

Date: 23 January 2026

ASX: ERE FSE: 1P80

Shares on issue: 523.5M

Market capitalisation: A\$7.9M
(@ A\$0.015)

Board of Directors

Non-Executive Chairman
Thomas Mann

Managing Director
Jason Beckton

Executive Director
John Leving

Executive Director and CFO
Peter Nightingale

Non-Executive Director
Steve Gemell

Company Secretary
Richard Edwards

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QUARTERLY ACTIVITIES REPORT

European Resources Limited (ASX:ERE – FSE:1P80)

The Directors present the December 2025 Quarterly Activities Report for European Resources Limited (**European Resources** or **the Company**) and its controlled entities (**the Group**), amid a renewed focus on Western rare earths supply following China's export restrictions and surging gold and silver prices.

Highlights

- **Korsnäs Metallurgy**
 - Screening confirmed LnCS concentrate is suitable hydromet feed; flotation uplift modest and not value-accretive, so the program has pivoted to direct hydromet processing and broader sample generation.
- **ANSTO Minerals engaged**
 - Stage 1 pre-leach and acid bake/leach program underway on original Korsnäs concentrate to define preferred extraction conditions and guide downstream flowsheet selection.
- **Korsnäs drilling**
 - Commenced 6 December 2025; 50% complete as at 31 December 2025. Program designed to test extensions/continuity and generate fresh metallurgical material, supporting a planned resource estimate update.
- **HVSR Passive Seismic Orientation Survey**
 - Results align with historical gravity lows and cover thickness, supporting HVSR as a low-impact targeting tool
 - New covered zone identified for follow-up.
- **Jokikangas**
 - Footprint expanded; early-stage target refinement underway using low-impact reconnaissance methods, subject to permitting and access.

Managing Director, Jason Beckton, comments

This quarter we pivoted decisively to direct hydromet processing of the Korsnäs LnCS concentrate (with ANSTO engaged), commenced drilling at Korsnäs on 6 December 2025, and expanded our Finland footprint at Jokikangas to accelerate target definition and resource growth.

Operations – Finland

Korsnäs REE Project (100% owned)

Metallurgical and hydrometallurgical program

During the quarter, the Company completed metallurgical screening to test whether the Korsnäs Lanthanide Concentrate Stockpile (**LnCS**) concentrate could be materially upgraded by flotation prior to hydrometallurgical processing. The work confirmed the existing LnCS concentrate is suitable feed for hydrometallurgical extraction, however, that further flotation optimisation is unlikely to deliver sufficient incremental uplift to justify additional time and cost. On that basis, the Company has moved to direct hydrometallurgical treatment of the original LnCS concentrate and is accelerating the generation of additional metallurgical samples from tailings material and drill core to support flowsheet development and scale-up planning.

ANSTO Minerals engagement (Stage 1)

ANSTO Minerals has been engaged to complete Stage 1 pre-leach and acid bake/leach test work on the original Korsnäs concentrate. The objective is to define operating conditions and generate the data required to select and scope a preferred extraction pathway. The program includes concentrate characterisation, pre-leach optimisation and a structured acid bake/leach test matrix, culminating in a final technical report recommending preferred conditions and providing guidance for downstream separation options.

Program deliverables are expected to include:

- concentrate characterisation to support flowsheet design
- pre-leach test work to optimise conditions and understand gangue/impurity behaviour
- acid bake/leach test work to evaluate REE extraction performance and impurity deportment
- a consolidated data package and recommendations to guide the next phase of work and flowsheet decisions

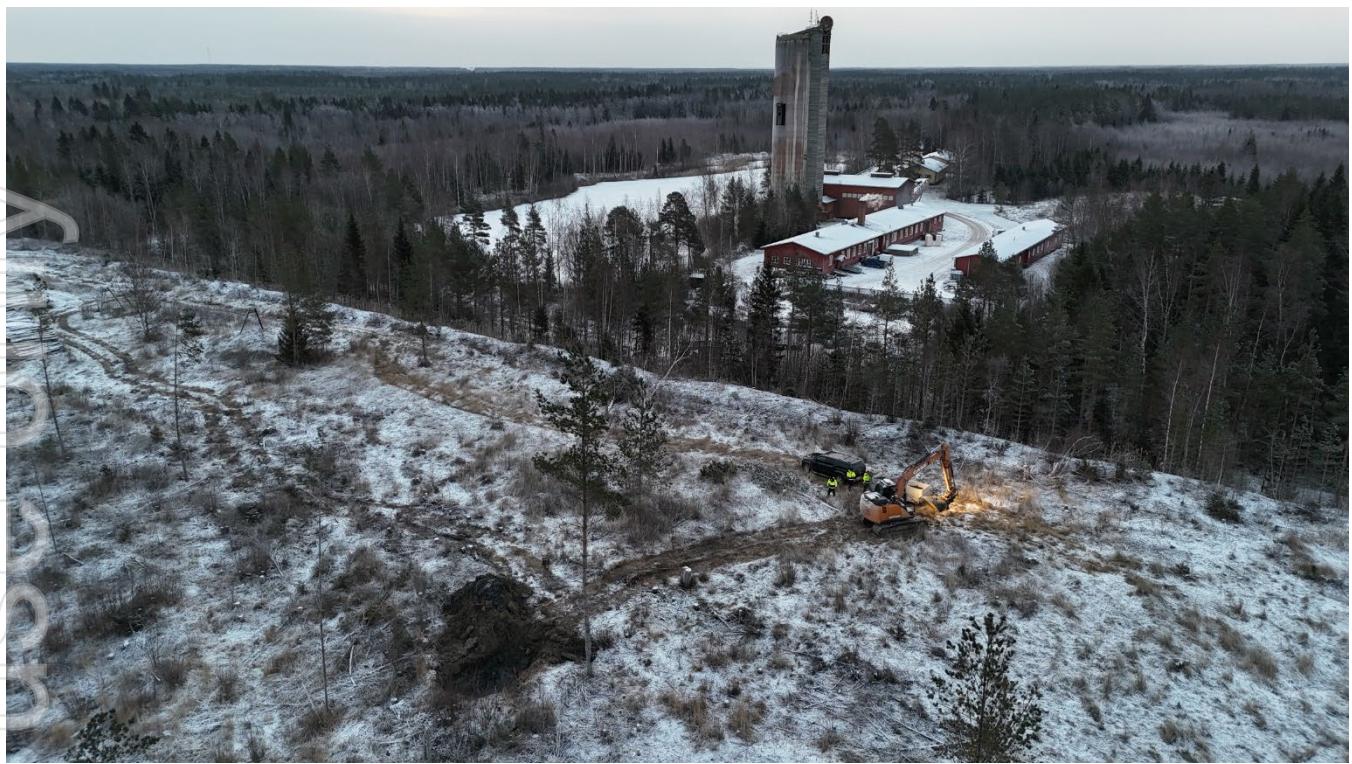
Drilling and passive seismic (HVSR) update

A diamond drilling program has commenced at Korsnäs to confirm continuity and extensions of known mineralisation, improve geological control in priority zones and generate fresh material to support metallurgical and flowsheet development. Results are intended to support a planned update to the existing JORC (2012) Mineral Resource Estimate.

Drilling commenced on 6 December 2025 and was 50% complete as of 31 December 2025. The Company will report progress and results as they become available.

REMHub pilot program – University of Oulu Korsnäs TSF bulk sample (January 2026 delivery)

A 3-tonne bulk sample from the Korsnäs Tailings Storage Facility (**TSF**) has been collected and designated for delivery to the University of Oulu in January 2026 to support the REMHub pilot program. Sampling follows the same contamination control approach used for previous bulk sampling by removing surface organic material and then collecting the sample from beneath this layer to an approximate depth of 2 metres.



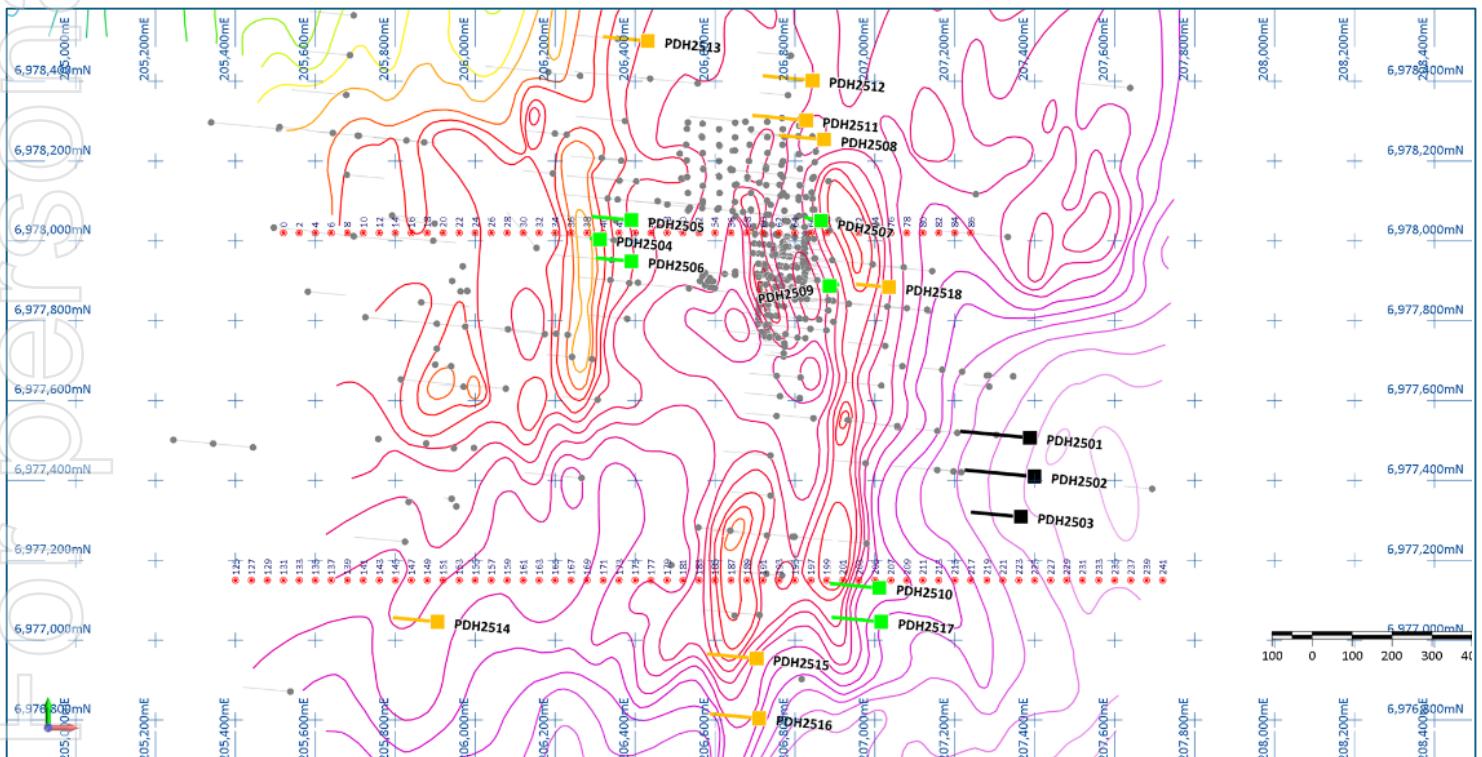
Collection of 3-tonne bulk sample from Korsnäs TSF to support REMHub pilot plant runs at the University of Oulu.



Drilling underway at Korsnäs rare earths project, Finland.

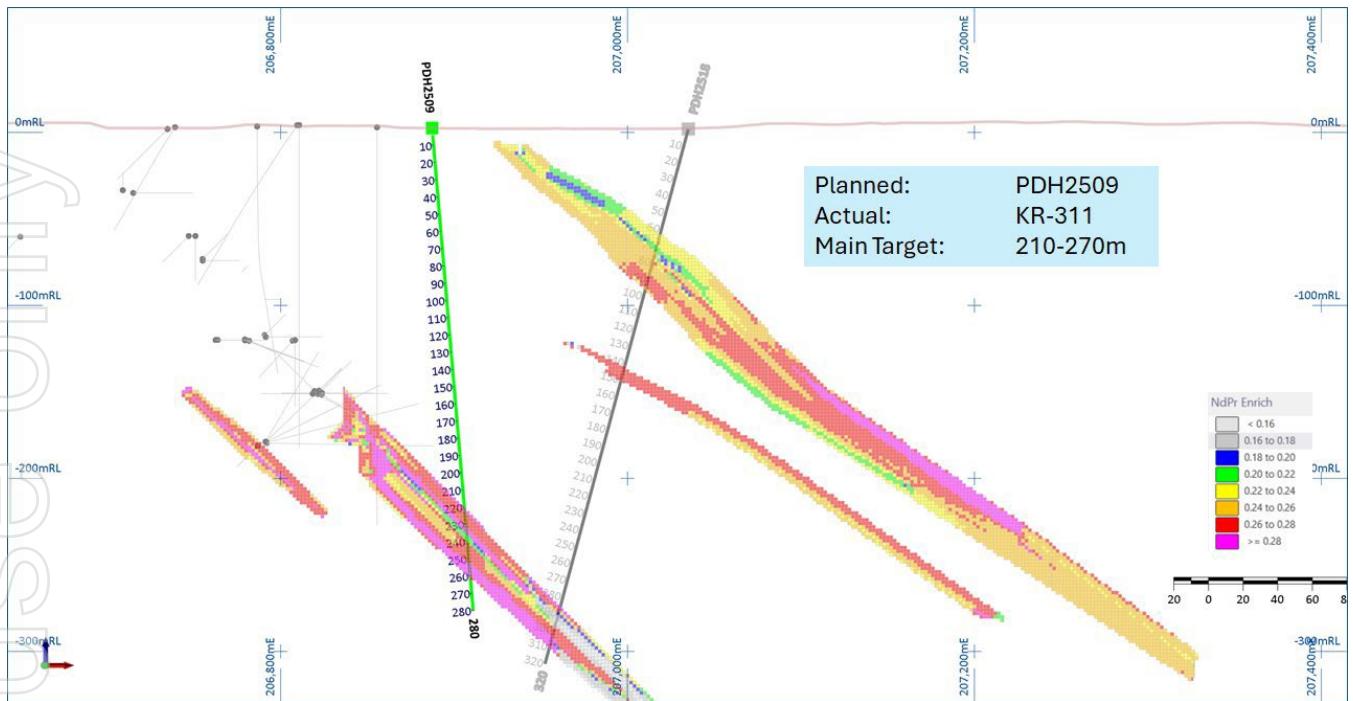


Overview of Korsnäs rare earths project, Finland showing historical operations.

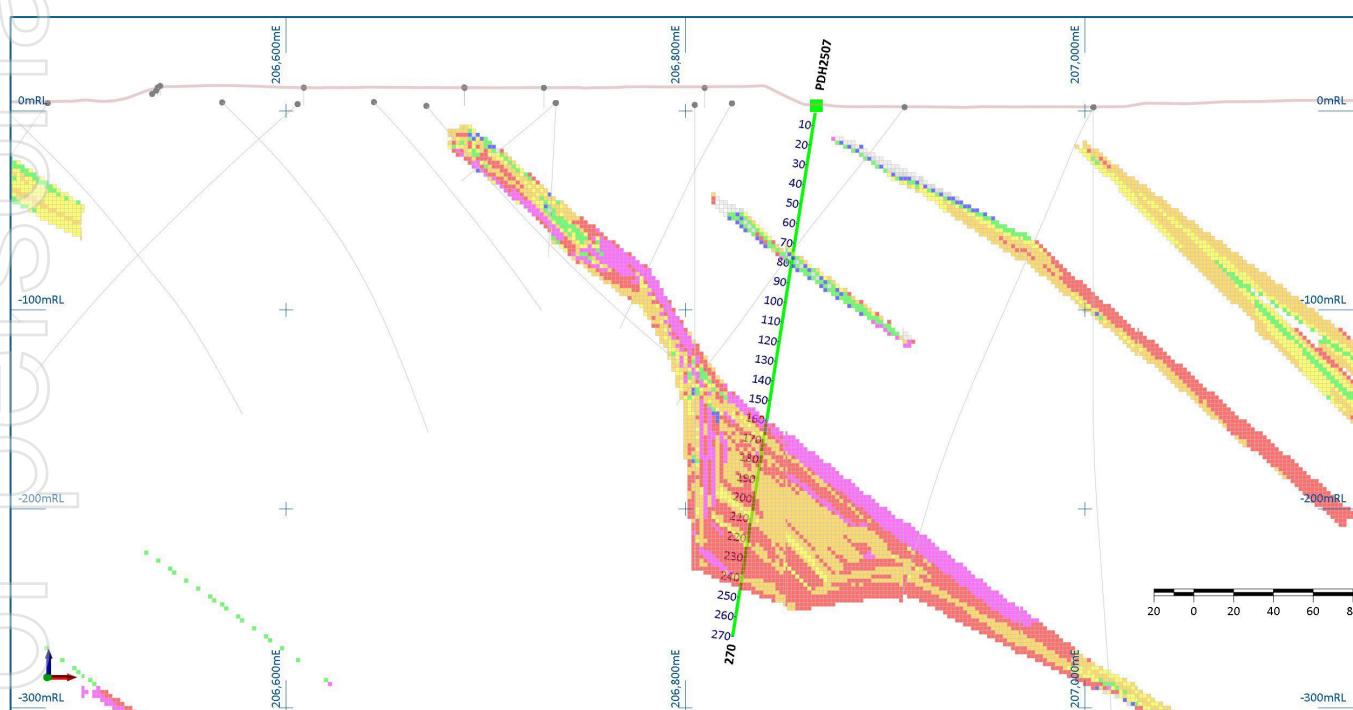


Map showing the locations of planned drill holes (green).

Gravity contours shown -low anomalies, which strongly correlate with near-surface mineralisation.
Coordinate reference system (ETRS-TM35FIN, EPSG:3067).



Cross section of planned hole PDH2509 (collared as KR311) which is predicted to intersect REE mineralisation down dip from historical Korsnäs mine stopes.

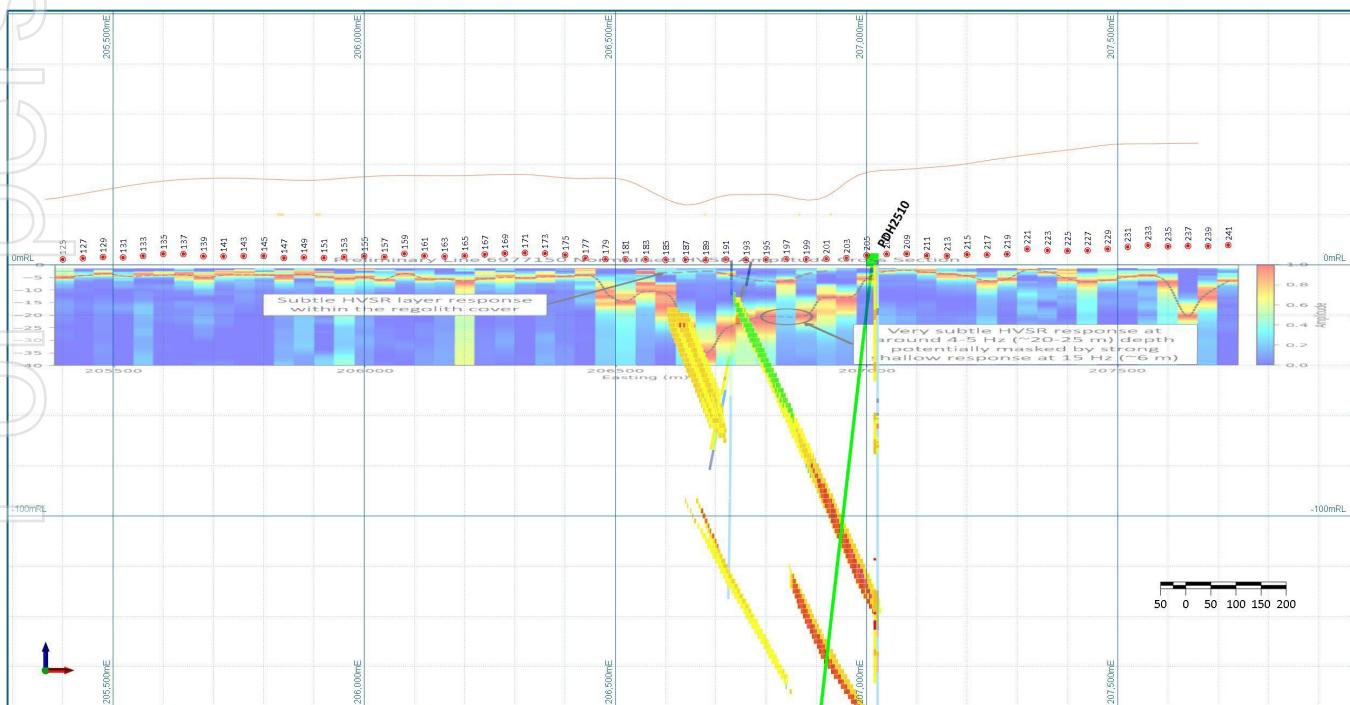


Cross-section of planned hole PDH2507, which is predicted to intersect multiple zones of high-grade REE mineralisation north of the historical Korsnäs mine stopes.
Coordinate reference system (ETRS-TM35FIN, EPSG:3067).



**First hole of the Phase 2 drill program, KR-311 (PDH2509), set up and drilling.
Korsnäs mine headframe in background with the TSF upper right.**

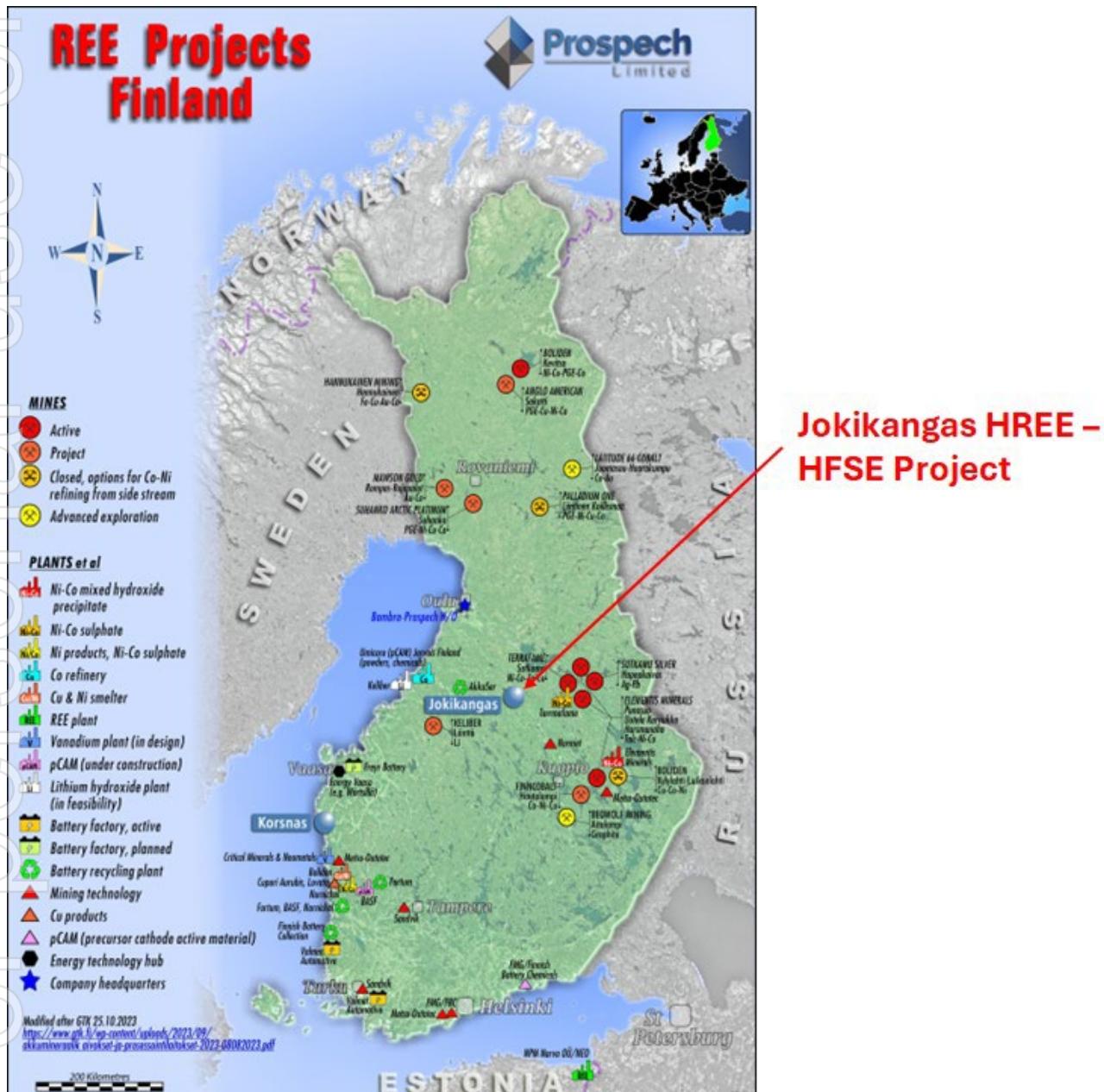
During the quarter, passive seismic (HVS R) orientation lines were completed to assess depth-to-basement and the relationship between thicker cover and interpreted carbonatite/skarn zones. Preliminary results show a strong correlation with historical gravity low anomalies and have identified a covered zone to the east for follow-up assessment. The results support HVS R as a practical, low-impact targeting tool at Korsnäs, noting it is an indirect method used to map contrasts and structure rather than grade.



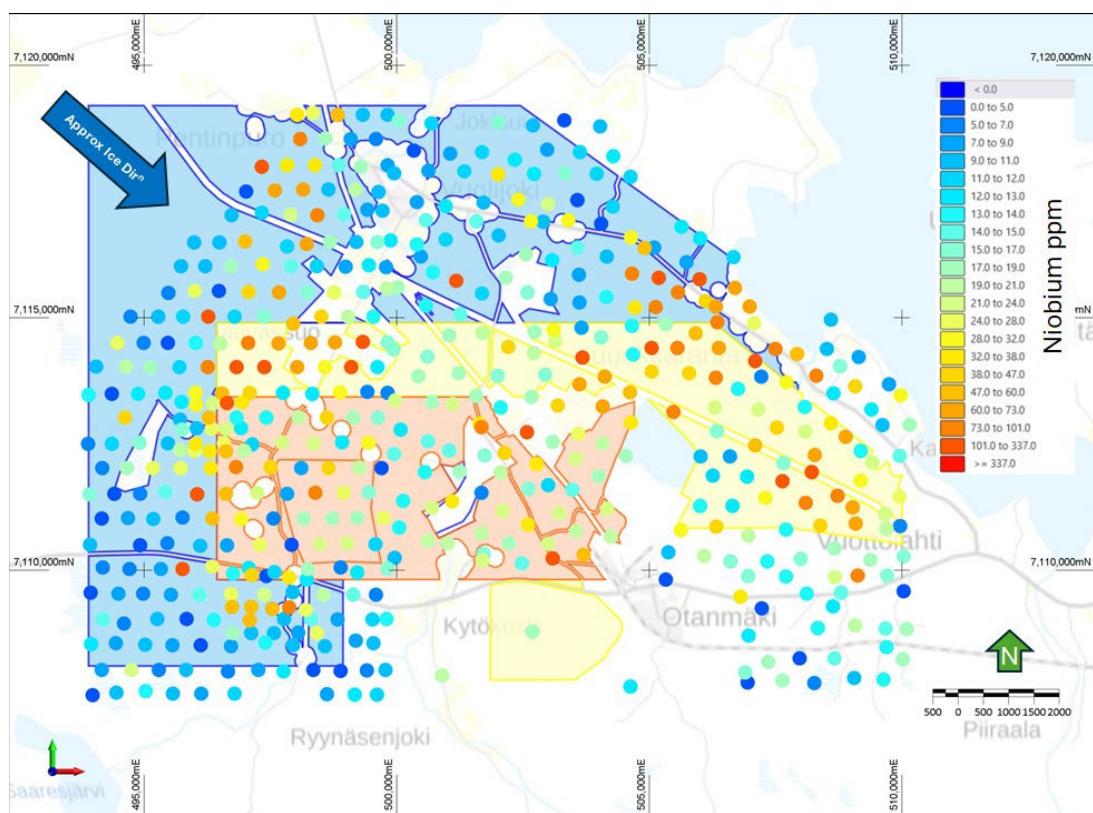
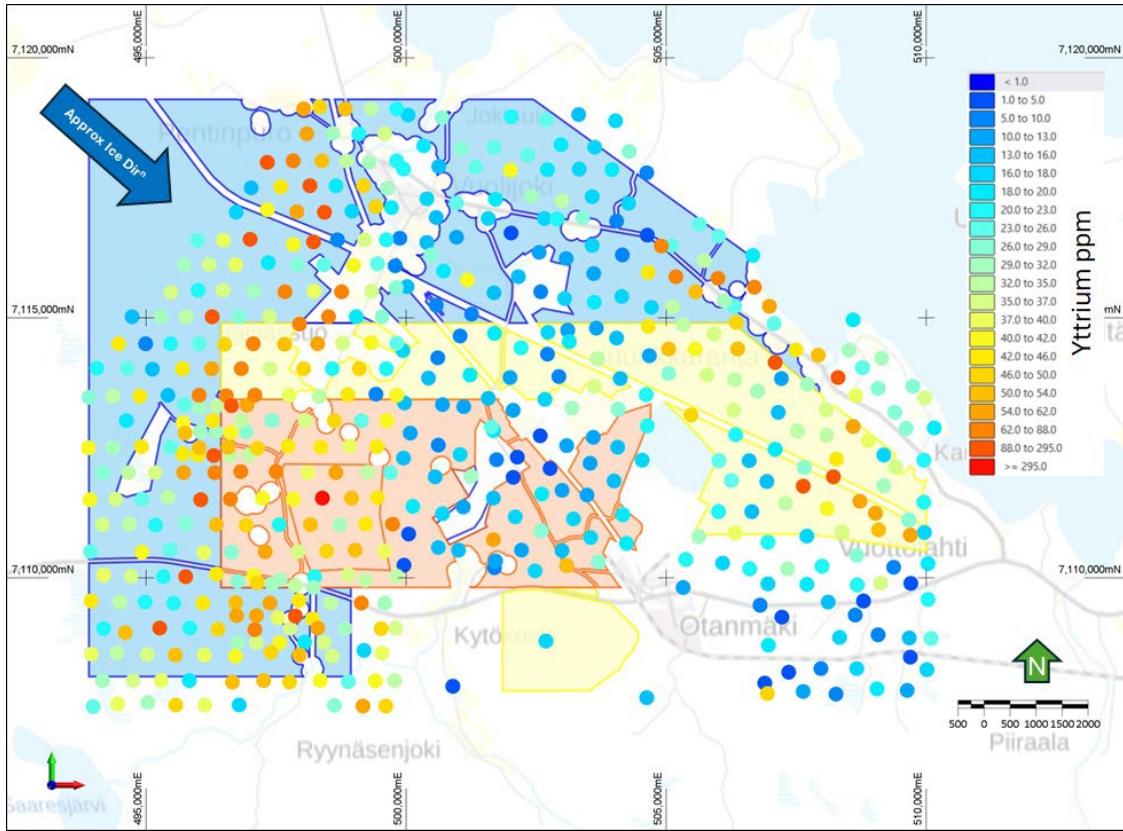
**Data is being checked with a new untested covered zone to the East. Phase 3 drill targets already being generated.
Coordinate reference system (ETRS-TM35FIN, EPSG:3067).**

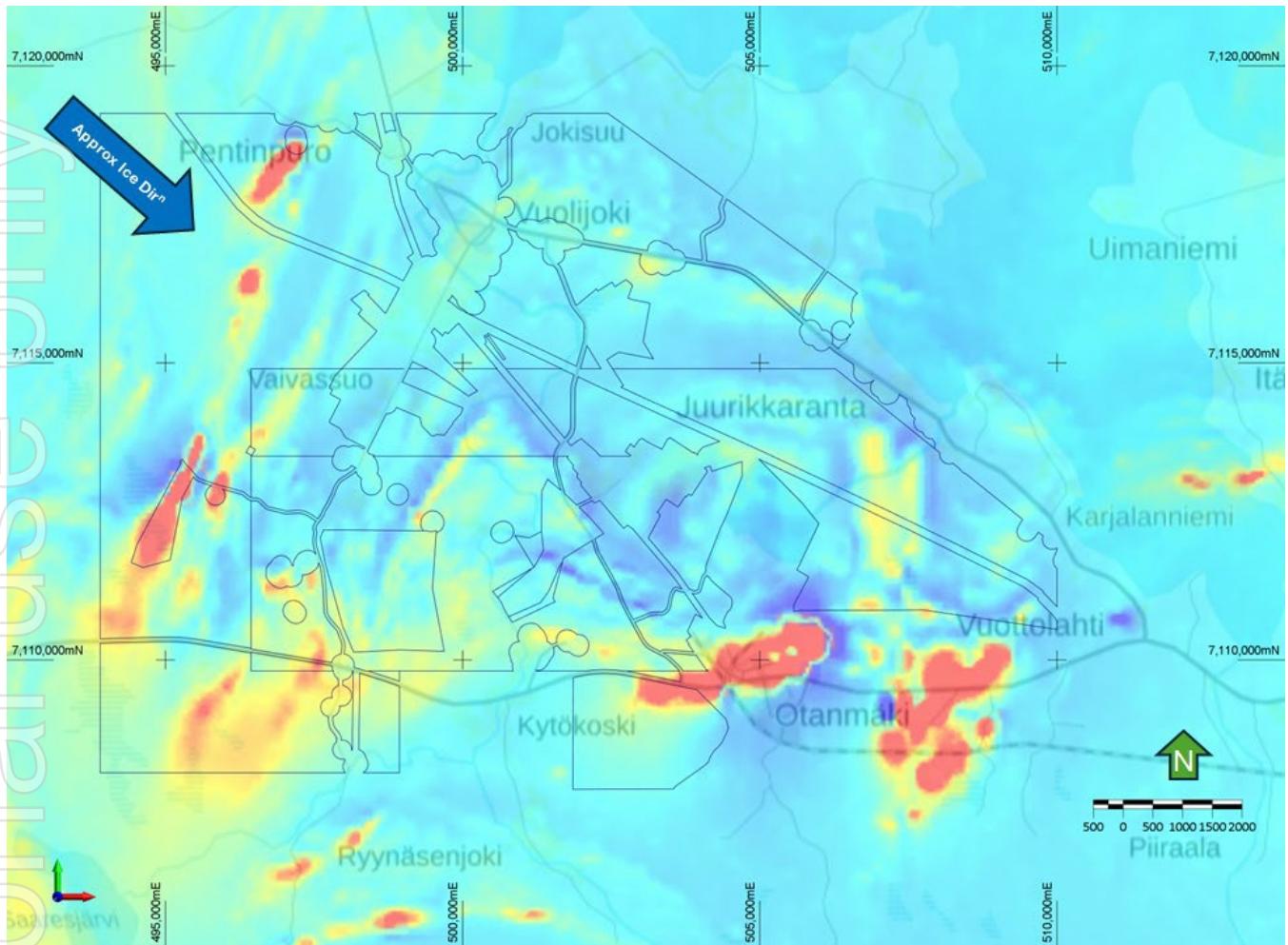
Jokikangas HFSE–HREE Project (Finland)

During the quarter, the Company expanded its tenement footprint at the Jokikangas project, increasing its land position across a prospective HFSE corridor. Regional datasets indicate a coherent NNE-trending zone of elevated yttrium and niobium with supporting structural trends in aeromagnetics. The Company is planning an initial, low-impact reconnaissance program to refine targets, expected to include passive seismic (HVS), base-of-till drilling and test pitting, subject to permitting and access.



Map of Finland showing the locations of the Company's two REE/HFSE projects, Jokikangas and Korsnäs.





Heat map of publicly available GTK aeromagnetics (RTP total field) clearly showing the NNE trending anomalies supporting the trends observed in the till geochemistry.

Other Exploration Licences

No field activities were undertaken during the quarter at the Hodruša-Hamre, Zlatno, Pukanec, Nova Baňa and Cejkov-Zemplin exploration licences in Slovakia and the Jokikangas project in Finland.

Forward Program

- Korsnäs metallurgy Stage-1 and 2 hydromet (at ANSTO).
- Korsnäs metallurgy REMHub program (Oulu Mining School and GTK programs).
- Deliver the 3-tonne TSF bulk sample (TSF13) to the University of Oulu in January 2026 for the REMHub pilot run and incorporate outcomes into the metallurgy/hydromet development pathway.
- Drilling (resource expansion in Finland and exploration in Slovakia).

Hydromet (ANSTO – Stage 1). Run a pre-leach and acid-bake/leach test matrix on the CORE concentrate, including TGA-DSC and waste/impurity characterisation. Reporting will comprise PN1 - PN3 followed by a consolidated final report and data pack.

Hydromet (Ansto Stage 2 – following Stage 1 outcomes). Conduct solution-purification trials toward a first mixed rare-earth product, define reagent recycle and impurity control, address waste handling, and outline scale-up options.

Finland – Resource drilling. Priority drilling will target resource expansion and collection of fresh metallurgical samples. Supporting tasks include model updates and resource-update workflows (assays, density, QA/QC, domaining).

Slovakia – Exploration drilling (gold–silver–copper). Drill highly prospective Au-Ag-Cu targets to confirm mineralised structures, grade continuity and generate samples for petrography and preliminary metallurgy as warranted.

Corporate

Rights Issue and Follow-On Placement

At the start of the quarter Company announced the completion of a rights issue under which existing shareholders could apply for 2 new shares for every 7 shares held, at an issue price of \$0.015 per new share, together with 1 attaching option for every 2 new shares issued.

The rights issue closed fully subscribed and raised approximately \$1.6 million (before costs). To accommodate a portion of the excess demand, following the issue of securities under the rights issue the Company agreed to undertake a placement to raise an additional \$546,750 on the same terms as the rights issue.

The Company issued a total of 144,685,994 new fully paid ordinary shares and 70,343,024 new options, with a further 2,000,000 options being subject to approval by shareholders.

The proceeds from the rights issue and the follow-on placement will be used for:

- exploration activities at the Company's Finnish and Slovakian projects;
- advancing the Company's rare earth metallurgical work programs; and
- general working capital and to cover costs associated with the offers.

Change of Company Name

Following shareholder approval at the Company's Extraordinary General Meeting held on 16 December 2025 the Company's name was changed to European Resources Limited and the Company's ASX code changed to ERE.

The Company's original exploration activities were focused on Slovakia. The Company's activities have subsequently expanded, with the acquisition of a 100% interest in Bambra Oy and its Finnish projects in 2023. The Directors regard Europe as an attractive mining destination and actively consider additional opportunities in this jurisdiction. As a result of these developments, the Directors considered that the name change better reflected and represented the Company's ongoing business activities.

Expenditures

Expenditure on exploration activities during the quarter totalled \$561,903. There were no expenditures on mine production and development activities during the quarter.

Related Party Expenditures

During the quarter, the aggregate amount of payments to related parties and their associates totalled \$339,697, \$269,697 being payments to Directors for Directors' consulting fees and \$70,000 being payments to MIS Corporate Pty Limited, a company in which Director Peter Nightingale has a beneficial interest and which provides administrative services, including administrative, accounting staff rental accommodation and Company Secretarial services, to the Company.

Tenements

Project	Tenement Number	Country	Interest
Cejkov-Zemplin	11006/2022-5.3	Slovakia	100%
Hodruša-Hamre ³	7120/2023-5.3	Slovakia	100%
Jokikangas	ML2021:0017 Jokikangas ² ML2023:0015 Honkamäki ² ML2025:0024 Honkamäki 2 ¹ VA2025:0056-01 Jylhy ¹	Finland	100%
Kolba	VA2024:0058 Tervahauta ¹ 9313/2022-5.3	Slovakia	100%
Korsnäs	ML2021:0019 Hägg ² ML2025:0020 Hägg 2 ² ML2024:0087 Hägg 3 ² ML2024:0103 Petalax ¹	Finland	100%
Nova Baňa ³	P22/15	Slovakia	100%
Pukanec ³	9313/2022-5.3	Slovakia	100%
Zlatno	9355/2024-5.3	Slovakia	100%

- 1 Tenement areas are reserved by Reservation Applications followed by Reservation Notifications then Exploration Permits approved by the Finnish Safety and Chemicals Agency (**TUKES**), the Finnish mining authority. These Exploration Permit applications are currently in handling by TUKES.
- 2 These are Exploration Permits approved by TUKES.
3. Undergoing re-application

No Material Changes

The Company confirms it is not aware of any new information or data that materially affects the information included in this report and that all material assumptions and technical parameters underpinning the Exploration Results, Mineral Resources and Exploration Target in this announcement continue to apply and have not materially changed.

Competent Person's Statement

The information in this Report that relates to Exploration Results is based on information compiled by Mr Jason Beckton, a Member of the Australian Institute of Geoscientists. Mr Beckton, who is Managing Director of the Company, has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Beckton consents to the inclusion in this Report of the matters based on the information in the form and context in which it appears.

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pjn12841

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

European Resources Limited

ABN

24 602 043 265

Quarter ended ("current quarter")

31 December 2025

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	-	-
(e) administration and corporate costs	(326)	(878)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	7	12
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(319)	(866)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation	(562)	(1,737)
(e) investments	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
2.2 Proceeds from the disposal of:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	(562)	(1,737)
3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	1,055	3,131
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	-	-
3.4 Transaction costs related to issues of equity securities or convertible debt securities	-	(227)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	1,055	2,904
4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	922	796
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(319)	(866)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(562)	(1,737)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	1,055	2,904

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(11)	(11)
4.6	Cash and cash equivalents at end of period	1,085	1,085
5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,085	922
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,085	922
6. Payments to related parties of the entity and their associates		Current quarter \$A'000	
6.1	Aggregate amount of payments to related parties and their associates included in item 1	173	
6.2	Aggregate amount of payments to related parties and their associates included in item 2	146	
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>			

7. Financing facilities		Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term 'facility' includes all forms of financing arrangements available to the entity.</i>			
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>			
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
8. Estimated cash available for future operating activities		\$A'000	
8.1	Net cash from / (used in) operating activities (item 1.9)		(319)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))		(562)
8.3	Total relevant outgoings (item 8.1 + item 8.2)		(881)
8.4	Cash and cash equivalents at quarter end (item 4.6)		1,085
8.5	Unused finance facilities available at quarter end (item 7.5)		-
8.6	Total available funding (item 8.4 + item 8.5)		1,085
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)		1.23
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>			
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:		
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?		
Answer: Yes			
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?		
Answer: Based on the positive results anticipated from the current drilling program at the Korsnäs project and resulting mineral resource estimate upgrade, the Company expects to be well supported in its capital raising requirements.			
8.8.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?		
Answer: Yes, for the reasons stated above.			
<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>			

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 23 January 2026

Authorised by: By the Board
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.