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ASX: AR1
Date 30/10/2026

ASX ANNOUNCEMENT

AR1 QUARTERLY SEPTEMBER 2026

Q3 production below guidance on acid shortfall and brought-forward plant upgrade; ore exposed, pads restocked and Mt Kelly output to lift from November

Consolidated operational and exploration update

Reporting period: Quarter ended 30 September 2026

Austral Resources Australia Limited ("**AR**", "**Company**") produced 1,457t of copper, 21% below the low end of guidance, as a brought-forward crushing upgrade and acid supply at ~70% of requirements constrained output.

AR settled the Anthill Project Agreement ("APA") during the period. This brought forward the Mt Kelly crushing circuit refurbishment, which was required to support the operating strategy adopted after regaining full economic ownership of Anthill ore. While the associated downtime reduced Q3 output, the Company believes the investment will deliver operational and financial benefits as production increases in future periods.

Investment in increased stripping has exposed ore across four pits and rebuilt heap leach inventory (789t contained Cu stacked; above forecast). Copper is recovered from the heap leach pads over several months, so Mt Kelly production is expected to be at its lowest in September–October 2026 before increasing in November and December 2026 (even if acid supply remained at Q3 levels). Q4 guidance of 1,300–1,600t reflects this profile.

Highlights

- → AR entered into a $15m non-dilutive royalty funding agreement with QIC Queensland Critical Minerals Fund (QCMF) on 7 August 2026.
- → AR entered into a binding Scheme Implementation Deed on 11 August 2026 to acquire Hammer Metals. The Hammer Metals scheme meeting is scheduled for 9 November 2026, with the second court hearing expected later that week assuming the vote is successful.
- → AR completed the early termination of the APA and completed stacking the Anthill ore, simplifying operations by allowing multiple mining campaigns including Mt

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Clarke/Flying Horse and Lady Annie/Lady Brenda to provide multiple ore sources for processing.

→ AR ended the period with $24.2 million cash and $2.64 million in sales receivables, after funding the $37.6 million cash component of the Anthill settlement and $15.3 million of capitalised waste stripping.

→ Contained copper stacked of 789t was well above the forecast of 400–500t, building fresh pad inventory to support increasing production from late Q4 2026.

→ Before capitalised waste stripping, Mt Kelly generated approximately $5.4 million of operating cash in the period, up from approximately $2.0 million in the June quarter, despite lower copper sales.

→ Rocklands development remains on track for a planned restart in H2 2027, with the pre-commissioning team onboarded and the crushing and grinding circuit upgrade underway:
  - The majority of the new 4.8 MW SAG mill components were delivered to site and demolition of the redundant crushing circuit was completed;
  - CAPEX for the coming quarter will be funded from the Company's cash balance; and
  - Onsite electrical testing and inspections progressed ahead of planned process plant energisation in early 2027.

→ Mt Kelly operations produced 1,457t of saleable copper and sold 1,399t of copper cathode during the period, for revenue of $27.21 million and cash receipts from sales of $26.33 million.

→ Major crushing shutdown for refurbishment with a brand new agglomerator drum installed.

→ Scoping study commenced to increase acid storage onsite to buffer supply issues, which continued to impact production.

→ EA Amendments received for Lady Annie and Lady Loretta.

→ Exploration completed 10,524 metres of RC drilling and 463 metres of DDH drilling across regional and near-mine targets.
  - Drilling at McLeod Hill expanded the mineral system footprint to beyond 1 kilometre of strike and advanced the prospective McLeod Hill–Canyon copper corridor to approximately 3 kilometres.

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AR Chairman, David Newling, commented:

"The September quarter was a period of investment for AR, but we are not satisfied with the production result. Output was approximately 21% below the low end of guidance with the crushing refurbishment brought forward with the APA settlement and continued constrained acid supply.

The investment, however, has positioned us to grow production - settling the APA gives us 100% of the remaining Anthill copper and the flexibility to feed Mt Kelly from Mt Clarke, Flying Horse, Lady Annie and Lady Brenda. We stacked more contained copper than forecast, ore is now exposed across multiple pits, and the production run rate should increase before the end of 2026."

Operating performance summary

Q3 performance – Western Operations

Performance metric	Units	Actual	Q3 guidance
Tonnes stacked / processed	T	136,079	110,000-130,000
Total contained copper	T	789	400-500
Total copper produced	T	1,457	1,850-2,050
Total material mined	T	2,772,643	2,700,000-3,200,000
Total ore mined (dry)	T	18,915	100,000-130,000

Q4 forecast guidance – Western Operations

Performance metric	Units	Forecast
Tonnes stacked /processed	T	200,000-250,000
Total contained copper	T	1,000-1,500
Total copper produced	T	1,300-1,600
Total material mined	T	3,300,000-3,900,000
Total ore mined (dry)	T	200,000-250,000

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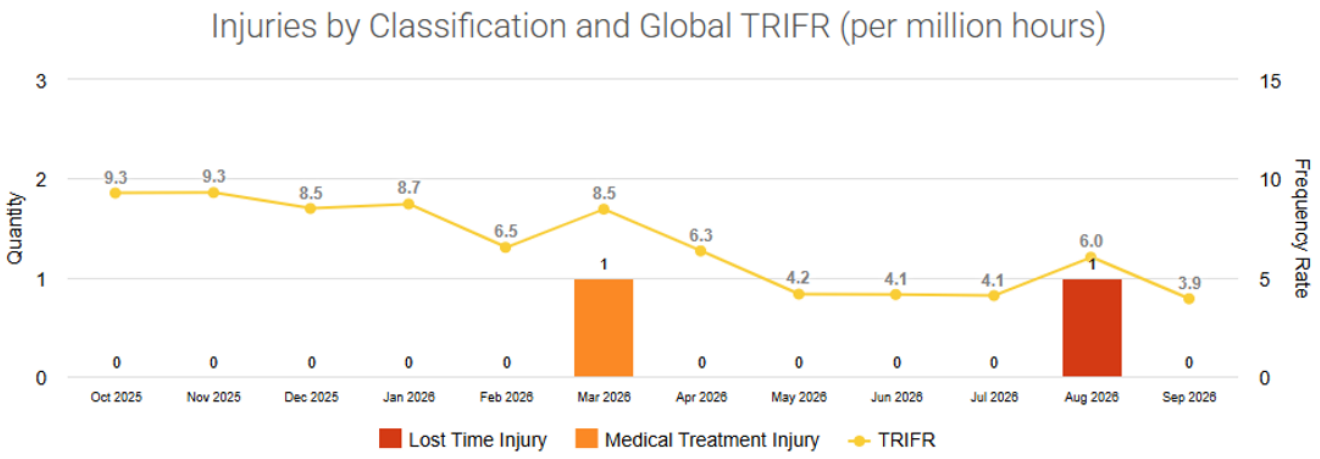
The lack of ore mined during Q3 represents the Company's focus on accelerated waste stripping across the Western Hub, exposing oxide and sulphide ore at Lady Annie, Lady Brenda and Mt Clarke/Flying Horse to support higher future production.

The Total material mined estimate for Q4 will see a greater amount (quantum and proportion) of ore mined as part of the total material mined when compared to Q3.

Western Operations – Mt Kelly

Safety

AR's global Total Recordable Injury Frequency Rate (TRIFR) improved over the period, from 4.1 to 3.9 at period end. One lost-time injury resulted from a fall from a ladder. A high-potential misfire incident involving a dropped detonator at Lady Annie was reported to Resources Safety and Health Queensland. No corrective actions remain outstanding in relation to safety at period end.



Mining – Lady Annie

ReGroup mobilised a brand-new 200-tonne excavator and haul truck fleet, significantly increasing mining capacity and accelerating waste stripping to expose both oxide and sulphide ore.

Mining activities at the Lady Annie Project continued to ramp up during the period, with development across both Lady Annie and Lady Brenda establishing separate production fronts. This provided greater flexibility to progress excavation and drill and blast activities simultaneously, supporting access to ore across the project.

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Total reported material movement for the period was 881,390 dry metric tonnes (DMT). Early mining involved substantial side-casting and dozer push within narrow cutbacks, which was not fully reflected in truck-recorded material movement, and also affected mining and blasting continuity. Conventional truck and excavator operations increased as working areas widened, with operations subsequently expanding to both day and night shifts.

Mining prioritised overburden removal at Lady Brenda East, with additional capacity directed to Lady Annie West.

Ore production continued during August 2026, with a total of 18,915 DMT mined at an average grade of 0.28% Cu during the period. Grade control drilling and sampling continued to support upcoming ore extraction as waste stripping advanced.

Road train haulage from Lady Annie to the Mt Clarke Run of mine (ROM) commenced during September 2026, with 23,372 wet metric tonnes (WMT) transported at an average grade of 0.51% Cu, comprising Q2 stockpiled ore blended with material salvaged from historic waste dumps. The closing Lady Annie ROM stockpile stood at 6,193 WMT at 0.31% Cu.

A minor Environmental Authority amendment approved additional land disturbance associated with the Lady Annie and Lady Brenda cutbacks. This supports expansion of the pit shells once the associated lease boundary constraint is removed, providing greater flexibility for future mine design and access to additional mineralisation.

Mining – Flying Horse

Mining at Flying Horse continued throughout the period, with total material movement of 1,891,253 DMT. No ore was mined at Flying Horse during the period with mining of ore to commence in Q4.

The primary excavator was upgraded from a PC1250 to a PC2000 during September 2026. The upgrade is expected to increase monthly material movement from 650kt to 900kt, subject to sufficient truck capacity, workforce availability and prepared mining areas.

Processing

Crushing and stacking recommenced following the major refurbishment of the crushing and agglomeration circuit. A total of 136,079t of ore was stacked during the period, compared with a forecast of 110,000–130,000t. July 2026 stacking was 84,304t, with no ore stacked during the August shutdown. Initial crusher recommissioning commenced on 28

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August 2026, followed by further start-up rectification. September 2026 stacking reached 51,776t while contained copper stacked was 210t.



Figure 1. Old Agg drum being removed



Figure 2. New Agg drum being installed

Heap leach copper production declined from 624.6t in July 2026 to 484.8t in August 2026 and 347.2t in September 2026 due to unstable sulphuric acid supply. Sulphuric acid supply remained challenging throughout the period, with ongoing global shortages and supply chain constraints impacting availability, resulting in AR only receiving approximately 70% of its total acid requirements. The constrained acid deliveries left the agglomerator acid addition to 8kg/t of ore, below the target of 14kg/t. Acid supply has increased post period end. Nonetheless AR is actively working on increasing its site-based storage to buffer these events in the future. This shortfall in acid resulted in a declining PLS ("pregnant leach solution") grade from 1.86 g/L to 1.19 g/L across the period. Leaching continued on existing inventory during the shutdown. Solution balancing and injection-related cross-flow between pads required operating adjustments, while resumed stacking added fresh copper inventory. Solution distribution and copper tenor remain priorities for production recovery.

Solvent extraction and electrowinning performance

SX–EW operations continued throughout the period, producing 1,467.1t of plated copper and 1,456.5t of stripped copper. Plated copper production declined from 622.2t in July 2026 to 467.7t in August 2026 and 377.2t in September 2026 on the back of the crushing refurbishment and installation of the new agglomerator drum. Cathode mean purity remained at 99.999%. Cell and anode refurbishment, organic and crud treatment,

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electrolyte management, and electrical and structural repairs supported continued operation.

Copper is recovered from stacked ore over several months. Q3 output reflected leaching of previously stacked inventory, which was not replenished during the August shutdown, and lower PLS grades as that inventory depleted. Stacking above forecast during this period has rebuilt pad inventory to support increasing production from late Q4 2026.

Environment and sustainability – Western Operations

Environmental compliance

No environmental incidents were recorded at Lady Annie or Lady Loretta during the period.

The 2026 pre-wet season preparedness inspections were completed by DETSI at the Lady Annie and Lady Loretta operations in August 2026.

- Lady Annie EA: Zero non-compliances or matters of concern were recorded.
- Lady Loretta EA: One matter of concern was noted, associated with data relating to the previous Environmental Authority holder.

Corrective measures were implemented and reported to DETSI on 2 and 5 October 2026.

DETSI has confirmed to AR that no further action is required.

Environmental authority amendments and rehabilitation

- On 1 September 2026, approval was granted for additional land disturbance associated with the Lady Annie and Lady Brenda pit cutbacks.
- On 15 September 2026, approval was granted for additional land disturbance associated with Lady Loretta exploration drilling activities. A financial offset application for disturbance of Category B endangered regional ecosystem is in progress to align with the Environmental Authority amendment.
- Supporting studies for the Lady Annie Heap Leach Facility 2 Environmental Authority amendment progressed, including ecological, soil, groundwater and permeability assessments. Further ecological fieldwork is scheduled for October 2026 alongside ongoing design and approval work.
- Revision of the Lady Loretta estimated rehabilitation cost was completed and approved in August 2026. The revised cost of $12.36 million is approximately 18% below the previous rehabilitation cost of approximately $15.1 million. AR is currently in discussions with Queensland Treasury to secure the release of the difference back to the Company.

Eastern Operations – Rocklands

Safety

The site recorded zero injuries during the period, with the year-to-date TRIFR remaining zero.

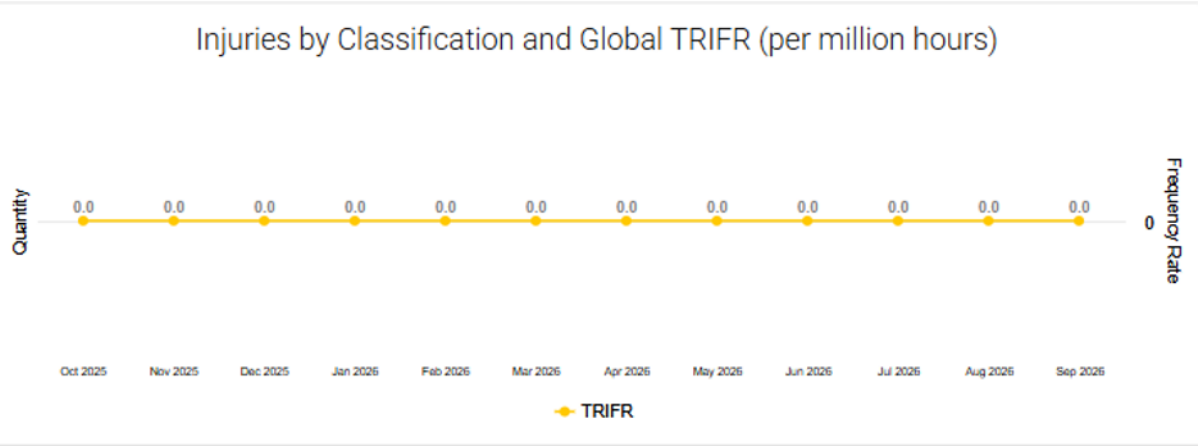


Figure 3. Rocklands injury classification and Global TRIFR trend.

Rocklands Processing Plant Upgrade – FEED Study Phase 1

Phase 1 of the Front-End Engineering Design ("FEED") study for the Rocklands Processing Plant Upgrade, executed with GR Engineering Services on 6 April 2026, is nearing completion. The study centres on integrating the new SAG mill to achieve targeted throughput increases and simplify the overall comminution circuit.

Concurrent with finalisation of the FEED study, AR is evaluating suitable contractors to transition the project into detailed engineering and construction, with a contractor and funding plan to be appointed and announced before the end of 2026.

Demolition of the redundant crushing circuit was complete. The redesigned circuit will streamline processing operations by replacing multiple legacy crushing stages with a more efficient, modern configuration.

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Figure 4. Crushing circuit demolition commenced.



Figure 5. Crushing circuit demolition complete.



Figure 6. SAG mill shell onsite



Figure 7. SAG Mill components onsite

Power

Onsite electrical tests and inspections were underway ahead of planned process plant energisation in early 2027. Routine servicing of the power station diesel generators is scheduled for early December 2026.

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Figure 8. MCC Electrical testing & inspections



Figure 9. Transformer testing & inspections

Following completion of the grid power connection Pre-Feasibility Study, engagement commenced with Ergon Energy and North West Power Systems to define the required engineering study packages for the connection project.

Exploration

AR completed 10,524 metres of RC drilling and 463 metres of DDH drilling during the period across regional exploration targets in the Cameron River and Miranda projects, as well as resource growth opportunities near Lady Annie and McLeod Hill. The deployment of two rigs increased drilling capacity across the tenements and is anticipated to support news flow as delayed assay results are received and appropriately audited.

McLeod Hill – Lady Annie Project

McLeod Hill is approximately 4.5 kilometres from the Mt Kelly SX–EW facility and is located within existing mining leases. Exploration drilling during the period effectively doubled the footprint of the McLeod Hill mineral system to beyond 1 kilometre of strike[1].

Key Reported Downhole Intersections

- MTKC0749: 8 m @ 1.18% Cu from 43 m.
- MTKC0748: 20 m @ 0.59% Cu from 67 m, including 5 m @ 1.40% Cu from 67 m.

[1] see ASX announcement "McLeod Hill Copper Footprint Expands Beyond 1km" on 12 October 2026

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Extension drilling continued to bridge the gap between McLeod Hill and the newly discovered Canyon system to the north, advancing the prospective copper corridor across the two areas to approximately 3 kilometres near the Mt Kelly facility.

Mineral Resources

Mineral Resource updates for Lady Annie and Flying Horse are currently underway and are planned to feed other mining studies once finalised.

A consolidated Mineral Resource update is planned, incorporating the Company's existing resources and recent acquisitions, including the Hammer Metals acquisition.

No changes were made to the Company's JORC Mineral Resource Estimate during the period. Exploration results generated during the period are expected to support future Mineral Resource evaluation as drilling continues.

Development & Support studies

AR is currently completing numerous technical studies to support the current and future operations.

An independent geotechnical review of the Mt Clarke waste rock dump is underway and will establish safe design and construction as well as providing robust basis of design for future waste dumps.

Geochemical waste rock characterisation studies are also being completed for Mt Clarke, Flying Horse and Lady Annie projects, which will facilitate waste rock dump design and environmental studies.

Metallurgical sampling and flotation studies are currently in the works for Lady Annie and Flying Horse, which will provide greater confidence in ore source performance at the Rocklands facility.

A scoping study is progressing for the establishment of a site-based laboratory, supporting the Western and Eastern operations. Bringing assaying on site will speed up sample turnaround and enable faster operational decisions.

Environmental studies for Lady Colleen are in discussion with external technical partners, an important step in progressing development of the Resource, which will feed Mt Kelly and Rocklands in the near future.

A site-wide water balance model study was initiated and completed for Rocklands, which will support operational decisions regarding water supply and demand for the plant and site storages.

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Tailings capacity modelling at Rocklands is progressing, including deposition modelling and assessment of remnant capacity in the existing Western Cell, as well as studies to investigate an in-pit tailings option at Rocklands, thereby significantly increasing tailings capacity, while minimising costs.

Hammer Metals acquisition

AR entered into a binding Scheme Implementation Deed on 11 August 2026 to acquire Hammer Metals. Following the first court hearing, the scheme booklet was registered (see ASX announcement "Results of First Court Hearing & Lodge of Scheme Booklet" on 2 October 2026). Hammer Metals shareholders will vote on the scheme on 9 November 2026. If approved, the scheme remains subject to a second court hearing expected to be later that week, with implementation shortly thereafter.

The acquisition adds a Mineral Resource of 39.19 Mt @ 0.53% Cu and in excess of 3,000km² of tenure[2] to provide future feedstocks to both processing hubs. Additional details can be found in the Scheme Booklet dated 2 October 2026.

Corporate

Mt Kelly operations produced 1,457t of saleable copper and sold 1,399t of copper cathode during the period, for revenue of $27.21 million and cash receipts from sales of $26.33 million. AR ended the period with $24.2 million cash and $2.64 million in sales receivables. Cash at 30 October 2026 was $21.04 million, after a further $1.0 million was provided to Hammer Metals during October, and excludes the potential release of ~$2.7 million of rehabilitation security, which remains subject to discussions with Queensland Treasury.

Cash decreased by $47.5 million during the period, driven largely by one-off or front-loaded items: the $37.6 million APA settlement cash payment, $15.3 million of capitalised waste stripping included in mine operating costs, and $5.8 million of asset purchases. These were partly offset by $12.0 million of net financing proceeds, being $15.0 million from QCMF less $3.0 million of working capital provided to Hammer Metals under the Scheme Implementation Deed.

Excluding capitalised stripping, Group operating cash flow was approximately break-even at –$0.7 million.

[2] As outlined in the Scheme Booklet dated 2 October 2026, published by Hammer Metals Limited. The MRE was announced on 2 October 2026 "Results of First Court Hearing & Lodge of Scheme Booklet". The MRE is comprised of 17.12Mt at 0.43% Cu Indicated open pit MRE, 10.54Mt at 0.46% Cu Inferred open pit MRE and 11.53Mt at 0.80% Cu Inferred underground MRE.

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- During the period, AR completed the early termination of its obligations under the APA with Glencore and Secover. The APA was settled for total consideration of approximately $52.0 million, comprising a $37.6 million cash payment and the issue of approximately 159.8 million AR shares at $0.09 per share, representing approximately $14.4 million of consideration. AR now retains 100% of the economic benefit from the remaining Anthill copper production and has greater flexibility to increase production from its Mt Clarke/Flying Horse and Lady Annie mining campaigns and potentially accelerate the heap leach re-mine program.
- Group Operating Cash Flow from Q4 2026 is expected to improve as:
  - The production profile at Mt Kelly bottoms out September to October 2026, before increasing late Q4 2026;
  - Fixed time-cost contracts (eg haulage) will improve per unit economics as more material is mined and/or moved; and
  - Seasonally lower exploration costs in Q4 2026 (Period spend of $4 million).
- Net Group Cash Flow from Q4 2026 is further expected to improve as:
  - Lower CAPEX costs across Western Operations following the installation of the new agglomerator drum;
  - Rocklands capital expenditure remains on budget and time; and
  - Non-recurrence of one-off costs (Period spend of $38 million).

Cash Flow ($ Millions)	**March 2026 Qtr**	**June 2026 Qtr**	**September 2026 Qtr**
Copper Cathode Sales	38.10	31.07	26.33
Mine Operating Costs	(32.10)	(37.95)	(36.30)
Operating Mine Cash Flow	**6.00**	**(6.88)**	**(9.97)**
Note: capitalised stripping (incl. above)	(1.80)	(8.88)	(15.34)
Note: Mine cash flow pre-stripping	7.80	2.00	5.37
Corporate	(1.50)	(2.34)	(1.66)
Exploration	(0.62)	(1.27)	(3.79)
Rocklands Project (incl. C&M)	(1.08)	(1.53)	(1.96)
Net Interest and Other Income	(0.04)	1.14	1.34

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Group Operating Cash Flow	**2.76**	**(10.89)**	**(16.04)**
Asset Sales/Purchases	(4.84)	-	(5.82)
APA Settlement	-	-	(37.60)
Proceeds from Lady Loretta Acquisition	-	19.67	-
Investment & Financing Proceeds (Net)	(11.01)	(5.86)	12.00
Net Equity Raise Proceeds	53.68	8.55	-
Net Group Cash Flow	**40.59**	**11.48**	**(47.46)**
Opening Cash Balance	**19.59**	**60.18**	**71.66**
Closing Cash Balance	**60.18**	**71.66**	**24.20**

This announcement has been authorised for release by the Chairman.

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At the core of Austral Resources Australia Ltd

Austral Resources is building Australia's next mid-tier copper powerhouse – with a position no one else can match. We are singular in our Queensland copper focus and dual in our processing abilities – a rare combination that sets us apart. We are backed by infrastructure and built for disciplined, long-term growth – a resilient position that keeps us moving forward. We are driven by experienced people, clear accountability, and measured delivery – a reliable standard that defines how we operate.

Commercially, we are an ASX listed copper producer operating in Queensland, Australia. We operate dual processing facilities with our Western Operations (Mt Kelly) a copper oxide heap leach and solvent extraction electrowinning (SX-EW) plant with a nameplate capacity of 30,000tpa of copper cathode, and our Eastern Operations (Rocklands) a copper sulphide concentrator with a nameplate capacity of 3Mtpa. We own a significant copper inventory with a JORC compliant Mineral Resource Estimate standing at 64 Mt @ 0.73% Cu (468,414t of contained copper) (comprising 52.8Mt @ 0.74% Cu at the Lady Annie Project – 8.8Mt at 0.75% Cu Measured MRE, 33.0Mt at 0.76% Cu Indicated MRE and 11.0Mt at 0.69% Cu Inferred MRE and 11.26Mt at 0.69% Cu at the Rocklands Project – 9.12Mt at 0.72% Cu Indicated MRE and 2.14Mt at 0.55% Cu Inferred MRE), alongside 2,101sq.km of highly prospective exploration tenure in the heart of north west Queensland, a world class copper and base metals province.

Detailed information that relates to Ore Reserves and Mineral Resource Estimates is provided in Austral Resources Prospectus, Section 7, Independent Technical Assessment Report. This document is available on the AR website: www.australres.com and on the ASX released as "Prospectus" on 1 November 2021, "Maiden Mineral Resource at Enterprise" on 9 August 2022, "Lady Colleen Grade Increases by 200%" on 28 October 2022, "Significant Increase of McLeod Hill Copper Mineral Resource" on 20 May 2024, "Acquisition of Rocklands to Transform Austral" on 3 July 2025 "Austral Resources Prospectus" on 4 September 2025, "Results of First Court Hearing & Lodge of Scheme Booklet" on 2 October 2026 and "McLeod Hill Copper Footprint Expands Beyond 1km" on 12 October 2026. The Company confirms that it is not aware of any new information or data that materially affects the Mineral Resources and Ore Reserves and exploration results as reported in this release and that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original announcements.

Forward-looking statements

This announcement contains forward-looking statements, including production guidance, cost and cash flow expectations, development timetables and the expected completion of the Hammer Metals acquisition. These statements reflect the Company's current expectations and assumptions and are subject to known and unknown risks, uncertainties and other factors, many of which are outside the Company's control, including copper prices, reagent supply, operating performance, regulatory approvals, and court and shareholder approvals. Actual results may differ materially. Readers should not place undue reliance on forward-looking statements and, except as required by law or the ASX Listing Rules, the Company does not undertake to update them.

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