

9 August 2022

Enterprise Maiden Resource highlights prospectivity of AR1's eastern tenure

Highlights:

- Maiden Mineral Resource Estimate completed for the Enterprise Deposit within Austral's Eastern Succession tenements
- The Mineral Resource at a 0.7% Copper cut-off and to a depth of 85m below surface is:
 - o 0.58 Mt @ 1.3% Cu (Inferred Sulphide Mineral Resource)
- Mineralisation is tested to over 200m in depth, remains open at depth and the highgrade core appears to lengthen at depth
- The Enterprise Mineral Resource has potential to improve with further exploration and is adjacent to other current copper operations
- The maiden Enterprise Mineral Resource Estimate highlights the prospectivity of ARI's Eastern tenure
- Copper producer Austral Resources Australia Ltd (ASX:**ARI**) (**"Austral"** or the **"Company"**) is pleased to announce the completion of a maiden Mineral Resource for the Enterprise deposit within EPM 17527 in Austral's Eastern Succession tenement package.
- The Enterprise deposit was originally discovered and initially drilled out by CST Minerals' Lady Annie Exploration Pty Ltd ("CST") in 2015 and 2016. Further work planned by CST was not completed due to budget constraints.
- Today's maiden Mineral Resource is classified as Inferred and reflects the broad 40m by 120m drill hole spacing.
- Austral has completed the maiden Mineral Resource estimate originally planned by CST to determine the next phase of resource definition infill drilling.
- The maiden Mineral Resource estimate, along with preliminary mining studies has indicated the potential for a small sulphide open pit mine with toll treatment potential at one of several regional copper processing mills.
- The Enterprise Mineral Resource warrants further work including drilling to test depth potential and infill current drill spacing, metallurgical evaluation and the measurement of density.

Location and Tenure

The Enterprise deposit lies within EPM17527 and is held 100% by Austral. It is 22 km north of the Mount Cuthbert Mine site and 110 km north-northwest of Mount Isa (Figure 1). It is 6 km west of the Dobbyn mine site and 2 km east of the haul road that connects Mount Watson mine site to the Mount Cuthbert processing centre.

Enterprise is within the Eastern Fold belt of the Mount Isa Inlier and is separated from other Austral operations around Lady Annie. The deposit is within ore transport distance to several local copper processing facilities at Mount Cuthbert that processes oxide ore by heap leach and Rocklands and Ernest Henry that process sulphide ore by flotation.



Figure 1. Enterprise location and tenements





Geology

EPM17527 which contains Enterprise lies predominantly within the Kalkadoon-Leichhardt Belt and the Mary Kathleen Zone of the Mount Isa Inlier. The principal deposits in the vicinity are hosted by lithologies assigned to the Kalkadoon-Leichhardt Belt. These include felsic metavolcanic rocks assigned to the Leichhardt Volcanics of Cover Sequence 1.

Unconformably overlying the Leichhardt Volcanics is a sequence of regionally metamorphosed sedimentary rocks together with felsic-mafic volcanic rocks assigned to the Tewinga Group (Magna Lynn Meta-basalt and Argylla Formation). Calcareous sedimentary rocks of Cover Sequence 2 unconformably overlie the Kalkadoon-Leichhardt Belt rocks along the eastern margin of the Tenement. Granitoid rocks of the Kalkadoon Batholith, plus mafic sills and dykes have been emplaced into the Kalkadoon-Leichhardt Belt rocks prior to the deposition of Cover Sequence 2.

The known copper mineralisation in the area is confined to shears or dilational zones and are typically developed at structure nodes. In addition, numerous smaller deposits and minor occurrences are spatially associated with the mafic intrusive bodies. Copper mineralisation occurs within quartz veins, on shear planes and as void fills. It was emplaced during late-D2 to late-D3 time. No mineralisation associated with D1 has been noted in the area.

The deposits are predominantly small and oxidised to depths of up to 80 m. The depth of oxidation is generally related to the size of the shear or structure hosting mineralisation. Typically, the deposits are zoned from malachite/azurite and/or chrysocolla at surface to chalcocite, cuprite, tenorite, and native copper in the transition zone, to chalcopyrite at depth.

The Enterprise copper mineralised zone at surface comprises malachite in quartz veins and a highly sheared (20° fabric) magnetic mafic unit (most likely an intrusive) over 250m, at the NW-SE trending contact zone between interpreted Leichhardt volcanic rocks to the SW and Kalkadoon granodiorite to the NE. This contact was the prime focus for the RC drill programme. The area surrounding the Enterprise Cu mineralisation has extensive sheet-wash cover obscuring most of the geology and potential mineralisation, limiting surface mapping. Available outcrop mapping is presented in Figure 2.

From logging of the RC drill chips, the depth of oxidation is 10 to 15 m making Enterprise primarily a sulphide deposit. Sulphide mineralisation comprises chalcopyrite (Cu bearing) and pyrite at depth associated with a composite quartz vein hosted in a mafic unit. The mafic unit is magnetic with zones rich in biotite and has been pervasively invaded by silica where mineralised. Minor graphite was observed in the composite quartz vein. Assays from drilling indicate the ore grade Cu mineralisation is >15 m true width over >300 m strike and is open in both strike directions (NW and SE) and to depth.





Figure 2. Enterprise local geology

Drilling

CST completed four discovery holes in 2015 and then a 44-drill hole program at the Enterprise project in 2016. The 2016 program comprised an initial 7-hole program targeting chargeability anomalies and a follow-up resource definition program of 37 holes mostly on 40 m spacing on 120 m spaced lines (Figure 3 and Appendix 1).

The drilling was by a large truck mounted Reverse Circulation ("RC") drilling rig capable of conversion to diamond drilling. Drilling is predominantly RC with 48 RC drill holes for 6634 m. Four of these had diamond core tails with for an additional 355 m, mostly at depth and below the Mineral Resource area reported.

Several geophysical surveys were undertaken prior to the original drilling programs, and these were used to orientate the drilling drill to provide an optimal angle of intersection but are not otherwise used for the Mineral Resource estimate.

Drill collars were surveyed by a local register surveyor who established the initial drilling grid and tie the coordinates back to the national grid system. Down hole surveys were collected using a Reflex Tool 705 gyroscopic survey tool on 10 m intervals and at the end of hole that should provide high quality survey results.





Figure 3. Enterprise drill hole locations

Sampling

Industry standard sampling methods were used.

RC samples were collected by cyclone and split using an onboard triple deck riffle splitter to generate a 1 in 8 split of the RC chips. Some composite sampling was done but the results are not complete and not used. Sample weights indicate good RC recovery.

Diamond core was halved for sampling. The remnant core from the diamond drilling program cannot be located. All data from the diamond core is available given the extensive and robust data collection and management strategies utilised.

All samples used for the Mineral Resource were from the primary 1 m sample intervals.

Sample Analysis

Samples were prepared for analysis by ALS using standard commercial laboratory processes.

Multielement sample analysis was by ALS in Townsville with method ME-ICP41 and reassayed using method ME-OG46 for samples over 0.3% Cu. Some diamond core samples were assayed for gold by aqua regia (AU-TL43) as were 4 m composite RC samples.

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All samples were analysed onsite with a portable handheld XRF in the field to orientate the drilling program and ensure mineralisation was sampled but these results do not contribute to the Mineral Resource.

CST undertook 120 RC field duplicates and resubmitted 364 check samples for reanalysis at SGS Townsville using a similar analysis method. These QAQC samples did not raise any concerns.

Interpretation

Interpretation of weathering is based only on drill holes logs and indicate a shallow depth of oxidation, limiting the quantity of oxide copper ore suitable for heap leaching. Due to the shallow depth of the weathering the current drilling does not sample copper mineralisation in the oxide or transitional zones with the interpretation projected from waste drilling in the hanging wall. Until drilled and sampled oxide and transition mineralisation is excluded from the Mineral Resource.

Enterprise is a structurally controlled copper deposit with a well-defined vertical dip, consistent NW-SE strike and drill defined strike limits. The mineralisation has an inner core higher grade zone that is surrounded by a lower grade, more disseminated mineralisation halo. This has allowed the interpretation of both 0.3% and 0.7% Cu cut-offs using all drilling.

The high grade has a strike length of 630 m at depth and 320 m near surface. The low grade is traced further to the north at depth with a maximum strike extent of 830 m. The mineralisation is tested to over 200 m in depth and remains open at depth and appears to be lengthening with depth (see Figures 4 and 5).

Anomalous mineralisation on sections further north indicates some additional possibly disconnected and different striking mineralisation.

Appendix 2 lists the drilling intervals from the high-grade domain interpretation.

Grade Estimation

A block model was constructed with parent block size of 5 by 5 by 5 m and sub blocked to 1.25 by 1.25 by 1.25 m.

Grade estimation was conducted using inverse distance square estimation for copper and cobalt using a single pass search with a radius 160 by 160 by 40 m and 2 m composites. Composite limits include a maximum of 16 composites from four drill holes and 4 composites per drill hole. A 1 to 5



flattening anisotropy and bulk density assumptions were applied based on experience from other nearby deposits.

Examples of the block grade estimates are presented in the figures below (Figures 5 and 6).



Figure 4. Plan view of drilling and resource domains



Figure 5. NW-SE long section of the resource domains and Mineral Resource block estimates





Figure 6. Enterprise NE-SW cross section displaying only block estimates considered for Mineral Resource

Classification

Enterprise is a structurally controlled copper deposit with a well-defined vertical dip and consistent NW-SE strike.

High grade mineralisation is defined from three and a half 120 m spaced sections near surface and five 120 m spaced sections at depth. Low grade extends a further two sections at depth covering a total 800 m of strike extent. Though widely spaced there is sufficient continuity demonstrated to warrant Inferred classification. Limitations to the Mineral Resource classification and reporting were imposed to exclude:

- Oxide and transition material not yet sampled (Figure 6).
- Material below 80 m RL (85m below surface) as preliminary mining studies indicated deeper material is unlikely to be economically viable by open pit mining (Figures 5 and 6).



Deeper material below that reported as Mineral Resource is defined and the deposit is open at depth. Further exploration should evaluate these potential depth extensions, which dependent upon actual grade and width intersected may support an underground resource.

Mineral Resource

The Mineral Resource estimate is provided at a cut-off of 0.7% Cu, a current estimate of a marginal economic cut-off grade for open pit mining, ore transport and toll treatment of sulphide copper ore at a regional processing facility.

The Mineral Resource is classified as Inferred and reflects the broad 40 by 120 m drill hole spacing. The Mineral Resource for fresh sulphide material is:

Inferred Sulphide Mineral Resource

0.58 Mt @ 1.3% Cu

Aqua Regia gold assays suggest limited gold grade and potential credit. The maximum gold grade was 0.14 g/t Au from one 4 m RC composite. Cobalt grade are approximately 45 ppm Co, indicating limited potential credit if any.

Additional details for the Mineral Resource are discussed in Appendix 3 under the JORC (2012) Table 1 guide.

Though there are no metallurgical studies at this stage of exploration, mineralogical studies to date have identified chalcopyrite as the copper mineral with minor pyrite. If pervasive then there should be no impediment for processing by flotation to recover copper from the fresh material reported in the Mineral Resource.



Further Work

The Enterprise deposit represents an exciting new discovery still at the early stages of exploration. Further potential work includes:

- The evaluation and application of appropriate geophysical methods testing for resource continuity and depth extension below the current 200m depth of drill testing
- Infill drilling to at least 40m centres and a vertical depth of 80m to fully define Mineral Resource to a level required for mine planning and consideration for Ore Reserves.
- Exploration drilling to evaluate the potential depth extensions of the Resource.
- Completion of the appropriate mineralogical and metallurgical studies
- Evaluation of the structural and lithological environment across both the Resource and the
 wider prospect, to identify further potential exploration targets.
 - Additional near surface infill drilling may also be required to define the oxide. The project would benefit from a broader coverage of gold analyses and near surface copper sequential assays to better define the oxidation and mineralisation suitable for heap leach processing.

This announcement is authorised for market release by the board.

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About Austral Resources

Austral Resources Australia Ltd is an ASX listed copper cathode producer operating in the Mt Isa region, Queensland, Australia. Its Mt Kelly copper oxide heap leach and solvent extraction electrowinning (SXEW) plant has a nameplate capacity of 30,000tpa of copper cathode. Austral has developed its Anthill oxide copper mine which has an Ore Reserve of 5.06Mt at 0.94% Cu. The Company expects to produce 40,000t of copper cathode over a four-year period from mid-2022.

Austral also owns a significant copper inventory with a JORC compliant Mineral Resource Estimate of 60Mt@ 0.7% Cu (420,000t of contained copper) and 2,100km² of highly prospective exploration tenure in the heart of the Mt Isa district, a world class copper and base metals province. The Company is implementing an intensive exploration and development programme designed to extend the life of mine, increase its resource base and then review options to commercialise its copper resources.

Competent Persons' Statement

The information in this announcement that relates to Exploration Results is based on and fairly reflects information compiled and conclusions derived by Mr Andrew Beaton, Mr Ben Coutts and Mrs Lisa Orr, Competent Persons who are Members of the Australasian Institute of Mining and Metallurgy. Mr Beaton is the Site General Manager at Austral and Mr Coutts is Exploration Manager at Austral. Mrs Orr is an independent database consultant with Orr and Associates. Mrs Orr, Mr Coutts and Mr Beaton are geologists and have sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results and Ore Reserves (2012 JORC Code). Mrs Orr, Mr Coutts and Mr Beaton consent to the inclusion in this announcement of the matters based on this information in the form and context in which it appears.

The information in this announcement that relates to Mineral Resources is based on and fairly reflects information compiled and conclusions derived by Mr John Horton who is a Charted Fellow of the Australasian Institute of Mining and Metallurgy, and employee of ResEval Pty Ltd. Mr Horton is an independent consulting geologist and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results and Ore Reserves (2012 JORC Code). Mr Horton consents to the inclusion in this announcement of the matters based on this information in the form and context in which it appears.

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Appendix 1. Enterprise drilling summary

7	Holo	Holo	Precollar	Total	Eacting *	Northing *	ы *	Data	Downhole Surveys		urveys	Copper
[Name	Туре	Depth (m)	Depth (m)	mE	mN	mRL	Drilled	Number	Mean Dip	Mean Azimuth	Assays
U	ENTRC001	RC	0	84	390179.9	7809412.5	161.3	25/10/2015	10	-53.0	54.3	84
	ENTRC002	RC	0	78	390102.2	7809491.8	164.0	26/10/2015	9	-52.0	54.0	78
	ENTRC003	RC	0	54	390057.5	7809542.2	164.3	27/10/2015	6	-50.3	52.0	54
(ENTRC004	RC	0	114	390097.0	7809487.4	163.5	29/10/2015	11	-59.1	55.2	114
((ENTRC006	RC	0	222	390237.1	7809295.6	163.1	4/03/2016	18	-46.1	78.2	222
	ENTRC007	RC	0	222	389997.3	7809567.0	168.8	7/03/2016	23	-59.4	65.9	222
P	ENTRC010	RC	0	132	389960.8	7809688.3	170.8	12/03/2016	14	-53.4	65.6	131
U	ENTRC011	RC	0	144	390270.0	7809318.5	165.6	14/03/2016	15	-58.9	62.7	143
\sim	ENTRC012	RC	0	216	390154.4	7809384.5	163.4	27/03/2016	21	-58.0	57.9	216
	ENTRC014	RC	0	180	390186.7	7809553.4	166.8	31/03/2016	19	-49.6	242.6	180
	ENTRC015	RC	0	138	390031 1	7809589 2	169.6	2/04/2016	14	-59.7	63.6	138
	ENTRC016	RC	0	168	389928 3	7809665 7	171 4	2/04/2016	18	-55.6	59.0	168
	ENTRC017	RC	0	216	390338.8	7809221.4	160.3	2/04/2016	22	-56.3	56.8	216
	ENTRC018	RCD	126	273 3	390408.2	7809122.1	159 1	27/04/2016	22	-55.1	59.0	273
6	ENTRC010	PC	0	120	200901 2	78007771	176.2	4/04/2016	11	54.7	62.9	120
	ENTRCO20	PC	0	130	2002262	7809777.1	165.0	6/04/2010	14	-74.7	226 1	130
	ENTRC020	RC BC	0	30 72	200020 6	7808923.0	160.2	7/04/2016	0	-49.0	320.1	30 72
(0	174	390030.0	7808858.5	109.2	7/04/2010	0 25	-44.0	520.1	174
7	ENTRCOZZ	RC	0	1/4	389789.1	7809801.0	1/2./	10/04/2016	35	-54.5	57.2	1/4
5	ENTRC023	RC	0	222	389449.0	7810136.0	165.7	10/04/2016	45	-61.0	60.2	222
(7	ENTRC024	RC	0	100	389479.0	7810231.5	168.8	7/04/2016	11	-59.1	59.3	100
U	ENTRC025	RC	0	112	389446.4	7810208.5	167.7	9/04/2016	12	-66.4	62.4	112
4	ENTRC026	RC	0	132	389413.7	7810185.8	166.2	10/04/2016	14	-62.8	60.2	0
((ENTRC027	RC	0	100	389377.3	7810305.6	167.7	12/04/2016	11	-59.2	55.8	100
6	ENTRC028	RC	0	144	389344.4	7810282.7	166.7	13/04/2016	15	-65.6	58.4	144
\mathcal{Q}	ENTRC029	RC	0	90	389311.9	7810259.9	165.7	14/04/2016	10	-61.9	58.5	90
	ENTRC030	RC	0	132	389618.1	7810034.9	169.3	12/04/2016	13	-55.9	64.9	120
(ENTRC031	RC	0	102	389585.1	7810012.0	167.2	14/04/2016	21	-55.5	61.5	102
U	ENTRC032	RC	0	144	389552.2	7809989.1	165.9	16/04/2016	29	-60.5	50.0	144
	ENTRC033	RC	0	115	389688.9	7809937.7	172.7	16/04/2016	12	-58.9	65.4	115
(7	ENTRC034	RC	0	138	389654.6	7809914.0	169.3	18/04/2016	14	-60.4	62.7	138
7	ENTRC035	RC	0	150	389622.2	7809891.6	167.0	20/04/2016	16	-62.5	57.1	150
	ENTRC036	RC	0	150	390294.3	7809006.2	162.6	19/04/2016	16	-62.5	44.8	150
~	ENTRC037	RC	0	222	390476.7	7809024.6	157.7	21/04/2016	1	-60.0	55.0	222
20	ENTRC038	RC	0	120	390474.6	7808876.7	165.1	21/04/2016	13	-58.7	63.3	120
	ENTRC039	RC	0	92	390756.0	7808487.9	182.2	22/04/2016	10	-57.4	61.2	92
((ENTRC040	RC	0	150	390545.7	7808926.5	167.7	23/04/2016	16	-61.9	64.7	150
C	ENTRC041	RC	0	144	390788.9	7808510.9	183.1	23/04/2016	15	-60.5	63.1	144
	ENTRC042	RC	0	180	389732.8	7809454.9	172.3	25/04/2016	19	-64.2	147.8	180
	ENTRC043	RC	0	162	389725.2	7809535.3	171.6	25/04/2016	17	-59.8	148.9	162
_	ENTRC045	RC	0	120	389074.1	7810239.0	164.7	27/04/2016	13	-59.3	59.5	120
	ENTRC046	RC	0	156	389930.4	7808549.3	169.1	27/04/2016	17	-57.0	63.0	156
	ENTRC047	RC	0	84	390056.7	7808508.9	170.0	28/04/2016	9	-58.2	56.6	84
	ENTRC048	RC	0	192	390110.9	7809648.0	166.7	30/04/2016	20	-53.5	241.1	192
	ENTRCB013	RC	0	36	389862.9	7808922.0	171.6	29/03/2016	1	-90.0	6.0	2
	ENTRCB044	RC	0	36	390399.7	7809111.5	160.0	25/04/2016	1	-90.0	0.0	36
	ENTRCD005	RCD	152	240.9	390071.7	7809472.8	166.6	8/03/2016	24	-60.2	79.2	242
	ENTRCD008	RCD	161	210.6	389859.0	7809763.4	176.5	9/03/2016	22	-51.4	87.4	212
	ENTRCD009	RCD	222	291	390306.0	7809198.3	160.7	6/04/2016	30	-59.1	72.7	294

* Coordinates in MGA94 Zone 54

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Appendix 2. Resource high grade domain intervals

	Hole	Mid-p	oint Coordina	te	Depth	(m)	Length	Cu	Au	Со
5	Name	mE	mN	mRL	From	То	(m)	%	g/t	ppm
\square	ENTRC001	390199	7809427	132	34	41	7	0.773		31
	ENTRC002	390125	7809509	130	31	58	27	1.36		42
775	ENTRC003	390074	7809556	139	24	43	19	1.85		106
IJ	ENTRC004	390125	7809508	107	50	83	33	1.41		35
	ENTRC006	390304	7809323	66	120	123	3	1.15		35
リリ	ENTRC006	390330	7809326	42	138	177	39	0.84		67
5	ENTRC007	390072	7809605	30	158	166	8	0.78		76
	ENTRC007	390083	7809609	10	183	188	5	1.25		57
	ENTRC011	390294	7809334	115	56	60	4	1.29		28
	ENTRC011	390303	7809338	99	73	81	8	2.43		109
	ENTRC012	390206	7809421	55	117	135	18	0.84		38
90	ENTRC014	390129	7809517	75	110	119	9	0.93		43
	ENTRCD005	390140	7809492	41	134	156	22	0.62	0.026	21
	ENTRCD005	390155	7809493	15	172.2	178.2	6	1.51	0.017	35
\square	ENTRCD009	390412	7809235	-36	224.2	230.5	6.3	2.54	0.039	152
\square	Total						214.3	1.21	0.004	55



Appendix 3. JORC Code Table 1

Section 1: Sampling Techniques and Data

((Criteria	JORC Code explanation	Commentary
0	Sampling	Nature and quality of sampling (e.g., cut channels,	CST Mineral Lady Annie Exploration Ltd (CST) completed four discovery
	techniques	random chips, or specific specialised industry standard	holes in 2015 and then a 44-drill hole program at the Enterprise project
	10	measurement tools appropriate to the minerals under	in 2016. The 2016 program comprised an initial 7-hole program
((investigation, such as downhole gamma sondes, or	targeting chargeability anomalies and a follow-up resource definition
1		handheld XRF instruments, etc). These examples should	program of 37 holes mostly on 40 m spacing on 120 m spaced lines.
0	\bigcirc	not be taken as limiting the broad meaning of	Several geophysical surveys were undertaken prior to the original
((// _/	sampling.	drilling programs and these were used to orientate the drilling drill to
		Include reference to measures taken to ensure sample	provide an optimal angle of intersection.
	75	representivity and the appropriate calibration of any	All samples were analysed onsite with a portable nanoneld XRF in the
		Access of the determination of minoralization that are	neid to orientate the drining program and ensure mineralisation was
		Aspects of the determination of mineralisation that are	Samples were prepared for analysis by ALS using standard processes
		In cases where 'industry standard' work has been done	Laboratory as received weights record 6486 BC samples averaging 2.7
		this would be relatively simple (e.g. 'reverse circulation	kg suggesting a 1 in 8 riffle solit was used and 360 diamond half core
P		drilling was used to obtain 1 m samples from which 3	samples averaging 2.2 kg indicating NO core
U	(\cup)	ka was pulverised to produce a 30 a charae for fire	The drilling program uses modern 2016 drilling and assaving methods
		assav'). In other cases, more explanation may be	and despite the lack of some documentation the drilling and sampling
((required, such as where there is coarse gold that has	is considered appropriate. The drilling was part of a multidisciplinary
2		inherent sampling problems. Unusual commodities or	exploration program using both geophysics and surface termite
		mineralisation types (e.g., submarine nodules) may	sampling to aid and direct the drilling program
((warrant disclosure of detailed information.	
1	Drilling	Drill type (e.g., core, reverse circulation, open-hole	The drilling is predominantly Reverse Circulation (RC) with 48 RC drill
0	techniques	hammer, rotary air blast, auger, Bangka, sonic, etc)	holes for 6634 m. Four of these had diamond core tails with for an
((72)	and details (e.g. core diameter, triple or standard tube,	additional 355 m.
$\tilde{\alpha}$		depth of diamond tails, face-sampling bit or other type,	Drilling used a large truck mounted RC drilling capable of conversion to
2		whether core is oriented and if so, by what method,	diamond drill.
0	75	etc).	RC samples was recovered by cyclone and split by a three-tier onboard
((riffle splitter.
			RC drilling likely to have use a 5-inch hammer or larger.
(Drill comple	Mathad of recording and accessing care and chin	Diamond core was NQ3.
2	Drift sample	sample recoveries and recults assessed	was received at the laboratory indicating generally good recovery for
	recovery	Sumple recoveries und results assessed. Measures taken to maximise sample recovery and	the 1 in 8 riffle splitter was used for field splitting
7		ensure representative nature of the samples	Diamond core recovery is uncertain as logs are currently misplaced. No
4		Whether a relationship exists between sample recovery	issues were recorded regarding recovery in the exploration reports
		and arade and whether sample bias may have occurred	Diamond drilling is below the stated Mineral Resource and will have
((due to preferential loss/gain of fine/coarse material.	little impact on the estimates.
5	Logging	Whether core and chip samples have been geologically	Geological logging entered into a database includes: lithology,
		and geotechnically logged to a level of detail to support	oxidation, grain size, colour, rock texture, dominant copper minerals.
		appropriate Mineral Resource estimation, mining	Field testing of samples was undertaken by handheld XRF. However, all
		studies and metallurgical studies.	1 m samples were assayed and the XRF data is not relied on.
		Whether logging is qualitative or quantitative in	
		nature. Core (or costean, channel, etc) photography.	
		The total length and percentage of the relevant	
		intersections logged.	
	Sub-sampling	If core, whether cut or sawn and whether quarter, half	Diamond core was halved for sampling
	techniques	or all core taken.	Evidence indicates RC drilling was collected by an onboard cyclone and
	and sample	If non-core, whether riffled, tube sampled, rotary split,	riffie splitter from which 2.7 kg samples were collected.
	preparation	etc and whether sampled wet or dry.	CCT understand 400 DC field duralization and anti-income sector bit in the
		For all sample types, the nature, quality and	CST UNDERCOOK 120 KC TIEID DUPIICATES AND NOT ISSUES WERE NIGNLIGHTED
		appropriateness of the sumple preparation technique.	



	Criteria	JORC Code explanation	Commentary
0	enterna	Quality control procedures adopted for all sub-	
((sampling stages to maximise representivity of samples	
È		Measures taken to ensure that the sampling is	
1		representative of the in-situ material collected,	
((including for instance results for field duplicate/second-	
		half sampling.	
		Whether sample sizes are appropriate to the grain size	
0	75	of the material being sampled.	
((Quality of	The nature, quality and appropriateness of the	Samples were submitted to ALS in Townsville for multielement analysis
	assay data and	assaying and laboratory procedures used and whether	by methos ME-ICP41 and reassayed using method ME-OG46 for
(7	laboratory	the technique is considered partial or total.	samples over 0.3% Cu. Samples were assayed for Au by aqua regia (AU-
U	tests	For geophysical tools, spectrometers, handheld XRF	IL43) using 4 m composites or 1 m diamond core intervals.
		instruments, etc, the parameters used in determining	Field XRF analyses were undertaken but not used for the Mineral
		the analysis including instrument make and model,	Resource.
-		derivation etc	QAQC Sampling by CST included.
		Nature of quality control procedures adopted (e.g.	 OS field submitted CPMs (ctandards)
		standards, blanks, duplicates, external laboratory	 5% of samples (364 samples) were reassaved at SGS in
d		checks) and whether acceptable levels of accuracy (i.e.	Townville using similar assay methods with not issues
$\left(\left(\right) \right)$	(())	lack of bias) and precision have been established.	highlighted.
9	\bigcirc		In addition, ALS reported internal blanks and CRMs.
6			Review of the comprehensive QAQC data set indicated all assaying was
77			within expected ranges and suitable for use in the Mineral Resource.
	Verification of	The verification of significant intersections by either	
((sampling and	independent or alternative company personnel.	There are not twin holes or other verification samples other than the
9	assaying	The use of twinned holes.	handheld XRF results.
0	\bigcirc	Documentation of primary data, data entry	Austral Resources maintains the drilling data in a Datashed database
$\left(\left(\right) \right)$	(\mathcal{D})	procedures, data verification, data storage (physical	Adjustments to the assay data only included the management of below
ñ		Discuss any adjustment to assay data	detection minit results stored in the database as negative values.
	Location of	Accuracy and quality of surveys used to locate	Initial 2015 drilling was surveyed by an independent local surveyor
1	data points	drillholes (collar and downhole surveys), trenches, mine	(Lodewyke) when setting up the local drilling grid. Lodewyke tied the
((workings and other locations used in Mineral Resource	grid into the national grid and the nearby Dobbyn mine control point.
		estimation.	Subsequent drilling in 2016 was surveyed by DGPS by Lodewyke when
((Specification of the grid system used.	as discrepancy in the original survey was rectified.
\mathbb{P}		Quality and adequacy of topographic control.	All information is in Australian Map Grid (MGA94) coordinates Zone 54.
			Down hole surveys were collected using a Reflex Tool 705 gyroscopic
$\overline{(7)}$			survey tool on 10 m intervals and at the end of hole that should provide
2			CST in 2016 flew a drone survey over the enterprise prospect to
0			provide detailed imagery and digital elevation model (DEM). Details of
((the survey control are not described, and the DEM is vertically offset
			from the collar coordinates. Though not used directly the DEM confirms
			a subdued topographic profile.
	Data spacing	Data spacing for reporting of Exploration Results.	Drilling over the mineralization is regularly spaced with 58° NE dinning
	and	Whether the data spacing and distribution is sufficient	holes spaced at 40 m on section and 120 m between sections
	distribution	to establish the degree of geological and grade	The spacing is sufficient to define continuity of the mineralisation for
		continuity appropriate for the Mineral Resource and	the current Inferred classification.
		Ure Reserve estimation procedure(s) and classifications	Sampling is on regular 1 m intervals with 4 m composites only used for
		upplieu. Whether cample compositing has been applied	additional assaying and not relied upon.
	Orientation of	Whether the orientation of sampling achieves unbiased	
	data in	sampling of possible structures and the extent to which	Drilling is angled on average 58° toward an azimuth of 050° and is
	relation to	this is known, considering the deposit type.	adequate to test the vertical mineralised system.
	geological	If the relationship between the drilling orientation and	No sample orientation bias is likely.
	structure	the orientation of key mineralised structures is	

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Criteria	JORC Code explanation	Commentary
	considered to have introduced a sampling bias, this	
	should be assessed and reported if material.	
Sample	The measures taken to ensure sample security.	Sample security was not documented.
security		Copper as a base metal does not present a tampering concern.
Audits or	The results of any audits or reviews of sampling	The project has only had one phase of significant exploration drilling
reviews	techniques and data.	and there is no evidence that any processes or results were reviewed.
		The 2016 drilling program was overseen by an independent consulting
515		geologist from Orr and Associates.

Section 2: Reporting of Exploration Results

	Criteria	JORC Code explanation	Commentary
	Mineral	Type, reference name/number, location and ownership	
	tenement and	including agreements or material issues with third	
	land tenure	parties such as joint ventures, partnerships, overriding	The Enterprise Mineral Resource lies with EPM 17527
	status	royalties, native title interests, historical sites,	Review of the tenure for Queensland State Government website GIS
		wilderness or national park and environmental settings.	GeoResGlobe indicates the exploration lease is granted to Austral
((The security of the tenure held at the time of reporting	Resources Exploration Pty Ltd in 2012 until 2027
9		along with any known impediments to obtaining a	
0		licence to operate in the area.	
	Exploration	Acknowledgment and appraisal of exploration by other	Enterprise is a recent discovery by CST in 2015. The target was a known
	done by other	parties.	mineral occurrence (QLD Min occurrence database) and highlighted in
	parties		target generation exercises by Terra Search and CST geologists.
			Reports do not suggest any earlier substantive exploration contributed
			to the discovery.
6	Geology	Deposit type, geological setting and style of	The Enterprise Cu mineralised zone at surface comprises malachite in
6		mineralisation.	quartz veins and a highly sheared (20° fabric) magnetic matic unit (most
\int			likely an intrusive) over ~250m, at the NW-SE trending contact zone
			between interpreted Leichhardt volcanic rocks to the SW and
			Kalkadoon granodiorite to the NE. This was the prime focus for the RC
			drill programme. Drilling loop indicate a challow avidation profile making Enterprise
			Drilling logs indicate a snallow oxidation profile making Enterprise
			chalconvite (Culboaring) and purite at depth accorded with a
17			chalcopyrite (Cu bearing) and pyrite at depth associated with a
			with zones rich in high the and has been pervesively inveded by silica
			where mineralised. Minor graphite was observed in the composite
\mathcal{Q}			quartz vein Assavs from drilling indicate the ore grade Cu
E			mineralisation is $>15m$ true width over $>200m$ strike and is open in
(1			hoth strike directions (NW and SE) and to denth
1			Scanning electron microscope work on 8 RC chip samples identified
			predominantly albite-biotite- guartz + some hornblende. Copper
			mineral identified included chalcopyrite in some holes with minor
			pyrite. Petrography indicated similar assemblages.



Criteria	JORC Code explanation	Commentary
Drillhole	A summary of all information material to the	
information	understanding of the exploration results including a	
	tabulation of the following information for all Material	
	drillholes:	
\bigcirc	easting and northing of the drillhole collar	
	elevation or RL (Reduced Level – elevation above sea	
	level in metres) of the drillhole collar	Collar listing and survey summary information is tabulated
415	dip and azimuth of the hole	Conar insting and survey summary information is tabulated.
(\mathbf{D})	down hole length and interception depth	
	If the evolution of this information is justified on the	
$(/ \cap)$	hasis that the information is not Material and this	
$\mathcal{P}\mathcal{P}$	exclusion does not detract from the understanding of	
	the report the Competent Person should clearly evplain	
	why this is the case.	
Data	In reporting Exploration Results, weighting averaging	
aggregation	techniques, maximum and/or minimum grade	
methods	truncations (e.g. cutting of high grades) and cut-off	
	grades are usually Material and should be stated.	
()	Where aggregate intercepts incorporate short lengths	Drilling intervals are length weighted averages
	of high grade results and longer lengths of low grade	No equivalences are renorted
	results, the procedure used for such aggregation should	
	be stated and some typical examples of such	
	aggregations should be shown in detail.	
	The assumptions used for any reporting of metal	
	equivalent values should be clearly stated.	
Relationship	These relationships are particularly important in the	
between	reporting of Exploration Results.	
mineralisation	If the geometry of the mineralisation with respect to	The intercepts are from drilling at roughly 60° into a vertical system.
widths and	the drillhole angle is known, its nature should be	Drilling down hole intervals factor to true horizontal width at around
intercept	reported.	50%.
lengths	If it is not known and only the down hole lengths are	
YD)	reported, there should be a clear statement to this	
	effect (e.g. 'downhole length, true width not known').	
Diagrams	Appropriate maps and sections (with scales) and	
	tabulations of intercepts should be included for any	
	significant discovery being reported These should	Maps and sections are provided in the body of the announcement.
7	Include, but not be limited to a plan view of arill noie	
Delenand	Collar locations and appropriate sectional views.	
Balanced	Where comprehensive reporting of all Exploration	All significant drilling results relevant to the Mineral Resource are
reporting	Results is not proclicable, representative reporting of both low and high grades and (or widths should be	tabulated.
	both low und high grades and/or waths should be	Lower grade halo zones are not reported and do not contribute to the
	Procliced to avoid misledding reporting of Exploration Besults	current Mineral Resource reported.
Other	Other evaluation data, if meaninaful and material	
substantive	should be reported including (but not limited to):	
evoloration	aeological observations: geophysical survey results:	
data	aeochemical survey results: hulk samples – size and	Mineral Resources are primarily defined by drilling and assaying.
uutu	method of treatment: metalluraical test results: hulk	Geophysics and surface geochemistry are used in exploration but have
	density aroundwater aeotechnical and rock	no meaningful input to the resource definition.
	characteristics: potential deleterious or contaminating	
	substances.	
Further work	The nature and scale of planned further work (e.a. tests	
-	for lateral extensions or depth extensions or larae-scale	No further work planned on the Mineral Resource estimate.
	step-out drilling).	
	Diagrams clearly highlighting the areas of possible	Further potential exploration includes:
	extensions, including the main geological	



Criteria	JORC Code explanation	Commentary
	interpretations and future drilling areas, provided this information is not commercially sensitive.	The evaluation and application of appropriate geophysical methods testing for resource continuity and depth extension below the current 200m depth of drill testing
\bigcirc		Infill drilling to at least 40 m centers and a vertical depth of 80 m to fully define Mineral Resource to a level required for mine planning and consideration for Ore Reserves.
		Exploration drilling to evaluate the potential depth extensions of the Resource.
\mathcal{O}		Completion of the appropriate mineralogical and metallurgical studies
D		Evaluation of the structural and lithological environment across both the Resource and the wider prospect, to identify further potential exploration targets.
		Additional near surface infill drilling may also be required to define the oxide. The project would benefit from a broader coverage of gold analyses and near surface copper sequential assays to better define the oxidation and mineralisation suitable for heap leach processing.

Section 3 Estimation and Reporting of Mineral Resources

J	Criteria	JORC Code explanation	Commentary
	Database integrity	Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes. Data validation procedures used.	Austral Resources maintain all drilling data in a Datashed a database, administered by a specialist independent contractor. This maintains the drill hole cross table integrity, precedence of preferred assays and version control.
	Site visits	Comment on any site visits undertaken by the Competent Person and the outcome of those visits. If no site visits have been undertaken indicate why this is the case.	The last exploration work completed was in 2016 and little evidence is expected to remain on site after rehabilitation of the previous drilling. Hence no recent site visit was arranged. Lisa Orr of Orr and Associates was involved with field exploration drilling by CST in 2015 and 2016 at Enterprise. She remains involved with the project as she assists with geological data management at Austral's projects. Lisa has verified the exploration drilling program details and provides continuity with the previous exploration work.
	Geological interpretation	Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit. Nature of the data used and of any assumptions made. The effect, if any, of alternative interpretations on Mineral Resource estimation. The use of geology in guiding and controlling Mineral Resource estimation. The factors affecting continuity both of grade and geology.	The Enterprise mineralisation has an inner core higher grade zone that is surrounded by a lower grade more disseminated mineralisation halo. This has allowed the interpretation of both 0.3 and 0.7% Cu cut-offs. All drilling was used for interpretation and estimation Weathering surfaces for oxide and transition were derived from geological logging of weathering physical characteristics since no copper sequential assays are available to better define a metallurgical or mineralogical zonation.



Criteria	JORC Code explanation	Commentary
Dimensions	The extent and variability of the Mineral Resource	Enterprise is a structural controlled vertical system with defined drill
	expressed as length (along strike or otherwise), plan	defined strike limits.
	width, and depth below surface to the upper and lower	The mineralisation is tested to over 200 m in depth and remains open.
	limits of the Mineral Resource.	The high grade has a strike length of 630 m at depth and 320 m near
		surface. The low grade is trace further tot eh north at depth with a
		maximum strike extent of 830 m.
		Anomalous mineralisation on sections further north indicates some
		additional possibly disconnected and different striking mineralisation.
		The general lack of near surface drilling from the first drill out at
		Enterprise still leaves some room for further surface extensions
Estimation	The nature and appropriateness of the estimation	
and modelling	technique(s) applied and key assumptions including	
	treatment of extreme arade values, domaining	
techniques	internolation parameters and maximum distance of	
	interpolation parameters and maximum distance of	
	extrapolation from data points. If a computer assisted	
	estimation methoa was chosen include a description of	
	computer software and parameters used.	Estimation was carried out Maptek Vulcan software using both high-
	The availability of check estimates, previous estimates	and low-grade domains to minimise over smoothing from the widely
D	and/or mine production records and whether the	spaced drill section.
(\cup)	Mineral Resource estimate takes appropriate account	Block model was established with a parent block size for mineralisation
	of such data.	of 5 by 5 by 5 m sub blocked to 1.25 m.
	The assumptions made regarding recovery of by-	Grade estimation was conducted using inverse distance square
	products.	estimation (ID2) for copper gold and cobalt using a single pass search
	Estimation of deleterious elements or other non-grade	with a radius 160 by 160 by 40 m. Other estimation parameters include
	variables of economic significance (e.g., sulphur for acid	2 m composites
	mine drainage characterisation).	Discretization of 2 by 2 by 2 points
	In the case of block model interpolation, the block size	Maximum of 16 composites
	in relation to the average sample spacing and the	Maximum of 4 composites per drillhole
1,2,1	search employed.	Maximum of 4 drill holes
	Any assumptions behind modelling of selective mining	1 to 5 flattening anisotropy
	units.	Length weighting to account for composites not 2 m in length.
	Any assumptions about correlation between variables	Validation was undertaken on the model estimates using visual and
	Description of how the geological interpretation was	statistical methods
	used to control the resource estimates	
	Discussion of basis for using or not using grade cutting	
	or canning	
	The process of validation the checking process used	
	the comparison of model data to drill halo data, and	
	the comparison of model data to arill hole data, and	
Malatura	use of reconciliation data if available.	
woisture	whether the tonnages are estimated on a dry basis or	All the second states the transmission of the transmission
	with natural moisture, and the method of	All tonnage and density is reported on a dry basis.
	aetermination of the moisture content.	
Cut-off	The basis of the adopted cut-off grade(s) or quality	Cut-off 0.3% Cu used for low grade interpretation roughly matches
parameters	parameters applied.	likely cut-off for heap leach processing include ore transport to a local
		processing facility. This would be relevant to oxide material that is not
		currently reported.
		The Mineral Resource Cut-off 0.7% Cu matches likely cut-off for
		sulphide ore treatment by flotation and includes ore transport to a
		local processing facility.
Mining factors	Assumptions made regarding possible mining methods,	
or	minimum mining dimensions and internal (or, if	
assumptions	applicable, external) mining dilution. It is always	
	necessary as part of the process of determinina	No mining ore dilution factors are applied.
	reasonable prospects for eventual economic extraction	The composite size and block size are considered reasonable for
	to consider potential mining methods, but the	assessing open pit mining and selectivity.
	assumptions made regarding mining methods and	
	narameters when estimating Mineral Resources may	
1	para an electro when estimating while a nesources may	



Criteria	JORC Code explanation	Commentary
	not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.	
Metallurgical factors or assumptions	The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.	Little is understood of the oxide and transition material and consequently this material is not reported at this stage. Enterprise is predominantly a sulphide deposit. There is not metallurgically test work available to date. Petrology and scanning electron microscope work identified chalcopyrite as the principal copper material. There are no indications copper would not be recovered via flotation processes.
Environmental factors or assumptions	Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfield project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.	There are no known environmental factors that restrict or impact on the Mineral Resource estimate.
Bulk density	Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples. The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit. Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.	Bulk density has not been tested at Enterprise to date Experience from other nearby deposits were used for the bulk density assumptions of: 1.95 t/m ³ for oxide 2.40 t/m ³ for transition 2.56 t/m ³ for fresh



Criteria	JORC Code explanation	Commentary
Classification	The basis for the classification of the Mineral Resources	Enterprise is a structural controlled copper deposit with a well-defined
classification	into varvina confidence categories	vertical din and consistent NW-SE strike
	Whether appropriate account has been taken of all	Strong mineralisation is defined from three and a half 120 m spaced
	relevant factors (i.e., relative confidence in	sections near surface and five 120 m spaced sections at denth. Low
	tonnaae/arade estimations, reliability of input data.	grade extends a further two sections at depth covering a total 800 m of
\square	confidence in continuity of aeoloay and metal values.	strike extent.
	auality, auantity, and distribution of the data).	Though widely spaced there is sufficient continuity demonstrated to
	Whether the result appropriately reflects the	warrant Inferred classification.
	Competent Person's view of the deposit.	Oxide and transition is not reported as this mineralisation is not vet
		tested.
		Mineralisation is interpreted and model to a depth to 200 m below
//))		surface. Preliminary pit optimisation indicates at current economics
$\mathcal{V}\mathcal{D}$		mining maybe viable to a depth of 55 m below surface.
		Only material to a depth of 80 m RL or 85m below surface are reported
		at Mineral Resource. This is based on the maximum depth of a more
		optimistic pit optimisation to determine the maximum open pit
		potential for the current grade and ore thickness modelled at
		Enterprise. This limits the classification of the Mineral Resource to only
		the upper third of the defined mineralisation.
(1)		There remains underground potential that is not reported until further
		work is undertaken.
Audits or	The results of any audits or reviews of Mineral Resource	The Mineral Resource estimate has not been reviewed
reviews	estimates.	
Discussion of	Where appropriate a statement of the relative accuracy	
relative	and confidence level in the Mineral Resource estimate	
accuracy/	using an approach or procedure deemed appropriate	No studies of relative confidence have been carried out.
confidence	by the Competent Person. For example, the application	The Mineral Resource is relatively well defined though there is a lack of
(\cap)	of statistical or geostatistical procedures to quantify	near surface drilling. Hence the potential oxide copper material for
$\mathcal{O}\mathcal{O}$	the relative accuracy of the resource within stated	heap leach process is not stated.
	confidence limits, or, if such an approach is not deemed	The sensitivity of the mineral resource to being estimated within both
	appropriate, a qualitative discussion of the factors that	high- and low-grade domains compared to only the low-grade domains
115	could affect the relative accuracy and confidence of the	indicates a larger tonnage at lower grade would otherwise be
	estimate.	estimated with a higher metal content. This indicates the current
\bowtie	The statement should specify whether it relates to	approach is more conservative.
	global or local estimates, and, if local, state the	CST completed a manual non-JORC polygonal estimate base on the field
	relevant tonnages, which should be relevant to	XRF results, prior to the assay results becoming available. The estimate
	technical and economic evaluation. Documentation	was not updated when laboratory assays became available. The
	should include assumptions made and the procedures	estimate was restricted to the main three cross sections and extended
	Used.	below the current depth reporting limit nowever the results are
	These statements of relative accuracy and confidence	nonetheless consistent with the current estimate.
	of the estimate should be compared with production	
<u> </u>	uutu, where avallable.	