ASX ANNOUNCEMENT

AUSTRAL RESOURCES

28 July 2026

TERMINATION OF ANTHILL PROJECT AGREEMENT (APA); IMMEDIATE COPPER EXPOSURE AND INCREASED PRODUCTION TO COMMENCE AT MT KELLY

Earnings and cashflow accretive, the Company remains fully funded through to Rocklands recommencement

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Highlights

- **Austral has reached an agreement to extinguish its obligations to Glencore and Secover under the Anthill Project Agreement (APA)**
- **The agreement has been struck at a value that approximates the Company's obligations under the APA and a discount to the current estimated value of the ore to be processed (based on the current copper price)**
- **The settlement is to be paid via a mixture of cash (72.3% of value) and shares (27.7% of value, issued at $0.09 per share), and will be funded from the Company's existing cash reserves and share placement capacity**
- **The Company will immediately access its own copper production and the opportunity to increase production at Mt Kelly, from the current Mt Clarke/Flying Horse campaign and Lady Annie cutback, including the potential to accelerate the heap leach re-mine programme**
- **The agreement will be both earnings and cashflow accretive to the Company over the remaining period required to process the Anthill ore, and has the potential to significantly increase this accretion depending on copper prices, increased production and additional mining campaigns commencing earlier than currently forecast**
- **Following the cash payment above, and including the Company's potential cash obligations relating to the current non-binding proposal for Hammer Metals Limited, the Company remains fully funded for its current strategy through to the recommencement of operations at Rocklands**

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Austral Resources Australia Ltd (**ASX: AR1**) (**Austral** or **Company**) is pleased to provide shareholders with confirmation that the Company and the Anthill Project Agreement (**APA**) participants, Glencore and Secover, have executed documentation to extinguish the Company's obligations under the APA upon completion. Likewise, the APA participants have agreed to a full and final release of the Company to all current and future claims and their security over the Company's assets in relation to the APA, subject to completion of the settlement and other customary carve-outs and surviving obligations.

Chairman's Comments:

"The extinguishment of the APA adds immediate operational clarity and potential value to the Company. Whilst we are extremely appreciative of the support both Glencore and the Springwood Group showed in entering into the APA, and for the duration of that arrangement, all parties agreed that the Company would greatly benefit from having the ability to process its own copper and accelerate an increase to production from the current mining campaigns and heap leach remine at the Mt Kelly operating facility.

Importantly, both participants have agreed that the termination is to be partly settled in shares, at 9 cents per share which is the last equity raising price (and a premium to the current trading price), demonstrating their belief in the Company's future and their alignment to existing shareholders.

For all shareholders, the transaction is extremely positive. From now, the Company will provide shareholders with direct exposure to the prevailing copper price, its own production profile, and the opportunity to increase that production at Mt Kelly, whilst we continue the refurbishment of the Rocklands facility. The Company remains fully funded through to the recommencement of operations at Rocklands in mid-2027 and continues to investigate options, including the current Hammer Metals Limited proposal, to increase its resource base where appropriate."

Glencore Comments:

"The strategic partnership between Glencore and Austral Resources continues to strengthen the Northwest Queensland minerals province by ensuring ongoing copper production and access to a global network of customers. This is a collaboration built on a long-term partnership, combining Austral's agile operational focus with Glencore's financial and marketing strength to ensure Northwest Queensland remains a premier destination for critical mineral resource development."

The APA transaction successfully achieved its original objective of supporting Austral's recapitalisation and revised strategy during the period of the agreement. Austral has now transitioned into a multi-asset copper producer and the APA increasingly was constraining operational flexibility, financial transparency and shareholder value.

The APA will settle at a value of $51.98m, comprising:

- A cash payment of $37.6m (subject to adjustment for any agreed cash offsets); and
- Issuance of 159,830,504 fully paid ordinary shares in the Company (under the Company's 15% placement capacity under listing rule 7.1) equivalent to $14.38m, at an issue price of $0.09 per share, or a 40% premium to the Company's closing price of $0.064 on 27 July 2026.

The shares will be issued once the relevant documentation has been completed by the APA participants and is not subject to any material conditions or approvals. Completion of settlement of the APA is expected by the end of July 2026.

Strategic Rationale for the Transaction

The APA operations were being completed at a constrained rate to ensure that the Company's resources were not being depleted more than was necessary to discharge its obligations under those arrangements. Feedback from investors was that it was difficult to evaluate the Company's prospects (including against its competitors) and was a detractor from an investment perspective. Accordingly, the Company approached the APA participants to discuss a potential early settlement of its obligations under the agreement. Those discussions have resulted in this transaction.

The Company now has the opportunity to retain 100% of the economic benefit of the Anthill copper production, increase production coming from its current Mt Clarke/Flying Horse and Lady Annie cutback mining operations, and early commencement of the heap leach re-mine (which previously was being provided as a contingent production security against a shortfall from the APA). Against the economic backdrop of increased copper demand and prices globally, the Company sees significant opportunities arising from increasing its current production rate from the Mt Kelly processing facility.

The agreement also allows the Company to continue its current strategy utilising its existing cash reserves without the requirement for additional equity raising. Whilst there is an immediate drop in the Company's cash reserves, those reserves will be replenished and increased as the Anthill ore is processed and sold. Across the remainder of the time period required to process those ores, and assuming a similar copper price to today, the value of that ore processed will be greater than the value of the (total) consideration being provided to the APA participants, not just the cash consideration component. This will also continue to be the case should the Company's current non-binding proposal for Hammer Metals Limited eventuate into an executed transaction for the Company.

The APA participants see that the Company has significant positive prospects to continue executing its strategy to consolidate assets through North-West Queensland, a region well known for its prosperity of copper resources. As shareholders, and continued shareholders in the case of The Springwood Group, both recognise the positive steps the Company has made since its ASX re-quotation in November 2025 and the significant value that could be realised alongside the Company's existing shareholders.

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This announcement has been approved for release by the Company's board of directors.

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