



17 August 2026

Flemington PFS – Update on Water Licence and Supply Options

Australian Mines Limited (ASX: AUZ) (“**Australian Mines**” or “**the Company**”) is pleased to provide an update on the water requirements and supply options assessment for its 100%-owned Flemington Scandium Project in New South Wales. Water studies are being advanced to support the fast-tracked Pre-Feasibility Study (PFS), which is evaluating the potential to scale annual Sc_2O_3 production up to 180 tpa.¹

Highlights

- **Existing Water Access Licence WAL41718 within the Lachlan system, held by the Company’s subsidiary Flemington Mining Operations Pty Ltd, confirmed as current and valid.**
- The Flemington Scoping Study² estimated steady-state water demand of approximately **454 ML/year for the 60 tpa development case.**
- Together with the Flemington Scoping Study’s projected average feed grade of **573 ppm Sc** over the first 15 years and strong **90.8% Sc** recovery, the existing water licence forms part of the baseline water supply for the Project.
- The PFS is also assessing the Project’s water requirements for the potential **up-to-180 tpa assessment scenario** and the water supply infrastructure required to support the development configuration ultimately selected.
- Additional supplementary water supply options identified in the Scoping Study, including surface water and groundwater sources, are currently being evaluated.
- The Company is currently reviewing proposals for **hydrogeological investigations** to advance the assessment of potential groundwater supply sources as part of the PFS.

Advancing Water Studies at Flemington

Following completion of the Flemington Scoping Study, Australian Mines fast-tracked the PFS to assess the technical and economic potential to scale annual Sc_2O_3 production from 60 tpa to up to 180 tpa.

The Scoping Study estimated water demand of approximately **454 ML/year for the 60 tpa case.** The PFS is now assessing the water requirements and supply for the 60tpa case and the larger potential development scenario and evaluating a range of supply options, including the existing Lachlan water entitlement, supplementary surface water and groundwater sources.

¹Australian Mines Limited, *Flemington Scandium Project PFS Fast-Tracked to Assess Potential Scale-Up to 180 tpa*, ASX announcement, 27 July 2026.

² Australian Mines Limited, *Flemington Scoping Study – Amended Announcement*, 8 May 2026.

These options are being assessed alongside the associated infrastructure, environmental and regulatory requirements.

Existing Water Access Licence

As part of the PFS assessment, Australian Mines has confirmed that its existing **Water Access Licence WAL41718** remains current and valid.

The licence was acquired on the open market in 2017 and forms part of the Company's base line water requirements and supply for Flemington.³

The PFS is assessing the existing water entitlement alongside supplementary surface-water and groundwater options to support the development configuration ultimately selected.

Hydrogeological Investigations

The investigations are being scoped to assess groundwater availability and quality and the potential contribution of groundwater to the Project's overall water requirements and supply.

This work forms part of the broader Project water balance and assessment of surface-water and groundwater supply options.

Australian Mines Managing Director, Andrew Nesbitt, commented: *"Confirming that Flemington's existing Water Access Licence remains current and valid provides an important foundation for the PFS. We are now assessing this entitlement alongside supplementary surface-water and groundwater options, including planned hydrogeological investigations, to define and secure the water requirements for the Project."*

The up-to-180 tpa production scenario is an assessment case being evaluated as part of the PFS and does not represent a new production target or forecast financial information at this stage.

ENDS

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³Australian Mines Limited, *Water licence secured for Flemington Cobalt-Scandium-Nickel Project, New South Wales*, ASX announcement, 3 October 2017.

PREVIOUSLY REPORTED INFORMATION

The 60 tpa production target referred to in this announcement was previously reported in the Company's ASX announcement dated 8 May 2026, *Flemington Scoping Study – Amended Announcement*. The Company confirms that all material assumptions underpinning that production target continue to apply and have not materially changed.

FORWARD LOOKING STATEMENTS

This announcement contains certain forward-looking statements which may be identified by words such as "believes", "estimates", "expects", "intends", "may", "will", "would", "could", or "should" and other similar words that involve risks and uncertainties. These statements are based on an assessment of present economic and operating conditions, and on several assumptions regarding future events and actions that, as at the date of this announcement, are expected to take place. Where the Company expresses or implies an expectation or belief as to future events or results, such an expectation or belief is expressed in good faith and believed to have a reasonable basis.

Such 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. These and other factors could cause actual results to differ materially from those expressed in any forward-looking statements.

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

Authorised for release by the Board of Directors of Australian Mines

Australian Mines supports the vision of a world where the mining industry respects the human rights and aspirations of affected communities, provides safe, healthy, and supportive workplaces, minimises harm to the environment, and leaves positive legacies.