sustainable mineral recovery

CONFIDENTIAL TO GEO40 SHAREHOLDERS

QUARTERLY UPDATE TO SHAREHOLDERS

Calendar Q3 2025

The Q3 quarter was marked by intense activity in both silica and lithium.

Our flagship silica plant returned to service well - following the Contact Energy planned shutdown earlier in the year - and monthly production continues to increase as our silica-augmentation strategy gathers pace, backed by consistently-strong market demand. Our small Ngawha Plant is also back in production after a sustained Contact Energy shutdown. We have completed work on a new lower-capital silica offering which we are now marketing to the geothermal industry, alongside our new field piloting service.

The quarter was also notable for the construction of our most ambitious direct lithium extraction plant to date.

As we go to print, commissioning is underway. We look forward to hosting the biggest names in lithium in New Zealand as we really show what our technology can do. Our intention here is to build appetite for this asset amongst those most motivated to get into production in lithium, fast. While the North American lithium industry has moved more slowly than we had anticipated, compelling opportunities are now emerging in South America, Europe and the Middle East and we're busy doing them justice with our new fly-in/fly-out field pilot. We expect that the forecast lithium price recovery in 2026 will improve market dynamics, and we certainly plan to be ready.

Consistent with prior years, Q2 Quarter performance was covered at the Annual General Meeting – key highlights are included in this Quarterly Report.

This quarterly update has been prepared by Geo40 Limited (Geo40) for the information of our shareholders.

It contains summary information about Geo40's recent activities, but is not a comprehensive review.

Geo40 has taken all reasonable care in preparing this quarterly update. In particular, any third party information has been taken from sources Geo40 reasonably believes to be reliable, and any forward-looking statements have been based on reasonable assumptions about future matters. However, Geo40 does not warrant the currency, accuracy, reliability or completeness of the summary information provided, nor guarantee the achievement of any forward-looking statements and forecasts.

You are welcome to share this update with your professional advisers and with interested third parties – and welcome, at any time, to contact Geo40 if you have questions about it. Please note, though, that the quarterly update is not an offer, invitation or recommendation to any person to subscribe for, buy or sell Geo40 shares, and does not set out all the information that a person should consider when deciding whether to invest in, buy or sell Geo40 shares. Accordingly, it should not be relied on by any person in making an investment decision.

OPERATING PERFORMANCE

Gross sales revenue for Q3 was strong at NZ$1.0m. This was up on the prior quarter result of NZ$0.8m, with that quarter impacted by the May and June Contact Energy plant shutdown. As well as sales volumes being up, margins have remained strong, supported by favourable USD exchange rates on international sales.

Production has now returned to pre-shutdown levels. We've completed the necessary engineering work to enable silica augmentation across our full product range, using a purchased silica seeding product. We have been successful in converting a number of our customers across to this subtly different product. This opens the door to addressing our sales-order backlog, with demand continuing to outpace supply.

The silica concentration in the Ohaaki geothermal fluid remains below expectations, as it has for some time. However, improved membrane performance—driven by operational learnings and new in-house expertise—has helped offset this. We've implemented a tailored membrane asset management regime, including modified Clean-In-Place (CIP) procedures to extend membrane life and sustain performance.

The smaller Ngawha Plant came back into production during the quarter. Contact Energy conducted a range of field trials, meaning we could not run this asset for much of the last nine months. While the plant was off-line, our engineering team made a number of improvements to the asset to enhance output. The plant is now making a very welcome contribution to our total production tonnage, helping us to satisfy our sales order backlog. In optimal configuration, the Ngawha Plant should comprise around 10% of our total production.

WORKING TOWARDS THE LICENSING OF OUR SILICA TECHNOLOGY

Our silica recovery technology is gaining traction as a compelling solution to silica scaling challenges faced by geothermal asset owners. Our operational maturity in both operations and sales makes our technology a credible value-add offer to the geothermal sector.

For some time, we have been aware that deployment of our silica recovery technology at scale requires serious capital. This appears to have been a barrier to rapid adoption. In response, this year we have developed a new 'slipstream' offering that processes only a portion of brine to reduce silica content in the overall reinjection stream. This means that we can eliminate silica scaling at much lower capital cost than before – and this new flowsheet is less dependent upon selling large volumes of silica at strong market pricing. With this in hand, we have now embarked upon a relaunch of our silica technology.

This momentum aligns well with the recently released "From the Ground Up" draft New Zealand Geothermal Strategy, which aims to double New Zealand's geothermal energy production by 2040, both for electricity generation and direct heat applications. The strategy touched on the potential for mineral recovery from geothermal fluids. Our submission on the draft policy identifies how our silica and lithium technologies offer both the potential for new mineral revenues but also lower opex costs, additional generation or process heat applications and enhanced carbon dioxide sequestration.

The first step on the pathway to licensing is piloting onsite with fresh brine. During the quarter we completed the design and construction of a 'fly-in/fly-out' silica pilot for a major Indonesian geothermal power generator. This plant experiences acute silica scaling and, if we can solve its issue, the generator can potentially double the generation capacity of the asset. We currently have a team of three chemists in Indonesia. They will conduct a four-week piloting campaign there.

After years of operating and refining our flagship Northern Plant, we believe we're at an inflection point for technology uptake—driven by hard-earned learnings and iterative innovation that makes our offer more compelling to partners than ever before.

LITHIUM PILOTING PROGRAMME

We continue to work to prove that our direct lithium extraction technology can successfully process the widest range of brines. While our technology is very well-proven in North America following our 12-month multi-state piloting campaign with our large trailers, the lithium sector there has moved quite slowly. We are starting to see renewed energy in this sector, and we have recently been invited to pilot on the prominent high-grade Smackover Formation in Arkansas.

A number of potentially very compelling opportunities have emerged this year in other jurisdictions that demand our attention. Investors will recall that we have a long-standing collaboration with Italian utility Enel Green Power. In the new year we will pilot lithium recovery on their Chilean geothermal asset. During the quarter, we completed the build of a new fly-in/fly-out pilot for this purpose. This unit features the latest iteration of our technology and can be mobilised to sites across the world as checked-baggage, accelerating our field progress.

We are also tracking some attractive projects in Europe and the Middle East. A number have trialed the technologies of our key competitors unsuccessfully, and we have been invited by several to undertake piloting campaigns. Initial screening suggests that we may have a technical advantage on these brines and we intend to mobilise our new fly-in/fly-out pilot to the best of these sites. We can confirm that we have now signed a contract to process three brines in the Middle East and a Geo40 piloting team is working on site now.

LITHIUM PRE-COMMERCIAL PLANT PROGRESS

We're now just days away from commissioning our lithium pre-commercial plant—a major milestone in Geo40's journey. We worked with seven exceptional fabricators across the North Island to deliver the discrete modules over a seven-week timeframe. As we go to print, the plant build is complete, and commissioning is underway. We plan to run a 24 hour multi-day campaign prior to Christmas.

Our key goal in lithium is to find and work with a great partner who is motivated to start producing lithium-from-brine as fast as possible. Our new asset is modular, readily shipped and can get a motivated oil and gas major into the lithium game fast. The completion of the plant allows us to invite potential partners to New Zealand to showcase our technology and to allow them to see just how we can help them get into production quickly. Key industry 'movers and shakers' are showing genuine interest.

We recently hosted local shareholders on site to showcase the new plant. The build has been expertly managed by our in-house engineering team and the asset has been delivered on budget. It just now remains to bring it to life. This asset will be central to proving the competitive advantages of our DLE technology and positioning Geo40 as a leader in the space.

FINANCIAL, SECRETARIAL AND THE FUTURE

Capital Management

Following the exercise of options by cornerstone investors Tembo Capital and Vision Blue in 2024 to fund the lithium pre-commercial plant, we are now assessing capital needs for the next stage of our journey. Pleasingly, we delivered this asset on budget and we are now earning fees from our silica and lithium piloting work, which sits alongside the modest gross profitability of our silica assets.

As both silica and lithium markets start to come alive, Geo40 is well-positioned to accelerate growth and deliver shareholder value. I've been actively engaging with prospective strategic investors and our cornerstone partners to secure the right capital to support this next phase. We have a clear plan for deploying new funds to drive growth, and I anticipate updating shareholders on our capital pathway shortly.

Importantly, as a Board we are mindful of shareholder dilution. Any capital raise will include an opportunity for qualifying existing shareholders to invest on matching terms.

We've also published our fourth annual ESG performance report for the year ending 31 March 2025. This report reflects our commitment to transparency and sustainability. Please take a moment to read it on our website.

https://geo40.com/environmental-social-and-governance-esg-report-2025/

Future Outlook

The external macro environment has been challenging for some time with sustained low lithium commodity pricing. This has seen some of our competitors reduce or cease operations. The junior lithium resource industry remains very depressed but our bet on the oil and gas sector (and the lithium in their produced waters) appears to have been the right one as this part of the lithium market continues to advance, albeit slowly. Recent forecasts suggest lithium market price improvement over the next 6–12 months. Our strategy remains clear: stay focused, improve our mineral-recovery technologies, build capability, and be ready to move when the market turns.

As always, I thank you sincerely for your continued support and belief in Geo40. We are entering a crucial period in our evolution toward becoming a leading global sustainable mineral recovery technology license company, and I remain committed to keeping you well informed as we advance.

Ngā mihi mahana.

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