

# ASX ANNOUNCEMENT



5 July 2023

## Austral to replace mined Ore at Anthill

### Key Highlights:

For personal use only.

- Anthill concept mining study (CMS), conducted by independent consultant CSA Global applying A\$12,500 per tonne copper, demonstrates an additional ~10,000 tonnes of contained copper to be mined by Austral:
  - The addition of more than 20% of produced copper oxide (processed from Austral's existing processing hub) and sulphide (processed via flotation – using a 3rd party mill – approximately 75km away) is to be mined from Anthill compared to Anthill's 2021 feasibility study.
- The CMS potentially adds revenue of approximately **A\$100 to A\$120 million** from Anthill compared to Anthill's 2021 Ore Reserve Estimate (ORE).
- Additionally, the CMS delivered an increase of approximately **2.6 to 2.7 million tonnes** for **+10,000** of copper – 80% of the newly identified material is from Measured and Indicated Resources and replaces depleted Ore Reserves.
- Consolidating the CMS from Anthill with an additional 20,000 – 23,000 tonnes of contained Copper oxide ore from previously mined pits (Lady Annie, Lady Brenda, Mount Clarke, and Flying Horse) will potentially increase annual copper production by approximately **25,000 to 30,000 tonnes**.
- The main contributing factors to the increase in the available Mineral Resources at Anthill are the higher copper prices<sup>2</sup> and the addition of flotation to process high-calcium transitional and copper sulphide material.

There is a low level of upside potential associated with the inferred mineral resources, and there is no certainty that further exploration work will result in the upgrade to a determination of indicated mineral resources or that the production target itself will be realised.

<sup>1</sup> ASX Release 20 April 2023

<sup>2</sup> 2021 Ore Reserves Estimate copper price AUD\$10,363/t. 2023 CSA Concept Mining Study copper price of AUD\$12,500/t. March to May 2023 average copper price AUD\$12,754/t. RBA AUD/USD Exchange Rate 0.6765 (spot as of 22 June 2023).

# ASX ANNOUNCEMENT



Copper producer Austral Resources Australia Ltd (ASX: ARI) ("Austral" or the "Company") is pleased to announce the preliminary findings of a Concept Mining Study prepared by CSA Global to re-optimize, replace depletion and increase production of the Company's Anthill copper project.

## Metal Comparison 2021 ORE and the 2023 Concept Study

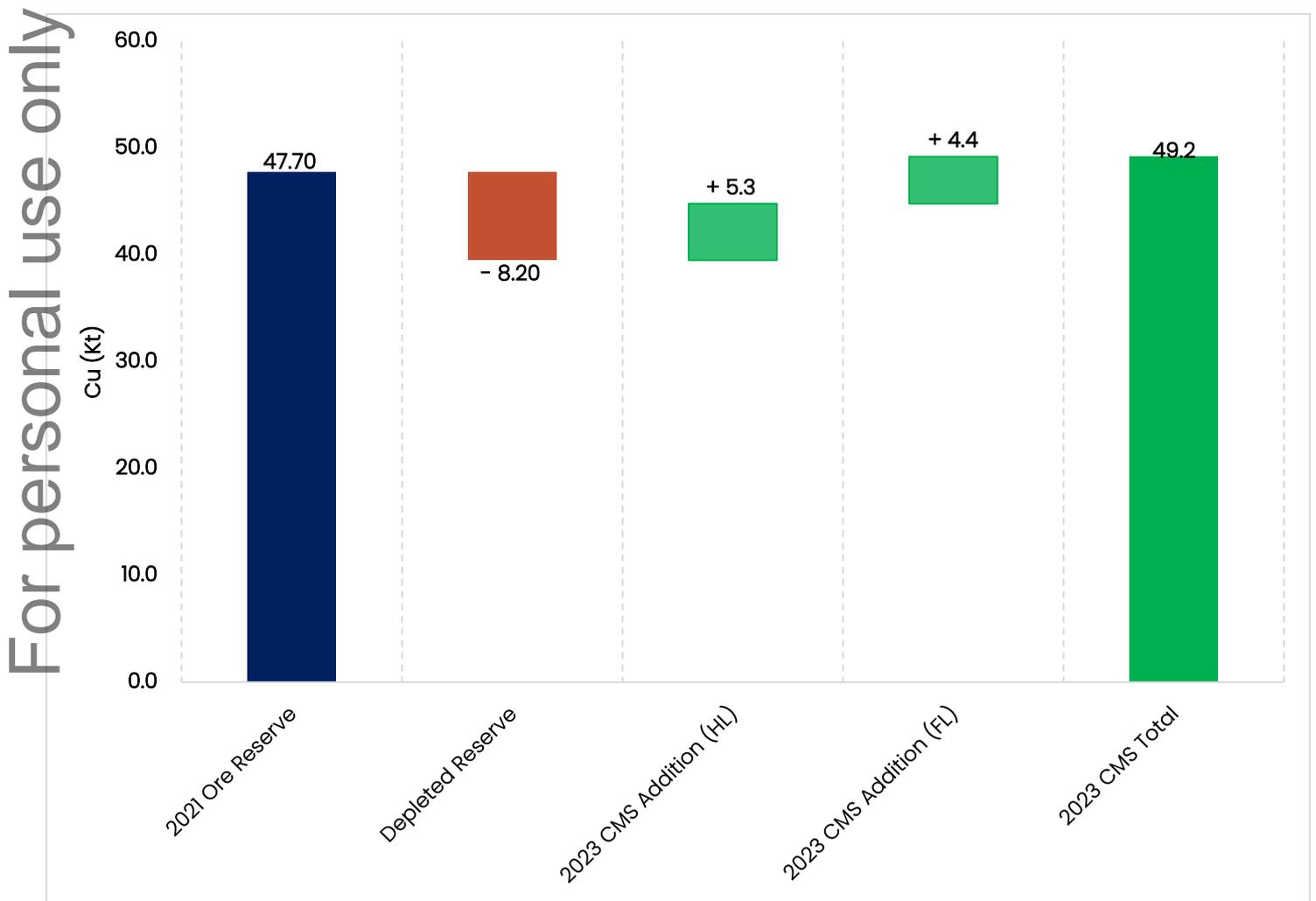


Figure 1. HL=heap leach, FL=flotation beneficiation processes

This CMS is based on information reviewed and collated under the supervision of Howard Simpson, a Member of the Australasian Institute of Mining and Metallurgy and a CSA Global consultant to Austral Resources Australia Ltd.

# ASX ANNOUNCEMENT



## Next Steps for Development of the Anthill Expansion Project:

- Detailed dilution and ore loss analysis with potential Selective Mining Unit Analysis (SMU).
- Updated pit design (with stages) and Mine Plan.
- Financial model of the Detailed Mine Schedule to assess the economic viability of the expansion.
- Site visit by CSA to validate all information provided by Austral.
- Update the Mineral Resources and Ore Reserves estimates to formalise the CMS identified production potential.

## Austral's Managing Director and CEO, Dan Jauncey, commented:

*I have spoken publicly that Austral's immediate focus is finding more oxide to feed the beast, and here is another example of Austral delivering. Anthill cutback was always in the back of our minds knowing the Ore Reserves Estimate of 2021 was based on a copper price of approximately AUD\$10,300 per tonne. The study reveals a **potential significant increase** in the Mineral Resources by applying the current copper prices in 2023. We are told Austral's mine life is possibly too short to be classified as a big copper producer. Considering what we have announced on oxides alone this year, we now have another 40,000 tonnes of copper potential. Having identified the increase in the Mineral Resources potential, an update of the Mineral Resources and Ore Reserve will validate the potential to increase the Life of the Mine by approximately 5 to 7 years. This outstanding result is a testament to our team's diligent work. The results of the concept study are extremely promising, highlighting the immediate potential for increased profitability, growth and value for Austral and our shareholders. We are excited about the future and look forward to sharing the Company's progress with you as we continue to unlock the value of our resources."*

Managing Director and CEO Dan Jauncey authorises this announcement for market release.

## FOR FURTHER INFORMATION, PLEASE CONTACT:

### Austral Resources Australia Ltd

#### Dan Jauncey

Managing Director & CEO  
Level 9, 60 Edward Street  
Brisbane City Qld 4000  
P: +61 7 3520 2500

### Media & Investor Enquiries

#### The Capital Network

Julia Maguire  
P: +61 2 8999 3699  
E: [julia@thecapitalnetwork.com.au](mailto:julia@thecapitalnetwork.com.au)

# ASX ANNOUNCEMENT



## About Austral Resources

Austral Resources Australia Ltd (ASX:ARI) is a 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. Austral has developed its Anthill oxide copper mine, which has an Ore Reserve of 5.06Mt at 0.94% Cu. The Company expects to produce 40,000t of copper cathode over four years from mid-2022.

Austral also owns a significant copper inventory with a JORC compliant Mineral Resource Estimate of 60Mt@ 0.7% Cu (420,000t of contained copper) and 2,100km<sup>2</sup> of highly prospective exploration tenure in the heart of the Mt Isa district, a world class copper and base metals province. The Company is implementing an intensive exploration and development program designed to extend the life of mine, increase its resource base and then review options to commercialise its copper resources.

To learn more, please visit: [www.australres.com](http://www.australres.com)

Detailed Ore Reserves and Mineral Resource Estimates information is provided in Austral Resources Prospectus, Section 7, Independent Technical Assessment Report. This document is available on Austral's website: [www.australres.com](http://www.australres.com), and on the ASX released as "Prospectus" on 1 November 2021 and further updated on 28 October 2022 as "Lady Colleen Grade increases by 200%" and in the Annual Report dated 31 March 2023. 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 continue to apply and have not changed. The estimated Mineral Resources underpinning the production target have been prepared by a competent person in accordance with the JORC code. The key assumptions on which the production target is based are included below.

For personal use only

# ASX ANNOUNCEMENT



## Key assumptions

### Financial input parameters

Input	Unit	2021 ORE	2023 CMS
Currency	AU\$	AU\$	AU\$
Price for Copper	\$AU/t	10,363	12,500
Cu Selling Cost *	\$AU/t	172.00	148.00
Government royalties **	%revenue	3.70%	4.00%

\* The selling cost applied to this work includes back-load Cu charge and AMSPEC Inspections.

\*\* The government royalty for the heap leach product currently has a 20% discount, and it is assumed the same discount will also apply to the concentrate. This needs to be confirmed in the later stages of the Project.

### Mining input parameters

Input	Unit	2021 ORE	2023 CMS
Mining recovery *	%	95.0 (0.95)	95.0 (0.95)
Mining dilution *	%	2.0 (1.02)	5.0 (1.05)
Overall slope angle	Degrees	See PSM recommendation	
Mining costs (inc. D&B) **	AU\$/t	4.50	Ox = 4.00 Tr = 4.25 Fr = 4.50
Mining cost adjustment factor	AU\$/t/m depth	0.01	0.01
Rehabilitation cost	AU\$/t waste	No allowance made	No allowance made

\* A mining recovery and dilution study and the Selective Mining Unit (SMU) study are required at the project's next stage to confirm the assumptions.

\*\* A fixed mining cost of 3.03 AUD/t was used for the base elevation. Drill and blast costs of 0.97 AUD/t, 1.22 AUD/t, and 1.47 AUD/t, respectively, for Oxide, Transition, and Fresh Materials, were added to reflect project actuals to date.

### Processing and selling costs

Input	Unit	2021 ORE	2023 CMS
<b>Froth Flotation *</b>			
Processing	AU\$/dmt ore	-	25.00
Transport Cost (to Mt. Isa Concentrator)	AU\$/dmt ore	-	15.00
<b>Heap Leaching **</b>			
Heap Leach (Ox and Low-Calcium Trans)	AU\$/dmt ore	19.734	19.90
Heap Leach penalty for calcium	%Cu	-	0.04*Ca%

\* The 2021 ORE considered only oxides, and no costs associated with flotation were added.

\*\* The Heap Leach cost for this concept study includes power station costs.

For personal use only

# ASX ANNOUNCEMENT



## Concentrate specifications and deductions

Input	Unit	2021 ORE	2023 CMS
Concentrate Grade	%Cu	-	23.00
Freight Charge (ship to offshore Smelter)	AU\$/t conc	-	200.00
Smelting Charge	AU\$/t conc	-	121.21
<b>Refining Charge/Sales</b>		-	
Per payable copper	\$AU/lb	-	0.121
<b>Percent Payability (Cu)</b>			
Flotation	%	-	95.70
Heap Leach	%	-	100.00
<b>Recoveries:</b>			
<b>Flotation - Copper</b>			
TRANS	%	-	54.00
FRESH	%	-	90.00
<b>Leaching - Copper</b>			
OXIDE	%	85	85.00
TRANS	%	-	50.00

*Metallurgical recoveries and other parameters require a more detailed study at the next stage.*

## Production by Mineral Resource category

Deposits	Process	Tonnes (Mt)	Cu (%)	Cu (Kt)
Anthill	Measured	2.45	0.74%	18.13
	Indicated	4.39	0.71%	31.17
	Inferred	0.00	0.00%	0.00
<b>Total</b>		<b>6.84</b>	<b>0.72%</b>	<b>49.2</b>

Amounts in table are impacted by rounding

For personal use only