

Flemington Scoping Study Delivers Strong Economics with Significant Leverage to Market-Aligned Pricing Scenarios

Australian Mines Limited (ASX: AUZ) ("Australian Mines" or "the Company") is pleased to announce the results of the SRK Scoping Study for the Flemington Scandium Project ("Scoping Study"). The Scoping Study demonstrates a robust, long-life scandium development opportunity with strong leverage to market-aligned pricing scenarios. A **US\$3,000/kg Sc₂O₃** pricing case is applied in the sensitivity analysis and is presented as a market-aligned pricing scenario for Project valuation estimation purposes. The underlying Scoping Study is based on a cautious **US\$1,500/kg Sc₂O₃** mine design price.

Key Investment Highlights

- **Strong economics with significant pricing leverage:**
 - Post tax NPV₈ of approximately US\$860¹ million and IRR of 74% at US\$3,000/kg Sc₂O₃ (market-aligned pricing scenario)
 - Post tax NPV₈ of approximately US\$270¹ million and IRR of 32% at US\$1,500/kg Sc₂O₃ (mine design price)
- **Low capital intensity:**
 - Initial estimated capital cost of US\$125¹ million for a 60tpa scandium oxide operation
- **Long-life, high-grade operation:**
 - 28-year mine life based on a Mineral Resource of 6.3Mt @ 446ppm Sc
 - Average feed grade of 573ppm Sc over the first 15 years
 - 2.1mt processed comprising 55.8% Measured, 43.6% Indicated and 0.57% Inferred Mineral Resources
- **Globally competitive cost profile:**
 - C1 cash cost of US\$561/kg¹ Sc₂O₃,
 - Breakeven price of US\$815/kg¹ Sc₂O₃, highlighting strong margins under the cautious design case
- **Simple, low-risk mining and processing:**
 - Three shallow, free-dig open pits
 - Conventional hydrometallurgical processing with 90.8% recovery

¹ Scoping Study capital and operating cost estimates have an expected accuracy range of ±35%

- **Strategic location in an emerging scandium district:**

- Located in central New South Wales, contiguous with Syerston Scandium Project
- Access to established regional infrastructure, road networks and nearby mining services

- **Additional upside and future optionality:**

- Potential assessment of ~410kt @ 405ppm Sc currently classified as waste for future stockpiling or processing
- Scope for staged expansion as scandium demand develops

AUZ's CEO, Andrew Nesbitt, commented: *"This Scoping Study confirms Flemington as a high-quality, long-life scandium development opportunity with strong underlying economics and exceptional leverage to scandium pricing."*

The Project combines high grade, low capital intensity and a simple development pathway, positioning it within a very small group of globally significant scandium assets.

Based on a cautious mine design case and substantial upside to market-aligned pricing scenarios, Flemington is well positioned to benefit from the increasing strategic importance of scandium and the growing demand for secure Western supply."

Scoping Study Cautionary Statement

The Scoping Study referred to in this announcement is a preliminary technical and economic study of the potential viability of the Flemington Scandium Project. It is based on low-level technical and economic assessments and is insufficient to support estimation of Ore Reserves or to provide assurance of an economic development case at this stage.

The Scoping Study includes a production target and forecast financial information derived from that production target. The production target is based on Mineral Resources and there is no certainty that further exploration work will result in the conversion of Mineral Resources to Ore Reserves or that the production target itself will be realised.

Further evaluation work, including Pre-Feasibility and Feasibility Studies, will be required to establish sufficient confidence to support a decision to develop the project. Investors should not place undue reliance on the Scoping Study outcomes disclosed in this announcement.

Funding Requirements and Sources

The Scoping Study referred to in this announcement has been undertaken to ascertain whether a business case can be made for raising the further funding needed to proceed to more definitive studies on the viability of the Flemington Scandium Project. It is a preliminary technical and economic study of the potential viability of the Flemington Scandium Project. It is based on low level technical and economic assessments that are not sufficient to support the estimation of ore reserves. Further evaluation work and appropriate studies are required before Australian Mines

Limited will be in a position to estimate any ore reserves or to provide any assurance of an economic development case.

The Scoping Study is based on the material assumptions outlined within this announcement. These include assumptions about the availability of funding. While Australian Mines Limited considers all of the material assumptions to be based on reasonable grounds, there is no certainty that they will prove to be correct or that the range of outcomes indicated by the Scoping Study will be achieved.

To achieve the range of outcomes indicated in the Scoping Study, pre-production funding in the order of US\$125 million will likely be required. Investors should note that there is no certainty that Australian Mines Limited will be able to raise that amount of funding when needed. It is also possible that such funding may only be available on terms that may be dilutive to or otherwise affect the value of Australian Mine Limited's existing shares.

It is also possible that Australian Mines Limited could pursue other 'value realisation' strategies such as a sale, partial sale or joint venture of the project. If it does, this could materially reduce Australian Mine Limited's proportionate ownership of the project.

Given the uncertainties involved, investors should not make any investment decisions based solely on the results of the Scoping Study.

Study Accuracy

The Scoping Study has been prepared to a Class 5 scoping-study level of estimate. SRK states that the capital cost estimate has an expected accuracy of $\pm 35\%$ for new operations, with a Q1 2026 base date. Accordingly, the capital and operating cost estimates may vary as engineering definition, metallurgical testwork, flowsheet design, feed grade, mass balance, exchange rates and equipment pricing are refined through future studies.

Production Target and Forecast Financial Information

The production target and forecast financial information disclosed in this announcement are based on the Company's Scoping Study for the Flemington Scandium Project.

The production target is based on a combination of Measured (55.8%), Indicated (43.6%) and Inferred Mineral Resources (0.57%). There is a low level of geological confidence associated with inferred mineral resources and there is no certainty that further exploration work will result in the determination of indicated mineral resources or that the production target itself will be realised. The Inferred Mineral Resources are not a determining factor in the Flemington project viability and do not materially feature early in the mine plan.

The forecast financial information derived from the production target is subject to a range of risks and uncertainties, including commodity price assumptions, exchange rates, operating and capital cost estimates, metallurgical performance, permitting outcomes, water supply, market development and offtake arrangements.

The Company considers that all material assumptions underpinning the production target and forecast financial information have been disclosed in this announcement and in the underlying Scoping Study.

Material Assumptions

The Scoping Study outcomes are based on a standalone, 100% equity, ungeared, real-terms discounted cash flow model, including applicable royalties, taxes and depreciation and closure costs. The model assumes a two-year period between a decision to proceed with development and the commencement of ore processing, during which construction of the processing plant and Tailing Storage Facility ("TSF") would be undertaken. This assumes that key pre-development activities, including further technical studies, environmental baseline studies and permitting processes, have been sufficiently advanced to support project development. The model also incorporates working capital and product payment timing assumptions, with no escalation or inflation beyond the study base date. The material assumptions underpinning the production target and forecast financial information are otherwise set out in this announcement, including those relating to Mineral Resource classification, mine design, processing recovery, capital and operating costs, scandium pricing sensitivities, funding, water supply, permitting and product marketing. Key mining modifying factors applied in the Scoping Study include shallow open pit, free-dig contractor mining, pit depths of approximately 40 m, overall pit slope angles of approximately 30°, 5% mining dilution and 5% ore loss. These assumptions are consistent with the Scoping Study and remain subject to further refinement through future technical, environmental, marketing and financial studies.

Mineral Resource Statement

The information in this announcement that relates to the Flemington Mineral Resource is extracted from the Company's announcement titled **"Flemington Scandium Mineral Resource Statement – January 2025"** dated **16 January 2025**.

The Company confirms that it is not aware of any new information or data that materially affects the information included in that announcement and that all material assumptions and technical parameters underpinning the Mineral Resource estimate continue to apply and have not materially changed.

Previously Reported Information

This announcement contains references to previously reported Exploration Results and Mineral Resources. The Company confirms that it is not aware of any new information or data that materially affects the information included in those earlier announcements, and that all material assumptions and technical parameters underpinning those results continue to apply and have not materially changed.

Competent Person Statement – Mineral Resource

The information in this announcement that relates to Mineral Resources for the Flemington Scandium Project is based on information compiled by **Mr Rodney Brown** of **SRK Consulting (Australasia) Pty Ltd**. Mr Brown is a Member of The Australasian Institute of Mining and Metallurgy and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration, and to the activity being undertaken, to qualify as a Competent Person as defined in the **2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code)**.

Mr Brown consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

Competent Person Statement – Scoping Study / Production Target

The information in this announcement that relates to the Scoping Study outcomes, production target, mining, processing, metallurgical, infrastructure and related technical assumptions for the Flemington Scandium Project is extracted from the *Flemington Scandium Project Scoping Study – 2026*, dated 15 April 2026, prepared by SRK Consulting (Australasia) Pty Ltd. The Scoping Study was compiled by appropriately qualified personnel of SRK Consulting (Australasia) Pty Ltd, including Competent Persons in their respective fields of mining, processing and metallurgy. Each Competent Person has sufficient experience relevant to the style of mineralisation; type of deposit and activity being undertaken and consents to the inclusion of this 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 information included in the Scoping Study and that all material assumptions and technical parameters underpinning the Scoping Study outcomes continue to apply and have not materially changed.

Market Opacity and Cautionary Statement

The scandium market remains relatively immature and opaque, with limited transparent pricing data and variability in realised transaction prices. Investors are cautioned that the US\$3,000/kg scenario is a sensitivity, not a price forecast, and there is no certainty that the production target or its derived financial outcomes will be realised. Project economics are highly sensitive to the assumed scandium oxide price, which represents the primary value driver. The underlying Scoping Study mine design remains based on a cautious US\$1,500/kg Sc_2O_3 price assumption.

Forward Looking Statements

This announcement contains forward-looking statements, including statements regarding the Company's expectations, intentions, plans and beliefs concerning future performance and outcomes. Forward-looking statements are based on current expectations and assumptions and are subject to a range of risks and uncertainties, many of which are outside the control of the Company.

Actual results may differ materially from those expressed or implied in such statements. No representation or warranty, express or implied, is made as to the accuracy, reliability or completeness of forward-looking statements. Except as required by law, the Company does not undertake any obligation to update or revise forward-looking statements.

Study Summary

The Scoping Study prepared by SRK Consulting (Australasia) Pty Ltd outlines a development concept for a long-life scandium operation with a production **capacity** of **60tpa Sc₂O₃** from the Flemington Project in central New South Wales.

The Scoping Study is based on the **January 2025 Mineral Resource of 6.30Mt at 446ppm Sc**, derived from more than **550 holes and over 11,600 metres of drilling**. The SRK mine plan uses a 450ppm Sc cut-off and delivers an average feed grade of **573ppm Sc over the first 15 years**, with a **life-of-mine average feed grade of 529ppm Sc** over a **28-year mine life**.

Total life-of-mine processing is approximately **2.1Mt of oxide ore**, with a **stripping ratio of 1.9:1**. The 2.1mt processed production target comprises 55.8% Measured, 43.6% Indicated and 0.57% Inferred Mineral Resources. The mine plan reflects a shallow, laterally continuous orebody and a modest-scale mining approach, supporting a relatively consistent production profile over the life of mine.

The processing plant has been designed around a conventional hydrometallurgical flowsheet suited to Flemington's lateritic ore style. At the selected design basis, the plant would treat approximately **72–76ktpa** of feed to produce **60tpa Sc₂O₃**, with **90.8% scandium recovery**. The Scoping Study also includes recovery of nickel and cobalt into a mixed hydroxide precipitate, although this by-product contributes only around **4% of Project revenue** and is not considered material to the investment case.

Initial capital is estimated at **US\$125 million** and is primarily associated with the processing plant and supporting infrastructure, consistent with the hydrometallurgical nature of the Project. This results in a **capital efficiency index of 1.87x**. Sustaining capital is estimated at **US\$18.2 million** with **closure costs** of approximately **US\$42.0 million**.

Operating costs are dominated by processing, while mining costs are relatively low due to the shallow, free-dig nature of the orebody and modest mining rates under the design case development scenario. Table 3 provides a summary of key outcomes from the Scoping Study.

The Scoping Study demonstrates **strong Project economics**, supported by a **C1 cash cost of US\$561/kg Sc₂O₃** and a breakeven price of **US\$815/kg Sc₂O₃**. The Scoping Study demonstrates strong leverage to scandium pricing, with project economics highly sensitive to the assumed Sc₂O₃ price.

A market-aligned price of **US\$3,000/kg Sc₂O₃** has been used for the purpose of the sensitivity analysis and for Project valuation estimation purposes. Table 1, the sensitivity analysis, sets out various economic outcomes for the Project based on a 10% change in the Sc₂O₃ price, initial capital costs, operating cost and feed grade.

Table 1: Flemington Scandium Project Economic Outcomes – NPV_{8%} / IRR Sensitivity (10% movement in the applicable variable)

Variable	Lower Case	Mid Case	Upper Case
Scandium Oxide Price	US\$742m / 66%	US\$860m / 74%	US\$978m / 81%
Capital Cost	US\$850m / 68%	US\$860m / 74%	US\$870m / 81%
Operating Cost	US\$843m / 73%	US\$860m / 74%	US\$878m / 75%
Feed Grade	US\$743m / 66%	US\$860m / 74%	US\$978m / 81.5%

Given the wide range of quoted prices for Sc₂O₃, Table 2 provides various economic outcomes for the Project based on a range of Sc₂O₃ pricing assumptions:

Table 2: Flemington Scandium Project – Post-tax NPV_{8%} Sensitivity to Sc₂O₃ Price

Scandium Oxide Price	NPV _{8%}	IRR
US\$2,000/kg	US\$467m	46%
US\$3,000/kg	US\$860m	74%
US\$4,000/kg	US\$1,253m	99%
US\$5,000/kg	US\$1,646m	121%
US\$6,000/kg	US\$2,040m	143%

Table 3: Flemington Scandium Project Design Parameters – 60tpa Sc₂O₃ Mine Plan and Design Parameters

Parameter	Value
Process plant throughput per annum (tonnes)	72 – 76kt
LOM process plant average Sc feed grade	573ppm Sc (15 years), LOM ave. 529ppm Sc.
Nameplate production rate per annum (dry tonnes)	60tpa Sc ₂ O ₃
Process plant recovery (%)	90.8%
Life of mine (LOM)	28 years
Exchange rate (FX)	AUD:USD FX 0.7
Total development capital (US\$m)	US\$125m
LOM avg C1 cash cost (US\$/kg)	US\$561/kg Sc ₂ O ₃

Strategic Positives

The Scoping Study highlights a number of strategic advantages for the Flemington Project. Mining is shallow, predominantly free-dig and suited to a small-scale contract mining model, supporting lower operating complexity and reduced fixed mining costs.

In addition, the Project retains significant upside optionality beyond the current Scoping Study, including lower-grade material below the selected mining cut-off and mineralisation adjacent to Melrose Plains Road.

Development Strategy

The Project is designed to produce approximately **60 tonnes per annum of high-purity (99.9%) scandium oxide**, targeting emerging demand in advanced materials, alloying and high-performance applications. The Scoping Study adopts a staged, modest-scale development approach intended to balance capital intensity with market entry, while preserving flexibility for future expansion as scandium demand develops.

Project Location

The Project is located within an established mining region in central New South Wales and is in close proximity to the **Syerston Scandium Project**. The Project benefits from access to existing regional infrastructure, including road networks and nearby mining services.

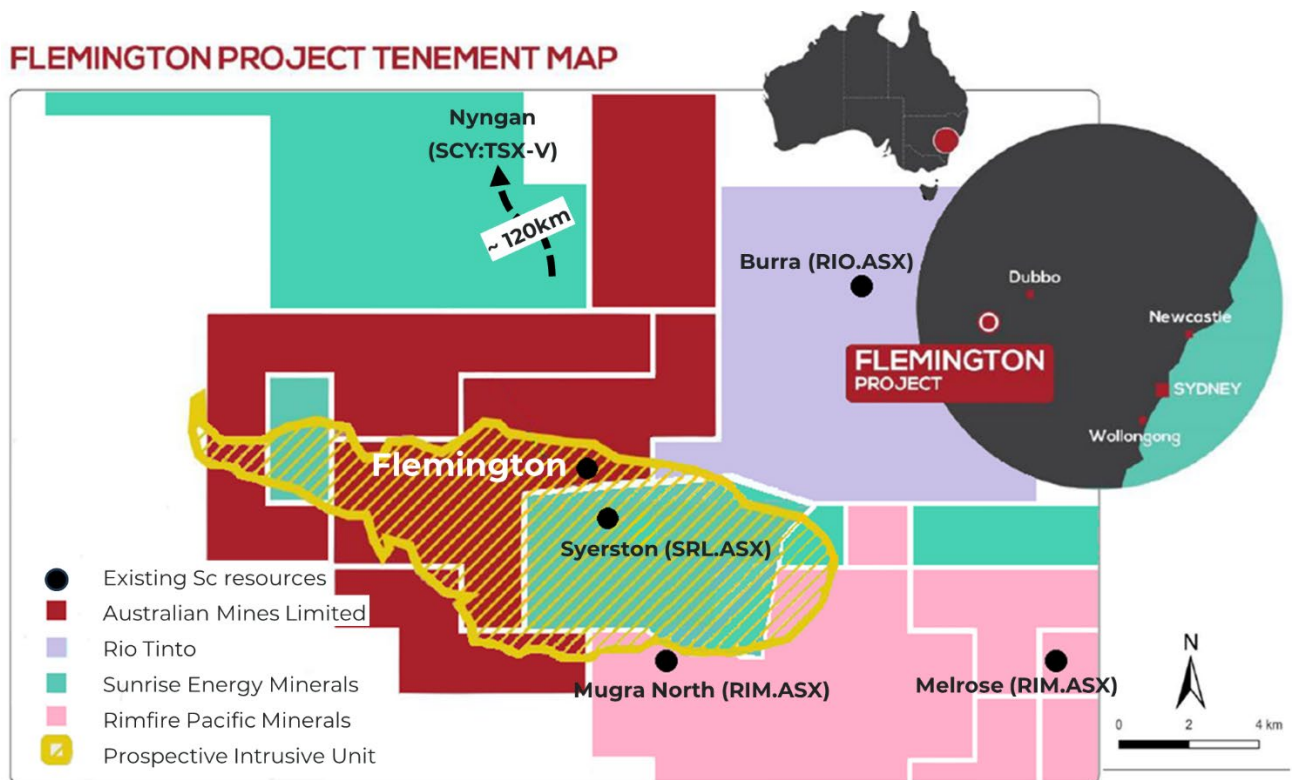


Figure 1: Project location and tenements

Mining and Mineral Resources

The Project is underpinned by a substantial scandium Mineral Resource and a long-life mine plan. The Scoping Study supports a **28-year mine life** and **60tpa Sc₂O₃ production** from **three shallow open pits**. Using a **450ppm Sc cut-off**, the mine plan delivers an average feed grade of **573ppm Sc** over the first 15 years and a **life-of-mine average feed grade of 529ppm Sc**. Total life-of-mine processing is approximately **2.1Mt of oxide ore**, with a **stripping ratio of 1.9:1**. In addition, approximately 410kt at 405ppm Sc, which is treated as waste in the Scoping Study, may be assessed in future studies for potential stockpiling and future processing. If this material is excluded from waste movement, the effective stripping ratio reduces to 1.4:1

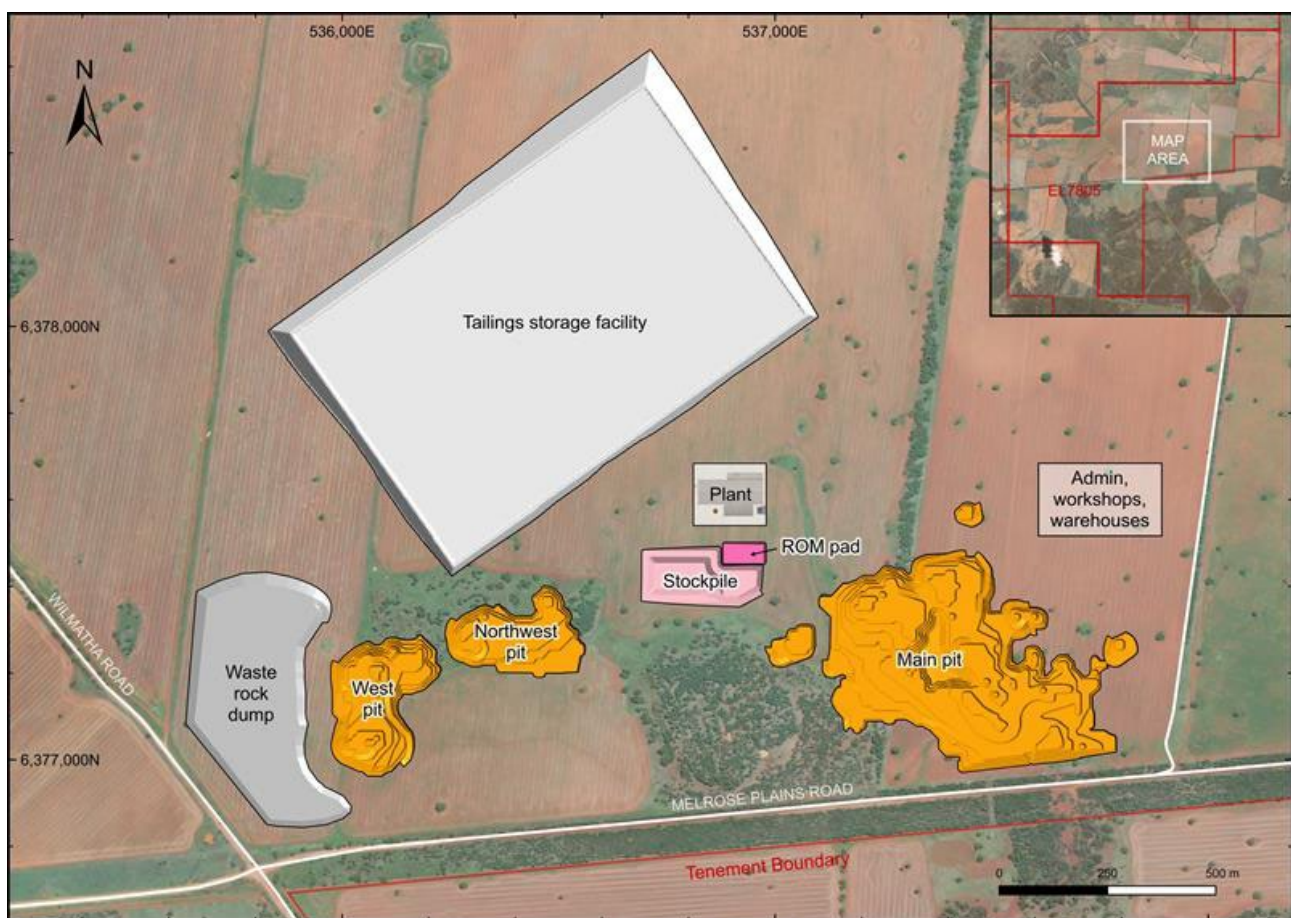


Figure 2: Site Layout – mining pits, tailings and processing facility locations

Metallurgy and Processing

The Scoping Study adopts a conventional hydrometallurgical flowsheet based on **HPAL, solvent extraction, oxalate precipitation and calcination**, producing high-purity scandium oxide. The selected process route achieves an overall scandium recovery of **90.8%** and is considered technically appropriate for the lateritic ore type. The Scoping Study also includes recovery of nickel and cobalt into a mixed hydroxide precipitate, although this by-product is not considered material to the investment case.

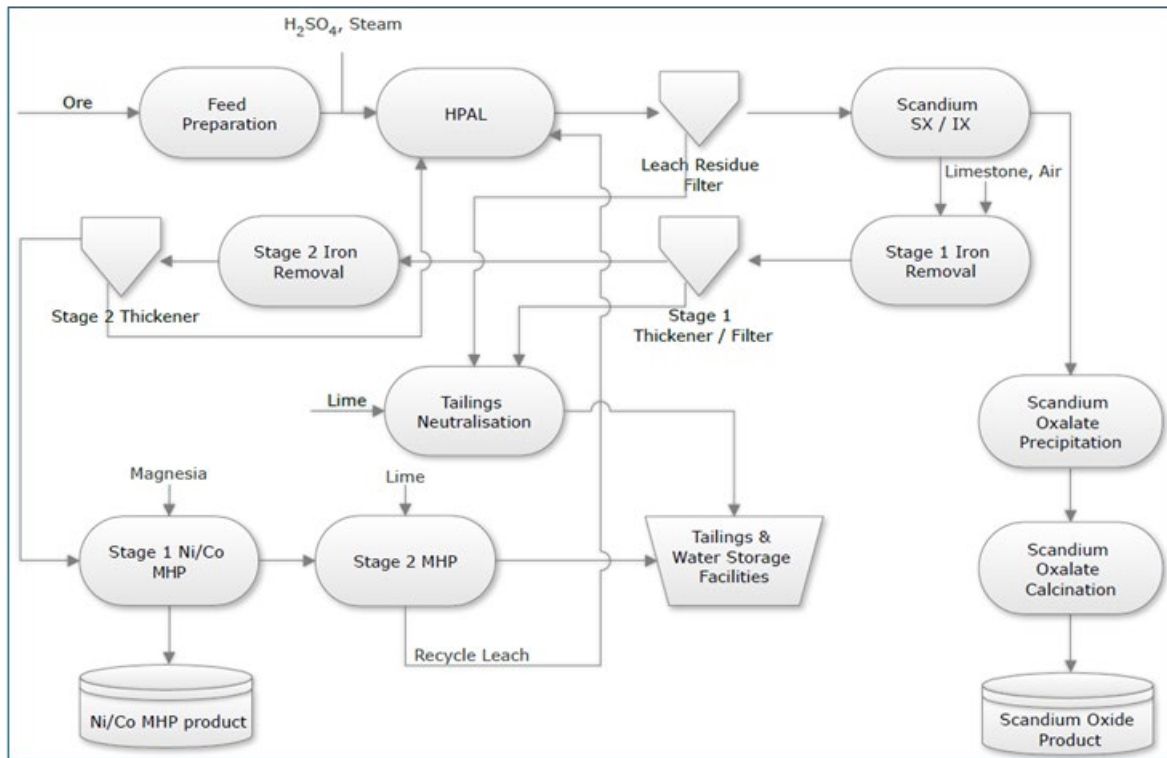


Figure 3: Process, block flow diagram

ESG, Rehabilitation and Closure

Preliminary environmental and social assessments undertaken as part of the Scoping Study did not identify environmental or social issues likely to fundamentally prevent project development. The financial model includes closure costs, and further baseline environmental and social studies will be required to support future approvals and project advancement.

Permits and Infrastructure

SRK's scoping-level review did not identify environmental or social issues likely to fundamentally prevent project approval. The Project remains at an early stage and will require further environmental, hydrogeological and infrastructure studies, with water supply identified as a key area for further de-risking as part of future study work.

Scandium Demand, Supply and Pricing

The Scoping Study is based on a cautious **US\$1,500/kg Sc_2O_3** mine design price, consistent with pricing assumptions adopted in peer Australian scandium development studies and considered appropriate for early-stage project evaluation. At this mine design price, the Project generates a post-tax NPV₈ of **US\$270 million**, a post-tax IRR of **32%**, and a payback period of **2 years and 6 months** after the commencement of production. Project economics are highly sensitive to the assumed scandium oxide price, which represents the primary value driver.

Sensitivity analysis demonstrates strong leverage to higher pricing scenarios, including a **US\$3,000/kg Sc₂O₃** case, which is presented as a **market-aligned sensitivity scenario for Project valuation estimation purposes**. This scenario is not the base case used for mine design.

To support this sensitivity analysis, the Company has undertaken an internal market assessment. That assessment reviewed publicly available market data, peer project disclosures, observed transaction benchmarks and available market commentary relevant to scandium pricing. Based on that assessment and the publicly available data reviewed, the Company considers there are reasonable grounds for presenting **US\$3,000/kg Sc₂O₃** as a market-aligned sensitivity scenario.

In forming this view, the Company considered that China accounts for the majority of global scandium production and that export controls introduced in 2025 have affected access to supply for Western markets. The Company also considered publicly reported sovereign procurement activity, including the U.S. Defense Logistics Agency's announced intention to acquire up to **6.4 tonnes** of high-purity scandium oxide over five years for up to **US\$40 million**, implying a price equivalent of approximately **US\$6,250/kg** in a specialised defence procurement context.

The Company also considered peer project disclosures, including the neighbouring **Syerston Scandium Project**, which has publicly disclosed the use of **US\$1,500/kg Sc₂O₃** as a cautious price assumption for Ore Reserve and mine optimisation purposes, while also presenting **US\$3,000/kg Sc₂O₃** as a sensitivity case to illustrate project leverage to higher scandium pricing scenarios. The Syerston Feasibility Study also notes that peer North American project evaluation prices are approximately **US\$3,700/kg Sc₂O₃**.

These indicators suggest that pricing for secure, non-Chinese scandium supply may be materially higher than the cautious mine design price adopted in the Scoping Study. However, the scandium market remains relatively immature and opaque, with limited transparent pricing data and variability in realised transaction prices.

On that basis, the Company considers **US\$3,000/kg Sc₂O₃** to be an appropriate market-aligned sensitivity scenario for Project valuation estimation purposes. At this price, the Project generates a post-tax NPV₈ of approximately **US\$860 million** and a post-tax IRR of **74%**. This pricing scenario is a **sensitivity only**, is **not a forecast price**, and there is **no certainty** that the production target or the financial outcomes derived from it will be realised. The underlying Scoping Study mine design remains based on a cautious **US\$1,500/kg Sc₂O₃** price assumption.

The internal market assessment is based on publicly available information and internal analysis and does not constitute an independent market study. A detailed independent scandium market study has not yet been completed and would be expected as part of future study phases.

Key Risks

The Scoping Study identified a range of Project risks and uncertainties. Key risks identified include the assumed **Sc₂O₃ price**, the **A\$:US\$ exchange rate**, metallurgical performance, limited Project-specific testwork, water supply definition, the absence of offtake agreements, permitting and approvals risk

Work to be Completed

The Scoping Study recommends advancement of the Flemington Project to **Pre-Feasibility Study (PFS)**. Key work programs include

- additional metallurgical testwork,
- Assessment of stockpiling strategies for lower-grade mineralisation to optimise mine scheduling and stripping ratio.
- environmental baseline studies,
- hydrogeological investigations,
- permitting activities and
- further market and customer engagement.

For more information, please contact:

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Authorised for release by the Board of Directors of Australian Mines Limited

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