



1. Company Details

Name of entity:	Austral Resources Australia Ltd
ABN:	50 142 485 470
Reporting period:	For the year ended 31 December 2024
Previous period:	For the year ended 31 December 2023

2. Results for announcement to the market

					\$'000
Revenues from ordinary activities	down	25.6%	to		82,087
Loss from ordinary activities for the year after tax attributable to the owners of Austral Resources Australia Ltd, from a profit of \$9.5 million	Down	312%	to		(20,076)
Loss for the year attributable to the owners of Austral Resources Australia Ltd, from a profit of \$9.5 million	Down	312%	to		(20,076)

3. Review of operations

The loss attributable to the owners of Austral Resources Australia Ltd for the consolidated entity after providing for income tax amounts to \$20,076,000 (31 December 2023: Profit of \$9,452,000).

Highlights

Austral Resources Australia Ltd has achieved the following for the year ended 31 December 2024:

- Copper cathode sales of 6,341 tonnes (2023: 9,075 tonnes) at an average sale price of US\$8,160 per tonne (2023: US\$8,442 per tonne);
- Revenue from continuing operations \$82,087,000 (2023: \$110,280,000);
- Net operating cash inflows of \$9,415,000 (2023: inflows of \$41,913,000);
- Cash and cash equivalents of \$79,000 (2023: \$1,145,000)

4. Dividends

No dividends have been paid, recommended, or declared during the current financial year (2023: Nil).

5. Net tangible assets

	Reporting Period \$	Previous Period \$
Net tangible assets per ordinary security	<u>(0.05)</u>	<u>(0.02)</u>

6. Control gained over entities

No change during the period

7. Details of associates and joint venture entities

No change during the period

8. Audit qualification or review

The Preliminary Financial Report is based on statutory financial statements that are in the process of being audited. The independent audit report is unlikely to contain a modified opinion and may have an emphasis of matter regarding to material uncertainty of going concern.

9. Attachments

Attached is the Preliminary Financial Report of Austral Resources Australia Ltd for the year ended 31 December 2024.

Austral Resources Australia Ltd

ABN 50 142 485 470

Preliminary Financial Report

31 December 2024

For personal use only

Austral Resources Australia Ltd
Statement of profit or loss and other comprehensive income
For the year ended 31 December 2024

	Note	Consolidated 2024 \$'000	2023 \$'000
Revenue	1	82,087	110,280
Cost of goods sold		(90,086)	(78,927)
Gross (loss) / profit		(7,999)	31,353
Other income	2	10,752	1,902
Expenses			
Other operating expenses		(5,604)	(8,490)
Administration expenses		(2,671)	(2,996)
Depreciation and amortisation expense		(1,288)	(114)
Finance expense	3	(12,330)	(10,878)
Share based payments		325	(951)
Net foreign exchange loss		(1,261)	(374)
(Loss) / profit before income tax expense from continuing operations		(20,076)	9,452
Income tax expense		-	-
(Loss) / profit after income tax expense for the year		(20,076)	9,452
Other comprehensive income			
Other comprehensive income for the year, net of tax		-	-
Total comprehensive (loss) / profit for the year		<u>(20,076)</u>	<u>9,452</u>
		\$	\$
Earnings per share for profit attributable to the owners of Austral Resources Australia Ltd			
Basic (loss) / profit per share		(0.038)	0.018
Diluted (loss) / profit per share		(0.038)	0.017

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Austral Resources Australia Ltd
Statement of financial position
As at 31 December 2024

	Note	Consolidated 2024 \$'000	2023 \$'000
Assets			
Current assets			
Cash and cash equivalents	4	79	1,145
Trade and other receivables	5	1,479	3,878
Prepayments		682	885
Inventories	6	50,664	40,125
Other assets		631	1,181
Total current assets		<u>53,535</u>	<u>47,214</u>
Non-current assets			
Other financial assets	7	37,211	37,807
Property, plant and equipment	8	52,730	66,412
Right-of-Use Assets		2,706	4,360
Exploration and mining assets	9	<u>1,668</u>	<u>685</u>
Total non-current assets		<u>94,315</u>	<u>109,264</u>
Total assets		<u>147,850</u>	<u>156,478</u>
Liabilities			
Current liabilities			
Trade and other payables	10	55,252	58,145
Borrowings	11	80,289	63,452
Provisions		856	545
Lease Liabilities		1,710	1,769
Forward foreign exchange contracts		-	-
Total current liabilities		<u>137,805</u>	<u>123,911</u>
Non-current liabilities			
Provisions	12	36,913	37,624
Lease Liabilities		<u>1,504</u>	<u>3,215</u>
Total non-current liabilities		<u>38,417</u>	<u>40,839</u>
Total liabilities		<u>176,524</u>	<u>164,750</u>
Net liabilities		<u>(28,674)</u>	<u>(8,272)</u>
Equity			
Issued capital	13	71,546	71,546
Reserves	14	1,923	2,249
Accumulated losses	15	<u>(102,143)</u>	<u>(82,067)</u>
Total equity		<u>(28,674)</u>	<u>(8,272)</u>

The above statement of financial position should be read in conjunction with the accompanying notes

Austral Resources Australia Ltd
Statement of changes in equity
For the year ended 31 December 2024

Consolidated	Issued capital \$'000	Reserves \$'000	Accumulated losses \$'000	Total equity \$'000
Balance at 1 January 2023	71,546	1,298	(91,519)	(18,675)
Profit after income tax expense for the year	-	-	9,452	9,452
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive loss for the year	-	-	9,452	9,452
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments (note 18)	-	951	-	951
Balance at 31 December 2023	<u>71,546</u>	<u>2,249</u>	<u>(82,067)</u>	<u>(8,272)</u>

Consolidated	Issued capital \$'000	Reserves \$'000	Accumulated losses \$'000	Total equity \$'000
Balance at 1 January 2024	71,546	2,249	(82,067)	(8,272)
Profit after income tax expense for the year	-	-	(20,076)	(20,076)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive profit for the year	-	-	(20,076)	(20,076)
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments (note 18)	-	(326)	-	(326)
Balance at 31 December 2024	<u>71,546</u>	<u>1,923</u>	<u>(102,143)</u>	<u>(28,674)</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

Austral Resources Australia Ltd
Statement of cash flows
For the year ended 31 December 2024

	Note	Consolidated 2024 \$'000	2023 \$'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		78,128	112,572
Payments to suppliers and employees (inclusive of GST)		(78,133)	(73,691)
		(5)	38,881
Interest and other costs of finance paid		(197)	(2,457)
Interest received		1,243	94
Other revenue		8,374	5,395
Net cash from operating activities		9,415	41,913
Cash flows from investing activities			
Payments for property, plant and equipment		(649)	(35,074)
Payments for exploration		(2,541)	(83)
Payments for mining assets		(9,911)	(2,123)
Proceeds from security deposits		596	-
Net cash used in investing activities		(12,505)	(37,280)
Cash flows from financing activities			
Proceeds from issue of shares		-	-
Proceeds from borrowings		4,916	-
Share issue transaction costs		-	-
Repayment of borrowings		-	(3,375)
Repayment of lease liabilities		(2,884)	(1,575)
Transaction costs related to loans and borrowings		-	(65)
Net cash from / (used in) financing activities		2,032	(5,015)
Net (decrease) in cash and cash equivalents		(1,058)	(382)
Cash and cash equivalents at the beginning of the financial year		1,145	1,535
Effects of exchange rate changes on cash and cash equivalents		(8)	(8)
Cash and cash equivalents at the end of the financial year	4	79	1,145

The above statement of cash flows should be read in conjunction with the accompanying notes

Basis of preparation

These preliminary financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Going Concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the consolidated entity incurred a loss of \$20,076,000 for the year ended 31 December 2024. In addition, as at that date, the consolidated entity's current liabilities exceed its current assets by \$84.6M and it had a net liability position of \$28.7M, related to liabilities amounting to \$176.5M offset by assets amounting to \$147.8M. These factors indicate a material uncertainty which may cast significant doubt as to whether the consolidated entity will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The above factors indicate a material uncertainty which may cast significant doubt as to whether the consolidated entity will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The Directors believe that there are reasonable grounds to believe that the consolidated entity will be able to continue as a going concern, after consideration of the following factors:

- The Directors have reviewed the cash forecast, for the forthcoming 12 months which indicates the consolidated entity will continue to generate significant net cash inflows from its operating activities;
- The consolidated entity has the ability to scale down its operations in order to curtail exploration expenditure, in the event cash available is insufficient to meet projected expenditure;
- As disclosed in the June 2024 Interim Report, the company has entered into a framework agreement with Glencore, Secover, and Thiess to discharge all secured debt and the unsecured trade payable owed to Thiess. Under this agreement, all secured debt will be repaid from the proceeds of the Anthill Project and if required, the heap leach remine; and
- The Company is progressing towards the removal of its suspension from the ASX and, subsequently will seek to raise additional capital through the issuance of shares under the Corporations Act 2001.

Accordingly, the Directors believe that the consolidated entity will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the consolidated entity does not continue as a going concern.

Note 1. Revenue

	Consolidated	
	2024	2023
	\$'000	\$'000
From continuing operations		
<i>Revenue from contracts with customers</i>		
Sale of copper	82,087	110,280
Revenue from continuing operations	<u>82,087</u>	<u>110,280</u>

Austral Resources Australia Ltd
Notes to the financial statements
31 December 2024

Note 1. Revenue (continued)

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	Consolidated	
	2024	2023
	\$'000	\$'000
<i>Major product lines</i>		
Copper Cathode	82,087	110,280
	<u>82,087</u>	<u>110,280</u>
<i>Geographical regions</i>		
Australia	82,087	110,280
	<u>82,087</u>	<u>110,280</u>
<i>Timing of revenue recognition</i>		
Goods transferred at a point in time	82,087	110,280
	<u>82,087</u>	<u>110,280</u>

Note 2. Other income

	Consolidated	
	2024	2023
	\$'000	\$'000
Insurance recoveries	4,527	771
Interest income	1,837	1,168
Other income	4,388	(37)
	<u>10,752</u>	<u>1,902</u>

Note 3. Finance Expenses

	Consolidated	
	2024	2023
	\$'000	\$'000
Interest on interest bearing loans	10,401	8,927
Interest on leases	306	429
Unwinding of discount on rehabilitation liability	1,483	1,502
	<u>12,330</u>	<u>10,878</u>

Note 4. Current assets - cash and cash equivalents

	Consolidated	
	2024	2023
	\$'000	\$'000
Cash on hand	1	1
Cash at bank	78	1,144
	<u>79</u>	<u>1,145</u>

Note 5. Current assets - trade and other receivables

	Consolidated	
	2024	2023
	\$'000	\$'000
Trade receivables	644	3,601
Less: Allowance for expected credit losses	-	-
GST Receivable	835	277
	<u>1,479</u>	<u>3,878</u>

Note 6. Current assets - inventories

	Consolidated	
	2024	2023
	\$'000	\$'000
Spare parts and consumables	1,842	2,950
Copper in process	47,716	34,635
Copper cathode	1,106	2,540
	<u>50,664</u>	<u>40,125</u>

Note 7. Non-current assets - other

	Consolidated	
	2024	2023
	\$'000	\$'000
Term deposits as security for bank guarantees (i)	37,104	37,700
Security deposits for Queensland Mines Department	107	107
	<u>37,211</u>	<u>37,807</u>

- (i) Security deposits held with ANZ as security for the issuance of a bank guarantee to satisfy the financial assurance requirements with the Queensland Government's Department of Environment and Science for the Lady Annie Mine's Environmental Authority EPML00753513.

Note 8. Non-current assets - property, plant and equipment

	Consolidated	
	2024	2023
	\$'000	\$'000
Land and buildings – at cost	6,984	6,292
Less: Accumulated depreciation	<u>(6,981)</u>	<u>(6,289)</u>
	<u>3</u>	<u>3</u>
Plant and equipment - at cost	40,691	35,116
Less: Accumulated depreciation	<u>(35,878)</u>	<u>(34,670)</u>
	<u>4,813</u>	<u>446</u>
Office Equipment, furniture and fittings - at cost	2,024	1,923
Less: Accumulated depreciation	<u>(1,715)</u>	<u>(1,635)</u>
	<u>309</u>	<u>288</u>
Capital works in progress - at cost	<u>250</u>	<u>10,530</u>
Mine development – at cost	274,711	231,278
Less: Accumulated amortisation	<u>(271,276)</u>	<u>(228,967)</u>
	<u>3,434</u>	<u>2,310</u>
Stripping activity asset – at cost	84,612	74,701
Less: Accumulated amortisation	<u>(40,691)</u>	<u>(21,866)</u>
	<u>43,921</u>	<u>52,835</u>
	<u><u>52,730</u></u>	<u><u>66,412</u></u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Capital works In progress \$'000	Land and buildings \$'000	Office equipment, furniture and fittings \$'000	Plant and equipment \$'000	Mine development \$'000	Stripping activity asset \$'000	Total \$'000
Consolidated							
Balance at 1 January 2023	9,921	3	275	449	9,666	32,241	52,555
Additions	609	-	63	53	2,123	34,349	37,197
Reduction in mine rehabilitation and closure asset	-	-	-	-	(6,264)	-	(6,264)
Depreciation and amortisation expense	-	-	(50)	(56)	(3,215)	(13,755)	(17,076)
Balance at 31 December 2023	10,530	3	288	446	2,310	52,835	66,412
Additions/Transfers	(10,280)	-	101	5,574	6,661	9,911	12,118
Increase in mine rehabilitation and closure asset	-	-	-	-	-	-	-
Depreciation and amortisation expense	-	-	(80)	(1,208)	(5,537)	(18,825)	(25,658)
Balance at 31 December 2024	<u><u>250</u></u>	<u><u>3</u></u>	<u><u>308</u></u>	<u><u>4,813</u></u>	<u><u>3,434</u></u>	<u><u>43,921</u></u>	<u><u>52,730</u></u>

Note 9. Non-current assets - exploration and evaluation

	Consolidated	
	2024	2023
	\$'000	\$'000
Exploration and evaluation - at cost	1,668	685
Less: Impairment	-	-
	<u>1,668</u>	<u>685</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Exploration and evaluation \$'000
Balance at 1 January 2023	603
Additions	82
Balance at 31 December 2023	685
Additions	983
Balance at 31 December 2024	<u>1,668</u>

The recoverability of the carrying amounts of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

Note 10. Current liabilities - trade and other payables

	Consolidated	
	2024	2023
	\$'000	\$'000
Trade payables and accruals	52,906	57,084
Interest payable	2,195	1,061
	<u>55,101</u>	<u>58,145</u>

Due to the short-term nature, the current trade and other payables have a carrying value which approximates their fair value.

Note 11. Current liabilities - borrowings

	Consolidated	
	2024	2023
	\$'000	\$'000
Wingate Facility (Assigned to Glencore Australia Holdings Pty Limited)	30,277	23,707
Glencore Prepayment Facility	20,598	26,929
Secover Facility (2022)	13,980	12,816
Secover Facility (2024)	15,434	-
	<u>80,289</u>	<u>63,452</u>

Note 11. Current liabilities - borrowings (continued)

Wingate Facility (Assigned to Glencore Australia Holdings Pty Limited)

On 9 August 2021, the company entered into a facility agreement with Win Finance No. 359 Pty Ltd, primarily to fund its working capital and to restructure the company through the listing process. The facility is interest bearing with an interest rate of 15% per annum, payable quarterly in arrears and for a period of 36 months from the date of initial drawdown. An initial drawdown of \$20 million was made on 13 August 2021 and the remaining \$10 million was drawn following the company successfully listing on the ASX in November 2021. The facility is subject to debt covenants and obligations to make principal and interest payments on set dates. Should these terms not be met by the Company and event of default may eventuate.

On 30 September 2022, the facility was amended to an interest rate of BBSY bid rate plus 12% margin, and on 22 December 2022 upon entering into the Secover facility, it was agreed to bring the termination date of this facility forward to 23 November 2023.

On 13 May 2024, Glencore Australia Holdings Pty Limited acquired the senior secured debt previously held by Win Finance No. 359 Pty Ltd. On 1 May 2024, Win Finance appointed Receivers and Managers, which remained in this role until 10 May 2024. Following the retirement of the Receivers and Managers appointed by Win Finance, Glencore assumed the role of senior secured creditor. The facility remains in default, with interest accruing at the default rate of 17% under a Standstill Agreement, which will remain in effect until the restructuring process is completed.

Assets pledged as security

The Wingate Facility (Assigned to Glencore Australia Holdings Pty Limited) is secured by first mortgages over the Anthill and Mount Kelly mining leases.

Glencore prepayment facility

On 3 February 2022, the company entered into a facility agreement with Glencore International AG for USD \$15 million, primarily to accelerate its exploration program and fund working capital. The facility is interest bearing with an interest rate of LIBOR plus a margin of 8.5% per annum, payable monthly in arrears and for a period of 24 months from the date of initial drawdown. An initial drawdown of USD \$15 million was made on 17 March 2022. On 22 December 2022, the maturity date was changed to 23 November 2023. At 31 December 2024 this facility was fully drawn down.

Secover Facility (2022)

On 22 December 2022, the company entered into a facility agreement with Secover Pty Ltd for \$11 million, to fund working capital. The facility is interest bearing with an interest rate of 15% per annum, payable monthly in arrears and for a period of 12 months from the initial date of drawdown. Any interest that has accrued and is not paid is capitalised and added to the principal outstanding balance on that date. An initial drawdown of \$11 million was made on 23 December 2022. At 31 December 2024 this facility was fully drawn down.

Secover Facility (2024)

On 28 June 2024, the company entered into a facility agreement with Secover Pty Ltd for \$11.7 million, to fund the repayment of the Thiess secured payable. The facility is not interest bearing and payable within 12 months of the facility agreement date. During the second half of 2024, the company requested additional funding from Secover Pty Ltd of circa \$4,900,000 to fund working capital. This amount will be added to the June 2024 facility agreement with Secover Pty Ltd. The facility is not interest bearing and payable by 27 June 2025, in line with the June 2024 facility.

Glencore Receiver Funding Facility

Following the acquisition of the senior secured debt from Win Finance No. 359 Pty Ltd, Glencore assigned the costs incurred during the receivership to be paid per the terms of the existing Wingate Facility. Interest is charged at the default rate of 17%.

At 31 December 2024, the Wingate Facility (Assigned to Glencore Australia Holdings Pty Limited), Glencore prepayment facility, Glencore Receiver Funding Facility and Secover Facility (2022) are considered due and payable. However, payments have been deferred while the entity is in negotiations with its existing debt providers to restructure the existing debt and/or extend the repayment terms as disclosed in the Basis of preparation above.

Note 12. Non-current liabilities - provisions

	Consolidated	
	2024	2023
	\$'000	\$'000
Mine rehabilitation and closure	<u>36,913</u>	<u>37,624</u>

Environmental

The rehabilitation provision represents the present value of rehabilitation costs relating to mine sites, which are expected to be incurred over the life of the estimated life of mine, which is when the producing mine properties are expected to cease operations. Assumptions based on the current economic environment have been made, which management believes are a reasonable basis upon which to estimate the future liability. These estimates are reviewed regularly to take into account any material changes to the assumptions. However, actual rehabilitation costs will ultimately depend upon future market prices for the necessary rehabilitation works required that will reflect market conditions at the relevant time.

Movements in provisions

Movements in each class of provision during the current financial year, other than employee benefits, are set out below:

	Rehabilitation
	\$'000
Consolidated - 2024	
Carrying amount at the start of the year	37,624
Reduction due to reassessment of liability and increase in discount rate	(711)
Amounts transferred to current	-
Unwinding of discount	417
Carrying amount at the end of the year	<u>36,913</u>

Note 13. Equity - issued capital

	Consolidated			
	2024	2023	2024	2023
	Shares	Shares	\$'000	\$'000
Ordinary shares - fully paid	<u>527,165,826</u>	<u>527,165,826</u>	<u>71,546</u>	<u>71,546</u>

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$'000
Balance	1 January 2023	527,165,826		71,546
Cost of share issue		-		-
Balance	31 December 2023	527,165,826		71,546
Balance	31 December 2024	<u>527,165,826</u>		<u>71,546</u>

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Note 13. Equity - issued capital (continued)

Capital risk management

The consolidated entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current company's share price at the time of the investment. The consolidated entity is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The consolidated entity is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

Note 14. Equity - reserves

	Consolidated	
	2024	2023
	\$'000	\$'000
Share-based payments reserve	1,923	2,249

Share-based payments reserve

The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

Movements in reserves

Movements in each class of reserve during the current and previous financial year are set out below:

Consolidated	Share-based payments reserve \$'000
Balance at 1 January 2023	1,298
Share-based payments expensed during the year	951
Performance rights exercised during the year	-
Balance at 31 December 2023	2,249
Share-based payments expensed / (reversed) during the year	(325)
Performance rights exercised during the year	-
Balance at 31 December 2024	1,923

Note 15. Equity - accumulated losses

	Consolidated	
	2024	2023
	\$'000	\$'000
Accumulated losses at the beginning of the financial year	(82,067)	(91,519)
Profit / loss after income tax expense for the year	(20,076)	9,452
Accumulated losses at the end of the financial year	<u>(102,143)</u>	<u>(82,067)</u>

Note 16. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following wholly-owned subsidiaries:

Name	Principal place of business / Country of incorporation	Ownership interest	
		2024	2023
		%	%
Austral Resources Operations Pty Ltd	Australia	100%	100%
Austral Resources Exploration Pty Ltd	Australia	100%	100%

Note 17. Events after the reporting period

No matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 18. Share-based payments

Directors and key management personnel

On 4 August 2021, 44,537,500 performance rights were issued to key management personnel under the Performance Share Plan. Where an employee leaves during the vesting period and the KPI's are not met within three months of the employees termination date the performance rights will be forfeited. In the scenario where the KPI's were met then the employee is eligible to elect to exercise the rights through to the expiry date. On 12 May 2022, 1,603,350 performance rights were issued to Michael Hansel under the Performance Share Plan and were approved at the company's AGM. These performance rights are subject to the same KPIs as the performance rights issued to the key management personnel on 4 August 2021. Each Performance Right converts into one AR1 share upon vesting and exercise.

On 17 October 2022, 4,302,326 performance rights were issued to key management personnel under the Performance Share Plan. Where an employee leaves during the vesting period and the KPI's are not met within three months of the employees termination date the performance rights will be forfeited. In the scenario where the KPI's were met then the employee is eligible to elect to exercise the rights through to the expiry date. These performance rights were re-issued following the cancellation of the existing HSSEQ performance rights after the Directors identified the HSSEQ KPI should be better defined.

Total expense reversal from share-base payments transactions is \$325,000 (2023: expense \$951,000) in current financial year.

Note 18. Share-based payments (continued)

The movements in the current year of the number of Performance Rights issued to Key Management Personnel (KMP) are as follows:

		Balance at 1 January 2024	Granted as part of remuneration	Number of Rights Exercised	Number of Rights Lapsed/ Cancelled	Balance at 31 December 2024
KPI 1	First material ore production from Anthill deposit	690,330	-	-	-	690,330
KPI 2	Production of 20kt of copper cathode from Anthill Project	4,141,989	-	-	(4,141,989)	-
KPI 3	Generate 20kt inferred resource 1	10,354,966	-	-	(2,249,143)	8,105,823
KPI 4	Share price target of \$0.50	8,283,975	-	-	(1,799,315)	6,484,660
KPI 7	Generate 20kt inferred resource 2	4,141,989	-	-	(899,658)	3,242,331
HSSEQ1	HSSEQ and Indigenous Affairs – FY 2023	2,070,995	-	-	(68,925)	2,002,070
HSSEQ1	HSSEQ and Indigenous Affairs – FY 2024	2,070,995	-	-	(1,125,344)	945,651
	Total	31,755,239	-	-	(10,284,374)	21,470,865

HSSEQ1 KPI – to be met by 30 June 2023 (measurement period 1 July 2022 to 30 June 2023)

This KPI will be considered satisfied where the following criteria are met during the relevant period:

- 1. Safety KPI – 50% of the HSSEQ1 Performance Rights on issue**
 - 100% vesting upon achieving a 20% decrease in the All Injury Frequency Rate (AIFR) from the previous year.
 - 50% vesting upon achieving a 10% decrease in the AIFR from the previous year.
 - 0% vesting upon achieving a 0% decrease in the AIFR from the previous year.
 - Pro rata vesting allocation by 1% increments for a 1% to 19% decrease in the AIFR.
- 2. Environment KPI – 30% of the HSSEQ1 Performance Rights on issue**
 - 100% vesting upon achieving no environmental fines/breaches from DES (Breach) for the year to June 2023.
 - The % vested is reduced by the value of any fines imposed (calculated with reference to the Company's Share price at the time of the Breach) in the year to June 2023.
- 3. Indigenous Affairs KPI – 20% of the HSSEQ1 Performance Rights on issue**
 - 100% vesting upon achieving no impact on operations due to breaches/delays resulting from Indigenous Affairs matters for the year to June 2023.
 - 0% vesting where management of Indigenous Affairs matters results in a material impact on operations due to breaches/delays for the year to June 2023.

HSSEQ2 KPI – to be met by 30 June 2024 (measurement period 1 July 2023 to 30 June 2024)

This KPI will be considered satisfied where the following criteria are met during the relevant period:

- 1. Safety KPI – 50% of the HSSEQ1 Performance Rights on issue**
 - 100% vesting upon achieving a 20% decrease in the All Injury Frequency Rate (AIFR) from the previous year.
 - 50% vesting upon achieving a 10% decrease in the AIFR from the previous year.
 - 0% vesting upon achieving a 0% decrease in the AIFR from the previous year.
 - Pro rata vesting allocation by 1% increments for a 1% to 19% decrease in the AIFR.
- 2. Environment KPI – 30% of the HSSEQ1 Performance Rights on issue**
 - 100% vesting upon achieving no environmental fines/breaches from DES (Breach) for the year to June 2024.
 - The % vested is reduced by the value of any fines imposed (calculated with reference to the Company's Share price at the time of the Breach) in the year to June 2024.
- 3. Indigenous Affairs KPI – 20% of the HSSEQ1 Performance Rights on issue**
 - 100% vesting upon achieving no impact on operations due to breaches/delays resulting from Indigenous Affairs matters for the year to June 2024.
 - 0% vesting where management of Indigenous Affairs matters results in a material impact on operations due to breaches/delays for the year to June 2024.

Note 18. Share-based payments (continued)

Condition 11.5 of Austral's "Conditions of quotation" of the Company following its initial public offering (IPO) requires certain disclosures be made in relation to unquoted KPI based performance rights (Rights) disclosed in the Company's IPO Prospectus:

- Austral has 17,240,465 Performance Rights on issue as at 31 December 2024 (of those issued at IPO);
- 10,077,809 performance rights lapsed and were forfeited during the year following the resignation of Phillip Thomas and Luke Johnstone as well assessment of various performance rights during the year; and
- Each Performance Right converts into one AR1 share upon vesting and exercise.

The Performance Rights set out above will vest on satisfaction of the below mentioned performance hurdles:

#	Key Performance Indicators	Performance Right #	Vesting Date ¹	Expiry Date ²
1	First material ore production from Anthill deposit	11,134,372	Vested ³	30 Jun 25
2	Production of 20kt of Copper cathode from Anthill Project	4,453,752	Lapsed	30 Jun 26
3	Generate 20kt inferred resource 1	11,134,372	30 Jun 25	30 Jun 26
4	Share price target of \$0.50	8,907,500	30 Jun 25	30 Jun 26
5	Health Safety Security Environment and Quality (HSSEQ) and Indigenous Affairs – FY 2022	2,226,876	Cancelled	30 Jun 25
6	HSSEQ and Indigenous Affairs – FY 2023	2,226,876	Cancelled	30 Jun 26
7	Generate 20kt inferred resource 2	4,453,752	30 Jun 25	30 Jun 26
Total		44,537,500		

1. Unless otherwise specified, the Vesting Date represents the last possible date by which the relevant KPI must be met in order for the relevant Performance Rights to vest. Where a KPI is not met, the Performance Rights will be forfeited.
2. Expiry date applies where the KPI has been met by the relevant Vesting Date.
3. Some of the vested rights have been exercised.

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Note 18. Share-based payments (continued)

The table below provides an overview of the Key Performance Indicators:

No.	KPI	Overview
1	5,000 tonnes of ore moved from the Anthill deposit within 6 months of commencement of overburden mining at the Anthill Project	This KPI will be considered satisfied on the movement of 5,000 tonnes of ROM ore from the Anthill pit to the crusher. This is defined as removing overburden and transporting ore from the Anthill pit within 6 months of commencement of overburden mining at the Anthill Project.
2	Production of at least 20,000 tonnes of Copper cathode.	This KPI will be considered satisfied if the Company produces 20,000 tonnes of LME grade Copper cathode by the relevant Vesting Date.
3	Generate a JORC compliant Inferred Mineral Resource estimate of 20,000t of contained Cu through the exploration program within 70km of the Mt Kelly processing facility	This KPI represents an exploration target for the exploration team to either continue more detailed exploration work on the top 12 prospects or explore and drill a new Mineral Resource estimate so that collectively an Inferred Mineral Resource estimate of 20,000 tonnes of contained Cu at a cut-off grade of 0.2% is achieved. This represents approximately half the resource at Anthill and must be within 70km of the Mt Kelly facility.
4	Share price target of \$0.50	This KPI will be considered satisfied where the volume weighted price average of the Company's Shares trades at or above \$0.50 for 20 consecutive Trading Days (as that term is defined in the Listing Rules).
5	Health, Safety, Security, Environment, Quality (HSSEQ) and Indigenous Affairs – to 30 June 2022	This KPI will be considered satisfied where both of the following criteria are met during the relevant period: <ul style="list-style-type: none"> (1) the Company's published Lost Time Injury Frequency Rate (LTIFR) is no more than 10% higher than the twelve month rolling average LTIFR for surface minerals mines as reported in the Queensland Government 'Mines and Quarries Safety Performance and Health Reports' (adjusted on a pro-rata basis for any period prior to first production at the Anthill Project); and (2) the Company (or its relevant subsidiary) is not in material breach or in material dispute with any counter-party to any indigenous land use agreement (ILUA) (including for example the agreements set out in section 12.7 of the Prospectus).
6	HSSEQ and Indigenous Affairs – from 1 July 2022 to 30 June 2023	This KPI will be considered satisfied where both of the following criteria are met during the relevant period: <ul style="list-style-type: none"> (1) the Company's published LTIFR is no more than 10% higher than the twelve month rolling average LTIFR for surface minerals mines as reported in the Queensland Government 'Mines and Quarries Safety Performance and Health Reports'; and (2) the Company (or its relevant subsidiary) is not in material breach or in material dispute with any counter-party to any ILUA (including for example the agreements set out in section 12.7 of the Prospectus).
7	Generate a JORC compliant Inferred Mineral Resource estimate measuring 20,000 tonnes contained Cu in sulphide mineralisation	This KPI represents an exploration target for the exploration team to develop a more detailed exploration work on the sulphides (from existing pits, existing targets and drill a new Mineral Resource so that collectively an Inferred Mineral Resource estimate generating 20,000 tonnes of contained Cu in the sulphides at a cut-off grade of 0.2%.

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Note 18. Share-based payments (continued)

The fair value of performance rights granted is estimated at the date of grant. The following table list the inputs to the models used for the valuation of the performance rights:

	Performance rights under KPI #4	Performance rights under KPI #1-3 and #5-7
Expected volatility (%)	90%	90%
Risk-free interest rate (%)	0.89%	0.89%
Expected life	4 years	4 years
Model used	Monte Carlo	Black-Scholes
Grant date	4 August 2021	4 August 2021

The following table lists the inputs to the models used for the valuation of the performance rights issued to Michael Hansel:

	Performance rights under KPI #4	Performance rights under KPI #1-3 and #5-7
Expected volatility (%)	108.7%	108.7%
Risk-free interest rate (%)	2.66%	2.66%
Expected life	3.2 years	3.2 years
Model used	Monte Carlo	Black-Scholes
Grant date	12 May 2022	12 May 2022

The following table lists the inputs to the models used for the valuation of the performance rights issued during the year to Directors and KMP:

	Performance rights under HSSEQ1	Performance rights under HSSEQ2
Expected volatility (%)	104.09%	104.09%
Risk-free interest rate (%)	3.35%	3.35%
Expected life	0.7 years	1.7 years
Model used	Black-Scholes	Black-Scholes
Grant date	17 October 2022	17 October 2022