sustainable mineral recovery

CONFIDENTIAL TO GEO40 SHAREHOLDERS

QUARTERLY UPDATE TO SHAREHOLDERS

Calendar Q1 2025

We are now just weeks away from commissioning our brand new lithium demonstration/pre-commercial plant. We'll run this at home in New Zealand for some weeks before shipping it offshore. This follows the successful conclusion of our North American piloting tour. We are now being asked to do similar work globally in both silica and lithium, and we plan to do justice to the very best opportunities with smaller fly-in, fly-out pilots, on a commissioned basis. This validates to us the appetite for our technologies and brings working capital into the company.

Silica production and sales remain strong for a fifth consecutive quarter, and our augmentation strategy to increase production is working. As we take advantage of opportunities to showcase our technologies globally, we do so with a strengthened team capable of succeeding on a wide range of brines. Our technical success is being noticed and we are now being invited to participate in very high quality opportunities.

As you read this, you will observe something of a maturing of the company – a shift in emphasis beyond just proving that our technology can work on different brines to applying increasing focus to the products we make, and how we drive down the capital cost of large plants. We are working systematically here to eliminate potential barriers to widespread adoption of our technologies. While it's true we are in a lithium price nuclear-winter, we see this as the perfect time to work hard in doing all things necessary to be poised to advance as the market improves.

Lithium demonstration/pre-commercial plant skids under construction

OPERATING PERFORMANCE

We produced a good production result in Q1, which alongside strong sales performance, saw us put away a fifth consecutive solid quarter. As with the prior quarter, due to external factors, we could not run the small Ngawaha plant, meaning we could not rely on this contribution to our production. The silica head grade in the geothermal fluid continues to be consistently low, requiring us to look elsewhere to meet customer demand. During the quarter, we largely completed the significant membrane replacement programme that we commenced in late 2024 and this has made a contribution to our production and consequent sales result. As we go to print, the principal tranche of membrane replacement is complete.

Strong sales demand continues to put healthy consistent pressure on the operations team. Putting in place hardware to augment our production with a purchased silica product is now helping to satisfy this demand. As we get customers comfortable with this product we can increase the rate at which we do this, providing a welcome offset to our long-standing issues with the low silica concentration of the geothermal fluid.

We have emerged from Contact Energy's two-yearly maintenance shut, which saw the entire station out of commission for a little over a month. The outage meant we did not process geothermal fluid for that period, so production will be down for the current quarter, offset slightly by the silica augmentation in place.

As we start to work towards licensing our silica technology, and as we prepare to commission the lithium demonstration plant, the demands on our operations team increase. The North American lithium trailer rig tour provided a very good training opportunity for operations staff – often in tough oil and gas field working environments. We need to continue to build our expertise in running these sophisticated minerals-from-brine plants. The year ahead looks like it will feature a very busy global piloting schedule – and running these assets well, to build the trust of our partners, is a prerequisite to our success.

PILOTING WIDELY TO VALIDATE OUR TECHNOLOGY OFFER

We continue to pilot our silica and lithium mineral recovery technology as widely as we can. This showcases what we can do on a particular brine, and we believe will be the most effective strategy to accelerate the journey towards adoption of our technology under our preferred license model.

In lithium we have now largely completed our North American piloting tour. The trailer rigs have been on the road (on and off) for a little over a year, covering most of the significant oil and gas basins of North America. Shareholders will recall that we worked on brines from locations as diverse as North Dakota, Texas, Louisiana, Saskatchewan, Calgary and, most recently, West Virginia. We believe that no other direct lithium extraction (DLE) company has piloted so extensively at the well-head.

The tour has validated to us and to key industry players that our direct lithium extraction technology can be successful on a very wide range of different brines – and, in every case we have made high quality precursor material that can be readily converted to battery-grade lithium carbonate. We will deploy the trailer rigs very selectively from here on, typically with only the most significant players in the game as their plans emerge.

While North America remains our key target market for lithium extraction, we are starting to see the emergence of compelling projects more widely across the globe – principally again in the oil and gas sector. This is opportune; whilst policy uncertainty remains in North America, it creates the opportunity for us to potentially showcase our technology more widely. We plan to do this using a new fly-in, fly-out micro-pilot. As demand for compelling DLE technology intensifies, there is emerging evidence that we can charge fees for this work, potentially covering the cost of the work and contributing working capital. We'll report back as new contracts are signed.

We are taking the very same approach in silica. We have one contract signed to undertake silica piloting in Indonesia this year, and we are in discussions around another opportunity. Initial fieldwork in Indonesia will commence shortly. We are starting to see new appetite in the geothermal sector for silica removal.

MOVING TO DEMONSTRATION/ PRE-COMMERCIAL SCALE IN LITHIUM

Our lithium strategy has two key elements: firstly, to demonstrate through piloting that our DLE technology can address the widest possible range of high-potential brines (as shown with the trailer rigs, and planned globally with our new micro-pilot); and secondly, to validate the scalability of our technology. Here we have long-planned to build and deploy a larger-scale demonstration/pre-commercial asset. The exercise of Tembo Capital and Vision Blue's call options last year have provided for the build of this asset, alongside providing working capital.

As we target major names in the oil and gas sector for the potential deployment of this asset, it is vitally important that the asset runs well – our team and technology will very much be on show. Accordingly, we have elected to build the plant in New Zealand; so we can run it for some weeks at our Ohaaki site (on Ohaaki geothermal fluid, which contains lithium at low concentration) to ensure it performs to expectations. Following a period of settling-in and subject to successfully concluding negotiations with our target partner, we then plan to field-deploy this plant. The plant is designed to slide into eleven 40' shipping containers for a Pacific Ocean crossing. Much as with our North American trailer rigs, it is largely the existence of the real asset that sells the opportunity; we have had to learn to be comfortable committing to the build of hardware ahead of signed contracts to deploy it.

Design and long-lead-time hardware procurement was completed during the quarter. In order to ensure the fastest-possible delivery, via a competitive procurement process, components of this asset are being built by seven different North Island fabricators. The Ohaaki site has now been prepared and mechanical build is just weeks away from completion. To date, we remain on budget.

When we turn on this asset, we will join just a handful of our peers who have successfully commissioned a DLE asset of this scale – which we trust will very much contribute to our ongoing emergence as a leading force in lithium. We will invite shareholders to visit the plant at Ohaaki before it is shipped offshore.

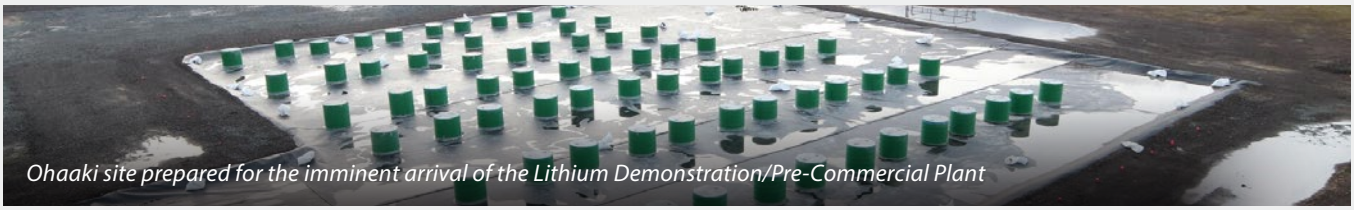
SALES AND MARKET DEVELOPMENT

We produced another strong sales quarter to 31 March 2025 with gross sales of cNZ$1.2m, a fifth consecutive strong quarter. Around half of this result came from sales of our premium ion-exchanged product to an important USA-based customer. Given the policy uncertainty there around potential tariffs (which have had no impact to date), we have been working to reduce our reliance upon this market generally. Our work to build stronger demand in other sectors gives us some comfort that we are relatively well-prepared for what eventuates.

Putting in place and commissioning the hardware required to add a purchased intermediate silica product is key to our work to meet current customer demand. This method subtly changes our product, so we are doing technical work with relevant customers to on-board them to this new product variant as quickly as possible. We are currently augmenting production four days per month, and working to increase this near term.

Market development work continues, both to secure premium market access and pricing, and to ensure that we are building markets for future technology license customers. We are very focussed on developing smaller particle silica products, as these can be more readily manufactured in the front-end of our plant. This is key to our strategy to simplify our silica flowsheet, and making adoption of our technology more commercially compelling. As this work develops, our offer to the geothermal sector improves. We are now fielding regular enquiries for our silica removal technology, so strengthening this offer is key to successful uptake.

The sales team is now also working towards a way to sell the lithium produced by our new demonstration/ pre-commercial plant. As with silica, the prequalification process can take time and we want to ensure we are well prepared for when product comes on stream.



Ohaaki site prepared for the imminent arrival of the Lithium Demonstration/Pre-Commercial Plant

FINANCIAL, SECRETARIAL AND THE FUTURE

Increasing silica production to capitalise upon demand

We now have in place a mechanism to increase our production output to endeavour to match demand. We look forward to ramping this up as we on-board customers, finally giving us some control over our output and revenue.

Improving the attractiveness of our silica recovery technology

We continue to make strong progress in developing markets for small particle silica products, aligned with our work to drive capital out of our silica flow sheet. Succeeding here is vital in reducing the barriers to wide adoption of our technology.

Advancing the license model in both silica and lithium though efficient piloting

Our North American lithium piloting programme has materially helped to establish our relevance on our target oil and gas produced waters, increasing appetite for our technology in both silica and lithium – a nice problem to have whilst policy uncertainty remains in North America. We now plan to do justice to the highest quality global opportunities via fly-in, fly-out micro-pilots, on a commissioned basis. This widely showcases our technology and potentially brings working capital into the company.

Moving to demonstration/pre-commercial scale in lithium

We are now just weeks away from commission our brand new demonstration/pre-commercial lithium asset. In doing so, we'll join a small group of leading DLE companies operating at this scale. We look forward to showing this asset to our shareholders and sharing where it will be field-deployed.

Capital and equity value management and strategy

As our technology in both silica and lithium becomes increasingly relevant to resource owners, we are now more able to secure appropriate fees for our piloting work, creating the potential to bring working capital into the company. The build of our brand new lithium demonstration/pre-commercial plant is fully funded, and we are currently working through how field operation is contracted. We are talking to some of the biggest global names in lithium and there is real scope to deepen these partnerships.

We now also see clear opportunities to move fairly quickly beyond demonstration scale. A number of parties have expressed interest in a significant c5,000tpa lithium plant, illustrating the sector demand and belief in our technology, notwithstanding low current lithium commodity pricing. New partnerships will enble us to design and cost-model our first large scale asset, so we are in a position to respond quickly to demand as it emerges.

We promised you we would move as fast as possible towards commercialisation of our technology in silica and lithium. We see the current low lithium price environment as an opportunity to prove our technologies globally, so we are absolutely ready to respond as commodity pricing and appetite improves. Securing commercial fees for this work, which we intend to do, will bring in capital, and provides us with evidence of the commitment of our partners.

The months ahead certainly show real promise. Having a genuine lithium demonstration plant running will make us part of a very small group of leading DLE technology firms, and we look forward to sharing more with you about the partners we're working with. Hard work at home and in the field is certainly helping us to get noticed, and I thank my team sincerely for their work in navigating us to this point.

As always, I thank you sincerely for your support and belief in us and the sectors we're pursuing, and I commit to keeping you well informed as we advance.

Ngā mihi mahana.

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