

ASX: ANX

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PURSUING NEAR TERM REVENUE OPPORTUNITY PRODUCING CONSTRUCTION MATERIALS FROM WHIM CREEK WASTE ROCK

- Anax is pursuing an opportunity to generate near term revenue through the production of road base / aggregates from existing waste rock
- Working with Castle Civil Pty Ltd, the team is looking to develop a business that will reclaim waste rock and turn it into valuable products
- A commercial scale trial is underway producing material for blending to road base products
- Whim Creek is fully permitted for mining and processing activities and the site is ideally located to supply road base and aggregate products to a rapidly developing Pilbara region
- Aggregate production at Whim Creek will be complementary to the planned regional copper and base metals hub while delivering environmental benefits through the repurposing of waste.
- The team continues with its primary focus on the growth of the copper business through the development of the processing hub at Whim Creek and consolidation and exploration

Anax's Managing Director, Geoff Laing commented: "Anax is pleased to be pursuing an early-stage revenue opportunity for Whim Creek, while we advance growth initiatives to establish the project as a production hub for the sustainable development of copper and base metals projects in the Pilbara. This innovative approach to repurposing waste materials underlines our commitment to maximise shareholder value through diversified revenue streams from the project. Since acquiring Whim Creek, the Anax team has committed significant resources to improving the site, including key upgrade works, resulting in revoking the Environmental Protection Notice and securing operating permits for the planned mining operation. Repurposing the existing waste rock dumps is another positive initiative that can potentially deliver economic and environmental benefits for us and the region."

Anax Metals Ltd (ASX: **ANX**) (**Anax** or the **Company**) is pleased to advise on the waste rock repurposing initiative. The Whim Creek Copper-Zinc Project, located 100 km southwest of Port Hedland, is jointly held by ANX (80%) and DVP (20%). Anax is focused on developing a copper mine and processing hub to produce copper concentrates and cathode along with valuable by-products. A definitive feasibility study¹ and subsequent leaching study² detailed an initial 8-year mining project that will deliver in excess of \$400M in free cashflows.



Figure 1: Location of the Whim Creek Project^{3,4,5,6}

While the Company remains 100% focussed on the Whim Creek Copper project, it is investigating the potential to efficiently produce road base, fill and aggregate materials utilising the readily available mined and stacked waste rock and existing site infrastructure. Whim Creek is an established site that is fully permitted for mining and producing copper concentrates and associated products. Site infrastructure includes process plant, water and power systems, offices, roads, and a camp. Applications have been submitted to the Department of Energy, Mines and Industrial Regulation and Safety (DMIRS) and the Department of Water and Environment Regulations (DWER) for relevant amendments to the existing permits to facilitate the repurposing of existing waste rock. The distribution of potential products will be via the northwest highway, which runs directly past the Whim Creek site. Anax intends to pursue producing repurposed waste products in parallel with its ongoing copper growth strategy and closing out financing for the planned copper project.



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

Mining at the historic Whim Creek project ceased in 2009, and during preceding years, waste rock mined from the Whim Creek pit was placed into a Waste Rock Landform (WRL). The current Whim Creek WRL is constructed of approximately 4 million tonnes of run of mine waste rock. The current trial has focused on selecting a small volume of accessible material from the Whim Creek WRL, with processing undertaken via mobile crushing and screening plant. Crushed and screened products have been sampled and blended to prepare material suitable for subbase construction activities. The rock processing, preparation sampling and blending have been undertaken by Castle Civil, a specialist civil contractor with extensive knowledge of road construction requirements and aggregate preparation.



Figure 3: Commercial scale waste rock to road base product trial

Anax and Castle Civil have entered into an agreement to jointly complete a commercial scale trial on Whim Creek waste rock. Under the agreement, Castle Civil will be required to pay a site access fee, and Anax will make waste rock and support infrastructure available. The trial agreement will terminate on

31 October 2024. Upon successful completion of the trial, the Company may negotiate the commercial terms of a future agreement with Castle Civil and will update the market when appropriate. The waste rock project provides an opportunity for the Company to generate passive cash flow in the short-term while continuing to advance Whim Creek Copper-Zinc Project. Subject to achievement of the above.

Next Steps:

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

- Completion of site trials and testing of products
- Negotiation of a commercial agreement with Castle Civil
- Securing final approvals for the waste rock crushing, screening, and associated activities
- Completing contract arrangements for extracting and processing the waste rock and hauling the product
- Securing product sales contracts

The Pilbara region is experiencing significant growth with a pipeline of major projects across mining, oil and gas, and recently green energy initiatives. The planned projects and supporting infrastructure will require substantial quantities of engineering fill materials and aggregates. Whim Creek is uniquely situated proximal to large projects, including De Grey's Hemi Mine, the recently announced Suez desalination plant, and other infrastructure planned for the Balla Balla precinct. In addition, Whim Creek is ideally located on the northwest highway to service projects within the Port Hedland and Karratha and Karratha districts.



Figure 3: Whim Creek Pit

The Company continues to focus on the copper project's growth potential, which lies both in expanding the mineral resources across the project's four deposits and the consolidation strategy, which includes a processing hub with a concentrator and heap leach at Whim Creek. Benefits from the consolidation include delivering economies of scale with processing flexibility to treat ores from regional orebodies.

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References

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

1. *Whim Creek Definitive Feasibility Study, 3 April 2023 (ASX:ANX)*
2. *Whim Creek Heap Leach Scoping Study, 11 September 2023 (ASX:ANX)*
3. *GreenTeck Metals Mineral Resource update, 12 April 2023 (ASX)*
4. *Develop website, Mineral Resources*
5. *Red Hawk: [Blacksmith Iron Ore Project, Australia \(mining-technology.com\)](https://www.mining-technology.com)*
6. *Suez NAC desalination plant: [Traditional Owners, French giant eye \\$5b desalinati... | NIT](https://www.nit.com)*

About Castle Civil

Castle Civil has been providing services to the civil and mining sectors throughout Western Australia since 2011. The company delivers a broad range of projects with varying scopes and excel in road construction, mine rehabilitation, storage ponds, drainage works and utility installations. The company and team possess the expertise and equipment to carry out projects from start to finish, including crushing, screening and delivering road base materials. Castle Civil's team of 60 staff operates a modern fleet of vehicles, plant and equipment, such as dozers, excavators, graders, dump trucks, water carts, rollers, service trucks and prime movers. The fleet is managed to optimise efficiency, while reducing Castle Civil's carbon footprint.

Production Target

The information in this presentation relating to the production target, and the forecast financial information derived from the production target, for the Whim Creek Project is extracted from the ASX announcements (Original Announcement) dated 03 April 2023 ("Whim Creek Feasibility Study") and 11 September 2023 ("Whim Creek Heap Leach Scoping Stud"), which are available to view on the Company's website at www.anaxmetals.com.au. The Company confirms that all material assumptions underpinning the production target, and forecast financial information derived from the production target, continue to apply and have not changed.

No New Information

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

Forward Looking Statements

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

For persons