PELOTON CAPITAL

Osmond Resources Ltd (OSM)

Europe's Critical Minerals Opportunity: Exceptional Grades, Strategic Location, Deep Discount

SPEC BUY

Current $0.49

18th November 2026

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Outstanding Grades and Substantial Size: 8.6% rutile: typically mineral sands projects report far less than 1% in situ. 5.1% zircon: rare are the mineral sands projects reporting more than 1% in situ. 1.0% monazite: other projects report 0.1% or less. In terms of size, the maiden MRE of 60 million tonnes at 16.2% total heavy minerals only covers 3.4% of the project and the mineralised seams present excellent geological continuity. The Orión mineralisation consists of a fine-grained heavy-mineral assemblage within a quartz-rich sedimentary host, interpreted as a lithified mineral-sands system.

Low Capital: the 2 Mtpa initial operation module is a compact, repeatable building block, keeping the capital expenditure low (US$299 million).

Underground Mining: the flat-lying orientation of the mineralised seams lends itself to room and pillar underground mining – a conventional and well-established mining method with the benefits of minimising ground disturbance and on-surface waste.

Conventional Flowsheet: Monazite, zircon and rutile/ilmenite are established, internationally traded products, recovered with conventional gravity, magnetic, electrostatic and flotation separation. Preliminary testwork indicates minerals recoveries and concentrate specification comparable with global producers.

Spain Location: In addition to access to the EU single market and the CRMA framework (27-month permitting for Strategic Projects and a single point of contact), Spain offers an established mining industry, particularly in Andalucía, with numerous operating mines and readily available expertise and skilled labour. Spain is the EU's largest zircon consumer and the second largest worldwide. Orión is a 2.5-hour drive from Madrid.

Government Support: given the project characteristics and location, Orión is likely to receive Strategic Project status (or equivalent) at the various levels of government: EU, Spain and Andalucía. We note that OSM has already received a €250,000 grant under the Spanish Government Critical Minerals Plan.

Intense News Flow: 15-20 drill hole program with two rigs, MRE upgrade, updated larger Scoping Study, PFS level studies including further metallurgical testwork to improve the quality of the concentrates (and attract higher pricing), as well as some downstream initiatives including Mixed Rare Earths Carbonate (MREC) and rare earth oxide (REO) studies to potentially increase the value-add.

Orión Project Valuation: considering the wide range and volatility of the rare earth prices, we have developed our own price scenario using a mix of current pricing on the Western markets (Nd), a post-spike price for Gd, the Chinese domestic price plus the % premium observed for Nd (Pr, Y) and the mid-point between that calculated premium price and the Argus base case forecast (Sm, Eu, Tb, Dy) over the 2030-38 period. In addition, we assumed a self-funded project expansion from 2 to 4 Mtpa, based on a 44.5 Mt mining inventory (vs 15.8 in the Scoping Study) doubling the production from year 4, extending the mine life to 13 years, generating an NPV post tax of A$3,028 million (US$2,119m) and IRR of 77%.

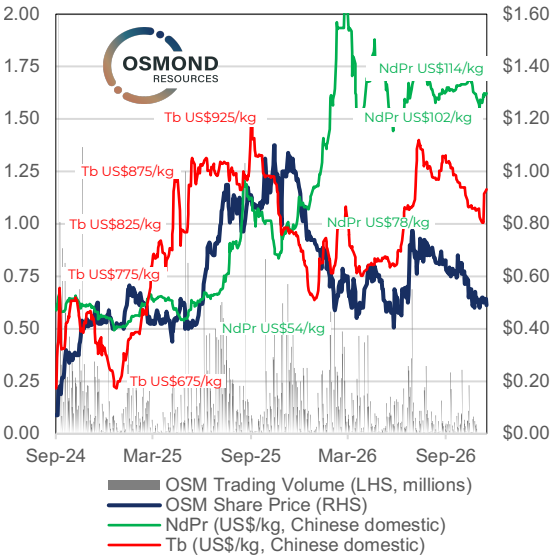
OSM Valuation and Investment Case: Applying a 20% risk weighting (80% haircut) to our Orión NPV, we value OSM at A$557 million, or A$2.15 per share on a pro-forma diluted basis (including options exercised to December 2027 and the 2027 raise). Against a share price of A$0.49, this implies a total shareholder return of 339%. At an enterprise value of A$107 million, the market is pricing at about a fifth of our risked valuation, which is a deep discount for a project with outstanding grades, low capital intensity (US$299 million) and strong policy tailwinds. Our Speculative Buy rating reflects the asymmetry between that upside and the risks typical of a pre-PFS developer: financing and dilution, rare earth price volatility, and permitting timelines. We expect the planned drilling, MRE upgrade and PFS-level studies over the next 12 months to be the key catalysts to narrow the valuation gap. With the EU struggling to secure critical minerals, OSM offers a Strategic Project that should attract financial and permitting support and be fast-tracked towards production.

Company Data	
Number of Shares	231.9m
Options	69.8m
Diluted Number of Shares	301.7m
Market Capitalisation - undiluted	$113.6m
Market Capitalisation - diluted	$147.8m
Net cash / (Debt)	$6.5m
Enterprise Value - undiluted	$107.1m
Enterprise Value - diluted	$141.3m
12-month high/low	$0.40 - $1.10
12-month Avg Daily Volume	110,00

Substantial Shareholders & Associates	
Goldrin Studio SL	7.2%
Anthony Hall	4.7%
Daniel Eddington	0.6%

Board of Directors	
Anthony Hall	Managing Director & CEO
Lachlan Rutherford	Executive Director
Daniel Eddington	Non-Executive Director

12-month OSM Share Price



Key Catalysts	
Drilling results	Q4 2026/Q1 2027
MRE upgrade	Q1 2027
PFS level studies	H1 2027
Madrid Stock Exchange listing	H1 2027
Strategic project recognition by EU, Spain, Andalucía	2027

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PELOTON CAPITAL

Osmond Resources (ASX: OSM) Financial Summary

Base Case: Orión Project increasing from 2 to 4 Mtpa with Peloton Capital price assumptions

Key metrics

Market Information	Unit	Value
Number of Issued Shares	million	231.920
Unlisted Options ($0.30, expiry 15 Dec 2026)	million	4.500
Unlisted Options ($0.30, expiry 30 Nov 2027)	million	4.011
Unlisted Options ($1.20, expiry 31 Dec 2027)	million	8.250
Unlisted Options ($1.50, expiry 30 Jun 2028)	million	3.250
Unlisted Options ($1.75, expiry 28 Oct 2028)	million	1.750
Unlisted Options ($0.15, expiry 31 Dec 2028)	million	22.500
Unlisted Options ($0.75, expiry 23 Apr 2029)	million	4.000
Unlisted Options ($0.90, expiry 23 Apr 2029)	million	8.500
Unlisted Options ($0.90, expiry 30 Jun 2030)	million	12.000
Unlisted Options ($1.20, expiry 2 Oct 2030)	million	1.000
Fully Diluted	million	301.681
Share Price	A$	0.490
12 month Low-High	A$	0.40- 1.10
Market Capitalisation	A$m	113.641
Cash (31-Oct-26 inclusive of Nov. $3.75m placement)	A$m	6.500
Debt (30-Sep-26)	A$m	-
Enterprise Value	A$m	107.141

Mineral Resources - Orión Project - Main Seam Only (REO in ppm)

Main Seam	Mt	Rutile %	Ilmenite %	Zircon %	Monazite %	VHM %
Measured	2.0	10.1	3.8	6.2	1.2	21.4
Indicated	11.9	9.1	3.4	5.4	1.1	19.0
M + I	13.8	9.2	3.5	5.6	1.1	19.3
Inferred	35.9	8.3	3.2	4.9	1.0	17.4
Total	**49.7**	**8.6**	**3.3**	**5.1**	**1.0**	**17.9**

Main Seam	Mt	TREO	Pr6O11	Nd2O3	Sm2O3	Eu2O3
Measured	2.0	8,595	385	1,979	238	20
Indicated	11.9	7,614	341	1,736	211	18
M + I	13.8	7,753	347	1,771	215	18
Inferred	35.9	6,901	310	1,575	191	16
Total	**49.7**	**7,139**	**320**	**1,625**	**198**	**16**

Main Seam	Mt	Gd2O3	Tb4O7	Dy2O3	Y2O3	MREO
Measured	2.0	165	22	102	527	2,488
Indicated	11.9	147	19	91	474	2,187
M + I	13.8	150	20	92	482	2,230
Inferred	35.9	134	18	83	438	1,984
Total	**49.7**	**138**	**18**	**85**	**450**	**2,053**

Orión Post Tax Net Present Value @ 8% discount rate and Internal Rate of Return

Mining Inventory	Plant Throughput		Chinese Prices	US/EU Floor	Peloton Capital	Angus Forecast
15.8 Mt	2 Mtpa	NPV	$666	$702	$1,354	$3,197
	over 9 years	IRR	40%	42%	72%	141%
44.5 Mt	2 -> 4 Mtpa	NPV	$1,377	$1,462	**$3,028**	$7,918
	over 13 years	IRR	43%	45%	**77%**	149%

OSM Sum of the Parts Valuation	NPV (A$m)	Risk Weight	A$m	Per Share
Orión Project (76% interest)	$2,302	20%	$460.3	$1.78
Upside (Hafnium + Silicon metal)			$92.1	$0.36
Evaluation and development studies costs			($18.0)	($0.07)
Cash (31-Oct-26)			$6.5	$0.03
Exercise of $0.30 options (2026-2027)			$2.6	$0.01
Exercise of $1.20 options (2027)			$9.9	$0.04
Capital raising for dev. Studies (@ $1.20/share)			$12.0	$0.05
Corporate costs			($8.0)	($0.03)
12-month Valuation/Price Target			**$557.3**	**$2.15**

Financial Statements

Financial Year ending 30 June

Profit & Loss (A$m)	2026A	2027F	2028F	2029F	2030F
Revenue	0.2	0.1	0.0	0.0	157.1
Operating Costs	(5.6)	(5.9)	(6.2)	(6.5)	(58.7)
Royalties	0.0	0.0	0.0	0.0	0.0
Overhead Costs	(2.2)	(2.3)	(2.4)	(2.5)	(2.6)
Other Income/Costs	0.0	0.0	0.0	0.0	0.0
EBITDA	**(7.6)**	**(8.1)**	**(8.6)**	**(9.0)**	**95.8**
Depreciation	0.0	0.0	0.1	0.1	15.1
Net Interest	0.0	0.0	0.0	0.0	(12.0)
Tax and Other	(0.2)	0.0	0.0	0.0	0.0
Profit	**(7.8)**	**(8.1)**	**(8.5)**	**(8.9)**	**98.9**

Cash Flow (A$m)	2026A	2027F	2028F	2029F	2030F
Net Profit	(7.8)	(8.1)	(8.5)	(8.9)	98.9
+/- Adjustments	0.2	0.0	(0.1)	(0.1)	(3.1)
+/- Working Capital	0.0	0.6	0.1	0.0	(25.9)
+/- Other	5.7	0.2	0.0	0.0	(7.9)
Cash Flow from Operations	**(1.9)**	**(7.4)**	**(8.5)**	**(9.0)**	**62.1**
Net Capital Expenditure	(3.9)	0.0	0.0	(90.0)	(358.6)
Cash Flow from Investing	**(3.9)**	**0.0**	**0.0**	**(90.0)**	**(358.6)**
Net proceeds from Debt	0.0	0.0	0.0	100.0	158.0
Changes in Share Capital	7.3	21.8	14.8	117.1	10.8
Dividends	0.0	0.0	0.0	0.0	0.0
Other Financing Casfhlow	(0.3)	(1.3)	0.0	(6.0)	0.0
Cash Flow from Financing	**7.0**	**20.4**	**14.8**	**211.1**	**168.8**
Net Cash Change	**1.2**	**13.1**	**6.3**	**112.1**	**(127.6)**

Balance Sheet (A$m)	2026A	2027F	2028F	2029F	2030F
Cash	5.5	18.6	24.9	137.0	9.3
Other Current Assets	0.8	0.0	0.5	0.5	45.0
Total Current Assets	**6.3**	**18.6**	**25.4**	**137.5**	**54.3**
Property, Plant & Equipment	0.0	0.0	0.1	90.2	463.8
Exploration, Evaluation & Dev.	48.0	48.0	48.0	48.0	48.0
Non-Current Assets	0.5	0.5	0.5	0.5	0.5
Total Non-Current Assets	**48.5**	**48.5**	**48.6**	**138.7**	**512.3**
Total Assets	**54.8**	**67.1**	**74.0**	**276.2**	**566.6**
Equity	46.3	66.7	81.5	192.6	203.4
Reserves	18.5	18.5	18.5	18.5	18.5
Retained Earnings	(10.6)	(18.8)	(27.3)	(36.2)	62.7
Total Equity	**54.1**	**66.4**	**72.7**	**174.9**	**284.6**
Current Debt	0.0	0.0	0.0	0.0	0.0
Account Payables	0.7	0.7	1.3	1.3	12.1
Other Liabilities	0.0	0.0	0.0	0.0	0.0
Total Current Liabilities	**0.7**	**0.7**	**1.3**	**1.3**	**12.1**
Lease Liabilities	0.0	0.0	0.0	0.0	0.0
Non-current Debt	0.0	0.0	0.0	100.0	270.0
Total Non-current Liabilities	**0.0**	**0.0**	**0.0**	**100.0**	**270.0**
Total Liabilities	**0.7**	**0.7**	**1.3**	**101.3**	**282.1**
Total Equity + Liabilities	**54.8**	**67.1**	**74.0**	**276.2**	**566.6**

Profitability indicators	2026A	2027F	2028F	2029F	2030F
EBITDA margin			0.0%	0.0%	61.0%
Liquidity	**2026A**	**2027F**	**2028F**	**2029F**	**2030F**
Quick Ratio	1.2	0.0	0.0	0.0	3.3
Current Ratio	1.2	0.0	0.4	0.4	3.7
Capital structure	**2026A**	**2027F**	**2028F**	**2029F**	**2030F**
Equity ratio	0.8	1.0	1.1	0.7	0.4
Debt / Assets	0.0	0.0	0.0	0.4	0.5
Debt / EBITDA	0.0	0.0	0.0	-11.1	2.8
DSCR	0.0	0.0	0.0	0.0	3.0

Source: Peloton Capital estimates

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All currencies are in Australian dollars unless otherwise specified.

1. OSM Valuation

Pricing Scenarios

Based on the Scoping Study price assumptions, the Orión project generates 76% of its revenue from the sale of its monazite concentrate. Considering the complexity and volatility of the rare earth oxide pricing, we have developed the following pricing scenarios.

Considering the current price surge of some of the REO in the Western markets, we have first opted for two very conservative price scenarios (Chinese domestic prices and "US/EU Floor" prices) to demonstrate the robustness of the Orión project. Then we have developed our own price scenario using a mix of current pricing on the Western markets (Nd), a post-spike price for Gd, the Chinese domestic price plus the % premium observed for Nd (Pr, Y) and the mid-point between that calculated premium price and the Argus base case forecast (Sm, Eu, Tb, Dy). Table 1.1 summarises the various price scenarios.

Table 1.1 – REO Price Scenarios

Price Scenario (US$/kg)	Pr_6O_{11}	Nd_2O_3	Sm_2O_3	Eu_2O_3	Gd_2O_3	Tb_4O_7	Dy_2O_3	Y_2O_3	Note
Chinese Domestic (Oct-26)	126	139	2.40	22.50	25	839	186	9	flat prices
US/EU floor	110	110	9.28	30.00	40	2,050	575	12	flat prices
Peloton Capital	174	192	6.30	26.30	45	2,700	711	12	flat prices
Argus base case average 2030-2038	188	182	9.28	21.50	848	4,242	1,166	954	fluctuating w/forecast & 2.5% p.a. inflation

Source: SMM, company announcements, OSM

For the zircon concentrate (64% ZrO2), the spot linked average of US$1,645/t was used for the first two scenarios and US$1,902/t was used for the Peloton Capital scenario. No price inflation has been considered.

For the titanium concentrate (71.3% TiO2), the spot linked average of US$377/t was used for the first two scenarios and US$502/t was used for the Peloton Capital scenario. No price inflation has been considered.

For the sake of simplicity and with regards to the past volatility observed, no inflation has been applied to any of those three scenarios.

Orión Project Valuation

We have initially built our financial model for the Orión Critical Minerals Project in line with the OSM Scoping Study parameters and assumptions.

- Mining inventory: 15.8 million tonnes
- LOM grades: 0.75% TREO, 3.61% ZrO_2, 10.74% TiO_2
- Processing recoveries: 63.6% TREO, 60.4% ZrO_2, 36.1% TiO_2
- Concentrate grades: 22.6% TREO, 64.1% ZrO_2 and 71.3% TiO_2
- Capital expenditure: US$299m (2025 US$)
- Operating cost: US$67.79/t ROM (2025 US$)
- Payabilities: 50% for all REO, 83% for zircon product and 119% for titanium product (payability is higher than 100% due to adjustment for grade against 58-62% TiO_2 benchmark)
- No royalty
- Closure/rehabilitation costs: US$19 million (2025 US$)
- All costs subject to 2.5% p.a. inflation, but no price inflation (except for the Argus base case)
- Corporate tax rate: 25%. No tax losses considered.

Our model was first validated using the Scoping Study pricing assumptions generating similar post-tax NPV and IRR.

Considering that the maiden mineral resources estimate only covers 3.4% of the Orión project, we have expanded our model to consider a mining inventory of 44.5 million tonnes at the same grades mined and processed over 13 years (a subset of current 50 Mt high-grade seam, i.e. assuming higher confidence resource material delineated subject to infill drilling). Note – our valuation does not yet include a line item for exploration upside. We also assumed the processing throughput to double to 4 Mtpa from 2033 (year 4). The additional capex is self-funded.

Table 1.2 – Orión Post Tax NPV @ 8% discount rate, IRR and Profitability Ratio

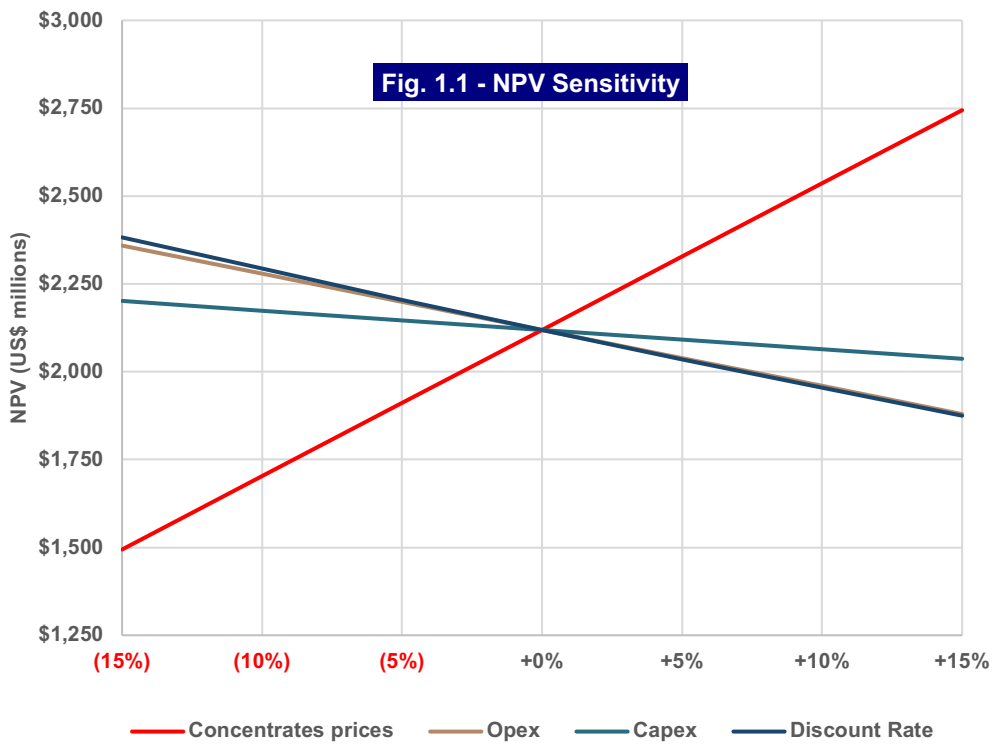
Mining Inventory	Plant Throughput	US$m	Chinese Prices	US/EU Floor	Peloton Capital	Angus Forecast
15.8 Mt	2 Mtpa	NPV	$466	$492	$948	$2,238
	over 9 years	IRR	40%	42%	72%	141%
		NPV/Capex	1.5x	1.6x	3.0x	7.1x
44.5 Mt	2 -> 4 Mtpa	NPV	$964	$1,023	$2,120	$5,543
	over 13 years	IRR	43%	45%	77%	149%
		NPV/Capex	3.1x	3.3x	6.8x	17.7x

Source: Peloton Capital estimates

As expected, the valuation is highly leveraged to the metal prices. Should China's rare earth export restriction be lifted, the project can support Chinese domestic prices. It can also support a price scenario made of the recent floor prices set by the US government for Nd, Pr, Dy and Tb and drastically reduced prices compared to the Argus forecast. Using the Peloton Capital price assumptions, the project delivers outstanding returns. Finally, should prices follow the Argus forecast, project returns are tremendous.

In all scenarios, the IRR and profitability ratio (NPV/capex) are excellent, thanks to the relatively low initial capital expenditure and the ability to develop the project in stages using processing modules.

As shown in Figure 1.1 – NPV Sensitivity, the Orión NPV is most sensitive to concentrate product prices. This is typically the case for most mining projects. The NPV remains at or above US$1,500 million across the ±15% range tested vs an initial capex of US$299 million delivering robust profitability.



Source: Peloton Capital research

Orión Cash Flows and Concentrates Production

Figure 1.2 and Figure 1.3 summarise the cash flows and metal production from the Orión Project. Figure 1.4 summarises the life of mine revenue split between the various conentrate.

Fig. 1.2 - Cash Flows

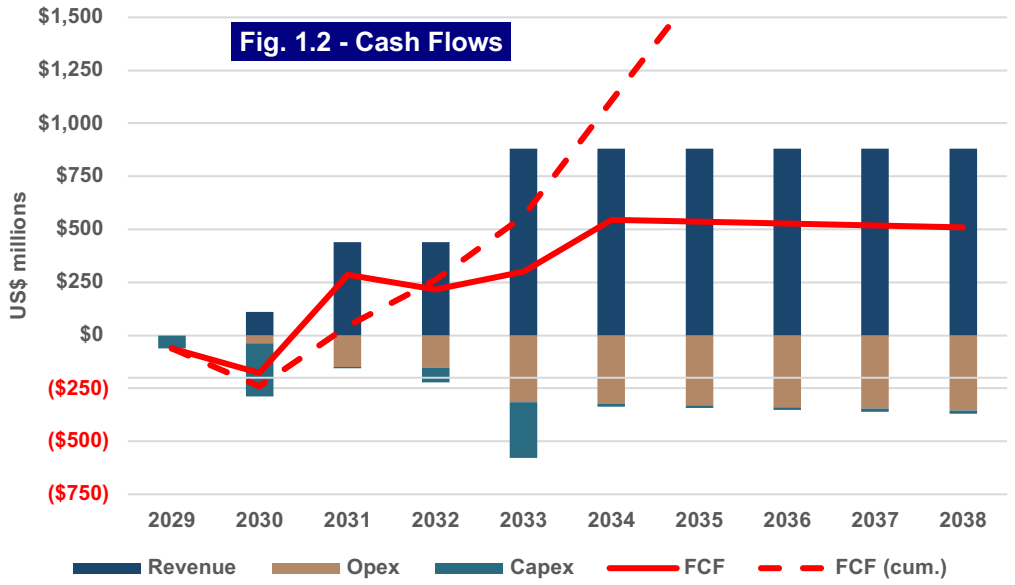
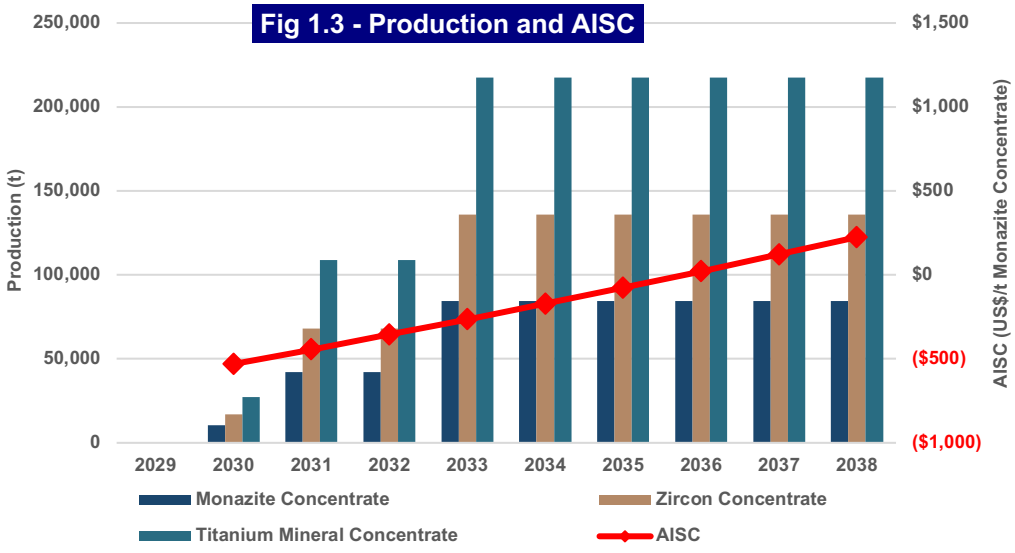
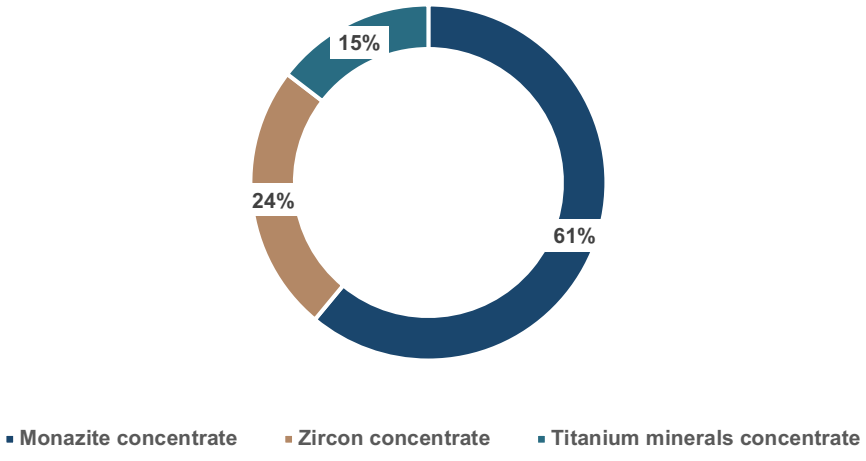


Fig 1.3 - Production and AISC



Fig, 1.4 - LOM Revenue Split



Source: Peloton Capital research

OSM Sum of the Parts Valuation

To derive our sum of the parts valuation, we have considered a total number of shares equal to 258.7 million including the recent $3.75 million placement (7.5 million shares @ $0.50), the exercise of options up to December 2027 and an equity capital raising in 2027: 10 million shares at $1.20 for $12.0 million to assist in the financing of the evaluation and development studies for the Orión project.

The 76% interest is derived from the 80% OSM interest in Iberian Critical Minerals Pty Ltd and 95% interest of Omnis Minerals SL into Green Mineral Resources SL, which holds 100% of the Orión Project.

Table 1.3 summarises the sum of the parts valuation for OSM.

Table 1.3 – OSM Sum of the Parts Valuation

Asset	NPV	Risk Weight	A$m	Per Share
Orión Project (76% interest)	$2,301m	20%	$460.2m	$1.78
Upside (Hafnium + Silicon metal)			$92.0m	$0.36
Evaluation and development studies costs			($18.0m)	($0.07)
Cash (31-Oct-26, post November placement			$6.5m	$0.03
Exercise of $0.30 options (2026-2027)			$2.6m	$0.01
Exercise of $1.20 options (2027)			$9.9m	$0.04
Capital raising for development studies (@ $1.20/share)			$12.0m	$0.05
Corporate costs			($8.0m)	($0.03)
12-month Valuation/Price Target			**$557.2m**	**$2.15**

Source: Peloton Capital estimates. Per share value may not sum due to rounding.

The risk weighting of 20% (80% haircut) is in line with pre-production companies with a project at development stage.

2. Project and Company Benchmarking

From a Rare Earths Perspective

Among the significant European REE projects developed by listed companies, Critical Metals Corp (NASDAQ: CRML) with the Tanbreez project located in Greenland offers a valuable comparable, see Table 2.1.

Table 2.1 - Comparison between the Orión project in Spain and the Tanbreez project in Greenland

Parameter	Unit	Orión	Tanbreez	Orión / Tanbreez
Country		Spain	Greenland	
In-country mining expertise		479 mine sites in Andalusia alone	1 gold mine and 1 anorthosite quarry	
Stage		Maiden MRE & Scoping Study **Oct 2026**	PEA Mar 2025 Mine and closure plans approved DFS targeted for mid-2027	
Resource tonnage	Mt	49.7	44.9	1.1x
TREO	%	0.71%	0.38%	1.9x
REO	tonnes	355,133	170,506	2.1x
Resource (MRE) size		ongoing drilling to increase MRE substantially	drilling to expand and optimise MRE for mine planning purposes	
Hafnium	ppm	**755**	321	2.4x
Zirconium	% ZrO_2	**3.42**	1.39	2.5x
Niobium	% Nb_2O_5	-	0.14	
Rutile in situ	%	**8.6**	-	**Orión has best known in situ grades worldwide**
Zircon in situ	%	**5.1**	-	
Monazite in situ	%	**1.0**	-	
Rare earth mineral		**Monazite** phosphate (Ce, La, Nd, other REE)PO_4	Eudialyte complex zirconosilicate $Na_{15}Ca_6Fe_3Zr_3S$ $(Si_3O_9)_2(Si_9O_{27})_2(OH)_3Cl$	✅ / ►
Zirconium mineral		**Zircon** main commercial source of zirconium and hafnium	Eudialyte	✅ / ►
Processing		**Commercially proven**	No commercial operation Pilot plant with expected completion in May 2026, then Aug 2026 still in construction	✅ / ►
Initial Production		42,300 tpa monazite concentrate at 22.6% TREO grade	85,000 tpa eudialyte concentrate at 2.96% TREO grade	7.5x
	REO contained	9,560 tpa	2,516 tpa	3.8x
		43,600 tpa zircon contained	0.1-0.2 Mtpa feldspar ore	
		77,500 tpa titanium oxide contained	0.1-0.2 Mtpa arfvedsonite ore	
Company		OSMOND RESOURCES	Critical Metals Corp	
Project Ownership		78%	100%	
Exchange		ASX	NASDAQ	
Code		OSM	CRML	
Market Capitalisation	A$m	$114	$1,209	0.09x
Capex estimate	US$m	$299	$1,850	0.16x

Source: ASX, NASDAQ, company announcements

CRML has benefited from US government talks about taking a stake in the company in October 2025. Investors began treating CRML as a potential US-aligned critical-minerals champion, not merely a pre-production Greenland developer. The Tanbreez project development is progressing, while key risks include the unproven processing of the eudialyte mineral at commercial scale.

From a Heavy Minerals Perspective

The Orión deposit belongs to the broad family of heavy-mineral-sand (HMS) placer deposits, but it is unusual because the original tidal/shallow-marine sand was later buried, compacted, and cemented into rock—a "lithified" mineral-sands deposit. Comparable systems exist worldwide, though most commercial examples are younger, unconsolidated beach, dune, or river deposits rather than lithified tidal sandstones.

Figure 2.1 compares the **in situ** grades of the Orión deposit with a number of mineral sands projects and mines. Note that mineral sands projects typically report a heavy minerals portion (in percentage), then the grade or mineral proportion (in percentage) of each valuable mineral within the heavy minerals portion. Here the in situ grade of each valuable mineral has been calculated to obtain comparable in situ grades.

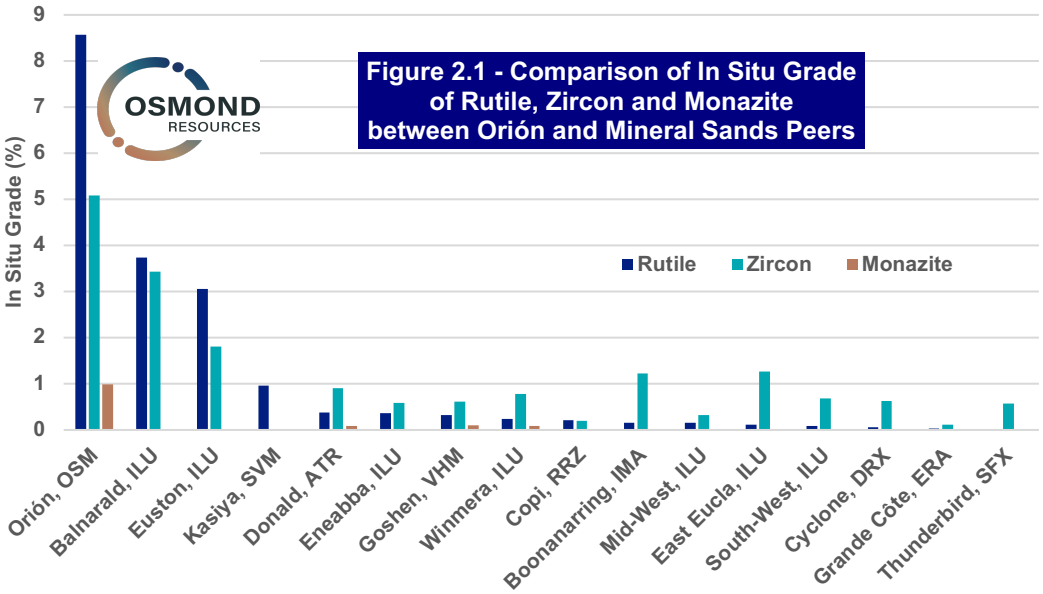


Figure 2.1 - Comparison of In Situ Grade of Rutile, Zircon and Monazite between Orión and Mineral Sands Peers

The most plausible explanation of those high grades is natural concentration: a favourable source of heavy minerals followed by unusually effective sediment sorting and repeated reworking, leaving mineral-rich layers with relatively little quartz dilution. Lithification subsequently preserved those layers.

Orión's lithified nature means it is more like a soft-to-moderately hard sedimentary rock deposit: it may require blasting, crushing, or attrition scrubbing to liberate the heavy minerals, but it can potentially use conventional mineral-sands separation once the grains are liberated. Osmond has specifically highlighted this challenge in its "breaking rock without breaking the grains" processing work. So part of the grade benefit is offset by the additional blasting and crushing cost, but most of the benefit remains in particular for the monazite which is the most valuable mineral thanks to its REE content.

3. Osmond Resources Strategy

Osmond Resources' strategy is to fast-track the development of the Orión EU Critical Minerals Project in southern Spain into the European Union's first domestic producer of rare earth-bearing monazite, titanium minerals (rutile/ilmenite), and zirconium / hafnium concentrates.

Core Strategic Pillars

1. Become the EU's first integrated domestic source of key critical minerals

The company aims to supply three of the EU's 17 Strategic Raw Materials and five of its 34 Critical Raw Materials under the Critical Raw Materials Act (CRMA). Module 1 of the project is projected to meet meaningful portions of forecast 2030 EU demand (approximately 6% of NdPr, 24% of zirconium, and 8% of titanium). This positions Orión as a strategic asset supporting EU goals of 10% domestic extraction, 40% domestic processing, and reduced reliance on single non-EU sources by 2030.

2. Rapid de-risking and modular development of Orión

Complete resource expansion and upgrades through ongoing drilling (currently 15-20 holes with two rigs targeting growth beyond the current 60 Mt MRE, which covers only ~3.4% of the ~232 km² tenure).

Progress from Scoping Study (completed October 2026: US$299 m capex, US$2.31 bn NPV_8, 145% IRR) to updated Scoping Study in Q1 CY2027, PFS-level metallurgical testwork, and ultimately a mining licence application which the company is targeting for mid CY2027.

Develop an owner-operated underground room-and-pillar mine with modular 2 Mtpa processing plants that can be expanded as the resource grows. Initial focus is on high-margin concentrate production (monazite, zircon, titanium), with zircon and titanium credits expected to cover operating costs.

3. Capture downstream value and build European supply-chain integration

Pursue higher-value products beyond concentrates, including mixed rare earth carbonates/oxides (via collaboration with Técnicas Reunidas (TR) and its RARETECH technology), near-pure rutile, hafnium metal, titanium/zirconium metal powders, and potentially silicon metal. The strategy is to leverage the high-grade, multi-commodity nature of the deposit into integrated EU processing rather than remaining a pure concentrate exporter. Under the collaboration agreement signed with TR, OSM will own 100% of the downstream rare earth processing facility, with TR providing its RARETECH rare earth processing technology and EPC services for the downstream facility. TR is also the leading company for the PERMANET Project (PERmanent MAgnet Network for the European Transition) promoted by the European Commission (EC) within the framework of its Horizon Program. Note – our valuation does not yet include anything for this potential 100% OSM owned downstream processing facility.

4. Maximise policy support, funding, and European capital access

Apply for Strategic Project recognition and support schemes at EU, Spanish national, and Andalusian levels.

Secure grants and incentives (already received the maximum €250,000 under Spain's 2026–2030 national mineral exploration programme that has allocated a total budget of €192m for projects like Orión).

Pursue a secondary listing on the Bolsa de Madrid to broaden the investor base, improve liquidity, and align with European stakeholders.

Maintain a Spanish-centric operating presence (Madrid head office and local technical team) to facilitate permitting, partnerships, and offtake discussions.

5. Focused portfolio management

Orión is the clear flagship. The secondary Iberian One Project (kaolinite/alunite in Segovia) is under review for possible divestment or partnership so resources remain concentrated on Orión.

Near-Term Priorities (late 2026 – 2027)

- Complete current drilling and deliver an upgraded MRE + updated Scoping Study (targeted Q1 2027).
- Advance PFS metallurgical work and downstream REE studies.
- Progress permitting, environmental baseline work, and Strategic Project and other incentive applications in Andalucía, Spain and the EU.
- Advance the Madrid secondary listing and explore offtake/partnership opportunities.
- Secure the funding pathway for the estimated ~US$300 m pre-production capital.

In summary, Osmond's strategy is a classic European critical-minerals "first-mover" play: leverage a high-grade, multi-commodity Spanish deposit, align tightly with EU and Spanish policy priorities, de-risk rapidly through drilling and studies, develop modularly with low initial capital intensity, and expand into downstream processing to maximise strategic and economic value within the EU supply chain.

4. SWOT Analysis

Strengths

- Compelling preliminary economics from the October 2026 Scoping Study: low initial capital of US$299 million (including 25% contingency, ±35% accuracy), unlevered post-tax NPV_8 of US$2.31 billion (base case), IRR of 145%, average annual EBITDA of ~US$531 million, and free-cash-flow payback of only 6 months. By-product credits from zircon and titanium concentrates drive a negative LOM C1 cash cost of –US$12.67/t ROM.
- Multi-commodity high-grade deposit (lithified placer) producing monazite (REE, including magnet rare earths NdPr, Dy, Tb), zircon (Zr/Hf), and titanium minerals (rutile/ilmenite) from a single system. Module 1 alone is projected to supply meaningful shares of forecast 2030 EU demand (~6% NdPr, ~24% zirconium, ~8% titanium). Contains 3 of 17 Strategic and 5 of 34 Critical Raw Materials under the EU Critical Raw Materials Act.
- Maiden JORC (2012) MRE of 60 Mt @ 9.39% TiO_2, 3.06% ZrO_2, 624 ppm HfO_2 and 6,274 ppm TREO (only ~3.4% of the ~232 km² tenure), with 15.3 Mt in Measured + Indicated. Confirmed mineralisation over a >10 km corridor with multiple seams.
- Strategic EU/Spanish location (Jaén, Andalucía) with strong policy tailwinds, recent maximum Spanish exploration grant (€250k), collaboration with Técnicas Reunidas for downstream REE processing, and plans for secondary Madrid listing. Underground room-and-pillar design minimises surface disturbance.
- Experienced Spanish-focused technical team (including Chief Geologist Dr Fernando Palero) and 76% beneficial ownership after completing acquisition milestones.

Weaknesses

- Early-stage status: Scoping Study only (no Ore Reserves, no PFS/DFS completed). Production target includes 29% Inferred resources; metallurgical recoveries, concentrate quality, and radiation management (Th/U associated with monazite) remain to be fully proven at scale.
- Single-project concentration risk (Orión is the flagship; Iberian One is secondary/non-core). Company has limited operating history, no revenue from production, and modest cash (~A$6.5 m pro-forma at 31 Oct 2026).
- Funding gap: ~US$300 m pre-production capital required with no certainty of raising it on acceptable terms; ongoing dilution risk from equity raises. Market capitalisation (~A$110–120 m undiluted range around early November 2026) is small relative to development needs.
- Geological and technical uncertainties typical of lithified placer systems (variable seam thickness, structural complexity, liberation requiring crushing/grinding).

Opportunities

- Significant resource upside: current MRE covers a tiny 3.4% fraction of the large tenure; ongoing/expanded drilling (15-20 holes with two rigs) aims to grow scale, upgrade confidence, and support a longer mine life or additional modules. Updated Scoping Study targeted for Q1 2027.
- Downstream value-add: potential for mixed rare-earth carbonate/oxide production, higher-purity rutile, hafnium, titanium/zirconium metal powders, or silicon metal — not included in the base Scoping Study economics. Partnership with Técnicas Reunidas supports this pathway.
- Strong policy and funding support: EU Critical Raw Materials Act, Spanish national exploration program, potential Strategic Project status, grants, offtake interest from European end-users seeking supply-chain security, and secondary listing in Spain.
- Modular development approach allows staged expansion as resource grows and markets develop. Positive commodity outlook for magnet rare earths, titanium, and zirconium driven by EVs, renewables, defence, and industrial demand.

Threats

- Commodity price volatility (especially REE, which remain China-dominated) and foreign-exchange movements (AUD/EUR/USD).
- Permitting, environmental, and social licence risks in Spain (project partly within a Special Area of Conservation; radiation management, water, waste, and community issues). Delays or stricter conditions than assumed.
- Capital-market access and dilution risk for a small-cap explorer/developer needing hundreds of millions to reach production. Competition for capital and talent among other European critical-minerals projects.
- Execution risks: cost inflation, geotechnical or metallurgical underperformance, construction delays, or inability to convert Inferred resources. Geopolitical or regulatory shifts affecting critical-minerals incentives.

Overall

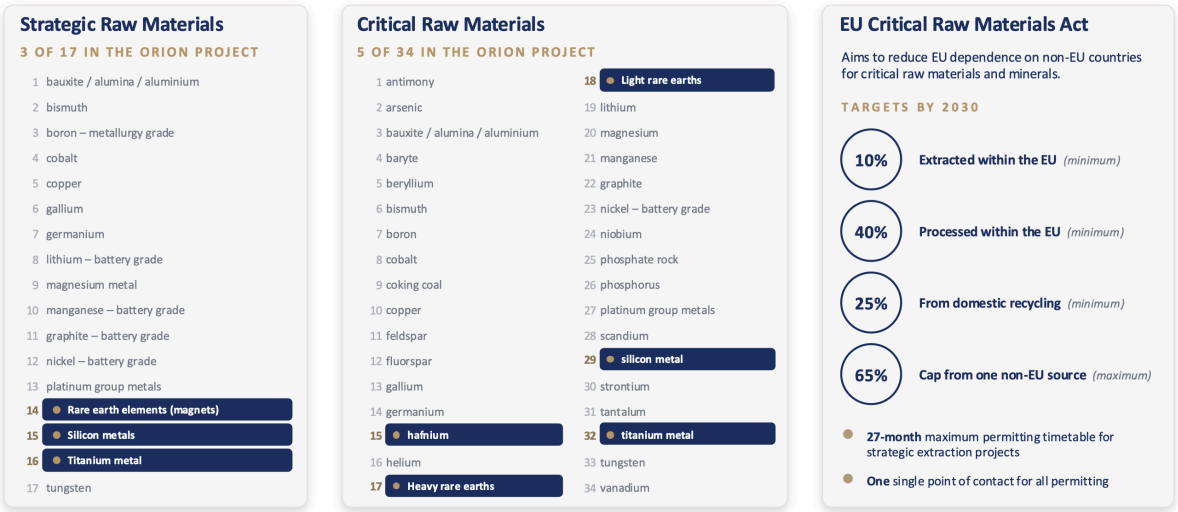
Osmond's investment case centres on the high-grade, multi-commodity Orión project's potential to become the EU's first domestic source of monazite, zircon, and titanium minerals, backed by attractive preliminary economics and strong policy alignment. The key de-risking steps are successful resource expansion/upgrade, metallurgical confirmation, progression through PFS/DFS, permitting, and securing development funding. As an early-stage company, it carries elevated risk typical of the sector, with outcomes highly sensitive to exploration results, technical validation, and capital markets.

5. European Context, CRMA

Critical and Strategic Raw Materials

Figure 5.1 displays the Strategic Raw Materials and Critical Raw Materials established by the European Union (EU). Orión Project contains three of 17 Strategic Raw Materials and five of 34 Critical Raw Materials.

Figure 5.1 – Outline of the Orión MRE Target Area



Source: OSM. EUR-LEX – Document 32024R1252

Key Elements of the Critical Raw Materials Act

- **Benchmarks**: The EU aims to extract 10%, process 40% and recycle 25% of its annual consumption of these materials by 2030.
- **Diversification Cap**: By 2030, no more than 65% of any strategic raw material should come from a single non-EU country. The EU auditors found that lithium, magnesium, gallium and rare earths already exceed that at the processing stage.
- **Faster permitting**: the Act aims to simplify permitting procedures for critical raw materials projects. The Commission has selected 60 Strategic Projects, inside and outside the EU. The Act sets permit deadlines of **27 months for extraction** and 15 months for processing and recycling.

Floor Prices Developments

On 25 April 2026, the EU and US signed a Memorandum of Understanding (MoU) on a strategic partnership on critical minerals and agreed an EU-US Critical Minerals Action Plan. "The EU and the US intend to work together to explore a broad range of trade policies and instruments to reinforce coordinated international action. These may include **border-adjusted price floors**, standards-based markets, price gap subsidies and offtake agreements."

While the EU has no floor prices yet, the recent developments in the United States and Japan could inspire the EU.

MP Materials: on 10 July 2025, the company entered a transformational public-private partnership with the US Department of Defense (DoD, also known as the Department of War). DoD has entered into a 10-year agreement establishing a price floor commitment of **$110/kg** for MP Materials' **NdPr** products stockpiled or sold, reducing vulnerability to non-market forces and ensuring stable and predictable cash flow with shared upside.

Lynas Rare Earths: on 10 Mar 2026, Lynas and Japan Australia Rare Earths B.V. (JARE) have agreed to update their long-standing, commercial arrangement for the availability and supply of rare earths to Japanese industry. Lynas and JARE have agreed a market-based offtake price with a price floor of **US$110/kg NdPr** for sales to Japanese industry and an upside sharing arrangement. Where Lynas' achieved price is above US$150/kg NdPr, an amount equal to 30% of the upside above US$150/kg NdPr, capped at a maximum of US$10 million each calendar year, will be paid to JARE.

Lynas Rare Earths: on 16 Mar 2026, the company signed a binding Letter of Intent with the DoD. Under this arrangement, approximately US$96 million will be allocated by the DoD to the purchase of Light and Heavy Rare Earth oxide products from Lynas. The floor price for supply of **NdPr oxide will be US$110/kg**.

Serra Verde: on 24 August 2026, Serra Verde finalised a 15-year offtake agreement with the US Government for 100% of its Phase I production, with guaranteed price floors for its magnetic rare earths. The floors are **$575/kg for dysprosium**, **$2,050/kg for terbium** and **$110/kg for NdPr**, each escalating 2% annually. Serra Verde keeps 70% of any price above the floor. Note USA Rare Earth agreed to acquire Serra Verde's parent for about US$2.83 billion, made up of $300 million in cash and 126.8 million shares (20 April 2026).

Orión Project Significance

Based on the initial 2 Mtpa operation (Module 1), the Orión project will produce three concentrates:

- ~42,000tpa monazite concentrate (22.6% TREO),
- ~68,000tpa zircon concentrate (64.1% ZrO_2) and
- ~109,000tpa titanium mineral concentrate (71.3% TiO_2),
- ~219,000 tpa in total.

The monazite contains ~9.5ktpa TREO, including ~2,160t NdPr oxide, ~94t Dy2O3, ~24t Tb4O7 and ~399t Y2O3. After assumed recoveries to separated oxide (85% light and 70% heavy rare earths) and to metal (92%), this yields ~1,440t NdPr metal.

Table 5.1 – Orión Annual Output versus forecast 2030 EU and US Demand

Contained metals in products	Orión Module 1 (tpa)	EU total demand 2030E (tpa)	Orión % of EU	EU + US demand 2030E (tpa)	Orión % of EU + US
Magnet REEs (Nd+Pr+Dy+Tb, metal)	~1,506	~23,680[a]	**~6%**	~34,780[b]	**~4%**
NdPr (metal)	~1,440	~22,400[a]	**~6%**	~31,600[b]	**~5%**
Dy + Tb (metal)	~66	~1,280[a]	**~5%**	~3,180[b]	**~2%**
Zirconium (ZrO_2 content)	~43,600[c]	~181,000[d]	**~24%**	~303,000[e]	**~14%**
Titanium minerals (TiO_2 contained)	~77,500[c]	~929,000[f]	**~8%**	~2,026,000[g]	**~4%**

a EU total 2030E = strategic technologies (European Commission CRMA Strategic Projects factsheet, 2025: 6,800t magnet REEs, from JRC 2023; element split on JRC 2018 wind/EV mix) plus other uses (JRC 2020 2018 base grown at its low-scenario 3% p.a.; Tb ~6% p.a.). Metal recovery: Chen et al. (2021). On a strategic-technologies-only basis, Orión equates to ~24% of EU NdPr demand.

b Adds US DOE (2022) Rare Earth Permanent Magnets Supply Chain Deep Dive, p.33: 9.2kt Nd+Pr and 1.9kt Dy (aggressive decarbonisation scenario; Tb not reported). Metal basis; EU and US scopes differ.

c At Company product grades (zircon concentrate 64.1% ZrO_2; titanium concentrate 71.3% TiO_2).

d Scrreen2 Zirconium (2023) p.3: EU ~148kt ZrO_2 p.a. (2016–20) taken as 2025 base, grown at 4.11% p.a. to 2030 (Mordor Intelligence 2026; no EU or US Government forecast identified).

e Adds USGS MCS 2026 US zircon consumption (<100kt ZrO_2; upper bound used, so Orión's share is a minimum), grown at the same rate.

f Scrreen2 Titanium (2024) p.3: EU 456.5kt Ti (2016–20) expressed as TiO_2, taken as 2025 base, grown at 4.04% p.a. to 2030 (Mordor Intelligence 2026).

g Adds USGS MCS 2026 US titanium mineral concentrates consumption (900kt TiO_2, 2025e), grown at the same rate.

Source: OSM

Table 5.1 summarises how the Orión production can contribute to the demand of the EU and the demand of the EU and US combined.

The EU is actively rebuilding rare earth separation, metal, alloy and permanent magnet manufacturing capacity, with projects announced across France, Estonia, Germany and elsewhere, supported by CRMA Strategic Project designations and European and national funding programs. That investment addresses the middle and end of the chain, but not its beginning. Orión targets the front end of this chain – the point at which the EU currently has no domestic production.

6. Rare Earths Markets

Overview

The 17 rare earth elements are split into light (La, Ce, Nd, Pr, Sm, Eu) and heavy (Gd, Tb, Dy, Y and others). The markets are small by commodity standards, and most trade by negotiated contract on assessed prices, not on exchanges.

Prices are driven mainly by Chinese quota policy, stockpiling and export controls, not by demand alone. Heavy rare earths are the most volatile because they are thinly traded by-products. Terbium was about US$4,900/kg in North America in July 2026 against about US$1,005/kg FOB China. Light rare earths are less volatile; NdPr has traded at a premium of about 40% in Western markets over China through 2026.

Since April 2025, export licensing on seven heavy rare earths and magnets has split the market in two. Chinese domestic prices reflect Chinese supply and demand, while western prices reflect scarcity and licensing delays.

Table 6.1 – Pricing Gaps Western Markets vs China by REE over 2026

Element	Gap vs China (approx.)	Driver
NdPr	About US$180-260/kg vs US$125-185/kg	no export ban, US price floor
Europium	about 20-30%	controls suspended
Gadolinium, Samarium	about 100x	controls in force, tiny markets
Terbium	about 5x	heavy rare earth, real scarcity
Yttrium	about 100-200x	controls in force, tiny market

Source: Peloton Capital research

Western supply is growing from a low base with MP Materials, Lynas (which began commercial separated Dy and Tb in 2025), Energy Fuels, Neo Performance Materials (Silmet in Estonia), Solvay, Caremag in France and others.

Project economics based on today's spike prices carry a risk of price compression as supply ramps up.

Neodymium and Praseodymium

Neodymium and praseodymium form the basis of neodymium–iron–boron (NdFeB) permanent magnets – the strongest commercially available magnet class – designed into EV traction motors, wind turbine generators, robotics and a wide range of defence and industrial actuation systems. NdFeB magnets account for approximately 89% of global NdPr demand.

According to S&P Global, by 2030 more than 20 new and existing projects could add ~51,000 tonnes of western NdPr refining capacity. Production is expected to reach 48,000 t NdPr, short of the forecasted demand ex-China of 94,000 tonnes.

For our price forecast, we used the current Western markets price for neodymium at US$192/kg as at Oct-2026 and applied the premium observed for Nd to praseodymium to derive a price of US$174/kg. The Argus average base case prices for the period 2030-2038 are US$182/kg (Nd) and US$188/kg (Pr).

Dysprosium and Terbium

Dysprosium and terbium are added to NdFeB magnets to preserve coercivity as operating temperatures rise, making them critical in jet engines, electric drivetrains, drones, naval propulsion and industrial motors. Terbium goes into the highest-performance magnets (EV, wind, defence), where its temperature resistance justifies the cost.

Permanent magnets account for ~98% of Dy demand. Tb demand is more diversified, with ~36% of consumption coming from non-magnet applications, such as phosphors and specialty electronics.

According to S&P Global, Dy and Tb demand reached ~2,060 t and ~610 t in 2025, respectively. DyTb demand is projected to grow ~7% annually, reaching ~3,770 t by 2030, then growing at 3.9% p.a. to reach 4,564 t in 2035.

DyTb resources are scarcer and concentrated in fewer deposits. China, Myanmar, and Laos account for ~91% of global mined production of Dy and Tb, with most feedstock originating from ion-adsorption clay deposits and the remainder sourced from a limited number of xenotime-rich and other hard-rock deposits.

By 2030, 22 expansion and greenfield separation projects could add approximately 3,084 t of Dy oxide and 642 t of Tb oxide separation capacity outside China, including developments by Lynas, MP Materials, and Caremag. However, the availability of DyTb-rich feedstock may become a key constraint.

Lynas began commercial separated Dy and Tb production in 2025, and Caremag is expected to start in late 2026.

Terbium is also the least likely of these elements to see its supply gap close quickly. For our price forecast, we used US$711/kg for Dy and US$2,700/kg for Tb, which are the mid-points between the Chinese domestic price plus the Western premium observed for neodymium (≈38%) and the Argus 2030–2038 base case average (US$1,166/kg Dy and US$4,242/kg Tb), held flat.

We are considering the US$1,000+/kg (Dy) and US$4,000+/kg (Tb) current western premium as a transitional scarcity price that could erode as Lynas, Caremag, Energy Fuels and others ramp up.

Samarium, Europium, and Gadolinium

Samarium (Sm), europium (Eu), and gadolinium (Gd)—collectively referred to as SEGs—are rare earth elements (REEs) used across a broad range of end markets, including defense, industrial, electronics, healthcare, power generation, and consumer applications. Sm is primarily used in samarium-cobalt (SmCo) magnets, Eu in phosphors, and Gd in consumer appliances, road mobility, and industrial equipment.

The supply of Sm, Eu, and Gd oxides is highly concentrated in China. This was highlighted by China's export controls: Sm and Gd were included in the first wave of licensing requirements in April 2025, while Eu is expected to follow in November 2026.

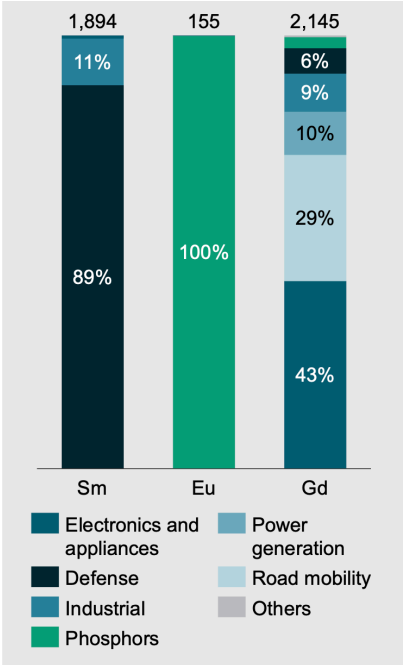
Following the introduction of these controls, Sm and Gd oxide prices increased sharply by August 2026—from approximately $3/kg to $800/kg for Sm, and from approximately $30/kg to $3,000/kg for Gd. Those price spikes have reinforced the interest in developing SEG separation capacity outside China.

All three elements are included within the rare earth element group under the EU Critical Raw Materials Act, which designates REEs as both critical and strategic. The US Department of Energy and USGS flag supply concentration risk across the lanthanide series.

Demand

Demand for Sm, Eu, and Gd oxides spans strategic defense, industrial, electronics, healthcare, power generation, and consumer applications. Sm demand is driven mainly by SmCo magnets used in defense applications. Eu demand is concentrated in phosphors for flat-screen displays and lighting. Gd demand is more diversified, spanning consumer appliances, road mobility, power generation, defense, industrial equipment, and permanent magnets.

Figure 6.1 – Uses of SEG 2025 (tonnes of oxide)



Source: S&P Global

Supply

SEGs are recovered from a variety of REE feedstocks, including bastnäsite, monazite, xenotime, ion-adsorption clays, and other hard-rock deposits.

Producing individual oxides requires specialized solvent extraction circuits and additional processing steps, resulting in a highly concentrated separation and refining industry dominated by China, which accounted for 100% of global production in 2025.

- Outside China, Lynas Rare Earths (Malaysia) is the only producer to have publicly confirmed commercial-scale production of Sm oxide, beginning in March 2026. Gd oxide is included in Lynas' planned expansion, while Eu oxide remains subject to future commercial justification. Although facilities such as Solvay's La Rochelle site have separation capability, publicly disclosed production of Sm, Eu, or Gd oxides remains limited.

Recent Market Developments

- **11 March 2026 — Rainbow Rare Earths (LSE: RBW)** advanced the Uberaba phosphogypsum-based rare earth processing project in Brazil with Mosaic. The proposed facility is expected to produce approximately 600 tpa of a samarium, europium, and gadolinium-rich "SEG+" product, alongside around 1,900 tpa of separated NdPr oxide, with initial production targeted for 2030. Company announcement: https://investors.mosaicco.com/press-releases/news-details/2026/Mosaic-and-Rainbow-Rare-Earths-Advance-Uberaba-Rare-Earths-Project-in-Brazil/default.aspx
- **19 March 2026 — Lynas Rare Earths (ASX: LYC)** achieved first commercial production of Sm oxide at its Malaysia facility, one month ahead of its April target. The milestone forms part of Lynas' heavy rare earth separation expansion; Gd oxide is included in the planned flowsheet, with first Gd production expected in early FY2028, while Eu oxide remains subject to future commercial justification. Announcement: https://announcements.asx.com.au/asxpdf/20260319/pdf/06xlcwh9ypgxhm.pdf
- **1 June 2026 — Solvay and Viridis Mining and Minerals (ASX: VMM)** signed a non-binding Letter of Intent to establish a long-term rare earth supply chain by 2028. Under the proposed arrangement, ionic-clay rare earth feedstock from Viridis' Colossus project in Brazil would be supplied to Solvay's La Rochelle refinery in France; the feedstock contains an important distribution of samarium, gadolinium and yttrium. Company announcement: https://www.solvay.com/en/press-release/solvay-and-viridis-sign-letter-intent-loi-rare-earth-materials-sourcing

- **29 July 2026 — Energy Fuels (NYSE: UUUU; TSX: EFR)** announced a US$104 million expansion of its White Mesa Mill in Utah, including dedicated circuits for separated samarium, europium, and gadolinium oxide production. The Sm, Eu, and Gd circuits are targeted for completion by the end of 2028. Company announcement: https://investors.energyfuels.com/2026-07-29-Commercial-Scale-Heavy-Rare-Earth-Plant-Now-Under-Construction-in-Utah
- **14 September 2026 — Ucore Rare Metals (TSXV: UCU)** secured an additional US$4.6 million from the US Department of Defense (Department of War) to advance samarium and gadolinium refining at its Louisiana Strategic Metals Complex in Alexandria. The funding supports Sm and Gd process development and deployment of the first commercial-scale RapidSX separation line, bringing total OTA grant funding to US$27 million. Company announcement: https://ucore.com/ucore-secures-additional-us4-6-million-from-u-s-department-of-war-to-advance-samarium-and-gadolinium-refining/

Samarium

Samarium and neodymium compete in permanent magnets but serve different jobs. Neodymium magnets deliver the highest magnetic strength and dominate EV and wind turbine demand, which is why the neodymium price sits at a structurally higher level.

Samarium-cobalt (SmCo) permanent magnets retain their magnetic properties at temperatures above 700°C — far beyond the 300–400°C limit of neodymium magnets — making them the preferred choice for aerospace actuators, missile guidance systems, and naval equipment operating under extreme thermal conditions, so samarium demand is driven by defence and aerospace procurement rather than EV volumes. A single F-35 fighter jet contains approximately 23kg of samarium-cobalt magnets. China used to control all of the world's commercially usable samarium production, and 2025 Chinese export restrictions on samarium have created a direct supply chain vulnerability for Western defence manufacturers with limited, but growing alternative supply.

Global samarium oxide demand was about 1,894 t in 2025, and the US was the largest consumer at about 40%.

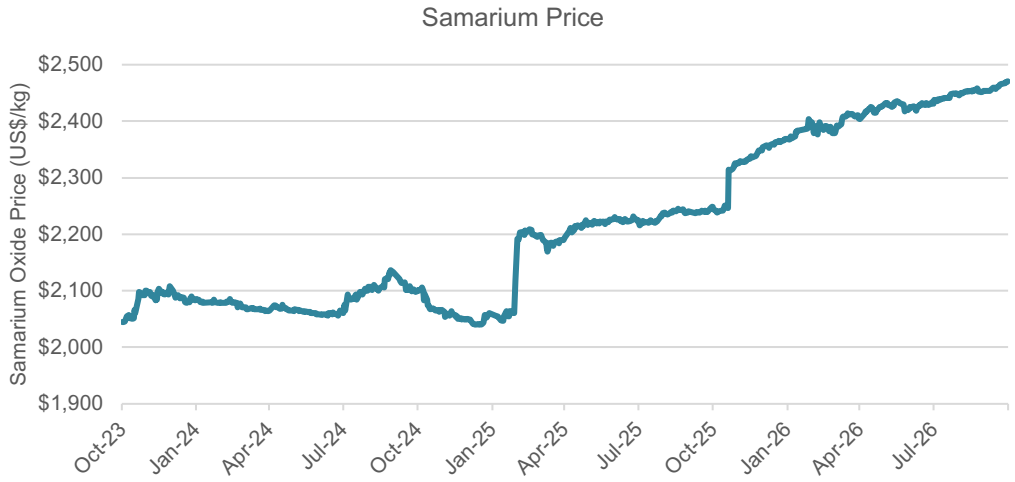
China imposed export controls on samarium on 4 April 2025, covering SmCo magnets and all products containing samarium.

Demand is price-insensitive. SmCo magnets are used in missiles, aircraft and radar, often above 300°C, where NdFeB magnets cannot work, so substitution is minimal.

China produced 100% of separated samarium oxide in 2025, and Lynas has been the only publicly confirmed non-Chinese commercial producer since March 2026.

S&P indicates that samarium oxide rose from about US$3/kg to US$800/kg by August 2026. Platts assessed samarium oxide CIF North America at US$175/kg on 31 March 2026. Current pricing appears a temporary shortage price that could easily fall toward single-digit US$/kg once ex-China separation capacity (Energy Fuels, Lynas, Solvay and Ucore projects) ramps up.

Figure 6.2 – China Domestic Samarium Oxide Price



Source: SMM

For our base case assumption, we used US$6.30/kg: the mid-point between the Chinese domestic price plus the Western premium observed for neodymium (≈38%) and the Argus 2030–2038 base case average (US$9.28/kg), held flat.

Europium

Europium's main applications are anti-counterfeiting security inks (including euro banknotes), red and blue phosphors in legacy fluorescent lamps and CRT displays, and neutron absorber materials in nuclear reactor control systems. Phosphor demand has declined sharply since 2015 due to LED adoption; anti-counterfeiting and nuclear are the stable demand anchors.

Europium is not a growth story in the way neodymium or dysprosium are. It lacks a high-volume, fast-growing end-use equivalent to NdFeB permanent magnets.

Europium is among the more expensive light rare earth elements, reflecting its scarcity and specialist end-use profile.

Europium is the opposite case to samarium and yttrium: there is no large ex-China price premium yet, because China's controls on it are suspended (until 10 January 2027) rather than in force. The market is also very small.

According to S&P Global, europium oxide demand was about 155 t in 2025, rising to about 218 t by 2035. China is about 24% of demand, mainly in phosphors for displays and lighting.

No non-Chinese commercial europium oxide production is confirmed, and Lynas has said europium remains subject to commercial justification.

Figure 6.3 – China Domestic Europium Oxide Price



Source: SMM

Table 6.2 – Europium Price Forecast for 2026

Region	2026 Price Range (US$/kg)	Outlook
Global Average	27.00 - 29.00	Thin byproduct supply and steady phosphor/security-ink demand
China	24.00 - 27.00	Domestic benchmark, tightening separation-plant allocation
United States	28.50 - 32.00	Defense-grade purity demand keeps import premium firm
Japan	27.00 - 30.50	Phosphor and optical-glass manufacturer demand recovery
Germany	30.00 - 34.00	Nuclear alloy and security-ink demand maintain premium

Source: Expert Market Research

We assumed a price of US$26.30/kg, the mid-point between the Chinese domestic price plus the Western premium observed for neodymium (≈38%) and the Argus 2030–2038 base case average (US$21.50/kg), held flat.

Gadolinium

Gadolinium is a rare earth element used in MRI contrast injections administered globally — making it one of the few REEs with direct, daily contact with human patients.

Gadolinium-based contrast agents (GBCAs) represent the dominant end-use of gadolinium by value. When chelated — bonded to organic ligands that prevent free gadolinium ions from interacting with biological tissue — gadolinium is injected intravenously to enhance MRI image quality.

Gadolinium-157 has the highest thermal neutron absorption cross-section of any stable isotope — approximately 254,000 barns, roughly 65 times higher than boron-10, the other common neutron absorber used in reactor control. This property makes gadolinium a burnable poison in nuclear fuel design.

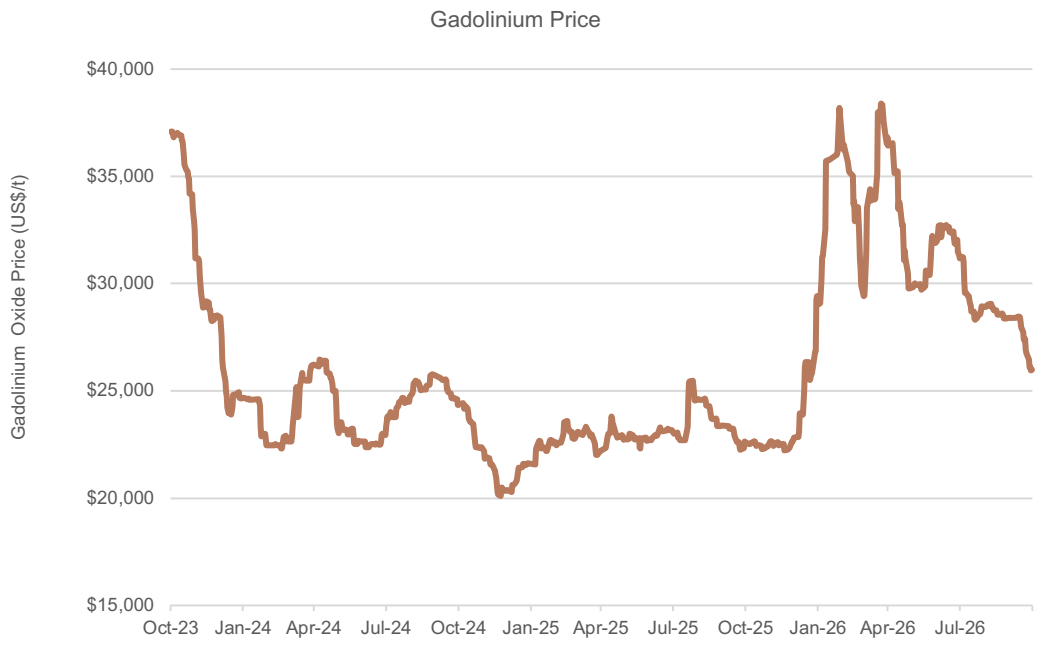
Gadolinium was in the first wave of Chinese export licensing in April 2025, and the controls have effectively halted exports of samarium and gadolinium products to the US and Japan. They block arbitrage, so western buyers cannot buy at the Chinese price.

China produced 100% of separated gadolinium oxide in 2025. Lynas has planned gadolinium in its heavy rare earth expansion.

Global gadolinium oxide demand was about 2,145 tonnes in 2025, with China about 70%.

By 2030, S&P Global forecast production to reach 1,350 tonnes, surpassing total demand excluding China by 370 tonnes. That points to the tightest eventual correction of the three: a 100x spike looks temporary, and the price could fall back toward US$30-60/kg once ex-China capacity (Lynas, Energy Fuels' White Mesa and Ucore) is operating.

Figure 6.4 – China Domestic Gadolinium Oxide Price



Source: SMM

For our base case forecast we used US$45/kg, the mid-point of the US$30–60/kg range above, held flat. The Argus 2030–2038 base case average is US$848/kg.

Yttrium

Yttrium is classified as a rare earth element (REE) by convention, though it sits in Group 3 of the periodic table rather than the lanthanide series.

The dominant commercial application for yttrium is in LED phosphors. Yttrium aluminium garnet (YAG) doped with cerium (Ce:YAG) is the primary phosphor used to convert blue LED chip emissions into white light — the mechanism underpinning the vast majority of modern LED lighting.

Yttrium is listed as a critical raw material under the EU Critical Raw Materials Act and features on the US Department of Energy critical minerals list.

Yttrium is abundant relative to its demand, so Chinese domestic prices are low.

Since April 2025, China has required export licences for yttrium and several other heavy rare earths, and approvals are slow. The licence requirement and its delays block arbitrage: a Western buyer cannot simply buy at the Chinese price and ship it out.

The domestic Chinese prices are not a price anyone outside China can transact at.

The ex-China market is small, thin and supply-starved. According to S&P Global, world yttrium oxide demand was about 7,800 t in 2025, increasing to 9,000 tonnes by 2035, driven by growth in advanced electronics, aerospace and energy applications.

China produces nearly all the world's yttrium, mostly as a by-product of heavy rare earth separation from ionic clays. China accounts for about 98% of global yttrium separation. Only a few non-Chinese separators exist today: IREL in India, Solvay in France and Neo Performance Materials' Silmet in Estonia.

In April 2025, China classified yttrium as a strategic material with both civilian and military applications, subjecting export to licensing requirements. These controls have reduced export volumes and tightened supply outside China, driving a sharp price divergence: FOB Chinese prices remain around $6-11/kg, while CIF North America prices have been reported at $900-3,000/kg in July 2026.

The assessed prices are indications from a handful of small, urgent spot trades, so they can be very high.

Demand is price-insensitive in some specific sectors: thermal barrier coatings for jet engines, semiconductor chamber coatings, and defence and aerospace ceramics. Buyers in those sectors pay almost any price to keep production running. When supply is rationed, price is set by the most desperate buyer, not by production cost.

The ex-China price is a scarcity price that could fall sharply as ex-China supply grows or China relaxes licensing. It is not a cost-based price.

Figure 6.5 – China Domestic Yttrium Oxide Price



Source: SMM

From our price scenario, we assumed US$12/kg based on the Chinese domestic price plus the premium observed for neodymium (38%). The price of US$954/kg is the Argus base case average over the period 2030-2038.

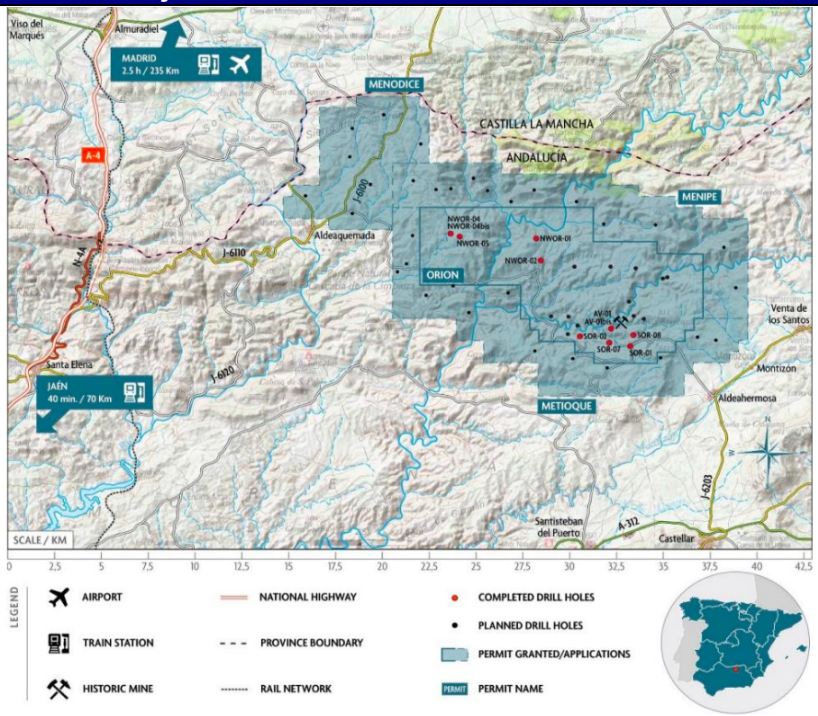
7. Orión REE, Zircon, Titanium Project

Project Overview

The proposed mining operation at Orión includes the construction and operation of an initial owner operated 2Mtpa underground mine and modular processing facility ("Module 1") with the anticipated initial production of 42.3ktpa of monazite concentrate, 68ktpa of zircon concentrate and 109ktpa of titanium concentrate.

The Project is located in the Jaén Province, Andalucía, Southern Spain. Orión is located approximately 70km northeast of Jaén and 235km south of Madrid.

Figure 7.1 – Orión Project Location



Source: OSM

Geology

The geology at Orión comprises a siliciclastic geological system with various layers rich in critical metals including titanium, zirconium, hafnium, and rare earth elements ("REE"). These layers form part of a Lower Ordovician sedimentary unit known as the Pochico Formation or Pochico Beds (Tamain, 1972).

The deposit can be considered as a lithified tidal sand bed-type deposit (placer), with various layers enriched in heavy minerals. Layer thickness ranges from 0.3 – 4.0m. The most significant minerals of economic importance are monazite (containing REE), zircon (zirconium and hafnium), rutile (titanium) and ilmenite (titanium). The primary rock type that hosts the mineralisation is weakly laminated quartzite.

The genesis of the mineralisation is believed to be the destruction and transport of granite-type materials rich in heavy minerals. Due to these minerals' high density, they have been concentrated in a similar manner as tidal sand-type deposits (placer).

Two major faults run through the central part of the Orión Permit, dividing it into three zones, and partly control the outcrops of the Pochico Formation. This is likely due to vertical movements of these faults, placing the Pochico outcrops in different structural positions. This creates a certain zonation of the Orión Permit based on this distribution of outcrops.

Mineralisation

The Company has modelled this sequence essentially into two mineralised bodies with different characteristics, named the Main Seam and the Upper Seam. It should be noted that there is a third body, known as the Lower Seam, situated in the Southern Block, for which there is evidence in historical regional exploration.

The Main Seam constitutes the primary mineralised zone, as it is less eroded, has a greater average thickness and a higher average concentration of heavy minerals: it extends over a length of between 145 m and 800 m in the geological sections, has an average thickness of 2.25 m, with values ranging from 0.70 m to 3.50 m, and an average heavy mineral concentration of 20%, ranging from 8% to 27.5%.

By comparison, the Upper Seam lies stratigraphically above the former, which is why it is more eroded in the uplifted blocks and represents the second most significant mineralised zone within the Pochico Formation. Furthermore, it has a shallower thickness and a lower average concentration of heavy minerals. This second mineralised zone has an average thickness of 1 m, with values ranging from 0.5 m to 1.6 m, and an average concentration of heavy minerals of 8 %, ranging from 5.5 % to 10.2 %.

Mineralogy

The Orión mineralisation contains a fine-grained heavy-mineral assemblage within a quartz-rich sedimentary host, interpreted as a lithified fossil mineral-sands system. The principal minerals of potential economic interest are rutile, ilmenite, zircon and monazite. Titanium occurs predominantly in rutile, ilmenite and associated leucoxene; zircon hosts zirconium and hafnium; and monazite is the dominant rare earth-bearing mineral, with minor xenotime and allanite also present. Gangue comprises principally quartz, chlorite and muscovite, with accessory iron oxides and very sparse sulphides.

Petrographic examination of six Main Seam samples, comprising four outcrop samples and two drill-core samples, identified a consistent, well-sorted detrital framework with a sparse phyllosilicate matrix. Ilmenite is variably replaced by leucoxene and rutile, locally forming irregular intergrowths and occupying intergranular spaces. Detrital rutile is also present, while zircon and monazite retain rounded forms indicative of sedimentary transport. Comparable-grade outcrop and drill-core samples show similar mineral assemblages and textures, with differences principally reflecting relative mineral proportions rather than sample source.

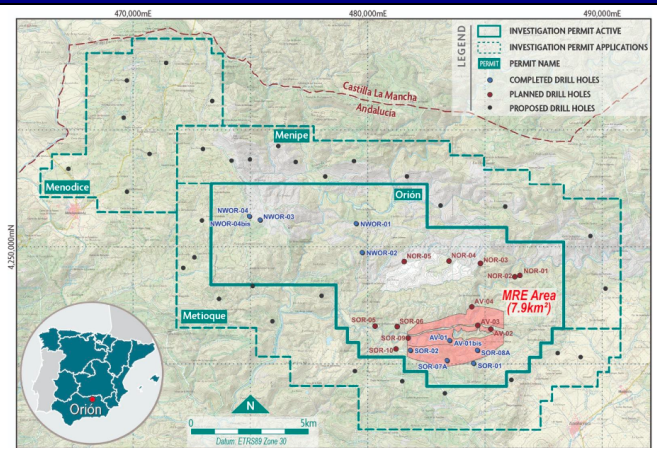
The valuable heavy minerals generally have grain sizes of tens of micrometres, and their associations and intergrowths influence liberation and separation. Average P80 sizes are approximately 67 µm for rutile, 57 µm for zircon, 49 µm for monazite and 33 µm for ilmenite. Preliminary characterisation indicates comparatively favourable liberation of zircon, whereas titanium-bearing minerals require further liberation through selective regrinding. Fine-grained monazite reports substantially to the finer process streams. These characteristics have informed the proposed Scoping Study processing flowsheet.

Mineral Resource

OSM released its maiden MRE for Orión on the ASX on 30 Sept 2026. The deposit modelled in the MRE covers an area of 7.9km^2 as shown in Figure 7.2.

The maiden Mineral Resource Estimate (MRE) for the Avellanar area of the Orión EU Critical Minerals Project was prepared by independent consultants CRN under the JORC Code (2012) and announced on 30 September 2026. At a 4.0% TiO_2 cut-off, the combined Main and Upper Seam resource totals 60.0 Mt at 9.39% TiO_2, 3.06% ZrO_2, 624 ppm HfO_2 and 6,274 ppm TREO, including 1,801 ppm MREO. Measured and Indicated Mineral Resources total 15.3 Mt, with the remaining 44.7 Mt classified as Inferred.

Figure 7.2 – Outline of the Orión Mineral Resource Estimate



Source: OSM

Table 7.1 – Orión Mineral Resource Estimate

Main Seam Mineral Resource Estimate (*4.0% TiO_2 cut-off*)[6,7]

Classification	Tonnes	TiO_2	ZrO_2	HfO_2	Pr_6O_{11}	Nd_2O_3	Sm_2O_3	Gd_2O_3	Tb_4O_7	Dy_2O_3	Y_2O_3	TREO	MREO
	Mt	%	%	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm
Measured	2.0	12.14	4.18	848	385	1,979	238	165	22	102	527	8,595	2,488
Indicated	11.9	10.86	3.66	739	341	1,736	211	147	19	91	474	7,614	2,187
Meas+Ind	**13.8**	**11.05**	**3.74**	**755**	**347**	**1,771**	**215**	**150**	**20**	**92**	**482**	**7,753**	**2,230**
Inferred	35.9	10.00	3.30	665	310	1,575	191	134	18	83	438	6,901	1,984
Total	**49.7**	**10.29**	**3.42**	**690**	**320**	**1,629**	**198**	**138**	**18**	**85**	**450**	**7,139**	**2,053**

TREO (Total Rare Earth Oxides): La_2O_3, CeO_2, Pr_6O_{11}, Nd_2O_3, Sm_2O_3, Eu_2O_3, Gd_2O_3, Tb_4O_7, Dy_2O_3, Ho_2O_3, Er_2O_3, Tm_2O_3, Yb_2O_3, Lu_2O_3, Y_2O_3
MREO (Magnetic Rare Earth Oxides): Pr_6O_{11}, Nd_2O_3, Tb_4O_7, Dy_2O_3

Main Seam Mineral Resource Estimate – Rare Earth Oxide grades

Classification	Tonnes	La_2O_3	CeO_2	Pr_6O_{11}	Nd_2O_3	Sm_2O_3	Eu_2O_3	Gd_2O_3	Tb_4O_7	Dy_2O_3	Ho_2O_3	Er_2O_3	Tm_2O_3	Yb_2O_3	Lu_2O_3	Y_2O_3	TREO	MREO
	Mt	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm
Measured	2.0	1,554	3,459	385	1,979	238	20	165	22	102	18	49	7	60	9	527	8,595	2,488
Indicated	11.9	1,384	3,065	341	1,736	211	18	147	19	91	16	44	7	53	8	474	7,614	2,187
Meas+Ind	**13.8**	**1,408**	**3,121**	**347**	**1,771**	**215**	**18**	**150**	**20**	**92**	**16**	**45**	**7**	**54**	**8**	**482**	**7,753**	**2,230**
Inferred	35.9	1,260	2,762	310	1,575	191	16	134	18	83	15	40	6	48	8	438	6,901	1,984
Total	**49.7**	**1,301**	**2,862**	**320**	**1,629**	**198**	**16**	**138**	**18**	**85**	**15**	**42**	**6**	**50**	**8**	**450**	**7,139**	**2,053**

Main Seam Mineral Resource Estimate - Estimated mineral grades[8,9].

Classification	Tonnes	*Insitu mineral grade estimates*					*Mineral as % of VHM*			
	Mt	Rutile %	Ilmenite %	Zircon %	Monazite %	*VHM %*	*Rutile %*	*Ilmenite %*	*Zircon %*	*Monazite %*
Measured	2.0	10.1	3.8	6.2	1.2	*21.4*	*47*	*18*	*29*	*5.6*
Indicated	11.9	9.1	3.4	5.4	1.1	*19.0*	*48*	*18*	*29*	*5.6*
Meas+Ind	**13.8**	**9.2**	**3.5**	**5.6**	**1.1**	***19.3***	***48***	***18***	***29***	***5.6***
Inferred	35.9	8.3	3.2	4.9	1.0	*17.4*	*48*	*18*	*28*	*5.5*
Total	**49.7**	**8.6**	**3.3**	**5.1**	**1.0**	***17.9***	***48***	***18***	***28***	***5.5***

Main Seam Mineral Resource Estimate – Estimated mineral contained tonnes.

Classification	TiO_2	ZrO_2	HfO_2	TREO	MREO	Rutile	Ilmenite	Zircon	Monazite	*VHM*
	Mt	Mt	kt	kt	kt	kt	kt	kt	kt	*Mt*
Measured	0.24	0.08	1.7	16.9	4.9	199.0	75.7	122.5	23.5	*0.4*
Indicated	1.29	0.44	8.8	90.5	26.0	1,075.2	409.2	647.4	126.1	*2.3*
Meas+Ind	**1.53**	**0.52**	**10.5**	**107.4**	**30.9**	**1,274.2**	**485.0**	**769.8**	**149.7**	***2.7***
Inferred	3.59	1.19	23.9	247.7	71.2	2,989.2	1,137.7	1,763.2	344.9	*6.2*
Total	**5.12**	**1.70**	**34.3**	**355.1**	**102.1**	**4,263.4**	**1,622.7**	**2,533.0**	**494.6**	***8.9***

[6] *Tonnage and grade figures are estimates and have been rounded. Apparent differences may occur due to rounding.*
[7] *The Mineral Resource is reported on a 100% Project basis. Mineral Resources are not Ore Reserves and do not demonstrate economic viability.*
[8] *Rutile, ilmenite, zircon and monazite percentages are indicative estimates derived from whole-rock assay results using mineral and oxide mass-balance calculations. They are not direct quantitative mineralogical measurements.*
[9] *Valuable Heavy Minerals (VHM) = rutile + ilmenite + zircon + monazite.*

Main Seam Mineral Resource Estimate – Rare Earth Oxide contained tonnes.

Classification	La_2O_3	CeO_2	Pr_6O_{11}	Nd_2O_3	Sm_2O_3	Eu_2O_3	Gd_2O_3	Tb_4O_7	Dy_2O_3	Ho_2O_3	Er_2O_3	Tm_2O_3	Yb_2O_3	Lu_2O_3	Y_2O_3	TREO	MREO
	kt	kt	kt	kt	kt	kt	kt	kt	kt	kt	kt	kt	kt	kt	kt	kt	kt
Measured	3.1	6.8	0.8	3.9	0.5	0.0	0.3	0.0	0.2	0.0	0.1	0.0	0.1	0.0	1.0	16.9	4.9
Indicated	16.4	36.4	4.0	20.6	2.5	0.2	1.7	0.2	1.1	0.2	0.5	0.1	0.6	0.1	5.6	90.5	26.0
Meas+Ind	**19.5**	**43.2**	**4.8**	**24.5**	**3.0**	**0.2**	**2.1**	**0.3**	**1.3**	**0.2**	**0.6**	**0.1**	**0.7**	**0.1**	**6.7**	**107.4**	**30.9**
Inferred	45.2	99.1	11.1	56.5	6.9	0.6	4.8	0.6	3.0	0.5	1.4	0.2	1.7	0.3	15.7	247.7	71.2
Total	**64.7**	**142.4**	**15.9**	**81.1**	**9.8**	**0.8**	**6.9**	**0.9**	**4.2**	**0.8**	**2.1**	**0.3**	**2.5**	**0.4**	**22.4**	**355.1**	**102.1**

Source: OSM

The Scoping Study is based exclusively on the Main Seam, which contains 49.7 Mt, including 13.8 Mt of Measured and Indicated Mineral Resources, representing approximately 28% of the Main Seam resource.

Exploration Upside

The initial MRE footprint covers approximately 7.9 km², representing only 9.2% of the Permit area or 3.4% of the broader Project area (Figure 7.1). Planned drilling is intended to test extensions and support potential future MRE upgrades. Mineralisation has already been confirmed in outcrops more than 10km from the MRE area.

Drilling has resumed from October 2026 to test extensions to the Main and Upper Seams and provide additional data for potential future resource-category upgrades. Subject to drilling results, laboratory turnaround and funding, OSM is targeting an updated MRE in Q1 2027.

Preliminary Metallurgical Testwork

Preliminary laboratory testwork has included crushing, grinding, screening, desliming, gravity concentration, wet high-intensity magnetic separation (WHIMS), electrostatic separation and flotation. Holman-table gravity tests found no significant difference in the collective zircon and titanium-mineral response of the tested outcrop and drill-core samples across rougher and middlings-cleaner stages. Modelling in SysCAD has informed a potential three-stream Scoping Study flowsheet. The modelled outcomes are a zircon concentrate grading 64.1% ZrO_2 at 60.4% net recovery, a mixed titanium-mineral concentrate grading 71.3% TiO_2 at 36.1% net recovery, and a monazite-rich concentrate grading 22.6% TREO at 63.6% net recovery.

These figures include extrapolated cleaning stages and are not demonstrated overall plant recoveries or final saleable product specifications. Representative variability and larger-scale testwork are required to confirm the flowsheet and product performance.

Mining

The flat-lying orientation of the mineralisation lends itself to room & pillar underground mining – a conventional and well-established mining method. Mining will be undertaken by conventional drilling and blasting, with broken material loaded and hauled by truck. The method will be complemented by backfilling with tailings from the concentration process. Backfilling reduces the volume of waste stored at surface, improves the geotechnical stability of the mine and underground safety, and reduces the environmental impact at surface. The tailings will be dewatered and allowed to dry naturally before being returned underground in the haul trucks, which would otherwise travel back into the mine empty after delivering mineralised material to surface. A further advantage of this method is that pillars can be recovered on retreat once the rooms have been backfilled, increasing mining recovery and the proportion of the Mineral Resource that can be extracted.

Processing

The Orión project aims to produce three commodities:

- Dried zircon concentrate, dispatched in bulk form, assumed to be 20 tonnes capacity consignments in covered trucks.
- Dried mixed Ti mineral flotation concentrate (rutile with minor ilmenite) dispatched in bulk form, assumed to be 20 tonnes capacity consignments in covered trucks.
- Filtered rare earths-bearing monazite flotation concentrate loaded into 2 tonnes capacity tote bags, for either sale to an external refinery or to be processed in an OSM-owned refinery at a location to be confirmed.

The underground mine, located to the northwest of the process plant, will supply 2Mtpa of material for processing. Tailings will be filtered and used for backfill production.

A schematic of the proposed processing plant's major operations is presented in Figure 7.3.

Figure 7.3 – Orión Project Process Flowsheet

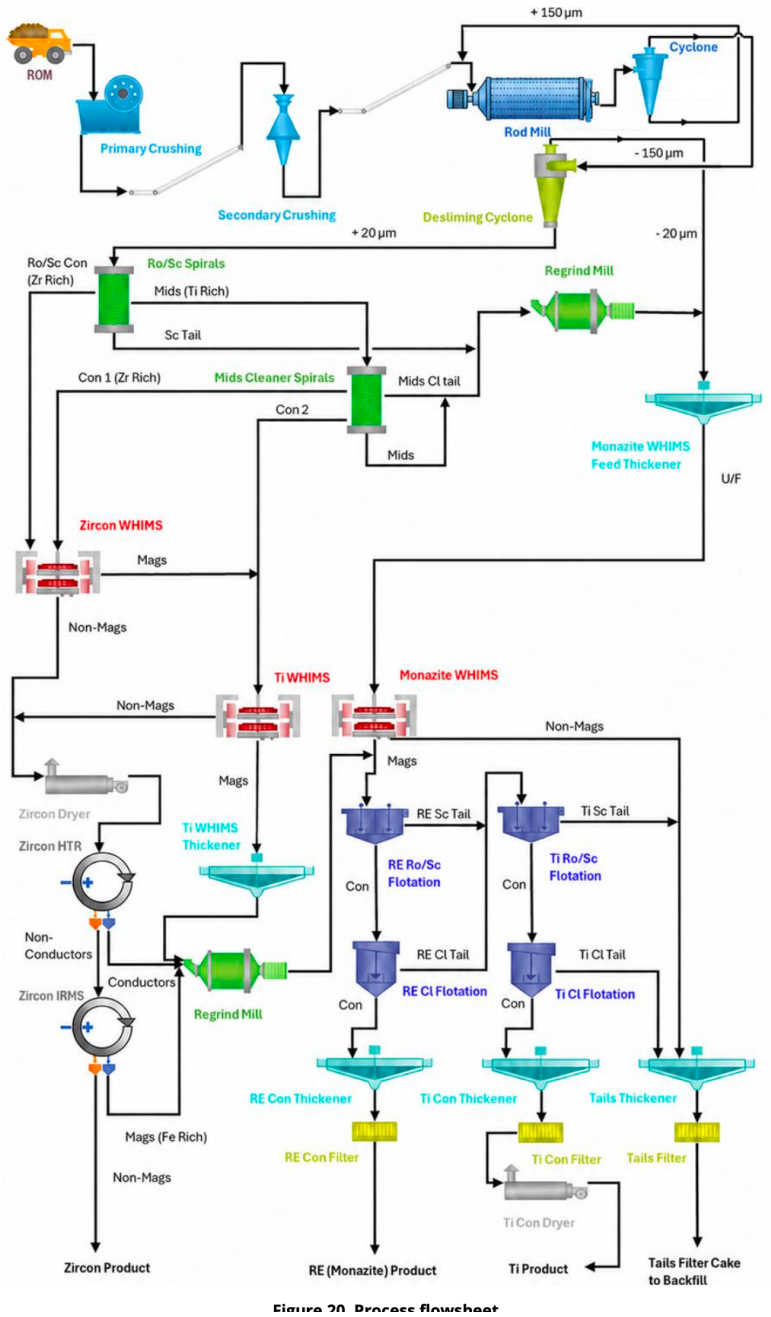


Figure 20. Process flowsheet

Source: OSM

The process plant comprises the following operational areas:

- ROM crushing
- Coarse storage
- Primary grinding
- Desliming and gravity separation
- Zircon beneficiation – wet high intensity magnetic separation ("WHIMS"), non-magnetics dewatering/drying, high tension rolls ("HTR") separation and dry magnetic separation
- Gravity tails and Ti minerals WHIMS magnetics regrind
- Monazite WHIMS
- Monazite flotation
- Mixed Ti minerals flotation
- Monazite product dewatering and loadout
- Mixed Ti product dewatering, drying and loadout
- Zircon product loadout
- Tailings dewatering
- Plant services and reagents.

A nominal 2Mtpa of ROM feed was adopted for the Scoping Study design. This is driven more by starter capital and the life of the initial high-grade resource rather than any limitations with equipment sizes.

Infrastructure, Logistics and Personnel

Water Supply

The Project will utilise raw water supplied from external sources with the battery limit being a discharge from delivery pipe to the plant boundary. The plant's scope picks up the pipe from the boundary and delivers the water into the raw water tank. Process modelling indicates a net consumption of 51 m^3/h for the process plant, with an additional 5 m^3/h allowance for potable needs (ablutions, showers, drinking water and laboratory use), which will be mains supplied. The process plant raw water demand excludes potential harvesting of stormwater runoff and tails deposition pad returns.

Natural Gas

Natural gas supply for the Project is to be supplied to the plant boundary. Two gas pipelines are proximate to the site and present two distinct opportunities that will be evaluated further. Appropriate provision has been made in the capital cost estimate for connections.

Electricity

The net power demand is approximately 20 MW, with total installed capacity of 31 MW. Electricity for the Project is currently planned to be obtained with a connection to the national grid through a 10 km 132 kV line.

An alternative for early years, if required, is using gas to generate electricity.

The emergency power demand is approximately 1 MW and is envisaged to be provided by an 11 kV central standby diesel genset.

Logistics

During both construction and operations, logistics will involve truck movements, primarily associated with:

- Delivery of construction materials and equipment during the build phase
- Delivery of ROM material to the ROM pad
- Delivery of reagents, consumables and other bulk materials to the process plant
- Removal of tailings filter cake during operation.

The existing road network provides suitable connectivity for heavy vehicle access to the Project site. To avoid driving through Aldeahermosa village, an access road will be built, connecting the road network with the facilities. Internal site roads will be designed to accommodate frequent heavy vehicle movements, including B-double and articulated trucks, with suitable provision for turning radii, laydown, loading and unloading areas.

Labour

The Project will employ approximately 458 full-time employees, who would work in alternating shifts 8 hours per day. The Study assumes an initial mine life of approximately 9 years. The employees are distributed in 325 mining area, 118 plant area and 15 staff. Around 11% are university graduates and 66% specialist workers. 60% of workers are employed directly in production, 29% in ancillary activities (maintenance, administration) and 11% in control and management. In the construction stage and the development of the decline, most workers are expected to be contractors. Across the life of the mine, the contractors will be in ancillary activities not directly linked to the Company's core business.

Construction is expected to take 24 months to complete. During construction it is expected that the number of workers will exceed 500 people.

In the surrounding area, there is an average of 22 – 28% of unoccupied or temporarily used housing, with average rental and sale prices below the national average. There are several hotels in the area. In addition, the area has all the essential services (education, public health services, bank, commerce, etc.) and within one hour's drive is the town of Linares with 50,000 inhabitants.

Within a radius of 60 km there are more than 2,400 unemployed workers from the industrial sector. In the area there are vocational colleges for worker training and in Linares there is the High Polytechnic School, supported by Jaén University, with studies in Mining Engineering and other engineering disciplines.

Permitting

Andalucía offers a well-established, codified permitting pathway within a supportive, mining-experienced jurisdiction. The critical-path items for development are the environmental process and the exploitation concession application, which are typically progressed in parallel with feasibility studies.

Environmental Process

In Andalucía, environmental assessment is administered under regional Law 2/2026, of 12 March, for the Environmental Management of Andalucía ("LEGAM"), in conjunction with national EIA Law 21/2013. Mining projects require an Autorización Ambiental Unificada ("AAU"), a unified environmental authorisation issued by the Junta's environmental department that is coordinated with, and automatically triggers, the corresponding environmental impact assessment, public consultation and other environmental permits under a single application. The process involves baseline environmental studies, public exhibition and consultation with affected administrations, and culminates in a binding environmental decision that is a precondition to grant of the mining concession.

The Orión Investigation Permit lies almost entirely within Special Area of Conservation ES6160008—Rúmblar, Guadalén and Guadalmena river basins. Project-specific environmental assessment and approvals are required.

The association of rare earth elements with thorium and uranium must be considered in processing, radiation management, residue and waste design. The MRE report does not contain a detailed assessment of tailings, waste-rock, water, residue-disposal or rehabilitation options; these matters remain for subsequent studies.

Permitting Pathway

The permitting regime for mining projects in Andalucía comprises three key permits:

1. **Exploration Permit (Permiso de Exploración).** An early-stage, non-exclusive reconnaissance permit over large areas, granted for one year and renewable for a further year, allowing surface and non-invasive studies.

2. **Investigation Permit (Permiso de Investigación).** The principal exploration tenure, conferring the exclusive right to investigate the permit area (defined in mining grid units, cuadrículas mineras, of approximately 30 ha each) and to apply for a mining concession over any resource demonstrated. Permits are granted for up to three years, renewable for a further three years and, exceptionally, beyond.

Applications to the Junta require a work programme, budget, evidence of technical and financial capacity, and environmental documentation; drilling programmes may require separate environmental authorisation and landholder access agreements.

3. **Exploitation (Mining) Concession (Concesión de Explotación).** Granted by the Junta de Andalucía where the holder demonstrates an economically exploitable Section C resource within the Investigation Permit. Concessions are granted for an initial period of 30 years, extendable for two further 30-year periods (up to 90 years in total). The application must include a feasibility-level project description, mine plan, economic study, restoration and closure plan, and mining waste management plan (Royal Decree 975/2009), supported by a financial guarantee (rehabilitation bond).

8. Directors & Management Team

Anthony Hall, Managing Director & CEO

Anthony is well placed to progress the Company's next phase of activities having lived in Spain while acting as Managing Director and CEO of an ASX listed developer. Anthony has been founding Managing Director and CEO of two ASX listed companies that successfully transitioned from IPO to inclusion in the ASX300.

Anthony holds a Bachelor of Laws (Honours), Bachelor of Business (Accounting and Finance), a Graduate Diploma of Applied Finance and Investment, and is an Associate of the

Governance Institute of Australia. Anthony has more than twenty-five years commercial experience in strategy, venture capital, risk management, and compliance.

Lachlan Rutherford, Executive Director

Lachlan is a geologist with over 20 years of commercial and exploration experience in industrial mineral, precious metal, and base metal projects. He has held positions in venture capital, public companies and stockbroking, focusing on business development, corporate strategy, project management and analytical roles. Lachlan's international experience, including work on critical mineral projects in Spain and Finland, is integral to Osmond's business strategy.

Lachlan holds a Doctorate of Philosophy, a Masters of Business Administration, and a Bachelor of Science with Honours. He is also a member of the Australasian Institute of Mining and Metallurgy.

Daniel Eddington, Non-Executive Director

Daniel has over 20 years' experience in the financial markets with experience across multiple sectors including the resource, energy, and industrial sectors. He specialises in equity capital markets and has been responsible for IPOs, placements, reverse takeovers, underwritings, corporate negotiations, and corporate advisory for companies predominantly in the resource sector.

Daniel has a Bachelor of Commerce Degree from The University of South Australia and a Graduate Diploma in Applied Finance & Investment from the Securities Institute of Australia.

Adrien Wing, Company Secretary

Adrien Wing is a highly experienced corporate executive, company director and strategic adviser with more than 25 years' experience across ASX-listed companies, capital markets, corporate governance and investor relations. Recognised for his commercial acumen and strong leadership across growth-stage and emerging companies, Mr Wing has built an extensive track record advising boards and management teams on strategic development, capital management, market positioning and corporate transactions.

Mr Wing holds a Bachelor of Business (Accountancy) from RMIT University and is a Certified Practicing Accountant (CPA). Throughout his career, he has played a key role in numerous public company transactions including IPOs, reverse takeovers, secondary capital raisings and strategic restructures across a range of industries and international jurisdictions.

Fernando Palero, Chief Geologist

Spanish national with over 43 years' experience in mining exploration and mining operation in Spain, Africa and South America as a Chief Geologist through to consultant and researcher.

PhD in Geological Sciences.

Gonzalo Mayoral, In-Country Manager

Spanish national with over 25 years' experience in construction and mining projects management. Successfully delivered Feasibility Studies for ASX listed Spanish mining developer.

Mining Engineer, Masters level Environmental and Safety Studies.

Javier Pontvianne, Process Engineering Manager

Spanish national with over 10 years' experience in concentration and metallurgy within mining projects in Spain and Australia.

Mining Engineer with metallurgy specialty.

Francisco Menéndez, Operations Manager

Spanish national with over 25 years of experience in project development, renewable energy, mining, civil construction, environmental management, waste management and permitting.

Mining engineer.

Noemí Flórez, Environment Manager

Spanish national with over 10 years' experience in environmental permitting and impact assessment. Proven track record managing authorisations and EIA processes across Spain and Portugal.

Qualification: Biologist, Postgraduate in Nature Conservation and Master's in Corporate Environmental Management.

Mabel Cansado, Communications Manager

Communications professional with over 17 years' experience in corporate and strategic communications, reputation management, media relations and digital marketing.

Qualification: Advertising & Public Relations; Master's in Communication & PR and Digital Marketing.

Nihal Dharmaseri, Group Finance Manager

Over 35 year-experience in planning, financial reporting, analysis, business process re-engineering and systems implementation. Prior to OSM spent 10 years in natural resources private equity.

BBus, MBA, CPA.

9. Investment Risks

OSM's activities are subject to numerous risks, many of which are outside the Board's and management's control. These risks can be specific to OSM, generic to the mining industry and generic to the stock market as a whole.

Geological Risk

The Orión deposit is a lithified placer (siliciclastic/tidal sand bed-type) system hosted in the Pochico Formation quartzites, with multiple seams of variable thickness (typically 0.3–4 m). Continuity, thickness, grade distribution, faulting, and structural complexity remain incompletely understood. The current Mineral Resource Estimate (MRE) covers only ~3.4% of the ~232 km² project area; further drilling may not confirm continuity or economic thicknesses outside the modelled zones. Historical exploration targeted uranium/thorium rather than heavy minerals, leaving residual geological uncertainty.

Resource and Reserve Estimation Risk

The maiden JORC (2012) MRE of ~60 Mt (15.3 Mt Measured + Indicated; majority Inferred) underpins the Scoping Study production target (10% Measured / 61% Indicated / 29% Inferred from the Main Seam only). No Ore Reserves have been estimated. Inferred material carries low geological confidence; conversion to higher-confidence categories or Reserves is not assured. Changes in cut-off grade, density, recoveries, or additional drilling results could materially alter the resource base and project economics.

Commodity Price Risk

Project value is highly sensitive to prices of monazite/rare-earth concentrates (especially NdPr, Dy, Tb), zircon, and titanium mineral concentrates. Rare-earth and critical-mineral markets are volatile, influenced by Chinese supply dominance, demand from permanent magnets/EVs/renewables, substitution, recycling, and geopolitical factors. Scoping Study cases (base, spot, magnet-REE only) illustrate large NPV swings with price assumptions.

Foreign Exchange Risk

Osmond is ASX-listed (AUD reporting/capital raising) while the project is in Spain (EUR costs, potential EUR or USD product pricing). Currency movements between AUD, EUR, and USD can affect capital costs, operating costs, revenues, and reported financials.

Mining Risk

The proposed mining method is owner-operated underground room-and-pillar accessed by decline. Risks include ground conditions in quartzite host rock, extraction ratio (assumed 80%), dilution, recovery, geotechnical stability, water management, and achieving design production rates of 2 Mtpa. Early-stage assumptions have not been validated by detailed geotechnical or mining studies.

Processing and Metallurgical Risk

Mineralisation requires crushing and grinding to liberate heavy minerals from the lithified host before conventional gravity, magnetic, electrostatic, and flotation separation. Metallurgical testwork is ongoing/preliminary. Risks include lower-than-assumed recoveries for monazite, zircon, rutile/ilmenite; challenges separating clean concentrates; and management of naturally occurring radioactive material (Th/U associated with monazite). Tailings (filtered, planned for backfill) and residue handling require further validation.

Operational Cost Inflation Risk

Scoping Study operating costs (~US$67.79/t ROM) and capital costs (±35% accuracy, including 25% contingency) are preliminary. Inflation in labour, energy, reagents, steel, equipment, and Spanish construction/mining services, or cost overruns during development, could erode margins and returns.

Management, Labour and Skills Risk

Osmond is an exploration-stage company with limited operating history in critical-minerals extraction and no production revenue. Successful development depends on attracting and retaining experienced technical, operational, and executive personnel, particularly in Spain, and effectively managing a growing organisation through PFS, DFS, financing, construction, and operations.

Permitting & Compliance Risk

The project requires Spanish investigation/mining permits, environmental approvals (partly within a Special Area of Conservation), and compliance with EU Critical Raw Materials Act and Spanish mining/environmental regulations. Radiation management (Th/U), water use, waste, and community/stakeholder considerations add complexity. Delays or more stringent conditions than assumed are possible; no mining licence has been granted.

Funding & Capital Access Risk

Pre-production capital is estimated at ~US$299 m (plus sustaining capital). As an exploration-stage company dependent primarily on a single project, Osmond will need substantial additional equity and/or debt funding. Access to capital markets, dilution, cost of capital, and ability to fund sequential studies and development are material risks. Grant funding (e.g., recent Spanish exploration grant) is helpful but limited in scale to date.

Infrastructure & Logistics Risk

The project is located in Jaén Province, Andalucía (~235 km south of Madrid). Risks include availability and cost of power, water, roads, port access for concentrate export, skilled labour, and local services. While Spain has established infrastructure, site-specific requirements for an underground mine and concentrate plant, plus logistics of shipping REE/Ti/Zr concentrates, remain to be fully defined and may incur higher costs or delays than assumed in the Scoping Study.

These are generic risks typical of an early-stage critical-minerals project of this type; they are not exhaustive and are subject to change as further technical, environmental, and economic studies are completed. The Scoping Study itself explicitly notes its preliminary nature and the need for additional work before any Ore Reserves or firm development decision.

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