

ASX Announcement
 27 February 2026

Advanced Energy Minerals Ltd (ASX:AEM) 4E Preliminary Final Report

Highlights

Advanced Energy Minerals (ASX: AEM),
 The following is given to the ASX under listing rule 4.3A

1. Company details

Name of entity:	Advanced Energy Minerals Limited
ABN:	20 095 907 565
Reporting period:	For the year ended 31 December 2025
Previous period:	For the year ended 31 December 2024

2. Results for announcement to the market

Consolidated Group	Item				AUD
Revenue from ordinary activities	2.1	Up	231.3%	to	\$622,315
Loss from ordinary activities after tax attributable to the owners of Advanced Energy Minerals Limited	2.2	Down	(158.5%)	to	\$28,662,719
Loss for the year attributable to the owners of Advanced Energy Minerals Limited	2.3	Down	(158.5%)	to	\$28,662,719
Dividend	2.4	N/A	Amount per Security Cents		Franked Amount per Security Cents
Final Dividend			Nil		Nil
Interim Dividend			Nil		Nil
Previous Corresponding Period					
Final Dividend			Nil		Nil
Interim Dividend			Nil		Nil

Overview

Advanced Energy Minerals's (AEM's or the company's) principal activity is the production, sales and marketing of High Purity Alumina (HPA), a high-value, specialty chemical used in manufacturing semi-conductors, synthetic sapphire/LEDs, advanced ceramics, batteries and other advanced economy products.

The company's HPA production plant in Cap-Chat, Quebec, Canada uses a patent-protected manufacturing process to produce HPA at up to 5N¹ purity. Operations are supported by AEM's Technical Development Centre (TDC) in Montreal, Quebec, Canada, which is also engaged in product and process development. Sales and marketing is conducted by AEM's own sales team operating from locations in Asia, Europe and North America, supported by a network of distributors and agents.

The HPA market has grown rapidly over recent years with a compound annual growth rate of approximately 13.6% over the period from 2013 to 2024, and with double-digit growth forecast to continue for the next ten years. This growth has been driven by mass adoption of LED technology for energy efficient lighting and supported by significant demand growth in semi-

conductors, advanced ceramics and lithium-ion batteries. All these sectors are forecast to see continued growth with increased demand for processing and data storage associated with artificial intelligence an area of particular note.

Unlike homogeneous commodities, HPA is a downstream product which must meet each customer's specific requirements in terms of purity, particle size and morphology. The process for qualifying a product with a customer can typically take one to two years. It begins with laboratory testing of small samples before progressing in stages to industrial scale trials.

AEM acquired the Cap-Chat plant out of administration in 2020, along with its supporting intellectual property rights and the equipment within the Technical Development Centre. In mid-2023, having solved the equipment issues that caused the previous owner to enter administration, AEM embarked on a Stage 1 Expansion project to increase the Cap-Chat plant's production capacity to 3,000 tonnes per annum (tpa) of HPA. The project delivered a 2,000 tpa capacity plant during 2025 and the company is now advanced in adding in 2026 a further 1,000 tpa capacity by means of a dedicated +3N5 purity circuit, thereby completing the Stage 1 Expansion. Looking further ahead, the company has plans to double the plant's capacity to 6,000 tpa in 2029 (Stage 2 Expansion).

Overview of Results

A summary of the operating results for the year ended 31 December 2025 is as follows:

- Sales Revenue was \$622,315 representing an increase of 231.3% from FY 2024 \$187,861.
- Loss after tax was \$28,662,719 representing a decrease of 158.5% from FY 2024 Profit \$48,979,363.
- Net Cash Outflow from Operating activities was \$20,140,626 representing an increase of 82.2% from FY2024 \$11,051,502.

Sales revenue increased in 2025 as traction with customers gained momentum. The Loss after tax includes noncash payments of \$3.0m AUD representing Share based payments to Employee's and Vendors the majority of which vest over time and are subject to performance hurdles. The Loss also includes finance expenses of \$8.4m mainly due to interest on Converting Debentures issued from 2023 to 2025 to finance the company, and Fair Value Loss on conversion of the Debentures into shares in AEM Ltd.

The result for the prior year (2024) included a \$63m gain on the acquisition of the remaining 40% interest in the company's HPA business held via Canadian subsidiary Advanced Energy Minerals Inc (AEM Inc).

Following the completion of acquisition of the remaining 40% of AEM Inc on May 6 2024, the company has had the power to govern the financial and operating policies of the HPA business operations owned 100% via AEM Inc. Accordingly, the company has recognized related revenues, expenses, assets, liabilities and controlling interests of the HPA business operations from May 6th 2024

The company successfully completed an Initial Public Offering during the year with trading commencing on the ASX on 24th December 2025. The company raised approximately A\$44.8 million (pre costs).

Operational Developments

Sales & Marketing

- AEM made significant progress in 2025 in building its sales pipeline. By the end of the year, the pipeline comprised 165 projects (117 in laboratory trials, 23 in industrial trials, and 12 in commercial relationships) representing a

potential annual value of US\$130 million from sales of 4,800 tpa of HPA on an un-risked basis at an average price of US\$27.1/kg. Customers in Asia accounted for most of these projects 61% by number, 58% by volume).

- During the year, as both part of the qualification process and as early-stage commercial sales, the company sold \$622,315 of HPA to customers, comprising 76% by volume 4N+ HPA with the balance predominantly 3N8 HPA.
- During the year the company increased its Sales and Marketing team with Business Development Managers for both Japan and China and a distributor for South Korea, Yee Young Ceramchem Ltd.
- AEM attended a total of 15 tradeshows during the year across Asia, Europe and North America, exhibiting at booths at 7 of them.

Stage 1 Expansion

- In May 2025, AEM achieved a significant milestone in the Stage 1 Expansion project when it completed the installation of a 50-metre-long tunnel kiln in a new purpose-built building, in so doing bringing the total production capacity of the Plant to 2,000 tpa of 4N+ HPA.
- By the end of the year, just two main work items remained outstanding to complete the Stage 1 Expansion, comprising the installation and commissioning of:
 - a 1,000 tpa dedicated 3N5 circuit, which is planned to enter operation in the middle of 2026 and will increase the Plant's overall production capacity to 3,000 tpa of HPA; and
 - additional milling, drying and other equipment in the Plant's final processing circuits. Installation of this equipment will be scheduled to match the emerging customer demand for specific finished products.

Stage 2 Expansion

- AEM completed an in-house pre-feasibility study (PFS) for the Stage 2 Expansion in April 2025, which was subsequently subject to an independent third-party engineering review by WSP (global engineering consulting firm) with financial modelling verified by BDO. This work demonstrated the Stage 2 Expansion project to have a capital cost at 4Q2024 prices of C\$298.8 million ($\pm 30\%$) and robust economics.

Research and Development

- The TDC continued to focus its R&D efforts during the year on improving its existing products and developing new products to serve its customers' needs better. Notable progress was made in developing:
 - Products with improved morphology and nano-scale particle sizes – much of this learning had already been deployed at the Plant by the end of the year; and,
 - A modified process route for producing HPA with extremely low levels of uranium and thorium impurities – a type of material that is in strongly increasing demand, fuelled by the boom in AI, for Thermal Interface Management (TIM) applications. Modifications to the Cap-Chat plant to permit commercial production of this “low alpha” HPA were in train at year's end.

Corporate Developments

- AEM successfully completed an Initial Public Offering during the year with trading commencing on the ASX on 24th December 2025. The company raised approximately A\$44.8 million (pre costs) at an offer price of 53c per share and

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commenced trading with a market capitalisation of approximately A\$312 million and an enterprise value of approximately A\$272 million.

Disposals

- In November 2025, prior to the IPO, AEM completed the process of divesting itself of all mining interests by completing the sale of AEM HPA (Australia) Pty. Ltd. to Cape York Kaolin Limited.

3. Net tangible assets

	Reporting period	Previous period
	Cents	Cents
Net tangible assets per ordinary security	\$0.25	\$0.22

4. Control gained over entities

The company did not gain control over any entities during the period

5. Loss of control over entities

Name of entities (or group of entities)	AEM (HPA) Pty Ltd
Date control lost	4 th November 2025
Contribution of such entities to the reporting entity's profit/(loss) from ordinary activities before income tax during the period (where material)	Not Material
Profit/(loss) from ordinary activities before income tax of the controlled entity (or group of entities) whilst controlled during the whole of the previous period (where material)	Not Material

6. Details of associates and joint venture entities

The company does not have any associates or joint venture entities.

7. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements are in the process of being audited.

8. Attachments

Details of attachments (if any):

1. Consolidated Statement of Profit and Loss and Other Comprehensive Income (Including Notes)
2. Consolidated Statement of Financial Position (including Notes)
3. Consolidated Statement of Cash Flow (including Notes)
4. Statement of Movements in Retained Earnings

9. Any other significant information needed by an Investor to make an informed assessment of the entities financial performance and financial position.

Not Applicable

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Consolidated Statement of Comprehensive Income
For the Year ended 31 December 2025

	Note	12 months to 31-Dec 2025	12 months to 31-Dec 2024
		\$	\$
Revenue	1	622,315	187,861
Other income	2	267,913	82,791
Gain on Consolidation	3	-	63,070,964
		890,228	63,341,616
Expenses			
Raw materials and consumables used		(466,776)	(833,284)
Employee benefits expense		(11,742,309)	(6,555,115)
Share Base Payments Expense	4	(3,012,278)	-
Depreciation and amortisation		(1,954,650)	(967,143)
Patent maintenance		(65,027)	(88,632)
Production expenses	5	(2,425,496)	(833,271)
Other expenses	5	(5,742,134)	(3,649,204)
Finance costs	5	(8,486,302)	(3,541,876)
Total expenses		(33,894,972)	(16,468,525)
(Loss)/Profit before Tax		(33,004,744)	46,873,091
Income tax (expense)/ benefit		4,342,025	2,106,272
Net (Loss)/Profit for the Period		(28,662,719)	48,979,363
Other Comprehensive Profit/(Loss)			
Items that will not be subsequently reclassified to profit or loss:			
Exchange difference on translation of foreign operations		681,584	(255,637)
Total Comprehensive (Loss)/Profit for the Period		(27,981,135)	48,723,726
(Loss)/Profit for the Period Attributable to:			
Owners of Advanced Energy Minerals Ltd		(27,981,135)	48,723,726
Non-controlling interest		-	-
		(27,981,135)	48,723,726
Total Comprehensive (Loss)/Profit Attributable to:			
Owners of Advanced Energy Minerals Ltd		(27,981,135)	48,723,726
Non-controlling interest		-	-
		(27,981,135)	48,723,726

Following the completion of acquisition of the remaining 40% of AEM Inc on May 6 2024, the Company has the power to govern the financial and operating policies of the HPA business operations owned 100% via AEM Inc. Accordingly, the Company has recognized related revenues, expenses, assets, liabilities and controlling interests of the HPA business operations from May 6th 2024

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Consolidated Statement of Financial Position
For the Year ended 31 December 2025

		Consolidated	
		31 December,	31 December,
		2025	2024
	Note		
Current Assets		\$	\$
Cash and cash equivalents	6	39,823,506	2,927,098
Trade and other receivables	7	1,889,981	1,143,188
Inventories	8	712,387	429,435
Current Assets – others	9	704,407	7,509,054
Total Current Assets		43,130,281	12,008,775
Non-Current Assets			
Property, plant, and equipment	10	121,099,058	106,497,354
Exploration and evaluation asset		-	730,000
Intangibles	11	677,812	780,321
Goodwill	12	52,197,712	52,197,712
Total Non-Current Assets		173,974,582	160,205,387
Total Assets		217,104,863	172,214,162
Current Liabilities			
Trade and other payables	13	3,070,042	2,957,724
Debentures	14	-	26,349,815
Embedded Derivative	14	-	15,563,379
Borrowings	15	1,673,864	1,244,911
Employee benefits		400,221	138,272
Total Current Liabilities		5,144,127	46,254,101
Non- Current Liabilities			
Borrowings	16	11,184,676	6,173,698
Deferred Tax Liability		11,860,707	16,202,732
Total Non-Current Liabilities		23,045,383	22,376,430
Total Liabilities		28,189,510	68,630,531
Net Assets		188,915,353	103,583,631
Equity			
Issued capital	17	186,422,293	76,064,244
Reserves	18	5,739,423	2,103,030
Retained Earnings	19	(3,246,363)	25,416,357
Total Equity		188,915,353	103,583,631

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Consolidated Statement of Changes of Equity
For the Year ended 31 December 2025

	Issued Capital	Earnings/(Accumulated Losses)	Retained	Share Based Payment Reserve	Foreign Exchange Translation Reserve	Non Controlling Interest	Total
	\$	\$	\$	\$	\$	\$	\$
Balance at 31 December 2023	23,013,054	(23,563,007)	934,895	537,895	178,213	1,101,051	
Profit for the year	-	48,979,363	-	-	-	48,979,363	
Other comprehensive loss for the year	-	-	-	(255,637)	-	(255,637)	
Total comprehensive income for the year	-	48,979,363	-	(255,637)	-	48,723,726	
Shares issued during the year (net of costs)	40,605,601	-	-	-	-	40,605,601	
Convertible Note Issued to Vivent	12,445,590	-	-	-	-	12,445,590	
Loss of control/Regaining of Control	-	-	-	885,877	(178,213)	707,664	
Balance at 31 December 2024	76,064,244	25,416,356	934,895	1,168,135	-	103,583,632	
(Loss) for the year	-	(28,662,719)	-	-	-	(28,662,719)	
Other comprehensive income for the year	-	-	-	681,584	-	681,584	
Total comprehensive loss for the year	-	(28,662,719)	-	681,584	-	(27,981,135)	
Share Based Payments	-	-	2,954,808	-	-	2,954,808	
Shares issued during the year (net of costs)	122,803,638	-	-	-	-	122,803,638	
Convertible Note Issued to Vivent	(12,445,589)	-	-	-	-	(12,445,589)	
Balance at 31 December 2025	186,422,293	(3,246,364)	3,889,704	1,849,719	-	188,915,353	

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Consolidated Statement of Cash Flow
For the Year ended 31 December 2025

	Note	12 months to 31-Dec 2025	12 months to 31-Dec 2024
Cash flows from operating activities		\$	\$
Cash flows used in operating activities:			
Loss before tax from continuing operations		(33,004,744)	46,873,091
Adjustments for:			
Depreciation		1,954,650	967,143
Non-cash net financial expenses		8,262,182	2,514,303
Gain on Consolidation of Vivent Interest		-	(63,070,964)
Share Based Payments		3,012,278	-
Sales taxes and other receivables		(138,280)	14,368
Inventory		(299,556)	182,049
Prepaid expenses and others		(712,328)	225,392
Accounts payable and accrued liabilities		785,172	1,243,117
Net cash used in operating activities		(20,140,626)	(11,051,502)
Cash flows from financing activities:			
Issue of Shares in AEM Ltd		44,844,923	3,520,000
Cost of the Offer		(3,033,897)	-
Cash acquired on control of AEM		-	303,211
Proceeds from C3I Tax Credit		1,662,940	-
Proceeds from long-term debt		4,840,568	6,691,147
Proceeds from the Issue of Debentures		20,157,442	14,159,075
Net cash from financing activities		68,471,975	24,673,432
Cash flows used in investing activities:			
Additions to Long Lead Items		-	(4,520,859)
Additions to property, plant and equipment		(10,555,561)	(6,338,402)
Additions to intangible assets		(879,380)	74,992
Net cash (from) investing activities		(11,434,941)	(10,784,269)
Net increase in cash		36,896,408	2,837,661
Cash, beginning of period	6	2,927,098	89,438
Cash, end of period		39,823,506	2,927,098

Notes to the Consolidated Financial Statements
For the Year End 31 December 2025

Note 1: Revenue

	Consolidated	
	12 months to 31-Dec 2025	12 months to 31-Dec 2024
Revenue	\$	\$
Revenue - Sale of HPA Products, point in time	622,315	187,861
	622,315	187,861

Note 2: Other Income

	Consolidated	
	12 months to 31-Dec 2025	12 months to 31-Dec 2024
Other income	\$	\$
Grant income	230,566	75,868
Other	37,347	6,923
	267,913	82,791

Note 3. Gain on Consolidation

	Consolidated	
	12 months to 31-Dec-25	12 months to 31-Dec-24
	\$	\$
Gain on Consolidation	-	63,070,964
	-	63,070,964

Following the completion of acquisition of the remaining 40% of AEM Inc on May 6 2024, the Company has the power to govern the financial and operating policies of the HPA business operations owned 100% via AEM Inc. Accordingly, the Company has recognized 100% of the related assets, liabilities and controlling interests of the HPA business operations.

Upon acquiring control of the investee, AEM must apply the acquisition method of accounting as outlined in AASB 3 which involves specific steps to ensure that the assets, liabilities, and equity of the acquiree are properly recognised and measured.

The first step is the Revaluation of the previously held 60% interest in parent entity. The previous carrying amount of 60% investment held was \$nil. The Fair value of identifiable net assets acquired (being 100% of the identifiable net assets acquired is \$121m AUD. 60% of this is recognized as a Gain on Acquisition offset by pre acquisition losses and share capital results in a Net Gain of \$63m.

Upon Consolidation/Acquisition of the 40% remaining interest the Identifiable net assets was recognized to bring the value of identifiable assets acquired to \$121m AUD.

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Note 4: Share Based Payment Expense

	Note	Number	Consolidated	
			31 December, 2025	31 December, 2024
			\$	\$
Retention Performance Rights	1	6,950,000	144,848	-
2024 Performance Rights	1	4,270,715	89,008	-
2025 Performance Rights	1	3,221,319	39,986	-
Loyalty Rights	2	3,050,000	171,495	-
Deferred Share Units	3	2,272,175	1,204,253	-
Payments to Contractors	4	1,852,953	650,336	-
Payments to Employees	5	3,561,760	712,352	662,100
Total			3,012,278	662,100

1. Retention rights, 2024 and 2025 Rights issued to AEM Ltd employee's which vest on different terms to employees of AEM Ltd, these have been independently valued by Barrington Pty Ltd
2. Loyalty Rights issued to AEM Ltd employee's which vest to AEM Ltd employees have been valued as per Black Scholes model
3. Deferred Share Units issued to Director's of AEM Ltd have been valued at \$0.53 per share
4. Various payment to Consultants/Contractors to AEM Ltd in 2025 and 2024.
5. Exercise of Performance Rights issued to employees in 2024.

Note 5: Other Expenses & Finance Cost

		Consolidated	
		12 months to 31-Dec 2025	12 months to 31-Dec 2024
		\$	\$
Production expenses	a	2,425,496	833,271
Finance costs	b	8,486,302	3,541,876
Other expenses	c		
Professional & Consulting fees		3,849,668	2,233,124
Audit fees		-	76,186
Other		1,892,466	1,339,894
Total other expenses		5,742,134	3,649,204

- a) Production expenses include cost not directly attributable to the acquisition of new fixed assets or the development of new technologies. The production expenses include repair and maintenance of the HPA production plant, energy, chemicals & waste, and transportation costs related to the cost of Plant management and inefficiency due to the low production volumes.
- b) Finance costs include Interest on Convertible Debentures capitalised into the Debenture, Fair Value losses on the Embedded Derivative and other financing transaction costs. Further breakdown of Finance expenses is provided below.
- c) Other Expenses include IPO related costs, Professional & Consulting fees, Insurance, General Administration costs, and Sales and Marketing costs.

Finance Expenses:

	Consolidated	
	12 months to 31-Dec 2025	12 months to 31-Dec 2024
	\$	\$
Interest on Debentures	5,613,705	2,060,605
Net Fair Value loss on Conversion of Debentures	1,755,910	1,575,461
Unrealised loss on FX	276,844	(282,976)
Other Finance Costs	839,843	188,786
Total Finance Expenses	8,486,302	3,541,876

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Note 6. Cash & cash equivalents

	Consolidated	
	31 December, 2025	31 December, 2024
	\$	\$
Cash at bank and in hand	39,823,506	2,927,098
	39,823,506	2,927,098

Note 7. Trade & other receivables

	Consolidated	
	31 December, 2025	31 December, 2024
	\$	\$
Current		
Trade Debtors	196,671	-
GST/Sales Tax Receivable	256,234	691,280
CYK Loan Recievable	1,437,076	451,908
	1,889,981	1,143,188

Note 8. Inventories

	Consolidated	
	31 December, 2025	31 December, 2024
	\$	\$
At Cost		
Finished products	300,475	122,339
Intermediate product	273,632	217,128
Raw materials	138,280	89,968
	712,387	429,435

Note 9. Other Assets

	Consolidated	
	31 December, 2025	31 December, 2024
	\$	\$
Current		
Prepaid Expenses	536,975	7,509,054
Deposits	167,431	-
	704,406	7,509,054

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Note 10. Property, Plant and Equipment

	Consolidated	
	31 December, 2025	31 December, 2024
	\$	\$
Land and buildings	7,556,796	1,054,755
Less: accumulated depreciation	(729,047)	(442,056)
	6,827,749	612,699
Assets under construction, at cost	2,965,811	10,392,353
Less: accumulated depreciation	-	-
	2,965,811	10,392,353
Furnitures and IT – at cost	147,301	140,744
Less: accumulated depreciation	(146,374)	(129,507)
	927.36	11,237
Plant and equipment – at cost	117,650,112	10,739,419
Fair Value on Acquisition of Vivent Interest	-	88,000,181
Less: accumulated depreciation	(4,774,166)	(3,341,508)
C3I Tax Credit Offset (1)	(1,622,854)	-
	111,253,092	95,398,092
Vehicles – at cost	90,763	90,763
Less: accumulated depreciation	(39,285)	(7,791)
	51,478	82,972
	121,099,058	106,497,354

(1) C3I Tax Credit Offset relates to the receipt of a 3CI credit of \$1,487,832 CAD from Revenue Quebec in May 2025. The 3CI credit short for Crédit d'impôt Investissement et Innovation is a fiscal program offered by Revenu Québec to encourage businesses to modernize their equipment and adopt innovative technologies. Pre 31/12/2023 the credit was between 20-40% of new equipment. Post 31/12/23 it has been between 15-25% of new equipment purchased. Under AASB 120.12, grants related to assets must not be recognised directly as income unless they are matched against depreciation or amortisation. The treatment adopted is to deduct the grant from the cost of the asset as the C3I credit is clearly asset-related, as it is tied to the acquisition of specific equipment and software.

Asset Revaluation to Fair Market Value reflects the recognition of the fair market value of the HPA business assets after eliminating AEM Inc share capital. Please refer Note 3 and also Note 12.

Following the completion of acquisition of the remaining 40% of AEM Inc on May 6 2024, the Company has the power to govern the financial and operating policies of the HPA business operations owned 100% via AEM Inc. Accordingly, the Company has recognized 100% of the related assets, liabilities and controlling interests of the HPA business operations.

Upon acquiring control of the investee, AEM must apply the acquisition method of accounting as outlined in AASB 3 which involves specific steps to ensure that the assets, liabilities, and equity of the acquiree are properly recognised and measured.

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The first step is the Revaluation of the previously held 60% interest in parent entity. The previous carrying amount of 60% investment held was \$nil. The Fair value of identifiable net assets acquired (being 100% of the identifiable net assets acquired is \$121m AUD. 60% of this is recognized as a Gain on Acquisition offset by pre acquisition losses and share capital results in a Net Gain of \$63m.

Upon Consolidation/Acquisition of the 40% remaining interest the Identifiable net assets was recognized to bring the value of identifiable assets acquired to \$121m AUD.

Note 11. Intangibles

	Consolidated	
	31 December, 2025	31 December, 2024
Intangibles assets	\$	\$
Trade Name, Domain Name & Trademarks	65,712	64,210
Patents, at cost	1,021,461	1,052,940
Less: accumulated amortisation	(409,361)	(336,829)
	677,812	780,321

Following the completion of acquisition of the remaining 40% of AEM Inc on May 6 2024, the Company has the power to govern the financial and operating policies of the HPA business operations owned 100% via AEM Inc. Accordingly, the Company has recognized 100% of the related assets, liabilities and controlling interests of the HPA business operations. Inventories consist of various grades of HPA product in different stages of production. There are 93 Patents in total and Patents are amortized on a per day rate which is determined based on Initial amount paid for the Patent, the Issue date and Expiration date of the Patents.

Note 12. Goodwill

	Consolidated	
	31 December, 2025	31 December, 2024
	\$	\$
Opening Balance	52,197,712	-
Fair Value of Consideration	-	121,888,889
Less Fair Value of Assets Acquired (Net)	-	(69,691,177)
Impairment	-	-
Goodwill on Acquisition	52,197,712	52,197,712

Further to the Restructuring announced in 2023, AEM completed the acquisition of the remaining 40% interest in AEM Inc on May 6th 2024. AEM acquired the remaining 40% interest in AEM Inc from Vivent to achieve 100%

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ownership (44,055,033 shares held in AEM Inc). Total AEM Inc. common share ownership pre the transaction was AEM 66,082,550 (60%) and Vivent 44,055,033 (40%).

The transaction was an arm's length transaction conducted at fair value between an independent buyer and seller. In exchange for the acquisition AEM issued shares and convertible notes in AEM to the shareholders in Vivent as follows: 44,815,647 Shares, 76,591,390 Nil Coupon Convertible Notes.

The Transaction has been accounted for as a business combination. On May 6th 2024 AEM Ltd acquired the remaining 40% of the shares of AEM Inc for the total consideration transferred of \$121,888,889. The goodwill of \$52,197,712 represents the expected synergies from the acquisition and control of the remaining 40% of the business.

Note 13. Trade and other payables

	Consolidated	
	31 December, 2025	31 December, 2024
Current	\$	\$
Trade Payables and accruals	3,070,042	2,957,724
	3,070,042	2,957,724

Note 14. Convertible Debentures

Throughout the year ended December 31, 2024 and December 31, 2025, AEM Inc issued convertible debentures for total proceeds of \$13,699,474 (CAD) and \$18,968,950 (CAD) respectively.

On the 18th December 2025 as part of the the Initial Public Offering of AEM Ltd, the Debentures issued by AEM Inc were automatically converted into shares in Advanced Energy Minerals Limited as follows:

Canadian Dollars	2023 Debentures	2024/25 Debentures	Total
Principal Value of Debentures	20,379,858	33,480,509	53,860,367
Interest	5,661,319	2,888,643	8,549,962
Total Value of Debentures Outstanding 18th December 2025	26,041,177	36,369,152	62,410,329
Total Shares Issued in AEM Ltd at Conversion	86,229,074	107,920,356	194,149,430
Conversion Price (\$CAD)	\$0.30	\$0.34	

The issue of shares in AEM Ltd satisfied the full amount of the Debentures outstanding including capitalised interest.

The debentures accrued interest at a rate of 10% per annum until fully repaid or converted. The total amount of the principal and any accrued interest was repayable on maturity December 31, 2025 (2023 & 2024 Debentures), or at any time prior to maturity if the Company sold substantially all its assets.

The debentures were mandatorily convertible into Class D common shares of the Company at any time on or prior to the maturity date if the Company successfully lists for trading its shares on a reputable stock exchange pursuant to any type of transaction. On the occurrence of a Qualified Public Listing ("QPL") the face value of the Convertible Notes and the PIK Interest will automatically convert into the shares of the IPO Entity on the QPL Conversion Date at the lesser of a price that is discounted to the IPO offer price by:

- 25% if the IPO occurs prior to or on 31 May 2025 – 2023 Debentures
- 25% if the IPO occurs prior to or on 30 June 2025 – 2024/25 Debentures,
- 30% if the IPO occurs after 30 June 2025 but before the Maturity Date – 2024/25 Debentures,

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or a price based on the Valuation Cap. 2023 Debentures Valuation Cap = \$100m CAD, 2024 Debentures Valuation Cap = \$150m CAD.

During 2024 the 2023 Debentures were amended to convert into shares of AEM Ltd upon QPL instead of AEM Inc, the Canadian subsidiary.

The conversion ratio was based on the date of the QPL. The conversion option is classified as a derivative financial liability measured at fair value through profit or loss. The fair value of the embedded derivative component is assessed at each reporting date. Changes in the fair value of the derivative are recognized in profit or loss.

The host liability is classified as a non-current liability. Transaction costs incurred on the issuance of the convertible debentures have been allocated proportionately between the host liability and the embedded derivative, with the portion on the host liability being capitalized as a contra-liability and amortized throughout the life of the debentures and the portion on the embedded derivative being expensed as incurred.

Valuation of Convertible Debentures	
AUD	\$
Face Value of Convertible Debenture issued in 2023	22,840,462
Initial recognition of derivative liability	(9,492,527)
Initial recognition of transaction costs	(509,736)
Interest Accrued 2023	1,138,069
Carrying value - convertible debt as at 1 January 2024	13,976,268
Interest Accrued 2024	2,678,204
Transaction Cost Amortization	361,360
Face Value of Convertible Debenture issued in 2024	15,354,712
Initial recognition of derivative liability	(5,686,773)
Initial recognition of transaction costs	(333,955)
Carrying value - convertible debt as at December 31 2024	26,349,816
Interest Accrued 2025	5,613,705
Transaction Cost Amortization	253,748
Exchange Rate Difference	(73,628)
Face Value of Convertible Debenture issued in 2025	20,690,390
Initial recognition of derivative liability	(5,281,755)
Initial recognition of transaction costs	(537,484)
Carrying value - convertible debt as at December 18 2025	47,014,792
Conversion into AEM Ltd Shares	(47,014,792)
Carrying value - convertible debt as at December 31 2025	-

Derivative Liability Valuation (Level 3 fair value)		
	December 31, 2025	December 31, 2024
AUD	\$	\$
Opening Balance	15,563,379	8,485,512
Initial recognition of derivative liability	5,281,755	5,686,773
Change in fair value	913,294	1,578,626
Transaction Costs Capitalised	(278,072)	(187,531)
Transaction Costs Amortisation	-	-
Exchange Rate Difference	(43,487)	-
Total Carrying Value - Derivative Liability as at 18 December, 2025	21,436,869	-
Conversion into AEM Ltd Shares	(21,436,869)	-
Carrying value - derivative liability	-	15,563,379

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Note 15. Other Current liabilities

		Consolidated	
		31 December, 2025	31 December, 2024
Current		\$	\$
Other Loans	a	26,832	23,390
3CI Loan	b	1,409,389	652,320
Lease Liability - Right of Use Asset - Current Portion	c	237,643	569,201
		1,673,864	1,244,911

- (a) Other Loans -In 2024 this represents the Short Term portion of the Ford Loan.
- (b) 3CI Loan- In December 2025, AEM Canada Group Inc., a subsidiary, secured a loan amounting to CAD \$1,250,000 secured against the 2025 3CI tax credit for working capital and general corporate purposes. The loan carries an interest rate of 15% per annum, compounded monthly, and is set to mature 12 months from the disbursement date. Advanced Energy Minerals Inc., AEM Technologies Inc., and Advanced Energy Minerals Ltd. serve as guarantors for this loan agreement. The loans are backed by a general and continuing collateral security agreement, a priority agreement among other lenders, and a first-ranking security interest in favor of the lenders, which includes the borrowers' present and future C3I tax credits. A similar loan in relation to the 2024 C3I credit was entered into in November 2024 for \$652,000 AUD. This loan was repaid in May 2025.
- (c) Lease Liability re Right of Use Asset – relates to a new 3 year Rental Lease agreement for the Montreal Head Office.

Note 16. Loans – Non Current

		Consolidated	
		31 December, 2025	31 December, 2024
IQ & DEC Loan		10,404,982	6,075,034
Lease Liability - Right of Use Asset		728,463	
Ford Loan		51,231	98,664
		11,184,676	6,173,698

1. Investissement Quebec (IQ) and Development Economique Canada (DEC) loans

Investissement Quebec (IQ)– CAD \$7m limit

In April 2024, AEM Inc secured a CAD \$7,000,000 loan from Investissement Quebec (IQ), to be disbursed in three tranches based on eligible expenses paid. The loan has an interest rate of 7.5% per annum, compounded monthly. If the Company is not in default, it will have a 24-month moratorium on interest repayment and a 36-month moratorium on capital repayment from the first disbursement. After this period, the loan will be repaid in 84 monthly installments of CAD \$83,333, starting the month after the moratorium ends. The Company will pay IQ a royalty of 1.55% capped at an effective 15% IRR based on the consolidated annual sales of AET and AEM Inc. The loan is secured by a principal mortgage of CAD \$7,000,000, plus an additional 20% mortgage on all current and future movable and immovable property of the Company and its guarantors, including intellectual property rights and patents. During the year the third and final drawdown under the IQ loan took place for \$3.5m CAD. As at 31 December 2025 the loan balance included capitalised interest was \$8,223,481 AUD.

Development Economique Canada (DEC) – CAD \$2m limit

In February 2024, the Company secured a CAD \$2,000,000 loan from Development Economique Canada (DEC), disbursed in two installments. The loan is interest-free and will be repaid over 72 equal monthly installments, starting 36 months after the Project End Date. Before the second installment, the Company must grant the DEC a first-rank Pari Passu mortgage with Investissement Québec for \$2,000,000, plus an additional 20% mortgage on all

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current and future real estate, including lot 6 247 914 in Sainte-Anne-des-Monts, and any buildings or attachments. Additionally, the Company must grant the DEC a first-rank Pari Passu mortgage with Investissement Québec for \$2,000,000, plus an additional 20% mortgage on all current and future movable property, tangible and intangible, including intellectual property, insurance benefits, and proceeds from rental or sale of these properties. During the year the final drawdown under the DEC loan took place for \$200,000 CAD upon completion of the capital works programme. As at 31 December 2025 the loan balance was \$2,181,500 AUD.

2. Right of Use Liability

This liability relates to a new 3 year Rental Lease agreement for the Montreal Head Office

3. Ford Loan

In the period ended December 31, 2025, \$51,231 of the loan is related to the Ford Lightning Truck loan. The Loan has a 5.49% interest rate and is repayable over 156 monthly payments and the loan commenced on October 5, 2022.

Note 17. Issued Capital

Issued and paid-up share capital

	2025 Shares	Consolidated		
		2024 Shares	2025 \$	2024 \$
Ordinary shares - fully paid	589,503,245	305,178,874	186,422,293	76,064,244

Movement in ordinary shares & convertible notes

Details	Note	Date	Shares	Issue price \$	\$
Balance		2025-01-01	305,178,874		76,064,244
Issue of shares at \$0.40 (Share based payment for Contractors)			1,299,366	0.40	519,746
Issue of Shares at \$0.20 (Performance Rights Exercise)			3,561,760	0.20	712,352
Issue of shares at \$0.25 (Options exercise)			833,587	0.25	208,397
Issue of shares re IPO of AEM Ltd at \$0.53			84,480,228	0.53	44,774,521
Cost of the IPO					(4,243,094)
Issue of Shares at \$0.33 (Conversion of 2023 Debentures)			86,229,074	0.33	28,455,594
Issue of Shares at \$0.37 (Conversion of 2024/25 Debentures)			107,920,356	0.37	39,930,532
Issue of shares at \$0.40 to Vivent on Conversion		-	31,113,973	0.40	12,445,589
Conversion of Convertible Notes to Vivent, equity in nature		-	(31,113,973)	0.40	(12,445,589)
Balance		2025-12-31	589,503,245		186,422,293

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital. Every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

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Note 18. Reserves

	Consolidated	
	31 December, 2025	31 December, 2024
Reserves	\$	\$
Foreign currency translation reserve	1,849,719	1,168,135
Share based payment reserve	3,889,704	934,895
	5,739,423	2,103,030

Movements in each class of reserve during the current financial year are set out below:

	Share Based Payment Reserve	Foreign Exchange Translation Reserve	Total
	\$	\$	\$
Balance at 31 Dec 2023	934,895	537,895	1,472,790
Share based payment	-	-	-
Foreign currency translation	-	630,240	630,240
Balance at 31 Dec 2024	934,895	1,168,135	2,103,030
Share based payment	-	-	-
Foreign currency translation	2,954,809	681,584	3,636,393
Balance at 31 Dec 2025	3,889,704	1,849,719	5,739,423

RECOGNITION & MEASUREMENT

Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations where their functional currency is different to the presentation currency of the reporting entity along with the Company's movement in its associate's foreign currency translation reserve.

Share based payment reserve


The Share based payment reserve records items recognized as expenses on valuation of share-based payments.

Note 19. Retained Earnings/(Accumulated losses)

	Consolidated	
	31 December, 2025	31 December, 2024
	\$	\$
Accumulated losses at the beginning of the period	25,416,357	(23,563,006)
Profit (Losses) for the period	(28,662,719)	48,979,363
Retained Earnings/(Accumulated losses) at the end of the period	(3,246,363)	25,416,357

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9. Signed



Signed _____

Date: 27 February 2026

Richard Seville

Director

This announcement has been authorised by the Chairman of Advanced Energy Minerals Limited.

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If you would like to keep in touch with regular updates from AEM please follow us on LinkedIn:

<https://www.linkedin.com/company/aem-canada-inc/>

Visit our website "Investors" page for updates including a recent interview with AEM Chairman Richard Seville:

<https://aemhpa.com/presentations>

Investor and Media Enquiries

Emmanuel Duvnjak
+61 412 734200
eduvnjak@aemhpa.com

About Advanced Energy Minerals

Advanced Energy Minerals Limited ("AEM") (ASX:AEM) is a producer of HPA with production facilities in Cap-Chat, Quebec, HPA is a specialised form of aluminium oxide that is a critical input for a range of commercial applications across synthetic sapphires, electronics and semiconductors as well as lithium-ion batteries. Following the completion of a two year capital works program, the Cap-Chat Plant is now commercially sized with a 2,000 tpa nameplate production capacity and plans to increase capacity to 3,000 tpa in 2026, thereby completing the **Stage 1 Expansion Project** with further expansion through to 6,000 tpa capacity with production expected in 2029 (**Stage 2 Expansion Project**). At 3,000 tpa full production rate (completion of Stage 1 Expansion Project), the Plant will be the 3rd largest HPA production asset outside of China.

Forward Looking Statements

This announcement contains forward-looking statements. Forward-looking statements may include statements regarding AEM's intentions, objectives, plans, expectations, assumptions and beliefs about future events, including AEM's expectations with respect to the financial and operating position or performance of its business, its capital position and future growth. Forward-looking statements are based on assumptions and contingencies that are subject to change without notice and are not guarantees of future performance. They involve known and unknown risks, uncertainties and other important factors, many of which are beyond the control of AEM, its directors and management and which may cause actual outcomes to differ materially from those expressed or implied in this announcement, including but not limited to, the factors described in the "Risk Factors" section of the Company's Prospectus dated 10 November, 2025. Readers are cautioned not to place undue reliance on forward-looking statements, which are provided for illustrative purposes only and are not necessarily a guide to future performance. No representation or warranty is made by any person as to the likelihood of achievement or reasonableness of any forward looking statements, and to the maximum extent permitted by law, responsibility for the accuracy or completeness of any forward-looking statements is disclaimed, and except as required by law or regulation (including ASX Listing Rules), AEM undertakes no obligation to update any forward-looking statements. AEM also notes that past performance may not be a reliable indicator of future performance.