ASX: AR1
18 November 2026

ASX ANNOUNCEMENT

ASX COMPLIANCE UPDATE

ASX LISTING RULE 10.1 – HISTORICAL BREACHES AND REMEDIATION ACTION

Highlights

- ASX has notified AR1 of a number of historical breaches of Compliance with Listing Rule 10.1;
- The Board acknowledges the breaches. The Board continues to believe that the relevant agreements were entered into on commercial terms and notes that the arrangements were fully disclosed in the Company's financial statements.
- AR1 is proactively engaging with ASX and taking the necessary steps to remediate and resolve the historical breaches.

Austral Resources Australia Ltd (ASX:AR1) ("**AR**" or the "**Company**") advises that the ASX has notified the Company that it considers the Company to be in breach of Listing Rule 10.1 in relation to hire agreements entered into during 2019 to 2022 with related parties while the Company's equity interests were negative.

For clarity, AR advises that all of the hire agreements referred to in this announcement have been terminated in accordance with its respective terms and are no longer active.

Background

The Company has historically maintained commercial arrangements with Austral Equipment Solutions Pty Ltd ACN 626 190 770, Equipment Engineering Solutions Pty Ltd ACN 134 044 474 (trading as Williams Engineering), and Austral Equipment Holdings Pty Ltd ACN 645 364 272 (collectively the "**Jauncey Entities**"), each entity controlled by Mr Daniel Jauncey, for the supply of numerous types of earthmoving equipment (**Equipment Agreements**), in addition to accommodation units (**Accommodation Agreement**) for use across AR's operations (together the **Subject Agreements**).

AR had entered into the Subject Agreements with the Jauncey Entities from 16 August 2019 to 1 May 2022 (**Agreement Period**). The aggregated value of the Equipment Agreements and the Accommodation Agreement is A$6,931,873.23 (including A$4,980,710.20 already paid and A$1,951,163.03 payable over the remaining term of the Subject Agreements) (**Balance Amount**). At the time of entering into the arrangements, the agreements were reviewed and approved by non-interested directors as being on commercial terms, with Mr. Jauncey abstaining from any decisions.

The Company's annual reports lodged during each year constituting the Agreement Period recorded a consolidated total negative equity interest. Under ASX Listing Rule 10.1, where a listed entity has negative equity interests, any acquisition of assets from a person in a position of influence is automatically deemed to be the acquisition of a substantial asset, regardless of the monetary value of the transaction.

The Jauncey Entities were (and remain) therefore captured as relevant persons of influence under Listing Rule 10.1.1 because, at the time of each Subject Agreement:

(a) Daniel Jauncey was a director of the Company; and
(b) Daniel Jauncey was also a director and held a controlling interest in each of the Jauncey Entities.

Breach of Listing Rule 10.1

Given that:

(a) the total value of each of the Equipment Agreements and the Accommodation Agreement was greater than 5% of AR's equity interests across the Agreement Period; and
(b) the Jauncey Entities were persons of influence under Listing Rule 10.1.1 at the time of each Subject Agreement.

Listing Rule 10.1 applied to each Subject Agreement and required the Company to obtain shareholder approval prior to entering each Subject Agreement.

Because the Company had not obtained shareholder approval prior to entering into or extending each Subject Agreement, ASX has determined that each of the Subject Agreements is in breach of Listing Rule 10.1. The Board acknowledges that some of the Subject Agreements were extended on a monthly basis beyond the Agreement Period and regrets that the requirement for prior shareholder approval pursuant to ASX Listing Rule 10.1 was not identified at the relevant time. Austral confirms that, while shareholder approval was not sought, it has disclosed the existence and dollar value of the related party transactions in

each annual report lodged on the ASX and within various prospectuses issued by Austral over the subject period. Due to the operational nature of these transactions and the fact that they have already been completed, it is not practicable to unwind them.

The Company has outlined each Subject Agreement below including those entered pre instatement to the ASX Official List and which were disclosed in the Company's IPO and do not constitute a breach of the Listing Rules, and those which were either extended beyond this period or otherwise entered without shareholder approval, and therefore constitute a breach of the Listing Rules. For ease of reference and confirmation, the Company confirms the following payments were made:

Reference:	$, AUD
Pre-instatement (non-breach):	$3,365,820.28
Payments made (or outstanding) on pre-instatement agreements extended month-to-month or otherwise beyond the agreement period disclosed in the Company IPO:	$1,957,561.61
Payments made (or outstanding) on agreements entered post-instatement:	$1,608,491.34
Total:	**$6,931,873.23**

Remedial Action and Shareholder Approval

As mentioned previously, the Company has elected to terminate the Subject Agreements and has secured alternative hire arrangements with non-related parties. Any future transactions of this nature or in general with persons of influence will be undertaken in a manner that is compliant with the Company's obligations under the Listing Rules and Corporations Act 2001 (Cth).

Where the Company contemplates any agreement under which it is to acquire an asset from a related party, it will ensure that any such acquisition does not constitute a substantial asset as contemplated under ASX Listing Rules or related guidance, is independently reviewed (such as to ascertain whether it constitutes a substantial asset and is on arm's length commercial terms) and otherwise subject to approval by the Company's non-interested directors. Where any such transaction does constitute the acquisition of a substantial asset, the Company will ensure compliance with the Listing Rules and procure approval of its Shareholders.

Satisfaction of Balance Amount

On 4 September 2025, the Company sought, and received, shareholder approval to convert up to a maximum of $2 million in amounts outstanding to the Jauncey Entities to Austral fully paid ordinary shares at a conversion price of $0.05 for each share in satisfaction of the then balance of the amounts outstanding under the Subject Agreements.

The Company has now satisfied the Balance Amount from its existing cash reserves and will not be issuing any Austral shares.

Process Moving Forward

Since the release of its annual financial report for the period ended 30 June 2026, the Company has returned to a positive net equity position of approximately $36.3 million with the effect that the current threshold for assessing the value of a substantial asset under ASX Listing Rule 10.1 is approximately A$1.8 million. This value will be recalculated upon the lodgement of each successive annual and half-year report. The Company has also reviewed and updated its internal processes for monitoring equity interest thresholds and related-party transactions to eliminate the risk of a similar issue arising in the future.

The Board believes the proposed remediation steps are appropriate, proportionate and in the best interests of shareholders, and reiterates that all relevant transactions were entered into on arm's length commercial terms and supported the continued longevity and growth of Austral's operations.

This announcement has been authorised for release by the Chairman.

Further information, please contact:

Matthew Beattie
Chief Financial Officer
P: +61 419 523 719
E: admin@australres.com

Wilamina Russo
Investor & Media Relations
M: +61 450 646 609
E: wr@janemorganmanagement.com.au

At the core of Austral Resources Australia Ltd

Austral Resources is building Australia's next mid-tier copper powerhouse, shaped by our pure-play Queensland copper focus and dual-processing platform – a combination that gives us a rare position in the market. Backed by established infrastructure and disciplined, long-term growth, our foundation is resilient; and as a reliable partner to our stakeholders, our measured delivery is driven by experience and accountability.

Commercially, AR is an ASX (ASX:AR1) listed copper producer operating in Queensland, Australia. We operate dual processing facilities: 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 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), alongside 2,101km^2 of highly prospective exploration tenure in the heart of north west Queensland, a world class copper and base metals province.

JORC cross references

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 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 Mineral Resources and Ore Reserves and exploration results as reported 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.

The Mineral Resource Estimate (MRE) is comprised of 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).

Appendix 1: Pre-instatement to ASX Official List, exempt under Listing Rule 10.3(e) (on the basis that each was disclosed in the Company's IPO), or which had terminated pre-instatement:

Hire Agreement Description	Term (as at IPO)	Total $ paid by Austral under the Hire Agreement
AED001 Caterpillar D8T	16/08/2019 – 16/08/2020 Month-to-month after initial term	311,284.09
AED010 Caterpillar D9T	12/09/2019 – 12/09/2020 Month-to-month after initial term	309,430.00
AEF001 Enforcer FD70T Forklift	21/06/2021 – 30 June 2022	71,170.00
AEF002 Enforcer FD50T Forklift	28/06/2021 – 30/06/2022	59,785.44
AEG003 Caterpillar 16G	03/12/2020 – 03/12/2021	110,636.36
AEL003 Caterpillar 988K	30/08/2019 – 30/08/2020 Month-to-month after initial term	341,494.12
AEL004 Caterpillar 992C	03/12/2020 - 03/12/2021	69,720.00
AES001 Isuzu 1400 S/T	1/03/2020 – 03/12/2021	102,000.00

AET001 Caterpillar 773F W/T	1/12/2019 – 1/12/2020 Month-to-month after initial term	338,179.09
AET002 Hitachi AH500 ADT	Terminated 31 October 2021	30,000.00
AET003 Hitachi AH500 ADT	Terminated February 2021	189,840.00
AET004 Hitachi AH500 ADT	Terminated December 2000	219,570.82
AET005 Hitachi AH500 ADT	Terminated September 2021	226,380.00
AET006 B50D	Terminated August 2021	74,619.00
AEX001 Hitachi ZX470 LCH	25/09/2019 – 25/09/2020 Month-to-month after initial term	312,020.00
AEX002 Hitachi EX890 LCH	1/03/2021 – 30/06/2021 Month-to-month after initial term	597,950.91
Servicing	N/A	1,740.45
	TOTAL	**3,365,820.28**

Extensions of Pre-instatement Agreements

Hire Agreement Description	Term	Total $ paid by Austral under the Hire Agreement	Breaches
AED001 Caterpillar D8T	month-to-month after IPO. 01/11/2021 – 30/04/2022	138,042.50	Failure to procure shareholder approval to entitle the Company to continue the hire agreement on a month-to-month basis after IPO and for a further term as described.
AED010 Caterpillar D9T	Month-to-month after IPO.	119,905.00	Failure to procure shareholder approval to entitle the Company to continue the agreement on a month-to-month basis, after IPO.
AEF001 Enforcer FD70T Forklift	From 30/06/2022 on a month-to-month basis 01/07/2023 – 01/07/2024 01/07/2024 – 31/07/2024	58,500.00	Failure to procure shareholder approval following initial expiry on 30 June 2022, for continuance of the agreement on a month-to-month basis, and extensions of the agreement as described.
AEF002 Enforcer FD50T Forklift	From 01/07/2022 on a month-to-month basis	38,000.00	Failure to procure shareholder approval following initial expiry 30 June 2022 to entitle the company to continue on a month-to-month basis and for

	01/07/2023 – 31/07/2024 01/07/2024 – 31/07/2024		subsequent extensions of the agreement as described.
AEG003 Caterpillar 16G	25/09/2021 – 26/09/2022 01/04/2022 – 30/12/2023 01/01/2024 – 01/01/2025 01/01/2025 – 01/01/2026 01/01/2026 – 01/01/2027 Final termination on 31 July 2026.	165,087.14	Failure to procure shareholder approval to entitle the Company to continue the hire agreement on a month-to-month basis, after the expiry of the agreement on 3 December 2021, and for subsequent extensions as described.
AEL003 Caterpillar 988K	01/01/2022 – month-to-month 01/05/2022 – 01/05/2023	287,455.90	Failure to procure shareholder approval to entitle the Company to continue the hire agreement on a month-to-month basis after instatement, and for subsequent extensions of the agreement as described.
AEL004	03/12/2021 – February 2022	13,800.00	Failure to procure shareholder approval to entitle the Company to extend the agreement for an additional two month term terminating in February 2022.

AES001 Isuzu 1400 S/T	04/12/2021 – 30/06/2022	123,000.00	Failure to procure shareholder approval to entitle the Company to extend the agreement from 4 December 2021 to 30 June 2022.
AET001 Caterpillar 773F W/T	01 December 2020 – month-to-month	113,720.00	Failure to procure shareholder approval to entitle the Company to continue the hire agreement on a month-to-month basis after IPO.
AEX001 Hitachi ZX470 LCH	Month-to-month after initial term and IPO. 01/07/2022 – 31/12/2022 01/01/2023 – 01/01/2024 01/01/2024 – 01/01/2025 01/01/2025 – 01/01/2026 01/01/2026 – 01/01/2027 Final termination on 31 July 2026.	640,521.98	Failure to procure shareholder approval to entitle the Company to continue the hire agreement on a month-to-month basis after instatement and subsequently to extend the agreement for successive terms as described.
AEX002 Hitachi EX890 LCH	Month-to-month after initial term and IPO and subsequently from	259,529.09	Failure to procure shareholder approval to entitle the Company to continue the hire agreement on a month-to-month basis

	01/07/2022 – 31/12/2022		after IPO and for subsequent periods as described.
	TOTAL	**1,957,561.61**	

New Agreements Post-instatement Without Shareholder Approval

Hire Agreement Description	Term	Total $ paid by Austral under the Hire Agreement	Breaches
AED018 Caterpillar D8T	16/03/2022 – 31/12/2022 01/01/2023 – 01/01/2024 01/01/2024 – 01/01/2025	446,314.55	Entry into the agreement and each subsequent extension without shareholder approval, at a time when the value of the agreement exceeded 5% of Austral's equity interests.
AEG005 Caterpillar 140M	09/11/2021 - 30/09/2022	231,105.47	Entry into the agreement and each subsequent extension without shareholder approval, at a time when the value of the agreement exceeded 5% of Austral's equity interests.
AEL005 Caterpillar 962M	01/04/2022 – 30/04/2022	38,250.00	Entry into the agreement and each subsequent extension without shareholder approval, at a time when the

			value of the agreement exceeded 5% of Austral's equity interests.
AEL006 Caterpillar 988K	Terminated May 2022	12,615.00	Entry into the agreement and each subsequent extension without shareholder approval, at a time when the value of the agreement exceeded 5% of Austral's equity interests.
AER001 Caterpillar CS78B Pad Foot Roller	25/11/2021 – 30/06/2022 01/07/2023 – 01/07/2024	145,024.38	Entry into the agreement and each subsequent extension without shareholder approval, at a time when the value of the agreement exceeded 5% of Austral's equity interests.
AEX003 Caterpillar 305.5E2 Mini Digger	01/04/2022 – 01/04/2023 01/04/2023 – 30/12/2023 01/01/2024 – 01/01/2025 01/01/2025 – 01/01/2026	170,379.80	Entry into the agreement and each subsequent extension without shareholder approval, at a time when the value of the agreement exceeded 5% of Austral's equity interests.
Servicing	N/A	35,802.14	
Accommodation Agreement	01/07/2022 – 0107/2024	529,000	Entry into the agreement for the provision of the accommodation units (including a rent-to-purchase option

			being granted on entry) without shareholder approval, at a time when the value of the agreement exceeded 5% of Austral's equity interests.
	TOTAL	**1,608,491.34**	