

ASX RELEASE

10 APRIL 2024



Agreement with ASM to Evaluate REE Potential at Mount Squires

HIGHLIGHTS

- Caspin to maintain focus on nickel, copper and gold at its 100% owned Mount Squires Project whilst retaining a 'free carried' interest (to decision to mine) in the Rare Earths Elements (REE) potential
- Agreement executed with Australian Strategic Materials Ltd (ASM) for Caspin to retain a 25% free carried interest in the Mount Squires REE potential and to receive milestone payments of up to A\$1.5 million
- REE metallurgical test work and drilling to be undertaken by ASM at Mount Squires over the next 3-9 months, with minimum expenditure commitments by ASM thereafter to progressively earn up to 75% interest in the REE rights
- Caspin retains 100% ownership of tenements and rights to all other metals including nickel, copper and gold
- Allows Caspin to maintain exposure to the Mount Squires REE potential with no funding obligations and leverage ASM's considerable REE expertise

Caspin Resources Limited (Caspin or the Company) (ASX: CPN) is pleased to announce the execution of an option agreement (Agreement) with Australian Strategic Materials Limited (ASM) (ASX:ASM) to enter a Joint Venture where Caspin will farmout and retain a 25% free carry (up to a decision to mine) of the Rare Earth Element (REE) rights on the Mount Squires Project in Western Australia.

Caspin announced the first discovery of significant REE mineralisation in the West Musgrave Province in May 2023, described as a hydrothermal volcanic-style with a significant proportion of high-value heavy rare earths. The Company has steadily advanced its understanding of REE mineralisation and recognised the potential for further discoveries at the Project. The Agreement with ASM is consistent with Caspin's focus on the nickel, copper and gold potential at Mount Squires whilst retaining exposure to the REE potential to be funded by a dedicated and credible REE group.

Caspin's Managing Director, Mr Greg Miles, commented *"We're excited to be collaborating with ASM on the Rare Earth opportunity at Mount Squires, a reputable and specialist REE company. Caspin will retain exposure to the REE potential without any funding obligation and potentially receive milestone payments. This will allow Caspin to maintain its focus on the nickel, copper and gold potential at Mount Squires and other acquisition opportunities. We believe that the high proportion of high value, heavy rare earths, close to surface in an area with no previous exploration for rare earths, sets the Mount Squires REE Project apart from its peers.*

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“However, the road to commercialisation of rare earth projects can be incredibly complex and high risk. Partnering with ASM, an established REE developer, provides a huge advantage to evaluate the economic viability of the Mount Squires REE Project. Caspin will benefit from ASM’s in-house technical expertise to understand the potential to economically extract REEs at Mount Squires, and if successful, provide a pathway to market through ASM’s Dubbo Project development and supply chains.

“Importantly, this agreement allows Caspin to retain its full exposure to nickel, copper and gold and we look forward to continuing our exploration programs across the Mount Squires Project.”

About Australian Strategic Materials Ltd

ASM is an emerging vertically integrated producer of critical metals for new growth industries, advanced technologies and sustainable energy solutions. ASM’s ‘mine to metals’ business model is to extract, refine and manufacture high-purity metals and alloys, supplying direct to global technology manufacturers by utilising our rare earth R&D and patented, cutting-edge metals technologies.

ASM’s Dubbo Project is its cornerstone rare earths and critical minerals mining and processing project. Located in New South Wales, Australia, this globally significant resource has a 20-year life of mine based on reserves and a potential further 50 years of resource.

Mined resources from the Dubbo Project will be separated and refined on site to produce a range of metal oxides and mixed chlorides. These products will be processed at ASM’s metallisation plants or sold directly to global customers. ASM’s flagship metals plant in Ochang, Korea was commissioned in 2022 and is now in production of neodymium metals and alloys, with contracts to supply customers in Korea and the US.

Key Agreement Terms

- (a) **Staged Option:** Subject to meeting the following conditions, ASM will have the exclusive option to enter into a joint venture agreement with Caspin to earn up to 75% of the REE rights in the Mount Squires Project (Option):
- (i) **Initial Option Period:** A period of 3 months during which ASM will undertake and fully fund metallurgical test work on existing samples from the Mount Squires Project.
 - (ii) **Extended Option Period:** Subject to completion of the Initial Option Period, a period of 6 months during which ASM will fully fund drilling to produce samples which will be subject to further metallurgical test work, to a minimum amount of A\$250,000. A further 2 month exclusivity will be then be provided to ASM to negotiate and finalise a joint venture agreement.
 - (iii) **Option Exclusivity Period:** Subject to completion of both the Initial Option Period and Extended Option Period, a further 2 months to allow the parties to negotiate and finalise a joint venture agreement.
- (b) **Joint Venture Agreement:** The joint venture agreement will provide for ASM to earn up to 75% interest in the REE rights of the Mount Squires Project. The joint venture agreement is to be negotiated by the parties but will be based on the following terms:
- (i) Staged earn in:
 - A. **Stage 1:** 24 months during which ASM will spend \$1.5 million to earn 51% interest in the REE rights in the Mount Squires Project. During this stage Caspin will operate the joint venture. At the Completion of Stage 1 ASM will issue Caspin with ASM shares to a value of \$500,000 (based on ASM’s 20-day VWAP at the time of issue).
 - B. **Stage 2:** 3 years during which ASM will spend \$2 million to earn a further 24% interest in the REE rights in the Mount Squires Project. During this stage ASM would operate the joint venture. At the Completion of Stage 2 ASM will issue Caspin with ASM shares to a value of \$1,000,000 (based on ASM’s 20-day VWAP at the time of issue).

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- (ii) Caspin to be free carried to a decision to mine with contribution and dilution provisions typical for an agreement of this nature.
- (iii) An area of influence surrounding the project would facilitate additional prospective tenements to be included in the joint venture.

(c) **Termination:** ASM may only terminate the Agreement after the Initial Option Period.

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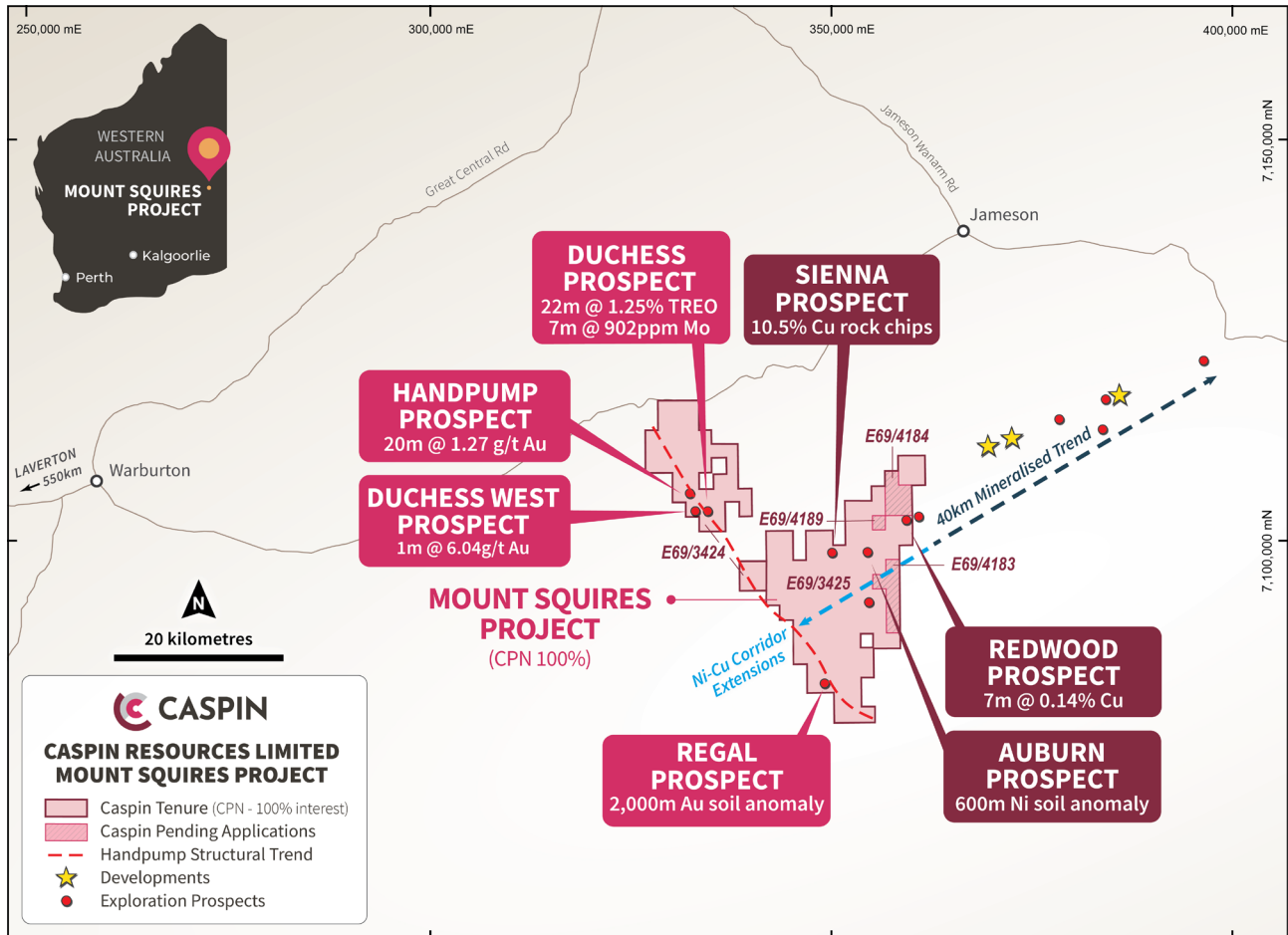


Figure 1. Mount Squires tenements and prospects.

This announcement is authorised for release by the Board of Caspin Resources Limited.

-ENDS-

For further details, please contact:

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Competent Persons Statement

The information in this report that relates to Exploration Results is based on information compiled or reviewed by Mr Greg Miles, a Competent Person who is an employee of the company. Mr Miles is a Member of the Australian Institute of Geoscientists and has sufficient experience of relevance to the styles of mineralisation and the types of deposits under consideration, and to the activities undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Miles consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

The Company confirms that it is not aware of any new information or data that materially affects the Exploration Results information included in this report from previous Company announcements, including Exploration Results extracted from the Company's Prospectus announced to the ASX on 23 November 2020 and the Company's subsequent ASX announcements of 28 June 2021, 3 August 2022, 29 September 2022, 15 November 2022, 29 November 2022, 14 December 2022, 13 February 2023, 4 May 2023, 23 May 2023, 21 August 2023, 13 September 2023 and 17 October 2023.

ABOUT CASPIN

Caspin Resources Limited (ASX Code: **CPN**) is a new mineral exploration company based in Perth, Western Australia. Caspin has extensive skills and experience in early-stage exploration and development. The Company is actively exploring the Yarawindah Brook Project in Australia's exciting new PGE-Ni-Cu West Yilgarn province and the Mount Squires Project in the West Musgrave region, one of Australia's last mineral exploration frontiers.

At the Company's flagship Yarawindah Brook Project, recent drilling campaigns at Yarabrook Hill have made new discoveries of PGE, nickel and copper sulphide mineralisation. Meanwhile, the Company continues to bring new targets to drill readiness by collecting geophysical and geochemical data across the project.

At the Mount Squires Project, Caspin has identified a 40+km structural corridor with significant gold mineralisation as well as a 17km extension of the West Musgrave Ni-Cu corridor which hosts the One Tree Hill Prospect and Nebo-Babel Deposits along strike. The Company will conduct further soil sampling, geophysics and reconnaissance drilling along both mineralisation trends.

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