

Venari Advances Strategy to Unlock Additional Value from Red Mountain Lithium Project By-Products

Systematic approach to expand value beyond lithium from significant by-product potential

Highlights

- **Recent metallurgical test-work has identified the potential to recover strontium and magnesium** alongside lithium carbonate at the Red Mountain Project in Nevada, USA.
- **Potential by-product recovery could:**
 - Diversify future project revenues;
 - Improve resource utilisation;
 - Enhance project economics;
 - Strengthen Red Mountain's alignment with US critical and strategic mineral priorities.
- **Strontium has been declared a Strategic Material by the US Department of War** due to its pyrotechnic utility in tracer ordnance and flares. The US is 100% import-dependent on supply.
- **Magnesium is a US Department of Energy Critical Mineral** with a rapidly growing global market. The US is 59% import-dependent for the magnesium compound Epsomite.
- Venari's **systematic strategy to create value from by-products** includes:
 - Metallurgical testing to extract by-products from leachate and/or residues;
 - Addition of strontium and magnesium to the Red Mountain Mineral Resource Estimate;
 - Seeking strategic partnerships to maximise by-product value;
 - Seek US Government support programs for critical and strategic minerals such as grant funding and fast-tracked permitting.
- **Updated Inferred Mineral Resource Estimate expected in Q3 2026** to include strontium and magnesium.
- **Scoping Study incorporating by-product options** targeted for completion in Q1 2027 for the Red Mountain Lithium Project²².

Venari Chief Executive Officer, Matthew Healy, said: "Red Mountain has always been viewed as a highly prospective lithium project, but recent metallurgical work suggests there may be an opportunity to unlock significant additional value through the recovery of strategic by-products.

"Our immediate priority is to determine whether strontium and magnesium can be recovered economically alongside lithium production."

Venari Chairman, Tony Leibowitz, said: "If successful, these high-value by-products have the potential to further enhance project economics, diversify future revenue streams and further strengthen Red Mountain's strategic importance within US critical mineral supply chains.



“Importantly, this isn’t about changing the focus of the project – rather it’s about maximising value from the existing resource through a disciplined and systematic technical evaluation.

“Over the next 12 months we’ll advance metallurgical testing, update the Mineral Resource Estimate to include these commodities and incorporate by-product opportunities into the Scoping Study, giving investors a much clearer understanding of the project’s overall value proposition.”

Overview

Venari Minerals NL (**ASX: VMS**) (“**VMS**”, “**Venari**” or “**the Company**”) is pleased to outline its strategy to evaluate and potentially commercialise strontium and magnesium by-products from its 100%-owned Red Mountain Lithium Project in Nevada, USA.

Recent metallurgical test work, undertaken as part of the Company’s lithium process development program, identified the presence of magnesium and strontium within the sulfuric acid leach circuit, alongside the production of battery-grade lithium carbonate.

While further metallurgical and economic evaluation is required, these minerals have the potential to provide additional revenue streams, improve overall resource utilisation and reduce waste, improve ESG credentials, and further strengthen the strategic positioning of the Red Mountain Project within the US critical minerals supply chain – particularly for defence-critical strontium.

The Company has commenced a structured program to assess the commercial potential of these by-products through additional metallurgical testing, incorporation into the next Mineral Resource Estimate update and evaluation within the planned Scoping Study²².

Strontium – a strategic defence material

While not currently listed as a critical mineral in the US, strontium is used in defence applications such as tracers in ordnance, flares, as well as in other pyrotechnics, alloys, ceramics, glasses and nuclear batteries. Accordingly, Strontium is listed as a strategic material on the Defense Logistics Agency, or DLA (the US’ logistics combat support agency of the Department of War) Strategic Materials of Interest list, which can be viewed here: <https://www.dla.mil/Strategic-Materials/Materials/#metal>.

The global strontium market volumes are on the order of several hundred thousand tonnes per year (various estimates place global demand in the 300–600kt range depending on scope and year), and US demand typically runs into the tens of thousands of tonnes range when including processed forms¹². Strontium carbonate, the common processed form of Strontium, typically commands a price of US\$2,000 per tonne landed in the US, however higher purity products can sell for over \$14,000/t²⁰.

The United States is 100% net import reliant for strontium¹⁸, and the National Defense Authorisation Act 2023 mandates domestic US (or select ally country) sourcing of defence-related chemicals, including strontium compounds, by 2028, creating an incentive to establish domestic sources of strontium to feed into critical defence supply chains. This in turn creates the potential for premium offtake rates, government support, and/or defence contractor partnerships. The incentive to establish domestic supply in the US is compounded by supply concentration risks with major producers including China, Mexico, Spain and Iran.



This creates a compelling strategic opportunity for Venari. The potential to establish domestic US production from a Nevada lithium operation offers clear logistical and geopolitical advantages.

Magnesium – a US Critical Mineral

Magnesium is listed on the current US Department of Energy Critical Minerals list. Magnesium has many uses: in the metal form, it is used to reduce weight in vehicles and as the hydrated sulfate compound – Epsomite – has diversified uses including in fertilizers, pharmaceuticals and industrial water treatment as a flocculant.

The magnesium sulfate market is 2.7 million tonnes annually, of which the North American share is estimated at 25%, and is expected to grow to 3.7Mt by 2034²¹. The US currently imports 59% of its magnesium sulfate, mainly from China¹⁸.

Epsomite prices in the US have ranged from US \$370-430/t in the past year¹¹, indicating a compelling incentive for the Company to further investigate this potentially valuable by-product, particularly when the production of lithium carbonate already necessitates magnesium removal.

Creating Value

The integration of by-product streams into Venari's development strategy for Red Mountain Lithium Project offers multiple opportunities to extract value:

Revenue Diversification and Economics: By-products have the potential to contribute meaningfully to future project cash flows, reducing the effective cost of lithium production and improving overall returns.

Strategic and Geopolitical Positioning: Strontium production directly addresses US strategic mineral vulnerabilities and defence supply chain mandates. This has the potential to attract offtake agreements with US government entities and defence contractors, as well as adding potential eligibility for grants, tax incentives, or fast-tracked permitting under critical minerals policies.

Operational Synergies: By-product recovery reduces waste volumes sent to tailings, improves resource utilisation and strengthens the project's sustainability profile.

Processing Integration: Lithium leach circuits (acid-based or otherwise) can generate magnesium- and strontium-bearing solutions or residues. Targeted separation (e.g., precipitation, crystallisation) can be engineered into the flowsheet with relatively incremental capital, leveraging existing infrastructure.

Risk Mitigation: Commodity price and market risk is spread across lithium (battery/EV focus) and other industrial/strategic minerals.

A systematic approach

The Company will systematically evaluate and advance the by-product potential of Red Mountain:

1. Metallurgical test-work (2026): Conduct dedicated testwork to quantify recoverable grades/yields of strontium and magnesium compounds, with a focus on achieving commercial-



grade specifications (e.g., purity for defence, agricultural use). Test-work will consider extracting by-products in potentially various forms from leachate/residue according to whether lithium is extracted by sulfuric acid, hydrochloric acid, etc. Other potential by-products may be identified as a result of test-work.

2. Addition to Mineral Resource Estimates (2026): Incorporate strontium and magnesium into the current Inferred category MRE to define potential by-product tonnages and grades.
3. Funding and Partnerships: Explore strategic partnerships or offtake-linked financing. Seek US government support programs targeting critical minerals and domestic processing (ongoing).
4. Economic Studies: Include by-product scenarios in Scoping Study (Q1 2027)²².

Summary

The identification of strontium and epsomite by-products at Red Mountain significantly enhances the project's attractiveness. Strontium offers high strategic upside aligned with US national security priorities, while magnesium sulfate provides stable, diversified industrial demand. Together, they support a more robust, lower-risk, and higher-value development pathway.

Background

The Red Mountain Project area has broad mapped tertiary lacustrine (lake) sedimentary rocks known locally as the Horse Camp Formation. Elsewhere in Nevada, equivalent rocks host large lithium deposits (see Figure 3) such as Lithium Americas' (NYSE: LAC) 62.1Mt LCE¹⁰ Thacker Pass Project³ and American Battery Technology Corporation's (NASDAQ: ABAT) 18.7Mt LCE Tonopah Flats deposit⁴.

A total of 32 drill holes have been completed at the project to date for a combined 6,015m of drilling across four campaigns (Figure 1). These campaigns have been highly successful, intersecting strong lithium mineralisation in almost every hole^{6,9}.

The Red Mountain maiden Mineral Resource Estimate of 500Mt @ 1,139ppm Li for 3.03Mt contained LCE (at a 700ppm Li cut-off) includes a high-grade zone in the north of the project of 47.9Mt @ 2,193ppm Li for 569kt contained LCE, at a 1,300ppm Li cut-off⁹.

Scoping leachability test-work on mineralised material from Red Mountain indicates high leachability of lithium of up to 98%, varying with temperature, acid strength and leaching duration⁵, and beneficiation test-work has indicated the potential to upgrade the Red Mountain mineralisation^{1,2,8}. The project has produced a high-purity (99.5%) battery-grade lithium carbonate directly from mineralised rocks, with no third-party processing requirement¹⁹.

The Red Mountain project is well-served by infrastructure, being located immediately adjacent to the transcontinental Route 6, 20km west of a 525kV high-voltage transmission line and a 113-acre acre private property with 592,000m³.p.a of associated water rights secured only 6km from the Project⁷.

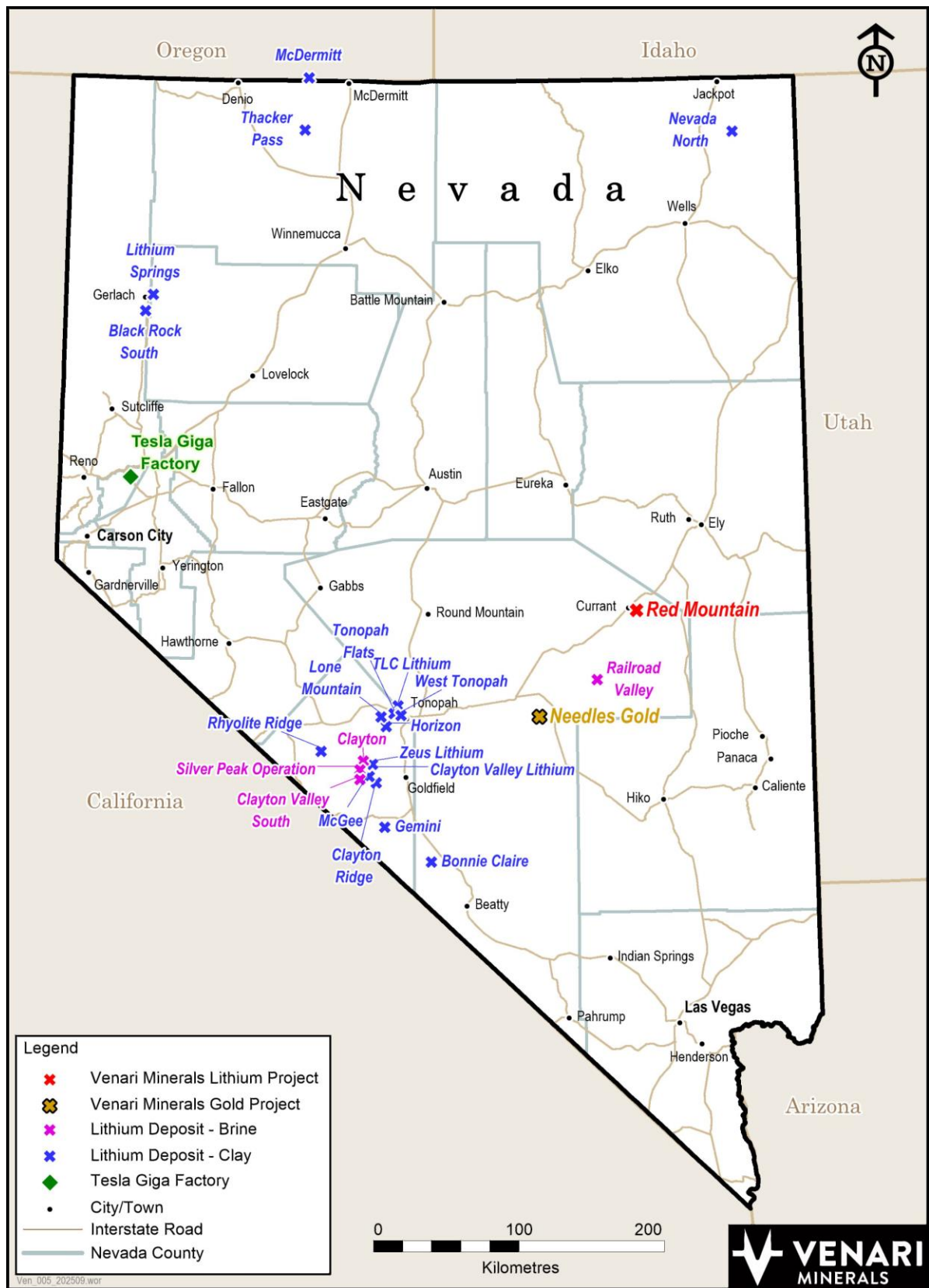


Figure 1. Location of Red Mountain and other Nevada Lithium projects.



References

- 1 – ASX: ASE, 22 April 2025, Beneficiation testwork successfully upgrades mineralisation at Red Mountain
- 2 - ASX: ASE, 10 June 2025, Beneficiation Delivers 4,480ppm Lithium Clay Concentrate at Red Mountain
- 3 - NYSE: LAC, 31 December 2024, Updated NI 43-101 Technical Report for the Thacker Pass Project
- 4 - NASDAQ: ABAT, 4 September 2025, Tonopah Flats Lithium Project S-K 1300 Technical Report and Preliminary Feasibility Study
- 5 - ASX: ASE, 9 December 2024, Positive initial metallurgical results from Red Mountain
- 6 - ASX: ASE, 25 June 2025, Exceptional Drill-hole Intersects combined 170m of Lithium Mineralisation at Red Mountain
- 7 - ASX: VMS, 10 December 2025, Red Mountain Lithium Project De-Risked with Water Rights Secured
- 8 - ASX: VMS, 15 October 2025, Metallurgical test-work delivers 132% upgrade to lithium mineralisation at Red Mountain, Nevada
- 9 - ASX: VMS, 2 February 2026, Maiden Mineral Resource Estimate for the Red Mountain Lithium Project
- 10 - Lithium Carbonate Equivalent wt%(LCE) has been calculated from Lithium parts-per-million (ppm) by the formula $LCE = Li (ppm) \times 5.323 / 10,000$
- 11 - IMARC Magnesium Sulfate Prices <https://www.imarcgroup.com/magnesium-sulfate-pricing-report>
- 12 - USGS Mineral Commodity Summary – Strontium 2026
- 13 - SMM, 27 April 2026, Battery-Grade Lithium Carbonate, USD/mt (<https://www.metal.com/lithium/201102250059>)
- 14 - USGS Minerals Yearbook – Strontium 2019
- 15 – Epsomite wt% has been calculated from Magnesium wt% by the formula $Epsomite (wt\%) = Magnesium (wt\%) \times 10.136$
- 16 - SMM, 27 April 2026, Strontium Carbonate, USD/mt (<https://www.metal.com/lithium/202205010004>)
- 18 - USGS Mineral Commodities Summary 2026
- 19 – ASX: VMS, 28 April 2026, Red Mountain produces Battery-grade Lithium product
- 20 - Global Trade Algorithmic Intelligence Center – Imports of Strontium Carbonate in USA <https://gtaic.ai/market-reports/strontium-carbonate-market-usa-report-in-2026>
- 21 - <https://finance.yahoo.com/news/magnesium-sulfate-market-volume-exceed-141100953.html>
- 22 - Refer section 8.8 ASX:VMS, 26 April 2026, Appendix 5B

Authorisation

This announcement has been authorised for release by the Board of Venari Minerals NL.



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Competent Persons

The information in this report that relates to Sampling Techniques and Data (Section 1) is based on information compiled by Mr. Matthew Healy, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy (AusIMM Member number 303597). Mr Healy is a full-time employee



of Venari Minerals NL and is eligible to participate in share-based incentive schemes of the Company. Mr Healy has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Healy consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Reporting of Exploration Results (Section 2) and Mineral Resource Estimates is based on information compiled by Mr. Richard Newport, principal partner of Richard Newport & Associates – Consultant Geoscientists. Mr. Newport is a member of the Australian Institute of Geoscientists and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person under the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Newport consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

Mineral Resource Estimates

Where the Company references previously disclosed Mineral Resource Estimates it confirms that the relevant JORC Table 1 disclosures are included with the original referenced ASX Announcements and that it is not aware of any new information or data that materially affects the information included in those ASX Announcements and in the case of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the Announcements continue to apply and have not materially changed (Table 6).

Area	Category	Tonnes (Mt)	Li (ppm)	LCE (%)	LCE (Mt)
North	Inferred	91.6	1,618	0.86%	0.79
Central	Inferred	408	1,031	0.55%	2.24
TOTAL	Inferred	500	1,139	0.61%	3.03

*Table 1. Red Mountain maiden MRE at the preferred reporting cut-off grade of 700ppm Li.
MRE reported under a range of cut-off grades in the original 2 February 2026 ASX Announcement.*