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ADVANCED
ENERGY MINERALS

PROSPECTUS

Advanced Energy Minerals Limited
ACN 095 907 565

For offers of fully paid ordinary shares in the Company (Shares)

This Prospectus has been issued to provide information on the offer of 75,471,698 Shares at an Offer Price of A$0.53 per Share to raise A$40 million (before associated costs) (**Offer**).

Oversubscriptions of up to a further 18,867,924 Shares at an Offer Price of A$0.53 per Share to raise up to a further A$10 million may be accepted.

The Prospectus also contains an additional offer of Options to the Joint Lead Managers, in their capacity as joint lead managers to the Offer and underwriters to the Institutional Offer and Broker Firm Offer, pursuant to the Joint Lead Manager Offer.

It is proposed that the Offer will close at 5:00pm (AEDT) on 28 November 2025. The Directors reserve the right to close the Offer earlier or to extend this date without notice. Applications must be received before that time.

Joint Lead Managers

ORD MINNETT

cg/ Capital Markets
Canaccord Genuity

Australian Legal Advisor

THOMSON GEER
LAWYERS



This is an important document and requires your immediate attention. It should be read in its entirety. Please consult your professional adviser(s) if you have any questions about this Prospectus. Investment in the Shares offered pursuant to this Prospectus should be regarded as highly speculative in nature, and investors should be aware that they may lose some or all of their investment. Refer to Section 3 for a summary of the key risks associated with an investment in the Shares.

IMPORTANT NOTICE

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Offer

The Offer detailed in this Prospectus is an invitation to eligible Applicants to apply for fully paid ordinary shares in the capital of the Company (**Shares**). This Prospectus is issued by the Company for the purposes of Chapter 6D of the Corporations Act.

See Section 1 for further information on the Offer, including details of the securities that will be issued under this Prospectus.

Prospectus

This Prospectus is dated, and was lodged with the Australian Securities and Investments Commission (**ASIC**) on 10 November 2025. Neither ASIC nor the Australian Securities Exchange (**ASX**) (or their respective officers) take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates. The expiry date of this Prospectus is 5:00pm (AEDT) on that date which is thirteen (13) months after the Prospectus Date. No Shares will be issued on the basis of this Prospectus after that expiry date.

An application will be made to ASX within seven days of the Prospectus Date for Official Quotation of the Shares the subject of the Offer.

No person is authorised to give any information or to make any representation in connection with the Offer, other than as is contained in this Prospectus. Any information or representation not contained in this Prospectus should not be relied on as having been made or authorised by the Company, the Directors, or any other person in connection with the Offer. You should rely only on the information in this Prospectus.

It is important that you read this Prospectus in its entirety and seek professional advice where necessary. The Shares the subject of this Prospectus should be considered highly speculative.

Not Investment Advice

The information detailed in this Prospectus is not investment or financial product advice and does not take into account your investment objectives, financial situation or particular needs. This Prospectus should not be construed as financial, taxation, legal or other advice. The Company is not licensed to provide financial product advice in respect of its Shares or any other financial products.

Disclaimer

The joint lead managers to the Offer and underwriters to the Institutional Offer and Broker Firm Offer, being Ord Minnett Limited ACN 002 733 048 and Canaccord Genuity (Australia) Limited ACN 075 071 466 (**Joint Lead Managers**) and their respective related bodies corporate and affiliates, and officers, directors, employees, agents and advisers of each of the foregoing (each, **Joint Lead Manager Parties**), take no responsibility for the Offer and make no recommendations as to whether any person should participate in the Offer nor do they make any representations or warranties (express or implied) concerning the Offer, and they disclaim (and by accepting this Prospectus you disclaim) any fiduciary relationship between them and the recipients of this Prospectus, or any duty to the recipients of this Prospectus or participants in the Offer or any other person. The Joint Lead Manager Parties have not authorised, permitted or caused the issue, submission, dispatch or provision of this Prospectus. The disclaimer above does not purport to disclaim any warranty or liability which cannot be disclaimed by law.

Determination of eligibility of investors for the purposes of the Offer is determined by reference to a number of matters, including legal requirements and the discretion of the Company and the Joint Lead Managers. The Company, Joint Lead Managers and their respective affiliates, officers, employees and advisers disclaim any liability in respect of the exercise or otherwise of that discretion, to the maximum extent permitted by law.

Consider Risks of Investments

This Prospectus is important and should be read in its entirety prior to deciding whether to invest in Shares. There are risks associated with an investment in Shares and some of the key risks are detailed in Section 3. You should carefully consider these risks in light of your personal circumstances (including financial and tax issues) and seek professional guidance from your stockbroker, solicitor, accountant, financial adviser or other independent professional adviser before deciding whether to invest in Shares. There may also be risks in addition to these that should be considered in light of your personal circumstances.

If you do not fully understand this Prospectus or are in doubt as to how to deal with it, you should seek professional guidance from your stockbroker, solicitor, accountant, financial adviser or other independent professional adviser before deciding whether to invest in Shares.

No person named in this Prospectus warrants or guarantees the Company's performance, the repayment of capital by the Company or any return on investment made pursuant to this Prospectus.

As detailed in Section 1.18, the Company will apply for the Shares to be quoted on the ASX. The Company, the Share Registry and the Joint Lead Managers, disclaim all liability, whether in negligence or otherwise, to persons who trade Shares before receiving their holding statements.

Foreign Investors

This Prospectus does not constitute an offer or invitation to apply for Shares in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to register or qualify the Shares or the Offer or to otherwise permit an offering of the Shares, in any jurisdiction outside Australia. The distribution of this Prospectus (including in electronic form) outside Australia may be restricted by law and persons who come into possession of this Prospectus outside Australia should observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. The Shares are not being offered to any investor outside Australia, other than certain eligible institutional and professional investors in certain jurisdictions detailed in Section 1.20 (or as may otherwise be permitted by law and accepted by the Company).

In particular, the Shares have not been, and will not be, registered under the US Securities Act of 1933 (**US Securities Act**) or the securities laws of any State or other jurisdiction of the United States, and may not be offered or sold in the United States, except in transactions exempt from or not subject to the registration requirements of the US Securities Act and any other applicable US securities laws. This Prospectus may only be distributed in the United States to QIBs by Canaccord or its registered US broker-dealer affiliate and only if this Prospectus is accompanied by the US Offering Circular.

Refer to Section 1.20 for more details on selling restrictions that apply to the Offer and the sale of Shares in jurisdictions outside Australia.

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Financial Information

The financial information included in this Prospectus has been prepared and presented in accordance with the recognition and measurement principles prescribed by Australian Accounting Standards (which are consistent with International Financial Reporting Standards), except where otherwise stated.

The financial information is presented in abbreviated form. It does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports. The financial information in this Prospectus should be read in conjunction with, and is qualified by reference to, the information detailed in Section 6.

Past Performance

This Prospectus includes information regarding past performance of the Company. Prospective investors should be aware that past performance should not be relied upon as being indicative of future performance.

Electronic Prospectus and Application Forms

This Prospectus will be made available in electronic form only to persons in Australia by being posted on the Company's website at https://aemhpa.com/. Eligible persons having received a copy of this Prospectus in its electronic form may obtain an additional paper copy of this Prospectus and the relevant Application Form (free of charge) from the Company's registered office during the Offer Period by contacting the Offer Information Line on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) from 8:30am to 5:00pm (AEDT) Monday to Friday (excluding public holidays). Details of the Company's registered office are detailed in the Corporate Directory. The Offer constituted by this Prospectus in electronic form is only available to persons receiving an electronic version of this Prospectus and relevant Application Form within Australia (unless otherwise determined by the Board, subject to applicable laws).

The Corporations Act prohibits any person from passing on to another person the Application Form unless it is accompanied by or attached to a complete and unaltered copy of this Prospectus.

The electronic copy of this Prospectus available from the Company's website will not include an Application Form. The Company (or Joint Lead Managers) will provide this Prospectus together with the Application Form to persons selected to apply to participate in the Offer. Applicants must complete and return the Application Form with the requisite Application Monies by following the instructions detailed on the Application Form.

By returning an Application Form with the requisite Application Monies or making a payment of Application Monies, you acknowledge that you have received and read this Prospectus and you have acted in accordance with the terms of the Offer as detailed in this Prospectus.

Exposure Period

This Prospectus will be circulated during the Exposure Period. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. You should be aware that this examination may result in the identification of deficiencies in this Prospectus. In such circumstances, any Application that has been received may need to be dealt with in accordance with section 724 of the Corporations Act.

Applications under this Prospectus will not be processed by the Company until after the Exposure Period. No preference will be conferred upon Applications received during the Exposure Period.

Cooling Off Rights

Cooling off rights do not apply to an investment in Shares acquired under this Prospectus. This means that, in most circumstances, you cannot withdraw your application to acquire Shares under this Prospectus once it has been accepted.

No incorporation by reference

No document or information (such as is included on the Company's website) is incorporated by reference into this Prospectus.

Speculative Nature of Investment

An investment in the Company is not risk free. The Shares offered pursuant to this Prospectus should be considered highly speculative. There is no guarantee that the Shares offered pursuant to this Prospectus will make a return on the capital invested, that dividends will be paid on the Shares or that there will be an increase in the value of the Shares in the future.

Prospective investors should carefully consider whether the Shares offered pursuant to this Prospectus are an appropriate investment for them in light of their personal circumstances, including their financial and taxation position. Refer to Section 3 for details relating to the key risks applicable to an investment in the Shares.

Using this Prospectus

Persons wishing to subscribe for Shares offered by this Prospectus should read this Prospectus in its entirety in order to make an informed assessment of the assets and liabilities, financial position and performance, profits and losses, and prospects of the Company and the rights and liabilities attaching to the Shares offered pursuant to this Prospectus. If persons considering subscribing for Shares offered pursuant to this Prospectus have any questions, they should consult their stockbroker, solicitor, accountant or other professional adviser for advice.

Privacy Statement

To apply for Shares you will be required to provide certain personal information to the Company and the Share Registry. The Company and the Share Registry will collect, hold, use, disclose and otherwise handle your personal information in order to assess your Application, service your needs as an investor, provide facilities and services that you request, and to carry out appropriate administration in relation to your Application and your needs as an investor. The Corporations Act and taxation law require some of this personal information to be collected. If you do not provide the information requested, the Company may not be able to accept or process your Application.

By submitting an Application Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Application Form for the purposes detailed in this Privacy Statement and may disclose it for those purposes to the Share Registry, the Company's related bodies corporate, agents, contractors and third-party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities and as otherwise permitted or required by law.

IMPORTANT NOTICE CONTINUED

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If an Applicant becomes a Shareholder, the Corporations Act requires the Company to include information about the Shareholder (including name, address and details of the Shares held) in its public register. The information contained in the Company's public register must remain there even if that person ceases to be a Shareholder. Information contained in the Company's register is also used to facilitate distribution payments and corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its Shareholders) and compliance by the Company with its legal and regulatory requirements.

In some cases, your personal information may be disclosed by the Company to recipients located in the other countries such as storage of subscribers' data for the purpose of web mail broadcasts. Otherwise, your personal information is not generally disclosed to recipients located overseas except with your consent or where otherwise permitted or required by law.

Your personal information will be provided to the Share Registry to assist in managing the Company's Share register. The Share Registry's Privacy Policy is available on the Share Registry's website, www.computershare.com/au/privacy-policies. Questions about the Share Registry's Privacy Policy can also be emailed to privacy@computershare.com.au.

An Applicant has a right to gain access to the information that the Company and the Share Registry holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company to AEM's registered office, details of which are disclosed in the Corporate Directory. You can request access to your personal information by contacting the Share Registry as follows:

Phone: 1300 850 505 (within Australia) or
+61 3 9415 4000 (outside Australia)

Address: Privacy Officer,
Computershare Investor Services Pty Limited,
Yarra Falls, 452 Johnston Street,
Abbotsford VIC 3067, Australia

Forward-Looking Statements and Information

No person is authorised to give any information or make any representation in connection with the Offer which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company, the Directors, the Joint Lead Managers, or any other person in connection with the Offer. You should rely only on information in this Prospectus when deciding whether to invest in Shares. Except as required by law, and only to the extent so required, neither the Company nor any other person warrants or guarantees the future performance of the Company, or any return on any investment made pursuant to this Prospectus.

This Prospectus contains "forward-looking statements" and "forward-looking information", including statements and forecasts which include (without limitation) expectations regarding industry growth and other trend projections, forward-looking statements about the Project, future strategies, results and outlook of AEM and the opportunities available to AEM. Often, but not always, forward-looking information can be identified by the use of words such as "plans", "expects", "is expected", "is expecting", "budget", "outlook", "scheduled", "target", "estimates", "forecasts", "intends", "anticipates", or "believes", or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might", or "will" be taken, occur or be achieved. Such information is based on assumptions and judgments of AEM regarding future events and results. Readers are cautioned that forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, targets, performance or achievements of AEM to be materially different from any future results, targets, performance or achievements expressed or implied by the forward-looking information.

Forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and management of the Company. Key risk factors associated with an investment in the Company are detailed in Section 3. These and other factors could cause actual results to differ materially from those expressed in any forward-looking statements.

Forward-looking information and statements are (further to the above) based on the reasonable assumptions, estimates, analysis and opinions of AEM made in light of its perception of trends, current conditions and expected developments, as well as other factors that AEM believes to be relevant and reasonable in the circumstances at the date such statements are made, but which may prove to be incorrect. Although AEM believes that the assumptions and expectations reflected in such forward-looking statements and information (including as described throughout this Prospectus) are reasonable, readers are cautioned that this is not exhaustive of all factors which may impact on the forward-looking information. AEM does not undertake to update any forward-looking information or statements, except in accordance with applicable securities laws, regardless of whether new information, future events or any other factors affect the information detailed in this Prospectus, except where required by law.

The Company cannot and does not give assurances that the results, performance or achievements expressed or implied in the forward-looking information or statements detailed in this Prospectus will actually occur and prospective investors are cautioned not to place undue reliance on these forward-looking information or statements.

Third Party Reports

This Prospectus includes attributed statements from books, journals and comparable publications that are not specific to, and have no connection with the Company. The authors of these books, journals and comparable publications have not provided their consent for these statements to be included in this Prospectus, and the Company is relying upon *ASIC Corporations (Consents to Statements) Instrument 2016/72* for the inclusion of these statements in this Prospectus without such consent having been obtained.

Any statements, data or other contents referenced or attributed to reports by a third party (each a **Third-Party Report**) in this Prospectus represents research opinions or viewpoints only of that third party, and are in no way to be construed as statements of fact. While the views, opinions, forecasts and information contained in a Third-Party Report are based on information believed by the third-party author in good faith to be reliable, that third-party author is not able to make any representation or guarantee as to the accuracy or completeness of

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any information upon which a view, opinion or forecast or information contained in any Third-Party Report is based. Any views, opinions or predictions contained in a Third-Party Report are subject to inherent risks and uncertainties, and third parties do not accept responsibility for actual results or future events.

Any statement made in a Third-Party Report is made as at the date of that Third-Party Report and any forecasts or expressions of opinion are subject to future change without notice by any respective third-party author of such reports. As such, investors are cautioned not to place undue reliance on such information. A third party is not obliged to, and will not, update or revise any content of a Third-Party Report, other than where required by law, irrespective of any changes, events, conditions, availability of new information or other factors which may occur subsequent to the date of that Third-Party Report. The Third-Party Reports do not represent investment advice nor do they provide an opinion regarding the merits of the Offer.

Photographs and Diagrams

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses this Prospectus or its contents or that the assets shown in them are owned by the Company.

Diagrams used in this Prospectus are illustrative only and may not be drawn to scale. Unless otherwise stated, all data detailed in charts, graphs and tables is based on information available at the Prospectus Date.

Currency

All financial amounts contained in this Prospectus are expressed as Australian currency unless otherwise stated. All references to "$", "AUD" or "A$" are references to Australian dollars.

All references in this Prospectus to "C$" or "CAD" are references to Canadian dollars. All references in this Prospectus to "US$" or "USD" are references to United States dollars.

Effect of rounding

Some numerical figures included in this Prospectus have been subject to rounding adjustments. Any discrepancies between totals and sums of components in tables in this Prospectus are due to rounding.

Time

All references to time in this Prospectus are references to the time in Sydney, New South Wales, unless otherwise stated.

Intellectual Property

This Prospectus may contain trademarks of third parties, which are the property of their respective owners. Third party trademarks used in this Prospectus belong to the relevant owners and use is not intended to represent sponsorship, approval or association by or with us.

Glossary

Defined terms and abbreviations used in this Prospectus are detailed in the glossary in Section 10.

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AEM IS A HIGH PURITY ALUMINA (HPA) PRODUCER WITH ITS PRODUCTION FACILITY IN CAP-CHAT, QUEBEC, CANADA WHERE WE HAVE JUST COMPLETED A TWO YEAR CAPITAL WORKS PROGRAM TO DELIVER A COMMERCIALLY SIZED OPERATION WITH A NAMEPLATE PRODUCTION CAPACITY OF 2,000TPA HPA.

LETTER FROM THE CHAIRMAN

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Dear Investor,

On behalf of the Board of Directors, it is my pleasure to invite you to become a shareholder in Advanced Energy Minerals Limited (**AEM** or the **Company**).

We are a manufacturer of High Purity Alumina (**HPA**) with production facilities in Cap-Chat, Quebec, Canada (the **Cap-Chat Plant** or **Plant**) where, after a two year capital works programme, we have just delivered a commercial scale plant with a 2,000 tpa production capacity. This expansion has been delivered by our experienced management team at a modest capital expenditure of approximately C$25 million, leveraging off the approximately C$140 million spent by previous owners of the Plant. With commissioning of all major circuits successfully complete, we are now ramping up production to meet customer requirements for on-going qualification processes and commercial orders. In 2026, we will be adding a dedicated 3N5 (≥99.95% purity) circuit which will deliver 3,000 tpa HPA production capacity overall, to mark the completion of the **Stage 1 Expansion Project**. At 3,000 tpa, AEM would be the third largest HPA producer in the world outside of China[1].

The HPA market has grown rapidly over recent years with a compound annual growth rate of approximately 13.6% over the period from 2013 to 2024, and with double-digit growth forecast to continue for the next ten years. This growth has been driven by mass adoption of LED technology for energy efficient lighting and supported by significant demand growth in semi-conductors, advanced ceramics and lithium-ion batteries. All of these sectors are forecast to see continued growth underpinned by increased demand for processing and data storage associated with artificial intelligence. Current market conditions are tight with potential undersupply of HPA forecast by independent research publisher CM Group in 2026, and again from 2029 to the end of the forecast period in 2034. As a result, we consider this to be an excellent time to be entering the HPA market. In response to these market dynamics, CM Group have forecast prices to increase from the current US$25/kg[2] range to US$40/kg[2] in the longer term.

Unlike homogeneous commodities, HPA is a downstream product which must meet each customer's specific requirements in terms of purity, particle size and morphology. The process for qualifying a product with a customer can typically take one to two years. It begins with laboratory testing of small samples before progressing in stages to industrial scale trials. AEM has been able to advance this qualification process with a range of customers as the Cap-Chat Plant has consistently produced HPA on specification for over three years. As a result, AEM currently has eleven Projects[3] which have completed the qualification process phase and are in the commercial relationship stage, with twenty-two Projects in the industrial trials phase, and eighty-six in laboratory trials. Consequently, we expect to develop a customer base over the coming two years that will fully utilise our existing 2,000 tpa current production capacity, as well as the additional 1,000 tpa from the 3N5 dedicated circuit to be added in 2026.

Our strategy is to capitalise on the forecast undersupply of HPA, and to double production capacity at the Cap-Chat Plant to 6,000 tpa by adding a new plant alongside the current one (the **Stage 2 Expansion Project**). Our recently completed Pre-Feasibility Study (**PFS**) indicates that the Stage 2 Expansion Project could be delivered at a capital cost of US$215 million and modelling by BDO Services Ltd (**BDO Services**) indicates steady state annual EBITDA of approximately US$85 million at CM Group's forecast long term pricing. Construction is planned to commence in early 2027, with production commencing from Q2 of 2029.

Quebec is an attractive and stable operating jurisdiction and provides our innovative process with access to low-cost renewable energy, and readily available industrial feedstock provided by Rio Tinto Alcan. This will enable AEM to produce HPA at a low operating unit cost with industry leading carbon emissions. CM Group has forecast AEM to have production costs in the bottom half of the cost curve (Stage 1 and 2).

I am fortunate to be joined in AEM by an experienced and motivated team. This is led by our Managing Director and Chief Executive Officer, Michael Adams, who relocated to Montreal two years ago to deliver the results we see today. He is supported by a mix of senior managers who either have long term intimate knowledge of the operations at the Cap-Chat Plant or are more recent arrivals with complementary skillsets and experience. Our management team provides a strong platform for our next stage of delivery and growth.

1. Based on production capacities of HPA producers in 2024 identified by CM Group.
2. Rest of the World Milled HPA (4N5+) prices per CM Group.
3. Customer's process to qualify and, if successful, then buy product for a specific application.

LETTER FROM THE CHAIRMAN CONTINUED

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Details of the Offer

The Offer is an initial public offering of 75,471,698 Shares at an Offer Price of A$0.53 per Share to raise a minimum of A$40 million (before associated costs), with the ability to accept oversubscriptions of up to a further 18,867,924 Shares at an Offer Price of A$0.53 per Share to raise up to a further A$10 million (before associated costs). The Offer proceeds will be used to provide working capital for the business as we ramp up sales and production, capital expenditure for growth projects, and funding for the engineering and other studies for our Stage 2 expansion study.

Key Risks

An investment in the Company is subject to risks. These key risks include Product Qualification Process Risk, Meeting Product Quality Requirements, Production Ramp Up Risk and Production Rate Risk. Please refer to Section 3 for a more detailed description of the key risk factors.

On behalf of the Board of Directors, I am proud to introduce our Company to you and look forward to communicating to you again as Shareholders.

Yours sincerely,



Richard Seville
Executive Chairman

KEY OFFER INFORMATION

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Indicative Timetable	
Lodgement of this Prospectus with ASIC	10 November 2025
Exposure Period begins	10 November 2025
Exposure Period ends (unless extended)	23 November 2025
Opening Date of the Offer (unless the Exposure Period is extended)	24 November 2025
Closing Date of the Offer	28 November 2025
Allotment Date	5 December 2025
Despatch of holding statements	11 December 2025
Admission to Official List of the ASX	12 December 2025
Commence trading of Shares on ASX	12 December 2025

Note:

The above dates are indicative only and may change. The Company, in consultation with its advisers, reserves the right to amend any and all of the above dates without notice (including, without limitation, subject to the Listing Rules and the Corporations Act, to close the Offer or any part of it early, to extend the Closing Date, to accept late Applications (either generally or in particular cases) or to cancel the Offer before Shares are issued by the Company). If the Offer is cancelled before the issue of Shares, then all Application Monies will be refunded in full (without interest) as soon as practicable in accordance with the requirements of the Corporations Act. Eligible Applicants are encouraged to submit their Applications as soon as possible after the Offer opens. Admission is subject to ASX's discretion and is not guaranteed.

KEY OFFER INFORMATION CONTINUED

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Key Offer Details[1,2]	
Offer Price per Share under the Offer	**A$0.53**
Total Shares on issue upon Admission	**579,605,959**
Shares on issue as at the Prospectus Date	287,147,973
Shares to be issued on the conversion of the Consideration Notes[3]	22,892,026
Estimated Shares to be issued on the conversion of the Convertible Debentures[4]	193,260,675
Shares to be issued on exercise of Existing Options[5]	833,587
Shares offered under the Offer	75,471,698
Total Options on issue upon Admission	**3,773,585**
Options to be issued to Joint Lead Managers[6]	3,773,585
Total Convertible Securities on issue upon Admission	**19,764,209**
Performance Rights[7]	17,492,034
Deferred Share Units[8]	2,272,175
Market capitalisation at Admission (Based on the Offer Price)	**A$307.2 million**
Pro Forma net cash (as at 30 June 2025)[9]	A$35.6 million
Enterprise Value at the Offer Price[10]	**A$271.6 million**

Notes:

1. Refer to Section 1.8 for further details relating to the indicative capital structure of the Company on Admission.
2. Based on Minimum Subscription.
3. The consideration notes were issued in June 2024 pursuant to the restructure described in Section 8.9(e) (**Consideration Notes**). The Consideration Notes will convert into Shares on a one for one basis prior to Admission. All Consideration Notes have a nil face value and no interest is payable.
4. Subject to the total number of Shares to be issued pursuant to the Debentures Conversion which may vary depending on the date of the Debentures Conversion (being the Allotment Date) and total interest accrued on the Convertible Debentures at the time of the Debentures Conversion. Refer to Sections 8.9(c) and 8.9(d) for further details on the Convertible Debentures and the Debentures Conversion.
5. The Existing Options, being 833,587 Options with an exercise price of $0.25 and expiry of 30 November 2025, will be exercised prior to Admission.
6. Refer to Section 8.3 for terms and conditions of the Joint Lead Manager Options and the Independent Limited Assurance Report in Section 6 for a Black Scholes valuation of the Joint Lead Manager Options. The Joint Lead Manager Options will be issued under the Joint Lead Manager Offer, detailed in Section 1.14.
7. Refer to Section 8.4, 8.5 and 8.6 for terms and conditions of the Performance Rights.
8. Refer to Section 8.7 for terms and conditions of the Deferred Share Units.
9. Calculated as the pro forma cash and cash equivalents less borrowings at Admission (based on the reviewed historical consolidated Statement of Financial Position as at 30 June 2025).
10. Calculated as the market capitalisation at the Offer Price, less pro forma net cash at Admission (based on the reviewed historical consolidated Statement of Financial Position as at 30 June 2025).

How to Invest

Applications for Shares can only be made by completing and lodging an Application Form. Instructions on how to apply for Shares are set out in Sections 1.9(a), 1.10(b) and 1.11(a) and on the back of the Application Form.

Questions

All enquiries in relation to this Prospectus should be directed to the Offer Information Line on 1300 850 505 (within Australia) from 8:30am to 5:00pm (AEDT), Monday to Friday (excluding public holidays). If you are eligible to participate in the Offer and are calling from outside Australia, you should call +61 3 9415 4000 from 8:30am to 5:00pm (AEDT), Monday to Friday (excluding public holidays).

If you are unclear in relation to any matter or are uncertain as to whether the Company is a suitable investment for you, you should seek professional guidance from your solicitor, stockbroker, accountant or other independent and qualified professional adviser before deciding whether to invest in the Shares.



INVESTMENT OVERVIEW

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INVESTMENT OVERVIEW

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This Section is not intended to provide full information for investors intending to apply for Shares offered pursuant to this Prospectus. This Prospectus should be read and considered in its entirety. The Shares offered pursuant to this Prospectus carry no guarantee in respect of return of capital, return on investment, payment of dividends or the future value of Shares.

TOPIC	SUMMARY	MORE INFORMATION
A. Introduction		
Who is issuing this Prospectus?	The issuer of this Prospectus is Advanced Energy Minerals Limited (**AEM** or **Company**), a public company incorporated in Australia with Australian Company Number 095 907 565.	Section 2
What is the Offer?	The Offer is an initial public offering of 75,471,698 Shares at an Offer Price of A$0.53 per Share to raise A$40 million (before associated costs). Oversubscriptions of up to a further 18,867,924 Shares at an Offer Price of A$0.53 per Share to raise up to a further A$10 million (before associated costs) may be accepted. The Shares issued pursuant to the Offer will rank equally with existing Shares on issue. For details relating to the rights and liabilities of the Shares, refer to Section 8.1.	Section 1.1
Why is the Company issuing this Prospectus?	The purpose of this Prospectus is to: • raise a minimum of A$40 million pursuant to the Offer (before associated costs); • assist the Company to meet the requirements of ASX and satisfy Chapters 1 and 2 of the Listing Rules, as part of the Company's application for Admission; • position the Company to seek to achieve the objectives detailed in Section 2.4; • provide a liquid market for the Shares to trade and an opportunity for others to invest in the Company; and • provide the Company with the benefits of an increased profile that arises from being a listed entity.	Section 1.6
B. Company and Business overview		
What does the Company do?	Advanced Energy Minerals Limited is an emerging producer of HPA products. Through the Company's patented chlorine leach crystallisation purification (**CLCP**) process, and its location in Quebec with access to low cost renewable power, AEM has achieved significant advantages in cost and environmental footprint over traditional HPA production methods. AEM produces HPA in its production plant in Cap-Chat, Quebec, Canada which is powered entirely by renewably generated electricity. A staged capital works program is underway at the Plant to scale production capacity to 6,000 tpa and meet the growing global demand for HPA. Importantly, the Company has recently delivered a commercial scale 2,000 tpa capacity plant and has plans to add an additional 1,000 tpa in 2026 (combined the **Stage 1 Expansion Project**). To support the Cap-Chat Plant, AEM also operates a research facility located at Ville St-Laurent, part of metropolitan Montreal in Quebec, Canada (the **Technical Development Centre** or **TDC**). The TDC focuses on AEM's product development and operational support to the Cap-Chat Plant during customer qualification processes.	Section 2.1

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TOPIC	SUMMARY	MORE INFORMATION
What is the History of the Company?	AEM was initially incorporated in 2001 (as a private company named Gulf Minerals Pty Ltd) that, in 2006, became engaged in developing the Kendall River Kaolin Project in northern Queensland. In 2012, AEM saw a potential opportunity to extract HPA from its kaolin resource and approached Orbite Technologies Inc. (**Orbite**), a company incorporated in Quebec, Canada that was engaged in developing a chemical process to manufacture HPA from naturally occurring aluminous clays. Orbite completed construction of a HPA plant in Cap-Chat in 2017 but encountered issues with commissioning a fluidised bed furnace at the heart of its production process. This eventually led to the company entering creditor protection administered by a Monitor under Canada's Companies' Creditors Arrangement Act in 2017. AEM acquired the Cap-Chat Plant in April 2020 and used knowledge gained through its relationship with Orbite to resolve the issues with the Plant. AEM entered sub-commercial scale production in 2021 (**Initial Stage**) enabling the Company to begin customer qualification processes and undertake early sales. In 2023, AEM began the Stage 1 Expansion Project which has allowed the Company to commence commercial scale production with a plant production capacity of 2,000 tpa at the Prospectus Date, with an additional 1,000 tpa to be added in 2026.	Section 2.2
What is AEM's business model and how does it generate revenue?	AEM's business model is the production and sale of HPA products to customers in its key end-markets, including batteries, synthetic sapphires, ceramics and advanced electronics. These customers seek a secure supply of high-quality HPA product tailored to their specific manufacturing requirements. AEM aims to serve as a preferred supplier by producing highly customised HPA materials tailored to the technical requirements of each customer. This involves direct collaboration between AEM and customers to first develop and qualify products prior to entering into commercial agreements. Sales relationships of HPA suppliers with customers are typically long term due to the qualification process requirement prior to supply. AEM employs a global sales network, comprising an in-house sales team and distributors, to sell its products across key global markets including North America, Europe and Asia.	Sections 2.1, 2.3 2.5, 2.6 and 2.7
What are the Company's key costs?	The Company's key costs include: • Employee costs; • Aluminous feedstock for the production of HPA • Electricity to operate the equipment within the Cap-Chat Plant • Ongoing plant maintenance The quantum and relevant proportions will change with production rate.	Independent Technical Reports in Section 7

INVESTMENT OVERVIEW CONTINUED

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TOPIC	SUMMARY	MORE INFORMATION
What is AEM's strategy?	AEM is executing a staged program to expand significantly its production capacity in response to rising global demand for high purity alumina. The three stages comprise an Initial Stage (already completed), Stage 1 Expansion Project (in progress) and Stage 2 Expansion Project (planned). As part of the Stage 1 Expansion Project, AEM recently delivered a commercially scaled plant with a production capacity of 2,000 tpa HPA. A dedicated 3N5 circuit is due to be installed in 2026 to bring overall production capacity to 3,000 tpa HPA. Later, the Company plans to double its production capacity to 6,000 tpa HPA through completion of the Stage 2 Expansion Project with production estimated from Q2 2029. This staged expansion approach underscores a strategic commitment to scale operations and maintain global competitiveness as the demand for HPA continues to rise.	Sections 2.4 and 2.5
What is the Company's interest in the business?	AEM is the Australian holding company for the HPA business operated through its 100% owned Canadian subsidiary Advanced Energy Minerals Inc. (**AEM Inc.**) which in turn owns two subsidiaries, AEM Canada Group Inc. (**ACG**) which runs operations at Cap-Chat in Quebec, Canada, and AEM Technologies Inc. (**AET**) which operates the Technical Development Centre.	Sections 2.9 and the Independent Technical Reports in Section 7
How does the Company expect to fund its operations?	The Company believes that its existing cash reserves, together with anticipated debt facilities and the funds proposed to be raised from the Offer will provide AEM with sufficient working capital to achieve its stated objectives during the two year period following Admission, as detailed in Sections 1.7 and 2.4 of this Prospectus.	Sections 1.7 and 2.4
What are the key strengths and competitive advantages of the Company?	AEM's key strengths and competitive advantages are: **Emerging Leader in HPA Production** • AEM is an innovative HPA producer capable of producing purity levels up to 5N (99.999%) • At the completion of Stage 1 Expansion Project, AEM's Cap-Chat Plant will be the third largest HPA production asset outside of China[4] **Innovative and Sustainable Production Process** • AEM's patented CLCP process is a cost-efficient production process which is powered 100% by renewable energy and enabled by locally sourced feedstock • AEM's Cap-Chat Plant produces HPA with the industry leading scope 1, 2 and 3 emissions[5] • CM Group have forecast AEM to be in the bottom half of the global industry cost curve including China while producing high purity product[4]	Section 2.13

4. Based on production capacities of HPA producers in 2024 identified by CM Group.
5. Optel (independent audit of AEM production operations and supply chain (completed in September 2023, updated May 2025)).

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TOPIC	SUMMARY		MORE INFORMATION
What are the key strengths and competitive advantages of the Company? continued	Strategic Plant Expansion Plan	• Stage 1 Expansion Project has delivered 2,000 tpa of HPA capacity in Q2 2025, with plans to increase to 3,000 tpa in 2026 • Stage 2 Expansion Project will expand production capacity to 6,000 tpa (commissioning currently forecast for Q4 2028 with production to begin in 2029) enabling AEM to scale production in line with growing customer demand • Stage 2 PFS indicates robust project economics with steady state annual EBITDA of approximately US$47.1 million to approximately US$85.2 million	Section 2.13
	Robust Customer Pipeline	• AEM has secured three customer Projects by sales contracts, eleven customers are in commercial engagement and more than 105 are currently undergoing qualification trials • AEM's annual customer pipeline has a value of approximately US$87.6 million (or 3,629 tonnes of HPA) across all customer qualification process stages and spans customers in North America, Europe, Japan, Korea, Taiwan and China • The customer pipeline continues to expand as AEM's market presence increases	
	Experienced Leadership with Proven Capability	• AEM has an experienced and technically skilled workforce overseeing Plant expansion and ongoing operation • The management team comprises a mix of individuals that blends a deep knowledge of the Company's manufacturing processes and markets with international management practice and has a demonstrated track record of executing complex construction projects and delivering operational success • An experienced Board and management provide strategic oversight and have overseen the growth of AEM to date	
	In addition, there are significant barriers of entry for aspiring producers ranging from the high capital hurdles, extended development stages to develop and prove applicable technology, and extended product qualification processes making it difficult for new entrants.		
What are the Company's objectives which it is seeking to achieve from admission to ASX and the Offer and why is the Company seeking to raise funds?	The Company is seeking a listing on the ASX to provide a platform from which it could gain broad investment support to implement its growth strategy. A listing on ASX will provide: • funding for the Company's near-term objectives as detailed in Section 2.4; • access to capital markets which will improve financial flexibility for future growth opportunities; • a liquid market for its Shares and an opportunity for others to invest in the Company; and • the benefits of an increased profile that arise from being a listed entity.		Sections 1.6 and 2.4

INVESTMENT OVERVIEW CONTINUED

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TOPIC	SUMMARY	MORE INFORMATION
What are the Company's financial prospects and position?	Financial information in respect to the Company, including a pro forma statement of financial position detailing the effect of the Offer, is detailed in the Independent Limited Assurance Report (which is included in Section 6).	Section 6
How will the Company report to Shareholders on the performance of its activities?	The Company will send an annual report only to Shareholders who have elected to receive a hard copy, with the full annual report accessible from the Company's website. The Company will also release information to Shareholders in accordance with the continuous and periodic disclosure requirements of the Listing Rules. Further information regarding the Company will be available on the ASX announcements platform at www.asx.com.au and will also be available on the Company's website at www.aemhpa.com/.	Important Information and Section 8.17
Will the Company pay dividends?	The Company is in the early stages of commercial production. It currently does not produce profits and makes no forecast of whether it will generate profits in future. Accordingly, at the Prospectus Date, the Company does not intend, or expect, to declare or pay any dividends in the foreseeable future. Any future determination as to the payment of dividends by the Company will be at the sole discretion of the Directors and will depend on the availability of distributable earnings and the operating results and financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company. The Company does not have a dividend reinvestment plan in place.	Section 1.23
C. Key risks		
What are the key risks of investing in the Company?	Selected key risks of investing in the Company are detailed below. The list of risks is not exhaustive and further details of these risks and other risks associated with an investment in the Company are detailed in Section 3. • **Product Qualification Process Risk:** The products AEM produces need to meet the requirements of customers in the form of purity, particle size and morphology, and this is assessed through a qualification process which commonly takes two years. The qualification process has inherent risks such as a) timing of the qualification process as the process is driven by the customers, b) product suitability as the company's product may not suit the customer's requirements, and c) process complexity as the Company is managing many qualification processes in parallel. Each of these risks has the potential to delay sales ramp up and revenue. • **Meeting Product Quality Requirements:** The products AEM produces at the Cap-Chat Plant must consistently achieve specified levels of purity and other physical characteristics to meet customer requirements. There is risk that, due in particular to the Company being a new commercial scale producer with developing systems, there could be issues with maintaining consistent quality control.	Section 3

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TOPIC	SUMMARY	MORE INFORMATION
What are the key risks of investing in the Company? continued	• **Production Ramp Up Risk:** The Cap-Chat Plant has been operating over recent years at a sub-commercial scale. As a result of the 2023-2025 capital works programme the production capacity has been increased to a commercial scale, and the production rate will rise to supply orders. Although the 2023-2025 capital works programme had the benefit of existing operations in its design, the production ramp up will be subject to the usual risks associated with ramp up including, but not limited to, equipment commissioning risks and the development of operating "know how" and operating efficiency. • **Production Rate Risk:** The Cap-Chat Plant operates a multi-stage batch process to manufacture HPA in many product forms to meet different customer requirements. The inherent complexity in producing a wide range of products creates a risk to the efficient utilisation of the plant's nameplate productive capacity. However, this risk is offset by the different production stages being batch based and independent of each other, which gives the plant considerable flexibility in its operational capabilities. • **Management and Key Personnel Risk:** The Company's business and future success depends heavily on the continued services of a small group of executive management and other key personnel. If one or more of the Company's management or key personnel were unable to (or unwilling to) continue in their present positions, the Company might not be able to replace them easily or at all. As a result, the Company's business may be severely disrupted, materially adversely affecting its financial condition and operational results. The Company may also incur additional expenses to recruit, train and retain new or existing personnel. • **Operating Personnel Availability Risk:** Due to its remote area it may be difficult to attract and maintain a skilled workforce. The inability to do so may negatively impact production rate, production unit costs, production efficiency and product quality measures. • **Manpower Requirement Risk:** As the Cap-Chat Plant uses a multi-stage batch process and produces a wide range of products there is a risk that operating cost may be higher than current estimates due to the need for additional labour. • **Competition:** The Company participates in the developing HPA market. There are a range of other technologies currently available and in development which offer potential alternatives, in some of the products the Company produces. It is conceivable, that in the future the market may be entered by globally focused competitors with significantly more access to capital and resources. Should any of the Company's competitors participate more aggressively on price, product, innovation or other means this could have a material adverse impact on the Company's business. • **Market Growth:** Although there has been strong growth in HPA demand over the past decade and double-digit growth is forecast over the coming decade, there is a risk that the anticipated growth rate is less than forecast. Such an outcome may negatively impact the Company's business and expansion plans. • **Limited History:** The Company has limited operating history. This has potential negative impacts in terms of customer engagement, access to capital and operating efficiencies, all of which could negatively impact the Company's prospects.	Section 3

INVESTMENT OVERVIEW CONTINUED

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TOPIC	SUMMARY	MORE INFORMATION
What are the key risks of investing in the Company? continued	• **Stage 2 Expansion Project Development:** The undertaking of the Stage 2 Expansion Project and its timing is dependent on the Company making a final investment decision (**FID**) which would need to be informed by a positive feasibility study, strong continued HPA market dynamics, procurement of debt finance or other acceptable financing plan, and a positive production and sales ramp up of the Stage 1 Expansion Project. • **Materials Handling:** The Company's business involves the controlled use of chemicals and, therefore, is subject to environmental and health and safety laws and regulations. There is a risk that the Company will not comply with these laws and regulations, or, despite its compliance, will nonetheless be exposed to industrial incidents relating to potentially hazardous materials. Such incidents may result in liability for contamination, compensation to individuals exposed to harm and remediation for damage caused. The Company may also be liable for fines imposed under applicable laws and regulations. • **Intellectual Property:** The Company's ability to leverage its innovations and know-how is contingent on its capacity to protect its intellectual property and associated improvements and developments. The Company may be required to incur significant expenses in establishing, protecting, and monitoring its intellectual property rights, including by engaging in litigation to enforce or vindicate its rights. Unauthorised use of the Company's intellectual property by third parties, including potential or actual competitors of the Company, may have an adverse effect on the Company.	Section 3
D. Directors and related party interests and arrangements and other significant interests		
Who are the Directors of the Company?	At the Prospectus Date and upon Admission, the Board will comprise: • Mr Richard Seville – Executive Chairman • Mr Michael Adams – Managing Director and Chief Executive Officer • Sir Richard Evans – Non-Executive Director • Mr Timothy Fletcher – Non-Executive Director • Mr Anthony Giammaria – Non-Executive Director • Ms Leanne Heywood – Non-Executive Director • Mr Nassif Obeid – Non-Executive Director • Mr Steven Petersohn – Non-Executive Director	Sections 4.1 and 4.2
Who is the management team of the Company?	At the Prospectus Date and upon Admission, the senior management team will comprise: • Mr Richard Seville – Executive Chairman • Mr Michael Adams – Managing Director and Chief Executive Officer • Mr Alexis Clark – Company Secretary and Chief Financial Officer • Mr Stéphane Blanchette – Chief Human Resources Officer • Mr Sylvain Seyer – SVP Asset Management and Production • Dr Daniele Fregonese – SVP Sales and Marketing • Dr Ebrahim Alizadeh – SVP Technical Services and R&D	Section 4.3

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TOPIC	SUMMARY	MORE INFORMATION
What interests in the Company are held by Directors and are they participating in the Offer?	Securities held by each of the Directors as at the Prospectus Date are as follows:	Section 4.4

DIRECTOR	SHARES	CONVERTIBLE DEBENTURES[1]	PERFORMANCE RIGHTS	DSUs
Richard Seville	26,521,323[2]	C$13,297,381[3]	3,256,716	1,530,214
Michael Adams	3,300,256[4]	Nil	3,256,716	Nil
Richard Evans	24,281,408[5]	C$352,875[6]	Nil	276,682
Steven Petersohn	10,948,110[7]	C$1,064,278[8]	Nil	99,415
Nassif Obeid	12,140,704[9]	C$828,540[10]	Nil	276,682
Timothy Fletcher	56,639,363[11]	C$520,778[12]	Nil	62,866
Anthony Giammaria	120,000[13]	Nil	Nil	Nil
Leanne Heywood	Nil	Nil	Nil	26,316

Notes:

1. The 2023 convertible debentures were issued by AEM Inc. in 2023 (**2023 Convertible Debentures**). The 2023 Convertible Debentures receive interest of 10% per annum payable upon maturity or redemption. The 2023 Convertible Debentures (including accrued interest) will convert into Shares at the lesser of: (i) the Valuation Cap Price which is calculated by dividing C$100,000,000 by the number of issued and outstanding Shares calculated on a fully diluted basis immediately prior to the conversion date (but expressly excluding the underlying securities to be issued pursuant to this instrument and excluding any other pre-IPO convertible instrument issued by AEM Inc. subsequent to the date of this instrument); and (ii) a 30% discount to the Offer Price.

   The 2024 convertible debentures were issued by AEM Inc. in late 2024 and 2025 (**2024 Convertible Debentures**). The 2024 Convertible Debentures will receive interest of 10% per annum payable upon maturity or redemption. The 2024 Convertible Debentures (including accrued interest) will convert into Shares at the lesser of: (i) the Valuation Cap Price which is calculated by dividing C$150,000,000 by the number of issued and outstanding Shares calculated on a fully diluted basis immediately prior to the conversion date (but expressly excluding the underlying securities to be issued pursuant to this instrument and excluding any other pre-IPO convertible instrument issued by AEM Inc. subsequent to the date of this instrument); and (ii) a 30% discount to the Offer Price.

   Refer to Sections 8.9(c) and 8.9(d) for further information on the Convertible Debentures.
2. Comprising:
   (a) 17,115,000 Shares held by Richard Seville & Associates PL ATF The Seville Superannuation Fund, an entity associated with Mr Richard Seville; and
   (b) 9,406,323 Shares held by Ockleston Nominees Pty Ltd ATF The Seville Trust, an entity associated with Mr Richard Seville.
3. Comprising:
   (a) C$8,022,872 of 2023 Convertible Debentures held by Richard Seville & Associates Pty Ltd;
   (b) C$2,021,323 of 2024 Convertible Debentures held by Richard Seville & Associates Pty Ltd; and
   (c) C$3,253,186 of 2024 Convertible Debentures held by Ockleston Nominees Pty Ltd ATF The Seville Trust, an entity associated with Mr Richard Seville.
4. Held by MGW Adams Ltd, an entity associated with Mr Michael Adams.
5. Held directly by Sir Richard Evans.
6. Comprising C$127,936 of 2023 Convertible Debentures and C$224,939 of 2024 Convertible Debentures held by Sir Richard Evans.
7. Comprising:
   (a) 6,766,064 Shares held directly by Mr Steven Petersohn; and
   (b) 4,182,046 Shares held by Mr Steven Petersohn's wife.
8. Comprising C$521,015 of 2023 Convertible Debentures and C$543,263 of 2024 Convertible Debentures held by Mr Steven Petersohn, his wife and daughter.
9. Held directly by Mr Nassif Obeid.
10. Comprising C$716,070 of 2023 Convertible Debentures and C$112,470 of 2024 Convertible Debentures held by Mr Nassif Obeid.
11. Comprising:
   (a) 48,866,482 Shares held by Begrand Resources Ltd, an entity associated with a related party of Mr Timothy Fletcher;
   (b) 4,058,676 Shares held by Cleveland Investment Global Limited, an entity associated with a related party of Mr Timothy Fletcher; and
   (c) 3,714,205 Shares held directly by Mr Timothy Fletcher.
12. Held by a related party of Mr Timothy Fletcher.
13. Held directly by Mr Anthony Giammaria.

INVESTMENT OVERVIEW CONTINUED

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TOPIC	SUMMARY	MORE INFORMATION
What interests in the Company are held by Directors and are they participating in the Offer? continued	On completion of the Offer, based on the intentions of the Directors as at the Prospectus Date, the direct and indirect interest of the Directors in Securities is anticipated to be as follows:	Section 4.4

DIRECTOR	MAXIMUM SHARES[1]	PERFORMANCE RIGHTS	DSUs	MAXIMUM VOTING POWER IN COMPANY UPON ADMISSION[2]
Richard Seville	68,927,166[3]	3,256,716	1,530,214	11.9%
Michael Adams	3,488,935[4]	3,256,716	Nil	0.6%
Richard Evans	25,466,851[5]	Nil	276,682	4.4%
Steven Petersohn	14,474,059[6]	Nil	99,415	2.5%
Nassif Obeid	14,939,875[7]	Nil	276,682	2.6%
Timothy Fletcher	58,552,473[8]	Nil	62,866	10.1%
Anthony Giammaria	120,000[9]	Nil	Nil	0.0%
Leanne Heywood	Nil[10]	Nil	26,316	Nil

Notes:

1. Includes the existing interests of Directors in Shares as at the Prospectus Date and the Shares that are proposed to be issued to them pursuant to the Offer.
2. Maximum Voting Power is calculated on an undiluted basis (and assuming that the Convertible Debentures convert into 193,260,675 Shares pursuant to the Debentures Conversion on the Allotment Date) and the Minimum Subscription being raised. The actual Voting Power may vary if that conversion of the Convertible Debentures occurs at a different time, due to that impacting on the number of Shares to be converted from interest due, as detailed in Section 8.9(c) and 8.9(d) and the number of Shares issued under the Offer.
3. Includes 42,217,164 Shares to be issued pursuant to the Debentures Conversion in relation to the Convertible Debentures held as at the Prospectus Date by Mr Richard Seville and 188,679 Shares intended to be issued to Mr Richard Seville pursuant to the Offer.
4. Mr Michael Adams intends to be issued 188,679 Shares pursuant to the Offer.
5. Includes 1,091,104 Shares to be issued pursuant to the Debentures Conversion in relation to the Convertible Debentures held as at the Prospectus Date by Sir Richard Evans and 94,339 Shares intended to be issued to Sir Richard Evans pursuant to the Offer.
6. Includes 3,337,270 Shares to be issued pursuant to the Debentures Conversion in relation to the Convertible Debentures held as at the Prospectus Date by Mr Steven Petersohn and 188,679 Shares intended to be issued to Mr Steven Petersohn pursuant to the Offer.
7. Includes 2,704,832 Shares to be issued pursuant to the Debentures Conversion in relation to the Convertible Debentures held as at the Prospectus Date by Mr Nassif Obeid and 94,339 Shares intended to be issued to Mr Nassif Obeid pursuant to the Offer.
8. Includes 1,724,431 Shares to be issued pursuant to the Debentures Conversion in relation to the Convertible Debentures held as at the Prospectus Date by Mr John Fletcher, father of Timothy Fletcher and 188,679 Shares intended to be issued to Mr Fletcher pursuant to the Offer.
9. Mr Anthony Giammaria does not intend to participate in the Offer.
10. Ms Leanne Heywood does not intend to participate in the Offer.

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TOPIC	SUMMARY	MORE INFORMATION
What benefits and interests are payable to Directors and other persons connected with the Company or the Offer?	At the time of Admission, the remuneration of the Directors will be as follows:	Sections 4.4 and 8.12

DIRECTOR	ANNUAL REMUNERATION (A$)
Executive Directors[1]	
Richard Seville	$372,960
Michael Adams	$444,444
Non-Executive Directors[2]	
Richard Evans	$90,000
Steven Petersohn	$90,000
Nassif Obeid	$90,000
Timothy Fletcher	$90,000
Anthony Giammaria	$90,000
Leanne Heywood	$90,000

Notes:

1. Fixed remuneration inclusive of superannuation (where applicable).
2. The Directors fees for the Non-Executive Directors are exclusive of superannuation.

Refer to Section 4.4(a) for further information.

Other key executive remuneration at the time of Admission is detailed in Section 4.4(c).

Advisers and other service providers are entitled to fees for services and other interests detailed in Section 8.13.

INVESTMENT OVERVIEW CONTINUED

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TOPIC	SUMMARY	MORE INFORMATION
Who are the significant existing Shareholders and what will their interests be after completion of the Offer?	As at the Prospectus Date, based on the Company's register of Shareholders, the following persons have an interest in 5.0% or more of the Shares on issue: • ViVent Initiative Ltd; • Mr Timothy Fletcher; • Mr Richard Seville; and • Sir Richard Evans. The persons who may hold an interest in 5.0% or more of the Shares upon Admission are currently unknown. However, based on the information known as at the Prospectus Date, upon Admission the following Shareholders are expected to have an interest in 5.0% or more of the Shares on issue (noting that substantial shareholdings may be impacted by allocations of Shares under the Offer):	Section 8.11
Who are the Joint Lead Managers?	Ord Minnett and Canaccord have been appointed as the joint lead managers to the Offer and underwriters to the Institutional Offer and Broker Firm Offer. The Priority Offer is not underwritten.	Section 8.9(a)

SHAREHOLDER	NUMBER OF SHARES	% OF SHARES ON ADMISSION[1]
ViVent Initiative Ltd[2]	84,984,925	14.7%
Mr Richard Seville[3]	68,927,166	11.9%
Mr Timothy Fletcher[4]	58,552,473	10.1%
Total	**212,464,564**	**36.7%**

Notes:

1. Assuming 193,260,675 Shares are issued pursuant to Debentures Conversion and 22,892,026 Shares pursuant to Notes Conversion on the Allotment Date and assuming 75,471,698 Shares are issued under the Offer and that no further Shares are issued or cancelled prior to Admission. The percentages in the table above may vary if the conversion of the Debentures Conversion occurs at a different time than anticipated, due to that impacting on the number of Shares to be converted from interest due on the Convertible Debentures, as detailed in Section 8.9(c).
2. This includes 22,892,026 Shares to be issued to ViVent upon conversion of Consideration Notes as detailed in Section 8.9(e).
3. This includes the estimated number of Shares to be issued to Mr Richard Seville (being 42,217,164 Shares) pursuant to the conversion of the Convertible Debentures as detailed in Sections 8.9(c) and 8.9(d).
4. Comprising:
   (a) 48,866,482 Shares held by Begrand Resources Ltd, an entity associated with a related party of Mr Timothy Fletcher;
   (b) 4,058,676 Shares held by Cleveland Investment Global Limited, an entity associated with a related party of Mr Timothy Fletcher;
   (c) 3,714,205 Shares held directly by Mr Timothy Fletcher;
   (d) 1,724,431 Shares, being the estimated number of Shares to be issued to Mr John Fletcher, father of Timothy Fletcher, pursuant to the conversion of the Convertible Debentures as detailed in Sections 8.9(c) and 8.9(d); and
   (e) 188,679 Shares intended to be issued to Mr Fletcher pursuant to the Offer.

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TOPIC	SUMMARY	MORE INFORMATION
What fees are payable to the Joint Lead Managers?	The Company has agreed to pay the Joint Lead Managers the following fees in respect of their appointment as the joint lead managers to the Offer and underwriters to the Institutional Offer and Broker Firm Offer: (a) a management fee of 1.5% (plus GST) of the total amount of the gross proceeds raised under the Offer; (b) an underwriting fee of 3.5% (plus GST) of the total amount of the gross raised under the Offer less any proceeds raised from a Priority Offer of non-institutional investors introduced by the Company (capped at a maximum of A$10 million); (c) a payment of up to A$350,000 at the discretion of the Company; and (d) up to 4,716,981 unlisted Options with an expiry date of three years from the date of issue and an exercise price of A$0.69 based on the Maximum Subscription. which will be split equally amongst the Joint Lead Managers. The Joint Lead Managers will be issued between 3,773,585 Options (assuming Minimum Subscription) and 4,716,981 Options (assuming Maximum Subscription) under the Joint Lead Manager Offer. Refer to Section 8.3 for further details of the terms and conditions of the Joint Lead Manager Options. Refer to Section 8.9(a) for further information regarding the Joint Lead Manager Mandate and Section 8.9(b) for further information regarding the Underwriting Agreement.	Sections 8.9(a) and 8.9(b)
What are the Joint Lead Managers interests in the securities of the Company?	As at the Prospectus Date, the Joint Lead Managers do not hold any securities of the Company. Refer also to Sections 8.9(a) for further information regarding the Joint Lead Managers rights and benefits pursuant to its Joint Lead Manager Mandate and Underwriting Agreement (respectively). The Joint Lead Managers, in their capacity as joint lead managers to the Offer and underwriters to the Institutional Offer and Broker Firm Offer, will also receive between 3,773,585 Options (assuming Minimum Subscription) and 4,716,981 Options (assuming Maximum Subscription) under the Joint Lead Manager Offer in equal proportions. Refer to Section 1.14 for further details about the Joint Lead Manager Offer and the Independent Limited Assurance Report in Section 6 for a Black Scholes valuation of the Joint Lead Manager Options.	Sections 8.9(a) and 8.9(b)

E. Summary of the Offer and Application information

What is the Offer?	The Offer is an initial public offering for 75,471,698 Shares at an Offer Price of A$0.53 per Share to raise A$40 million (before associated costs). Oversubscriptions of up to a further 18,867,924 Shares at an Offer Price of A$0.53 per Share to raise up to a further A$10 million may be accepted (before associated costs).	Section 1.1
How is the Offer structured?	The Offer comprises: • the Broker Firm Offer, which is open to eligible Australian retail clients and (subject to compliance with applicable laws) other eligible clients of Brokers; • the Priority Offer, which is open to investors who have received an invitation to participate in the Offer from the Company and who have a registered address in Australia, or are otherwise Institutional Investors in other Permitted Jurisdictions (or as may otherwise be permitted by the law and accepted by the Company); and • the Institutional Offer, which consists of an offer to Institutional Investors in the Permitted Jurisdictions.	Section 1.1

INVESTMENT OVERVIEW CONTINUED

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TOPIC	SUMMARY	MORE INFORMATION
Who is eligible to participate in the Offer?	Investors who are eligible to participate in the Offer will be determined by the Directors in consultation with the Joint Lead Managers, subject to compliance with applicable laws.	Sections 1.1 and 1.20
What is the effect of the Offer on the capital structure of the Company?	The Shares issued under the Offer would be approximately 13.0% of the enlarged issued Share capital of the Company immediately following completion of the Offer.	Section 1.8
What is the minimum subscription to the Offer?	The Offer is subject to a minimum total subscription of 75,471,698 Shares at an Offer Price of A$0.53 per Share to raise A$40 million (before associated costs).	Section 1.4
Will the Company accept over subscriptions?	The Company will be accepting oversubscriptions of up to a further 18,867,924 Shares at an Offer Price of A$0.53 per Share to raise up to a further A$10 million (before associated costs) under the Offer.	Section 1.5
Is the Offer underwritten?	The Institutional Offer and the Broker Firm Offer is underwritten to $25,538,900 by Ord Minnett and Canaccord (who are referred to as the Joint Lead Managers throughout the Prospectus). The Priority Offer is not underwritten. If the Company does not receive valid applications for the underwritten amount of Shares under the Institutional Offer and the Broker Firm Offer, the Underwriting Agreement provides for the Joint Lead Managers to subscribe for, or procure subscriptions from third parties for, any Shortfall Shares by the Settlement Date. Details of the Underwriting Agreement, including the circumstances in which the Joint Lead Managers may terminate their obligations under the Underwriting Agreement, are detailed in Section 8.9(b).	Sections 1.2 and 8.9(b)
What is the Company's proposed use of funds raised under the Prospectus?	The Company proposes to use the funds raised under the Offer as set out in Section 1.7.	Section 1.7

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<table>
<tr><th>TOPIC</th><th>SUMMARY</th><th>MORE INFORMATION</th></tr>
<tr><td>What will be the capital structure of the Company on Admission?</td><td>The Company's indicative capital structure at the time of Admission is outlined below:
<table>
<tr><th>DESCRIPTION</th><th>SHARES</th><th>OPTIONS</th><th>DSUs</th><th>PERFORMANCE RIGHTS</th></tr>
<tr><td>On issue as at the Prospectus Date</td><td>287,147,973</td><td>833,587</td><td>2,272,175</td><td>17,492,034</td></tr>
<tr><td>Conversion of Consideration Notes</td><td>22,892,026</td><td>Nil</td><td>Nil</td><td>Nil</td></tr>
<tr><td>Conversion of Convertible Debentures (indicative)</td><td>193,260,675</td><td>Nil</td><td>Nil</td><td>Nil</td></tr>
<tr><td>Shares to be issued on exercise of Existing Options</td><td>833,587</td><td>(833,587)</td><td>Nil</td><td>Nil</td></tr>
<tr><td>Shares to be issued under the Offer (Minimum Subscription)</td><td>75,471,698</td><td>Nil</td><td>Nil</td><td>Nil</td></tr>
<tr><td>Options issued to the Joint Lead Managers</td><td>Nil</td><td>3,773,585</td><td>Nil</td><td>Nil</td></tr>
<tr><td>Total</td><td>579,605,959</td><td>3,773,585</td><td>2,272,175</td><td>17,492,034</td></tr>
<tr><td>Shares to be issued under the Offer (Maximum Subscription)</td><td>18,867,924</td><td>Nil</td><td>Nil</td><td>Nil</td></tr>
<tr><td>Additional Options issued to the Joint Lead Managers</td><td>Nil</td><td>943,396</td><td>Nil</td><td>Nil</td></tr>
<tr><td>Total</td><td>598,473,883</td><td>4,716,981</td><td>2,272,175</td><td>17,492,034</td></tr>
</table>
Following completion of the Offer, the Company's free float (as defined in the Listing Rules) will not be less than 20%. The Directors reserve the right to vary the Company's capital structure, subject to applicable laws.</td><td>Section 1.8</td></tr>
<tr><td>What is the allocation policy for the Offer?</td><td>The allotment of Shares under the Offer will be determined by the Directors in consultation with the Joint Lead Managers. The Directors reserve the right to issue Shares in full for any Application or any lesser number or to decline any Application. Any decision on allocation will be made after the Exposure Period.</td><td>Sections 1.9(d), 1.10(d) and 1.11(b)</td></tr>
<tr><td>What rights and liabilities attach to the Shares being offered?</td><td>All new Shares issued under the Offer will rank equally in all respects with existing Shares on issue.</td><td>Section 8.1</td></tr>
</table>

INVESTMENT OVERVIEW CONTINUED

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TOPIC	SUMMARY	MORE INFORMATION
When will I receive confirmation that my Application has been successful?	It is expected that initial holding statements will be dispatched on or around 11 December 2025.	Indicative Timetable (on page 8)
What is the minimum Application size?	Applications for Shares under the Offer must be for a minimum of 3,773 Shares (for Application Monies of A$2,000) and thereafter in multiples of 1,886 Shares (for Application Monies of A$1,000) and payment for the Shares must be made in full at the Offer Price of A$0.53 per Share (although the Company reserves the right to accept Applications for different numbers of Shares).	Section 1.13
What are the Offer terms and conditions?	The terms and conditions of the Offer are set out in this Prospectus, primarily in Section 1 and in the relevant Application Form for the Offer. Section 1.4 sets out the Offer condition in relation to the Company raising A$40 million under the Offer. Section 1.18 sets out information in relation to the Company's application to ASX for Admission and the Company's application for the Shares, including those offered by this Prospectus, to be granted Official Quotation.	Section 1
When can I sell my Shares on the ASX?	It is anticipated that trading of Shares on the ASX may commence on or about 12 December 2025, but that timing is subject to ASX's discretion and cannot be guaranteed by the Company. It is the responsibility of each Applicant to confirm their holding before trading their Shares. Applicants who sell Shares before they receive an initial holding statement do so at their own risk.	Indicative Timetable (on page 8) and Section 1.18
What is the cost of the Offer?	The expenses of the Offer (including ASX listing fees) to be paid from the proceeds of the Offer are estimated to be approximately A$3.2 million. Refer to Section 8.16 for the estimated total expenses of the Offer.	Section 8.16
What material contracts is the Company or its subsidiaries a party to?	The material contracts of the Company and of its subsidiaries are detailed in Sections 4 and 8.9 of this Prospectus. These material contracts include (among others disclosed in this Prospectus): • Joint Lead Manager Mandate; • Underwriting Agreement; • 2023 Debenture Subscription Agreements; • 2024 Debenture Subscription Agreements; • Agreement to issue Consideration Notes and Notes Conversion; • IQ Loan Agreement; • DEC Loan Agreement; • 3IQ Tax Credit Financing; • Deeds of Indemnity, Insurance and Access between the Company and each of its Directors and the Chief Financial Officer; • Executive Agreements with Richard Seville, Michael Adams and Alexis Clark; and • Non-Executive Director Appointment Letters with Richard Evans, Steven Petersohn, Nassif Obeid, Timothy Fletcher, Anthony Giammaria and Leanne Heywood.	Sections 4 and 8.9

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TOPIC	SUMMARY	MORE INFORMATION
Will any securities be subject to escrow?	ASX will likely classify certain existing Securities as being 'restricted securities' for the purposes of the Listing Rules. Restricted securities will be required to be held in escrow for up to 24 months and would not be able to be sold, mortgaged, pledged, assigned or transferred for that period without the prior written approval of ASX. In addition, it is anticipated that certain existing Shareholders and Debenture Holders will agree to voluntary escrow arrangements with the Company, preventing these Shareholders from dealing with a proportion of their Shares during the applicable escrow periods following Quotation. None of the Shares to be issued pursuant to the Offer are expected to be subject to any ASX imposed escrow restrictions.	Section 1.21
Is there any brokerage, commission or stamp duty payable by Applicants?	No brokerage, commission or stamp duty is payable by Applicants on subscription or issue of Shares pursuant to the Offer.	Section 1.13
What are the tax implications of making an investment?	The tax consequences of any investment in Shares will depend on your personal circumstances. You should obtain your own tax advice before deciding to invest.	Section 1.22
Can the Offer be withdrawn?	The Company may at any time (with the consent of the Joint Lead Managers) decide to withdraw this Prospectus and/or the Offer in which case the Company will return all Application Monies (without interest) in accordance with the requirements of the Corporations Act. **No interest will be repaid on any Application Monies refunded as a result of the withdrawal of the Offer.**	Section 1.16

F. Further information

How can I obtain further information?	All enquiries in relation to this Prospectus should be directed to the Offer Information Line on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) from 8:30am to 5:00pm (AEDT) Monday to Friday (excluding public holidays). If you are unclear in relation to any matter or are uncertain as to whether the Company is a suitable investment for you, you should seek professional guidance from your solicitor, stockbroker, accountant, or other independent and qualified professional adviser before deciding whether to invest.	Corporate Directory



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1. DETAILS OF THE OFFER

1. DETAILS OF THE OFFER

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1.1 Offer

The Offer under this Prospectus invites eligible investors to apply for 75,471,698 Shares at an Offer Price of A$0.53 per Share to raise A$40 million (before associated costs), with the ability to accept oversubscriptions of up to a further 18,867,924 Shares at an Offer Price of A$0.53 per Share to raise up to a further A$10 million (before associated costs) (**Offer**).

Applications under the Offer must be made using the Application Form accompanying this Prospectus as provided by the Company and the Joint Lead Managers to prospective investors wishing to subscribe for Shares under the Offer.

The Shares to be issued pursuant to the Offer are of the same class and will rank equally with the existing Shares on issue. Refer to Section 8.1 for a summary of the rights attaching to Shares.

Persons wishing to apply for Shares under the Offer should refer to Sections 1.9 to 1.13 for further details and instructions.

1.2 Structure of the Offer

The Offer comprises:

(a) **Priority Offer** – which is open to selected investors in Australia or other Permitted Jurisdictions (subject to compliance with applicable laws), who have received an invitation from the Company to apply for Shares under the Priority Offer under the Prospectus (see Section 1.10);

(b) **Broker Firm Offer** – which is open to Australian resident retail clients of participating Brokers and (subject to compliance with applicable laws) other eligible clients of Brokers, who have received a firm allocation of Shares from their Broker (see Section 1.9); and

(c) **Institutional Offer** – which is open to Institutional Investors in Australia and other Permitted Jurisdictions made under this Prospectus (see Section 1.11).

No general public offer will be made under the Offer. Members of the public wishing to apply for Shares under the Offer must do so through a Broker with a firm allocation of Shares under the Broker Firm Offer.

The allocation of Shares between the Priority Offer, Broker Firm Offer and the Institutional Offer will be determined by the Company and the Joint Lead Managers, having regard to the Shares available under the Offer and the allocation policies detailed in this Section 1.

1.3 Underwriting

The Institutional Offer and the Broker Firm Offer is underwritten to $25,538,900 by the Joint Lead Managers. The Priority Offer is not underwritten.

If the Company does not receive valid applications for the underwritten amount of Shares under the Institutional Offer and the Broker Firm Offer the Joint Lead Managers will (subject to the terms of the Underwriting Agreement) subscribe for, or procure subscriptions from third parties for, any Shortfall Shares by the Settlement Date.

Details of the Underwriting Agreement, including fees payable by the Company and the circumstances in which the Joint Lead Managers may terminate their obligations are detailed in Section 8.9(b).

1.4 Minimum Subscription

The Offer is subject to a minimum total subscription of 75,471,698 Shares at an Offer Price of A$0.53 per Share to raise A$40 million (before associated costs) (**Minimum Subscription**).

None of the Shares offered under this Prospectus will be issued if valid applications for Shares (comprising of Applications under the Offer) are not received for the Minimum Subscription.

Should valid applications for the Minimum Subscription not be received within four months from the Prospectus Date, the Company will either repay the Application Monies (without interest) to Applicants or issue a supplementary prospectus or replacement prospectus and allow Applicants one month to withdraw their Applications and have their Application Monies refunded to them (without interest).

1.5 Oversubscriptions

Oversubscriptions of up to a further 18,867,924 Shares at an Offer Price of A$0.53 per Share to raise up to a further A$10 million may be accepted by the Company.

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1.6 Purpose of the Offer

The purpose of the Offer is to:

(a) raise a minimum of A$40 million pursuant to the Offer (before associated costs);

(b) assist the Company to meet the admission requirements of ASX under Chapters 1 and 2 of the Listing Rules;

(c) provide funding for the Company's near-term objectives as detailed in Section 2.4;

(d) provide a liquid market for the Shares to trade and an opportunity for others to invest in the Company; and

(e) provide the Company with the benefits of an increased profile that arises from being a listed entity.

1.7 Proposed use of funds

As at the Prospectus Date, the Company has cash reserves and receivables of approximately A$2 million. The Offer will have an effect on the Company's financial position, being receipt of funds of A$40 million (before associated costs).

The Board believes that its current cash reserves, debt facilities and the funds raised from the Offer will provide the Company with sufficient working capital to achieve its stated objectives during the two year period following Admission, as detailed in this Prospectus (refer to the remainder of this Section 1 and Section 2.4).

The Company's expected use of funds in the two-year period following Admission is as follows:

Funds Available

Table 1.1: Source of funds

	MINIMUM SUBSCRIPTION A$40.0 MILLION		MAXIMUM SUBSCRIPTION A$50.0 MILLION	
SOURCE OF FUNDS	A$ MILLION	% OF FUNDS	A$ MILLION	% OF FUNDS
Cash[1]	2.0	4.8%	2.0	3.8%
Funds raised under the Offer	40.0	95.2%	50.0	96.2%
Total funds available	**42.0**	**100.0%**	**52.0**	**100.0%**

Note:

1. Refer to the financial information detailed in Section 6 for further details. The Company intends to apply these funds towards the purposes detailed in Table 1.2 below, including the payment of the expenses of the Offer of which various amounts will be payable prior to completion of the Offer.

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Indicative use of proceeds

Table 1.2: Indicative use of proceeds

	MINIMUM SUBSCRIPTION A$40.0 MILLION		MAXIMUM SUBSCRIPTION A$50.0 MILLION	
USE OF PROCEEDS[1]	A$ MILLION	% OF FUNDS	A$ MILLION	% OF FUNDS
Operating Expenses	24.8	59.0%	24.8	47.7%
Corporate Costs	2.9	6.9%	2.9	5.6%
Sustaining Capex	2.0	4.8%	2.0	3.8%
Growth Capex	4.4	10.5%	4.4	8.5%
Costs of the Offer[2]	2.5	6.0%	3.0	5.8%
Working Capital[3]	5.3	12.6%	14.8	28.5%
TOTAL	**42.0**	**100.0%**	**52.0**	**100.0%**

Notes:

1. Use of funds based on a nil production/nil revenue basis and includes all fixed costs and costs for capital projects. Variable costs related to production are not included as nil production is assumed. Stage 2 Expansion Project costs additional to engineering studies would be funded from operating cashflow, excess working capital and project specific financing post FID.
2. Costs of the Offer still to be paid at the Prospectus Date include fees payable to advisers referred to in Section 8.16, as well as other costs such as registry fees, ASX listing fees and other IPO related expenses. Refer to Section 8.16 for further details on the costs of the Offer.
3. Working capital is surplus funds not allocated to the other categories. The Directors will allocate surplus funds at their discretion.

The Offer proceeds are sufficient to meet AEM's stated objectives as detailed in this Prospectus for the next two years (if the Minimum Subscription is raised). It should be noted that in the event sales and production ramp up is slower than expected, AEM may require additional capital at that point, which will likely involve the use of additional debt or equity funding. Future capital needs will also depend on the success or failure of AEM's HPA process, the proposed operations at the Cap-Chat Plant or the product development activities. The use of further debt or equity funding will be considered by the Board where appropriate.

In the event that AEM raises more than the Minimum Subscription under the Offer but less than the Maximum Subscription, the additional funds will first be applied towards the expenses of the Offer and then as outlined in Table 1.2.

Table 1.2 above is a statement of current intention as of the date of the Prospectus. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

The Directors consider that following completion of the Offer, AEM will have sufficient working capital to carry out its stated objectives. However, it should be noted that an investment in AEM is speculative and investors are encouraged to read the risk factors outlined in Section 3.

1. DETAILS OF THE OFFER CONTINUED

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1.8 Capital Structure

The Company's indicative capital structure at the time of Admission (assuming both Minimum Subscription and Maximum Subscription under the Offer) is outlined below:

Table 1.3: Indicative Shares at Admission

SHARES[1]	MINIMUM SUBSCRIPTION	MAXIMUM SUBSCRIPTION
Shares on issue as at the Prospectus Date	287,147,973	287,147,973
Shares to be issued under the Offer	75,471,698	94,339,622
Shares to be issued pursuant to the Consideration Notes[2]	22,892,026	22,892,026
Estimated Shares to be issued pursuant to the Debentures Conversion[3]	193,260,675	193,260,675
Shares to be issued on exercise of Existing Options	833,587	833,587
Total Shares on Admission[4]	**579,605,959**	**598,473,883**

Notes:

1. The rights and liabilities attaching to the Shares are summarised in Section 8.1.
2. Refer to Section 8.9(e) for further details on the Consideration Notes and the Notes Conversion.
3. Refer to Sections 8.9(c) and 8.9(d) for further details on the Convertible Debentures and the Debentures Conversion.
4. Certain Shares on issue post listing will be subject to ASX-imposed escrow. Refer to Section 1.21 for information in relation to the likely escrow position.

Table 1.4: Options at Admission

OPTIONS[1]	MINIMUM SUBSCRIPTION	MAXIMUM SUBSCRIPTION
Options to be issued to the Joint Lead Managers[2]	3,773,585	4,716,981
Total Options on Admission[3]	**3,773,585**	**4,716,981**

Notes:

1. 833,587 Options held by a former director of the Company, exercisable at C$0.25 and expiring on 30 November 2025 (**Existing Options**). The Existing Options will be exercised prior to Admission.
2. Options with an exercise price of A$0.69 and an expiry date of 3 years from the date of issue to be issued to the Joint Lead Managers as part consideration for services provided under the Joint Lead Managers Mandate upon successful completion of the Offer (**Joint Lead Manager Options**). Refer to Section 8.9(a) for further information on the Joint Lead Managers Mandate and Section 8.3 for the terms and conditions of the Joint Lead Manager Options.
3. On a fully diluted basis, assuming all of the Options detailed above convert into Shares, the Company's issued capital detailed above would increase by 3,773,585 Shares at the Minimum Subscription and 4,716,981 Shares at the Maximum Subscription. This would equate to less than 1% of the Company's issue capital at Admission. No forecast is made of whether any Options will be converted into Shares. This does not include any Options that the Company may issue under the Employee Incentive Plan to certain Eligible Participants or their nominees following Admission. Refer to the remainder of this Section 1.8 and to Section 8.2 for further details.

Table 1.5: Incentive Securities at Admission

INCENTIVE SECURITIES	MINIMUM SUBSCRIPTION	MAXIMUM SUBSCRIPTION
Performance Rights on issue as at the Prospectus Date[1]	17,492,034	17,492,034
Deferred Share Units on issue as at the Prospectus Date[2]	2,272,175	2,272,175
Total Performance Rights/DSUs on Admission[3]	**19,764,209**	**19,764,209**

Notes:

1. Prior to the Prospectus Date, 17,492,034 Performance Rights have been issued on the terms and conditions detailed in Sections 8.4, 8.5 and 8.6.
2. Prior to the Prospectus Date, 2,272,175 DSUs have been issued on the terms and conditions detailed in Section 8.7.
3. On a fully diluted basis, assuming all of the Performance Rights and DSUs detailed above convert into Shares, the Company's issued capital detailed above would increase by 19,764,209 Shares. No forecast is made of whether any Performance Rights and DSUs will be converted into Shares (nor whether any of the Performance Rights' and DSUs' vesting conditions will be satisfied). This does not include any Performance Rights or DSUs that the Company may issue under the Employee Incentive Plan to certain Eligible Participants or their nominees following Admission. Refer to the remainder of this Section 1.8 and to Section 8.2 for further details.

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Information on the effect of the Offer on control and substantial Shareholders is detailed in Section 8.11.

The maximum number of securities proposed to be issued under the Employee Incentive Plan or any successor incentive plan within the three-year period from the date of Admission is indicatively proposed to be 8 million additional Employee Incentives (as defined in Section 8.2) plus any Shares which may be issued upon the exercise or conversion of such Employee Incentives. However, this figure is only an estimate and there are no agreements to issue such additional 8 million Employee Incentives, as at the Prospectus Date. That maximum number is not intended to be a prediction of the actual number of Employee Incentives to be issued under the Employee Incentive Plan, but rather is simply an indicative ceiling for the purposes of giving flexibility for the Board to issue up to that number of additional Employee Incentives in the Company during the three years from Admission, without utilising the Company's 15% placement capacity under Listing Rule 7.1.

The Company reserves the right to issue further securities from time to time, such as (without limitation) to raise further capital or pursuant to its Employee Incentive Plan summarised in Section 8.2(r)(ii)(B), including, subject to Shareholder approval, the issue of Deferred Share Units to Directors to incentivise Directors and align their interests with Shareholders.

The Company additionally reserves the right to also utilise its 15% annual placement capacity under Listing Rule 7.1 after Admission, and to seek Shareholders' approval to issue further securities from time to time.

1.9 Broker Firm Offer

(a) Who can apply

The Broker Firm Offer, which is open to eligible Australian retail clients of Brokers and (subject to compliance with applicable laws) other eligible clients of Brokers, in each case if such clients have received an invitation from their Broker to apply for Shares and are not in the United States and are not acting for the account or benefit of any person in the United States. Eligible broker clients can contact their Broker to determine whether they can apply for an allocation of Shares from them under the Broker Firm Offer.

(b) How to apply

If you have received an invitation to apply for Shares from your Broker and wish to apply for those Shares under the Broker Firm Offer, you should contact your Broker for information about how to submit your Application Form and for payment instructions. Applicants under the Broker Firm Offer must not send their Application Forms or payment to the Share Registry.

By making an Application, you declare that you were given access to this Prospectus, together with an Application Form. The Corporations Act prohibits any person from passing an Application Form to another person unless it is attached to, or accompanied by, a hard copy of this Prospectus or the complete and unaltered electronic version of this Prospectus.

Broker clients should complete and lodge their Application Form with the Broker from whom they received their invitation to apply to participate in the Broker Firm Offer. Application Forms must be completed in accordance with the instructions given to you by your Broker and the instructions set out on the Application Form.

The Broker Firm Offer opens on the Opening Date and Applications must be received by no later than 5:00pm (AEDT) on the Closing Date and it is your responsibility to ensure that this occurs.

(c) How to pay

Applicants under the Broker Firm Offer must pay their Application Monies to their Broker in accordance with instructions provided by that Broker.

(d) Broker Firm Offer allocation policy

The allocation of Shares to Brokers will be determined by the Joint Lead Managers in consultation with the Company. Shares that are allocated to Brokers will be issued to Applicants nominated by the Brokers (subject to the right of the Joint Lead Managers and the Company to reject, aggregate or scale back Applications).

The allocation policy is influenced but not constrained by the following factors:

(i) the number of Shares applied for by particular Applicants;

(ii) the Company's desire for an informed and active trading market of Shares following Admission;

(iii) the Company's desire to establish a wide spread of Shareholders;

(iv) the overall level of demand under the Offer; and

(v) other factors that the Joint Lead Managers considers appropriate (in consultation with the Company).

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(e) Acceptance of Applications

An Application in the Broker Firm Offer is a binding and irrevocable offer by the Applicant to apply for the amount of Shares in the dollar amount specified in the Application Form at the Offer Price on the terms and conditions set out in this Prospectus (including any supplementary or replacement Prospectus) and the Application Form. At the time of making an Application, an Applicant will not know the precise number of Shares they will be allocated (if any).

The Company has the discretion, in consultation with the Joint Lead Managers, to refuse any Application or to allocate a lesser number of Shares than applied for by an Applicant. Consequently, an Application may be accepted in respect of the full amount, or any amount lower than that specified in the Application Form, without further notice to the Applicant. Acceptance of an Application will give rise to a binding contract on allocation of Shares to successful Applicants.

The Joint Lead Managers and the Company reserve the right to reject any Application for any reason, such as if it is not correctly completed or if it is submitted by a person who they believe is ineligible to participate in the Broker Firm Offer, or to waive or correct any errors made by an Applicant in completing their Application.

Successful Applicants in the Broker Firm Offer will receive the number of Shares equal to the value of their Application accepted and allocated by the Company divided by the Offer Price (rounded down to the nearest whole Share), provided that sufficient Application Monies have been paid by the Applicant as consideration for those Shares. No refunds pursuant solely to rounding will be provided.

1.10 Priority Offer

(a) Who can apply

The Priority Offer is open to investors who have received an invitation to participate in the Offer from the Company and who have a registered address in Australia or are otherwise Institutional Investors in other Permitted Jurisdictions (or as may otherwise be permitted by the law and accepted by the Company). If you have been invited by the Company to participate in the Priority Offer, you will be treated as an Applicant under the Priority Offer in respect of those Shares allocated to you.

(b) How to apply

If you have received an invitation to apply for Shares under the Priority Offer and wish to apply for those Shares, you should follow the instructions on your personalised invitation to complete and lodge your Application.

By making an Application, you declare that you were given access to this Prospectus, together with an Application Form. The Corporations Act prohibits any person from passing an Application Form to another person unless it is attached to, or accompanied by, a hard copy of this Prospectus or the complete and unaltered electronic version of this Prospectus.

The Priority Offer opens on the Opening Date and Applications must be received by no later than 5:00pm (AEDT) on the Closing Date and it is your responsibility to ensure that this occurs.

(c) How to pay

Applicants under the Priority Offer must pay their Application Monies by following the instructions on the invitation or on the Application Form.

If applicable, when completing your BPAY® or Electronic Funds Transfer (**EFT**) payment, please make sure to use the specific biller code and unique Customer Reference Number (**CRN**) provided to you after you submit your Application Form.

It is the Applicant's responsibility to ensure payments are received by the end of the Offer Period. If you make a BPAY® or EFT payment, your bank, credit union or building society may impose a limit on the amount that you can transact on BPAY® or EFT and policies with respect to timing for processing BPAY® or EFT transactions may vary between bank, credit union or building society. The Company takes no responsibility for any failure to receive Application Monies by BPAY® or EFT before the end of the Offer Period arising as a result of, among other things, delays in processing of payments by financial institutions.

If the amount of your BPAY® or EFT payment for Application Monies (or the amount for which those BPAY® or EFT payments clear in time for allocation) is insufficient to pay for the number of Shares you have applied for in the Application Form, you may be taken to have applied for such lower number of Shares as your cleared Application Monies will pay for (and to also have specified that amount in your Application Form), or your Application may be rejected.

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(d) Priority Offer allocation policy

Allocations under the Priority Offer will be at the absolute discretion of the Company.

The Company has the sole discretion to issue up to 18,867,924 Shares or such higher number agreed between the Company and the Joint Lead Managers under the Priority Offer.

(e) Acceptance of Applications

An Application in the Priority Offer is a binding and irrevocable offer by the Applicant to apply for the amount of Shares in the dollar amount specified in the Application Form at the Offer Price on the terms and conditions set out in this Prospectus (including any supplementary or replacement Prospectus) and the Application Form. At the time of making an Application, an Applicant will not know the precise number of Shares they will be allocated (if any).

The Company has the discretion to refuse any Application or to allocate a lesser number of Shares than applied for by an Applicant. Consequently, an Application may be accepted in respect of the full amount, or any amount lower than that specified in the Application Form, without further notice to the Applicant. Acceptance of an Application will give rise to a binding contract on allocation of Shares to successful Applicants.

The Company reserves the right to reject any Application for any reason, such as if it is not correctly completed or if it is submitted by a person who it believes is ineligible to participate in the Priority Offer, or to waive or correct any errors made by an Applicant in completing their Application.

Successful Applicants in the Priority Offer will receive the number of Shares equal to the value of their Application accepted and allocated by the Company divided by the Offer Price (rounded down to the nearest whole Share), provided that sufficient Application Monies have been paid by the Applicant as consideration for those Shares. No refunds pursuant solely to rounding will be provided.

1.11 Institutional Offer

(a) Invitations to bid

The Institutional Offer consisted of an invitation to certain Institutional Investors in Australia and other Permitted Jurisdictions to bid for an allocation of Shares at the Offer Price, pursuant to this Prospectus. The Joint Lead Managers separately advise Institutional Investors of the application procedures for the Institutional Offer.

(b) Allocation policy under the Institutional Offer

The allocation of Shares among Applicants in the Institutional Offer will be determined by the Joint Lead Managers in consultation with the Company.

The allocation policy is influenced but not constrained by the following factors:

(i) the number of Shares applied for by particular Applicants;

(ii) the Company's desire for an informed and active trading market of Shares following Admission;

(iii) the Company's desire to establish a wide spread of quality long term institutional Shareholders;

(iv) the overall level of demand under the Offer;

(v) the size and type of funds under management of particular Applicants;

(vi) the likelihood that particular Applicants will be long-term Shareholders; and

(vii) other factors that the Joint Lead Managers considers appropriate (in consultation with the Company).

Acceptance of a bid will give rise to a binding contract on allocation of Shares to successful bidders.

1. DETAILS OF THE OFFER CONTINUED

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1.12 Acceptance of Applications under the Offer

An Application is an offer by an Applicant to the Company to acquire Shares in the amount specified on the Application Form (or any lesser amount determined by the Company) at the Offer Price on the terms and conditions detailed in this Prospectus (including any supplementary or replacement prospectus) and the applicable Application Form. To the extent permitted by law, an Application is irrevocable.

An Application may be accepted by the Company in respect of the full number of Shares specified in the Application Form or any of them, without further notice to the Applicant. Acceptance of an Application will give rise to a binding contract on allocation of Shares to successful Applicants. The Company reserves the right to reject any Application which is not correctly completed, or which is submitted by a person who the Board believes is ineligible to participate in the Offer or any part of it, or to waive or correct any errors made by the Applicant in completing their Application. The Company also reserves the right to reject any Applications in the Board's discretion.

Applicants whose Applications are not accepted, or who are allocated a lesser number of Shares than the amount applied for, will receive a refund of all or part of their Application Monies, as applicable. Interest will not be paid on any Application Monies refunded.

Applicants whose Applications are accepted in full will receive the whole number of Shares calculated by dividing the Application Monies by the Offer Price. Where the Offer Price does not divide evenly into the Application Monies, the number of Shares to be allocated will be rounded down. Your Application Monies should be for the entire number of Shares you are applying for.

1.13 Additional Terms and Conditions of the Offer

Table 1.6: Additional terms and conditions of the Offer

TOPIC	SUMMARY
What is the type of security being offered?	Fully paid ordinary shares in the capital of the Company.
What are the rights and liabilities attached to the security being offered?	All new Shares issued under the Offer will rank equally in all respects with existing Shares on issue. For details relating to the rights and liabilities of the Shares, refer to Section 8.1.
What is the consideration payable for each security being offered?	The Offer Price is A$0.53 per Share.
What is the Offer Period?	Refer to the Indicative Timetable for the Offer which is on page 8 of this Prospectus.
What are the cash proceeds to be raised?	A$40 million (before costs of the Offer), with the ability to accept oversubscriptions of a further A$10 million (before associated costs).
Is the Offer underwritten?	The Institutional Offer and the Broker Firm Offer is underwritten to $25,538,900 by the Joint Lead Managers. The Priority Offer is not underwritten. If the Company does not receive valid applications for the underwritten amount of shares under the Institutional Offer and the Broker Firm Offer, the Joint Lead Managers will (subject to the terms of the Underwriting Agreement) subscribe for, or procure subscriptions from third parties for, any Shortfall Shares by the Settlement Date. Details of the Underwriting Agreement, including the circumstances in which the Joint Lead Managers may terminate their obligations, are detailed in Section 8.9(b).

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TOPIC	SUMMARY
Who are the Joint Lead Managers?	Ord Minnett and Canaccord are the joint lead managers and underwriters to the Institutional Offer and Broker Firm Offer. The Priority Offer is not underwritten.
What is an Applicant applying for?	An Application is an offer by the Applicant to the Company to apply for all or any of the amount of Shares specified in the Application Form on the terms detailed in this Prospectus.
What is the minimum and maximum Application size under the Offer?	Applications for Shares under the Offer must be for a minimum of 3,773 Shares (for Application Monies of approximately A$2,000) and thereafter in multiples of 1,886 Shares (for Application Monies of approximately A$1,000) and payment for the Shares must be made in full at the Offer Price of A$0.53 per Share (although the Company reserves the right to accept Applications for different numbers of Shares).
What is the allocation policy?	The allocation of Shares between the Broker Firm Offer, the Priority Offer and the Institutional Offer will be determined by agreement between the Joint Lead Managers and the Company, subject to the allocation policies outlined in Sections 1.9(d), 1.10(d) and 1.11(b) above. The Joint Lead Managers and the Company have absolute discretion regarding the allocation of Shares to Applicants under the Offer and may reject an Application or allocate a lesser number of Shares than applied for. The Joint Lead Managers and the Company also reserve the right to aggregate any Applications that they believe may be multiple Applications for the same person.
When will I receive confirmation that my Application has been successful?	It is expected that holding statements and allotment confirmation notices will be dispatched by standard post on or about 11 December 2025. Refunds (without interest) to Applicants whose Applications are not accepted, or who are allocated a lesser number of Shares than the amount applied for, will be made as soon as practicable after completion of the Offer. No refunds pursuant solely to rounding will be provided.
Will the Shares be quoted?	The Company will apply to ASX within seven days of the Prospectus Date for Admission and for the Shares, including those offered by this Prospectus, to be granted Official Quotation (apart from any Shares that may be designated by ASX as restricted securities). If ASX does not grant permission for Official Quotation within three months after the Prospectus Date (or within such longer period as may be permitted by law) the Offer will be withdrawn and all Application Monies received by the Company will be refunded to Applicants (without interest) as soon as practicable in accordance with the requirements of the Corporations Act. The Company will be required to comply with the Listing Rules, subject to any waivers obtained by the Company from time to time. ASX takes no responsibility for this Prospectus or the investment to which it relates. The fact that ASX may admit the Company to the Official List and may grant Official Quotation of the Shares being offered is not to be taken as an indication of the merits of the Company or the Shares offered pursuant to this Prospectus. The issue price of all Shares for which the Company seeks quotation will be at least 20 cents in cash (or deemed to be such) in accordance with the Listing Rules.
When are the Shares expected to commence trading?	It is anticipated that trading of Shares on the ASX may commence on or about 12 December 2025, but that timing is subject to ASX's discretion and cannot be guaranteed by the Company. It is the responsibility of each Applicant to confirm their holding before trading their Shares. Applicants who sell Shares before they receive an initial holding statement do so at their own risk.

1. DETAILS OF THE OFFER CONTINUED

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TOPIC	SUMMARY
Are there any escrow arrangements?	Yes. Details are provided in Section 1.21 below.
Are there any taxation considerations?	The acquisition, holding and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor and applicable laws. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares pursuant to the Offer, from a taxation viewpoint and generally. To the maximum extent permitted by law, the Company, its officers and its advisors accept no liability or responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus. Refer also to Section 1.22.
Are there any brokerage, commission or stamp duty considerations?	No brokerage, commission or stamp duty is payable by Applicants on the acquisition of Shares under the Offer.
Acknowledgement	Each Applicant under the Offer will be taken to have represented, warranted, agreed and acknowledged as follows: (a) it is resident or domiciled in Australia or, if outside Australia, is an Institutional Investor; (b) it is not acting for the account or benefit of a person in the United States; (c) it has not sent and will not send this Prospectus or any other material relating to the Offer to any person in the United States or elsewhere outside Australia; and (d) it understands that Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States and the Shares may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.
What should you do with any enquiries?	All enquiries in relation to this Prospectus should be directed to the Offer Information Line on 1300 850 505 (within Australia) from 8:30am to 5:00pm (AEDT), Monday to Friday (excluding public holidays). If you are eligible to participate in the Offer and are calling from outside Australia, you should call +61 3 9415 4000 from 8:30am to 5:00pm (AEDT), Monday to Friday (excluding public holidays). If you are unclear in relation to any matter or are uncertain as to whether the Company is a suitable investment for you, you should seek professional guidance from your solicitor, stockbroker, accountant or other independent and qualified professional adviser before deciding whether to invest.

1.14 Joint Lead Manager Offer

The Prospectus includes an offer to the Joint Lead Managers, being the joint lead managers to the Offer and underwriters to the Institutional Offer and Broker Firm Offer, of up to 4,716,981 Options, with an exercise price of A$0.69 each and expiring 3 years from their issue date (**Joint Lead Manager Offer**). Refer to Section 8.3 for the rights and liabilities attaching to the Joint Lead Manager Options.

The Joint Lead Manager Offer is an offer to the Joint Lead Managers (and/or their nominees). Only the Joint Lead Managers (and/or their nominees) can accept an offer under the Joint Lead Manager Offer. A personalised Application Form will be issued to the Joint Lead Managers (and/or their respective nominees), together with a copy of this Prospectus.

No brokerage, commission or stamp duty is payable by the Joint Lead Managers (and/or their nominees) on subscription of issue of the Joint Lead Manager Options pursuant to the Joint Lead Manager Offer.

Completed Joint Lead Manager Application Forms should be received by the Company at its registered office prior to 5:00pm (AWST) on the Closing Date.

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1.15 Application Monies

Application Monies received under the Offer will be held in a special purpose account until Shares are issued to successful Applicants.

Applicants under the Offer whose Applications are not accepted, or who are allocated a lesser dollar amount of Shares than the amount applied for, will be mailed (or otherwise in the Company's discretion provided with) a refund (without interest) of all or part of their Application Monies, as applicable.

No refunds pursuant solely to rounding will be provided. Interest will not be paid on any monies refunded and any interest earned on Application Monies pending the allocation or refund will be retained by the Company.

It is your responsibility to ensure that your payment is received by no later than 5:00pm (AEDT) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment.

1.16 Discretion regarding the Offer

The Company may at any time (with the consent of the Joint Lead Managers) decide to withdraw this Prospectus and/or the Offer in which case the Company will return all Application Monies (without interest) in accordance with the requirements of the Corporations Act.

The Company also reserves the right to close the Offer or any part of it early, extend the Offer or any part of it, accept late Applications either generally or in particular cases, reject any Application (in whole or in part), or allocate to any Applicant fewer Shares than applied for.

1.17 CHESS and Issuer Sponsorship

The Company will apply to participate in the Clearing House Electronic Sub-register System (**CHESS**), which is the ASX electronic transfer and settlement system in Australia, in accordance with the Listing Rules and ASX Settlement Rules. Settlement of trading of quoted securities on the ASX market takes place on CHESS. CHESS allows for and requires the settlement of transactions in securities quoted on ASX to be effected electronically. On admission to CHESS, the Company will operate an electronic issuer-sponsored sub-register and an electronic CHESS sub-register. The two sub-registers together will make up the Company's register of Shareholders.

The Company will not issue certificates of title to Shareholders. Instead, as soon as is practicable after allotment, successful Applicants will receive a holding statement which sets out the number of Shares issued to them. A holding statement will also provide details of a Shareholder's HIN (in the case of a holding on the CHESS sub-register) or Security holder reference number (in the case of a holding on the issuer sponsored sub-register).

Following distribution of these initial holding statements, an updated holding statement will only be provided at the end of any month during which changes occur to the number of Shares held by Shareholders. Shareholders may also request statements at any other time (although the Company may charge an administration fee).

1.18 ASX Listing and Official Quotation

Within seven days after the Prospectus Date, the Company will apply to ASX for Admission and for the Shares, including those offered by this Prospectus, to be granted Official Quotation (apart from any Shares that may be designated by ASX as restricted securities).

If ASX does not grant permission for Official Quotation within three months after the Prospectus Date (or within such longer period as may be permitted by law) the Offer will be withdrawn and all Application Monies received by the Company (if any) will be refunded to Applicants (without interest) as soon as practicable in accordance with the requirements of the Corporations Act.

ASX takes no responsibility for the contents of this Prospectus. The fact that ASX may grant Official Quotation is not to be taken in any way as an indication of the merits of the Company or the Shares offered pursuant to this Prospectus.

Subject to certain conditions (including any waivers obtained by the Company from time to time), the Company will be required to comply with the Listing Rules.

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1.19 Risks

Prospective investors should be aware that an investment in the Company should be considered highly speculative and involves a number of risks inherent in the business activities of the Company. Section 3 details (non-exhaustively) key risk factors which prospective investors should be aware of. It is recommended that prospective investors consider these risks carefully before deciding whether to invest in the Company.

This Prospectus should be read in its entirety as it provides information for prospective investors to decide whether to invest in the Company. If you have any questions about the desirability of, or procedure for, investing in the Company please contact your stockbroker, accountant or other independent adviser.

1.20 Overseas Applicants

No action has been taken to register or qualify the Shares, or the Offer, or otherwise to permit an offering of the Shares, in any jurisdiction outside Australia.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should observe any such restrictions, including those discussed below. Any failure to comply with such restrictions may constitute a violation of those laws.

This Prospectus does not constitute an offer of Shares in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus. In particular, this Prospectus may not be distributed to any person, and the Shares may not be offered or sold in any country outside Australia except to the extent permitted below.

It is the responsibility of any overseas Applicant to ensure, and the return of a duly completed Application Form (or the payment of Application Monies) will be taken by the Company to constitute a representation and warranty that, the Applicant is the type of investor who may purchase Shares in the Applicant's jurisdiction as contemplated below.

Bermuda

This Prospectus may be distributed, and the Shares may be offered and sold, only from outside Bermuda to institutional and professional investors in Bermuda. No offer or invitation to subscribe for Shares may be made to the public in Bermuda or in any manner that would constitute engaging in business in or from within Bermuda. In addition, no invitation is being made to persons resident in Bermuda for exchange control purposes to subscribe for Shares.

Canada (British Columbia, Ontario and Quebec provinces)

This Prospectus constitutes an offering of Shares only in the Provinces of British Columbia, Ontario and Quebec (**Provinces**), only to persons to whom Shares may be lawfully distributed in the Provinces, and only by persons permitted to sell such securities. This Prospectus is not a prospectus, an advertisement or a public offering of securities in the Provinces. This Prospectus may only be distributed in the Provinces to persons who are (i) "accredited investors" (as defined in National Instrument 45-106 – Prospectus Exemptions) and (ii) "permitted clients" (as defined in National Instrument 31-103 – Registration Requirements, Exemptions and Ongoing Registrant Obligations) if a lead manager offering the Shares in Canada is relying upon the international dealer exemption under NI 31-103.

No securities commission or authority in the Provinces has reviewed or in any way passed upon this Prospectus, the merits of the Shares or the offering of the Shares and any representation to the contrary is an offence.

No prospectus has been, or will be, filed in the Provinces with respect to the offering of Shares or the resale of such securities. Any person in the Provinces lawfully participating in the offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and receipted by the securities regulator in the applicable Province. Furthermore, any resale of the Shares in the Provinces must be made in accordance with applicable Canadian securities laws. While such resale restrictions generally do not apply to a first trade in a security of a foreign, non-Canadian reporting issuer that is made through an exchange or market outside Canada, Canadian purchasers should seek legal advice prior to any resale of the Shares.

The Company as well as its Directors and officers may be located outside Canada and, as a result, it may not be possible for purchasers to effect service of process within Canada upon the Company or its Directors or officers. All or a substantial portion of the assets of the Company and such persons may be located outside Canada and, as a result, it may not be possible to satisfy a judgment against the Company or such persons in Canada or to enforce a judgment obtained in Canadian courts against the Company or such persons outside Canada.

Statutory rights of action for damages and rescission. Securities legislation in certain Provinces may provide a purchaser with remedies for rescission or damages if an offering memorandum contains a misrepresentation, provided the remedies for rescission

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or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's Province. A purchaser may refer to any applicable provision of the securities legislation of the purchaser's Province for particulars of these rights or consult with a legal adviser.

Certain Canadian income tax considerations. Prospective purchasers of the Shares should consult their own tax adviser with respect to any taxes payable in connection with the acquisition, holding or disposition of the Shares as there are Canadian tax implications for investors in the Provinces.

Language of documents in Canada. Upon receipt of this Prospectus, each investor in Canada hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the Shares (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.

Cayman Islands

This Prospectus may be distributed, and the Shares may be offered and sold, only from outside the Cayman Islands to institutional and professional investors in the Cayman Islands. No offer or invitation to subscribe for Shares may be made to the public in the Cayman Islands or in any manner that would constitute carrying on business in the Cayman Islands.

European Union (excluding Austria)

This Prospectus has not been, and will not be, registered with or approved by any securities regulator in the European Union. Accordingly, this Prospectus may not be made available, nor may the Shares be offered for sale, in the European Union except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (**Prospectus Regulation**).

In accordance with Article 1(4)(a) of the Prospectus Regulation, an offer of Shares in the European Union is limited to persons who are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation).

Hong Kong

WARNING: This Prospectus has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the **SFO**). Accordingly, this Prospectus may not be distributed, and the Shares may not be offered or sold, in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this Prospectus have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this Prospectus, you should obtain independent professional advice.

New Zealand

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

The Shares 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.

1. DETAILS OF THE OFFER CONTINUED

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Singapore

This Prospectus and any other materials relating to the Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this Prospectus and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of Shares, may not be issued, circulated or distributed, nor may the Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part 13 of the Securities and Futures Act 2001 of Singapore (**SFA**) or another exemption under the SFA.

This Prospectus has been given to you on the basis that you are an "institutional investor" or an "accredited investor" (as such terms are defined in the SFA). If you are not such an investor, please return this Prospectus immediately. You may not forward or circulate this Prospectus to any other person in Singapore.

Any offer is not made to you with a view to the Shares being subsequently offered for sale to any other party in Singapore. On-sale restrictions in Singapore may be applicable to investors who acquire Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

Switzerland

The Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange or on any other stock exchange or regulated trading facility in Switzerland. Neither this Prospectus nor any other offering or marketing material relating to the Shares constitutes a prospectus or a similar notice, as such terms are understood under art. 35 of the Swiss Financial Services Act or the listing rules of any stock exchange or regulated trading facility in Switzerland.

No offering or marketing material relating to the Shares has been, nor will be, filed with or approved by any Swiss regulatory authority or authorised review body. In particular, this Prospectus will not be filed with, and the offer of Shares will not be supervised by, the Swiss Financial Market Supervisory Authority (**FINMA**).

Neither this Prospectus nor any other offering or marketing material relating to the Shares may be publicly distributed or otherwise made publicly available in Switzerland. The Shares will only be offered to investors who qualify as "professional clients" (as defined in the Swiss Financial Services Act). This Prospectus is personal to the recipient and not for general circulation in Switzerland.

United Kingdom

Neither this Prospectus nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (**FSMA**)) has been published or is intended to be published in respect of the Shares.

The Shares may not be offered or sold in the United Kingdom by means of this Prospectus or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This Prospectus is issued on a confidential basis in the United Kingdom to "qualified investors" within the meaning of Article 2(e) of the UK Prospectus Regulation. This Prospectus may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this Prospectus is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (**FPO**), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (**Relevant Persons**). The investment to which this Prospectus relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this Prospectus.

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United States

The Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States. Accordingly, the Shares may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

This Prospectus may be distributed in the United States only to QIBs by Canaccord or its registered US broker-dealer affiliate and only if this Prospectus is accompanied by the US Offering Circular.

1.21 Restricted Securities and Escrow Arrangements

ASX imposed escrow

Chapter 9 of the Listing Rules prohibits holders of securities in the Company which ASX classifies as 'restricted securities' from disposing or agreeing to dispose of those securities or an interest in those securities for the relevant restriction periods (being escrow restrictions).

None of the Shares issued pursuant to the Offer will be subject to any ASX imposed escrow restrictions. However, ASX may determine that certain Securities on issue prior to the Offer will be classified as restricted securities and may be required to be held in escrow for up to 24 months from the date on which Quotation of the Shares commences. During the period in which these Securities are prohibited from being transferred, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of their Shares in a timely manner. The Company will announce to the ASX full details (quantity and duration) of the Securities required to be held in escrow prior to the Shares commencing trading on ASX.

The following Securities are (subject to ASX's discretion) expected to be subject to ASX escrow for a period of 24 months commencing on the date on which Quotation of the Shares commences on ASX (the figures are approximate):

- 89,608,016 Shares;
- up to 4,716,981 Options;
- 7,962,313 Performance Rights; and
- 2,272,175 Deferred Share Units.

Approximately 24,044,051 Shares to be issued pursuant to the Debentures Conversion on the Allotment Date are (subject to ASX's discretion) expected to be subject to ASX escrow for a period of 24 months commencing on the date on which those Shares are issued.

Approximately 34,348,811 of the Shares to be issued pursuant to the Debentures Conversion on the Allotment Date are (subject to ASX's discretion) expected to be subject to ASX escrow for a period of 12 months commencing on the date on which those Shares are issued.

Approximately 22,892,026 Shares to be issued pursuant to the Notes Conversion on the Allotment Date are (subject to ASX's discretion) expected to be subject to ASX escrow for a period of 24 months commencing on the date on which Quotation of the Shares commences on ASX.

Voluntary escrow

It is anticipated that the Directors will agree and the Company will engage with other existing Shareholders to agree to enter into voluntary escrow agreements which will prevent the Directors and other existing Shareholders from disposing of their escrowed Shares during the relevant escrow period (subject to certain exceptions). There is no guarantee that existing Shareholders will agree to voluntary escrow.

Subject to the Directors and other existing Shareholders entering into voluntary escrow agreements, an aggregate of up to approximately 155,227,312 Shares are expected to be subject to voluntary escrow, consisting:

- 107,513,047 Shares which were issued to Directors, senior management and substantial shareholders of the Company pursuant to numerous Share issues; and
- 47,714,265 Shares which were issued to various unrelated Shareholders pursuant to numerous Share issues.

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Subject to the Debenture Holders agreeing to amend the terms of their Convertible Debentures to include voluntary escrow of the Shares issued on conversion, an aggregate of up to approximately 61,965,597 Shares are expected to be subject to voluntary escrow, consisting:

- 15,530,750 Shares which will be issued to Directors, senior management and substantial shareholders of the Company pursuant to the Debentures Conversion for the 2023 Convertible Debentures;
- 15,576,013 Shares which will be issued to unrelated Debenture Holders pursuant to the Debenture Conversion for the 2023 Convertible Debentures;
- 11,500,000 Shares which will be issued to Directors, senior management and substantial shareholders of the Company pursuant to the Debenture Conversion for the 2024 Convertible Debentures; and
- 19,358,834 Shares which will be issued to unrelated Debenture Holders pursuant to the Debenture Conversion for the 2024 Convertible Debentures.

The escrow period for these Shares will commence on the date on which Quotation of the Shares commences on ASX and will end as follows:

- up to 41,324,556 Shares will be released from escrow on the date that is one month after the Company releases its audit reviewed half year accounts for the financial half year ended 30 June 2026; and
- up to 175,868,353 Shares will be released from escrow on the date that is one month after the Company releases its audited full year accounts for financial year ended 31 December 2026.

The voluntary escrow deeds and amended Convertible Debentures will prevent the escrowed Shareholders and Debenture Holders (respectively) from "dealing" with their respective escrowed Shares for the applicable escrow period as described above.

The restriction on dealing is broadly defined in the voluntary escrow deeds and amended Convertible Debentures. The escrowed Shareholders are restricted from, among other things, selling, assigning, transferring or otherwise disposing of any legal, beneficial or economic interest in the escrowed Shares, encumbering or granting a security interest over the escrowed Shares, doing, or omitting to do, any act if the act or omission would have the effect of transferring effective ownership or control of, or any legal or beneficial or economic interest in, any of the escrowed Shares or agreeing to do any of those things.

An escrowed Shareholder may be released early from escrow in certain circumstances, including:

- to accept a full or proportional takeover offer, provided that the offer has been accepted by the holders of at least 50% of the securities in the class of securities to which offers under the bid relate and which are not subject to escrow. If the offer is a conditional off-market bid, the escrow restrictions will apply to each escrowed Share not purchased by the bidder under the takeover offer or post-takeover compulsory acquisition under the Corporations Act. If the takeover bid is unsuccessful, the escrowed Shares will return to escrow;
- if escrowed Shares are disposed of or cancelled as part of a merger by way of compromise or arrangement under Part 5.1 of the Corporations Act. If the merger by way of compromise or arrangement does not take effect, the escrowed Shares will return to escrow; and
- to dispose of the escrowed Shares to an associate controlled by the holder provided the associate assumes the escrow obligations.

1.22 Taxation

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

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

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1.23 Dividend Policy

The Company is in the early stages of commercial production. It currently does not produce profits and makes no forecast of whether it will generate profits in future. Accordingly, at the Prospectus Date, the Company does not intend, or expect, to declare or pay any dividends in the foreseeable future.

Any future determination as to the payment of dividends by the Company will be at the sole discretion of the Directors and will depend on the availability of distributable earnings and the operating results and financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

The Company does not have a dividend reinvestment plan in place.

1.24 Withdrawal

The Directors may (in the Board's discretion) at any time decide to withdraw this Prospectus and/or the Offer in which case the Company will return all Application Monies (without interest) as required by the Corporations Act.

1.25 Powers of the Company in relation to Applications

There is no assurance that any Applicant will be allocated any Shares, or the number of Shares for which the Applicant has applied. Without limitation, the Board may in its absolute discretion, without notice to any Applicant and without giving any reason:

(a) withdraw the Offer at any time before the issue of Shares to successful Applicants;

(b) decline an Application;

(c) accept an Application for its full amount or any lower amount;

(d) determine a person to be eligible or ineligible to participate in the Offer;

(e) waive or correct any errors made by an Applicant in completing their Application Form;

(f) amend or waive the Offer application procedures or requirements in compliance with applicable laws; or

(g) aggregate any Applications that they believe may be multiple Applications from the same person.

1.26 Enquiries

This Prospectus provides information for potential investors in the Company and should be read in its entirety. If, after reading this Prospectus, you have any questions about any aspect of an investment in the Company, please contact your stockbroker, accountant or independent financial adviser.

For any questions relating to the Offer and the completion of an Application Form, please call the Offer Information Line on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) from 8:30am to 5:00pm (AEDT) Monday to Friday (excluding public holidays).

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2. COMPANY OVERVIEW

2. COMPANY OVERVIEW

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2.1 Background

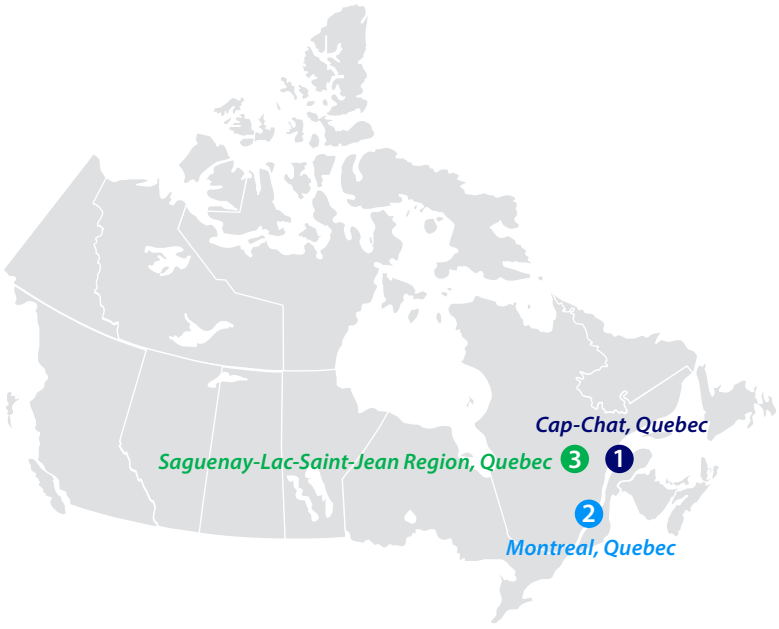
Advanced Energy Minerals is an emerging producer of HPA. By combining the Company's patented chlorine leach crystallisation purification (**CLCP**) process with access to low cost renewable energy and locally sourced feedstock from its preferred supplier, Rio Tinto Alcan, AEM has achieved significant advantages in cost and environmental footprint over other HPA producers. AEM operates a HPA production plant in Cap-Chat, Quebec, Canada (the **Cap-Chat Plant** or the **Plant**), which is powered entirely by renewably generated electricity.

The Company's business strategy is underpinned by a staged capital works program aimed at scaling the Plant's production capacity to meet growing global demand for HPA. A substantial portion of the first stage (**Stage 1 Expansion Project**) has been completed and has increased the Plant's production capacity to 2,000 tpa of HPA as at the Prospectus Date. An additional 1,000 tpa circuit dedicated to the production of 3N5 (99.95% purity) HPA is scheduled to be added to the Plant in Q2 2026, marking the completion of the Stage 1 Expansion Project. At a 3,000 tpa full production rate, the Plant will be the third largest HPA production asset outside of China[6].

A second stage capital works program (**Stage 2 Expansion Project**) has recently completed a Pre-Feasibility Study (**PFS**) and is planned to double production capacity of the Plant to 6,000 tpa with production estimated from Q2 2029.

Figure 2.1: Location of Cap-Chat Plant and Montreal Technical Development Centre



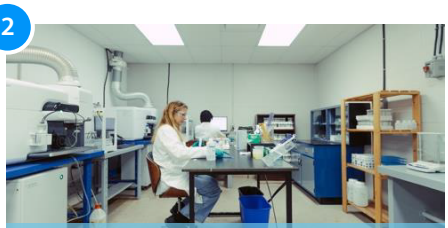


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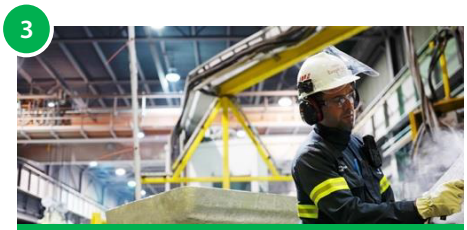
Cap-Chat Plant

2



Technology Development Centre

3



Rio Tinto Canadian Operations

6. Based on production capacities of HPA producers in 2024 identified by CM Group.

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2.2 History of Company and the Plant

AEM was initially incorporated in 2001 (as a private company named Gulf Minerals Pty Ltd). In early 2008, Kendall Resources Pty Limited assigned its interest in the Kendall River Kaolin Project in Northern Queensland to Gulf Minerals Pty Ltd for the purpose of developing the project as a kaolin mining and production business.

In 2012, AEM saw a potential opportunity to extract HPA from its Kendall River kaolin resource and approached Orbite Technologies Inc. (**Orbite**), a company incorporated in Quebec, Canada that was engaged in developing a chemical process to manufacture HPA from naturally occurring aluminous clays. Orbite met with AEM to explore the suitability of Kendall River kaolin for use in its HPA production process. At that time, AEM was pursuing other avenues for exploiting the Kendall River kaolin, but the two companies remained in contact.

In 2016, AEM decided to develop the Kendall River kaolin resource as a HPA project. In 2018, it completed a pre-feasibility study to produce HPA from Kendall River kaolin at a plant to be built in Malaysia. The plant was planned to use a manufacturing process similar to Orbite.

At the same time, Orbite had completed the construction of a HPA plant in Cap-Chat but had encountered issues with commissioning a fluidised bed furnace at the heart of its production process. This eventually led to the company entering creditor protection administered by a Monitor under Canada's Companies' Creditors Arrangement Act in 2017.

In late 2018, AEM signed a collaboration agreement with Orbite under which Orbite agreed to conduct pilot trials on AEM's kaolin to assess its suitability as feedstock for the production of HPA. These trials took place in the first quarter of 2019 with AEM personnel in attendance.

Meanwhile, having litigated against and reached a financial settlement with the engineering firm, Outotec (that designed and supplied the problematic fluidised bed furnace), Orbite subsequently undertook modifications to the furnace and tried to put it into operation. Again, this was unsuccessful, which led the Monitor to commence a process to offer the company and/or its assets for sale in an open tender process.

By this time, and because of the relationship established between the companies, AEM had gained a detailed knowledge of the problems that Orbite had encountered with the fluidised bed furnace and believed it had solutions to resolve them. Therefore, AEM decided to bid for the company's assets, comprising primarily the Cap-Chat Plant, the laboratory equipment housed in Orbite's (leased) Montreal laboratory, and all Orbite's intellectual property (including an extensive portfolio of patents). AEM's bid was ultimately successful and on 2 April 2020 it completed the acquisition of these assets in a 60:40 joint venture with ViVent Initiative Limited (**ViVent**) (**Acquisition**).

In 2024, AEM and ViVent restructured the joint venture so that AEM became the sole owner of the assets purchased from Orbite and ViVent's shareholders became shareholders of AEM. As a part of this restructure AEM spun out the Kendall River Kaolin Project to its shareholders in a separate entity leaving AEM focussed solely on the production of HPA in Canada.

Following the Acquisition, AEM has pursued a three phase plan for the development of the Plant:

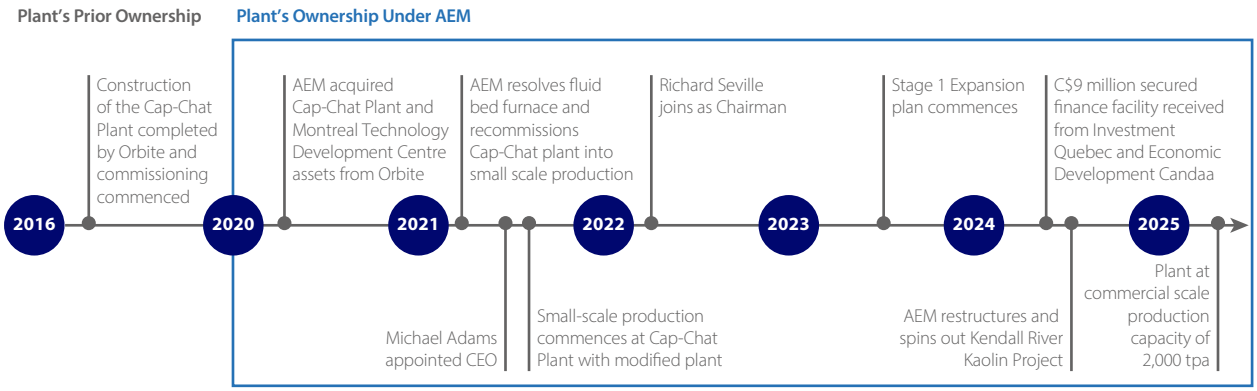
(a) first, the Company focussed on solving the problems with the fluidised bed furnace, which it successfully achieved as described in Section 2.3(c) and enabled the Plant to start producing HPA at a sub-commercial scale in mid-2021;

(b) then, AEM began to test the market potential by engaging with potential customers and providing HPA samples for product qualification purposes; and

(c) finally, having confirmed the market potential for its HPA, AEM launched the Stage 1 Expansion Project in mid-2023 to increase the Plant's capacity to commercial scale.

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Figure 2.2: Timeline of Key Events in AEM's Operating History



2.3 Cap-Chat Plant Overview

(a) Plant Location

The Plant is located in an industrial park near the small town of Cap-Chat, Quebec, Canada. The site is close to the south shore of the St Lawrence River, approximately 700 km and 460 km downstream from Montreal and Quebec City respectively. It is readily accessible by road with the nearest railhead located approximately 74 km away, and the nearest international container terminals located approximately 690 km and 790 km away at Montreal and Halifax respectively.

By operating in Canada and more particularly Quebec, AEM receives significant operational benefits for the Plant and the Technical Development Centre:

(i) Canada is a business friendly, politically stable jurisdiction with an educated and skilled workforce;

(ii) Access to low-cost renewable energy (Hydro Quebec supplies the Cap-Chat Plant with electricity at less than US5c/kWh) and multiple possible sources of feedstock from Quebec's extensive aluminium industry (including from its preferred supplier, Rio Tinto Alcan); and

(iii) Significant financial support from government for capital investment related to the exploitation of strategic minerals and the economic development of Quebec more generally (AEM has secured project finance facilities from Investment Quebec of approximately C$7 million and Economic Development Canada of approximately C$2 million), as well as a rebate on investment in new equipment (25% in FY24) and tax credits and grants for R&D.

The Plant occupies a site that is 55,000m^2 in area and comprises a process plant, a quality control laboratory, warehousing and administrative facilities housed in four buildings (known as the HPA Building, the Calcination Kiln Building, the Hydroxide Building and the Storage Building). A range of peripheral silos, tanks and process facilities provide the CLCP process with feedstock, reagents and utilities. The majority of the process equipment is housed in the HPA Building and the Calcination Kiln Building.

AEM has commissioned WSP Canada Inc., the Canadian arm of global engineering firm WSP, to undertake an independent technical review of the Plant and the status of the Stage 1 Expansion Project. WSP's findings can be found in the **WSP Stage 1 Report** included in Section 7 of the Prospectus.

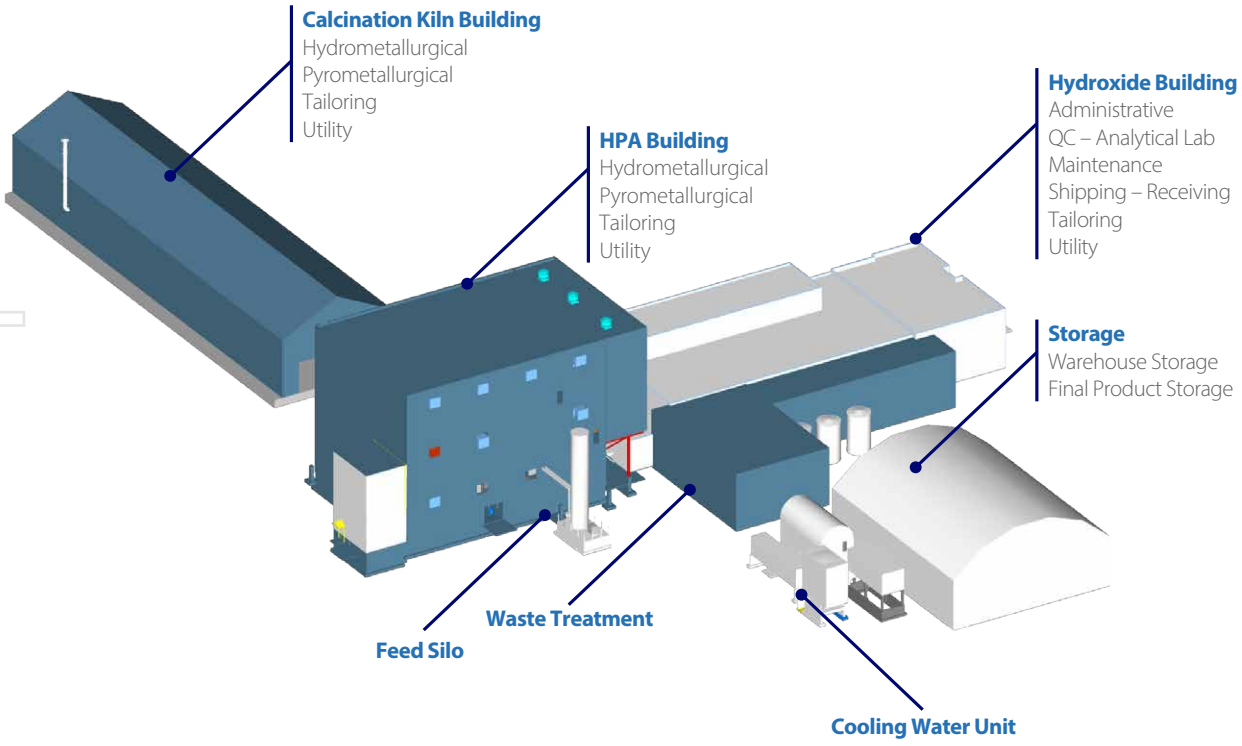
2. COMPANY OVERVIEW CONTINUED

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Figure 2.3: Aerial View of the Cap-Chat Plant



Figure 2.4: Schematic of the Cap-Chat Plant



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Figure 2.5: Overview of equipment currently installed in HPA Building

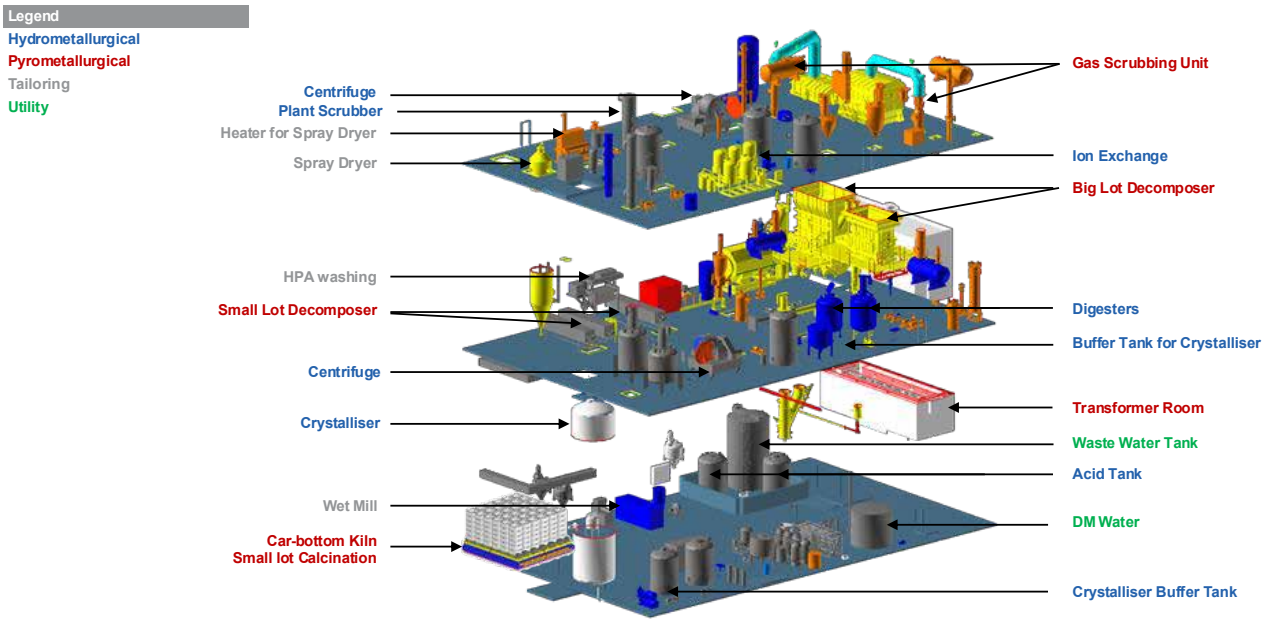


Figure 2.6: Tunnel kiln installed in Calcination Kiln Building



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(b) Manufacturing Process

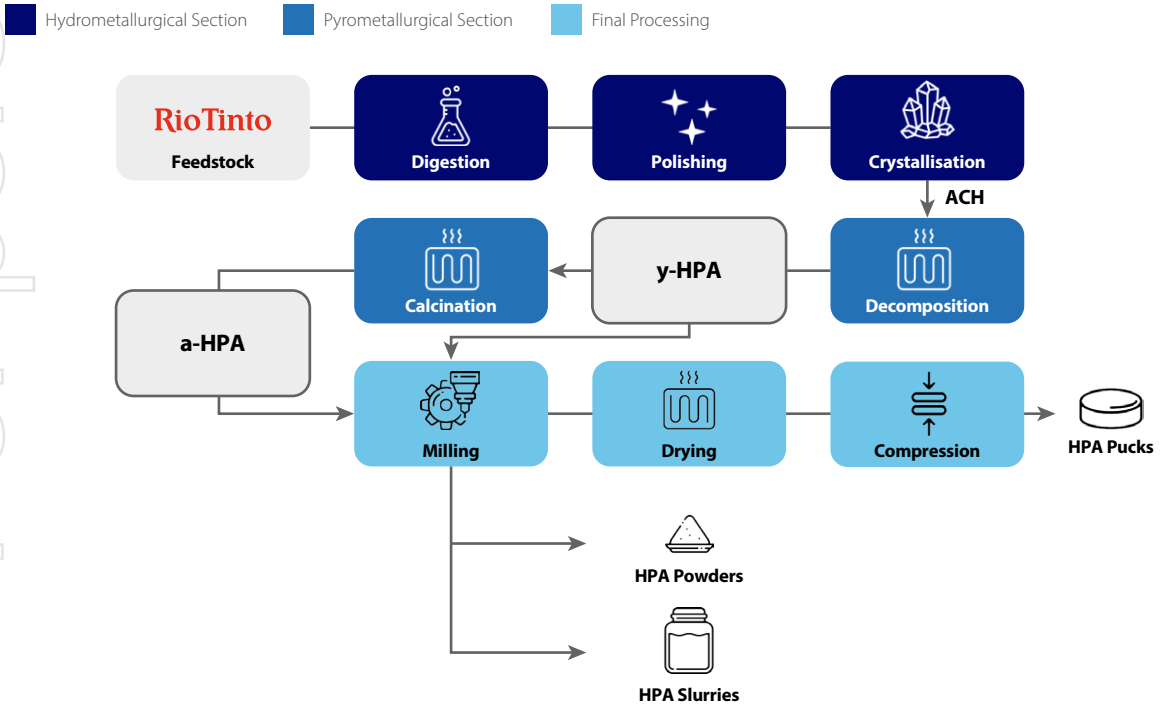
The Plant operates AEM's patented CLCP manufacturing process and is powered exclusively by renewable electricity. This delivers HPA production at low unit cost (forecast in bottom half of the global cost curve at design capacity, refer to Section 5), with very low carbon emissions (negligible Scope 1 and Scope 2 emissions, refer to Section 2.3(d)) and near-zero waste. The process is effective at producing HPA at up to 5N purity and highly flexible in terms of the feedstock it can accept and the products it can produce — including alumina powders, slurries and pucks — to meet specific customer requirements. The Plant therefore positions AEM as a leader in both product performance and sustainability within the HPA landscape.

The CLCP manufacturing process comprises three main stages as summarised below in Figures 2.7 and 2.8.

Figure 2.7: Key Stages of CLCP Process

STAGE	PROCESS	OVERVIEW
Stage 1	Hydrometallurgical	Aluminous feedstock is first digested in hydrochloric acid (**HCl**) to create an aluminium chloride solution. This solution then undergoes purification by ion-exchange and crystallisation to produce highly pure crystals of aluminium chloride hexahydrate (**ACH**).
Stage 2	Pyrometallurgical	The ACH crystals are heated to convert them into HPA in its gamma crystalline form (**γ-HPA**), with the HCl released during this step being recovered and recycled back into the earlier part of the process. The resulting γ-HPA then either proceeds directly to Stage 3 for finishing or, if required, is calcined at a higher temperature to convert it into HPA in its alpha crystalline form (**α-HPA**).
Stage 3	Final Processing	The α-HPA and γ-HPA produced in Stage 2 is finished into slurries, powders, and tablets (pucks) to suit different customer needs.

Figure 2.8: Overview of the CLCP Process



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(c) Historical Issues with the Fluidised Bed Furnace

The fluidised bed furnace incorporates two separate chambers. The first chamber was originally designed to undertake the lower temperature decomposition of ACH into γ-HPA and the second chamber to calcine the γ-HPA into α-HPA at a higher temperature (both process steps within the Pyrometallurgical Section of the CLCP process, refer to Figure 2.8). Both chambers are heated by electrical heating elements that run through the fluidised bed inside tubes to prevent the heating elements coming into direct contact with the material in the bed (the **Tubes**).

As outlined in Section 2.2, Orbite encountered several issues with the operation of the fluidised bed furnace over several years. By the time of the Acquisition many of these issues had been resolved, but there remained problems with the Tubes, which were susceptible to frequent breakage due to thermal shock.

AEM's solution to this issue comprised (1) replacing the Tubes with tubes made from a material much more resistant to thermal shock, and (2) repurposing the furnace so that its two chambers would both be used for lower temperature decomposition, thereby avoiding the need to operate the second chamber at the higher temperature required for calcination.

After completing the Acquisition in 2020, AEM replaced the Tubes in the first chamber of the furnace and by early 2021 had commissioned it successfully to produce γ-HPA. To complete the higher temperature calcination stage, AEM also installed and successfully commissioned a conventional car-bottom kiln to convert the γ-HPA to α-HPA, thereby proving the viability of the manufacturing process, albeit at sub-commercial scale. The Stage 1 Expansion Project subsequently added significantly more calcining capacity in the form of a 50 metre long tunnel kiln to bring the Plant to commercial scale capacity.

(d) Carbon Emissions and Waste Generation

The Greenhouse Gas Protocol classifies carbon emissions depending on whether they are direct on-site emissions (**Scope 1**), indirect energy-related emissions (**Scope 2**), or broader supply chain or end-use emissions (**Scope 3**).

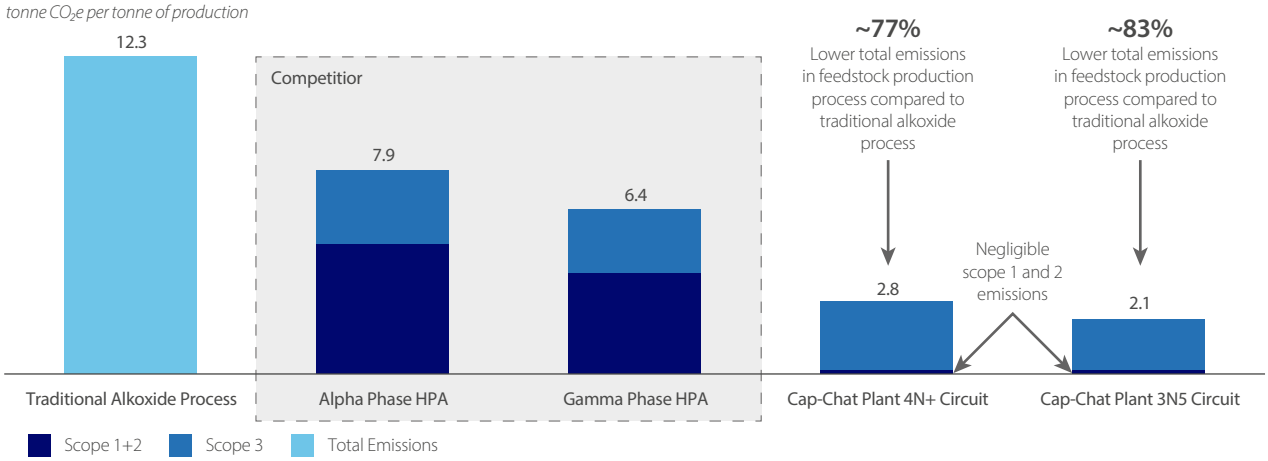
The Cap-Chat Plant generates negligible Scope 1 and Scope 2 emissions because it is powered exclusively by renewably generated electricity. The Plant's Scope 3 emissions are also low because its feedstock is produced locally using energy that, in a significant part, is generated renewably. Collectively, these attributes result in industry leading Scope 1,2 and 3 emissions in AEM's HPA production.

The Plant is estimated to emit 2.8 tonnes of CO_2 equivalent for each tonne of HPA that it produces using the CLCP process. Furthermore, the dedicated 3N5 circuit that AEM plans to install at the Plant in 2026 (which will operate a simpler manufacturing process) is estimated to emit 2.1 tonnes of CO_2 equivalent for each tonne of HPA that it produces.

In contrast, the traditional alkoxide process for manufacturing HPA is reported to emit 12.3 tonnes of CO_2 equivalent for each tonne of HPA that it produces (i.e., approximately 4.4 times the emissions from the CLCP process and approximately 5.9 times the emissions from AEM's simplified 3N5 process).

AEM's emissions also compare favourably to competitor innovative HPA production methods which produce in the range of 6.4 to 7.9 tonnes of CO_2 equivalent per tonne of HPA (i.e., approximately 2.3 to 3.8 times AEM's emissions).

Figure 2.9: Carbon Emissions Profile of HPA Production Methods[7]



Additionally, the CLCP process generates almost no waste. Hydrochloric acid is recycled multiple times before discharge as aluminium chloride that is used for water treatment. Any unrecycled water is treated and released in accordance with strict guidelines.

7. Optel (independent audit of AEM production operations and supply chain (completed in September 2023, updated May 2025)), Alpha HPA 2024 Annual Report, Advanced Energy Minerals.

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2.4 Cap-Chat Plant Capacity, Expansion Strategy and Timetable

(a) Overview

AEM has expanded, or plans to expand, the Cap-Chat Plant's production capacity in three stages: the Initial Stage, Stage 1 Expansion Project and Stage 2 Expansion Project.

Initial Stage

During this stage, AEM solved the problems with the fluidised bed furnace (see Section 2.3(c)) and installed sufficient equipment to allow the Plant to produce samples of γ-HPA and α-HPA at a sub-commercial scale for marketing purposes, product development, and product qualification with customers.

Besides the work undertaken to the fluidised bed furnace during this stage, AEM:

- upgraded and recommissioned a rotary kiln acquired from Orbite for the purpose of producing smaller quantities of γ-HPA;
- purchased, installed and commissioned a small, conventional car-bottom calcination kiln for converting γ-HPA into α-HPA; and
- added additional rotary and sintering kilns, and product finishing equipment as needed.

The Cap-Chat Plant operated in this fashion from mid-2021 until the tunnel kiln, installed as a major part of the Stage 1 Expansion Project, entered operation in Q2 2025.

Stage 1 Expansion Project

AEM launched the Stage 1 Expansion Project in mid-2023 to increase the nameplate production capacity of the Cap-Chat Plant to 3,000 tpa of HPA, (comprising 2,000 tpa of 4N+ HPA and 1,000 tpa of 3N5+ HPA).

As at the Prospectus Date, AEM has completed installing and commissioning the following elements of the Stage 1 Expansion Project, with the effect that the Plant's production capacity has increased to an independently validated 2,000 tpa (4N+ or, 4N+ and 3N5 in combination):

- Purchase, fabrication and installation of 50 metre long tunnel kiln together for the calcination stage with a robotic system to handle the flow of product into and away from the kiln
- Purchase, fabrication and installation of a new car-bottom kiln
- Purchase, fabrication and erection of a new steel-framed building to house the tunnel kiln
- Purchase and installation of four electric fired boilers to replace an existing propane fired boiler
- Relocation and repurposing of an existing but redundant pressure vessel for use as a new, larger crystalliser
- Upgrade of the fluidised bed furnace
- Upgrade of the Plant's electrical supply
- Installation of additional sintering kilns and a new press for puck production

Two main work items remain outstanding to complete the Stage 1 Expansion Project, comprising the installation and commissioning of:

- the 1,000 tpa dedicated 3N5 circuit, which is planned to enter operation at the end of Q2 2026 and will increase the Plant's overall production capacity to 3,000 tpa; and
- additional milling, drying and other equipment in the Plant's Final Processing circuits. Installation of this equipment will be scheduled to match the emerging customer demand for specific finished products.

AEM expects to ramp up production from the Plant to its full 3,000 tpa capacity over a period of approximately 2 years as shown in Figure 2.11. As the Plant's production approaches full capacity, AEM will look to optimise both its customer and product mix to maximise operating margins.

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Stage 2 Expansion Project

The Company has completed a Pre-Feasibility Study for the Stage 2 Expansion Project, drawing heavily on Company's experience in developing and operating the existing plant, with the aim of doubling the production capacity of the Plant to 6,000 tpa.

The Stage 2 Expansion Project comprises a new and separate plant to be located adjacent to the existing plant on land already owned by AEM and will be configured within a single building. It will adopt a similar production process to the existing plant, share its infrastructure and benefit from AEM's learnings from operating it. The project's execution risk is therefore assessed as low.

The Stage 2 Expansion Project is estimated to require a total capital investment of C$298.8 million at Q4 2024 prices. Completion of construction is currently estimated to occur in Q4 2028 with production estimated from Q2 2029. At nameplate production capacity, the Stage 2 Expansion Project is expected to have a similar operating cost profile to the Stage 1 Expansion Project.

Figure 2.10: Renders of the Stage 2 Expansion Project

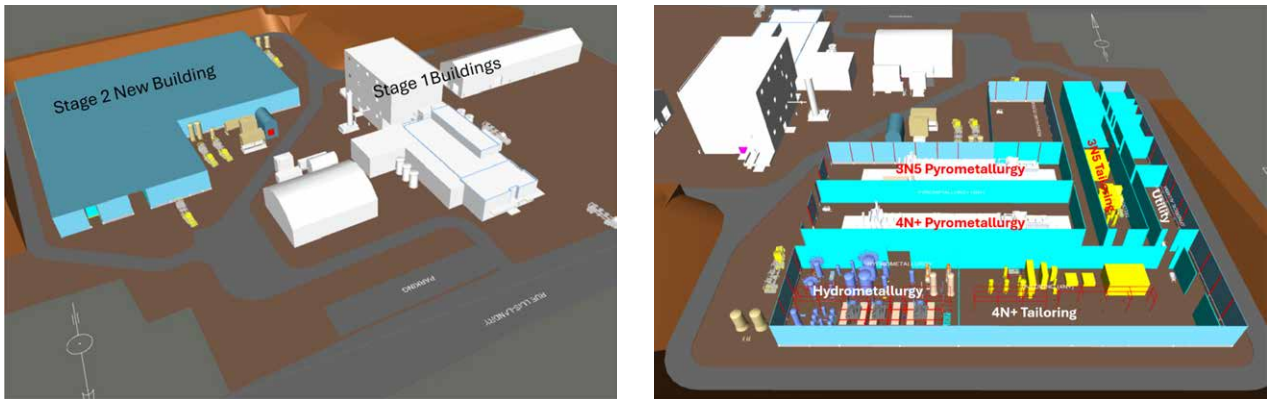


Figure 2.11: Indicative Capital Works Program Delivery Timetable

	2025				2026				2027				2028				2029			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Stage 1 Expansion Project																				
Complete Installation of 2k tpa Capacity	✓	✓																		
Ramp-up to 2k tpa Capacity																				
Procurement, Installation and Commissioning of 3N5 Circuit																				
Ramp-up to 3k tpa Capacity																				
Stage 2 Expansion Project[1]																				
DFS[2]																				
Design, Permitting and Procurement																				
Site Preparation and Early Works																				
Construction																				
Commissioning																				
Ramp-up to 6k tpa Capacity																				

Conservative ramp-up to Q2 2031

Notes:

1. The above timetable is based on the Stage 2 PFS and certain assumptions. The timetable is indicative only and remains subject to change.
2. DFS – Definitive Feasibility Study.

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(b) Stage 2 Project Economics

AEM commissioned WSP Canada Inc. to undertake an independent technical review of its pre-feasibility engineering study for the Stage 2 Expansion Project. WSP's findings can be found in the **WSP Stage 2 Report** included in Section 7 of the Prospectus.

The Company subsequently engaged BDO Services Ltd (**BDO Services**) to produce a financial model based on capital and operational expenditure estimates verified in the WSP Stage 2 Report and HPA price forecasting in the CM Group Industry Report to allow AEM to explore the Stage 2 Expansion Project's economic performance under two pricing scenarios:

- **Scenario 1:** Weighted product price based on forecast production mix at current pricing per CM Group Industry Report.
- **Scenario 2:** Weighted product price based on forecast production mix at forecast pricing per CM Group Industry Report.

The CM Group Industry Report is included in Section 5 of this Prospectus.

The steady-state metrics found by this exercise are shown in Figure 2.12, which indicates that once the Stage 2 Expansion Project reaches its full 3,000 tpa production capacity, and based on CM Group forecast HPA pricing assumptions, it would generate EBITDA in an approximate range of US$47.1 million to US$85.2 million per annum, corresponding to an EBITDA margin in an approximate range of 74.0% to 83.7%.

A Detailed Feasibility Study is set to be delivered by Q1 2026 followed by the front-end engineering design to be completed by Q3 2026.

By the time AEM may make a FID to proceed with the Stage 2 Expansion Project in Q4 2026, the robust Stage 2 economic performance profile coupled with the free cash flow that the Plant is expected to be generating from the Stage 1 Expansion Project could provide AEM with the opportunity to part fund the project with a material debt component.

Figure 2.12: PFS Steady-State Metrics

	UNITS	CM GROUP CURRENT PRICING	CM GROUP LONG-TERM PRICING
STAGE 2 EXPANSION PROJECT CAPEX			
Initial Capex[8,9]	*US$m*	215.0	215.0
Production Volume[8,10]	*tonnes*	~3,000	~3,000
Weighted Product Price[11]	*US$/kg*	21.3	34.0
Revenue[12]	***US$m***	**63.6**	**102.0**
Variable Costs[8]	*US$m*	10.1	10.1
Fixed Costs[8]	*US$m*	6.5	6.5
Total Opex	***US$m***	**16.6**	**16.6**
Unit Cash Cost	*US$/kg*	*5.5*	*5.5*
EBITDA[13]	***US$m***	**47.1**	**85.2**
Margin	*%*	*74.0%*	*83.7%*

8. Per Independent Technical Report – Pre-Feasibilty Engineering Of Cap-Chat Plant Stage 2 Expansion, converted at 0.72 USD/1.00 CAD.
9. Does not include sustaining capex required for ongoing plant operation.
10. Stage 2 Project operating at design capacity assuming 91% annual plant availability.
11. CM Group Industry Report: 2,000 tpa 4N+ current pricing at $25/kg and long term of $40/kg (Milled HPA – Table 8) and 1,000tpa 3N5+ at a 55% discount to 4N+ HPA to give weighted average of $21.3/kg current and $34/kg long term.
12. Calculated from Production Volume x Weighted Product Price.
13. Any discrepancies between totals and sums of components are due to rounding.

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(c) Stage 2 Project Economics Assumptions

In calculating the capital expenditure required for the Stage 2 Project, the Company made a Class 4 (FEL 1) estimate, as defined by AACE International recommended practice note No. 18R-97, at Q4 2024 prices to a precision of ±30%, based on:

- quotes received for a detailed list of process equipment, updated where necessary to Q4 2024 prices using the CEPCI (Chemical Engineering Plan Cost Index) global index;
- the use of conventional buildings, designed and constructed as a steel structures comprising joists on beams and columns with sandwich assembly enclosures (interior liner, middle girts housing insulation, and an exterior preformed metal covering), poured-in-place concrete foundations under the frost line, no firewall between process departments and fire protection by sprinklers;
- an average cost of C$250,000 per kilometre for the installation of a new electrical power line by Hydro-Quebec;
- a 20% contingency on all section estimates; and
- exchange rates to CAD of 1.38 USD, 1.75 GPD and 1.48 EUR.

In assessing the project's design capacity, the Company made the following assumptions:

- 91% plant availability;
- no downtime between main unit operations and all equipment is operated efficiently;
- feedstock, reagents and utilities are always available; and
- piping, instrumentation, civil engineering are appropriately designed.

For the variable component of its operating cost estimate for the project, the Company calculated:

- feedstock and reagents consumption based on detailed process design criteria and a mass balance;
- electricity consumption based on a detailed equipment list comprising all the equipment installed motor power with adequate consumption factors applied; and
- costs based on the unit costs of feedstock, reagents and electricity at Q4 2024 prices.

For the fixed component of its operating cost estimate, the Company calculated:

- labour and plant management overhead costs based on industry guidelines; and
- maintenance costs based on its own experience in operating the existing Cap-Chat Plant.

Refer to the Independent Technical Reports in Section 7 for further details on the assumptions relating to design capacity, operating costs and capital costs for the Stage 2 Project.

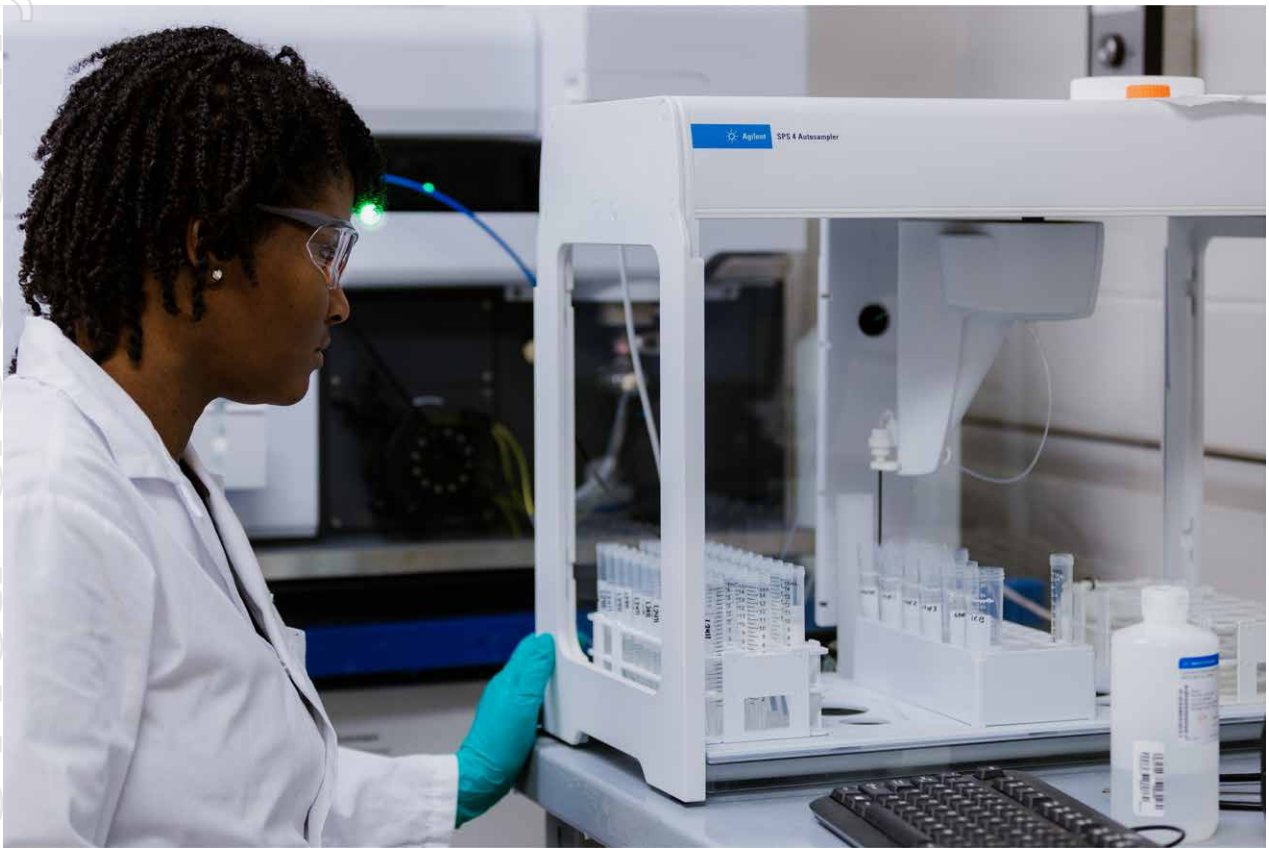
2.5 Technology Development Centre

The TDC provides research and development services to the Company. Originally focussed on the development of the CLCP process and other technologies regarding the extraction of metals from clays, the centre is now focussed on product improvement, new product development and providing support to the Plant particularly on customer qualification processes. The centre is operated by AEM Technologies Inc., which owns and develops the Company's intellectual property, which currently includes an extensive patent portfolio comprising 15 patent families, 59 granted patents and seven pending patents issued in multiple jurisdictions. Through the work of the TDC the Company has developed and continues to develop nano-particle production processes, stable slurries, low uranium HPA and novel approaches to making monoliths for the sapphire sector.

The facilities include a state-of-the-art laboratory equipped with advanced analytical equipment for the analysis of elemental composition (ICP-MS, ICP-OES, MP-AES), crystallinity phase (XRD), specific surface area (BET-SSA), particle size distribution (Malvern 2000 and 3000 laser diffraction), viscosity, powder flowability, loose and tap density, thermogravimetry (TGA-DSC), loss on drying, loss on ignition, pH, electrical conductivity, chlorides and sintering characteristics (Dilatometry). The TDC also collaborates closely with local universities, which provides it with access to advanced microscopic techniques (SEM and TEM).

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Figure 2.13: Image of the Montreal Technical Development Centre



2.6 HPA Market and Customer Qualification

CM Group has provided the company with independent advice on the HPA market including applications, demand, supply, pricing and operating costs of the current and future producers. A succinct report is included in this Prospectus in Section 5.

HPA of grade 4N+ (> 99.99% alumina) is a specific form of aluminium oxide with a unique set of physical and chemical properties, which make it suitable for use in highly specialised commercial applications, such as synthetic sapphire production for LEDs, semi-conductor manufacture, and EV battery electrode coatings. These markets have grown strongly over recent years with HPA global demand growth at a fast rate of 13.6% CAGR from 2013 to 2024[14]. Current customer behaviour reflects tight market conditions.

Global demand is forecast to continue to grow at double digit CAGR (approximately 10.0%) over the 10-year period from 2024 to 2034, driven by continued strong demand from the key sapphire/LED sector, and additional growth areas of semi-conductor and battery sectors[15]. This strong demand growth is forecast to drive continued tight market conditions with a supply deficit forecast in 2026, and again from 2029 to 2034. With a backdrop of these market conditions, CM Group forecast prices to rise to US$40/kg from 2027 from the current US$25/kg for milled HPA alpha powder[15].

As a specialty material, the performance of HPA in these applications is inextricably linked to its grade, quality (including impurity levels) and to the physical attributes of its crystalline structure. It is not fungible and is manufactured to precise customer specifications, with different customers often requiring different product specifications, even if the applications are similar. This is a critical point of differentiation between HPA and other industrial minerals and minor metals, which typically have larger, more liquid markets and follow pricing patterns more closely aligned with market supply demand balances and cost curve pricing fundamentals. These characteristics also lead to customers "qualifying" a supplier's product for a particular application, a process which commonly takes one to two years. However, although time consuming, once qualified, the relationship between supplier and customers is set and can be expected to be long lasting. This qualification process is discussed in more detail in Section 5.

14. Based on sector growth rates forecast by CM Group.
15. Based on sector growth rates forecast by CM Group.

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2.7 Sales and Marketing Strategy

(a) Overview

At the same time as undertaking the Stage 1 Expansion Project at the Plant, AEM has focussed on sales and marketing activities to ensure sufficient demand from customers to match the ramp-up of the Plant's production.

The Company's sales strategy has matured since early first market engagement. Originally comprising a distributor-led model overseen by limited AEM personnel, the sales strategy evolved in 2023 to become primarily Company-led. This strategic decision has allowed AEM to gain greater control over customer relationships, pricing strategies, and market positioning while also generating a significant increase in the sales pipeline.

AEM operates an in-house sales team complemented by a network of distributors and agents, and sells its products through three sales channels:

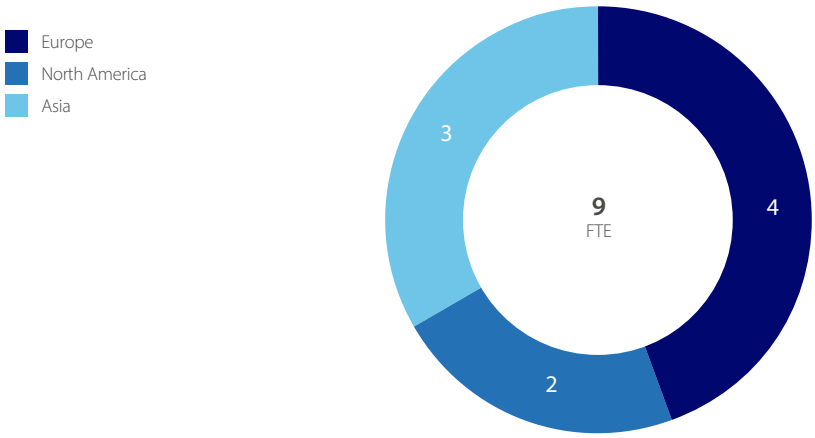
- **Direct Sales:** AEM's in-house sales team sells directly to customers across core end markets, retaining full control over pricing, branding, and customer engagement. AEM looks to use this channel to sell to customers that have high-value, customised, or complex product requirements and or need a high level of relationship management. These customers are typically large international or market leading customers with high growth potential.
- **Direct Sales with Agent Support:** This channel is very similar to the direct sales channel except that AEM employs an agent to assist with managing the customer relationship.
- **Distribution:** AEM sells products to a distributor that then on sells the products to its customers with AEM providing its sales team with technical support. This channel has the advantage of allowing AEM to leverage the distributor's sales team and readily access its existing customer network to enhance its market penetration. Moreover, AEM's distributors actively promote AEM's products in the territory by attending conferences, trade shows and commercial gatherings, so facilitating the penetration in the local market. In many cases distributors finance advertising campaigns in magazines and media and attendance to trade shows. However, the margins available to AEM and its ability to influence customer relationships when selling through a distributor are reduced. AEM looks therefore to use this channel mainly to sell to smaller customers, but in certain circumstances, it is necessary to involve a distributor to sell to larger customers to suit their specific preferences.

(b) In-house Sales Team

At the Prospectus Date, AEM has nine employees in its own sales team headed by the SVP Sales and Marketing, Dr. Daniele Fregonese. Dr Fregonese oversees locally based business development managers (BDMs) for China and Taiwan, Japan, Europe and North America. These managers are supported by technical marketing managers located in Canada and Japan. Dr Fregonese also currently acts as interim BDM for South Korea.

The sales team is rounded out by an employee responsible for customer service, who interacts with customers to handle sales orders, invoicing, sampling and other sales related activities, as well as a business analyst who provides support on market intelligence and analysis.

Figure 2.14: Total Sales and Marketing Employees



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AEM's BDMs possess broad industry and sales experience, allowing them to understand and communicate the product value proposition effectively to a diverse customer base. In addition, they maintain strong relationships and are well connected with key industry participants, ensuring valuable market insights and opportunities are consistently identified and pursued. Technical marketing managers possess a deep understanding of product specifications and provide additional support to BDMs during sales processes. They also act as the interface between the sales team and AEM's research and development (**R&D**) team to ensure it supports a sales process if necessary and is kept informed on the market's demand for new or improved products.

AEM gains significant operational and strategic advantage through its in-house sales team, by virtue that the team can:

- Apply its deep product knowledge to ensure clear and effective promotion of the performance benefits of AEM's products;
- Gather customer feedback directly to iterate market messaging and to understand current and emerging needs for AEM products; and
- Support a stronger margin profile by eliminating agent commissions and distributor margins and associated costs.

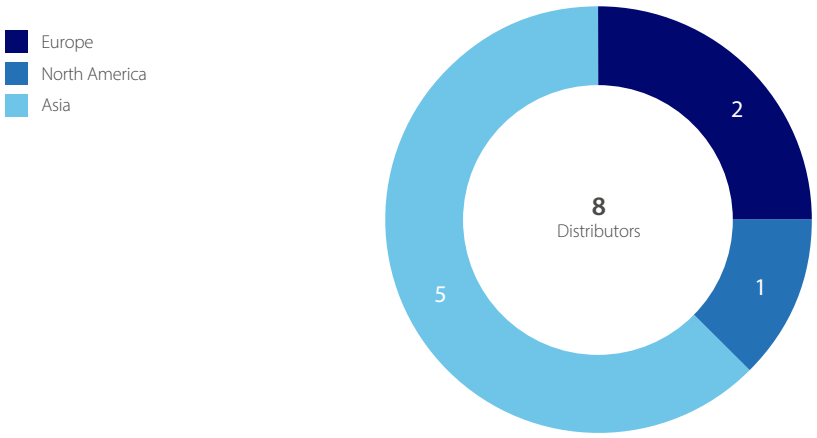
(c) Distributors and Agents

AEM uses a network of distributors and agents, aligned with its end markets, to accelerate market penetration, and reduce associated market entry costs. AEM typically engages its distributors and agents on a non-exclusive basis, which provides it with flexibility as it continues to grow. The network currently comprises:

- **Europe:** Two distributors (one for France and one for the United Kingdom and Ireland) plus two agents (one for Spain and Portugal and one for Greece) – all engaged on a non-exclusive basis except for the distributor for UK and Ireland;
- **Asia:** Five distributors (one for China, one for Korea and three for Japan) – all engaged on a non-exclusive basis except for the distributor for Korea; and
- **North America:** One non-exclusive distributor for the USA.

All these distributors and agents are active in the end-markets relevant to AEM and most have direct experience in selling HPA. They include Euralox in France, MinChem in UK and Ireland, Nagase in Japan, Yee Young Cerachem in Korea and Fujian Quanzhou YuRuiSheng in China.

Figure 2.15: Breakdown of Geographic Location of Distributors



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(d) Marketing

AEM markets its products by exhibiting at trade shows then nurturing the contacts made either there, or by other means, by active digital marketing on LinkedIn (approximately 1,344 followers as at the Prospectus Date) and via two regular newsletters sent to industry contacts (one in English to 991 subscribers, the other in Japanese to 119 subscribers as at the Prospectus Date). Additionally, AEM is a founding member of the Green Alliance for Sustainable Sapphire, which allies companies in the sapphire value chain in a commitment to manufacture products with lower carbon emissions. It is also a member of two of the most important associations of alumina and ceramics producers: the Japan Fine Ceramics Association and the American Ceramics Society, which provide opportunities to meet potential customers and inform members about new products and corporate developments.

AEM uses offline and online print media to inform the market about the Company's activities. For example, some of the most important Japanese journals in the chemical sector have conducted and published interviews with senior Company representatives that have reached large audiences. Also, AEM has recently started an advertising campaign in Korea in cooperation with its local distributor, aimed at informing professionals working in the semiconductor sector about recent industry developments, such as nano-alumina and low uranium alumina. In 2023 AEM was awarded the "Top Climate Change Solutions Provider in Canada" by the specialist magazine "Environmental Business Review".

AEM liaises closely with trade representatives from the Canadian and Quebec governments to leverage the trade promotion activities they run and the access they can provide to potential customers in their respective markets. For example, in Japan, the local Canadian trade commissioners have assisted AEM to build relationships with several important Japanese multinational companies that are heavy users of HPA. Canadian and Quebec government representatives have also assisted AEM in promoting its products to major players in the emerging EV automotive industries in North America and Europe.

(e) Customer Qualification Process

HPA has a wide range of downstream applications, and the qualification processes required by customers can vary significantly, due to differences in product types and application scenarios. Qualification processes typically take between one and two years, but some high-end applications face stricter qualification procedures, resulting in longer qualification times. Each product application and qualification can be considered a project, and some customers can be running several projects in parallel.

Figure 2.16: Overview of Key Phases in AEM's Customer Qualification Process



In general terms, at the start of a project, after a customer has discussed the desired qualities of the HPA, AEM typically supplies 1 kg sample(s) of proposed product for preliminary laboratory trials. After these trials, the customer provides feedback to AEM on how the product has performed, and sometimes, if there are performance shortcomings, AEM will provide samples of modified product for re-testing.

Once a product has successfully completed the laboratory trial stage, it moves forward to the industrial trial stage during which samples, typically 250 kg to 500 kg in size, are supplied by AEM to the customer for larger scale trials. Moving to this stage is a critical step in AEM developing relationship with the customer because it indicates a general acceptance of the suitability of AEM's HPA for the customer's intended application (subject to tests to ensure its performance in the manufacturing environment). Often, the process also involves the customer sending its product, made with AEM's HPA, to its downstream customer(s) for their own tests.

Once this industrial trial stage is successfully completed, the product is considered "qualified" by the customer and the project moves to the commercial relationship stage in which arrangements are finalised for the supply of commercial quantities of product. These arrangements may be reflected by a supply framework agreement where the parties enter into a long term (typically 5-year) agreement with quantities and price set annually. Alternatively, supply may be based on regular purchase orders that reflect the customer's forecast needs.

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To demonstrate how such qualification processes typically proceed, Figure 2.17 summarises four actual processes that AEM has either completed or currently has underway.

Figure 2.17: Example Customer Qualification Processes

	Customer 1	Customer 2	Customer 3	Customer 4
Description	• Sector: Semi-conductors • Turnover: ~US$300m • Region: Asia • Product: 4N Powder • Indicated Demand: 470 tpa	• Sector: Sapphire • Turnover: ~US$2bn • Region: Asia • Product: 4N Pucks • Indicated Demand: 120 tpa	• Sector: Battery • Turnover: ~US$40m • Region: Europe • Product: 4N Powder • Indicated Demand: 40 tpa	• Sector: Battery • Turnover: Confidential • Region: Asia • Product: 4N Powder • Indicated Demand: 120 tpa
Qualification Process Overview	Q1 CY24: Qualified first sample 4N powder Q2 CY24: 400kg 4N powder for industrial production run by major chip producer Q4 CY24: Chip producer undertakes production run/qualification Q2 CY25: Regular supply (monthly orders) New project for advanced ceramics	Q1 CY24: 1kg material for qualification test Q3 CY24: 1,200kg 4N puck for furnace tests and sapphire production Q4 CY24: Customer trials with LED production runs Q3 CY25: Audit plant in August 2025 prior to regular supply (monthly orders)	Q4 CY22: 5kg material for qualification test Q1 CY22: 200kg 4N slurry for industrial test Q4 CY23: 1.2 tons 4N alumina slurry for industrial test Q1 CY25: Regular supply 4N and 4N-doped material	Q1 CY24: 5 samples of 4N material for qualification test Q3 CY24: 200kg 4N powder for tests for industrial trial Q3 CY25: Coin cell followed by pouch cell trials Q3 CY27: Regular supply (monthly orders)

Note:

1. Project: Customer's process to qualify and, if successful, then buy product for a specific application.

(f) Customer Pipeline

Customers often indicate interest in AEM's products because they exhibit high performance characteristics (e.g. high purity) and are sustainably manufactured by a supplier that is independent of China. Further, customers appreciate the flexible and collaborative development process AEM utilises to tailor HPA products to specific needs. Some customers are also attracted by the stability and security of supply that a manufacturer based in Canada offers and the low volatility in AEM's input cost base, particularly as it is powered renewably and therefore not subject to the volatility in fossil fuel prices.

As at the Prospectus Date, AEM has secured eleven projects which have passed product qualification and entered the commercial relationship stage.

Overall, as at 9 September 2025, the above eleven projects combined with another 108 projects that AEM has undergoing qualification represent a total customer pipeline[16] estimated at approximately US$87.6 million per annum, which reflects an annual volume of approximately 3,629 tonnes of HPA at a weighted average price of US$24.1 per kg (comprising 2,348 tonnes of 4N+ HPA and 1,281 tonnes of 3N5 HPA at average weighted prices of US$29.3/kg and US$14.8/kg respectively). The customer pipeline is made up of:

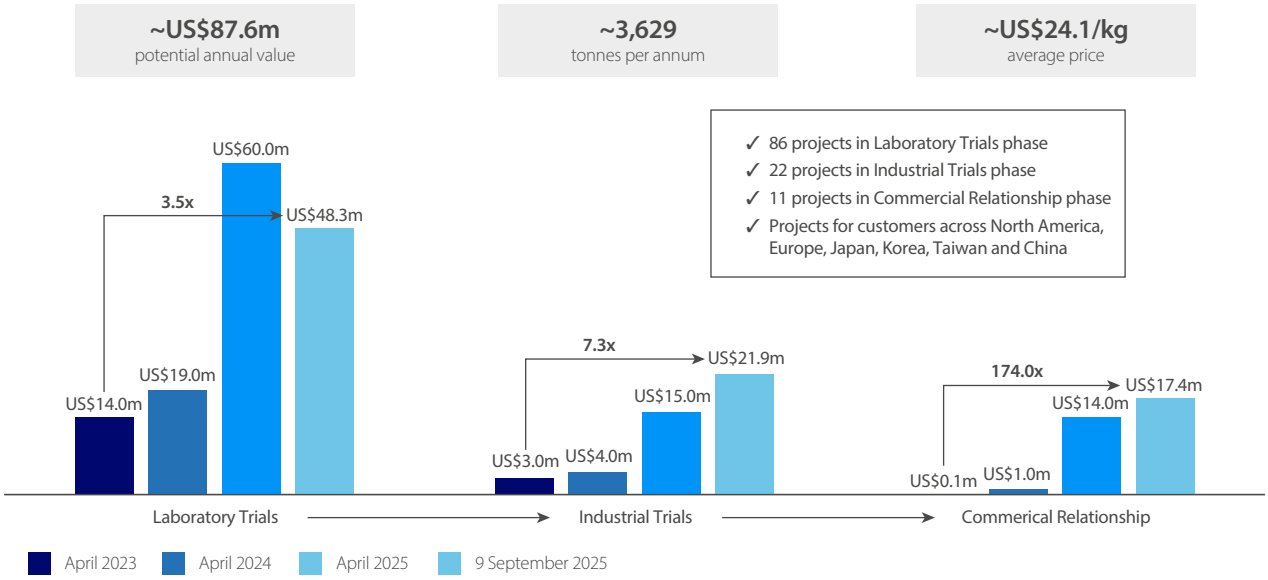
- 86 projects in the laboratory trials phase representing approximately US$48.3 million in potential annual value;
- 22 projects in the industrial trials phase representing approximately US$21.9 million in potential annual value; and
- 11 projects in the commercial relationship phase representing approximately US$17.4 million in potential annual value.

This pipeline has grown markedly in the last two years increasing 5.1x from US$17.1 million in April 2023 to US$87.6 million in potential annual value by 9 September 2025. This growth reflects the increasing maturity of AEM's sales effort against a backdrop of growing demand for HPA products in key end-markets.

16. Customer pipeline presents quantities on an un-risked basis and prices at a point in time arising from AEM's engagement with its customers through the qualification process. The resultant potential annual value reflects the total annual value of the pipeline (quantity x price/kg) on an un-risked basis.

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Figure 2.18: AEM Customer Pipeline



Note: The potential annual value is not a profit forecast or revenue forecast. This value is the indicative demand by the customer as at 9 September 2025.

Figure 2.19: Quotes from customers and distributors

AEM's competitive advantages are resonating with customers, contributing to a rapidly growing sales pipeline

> *The stationary battery market for NaNiCl-technology is rapidly approaching the Gigawatthour-Scale. Our first Pilot-Production line of 0.1 GWh will require 150 tonnes of HPA per year.*
>
> **CEO, Battery Company (Germany)**

> *Following the strong response we received at the Ceramic Expo in Shanghai, where we showcased AEM's products, we are confident that we will be able to sell tens of tons of AEM's HPA in the Chinese market.*
>
> **Distributor (China)**

> *Demand for high-end technical ceramics for the semiconductor industry is growing so rapidly that it has forced us and several of our competitors to expand our production capacity and we require rapidly growing amounds of HPA.*
>
> **CEO, Ceramic Object Manufacturer (Taiwan)**

> *The luxury watch industry is collectively working to repatriate sapphire production back to Switzerland after it had shifted to China due to cost considerations. By 2030, I anticipate that premium watch brands will exclusively source Swiss-made sapphire components.*
>
> **CEO, Sapphire Producer (Switzerland)**

> *Our large customer network in Korea's semiconductor industry tells us that the industry's demand for HPA is set to grow very fast, driven by the increasing use of AI and 3-nanometer chip architecture. We aim to assist AEM quickly to become a leading supplier of HPA to the Korean market.*
>
> **Distributor (Korea)**

2. COMPANY OVERVIEW CONTINUED

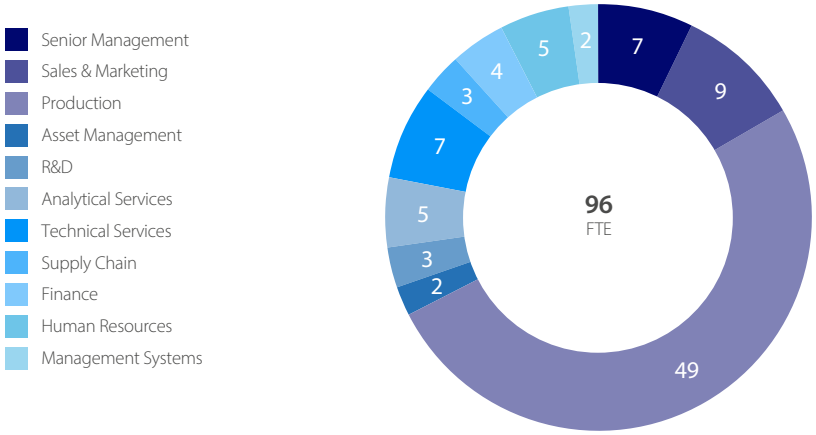
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2.8 People

AEM employs 96 people as at 30 September 2025, with two employees located in Australia and 94 employees located internationally, including 87 employees in Canada. The breakdown of these employees by function is shown in Figure 2.20.

Besides AEM's own employees engaged in R&D, the Company has a long-standing collaboration with the Polytechnic University of Montreal. This collaboration sees recent university PhD graduates operate out of AEM's Technical Development Centre and engage on joint R&D projects with AEM. As at 30 September 2025, there were four such researchers operating in the TDC, taking the total complement of researchers operating on AEM's behalf to eight.

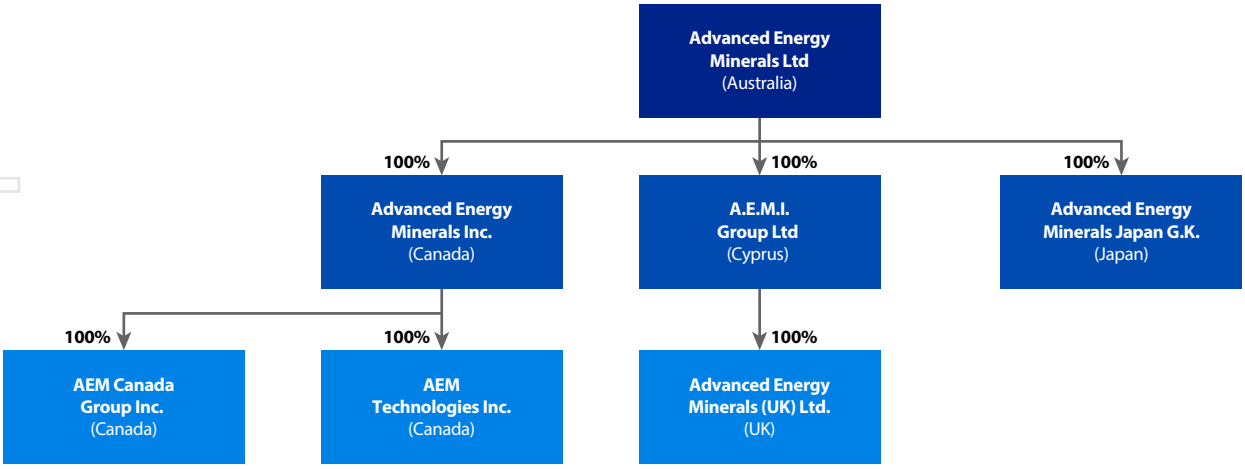
Figure 2.20: AEM's full time employees as at 30 September 2025 broken down by function



2.9 Corporate Structure

The following diagram depicts AEM's corporate structure.

Figure 2.21: Overview of AEM Corporate Structure



Details of AEM's subsidiaries are as follows:

(a) Advanced Energy Minerals Inc. is the Canadian investment holding entity and parent company for the HPA business and holds a 100% interest in AEM Canada Group Inc. and AEM Technologies Inc.

(b) AEM Canada Group Inc. is a Canadian entity which owns the Cap-chat Plant.

(c) AEM Technologies Inc. is a Canadian entity which owns the patents for the HPA technology.

(d) A.E.M.I. Group Ltd is a Cyprus entity (and former parent company of the Canadian entities) which is largely dormant and holds a 100% interest in Advanced Energy Minerals (UK) Ltd.

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(e) Advanced Energy Minerals (UK) Ltd is a United Kingdom entity company which is largely dormant and is the owner of the UK study for development of a HPA plant in the UK.

(f) Advanced Energy Minerals Japan G.K. is a sales distribution company in Japan for the sale of AEM products to Japanese customers.

A.E.M.I. Group Ltd also owns AEM (HPA) Australia Pty Limited, registered in NSW Australia, which holds Mining Licence ML100200. A.E.M.I. Group Ltd has entered into a share sale deed with Cape York Kaolin Limited pursuant to which A.E.M.I. Group Ltd will divest its interest in AEM (HPA) Australia Pty Limited. Completion of the divestment of AEM (HPA) Australia Pty Limited will occur prior to Admission. Further details of the transaction with Cape York Kaolin Limited is contained in the Independent Limited Assurance Report in Section 6.

2.10 Risk Management

AEM is required to comply with various laws and regulations within Canada in respect to the HPA products it produces.

Risk management is critical to AEM's business, especially to protect the health and safety of its staff, customers and wider stakeholders, but also to enable safe and efficient management of its business. As a result, AEM has implemented robust systems and procedures to effectively manage operational risk and ensure strict compliance with all relevant industry regulations. Additionally, AEM ensures that all employees operate in accordance with the Company's internal policies and procedures.

2.11 Certified Management Systems

A cornerstone of AEM's risk management strategy is the proactive attainment and maintenance of internationally recognised industry certifications of AEM's management systems at the Cap-Chat Plant and the Technical Development Centre, including:

- ✔ **ISO 9001** (Quality Management Systems)
- ✔ **ISO 14001** (Environmental Management Systems)
- ✔ **ISO 45001** (Occupational health and safety management systems)

These management systems allow AEM's employees to operate in a safe and efficient manner and reduce the risk of injury or other incidents.

2.12 Corporate Culture

AEM believes that corporate culture drives performance. Our values and the way we work, are centred around:

- **Putting customers first:** striving to exceed customers' expectations in what we produce and how we interact. Consistently prompt delivery of reliable, high quality product is seen as the minimum customers should receive from AEM. Ideally, we strive for a trusted, collaborative relationship.
- **Creating value through innovation:** focusing on developing innovative processes and product solutions that meet the needs of customers as market conditions evolve. To do so, AEM looks to foster an agile and innovative culture that welcomes new ideas, provides a safe environment for promptly testing them, and fast-tracks those ideas with merit to implementation.
- **Working as a committed team:** AEM considers effective teamwork critical to success. Every employee is expected to interact with colleagues in an open, supportive and collaborative fashion, whilst diligently completing their own allotted tasks promptly and efficiently. Respect for the ideas, opinions and values of others is a must. When failings arise, AEM focuses on learning from them, not apportioning blame, and moving on.
- **Caring for ourselves, our colleagues and our community:** all employees must take responsibility for safeguarding the health and safety of themselves, their stakeholders and their environment, being alert to potential risks and taking mitigating action when indicated.
- **Always striving for improvement:** being constantly alert to ways of improving processes, procedures and outcomes in all areas of the business. All employees are encouraged to suggest improvements.

The Board assumes overall responsibility for AEM's culture, policies, and procedures. AEM continues to develop its corporate culture strategy influenced by AEM's values and stakeholder engagement.

The Company recognises the importance of managing and developing human capital and that a positive work environment would attract, motivate and retain talent. The Company is an equal opportunity employer that adopts fair employment practices in recruitment.

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2.13 Key Strengths

Through its operations and strategy, AEM believes it possesses a number of key strengths as highlighted in Figure 2.22 below.

Figure 2.22: Summary of AEM's Key Strengths

STRENGTH	DESCRIPTION
Emerging Leader in HPA Production	• Innovative HPA producer capable of producing purity levels up to 5N (99.999%) • At the completion of Stage 1 Expansion Project, AEM's Cap-Chat Plant will be the third largest HPA production asset outside of China[17]
Innovative and Sustainable Production Process	• AEM's patented CLCP process is a cost-efficient production process which is powered 100% by renewables and enabled by locally sourced feedstock • AEM's Cap-Chat Plant produces HPA with industry leading scope 1, 2 and 3 emissions[18] • CM Group have forecast AEM to be in the bottom half of the global industry cost curve including China while producing high purity product
Strategic Plant Expansion Plan	• Stage 1 Expansion Project has delivered 2,000 tpa of HPA capacity in Q2 2025, with plans to increase to 3,000 tpa in 2026 • Stage 2 Expansion Project will expand production capacity to 6,000 tpa (commissioning currently forecast for Q4 2028 with production expected to begin in 2029) enabling AEM to scale production in line with growing customer demand • Stage 2 PFS indicates robust project economics with steady state annual EBITDA of approximately US$47.1 million to approximately US$85.2 million using CM Group HPA pricing assumptions
Robust Customer Pipeline	• AEM has commercially secured eleven projects with an estimated potential annual value of US$17.4 million. In addition, it has products undergoing qualification trials for more than 108 additional projects, including 22 in industrial trials • AEM's annual customer pipeline value of approximately US$87.6 million (or 3,629 tonnes of HPA) across all customer qualification process stages and spans customers in North America, Europe, Japan, Korea, Taiwan and China • The customer pipeline continues to expand as AEM's market presence increases
Experienced Leadership with Proven Capability	• AEM has an experienced and technically skilled workforce overseeing plant expansion and ongoing operation • The management team comprises a mix of individuals that blends a deep knowledge of the Company's manufacturing processes and markets with international management practice and has a demonstrated track record of executing complex construction projects and delivering operational success • An experienced Board and management provide strategic oversight and have overseen the growth of AEM to date

2.14 Additional Information

Investors are referred to and encouraged to read in its entirety:

(a) the Independent Technical Reports in Section 7 for additional information on the Cap-Chat Plant and the Stage 1 and Stage 2 Expansion Projects;

(b) the Independent Limited Assurance Report in Section 6; and

(c) the Industry Overview Report in Section 5.

17. Based on production capacities of HPA producers in 2024 identified by CM Group.
18. Optel (independent audit of AEM production operations and supply chain (completed in September 2023, updated May 2025).



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3. RISK FACTORS

3. RISK FACTORS

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The Shares are considered highly speculative. An investment in the Company is not risk free. The proposed future activities of the Company are subject to a number of risks and other factors which may impact its future performance.

Investors should note that the risks relating to the Group in this Section 3 are the risks that the Directors believe to be the most important to an assessment by a prospective investor of whether to apply for Shares. Some of these risks can be mitigated by the use of safeguards and appropriate controls. However, many of the risks are outside the control of the Directors and management of the Company and cannot be mitigated.

The risks detailed in this Section 3 is not an exhaustive list or explanation of all of the risks faced by the Company or by investors in the Company and should be considered in conjunction with other information in this Prospectus. Additional risks and uncertainties relating to the Group that are not currently known to the Group, or that the Group currently deems immaterial, may individually or cumulatively also have a material adverse effect on the Group's operations, prospects, financial condition and operational results.

The risks detailed in, and others not specifically referred to in, this Section 3 may in the future materially affect the financial performance and position of the Company and the value of the Shares offered under this Prospectus. The Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, return of capital or the market value of those Shares. The risks detailed in this Section 3 also necessarily include forward-looking statements. Actual events may be materially different to those detailed and may therefore affect the Company in a different way.

Investors should be aware that the performance of the Company may be affected and the value of its Shares may rise or fall over any given period. None of the Directors or any person associated with the Company guarantee the Company's performance, the performance of the Shares which are the subject of the Offer or the market price at which the Shares will trade. The Directors strongly recommend that potential investors consider the risks detailed in this Section 3, together with information detailed elsewhere in this Prospectus, and consult their professional advisers, before they decide whether or not to apply for Shares.

3.1 Company and Industry Specific Risks

(a) Product Qualification Process Risk

The products AEM produces need to meet the requirements of customers in the form of purity, particle size and morphology and this is assessed through a qualification process which can commonly take two years. The qualification process has inherent risks such as: a) timing of the qualification process as the process is driven by the customers, b) product suitability as the company's product may not suit the customer's requirements, and c) process complexity as the Company is managing many qualification processes in parallel. Each of these risks has the potential to delay sales ramp up and revenue.

(b) Meeting Product Quality Requirements

The products AEM produces at the Cap-Chat Plant must consistently achieve specified levels of purity and other physical characteristics to meet customer requirements. There is risk that, due in particular to the Company being a new commercial scale producer with developing systems, there could be issues with maintaining consistent quality control.

(c) Production Ramp Up Risk

The Cap-Chat Plant has been operating over recent years at a sub-commercial scale. As a result of the 2023 to 2025 capital works programme the production capacity has been increased to a commercial scale, and the production rate will rise to supply orders. Although the 2023 to 2025 capital works programme had the benefit of operations in its design, the production ramp up will be subject to the usual risks associated with ramp up including, but not limited to, equipment commissioning risks, the development of operating "know how", and operating efficiency.

(d) Production Rate Risk

The Cap-Chat Plant operates a multi-stage batch process to manufacture HPA in many product forms to meet different customer requirements. The inherent complexity in producing a wide range of products creates a risk to the efficient utilisation of the plant's nameplate productive capacity. However, this risk is offset by the different production stages being batch based and independent of each other, which gives the plant considerable flexibility in its operational capabilities.

(e) Failure to Attract New Customers

The success of the AEM's business relies on its ability to attract new customers. The capacity to attract new customers will be dependent on many factors including the technical attributes and performance of the Company's products, the performance of the sales and marketing function, and the overall value proposition provided by the Company.

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(f) Stage 2 Expansion Project Development

The undertaking of the Stage 2 Expansion Project and its timing is dependent on the Company making a FID which would need to be informed by a positive Feasibility Study, strong continued HPA market dynamics, procurement of debt finance or other acceptable financing plan, and a positive production and sales ramp up of the Stage 1 Expansion Project.

(g) Management and Key Personnel Risk

The Company's business and future success depends heavily on the continued services of a small group of executive management and other key personnel. If one or more of the Company's management or key personnel were unable to (or unwilling to) continue in their present positions, the Company might not be able to replace them easily or at all.

As a result, the Company's business may be severely disrupted, materially adversely affecting its financial condition and operational results. The Company may also incur additional expenses to recruit, train and retain new or existing personnel.

(h) Operating Personnel Availability Risk

Due to its remote area, it may be difficult to attract and maintain a skilled workforce. The inability to do so may negatively impact production rate, production unit costs, production efficiency and product quality measures.

(i) Manpower Requirement Risk

As the Cap-Chat Plant uses a multi-stage batch process and produces a wide range of products there is a risk that operating cost may be higher than current estimates due the need for additional labour.

(j) Competition

The Company participates in the developing HPA market. There are a range of other technologies currently available and in development which offer potential alternatives, in some of the products the Company produces. It is conceivable, that in the future the market may be entered by globally focused competitors with significantly more access to capital and resources. Should any of the Company's competitors participate more aggressively on price, product, innovation or other means this could have a material adverse impact on the Company's business.

(k) Market Growth

Although there has been strong growth in HPA demand over the past decade and double-digit growth is forecast over the coming decade, there is a risk that the anticipated growth rate is less than forecast. Such an outcome may negatively impact the Company's business and expansion plans.

(l) Limited History

The Company has limited operating history. This has potential negative impacts in terms of customer engagement, access to capital and operating efficiencies, all of which could negatively impact the Company's prospects.

(m) Product Pricing and Exchange Rate

The Company is exposed to the risks of product price volatility and exchange rate fluctuations increasing the Company's costs.

(n) Input Costs

The price of the inputs used to produce the Company's products are determined by external markets which are outside the Company's control, making it susceptible to adverse price movements which could impact operational profitability.

(o) Materials Handling

The Company's business involves the controlled use of chemicals and, therefore, is subject to environmental and health and safety laws and regulations. There is a risk that the Company will not comply with these laws and regulations, or, despite its compliance, will nonetheless be exposed to industrial incidents relating to potentially hazardous materials. Such incidents may result in liability for contamination, compensation to individuals exposed to harm and remediation for damage caused. The Company may also be liable for fines imposed under applicable laws and regulations.

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(p) Workplace Health and Safety

The Company strives to conduct its activities to the highest standard of workplace health and safety. Workplace health and safety, whilst always a risk, is at the forefront of operational focus to ensure it remains a top priority in all aspects of the business. If there is any failure to comply with workplace health and safety obligations, this may result in claims, penalties, compensation claims against the Company and/or reputational damage.

(q) Intellectual Property

The Company's ability to leverage its innovations and know-how is contingent on its capacity to protect its intellectual property and associated improvements and developments. The Company may be required to incur significant expenses in establishing, protecting, and monitoring its intellectual property rights, including by engaging in litigation to enforce or vindicate its rights. Unauthorised use of the Company's intellectual property by third parties, including potential or actual competitors of the Company, may have an adverse effect on the Company.

(r) Key Suppliers

The Company has one key supply material, its aluminous feedstock from which it produces HPA. Currently, it purchases this aluminous feedstock from Rio Tinto Alcan on an as required basis and intends to conclude a long term supply contract as demand for the supply increases. In the event the Company cannot finalise a supply contract on suitable terms the Company will purchase alternative aluminous feedstock from other aluminium producers in Quebec or elsewhere.

Electrical energy, which is supplied to the Cap-Chat Plant by Hydro-Québec via its public transmission and distribution grid, is another key input to the Company's manufacturing process. Hydro-Québec has been authorised by Québec's Minister of Economy, Innovation and Energy to supply the Company as a "Large Power" customer (i.e., a customer with a power demand exceeding 5MW), and the Company and Hydro-Québec are due to finalise the terms of supply for the Stage 1 Expansion Project before the end of 2025 (meanwhile there is sufficient power supplied to the Plant by Hydro-Québec to support the ongoing ramp-up).

The Company has also discussed its future power needs for the Stage 2 Expansion Project with Hydro-Québec, which has indicated that it will be able to make this power available, subject to agreeing terms for its supply.

As a Large Power customer, the Company will pay Hydro-Québec's published Large Power tariff for its electricity. Hydro-Québec's electricity price index has historically tracked closely with the general Consumer Price Index. The electrical grid is very robust and while there is a risk of power outages during winter storm periods. The risk of prolonged outages is low.

(s) Permitting

The Cap-Chat Plant was designed by Orbite with a production capacity of 1,000 tpa HPA and the Plant was originally permitted to operate at a capacity of up to 3.15 tpd (1,150 tpa) subject to complying with Québec's airborne and waterborne emission criteria. The Company recently applied for and was granted an amendment to this permit to take account of the additional equipment installed under the Stage 1 Expansion Project. The Company is now preparing to apply for a further amendment to the permit to increase the permitted maximum rate of daily production to the equivalent of 2,000 tpa following the collection of plant operating data, and will request a further amendment to raise the permitted maximum rate of daily production to the equivalent of 3,000 tpa once the equipment for the 3N5 circuit is installed in 2026.

3.2 General Risks

(a) Securities Investments

Applicants should be aware that there are risks associated with any securities investment.

Prior to the Offer, there was no public market for the Shares. There is no guarantee that an active trading market in the Shares will develop or that the price of the Shares will increase. There may be relatively few (or nil) buyers or sellers of Shares on the ASX at any particular time. The prices at which the Shares trade may be above or below the Offer Price and may fluctuate in response to a number of factors.

Further, the stock market is prone to price and volume fluctuations. There can be no guarantee that trading prices will be sustained. These factors may materially affect the market price of the Shares, regardless of Company's operational performance.

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(b) Economic Risk

Changes in the general economic climate in which the Company operates may adversely affect the financial performance of Company. Factors that may contribute to that general economic climate include but are not limited to:

(i) the level of direct and indirect competition against the Company;

(ii) general economic conditions;

(iii) changes in government policies, taxation and other laws;

(iv) the strength of the equity and share markets in Australia and throughout the world;

(v) movement in, or outlook on, exchange rates, interest rates and inflation rates;

(vi) industrial disputes;

(vii) changes in investor sentiment toward particular market sectors;

(viii) financial failure or default by an entity with which the Company may become involved in a contractual relationship; and

(ix) natural disasters, social upheaval or war.

(c) Equity Market Conditions

Shares listed on ASX, or any other securities market can experience extreme price and volume fluctuations that are often unrelated to the operating performances of such companies. The market price of securities may fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general. These security market conditions may affect the value of the Shares regardless of the Company's operating performance.

General factors that may affect the market price of securities include economic conditions in both Australia and internationally, investor sentiment, local and international share market conditions, changes in interest rates and the rate of inflation, variations in commodity prices, the global security situation and the possibility of terrorist disturbances, changes to government regulation, policy or legislation, changes which may occur to the taxation of companies as a result of changes in Australian and foreign taxation laws, changes to the system of dividend imputation in Australia, and changes in exchange rates.

(d) Currency Volatility

Substantially all of the business and operations of the Company are, or will be, conducted in currencies other than Australian dollars. In addition, all or most of the supplies and inputs into the projects of the Company are priced in currencies other than Australian dollars. As a result, fluctuations in such foreign currencies against the Australian dollar could have a material adverse effect on the Company's financial results which will be denominated and reported in Australian dollars.

(e) Infectious Diseases

The outbreak of infectious diseases may have a material effect on the Company's operations as a result of measures taken by governments (including, but not limited to, travel bans, quarantining and restrictions on the transportation of raw materials, supplies and equipment) to limit the transmission of such diseases.

(f) Macro-economic Risks

Changes in the general economic outlook in Canada, Australia and globally may impact the performance of the Company and the Project (or any other projects that may be acquired by the Company in the future). Such changes may include (without limitation):

(i) uncertainty in the Australian or Canadian economies or increases in the rate of inflation resulting from domestic or international conditions (including movements in domestic interest rates and reduced economic activity);

(ii) increases in expenses (including the cost of goods and services used by the Company);

(iii) abnormal stoppages in normal business operations due to factors such as war, political or civil unrest, infrastructure failure or industrial disruption;

(iv) new or increased government taxes, duties or changes in taxation laws; and

(v) fluctuations in equity markets in Australia and internationally.

A prolonged and significant downturn in general economic conditions may have a material adverse impact on the Company's trading and financial performance.

3. RISK FACTORS CONTINUED

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(g) United States Government Policies

Following the 2024 U.S. presidential election, there has been significant volatility and uncertainty in international trading conditions due to United States government policies in general and specifically with regard to tariffs. At present, there is no tariff on imports of HPA to the United States but there is risk that this may change. Similarly, there is risk that United States government policies may negatively impact the world economy and both economic growth and trade patterns.

(h) Taxation Risk

The acquisition and disposal of Shares will have tax consequences which will differ for each investor depending on their individual financial circumstances. All potential investors in the Company are urged to obtain independent financial advice regarding the tax and other consequences of acquiring Shares. To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability or responsibility with respect to any tax consequences of applying for Shares under this Prospectus.

(i) Trading and Liquidity in Shares and Escrowed Shareholders' Interests

In accordance with the escrow requirements in Chapter 9 of the Listing Rules, upon Official Quotation, various Shares will not be able to be traded for certain periods, as estimated in Section 1.21 (although none of the Shares issued pursuant to the Offer will be subject to those ASX imposed escrow restrictions).

Given the number of Shares anticipated to be restricted from trading, only some of the Shares on issue at completion of the Offer (including (among others) the Shares to be issued under the Offer) will be available to be traded until such time as applicable escrow periods end. As at the Prospectus Date, ASX has not made a decision regarding the escrow to be applied to Shares and, as such, the numbers of Shares that will be subject to escrow, and the escrow periods they are subject to, may change from the estimates in Section 1.21.

The proportion of Shares that will likely be subject to escrow following completion of the Offer will reduce liquidity in the market for the Shares and may affect the ability of a Shareholder to sell some or all of its Shares due to the effect less liquidity may have on demand. An illiquid market for the Shares may have an adverse impact on the Share price.

Following release from escrow, Shares held by escrowed Shareholders may be freely traded on the ASX. There is a risk that a significant sale of Shares by one or more escrowed Shareholders, or the perception that such a sale has occurred or might occur, could adversely affect the market value of the Shares.

(j) Corruption and Bribery Laws

The Company's operations are governed by, and involve interactions with, many levels of government in Australia and Canada. In recent years, there has been a general increase in both the frequency of enforcement and the severity of penalties under such laws, resulting in greater scrutiny and punishment to companies convicted of violating anti-corruption and anti-bribery laws. Furthermore, a company may be found liable for violations by not only its employees, but also by its contractors and third-party agents.

Although the Company has adopted steps to mitigate such risks, such measures may not always be effective in ensuring that the Company, its employees, contractors or third-party agents will comply strictly with such laws. If the Company finds itself subject to an enforcement action or is found to be in violation of such laws, this may result in significant penalties, fines and/or sanctions imposed on the Company resulting in a material adverse effect on the Company's reputation and results of its operations.

(k) Research Analyst Reports

The market for the trading of the Shares may be influenced by the research and reports which securities or industry analysts publish about its business. Securities and industry analysts may discontinue research on the Company, to the extent such coverage currently exists, or in other cases, may never publish research on the Company. If no or too few securities or industry analysts commence coverage of the Company, the market price for the trading of the Company's Shares may be adversely affected. In the event that securities or industry analysts initiate coverage, if one or more of those analysts publish inaccurate or unfavourable research about the Company, the market value of the Shares may decline. If one or more analysts cease coverage of the Company or fail to publish regular reports on the Company, demand for the Shares may decrease which may cause a decline in the Share price and trading volumes.

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(l) Publicly Held Company Obligations

As a publicly listed corporate entity, the Company will be subject to evolving rules and regulations promulgated by a number of governmental and self-regulated organisations, including the ASX, the ASIC, the Australian Accounting Standards Board and the International Accounting Standards Board, which govern corporate governance and public disclosure regulations. These rules and regulations continue to evolve in scope and complexity creating many new requirements, which increase compliance costs and the risk of non-compliance. The Company's efforts to comply with these rules and obligations could result in increased general and administration expenses and a diversion of management time and attention from financing, development, operations and, eventually, any revenue-generating activities

(m) Accounting Standards

Changes to any applicable accounting standards or to any assumptions, estimates or judgments applied by management in connection with complex accounting matters may adversely impact the Company's financial position, results or condition.

(n) Combination of Risks

The Company may be subject to a combination of risks, including any of the above risks outlined in this Section 3, which could adversely affect the reputation, operational and financial performance of the Company and ultimately impact upon the market value of the Shares.



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4. BOARD, MANAGEMENT AND CORPORATE GOVERNANCE

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4. BOARD, MANAGEMENT AND CORPORATE GOVERNANCE

4.1 Board of Directors

As at the Prospectus Date, the Board comprises of:

(a) Richard Seville – Executive Chairman;

(b) Michael Adams – Managing Director and Chief Executive Officer;

(c) Richard Evans – Non-Executive Director;

(d) Steven Petersohn – Non-Executive Director;

(e) Nassif Obeid – Non-Executive Director;

(f) Timothy Fletcher – Non-Executive Director;

(g) Anthony Giammaria – Non-Executive Director; and

(h) Leanne Heywood – Non-Executive Director.

It is not proposed for any changes to the Board to occur prior to Admission.

4.2 Directors' Profiles

Details of the Directors comprising the Board on Admission are as follows:



(a) Richard Seville

Executive Chairman, Non-Independent

Richard Seville has been Executive Chairman of AEM since January 2022. Richard Seville comes with a highly successful track record in the junior to mid-cap resources space with over 25 years as Managing Director or Executive Director of various ASX, TSX or AIM listed companies. This included 12 years as MD/CEO of lithium producer Allkem Limited (ASX:AKE) (formerly Orocobre Limited) which he took from IPO in 2007 to being, at the time of his retirement in 2019, a significant, and expanding, producer of lithium chemicals and part of the battery supply chain.

Richard is very familiar with equity markets, particularly in the junior and mid-cap space, and has led raisings of approximately A$500 million over the past 25 years. Richard was a non-executive director of Allkem Limited (ASX:AKE) at the time of its merger with Livent Corporation to create Arcadium Lithium PLC, now taken over by Rio Tinto Ltd. He was also a Non-Executive Director of Oz Minerals Limited (ASX:OZL) from 2019 until its takeover by BHP in 2023, and Chairperson of potash developer Agrimin Ltd (ASX:AMN) from 2019 to 2024.

Richard holds a Bachelor of Science with Honours in Mining Geology and a Master of Engineering Science in Rock Engineering.



(b) Michael Adams

Managing Director and Chief Executive Officer, Non-Independent

Michael Adams has been continuously involved with AEM since 2019 when the Company engaged him as a consultant to assist with its acquisition of the assets of Orbite. He joined the Board in January 2021 and became a full-time employee and was appointed Managing Director and CEO in May 2021. He is based in Cap-Chat.

A professionally qualified chartered engineer with over 40 years of experience, his career has been spent predominantly in the development, financing and implementation of major infrastructure and industrial projects for companies such as Trafalgar House plc, Kvaerner AS, and Gammon Construction Limited. He began his career as an engineering consultant with Mott, Hay and Anderson (now Mott Macdonald).

Michael previously lived and worked in Greater China for nearly 30 years and is a past Chairman of the Shanghai Chapter of the European Union Chamber of Commerce in China. He holds bachelor's and master's degrees in engineering from Churchill College, Cambridge University and an MBA from INSEAD.

4. BOARD, MANAGEMENT AND CORPORATE GOVERNANCE CONTINUED

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(c) Richard Evans

Non-Executive Director, Non-Independent

Richard Evans is highly credentialed company Director and seasoned executive.

In 1960, he joined the Ministry of Transport and Civil Aviation and, shortly afterwards, moved into he then newly-formed Ministry of Technology. In 1964 he joined the Ferranti Electronics Company. In 1969, Richard joined the Military Aircraft Division of British Aircraft Corporation (**BAC**) at Warton, Lancashire and continued his career within BAE Systems Plc (LSE:BA), one of the UK's largest engineering and manufacturing companies, in various roles through to Chief Executive (1990) and Chairman (1998), retiring in 2004.

Building off his roots in engineering and manufacturing, Richard has decades of high level executive experience, deep international contacts and great skill in government affairs and has closed numerous M&A deals in the course of his career.

In 1997, Richard joined the Board of United Utilities plc (LSE:UU) as a Non-Executive Director, he was appointed Chairman on 1st January 2001 and retired from the Board in July 2008. In 1998, he was appointed a Non-Executive Director of NatWest Bank plc (LSE:NWG) resigning from that Board in February 2000.

In 2006, Richard was appointed Chairman of Samruk Holdings, a Joint Stock Company, owned by the Government of Kazakhstan and having relinquished that appointment he became an Independent Director of SWF Samruk-Kazyna JSC from which he resigned in December 2019.

In mid-2022, Richard joined the Board of a small start-up UK registered company named Infra Red Kinetics Ltd which focuses on High Accuracy Technology Measuring. Richard has also been elected an Honorary Member of the NSPCC Council. He also became Chancellor of the University of Central Lancashire in 2001.

Richard was awarded the CBE in the Queen's Birthday Honours for "Services to Export" in 1986 and was knighted in the 1996 Queen's Birthday Honours.

Richard holds a National Certificate in Electrical Engineering from Oldham Polytechnic College. In 1975 he attended the Oxford University Business Summer School. Richard holds an Honorary Doctorate of Science at Cranfield University and an Honorary Doctorate of Technology and Loughborough University of Technology. He is also a Fellow of the Royal Aeronautical Society.

He has been involved in AEM's HPA business as a member of the joint venture company boards since purchase of the assets in 2020 and became a Director in May 2024.



(d) Steven Petersohn

Non-Executive Director, Independent

Steven Petersohn is an international financial executive and entrepreneur. He opened and ran Jefferies & Co's first office in Hong Kong and spent ten years with Morgan Stanley Asia in various capacities. Steven has been a founder or key person in several start-ups. He managed a special situations fund, started a private equity business and is on the Board of Trans-China Automotive (SGX:V12), a Singapore-listed company doing business in China.

Prior to his career in investment banking and fund management, Steven built sales and distribution networks for a U.S. based international trading company and co-founded a trade finance business.

Steven is a graduate of Stanford University in California and has been based in Hong Kong for the past 32 years.

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(e) Nassif Obeid

Non-Executive Director, Independent

Nassif Obeid is a business executive with 25 years of experience, predominantly in financing, developing and building real estate projects. He has been involved in AEM's business since purchase of the HPA business in 2020 as a member of the joint venture company boards and became a Director in May 2024, and has had a close involvement in developing AEM's business plans for the Cap-Chat Plant.

Nassif holds a Bachelor of Science, majoring in Engineering and Civil Specialty, from the Colorado School of Mines and a Master of Science, majoring in Structural Engineering & Construction Management, from the University of Newcastle Upon Tyne. Mr Nassif Obeid is fluent in English, French and Arabic.

Nassif began his career in 1989 working at Construction Moderne Charles & Nassif Obeid (Est. 1956) in Site Works and Project Development until 1992. From 1999 to 2002, Nassif worked as a Site Engineer at Construction Moderne Charles & Nassif Obeid.

Since 2003, Nassif has been the Managing Director at Construction Moderne Charles & Nassif Obeid, as well as the Managing Partner at Amarat General Contractors. Since 2014, Nassif has been the Managing Director at Truss Holding and, from 2020 to 2024, the Managing Director of ViVent Initiative Ltd.

Nassif has also been a Partner at Brands for Less (2000-2006), Brands for Bargains (2014-2018).



(f) Timothy Fletcher

Non-Executive Director, Non-Independent

Tim Fletcher's expertise is in overseeing commercial property development both in the UK, Mexico, Hong Kong and China.

Tim holds a Bachelor of Science from Birmingham University. Tim has worked as a manager at Estratur Ltd (1991-1994), THGP Ltd (1994-1996), ADL Limited (1996-2001) and Artemis Resources Ltd & Apollo Minerals Ltd (2006-2007). Whilst at Artemis and Apollo he worked within a team developing a uranium project in Niger and iron ore project in Australia. Tim is currently a Director at FF Financial Services Ltd, which was involved in raising US$50 million of funding for Zhuhai Southern Software Park for Zhuhai Southern Software Park Development Co Ltd in 2001-2002, identifying wind turbine technologies for acquisition by Chinese companies in 2002-2003, the restructuring and relisting of Kaefer Technologies Limited on the ASX in 2004-2005. He is currently a Director for THCJ Limited, which holds a significant infrastructure asset in Indonesia.

Tim has been a Director since 2012. He was heavily involved in developing the Kendall River Kaolin Project as a HPA project, which led to the acquisition of the Canadian HPA assets held by Orbite in 2020.



(g) Anthony Giammaria

Non-Executive Director, Independent

Based in Montreal, Quebec, Canada, Anthony Giammaria has over 20 years commercial and corporate law experience focused on corporate finance, restructuring and securities, advising microcap and mid-sized companies.

He has a deep understanding of Canada's legal landscape and has advised AEM since 2022, playing a key role in the restructuring of the Group in preparation for IPO.

He has a large network and is well placed to assist the company in Canada. In his early practice, Anthony was employed by a boutique law firm specialised in corporate and commercial law. In 2009, he founded AG Avocat Conseil Inc., a boutique law firm specializing in corporate and commercial law with a focus on start-up companies obtaining their first-round financing and listing on the Canadian Security Exchange and the TSX Venture Exchange. Anthony holds a law degree from the University of Sherbrooke Canada and has been a member of the Quebec Bar Since 2001. Anthony is fluent in French, English and Italian. Anthony has been involved in AEM's HPA business as a member of the joint venture company boards since 2023 and became a Director in May 2024.

4. BOARD, MANAGEMENT AND CORPORATE GOVERNANCE CONTINUED

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(h) Leanne Heywood

Non-Executive Director, Independent

Ms Heywood is an experienced non-executive director, audit and risk committee, and people and remuneration committee chair, with broad general management experience gained through an international career in the mining sector, including 10 years with the Rio Tinto Copper Group. Her experience includes strategic marketing, business finance and compliance and she has led organisational restructures, mergers, acquisitions and disposals at both the executive and board level. Additionally, she has significant experience in complex cross-cultural negotiations and stakeholder relationship management, including governments and investment partners and leadership expertise in China, Japan, Mongolia, Singapore and South America.

Ms Heywood currently serves as a non-executive director of Firefly Metals Limited (ASX: FFM; TSX:FFM), non-executive director and Chair of the Audit Risk Committee of Lotus Resources (ASX:LOT), non-executive director and Chair of the Audit and Risk Committee of Deterra Royalties (ASX:DRR) and is a director of Snowy Hydro Limited and Denison Gas Limited. Ms Heywood previously served as a director of MAC Copper Limited (ASX:MAC, NYSE:MTAL) from 2024 to 2025 Arcadium Lithium PLC (NYSE:LTHM) from 2024 to 2025, Allkem Limited (ASX:AKE) from 2021 to 2024; Midway Ltd (ASX: MWY) from 2019 to 2025, Quickstep Holdings Limited (ASX:QHL) from 2019 to 2024 and Symbio Holdings Limited (ASX:SYM) from 2022 to 2024.

4.3 Senior Management



(a) Alexis Clark – Chief Financial Officer and Company Secretary

Alexis Clark is a seasoned professional with over 20 years international finance experience. Alexis has worked with a number of leading companies. Alexis has strong leadership, capital raising skills, financial modelling, entrepreneurial initiative, and transactional experience across a number of industries.

Alexis commenced his career at PwC and previously worked at Merrill Lynch and Patersons (now Canaccord Genuity) in equity research covering the Australian energy sector. In addition, he has a background in institutional banking and finance responsible for the origination and execution of structured finance transactions for infrastructure, resources and energy companies. He has a Bachelor of Commerce and Economics from the University of Adelaide and Chartered Accounting and CFA qualifications.



(b) Stéphane Blanchette – Chief Human Resources Officer

Stéphane Blanchette is a transformational Human Resources leader with over 30 years of experience catalysing organisational success across startups and large enterprise organisations. He is a Chartered Professional in Human Resources. He brings solid technical insight and a keen ability to align tangible strategies with long-term corporate objectives. Throughout his career, Stéphane has been heavily involved in business transformations, mergers and acquisitions, and building efficient organisational designs and cultures from scratch mostly for manufacturing and BTB services companies. Stéphane holds a Bachelors Degree in Industrial Relations from Laval University in Quebec City, Canada.



(c) Daniele Fregonese – Senior Vice President for Sales and Marketing

Daniele Fregonese, an Italian national based in Germany, is a seasoned marketing professional with 20+ years of international experience in the chemical industry. He joined AEM in 2022 and previously has held senior marketing and sales positions in other European multinational companies. Daniele also served as CEO of a silica-derivatives producer. Throughout his career, Daniele has built deep expertise in modern marketing and sales strategies for the chemical sector. He has in-depth knowledge of the metal oxides industry and has developed the ability to lead and motivate commercial teams across diverse cultures and geographies.

Daniele began his career as a scientist at LyondellBasell and Reckitt, before transitioning into senior marketing roles at Evonik and Almatis. In addition to his corporate roles, he served as CEO of NTECH, a silica-derivatives company, and worked as a senior business consultant.

He holds a Ph.D. in Polymer Chemistry from the University of Padua and has an executive business education at several top European business schools.

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(d) Sylvain Seyer – Senior Vice President for Asset Management and Production

Sylvain Seyer is a chemical engineer with nearly 40 years of experience in production and plant design and commissioning. Process specialist with recognised skills in engineering of complex or innovative projects, designing and implementing new technologies, developing, commissioning and optimizing processes, including the commissioning of the Cap-Chat Plant.

Starting his career as a process engineer at Noranda's zinc refinery, Sylvain spent approximately 20 years in all aspects of the refining process from hydrometallurgy to pyrometallurgy at both technical and senior management levels. After a period as director in the process engineering consulting he joined Orbite in 2016.



(e) Ebrahim Alizadeh – Senior Vice President for R&D and Technical Services

Dr. Ebrahim Alizadeh is an accomplished chemical engineer with over 15 years of experience in process development, scale-up, and technology commercialisation in the fields of HPA and critical mineral extraction. At AEM, he leads a multidisciplinary team spanning research, engineering, and analytical laboratory services. Ebrahim plays a key role in managing AEM's intellectual property portfolio, advancing proprietary technologies, and driving the Company's expansion into new markets. He also provides technical leadership for the operation of AEM's HPA plant and supports feasibility studies for future facilities.

Prior to joining AEM, Ebrahim held senior technical roles at Pyrowave Inc. and Orbite, contributing to ground-breaking projects including microwave-based plastic recycling and HPA production. He holds a Ph.D. in Chemical Engineering from Polytechnique Montréal and is the named inventor on multiple patents related to advanced materials and alumina technologies.

4.4 Interests and Benefits

(a) Remuneration of Directors

The Company has entered into Executive Agreements with Richard Seville, Michael Adams and Alexis Clark and Non-Executive Director Appointment Letters with Richard Evans, Steven Petersohn, Nassif Obeid, Timothy Fletcher, Anthony Giammaria and Leanne Heywood as detailed in Sections 4.5 and 4.6.

A summary of the fees of the Directors on Admission pursuant to those agreements is as follows:

Table 4.1: Summary of Directors' fees on Admission

DIRECTOR	ANNUAL FEES[1,2]
Executive Directors[2]	
Richard Seville	$372,960
Michael Adams	$444,000
Non-Executive Directors[3]	
Richard Evans	$90,000
Steven Petersohn	$90,000
Nassif Obeid	$90,000
Timothy Fletcher	$90,000
Anthony Giammaria	$90,000
Leanne Heywood	$90,000

Notes:

1. Annual base remuneration payable assuming the Director is employed/appointed for the whole of the financial year. If a Director is employed or appointed for only a part of the financial year, the actual remuneration paid to that Director will be a pro rata amount of the annual fees based on the period of time during the year that the Director was employed/appointed.
2. The fees for Executive Directors are inclusive of superannuation.
3. The Director fees for Non-Executive Directors are exclusive of superannuation.

4. BOARD, MANAGEMENT AND CORPORATE GOVERNANCE CONTINUED

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Refer to Sections 4.5 and 4.6 for further details on the Executive Agreements and the Non-Executive Director Appointment Letters, respectively. Refer also to Section 4.4(b) (immediately below) for details of the Shares, Convertible Debentures, Performance Rights, DSUs and Options issued to the Directors (or their associates), including as equity remuneration.

(b) Directors interests in Securities

The Directors and their associated entities have the following interests in Securities as at the Prospectus Date:

Table 4.2: Summary of Directors' interests in Securities at the Prospectus Date

DIRECTOR	SHARES	CONVERTIBLE DEBENTURES[10]	PERFORMANCE RIGHTS	DEFERRED SHARE UNITS
Richard Seville	26,521,323[1]	C$13,297,381[2]	3,256,716	1,530,214
Michael Adams	3,300,256[3]	Nil	3,256,716	Nil
Richard Evans	24,281,408[4]	C$352,875[5]	Nil	276,682
Steven Petersohn	10,948,110[6]	C$1,064,278[7]	Nil	99,415
Nassif Obeid	12,140,704[8]	C$828,540[9]	Nil	276,682
Timothy Fletcher	56,639,363[10]	C$522,778[11]	Nil	62,866
Anthony Giammaria	120,000[12]	Nil	Nil	Nil
Leanne Heywood	Nil	Nil	Nil	26,316

Notes:

1. Comprising:
   (a) 17,115,000 Shares held by Richard Seville & Associates PL ATF The Seville Superannuation Fund, an entity associated with Mr Richard Seville; and
   (b) 9,406,323 Shares held by Ockleston Nominees Pty Ltd ATF The Seville Trust, an entity associated with Mr Richard Seville.
2. Comprising:
   (a) C$8,022,872 of 2023 Convertible Debentures held by Richard Seville & Associates Pty Ltd;
   (b) C$2,021,323 of 2024 Convertible Debentures held by Richard Seville & Associates Pty Ltd; and
   (c) C$3,253,186 of 2024 Convertible Debentures held by Ockleston Nominees Pty Ltd ATF The Seville Trust, an entity associated with Mr Richard Seville.
3. Held by MGW Adams Ltd, an entity associated with Mr Michael Adams.
4. Held directly by Sir Richard Evans.
5. Comprising C$127,936 of 2023 Convertible Debentures and C$224,939 of 2024 Convertible Debentures held by Sir Richard Evans.
6. Comprising:
   (a) 6,766,064 Shares held directly by Mr Steven Petersohn; and
   (b) 4,182,046 Shares held by Mr Steven Petersohn's wife.
7. Comprising C$521,015 of 2023 Convertible Debentures and C$543,263 of 2024 Convertible Debentures held by Mr Steven Petersohn, his wife and daughter.
8. Held directly by Mr Nassif Obeid.
9. Comprising C$716,070 of 2023 Convertible Debentures and C$112,470 of 2024 Convertible Debentures held by Mr Nassif Obeid.
10. Comprising:
    (a) 48,866,482 Shares held by Begrand Resources Ltd, an entity associated with a related party of Mr Timothy Fletcher;
    (b) 4,058,676 Shares held by Cleveland Investment Global Limited, an entity associated with a related party of Mr Timothy Fletcher; and
    (c) 3,714,205 Shares held directly by Mr Timothy Fletcher.
11. Held by a related party of Mr Timothy Fletcher.
12. Held directly by Mr Anthony Giammaria.
13. The Convertible Debentures were issued by AEM Inc. in 2023 and 2024/2025. The Convertible Debentures receive interest of 10% per annum payable upon maturity or redemption. The 2023 Convertible Debentures (including accrued interest) will convert into Shares at the lesser of: (i) the Valuation Cap Price which is calculated by dividing C$100,000,000 by the number of issued and outstanding Shares calculated on a fully diluted basis immediately prior to the conversion date (but expressly excluding the underlying securities to be issued pursuant to this instrument and excluding any other pre-IPO convertible instrument issued by AEM Inc. subsequent to the date of this instrument); and (ii) a 30% discount to the Offer Price. The 2024 Convertible Debentures (including accrued interest) will convert into Shares at the lesser of: (i) the Valuation Cap Price which is calculated by dividing C$150,000,000 by the number of issued and outstanding Shares calculated on a fully diluted basis immediately prior to the conversion date (but expressly excluding the underlying securities to be issued pursuant to this instrument and excluding any other pre-IPO convertible instrument issued by AEM Inc. subsequent to the date of this instrument); and (ii) a 30% discount to the Offer Price. Refer to Sections 8.9(c) and 8.9(d) for further information on the Convertible Debentures.

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Based on the intentions of the Directors as at the Prospectus Date in relation to the Offer, the Directors and their associated entities will have the following interests in Securities on Admission:

Table 4.3: Summary of Directors' interests in Securities at the date of Admission

DIRECTOR	MAXIMUM SHARES[1]	PERFORMANCE RIGHTS	DSUs	MAXIMUM VOTING POWER IN COMPANY UPON ADMISSION[2]
Richard Seville	68,927,166[3]	3,256,716	1,530,214	11.9%
Michael Adams	3,488,935[4]	3,256,716	Nil	0.6%
Richard Evans	25,466,851[5]	Nil	276,682	4.4%
Steven Petersohn	14,474,059[6]	Nil	99,415	2.5%
Nassif Obeid	14,939,875[7]	Nil	276,682	2.6%
Timothy Fletcher	58,552,473[8]	Nil	62,866	10.1%
Anthony Giammaria	120,000[9]	Nil	Nil	0.0%
Leanne Heywood	Nil[10]	Nil	26,316	Nil

Notes:

1. Includes the existing interests of Directors in Shares as at the Prospectus Date and the Shares that are proposed to be issued to them pursuant to the Offer.
2. Maximum Voting Power is calculated on an undiluted basis (and assuming that the Convertible Debentures convert into 193,260,675 Shares pursuant to the Debentures Conversion on the Allotment Date) and the Minimum Subscription being raised. The actual Voting Power may vary if that conversion of the Convertible Debentures occurs at a different time, due to that impacting on the number of Shares to be converted from interest due, as detailed in Sections 8.9(c) and 8.9(d) and the number of Shares issued under the Offer.
3. Includes 42,217,164 Shares to be issued pursuant to the Debentures Conversion in relation to the Convertible Debentures held as at the Prospectus Date by Mr Richard Seville and 188,679 Shares intended to be issued to Mr Richard Seville pursuant to the Offer.
4. Mr Michael Adams intends to be issued 188,679 Shares pursuant to the Offer.
5. Includes 1,091,104 Shares to be issued pursuant to the Debentures Conversion in relation to the Convertible Debentures held as at the Prospectus Date by Sir Richard Evans and 94,339 Shares intended to be issued to Sir Richard Evans pursuant to the Offer.
6. Includes 3,337,270 Shares to be issued pursuant to the Debentures Conversion in relation to the Convertible Debentures held as at the Prospectus Date by Mr Steven Petersohn and 188,679 Shares intended to be issued to Mr Steven Petersohn pursuant to the Offer.
7. Includes 2,704,832 Shares to be issued pursuant to the Debentures Conversion in relation to the Convertible Debentures held as at the Prospectus Date by Mr Nassif Obeid and 94,339 Shares intended to be issued to Mr Nassif Obeid pursuant to the Offer.
8. Includes 1,724,431 Shares to be issued pursuant to the Debentures Conversion in relation to the Convertible Debentures held as at the Prospectus Date by Mr John Fletcher, father of Timothy Fletcher and 188,679 Shares intended to be issued to Mr Timothy Fletcher pursuant to the Offer.
9. Mr Anthony Giammaria does not intend to participate in the Offer.
10. Ms Leanne Heywood does not intend to participate in the Offer.

Directors may hold their interests in Securities shown above directly or indirectly through holdings by companies, trusts or other nominees.

(c) Key management personnel remuneration

The remuneration of the Company's key management team on Admission is summarised in the following table:

Table 4.4: Summary of key management remuneration at the date of Admission

NAME	ROLE	ANNUAL REMUNERATION (A$)[1]
Richard Seville	Executive Chairman	372,960
Mick Adams	Managing Director and Chief Executive Officer	444,444
Alexis Clark	Chief Financial Officer	336,000

Notes:

1. Inclusive of superannuation (where applicable).
2. Key management are not contractually entitled to receive any short-term incentives or bonuses. However, the Directors may elect to implement a short term plan for senior management and/or pay discretionary bonuses to senior management under the Employee Incentive Scheme with the exception of Richard Seville.
3. Mr Richard Seville was paid $448,000 per annum prior to Admission. This amount is payable by the issue of DSUs to Mr Seville for the period under Admission. Mr Richard Seville will be paid in cash following Admission at $372,960 (including superannuation), which is equivalent to 75% of his remuneration prior to Admission (on a pre-superannuation basis).

4. BOARD, MANAGEMENT AND CORPORATE GOVERNANCE CONTINUED

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(d) Related Party Transactions

Parties are related (among other circumstances) if one party has the ability, directly or indirectly, to control the other party.

The Company (and/or certain of its wholly owned subsidiaries) has entered into related party transactions, including as disclosed elsewhere in this Prospectus. This includes, without limitation:

(i) Executive Agreements with Richard Seville and Michael Adams and Appointment Letters with Richard Evans, Steven Petersohn, Nassif Obeid, Timothy Fletcher, Anthony Giammaria and Leanne Heywood, being the Directors of the Company (refer to Sections 4.5 and 4.6 for further details);

(ii) Deeds of Indemnity, Insurance and Access with each of its Directors (refer to Section 4.7 for further details);

(iii) participation by the existing Directors or their related persons or entities, in various issues of Securities, including as referred to in this Prospectus; and

(iv) the Company proposes to issue up to 943,394 Shares to some of the Directors pursuant to the Offer, as referred to in Section 4.4(b) of this Prospectus.

(e) Disclosure of insolvent companies

Richard Seville

Mr Seville was a director of Leyshon Resources Limited (**Leyshon**). Leyshon was the legal owner of five mining licenses comprising the Mt Leyshon Gold Mine. The Mt Leyshon Gold Mine had been mined by Normandy Mining Ltd (**Normandy**) prior to 2002. Normandy had indemnified Leyshon against any environmental liability under the mining arrangements and managed all site operations until it was acquired by Newmont Corporation. After mining finished, the Queensland Government issued an Environmental Authority for the rehabilitation of the leases based on a plan submitted by Newmont Corporation. Newmont Australia Pty Ltd (**Newmont**) performed management services including monitoring and rehabilitation related to the site closure at its own cost and provided an insurance bond to the Queensland Government. In 2006, Newmont claimed that Leyshon should pay a proportion of the management services as legal owner of the leases.

On 6 May 2016, Leyshon entered a Deed of Settlement with Newmont and agreed to pay Newmont compensation for management services. However, on 22 May 2019, the directors of Leyshon appointed Administrators as they had been unable to secure new funding for a re-listing with the outstanding Newmont liability (Leyshon had been suspended from trading on 14 July 2014 for not have sufficient operations to maintain an ASX listing and was subsequently delisted on 17 July 2017). The Administrators finalised a Deed of Company Arrangement (**DOCA**) with Newmont (as sole creditor) to settle the outstanding liability on the 13 August 2019. As a result, Leyshon has no outstanding liabilities or debts and was deregistered on 13 November 2022. The administration process allowed independent management of the company affairs to ensure the full protection of the creditors through the DOCA process.

Mr Seville was a director of Marble Tile Co Pty Ltd (**Marble Tile**). Marble Tile was put into liquidation following the appointment of an Administrator on 21 June 2002 and a Receiver and Manager on 26 June 2002. An order was made to wind up Marble Tile on 23 October 2002 and the process was completed on 7 December 2005. Marble Tile was a stone masonry and terrazzo manufacturer providing services to the building industry. The directors appointed an administrator when a major creditor failed to pay Marble Tile a substantial sum due. No fault was found in the conduct of the directors.

The Directors (excluding Mr Seville) have considered Mr Seville's involvement with Leyshon and Marble Tile and are satisfied with Mr Seville's ability to perform his duties to the Company.

Leanne Heywood

Ms Heywood was a director of Midway Limited when ASIC served an infringement notice alleging the company had failed to comply with the continuous disclosure provisions under the Corporations Act and Listing Rules in relation to its failure to immediately disclose information to the ASX in February 2022. Midway Limited denied the allegation but elected to comply with the infringement notice and pay the penalty of $33,000. Compliance with an infringement notice is not an admission of guilt or liability.

The Directors (excluding Ms Heywood) have considered Ms Heywood's involvement with Midway Limited and are satisfied with Ms Heywood's ability to perform her duties to the Company.

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4.5 Executive Agreements

The Company has entered into employment agreements with Mr Richard Seville, Mr Michael Adams and Mr Alexis Clark in respect of their engagements with the Company (**Executive Agreements**). Details of the Executive Agreements are provided below.

(a) Employment Agreement – Richard Seville

The Company has entered into an executive employment agreement with Mr Richard Seville (**Seville Employment Agreement**) pursuant to which the Company employed Mr Seville to act in the position of Executive Chairman commencing 1 January 2022.

The remuneration payable to Mr Seville pursuant to the Seville Employment Agreement is $333,000 per annum (plus statutory superannuation), payable to Mr Seville on a 75% full time equivalent basis. Mr Seville may also be entitled to additional remuneration in the form of long term incentives under the Employee Incentive Plan but is not eligible for a short term incentive.

The Seville Employment Agreement is for an indefinite term, continuing until terminated in accordance with its terms. Mr Seville's employment as an "Executive Chairman" (and not as a Director) may be terminated in the following circumstances:

(i) either party providing 6 months' written notice to the other party; and

(ii) the Company may terminate the Seville Employment Agreement with immediate effect if:

  (A) in the reasonable opinion of the Company, Mr Seville:

    (I) breaches any material provision of the Seville Employment Agreement;

    (II) engages in serious misconduct; or

    (III) wilfully or persistently fails to discharge properly his duties or responsibilities;

  (B) Mr Seville is absent from employment for a period of three consecutive months or a total of three months in any 12 month period (except for parental leave or other leave of absence approved by the Company); or

  (C) Mr Seville engages in any misconduct or commits any other act which at common law would entitle the Company to terminate Mr Seville's employment immediate effect.

If the Company terminates Mr Seville's employment immediately as detailed in Section 4.5(a)(ii), the Company will pay Mr Seville up to the termination date.

Mr Seville is also subject to restrictions in relation to the use of confidential information during and following termination of his employment with the Company, on terms which are otherwise considered standard for agreements of this nature.

The Seville Employment Agreement contains additional provisions considered standard for agreements of this nature.

(b) Employment Agreement – Michael Adams

AEM Inc. has entered into an executive employment contract with Mr Michael Adams (**Adams Employment Agreement**) pursuant to which AEM Inc. engaged Mr Adams as the President and Chief Executive Officer of the Group.

The remuneration payable to Mr Adams pursuant to the Adams Employment Agreement is C$400,000 per annum. Mr Adams may also be entitled to additional remuneration, including under Employee Incentive Plan.

The Adams Employment Agreement is for an indefinite term, continuing until terminated. The Adams Employment Agreement may be terminated in the following circumstances:

(i) either party providing 6 months' written notice to the other party;

(ii) AEM Inc. may terminate the Adams Employment Agreement with immediate effect if:

  (A) in the reasonable opinion of the Company, Mr Adams:

    (I) breaches any material provision of the Adams Employment Agreement;

    (II) engaged in serious misconduct; or

    (III) wilfully or persistently fails to discharge properly his duties or responsibilities;

  (B) Mr Adams is absent from employment for a period of three consecutive months or a total of three months in any 12 month period (except for parental leave or other leave of absence approved by AEM Inc.); or

  (C) Mr Adams engages in any misconduct or commits any other act which at common law would entitle the Company to terminate Mr Adam's employment immediate effect; and

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(iii) Mr Adams may terminate the Adams Employment Agreement by written notice to AEM Inc. of there being a material diminution in Mr Adams' responsibilities, status, or authority under the Adams Employment Agreement (other than on a temporary basis) (**Fundamental Change**), unless:

(A) the Fundamental Change occurred due to the termination of the Adams Employment Agreement by AEM Inc. in the circumstances detailed in Section 4.5(b)(i), provided AEM Inc. is not on notice of events which could give rise to a right of Mr Adams to give notice in accordance with Section 4.5(b)(iii);

(B) AEM Inc. terminates the Adams Employment Agreement in accordance with Section 4.5(b)(ii); or

(C) the parties consent to the Fundamental Change.

If AEM Inc. terminates Mr Adam's employment Immediately as detailed in Section 4.5(b)(ii), AEM Inc. will pay Mr Adams up to the termination date. If Mr Adams elects to terminate the Adams Employment Agreement due to a Fundamental Change, he will be entitled to 6 months' pay in lieu of notice and his employment will terminate.

Immediately upon Mr Adam's employment ending under the Adams Employment Agreement, Mr Adams must resign from all directorships, offices and positions that he holds in the Group.

Mr Adams is also subject to restrictions in relation to the use of confidential information during and following termination of his employment with the Company, on terms which are otherwise considered standard for agreements of this nature.

The Adams Employment Agreement contains additional provisions considered standard for agreements of this nature.

(c) Employment Agreement – Alexis Clark

The Company has entered into an executive employment contract with Mr Alexis Clark (**Clark Employment Agreement**) pursuant to which the Company employed Mr Clark to act in the position of Chief Financial Officer.

The remuneration payable to Mr Clark pursuant to the Clark Employment Agreement is $300,000 per annum (plus statutory superannuation). Mr Clark may also be entitled to additional remuneration, including under the Employee Incentive Plan.

The Clark Employment Agreement is for an indefinite term, continuing until terminated in accordance with its terms. The Clark Employment Agreement may be terminated in the following circumstances:

(i) either party providing 6 months' written notice to the other party; and

(ii) the Company may terminate the Clark Employment Agreement with immediate effect if:

(A) in the reasonable opinion of the Company, Mr Clark:

(I) breaches any material provision of the Clark Employment Agreement;

(II) engaged in serious misconduct; or

(III) wilfully or persistently fails to discharge properly his duties or responsibilities;

(B) Mr Clark is absent from employment for a period of three consecutive months or a total of three months in any 12 month period (except for parental leave or other leave of absence approved by the Company); or

(C) Mr Clark engages in any misconduct or commits any other act which at common law would entitle the Company to terminate Mr Clark's employment immediate effect.

If the Company terminates Mr Clark's employment immediately as detailed in Section 4.5(c)(ii), the Company will pay Mr Clark up to the termination date.

Immediately upon Mr Clark's employment ending under the Clark Employment Agreement, Mr Clark must resign from all directorships, offices and positions that he holds in the Group.

Mr Clark is also subject to restrictions in relation to the use of confidential information during and following termination of his employment with the Company, on terms which are otherwise considered standard for agreements of this nature.

The Clark Employment Agreement contains additional provisions considered standard for agreements of this nature.

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4.6 Non-Executive Director Arrangements

The Company has entered into Non-Executive Director appointment letters with Richard Evans, Steven Petersohn, Nassif Obeid, Timothy Fletcher, Anthony Giammaria and Leanne Heywood (**Appointment Letters**) pursuant to which each of those Directors will receive annual Director fees as follows:

Table 4.5: Summary Non-Executive Director remuneration at the date of Admission

DIRECTOR	ANNUAL DIRECTOR FEES[1]
Richard Evans	$90,000
Steven Petersohn	$90,000
Nassif Obeid	$90,000
Timothy Fletcher	$90,000
Anthony Giammaria	$90,000
Leanne Heywood	$90,000

Note:

1. Exclusive of superannuation.

Up to Admission, the Director fees are payable to each Non-Executive Director one third in cash and two thirds in DSUs. Following Admission, each Non-Executive Director may elect to receive their Director fees in DSUs rather than in cash.

The appointment of each Non-Executive Director shall cease upon the Non-Executive Director:

(a) ceasing to be a Director under any provision of the Corporations Act or other applicable laws;

(b) becoming bankrupt or make any arrangement or composition with her creditors generally;

(c) becoming prohibited from being a Director by reason of any order made under the Corporations Act;

(d) becoming of unsound mind or a person whose person or estate is liable to be dealt with in any way under the law relating to mental health;

(e) resigning from office by notice in writing to the Company;

(f) being removed from office by resolution of the Company;

(g) not being elected or re-elected at any general meeting of the Shareholders of the Company at which a resolution for her election or re-election is voted on; or

(h) ceasing to hold office under any other circumstances as specified in the Constitution.

The Appointment Letters otherwise contain terms and conditions that are considered standard for agreements of this nature, including in relation to confidentiality and disclosure of interests.

4.7 Deeds of Indemnity, Insurance and Access

The Company has entered into standard deeds of indemnity, insurance and access with each of the Directors and Chief Financial Officer and AEM Inc. has entered into a deed of indemnity, insurance and access with the President and Chief Executive Officer (together with the Directors and Chief Financial Officer, the **Officers**). Pursuant to those deeds, the Officers are indemnified to the extent permitted by the Corporations Act against any liability arising as a result of the officer acting as an officer of the Company or of any subsidiary of the Company and for all legal expenses incurred by the officer as an officer of the Company or of any subsidiary of the Company. The Company is also required to maintain insurance policies for the benefit of the Officers which insures them against all liabilities incurred by them acting directly or indirectly as an officer of the Company or of any subsidiary of the Company and the Company must also allow them to inspect Board papers and other Company records in certain circumstances.

Certain prohibitions under the Corporations Act limit certain benefits which may be provided by the Company under the deeds of indemnity, insurance and access.

4. BOARD, MANAGEMENT AND CORPORATE GOVERNANCE CONTINUED

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4.8 ASX Corporate Governance Council Principles and Recommendations

The Company has adopted comprehensive systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the Company's policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

To the extent considered appropriate for the Company's size and nature, the Company has adopted the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th Edition) (**Recommendations**).

In light of the Company's size and nature, the Board considers that the current Board composition and structure is a cost effective and practical method of directing and managing the Company. If the Company's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

The Company's main corporate governance policies and practices as at the Prospectus Date (unless another date is indicated) are detailed below. The Company's full Corporate Governance Plan is available in a dedicated corporate governance information section of the Company's website at https://aemhpa.com.

(a) Board of Directors

The Board is responsible for the corporate governance of the Company. The Board develops strategies for the Company, reviews strategic objectives and monitors performance against those objectives. Clearly articulating the division of responsibilities between the Board and management will help manage expectations and avoid misunderstandings about their respective roles and accountabilities.

In general, the Board assumes (amongst others) the following responsibilities:

(i) providing leadership and setting the strategic objectives of the Company;

(ii) appointing, monitoring and managing the performance of the Company's Executive Directors and senior management;

(iii) undertaking appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a Director;

(iv) overseeing management's implementation of the Company's strategic objectives and its performance generally;

(v) approving operating budgets and major capital expenditure;

(vi) overseeing the integrity of the company's accounting and corporate reporting systems, including the external audit;

(vii) overseeing the company's process for making timely and balanced disclosure of all material information concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Shares;

(viii) ensuring that the Company has in place an appropriate risk management framework and setting the risk appetite within which the Board expects management to operate; and

(ix) monitoring the effectiveness of the Company's governance practices.

The Company is committed to ensuring that appropriate checks are undertaken before the appointment of a Director and has in place written agreements with each Director which detail the terms of their appointment.

(b) Composition of the Board

Election of Board members is substantially the province of the Shareholders in general meetings. On Admission, the Board will comprise two Executive Directors (being Mr Richard Seville and Mr Michael Adams) and six Non-Executive Directors (being Sir Richard Evans, Mr Steven Petersohn, Mr Nassif Obeid, Mr Timothy Fletcher, Ms Leanne Heywood and Mr Anthony Giammaria). The Board considers that upon Admission Sir Richard Evans, Mr Petersohn, Mr Obeid, Ms Heywood, and Mr Giammaria are free from any interest, position, association or relationship that may influence or reasonably be perceived to influence, the independent exercise of their judgement and that each of them is able to fulfil the role of an independent Director for the purpose of the Recommendations.

If the Company's activities develop in size, nature and scope, the composition of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

(c) Identification and management of risk

The Board's collective experience will assist in the identification of the principal risks that may affect the Company's business. Key operational risks and their management will be recurring items for deliberation at Board meetings.

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(d) Ethical standards

The Board is committed to the establishment and maintenance of appropriate ethical standards.

(e) Independent professional advice

Subject to the Chair's approval (not to be unreasonably withheld), the Directors, at the Company's expense, may obtain independent professional advice on issues arising in the course of their duties.

(f) People, Remuneration and Nomination Committee

Prior to Admission, the Company will establish a People, Remuneration and Nomination Committee. The objectives of the Nomination and Remuneration Committee will be to:

(i) assist the Board in fulfilling its duties with regard to people, remuneration and Director nomination matters;

(ii) provide oversight on matters of executive remuneration, succession planning and recruitment;

(iii) provide oversight on matters of corporate culture and management effectiveness;

(iv) review and advise the Board on the composition of the Board and its committees;

(v) advise on the process of recruitment, appointment and re-election of directors;

(vi) review the performance of the Board, the Chairperson, the executive and Non-Executive Directors and other individual members of the Board; and

(vii) ensure proper succession plans are in place for consideration by the Board.

(g) Audit and Risk Committee

Prior to Admission, the Company will establish an Audit and Risk Committee. The objectives of the Audit and Risk Committee will be to:

(i) oversee, review and supervise the Company's risk management framework and promote a risk management culture, including considering the appropriateness of implementing an internal audit function;

(ii) assist the Board in discharging its responsibilities relative to the financial reporting process, the system of internal control relating to all matters affecting the Company's financial performance and the audit process;

(iii) review and assess the appointment, qualifications, independence, performance and remuneration of, and relationship with, the Group's external auditors and the integrity of the audit process as a whole;

(iv) assist the Board in monitoring compliance with laws and regulations and the Company's Code of Conduct;

(v) assist the Board to adopt and apply appropriate ethical standards in relation to the management of the Company and the conduct of its business; and

(vi) review the adequacy of the Company's insurance policies.

(h) External audit

The Company in general meetings is responsible for the appointment of the external auditors of the Company, and the Board from time to time will review the scope, performance and fees of those external auditors following the recommendation from the Audit and Risk Committee.

(i) Internal audit

The Company does not have an internal audit function. The Board considers the Board's oversight and financial control function in conjunction with its risk management policy is sufficient for a Company of its small size and lack of complexity. The Company's Audit and Risk Committee is designed to assist the Board in evaluating and seeking to improve the effectiveness of the Company's governance, risk management and internal control processes.

4. BOARD, MANAGEMENT AND CORPORATE GOVERNANCE CONTINUED

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4.9 Corporate Governance Policies

The Company has adopted the following policies, each of which has been prepared having regard to the Recommendations and are available on the Company's website at https://aemhpa.com.

(a) Whistleblower Policy

The Company has adopted a Whistleblower Policy to ensure concerns regarding unacceptable conduct including breaches of the Company's Code of Conduct can be raised on a confidential basis, without fear of reprisal, dismissal or discriminatory treatment. The Company is committed to creating and maintaining a culture of corporate compliance and ethical behaviour in which employees are responsible and accountable and behave with honesty and integrity.

(b) Anti-Bribery and Anti-Corruption Policy

The Company is committed to ensuring that its corporate culture, in all its offices and operations worldwide, discourages fraudulent and corrupt conduct and has adopted an Anti-Bribery and Anti-Corruption Policy. The purpose of the Anti-Bribery and Anti-Corruption Policy is to educate and inform personnel and representatives of the Company of the Company's commitment to anti-corruption and anti-bribery requirements arising out of anti-bribery and anti-corruption laws and the various laws prohibiting fraudulent and corrupt behaviour more generally.

(c) Securities Trading Policy

The Board has adopted a policy that sets out the guidelines on the sale and purchase of Securities by its key management personnel (i.e. Directors and the senior management). The policy generally provides that the written acknowledgement of the Chair (or in the case of the Chair, the Board) must be obtained prior to trading.

(d) Diversity Policy

The Board values diversity and recognises the benefits it can bring to the organisation's ability to achieve its goals. Accordingly, the Company has set in place a Diversity, Equality and Inclusion policy. This policy provides that the Board may adopt measurable objectives to achieve diversity and review the Company's progress in meeting these objectives and the effectiveness of these objectives each year.

(e) Code of Conduct

The Company's Code of Conduct details the standards of ethical behaviour that the Company expects from its Directors, officers and employees.

(f) Continuous Disclosure Policy

Once listed on the ASX, the Company will need to comply with the continuous disclosure requirements of the Listing Rules and the Corporations Act to ensure the Company discloses to the ASX any information concerning the Company which a reasonable person would expect to have a material effect on the price or value of the Shares (subject to certain exceptions). As such, this policy sets out certain procedures and measures which are designed to ensure that the Company complies with its continuous disclosure obligations.

(g) Shareholder Communications Policy

This policy details the practices which the Company will implement to ensure effective communication with its Shareholders.

(h) External Communications Policy

This policy details the practices which the Company will implement to ensure effective communication with its external stakeholders.

(i) Risk Management Policy

This policy is designed to assist the Company to identify, assess, monitor and manage risks affecting the Company's business. The Board's collective experience will assist in the identification of the principal risks that may affect the Company's business. Key operational risks and their management will be recurring items for deliberation at Board meetings.

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4.10 Departures from Recommendations

The Recommendations are not prescriptions but guidelines. However, under the Listing Rules the Company will be required to provide a statement in its annual report or on its website disclosing the extent to which it has followed the Recommendations during each reporting period. Where the Company has not followed a Recommendation, it must identify the Recommendation that has not been followed and give reasons for not following it.

The Company's departures from Recommendations are detailed in the following table, which the Board considers reasonable given the current stage of development of the Company and its business. Otherwise, the Company will comply with the Recommendations as at the date of Admission, as applicable to the Company.

Table 4.6: Summary of departures from ASX Recommendations

PRINCIPLE	EXPLANATION FOR DEPARTURE
ASX Recommendation 2.5 The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	The Executive Chairman, Mr Richard Seville is not considered to be an independent Director. The Board believes Mr Seville to be the most appropriate person to act as Chairman of the Company at this time as he has been instrumental in the formation of the Company and has extensive skills and experience in managing and developing companies.



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5. INDUSTRY OVERVIEW REPORT

5. INDUSTRY OVERVIEW REPORT

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ASSESSMENT OF GLOBAL HIGH PURITY ALUMINA (HPA) MARKETS

SUMMARY REPORT

A Report Prepared by the CM Group for
Advanced Energy Minerals Limited for
Inclusion in a Prospectus.
26 June, 2025



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Glossary of Terms

ACH	Aluminium Choline Hydrolysis
AIH	Aluminium Isopropoxide Hydrolysis
Al_2O_3	Aluminium Oxide
AQSIQ	General Administration of Quality Supervision, Inspection and Quarantine of the People's Republic of China
ATH	Alumina Trihydrate
Bn	Billion
Ca	Calcium
CATL	Contemporary Amperex Technology
CGA	Chemical Grade Alumina
CHIPS	Creating Helpful Incentives to Produce Semiconductors (US Act, 2022)
CMP	Chemical Mechanical Planarization
CO	Carbon Monoxide
CRTs	Cathode-ray Tubes
ESG	Environmental, Social and Governance
FTA	Free Trade Agreements
FYI	For Your Information
GGII	Gaogong Industry Institute
GPF	Gasoline Particulate Filter
HC	Hydrocarbon Compounds
HPA	High Purity Alumina
HPA 3N	High Purity Alumina with Alumina Content of 99.9%
HPA 3N5-8	High Purity Alumina with Alumina Content of 99.95%-99.98%
HPA 4N	High Purity Alumina with Alumina Content of 99.99%
HPA 4N5	High Purity Alumina with Alumina Content of 99.995%
HPA 5N	High Purity Alumina with Alumina Content of 99.999%
ICC	ICC Sino
ICP-OES	Inductively Coupled Plasma Optical Emission Spectrometer
ICs	Integrated Circuits
IRA	The Inflation Reduction Act (US Act, 2022)
ITO	Indium Tin Oxide
LED	Light Emitting Diodes
LFP	Lithium Iron Phosphate
LiB	Li Ion Battery
$LiCoO_2$	Lithium Cobalt Oxide
MOCVD	Metalorganic Chemical Vapor Deposition
MOU	Memorandum of Understanding
Na	Sodium
Nano Aa	Nano alumina, typically of size <200nm
NCM	Nickel Cobalt Manganese

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NEVs	New Energy Vehicles
NMA	Non-Metallurgical Alumina
NMC	Nickel Manganese Cobalt Oxide
NOx	Nitrogen Oxide
OEM	Original Equipment Manufacturer
PDPs	Plasma Display Panels
PE	Polyethylene
PP	Polypropylene
ppb	Parts Per Billion
ppm	Parts Per Million
PVC	Polyvinyl Chloride
PVD	Physical Vapor Deposition
RBST	Chongqing Renbing Technology Co., Ltd.
ROW	Rest of World
SAC	Standardization Administration of the P.R.C.
SGA	Smelting Grade Alumina
SI	Southern Ionics
SiO_2	Silicon Dioxide
TFT	Thin-film Transistor
Th	Thorium
TiO_2	Titanium Dioxide
Tn	Trillion
TWC	Three-Way Catalyst
U	Uranium
UHPA	Ultra-High Purity Alumina
UK	United Kingdom
US	the United States
USGS	U.S. Geological Survey
Nano Alumina	<200nm alumina

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AEM HPA Summary Report

This report presents an independent assessment of global High Purity Alumina (HPA) markets, (Japanese, South Korean, US, EU and Chinese), focusing on high-end 4N/4N+ market sectors and their applications.

Executive Summary

- **Global demand for high-end 4N/4N+ HPA grew at a fast rate of 13.6% CAGR from 2013 to 2024, driven by strong demand in new industrial applications, in particular sapphire/LED manufacturing. Customer behaviour indicates currently tight market conditions.**
- **Global demand is forecast to continue to grow at double-digit CAGR (10.0%) over the 10-year period from 2025 to 2035, driven by continued strong demand from the key sapphire/LED market with additional growth areas of semiconductor and battery sectors.**
- **Strong global demand growth coupled with a sluggish supply response in the ROW will ensure markets remain tight and with a supply deficit forecast in 2026, and from 2029 to 2034.**
- **Prices are forecast to rise (in real terms) over the 10-year period to 2035, driven by strong demand and an emerging Rest-Of-World (ROW) supply deficit.**
- **China, the world's largest producer of HPA, is expected to be excluded from ROW markets, due to an inability of Chinese producers to meet the strict quality requirements demanded by ROW markets, coupled with prohibitively high trade barriers.**
- **The emergence of a new market sector for marginally lower HPA grades in the quality range 3N5-3N8 HPA attracts prices which are typically discounted by 40%-50% relative to 4N/4N+ prices, depending on the specific quality requirement and application.**
- **New ROW producers have a significant opportunity to enter the HPA 4N/4N+ market at this time due to attractive market conditions; and, using commercially proven, low-cost technologies, have an opportunity to establish themselves and take advantage of the high industry cost structure to generate strong margins.**

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Market Overview

High Purity Alumina markets have only meaningfully emerged over the past two decades. This relative market immaturity together with a strong interdependence of customer and supplier, means they do not follow typical supply-demand fundamentals or behave like commodity markets (and are unlikely to do so over the outlook period to 2035) given the:

1) Small volumes associated with the key market segments,
2) Lack of transparency in prices and contracts,
3) Rapidly moving nature of high-tech applications, and
4) Non-fungibility of HPA, given the diverse range of products and applications.
5) Sales/purchase based almost entirely on customer tailored products.

HPA markets currently attract high prices and return solid margins and, in our view, are likely to continue to do so over the outlook period. We base this view on a strong demand growth outlook for several key HPA market sectors, a widening ROW supply deficit and several significant barriers to entry, particularly around access to commercially proven production technology and capex to build a plant.

Highly customized HPA is non-fungible and manufactured to precise customer specifications. Different customers require different product specifications, even if applications are similar (a critical point of differentiation between HPA and other industrial minerals and minor metals, which have typically larger, more liquid markets and follow pricing patterns more closely aligned with market supply-demand balances and cost curve pricing fundamentals). Customers will undertake a qualification process on the HPA to ensure it is suitable for their requirements. This will typically take one to two years.

A strong interdependence between customer and supplier ('sticky relationship') is significantly more influential on pricing than the cost of production, given the sensitivity to quality and performance, the symbiotic nature of the relationship and highly customized end-product. HPA prices are negotiated almost exclusively on a bilateral basis, reflecting the multi-faceted customer/supplier relationship, often including a deep level of technical exchange, including interchange of IP.

The highly specialized nature of HPA applications results in customer and supplier working closely together to develop solutions to unique materials challenges, creating strong and defendable barriers to entry. Consequently, we strongly emphasise formal 'qualification' as a prerequisite to commercial supply into HPA markets. The importance of achieving qualified status as an HPA supplier cannot be overstated - no matter how long it takes - given the precision required to produce highly specialised HPA products and the defendable competitive advantage qualification creates.

CM considers Chinese and ROW markets as separate on account of **(1)** the inability of Chinese producers to meet strict ROW 4N+ quality requirements, **(2)** the reluctance of ROW suppliers to accept the opaqueness associated with Chinese supply, **(3)** a strong desire by ROW customers to protect their IP, and **(4)** a strong drive by ROW HPA customers to increase transparency in their supply chains, especially for critical materials.

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HPA Characteristics and Main Applications

High purity alumina (HPA) of grade 4N+ (> 99.99% alumina) is a specific form of aluminium oxide with a unique set of physical and chemical properties, which make it suitable for use in highly specialized commercial applications. The performance of HPA in these applications is inextricably linked to grade, quality (including impurity levels) and to the physical attributes of its crystalline structure.

Synthetic Sapphire

HPA is used to produce high-quality sapphire crystals, where specific quality and physical requirements must be met. Key requirements are:

- **High Purity Alumina (HPA)** - typically exceeding 99.99%. High level of purity ensures that the resulting sapphire crystal is also highly pure, avoiding impurities that could affect optical and physical properties.
- **Low Impurity Levels -** Impurities can negatively impact crystal growth and quality. HPA should have the lowest possible impurity content, particularly of metal and non-metals such as iron, titanium, cadmium and silicon.
- **High Crystallinity -** Highly crystalline HPA aids in forming high-quality sapphire crystals.
- **Thermal Stability -** Must exhibit excellent thermal stability; maintains stability and quality of crystal growth during the high-temperature crystal growth process of sapphire.

Synthetic sapphire has extensive applications in various fields: (LED, optics, optical communication, and military industries). Specific applications include LED substrates, optical chips, watch faces, smartphone home buttons, and camera cover plates.

Sapphire substrates - the primary material used in the production of high-brightness LED lights. Excellent thermal conductivity and stable optical properties allow LEDs to maintain superior performance under high-temperature and high-brightness operating conditions. LEDs represent the third lighting technology revolution for energy efficiency, environmentally friendly, long-lasting, and versatile light sources with a much higher energy conversion efficiency than incandescent and compact fluorescent lamps.

In the near future, with the development of the mini-LED market, HPA demand for sapphire is set to continue increasing.

Electronics & Semiconductors

In the semiconductor industry, HPA is used for:

- **Chemical Mechanical Polishing (CMP) -** for flattening and polishing the surfaces of wafers during the fabrication of integrated circuits.

- **Substrate Manufacturing -** exceptional electrical insulation properties and high thermal conductivity make HPA a suitable material for manufacturing substrates for integrated circuits (ICs), providing a stable and reliable base for electronic components.

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- **Insulating Layers –** HPA's high dielectric constant and electrical insulation properties are crucial in creating insulating layers that separate different conductive components in electronic circuits.

- **Ion Implantation -** acts as an implantation mask in the ion implantation process used to modify semiconductor materials. HPA can withstand high-energy ion bombardment and protect specific areas on the semiconductor wafer during the implantation process.

- **Sputtering Targets -** used to manufacture sputtering targets, essential in physical vapour deposition (PVD) processes. Targets deposit thin films of various materials onto semiconductor wafers during semiconductor fabrication.

- **High-Temperature Furnace Refractory -** HPA's high thermal stability and resistance to thermal shock make it an ideal material for components within high-temperature furnaces essential in semiconductor fabrication.

- **Etching Chambers –** Can be used to protect etching chambers and internal components of etching equipment. However, the thermal expansion mismatch between the Al_2O_3 coating and the substrate often leads to cracking, compromising the coating's resistance to etching. Dense, high-purity Al_2O_3 bulk ceramics provide significantly superior resistance to plasma etching.

- **Etching Masks -** Resistance to strong acids and alkalis makes HPA suitable for use as etching masks in semiconductor etching. Masks accurately define areas for etching on the semiconductor substrate.

- **Ceramic Capillaries –** (aka ceramic nozzles or ceramic capillary blades): ceramic welding tools used for wire bonding and packaging in products such as thyristors, LEDs, surface acoustic wave devices, diodes, transistors, and IC chips. HPA (99.99%) is the main material for manufacturing ceramic capillaries and with the growing installation of wire bonding machines, the demand for ceramic capillaries is also increasing.

- **Epoxy Moulding Compound (EMC) –** In semiconductor devices, α-particles can be emitted from natural radioactive impurities in EMCs. When these particles enter the sensitive area of microelectronic devices, they can cause single-event effects, leading to abnormal CPU operation. Therefore, α-particle content in EMC has an impact on the stable operation of chips. Low-α spherical silica and spherical alumina are the main fillers used in EMC, accounting for over 80% of EMC's weight. Currently, the majority of the market is dominated by silica fillers, with over 70% of the market share. Alumina used in EMC is largely 99.7% pure alumina with strict impurity requirements. However, with more advanced 2nm chips starting to enter the market, the EMC requirement is increasing, with some producers requiring 3N plus HPA to be used as fillers.

- **Thermal Interface Material:** With fast-developing 5G connectivity and AI capability, electronic devices are becoming smaller and more integrated, highlighting heat generation issues and increasing the demand for efficient thermal management. As the thermal bridge between the chip and the heat sink, thermal interface materials (TIM) often require the addition of thermal conductive fillers to enhance their thermal conductivity due to inherent limitations. HPA is chemically stable, has excellent insulation properties, and is cost-effective, making it the primary choice as a thermally conductive insulating filler.

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Li-ion Batteries

Cathode Materials (Coating and Doping)

In the rapidly evolving landscape of the global EV market, high-performance batteries continue to face a raft of challenges. The pursuit of enhanced battery performance in a demanding application often causes elevated stresses on battery materials and some serious concerns around both safety and cycle life. This is also an area of concern in other Li-ion battery application such as consumer electronics, powerbanks, and stationary storage systems.

In response to these challenges, innovative technologies, including HPA electrode coating and solid electrolytes, have emerged, although they remain in their infancy. Among these advancements, HPA coating has gained significant prominence, particularly in the realm of high-end batteries, as a pivotal solution to enhance performance and address safety and longevity concerns.

Using HPA as a coating material for Li-ion battery electrodes has proven to be instrumental in significantly improving capacity retention, cycle performance, thermal stability, and overall battery lifespan. HPA coating creates a protective barrier on the electrode surface, effectively curbing extraneous side reactions between the electrode material and electrolyte, specifically the growth of dendrites. By inhibiting dendrite formation and minimizing material degradation, HPA-coated electrodes display a superior performance.

The key benefits of HPA cathode coating are.

- **Delaying Lithium Dendrite Formation**: During the charging and discharging cycles, lithium ions undergo crystallization, resulting in the formation of needle-like structures at both electrodes. These crystalline structures have the potential to create a short circuit in the battery, posing safety risks. The application of an HPA coating is effective in mitigating the formation of lithium dendrites throughout the charging and discharging processes. Acting as a protective barrier, the HPA coating significantly impedes the formation and growth of lithium dendrites, diminishing the risk of short circuits.

- **Inhibiting Side Reactions**: A protective coating of HPA inhibits undesired side reactions between the cathode material and electrolytes. Such reactions have the potential to diminish the efficiency and cycling life of the battery. The HPA layer acts as a barrier, preventing substances in the electrolyte from undergoing further reactions with the cathode, ensuring the stability of the battery over its operational lifespan.

- **Enhancing Thermal Stability**: HPA coating contributes to the improved thermal stability of the battery. Aluminium oxide, characterised by its high melting point, thermal conductivity, and high electrical insulation, remains stable under thermal stress. It is also effective at dispersing and absorbing heat generated during the battery's operation. This helps prevent localised overheating, contributing to a more stable thermal environment.

HPA isn't the only material capable of providing the type of enhancement and protection required to improve battery performance. Alternative materials, such as titanium dioxide (TiO_2) and silicon dioxide (SiO_2) can also serve as electrode coatings. However, owing to the advantages of its high hardness, growing availability, and relatively low cost, HPA continues to stand out as the most prevalent choice for coating.

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Cathode coatings are used extensively in many ternary lithium-ion batteries. Specifications for HPA coatings necessitate a purity level of 4N+ (99.99% or higher), with magnetic impurity content requiring less than 500 parts per billion (ppb).

Anode Coating

In the initial charge-discharge process of lithium-ion batteries, the formation of Solid Electrolyte Interphase (SEI) film through the reaction between electrode materials and electrolyte tends to reduce the first charge-discharge efficiency of the electrode material. Simultaneously, the detachment of the graphite layer results in the continuous destruction and regeneration of the SEI film. The progressively thickening SEI film contributes to an irreversible increase in the graphite electrode's capacity, leading to a decline in cyclic and rate performance.

The presence of a coating layer serves to prevent direct contact between the graphite surface and the electrolyte. This not only avoids the direct embedding of lithium ions and solvents, suppressing electrolyte decomposition, but also increases battery capacity, thereby improving cyclic performance.

Separators

The use of 4N HPA to coat Li-ion battery separators was once considered a major growth area. However, over the past three years, with advancements in battery technology and improvements in separator performance, there has been a decline in the purity requirement for the HPA used for the coating, seeing 4N HPA gradually replaced by more cost-effective 3N HPA and even cheaper boehmite.

Other Applications

LED Lighting

In addition to its use for manufacturing sapphire substrates for LED lights, HPA finds other applications in LED lights due to its many unique properties: -

- **Phosphor Coating -** In some LED applications, phosphors are used to produce different colours of light. HPA can be used as a coating material for phosphors, ensuring the durability and stability of the coating, leading to enhanced performance and longer lifespan of the LED.
- **Transparent Ceramics -** HPA is utilised in the production of transparent ceramics, which can be employed as protective covers or lenses for LED lights. Transparent alumina ceramics possess high hardness, scratch resistance, and thermal stability, protecting LED components.
- **Encapsulation –** HPA can be used in the encapsulation process to protect LED components from external environmental factors. The high purity ensures that the encapsulation material does not introduce impurities that could degrade LED performance.
- **Reflective Coatings -** HPA can be used in reflective coatings applied to LED components to enhance light reflection, increasing the overall efficiency of LEDs by directing light forward and reducing energy losses.
- **Heat Sink Materials -**HPA can be incorporated into heat sinks for LED lighting. Efficient heat dissipation is crucial in maintaining the optimal performance and longevity of LED devices.
- **Optical Components -** HPA's high purity and transparency make it suitable for various optical components, such as lenses and windows, used in LED lighting systems.

Polishing

Finely milled HPA is an essential abrasive material in a range of polishing processes, especially in chemical and mechanical polishing (CMP) applications. It is widely used in industries such as

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electronics, glass manufacturing, metalworking and automotive manufacturing. During the polishing process, it is crucial to avoid scratches, necessitating high physical property requirements such as uniform particle size and hardness matching the product hardness.

Although 3N HPA and 4N HPA can meet the majority of polishing needs, for some high-end industries such as semiconductor and chemical mechanical planarization (CMP), a purity level of 4N or higher is required, with particle sizes reaching the nanometre scale.

Catalysts

γ-Al_2O_3 possesses excellent mechanical strength, good thermal stability, chemical stability, adjustable surface acidity and alkalinity, and various crystalline phase structures. In addition to the prominent sectors previously mentioned, high-purity γ-Al_2O_3 finds extensive application across various other industries, including petroleum chemicals and catalyst support in the chemical industry. γ-Al_2O_3 is used to coat catalytic converters on the exhaust pipe of automobiles to transform unsaturated hydrocarbons and nitrogen compounds into saturated compounds.

In China, with increasingly stringent domestic requirements for automotive exhaust emissions standards, under China's National VI emissions standard, gasoline vehicles generally install a Three-Way Catalyst (TWC) on the exhaust pipe to simultaneously treat CO, HC, and NOx emissions. Additionally, a Gasoline Particulate Filter (GPF) is added separately to control particle emissions. Based on a single vehicle's TWC and GPF usage volume of approximately 1.8 litres and considering a reference production of 21 million vehicles in 2022, the demand for automotive exhaust carrier catalysts is about 38 million litres. Based on an estimated requirement of 35 t of γ-Al_2O_3 per one million litres, the annual demand for γ-Al_2O_3 is approximately 1,300 t.

Phosphor Powder

Phosphor powders are essential components in light-emitting diodes (LEDs), fluorescent lamps, cathode-ray tubes (CRTs), plasma display panels (PDPs) and other lighting and display devices. Possessing excellent thermal stability and high-temperature resistance, HPA is an ideal material in the preparation of phosphor powders.

Stability and High-Temperature Resistance of Phosphor Powders
Phosphor powders are typically prepared and used under high-temperature conditions, and HPA, as a stable substrate for phosphors, ensures stability even at elevated temperatures.

Carrier for Phosphor Powders
HPA is often used as a base or carrier for phosphor powders. Its high purity and excellent optical properties ensure the purity and stability of the phosphor colour. Phosphor particles can be composited with HPA through methods such as coating, doping, or blending to adjust specific luminescent properties.

Stabilisation of Luminescent Centres
HPA can stabilise the luminescent centres in phosphor powders, ensuring their stable position. This stabilization helps improve the efficiency and stability of the phosphor, which is crucial for the optical performance of the phosphor.

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Dispersion and Uniformity of Phosphor Powders
As a component of phosphor powders, HPA can influence the dispersion and uniformity of phosphor particles. By controlling the particle size and distribution of HPA, the uniformity and optical properties of the phosphor powders can be enhanced.

Ceramic Matrix for Phosphor Powders
HPA can act as the ceramic matrix for phosphor powders, providing stability and reliability of the phosphor pigments during long-term use.

Ceramics
HPA ceramics have extensive applications in the fields of electronics, chemical engineering, biomedical and aerospace industries. HPA ceramics refer to ceramic materials with an Al_2O_3 content of over 99.9%(3N). Due to their high sintering temperature ranging from 1650 to 1990°C and a transmittance wavelength of 1-6μm, they are commonly used in various applications:

- **Replacement for Platinum Crucibles:** Due to high sintering temperature and good transmittance, they replace platinum crucibles in certain applications.
- **Sodium Lamp Tubes:** Utilized for their transparency and resistance to alkali metal corrosion in sodium lamp tubes.
- **Electronics Industry:** Used as integrated circuit substrates and high-frequency insulation materials in the electronics industry.
- **Medical -** In the medical field, aluminium oxide is extensively used in the manufacturing of artificial bones, joints, artificial teeth, and more. Aluminium oxide ceramics possess excellent biocompatibility, biological inertness, physicochemical stability, high hardness, and wear resistance, making them ideal materials for creating artificial bones and joints.

Alumina ceramic substrates, made from high-temperature sintering of alumina (Al_2O_3) powder, are an advanced electronic ceramic material that plays a crucial role in the promotion and application of 5G technology. They significantly enhance circuit signal processing efficiency, optimize heat dissipation, and improve circuit stability and reliability, effectively meeting the stringent demands for high-frequency and high-bandwidth signal transmission.

Transparent Ceramics
Transparent ceramics refer to ceramics that allow light to pass through. Typically, ceramics are opaque due to refraction and scattering effects caused by defects like micro-pores within the ceramic material, making it difficult for light to pass through.

Presently, transparent alumina ceramics are not only used in high-pressure sodium lamps but have also found applications in new lighting technologies like metal halide lamps as discharge tubes. Additionally, they serve as bio-ceramics, e.g., in ceramic brackets for orthodontics.

The key to preparing alumina ceramics lies in eliminating residual pores. Pores have the greatest difference in refractive index with transparent ceramics, so the quantity and size of pores have a significant impact on scattering losses. Factors affecting the transparency of ceramics include porosity, grain boundary structure, surface finish, grain size, crystal structure, and impurities. 4N+ alumina is widely utilized in transparent ceramics due to its high purity.

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Ceramic Targets

Metal oxides, such as aluminium oxide (Al_2O_3) or zirconium oxide (ZrO_2), are examples of inorganic non-metallic materials in the category of metal oxides. These materials possess many ceramic characteristics, including high hardness, high melting points, and chemical stability.

In magnetron sputtering, ceramic targets are used to produce specific thin films. Aluminium oxide targets can be utilized to manufacture corrosion-resistant and wear-resistant coatings.

Thermal Sprays

Thermal spraying is the process of heating and melting coating materials, atomising them into extremely fine particles with high-speed airflow and then spraying them onto a surface at high velocity to form a coating. Different coating materials are selected based on desired properties, such as wear, corrosion, oxidation, heat and electromagnetic wave resistance. Thermal spray coating has become a major market for spherical alumina (3N and 4N.)

Thermal spraying technology primarily uses heat sources such as flames, electric arcs, and plasma to heat the spraying material to a molten or semi-molten state. The particles are then accelerated to impact the substrate, forming a coating. Compared to other surface treatment processes, thermal spraying has a broader range of applicable materials. Given the limitations of aluminium alloys, such as low hardness, poor wear resistance, and rapid failure upon damage, the high wear resistance of thermal spray coatings effectively compensates for these shortcomings.

Thin-film Deposition/Vacuum Coating

Vacuum coating refers to the technology of evaporating or sputtering metal or non-metal materials onto the substrate surface under vacuum conditions to form a thin film. Vacuum coating materials are used in vacuum coating processes that evaporate, sputter, or deposit onto the substrate surface to form thin films.

Vacuum coating materials can be applied to substrate surfaces through methods such as sputtering, evaporation, ion plating, physical vapor deposition (PVD), chemical vapor deposition (CVD), atomic layer deposition (ALD), and pulsed laser deposition (PLD). Possible substrate materials include plastic, film, paper, metal, and alloys. Alumina films possess excellent electrical insulation and chemical stability, effectively isolating current in microelectronic devices to prevent issues like short circuits and significantly enhancing the hardness and wear resistance of surfaces, extending the product's lifespan.

Emerging New Applications

Sodium-ion Batteries

Lithium-ion batteries have been widely used in small electronic devices and power batteries for new energy vehicles. However, lithium-ion batteries still have several drawbacks, including safety concerns, raw materials sourcing (Li) and over-capacity.

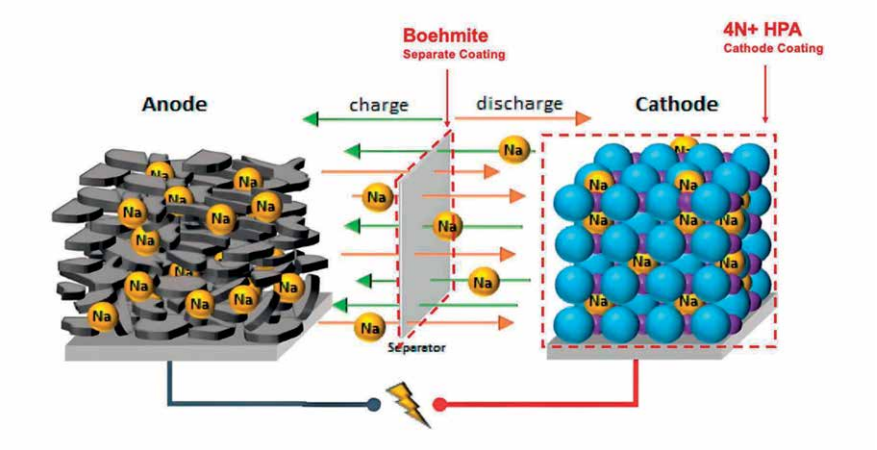
In our view, the current applications of HPA in lithium-ion batteries, including separator coating, electrode coating and cathode material encapsulation, could extend to sodium-ion batteries in the future.

Given the resemblance in negative electrode materials and electrolyte types between sodium-ion and lithium-ion batteries, the application of HPA in sodium-ion batteries is expected to have similar benefits. These may include enhancing stability, improving cycling life, and enhancing safety. Such

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applications have the potential to drive advancements in sodium-ion battery technology, making it more competitive and widely applicable, particularly in energy storage and other domains.

Figure 1 Application of Boehmite & HPA in Sodium-ion Batteries



Source: Flash Battery Designs, CM Group

Although the decline in lithium carbonate prices in 2023 and 2024 has slowed the development of the sodium battery industry, sodium batteries still have broad development prospects. Overall, from 2024 to 2027, the domestic sodium battery industry is still in the nurturing period and has the potential to enter a period of high growth after 2027.

Semi-Solid-State and Solid-State Batteries

There is growing interest in semi-solid-state and solid-state batteries due to their potential to address safety, energy density and performance concerns associated with traditional liquid electrolyte-based batteries. Both semi-solid-state and solid-state battery technologies are now at the development stage and their fundamental theories are not fully mature, making it difficult to guide and support large-scale production.

Solid-state batteries face technical challenges that need to be overcome. For instance, the ionic conductivity of solid-state electrolytes is significantly lower than that of liquid electrolytes, resulting in increased internal resistance, reduced cycle life and diminished rate performance. High costs are a significant factor hindering the commercialization of solid-state batteries. The industry chain for liquid lithium-ion batteries is highly mature at present, allowing the production of well-performing lithium-ion batteries at a low cost. In contrast, the industry chain for solid-state batteries is not yet well established.

Neither semi-solid nor solid-state batteries typically have a separator, as the electrolyte in these batteries is in a solid state and does not require a separator to prevent electrical contact between

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the electrodes. Therefore, the utilization of HPA as a separator coating is not anticipated in these two battery types.

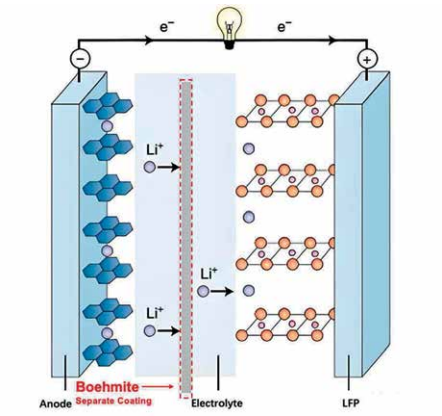
However, HPA still holds promise for various applications, primarily within the solid electrolyte and as a coating for electrodes.

- **Electrolyte Matrix**
- **Electrode Coating**
- **Electrolyte Additive**
- **Enhanced Structural Support**

With technology improvements inevitable, we believe the global battery sector is likely to see a division among lithium-ion batteries, sodium-ion batteries and solid-state batteries, depending on the specific needs of specific applications.

- **Entry-Level Vehicles -** may opt for affordable sodium-ion batteries and lithium iron phosphate (LFP) batteries. While they have slightly lower energy density, their advantage lies in cost-effectiveness, making them suitable for entry-level electric vehicles for commuting purposes.

Figure 2 Application of Boehmite in LFP Batteries

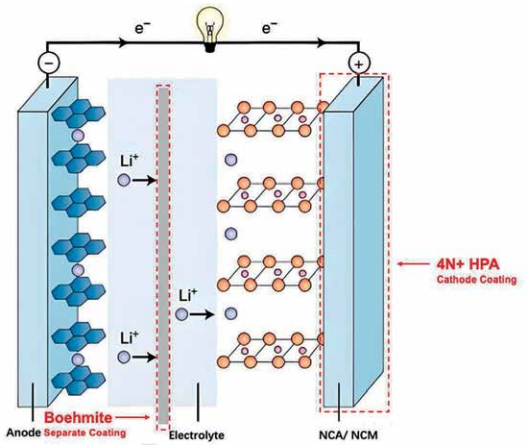


Source: Journal of Nanomaterials, CM Group

- **Mid-Range Vehicles -** expected to predominantly use lithium iron phosphate (LFP) batteries and ternary lithium-ion batteries (NMC, NCA). Ensures a reasonable balance between energy density and cost control.

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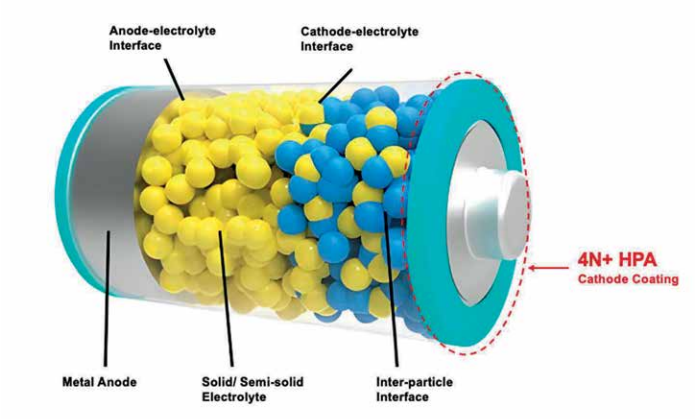
Figure 3 Application of Boehmite and HPA in Ternary Batteries



Source: Journal of Nanomaterials, CM Group

- **Entry-Level Luxury Vehicles -** projected to primarily utilize ternary lithium-ion batteries (NMC, NCA) and semi-solid-state batteries. Allows for a higher energy density while maintaining a balance between performance and cost.

Figure 4 Application of HPA in Solid-state/ Semi-solid-state Batteries



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Source: Chexun, CM Group

We take a bullish view regarding HPA application in the global battery industry of the future, especially for 4N+ products and see great potential in the coating of high-nickel cathode materials as well as use in electrolytes of semi-solid and solid-state batteries. In contrast, we see 3N demand as unlikely to grow further in this sector, considering the replacement of boehmite in separator coatings and the development of solid-state (no separator) batteries in the future.

Micro LED and Mini LED

Micro LED technology refers to a high-density array of tiny LEDS integrated on a single chip. Each pixel can be individually addressed and illuminated by TFT (thin-film transistor) driving, with pixel distances in the micron range. It is considered the next generation display technology after OLED, offering both superior display quality and lower power consumption.

Table 1 Comparison of Main Display Technology

Display Technology	Traditional LCD	OLED	Mini LED	Micro LED
Technology Type	Backlit LED	Self-emissive	Self-emissive	Self-emissive
Brightness (lumen)	500	500	-	5000
Luminous Efficiency, Contrast Ratio	Low	High	High	High
Thickness (mm)	Thick, >2.5	Thin, 1-1.5	Thin, <0.05	Thin, <0.05
Lifespan (hours)	60,000	20,000-30,000	80,000-100,000	80,000-100,000
Flexible Display	Difficult	Easy	Easy	Difficult
Number of LEDs	100	-	10,000	1,000,000
Cost	Low	Medium	High	High
Power Consumption	High	About 60%-80% of LCD	About 30%-40% of LCD	About 10% of LCD
Viewing Angle	160°×90°	180°×180°	180°×180°	180°×180°
Operating Temp.	40-400°C	30-85°C	-100-120°C	-100-120°C
Industrial Progress	Mass production	Mass production	Initial scale production	Research stage

Source: CM Group

Currently, Micro LED faces technical challenges in mass transfer, driver IC, epitaxial wafers, maintenance, and repair. Moreover, it is costly and still in the stage of technological accumulation, making large-scale production difficult. Before achieving widespread use of Micro LED, Mini LED serves as a promising alternative.

The pre-process of Mini LED manufacturing includes three main steps: substrate, epitaxy, and chip processing.

- **Substrate:** The substrate material is often sapphire. Involves the growth of a sapphire crystal, slicing, polishing and other steps. 4N+ HPA is commonly utilised in the growth of sapphire crystals, with a small quantity also being employed for polishing.

- **Epitaxy:** Process of producing specific single-crystal thin-film epitaxial wafers on the substrate using Metalorganic Chemical Vapor Deposition (MOCVD).

- **Chip Processing:** Involves several steps like etching, sputtering, vapor deposition, photolithography, testing and sorting. These steps create metal electrodes. Traditional LCDs typically use edge-lit backlighting, and one unit of backlight source requires around 30-50

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LED chips. However, with Mini LED as the backlight source, the demand for LED chips per unit is expected to increase to over 10,000 chips.

The continuous penetration of Mini LED backlighting will significantly boost the demand for LED chips and related materials along the industrial chain, including sapphire substrate. The current production cost of Mini LED and Micro LED remains relatively high. However, over time, the cost difference between Mini LED, Micro LED, and traditional LEDs is expected to decrease. Therefore, we hold an optimistic outlook for the application of HPA in this field.

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HPA Demand and Forecast

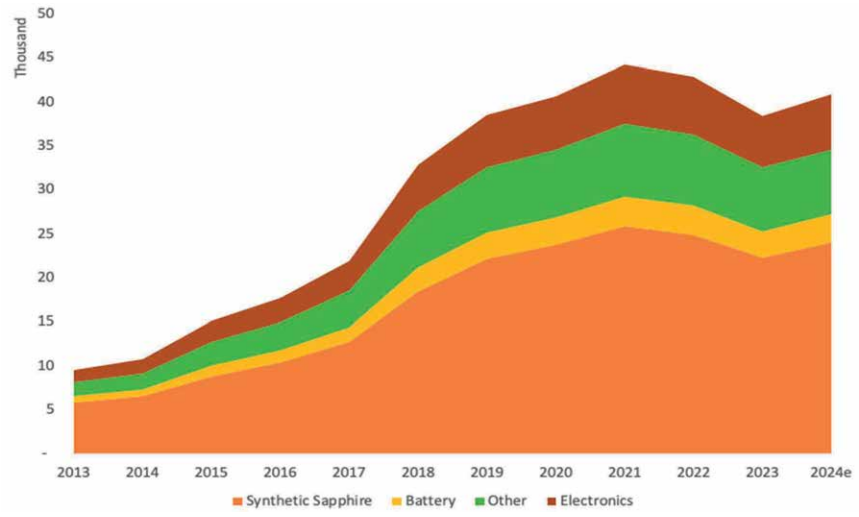
HPA Demand and Sector

Between 2013 and 2021, world consumption of HPA underwent a remarkable and substantial growth, with consumption increasing from 9.9kt in 2013 to a notable 43.8kt in 2021. This growth was primarily driven by the growing demand for HPA in the production of sapphire, electronics and lithium-ion batteries.

However, during 2022-2023, factors such as the COVID-19 pandemic and economic downturn impacted the consumption for HPA, principally in China, and most notably in major consumer industries such as sapphire, LED, phosphor powder, and those related to the property sector. This resulted in a year-on-year decline in HPA demand in 2022 and 2023 before recovering in 2024 to 40.5 kt.

Overall, the compound annual growth rate (CAGR) from 2013 to 2024 was 13.6%

Figure 5 World HPA Historical Consumption by Downstream Sector 2013-2024e, t



Source: CM Group

It is worth noting that the battery and electronics sector, as an emerging market in recent years, accounted for 11.2kt of HPA consumption in 2024, compared to only 3.0kt in 2013, almost a fourfold increase.

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HPA Demand by Region

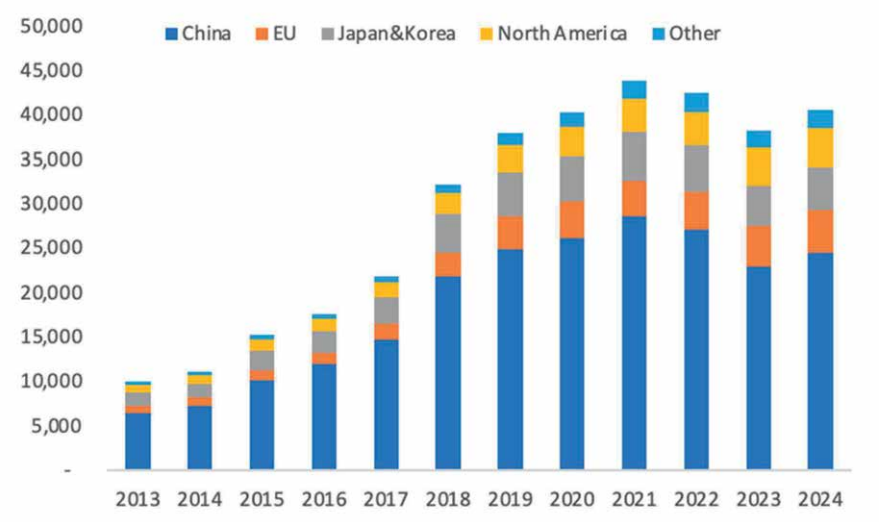
China's HPA market is the largest and is approximately the same as ROW markets combined. It also behaves differently, given the different market forces at work. Different grades of HPA in various downstream sectors highlight a more multifaceted market. While purity remains a critical factor in choosing HPA for specific applications, as it does elsewhere, downstream customers place importance on different characteristics and properties. As a result, even when HPA shares the same level of purity, it can find utility in different applications and supply different customers, which can subsequently impact pricing. Demand is dominated by the sapphire sector at about 70% followed by electronics (semiconductors) and batteries.

In Japan and Korea, demand is spread more broadly with electronics being the largest sector at about 30%, followed by sapphire, batteries, and speciality/advanced ceramics. The use of HPA in sapphire manufacture in Japan is in the form of specialised higher quality, lower-volume manufacturers rather than Chinese mass manufacture. Quality requirements and prices are high for raw material at the high end of the range for 4N5 or even 5N material in some cases.

With the demise of sapphire production in the US, much of the consumption of HPA is now in applications such as catalysts, advanced ceramics including military and medical uses, and translucent ceramics for optics. There is also some use in the semiconductor industry and in CMP polishing.

HPA has a broad range of applications in the EU market, such as sapphire, advanced ceramics, CMP polishing, catalysts, and as fillers in semiconductor substrates.

Figure 6 4N+ HPA Demand by Region 2013-2024(t)



Source: CM Group

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Forecast

We forecast strong HPA demand growth led by the key LED sapphire, semiconductor and battery coating market sectors. Specifically, we note the trend toward larger wafer sizes driving strong growth in the LED sapphire market.

Table 2 Base Case – Forecast Global Demand Growth for 4N/4N+ HPA, 2024-2034 (tpa, %)

Market (tpa)	2024e	2025f	2026f	2027f	2028f	2029f	2030f	2031f	2032f	2033f	2034f
Sapphire	21,526	23,397	25,333	27,756	30,528	33,430	37,368	41,837	46,648	51,277	56,401
Battery	3,423	3,716	4,014	4,393	4,830	5,289	5,911	6,616	7,375	8,100	8,901
Electronics	7,810	8,477	9,159	10,015	11,009	12,057	13,473	15,079	16,803	18,457	20,285
Others	7,765	8,432	9,115	9,976	10,970	12,012	13,425	15,028	16,751	18,402	20,227
Total 4N+ Demand	**40,523**	**44,021**	**47,620**	**52,140**	**57,336**	**62,787**	**70,178**	**78,561**	**87,577**	**96,236**	**105,815**

(%)	2024e	2025f	2026f	2027f	2028f	2029f	2030f	2031f	2032f	2033f	2034f
Sapphire	NA	**8.7%**	**8.3%**	**9.6%**	**10.0%**	**9.5%**	**11.8%**	**12.0%**	**11.5%**	**9.9%**	**10.0%**
Battery	NA	**8.5%**	**8.0%**	**9.4%**	**10.0%**	**9.5%**	**11.8%**	**11.9%**	**11.5%**	**9.8%**	**9.9%**
Electronics	NA	**8.5%**	**8.0%**	**9.4%**	**9.9%**	**9.5%**	**11.7%**	**11.9%**	**11.4%**	**9.8%**	**9.9%**
Others	NA	**8.6%**	**8.1%**	**9.5%**	**10.0%**	**9.5%**	**11.8%**	**11.9%**	**11.5%**	**9.8%**	**9.9%**
Average	**NA**	**9%**	**7%**	**11%**	**11%**	**9%**	**12%**	**12%**	**12%**	**9%**	**10%**

Source: CM Group

The combination of highly specialised product, qualification of suppliers and the requirement for targeted technical support and close collaboration results in the need for customers and suppliers to forge strong relationships. This is a critical characteristic of the ROW HPA 4N/4N+ market and a cornerstone to achieving the high prices on offer.

The pricing approach taken by CM for the emerging, lower-grade and more niche 3N5-3N8 sector falls within the larger HPA market sector given the nature of the production processes involved, despite the slightly lower dependence on purity levels. Pricing is therefore set by discounting price down from 4N/4N+ prices, rather than adding a bonus markup from a standard 3N 'industrial mineral' price.

Products in the 3N5-3N8 quality sector are priced at a discount to HPA 4N prices, where the discount is typically in the range of 40% to 50% when compared with Standard Sapphire Puck pricing, although the discount could be greater, depending on the purity and the specific application.

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Supply, Supply Outlook and Production Methods

Supply by Region

Rest of World (ROW)

Production in 2024 of 4N/4N+ HPA outside China is considered to be closely approximated to actual capacity. Total supply is estimated to be of the order of 15,300 tpa mainly from Japan, France and Germany. Sumitomo is currently the market leader, has recently added further capacity and is considered the most likely to continue to do so of the established producers.

Table 3 Capacities of ROW HPA Producers in 2024, tpa

Group	Country	Location	Capacity t
Sumitomo	Japan	Chuo-ku, Tokyo	5,200
DONGWOO FINE-CHEM (Sumitomo)	South Korea	Pyeongtaek-si, Gyeonggi-do	1,600
Nippon Light Metal	Japan	Minato-ku, Tokyo	1,100
Taimei	Japan	Chuo-ku, Tokyo	500
Sasol Chemicals	Germany	Brunsbüttel, Germany	4,200
Baikowski	France	Poisy, Auvergne-Rhône-Alpes	1,200
Baikowski	USA	Malakoff, TX	900
Advanced Energy Mineral Limited	Canada	Cap-Chat, Quebec	300
Polar Performance Materials	Canada	Oakville, ON	300
Total			15,300

Source: Public Sources, CM Group

China

Fuelled by surging demand for HPA over the past decade, China's HPA supply base responded rapidly, experiencing a remarkable surge that, in the end, outstripped demand. Total 4N+ capacity has expanded from 12.8 ktpa in 2013 to a 64.7kt in 2024. Concurrently, production figures have risen from 3.1kt to an estimated 28.9kt over the corresponding period. Stated capacity utilisation is consistent with other similar sectors in the Chinese economy and capacity may be overstated.

The majority of capacity expansion occurred during the period spanning 2015 to 2019, when investors held optimistic expectations for HPA's potential in various downstream sectors, particularly sapphire.

Previous production of HPA was mainly focused on medium to low-end grades, with 3N and 4N products collectively constituting 82% of total HPA production in 2013. With technology improving, we see the situation changing because Chinese producers are now capable of producing more high-end products.

With the demand rebounding, pulled by mini-LED, China's overall HPA production in 2024 reached 28.9kt, up 8% y-o-y.

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Table 4 4N+ HPA Supply by Country / Region, 2014-2024 (t)

Calendar Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
China	3,554	7,410	9,962	16,487	21,575	26,928	26,582	30,818	30,360	26,810	28,935
ROW	7,668	8,678	9,578	9,778	10,288	10,628	12,378	12,803	12,803	11,273	11,693
Total	11,222	16,088	19,540	26,265	31,863	37,556	38,960	43,621	43,163	38,083	40,628

Source: CM Group

Supply Outlook

On the supply side, our analysis estimates current global supply at 40,628 tpa (Table 5), with China the largest producer, at approximately 29,000 tpa of HPA '4N-grade and above', although in our view, Chinese producers cannot consistently meet the quality requirements of ROW 4N/4N+ producers and do not provide any technical support.

Table 5 Forecast Global 4N+ HPA Supply by Country / Region, 2024-2034 (t)

Calendar Year	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
China	28,935	31,625	32,885	33,995	34,995	35,995	39,545	43,460	46,060	48,960	50,860
EU	4,345	4,770	4,770	5,620	6,470	6,470	6,470	6,470	6,470	6,470	6,470
Japan & Korea	6,235	6,235	7,235	8,235	8,235	8,235	8,235	8,235	8,235	8,235	8,235
North America	1,113	2,193	2,643	3,543	5,343	6,193	6,643	6,643	6,643	7,093	7,093
Other	-	-	-	800	2,500	4,000	5,000	5,000	5,000	5,000	5,000
Total	40,628	44,823	47,533	52,193	57,543	60,893	65,893	69,808	72,408	75,758	77,658

Source: CM Group

Our supply-side research identified few potential new ROW producers likely to enter the market. New producers, or high credibility aspirants, are limited to Advanced Energy Minerals (Stage 1 – 3,000 tpa, Stage 2 – 6,000tpa), Polar Performance Materials (1,000tpa) in Canada, and Alpha HPA in Australia, where construction has commenced at its Gladstone (Australia) site for a nameplate capacity of 5,230t/yr HPA plus additional aluminium chemicals. Alpha HPA's ramp-up is likely to take several years.

Production Methods

There are several ways to produce HPA, which are described below.

Modified Bayer Process

The Bayer process is traditionally used to extract alumina from bauxite ore. The Modified Bayer Process is a variation of the conventional process used for producing alumina in which high-quality feedstock is used, and additional purification steps are incorporated to enhance the purity of the final product. Dissolution of aluminium hydroxide in a sodium hydroxide solution is followed by precipitation, washing and calcination to obtain HPA with high purity levels. This is a mainstream technology to produce HPA in China, especially by producers in Shandong, where Chalco Shandong refinery is located and acts as a main raw materials (hydrate) supplier to them.

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Aluminium Isopropoxide Hydrolysis (AIH)

AIH is a hydrolysis-based method in which aluminium isopropoxide is hydrolysed in a controlled manner to produce HPA, allowing for precise control over the reaction conditions and the formation of highly pure alumina particles. The resulting HPA can be further processed to achieve the desired particle size and purity. Sumitomo and Sasol also use this method to produce HPA.

Hydrothermal Crystallisation

Hydrothermal methods involve the controlled crystallization of aluminium-containing precursors under high-pressure, high-temperature conditions. An aluminium-containing solution or gel is subjected to hydrothermal treatment, promoting the growth of pure HPA crystals. The crystals are then washed, filtered and calcined to obtain the final HPA product. (One of the HPA production methods used by Baikowski.)

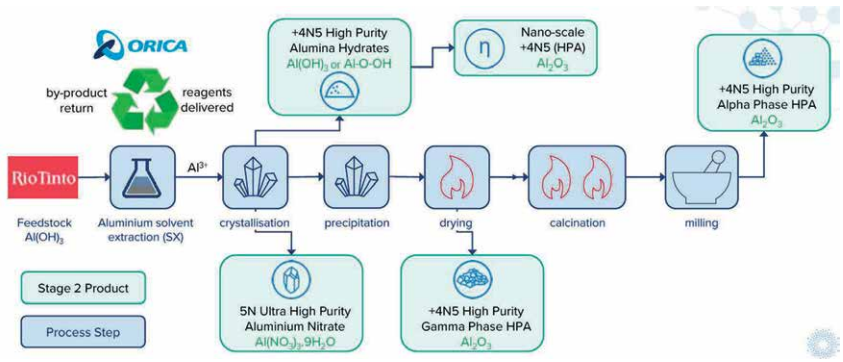
Aluminium Choline Hydrolysis (ACH)

Aluminium choline is hydrolysed to produce HPA. Choline base is an organic strong base used as a solvent, catalyst and corrosion inhibitor in the chemical industry. Choline hydrolysis involves the hydrolysis of aluminium alkoxides using choline chloride. Choline chloride acts as a catalyst in the hydrolysis reaction, leading to the formation of HPA. The obtained HPA can be further processed to achieve the desired characteristics.

Aluminium Solvent Extraction

Organic solvents are used to selectively extract aluminium from a solution, separating it from impurities. Solvent extraction is considered one of the most environmentally responsible and efficient methods. However, relatively high technical barriers exist, and currently, no manufacturers in China use this technology. Alpha HPA, based in Australia, employs this method at its Gladstone facility to produce HPA (>99.99% pure HPA products). Simultaneously, the company engages in the complete recycling of its key reagents as valuable by-products.

Figure 7 Solvent Extraction



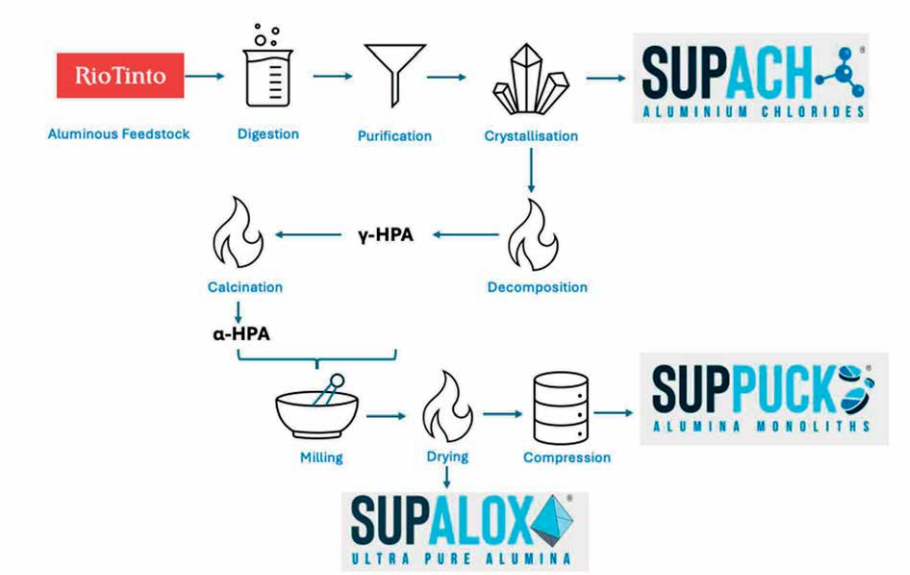
Source: Alpha HPA

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Chlorine Leach-CLCP

Chlorine Leach-CLCP technology is the method used by AEM, which extracts alumina from an aluminous feedstock. AEM's CLCP process directly chlorinates and purifies/crystallizes the aluminous feedstock, followed by conventional thermal treatment and mechanical processing. Moreover, the CLCP method can produce products including alpha-alumina and gamma-alumina, with a high degree of manufacturing flexibility in product specifications (such as particle shape, size distribution, and purity). In addition, the CLCP process generates almost no solid waste, and the by-product aluminium chloride can be used as a commodity in the water treatment industry.

Figure 8 Chlorine Leach-CLCP



Source: CM Group

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Table 6 Comparison of Commercially Operating HPA Technologies

Technology	Raw Materials	Strength	Weakness	Cost
Modified Bayer Process	Al_2O_3, $Al(OH)_3$	Low Cost	Old Tech, Low Productivity, Energy Consuming, Pollution	Low
Aluminium Isopropoxide Hydrolysis (AIH)	Primary Al. $(CH_3)_2CHOH$	Best Quality, Environmentally Friendly	High Cost	High
Hydrothermal Crystallisation	Primary Al	Short Process Flow	Safety Risk	Medium
Re-Crystallization	$Al(OH)_3$; H_2SO_4; $(NH_4)_2SO_4$	Low Entry Threshold	High Impurities	Low
Aluminium Choline Hydrolysis (ACH)	Primary Al	Mature Tech, Low Entry Threshold	High Cost	High
Aluminium Solvent Extraction	Al_2O_3, $Al(OH)_3$	Wide product mix, low cost, proprietary technology	Yet to be proven at full commercial scale	Low
AEM CLCP	Aluminous, Al_2O_3, $Al(OH)_3$	Low Carbon Emission, By-product can be recycled	New producer	Low

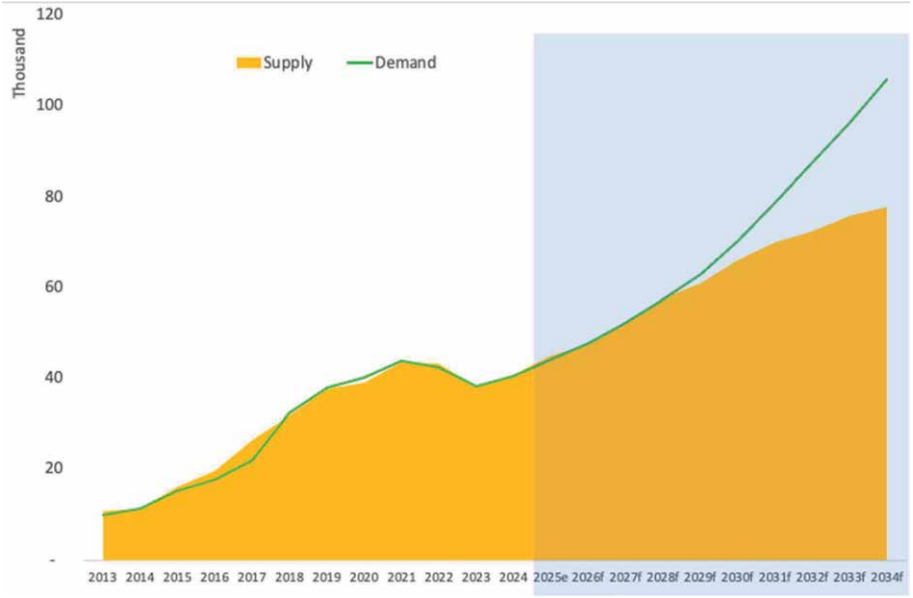
Source: CM Group

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Supply Demand Balance and Pricing

Through 2013 to 2017, there was oversupply as stock levels rose to support, in particular, the rapidly growing sapphire/LED sector. This moved into undersupply through 2018 to 2021, with continued rapid demand growth prior to easing in 2022 and 2023. In 2024, production recovered by around 7% reaching 40,628 t and HPA 4N+ markets were considered largely balanced, although a small surplus of around 100 t was added to existing inventories. Discussions with customers indicate tight market conditions currently and a concern about securing supply for new projects.

Figure 9 Global HPA Supply Demand Balance by Product 2013-2034,



Source: CM Group

With solid demand growth forecast across all sectors and the likely emergence of new markets, such as mini-LED and micro-LED, a deficit in HPA is forecast to gradually widen. It is estimated that by 2034, there will be a shortage of 28,000 t of 4N+ HPA.

The charts below provide CM's price forecasts by product and by regional market, based on market characteristics for each region combined with the outlook for each product. Prices are shown on a 2024 basis.

Table 7 ROW HPA Spec 1 Price Forecast (US$/kg)

Region	2024	2025	2026	Long-term
Japan	20	21	30	38
EU	18	21	30	38
South Korea	19	21	30	38
USA	23	21	30	38

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Source: CM Group

Table 8 ROW Milled HPA (4N5+ standard D50 ~ 1um) Price Forecast (US$/kg)

Region	2024	2025	2026	Long-term
Japan	25	25	32.5	40
EU	22.5	25	32.5	40

Source: CM Group

Table 9 ROW HPA Pucks Price Forecast (US$/kg)

Region	2024	2025	2026	Long-term
Japan	28	29	41	46
EU	36	36	41	46

Source: CM Group

Table 10 ROW Gamma HPA Price Forecast (US$/kg)

Region	2024	2025	2026	Long-term
Japan	16	18	22	30
EU	20	18	22	30

Source: CM Group

Table 11 ROW Nano HPA Price Forecast (US$/kg)

Region	2024	2025	2026	Long-term
Japan	45	45	50	50
South Korea	50	50	50	50

Source: CM Group

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Production Costs

ROW

CM estimates production costs by estimating raw materials, energy, labour, and 'other' costs based on different production processes and locations, as well as taking into consideration different product grades and purities.

Table 12 Costs Breakdown of 4N5 unmilled product by Different Regions in 2024, US$/t

	Raw Materials	Energy	Labor	Other	Total
CANADA	2,160	1,296	865	1,496	5,817
Australia	3,713	2,228	1,487	2,572	10,000
USA	5,548	7,433	1,118	2,488	16,586
Japan	5,838	9,122	888	2,797	18,644
FRANCE	6,282	8,784	1,052	2,844	18,962

Source: CM Group

China

China produces HPA using four methods, namely:

- Modified Bayer Process
- Aluminium Isopropoxide Hydrolysis (AIH)
- Hydrothermal Crystallization, and
- Aluminium Choline Hydrolysis (ACH).

Costs vary based on the technology used and the final product specifications. As estimated by CM's field study and calling surveys, weighted averages costs for specific HPA products (unmilled) in China are:

- 3N(unmilled) RMB 38,000/t (US$5,278/t)
- 4N (unmilled) RMB 41,200/t (US$5,722/t)
- 4N5 (unmilled) RMB 42,800/t (US$5,944/t)
- 5N (unmilled) RMB 52,000/t (US$7,222/t)

The products above refer to unmilled products with particle size above 20+ µm. Typically, milling the particles to below 1um can result in an additional cost increase of up to 100%.

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Table 13 Chinese Costs Breakdown of 4N+ by Different Technologies 2024, US$/t

	Choline Hydrolysis	Hydrothermal	Isopropoxide Hydrolysis	Modified Bayer
Output of Product	3,390	3,100	10,865	9,570
Raw material	3,827	2,735	3,055	2,243
Energy	1,823	1,550	2,391	1,262
Labor	643	634	633	638
Other	1,111	868	1,073	731
Average Cash Cost	7,404	5,788	7,151	4,875

Source: CM Group

Global Industry Cost Structure

A strong interdependence between customer and supplier ('sticky relationship') is significantly more influential on pricing than the cost of production, given the sensitivity to quality and performance, the symbiotic nature of the relationship and highly customized end-product. HPA prices are negotiated almost exclusively on a bilateral basis.

Cost curves can be a useful means of comparing relative costs between producers of similar products in different jurisdictions and technologies. However, their usefulness can be limited in circumstances where markets are small and opaque, trades are infrequent and significant differences between products and product specifications exist, which is the case for 4N/4N+ HPA.

Figure 10 presents CM's global HPA cost curve for manufacturers in 2024, noting the inherent differences and limitations in the capabilities between technologies to produce particular HPA products.

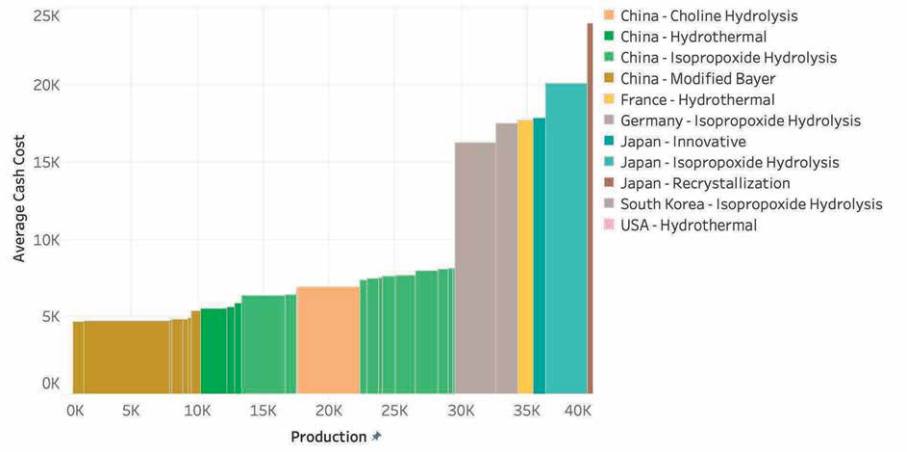
In China, each of the four production processes used commercially has its own set of advantages and disadvantages. On average, the iso-propoxide hydrolysis process exhibits the highest production cost, followed by the choline hydrolysis process and the hydrothermal process. By contrast, the modified Bayer process stands out as the lowest production cost among the four methods, driven by lower raw materials input costs and lower energy costs, albeit more polluting.

Outside China, producers in Japan, South Korea and the EU have costs estimated to be significantly higher than producers in China, on account of higher energy and labour costs. That said, product quality remains a key differentiator between Chinese and ROW producers, as does technical support and innovation. In our view, this significantly limits the comparability between Chinese and ROW producers' costs.

New ROW producers entering the HPA 4N/4N+ market and utilising low-cost technologies have an opportunity to take advantage of the high-cost structures currently exhibited by existing ROW producers which, in our view, are likely to continue producing at high cost and therefore contribute to prices remaining at or above current levels over the outlook period.

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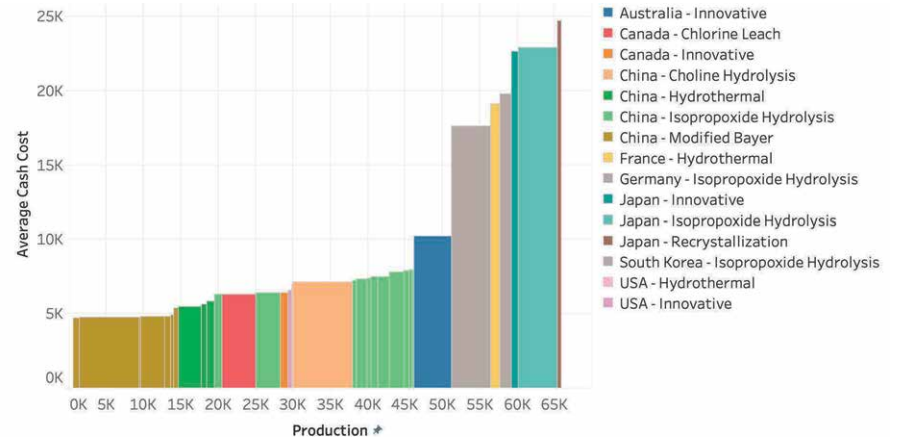
Figure 10 Global HPA Commercial Scale Production Cost Curve by Technology 2024, US$/t



Source: CM Group

Over the next decade, as new ROW commercial producers (and processes) enter the market, we forecast a clear step emerging in the global cost curve (qualities notwithstanding), between new, low-cost production processes and older, higher cost producers (Figure 11). New producers entering the market at low cost (<US10,000/t) will be well positioned to take advantage of prices being influenced by older, higher-cost producers.

Figure 11 Forecast Global HPA Commercial Scale Production Cost Curve by Technology 2030, US$/t



Source: CM Group



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6. INDEPENDENT LIMITED ASSURANCE REPORT

6. INDEPENDENT LIMITED ASSURANCE REPORT

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ADVANCED ENERGY MINERALS LIMITED

Independent Limited Assurance Report

6 November 2025

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BDO

Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

Level 9, Mia Yellagonga Tower 2
5 Spring Street
Perth, WA 6000
PO Box 700 West Perth WA 6872
Australia

6 November 2025

The Directors
Advanced Energy Minerals Limited
3 Amy Close
Wyong, New South Wales 2259

Dear Directors

INDEPENDENT LIMITED ASSURANCE REPORT

1. Introduction

BDO Corporate Finance Australia Pty Ltd (**'BDO'**) has been engaged by Advanced Energy Minerals Limited (**'AEM'** or **'the Company'**) to prepare this Independent Limited Assurance Report (**'Report'**) in relation to certain financial information of AEM, for the Initial Public Offering (**'IPO'**) of shares in AEM, for inclusion in the Prospectus. Broadly, the Prospectus will offer up to 94,399,622 Shares at an issue price of $0.53 each to raise up to $50,000,000 before costs (**'the Offer'**). The Offer is subject to a minimum subscription level of 75,471,698 Shares at an issue price of $0.53 each to raise $40,000,000 **('Minimum Subscription').**

Expressions defined in the Prospectus have the same meaning in this Report. BDO holds an Australian Financial Services Licence (AFS Licence Number 247420) and our Financial Services Guide (**'FSG'**) has been included in this report in the event you are a retail investor. Our FSG provides you with information on how to contact us, our services, remuneration, associations, and relationships.

This Report has been prepared for inclusion in the Prospectus. We disclaim any assumption of responsibility for any reliance on this Report or on the Financial Information to which it relates for any purpose other than that for which it was prepared.

2. Scope

You have requested BDO to perform a limited assurance engagement in relation to the historical and pro forma historical financial information described below and disclosed in the Prospectus.

The historical and pro forma historical financial information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements

BDO Corporate Finance Australia Pty Ltd ABN 70 050 038 170 AFS Licence No. 247420 is a member of a national association of independent entities which are all members of A.C.N. 050 110 275 Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Corporate Finance Australia Pty Ltd and A.C.N. 050 110 275 Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation.

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applicable to general purpose financial reports prepared in accordance with the Corporations Act 2001.

You have requested BDO to review the following historical financial information (together the **'Historical Financial Information'**) of AEM included in the Prospectus:

- the reviewed historical consolidated Statements of Profit or Loss and Other Comprehensive Income and Statements of Cash Flows for the half years ended 30 June 2024 and 30 June 2025;
- the audited historical consolidated Statements of Profit or Loss and Other Comprehensive Income and Statements of Cash Flows for the years ended 31 December 2023 and 31 December 2024; and
- the reviewed historical consolidated Statement of Financial Position as at 30 June 2025.

The Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and the company's adopted accounting policies. The Historical Financial Information has been extracted from the reviewed financial statements of AEM for the half years ended 30 June 2024 and 30 June 2025, and the audited financial statements of AEM for the years ended 31 December 2023 and 31 December 2024.

The financial statements of AEM for the half years ended 30 June 2024 and 30 June 2025 were reviewed by HLB Mann Judd in accordance with the review provisions of the Australian Auditing Standards. HLB Mann Judd issued unmodified review opinions on the financial statements for the half years ended 30 June 2024 and 30 June 2025.

The financial statements of AEM for the years ended 31 December 2023 and 31 December 2024 were audited by HLB Mann Judd in accordance with the Australian Auditing Standards. HLB Mann Judd issued unmodified audit opinions on the financial statements for the years ended 31 December 2023 and 31 December 2024.

The audit and review reports issued by HLB Mann Judd noted the existence of a material uncertainty related to the going concern for the Company to continue as a going concern. The audit and review opinions were not modified in respect of this matter.

Pro Forma Historical Financial Information

You have requested BDO to review the following pro forma historical financial information (the **'Pro Forma Historical Financial Information'**) of AEM included in the Prospectus:

- the pro forma historical consolidated Statement of Financial Position as at 30 June 2025.

The Pro Forma Historical Financial Information has been derived from the historical financial information of AEM, after adjusting for the effects of the subsequent events described in Section 6 of this Report and the pro forma adjustments described in Section 7 of this Report. The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the historical financial information and the events or transactions to which the pro forma adjustments relate, as described in Section 7 of this Report, as if those events or transactions had occurred as at the date of the historical financial information. Due to its nature, the Pro Forma Historical Financial Information does not represent the company's actual or prospective financial position or financial performance.

The Pro Forma Historical Financial Information has been compiled by AEM to illustrate the impact of the events or transactions described in Section 6 and Section 7 of the Report on AEM's financial

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position as at 30 June 2025. As part of this process, information about AEM's financial position has been extracted by AEM from AEM's financial statements for the year ended 30 June 2025.

3. Directors' responsibility

The directors of AEM are responsible for the preparation and presentation of the Historical Financial Information and Pro Forma Historical Financial Information, including the selection and determination of pro forma adjustments made to the Historical Financial Information and included in the Pro Forma Historical Financial Information. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of Historical Financial Information and Pro Forma Historical Financial Information are free from material misstatement, whether due to fraud or error.

4. Our responsibility

Our responsibility is to express limited assurance conclusions on the Historical Financial Information and the Pro Forma Historical Financial Information. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

Our limited assurance procedures consisted of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A limited assurance engagement is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or limited assurance reports on any financial information used as a source of the financial information.

5. Conclusion

Historical Financial Information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Historical Financial Information, as described in the Appendices to this Report, and comprising:

- *the reviewed historical consolidated Statements of Profit or Loss and Other Comprehensive Income and Statements of Cash Flows for the half years ended 30 June 2024 and 30 June 2025;*
- *the audited historical consolidated Statements of Profit or Loss and Other Comprehensive Income and Statements of Cash Flows for the years ended 31 December 2023 and 31 December 2024; and*
- *the reviewed historical consolidated Statement of Financial Position as at 30 June 2025.*

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 2 of this Report.

Pro Forma Historical Financial information

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Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information as described in the Appendices to this Report, and comprising:

- *the pro forma historical consolidated Statement of Financial Position of AEM as at 30 June 2025,*

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 2 of this Report.

6. Subsequent Events

The pro-forma historical consolidated Statement of Financial Position reflects the following events that have occurred subsequent to 30 June 2025:

- Between 1 July 2025 and 30 September 2025, AEM issued convertible debentures (**'2024/25 Convertible Debentures'**) for cash proceeds of $5,337,505, net of fees incurred of $884,744. The 2024/25 Convertible Debentures accrue interest at a rate of 10% per annum, payable on maturity or redemption. The 2024/25 Convertible Debentures will convert to a variable number of shares, with details of the conversion mechanism outlined in Note 7 of Appendix 4. The issuance of the 2024/25 Convertible Debentures has been recognised as an increase in cash and debentures, and a decrease in retained earnings.
- On 4 September 2025, AEM issued 1,299,365 shares at a deemed issue price of $0.40 per share as consideration for prior services provided to the Company (**'Services Shares'**). The issue of the Service Shares has been recognised as an increase in issued capital, with the deemed value expensed through retained earnings.
- On 12 September 2025, AEM issued 3,561,760 shares at a deemed issue price of $0.20 per share upon the exercise of performance rights issued in 2024 as a bonus to certain employees. The issue of the Service Shares has been recognised in reserves and issued capital.
- On 7 November 2025, AEM issued 3,050,000 loyalty performance rights (**'Loyalty Performance Rights'**), 6,950,000 retention performance rights (**'Retention Performance Rights'**), 4,270,715 2024 performance rights (**'2024 Performance Rights'**) and 3,221,319 (**'2025 Performance Rights'**), collectively referred to as the **'Management Performance Rights'**. The Retention Performance Rights, 2024 Performance Rights and 2025 Performance Rights hold market based vesting conditions and have been valued at $3,004,361, which has been recognised in reserves and retained earnings. The Loyalty Performance Rights hold non-market based conditions and vest upon the holder remaining continuously employed by the Company until 31 March 2027. The Loyalty Performance Rights have been valued at $0.53 per right using a Black Scholes Option Pricing Model (**'BSM'**), though no financial adjustment has been made as the value of the Loyalty Performance Rights will be expensed over the vesting period. See Note 10 in Appendix 4 for further details of the Management Performance Rights.
- On 4 November 2025, AEM executed an agreement to spin out AEM HPA Australia Pty Ltd, a subsidiary of AEM that holds the rights to MLA100200 mining license to Cape York Kaolin Limited (**'Cape York Kaolin'**)(**'Spin Out'**). AEM provided a convertible note loan of up to $1,150,000 to Cape York Kaolin to assist with the Spin Out process. Upon execution, $317,832 of the total convertible note loan was drawn down, with the remaining balance of $832,168 to be drawn down prior to or shortly after the IPO of AEM. The asset held for sale

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has been written down to nil, with the convertible note loan recognised as a decrease in cash and an increase in receivables.

- Prior to listing, AEM will enter into an loan agreement (**'Interim Funding Loan'**) with the Murphy Family Office, under which the Murphy Family Office will provide a CAD$1.3 million loan to the Company, with capitalised interest accruing on the loan at 10% p.a. The Interim Funding Loan has been recognised as an increase to cash and borrowings.

Apart from the matters dealt with in this Report, and having regard to the scope of this Report and the information provided by the Directors, to the best of our knowledge and belief no other material transaction or event outside of the ordinary business of AEM not described above, has come to our attention that would require comment on, or adjustment to, the information referred to in our Report or that would cause such information to be misleading or deceptive.

7. Assumptions Adopted in Compiling the Pro-forma Statement of Financial Position

The pro forma historical consolidated Statement of Financial Position is shown in Appendix 1. This has been prepared based on the financial statements as at 30 June 2025, the subsequent events set out in Section 6, and the following transactions and events relating to the issue of Shares under this Prospectus:

- The issue of 75,471,698 million Shares at an offer price of $0.53 each to raise $40 million before costs pursuant, based on the Minimum Subscription and the issue of 94,339,622 million Shares at an issue price of $0.53 each to raise up to $50 million before costs, based on the maximum subscription (**'Maximum Subscription'**);
- The costs of the Offer are estimated to be $3,245,701 based on the Minimum Subscription. The portion of the costs of the Offer expensed and capitalised are $740,079 and $2,505,622 respectively. Under the Maximum Subscription, costs of the Offer are estimated to be $3,745,701, of which $713,876 are expensed and $3,031,825 are capitalised against issued capital;
- The conversion of 22,892,026 Consideration Notes held by Vivent into 22,892,026 AEM shares (**'Consideration Notes'**). The Consideration Notes were included in the closing balance of issued capital as at 30 June 2025 and the Consideration Notes hold a nil face value, therefore no financial adjustment has been made;
- The conversion of all Convertible Debentures, inclusive of accrued interest, into AEM shares. The number of AEM shares into which the Convertible Debentures is variable based on the total accrued interest as the date of conversion. Interest accrued on all Convertible Debentures from 30 June 2025 to the date of the Prospectus is approximately $2,614,862. Based on the total value of the Convertible Debentures, and the conversion mechanism (See Note 7 of Appendix 4), the number of shares into which the Convertible Debentures convert is approximately 193,780,828 under the Minimum Subscription and Maximum Subscription, respectively. Upon conversion of the Convertible Debentures, a financial adjustment has been made to recognise the accrued interest from 30 June 2025 to date in retained earnings and the value of the shares issued in issued capital, with the derecognition of the debenture and embedded derivative liabilities. The difference between the value of the shares issued upon conversion of the Convertible Debentures has been recognised as a financing cost in retained earnings.

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- The exercise of 833,587 options (**'Existing Options'**) into AEM shares. Upon exercise of the Existing Options, AEM will receive cash proceeds of $208,397, which has been reflected in issued capital and cash.
- The issue of 3,773,585 options to the joint lead managers under the Minimum Subscription and 4,716,981 options under Maximum Subscription, respectively (**'JLM Options'**). The JLM Options have an exercise price of $0.69, expire three years from the issue date and have been valued at $1,166,038 and $1,457,547 using a Black Scholes Model, respectively. As the Broker Options will be issued for capital raising services under this Prospectus, an expense of $1,166,038 under the Minimum Subscription and $1,457,547 under the Maximum Subscription has been recognised against issued capital and reserves.

8. Independence

BDO is a member of BDO International Ltd. BDO does not have any interest in the outcome of the proposed IPO other than in connection with the preparation of this Report and participation in due diligence procedures, for which professional fees will be received.

9. Disclosures

This Report has been prepared, and included in the Prospectus, to provide investors with general information only and does not take into account the objectives, financial situation or needs of any specific investor. It is not intended to be a substitute for professional advice and potential investors should not make specific investment decisions in reliance on the information contained in this Report. Before acting or relying on any information, potential investors should consider whether it is appropriate for their objectives, financial situation or needs.

Without modifying our conclusions, we draw attention to Section 2 of this Report, which describes the purpose of the financial information, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for use for another purpose.

BDO has consented to the inclusion of this Report in the Prospectus in the form and context in which it is included. At the date of this Report this consent has not been withdrawn. However, BDO has not authorised the issue of the Prospectus. Accordingly, BDO makes no representation regarding, and takes no responsibility for, any other statements or material in or omissions from the Prospectus.

Yours faithfully

BDO Corporate Finance Australia Pty Ltd



Adam Myers
Director

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APPENDIX 1

ADVANCED ENERGY MINERALS LIMITED

PRO FORMA HISTORICAL CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Statement of Financial Position	Notes	Reviewed as at 30-Jun-25 $	Subsequent events $	Pro-forma adjustments Minimum $	Pro-forma adjustments Maximum $	Pro-forma after Offers Minimum $	Pro-forma after Offers Maximum $
CURRENT ASSETS							
Cash and cash equivalents	4	4,793,571	4,187,505	38,388,016	47,888,016	47,369,092	56,869,092
Trade and other receivables	5	634,479	1,150,000	-	-	1,784,479	1,784,479
Inventories		506,546	-	-	-	506,546	506,546
Current Assets - others		2,646,840	-	-	-	2,646,840	2,646,840
TOTAL CURRENT ASSETS		**8,581,436**	**5,337,505**	**38,388,016**	**47,888,016**	**52,306,957**	**61,806,957**
NON CURRENT ASSETS							
Property, plant and equipment		117,198,893	-	-	-	117,198,893	117,198,893
Exploration and evaluation assets	6	730,000	(730,000)	-	-	-	-
Intangibles		537,066	-	-	-	537,066	537,066
Goodwill		52,197,713	-	-	-	52,197,713	52,197,713
TOTAL NON CURRENT ASSETS		**170,663,672**	**(730,000)**	**-**	**-**	**169,933,672**	**169,933,672**
TOTAL ASSETS		**179,245,108**	**4,607,505**	**38,388,016**	**47,888,016**	**222,240,629**	**231,740,629**
CURRENT LIABILITIES							
Trade and other payables		2,248,890	-	-	-	2,248,890	2,248,890
Debentures	7	38,947,636	6,222,249	(45,169,885)	(45,169,885)	-	-
Embedded Derivatives	8	18,091,641	-	(18,091,641)	(18,091,641)	-	-
Borrowings	9	180,068	-	1,425,320	1,425,320	1,605,388	1,605,388
Employee benefits		414,338	-	-	-	414,338	414,338
TOTAL CURRENT LIABILITIES		**59,882,573**	**6,222,249**	**(61,836,206)**	**(61,836,206)**	**4,268,616**	**4,268,616**
NON CURRENT LIABILITIES							

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Statement of Financial Position	Notes	Reviewed as at 30-Jun-25 $	Subsequent events $	Pro-forma adjustments Minimum $	Pro-forma adjustments Maximum $	Pro-forma after Offers Minimum $	Pro-forma after Offers Maximum $
Borrowings		10,190,085	-	-	-	10,190,085	10,190,085
Deferred Tax Liability		14,688,441	-	-	-	14,688,441	14,688,441
TOTAL NON CURRENT LIABILITIES		**24,878,526**	**-**	**-**	**-**	**24,878,526**	**24,878,526**
TOTAL LIABILITIES		**84,761,099**	**6,222,249**	**(61,836,206)**	**(61,836,206)**	**29,147,142**	**29,147,142**
NET ASSETS /(LIABILITIES)		**94,484,009**	**(1,614,744)**	**100,224,222**	**109,724,222**	**193,093,487**	**202,593,487**
EQUITY							
Issued capital	10	76,064,244	1,232,098	139,240,576	148,422,863	216,536,918	225,719,205
Reserves	11	2,114,460	2,292,009	1,166,038	1,457,547	5,572,507	5,864,016
Retained Earnings	12	16,305,305	(5,138,851)	(40,182,392)	(40,156,189)	(29,015,938)	(28,989,735)
TOTAL EQUITY		**94,484,009**	**(1,614,744)**	**100,224,222**	**109,724,222**	**193,093,487**	**202,593,487**

The cash and cash equivalents balance above does not account for working capital movements over the period from 30 June 2025 until completion, other than the subsequent events and pro forma adjustments detailed in Section 6 and Section 7 of our report.

The pro-forma historical consolidated statement of financial position after the Offer is as per the statement of financial position before the Offer adjusted for any subsequent events and the transactions relating to the issue of shares pursuant to this Prospectus. The statement of financial position is to be read in conjunction with the notes to and forming part of the historical financial information set out in Appendix 4

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APPENDIX 2

ADVANCED ENERGY MINERALS LIMITED

HISTORICAL CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Statement of Profit or Loss and Other Comprehensive Income	Reviewed for the half year ended 30-Jun-25 $	Reviewed for the half year ended 30-Jun-24 $
Revenue	248,486	70,883
Other income	156,945	37,861
Gain on Consolidation	-	63,070,964
Total Income	**405,431**	**63,179,708**
Expenses		
Write off MDL assets	-	-
Interest in associates impairment	-	-
Raw materials and consumables used	(316,136)	-
Employee benefits expense	(6,078,050)	(3,018,925)
Depreciation and amortisation	(634,756)	(173,957)
Patent maintenance	(63,920)	(52,780)
Production expenses	(1,234,911)	(197,869)
Other expenses	(2,201,197)	(1,308,854)
Finance costs	(501,804)	(1,053,595)
Foreign Exchange Gain	-	-
Total expenses	**(11,030,774)**	**(5,805,980)**
(Loss) / Profit before Tax	**(10,625,343)**	**57,373,728**
Income tax (expense) / benefit	1,514,291	2,106,272
Net (Loss) / Profit for the Period	**(9,111,052)**	**59,480,000**
Other Comprehensive Profit/(Loss)		
Items that will not be subsequently reclassified to profit or loss:		
Exchange difference on translation of foreign operations	11,430	234,808
Total Comprehensive (Loss)/Profit for the Period	**(9,099,622)**	**59,714,808**
(Loss) / Profit for the Period Attributable to:		
Owners of Advanced Energy Minerals Limited	(9,099,622)	59,714,808
Non-controlling interest	-	-
	(9,099,622)	**59,714,808**
Total Comprehensive (Loss) / Profit for the Period Attributable to:		
Owners of Advanced Energy Minerals Limited	(9,099,622)	59,714,808
Non-controlling interest	-	-
Total Comprehensive (Loss) / Profit Attributable to:	**(9,099,622)**	**59,714,808**

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Statement of Profit or Loss and Other Comprehensive Income	Audited for the year ended 31-Dec-24 $	Audited for the year ended 31-Dec-23 $
Revenue	187,861	-
Other income	82,791	520,284
Gain on Consolidation	63,070,964	-
Total Income	**63,341,616**	**520,284**
Expenses		
Write off MDL assets	-	(5,432,633)
Interest in associates impairment	-	(1,205,926)
Raw materials and consumables used	(833,284)	-
Employee benefits expense	(6,555,115)	(1,044,196)
Depreciation and amortisation	(967,143)	(878)
Patent maintenance	(88,632)	-
Production expenses	(833,271)	-
Other expenses	(3,649,204)	(654,911)
Finance costs	(3,541,876)	(20,877)
Foreign Exchange Gain	-	615,665
Total expenses	**(16,468,525)**	**(7,743,756)**
(Loss) / Profit before Tax	**46,873,091**	**(7,223,472)**
Income tax (expense) / benefit	2,106,272	-
Net (Loss) / Profit for the Period	**48,979,363**	**(7,223,472)**
Other Comprehensive Profit/(Loss)		
Items that will not be subsequently reclassified to profit or loss:		
Exchange difference on translation of foreign operations	(255,637)	24,924
Total Comprehensive (Loss)/Profit for the Period	**48,723,726**	**(7,198,548)**
(Loss) / Profit for the Period Attributable to:		
Owners of Advanced Energy Minerals Limited	48,723,726	(7,401,681)
Non-controlling interest	-	178,209
	48,723,726	**(7,223,472)**
Total Comprehensive (Loss) / Profit for the Period Attributable to:		
Owners of Advanced Energy Minerals Limited	48,723,726	(7,376,757)
Non-controlling interest	-	178,209
Total Comprehensive (Loss) / Profit Attributable to:	**48,723,726**	**(7,198,548)**

These historical consolidated statements of profit or loss and other comprehensive income show the historical financial performance of AEM and is to be read in conjunction with the notes to and forming part of the historical financial information set out in Appendix 4. Past performance is not a guide to future performance.

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APPENDIX 3

ADVANCED ENERGY MINERALS LIMITED

HISTORICAL CONSOLIDATED STATEMENT OF CASH FLOWS

Statement of Cash Flows	Reviewed for the half year ended 30-Jun-25 $	Reviewed for the half year ended 30-Jun-24 $
Cash flows from operating activities		
Loss from continuing operations	(10,625,343)	57,373,728
Adjustments for:		
Depreciation	634,756	173,957
Non-cash net financial expenses	(1,176,741)	(541,465)
Gain on disposal of property, plant and equipment	-	-
Gain on Consolidation of Vivent Interest	-	(63,070,964)
Sales taxes and other receivables	524,452	311,789
Inventory	(78,377)	(10,495)
Prepaid expenses and others	(2,625,731)	(3,745,743)
Accounts payable and accrued liabilities	(223,074)	(1,309,029)
Net cash used in operating activities	**(13,570,058)**	**(10,818,222)**
Cash flows from financing activities:		
Issue of Shares in AEM Ltd	-	3,520,000
Cash acquired on control of AEM	-	303,211
Proceeds from C3I Tax Credit	1,662,940	-
Proceeds from long-term debt	3,911,926	4,948,436
Repayment of long-term debt	2,706	-
Proceeds from the Issue of Debentures	15,255,923	(316,534)
Net cash from financing activities	**20,833,495**	**8,455,113**
Cash flows used in investing activities:		
Proceeds from sale of property, plant and equipment	-	-
Additions to Long Lead Items	7,471,070	2,896,883
Additions to property, plant and equipment	(12,909,518)	(2,417,816)
Additions to intangible assets	41,484	36,609
Payments for exploration and evaluation assets	-	-
Net cash used in/(from) investing activities	**(5,396,964)**	**515,676**
Net increase (decrease) in cash	1,866,473	(1,847,433)
Loss of control - ACG cash	-	-
Cash, beginning of period	2,927,098	3,585,028
Cash, end of period	**4,793,571**	**1,737,595**

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Statement of Cash Flows	Audited for the year ended 31-Dec-24 $	Audited for the year ended 31-Dec-23 $
Cash flows from operating activities		
Loss from continuing operations	46,873,091	(7,223,472)
Adjustments for:		
Depreciation	967,143	(878)
Non-cash net financial expenses	2,514,303	-
Gain on disposal of property, plant and equipment	-	6,091,973
Gain on Consolidation of Vivent Interest	(63,070,964)	-
Sales taxes and other receivables	14,368	(9,149)
Inventory	182,049	-
Prepaid expenses and others	225,392	315
Accounts payable and accrued liabilities	1,243,117	(117,181)
Net cash used in operating activities	**(11,051,502)**	**(1,258,393)**
Cash flows from financing activities:		
Issue of Shares in AEM Ltd	3,520,000	-
Cash acquired on control of AEM	303,211	-
Proceeds from long-term debt	76,831	1,496,627
Repayment of long-term debt	6,614,316	-
Proceeds from the Issue of Debentures	14,159,075	-
Net cash from financing activities	**24,673,432**	**1,496,627**
Cash flows used in investing activities:		
Proceeds from sale of property, plant and equipment	578	-
Additions to Long Lead Items	(4,520,859)	-
Additions to property, plant and equipment	(6,338,981)	-
Additions to intangible assets	74,992	-
Payments for exploration and evaluation assets	-	(227,518)
Net cash used in/(from) investing activities	**(10,784,269)**	**(227,518)**
Net increase (decrease) in cash	2,837,661	10,716
Loss of control - ACG cash	-	(198,040)
Cash, beginning of period	89,438	276,761
Cash, end of period	**2,927,098**	**89,438**

These historical consolidated statements of cash flows show the historical financial performance of AEM and is to be read in conjunction with the notes to and forming part of the historical financial information set out in Appendix 4. Past performance is not a guide to future performance.

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APPENDIX 4

ADVANCED ENERGY MINERALS LIMITED

NOTES TO AND FORMING PART OF THE HISTORICAL FINANCIAL INFORMATION

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of the historical financial information included in this Report have been set out below.

a) Basis of preparation of historical financial information

The Historical Financial Information has been prepared in accordance with the recognition and measurement, but not all the disclosure requirements of the Australian equivalents to International Financial Reporting Standards ('**AIFRS**'), other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the Corporations Act 2001.

The Historical Financial Information has also been prepared on a historical cost basis, except for derivatives and available-for-sale financial assets that have been measured at fair value. The carrying values of recognised assets and liabilities that are hedged are adjusted to record changes in the fair value attributable to the risks that are being hedged. Non-current assets and disposal Company's held-for-sale are measured at the lower of carrying amounts and fair value less costs to sell.

b) Going Concern

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

The ability of the Company to continue as a going concern is dependent on the success of the fundraising under the Prospectus. The Directors believe that the Company will continue as a going concern. As a result the financial information has been prepared on a going concern basis. However should the fundraising under the Prospectus be unsuccessful, the entity may not be able to continue as a going concern. No adjustments have been made relating to the recoverability and classification of liabilities that might be necessary should the Company not continue as a going concern.

c) Reporting Basis and Conventions

The Historical Financial Information is also prepared on an accrual basis and is based on historic

costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following is a summary of the material accounting policies adopted by the company in the preparation of the historical financial information. The accounting policies have been consistently applied, unless otherwise stated.

d) Reporting Basis and Conventions

The Historical Financial Information has been prepared under the historical cost convention.

e) Principles of consolidation

The Historical Financial Information incorporates the assets, liabilities and results of entities controlled by the Company at the end of the reporting periods, referred to as the Company.

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Subsidiaries are all those entities over which the Company has control.

The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Company are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Company.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the Company loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Company recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Business combinations

Business combinations occur where an acquirer obtains control over one or more businesses and results in the consolidation of its assets and liabilities.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The acquisition method requires that for each business combination one of the combining entities must be identified as the acquirer (i.e. parent entity). The business combination will be accounted for as at the acquisition date, which is the date that control over the acquiree is obtained by the parent entity. At this date, the parent shall recognise, in the consolidated accounts, and subject to certain limited exceptions, the fair value of the identifiable assets acquired and liabilities assumed. In addition, contingent liabilities of the acquiree will be recognised where a present obligation has been incurred and its fair value can be reliably measured.

The acquisition may result in the recognition of goodwill or a gain from a bargain purchase. The method adopted for the measurement of goodwill will impact on the measurement of any non-controlling interest to be recognised in the acquiree where less than 100% ownership interest is held in the acquiree.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment in the separate financial statements. Consideration may comprise the sum of the assets transferred by the acquirer, liabilities incurred by the acquirer to the former owners of the acquiree and the equity interests issued by the acquirer.

Fair value uplifts in the value of pre-existing equity holdings are taken to the statement of financial performance. Where changes in the value of such equity holdings had previously been recognised in other comprehensive income, such amounts are recycled to profit or loss.

Included in the measurement of consideration transferred is any asset or liability resulting from a contingent consideration arrangement. Any obligation incurred relating to contingent consideration

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is classified as either a financial liability or equity instrument, depending upon the nature of the arrangement. Rights to refunds of consideration previously paid are recognised as a receivable. Subsequent to initial recognition, contingent consideration classified as equity is not re-measured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or a liability is re-measured each reporting period to fair value through the statement of financial performance unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to the business combination are expensed to the statement of financial performance.

f) Income Tax

The income tax expense or benefit (revenue) for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

The charge for current income tax expenses is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognized from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

g) Cash and Cash Equivalents

Cash and cash equivalents includes cash at bank and in hand, deposits held at call with financial institutions, other short-term highly liquid deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

h) Trade and other receivables

Trade receivables are recognised as the amount receivable and are due for settlement no more than 90 days from the date of recognition. Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off against the receivable directly unless a provision for impairment has previously been recognised.

A provision for impairment of receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

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Loans granted are recognised at the amount of consideration given or the cost of services provided to be reimbursed.

i) Revenue Recognition

Revenues are recognised at fair value of the consideration received net of the amount of GST.

Interest

Revenue is recognised as interest accrues using the effective interest method. The effective interest method uses the effective interest rate which is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial asset.

j) Inventories

Consumable supplies are physically measured or estimated and stated at the lower of cost and net realisable value. Cost comprises direct material, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of weighted average costs in getting such inventories to their existing location and condition, based on weighted average costs incurred during the year in which such inventories were produced. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and costs of selling the final product. Inventories of consumable supplies and spare parts expected to be used in production are valued at weighted average cost.

k) Investments in associates

Associates are entities over which the consolidated entity has significant influence but not control or joint control. Investments in associates are accounted for using the equity method. Under the equity method, the share of the profits or losses of the associate is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in associates are carried in the statement of financial position at cost plus post-acquisition changes in the consolidated entity's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Dividends received or receivable from associates reduce the carrying amount of the investment.

When the consolidated entity's share of losses in an associate equals or exceeds its interest in the associate, including any unsecured long-term receivables, the consolidated entity does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The consolidated entity discontinues the use of the equity method upon the loss of significant influence over the associate and recognises any retained investment at its fair value. Any difference between the associate's carrying amount, fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

l) Property, plant and equipment

Buildings and all other property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probably that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of

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comprehensive income during the financial year in which they are incurred. Property, plant and equipment directly engaged in mining operations are depreciated over the shorter of expected economic life or over the remaining life of the mine on a units-of-production basis. Assets which are depreciated on a basis other than units-of-production method are typically depreciated on a straight-line basis over their estimated useful lives.

Impairment and derecognition

Tangible assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount exceeds its recoverable amount. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

Value in use is the present value of the future cash flows expected to be derived from the asset or cash generating unit. In estimating value in use, a pre-tax discount rate is used which reflects current market assessments of the time value of money and the risks specific to the asset.
Fair value less costs of disposal is the amount the cash generating unit can be sold to a knowledgeable and willing market participant in an arm's length transaction, less the disposal costs. In estimating fair value less costs of disposal, discounted cash flow methodology is utilised, and a post-tax discount rate is used.

For purposes of assessing impairment, assets are grouped at levels for which there are separately identifiable cash inflows which are largely independent of cash inflows from other assets or groups of assets (cash-generating units).

m) Non-current assets

Non-current assets and assets of disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continued use. They are measured at the lower of their carrying amount and fair value less costs of disposal. For non-current assets or assets of disposal groups to be classified as held for sale, they must be available for immediate sale in their present condition and their sale must be highly probable.

An impairment loss is recognised for any initial or subsequent write down of the non-current assets and assets of disposal groups to fair value less costs of disposal. A gain is recognised for any subsequent increases in fair value less costs of disposal of a non-current asset and assets of disposal groups, but not in excess of any cumulative impairment loss previously recognised.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of assets held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current assets. The liabilities of disposal groups classified as held for sale are presented separately in the statement financial position. Liabilities of disposal groups classified as held for sale are presented separately in the statement of financial position.

n) Exploration and evaluation assets

Exploration and evaluation expenditure, including costs of acquiring the licences, are capitalised as exploration and evaluation assets on an area of interest basis. Costs incurred before the Company has obtained the legal rights to explore the area are recognised in the statement of financial performance.

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Exploration and evaluation assets are only recognised if the rights of the area of interest are current and either:

I. The expenditures are expected to be recouped through successful development and exploitation or from sale of the area of interest; or
II. Activities in the area of interest have not at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the areas of interest are continuing.

Exploration and evaluation assets are assessed for impairment if (i) sufficient date exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount. For the purpose of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates. The cash generating unit shall not be larger than the area of interest.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

When an area of interest is abandoned or the directors decide that it is not commercial, and accumulated costs in respect of that area are written off in the financial period the decision is made.

o) Trade and Other Payables

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether or not billed to the Company. Trade accounts payable are normally settled within 30 days of recognition.

p) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between proceeds (net of transaction costs) and the redemption amount is recognised in the statement of financial performance over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date.

q) Employee benefits

Short-term obligations

Liabilities for employee benefits that are expected to be settled within 12 months of the reporting date represent present obligations resulting from employees' services provided to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Non-accumulating non-monetary benefits, such as medical care, housing, cars and free or subsidised goods and services, are expensed based on the net marginal cost to the Company as the benefits are taken by the employees.

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Long-term obligations

The Company's obligation in respect of long-term employee benefits other than defined benefit plans, such as long service leave, is the amount of future benefit that employees have earned in return for their service in the current and prior periods plus related on-costs. Expected future benefit payments are discounted using market yields at the end of the year on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows. Any actuarial gains or losses are recognised in profit or loss in the period in which they arise.

Termination obligations

When applicable, the Company recognises a liability and expense for termination benefits at the earlier of: (a) the date when the Company can no longer withdraw the offer for termination benefits; and (b) when the Company recognises costs for restructuring pursuant to AASB 137 Provisions, Contingent Liabilities and Contingent Assets and the costs include termination benefits. In either case, unless the number of employees affected is known, the obligation for termination benefits is measured on the basis of the number of employees expected to be affected. Termination benefits that are expected to be settled wholly before 12 months after the annual reporting period in which the benefits are recognised are measured at the (undiscounted) amounts expected to be paid. All other termination benefits are accounted for on the same basis as other long-term employee benefits.

Share-based payments transactions

The Company provides benefits to employees (including directors) of the Company in the form of share options. The fair value of options granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employee becomes unconditionally entitled to the options. The fair value of the options granted is measured using Black-Scholes valuation model, taking into account the terms and conditions upon which the options were granted.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, on a straight line basis over the period from grant date to the date on which the relevant employees become fully entitled to the award ("vesting date"). The amount recognised as an expense is adjusted to reflect the actual number that vest.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

r) Impairment of assets

At each reporting date, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Financial Assets

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A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

Non-Financial Assets

The carrying amounts of the non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, recoverable amount is estimated at each reporting date.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset Company that generates cash flows that largely are independent from other assets and Companies. Impairment losses are recognised in the statement of financial performance. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (Company of units) on a pro rata basis.

s) Issued Capital

Ordinary shares are classified as equity.

Costs directly attributable to the issue of new shares or options are shown as a deduction from the equity proceeds, net of any income tax benefit. Costs directly attributable to the issue of new shares or options associated with the acquisition of a business are included as part of the purchase consideration.

t) Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Share-based payments transactions

The Company provides benefits to employees (including directors) of the Company in the form of share options. The fair value of options granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employee becomes unconditionally entitled to the options. The fair value of the options granted is measured using Black-Scholes valuation model, taking into account the terms and conditions upon which the options were granted.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, on a straight line basis over the period from grant date to the date on which the relevant

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employees become fully entitled to the award ("vesting date"). The amount recognised as an expense is adjusted to reflect the actual number that vest.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

u) Accounting estimates and judgements

In the process of applying the accounting policies, management has made certain judgements or estimations which have an effect on the amounts recognised in the financial information.

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Valuation of share based payment transactions

The valuation of share-based payment transactions is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using the Black Scholes model taking into account the terms and conditions upon which the instruments were granted.

Options

The fair value of options issued is determined using the Black-Scholes model, taking into account the terms and conditions upon which the options were granted.

Recoverability of capitalised exploration and evaluation expenditure

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the company decides to exploit the related lease itself, or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, costs of drilling and production, production rates, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

Taxation

Judgement is required in determining whether deferred tax assets are recognised in the statement of financial position. Deferred tax assets, including those arising from un-utilised tax losses, require management to assess the likelihood that the Company will generate taxable earnings in future years allowing to utilise the recognised deferred tax assets. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realise the net deferred tax assets recorded at the reporting date could be impacted. Additionally, future changes in tax laws in jurisdictions in which the Company operates could limit the ability of the Company to obtain tax deductions in future years.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance date in the countries where the Group's subsidiaries operate and generate taxable income.

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Deferred income tax is provided for on all temporary differences at balance date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes. No deferred income tax will be recognised from

the initial recognition of goodwill or of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss. No deferred income tax will be recognised in respect of temporary differences associated with investments in subsidiaries if the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary differences will not reverse in the near future.

NOTE 2: RELATED PARTY DISCLOSURES

Transactions with Related Parties and Directors Interests are disclosed in the Prospectus.

NOTE 3: COMMITMENTS AND CONTINGENCIES

At the date of the report no material commitments or contingent liabilities exist that we are aware of, other than those disclosed in the Prospectus.

NOTE 4. CASH AND CASH EQUIVALENTS	Reviewed as at 30-Jun-25 $	Pro-forma after Offers Min $	Pro-forma after Offer Max $
Cash and cash equivalents	4,793,571	47,369,092	56,869,092
Adjustments to arise at the pro-forma balance:			
Reviewed balance of AEM as at 30-Jun-25		4,793,571	4,793,571
Subsequent events:			
Proceeds from issue of the 2024/25 Convertible Debentures, net of fees		5,337,505	5,337,505
Issue of the convertible note loan to Cape York Kaolin		(1,150,000)	(1,150,000)
		4,187,505	4,187,505
Pro-forma adjustments:			
Proceeds from shares issued under the Offer		40,000,000	50,000,000
Capital raising costs		(3,245,701)	(3,745,701)
Proceeds from exercise of Existing Options		208,397	208,397
Proceeds from Interim Funding Loan		1,425,320	1,425,320
		38,388,016	47,888,016
Pro-forma Balance		**47,369,092**	**56,869,092**

Note: The pro-forma historical consolidated statement of financial position and accompanying notes do not take into consideration working capital movements over the period from 30 June 2025 and completion. We note that the Company has an approximate cash burn rate of approximately $1.4 million per month and is expected to have approximately $2.0 million cash balance immediately prior to the IPO.

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NOTE 5. TRADE AND OTHER RECEIVABLES	Reviewed as at 30-Jun-25 $	Pro-forma after Offers $
Trade and other receivables	634,479	1,784,479
Adjustments to arise at the pro-forma balance:		
Reviewed balance of AEM as at 30-Jun-25		634,479
Subsequent events:		
Issue of convertible note loan to Cape York Kaolin		1,150,000
		1,150,000
Pro-forma Balance		**1,784,479**

NOTE 6. EXPLORATION AND EVALUATION ASSETS	Reviewed as at 30-Jun-25 $	Pro-forma after Offers $
Exploration and evaluation assets	730,000	-
Adjustments to arise at the pro-forma balance:		
Reviewed balance of AEM as at 30-Jun-25		730,000
Subsequent events:		
Write-off of exploration and evaluation assets prior to the Spin Out		(730,000)
		(730,000)
Pro-forma Balance		-

NOTE 7. DEBENTURES	Reviewed as at 30-Jun-25 $	Pro-forma after Offers $
Debentures	38,947,636	-
Adjustments to arise at the pro-forma balance:		
Reviewed balance of AEM as at 30-Jun-25		38,947,636
Subsequent events:		
Issue of the 2024/25 Convertible Debentures		6,222,249
		6,222,249
Pro-forma adjustments:		
Recognition of accrued interest on the Convertible Debentures		2,614,862
Derecognition of debentures liability upon conversion of the Convertible Debentures		(47,784,747)
		(45,169,885)
Pro-forma Balance		-

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The details of existing convertible debentures on issue as at 30 June 2025 are outlined below:

- In 2023, AEM issued convertible debentures that accrue interest at a rate of 10% per annum, holding a maturity of 31 December 2025, that are convertible upon successful listing of the Company's shares on a reputable stock exchange pursuant to any type of transaction (IPO, reverse takeover, direct listing) ('**QPL**') ('**2023 Convertible Debentures**'). The principle amount owing and any accrued interest on the 2023 Convertible Debentures shall convert to a variable number shares based on the lesser of:
    - the offer price for the QPL less a discount of 30%, and
    - a valuation cap price based on a C$100 million pre-money enterprise valuation.
- In 2024, AEM issued convertible debentures that accrue interest at a rate of 10% per annum, holding a maturity of 31 December 2025, that are convertible upon successful listing of the Company's shares on a reputable stock exchange pursuant a QPL ('**2024 Convertible Debentures**'). The principle amount owing and any accrued interest on the 2024 Convertible Debentures shall convert to a variable number shares based on the lesser of:
    - the offer price for the QPL less a discount of 30%, and
    - a valuation cap price based on a C$150 million pre-money enterprise valuation.

The 2024/25 Convertible Debentures issued between 1 July 2025 and 30 September 2025 were issued on the same terms as the 2024 Convertible Debentures.

NOTE 8. EMBEDDED DERIVATIVES	Reviewed as at 30-Jun-25 $	Pro-forma after Offers $
Embedded derivatives	18,091,641	-
Adjustments to arise at the pro-forma balance:		
Reviewed balance of AEM at as 30-Jun-25		18,091,641
Pro-forma adjustments:		
Derecognition of embedded derivatives upon conversion of the Convertible Debentures		(18,091,641)
		(18,091,641)
Pro-forma Balance		-

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NOTE 9. BORROWINGS	Reviewed as at 30-Jun-25 $	Pro-forma after Offers $
Borrowings	180,068	1,605,388
Adjustments to arise at the pro-forma balance:		
Reviewed balance of AEM as at 30-Jun-25		180,068
Pro-forma adjustments:		
Recognition of Interim Funding Loan		1,425,320
		1,425,320
Pro-forma Balance		**1,605,388**

*The Interim Funding Loan has been converted from CAD to AUD at a rate of 1.096, as sourced from S&P Capital IQ as at a recent date.

NOTE 10. ISSUED CAPITAL		Reviewed as at 30-Jun-25 $	Pro-forma after Offers Min $	Pro-forma after Offer Max $
Issued capital		76,064,244	216,536,918	225,719,205
	Number of shares (Min)	Number of shares (Max)	$	$
Adjustments to arise at the pro-forma balance:				
Reviewed balance of AEM as at 30-Jun-25	305,178,874	305,178,874	76,064,244	76,064,244
Subsequent events:				
Issue of Service Shares	1,299,365	1,299,365	519,746	519,746
Shares issued upon exercise of Bonus Performance Rights	3,561,760	3,561,760	712,352	712,352
	4,861,125	4,861,125	1,232,098	1,232,098
Pro-forma adjustments:				
Shares issued under the Offer	75,471,698	94,339,622	40,000,000	50,000,000
Share issue costs	-	-	(2,505,622)	(3,031,825)
Shares issued upon conversion of the remaining Consideration Notes	-	-	-	-
Shares issued upon conversion of the Convertible Debentures	193,780,828	193,780,828	102,703,839	102,703,839
JLM Options expense	-	-	(1,166,038)	(1,457,547)
Shares issued upon exercise of Existing Options	833,587	833,587	208,397	208,397
	270,086,113	288,954,037	139,240,576	148,422,863
Pro-forma Balance	**580,126,112**	**598,994,036**	**216,536,918**	**225,719,205**

*Includes 22,892,028 shares in relation to Consideration Notes considered to be equity in nature as at 30 June 2025

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NOTE 11. RESERVES	Reviewed as at 30-Jun-25 $	Pro-forma after Offers Min $	Pro-forma after Offer Max $
Reserves	2,114,460	5,572,507	5,864,016
Adjustments to arise at the pro-forma balance:			
Reviewed balance of AEM at as 30-Jun-25		2,114,460	2,114,460
Subsequent events:			
Issue of Management Performance Rights		3,004,361	3,004,361
Exercise of Bonus Performance Rights		(712,352)	(712,352)
		2,292,009	2,292,009
Pro-forma adjustments:			
Issue of JLM Options		1,166,038	1,457,547
		1,166,038	1,457,547
Pro-forma Balance		**5,572,507**	**5,864,016**

Retention Performance Rights and 2024 Performance Rights

- The Retention Performance Rights and 2024 Performance Rights vest upon the Company's Relative Total Shareholder Return (**'RTSR'**) over the three-year period ending 31 December 2026, measured against a group of peers (**'Peer Group'**), with vesting ranging from 0% below the 50th percentile to 100% at or above the 75th percentile, calculated on a pro rata basis in between. Any unexercised Retention Performance Rights will lapse three years from grant, on cancellation, or if vesting conditions cannot be met, subject to automatic extension if legal restrictions prevent exercise near expiry.

2025 Performance Rights

- The 2025 Performance Rights vest upon the Company's RTSR over the three-year period ending 31 December 2027, measured against a Peer Group, with vesting ranging from 0% below the 50th percentile to 100% at or above the 75th percentile, calculated on a pro rata basis in between. Any unexercised 2025 Performance Rights will lapse three years from grant, on cancellation, or if vesting cannot be achieved, subject to automatic extension if legal restrictions prevent exercise near expiry.

Loyalty Performance Rights

The vesting conditions of the Loyalty Performance Rights is outlined below:

- The Loyalty Performance Rights vest upon the Holder remaining continuously employed with the Company until 31 March 2027, after which they become exercisable following a vesting notification from the Company. Any unexercised Loyalty Performance Rights will expire three years from grant, on cancellation, or if vesting cannot be achieved, subject to automatic extension if legal restrictions prevent exercise near expiry.

The Loyalty Performance Rights have non-market based vesting conditions and are therefore most appropriately valued using the BSM, with the key inputs and fair value set out below:

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Loyalty Performance Rights	
Number of Rights	3,050,000
Underlying share price	$0.53
Exercise price	Nil
Expected volatility	100%
Life of the Rights (years)	3.00
Expected dividends	Nil
Risk free rate	3.58%
Value per Right	$0.53
Total Fair Value	**$1,616,500**

Broker Options

The Broker Options have been valued using the BSM, with the key inputs and fair value set out below:

Lead Manager Options	(Min)	(Min)
Number of Options	3,773,585	4,716,981
Underlying share price	$0.69	$0.69
Exercise price	Nil	Nil
Expected volatility	100%	100%
Life of the Options (years)	3.00	3.00
Expected dividends	Nil	Nil
Risk free rate	3.58%	3.58%
Value per Option	$0.309	$0.309
Total Fair Value	**$1,166,038**	**$1,457,547**

NOTE 11. RETAINED EARNINGS	Reviewed as at 30-Jun-25 $	Pro-forma after Offers Min $	Pro-forma after Offer Max $
Retained earnings	16,305,305	(29,015,938)	(28,989,735)
Adjustments to arise at the pro-forma balance:			
Reviewed balance of AEM as at 30-Jun-25		16,305,305	16,305,305
Subsequent events			
Fees incurred in issuing the 2024/25 Convertible Debentures		(884,744)	(884,744)
Issue of Management Performance Rights		(3,004,361)	(3,004,361)
Write-off of exploration and evaluation assets prior to the Spin Out		(730,000)	(730,000)
Issue of Service Shares		(519,746)	(519,746)
		(5,138,851)	(5,138,851)
Pro-forma adjustments:			
Costs of the Offers not directly attributable to the capital raising		(740,079)	(713,876)
Interest accrued on Convertible Debentures prior to conversion		(2,614,862)	(2,614,862)
Financing cost upon conversion of the Convertible Debentures		(36,827,451)	(36,827,451)
		(40,182,392)	(40,156,189)
Pro-forma Balance		**(29,015,938)**	**(28,989,735)**

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APPENDIX 6

FINANCIAL SERVICES GUIDE

6 November 2025

BDO Corporate Finance Australia Pty Ltd ABN 70 050 038 170 (**'we'** or **'us'** or **'ours'** as appropriate) has been engaged by Advanced Energy Minerals Limited (**'AEM'** or **'the Company'**) to provide an Independent Limited Assurance Report (**'ILAR'** or **'our Report'**) for inclusion in this Prospectus.

Financial Services Guide

In the above circumstances we are required to issue to you, as a retail client, a Financial Services Guide (**'FSG'**). This FSG is designed to help retail clients make a decision as to their use of the general financial product advice and to ensure that we comply with our obligations as financial services licensee.

This FSG includes information about:

- Who we are and how we can be contacted
- The services we are authorised to provide under our Australian Financial Services Licence, Licence No: 247420
- Remuneration that we and/or our staff and any associates receive in connection with the financial services
- Any relevant associations or relationships we have
- Our complaints handling procedures and how you may access them.

Information about us

BDO Corporate Finance is a member firm of the BDO network in Australia, a national association of separate entities (each of which has appointed BDO (Australia) Limited ACN 050 110 275 to represent it in BDO International). The general financial product advice in our report is provided by BDO Corporate Finance and not by BDO or its related entities. BDO and its related entities provide services primarily in the areas of audit, tax, consulting, and financial advisory services.

We do not have any formal associations or relationships with any entities that are issuers of financial products. However, you should note that we and BDO (and its related entities) might from time to time provide professional services to financial product issuers in the ordinary course of business.

Financial services we are licensed to provide

We hold an Australian Financial Services Licence which authorises us to provide financial product advice to retail and wholesale clients about securities and certain derivatives (limited to old law securities, options contracts, and warrants). We can also arrange for customers to deal in securities, in some circumstances. Whilst we are authorised to provide personal and general advice to retail and wholesale clients, we only provide general advice to retail clients.

Any general advice we provide is provided on our own behalf, as a financial services licensee.

General Financial Product Advice

Our general advice is typically included in written reports. In those reports, we provide general financial product advice that is prepared without taking into account your personal objectives, financial situation or needs. You should consider the appropriateness of the general advice having regard to your own objectives, financial situation and needs before you act on the advice. Where the advice relates to the acquisition or possible acquisition of a financial product, you should also obtain a product disclosure statement relating to the product and consider that statement before making any decision about whether to acquire the product.

Fees, commissions and other benefits that we may receive

We charge fees for providing reports, including this Report. These fees are negotiated and agreed with the client who engages us to provide the report. Fees are agreed on an hourly basis or as a fixed amount

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depending on the terms of the agreement. The fee payable to BDO Corporate Finance Australia Pty Ltd for this engagement is approximately $24,000 (exclusive of GST).

Except for the fees referred to above, neither BDO, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the Report.

All our employees receive a salary. Our employees are eligible for bonuses based on overall productivity but not directly in connection with any engagement for the provision of a report.

Referrals

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

Complaints resolution

We are committed to meeting your needs and maintaining a high level of client satisfaction. If you are unsatisfied with a service we have provided you, we have avenues available to you for the investigation and resolution of any complaint you may have.

To make a formal complaint, please use the Complaints Form. For more on this, including the Complaints Form and contact details, see the BDO Complaints Policy available on our website.

BDO Corporate Finance is a member of AFCA (Member Number 11843). Where you are unsatisfied with the resolution reached through our Internal Dispute Resolution process, you may escalate this complaint to the Australian Financial Complaints Authority ('**AFCA**') using the below contact details:

Australian Financial Complaints Authority
GPO Box 3, Melbourne VIC 3001
Email: info@afca.org.au
Phone: 1800 931 678
Fax: (03) 9613 6399
Interpreter service: 131 450
Website: http://www.afca.org.au

Compensation arrangements

BDO Corporate Finance and its related entities hold Professional Indemnity insurance for the purpose of compensating retail clients for loss or damage suffered because of breaches of relevant obligations by BDO Corporate Finance or its representatives under Chapter 7 of the Corporations Act 2001. These arrangements and the level of cover held by BDO Corporate Finance satisfy the requirements of section 912B of the Corporations Act 2001.

Contact details

You may provide us with instructions using the details set out at the top of this FSG or by emailing - cf.ecp@bdo.com.au

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7. INDEPENDENT TECHNICAL REPORTS

7. INDEPENDENT TECHNICAL REPORTS

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AEM CANADA GROUP INC.
WSP PROJECT NO.: CA0026552.4622
REPORT NUMBER.: CA0026552.4622-RPT003-R01

INDEPENDENT TECHNICAL REPORT

CAP-CHAT PLANT AND STAGE 1 EXPANSION

SEPTEMBER 24, 2025

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INDEPENDENT TECHNICAL REPORT

CAP-CHAT PLANT AND STAGE 1 EXPANSION

AEM CANADA GROUP INC.

REPORT FOR FINAL (01)

PROJECT NO.: CA0026552.4622
DATE: SEPTEMBER 24, 2025

WSP CANADA INC.
11-1600 BOUL RENE-LEVESQUE
MONTRÉAL, (QUEBEC) H3H 1P9

T: +1 541-340-0046
WSP.COM

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September 24, 2025

AEM Canada Group Inc
200-7220 Rue Frederick-Banting
Montréal, Québec
H4S 2A1

Attention to: **The Board of Directors**

Subject: **Review of Cap-Chat's Plant and Stage 1 Expansion**

Dear Directors:

As part of its operations, AEM Canada Group Inc ("AEM"). has requested an independent third-party technical report on the current status of its Cap-Chat Plant and its Stage 1 Expansion, suitable for inclusion in the prospectus for an initial public offering of AEM's parent company's, Advanced Energy Minerals Limited's, shares on the Australian Stock Exchange (ASX).

We thank you for the opportunity to collaborate on your project.

Yours sincerely,



Laurence Thiffault, P. Eng.
Process engineer
OIQ # 6042023

wsp.com

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REVISION HISTORY

REV. NO.	DESCRIPTION	DATE (YYYY-MM-DD)
00	Issued for comments	2025-06-18
01	Issued for Final	2025-09-24

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SIGNATURES

PREPARED BY



Laurence Thiffault, P. Eng (OIQ # 6042023)
Process Engineer
ERI-Industrial Process Department

Date

REVIEWED AND APPROVED[1] BY



Josée Laplante, P. Eng (OIQ # 116630)
Technical Manager, Process
ERI-Industrial Process Department

Date

WSP Canada Inc has given and has not before the lodgment of the prospectus with the Australian Securities and Investments Commission, withdrawn its consent to its Cap-Chat Plant And Stage 1 Expansion report being included in the prospectus and the inclusion in the prospectus of extracts and summaries of the information in the Cap-Chat Plant And Stage 1 Expansion report in each case in the form and context in which they appear

Neither WSP Canada Inc, nor the authors of this report, has or has had previously, any material interest in AEM Canada Group Inc. WSP Canada Inc prepared this report solely for the use of the intended recipient, AEM Canada Group Inc. in accordance with the professional services agreement. The intended recipient is solely responsible for the disclosure of any information contained in this report. The content and opinions contained in the present report are based on the observations and/or information available to WSP Canada Inc. at the time of preparation. If a third party makes use of, relies on, or makes decisions in accordance with this report, said third party is solely responsible for such use, reliance or decisions. WSP Canada Inc does not accept responsibility for damages, if any, suffered by any third party as a result of decisions made or actions taken by said third party based on this report. This statement of limitations is considered an integral part of this report.

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EXECUTIVE SUMMARY

WSP Canada has been mandated by AEM Canada Group Inc (AEM) to act as an independent technical third-party and report on its high purity alumina (HPA) manufacturing plant located in Cap-Chat, Québec, Canada (the "Plant") and the status of its Stage 1 Expansion. The report will be included in the documentation for undertaking an initial public offer on the Australian Stock Exchange ("ASX") of the shares of Advanced Energy Minerals, AEM's parent company.

WSP Canada has developed an expertise through the years in various sectors including Oil and Gas, Petrochemical, Manufacturing, Light and Heavy Industrial, Pharmaceutical, Biotechnology, Food and Beverages, Consumer Products, Process Energy, Metal, Bulk and Liquid Storage and many more. Its process group for the Energy, Resource and Industry sector is based in the Province of Quebec and has worked in the past with AEM on a pre-feasibility study into the economics of building a plant similar to the Cap-Chat plant in the United Kingdom.

AEM manufactures a wide range of gamma and alpha alumina-based products at the Plant, which it acquired in 2020. At the time of acquisition, the plant was nonoperational because the previous owner had been unable to commission a fluidized bed furnace that performed a key function in the Plant's HPA manufacturing process. Having modified this fluidized bed furnace, AEM was able to commission it and subsequently put the Plant into operation in 2021. AEM has been producing HPA from the Plant ever since.

The manufacturing process operated at the Plant breaks down into three sequential primary process steps. First, a hydrometallurgy circuit is used to convert an aluminum hydroxide feedstock into crystals of aluminum chloride hexahydrate. Then, a pyrometallurgy circuit converts these crystals into HPA in either its gamma or alpha crystalline forms as required. Finally, the "bulk" HPA produced by the pyrometallurgy circuit proceeds to a tailoring circuit, which processes it into a range of finished products in the form of powders, slurries and compressed tablets or pucks.

In mid-2023, AEM began to implement a Stage 1 Expansion plan at the Plant, to increase its production capacity by adding new equipment, and modifying existing equipment, eventually to achieve an overall design capacity of 3,000 tpa of HPA - comprising 2,000 tpa of HPA with a purity level exceeding 99.99% ("4N+") and 1,000 tpa at or above 99.95% ("3N5"). The Stage 1 Expansion includes the:

- Purchase, fabrication and installation of 50 m long tunnel kiln with a nominal capacity of 5.5 tpd, together with a robotic system to handle the flow of product into and away from the kiln.
- Purchase, fabrication and erection of a new steel-framed building to house the tunnel kiln.
- Purchase and installation of four electric fired boilers to replace an existing propane fired boiler.
- Purchase and installation of a car-bottom kiln.
- Relocation and repurposing of an existing but redundant pressure vessel for use as a new, larger capacity crystallizer.
- Upgrade of ion exchange resin columns.
- Upgrade of the fluidized bed furnace.
- Purchase and installation of several items of equipment for tailoring product – more milling, drying and puck production capacity.
- Purchase and installation of a new process line for manufacturing 3N5 HPA using a process route that avoids the need for a hydrometallurgy circuit.
- Upgrade of the plant's electrical supply.

The above works are now well advanced with all key equipment necessary for the hydrometallurgy and pyrometallurgy circuits of the 2,000 tpa 4N+ process line installed and commissioned. The main item of work remaining to be completed is the dedicated 3N5 process line. It is due to be installed and commissioned by mid-2026. In the interim, the +4N process line can be used to produce 3N5 product as necessary.

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Based on its review of documentation provided by AEM, a site visit conducted physically in January 2025, and a second visit conducted virtually in early May 2025, WSP has been able to conclude that:

1. The suitability of the process flow route implemented by AEM at the Plant for manufacturing HPA has been proven by the Plant's 4-year track record of successfully manufacturing HPA, predominantly at 4N+ purity levels and often as high as 99.999% ("5N"). Based on AEM's past 4 years' experience, WSP expects as the Plant's production capacity expands, it will be able to maintain this product quality and improve it over time.
2. The Plant is fit for purposes, the buildings and equipment acquired by *Orbite* and the new buildings and equipment subsequently installed by AEM meet the characteristics of an industrial facility.
3. Except for the fluidized bed furnace, all the equipment already installed at the Plant, or to be installed, is conventional in design and will be used in a manner typical for the chemical/mineral processing industry. AEM's successful commissioning of the fluidized bed furnace in 2020/21 has demonstrated that the modifications made by AEM were effective in overcoming the operational issues the furnace previously encountered.
4. As of now, AEM has progressed the Stage 1 Expansion works to the point that all equipment necessary to provide the Plant with a design capacity of 2,000 tpa (+4N or +4N and 3N5 in combination) has been installed and predominantly commissioned.
5. Once the Stage 1 Expansion works have been completed, the Plant will have a design capacity of 3,000 tpa, comprising 2,000 tpa (+4N HPA) and 1,000 tpa (3N5 HPA).
6. AEM's ability to operate the Plant at its design capacity will be subject to it satisfactorily managing the risks associated with ramping a plant of its type into full production and operating it in accordance with established good practice. Based on AEM's forecast sales, there will be 18-24 months in which to ramp up the Plant to full production. This period will provide AEM with time to manage these risks and optimize its operating practices.
7. The Plant has a high degree of inherent flexibility to manufacture a broad range of customizable HPA products. Noting that the market for HPA is a niche one, in which customers typically require bespoke products, this high level of operational flexibility is of real benefit.
8. AEM's estimates of the future costs of operating the Plant are reasonable and the estimated risks identified by WSP are well managed and understood by AEM.

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1. INTRODUCTION

1.1 ABBREVIATIONS

AEM	AEM Canada Group Inc.
AEM	Advanced Energy Minerals Limited.
AACE	American Association of Cost Engineering.
$AlCl_3$	Aluminum chloride.
ASX	Australian Securities Exchange.
CLCP	Chlorine Leach Crystallization Purification.
FEL	Front-end Loading.
HPA	High Purity Alumina.
kW	Kilowatts.
LED	Light-Emitting Diode.
OPEX	Operating cost.
Orbite	Orbite Aluminae Inc.
Plant	Cap-Chat plant.
R&D	Research and development.
SGA	Smelter Grade Alumina.
tpa	Tons per annum.
WSP	WSP Canada Inc.

1.2 REPORT STRUCTURE

Section 1 introduces the report and describes WSP's methodology in producing it. Sections 2 and 3 give an overview of the Plant, its manufacturing process and the status of its development. Section 4 then describes the unit operations within the manufacturing process in more detail. Section 5 gives WSP's engineering assessment of the Plant's future performance and operating costs.

1.3 SCOPE OF WORK

WSP has been engaged by AEM to act as an independent technical third-party and report on its high purity alumina (HPA) manufacturing plant located in Cap-Chat, Québec, Canada (the "Plant") and the status of its Stage 1 Expansion. The report will be included in a prospectus to be issued by AEM's parent company, Advanced Energy Minerals Limited, in connection with a listing on the Australian Securities Exchange. A third-party estimate review provides AEM an independent, unbiased opinion of the original estimate. A third-party estimate review process normally involves a thorough examination of project plans, specifications, and associated documentation. This report reviews the status of the Plant's Stage 1 Expansion. WSP has also prepared a separate report on AEM's pre-feasibility engineering study for its planned Stage 2 Expansion Project at Cap-Chat.

AEM has requested WSP to review:

- The background and status of the Plant.
- The Stage 1 Expansion's design and implementation plans and their fitness for purpose for delivering a plant with the capacity to manufacture at least 3,000 tpa of HPA at 3N5 purity or above.
- The adequacy of the current plant's standards of construction and operation and the status of its commissioning/ramp up.

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— AEM's assumptions concerning the Plant's operating costs, once in full operation.

This report is based on a review conducted by WSP by means of a review of documents provided by AEM and by site visits. The documents provided covered installed equipment, projected future equipment capacities, process analysis and OPEX information. Data used for the review came from supplier documents and tests conducted by AEM. Finally, WSP also conducted visits to the plant to confirm its status and condition.

1.4 CREDENTIALS

WSP is one of the world's leading professional services consulting firms. We are technical experts and strategic advisors (engineers, technicians, scientists, architects, planners, surveyors and environmental specialists, as well as other design, program and construction management professionals).

WSP's expertise covers a vast range of industrial sectors: Oil and Gas, Petrochemical, Manufacturing, Light and Heavy Industrial, Pharmaceutical, Biotechnology, Food and Beverages, Consumer Products, Process Energy, Metal, Bulk, Liquid Storage and many more:

— Our team has worked in Brownfield or in-plant industrial chemicals environments.
— We have extensive experience in designing and building greenfield plants.
— We have extensive experience in revamping and adding new technology to existing plants.

In 2024, WSP employed 12,590 employees in Canada, including 13 employees engaged in our *process group* for the *Energy, Resource and Industry* sector based in the Province of Quebec.

Over the years, WSP has developed expertise working with HPA. Four (4) years ago, we provided services to AEM on a pre-feasibility study analyzing the economics of building a plant, similar to the Cap-Chat's Plant, in the UK. Our Quebec-based process team worked closely with AEM's process team to establish the flowsheet mass balance. In addition, the process team analyzed different types of feedstocks including kaolin, a feedstock that is more widely available in the UK.

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2. CAP-CHAT'S PLANT OVERVIEW

2.1 PURPOSE

AEM's owned and operated High Purity Alumina ("HPA") processing plant is located in the town of Cap-Chat (Quebec, Canada) on the Gaspe Peninsula. The Plant uses AEM's patented technology to produce HPA, which is mainly used in the manufacture of LED lights, semiconductors, batteries, industrial catalysts and ceramics.

AEM manufactures a wide range of gamma and alpha alumina-based products and is well advanced in its plans to increase effective production capacity of the Plant to 2,000 tpa 4N+ by adding new equipment and modifying existing equipment and later adding an additional dedicated 3N5 circuit, to achieve an effective production capacity of at least 3,000 tpa of HPA of 3N5 or greater purity.

2.2 SITE SETTING

2.2.1 LOCATION, TOPOGRAPHY, DRAINAGE AND GROUND CONDITIONS

The Plant is located in an industrial park in the outskirts of Cap-Chat, some 500 m south of the south shore of the St-Lawrence River in Gaspésie (Québec, Canada). The total site area is 55,000 m^2 and is accessed from *Louis-Landry Street*, which connects directly to *National Road 132.*

Based on a report for AEM's Stage 2 Expansion plans written by *Norda Stelo,* an engineering firm, the site sits at an elevation of 49 m in low mountainous terrain. Most of the site is levelled but is occupied by a slope in the South-West section, which could be excavated to provide further room for expansion. The North-East section of the land is not fenced. AEM provided a geotechnical report from an investigation carried out 10 years ago, which shows the soil to be a friable rock suitable for shallow foundations. The risk of earthquakes is low.

The Quebec Government has produced a map of flood-prone areas, but the plant is not located within the boundaries of these zones. The flood-prone area nearest to the site is along the *St-Anne River*, but it is 13 km away from the Plant. Noting that the site elevation is 49 m, the risk of flooding is low.

On the East side of the site, there is a mound of 400 tons of argillite cluster with high contents of aluminum and silica. Prior to the acquisition by AEM, this material was imported as a potential feedstock for alumina. This is no longer the purpose of the current plant.

Figure 1 shows the location of the site.

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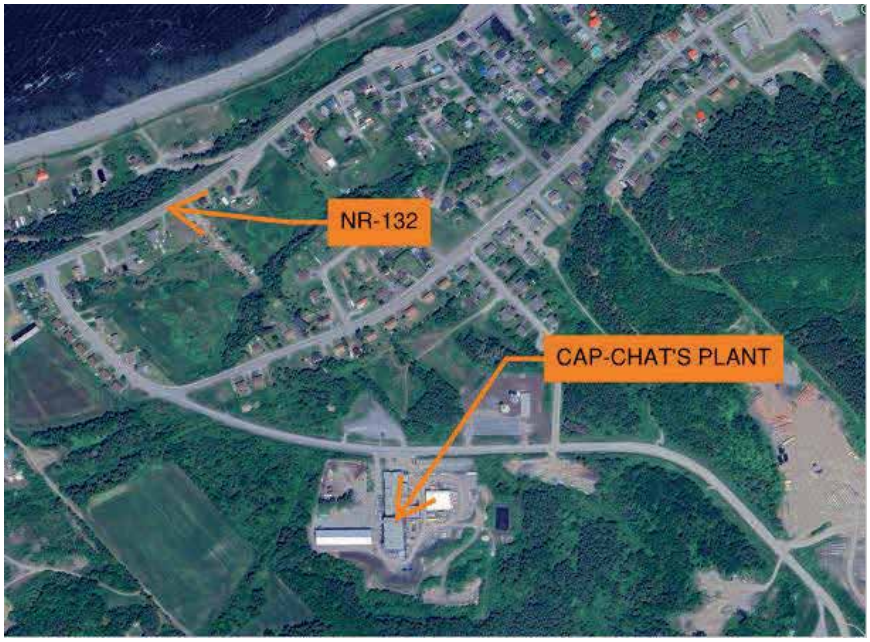


Figure 1. AEM's Cap-Chat Plant. (Source: Google Earth)

2.2.2 BUILDINGS

The site is currently occupied by four buildings as shown in **Figure 2**, **Figure 3** and **Figure 4**:

1. Administration and Process Building ("Hydroxide Building") over two floors: Total 2,832 m^2.
2. Main Process Building over three floors ("HPA Building"): Total 2,880 m^2.
3. Process Building over a single floor: Total 1,400 m^2 ("Calcination Kiln Building", newly constructed).
4. Storage Building over a single floor: Total 900 m^2 ("Dome").

The Hydroxide Building houses the Plant's administrative office, control room and laboratory, as well as a workshop, storage areas, employee recreational and changing areas, utilities and some product tailoring operations. The total area of 2,832 m^2 includes 816 m^2 for administration and employee welfare and 576 m^2 for plant services such as air, steam, electricity, with the remainder used for tailoring operations and utilities. Caustic (strong base) is stored in tanks on the East side of this building. On the other side, strong hydrochloric acid is stored in tanks.

The HPA Building is dedicated to the main process equipment for hydrometallurgy, pyrometallurgy and tailoring. The building's three floors provide advantages when it comes to transporting solids and/or liquids under gravity. Feedstock is stored in a silo on the East side of this building.

The Calcination Kiln Building is new and was built to house the new tunnel kiln. WSP's site visit in January 2025 confirmed that construction of this building has been completed, and a second visit conducted remotely by video on May 7th, 2025, confirmed the kiln has been commissioned and is being ramped into production.

Finally, the Dome is a shelter used to store spare parts, small equipment, and product inventory.

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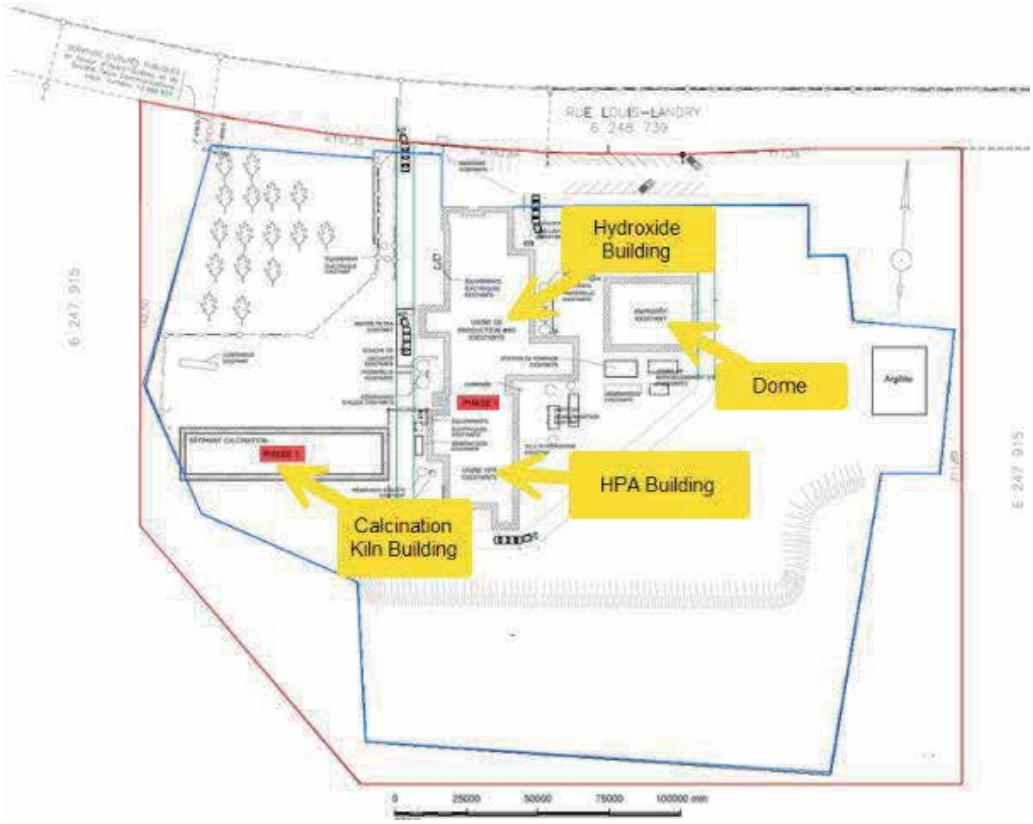


Figure 2. Layout Stage 1. (Source: AEM)

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Figure 3. Cap-Chat Plant Site Aerial View. (Source: AEM)

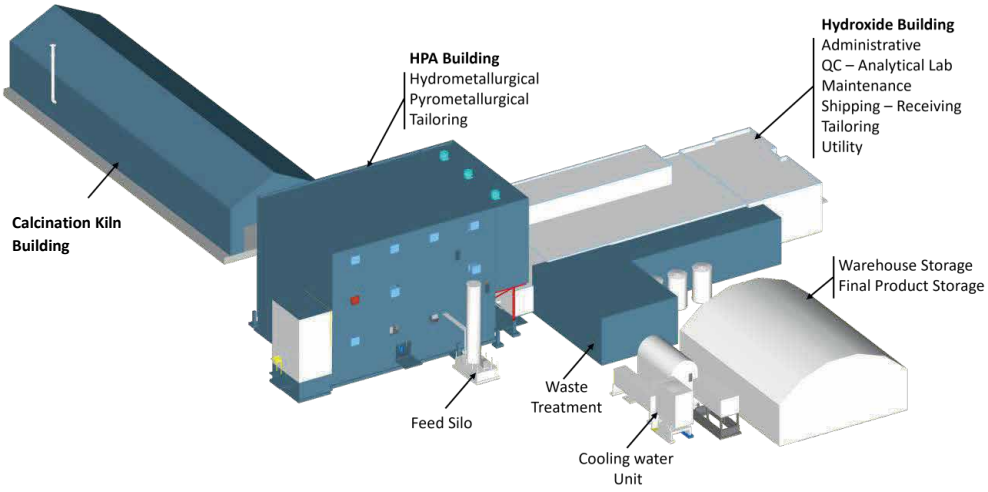


Figure 4. Building Schematic. (Source: AEM)

2.2.3 UTILITIES

The Plant's utilities comprise mainly electricity, steam, cooling water, compressed air and demineralized water. AEM has augmented several of these utilities as part of its Stage 1 Expansion Project as noted below.

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2.2.3.1 ELECTRICITY

Hydro-Québec, the provincially owned utility, supplies electricity to the plant from its grid, via a 12 MW capacity distribution line that connects to the grid at the *Poste Cap-Chat* substation, some 2.1 km East of the Plant. The network power rating is sufficient to provide all electricity needed by the Plant once the Stage 1 Expansion has been completed. Hydro-Québec's electricity is generated from renewable sources, mainly hydroelectric and wind, and there are several wind farms near the plant. Electricity is required to power all process and service equipment including steam generation as well as building services.

2.2.3.2 COMPRESSED AIR

Compressed air is supplied by 5 compressors (two of which were added as a part of the Stage 1 Expansion) with a total of 425 HP capacity. They support all process equipment and instrumentation, including alumina milling and drying. The network efficiency has been assessed by the equipment provider as part of an energy efficiency program funded by Hydro-Québec and was found to be adequate. WSP agrees with the conclusion that no modifications to the existing compressed air system are required.

2.2.3.3 COOLING WATER

Cooling water is generated by cooling towers towards a closed loop. The plant uses cooling water for condensation, temperature control and other cooling equipment. Only one of the two cooling towers is typically required to be in operation. Thus, AEM has the ability to double the cooling capacity during the warm season if required.

2.2.3.4 DEMINERALIZED WATER

Demineralized water is required for many units and circuits such as acid recovery, digestion, washing and tailoring. The network currently runs at 10-20 % of its effective capacity and therefore has room to maneuver to meet future additional demand. WSP has not done an exhaustive analysis of the demineralized network but agrees with the numbers provided by AEM.

2.2.3.5 STEAM

Like cooling water, steam is used for evaporation and temperature control. The steam is generated by electrical boilers. As a part of the Stage 1 Expansion, a propane fired boiler has been decommissioned and replaced by four new electricals boilers for a total capacity of 5,660 kW.

2.2.3.6 WASTE WASTER AND PERMITTING

The Province of Quebec requires plants to meet standards to be able to reject waste to the environment. Permits currently in effect allow AEM to operate the plant to its original nameplate production capacity of 3.15 t/day and the processes for amending the permits for the full Stage 1 Expansion capacity are underway with the authorities. Amendment of the permits is expected to be a straightforward process because, based on its detailed modelling of discharges with the Plant at full Stage 1 capacity, AEM expects to be able to demonstrate to the authorities that the expanded Plant will continue to comply with all applicable regulations.

All Plant runoffs and rejects are collected and treated through a neutralization and solid/liquid separation process prior to discharge to the municipal sewer in compliance with environmental regulation and site permits. WSP agrees that AEM has the equipment to meet Mining Industry guidelines in the Province of Quebec.

2.2.3.7 GAS EMISSIONS

Four (4) scrubber-based systems collect gases from the decomposition and calcination units as well as gases and vapor generated by vessels and storage tanks. Two of these systems are used to recover the hydrochloric acid gases generated by the process and condense the acid before recycling it to the process for re-use. The other two systems collect all diluted rejects, condense and neutralize the acidic vapors before release of the cleaned gases to the atmosphere.

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2.2.4 TRANSPORT INFRASTRUCTURE

The plant is about 8 hours' drive from the metropolis of Montreal and 5 hours from Quebec City. Despite the distance however, the site is well connected, having easy access to *National Road 132*, which in turn connects it, after about 130 km, to *Autoroute 20* near *Trois Pistoles* as shown in **Figure 5**.

Rail freight and domestic shipping port access are available at Matane, 74 km by road from the Plant, and the nearest international container terminals are in Montreal (690 km) and in Halifax (790 km).

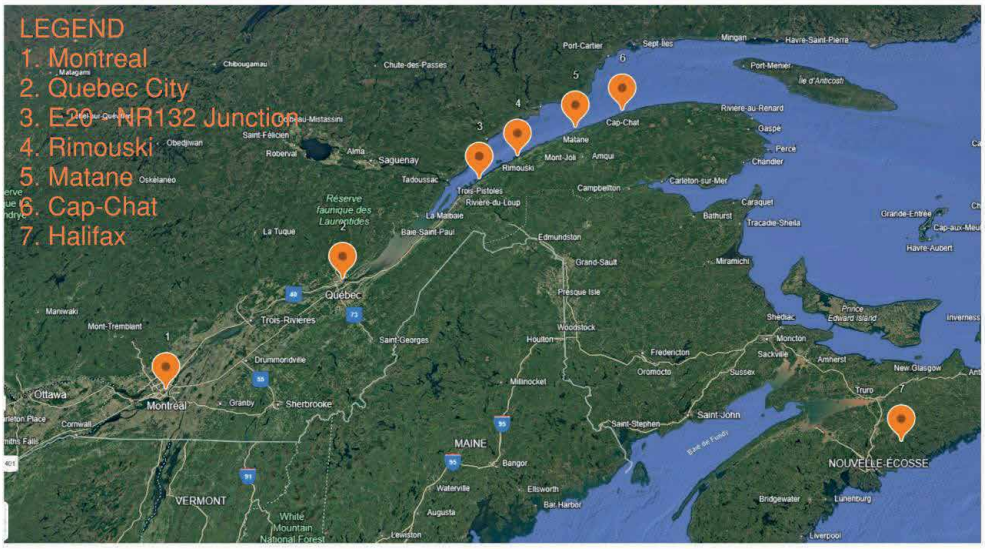


Figure 5. Major Cities with Roads Near Cap-Chat. (Google Earth)

2.2.5 LABOUR AVAILABILITY

From its origins in the fishing industry, over time, the region around the Plant has developed different sectors of activities, predominantly agriculture and forestry, alongside fishing.

Today, tourism has grown to become a major, albeit highly seasonal, contributor to the local economy – the landscape is strikingly beautiful, the natural environment well-endowed and sporting opportunities abound. The region has also become a major center for wind power generation, hosting several large wind farms. Meanwhile, fishing and forestry are in decline. Outside Matane, 75 km West from Cap-Chat, where there is a pulp and paper mill, a shipyard and a precast concrete yard, there is very little manufacturing or heavy industrial activity.

According to Statistics Canada, in 2024 there were 18,445 people between the ages of 15 and 64 resident in the municipalities of La Haute-Gaspésie and La Matanie, which approximate to the Plant's local labor catchment area. The regional (Gaspésie-Îles-de-la-Madeleine) unemployment rate is currently running at 9.3%, which is the highest in Quebec Province.

The region is therefore characterized as one where there is a collection of well-established communities, offering good education to secondary school level and healthcare to residents, within an attractive natural environment, but few employment opportunities outside seasonal tourism.

AEM has told WSP that it has little difficulty recruiting lower skilled operatives for the Plant, but that recruiting locally skilled, technically qualified or middle management personnel is more challenging. Many such personnel who originally came from the region have moved away either to permanent jobs in the metropolitan areas of Quebec or temporarily on a fly-in / fly-out basis to the mining operations in Northern Quebec. AEM believes that as its

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operations grow and it transitions into a more mature business, its ability to attract locally resident skilled and qualified staff will be enhanced. It is already one of the biggest employers in Cap-Chat and enjoys an ever-closer relationship with the local community. There is also potential to attract more female employees into the workforce, which is currently male dominated on the factory floor. Further investigations by WSP would be beneficial to validate these expectations.

The nearest university is the University of Quebec at Rimouski ("UQAR"), some 160 km from Cap-Chat, with the larger universities in Quebec City and Montreal 480 km and 710 km away respectively. AEM is exploring internship arrangements with UQAR with a view to securing a better local pool of graduate engineers.

2.3 PLANT HISTORY AND DEVELOPMENT

Development of the site as an HPA manufacturing plant began in 2012 under the ownership of *Orbite Technologies Inc*. ("Orbite"). AEM acquired the plant in 2020 and has since continued to develop it.

2.3.1 BEFORE 2020 UNDER ORBITE OWNERSHIP

Orbite's origins date back to 1983 when it was incorporated as a mining business. In 2004, in conjunction with *Université Laval*, it started to explore the potential for using acid dissolution and pyrohydrolysis to produce smelter grade alumina (SGA), HPA and rare earths from Orbite's argillite resource in Quebec's *Grand-Vallée*. It filed its first patent application in 2007, built a pilot plant to test its process in 2010 and in 2011 and 2012 completed a Preliminary Economic Assessment for a Metallurgical Grade Alumina Project, which was planned to produce primarily SGA, but also quantities of HPA and rare earths.

Following completion of this study, Orbite decided to change direction, and from then on, focused its efforts solely on the manufacture of HPA. In 2012 it started to construct the Cap-Chat Plant, which had a nominal design capacity of 1,000 tpa of 4N+ HPA and was based on a process flow route that involved a hydrometallurgy circuit followed by a pyrometallurgy circuit.

Orbite subsequently completed constructing the Plant but then encountered issues with commissioning a fluidized bed furnace at the heart of the Plant's pyrometallurgy circuit, which eventually led to the company entering creditor protection administered by a Monitor under Canada's Companies' Creditors Arrangement Act in 2017.

Having litigated against and reached a financial settlement with the engineering firm that designed the problematic fluidized bed, *Orbite* undertook modifications to the furnace prior to attempting to commission it. However, in April 2019, when it tried to start up the furnace, it was again unsuccessful, which led the Monitor to conclude that it was time to offer the company and or its assets for sale in an open tender process.

AEM decided to bid for the company's assets, comprising primarily the Cap-Chat Plant, the laboratory equipment housed in Orbite's (leased) Montreal laboratory, and all its intellectual property, including an extensive portfolio of patents. AEM's bid was ultimately successful and on April 1st, 2020, it completed the acquisition of the assets in joint venture with a partner it introduced to finance the acquisition.

Therefore, at the time AEM acquired it, the plant comprised hydrometallurgy and pyrometallurgy circuits designed to produce at least 1,000 tpa of 4N+ HPA, but with an equipment issue in the pyrometallurgy circuit that prevented the plant from operating.

2.3.2 AFTER 2020 UNDER AEM OWNERSHIP

Since acquiring the Cap-Chat Plant in 2020, AEM has proceeded to develop the Plant in two principal stages as described below in Sections 2.3.2.1 to 2.3.2.3.

2.3.2.1 2020-2022 CAPITAL WORKS PROGRAMS

The problematic fluidized bed furnace that AEM acquired from Orbite had two chambers designed to operate at different temperatures and undertake decomposition (lower temperature) and then calcination (higher temperature) of the material passing through them (see Section 3.1 Main Process Flow). In mid-2020 (after a pause for the disruption and uncertainty arising from the *Covid* epidemic), AEM changed certain materials of construction of the

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furnace and repurposed it so that it would undertake solely the lower temperature decomposition operation. Having made these changes, AEM was able to commission the furnace successfully by early 2021. To manufacture finished HPA products for market testing and customer outreach purposes, later in 2021, AEM acquired a small car-bottom kiln to produce calcined samples of 4N+ HPA for testing with potential customers and engineering design purposes. In view of the very large capacity of the fluidized bed furnace relative to the capacity of this car-bottom kiln, AEM also adapted a rotary furnace, acquired from Orbite, to provide it with a way to decompose the material at a smaller scale that matched the capacity of the car-bottom kiln. AEM started to produce finished HPA products in this fashion in late 2021 and has continued to do so successfully ever since.

Table 2-1 below shows the quantities of HPA produced by the plant between 2020 and 2024.

Table 2-1 HPA produced by AEM plant from 2020 to 2024

YEAR	GAMMA ALUMINA (TPA)	ALPHA ALUMINA (TPA)
2020	15.64	0
2021	6.96	2.13
2022	23.57	15.53
2023	0.44	11.54
2024	21.29	19.18
Total	67.91	48.39

2.3.2.2 2023-2025 CAPITAL WORKS PROGRAMS

By mid-2023, AEM's market outreach had progressed sufficiently well to give the company confidence to proceed with a significant capital investment program (the "Stage 1 Expansion"), considering two-years operating experience and designed to upgrade the productive capacity of the plant ultimately to 2,000 tpa of 4N+ HPA and 1,000 tpa of 3N5 HPA. In summary, the key components of this program comprised the:

- Purchase, fabrication and installation of a 50 m long tunnel kiln with a nominal capacity of 5.5 tpd, together with a robotic system to handle the flow of product into and away from the kiln.
- Purchase, fabrication and erection of a new steel-framed building to house the tunnel kiln.
- Purchase and installation of four electric fired boilers to replace an existing propane fired boiler.
- Purchase and installation of a larger and upgraded bottom-car kiln to replace the one acquired in 2021.
- Relocation and repurposing of an existing but redundant pressure vessel for use as a new, larger capacity crystallizer.
- Upgrade of ion exchange resin columns.
- Upgrade of the fluid bed furnace for dual chamber operation.
- Purchase and installation of several items of equipment for final processing product – more milling, drying and puck production capacity.
- Purchase and installation of a new process line for manufacturing 3N5 HPA using a simpler process route than for 4N+ production.
- Upgrade of the Plant's electrical supply.

These works commenced in the second half of 2023 with the ordering of the tunnel kiln, a particularly long-lead item, and accelerated through late 2023, 2024 and into 2025.

2.3.2.3 CURRENT STATUS

When AEM first engaged WSP as Independent Engineer in March 2024, it provided an overall schedule for the Stage 1 Expansion works as shown in **Figure 6**. As of the date of this report, AEM has broadly and satisfactorily achieved the milestones set on the schedule, having completed the following installations:

- The tunnel kiln (including the building that houses it).
- The electric boilers.
- The new bottom-car kiln.

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- The new crystallizer.
- The re-commissioning of the second digester.
- The key upgrades to the fluidized bed for its single chamber operation.
- The spray dryer.
- The air-jet mill.
- The upgraded electrical and compressed air supply.

Completion of the tunnel kiln, which recently entered beneficial use in May 2025, was a key step towards overall completion of the Stage 1 Expansion works. With it in place, the previous imbalance between the capacities of the hydrometallurgy and pyrometallurgy circuits was removed and the Plant reached commercial scale.

The main item of work remaining to be completed is the dedicated 3N5 process line. It is due to be installed and commissioned by mid-2026. In the interim, the +4N process line can be used to produce 3N5 product as necessary.

AEM is now well placed to progressively ramp-up production to meet forecasted sales and proceed to implement the second phase of the tailoring investment and the shuttle kiln for the 3N5 circuit as needed to match market demand.

In conclusion, AEM is on schedule and WSP expects it to be able to produce 3,000 tpa of HPA by mid-2026 provided the normal risks associated with commissioning are kept under control.

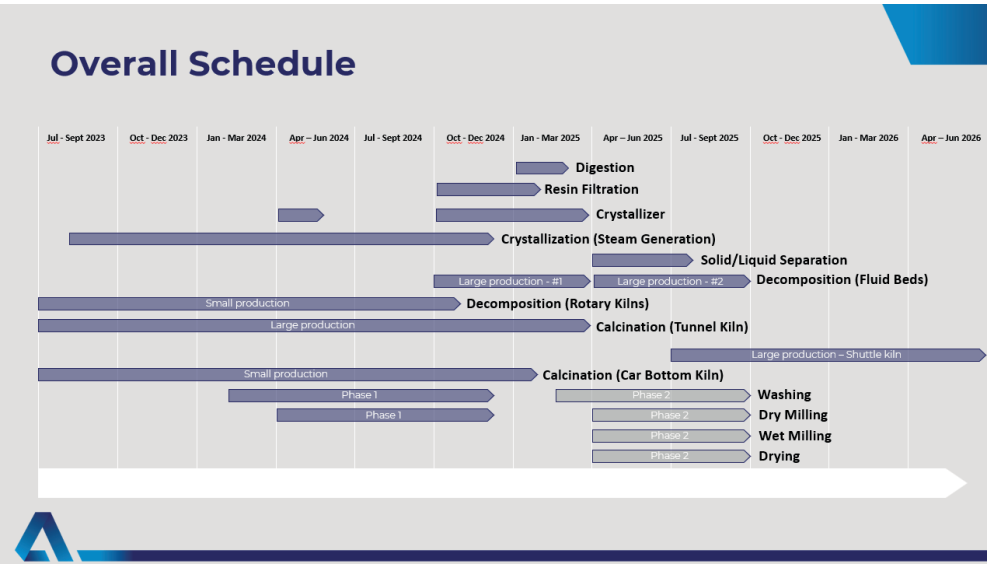


Figure 6. Overall Schedule. (Source: AEM)

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Figure 7. Electric Boilers. (Source: AEM)

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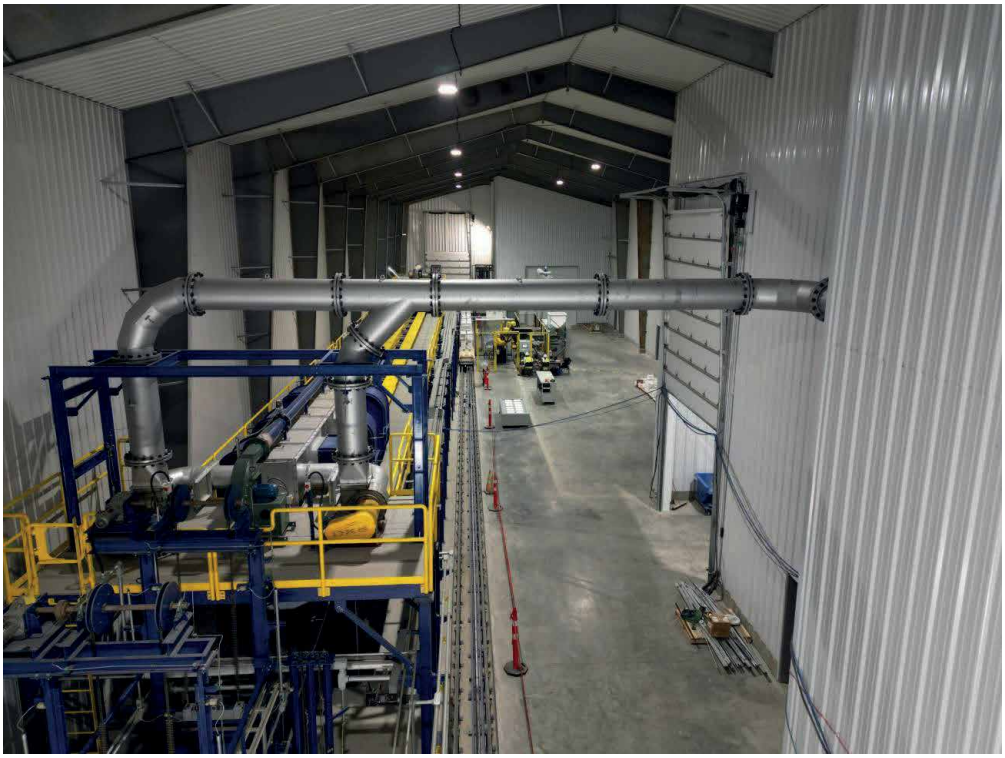


Figure 8. New Building - Tunnel Kiln. (Source: AEM)

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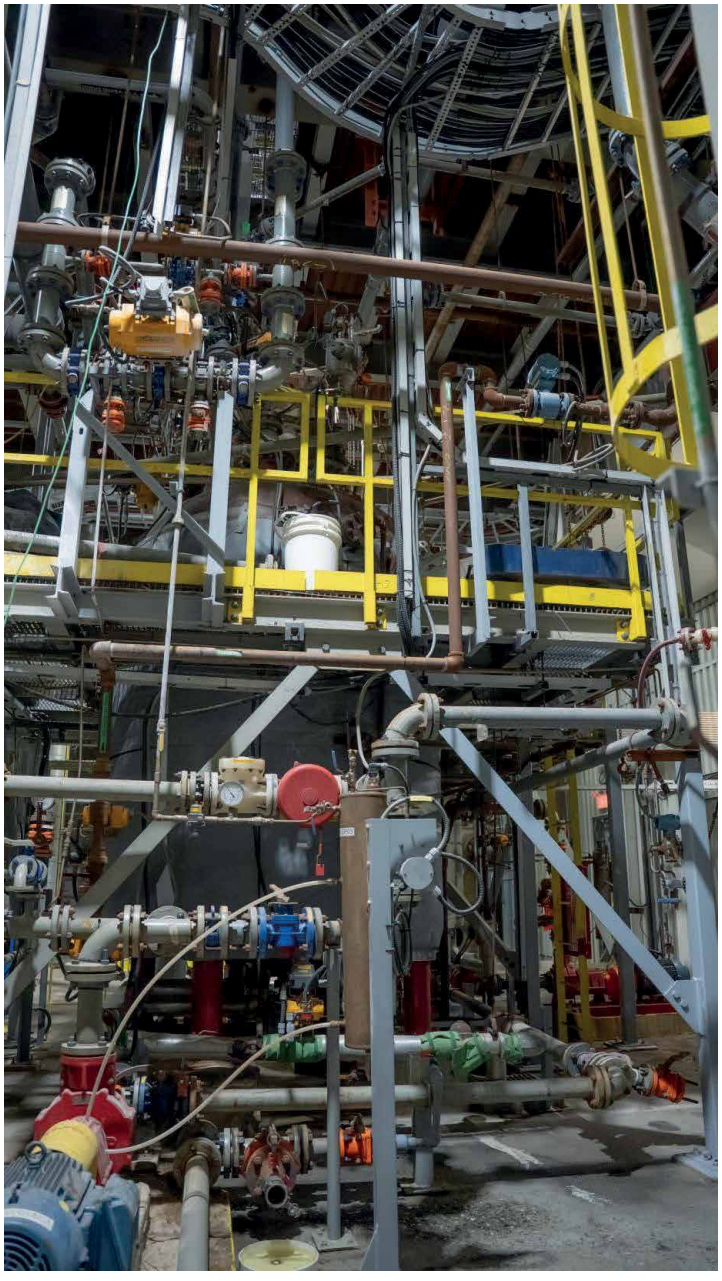


Figure 9. Digester #2 in operation. (Source: AEM)

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3 PROCESS OVERVIEW

3.1 MAIN PROCESS FLOW

The process flow of the Cap-Chat Plant is designed to produce HPA at different degrees of purity as defined in **Table 3-1**.

Table 3-1 HPA Purity Definition.

PRODUCT	ALUMINA PURITY (%)
3N5	99.95
4N	99.99
4N+	Greater than 99.99
5N	99.999

As shown in **Figure 10**, the process flow comprises three main sections: a hydrometallurgy circuit, a pyrometallurgy circuit and a tailoring circuit.

4N+ alumina is obtained using all three circuits, whereas 3N5 alumina does not require the hydrometallurgical circuit., and is obtained purely using pyrometallurgical means. To produce 3N5 alumina, the aluminum hydroxide needs to be dehydrated before its calcination into alpha alumina. Both 4N+ and 3N5 alumina then undergo tailoring processes based on the required end-product. The diagram depicts the main operation with differences between 3N5 and 4N+ alumina.

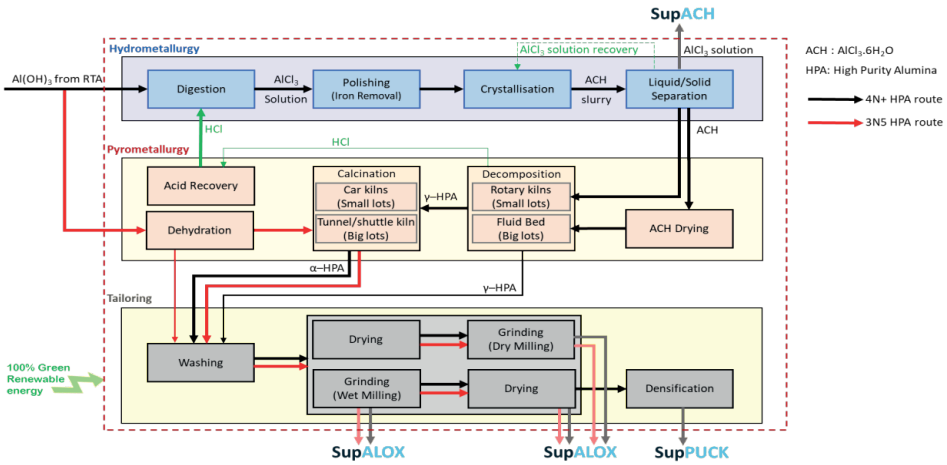


Figure 10. AEM Block Flow Diagram. (Source: AEM)

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The hydrometallurgy circuit processes aluminum hydroxide $Al(OH)_3$ feedstock material to obtain crystals of aluminum chloride hexahydrate (ACH) in the following order:

1. Digestion (4N+ Route).
2. Iron Removal (4N+ Route).
3. Crystallization (4N+ Route).
4. Liquid/Solid Separation (4N+ Route).

The pyrometallurgy circuit then processes the ACH crystals to convert them into HPA in the following order:

1. Drying (if required) (4N+ Routes).
2. Decomposition (4N+ Route) to produce HPA in its gamma crystalline form.
3. Calcination (4N+ Route) to produce HPA in its alpha crystalline form.

If 3N5 is preferred, the pyrometallurgy circuit transforms directly the $Al(OH)3$ feedstock material into alpha alumina in the following order:

1. Dehydration.
2. Calcination (4N) to produce HPA in its alpha crystalline form.

Finally, the tailoring circuit is used to obtain final products ready to be sold to AEM's customers in various forms: powder, slurry and compressed tablets ("pucks").

The main unit operations within these process flows are described in Section 4.

3.2 FEEDSTOCK

The plant's primary feedstock is high-grade aluminum hydroxide, which AEM purchases from Rio Tinto's Vaudreuil Plant in Arvida, Québec. Lower grade feedstock, such as smelter grade aluminum hydroxide could also be processed by the Cap-Chat Plant provided additional purifications steps are added, for which AEM has as a fallback option if the preferred hydroxide from Rio Tinto or an equivalent hydroxide from an alternative supplier is no longer available or not available on terms acceptable to AEM.

In view of the relatively low level of AEM's demand for feedstock to date, AEM has been purchasing it from Rio Tinto at a spot price when needed. However, AEM has recently begun to discuss with Rio Tinto its higher and more regular demand for feedstock as it ramps up production at the Plant. We understand from AEM that during these discussions, Rio Tinto has confirmed it would be prepared to contract to supply AEM with feedstock on a long-term basis as soon as AEM's demand reaches a level that would justify the two sides making that degree of commitment. Furthermore, it currently has sufficient spare production capacity to be able to supply all the feedstock AEM would need for the Plant to produce 3,000 tpa of HPA.

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4 UNIT OPERATIONS

4.1 OVERVIEW

All unit operations are housed in the HPA Building except for the tunnel kiln (Calcination Building) and some tailoring operations (Hydroxide Building). The juxtaposition of the units in the HPA Building is shown below in **Figure 11** and the various unit operations in all three buildings are described in Sections 4.2 to 4.8.

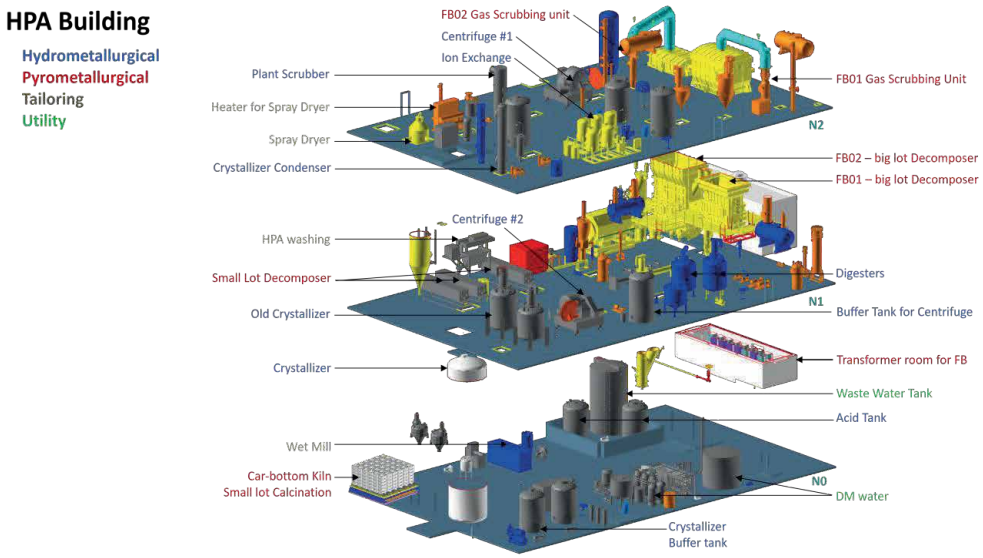


Figure 11. Exploded schematic of the unit operations in the HPA Building. (Source: AEM)

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4.2 DIGESTION (4N+)

Digestion transforms the aluminum hydroxide (or alternative) feedstock into aluminum chloride solution. The operation is conducted in a coated agitated vessel and takes around four (4) hours per batch. **Figure 12** shows one of the plant's two identical digesters in operation.

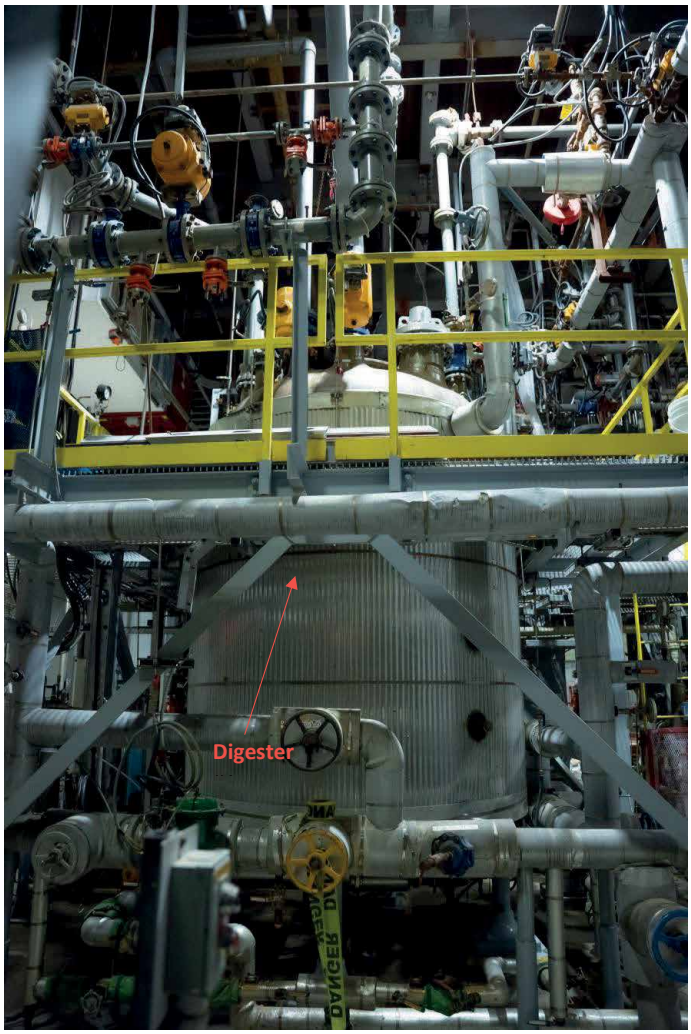


Figure 12. Digester #1 in operation. (Source: AEM)

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4.3 PURIFICATION/POLISHING (4N+)

This operation includes equipment to filter undigested feedstock and removes certain impurities from the aluminum chloride solution. **Figure 13** shows this operation.



Figure 13. Resins Purification Circuit. (Source: AEM)

4.4 CRYSTALLISATION (4N+)

After resin purification, the aluminum chloride solution is crystallized into crystals of aluminum chloride hexahydrate (ACH). This stage is completed in a jacketed vessel agitated under vacuum using steam for evaporation. **Figure 14** shows this vessel. It was installed as a part of the Stage 1 Expansion.



Figure 14. Crystallizer. (Source: AEM)

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4.5 SOLID/LIQUID SEPARATION (4N+)

This step separates the ACH crystals from the saturated mother liquor in a centrifuge to obtain crystals with 2% moisture. **Figure 15** shows one of two identical centrifuges installed in the plant for this purpose.



Figure 15. Centrifuge. (Source: AEM)

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4.6 DECOMPOSITION (4N+)

This step transforms the ACH crystals into high purity gamma alumina (γ-HPA) at an elevated temperature. AEM has implemented two alternative equipment routes for decomposition, one using rotary kilns for small lots, the other using the fluidized bed furnace for large lots. In the case of the fluidized bed furnace, before the ACH crystals are fed into the furnace, they are dried on a heated conveyor system that conditions them for feeding. **Figure 16** and **Figure 17** show one of the fluidized bed furnace's two chambers.

The chlorine gas driven off during decomposition is collected and recycled for re-use in the digestion process.

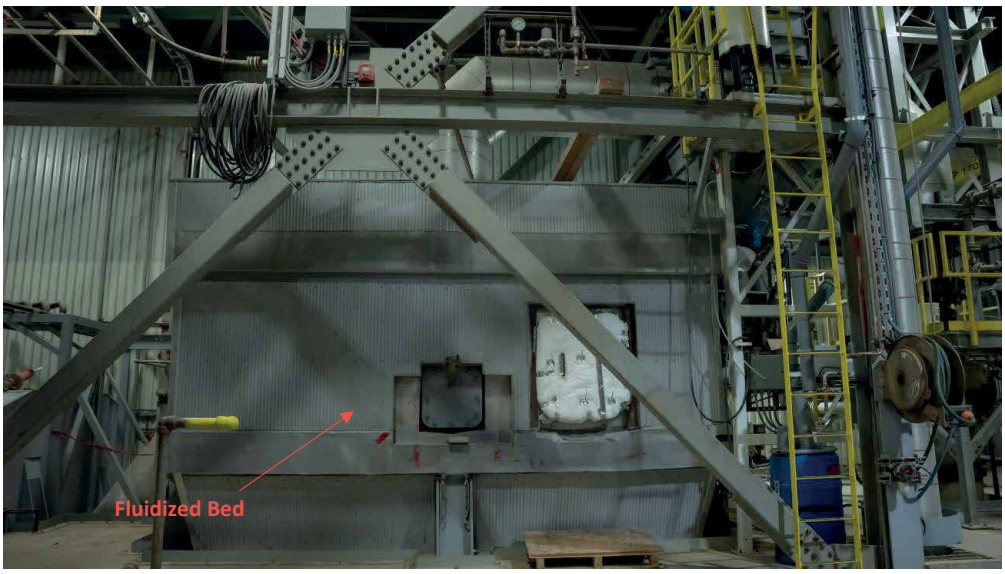


Figure 16. Decomposer #1 (FB01). (Source: AEM)

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Figure 17. FB01 Feed (ACH) & Acid Recovery Circuit. (Source AEM)

4.7 CALCINATION (4N+ & 3N5)

Calcination is conducted in a high temperature kiln that converts the high purity gamma alumina (γ-HPA) into high-purity alpha alumina (α-HPA). AEM has implemented two alternative equipment routes for calcination, one using a car-bottom kiln for small lots, the other using a tunnel kiln for large lots, both installed as part of the Stage 1 Expansion. **Figure 18** shows the new tunnel kiln and **Figure 19** as well as **Figure 20** show the new car-bottom kiln.

These calciners can produce either 4N+ or 3N5 HPA. However, as the bulk density of the precursor produced by AEM 3N5 process route is higher than the γ-HPA precursor in the 4N+ route, whilst they have an expected effective production capacity to produce 2,000 tpa of 4N+ HPA, they have a higher capacity to produce 3N5 material.

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AEM plans to install an additional single, shuttle kiln or possibly two similar but smaller kilns, together with a rotary kiln for feedstock dehydration purposes, to provide the 1,000 tpa calcination capacity needed for the dedicated 3N5 process line that AEM expects to have commissioned by mid-2026. There is space in the Calcination Kiln Building to accommodate this equipment. WSP agrees on the estimated timeline. The shuttle kiln will ease the process flexibility to produce 3N5. The addition of this kiln will increase total effective production capacity.



Figure 18. Tunnel Kiln in testing. (Source: AEM)



Figure 19. Outside of New Car-Bottom Kiln (F04). (Source: AEM)

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Figure 20. Inside of New Car-Bottoms Kiln (F04). (Source AEM)

4.8 TAILORING (4N+ & 3N5)

AEM produces different forms of alumina including, but not limited to, densified pucks for the sapphire industry, submicron HPA for the ceramic and semiconductor industries and slurries for polishing applications.

The unit operations currently installed at the plant for tailoring purposes include:

- A wet media mill and an air jet mill for sizing powdered product.
- A spray dryer for drying the output from the wet mill to powder.
- An automated hydraulic press and four sintering furnaces for producing pucks from powder.

AEM plans to install further tailoring equipment as necessary to match market demand.

Figure 21, **Figure 22, Figure 23**, **Figure 24**, **Figure 25**, and **Figure 26** show some of the tailoring equipment.



Figure 21. Air Jet Mill. (Source: AEM)

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Figure 22. Bottom of Spray Dryer. (Source: AEM)

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Figure 23. Spray Dryer. (Source: AEM)



Figure 24. Semi-Automatic Hydraulic Press for Pucks Manufacturing. (Source: AEM)

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Figure 25. Clean Room for Tailoring Step. (Source: AEM)



Figure 26. *Deltech* Furnaces for Pucks Manufacturing. (Source: AEM)

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5 PLANT ASSESSMENT

WSP's review of the documents provided by AEM has enabled WSP to:

- Assess the designed production capacity of each unit operation in the Plant's process flow, thereby providing a reference point from which to take a view on the expected effective production capacity of the Plant as a whole.
- Analyze the Plant's HPA production records between 2020 and 2024 to assess the quantities and purity levels of the HPA produced and the underlying robustness of the production process.

Review the commissioning records for the fluidized bed furnace to confirm that the issues that prevented it from running under the previous ownership have been overcome.

By visiting the plant in January 2025 with follow-up virtual visits, WSP has also been able to assess:

- AEM's progress in implementing the Stage 1 Expansion plan.
- Whether the expected effective production capacity can be delivered.
- Whether the Plant meets the characteristics of an industrial facility.
- Assess the equipment status to be fully installed on-site.

WSP conclusions are listed below:

- Construction of the new building had been finished, wall insulation and electrical work within it was underway.
- The tunnel kiln had been delivered to site and its installation in the new building was about to commence.
- The electrical boilers had all been installed. The pipe connection had to be completed to connect them to the steam network.
- New crystallizer had to be moved to its new location and then to be commissioned.
- All rotary kilns are in operation.
- The team is working well to meet the targeting production capacity.
- The team put health and safety first.
- The ion exchange resin columns are ready for operation.
- The work is going well, and every effort is being made to meet deadlines.

5.1 PLANT CAPABILITIES AND CONDITION

5.1.1 ASSUMPTIONS

WSP has analyzed AEM's provided documentation to confirm the expected effective production capacity of the Plant. For the purpose of this analysis, WSP has made the following assumptions, based on its review of the documentation provided and its observations during its site visits, WSP states these assumptions to be reasonable:

- Operating base is 8,000 hours per year (91.3 %).
- Feedstock availability is not a restriction to analyze the mass balance throughput.
- Storage silos are well designed.
- Downtime between main unit operations is negligible.
- Consumables and utilities are always available with sufficient capacity.
- Equipment is operating efficiently.

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5.1.2 DOCUMENTS REVIEWED

The following documents have been reviewed by WSP for the purpose of assessing the Plant's current and planned future capabilities:

- Cap-Chat Plant Expansion (Phase 2): Prefeasibility Study Report (Rev. 04).
- Mass Balance Calculation Sheet: HPA-CC-1052-P-HMB_r_1.
- Presentation from AEM: AEM Production Capacity, 2024-11-20.
- Annexure 1 - Business Overview - Advanced Energy Minerals Limited (88035711v1).
- CO2_Emissions_2025_Optchain by Optel Group_En.
- POPT0001 AEM Final Report v1.0.
- RioTinto_Vaudreuil_Factsheet_HSB_2023v1.2 (004).
- Certificates of Analysis (CoAs) of finished product.
- AEM _Succinct_report_Draft_V2-070525.

5.1.3 FINDINGS

During WSP's visit to the Plant, it was noted that the equipment was fully installed, connected and ready for operation. A team of qualified professionals was on site, ensuring operational implementation. In addition, a functional test laboratory was in active use, demonstrating the seriousness and technical capability of the installation.

The Plant produced 67.9 t of γ-HPA between 2020 and 2024 of which 48.4 t was subsequently calcined into α-HPA. The Plant's process flow route is therefore well proven as robust to produce HPA. In addition, AEM's engineering team has demonstrated to WSP a deep understanding of the technology involved, including AEM's patented technology, and how best to optimize its use. The fundamentals of the process have been well proven, and the engineering challenges have been well addressed during the past years of production.

AEM has recently installed and commissioned a new tunnel kiln and car-bottom kiln, which have significantly increased the Plant's calcination capacity, which in WSP's view has had the effect of taking the Plant's current overall design capacity to 2,000 tpa, with the proviso that any additional tailoring equipment necessary to match market demand for specific finished products must be installed and commissioned when needed.

WSP has reviewed AEM's plans for its dedicated 3N5 circuit and considers that, once the circuit is installed and commissioned, subject to the same proviso above, it will increase the Plant's overall design capacity to its Stage 1 target of 3,000 tpa.

AEM's ability to operate the Plant at its design capacity will be subject to it satisfactorily managing certain ramp-up risks (see below) and operating it in accordance with established good practices. Based on AEM's forecast sales in 2025 and 2026, there will be 18-24 months in which to ramp up the Plant to full production. This period will provide AEM time to manage these risks and optimize its operating practices.

WSP notes that the process flow route and unit operations at the plant afford AEM considerable operational flexibility both in terms of the feedstocks that the Plant can process and the variety of finished products that it can produce. This is facilitated by the "batch mode" operation adopted for many of the unit operations, particularly in the hydrometallurgy and tailoring circuits.

AEM must control a broad range of physical and chemical characteristics in each product sold from the Plant. These characteristics are measured prior to the dispatch of every order to a customer, and reported in a certificate of analysis that lists, as a minimum:

- Appearance.
- Elemental composition (i.e., purity).
- Moisture.
- Loss on ignition.
- pH.

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- Density.
- Specific surface area.
- Particle size distribution.

WSP has reviewed the records of production and certificates of analysis issued by AEM in recent years. They show that the Plant has been manufacturing products within specification on a consistent basis. Most orders delivered have been 4N+ material, often at or approaching 5N (see Figure 22). It should be noted that the number of CoAs issued does not equate to the number of samples or products sent to customers because samples with same certificate of analysis can be sent to multiple customers.

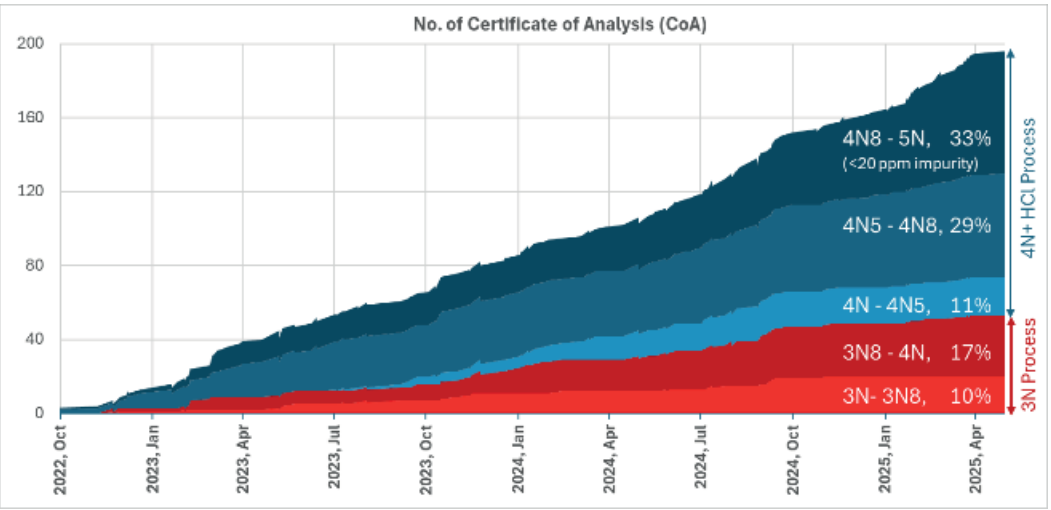


Figure 27: Purities recorded on Certificate of Analysis (CoA) since Q4 2022. (Source: AEM)

In summary, WSP has concluded that the Plant, including its Stage 1 Expansion, exhibits the following strengths:

- It utilizes process technology, some of its patented, developed and deeply understood by AEM engineering team.
- It has been operational and successfully producing HPA periodically for 4 years. Its manufacturing process is proven and robust.
- Subject to the ramp-up risks (see below), in its current condition, it is expected to achieve an effective production capacity of 2,000 tpa of 4N+ HPA. Once, its 3N5 circuit has been installed and commissioned it is similarly expected to achieve the ultimate Stage 1 target capacity of 3,000 tpa.
- It has a high degree of inherent flexibility to manufacture a broad range of customizable HPA products.
- Additional equipment can be integrated into the production line to meet future customer needs.
- It has a very low carbon footprint.
- There is a reliable, local source of feedstock available from a blue-chip supplier (Rio Tinto) that has confirmed its willingness to supply the Plant on a long-term basis and partner with AEM as it expands its production capacity at Cap-Chat.

As with any plant in ramp-up, risks remain to the Plant achieving its expected effective production capacity, but in WSP's view, AEM has appropriate strategies in place to manage these risks as described below.

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5.1.4 RISKS

All chemical and mineral processing plants face risks as they are ramped up to full production. In the case of the Plant, WSP has identified the following risks that AEM should maintain close oversight of:

- The heavy reliance on batch processes may lead to operational challenges.
- While the technical issues that prevented the fluidized bed furnace from operating under its previous ownership have been overcome by AEM, it and the systems that support it are more complex to operate than the more straightforward unit operations deployed in the rest of the Plant. This risk to it achieving its effective production capacity in a timely fashion is therefore higher.
- The Plant's production capacity is currently limited by the installed calcination capacity. AEM expects to increase this capacity with the planned, dedicated 3N5 process line, but that will not be installed and commissioned until mid-2026.
- The annual operational base of 8,000 hours may be optimistic.

AEM has acknowledged these risks and has plans in place to manage them as described below.

Batch process risk: In general, batch processes are more difficult to use, as they require more manual intervention between batches. They are also less suited to high production volumes and speed. Batch production, on the other hand, offers tighter quality control and greater flexibility throughout the process.

AEM's engineering team has many years of combined expertise in the production of HPA and similar manufacturing processes. It was aware of process bottlenecks that previously existed at the Plant and has addressed them as part of the Stage 1 Expansion to minimize any residual risk. If further de-bottlenecking is required, AEM has numerous tanks and other related equipment already on site to be able to respond rapidly. Batch operations occur mainly in the hydrometallurgy section and tailoring.

WSP evaluates the risk as low and easily manageable.

Fluidized bed furnace risk: Whilst a more complex system to operate than the other unit operations at the Plant, fluidized bed furnaces are already in general use in the metallurgical industry and have a proven track record of throughput, quality and efficiency. AEM successfully commissioned the Plant's fluidized bed furnace in 2020/21 but did not run-it up to full capacity. However, the knowledge it shows of the behavior of its powder and its impact on the furnace's expected performance, including the lessons learnt from the 2020 and 2021 commissioning, have demonstrated to WSP that it has a clear understanding of the ramp-up risks and has strategies in place to mitigate and manage them. Indeed, as a part of the Stage 1 Expansion, it has undertaken several minor modifications to the furnace's ancillary systems (e.g., feeder, acid recovery and steam superheating systems) for this purpose.

WSP evaluates the risk as moderate but easily manageable. It might take longer to ramp the furnace to full capacity than the other unit operations at the Plant but the expected gentle ramp up in demand through 2025 and 2026 allows ample time to optimize the furnace's performance.

Calcination capacity risk: AEM has purchased a new tunnel kiln and replaced a previous car-bottom kiln with a new, larger one. Furthermore, AEM plans to install one or two new shuttle kilns as a part of the dedicated 3N5 process line. All three types of kilns operate according to the same fundamental pyrometallurgy principles, differing only in the way the saggars containing the material to be calcined are transported into and out of the kiln. They are industrially conventional, and their types have been operated successfully for many years globally. AEM operated the previous car-bottom kiln for three years successfully and therefore the calcination approach adopted by AEM is well proven.

WSP evaluates the risk as low and easily manageable.

Annual operational base risk: WSP suggests reviewing the impact of this assumption on the capital program long-term cost. Although it will have no impact on the effective production capacity, it will require AEM to identify critical spares and apply best preventive/predictive maintenance practice for Stage 1 to achieve the targeted availability without increasing warehousing expenses unduly. The table below presents previous WSP's experience with annual operational base for different types of manufacturing industries.

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Table 5-1. Operation Ratio Per Year

INDUSTRY	RATIO	NOTES
Mining	92 %	If some equipment is not redundant or for batch processes, this ratio should be lowered.
Chemical	85 %	Batch processes
AEM	91 %	

5.1.5 OPPORTUNITIES

AEM has indicated to WSP that it believes that several opportunities exist to increase incrementally the capacity of the Plant, which it intends to pursue in future, subject to further design development and economic assessment. AEM believes they have the potential to increase output from the Plant's 4N+ circuit by at least 10% for modest capital investment. WSP has reviewed these opportunities and agrees with AEM that they have merit. They are as follows:

- Power upgrade of second chamber of fluidized bed furnace:
  - The electrical heating elements for this chamber and the connections to them currently have a lower power rating than the heating elements in the first chamber because calcination (for which the second chamber was equipped) requires less energy input than decomposition. Therefore, in its current configuration, the second chamber's capacity to undertake decomposition is less than the first chamber's (2.2 tpd vs. 3.4 tpd). It would be a relatively straightforward matter to replace the heating elements in the second chamber with a similar type to the first chamber and upgrade the power supply to those elements so that the second chamber could be operated at capacity significantly closer to that of the first chamber, say to deliver an additional 1 tpd (330 tpa) of capacity.
- Optimization of saggars used for calcination:
  - γ-HPA is processed by calcination into α-HPA contained within ceramic containers known as saggars. AEM currently uses saggars made from HPA for this purpose to minimize the risk of contamination migrating from the saggars to the HPA they contain. Saggars made with alumina of such high purity are particularly prone to break under thermal shock. Therefore, it is necessary to heat them up and cool them down gradually than would be the case for more thermal-shock resistant saggars, which reduces the speed of the calcination process and hence the effective production capacity. AEM believes there is an opportunity to increase the output of the tunnel kiln by optimizing the saggars to achieve the best balance between low rates of cross-contamination and higher resistance to thermal shock, potentially achieving a 15% (c. 270 tpa) enhancement in its capacity.

In general, there is enough spare capacity in the hydrometallurgy circuit to accommodate the above increase in capacity in the pyrometallurgy circuit, apart from some minor modifications to the centrifuge outlets and upgrading of the acid recovery equipment. No additional major equipment is required for the hydrometallurgy circuit. Although the cycling time might be a limitation, AEM has tanks available in the tank farm that can contain the volume between each major unit operation. WSP has validated with AEM quotations for the new spray dryer and the contingency percentage added to the project. There would also be a need to expand the washing and drying capacity of the Plant. The cost of these changes would be minor when compared to increased revenue that would accrue from the additional HPA produced. By AEM's initial calculations, the cost per unit of production achieved this way is likely to be 80% less than the equivalent cost from a new plant.

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5.2 OPERATING COSTS

As requested by AEM, WSP has undertaken a review of the costs that AEM expects to incur in operating the Plant, primarily by reviewing documents provided by AEM.

5.2.1 DOCUMENTS REVIEWED

The primary sources of information used as a basis to complete this review were as follows:

- Stage 1 Budget Estimate: AEM 2025 Budget_112024 (2).
- Presentation from AEM: AEM Production Capacity, 2024-11-20.

5.2.2 FINDINGS

The costs that AEM expects to incur in operating the Plant are summarized below.

Table 5-2. Variable and Fixed Costs

VARIABLE COSTS

Feedstock (CAD/t HPA)	2,318
Reagents (CAD/t HPA)	228
Electricity (CAD/t HPA)	1,651
Miscellaneous (CAD/t HPA)	364
Total (CAD/t HPA)	**4,561**

FIXED COSTS

Labour (CAD'000/yr)	4,043
Plant Maintenance (CAD'000/yr)	5,014
Plant Management Overhead (CAD'000/yr)	3,246
Total (CAD'000/yr)	**12,303**

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From its document review, WSP concludes that in developing its operating cost estimates, AEM has:

- Made a detailed and comprehensive estimate of the future costs of operating the Plant as it ramps up to full capacity.
- Where possible, reasonably estimated Plant operating costs by extrapolating them from actual costs that it has incurred in operating the Plant since 2021. Where it has not been possible to use actual data, AEM has made assumptions considered reasonable given that the plant has been operating since 2021.
- A clear understanding of the current unit costs of the labor and materials inputs the Plant will require as it is ramped to full capacity.
- Reasonably derived its estimates of the Plant's consumption of raw materials, reagents and energy from the Plant's detailed process design criteria and mass balance based on WSP past experience working with AEM on those items.
- Drawn up a detailed and costed manpower plan for the labor, technical and management resources it believes it will need to employ as it ramps the Plant to full production. This plan takes AEM's current team as its starting point.

Overall, AEM's operating cost estimate is robust and appropriate from WSP point of view.

5.2.3 ESTIMATING RISKS

WSP identified the following estimating risks to require highlighting:

- More manpower may be required to operate the Plant than AEM has currently allowed.
- The Plant's remote location increases the risk of labor shortage.

Manpower risks: As production from the Plant increases more tailoring equipment will need to be installed to match the market demand for different types of finished product, requiring more operators to be employed. There is an inherent uncertainty in the precise types of equipment that will be needed, which makes it difficult to forecast the related manpower requirement. In view of the bespoke nature of the tailoring operations, they will be more manpower intensive than other parts of the manufacturing process, albeit the additional manpower required will be more as manual rather than skilled labor.

As described above, AEM has mitigated this risk to a degreed by developing a detailed manpower plan presented into AEM's budget estimate as the Plant is ramped to full capacity. Furthermore, there will likely be opportunities to reduce manpower in operating the hydrometallurgy and pyrometallurgy circuits of the Plant by introducing a greater degree of automation as they reach steady state production.

Nevertheless, WSP believes there is a low level of residual risk, which AEM will need to control.

Labour shortage risk: The Plant is in a reasonably remote location that naturally limits the local labour pool from which it can draw. On the other hand, unemployment in the region is high, and there are relatively few industrial operations that are competing with the Plant to attract talent.

AEM has informed WSP that it currently does not have difficulty recruiting lower skilled labour for its operations. Locally, recruiting skilled and management operatives to work at the Plant, is more challenging and AEM currently relies on a mix of local, periodic drive-in / drive-out and remote based employees to fill these positions. The company expects its attractiveness as an employer to grow as its business grows. This will strengthen its position in the local labor market and make it easier for it to persuade prospective employees to relocate to the area.

If the local labour market were to tighten, the labour shortage risk would become elevated, but as a company that is projecting profits margins much higher than would be the norm for companies in the region, once the plant is running at above 50 % capacity, AEM will have the flexibility to raise salaries to manage this risk.

Noting that AEM's workforce will need to grow only modestly in absolute terms from its current level for the Plant to reach full capacity, WSP concludes that the labor shortage risk relatively is low and manageable.

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6 CLOSING

WSP is of the view that once the Plant's Stage 1 Expansion has been completed and put into operation by AEM, the Plant:

- Have everything necessary to achieve an effective production capacity of at least 3,000 tpa. It should be noted that achieving this effective production rate, and the time required to do so, will be dependent on satisfactorily managing the risks associated with the Plant's commissioning and ramp-up, and the development of good operating practice. Based on AEM's expected sales in 2025 and 2026, there will be 18-24 months in which to ramp up the Plant to full production. This period will provide AEM with time to deal with these risks and optimize its operating practices.
- Will be capable of producing the desired product quality, which is its greatest capacity for mitigating operational risks.
- If the current standards of construction and maintenance are maintained, will be a well-constructed and maintained plant that is fit for purpose. It was visually assessed that the Plant meets the characteristics of an industrial facility. The equipment was observed to be fully installed on-site.

In addition, AEM's operating cost estimates for the Plant are reasonable and the risks to which they are subject are low.

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AEM CANADA GROUP INC.
WSP PROJECT NO.: CA0026552.4622
REPORT NUMBER: CA0026552.4622-RPT004-R01

INDEPENDENT TECHNICAL REPORT

PRE-FEASIBILTY ENGINEERING OF CAP-CHAT PLANT STAGE 2 EXPANSION

SEPTEMBER 22, 2025

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INDEPENDENT TECHNICAL REPORT

PRE-FEASIBILTY ENGINEERING OF CAP-CHAT'S PLANT STAGE 2 EXPANSION

AEM CANADA GROUP INC.

REPORT FOR FINAL (01)

PROJECT NO.: CA0026552.4622
DATE: SEPTEMBER 22, 2025

WSP CANADA INC.
11-1600 BOUL RENE-LEVESQUE
MONTRÉAL, (QUEBEC) H3H 1P9

T: +1 541-340-0046
WSP.COM

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September 22, 2025

AEM Canada Group Inc.
7220 Rue Frederick-Banting
Montréal, Québec
H4S 2A1

Attention: **The Board of Directors,**

Subject: **Review of Pre-feasibility Engineering Report for Cap-Chat Plant Stage 2 Expansion**

Dear Directors:

As part of its operations, AEM Canada Group Inc ("AEM"). has requested an independent third-party to conduct a technical review of its Pre-feasibility Engineering Report for its planned Stage 2 Expansion of its HPA manufacturing plant in Cap-Chat, Quebec, for inclusion in the prospectus for an initial public offering of shares of AEM's parent company, Advanced Energy Minerals Limited, on the Australian Stock Exchange.

This report should be read together with WSP's *Cap-Chat Plant and Stage 1 Expansion* report prepared for the same purpose.

We thank you for the opportunity to collaborate on your project.

Yours sincerely,



Laurence Thiffault, P. Eng
Process Engineer
OIQ # 6042023

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REVISION HISTORY

REV. NO.	DESCRIPTION	DATE (YYYY-MM-DD)
00	Final Issue for Comments	2025-07-23
01	Issued for Final	2025-09-22

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SIGNATURES

PREPARED BY



Laurence Thiffault, P. Eng (OIQ # 6042023)
Process Engineer
ERI-Industrial Process Department

Date

REVIEWED AND APPROVED[1] BY



Josée Laplante, P. Eng (OIQ # 116630)
Technical Manager, Process
ERI-Industrial Process Department

Date

WSP Canada Inc has given and has not before the lodgment of the prospectus with the Australian Securities and Investments Commission, withdrawn its consent to its Pre-feasibility Engineering Cap-Chat Plant Stage 2 Expansion report being included in the prospectus and the inclusion in the prospectus of extracts and summaries of the information in the Pre-feasibility Engineering Cap-Chat Plant Stage 2 Expansion report in each case in the form and context in which they appear.

Neither WSP Canada Inc, nor the authors of this report, has or has had previously, any material interest in AEM Canada Group Inc. WSP Canada Inc prepared this report solely for the use of the intended recipient, AEM Group Canada Inc. in accordance with the professional services agreement. The intended recipient is solely responsible for the disclosure of any information contained in this report. The content and opinions contained in the present report are based on the observations and/or information available to WSP Canada Inc. at the time of preparation. If a third party makes use of, relies on, or makes decisions in accordance with this report, said third party is solely responsible for such use, reliance or decisions. WSP Canada Inc does not accept responsibility for damages, if any, suffered by any third party as a result of decisions made or actions taken by said third party based on this report. This statement of limitations is considered an integral part of this report.

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EXECUTIVE SUMMARY

WSP Canada has been mandated by AEM Canada Group Inc (AEM) to act as an independent technical third-party and report on AEM's Pre-Feasibility Engineering Report (the "Pre-feasibility Report" for its planned Stage 2 Expansion (the "Project") of its high purity alumina (HPA) manufacturing plant located in Cap-Chat, Québec, Canada (the "Plant"). WSP has been asked to review the Pre-feasibility Report and comment on the Project's:

- Design and expected production capacity.
- Estimated operating costs.
- Estimated capital costs.

This report will be included in the documentation for undertaking an initial public offer on the Australian Securities Exchange ("ASX") of the shares of Advanced Energy Minerals Ltd., AEM's parent company. It should be read together with WSP's *Cap-Chat Plant and Stage 1 Expansion* report prepared for the same purpose.

WSP Canada has developed an expertise through the years in various sectors including Oil and Gas, Petrochemical, Manufacturing, Light and Heavy Industrial, Pharmaceutical, Biotechnology, Food and Beverages, Consumer Products, Process Energy, Metal, Bulk and Liquid Storage and many more. The process team has worked in the past with AEM on a pre-feasibility study into the economics of building a plant similar to the Cap-Chat plant in the United Kingdom.

The Project aim to establish a new plant adjacent to the existing production facilities and would double the Plant's total design capacity to 6,000 tpa of HPA by adding 2,000 tpa of 4N+ HPA capacity and 1,000 tpa of 3N5 HPA capacity. It would be located Southwest of the existing buildings and configured as a single building complex comprising 9 distinct functional units with a total floor area of 9,700 m^2, laid out to minimize the risk of cross contamination of product between each step in the production process. Three other functional units would be located adjacent to the building for handling feedstock, reagents and utilities.

Like the Stage 1 Plant, the Project would utilize a process flow comprising three main sections: a hydrometallurgy circuit, a pyrometallurgy circuit and a tailoring circuit and would operate two process lines, one to produce 4N+ HPA that would use all three circuits, the other to produce 3N5 HPA that would use only a pyrometallurgy and a tailoring circuit. Except for certain incremental upgrades incorporated in its design based on AEM's learnings from operating the existing Plant, the only difference in process terms between the Stage 1 Plant and the Project would be that the Project's pyrometallurgy circuit would not use a fluidized bed furnace for decomposition. Instead, it would rely solely on rotary kilns for decomposition.

A detailed feasibility study and then a front-end engineering design is expected to be completed by mid-2026. Project financing would be put in place by the end of 2026, and construction would begin in the spring of 2027, for completion by the end of 2028. Commissioning would start in late 2028 to be followed by production ramp-up from mid-2029 onwards.

Based on its review of the Pre-feasibility Report and other supporting documentation provided by AEM, WSP has been able to conclude that the:

- Engineering design undertaken for the Project is appropriate for a project at the prefeasibility stage.
- Project has been appropriately sized for the desired production capacity of 3,000 tpa, comprising 2,000 tpa of 4N+ HPA and 1,000 tpa of 3N5 HPA.
- Decision to opt to undertake decomposition solely by utilizing rotary kilns rather than by a fluidized bed furnace is sound. While scaling up to rotary kilns larger than the kilns already in use in the Plant carries some risk. This risk is believed to be manageable, and the increased production flexibility is a significant advantage.
- Schedule proposed for implementing the Project is reasonable. As it will be co-located with the Stage 1 Plant on AEM's existing site, there will be no need to acquire additional land, and the necessary permitting processes should be straightforward.
- Operating cost estimate for the Project of 23.3M CAD per annum at 3,000 tpa production has been appropriately calculated to a +30/-20% level of precision, as would be customary at the prefeasibility stage.
- Capital cost estimate for the Project of 298.8M CAD satisfies the requirements for a Class 4 (FEL 1) estimate as defined by AACE International to a +30/-20% level of precision.

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APPENDICES

A CAPEX ANALYSIS

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1 INTRODUCTION

1.1 ABBREVIATIONS

AEM	AEM Canada Group Inc.
AEM	Advanced Energy Minerals Limited.
AACE	American Association of Cost Engineering.
$AlCl_3$	Aluminum chloride.
ASX	Australian Securities Exchange.
CAPEX	Capital Expenditure.
CLCP	Chlorine Leach Crystallization Purification.
FEL	Front-end Loading.
HPA	High Purity Alumina.
kW	Kilowatts.
LED	Light-Emitting Diode.
OPEX	Operating Cost Expenditures.
Orbite	Orbite Aluminae Inc.
Plant	Cap-Chat's plant.
R&D	Research and Development.
SGA	Smelter Grade Alumina.
tpa	tons per annum.
WSP	WSP Canada Inc.
3N5	99.95% Pure.
4N	99.99% Pure.
4N+	At least 99.99 % Pure.
5N	99.999 Pure.

1.2 REPORT STRUCTURE

Section 1 introduces the report and describes WSP's methodology in producing it and Section 2 gives an overview of the Stage 2 Expansion. (the "Project"). Section 3 gives WSP's assessment of the Project's design and likely future performance. Section 4 covers WSP's assessment of AEM's estimated costs of operating the Project and Section 5 covers its estimated capital costs.

1.3 SCOPE OF WORK

WSP has been engaged by AEM to act as an independent third-party and report on its Pre-Feasibility Engineering Report (the "Pre-feasibility Report") for its planned Stage 2 Expansion (the "Project") of its high purity alumina (HPA) manufacturing plant located in Cap-Chat, Québec, Canada. The report will be included in a prospectus to be issued by AEM's parent company, Advanced Energy Minerals Limited, in connection with a listing on the Australian Securities Exchange. A third-party estimate review provides AEM an independent, unbiased opinion on the original estimate. A third-party estimate review process involves a thorough examination of project plans, specifications, and associated documentation. WSP has also prepared a separate report on AEM's Cap-Chat Plant and its Stage 1 Expansion (the "Stage 1 Report").

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AEM has requested WSP to review the appropriateness of the:

- Project's design as described in the Pre-feasibility Report (the "Design").
- Operating cost estimate given in the Pre-feasibility Report (the "OPEX Estimate").
- Capital cost estimate given in the Pre-feasibility Report (the "CAPEX Estimate").

1.4 CREDENTIALS

WSP is one of the world's leading professional services consulting firms. We are technical experts and strategic advisors (engineers, technicians, scientists, architects, planners, surveyors and environmental specialists, as well as other design, program and construction management professionals).

WSP's expertise covers a vast range of industrial sectors: Oil and Gas, Petrochemical, Manufacturing, Light and Heavy Industrial, Pharmaceutical, Biotechnology, Food and Beverages, Consumer Products, Process Energy, Metal, Bulk, Liquid Storage and many more:

- Our team has worked in Brownfield or in-plant industrial chemicals environments.
- We have extensive experience in designing and building greenfield plants.
- We have extensive experience in revamping and adding new technology to existing plants.

In 2024, WSP employed 12,590 employees in Canada, including 13 employees engaged in our *process group* for the *Energy, Resource and Industry* sector based in the Province of Quebec.

Over the years, WSP has developed expertise working with HPA. Four (4) years ago, we provided services to AEM on a pre-feasibility study analyzing the economics of building a plant, similar to the Cap-Chat's Plant, in the UK. Our Quebec-based process team worked closely with AEM's process team to establish the flowsheet mass balance. In addition, the process team analyzed different types of feedstocks including kaolin, a feedstock that is more widely available in the UK.

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2 CAP-CHAT STAGE 2 EXPANSION OVERVIEW

2.1 PURPOSE

AEM's owned and operated Cap-Chat High Purity Alumina (HPA) processing plant (the "Plant") is located in the town of Cap-Chat (Quebec, Canada) on the Gaspe Peninsula. The Plant uses AEM's patented technology to produce HPA, which is mainly used in the manufacture of LED lights, semiconductors, batteries, industrial catalysts and ceramics.

AEM manufactures a wide range of gamma and alpha alumina-based products at the Plant as described in the Stage 1 Report. Currently, the Plant has a design capacity of 2,000 tpa, which is expected to increase to 3,000 tpa by mid-2026, once the Stage 1 Expansion is completed. For the purposes of this report, the Plant post-completion of the Stage 1 Expansion is referred to as the "Stage 1 Plant".

The Project would establish a new plant adjacent to the existing production facilities and would double the Plant's total design capacity to 6,000 tpa of HPA, encompassing:

- Storage (Raw materials & Process consumables).
- HPA Processing:
  - Hydrometallurgy (Digestion, Solution purification, Crystallization & Centrifugation).
  - Pyrometallurgy (Decomposition, Calcination & Acid Recovery).
  - Tailoring (Washing, Milling, Drying & Forming).
- Packaging & Storage (Product and Subproduct).
- Utilities (Electricity, Steam, Cooling Water, Compressed Air & Demineralized Water).
- Waste Water Treatment and Solid Waste Management.
- New Building and auxiliary systems (Integrated or multiple buildings and enclosures).

2.2 THE PROJECT

2.2.1 LAYOUT

With reference to the Stage 1 Report for a description of the site and its setting, the Project would be located Southwest of the existing buildings, requiring removal of the argillite mound and cutting of the slope that currently occupy part of the area to provide a level platform.

The Project facilities would be configured as a single building complex comprising nine distinct functional units with a total floor area of 9,700 m^2. These units have been laid out to minimize the risk of cross contamination of the product between each step in the production process. Three other functional units would be located adjacent to the building for handling feedstock, reagents and utilities.

Refer to **Table 2-1, Figure 1, Figure 2, Figure 3 and Figure 4.**

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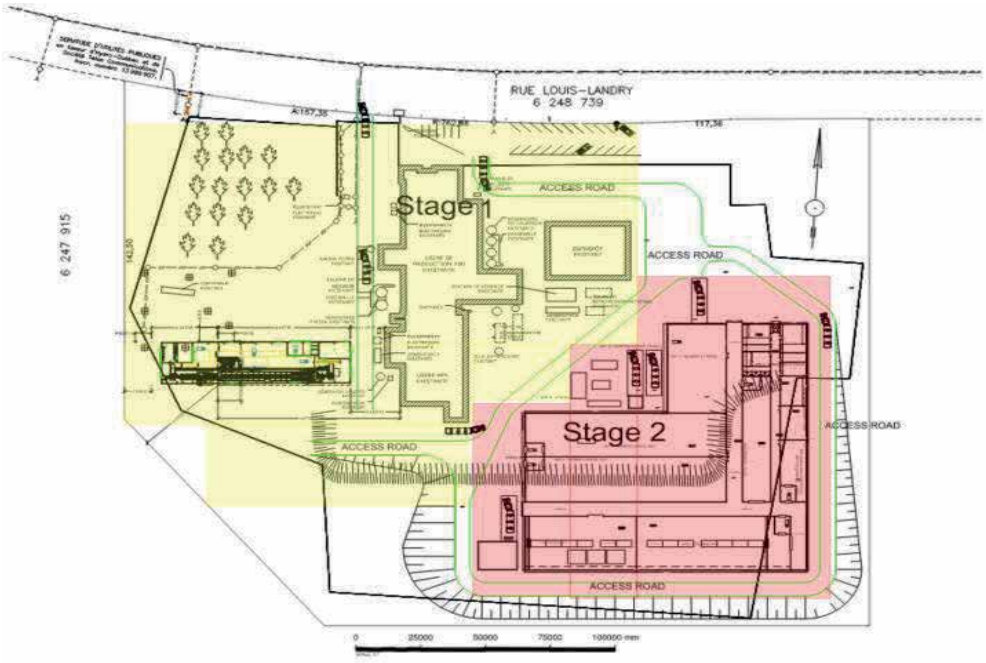


Figure 1 Project Location Relative to Existing Facilities. (Source: AEM)

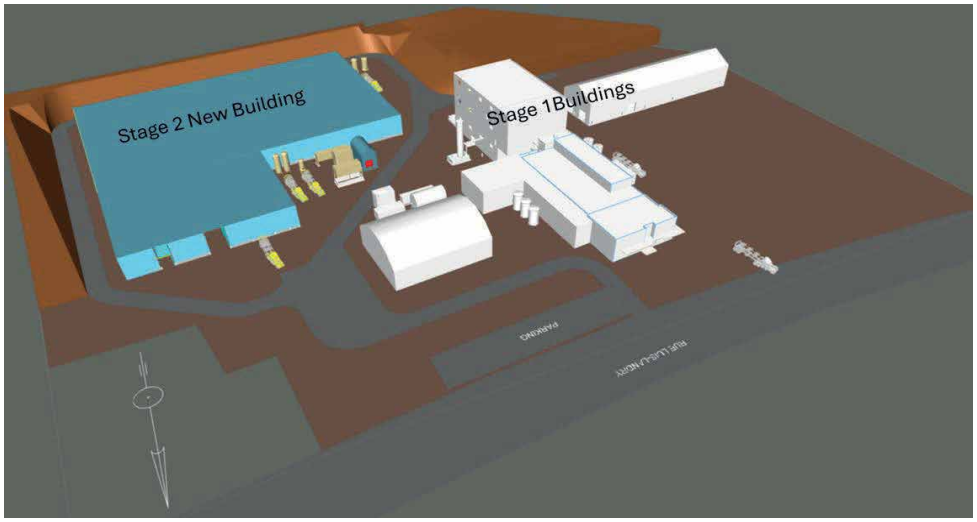


Figure 2 3D Representation of New Building. (Source: AEM)

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Table 2-1 Functional Units Within New Building. *Source: AEM*

UNIT	DIMENSION	AREA
Unit 1: Hydrometallurgy and decomposition:	49 m x 24 m	1,176 m^2
Unit 2: 3N5 tunnel kiln:	10 m x 55 m	550 m^2
Unit 3: 4N+ tunnel kiln:	78 m x 19 m	1,482 m^2
Unit 4: 4N+ tailoring:	60 m x 24 m	1,440 m^2
Unit 5: 4N+ tailoring:	10 m x 27 m	270 m^2
Unit 6: 3N5 tailoring:	10 m x 55 m	550 m^2
Unit 7: Loading, packaging, and storage area:	23 m x 40 m	920 m^2
Unit 8: Utility and MCC room:	10 m x 28 m	280 m^2
Unit 9: Manned area on two floors:	25 m x 23 m	575 m^2
Total Building Area	-	9,700 m^2

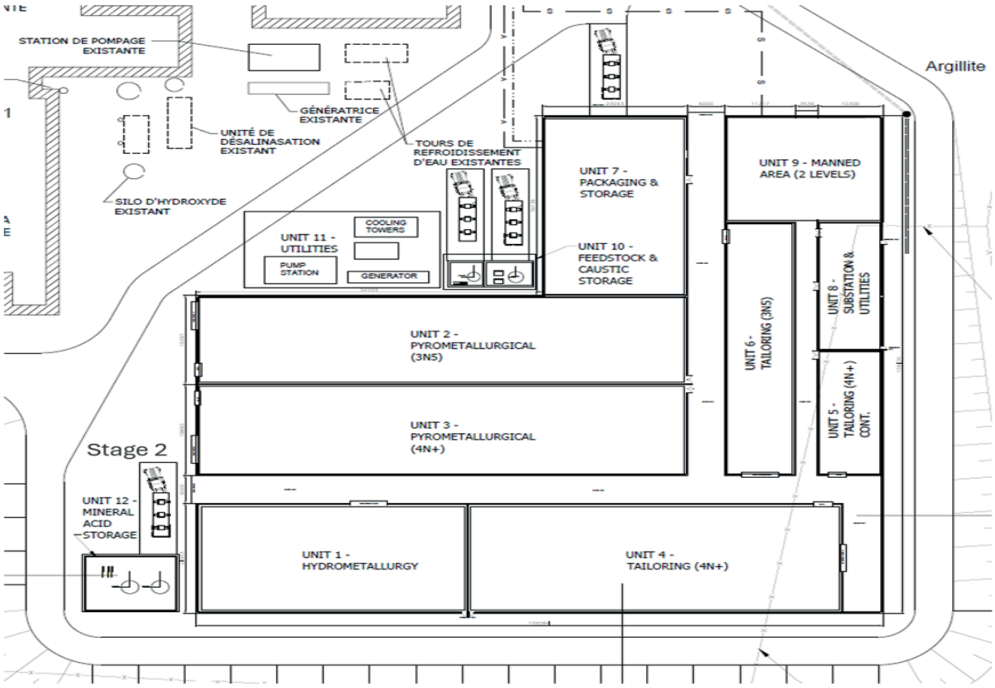


Figure 3 Layout of Functional Units. (Source: AEM)

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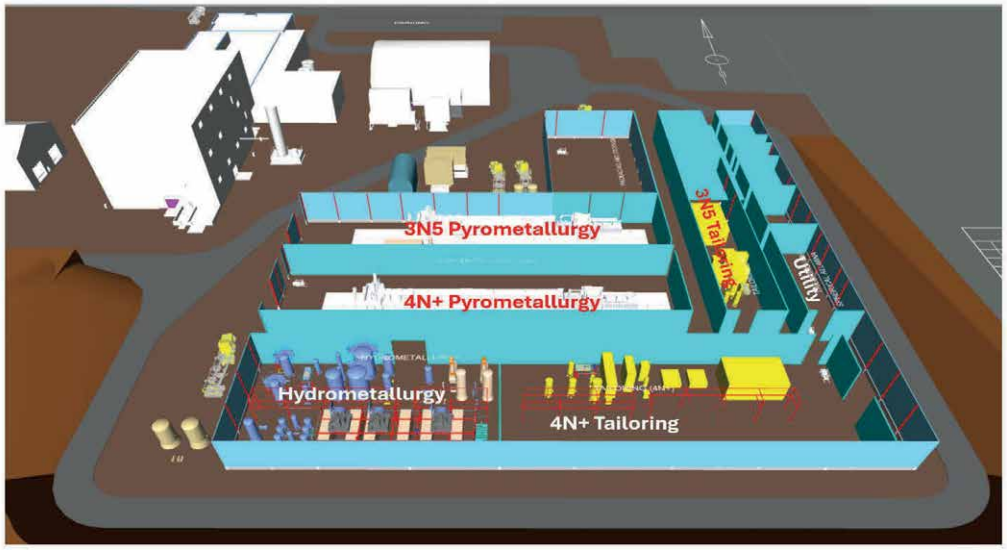


Figure 4 Equipment Layout. (Source: AEM)

2.2.2 SCHEDULE

AEM's expected schedule for developing the Project is shown in **Figure 5.** AEM plans for the detailed feasibility study followed by the Front-End Engineering Design to be completed by mid-2026. This would enable the Company to seek project financing by the end of 2026, which would enable construction to start in the spring of 2027 for estimated completion by the end of 2028. Commissioning would start in late 2028 to be followed by production ramp-up from mid-2029 onwards. WSP considers the schedule proposed by AEM to be reasonable and at an appropriate level of detail for a pre-feasibility study. WSP notes however that the schedule will be subject to both external and internal risks (as described in Section 3.9.1) as the Project progresses. If the schedule is to be maintained, it is essential that AEM develops the details of the schedule to match with the Project's stage of development and adopts good project management practice to manage these risks and ensure they do not impact on the schedule

Tasks	Duration (Day)	Start Date	Finish Date	2024	2025	2026	2027	2028	2029	2030
Phase 1: Feasibility study and funding	**1031**	**Apr-24**	**Jan-27**							
Pre-feasibility study (FEL-1)	121	Apr-24	Jul-24							
FEL-1 Review	152	Aug-24	Dec-24							
Project FEL-1 approval	119	Jan-25	Apr-25							
Detailed feasibility study (FEL-2)	180	Jul-25	Dec-25							
Front-end engineering design (FEED) (FEL-3)	183	Dec-25	Jun-26							
Receiving all the permits	513	Sep-25	Jan-27							
Financing	213	Jun-26	Dec-26							
Phase 2: Engineering, Procurement, Site preparation, and Construction	**898**	**Jul-26**	**Dec-28**							
Detail design engineering	456	Jul-26	Sep-27							
Procurement	701	Jul-26	Jun-28							
Contractor and equipment supplier qualification and quotations	274	Jul-26	Apr-27							
Purchasing	426	Apr-27	Jun-28							
Site Preparation	121	Jul-26	Oct-26							
Construction	714	Jan-27	Dec-28							
Contractor mobilisation	89	Jan-27	Mar-27							
Main construction works	624	Apr-27	Dec-28							
Phase 3: Commissioning and startup	**766**	**Sep-28**	**Oct-30**							
Pre-commissioning	110	Sep-28	Dec-28							
Commissioning & startup	110	Jan-29	Apr-29							
Production ramp-Up- 30 %	120	Apr-29	Aug-29							
Production ramp-Up- 60 %	120	Aug-29	Dec-29							
Production ramp-Up-100 %	302	Dec-29	Oct-30							

Figure 5 Overall Schedule. (Source: AEM)

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3 DESIGN ASSESSMENT

WSP has reviewed the documents provided by AEM. It has enabled WSP to assess the appropriateness of the Design.

3.1 ASSUMPTIONS

In assessing the production capacity of the Design, WSP has made the assumptions listed below. Based on its review of the documentation provided, WSP has confirmed all these assumptions to be reasonable. WSP has reviewed the documentation but has not validated the assumptions used to analyze future production capacity through mass balance throughput. However, comments have been made regarding these assumptions throughout the report:

- Feedstock availability is not a restriction to analyze the mass balance throughput.
- No downtime between main unit operations.
- Consumables and utilities are always available.
- Equipment is operated efficiently.
- Piping, instrumentation, civil engineering are appropriately designed (noting that these aspects of the Project are usually outside the scope of a prefeasibility study).
- The necessary permits have been granted to AEM, allowing it to proceed with its planned activities.

3.2 REVIEWED DOCUMENTS

The following documents have been used to support the appropriateness of the future effective production capacity:

- Cap-Chat Plant Expansion (Stage 2): Pre-feasibility Engineering Report (Rev. 04).
- Mass Balance Calculation Sheet: HPA-CC-1052-P-HMB_r_1.
- Presentation from AEM: AEM Production Capacity, 2024-11-20.
- Meeting Notes: 2024-06-06 Meeting - Feedstock Sourcing (RTCMI/AEM Canada Group).

3.3 PROCESS FLOW

As described in the Stage 1 Report, the Plant manufactures HPA by utilizing a process flow comprising three main sections: a hydrometallurgy circuit, a pyrometallurgy circuit and a tailoring circuit. the Plant will operate two process lines, one to produce 4N+ HPA that uses all three circuits, the other line to produce 3N5 HPA that uses only a pyrometallurgy and a tailoring circuit (see **Figure 6**).

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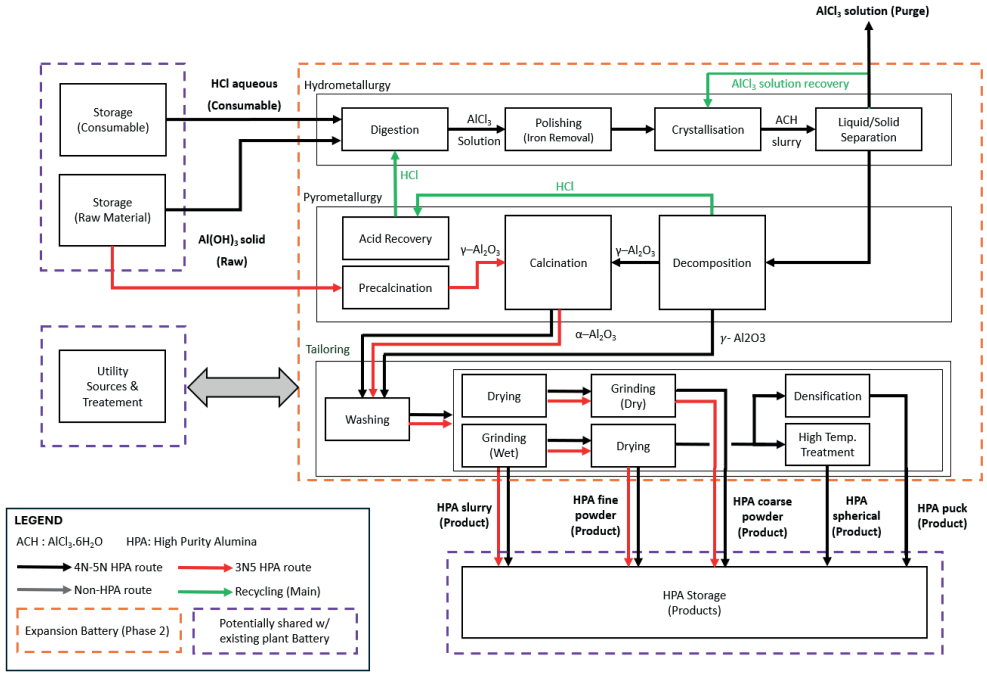


Figure 6 Project's Block Flow Diagram. (Source: AEM)

3.4 CAPACITY AND UNIT OPERATIONS

AEM has developed an equipment layout and comprehensive equipment list for each of the Project's unit operations as described in the Pre-feasibility Report. These unit operations are similar in design to the unit operations in the Stage 1 Plant, except that, unlike the Stage 1 Plant, the Project's pyrometallurgy circuit does not use a fluidized bed furnace for decomposition. Instead, it relies solely on rotary kilns for decomposition. However, these kilns would be larger than the "small lot" kilns deployed in the Stage 1 Plant.

AEM has sized the equipment for the Project to provide a design capacity of 3,000 tpa of HPA, comprising 2,000 tpa of 4N+ HPA and 1,000 tpa of 3N5 HPA. Therefore, it would be a duplicate of the Stage 1 Plant and would increase the Plant's overall production capacity to 6,000 tpa.

3.5 UTILITIES

The Project would be provided with the following utilities as described in AEM's Pre-feasibility Report.

3.5.1 ELECTRICITY

Like the Stage 1 Plant, the Project would be exclusively powered by electricity supplied from the grid by Hydro Québec to power the equipment, the building services and generate steam. The Stage 2 demand would double the power requirement of the Plant to 24 MW, which exceeds the capacity of the current distribution lines that serve the Plant. AEM has discussed this future need with Hydro-Québec. It has indicated that there is sufficient capacity in the transmission grid to meet the demand, but some work would be needed either to upgrade the existing substation and

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bring a new distribution line to the Plant or to build a new, dedicated substation at the Plant which could then be connected straight to the grid.

3.5.2 COMPRESSED AIR

The Project would use compressed air for drying, instrumentation, and pumping.

3.5.3 COOLING WATER

The Project would use cooling water for condensation, temperature control, and other cooling equipment.

3.5.4 DEMINERALIZED WATER

The Project would use demineralized water for many units and circuits such as acid recovery, digestion, washing and tailoring.

3.5.5 STEAM

The Project would use steam for evaporation and temperature control.

3.5.6 WASTE TREATMENT

The Project would collect and treat all wastewater and gases to ensure that they comply with all relevant regulations before being released to the environment. AEM would need to update its permits for the site to take account of the additional emissions arising from the Project.

3.6 PERMITTING

As the Project would be within the Plant's existing site boundaries, the occurrence of potential permitting issues related to zoning and site classification would be significantly reduced. The key permits that would need to be obtained for the Project to proceed comprise:

- A Municipal Permit authorising the construction of the Project issued by the local government.
- An Environmental Permit authorising the construction of Project issued by the Quebec provincial authorities (MELCCFP).
- An updated Certificate of Authorization (CofA) issued by MELCCFP, extending the existing Stage 1 certificate to cover Stage 2 as well to authorise emissions, discharges, and other environmental considerations.

WSP has not conducted a detailed study on the types of permits required for the Stage 2 report. However, the three points mentioned above seem reasonable assumptions at this stage of the engineering phase. Depending on the Project's scope and environmental impact, a need for special procedures—such as public consultations or independent evaluations—may be triggered, but these should be capable of accommodation within the Project's schedule.

3.7 FEEDSTOCK

With reference to the Stage 1 Report, AEM has discussed the Project with Rio Tinto, its preferred feedstock supplier for the Stage 1 Plant, and determined that, if the Project were to use the same feedstock as the Stage 1 Plant, it would be necessary for Rio Tinto to invest to increase its capacity to produce the feedstock. Therefore, the Project has been designed to operate using a lower grade feedstock (for which Rio Tinto has plenty of spare capacity), with an attendant increase in capital and operating cost. As AEM moves forward with the development of the Project, it

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plans to explore whether it would be more cost effective to adjust the Design to use the same feedstock as the Stage 1 Plant, with Rio Tinto's necessary investment in new capacity embedded in the feedstock's cost.

Like the Stage 1 Plant, the Project would have the flexibility to adapt to a range of feedstocks if Rio Tinto is unable or unwilling to continue to supply the Plant. The design modification will impact OPEX due to the need for additional equipment to treat the feedstock. However, this cost will be offset by more efficient operation in Stage 2. The continuous process will lower maintenance costs, enhance productivity, reduce downtime, and contribute to long-term cost savings and sustainability.

3.8 FINDINGS

In reviewing the documents provided by AEM, WSP has found that:

- The level of detail for the engineering undertaken by AEM for the Project, as reported in the Pre-feasibility Report, is appropriate for a project at the prefeasibility stage. AEM has a good understanding of its process, and the equipment required to implement it, as evidenced by the detailed equipment list prepared by AEM and the engineering layout it has adopted, which show several incremental improvements on the Stage 1 Plant.
- The Project has been appropriately sized on a throughput side of view for the desired capacity of 3,000 tpa, comprising 2,000 tpa of 4N+ HPA and 1,000 tpa of 3N5 HPA.
- AEM's decision to opt for the Project to undertake decomposition solely by utilizing rotary kilns rather than by a fluidized bed furnace is sound on an engineering point of view. While scaling up to rotary kilns larger than the kilns already in use in the Stage 1 Plant for small lot decomposition carries some risk, this risk is manageable (see below) and outweighed by the greater degree of flexibility in production that the rotary kilns will provide.
- Noting that AEM expects the engineering design for the Project to extend until mid-2026, there will be an opportunity to apply to the Project the lessons learned:
  - In ramping production from the Stage 1 Plant, and
  - Developing the market for its products, thereby derisking its implementation.
- The overall schedule proposed by AEM for implementing the Project is reasonable.

In summary, WSP has found the Project to have the following strengths:

- It will use essentially the same technology as the Stage 1 Plant and will be able to draw on 6 years of operating and market experience by the time its design is finalized. There will therefore be ample opportunity to value engineering the Project.
- At this prefeasibility stage of its development, it has been appropriately designed and should achieve its intended design capacity.
- It will be co-located with the Stage 1 Plant on AEM's existing site. There is no need to acquire additional land, and the necessary permitting processes should be straightforward.

3.9 SCHEDULE/ENGINEERING/OPERATIONAL RISKS

All capital projects involve risk that must be appropriately managed. As noted above, AEM's decision to base the design of the Project on the design of an operating plant serves to mitigate many of the risks customarily faced by a plant based on a new design. The Stage 1 Expansion will give the opportunity to AEM to ramp up their production and mitigate these risks. Nevertheless, AEM should pay close attention to risk management as it develops the Project.

At this stage, WSP in conjunction with AEM has identified the risks described below as worthy of special attention.

Note that as WSP has been engaged to review the technical aspects of the Project, it is not able to comment on the Project's viability and the impact it might have on AEM's ability to finance it.

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3.9.1 SCHEDULE RISKS

With reference to the three phases of the Project's development shown in **Figure 5**, WSP considers the Project's schedule to be subject to the following main internal and external risks:

- Stage 1 - Feasibility study and funding: AEM must secure financing and obtain all necessary permits before commencing construction of the Project. As these processes involve interactions with third parties, they have the potential to delay the schedule. While the times allowed for them by AEM are considered reasonable, their risks will need careful management.

  Also, the need to substantially increase the power supplied to the site by Hydro-Quebec represents a timing risk that must be addressed as early as possible. WSP understands that AEM is already in discussion with Hydro-Quebec over its needs and the latter has confirmed in principle that the required power could be made available from the network within the Project's timeframe. Careful management by AEM will be required to ensure the power is available when needed.
- Stage 2 - Engineering, procurement, site preparation and construction: The timeframe for procurement, site preparation, and construction is considered reasonable, but the schedule should be updated as the Project progresses in order to avoid delays due to risks associated with the procurement of long lead time items, the performance and or coordination of suppliers and contractors and the availability of materials and resources. WSP recommends that AEM should implement and regularly monitor a detailed risk management plan to ensure these risks are appropriately controlled and early action taken to mitigate any associated risk of delay.
- Phase 3 - Commissioning and startup: The ramp-up timeframe seems well-estimated, leveraging AEM 's expertise from the Stage 1 Expansion Project. However, the addition of the rotary kiln introduces potential technical challenges that could lead to delays (see below) if not appropriately managed.

3.9.2 ENGINEERING/OPERATIONAL RISKS

Rotary kiln scale-up risk: While AEM has used smaller rotary kilns successfully for decomposition in the Stage 1 Plant, there is a scale-up risk associated with AEM's decision to use large rotary kilns for this purpose for the Project, primarily related to the selection of materials of construction. AEM already has a strong and increasing body of knowledge in this area and plans to mitigate the risk further by undertaking kiln tests during the Project's design development. WSP recommends comprehensive testing and analysis to ensure all technological challenges are addressed.

Annual operational base risk: WSP suggests reviewing the impact of this assumption on the capital program long-term cost. Although it will have no impact on the effective production capacity, it will require AEM to identify critical spares and apply best preventive/predictive maintenance practice for Stage 1 to achieve the targeted availability without increasing warehousing expenses unduly. The table below presents previous WSP's experience with annual operational base for different types of manufacturing industries.

Table 3-1 Operation ratio per year

INDUSTRY	RATIO	NOTES
Mining	92 %	If some equipment is not redundant or for batch processes, this ratio should be lowered
Chemical	85 %	Batch processes
AEM	91 %	

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4 OPEX ANALYSIS

4.1 OVERVIEW

This section reviews the reasonableness of the assumptions, and the calculations used in evaluating the OPEX Estimates for the Project.

4.2 DOCUMENT REVIEW

The primary sources of information used as a basis to complete this review were as follows:

- Cap-Chat Plant Expansion (Stage 2): Pre-feasibility Study Report (Rev.04).
- Stage 2 Opex Calculation Sheet: HPA-CC-1052-M-Project-Estimation_r_03.
- Stage 1 Budget Estimation: AEM 2025 Budget_112024 (2).
- General Process Flow Diagram for Stage 2: HPA-CC-1052-P-PFD General_r_02.
- Presentation from AEM: AEM Production Capacity, 2024-11-20.

4.3 FINDINGS

The OPEX Estimate, as stated in the Pre-feasibility Report, comprises an annual total of 23.3M CAD (with a +30/-20% precision) assuming the Project is operating at full capacity. This estimate breaks down into variable and fixed costs as shown in Table 2.

As the Pre-feasibility Report covers the engineering of the Project, it does not address AEM's General and Administrative Costs nor does it address the effects of inflation. WSP understands AEM has accounted for these matters elsewhere in its assessment of the financial performance of the Project.

Table 4-1 OPEX Estimates (+30/-20% precision)

VARIABLE COSTS

Feedstock (CAD/t)	2,318
Reagents (CAD/t)	228
Electricity (CAD/t)	1,839
Miscellaneous (CAD/t)	364
Total (CAD/t HPA)	**4,749**

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Table 4-1 OPEX Estimates (+30/-20% precision)

FIXED COSTS

Labour (CAD '000/year)	2,957
Plant maintenance (CAD '000/year)	5,311
Plant management overhead (CAD '000/year)	3,246
Total (CAD '000/year)	**9,007**

WSP considers the estimates related to the variables, which together account for 61% of the total at 3,000 tpa production, to be of high precision, and well within the +30/-20% range specified in the Pre-feasibility Report because:

- The raw materials and reagents consumption (HCl and NaOH) were calculated based on detailed process design criteria and a mass balance.
- The electricity consumption was calculated based on a detailed equipment list comprising all the equipment installed motor power. Adequate consumption factors were applied.

In WSP's view as discussed below, there are risks that the estimates of the fixed costs, accounting for 39% of the total at 3,000 tpa production, do not achieve the +30/-20% precision stated in the Pre-feasibility Report. However, in view of the high precision of the estimates for the variable costs, these risks are not considered to jeopardize the +30/-20% precision of the overall estimate.

4.4 ESTIMATED RISKS

WSP has identified the following risks in relation to the fixed cost estimates:

Manpower estimates (labor and plant management overhead): AEM has used industry guidelines to estimate manpower costs rather than preparing a detailed manpower list including annual working hours, salaries benchmarked from similar operations and reasonable assumptions for benefits, as would be normal for this level of estimate. AEM has compared its estimates with the costs it is already incurring at the existing Plant and has shown them to be consistent. However, WSP recommends AEM to undertake a more detailed analysis as outlined above. This analysis should include for taking advantage of the opportunities to share manpower resources between the Stage 1 and the Project (which has been considered as a standalone operation for the purposes of the Pre-feasibility Report), which presents an opportunity to reduce the manpower related estimates.

Maintenance estimate: For this level of estimate, it would be customary to calculate the maintenance costs by applying a factor to the capital cost of the equipment deployed. AEM has estimated a lower cost than this approach would suggest based on its experience in operating the existing Plant. There is a risk that AEM does not have sufficient experience operating the existing Plant for this approach to be valid. WSP recommends that AEM should review its calculations and compare them with industry norms to confirm their appropriateness.

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5 CAPEX ANALYSIS

5.1 OVERVIEW

The Pre-feasibility Report provides a CAPEX Estimate prepared by AEM with the support of engineering consultant, *Norda Stelo*, for the civil, structural and electrical engineering aspects of the estimate. It is presented as a Class 4 (FEL 1) estimate as defined by AACE International recommended practice note No. 18R-97 (see **Table 5-1** and **Table 5-2**).

WSP has conducted a thorough review of the major equipment quotations provided by AEM and verified their alignment with the equipment cost investment outlined in the CAPEX prepared by AEM.

The CAPEX Estimate sums to a total of CAD298.8M at Q4 2024 prices, broken down as shown in **Table 5-3**.

WSP notes that the CAPEX Estimate does not take account of the effects of cost escalation or the corporate costs that AEM would incur in connection with the Project. WSP understands AEM has accounted for these matters elsewhere in its assessment of the financial performance of the Project.

Table 5-1 CAPEX Estimate high-level information

PROJECT PHASE	FEL1
Estimate base currency	Canadian Dollar
Estimate base date	2024-Q4
Estimate Class (AACE)	Class 4
Expected accuracy Range	From +30% (high side) To -20% (low side)

Table 5-2 AACE Cost Estimate Classification System

ESTIMATE CLASS	MATURITY LEVEL OF PROJECT DEFINITION DELIVERABLES EXPRESSED AS % OF COMPLETE DEFINITION	END USAGE TYPICAL PURPOSE OF ESTIMATE	METHODOLOGY TYPICAL ESTIMATING METHOD	EXPECTED ACCURACY RANGE TYPICAL VARIATION IN LOW AND HIGH RANGES AT AN 80% CONFIDENCE INTERVAL
Class 5	0% to 2%	Concept screening	Capacity factored, parametric models, judgment, or analogy	L: -20% to -50% H: +30% to +100%
Class 4	**1% to 15%**	**Study or feasibility**	**Equipment factored or parametric models**	**L: -15% to -30% H: +20% to +50%**
Class 3	10% to 40%	Budget authorization or control	Semi-detailed unit costs with assembly-level line items	L: -10% to -20% H: +10% to +30%
Class 2	30% to 75%	Control or bid / tender	Detailed unit cost with forced detailed take-off	L: -5% to -15% H: +5% to +20%
Class 1	65% to 100%	Check estimate or bid/tender	Detailed unit cost with detailed take-off	L: -3% to -10% H: +3% to +15%

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Table 5-3 CAPEX Estimate Summary

DESCRIPTION	$CAD M	RATIO	RATIO BASED	SOURCE
Purchased Equipment	87.280	44.5%	On Direct cost	AEM
Equipment Delivery	8.728	10.0%	On Equipment Cost	AEM
Equipment Installation	19.219	22.0%	On Equipment Cost	AEM
Instrumentation and Control	15.487	7.9%	On Direct cost	AEM
Piping (installed)	17.610	9.0%	On Direct cost	AEM
Power Supply (Installed by Hydro-Quebec)	6.250	3.2%	On Direct cost	AEM
Electrical Systems	13.237	6.8%	On Direct cost	Norda Stelo
Buildings and Architecture (including Service)	12.757	6.5%	On Direct cost	Norda Stelo
Civil	4.723	2.4%	On Direct cost	Norda Stelo
Foundations and Structure	9.602	4.9%	On Direct cost	Norda Stelo
Overhead cranes and Pipe racks	1.066	0.5%	On Direct cost	AEM
DIRECT COSTS	195.959			
Engineering and Supervision	26.327	13.4%	On Direct cost	AEM
Construction Expenses	18.884	9.6%	On Direct cost	AEM
Legal Expenses	3.423	1.7%	On Direct cost	AEM
Contractor's Fee	3.527	1.8%	On Direct cost	AEM
INDIRECT COSTS	52.161	26.6%	On Direct cost	
DIRECT + INDIRECT COSTS	248.120			
CONTINGENCY	50.656	17%	On D+I Cost	AEM & Norda Stelo
TOTAL CAPEX (Q4-2024)	**298.775**			

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5.2 DOCUMENT REVIEW

The primary sources of information used as a basis to complete this review were as follows:

- Cap-Chat Plant Expansion (Stage 2): Pre-feasibility Study Report (Rev.04).
- Stage 2 CAPEX Calculation Sheet: HPA-CC-1052-M-Project-Estimation_r_03.
- External Engineering Report: AEM HPCC phase 2 FEL1 Report_REV_0.
- Quotations for the following:
  - Spray Dryer.
  - Crystallizer.
  - Centrifuge.
  - Jet Mill.
  - Rotary Kilns.
  - Tunnel Kiln.
  - Ion Exchange System.
  - Digester.
  - Electrical Boiler.

5.3 FINDINGS

WSP has undertaken a meticulous review of each aspect of the CAPEX Estimate including materials, labour, equipment, permits, subcontractor quotes, and other relevant capital and expense costs in order to identify any potential gaps, inconsistencies, or areas of concern that could impact the accuracy or feasibility of the estimate. We discuss below our main findings from this review. For a more comprehensive discussion of the evaluation process and its outcomes, please refer to **Appendix A.**

WSP has found that:

- AEM applied multiple estimation methods in the data provided, ensuring that every section of the estimate was assessed separately with appropriate methods.
- Based on the information provided to WSP and in accordance with AACE best practices, we confirm the estimate meets the requirements for a Class 4 estimate. However, its precision should be considered as +30/ -30%, rather than the +30/-20% precision stated in the Pre-feasibility Report. The precision could be improved by following the recommendations found in Appendix A.
- WSP has confirmed that the major equipment quotations from AEM are accurate and match the CAPEX.

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6 CLOSING

Based on its review of the Pre-feasibility Report and other supporting documentation provided by AEM, WSP has been able to conclude that the:

- Engineering design undertaken for the Project is appropriate for a project at the prefeasibility stage.
- Project has been appropriately sized for the desired capacity of 3,000 tpa, comprising 2,000 tpa of 4N+ HPA and 1,000 tpa of 3N5 HPA.
- Decision to utilize rotary kilns for the decomposition process in the Project is considered sound. While there are some risks associated with scaling up to larger rotary kilns than those currently in use at the Plant, these risks are deemed manageable. The increased flexibility in production offered by rotary kilns is believed to outweigh these risks.
- Schedule proposed for implementing the Project is reasonable. As it will be co-located with the Stage 1 Plant on AEM's existing site, there will be no need to acquire additional land, and the necessary permitting processes should be straightforward.
- OPEX Estimate for the Project of 23.3M CAD per annum at 3,000 tpa production has been appropriately calculated to a +30/-20% level of precision, as would be customary at the prefeasibility stage.
- CAPEX Estimate for the Project of 298.8M CAD satisfies the requirements for a Class 4 (FEL 1) estimate as defined by AACE International to a +30/-20% level of precision.

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APPENDIX

A CAPEX ANALYSIS

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A1 CAPEX ANALYSIS

A1.1 OVERVIEW

WSP has performed a meticulous review of each aspect of the estimate as discussed below, which also contain WSP's recommendations and suggestions for improving the accuracy of the estimate.

A1.2 BASIS OF REVIEW

A1.2.1 BASIS OF ESTIMATE

A properly documented basis of the estimate was missing from the documents that were shared with WSP. Some sources were included in the project estimation in various sheets such as book reference, index reference exchange rate used.

Based on AACE good practices and industry standard, it is recommended that estimation provide a comprehensive document describing all estimate basis, assumptions and exclusions.

Providing comprehensive details in the basis of estimate, such as crew rates details, coordination with operation, information sourcing for all published benchmark data, quantity methodology, type of contract for construction package, explanation of all allowances, commissioning strategy, qualification and exclusions, etc. enhances the effectiveness of the third-party review.

A1.3 PURCHASED EQUIPMENT

In a Class 4 estimate that relied on equipment ratios, the equipment list is a critical deliverable, as it impacts nearly all other cost items. Because of this, creating and populating this list should be done with a high level of care and attention to detail.

AEM provided a detailed equipment list that included the following key information, when available, for each item:

- Description.
- Equipment Type.
- Material.
- Equipment Specifications.
- Capacity.
- Dimensions.
- Manufacturer.
- Model.
- Supplier.
- Sourcing Cost.
- Reference Year.
- Scale Factor.
- Lead Time.
- Estimated Price.
- Currency.

The list contained 176-line items and was sufficiently populated to allow for comprehensive analysis.

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To update the prices, AEM used the CEPCI (Chemical Engineering Plant Cost Index) to adjust and scale the prices to 2024 levels. Additionally, the 0.6 scaling factor was applied, as required for this type of estimate.

After this adjustment, the prices were converted to CAD using the currency exchange table provided. It's important to note that while the table references XE.com for exchange rates, it does not include a specific reference date for the rates used.

Table A-1 Currency Conversion

CURRENCY	RATE TO CAD
USD	1,38
GPD	1,75
EUR	1,48
CAD	1,00

A1.3.1 COST ANALYSIS

A1.3.1.1 *ORIGIN OF COST*

Using the information available, we break down the equipment list by the price origin in four different categories.

1. Quotations:
   - **a.** Based on industry standards a quotation should be an official proposal received within a period of up to 1 year prior to the CAPEX base date.
   - **b.** WSP reviewed some of the quotations for major equipment, AEM has identified which equipment has received a proposal.
2. Historical Data:
   - **a.** Identified as a Quotation by AEM that Reference year is older than 2023.
   - **b.** Price sourcing from a past Study.
   - **c.** Price taken from an informal proposal or online model.
3. Book Database:
   - **a.** Plant Design & Economics for Chemical Engineers - Appendix D: Capital Cost Guidelines - section 10.1.
4. Estimated:
   - **a.** Noted as a placeholder or estimated by AEM.
   - **b.** No reference available on pricing.

Table A-2 Conclusion on Purchased Equipment

DESCRIPTION	$CAD M	%	
Quotations	42.749	49.0%	On Equip Cost
Historical Data	15.614	17.9%	On Equip Cost
Book Database	8.918	10.2%	On Equip Cost

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DESCRIPTION	$CAD M	%	
Estimated	15.995	18.3%	On Equip Cost
Total Purchased equipment costs	87.280		

It should be noted that the industry standard for a Class 4 estimate required at least 75% of the cost obtained by validated price quotations.

A1.3.1.2 *REFERENCE YEAR*

Using the information available, we break down the equipment list by the Reference year to get the following table.

Table A-3 Reference Year

REFERENCE YEAR	Q3-2024 $CAD M	%	
2007	12.630	14.5%	On Equip Cost
2012	9.472	10.9%	On Equip Cost
2014	3.081	3.5%	On Equip Cost
2015	0.129	0.1%	On Equip Cost
2018	0.208	0.2%	On Equip Cost
2021	4.003	4.6%	On Equip Cost
2022	2.255	2.6%	On Equip Cost
2023	12.702	14.6%	On Equip Cost
2024	42.799	49.0%	On Equip Cost
Total Purchased equipment costs	**87.280**		

It should be noted that any costs with a reference period greater than 10 years should be treated with caution. These costs represent 28.9% of equipment costs and may require growth allowances to account for changes in environmental and safety regulations that have evolved over time.

A1.3.1.3 *CEPCI INDEX*

As mentioned in Section 4.1, AEM used the CEPCI (Chemical Engineering Plant Cost Index) global index to update the costs to Q3-2024. The Chemical Engineering Index is widely considered the best source for cost indexation and is the industry standard.

The global index is a composite of the following categories:

- Equipment.
- Construction Labor.
- Buildings.
- Engineering Supervision.

To improve the accuracy of the estimate, it would be better to use the Chemical Engineering Equipment Index rather than the Global Index. This is because the Equipment Index focuses specifically on equipment costs, which are more relevant to the scope of this estimate.

The following table illustrates the difference between the Equipment Index and the Global Index.

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Table A-4 Discrepancies between CEPCI and Global Index

REFERENCE YEAR	Q3-2024 CAD M$	CEPCI INDEX FACTOR	CE EQUIPMENT INDEX FACTOR	DELTA CAD M$
2007	12.630	1,52	1,60	0.986
2012	9.472	1,37	1,40	0.325
2014	3.081	1,39	1,43	0.125
2015	0.129	1,44	1,49	0.007
2018	0.208	1,33	1,36	0.007
2021	4.003	1,13	1,14	0.025
2022	2.255	0,98	0,97	(0.033)
2023	12.702	1,00	0.99	(0.108)
2024	42.799	1,00	1.00	N/A
Total Purchased equipment costs	**87.280**			**1.334 M$**

It should be noted that although the difference between the Equipment Index and the Global Index is relatively small (about 1.5% of the total equipment cost), we still recommend using the more appropriate index, as mentioned earlier. Since the entire estimate is based on ratios, it is important that the equipment list be updated to reflect the most accurate and up-to-date costs.

A1.3.2 RECOMMENDATIONS

At this stage, based on the information provided, we believe the equipment list meets the standards for a Class 4 Estimate with opportunities for further refinement to enhance accuracy. We recommend refining the list by applying better quotation ratios, using the Chemical Engineering Equipment Index, and including growth allowances for very old prices that have not been updated.

Additionally, while no specific data was provided for exchange rates, we analyzed past exchange rate charts and found that the rates may have been applicable for Q2-2024. Significant fluctuations have occurred since then, and the exchange rates have not been as favorable since that time. Therefore, we recommend updating the exchange rates or setting aside a reserve to account for future rate fluctuations.

A1.4 EQUIPMENT DELIVERY

AEM used Plant Design and Economics for Chemical Engineers recommended ratios for the delivery of Purchased Equipment, which states that for pre-design estimates, a delivery allowance of 10 percent of the purchased equipment cost is recommended.

A1.4.1 RECOMMENDATIONS

At this stage, based on the information provided, we believe that the cost account used the correct percentage and methodology for applying to all purchased equipment. The assumptions made are appropriate.

This cost account should be updated if there are any changes to the equipment costs.

A1.5 EQUIPMENT INSTALLATION

The Plant Design and Economics for Chemical Engineers recommends specific ratios for purchased equipment installation, which include the installation of all equipment listed on the complete flowsheet, structural supports, and

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equipment insulation and painting. According to this reference, the installation of Solid-Fluid Processing Plant equipment should represent 39% of the purchased equipment cost.

A1.5.1 COST ANALYSIS

AEM divided the equipment list into two categories:

1 Process equipment (In Module/Skid):
   a. AEM allocated 10% of the total cost to this category.
   b. However, no reference has been provided to justify this allocation of 10% instead of the standard 39%.
2 Process equipment (non-modular):
   a. AEM used the reference percentage for this category.
3 Cost reduction:
   a. A total of $1.789M was removed from the estimate due to cost reductions, since Norda Stelo's Estimate included some structural support for process equipment:
      i. $413,000 for Steel Structure for Process Equipment (allowance).
      ii. $1,375,570 for Slab on Grade:
         – $981,750 for construction of new slab.
         – $393,820$ for equipment concrete base (in addition to slab).

A1.5.2 RECOMMENDATIONS

Based on the information provided, we believe that the 10% allocation for Process Equipment (In Module/Skid) seems too low and should be better explained or backed up by specific project data. Our recent projects and database show higher percentages for these types of equipment.

We consider that the percentage for Process Equipment (Non-Modular) is appropriate for a Class 4 estimate, and the reference used for these costs is well chosen.

Regarding the cost reductions for items already accounted for in other reports:

- The reductions for the Steel Structure for Process Equipment (413k) and the base for equipment (394k) are justified.
- On the other hand, the deduction for Slab on Grade should not be removed, as it seems to relate to a building account, as the reference included only direct structural supports and no building components.

Additionally, this cost account should be updated if there are any changes to the equipment costs.

A1.6 INSTRUMENTATION AND CONTROL

The Plant Design and Economics for Chemical Engineers recommends specific ratios for purchased instrumentation and controls, which include the purchase, installation, calibration, computer control, and supporting software. According to this reference, the installation of Solid-Fluid Processing Plant instrumentation and controls should represent 26% of the total purchased equipment cost.

A1.6.1 COST ANALYSIS

AEM divided the equipment list into two categories:

1 Process equipment (In Module/Skid):
   a. AEM allocated 10% of the total cost to this category.
   b. However, no reference has been provided to justify this allocation of 10% instead of the standard 26%.

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2 Process equipment (non-modular):

   a. AEM used the reference percentage for this category.

A1.6.2 RECOMMENDATIONS

Based on the information provided, we believe that the 10% allocation for Process Equipment (In Module/Skid) seems too low and should be better explained or supported by specific project data. Our recent projects and database show a slightly reduced cost for Instrumentation and Controls compared to the standard.

We consider that the percentage for Process Equipment (Non-Modular) is appropriate for a Class 4 estimate, and the reference used for these costs is well chosen.

Additionally, this cost account should be updated if there are any changes to the equipment costs.

A1.7 PIPING (INSTALLED)

Plant Design and Economics for Chemical Engineers recommends specific ratios for piping, including process piping that uses suitable structural materials, pipe hangers, fittings, valves, and insulation. According to this reference, the installation of Solid-Fluid Processing Plant piping should represent 31% of the total purchased equipment cost.

A1.7.1 COST ANALYSIS

AEM divided the equipment list into two categories:

1 Process equipment (In Module/Skid):

   a. AEM allocated 10% of the total cost to this category.

   b. However, no reference has been provided to justify this allocation of 10% instead of the standard 31%.

2 Process equipment (non-modular):

   a. AEM used the reference percentage for this category.

A1.7.2 RECOMMENDATIONS

Based on the information provided, we believe that the 10% allocation for Process Equipment (In Module/Skid) seems too low and should be better explained or supported by specific project data. Our recent projects and database indicate a slightly reduced cost for piping (installed) compared to the standard.

We consider the percentage for Process Equipment (Non-Modular) to be appropriate for a Class 4 estimate, and the reference used for these costs is well chosen.

Additionally, this cost account should be updated if there are any changes to the equipment costs.

A1.8 POWER SUPPLY (INSTALLED BY HYDRO-QUEBEC)

A new electrical power line will be installed by Hydro-Quebec from their existing 25 kV station, located 25 km from the Cap-Chat Plant. The installation will be paid for by AEM.

A1.8.1 COST ANALYSIS

AEM has assumed an average cost of $250,000 per kilometer for the installation.

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A1.8.2 RECOMMENDATIONS

Based on the information provided, this figure seems realistic and aligns with our own estimates. To ensure optimal accuracy, it is recommended to validate with Hydro-Quebec that the existing station has the necessary availability to support this power line.

No further recommendations are needed for this cost account.

A1.9 ELECTRICAL SYSTEM

A third-party engineering firm, Norda Stelo, has been mandated to provide a detailed cost estimate report for the electrical system. This section covers all electrical infrastructure within the property limits.

Norda Stelo's report includes a Basis of Estimate, which mentions that the estimate is based on a FEL 1 (Conceptual) estimate with an accuracy of +30% / -20%. It also outlines major assumptions, considerations, cost qualifications, and exclusions. All material pricing is based on recent industrial projects, with no budget quotations obtained. The estimation is valid for 2024.

A1.9.1 COST ANALYSIS

Norda Stelo's detailed estimate follows a Class 3 methodology, using cost line items broken down into:

- Direct Purchase.
- Material / Expenses.
- Man Hours.

The man-hour rate is set at $102.61, which reflects the wages for Apprentices 4. We noted that no productivity factor has been applied to the labor hours.

The following items (cables, pushbuttons, VFDs, switchgear, and transformers) are planned to be purchased directly by AEM, with no contractor markup included.

Additionally, allowances for mobilization/demobilization, scissor lifts, trailers, and material shipping fees are added at the end of the estimate. Contractor fees (5%) and profit (10%) are applied to all material/expenses.

A1.9.2 RECOMMENDATIONS

Based on the information provided, we believe that the cost account uses the appropriate methodology for a Class 4 estimate (+30% / -20%). The assumptions regarding direct purchases appear realistic, and the markup applied to material/expenses seems reasonable.

The labor cost ratio seems low. Industry standards for conceptual estimates typically require that labor rates be based on tradesmen rates, not apprentices' wages, and no reductions should be applied to factors in apprentices' wages. Additionally, a productivity factor should be applied, particularly given the location of the project and the fact that it is an expansion of an existing site.

No further recommendations are needed for this cost account.

A1.10 BUILDING AND ARCHITECTURE (INCLUDING SERVICE)

A third-party engineering firm, Norda Stelo, has been mandated to provide a detailed cost estimate report for the building and architecture section. This section covers the construction of a building with a gross area of ±9600 m² and a ±570 m² mezzanine.

The building will be constructed using a conventional type, featuring:

- Steel structure with joists on beams and columns.

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- Sandwich assembly enclosure (interior liner, middle girts housing insulation, and an exterior preformed metal covering).
- Poured-in-place concrete foundation under the frost line.
- No firewall between process departments inside the building.
- Fire protection by sprinklers.

Norda Stelo's report includes a Basis of Estimate, which notes that the estimate is based on a FEL 1 (Conceptual) estimate with an accuracy of +30% / -20%. It also outlines the major assumptions, considerations, cost qualifications, and exclusions. The estimate is valid for 2024.

A1.10.1 COST ANALYSIS

Norda Stelo's detailed estimate provides a Level 3 Uniformat breakdown, which includes specific subcomponents of major systems and assemblies. This level of detail is appropriate for projects moving from conceptual estimates (such as FEL-1) to a more defined stage of the project.

Services such as Plumbing, HVAC, and Fire Protection have been estimated using an allowance per square meter.

A1.10.2 RECOMMENDATIONS

Based on the information provided, this cost account contains sufficient detail to produce an accurate Class 4 estimate (+30% / -20%).

No further recommendations are needed for this cost account.

A1.11 CIVIL

A third-party engineering firm, Norda Stelo, has been mandated to provide a detailed cost estimate report for the Civil section. This section covers the yard improvements and earthwork preparation for new buildings.

Key Assumptions for this Section:

- AEM provided a preliminary layout of the site in PDF and DWG format, showing the desired arrangement.
- Property boundaries are fixed, and all work must be carried out within these boundaries.
- No topographical surveys of the site are available.
- No geotechnical or soil surveys are available for the area where civil works are required.
- Approximate routing of drinking water, fire water, and sanitary wastewater lines were provided by AEM. Process water pipes are not included in this estimate.
- A provision has been included for stormwater management before discharging to the receiving environment. This will need to be determined during later project stages, following ecological and hydrological studies.
- Site decontamination is excluded from this estimate.

Norda Stelo's report includes a Basis of Estimate, which notes that the estimate is based on a FEL 1 (Conceptual) estimate with an accuracy of +30% / -20%. It also outlines the major assumptions, considerations, cost qualifications, and exclusions. The estimate is based on data for 2024 and is valid for that year.

A1.11.1 COST ANALYSIS

Norda Stelo used all-in unit rates shown in the Material / Expenses column. The unit costs used for the estimate are derived from the following sources:

- Liste et prix des ouvrages d'infrastructures de transport 2022-2023, Ministère des Transports et de la Mobilité durable du Québec (List and Pricing of Transport Infrastructure Works 2022-2023).
- Recueil des tarifs de camionnage en vrac - Volume 3, Tarifs de transport d'agrégat (Bulk Trucking Rates Collection – Volume 3 Aggregate Transportation Rates), revised February 29, 2024.
- Tender forms for infrastructure work carried out in similar regions (outside city centers) in 2023 and 2024.

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Additionally, a provision for stormwater management has been included at the end of the estimate. Contractor fees (8%) and profit (15%) are applied to all material/expenses.

A1.11.2 RECOMMENDATIONS

Based on the information provided, we believe this cost account should be considered as a Class 4 Estimate.

While the key assumptions made are reasonable, the documents provided should be considered preliminary at this stage. The unit costs seem optimistic, given the remote location, but they could be accurate. To enhance the expected accuracy of the estimate (+30% / -20%), it is recommended to develop the inputs to a more detailed level.

A1.12 FOUNDATIONS AND STRUCTURE

A third-party engineering firm, Norda Stelo, has been mandated to provide a detailed cost estimate report for the foundations and structure. This section covers the foundations and structure of a building with a gross area of ±9600 m², a ±570 m² mezzanine and some foundations for process equipment, pump bases (37), Tank bases (48), Misc Equip bases (3 pads).

Key Assumptions for this Section:

- Steel structure with joists on beams and columns.
- Poured-in-place concrete foundation under the frost line.

Norda Stelo's report includes a Basis of Estimate, which notes that the estimate is based on a FEL 1 (Conceptual) estimate with an accuracy of +30% / -20%. It also outlines the major assumptions, considerations, cost qualifications, and exclusions. The estimate is valid for 2024.

A1.12.1 COST ANALYSIS

Norda Stelo's detailed estimate provides a Level 3 Uniformat breakdown, which includes specific subcomponents of major systems and assemblies. This level of detail is appropriate for projects moving from conceptual estimates (such as FEL-1) to a more defined stage of the project.

This account is the sum of the A10 Foundation plus B10 Superstructure.

A1.12.2 RECOMMENDATIONS

Based on the information provided, this cost account contains sufficient detail to produce accurate Class 4 estimates (+30% / -20%).

No further recommendations are needed for this cost account.

A1.13 OVERHEAD CRANES AND PIPERACK

No information is available in the Pre-feasibility Report regarding this cost account. The pipe rack is not shown on the Plot Plan.

A1.13.1 COST ANALYSIS

AEM appears to have included placeholder allowances of:

- $535,500 for Overhead Cranes.
- $530,000 for Pipe Rack.

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A1.13.2 RECOMMENDATIONS

To enable a meaningful analysis and provide recommendations, it is essential to gather more detailed information for this account. WSP cannot provide recommendations at this stage.

A1.14 ENGINEERING AND SUPERVISION

The Plant Design and Economics for Chemical Engineers (fifth edition) recommends specific ratios for engineering and supervision, which include all engineering costs, supervision, and inspection. According to this reference, engineering and supervision for the installation of Solid-Fluid Processing Plant equipment should represent 32% of the total purchased equipment cost.

A1.14.1 COST ANALYSIS

AEM appears to have applied a 30% ratio on all purchased equipment, rather than the 32% recommended in the reference. In the Pre-feasibility Report, there is a mention regarding these costs, that “these indirect costs are approximately 30% of the delivered non-modular equipment, plus 10% of the modular cost,” which does not fully align with the rest of the estimate.

It is also important to note that the fifth edition of the reference was issued in 2011, so some of the ratios may need updating.

A1.14.2 RECOMMENDATIONS

Based on the information provided, we believe that the 30% allocation for purchased equipment seems too low and should be better explained or supported by specific project data. Our recent projects indicate that projects involving large additions to existing facilities tend to exceed the percentage suggested in the Plant Design and Economics reference.

We recommend that AEM use at least 32%, reference for purchased equipment, to align with an appropriate Class 4 estimate.

Additionally, this cost account should be updated if there are any changes to the equipment costs.

A1.15 CONSTRUCTION EXPENSES

The Plant Design and Economics for Chemical Engineers (fifth edition) recommends specific ratios for construction expenses, which include all costs related to the construction, operation, and maintenance of temporary facilities, construction tools and equipment, construction supervision, nonproductive labor, warehouse personnel, safety, permits, field tests, special licenses, taxes, insurance, and interest. According to this reference, construction expenses for the installation of Solid-Fluid Processing Plant equipment should represent 34% of the total purchased equipment cost.

A1.15.1 COST ANALYSIS

AEM divided the equipment list into two categories:

1. Process equipment (In Module/Skid):
   a. AEM allocated 10% of the total cost to this category.
   b. However, no reference has been provided to justify this allocation of 10% instead of the standard 34%.
2. Process equipment (non-modular):
   a. AEM used the reference percentage for this category.

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A1.15.2 RECOMMENDATIONS

Based on the information provided, we believe that the 10% allocation for Process Equipment (In Module/Skid) seems too low and should be better explained or supported by specific project data. Our recent projects and database show a slightly reduced cost for construction expenses compared to the standard.

We consider that the percentage for Process Equipment (Non-Modular) could be appropriate for a Class 4 estimate, and the reference used for these costs is well chosen.

Additionally, this cost account should be updated if there are any changes to the equipment costs.

A1.16 LEGAL EXPENSES

The Plant Design and Economics for Chemical Engineers (fifth edition) recommends specific ratios for the legal expenses. According to this reference, construction expenses for the installation of Solid-Fluid Processing Plant equipment should represent 4% of the total equipment purchased cost and between 1% to 3% of the Fixed-Capital Investment (FCI).

A1.16.1 COST ANALYSIS

AEM appears to have applied a 3.90% ratio, rather than the 4% of the purchased equipment cost recommended in the reference.

Currently, the contractor's fee ratio on FCI is 1.20%.

A1.16.2 RECOMMENDATIONS

We consider that the percentage used could be appropriate for a Class 4 estimate, and the reference used for these costs is well chosen.

This cost account should be updated if there are any changes to the equipment costs.

A1.17 CONTRACTOR'S FEE

The Plant Design and Economics for Chemical Engineers (fifth edition) recommends specific ratios for the contractor's fee. According to this reference, construction expenses for the installation of Solid-Fluid Processing Plant equipment should represent 19% of the total purchased equipment cost and between 2% to 6% of the Fixed-Capital Investment (FCI).

A1.17.1 COST ANALYSIS

AEM appears to have applied a 1.80% ratio on all direct costs, rather than the 19% of the equipment purchased cost recommended in reference. In the Pre-feasibility Report, it was mentioned that "The contractor's fee varies depending on the specific circumstances and covers the supervision of contractors and related expenses. For these two sections, 6% of the delivered equipment's price has been considered." This does not fully align with the estimate provided, so it should be adjusted to 2.10% of the purchased equipment cost (since 3.90% was used on 4.14. Legal fees).

Currently, the contractor's fee ratio on FCI is 1.27%.

A1.17.2 RECOMMENDATIONS

To ensure alignment with the various references used by AEM, is it recommended to review and refine this cost account based on the provided information. It is important to consider the remote location of the project, as skilled labor will likely be sourced from outside the local market. As such, this cost account should also cover all expenses related to travel, room, and board for workers.

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We recommend that this cost account be explained in more detail, supported by a contractor strategy, and refine with more accurate figures.

A1.18 CONTINGENCY

"Contingency is not a measure of estimate accuracy. Rather, it reflects risk at any specified or desired probability of not completing the project within the estimate." (AACEI 41r-08).

Contingency, as defined by AACEI 10s-90, is: "An amount added to an estimate to allow for items, conditions, or events for which the state, occurrence, or effect is uncertain and that experience shows will likely result, in aggregate, in additional costs."

Typically, contingency is estimated using statistical analysis or judgment based on past asset or project experience. It usually excludes the following:

1. Major scope changes such as changes in product specification, capacities, building sizes, and location of the asset or project.
2. Extraordinary events such as major strikes and natural disasters.
3. Management reserves.
4. Escalation and currency effects.
5. Material specification changes.
6. New area Solvent Aided Process (SAP).
7. No recent data on original site development.
8. Unknown data.
9. Labour rates increase due to economic conditions.
10. Material cost increase.

Some of the uncertain items, conditions, or events that can affect the estimate include:

- Planning, estimating errors, and omissions.
- Minor price fluctuations (excluding general escalation).
- Design changes and developments within scope.
- Variations in market and environmental conditions.
- Contingency is generally included in most estimates and is expected to be expended.

Table A-5 AACEI Estimate Contingency Recommendations

CLASS	PURPOSE	LEVEL OF PROJECT DEFINITION	ESTIMATE ACCURACY	CONTINGENCY
Class 1	Check Estimate or Bid/Tender	50% to 100%	Low: -3% to -10% High: +3% to +15%	2% to 5%
Class 2	Control or Bid/Tender	30% to 70%	Low: -5% to -15% High: +5% to +20%	5% to 10%
Class 3	Budget, Authorization or Control	10% to 40%	Low: -10% to -20% High: +10% to +30%	+8% to 15%
Class 4	Study or Feasibility	1% to 15%	Low: -15% to -30% High: +20% to +50%	+15% to 25%
Class 5	Concept Screening	0% to 2%	Low: -20% to -50% High: +30% to +100%	25%+

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A1.18.1 COST ANALYSIS

AEM has applied a 20% contingency to all section estimates. However, Norda Stelo has applied varying contingency percentages ranging from 20% to 30%, as shown in the table below:

Table A-6 Cost Analysis

DESCRIPTION	$CAD M	CONTINGENCY %	CONTINGENCY VALUES
Purchased Equipment	87.280	20%	14.416
Equipment Delivery	8.728	20%	1.745
Equipment Installation	19.219	20%	3.843
Instrumentation and Control	15.487	20%	3.097
Piping (installed)	17.610	20%	3.522
Power Supply (Installed by Hydro-Quebec)	6.250	20%	1.875
Electrical Systems	13.237	30%	3.971
Buildings and Architecture (including Service)	12.757	20%	2.551
Civil	4.723	30%	1.417
Foundations and Structure	9.602	20%	1.920
Overhead cranes and Pipe racks	1.066	20%	0.213
DIRECT COSTS	**195.959**	**21%**	**40.223**
Engineering and Supervision	26.327	20%	5.265
Construction Expenses	18.884	20%	3.777
Legal Expenses	3.423	20%	0.685
Contractor's Fee	3.527	20%	0.705
INDIRECT COSTS	**52.161**	**20%**	**10.432**
CONTINGENCY		**20%**	**50.666**

A1.18.2 RECOMMENDATIONS

Based on the AACEI contingency recommendations, we consider that this estimate follows a Class 4 methodology.

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8. ADDITIONAL INFORMATION

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8.1 Rights attaching to Shares

A summary of the rights attaching to the Shares under the Offer is detailed below. This summary is qualified by the full terms of the Constitution (a full copy of the Constitution is available from the Company on request free of charge) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders. These rights and liabilities can involve complex questions of law arising from an interaction of the Constitution with statutory and common law requirements. For a Shareholder to obtain a definitive assessment of the rights and liabilities which attach to the Shares in any specific circumstances, the Shareholder should seek legal advice.

(a) General meetings

Shareholders are entitled to be present in person, or by proxy or attorney to attend and vote at general meetings of the Company and these meetings may be held virtually using any technology that gives the Shareholders as a whole a reasonable opportunity to participate in the meeting.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act.

(b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of Shareholders or classes of Shareholders:

(i) each Shareholder entitled to vote may vote in person or by proxy or attorney (or, if a determination has been made by the Board, by direct vote);

(ii) on a show of hands, every person present who is a Shareholder or a representative of a Shareholder has one vote in respect of each Share carrying the right to vote; and

(iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder (or where a direct vote has been lodged) shall, in respect of each Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have a fraction of a vote equivalent to the proportion which the amount paid up bears to the total issue price for the share.

(c) Direct Voting

Directors may determine that Shareholders may cast votes to which they are entitled on any or all of the resolutions (including any special resolution) proposed to be considered at, and specified in the notice convening, a meeting of Shareholders, by direct vote. Direct voting is a mechanism by which Shareholders can vote directly on resolutions which are to be determined by poll. Votes cast by direct vote by a Shareholder are taken to have been cast on the poll as if the Shareholder had cast the votes on the poll at the meeting. In order for direct voting to be available, Directors must elect that votes can be cast via direct vote for all or any resolutions and determine the manner appropriate for the casting of direct votes. If such a determination is made by the Directors, the notice of meeting will include information on the application of direct voting.

(d) Dividend rights

The Directors alone may declare a dividend to be paid to Shareholders. The dividend is payable at a time determined in the Directors' discretion. No dividend may be declared or paid except as allowed by the Corporations Act. No interest is payable in respect of unpaid dividends. The Directors may capitalise any profits of the Company and distribute that capital to the Shareholders, in the same proportions as the Shareholders are entitled to a distribution by dividend.

The method of payment of a dividend may include any or all of the payment of cash, the issue of shares, the grant of options or other securities in the Company, the transfer of shares or any other securities in any other body corporate or units in any unit trust or the transfer of any other assets.

If the method of payment of a dividend includes an issue or transfer of shares in a body corporate, each Shareholder:

(i) is deemed to have agreed to become a member of that body corporate and be bound by the constitution of that body corporate; and

(ii) in the case of a transfer, appoints the Company and each Director as its agent to execute instrument of transfer or other document required to transfer those shares to that Shareholder.

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(e) Winding-up

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for the purpose set such value as he/she considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of shareholders.

The liquidator may, with the authority of a special resolution of the Company, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is liability.

(f) Shareholder liability

As the Shares to be issued under the Offer detailed in this Prospectus are fully paid shares, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(g) Transfer of Shares

Generally, Shares are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and/or the Listing Rules.

(h) Variation of rights

Pursuant to section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(i) Restricted Securities

The Constitution complies with Listing Rule 15.12. Certain more significant holders of restricted securities and their controllers (such as related parties, promoters, substantial holders, service providers and their associates) are required to execute a formal escrow agreement in the form of Appendix 9A to the Listing Rules. For those with less significant holdings (such as non-related parties and non-promoters) the Company will issue restriction notices to holders of restricted securities in the form of Appendix 9C to the Listing Rules advising them of the restriction rather than requiring signed restriction agreements.

Refer to Section 1.21 for information in relation to anticipated ASX escrow which is expected to apply to certain of Shares (subject to ASX's discretion).

(j) Alteration of Constitution

The Constitution can only be amended by a special resolution passed by at least 75% of the votes cast by members entitled to vote on the resolution at the general meeting. In addition, at least 28 days' written notice specifying the intention to propose the resolution as a special resolution must be given.

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8.2 Employee Incentive Plan

The Company has adopted the Employee Incentive Plan which has been designed to align Eligible Participants' interests with those of its Shareholders. The full terms of the Employee Incentive Plan may be inspected at the registered office of the Company during normal business hours. A summary of the Employee Incentive Plan is provided below.

(a) Definitions

For the purposes of the Employee Incentive Plan:

(i) **Agreed Leaver** means a Participant who ceases to be an Eligible Participant in any of the following circumstances:

(A) the Participant and Board have agreed in writing that the Participant has entered into bona fide retirement;

(B) the Participant and the Board have agreed in writing that the Participant's role has been made redundant;

(C) the Board has determined that:

(I) Special Circumstances apply to the Participant; or

(II) the Participant is no longer able to perform their duties under their engagement or employment arrangements with the Group due to poor health, injury or disability;

(D) the Participant's death; or

(E) any other circumstance determined by the Board in writing.

(ii) **Allocated Share** means any Share(s) issued, transferred or allocated:

(A) directly pursuant to an Offer; or

(B) pursuant to the exercise of an Option or conversion of a Performance Right or Deferred Share Unit,

under the Employee Incentive Plan.

(iii) **Director** means a director of the Company, or any member of the Group.

(iv) **EIP Offer** means an offer to an Eligible Participant, in the form of an offer letter, to apply for the grant of Employee Incentives under the Employee Incentive Plan.

(v) **Eligible Participant** means:

(A) Directors and Employees who are determined by the Board in its sole and absolute discretion to be eligible to receive grants of Employee Incentives; or

(B) any other person who is determined by the Board in its sole and absolute discretion to be eligible to receive grants of Employee Incentives.

(vi) **Employee** means any employee, consultant or contractor of the Company, or any member of the Group.

(vii) **Employee Incentive** means any:

(A) Share, Option, Performance Right or Deferred Share Unit granted, issued or transferred; or

(B) Share(s) issued pursuant to the exercise of an Option or conversion of a Performance Right or Deferred Share Unit,

under the Employee Incentive Plan.

(viii) **Employee Share Scheme** has the meaning given to that term in the Corporations Act.

(ix) **ESS Interest** has the meaning given to that term in the Corporations Act.

(x) **Former Participant** means a Participant who ceases to be an Employee or Director.

(xi) **Group** means the Company and its associated entities (including subsidiaries).

(xii) **Non-Agreed Leaver** means a Participant who ceases to be an Eligible Participant and:

(A) does not meet the Agreed Leaver criteria; or

(B) meets the Agreed Leaver criteria but the Board has determined in writing that they be treated as a Non-Agreed Leaver.

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(xiii) **Participant** means:

(A) an Eligible Participant who has been granted Employee Incentives under the Employee Incentive Plan; or

(B) where an Eligible Participant has made a nomination:

(I) the Eligible Participant; or

(II) the nominee of the Eligible Participant who has been granted Employee Incentives under the Employee Incentive Plan,

as the context requires.

(xiv) **Performance Period** means the period in which the Vesting Conditions must be satisfied in respect of an Employee Incentive.

(xv) **Special Circumstances** means any of the following:

(A) the death of the Participant; or

(B) the total and permanent disablement of the Participant such that the Participant is unlikely ever to engage in any occupation for which the Participant is reasonably qualified by education, training or experience.

(xvi) **Vesting Conditions** means any condition(s) (as specified in the EIP Offer and determined by the Board in its sole and absolute discretion) which must be satisfied or waived in order for Employee Incentives to vest in accordance with their terms.

(b) Participation

(i) The Board may from time to time in its sole and absolute discretion determine that an Eligible Participant may participate in the Employee Incentive Plan.

(ii) Following determination that an Eligible Participant may participate in the Employee Incentive Plan, the Board may at any time, and from time to time, make an EIP Offer to the Eligible Participant.

(c) Maximum Allocation

(i) The maximum number of Employee Incentives that may be granted pursuant to the Employee Incentive Plan must not at any time exceed 10% of the total number of Shares on issue (**Maximum Allocation**) and:

(A) in respect of an EIP Offer of Employee Incentives for monetary consideration, an EIP Offer of Employee Incentives may only be made if the Company reasonably believes that:

(I) the total number of Shares that may be issued comprising the Employee Incentives (including upon exercise or conversion of Options, Performance Rights or Deferred Share Units); and

(II) the total number of Shares that have been issued, or may be issued, comprising:

(1) Employee Incentives (including upon exercise or conversion of Options, Performance Rights or Deferred Share Units) issued, or which may be issued, under EIP Offers that were both received in Australia and made in connection with the Employee Incentive Plan; and

(2) ESS Interests (including upon exercise or conversion of ESS Interests) issued, or which may be issued, under offers that were both received in Australia and made in connection with any Employee Share Scheme other than the Employee Incentive Plan,

(in aggregate, and whether offered for monetary consideration or no monetary consideration) during the previous three years ending on the day the proposed EIP Offer is made,

does not exceed 5% of the total number of Shares on issue as at the start of the day on which the proposed EIP Offer is made (or if the Constitution specifies an issue cap percentage, that percentage); and

(B) in respect of an EIP Offer of Employee Incentives for no monetary consideration:

(I) the Maximum Allocation must not be exceeded; and

(II) such EIP Offer must not cause the limit under Section 8.2(c)(i)(A) to be exceeded.

(ii) For the avoidance of doubt, where an Employee Incentive lapses without being exercised, the Employee Incentive concerned shall be excluded from any calculation under Section 8.2(c)(i).

(iii) The Maximum Allocation may be increased by Board resolution.

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(d) Nominee

(i) Unless expressly permitted in the EIP Offer or by the Board, an Eligible Participant may only submit an Application in the Eligible Participant's name and not on behalf of any other person.

(ii) If an Eligible Participant is permitted in the EIP Offer or by the Board, the Eligible Participant may nominate certain related persons or entities (each, a **Nominee**) to be issued the Employee Incentives the subject of the EIP Offer.

(e) Employee Share Trust

The Board may in its sole and absolute discretion use an employee share trust or other mechanism for the purposes of holding Shares for Participants under the Employee Incentive Plan and delivering Shares to Participants for an issue of Shares upon exercise of an Option or the vesting of a Performance Right or Deferred Share Unit or otherwise.

(f) Vesting Conditions

(i) The Board may at its sole discretion determine the Vesting Conditions which will apply to any Employee Incentives. The Vesting Conditions will specify the criteria that the Eligible Participant is required to meet in the specified Performance Period (if any) in order to exercise Options or for Performance Rights or Deferred Share Units to vest to become entitled to receive Shares under the Employee Incentive Plan.

(ii) The Board may vary the Vesting Conditions and/or the Performance Period after the grant of those Employee Incentives, subject to:

(A) the Company complying with any applicable laws;

(B) the Vesting Conditions and/or the Performance Period as varied being no less favourable to the Participant than the terms upon which the Employee Incentives were originally granted; and

(C) the Board promptly notifying a Participant of any such variation.

(iii) The Board will determine in its sole discretion whether (and, where applicable, to what extent) the Participant has satisfied the Vesting Conditions applicable to the relevant Performance Period.

(iv) Where Employee Incentives have not satisfied the Vesting Conditions within the Performance Period, those Employee Incentives will automatically lapse.

(g) Lapsing of Employee Incentives

Subject to the "Agreed Leaver" provisions below or the Board deciding otherwise, a Participant's Employee Incentives shall automatically lapse and be cancelled for no consideration on the earliest to occur of the following:

(i) where the Participant is a Non-Agreed Leaver, upon the occurrence of a lapsing event in accordance with Section 8.2(i);

(ii) where Section 8.2(j) applies;

(iii) if the applicable Vesting Conditions are not achieved by the end of the relevant Performance Period;

(iv) if the Board determines in its reasonable opinion that the applicable Vesting Conditions have not been met or cannot be met prior to the expiry date of the Employee Incentive or the end of the relevant Performance Period (as applicable);

(v) the expiry date of the Employee Incentive;

(vi) the receipt by the Company of notice from the Participant that the Participant has elected to surrender the Employee Incentives; or

(vii) any other circumstances specified in any EIP Offer letter pursuant to which the Employee Incentives were issued.

(h) Agreed Leaver

(i) Subject to Section 8.2(h)(ii), where a Participant who holds Employee Incentives becomes an Agreed Leaver:

(A) all vested and (subject to Section 8.2(h)(i)(B)) unvested Employee Incentives which have not been exercised in accordance with the Employee Incentive Plan rules will continue in force, unless the Board determines otherwise in its sole and absolute discretion; and

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(B) the Board may at any time, in its sole and absolute discretion, do one or more of the following:

(I) permit unvested Employee Incentives held by the Agreed Leaver to vest;

(II) amend the Vesting Conditions or reduce the relevant exercise period of unvested Employee Incentives; or

(III) determine that the unvested Employee Incentives will lapse.

(ii) Where a person is an Agreed Leaver due to a Special Circumstance, the Participant's nominated beneficiary shall be entitled to benefit from any exercise of the above discretionary powers by the Board.

(i) Non-Agreed Leaver

Where a Participant who holds Employee Incentives becomes a Non-Agreed Leaver:

(i) unless the Board determines otherwise, in its sole and absolute discretion, all unvested Employee Incentives will immediately lapse; and

(ii) unless the Board determines otherwise, in its sole and absolute discretion, all vested Employee Incentives will lapse 30 days after the Participant who holds Employee Incentives becomes a Non-Agreed Leaver (if they have not already lapsed by the end of that period).

(j) Forfeiture events

Where, in the reasonable opinion of the Board, a Participant or Former Participant (which for the avoidance of doubt may include an Agreed Leaver):

(i) acts fraudulently or dishonestly;

(ii) willfully breaches his or her duties to the Company or any member of the Group;

(iii) has, by any act or omission, in the opinion of the Board (determined in its absolute discretion):

(A) brought the Company, the Group, its business or reputation into disrepute; or

(B) is contrary to the interest of the Company or the Group;

(iv) commits any material breach of the provisions of any employment contract or services contract entered into by the Participant with any member of the Group;

(v) commits any material breach of any of the policies of the Group or procedures or any applicable laws applicable to the Company or Group;

(vi) is subject to allegations concerning, or has been accused of, charged with or convicted of, fraudulent or dishonest conduct in the performance of the Participant's (or Former Participant's) duties, which in the reasonable opinion of the Board affects the Participant's suitability for employment with any member of the Group, or brings the Participant or the relevant member of the Group into disrepute or is contrary to the interests of the Company or the Group;

(vii) is subject to allegations concerning, or has been accused of, charged with or convicted of any criminal offence which involves, fraud or dishonesty or any other criminal offence which Board determines (in its absolute discretion) is of a serious nature;

(viii) has committed any wrongful or negligent act or omission which has caused any member of the Group substantial liability;

(ix) has become disqualified from managing corporations in accordance with Part 2D.6 of the Corporations Act or has committed any act that, pursuant to the Corporations Act, may result in the Participant being banned from managing a corporation;

(x) has committed serious or gross misconduct, wilful disobedience or any other conduct justifying termination of employment without notice;

(xi) has willfully or negligently failed to perform their duties under any employment contract or services contract entered into by the Participant with any member of the Group;

(xii) has resigned from their employment and the Company determines in its absolute discretion is not an Agreed Leaver;

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(xiii) has engaged in a transaction which involves a conflict of interest to their employment with the Company resulting in the Participant or Former Participant obtaining a personal benefit;

(xiv) accepts a position to work with a competitor of the Company or Group;

(xv) acting in such a manner that could be seen as being inconsistent with the culture and values of the Company or Group; or

(xvi) any other act that the Board determines in its absolute discretion to constitute fraudulent or dishonest by the Participant or Former Participant for the purposes of this Section 8.2(j),

then the Board may (in its absolute discretion) deem that all Employee Incentives held by the Participant or former Participant will automatically be forfeited.

(k) Discretion of the Board

The Board may decide to allow a Participant to:

(i) retain and exercise any or all of their Options, whether or not the Vesting Conditions have been satisfied during the Performance Period, and whether or not the Options would otherwise have lapsed, provided that no Options will be capable of exercise later than the relevant expiry date for those Options; and

(ii) retain any Performance Rights or Deferred Share Units regardless of:

(A) the expiry of the Performance Period to which those Performance Rights or Deferred Share Units relate; or

(B) any failure by the Participant to satisfy in part or in full the Vesting Conditions specified by the Board in respect of those Performance Rights or Deferred Share Units,

in which case, the Board may:

(iii) determine that any or all of those retained Performance Rights or Deferred Share Units shall vest and the corresponding Shares shall be provided to the Participant; or

(iv) determine a new Performance Period or Vesting Conditions (as applicable) for those retained Performance Rights or Deferred Share Units and notify the Participant of the determination as soon as practicable.

(l) Employee Loan

The Board may, as part of any EIP Offer, in its absolute discretion, offer to a Participant a limited recourse, interest free loan to be made by the Company to the Participant for an amount equal to the issue price multiplied by the number of Shares offered to the Participant pursuant to the relevant EIP Offer.

(m) Restriction Period and Holding Lock

(i) Allocated Shares may be offered on terms that restrict the Participant from dealing with or transferring the relevant Allocated Share during a restriction period.

(ii) In addition, the Board may at any time request that the Company's share registry impose a holding lock on any Employee Incentives issued pursuant to the Employee Incentive Plan where the Board determines or reasonably believes (in its absolute discretion) that a Participant (or a Former Participant) has or may breach the Employee Incentive Plan rules.

(n) Transfer of Options, Performance Rights or Deferred Share Units

Options, Performance Rights and Deferred Share Units may not be assigned, transferred, encumbered with a security interest in or over them, or otherwise disposed of by a Participant, unless such assignment or transfer occurs by force of law upon the death or total and permanent disablement of a Participant to the Participant's legal personal representative.

(o) Board discretion for cash settlement

(i) The Board may (in its absolute discretion) make one or more EIP Offers of Options, Performance Rights or Deferred Share Units on terms and conditions which provide that the Board has the absolute discretion to determine whether, upon exercise of any such Options or conversion of any such Performance Rights or Deferred Share Units, instead of Shares being issued to be held by or on behalf of the Eligible Participant, a cash payment will instead be made to the Eligible Participant (or its Nominee, where applicable), with the methodology for determining the amount of that payment being specified in the terms and conditions of those Options, Performance Rights or Deferred Share Units, as determined by the Board.

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(ii) The terms of Options, Performance Rights or Deferred Share Units the subject of an EIP Offer may also (in the Board's absolute discretion) provide for the Company to deduct from the cash payment referred to in that clause an amount on account of one or more of the following:

(A) any applicable tax the Company is required to withhold (or otherwise deduct) in connection with such cash payment;

(B) any superannuation or pension amount the Company is required to pay in connection with such cash payment; and

(C) any exercise price (to the extent not already paid) relating to any relevant Options being exercised (if any).

(p) Buy-Back

Subject to any applicable laws and subject to the Board's sole and absolute discretion, Allocated Share(s) will be subject to the Company's right to buy-back and may, during a prescribed period, be bought-back by the Company:

(i) if the Participant holding the Employee Incentives ceases employment or office where the Vesting Conditions attaching to the Employee Incentives have not been met by the time of cessation. The time of cessation of employment or office shall be the time as determined by the Board in its sole discretion;

(ii) where Section 8.2(i) applies;

(iii) where Section 8.2(j) applies; or

(iv) if the Board determines in its reasonable opinion that the applicable Vesting Conditions have not been met by the end of the expiry date.

(q) Contravention of Employee Incentive Plan rules

The Board may at any time, in its sole and absolute discretion, take any action it deems reasonably necessary in relation to any Employee Incentives if it determines or reasonably believes a Participant has breached the Employee Incentive Plan or the terms of issue of any Employee Incentives, including but not limited to, signing transfer forms in relation to Employee Incentives, a holding lock on Employee Incentives, signing all documents and doing all acts necessary to effect a buy-back placing, accounting for the proceeds of the sale of forfeited Employee Incentives, refusing to transfer any Employee Incentives and/or refusing to issue any Shares.

(r) Amendments

(i) The Board may at any time amend the Employee Incentive Plan rules or the terms and conditions upon which any Employee Incentives have been issued.

(ii) No amendment to the Employee Incentive Plan rules or to Employee Incentives may be made if the amendment, in the reasonable opinion of the Board, materially reduces the rights of any Participant in respect of Employee Incentives granted to them prior to the date of the amendment, other than:

(A) an amendment introduced primarily:

(I) for the purposes of complying with or conforming to present or future applicable laws;

(II) to correct any manifest error or mistake;

(III) to allow the implementation of a trust arrangement in relation to the holding of Shares granted under the Employee Incentive Plan; and/or

(IV) to take into consideration possible adverse taxation implications in respect of the Employee Incentive Plan including changes to applicable taxation legislation or the interpretation of that legislation by a court of competent jurisdiction or any rulings from taxation or duty authorities administering such legislation; or

(B) an amendment agreed to in writing by the Participant(s).

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8.3 Terms and Conditions of the Joint Lead Manager Options

A summary of the terms and conditions of the Joint Lead Manager Options are detailed below.

(a) Grantor

The grantor of the Joint Lead Manager Options is the Company.

(b) Entitlement

Each Option entitles the holder (**Holder**) to subscribe for, or to be transferred, one Share upon exercise of each Option and payment of the Exercise Price.

(c) Exercise Price and Expiry Date

The Exercise Price and Expiry Date of each Option is referred to in the table below and the terms Exercise Price and Expiry Date shall be interpreted accordingly:

NUMBER	EXERCISE PRICE	EXPIRY DATE
Between 3,773,585 Options and 4,716,981 Options (depending on the amount raised under the Offer)	A$0.69	Three years from their issue date

(d) Exercise Period

Each Option is exercisable at any time prior to 5:00pm (AWST) on the Expiry Date (**Exercise Period**). After this time, any unexercised Option will automatically lapse.

(e) Notice of Exercise

(i) The Options may be exercised during the Exercise Period, subject to the Holder delivering to the registered office of the Company or such other address as determined by the Board a notice in writing to the Company (in a form acceptable to the Company) (**Notice of Exercise**) and payment to the Company of the applicable Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment determined by the Board in its sole and absolute discretion.

(ii) Any Notice of Exercise received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt.

(f) No issue unless cleared funds

Where a cheque is presented as payment of the Exercise Price on the exercise of Options, the Company will not, unless otherwise determined by the Board, allot and issue or transfer Shares until after any cheque delivered in payment of the Exercise Price has been cleared by the banking system.

(g) Minimum Exercise

Options must be exercised in multiples of one thousand (1,000) unless fewer than one thousand (1,000) Options are held by a Holder or the Board otherwise agrees.

(h) Actions on Exercise

Following the exercise of the Options:

(i) the Options will automatically lapse; and

(ii) the Company will allot and issue, or transfer, the number of Shares for which the Holder is entitled to subscribe for or acquire through the exercise of the Options.

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(i) Timing of the issue of Shares on exercise and Quotation

(i) Within five Business Days after the later of the following:

(A) receipt of a Notice of Exercise given in accordance with these terms and conditions and payment of the Exercise Price for each Option being exercised; and

(B) when excluded information in respect of the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information. If there is no such information, the relevant date will be the date of receipt of a Notice of Exercise as detailed in paragraph (A) above,

the Company will:

(C) allot and issue the Shares pursuant to the exercise of the Options;

(D) as soon as reasonably practicable and if applicable, give the ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and

(E) apply for Official Quotation of Shares issued pursuant to the exercise of the Options.

(ii) Notwithstanding paragraph (i) above, the Company's obligation to issue such Shares shall be postponed if such Holder at any time after the delivery of a Notice of Exercise and payment of the Exercise Price for each Option being exercised (if applicable) elects for the Shares to be issued to be subject to a holding lock for a period of 12 months. Following any such election:

(A) the Shares to be issued or transferred will be held by such Holder on the Company's issuer sponsored sub-register (and not in a CHESS sponsored holding);

(B) the Company will apply a holding lock on the Shares to be issued or transferred and such Holder is taken to have agreed to that application of that holding lock; and

(C) the Company shall release the holding lock on the Shares on the date that is 12 months from the date of issue of the Shares.

(j) Shares issued on Exercise

Shares issued on the exercise of the Options rank equally with all existing Shares and will be free of all encumbrances, liens and third party interests.

(k) Quotation of Shares issued on Exercise

If admitted to the official list of ASX at the time, application will be made by the Company to ASX for Quotation of the Shares issued upon the exercise of the Options.

(l) Adjustment for reorganisation

If there is any reorganisation of the issued share capital of the Company, the terms of Options and the rights of the Holder who holds such Options will be varied, including an adjustment to the number of Options and/or the Exercise Price (if any) applicable to Options, in accordance with the Listing Rules that apply to the reorganisation at the time of the reorganisation.

(m) Holder rights

A Holder who holds Options is not entitled to:

(i) notice of, or to vote or attend at, a meeting of the Shareholders;

(ii) receive any dividends declared by the Company; or

(iii) participate in any new issues of securities offered to Shareholders during the term of the Options,

unless and until the Options are exercised and the Holder holds Shares.

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(n) Adjustment for rights issue

If the Company makes an issue of Shares pro rata to existing Shareholders (other than an issue in lieu of in satisfaction of dividends or by way of dividend reinvestment) the Exercise Price of an Option will be reduced according to the following formula:

$$\text{New exercise price} = O - \frac{E[P-(S+D)]}{(N+1)}$$

Where:

O = the old Exercise Price of the Option.

E = the number of underlying Shares into which one Option is exercisable.

P = the volume weighted average price per Share, calculated over the five trading days ending on the day before the ex-rights date or ex entitlements date.

S = the subscription price of a Share under the pro rata issue.

D = the dividend due but not yet paid on the existing underlying Shares (except those to be issued under the pro rata issue).

N = the number of Shares with rights or entitlements that must be held to receive a right to one new Share.

(o) Adjustment for bonus issue of Shares

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction, of dividends or by way of dividend reinvestment):

(i) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Holder would have received if the Holder had exercised the Option before the record date for the bonus issue; and

(ii) no change will be made to the Exercise Price.

(p) Quotation

The Company will not seek Official Quotation of any Options.

(q) No transfer of Options

The Options are not transferrable.

(r) Options to be recorded

The Options will be recorded in the appropriate register of the Company.

8.4 Terms and Conditions of Loyalty Performance Rights

As at the Prospectus Date, the Company had 3,050,000 Loyalty Performance Rights on issue. A summary of the material terms and conditions of the Loyalty Performance Rights are detailed below.

(a) Grantor

The grantor of the Performance Rights is the Company.

(b) Entitlement

Each Performance Right entitles the holder (**Holder**) to subscribe for and be issued with one Share, on and subject to these terms and conditions.

(c) No payment on grant

The Holder is not required to pay any amount to the Company for the grant of a Performance Right or any issue of Shares thereunder.

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(d) Term and Expiry

Each Performance Right will come into effect on the date of issue (**Grant Date**) and each Performance Right that is not exercised will expire on the earlier of:

(i) 5:00pm (AWST) on three years from the Grant Date (**Expiry Date**);

(ii) the Performance Right is cancelled in accordance with its terms; and

(iii) the Board determines (acting reasonably) that it is impossible for the Vesting Condition for that Performance Right to be met.

If the Holder is prohibited from exercising vested Performance Rights under any applicable law on or in the 10 Business Days before the Expiry Date, the Expiry Date for the Performance Rights is automatically extended to the date that is five Business Days after the Holder is no longer prohibited under any applicable law from exercising the Performance Rights.

(e) Vesting Conditions

The Performance Rights are subject to the following condition (**Vesting Condition**):

VESTING CONDITION
The Holder remaining continuously employed or engaged by the Company or any member of the Group from the Grant Date until 31 March 2027.

The Performance Rights will vest and become exercisable by the Holder on the satisfaction of the Vesting Condition. The Company will notify the Holder upon the satisfaction of the Vesting Condition (**Vesting Notification**).

(f) Exercise of Performance Rights

(i) The Performance Rights may only be exercised when the Company has issued a Vesting Notification to the Holder.

(ii) At any time after the Company has issued a Vesting Notification to the Holder until the Expiry Date, the Holder may issue a written exercise notice (**Exercise Notice**) to the Company specifying how many vested Performance Rights they wish to exercise.

(iii) Following the issuing of a valid Exercise Notice by the Holder, the Company must allot and issue, or transfer, the number of Shares for which the Holder is entitled to acquire as a result of exercising their vested Performance Rights, in accordance with paragraph 8.4(h).

(g) Lapse of Performance Rights

(i) Definitions

Non-Agreed Leaver means the Holder ceases employment or engagement with the Group and:

(A) does not meet the Agreed Leaver criteria; or

(B) meets the Agreed Leaver criteria but the Board has determined in writing that they be treated as a Non-Agreed Leaver.

Agreed Leaver means the Holder ceases employment or engagement with the Group in any of the following circumstances:

(A) the Holder and Board have agreed in writing that the Holder has entered into bona fide retirement;

(B) the Holder and the Board have agreed in writing that the Holder's role has been made redundant;

(C) the Board has determined that:

  (I) Special Circumstances apply to the Holder; or

  (II) the Holder is no longer able to perform their duties under their engagement or employment arrangements with the Group due to poor health, injury or disability;

(D) the Holder's death; or

(E) any other circumstance determined by the Board in writing.

Nominated Beneficiary means the Holder's beneficiary, personal representative or successor in title.

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Special Circumstances means any of the following:

(A) the death of the Holder; or

(B) the total and permanent disablement of the Holder such that the Holder is unlikely ever to engage in any occupation for which the Holder is reasonably qualified by education, training or experience.

(ii) Where Performance Rights lapse

Subject to paragraph 8.4(g)(iii) or the Board deciding otherwise in its absolute discretion, the Performance Rights shall automatically lapse and be cancelled for no consideration on the earliest to occur of the following:

(A) where the Holder is a Non-Agreed Leaver in accordance with paragraph 8.4(g)(i);

(B) if the applicable Vesting Condition is not achieved by the Expiry Date;

(C) if the Board determines in its reasonable opinion that the Vesting Condition has not been met or cannot be met prior to the Expiry Date; or

(D) the Expiry Date.

(iii) Agreed Leaver

(A) Subject to the last point in this paragraph 8.4(g)(iii), where the Holder becomes an Agreed Leaver:

(I) all vested and (subject to the Holder and the Board having agreed in writing that the Holder's role has been made redundant) unvested Performance Rights which have not been exercised in accordance with the Employee Incentive Plan rules will continue in force, unless the Board determines otherwise in its sole and absolute discretion;

(II) the Board may at any time, in its sole and absolute discretion, do one or more of the following:

- permit unvested Performance Rights held by the Agreed Leaver to vest;
- amend the Vesting Condition or reduce the relevant exercise period of unvested Performance Rights; or
- determine that the unvested Performance Rights will lapse.

(B) Where the Holder is an Agreed Leaver due to a Special Circumstance, the Nominated Beneficiary shall be entitled to benefit from any exercise of the above discretionary powers by the Board.

(iv) Non-Agreed Leaver

Where the Holder becomes a Non-Agreed Leaver:

(A) unless the Board determines otherwise, in its sole and absolute discretion, all unvested Performance Rights will lapse; and

(B) unless the Board determines otherwise, in its sole and absolute discretion, all vested Performance Rights will lapse 30 days after the Holder becomes a Non-Agreed Leaver (if they have not already lapsed by the end of that period).

(v) Discretion of Board

The Board may decide to allow the Holder to retain any Performance Rights regardless of failure by the Holder to satisfy in part or in full the Vesting Condition, in which case, the Board may:

(A) determine that any or all of those retained Performance Rights shall vest and the corresponding Shares shall be provided to the Holder; or

(B) determine new Vesting Conditions (as applicable) for those retained Performance Rights and notify the Holder of the determination as soon as practicable.

(vi) Determination Whether to Exercise Discretion

The Board may have regard to whatever matters it thinks reasonable when making a decision about the matters in paragraph 8.4(g)(v) with respect to the Holder.

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(h) Timing of the Issue of Shares and Quotation

(i) Following receipt of an Exercise Notice, within five Business Days after the later of the following:

(A) the receipt of the Exercise Notice; and

(B) when excluded information in respect of the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,

the Company will:

(C) allot and issue the Shares the subject of the Exercise Notice;

(D) as soon as reasonably practicable and if applicable, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and

(E) if the Company is listed on ASX, apply for Official Quotation of Shares issued pursuant to the vesting of the Performance Rights.

(ii) The Shares issued upon exercise of a Performance Right will rank equally in all respects with the Shares then on issue.

(i) Reorganisation

If there is any reorganisation of the issued share capital of the Company, the terms of Performance Rights and the rights of the Holder who holds such Performance Rights will be varied, including an adjustment to the number of Performance Rights, in accordance with the Listing Rules that apply to the reorganisation at the time of the reorganisation.

(j) Holders Rights

The Holder who holds Performance Rights is not entitled to:

(i) notice of, or to vote or attend at, a meeting of the Shareholders;

(ii) receive any dividends declared by the Company;

(iii) participate in any new issues of securities offered to Shareholders during the term of the Performance Rights; or

(iv) cash for the Performance Rights or any right to participate in surplus assets of profits of the Company on winding up,

unless and until the Performance Rights are exercised and the Holder holds Shares.

(k) Pro Rata Issue of Securities

(i) If during the term of any Performance Right, the Company makes a pro rata issue of securities to the Shareholders by way of a rights issue, the Holder shall not be entitled to participate in the rights issue in respect of any Performance Rights, only in respect of Shares issued in respect of vested Performance Rights.

(ii) The Holder will not be entitled to any adjustment to the number of Shares they are entitled to or adjustment to the Vesting Condition which is based, in whole or in part, upon the Share price, as a result of the Company undertaking a rights issue.

(l) Adjustment for Bonus Issue

If, during the term of any Performance Right, securities are issued pro rata to Shareholders by way of bonus issue, the number of Shares which the Holder is entitled to receive when they exercise the Performance Right, shall be increased by that number of securities which the Holder would have been issued if the Performance Rights then held by the Holder had been validly exercised and the resulting Shares had been held immediately prior to the record date for the bonus issue.

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(m) Change of Control

(i) For the purposes of these terms and conditions, a **Change of Control Event** occurs if:

(A) the Company announces that its Shareholders have at a Court convened meeting of Shareholders voted in favour, by the necessary majority, of a proposed scheme of arrangement (excluding a merger by way of scheme of arrangement for the purposes of a corporate restructure (including change of domicile, or any reconstruction, consolidation, sub-division, reduction or return) of the issued capital of the Company) and the Court, by order, approves the scheme of arrangement;

(B) a Takeover Bid:

(I) is announced;

(II) has become unconditional; and

(III) the person making the Takeover Bid has a Relevant Interest in fifty percent (50%) or more of the issued Shares;

(C) any person acquires a Relevant Interest in fifty and one-tenths percent (50.1%) or more of the issued Shares by any other means; or

(D) the announcement by the Company that a sale or transfer (in one transaction or a series of related transactions) of the whole or substantially the whole of the undertaking and business of the Company has been completed.

(E) Where a Change of Control Event has (i) occurred or (ii) been announced by the Company, all granted Performance Rights which have not yet vested or lapsed shall automatically and immediately vest, regardless of whether the Vesting Condition has been satisfied.

(ii) **Takeover Bid** and **Relevant Interest** have the meaning given to those terms under section 9 of the Corporations Act.

(n) Quotation

The Company will not seek Official Quotation of any Performance Rights.

(o) Performance Rights Not Property

The Holder's Performance Rights are personal contractual rights granted to the Holder only and do not constitute any form of property.

(p) No Transfer of Performance Rights

A Performance Right is not transferable.

8.5 Terms and Conditions of the Retention Performance Rights and 2024 Performance Rights

As at the Prospectus Date, the Company had on issue 6,950,000 Retention Performance Rights and 4,270,715 2024 Performance Rights.

A summary of the material terms and conditions of the Retention Performance Rights and 2024 Performance Rights are detailed below.

(a) Grantor

The grantor of the Performance Rights is the Company.

(b) Entitlement

Each Performance Right entitles the holder (**Holder**) to subscribe for and be issued with one Share, on and subject to these terms and conditions.

(c) No payment on grant

The Holder is not required to pay any amount to the Company for the grant of a Performance Right or any issue of Shares thereunder.

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(d) Term and Expiry

Each Performance Right will come into effect on the date of issue (**Grant Date**) and each Performance Right that is not exercised will expire on the earlier of:

(i) 5:00pm (AWST) on three years from the Grant Date (**Expiry Date**);

(ii) the Performance Right is cancelled in accordance with its terms; and

(iii) the Board determines (acting reasonably) that it is impossible for the Vesting Condition for that Performance Right to be met.

If the Holder is prohibited from exercising vested Performance Rights under any applicable law on or in the 10 Business Days before the Expiry Date, the Expiry Date for the Performance Rights is automatically extended to the date that is five Business Days after the Holder is no longer prohibited under any applicable law from exercising the Performance Rights.

(e) Vesting Conditions

The Performance Rights are subject to the following condition (**Vesting Condition**):

VESTING CONDITION
The satisfaction of the Performance Measure.

The Performance Rights will vest and become exercisable by the Holder on the satisfaction of the Vesting Condition. The Company will notify the Holder upon the satisfaction of the Vesting Condition (**Vesting Notification**).

In this paragraph 8.5(e):

(i) **Performance Measure** means the key performance indicator in respect of the three year period ending 31 December 2026 (**Performance Period**), being the relative Total Shareholder Return (**TSR**) in respect of that period. The TSR is calculated as the change in underlying Share price of the Company plus any dividends paid or capital returns, expressed as a percentage change from the 20-day volume-weighted average price of each company's (selected for the purposes of the Performance Measure) (each a member of the **Peer Group**) share price ending 30 April 2027.

(ii) To measure performance against the Performance Measure:

(A) the TSR of the companies in the Peer Group is calculated;

(B) the Peer Group companies are ranked according to their TSR;

(C) the Company's TSR is calculated to determine its percentile in relation to the Peer Group (for the purpose of calculation, the Company's 20-day volume-weighted average price at the start of the Performance Period shall be taken as $0.40); and

(D) the proportion of Performance Rights that vest is dependent on the Company's TSR compared to the TSR of the Peer Group as follows:

RELATIVE TSR OVER THE VESTING AND MEASUREMENT PERIOD	PROPORTION OF PERFORMANCE RIGHTS VESTED
Below the 50th percentile	0%
At the 50th percentile	50%
Between the 50th and 75th percentile	Between 50% and 100% calculated on a pro rata linear basis
At and above the 75th percentile	100%

(f) Exercise of Performance Rights

(i) The Performance Rights may only be exercised when the Company has issued a Vesting Notification to the Holder.

(ii) At any time after the Company has issued a Vesting Notification to the Holder until the Expiry Date, the Holder may issue a written exercise notice (**Exercise Notice**) to the Company specifying how many vested Performance Rights they wish to exercise.

(iii) Following the issuing of a valid Exercise Notice by the Holder, the Company must allot and issue, or transfer, the number of Shares for which the Holder is entitled to acquire as a result of exercising their vested Performance Rights, in accordance with paragraph 8.6(h).

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(g) Lapse of Performance Rights

(i) Definitions

Non-Agreed Leaver means the Holder ceases employment or engagement with the Group and:

(A) does not meet the Agreed Leaver criteria; or

(B) meets the Agreed Leaver criteria but the Board has determined in writing that they be treated as a Non-Agreed Leaver.

Agreed Leaver means the Holder ceases employment or engagement with the Group in any of the following circumstances:

(A) the Holder and Board have agreed in writing that the Holder has entered into bona fide retirement;

(B) the Holder and the Board have agreed in writing that the Holder's role has been made redundant;

(C) the Board has determined that:

(I) Special Circumstances apply to the Holder; or

(II) the Holder is no longer able to perform their duties under their engagement or employment arrangements with the Group due to poor health, injury or disability;

(D) the Holder's death; or

(E) any other circumstance determined by the Board in writing.

Nominated Beneficiary means the Holder's beneficiary, personal representative or successor in title.

Special Circumstances means any of the following:

(A) the death of the Holder; or

(B) the total and permanent disablement of the Holder such that the Holder is unlikely ever to engage in any occupation for which the Holder is reasonably qualified by education, training or experience.

(ii) Where Performance Rights lapse

Subject to paragraph 8.5(g)(iii) or the Board deciding otherwise in its absolute discretion, the Performance Rights shall automatically lapse and be cancelled for no consideration on the earliest to occur of the following:

(A) where the Holder is a Non-Agreed Leaver in accordance with paragraph 8.5(g)(i);

(B) if the applicable Vesting Condition is not achieved by the Expiry Date;

(C) if the Board determines in its reasonable opinion that the Vesting Condition has not been met or cannot be met prior to the Expiry Date; or

(D) the Expiry Date.

(iii) Agreed Leaver

(A) Subject to the last point in this paragraph 8.5(g)(iii), where the Holder becomes an Agreed Leaver:

(I) all vested and (subject to the Holder and the Board having agreed in writing that the Holder's role has been made redundant) unvested Performance Rights which have not been exercised in accordance with the Employee Incentive Plan rules will continue in force, unless the Board determines otherwise in its sole and absolute discretion;

(II) the Board may at any time, in its sole and absolute discretion, do one or more of the following:

- permit unvested Performance Rights held by the Agreed Leaver to vest;
- amend the Vesting Condition or reduce the relevant exercise period of unvested Performance Rights; or
- determine that the unvested Performance Rights will lapse.

(B) Where the Holder is an Agreed Leaver due to a Special Circumstance, the Nominated Beneficiary shall be entitled to benefit from any exercise of the above discretionary powers by the Board.

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(iv) Non-Agreed Leaver

Where the Holder becomes a Non-Agreed Leaver:

(A) unless the Board determines otherwise, in its sole and absolute discretion, all unvested Performance Rights will lapse; and

(B) unless the Board determines otherwise, in its sole and absolute discretion, all vested Performance Rights will lapse 30 days after the Holder becomes a Non-Agreed Leaver (if they have not already lapsed by the end of that period).

(v) Discretion of Board

The Board may decide to allow the Holder to retain any Performance Rights regardless of failure by the Holder to satisfy in part or in full the Vesting Condition, in which case, the Board may:

(A) determine that any or all of those retained Performance Rights shall vest and the corresponding Shares shall be provided to the Holder; or

(B) determine new Vesting Conditions (as applicable) for those retained Performance Rights and notify the Holder of the determination as soon as practicable.

(vi) Determination Whether to Exercise Discretion

The Board may have regard to whatever matters it thinks reasonable when making a decision about the matters in paragraph 8.5(g)(v) with respect to the Holder.

(h) Timing of the Issue of Shares and Quotation

(i) Following receipt of an Exercise Notice, within five Business Days after the later of the following:

(A) the receipt of the Exercise Notice; and

(B) when excluded information in respect of the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,

(C) the Company will:

(I) allot and issue the Shares the subject of the Exercise Notice;

(II) as soon as reasonably practicable and if applicable, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and

(III) if the Company is listed on ASX, apply for Official Quotation of Shares issued pursuant to the vesting of the Performance Rights.

(ii) The Shares issued upon exercise of a Performance Right will rank equally in all respects with the Shares then on issue.

(i) Reorganisation

If there is any reorganisation of the issued share capital of the Company, the terms of Performance Rights and the rights of the Holder who holds such Performance Rights will be varied, including an adjustment to the number of Performance Rights, in accordance with the Listing Rules that apply to the reorganisation at the time of the reorganisation.

(j) Holders Rights

The Holder who holds Performance Rights is not entitled to:

(i) notice of, or to vote or attend at, a meeting of the Shareholders;

(ii) receive any dividends declared by the Company;

(iii) participate in any new issues of securities offered to Shareholders during the term of the Performance Rights; or

(iv) cash for the Performance Rights or any right to participate in surplus assets of profits of the Company on winding up,

unless and until the Performance Rights are exercised and the Holder holds Shares.

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(k) Pro Rata Issue of Securities

(i) If during the term of any Performance Right, the Company makes a pro rata issue of securities to the Shareholders by way of a rights issue, the Holder shall not be entitled to participate in the rights issue in respect of any Performance Rights, only in respect of Shares issued in respect of vested Performance Rights.

(ii) The Holder will not be entitled to any adjustment to the number of Shares they are entitled to or adjustment to the Vesting Condition which is based, in whole or in part, upon the Share price, as a result of the Company undertaking a rights issue.

(l) Adjustment for Bonus Issue

If, during the term of any Performance Right, securities are issued pro rata to Shareholders by way of bonus issue, the number of Shares which the Holder is entitled to receive when they exercise the Performance Right, shall be increased by that number of securities which the Holder would have been issued if the Performance Rights then held by the Holder had been validly exercised and the resulting Shares had been held immediately prior to the record date for the bonus issue.

(m) Change of Control

(i) For the purposes of these terms and conditions, a **Change of Control Event** occurs if:

(A) the Company announces that its Shareholders have at a Court convened meeting of Shareholders voted in favour, by the necessary majority, of a proposed scheme of arrangement (excluding a merger by way of scheme of arrangement for the purposes of a corporate restructure (including change of domicile, or any reconstruction, consolidation, sub-division, reduction or return) of the issued capital of the Company) and the Court, by order, approves the scheme of arrangement;

(B) a Takeover Bid:

(I) is announced;

(II) has become unconditional; and

(III) the person making the Takeover Bid has a Relevant Interest in fifty percent (50%) or more of the issued Shares;

(C) any person acquires a Relevant Interest in fifty and one-tenths percent (50.1%) or more of the issued Shares by any other means; or

(D) the announcement by the Company that a sale or transfer (in one transaction or a series of related transactions) of the whole or substantially the whole of the undertaking and business of the Company has been completed.

(ii) Where a Change of Control Event has (i) occurred or (ii) been announced by the Company, all granted Performance Rights which have not yet vested or lapsed shall automatically and immediately vest, regardless of whether the Vesting Condition has been satisfied.

(iii) **Takeover Bid** and **Relevant Interest** have the meaning given to those terms under section 9 of the Corporations Act.

(n) Quotation

The Company will not seek Official Quotation of any Performance Rights.

(o) Performance Rights Not Property

The Holder's Performance Rights are personal contractual rights granted to the Holder only and do not constitute any form of property.

(p) No Transfer of Performance Rights

A Performance Right is not transferable.

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8.6 Terms and Conditions of the 2025 Performance Rights

As at the Prospectus Date, the Company had 3,221,319 2025 Performance Rights on issue. A summary of the material terms and conditions of the 2025 Performance Rights are detailed below.

(a) Grantor

The grantor of the Performance Rights is the Company.

(b) Entitlement

Each Performance Right entitles the holder (**Holder**) to subscribe for and be issued with one Share, on and subject to these terms and conditions.

(c) No payment on grant

The Holder is not required to pay any amount to the Company for the grant of a Performance Right or any issue of Shares thereunder.

(d) Term and Expiry

Each Performance Right will come into effect on the date of issue (**Grant Date**) and each Performance Right that is not exercised will expire on the earlier of:

(i) 5:00pm (AWST) on three years from the Grant Date (**Expiry Date**);

(ii) the Performance Right is cancelled in accordance with its terms; and

(iii) the Board determines (acting reasonably) that it is impossible for the Vesting Condition for that Performance Right to be met.

If the Holder is prohibited from exercising vested Performance Rights under any applicable law on or in the 10 Business Days before the Expiry Date, the Expiry Date for the Performance Rights is automatically extended to the date that is five Business Days after the Holder is no longer prohibited under any applicable law from exercising the Performance Rights.

(e) Vesting Conditions

The Performance Rights are subject to the following condition (**Vesting Condition**):

VESTING CONDITION
The satisfaction of the Performance Measure

The Performance Rights will vest and become exercisable by the Holder on the satisfaction of the Vesting Condition. The Company will notify the Holder upon the satisfaction of the Vesting Condition (**Vesting Notification**).

In this paragraph 8.6(e):

(i) **Performance Measure** means the key performance indicator in respect of the three year period ending 31 December 2027 (**Performance Period**), being the relative Total Shareholder Return (**TSR**) in respect of that period. The TSR is calculated as the change in underlying Share price of the Company plus any dividends paid or capital returns, expressed as a percentage change from the 20-day volume weighted average price of each company's (selected for the purposes of the Performance Measure) (each a member of the **Peer Group**) share price ending 30 April 2028.

(ii) To measure performance against the Performance Measure:

  (A) the TSR of the companies in the Peer Group is calculated;

  (B) the Peer Group companies are ranked according to their TSR;

  (C) the Company's TSR is calculated to determine its percentile in relation to the Peer Group (for the purpose of calculation, the Company's 20-day volume weighted average price at the start of the Performance Period shall be taken as $0.50); and

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(D) the proportion of Performance Rights that vest is dependent on the Company's TSR compared to the TSR of the Peer Group as follows:

RELATIVE TSR OVER THE VESTING AND MEASUREMENT PERIOD	PROPORTION OF PERFORMANCE RIGHTS VESTED
Below the 50th percentile	0%
At the 50th percentile	50%
Between the 50th and 75th percentile	Between 50% and 100% calculated on a pro rata linear basis
At and above the 75th percentile	100%

(f) Exercise of Performance Rights

(i) The Performance Rights may only be exercised when the Company has issued a Vesting Notification to the Holder.

(ii) At any time after the Company has issued a Vesting Notification to the Holder until the Expiry Date, the Holder may issue a written exercise notice (**Exercise Notice**) to the Company specifying how many vested Performance Rights they wish to exercise.

(iii) Following the issuing of a valid Exercise Notice by the Holder, the Company must allot and issue, or transfer, the number of Shares for which the Holder is entitled to acquire as a result of exercising their vested Performance Rights, in accordance with paragraph 8.6(h).

(g) Lapse of Performance Rights

(i) Definitions

Non-Agreed Leaver means the Holder ceases employment or engagement with the Group and:

(A) does not meet the Agreed Leaver criteria; or

(B) meets the Agreed Leaver criteria but the Board has determined in writing that they be treated as a Non-Agreed Leaver.

Agreed Leaver means the Holder ceases employment or engagement with the Group in any of the following circumstances:

(A) the Holder and Board have agreed in writing that the Holder has entered into bona fide retirement;

(B) the Holder and the Board have agreed in writing that the Holder's role has been made redundant;

(C) the Board has determined that:

(I) Special Circumstances apply to the Holder; or

(II) the Holder is no longer able to perform their duties under their engagement or employment arrangements with the Group due to poor health, injury or disability;

(D) the Holder's death; or

(E) any other circumstance determined by the Board in writing.

Nominated Beneficiary means the Holder's beneficiary, personal representative or successor in title.

Special Circumstances means any of the following:

(A) the death of the Holder; or

(B) the total and permanent disablement of the Holder such that the Holder is unlikely ever to engage in any occupation for which the Holder is reasonably qualified by education, training or experience.

(ii) Where Performance Rights lapse

Subject to paragraph 8.6(g)(iii) or the Board deciding otherwise in its absolute discretion, the Performance Rights shall automatically lapse and be cancelled for no consideration on the earliest to occur of the following:

(A) where the Holder is a Non-Agreed Leaver in accordance with paragraph 8.6(g)(i);

(B) if the applicable Vesting Condition is not achieved by the Expiry Date;

(C) if the Board determines in its reasonable opinion that the Vesting Condition has not been met or cannot be met prior to the Expiry Date; or

(D) the Expiry Date.

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(iii) Agreed Leaver

(A) Subject to the last point in paragraph 8.6(g)(iii), where the Holder becomes an Agreed Leaver:

(I) all vested and (subject to the Holder and the Board having agreed in writing that the Holder's role has been made redundant) unvested Performance Rights which have not been exercised in accordance with the Employee Incentive Plan rules will continue in force, unless the Board determines otherwise in its sole and absolute discretion;

(II) the Board may at any time, in its sole and absolute discretion, do one or more of the following:

- permit unvested Performance Rights held by the Agreed Leaver to vest;
- amend the Vesting Condition or reduce the relevant exercise period of unvested Performance Rights; or
- determine that the unvested Performance Rights will lapse.

(B) Where the Holder is an Agreed Leaver due to a Special Circumstance, the Nominated Beneficiary shall be entitled to benefit from any exercise of the above discretionary powers by the Board.

(iv) Non-Agreed Leaver

Where the Holder becomes a Non-Agreed Leaver:

(A) unless the Board determines otherwise, in its sole and absolute discretion, all unvested Performance Rights will lapse; and

(B) unless the Board determines otherwise, in its sole and absolute discretion, all vested Performance Rights will lapse 30 days after the Holder becomes a Non-Agreed Leaver (if they have not already lapsed by the end of that period).

(v) Discretion of Board

The Board may decide to allow the Holder to retain any Performance Rights regardless of failure by the Holder to satisfy in part or in full the Vesting Condition, in which case, the Board may:

(A) determine that any or all of those retained Performance Rights shall vest and the corresponding Shares shall be provided to the Holder; or

(B) determine new Vesting Conditions (as applicable) for those retained Performance Rights and notify the Holder of the determination as soon as practicable.

(vi) Determination Whether to Exercise Discretion

The Board may have regard to whatever matters it thinks reasonable when making a decision about the matters in paragraph 8.6(g)(v) with respect to the Holder.

(h) Timing of the Issue of Shares and Quotation

Following receipt of an Exercise Notice, within five Business Days after the later of the following:

(i) the receipt of the Exercise Notice; and

(ii) when excluded information in respect of the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,

(iii) the Company will:

(A) allot and issue the Shares the subject of the Exercise Notice;

(B) as soon as reasonably practicable and if applicable, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and

(C) if the Company is listed on ASX, apply for Official Quotation of Shares issued pursuant to the vesting of the Performance Rights.

The Shares issued upon exercise of a Performance Right will rank equally in all respects with the Shares then on issue.

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(i) Reorganisation

If there is any reorganisation of the issued share capital of the Company, the terms of Performance Rights and the rights of the Holder who holds such Performance Rights will be varied, including an adjustment to the number of Performance Rights, in accordance with the Listing Rules that apply to the reorganisation at the time of the reorganisation.

(j) Holders Rights

The Holder who holds Performance Rights is not entitled to:

(i) notice of, or to vote or attend at, a meeting of the Shareholders;

(ii) receive any dividends declared by the Company;

(iii) participate in any new issues of securities offered to Shareholders during the term of the Performance Rights; or

(iv) cash for the Performance Rights or any right to participate in surplus assets of profits of the Company on winding up,

unless and until the Performance Rights are exercised and the Holder holds Shares.

(k) Pro Rata Issue of Securities

(i) If during the term of any Performance Right, the Company makes a pro rata issue of securities to the Shareholders by way of a rights issue, the Holder shall not be entitled to participate in the rights issue in respect of any Performance Rights, only in respect of Shares issued in respect of vested Performance Rights.

(ii) The Holder will not be entitled to any adjustment to the number of Shares they are entitled to or adjustment to the Vesting Condition which is based, in whole or in part, upon the Share price, as a result of the Company undertaking a rights issue.

(l) Adjustment for Bonus Issue

If, during the term of any Performance Right, securities are issued pro rata to Shareholders by way of bonus issue, the number of Shares which the Holder is entitled to receive when they exercise the Performance Right, shall be increased by that number of securities which the Holder would have been issued if the Performance Rights then held by the Holder had been validly exercised and the resulting Shares had been held immediately prior to the record date for the bonus issue.

(m) Change of Control

For the purposes of these terms and conditions, a **Change of Control Event** occurs if:

(i) the Company announces that its Shareholders have at a Court convened meeting of Shareholders voted in favour, by the necessary majority, of a proposed scheme of arrangement (excluding a merger by way of scheme of arrangement for the purposes of a corporate restructure (including change of domicile, or any reconstruction, consolidation, sub-division, reduction or return) of the issued capital of the Company) and the Court, by order, approves the scheme of arrangement;

(ii) a Takeover Bid:

  (A) is announced;

  (B) has become unconditional; and

  (C) the person making the Takeover Bid has a Relevant Interest in fifty percent (50%) or more of the issued Shares;

(iii) any person acquires a Relevant Interest in fifty and one-tenths percent (50.1%) or more of the issued Shares by any other means; or

(iv) the announcement by the Company that a sale or transfer (in one transaction or a series of related transactions) of the whole or substantially the whole of the undertaking and business of the Company has been completed.

Where a Change of Control Event has (i) occurred or (ii) been announced by the Company, all granted Performance Rights which have not yet vested or lapsed shall automatically and immediately vest, regardless of whether the Vesting Condition has been satisfied.

Takeover Bid and **Relevant Interest** have the meaning given to those terms under section 9 of the Corporations Act.

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(n) Quotation

The Company will not seek Official Quotation of any Performance Rights.

(o) Performance Rights Not Property

The Holder's Performance Rights are personal contractual rights granted to the Holder only and do not constitute any form of property.

(p) No Transfer of Performance Rights

A Performance Right is not transferable.

8.7 Terms and Conditions of the DSUs

As at the Prospectus Date, the Company had 2,272,175 DSUs on issue:

A summary of the material terms and conditions of the DSUs are detailed below.

(a) Vesting

All DSUs granted will vest according to the terms of their offer letter, which may occur on grant date or a future date.

(b) Redemption

DSUs are redeemable upon the date the holder ceases to be a Director. Under the Employee Incentive Plan, vested DSUs are paid out on the redemption date and the holder shall receive, at the sole discretion of the Board:

(i) a cash payment equal to the fair market value of such vested DSUs as of the termination date (being the date the director ceases services as a Director and is not an employee or officer of the Company);

(ii) such number of Shares issued by the Company, as are equal to the number of such vested DSUs; or

(iii) any combination of the foregoing.

The fair market value is the volume weighted average trading price per Share on the ASX for the last five trading days ending immediately before that date.

The redemption date will be the fifth Business Day following the termination date.

(c) General meetings

The DSUs do not confer on the participant the right to receive notices of general meetings and financial reports and accounts of the Company that are circulated to Shareholders.

(d) No voting rights

The DSUs do not entitle the participant to vote on any resolutions proposed at a general meeting of the Shareholders.

(e) No dividend rights

The DSUs do not entitle the participant to any dividends. Notwithstanding this, if a cash dividend is declared and paid on Shares, the DSUs shall be adjusted in such manner, if any, as the Company may in its discretion deem appropriate to preserve, proportionally, the interests of participants.

(f) No rights to return of capital

The DSUs do not entitle the participant to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.

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(g) No rights on winding up

The DSUs do not entitle the participant to participate in the surplus profits or assets of the Company upon the winding up of the Company.

(h) Not transferable

The DSUs are non-transferrable and non-assignable by a participant (other than upon the death of a participant).

(i) Adjustments

If any subdivision, consolidation, stock dividend, capital reorganisation, reclassification, exchange, or other change with respect to the Shares, or a consolidation, amalgamation, merger, spin-off, sale, lease or exchange of all or substantially all of the property of the Company or other distribution of the Company's assets to Shareholders at any time after a DSU is awarded or credited to a participant and prior to the expiration or settlement of such DSU, the account of each participant and the DSUs outstanding under the Employee Incentive Plan shall be adjusted in such manner, if any, as the Company may in its discretion deem appropriate to preserve, proportionally, the interests of participants under the Employee Incentive Plan.

(j) Liquidity Event

In the event of a Change of Control (as defined in the Employee Incentive Plan), the Company may make such provision for the protection of the rights of the participants as the Board in its discretion considers appropriate in the circumstances provided that no participant shall be entitled to settlement for, or in respect of, any DSUs on or before their termination date.

(k) No other rights

The DSUs give the holders no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

(l) Employee Incentive Plan

In the event that a DSU is granted which does not conform in all particulars with the provisions of the Employee Incentive Plan, the grant of the DSUs shall not be in any way void or invalidated, but the DSUs will be adjusted to become, in all respects, in conformity with the Employee Incentive Plan.

8.8 Further disclosures regarding Performance Rights and DSUs

The Company has applied for and obtained an in-principle waiver from Listing Rule 1.1 (Condition 12) confirming that ASX would, on receipt of an application for Admission, likely grant a waiver to the extent necessary to permit the Company to issue the following Securities:

- Performance Rights; and
- DSUs,

with a nil exercise price, on the condition that the material terms and conditions of the Performance Rights and DSUs are clearly disclosed in the Prospectus. Those terms have been disclosed in Sections 8.4, 8.5, 8.6 and 8.7.

The Company has applied for and obtained in-principle confirmation that ASX would, on receipt of an application for Admission, likely confirm that the terms of the 17,492,034 Performance Rights and 1,931,043 DSUs are appropriate and equitable for the purposes of Listing Rule 6.1, subject to certain conditions. The Company will seek confirmation in its application for Admission that an additional 341,132 DSUs are appropriate and equitable for the purposes of Listing Rule 6.1.

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For the purposes of the conditions, the Company confirms the following in relation to the Performance Rights:

- The recipients of and number of, Performance Rights are detailed in the below table, along with their relationships with the Company:

RECIPIENT	ROLE WITH COMPANY UPON ADMISSION	PERFORMANCE RIGHTS
Richard Seville	Executive Chairman	3,256,716
Mick Adams	Managing Director/Chief Executive Officer	3,256,716
Sylvain Seyer	Senior Vice President, Production & Asset Management	1,919,098
Ebrahim Alizadeh	Senior Vice President, R&D & Technical Services	1,919,098
Daniele Fregonese	Senior Vice President, Sales & Marketing	1,966,001
Stéphane Blanchette	Chief Human Resources Officer	1,269,098
Alexis Clark	Chief Financial Officer and Company Secretary	1,448,881
Louis-Philippe Bernier	Vice President and Plant Manager	198,691
Marc-Antoine Charron	Superintendent, Asset Management & Maintenance	118,158
Yedir Yaddaden	Chief Engineer	340,823
Fariba Safizadeh	R&D Laboratory Manager	315,285
Khairat Torki	Analytical Laboratory Manager	27,701
Johanne Malenfant	Superintendent, Operational Excellence	220,950
Iman Zargaran	Vice President, R&D	55,667
Eric Brouard	Financial Director	160,630
Michele Descarie	Financial Controller	326,571
Mark Fearns	Marketing Manager, Asia	222,806
Elton Kao	Business Development Manager, China & Taiwan	120,774
Helmut Ringdorfer	Business Development Manager, Europe	100,160
Masanoki Ono	Business Development Manager, Japan	41,592
Simon Beaulieu	Superintendent, Health and Safety/Environment	70,970
Eric Boudreau	Superintendent, Purchasing	28,731
Juien Aubert	Superintendent, Operations	23,943
Banin Alizadeh	Marketing Manager, North America & Europe	30,784
Reserve for potential new 2025 employees	–	52,190

- Details of the existing total remuneration package of the key management personnel are detailed in Section 4.4(c).
- The Performance Rights were issued for nil cash consideration to the Performance Rights recipients to incentivise their performance and align their interests with Shareholders.

8. ADDITIONAL INFORMATION CONTINUED

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- In addition to their interests in the Performance Rights, as at the Prospectus Date, the Performance Rights recipients and their associates will have the following interests in other Securities, as detailed below:

RECIPIENT	SHARES	DEFERRED SHARE UNITS	CONVERTIBLE DEBENTURES
Richard Seville	26,521,323[1]	1,530,214[2]	C$13,297,381[3]
Michael Adams	3,300,256[4]	Nil	Nil
Sylvain Seyer	Nil	Nil	Nil
Ebrahim Alizadeh	Nil	Nil	Nil
Daniele Fregonese	Nil	Nil	C$66,716[3]
Stéphane Blanchette	200,000	Nil	Nil
Alexis Clark	800,000	Nil	Nil

Notes:

1 Comprising:

(a) 17,115,000 Shares held by Richard Seville & Associates PL AFT The Seville Superannuation Fund an entity associated with Mr Richard Seville; and

(b) 9,406,323 Shares held by Ockleston Nominees Pty Ltd ATF The Seville Trust, an entity associated with Mr Richard Seville.

2. Reflects the period from 1 January 2024.

3 The 2023 convertible debentures were issued by AEM Inc. in 2023 (**2023 Convertible Debentures**). The 2023 Convertible Debentures receive interest of 10% per annum payable upon maturity or redemption. The 2023 Convertible Debentures will convert into Shares at the lesser of: (i) the Valuation Cap Price which is calculated by dividing C$100,000,000 by the number of issued and outstanding Shares calculated on a fully diluted basis immediately prior to the conversion date (but expressly excluding the underlying securities to be issued pursuant to this instrument and excluding any other pre-IPO convertible instrument issued by AEM Inc. subsequent to the date of this instrument); and (ii) a 30% discount to the Offer Price.

The 2024 convertible debentures were issued by AEM Inc. in late 2024 and 2025 (**2024 Convertible Debentures**). The 2024 Convertible Debentures will receive interest of 10% per annum payable upon maturity or redemption. The 2024 Convertible Debentures will convert into Shares at the lesser of: (i) the Valuation Cap Price which is calculated by dividing C$150,000,000 by the number of issued and outstanding Shares calculated on a fully diluted basis immediately prior to the conversion date (but expressly excluding the underlying securities to be issued pursuant to this instrument and excluding any other pre-IPO convertible instrument issued by AEM Inc. subsequent to the date of this instrument); and (ii) a 30% discount to the Offer Price.

4. Held by MGW Adams Ltd, an entity associated with Mr Michael Adams.

- The Company considered it appropriate and equitable to remunerate and incentivise the Performance Rights recipients by issuing the Performance Rights in order to:
  - preserve the cash reserves of the Company;
  - reward non-key management personnel, predominantly based in Canada, for continued employment post Acquisition;
  - align the Performance Rights recipients' respective interests with those of the Shareholders;
  - incentivise the Performance Rights holders to strive to achieve success for the Company; and
  - incentivise the Performance Rights holders to remain employees of the Company as it establishes and ramps up commercial scale operations.
- In coming to the determination that the Performance Rights were appropriate and equitable, the Company had regard to the following factors:
  - the Company considered the remuneration structures of several of the Company's ASX listed peer companies to determine a suitable quantum and structure of an incentive-based remuneration plan;
  - the capital structure of the Company;
  - the objectives of limiting the dilution of existing Shareholders upon the exercise of the Performance Rights whilst also appropriately remunerating and incentivising certain key management personnel, officers and employees, and aligning their interests with Shareholders;
  - the Performance Rights will only convert into Shares after all the relevant milestones are achieved or upon customary change of control events. The Company considers that the milestone for the Performance Rights is appropriate and equitable in the circumstances; and
  - ASX's guidance in Guidance Note 19.

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- In determining the number of Performance Rights to be issued to the recipients, the Company had regard to the following:
  - market levels of remuneration for comparable roles;
  - the particular skills and experience of the individuals involved;
  - attracting and retaining personnel with the desired skills and experience; and
  - aligning individual and team behaviours with the interests of the Shareholders.
- Up to 17,492,034 additional Shares may be issued if the Performance Rights vest and are exercised (the impact that would have on the Company's capital structure would be to increase the total number of Shares on issue by 17,492,034, whilst reducing that number of Performance Rights).

For the purposes of the conditions, the Company confirms the following in relation to the DSUs:

- The recipients of and number of DSUs are detailed in the below table, along with their relationships with the Company:

RECIPIENT	ROLE WITH COMPANY UPON ADMISSION	DSUS
Richard Seville	Executive Chairman	1,530,214[1]
Richard Evans	Non-Executive Director	276,682[1]
Timothy Fletcher	Non-Executive Director	62,866
Leanne Heywood	Proposed Non-Executive Director	26,316
Nassif Obeid	Non-Executive Director	276,682[1]
Steven Petersohn	Non-Executive Director	99,415
Anthony Giammaria	Non-Executive Director	Nil
Total		**2,272,175**

Note:

1. Reflects the period from 1 January 2024. Other Directors from either Q1, Q2 or Q3 in 2025.

- Details of the existing total remuneration package of the Directors is detailed in Section 4.4(a) and 4.4(c).
- The DSUs were issued for nil cash consideration to the DSU recipients in lieu of outstanding Directors' fees to incentivise those persons and align their interests with Shareholders.
- In addition to their interests in the DSUs, as at the Prospectus Date, the DSU recipients and their associates will have the following interests in other Securities, detailed below:

RECIPIENT	SHARES	PERFORMANCE RIGHTS	CONVERTIBLE DEBENTURES
Richard Seville	26,521,323	3,256,716	C$13,297,381
Richard Evans	24,281,408	Nil	C$352,875
Timothy Fletcher	56,639,363	Nil	C$520,778
Leanne Heywood	Nil	Nil	Nil
Nassif Obeid	12,140,704	Nil	C$828,540
Steven Petersohn	10,948,110	Nil	C$1,064,278
Anthony Giammaria	120,000	Nil	Nil

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- The Company considers it appropriate and equitable to remunerate and incentivise the DSU recipients by issuing the DSUs in order to:
  - preserve the cash reserves of the Company;
  - align the DSU recipients' respective interests with those of the Company's Shareholders upon redemption of the DSUs; and
  - incentivise the DSU holders to strive to achieve success for the Company.
- In coming to the determination that the DSUs were appropriate and equitable, the Company had regard to the following factors:
  - the Company considered the remuneration structures of several of the Company's ASX listed peer companies to determine a suitable quantum and structure of an incentive-based remuneration plan;
  - the capital structure of the Company;
  - the objectives of limiting the dilution of existing Shareholders whilst also appropriately remunerating and incentivising certain key management personnel, officers and employees;
  - the DSUs convert into Shares or are paid out to the holder in cash at the discretion of the Board, upon the holder ceasing to be a Director or upon customary change of control events; and
  - ASX's guidance in Guidance Note 19.
- Up to 2,272,175 additional Shares may be issued if the DSUs are redeemed (the impact that would have on the Company's capital structure would be to increase the total number of Shares on issue by 2,272,175 whilst reducing that number of DSUs).

8.9 Material Contracts

The Directors consider that certain contracts entered into by the Company, or its subsidiaries are material to the Company or are of such a nature that an investor may wish to have particulars of them when assessing whether to apply for Shares under the Offer. The provisions of such material contracts are summarised in this Section 8.9 or in Section 4.

(a) Joint Lead Managers Mandate

The Company has engaged the Joint Lead Managers to act on an exclusive basis as joint global coordinators, bookrunners and joint lead managers to the Offer pursuant to a mandate agreement dated on or about 22 September 2025 between the Joint Lead Managers and the Company (**Joint Lead Manager Mandate**).

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The material terms of the Joint Lead Manager Mandate are summarised below.

SUBJECT	PROVISION
Fees	The Company will pay the following fees to the Joint Lead Managers (exclusive of GST): • (**Management Fee**) a cash fee equal to 1.5% of the gross proceeds to the Company raised from the Offer, to be allocated equally among the Joint Lead Managers; • (**Selling Fee**) a cash fee equal to 3.5% of the gross proceeds to the Company raised from the Offer (excluding amounts raised from non-institutional investors introduced by the Company as agreed with the Joint Lead Managers), to be allocated equally among the Joint Lead Managers; and • (**Discretionary Fee**) a payment of up to A$350,000 at the sole discretion of the Company; (together, the **JLM Cash Fees**). Additionally, the Company will issue between 3,773,585 Options (assuming Minimum Subscription) and 4,716,981 3,773,585 Options (assuming Maximum Subscription) to the Joint Lead Managers on the terms and conditions detailed in Section 8.3 (**Joint Lead Manager Options**). The Joint Lead Manager Options have an exercise price of $0.69 each and expiry date of 3 years following their issue date. The Joint Lead Manager Options will be issued to the Joint Lead Managers in equal proportions under the Joint Lead Manager Offer at the time the Shares are issued under the Offer. The fees detailed above in relation to the Offer will not be paid under the Joint Lead Manager Mandate as they have been superseded and replaced by the Underwriting Agreement summarised at Section 8.9(b).
Right of first refusal	The Company must offer the Joint Lead Managers the right of first refusal to act as joint lead managers in any equity or hybrid capital raising undertaken by the Company within 24 months of completion of the Offer. The offer must be accepted by the Joint Lead Managers within 5 Business Days of being made by the Company, after which the right of first refusal ceases to apply.
Expenses	The Company has agreed to reimburse the Joint Lead Managers for reasonable out of pocket expenses incurred in connection with the Joint Lead Manager Mandate and the Offer as well as all advertising, mailing, telephone, road show, travel and other costs incurred, or to be incurred, by the Joint Lead Managers in connection with the marketing of the Offer. The Joint Lead Managers must obtain the Company's pre-approval for any expense (or series of related expenses) exceeding $2,000. In addition, the Company has also agreed to reimburse the Joint Lead Managers' legal costs and disbursements up to an aggregate of $40,000 (excluding GST).
Termination	Following the Prospectus Date, the Joint Lead Manager Mandate may be terminated by a Joint Lead Manager providing written notice to the Company. The Company can only terminate the Joint Lead Manager Mandate after the Prospectus Date with the written consent of the Joint Lead Managers. Furthermore, where the Joint Lead Managers reasonably conclude that the Company no longer wishes to pursue the Offer, the Company is deemed to have given written notice terminating the Joint Lead Manager Mandate (**Deemed Termination**). The Joint Lead Managers must give written notice to the Company that Deemed Termination has occurred. If the Joint Lead Manager Mandate is terminated, the Joint Lead Managers will be entitled to any fees for services rendered to the Company and expenses incurred up to the termination date.

The terms of the Joint Lead Manager Mandate are otherwise considered customary for an agreement of this nature. The Joint Lead Managers Mandate does not constitute an agreement to underwrite the Offer. Pursuant to the Underwriting Agreement, the terms of the Joint Lead Manager Mandate continue to apply except to the extent of an inconsistency, such as with respect to fees, in which the Underwriting Agreement will prevail.

8. ADDITIONAL INFORMATION CONTINUED

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(b) Underwriting Agreement

The Company has engaged the Joint Lead Managers to underwrite the Institutional Offer and Broker Firm Offer to $25,538,900 pursuant to an underwriting agreement dated 10 November 2025 between the Joint Lead Managers and the Company (**Underwriting Agreement**). The material terms of the Underwriting Agreement are detailed below.

SUBJECT	PROVISION
Conditions	The obligations of the Joint Lead Managers: • under the Underwriting Agreement are conditional upon customary conditions precedent concerning the due diligence process for this Prospectus, the Prospectus having been lodged with ASIC and any regulatory approvals (including ASX approvals and ASIC modifications) having been obtained; • to underwrite the Institutional Offer and Broker Firm Offer to $25,538,900 and to subscribe for Shortfall Shares are conditional on further customary conditions precedent, comprising: – (**other conditions precedent**) the conditions precedent in the above paragraph; – (**applications**) the Company confirming to the Joint Lead Managers in writing that it became capable of accepting applications in accordance with section 727(3) of the Corporations Act by the Business Day after the end of the Exposure Period under that section; – (**certificates**) the Joint Lead Managers receiving duly executed certificates from the Company in relation to customary matters; – (**regulatory approvals**) the maintenance of any relevant regulatory approvals; – (**Priority Offer confirmations**) on or before five Business Days prior to the Settlement Date, the Joint Lead Managers having received copies of confirmation letters in a form satisfactory to the Joint Lead Managers (in their sole and absolute discretion) pursuant to the Priority Offer for an aggregate amount which is equal to the Priority Offer Cap (unless a lesser amount is otherwise agreed to by the Joint Lead Managers (in their sole and absolute discretion)); – (**US legal opinion**) the Joint Lead Managers receiving a legal opinion for the benefit of the Joint Lead Managers from Rimon Law, the Company's US legal counsel, confirming: » no registration of the Shares issued under the Offer is required under the US Securities Act for the initial offer and sale of the Shares issued under the Offer by the Company or the Joint Lead Managers, in each case in the manner contemplated by the Underwriting Agreement, it being understood that no opinion will be expressed as to any subsequent reoffer or resale of the Shares issued under the Offer; » the Company is not, and immediately after giving effect to the offer and sale of the Shares issued under the Offer and the application of the net proceeds therefrom in the manner contemplated by the Prospectus will not be required, to register as an "investment company" under the US Investment Company Act, as amended; – (**shortfall**) if required, the Company providing the Joint Lead Managers with a shortfall notice and certificate by no later than 5:30pm (AWST) on the Shortfall Notification Date; and – (**ASX quotation**) the ASX indicating in writing, by the Quotation Approval Date, that it will grant permission for Official Quotation (subject only to standard conditions customarily imposed by the ASX and any other conditions agreed in writing by the Company and the Joint Lead Managers (acting reasonably)).
Shortfall	Subject to certain notice and review requirements to be performed by the Company and subject to the satisfaction (or waiver by the Joint Lead Managers) of the conditions precedent summarised above, the Joint Lead Managers are required by the Settlement Date to apply and make payment for, or procure the application and payment to the Company by third parties for, any Shares under the Institutional Offer and Broker Firm Offer up to $25,538,900 that the Company does not receive valid applications for by 5:00pm on the Closing Date (**Shortfall Shares**).

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SUBJECT	PROVISION
Fees	The Company will pay the following fees to the Joint Lead Managers (exclusive of GST): • (**Management Fee**) a cash fee equal to 1.5% of the gross proceeds to the Company raised from the Offer, to be allocated equally among the Joint Lead Managers; • (**Underwriting Fee**) a cash fee equal to 3.5% of the gross proceeds to the Company raised from the Offer (excluding amounts raised from the Priority Offer up to the Priority Offer Cap), to be allocated equally among the Joint Lead Managers; and • (**Discretionary Fee**) a payment of up to A$350,000 at the discretion of the Company; (together, the **Underwriting Cash Fees**), which will be split equally amongst the Joint Lead Managers. Additionally, the Company will issue between 3,773,585 Options (assuming Minimum Subscription) and 4,716,981 Options (assuming Maximum Subscription) to the Joint Lead Managers on the terms and conditions detailed in Section 8.3. The Joint Lead Manager Options have an issue price of $0.00001 each, exercise price of $0.69 each and expiry date of 3 years following their issue date. The Joint Lead Manager Options will be issued to the Joint Lead Managers in equal proportions under the Joint Lead Manager Offer at the time the Shares are issued under the Offer. Notwithstanding the Joint Lead Manager Mandate, the fees and costs detailed in the Underwriting Agreement supersede and replace all fees, costs and obligations in relation to fees and costs set out in the Joint Lead Manager Mandate.
Termination	Either of the Joint Lead Managers may by notice to the Company immediately terminate the Underwriting Agreement if any one or more of the following events occurs or has occurred at any time during the period between the date of the Underwriting Agreement and the end of the Settlement Date: • (**Offer Documents**) the Joint Lead Managers form the view (acting reasonably) that a statement contained in the Prospectus is or becomes misleading or deceptive or likely to mislead or deceive, or a matter required by the Corporations Act is omitted from the Prospectus (having regard to section 710, 711 and 716 of the Corporations Act) or if the issue of the Prospectus becomes misleading or deceptive or likely to mislead or deceive; • (**Section 730 notice**) a person gives a notice to the Company under section 730 of the Corporations Act; • (**future matters**) there are not, or there ceases to be, reasonable grounds in the opinion of the Joint Lead Managers for any statement or estimate in the Prospectus, which relate to a future matter or any statement or estimate in the Prospectus that relate to a future matter is, in the reasonable opinion of the Joint Lead Managers, unlikely to be met in the projected timeframe (including in each case financial forecasts); • (**Encumbrance**) other than as disclosed in the Prospectus or as required by applicable laws, the Company or any other Group Member creates or agrees to create an encumbrance over the whole or a substantial part of its business or property; • (**Market fall**) the S&P/ASX 200 or S&P/ASX 300 published by ASX falls by 10% or more at any time from its level at market close on the Business Day immediately preceding the date of the Underwriting Agreement and that fall occurs for 2 consecutive Trading Days; • (**offer of refund to investors**) any circumstance arises after lodgement of the Prospectus that results in the Company either repaying all money received from all persons who have applied for Shares or offering to all persons who have applied for Shares an opportunity to withdraw their application for Shares and be repaid their application money;

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SUBJECT	PROVISION
Termination continued	• (**material adverse change**) any material adverse change occurs in the assets, liabilities, share capital, Share structure, financial position or performance, profits, losses or prospects of the Company or the Group (insofar as the position in relation to an entity in the Group affects the overall position of the Group) from those matters as disclosed in the Prospectus, including: – any material adverse change in the reported earnings or future prospects of the Group; or – any material adverse change in the nature of the business conducted by the Group; or – the insolvency or voluntary winding up of the Company or an entity in the Group or the appointment of any receiver, receiver and manager, liquidator or other external administrator; or – any material adverse change to the rights and benefits attaching to shares; or – any event that is likely to cause a Material Adverse Change; • (**withdrawal of Prospectus**) either the Company withdraws the Prospectus or terminates the Offer, or confirms to the Joint Lead Managers that the Company does not intend to proceed with the Offer; • (**no certificate**) the Company does not provide certificates as required pursuant to the Underwriting Agreement for customary matters or a statement in any such certificate is untrue in any material respect, incorrect or misleading or deceptive; • (**insolvency**) a Group Member is or becomes insolvent, or an act occurs or an omission is made which may result in a Group Member becoming Insolvent; • (**regulatory action**) any of the following occurs in relation to the Offer: – ASIC issues proceedings in relation to the Company; – ASIC makes an order or interim order under section 739 or section 1324B of the Corporations Act concerning the Prospectus; – ASIC applies for an order under Part 9.5 of the Corporations Act in relation to the Offer or any Offer Document; – ASIC holds, or gives notice of intention to hold, a hearing or investigation in relation to the Offer or any Offer Document under the ASIC Act; – ASIC prosecutes or gives notice of an intention to prosecute or commences proceedings against, or gives notice of an intention to commence proceedings against, the Company or any of its officers, employees or agents in relation to the Offer or any Offer Document; or – any other Government Agency commences any investigation or hearing in relation to the Offer, or any Offer Document; • (**stop order**) ASIC makes an interim order (other than an interim order that does not become public and is dismissed or withdrawn by ASIC within 2 Business Days) or final stop order in relation to the Prospectus under section 739 of the Corporations Act or holds a hearing (other than a hearing which does not become public and is dismissed or withdrawn by ASIC within 2 Business Days) under section 739 of the Corporations Act in relation to the Prospectus or makes an application under section 1324 or 1324B of the Corporations Act; • (**withdrawal of consents**) – any person whose consent to the issue of the Prospectus or any supplementary prospectus is required by section 720 of the Corporations Act and who has previously consented to the issue of the Prospectus or any supplementary prospectus withdraws such consent; – any person (other than the Joint Lead Managers) gives a notice under section 733(3) of the Corporations Act; or – any person (other than the Joint Lead Managers) who has previously consented to the inclusion of their name or any statement in the Prospectus or any supplementary prospectus withdraws that consent;

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SUBJECT	PROVISION
Termination continued	• (**supplementary prospectus**) the Company lodges a supplementary prospectus without the consent of the Joint Lead Managers or fails to lodge a supplementary prospectus in a form acceptable to the Joint Lead Managers in accordance with the Underwriting Agreement or, in the Joint Lead Managers' opinion, becomes required to lodge a supplementary prospectus because of a circumstance set out in section 719(1) of the Corporations Act; • (**change in Directors and senior management**) a change in the senior management or in the board of Directors, as named in the Offer Documents, occurs without the written consent of the Joint Lead Managers or any such changes are announced, without the prior written consent of the Joint Lead Managers; • (**material adverse change in financial markets**) any of the following occurs: – any adverse change or disruption to financial, political or economic conditions, currency exchange rates or controls or financial markets of Australia, New Zealand, the United Kingdom, the United States of America, Singapore, Hong Kong, the People's Republic of China, Switzerland, Canada, Brazil, Bermuda, Cayman Islands, any member state of the European Union or the international financial markets or any change or development involving a prospective adverse change in any of those conditions or markets; – a general moratorium on commercial banking activities in Australia, New Zealand, the United States of America, Canada, Brazil, the United Kingdom, Hong Kong, Singapore, Switzerland, Bermuda, Cayman Islands or any member state of the European Union is declared by the relevant central banking authority in any of those countries, or there is a material disruption in commercial banking or security settlement or clearance services in any of those countries; or – trading in securities generally has been suspended or materially limited for at least one trading day, by any of the ASX, NZX, the Hong Kong Stock Exchange, the Singapore Stock Exchange, the London Stock Exchange, the Sao Paulo Stock Exchange, Toronto Stock Exchange, SIX Swiss Exchange or the New York Stock Exchange; • (**disclosures of due diligence committee report**) the Joint Lead Managers form the view that the due diligence committee report or any information supplied by or on behalf of the Company to the Joint Lead Managers in relation to the Group or the Offer as part of the due diligence process is or becomes misleading or deceptive in a material respect, or information material to the Company or the business conducted by the Group has not been disclosed as part of the due diligence process; • (**material contracts**) if any of the obligations of the relevant parties under any of the material contracts are not capable of being performed in accordance with their terms (in the reasonable opinion of the Joint Lead Managers) or if all or any part of any of the material contracts: – is terminated, withdrawn, rescinded, avoided or repudiated; – is altered, amended or varied without the consent of the Joint Lead Managers (acting reasonably); – ceases to have effect, otherwise than in accordance with its terms; – is or becomes void, voidable, illegal, invalid or unenforceable (other than by reason only of a party waiving any of its rights) or capable of being terminated, withdrawn, rescinded, avoided or withdrawn or of limited force and affect, or its performance is or becomes illegal; or – is breached, or there is a failure by a party to comply;

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SUBJECT	PROVISION
Termination continued	• (**ASX approvals and ASIC modifications**) – any of the ASX approvals or ASIC modifications are withdrawn, revoked, adversely qualified, adversely amended or withheld without the prior written approval of the Joint Lead Managers; or – ASX or ASIC (as the case may be) indicates to the Company or the Joint Lead Managers that such approval is likely to be withdrawn, revoked, adversely qualified, adversely amended or withheld); • (**quotation approval**) – approval for Official Quotation for the Company is refused or not granted, other than subject to standard conditions customarily imposed, or any other conditions accepted in writing by the Joint Lead Managers by the Quotation Approval Date or if approval is granted, such approval is subsequently withdrawn, adversely qualified (other than subject to standard conditions customarily imposed) or withheld before completion; – if reasonable grounds exist for the Joint Lead Managers to believe that any ASX conditions to Official Quotation of the Shares will not be completed, fulfilled or waived by ASX so as to result in the Shares issued under the Offer not being granted Official Quotation by the Quotation Approval Date (excluding delays solely attributable to delays in ASX providing the Company with its conditional admission letter for reasons beyond the Company's control, for up to a maximum of 3 Business Days); • (**unauthorised changes**) the Company or a subsidiary: – disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property other than as contemplated in the Prospectus; – ceases or threatens to cease to carry on business; – alters its capital structure, other than as contemplated in the Prospectus; or – amends its constitution or any other constituent document of the relevant company; • (**charge**) a person charges or encumbers or agrees to charge or encumber, the whole, or a substantial part of the business or property of the Company or any Group Member; • (**action against Directors and senior management**) – a Director or any member of the senior management of the Group is charged with a criminal offence relating to any financial or corporate matter; – any Government Agency commences any adverse public action against a Group Member, any of the Directors or any member of the senior management of the Group, or announces that it intends to take any such action; or – any Director or any member of the senior management of the Group is disqualified under the Corporations Act from managing a corporation; • (**fraud**) a Director or a senior member of management of the Company engages in any fraudulent conduct or activity; • (**unable to proceed**) the Company is or will be prevented from conducting or completing the Offer (including issuing the Shares under the Offer) by or in accordance with the Listing Rules, ASIC, ASX, any applicable laws or an order of a court of competent jurisdiction or otherwise are or will become unable or unwilling to do any of these things; • (**compliance with regulatory requirements**) the Offer or the Offer Documents do not comply with any applicable law or regulatory requirement or there is a contravention by the Company of the Corporations Act, its constitution or any of the Listing Rules;

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SUBJECT	PROVISION
Termination continued	• (**timetable**) an event specified in the timetable is delayed for more than 3 Business Days (excluding delays solely attributable to delays in ASX providing the Company with its conditional admission letter for reasons beyond the Company's control, for up to a maximum of 2 Business Days) without the written approval of the Joint Lead Managers; • (**Restriction Agreements**) a restriction agreement is withdrawn, varied, terminated, rescinded, altered or amended, breached or failed to be complied with, except in each case as permitted by (as applicable from time to time): – the Listing Rules; – a waiver of the Listing Rules granted by ASX; or – the terms of the restriction agreement between the Company and that person (or permitted transferee). Either of the Joint Lead Managers may at any time prior to the end of the Settlement Date, by notice given to the Company, and without any cost or liability to the Joint Lead Managers, immediately terminate if any of the Additional Termination Events (defined below) occurs at any time during the period between the date of the Underwriting Agreement and the end of the Settlement Date (or such other time as specified in such event) and: • in the Joint Lead Managers' reasonable opinion, the relevant termination event has had or could be expected to have, individually or in aggregate with a separate relevant termination event, a material adverse effect on: – the financial condition, financial position, financial prospects, financial performance, shareholder's equity, profits, losses, results, condition, operations or prospects of the Company or the Group, or the success or outcome of the Offer; – the Joint Lead Managers' ability to market, promote or settle the Offer or the potential market price of the Shares issued under the Offer or a decision of an investor to invest in Shares issued under the Offer; or • there is a reasonable possibility that the Joint Lead Managers will contravene, be involved in a contravention of, or incur a liability under the Corporations Act or any other applicable law as a result of the relevant termination event. The following termination events are **Additional Termination Events**: • (**new circumstance**) there occurs a new circumstance that has arisen since the Prospectus was lodged that would have been required to be included in the Prospectus if it had arisen before the Prospectus was lodged; • (**change in laws**) any of the following occurs which does or is likely to prohibit, materially restrict or regulate the Offer or materially reduce the likely level of valid Applications or affects the financial position of the Company or has a material adverse effect on the success of the Offer: – the introduction of legislation into the Parliament of the Commonwealth of Australia or of any State or Territory of Australia; or – the public announcement of prospective legislation or policy by the Federal Government or the Government of any State or Territory of Australia or the Reserve Bank of Australia; or – the adoption by ASX or their respective delegates of any regulations or policy; • (**hostilities**) any of the following occurs: – there is an outbreak of hostilities not presently existing or a major escalation in existing hostilities occurs (in each case, whether or not a war or a national emergency has been declared); – a declaration is made of a national emergency or war; or – a terrorist act is perpetrated;

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SUBJECT	PROVISION
Termination continued	involving any one or more of Australia, New Zealand, the United States of America, Canada, the United Kingdom, any member state of the European Union, Switzerland, Cayman Islands, Bermuda, any member of NATO, the People's Republic of China, Hong Kong, Singapore, Brazil Iran, Iraq, Russia, Israel, Palestine or any diplomatic, military, commercial or political establishment of any of these countries elsewhere in the world; • (**legal proceedings and offence by Directors**) any of the following occurs: – legal proceedings are commenced against the Company; or – any Director is charged with an indictable offence or any regulatory body commenced any public action against the Director or announced that it intends to take any such action; or – any Director is disqualified from managing a corporation under section 206A, 206B, 206C, 206D, 206E or 206F of the Corporations Act; • (**compliance with regulatory requirements**) a contravention by the Company or any entity in the Group of the Corporations Act, the Listing Rules, its constitution or any other applicable law or regulation; • (**Prospectus to comply**) the Prospectus, an Offer Document or any aspect of the Offer does not comply with the Corporations Act, the Listing Rules or any other applicable law or regulation; • (**public statements**) – the Company or an entity in the Group issues a public statement concerning the Offer which has not been approved by the Joint Lead Managers; or – a statement in any of the Public Information is or becomes misleading or deceptive or likely to mislead or deceive; • (**breach**) the Company breaches any of its undertakings or obligations under the Underwriting Agreement; • (**false Certificate**) a statement in a Certificate provided by the Company under clause 6 is untrue, incorrect or misleading or deceptive at the time it is given; • (**representations and warranties**) any representation or warranty contained in the Underwriting Agreement on the part of the Company is breached or becomes false, misleading or incorrect; or • (**prescribed occurrence**) an event specified in sections 652C(1) or (2) of the Corporations Act occurs in relation to the Company or any of other Group Member.
Undertakings	The Company has provided various undertakings to the Joint Lead Managers under the Underwriting Agreement, such as that (among other undertakings) the Company must: • (**breach**) notify the Joint Lead Manager of any breach of any representation, warranty or undertaking given by it under the Underwriting Agreement, the occurrence of any termination event or the non-satisfaction of the conditions precedent immediately after the Company becomes aware of the breach, occurrence or non-satisfaction; • (**conduct of business**) carry on its business until 180 days after the Settlement Date in the ordinary course and not, except as disclosed to the Joint Lead Managers before the date of the Underwriting Agreement; • dispose of or charge, or agree to dispose of or charge, the whole or any material part of its business; or • enter into any agreement or commitment which is material in the context of the Offer, the Company or the Group or the Group's business (taken as whole),

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SUBJECT	PROVISION
Undertakings continued	without the prior written consent of the Joint Lead Managers, which consent shall not be unreasonably withheld or delayed; • (**moratorium**) not at any time after the date of the Underwriting Agreement until the expiration of 180 days after the Settlement Date, issue or agree to issue any equity securities (as defined in the Listing Rules) or any securities that are convertible or exchangeable into such equity securities (other than issues of securities to the Company's employees and executives under the Company's equity incentive plan that have been disclosed to the Joint Lead Managers), without the prior written consent of the Joint Lead Managers (after the issue date of the Shares under the Offer, such consent not to be unreasonably withheld or delayed), other than, in each of the aforementioned cases, issues of equity securities or other securities (and agreements to issue equity securities or other securities)by the Company in any one or more of the following instances: – for the purpose of remunerating or incentivising Directors, management or other employees or other personnel of any Group Member pursuant to the Company's employee incentive plan, as disclosed in the Prospectus; – as disclosed in, or permitted by, the Prospectus (including issues pursuant to the Company's employee incentive plan); and – the conversion of equity securities issued prior to the date of, and disclosed in, the Prospectus into equity securities; • (**compliance**) not, at any time after the date of the Underwriting Agreement until the issue of Shares under the Offer, commit, be involved in or acquiesce in any activity which breaches any provision of the Corporations Act, the Listing Rules, the ASIC Act, the *Anti-Money Laundering and Counter Terrorism Financing Act 2006* (Cth) or certain other legal and regulatory requirements; • (**constitution**) not, before 180 days after the issue of Shares under the Offer, vary any term of its constitution without the prior written consent of the Joint Lead Managers to the terms of the variation, such consent not to be unreasonably withheld or delayed; • (**structure**) except to the extent disclosed in, or permitted by, the Prospectus or as otherwise disclosed to the Joint Lead Managers prior to the date of the Underwriting Agreement, not, from the date of the initial distribution of the Prospectus until the day before the issue of the Shares under the Offer, alter, agree to alter or propose an alteration to its capital structure (whether debt or equity), except with the prior consent of the Joint Lead Managers and not create or agree to create any encumbrance over any or all of the Shares issued under the Offer; • (**withdrawal of Offer**) not withdraw the Offer or the Prospectus; • (**prescribed occurrence**) except to the extent disclosed in, or permitted by, the Prospectus or permitted under the Underwriting Agreement in respect of any of the events set out in section 652C(1) of the Corporations Act, during the period from completion of the issue of the Shares under the Offer until 180 days after such date, ensure that none of the events set out in sections 652C(1) or (2) of the Corporations Act has occurred in relation to the Company or any of other Group Member; • (**correspondence with a Government Agency, ASIC or ASX**) provide the Joint Lead Managers with copies of all correspondence from a Government Agency, ASIC or ASX (or any of their respective advisers) to it (or any of its advisers), and give the Joint Lead Managers a reasonable opportunity to comment on any correspondence from the Company (or any of their advisers) to the Government Agency, ASIC or ASX (or any of their respective advisers) in connection with the Offer Documents or the Offer from the date of the Underwriting Agreement until issue of the Shares under the Offer;

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SUBJECT	PROVISION
Undertakings continued	• (**Escrowed shareholders**) The Company must not allow an escrowed Shareholder (or permitted transferee) to dispose of any Shares held by it after settlement on the Settlement Date until the expiry of the period contained in the restriction agreement except in each case as permitted by (as applicable from time to time): – the Listing Rules; – any waiver of the Listing Rules granted by ASX; or – the terms of the restriction agreement between the Company and that person (or permitted transferee), and the Joint Lead Managers and the Company acknowledge that this undertaking does not give the Joint Lead Managers any power to dispose of or control the disposal of the Shares the subject of the restriction agreement and any breach of the undertaking will only give rise to a right to damages.
Indemnity	Subject to certain customary exclusions, the Company unconditionally and irrevocably agrees to keep the Joint Lead Managers and certain affiliated parties indemnified from certain losses related directly or indirectly to the Offer or the Underwriting Agreement.

The Underwriting Agreement contains certain representations and warranties by the Company to the Joint Lead Manager and vice versa. The terms of the Underwriting Agreement are otherwise considered customary for an agreement of this nature.

(c) 2023 Debenture Subscription Agreements

In 2023, AEM Inc. undertook a debenture financing through the issue of unsecured convertible debentures (**2023 Convertible Debentures**). The 2023 Convertible Debentures were issued through subscription agreements (**2023 Debenture Subscription Agreements**) on a prospectus exempt basis in accordance with Regulation 45-106 respecting Prospectus Exemptions (V-1.1, r.21) and Canadian Securities Law.

On 27 July 2024, the terms of the 2023 Convertible Debentures were amended to allow their conversion into Shares. On 15 April 2025, the maturity date for the 2023 Convertible Debentures was extended from 31 May 2025 to 31 December 2025.

The material terms of the 2023 Convertible Debentures, as detailed in the 2023 Debenture Subscription Agreements (as amended) are summarised below.

SUBJECT	PROVISION
Commercial terms	The 2023 Convertible Debentures were issued on the following terms: • a minimum individual investment of C$100,000; • an offering range of C$13,500,000 and C$23,000,000 including a right to increase the offering; • an initial maturity date of 31 May 2025 (extended to 31 December 2025); and • an interest rate of ten percent (10%).
Debenture Conversion	The 2023 Convertible Debentures are convertible into common shares of AEM Inc. or Shares in the Company when the common shares of AEM Inc. or Shares in the Company are successfully listed for trading on a reputable stock exchange pursuant to any type of transaction (initial public offering, reverse takeover, direct listing) (**Qualified Public Listing** or **QPL**). On a Qualified Public Listing, the principal amount owing on each 2023 Convertible Debenture and any accrued interest shall automatically convert into common shares of AEM Inc. or Shares in the Company at the lesser of: • the offer price for the QPL (**QPL Offer Price**) less an allowed discount, being a 30% discount (**Allowed Discount**); and • a valuation cap price based on a C$100,000,000 (**Valuation Cap**) pre-money enterprise valuation (**Valuation Cap Price**),

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SUBJECT	PROVISION
Debenture Conversion continued	(**Conversion Price**). If the Valuation Cap Price is less than the QPL Offer Price minus the Allowed Discount, then the Conversion Price would be equal to the Valuation Cap Price which would be the price per common share in AEM Inc. or Share in the Company (as applicable) obtained by dividing C$100,000,000 by the number of issued and outstanding Shares calculated on a fully diluted basis immediately prior to the conversion date (but expressly excluding the underlying securities to be issued pursuant to this instrument and excluding any other pre-IPO convertible instrument issued by AEM Inc. subsequent to the date of this instrument). In respect of Shares in the Company, the Conversion Price is as follows: • The Valuation Cap Price equals C$100,000,000/number of issued and outstanding Shares in the Company immediately prior to the conversion date (but expressly excluding the underlying securities to be issued pursuant to this instrument and excluding any other pre-IPO convertible instrument issued by AEM Inc. subsequent to the date of this instrument) = Conversion Price; and • The number of Shares to be issued on conversion equals the amount to be converted/Conversion Price.
Other key terms	Other key features of the 2023 Convertible Debentures include: • standard resale restrictions under Canadian securities law; • comprehensive default provisions and covenants; and • Canadian Dollar denomination and investor qualifications schedules for Canadian, US and international investors.

The terms of the 2023 Debenture Subscription Agreements are otherwise considered customary for agreements of this nature.

(d) 2024 Debenture Subscription Agreements

During 2024 and 2025, AEM Inc. undertook another debenture financing through the issue of unsecured convertible debentures (**2024 Convertible Debentures**). The 2024 Convertible Debentures were issued through subscription agreements (**2024 Debenture Subscription Agreements**) on a prospectus exempt basis in accordance with Regulation 45-106 respecting Prospectus Exemptions (V-1.1, r.21) and Canadian Securities Law.

The material terms of the 2024 Convertible Debentures, as detailed in the 2024 Debenture Subscription Agreements (as amended) are summarised below.

SUBJECT	PROVISION
Commercial terms	The 2024 Convertible Debentures were issued on the following terms: • a minimum individual investment of C$100,000; • an offering of C$10,000,000 including a right to increase the offering; • a maturity date of 31 December 2025; and • an interest rate of ten percent (10%).

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SUBJECT	PROVISION
Debenture Conversion	The 2024 Convertible Debentures are convertible into common shares of AEM Inc. or Shares in the Company on a Qualified Public Listing. On a Qualified Public Listing, the principal amount owing on each 2024 Convertible Debenture and any accrued interest shall automatically convert into common shares of AEM Inc. or Shares in the Company at the lesser of: • the QPL Offer Price less an allowed discount, being a 30% discount (**Allowed Discount**); and • a valuation cap price based on C$150,000,000 (**Valuation Cap**) pre-money enterprise valuation (**Valuation Cap Price**), (**Conversion Price**). If the Valuation Cap Price is less than the QPL Offer Price minus the Allowed Discount, then the Conversion Price would be equal to the Valuation Cap Price which would be the price per common share in AEM Inc. or Share in the Company (as applicable) obtained by dividing C$150,000,000 by the number of issued and outstanding Shares calculated on a fully diluted basis immediately prior to the conversion date (but expressly excluding the underlying securities to be issued pursuant to this instrument and excluding any other pre-IPO convertible instrument issued by AEM Inc. subsequent to the date of this instrument). In respect of Shares in the Company, the Conversion Price is as follows: • The Valuation Cap Price equals C$150,000,000/number of issued and outstanding Shares in the Company immediately prior to the conversion date (but expressly excluding the underlying securities to be issued pursuant to this instrument and excluding any other pre-IPO convertible instrument issued by AEM Inc. subsequent to the date of this instrument) = Conversion Price; and • The number of Shares to be issued on conversion equals the amount to be converted/Conversion Price.
Other key terms	Other key features of the 2024 Convertible Debentures include: • standard resale restrictions under Canadian securities law; • comprehensive default provisions and covenants; and • Canadian Dollar denomination and investor qualifications schedules for Canadian, US and international investors.

The terms of the 2024 Debenture Subscription Agreements are otherwise considered customary for agreements of this nature.

(e) Agreement to issue Consideration Notes and Notes Conversion

In 2024, the Company and ViVent entered into a share sale and purchase agreement pursuant to which the Company became the sole owner of AEM Inc. and AEMI Group Limited and ViVent's shareholders became shareholders of the Company. As part consideration for the transaction, the Company issued 53,613,973 convertible notes to ViVent. Subject to the Corporations Act, the Company or ViVent may elect to convert the convertible notes into Shares at any time. All notes have a nil face value and no interest is payable. ViVent has elected to convert 30,721,947 convertible notes into Shares.

As at the Prospectus Date, there are 22,892,026 convertible notes issued by the Company which are outstanding (**Consideration Notes**). The Consideration Notes will convert into Shares on a one for one basis prior to Admission (**Notes Conversion**).

(f) IQ Loan Agreement

On 18 March 2024, ACG (a wholly owned subsidiary of AEM Inc.) and Investissement Quebec (**IQ**) entered into a secured loan agreement (**IQ Loan Agreement**) pursuant to which IQ agreed to advance by way of a loan the sum of C$7,000,000 to ACG, to be disbursed to ACG in instalments (**IQ Loan**), to fund the Stage 1 Expansion Project. IQ is a government corporation for economic development in Quebec.

The material terms of the IQ Loan Agreement are summarised below.

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SUBJECT	PROVISION
Advance	The disbursements were carried in three instalments which were commensurate to 36.41% of the eligible expenses incurred and paid by ACG. The conditions of disbursement were as follows: • A first disbursement, when the plant reached a production capacity of at least 5 tonnes per month. The amount disbursed did not exceed C$3,500,000; • A second disbursement, when the plant reached a production capacity of at least 6 tonnes per day. The cumulative amount disbursed as a result of this payment shall not exceed C$6,650,000; and • A third disbursement, at completion of the Project. The cumulative amount disbursed as a result of this final payment shall not exceed C$7,000,000. For the purposes of the IQ Loan Agreement, "Project" means the increase of the production capacity of the high purity alumina production plant. The principal amount of the IQ Loan is subject to a 36 month moratorium as of the first disbursement.
Interest	7.5% fixed annual interest rate (calculated monthly). ACG was granted a 24-month interest payment moratorium (subject to no default) capitalised monthly calculated from the first disbursement (the **Interest Moratorium Period**). At the end of the Interest Moratorium Period, ACG shall pay interest calculated at the aforementioned rate and in the manner provided in the previous paragraph on the principal amount of the IQ Loan and on the interest capitalised on the last day of each month, commencing on the last day of the first month following the end of the Interest Moratorium Period.
Royalty	ACG shall pay IQ a royalty equal to 1.55% of the consolidated annual sales of the Company, AET, AEM Inc. and any other subsidiary that may be created within the Group. However, the internal annual rate of return may not exceed an annualised rate of 15%.
Repayments	The IQ Loan must be repaid to IQ in 84 consecutive monthly instalments. Despite this, ACG may repay the amount owing on the IQ Loan at any time without penalty. If ACG repays the IQ Loan early, then ACG shall also pay to IQ the difference between the amount actually paid to IQ up to the repayment date and the return necessary to achieve an annualised internal rate of return of 15%.
Securities and guarantees	The IQ Loan is guaranteed by a first ranking principal mortgage in the amount of C$7 million, plus an additional 20% mortgage on the totality of ACG's movable and immovable property (Cap-Chat Plant), present and future, tangible and intangible, including its intellectual property rights and patents wherever located. The IQ Loan is also guaranteed by first ranking moveable hypothecs granted by ACG, AEM Inc. and AET including the intellectual property rights. and an immoveable hypothec granted on ACG's immovable property in the Cap-Chat Plant.

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SUBJECT	PROVISION
Defaults	A default occurs: • if the Project is not completed by the date set out in the IQ Loan; • if ACG discontinues or abandons the Project in whole or in part; • if ACG or a surety makes an assignment of its property, is subject to a receivership order under the Bankruptcy and Insolvency Act, makes a proposal to its creditors or commits an act of bankruptcy under the Bankruptcy and Insolvency Act, avails itself of the provisions of the Companies' Creditors Arrangement Act or is subject to a winding-up order under the Bankruptcy and Insolvency Act, makes a proposal to its creditors or commits an act of bankruptcy under the Bankruptcy and Insolvency Act, avails itself of the provisions of the Companies' Creditors Arrangement Act or is subject to a winding-up order under the Rules winding-up provisions under the Business Corporations Act or any other Act to the same effect if it is insolvent or about to become insolvent or if it does not maintain its legal existence or if its financial situation, in the opinion of IQ, deteriorates in such a way as to jeopardize its survival; • if ACG is in default under any agreement or instrument of guarantee in respect of its loans or is the subject of a demand for repayment of any loan payable on demand, including, without limiting the generality of the foregoing, if it is in default under any agreement with IQ; • if, in IQ's opinion and without its consent, there is a material change in the Project or its financing, in the nature of ACG's operations or in the level of risk generally; • in the event of an error or omission in a declaration, reluctance, misrepresentation, fraud or falsification of documents on the part of ACG; or • if ACG or a guarantor fails to perform any of its covenants under any agreement with IQ, including the IQ Loan.

The other terms of the IQ Loan Agreement are otherwise considered customary for an agreement of this nature.

(g) DEC Loan Agreement

On 1 February 2024, ACG, AEM Inc, AET and The Economic Development Agency of Canada for the regions of Quebec (**DEC**) entered into a loan agreement (**DEC Loan Agreement**) pursuant to which DEC agreed to advance by way of a loan the sum of C$2,000,000 to AEM Inc (**DEC Loan**) to finance part of the equipment purchase for the Stage 1 Expansion Project.

The material terms of the DEC Loan Agreement are summarised below.

SUBJECT	PROVISION
Advance	The total advance before the project end date cannot exceed 90% of the total DEC Loan. Advances were carried out in two instalments based on authorised expenses as follows: • C$1,800,000 for the year 2023/2024 from the Government of Canada; and • C$200,000 for the year 2024/2025 from the Government of Canada. No other amounts shall be disbursed in a financial year other than the aforementioned fiscal years. A fiscal year begins on 1st April and ends on 31st March of the next year.
Interest	ACG will pay interest and an administrative fee in the manner set out in the Interest and Administrative Charges Regulations (**SOR/96-188**) (**SOR/96-188 Regulations**). Section 5 of the SOR/96-188 Regulations stipulates interest calculated and compounded monthly at the average rate bank rate plus 3%.
Repayments	The DEC Loan must be repaid to DEC in 72 equal and consecutive monthly instalments beginning 36 months after 23 June 2025.

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SUBJECT	PROVISION
Securities and guarantees	The DEC Loan is guaranteed by first ranking moveable mortgage granted by ACG, AEM Inc. and AET and an immoveable mortgage granted on ACG's immovable property at the Cap-Chat Plant. The DEC Loan ranks pari passu with the IQ Loan.
Defaults	A default occurs if: • ACG files for bankruptcy or is subject to bankruptcy proceedings; • an order is issued or a resolution is passed for the liquidation or dissolution of ACG; • ACG ceases its activities in Quebec; • ACG ceases its activities related to the project; • ACG commits an act of bankruptcy, files a notice of intention or a proposal under the Bankruptcy and Insolvency Act, or is subject to an order under the Companies' Creditors Arrangement Act or any other similar law; • ACG, directly or through its representatives, has made a false or misleading statement or representation to DEC in connection with its request for a contribution, the DEC Loan Agreement, or any other agreement between the parties; • ACG fails to repay an amount owed or fails to comply with a term, commitment, condition, or obligation provided for in the context of its contribution request, the DEC Loan Agreement, or any other agreement entered into between the parties; • ACG, in DEC's opinion, is not carrying out the activities planned under the Project and is unable to make satisfactory corrections; • DEC concludes, following an analysis, that ACG's financial situation compromises the continuity of its activities, the completion of the Project or the repayment of the contribution; or • ACG is in default under the terms or conditions of any agreement or arrangement with a creditor or any third party having rights over ACG's assets.

The terms of the DEC Loan Agreement are otherwise considered customary for an agreement of this nature.

(h) 3IQ Tax Credit Financing

ACG structured a syndicated type of loan for the financing of 80% of the tax credits and refunds relative to investment and innovation reimbursed by Revenue Quebec (Crédit d'impôt relative à l'investissement et à l'innovation) pursuant to the Quebec Tax Act "C3I Tax Credits". The 80% was equivalent to a maximum amount of C$1,160,000. The loan was structured with an intercreditor agent to manage the loan and security.

IQ granted special permission for related parties to participate in the financing at a lesser interest rate provided the lenders agreed on a moratorium on interest. Two related parties participated for an aggregate amount of C$582,000 at an interest rate of 10%. The loan was guaranteed by first ranking hypothec on the C3I Tax Credit Refunds for which DEC and IQ ceded rank in favour of the C3I lenders. The principal of this loan has been repaid except for the interest which may only be repaid on 1 June 2026.

8.10 Related Party Transactions

Other than as disclosed in Section 4.4(d) or elsewhere in this Prospectus, there are no other existing agreements or arrangements and there are currently no proposed transactions in which the Company was, or is to be, a participant, and in which any related party of the Company (other than intra-group matters with, or between, the Company's wholly owned subsidiaries) has or will have a direct or indirect material interest.

Where required, related party financial benefits were approved by Shareholders, or by the Board without Shareholder approval where they were determined (absent any director with a material personal interest) to be reasonable remuneration, on arm's length terms or indemnities, exemptions or insurance premiums or other matters which are exempt from Shareholder approval requirements under the Corporations Act.

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All future related party arrangements will be determined by the Board, having regard to their duties as Directors, and, where required, all requisite approvals, including but not limited to, Shareholder approval will be obtained. The Board monitors compliance with the law in relation to related party transactions via internal controls and obtaining legal advice where required.

8.11 Effect of the Offer on control and substantial Shareholders

As at the Prospectus Date, based on the Company's register of Shareholders, the following persons have an interest in 5.0% or more of the Shares on issue:

Table 8.1: Persons holding an interest of 5.0% or more of the Shares on issue at the Prospectus Date

SHAREHOLDER	NUMBER OF SHARES	PERCENTAGE OF SHARES
ViVent Initiative Ltd	62,092,899	21.6%
Mr Timothy Fletcher	56,639,363	19.7%
Mr Richard Seville	26,521,323	9.2%
Sir Richard Evans	24,281,408	8.5%

The persons who may hold an interest in 5.0% or more of the Shares upon Admission are currently unknown. However, based on the information known as at the Prospectus Date, upon Admission the following Shareholders are expected to have an interest in 5.0% or more of the Shares on issue (noting that substantial shareholdings may be impacted by allocations of Shares under the Offer):

Table 8.2: Persons expected to hold an interest of 5.0% or more of the Shares on issue at the date of Admission

SHAREHOLDER	NUMBER OF SHARES	PERCENTAGE OF SHARES[1]
ViVent Initiative Ltd[2]	84,984,925	14.7%
Mr Richard Seville[3]	68,927,166	11.9%
Mr Timothy Fletcher[4]	58,552,473	10.1%
Total	**212,464,564**	**36.7%**

Notes:

1. Assuming 193,260,675 Shares are issued pursuant to Debentures Conversion and 22,892,026 Shares pursuant to Notes Conversion on the Allotment Date and assuming the Minimum Subscription is raised under the Offer and that no further Shares are issued or cancelled prior to Admission. The percentages in the table above may vary if the conversion of the Convertible Debentures occurs at a different time than anticipated, due to that impacting on the number of Shares to be converted from interest due on the Convertible Debentures, as detailed in Sections 8.9(c) and 8.9(d).
2. This includes 22,892,026 Shares to be issued to ViVent Initiative Ltd upon conversion of the Consideration Notes as detailed in Section 8.9(e).
3. This includes the estimated number of Shares to be issued to Mr Richard Seville (being 42,217,164 Shares) pursuant to the conversion of the Convertible Debentures as detailed in Sections 8.9(c) and 8.9(d).
4. Comprising:
   (a) 48,866,482 Shares held by Begrand Resources Ltd, an entity associated with a related party of Mr Timothy Fletcher;
   (b) 4,058,676 Shares held by Cleveland Investment Global Limited, an entity associated with a related party of Mr Fletcher;
   (c) 3,714,205 Shares held directly by Mr Timothy Fletcher;
   (d) 1,724,431 Shares, being the estimated number of Shares to be issued to Mr John Fletcher, father of Timothy Fletcher, pursuant to the conversion of the Convertible Debentures as detailed in Sections 8.9(c) and 8.9(d); and
   (e) 188,679 Shares intended to be issued to Mr Fletcher pursuant to the Offer.

8.12 Interests and Benefits

No Director or proposed Director has as at the Prospectus Date, or has had in the two years before the Prospectus Date, any interests in:

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

(b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or

(c) the Offer, and

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no amounts have been paid or agreed to be paid and no value or other benefit has been given or agreed to be given to:

(d) any Director or proposed Director to induce them to become, or to qualify as, a Director; or

(e) any Director or proposed Director for services provided in connection with the formation or promotion of the Company or the Offer,

except as disclosed in this Prospectus.

8.13 Interests of Promoters, Experts and Advisers

No promoter, underwriter to the Offer, financial services licensee named in this Prospectus as a financial services licensee involved in the Offer or other person named in this Prospectus as having performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus holds or has (in each case as at the Prospectus Date) or has had in the two years before the Prospectus Date, any interest in:

(a) the formation or promotion of the Company;

(b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or

(c) the Offer,

and no amounts have been paid or agreed to be paid and no value or other benefit has been given or agreed to be given to any such person, for services provided in connection with the formation or promotion of the Company or the Offer, except as follows or as otherwise disclosed in this Prospectus:

(d) HLB Mann Judd has acted as auditor to the Company and has audited the financial statements of the Company for the years ended 31 December 2024 and 31 December 2023 and reviewed the financial statements of the Company for the half year ended 30 June 2025. The Company has paid, or has agreed to pay, an amount of approximately A$107,186 (excluding disbursements and GST) for these services up until the Prospectus Date.

(e) BDO Corporate Finance has acted as Investigating Accountant and has prepared the Independent Limited Assurance Report which has been included in Section 6. The Company has paid, or has agreed to pay, an amount of approximately A$33,330 (excluding disbursements and GST) for these services up until the Prospectus Date.

(f) Ord Minnett Limited has acted as a Joint Lead Manager to the Offer and underwriter to the Institutional Offer and Broker Firm Offer and will receive a fee of up to A$1,175,000 (plus GST) of the gross proceeds raised under the Offer, as described in Section 8.9(a), following the successful completion of the Offer for their services as a Joint Lead Manager to the Offer and underwriter to the Institutional Offer and Broker Firm Offer.

(g) Canaccord Genuity (Australia) Limited has acted as a Joint Lead Manager to the Offer and underwriter to the Institutional Offer and Broker Firm Offer and will receive a fee of up to A$1,175,000 (plus GST) of the gross proceeds raised under the Offer, as described in Section 8.9(a), following the successful completion of the Offer for their services as a Joint Lead Manager to the Offer and underwriter to the Institutional Offer and Broker Firm Offer.

(h) WSP Canada Inc. has acted as the independent technical expert to the Company and has prepared the Independent Technical Reports which has been included in Section 7. The Company has paid, or has agreed to pay, an amount of approximately A$70,000 (excluding disbursements and GST) for these services up until the Prospectus Date.

(i) CM Group has acted as the industry expert to the Company and has prepared the Industry Overview Report which has been included in Section 5. The Company has paid, or has agreed to pay, an amount of approximately A$128,516 (excluding disbursements and GST) for these services up until the Prospectus Date.

(j) Thomson Geer has acted as Australian legal advisor to the Company in relation to the Offer. The Company has paid, or has agreed to pay, an amount of approximately A$265,000 (excluding disbursements and GST) in respect of these services up until the Prospectus Date.

(k) Computershare Investor Services Pty Limited is the Company's share registry in respect of the Offer, and will be paid up to A$5,500 (excluding disbursements and GST) for these services.

Further amounts may be paid to the Company's service providers in accordance with their normal time-based charges.

8. ADDITIONAL INFORMATION CONTINUED

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8.14 Consents

Each of the parties referred to in this Section:

(a) has given the following consents in accordance with the Corporations Act which have not been withdrawn as at the date of lodgement of this Prospectus with ASIC; and

(b) (except for the Directors) makes no representation regarding and to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement or report included in this Prospectus with the consent of that party as specified in this Section 8.14.

None of the parties referred to in this Section 8.14 (other than the Directors) authorised or caused the issue of this Prospectus or the making of the Offer.

(a) HLB Mann Judd has given its written consent to be named as the Company's auditor in this Prospectus in the form and context in which it is named, and has given its written consent to the inclusion of information in this Prospectus relating to its audit opinion for its audit opinions for the Company's 31 December 2024 financial accounts and for the Company's 31 December 2023 financial accounts, its review conclusion of the Company's financial accounts for the half-year ended 30 June 2025 and to the inclusion in this Prospectus of all information and statements relating to, made by, or said to be based on statements by, HLB Mann Judd, in each case in the form and context as they appear in this Prospectus. HLB Mann Judd has not withdrawn its consent prior to lodgement of this Prospectus with ASIC.

(b) BDO Corporate Finance has given its written consent to being named as the investigating accountant to the Company in this Prospectus in the form and context in which it is named and to the inclusion of its Independent Limited Assurance Report (and each reference to it) in this Prospectus in the form and context in which it is included and to the inclusion in this Prospectus of all information and statements relating to, made by, or said to be based on statements by, BDO Corporate Finance, in each case in the form and context as they appear in this Prospectus. BDO Corporate Finance has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

(c) Ord Minnett Limited and Canaccord Genuity (Australia) Limited have given their written consent to being named in this Prospectus as Joint Lead Managers to the Offer and underwriter to the Institutional Offer and Broker Firm Offer in the form and context in which it is named in this Prospectus and to the inclusion in this Prospectus of all information and statements relating to, made by, or said to be based on statements by, Ord Minnett Limited and Canaccord Genuity (Australia) Limited in each case in the form and context as they appear in this Prospectus. Ord Minnett Limited and Canaccord Genuity (Australia) Limited have not withdrawn their consent prior to lodgement of this Prospectus with ASIC.

(d) WSP Canada Inc. has given its written consent to be named as the independent technical expert to the Company in this Prospectus in the form and context in which it is named and to the inclusion of its Independent Technical Reports (and each reference to them) in this Prospectus in the form and context in which they are included and to the inclusion in this Prospectus of all information and statements relating to, made by, or said to be based on statements by, WSP Canada Inc., in each case in the form and context as they appear in this Prospectus. WSP Canada Inc. has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

(e) Thomson Geer has given its written consent to be named in this Prospectus as Australian legal advisor to the Company in relation to this Prospectus, in the form and context in which it is named. Thomson Geer has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

(f) Computershare Investor Services Pty Limited has given its written consent to be named as the Company's share registry in this Prospectus in the form and context in which it is named and to the inclusion in this Prospectus of all information and statements relating to, made by, or said to be based on statements by, Computershare Investor Services Pty Limited, in each case in the form and context as they appear in this Prospectus. Computershare Investor Services Pty Limited has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

(g) CM Group has given its written consent to being named as the industry expert to the Company in this Prospectus in the form and context in which it is named and to the inclusion of its Industry Overview Report (and each reference to it) in this Prospectus in the form and context in which it is included and to the inclusion in this Prospectus of all information and statements relating to, made by, or said to be based on statements by, CM Group, in each case in the form and context as they appear in this Prospectus. CM Group has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

(h) BDO has given its written consent to be named in this Prospectus in relation to this Prospectus, in the form and context in which it is named. BDO has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

Each of the Directors has given their written consent to being named in this Prospectus in the form and context in which they are named and to the inclusion in this Prospectus of all information and statements relating to, made by, or said to be based on statements by, them, in each case in the form and context as they appear in this Prospectus. The Directors have not withdrawn their consents prior to lodgement of this Prospectus with ASIC.

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8.15 Ownership Restrictions

The sale and purchase of Shares in Australia are regulated by a number of laws that restrict the level of ownership or control by any one person (either alone or in combination with others). This Section 8.15 details a general description of certain of these laws.

(a) *Foreign Acquisitions and Takeovers Act 1975* (Cth) and Commonwealth Government Foreign Investment Policy

Generally, the *Foreign Acquisitions and Takeovers Act 1975* (Cth) (**FATA**) applies to acquisitions of shares and Voting Power in a company of 20% or more by a single "foreign person" and its associates (**Substantial Interest**).

Where a proposed acquisition of a Substantial Interest meets certain criteria, the acquisition may not occur unless notice of it has been given to the Commonwealth Treasurer and the Commonwealth Treasurer has either stated that there is no objection to the proposed acquisition in terms of Australia's Foreign Investment Policy or a statutory period has expired without the Commonwealth Treasurer objecting. An acquisition of a Substantial Interest meeting certain criteria may also result in a disposal order unless prior notification of the acquisition has been made to the Commonwealth Treasurer and either a non-objection notification has been issued or a statutory period has expired without objection to the acquisition.

In addition, under the FATA, proposed acquisitions of a "direct interest" in an Australian company by "foreign government investors" and their associates must be notified to the Commonwealth Treasurer for prior approval, irrespective of the value of the investment. Under the FATA, a "direct interest" is an interest of 10% in the entity but may also include an interest of less than 10% where the investor has entered into business arrangements with the entity, or where the investor is in a position to influence or participate in the management and control or policy of the entity. It is the responsibility of each investor to confirm whether the FATA applies to them before acquiring securities in a company and to comply with the FATA. Failure to comply with the FATA may result in civil and/or criminal penalties.

The Australian Federal Treasurer also retains the right to "call-in" certain acquisitions for review after the acquisition occurs.

If a sufficient proportion of the Company's issued securities are held by "foreign persons" (or "foreign government investors"), then the Company itself (and its subsidiaries) will be a "foreign person" (or a "foreign government investor") for the purposes of the FATA and the Company and its corporate group would be subject to regulatory compliance requirements under the FATA.

(b) Corporations Act

The takeover provisions in Chapter 6 of the Corporations Act restrict acquisitions of Relevant Interests in issued voting shares in listed companies, and unlisted companies with more than 50 members, if, as a result of the acquisition, the acquirer's (or another party's) Voting Power in that company would increase from 20% or below to more than 20%, or would increase from a starting point that is above 20% and below 90%, unless certain exceptions apply. The Corporations Act also imposes notification requirements on persons having Voting Power of 5% or more in the Company either themselves or together with their associates.

8.16 Expenses of the Offer

The estimated total expenses of the Offer payable by the Company are (including GST):

Table 8.3: Estimated expenses of the Offer

CATEGORY OF EXPENSE	(A$)
ASIC Lodgement Fee	3,206
ASX Listing Fee	335,580
Australian Legal Counsel Fees	265,000
Joint Lead Managers Fee	2,350,000
Independent Limited Assurance Report	33,330
Independent Technical Reports	70,000
Industry Report	128,516
Share Registry fees	5,500
Other expenses of the Offer	54,569
Total expenses of the Offer	**3,245,701**
Expenses of the Offer paid up to the Prospectus Date	713,777
Expenses of the Offer to be paid from the proceeds of the Offer	**2,505,712**

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8.17 Disclosing Entity

Following Admission, the Company will be a "disclosing entity" (as defined in section 111AC of the Corporations Act) and, as such, will be subject to additional obligations under the Corporations Act, including (among other things):

(a) the special requirements that apply to remuneration recommendations in relation to key management personnel;

(b) the obligation to prepare financial statements and reports for half-years as well as full financial years, as detailed in Chapter 2M of the Corporations Act; and

(c) the continuous disclosure requirements under the Corporations Act (in addition to the other obligations that will apply under the Listing Rules following Admission).

The Company will comply with its continuous disclosure requirements by publicly releasing price sensitive information through ASX before it is otherwise disclosed to Shareholders and market participants.

8.18 Litigation and Claims

So far as the Directors are aware, there are no current or threatened civil litigation, arbitration proceedings or administrative appeals, or criminal or governmental prosecutions of a material nature in which the Company is directly or indirectly concerned which is likely to have a material adverse effect on the business or financial position of the Company.

8.19 Continuous Disclosure Obligations

Following Admission, the Company will be subject to regular reporting and disclosure obligations. Specifically, the Company will be required to continuously disclose to the ASX market any information it has which a reasonable person would expect to have a material effect on the price or the value of the Shares (unless a relevant exception to disclosure applies). Price sensitive information will be publicly released through ASX before it is otherwise disclosed to Shareholders and market participants. Distribution of other information to Shareholders and market participants will also be managed through disclosure to ASX. In addition, the Company will post this information on its website after ASX confirms that an announcement has been made.

8.20 Regulatory Relief

(a) ASIC exemptions, modifications and relief

The Company has been granted ASIC relief under subsection 741(1)(b) of the Corporations Act modifying or varying section 707 of the Corporations Act to permit Shares issued or to be issued upon vesting, exercise or conversion of the Convertible Debentures (including in relation to the accrued interest on the Convertible Debentures), the Consideration Notes and existing Options, Performance Rights and Deferred Share Units on issue to be able to be sold within 12 months of their issue without the requirements for a future disclosure document (or cleansing notice) being prepared in connection with those sales.

(b) ASX in-principle waivers

The Company has applied for and been granted in-principle waivers and confirmations from ASX that (subject to ASX's discretion to make a different decision), upon the Company's formal Admission application to ASX, ASX would be likely to:

(i) grant the Company a waiver from Listing Rule 1.1 condition 12 to the extent necessary to permit the Company to have on issue up to 17,492,034 Performance Rights and up to 1,931,043 Deferred Share Units proposed to be issued to directors, officers, key management personnel and employees of the Company, each with a nil exercise price on the condition that the full terms and conditions of those Performance Rights and Deferred Share Units are clearly disclosed in the Prospectus;

(ii) confirm that the terms of the Performance Rights and Deferred Share Units are appropriate and equitable for the purposes of Listing Rule 6.1 subject to certain conditions; and

(iii) grant the Company a waiver from Listing Rule 9.1(b) to the extent necessary to permit the Company to apply the restrictions in paragraphs 1 and 2 of Appendix 9B to the holders of Convertible Debentures of AEM Inc. as follows:

  (A) the Shares proposed to be issued to holders of Convertible Debentures of AEM Inc. who subscribed with cash for their Convertible Debentures are treated as being held by a related party, unrelated party or promoter seed capitalists (as appropriate) of the Company, provided ASX is satisfied with the evidence submitted to substantiate the cash amounts paid to AEM Inc.;

  (B) cash formula relief is applicable to the Shares that are issued to those persons who subscribed with cash for the Convertible Debentures, provided ASX is satisfied with the evidence submitted to substantiate the cash amounts paid to AEM Inc.;

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(C) for Shares issued to unrelated seed capitalists which are subject to 12 month escrow, the 12 month escrow period will begin on the date on which the cash subscription for their Convertible Debentures was made; and

(D) for Shares issued to seed capitalists who are related parties or promoters of the Company, the 24 month escrow period will begin on the date of commencement of trading in the Company's securities.

The Company will apply for a formal waiver and confirmation on a similar basis when submitting its formal application to ASX for Admission. The Company will seek confirmation in its application for Admission that an additional 341,132 DSUs are appropriate and equitable for the purposes of Listing Rule 6.1 (i.e. from 1,931,043 DSUs to 2,272,175 DSUs).

8.21 Electronic Prospectus

If you have received this Prospectus as an Electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please email the Company and (if you are eligible) the Company will send to you, for free, either a hard copy or a further electronic copy of this Prospectus or both. This Prospectus may be made available in electronic form only to persons in Australia.

The Corporations Act prohibits any person from passing on to another person an Application Form, unless it is attached to or accompanies a hard copy of this Prospectus or a complete and unaltered electronic copy of this Prospectus.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the Electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered. In such a case, the Application Monies received will be dealt with in accordance with section 722 of the Corporations Act.

8.22 Governing law

This Prospectus and the contracts that arise from the acceptance of the Applications under this Prospectus are governed by the law applicable in New South Wales and each Applicant under this Prospectus submits to the exclusive jurisdiction of the courts of New South Wales and of the Commonwealth of Australia.

8.23 Documents Available for Inspection

Copies of the following documents are available for inspection during normal business hours at the principal place of business of the Company at 3 Amy Close, Wyong New South Wales 2259:

(a) this Prospectus; and

(b) the Constitution.

8.24 Statement of Directors

The Directors report that after due enquiries by them, in their opinion, since the date of the financial statements in the Independent Limited Assurance Report in Section 6, there have not been any circumstances that have arisen that have materially affected the assets and liabilities, financial position, profits or losses or prospects of the Company, other than as disclosed in this Prospectus.



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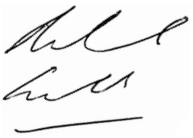
9. AUTHORISATION

9. AUTHORISATION

This Prospectus is authorised by the Company and lodged with ASIC pursuant to section 718 of the Corporations Act.

Each of the Directors has consented to the lodgement of this Prospectus with ASIC, in accordance with section 720 of the Corporations Act and has not withdrawn that consent.

This Prospectus is signed for and on behalf of the Company by:



Mr Richard Seville
Executive Chairman

Dated: 10 November 2025

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10. GLOSSARY OF TERMS

10. GLOSSARY OF TERMS

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These definitions are provided to assist persons in understanding some of the expressions used in this Prospectus.

TERM	MEANING
2023 Convertible Debentures	The convertible debentures issued in 2023 by AEM Inc. which are outstanding as at the Prospectus Date, as detailed in Section 8.9(c).
2023 Debenture Subscription Agreements	Has the meaning given in Section 8.9(c).
2024 Convertible Debentures	The convertible debentures issued in 2024 and 2025 by AEM Inc. which are outstanding as at the Prospectus Date, as detailed in Section 8.9(d).
2024 Debenture Subscription Agreements	Has the meaning given in Section 8.9(d).
2024 Performance Right	A Performance Right issued on the terms detailed in Section 8.5.
2025 Performance Right	A Performance Right issued on the terms detailed in Section 8.6.
α-HPA	Alpha crystalline form of HPA.
γ-HPA	Gamma crystalline form of HPA.
A$ or $ or AUD	Australian dollars.
ACG	AEM Canada Group Inc.
ACH	Aluminium chloride hexahydrate.
Admission	Admission of the Company to the Official List, following completion of the Offer.
Adams Employment Agreement	Has the meaning given in Section 4.5(b).
AEM Inc.	Advanced Energy Minerals Inc.
AEDT	Australian Eastern Daylight Time, being the time in Sydney, New South Wales.
AET	AEM Technologies Inc.
Agreed Leaver	Has the meaning given in Section 8.2(a).
Allocated Share	Has the meaning given in Section 8.2(a).
Allotment Date	The date the Company anticipates the Shares will be allotted and issued to Applicants pursuant to the Offer.
Allowed Discount	Has the meaning given in Section 8.9(c).
Applicant	A person who submits an Application.

10. GLOSSARY OF TERMS CONTINUED

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TERM	MEANING
Application	A valid application for Shares under the Offer made pursuant to an Application Form (accompanied by the payment of Application Monies) or made via the payment of Application Monies.
Application Form(s)	The application form attached to or accompanying this Prospectus.
Application Monies or Application Money	Application monies (being A$0.53 per Share) to be paid to the Company by Applicants applying for Shares pursuant to the Offer under this Prospectus.
Appointment Letters	Has the meaning given in Section 4.6.
Acquisition	The acquisition of Orbite's assets by ViVent and the Company.
ASIC	Australian Securities and Investments Commission.
ASIC Act	*Australian Securities and Investments Commission Act 2001* (Cth).
ASX	ASX Limited ACN 008 624 691 or, where the context requires, the financial market operated by it.
ASX Settlement Rules	ASX Settlement Operating Rules of ASX Settlement Pty Ltd (ABN 49 008 504 532).
BDM	Business development managers.
BDO Services	BDO Services Ltd.
BDO Corporate Finance or Investigating Accountant	BDO Corporate Finance Australia Pty Ltd (ACN 050 038 170).
Board	The board of Directors of the Company.
Broker	Any ASX participating organisation selected by the Joint Lead Managers and the Company to act as a broker to the Offer.
Broker Firm Offer	The offer of Shares under this Prospectus to Australian retail clients and (subject to compliance with applicable laws) other eligible clients of participating Brokers who have received a firm allocation from their Broker, as detailed in Section 1.2.
Business Day	Has the meaning given to that term in the Listing Rules.
C$ or CAD	Canadian dollars.
Cap-Chat Plant or Plant	The Company's production facility in Cap-Chat, Quebec, Canada.
Canaccord	Canaccord Genuity (Australia) Limited (ACN 075 071 466).
Change of Control	Has the meaning given in Section 8.4.
CHESS	Clearing House Electronic Subregister System.
Clark Employment Agreement	Has the meaning given in Section 4.5(c).

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TERM	MEANING
CLCP	Chlorine leach crystallisation purification.
Closing Date	The date the Offer closes.
Company or AEM	Advanced Energy Minerals Limited ACN 095 907 565.
Constitution	The constitution of the Company from time to time.
Consideration Notes	The 22,892,026 convertible notes issued by the Company which are outstanding as at the Prospectus Date, as detailed in Section 8.9(e).
Conversion Price	Has the meaning given in Section 8.9(c) in relation to the 2023 Debenture Subscription Agreements and Section 8.9(d) in relation to the 2024 Debenture Subscription Agreements.
Convertible Debentures	the 2023 Convertible Debentures and the 2024 Convertible Debentures.
Corporations Act	*Corporations Act 2001* (Cth).
CRN	Customer Reference Number.
CSR	Corporate Social Responsibility.
Debenture Holder	A holder of one or more Convertible Debentures.
Debentures Conversion	Has the meaning given in Sections 8.9(c) and 8.9(d).
DEC	Has the meaning given in Section 8.9(g).
DEC Loan	Has the meaning given in Section 8.9(g).
DEC Loan Agreement	Has the meaning given in Section 8.9(g).
Deemed Termination	Has the meaning given in Section 8.9(a).
DSU or Deferred Share Unit	A deferred share unit, being a right to acquire a Share on the terms detailed in Section 8.7.
Directors	The directors of the Company.
EFT	Electronic Funds Transfer.
EIP Offer	Has the meaning given in Section 8.2.
Electronic Prospectus	The electronic copy of this Prospectus located on the Company's website at https://aemhpa.com
Eligible Participant	Has the meaning given in Section 8.2.
Employee	Has the meaning given in Section 8.2.
Employee Incentives	Has the meaning given in Section 8.2.

10. GLOSSARY OF TERMS CONTINUED

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TERM	MEANING
Employee Incentive Plan	The Employee Incentive Plan adopted by the Company as summarised in Section 8.2.
Employee Share Scheme	Has the meaning given in Section 8.2.
ESS Interest	Has the meaning given in Section 8.2.
Executive Agreements	Has the meaning given in Section 4.5.
Exercise Notice	Has the meaning given in Section 8.4.
Existing Options	Options held by a former director of the Company, exercisable at C$0.25 and expiring on 30 November 2025.
Exposure Period	In accordance with section 727(3) of the Corporations Act, the period of seven days (which may be extended by ASIC to up to 14 days) after lodgement of this Prospectus with ASIC during which the Company must not process Applications.
FATA	*Foreign Acquisitions and Takeovers Act 1975* (Cth).
FID	Final investment decision.
FINMA	Swiss Financial Market Supervisory Authority.
FMC Act	*Financial Markets Conduct Act 2013.*
Former Participant	Has the meaning given in Section 8.2.
FPO	*Financial Services and Markets Act 2000 (Financial Promotions) Order 2005.*
FSMA	Section 85 of the Financial Services and Markets Act 200, as amended.
Fundamental Change	Has the meaning given in Section 4.5(b)(iii).
Group	The Company and its subsidiaries, and each of them is a **Group Member**.
GST	Goods and Services Tax.
HCl	hydrochloric acid.
HLB	HLB Mann Judd.
HIN	Holder Identification Number.
Holder	The holder of a Performance Right or Joint Lead Manager Option, as the context requires.
HPA	High purity alumina.
Independent Limited Assurance Report	The report contained in Section 6.

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TERM	MEANING
Independent Technical Reports	The reports contained in Section 7, being the WSP Stage 1 Report and the WSP Stage 2 Report.
Indicative Timetable	The indicative timetable for the Offer which is on page 10 of this Prospectus.
Industry Overview Report	The report contained in Section 5.
Information	This Prospectus and all information contained in it and all other information made available to you in connection with it, such as the investor presentation which this Prospectus accompanies.
Initial Stage	Initial work undertaken by AEM which allowed AEM to produce samples of HPA at sub-commercial scale.
Institutional Investors	Investors (and any person for whom they are acting): (a) in Australia who are either "professional investors" or "sophisticated investors" under sections 708(11) and 708(8) of the Corporations Act; or (b) in other Permitted Jurisdictions, who are institutional or professional investors, and in particular: (i) in Bermuda, acknowledge that any communications received in relation to the Offer occurred from outside Bermuda; (ii) in Canada, (British Columbia, Ontario and Quebec only), an "accredited investor" (as defined in National Instrument 45-106 – Prospectus Exemptions) and a "permitted client" (as defined in National Instrument 31-103 – Registration Requirements, Exemptions and Ongoing Registrant Obligations); (iii) in Cayman Islands, acknowledge that any communications received in relation to the Offer occurred from outside the Cayman Islands; (iv) in the European Union (excluding Austria), a "qualified investor" (as defined in Article 2(e) of the Prospectus Regulation; (v) in Hong Kong, a "professional investor" as defined in the SFO; (vi) in New Zealand, (i) is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act, (ii) meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act, (iii) is large within the meaning of clause 39 of Schedule 1 of the FMC Act, (iv) is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act or (v) is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act (and, if an eligible investor, have provided the necessary certification); (vii) in Singapore, an "institutional investor" or an "accredited investor" (as such terms are defined in the SFA); (viii) in Switzerland, a "professional client" within the meaning of article 4(3) of the Swiss Financial Services Act (**FinSA**) or have validly elected to be treated as a professional client pursuant to article 5(1) of the FinSA; (ix) in United Kingdom, (i) a "qualified investor" within the meaning of Article 2(e) of the UK Prospectus Regulation; and (ii) within the categories of persons referred to in Article 19(5) (investment professionals) or Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO, as amended; or (x) in the United States, a qualified institutional buyer (as defined in Rule 144A under the US Securities Act).
Institutional Offer	The offer of Shares under this Prospectus to Institutional Investors in Australia (and certain other Permitted Jurisdictions), as detailed in Section 1.2.

10. GLOSSARY OF TERMS CONTINUED

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TERM	MEANING
Interest Moratorium Period	Has the meaning given in Section 8.9(f).
IPO	Initial Public Offering.
IQ	Has the meaning given in Section 8.9(f).
IQ Loan	Has the meaning given in Section 8.9(f).
IQ Loan Agreement	Has the meaning given in Section 8.9(f).
JLM Cash Fee	Has the meaning given in Section 8.9(a).
Joint Lead Manager Parties	The Joint Lead Managers' related bodies corporate and affiliates, and officers, directors, employees, agents and advisers of each of the foregoing.
Joint Lead Managers	Ord Minnett and Canaccord, being the joint lead managers to the Offer and underwriters to the Institutional Offer and Broker Firm Offer
Joint Lead Manager Mandate	Has the meaning given in Section 8.9(a).
Joint Lead Manager Offer	Has the meaning given in Section 1.14.
Joint Lead Manager Options	Has the meaning given in Section 8.9(a).
Leyhson	Leyshon Resources Limited.
Limited Party	The Company, the Directors, the Joint Lead Managers and their respective related bodies corporate, affiliates, shareholders, officers, directors, employees, partners, advisers, agents or associates.
Listing Rules	The official listing rules of ASX, as amended or replaced from time to time, except to the extent of any express written waiver by ASX.
Loyalty Performance Right	A Performance Right issued on the terms detailed in Section 8.4.
Management Fee	Has the meaning given in Section 8.9(a).
Material Adverse Change	An event which has or is likely to give rise to: (a) a material adverse change in assets, liabilities, financial position or performance, profits, losses, earnings, prospects or forecasts of the Group from those disclosed in the Prospectus; or (b) a material adverse change in the nature of the business conducted by the Group as compared with that disclosed in the Prospectus.
Marble Tile	Marble Tile Co Pty Ltd.
Maximum Allocation	Has the meaning given in Section 8.2(c)(i).

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TERM	MEANING
Maximum Subscription	The maximum amount to be raised under the Offer, being A$50 million.
Minimum Subscription	The minimum amount to be raised under the Offer, being A$40 million.
Montreal Technical Development Centre	The Company's research facility located at Ville St-Laurent, part of metropolitan Montreal in Quebec, Canada.
Newmont	Newmont Australia Pty Ltd.
Nominated Beneficiary	Has the meaning given in Section 8.5.
Nominee	Has the meaning given in Section 8.2(d).
Non-Agreed Leaver	Has the meaning given in Section 8.2.
Notes Conversion	Has the meaning given in Section 8.9(e).
Normandy	Normandy Mining Ltd.
Offer	The offer by the Company, pursuant to this Prospectus, of 75,471,698 Shares at an Offer Price of A$0.53 per Share to raise A$40 million (before associated costs), with the ability to accept. oversubscriptions of up to a further 18,867,924 Shares at an Offer Price of A$0.53 per Share to raise up to a further A$10 million (before associated costs).
Offer Document	The documents issued or published by or on behalf of the Company in respect of, or relating to, the Offer.
Offer Information Line	1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) between 8:30am and 5:00pm (AEDT), Monday to Friday excluding public holidays.
Offer Period	The period commencing on the Opening Date and ending at 5:00 pm (AEDT) on the Closing Date.
Offer Price	A$0.53 per Share under the Offer.
Official List	The official list of ASX.
Official Quotation or Quotation	Official quotation by ASX in accordance with the Listing Rules.
Opening Date	The date the Offer opens.
Option	An option to subscribe for a Share.
Orbite	Orbite Technologies Inc.
Ord Minnett	Ord Minnett Limited (ACN 002 733 048).
Participant	Has the meaning given in Section 8.2(a)(xiii).
Peer Group	Has the meaning given in Section 8.5(e).

10. GLOSSARY OF TERMS CONTINUED

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TERM	MEANING
Performance Measure	Has the meaning given in Section 8.5(e).
Performance Period	Has the meaning given in Section 8.2(a)(xiv).
Performance Right	Means the Loyalty Performance Rights, Retention Performance Rights, 2024 Performance Rights or 2025 Performance Rights, as the context requires.
Permitted Jurisdictions	Australia, Bermuda, Canada (British Columbia, Ontario and Quebec provinces), Cayman Islands, European Union (excluding Austria), Hong Kong, New Zealand, Singapore, Switzerland, United Kingdom and United States (or as may otherwise be permitted by the law and accepted by the Company).
PFS	Pre-feasibility Study.
Priority Offer	The offer of Shares under this Prospectus to selected investors as detailed in Section 1.2.
Priority Offer Cap	An aggregate amount of $10,000,000.
Project	Customer's process to qualify and, if successful, then buy product for a specific application.
Prospectus	This prospectus dated 10 November 2025, containing the Offer, including both hard copy and electronic versions, and any supplemental or replacement prospectus.
Prospectus Date	10 November 2025.
Prospectus Regulation	Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union.
Provinces	Provinces of British Columbia, Ontario and Quebec.
QIB	Means "qualified institutional buyer", as defined in Rule 144A under the US Securities Act.
QPL or Qualified Public Listing	Has the meaning given in Section 8.9(c).
QPL Offer Price	Has the meaning given in Section 8.9(c).
Quotation Approval Date	3 December 2025.
Recommendations	Has the meaning given in Section 4.8.
Relevant Interest	Has the meaning given in section 9 of the Corporations Act.
Relevant Persons	Persons referred to in Article 49(2)(a) to (d) (hi9gh net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated.
Retention Performance Right	A Performance Right issued on the terms detailed in Section 8.5.
Scope 1	Direct on-site carbon emissions.
Scope 2	Indirect energy-related carbon emissions.

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TERM	MEANING
Scope 3	Broader supply chain and end-use carbon emissions.
Section	A section of this Prospectus.
Security	A Share, Option, Performance Right, DSU or Convertible Debenture, as the context requires.
Selling Fee	Has the meaning given in Section 8.9(a).
Settlement Date	The date when settlement of the Offer (including any Shortfall Shares) occurs, being by 4 December 2025, or such other date as may be agreed between the Company and the Joint Lead Managers.
Seville Employment Agreement	Has the meaning given in Section 4.5(a).
SFA	*Securities and Futures Act 2001* of Singapore.
SFO	Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong.
Share	A fully paid ordinary share in the capital of the Company.
Shareholder	A holder of one or more Shares.
Share Registry	Computershare Investor Services Pty Limited.
Shortfall Notification Date	3 December 2025.
Shortfall Shares	Has the meaning given in Section 8.9(b).
SOR/96-188	Has the meaning given in Section 8.9(g).
SOR/96-188 Regulations	Has the meaning given in Section 8.9(g).
Special Circumstances	Has the meaning given in Section 8.2.
Stage 1 Expansion Project	The project undertaken by the Company to enable the Cap-Chat Plant to produce 3,000 tpa of HPA.
Stage 2 Expansion Project	The planned project to double production capacity at Cap-Chat to 6,000 tpa by adding a new plant alongside the current one.
Sub-commercial Scale	The project undertaken to remedy the existing issues with the Plant and produce samples of γ-HPA and α-HPA for marketing purposes, product development, and product qualification with customers.
Substantial Interest	Has the meaning given in Section 8.15.
Takeover Bid	Has the meaning given in section 9 of the Corporations Act.
TDC or Technical Development Centre	The Company's research facility located at Ville St-Laurent, part of metropolitan Montreal in Quebec, Canada.

10. GLOSSARY OF TERMS CONTINUED

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TERM	MEANING
Third-Party Reports	Has the meaning given in the Important Notice section of this Prospectus.
Trading Day	Has the meaning given in the Listing Rules.
TSR	Total Shareholder Return.
Tubes	fluidised bed inside tubes to prevent the heating elements coming into direct contact with the material in the bed.
Underwriting Agreement	Has the meaning given in Section 8.9(b).
US or the United States	the United States of America, its territories and possessions, any state of the United States and the District of Columbia.
US Securities Act	The U.S. Securities Act of 1933.
US Investment Company Act	The Investment Company Act of 1940.
US$ or USD	United States of America dollars.
Valuation Cap	Has the meaning given in Section 8.9(c).
Valuation Cap Price	Has the meaning given in Section 8.9(c).
Vesting Condition	Has the meaning given in Section 8.2(a)(xvi).
Vesting Notification	Has the meaning given in Section 8.5(e).
ViVent	ViVent Initiative Limited.
Voting Power	Has the meaning given to that term in the Corporations Act.
WSP Stage 1 Report	The independent technical report from engineering firm WSP for the Stage 1 Expansion Project.
WSP Stage 2 Report	The independent technical report from engineering firm WSP for the Stage 2 Expansion Project.

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CORPORATE DIRECTORY

Directors

Mr Richard Seville – *Executive Chairman*

Mr Michael Adams – *Managing Director and Chief Executive Officer*

Sir Richard Evans – *Non-Executive Director*

Mr Timothy Fletcher – *Non-Executive Director*

Mr Anthony Giammaria – *Non-Executive Director*

Ms Leanne Heywood – *Non-Executive Director*

Mr Nassif Obeid – *Non-Executive Director*

Mr Steven Petersohn – *Non-Executive Director*

Company Secretary

Mr Alexis Clark – *Chief Financial Officer and Company Secretary*

Registered Office

3 Amy Close
Wyong NSW 2259
Email: info@aemhpa.com

Principal Place of Business

Montreal Head Office & Technical Development Centre

200-7220 Frederick-Banting Street
Saint-Laurent, Quebec, H4S 2A1
Canada

Plant

80, Louis-Landry St, Cap-chat.
Quebec, G0J 1E0 Canada

Share Registry*

Computershare Investor Services Pty Limited

Yarra Falls
452 Johnston Street
Abbotsford VIC 3067

Proposed Stock Exchange Listing

Australian Securities Exchange (ASX)
Proposed ASX Code: AEM

Company website

https://aemhpa.com/

Australian Legal Advisor

Thomson Geer

Level 29, Central Park Tower
152-158 St Georges Terrace
Perth WA 6000

Auditor*

HLB Mann Judd

Level 4, 130 Stirling Street
Perth WA 6000

Investigating Accountant

BDO Corporate Finance Australia Pty Ltd

Level 9, Mia Yellagonga Tower 2
5 Spring Street
Perth WA 6000

Independent Technical Expert

WSP CANADA INC.

1600 Boulevard Rene-Levesque O 11e etage,
Montreal, Quebec, Canada H3H 1P9

Industry Expert

CM Group

17/3 Chappell Drive
Glenelg SA 5045

Joint Lead Managers and Underwriters

Ord Minnett Limited

Level 18, Grosvenor Place
225 George Street
Sydney NSW 2000

Canaccord Genuity (Australia) Limited

Level 42, 101 Collins Street
Melbourne VIC 3000

* These entities are included for information purposes only. They have not been involved in any part of this Prospectus.

www.colliercreative.com.au #AEC0001

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ADVANCED
ENERGY MINERALS

aemhpa.com