ASX ANNOUNCEMENT

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3 September 2025

AUSTRAL RESOURCES RESET GATHERS MOMENTUM

Austral will establish a consolidation platform to unlock the potential of the Mount Isa and Cloncurry copper region

Highlights:

- All legal agreements executed to allow for Prospectus to be lodged for a Placement offer to raise approximately $40 million at $0.05 per share
- Shareholder approval for the issuance of securities to facilitate the Placement is expected to be secured at the shareholder meeting to be held on 4 September 2025
- Proceeds from the Placement offer will be used to fund acquisition integration, exploration and resource development, Rocklands mine development, balance sheet recapitalisation and working capital
- The Company will emerge with a materially reset balance sheet with:
  - Settlement to discharge all debts owed by Austral to Thiess Pty Limited
  - Settlement to discharge all debts owed by Austral to AES
  - Changes associated with APA to take effect at completion
- Following the completion of the Company's equity raising, Austral will be a position to unlock the full potential of the Mount Isa and Cloncurry copper region

Austral Resources Australia Ltd (**ASX:AR1**) ("**Austral**" or the "**Company**") is pleased to provide shareholders with an update on its recent acquisitions, execution of legal agreements, and impending equity raising. The culmination of this is the lodgement of a Prospectus with ASIC and ASX dated 3 September 2025.

Austral has continued to advance its revised three-phase strategy to consolidate, expand and ultimately control copper production and processing across the Mt Isa and Cloncurry region, and is pleased to announce the following:

- Lodgement of a Prospectus dated 3 September 2025 for a Placement of approximately $40 million comprising the issue of approximately 800 million shares at an issue price of $0.05 per share ("**Placement**");
- Settlement with Thiess Pty Limited (**"Thiess"**) as well as Austral Equipment Solutions Pty Ltd and Equipment Engineering Solutions Pty Ltd collectively trading as Williams Equipment Engineering ("**AES**"),to discharge all debts owned by Austral; and
- Execution of formal agreements to give effect to the Anthill Project Agreement ("APA") previously announced between Glencore, Secover and the Company.

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Subject to the satisfaction of ASX conditions as outlined in the Prospectus, it is anticipated that the Company will receive an extension to the trading suspension period.[1]. The Company will update the market on the status and period of extension in due course.

Austral's Chairman, David Newling, commented:
"Today is a big milestone for the revitalised Austral Resources. The lodgement of the Prospectus is the culmination of a significant amount of work that marks another critical step towards delivering on the Company's goal of building Australia's next mid-tier copper powerhouse through disciplined consolidation, low-cost production, and responsible growth across Queensland's world-class copper belt.

The Placement will provide Austral with an extended runway through key strategic milestones in unlocking the full of potential of the Mount Isa and Cloncurry copper system, targeting sustainable production of 50,000 tonnes of copper metal per year for over 20 years.".

Placement

Details of the Placement

A total of approximately 800 million Placement shares are be issued to raise approximately $40 million. Placement shares will rank equally with existing fully paid ordinary shares and will be quoted on the ASX following reinstatement of quotation which is expected on or around 3 October 2025.

New shares issued under the Placement will be issued at a price per share of $0.05 ("**Placement Price**"). The Placement Price represents a 68.8% discount to the last traded price of $0.16 on 31 August 2023.

At this stage, the Placement and corresponding issue of New Shares are subject to and conditional on the following conditions:

(a) Shareholder Approval of the Placement Offer, Thiess Offer and DFIL Offer (at a meeting to be held on Thursday, 4 September 2025);
(b) ASX granting an extension of the 2 Year Limit to enable Reinstatement to occur;
(c) The Company raising the Minimum Amount under the Placement Offer;
(d) Satisfaction of each outstanding condition of the Restructure Arrangements; and
(e) Satisfaction of each outstanding condition and corresponding completion of the Rocklands Acquisition.

[1] If the Placement is not completed by this date, Austral will be delisted from the ASX.

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Proceeds from the Placement will be used for the following:

Source of Funds	$M	Use of Funds	A$M
Placement Offer	$40.0	*Recapitalisation & Acquisitions*	
		• Thiess repayment	$17.5
		• Trade creditors	$1.5
		• Royalties	$2.5
		Exploration & Resource Development	$3.6
		Rocklands Project Development	
		• Project assessment (resource and metallurgy)	$1.5
		• Power station refurbishment	$4.6
		• Project and tenement – care and maintenance	$2.8
		Working Capital & Transaction Costs	$6.0
TOTAL	**$40.0**	**TOTAL**	**$40.0**

Bell Potter Securities Limited and Shaw and Partners Limited are acting as Joint Lead Managers to the Placement.

Key Dates

An indicative timetable of key dates in relation to the Placement is set out below:

Key dates for Offer Participants	
Prospectus lodged with ASIC and ASX and made available	Wednesday 3 September 2025
General Meeting of the Company convened to seek Shareholder Approval	Thursday 4 September 2025
Opening Date of Placement Offer	Monday 8 September 2025
Closing Date of Placement Offer (subject to no extension):	5.00pm AEST on Friday 10 October 2025
Issue of New Shares and Options pursuant to the Offers	Tuesday 14 October 2025
Reinstatement of Shares to trading on ASX	Friday 17 October 2025
Commencement of trading of all Shares, including New Shares issued under the Offers, on ASX	Friday 17 October 2025

All dates are subject to change and accordingly are indicative only, subject to compliance with the ASX Listing Rules and Corporations Act. In particular, the Company, in consultation with the Joint Lead Managers, has the right to vary the dates of the Offers, without prior notice. Offer Participants are encouraged to submit their Acceptance Forms as soon as possible after the Offers open.

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Thiess Settlement

Details of the Thiess Debt Conversion Agreement

During June 2024, Austral entered into a significant debt restructuring agreement with Glencore, Secover Pty Limited and Thiess, to discharge $78 million in secured debt and reduce its senior secured debt to zero, thereby strengthening its financial position and enabling the acceleration of its expansion projects. Under this agreement (**"Anthill Production Agreement"**), the $78 million in secured debts will be repaid from the proceeds of the Anthill Project whose mined ore is expected to be processed through the Mount Kelly plant over the next 12 months. The Anthill Production Agreement has allowed Austral to restructure its financial obligations and de-risk the Company from future operational uncertainties.

Austral had partnered with the global mining services provider Thiess to develop and operate its Anthill Copper Project in Queensland, Australia. Thiess provided Austral with mining services at the Anthill mine, including operating and maintaining mining fleets and undertaking mining operations, prior to Austral terminating the Mining Services Agreement following the Company emerging from receivership in July 2024.

Austral and Thiess have now entered binding agreements to discharge all debts owed by Austral to Thiess totalling approximately $44.97m plus accrued interest by the following ("**Thiess Debt Conversion**"):

- payment of $17.5 million out of the Placement proceeds;
- issue $10 million of new shares at the Placement price of $0.05;
- Austral procuring the transfer of 54.6 million existing Shares from third parties including 40 million Shares from entities associated with Dan Jauncey, a related party of the Company.

The Thiess Debt Conversion is subject to completion of the Placement.

The New Shares to be issued to Thiess will be subject to a voluntary escrow period prohibiting the disposal of those New Shares other than in prescribed circumstances for a period of 12 months from completion. Following the above transactions, and in addition to their existing shareholding, it is expected that Thiess will own approximately 275million shares or approximately 17% of the Company.

AES Settlement

Austral has agreed a debt-for-equity swap with a former mining equipment provider, associated with Dan Jauncey, the former Managing Director and current Non-Executive Director of the Company.

AES, collectively Austral Equipment Solutions Pty Limited and Equipment Engineering Solutions Pty Limited trading as *Williams Equipment Engineering* and Austral have agreed to discharge the debts owing by Austral to AES totalling a maximum of $2 million by converting the AES Debt into New Shares. The monies owed to AES are for the purchase of mining equipment used at the Anthill mine.

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The AES Debt Conversion is subject to shareholder approval (to be sought on 4 September 2025).

Glencore Agreements for Rocklands

As announced earlier today (see announcement entitled "finalisation of Glencore agreements for acquisition of Rocklands"), Austral has also executed a binding agreements with Glencore International AG ("**Glencore**") for the establishment of:

- a Tolling agreement for up to 100% of the agreed capacity of the Rocklands processing facility, less any integrated ore processed, that is owned by Austral ("**Tolling Agreement**");
- a senior secured USD$15 million loan facility to support the acquisition of Rocklands ("**Loan**"); and
- an offtake agreement for 100% of any concentrate production derived from the Rocklands tenements ("**Offtake Agreement**").

Acquisition of Rocklands Update

On 3 July 2025, Austral announced it had executed binding agreements to acquire Copper Resources Australia Pty Limited (**"CRA"**), the owner of the Rocklands Copper Mine with a 3.0mtpa processing facility (**"Rocklands"**). Rocklands is a cornerstone asset in Austral's east-west "hub and spoke" development model and strategy to become the regional consolidator and processor of third-party ore.

The transaction to structure Rocklands has been structured with Austral acting as proponent of a Deed of Company Arrangement ("**DOCA**"), pursuant to which it will acquire Rocklands.

Remaining conditions precedent to the DOCA are:

(a) Termination and release of pre-appointment offtake liabilities; and
(b) Successful Austral Placement.
(c) The Glencore Loan being available to be drawn down by Austral.

Austral and CRA have agreed to extend the date for satisfaction of these Conditions Precedent to 30 September 2025.

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Further Information

Further details of the Placement, Theiss, AES and Glencore agreements and Rocklands acquisition are set out in the Prospectus provided to the ASX today. The Prospectus contains important information including key risks and international offer restrictions with respect to the Placement.

This announcement is authorised for market release by the Board of Directors.

FURTHER INFORMATION, PLEASE CONTACT:

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