ASX: AR1
31 July 2026
ASX ANNOUNCEMENT

AUSTRAL RESOURCES

JUNE 2026 QUARTERLY ACTIVITIES REPORT

HIGHLIGHTS

- **Snow Queen initial drilling delivered a significant high-grade copper-gold discovery, with drillhole 26SQRC001 returning 10m @ 7.52% Cu, 9.28g/t Ag and 0.25g/t Au from 35m, confirming the prospectivity of the Snow Queen mineral system and prompting an expanded follow-up drilling programme.[1]**

- **An as-new, unused 4.75MW SAG mill was secured for the Rocklands Processing Plant Upgrade, with delivery to site planned for late July 2026.**

- **Rocklands restart activities progressed, with the FEED study advancing, crushing circuit demolition underway and pre-feasibility work continuing on a potential grid power connection.**

- **Mining commenced at the Lady Annie Lease, while haulage from Anthill was successfully completed, marking the transition to Austral's next phase of mining operations.**

- **Regional exploration continued to deliver growth opportunities, including the identification of an unrecognised copper oxide system at the Canyon Prospect, approximately 4km from the Mt Kelly processing facility.**

- **Copper cathode production totalled 1,796 tonnes during the quarter, resulting in approximately $31.0m in cash from sales of copper cathode, but with increased mining costs from new projects, the company recorded net operating cash outflow of $6.8m, with cash at bank totalling $71.6m at the end of the quarter.**

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[1] See ASX Announcements "Snow Queen Drilling Delivers Royal Grades" on 6 May 2026, "High-Grade Copper Intersection Assays at Snow Queen" on 13 May 2026 and "Second Copper-gold Lode Identified at Snow Queen" on 30 July 2026.

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Chairman, David Newling, commented:
"The June quarter marked another period of strong execution across the business. At Mt Kelly, we completed the final haulage from Anthill, advanced mining at Flying Horse and Lady Annie, and continued strengthening our processing operations. At Rocklands, we progressed the restart programme through the FEED study, commenced demolition of the crushing circuit and secured a new 4.75MW SAG mill. Encouraging exploration results at Snow Queen and Canyon also reinforced the growth potential of our broader tenement package.

"Subsequent to quarter end, the termination of the Anthill Project Agreement simplified our operating model and provides Austral with direct exposure to the full value of its own copper production. Together, these milestones strengthen the platform for increased production, resource growth and long-term shareholder value."

OPERATING PERFORMANCE SUMMARY

Following the termination of the Anthill Project Agreement (APA) subsequent to quarter end, Austral will restate its quarterly operating performance metrics for the 2026 calendar year in the September Quarterly Report. This will provide shareholders with a consistent basis for assessing the Company's operational performance following the transition to full ownership of Anthill production.

Performance Metric		**Q2 Mt Kelly**	**Q1 Mt Kelly**
	Units	**Anthill/Flying Horse**	**Anthill**
Total Material Mined	T	1,101,221	359,709
Total Ore Mined	T	4,271[2]	328,924
Tonnes Processed	T	403,247	293,918
Total Copper Produced	T	1,796	1,990

[2] Reported copper mined for the period was lower than normal as mining activities focused on establishing dual mining fronts. Significant overburden removal and waste stripping were undertaken to expose both oxide and sulphide ore bodies, establishing a sustainable supply of feed to the Mt Kelly and Rocklands processing facilities. While this temporarily reduced reported copper mined, it improves operational flexibility, mining efficiency and supports more consistent ore delivery in future periods.

Given the termination of the APA subsequent to quarter end, additional production metrics have been included to provide greater transparency and assist comparison with future reporting periods:

Q3 Forecast Guidance		Mt Kelly
	Units	**Forecast**
Tonnes stacked	T	100,000-130,000
Tonnes processed	T	100,000-130,000
Total contained copper	T	400,000-500,000
Total copper produced	T	1850-2050
Total Material Mined	T	2,700,000-3,200,000
Total Ore Mined	T	100,000-130,000

OPERATIONS UPDATE

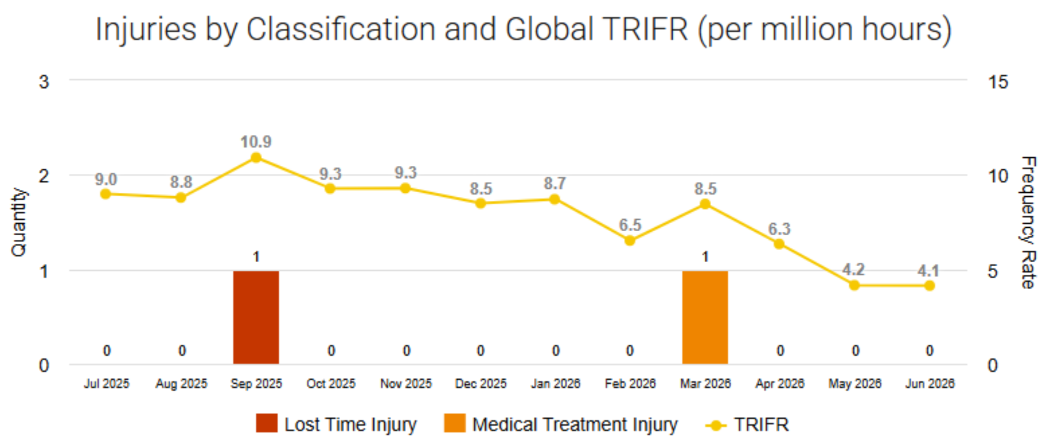
LADY ANNIE OPERATIONAL HIGHLIGHTS

Key Milestones Achieved

- Completed haulage of Anthill Ore
- Commenced and advanced a dual mining programme at Lady Annie and Mt Clarke
- Commenced Injection Drilling for Hydro-Jex Technology
- Delivery of replacement crushing agglomeration drum (post quarter end)

Safety

The site recorded zero injuries during the June quarter. The Global Total Recordable Injury Frequency Rate (TRIFR) continued to improve, decreasing from 6.3 in April to 4.1 by quarter end.



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ANTHILL MINE

The quarter marked the successful completion of all remaining haulage activities associated with the Anthill operation. With mining completed in the previous quarter, activities focused on the controlled drawdown of ore stockpiles and continued haulage to the Mt Kelly ROM pad to support processing requirements.

During the quarter, 260kt of blended ore was hauled from Anthill to the Mt Kelly ROM pad at an average grade of 0.71% Cu, bringing planned ore haulage from Anthill to completion by mid-June. Haulage rates progressively declined throughout the period as remaining stockpiles were depleted and operations transitioned towards care and maintenance.

The reduction in hauled tonnes relative to the previous quarter was consistent with the planned wind-down of Anthill operations.

At quarter end, the Anthill ROM stockpile had been fully depleted, with all ore successfully transported to Mt Kelly. The Mt Kelly ROM stockpile (including the Anthill ore) stood at 74 kt containing approximately 1,208 tonnes of contained copper metal, with all other Anthill ore already stacked on the heap leach, providing continued copper production for processing operations. Approximately 5,846 tonnes of contained copper metal is to be leached from the existing heap over the coming 12 months.

PROCESSING

Sulphuric acid supply remained below optimal operational requirements, particularly during May and early June. Despite these constraints, heap leach operations produced 1,796 tonnes of copper against a quarterly target of 2,010 tonnes, representing an unfavourable variance of 10.7% (March quarter: 1,990 tonnes).

Acid supply is expected to increase to the Company's forecasted higher production rates by mid-November, with advanced discussions continuing for alternate supply options to provide redundancy.

Solvent Extraction & Electrowinning Performance

The SX–EW circuit operated consistently throughout the Quarter despite reduced copper availability from the heap leach. Continued improvements to the cellhouse supported reliable performance, with cathode purity maintained at 99.99% (LME Grade A). Copper stripped totalled 1,778 tonnes against a quarterly target of 2,010 tonnes, representing an unfavourable variance of 11.6% (March quarter stripped 1,990t).

Image 1 - Installation of injection bore Pad 14 – Jex-Technology

During the Quarter, the Hydro-Jex remine project progressed from planning into site execution. Mobilisation of the Hydro-Jex Technology equipment was completed, with installation of the monitoring and solution-addition bores commencing. The technology is intended to access copper inventory within the lower sections of the Mt Kelly heap leach pads that may not be recoverable through conventional mechanical remine methods, with the potential to accelerate copper recovery.

ROCKLANDS

Key Milestones Achieved

- The site is currently in care and maintenance until H2 CY2027
- Crushing and grinding circuit upgrade project commenced
- 4.75MW SAG Mill secured and purchased for the crushing circuit
- Pre-feasibility study commenced for potential power connection to grid power

Safety

The site recorded zero injuries during the June quarter, with the year-to-date (YTD) Total Recordable Injury Frequency Rate (TRIFR) remaining at zero.

Rocklands Processing Plant Upgrade (FEED Study - Phase 1)

A services agreement for Phase 1 of the Rocklands Processing Plant Upgrade FEED Study was executed on 6 April 2026 with GR Engineering Services (GRES). The study includes the design of upgrades to the crushing and grinding circuits, centred on integrating a SAG mill to achieve the targeted throughput increase.

Rocklands crushing circuit demolition is underway, with the legacy cone crusher circuit being removed to accommodate the new SAG mill. The redesigned circuit simplifies the comminution process, replacing multiple crushing stages with a more efficient processing configuration. Phase 2 expansion opportunities continue to be assessed.

Image 2 - Crushing Circuit Demolition Commenced

The conceptual layout was agreed on 2 June 2026, enabling progression of the Mechanical Equipment List (MEL) and preliminary design.

Power

The pre-feasibility study investigating connection of Rocklands to grid power continued during the quarter. An application has been submitted to Ergon, and an AECOM electrical engineer attended site to support detailed design engineering.

High Potential Incident (HPI)

A high potential incident involving an incorrectly secured Orica compound gate was identified during a routine weekly inspection by the care and maintenance team. The incident was immediately reported to Resources Safety and Health Queensland (RSHQ).

A joint investigation between Orica and the Rocklands team was conducted, resulting in the implementation of several corrective actions. A thorough review of stock and security tags confirmed no evidence of unauthorised entry. The incident has been formally closed out by RSHQ.

AUSTRAL RESOURCES

EXPLORATION

Austral completed 6,125 metres of RC drilling during the quarter across regional exploration targets and resource growth opportunities. To accelerate organic growth, a second RC drill rig was mobilised on 29 June 2026, enabling simultaneous regional exploration and resource extension drilling across multiple projects.

Key exploration achievements during the quarter included:

- **Snow Queen Prospect (Cameron River Project):** Initial drilling delivered a significant high-grade copper-gold discovery, with drillhole 26SQRC001 returning 10m @ 7.52% Cu, 9.28g/t Ag and 0.25g/t Au from 35m[3], confirming the prospectivity of the Snow Queen mineral system and prompting an expanded follow-up drilling programme, including the follow up Santa Maria Trend[4].

- **Canyon Prospect (Mount Kelly Project):** First-pass drilling identified a previously unrecognised copper oxide system located approximately 4km from our Eastern Operations processing facility. Results included 24m @ 1.03% Cu from 74m in MTKC0734[5].

Regional and near-mine exploration drilling continued beyond quarter end, with assay results and follow-up drilling expected to provide a steady pipeline of exploration news flow throughout the September 2026 quarter.

[3] See ASX Announcements "Snow Queen Drilling Delivers Royal Grades" on 6 May 2026 and "High-Grade Copper Intersection Assays at Snow Queen" on 13 May 2026
[4] See ASX Announcement "Second Copper-gold Lode Identified at Snow Queen" on 30 July 2026
[5] See ASX Announcement "Significant Copper Oxide System Confirmed Near Mt Kelly" on 19 June 2026

MINERAL RESOURCE ESTIMATE (MRE) UPDATE

Image 3 - Malachite and chyrsocolla mineralisation from MTKC0734 (88-92m). This interval assayed at 3.33% Cu over the 4m interval (See ASX Announcement, 19 June 2026 "Significant Copper Oxide System Confirmed Near Mt Kelly")

Processing Facility	Opening MRE	Change During Quarter	Closing MRE
Mt Kelly	52.8Mt @ 0.74% Cu	Nil	52.8Mt @ 0.74% Cu
Rocklands	11.26Mt @ 0.69% Cu	Nil	11.26Mt @ 0.69% Cu
Total	**64.0Mt @ 0.73% Cu**	**Nil**	**64.0Mt @ 0.73% Cu**

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

A consolidated Mineral Resource Estimate update is planned before the end of 2026, incorporating the Company's existing resources and recent acquisitions.

CORPORATE

Financial Performance

The Company continued to generate strong operating cash flow from copper production during the quarter while investing in new mining areas and the Rocklands restart programme.

The Anthill Mine produced 1,796 tonnes of saleable copper and sold 1,800 tonnes of copper cathode during the quarter, generating $33.06 million in sales revenue ($2.03m receivable at quarter end) at an average realised copper price of approximately US$13,028 per tonne.

Cash Flow ($ Millions)	**December 2025 Qtr**	**March 2026 Qtr**	**June 2026 Qtr**
Copper Cathode Sales	41.26	38.10	31.07
Mine Operating Costs	(37.65)	(32.10)	(37.95)
Operating Mine Cash Flow	**3.61**	**6.00**	**(6.88)**
Corporate	(1.16)	(1.50)	(2.34)
Exploration	(0.19)	(0.62)	(1.27)
Care & maintenance (Rocklands)	(0.82)	(1.08)	(1.53)
Net Interest and Other Income	0.59	(0.04)	1.14
Group Operating Cash Flow	**2.03**	**2.76**	**(10.89)**
Asset Sales/Purchases	(18.00)	(4.84)	-
Thiess Settlement	(17.50)	-	-
Proceeds from Lady Loretta Acquisition	-	-	19.67
Financing Proceeds	14.41	(11.01)	(5.86)
Net Equity Raise Proceeds	37.59	53.68	8.55
Net Group Cash Flow	**18.53**	**40.59**	**11.48**
Opening Cash Balance	**1.06**	**19.59**	**60.18**
Closing Cash Balance	**19.59**	**60.18**	**71.66**

Financing

As at 30 June 2026, Austral held A$71.66 million in cash at bank and A$67.7 million in restricted cash supporting rehabilitation obligations. During the quarter, the Company also received net proceeds of A$19.67 million from the Lady Loretta acquisition, further strengthening its balance sheet.

AUSTRAL RESOURCES

POST BALANCE DATE EVENTS

Subsequent to quarter end, the Company executed documentation to terminate the Anthill Project Agreement (APA) with Glencore and Secover, extinguishing its obligations under the arrangement. The transaction provides Austral with direct exposure to the full value of Anthill copper production, increased operational flexibility and the opportunity to increase production at Mt Kelly, while remaining fully funded through to the recommencement of Rocklands. Further details are provided in the Company's ASX announcement dated 28 July 2026.

This announcement has been authorised for release by the Austral Resources board.

FURTHER INFORMATION, PLEASE CONTACT:

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About Austral Resources

Austral Resources Australia Ltd is an ASX listed copper cathode producer operating in the Mt Isa region, Queensland, Australia. Its Mt Kelly copper oxide heap leach and solvent extraction electrowinning (SX-EW) plant has a nameplate capacity of 30,000tpa of copper cathode. The recent acquisition of the Rocklands Facility enables the dual processing capabilities for copper sulphides and copper oxides, as well as an increased exposure to gold. Austral has recently embarked on a disciplined growth and consolidation strategy across the World Class Mount Isa Region, which includes the Lady Loretta and Rocklands Deposit.

Austral now owns a significant copper inventory with a JORC compliant Mineral Resource Estimate standing at 64 Mt @ 0.73% Cu (468,414t of contained copper)(comprising of 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), two processing facilities, as well as 2,101km^2 of highly prospective exploration tenure in the heart of the Mt Isa district, a world class copper and base metals province. The Company intends to implement an intensive exploration and development program designed to extend the life of mine, increase its resource base and continually review options to commercialise its copper resources.

Detailed information that relates to Ore Reserves and Mineral Resource Estimates is provided in Austral Resources Prospectus, Section 7, Independent Technical Assessment Report. This document is available on Austral's website: www.australres.com and on the ASX released as "Prospectus" on 1 November 2021, "Maiden Mineral Resource at Enterprise" on 9 August 2022, "Significant Increase of McLeod Hill Copper Mineral Resource" on 20 May 2024, "Acquisition of Rocklands to Transform Austral" on 3 July 2025 and "Austral Resources Prospectus" on 4 September 2025. The Company confirms that it is not aware of any new information or data that materially affects the exploration results and estimates of Mineral Resources and Ore Reserves as cross-referenced in this release and that all material assumptions and technical parameters underpinning the estimates and forecast financial information derived from the production target 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.