METALS AUSTRALIA LTD

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ASX: **MLS**

LAC CARHEIL GRAPHITE PROJECT PREFEASIBILITY STUDY CONFIRMS STRONG PROJECT ECONOMICS

The Lac Carheil Project is Well Positioned to Become a Strategically Significant Source of Future Graphite Supply.

Metals Australia Ltd (ASX: MLS) and its wholly owned Canadian Subsidiary, Northern Resources Inc. are pleased to announce results from its project Prefeasibility Study (PFS) to develop an Open Cut Mine and Flake Graphite Concentrate Plant in Quebec, Canada. The PFS adds to the separate Preliminary Economic Assessment (PEA) for a high purity downstream graphite battery anode material refinery[1]. Highlights include:

- **Annual average production of 101,241 tonnes of Flake Graphite concentrates products, grading 95.4% Graphitic Carbon (Cg) over** an initial **project life of 24-years.** The project is forecast to deliver a **pre-tax Net Present Value (NPV) of $790.8 million AUD*** (8% discount basis – '**NPV-8**') **[$ USD 553 million].** After tax **NPV-8 is significant at $572.0 million AUD* [$ USD 400 million].** Project economics result in a healthy Internal Rate of Return (IRR) of **22.0**%.
- **The project is underpinned by a Maiden Ore Reserve of 21.51 million tonnes grading 11.14% Cg for 2.40 million tonnes of contained graphite. The Ore Reserve represents an 86% conversion of indicated resource into reserves.** The project includes Total Mineral Resources of 50 Mt @ 10.2 % Cg for 5.1 Mt of contained graphite *[Indicated of 24.8 Mt @ 11.3% Cg for 2.8 Mt and Inferred of 25.2 Mt @ 9.1% Cg for 2.3 Mt]*[2]**. *[The entire Pre-Feasibility Study is based on higher-confidence Indicated Resources only].***
- **Total CAPEX for the project is estimated at $346.3 million USD, which includes $40m in contingency.** The total is made up of $273.1m for the Concentrate plant and related infrastructure (including site power line), Mining capital of $33.9m (including site access road), Tailings Co-Disposal Facility (TCDF) of ($17.3m) and Water management structures and treatment plant of ($22m) make up the balance. Project payback is 4.2 years.
- **The Project is eligible for the Clean Technology Manufacturing Investment Tax Credits (CTM ITC)**[3] of up to 30% returned as cash rebates on eligible capital investment. **The credits are forecast at $96.7 M USD and could reduce the effective CAPEX for the project to $249.6 Million USD.**
- Flake Graphite concentrate prices have been forecast by Fast Markets for the period **2029 to 2050**. The project produces 3 graphite concentrates: **Large Flake** averaging **$2,375/t, Medium Flake** averaging **$1,829/t** and **Fine Flake** averaging **$1,189/t.** The **weighted average price for the forecast period is $1,385/t.** The pricing used in the economic model is conservative compared to pricing reported for other Canadian graphite projects that have published feasibility study results[4,5].
- **Operating site expense is calculated at $473.90 USD per tonne** of Flake Graphite concentrate product produced. The All-In-Sustaining-Cost is $533/t (inclusive of shipping and sustaining capital).
- The project will employ **an initial work force of 143 personnel for operation, scheduled for 2030**. The peak workforce is projected in Year 15 at 183 personnel, including Mining (103), Process Plant (56), General Services & Administration (24). All employees will live within the local communities of Fermont, Wabush and Labrador City.
- **The project will now be advanced to Final Feasibility.** Critical path metallurgical test-work for feasibility design and site environmental survey programs – required for the Environmental and Social Impact Assessment (ESIA) - have already commenced.

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**FX RATE APPLIED USD/AUD = 1.43*

Metals Australia CEO Paul Ferguson commented:

"Our fully integrated graphite project in Quebec continues to impress. The results we have reported from our prefeasibility study demonstrate that the upstream Mine and Flake Graphite Concentrate plant project, located near Fermont, is economically attractive on a standalone basis.

This upstream project is expected to deliver around ***$790.8 million AUD on a pre-tax basis*** *at a discount of 8%.* ***This is in addition to the over $2.9 billion AUD estimated*** *from our Preliminary Economic Assessment (PEA) for the separately evaluated downstream project in Baie-Comeau – a graphite transformation refinery reported upon in April (same pre-tax NPV-8 basis).* ***The combined nearly $3.7 billion demonstrate that the Lac Carheil Graphite Project (LCGP) is a significant asset.***

The Capital for the upstream project is estimated at $346.3 M USD. CAPEX requirements are eligible for and partially refunded by the Canadian Clean Manufacturing Technology Investment Tax Credit of 30%, being an estimated $96.7 M USD. ***Realisation of these benefits would result in a project CAPEX estimation of ~ 249.6 M USD.***

The project is anchored by Maiden ***Ore Reserves of 2.4 million tonnes of contained graphite*** *which support an initial project life of 24 years. The reserves represent an* ***86% conversion of indicated resources into reserves****. Existing inferred resources – another 2.3 Mt - together with more than 33 km's of graphite trends that have been mapped and sampled – but are yet to be drilled – point to the future potential of our world class graphite holdings.*

Our Company has advanced a very long way with this project, in a short space of time. In ***August 2025,*** *following extensive drilling that same year,* ***we published a substantial Mineral Resource upgrade.*** *This significant Mineral Resource Estimate underpinned the studies that are now revealing the projects value potential. In* ***April 2026*** *we published the* ***PEA for the downstream, which outlined the stunning economics attributable to manufacturing high purity graphite products****. The upstream PFS now compliments the value chain – providing a first view of the combined projects significant value.*

The Lac Carheil Graphite project is now exceptionally well positioned for those seeking to participate in establishing long term, secure supplies of graphite products. The project is well located in one of the best mining jurisdictions on earth – with gateway access to the USA, Canada and Europe. The significant graphite resource growth potential will permit long life and future expansion case studies for the mine; the flake graphite concentrates plant and the refinery – all in line with future anticipated increases in demand for natural graphite.

We see the project as ***Canada's next fully integrated high purity graphite project*** *- and we remain steadfast in our endeavour to progress it towards development. We are wasting no time. Metallurgical test work on a large sample from our new Ore Reserve and our environmental field surveys at site for the Final Feasibility (FS) have already commenced."*

Open Cut Mine & Flake Graphite Concentrate Plant – Project Economics Summary.

Project economic modelling has been completed by study manager, Lycopodium Minerals Canada Limited. The study integrates key economic model feasibility study inputs from the following consultancies - who have supplied all CAPEX and OPEX estimates:

- **Lycopodium Minerals Canada Limited (Lyco):** All process and related infrastructure design for the Flake Graphite Concentrate Plant. Scope included all site power, including power supply line to the project site.
- **DRA America's Inc. (DRA)**. Scope included establishing mining reserves, mine plans and schedules, mining and support equipment selection, mining related buildings, mine roads and the project access roads. DRA was responsible for the evaluation of concentrate transportation logistics, with transportation cost estimates prepared by a specialist logistics consultant engaged by DRA.
- **GS2 Consultants (GS2):** Responsible for the design of the Tailings Co-disposal Facility (TCDF), including all scheduling of tailings and waste rock, sequenced placement and required specialist equipment. GS2 also designed the site water management systems, including drainage, ponds and water treatment facilities.
- **Fastmarkets:** Forecasting of Flake Graphite concentrate prices used in the economic model

Production Volumes

The upstream project consists of an Open Cut Mine, and a Flake Graphite concentrate plant designed to produce high purity natural flake graphite concentrate at 95.4% TGC. A new **Ore Reserve** (*referred to as a Mineral Reserve for the purpose of future NI 43-101 reporting*) supports an initial 24-year project life. The Ore Reserve detail is discussed in a later section of this report summary. The project plan results in the total production of 2,429,745 tonnes of Flake Graphite concentrate (@ 95.4% Total Graphitic Carbon (TGC)) containing 2,397,080 tonnes of graphite. Average annual production of 101,241 tonnes of Flake Graphite concentrates is reported.

Production Revenue

The Project utilises Flake Graphite Concentrate prices forecast by Fastmarkets and updated during the current calendar quarter. The forecast period was assessed between 2029 and 2050, and pricing is based on the product size distribution of the concentrates planned to be produced. The average price for each size category is provided below, in Table 1. The Weight average price is estimated at ~ USD **$1,385 / t.**

Product Size	Distribution Wt.%	US Market Price Average USD $
+48 Mesh	6	2,375.00
48 to + 100 Mesh	19.5	1,829.03
-100 Mesh	74.5	1,189.41
Totals	**100**	**1,385.27**

***Table 1** – Flake Graphite concentrate prices and distribution using Fastmarket's Product Pricing Forecast 2029 to 2050.*

For price comparison, a further forecast was supplied by specialist graphite product marketing consultancy, Lonestar Technical Minerals (LSTM). LSTMs prepared a report for the project – assessing the specific characteristics of the Lac Carheil Graphite products and the potential market options for the products produced at startup. The weight average price forecast supplied by LSTM for 2030 is **$1,422 / t USD basis**. The price projections of both Fastmarkets and LSTM, are assessed as conservative relative to other projects in Canada that have reported feasibility study results[4,5]. It is noted that one of these projects, the Nouveau Monde Graphite project, also benefits from a Flake Graphite concentrate floor price of **$1,500 / t** USD (*30,000 tonnes per year for 7 years*) set by the Canadian government. While there is no suggestion that a price floor would be provided by the government for our project, this price impact has been tested as a sensitivity analysis and is presented later in the report summary. In addition, the price used in the LCGP model is just 82.5% of the price average used by a neighbouring graphite project, Focus Graphite's Lac Knife project, which was reported on a weighted average basis of USD **$1,679 / t** based on their product price mix (2023 report)[5]. Both projects are also in Quebec, Canada.

Capital Costs

Pre-production capital costs have been summarised for major project segments together with a high-level summary of the items that are included in each cost category. All costs have been estimated on a US dollar basis. Site infrastructure has been estimated separately and includes connections to the project site, including power supply and the main project site access road. A contingency provision has been included, consistent with current estimates provided for the project. The Capital costs have been summarised in Table 2, with further details, including sustaining capital costs detailed in the full PFS report. The key capital cost segments are as follows:

- **Process Plant**: Includes all costs for processing equipment and construction, together with costs for plant related process buildings – including plant offices, laboratory, workshops and warehouse, gate house and security fencing. On site power costs are included while the powerline to the site has been separated out.
- **Open Cut Mine**: Includes all costs necessary to establish initial mining operations - mine equipment, haul roads, pre-development costs and mine related buildings (mine office, changerooms, crib room, maintenance service workshops, mobile equipment fuel station & explosives storage facility). The **main project access road** has been allocated **under site infrastructure costs.**

- **Tailings Co-disposal Facility**: Earthworks to establish the TCDF with required liner, initial impoundment structures and all required drainage and required specialist equipment for placement and compaction.
- **Water Management Systems:** Construction of site water containment ponds, ditches and drainage, piping, pumping and water treatment facility to treat all site run off, including treatment of water from the TCDF and site topsoil/overburden stockpile and all roads and drainage around the plant and mine sites.
- **Site Infrastructure:** The Main Project Access Road (~ 10km) and the powerline to the site (~26km) have been split out for Mining and Plant costs as a separate line item in Table 2.

PROJECT CAPEX	Total	Contribution
Cost Breakdown	**$ USD (m)**	**%**
Process Plant & Infrastructure*	264.9	76.5%
Open Cut Mine & Infrastructure*	30.1	8.7%
Tailings Co Disposal Facility	17.3	5.0%
Water Management Systems	22.0	6.4%
Project Infrastructure*	12.0	3.5%
Total CAPEX	**346.3**	**100%**

***Table 2** – Break down of major pre-production capital costs by project discipline area. *Plant and Mine have been adjusted for Major project infrastructure capital items (powerline to site and project access road have been listed separately). A contingency of $40m is included in the above.*

In addition to the pre-production capital outlined above, the study has identified sustaining capital costs of USD $79.5 million over the life of the project. Major drivers for the sustaining CAPEX include growth in mining and service equipment and replacement of that equipment at the end of its useful life. Other contributors are the expansion of the TCDF and water management facilities during the life of the operation.

Operating Expense

Operating expense has been estimated by major cost segments and is summarised in Table 3 based on project averages. OPEX is presented on a cost per tonne milled basis and a cost per tonne of concentrate produced. Mining and processing cost centres are separated, while tailings and water management are combined. General and administrative expenses are combined. On-site costs per tonne of ore milled are $53.53 and on a per tonne of concentrate produced basis are $473.90. Offsite costs for shipping concentrate to Baie-Comeau (other than fines, which are separately captured as a feedstock cost for the downstream project) are added separately. The all in sustaining cost includes the contribution of sustaining capital cost, noted above.

Project OPEX	Unit Cost	Unit Cost	On Site Contribution
Cost Breakdown	**$ / t milled (USD)**	**$ / t Concentrate (USD)**	**%**
A - Mine Operating Cost	23.04	204.00	43.1%
B - Process Op Cost	22.45	198.80	41.9%
C - Tailings & Water Management Cost	3.54	31.30	6.6%
D - G&A Cost	4.50	39.80	8.4%
On-Site Production Cost (A-D)	**53.53**	**473.90**	100%
E - Shipping Cost	3.00	26.52	-
F - Site + Shipping (E+F)	**56.53**	**500.42**	**-**
G - Sustaining CAPEX	3.69	32.70	-
All In Sustaining Cost	**60.32**	**533.12**	**-**

***Table 3** – OPEX split by on site costs, shipping of concentrate to Baie-Comeau & Sustaining CAPEX to provide All in Sustaining cost.*

Economic Modelling, Results & Sensitivity Assessments

Using the above metrics of volume, pricing, CAPEX and OPEX, together with other modelling inputs to assess taxes, depreciation and applicability of Clean Technology Manufacturing Investment Tax credits, a model was built by Lycopodium Canada Minerals Inc. to assess the financial robustness of the project.

A typical Net Present Value method was applied to assess the project's value using a series of discount factors applied to the forecast future cash flows. While 8% was selected as the reporting basis for the project, 6% and 10% were also assessed for sensitivity analysis. Further, a sensitivity analysis was calculated using a price of $1,500/t. This is equivalent to a price floor provided to the Nouveau Monde Graphite project, also in Quebec. A price floor cannot be assumed for LCGP, but it is considered reasonable to assess the price impact for LCGP as a sensitivity factor since the purpose of a price floor is to underpin market pricing with the broader effect of increasing prices for the industry. The results are summarised in table 4 below.

Project Economics *(USD/AUD =1.43)*		**USD**	**AUD**
Base Case – NPV at 8% DCF (Pre & Post tax)			
NPV pre-tax (8%)	$M	**553**	**790.8**
NPV post-tax (8%)	$M	**400**	**572**
IRR - 24 Year	%	**22**	**-**
Payback	Yrs.	**4.2**	**-**
Sensitivity Cases – NPV at 6% & 10% DCF			
Pre-tax	-	**-**	**-**
NPV (6%)	$M	**727**	**1039.6**
NPV (10%)	$M	**420**	**600.6**
Post-tax	-	**-**	**-**
NPV (6%)	$M	**535**	**765.1**
NPV (10%)	$M	**296**	**423.3**
Sensitivity Assessment: USD $1,500/t Graphite Price			
Pre-tax NPV (8%)	$M	**676**	**966.7**
Post tax NPV (8%)	$M	**493**	**705.0**
IRR	%	**24.8**	**-**
Payback	Yrs.	**3.7**	**-**

***Table 4** – Economic model results for project NPV (Pre and Post tax) assessed at 6, 8 and 10% Discount of future cash flows. A sensitivity analysis has also been calculated for an average graphite price of USD $1,500 / t.*

In all cases presented, the project value result is significant. 8% is assessed as a robust discount factor for analysing future cash flows over the long term and is typical of what has been used to assess the NPV economics for other graphite projects reported upon in Canada. The downstream project economics were reported on the same basis. It is noted, for comparison, that several other projects have reported PFS studies using a discount rate as low as 5%. In our project forecast modelling, **using 6% would deliver incremental value of $174 million USD on a pre-tax basis** (Refer to Table 4).

Further sensitivity analysis has been prepared to investigate the impact of changes in graphite price, CAPEX and OPEX – investigating the impact to NPV-8 pre-tax economics with changes of -10%, -5%, +5% and +10%

The chart presented in Figure 1 demonstrates that the largest driver of project economics is the price for natural flake graphite concentrate used in the model. The yellow line in the chart shows that a 10% reduction in graphite price used would reduce project NPV to around $400M USD, while a 10% increase would increase project NPV to around $700M USD. Either outcome demonstrates the projects robust positioning. The project is resilient in a lower price environment (-10%) and well positioned for upside in future pricing (+10%).

This point is especially insightful considering the conservative price forecast that has been used in the model, relative to prices used in assessing the economics of other graphite projects in Canada. As an example, If the Lac Carheil Graphite project was assessed using an average price of **$1,500 USD/ t,** that would be the equivalent of an **8.3% increase in pricing – and add an incremental $123 million USD in pre-tax NPV-8, increasing IRR to 24.8 % and reducing payback to 3.7 years.** The results are shown in Table 4 and in Figure 1.

In comparison to price, CAPEX (grey line) and OPEX (Blue line) show that a plus or minus 10% movement in estimated cost results in relatively small changes in NPV. A 10% increase in project CAPEX would still deliver a project at above $500 M USD NPV-8. The OPEX impact is slightly greater (steeper curve) but a 10% increase in OPEX from what has been projected in the model still delivers a pre-tax NPV result of close to 500 M USD (visual assessment of chart presented in Figure 1). A 10% reduction in CAPEX would see pre-tax NPV lift to around $600 M USD.

The analysis and sensitivity assessments undertaken demonstrate a strong project that can withstand lower price environments, while being well positioned to take advantage of future upside in pricing.

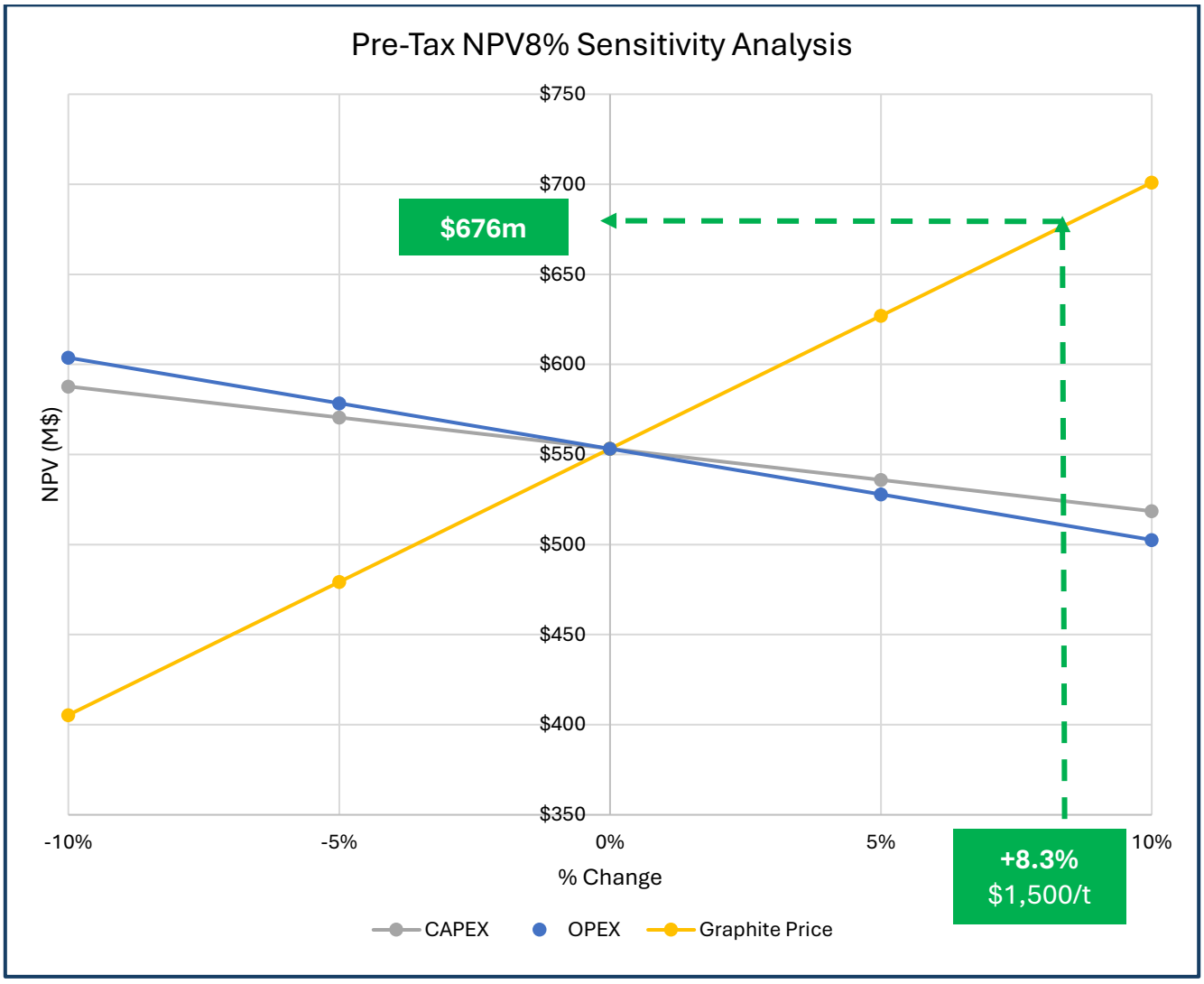

***Figure 1** – Pre-Tax NPV-8% Sensitivity analysis for changes in CAPEX, OPEX and Graphite Price used in the model. The impact of a $1,500/t price floor (+8.3% in price) is also shown in green (The floor price results in NPV-8 of $676 M or +$123 M from base).*

Open Cut Mine & Flake Graphite Concentrate Plant – Project Location.

The prefeasibility study independently investigated the upstream portion of the fully integrated Lac Carheil Graphite Project (LCGP). The upstream project consists of an open cut mine, and a Flake graphite concentrate

plant that will produce an average of 101,241 tonnes of high purity (95.4% Cg) Flake graphite products annually over a projected initial life of 24 years. The project is extremely well located in the Cote Nord region of Quebec, situated very close to the border of Newfoundland and Labrador. Refer to Figure 2 below.

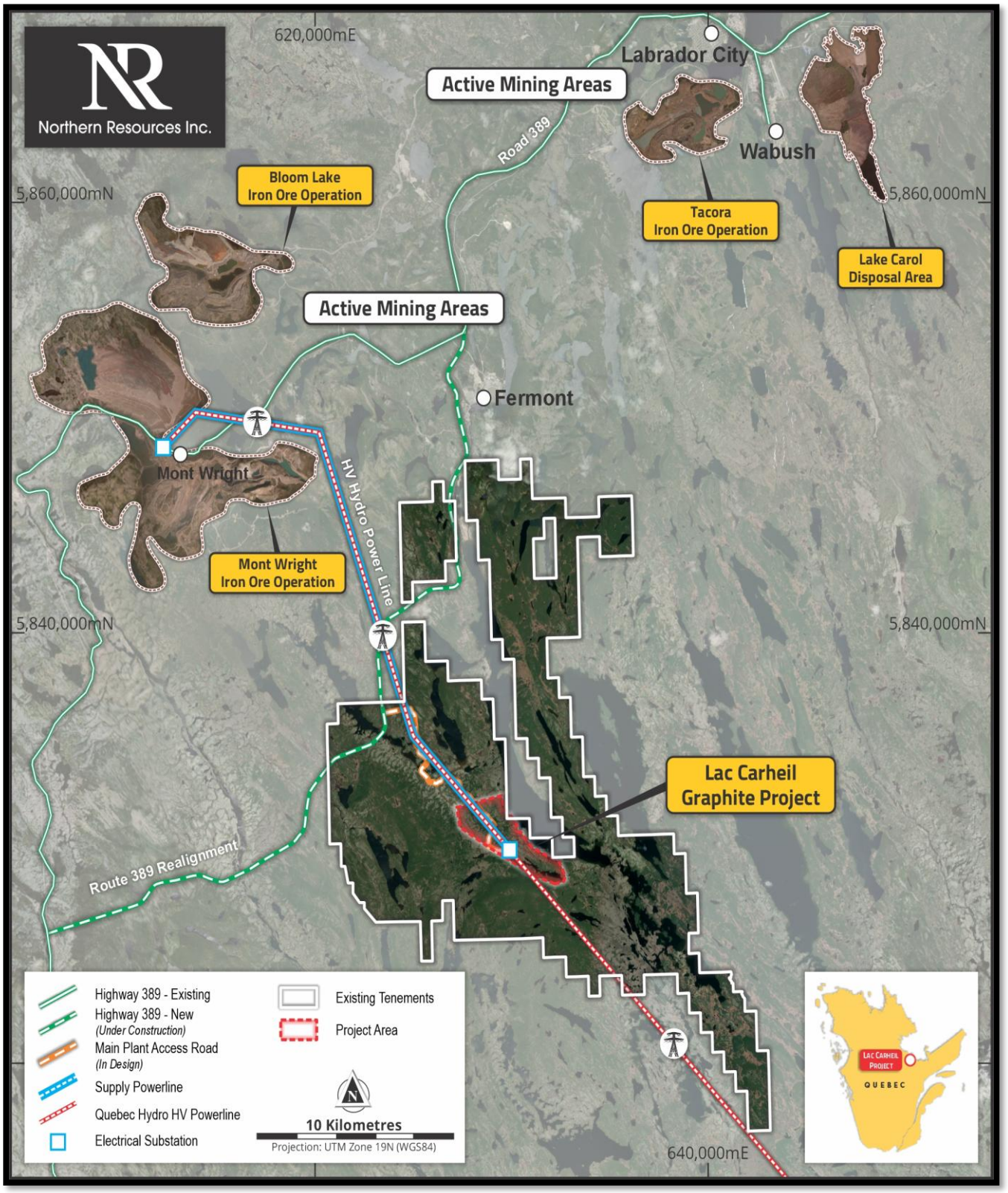

***Figure 2** – Project Location, 20km south of Fermont, with municipalities of Wabush and Labrador City to the Northeast.*

The project is located 20km to the south of the town of Fermont, Quebec, while the municipalities of Wabush and Labrador City lie only a short distance further to the northeast. The project location benefits significantly from its proximity to key infrastructure. Quebec Hydro's High Voltage power line traverses through the claims area as shown in Figure 2.

Additionally, the under construction re-route of Highway 389, the highway link between Fermont and Baie-Comeau to the south, is also shown. The new road alignment is illustrated as a green and white dashed line that intersects with our claims. The road is scheduled for completion in 2028[6], ahead of project commencement expected in 2030.

From a regional perspective, the Lac Carheil property is in an area of significant strategic importance to Québec and Canada due to its association with a district known for iron ore, base metals, and emerging critical mineral deposits (refer figure 2). Québec has established policy frameworks and investment initiatives to support the development of critical minerals for clean-energy supply chains, and graphite is a key input for battery materials and energy storage systems. In this context, the project has provincial significance as a potential contributor to Québec's downstream battery-materials strategy and the broader North American supply chain for critical minerals.

The climatic conditions in the Fermont area are those from a sub-arctic continental climate, typical of north-central Quebec. This climate is characterized by long winters, and by short and cool summers. The most representative weather stations from Environment Canada are in Fermont (1976-2004) and Wabush airport (1960-2025), respectively 22 km north and 39 km north-north-east from the Project.

Fermont is located within the Regional County Municipality (RCM) Caniapiscau (MRC de Caniapiscau, 2025; Google Earth, 2025). Approximately 2,255 residents live in Fermont, a town originally built in 1974 by Québec Cartier to house its 1,500 employees and their families, designed to meet the needs of its inhabitants over the estimated 75-year lifespan of the mine (Radio-Canada, 2021). The town is distinguished by 'the Wall', a 1.3 km arrow-shaped structure housing residential units, services, and community facilities, built 25 km from the mine to shield residents from noise and to protect against the long, cold winters and harsh north-western winds, while also serving as a unique landmark and tourist attraction. Fermont's location and design reflect both its subarctic climate and its proximity to the neighboring communities of Labrador City and Wabush, also shown in Figure 2.

All the municipalities offer excellent infrastructure and facilities, capable of supporting the mining and processing activities proposed at the Lac Carheil project. Given the relatively small workforce estimated for the project – initially 143 positions, before peaking at 183 in year 15, it is planned that all employees will live within one of the three local communities outlined.

***Image 1** – Fermont showing the 1.3km long "Wall."*

***Image 2** – Fermont at night under the northern lights*

Fermont's Multiservice Health and Social Services Centre provide emergency care and medical services, while patients requiring specialized care are referred to Sept-Îles. Emergency services include the Fermont Fire Department, ambulance services through the Integrated Health and Social Services Centre of the Côte-Nord, and law enforcement by the Sûreté du Québec (Ville de Fermont, n.d.b; CISSS Côte-Nord, 2020; Sûreté du Québec, n.d.).

Educational services in Fermont include French and English elementary education, French-language secondary education, and adult education services, while English-language secondary students attend schools in nearby Labrador City and Wabush (Ville de Fermont, n.d.a; ESSB, n.d.).

Housing in Fermont is reported at 59.2% owner occupied, with major employers owning the balance. New subdivisions are planned in Fermont. Home ownership in the region is affordable (98.5% spending less than 30% of income on accommodation). In Wabush and Labrador City, housing is largely owner-occupied (84 % in Wabush, 77.5 % in Labrador City), with rentals making up 16 – 22 % (Statistics Canada, 2023c; Statistics Canada, 2023e).

Residents are often attracted to the region for its abundant outdoor recreation opportunities, including winter skiing and snowmobiling while in summer, hiking, mountain biking, all terrain vehicles and boating are very popular. The even time rosters proposed for Lac Carheil for continuous operations will support an excellent work-life balance, with all employees going home every night and with abundant recreation opportunities on days off.

***Image 3** – Lac Carheil beach near Fermont*

***Image 4** – Cross country skiing near Fermont.*

Open Cut Mine – Maiden Ore Reserves

The PFS is accompanied by the project's **Maiden reporting of Ore Reserves.** The reporting of maiden ore reserves has been completed in less than a year since the company reported its substantial upgrade in Mineral Resources, which increased 3.3-fold[2] relative to the first Mineral Resource Estimate outlined in 2019[7].

The Mineral Resource Estimate (MRE) for the project is a total of 50 Mt @ 10.2 % Cg for 5.1 Mt of contained graphite, including **Indicated Resource of 24.8 Mt @ 11.3% Cg for 2.8 Mt** and inferred Resource of 25.2 Mt @ 9.1% Cg for 2.3 Mt[2]. When converting a Mineral Resource Estimate to either an **Ore Reserve** Estimate (JORC 2012) or a Mineral Reserve (*the latter for the purpose of NI 43-101 Canadian reporting*), **only resources classified as either "Indicated" or "Measured" may be considered.**

An **Ore Reserve** is the economically mineable part of a Measured and/or Indicated Mineral Resource Estimate. It includes diluting materials and allowances for losses, that may occur when the material is mined or extracted and is defined by studies at an appropriate level of confidence, including the application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified and economically viable.

A **Probable Ore Reserve Estimate** is the economically mineable part of an I**ndicated Mineral Resource Estimate,** and in some circumstances, a Measured Mineral Resource. The confidence in the Modifying Factors applying to a Probable Ore Reserve is lower than that applying to a Proven Ore Reserve.

DRA prepared an Ore Reserve Estimate for the Project using Hexagon MinePlan mining software packages and modules. These tools were employed for estimating the economic pit limit for the open pit and for block model interrogation.

The Ore Reserve Estimate is derived from Indicated Mineral Resources that have been converted to Probable Ore Reserves. No Measured Mineral Resources are present in the Mineral Resource Estimate. **Inferred Mineral Resources have not been considered in the Ore Reserve Estimate and are treated as waste in the pit optimisation and mine planning process.**

***Table 5** - Lac Carheil Graphite Project Maiden Ore Reserves.*

Ore Reserve	Tonnage*	Cg**	Total Graphite Contained in Mill Feed
Category	(Mt)	(%)	Mt
PROVED	-	-	-
PROBABLE	21.51	11.14	2.40
Total	**21.51**	**11.14**	**2.40**

Notes: * Diluted and recovered tonnes, **Diluted Cg Grade

1. *The Ore Reserve Estimate has been prepared and reported in accordance with the JORC Code (2012 Edition). In preparing the estimate, consideration was also given to CIM Definition Standards (2014) and the CIM Estimation of Mineral Resources and Mineral Reserves Best Practice Guideline (2019).*
2. *The Competent Person responsible for the Ore Reserves Estimate is Arturo Urdaneta, P. Eng., of DRA Americas Inc. Mr. Urdaneta has sufficient experience 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 JORC Code (2012 Edition).*
3. *The effective date of the Ore Reserves Estimate is June 26, 2026.*
4. *The Ore Reserve Estimate is based on a Cg 4.0% COG.*
5. *The Ore Reserve Estimate is based on constant metallurgical recovery of 94%.*
6. *The Ore Reserve Estimate is based on a graphite concentrate price of 1,100 US$/t.*
7. *The Ore Reserve Estimate was derived from a pit limit analysis and detailed pit design, utilizing Indicated Resources. No Measured Mineral Resources are present in the Mineral Resource Estimate.*
8. *The Ore Reserve Estimate accounts for internal dilution and mining losses.*
9. *Ore Reserves are based on a pit design with a 2.88 stripping ratio.*
10. *Inferred Mineral Resources are treated as waste and therefore excluded from the Ore/Mineral Reserve Estimate.*
11. *Figures have been rounded to an appropriate level of precision for the reporting of Ore/Mineral Reserves. As a result, totals may not compute exactly as shown.*
12. *To the extent known to the CP, Arturo Urdaneta, P. Eng, there are no known mining, metallurgical, infrastructure, environmental, permitting, legal, title, taxation, socio-economic, marketing, political or other relevant factors that may affect the Ore/Mineral Reserve Estimate.*

To qualify as an Ore Reserve Estimate, various Modifying factors are applied to the MRE during the preparation of the PFS, in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2012 Edition).

These Modifying Factors ensure that the estimated quantity of saleable material in the final product generates a positive Net Present Value (NPV) using an appropriate discount rate and can be reasonably justified for eventual extraction. Factors significant to technical feasibility and potential economic viability must be considered and clearly stated when preparing Ore Reserve statements.

These include:

- Size and legal conditions of the land tenure sufficient to fully enclose the Ore Reserve.
- Physical constraints such as public roads, built infrastructures (e.g., power lines, pipelines, railways, buildings), and natural features (e.g., rivers, lakes, wetlands) that may limit access, restrict operation, or necessitate costly relocation, rerouting, or mitigation measures.
- Extraction selectivity for the mining methods under consideration relative to the size and geometries of the mineralization interpretations.
- Processing method(s) under consideration, expected recovery from the mined material to a commercially marketable product and proposed production volume.
- Price/value of the product and the market for the product at that price.
- Factors significant to cut-off grade (COG) or values (process recovery, smelter payability, treatment charges, operating costs, royalties, etc.) used for reporting Ore Reserve Estimates.
- **Ore Reserves are derived from the Measured and Indicated portions of the MRE only.** Inferred Mineral Resources are excluded from the Ore Reserves.

A detailed process for estimating the Ore Reserves is set out in the PFS report.

In general terms an open cut 3D block model of the Mineral Resource is established, considering any limitations outlined above and setting cost parameters for mining, processing, administration and off-site shipping costs. An average graphite price is assumed for revenue.

Open cut pit extraction optimisation is then simulated – in this case – using Hexagon Project Evaluator. This algorithm generates pit shells representing economically viable mining scenarios based on the predefined parameters and the 3D block model. **NB: no inferred resource blocks were assigned value in this mining study. All inferred resource blocks were treated as mine waste in the pit optimisation and mine planning process.**

A range of pit shells is generated using various revenue factors, typically ranging from 10% to 120%, to create the standard pit-by-pit graph commonly employed in the industry. These revenue factors serve to gauge the sensitivity of pit optimisations to fluctuations in mineral selling prices and to assess the impact of pit size and stripping ratios on the Project's NPV.

The following Figures have been prepared to provide an overview on the modelling progression from an initial 3D block model – showing all Mineral resource blocks – within the constraining Mineral Resource pit shell to a 3D model considering only the Indicated resource blocks within the design pit that includes the Modifying Factors outlined above.

Figures 3, 4 and 5 below show the LCGP block model within the constraining Mineral Resource pit shell.

Figures 6,7 and 8 shown the progression into an Ore Reserve model.

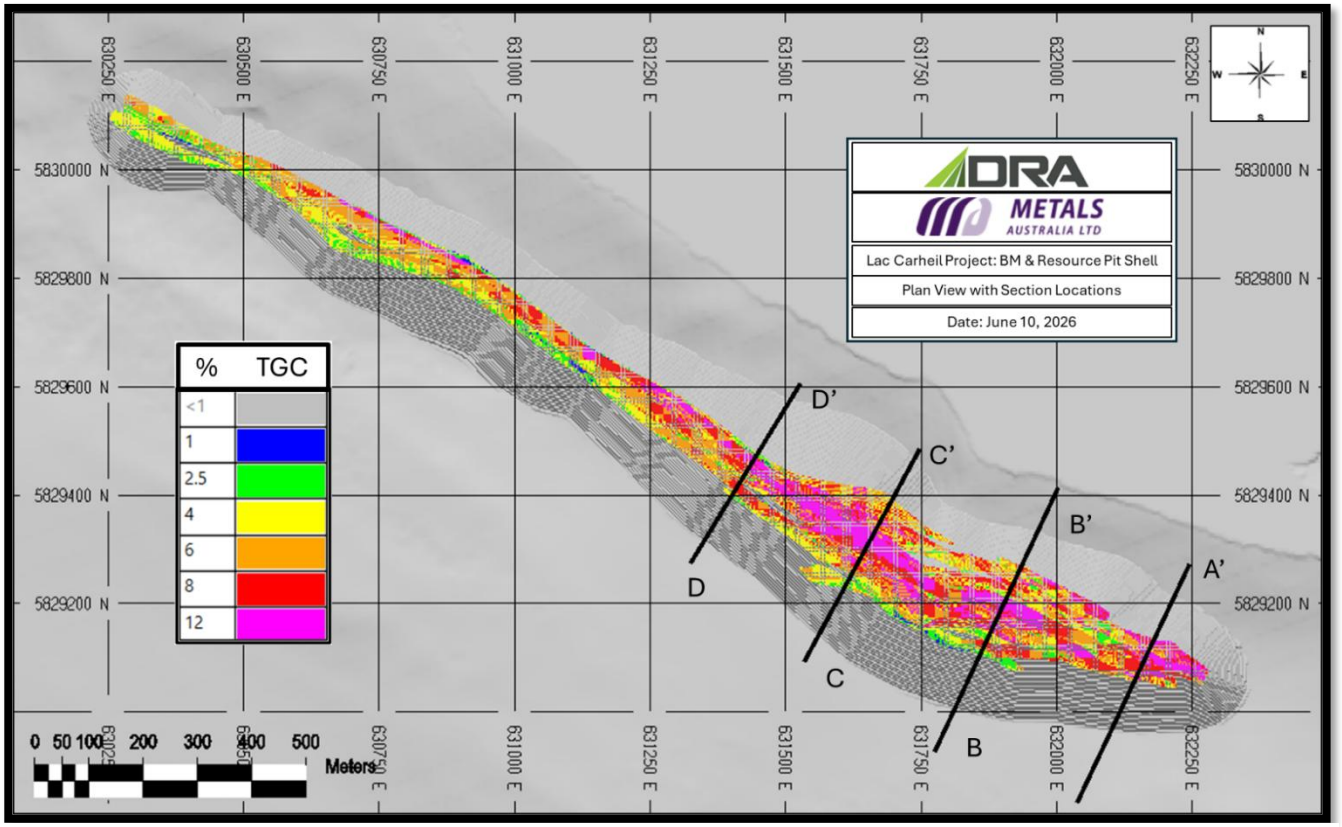

Figure 3 *– LCGP block model in plan view showing all resource blocks and graphite grade (% TGC), X-section lines are outlined*

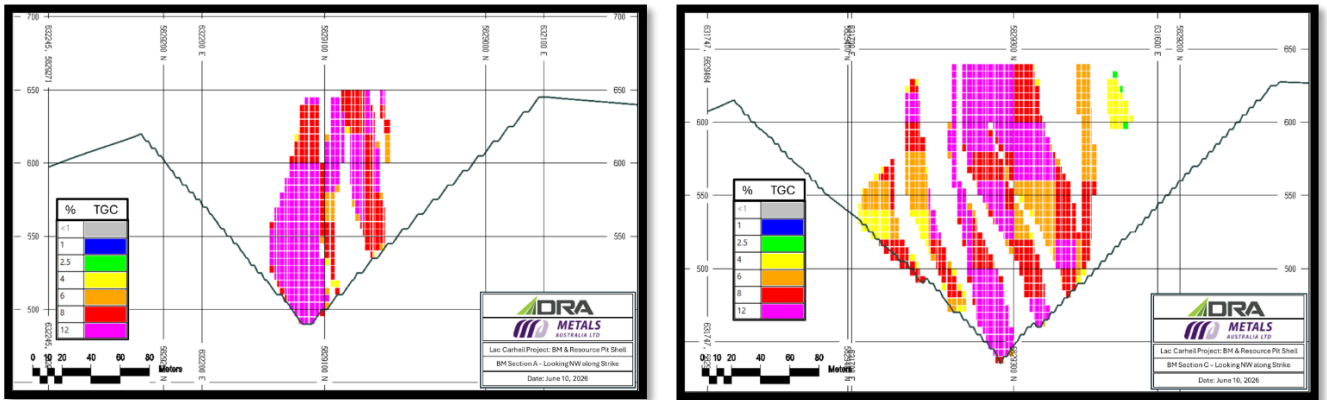

Figure 4 *– LCGP block model X-Section 'A-A' &* ***Figure 5*** *LGCP block model X-Section 'C-C' are depicted for reference.*

The cross sections depicted in Figures 4 and 5 illustrate the Mineral Resource blocks within the constraining resource pit, with graphite grade ranges indicated (pink is grade 12%+ TGC). In the above Figures, all Mineral Resource blocks are illustrated (Indicated and Inferred).

The pit shell cross sections included also illustrate the geotechnical design parameters for the Open Cut pit wall angles used for resource modelling. The "white" space is the waste rock that is required to be removed to extract the graphite ore.

The Model is then modified to exclude all inferred resources and adjust for Geotechnical designs, positions of ramps and other factors. Figure 6 below shows the model updates. Figures 7 and 8 show the same cross sections as before (A-A' and C-C') only now the Inferred resource blocks are removed for estimating the Ore Reserves, while the geotechnical design is illustrated and the Reserve Pit Design is now evident.

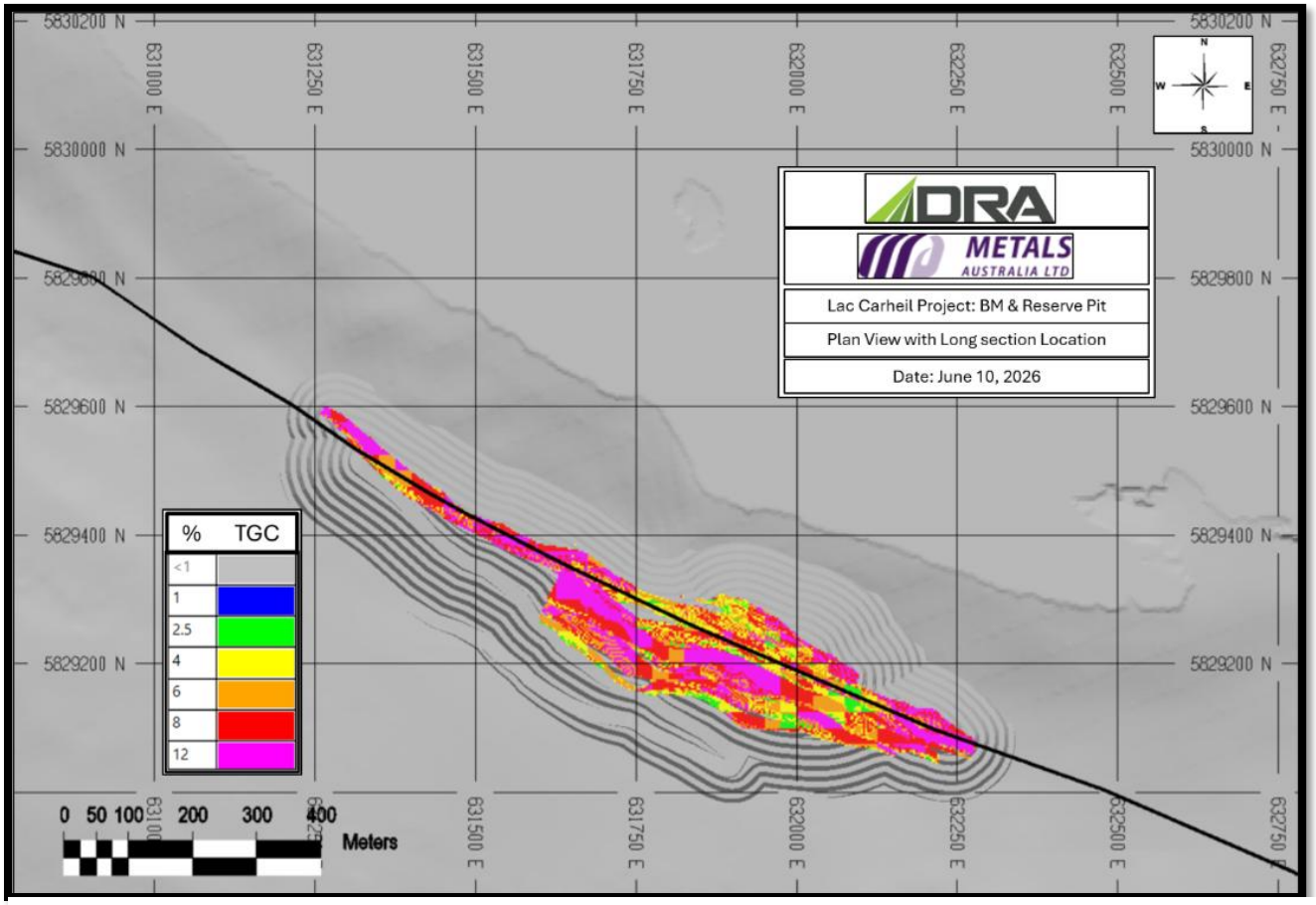

***Figure 6** – LCGP block model in plan view now showing only indicated resource blocks*

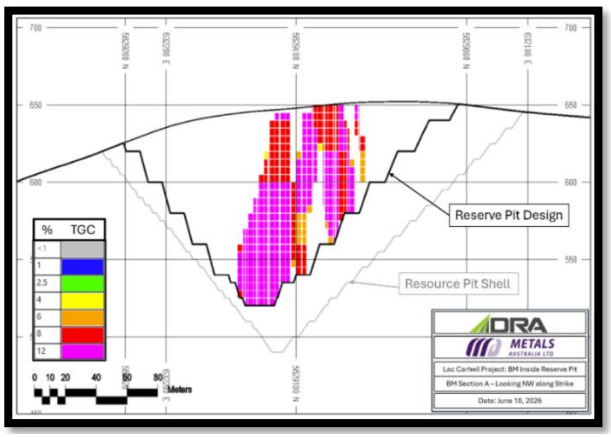

***Figure7**: Cross Section A-A' excluding Inferred Resource.*

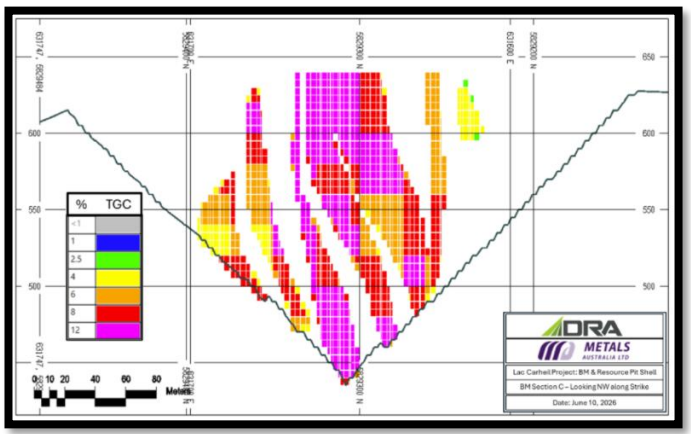

***Figure 8**: Cross section C-C' with Inferred Resource excluded.*

Figure 7 also shows the variation in the "Reserve Pit Design" wall, modified to exclude inferred resource blocks and updated to include geotechnical designs for the final pit walls.

Open Cut Mine – Mine Design & Schedule

In addition to establishing the maiden Ore Reserves for the project, DRA also completed all aspects of the mine planning process for the PFS. This included open cut mine design, geotechnical design, drill and blast design, mining production and mine service equipment selection, production scheduling, personnel and roster planning and all CAPEX and OPEX forecasts for the Mine, over the 24-year project life. DRA also designed and costed Mining related facilities, including the Mine Changerooms, crib room, offices, the mine maintenance service facility – and site infrastructure including the gate house (security), mine mobile equipment fuelling station and explosives storage facility.

The mining plan also integrated designs and plans for the Tailings Co-Disposal Facility and Water Management work scopes completed by GS2. A separate, comprehensive, transport study for the project was also completed, resulting in the selection of road transport as the mode of transport for concentrate transfers to Baie-Comeau. The final scope of work covered by DRA was the design of the Main Project Access Road (MPAR), an 8m wide all-season road design of approximately 9,800m to connect the project site with the 389 highway at its nearest point of intersection.

The overall work program includes an ultimate open cut pit design upon which the mine plan and the Ore Reserves estimate is based. The ultimate pit design is outlined in Figure 9 below.

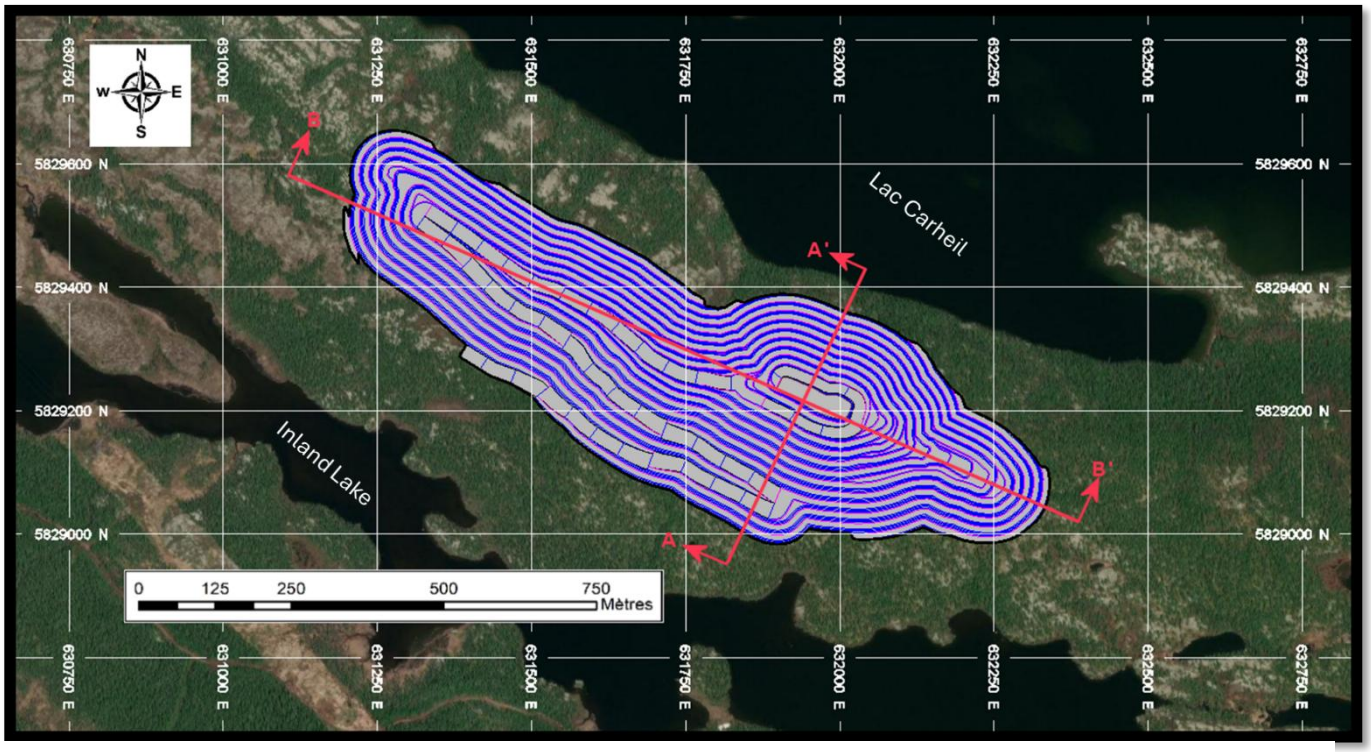

***Figure 9** – LCGP Ultimate Open Cut Mine at Year 24. The final ramp and pit X-section positions are shown.*

The ultimate Open Cut long section – section 'B-B' is shown below in Figure 10. The pit extends 1.148km in length (from crest to crest) while cross section 'A-A' outlines the widest section of the open cut mine at year 24 (787m crest to crest) in Figure 11. The relative level of Lac Carheil and the "inland lake" are also shown. The lake positions are also labelled in Figure 6.

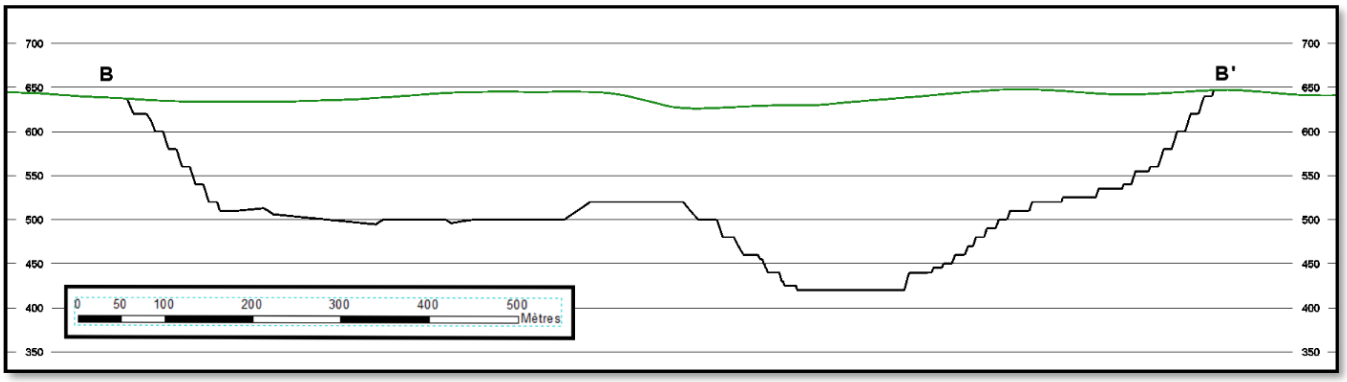

***Figure 10** – LCGP Ultimate Open Cut Long Section 'B-B' shown from NE (left) to SW (Right).*

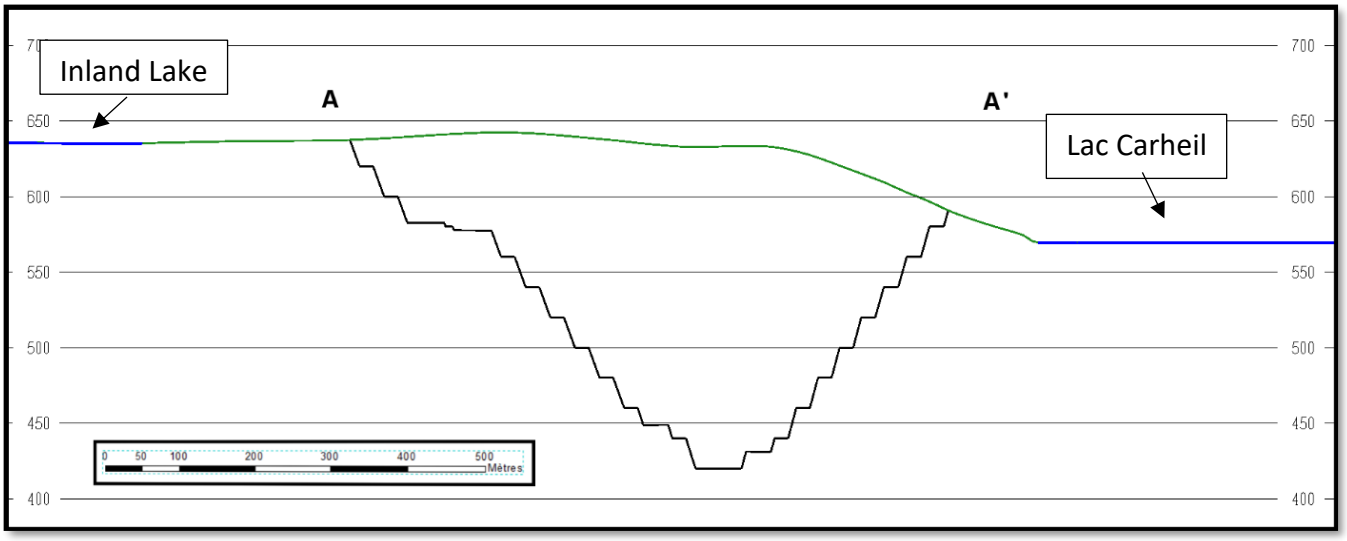

***Figure 11** – LCGP Ultimate Open Cut Width Section 'A-A' The level positions of the inland lake, top of mine and Lac Carheil are shown*

The ultimate Open Cut design parameters are tabulated below in Table 6

Item	Unit	Value
Pit Top Elevation	m	550
Pit Bottom Elevation	m	350
Pit North Exit Elevation	m	535
Pit South Exit Elevation	m	545
Pit Depth	m	200
Pit Volume	m^3	47,559,250
Area of Pit Top	m^2	696,358
Pit Perimeter at the Top	m	4,001
Length from East to West	m	787
Length from North to South	m	1,148

***Table 6** – LCGP Ultimate Open Cut Parameters.*

The Open Cut is mined in a series of phases which result in the mining of 83.5 million tonnes of material over the 24-year life. The tonnage excavated in each stage – and the total – are itemised in Table 7.

Description	Unit	Phase 01A	Phase 01B	Phase 02	Phase 03	Phase 04	Total
Ore	Mt	0.3	4.2	7.3	5.4	4.4	21.5
Overburden	Mt	0.3	1.1	0.3	0.4	0.7	2.8
Waste	Mt	0.6	7.8	13.0	19.0	18.7	59.2
Total	**Mt**	**1.2**	**13.0**	**20.6**	**24.8**	**23.7**	**83.5**

***Table 7** – LCGP Ultimate Open Cut Material Movements.*

The phased sequence of extraction is best shown in the longitudinal cross section outlined in Figure 12.

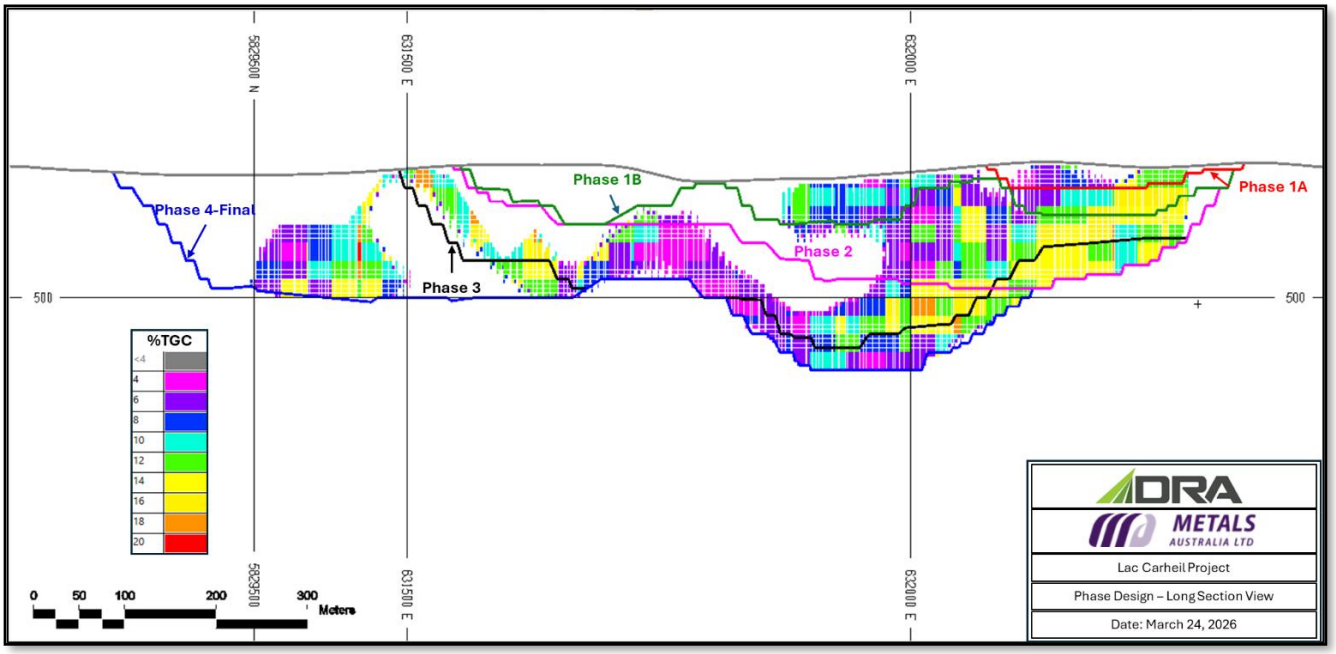

***Figure 12** – LCGP Mining extraction phases – 1A, 1B, 2, 3 & Phase 4 – Final.*

The three categories outlined in Table 7 are mined in sequence. Overburden is defined as topsoil or organic material which will be stockpiled separately for future mine rehabilitation purposes. Waste rock will be stacked within the co-disposal storage facility. Both the waste rock and the tailings will be separated into PAG (Potentially Acid Generative) and NAG (Non-Acid Generative) waste streams – with each being selectively placed within the storage facility. The proposed mine plan will generate approximately 59 million tonnes of waste rock material, which excludes overburden. Assuming a swell factor of 30%, a volume of 27 million m^3 of waste storage is required for waste rock within the co-disposal facility. A graphical image showing a perspective view of both the overburden stockpile and the Co-Disposal is shown in Figure 13, below.

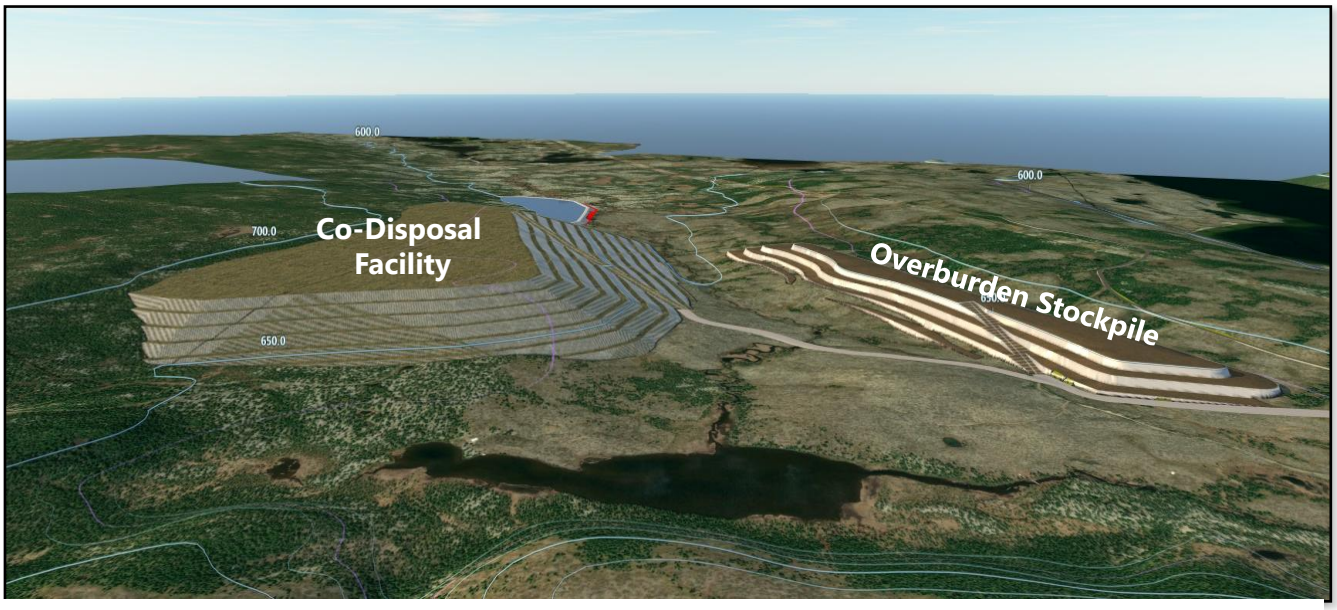

***Figure 13** – [Source DRA 2026] - LCGP: Tailings Co-Disposal Facility (TCDF) for the long-term storage of Waste rock and Dry Tailings & the Overburden stockpile used for storage of Topsoil or organic material for future use in mine rehabilitation.*

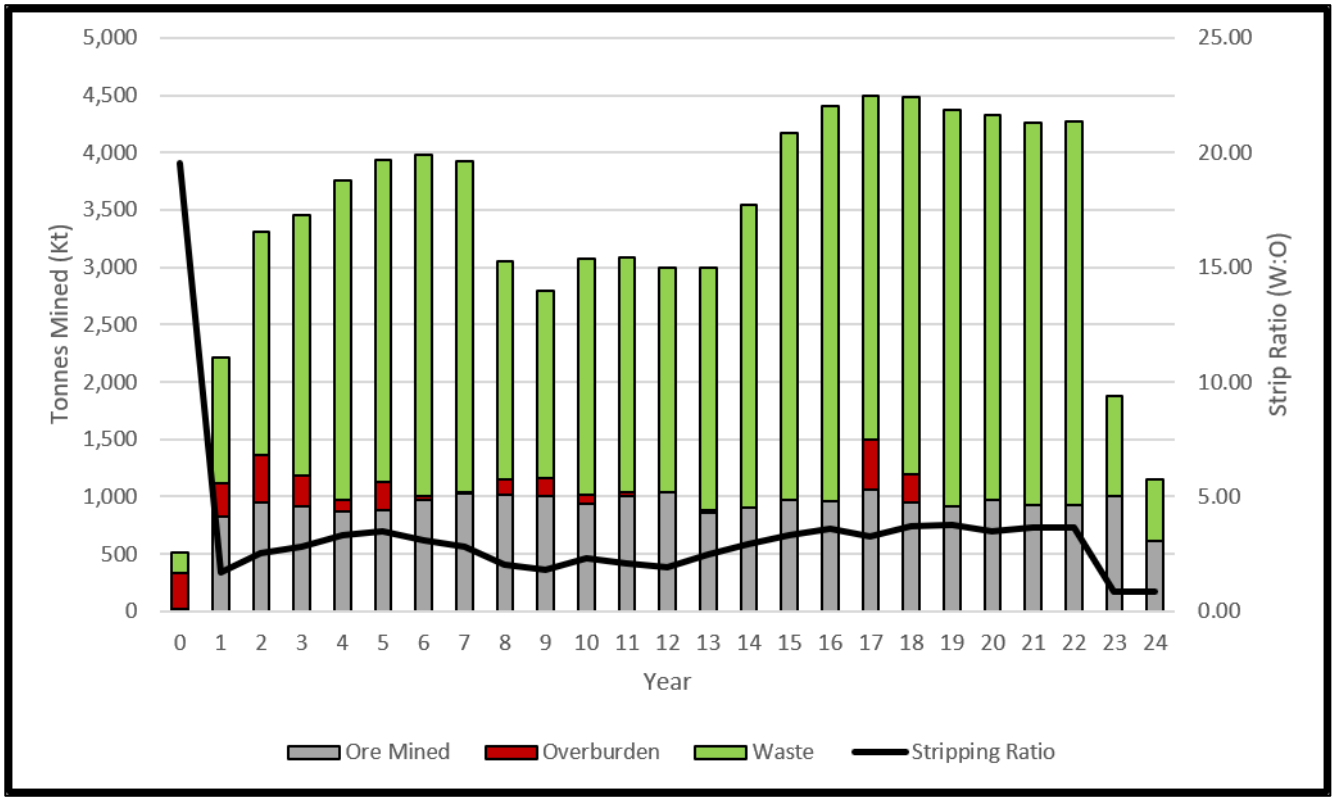

***Figure 14** – [Source DRA 2026] LCGP Mine Production by year for Ore, Overburden & Waste Rock. The annual stripping ratio is also shown as a black line. The stripping ratio is calculated as the total tonnage of waste and overburden removed per tonne of ore mined*

The Mine production plan, showing annual material movements and the average strip ratio for the project is summarised in Figure 14. The ore mined is approximately 21.5 million tonnes over the scheduled life of the mine.

Ore will be hauled direct to the crusher pad or temporarily stored on the Run of Mine Stockpile prior to crushing.

Mine Progression has been prepared in detail from pre-development (Year 0) and then annually for Years 1 to 5. Progression is then prepared 5 yearly for Year 10,15 and 20, before the end-of-life pit is shown. Examples of the mine progression are illustrated below for Year 1,5,10 and 20. These are presented in Figures 15, 16,17 and 18.

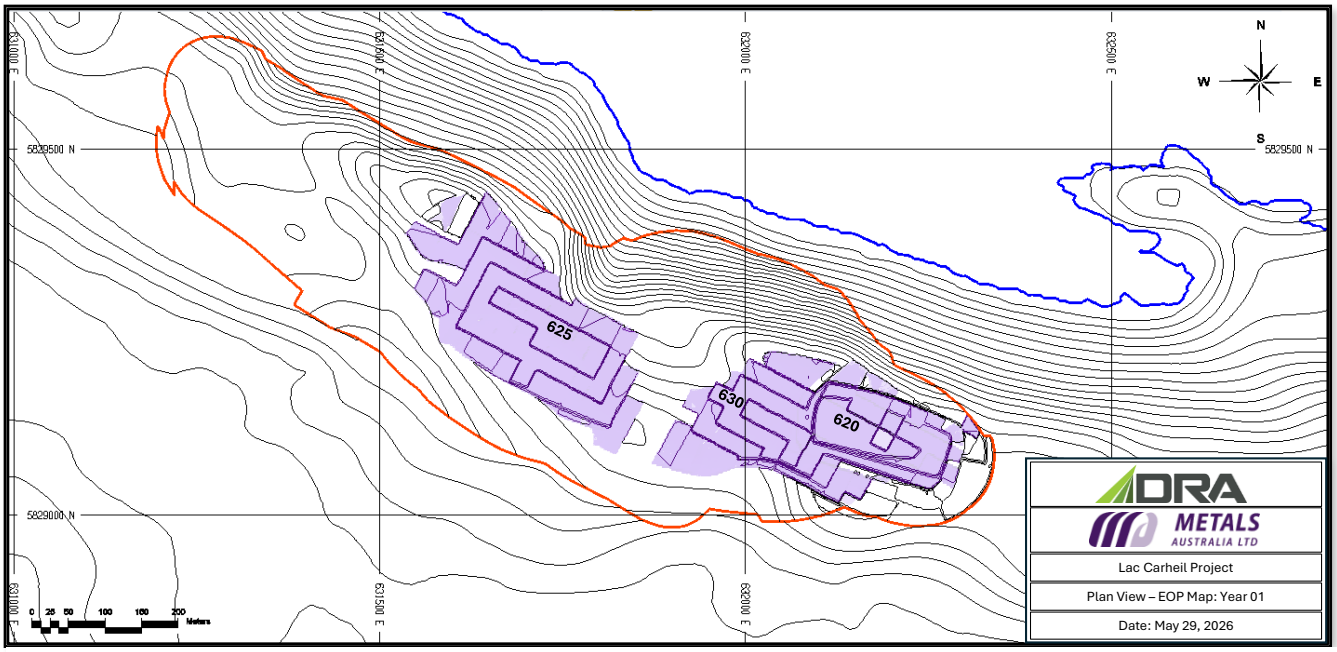

Figure 15** – LCGP Open Cut Mining progression at the end of **Year 1.

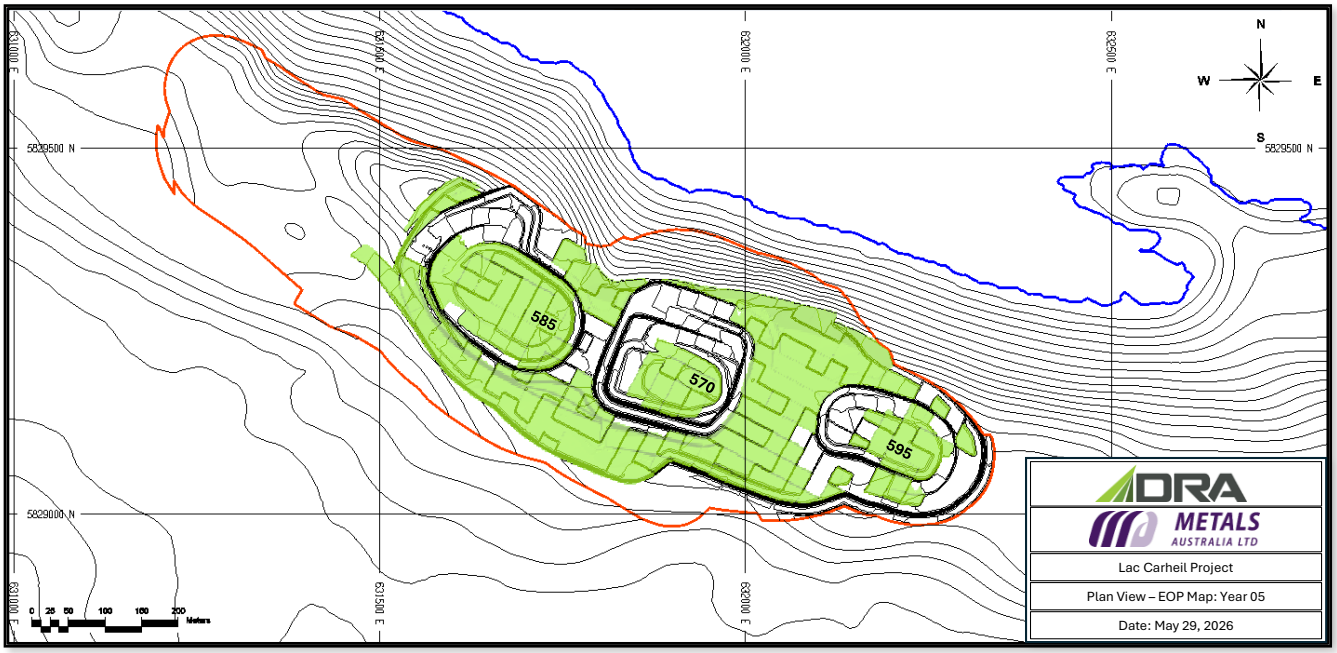

Figure 16** – LCGP Open Cut Mining progression at the end of **Year 5.

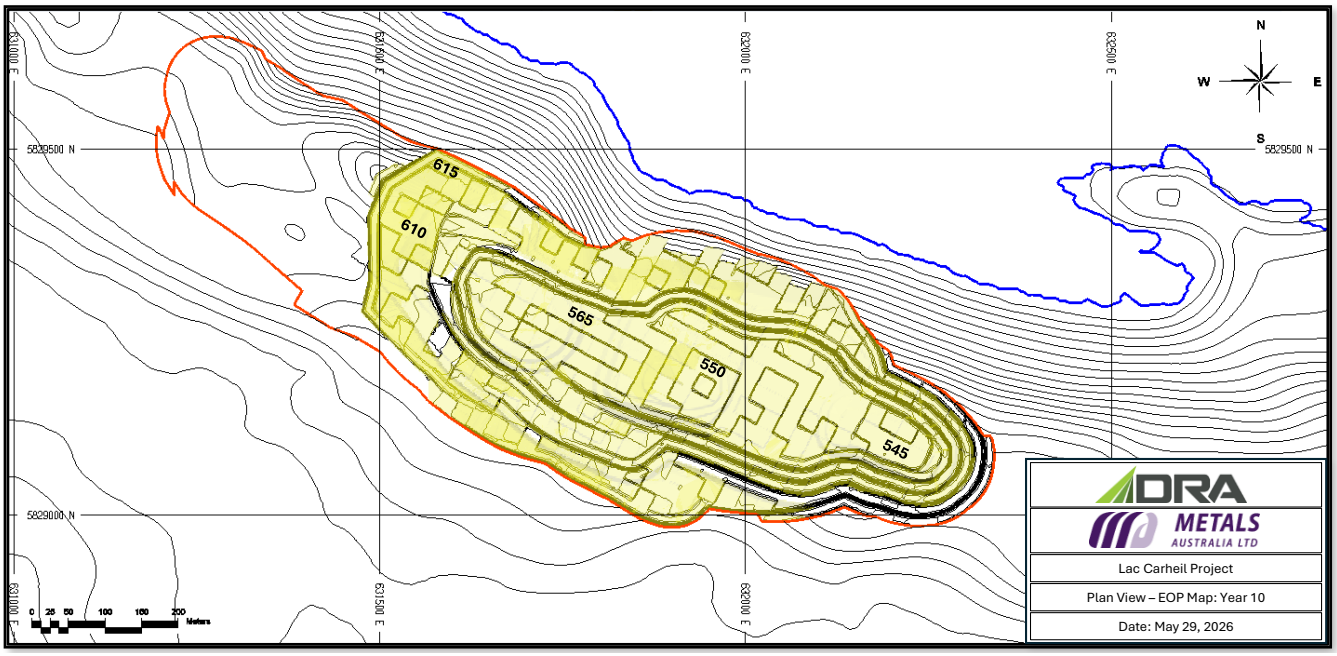

*Figure 17 – LCGP Open Cut Mining progression at the end of **Year 10.***

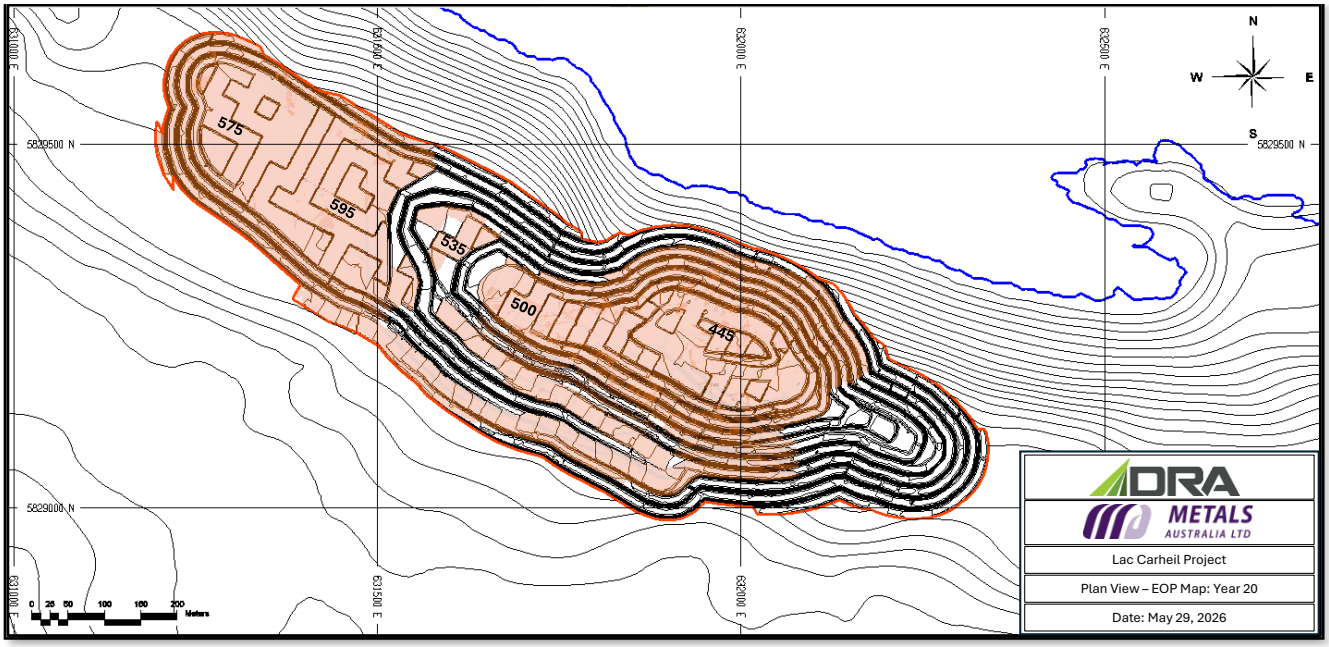

*Figure 18 – LCGP Open Cut Mining progression at the end of **Year 20.***

Flake Graphite Concentrate Plant – Test-work, Design & Operation

The metallurgical test work program that provided data for the design basis of the Flake Graphite Concentrate plant was designed by MetPro Management Inc. (MetPro), specialists in the development of design solutions for natural flake graphite deposits. The test work program was conducted by SGS at their laboratory in Lakefield, Ontario under the guidance of MetPro[8].

The Design basis for the flow sheet included a requirement to produce 100,000 tonnes per year of natural flake graphite concentrates at a grade at or above 95% Cg. The process further required preservation of natural flake graphite size from unnecessary flake degradation in processing, with an aim to produce three concentrate

product sizes; a coarse grade (+48#); a medium grade (-48# to +100#) and finally a fine flake graphite grade (-100#), with the latter to be investigated as feedstock for a planned Battery Anode Material refinery.

The final significant consideration in design was for the process to produce dry stacked tailings products that would be further separated into high sulphide tailings (likely to be Potentially Acid Generative, or PAG) and Low Sulphide Tailings (likely to be Non-Acid Generative, or NAG). This latter design basis was aimed at producing tailings that could be selectively deposited in a Co-Disposal Facility that would substantially reduce environmental impacts associated with their long-term storage. The process would eliminate the need for a conventional Tailings Storage Facility (TSF). This would be a significant point of difference for the operation, when compared to mining operations in proximity to Lac Carheil and recognised, early in design, feedback that had been provided from stakeholder groups, concerned with waste streams that may have an adverse impact on the regions sensitive water ways.

With these considerations in mind, the program included a wide range of tests to optimise parameters for the planned flow sheet for the flake graphite concentrate plant design (refer Figure 19).

The sample used for the program was based on available drill core intervals aligned with the projected first seven years of mining operation to produce mine life composites and variability samples[9]. A Master Composite was generated by combining weighted sub-samples of the mine life composites. This master composite was used to optimise the process flowsheet and conditions, and the variability samples were then subjected to this flowsheet to confirm the robustness of the flowsheet.

A total of 18 flotation tests were completed on the Master composite to optimise the Lac Carheil flowsheet and conditions. The flowsheet employs standard mineral processing equipment that is successfully used in other graphite operations. The chosen split flowsheet will minimize degradation of the larger flakes, produce the three products required and produce the two dry tailings streams expected.

The Master Composite was subjected to locked cycle flotation testing (LCT), and the results are presented in Table 8. The combined concentrate graded 95.4% C(t) at a very high total carbon recovery of 96.7%.

Sample ID	Weight %	Assays (%) C(t)	% Distr. C(t)
Combined Concentrate.	13.5	**95.4**	**96.7**
+100 mesh 2nd Cleaner Conc.	4.3	**95.3**	**31.1**
+100 mesh 1st Cleaner Tails.	0.2	12.9	0.16
-100 mesh 4th Cleaner Conc.	9.1	**95.5**	**65.6**
-100 mesh 2nd Cleaner Tails.	0.5	14.7	0.5
-100 mesh 1st Cleaner Tails.	0.5	13.1	0.51
2nd Cleaner Tails.	7.1	1.73	0.92
1st Cleaner Tails.	16.0	0.42	0.50
Scavenger Tails.	62.3	0.14	0.66
Head (calc).	100.0	13.3	100.0

Table 8: *Locked Cycle Flotation Test Results – demonstrating very high recovery of Lac Carheil graphite*

The combined concentrates were submitted for a size fraction analysis, which demonstrated that approximately 6% of the concentrates will report as Large (+48#) product, while 19.5% will report into the medium fraction (48 to +100#) and 74.5% will report as Fine Flake concentrate product. The results are tabulated in Table 9.

Product Size	Distribution Wt.%
+48 Mesh	6.0
48 to + 100 Mesh	19.5
-100 Mesh	74.5
Totals	**100**

***Table 9**: Product Size distribution.*

Key features of the process flow sheet design are covered below and displayed in Figure 19. A high-level summary of the overall process is also summarised below:

Run-of-Mine (ROM) ore will be trucked from the pit to the jaw crusher station for direct tipping into the dump pocket using mine haul trucks. A mobile rock breaker will be utilized to break oversize rocks at the top of the dump pocket. Dust suppression with fog sprays will be automatically activated during tipping. Extraction of the dust from the discharge points below the crusher will be done with dry dust extraction systems.

The vibrating grizzly will scalp out the fine material from the jaw crusher feed and will be conveyed together with the crushed material to the crushed ore stockpile via conveyor. The crushed ore stockpile feed conveyor will be equipped with a weightometer for crushing throughput control and a tramp metal magnet system to protect downstream equipment.

The process plant includes the following steps, circuits and major equipment items:

- **Crushing circuit**: Jaw crushing of run-of-mine (ROM) material and storage onto a covered crushed ore stockpile. Plant throughput is designed to process 860,000 tonnes of ore annually.
- **Grinding circuit**: SAG milling and a single-stage ball mill operating in closed circuit with cyclones.
- **Coarse graphite recovery** from the combined SAG discharge and cyclone underflow by flash flotation, followed by rougher graphite recovery. Flash flotation is employed early in the process to minimize flake size further reduction.
- **Upgrading** the combined graphite concentrate generated from flash and rougher flotation by 2-stage polishing and 4-stage cleaning.
- **Sizing of the intermediate concentrate** into 2 size fractions (+100M and -100M) followed by attritioning and cleaning of the sized products separately.
- **Sulphide recovery** by flotation followed by **magnetic separation** from the graphite rougher tailings to produce a tailings product **low in sulphur content**.
- The cleaner tailings are combined with the high-sulphur flotation concentrate.
- **Thickening and filtration** of low-sulphide and high-sulphide tailings separately.
- Graphite concentrates **filtering followed by drying, product sizing and bagging** of the sized graphite concentrates.
- Three products are produced – Large Natural Flake Graphite concentrate (+48 Mesh), Medium Natural Flake Graphite concentrate (+100 Mesh) and Fine Natural Flake Graphite concentrate (-100 Mesh).

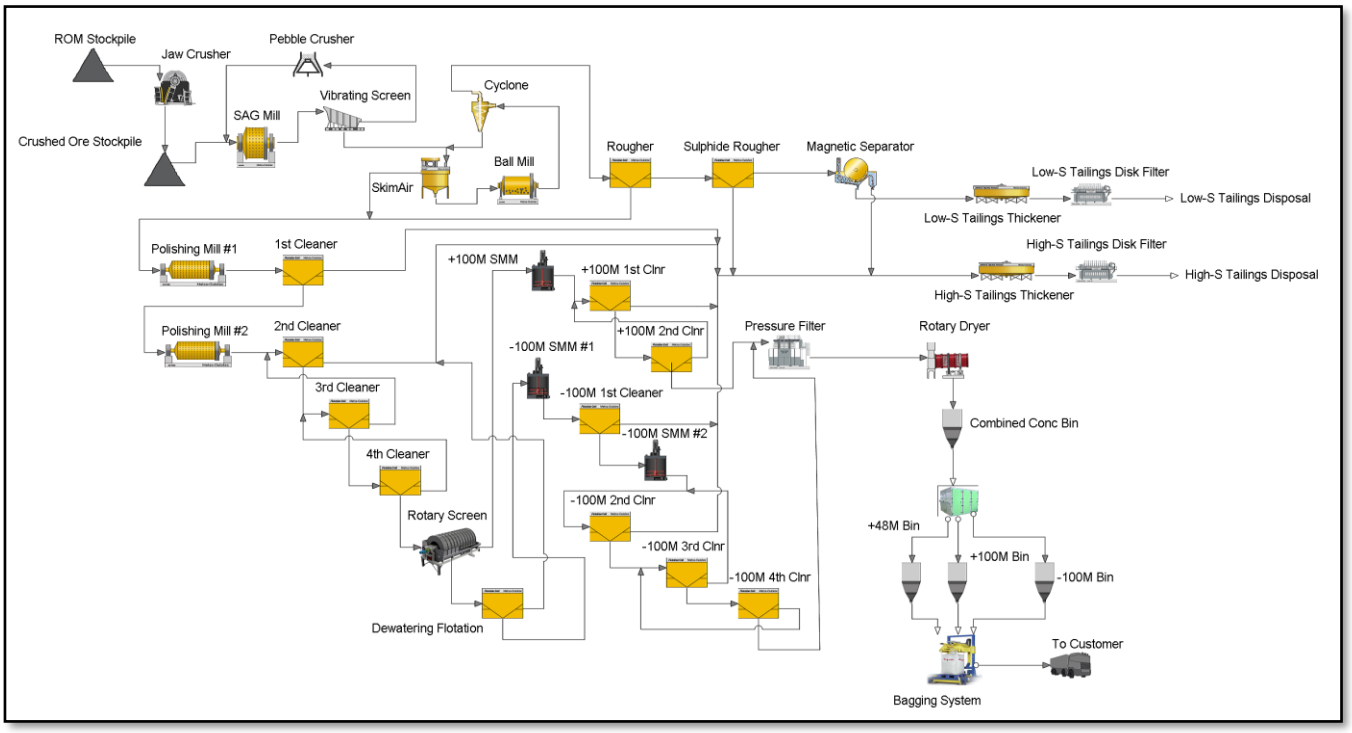

Figure 19: Lac Carheil Graphite Project – Flake Graphite Concentrate Plant Flowsheet

A visual representation of the process plant is outlined in Figure 20 below.

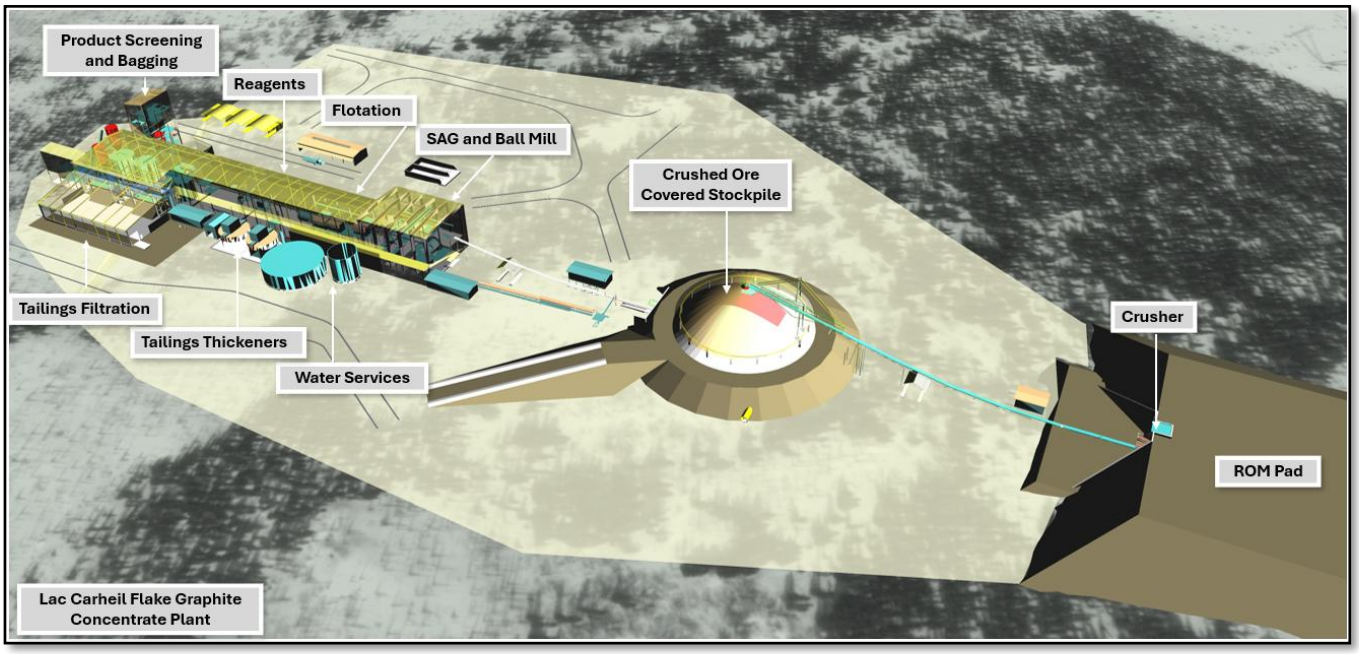

Figure 20: [Source: Lycopodium 2026] - LCGP Flake Graphite Concentrate Plant - 860,000 tonne processing capacity will produce 101,241 tonnes per annum of high purity graphite concentrate products (95.4% TGC).

Project Infrastructure – Power, Buildings, Roads

Infrastructure to support the Lac Carheil Graphite Project will consist of site civil work, process buildings and non-process buildings, water management, a co-disposal waste storage facility for waste rock and tailings. All site electrical power distribution, including power supply to the project and a Main Project Access Road (MPAR) linking the project to the 389 Highway.

Mine facilities and process facilities will include services with potable water, fire protection, compressed air, power, diesel, communication, and sanitary systems. The Lac Carheil property overall site layout is shown in Figure 21

The processing plant and the Co-disposal storage facility will be located within the Lac Carheil property, along with most ancillary project infrastructure. Infrastructure for the project will include:

- Process plant, including crushing, stockpile, and mill.
- Process and non-process (ancillary) buildings.
- Access roads.
- High voltage ("HV") substation and site-wide electrical distribution.
- Fuel storage and dispensing area.
- Waste rock storage facility and co-disposal storage facility.
- Water management ditches and collection ponds.

Power to the project will be supplied from the closest Hydro Quebec grid substation via a 34.5 kV high-voltage transmission line to a newly constructed plant sub station. A new 34.5 kV feeder bay will be established at the Hydro Quebec substation to facilitate the supply of power to the new 34.5 kV transmission line connecting to the plant substation. The line will be supported on wooden H-poles for approximately 25.6 km. Overall process plant installed power has been calculated at 10.8 MW, with estimated maximum power demand of 8.47 MW and average power consumption of 7.2 MW. Given the relatively modest demand for site power, renewable power options (wind turbines and Battery Energy Storage System (BESS)) are also being investigated and will continue during Final Feasibility study assessment.

A summary of non process buildings that have been included in the project are tabled.

Description	Construction	Length m	Width m	Height m	Area m^2
Mining Truck Shop / Wash Bay, and Offices	Pre-Engineered	48	44	16.6	2,112
Plant, Administration Office and Dry Facilities	Modular	24	24	3	576
Security Gatehouse	Modular	10	3	3	30
Plant Maintenance Workshop	Insulated Fabric	24	12	8	288
Process Area Warehouse	Insulated Fabric	24	24	8	576
Reagent Storage	Pre-Eng	31	10	5	310
Laboratory	2 x 40' Sea Con.	12	6	2.4	72
Mine Offices	Modular	44	22	3	968
Canteen	Modular	14	10	3	140
Mine Dry	Modular	20.8	10	3	208

Table 10: LCGP – List of non process buildings included for the project.

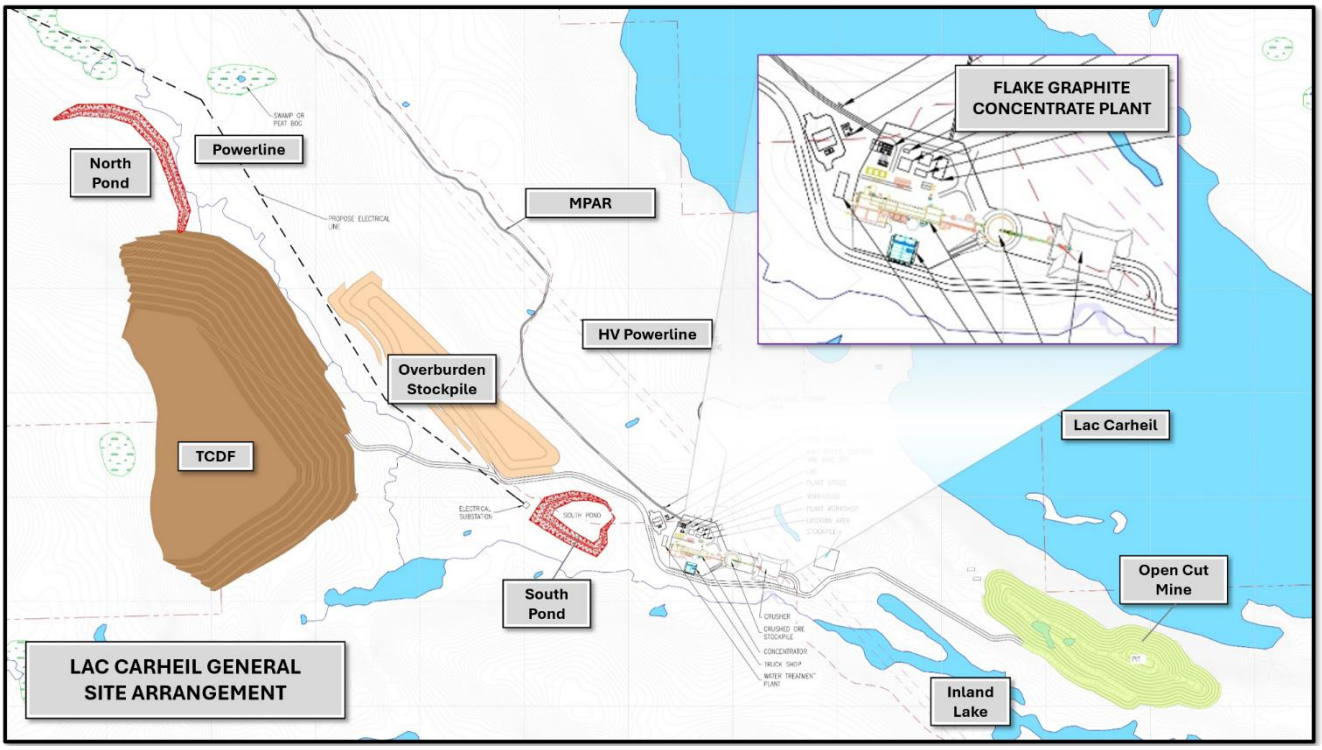

Figure 21: [Source: DRA 2026] - LCGP Project site – Mine, Concentrate Plant, TCDF (Tailings Co-Disposal Facility), MPAR (Main Project Access Road), Haulage and Access roads, ponds and power are illustrated

Major roads proposed for the project are summarised in Table 11. All listed haul roads are design at 24m wide, while the all-season Main Project Access Road (MPAR) is designed at 8m wide. Remaining access roads are planned at 6m in width. All roads will be maintained by the mining team – with graders, a water truck (summer) and sanding spreader (winter) provided for in the equipment list.

PROJECT ROADS	Distance	Cost
Road	**m**	**$USD (M)**
Haul Road – Pit to TCDF	2,988	2.5
Haul Road - ROM	145	0.1
Haul Road – Overburden Stockpile	764	0.6
Main Project Access Road	9,826	3.8
Explosives Storage Access Road	818	0.2
Total	**14,541**	**7.2**

Table 11: Project Roads – List of major project roads, including construction lengths and Capital Cost estimate (costs have been rounded for tabulation)

Tailings and Water Management

Tailings and water management work scopes for the project were completed by GS2 consultants, in close collaboration with Lycopodium and DRA to integrate tailings and waste rock schedules.

Tailings Management

The proposed Tailings Co-Disposal Facility (TCDF) for the Lac Carheil Graphite Project is based on a dry-stack filtered tailings and zoned co-disposal approach developed to manage both geotechnical stability and Acid Rock Drainage (ARD) risks under conservative geochemical assumptions.

The facility integrates filtered tailings and waste rock within a staged, engineered landform intended to encapsulate potentially acid generating (PAG) materials, minimize oxygen and water ingress, and support progressive construction and closure throughout the life of mine (LOM).

The facility consists of an internally contained PAG core surrounded by a structurally buttressed Non-Acid Generating (NAG) shell. The PAG core is comprised of co-disposed PAG waste rock with PAG and extraneous NAG tailings at an average target volumetric ratio of approximately 68:32, forming a continuous rock skeleton with incorporated tailings fines intended to reduce air permeability and improve moisture retention. Surrounding the PAG core is a Mixed NAG transition zone consisting of co-disposed NAG waste rock and NAG tailings at an approximate 80:20 volumetric ratio. This transition zone functions as both a geochemical buffer and a hydraulic control feature while supporting encapsulation of the PAG core.

Compacted NAG tailings sealing layers and cap zones are incorporated at selected elevations and upper portions of the facility to reduce vertical infiltration into underlying reactive materials. The sealing layers are positioned within internally buttressed benches where they remain protected from erosion and direct exposure. The outer shell of the facility is formed using NAG waste rock configured in conventional benched slopes intended to provide long-term structural stability, erosion resistance, operational access, and drainage control.

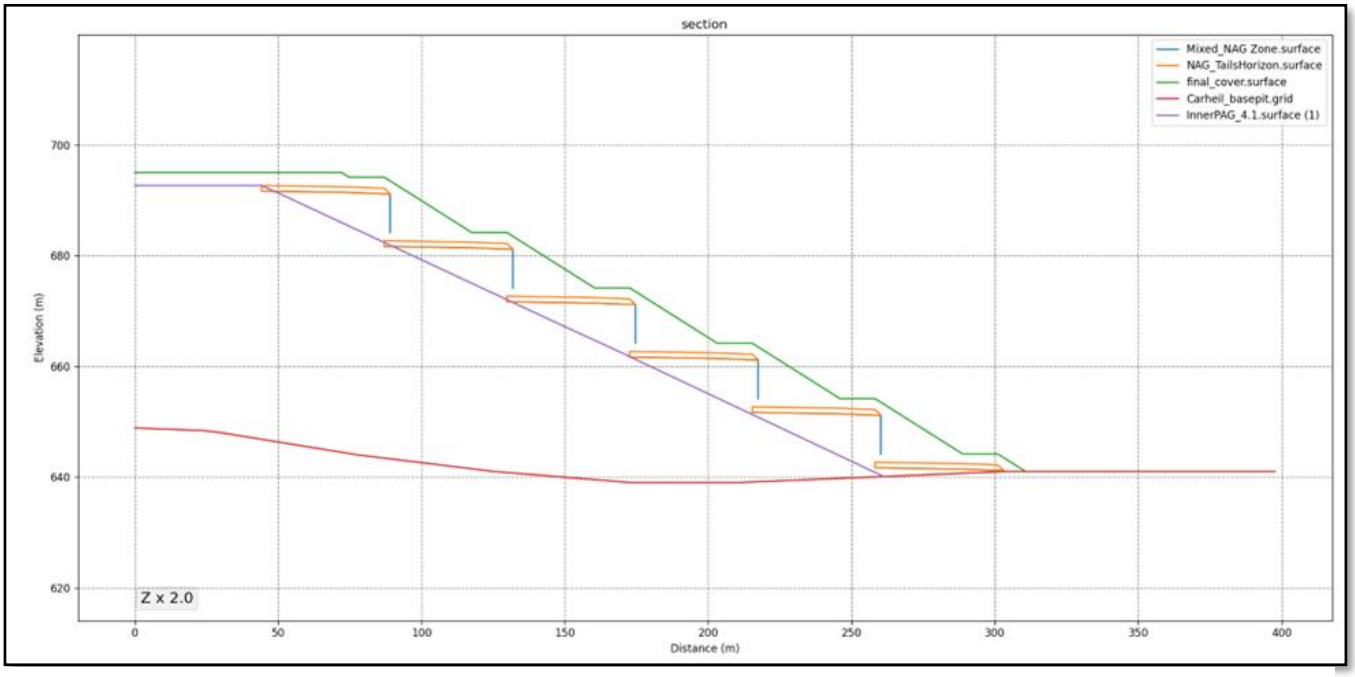

Figure 22: LCGP: Typical Cross Section of the Co-Disposal Facility, with PAG tailings and Waste rock encapsulated within an outer structure of NAG tailings and Waste rock. A final cover surface (green line) is shown at the end of the project.

The overall geometry of the co-disposal facility has been developed to support staged construction, progressive encapsulation, and controlled surface water management. Internally benched transition zones and sealing layers extend inward from the external slopes to intercept infiltrating water and promote outward-directed drainage toward the NAG shell, thereby reducing the potential for contact between water and PAG materials. Bench widths are also intended to provide adequate working space for haulage, material placement, compaction, and drainage infrastructure during operations. Refer to Figure 22.

Over the LOM, the facility is expected to incorporate approximately 20.7 million m^3 of PAG waste rock, 7.4 million m^3 of PAG tailings, and 2.5 million m^3 of NAG tailings within the core.

The transition zone will be made up of 3.2 million m^3 of NAG Waste Rock and 0.8 million m^3 NAG tailings. Within the cap and sealing layers, there is 0.65 million m^3 of NAG tailings, and approximately another 3.2 million m^3 of NAG waste rock in the outer shell. The facility is projected to reach an overall average final elevation of approximately 685 meters above sea level at closure. Additionally, there are roughly 2.4 million m^3 of NAG waste rock available for usage outside of the TCDF if desired, otherwise this material may also be impounded in the facility.

Water Management

The site water management system includes two primary containment ponds and ditches designed to collect and manage contact water runoff generated from mining and site infrastructure areas. Ditches and berms will also be used to redirect non-contact water from these areas. Refer to Figure 21 above.

The North Pond is intended to receive runoff from the TCDF, the topsoil and overburden stockpile areas, and northern site roads. The pond has an estimated live storage capacity of approximately 556,000 m^3.

The South Pond is intended to receive open pit dewatering flows as well as runoff from the southern site roads, explosive storage access road, and mill pad area. The pond has an estimated live storage capacity of approximately 175,000 m^3.

Collected water in both ponds will be pumped to a Water Treatment Plant (WTP) and treated using a physicochemical separation process. The treated water will then be discharged to an approved effluent point.

The preliminary water balance accounts for seasonal variability in contact water generation, with the highest treatment demands occurring during spring freshet and major precipitation events. Under average annual conditions, monthly contact water volumes requiring treatment range from approximately 67,200 m^3 to 595,200 m^3. Under project flood year conditions, peak monthly contact water volumes may increase to approximately 1.1 million m^3 during May.

The combined WTP inflow is estimated at an average operating flowrate of approximately 349 m^3/h, with peak treatment requirements reaching up to 1,480 m^3/h during extreme conditions. The North Pond contributes the larger proportion of site contact water flows, with peak discharge rates estimated at 1,090 m^3/h, while the South Pond peak flowrate is estimated at 390 m^3/h.

Environmental & Social Considerations for the Project

Environmental and Social Considerations for the project were completed by Norda Stelo (environment) and Transfert Environnement et Société (social).

Environmental work included a broad-based assessment of the physical and biological settings for the project in addition to geochemical assessment of rock within the project setting. The study included a detailed assessment of the regulatory and permitting requirements for the project.

The social assessment for the project has been, and continues to be, a core focus of the project throughout its development. Initial work included stakeholder mapping and engagement to understand the positions of each stakeholder group in relation to the project's development. It was during this early engagement that the company made the decision to include dry tailings into the design basis for the project – to ensure that the project has the least practically possible impact on the water ways surrounding the project.

Environmental Summary

The study aimed to describe the environment and the natural habitats existing within the LCGP project area based on an analysis of public data and available information on the physical and biological components of the region. In addition, the study sought to identify potential environmental issues and constraints that can influence the project. The study investigated an area covering approximately 870 ha and included the two main infrastructure elements required to connect the project - an access road of approximately 10 km in length, and a project powerline (34.5 kV), estimated to be around 26 km long.

The LCGP area is characterized by low rounded hills with a discontinuous cover of glacial till. The valleys are mostly covered by bogs, wetlands with numerous lakes and small streams. They show the influence of glacial erosion and deposition processes and contain undifferentiated glacial till and fluvioglacial deposits of sand and gravel. Some areas, particularly on the top of the hills, are characterized by very thin till with outcrops.

The hydrographic network is extensive in the LCGP area with presence of several lakes, ponds and streams. The LCGP area is part of the *Rivière Carheil* sub-watershed, that discharges into the *Rivière des Pékans* which is the largest tributary of the *Rivière Moisie*. This is the same sub-watershed for the town of Fermont.

A first phase hydrogeological study was conducted in 2025 at the project site. This preliminary field study was focused on maximum hydrogeological information gathering, testing from the diamond drilling activities and general field investigations. This hydrogeological investigation was conducted during the drilling activities with the following main objectives:

- First phase assessment of hydrogeological conditions at site.
- Water level measurements in exploration and observation holes to evaluate the water table surface depth and extent across the study area.
- Identification of rock mass discontinuities and fractured zones. Preliminary rock mass permeability assessment.
- Preliminary groundwater geochemistry.

The aquifer formation across the project consists of fractured rock mass with a relatively low overall permeability. Discontinuities and fractured zones of higher permeability have been observed at specific drill hole locations.

The Groundwater depth was measured at 10 m to 30 m from the surface across the study area. The water table appears as a dome shape surface following the topography of the project site. A groundwater geochemical sampling program was carried out for the LCGP in 2025.

The LCGP area is in the spruce-moss bioclimatic domain, in the vegetation subzone of the closed boreal forest. The boreal forest zone is the largest vegetation zone in Quebec and is dominated by coniferous forests. As for the road and power line rights-of-way, they are mainly in the bioclimatic domain of the spruce-lichen forest, in the vegetation subzone of the open boreal forest.

In addition to investigating the physical settings of the project area, the study investigated the area for protected plant species, protected areas generally and critical habitats. The study did not identify protected plant species within a 10km radius of the project. Additionally, no designated biological refuges or biological refuge projects are found in the project study area. The Project is located near the *Réserve de territoires aux fins d'aire protégée de la Rivière-Moisie* and the *Réserve aquatique projetée de la rivière Moisie*. The *Réserve aquatique projetée de la rivière Moisie* is part of Quebec's strategy for protected areas, and a conservation plan was adopted and amended in 2008.

The study included investigations into the following species – with high level finding summarised. **All the below lists are planned to be formally investigated by field surveys,** with many occurring this summer.

- Fish and Fish habitat – Species likely present are not protected.
- Avian Fauna – A list of vulnerable species has been identified in the broader regional area. Site surveys will investigate the project area.
- Herpetofauna – 11 common species are assessed as likely present with none having protection status.
- Micromammals – 14 species are assessed as likely present. Two of these are listed as vulnerable and need to be further assessed via field surveys.
- Chiroptera – Of the bat species potentially present, two species are listed as threatened and vulnerable.
- Other Mammals – Of all mammals likely present in the regional area, three have protection status (threatened or vulnerable).
- Woodland Caribou – Systematic aerial survey in 2021 overlapped the project area.

The environmental field surveys to investigate the above items are all planned for this summer, with Norda Stelo biologists and field specialists undertaking all survey work.

Social Considerations Summary

Metals Australia began assessing the Lac Carheil Project area in 2017, initiating early engagement with nearby cottagers and assisting with the clearing and refurbishment of access tracks around the project study area. Since those initial efforts, regular communication has been maintained with cottage owners, local snowmobile and ATV clubs, primarily through interfacing with Magnor exploration Inc. Engagement activities were renewed in 2024 and continued through 2025 and into 2026 as part of ongoing efforts to maintain dialogue with communities of interest. Since mid 2024 the company has been working very closely with Transfert Environnement et Société regarding the social aspects of the project, including all stakeholder engagement. Through the meetings and discussions held so far, the company has sought to understand the concerns of the key stakeholder groups related to the project and has heard the following:

- **Infrastructure Capacity and Investment**: various stakeholders emphasized the need to assess whether existing infrastructure can accommodate Project electricity demands or whether investments or upgrades would be necessary. *The company notes its relatively small power demand requirements relative to other significant mines in the region. The company is working closely with Hydro Quebec. An update on the project's power demand is scheduled now that the results from the PFS have become available. In parallel, the company has also commenced early discussions with an alternate power supplier – utilising a wind farm and Battery Energy Storage Solution.*

- **Workforce and Employment Arrangements**: the importance of prioritizing local employment opportunities over fly-in / fly-out arrangements were emphasized to maximize local economic benefits and long-term regional development perspective and population growth. The strong local support for local based employees needs to be balanced against skill availability and suitable housing. However, the project is generally well received in the community. *Given its relatively small workforce, all employees are expected to live in one of the three local communities - Fermont, Wabush or Labrador City*.
- **Safety and Shared Infrastructure Use**: safety concerns were identified related to potential shared road use between project vehicles and recreational users, and potential impacts on trail infrastructure, particularly given the proximity of snowmobile trail networks to the project study area. The need for advance notification of project activities was emphasized to enable safe coexistence of industrial and recreational traffic. This concern will be addressed with the plan to construct a new Main Project Access Road (MPAR) to the project site, from the under construction 389 highway, to ensure suitable separation between project and recreational vehicles.
- **Communication**: request for proactive communication of activities to support harmonious coexistence (recreational users in the area). *The company maintains an open dialogue with all stakeholders – with updates on the project's progress communicated to all stakeholders*.

During preliminary discussions, the following potential benefits and opportunities were identified:

- **Economic Development**: the project was recognized for its potential to bolster Fermont's economic growth and diversification through multiple channels: development of the graphite and battery sectors, stimulation of local business activity, employment generation, enhanced infrastructure development (including potential windfarm development in line with past and existing local initiatives to develop this sector) and utilization of available land and existing road networks, population growth through attraction of new residents, and establishment of long-term revenue streams extending beyond the operational timeline of current regional mining activities, notably the anticipated closure of the Mont Wright mine in the 2040-2050 decade.
- **Community Expertise and Alignment**: Fermont's established mining sector expertise was identified as presenting strong alignment opportunities for the Project, with an existing knowledge base and experience in mining operations positioning Fermont to support and benefit from project development. Training opportunities were also identified.
- **Accommodation Infrastructure Development**: the project could speed up development of accommodation infrastructure in the region, providing benefits both for project personnel and for broader community use.
- **Economic Diversification**: The project's strategic regional importance, the potential for economic diversification, and the relatively limited environmental footprint were highlighted as positive attributes by most stakeholders met to this date.
- **Reduction of environmental impacts:** Questions were asked on the management of tailings as to whether they were inert or not. It was noted that the company intends to produce dry tailings products to reduce the long-term impacts of tailings storage. This design philosophy was adopted very early in the projects PFS planning, with designs now confirming a dry stacked co-disposal facility is technically and economically viable.
- **Recreational Club Support and Synergies**: Opportunities were identified for supporting recreational club operations, including potential financial support for club operations and trail maintenance, thus facilitating membership growth.

Engagement with Indigenous communities has continued through 2024, 2025 and 2026 as part of ongoing efforts to maintain dialogue and collaboration with ITUM and Pessamit First Nations communities and keep them informed on project developments. More recently, a project presentation was made during the last week of February to provide a progress update to the ITUM Band Council at their offices (Transfert Environnement et Société, 2025), and to Pessamit's Economic Development team (also in February 2026, at their Pessamit office). Since then, the company has continued to communicate its project updates – with the PEA reports, prepared in French, being sent directly to both groups.

The company is committed to working with both First Nations communities and understands their strong desire to ensure that any project minimises impacts on lands that have been used for traditional practices – such as hunting, fishing and spiritual and cultural practices, as well as for the transmission of traditional knowledge and cultural practices. The company understands the importance of protecting the water ways that exist near the project site, in particular the protection of the Moisie river that runs approximately 30 km to the southeast of the project site – but is fed from the watershed, including around the project site.

The planned project is significantly smaller than the iron ore projects presently producing in the region. For example, the annual production of graphite at LCGP is around 1/260th of the production of the nearest Iron Ore Mine (i.e. 100,000 tonnes per year compared to Mont Wright at 26,000,000 tonnes per year)[10]. Additionally, LCGP's use of dry stacked tailings stands in contrast to the iron ore mines, who all use conventional open discharge slurry tailings into large open tailings dams.

The company believes that there are significant opportunities and benefits for the First Nations communities – and plans to continue to work collaboratively with the communities to explore and develop those opportunities – including:

- **Economic Development and Employment**: ITUM members emphasized the importance of creating meaningful economic benefits for the community.
- **Indigenous Procurement Opportunities**: Indigenous-owned construction and environmental services capacity were identified as presenting Indigenous procurement opportunities.
- **Integrated Project Planning**: consulted ITUM members emphasized the importance of integrating environmental, cultural, and economic considerations into project design and execution, ensuring that concerns are addressed and that benefits and opportunities are incorporated throughout project development.
- **Collaboration and Engagement Opportunities**: Pessamit expressed an expectation to be consulted on development decisions affecting Baie-Comeau's territory and energy-related topics.

Benchmarking - Comparison to a Canadian Project of National Importance

The LCGP **upstream** (Open Cut Mine & Flake Graphite Concentrate Plant) has now been independently assessed, with the Prefeasibility Study results demonstrating a robust project, which still has significant upside potential for value addition, given the enormity of the graphite endowment underpinning it.

The LCGP **downstream** project (Battery Anode Material Refinery) was separately reported upon in late April, with stunning economics forecast at the Preliminary Economic Assessment (PEA) level[1]. In that report, the publicly available metrices were compared to the Nouveau Monde Graphite (NMG) project (including the Mineral Resource Estimate and the PEA economic results). *The Company cautions making a like-for like comparison given the slightly different stages of the two projects*.

With the PFS results from the upstream project now available, an updated benchmark comparison has been provided in Table 12 below. While the LCGP projects (upstream and downstream) are at different study stages, the combined value of the entire end-to-end graphite project is clearly emerging.

The summary of results from both projects – clearly labelled at their study stage - has been compared to the Nouveau Monde Graphite project, which has been classified by the Canadian government as one of national importance in November of 2025[12]. Further, that project has now completed Financing and has commenced construction.

The results of our recent studies demonstrate that our project compares very favorably. This is viewed as positive for its prospects, as it continues to advance.

Item	(A)	(B = MLS)	Comment
Company	**Nouveau Monde Graphite (NMG)**	**Northern Resources Inc.**[A]	[A] - Canadian owned 100% subsidiary of Metals Australia Ltd
Commodity	Flake Graphite	Flake Graphite	
Location	Quebec, Canada	Quebec, Canada	
Project	Matawine Mine & Bécancour Battery Material Plant	Lac Carheil Graphite Project **(LCGP)**	
Mineral Resource & Reserves:			
Total Mineral Resource - Tonnes **(Mt)**	153.3	50	LCGP: 9 trends, +33 km yet to drill
Total Mineral Resource - Grade **(%)**	4.26	**10.2**	LCGP Resource grade > by 2.4 times
Total Mineral Resource - Cont. Graphite **(Mt)**	6.54	**5.1**	LCGP: less than 7% of graphite drilled
Measured & Indicated Resource -Tonnes **(Mt)** [B]	130.3	24.8	[B]Class of Resource used for Reserve est.
Measured & Indicated Resource -Grade **(%)**	4.26	**11.3**	LCGP: Indicated grade > by 2.65 times
Measured & Indicated Resource - Graphite **(Mt)**	5.55	**2.80**	
Total Mineral or Ore Reserves - Tonnes **(Mt)**	61.7	21.51	Reserve - NMG: "Mineral" & LCGP: "Ore"
Total Mineral or Ore Reserve - Grade **(%)**	**4.23**	**11.14**	**LCGP: Reserve grade > by 2.63 times**
Total Mineral or Ore Reserve - Graphite **(Mt)**	**2.61**	**2.40**	**LCGP: 85.7%** of indicated converted
Cutoff grade – **(%)**	2.50	4.00	**LCGP**: Negligible graphite below 4%
Mining & Concentrate Production:			
Conc. Plant Ore Annual Processing Rate **(Mt)**	**2.56**	**0.86**	**LCGP: Smaller due to grade advantage**
Concentrate Production – Annual Tonnes (t)	**105,882**	**101,241**	LCGP: PFS ~ 95.6%
Carbon Recovery **(%)**	93	96.7	Based on PFS
Concentrate grade **(%)**	97.5	95.4	Based on PFS
Battery Anode Material (BAM)			
Conc. Feed to BAM Plant - Annual Tonnes (t)	91,162	75,000	**LCGP**- PEA Report
Conversion: Concentrate to BAM - **%**	48%	68%	**LCGP**- PEA Report
BAM - Production - Annual Tonnes	**44,100**	**51,069**	**LCGP - PEA, +15.8% more BAM**
Project Financials & Economics (rounded to nearest $0.1million USD)			
Life of project (years)	25	24	**LCGP**- PFS Report
Applicable Royalties - **NSR %**	2	0	**LCGP**: No Royalty
Capex - Mine & Concentrate Plant - **$USD (M)**	**415.1**	**346.3**	**LCGP**: PFS Report.
Capex - Battery Anode Material Plant - **$USD (M)**	**911.3**	**883.8**	**LCGP**- PEA Report
Capex - Project Total - **$USD (M)**	**1326.4**	**1230.1**	**LCGP**: PEA + PFS
Pre-tax			
NPV-8 - Mine & Concentrate Plant - **$USD (M)**	**402.4**	**553.0**	**LCGP**: PFS with Smaller Conc. plant
NPV-8 - Battery Anode Material Plant - **$USD (M)**	**925.5**	**2,050.0**	**LCGP**- PEA Report
NPV-8 - Total - **$USD (M)**	**1,327.9**	**2,603.0**	**LCGP**: PEA + PFS
After-tax			
NPV-8 - Mine & Concentrate Plant - **$USD (M)**	**248.1**	**400.0**	**LCGP**: PFS with Smaller Con. plant
NPV-8 - Battery Anode Material Plant - **$USD (M)**	**800.7**	**1,389.0**	**LCGP**- PEA Report
NPV-8 - Total - **$USD (M)**	**1,048.8**	**1,789.0**	**LCGP**: PEA & PFS

***Table 12**– A comparison of Lac Carheil Graphite's study metrics versus industry leading NMG's project. Items highlighted in yellow are NMG parameters from Feasibility study. Items in green are for LCGP based on PFS (Upstream) & PEA (downstream). Note that "Reserves" are defined as **Mineral** Reserves for NMG (NI 43-101) and **Ore** Reserves for LCGP (JORC 2012).*

Key metrics comparing the projects are now updated in Table 12 above. The information presented includes NMG results published in their NI 43-101 Updated Technical Feasibility Study Report for the project, dated 31 March 2025[8]. In comparison, the LCGP results are reported based on several document sources. Mineral Resources are published to both NI 43-101 and JORC standard and were reported on August 19th of 2025[2]. The downstream project PEA was reported on April 28th of 2026[1], and the Prefeasibility study results, reported now, as the third source of information for the data presented here. The PFS also includes the maiden reporting of Ore Reserves for the LCGP.

When reviewing the summary, the first significant observation relates to the graphite grade of the respective projects. **The LCGP Ore Reserve grade is 2.62 times higher than the NMG projects reported Mineral Reserve grade.** LCGP total reported Reserve tonnage is 92.3% of NMG's – but this is based on drilling only 2.3 km of the 36 Km's of graphite trends mapped and sampled within the LCGP claims.

The higher graphite grade results in a reduced size of flake graphite concentrate plant required for similar levels of concentrate production. **The LCGP Concentrate plant is designed to process 860,000 tonnes of graphite ore per year,** resulting in the production of 101,241 tonnes of flake graphite concentrate products annually[2]. **In contrast, the NMG concentrate plant is designed to process 2,560,000 tonnes of graphite ore each** year – and will produce just below 106,000 tonnes of flake graphite concentrate products per year[11].

The size of the concentrate plant directly impacts CAPEX and OPEX. NMG's combined mine and concentrate plant CAPEX (FS level) is reported at just over **$415 M USD[6]**. LCGP CAPEX for the upstream project is **~$346.3** M USD, lower by around **16%.** The total project CAPEX is estimated at approximately USD$96 M lower than the NMG project (albeit at different classes of study level).

The next observation relates to the annual production of Battery Anode Material products. LCGP requires lower concentrate input into the BAM plant (75,000 tonnes per year) to produce around 7,000 tonnes per annum more BAM products than NMG's project (+15.8% more BAM produced per year). It should be noted that further optimisations will be investigated during our project's Feasibility Study to improve the conversion of flake graphite concentrate into Battery Anode Material, which is currently 68%.

The overall economics for the project are also compared. The LCGP upstream delivers around **$553M** USD on a pre-tax NPV-8 basis (PFS level). The downstream delivery is $**2.05 billion USD** on the same basis (PEA level). **The combined LCGP value is around $2.63 billion USD. This compares to NMG at ~ $1.33 billion USD** (Feasibility study basis). On an after-tax basis, LCGP delivers ~**$1.79 billion USD** NPV-8 (PEA+PFS) while the NMG project is $1.048.8 billion USD (around 58.6% that of LCGP).

Of course, the above numbers for LCGP are a combination of a PEA and a PFS and may alter by the time the project has completed Final Feasibility. The estimated cost of the LCGP contains significant levels of contingency (the downstream project, alone, includes around $180 million USD in contingency), while the upstream is 40.0 million USD. The LCGP project's economics would have to reduce significantly, during the Feasibility study assessment, to approach the reported value of the NMG project. The current difference between the two projects is **$740.2 Million USD on an after-tax NPV-8 basis**, notwithstanding that the LCGP uses a lower graphite price than NMG for economic modelling purposes.

These results compare very favorably with the leading benchmark project used for comparison within the Canadian graphite sector.

The comparison reinforces our decision to accelerate the LCGP project through study phases to Final Feasibility for both the upstream and downstream projects. The LCGP is now well positioned to become Canada's next fully integrated graphite transformation project.

Schedule

A high-level schedule has been prepared showing key project steps required to advance the project to production in late 2030. The schedule comprehends that this is a critical minerals project of the type that Canada is seeking to streamline the approval process for (one project, one approval). Our project is expected to be approved at the provincial level, rather than at the federal level.

The timetable, development pathway and forecast production timing remain subject to the Company securing required funding, completing final feasibility studies, obtaining all necessary regulatory, environmental and social approvals, finalising offtake and marketing arrangements, making a final investment decision and successfully completing construction and commissioning. There is no certainty that these matters will be achieved within the assumed timeframe, or that the forecast production, capital, operating cost or economic outcomes will be realised.

The strong project economics, the requirement for additional graphite projects in Canada, and the advancement of another graphite project already under construction in Canada provide support for the Company continuing to progress the Project. However, the Company notes that the matters outlined above remain subject to the risks and uncertainties associated with financing, approvals, feasibility work, development and market conditions. The schedule is outlined in Figure 23, below.

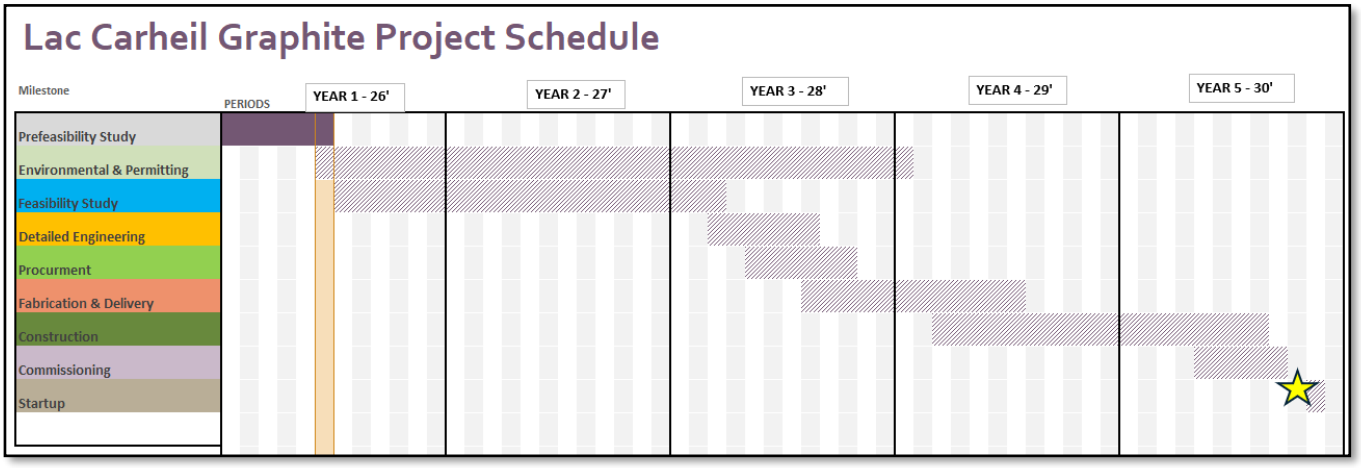

Figure 23: LCGP Project schedule – High level schedule outlining key steps to achieve late 2030 production. The schedule assumes that capital to advance the project through studies – and then through construction - will be available when required

Opportunities to add Project Value at Feasibility Study level

A list of high graded opportunities has been identified during the PFS that have the potential to add significant project value as the project advances to Final Feasibility.

Each opportunity – and its potential benefit are summarised below.

Opportunities to be investigated for FS.

1. **Increasing Ore Reserves within existing open cut mine**: The current 3D Reserve model excluded approximately 6.6 million tonnes of Inferred Mineral Resource. The Inferred Resource is treated as waste in the mine plan. Targeted drilling should convert the resource into reserves for FS, considerably improving mining economics (where waste would be converted to mill feed (option1)).
2. **Assessing benefits of Increased Production Profile**: Opportunity 1 has the potential to add between 6 and 7 years of life to the project. An alternate option (option 2) is to use option 1 to support increasing flake graphite concentrate production from 101,241 tonnes per year to around 135,000 tonnes per annum.
3. **Addition of a 4th Battery Anode Material Processing Module in the downstream project:** Option 2 – higher planned production versus longer life – would permit a 4th processing module to be installed in the downstream refinery in Baie-Comeu. Around 75% of the concentrate produced (~ 100,000 tonnes per annum in the case of the expanded production option) is likely to be fine flake graphite. The combination of 4 separate 25,000 tonne per annum processing plants could deliver another 17,000 tonnes per annum of Battery Anode Material (i.e. increasing current planned production from ~ 51,000 tonnes per annum to 68,000 tonnes annually.)

4. **Investigate Recovery of High Sulphide Tailings for Sulphur & Other Minerals Present**[15]; The current PFS design concentrates high sulphide tailings, which includes other minerals – including precious metals (silver), base metals (e.g. Copper and Zinc) and critical minerals (e.g. gallium and Vanadium). Work to assess the viability of further processing and recovery of these minerals - including the sulphur - will occur during the currently underway metallurgical test work program. There may be an opportunity to potentially sell a portion of the high sulphur tailings – with the added benefit of reducing overall long term tailings storage costs.

Feasibility Study

With critical path work scopes for final feasibility already commenced, the company is now finalising its budget estimates for all Feasibility study requirements. At a high level, costs will largely fall into the following summarised categories:

1. **Drilling Costs**: Three drilling requirements have been identified. They include targeted drilling to add reserves as outlined in Option 1 in the prior section. Geotechnical drilling is also required around the proposed plant site location for foundation design requirements. The final drilling requirement is condemnation drilling (or sterilisation drilling) which is required to confirm that structures such as the Flake Graphite concentrate plant and the Co-Disposal Facility are not placed on graphite trends, which may serve to "sterilise" the areas from being mined in the future. A combination of sterilisation drilling and airborne magnetics can be used to achieve this assessment, given its use in identifying the graphite trends within the claims area so far.
2. **Metallurgical Test Costs**: Three programs have been identified – with the first already fully costed, approved and commenced. Program 1 is the large-scale laboratory test program already commenced for the Flake Graphite concentrate plant design using representative sample from the Ore Reserve. Program 2 is a pilot program using an approximate 10 tonne sample of the Ore Reserve to validate design for the Flake Graphite concentrate plant. An outcome of Program 2 is that it will be planned to produce a 1 tonne sample of concentrate that will be sent to Germany for Program 3 – the metallurgical test program required to achieve final feasibility for the Battery Anode Material Plant. That program will also generate significant quantities of Battery Anode Material (Coated Spherical Purified Graphite) for battery qualification test work.
3. **Engineering Studies:** The required engineering studies for the Final Feasibility Study will include a mining design update (subject to which options are selected above), design for the tailings and water management systems to achieve a final feasibility standard. The Flake graphite concentrate plant design, and the Battery Anode Material Plant design will also be required.
4. **Environmental & Social Impact studies**: Other than costs for drilling, it's quite likely that the environmental and social impact assessment work programs will represent the highest costs for the Feasibility study – and beyond. The programs require significant infield surveys and data collection and interpretation requirements (including laboratory analysis of samples). Work related to the Environmental & Social Impact Assessment has commended and will continue in parallel with the work programs listed above.

Completing large scale drilling, metallurgical test work and engineering studies in Canada to this point provides excellent references for the costs of all the above programs. The company remains committed to advancing the project through its predevelopment stages.

End of Release

About Metals Australia Ltd

Metals Australia Ltd (ASX: MLS) has a proven track record of Critical Minerals and metals discovery and a quality portfolio of exploration and advancing pre-development projects in the highly endowed and well-established mining jurisdictions of Quebec – Canada, Western Australia and the Northern Territory, Australia.

The Company – through **its Canadian subsidiary, Northern Resources Inc.,** is advancing the development of its flagship **Lac Carheil high-grade flake-graphite project** in Quebec, a high-quality project which is well placed for the future delivery of premium, battery-grade graphite to the North American lithium-ion/EV battery market, and other flake-graphite products.

During 2025, the Company reported a significant increase to its Mineral Resource Estimate for the project[2]- The Total Mineral Resource Estimate (MRE) is **50 Mt at 10.2% TGC for 5.1 Mt of contained graphite** [including **Indicated of 24.8 Mt at 11.3% for 2.8 Mt & Inferred of 25.2 Mt @ 9.1% TGC for 2.3 Mt**].

The 2025 drilling program – used to define the significantly expanded MRE – confirmed a combined, continuous strike length of graphitic units over 2.3 km in length (open to the NW and the SE)[2]. In addition to the now updated MRE, the company has previously reported widespread and exceptionally high-grade graphite sampling results from Lac Carheil, including 10 results of over 20% Cg and averaging 11% Cg **across a 36km strike-length on 10 graphitic trends identified within the project**[14]. The new MRE has been defined from drilling on just one of the ten graphite trends, extending over 2.3 km of the 36 km of graphite trends mapped and sampled.

The Company has finalised a metallurgical test-work program on Lac Carheil, building on previous work which has generated high-grade **flotation concentrate results of up to 95.4% graphitic carbon (Cg)** with an overall **graphite recovery of 96.7%[2].** The test work has demonstrated that 25.5 wt.% of the concentrate is in the medium to coarse concentrate size, while 74.5% is -100 Mesh and suitable for feedstock into Battery Anode production[1]. The company recently published the results of its Preliminary Economic Assessment [PEA] or Scoping Study for the design of its proposed downstream Battery Anode Material Production Refinery[1]. The results highlighted exceptional economics for the project – which plans to process 75,000 tonnes of fine flake graphite concentrate annually to produce just over 51,000 tonnes of Battery Anode Material Products per year.

This release publishes results from the Prefeasibility Study that has been completed for an Open Cut Mine and Flake Graphite Concentrate plant. The results confirm a project with strong economics that compare favourably to the only other graphite project advancing in Canada today – and a project that has been classified as one of national importance[12].

The company also provided information related to broader mineralisation that has been observed within the graphite zones[15]. Multi element analysis over two full holes (LC-25-38G and LC-25-46) has demonstrated the presence of precious metals (Silver and Gold), together with base metals (Copper, Zinc, Vanadium and Nickel) and Gallium are present in elevated anomalous levels. The significance of the observation is that the minerals will all be recovered and concentrated as part of the graphite mining and processing operation. Further test work is now planned to assess optimum concentration and recovery steps that can be deployed and to assess the economic opportunities for the minerals. Benefits of alternate disposition options being identified would include reduction in the quantity of tailings needed to be disposed of at the site – and savings in the costs of that disposal.

The Company also holds the Corvette River Project which contains multiple gold, silver and base metals exploration projects in the world-class James Bay region of Quebec. The Company has mapped multiple gold, silver and base metals corridors – with Gold at West and East Eade and Gold, Silver and base Metals at the Felicie prospect[16].

The Company's other key projects include its advanced **Manindi Critical Minerals Project** in the Murchison district of Western Australia. The project includes an **emerging Vanadium-Titanium-Magnetite exploration target** that has now been through a drilling program[17]. The drill program results have confirmed mineralization extending over approximately 1000m along strike on a northwestern-southeastern orientated magnetic

anomaly that has been identified over approximately 2km in length[17]. True width of interpreted mineralization ranges between 75 to 95m[17]. Depth of cover to mineralization has been measured at between 16.5m and 52m vertical depth, with mineralization extending to an overall depth below surface of around 250m[17]. Metallurgical test work on the project to date has confirmed that two high quality concentrate products can be produced – (P1): V_2O_5 bearing magnetite concentrate & (P2): TiO_2 bearing ilmenite concentrate[18].

The Company is also conducting further studies on its high-grade zinc Mineral Resource of **1.08Mt @ 6.52% Zn, 0.26% Cu, 3.19 g/t Ag** (incl. Measured: 37.7kt @ 10.22% Zn, 0.39% Cu, 6.24 g/t Ag; Indicated: 131.5kt @ 7.84% Zn, 0.32% Cu, 4.60 g/t Ag & Inferred: 906.7kt @ 6.17% Zn, 0.25% Cu, 2.86 g/t Ag)[19].

In late December 2025 the company provided drilling results from its Warrego East project in the Northern Territory of Australia[20]. The Company completed drilling on 5 undercover targets established following geophysical surveys (magnetics and gravity) and interpretation. Results have demonstrated deeper potential at Warrego East, where elevated Copper, Cobalt and Zinc results have been interpreted to be consistent with mineralized haloes that have been observed at other discoveries in the Tennant Creek area.

This announcement has been approved for release by the Board of Directors.

References

[1]*Metals Australia Ltd, 28 Apr 2026 - Quebec Anode Project Delivers Strong Refinery Economics*
[2]*Metals Australia Ltd, 19 Aug 2025 – Graphite Resource Expansion Sets Project up as World-Class.*
[3]*https://www.canada.ca/en/revenue- agency/services/tax/businesses/topics/corporations/ business-tax-credits/clean-economy-itc/clean-technology-manufacturing-itc/about-ctm-itc.html*
[4]*https://financialpost.com/commodities/mining/canada-buy-critical-minerals-help-quebec-mine*
[5]*https://focusgraphite.com/focus-graphite-announces-benchmark-feasibility-study-update-for-its-lac-knife-graphite-project-quebec/*
[6]*https://www.renewcanada.net/the-projects/route-389-improvement-program/*
[7]*Metals Australia Ltd, 15 Jun 2020 - Metals Australia Delivers High-Grade Maiden JORC Resource at Lac Carheil**
[8]*Metals Australia Ltd, 8 May 2024 - Major Contracts Awarded to Advance Lac Carheil*.*
[9]*Metals Australia Ltd, 25 Mar 2024 – Metallurgical Programs to Advance Lac Carheil* Development*
[10]*https://mines-infrastructure-arcelormittal.com/en/nos-mines*
[11]*Nouveau Monde Graphite (NYSE: NMG) – 25 March 2025 NI 43-101 Updated Technical Feasibility Study Report for the Matawinie Mine and the Bécancour Battery Material Plant Integrated Projects*
[12]*https://www.canada.ca/en/one-canadian-economy/news/2025/11/nouveau-monde-graphites-matawinie-mine-referred-to-the-major-projects- office.html?utm_source=copilot.com*
[13]*https://www.canada.ca/en/campaign/critical-minerals-in-canada/canadas-critical-minerals-strategy/canadian-critical-minerals-strategy-annual-report-2024.html*
[14]*Metals Australia Ltd, 16 Jan 2024 – Exceptional 64.3% Graphite and New Drilling at Lac Carheil*.*
[15]*Metals Australia Ltd, 30 Sep 2025 – Precious, Base & Critical Minerals in Carheil Graphite Zones.*
[16]*Metals Australia Ltd, 11 Oct 2024 – New Gold-Metal Results highlight Corvette Potential*
[17]*Metals Australia Ltd, 18 Feb 2026 – High Grade Assays Verify the Emerging Manindi VTM Project*
[18]*Metals Australia Ltd, 16 May 2025 – Manindi Ti-V-Fe Discovery Delivers High-Grade Concentrates*
[19]*Metals Australia Ltd, 17 April 2015 - Manindi Mineral Resource Upgrade*
[20]*Metals Australia Ltd, 19 Dec 2025 – High Copper Anomalies Show Deeper Potential at Warrego East*

Note: Prior references to Lac Rainy Graphite Project are updated in this list to Lac Carheil Graphite Project.*

Appendix 1: LAC CARHEIL – 2025 Mineral Resource Estimate Summary

Graphite Mineral Resource Estimate[2]:

Resource Classification	Tonnage (Mt)	Average Graphite Grade (%)	Contained Graphite (Cg Mt)
Indicated	24.8	11.3	2.8
Inferred	25.2	9.1	2.3
Total	**50.0**	**10.2**	**5.1**

Notes:

- *Due to effects of rounding, the total may not represent the sum of all components.*
- *Mineral Resource is reported from blocks located within an optimised open pit shell.*
- *Mineral Resources that are not Ore Reserves do not have demonstrated economic viability.*
- *A NI 43-101 report for this new Mineral Resource will be available in SEDAR following SEDAR review processes.*

Further Information:

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ASX LISTING RULES COMPLIANCE

In preparing this announcement the Company has relied on announcements made previously by the Company with respect to Mineral Resource Estimates and the downstream Battery Anode Material Refinery PEA listed under "References". The Ore Reserve and PFS reported herein are reported for the first time.

The Company confirms that it is not aware of any new information or data that materially affects those announcements previously made and, in the case of estimates of ore reserves or mineral resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed, or that would materially affect the Company from relying on those announcements for the purpose of this announcement.

This document includes forward-looking financial information, including forecast NPVs, IRRs, payback period, capital and operating costs, tax credits and sensitivity analyses. These projections are based on assumptions and information believed to have a reasonable basis at the date of this document, including projected graphite prices, production rates, operating parameters, capital and operating cost estimates, applicable taxation and incentive regimes, and funding assumptions. Forward-looking statements are inherently subject to known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those expressed or implied. The company does not undertake to update such statements except as required by applicable laws and regulations, and notes that forward-looking statements must be based on reasonable grounds at the time they are made in accordance with relevant regulatory guidance.

PRODUCTION TARGETS AND FORECAST FINANCIAL INFORMATION

The information in this report that relates to production targets and forecast financial information for the Lac Carheil Graphite Project Battery Anode Material Refinery was reported in the Company's announcement dated 28 April 2026. The Company confirms that all the material assumptions underpinning the production target, and forecast financial information derived from the production target in the previous announcement, continue to apply and have not materially changed.

The production target and forecast financial information for the upstream Lac Carheil open cut mine and flake graphite concentrate plant are based solely on Probable Ore Reserves derived from Indicated Mineral Resources. No Inferred Mineral Resources have been included in the production target or forecast financial information. The Company confirms that the material assumptions underpinning the production target and forecast financial information are disclosed in this announcement and continue to apply.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This document contains forward-looking statements concerning Metals Australia Limited. Forward-looking statements are not statements of historical fact and actual events, and results may differ materially from those described in the forward-looking statements as a result of a variety of risks, uncertainties, and other factors. Forward-looking statements are inherently subject to business, economic, competitive, political and social uncertainties and contingencies. Many factors could cause the Company's actual results to differ materially from those expressed or implied in any forward-looking information provided by the Company, or on behalf of, the Company. Such factors include, among other things, risks relating to additional funding requirements, metal prices, exploration, development and operating risks, competition, production risks, regulatory restrictions, including environmental regulation and liability and potential title disputes.

Forward looking statements in this document are based on the company's beliefs, opinions and estimates of Metals Australia Limited as of the dates the forward-looking statements are made, and no obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments.

COMPETENT PERSON STATEMENTS

The information in this report that refers to the Ore Reserves Estimate is based on, and fairly reflects mine engineering work performed by Mr. Arturo Urdaneta P.Eng (Ordre des ingénieurs du Québec), Lead Mining Engineer at DRA Americas Inc. Mr. Urdaneta has sufficient work experience relevant to the Project under consideration to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). Mr. Urdaneta consents to the disclosure of the information in this Report in the form and context in which it appears.

The information in this document that relates to metallurgical test-work is based on, and fairly represents, information and supporting documentation reviewed by Mr. Oliver Peters M.Sc., P.Eng., who is a member of the Professional Engineers of Ontario (PEO). Mr. Peters is the Principal Metallurgist and President of Metpro Management Inc., who has been engaged by Metals Australia Ltd to provide metallurgical consulting services. Mr. Peters has approved and consented to the inclusion in this document of the matters based on his information in the form and context in which it appears.

The information in this Report that relates to the Mineral Resources is based on, and fairly reflects, information compiled by Mr David Williams and Mr Chris Ramsay. Mr Williams (B.Sc. Hons) is a full-time employee of ERM and is a Member of the Australian Institute of Geoscientists (RPGeo). Mr Ramsay (BSc (Geol), M.App.Mngt., FAusIMM) is a Fellow of the Australasian Institute of Mining and Metallurgy, is the General Manager of Geology at Metals Australia Ltd and holds shares in the Company. Mr Williams is fully independent of Metals Australia. Mr Williams and Mr Ramsay have sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2012 Edition of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). Mr Williams and Mr Ramsay consent to the disclosure of the information in this Report in the form and context in which it appears.

The information in this report that relates to exploration results is based on information compiled and/or reviewed by Mr Chris Ramsay. Mr Ramsay is the General Manager of Geology at Metals Australia Ltd, is a Fellow of the Australian Institute of Mining and Metallurgy ('FAusIMM') and holds shares in the company. Mr Ramsay has sufficient experience, including over 25 years' experience in exploration, resource evaluation, mine geology, and development studies, relevant to the style of mineralisation and type of deposits under consideration 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, Minerals Resources and Ore Reserves. Mr Ramsay consents to the inclusion in this report of the matters based on this information in the form and context in which it appears.

JORC Code, 2012 Edition – "Table 1".

Section 4 Estimation and Reporting of Ore Reserves

(Criteria listed in section 1, and where relevant in sections 2 and 3, also apply to this section.)

<table>
<tr><th>Criteria</th><th>JORC Code explanation</th><th>Commentary</th></tr>
<tr><td>Mineral Resource estimate for conversion to Ore Reserves</td><td>- Description of the Mineral Resource estimate used as a basis for the conversion to an Ore Reserve.
- Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserves.</td><td>ERM Australia Consultants Pty Ltd (previously 'CSA Global') ("ERM") was engaged by Metals Australia Ltd ("MLS") to report a Mineral Resource estimate ("MRE") in accordance with the JORC Code (2012) for the Lac Carheil Graphite Project (the "Project"), located in Quebec, Canada. The Project contains graphite mineralisation hosted within a paragneiss unit. The MRE is reported above a cut-off grade of 4% graphitic carbon (Cg) from blocks within an optimised open pit shell.

LAC CARHEIL MRE (CUT-OFF GRADE OF CG ≥4%)

<table>
<tr><th>JORC Resource Classification</th><th>Tonnage (Mt)</th><th>Average grade (%) Cg</th><th>Contained graphite (Cg Mt)</th></tr>
<tr><td>Indicated</td><td>24.8</td><td>11.3</td><td>2.8</td></tr>
<tr><td>Inferred</td><td>25.2</td><td>9.1</td><td>2.3</td></tr>
<tr><td>Total</td><td>50.0</td><td>10.2</td><td>5.1</td></tr>
</table>
Notes:
• Due to effects of rounding, the total may not represent the sum of all components.
• Mineral Resource is reported from blocks located within an optimised open pit shell "pit_rpeee_tr".
• Mineral Resources that are not Ore Reserves do not have demonstrated economic viability.

The MRE features a total resource tonnage (across all categories) of 50.0 Mt grading 10.2% Cg, containing 5.1 Mt contained graphite.

The current MRE represents a material increase in reported tonnes in comparison to the historical MRE completed in 2020, including Indicated Mineral Resources, due to the additional drilling along the southeastern strike extension of the deposit.

The Competent Person (ERM) is of the opinion that the Lac Carheil Graphite Project is of sufficient grade, quantity, metallurgical quality and coherence to have reasonable prospects for eventual economic extraction (RPEEE). The Project is located 20 km to the southwest of the town of Fermont whose residential population support the mining operations at the nearby Mont Wright iron ore mine (ArcelorMittal) located 16 km east of Fermont, and Iron Ore</td></tr>
</table>

Criteria	JORC Code explanation	Commentary
		Company of Canda who operate an iron ore mine adjacent to Wabush. A 315 KV powerline, owned and operated by Hydro Quebec, is located to the west of the Project and bisects claims owned by MLS. National highway 389 connect the city of Baie-Comeau, on the shore of the St. Lawrence River, to the Newfoundland and Labrador border to the north, and passes through Fermont. The highway running south of Fermont is currently being re-routed and the new highway will provide quicker and safer access to Fermont than was previously the case. The Mineral Resource is reported from blocks within an optimised open pit shell, using appropriate commodity prices, mining recoveries and capital costs, and lends further support to the RPEEE test. Reporting of Mineral Resources for industrial minerals, which includes graphite, requires metallurgical test-work carried out to a sufficient level of detail to satisfy the classification levels assigned. The metallurgical test-work is considered by the Competent Persons to support an Indicated classification. Ore Reserves are a modified sub-set of **Indicated** Mineral Resources. They are derived by applying Modifying Factors—including mining, processing, metallurgical, infrastructure, marketing, legal, environmental, social, and governmental considerations—to the Mineral Resource estimate. Ore Reserves include diluting materials and allowances for losses that occur during mining or extraction and are defined through studies at Pre-Feasibility or Feasibility level **(this report)** that demonstrate extraction is reasonably be justified. Under the JORC Code, Measured Mineral Resources may be converted to Proved or Probable Ore Reserves, while Indicated Mineral Resources may be converted to Probable Ore Reserves. *Ore Reserves are therefore included within, not additional to, the underlying Mineral Resources.*
Site visits	- *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* - *If no site visits have been undertaken indicate why this is the case.*	• The CP Arturo Urdaneta P.Eng visited the site from October 7th to October 9th , 2025 (along with fellow DRA colleague Claude Bisaillon, P.Geo.)
Study status	- *The type and level of study undertaken to enable Mineral Resources to be converted to Ore Reserves.* - *The Code requires that a study to at least Pre-*	The type and level of study undertaken to enable Mineral Resources to be converted to Ore Reserves was at the Pre-Feasibility Study level (PFS). The PFS (Lycopodium, June 2026), established a technically achievable mine plan, demonstrated economic viability, and considered all material Modifying Factors. The list of Modifying Factors considered included mining, processing (metallurgical), infrastructure, legal, environmental, social, and governmental considerations. Allowances for dilution and losses that occur during mining or extraction.

Criteria	JORC Code explanation	Commentary
	Feasibility Study level has been undertaken to convert Mineral Resources to Ore Reserves. Such studies will have been carried out and will have determined a mine plan that is technically achievable and economically viable, and that material Modifying Factors have been considered.	
Cut-off parameters	- *The basis of the cut-off grade(s) or quality parameters applied.*	The graphite cut-off grade of >4.0% TCG for reporting Ore Reserves is based on the supporting Mineral Resource cut-off grade of >4.0% TCG. Subsequent mining analysis (this report) estimates the potential for a lower cut-off grade. In this analysis the project's pit optimisation and reserve conversion assumptions, including open pit mining costs, processing and G&A costs, concentrate transport cost, metallurgical recovery, concentrate grade, and graphite concentrate selling price have a resulted in a potential lower cut-off grade. The state cut-off grade for resources and reserve (>4.0% TCG is above both the calculated breakeven COG of Cg 3.17% and the marginal breakeven COG of Cg 2.75%, providing a conservative margin for reporting ore within the selected RF = 0.6 pit shell. Only Indicated Mineral Resource material within the selected pit shell and above the Cg 4.0% cut-off grade was considered eligible for conversion to Ore Reserves; Inferred Mineral Resources and material below cut-off were treated as waste. The selected cut-off grade is also consistent with the requirement that Ore Reserves represent the economically mineable portion of the Mineral Resource after applying modifying factors, including mining, processing, metallurgical, economic, and marketing assumptions, even though it is marginally higher than the theoretical cut-off grade identified in the mining assessment.
Mining factors or assumptions	- *The method and assumptions used as reported in the Pre-Feasibility or Feasibility Study to convert the Mineral Resource to an Ore Reserve (i.e. either by application of appropriate factors by optimisation or*	The Mineral Resource was converted to an Ore Reserve using PFS-level modifying factors through open pit optimisation and subsequent detailed pit design. The ore reserve estimate is based on the ERM Mineral Resource block model described in Section 14. The resource model was regularised from a parent block size of 25 m × 25 m × 20 m with sub-celling to a mining model block size of 3.125 m × 3.125 m × 5 m for pit limit analysis and mine planning. The conversion process used Hexagon MinePlan / Project Evaluator software. Pit shells were generated using the Pseudoflow 3D algorithm, with economic and technical inputs including mining costs, processing costs, G&A costs, transportation costs, metallurgical recovery, concentrate grade, graphite concentrate price, pit slopes and boundary constraints.

Criteria	JORC Code explanation	Commentary
	by preliminary or detailed design). - *The choice, nature and appropriateness of the selected mining method(s) and other mining parameters including associated design issues such as pre-strip, access, etc.* - *The assumptions made regarding geotechnical parameters (eg pit slopes, stope sizes, etc), grade control and pre-production drilling.* - *The major assumptions made and Mineral Resource model used for pit and stope optimisation (if appropriate).* - *The mining dilution factors used.* - *The mining recovery factors used.* - *Any minimum mining widths used.* - *The manner in which Inferred Mineral Resources are utilised in mining studies and the sensitivity of the outcome to their inclusion.* - *The infrastructure requirements of the selected mining methods.*	Only Indicated Mineral Resource material was eligible for conversion to Ore Reserves. However, the document states that the reported Ore Reserve is derived from Indicated Resources only, with no Measured Mineral Resources present. These Indicated Resources were converted to Probable Ore Reserves. Inferred Mineral Resources were excluded from the pit optimisation and Ore Reserve estimate and treated as waste. The selected ultimate pit was based on the RF = 0.6 pit shell, which was chosen because incremental increases in ore tonnes and NPV were minimal between RF = 0.6 and RF = 1.0. Material within the selected pit shell and above the 4.0% Cg cut-off grade was classified as ore. Material below cut-off was classified as waste. The selected mining method is conventional open pit mining, which is appropriate for the Lac Carheil deposit. The optimisation work is based on selected pit shells, assessed pit slopes, mining costs, open pit access assumptions and the use of an engineered ultimate pit design. The document describes the selected pit shells as guides for developing the final and intermediate phases of the open pit. The method is appropriate because the mineralisation is evaluated using open pit optimisation and because the selected shell supports the extraction of viable mineable material with a positive project value. The analysis considered best-case and worst-case open pit extraction strategies. The best-case approach mines shell-by-shell, delaying waste stripping until needed to access ore, while the worst-case approach mines bench-by-bench and brings waste stripping forward. The practical mining sequence is expected to fall between these two cases. Estimated design information on supporting activities pre-strip, ramps, haul roads, access roads, bench geometry or phase design is indicated in the report. Pit optimisation shells do not include operational details such as ramps, benching arrangements and minimum mining widths, they are used as the basis for later engineered open pit design. The pit optimisation used a 45° pit slope assumption, as shown in Table 15.3.1. The document also states that pit design followed the recommended geotechnical slopes detailed in Section 16.2 of the report. Bench design parameters were determined after reviewing the latest drilling data, evaluating rock hardness from the site visit and samples received, evaluating rock mass and interaction with geological structures and from limited hydrogeological information. DRA also reviewed and integrated knowledge from numerous geotechnical recommendations from previous Project reports. Table 16.2.1 presents parameters used for the pit design:

Parameter	Unit	North Wall	South Wall
Operating Bench Height	m	5	5
Bench Stacking	#	4	4
Ultimate Bench Height (BH)	m	20	20
Bench Face Angle (BFA)	°	75	70

Criteria	JORC Code explanation	Commentary

Safety Berm Width	m	9	9
Inter ramp Slope Angle (IRA)	°	54	51
Geotechnical Berm Width (if necessary)	m	N/A	N/A
Haul Ramp Width (RW)	m	22	22
Overall Slope Angle (OSA)	°	52	43
Overall Wall Height (crest to toe)	m	155	215

As standard practice for slopes greater than 90 m in height, not cut by a ramp, it is normally recommended to install a 15 m wide geotechnical catch bench for every 90 m vertical separation. These geotechnical berms act as safety controls on rock fall. Due to wrap around ramps as currently designed, the Lac Carheil pit design did not produce slopes greater than 90 m in height. For slopes that are in overburden, an overall slope angle of 4H:1V (14°) was applied.

xii: The analysis considered both internal dilution and external dilution.

Internal dilution was addressed by regularising the resource model to the selected SMU size of 3.125 m × 3.125 m × 5 m. This regularisation was used to simulate the practical selectivity of the mining equipment and account for internal dilution and loss.

External dilution was estimated at approximately 0.5 m along contacts between mineralised and barren rock. This corresponds to approximately 10% dilution for a 5 m block height. Dilution was applied by expanding the mineralised shells by 10% and recalculating grades based on the revised geometry. The grade assigned to the incremental tonnage between the original and expanded shell was determined using the average grade of that material for each zone. Overall, the external dilution resulted in an approximate 3% reduction in grade for the mine plan.

A 3% mining loss was incorporated into the Ore Reserve estimate. This implies an effective mining recovery of approximately 97%, after applying mining loss. This is appropriate for wide mineralised ore zone such as Lac Carheill.

The Ore Reserve table reports diluted and recovered tonnes and diluted Cg grade, indicating that both dilution and ore loss have been incorporated into the reported reserve estimate.

Based on the selected SMU for the block regularisation a representation for the ‘minimum mining width’ can be determined. The report states that the selected SMU for the mining model is 3.125 m × 3.125 m × 5 m, based on the mining equipment selected.

Inferred Mineral Resources were not used in the Ore Reserve estimate. The report states that Inferred Mineral Resources were excluded from the pit optimisation and reserve estimate and treated as waste. Pit optimisation incorporated Indicated Resources only (there are no Measured Resources).

Criteria	JORC Code explanation	Commentary
		Because Inferred Resources were treated as waste and excluded from the reserve conversion, the reported Ore Reserve is not dependent on their inclusion. The document does not provide a sensitivity analysis showing the impact of including Inferred Resources in the mining study. Therefore, the reserve outcome should be interpreted as excluding any potential upside or downside associated with Inferred material. The selected mining method requires infrastructure typical of an open pit mining operation. This report notes that capital items such as the processing plant, residue storage facilities and maintenance shops are assumed in the early-stage pit shell optimisation calculations. Based on the mining method and the optimisation assumptions, the following infrastructure requirements were assessed as preliminary or more detailed design and cost assessments within this report: • Open pit mining areas and staged pit development. • Haul roads, ramps and pit access. • Waste rock storage capacity. • Ore stockpiling and run-of-mine handling areas. • Processing plant and associated services. • Tailings / residue storage and co-disposal facilities. • Water management infrastructure. • Maintenance facilities. • Power supply and site services. • Administration facilities. • Access roads and logistics infrastructure for concentrate transport.
Metallurgical factors or assumptions	- *The metallurgical process proposed and the appropriateness of that process to the style of mineralisation.* - *Whether the metallurgical process is well-tested technology or novel in nature.* - *The nature, amount and representativeness of metallurgical test work undertaken, the nature of*	A structured summary of the metallurgical factors or assumptions: 1) Proposed process and suitability The proposed process is conventional graphite beneficiation: crushing and grinding, flash flotation, rougher flotation, staged cleaning with regrind. That flowsheet is appropriate for the style of mineralisation because the graphite occurs as flake graphite intimately associated with quartz and sulphide minerals, so liberation by grinding followed by flotation is the appropriate processing route. 2) Technology maturity The core processing route is well-established and not novel: graphite flotation, regrind, cleaning, desulphurisation, purification, and spheroidisation are all standard industry technologies. What is more development-focused is the exact circuit optimisation, particularly the use of flash flotation, split cleaning, and stirred-media regrind to balance recovery,

Criteria	JORC Code explanation	Commentary
	the metallurgical domaining applied and the corresponding metallurgical recovery factors applied. - *Any assumptions or allowances made for deleterious elements.* - *The existence of any bulk sample or pilot scale test work and the degree to which such samples are considered representative of the orebody as a whole.* - *For minerals that are defined by a specification, has the ore reserve estimation been based on the appropriate mineralogy to meet the specifications?*	grade, and flake preservation. The process is based on proven technology, with some site-specific optimisation rather than a new metallurgical concept. 3) Test-work, domaining, and recovery factors: The PFS report notes multiple phases of test-work: SGS scoping test-work in 2017, preliminary flowsheet development in 2021/2022, and a larger 2026 process optimisation program that included comminution, variability, locked-cycle, and bulk test-work. The 2026 program tested a 385 kg drill-core sample made up of 240 intervals, then built mine-plan composites and variability composites to reflect different parts of the mine life and different lithologies/grades. This is a reasonable basis for metallurgical domaining at study level, although the report still relies on composite-based rather than fully spatially modelled process domains. The variability program covered 14 composites and showed concentrate grades from 90.9% to 96.9% C(t) and recoveries from 73.6% to 96.9%, so the recovery assumptions appear grounded in actual testing rather than arbitrary factors. Locked-cycle tests confirmed 96.7% graphite recovery with concentrate grades of 93.7% and 95.4% C(t) depending on circuit configuration, which likely formed the technical basis for the recovery assumptions in the process design. The report does not present a simple single recovery factor in the excerpt, but it clearly uses different outcomes by composite and circuit to support process design. 4) Deleterious elements The main deleterious issue is sulphur, coming from pyrrhotite and pyrite associated with the graphite. The process includes a desulphurisation step using rougher flotation and magnetic separation, which produced a high-sulphur stream at 23.1% S containing 99.4% of the sulphides, and a low-sulphur tailings stream at 0.15% S. That indicates the study explicitly allowed for sulphide rejection and tailings segregation, which is relevant both to product quality and environmental handling. The PFS report also shows impurity control through purification of spherical graphite, with chemical characterisation of purified material indicating very high purity after downstream treatment. No major concerns were highlighted around deleterious trace elements beyond sulphides in the excerpt, but the presence of sulphur-bearing minerals drove part of the flowsheet design. 5) Bulk sample and pilot work The PFS report includes interim ‘bulk’ scale work. A 440 kg bulk sample was assembled from remaining flotation charges, variability composites, and comminution rejects to produce at least 40 kg of graphite concentrate for downstream development. The bulk work was used to support downstream process testing rather than just lab-scale screening, which strengthens confidence in product development. The report also references downstream testing by ProGraphite and Anzaplan on micronized, spheroidized, purified, and coated graphite, including electrochemical cell testing. The representativeness is still limited to composites and remaining test material rather than a full pilot plant continuously processing run-of-mine ore across the orebody, so it is

Criteria	JORC Code explanation	Commentary
		supportive but not definitive for whole-of-deposit behaviour. The downstream test-work is the subject of a recent scoping study presented by Metals Australia. 6) Specification-driven ore reserve basis The ore reserve/process design is based on appropriate mineralogy for the product specifications. The report shows the deposit can produce graphite concentrate at or above 95% C(t) in the selected flowsheet, and downstream work demonstrated that the product can be converted into battery-grade spherical graphite meeting relevant chemical and physical specifications. That means the reserve/process basis is not just about graphite recovery, but about producing a product that meets defined market specifications. The mineralogical work is aligned with those specifications because it identifies graphite liberation, flake size preservation, sulphide association, and impurity removal as the key control points. In short, the reserve estimation and process design are supported by the mineralogy needed to meet graphite product requirements, especially for battery applications.
Environmental	- *The status of studies of potential environmental impacts of the mining and processing operation. Details of waste rock characterisation and the consideration of potential sites, status of design options considered and, where applicable, the status of approvals for process residue storage and waste dumps should be reported.*	The PFS report shows that environmental impact studies have been completed to a PFS study stage, with baseline environmental characterization completed for many components and additional fieldwork and design studies still underway to support future analysis. The project has completed or initiated geochemical, hydrogeological, air-quality, soil, surface-water, sediment, biodiversity, and consultation studies, but several items are still flagged for confirmation through further field surveys, modelling, or later-stage work for later assessment (FS). Environmental impact studies: The PFS report includes a dedicated environmental chapter covering physical setting, biological setting, socio-economic context, waste rock and water management, regulation, and closure requirements. The study describes existing conditions and identify environmental issues and constraints that could influence the project. For baseline work, air quality modelling, noise characterization, sediment baselines, groundwater investigation, and field surveys for wetlands and species are recommended for the FS and are ongoing. Waste rock characterisation: Waste rock has been geochemically characterised in two phases using drill core from the Southeast and Southeast Extension zones, with samples tested for metal content, sulphur, acid-base accounting, and leachability. The key finding is that both ore and waste rock in these zones are generally potentially acid generating (PAG), with low neutralisation potential ratios and elevated sulphur contents, and several metals identified as potentially leachable under multiple test protocols. Storage and disposal options: The preferred residue management concept is a dry-stack tailings / co-disposal facility that combines filtered tailings and waste rock into a zoned landform. The design philosophy is to encapsulate PAG materials within an internal core, with

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		NPAG material forming outer shells and sealing zones, and to use around 2.5% limestone in PAG tailings as an added buffer. In-pit backfilling is mentioned as a future opportunity from about Year 18 Approvals status: The project is subject to Quebec's environmental impact assessment and review process, along with multiple mining, water, wildlife, and closure-related approvals. Conclusion: The environmental impacts have been studied to a meaningful preliminary level, waste rock has been shown to be geochemically reactive, the preferred storage method is dry-stack co-disposal with encapsulation and buffering.
Infrastructure	- *The existence of appropriate infrastructure: availability of land for plant development, power, water, transportation (particularly for bulk commodities), labour, accommodation; or the ease with which the infrastructure can be provided or accessed.*	The Lac Carheil Graphite Project has appropriate infrastructure to support development and operation. The project is well-accessed via an existing year-round road network, benefits from nearby hydroelectric power, and is close to rail facilities leading to export ports. Land for plant development is available at the site, and power is accessible through the regional hydroelectric grid. Water is available from local sources in the Lac Carheil area. Transportation is supported by Route QC389 (the primary industrial corridor to Fermont and the Labrador Trough) and Route QC138 (the main East–West highway along Quebec's North Shore), with planned concentrate haul routes of 790 km to Sept-Îles and 571–575 km to Baie-Comeau (Norderra multimodal hub and Port of Baie-Comeau) using paved and gravel roads suitable for heavy haulage. Labour and accommodation are accessible through the nearby iron-ore mining town of Fermont. New infrastructure can be provided or accessed with manageable effort: while QC389 has severe winter conditions and ongoing reconstruction (Fire Lake–Fermont segment to full service by November 2028), the southern and mid-sections are completed and the balance of upgrades is not expected to impact planned start-up beyond 2028, and the corridor already supports continuous heavy truck traffic for mining and hydroelectric operations.
Costs	- *The derivation of, or assumptions made, regarding projected capital costs in the study.* - *The methodology used to estimate operating costs.* - *Allowances made for the content of deleterious elements.* - *The source of exchange rates used in the study.* - *Derivation of transportation charges.* - *The basis for forecasting*	Defined and segmented capital costs have been evaluated by major project disciplines, ensuring each category included all necessary equipment, construction, and associated facilities, and included a contingency provision consistent with current project estimates. The PFS report also identified sustaining capital over the life of the project, with clear drivers for equipment replacement and facility expansion. Operating costs have been estimated by separating key cost centres (mining and processing) and combining related items (tailings and water management; general and administrative), then normalised costs to both per tonne of ore milled and per tonne of concentrate produced. Offsite shipping and sustaining capital were added separately to provide an all-in sustaining cost metric. Conservative market-based price forecasts have been used for flake graphite concentrate, aligned to the project's planned product size distribution, and cross-checked against specialist consultancy report prepared for the project at estimated start-up. The price assumptions were benchmarked against comparable Canadian graphite projects to which confirmed conservatism.

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	or source of treatment and refining charges, penalties for failure to meet specification, etc. - *The allowances made for royalties payable, both Government and private.*	Applied a standard Net Present Value methodology with a typical discount factor for reporting, which is complemented with sensitivity analysis across discount rates and across key variables (graphite price, CAPEX, OPEX) to assess robustness. The PFS report explicitly addresses project logistics (heavy-haul road corridor, seasonal conditions, and ongoing road rehabilitation) and treated potential benefits from infrastructure upgrades as upside rather than baseline assumptions until validated. Produced sensitivity charts that identify the primary economic driver (price) and quantify the relative impact of CAPEX and OPEX variations, demonstrating project resilience across downside and upside cases.
Revenue factors	- *The derivation of, or assumptions made regarding revenue factors including head grade, metal or commodity price(s) exchange rates, transportation and treatment charges, penalties, net smelter returns, etc.* - *The derivation of assumptions made of metal or commodity price(s), for the principal metals, minerals and co-products.*	Revenue factors (head grade, commodity price(s), exchange rates, transportation, treatment charges, penalties, NSR, etc.): Commodity price(s): Revenue was based on 'Fastmarkets' Flake Graphite Concentrate price forecast (2029–2050), aligned to the project's planned product size distribution, with a weight-average price of ~US$1,385/t. This was cross-checked against a specialist consultancy (Lonestar Technical Minerals) confidential 2030 start-up assessment of US$1,422/t, and both were judged conservative relative to Canadian peers, including by LSTM's 2030 start-up market assessment (US$1,422/t) and benchmarked against comparable Quebec graphite projects (Nouveau Monde Graphite's $1,500/t floor and Focus Graphite's Lac Knife $1,679/t), confirming conservatism. Exchange rates: The economic model used USD/AUD = 1.43. Where Cost estimates have been prepared in Canadian dollars an exchange rate of USD / CAD = 1.35 was applied. Transportation: Offsite shipping to Baie-Comeau was included as a separate adder in the OPEX model. Treatment/refining charges and penalties: The PFS report assumes how treatment charges, refining charges, or specification penalties according to expert opinion from the Metpro, SGS and processing design teams. Head grade: the concentrate grade exceeds known offtake specifications.
Market assessment	- *The demand, supply and stock situation for the particular commodity, consumption trends and factors likely to affect supply and demand into the future.* - *A customer and competitor analysis along with the identification of*	The market for the Lac Carheil project was assessed using two independent, specialist sources and a size-distribution-matched price approach: Primary source: 'Fastmarkets' long-term Flake Graphite Concentrate price forecast (2029–2050). The forecast was aligned to the project's planned product size distribution (+48 Mesh, 48 to +100 Mesh, −100 Mesh), and the size-category average prices were used to compute a weight-average price (~US$1,385/t). Secondary validation: A report by Lonestar Technical Minerals (LSTM), another specialist graphite product marketing consultancy, prepared for the project at estimated 2030 start-up. LSTM assessed the specific characteristics of Lac Carheil graphite and potential market options, providing a weight-average 2030 price of US$1,422/t.

<table>
<tr><th>Criteria</th><th>JORC Code explanation</th><th>Commentary</th></tr>
<tr><td></td><td>likely market windows for the product.
- Price and volume forecasts and the basis for these forecasts.
- For industrial minerals the customer specification, testing and acceptance requirements prior to a supply contract.</td><td>Benchmarking: Both price sets are judged conservative relative to other Canadian graphite projects, by comparing to Nouveau Monde Graphite's $1,500/t floor price and Focus Graphite's Lac Knife $1,679/t weight-average price (2023), both in Quebec. The market assessment combined forecast commodity pricing matched to the product mix, specialist consultancy validation of product characteristics and market options, and peer project benchmarking to support conservative revenue assumptions.</td></tr>
<tr><td>Economic</td><td>- The inputs to the economic analysis to produce the net present value (NPV) in the study, the source and confidence of these economic inputs including estimated inflation, discount rate, etc.
- NPV ranges and sensitivity to variations in the significant assumptions and inputs.</td><td>The economic model was constructed by Lycopodium Canada Minerals Inc. to assess the financial robustness of the Lac Carheil Graphite project. The table below details the specific inputs used, along with their documented sources and the associated confidence/conservatism levels:
<table>
<tr><th>Economic Input</th><th>Specific Data Points / Metrics</th><th>Source / Basis of Input</th><th>Confidence & Conservatism Level</th></tr>
<tr><td>Production Revenue / Pricing</td><td>Weighted average price: ~$1,385/t USD</td><td>Fastmarkets Product Pricing Forecast (2029–2050)</td><td>High / Conservative</td></tr>
<tr><td></td><td>- +48 Mesh: $2,375.00/t (6%)
- 48 to +100 Mesh: $1,829.03/t (19.5%)
- -100 Mesh: $1,189.41/t (74.5%)
- Alternate 2030 forecast: $1,422/t USD</td><td>Lonestar Technical Minerals (LSTM) confidential report (assessing 2030 startup)</td><td>Assessed as conservative compared to other Canadian projects. It is below the Canadian Gov't floor price for NMG ($1,500/t) and Focus Graphite's Lac Knife project ($1,679/t).</td></tr>
<tr><td>Capital Costs (CAPEX)</td><td>• Pre-production CAPEX: $346.3 M USD
• Sustaining CAPEX: $79.5 Million USD (over life of project)</td><td>• Pre-Feasibility Study (PFS) estimates spanning Process Plant, Mine, Tailings (TCDF), Water, and Infrastructure.</td><td>Standard PFS Level:
Includes a built-in contingency provision of $40 M USD USD (11.5% of total CAPEX). Driven by equipment lifecycle replacements.</td></tr>
<tr><td>Operating Expenses (OPEX)</td><td>• On-site production cost: $53.53/t milled ($473.90/t concentrate).
• All-In Sustaining Cost (AISC): $60.32/t milled ($533.12/t concentrate)</td><td>• Project averages itemized across mining, processing, tailings/water, G&A, and shipping to Baie-Comeau.</td><td>Standard PFS Level:
Calculated based on project averages with distinct separation of on-site vs. off-site shipping costs.</td></tr>
<tr><td>Discount Rate</td><td>• Base Case Reporting Basis: 8%</td><td>• Typical benchmark used for long-term cash flows in other Canadian graphite projects.</td><td>Robust & Realistic:
Considered robust. The text notes other projects aggressively use discount factors as low as 5%.</td></tr>
</table></td></tr>
</table>

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Taxes & Exchange Rate	• Currency Exchange: **1.43 USD/AUD. Currency Exchange: 1.35 USD/CAD** • Also models depreciation & Clean Manufacturing Tech Investment Tax Credits.	• Lycopodium Canada Minerals Inc. financial model & DRA Cost estimating conversion basis for quotes and costs originally prepared in Canadian dollars	**Standard Regulatory Compliance** (Pre- and Post-tax logic applied).

The PFS report outlines how the Net Present Value (NPV) shifts across variations in discount rates, pricing floors, and operational changes.

Discount Rate Variance (Base Case Pricing):

- 6% Discount Rate: Pre-tax NPV of $727M USD ($1,039.6M AUD) | Post-tax NPV of $535M USD
- 8% Discount Rate (Base Case): Pre-tax NPV of $553M USD ($790.8M AUD) | Post-tax NPV of $400M USD (22.0% IRR / 4.2-year payback)
- 10% Discount Rate: Pre-tax NPV of $420M USD ($600.6M AUD) | Post-tax NPV of $296M USD

Sensitivity to Canadian Gov't Price Floor ($1,500/t USD):

If the project utilizes the $1,500/t floor price set for peer projects (equivalent to an 8.3% increase in base pricing), the metrics improve significantly at the 8% discount rate:

- Pre-tax NPV (8%): Lifts by $123M to $676M USD ($966.7M AUD)
- Post-tax NPV (8%): Lifts to $493M USD ($705.0M AUD)
- IRR / Payback: IRR increases to 24.8%, and payback drops to 3.7 years.

Sensitivity to Operational Variations:

The PFS report ranks the sensitivity of the project to its three primary drivers from most sensitive to least sensitive:

- Graphite Market Price:
  - A -10% drop in price reduces the pre-tax NPV down to approximately $400M USD.
  - A +10% rise in price boosts the pre-tax NPV up to approximately $700M USD.
- Operating Expenses: Slightly steeper impact curve than CAPEX. A +10% increase in projected OPEX still yields a robust pre-tax NPV of close to $500M USD.
- Capital Costs:
  - A +10% increase in initial CAPEX has a minor impact, keeping the pre-tax NPV above $500M USD.
  - A -10% reduction in CAPEX pushes the pre-tax NPV up to roughly $600M USD.

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		Conclusion from the PFS report: The project's value is highly resilient. Even under negative 10% stress-testing scenarios across price, CAPEX, or OPEX, the pre-tax NPV remains robustly at or above the $400M–$500M USD range. For NPV estimates on an after-tax basis, the modelling has taken into account the Canadian Clean Manufacturing Technology Investment Tax Credit program, which is applicable to select Critical Minerals, including Graphite. The tax credits are 30% on eligible capital expenditures for projects that are producing by 31st of December 2031. The company has reviewed the Capital costs of the project with its tax advisor and has made a conservative estimate of the tax credits that would apply to this project – and they have been outlined. The company therefore has reasonable grounds to estimate that that the CAPEX projected (on a Net basis) is 246.7 M USD. The project is scheduled to commence production prior to the 31 of December 2031.
Social	- *The status of agreements with key stakeholders and matters leading to social licence to operate.*	The company has been actively engaging with key stakeholders since 2017. Regular communications and engagement sessions have been held with all groups – including Ville de Fermont, local recreation clubs, cottages located in proximity to the lakes and First nations groups. Communication sessions have mapped any concerns raised by stakeholders and plans have been put in place to address any concerns raised. To date, community briefings and stakeholder consultations have indicated broad support for the project due to anticipated regional employment and economic benefits, particularly in Fermont and with local stakeholders. First nations groups have identified regional sensitivities related to water and traditional land practices (fishing, hunting). The company has designed its process plant to produce dry tailings to mitigate any concerns related to large scale, open tailings dams – that are in place at nearby large-scale mining operations. The company maintains open, transparent and proactive communication with all stakeholders and continues to work with all groups on formal support for the project as it advances. The company has engaged the services of consultancy firm, Quebec based Transfert Environnement et Société to help it advance the key approval requirements related to social licence to operate.
Other	- *To the extent relevant, the impact of the following on the project and/or on the estimation and classification of the Ore Reserves:* - *Any identified material naturally occurring risks.*	Naturally occurring risks have been assessed at PFS level and are planned to be investigated via a series of comprehensive planned biophysical surveys. Surveys will investigate risks associated with managing a project associated in close proximity to water bodies (e.g. Lac Carheil), assessment of any threatened or endangered species that have been mapped within the broader region. All risks identified to date are being managed within the project design (e.g. via dry tailings). Natural material risks are identified as waste rock and tailings products (proportions) that are assessed as Potentially Acid Generating (PAG) materials, due to the high sulphide content of the deposit. A comprehensive Co-Disposal storage

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	- *The status of material legal agreements and marketing arrangements.* - *The status of governmental agreements and approvals critical to the viability of the project, such as mineral tenement status, and government and statutory approvals. There must be reasonable grounds to expect that all necessary Government approvals will be received within the timeframes anticipated in the Pre-Feasibility or Feasibility study. Highlight and discuss the materiality of any unresolved matter that is dependent on a third party on which extraction of the reserve is contingent.*	facility has been designed to encapsulate any PAG material, which will be produced as a practically dry, separated product for storage. There are no legal or marketing agreements related to the claims. The project is not subject to any royalty agreements. The claims are held 100% by Northern Resources Inc. All claims related to the project are held in good standing by NR Inc. The company also maintains a current permit allowing for impact exploration that was granted in December of 2024. The company has worked closely with the provincial government and stakeholders to be granted the current permits. Future permits for the project are subject to substantial and ongoing environmental and social acceptability steps – including the preparation of an Environmental & Social Impact Assessment. The company is working towards obtaining those approvals.
Classification	- *The basis for the classification of the Ore Reserves into varying confidence categories.* - *Whether the result appropriately reflects the Competent Person's view of the deposit.* - *The proportion of Probable Ore Reserves that have been derived from Measured Mineral*	It is the view of the competent person that the classification of the Ore Reserves reflects the level of risk inherent in the resource estimate and the reserve estimate. All Ore Reserves have been derived from Indicated Mineral Resources, and all Ore Reserves are classified as Probable Ore Reserves.

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	Resources (if any).	
Audits or reviews	- *The results of any audits or reviews of Ore Reserve estimates.*	DRA Americas conducted an internal peer review process. This process is a key protocol for DRA when providing independent expert consulting services including qualified and competent person sign-off. No external reviews of the Ore Reserve development process have been undertaken.
Discussion of relative accuracy/ confidence	- *Where appropriate a statement of the relative accuracy and confidence level in the Ore Reserve estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the reserve within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors which could affect the relative accuracy and confidence of the estimate.* - *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions*	Confidence level in the Ore Reserve estimate is reflected in its classification as Probable; this level of confidence largely relies on confidence in the Indicated Resource classification upon which it is based. The QP finds there are no Modifying Factors that would reduce confidence such that it should not be included in the Ore Reserve Estimate as Probable Reserves. The Ore Reserves Estimate is a local estimate constrained to a designed open pit which is based on a selected optimized pit shell that has been produced using a widely accepted algorithm programmed into a commercially available software (facilitating reproduceable results). Th report includes tables with the input parameters and assumptions used. The procedures are standard best practices which DRA uses in all its mine engineering work for mining studies. Modifying Factors that could affect the relative accuracy of the Ore Reserve Estimate include the accuracy of statements and documents outside the area of expertise of the QP (which may include Modifying Factors related to legal matters, governmental matters, ownership, social issues and social permit to operate, environmental considerations and/or permits), wherein the QP responsible for the Ore Reserves Estimate relies upon third party experts and their statements documents to be accurate. Whereas this is a greenfield site there is no existing production data, however there is ongoing iron ore mining going on very nearby with some relevant price points for benchmarking, and existing usable infrastructure. There are also nearby graphite project/s with recently published (and some government endorsed) Feasibility Study numbers that are widely available as current and investor supported benchmarks.

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	made and the procedures used. - *Accuracy and confidence discussions should extend to specific discussions of any applied Modifying Factors that may have a material impact on Ore Reserve viability, or for which there are remaining areas of uncertainty at the current study stage.* - *It is recognised that this may not be possible or appropriate in all circumstances. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	