

Dubbo Project Community Newsletter

February 2026 / Issue #39



A note from our CEO

2025 was a transformational year for ASM.

Over the past year, we saw several catalysts have a material impact on our business – catalysts that enhanced the profile of the Dubbo Project, moved our mine to metals strategy forward and positioned ASM at the forefront of the evolving Western rare earth industry.

These drivers included:

- **Heap Leach Scoping Study:** delivering major cost reductions for the development of the Dubbo Project.
- **Successful capital raises:** enabling the progress of multiple growth initiatives.
- **US-Australia Critical Minerals Framework Agreement:** providing international policy alignment, support, and increased funding opportunities.

This strong strategic, financial and operational progress culminated in January 2026, when we announced a proposed combination with Energy Fuels Inc, a US-based critical minerals company with proven rare earth processing capabilities and strong financial backing. If successful, Energy Fuels' acquisition of ASM would see our Company become part of a larger, better funded critical minerals business. It would deliver a near-term Western mine to metal and alloy rare earths champion, and the Dubbo Project would be central to this ambition.

Demand for the materials that the Dubbo Project can offer has never been greater. That is why over the past 18 months we have challenged ourselves to explore alternative lower cost, shorter implementation options to get the Dubbo Project into production. Through our Rare Earth Options Assessment and subsequent Heap Leach Scoping Study – released in July 2025 – we believe we have found a transformational approach to development.

Both the Heap Leach Option and the proposed combination with Energy Fuels have the potential to accelerate the development of the Dubbo Project – bringing those in demand products to market as quickly as possible. This newsletter provides an update on both these these strategic workstreams.

I would like to acknowledge the support ASM continues to receive from the Dubbo community as we seek to build a world-class, multi-generational business. The Dubbo Project is a local opportunity in the national interest, and the ASM team looks forward to working with the community on that opportunity for the benefit of all our stakeholders.

Thank you,

A handwritten signature in a light blue-green color that reads 'Rowena Smith'.

Rowena Smith

Managing Director & CEO



Energy Fuels to acquire ASM

Energy Fuels Inc. (Energy Fuels) is a Denver-based, critical minerals company with a diversified portfolio spanning uranium, rare earth elements and heavy mineral sands. They are currently the largest producer of uranium in the United States and are an emerging global leader in the processing and separation of rare earth elements (REEs).

As ASM and Energy Fuels have built their respective positions in the emerging alternative rare earths supply chain, the two companies have collaborated to develop a positive relationship that has culminated in Energy Fuels seeking to acquire 100% of ASM and its subsidiaries via a Scheme of Arrangement.

Delivering a near-term Western mine to metal and alloy rare earths champion

The proposed combination – announced on 21 January 2026 – delivers a significant premium for ASM shareholders and ensures our shareholders retain the opportunity to participate in the substantial upside of a larger, better capitalised critical minerals business.

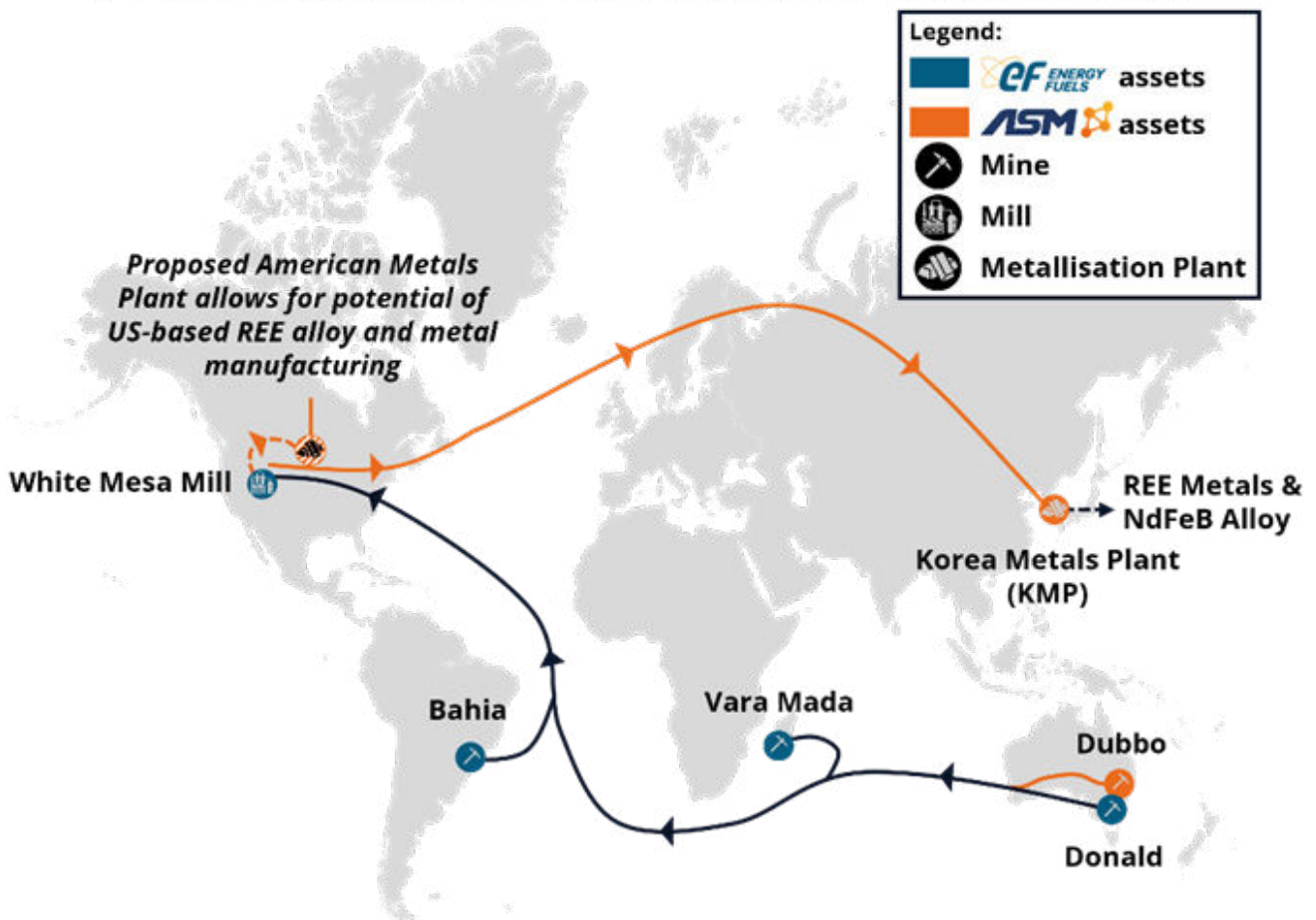
The ASM Board of Directors are pleased to recommend this transaction not only for the value it delivers but it accelerates the execution of our mine to metals strategy in a way that unlocks greater scale, de-risks delivery and positions ASM to capture the full potential of our rare earths opportunity.

Together, ASM and Energy Fuels would offer increased exposure to the REE value chain.

The Dubbo Project and ASM's Korean Metals Plant would compliment Energy Fuels' existing capability and assets in the US, Brazil and Madagascar, creating a secure supply chain going all the way from mining through to metal and alloy. This would be a unique proposition and place the merged company at the forefront of the rare earths industry.

Below: Shows the combined REE assets of Energy Fuels and ASM, with the Dubbo Project serving as an additional source of feedstock for the White Mesa Mill, and product then moving to ASM's existing and proposed metallisation operations in South Korea and the United States, respectively.

INDICATIVE PRO-FORMA 'MINE TO METAL & ALLOY' REE SUPPLY CHAIN



ASM is currently compiling a Scheme Booklet, which will provide shareholders with information in relation to the proposed combination of ASM and Energy Fuels companies. The Scheme Booklet will be made available on the ASM website, once approved by the Federal Court of Australia and the Australian Securities and Investments Commission (ASIC).

Heap Leach Option – a transformational approach

In July 2025, ASM released a Heap Leach Scoping Study on the Dubbo Project. The Study provides a high-level economic assessment outlining a potential phased implementation strategy, with the first phase processing 1 million tonnes of material per annum using heap leach technology to produce separated light and heavy rare earth oxides.

The Heap Leach Option reduces the complexity of the initial processing stages which, in turn, simplifies construction, reduces costs, and accelerates the pathway to cash flow generation.

Key highlights of the Heap Leach Option:

- **Phased development approach**

Focuses on the initial production of light and heavy rare earth oxides, leaving the other critical minerals (zirconium, niobium and hafnium) to be processed in a second phase of the Project.

- **Simplified flowsheet**

Removes the need for a capital- and energy-intensive acid bake in the initial development phase.

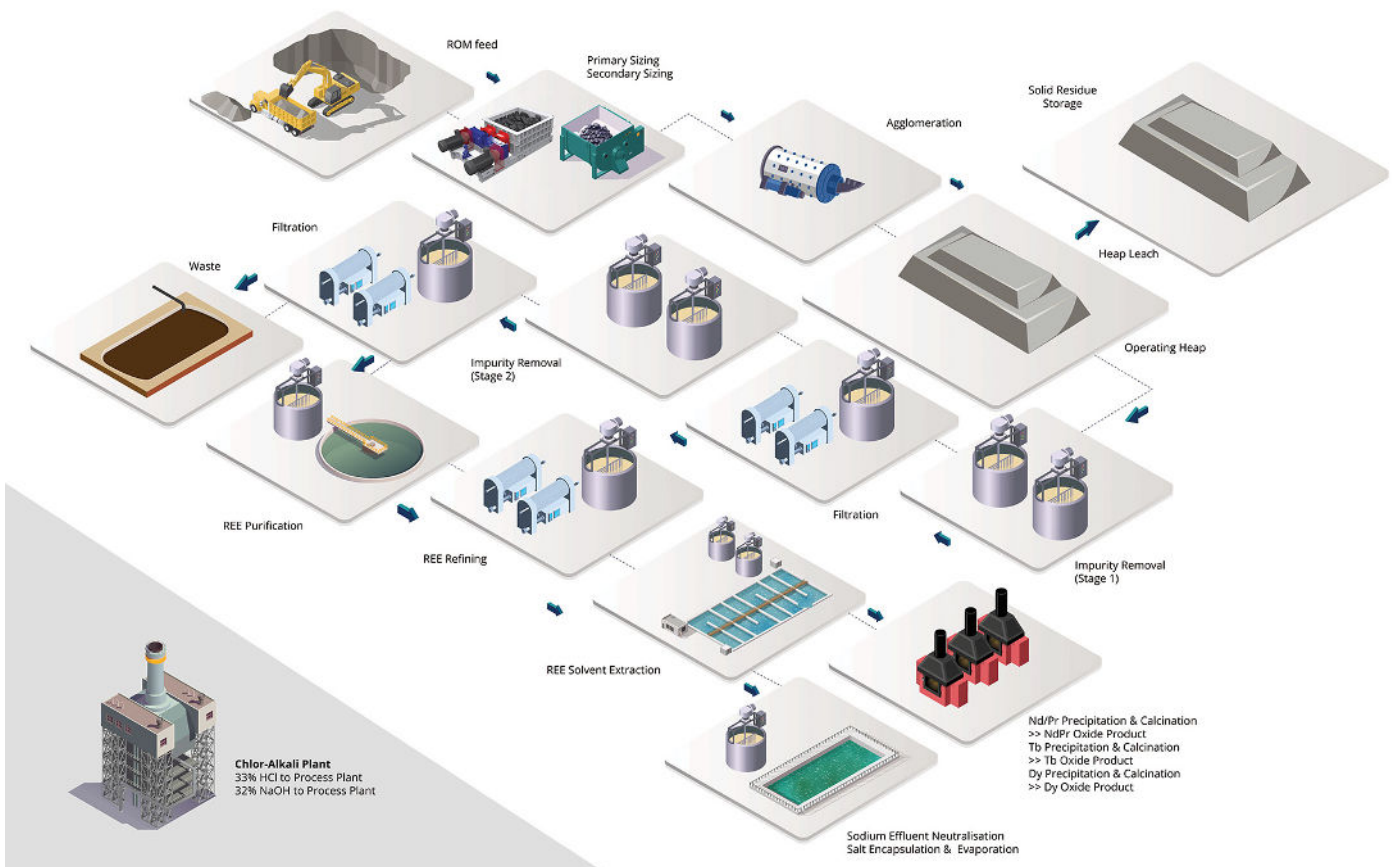
- **Reduced up-front capital**

A\$740 million capital forecast, ~56% reduction on previous estimates.

- **Reduced operating costs**

Operating costs are forecast to be in the lowest quartile of rare earth producers outside of China.

ASM is now progressing the Heap Leach Option to a Pre-Feasibility Study (PFS). The PFS will further define the technical and economic viability of the approach and inform the decision on whether to proceed. If deemed viable, this pathway enables a streamlined transition to Front-End Engineering Design (FEED), followed by a Financial Investment Decision (FID) and a 30-month construction phase, during which the processing facility and the heap leach facility would be built in parallel. This positions ASM to fast-track the Dubbo Project towards production.



Above: The proposed heap leach process flowsheet.

Questions & Answers

What is heap leach technology?

Heap leaching is a proven processing technology that sees crushed ore piled on a lined pad and a chemical solution run through it to produce a pregnant leach solution that goes on for purification, separation and refining. Compared to conventional methods – such as grinding, flotation and intensive reagent use – a heap leach approach offers the potential for significantly lower capital and operating costs, and lower energy usage.

Why didn't you use this approach for the 2021 Optimisation Feasibility Study (OFS)?

Historically, the Dubbo Project was shaped around a single, all-in-one flowsheet to recover all minerals. In order to extract the zirconium, niobium and hafnium from the ore, a capital and energy-intensive acid bake roaster was required at the start of the process. When ASM decided to explore a phased development approach focused on recovering the rare earth elements first, this opened up the opportunity to remove the roaster part of the flowsheet.

The Rare Earth Options Assessment – conducted by ASM over the past 18 months – found that the light and heavy rare earths within the ore were highly responsive to a heap leach approach, delivering excellent recoveries of neodymium, praseodymium, terbium and dysprosium.

Will this approach change the mine footprint and plan?

The Scoping Study has adopted the mining approach outlined in the OFS, maintaining the same mine plan assumptions for this early stage of assessment. Further exploration and refinement of the mining method, including detailed design and scheduling, will be undertaken during PFS.

How will you deal with waste from the heap leach process? Is it dangerous?

Process waste (filter cake) will be disposed of in a double HDPE-lined (high-density polyethylene) facility with leak detection. The facility will include the provision for rehabilitation of the facility.

The Dubbo Project's orebody holds low levels of radionuclides (e.g. uranium and thorium). Any radionuclides present in the initial material will be sent to the solid residue storage facility after undergoing an acidic 'fixing' process prior to neutralisation. ASM possesses all the necessary state and federal approvals and licenses required to separate and disperse these radionuclides.

Will the Heap Leach Option impact transportation requirements, e.g truck and rail requirements?

The Heap Leach Option has potential to reduce the overall infrastructure footprint and associated capital requirements. Notably, the removal of rail as a transport option simplifies logistics and eliminates the need for rail specific infrastructure.

Approved site access and road upgrades, including the use of existing local roads and construction of a new site access road, with planned upgrades to bridges and traffic management features remain relevant to the Heap Leach Option.

The PFS will further assess infrastructure requirements in light of the revised processing flowsheet, with a focus on optimising cost, constructability, and operational efficiency.



Questions & Answers (continued)

Will you require new permits and approvals for the Heap Leach Option?

ASM has secured all major state and federal regulatory approvals required to commence detailed design, construction and operation of the Dubbo Project, providing confidence that the Dubbo Project can be delivered quickly.

These approvals include:

- Development Consent from the NSW Planning Assessment Commission (2015);
- Federal environmental approval under the EPBC Act (2015);
- Mining Lease 1724 (2015); and
- Environment Protection Licence for construction activities (2016).

As ASM progresses the Heap Leach Option through the current PFS, ASM will investigate whether modification to the existing Development Consent and additional regulatory approvals will be required. These will be identified and addressed as part of the ongoing technical and environmental assessment process. If required, they are not anticipated to cause delays to the construction schedule. Any additional required modification will be sought concurrently with FEED, mitigating the impact on the development timeline.

Community Consultative Committee

The Dubbo Project Community Consultative Committee (CCC) facilitates communications about mine operations and environmental performance, providing a forum for open discussion between ASM and the community. It comprises an independent chairperson, along with representatives of the local community, local council and ASM.

The most recent CCC meeting was held on 23 October 2025. Minutes from this meeting and all other CCC meetings are available on the ASM website.

Community Information Line

To register a concern, please call the Community Information Line which operates 24 hours a day, 7 days a week:

Business hours: (02) 6882 2866
After hours: 0427 267 305
Email: info@asm-au.com

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