviewed any native title agreements for these EPMs.

14. Aboriginal cultural heritage

14.1 Protection of Aboriginal cultural heritage

(a) The ACH Act aims to protect Aboriginal areas and objects of cultural significance irrespective of the underlying tenure of the land (sections 4 and 5 ACH Act). The existence of ACH is in no way an indication that native title exists in an area (section 1.3 of the *Aboriginal Cultural Heritage Act 2003 Duty of Care Guidelines* (**ACH Guidelines**))

(b) The ACH Act defines Aboriginal cultural heritage as:

(1) a significant Aboriginal area in Queensland;

(2) a significant Aboriginal object; or

(3) evidence of archaeological or historic significance of Aboriginal occupation of an area of Queensland (s 8 ACH Act).

(c) Whether or not an area or object is a significant Aboriginal area or object is determined by reference to:

(1) Aboriginal tradition, that is the body of traditions, observances, customs and beliefs of Aboriginal people generally or of a particular community or group of Aboriginal people and includes any such traditions, observances, customs and beliefs relating to particular persons, areas, objects or relationships; and

the history, including contemporary history, of any Aboriginal party of the relevant area (ss 9 and 10 ACH Act).

(d) A significant Aboriginal area does not need to contain markings or other physical evidence indicating Aboriginal occupation, and these areas may include ceremonial, birthing and burial places, and sites of massacre (s 12 ACH Act).

(e) When carrying out an activity a person will owe a duty of care to not cause harm to an area or object of Aboriginal cultural heritage (s 23(1) ACH Act) (the **Aboriginal cultural heritage duty of care**).

(f) The ACH Act does not operate using a permit or licensing system. Instead, when undertaking activities in an area, a person must meet the Aboriginal cultural heritage duty of care by complying with the ACH Guidelines or by entering into a native title agreement or another agreement with the Aboriginal party for the area.

(g) The chief executive or minister of ATSIP has a duty to record all ACH sites (s 48 ACH Act). However, the ACH Guidelines warn that the information contained on the Aboriginal Cultural Heritage Register should not be solely relied upon to the exclusion of other searches (8.3 ACH Guidelines). The ACH Act requires persons to take all reasonable and practical measures to ensure an activity does not cause harm to Aboriginal cultural heritage where a person knows or ought to reasonably know that it is ACH (s 24 ACH Act). In most cases, this will require proponents to undertake a cultural heritage survey involving the Aboriginal Party for the area.

14.2 Aboriginal cultural heritage over Tenements:

(a) Schedule 1 contains details of Aboriginal cultural heritage over the Tenements.

(b) **ML 90233**: The ancillary agreements with the Kalkadoon and Indjalandji-Dhidhanu native title holders which apply to ML 90233 (see paragraph 13.7(b) above) are each "another agreement with an Aboriginal party" for the purposes of the ACH Act and contain a process for the protection and management of Aboriginal cultural heritage. Austral Operations will satisfy its cultural heritage duty of care for ML 90233 by complying with these agreements.

(c) **ML90168, ML90169, ML90170, ML90178 and ML90179**: Under the Project Agreement (referred to in paragraph 13.7(c)), CopperCo and Kalkadoon committed to develop and agree terms of a cultural heritage management plan within six months of the commencement date of the agreement. We have not reviewed any cultural heritage management plan which applies to these MLs.

(d) **EPM 17088, EPM 17422 and EPM 17469**: The Agreement for Exploration – Exploration Permit Numbers 17088, 17422 and 17469 between Austral Operations and the Indjalandji-Dhidhanu People (referred to in paragraph 13.7(f)(1) above) contains a cultural heritage process. Austral Operations will satisfy its cultural heritage duty of care by complying with this process.

(e) **EPM 18817:** The Agreement for Exploration – Exploration Permit Number 18817 between Austral Operations and the Indjalandji-Dhidhanu People (referred to in paragraph 13.7(h)) contains a cultural heritage process. Austral Operations will satisfy its cultural heritage duty of care by complying with this process.

(f) **EPM 17646, EPM 17494, EPM 17525, EPM 17527, EPM 17530, EPM 17535, EPM 17854, EPM 17856, EPM 17861, EPM 17859, EPM 17855:** The Ancillary Agreement for Exploration between Austral Operations and the Kalkadoon People (referred to in paragraph 13.7(g) above) is an agreement under the ACH Act and contains a process for the protection and management of Aboriginal cultural heritage. This agreement would enable Austral Operations to satisfy its cultural heritage duty of care by complying with this process.

(g) The NTPCs have a process for management of Aboriginal cultural heritage.

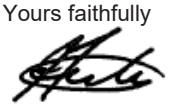
(h) We have not been advised of what activities have occurred on the Tenements and we cannot confirm whether or not the holders have met all cultural heritage requirements for the Tenements.

15. Consent

15.1 This report is given solely for the benefit of Austral in connection with the issue of the Prospectus. The report is not to be relied upon by, or disclosed to, any other person or used for any other purpose or quoted or referred to in any public document (other than in

connection with the Prospectus) or filed with any government body or other person (other than in connection with the Prospectus) without our prior written consent.

Yours faithfully



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Schedule 1 – Tenement Schedule

Permit number	Permit status	Grant date	Expiry date	Authorised holder name	Encumbrances	Native title status	Native Title	Cultural heritage	Restrictions
ML 5426	Granted	10-Jan-1974	31-Jan-2027	Austral Resources Operations Pty Ltd (100%)	Mortgage in an interest to Win Finance No.359 Pty Ltd Caveat: Pegmont Mines NL, Pegasus Enterprises Ltd and Goldsearch Limited – indefinite	Granted before 23 December 1996	Kalkadoon People #4 determination (100%)	Aboriginal party: Kalkadoon People #4 No registered sites	Nil
ML 5435	Granted	10-Jan-1974	31-Jan-2024	Austral Resources Operations Pty Ltd (100%)	Mortgage in an interest to Win Finance No.359 Pty Ltd Caveat: Pegmont Mines NL, Pegasus Enterprises Ltd and Goldsearch Limited – indefinite	Granted before 1 January 1994	Kalkadoon People #4 determination (100%)	Aboriginal party: Kalkadoon People #4 No registered sites	Nil
ML 5446	Granted	14-Feb-1974	28-Feb-2031	Austral Resources Operations Pty Ltd (100%)	Mortgage in an interest to Win Finance No.359 Pty Ltd Caveat: Pegmont Mines NL, Pegasus Enterprises Ltd and Goldsearch Limited – indefinite	Granted before 1 January 1994	Kalkadoon People #4 determination (100%)	Aboriginal party: Kalkadoon People #4 No registered sites	Nil
ML 5447	Granted	10-Jan-1974	31-Jan-2031	Austral Resources Operations Pty Ltd (100%)	Mortgage in an interest to Win Finance No.359 Pty Ltd Caveat: Pegmont Mines NL, Pegasus Enterprises Ltd and Goldsearch Limited – indefinite	Granted before 1 January 1994	Kalkadoon People #4 determination (100%)	Aboriginal party: Kalkadoon People #4 No registered sites	Nil
ML 5448	Granted	10-Jan-1974	31-Jan-2031	Austral Resources Operations Pty Ltd (100%)	Mortgage in an interest to Win Finance No.359 Pty Ltd Caveat: Pegmont Mines NL, Pegasus Enterprises Ltd and Goldsearch Limited – indefinite	Granted before 1 January 1994	Kalkadoon People #4 determination (100%)	Aboriginal party: Kalkadoon People #4 No registered sites	Nil
ML 5474	Granted	10-Jan-1974	31-Jan-2031	Austral Resources Operations Pty Ltd (100%)	Mortgage in an interest to Win Finance No.359 Pty Ltd Caveat: Pegmont Mines NL, Pegasus Enterprises Ltd and Goldsearch Limited – indefinite	Granted before 1 January 1994	Kalkadoon People #4 determination (100%)	Aboriginal party: Kalkadoon People #4 No registered sites	Nil

ML 5476	Granted	10-Jan-1974	31-Jan-2031	Austral Resources Operations Pty Ltd (100%)	Mortgage in an interest to Win Finance No.359 Pty Ltd Caveat: Pegmont Mines NL, Pegasus Enterprises Ltd and Goldsearch Limited – indefinite	Granted before 1 January 1994	Kalkadoon People #4 determination (100%)	Aboriginal party: Kalkadoon People #4 No registered sites	Nil
ML 5478	Granted	10-Jan-1974	31-Jan-2031	Austral Resources Operations Pty Ltd (100%)	Mortgage in an interest to Win Finance No.359 Pty Ltd Caveat: Pegmont Mines NL, Pegasus Enterprises Ltd and Goldsearch Limited – indefinite	Granted before 1 January 1994	Kalkadoon People #4 determination (100%)	Aboriginal party: Kalkadoon People #4 No registered sites	Nil
ML 90168	Granted	14-Dec-2006	31-Dec-2027	Austral Resources Operations Pty Ltd (100%)	Mortgage in an interest to Win Finance No.359 Pty Ltd	Section 31 Agreement	Kalkadoon People #4 determination (100%)	Aboriginal party: Kalkadoon People #4 No registered sites	Nil
ML 90169	Granted	14-Dec-2006	31-Dec-2027	Austral Resources Operations Pty Ltd (100%)	Mortgage in an interest to Win Finance No.359 Pty Ltd	Section 31 Agreement	Kalkadoon People #4 determination (100%)	Aboriginal party: Kalkadoon People #4 No registered sites	Repealed Wild River High Preservation Area (Category C) over Southern quarter
ML 90170	Granted	14-Dec-2006	31-Dec-2027	Austral Resources Operations Pty Ltd (100%)	Mortgage in an interest to Win Finance No.359 Pty Ltd Caveat: Pegmont Mines Limited - indefinite Royalty Deed originally executed on 28 September 2004 - Pegmont Mines Limited, Pegasus Enterprises Limited, Zoono Group Limited, Austral Resources Lady Annie Pty Ltd and Cyclone Metals Limited - Indefinite	Section 31 Agreement	Kalkadoon People #4 determination (100%)	Aboriginal party: Kalkadoon People #4 One cultural site	Repealed Wild River High Preservation Area (Category C) over south-west corner Endangered Regional Ecosystem – regrowth and remnant (Category B) in North-west corner

ML 90178	Granted	9-Aug-2007	31-Aug-2028	Austral Resources Operations Pty Ltd (100%)	Mortgage in an interest to Win Finance No.359 Pty Ltd Caveat: consent caveat to Perilya Freehold Mining Pty Ltd – indefinitely and purpose absolutely	Section 24MD 6B Notification	Kalkadoon People #4 determination (98.87%)	Aboriginal party: Kalkadoon People #4 Multiple artefact scatters, a burial	Endangered Regional Ecosystems (Category B ESA) scattered throughout
ML 90179	Granted	17-Jul-2008	31-Jul-2029	Austral Resources Operations Pty Ltd (100%)	Mortgage in an interest to Win Finance No.359 Pty Ltd	Section 31 Agreement Note: Partial abandonment of "that part of the ML that is subject to (Indjilandji/Dithannoi) NT Claim QC02/36 as registered on the Register of Native Title Claims administered by NNTT", effective 5 September 2007, prior to grant of ML.	N/A	Aboriginal party: Kalkadoon People #4 Multiple artefact scatters	Slight overlap with Repealed Wild River High Preservation Area (Category C) in North Slight overlap with Endangered Regional Ecosystem (Category B ESA) in South
ML 90184	Granted	17-Jul-2008	31-Jul-2029	Austral Resources Operations Pty Ltd (100%)	Mortgage in an interest to Win Finance No.359 Pty Ltd	Unknown outcome S 316	Kalkadoon People #4 determination (98.71%)	Aboriginal party: Kalkadoon People #4 No registered sites	Endangered Regional Ecosystems (Category B) running through
ML 90233	Granted	15-Oct-2017	31-Oct-2035	Austral Resources Operations Pty Ltd (100%)	Mortgage in an interest to Win Finance No.359 Pty Ltd Caveat: Pegmont Mines Limited - Indefinite Royalty Deed originally executed on 28 September 2004 - Pegmont Mines Limited, Pegasus Enterprises Limited, Zoono Group Limited, Austral Resources Lady Annie Pty Ltd and Cyclone Metals Limited - Indefinite	Agreement reached under a Section 31 deed	Kalkadoon People #4 determination (63.54%) Indjalandji-Dhidhanu People determination (36.46%)	Aboriginal party: Kalkadoon People #4 Multiple artefact scatters, quarries	Endangered Regional Ecosystem – regrowth and remnant (Category B) running east-west through centre
EPM 14693	Granted	28-Sep-2007	27-Sep-2022	Austral Resources Operations Pty Ltd (100%)	Mortgage in an interest to Win Finance No.359 Pty Ltd	Expedited procedure - agreement reached under a Section 31 deed	Kalkadoon People #4 determination (7.62%) Indjalandji-Dhidhanu People determination (92.38%)	Aboriginal party: Kalkadoon People #4 No registered sites	Entire tenement covered by Repealed Wild River Preservation Area (Category C)

EPM 15126	Granted	31-May-2006	30-May-2023	Austral Resources Operations Pty Ltd (80%) Burt, Terrence John (6.68%) Galway, Judy-Anne (6.66%) Kirkby, Robert William (6.66%)	Mortgage in an interest to Win Finance No.359 Pty Ltd	Expedited procedure – granted with NTPCs	Kalkadoon People #4 (98.76%)	Aboriginal party: Kalkadoon People #4 Multiple artefact scatters, stone arrangements, resource areas, hearth/ovens, one isolated find	Endangered Regional Ecosystem – regrowth and remnant (Category B) in north-east and south-west corners
EPM 16240	Granted	26-Apr-2012	25-Apr-2023	Austral Resources Operations Pty Ltd (100%)	Mortgage in an interest to Win Finance No.359 Pty Ltd Caveat: Pegmont Mines Limited - Indefinite Royalty Deed originally executed on 28 September 2004 - Pegmont Mines Limited, Pegasus Enterprises Limited, Zoono Group Limited, Austral Resources Lady Annie Pty Ltd and Cyclone Metals Limited - Indefinite	Expedited procedure – granted with NTPCs	Kalkadoon People #4 determination (100%)	Aboriginal party: Kalkadoon People #4 No registered sites	Endangered Regional Ecosystem – regrowth and remnant (Category B) in south quarter
EPM 16241	Granted	26-Apr-2012	25-Apr-2022	Austral Resources Operations Pty Ltd (100%)	Mortgage in an interest to Win Finance No.359 Pty Ltd Caveat: Pegmont Mines Limited - Indefinite Royalty Deed originally executed on 28 September 2004 - Pegmont Mines Limited, Pegasus Enterprises Limited, Zoono Group Limited, Austral Resources Lady Annie Pty Ltd and Cyclone Metals Limited - Indefinite	Expedited procedure – granted with NTPCs	Kalkadoon People #4 determination (96.75%)	Aboriginal party: Kalkadoon People #4 One painting	Endangered Regional Ecosystem – regrowth and remnant (Category B) running north-south

EPM 16242	Granted	26-Apr-2012	25-Apr-2023	Austral Resources Operations Pty Ltd (100%)	Mortgage in an interest to Win Finance No.359 Pty Ltd Caveat: Pegmont Mines Limited - Indefinite Royalty Deed originally executed on 28 September 2004 - Pegmont Mines Limited, Pegasus Enterprises Limited, Zoono Group Limited, Austral Resources Lady Annie Pty Ltd and Cyclone Metals Limited - Indefinite	Expedited procedure – granted with NTPCs	Kalkadoon People #4 determination (100%)	Aboriginal party: Kalkadoon People #4 One artefact scatter	Endangered Regional Ecosystem – regrowth and remnant (Category B) in north east and south-west corners
EPM 16243	Granted	11-Jan-2010	10-Jan-2024	Austral Resources Operations Pty Ltd (100%)	Mortgage in an interest to Win Finance No.359 Pty Ltd	Expedited procedure – an agreement reached under a section 31 deed	Kalkadoon People #4 determination (35.50%) Indjalandji-Dhidhanu People determination (29.16%)	Aboriginal party: Kalkadoon People #4; Indjalandji-Dhidhanu No registered sites	90% of tenement covered by Repealed Wild River Preservation Area (Category C) Endangered Regional Ecosystem – regrowth and remnant (Category B) scattered throughout
EPM 16244	Granted	8-Apr-2010	7-Apr-2023	Austral Resources Operations Pty Ltd (100%)	Mortgage in an interest to Win Finance No.359 Pty Ltd Caveat: Pegmont Mines Limited - Indefinite Royalty Deed originally executed on 28 September 2004 - Pegmont Mines Limited, Pegasus Enterprises Limited, Zoono Group Limited, Austral Resources Lady Annie Pty Ltd and Cyclone Metals Limited - Indefinite	Expedited procedure – an agreement reached under a section 31 deed	Kalkadoon People #4 determination (63.38%) Indjalandji-Dhidhanu People determination (36.30%)	Aboriginal party: Kalkadoon People #4; Indjalandji-Dhidhanu No registered sites	90% of tenement covered by Repealed Wild River Preservation Area (Category C) Endangered Regional Ecosystem – regrowth and remnant (Category B) scattered throughout

EPM 17088	Granted	9-Feb-2012	8-Feb-2022	Austral Resources Operations Pty Ltd (100%)	Mortgage in an interest to Win Finance No.359 Pty Ltd	Expedited procedure – an agreement reached under a section 31 deed	Indjalandji-Dhidhanu People determination (100%)	Aboriginal party: Indjalandji-Dhidhanu No registered sites	Entire tenement covered by Repealed Wild River Preservation Area (Category C) Endangered Regional Ecosystem – regrowth and remnant (Category B) scattered throughout
EPM 17165	Granted	23-Jul-2014	22-Jul-2022	Austral Resources Exploration Pty Ltd (100%)	Mortgage in an interest to Win Finance No.359 Pty Ltd	Expedited procedure – granted with NTPCs	Kalkadoon People #4 determination (74.40%)	Aboriginal party: Kalkadoon People #4 No registered sites	Endangered Regional Ecosystem – regrowth and remnant (Category B) through south and centre of tenement
EPM 17167	Granted	24-Jan-2012	23-Jan-2022	Austral Resources Exploration Pty Ltd (100%)	Mortgage in an interest to Win Finance No.359 Pty Ltd	Expedited procedure – granted with NTPCs	Kalkadoon People #4 determination (100%)	Aboriginal party: Kalkadoon People #4 No registered sites	Nil
EPM 17295	Granted	24-Jan-2012	23-Jan-2022	Austral Resources Exploration Pty Ltd (100%)	Mortgage in an interest to Win Finance No.359 Pty Ltd	Expedited procedure – granted with NTPCs	Mitakoodi People #5 registered native title claim (3.66%) Kalkadoon People #4 determination (93.89%)	Aboriginal party: Mitakoodi People #5; Kalkadoon People #4 No registered sites	Endangered Regional Ecosystem – regrowth and remnant (Category B) in west corner
EPM 17298	Granted	24-Jan-2012	23-Jan-2022	Austral Resources Exploration Pty Ltd (100%)	Mortgage in an interest to Win Finance No.359 Pty Ltd	Expedited procedure – granted with NTPCs	Kalkadoon People #4 determination (98.16%)	Aboriginal party: Kalkadoon People #4 No registered sites	Nil
EPM 17415	Granted	30-Apr-2012	29-Apr-2024	Austral Resources Operations Pty Ltd (100%)	Mortgage in an interest to Win Finance No.359 Pty Ltd	Expedited procedure – granted with NTPCs	Kalkadoon People #4 determination (100%)	Aboriginal party: Kalkadoon People #4 No registered sites	Endangered Regional Ecosystem – regrowth and remnant (Category B) in north and east

EPM 17422	Granted	9-Aug-2012	8-Aug-2023	Austral Resources Operations Pty Ltd (100%)	Mortgage in an interest to Win Finance No.359 Pty Ltd	Expedited procedure – agreement reached under a section 31 deed	Indjalandji-Dhidhanu People determination (22.22%)	Aboriginal party: Indjalandji-Dhidhanu Multiple engravings, painting, burial, grinding groove, scarred/carved tree, stone arrangement	Entire tenement covered by Repealed Wild River Preservation Area (Category C) Endangered Regional Ecosystem – regrowth and remnant (Category B) scattered throughout
EPM 17469	Granted	9-Feb-2012	8-Feb-2024	Austral Resources Operations Pty Ltd (100%)	Mortgage in an interest to Win Finance No.359 Pty Ltd	Expedited procedure – agreement reached under a section 31 deed	Kalkadoon People #4 determination (11.73%) Indjalandji-Dhidhanu People determination (66.63%)	Aboriginal party: Kalkadoon People #4; Indjalandji-Dhidhanu No registered sites	80% of tenement covered by Repealed Wild River Preservation Area (Category C) Endangered Regional Ecosystem – regrowth and remnant (Category B) in western half
EPM 17494	Granted	23-Apr-2012	22-Apr-2024	Austral Resources Exploration Pty Ltd (100%)	Mortgage in an interest to Win Finance No.359 Pty Ltd	Expedited procedure – granted with NTPCs	Kalkadoon People #4 determination (100%)	Aboriginal party: Kalkadoon People #4 No registered sites	Nil
EPM 17525	Granted	9-Feb-2012	8-Feb-2024	Austral Resources Exploration Pty Ltd (100%)	Mortgage in an interest to Win Finance No.359 Pty Ltd	Expedited procedure – granted with NTPCs	Kalkadoon People #4 determination (100%)	Aboriginal party: Kalkadoon People #4 No registered sites	Nil
EPM 17527	Granted	9-Feb-2012	8-Feb-2022	Austral Resources Exploration Pty Ltd (100%)	Mortgage in an interest to Win Finance No.359 Pty Ltd	Expedited procedure – granted with NTPCs	Kalkadoon People #4 determination (98.65%)	Aboriginal party: Kalkadoon People #4 Landscape feature, resource area	Endangered Regional Ecosystem – regrowth and remnant (Category B) scattered throughout, particularly in south
EPM 17530	Granted	9-Feb-2012	8-Feb-2022	Austral Resources Exploration Pty Ltd (100%)	Mortgage in an interest to Win Finance No.359 Pty Ltd	Expedited procedure – granted with NTPCs	Kalkadoon People #4 determination (100%)	Aboriginal party: Kalkadoon People #4 No registered sites	Endangered Regional Ecosystem – regrowth and remnant (Category B) in centre of tenement
EPM 17533	Granted	27-Oct-2011	26-Oct-2022	Austral Resources Operations Pty Ltd (100%)	Mortgage in an interest to Win Finance No.359 Pty Ltd	Expedited procedure – granted with NTPCs	Kalkadoon People #4 determination (99.29%) Indjalandji-Dhidhanu People determination (0.71%)	Aboriginal party: Kalkadoon People #4; Indjalandji-Dhidhanu No registered sites	Southern half covered by Repealed Wild River Preservation Area (Category C)

EPM 17535	Granted	9-Feb-2012	8-Feb-2024	Austral Resources Exploration Pty Ltd (100%)	Mortgage in an interest to Win Finance No.359 Pty Ltd	Expedited procedure – granted with NTPCs	Kalkadoon People #4 determination (100%)	Aboriginal party: Kalkadoon People #4 No registered sites	Nil
EPM 17634	Granted	27-Oct-2011	26-Oct-2022	Austral Resources Exploration Pty Ltd (100%)	Mortgage in an interest to Win Finance No.359 Pty Ltd	Expedited procedure – granted with NTPCs	Kalkadoon People #4 determination (98.30%)	Aboriginal party: Kalkadoon People #4 One landscape feature	Nil
EPM 17646	Granted	9-Feb-2012	8-Feb-2022	Austral Resources Exploration Pty Ltd (100%)	Mortgage in an interest to Win Finance No.359 Pty Ltd	Expedited procedure – granted with NTPCs	Kalkadoon People #4 determination (98.71%)	Aboriginal party: Kalkadoon People #4 No registered sites	Endangered Regional Ecosystem – regrowth and remnant (Category B) in east
EPM 17789	Granted	7-Oct-2011	6-Oct-2022	Austral Resources Operations Pty Ltd (100%)	Mortgage in an interest to Win Finance No.359 Pty Ltd	Expedited procedure – granted with NTPCs	Kalkadoon People #4 determination (37.66%) Indjalandji-Dhidhanu People determination (36.65%)	Aboriginal party: Kalkadoon People #4; Indjalandji-Dhidhanu Multiple artefact scatters, scarred/carved trees, cultural sites (all Kalkadoon People #4)	50% of tenement covered by Repealed Wild River Preservation Area (Category C) Endangered Regional Ecosystem – regrowth and remnant (Category B) in western half
EPM 17854	Granted	9-Feb-2012	8-Feb-2022	Austral Resources Exploration Pty Ltd (100%)	Mortgage in an interest to Win Finance No.359 Pty Ltd	Expedited procedure – granted with NTPCs	Kalkadoon People #4 determination (100%)	Aboriginal party: Kalkadoon People #4 Multiple artefact scatters, one burial	Endangered Regional Ecosystem – regrowth and remnant (Category B) through centre
EPM 17855	Granted	9-Feb-2012	8-Feb-2022	Austral Resources Exploration Pty Ltd (100%)	Mortgage in an interest to Win Finance No.359 Pty Ltd	Expedited procedure – granted with NTPCs	Kalkadoon People #4 determination (94.32%)	Aboriginal party: Kalkadoon People #4 No registered sites	Nil
EPM 17856	Granted	9-Feb-2012	8-Feb-2022	Austral Resources Exploration Pty Ltd (100%)	Mortgage in an interest to Win Finance No.359 Pty Ltd	Expedited procedure – granted with NTPCs	Kalkadoon People #4 determination (100%)	Aboriginal party: Kalkadoon People #4 No registered sites	Endangered Regional Ecosystem – regrowth and remnant (Category B) in east
EPM 17859	Granted	9-Feb-2012	8-Feb-2022	Austral Resources Exploration Pty Ltd (100%)	Mortgage in an interest to Win Finance No.359 Pty Ltd	Expedited procedure – granted with NTPCs	Kalkadoon People #4 determination (98.21%)	Aboriginal party: Kalkadoon People #4 No registered sites	Nil
EPM 17861	Granted	9-Feb-2012	8-Feb-2022	Austral Resources Exploration Pty Ltd (100%)	Mortgage in an interest to Win Finance No.359 Pty Ltd	Expedited procedure – granted with NTPCs	Kalkadoon People #4 determination (100%)	Aboriginal party: Kalkadoon People #4 No registered sites	Nil

EPM 18817	Granted (Renewal Lodged)	17-Sep-2013	16-Sep-2021	Austral Resources Operations Pty Ltd (100%)	Mortgage in an interest to Win Finance No.359 Pty Ltd	Expedited procedure – granted with NTPCs	Indjalandji-Dhidhanu People determination (99.63%)	Aboriginal party: Indjalandji-Dhidhanu Multiple artefact scatters; quarry; scarred/carved trees, heath/oven	Entire tenement covered by Repealed Wild River Preservation Area (Category C) Endangered Regional Ecosystem – regrowth and remnant (Category B) in north
EPM 25515	Granted	2-Apr-2015	1-Apr-2022	Austral Resources Exploration Pty Ltd (100%)	Mortgage in an interest to Win Finance No.359 Pty Ltd	Expedited procedure – granted with NTPCs	Kalkadoon People #4 determination (99.30%)	Aboriginal party: Kalkadoon People #4 No registered sites	Nil
EPM 26068	Granted (Renewal lodged)	17-Oct-2016	16-Oct-2021	Austral Resources Exploration Pty Ltd (100%)	Mortgage in an interest to Win Finance No.359 Pty Ltd	Expedited procedure – agreement reached under a section 31 deed	Kalkadoon People #4 determination (98.35%)	Aboriginal party: Kalkadoon People #4 No registered sites	Endangered Regional Ecosystem – regrowth and remnant (Category B) in west

Schedule 2 – Environmental authorities

Environmental Authority	Holder	Tenements	Category / Conditions	Compliance – EA Annual Fee	Compliance – Annual Returns	ERC	Surety	Surety type
EPPR01295613	Austral Operations	EPM 16244	ERA Schedule 3 09 Listed conditions, additional conditions for Category B ESA	Fees up to date	Returns up to date	$2,500	$2,500	Cash
EPVX00162213	Austral Operations	EPM 17422	*Code of Environmental Compliance for Exploration and Mineral Development Projects* Standard condition 13 replaced with Category B ESA condition	Fees up to date	Returns up to date	$2,500	$2,500	Cash
EPVX00719313	Austral Operations	EPM 17789	*Code of Environmental Compliance for Exploration and Mineral Development Projects* Standard condition 13 replaced with new Category B ESA condition	Fees up to date	Returns up to date	$2,500	$2,500	Cash
EPVX00756413	Austral Operations	EPM 16243	*Code of Environmental Compliance for Exploration and Mineral Development Projects* Standard condition 13 replaced with new Category B ESA condition	Fees up to date	Returns up to date	$2,500	$2,500	Cash
EPVX02657614	Austral Operations	EPM 17415	*Code of Environmental Compliance for Exploration and Mineral Development Projects* Standard condition 13 replaced with new Category B ESA condition	Fees up to date	Returns up to date	$2,500	$2,500	Cash
EPVX02657714	Austral Operations Mr Terence Burt Mr Robert Kirkby Ms Judy-Anne Galway	EPM 15126	*Code of Environmental Compliance for Exploration and Mineral Development Projects* Standard condition 13 replaced with new Category B ESA condition	Fees up to date	Returns up to date	$2,500	$2,500	Cash
EPVX02657914	Austral Operations	EPM 18817	Code of environmental compliance for exploration and mineral development projects (Version 1) (EM586) Standard condition 13 replaced with new Category B ESA condition	Fees up to date	Returns up to date	$2,500	$2,500	Cash
EPVX02677614	Austral Operations	EPM 16242	*Code of Environmental Compliance for Exploration and Mineral Development Projects* Standard condition 13 replaced with Category B ESA condition	Fees up to date	Returns up to date	$2,500	$2,500	Cash
EPVX02677814	Austral Operations	EPM 16240	*Code of Environmental Compliance for Exploration and Mineral Development Projects* Standard condition 13 replaced with Category B ESA condition	Fees up to date	Returns up to date	$2,500	$2,500	Cash
EPVX02677914	Austral Operations	EPM 17088	*Code of Environmental Compliance for Exploration and Mineral Development Projects* Standard condition 13 replaced with Category B ESA condition	Fees up to date	Returns up to date	$2,500	$2,500	Cash
EPVX02678114	Austral Operations	EPM 16241	*Code of Environmental Compliance for Exploration and Mineral Development Projects* Standard condition 12 replaced with Category B ESA condition	Fees up to date	Returns up to date	$2,500	$2,500	Cash

Environmental Authority	Holder	Tenements	Category / Conditions	Compliance – EA Annual Fee	Compliance – Annual Returns	ERC	Surety	Surety type
EPVX02682414	Austral Operations	EPM 17469	*Code of Environmental Compliance for Exploration and Mineral Development Projects* Standard condition 13 replaced with Category B ESA condition	Fees up to date	Annual return for 2019 not received. Was started electronically by holder but not completed.	$2,500	$2,500	Cash
EPVX02752214	Austral Operations	EPM17533	*Code of Environmental Compliance for Exploration and Mineral Development Projects* Standard condition 13 replaced with Category B ESA condition	Fees up to date	Returns up to date	$2,500	$2,500	Cash
EPML00753513	Austral Operations	ML 5426 ML 5435 ML 5446 ML 5447 ML 5448 ML 5474 ML5476 ML5478 ML90168 ML90169 ML90170 ML90178 ML90179 ML90184 ML90233	ERA: Mining Lease – Schedule 2A, item 17 mining copper ore Site Specific EA conditions	Fees up to date	Returns up to date	$37,699,486.70	$30,504,000 **$7,195,486.70 outstanding under invoice INV001194 for ERC0005510-ASSN0005876**	Bank guarantees held – Bank of China Limited: $5,000,000.00 $4,852,630.00 $3,872,696.00 $5,000,000.00 $5,000,000.00 $846,072.00 $5,932,602.00
EPSX00147413	Austral Resources Exploration Pty Ltd	EPM17494	*Code of Environmental Compliance for Exploration and Mineral Development Projects*	Fees up to date	Returns up to date	$2,500	$2,500	Cash
EPSX00147913	Austral Resources Exploration Pty Ltd	EPM17495	*Code of Environmental Compliance for Exploration and Mineral Development Projects*	Fees up to date	Returns up to date	$2,500	$2,500	Cash
EPSX03580015	Austral Resources Exploration Pty Ltd	EPM26068	*Code of Environmental Compliance for Exploration and Mineral Development Projects*	Fees up to date	Returns up to date	$2,500	$2,500	Cash
EPVX02746614	Austral Resources Exploration Pty Ltd	EPM17167	*Code of Environmental Compliance for Exploration and Mineral Development Projects* Standard condition 13 is replaced by condition B2 ESA condition	Fees up to date	Returns up to date	$2,500	$2,500	Cash

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Environmental Authority	Holder	Tenements	Category / Conditions	Compliance – EA Annual Fee	Compliance – Annual Returns	ERC	Surety	Surety type
EPVX02746714	Austral Resources Exploration Pty Ltd	EPM17295	*Code of Environmental Compliance for Exploration and Mineral Development Projects* Standard condition 13 is replaced by condition B2 ESA condition	Fees up to date	Returns up to date	$2,500	$2,500	Cash
EPVX02747114	Austral Resources Exploration Pty Ltd	EPM17535	*Code of Environmental Compliance for Exploration and Mineral Development Projects* Standard condition 13 is replaced by condition B2 ESA condition	Fees up to date	Returns up to date	$2,500	$2,500	Cash
EPVX02749814	Austral Resources Exploration Pty Ltd	EPM17527	*Code of Environmental Compliance for Exploration and Mineral Development Projects* Standard condition 13 is replaced by condition B2 ESA condition	Fees up to date	Returns up to date	$2,500	$2,500	Cash
EPVX02750414	Austral Resources Exploration Pty Ltd	EPM17634	*Code of Environmental Compliance for Exploration and Mineral Development Projects* Standard condition 13 is replaced by condition B2 ESA condition	Fees up to date	Returns up to date	$2,500	$2,500	Cash
EPVX02750814	Austral Resources Exploration Pty Ltd	EPM17646	*Code of Environmental Compliance for Exploration and Mineral Development Projects* Standard condition 13 is replaced by condition B2 ESA condition	Fees up to date	Returns up to date	$2,500	$2,500	Cash
EPVX02751314	Austral Resources Exploration Pty Ltd	EPM17530	*Code of Environmental Compliance for Exploration and Mineral Development Projects* Standard condition 13 is replaced by condition B2 ESA condition	Fees up to date	Annual return for 2016-2017 not received	$2,500	$2,500	Cash
EPVX02751614	Austral Resources Exploration Pty Ltd	EPM17298	*Code of Environmental Compliance for Exploration and Mineral Development Projects* Standard condition 13 is replaced by condition B2 ESA condition	Fees up to date	Returns up to date	$2,500	$2,500	Cash
EPVX02751814	Austral Resources Exploration Pty Ltd	EPM17855	*Code of Environmental Compliance for Exploration and Mineral Development Projects* Standard condition 13 is replaced by condition B2 ESA condition	Fees up to date	Returns up to date	$2,500	$2,500	Cash
EPVX02752014	Austral Resources Exploration Pty Ltd	EPM17525	*Code of Environmental Compliance for Exploration and Mineral Development Projects* Standard condition 13 is replaced by condition B2 ESA condition	Fees up to date	Returns up to date	$2,500	$2,500	Cash
EPVX02752614	Austral Resources Exploration Pty Ltd	EPM17856	*Code of Environmental Compliance for Exploration and Mineral Development Projects* Standard condition 13 is replaced by condition B2 ESA condition	Fees up to date	Returns up to date	$2,500	$2,500	Cash

Environmental Authority	Holder	Tenements	Category / Conditions	Compliance – EA Annual Fee	Compliance – Annual Returns	ERC	Surety	Surety type
EPVX02752814	Austral Resources Exploration Pty Ltd	EPM17861	*Code of Environmental Compliance for Exploration and Mineral Development Projects* Standard condition 13 is replaced by condition B2 ESA condition	Fees up to date	Returns up to date	$2,500	$2,500	Cash
EPVX02752914	Austral Resources Exploration Pty Ltd	EPM17854	*Code of Environmental Compliance for Exploration and Mineral Development Projects* Standard condition 13 is replaced by condition B2 ESA condition	Fees up to date	Returns up to date	$2,500	$2,500	Cash
EPVX02755414	Austral Resources Exploration Pty Ltd	EPM17859	*Code of Environmental Compliance for Exploration and Mineral Development Projects* Standard condition 13 is replaced by condition B2 ESA condition	Fees up to date	Returns up to date	$2,500	$2,500	Cash
EPVX02755914	Austral Resources Exploration Pty Ltd	EPM25515	*Code of Environmental Compliance for Exploration and Mineral Development Projects* Standard condition 13 is replaced by condition B2 ESA condition	Fees up to date	Returns up to date	$2,500	$2,500	Cash
EPVX02770414	Austral Resources Exploration Pty Ltd	EPM17165	*Code of Environmental Compliance for Exploration and Mineral Development Projects* Standard condition 13 is replaced by condition B2 ESA condition	Fees up to date	Returns up to date	$2,500	$2,500	Cash

Schedule 3 – Work Program

1. **EPM 14693**

Year	Year End	Proposed	Exploration	Expenditure percentage	Life of permit
1	27/09/2008	$10,000	$14,326	143%	143%
2	27/09/2009	$13,000	$13,133	101%	119%
3	27/09/2010	$30,000	$30,508	101%	109%
4	27/09/2011	$45,000	$98,005	217%	159%
5	27/09/2012	$60,000	$135,490	225%	184%
6	27/09/2013	$60,000	$47,958	79%	155%
7	27/09/2014	$70,000	$46,604	66%	134%
8	27/09/2015	$50,000	$181,957	363%	168%
9	27/09/2016	$40,000	$22,253	55%	156%
10	27/09/2017	$15,000	$5,860	39%	151%
11	27/09/2018	$15,000	$5,411	36%	147%
12	27/09/2019	$35,000	$3,210	9%	136%
13	27/09/2020	$23,000	$5,194	22%	130%
14	27/09/2021	$25,000	-	-	-
15	27/09/2022	$40,000	-	-	-

2. **EPM 15126**

Year	Year End	Proposed	Exploration	Expenditure percentage	Life of permit
1	30/05/2007	$50,000	$82,924	165%	165%
2	30/05/2008	$50,000	$146,792	293%	229%
3	30/05/2009	$50,000	$50,833	101%	187%
4	30/05/2010	$50,000	$43,173	86%	161%
5	30/05/2011	$50,000	$64,563	129%	155%
6	30/05/2012	$$0,000	$16,050	20%	122%
7	30/05/2013	$100,000	$31,473	31%	101%
8	30/05/2014	$120,000	$80,732	67%	93%
9	30/05/2015	$50,000	$47,476	59%	89%
10	30/05/2016	$13,000	$12,433	95%	89%
11	30/05/2017	$120,000	$13,489	11%	77%
12	30/05/2018	$34,500	$6,659	19%	74%
13	30/05/2019	$71,500	$4,653	6%	69%
14	30/05/2020	$44,000	$5,567	12%	66%
15	30/05/2021	$19,000	-	-	-
16	30/05/2022	$35,000	-	-	-
17	30/05/2023	$40,000	-	-	-

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3. **EPM 16240**

Year	Year End	Proposed	Exploration	Expenditure percentage	Life of permit
1	25/04/2013	$0	$362,104	-	-
2	25/04/2014	$430,000	$15,1747	35%	119%
3	25/04/2015	$234,000	$252,036	107%	115%
4	25/04/2016	$350 ,000	$9,520	2%	76%
5	25/04/2017	$350,000	$13,234	3%	57%
6	25/04/2018	$33 ,500	$8,541	25%	57%
7	25/04/2019	$22,000	$2,640	12%	56%
8	25/04/2020	$444,000	$2,4$1	0%	43%
9	25/04/2021	$16,500	-	-	-
10	25/04/2022	$35 ,000	-	-	-
11	25/04/2023	$35 ,500	-	-	-

4. **EPM 16241**

Year	Year End	Proposed	Exploration	Expenditure percentage	Life of permit
1	25/04/2013	$0	$67,017	-	-
2	25 /04/2014	$330,000	$126,131	38 %	58 %
3	25/04/2015	$240,000	$48,421	20%	42%
4	25/04/2016	$300,000	$11,200	3%	29%
5	25/04/2017	$320,000	$11,419	3%	22%
6	25/04/2018	$14,500	$13,146	90%	23%
7	25/04/2019	$22,500	$2,276	10%	22%
8	25/04/2020	$398,000	$3,014	0%	17%
9	25/04/2021	$8,500	-	-	-
10	25/04/2022	$18,000	-	-	-

5. **EPM 16242**

Year	Year End	Proposed	Exploration	Expenditure percentage	Life of permit
1	25/04/2013	$0	$282,229	-	-
2	25/04/2014	$1,121,000	$727,844	64%	90%
3	25/04/2015	$370,000	$370,357	100 %	92%
4	25/04/2016	$26,500	$23,932	90%	92%
5	25/04/2017	$600,000	$11,986	1%	66%
6	25/04/2018	$63,500	$13,345	21%	65%
7	25/04/2019	$302,000	$2,276	0%	57%
8	25/04/2020	$534,000	$3,767	0%	47%

Year	Year End	Proposed	Exploration	Expenditure percentage	Life of permit
9	25/04/2021	$19,500	-	-	-
10	25/04/2022	$43,000	-	-	-
11	25/04/2023	$50,000	-	-	-

6. **EPM 16243**

Year	Year End	Proposed	Exploration	Expenditure percentage	Life of permit
1	10/01/2011	$0	$176,461	-	-
2	10/01/2012	$260,000	$105,518	40%	108%
3	10/01/2013	$180,000	$302,692	168%	132 %
4	10/01/2014	$190,000	$186,892	98%	122%
5	10/01/2015	$230,000	$151,663	65%	98%
6	10/01/2016	$55,000	$29,169	53%	96%
7	1 0/01/2017	$40,000	$13,089	32%	94%
8	10/01/2018	$50,000	$10,212	20%	91%
9	10/01/2019	$35,000	$6,309	18%	89%
10	10/01/2020	$50,000	$5,395	10%	86%
11	10/01/2021	$55,000	-	-	-
12	10/01/2022	$22,500	-	-	-
13	10/01/2023	$40,000	-	-	-
14	10/01/2024	$50,000	-	-	-

7. **EPM 16244**

Year	Year End	Proposed	Exploration	Expenditure percentage	Life of permit
	07/04/2011	$500,000	$2,287,591	457%	457%
2	07/04/2012	$500,000	$5,881,978	1176%	816%
3	07/04/2013	$600,000	$7,119,628	1186%	955%
4	07/04/2014	$650,000	$2,708,078	416%	799%
5	07/04/2015	$650,000	$781,491	120%	647%
6	07/04/2016	$201,000	$211,263	105%	612%
7	07/04/2017	$559,000	$40,872	7%	519%
8	07/04/2018	$609,000	$10,212	1%	446%
9	07/04/2019	$218,000	$17,571	8%	424%
10	07/04/2020	$270,000	$10,872	4%	400%
11	07/04/2021	$220,000	-	-	-
12	07/04/2022	$220,000	-	-	-
13	07/04/2023	$200,000	-	-	-

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8. **EPM 17088**

Year	Year End	Proposed	Exploration	Expenditure percentage	Life of permit
1	08/02/2013	$0	$46,919		
2	08/02/2014	$90,000	$137,347	152%	204%
3	08/02/2015	$60,000	$70,125	116%	169%
4	08/02/2016	$80,000	$9,937	12%	114%
5	08/02/2017	$100,000	$15,358	15%	84%
6	08/02/2018	$30,000	$3,5560	11%	78%
7	08/02/2019	$40,000	$4,105	10%	71%
8	08/02/2020	$50,000	$2,339	4%	64%
9	08/02/2021	$11,500	-	-	-
10	08/02/2022	$13,500	-	-	-

9. **EPM 17165**

Year	Year End	Proposed	Exploration	Expenditure percentage	Life of permit
1	22/07/2015	$10,000	$17,988	179%	179%
2	22/07/2016	$15,000	$14,421	96%	129%
3	22/07/2017	$25,000	$6,060	24%	76%
4	22/07/2018	$30,000	$11,607	38%	62%
5	22/07/2019	$30,000	$5,726	19%	50%
6	22/07/2020	$7,000	$6,769	96%	53%
7	22/07/2021	$10,000	-	-	-
8	22/07/2022	$25,000	-	-	-

10. **EPM 17167**

Year	Year End	Proposed	Exploration	Expenditure percentage	Life of permit
1	23/01/2013	$0	$67,297		
2	23/01/2014	$22,000	$17,350	78%	384%
3	23/01/2015	$20,000	$23,186	115%	256%
4	23/01/2016	$25,000	$27,897	111%	202%
5	23/01/2017	$25,000	$7,657	30%	155%
6	23/01/2018	$10,000	$11,949	119%	152%
7	23/01/2019	$10,000	$3,642	36%	141%
8	23/01/2020	$15,000	$4,586	30%	128%
9	23/01/2021	$10,000	-	-	-
10	23/01/2022	$15,000	-	-	-

11. EPM 17295

Year	Year End	Proposed	Exploration	Expenditure percentage	Life of permit
1	23/01/2013	$0	$8,330		
2	23/01/2014	$160,000	$191,743	119%	125%
3	23/01/2015	$110,000	$53,973	49%	94%
4	23/01/2016	$130 ,000	$142,006	109%	99%
5	23/01/2017	$150,000	$6,001	4%	73%
6	23/01/2018	$50,000	$7,955	15%	68%
7	23/01/2019	$65,000	$9,956	15%	63%
8	23/01/2020	$80,000	$5,303	6%	57%
9	23/01/2021	$18,000	-	-	-
10	23/01/2022	$35,000	-	-	-

12. EPM 17298

Year	Year End	Proposed	Exploration	Expenditure percentage	Life of permit
1	23/01/2013	$0	$3,670	-	-
2	23/01/2014	$45,000	$13,302	29%	37%
3	23/01/2015	$0	$1,065	-	40%
4	23/01/2016	$70,000	$12,111	17%	26%
5	23/01/2017	$50,000	$10,535	21%	24%
6	23/01/2018	$15,000	$6,339	42%	26%
7	23/01/2019	$20,000	$9,956	49%	28%
8	23/01/2020	$25,000	$6,103	24%	28%
9	23/01/2021	$10,000	-	-	-
10	23/01/2022	$18,000	-	-	-

13. EPM 17415

Year	Year End	Proposed	Exploration	Expenditure percentage	Life of permit
1	29/04/2013	$0	$1,755	-	-
2	29/04/2014	$75,000	$60,570	80%	83%
3	29/04/2015	$45,000	$46,722	103%	90%
4	29/04/2016	$35,000	$7157	20%	74%
5	29/04/2017	$35,000	$9,464	27%	66%
6	29/04/2018	$35,000	$8,054	23%	59%
7	29/04/2019	$25,000	$1,583	6%	54%
8	29/04/2020	$30,000	$3,028	10%	49%
9	29/04/2021	$35,000	-	-	-

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Year	Year End	Proposed	Exploration	Expenditure percentage	Life of permit
10	29/04/2022	$7,000	-	-	-
11	29/04/2023	$13,800	-	-	-
12	29/04/2024	$25,100	-	-	-

14. **EPM 17422**

Year	Year End	Proposed	Exploration	Expenditure percentage	Life of permit
1	08/08/2013	$0	$13,082	-	-
2	08/08/2014	$45,000	$47,788	106%	135%
3	08/08/2015	$30,000	$50,640	168%	148%
4	08/08/2016	$40,000	$7,306	18%	103%
5	08/08/2017	$40,000	$3,183	7%	78%
6	08/08/2018	$12,000	$11,628	96%	80%
7	08/08/2019	$12,000	$3,297	27%	76%
8	08/08/2020	$15,000	$4,487	29%	72%
9	08/08/2021	$16,000	-	-	-
10	08/08/2022	$21,000	-	-	-
11	08/08/2023	$33,000	-	-	-

15. **EPM 17469**

Year	Year End	Proposed	Exploration	Expenditure percentage	Life of permit
1	08/02/2013	$0	$3,091		
2	08/02/2014	$14,000	$27,253	194%	216%
3	08/02/2015	$10,000	$174,797	1747%	854%
4	08/02/2016	$15,000	$11,728	78%	556%
5	08/02/2017	$17,500	$2,906	16%	388%
6	08/02/2018	$17,500	$14,245	81%	316%
7	08/02/2019	$10,000	$4,570	45%	284%
8	08/02/2020	$12,500	$3,072	24%	250%
9	08/02/2021	$15,000	-	-	-
10	08/02/2022	$5,500	-	-	-
11	08/02/2023	$10,000	-	-	-
12	08/02/2023	$12,000	-	-	-

16. **EPM 17494**

Year	Year End	Proposed	Exploration	Expenditure percentage	Life of permit
1	22/04/2013	$0	$25,135	-	-
2	22/04/2014	$9,000	$19,242	213%	493%
3	22/04/2015	$6,000	$22,098	368%	443%
4	22/04/2016	$14,000	$54,428	388%	416%
5	22/04/2017	$16,000	$10,812	67%	292%
6	22/04/2018	$16,000	$5,390	33%	224%
7	22/04/2019	$10,000	$2,300	23%	196%
8	22/04/2020	$12,500	$3,070	24%	170%
9	22/04/2021	$15,000	-	-	-
10	22/04/2022	$19,500	-	-	-
11	22/04/2023	$19,500	-	-	-
12	22/04/2024	$19,500	-	-	-

17. **EPM 17525**

Year	Year End	Proposed	Exploration	Expenditure percentage	Life of permit
1	08/02/2013	$0	$6,790	-	-
2	08/02/2014	$32,500	$12,959	39%	60%
3	08/02/2015	$20,000	$23,689	118%	82%
4	08/02/2016	$22,500	$13,433	59%	75%
5	08/02/2017	$17,500	$4,668	26%	66%
6	08/02/2018	$17,500	$6,100	34%	61%
7	08/02/2019	$15,000	$4,614	30%	57%
8	08/02/2020	$15,000	$2,477	16%	53%
9	08/02/2021	$17,500	-	-	-
10	08/02/2022	$10,000	-	-	-
11	08/02/2023	$16,000	-	-	-
12	08/02/2024	$20,000	-	-	-

18. **EPM 17527**

Year	Year End	Proposed	Exploration	Expenditure percentage	Life of permit
1	08/02/2013	$0	$39,543	-	-
2	08/02/2014	$207,000	$168,280	81%	100%
3	08/02/2015	$125,000	$120,388	96%	98%
4	08/02/2016	$350,000	$356,556	101%	100%
5	08/02/2017	$400,000	$1,357,541	339%	188%

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Year	Year End	Proposed	Exploration	Expenditure percentage	Life of permit
6	08/02/2018	$160,000	$35,797	22'/4	167%
7	08/02/2019	$175,000	$15,854	9%	147%
8	08/02/2020	$200,000	$2,477	1%	129%
9	08/02/2021	$225,000	-	-	-
10	08/02/2022	$250,000	-	-	-

19. **EPM 17530**

Year	Year End	Proposed	Exploration	Expenditure percentage	Life of permit
1	08/02/2013	$25,000	$12,392	49%	49%
2	08/02/2014	$13,000	$12,116	93%	64%
3	08/02/2015	$17,000	$17,531	103%	76%
4	08/02/2016	$40,000	$25,147	62%	70%
5	08/02/2017	$50,000	$12,573	25%	55%
6	08/02/2018	$17,500	$7,848	44%	53%
7	08/02/2019	$20,000	$5,370	26%	50%
8	08/02/2020	$25,000	$2,476	9%	46%
9	08/02/2021	$10,000	-	-	-
10	08/02/2022	$15,000	-	-	-

20. **EPM 17533**

Year	Year End	Proposed	Exploration	Expenditure percentage	Life of permit
1	26/10/2012	$25,000	$32,353	129%	129%
2	26/10/2013	$30,000	$67,247	224%	181%
3	26/10/2014	$35,000	$46,115	131%	161%
4	26/10/2015	$40,000	$40,562	101%	143%
5	26/10/2016	$50,000	$17,967	35%	113%
6	26/10/2017	$20,000	$2,672	13%	103%
7	26/10/2018	$30,000	$$,411	18%	92%
8	26/10/2019	$50,000	$4,349	8%	77%
9	26/10/2020	$20,000	$4,666	23%	73%
10	26/10/2021	$30,000	-	-	-
11	26/10/2022	$40,000	-	-	-

21. EPM 17535

Year	Year End	Proposed	Exploration	Expenditure percentage	Life of permit
1	08/02/2013	$6,000	$7,851	130%	130%
2	08/02/2014	$8,000	$6,602	82%	103%
3	08/02/2015	$10,000	$17,990	179%	135%
4	08/02/2016	$7,500	$8,550	114%	130%
5	08/02/2017	$12,500	$6,436	51%	107%
6	08/02/2018	$12,500	$5,944	47%	94%
7	08/02/2019	$5,000	$3,124	62%	91%
8	08/02/2020	$7,500	$2,473	32%	85%
9	08/02/2021	$10,000	-	-	-
10	08/02/2022		-	-	-
11	08/02/2023		-	-	-
12	08/02/2024		-	-	-

22. EPM 17634

Year	Year End	Proposed	Exploration	Expenditure percentage	Life of permit
1	26/10/2012	$40,000	$33,088	82%	82%
2	26/10/2013	$45,000	$58,436	129%	107%
3	26/10/2014	$40,000	$41,397	103%	106%
4	26/10/2015	$60,000	$35,119	58%	90%
5	26/10/2016	$70,000	$23,725	33%	75%
6	26/10/2017	$30,000	$4,904	16%	69%
7	26/10/2018	$40,000	$6,290	15%	62%
8	26/10/2019	$60,000	$2,296	3%	53%
9	26/10/2020	$21,000	$6,675	31%	52%
10	26/10/2021	$35,000	-	-	-
11	26/10/2022	$40,000	-	-	-

23. EPM 17635

Year	Year End	Proposed	Exploration	Expenditure percentage	Life of permit
1	08/02/2013	$2,000	$6,213	310%	310%
2	08/02/2014	$3,000	$6,969	232%	263%
3	08/02/2015	$4,000	$20,275	506%	371%
4	08/02/2016	$4,000	$3,648	91%	285%
5	08/02/2017	$7,500	$8,035	107%	220%
6	08/02/2018	$7,500	$5,063	67%	179%

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Year	Year End	Proposed	Exploration	Expenditure percentage	Life of permit
	Final		$50,203	-	-

24. **EPM 17646**

Year	Year End	Proposed	Exploration	Expenditure percentage	Life of permit
1	08/02/2013	$10,000	$10,453	104%	104%
2	08/02/2014	$42,500	$5,676	20%	36%
3	08/02/2015	$18,000	$15,532	86%	49%
4	08/02/2016	$35,000	$15,201	43%	47%
5	08/02/2017	$35,000	$6,702	19%	40%
6	08/02/2018	$15,000	$5,038	33%	39%
7	08/02/2019	$17,500	$2,350	13%	36%
8	08/02/2020	$20,000	$2,476	12%	34%
9	08/02/2021	$10,000	-	-	-
10	08/02/2022	$15,000	-	-	-

25. **EPM 17789**

Year	Year End	Proposed	Exploration	Expenditure percentage	Life of permit
1	06/10/2012	$550,000	$310,169	56%	56%
2	06/10/2013	$200,000	$809,525	404%	149%
3	06/10/2014	$140,000	$175,044	125%	145%
4	06/10/2015	$300,000	$286,604	95%	132%
5	06/10/2016	$600,000	$45,154	7%	90%
6	06/10/2017	$300,000	$1,184	0%	77%
7	06/10/2018	$300,000	$5,855	1%	68%
8	06/10/2019	$400,000	$4,277	1%	58%
9	06/10/2020	$64,000	$5,292	8%	57%
10	06/10/2021	$65,000	-	-	-
11	06/10/2022	$80,000	-	-	-

26. **EPM 17854**

Year	Year End	Proposed	Exploration	Expenditure percentage	Life of permit
1	08/02/2013	$8,000	$8,135	101%	101%
2	08/02/2014	$3,000	$4,232	141%	112%
3	08/02/2015	$10,000	$13,785	137%	124%
4	08/02/2016	$12,000	$5,876	48%	97%

Year	Year End	Proposed	Exploration	Expenditure percentage	Life of permit
5	08/02/2017	$12,000	$6,677	55%	86%
6	08/02/2018	$5,000	$4,253	85%	85%
7	08/02/2019	$6,000	$2,688	44%	81%
8	08/02/2020	$7,000	$2,493	35%	76%
9	08/02/2021	$7,000	-	-	-
10	08/02/2022	$15,000	-	-	-

27. **EPM 17855**

Year	Year End	Proposed	Exploration	Expenditure percentage	Life of permit
1	08/02/2013	$8 ,000	$10,754	134 %	134 %
2	08/02/2014	$3,500	$5,335	152%	139%
3	08/02/2015	$10,000	$11,362	113 %	12 7%
4	08/02/2016	$12,000	$6,710	55%	101%
5	08/02/2017	$12,000	$5,198	43%	86%
6	08/02/2018	$5,000	$4,253	85%	86%
7	08/02/2019	$6 ,000	$2,220	37%	81%
8	08/02/2020	$7,000	$2,493	35%	76%
9	08/02/2021	$7 ,000	-	-	-
10	08/02/2022	$13,000	-	-	-

28. **EPM 17856**

Year	Year End	Proposed	Exploration	Expenditure percentage	Life of permit
1	08/02/2013	$8,000	$8,229	102%	102%
2	08/02/2014	$5,500	$9,750	177%	133%
3	08/02/2015	$10,000	$13,022	130%	131%
4	08/02/2016	$12,000	$7,318	60%	107%
5	08/02/2017	$12,000	$2,306	19%	85%
6	08/02/2018	$5,000	$4,267	85%	85%
7	08/02/2019	$6,000	$2,220	37%	80%
8	08/02/2020	$7,000	$2,493	35%	75%
9	08/02/2021	$11,000	-	-	-
10	08/02/2022	$14,000	-	-	-

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29. **EPM 17859**

Year	Year End	Proposed	Exploration	Expenditure percentage	Life of permit
1	08/02/2013	$15,000	$16,357	109%	109%
2	08/02/2014	$8,000	$8,026	100%	106%
3	08/02/2015	$15,000	$16,303	108%	107%
4	08/02/2016	$30,000	$10,269	34%	74%
5	08/02/2017	$30,000	$4,231	14%	56%
6	08/02/2018	$13,000	$4,308	33%	53%
7	08/02/2019	$15,000	$2,009	13%	48%
8	08/02/2020	$17,000	$2,493	14%	44%
9	08/02/2021	$12,000	-	-	-
10	08/02/2022	$13,000	-	-	-

30. **EPM 17861**

Year	Year End	Proposed	Exploration	Expenditure percentage	Life of permit
1	08/02/2013	$6,000	$6,490	108%	108%
2	08/02/2014	$57,000	$11,450	20%	28%
3	08/02/2015	$15,000	$15,075	100%	42%
4	08/02/2016	$40,000	$15,781	39%	41%
5	08/02/2017	$40,000	$5,470	13%	34%
6	08/02/2018	$18,000	$3,096	17%	32%
7	08/02/2019	$20,000	$2,220	11%	30%
8	08/02/2020	$22,000	$2,493	11%	28%
9	08/02/2021	$6,000	-	-	-
10	08/02/2022	$11,000	-	-	-

31. **EPM 18817**

Year	Year End	Proposed	Exploration	Expenditure percentage	Life of permit
1	16/09/2014	$37,500	$29,909	79%	79%
2	16/09/2015	$50,000	$31,833	63%	70%
3	16/09/2016	$60,000	$15,050	25%	52%
4	16/09/2017	$130,000	$15,174	11%	33%
5	16/09/2018	$140,000	$7,299	5%	23%
6	16/09/2019	$55,000	$2,072	3%	21%
7	16/09/2020	$60,000	$6,172	10%	20%
8	16/09/2021	$70,000	-	-	-

32. **EPM 25515**

Year	Year End	Proposed	Exploration	Expenditure percentage	Life of permit
1	01/04/2016	$26,000	$93,254	358%	358%
2	01/04/2017	$40,000	$7,457	18%	152%
3	01/04/2018	$80,000	$6,888	8%	73%
4	01/04/2019	$100,000	$5,455	5%	45%
5	01/04/2020	$100,000	$5,593	5%	34%
6	01/04/2021	$34,500	-	-	-
7	01/04/2022	$45,000	-	-	-

33. **EPM 26068**

Year	Year End	Proposed	Exploration	Expenditure percentage	Life of permit
1	16/10/2017	$8,000	$239	2%	2%
2	16/10/2018	$17,000	$5,239	30%	21%
3	16/10/2019	$30,000	$3,111	10%	15%
4	16/10/2020	$10,000	$2,106	21%	16%
5	16/10/2021	$15,000	-	-	-

Schedule 4 – Documents provided by Austral

1. Anthill Project - Agreement relating to native title and mining with Kalkadoon Native Title Aboriginal Corporation RNTBC (KNTAC) and the Kalkadoon People dated 7 July 2015

2. Anthill Project - Agreement relating to native title and mining with the Indjalandji-Dhidhanu Aboriginal Corporation RNTBC (IDAC) on its own behalf and on behalf of the Native Title Holders dated 1 July 2015

3. Lady Annie / Mount Kelly Project Agreement relating to native title and mining (03.12.07)

4. Deed of Variation from 2010 between CST Minerals Lady Annie Pty Limited ACN 136 930 222 (now Austral Operations) and the Kalkadoon People (03.12.08.08)

5. Ancillary agreement for exploration (EPMs) between CST Minerals Lady Annie Pty Limited ACN 136 930 222 and Kalkadoon People #4

6. Agreement for Exploration - Exploration Permit Numbers 17088, 17422, 17469 between CST Minerals Lady Annie Pty Limited (ACN 136 930 222) and Indjalandji-Dhidhanu People.

7. Agreement for Exploration - Exploration Permit Number 18817 between CST Minerals Lady Annie Pty Ltd (ACN 136 930 222) and the Indjalandji-Dhidhanu People

8. Compensation Deed between CST Minerals Lady Annie Pty Limited and Calton Hills Pty Ltd dated 20 January 2014 (03.04.04)

9. Conduct and Compensation Agreement between CST Minerals Lady Annie Pty Ltd and Coolreagh Pastoral Co Pty Ltd (03.04.05)

10. Calton Hills Pty Ltd Landholder Statement - Mining Infrastructure dated 17 February 2020 (02.06)

11. EPM 16243 Section 31 Agreement between the State of Qld, Kalkadoon, IDP and ARLA dated 6 August 2009 (03.12.05.3)

12. EPM 16244 Section 31 Agreement between the State of Qld, Kalkadoon, IDP and ARLA dated 6 August 2009 (03.12.06.4

13. Battle Creek Farmin and Joint Venture Agreement between Reefway Pty Limited and Terrence John Burt dated 25 August 2006

14. Royalty Deed between Pegmont Mines NL, Pegasus Enterprises Limited, Goldsearch Limited, Avon Resources Limited and Reefway Pty Limited dated 2004.

15. 03.04.02 Application for Water Licence - WL602530 100409 Johnson Creek OCR

16. Water Licence - WL623710 - Austral Resources Lady Annie Pty Ltd

17. 2018-2021_LadyAnnie_Plan of Operations_V1-2_TR

18. Estimated rehabilitation cost decision dated 30 November 2020

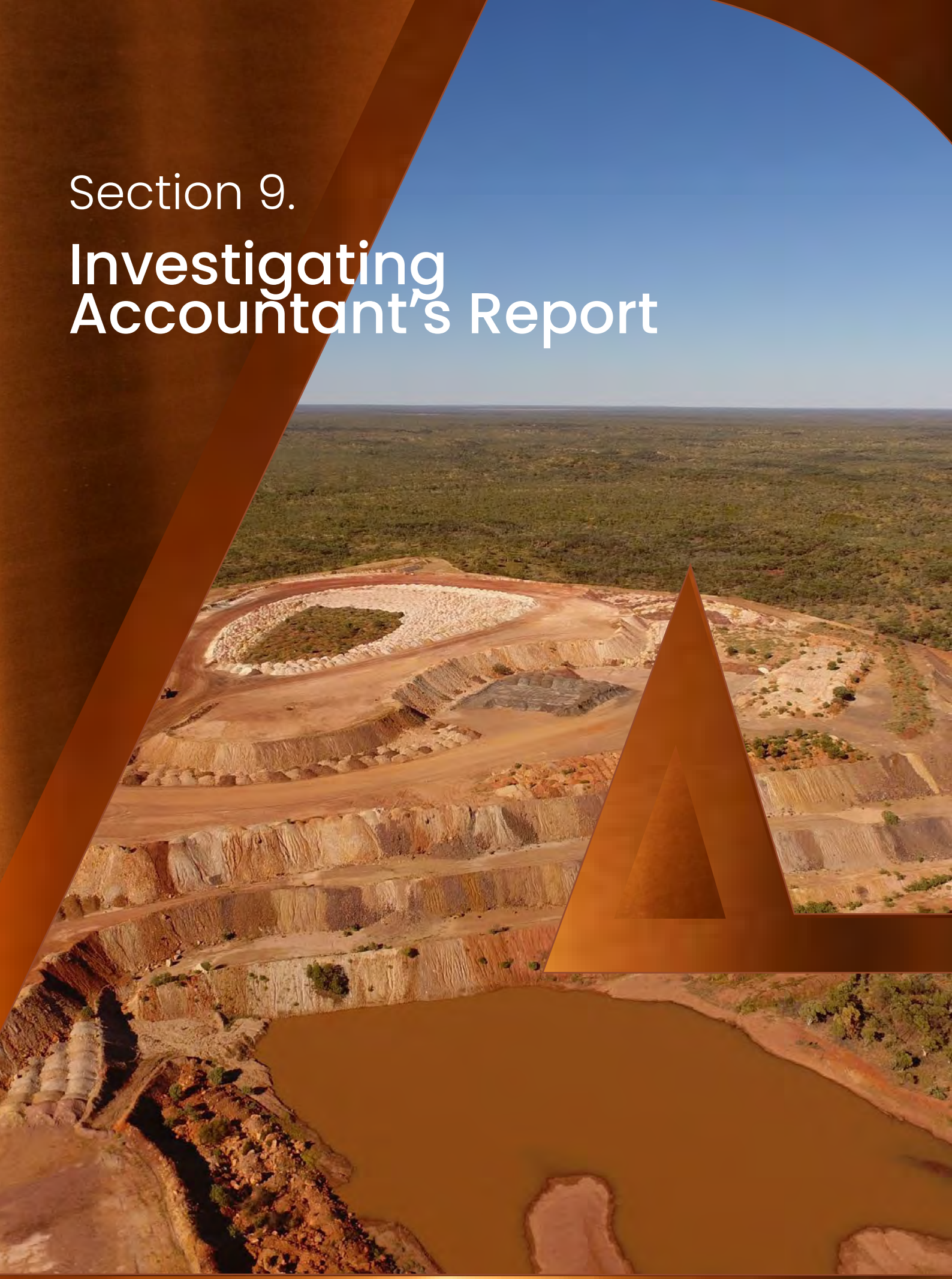
19. Queensland Treasury invoice for Financial Provision Surety dated 3 December 2020

20. Austral – General Security Deed between Austral Resources Operations Pty Ltd, Austral Resources Australia Pty Ltd, Austral Resources Exploration Pty Ltd and Win Finance No. 359 dated 9 August 2021.

21. Email from Murray Smith, Scheme Manager, Financial Provisioning Scheme to Dean Sharpe and Filiz Tansley (copy to Peter Fox, Shane O'Connell and Bronagh Freeman) dated 3 March 2021.

Section 9.

Investigating Accountant's Report



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10 September 2021

The Board of Directors
Austral Resources Australia Limited
Level 9, 60 Edward Street
Brisbane City, QLD, 4000

Dear Directors,

INVESTIGATING ACCOUNTANT'S REPORT

Independent Limited Assurance Report on the Austral Resources Australia Limited historical statutory and pro forma financial information

We have been engaged by Austral Resources Australia Limited ("Austral Resources" or "the Company") to report on certain historical statutory and pro forma financial information related to Austral Resources and its wholly owned subsidiaries (collectively "the Group") for inclusion in a Prospectus dated on or about 10 September 2021.

The Prospectus relates to the Company's proposed listing of ordinary shares on the Australian Securities Exchange ("ASX") via an Initial Public Offering ("Offer"), to raise $30 million.

Expressions and terms defined in the Prospectus have the same meaning in this report.

Scope

Historical Statutory Financial Information

You have requested RSM Corporate Australia Pty Ltd ("RSM") to review the Historical Statutory financial information of Austral Resources included in Section 6 of the Prospectus, comprising:

- the audited consolidated historical statutory statement of profit and loss and other comprehensive income for the financial years ended 31 December 2018 ("FY18"), 31 December 2019 ("FY19") and 31 December 2020 ("FY20");
- the audited consolidated historical statutory statement of cash flows for FY18, FY19, and FY20; and
- the audited consolidated historical statement of financial position as at 31 December 2020;

collectively "the Historical Statutory Financial Information".

The Historical and Pro Forma Statement of Financial Position presented in the Prospectus reflects a consolidation of the Group and assumes the listing on the ASX occurs.

The Historical Statutory Financial Information of Austral Resources has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in International Financial Reporting Standards ("IFRS") and Austral Resources' adopted accounting policies.

The Historical Statutory Financial Information has been extracted from the audited special purpose (FY18) and general purpose (FY19 and FY20) consolidated financial statements of Austral Resources which were audited by Deloitte Touche Tohmastsu in FY18 and RSM Australia Partners in FY19 and FY20.

The FY18 financial statements of the Group was audited by Deloitte Touche Tohmatsu, who issued an unqualified audit opinion with an emphasis of matter for "Basis of accounting" that the financial report has been prepared for the purpose of fulfilling the director's financial reporting responsibilities under the Corporation Act 2001 and as a result, the financial report may not be suitable for another purpose.

The FY19 and FY20 financial statements were audited by RSM Australia Partners. In FY19 a qualified audit report was issued due to the accuracy and completeness of inventory quantities held at 31 December 2019 as the auditor could not attend the stock take. In FY20, a qualified audit report was issued due to the accuracy and completeness of inventory quantities held at 31 December 2020. In addition, and since opening inventories enter into the determination of the financial performance and cash flows and which was a consequence of the FY19 audit report qualification, RSM Australia Partners were unable to determine whether adjustments might have been necessary in respect of the income for the year reported in the statement of comprehensive income and the net cash flows from operating activities reported in the statement of cash flows.

The Historical Statutory Financial Information is presented in the Prospectus in an abbreviated form, insofar as it does not include all the presentation and disclosures required by Australian Accounting Standards applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

Historical Pro Forma Financial Information

You have requested RSM to review the historical pro forma financial information of Austral Resources included in Section 6 of the Prospectus and comprising:

- the unaudited historical pro forma statement of financial position of Austral Resources as at 31 December 2020; and
- the subsequent events and pro forma adjustments as described in Section 6.5 of the Prospectus.

collectively referred to as "the Historical Pro Forma Financial Information".

The Historical Pro Forma Financial Information has been derived from the Historical Financial Information of Austral Resources, adjusted for the transactions / adjustments summarised in Section 6 of the Prospectus. The stated basis of preparation is the recognition and measurement requirements of Australian Accounting Standards Board ("AASB") and IFRS and Austral Resources' adopted accounting policies applied to the Historical Financial Information and the events or transactions to which the subsequent events and pro forma adjustments relate, as described in Section 6.5 of the Prospectus, as if those events or transactions had occurred as at the date of the Historical Financial Information.

Due to its nature, the Historical Pro Forma Financial Information does not represent Austral Resources' actual or prospective financial position.

The Historical Pro Forma Financial Information is presented in the Prospectus in an abbreviated form, insofar as it does not include all the presentation and disclosures required by Australian Accounting Standards applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

Directors' responsibility

The directors of Austral Resources are responsible for:

- the preparation and presentation of the Historical Statutory Financial Information; and
- the preparation and presentation of the Historical Pro Forma Financial Information, including the selection and determination of subsequent events and pro forma adjustments made to the Historical Statutory Financial Information and included in the Historical pro forma Financial Information.

This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of the Historical Statutory and Pro Forma Financial Information that are free from material misstatement, whether due to fraud or error.

Our responsibility

Our responsibility is to express a limited assurance conclusion on the Historical Statutory and Pro Forma Financial Information based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450: "*Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*".

We made such enquiries, primarily of persons responsible for financial and accounting matters, and performed such procedures as we, in our professional judgment, considered reasonable in the circumstances including:

- a consistency check of the application of the stated basis of preparation to the Historical Statutory and Pro Forma Financial Information;
- a review of Austral Resources' work papers, accounting records and other supporting documents;
- enquiry of directors, management personnel and advisors; and
- the performance of analytical procedures applied to the Historical Statutory and Pro Forma Financial Information.

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 reasonable 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.

Our engagement did not involve updating or re-issuing any previously issued audit or review report on any financial information used as source of the financial information.

Conclusions

Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Historical Financial Information of Austral Resources, as described in Section 6 of the Prospectus, and comprising:

- the audited consolidated historical statutory statement of profit and loss and other comprehensive income for FY18, FY19 and FY20;
- the audited consolidated historical statutory statement of cash flows for FY18, FY19 and FY20; and
- the audited consolidated historical statement of financial position as at 31 December 2020;

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 6.5 of the Prospectus.

Historical Pro Forma Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Historical Pro Forma Financial Information of Austral Resources, as set out in Section 6 of the Prospectus, and comprising:

- the unaudited pro forma statement of financial position of Austral Resources as at 31 December 2020; and
- the subsequent events and pro forma adjustments as described in Section 6 of the Prospectus,

is not presented fairly in all material aspects, in accordance with the stated basis of preparation, as described in Section 6 of the Prospectus.

Restriction on use

Without modifying our conclusions, we draw attention to Section 6, which describes the purpose of the financial information, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for use for another purpose.

Declaration of interest

RSM Corporate Australia Pty Ltd does not have any interest in the outcome of this transaction other than the preparation of this report for which normal professional fees will be received.

Yours faithfully,

T Goodman

RSM CORPORATE AUSTRALIA PTY LTD
Tim Goodman
Director

Section 10.

Directors and Management

10.1. Board of Directors and Officers

The Directors and Company Secretary bring relevant experience and skills to the Board, including industry and business knowledge, financial management and corporate governance experience.

(a) Phillip Thomas – Chairman

- Bachelor of Science in Geology
- Masters in Business
- Designation of Certified Mineral Valuer

Memberships

- Australian Institute of Geoscientists
- The Australasian Institute of Mining and Metallurgy (AusIMM) (Fellow)
- Australasian Institute of Mineral Valuers and Appraisers (AIMVA) (Member, Director and past Chairman)

Phillip 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.

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 will meet on a regular basis to receive CEO reports on the Company's progress and assist in the decision making of significant endeavours.

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

"Our vision for Austral Resources is to be a highly profitable, vertically integrated group that produces LME quality copper. Being listed on the ASX, I am committed to ensuring that we communicate openly with our shareholders so they understand our efforts and achievements."

(b) Dan Jauncey – Executive Director

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.

Ultimately, Dan is responsible for ensuring that Austral Resources continues to grow through its LME Grade A copper production and Anthill Project. 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.

"Our next phase for Austral Resources is very exciting. With bullish demand for copper, we are treating the opportunity at Anthill as the fuel in our tank to get us to our next venture. Austral Resources is geographically positioned in a target rich environment for copper and rare earth metals. I could not be happier with the team we have supporting us for this next phase. Their wealth of knowledge is second to none."

(c) Jeff Innes – Non-Executive Director

- Bachelor of Engineering (Mining)
- Diploma in Financial Management

Memberships

- AusIMM (Fellow and Chairman of the North Queensland Branch)
- AICD

Jeff is a professional leader with high integrity and demonstrated performance in operations management, strategic planning in mines, feasibilities, mine expansion, and HR restructuring. Jeff 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.

Jeff 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.

Jeff joined the Board as a Non-Executive Director in June 2021. He brings many years of experience in leading and improving mining operations, working as an owner-miner and as a mining contractor using both inhouse and contractor labour hire models. He will be involved with the Safety and Sustainability committee and the Audit and Remuneration committee. As a graduate of the Australian Institute of Company Directors, Jeff is well versed in the governance and fiduciary requirements of a Non-Executive Director.

Jeff's appointment marks a significant step for Austral Resources. He will add immense value in bringing Anthill to fruition and extending the exploration efforts in the area.

"I am extremely pleased to be part of the team exploring this highly prospective region north of Mount Isa. The exploration potential is enormous. Couple this with the proven ore reserves at Anthill, an excellent processing facility, and the experienced and dedicated staff in the team, it is an exciting time to be joining the Austral Resources Board."

(d) 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 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 Company Secretary of Core Lithium Ltd (ASX: CXO) and Iron Road Ltd (ASX: IRD). 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 will be involved 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.

"I am delighted to be part of the Austral Resources team, taking forward the exciting portfolio of assets and working with a highly credentialed Board that has a proven track record for success."

10.2. Management

Management comprises the following:

(a) Steve Tambanis – Chief Executive Officer

- Bachelor of Economics
- Bachelor of Science (Geology)

Memberships:

- AusIMM
- AIMVA

Steven has extensive management and operational experience across both small and large global mining companies. His commodity experience includes copper, gold, and other commodities. He has skills and experience in comprehensive exploration, evaluation, capital raising, investor relationship management, and business leadership.

Prior to joining Austral Resources, Steven held the position of CEO of North Stawell Minerals. Earlier roles include Managing Director of ASX listed Black Rock Mining Limited, and Technical Director of Goldminex Resources. Steven also worked as part of a management consultancy group reviewing operating mines.

Steven joined Austral Resources in July 2021 as CEO. His role is to lead Austral's mining and processing teams, manage an intensive exploration initiative to expand the Company's current copper resource base, and to oversee value adding opportunities that arise from Austral's assets in the Mount Isa district. He will be closely monitoring operational costs and working to deliver additional long-term ore feed to Austral's existing processing facility.

"I look forward to creating shareholder value for Austral Resources through efficient operations, exploration discovery, and developing optionality. I am highly motivated to promote team development across the business, to ensure effective communication with shareholders and to maintain excellent relations with all stakeholders."

(b) 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. He 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. He 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.

"Since joining Austral Resources, we embarked on an exciting journey and achieved a successful rebirth and progression of Austral's key assets – the heap leach, the SX/EW processing facility and the Anthill Project. As the Managing Director, I am proud and honoured to have led such a dedicated and technically skilled team. We have overcome many challenges in the past 2 years to deliver strong results operationally while maintaining a strong safety record. I am equally proud of the relationships we have forged with the Local Native Title Holders and Property Owners, our contracting partners, and the State regulators."

(c) Luke Johnstone – Chief Financial Officer

- Bachelor of Business Administration (Finance and Leadership)

Luke is a senior finance professional with more than fourteen years of business management experience. Prior to joining the Austral Resources team Luke worked in private equity with Warburg Pincus under the Total Safety brand where he served as Director of Operations for the Canadian business units. He later went on to be a co-founder and Vice President of Business Development of Connect Global Strategies which oversaw deals in the oil and gas, mining, and infrastructure sectors.

Luke joined Austral Resources in October 2019. As Chief Financial Officer, Luke is responsible for the Company's corporate controllership, investor relations, financial reporting and analysis, strategic planning and analysis, and corporate development functions. Luke prides himself on being a strong leader who leads by example in work ethic, knowledge, and self-development.

"It is an honour to work with a cross section of high performing professionals and to be involved in creating shareholder value through the production and discovery of high-quality, ethically sourced copper."

10.3. Director Disclosures

No Director has been the subject of any disciplinary action, criminal conviction, personal bankruptcy or disqualification in Australia or elsewhere in the last 10 years.

No Director has been an officer of a company that has entered into any form of external administration as a result of insolvency during the time that such Director was an officer or within a 12 month period after they ceased to be an officer.

10.4. Executive Remuneration

The proposed annual remuneration and performance-based share remuneration of each key Executive for the financial year following the Company being listed on the ASX, along with their respective of the Company at the date of this Prospectus, are as follows:

Executive	Remuneration/annum	Performance Rights[1]
Steve Tambanis (Chief Executive Officer)	$400,000	3,117,625
Shane O'Connell (Chief Operating Officer)	$300,000	7,393,225
Luke Johnstone (Chief Financial Officer)	$250,000	7,393,225
Dan Jauncey (Executive Director)	$350,000	22,268,750

1. Performance Share Plan summary is included in Section 10.8 and details of Performance Rights including related performance targets is included in Section 13.4.

10.5. Directors' fees

The Constitution of the Company provides that the non-executive Directors are entitled to remuneration as determined by the Company in a general meeting to be apportioned among them in such manner as the Directors agree and, in default of agreement, equally. The aggregate maximum remuneration currently determined by the Company is A$500,000 per annum. Additionally, non-executive Directors will be entitled to be reimbursed for properly incurred expenses.

10.6. Disclosure of Interests

The proposed annual remuneration of each Director for the financial year following the Company being listed on the ASX, along with each Director's relevant interest in securities of the Company at the date of this Prospectus, are set out in the tables below:

Director	Remuneration	Description of Services
Phillip Thomas	$80,000/annum	Chairman
Jeff Innes	$60,000/annum	Non-Executive Director
Dan Jauncey	$350,000/annum	Executive Director
Total	**$490,000/annum**	

Director	Shares (% holding)	Performance Rights[3]
Phillip Thomas	Nil (0%)[1]	1,603,350
Jeff Innes	Nil (0%)[1]	1,603,350
Dan Jauncey	262,500,000 (58.94%)[2]	22,268,750

1. Mr Thomas has indicated his intention to subscribe for 750,000 Shares under the Offer. Mr Innes has indicated his intention to subscribe for 250,000 Shares under the Offer.
2. 235,100,000 existing Shares are held by Yellow Gear Pty Ltd atf the Super Snake Trust, an entity controlled by Mr Dan Jauncey. Mr Jauncey has additionally transferred some 27,400,000 existing Shares to related and unrelated parties. The Company considers that Mr Jauncey may have a relevant interest in up to 262,500,000 existing Shares.
3. Performance Share Plan summary is included in section 10.8 and details of Performance Rights including related performance targets is included in Section 13.4.

10.7. Deeds of Access, Indemnity and Insurance for Directors

The Company has entered into a deed of access, indemnity and insurance with each Director to provide indemnification, including advancement of expenses incurred in legal proceedings to which the Director was, or is threatened to be made, a party by reason of the fact that such Director is or was a Director, officer, employee or agent of the Company, provided that such Director acted in good faith and in a manner that the Director reasonably believed to be in, or not opposed to, the Company's best interests. The deed of access, indemnity and insurance also contains the Director's rights to Board papers.

At present, there is no pending litigation or proceeding involving a Director or officer for which indemnification is sought, nor is the Company aware of any threatened litigation that may result in claims for indemnification.

The Company maintains insurance policies that indemnify its Directors and officers against various liabilities that might be incurred by any Director or officer in his or her capacity as such.

10.8. Employee Incentive Plans

The Company has adopted the following two Employee Incentive Plans:

- an Employee Share Option Plan (**Option Plan**); and
- an Employee Performance Share Plan (**Rights Plan**),

(separately referred to as **Plan** or together the **Plans** as the context requires).

Pursuant to the applicable Plan, the Board may, in its absolute discretion offer to grant:

- employee share options (**Options**) to an "Eligible Employee" pursuant to the Option Plan; and/or
- performance rights (**Rights**) to an "Eligible Employee" pursuant to the Rights Plan,

having regard, in each case, to the Eligible Employee's contribution (or potential contribution) to the Company, period of employment and any other matters the Board considers in its absolute discretion to be relevant.

In the following summary of the Plans the Options and Rights shall be referred to collectively as **Awards,** unless referred to specifically.

(a) Eligibility

An "Eligible Employee" is a director, senior executive or full or part time employee or consultant of the Company or its associated body corporate (including a nominee of those persons), who is invited by the Board to participate in either the Option Plan or the Rights Plan, or both.

(b) Terms of Awards

Each Option will be granted to eligible employees under the Option Plan for no more than nominal consideration. No amount is payable for the grant of a Right under the Rights Plan unless otherwise determined by the Board.

Each Award will entitle its holder to subscribe for and be issued one Share (on vesting and exercise of that Award).

The exercise price for each Option will be determined by the Board in its discretion, on or before the grant of the Option, and shall in any event be no less than the weighted average sale price of Shares sold on ASX during the five Business Days prior to the grant date or such other period as determined by the Board (in its discretion). Upon grant of Rights, the Board may determine performance conditions that must be satisfied before the Rights can vest, but no "exercise price" is applicable unless the Board has determined that an amount is payable upon satisfaction of performance conditions and vesting of the Right.

Awards will not be listed for quotation on ASX; however the Company will apply for Official Quotation of Shares issued upon the exercise of any vested Award.

A participant is not entitled to a legal or beneficial interest in any Shares by virtue of holding an Award and in particular a participant is not entitled to participate in or receive any dividend or other shareholder benefits until its Awards have vested and been exercised and Shares have been allocated to the participant as a result of the exercise of those Awards.

There are no participating rights or entitlements inherent in the Awards and participants will not be entitled to participate in new issues of securities offered to shareholders of the Company during the currency of the Awards, however the Company will ensure that adequate notice is given to participants in order for participants to have the opportunity to exercise vested Awards which they are entitled to exercise before the record date for determining entitlements to any such issue. Following the issue of Shares following the exercise of vested Awards, participants will be entitled to exercise all rights of a Shareholder attaching to the Shares, subject to any disposal restrictions advised to the participant at the time of the grant of the Awards.

If there is a reconstruction of the issued capital of the Company prior to the expiry of any Awards, the number of Awards to which each participant is entitled or the exercise price of his or her Awards or any other terms will be reconstructed in a manner determined by the Board which complies with the provisions of the ASX Listing Rules.

(c) Performance Conditions

When granting Awards, the Board may make their vesting conditional on the satisfaction of a performance condition within a specified period. The Board may at any time waive or change a performance condition or performance period in accordance with the applicable Plan rules if the Board (acting reasonably) considers it appropriate to do so.

(d) Vesting

Options will vest following satisfaction of the performance conditions, if any, or such other date as determined by the Board in its discretion. A Right granted under the Rights Plan will only vest upon satisfaction of the applicable performance conditions. The Board will in its absolute discretion determine whether, and if so, to what extent each performance condition has been satisfied and must advise the participant in writing of its determination.

Subject to the relevant Plan rules, the Board may declare that all or a specified number of any unvested Awards granted to a participant which have not lapsed immediately vest if, in the opinion of the Board a change of control in the Company, or a person acquires a relevant interest in more than 90% of the shares in the Company, has or is likely to occur, having regard to the participant's pro rata performance in relation to the applicable performance conditions up to that date.

Subject to the rules of each Plan, the Board may in its absolute discretion, declare the vesting of an Award where the Company is wound up or passes a resolution to dispose of its main undertaking.

If there is any internal reconstruction or acquisition of the Company which does not involve a significant change in the identity of the ultimate shareholders of the Company, the Board may declare in its sole discretion whether and to what extent Awards, which have not vested by the date the reconstruction takes place, will vest, and may amend (or waive) any performance condition as it considers appropriate, subject to all applicable laws.

(e) Exercise of Awards

The exercise of any Option granted under the Option Plan must be effected in the form and manner described in the Plan rules.

Options will become exercisable if any performance conditions set by the Board at the time of the grant are met, the Options have vested, the expiry date has not passed, and the Option has not lapsed under the Option Plan rules.

A Right can be exercised if the applicable performance condition is satisfied, in the form and manner determined by the Board, and if the Board has determined an amount is also payable on the satisfaction of the performance condition, that amount must also be paid to the Company at the time of exercise.

(f) Lapse and Forfeiture

An Award will immediately lapse upon the first to occur:

(1) (in respect of an unvested Award) upon the passing of the vesting date (as determined by the Board) without the Option having vested;

(2) its expiry date;

(3) the performance conditions (if any) not being satisfied prior to the date specified by the Board;

(4) the transfer or purported transfer of the Awards without the prior consent of the Board in accordance with the Plan rules;

(5) the day that is 3 months following the date the participant (or the nominating participant if applicable) ceases to be employed or engaged by the Company or its associated body corporate;

(6) termination of the participant's (or the nominating participant's) employment or engagement with the Company or its associated body corporate on the basis that the participant acted fraudulently, dishonestly, in breach of the participant's obligations or otherwise for cause; and

(7) the day which is 6 months after any event giving rise to vesting under the rules of the Plan.

A Share issued on the exercise of an Award will be forfeited upon the holder perpetrating fraud against, acting dishonestly, or committing a breach of its obligations to, the Company or any of its associated bodies corporate.

(g) Restrictions

Notwithstanding anything else in the Plan, an Award may not be offered, granted or exercised if to do so would contravene the Corporations Act, the ASX Listing Rules, or any other law, and to the extent that the Plan rules are inconsistent with the ASX Listing Rules, the ASX Listing Rules shall prevail.

The maximum number of Options that can be issued under the Option Plan, and the maximum number of Rights that can be issued under the Rights Plan, is that number which equals 5% of the total number of issued Shares in existence from time-to-time subject to the Corporations Act, the ASX Listing Rules or any other statutory or regulatory requirements. For example and for the purposes of Listing Rule 7.2 Exception 13, based on the number of issued Shares at completion of the Offer, the maximum number of Options proposed to be issued under the Option Plan is 22,268,750 Options and the maximum number of rights to be issued under the Rights Plan is 22,268,750 Rights.

Participants in the Plans are prohibited from transferring Awards (as well as any Shares issued under the Option Plan on exercise of Options) without the consent of the Board, except during a takeover Options (but not Rights) may be transferred (subject to the Option Plan rules) to the bidder or the bidder's nominee during the takeover period.

10.9. Related Party Transactions

Chapter 2E of the Corporations Act governs related party transactions with respect to public companies. Related parties include Directors and entities controlled by Directors. Related party transactions require Shareholder approval unless they fall within one of the exceptions in Chapter 2E. Transactions entered into by proprietary companies are not regulated by Chapter 2E.

The Company was incorporated on 9 March 2010 and was converted to a public company on 13 August 2021.

Prior to Conversion, the Company entered into a number of arrangements with related parties. These transactions with related parties that may be otherwise have been captured under Chapter 2E of the Corporations Act are set out below:

(a) Inter-Company Loan

Yellow Gear and the Company agreeing to repay a portion of the Inter-Company Loan and the Working Capital Loan pursuant to a Deed of Debt Repayment and Forgiveness:

(1) issuing 324,999,000 Shares at an issue price per Share of $0.05 (constituting a repayment amount of $16,249,995) of a portion the Inter-Company Loan and Working Capital Loan (**Repayment Shares**);

(2) discharge of the Anthill Production Payment summarised at Section 12.9;

(3) payment of Offer proceeds to Yellow Gear of $3,000,000 in final payment of the Working Capital Loan;

(4) applying a maximum of $2,000,000 of insurance proceeds (**Insurance Proceeds**);

(5) agreeing to repay an amount equal to $18.5 million constituted by $11 million from the Offer proceeds and $7.5 million from the Wingate Facility Agreement – for the purposes of discharge and repayment of third party debt arrangement (**Third Party Debt**); and

(6) agreeing to issue 15,000,000 Shares at an issue price per Share of $0.20 (constituting a repayment amount of $3,000,000) – in full and final payment of the Third Party Debt (**Third Party Repayment Shares**).

Yellow Gear has in return agreed with the Company will forgive the balance of the Inter-Company Loan. Specifically, Yellow Gear will forgive the balance amount of the Inter-Company Loan, less the:

(1) the subscription price of the Repayment Shares attributed to repayment of a portion of the Inter-Company Loan;

(2) any Insurance Proceeds;

(3) the Anthill Production Payment;

(4) Third Party Debt amount; and

(5) the subscription price of the Third Party Repayment Shares.

Yellow Gear will release and discharge the Company from any claims Yellow Gear has, or may have had, against the Company in connection with the Inter-Company Loan, subject to and on completion of the Offer (**Loan Release**).

The above repayment transactions represent repayment of an existing debt obligation owed by the Company. The agreement to repay a portion of the Inter-Company loan (when coupled with Yellow Gear's Loan Release) represents a better than arms-length transaction for the benefit of the Company. The repayment of the Working Capital loan through the use of Offer proceeds and a portion of Repayment Shares represent an repayment of the loan on standard terms and, in relation to the issue of Repayment Shares, a share issue on arms-length terms commensurate with the Share issue price to unrelated third party shareholders of the Company at the time of issue.

The terms of the Inter-Company Loan and Working Capital Loan and the corresponding repayment and release arrangements pursuant to the Deed of Debt Repayment and Forgiveness are summarised in Sections 12.15 to 12.17.

(b) Share Buy-Back Agreement

Following conversion of the Company to a public company, the Company and Yellow Gear have subsequently entered into a share buy-back agreement pursuant to which the Company has agreed to buy-back 62,500,000 Shares for a nominal amount subject to receiving Existing Shareholder approval (**Share Buy-Back**). The Company and Yellow Gear have also agreed that the Offer will not complete unless and until the Share Buy-Back has occurred. The non-interested Directors of the Company, namely Phil Thomas and Jeff Innes have formed the view that the Share Buy-Back is on terms that is more favourable to the Company than arms-length terms and is otherwise reasonable.

(c) Performance Rights

The issue of Performance Rights to the following Directors:

Director	Number of Performance Rights
Phil Thomas	1,603,350
Dan Jauncey	22,268,750
Jeff Innes	1,603,350

The terms of the Performance Rights are set out in Section 10.8(b).

The issue of these Performance Rights occurred prior to Conversion and, as such, member approval was not required.

(d) Heavy Machinery Agreements:

The Austral Group has entered into a number of equipment hire agreements with Austral Equipment Solutions Pty Ltd, an entity related to Dan Jauncey (**AES Hire Agreements**). The Company considers that the AES Hire Agreements are on arms' length, market standard terms and, as such, no Shareholder approval was required. The terms of these agreements are set out in Section 12.5.

The Austral Group has entered into a number of equipment hire agreements with Austral Equipment Holdings Pty Ltd, an entity related to Dan Jauncey (**AEH Hire Agreements**). The AEH Hire Agreements are on arms' length, market standard terms and, as such, no Shareholder approval was required. The terms of these agreements are set out in Section 12.5.

(e) Service and Appointment Arrangements

The Austral Group has entered into an executive service agreement for services as Executive Director with Dan Jauncey. The terms of this agreement are set out in Section 12.3. The agreement is considered to be reasonable remuneration for the purposes of section 211 of the Corporations Act and as such, member approval of the transaction was not required.

The Company has entered into letters of appointment with each of the Non-Executive Directors, Phil Thomas and Jeff Innes. The terms of these agreements are set out in Section 12.18.

(f) Deeds of Indemnity and Access

The Company has entered into Deeds of Access, Indemnity and Insurance with each Director. The terms of these agreements are set out in Section 12.19.

Section 11.

Corporate Governance

11.1. General

To the extent applicable, commensurate with the Company's size and nature, the Company has adopted The Corporate Governance Principles and Recommendations (4th Edition) as published by ASX Corporate Governance Council (**Recommendations**). The Directors will seek, where appropriate, to provide accountability levels that meet or exceed the Recommendations, which are not prescriptions, but guidelines.

The Company's main corporate governance policies and practices are outlined below.

The Corporate Governance Charter can be obtained, at no cost, from the Company's registered office and is also available on the Austral Website (www.australres.com).

11.2. Board of Directors

The Board oversees the Company's business and is responsible for the overall corporate governance of the Company. It monitors the operational, financial position and performance of the Company and oversees its business strategy, including approving the strategy and performance objectives of the Company.

The Board is committed to maximising performance and generating value and financial returns for Shareholders. To further these objectives, the Board has created a framework for managing the Company, including the adoption of relevant internal controls, risk management processes and corporate governance policies and practices which the Board believes are appropriate for the business and which are designed to promote the responsible management and conduct of the Company.

11.3. Composition of the Board

The Board is responsible for the overall corporate governance of the Company. The Board is committed to maximising performance, generating appropriate levels of shareholder value and financial return, and sustaining the growth and success of the Company.

Election of Board members is substantially the province of the shareholders in general meeting. Subject to the rights of shareholders in general meeting:

(a) membership of the Board will be reviewed regularly to ensure the mix of skills and expertise is appropriate; and

(b) the composition of the Board will be structured to provide the Company with an adequate mix of directors with industry knowledge, technical, commercial and financial skills together with integrity and judgment considered necessary to represent shareholders and fulfil the business objectives of the Company.

The Board currently consists of 3 directors: two non-executive Directors and one executive Director, none of whom all are considered independent, due to their holding of performance-based securities in the Company. Biographies of the Directors are provided in Section 10.1. The Board considers the current balance of skills and expertise is appropriate for the Company for its currently planned level of activity.

As the Company's activities increase in size, nature and scope, the size of the Board will be reviewed periodically and the optimum number of Directors required to adequately govern the Company's activities determined within the limitations imposed by the Constitution.

The Board undertakes appropriate checks before appointing a person as a Director or putting forward to shareholders a candidate for election as a Director.

The Board ensures that shareholders are provided with all material information in the Board's possession relevant to a decision on whether or not to elect or re-elect a Director.

Each Director has confirmed to the Company that he anticipates being available to perform his or her duties as a non-executive Director or executive Director, as applicable, without constraint from other commitments.

The Company will develop and implement a formal induction program for Directors which allows new directors to participate fully and actively in Board decision-making at the earliest opportunity and enable new Directors to gain an understanding of the Company's policies and procedures.

11.4. Board Charter

The Board Charter sets out the functions and responsibilities of the Board.

11.5. Board responsibility and objectives

The Board develops strategies for the Company, reviews strategic objectives and monitors performance against those objectives. In general, the Board assumes the following responsibilities:

(a) providing leadership and setting the strategic objectives of the Company;

(b) appointing and when necessary, replacing the executive Directors and chief executive officer;

(c) approving the appointment and when necessary, replacement of other senior executives;

(d) undertaking appropriate checks before appointing a person, or putting forward to Shareholders a candidate for election, as Director;

(e) overseeing management's implementation of the Company's strategic objectives and its performance generally;

(f) approving operating budgets and major capital expenditure;

(g) overseeing the integrity of the Company's accounting and corporate reporting systems, including the external audit;

(h) overseeing the Company's process for making timely and balanced disclosure of all material information concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities;

(i) ensuring that the Company has in place an appropriate risk management framework, and setting the risk appetite within which the Board expects management to operate; and

(j) monitoring the effectiveness of the Company's governance practices.

In conducting business, the Board's objective is to ensure that the Company is properly managed to protect and enhance Shareholder interests, and that the Company, its Directors, officers and employees operate in an appropriate environment of corporate governance.

Accordingly, the Board has created a framework for managing the Company, including adopting relevant internal controls, risk management processes and corporate governance policies and practices which it believes are appropriate for the Company's business and which are designed to promote the responsible management and conduct of the Company.

The Company's corporate governance principles and policies are structured with reference to the Recommendations, which are as follows:

Recommendation 1: Lay solid foundations for management and oversight

Recommendation 2: Structure the board to be effective and add value

Recommendation 3: Instill a culture of acting lawfully, ethically and responsibly

Recommendation 4: Safeguard the integrity of corporate reports

Recommendation 5: Make timely and balanced disclosure

Recommendation 6: Respect the rights of security holders

Recommendation 7: Recognise and manage risk

Recommendation 8: Remunerate fairly and responsibly

In light of the Company's size and nature, the Board considers that the current Board is a cost effective and practical method of directing and managing the Company. As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

The Company's full corporate governance plan is available in a dedicated corporate governance information section of the Company's website (https://www.australres.com/).

11.6. Nominations Committee

The Board has not formally established a nominations committee as the Directors consider that the Company is not of a size nor are its affairs of such complexity as to justify the formation of a nominations committee. The Board considers that it is able to deal efficiently and effectively with Board composition and succession issues without establishing a separate nomination committee and in doing so, the Board will be guided by the Corporate Governance Charter, which can be accessed on the Austral Resources Website under "Corporate Governance". The Company will review this position annually and determine whether a nominations committee needs to be established.

11.7. Remuneration Committee

The Board has not formally established a remuneration committee as the Directors consider that the Company is not of a size nor are its affairs of such complexity as to justify the formation of a remuneration committee. The Board considers that it is able to deal efficiently and effectively with remuneration issues and will initially comprise the remuneration committee. In doing so, the Board will be guided by the Corporate Governance Charter, which can be accessed on the Austral Website under "Corporate Governance". The Company will review this position annually and determine whether a remuneration committee needs to be established. The Company will also provide details in its Corporate Governance Statement, its annual report or on the Austral Website of the processes it employs in relation to setting the level and composition of remuneration for Directors and senior Management and ensuring that such remuneration is appropriate and not excessive.

11.8. Identification and Management of Risk

The Company has established an audit and risk committee (**Audit and Risk Committee**) to assist the Board in discharging its responsibility to exercise due care, diligence and skill in relation to the Company. The Audit and Risk Committee will be responsible for reviewing and making recommendations to the Board in relation to the adequacy of the Company's processes for managing risks and developing an appropriate risk management policy framework to provide guidance to company management. The Board's collective experience will enable accurate identification of the principal risks that may affect the Company's business. Key operational risks and their management will be recurring items for deliberation at Board meetings.

11.9. Ethical Standards

The Company is committed to the establishment and maintenance of appropriate ethical standards. Accordingly, the Company has adopted a corporate ethics policy and a corporate Code of Conduct. The Code of Conduct establishes the principles and responsibilities to which the Company is committed with respect to both its internal dealings with employees and consultants, and external dealings with Shareholders and the community at large.

The Code of Conduct sets out the standard which the Board, Management and employees of the Company are encouraged to comply with when dealing with each other, Shareholders and the broader community.

The responsibilities contained within the Code of Conduct include:

- to increase shareholder value within an appropriate framework which safeguards the rights and interests of the Company's Shareholders and the financial community;
- compliance with all legislative and common law requirements which affect its business; and
- compliance with the applicable legal rules regarding privacy, privileges, private and confidential information.

11.10. Risk Management Policy

The Company has established an Audit and Risk Committee (refer to Section 11.8).

11.11. Securities Trading Policy

The Company has adopted a Trading Policy which is intended to ensure that persons who are discharging managerial responsibilities including but not limited to Directors, do not abuse, and do not place themselves under suspicion of abusing Inside Information that they may be thought to have, especially in periods leading up to an announcement of the Company.

Under the terms of the Trading Policy, a Restricted Person (as identified in the Trading Policy) must not deal with Securities of the Company unless a clearance to deal is obtained in accordance with the Trading Policy or the dealing is an Excluded Dealing (as identified in the Trading Policy). Further, a Restricted Person must not deal with Securities of the Company if such a dealing would involve:

- use of inside information;
- short-term selling;
- short selling; or
- hedging transactions.

11.12. ASX corporate governance – Compliance with Recommendations

The table below summarises how the Company complies with the Recommendations, and, in the case of non-compliance, why not. The Board is of the view that with the exception of the departures from the Recommendations noted below it otherwise complies with all of the Recommendations.

Principle Number	Best Practice Recommendation	Compliance (Yes/No)	Explanation
1	***Lay solid foundations for management and oversight***		
1.1	Disclose the respective roles and responsibilities of the board and management and those matters expressly reserved to the board and those delegated to management.	Yes	The Company's Board Charter sets out (amongst other things): (a) the roles and responsibilities of the Board and of management; (b) the matters expressly reserved to the Board; and (c) the matters delegated to management. A copy of the Board Charter can be viewed on the Company's website.
1.2	Undertake appropriate checks before appointing a director or senior executive or putting forward to security holders a candidate for election as a director and provide security holders with all material information in the Company's possession relevant to a decision on whether or not to elect or re-elect a director.	Yes	Prior to the appointment of a person as a senior executive, or putting forward to security holders a candidate for election, as a director, the Company undertakes checks which it believes are appropriate to verify an individual's character, experience, education, criminal record and bankruptcy history including for new directors. The Company ensures that all material information in its possession relevant to a shareholder's decision whether to elect or re-elect a director, including the information referred to in Recommendation 1.2, is provided to shareholders in the Company's Notice of Annual General Meeting.
1.3	Have a written agreement with each director and senior executive setting out the terms of their appointment.	Yes	Each director and senior executive of the Company has an agreement in writing with the Company which sets out the key terms and conditions of their appointment including their duties, rights and responsibilities and (to the extent applicable) the matters referred to in the commentary to in Recommendation 1.3.

Principle Number	Best Practice Recommendation	Compliance (Yes/No)	Explanation
1.4	The company secretary should be accountable directly to the board, through the chair, on all matters to do with the property functioning of the board.	Yes	The Company Secretary has a direct line of reporting to the Chairman and is responsible for: • advising and supporting the Chairman and the Board and its committees to manage the day to day governance framework of the Company; • assisting with Board effectiveness by monitoring whether applicable Board and committee policies, procedures and charters are followed and coordinating timely completion and despatch of Board agendas and papers; and • assisting with all matters to do with the proper functioning of the Board including advising on governance matters and assisting with induction and professional development of directors. The responsibilities of the Company Secretary are set out in the Board Charter.
1.5	Have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the Company's progress in achieving them.	Yes	The Company seeks to treat everyone with fairness and respect which includes valuing diversity and difference and acting without prejudice. The Company believes that decision-making is enhanced through diversity and supports and encourages diversity at all levels of the organisation in accordance with the Company's Diversity Policy.
	Disclose that policy or a summary of it.	Yes	A copy of the Diversity Policy is located at on the Company's website.

Principle Number	Best Practice Recommendation	Compliance (Yes/No)	Explanation
	Disclose at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the Company's diversity policy and its progress toward achieving them and either the respective proportions of men and women on the board, in senior executive positions across the whole organisation (including how the entity has defined "senior executive" for these purposes) or if the Company is a relevant employer" under the Workplace Gender Equality Act 2012 (Cth), the Company's most recent "Gender Equality Indicators", as defined in and published under that Act.	No	The Board assesses any measurable objectives for achieving gender diversity and annually reviewing any such objectives and the Company's progress towards achieving them. The Board reviews at least annually on the relative proportion of women and men appointed or employed within the Company group. A Senior Executive is defined as an executive that reports directly to the Chief Executive Officer or board. Given the size of the Company and status of the Company's projects, the directors believe that it is not appropriate at this stage to set measurable objectives in relation to diversity beyond those included in the Diversity Policy. Notwithstanding this, the Company strives to provide the best possible opportunities for current and prospective employees of all backgrounds in such a manner that best adds to overall shareholder value and which reflects the values, principles and spirit of the Diversity Policy. The directors also believe that diversity is a relevant consideration for constitution of an effective Board, as discussed at Recommendation 2.2. For the reporting year ended 30 June 2021 (two directors and the Company Secretary were appointed 1 July 2021), the Company reports as follows:

	Total	Held by women
Board	3	-
Senior Executives	3	-
Other employees	24	4
Total organisation	30	4

Principle Number	Best Practice Recommendation	Compliance (Yes/No)	Explanation
1.6	Have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors and disclose whether a performance evaluation was undertaken in accordance with that process.	Yes	The Board Charter details the Company's commitment, responsibility and process to evaluate the performance of the Board, individual directors, the chairman and Committees of the Board. The Board Charter is located on the Company's website at Board charter The Board is responsible for the evaluation of its performance and the performance of individual directors. This evaluation is currently conducted via self-assessment annually, and is managed by the Company Secretary at the direction of the Chairman. From time to time and as deemed necessary, the Company, at the direction of the Chairman, may undertake to have its performance evaluation process facilitated externally by an appropriately qualified service provider.
1.7	Have and disclose a process for periodically evaluating the performance of senior executives and disclose whether a performance evaluation was undertaken in accordance with that process.	Yes	The Chief Executive Officer reviews the performance of the senior executives on an ad hoc basis. These evaluations take into account criteria such as the achievement and performance towards the Company's objectives and (where appropriate) performance benchmarks and the achievement of individual performance objectives. However, the Board also recognises the need for flexibility in defining performance objectives which must reflect the current status of the company (as an exploration company) and the development of its projects. During the reporting period, no formal or informal performance evaluations of the senior executives were undertaken by the Company.

Principle Number	Best Practice Recommendation	Compliance (Yes/No)	Explanation
2	***Structure the Board to add value***		
2.1	Does the Board have a nomination committee? If the Board does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the Board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.	Yes	The Board has no formal nomination committee. Acting in its ordinary capacity from time to time as required, the Board carries out the process of determining the need for, screening and appointing new Directors. In view of the size and resources available to the Company, it is not considered that a separate nomination committee would add any substance to this process.
2.2	Have and disclose a board skills matrix setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership.	Yes	The Board regularly evaluates the mix of skills, experience and diversity at the Board level. The Board believes that a highly credentialed Board, with a diversity of background, skills and perspectives, will be effective in supporting and enabling delivery of good governance for the Company and value for the Company's shareholders. At 30 June 2021, the Board comprised three Directors from diverse backgrounds with a range of business experience, skills and attributes. The following table demonstrates the skills and experience of the Directors across several dimensions that are relevant to Austral. Biographical information on each director is contained in the Annual Report, when released and on the Company's website.

Principle Number	Best Practice Recommendation	Compliance (Yes/No)	Explanation

Managing and leadership		Governance or regulatory	
Senior management positions held outside Austral (past and present)	3	Experience in governance of listed organisations	1
Resource industry experience		Board membership of other listed entities (past and present)	1
Management/ board representation in other resource entities (past and present)	2	**Strategy**	
Tertiary engineering or science background	2	Experience in growing the business	3
Experience in resource-based transactions – joint ventures, acquisitions, etc	3		
Management of mining, development and exploration activities	2		

The Board aspires to have a board comprised of individuals' diverse experience and expertise and will be mindful of this when making appointments which will also be based on merit.

Principle Number	Best Practice Recommendation	Compliance (Yes/No)	Explanation
2.3	• Disclose the names of the directors considered by the Board to be independent directors. • If a director has an interest, position, association or relationship that might cause doubts about the independence of a director, disclose the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion. • Disclose the length of service of each director.	Yes	Mr P Thomas, Chairman, was appointed to the Board on 1 July 2021 and is not considered by the Board to be an independent director, due to his holding of performance rights in the Company. Mr D Jauncey was appointed to the Board on 19 July 2019. By virtue of his position as an executive director employed in an executive capacity, Mr Jauncey is not considered by the Board to be an independent director for the purpose of ASX Recommendation 2.3. Mr J Innes, Non-executive Director, was appointed to the Board on 1 July 2021 and is not considered by the Board to be an independent director, due to his holding of performance rights in the Company.
2.4	The majority of the Board should be independent directors.	No	The Company does not follow the recommendation of principle 2.4 as the majority of the Board is not comprised of independent directors (0 out of the 3 directors are independent). In accordance with the ASX Recommendations, the independence of a director is assessed by determining whether the director is independent of management and free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their unfettered and independent judgment. The test of whether a relationship or business is material is based on the nature of the relationship or business and on the circumstances and activities of the director. Materiality thresholds are considered by the Board from time to time. As the business develops, changes to and/or further appointments to the Board may be warranted and the Board will consider the need to appoint additional independent directors.

Principle Number	Best Practice Recommendation	Compliance (Yes/No)	Explanation
2.5	The chair of the Board should be an independent director and, in particular, should not be the same person as the chief executive officer.	No	The Chairman of the Board is not an independent director as described in recommendation 2.3. The Chairman is not the current or previous CEO or Managing Director of the Company.
2.6	Have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	Yes	All new directors are provided with an induction including meetings with the Chief Executive Officer and senior executives/ management as appropriate and provision of information on the Company including Company and Board policies and other material documents. All directors are expected to maintain the skills required to effectively discharge their obligations to the Company. Directors are encouraged to undertake continuing professional education and, if this involves industry seminars and approved education courses, where appropriate, this is paid for by the Company.
3	***Act ethically and responsibly***		
3.1	Have and disclose its values.	Yes	The Company has a Code of Conduct that sets out its values. The Code of Conduct is located on the Company's website.
3.2	Have a code of conduct for directors, senior executives and employees and ensure that the Board or a committee of the Board is informed of any material breaches of that code.	Yes	The Company has a Code of Conduct that sets out the standards of behaviour expected of all its employees, directors, officers, contractors and consultants. The Code of Conduct is located at Code of Conduct. The board is informed of any breaches of the Code of Conduct.
3.3	Have and disclose a whistleblower policy and ensure that the Board or a committee of the Board is informed of any material incidents reported under that policy.	Yes	The Company has a Whistleblower Policy located at Whistleblower Policy. Any material incidents reported under that policy are reported to the Board.

Principle Number	Best Practice Recommendation	Compliance (Yes/No)	Explanation
3.4	Have and disclose an anti-bribery and corruption policy and ensure that the Board or a committee of the Board is informed of any material breaches of that policy.	Yes	The Company has an Anti-bribery and Corruption Policy located at Anti-bribery and Corruption Policy. Any material incidents reported under that policy are reported to the Board.
4	***Safeguard integrity in corporate reporting***		
4.1	The Board should have an audit committee which: • has at least three members, all of whom are non-executive directors; and • a majority of whom are independent directors; and • be chaired by an independent director who is not the chair of the Board; and • disclose the charter of the committee, the relevant qualifications and experience of the members of the committee; and • in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings.	No	The Company has established an Audit and Risk Committee which comprises two non-executive directors and one executive director. All of the members of the Audit and Risk Committee are not independent directors, and the committee is not chaired by an independent director, Mr Innes who is not the chair of the Board. The Audit and Risk Committee Charter is located at Audit and Risk Committee Charter The Committee's members and their relevant qualifications and experience, the number of times the Committee met throughout the reporting period and the attendance of the Committee's members at those meetings is set out in the Company's Annual Report when released.

Principle Number	Best Practice Recommendation	Compliance (Yes/No)	Explanation
4.2	The Board should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	Yes	The Board receives a declaration in the form set out in Recommendation 4.2 from its CEO and CFO in relation to the financial statements.
4.3	Disclose its process to verify the integrity of any periodic corporate report it release to the market is not audited or reviewed by an external auditor.	Yes	The Company ensures that any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor undergoes review by its CFO.
5	***Make timely and balanced disclosure***		
5.1	Establish a written policy designed to ensure compliance with ASX Listing Rule disclosure requirements and disclose that policy or a summary of it.	Yes	The Company has a Continuous Disclosure and Communications Policy that outlines the processes followed by the Company to ensure compliance with its continuous disclosure obligations and the corporate governance standards applied by the Company in its communications to the market. The Continuous Disclosure and Communications Policy can be viewed on the Company's website.
5.2	Ensure that its Board receives copies of all material market announcements promptly after they have been made.	Yes	The Company will use the facility in ASX Online to automatically disseminate all lodged announcements to members of Board.

Principle Number	Best Practice Recommendation	Compliance (Yes/No)	Explanation
5.3	Gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	Yes	The Company will ensure that investor presentations are release on the ASX Market Announcements Platform ahead of the presentation.
6	***Respect the rights of shareholders***		
6.1	Provide information about the Company and its governance to investors via the Company's website.	Yes	Information about the Company and its operations is located at https://www.australres.com/. Information about the Company's corporate governance (including links to the Company's corporate governance policies and charters) can be accessed from the Corporate Governance page.
6.2	Design and implement an investor relations program to facilitate effective two-way communication with investors.	Yes	The Company has a Continuous Disclosure and Communications Policy that outlines the processes followed by the Company to ensure communication with shareholders and the investment community is effective, consistent and adheres to the principles of continuous disclosure. The Continuous Disclosure and Communications Policy is located on the Company's website.
6.3	Disclose policies and processes in place to facilitate and encourage participation at meetings of security holders.	Yes	The Continuous Disclosure and Communication Policy sets out the policies and processes the Company has in place to facilitate and encourage participation at meetings of security holders. The Company permits shareholders to cast their proxies prior to a General Meeting if they are unable to attend the meeting.
6.4	Ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.	Yes	The Company ensures that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.

Principle Number	Best Practice Recommendation	Compliance (Yes/No)	Explanation
6.5	Give security holders the option to receive communications from, and send communications to, the Company and its security registry electronically.	Yes	The Company gives security holders the option to receive communications from, and send communications to, the Company and its security registry electronically, as provided for in the Company's Shareholder Communications Policy.
7	***Recognise and manage risk***		
7.1	Have a committee or committees to oversee risk, each of which has: • at least three members; and • a majority of whom are independent directors; and • are chaired by an independent directors; and • disclose the charter of the committee and the members of the committee; and • at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings.	No	The Company has established an Audit and Risk Committee which comprises two non-executive directors and one executive director. All of the members of the Audit and Risk Committee are not independent directors, and the committee is not chaired by an independent director, Mr Innes who is not the chair of the Board. Taking and managing risk are central to business and building shareholder value. The Board is responsible for the identification of significant areas of business risk, implementing procedures to assess, monitor and manage such risks and developing policies regarding the establishment and maintenance of appropriate ethical standards to: • ensure compliance in legal, statutory and ethical matters; • monitor the business environment, identify potential opportunities & risk areas therein; and • monitor systems established to ensure prompt and appropriate responses to Stakeholder complaints and/or enquiries. The Board meets on a regular basis and reviews and monitors the parameters under which such risks will be managed. Austral has established an Audit and Risk Committee in accordance with recommendation 7.1(a). A copy of the Audit and Risk Committee Charter is disclosed in Recommendation 4.1 and the Risk Management Policy is available from the Company's website at Risk Management Policy.

Principle Number	Best Practice Recommendation	Compliance (Yes/No)	Explanation
7.2	The Board or committee of the board should review the Company's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board and disclose, in relation to each reporting period, whether such a review has taken place.	Yes	Austral is committed to understanding and managing risk and to establishing an organisational culture that ensures risk management is included in all activities, decision making and business processes. The Company does not have a formal internal audit function due to its size. The ongoing mitigation and management of key business risks is an item addressed by the Board as a whole. Operational, financial, legal, compliance, strategic and reputational risks continue to be managed primarily by the Chief Executive Officer, Chief Operating Officer and the Chief Financial Officer as a part of the day-to-day management of the Company's affairs. Where appropriate, these risks are managed with the support of relevant external professional advisers. The company undertakes an ongoing review of its safety and environmental risks and reports on this aspect to the Board on a monthly basis.
7.3	Disclose if it has an internal audit function, how the function is structured and what role it performs or if it does not have an internal audit function, that fact and the processes it employs for evaluation and continually improving the effectiveness of its risk management and internal control processes.	Yes	Austral is committed to understanding and managing risk and to establishing an organisational culture that ensures risk management is included in all activities, decision making and business processes. The Company does not have a formal internal audit function due to its size. The ongoing mitigation and management of key business risks is an item addressed by the Board as a whole. Operational, financial, legal, compliance, strategic and reputational risks continue to be managed primarily by the Chief Executive Officer, Chief Operating Officer and the Chief Financial Officer as a part of the day-to-day management of the Company's affairs. Where appropriate, these risks are managed with the support of relevant external professional advisers. The company undertakes an ongoing review of its safety and environmental risks and reports on this aspect to the Board on a monthly basis.

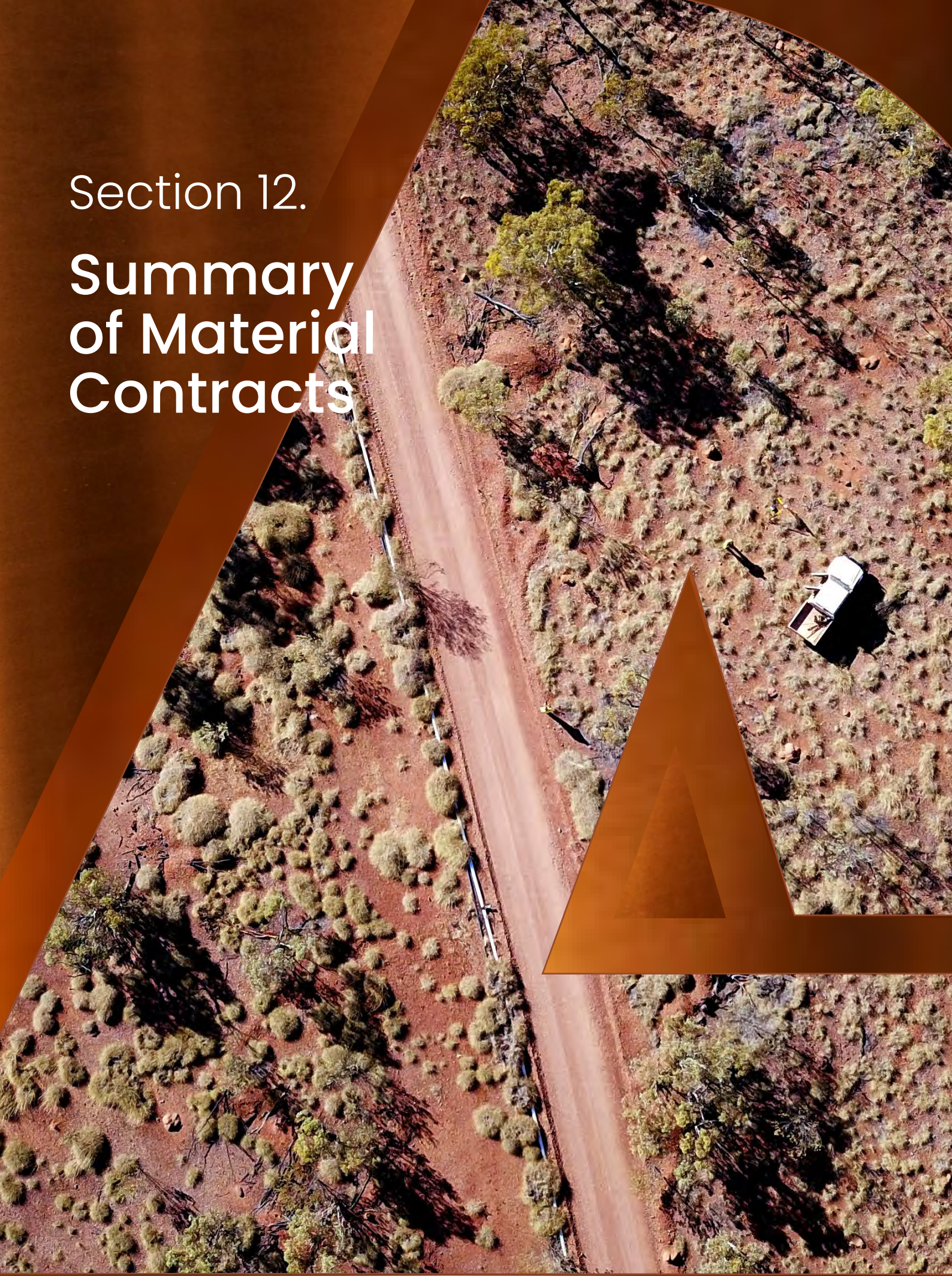
Principle Number	Best Practice Recommendation	Compliance (Yes/No)	Explanation
7.4	Disclose whether the Company has any material exposure to economic, environmental and social sustainability risks and if it does, how it manages or intends to manage those risks.	Yes	The Company undertakes mineral exploration and production activities and, as such, faces risks inherent to its business, including economic, environmental and social sustainability risks, which may materially impact the Company's ability to create or preserve value for security holders over the short, medium or long term. One of the Company's core values is safety; it prioritises safety and health to people, the environment and community. The Company views sustainable and responsible business practices as an important long-term driver of performance and shareholder value and is committed to transparency, fair dealing, responsible treatment of employees and partners and positive interaction with the community. The Company has in place an ongoing review of its safety and environmental risks and reports on this aspect to the Board on a monthly basis.

Principle Number	Best Practice Recommendation	Compliance (Yes/No)	Explanation
8	***Remunerate fairly and responsibly***		
8.1	The Board should have a remuneration committee which has: • at least three members, a majority of whom are independent directors; and • is chaired by an independent director; and • disclose the charter of the committee, the members of the committee; and • at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings. If the company does not have a remuneration committee, disclose that fact and the processes it employees for setting the level and composition of remuneration for directors and senior executives ensuring that such remuneration is appropriate and not excessive.	Yes	Given the current size of the Board, the Company does not have a remuneration committee. The Board as a whole reviews remuneration levels on an individual basis, the size of the Company making individual assessment more appropriate than formal remuneration policies. In doing so, the Board seeks to retain professional services as it requires, at reasonable market rates, and seeks external advice and market comparisons where necessary.

Principle Number	Best Practice Recommendation	Compliance (Yes/No)	Explanation
8.2	Separately disclose policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	Yes	The Company's policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives is set out in the Remuneration Report contained in the Annual Report. A copy of the Annual Report is located on the company's website when released.
8.3	Have a policy on whether participants are permitted to enter into transactions (whether through use of derivatives or otherwise) which limit the economic risk of participating in the scheme and disclose that policy or a summary of it.	No	The Company has an equity-based remuneration scheme. The Company's Securities Trading Policy provides that participants in the scheme must not enter into any transaction which would have the effect of hedging or otherwise transferring to any other person the risk of any fluctuation in the value of any unvested equity interest. The Securities Trading Policy is located on the Company's website.

Section 12.

Summary of Material Contracts



The contracts entered into by Austral which are material to its operations are as follows:

12.1. Lead Manager Agreement

The Company has entered into an agreement with Peloton Capital Pty Ltd ABN 22 149 540 018 (**Peloton**) appointing Peloton as the exclusive lead manager and bookrunners (**LM**) to the Offer (**LM Agreement**).

The Company has agreed to pay the LM:

(a) a management fee of $200,000 and an allocation of 1 million Shares (**Management Fee**); and

(b) 6% of the funds raised or otherwise introduced by the LM under the Offer.

The 1 million Share component of the Management Fee will be allocated from the facilitation shares proposed to be issued to the Kamara Group under the Advisor Mandate as summarised in Section 12.8.

12.2. Executive Services Agreement – CEO

The Company has entered into a services agreement with STX Consulting Pty Ltd (**STX**) and Mr Steven Tambanis (**STX Agreement**), which requires STX to ensure Mr Tambanis undertakes consulting services, which include chief executive officer services, for the Company. The STX Agreement does not make Mr Steven Tambanis an employee or agent of the Company. The Company has also entered into a business protection deed poll with Mr Tambanis (**Tambanis Deed Poll**). Under the Tambanis Deed Poll, Mr Tambanis has directly agreed to perform the services as chief executive officer of the Company in accordance with recommendation 1.3 of the ASX Corporate Governance Principles and Recommendations. The obligations imposed upon Mr Tambanis under the Tambanis Deed Poll largely reflect the obligations imposed upon STX in the STX Agreement.

Under the terms of the STX Agreement, STX receives a fee of $400,000 per year (inclusive of GST). In addition to this fee, Mr Tambanis has been issued 3,117,625 Performance Rights. The key terms of these Performance Rights and the relevant vesting criteria as described in Section 13.4.

STX may accept work from other enterprises, both within the mining industry and other industries provided that work does not create a conflict of interest between the Company and STX. However, the Mr Tambanis has agreed to customary post-employment restraints in relation to competing copper exploration or mining and production business.

The Company is obliged to reimburse STX for agreed work related expenses provided they are reasonably and properly incurred in providing the consultancy services to the Company.

Either party may give the other three months to terminate the STX Agreement. Both the Company and STX may terminate the STX Agreement on the occurrence of an insolvency event by the other party. The Company may terminate on 10 Business Days' noted for cause for a breach (or repeated breaches) of the STX Agreement by STX or Mr Tambanis. The STX Agreement does not require any additional payments to be made by either party on the termination of the agreement.

12.3. Executive Employment Agreement – Dan Jauncey

Mr Dan Jauncey has entered into an employment agreement with Austral Resources Operations dated 8 March 2021 (**Jauncey Agreement**) under which Mr Jauncey agrees to provide services as an Executive Director of Austral.

Under the terms of the Jauncey Agreement:

(a) Mr Jauncey receives remuneration of A$350,000 per annum, plus superannuation;

(b) the Jauncey Agreement commenced on 8 March 2021, and continues until terminated;

(c) either Austral Resources Operations Pty Ltd or Mr Jauncey may terminate the Jauncey Agreement by giving four weeks' written notice. Instead of providing notice, Austral Resources Operations Pty Ltd may provide payment in lieu of notice for the notice period not provided; and

(d) Austral Resources Operations Pty Ltd may terminate the Jauncey Agreement immediately and with no liability to make further payment (other than in respect of amounts accrued up to the termination date) for serious misconduct.

In addition, Mr Jauncey has also been issued 22,268,750 Performance Rights. The key terms of these Performance Rights and the relevant vesting criteria as described in Section 13.4.

12.4. Executive Services Agreement – CFO

Austral Resources Operations has entered into an agreement with Luke Johnstone dated 11 September 2019 as an employee for the purposes of discharging his role as Chief Financial Officer (**CFO Agreement**).

Under the terms of the CFO Agreement, Mr Johnstone receives $250,000 per annum plus superannuation.

The CFO Agreement will continue until terminated. Either party may terminate the CFO Agreement for any reason with the provision of three (3) months' notice in writing.

In addition, Mr Johnstone has been issued 8,300,000 Performance Rights. The key terms of these Performance Rights and the relevant vesting criteria as described in Section 13.4.

12.5. Equipment Hire Agreement – Austral Equipment Solutions Pty Ltd & Austral Equipment Holdings Pty Ltd

Austral Resources Operations has entered into a number of equipment hire agreements with Austral Equipment Solutions Pty Ltd (**AES**) and Austral Equipment Holdings Pty Ltd (**AEH**), entities related to Dan Jauncey (**Hire Agreements**). The Hire Agreements are on arms' length, market standard terms. The following machinery is leased under the Hire Agreements on a dry hire arrangement basis:

Machine	Rate	Min hours per month	Min expense (Per month)	Term
CAT D8T	$125 per hour	200	$25,000	Month-to-month
CAT D9T	$145 per hour	200	$29,000	Month-to-month
CAT 16G	$100 per hour	50	$5,000	Expire 03/12/2021
CAT 988K	$145 per hour	200	$29,000	Month-to-month
CAT 992C	$145 per hour	50	$7,250	Expire 03/12/2021
Isuzu 1400 S/T	$8,500 per month	Flat monthly rate	$8,500	Expire 03/12/2021
773 F W/T	$125 per hour	200	$25,000	Month-to-month
AH500	$120 per hour	Usage only	N/A	Expire 03/12/2021
AH500	$120 per hour	Usage only	N/A	Expire 03/12/2021
AH500	$120 per hour	Usage only	N/A	Expire 03/12/2021
AH500	$120 per hour	Usage only	N/A	Expire 03/12/2021
B50D	$120 per hour	Usage only	N/A	Expire 03/12/2021
Hitachi ZX470	$145 per hour	200	$29,000	Month-to-month
Hitachi EX890	$170 per hour	200	$34,000	Month-to-month
ENF FD70T	$5,350 per month	Flat monthly rate	$5,350	Expire 30 June 2022
ENF FD50T	$5,050 per month	Flat monthly rate	$5,050	Expire 30 June 2022

12.6. Tenement and Road Access Agreement

In a sublease dated 19 December 2001, Noranda Pacific Pty Ltd (**NPPL**), the owner of the Lady Loretta Mine, neighbouring Austral's Lady Annie Mine, has granted Austral Resources Operations:

(a) a sublease over a three-dimensional portion of ML5568 inclusive of any renewals and extensions (**Lady Annie Block**);

(b) use of roads within or required for the respective operations of the Lady Loretta Mine and Lady Annie Block including road access to the Lady Annie Block (**Shared Roads**).

Austral Resources Operations is entitled to use the Lady Annie Block for all purposes permitted under the relevant mining legislation in accordance with agreed mining standards (**Mining Grant**). In consideration for the grant of the Mining Grant, Austral Resources Operations is obliged to pay an amount of tenement rental to NPPL which equal to percentage of the total rental on ML 5568, based on the volume of the Lady Annie Block bears to the total volume of ML 5568 and contribute an agreed portion of the rehabilitation security bonds relating to Lady Annie Block. The sublease contemplates a new mining lease being granted over the Lady Annie Block (which occurred on 17 July 2008 with the grant of ML 90179). In consideration for the use of the Shared Roads, Austral Resources Operations agrees to contribute to the Shared Roads rectification arising from Austral Group's use or damage of the Shared Roads.

12.7. Native title

The Company has entered into two agreements relating to native title and mining:

(a) *Kalkadoon Native Title Aboriginal Corporation (**KNTAC**) and the Kalkadoon People*

The KNTAC and native title holders gave their consent for the grant of ML 90233 (and any renewal of ML 90233) (**Kalkadoon Agreement**). Compensation payments under the Kalkadoon Agreement are $50,000 on signing, $50,000 on grant of ML 90233, and $50,000 on the date that mining commences at the Anthill Project. The compensation is in full and final compensation of the impact of the grant of ML 90233 and the conduct of Anthill project operations in the area of ML 90233 on native title rights and interests.

The Kalkadoon Agreement contemplates the establishment of a committee for the implementation, management and future conduct of all matters arising out of the Kalkadoon Agreement (**Coordinating Committee**).

Under the Kalkadoon Agreement, Austral Resources Operations must provide community benefits, which include non-binding employment and contracting targets as set by the Coordinating Committee, employment opportunities (including a requirement to notify KNTAC when positions become available) and notifying KNTAC of tenders for a contract for the supply of goods or services in relation to the Anthill Project, where the Austral Resources Operations will (at its discretion) give favourable weighting to a tender or quote submitted by a Kalkadoon business.

The Kalkadoon Agreement is another agreement with an Aboriginal party under the *Aboriginal Cultural Heritage Act 2003* (Qld) (**ACH Act**) and contains a process for the protection and management of Aboriginal cultural heritage. Austral Resources Operations will satisfy its cultural heritage duty of care by complying with the agreement.

(b) *Indjalandji-Dhidhanu Aboriginal Corporation RNTBC* (***IDAC***)

The IDAC and native title holders gave their consent to the grant and renewal of ML90233 (**IDAC Agreement**). Compensation payments under the agreement are $150,000 on signing the IDAC Agreement and $100,000 on grant of ML 90233. The compensation is in full and final compensation of the impact of the grant of ML 90233 and the conduct of project operations in the Indjalandji-Dhidhanu area of ML 90233 on native title rights and interests.

The IDAC Agreement contemplates the establishment of a committee to monitor the implementation of the IDAC Agreement.

If Austral Resources Operations wants to undertake project operations, other than exploration activities, outside of the identified initial mining area, Austral Resources Operations must give an "Anthill Project Expansion Notice" and negotiate in good faith with IDAC for agreement about the terms on which IDAC will consent to project operations the subject of the Anthill Project Expansion Notice. Austral Resources Operations must meet IDAC's reasonable costs of this negotiation, including compliance costs under the PBC Regulations. If agreement is not reached in 6 months, either party may refer the matter to an independent expert for determination.

The parties agree to work together to achieve joint business development and contracting goals, related to maximising employment, business development and contracting opportunities for Indjalandji-Dhidhanu businesses. ARO must advise IDAC and the native title holders about contracting opportunities, and where appropriate in assessing tenders, at its discretion apply a favourable weighting to tenders made by or involving Indjalandji-Dhidhanu businesses.

12.8. Advisor Mandate – Kamara Group

The Company has entered into an exclusive agreement with the Kamara Group (**Kamara**) pursuant to which Kamara has been appointed to act as corporate advisor for the Offer (**Advisor Mandate**).

The Company has agreed to issue 7,875,000 facilitation Shares to Kamara and the Lead Manager (or their nominees) at a nominal issue price of which 1 million Shares has been allocated to the Lead Manager under the Lead Manager Agrement summarised in Section 12.1.

(**Advisor Mandate Fees**).

Kamara is responsible for:

(a) providing and assisting in any seed capital or hybrid equity capital raising that is required for the listing;

(b) ensuring all compliance, tax structuring, due diligence, and transaction documents are satisfactory for the listing on the Official List;

(c) production of the prospectus (with the help of lawyers) which complies with all relevant aspects of the Corporations Act (including ASIC policy), the ASX Listing Rules and the Constitution; and

(d) management of day to day relationship with brokers and the monitoring of their performance through the book build process.

The Advisor Mandate is for a term of 12 months commencing on 1 June 2021. The Advisor Mandate Fees will survive termination of the Advisor Mandate. If within 24 months of termination of the Advisor Mandate, the Company lists on the ASX with any third party introduced by Kamara or any third party that is assisting Kamara, the fees will remain payable.

12.9. Anthill Production Payment Agreement

Pursuant to agreement dated 26 July 2021 the Austral Group is obliged to pay Top Gallery Investment Limited (**Top Gallery**), to the previous owner of the Austral Group, four payments, totalling $5 million (**Anthill Production Payment**):

(a) First payment of $1.0m – this has been paid;

(b) Second payment of $1.3m on or before 31 March 2022;

(c) Third payment of $1.3m on or before 31 May 2022, and

(d) Fourth payment of $1.4m on or before 19 July 2022.

12.10. Pegmont Royalty Deed

The Pegmont Royalty Deed is the royalty deed originally between Austral Resources Operations, CST Mining Group Ltd, Pegmont Mines Ltd, Pegasus Enterprises Ltd and Goldsearch Ltd, Pegmont, Pegasus and Goldsearch are together, the **Pegmont Royalty Holders**.

The royalty is payable in respect of mineral ores, concentrates or other primary, intermediate and final mineral products or other mineral substances from the relevant tenements (**Saleable Products**).

The royalty is payable quarterly and total royalty payments are not capped at any set amount. For Copper, no royalty is payable until the production threshold of 100,000 tonnes is met (**Threshold**). If the Threshold is met, the royalty payable is the greater of:

(a) a gross royalty for Copper for the relevant quarter; and

(b) a 1% net smelter return (NSR) royalty for Copper for the relevant quarter.

The gross royalty payable for Copper is the indexed based amount of $25.00 per tonne. The royalty is calculated with reference to the London Metals Exchange Index.

12.11. Wingate Facility Agreement

ARO (**Borrower**) has entered into a facility agreement with Wingate Corporate Investments Pty Ltd and Win Finance No.359 Pty Ltd (**Wingate**) whereby Wingate has agreed to lend Austral up to $30 million constituted by two tranches:

(a) First tranche of $20 million (**First Tranche**) which has been drawn down; and

(b) Second tranche of $10 million (**Second Tranche**) to be advanced subject to, amongst other conditions, completion of the Offer,

(collectively, the **Facility**).

The term of the Facility is 36 months (**Term**). The Facility is subject to fees that are usual for facilities of this nature. These fees include arranger fees, line fees and an early discharge fee. The interest rate for the Facility is 15.0% per annum. The Facility will partly amortise over the Term. There is a mandatory repayment under the Facility of an amount equal to 25% of the net proceeds raised over $20m from the Offer (based on the Offer proceeds this amount will be approximately $2.0m).

The Borrower must repay the outstanding amount of the Facility in full by paying the specified instalments on the relevant payment date. Where the Austral Group elects to repay any part of the Facility early, the early payment must be made with accrued interest on the amount prepaid. There is an early discharge fee, which is based on Wingate receiving a 15% minimum return on the drawn portion for the Term where the Facility before the end of the Term.

The Facility contains certain representations, warranties and undertakings that are typical for a facility of this nature.

Certain secured indebtedness is expressly permitted, such as hedging arrangements, certain deferred payments, leasing arrangements in the Austral Group and prescribed subordinated debt. The Austral Group is entitled to pay the Anthill Production Payment instalments provided the payment is from proceeds of subordinated debt or equity or otherwise, following the payment the cash balance of the Austral Group is at least $10 million.

The Facility contains information provision obligations which are usual for facilities of this type. These obligations include, provision of financial statements, compliance certificates, management accounts and notification of any default.

The Borrower must ensure that for the Term of the Facility:

(a) the debt service cover ratio is not below1.5x;

(b) the interest cover ratio is not below 3x;

(c) the net total leverage ratio not to be more than 2x;

(d) following listing on ASX, the aggregate balance its operating accounts is not less than $5 million (**Minimum Cash Balance**); and

(e) any Anthill Production Payment instalment is required to be made from the proceeds of subordinated debt or equity raising, or otherwise after the payment the aggregate balance its operating accounts is not less than $10 million.

Within 6 months following draw down of the First Tranche, the Borrower must enter into hedging arrangements and mining services arrangements in relation to the Anthill Project operations with an acceptable counterparty.

The Facility prevents the borrower and guarantor from paying any dividends or making any other distributions unless an amount equal to 65% of the dividend or distribution is applied to the prepayment of the outstanding amount owing under the Facility.

The Facility contains standard events of default for transactions of this type, including failure to pay, breach of financial covenants, breach of other obligations, misrepresentation, cross-default, termination of mining tenements, material adverse change, termination of material documents and insolvency-related events. The events of default are subject to materiality thresholds and grace periods where appropriate.

The obligations under the Facility are secured by a general security deed granted by the Austral Group.

Dan Jauncey, an Austral Director has agreed to provide a personal guarantee to secure the performance of Austral under the Facility (**Personal Guarantee**). Wingate is required to discharge and release the Personal Guarantee on Austral's successful completion of the Offer, provided no event of default under the Facility is continuing.

12.12. Aggreko Power Station Hire and Services Agreement

Austral has entered into an agreement with Aggreko Generator Rentals Pty Ltd (**Aggreko**) for the provision of power station hire and services agreement (**Power Agreement**).

Under the Power Agreement, Aggreko were required to commission the power station on ML 90169 and are required to hire the station to Austral and provide maintenance, repair and remote operation of the station (**Power Station**) until 31 December 2024 (**Supply Term**). Aggreko is required to enable electricity power supply at an agreed level of megawatt (**MW**) capacity (**Agreed Capacity**).

Aggreko has provided warranties that the Power Station will be in safe working order and fit for purpose at all times during the Supply Term.

Austral is obliged to:

(a) ensure the relevant approvals have been issued by the relevant government departments in respect of Austral Operations;

(b) supply the possession, use and control of an area compacted and drained land to enable Aggreko to construct and maintain the Power Station;

(c) site cranage up to a minimum 100 tonne capacity for unloading and position of the Power Station;

(d) sufficient diesel throughout the Supply Term;

(e) supply surge protections on overhead power line;

(f) earthen noise bunding on perimeter of Power Station if required by Austral or by law; and

(g) undertake daily pre-start inspections and send through at the end of each week.

Aggreko is obliged to:

(a) provide all labour, spare parts, oil and maintain the Power Station;

(b) comply with Austral's Environmental Authority, Site Safety and Health Management System and all safety requirements notified by Austral;

(c) provide assistance requested by Austral in connection with the submission by Austral of any statutory submissions for the construction and operation of the Power Station;

(d) provide a spare generator at the Power Station throughout the Supply Term to be used for breakdowns and during service and maintenance; and

(e) provide monthly reports to Austral.

Austral is required to pay to Aggreko the service fee of $30,958 per week (Service Fee) and an excess usage charge of $50 MWh for the electricity generated in excess of the Agreed Capacity. The Service Fee is to reviewed annual and adjusted for CPI. The Power Agreement acknowledges that no carbon costs or credits have been included in the calculation of the fees payable under the Power Agreement. If Aggreko incurs any carbon costs or receives any carbon credits, Aggreko is to consult with Austral in relation to any amendments to the Power Agreement.

Either party may terminate the Power Agreement where the other party suffers an insolvency event or breaches a material beach that is not remedied within 30 days of notice of the breach. Where the Power Agreement is terminated, Austral is required to meet payment for any amounts owing under the Power Agreement until the date of termination. Where Aggreko terminates the agreement due to an insolvency event, material unremedied breach by Austral, then Austral must pay all outstanding amounts due plus the outstanding balance of the Service Fee for the Supply Term. Where Austral terminates the Power Agreement due to an insolvency event, Austral is required to make a termination payment which is prorated based on the date of termination.

12.13. NLC Processing and Treatment Facility Agreement

Pursuant to a service agreement dated 5 August 2020 between Austral Resources Operations and North Line Copper Pty Ltd (**NLC**), as varied (**Service Agreement**), NLC has agreed to provide the following services to the Austral Group on a rolling three month term (**Term**) at the Company processing facility:

(a) Provision of a site workforce of up to 15 personnel;

(b) Operating the processing, treatment and associated facilities (including heap leach), (**Services**).

In consideration for the provision of the Services, Austral Resources Operations has agreed to pay NLC a monthly service fee of $75,000 a month and reimburse NLC related personnel salary costs up to $160,000 a month.

The Service Agreement may be terminated by either party by giving 30 days written notice to the other party.

12.14. Marubeni Offtake Agreement

Austral Resources Operations has entered into an offtake agreement for the period 1 January 2021 to 31 December 2021 with Marubeni Corporation (**Marubeni**), pursuant to which:

(a) Austral Resources Operations has agreed to sell electron-won copper cathode confirming to LME "A" Grade specification (but not LME registered) (**Copper Cathode**); and

(b) Marubeni has agreed to buy and take delivery of the Copper Cathode,

(**Offtake Agreement**).

Under the Offtake Agreement, the shipment quantity ranges from 100 to 550 tonne per month at Austral Resources Operations' option. Austral Resources Operations has the option to provide additional quantity of Copper Cathode to Marubeni, provided Austral Resources Operations declared to Marubeni the additional prior to the shipment month.

The contractual price is the official LME settlement price for Copper Cathode averaged over a prescribed period plus a premium of US$50 per tonne.

12.15. Inter-Company Loan

Yellow Gear acquired the Inter-Company Loan, in conjunction with its acquisition of the Austral Group.

The original lender under the Inter-Company Loan was Top Gallery Investment Limited (**Top Gallery**).

The parties to the 'Inter-Company Loan' on acquisition by Yellow Gear are:

(a) Yellow Gear as Lender;

(b) the Company as Borrower; and

(c) Austral Resources Operations as Guarantor.

Further, in conjunction with the acquisition of the Inter-Company Loan, the Company acknowledged and agreed that both Yellow Gear and the Company assumed the obligation to pay the Anthill Production Payment which is summarised in Section 12.9.

The Inter-Company Loan is an agreement whereby the Lender makes available to the Borrower a revolving loan facility for the purposes of the corporate group funding the development of Lady Annie Project and the Anthill Project and for working capital purposes. The principal and accrued interest on the Inter-Company Loan as at 30 June 2021 is approximately $278,608,675.

The Inter-Company Loan is comprised of two distinct loan tranches:

(a) "Tranche 1" with a loan principal balance of $14,500,000 (accruing interest at a rate of 20% per annum); and

(b) "Tranche 2" constituting the balance of monies owing under the Inter-Company (accruing interest at a rate equal to the variable large business weighted average rate on credit outstanding as published by the Australian Prudential Regulation Authority).

12.16. Yellow Gear Working Capital Loan

Following the acquisition of the Austral Group, Yellow Gear has pursuant to a loan agreement, provided loan funding to the Company for the purposes of working capital and development of the Company's assets (**Working Capital Loan**).

The outstanding balance of the Working Capital Loan was $5,967,359.70. This amount represents funding that was provided by Yellow Gear to the Company post acquisition by Yellow Gear.

12.17. Repayment of Inter-Company Loan and Working Capital Loan

Repayment of the Inter-Company Loan

The Company and Yellow Gear have agreed pursuant to a Deed of Debt Repayment and Forgiveness (**Repayment and Forgiveness Deed**) that:

(a) the Company will repay Yellow Gear part of the Inter-Company Loan;

(b) the Company will repay Yellow Gear the balance of the Working Capital Loan; and

(c) Yellow Gear will forgive and release the Company from any corresponding obligation to repay the balance of the Inter-Company loan.

The Repayment and Forgiveness Deed contemplates that the Inter-Company Loan will be repaid, recapitalised and otherwise forgiven as summarised below.

The Company has agreed to repay the Inter-Company Loan by:

(a) issuing 265,652,706 Shares at an issue price per Share of $0.05 (constituting a repayment amount of $13,282,635.30) to Yellow Gear (**Yellow Gear Repayment Shares**);

(b) applying any insurance proceeds (up to a maximum of $2 million) arising out of an insurance claim made by the Company arising from fire damage in November 2020 (**Insurance Proceeds**);

(c) agreeing to pay the Anthill Production Payment to Top Gallery;

(d) agreeing to pay repay an amount equal to $18.5 million constituted by $11 million from the Offer proceeds and $7.5 million from the Wingate Facility Agreement – for the purposes of discharge and repayment of third party debt arrangement of which the Company is obliged to repay (**Third Party Debt**); and

(e) agreeing to issue 15,000,000 Shares at an issue price per Share of $0.20 (constituting a repayment amount of $3,000,000) – in full and final payment of the Third Party Debt (**Third Party Repayment Shares**).

Yellow Gear has agreed with the Company will forgive the balance of the Inter-Company Loan. Specifically, Yellow Gear will forgive the balance amount of the Inter-Company Loan, less the:

(a) the subscription price of the Yellow Gear Repayment Shares;

(b) any Insurance Proceeds;

(c) the Anthill Production Payment;

(d) Third Party Debt amount; and

(e) the subscription price of the Third Party Repayment Shares.

Yellow Gear will release and discharge the Company from any claims Yellow Gear has, or may have had, against the Company in connection with the Inter-Company Loan, subject to and on completion of the Offer.

Repayment of the Working Capital Loan

The Repayment and Forgiveness Deed contemplates that the balance of the Working Capital Loan ($5,967,359.70) will be repaid by the Company:

(a) issuing 59,347,194 Shares at an issue price per Share of $0.05 (constituting a repayment amount of $2,967,359.70) to Yellow Gear (Tranche 2 -Yellow Gear Repayment Shares); and

(b) agreeing to repay to Yellow Gear the balance amount of $3,000,000 out of the Offer Proceeds.

12.18. Non-Executive Directors Letter of Appointment

The Company has entered into letters of appointment with Jeff Innes and Phil Thomas in respect of each of their appointments as non-executive Directors of the Company. The letters of appointment are each in a standard form and detail the nature of each non-executive Directors' appointment, their duties and their remuneration entitlements.

12.19. Deeds of Access and Indemnity with Directors

Each of the Directors of the Company have entered into a Deed with the Company whereby the Company has provided certain contractual rights of access to books and records of the Company to those Directors and to effect and maintain insurance in respect of Directors and officers liability and provide certain indemnities to each of the Directors, to the extent permitted by law.

Section 13.

Additional Information

13.1. Rights attaching to Shares in the Company

The Company's Constitution is of the kind usually adopted by a public company, with certain provisions taking effect once (and for so long as) the Company is listed on the ASX. The following is a summary of the more significant rights attaching to Shares under the Company's Constitution, and is qualified by the full terms of the Constitution (copies of the Constitution may be inspected on request to the Company Secretary). These rights and liabilities can involve complex questions of law arising from an interaction of the Constitution with statutory, ASX Listing Rules and common law requirements. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice:

(a) ASX Listing Rules

To the extent of any inconsistency between the Constitution and the ASX Listing Rules, the ASX Listing Rules prevail and the Directors are required to take any steps necessary to give effect to the above provision.

(b) Voting

Subject to any special rights or restrictions as to voting attached to any Shares or class of Shares, at a general meeting of the Company on a show of hands, every member present in person, or by proxy, attorney or representative has one vote and upon a poll, every member present in person, or by proxy, attorney or representative has one vote for every Share held by them.

(c) Dividends

The Shares will rank equally with all other issued Shares in the capital of the Company and will participate in dividends out of profits earned by the Company from time to time. Subject to the rights of holders of Shares of any special preferential or qualified rights attaching thereto, the profits of the Company are divisible amongst the holders of Shares in proportion to the Shares held by them irrespective of the amount paid up or credited as paid up thereon. The Directors may from time to time pay to Shareholders such interim dividends as in their judgement the position of the Company justifies.

(d) Winding Up

Upon paying the Application moneys, Shareholders will have no further liability to make payments to the Company in the event of the Company being wound up pursuant to the provisions of the Corporations Act.

(e) Transfer of Securities

Generally, the Shares in the Company will be freely transferable, subject to satisfying the usual requirements of security transfers on the ASX. The Directors may decline to register any transfer of Shares but only where permitted to do so under its Constitution or the ASX Listing Rules.

(f) Sale of Non-Marketable Holdings

The Company may take steps in respect of non-marketable holdings of Shares in the Company to effect an orderly sale of those Shares in the event that holders do not take steps to retain their holdings. The Company may only take steps to eliminate non-marketable holdings in accordance with the Constitution and the ASX Listing Rules. For more particular details of the rights attaching to Shares in the Company, investors should refer to the Constitution of the Company.

13.2. Escrow Arrangements

The ASX may, as a condition of granting the Company's application for Official Quotation of its securities, classify certain securities of the Company as restricted securities and those securities will be required to be held in escrow. If so, prior to the Official Quotation of the Company's Shares, the holders of the securities that are to be classified as restricted securities will be required to enter into appropriate restriction agreements or restriction notice with the Company and an escrow agent. It is anticipated as at the date of this Prospectus that the following number of Shares, Options and Performance Rights will be subject to ASX escrow for the periods described in the table below. The Company points out that the ASX final determination on the imposition of escrow may result in a different result from that described in the table below.

Category	Securities	Period of Escrow
Related seed capitalist (**Yellow Gear**)	181,250,000 of a total of 262,500,000 Shares issued to Yellow Gear subject to release of 81,250,000 Shares on application of the ASX cash formula (**Cash Formula**).	24 months from quotation
Non-related seed capitalists	On application of the Cash Formula, 7,500,000 Shares and 10,000,000 attaching Options issued to be subject to escrow.	12 months from issue
Promoter/Corporate Advisor	7,875,000 Shares (subject to any release on application of the Cash Formula).	12 months from issue
Directors and other related parties recipients	25,475,450 Performance Rights.	24 months from Admission

On admission to the official list of the ASX the Company anticipates having a free float in excess of 20%.

13.3. Options

On completion of the Offer, the Company will 10,000,000 Options over Shares on issue on the following terms:

(a) Issue Price

The Options shall be issued for no cash consideration;

(b) Exercise Price

The exercise price of each Option is $0.40 (**Exercise Price**).

(c) Exercise Period

The Options will expire 3 years from the date the Company is admitted to the official list of the ASX.

(d) Options Non-transferable

The Options will not be transferable in whole or in part and may not be exercised by any other person.

(e) Exercise of Option

The Options may be exercised at any time wholly or in part by delivering a duly completed form of notice of exercise together with payment for the Exercise Price per Option to the Company at any time on or after the date of issue of the Options and on or before the Expiry Date. Payment may be made as directed by the Company from time to time, which may include by cheque, electronic funds transfer or other methods.

Upon the valid exercise of the Options and payment of the Exercise Price, the Company will issue fully paid ordinary shares ranking pari passu with the then issued ordinary shares.

(f) No Right to Participate

Option holders do not have any right to participate in new issues of securities in the Company made to shareholders generally. The Company will, where required pursuant to the ASX Listing Rules, provide Option holders with notice prior to the books record date (to determine entitlements to any new issue of securities made to shareholders generally) to exercise the Options, in accordance with the requirements of the Listing Rules.

Option holders do not participate in any dividends unless the Options are exercised and the resultant shares of the Company are issued prior to the record date to determine entitlements to the dividend.

(g) Capital Reorganisation

In the event of any reorganisation (including consolidation, subdivision, reduction or return) of the issued capital of the Company:

(1) the number of Options, the Exercise Price of the Options, or both will be reorganised (as appropriate) in a manner consistent with the ASX Listing Rules as applicable at the time of reorganisation, but with the intention that such reorganisation will not result in any benefits being conferred on the holders of the Options which are not conferred on shareholders; and

(2) subject to the provisions with respect to rounding of entitlements as sanctioned by a meeting of shareholders approving a reorganisation of capital, in all other respects the terms for the exercise of the Options will remain unchanged.

(h) Pro-rata issue

If there is a pro rata issue (except a bonus issue), the Exercise Price of an Option may be reduced according to the formula prescribed in ASX Listing Rule 6.22.2.

(i) Bonus issue

If there is a bonus issue to the holders of shares in the Company, the number of shares over which the Option is exercisable may be increased by the number of shares which the Option holder would have received if the Option had been exercised before the record date for the bonus issue.

(j) Variation of Option terms

The terms of the Options shall only be changed if holders (whose votes are not to be disregarded) of ordinary shares in the Company approve of such a change. However, unless all necessary waivers of the ASX Listing Rules are obtained, the terms of the Options shall not be changed to reduce the Exercise Price, increase the number of Options or change any period for exercise of the Options.

(k) ASX quotation

The Company does not intend to apply for listing of the Options on the ASX. The Company shall apply for listing of the resultant shares of the Company issued upon exercise of any Option.

13.4. Performance Rights

As at the date of this Prospectus, the Company has 44,537,500 Performance Rights over Shares on issue as follows:

Holder	Number	Exercise Price	Vesting Conditions
Mr Phil Thomas	1,603,350	Nil	
Mr Jeff Innes	1,603,350	Nil	
Mr Dan Jauncey	22,268,750	Nil	
Mr Jaroslaw Kopias	1,157,975	Nil	As set out below.
Mr Steven Tambanis	3,117,625	Nil	
Mr Shane O'Connell	7,393,225	Nil	
Mr Luke Johnstone	7,393,225	Nil	
Total	**44,537,500**		

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

#	Key Performance Indicator	Performance right allocation %	Vesting date[1]	Expiry date[2]
1	Anthill first ore production	25	31 Mar 22[3]	30 Jun 25
2	At least +10% of budget on first 11k Cu	10	See 4 below	30 Jun 26
3	Generate 20kt inferred resource 1[2]	25	30 Jun 25	30 Jun 28
4	Share price target of $0.50	20	30 Jun 25	30 Jun 28
5	Health Safety Security Environment and Quality "HSSEQ" and Indigenous Affairs	5	30 Jun 22	30 Jun 25
6	HSSEQ and Indigenous Affairs	5	30 Jun 23	30 Jun 26
7	Generate 20kt inferred resource 2[2]	10	30 Jun 25	30 Jun 28
	Total	**100**		

1. Vesting to be met by this date, can be earlier unless otherwise specified.
2. Expiry date applies where the KPI has been met. Where KPI's are not met, the rights will lapse no later than 3 months after the vesting date.
3. Vesting date will be extended if commencement of earthworks is after 1 October 2021 – allowing for the 6 month process.
4. On completion of first 11,000 tonnes of production.

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

No.	KPI	Overview
1	First Ore moved from the Anthill deposit within 6 months of commencement of earthworks	Movement of Anthill ROM ore from the pit to the crusher – defined as removing overburden and transporting ore from the pit within 6 months of commencement of earthworks.
2	At least +10% of budget on the first 11k of metal sold from Anthill	The Company exceeding its budgeted EBITDA by 10% on the first 11,000 tonnes of copper (Cu) cathode.
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 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	AR1 share price to trade at or above $0.50 for 10 consecutive Business Days.
5	Health, Safety, Security, Environment, Quality (HSSEQ) and Indigenous Affairs – to 30 June 2022	No fatalities or injuries that can be attributed to poor or lack of compliance to approved business practices by staff and no business interruptions that can be attributed to a breakdown in business relations with indigenous land holders (Business Interruption) – 100% of this KPI is achieved. Where a Business Interruption occurs, the bonus reduces to 25%. Where two or more Business Interruptions (or death) occur, the bonus reduces to 0%.
6	HSSEQ and Indigenous Affairs – from 1 July 2022 to 30 June 2023	No fatalities or injuries that can be attributed to poor or lack of compliance to approved business practices by staff and no business interruptions that can be attributed to a breakdown in business relations with indigenous land holders (Business Interruption) – 100% of this KPI is achieved. Where a Business Interruption occurs, the bonus reduces to 25%. Where a more than two Business Interruptions (or death) occur, the bonus reduces to 0%.
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.

13.5. Litigation

The Company is not engaged in any litigation which has or would be likely to have a material adverse effect on either the Company or its business.

13.6. Costs of the Offer

The total estimated cash costs to the Company in connection with the Offer, including brokerage, legal, accounting, tax, listing and administrative fees, as well as printing, advertising and other expenses, are currently estimated to be approximately A$2,491,000 (inclusive of GST) as follows:

	$'000
Legal costs	121
Investigating accountants' fees	72
Independent geological report	81
Research report	11
Share registry fee	9
Prospectus design and printing	39
ASIC prospectus lodgement fee	3
Broker capital raising fee	1,980[1]
ASX listing fee	176
Total cash costs of the Offer	**2,491**
Offer costs paid as at 31 December 2020	-
Total cash costs of the Offer (GST inclusive)	**2,491**

1. Inclusive of the $200,000 management fee payable to the Lead Manager under the Lead Manager Agreement summarised at Section 12.1. Assumes licensed securities dealers (where a 6% commission is payable) have raised $26,666,667 under the Offer.

13.7. Australian Taxation Implications of Investing Under the Offer

The following general taxation comments consider the Australian taxation implications for Australian tax residents only. The tax implications for holders of Shares in the Company relate to the receipt of dividends and potential gains on the disposal of Shares.

The comments do not purport to provide tax advice to any particular investor and should not be relied upon as the tax position of each investor may vary depending on the specific circumstances of the investor. The Company recommends that each investor seeks their own independent income tax advice based on their particular circumstances. All current or potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares.

To the maximum extent permitted by law, the Company, its officers, Directors, and each of their respective advisors accept no liability or responsibility with respect to the taxation consequences of acquiring or disposing of Shares issued under this Prospectus.

Dividends

For Australian resident individual investors, dividend income should be treated as assessable income in the year in which the dividend is paid. As detailed below, if the relevant dividend is 'franked', the amount of taxable payable in relation to the receipt of that dividend income may be reduced.

In this regard, Australian tax resident companies, such as Austral, can pay dividends to Shareholders on a fully, partly or un-franked basis.

To 'frank' a dividend, means to attach franking credits to that dividend. Franking credits are, broadly, generated from the payment of Australian corporation tax. The overarching objective of franking credits is, inter alia, to give recipient Shareholders credit for corporation tax already paid in relation to

the dividend(s) received (to the extent that those dividends are franked), so that the recipients' income tax liability in relation to those dividends is reduced accordingly. However, to the extent the recipient is eligible to claim a franking credit offset against its income tax liability (subject to the 45/90 days rule discussed below), the franking credit is required to be included in its assessable income. This is commonly referred to as grossing-up of franked dividends.

This means that a company, as a result of paying company tax in Australia, can allocate the tax paid to its Shareholders by issuing franking credits attached to the dividend received by Shareholders.

It should be noted that the general entitlement to franking credits can be impacted in certain circumstances. For example, over a de minimis threshold, shareholders must own their shares for at least 45 days (or 90 days for preference shares) in order to benefit from franking credits.

For completeness, we note that for non-resident (for tax purposes) investors, another impact of the franking regime is to impact the extent to which dividends paid to non-resident investors should be subject to dividend withholding tax (**DWT**). In this regard:

- dividends paid to non-resident shareholders that are franked should not be subject to DWT (only to the extent of the franking of those dividends); and
- to the extent that the dividends paid to non-resident investors are unfranked:
  - prima facie, those dividends should be subject to a DWT rate of 30%; however
  - this rate may be reduced to the extent that the investor is a resident of a country that is subject to a Double Taxation Agreement (DTA) with Australia. For example, for a US resident investor who owns less than 10% of the Company, the DWT rate on unfranked dividends would be reduced to 15%.

Such investors may also be taxable in their country of tax residence on receiving such dividends, and, depending upon the laws of the relevant country, a credit may be available in relation to any withholding tax suffered in relation thereto.

Disposal of Shares

Please note that the below comments relate to Australian resident investors who hold their shares on capital account only. For any sophisticated investors who actively trade in shares, or investors who have purchased their shares solely to derive profit on their re-sale in the short to medium term, please seek independent advice as it is likely that any gains made on the sale of shares may be subject to income tax on revenue account, without any capital gains tax (**CGT**) discounts available.

Capital Gains Tax

To the extent that the shares are held on capital account (which is required to be determined on a case by case basis, and independent advice should be sought in relation to this issue), the disposal of Shares by a Shareholder would be a CGT event.

For Australian resident investors, a capital gain will arise where the capital proceeds on disposal exceed the cost base of the Shares (broadly, the amount paid to acquire the Shares plus any transaction costs incurred in relation to the acquisition or disposal of the Shares). In the case of an arm's length on-market sale, the capital proceeds will generally be the cash proceeds received from the sale of the Shares.

A CGT discount may be applied against the net capital gain where the Shareholder is an individual, complying superannuation entity or trustee, and the Shares have been held for 12 months or more prior to the CGT event. Where the CGT discount applies, any capital gain arising to individuals and entities acting as trustee (other than a trust that is a complying superannuation entity) may be reduced by one-half after offsetting current year or prior year capital losses. For a complying superannuation entity, any capital gain may be reduced by one-third, after offsetting current year or prior year capital losses.

A capital loss will be realised where the reduced cost base of the Shares exceeds the capital proceeds from disposal. Broadly, the reduced cost base is similar to the cost base except that it does not include

the third element of cost base which is cost of owning the asset (for example interest on amounts borrowed to acquire the Shares). Capital losses may only be offset against capital gains realised by the Shareholder in the same income year or future income years, subject to certain loss recoupment tests being satisfied. Capital losses cannot be offset against other assessable income.

Upon disposal, if the Shares are not individually distinguished and form part of a holding of identical shares, Shareholder will need to determine which Shares are being disposed of, and in this regard generally the "first-in-first-out" method is accepted as a reasonable basis.

Goods and Services Tax (GST)

No GST should be payable in respect of the acquisition or disposal of the Shares. Further, no GST should be payable in respect of dividends paid.

Stamp Duty

On the issue or allotment of the Shares as part of the offer, no stamp duty should be payable. No stamp duty should be payable in respect of the acquisition or disposal of the Shares that are quoted on the ASX at the time of the Listing.

13.8. Interests of Experts and Advisers and Remuneration

Sections 1, 10.4, 10.5, 10.6, 12.1, 12.8 and section 13 of this Prospectus set out the nature and extent of the interests and fees of certain persons involved in the Offer. Other than set out in this Prospectus, no:

(a) Director or proposed Director of Austral;

(b) person named in this Prospectus and who has performed a function in a professional, advisory, or other capacity in connection with the preparation or distribution of this Prospectus;

(c) promoter of Austral; or

(d) stockbroker or underwriter (but not a sub-underwriter) to the Offer,

holds at the time of lodgement of this Prospectus with ASIC, or has held in the two years before lodgement of this Prospectus with ASIC, an interest in:

(a) the formation or promotion of Austral;

(b) property acquired or proposed to be acquired by Austral in connection with its formation or promotion, or in connection with the Offer; or

(c) the Offer; and

no amount (whether in cash, Shares, Options or otherwise) has been paid or agreed to be paid, nor has any benefit been given to any such persons for services in connection with the formation or promotion of Austral or the Offer or to any Director or proposed Director to induce them to become, or qualify as, a Director of Austral.

13.9. Consent of experts

HopgoodGanim Lawyers are named in the Corporate Directory as solicitors to the Company in relation to the Offer and have been involved in the process of reviewing this Prospectus for consistency with the material contracts. In doing so, they have placed reasonable reliance upon information provided to them by the Company and other third parties. HopgoodGanim Lawyers has given its consent to be named in the form and context in which it is named and has not withdrawn that consent prior to the lodgement of this Prospectus with ASIC. They do not make any other statement in this Prospectus. HopgoodGanim Lawyers will be paid for work performed in accordance with usual time based charge out rates and estimate their professional costs at $110,000 (excluding disbursements and GST), at the date of this Prospectus.

RSM Corporate Australia Pty Ltd (**RSM**) is named in the Corporate Directory as Investigating Accountants to the Company. They were involved in the preparation of the Independent Limited

Assurance Report set out in Section 9 of this Prospectus. RSM has given its consent for inclusion of Investigating Accountant's Report in the Prospectus and to be named in the form and context in which it is named, and has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC. In doing so, it has placed reasonable reliance upon information provided to it by the Company and other third parties. Other than those contained in the Investigating Accountant's Report RSM does not make any other statement in this Prospectus. RSM will be paid for work performed in accordance with usual time based charge out rates and estimate their professional costs at $65,000 (excluding disbursements and GST), at the date of this Prospectus.

Peloton Capital Pty Ltd ABN 22 149 540 018 (**Peloton**) (**Lead Manager**) is named in the Corporate Directory as the Lead Manager to the Offer. The Lead Manager has given its consent to be named as Lead Manager to the Offer in the form and context in which it is named and has not withdrawn its consent prior to lodgement of this Prospectus with ASIC. The Lead Manager makes no statement in this Prospectus nor are any statements made in this Prospectus based on any statement by it, other than being named as Lead Manager, and has not authorised or caused the issue of, this Prospectus. In consideration for the Lead Manager's role in relation to the Offer, they are entitled to receive a fee as set out in Section 12.1 of this Prospectus.

CSA Global Pty Ltd (**CSA**) is named in the Corporate Directory as Independent Technical Assessor to the Company and has prepared the Independent Technical Assessment Report, which is set out in Section 7 of the Prospectus. CSA has given its consent for inclusion of the Independent Geological Report in the Prospectus and to be named in the form and context in which it is named, and has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC. In doing so, it has placed reasonable reliance upon information provided to it by the Company and other third parties. Other than those included in the Independent Geological Report, it does not make any other statement in this Prospectus. CSA will be paid for work performed in accordance with usual time based charge out rates and estimate their professional costs at approximately $74,000 (excluding disbursements and GST) at the date of this Prospectus.

Automic Pty Ltd (**Automic**) has given its written consent to be named as the Registry in the form and context in which it is named and has not withdrawn its consent prior to lodgement of this Prospectus within ASIC. Automic has had no involvement in the preparation of any part of the Prospectus other than being named as the Share Registry to the Company. Automic has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of the Prospectus.

There are a number of persons referred to elsewhere in this Prospectus who are not experts and who have not made statements included in this Prospectus, nor are there any statements made in this Prospectus on the basis of any statements made by those persons. These persons did not consent to being named in the Prospectus and did not authorise or cause the issue of the Prospectus.

13.10. Working Capital Statement

The Board believes that the Company's current cash reserves plus the net proceeds of the Offer will be sufficient to fund the Company's stated business objectives.

The Board will consider the use of further equity funding or placements if appropriate to further accelerate growth or fund a specific project, transaction or expansion.

13.11. Subsequent events

There has not arisen, at the date of this Prospectus any item, transaction or event of a material or unusual nature not already disclosed in this Prospectus which is likely, in the opinion of the Directors of the Company to affect substantially:

(a) the operations of the Company;

(b) the results of those operations; or

(c) the state of affairs of the Company.

13.12. Inspection of documents

Copies of following documents may be inspected free of charge at the registered office of the Company and at the offices of HopgoodGanim Lawyers, Level 8, 1 Eagle Street, Brisbane during normal business hours:

(a) the Material Contracts in Section 12 of this Prospectus;

(b) the Constitution of the Company; and

(c) the consents referred to in Section 13.10 of this Prospectus.

13.13. FIRB

The FATR applies to acquisitions of shares and voting power in a company of more than 20% or more by a single foreign person (and its associates) (**Substantial Interest**) or 40% or more by two or more associated foreign persons and their associates (**Aggregate Substantial Interest**).

Where a foreign person (as that term is defined under the FATA) proposes to acquire a Substantial Interest or the Aggregate Substantial interest is met, the acquisition of Shares by the foreign person under this prospectus may not occur unless notice has been given to FIRB and FIRB has issued a no objections notification or the statutory period has expired without FIRB objecting.

For the purposes of the FATA and FATR, Austral is an Australian land corporation which may impact the monetary threshold requiring FIRB approval.

In addition, in accordance with the FATA and FATR, the proposed acquisition of a direct investment (generally 10% or more) into an Australian company by foreign government investors and their associates will likely require notification to the FIRB.

13.14. Governing Law

This Prospectus and (unless otherwise specially stated) the contracts that arise from the acceptance of the Applications are governed by the laws applicable in Queensland and each Applicant submits to the exclusive jurisdiction of the courts of Queensland.

13.15. Consent to lodgement

Each of the Directors of the Company has consented to the lodgement of this Prospectus with the ASIC.

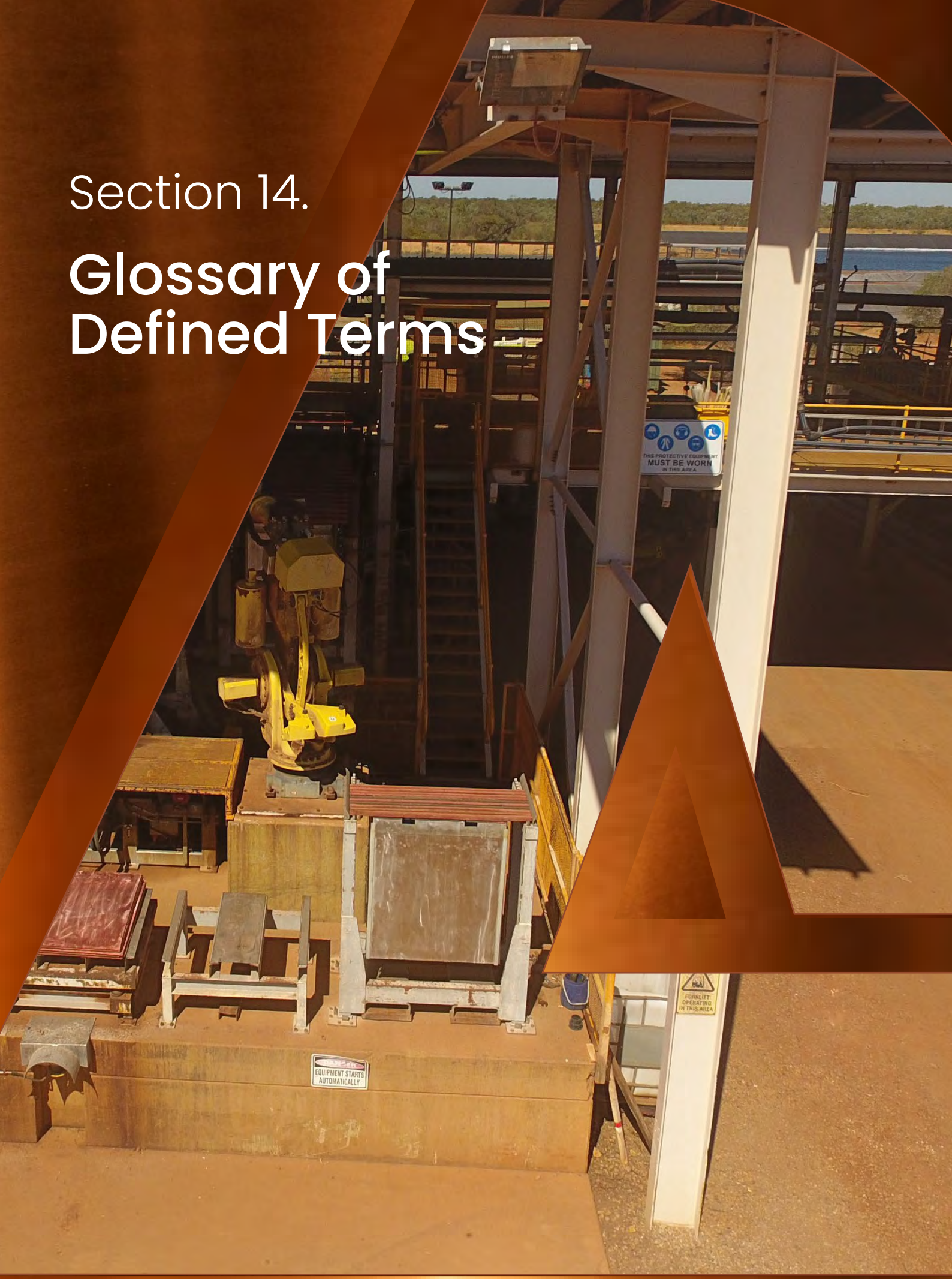
Signed on behalf of the Company by:

Phillip Thomas

Chairman

Section 14.

Glossary of Defined Terms



Term	Meaning
A$	Australian Dollars.
AEST	Australian Eastern Standard Time.
Applicant	a person applying for Shares offered by this Prospectus.
Application Form	the application form enclosed with and forming part of this Prospectus for use by investors.
Application Monies	monies that are payable in accordance with the terms of the Offer by an Applicant when submitting an Application.
Anthill Project	the development , production and commercialisation of the Austral Group's Anthill copper deposit.
ASIC	Australian Securities and Investments Commission.
ASX Listing Rules or **Listing Rules**	the Official Listing Rules of the ASX as amended or waived from time to time.
ASX Settlement Operating Rules	the operating rules of the ASX Settlement which apply while the Company is an issuer of CHESS-approved securities, each as amended or replaced from time to time.
ASX	ASX Limited ABN 98 008 624 691.
Audit and Risk Committee	a committee established by the Company to assist the Board in discharging its responsibility to exercise due care, diligence and skill.
Austral Group	each Austral Resources and its subsidiaries ARO and ARE.
Austral Resources Australia Ltd, Austral, Austral Resources or **Company**	Austral Resources Australia Ltd ACN 142 485 470.
ARE or **Austral Resources Exploration**	Austral Resources Exploration Pty Ltd ACN 612 119 123.
ARO or **Austral Resources Operations**	Austral Resources Operations Limited ACN 136 930 222.
atf	as trustee for
Board	the board of Directors of the Company from time to time.
Broker	the Lead Manager and/or its affiliates, and any broker or brokers appointed by the Lead Manager in accordance with the LM Agreement to act as a participating broker to the Offer.
Broker Firm Offer	the offer of Shares under this Prospectus to eligible clients of Brokers as described in Section 2.7.
Business Day	has the meaning ascribed to it in the ASX Listing Rules.

Term	Meaning
CGT	Capital Gains Tax.
CHESS	the Clearing House Electronic Sub-registry System operated by ASX.
Closing Date	15 October 2021 (subject to the right of the Directors to close the Offer earlier or to extend this date without notice).
Constitution	the Constitution of the Company.
Conversion	conversion of the Company to a public company on 13 August 2021.
Corporate Governance Charter	the corporate governance charter adopted by the Company.
Corporate Governance Principles and Recommendations	the corporate governance principles and recommendations of the ASX Corporate Governance Council as at the date of this Prospectus.
Deed of Debt Repayment and Forgiveness	the deed of debt repayment and forgiveness dated 3 August 2021 between Yellow Gear, the Company and ARO.
Directors	the Directors of the Company.
Eligible Jurisdiction	New Zealand, European Union (excluding Austria), the United Kingdom, Canada (British Columbia, Ontario and Quebec provinces only), Hong Kong and Singapore.
Existing Shareholders	all holders of Shares in the Company at the date of this Prospectus.
Exposure Period	the 7 day period from the date of lodgement of the Prospectus, unless otherwise extended by ASIC.
FATA	*Foreign Acquisitions and Takeovers Act 1975* (Cth).
FATR	*Foreign Acquisitions and Takeovers Regulations 2015* (Cth).
FIRB	Foreign Investment Review Board.
GST	Goods and Services Tax.
HIN	Holder Identification Number.
Independent Technical Assessment Report or **ITAR**	the Independent Technical Assessment Report prepared by CSA Global Pty Ltd, an ERM Group company in Section 7.
Institutional Investors	investors who are (a) persons in Australia who are wholesale clients under section 761G of the Corporations Act and either "professional investors" or "sophisticated investors" under sections 708(11) and 708(8) of the Corporations Act, respectively; or (b) institutional investors in certain other jurisdictions, as agreed between Austral and the Lead Manager, to whom offers or invitations in respect of Shares may lawfully be made without the need for a lodged or registered prospectus or other form of disclosure document or filing with, or approval by, any government agency (except one with which Austral is willing, in its absolute discretion, to comply).

Term	Meaning
Institutional Offer	the offer of Shares under this Prospectus to Institutional Investors as described in Section 2.7.
Inter-Company Loan	the loan agreement, dated 31 May 2010 and amended on 19 July 2019, between Yellow Gear as lender, the Company as borrower and ARO as guarantor.
Lead Manager or LM	Peloton Capital Pty Ltd (ABN 22 149 540 018)
New Shares	shares in the Company to be issued under this Offer.
Offer	means the offer of Shares under this Prospectus.
Official List	the Official List of ASX.
Official Quotation	quotation on the Official List of ASX.
Opening Date	17 September 2021.
Options	options to subscribe for Shares.
Prospectus	this Prospectus, which is dated 10 September 2021.
Shareholders	holders of Shares in the Company.
Shares	fully paid ordinary shares in the capital of the Company.
Tenement Report	Independent Solicitor's Report on Tenements prepared by HopgoodGanim Lawyers in Section 8
Wingate Facility	the Facility Agreement between the Company, ARO, Wingate Corporate Investments Pty Ltd ACN 632 532 480, Win Finance No. 359 Pty Ltd ACN 651 786 408 and those persons designated in the Facility Agreement as original guarantors.
Working Capital Loan	the loan agreement between Yellow Gear (as lender) and the Company (as borrower).
Yellow Gear	Yellow Gear Pty Ltd as trustee for the Super Snake Trust an entity associated with Dan Jauncey, a Director of the Company.

References in this Prospectus to Sections and paragraphs are to Sections and paragraphs of this Prospectus.

References in this Prospectus to dollars ($) are to the currency of Australia unless stated otherwise.

Section 14. **Glossary of Technical Terms**

For terms that are not described here please refer to the Glossary within the Independent Technical Assessment Report in Section 7 of this Prospectus.

Term	Meaning
agglomeration	Pre-treatment of the crushed ore with acid and spent leachate prior to stacking
copper cathode	Saleable copper product
domain	Group of rocks of common age and characteristics in geological terms
granodiorite	Intrusive igneous rock similar to granite, but containing more plagioclase feldspar
JORC Code	A code for reporting of Exploration Results, Mineral Resources and Ore Reserves.
leaching	Dissolving of minerals or metals out of ore or rock
mineralisation	The concentration of metals and their chemical compounds within a body of rock
orogeny	A process by which a section of the earth's crust is folded, faulted, intruded and deformed by lateral compression to form a mountain range
oxide mineralisation	Near surface mineralisation that has been exposed to the atmosphere and groundwater
pregnant leach solution (PLS)	Solution containing leached metal
raffinate	The portion of an original liquid that remains after the other components have been dissolved by a solvent
rhyolite	An extrusive ingeous rock rich in silica
Run of Mine (ROM)	Standard ore produced from the mining process
Solvent Extraction/ Electowinning (SX/EW)	Solvent extraction involves mixing the leach solution with an organic reactant so the copper is extracted into the organic phase. The organic phase (with copper) separates from the raffinate due to density differences. The organic phase is stripped, by mixing it with an aqueous solution of higher acidity which causes the copper to return to solution. The copper rich solution is passed through the electrowinning process for copper recovery
sulphide mineralisation	Fresh mineralisation comprising a chemical combination of sulphur and metals such as copper
tenements	Area of land defined by a government authority over which exploration or mining may be conducted
tonalite	An igneous, plutonic rock, of felsic composition, with phaneritic texture
transitional mineralisation	Partially oxidised mineralisation

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Mr Dan Jauncey
Mr Jeff Innes

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