AUSTRAL RESOURCES

26 February 2026

LETTER TO ELIGIBLE SPP SHAREHOLDERS – OFFER OPENS

Dear shareholder

NOTICE TO ELIGIBLE SHARHOLDERS – OPPORTUNITY TO PARTICIPATE IN A SHAREHOLDER PRIORITY PLACEMENT (SPP)

Austral Resources Australia Ltd (**ASX:AR1**) ("**Austral**" or the "**Company**") today opened a Shareholder Priority Placement (**Offer**) to Austral shareholders in Australia and New Zealand (where you are recorded on the Company's share register as having an address in New Zealand, you are a wholesale investor within the meaning of the FMC Act) (**Eligible Shareholders**) to acquire up to 333,333 shares, being up to a value of $30,000 shares in Austral Resources Australia Ltd (**New Shares**) at an issue price of $0.09 per New Share. The Record Date for participation is 7:00pm (AEST time) on 18 February 2026. The Offer is structured like a conventional SPP (share purchase plan) and is subject to shareholder approval at a meeting to be held on 27 March 2026.

A copy of the Prospectus and a personalised application form is included in this mailpack. Further details regarding the Offer have also been announced to the ASX and are available on ASX's website.

Shareholders should read the Prospectus in full prior to making an application under the Offer. Your application under the Offer must be made by making payment in accordance with the instructions on your personalised application form enclosed with this letter.

The Offer closes at 5:00pm (AEST) on 23 March 2026.

For further information about how to participate in the Offer, please contact Automic Group.

Email: corporate.actions@automicgroup.com.au

Phone: 1300 288 664 (within Australia), or +61 2 9698 5414 (international) between 8:30am and 8:00pm (Sydney time) Monday to Friday.

This announcement is authorised for market release by the Board of Directors.

FURTHER INFORMATION, PLEASE CONTACT:

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Prospectus

Austral Resources Australia Limited ACN 142 485 470

Joint Lead Managers of Placement Offer: Bell Potter Securities Limited and Shaw and Partners Limited

A placement offer to Eligible Investors of 130,853,456 New Shares at an offer price of 9 cents ($0.09) per New Share (**Offer Price**) to raise $11,776,811 before costs of the offer (**Placement Offer**)

A placement offer to QCMBTF of 166,666,667 New Shares at the Offer Price per New Share pursuant to the terms of the Share Subscription Agreement to raise $15 million before costs of the offer (**QCMBTF Offer**)

A placement offer to AES of 40 million New Shares under the AES Debt Conversion (**AES Offer**)

An priority offer for Eligible Shareholders of 55,555,556 Shares at the Offer Price per New Share to raise up to a maximum of $5 million before costs of the offer (**Shareholder Priority Placement** or **SPP**),

(together, the **Offers**)

This document is important and it should be read in its entirety. If you are in any doubt as to the contents of this document, you should consult your stockbroker, solicitor, banker, financial advisor or accountant as soon as possible. The securities offered under this Prospectus are considered to be speculative.

This is a transaction-specific prospectus issued in accordance with section 713 of the *Corporations Act 2001* (Cth). This Prospectus has been prepared for the purposes enabling the secondary trading of Shares issued under the Previous Placement and Incentive Share Issue and enable the secondary trading of Shares issued under the Offers under the *Corporations Act 2001* (Cth).

Not for release to US wire services or distribution in the United States of America or elsewhere outside of Australia and New Zealand.

Important information

Key Offer Statistics	
Issue Price	9 cents per New Share
Maximum number of New Shares to be issued under the Placement Offer	130,853,465 New Shares
Maximum number of New Shares to be issued under the QCMBTF Offer	166,666,667 New Shares
Maximum number of New Shares to be issued under the AES Offer	40,000,000 New Shares
Maximum number of New Shares to be issued under the SPP	55,555,556 New Shares
Number of Shares on issue following the Offers[1,2,3]	2,516,586,426 Shares

Notes:

1) Includes the Shares issued under the Previous Placement (424,702,100 Shares).

2) Assuming that the Placement Offer and SPP is fully subscribed in accordance with the terms of the Placement, and the Share Subscription Agreement and AES Debt Conversion has completed.

3) Does not include the Shares to be issued under the Incentive Share Issue that is subject to Shareholder Approval. If each resolution is approved a further 75 million New Shares will be issued.

Key dates for Offer Participants	
Completion of Previous Placement	Wednesday, 18 February 2026
Record Date for Shareholder Priority Placement	Wednesday, 18 February 2026
Announcement of Offers	Thursday, 19 February 2026
Prospectus lodged with ASIC and ASX and made available	Thursday, 19 February 2026
Opening Date of Offers (excluding SPP)	Thursday, 19 February 2026
Opening Date of SPP	Thursday, 26 February 2026
SPP Offer expected to close	Monday, 23 March 2026
General Meeting of the Company convened to seek Shareholder Approval	Friday, 27 March 2026
Other Offers expected to close	Monday, 30 March 2026
Issue of New Shares pursuant to the Offers	Thursday, 2 April 2026

All dates are indicative and subject to compliance with the ASX Listing Rules and Corporations Act. The Company, in consultation with the Joint Lead Managers, has the right to vary the dates of the Offers, without prior notice. Offer Participants are encouraged to submit their Acceptance Forms as soon as possible after the Offers open.

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Important notice

This Prospectus is dated 19 February 2026 and was lodged with the ASIC on the same date. Neither ASIC nor ASX takes any responsibility as to the contents of this Prospectus. No securities will be issued on the basis of this Prospectus any later than 13 months after the date of issue of this Prospectus.

This Prospectus has been prepared in accordance with section 713 of the *Corporations Act*. It does not contain the same level of disclosure as an initial public offering prospectus and is intended to be read in conjunction with the publicly available information in relation to the Company which is released on the ASX from time to time. The Company will undertake the Placement Offer to each Placement Participant and issue New Shares under the Placement Offer pursuant to this Prospectus to ensure that any New Shares issued under the Placement will not be subject to the secondary trading prohibition under section 707 of the *Corporations Act.*

Cleansing Prospectus

This prospectus has also been prepared for the purposes of section 708A(11) of the Corporations Act 2001 (Cth) to remove any secondary trading restrictions on the on-sale of the Shares issued by the Company under the Previous Placement, the Incentive Share Issue (subject to Shareholder approval) and under the Offers.

This document does not constitute an offer of New Shares in any jurisdiction in which it would be unlawful. New Shares may not be offered or sold in any country outside Australia except to the extent permitted below.

Accordingly, the Placement Offer is not being extended to, and does not qualify for distribution or sale by, and no New Shares will be issued to Placement Participants having registered addresses outside of Australia.

The Company has not made any investigation as to the regulatory requirements that may prevail in the countries outside of Australia. The Placement Offer may only be accepted by Placement Participants located in Australia and does not constitute an offer in any place in which or to any person to whom, it would be unlawful to make such an offer.

New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMC Act").

The New Shares in the Shareholder Priority Placement are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

United States

This document may not be released or distributed in the United States. This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. Any securities described in this document have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws.

How to apply for New Shares

Entitlements to New Shares under the Placement Offer must be accepted by each Placement Participant in full by following the instructions given to them by the Joint Lead Managers in separate personalised documentation (**Placement Commitment Letter**) which will be accompanied by this Prospectus and an Acceptance Advice.

Enquiries

If you are an Offer Participant and have any questions in relation to the Offers, please contact your stockbroker or professional adviser.

This Prospectus is available in electronic form on the internet at https://www.australres.com/. If you wish to obtain a free copy of this Prospectus, please contact the Company on + 61 7 3520 2500.

Deciding to participate in the Offers

No person named in this Prospectus, nor any other person, guarantees the performance of the Company, the repayment of capital or the payment of a return on the New Shares.

Please read this Prospectus carefully before you make a decision to invest. An investment in the Company has a number of specific risks which you should consider before making a decision to invest. Some of these risks are summarised in section 1.5 of this Prospectus and set out in more detail in section 5 of this Prospectus. This Prospectus is an important document and you should read it in full before deciding whether to invest pursuant to the Offers. You should also have regard to other publicly available information about the Company, including ASX announcements, which can be found at the Company's website: https://www.australres.com/.

Terms used

A number of terms and abbreviations used in this Prospectus have defined meanings, which are explained in the definitions and glossary in section 9.

Money as expressed in this Prospectus is in Australian dollars unless otherwise indicated.

Forward looking statements

Some of the information contained in this Prospectus constitutes forward-looking statements that are subject to various risks and uncertainties. Forward-looking statements include those containing such words as 'anticipate', 'estimate', 'should', 'will', 'expects', 'plans' or similar expressions. These statements discuss future objectives or expectations concerning results of operations or financial conditions or provide other forward-looking information. The Company's actual results, performance or achievements could be significantly different from the results or objectives expressed in, or implied by, those forward-looking statements. This Prospectus details some important factors that could cause the Company's actual results to differ from the forward-looking statements made in this Prospectus.

No representations

No person is authorised to give any information or to make any representation in connection with the Placement Offer or SPP (**Relevant Offers**) which is not contained in this Prospectus. Any information or representation in connection with the Relevant Offers not contained in this Prospectus may not be relied on as having been authorised by the Company or its officers. This Prospectus does not provide investment advice or advice on the taxation consequences of accepting the Relevant Offer. The Relevant Offers and the information in this Prospectus, do not take into account your investment objectives, financial situation and particular needs (including financial and tax issues) as an investor.

Financial Forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company and its related bodies corporate, are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

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Letter to Offer Participants

19 February 2026

Dear Offer Participants,

On behalf of the Directors of Austral Resources Australia Limited (**Austral** or **AR1**), I am pleased to invite you to participate in these Offers being presented by the Company.

The Company was recapitalised and requoted onto the ASX Official List on 5 November 2025. The new corporate strategy, to become the consolidation platform for the North-West Queensland region as executed through the acquisition of Rocklands and Lady Loretta, has resonated with industry participants, stakeholders and shareholders alike. Austral intends to complete the Offers to allow it to continue to expand and fund its future activities as it becomes Australia's next mid-tier copper powerhouse.

As announced, Austral has completed the Previous Placement of $38,223,189 through the issue of 424,702,100 Shares at the Offer Price and has secured binding commitments to subscribe for New Shares under the Placement Offer (in the form of a Placement Commitment Letter) subject to Shareholder Approval.

The Placement Offer comprises an issue of 130,853,456 New Shares at an Offer Price of 9 cents ($0.09) per New Share to raise a further $11.78 million (approximately) under this offer document (**Prospectus**).

The Placement Offer is to be undertaken to sophisticated, professional and otherwise exempt investors who are invited by the Company, as Placement Participants, to subscribe for the New Shares and is not open to the general public. A minimum subscription of $11,776,811 is being sought under the Placement.

At the same time, the Company will undertake the QCMBTF Offer, comprising the offer of 166,666,667 New Shares to the QBF No. 1 Pty Ltd ACN 051 675 033 as trustee of the QCMBTF Critical Minerals and Battery Technology Fund (**QCMBTF**).

The Directors want to reward loyal Shareholders by extending to those Eligible Shareholders an ability to participate in the SPP. An entitlement for Eligible Shareholders of 55,555,556 Shares at the Offer Price of 9 cents $0.09 per New Share to raise up to a maximum of $5 million before costs of the offer (**Shareholder Priority Placement** or **SPP**).

Participation in the SPP is available to shareholders of the Company who are registered as holders of Shares at 7pm (AEDT) on the Record Date of 18 February 2026 and whose registered address is in Australia and New Zealand who are eligible investors (**Eligible Shareholders**).

Under the SPP, each Eligible Shareholder may apply for up to $30,000 worth of new Shares at 9 cents ($0.09) per New Share. Applications may be made for parcels of $2,000, $5,000, $10,000, $15,000, $20,000, $25,000 or $30,000 worth of Shares under the SPP.

It is proposed that the funds raised from the Offers (together with the Previous Placement) will be used for:

(a) the upgrade of Rocklands including power station refurbishment;

(b) Barkley Highway upgrade and construction of the Rocklands Western access road;

(c) further resource delineation and exploration drilling;

(d) acquisition of ancillary operational equipment; and

(e) the costs of the Previous Placement, the SPP and the Placement.

The Board has structured the SPP to encourage our loyal, smaller shareholders to apply and increase their holding in the Company. The issue price of 9 cents ($0.09) per Share is equal to the Offer price of the Previous Placement, the Placement and the QCMBTF Offer.

If you are an Eligible Shareholder, your personalised Application Form in relation to the Shares offered under the SPP is included in this package. The SPP will open on Thursday 26 February 2026 and will close at 5:00pm (AEST) on 23 March 2026. Accordingly, Shareholders are encouraged to submit their Applications as early as possible. Further details about how to apply for Shares under the SPP are set out in section 3.5 of the Prospectus. If you choose not to participate in the SPP, your right to participate lapses on the Closing Date of the SPP.

Investment in the Company involves risks, which are summarised in section 1.5 of this Prospectus and explained in further detail in section 5 of this Prospectus.

The Prospectus has also been prepared for the purposes of section 708A(11) of the Corporations Act 2001 (Cth) (**Corporations Act**) to remove any secondary trading restrictions on the on-sale of the shares issued by the Company to the Eligible Investors under the Previous Placement and the Incentive Share Issue.

This Prospectus includes details of the various Offers and the Company, together with a statement of the key risks associated with investing in the Company. I recommend that you study the document carefully and seek independent professional advice before investing in the Company.

On behalf of the Directors, I thank you for your interest and I invite you to consider this investment opportunity and participate in the next chapter of the Company's success.

Yours sincerely,

David Newling
Chairman
Austral Resources Australia Ltd

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1. Investment summary

The information set out in this section is not intended to be comprehensive and should be read in conjunction with the full text of this Prospectus.

1.1 The Offers

The Offer of New Shares under this Prospectus is constituted by three components:

(a) the Placement Offer of 130,853,456 New Shares to the Placement Participants who are invited by the Company to subscribe for the New Shares (**Placement Offer**);

(b) the QCMBTF Offer of 166,666,667 New Shares QCMBTF pursuant to the terms of the Share Subscription Agreement (**QCMBTF Offer**);

(c) the AES Offer of 40 million New Shares under the AES Debt Conversion (**AES Offer**); and

(d) An entitlement for Eligible Shareholders of 55,555,556 Shares at an Offer Price of 9 cents ($0.09) per New Share to raise up to a maximum of $5 million before costs of the offer (**Shareholder Priority Placement** or **SPP**),

(together, the **Offers**).

The Offers are not open to the general public.

The Placement Offer comprises an issue of up to 130,853,456 New Shares at an Offer Price of 9 cents ($0.09) per New Share. Further details in relation to the Placement Offer are set out in section 2.1.

The QCMBTF Offer comprises an issue of 166,666,667 New Shares at the same Offer Price as the Placement Offer. Further details in relation to the QCMBTF Offer are set out in section 2.2.

The AES Offer comprises an issue of up to 40 million New Shares in exchange for and to discharge the AES Debt owing by the Company to AES under the AES Debt Conversion summarised at section 6.4. The AES Offer is conditional on Company shareholder approval. Shareholder approval of the AES Offer is not a condition of the Placement Offer, Shareholder Priority Placement or QCMBTF Offer. Further details in relation to the AES Offer are set out in section 2.3.

The SPP comprises an issue of up to 55,555,556 New Shares to Eligible Shareholders at the same Offer Price as the Placement Offer and QCMBTF Offer. Further details in relation to the SPP are set out in section 2.4.

The Company will apply to ASX within 7 days of the date of this Prospectus for Official Quotation of all New Shares offered by this Prospectus to be granted on the ASX.

The Directors, in consultation with the Joint Lead Managers, may at any time decide to withdraw this Prospectus and the offer of New Shares made under this Prospectus, in which case the Company will return all applications moneys (without interest) within 28 days of giving notice of such withdrawal.

Offer Participants should be aware that an investment in the Company involves risks. The key risks identified by the Company are summarised in section 1.5 and set out in section 5 of this Prospectus.

1.2 Conditions of the Offers

The Offers and corresponding issue of New Shares, are subject to and conditional on the following conditions:

(a) Shareholder approval of the Placement Offer and QCMBTF Offer (at a meeting anticipated to be held on 27 March 2026); and

(b) The Placement Offer is conditional on the Company raising the Minimum Amount under the Placement Offer;

(c) The SPP is subject to completion of Placement Offer and QCMBTF Offer; and

(d) The QCMBTF Offer is conditional on the Company receiving binding commitments to complete the Placement Offer and other conditions summarised in section 6.4.

Where the conditions of the relevant Offer are not met, corresponding Application Money received will be refunded without interest.

The AES Offer is subject to shareholder approval. However, if that approval is not given for the AES Offer, the remaining Offers will proceed subject to satisfying the above conditions in paragraphs (a) - (d).

1.3 Offer Amounts

The Company must raise a minimum of $11,776,811 from the Placement Offer (**Minimum Amount**). The Company has secured binding commitments (in the form of a Placement Commitment Letter) to subscribe for the New Shares under the Placement Offer equal to the Minimum Amount.

Where the total amount raised under the Placement Offer is less that the Minimum Amount (or the conditions of the Placement Offer are not met), Application Money will be refunded without interest.

In addition, the Company will raise a further $15 million consisting of 166,666,667 New Shares under the QCMBTF Offer subject to the terms of the QCMBTF Share Subscription Agreement which is summarised at section 6.5.

The Company is seeking to raise a maximum of $5 million consisting of 55,555,556 New Shares under the terms of the SPP. There is no minimum amount required to be raised under the SPP.

The AES Offer is made to discharge the Company's AES Debt in full. Consequently, on completion of the AES Offer, the Company will be discharged of its obligations to pay the AES Debt. However, no funds are to be raised under the AES Offer. If the AES Debt Conversion is not approved by Austral shareholders, the outstanding amounts will be required to be paid out of Placement Offer proceeds which will affect the allocation of funds raised under the Placement Offer.

1.4 Purpose of the Offer

The Company has raised $38,223,189 under the Previous Placement. Funds raised under the Previous Placement and under the Placement Offer and QCMBTF Offer is to:

(a) accelerate the development of the Rocklands Project;

(b) undertake exploration within the Rocklands Project and Lady Loretta Project;

(c) acquire plant and equipment for future mining operations (that was previously subject to hire arrangements); and

(d) initiate the exploration programme in the Company's prospective copper-gold eastern tenements.

The intended use of funds raised under the Previous Placement and the Offers is summarised as follows:

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Source of Funds ($'000)				
Previous Placement				38,233
Placement Offer				11,777
QCMBTF Offer				15,000
Total ($'000)				**65,000**
Use of Funds	**Year 1 ($'000)**	**Year 2 ($'000)**	**Year 3 ($'000)**	**Total ($'000)**
Rocklands Project power station refurbishment	-	4,600	-	4,600
Barkley Highway upgrade and Rocklands Western access Road	-	2,200	-	2,200
Eastern Tenement exploration programme	1,500	2,900	3,000	7,400
Lady Loretta Mining Lease exploration programme	3,000	4,300	4,000	11,300
Rocklands underground feasibility study (including drilling programme)	-	1,000	1,000	2,000
Sub-Total (Technical) ($'000)	**4,500**	**15,000**	**8,000**	**27,500**
Project and Tenement - care and maintenance costs	2,600	5,400	-	8,000
Rocklands ancillary equipment acquisition	4,500	-	-	4,500
Lady Annie ancillary equipment acquisition	9,200	-	-	9,200
Funding for Strategic acquisition	4,600			4,600
Expenses of the Offer	3,400	-	-	3,400
Working Capital	2,800	2,600	2,400	7,800
Total ($'000)	**31,600**	**23,000**	**10,400**	**65,000**

Notes:

(a) The above use of funds is a statement of current intentions as at the date of this Prospectus. In the event that the Lady Loretta Acquisition does not complete, Board will assess a reallocation of those funds allocated to the Lady Loretta Project to other existing projects, acquisition opportunities and appropriate reserves for organic and inorganic opportunities. As with any budget, intervening events and new circumstances have the potential to affect the ultimate way funds will be applied. However, in the event

that circumstances change or other better opportunities arise the Directors reserve the right to vary the proposed uses to maximise the benefit to Shareholders.

(b) Includes funds raised from the Previous Placement.

(c) Assumes Minimum Amount raised under the Placement Offer and completion of the QCMBTF Offer.

(d) Does not include funds raised under the SPP. Any funds raised under the SPP will be applied to those items described in the table above or otherwise at the Board's discretion to maximise Shareholder benefit.

(e) Assumes AES Debt is repaid under the AES Debt Conversion. If the AES Debt Conversion is not approved by Austral shareholders, the outstanding amounts will be required to be paid out of Placement Offer proceeds which will affect the allocation of funds raised under the Placement Offer.

1.5 Risk factors

Subscribing for New Shares in the Company involves risks. There are factors, both specific to the Company and of a general nature, which may affect the future operating and financial performance of the Company. Some of these factors can be mitigated by appropriate commercial action. However, many are outside the control of the Company, dependent on the policies adopted and approaches taken by regulatory authorities or cannot otherwise be mitigated.

The following sets out a summary of some of the key risks relevant to the Company. It should be considered a summary only and Shareholders should read the comprehensive risk factors (which contain a number of additional risks) contained in section 5 in full:

Risk	Details
Acquisition Risks	The Lady Lorretta Acquisition is subject to a number of conditions which are summarised in section 6.2. Accordingly there is no guarantee that the Lady Loretta Acquisition will complete on its terms or at all. If the Lady Loretta Acquisition does not complete, Board will assess the reallocation of those funds raised under the Offers, that are currently allocated to the Lady Loretta Project, to other existing projects, acquisition opportunities and appropriate reserves for organic and inorganic opportunities. The Company has undertaken financial, operational, business and other analyses of whether to pursue the Lady Loretta Acquisition. There is a risk that such analyses, and the estimates and assumptions made by the Company during the analyses, lead to conclusions or forecasts that are inaccurate, or which will not be realised in due course.
Due Diligence Risk	The Lady Loretta Acquisition due diligence process relied in part on the review of technical, financial and operational information provided by the counterparty to the Lady Loretta Acquisition. Despite making reasonable efforts, the Company has not been able to verify the accuracy, reliability or completeness of all the information which was provided to it against independent data.
Mine Development	Possible future development of a mining operation at any of the Company's projects including, the Lady Loretta Project, the Rocklands Project, the Expansion Projects and Heap Leach Re-Mine is dependent on a number of factors affecting the tenure exploration, quality ore supply, mine development and commercialisation of mining projects.
Strategic Risk	Austral's strategic growth plans (including the re-commissioning of the Rocklands Processing Plant) require the availability of appropriate and suitable ore supply and potential acquisition targets or sourcing third party ore for processing under tolling arrangements. Austral has executed two Memoranda of Understanding for ore assessment and potential toll treatment of third-party ore with Maronan Metals Limited (ASX: MMA) and Transition Minerals Limited and has identified a number of suitable targets for this purpose however there is no guarantee that Austral will be able to enter into contractual arrangements with those targets or acquire suitable

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Risk	Details
	acquisition targets. There is no guarantee that any successful acquisitions will be able to be efficiently integrated into the operations of Austral.
Integration risks	The integration of a business with substantial assets such as the Lady Loretta Project carries risk, including potential delays or costs in implementing necessary changes and difficulties in integrating various operations. The success of the Lady Loretta Acquisition and the ability to realise the benefits of the Lady Loretta Project is dependent on the discovery and development of economically recoverable copper resource and the effective and timely integration of the Lady Loretta Project operations into Austral's proposed strategic expansion program and its planned business operations.
Exploration and evaluation risk	The long-term value of Austral will depend on its ability to find and develop resources that are economically recoverable within the Lady Loretta and Rocklands Projects and Company Expansion Projects, in the short to medium term, and within its exploration tenements in the longer term. Mineral exploration and mine development are inherently highly speculative and involves a significant degree of risk. There is no guarantee that it will be economic to extract these resources or that there will be commercial opportunities available to monetise these resources.
Contractual Risks	The Austral Group is a party to various contracts and has entered into the Lady Loretta Acquisition Agreement and the QCMBTF Share Subscription Agreement. Austral has also entered into binding commitments with Eligible Investors to acquire New Shares under the Placement Offer. No assurance can be given that all contracts to which Austral is a party will be fully performed by all contracting parties. If a contract summarised in section 6 is not fully performed in accordance with it terms, there is a risk that the Offers will not be completed in accordance with their respective terms or at all. Additionally, no assurance can be given that if a contracting party does not comply with any contractual provisions, Austral will be successful in securing compliance.

Further details regarding risks which may affect the Company in the future are set out in section 5. The New Shares offered under this Prospectus carry no guarantee of profitability, dividends, return of capital or the price at which they may trade on ASX. The past performance of the Company should not necessarily be considered a guide to its future performance.

1.6 Regulatory Requirements – Previous Placement and Shareholder Priority Placement

Generally, and where a company has complied with ASIC Corporations Instrument 2019/547 (the **Instrument**), a company may conduct an offer to Eligible Shareholders on the terms similar to the Shareholder Priority Placement (**SPP**) without a disclosure document, such as a prospectus and with the shares being secondarily tradeable. This requires that the company had not been suspended for more than 5 days in the 12 months preceding the offer. Because Austral has been suspended from trading for more than 5 days in the previous 12 months, the Shareholder Priority Placement can only occur if it is undertaken under this Prospectus and is subject to Shareholder approval. While the SPP Offer under this Prospectus has similar characteristics to and meets several criteria contained in the Instrument, it is not an offer of Shares in compliance with all of the elements and criteria of the Instrument. Accordingly, SPP Offer is being conducted in accordance with terms and conditions contained in this Prospectus.

Under ASX Listing Rule 7.1, a listed entity is permitted to issue equity securities up to 15% of its fully paid ordinary shares in any 12-month period without requiring shareholder approval. Additionally, under ASX Listing Rule 7.1A, an eligible entity may seek shareholder approval to allow the entity to issue an additional 10% of its fully paid ordinary securities (**Placement Limits**). Approval given under Listing Rule 7.1A continues for the earlier of 12 months from the date of approval, the next AGM, or a significant transaction under Listing Rules 11.1.2 or 11.2. Any issue of shares beyond the Placement Limits requires further shareholder approval.

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The Company has utilised its Placement Limits under the Previous Placement and is seeking shareholder ratification to refresh those Placement Limits under the ASX Listing Rules.

The Company is seeking shareholder approval of the issue of New Shares under the Shareholder Priority Placement. Shareholder approval is a condition of the Shareholder Priority Placement.

1.7 Removal of Trading Restrictions

In addition to the Offers, the purpose of this Prospectus is to remove any trading restrictions that may have attached to the Shares issued under the Previous Placement.

The offer and issue of the New Shares to under the Previous Placement was undertaken without disclosure under Part 6D of the Corporations Act, to investors who were considered sophisticated investors, professional investors or other investors who were exempt from disclosure pursuant to section 708 of the Corporations Act.

In addition, the offer and issue of the Shares under Incentive Share Issue will be undertaken without disclosure under Part 6D of the Corporations Act, to related party or senior management recipients were or other potential recipients who were exempt from disclosure pursuant to section 708 of the Corporations Act.

Generally, section 707(3) of the Corporations Act requires that a prospectus is issued in order for a person to whom securities were issued without disclosure under Part 6D of the Corporations Act to on-sell those securities within 12 months of the date of their issue.

Relevantly, section 708A(11) of the Corporations Act provides an exemption from this general requirement and states that a sale offer does not need disclosure to investors if:

(a) the relevant securities are in a class of securities that are quoted securities of the body; and

(b) either:

(1) a prospectus is lodged with ASIC on or after the day on which the relevant securities were issued, but before the day on which the sale offer is made; or

(2) a prospectus is lodged with ASIC before the day on which the relevant securities are issued and offers of securities that have been made under the prospectus are still open for acceptance on the day on which the relevant securities were issued; and

(3) the prospectus is an offer of securities issued by the body that are in the same class of securities as the relevant securities.

Accordingly, an additional purpose of this Prospectus is to comply with section 708A(11) of the Corporations Act so that the Shares issued under the Previous Placement or the Incentive Share Issue may be sold within the next twelve months without the issue of a prospectus. The issue of the Shares under the Previous Placement and the Incentive Share Issue have not been undertaken by the Company with the purpose of the recipients selling or transferring those Shares. However, the Directors consider that the recipients of those Shares should be able to sell them should they wish to do so, without being required to issue a prospectus.

1.8 New Share terms

Upon issue, each New Share will rank equally with all existing Shares then on issue. A summary of the rights attaching to the New Shares is set out in section 7.3.

1.9 Applying for New Shares

The number of New Shares that each Placement Participant has committed to apply for under the Placement, the total amount payable on discharge of that Placement Commitment, and the means by which that

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commitment can be accepted and paid for, is set out in the Placement Commitment Letter provided to that Placement Participant by the Joint Lead Managers, which will be accompanied by this Prospectus.

Placement Participants must apply for New Shares by completing and returning the Acceptance Advice which accompanies the Placement Commitment Letter or by making payment of Application Money by BPAY®, in accordance with the instructions set out below and in the Placement Commitment Letter. Application Money should be rounded up to the nearest cent.

Application Monies for the New Shares must be received by the Company in accordance with the instructions contained in the Acceptance Advice and Placement Commitment Letter by the Closing Date.

QCMBTF must apply for New Shares under the QCMBTF Offer by completing the QCMBTF Acceptance Form provided to QCMBTF by the Company.

AES must apply for New Shares under the AES Offer by completing a personalised AES Acceptance Form provided to AES by the Company.

Detailed instructions on Eligible Shareholders seeking to apply for New Shares under the SPP is contained in section 3.5.

1.10 Directors' intentions in respect of participation in the Offers

The Placement Offer is being made to sophisticated, professional and otherwise exempt investors who are invited by the Company, as Placement Participants, to subscribe for the New Shares. The Company will not invite Directors or Proposed Directors to participate in the Placement Offer, and no shareholder approval has been or is being sought to permit them to do so. No Director was invited to participate in the Previous Placement, and no shareholder approval has been or is being sought to permit them to do so.

Of the current Directors, Daniel Jauncey and Michael Hansel hold Shares. No other Director is entitled to participate in the SPP. Any Director participation would require separate Shareholder approval.

The Directors current intention to participate in the SPP is summarised in the table below:

Name of Director	Eligible to Participate? Yes/No	Level of Participation
David Newling	N	-
Dan Jauncey	Y	-
Michael Hansel	Y	-
Neil Meadows	N	-
Sean Westbrook	N	-
David Quinlivan	N	-

AES, entities associated with Dan Jauncey, is intending to convert the AES Debt into New Shares under the AES Debt Conversion, subject to receiving shareholder approval. See sections 1.12 and 6.3 for further information.

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1.11 Joint Lead Managers

Bell Potter Securities Limited ACN 006 390 772 (**Bell Potter**) and Shaw and Partners Limited ACN 003 221 583 (**Shaw and Partners**) (**the Joint Lead Managers** or **JLMs**) have been appointed as the Joint Lead Managers to the Placement Offer.

Further details of the terms of appointment of the Joint Lead Managers are set out in section 6.1.

1.12 Other effects of the Offers on control

Given the terms of the Offers, the maximum possible dilution to an existing Shareholder's interest in the Company, assuming the Placement Offer, QCMBTF Offer, SPP (fully subscribed) and AES Debt Conversion has completed and the corresponding issue of all New Shares under each Offer has occurred, would be 32% of its holding.

The substantial Shareholders of the Company immediately prior to the date of this Prospectus are as follows, as disclosed in the relevant substantial holder notice and, in the case of the Jauncey Entities related Director's Interest Notices:

Name	Shares	%
Thiess Group Investments Pty Ltd	279,600,000	16.46
Jauncey Entities	219,829,119	12.94
Velrosso Pty Ltd	138,375,749	8.15
Host-Plus Pty Limited	86,000,000	5.06
Total	723,804,868	42.61

The combined current Shareholding of the Jauncey Entities is 219,829,119. The Jauncey Entities will not participate in the Placement Offer or SPP. However, AES, entities associated with Dan Jauncey may convert the AES Debt to New Shares at the Offer Price under the AES Debt Conversion, subject to the AES Debt Conversion being approved by Shareholders. Offer Participants should note that the shareholder approval of the conversion of the AES Debt to New Shares is not a condition of any other Offer under this Prospectus.

Based on the information known as the date of this Prospectus, on completion of the Offers the holding of current Shareholders holding a relevant interest in 5% of more of the Shares currently on issue is set out the table below.

Name	Min Holding	% Min Holding	Max Holding	% Max Holding
Jauncey Entities*[5] **All holders are associates of Dan Jauncey*	219,829,119	9.1%[1,3]	259,829,119	10.3%[2,4]
Thiess[5]	279,600,000	11.1%[2]	279,600,000	11.5%[1]
QCMBTF	166,666,667	6.6%[2]	166,666,667	6.9%[1]
Velrosso Pty Ltd[6]	193,931,305	7.7%[2]	193,931,305	8.0%[1]
Host-Plus Pty Limited[7]	122,561,570	5.06%	122,561,570	5.06%
Total	**982,588,661**	**39.56%**	**1,022,588,661**	**41.76%**

Notes – The above table is based on the following assumptions:

1. Each Offer other than the AES Debt Offer has occurred and the SPP is fully subscribed.

2. Each Offer has occurred and the SPP is fully subscribed.

3. The AES Debt Conversion does not occur.

4. The AES Debt Conversion has occurred.

5. Thiess and each Jancey Entity have indicated that they will not participate in the Placement Offer or the SPP.

6. Velrosso Pty Ltd will participate in the Placement Offer by subscribing for 55,555,556 New Shares.

7. Host-Plus Pty Limited has participated in the Previous Placement by subscribing for 36,561,570 Shares.

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1.13 Allotment

Placement Participants will receive the number of New Shares as identified in the Placement Commitment Letter provided to them by the Joint Lead Managers.

QCMBTF will receive the number of New Shares as determined by the terms of the Share Subscription Agreement.

AES will receive the number of New Shares as determined by the AES Debt Conversion.

See details in section 2.4 below on the SPP eligibility and issue of New Shares under that Offer.

It is the responsibility of Applicants to confirm the number of New Shares allocated to them prior to trading in New Shares. Applicants who sell New Shares before they receive notice of the number of New Shares allocated to them do so at their own risk.

1.14 ASX listing

The Company will apply to the ASX within 7 days of the date of this Prospectus for Official Quotation of the New Shares to be issued pursuant to this Prospectus. If granted, Official Quotation of the New Shares will commence as soon as practicable after allotment of the New Shares to Applicants. It is the responsibility of the Applicants to determine their allocation of New Shares prior to trading.

1.15 CHESS

The Company will apply for the New Shares to participate in CHESS, in accordance with the ASX Listing Rules and ASX Settlement Operating Rules. The Company will not issue certificates to Shareholders with respect to the New Shares. After allotment of the New Shares, participating Shareholders will receive a transaction confirmation statement.

1.16 Option and Performance Right Holders

There are 2,464,900 Options and 195,230 Performance Rights on issue as at the date of the Prospectus.

1.17 Overseas Shareholders

The Placement Offer will only be made to those Placement Participants with registered addresses in the Eligible Jurisdiction or are otherwise entitled to participate in the Placement.

The Company has not made investigations as to the regulatory requirements that may prevail in relation to making the Placement Offer in the countries outside of the Eligible Jurisdiction.

The SPP will only be made to those Eligible Shareholders with registered addresses in Australia and New Zealand or are otherwise entitled to participate in the SPP. Refer to section 2.4 for further information.

1.18 Electronic Prospectus

An electronic version of this Prospectus is available on the Company's website at https://www.australres.com.

An Application Form may only be distributed together with a complete and unaltered copy of the Prospectus. The Company will not accept a completed Application Form if it has reason to believe that the Applicant has not received a complete paper copy or electronic copy of the Prospectus or if it has reason to believe that the Application Form or electronic copy of the Prospectus has been altered or tampered with in any way.

While the Company believes that it is extremely unlikely that during the period in which the Offers are open for acceptance the electronic version of the Prospectus will be tampered with or altered in any way, the Company cannot give any absolute assurance that it will not be the case. Any Applicant in doubt concerning the validity or integrity of an electronic copy of the Prospectus should immediately request a paper copy of the Prospectus directly from the Company or the Share Registry.

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2. Details of the Offers

2.1 Placement Offer

The Placement Offer is extended to Placement Participants who are invited by the Company to subscribe for the New Shares and is not open to the general public.

The Placement Offer is the issue of 130,853,456 New Shares to raise $11,776,811.

2.2 QCMBTF Offer

The QCMBTF Offer is made to QCMBTF pursuant to the terms of the Share Subscription Agreement comprises an issue of 166,666,667 New Shares at the same Offer Price as the Placement Offer.

The number of New Shares offered to QCMBTF under the QCMBTF Offer represents the number of Shares required to be issued by the Company under the Share Subscription Agreement.

The issue of New Shares under the QCMBTF Offer is subject to Shareholder Approval and satisfaction of other conditions set out section 6.4.

2.3 AES Offer

The AES Offer is made to AES pursuant to the AES Debt Conversion the terms of which are summarised in section 6.3 to discharge the AES Debt. The AES Debt Conversion was previously approved by Shareholders, however given the delay to the Company's reinstatement to the ASX (which was a prerequisite of the issue of Shares to AES) the Company was unable to issue those Shares within the prescribed time limit (of one month) from the date of Shareholder approval. Consequently, that approval lapsed, requiring the Company to seek further approval of Shareholders.

The AES Debt Conversion will involve the issue of up to 40 million New Shares.

The AES Offer is subject to shareholder approval. Shareholder approval or completion of the AES Offer is not a condition of any other Offer.

2.4 Shareholder Priority Placement (SPP)

(a) Summary

The SPP is an offer to Eligible Shareholders to acquire Shares, by subscribing for up to $30,000 worth of New Shares (333,333 Shares) at the Offer Price to raise up to maximum $5 million.

The SPP is being made to Eligible Shareholders to increase their existing shareholding in the Company and participate in the future prospects of the Company.

There is no minimum amount to be raised under the SPP.

The maximum amount to be raised under the SPP is $5 million.

(b) Who is Eligible?

Participation in the SPP is optional and is available exclusively to Eligible Shareholders. The Company has determined that it is not practical for holders of Shares with addresses on the register in other jurisdictions to participate in the SPP.

The SPP does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer.

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If you are an Eligible Shareholder, you should have received a copy of this Prospectus together with a personalised Application Form.

(c) **How much can you invest**

Each Eligible Shareholder may only purchase up to $30,000 worth of New Shares under the SPP. This represents 333,333 New Shares. This value is the same for all Shareholders, irrespective of how many Shares are held at the Record Date. This limit also applies if a Shareholder receives more than one offer from the Company. For example, if a Shareholder is both a sole and joint Eligible Shareholder or a shareholder with more than one holding under a separate account, the Shareholder can only apply for New Shares up to a maximum value of $30,000.

All Offers for New Shares under the SPP are non-renounceable and therefore the right to participate in SPP cannot be transferred.

Under the SPP, Eligible Shareholders may participate by selecting only one of the following options to purchase New Shares under the SPP:

Offer type	Total amount payable at 9 cents ($0.09) per New Share	Number of New Shares which may be applied for
Offer A	$30,000	333,333
Offer B	$25,000	277,777
Offer C	$20,000	222,222
Offer D	$15,000	166,666
Offer E	$10,000	111,111
Offer F	$5,000	55,555
Offer G	$2,000	22,222

No brokerage, stamp duty or other costs are payable by Applicants in respect of an application for New Shares under this Prospectus.

If two or more persons are recorded in the register of shareholders of the Company as jointly holding Shares, they are considered to be a single registered holder for the purposes of this SPP and they are entitled to participate in the SPP in respect of that single holding only. If as joint holders, they receive more than one offer under the SPP due to multiple identical holdings, the joint holders may still only contribute a maximum of $30,000 in applying under the SPP.

(d) **Offer Price Comparison**

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The SPP price of 9 cents ($0.09) per New Share is payable in full on acceptance of part or all of your entitlement.

The price for New Shares is the same as the Offer Price of the New Shares under the Previous Placement, the Placement Offer and the QCMBTF Offer.

Compared with the average closing market price over the last 10 days on which trading in the Company's Shares were recorded prior to the announcement of the SPP (on 19 February 2026) the SPP price of 9 cents $0.09 represents a 17.5% discount to the average closing market price over that period (being $0.109).

The Shares are a speculative investment, and the market price of the Shares may change between the Opening Date and the date of issue of Shares. This means that the SPP price of 9 cents ($0.09) per New Share may exceed the market price of the Shares at the Issue Date. The Company does not make any assurance as to the market price of Shares and there can be no certainty that Shares in the Company will trade at or above the Offer Price per New Share following the Issue Date. Shareholders should seek their own financial advice in relation to, and participation in, the SPP.

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2.5 Important dates

Record Date of Shareholder Priority Placement	Wednesday, 18 February 2026
Announcement of Offers Lodgement of Appendix 3B, Lodgement of Prospectus with ASIC and ASX	Thursday, 19 February 2026
Opening Date of Offers excluding SPP (9am AEST)	Thursday, 19 February 2026
Issue of Shares pursuant to the Previous Placement	Thursday, 26 February 2026
Opening Date of the SPP (9am AEST)	Thursday, 26 February 2026
Closing Date of the SPP Offer	Monday, 23 March 2026
Company General Meeting convened to seek Shareholder Approval (anticipated)	Friday, 27 March 2026
Closing Date of each other Offer	Monday, 30 March 2026
Issue of New Shares pursuant to Offers	Thursday, 2 April 2026
Commencement of trading of all Shares, including New Shares issued under the Offers, on ASX	Tuesday, 7 April 2026

The Directors in consultation with the Joint Lead Managers, subject to the requirements of the Listing Rules and the Corporations Act, reserve the right to:

(a) withdraw the Offers without prior notice in which case the Company will return all Applications Money (without interest) within 28 days of giving notice of such withdrawal; or

(b) vary any of the important dates set out in this Prospectus, including extending the Offers.

2.6 Allotment

The Company will proceed to allocate New Shares as soon as possible after it has received Shareholder Approval and Placement Commitments for the Minimum Amount under the Placement Offer.

Placement Participants will receive the number of New Shares as identified in the Placement Commitment Letter provided to them by the Joint Lead Manager.

QCMBTF will receive the number of New Shares as determined by the terms of the Share Subscription Agreement.

AES will receive the number of New Shares as determined by the AES Debt Conversion.

Eligible Shareholders will receive the number of New Shares as determined in accordance with the allotment conditions set out in section 3.5.

It is the responsibility of Applicants to confirm the number of New Shares allocated to them prior to trading in New Shares. Applicants who sell New Shares before they receive notice of the number of New Shares allocated to them do so at their own risk. No New Shares will be allotted or issued on the basis of this Prospectus later than 13 months after the date of issue of this Prospectus.

2.7 ASX requirements

The Company will apply to the ASX within 7 days of the date of this Prospectus for Official Quotation of the New Shares to be issued pursuant to this Prospectus. If granted, quotation of the New Shares will commence as soon as practicable after allotment of the New Shares to Applicants and is expected to occur on the date for the commencement of trading of New Shares on the ASX as set out above in section 2.5. It is the responsibility of the Applicants to determine their allocation of New Shares prior to trading.

Should New Shares offered under the AES Offer not be issued within one month of Shareholder Approval, none of those New Shares offered under the AES Offer will be issued.

2.8 CHESS

The Company will apply to ASX Settlement for the New Shares to participate in the Securities Clearing House Electronic Sub-register System known as CHESS.

The Company will not issue certificates to Shareholders with respect to the New Shares. After allotment of the New Shares, those who are issuer sponsored holders will receive an issuer sponsored statement and those who are CHESS holders will receive an allotment advice.

The CHESS statements, which are similar in style to bank account statements, will set out the number of New Shares allotted to each successful applicant pursuant to this Prospectus. The statement will also advise holders of their holder identification number. Further statements will be provided to holders which reflect any changes in their holding in the Company during a particular month.

2.9 Joint Lead Managers

The Company has entered into an agreement with Bell Potter and Shaw and Partners appointing them as the exclusive joint lead managers and bookrunners to the Placement Offer (**JLM Agreement**).

The Company has agreed to pay the Joint Lead Managers a 1.5% management fee of the funds raised under the Previous Placement and the Placement Offer (**Relevant Offers**) and a selling fee of 3.0% of funds raised under the Relevant Offer (other than for Proceeds received from specific parties that have been contractually excluded) (**Management & Selling Fee**).

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The Company has agreed to pay the Joint Lead Managers the fees as set out in the JLM Agreement and as summarised in section 6.1.

2.10 **Eligibility of Offer Participants**

The Placement Offer is being offered only to Placement Participants who:

(a) have a registered address in the Eligible Jurisdiction or otherwise is a Placement Participant that the Company has otherwise determined is eligible to participate;

(b) are not in the United States and are not a person (including a nominee or custodian) acting for the account or benefit of a person in the United States; and

(c) are eligible under all applicable securities laws to receive an offer under the Offer without any requirement for a prospectus or other disclosure document to be lodged or registered.

The QCMBTF Offer is only being offered to QCMBTF pursuant to the terms of the Share Subscription Agreement.

The AES Offer is only being offered to AES pursuant to the terms of the AES Debt Conversion.

The SPP is only being offered to Eligible Shareholders.

This Prospectus does not, and is not intended to, constitute an offer of New Shares in any place outside of the Eligible Jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue the New Shares. The distribution of this Prospectus in jurisdictions outside of the Eligible Jurisdiction may be restricted by law and persons who come into possession of this Prospectus and the accompanying form should seek advice on and observe those restrictions. Any failure to comply with those restrictions may constitute a violation of applicable securities laws.

In particular the Offers are not made in the United States or to persons (including nominees or custodians) acting for the account or benefit of a person in the United States, or to any person who is ineligible under applicable securities laws in any country to receive an offer under the Prospectus without any requirement for a prospectus to be lodged or registered.

2.11 **Shareholder Approval**

The Company will convene a meeting of Shareholders to seek approval to:

(a) ratify the issuance of Shares under the Previous Placement;

(b) issue New Shares under the:

(1) Placement Offer;

(2) QCMBTF Offer;

(3) SPP,

for the purposes of the Listing Rules, Corporations Act and for all other purposes;

(c) complete the Lady Loretta Acquisition for the purposes of the financial assistance provisions of the Corporations Act,

(**Shareholder Approval**).

The Company will also seek shareholder approval to issue New Shares:

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(a) to related parties, employees and contractors of the Company (**Incentive Share Issue**); and

(b) under the AES Offer to AES, a related party of the Company, pursuant to the AES Debt Conversion (**AES Approval**).

The Placement Offer, SPP and QCMBTF Offer are not conditional on the approval of either the Incentive Share Issue or the AES Approval.

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3. How to apply

3.1 Placement Participants

This Offer is extended to Placement Participants who are invited by the Company to subscribe for the New Shares and is not open to the general public.

Personalised Placement Commitment Letters (together with a copy of this Prospectus) provided by the Joint Lead Managers to each Placement Participant will set out the details of that Placement Participant's obligations under the Placement. The Placement Commitment Letter will include a AR1 Acceptance instruction or advice for completion to participate in the Placement (**Acceptance Advice**), including instructions on how to apply and pay for New Shares committed under the Placement Commitment Letter for that Placement Participant.

To formalise your participation in the Offer as a Placement Participant, complete and return the Acceptance Advice which is attached to the Placement Commitment Letter in accordance with the instructions set out in those documents. Application Money for the New Shares must be received by the Company in accordance with the instructions contained in the Acceptance Advice and Placement Commitment Letter by the Closing Date.

3.2 Application moneys held on trust

Application Money will be held in trust in a subscription account until allotment of the New Shares. The subscription account will be established and kept by the Company on behalf of the Applicants. Any interest earned on the Application Money will be retained by the Company irrespective of whether allotment takes place.

3.3 QCMBTF acceptance

QCMBTF must accept its New Shares in accordance with the application requirements contained in the Share Subscription Agreement by completing the QCMBTF Acceptance Form.

3.4 AES acceptance

AES must accept its New Shares in accordance with the application requirements contained in the AES Debt Conversion by completing the AES Acceptance Form.

The AES Debt will be discharged by the AES Debt Conversion. No Application Money is payable by AES.

3.5 SPP acceptance

Eligible Shareholders who wish to apply for Shares under the SPP must either:

(a) make a BPAY® payment from your cheque or savings account by using the Biller Code and Reference Number shown on your Application Form which is required to identify your holding.

If you have multiple holdings, you will have multiple BPAY Reference Numbers. To ensure you receive your New Shares under the SPP in respect of that holding you must use the specific Reference Number shown on each personalised Application Form when paying for any New Shares that you may wish to apply for in respect of that holding (noting the SPP is limited to $30,000 per Eligible Shareholder). If you inadvertently use the same Reference Number for more than one of your applications, you will be deemed to have applied only for that application to which that

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Reference Number applies, and any excess amount, where this is more than $1.00, will be refunded without interest.

If you make your payment using BPAY® you do not need to return your Application Form.

Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment and should therefore take this into consideration when making payment. You may also have your own limit on the amount that can be paid via BPAY. It is your responsibility to check that the amount you wish to pay via BPAY does not exceed your limit.

(b) For New Zealand Shareholders, make a payment by Electronic Funds Transfer (**EFT**). Multiple acceptances must be paid separately. Shareholder must use their unique entitlement reference number as shown on their personalised Application Form. This will ensure your payment is processed correctly to your application electronically.

Payment will only be accepted in Australian currency and BPAY® payments must be drawn on an Australian bank.

If you intend to pay for the New Shares by BPAY® or EFT, there is no need to return the Application Form, but you must ensure that your payment is received by no later than 5:00pm (AEST) on the Closing Date or such later date as the Directors' determine (keeping in mind that payments made by BPAY may take 1 or more Business Days to clear).

You should ensure that sufficient funds are held in the relevant account(s) to cover the application monies. If the amount of your application monies is insufficient to pay in full for the number of whole New Shares you have applied for in your Application Form, you will be taken to have applied for such lower number of New Shares as your cleared application monies will pay for (and to have that number of New Shares on your Application Form). Alternatively, your application will be rejected.

Cash or Money Orders will not be accepted. You will not be able to withdraw or revoke your application once you have submitted it, other than as required by the Corporations Act.

Applicants are encouraged to lodge their Application as soon as possible, as the SPP may close early without notice.

No stamp duty, brokerage or handling fees are payable by the Applicant for the New Shares offered by this Prospectus.

Application monies will be held in trust in a subscription account until allotment of the New Shares. The subscription account will be established and kept by the Company on behalf of the Applicants. Any interest earned on the application monies will be retained by the Company irrespective of whether allotment takes place.

Acknowledgements and Certifications

By making a BPAY® or EFT payment of the Application Money in the manner specified in section 3.5(a) or 3.5(b) you will also be deemed to have acknowledged, represented and warranted on behalf of each person on whose account you are acting that:

(a) you certify, acknowledge, warrant and represent as true, correct and not misleading to the Company that if you are not a Custodian, the aggregate of the application price paid by you for:

(1) the New Shares the subject of the Application Form or the BPAY® or EFT payment;

(2) any other Shares applied for under a similar arrangement in the 12 months prior to the date of submission of the Application Form or making the BPAY® payment;

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(3) any other Shares issued to a Custodian (as a result of an instruction given by you to the Custodian or another Custodian to apply for Shares on your behalf) under the SPP or under any similar arrangement operated by the Company in the 12 months prior to the date of submission of the Application Form or making the BPAY® payment and which resulted in the holder holding beneficial interests in the Shares; and

(4) any other New Shares which you have instructed a Custodian to acquire on your behalf under the SPP,

does not exceed $30,000. The $30,000 limit applies irrespective of the number of Shares you hold on the Record Date.

The Company reserves the right, to reject any application for new Shares under the SPP to the extent it considers, or is reasonably satisfied, that the application (whether alone or in conjunction with other applications) does not comply with these requirements:

(b) you are an Eligible Shareholder and you are not a person to whom it would be illegal to make an offer or issue of New Shares under the SPP;

(c) you have read the terms and conditions set out in this Prospectus in full and agree that your application is made in accordance with the terms and conditions set out in the Prospectus;

(d) you declare that all statements in your Application Form are true and complete and not misleading;

(e) you accept that your application is irrevocable and unconditional (i.e. it cannot be withdrawn);

(f) as at the Record Date, you were recorded on the Company's share register as being a registered holder of Shares and having an address in Australia or New Zealand;

(g) where you are recorded on the Company’s share register as having an address in New Zealand, you are a wholesale investor within the meaning of the FMC Act;

(h) you authorise the Company (and its offers or agents) to correct any error or omission in your Application Form and to complete the Application Form by the insertion of any missing details;

(i) you acknowledge that the Company may at any time determine that your Application Form is valid, in accordance with the terms and conditions set out in this Prospectus, even if the Application Form is incomplete, contains errors or is otherwise defective;

(j) you agree that where you have previously provided the Company or its share registry with bank account details, any refund to be paid to you under these terms and conditions may be direct credited into that nominated account;

(k) you accept the risk associated with any refund that may be sent to you by direct credit as recorded on the Company's register;

(l) you agree to be bound by the constitution of the Company (as amended and as it may be amended from time to time in the future);

(m) you acknowledge that the Company has not provided you with investment advice or financial product advice, and that it does not have any obligation to provide this advice, concerning your decision to apply for and buy New Shares under the SPP;

(n) you acknowledge that the Company is not liable for any exercise of its discretions referred to in this Prospectus; and

(o) you are not in the United States (including nominees or custodians acting for the account or benefit of a person in the United States) and are not otherwise a person to whom it would be illegal to make an offer or issue New Shares under the SPP, other than if you are or are acting for an investor who

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purchases the New Shares in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws;

(p) you acknowledge that the New Shares have not been, and will not be, registered under the US Securities Act or under the laws of any other jurisdiction outside of Australia; and

(q) you have not and will not send any materials relating to the SPP to any person in the United States or to any person (including nominees or custodians) acting for the account or benefit of a person in the United States unless such person is an investor who purchases the New Shares in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

Custodians, trustees and nominees

Eligible Shareholders, who are Custodians, may participate in the SPP on behalf of:

(a) one or more persons that are not Custodians on whose behalf the Custodian is holding Shares; or

(b) a person, on whose behalf, another Custodian (**Downstream Custodian**) holds beneficial interests in Shares in the Company, and the Custodian holds the Shares to which those beneficial interests relate, on behalf of the Downstream Custodian or another Custodian,

(each a **Participating Beneficiary**).

If you are a Custodian holding Shares on behalf of two or more persons jointly, the joint beneficiaries will be taken to be a single Participating Beneficiary for the purposes of these terms and Conditions.

If you are a Custodian and hold Shares on behalf of one or more Participating Beneficiaries, you may apply for up to a maximum of $30,000 worth of new Shares for each Participating Beneficiary subject to providing the Company with a Custodian Certificate, in addition to the Application Form, certifying the following:

(a) that, as at the Record Date, either or both of the following:

(1) you hold Shares on behalf of one or more Participating Beneficiaries that are not Custodians;

(2) a Downstream Custodian holds a beneficial interest in Shares on behalf of one or more Participating Beneficiaries, and you hold the Shares on behalf of the Downstream Custodian or another Custodian,

and each Participating Beneficiary has subsequently instructed the following person to apply for new Shares on their behalf pursuant to the SPP:

(3) where paragraph (a)(1) applies, you as the Custodian; and

(4) where paragraph (a)(2) applies, the Downstream Custodian;

(b) the number of Participating Beneficiaries;

(c) the name and address of each Participating Beneficiary for whom the Custodian applies for new Shares;

(d) in respect of each Participating Beneficiary:

(1) where paragraph (a)(1) applies, the number of Shares in the Company that you hold on behalf of the Participating Beneficiary; and

(2) where paragraph (a)(2) applies, the number of Shares in the Company to which the beneficial interests relate;

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(e) in respect of each Participating Beneficiary:

(1) where paragraph (a)(1) above applies, the number or dollar amount of new Shares the Participating Beneficiary has instructed you to apply for on their behalf; and

(2) where paragraph (a)(2) applies, the number or dollar amount of new Shares the Participating Beneficiary has instructed the Downstream Custodian to apply for on their behalf;

(f) that there are no Participating Beneficiaries in respect of which the total of the application price for the following exceeds $30,000:

(3) the new Shares applied for by you as Custodian under the SPP in accordance with the Instructions in paragraph (e); and

(4) any other Shares in the Company issued to you as Custodian in the 12 months prior to the date of submission of the Application Form as a result of an instruction given by them to you as Custodian or a Downstream Custodian to apply for Shares under an arrangement similar to the SPP operated by the Company;

(g) that a copy of the written offer document was given to each Participating Beneficiary; and

(h) where paragraph (a)(2) applies, the name and address of each Custodian who holds beneficial interests in Shares held by the Custodian in relation to each Participating Beneficiary.

For the purposes of these terms of the SPP you are a 'custodian' if you are a person who provides a custodial or depository service in relation to shares of a body or interests in a registered scheme and who:

(a) holds an Australian financial services licence covering the provision of a Custodial or Depository Service;

(b) is exempt from the requirement to hold an Australian financial services licence for the provision of a custodial or depository service;

(c) holds an Australian financial services licence covering the operation of an IDPS (as defined in Instrument 2019/547) or is the responsible entity of an IDPS-like scheme;

(d) is a trustee of a:

(1) Self-managed Superannuation Fund; or

(2) superannuation master trust (as defined in Instrument 2019/547); or

(e) that is the registered holder of shares or interests in the class and is noted on the register of members of the body or scheme (as the case may be) as holding the shares or interests on account of another person.

If you hold Shares as a trustee or nominee for another person or persons but are not a Custodian as defined above, you cannot participate for beneficiaries in the manner described above. In this case, the rules for multiple single holdings apply.

The Company reserves the right to reject any application for New Shares to the extent it considers that the application (whether alone or in conjunction with other applications) does not comply with these requirements. The Company reserves the right to reject applications in accordance with the terms and conditions set out in this Prospectus.

<u>Non-residents</u>

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The right to participate in this offer under the SPP is available exclusively to persons who were registered as holders of Shares at 7.00pm (AEST) on the Record Date and whose registered address was in the Eligible Jurisdictions.

(i) Board's discretion

The Board reserves the right to reject any application for New Shares (in whole or in part) including (without limitation) if:

(a) an Application Form is not correctly completed;

(b) the Applicant is not an Eligible Shareholder;

(c) the issue of those New Shares would contravene any law or the Listing Rules;

(d) the exact payment for the New Shares applied for is not received;

(e) to accept the application in full would have the effect of exceeding the maximum offer of New Shares under the SPP;

(f) it is not reasonably satisfied that the issue of those New Shares will not result in any person receiving Shares in the Company with an application price totalling more than $30,000 as a result of:

(1) Shares issued to the person or to a Custodian on that person's behalf (as a result of an instruction given by that person to the Custodian or a Downstream Custodian to apply for Shares on their behalf) under the SPP; and

(2) any other Shares in the Company issued to the person or to a Custodian on that person's behalf (as a result of an instruction given by that person to the Custodian or a Downstream Custodian to apply for ordinary shares in the Company on their behalf) under an arrangement similar to the SPP operated by the Company in the 12 months prior to the application,

except to the extent that the person is issued with New Shares or interests as a Custodian under a custodian offer;

(g) the Applicant is a Custodian and has failed to provide the Company with a Custodian Certificate; or

(h) the Applicant has not otherwise complied with the terms and conditions set out in this Prospectus.

The Board reserves the right to allocate fewer, or no, New Shares than an Eligible Shareholder applies for under the SPP, including, without limitation, in the event that the SPP is oversubscribed at its sole discretion.

In respect of application monies received from an Eligible Shareholder, the Company will, prior to the Issue Date, determine the maximum number of New Shares rounded down to the nearest whole number which may be acquired by any Eligible Shareholder.

The allocation of New Shares will be determined by the Board at its sole discretion.

The Board may change or terminate the SPP at any time prior to the Issue Date. If the Board does so, it will advise the ASX. Any omission to give notice of changes to, or termination of, the SPP, or the non-receipt of any such notice, will not invalidate the change or termination.

In addition to any rights of the Directors to reject applications as set out above and without limiting the above, the Company may issue to any person fewer or no New Shares than the person applied for under the SPP if the issue of the New Shares applied for would contravene any applicable law or the Listing Rules.

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Scale Back

The Directors reserve the right to allocate fewer, or no, New Shares than an Eligible Shareholder applies for under the SPP, including, without limitation, if the SPP is oversubscribed at their sole discretion (**Scale Back**). If there is a Scale Back, you may receive fewer than the parcel of New Shares for which you applied. If a Scale Back produces a fractional number of shares when applied to your parcel, the number of New Shares you will be issued will be rounded down to the nearest whole number of Shares. In the event of a Scale Back, the difference between the Application Money received by the Company and the number of Shares that will be issued to you multiplied by the issue price, will be refunded to you without interest.

If there is a consolidation or re-organisation of the issued share capital of the Company prior to the Closing Date, the maximum number of Shares to be issued pursuant to and in accordance with the Plan shall be consolidated or re-organised (as the case may be) in the same ratio as the issued capital of the Company.

Minimum subscription

There is no minimum subscription under the SPP. The minimum parcel of Shares which an Eligible Shareholder may apply for under the Shareholder Priority Offer is $2,000, being 22,222 Shares.

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4. Company Information

4.1 Introduction

Austral Resources Australia Ltd (ASX: AR1) is a pure-play Australian copper producer and consolidator operating across the Mount Isa–Cloncurry copper belt in North-West Queensland. The Company owns the Mt Kelly oxide SX-EW plant and the Rocklands sulphide concentrator, the region's only dual-processing platform capable of treating both oxide and sulphide ores. Austral controls significant copper resources, 64Mt at 0.73% Cu (JORC) and 2,101km² of exploration tenure, with significant near-mine and regional growth potential. Through infrastructure-led consolidation, third-party tolling, exploration and strategic acquisition, Austral is targeting sustainable production of ~50,000 tonnes per annum of copper.

Austral currently produces approximately 800 to 1,000 tonnes per month of copper cathode at its existing SX/EW facility at Mount Kelly. This plant is supplied by the Anthill Project mine resource which resource and production volumes are quarantined to repay Glencore and Secover (**APA Lenders**) under the Anthill Project Agreement (**APA**).

The Anthill Project is expected to be fully mined by February 2026 and processed over the next 12 months, following which security pledged in favour of the APA Lenders will be released and the APA extinguished.

Austral intends to develop its Expansion Projects and undertake the Heap Leach Remine to increase copper cathode production from the Mount Kelly SX/EW facility. Near-term copper cathode production from the Mount Kelly SX-EW Facility is supported by positive scoping-level technical studies evaluating the processing of existing copper oxide resources within the Expansion Project; complemented by the concurrent reprocessing of historical heap leach materials under the Heap Leach Remine. These studies demonstrate the potential to deliver an early, low-capital restart pathway while leveraging existing infrastructure, optimising recoveries, and maximising utilisation of previously invested capital.

The SX/EW facility at Mount Kelly has operated continuously under the ownership of Austral.

4.2 Rocklands Project

The Rocklands Project is strategically significant for Austral as it unlocks the potential within the East of the Mt Isa and Cloncurry region. The Rocklands Acquisition is an integral part of Austral's consolidation strategy within the region.

Rocklands complements the Company's existing Mt Kelly SX-EW operations by expanding production capacity into copper-gold sulphide mineralisation. This strategic dual-processing footprint (oxide at Lady Annie and sulphide at Rocklands) uniquely positions Austral to become an integrated and flexible copper producer in Queensland.

The Rocklands acquisition delivers near-term operational leverage, underpinned by a defined JORC-compliant resource base with clear expansion potential. The asset provides strategic integration synergies with Austral's existing infrastructure network and organic resource pipeline, further enhanced by access to diversified third-party feedstock sources. These advantages enable operational flexibility, optimised blending strategies, improved economies of scale and a derisked production profile.

The Rocklands Project, located within 50km east of Austral's existing eastern tenements and near Cloncurry, represents a cornerstone asset within the Company's organic growth strategy. Its strategic position maximises exposure to the future value of copper-gold discoveries across the Eastern Isa district while

providing a platform to extend the life of the Rocklands asset through integration with Austral's exploration pipeline, potential processing synergies, and ongoing regional development initiatives

Rocklands establishes a strong platform to accelerate Austral's long-term regional growth strategy, supporting processing capacity expansion, unlocking significant exploration upside, and advancing future discovery potential across the Company's highly prospective Miranda and Cameron River Projects.

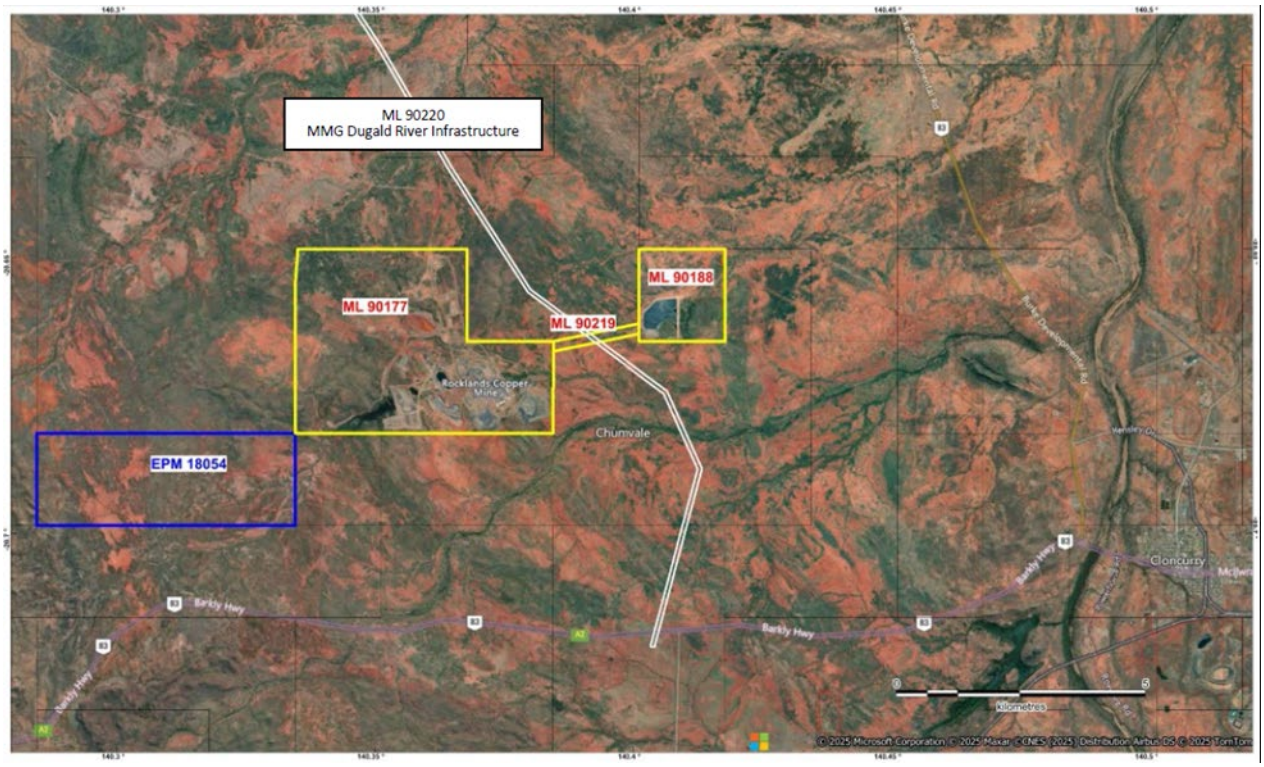

Figure 1: Plan view showing mining leases (ML) and Exploration Permits (EPM) comprising the Rocklands Acquisition.

4.3 Lady Loretta Acquisition

(a) Lady Loretta Acquisition Agreement

The Company has entered into the Lady Loretta Acquisition Agreement to acquire Noranda Pacific, the owner and operator of the Lady Loretta Project.

The Lady Loretta Acquisition Agreement contemplates, the Company acquiring all of the issued share capital of Noranda Pacific, and two mining tenements held by MIM which relate to the Lady Loretta Project, in return for nominal purchase price ($1.00). Austral must also procure the grant of a net smelter royalty of 2.5% on all copper products produced from the Lady Loretta Project.

The shareholders of Noranda Pacific (**Sellers**) must also ensure that Noranda Pacific has a cash balance of not less than US$40 million (**Computed Cash**) in its bank accounts on completion to be allocated to the Replacement ERC Bond (defined below) and otherwise ensure Austral has free and unrestricted access to the balance of the Computed Cash as at Completion. Austral has agreed, through its ownership of Noranda Pacific (and the Lady Loretta Project) to undertake and discharge the Lady Loretta Project rehabilitation obligations and corresponding liabilities in accordance with the related mine closure plan.

Further details, including conditions of completion of the Lady Loretta Acquisition Agreement are contained in section 6.2.

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Noranda Pacific also currently maintains a corporate guarantee backed rehabilitation bond of approximately US$9.6 million as provision for the anticipated rehabilitation of the Lady Loretta mine (**ERC Bond**). The ERC Bond will be cash-backed by AR1 (**Replacement ERC Bond**) as a condition of the Proposed Transaction. This will be achieved by Noranda Pacific allocating a total of US$9.6 million / AUD$15 million from the Computed Cash for the sole purpose of funding the Replacement ERC Bond.

(b) **History**

The Lady Loretta Zn-Ag-Pb deposit is located approximately 140km NNW of Mount Isa and represents one of the high-grade strata bound deposits in the world. The initial discovery of Lady Loretta was established by routine geochemical soil surveys by Placer Exploration in 1968, which at the time was focused on Cu exploration at the nearby Lady Annie Mine. Exploration drilling of peak surface Pb anomalism (+400ppm Pb) in 1969 confirmed sub-surface strong Pb-Ag mineralisation as a lead-rich gossan to ~100m below surface. Further exploration and resource definition drilling delineated high-grade, strata bound, zinc-dominant Zn-Pb-Ag mineralisation like that at Mount Isa, eventually leading to a maiden resource in 1973.

Though high-grade, the relatively small size of the deposit saw Lady Loretta changes hands through multiple entities following initial discovery, with mine development commenced in 2012 by Xstrata (now Glencore).

XStrata Zinc (now Glencore) moved the deposit into development in 2011, taking full ownership in April 2011 and commencing project works with a plan for the mine to be operational by the end of 2013. Early development concepts targeted production of ~1.0Mtpa of zinc-lead-silver ore over an initial ~10-year mine life, with ore to be treated at Mount Isa.

After commissioning and ramp-up, Lady Loretta delivered a decade-scale operating history characterised by consistently high grades and strong production performance, with ore haulage by road to Mount Isa forming a core part of the operating model. Operations entered care and maintenance in late 2015 due to falling commodity prices brought on by the Global Financial Crisis, before a restart decision in 2018, after which the mine was successfully contract-operated by Redpath, delivering record outputs in the early 2020s. By 2025, Glencore had signalled the mine was approaching the end of its active mining life and transitioning to a new chapter.

(c) **State of Current Operations**

Mining activities at Lady Loretta were completed in December 2025, marking the conclusion of the current underground Zinc production phase. Following cessation of mining, Glencore commenced an orderly demobilisation from site in January 2026. Notwithstanding the completion of mining, the operation remains in a well-maintained and highly functional condition, with the 200-person accommodation camp, workshops, administrative offices, also includes a paste plant, concrete batch plant, power station, reverse osmosis plant, materials handling areas and onsite crushing infrastructure fully intact and available for future use. Environmental compliance obligations continue to be met, with retained environmental personnel maintaining monitoring, reporting and site stewardship activities in accordance with approved regulatory requirements.

(d) **Future Plans – AR1 Exploration and Development Strategy**

Pit designs, optimisation and mine scheduling have begun in earnest to once again redirect the focus of mining and exploration to the adjacent Lady Annie Copper Mine. The extension of Cu resource outside of the current pit design has been known about for some time, with mining only inhibited by the previous boundary constraints of the Lady Annie Mining Lease. With the acquisition of the Lady Loretta Mining Lease, this impediment is now materially lifted. Work has begun on the regulatory requirements to enable the open pit cutbacks at Lady Annie, including Environmental Authority (**EA**) amendments across the ML's to expand the pit size, and increase the size of the permitted disturbance area.

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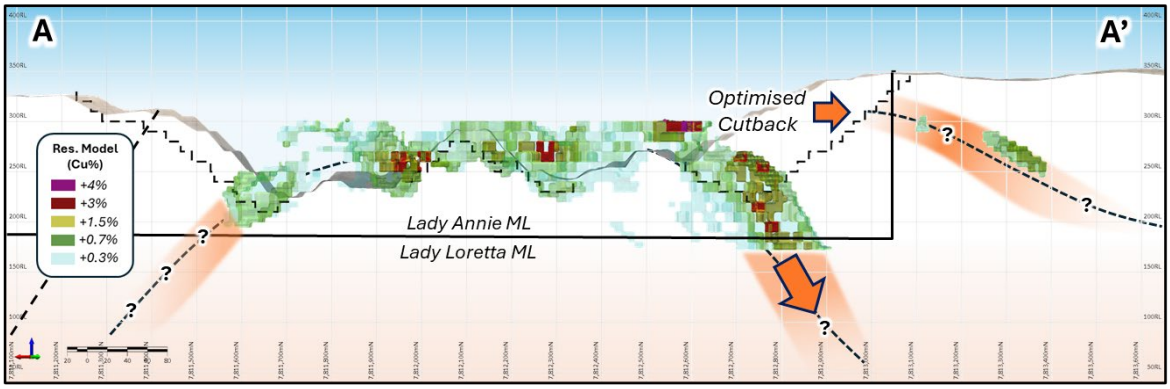

Figure 2: Cross-section through Lady Annie Pit showing the proposed cutback

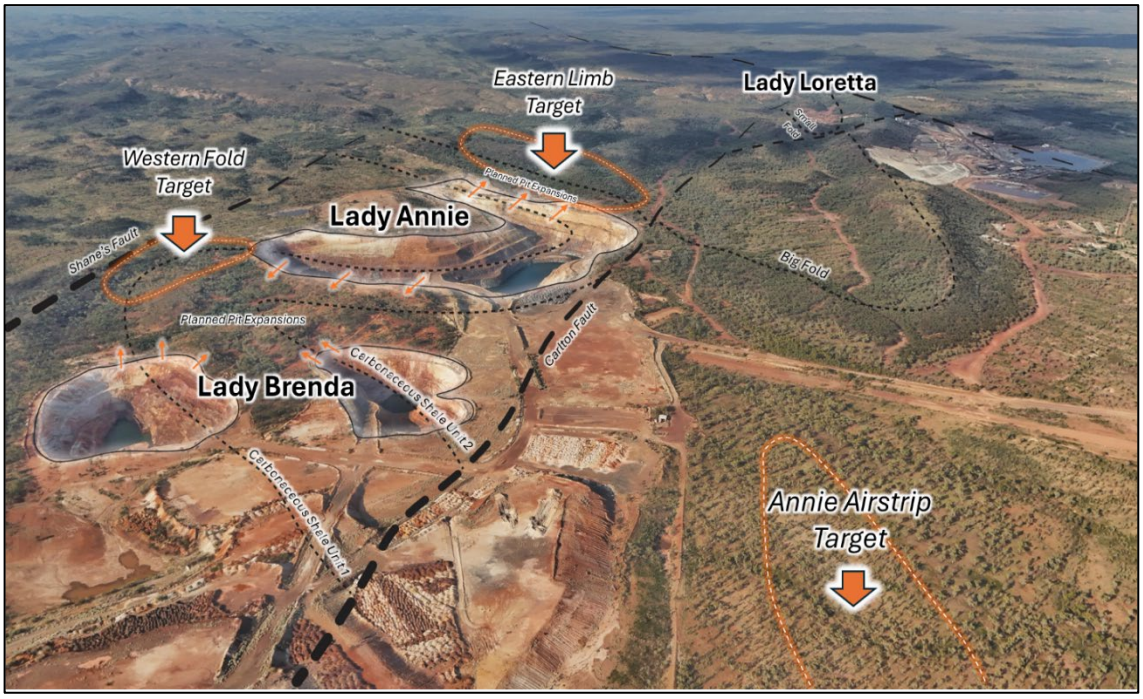

Figure 1: Aerial overview of Lady Annie planned areas for pit expansion and drill testing.

Concomitantly with the mining of Cu oxides from within existing resource model, AR intends to undertake aggressive near mine drilling, targeting Cu Oxide to bolster feedstock to the nearby Mt Kelly SX-EW Facility and add additional runway to Cu cathode production. The current exploration goal is to establish a +3 year Cu oxide resource pipeline beyond existing mining schedules. To achieve this goal a phased 5100m percussion drilling program has been planned to commence Q2 2026. Strong to extreme Cu surface anomalism (+400 ppm Cu to +1000 ppm Cu) within the targeted areas has already been confirmed, validated and replicated by AR Exploration. Sub-surface Cu oxide and transitional mineralisation associated with these surface copper anomalies is confirmed from historical drilling by Xstrata and Glencore from 2011 to 2023. The immediate focus of exploration drilling will be to extend Cu mineralisation beyond what is currently known, followed by resource definition and infill drilling to improve confidence in any resulting geological model.

During Q3–Q4 2026, Austral plans to commence staged resource definition drilling targeting copper sulphide and transitional mineralisation beneath the Lady Annie and Lady Brenda pits (Brenda East and Brenda West), with the objective of improving geological confidence and supporting future mine planning studies. The staged program will prioritise shallower zones of mineralisation that may offer potential open-pit optionality, enabling exploration expenditure to be matched to better align with Company cash flow while progressively de-risking future development pathways and considerations. A total of 9 400m of drilling has been planned for Phase 1

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resource definition for Annie Deeps, with a further 12,600m designed for Phase 2 and 3. The total cost of this drilling is expected to cost approximately $11 million AUD with an exploration target of 6-8 Mt @ 1-2% Cu announced by the Company as "Lady Loretta Mine Acquired Increasing Copper Pipeline" on 30 January 2026 (**Exploration Target**).

The potential quantity and grade of the Exploration Target is conceptual in nature. There has been insufficient exploration work completed to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

Metallurgical and geotechnical data acquisition will be undertaken in parallel with drilling to provide key technical inputs, including preliminary assessment of processing performance and underground mining considerations, subject to results

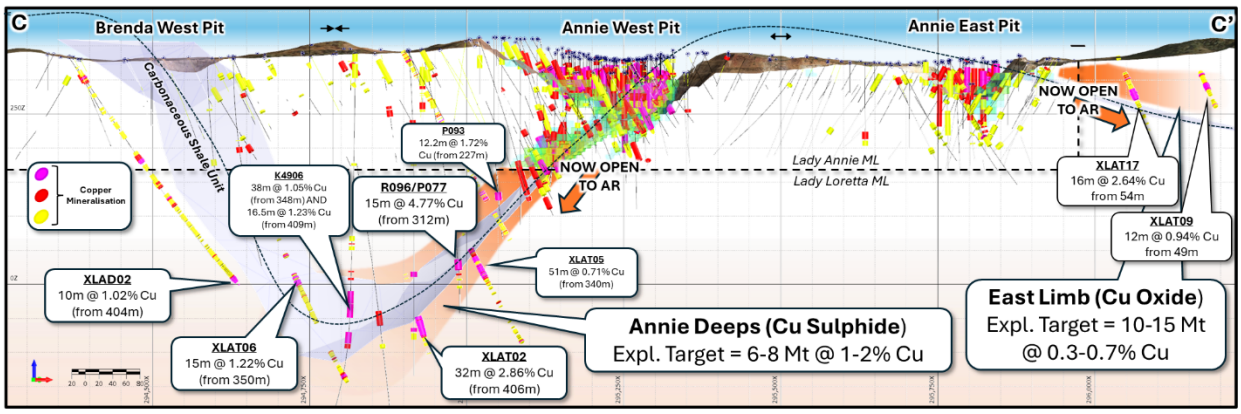

Figure 2: Cross-section through Lady Annie and Lady Brenda pit areas, highlighting key drilling targets[1].

The Mineral Resource Estimate standing of 64 Mt @ 0.73% Cu (468,414t of contained copper) (comprising of 52.8Mt @ 0.74% Cu at the Lady Annie Project Global MRE – 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).

The Company confirms that it is not aware of any new information or data that materially affects the exploration results, exploration targets and estimates of Mineral Resources as cross-referenced in this release and further 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 and that all material assumptions and technical parameters underpinning the estimates 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.

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4.4 **Use of Funds**

Funds under the Previous Placement, Placement Offer and QCMBTF Offer will be allocated as follows:

Source of Funds ($'000)				
Previous Placement				38,223
Placement Offer				11,777
QCMBTF Offer				15,000
Total ($'000)				**65,000**
Use of Funds	**Year 1 ($'000)**	**Year 2 ($'000)**	**Year 3 ($'000)**	**Total ($'000)**
Rocklands Project power station refurbishment	-	4,600	-	4,600
Barkley Highway upgrade and Rocklands Western access Road	-	2,200	-	2,200
Eastern Tenement exploration programme	1,500	2,900	3,000	7,400
Lady Loretta Mining Lease exploration programme	3,000	4,300	4,000	11,300
Rocklands underground feasibility study (including drilling programme)	-	1,000	1,000	2,000
Sub-Total (Technical) ($'000)	**4,500**	**15,000**	**8,000**	**27,500**
Project and Tenement - care and maintenance costs	2,600	5,400	-	8,000
Rocklands ancillary equipment acquisition	4,500	-	-	4,500
Lady Annie ancillary equipment acquisition	9,200	-	-	9,200
Funding for Strategic acquisition	4,600			4,600
Expenses of the Offer	3,400	-	-	3,400
Working Capital	2,800	2,600	2,400	7,800
Total ($'000)	**31,600**	**23,000**	**10,400**	**65,000**

Notes:

1. Funds raised under the SPP will be allocated at the discretion of the Directors and otherwise allocated for working capital purposes.

2. If the AES Debt Conversion is not approved by Austral shareholders, the outstanding amounts will be required to be paid out of Placement Offer proceeds which will affect the allocation of funds raised under the Placement Offer.

3. The above Use of Funds is a statement of current intentions as at the date of this Prospectus. In the event that the Lady Loretta Acquisition does not complete, Board will assess a reallocation of those funds allocated to the Lady Loretta Project to other existing projects, acquisition opportunities and appropriate reserves for organic and inorganic opportunities. As with any budget, intervening events and new circumstances have the potential to affect the ultimate way funds will be applied. However, in the event that circumstances change or other better opportunities arise the Directors reserve the right to vary the proposed uses to maximise the benefit to Shareholders.

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4.5 Effect of the Offers - Financial position

To illustrate the effect of the Offers on the Company, the pro-forma consolidated statement of financial position has been prepared based on Austral's reviewed Consolidated Historical Statement of Financial Position as at 30 June 2025. In order to comply with section 713 of the Corporations Act the effect of the Offers in particular is noted.

This section contains a summary of:

1. statutory historical financial Information, comprising Austral's reviewed Statutory Consolidated Historical Statement of Financial Position as at 30 June 2025 (**Statutory Historical Financial Information**); and

2. pro forma historical financial information, comprising Austral's pro forma Consolidated Historical Statement of Financial Position as at 30 June 2025 (**Pro Forma Historical Financial Information**).

The Statutory Historical Financial Information and Pro Forma Historical Financial Information is together referred to as the "**Financial Information**".

Overview and preparation and presentation of the Financial Information

The Directors are responsible for the preparation and presentation of the Financial Information.

The Statutory Historical Financial Information has been prepared in accordance with the recognition and measurement principles of Australian Accounting Standards (**AAS**) adopted by the Australian Accounting Standards Board (**AASB**), which are consistent with International Financial Reporting Standards (**IFRS**) issued by the International Accounting Standards Board and Austral's accounting policies as described in the Company's reviewed financial statements for the year ended 30 June 2025.

The Pro Forma Historical Financial Information has been prepared in accordance with the recognition and measurement principles of AAS other than it includes certain adjustments which have been prepared in a manner consistent with AAS, that reflect the following.

Material events occurring between 30 June 2025 and the date of this Prospectus

The Pro Forma Historical Financial Information has been adjusted to reflect the impact of the previous placement and associated transactions for the purposes of reinstating Austral to the ASX comprising:

- The previous placement of 800 million New Shares to raise $40 million before costs (**Reinstatement Placement**);

- The issue of 2,464,900 New Options pursuant to the terms of the DOCA to acquire CRA;
- Placement offer to Theiss of 200 million New Shares under the Theiss Debt Conversion;
- The acquisition of CRA; and
- Associated Restructure Arrangements.

The Pro Forma Historical Financial Information after adjustment for the impact of the above is consistent with the Pro Forma Balance Sheet as set out in AR1's ASX announcement dated 4 November 2025.

The impact of transaction contemplated within this Prospectus

The Pro Forma Historical Financial Information has been adjusted to reflect the impact of the transactions contemplated within this Prospectus as if completed comprising:

- The impact of the Previous Placement, the Placement Offer, the QCMBTF Offer and the SPP assuming each of these are fully subscribed, together with associated costs of these offers;
- The impact of the AES Offer; and
- The impact of the Lady Loretta Acquisition.

On the basis that completion of the Offers is not dependent of the completion of the Lady Loretta Acquisition the Pro Forma Historical Statement of Financial Position has been present both excluding and including adjustments for the completion of the Lady Loretta acquisition.

The Financial Information is presented in an abbreviated form and it does not include all of the presentation and disclosures, statements or comparative information required by AAS and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act.

Preparation of the Financial Information

The Financial Information has been presented on both a statutory and a pro forma basis.

The Statutory Historical Financial Information as at 30 June 2025 has been derived from the reviewed general purpose financial statements Austral for the year ended 30 June 2025.

The Pro Forma Historical Financial Information has been prepared for the purpose of inclusion in this Prospectus. The Pro Forma Historical Financial Information has been derived from the Statutory Historical Financial Information of Austral and adjusted for the effects of the pro forma adjustments.

In preparing the Financial Information, Austral's accounting policies have been consistently applied throughout the periods presented.

Going Concern

The Financial Information has been prepared on a going concern basis, which contemplates continuity of normal business activities and realisation of assets and discharge of liabilities in the normal course of business.

The Directors believe that there are reasonable grounds that Austral will be able to continue as a going concern as a result of the proceeds raised from the Placement as summarised in section 4.4.

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Statutory Historical Statements of Financial Position and Pro Forma Historical Statement of Financial Position

The Pro Forma Historical Statement of Financial Position is provided for illustrative purposes only and is not represented as being necessarily indicative of Austral's view of its financial position upon Completion of the Offers or at a future date. Further information on the sources and uses of funds of the Placement is contained in section 4.4.

Consolidated Statement of Financial Position $'000	Notes	Statutory Reviewed 30-Jun-25	Impact of the Previous Placement and related transactions	Pro Forma before impact of the Offers and the Lady Loretta acquisition* 30-Jun-25	Impact of the Placement Offer, QIC Offer, AES Offer and Entitlement Offer	Pro Forma after the impact of the Offers and before the impact of the Lady Loretta acquisition 30-Jun-25	Impact of the Lady Lorretta acquisition	Pro Forma after the impact of the Offer and the impact of the Lady Loretta acquisition 30-Jun-25
Assets								
Current assets								
Cash and cash equivalents	1, 9	596	16,100	16,696	61,566	78,262	25,429	103,691
Trade and other receivables		1,750	-	1,750	-	1,750	-	1,750
Prepayments		560	-	560	-	560	-	560
Inventories		1,537	-	1,537	-	1,537	-	1,537
Other assets	2	1,396	202	1,598	-	1,598	-	1,598
Assets held for sale	3	91,429	(91,429)	-	-	-	-	-
Total current assets		97,268	(75,127)	22,141	61,566	83,707	25,429	109,136
Non-current assets								
Property, plant and equipment	2	4,755	26,622	31,377	-	31,377	-	31,377
Right-of-use assets		20	-	20	-	20	-	20
Exploration and evaluation assets		1,815	-	1,815	-	1,815	-	1,815
Financial assets	2, 9	37,212	15,237	52,449	-	52,449	13,714	66,163
Total non-current assets		43,802	41,859	85,661	-	85,661	13,714	99,375
Total assets		141,070	(33,268)	107,802	61,566	169,368	39,143	208,511
Liabilities								
Trade and other payables	5	39,605	(37,176)	2,429	(2,000)	429	-	429
Borrowings	2, 6	-	9,692	9,692	-	9,692	(9,692)	-
Provisions	2	1,008	187	1,195	-	1,195	-	1,195
Lease liabilities		18	-	18	-	18	-	18
Liabilities associated with assets held for sale:	3						-	
Borrowings		82,552	(82,552)	-	-	-	-	-
Other liabilities		36,591	(36,591)	-	-	-	-	-
Total current liabilities		159,774	(146,440)	13,334	(2,000)	11,334	(9,692)	1,642
Non-current liabilities								
Provisions	2, 9	37,687	15,237	52,924	-	52,924	47,447	100,371
Other liabilities	9	-	-	-	-	-	9,696	9,696
Borrowings	2	-	8,308	8,308	-	8,308	(8,308)	-
Total non-current liabilities		37,687	23,545	61,232	-	61,232	48,835	110,067
Total liabilities		197,461	(122,895)	74,566	(2,000)	72,566	39,143	111,709
Net assets / (liabilities)		**(56,391)**	**89,627**	**33,236**	**63,566**	**96,802**	**-**	**96,802**
Equity								
Issued capital	7	72,146	56,210	128,356	63,566	191,922	-	191,922
Reserves		320	27	347	-	347	-	347
Accumulated losses	8	(128,857)	33,390	(95,467)	-	(95,467)	-	(95,467)
Net equity/(deficiency in equity)		**(56,391)**	**89,627**	**33,236**	**63,566**	**96,802**	**-**	**96,802**

* Pro Forma before impact of the Offers and the Lady Loretta acquisition is consistent with AR1's ASX announcement dated 4 November 2025.

Notes:

1. Pro-forma cash is adjusted to reflect the following transactions:

	$'000
Statutory Reviewed at 30 June 2025	**596**
Funds raised from Reinstatement Placement net of Transaction Costs	37,600
Funds used from Reinstatement Placement to settle creditors and debt	(21,500)
Pro Forma before the impact of the Offers and the Lady Loretta acquisition	**16,696**
Funds raised from the Offers net of Transaction Costs	61,566
Pro Forma after the impact of the Offers and before the impact of the Lady Loretta acquisition	**78,262**
Minimum cash to be provided as part of the Lady Lorretta acquisition (US$40m) less US$9.6m to be placed into cash back rehabilitation bond (assuming A$:US$ exchange rate of 0.70)	43,429
Repayment of New Glencore facility	(18,000)
Pro Forma after the impact of the Offers and before the Lady Loretta acquisition	**103,691**

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2. The acquisition of CRA is accounted for as an asset acquisition and, therefore, property, plant and equipment has been restated to cost as set out in the tables below:

Consideration Paid	**$'000**
Cash consideration (note a)	18,000
Equity consideration 172,196,911 shares at $0.05	8,610
Option consideration – 2,464,900 options at $0.011 per option (note b)	27
Total consideration paid	**26,637**

a. Cash consideration is to be funded by the Glencore Loan Facility and consequently resulted in an increase in Pro-Forma Current and Non-Current Borrowings.

b. The Fair Value of the Options have been assessed in accordance with AASB 2 – Share Based Payment using a binomial option valuation model and assuming volatility of 60%.

Net Assets Acquired	**$'000**
Other assets	202
Property, plant and equipment at cost (note a)	26,622
Financial assets – term deposits relating to a cash backed bond to cover the rehabilitation provision	15,237
Employee Provisions	(187)
Rehabilitation Provision	(15,237)
Net Assets Acquired	**26,637**

a. Whilst the plant and equipment is recognised at cost based on the equity consideration paid, the replacement cost valuation for the plant and equipment has been valued by an independent plant and equipment valuer at $443.4m.

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3. Having regard to the requirements of AASB 15, and taking into account that under the Anthill Project Agreement control of the Anthill project and receipt of economic benefits from the residual proceeds from the Anthill Project will be received by Glencore and Secover, the Anthill Project Agreement is accounted for as a disposal of the Anthill Project by Austral to Glencore and Secover as summarised in the table below. As a consequence of the above, as at 30 June 2025, the assets and associated liabilities of the Anthill Project were classified as held for sale.

	$'000
Carrying value of proceeds received	
Borrowings quarantined against proceeds of the Anthill Project (refer note 4 in relation to contingent liabilities)	82,552
Carrying value of assets and associated liabilities of the Anthill Project at 30 June 2025	
Cash and cash equivalents	201
Trade and other receivables and prepayments	1,157
Inventories	62,860
Plant and equipment	25,254
Right-of-use-assets	1,957
Assets held for resale	**91,429**
Trade and other payables (net of amounts repaid from use of funds and residual obligation remaining with Austral for AES)	(35,848)
Lease liability	(743)
Liabilities associated with assets held for resale	**36,591**
Pro Forma Net carrying value of assets and associated liabilities of the Anthill Project at 30 June 2025	60,806
Net gain on disposal	**21,746**

4. **Contingent liability associated with the Anthill Project Agreement**

Under the Anthill Project Agreement, If the amount of Anthill Project proceeds distributed to Glencore and Secover is less than $78 million in aggregate (such shortfall being the Shortfall), then Austral will pay to Glencore and Secover (in the 75/25 *pari passu* proportions) proceeds from the rights to the Re-mine Oxide in an amount that is equal to the lesser of (A) the Shortfall; and (B) $13 million.

Therefore, the Company has a contingent liability payable of up to $13 million. As at the date of this Prospectus, the Company has reviewed the forecast cash flows of the Anthill Project and do not consider, based on the forecasts, that there will be any Shortfall. However, it should be noted that actuals results from the operation and management of the Anthill Project, may differ and the Company may be required to make a Shortfall payment to Glencore and Secover.

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5. Pro forma trade and other payables is adjusted to reflect the following.

	$'000
Statutory Reviewed at 30 June 2025	**39,605**
Cash repayment to Theiss	(17,500)
Theiss Offer converting debt to equity	(10,000)
Forgiveness of balance of trade receivables by Theiss	(11,676)
Residual balance in relation to AES	2,000
Pro Forma before the impact of the Offers and the Lady Loretta acquisition	**2,429**
Impact of the AES Offer	(2,000)
Pro Forma after the impact of the Offers and before/after the impact of the Lady Loretta acquisition	**429**

6. Pro forma current borrowings is adjusted to reflect the following.

	$'000
Statutory Reviewed at 30 June 2025	**-**
New Glencore facility to fund Copper Resources Australia acquisition – current portion	9,692
Pro Forma before the impact of the Offers and the Lady Loretta acquisition/Pro Forma after the impact of the Offers and before the impact of the Lady Loretta acquisition	**9,692**
Repayment of Glencore facility from funds provided by Lady Loretta acquisition	(9,692)
Pro Forma after the impact of the Offers and the Lady Loretta acquisition	**-**

7. Pro forma issued capital is adjusted to reflect the following.

	$'000
Statutory Reviewed at 30 June 2025	**72,146**
Funds raised from Reinstatement Placement net of Transaction Costs	37,600
Thiess Offer - Equity consideration for Theiss Debt Conversion	10,000
Equity consideration issued to acquire CRA	8,610
Pro Forma before the impact of the Offers and the Lady Loretta acquisition	**128,356**
Funds raised from the Offers net of Transaction Costs	61,566
AES Offer debt conversion to equity	2,000
Pro Forma after the impact of the Offers and before/after the impact of the Lady Loretta acquisition	**191,922**

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8. Pro forma accumulated losses reflect a decrease by $33.4m as a result of the forgiveness of the balance of trade receivables by Theiss ($11.7m) and the gain on disposal of the Anthill Project (refer note 3) of $21.7m.

9. **Lady Loretta Acquisition**

The terms of the Lady Loretta Acquisition are set out in section 6.2 of the Prospectus and, based on the terms of the Lady Loretta Acquisition Agreement, the assets and liabilities expected to be acquired as a result of the acquisition and payment of the acquisition price of US$1 are summarised below (assuming an exchange rate of A$:US$ of 0.70).

	$'000
Current Assets	
Cash and cash equivalents (US$40m less US$9.6m to be used for the required for the Replacement ERC Bond)	43,429
Non-Current Assets	
Financial Assets - Replacement ERC Bond	13,714
Total Asset	**57,143**
Non- Current Liabilities	
Provisions – Rehabilitation Provision (note a)	47,447
Other Liabilities – Net Smelter Royalties (note b)	9,696
Total Liabilities	**57,143**
Net assets acquired	**-**

a Rehabilitation provision is based on the provision set out in the unaudited management accounts of Noranda Pacific Pty Ltd as at 31 December 2025.

b. As part of the Transaction, AR1 agrees to pay a 2.5% net smelter return royalty derived from the sale of Copper Product extract, recovered or produced within the area of the EPMs (NSR) following Completion in accordance with the Royalty Agreement.

On the basis that the Lady Loretta Acquisition represents an arms-length transaction, the initial Fair Value of this liability has been calculated as the difference between the consideration paid and other assets and liabilities assumed as part of the transaction such that there is no gain recognised upon completion of the Lady Loretta Acquisition.

The ultimate value of payments that will crystallise from the Royalty Agreement will be contingent upon future events including the volumes of Copper Product recovered or produced within the area of the EPM's, related costs of extraction and the pricing obtained via the Offtake Agreement and may materially differ from the initial Fair Value recognised which may result in future gains or losses related to this liability being recognised in future accounting periods.

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4.6 Capital structure

Shares

The share capital structure of the Company immediately following completion of each Offer, will be as follows:

Description	Number	%
Shares on issue prior to Previous Placement	1,698,808,647	67.50%
Shares issued under the Previous Placement	424,702,100	16.88%
Shares issued under the Placement[2]	130,853,456	5.20%
Shares issued under the QCMBTF Offer	166,666,667	6.62%
Shares issued under the Shareholder Priority Placement[3]	55,555,556	2.21%
Shares issued under the AES Offer[4]	40,000,000	1.59%
Total:	2,516,586,426 [5]	**100%**

Notes:

1. Includes Shares issued under the Previous Placement.

2. The Minimum Amount of the Placement Offer is $11,776,811 resulting in the issue of 130,853,456 New Shares.

3. The maximum number of New Shares to be issued under the Shareholder Priority Placement is 55,555,556. There is no minimum number of New Shares to be issued under the Shareholder Priority Placement.

4. The maximum number of New Shares to be issued under the AES Offer is 40 million. The AES Offer is subject to Shareholder approval.

5. Does not include the Shares proposed to be issued under the Incentive Share Issue which is subject to Shareholder approval. The maximum number of New Shares to be issued under the Incentive Share Issue is 75 million.

Options

There are currently 2,464,900 Options on issue in the Company to DFIL.

Performance Rights

There are currently 195,230 vested performance rights on issue exercisable by 30 June 2026.

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5. Risk factors

5.1 Introduction

As with any equity investment, there are risks involved with operating a Company that may impact its share price and liquidity. This section seeks to identify the major areas of risk associated with the Company; but should not be viewed as an exhaustive list of all risk factors to which the Company and its Shareholders are exposed.

Offer Participants should be aware that the risks outlined in section 1.5 and this section should be considered in conjunction with the other information in this Prospectus. In deciding whether to invest in the Company, Offer Participants should read this Prospectus in its entirety and consult their professional advisors before deciding whether to apply for Shares.

5.2 Specific Risks

In addition to the general market and economic risks noted in section 5.3, Offer Participants should be aware of the risks specific to an investment in the Company. The major risks are described below.

(a) Acquisition Risks

The Lady Lorretta Acquisition is subject to a number of conditions which are summarised in section 6.2. Accordingly, there is no guarantee that the Lady Loretta Acquisition will complete on its terms or at all. If the Lady Loretta Acquisition does not complete, Board will assess the reallocation of those funds raised under the Offers, that are currently allocated to the Lady Loretta Project, to other existing projects, acquisition opportunities and appropriate reserves for organic and inorganic opportunities.

The Company has undertaken financial, operational, business and other analyses of whether to pursue the Lady Loretta Acquisition. There is a risk that such analyses, and the estimates and assumptions made by the Company during the analyses, leads to conclusions or forecasts that are inaccurate or which will not be realised in due course. To the extent that the actual results achieved by the Company differ from those indicated by the Company' analysis of the Lady Loretta Acquisition, there is a risk the cash position, profitability and future earnings of the operations of the Company may differ from the estimates and forecasts made by the Company.

(b) Due Diligence Risks

The Lady Loretta Acquisition due diligence process relied in part on the review of technical, financial and operational information provided by the counterparty to the Lady Loretta Acquisition. Despite making reasonable efforts, the Company has not been able to verify the accuracy, reliability or completeness of all the information which was provided to it against independent data. If any of the data or information provided to and relied upon by the Company in its due diligence process proves to be incomplete, incorrect, inaccurate or misleading, there is a risk that the actual financial position and performance of the Company may be materially different to the financial position and performance expected by the Company. The information reviewed by the Company includes forward-looking information. While the Company has been able to review some of the foundations for the forward-looking information relating to the Company, forward-looking information is inherently unreliable and based on assumptions that may change in the future.

Whilst the Company considers that its review was adequate in the circumstances, there is also no guarantee that the due diligence conducted was conclusive and that all material issues and risks in respect of the Lady Loretta Acquisition have been appropriately identified, managed, eliminated or addressed as part of the Lady Loretta Acquisition (and the documentation relating to the same). Therefore, there is a risk that unforeseen issues and risks may arise, which may have a material impact on the Company's business, financial position and performance.

(c) Mine development

Possible future development of a mining operation at any of the Company's projects including future mining development of the Lady Loretta Project, the Rocklands Project, the Heap Leach Re-Mine and the Expansion

Projects is dependent on a number of factors affecting the tenure exploration, quality ore supply, mine development and commercialisation of mining projects.

To assess the initial feasibility of the Heap Leach Re-Mine and future mining development of the Expansion Projects, the Company has undertaken scoping studies to assess on a preliminary basis the technical and economic viability of the Expansion Projects and to provide an initial Inferred Resources within the Heap Leach. While mining operations have been undertaken previously within a certain Expansion Projects the scoping studies are based on low level technical and economic assessments that are not sufficient to support the estimation of ore reserves.

Further evaluation work and appropriate studies are required before the Company will be in a position to estimate any ore reserves or to provide any assurance of an economic development case. Each scoping study is based on material assumptions. These include assumptions about the availability of funding. While the Company considers all of the material assumptions to be based on reasonable grounds, there is no certainty that they will prove to be correct or that the range of outcomes indicated by each scoping study will be achieved.

To achieve the range of outcomes indicated in the scoping study, further funding is required. The Company intends to fund the required capital through proceeds derived from the Heap Leach Re-Mine or will otherwise be required to reallocate funds raised under the Offers. Offer Participants should note that there is no guarantee that Austral will be able to generate the funds required from the Heap Leach Re-Mine to hold sufficient funding to develop the Expansion Project which will require the Company to either raise that amount of shortfall funding or reallocate funds currently designated to other items as identified in this Prospectus.

(d) **Share Price**

The price at which the Company's Shares trade on the ASX post-issue may be higher or lower than the issue price of the Shares offered under this Prospectus and could be subject to fluctuations in response to variations in operating performance, general operations and business risk, as well as external operating factors over which the Directors and the Company have no control, such as movements in mineral prices and exchange rates, changes to government policy, legislation or regulation and other events or factors.

There can be no guarantee that the price of Shares will increase. There may be relatively few or many potential buyers or sellers of Shares on ASX at any given time. This may increase the volatility of the market price of Shares. It may also affect the prevailing market price at which Shareholders are able to sell their Shares. This may result in Shareholders receiving a market price for their Shares that is above or below the price that Shareholders paid.

(e) **Strategic risk**

Austral's strategic growth plans (including the re-commissioning of the Rocklands Project concentrate facility) require the availability of appropriate and suitable ore supply and potential acquisition targets or sourcing third-party providers of suitable ore for processing under tolling arrangements. Austral has executed two Memoranda of Understanding for ore assessment and potential toll treatment of third-party ore with Maronan Metals Limited (ASX: MMA) and Transition Minerals Limited and has, in turn identified a number of suitable targets for this purpose however there is no guarantee that any successful acquisitions will be able to be efficiently integrated into the operations of Austral.

Integration risk

The integration of a business with substantial assets such as the Lady Loretta Project carries risk, including potential delays or costs in implementing necessary changes and difficulties in integrating various operations. The success of the Lady Loretta Acquisition and the ability to realise the benefits of the Lady Loretta Project is dependent on the discovery and development of economically recoverable copper resource and the effective and timely integration of the Lady Loretta Project operations into Austral's proposed expansion program and its planned business operations.

There is a risk that the assessment and re-commissioning of the Lady Loretta Project will be delayed, incur increased costs of re-commissioning or that the re-commissioning does not occur. While Austral has undertaken analysis in relation to the future operational benefits of the Lady Loretta Acquisition, assuming the re-commission does occur, they remain Austral's estimate of those expected benefits, and there is a risk

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that the actual synergies able to be realised as part of the Lady Loretta Acquisition may be less than expected or delayed, or that the expected synergy benefits of the Acquisition may not eventuate at all or cost more to achieve than originally expected.

(f) **Operational risk**

The Company's current and proposed copper production operations may be affected by a range of operational factors. Each of these factors will affect the feasibility of the re-commissioning and commercialisation of the Lady Loretta Project. These include failure to achieve the predicted grade in mining, processing, technical difficulties encountered in commissioning and operating plant and equipment, mechanical failure, problems which affect extraction rates and costs, adverse weather conditions, industrial and environmental accidents, industrial disputes, unforeseen delays, unexpected shortages or increase in the costs of consumables, spare parts, plant and equipment. For example, the Lady Loretta Project is subject to geological and metallurgical review of the performance of the Processing Facility in the treatment and recovery of the different ore types at and potentially surrounding, Lady Loretta. Given that both production levels and operating costs are susceptible to external factors, some of which are beyond the control of the Company, its Board and executive, no assurance can be given that adverse operating conditions will not impact on Austral's operations, financial performance or position.

The Company's production and operations generally may be disrupted by a variety of risks and hazards which are beyond its control, including environmental hazards, industrial accidents, technical failures, labour disputes, unusual or unexpected rock formations, flooding and extended interruptions due to inclement of hazardous weather conditions and fires, explosions or accidents. No assurance can be given that the Company will achieve commercial viability through the development or mining of its projects and treatment of ore.

(g) **Increase in costs**

Austral's business, operating and financial performance may be affected by increased cost of production inputs and consumables (such as fuel, water, acid and other chemicals) and capital costs, some of which are outside of the Company's control and may exceed the Company's future estimates.

The Company intends upon mitigating risks associated with potential increase in production costs by agreeing with third parties on, where possible, long term fixed price contracts and where applicable, hedging arrangements to limit further exposure. However, no guarantee can be given that such arrangements will be secured at commercially acceptable rates or at all.

(h) **Exploration and evaluation risk**

The long-term value of Austral will depend on its ability to find and develop resources that are economically recoverable within, the Lady Loretta Project tenements, the Rocklands Project tenements and Austral's Expansion Projects in the medium term and within its exploration tenements in the longer term. Mineral exploration and mine development is inherently highly speculative and involves a significant degree of risk. There is no guarantee that it will be economic to extract these resources or that there will be commercial opportunities available to monetise these resources. The circumstances in which a mineral deposit becomes or remains commercially viable depends on a number of factors. These include the particular attributes of the deposit, such as size, concentration and proximity to infrastructure as well as external factors such as development costs, supply and demand. This, along with other factors such as maintaining title to tenements and consents, commissioning and operating of projects and processing facilities may result in projects not being developed, or operations becoming unprofitable.

Furthermore, while the Company has confidence in its existing projects, should those projects not prove profitable and the Company is unable to secure new exploration and mining areas and resources, there could be a material adverse effect on the Company's prospects for copper exploration and its success in the future.

(i) **Climate Change**

The operations and activities of the Company are subject to changes to local or international compliance regulations related to climate change mitigation efforts, specific taxation or penalties for carbon emissions or environmental damage and other possible restraints on industry that may further impact the Company. While

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the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences.

Climate change may also cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns, incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates.

(j) **Reserves and resource estimates**

The resource statements and estimates set out in this Prospectus represent the estimated tonnages and grades which Austral has determined are technically feasible to progress more detailed technical and economic assessments. The resource statements are not sufficient to support the estimation of ore reserves which are economically viable to mine.

Resource estimates are expressions of judgment based on knowledge, experience and industry practice and the Joint Ore Reserve Committee code. These estimates are imprecise and depend to some extent on interpretations, which may ultimately prove to be inaccurate and require adjustment or, even if valid when originally calculated, may alter significantly when new information or techniques become available. As further information becomes available through additional drilling and analysis the estimates are likely to change. Any adjustments to resources could affect the Company's exploration and development plans which may, in turn, affect the Company's performance. The Company will undertake metallurgical studies to assess whether the resources are economically viable to mine. If Austral's actual realisation of mineral quantities and grades is less than estimated, there will be a corresponding effect on the operations and financial performance of the Company.

(k) **Contractual risks**

The Austral Group is a party to various contracts and has entered into the Lady Loretta Acquisition Agreement and the QCMBTF Share Subscription Agreement. These agreements are summarised in section 6. Austral has also entered into binding commitments with Eligible Investors to acquire New Shares under the Placement Offer.

No assurance can be given that all contracts to which Austral is a party will be fully performed by all contracting parties. If a contract summarised in section 6 is not fully performed in accordance with it terms, there is a risk that the Offers will not be completed in accordance with their respective terms or at all. Additionally, no assurance can be given that if a contracting party does not comply with any contractual provisions, Austral will be successful in securing compliance.

Whilst Austral has various contractual protections in place to quarantine its liabilities in the event of non-compliance by a contracting party, no assurance can be given that all contracts to which Austral is a party will be fully performed by all contracting parties. Additionally, no assurance can be given that if a contracting party does not comply with any contractual provisions, Austral will be successful in securing compliance. Any failure to secure timely compliance or substitution of key contracts may result in the operations of Austral being disrupted which could have a material adverse effect on its operations, financial position and financial performance.

(l) **Access to utilities**

Austral's mining activities rely on a significant quantity of power and water for mining and extraction activities, processing, and related support facilities. Water usage requires appropriate permits, which are granted by government authorities where Austral operates. Water permits are temporal and subject to usage and other conditions. Any change or effect on permitted allocation may affect Austral's operations and financial performance generally. Any failure or interruption to secure the necessary levels of power and water on commercially acceptable terms may affect Austral's development programme, production levels and operations generally which could adversely impact its financial performance and future prospects.

(m) **Equipment failure**

Austral's mining and processing operations are susceptible to equipment failure. The occurrence of any such failure or interruption may interrupt Austral's operations or delay Austral's production programme due to

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rectification or replacement of equipment. For example, the crusher screen decks have failed and the overland conveyor has suffered from belt failures. While Austral will seek to institute and maintain business interruption insurance, there is no guarantee that each incidence of equipment failure or business interruption will be covered by those policies or those policies can be secured on commercially acceptable terms. Any delay in production arising from such equipment failure may adversely affect the performance of the Austral operations.

(n) **Infrastructure risk**

Austral's mining, processing and development activities rely on critical infrastructure such as processing facilities, road and port access. A number of general factors could affect critical infrastructure and transport services, including third party contractual dispute, weather, global pandemics, infrastructure interruption, rail or port capacity, industrial action, commercial disputes, terrorist attacks, cyberattacks or other force majeure events.

The occurrence of any such disruptions may affect Austral's ability to deliver its copper product to third parties which could result in contractual breach and a corresponding impact on its financial performance and goodwill and reputation with contract counterparties. For example, any failure of Austral's third party transportation and logistics contracts to transport its copper product will affect its ability to discharge its obligations under any offtake arrangements it may affect at the time of delivery of its products and affect its operations and financial performance generally.

(o) **Environmental risks**

The Company's operations and projects are subject to the laws and regulations of all jurisdictions in which it has interests and carries on business, regarding environmental compliance and relevant hazards.

These laws and regulations set standards regulating certain aspects of health and environmental quality and provide for penalties and other liabilities for the violation of such standards. They also establish, in certain circumstances, obligations to rehabilitate current and former facilities and locations where operations are or were conducted.

As with most development and exploration projects operations, the Company's activities are expected to have an impact on the environment. Significant liability could be imposed on the Company for damages, clean-up costs, or penalties in the event of certain discharges into the environment, environmental damage caused by previous owners of property acquired by the Company, or non-compliance with environmental laws or regulations. It is the Company's intention to minimise this risk by conducting its activities to the highest standard of environmental obligation, including compliance with all environmental laws and where possible, by carrying appropriate insurance coverage.

There is also a risk that the environmental laws and regulations may become more onerous, making the Company's operations more expensive. Amendments to current laws, regulations and permits governing operations and activities of copper companies, or a more stringent implementation or enforcement, could have a material adverse impact on the Company and cause increases in exploration expenses, capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new properties.

(p) **Rehabilitation cost risk**

Austral makes provision in its financial statements for future rehabilitation and remediation costs. Estimating the likely quantum of such costs is uncertain and requires the use of assumptions as to mine life, mine processes, and future rehabilitation and closure costs. As such, no assurance can be given as to the accuracy of Austral's current provisions for future rehabilitation and closure costs, and actual costs may be substantially greater.

The Lady Loretta Acquisition obligates the Austral Group to undertake the rehabilitation of the Lady Loretta Project. While funds have been provided to the Austral Group, in consideration for undertaking the rehabilitation, there is no guarantee that the costs of such rehabilitation will be equal to or less than the funds provided. Any increase in rehabilitation liability will need to be sourced from the funds of the Austral Group which would impact Austral's liquidity and financial position.

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Austral's projects operate in Queensland. As a condition of undertaking mining operations, the Queensland government requires Austral to provide a guarantee against future rehabilitation and closure liability, in the form of a performance bond or bank guarantee. The quantum of the surety is determined by the Queensland government regulatory authority and is required to be based on an assessment of potential disturbance and contamination, and other criteria determined by the regulatory authority. This assessment and resultant determination may result in an increase in the quantum of the surety which would impact Austral's liquidity and financial position.

(q) **Ore Reserve depletion**

Austral's Ore Reserves will reduce through mining operations. Austral's medium to long term financial performance and viability will require it to supplement and increase its resources and Ore Reserves through exploration, increasing the resource status of its known resources or capital investment in alternate but commercially viable extraction methods.

(r) **Title Risk**

The exploration and mining tenements the Company currently hold, or may, in the future, acquire an interest, are subject to the applicable local laws and regulations. There is no guarantee that any permits, applications or conversions in which the Company has a current or potential interest will be granted.

The exploration tenements in which the Company has an interest will be subject to application for permit renewal from time to time. Renewal of the term of each permit is subject to applicable legislation. If the permit is not renewed for any reason, the Company may suffer significant damage through loss of the opportunity to develop and discover any mineral resources on that permit.

Although the Company has taken steps to verify the title to the resource properties in which it has or has a right to acquire an interest, in accordance with industry standards for the current stage of exploration and mining of such properties, these procedures do not guarantee title. Title to resource properties may be subject to unregistered prior agreements or transfers and may also be affected by undetected defects or other stakeholder rights.

(s) **Native Title**

The tenements which the Company has an interest in or will in the future acquire such an interest, may be areas over which legitimate common law native title rights of Aboriginal Australians exist. If native title rights do exist, the ability of the Company to gain access to tenements (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and mining phases of operations may be adversely affected.

All exploration tenements owned by the Austral Group are subject to native title agreements with either Kalkadoon Native Title Aboriginal Corporation (**KNTAC**) or Indjalandji – Dhidhanu Aboriginal Corporation (**IDAC**). All the exploration tenements have been granted either with Native Title Protection Conditions (NTPC's) or an agreement has been reached with the native title party under a Section 31 deed. All mining leases owned by the Company are subject to a native title agreement with KNTAC.

(t) **Changes in commodity price**

The Company's potential future revenues are likely to be derived mainly from copper revenue and/or from royalties gained from potential joint ventures or other arrangements.

Consequently, the Company's potential future earnings will likely be closely related to the price of copper.

Copper prices fluctuate and are affected by numerous industry factors including demand for the resource, forward selling by producers, production cost levels in major producing regions and macroeconomic factors, e.g. inflation, interest rates, currency exchange rates and global and regional demand for, and supply of, copper. If the Company is producing copper and the market price of copper were to fall below the costs of production and remain at such a level for any sustained period, the Company would experience losses and could have to curtail or suspend some or all of its proposed activities. In such circumstances, the Company would also have to assess the economic impact of any sustained lower commodity prices on recoverability.

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(u) **Failure to satisfy expenditure commitments and licence conditions**

The Company's current tenement suite is located in Queensland. Interests in tenements in Queensland are governed by the mining acts and regulations that are current in that jurisdiction and are evidenced by the granting of licences or leases. Each licence or lease is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to or its interest in the Tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments.

(v) **Financing**

Austral has finite financial resources and, presently has no significant excess cash flow from producing assets. On completion of the Offer, Austral anticipates having sufficient financial resources from proceeds raised from the Offer and the anticipated proceeds derived from the Heap Leach Re-Mine to develop and commercialise the Expansion Projects in the manner described in this Prospectus. However, the Company may require additional financing in order to develop the Expansion Projects where actual costs exceed anticipated expenses or where the anticipated proceeds derived from the Heap Leach Re-Mine are insufficient to cover any unforeseen increases in development or production costs associated with the Expansion Projects.

If the financial performance of Austral is not sufficient to satisfy any unforeseen increases in development or production costs associated with the Lady Loretta Project, the Heap Leach Re-Mine and the Expansion Projects, Austral will be required to raise additional equity or debt. There can be no assurance that any such equity or debt funding will be available to Austral on favourable terms or at all. Failure to obtain appropriate financing on a timely basis will affect the development and commercialisation of the Lady Loretta Project, Rocklands Project, the Heap Leach Re-Mine and each Expansion Project and its operations generally. If Austral raises additional funds through the issue of equity securities, this will result in dilution to the existing Shareholders and potentially a change of control of Austral.

(w) **Exchange rate risk**

The revenues, earnings, assets and liabilities of the Company may be exposed adversely to exchange rate fluctuations. The Company's revenue may be denominated in Australian Dollars or a foreign currency, such as United States Dollars. As a result, fluctuations in exchange rates could result in unanticipated and material fluctuations in the financial results of the Company.

(x) **Industrial risk**

Industrial disruptions, work stoppages and accidents in the course of the Company's operations could result in losses and delays, which may adversely affect Austral's operations and profitability.

(y) **Insurance arrangements**

The Company intends to ensure that insurance is maintained within ranges of coverage that the Company believes to be consistent with industry practice and having regard to the nature of activities being conducted. No assurance, however, can be given that the Company will be able to obtain such insurance coverage at reasonable rates or that any coverage it arranges will be adequate and available to cover any such claims.

Moreover, insurance against risks such as business interruption, environmental pollution or other hazards as a result of exploration, development and production activities is not generally available to the Company or to other companies in the copper industry on acceptable terms. The Company might also become subject to liability for pollution or other hazards that may not be insured against or which the Company may elect not to insure against because of premium costs or other reasons. Losses from these events may cause the Company to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

(z) **Land access risk**

Austral's projects are located in Queensland. Access to land in Queensland for mining and exploration purposes can be affected by land ownership, including private (freehold) land, pastoral lease and regulatory requirements within the jurisdiction where the Company operates. Any non-performance non-compliance by

or dispute with any contract counterparty or party granting land access could affect the Company's ability to access its projects and associated infrastructure which will affect operations and financial performance generally.

(aa) **Government policy**

Changes in relevant taxation, interest rates, other legal, legislative and administrative regimes, and Government policies in Queensland or at the federal level, may have an adverse effect on the assets, operations and ultimately the financial performance of the Company. These factors may ultimately affect the financial performance of the Company and the market price of its securities.

In addition to the normal level of income tax imposed on all industries, the Company may be required to pay government royalties, indirect taxes, GST and other imposts which generally relate to revenue or cash flows. Industry profitability can be affected by changes in government taxation policies.

Changing attitudes to environmental, land care, cultural heritage, together with the nature of the political process, provide the possibility for future policy changes in Queensland and federally. There is a risk that such changes may affect the Company's exploration and development plans or, indeed, its rights and/or obligations with respect to the tenements.

(bb) **Reliance on Key Personnel**

The Company is currently running a recruitment process for the purposes of engaging a new chief executive officer. The Board is confident a suitable candidate will be secured; however, there is no guarantee that an appropriately qualified and experienced candidate will fill that position in a timely manner or at all. The Company currently has a team of executives and senior personnel to progress its development, exploration and evaluation programme, within the time frames and within the costs structure as currently envisaged. The timing and costs associated with this programme could be influenced by the loss of existing key personnel or a failure to secure and retain additional key personnel as the Company's exploration and mining programme develops. The resulting impact from such loss would be dependent upon the quality and timing of the employee's replacement. Although the key personnel of the Company have a considerable amount of experience and have previously been successful in their pursuits of acquiring, exploring and evaluating resources projects, there is no guarantee or assurance that they will be successful in their objectives under the Offer.

5.3 **General Risks**

(a) **Investment risk**

There are a number of risks associated with any stock market investment. The market price of Shares can be expected to rise and fall in accordance with general market conditions and factors and there can be no certainty that, following listing, an active market for the Shares will develop.

The value of the Shares will be determined by the stock market and will be subject to a range of factors beyond the control of the Company or its Directors. These factors include movements in local and international stock exchanges, local interest rates and exchange rates, domestic and international economic and political conditions, government taxation, market supply, competition and demand and other legal, regulatory or policy changes.

The trading price after listing may also be affected by the financial and operating performance of the Company.

(b) **Share Market Risk**

The market price of Shares and other securities can be expected to rise and fall in accordance with general market conditions and factors specifically affecting the Australian resources sector and exploration and mining companies in particular.

There are a number of factors (both national and international) that may affect the share market price and neither the Company nor its Directors have control of these factors.

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(c) **Taxation**

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All Offer Participants in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation point of view and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability and responsibility with respect to the taxation consequences of applying for Shares under this Prospectus.

(d) **Force majeure events**

Acts of terrorism, an outbreak of international hostilities, pandemics or fires, floods, earthquakes, labour strikes, civil wars and other natural disasters may cause an adverse change in investor sentiment with respect to the Company specifically or the stock market more generally, which could have a negative impact on the value of an investment in the Shares.

(e) **Speculative nature of investment**

The above list of risk factors ought not to be taken as an exhaustive list of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may materially affect the financial performance of the Company and the value of the Shares offered under the Offers. The Shares issued under the Offers carry no guarantee in respect of profitability, dividends, return of capital or the price at which they may trade on ASX. Offer Participants should therefore consider an investment in the Company as speculative and should consult their professional advisers before deciding whether to apply for Shares under the Offers.

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6. Material Contracts

6.1 Joint Lead Manager Agreement

The Company has entered into an agreement with Bell Potter and Shaw and Partners appointing them as the exclusive Joint Lead Managers to the Placement Offer (**JLM Agreement**).

The Company has agreed to pay the Joint Lead Managers a 1.5% management fee of the funds raised under the Previous Placement, the Placement Offer and QCMBTF Offer (**Relevant Offers**) and a selling fee of 3.0% of funds raised under the Relevant Offers (except for those parties contractually excluded) (**Management & Selling Fee**).

The JLM Agreement does not constitute an offer by the JLMs to underwrite the Offer.

The JLM Agreement will continue for the earliest of the completion of the Placement Offer or 6 months after the date of the JLM Agreement. Other than a termination by the Company for cause due to fraud by the Joint Lead Managers, or wilful misconduct gross negligence or material breach of their obligations under the JLM Agreement. Where Austral terminates the JLM Agreement and subsequently completes the Placement Offer or similar equity capital raising within 6 months from the date of termination, Austral must pay the Joint Lead Managers within seven (7) days of the settlement date from the capital raising an amount equal to the Management & Selling Fee.

The JLM Agreement contains standard obligations and indemnities on the Company in favour of each JLM arising from any claims or losses incurred by either JLM under the Offer.

6.2 Lady Loretta Acquisition Agreement

(a) *Parties*

(1) Austral Resources Australia Limited ACN 142 485 470 **(AR1)**;

(2) Noranda Pacific Pty Ltd ACN 006 864 802 (**NP**);

(3) Noranda Pacific No. 2 Pty Ltd ACN 158 936 264 (**NP2**); and

(4) Mount Isa Mines Limited ACN 009 661 447 (**MIM**).

(b) *Transaction*

AR1 will acquire:

a) all of the issued share capital of NP from NP2 and MIM (being the Shareholders of NP); and

b) EPM26435 and EPM28557 (the **EPMs**) from MIM,

(collectively the **Lady Loretta Acquisition**).

(c) *Purchase Price*

The consideration for the Lady Loretta Acquisition is payment of cash in the amount of US$1.00.

In addition, AR1 agrees to pay to the Shareholders a 2.5% net smelter return royalty derived from the sale of copper product extract, recovered or produced within Lady Loretta Project and the area of the EPMs (**NSR**) following Completion in accordance with a corresponding royalty agreement (**Royalty Agreement**). The NSR will be guaranteed by NP by way of a second-ranking security to the Shareholders over all of its assets to secure performance of the NSR (**Prescribed Security Interest**).

In conjunction with the acquisition and in consideration of AR1 paying the Purchase Price:

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(1) NP2 and MIM will ensure that NP has a cash balance of not less than US$40 million (**Computed Cash**) in the bank accounts of NP at Completion;

(2) NP will retain the Computed Cash in the bank accounts maintained by or held in the name of NP; and

(3) the Computed Cash will be applied by NP immediately prior to Completion to satisfy the obligations of AR1 to make payment required for the Replacement ERC Bond (being a cash-backed bond estimated to be US$9.6 million for the anticipated rehabilitation costs of the Lady Loretta Project).

(d) *Conditions Precedent*

Completion of the Lady Loretta Acquisition is subject to the following conditions precedent:

(1) ASX conditions and/or requirements under the Listing Rules being satisfied;

(2) AR1 receiving all Shareholder and other regulatory approvals;

(3) parties obtaining ministerial consent to the proposed transfer of the EPMs to AR1;

(4) parties entering into an offtake agreement in relation to copper products derived from Lady Loretta;

(5) parties entering into the Royalty Agreement and Prescribed Security Interest; and

(6) assignment or novation of all Native Title Agreements entered in relation to the EPMs to the Austral Group.

Additionally, the parties must use their reasonable endeavours to procure the release of any guarantees or cross guarantee entered into by NP, NP2 or MIM.

(e) *Completion*

On Completion:

(1) AR1 must deliver to the NP2 and MIM consent letters (for appointment of officeholders) and any other documents reasonably required to carry out the transaction as contemplated by the Lady Loretta Acquisition Agreement.

(2) NP2 and MIM must:

(A) ensure the Computed Cash (less the ERC Replacement Bond funds) is held in the bank accounts of NP free of any encumbrances or third party rights;

(B) ensure that NP is debt free and liabilities are discharged or included in any working capital adjustment mechanism; and

(C) deliver to AR1 evidence and other documentation to confirm that NP has a clean exit from the Glencore corporate group.

(3) MIM must deliver to AR1:

(A) the mining information relating to the EPMs;

(B) duly executed transfer documents for MIM's interest in the EPMs in registrable form in favour of AR1;

(C) a copy of the Royalty Agreement and Prescribed Security Interest duly executed by the MIM; and

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(D) any other document or thing notified by the AR1 to MIM at least 3 Business Days prior to the Completion Date that is reasonably necessary to give full effect to the transfer of the EPMs to AR1.

(f) *Copper Production*

On and from Completion, AR1 agrees to process any copper oxides derived from the Lady Loretta through the Mt Kelly processing facility and otherwise dispose of any copper products derived from Lady Loretta or the EPMs under an offtake agreement with MIM or its nominee.

(g) *Warranties and indemnities*

The Lady Loretta Acquisition Agreement includes warranties and indemnities provided by MIM and NP2 in favour of AR1 in relation to title, status of the Lady Loretta tenements, the EPMs the financial position of NP and standard warranties for a transaction of this type.

In addition to standard warranties and indemnities which AR1 is required to provide, AR1 further agrees to indemnify and hold harmless each Shareholder and their respective affiliates from and against any liability which they may incur or sustain in connection with:

(A) a changed holder event and a changed holder review allocation under the Mineral and Energy Resources (Financial Provisioning) Act 2018 (Qld) (**Changed Holder Review**);

(B) an act or omission of AR1 or its subsidiaries after Completion in relation to the business carried on by NP (including operating the Lady Loretta Project), or in relation to the 'chain of responsibility' provisions primarily found in Chapter 7, Part 5, Division 4 of the *Environmental Protection Act 1994* (Qld) (as introduced through the *Environmental Protection (Chain of Responsibility) Amendment Act 2016* (Qld)).

(h) *Prescribed Security Interest*

AR1 has agrees to grant and procure the grant of the Prescribed Security Interest over NP and the EPMs in favour of MIM and NP2 (or their nominee) in order for it to protect its interest in respect of the Royalty Agreement which is subordinated to any security interest granted by AR1 in favour of a financier for the purpose of securing finance for the costs of development, design, construction, operation and maintenance of the AR1's operations in connection with the Lady Loretta Project or the EPMs.

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6.3 **AES Debt Conversion Agreement**

AES and Austral have agreed to discharge the debts owing by Austral to AES totalling a maximum of $2 million (**AES Debt**) by converting the AES Debt into New Shares at 5 cents per New Share. (**AES Debt Conversion**).

6.4 **QCMBTF – Share Subscription Agreement**

(a) *Parties*

(1) AR1; and

(2) QBF No. 1 Pty Ltd ACN 051 675 033 as trustee of the QCMBTF Critical Minerals and Battery Technology Fund (**QCMBTF**).

(b) *Transaction*

AR1 proposes to issue approximately 666,666,667 fully paid ordinary shares to sophisticated and professional investors to raise total gross proceeds of approximately A$60 million in a two-tranche placement (**Placement**).

QCMBTF has agreed to enter into a Share Subscription Agreement with AR1 for the purposes of subscribing for A$15 million (**Subscription Amount**) worth of shares at a price of A$0.09 per Share (**Placement Shares**).

(c) *Conditions Precedent*

Completion of the Share Subscription Agreement is subject to the following conditions precedent being satisfied:

(1) shareholder approval of AR1 for the issue and allotment of the Placement Shares to QCMBTF by the requisite majorities under Listing Rule 7.1 and otherwise in accordance with the Corporations Act and the Listing Rules, and such approval has not lapsed or expired;

(2) AR1 successfully receiving binding commitments for the Placement Offer and all conditions of the Placement Offer have been satisfied; and

(3) AR1 and QCMBTF agreement on a form of the budgeted expenditure for the Subscription Amount.

(d) *Settlement*

On Settlement:

(1) QCMBTF must pay to AR1 the Subscription Amount;

(2) AR1 will:

(A) issue and allot the Placement Shares to QCMBTF (or its nominee);

(B) register QCMBTF (or its nominee) as the holder of the Placement Shares;

(C) apply for and do all things reasonably necessary to ensure that the Placement Shares are quoted on ASX; and

(D) take all other steps required under its constitution, the ASX Settlement Operating Rules and the Corporations Act to constitute and evidence QCMBTF (or its nominee) as the holder of the Placement Shares.

(e) *Observer Rights*

QCMBTF may appoint a non-voting observer to each meeting of the Board provided QCMBTF hold at least a relevant interest of 5% or more of the total number of votes attached to voting shares in AR1.

(f) *Reporting*

AR1 are required to provide prescribed information to QCMBTF at the relevant times stipulated under the Share Subscription Agreement.

(g) *Termination*

QCMBTF may terminate the Share Subscription Agreement at any time prior to the issue of the Placement Shares in the event any of the following occur:

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(1) QCMBTF is not satisfied that the representations made by the AR1 accurately reflect the status of AR1's business and remain true, accurate and not misleading;

(2) there being an event or circumstance which results in, or could reasonably be expected to result in, a material adverse change by the Settlement Date;

(3) AR1 breaches its undertakings;

(4) AR1 fails to perform or observe any of its material obligations under the Share Subscription Agreement or breaches any of its warranties in any material respect, where such breach is not remedied;

(5) AR1 or any of its directors or officers engage in, or have engaged in, any fraudulent conduct or activity;

(6) any of the following occur:

(A) a director of AR1 is charged with an indictable offence in relation to their conduct as a director of AR1;

(B) any Governmental Agency commences any investigation or action against AR1 or any of its directors in their capacity as a director of the AR1, or announces that it intends to take such action; or

(C) any director of AR1 is disqualified from managing a corporation under Part 2D.6 of the Corporations Act;

(7) AR1 ceases to be admitted to the official list of the ASX or AR1's shares are suspended from trading on ASX for a continuous period of more than 5 trading days; or

(8) any of the transaction documents have been terminated in accordance with their respective terms.

AR1 may terminate the Share Subscription Agreement at any time prior to the issue of the Placement Shares in the event any of the following occur:

(1) AR1 is in any way prevented by any regulatory authority from proceeding, with the issue of the Placement Shares; or

(2) QCMBTF is placed into insolvency, an order for the winding up of QCMBTF has been made or threatened, QCMBTF has been placed into administration or the AR1's issue of the Placement Shares would be a breach of any applicable law, regulation or ordinance.

(h) *Warranties and indemnities*

The Share Subscription Agreement contains mutual warranties given by each of AR1 and QCMBTF in favour of the other, which are broadly consistent with market practice for a transaction of this nature. AR1 further provides specific warranties in relation (including but not limited) to its accounts, conduct and tenements.

QCMBTF also warrants that it is eligible as a sophisticated or professional investor within the meaning under section 708 of the Corporations Act to whom offers of securities can be made without disclosure under Part 6D.2 of the Corporations Act 2001 (Cth).

AR1 provide an indemnity in favour of QCMBT in respect of any loss suffered resulting from a breach of the Share Subscription Agreement, including for a breach of any representation or warranty.

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7. Additional information

7.1 Transaction specific prospectus

The Company is a disclosing entity and therefore subject to regular reporting and disclosure obligations under the *Corporations Act*. Under those obligations, the Company is obliged to comply with all applicable continuous disclosure and reporting requirements in the ASX Listing Rules.

This Prospectus is issued under section 713 of the Corporations Act. This section enables disclosing entities to issue a prospectus in relation to securities in a class of securities which has been quoted by ASX at all times during the three months before the date of the Prospectus or options to acquire such securities. Apart from formal matters this Prospectus need only contain information relating to the terms and conditions of the Offers, the effect of the Offers on the Company and the rights and liabilities attaching to the Securities offered.

Copies of the documents lodged by the Company with ASIC may be obtained from or inspected at an office of ASIC.

The Company will provide a copy of any of the following documents, free of charge, to any person who asks for a copy of the document before the Closing Date in relation to this Prospectus:

(a) annual financial report for the period ending 31 December 2024 (**Annual Report**);

(b) reviewed half-yearly financial statements for the Company for the period ending 30 June 2025; and

(c) any other financial statements lodged in relation to the Company with ASIC and any continuous disclosure notices given by the Company to ASX, in the period starting immediately after lodgement of the Annual Report and ending on the date of lodgement of this Prospectus with ASIC.

7.2 ASX Information

The ASX Announcements that the Company has made since 1 April 2025 (being the date of lodgement of the Annual Report) are set out in Appendix A of this Prospectus. Copies of ASX announcements made by the Company may be obtained on the ASX website or the Company's website: http://www.australres.com

The Company was reinstated to trading on ASX on 5 November 2025.

7.3 Rights and liabilities attaching to New Shares

The rights attaching to ownership of the New Shares will be the same as those attaching to all existing Shares on issue and are set out in the Company's Constitution, a copy of which is available for inspection at the registered office of the Company during business hours and on the Company's Website. The following is a summary of the principal rights of holders of the New Shares, subject to any special rights attaching to any class of share at a future time. This summary is not exhaustive, nor does it constitute a definitive statement of the rights and liabilities of the Company's Shareholders.

(a) *Voting*

At a general meeting of the Company on a show of hands, every member present in person or by proxy, attorney or representative has one vote and upon a poll, every member present in person, or by proxy, attorney or representative has one vote for every Share held by them.

(b) *Dividends*

The Shares will rank equally with all other issued Shares in the capital of the Company and may participate in dividends from time to time. Subject to the rights of holders of Shares of any special preferential or qualified rights attaching thereto, dividends are payable amongst the holders of Shares in proportion to the amounts paid up on such Shares respectively at the date of declaration of the

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dividend. The Directors may from time to time pay to Shareholders such final and interim dividends as in their judgment the position of the Company justifies.

(c) *Winding up*

Upon accepting the entitlement to New Shares and paying the Application Money, Shareholders will have no further liability to make payments to the Company in the event of the Company being wound up pursuant to the provisions of the Corporations Act.

(d) *Transfer of Securities*

Generally, the Shares will be freely transferable, subject to satisfying the usual requirements of security transfers on ASX. The Directors may decline to register any transfer of Shares, but only where permitted to do so under its Constitution and the Listing Rules (as applicable).

(e) *Future increases in capital*

The allotment and issue of any New Shares is under the control of the Directors. Subject to the Listing Rules, the Company's Constitution and the Corporations Act, the Directors may allot or otherwise dispose of New Shares on such terms and conditions as they see fit.

(f) *Small Holder Disposal*

The Company may take steps in respect of non-marketable holdings of Shares in the Company to effect an orderly sale of those Shares in the event that holders do not take steps to retain their holdings.

The Company may only take steps to eliminate non-marketable holdings in accordance with the Constitution and the Listing Rules. For more particular details of the rights attaching to Shares in the Company, Offer Participants should refer to the Constitution of the Company.

For more particular details of the rights attaching to ordinary shares in the Company, Offer Participants should refer to the Constitution of the Company.

7.4 Directors, Proposed Directors and key personnel

Current Board of Directors

The Board of the Company consists of:

(a) David Newling – Chairman

(b) Dan Jauncey – Non-Executive Director

(c) Michael Hansel – Non-Executive Director

(d) Neil Meadows – Non-Executive Director

(e) David Quinlivan – Non-Executive Director

(f) Sean Westbrook – Non-Executive Director

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Key Management

Austral will continue to seek to engage an appropriately qualified and experienced Chief Executive Officer. In the interim, David Newling will continue to undertake and discharge this role in conjunction with the Key Management team and other Board members.

The current Key Management team consists of:

(a) Shane O'Connell – Chief Operating Officer

(b) Angus Peterson – Chief Financial Officer

7.5 Corporate Governance

The Company has adopted a Corporate Governance Charter which can be obtained, at no cost, from the Company's registered office and is also available on the Company's Website.

The Company reports on its compliance with the recommendations made by the Corporate Governance Principles and Recommendations annually. Where the Company's corporate governance practices do not correlate with the practices recommended by the ASX Corporate Governance Council, the Company is working towards compliance however it does not consider that all practices are appropriate for the Company due to the size and scale of the Company operations.

7.6 Directors' interests

The nature and extent of the interest (if any) that any of the Directors or Proposed Directors of the Company holds, or held at any time during the last two years in:

(a) the formation or promotion of the Company;

(b) property acquired or to be acquired by the company in connection with:

(1) its formation or promotion;

(2) the Offers; or

(c) the Offers,

is set out below or elsewhere in this Prospectus.

Other than as set out below or elsewhere in this Prospectus, no one has paid or agreed to pay any amount, and no one has given or agreed to give any benefit to any Director or Proposed Director:

(a) to induce them to become, or to qualify as, a Director of the Company; or

(b) for services provided by a director in connection with:

(1) the formation or promotion of the Company; or

(2) the Offers.

Set out below are details of the interest of the Director in the securities of the Company immediately prior to lodgement of the Prospectus with the ASIC and the number of New Shares proposed to be issued to certain Directors under the Incentive Share Issue. Interest includes those securities held directly and indirectly. The table does not take into account any New Shares the Directors may acquire under the Offers.

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Director	No of Shares	No of Shares under Incentive Share Issue*
David Newling	-	20,000,000
Michael Hansel	1,014,943	8,000,000
Daniel Jauncey	219,829,119	4,000,000
Neil Meadows	-	-
David Quinlivan	-	-
Sean Westbrook	-	-
Total	**220,844,062**	**32,000,000**

*Note – the issue of Shares to Directors under the Incentive Share Issue is subject to Shareholder Approval.

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7.7 Directors' Fees

The total maximum remuneration of non-executive Directors is set by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed $500,000 per annum.

A Director may be paid fees or other amounts as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

Set out below is the remuneration paid to the current Directors of the Company and their associated entities for the past two financial years.

Directors' remuneration for the financial year ended 31 December 2025:

Director	Salary/Fees/Non-cash benefits	Performance Rights	Superannuation	Total
David Newling (Chairman)[2]	$71,601	-	$6,691	$78,293
Michael Hansel	$54,545	-	$6,409	$60,955
Daniel Jauncey	$54,545	-	$6,409	$60,955
David Quinlivan[1]	$5,952	-	$714	$6,667
Neil Meadows[1]	$5,952	-	$714	$6,667
Sean Westbrook[1]	$5,952	-	$714	$6,667
Total	**$198,549**	**-**	**$21,653**	**$220,202**

Notes:

1. Represents remuneration from 4 November 2025 to 31 December 2025.

2. All remuneration has been deferred / compromised in lieu of the Incentive Shares for the period to 3/12/2025

Directors' remuneration for the financial year ended 31 December 2024:

Director	Salary/Fees/Non-cash benefits	Performance Rights	Superannuation	Total
David Newling[1] (Chairman)	$34,495	-	$5,674	$40,169
Phillip Thomas[2] (Former Chairman)	$46,154	($55,577)	$5,084	$(4,339)
Michael Hansel	$54,545	$5,398	$6,136	$66,081
Daniel Jauncey	$310,126	($13,652)	$30,390	$326,864
Total	**$445,320**	**($63,831)**	**$47,284**	**$428,773**

Notes:

1. Payment of remuneration has been agreed to be deferred until the restructure of existing debt and/or re-quotation of the Company's securities on the ASX. This represents remuneration from 1 July 2024 to 31 December 2024. Mr Newling has agreed to forfeit any remuneration owed to him if the Incentive Shares are issued to him.

2. Represents remuneration from 1 January 2024 to 30 June 2024.

The Board considers that these fees are reasonable remuneration pursuant to section 211 of the Corporations Act and accordingly, member approval is not required.

Details of the intention of Directors to participate in the Offers is set out in section 1.10.

7.8 Related party transactions

From time to time the Company may be party to transactions with related parties including:

(a) employment and service arrangements; and

(b) payment of Directors fees; and

(c) the issue of Shares.

The Company believes that it has made appropriate disclosure of past related party transactions and other than any further disclosure specifically set out below or made elsewhere in this Prospectus does not intend to make any further disclosure of such transactions which transactions will have either proceeded on an "arm's length" basis, reasonable remuneration basis or been approved by shareholders in general meeting.

The Company discloses the following transactions with related parties which have either proceeded on an "arm's length" or reasonable remuneration basis or have been approved by Shareholders in general meeting. The transactions are:

(a) AES Debt Conversion on the terms contained in 6.4 (which is subject to shareholder approval);

(b) Heavy machinery hire agreement for the Company operation with AES on commercial terms; and

(c) letter of appointment with the non-executive Directors, David Newling, Dan Jauncey, Michael Hansel, Neil Meadows, David Quilivan and Sean Westbrook; and

(d) proposed issue of Shares under the Incentive Share Issue to David Newling, Dan Jauncey and Michael Hansel.

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The non-interested members of the Board consider that each of the above transactions is reasonable remuneration pursuant to section 211 of the Corporations Act. In addition, the issue of Shares under the Incentive Share Issue to David Newling, Dan Jauncey and Michael Hansel is subject to and will not occur without Shareholder approval.

Payment of Non-Executive Director fees

Each of the Non-Executive Directors of the Company other than the Chairman, David Newling (Dan Jauncey, Michael Hansel, Neil Meadows, David Quinlivan and Sean Westbook) are entitled to be paid a directors' fee in the amount of $80,000 per annum (**Non-Executive Directors Fee**). David Newling, the Board Chair, is entitled to be paid a director's fee in the amount of $100,000 per annum.

The Board considers that these fees are reasonable remuneration pursuant to section 211 of the Corporations Act and accordingly, member approval is not required.

7.9 Interests of experts and advisers

This section applies to persons named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus, promoters of the Company and stockbrokers or arrangers (but not sub-underwriters) to the Offers (collectively **Prescribed Persons**).

Other than as set out below or elsewhere in this Prospectus, no Prescribed Person has, or has had in the last two years, any interest in:

(a) the formation or promotion of the Company;

(b) any property acquired or proposed to be acquired in connection with the formation or promotion of the Company; or

(c) the offer of New Shares under this Prospectus.

Other than that, as set out below or elsewhere in this Prospectus, no benefit has been given or agreed to be given to any Prescribed Person for services provided by a Prescribed Person in connection with the:

(a) formation or promotion of the Company; or

(b) offer of New Shares under this Prospectus.

GLG Legal are acting as legal adviser to the Offers and have performed work in relation to the Prospectus. Michael Hansel, a Director of the Company is the Managing Principal of GLG Legal. In doing so, GLG Legal have placed reasonable reliance upon information provided to them by the Company. GLG Legal does not make any statement in this Prospectus. In respect of this work, the Company estimates that it will pay approximately $175,000 (excluding disbursements and GST) to GLG Legal. In the two years preceding lodgement of this Prospectus with ASIC, GLG Legal has provided legal services to the Company in accordance with usual time-based charge out rates.

RSM Corporate Australia Pty Ltd (**RSM**) is named in the Corporate Directory as Independent Accountant to the Company. RSM has given its consent to be named as the Independent Accountant in the Prospectus and to be named in the form and context in which it is named and has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC. RSM does not make any other statement in this Prospectus. RSM will be paid for work performed in accordance with usual time-based charge out rates and estimate their professional costs at $20,000 (excluding disbursements and GST) at the date of this Prospectus.

Bell Potter is named in the Corporate Directory as a Joint Lead Manager to the Placement Offer. Bell Potter has given its consent to be named as a Joint Lead Manager to the Placement Offer in the form and context in which it is named and has not withdrawn its consent prior to lodgement of this Prospectus with ASIC. Bell Potter makes no statement in this Prospectus nor are any statements in this Prospectus based on any

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statement by it, other than being named as a Joint Lead Manager, and has not authorised or caused the issue of this Prospectus. In consideration for Bell Potter's role in relation to the Placement Offer, Bell Potter are entitled to receive a fee as set out in section 6.1 of this Prospectus.

Shaw and Partners is named in the Corporate Directory as a Joint Lead Manager to the Placement Offer. Shaw and Partners has given its consent to be named as a Joint Lead Manager to the Placement Offer in the form and context in which it is named and has not withdrawn its consent prior to lodgement of this Prospectus with ASIC. Shaw and Partners makes no statement in this Prospectus nor are any statements in this Prospectus based on any statement by it, other than being named as a Joint Lead Manager, and has not authorised or caused the issue of this Prospectus. In consideration for Shaw and Partner's role in relation to the Placement Offer, Shaw and Partners are entitled to receive a fee as set out in section 6.1 of this Prospectus.

7.10 Subsequent events

There has not arisen, at the date of this Prospectus any item, transaction or event of a material or unusual nature not already disclosed in this Prospectus or in continuous disclosure notices, which is likely, in the opinion of the Directors of the Company to affect substantially:

(a) the operations of the Company,

(b) the results of those operations; or

(c) the state of affairs of the Company.

7.11 Litigation

The Company is not engaged in any litigation which has or would be likely to have a material adverse effect on either the Company or its business.

7.12 Privacy

By submitting an Acceptance Form for shares you are providing to the Company personal information about yourself. If you do not provide complete and accurate personal information, your application may not be able to be processed.

The Company maintains the register of members of the Company through its share registry an external service provider. The Company requires its share registry to comply with the National Privacy Principles with performing these services. The Company's register is required under the Corporations Act to contain certain personal information about you such as your name and address and number of shares and options held. In addition, the Company collects personal information from members such as, but not limited to, contact details, bank accounts and membership details and tax file numbers.

This information is used to carry out registry functions such as payment of dividends, sending annual and half yearly reports, notices of meetings, newsletters and notifications to the Australian Taxation Office. In addition, contact information will be used from time to time to inform members of new initiatives concerning the Company.

The Company understands how important it is to keep your personal information private. The Company will only disclose personal information we have about you:

(a) when you agree to the disclosure;

(b) when used for the purposes for which it was collected;

(c) when disclosure is required or authorised by law;

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(d) to other members in the Group;

(e) to your broker;

(f) to external service suppliers who supply services in connection with the administration of the Company's register such as mailing houses and printers, Australia Post and financial institutions.

You have the right to access, update and correct your personal information held by the Company and its share registry, except in limited circumstances. If you wish to access, update or correct your personal information held by the share registry or by the Company please contact our respective offices.

If you have any questions concerning how the Company handles your personal information, please contact the Company.

7.13 Expenses of the Offers

All expenses connected with the Offer are being borne by the Company. Total expenses of the Offers are estimated to be in the order of $3.4 million. The breakdown of the expenses are as follows:

Description	$ Fee (approximate)
JLM fees	$2,925,000
Legal fees	$300,000
Accounting fees	$20,000
Share registry costs	$20,000
ASX Listing fees	$65,000
ASIC fees	$3,500
Other (miscellaneous)	$100,000
Total	**$3,433,500**

7.14 Consents and disclaimers

Written consents to the issue of this Prospectus have been given and at the time of this Prospectus have not been withdrawn by the following parties:

GLG Legal have given and have not withdrawn their consent to be named in this Prospectus as legal advisers to the Offers in the form and context in which they are named. They take no responsibility for any part of the Prospectus other than references to their name.

RSM Corporate Australia Pty Ltd have given and have not withdrawn their consent to be named in this Prospectus as the independent accountant in the form and context in which they are named. They take no responsibility for any part of the Prospectus other than references to their name.

Bell Potter has given and has not withdrawn its consent to be named in this Prospectus as a Joint Lead Manager to the Placement Offer in the form and context in which it is named. It takes no responsibility for any part of the Prospectus other than references to its name.

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Shaw and Partners has given and has not withdrawn its consent to be named in this Prospectus as a Joint Lead Manager to the Placement Offer in the form and context in which it is named. It takes no responsibility for any part of the Prospectus other than references to its name.

7.15 Directors' statement

This Prospectus is issued by Austral Resources Australia Limited. Each Director has consented to the lodgement of the Prospectus with ASIC.

Signed on the date of this Prospectus on behalf of Austral Resources Australia Limited by:

.....
David Newling
Chairman

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8. Definitions and glossary

Terms and abbreviations used in this Prospectus have the following meaning:

Acceptance	An acceptance of the Offer under an Acceptance Advice.
Acceptance Advice	An AR1 Acceptance instruction or advice for the relevant Offer to be provided with a copy of this Prospectus.
Acceptance Form or Application Form	An Acceptance Advice in relation to the Placement Offer, the QCMBTF Subscription Agreement, SPP or AES Debt Conversion.
AES	Collectively Austral Equipment Solutions Pty Ltd ACN 626 190 770 and Equipment Engineering Solutions Pty Ltd ACN 134 044 474 trading as *Williams Equipment Engineering*.
AES Debt	Debt owing by the Company or ARO to AES up to a maximum of $2 million.
AES Debt Conversion	Means the conversion of AES Debt to New Shares as set out in section 6.3.
Anthill Project	The Anthill mine and Mount Kelly copper oxide heap leach and solvent extraction electrowinning plant and facility, including the mining leases which underlie and authorise the mine and the plant and facility.
Applicant	A person who submits an Acceptance Advice in accordance with this Prospectus.
Application Money	The aggregate amount payable for the New Shares applied for by an Applicant, calculated as multiplying the Offer Price by the number of New Shares applied for.
ASIC	Australian Securities and Investments Commission.
Associates	Has the meaning given to that term in the Corporations Act.
ASX	ASX Limited and the Australian Securities Exchange.
ASX Listing Rules or Listing Rules	The official listing rules of the ASX.
ASX Settlement	ASX Settlement Pty Ltd.
ASX Settlement Operating Rules	The operating rules of ASX Settlement.
ARO or Tenement Holder	Austral Resources Operations Pty Ltd ACN 136 930 222.
Austral Group	Austral and its related bodies corporate.
Authorisation	Any consent, authorisation, registration, filing, lodgement, notification, agreement, certificate, commission, lease, licence, permit, approval or exemption from, by or with a government authority (including the tenements) or the Australian Securities Exchange, including without limitation, any environmental approvals and mining authorisations.

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Bell Potter	Bell Potter Securities Limited ACN 006 390 772.
Business Day	Has the same meaning as in the ASX Listing Rules.
Closing Date	In relation to the SPP – Monday, 23 March 2026; and In relation to each other Offer – Monday, 30 March 2026, or such other date determined by the Board and the Joint Lead Managers.
Company or **Austral or AR1**	Austral Resources Australia Limited ACN 142 485 470.
Company Website	The website available at: https://www.australres.com
Constitution	The Constitution of the Company.
Corporations Act	*Corporations Act 2001* (Cth).
CRA	Copper Resources Australia Limited ACN 641 083 445 (Administrator Appointed).
Custodian Certificate	A certificate to be provided by Custodians, in conjunction with any Acceptance Advice, certifying prescribed matters contained the SPP terms and conditions.
DFIL	Dragon Field International Limited (Hong Kong Company No. 2362613).
Directors or **Board**	The Board of directors of the Company from time to time.
Eligible Investor	A class or category of investor under section 708 of the Corporations Act to whom offers of securities can be made without disclosure under Part 6D.2 of the Corporations Act or otherwise an investor within the Eligible Jurisdiction to whom an offer of securities can be made.
Eligible Jurisdiction	In relation to the Placement - Australia. In relation to the Shareholder Priority Placement – Eligible Shareholders in Australia and New Zealand.
Eligible Shareholder	Shareholders of the Company who are registered as holders of Shares at 7pm (**AEST**) on the Record Date and have a registered address in an Eligible Jurisdiction and, in the case of Shareholders who have a registered address in New Zealand, are wholesale investors.
EPM	Exploration permit for minerals.
Expansion Projects	ARO's copper and other commodity projects and future potential production with mine optimisation and prefeasibility studies being undertaken at the Austral Group's Mt Clark/Flying Horse and Lady Colleen Project Areas, other than on or within the Anthill Project Mining Tenement.
FATA	*Foreign Acquisitions and Takeovers Act 1975* (Cth).
Financial Provisioning	The financial provisioning required under the *Mineral and Energy Resources (Financial Provisioning) Act 2018 (Qld).*

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GAH	Glencore Australia Holdings Pty Limited ACN 160 626 102.
GIAG	Glencore International AG.
Glencore	GIAG (or a related body corporate of that entity).
Group or Austral Group	The Company and each of its wholly owned subsidiaries.
Heap Leach Re-Mine	The further extraction of copper oxide derived from the subsequent re-mine of the existing heap leach pads following the extract of copper ore from the Anthill Project.
Incentive Share Issue	The proposed issue of 75 million Shares to related parties, employees and contractors of the Company the subject of Shareholder approval.
Issue Date	The date on which the Shares are issued on completion of the Offers as set out in this Prospectus, subject to variation by the Company without notice.
Jauncey Entities	Mr Daniel Jauncey, Yellow Gear Pty Ltd ACN 148 072 <Super Snake A/C> and Moose 2.0 Pty Ltd <The Moose A/C>
JORC	Joint Ore Reserves Committee.
JORC Code	Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2012 edition, effective December 2012.
Joint Lead Managers or JLMs	Bell Potter and Shaw and Partners.
JLM Agreement	Means the agreement between the Company and the Joint Lead Managers on the terms summarised at section 6.1.
Law	The Corporations Act or any relevant and applicable law in Australia.
Lady Loretta Acquisition	The proposed acquisition of the Lady Loretta Project on the terms summarised in section 6.2.
Lady Loretta Project	The Lady Loretta zinc mine processing plant and facility, including the mining leases which underlie and authorise the mine.
Lady Loretta Mining Leases	ML 5568 and ML 90239.
Mineral Resource (as defined under JORC Code)	A concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade (or quality), and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade (or quality), continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories.
Minimum Amount	$11,776,805.
MIM	Mt Isa Mines Limited ACN 009 661 447.

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ML	Mining lease.
New Shares	The Shares offered under this Prospectus.
Noranda Pacific	Noranda Pacific Pty Ltd ACN 006 864 802.
NP2	Noranda Pacific No. 2 Pty Ltd ACN 158 936 264
Offer Price	9 cents ($0.09) per New Share.
Offers	The Placement Offer, the QCMBTF Offer, the AES Offer and the SPP.
Offer Participants	Placement Participants, QCMBTF, Eligible Shareholders and AES.
Official List	The official list of entities that ASX has admitted and not removed.
Official Quotation	Quotation on ASX.
Opening Date	In relation to the SPP – Thursday, 26 February 2026; and In relation to each other Offer - Thursday, 19 February 2026.
Options	Options to subscribe for Shares.
Ore Reserve (as defined by the JORC Code)	The economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at prefeasibility or feasibility level as appropriate that include application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified. Ore Reserves are sub-divided in order of increasing confidence into Probable and Proved Ore Reserves.
Placement Offer	A placement by the Company of 130,853,456 Shares to Placement Participants at the Offer Price, raising the Minimum Amount.
Placement Commitment Letters	The firm commitment by the Placement Participant in favour of the Company to commit to and subscribe for New Shares under the Placement Offer.
Placement Participants	The Eligible Investors who have participated in, or do participate in, the Placement Offer.
Placement Securities	The New Shares issued under the Placement Offer.
Previous Placement	The issue of 424,702,100 raising a total of $38,223,189.
Processing Facility	The copper concentrate processing facility located at the Rocklands Project.
Prospectus	This Prospectus as modified or varied by any supplementary prospectus made by the Company and lodged with the ASIC from time to time and any electronic copy of this prospectus and supplementary prospectus.
QCMBTF	QBF No. 1 Pty Ltd ACN 051 675 033 as trustee of the QIC Critical Minerals and Battery Technology Fund.

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QCMBTF Offer	A placement offer to QCMBTF of 166,666,667 New Shares at the Offer Price per New Share pursuant to the terms of the Share Subscription Agreement
Record Date	18 February 2026
Register	Company Register of the Company.
Reinstatement	The reinstatement of the Shares to trading on the ASX.
Relevant Interest	Has the meaning given to that term in the Corporations Act.
Rocklands Acquisition	The acquisition of the Rocklands Project (via the acquisition of CRA).
Rocklands Project	The Rocklands Processing Facility and underlying Rocklands Tenements.
Rocklands Tenements	Each of EPM 18054, ML 90177, ML 90188 and ML 90219.
Secover	Secover Pty Ltd ACN 645 065 238.
Securities	Has the same meaning as in section 92 of the Corporations Act.
Securityholder	The holder of Securities in the Company from time to time.
Sellers	Sellers means each NP2 and MIM with respect to Austral's acquisition of Noranda Pacific.
Share or Shares	The ordinary fully paid shares on issue in the Company from time to time.
Shareholder Approval	The approval of Shareholders of the resolutions summarised in section 2.11.
Shareholder Priority Placement or SPP	An offer to Eligible Shareholders to raise a maximum of $5,000,000.
Share Subscription Agreement	The Agreement between QCMBTF and the Company to undertake and complete the QCMBTF Offer summarised at section 6.4
Share Registry	Automic Pty Ltd trading as Automic Group
Shaw and Partners	Shaw and Partners Limited ACN 003 221 583.
Tenements	The Tenements include each the (a) ML 5568; (b) ML 90239; (c) EPM 26435; and (d) EPM 28557.
Thiess	Thiess Pty Ltd ACN 010 221 486.

TSF	Tailings storage facility.
US Securities Act	The US Securities Act of 1933, as amended.
$M	Million dollars.

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Corporate Directory

Directors & Company Secretary	Legal Advisers to the Offer
Mr David Newling (Chairman) Mr Dan Jauncey (Non-Executive Director) Mr Michael Hansel (Non-Executive Director) Mr David Quinlivan (Non-Executive Director) Mr Neil Meadows (Non-Executive Director) Mr Sean Westbrook (Non-Executive Director) Mr Jarek Kopias (Company Secretary)	GLG Legal Level 25 240 Queen Street Brisbane QLD 4000 Telephone: (07) 3161 9555 Website: www.glglegal.com.au
Administration and Registered Office	**Joint Lead Managers**
Level 9, 60 Edward Street Brisbane City Qld 4000 Telephone: (07) 3520 2500 Email: admin@australres.com Website: www.australres.com	Bell Potter Securities Limited Telephone: (08) 9326 7666 Website: www.bellpotter.com.au/ Shaw and Partners Limited Telephone: (02) 9238 1238 Website: www.shawandpartners.com.au
Independent Accountant	**Share Registry**
RSM Australia Level 27, 120 Collins Street Melbourne VIC 3000 Telephone: +61 3 9286 8000 Website: www.rsm.global/australia/offices/melbourne	Automic Group Level 5, 126 Phillip Street Sydney NSW 2000 Correspondence: GPO BOX 5193, Sydney NSW 2001 Telephone: +61 2 9698 5414 Website: www.automicgroup.com.au

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Appendix A - ASX Announcements

Date	Title of Announcement
18/02/2026	Voluntary Suspension
16/02/2026	Lady Loretta Acquisition and Repayment of Rocklands Facility
16/02/2026	Trading Halt
13/02/2026	Drilling to Commence at Rocklands
13/02/2026	MBK:MOU With Austral to Assess Toll Treatment of Millennium
13/02/2026	MOU for Toll Treatment of Ore at Rocklands
12/02/2026	Additional Copper Unlocked via Heap Leach Remine Technology
10/02/2026	Bell Potter Unearthed Conference Presentation
30/01/2026	Lady Loretta Mine Acquired Increasing Copper Pipeline
29/01/2026	Site Visit Presentation
27/01/2026	Austral December 2025 Quarterly Report
23/01/2026	Ceasing to be a substantial holder
23/01/2026	Becoming a substantial holder
16/01/2026	Lady Loretta Mine Acquired Increasing Copper Pipeline
14/01/2026	MOU for Toll Treatment of Ore at Rocklands
02/01/2026	Successful Weather Event Management and Copper Production
19/12/2025	Change of Director's Interest - D Jauncey
18/12/2025	Copper-Gold Exploration Targets Strengthen Growth Pipeline
17/12/2025	Copper Oxide Growth Opportunity next to Mt Kelly Plant
25/11/2025	Notice of change of interests of substantial holder
12/11/2025	Ceasing to be a substantial holder
11/11/2025	Notice of change of interests of substantial holder
05/11/2025	Austral Resources Reinstated to Trading on ASX
04/11/2025	Reinstatement to Quotation

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Date	Title of Announcement
04/11/2025	Initial Director's Interest Notice - D Quinlivan
04/11/2025	Initial Director's Interest Notice - S Westbrook
04/11/2025	Initial Director's Interest Notice - N Meadows
04/11/2025	Reinstatement - Holdings Range
04/11/2025	Reinstatement - Top 20 Shareholders
04/11/2025	Reinstatement - Pro-forma Balance Sheet
04/11/2025	Reinstatement - Statement of Confirmations
31/10/2025	Extension of ASX Suspension
31/10/2025	Becoming a substantial holder
29/10/2025	Austral September 2025 Quarterly Report
28/10/2025	Ceasing to be a substantial holder
28/10/2025	Becoming a substantial holder
28/10/2025	Notice of initial substantial holder
27/10/2025	Notice of initial substantial holder
27/10/2025	Notice of initial substantial holder
24/10/2025	Notice of change of interests of substantial holder
24/10/2025	Notice of change of interests of substantial holder
24/10/2025	Change of Director's Interest Notice - D Jauncey
24/10/2025	Notification regarding unquoted securities - AR1
24/10/2025	Application for quotation of securities - AR1
24/10/2025	Application for quotation of securities - AR1
24/10/2025	Becoming a substantial holder
21/10/2025	Binding Commitments Received for $40 Million Placement Offer
15/10/2025	Long Term Suspended Entities
09/10/2025	Austral Resources Supplementary Prospectus

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Date	Title of Announcement
08/09/2025	Austral Resources Investor Presentation
05/09/2025	Extension of ASX Suspension
04/09/2025	Results of 2025 General Meeting
04/09/2025	Shareholder Meeting Chairman's Address
04/09/2025	Update - Proposed issue of securities - AR1
04/09/2025	Proposed issue of securities - AR1
04/09/2025	Austral Resources Prospectus
04/09/2025	Update on Execution of Agreements
04/09/2025	Austral Resources Appendix 4D and Half-year Report
04/09/2025	Finalisation of Glencore Rocklands Acquisition Agreements
19/08/2025	Shareholder Meeting Notice Addendum and Proxy Form
12/08/2025	Board Appointments
07/08/2025	MOU with Maronan Metals
07/08/2025	MMA: MoU Signed with Austral for Potential Toll Treatment
04/08/2025	Notice of 2025 Shareholder Meeting and Proxy Form
28/07/2025	Austral June 2025 Quarterly Report
22/07/2025	MOU for Acquisition of Lady Loretta
16/07/2025	Change of Director's Interest - M Hansel
16/07/2025	Change of Director's Interest - D Jauncey
16/07/2025	Notification of cessation of securities - AR1
16/07/2025	Long Term Suspended Entities
04/07/2025	Change of Directors Interest – D Jauncey
04/07/2025	Change of Directors Interest – M Hansel
04/07/2025	Application for quotation of securities - AR1

Date	Title of Announcement
03/07/2025	Proposed issue of securities - AR1
03/07/2025	Acquisition of Rocklands to Transform Austral
21/05/2025	Results of 2025 Annual General Meeting
21/05/2025	2025 Annual General Meeting Chairman's Address
29/04/2025	Austral March 2025 Quarterly Report
17/04/2025	Notice of 2025 AGM and Proxy Form
09/04/2025	Long Term Suspended Entities
01/04/2025	Corporate Governance Statement and Appendix 4G

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