

ASX: ANX

17 DECEMBER 2024

PRODUCING CONSTRUCTION MATERIALS FROM WHIM CREEK WASTE ROCK – UPDATE

- Anax is a step closer to generating near term revenue through the production and sale of road base / aggregates from existing waste rock at Whim Creek.
- Whim Creek is now fully permitted to process waste rock to produce road base / aggregates products for sale in the Pilbara.
- Successful completion of the commercial scale trial in October indicates suitability of the material and its broad potential use.
- Outcomes from a recent Independent Market Assessment provide evidence of a market for aggregate products in the Pilbara.
- Commercial negotiations are progressing, with potential for Anax to commence aggregate production at Whim Creek in early 2025.
- Aggregate production at Whim Creek will be complementary to the planned regional copper and base metals hub while repurposing waste material.

Anax's Managing Director, Geoff Laing commented: "The team continues to focus on the potential generation of near term cashflows through this fantastic opportunity to recycle legacy waste. This innovative approach to repurposing waste materials underlines our commitment to maximise shareholder value through diversified revenue streams from the project. Since acquiring Whim Creek, the Anax team has committed significant resources to improving the site, including key upgrade works, resulting in revoking the Environmental Protection Notice and securing operating permits for the planned mining operation. Repurposing the existing waste rock dumps is another positive initiative that can potentially deliver economic and environmental benefits for the Company and the region."

"We continue, in parallel, to advance initiatives to establish the project as a production hub for the sustainable production of copper and base metals projects in the Pilbara."

Anax Metals Ltd (ASX: **ANX**) (**Anax** or the **Company**) is pleased to provide an update on the waste rock project launched in September 2024.¹

While the Company remains focussed on advancing the Consolidation Strategy and the Whim Creek Copper Project jointly held by ANX (80%) and DVP (20%), the Anax team has made significant progress in its project to monetise this readily available, mined and stacked waste rock at Whim Creek by recycling it into a range of sustainable quarry aggregates and products, utilising the existing site infrastructure.

The establishment of a mobile processing plant at Whim Creek will provide an opportunity for the Company to generate near-term cash flow by transforming waste rock materials into a range of sustainable road base and aggregate products for use in mining, construction and infrastructure projects, while promoting a circular economy and boosting local economic activity. The business of producing aggregates and road base materials from waste rock will be reviewed, following the initial planned 12 months of operation.

Established market for aggregate materials in the Pilbara

The Pilbara region is experiencing significant growth with a pipeline of major projects across mining, oil and gas, and recently green energy initiatives. The planned projects and supporting infrastructure will require substantial quantities of engineering fill materials and aggregates. Anax recently commissioned an independent market study of the road base / aggregate market and competitor landscape in the Pilbara. The study confirmed a competitive, robust, demand-driven market for quarry materials, including road base and associated products in the Pilbara, driven by the region's strategic importance and ongoing infrastructure and resource development. The study noted an indicative price range of \$30/t-\$60/t in market price (ex-mine gate), influenced by proximity to demand, volume and material specification. The market study is an assessment of the potential market price of a generic road base / aggregate and is not an indication of the sale price of the Company' waste rock. While the Company has undertaken a commercial scale trial to assess the suitability of its waste rock for end use requirements as set out below, the Company cautions investors that there is no guarantee that it will be able to sell road base aggregate to end users at the prices set out in the market study, or at all.

Whim Creek's Waste Rock Repurposing Project

Whim Creek is uniquely situated proximal to large projects, including De Grey's Hemi Mine, the recently announced Suez desalination plant, and other infrastructure planned for the Balla Balla precinct. In addition, Whim Creek is ideally located on the northwest highway to service projects within the Port Hedland and Karratha districts.

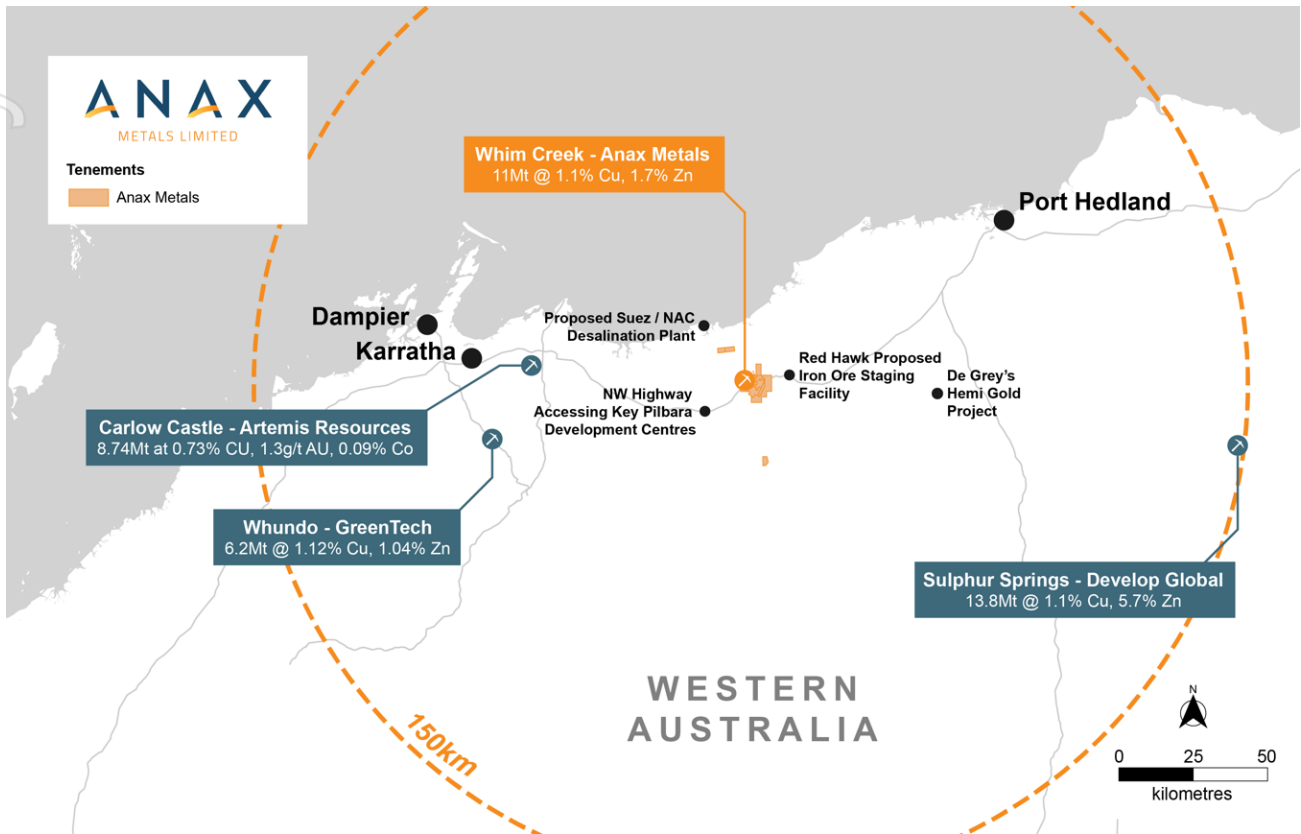


Figure 1: Location of the Whim Creek Project ^{1,2,3,4,5}

Mining at the historic Whim Creek project ceased in 2009, and during preceding years, waste rock mined from the Whim Creek pit was placed into a Waste Rock Landform (WRL).

As previously announced, Whim Creek is an established site that is fully permitted for mining and producing copper concentrates and associated products. Further to this, Anax has now received approval from the Department of Energy, Mines and Industrial Regulation and Safety (DEMIRS) and the Department of Water and Environment Regulations (DWER) for relevant amendments to the existing permits to facilitate the repurposing of 500,000 tonnes per annum of waste rock to produce road base and/or aggregate materials for sale via the northwest highway, which runs directly past the Whim Creek site. The approval from DEMIRS has no future time restriction and the DWER Works Approval will require renewal on the 22 October 2027. Investors are cautioned that the 500,000 tonnes per annum is the maximum amount of material that may be extracted per annum under the approvals from DEMIRS and DWER and not the Company's proposed annual production of waste rock.

Material Uses

The successful completion of a commercial scale trial in October 2024 and associated initial materials characteristic testing performed provide encouraging evidence of the processed waste rock's suitability for use as road base and subbase in the Pilbara. Further analysis is underway to better inform the full range of potential products.



Figure 2: Commercial scale waste rock to road base product trial ¹

Next Steps:

Based on the encouraging results of this recent work, Anax plans to pursue the production and sale of repurposed Whim Creek barren aggregate products in 2025 in parallel with progressing its copper growth and delivery strategy.

The road base and aggregate business will focus on the near-term revenue generation while the copper project funding and development are completed. This will be achieved through a staged process that will include the following key steps:

- Selection of business model to advance the business case
- Finalisation of commercial agreements with key stakeholders, including funding and business partners
- Identification of customers and potentially securing product sales contracts

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References

The information provided in the announcement refers to the following announcements to the ASX:

1. Pursuing Near Term Revenue Opportunity Producing Construction Materials from Whim Creek Waste Rock, 1 September 2024 (ASX:ANX)
2. GreenTech Metals Mineral Resource update, 12 April 2023 (ASX)
3. Develop website, Mineral Resources
4. Red Hawk: [Blacksmith Iron Ore Project, Australia \(mining-technology.com\)](https://mining-technology.com)
5. Suez NAC desalination plant: [Traditional Owners, French giant eye \\$5b desalinati... | NIT](#)

No New Information

Except where explicitly stated, this announcement contains references to prior exploration results and Mineral Resource estimate, all of which have been cross-referenced to previous market announcements made by the Company. The Company confirms that is not aware of any new information or data that materially affects the information included in the relevant market announcements and, in the case of the estimate of Mineral Resource, that all materials assumptions and technical parameters underpinning the results and/or estimate in the relevant market announcements continue to apply and have not materially changed.

Forward Looking Statements

This announcement contains statements that are or may be forward-looking. Wherever possible, words such as “intends”, “expects”, “scheduled”, “estimates”, “anticipates”, “believes”, and similar expressions or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved, have been used to identify these forward-looking statements. Although the forward-looking statements contained in this release reflect management’s current beliefs based upon information currently available to management and based upon what management believes to be reasonable assumptions, the Company cannot be certain that actual results will be consistent with these forward-looking statements. A number of factors could cause events and achievements to differ materially from the results expressed or implied in the forward-looking statements. These factors should be considered carefully, and prospective investors should not place undue reliance on the forward-looking statements. Forward-looking statements necessarily involve significant known and unknown risks, assumptions and uncertainties that may cause the Company’s actual results, events, prospects and opportunities to differ materially from those expressed or implied by such forward-looking statements. Although the Company has attempted to identify important risks and factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors and risks that cause actions, events or results not to be anticipated, estimated or intended, including those risk factors discussed in the Company’s public filings. There can be no assurance that the forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, prospective investors should not place undue reliance on forward looking statements. Any forward-looking statements are made as of the date of this announcement, and the Company assumes no obligation to update or revise them to reflect new events or circumstances, unless otherwise required by law. This announcement may contain certain forward-looking statements and projections regarding estimated resources and planned strategies and corporate objectives. The Company does not make any representations and provides no warranties concerning the accuracy of the projections and disclaims any obligation to update or revise any forward-looking statements/projects based on new information, future events or otherwise except to the extent required by applicable laws.