For personal use only

audalia resources limited

ACN 146 035 690

ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2026

audalia resources limited

For personal use only

DIRECTORS

Executive Director	Mr Siew Swan Ong
CEO & Executive Director	Mr Brent Butler
Non-Executive Director	Mr Xu (Geoffrey) Han

COMPANY SECRETARY

Mr Craig McNab

PRINCIPAL PLACE OF BUSINESS AND REGISTERED OFFICE

Level 1, Office F
1139 Hay Street
WEST PERTH WA 6005
Telephone: (61 8) 9321 0715
Facsimile: (61 8) 9321 0721
Email: admin@audalia.com.au
Website: www.audalia.com.au

SECURITIES EXCHANGE

ASX Limited
Level 40, Central Park
152-158 St George's Terrace
Perth WA 6000

ASX Code: ACP

SHARE REGISTRY

Automic Pty Ltd
Level 5, 126 Phillip Street
Sydney NSW 2000

Telephone: 1300 288 664 (within Australia)
(61 2) 9698 5414 (outside Australia)

BANKER

National Australia Bank
Level 14,
100 St Georges Terrace
PERTH, WA 6000

AUDITOR

Moore Australia Audit (WA)
2 The Esplanade
Perth WA 6000

CONTENTS

Corporate Directory	1
Review of Activities	3
Directors' Report	8
Auditor's Independence Declaration	22
Financial Report	23
Directors' Declaration	41
Independent Auditor's Report	42
Shareholder Information	45
Summary of Tenements	47

For personal use only

For personal use only

Audalia Resources Limited (ASX: **ACP**) is pleased to present its annual report for the year ended 30 June 2026 to shareholders and provide some insights into the advancements the Company has made in its activities to date and progress that it expects to make going forward.

Overview

Medcalf Project

The Medcalf Project is a vanadium-titanium-iron project located some 470 kilometres south east of Perth near Lake Johnston, Western Australia. The Medcalf Project comprises of one granted exploration licence E63/1855, two miscellaneous licences L63/75 and L63/94 and two General Purpose licences G63/10 and G63/12 as well as mining lease M63/656. Together these licences cover a total area of 38 km^2.

The Medcalf Project lies in the southern end of the Archaean Lake Johnston greenstone belt. This greenstone belt is a narrow, north-northwest trending belt approximately 110 km in length. It is located near the south margin of the Yilgarn Craton, midway between the southern ends of the Norseman-Wiluna and the Forrestania-Southern Cross greenstone belts.

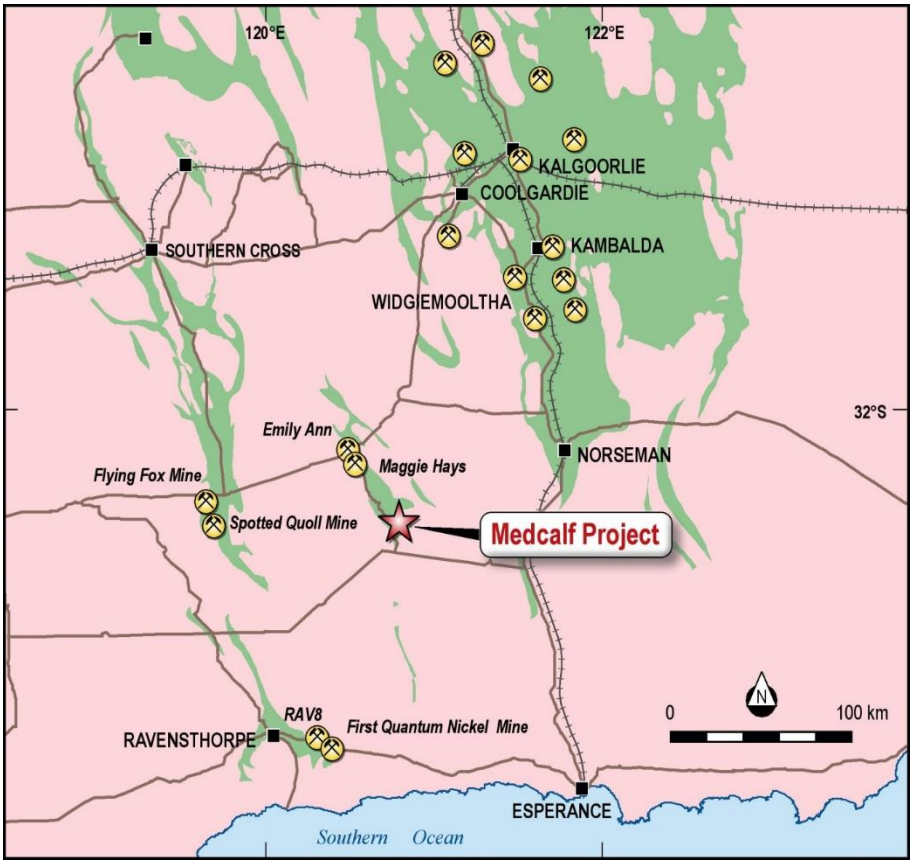

Figure 1: Medcalf Project location map

For personal use only

Activities conducted during the year

Mineral Resource Estimate Update

An updated Mineral Resource Estimate (MRE) for the Medcalf Titanium-Vanadium Project was prepared by independent consultants Cube Consulting Pty Ltd (Cube). The update includes additional reverse circulation (RC) drilling in the central and eastern portions of the Vesuvius prospect and the Egmont prospects conducted in 2024 and 2025 (Figure 2). The drilling included both infill and extensional drilling with a total of 71 drill holes completed for 2,564m.

The MRE is tabulated in Table 1 and reported above a lower cut-off grade of 6 % TiO_2 based on preliminary economic considerations. Reasonable prospects for eventual economic extraction (RPEEE) for the MRE was assessed with reference to the results of Whittle optimisation pit shells generated in 2022. The optimisations assisted with definition of an appropriate TiO_2 cut-off grade above which mineralisation is deemed to have RPEEE.

This infill drilling has increased the Indicated Mineral Resource by 35% from the previous 2022 MRE.

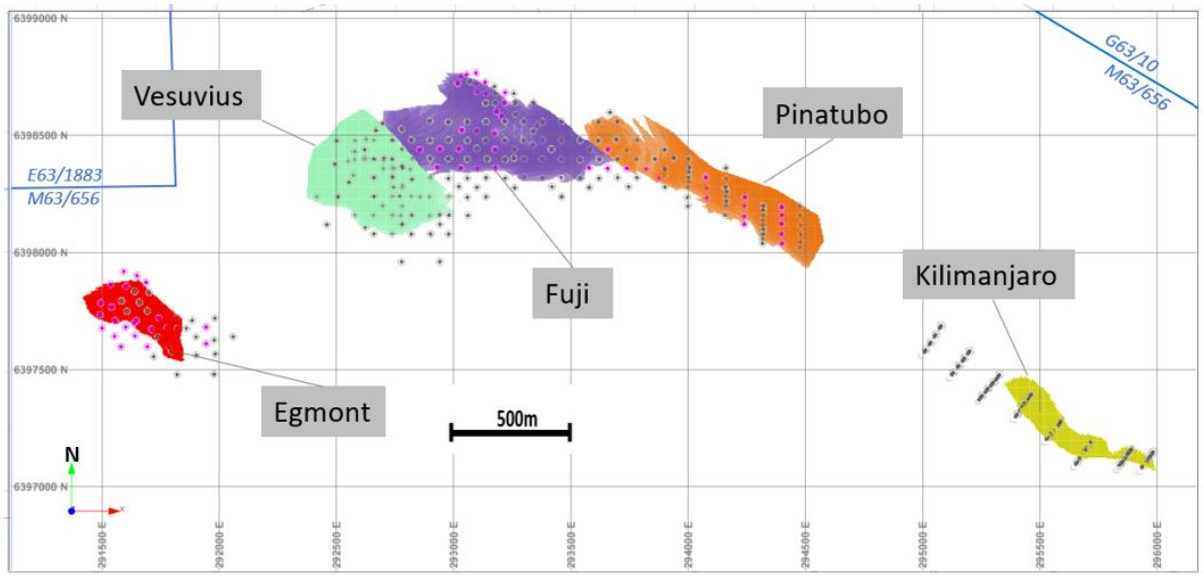

Figure 2: Prospect location plan with drilling (new holes shown in magenta) and tenement boundaries

Resource Classification	Prospect	Tonnes (Mt)	TiO_2 (%)	V_2O_5 (%)	Fe_2O_3 (%)
Indicated	Vesuvius	18.0	10.29	0.55	52.6
	Egmont	2.3	9.21	0.48	43.3
	Kilimanjaro	-	-	-	-
Sub-Total		**20.3**	**10.17**	**0.54**	**51.5**
Inferred	Vesuvius	1.7	7.82	0.35	38.5
	Egmont	-	-	-	-
	Kilimanjaro	2.1	7.87	0.41	46.8
Sub-Total		3.8	7.85	0.38	43.1
TOTAL		24.2	9.80	0.52	50.2

Notes: Reported above >6% TiO_2. Some rounding errors may occur.

Table 1: Medcalf Project – September 2025 Mineral Resource Estimate

Geotechnical work completed

Audalia engaged Manxmin Pty Ltd to update the geotechnical inputs required for the mine designs for the Medcalf Project. Referring to previous geotechnical studies (Knight Piesold 2019) and (WML Consulting Engineers 2025) and geotechnical logging of selected holes from 2025 diamond drill core, Manxmin initially provided updated recommendations on stable slope design parameters for each pit area and then carried out assessments of the slope stability on the final pit designs.

For personal use only

Determination of Indicated Overall Slope Angle (IOSA) for an open pit can be achieved through the conversion of RMR values into Mining Rock Mass Ratings (MRMR). This is accomplished through the use of modifying factors being applied to the previously estimated RMR values from geotechnical logging.

Based upon the latest optimisation study carried out by Cube Consulting, using slope design parameters derived by Manxmin, preliminary open pit designs have been completed for the various Medcalf deposits in Figure 3 below.

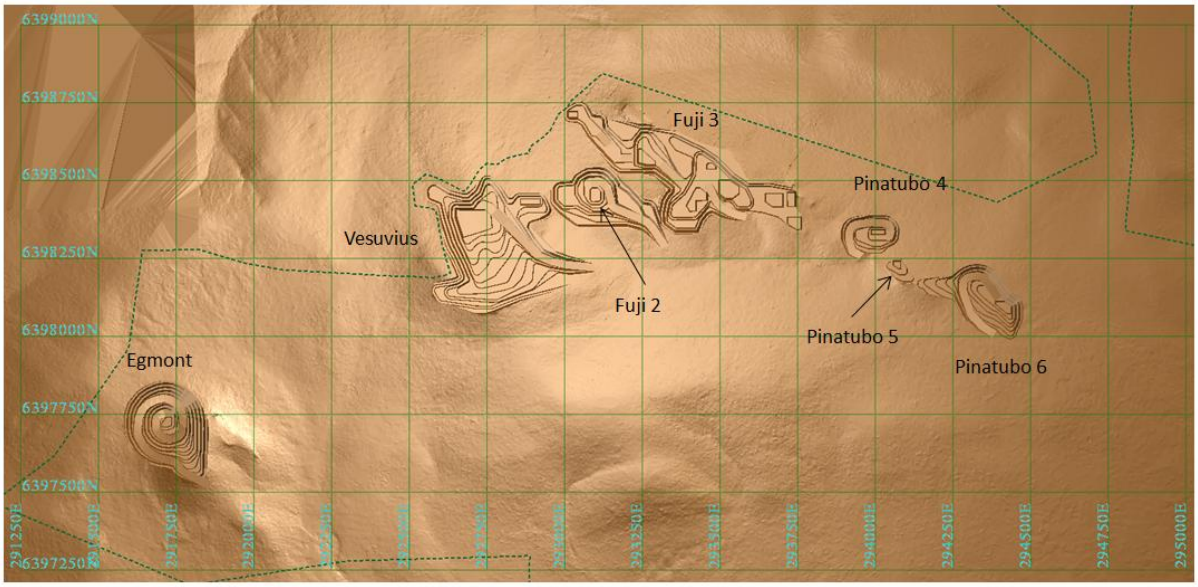

Figure 3: Open Pit Designs for Medcalf Deposits

It is concluded that the current open pit designs would be suitable from a geotechnical standpoint.

Metallurgical Testwork completed

Utilising core from selected diamond drill holes drilled in May to June 2025, KeypointE processed samples through a sizing program to determine the quantities of material for each sample interval. Sample intervals being defined by rock type and regolith allowed for the geo-metallurgical associations

With the drill holes representing the general nature and distribution of the ore to be recovered, the 2025 sizing test work used in the Updated Pre-feasibility Study January 2026 does present a representative sample and material distribution for the Medcalf Project.

The process design consists of a primary crush of run of mine ore at -500mm to a -60mm product that is screen at +10mm to create the High Titanium Lump Ore (HTLO) product but an addition process step to screen at -3mm to create the High Titanium Fine Ore (HTFO) product has been added.

The KeypointE metallurgical test work determined the recovery to the HTLO and HTFO fractions and determined that material below the 3mm sizing that cannot be currently sold on the available market. These factors were then correlated with the geological model of the ore to define the general product recoveries stated in Table 2 below.

For personal use only

Deposit	Ox Domain	- 60mm to + 10mm	-10mm to + 3mm	- 3mm
Egmont	Mottled	79	10	11
	Saprolite	87	6	7
	Fresh	93	4	3
Vesuvius	Mottled	79	10	11
	Saprolite	81	7	12
	Fresh	93	4	3

Table 2: Final Product Sizing Split (%)

Updated Prefeasibility Study (UPFS) January 2026

The Updated Prefeasibility study was completed on the last PFS completed by METS in 2022. The latest Mineral Resource Estimate (2025) along with updated costs, geotechnical and metallurgical data were used to complete the outcome of:

- the Project producing High Titanium Lump Ore (HTLO) and High Titanium Fine Ore (HTFO)
- for refractory lining protection in blast furnace applications
- maiden Ore Reserve of 11.8Mt.
- 9-10 year mine life with less than 2 years payback
- two options have been identified, a low CAPEX and high OPEX and a high CAPEX and low OPEX. Ongoing work will identify the best low risk option for the project.

Both project options demonstrate favourable economics; low CAPEX, high OPEX option delivers a NPV of $141M and IRR 164%; while the high CAPEX and low OPEX option achieves a higher NPV of $227M and IRR 64%.

Ore Reserve Statement

The Ore Reserve resulting from the UPFS January 2026 update results indicate the potential to create value through a direct shipping operation producing a HTLO and HTFO for use in blast furnace liner protection. The Ore Reserve is based on an updated Mineral Resource estimate (MRE) using a 6%TiO_2 cut-off grade that was completed in September 2025. The Mineral Resource estimate was prepared by Competent Person as defined in the JORC Code, Matt Clark of Cube Consulting.

Updated operating cost and capital costs and product pricing was used to re-optimise the open pit using the September 2025 MRE which formed the basis of the pit redesign and physicals scheduling. Utilising metallurgical test work completed for the UPFS January 2026, final product recoveries to HTLO and HTFO were used to schedule final product tonnes and grades. Financial modelling of the physicals and the costs demonstrated two potential project development options being the High CAPEX Low OPEX and LOW CAPEX High OPEX options, driven by haul road construction and operations options.

Both options yield strong project financial returns and provide firm focus for the next stage of the projects development and allow Audalia to announce the Medcalf Project Maiden Ore Reserve shown in Table 3 below.

For personal use only

Category	Ore Mined	TiO_2	Fe_2O_3	V_2O_5
	MT	%	%	%
Proved	0	-	-	-
Probable	11.77	11.01	53.80	0.61
Total	**11.77**	**11.01**	**53.80**	**0.61**

Table 3: Maiden Ore Reserve Statement

The Ore Reserve was prepared by Competent Person as defined in the JORC Code, Quinton de Klerk of Cube Consulting.

Environmental Work completed

Emerge Associates completed a pre-clearance flora survey (targeted flora assessment) within additional portions of the Medcalf titanium, vanadium and iron project during November 2025 within areas being considered to minimise potential impacts on conservation significant flora and to assist with finalising the proposed disturbance footprint. All remaining conservation significant flora species initially classified as having a 'high' or 'moderate' likelihood of occurrence were not recorded in the site. Given that no limitations were identified that would have affected their detection during the survey, it is considered unlikely that any other threatened or priority flora species occur in the site.

Project Update

The Company is working with consultants to submit the application for the Mine Development Closure Plan (MDCP) for mining approval during calendar year third quarter 2026.

Audalia continued negotiations with potential offtake partners and potential financiers for company or project level financing.

Competent Persons Statement

The information in this report that relates to the Exploration Results is based on information compiled by Mr Brent Butler, who is a Fellow of The Australasian Institute of Mining and Metallurgy. Mr Butler has 40 years' experience as a geologist and is CEO and Executive Director of Audalia. Mr Butler 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 as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC Code). Mr Butler has provided his consent to the inclusion in the report of the matters based on his information in the form and context in which it appears.

For personal use only

The Directors present their report together with the financial statements of Audalia Resources Limited (**Audalia** or **Company**) for the year ended 30 June 2026.

DIRECTORS

The Directors of the Company at any time during or since the end of the financial year are:

Mr Brent Butler

Chief Executive Officer and Executive Director – Age 66, appointed: 16 February 2011

Mr Butler is a geologist with over 40 years' experience in the resource industry. He has a geology degree from Otago University and is a Fellow member of the Australasian Institute of Mining and Metallurgy. Mr Butler is also a Fellow member of the Society of Geology (USA), Fellow member of the Geological Society of London (UK) and a member of Prospectors Development of Canada. He is currently a Director of Power Metals Corp (TSXV), President and CEO of Superior Mining International Corporation (TSXV). He has significant international exploration and mining experience in the gold industry, having worked in the United States, Brazil, Chile, Argentina, Africa and Australia.

Mr Siew Swan Ong

Executive Director – Age 55, appointed: 9 October 2010

Mr Ong holds a Bachelor of Law degree from Bond University, Australia. He is an advocate & Solicitor for more than 30 years, including managing his own legal practice in the areas of Banking Law, Commercial Law, Land Law & Mining Law. He was appointed as Legal Adviser and Justice of The Peace by the XIV King of Malaysia, Tuanku Halim Mu'adzam Shah.

Mr Ong is also involved in the business of property investments & developments, hotel management, operation of sanitary landfill and waste management & solution.

Mr Xu (Geoffrey) Han

Non-Executive Director – Age 53, appointed: 30 June 2016

Mr Han holds a Masters in Chemical Engineering from Curtin University and has held senior engineering positions with a number of WA resource companies over the last 10 years. Mr Han specialises in mining project development of all stages from scoping study through to construction and has managed a number of mining projects during his career.

COMPANY SECRETARY

Mr Craig McNab

Appointed: 1 April 2025

Mr McNab is a Chartered Accountant and Fellow member of the Governance Institute of Australia (Chartered Secretary) with over 15 years' experience in the resource industry and accounting profession in Australia, NZ and UK. Mr McNab initially qualified as an auditor at Pricewaterhouse Coopers and his experience includes senior finance positions held at the De Beers Group and various corporate roles at Anglo American plc in London. He now specialises in corporate compliance, governance and financial accounting services for a number of ASX-listed companies.

For personal use only

DIRECTORSHIPS IN OTHER LISTED ENTITIES

Directorships of other listed entities held by Directors of the Company during the last 3 years immediately before the end of the financial year are as follows:

Director	Company	Period of Directorship From	To
Mr Siew Swan Ong	Not Applicable	-	-
Mr Brent Butler	Superior Mining International Corporation (TSX listed)	2011	Present
	Power Metals Corp. (TSX listed)	2017	Present
Mr Xu (Geoffrey) Han	Not Applicable	-	-

DIRECTORS' INTERESTS

The relevant interests of each director in the securities of the Company at the date of this report are as follows:

Director	Shares	Options
Mr Siew Swan Ong[1]	100,590,000	-
Mr Brent Butler[2]	9,000,000	-
Mr Xu (Geoffrey) Han	-	-

Notes:
1. 4,390,000 Shares are held indirectly through Ms Beng Hong Tan.
2. 9,000,000 Shares are held indirectly through Megan Holdings Pty Ltd <The Butler Investment A/C>.

DIRECTORS' MEETINGS

No meetings (including other committee meetings) were held during the year.

Committee membership

As at the date of the report, the Company had a Nomination and Remuneration Committee and an Audit and Risk Committee of the Board of Directors.

Members acting on the committees of the Board during the financial year were:

Nomination and Remuneration Committee	Audit and Risk Committee
Mr Xu Han (Chairman)	Mr Brent Butler (Chairman)
Mr Brent Butler	Mr Xu Han

PRINCIPAL ACTIVITY

The principal activity of the Company during the financial year was mineral exploration and evaluation.

For personal use only

OPERATING AND FINANCIAL REVIEW

Operating review

Information regarding operating activities undertaken by the Company during the year is contained in the 'Review of Activities' section of this Annual Report.

Financial review

The Company incurred a loss of $1,306,611 after income tax for the financial year (2025: loss of $1,128,383).

As at 30 June 2026, the Company had net assets of $3,745,219 (30 June 2025: $3,124,714), including cash and cash equivalents of $720,861 (30 June 2025: $586,105).

The Board of Directors considers it appropriate to prepare the Company's 2026 Annual Report on a going concern basis as there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable. These include the Company's ability to modify expenditure outlays, if required. The Directors also continue to assess funding alternatives opportunities to supplement its existing working capital and fund its ongoing exploration and evaluation work. Further details are set out in Note 1(iii) to the Financial Statements.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

During the year, Moore Australia Audit (WA) was appointed as auditor of the Company. The appointment followed the resignation of the Company's previous auditor and was made in accordance with the requirements of the Corporations Act 2001. Other than that, there were no other significant changes in the state of affairs of the Company during the financial year.

Total number of Shares on issue at 30 June 2026 was 847,136,191 (2025: 792,136,191).

RESULTS

The Company incurred a loss of $1,306,611 (2025: loss of $1,128,383) after income tax for the financial year.

LIKELY DEVELOPMENTS

During 2026, the Company is focussing on developing the Medcalf Project towards production.

Planned exploration and activities

The Company's near-term objectives include:

Medcalf Project

- Obtaining a mining approval;
- Progressing to binding contracts with offtake partners from MoU's; and
- Project financing.

For personal use only

MATERIAL BUSINESS RISKS

The proposed future activities of the Company are subject to a number of risks and other factors which may impact its future performance. Some of these risks can be mitigated by the use of safeguards and appropriate controls. However, many of the risks are outside the control of the Directors and management of the Company and cannot be mitigated. An investment in the Company is not risk free and should be considered speculative.

This section provides a non-exhaustive list of the risks faced by the Company or by investors in the Company. The risks should be considered in connection with forward looking statements in this Annual Report. Actual events may be materially different to those described and may therefore affect the Company in a different way.

Investors should be aware that the performance of the Company may be affected by these risk factors and the value of its Shares may rise or fall over any given period. None of the Directors or any person associated with the Company guarantee the Company's performance.

Business risks	Mitigating actions
Exploration and evaluation	
- Geological, exploration and development: The exploration, development and mining of mineral resources is a high risk, high cost exercise with no guarantee of success. These activities take place over an extended period of time and are often subject to increases, often material, in the costs and timing associated with these activities. Factors beyond the control of the Company may result in the Company's failure to find and/ or to be able to economically develop any mineral projects and therefore there is no guarantee as to the financial success of any such activities.	The Company continues to undertake systematic and staged exploration and evaluation programmes on the Medcalf Project, utilising specialist consultants, as required. As further information becomes available through additional field work and analysis, the mineral resource estimate may change. This may result in alterations to the exploration and evaluation programs.
- Mineral Resource Estimate: A Mineral Resource estimate for the Medcalf Project has been reported in accordance with the JORC (2012) Code (refer to section entitled Mineral Resource Statement in this Directors' Report).	The Company continues to update mineral estimates. An updated mineral resource using a TiO_2 6% lower cut-off grade has been completed during 2025.
- Metallurgy: Mineral recoveries are dependent upon metallurgical processes which contain certain inherent risk such as identifying a metallurgical process through test work to produce a saleable mineral and/or concentrate, developing an economic process to produce a viable mineral and/or concentrate product and changes in mineralogy in an ore deposit which may result in inconsistent recovery affecting the potential economic viability of a project.	The Company completed additional metallurgical testwork during 2025. This testwork determined the recoveries of two saleable products, a high grade titanium lump ore (HTLO) of product size +10mm -60mm and a high grade titanium fine ore (HTFO) of product size +3mm -10mm.
- Results of studies: There is a risk that any future feasibility studies undertaken for the Medcalf Project will not reflect the results of the pre-feasibility study completed in March 2016. This may adversely affect the prospects and economics of the Medcalf Project. There is no guarantee that the Company will achieve commercial viability through successful development of the Medcalf Project.	The Company continues to update previous economic studies and have just completed an economically viable Updated Prefeasibility Study (UPFS) during January 2026 on the viability of producing a high grade titanium lump ore (HTLO) and high grade fine ore (HTFO) products for the blast furnace liner markets

For personal use only

Business risks	Mitigating actions
Statutory approvals The Company's Project and operations are subject to Commonwealth and State laws, regulations and specific conditions regarding approvals to explore, construct and operate. There is a risk that such laws, regulations and specific conditions may impact the profitability of the Project and the ability of the project to be satisfactorily permitted. Key approvals from the Environmental Protection Authority, Department of Mines, Industry Regulation and Safety, Department of Water and other agencies may take longer to be obtained or may not be obtainable at all.	The Company utilises specialist consultants, as required, to assist with the statutory approvals process and works closely with the regulators in the preparation of submissions. Environmental approval was granted on 4 July 2024. The consultants are now focussed on obtaining mining approval by submitting a Mine Development Closure Plan (MDCP) to the Mines Department during Q3 2026.
Finance Until the Company is able to develop the Medcalf Project and generate cash flow, it is dependent upon being able to obtain future equity or debt funding to support its continuing operations. Neither the Company nor any of the Directors can provide any guarantee or assurance that if and when further funding is required, such funding can be raised on terms favourable to the Company (or at all). Should the Company fail to raise capital, if and when needed, it could adversely affect the Company's current strategy and intentions for the Company's assets. The inability to access further capital could have a material adverse effect on the Company's activities and its ability to repay existing long-term borrowings.	The Board regularly assesses the financial position of the Company and continues to assess all funding alternatives to ensure that Audalia can continue exploration and evaluation activities and progressively undertake exploration and evaluation work in relation to the Medcalf Project. The Company may seek to raise further funds through equity or debt financing, joint ventures, production sharing arrangements or other means.

MINERAL RESOURCE STATEMENT

The Company has a 100% equity interest in the Mineral Resource at its Medcalf Project, which is located 470 km east of Perth. The Mineral Resource is focussed on a High-grade Titanium Lump Ore (HTLO) product.

The Company's Mineral Resource for the Medcalf Project as at 30 June 2026 is listed in Table 4 below. The Mineral Resource Statement is reported by Resource Classification and Prospect area. The Mineral Resource is reported in accordance with the ASX Listing Rules and the requirements and guidelines of the 2012 edition of the Joint Ore Reserves Committee Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the 2012 JORC Code).

The Mineral Resource estimate (MRE) as reported on 17 September 2025[1], is 24.2 Mt at 9.80 % TiO_2, and includes 20.3 Mt at 10.17% TiO_2 in the Indicated resource category for contained titanium dioxide content of approximately 2.06 Mt (Table 4). The MRE was updated in September 2025 based on the results of additional drilling in 2024 and 2025.

[1] Audalia Resources (2025). Medcalf Mineral Resource Update. ASX announcement 17 September 2025.

For personal use only

MINERAL RESOURCE STATEMENT (CONTINUED)

The MRE was interpolated within a wireframe representing the magnetite-rich portion of the Medcalf mafic-ultramafic sill. The MRE was constrained to a depth of 65 m below surface and reported above a 6% TiO_2 lower cut-off grade.

Table 4: Medcalf Project Mineral Resource Statement as at 30 June 2026

Resource Classification	Prospect	Tonnes (Mt)	TiO_2 (%)	V_2O_5 (%)	Fe_2O_3 (%)
Indicated	Vesuvius	18.0	10.29	0.55	52.6
	Egmont	2.3	9.21	0.48	43.3
	Kilimanjaro	-	-	-	-
Sub-Total		**20.3**	**10.17**	**0.54**	**51.5**
Inferred	Vesuvius	1.7	7.82	0.35	38.5
	Egmont	-	-	-	-
	Kilimanjaro	2.1	7.87	0.41	46.8
Sub-Total		**3.8**	**7.85**	**0.38**	**43.1**
TOTAL		**24.2**	**9.80**	**0.52**	**50.2**

Notes: Figures may not add up due to rounding. Pinatubo and Fuji resources have been combined with Vesuvius.

The Company's MRE for the Medcalf Project was completed by independent consulting firm Cube Consulting Pty Ltd. Refer to ASX Announcement 30 January 2026 for the Competent Person Statement for the Mineral Resource.

The Company confirms that it is not aware of any new information or data that materially affects the MRE as reported on 17 September 2025, and all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company carries out an annual review of its Mineral Resources, as required by the ASX Listing Rules. The review was carried out as at 30 June 2026.

ORE RESERVE STATEMENT

As at 30 June 2026, the Medcalf Project's Ore Reserve focussed on High-grade Titanium Lump Ore (HTLO) stood at 11.8 Mt at 11.01% TiO_2 for contained titanium dioxide content of approximately 1.30 Mt in the Probable Category (Table 5). The Ore Reserve was prepared in January 2026 in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2012 Edition (JORC 2012).

The 'Checklist of Assessment and Reporting Criteria' was provided with the technical report in line with the guidelines of the JORC Code (2012). The Ore Reserve is based on an updated MRE using a 6%TiO_2 cut-off grade that was completed in September 2025.

Table 5: Medcalf Project Ore Reserve Statement as at 30 June 2026

Category	Tonnage (Mt)	TiO_2 %	Fe_2O_3 %	V_2O_5 %
Proved	-	-	-	-
Probable	11.77	11.01	53.80	0.61
Total	**11.77**	**11.01**	**53.80**	**0.61**

The Company's Ore Reserve were completed by independent consulting firm Cube Consulting Pty Ltd. Refer to ASX Announcement 30 January 2026 for the Competent Person Statement for the Ore Reserve.

Governance arrangements and internal controls

Mineral Resources are estimated by suitably qualified independent consultants to Audalia in accordance with the requirements of the JORC Code, using industry best practice standards and consultants' internal guidelines for the estimation and reporting of Mineral Resources. The Mineral Resource estimates included in the Company's 2026 Annual Report are peer reviewed by a suitably qualified Competent Person.

For personal use only

Competent Person's Statement for Mineral Resource Estimate

The information in this report that relates to Mineral Resources is based on information compiled by Matt Clark who is a Member of the Australasian Institute of Mining and Metallurgy. Matt Clark is an employee of Cube Consulting Pty Ltd 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 as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Clark has given his consent to the inclusion in this report of the matters based on the information in the form and context in which it appears.

Competent Person's Statement for Ore Reserve

The information in this report that relates to an Ore Reserve is based on information compiled by Quinton de Klerk who is a Fellow of the Australasian Institute of Mining and Metallurgy. Quinton de Klerk is an Associate Consultant to Cube Consulting Pty Ltd 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 as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr de Klerk has given his consent to the inclusion in this report of the matters based on the information in the form and context in which it appears.

DIVIDENDS

No dividend has been declared or paid by the Company to the date of this report.

ENVIRONMENTAL REGULATION

The Company's exploration and mining activities are governed by a range of environmental legislation and regulations including the *National Greenhouse and Energy Report Act 2007* and *Mining Act 1978*. While work remains ongoing to satisfy certain project-specific environmental approval conditions, to the best of the Directors' knowledge, the Company has adequate systems in place to ensure compliance with the requirements of the applicable environmental legislation.

GOVERNANCE

The Board of Directors is responsible for the operational and financial performance of the Company, including its corporate governance. The Company believes that the adoption of good corporate governance adds value for stakeholders and enhances investor confidence. The Company's corporate governance statement is available on the Company's website, in a section titled 'Corporate Governance': www.audalia.com.au/corporate/corporate-governance/

EVENTS SUBSEQUENT TO REPORTING DATE

On 3 July 2026 and 17 August 2026, the Company successfully completed a placement to a sophisticated investor, raising $900,000. Under these placements, the Company issued a total of 30,000,000 fully paid ordinary shares at an issue price of $0.03 per share, with 15,000,000 shares issued in respect of each placement.

Subsequent to year end, the repayment dates for all loan facilities were extended to 15 July 2028.

Other than above, there has been no matters arisen of any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, that affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

For personal use only

REMUNERATION REPORT (AUDITED)

The Remuneration Report, which has been audited, outlines the key management personnel remuneration arrangements for the Company, in accordance with the requirements of the *Corporations Act 2001* and its regulations.

For the purposes of this report, key management personnel of the Company are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

In this report, the term "executive" refers to the executive Directors of the Company.

(a) Key management personnel

The following were key management personnel of the Company at any time during the year and unless otherwise indicated were key management persons for the entire year:

Name	Position held
Mr Siew Swan Ong	Executive Director
Mr Brent Butler	Chief Executive Officer and Executive Director
Mr Xu (Geoffrey) Han	Non-Executive Director

(b) Remuneration governance

The Nomination and Remuneration Committee of the Board of Directors of the Company is responsible for determining and reviewing remuneration policies for the Directors and executives. If necessary, the Nomination and Remuneration Committee obtains independent advice on the appropriateness of remuneration packages given trends in comparable companies and in accordance with the objectives of the Company.

Further information on the Nomination and Remuneration Committee's role, responsibilities and membership is set out in the Company's corporate governance statement which can be found on the Company's website, in a section titled 'Corporate Governance': www.audalia.com.au/corporate/corporate-governance/.

(c) Remuneration policies and framework

(i) Principles of remuneration

The remuneration structures explained below are competitively set to attract, motivate and retain suitably qualified and experienced candidates, reward the achievement of strategic objectives and achieve the broader outcome of creation of value for shareholders. The remuneration structures take into account:

- the capability and experience of the key management personnel;
- the key management personnel's ability to control the achievement of strategic objectives; and
- the Company's performance including:
  - the growth in share price; and
  - the amount of incentives within each key management person's compensation.

Given the evaluation and developmental nature of the Company's principal activity, the overall level of compensation does not have regard to the earnings of the Company.

(ii) Remuneration structure

In accordance with best practice corporate governance, the structure of non-executive Directors' remuneration is clearly distinguished from that of executives.

For personal use only

(d) Non-executive director remuneration

The Constitution and the ASX Listing Rules specify that the aggregate remuneration of non-executive directors shall be determined from time to time by a general meeting. The aggregate remuneration for all Non-Executive Directors, last voted upon by shareholders at the 2025 General Meeting, is not to exceed $300,000 per annum. Directors' fees cover all main board activities and membership of committees.

Non-Executive Directors do not receive any retirement benefits, other than statutory superannuation, nor do they receive any performance related compensation. Level of non-Executive Directors' fees is as follows:

Name	Annual Fees
Mr Xu Han	$25,000

(e) Executive remuneration

Remuneration for executives is set out in employment and consultancy agreements. Details of the agreements with the CEO/Executive Director is provided below.

Name	Annual Fees
Mr Brent Butler[1]	$30,000

1. Mr Brent Butler was appointed Chief Executive Officer on 14 April 2015. His remuneration as an executive director is disclosed in section (k) of this Remuneration Report. Mr Butler continues to receive this Director's fee in addition to his remuneration as the Company's CEO.

Executive Directors may receive performance related compensation, statutory leave obligations and statutory superannuation but do not receive any other retirement benefits.

(i) Fixed remuneration

Fixed remuneration consists of base compensation (which is calculated on a total cost) as well as employer contributions to superannuation funds. Fixed remuneration is reviewed annually by the Nomination and Remuneration Committee. As described in section (j) of this Remuneration Report, as it is not possible to evaluate the Company's financial performance using generally accepted measures such as profitability or total shareholder returns, remuneration considerations will have regard to achievement of strategic objectives, service criteria and share price.

As noted above, the Nomination and Remuneration Committee has access to external advice independent of management, if required, but did not use any experts in the current year.

(ii) Short-term incentive

The Company has not set any short-term incentives (**STI**) for key management personnel.

(f) Use of remuneration consultants

The Board did not engage the services of a remuneration consultant during the year.

(g) Voting and comments made at the Company's 2025 Annual General Meeting

At the 2025 Annual General Meeting, 100% of votes cast by poll were in favour of the adoption of the Company's remuneration report for the 2025 financial year. The Company did not receive any comments at the Annual General Meeting on its remuneration report.

For personal use only

(h) Consequences of performance on shareholder wealth

In considering the Company's performance and benefits for shareholder wealth, the Directors have regard to the following indices in respect of the current financial period:

	2026[3]	2025[2]	2024[1]	2023[1]	2022[1]
Net loss for the year	(1,306,611)	(1,128,383)	(937,364)	(901,790)	(836,378)
Share price at beginning of the period	$0.023	$0.020	$0.011	$0.012	$0.025
Share price at end of the period	$0.025	$0.023	$0.020	$0.011	$0.012
(Loss)/profit per share (cents)	(0.16)	(0.15)	(0.14)	(0.13)	(0.12)

1. No shares were issued during the 2022, 2023 and 2024 financial year.
2. The Company issued a total of 100,000,000 shares during the 2025 financial year, on 11 November 2024.
3. The Company issue a total of 55,000,000 shares during the 2026 financial year.

Due to the Company currently being in an exploration and evaluation phase, the Company's earnings are not considered to be a principal performance indicator. However, the overall level of key management personnel remuneration takes into account the achievement of strategic objectives, service criteria and share price.

(i) Employment and Consultancy Agreements

Mr Ong, Executive Director, had an employment agreement with the Company (**ED Employment Agreement**) which specified the duties and obligations to be fulfilled by the Executive Director. The ED Employment Agreement provided a salary of $80,000 per annum (exclusive of statutory superannuation) but it expired on 4 July 2018. Mr Ong continues to be paid on the same terms as the ED Employment Agreement.

Either Mr Ong or Audalia may terminate the agreement at any time by giving three month's written notice to the other party. Mr Ong has no entitlement to termination payment should he terminate the agreement by written notice. Audalia may, by giving written notice to Mr Ong, immediately terminate the agreement should a number of specified occurrences happen, including a serious breach of the agreement or serious misconduct. Mr Ong has no entitlement to termination payment in the event of removal for misconduct.

Mr Butler, CEO/ Executive Director, had a consultancy agreement with the Company (**CEO Consultancy Agreement**) which specified the duties and obligations to be fulfilled by the CEO. The CEO Consultancy Agreement provided an annual fee of $120,000 per annum (exclusive of GST) but it expired on 14 April 2019. Mr Butler continues to be remunerated on the same terms as set out in the CEO Consultancy Agreement. The annual fee is subject to review 12 months after the agreement's commencement date. Should the Company decide to terminate the CEO Consultancy Agreement, a minimum of 3 months payout must be transacted at the time of notice unless there is a breach of duty and Company policy conditions.

Mr Han is engaged as a consultant to the Company on a month to month basis. The engagement is agreed at a daily rate of $950 per day. As the engagement is on a month to month basis, there are no termination benefits and notice periods. Mr Han is subject to the Company's Code of Conduct with regard to termination of the engagement.

(j) Link between remuneration and performance

The Nomination and Remuneration Committee determines the Company's remuneration policy and structure to ensure it aligns with the Company's needs and meet remuneration principles set out in section (c) of this Remuneration Report. Remuneration is not linked to performance using generally accepted measures such as profitability or total shareholder returns but linked to achievement of strategic objectives or service criteria aimed at advancing the goals set out to achieve project outcomes which the Board believes aligns with creation of positive shareholder value.

For personal use only

(k) Remuneration of key management personnel

Details of the nature and amount of each major element of the remuneration of each key management person of the Company are:

		Fixed Remuneration			Variable Remuneration	
		SHORT-TERM EMPLOYEE BENEFITS	POST-EMPLOYMENT BENEFITS	LONG-TERM BENEFITS	LONG-TERM BENEFITS	
		Salary & fees $	Superannuation benefits $	Annual and Long Service Leave $	Share based payments $	Total $
Directors						
Non-executive						
Mr X Han[1]	2026	25,000	-	-	-	25,000
	2025	31,139	-	-	-	31,139
Mr A Buckler[2]	2025	12,500	-	-	-	12,500
Executive		.				
Mr S S Ong	2026	80,000	9,600	7,454	-	97,054
	2025	80,000	9,200	6,941	-	96,141
Mr B Butler[3]	2026	202,500	-	-	-	202,500
	2025	159,000	-	-	-	159,000
Total	**2026**	**307,500**	**9,600**	**7,454**	**-**	**324,554**
	2025	**282,639**	**9,200**	**6,941**	**-**	**298,780**

1. Mr Han's remuneration includes the consultancy fees listed in the other transactions with key management personnel in section (m) of this Remuneration Report below.
2. Mr Buckler resigned on 28 November 2024. Amount shown above represents remuneration from 1 July 2024 to 28 November 2024.
3. Mr Butler's remuneration includes the consultancy fees listed in the other transactions with key management personnel in section (m) of this Remuneration Report below.

Share-based remuneration

There were no share based payments granted in the 2026 financial year (2025: nil).

Equity instruments held by key management personnel

The number of ordinary fully paid shares in the Company held directly and indirectly by Directors and other key management personnel, and any movements during the period are set out below:

	Balance at 1 July 2025	Received as remuneration	Options Exercised	Net Changes Other	Balance at 30 June 2026
Directors					
Non-Executive					
Mr X Han	-	-	-	-	-
Executive					
Mr S S Ong	100,590,000	-		-	100,590,000
Mr B Butler	9,000,000	-	-	-	9,000,000

For personal use only

(l) Loans to/from key management personnel

On 16 June 2020, the Company has negotiated access to a loan facility of up to $500,000 from a director, Siew Swan Ong, to meet its working capital requirements. On 28 September 2020, the Company has negotiated an access to an additional loan facility of up to $500,000 from Mr Siew Swan Ong. On 14 September 2023, the Company further announced the extension of the repayment dates from 31 January 2024 to 31 July 2025.

On 29 October 2021, the Company negotiated access to an additional loan facility of up to $1,000,000 from a director, Siew Swan Ong, to meet its working capital requirements (Additional Related Party Loan Facility). The Additional Related Party Loan Facility is unsecured, provided on 5% interest per annum, accruing on daily basis and payable on the repayment date of 31 January 2023, which may be extended on the same terms by mutual agreement. Full details of the Related Party Loan Facility are set out in the ASX release dated 29 October 2021. On 14 September 2023, the Company further announced the extension of the repayment dates from 31 January 2024 to 31 July 2025.

On 26 October 2022, the Company has access to a further additional loan facility of up to A$500,000 with 5% interest rate per annum (compounded daily) to meet its working capital requirements. The loan facility is unsecured, and the amount is payable in full (with accrued interest) on 31 January 2024. Full details of the loan facility are set out in the ASX release dated 26 October 2022. On 14 September 2023, the Company further announced the extension of the repayment dates from 31 January 2024 to 31 July 2025.

On 14 September 2023, the Company has further negotiated access to additional loan facility of $500,000 from Mr Siew Swan Ong. The loan facility is unsecured, provided on 5% interest per annum, accruing on daily basis and payable on the repayment date of 31 July 2025, which may be extended on the same terms by mutual agreement.

As at 30 June 2026, the Company has fully drawn down (2025: $3,000,000) from total loan facilities of $3,000,000. Subsequent to year end, the repayment dates for interest free and interest payable loan facilities were further extended to 15 July 2028.

(m) Other transactions with key management personnel

There were no other transactions with key management personnel and related parties during the year other than reported below. These values are included in the remuneration table at section (k) of this Remuneration Report above.

A number of key management personnel, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. The terms and conditions of those transactions were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to unrelated entities on an arm's length basis.

The aggregate amounts recognised during the year relating to key management personnel and their related parties were as follows:

		Transactions value year ended 30 June		Balance outstanding as at 30 June	
Director/ Executive	Transaction	2026 $	2025 $	2026 $	2025 $
Mr B Butler[1]	Consultancy fees	172,500	129,000	25,300	12,650
Mr X Han[2]	Consultancy fees	-	6,139	-	-

1. A company associated with Mr Butler, World Technical Services Group Pty Ltd, provided consulting services in connection with the Company's exploration projects in 2026. Terms for such services were based on market rates, and amounts were payable on a monthly basis.

2. A company associated with Mr Han, HQ Tech Pty Ltd, provides engineering consulting services in connection with the operations of the Company. Terms for such services are based on market rates, and amounts are payable on a monthly basis.

The total amount owed to the Directors for salaries and superannuation which remain unpaid as at 30 June 2026 is $900,000 and $91,500 (2025: $820,000 and $81,900) respectively. These amount forms part of the other creditors and accrued balance. The total amount owed to Directors (including GST) for fees as at 30 June 2026 is $362,974 (2025: $302,478).

This concludes the Remuneration Report, which has been audited.

For personal use only

OPTIONS

Unissued shares under option

At the date of this report, there were no unissued ordinary shares of the Company under option. No options have been granted since the end of the previous financial year.

INDEMNIFICATION AND INSURANCE OF OFFICERS

Indemnification

The Company has agreed to indemnify the current Directors and company secretary of the Company against all liabilities to another person (other than the Company or a related body corporate) that may arise from their position as Directors of the Company, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses.

Insurance

The Company paid a premium, during the year in respect of a director and officer liability insurance policy, insuring the Directors, the company secretary, and executive officers of the Company against any liability incurred as such a director, secretary or executive officer to the extent permitted by the *Corporations Act 2001*. The Directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the director's and officers' liability and legal expenses' insurance contracts as such disclosure is prohibited under the terms of the contract.

INDEMNIFICATION AND INSURANCE OF AUDITORS

The Company has not, during or since the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purposes of taking responsibility on behalf of the Company for all or part of those proceedings.

For personal use only

NON-AUDIT SERVICES

The following non-audit services were provided by Moore Australia (WA) Pty Ltd and BDO Corporate Tax Pty Ltd, entities associated with the Company's current auditor, Moore Australia Audit (WA), and previous auditor, BDO Audit Pty Ltd, respectively. The Directors are satisfied that the provision of these non-audit services is compatible with the general standard of auditor independence imposed by the Corporations Act 2001. Having regard to the nature and scope of the services provided, the Directors are also satisfied that auditor independence was not compromised.

The following amounts were received or are due to be received the following amounts for the provision of non-audit services:

	2026 $	2025 $
Moore Australia (WA) Pty Ltd		
Tax compliance and related services	3,500	-
BDO Corporate Tax Pty Ltd		
Tax compliance and related services	-	8,800

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration is set out on page 22 and forms part of the Directors' Report.

AUDITOR

Moore Australia Audit (WA) continues in office in accordance with section 327 of the *Corporations Act 2001*.

Dated at Perth, Western Australia this 29 day of September 2026.

Signed in accordance with a resolution of the Directors:

Brent Butler
CEO/ Executive Director

Moore Australia Audit (WA)

Level 15, Exchange Tower,
2 The Esplanade, Perth, WA 6000

PO Box 5785, St Georges Terrace, WA 6831

T +61 8 9225 5355
F +61 8 9225 6181

www.moore-australia.com.au

Auditor's Independence Declaration

Under Section 307c of the Corporations Act 2001

To the directors of Audalia Resources Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2026, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit, and

b) no contraventions of any applicable code of professional conduct in relation to the audit.

Suan Lee Tan
Partner – Audit and Assurance
Moore Australia Audit (WA)
Perth
29th September 2026

MOORE AUSTRALIA

Moore Australia Audit (WA)
Chartered Accountants

Moore Australia Audit (WA) – ABN 16 874 357 907.
An independent member of Moore Global Network Limited - members in principal cities throughout the world.
Liability limited by a scheme approved under Professional Standards Legislation.

For personal use only

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
for the year ended 30 June 2026

	Notes	2026 $	2025 $
Revenue from continuing operations			
Interest income		3,127	12,736
Financing costs (interest expense)		(908,820)	(742,972)
Asset write off - Investment in Serena Minerals Pty Ltd		(50,000)	-
Tenement fees yet to be granted	12	-	(373)
Corporate and administration expenses	12	(350,918)	(397,774)
Loss before income tax expense		(1,306,611)	(1,128,383)
Income tax (expense) / benefit	13	-	-
Net loss after income tax for the year		(1,306,611)	(1,128,383)
Other comprehensive income		-	-
Total comprehensive loss for the year		(1,306,611)	(1,128,383)
Basic and diluted loss per share (cents per share)	14	(0.16)	(0.15)

The statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the accompanying notes.

For personal use only

audalia resources limited

STATEMENT OF FINANCIAL POSITION
as at 30 June 2026

	Notes	2026 $	2025 $
CURRENT ASSETS			
Cash and cash equivalents	3	720,861	586,105
Receivables and other financial assets		85,382	122,214
Other assets		3,597	5,977
Total current assets		809,840	714,296
NON-CURRENT ASSETS			
Plant and equipment		3,033	-
Investments		-	50,000
Exploration and evaluation expenditure	4	15,255,045	13,828,023
Total non-current assets		15,258,078	13,878,023
TOTAL ASSETS		16,067,918	14,592,319
CURRENT LIABILITIES			
Trade and other payables	5	6,200,772	1,696,905
Employee benefits obligations	6	107,924	100,299
Borrowings	7	5,994,003	
Total current liabilities		12,302,699	1,797,204
NON-CURRENT LIABILITIES			
Trade and other payables	5	-	3,843,594
Employee benefits obligations	6	20,000	18,700
Borrowings	7		5,808,107
Total non-current liabilities		20,000	9,670,401
TOTAL LIABILITIES		12,322,699	11,467,605
NET ASSETS		**3,745,219**	**3,124,714**
EQUITY			
Issued capital	8	15,745,710	13,818,594
Reserve	9	208,158	208,158
Accumulated losses	10	(12,208,649)	(10,902,038)
TOTAL EQUITY		**3,745,219**	**3,124,714**

The above Statement of Financial Position should be read in conjunction with the accompanying notes

For personal use only

STATEMENT OF CASH FLOWS
for the year ended 30 June 2026

	Notes	2026 $	2025 $
Cash flows from operating activities			
Payments to suppliers and employees		(249,670)	(416,457)
Interest received		1,537	11,879
Net cash used in operating activities	17	(248,133)	(404,578)
Cash flows from investing activities			
Payments for acquisition of property, plant and equipment		(3,200)	-
Payments for exploration and evaluation assets - capitalised costs		(1,541,028)	(1,310,342)
Net cash used in investing activities		(1,544,228)	(1,310,342)
Cash flows from financing activities			
Proceeds from issue of shares		1,940,000	2,000,000
Payment of share issue costs		(12,883)	(9,683)
Proceeds from borrowings		-	290,000
Net cash provided by financing activities		1,927,117	2,280,317
Net increase/(decrease) in cash held		134,756	565,397
Cash and cash equivalents at the beginning of the year		586,105	20,708
Cash and cash equivalents at the end of the year	3	720,861	586,105

The above Statement of Cash Flows should be read in conjunction with the accompanying notes

For personal use only

audalia resources limited

STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2026

	Contributed equity $	Accumulated losses $	Reserve $	Total equity $
Balance at 1 July 2025	**13,818,594**	**(10,902,038)**	**208,158**	**3,124,714**
Loss for the year	-	(1,306,611)	-	(1,306,611)
Total comprehensive losses for the year	-	(1,306,611)	-	(1,306,611)
Transactions with Shareholders in their capacity as shareholders				
Issue of shares	1,940,000	-	-	1,940,000
Transaction costs of issuing shares	(12,884)	-	-	(12,884)
Balance at 30 June 2026	**15,745,710**	**(12,208,649)**	**208,158**	**3,745,219**
Balance at 1 July 2024	**11,828,277**	**(9,773,655)**	**10,000**	**2,064,622**
Loss for the year	-	(1,128,383)	-	(1,128,383)
Total comprehensive losses for the year	-	(1,128,383)	-	(1,128,383)
Transactions with Shareholders in their capacity as shareholders				
Issue of shares	2,000,000	-	-	2,000,000
Transaction costs of issuing shares	(9,683)	-	-	(9,683)
Unamortised fair value adjustment on borrowings (Note 7)	-	-	198,158	198,158
Balance at 30 June 2025	**13,818,594**	**(10,902,038)**	**208,158**	**3,124,714**

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes

For personal use only

For personal use only

1. BASIS OF PREPARATION AND COMPLIANCE STATEMENT

The financial report of Audalia Resources Limited (the Company or Audalia) for the financial year ended 30 June 2026 was authorised by the Board of Directors for release on 29 September 2026. The Company is a public company limited by shares incorporated and domiciled in Australia whose shares are traded on the Australian Securities Exchange. The nature of the operations and principal activities of the Company are described in the Review of Activities.

(i) *Statement of compliance*

These general purpose financial statements have been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. Audalia is a for profit entity for the purpose of preparing the financial statements. The financial statements of the Company also comply with the International Financial Reporting Standards (**IFRS**) as issued by the International Accounting Standards Board (**IASB**). This Company has no controlled entities and, therefore, is not required by the Australian Accounting Standards to prepare consolidated financial statements. As a result, section 295(3A)(a) of the Corporation Act 2001 does not apply to the entity.

(ii) *Basis of measurement*

The financial statements are prepared on the accruals basis and the historical cost basis except for financial assets and liabilities measured at fair value. The financial statements are presented in Australian dollars and all values are rounded to the nearest dollar unless otherwise stated.

(iii) *Going concern*

The going concern concept relates to the assessment of the Company's ability to continue its operations (and pay its debts when they fall due) for the next 12 months from the date when the directors sign the annual report. The annual financial report has been prepared on a going concern basis.

The Company incurred a loss after tax of $1,306,611 (2025: $1,128,383) for the year ended 30 June 2026. Total net cash inflows for the year ended 30 June 2026 was $134,756 (2025: Inflows $565,397) which was a result of net cash outflows of $1,792,361 (2025: $1,714,920) from operating and investing activities and $1,927,117 (2025: $2,280,317) net cash inflows from financing activities relating to proceeds from capital raising. The Company has working capital deficiency of $11,492,859 (2025: $1,082,908) at reporting date. As at 30 June 2026, the Company had a cash balance of $720,861.

The Directors have prepared an estimated cash flow forecast for the period to September 2027 to determine if the Company may require capital raising and/or additional funding during this period. The cash flow forecast includes a number of assumptions regarding exploration activity and funding requirements which have not yet been finalised. This results in a material uncertainty that may cast a significant doubt about the Company's ability to continue as a going concern, and therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The Directors have made an assessment whether it is reasonable to assume that the Company will be able to continue its normal operations based on the following factors and judgements:

- The Company had access to cash reserves of $720,861 as at 30 June 2026 (30 June 2025: $586,105).
- The repayment of borrowings and interest payable of $5,994,003 and $4,566,518 respectively (30 June 2025: $5,808,107 and $3,843,594 respectively) will not be requested until the funds of the Company permit repayment.
- The Company has the ability to adjust its exploration expenditure subject to results of its exploration activities.
- The Directors are of the view that the Company will require an additional capital raise or debt funding and has the ability to raise further capital or secure additional funding to enable the Company to meet its funding requirements for the above period.
- The Directors anticipate continuous support of the Company's major shareholders and lenders to continue with the advancement of the Medcalf Project.

For personal use only

1. BASIS OF PREPARATION AND COMPLIANCE STATEMENT (CONTINUED)

Should the Company not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements. The annual financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the Company not continue as a going concern.

2. MATERIAL ACCOUNTING POLICIES

The following is a summary of the material accounting policies adopted by the Company in the preparation of the Report. The accounting policies have been consistently applied unless otherwise stated.

(a) Adoption of new and revised accounting standards and interpretations

In the year ended 30 June 2026, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the current reporting periods beginning on or after 1 July 2025. As a result of this review the Directors have determined that there is no material impact of the Standards and Interpretations issued by the AASB and, therefore, no change is necessary to Company accounting policies.

(b) New accounting standards and interpretations that are not yet mandatory

The Directors have also reviewed all Standards and Interpretations issued and not yet adopted for the year ended 30 June 2026. As a result of this review, the Directors are currently assessing the impact of these standards and interpretations on the Company's financial statements.

The new or amended Accounting Standards and Interpretations, most relevant to the Company, are set out below.

AASB 18: Presentation and Disclosure in Financial Statements
AASB 18 will replace AASB 101 to amend the presentation and disclosure requirements in financial statements which includes: the presentation of the statement of profit or loss into five categories, namely the operating, investing, financing, discontinued operations and income tax categories, as well as newly-defined operating profit subtotals; disclosure of management-defined performance measures (MPMs) in a single note; and enhanced requirements for grouping (aggregation and disaggregation) of information.

(c) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

(d) Exploration and evaluation expenditure

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. The Company undertakes an assessment of impairment indicators at each reporting date to determine if the assets recoverable amount exceeds it's carrying amount. Where there are research and development costs recouped through government incentives in relation to exploration and evaluation, these are netted against the carrying value of capitalised expenditure incurred in respect of the identifiable project or area of interest where practicable. Events may occur or information may come to hand after the issue of this report which may materially alter the carrying value of this asset. Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made. The Company only has a single identifiable area of interest being the Medcalf Project.

For personal use only

MATERIAL ACCOUNTING POLICIES (CONTINUED)

(e) Trade and other payables

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether or not billed to the Company. Trade accounts payable are normally settled within 60 days. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(f) Borrowings

Borrowings from related parties that are interest free or provided at below-market terms are initially recognised at fair value using a market rate of interest for a similar borrowing. The difference between the fair value of the loan and the proceeds received is recognised as an equity contribution from the shareholder where the lender is acting in its capacity as owner. Following initial recognition, the loan is measured at amortised cost using the effective interest method.

(g) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

(h) Tax incentives

The Company may be entitled to claim special tax deductions for investments in qualifying expenditure (e.g. Research and Development Tax Incentive Scheme in Australia). The Company accounts for such allowances on the same basis as the relevant expenditure. If the expenditure is expensed in the income statement the tax incentive will be recorded in the profit or loss. If the expenditure is capitalised to an asset, the tax incentive will reduce the carrying value of the asset.

(i) Financial Instruments

Recognition and derecognition

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument. Loans and receivables are recognised when cash is advanced (or settled).

Financial liabilities are derecognised when extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial liabilities

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction. Subsequently, financial liabilities are measured at amortised cost using the effective interest method. All interest-related charges are included within finance costs.

The Company's financial liabilities at amortised cost include borrowings, trade and other payables.

For personal use only

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(j) Significant accounting judgements, estimates and assumptions

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. These estimates and assumptions are based on historical experience and on other various factors management believes to be reasonable under the circumstances. Actual results may differ from these estimates. These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Assumptions used to carry forward the exploration assets

The write-off or carrying forward of exploration expenditure is based on a periodic assessment of the viability of an area of interest and/or the existence of economically recoverable reserves. This assessment is based on pre-determined impairment indicators, taking into account the requirements of the accounting standard, and with the information available at the time of preparing this report. Information may come to light in subsequent periods which requires the asset to be impaired or written down for which the Directors are unable to predict the outcome.

Discount rate used to determine the fair value interest free or below market interest rate loan

The Company used 10% as discount rate to determine the fair value of a long-term loan that carries no interest or below market interest rate. Such loans can be measured as the present value of all future cash receipts discounted using the prevailing market rate(s) of interest for a similar instrument.

For personal use only

3. Cash	2026 $	2025 $
Cash at bank and in hand	720,861	586,105

4. Exploration and evaluation assets	2026 $	2025 $
Exploration, evaluation and development costs carried forward in respect of areas of interest	**15,255,045**	**13,828,023**
Reconciliation – Medcalf		
Carrying amount at the beginning of the year	13,828,023	12,253,070
Additions to the exploration and evaluation asset	1,427,022	1,574,953
Carrying amount at end of the year	15,255,045	13,828,023

5. Trade and other payables	2026 $	2025 $
Current liabilities (due within 12 months)		
Trade creditors	469,812	627,421
Accruals	1,164,442	1,069,484
Interest payable[1]	4,566,518	-
	6,200,772	1,696,905
Non-current liabilities (payable after 12 months)		
Interest payable	-	3,843,594
	-	3,843,594

Note:

1. Refer to Note 7 for details of the repayment period for borrowings. This amount relates to the unpaid interest on borrowings as at 30 June 2026.

Due to the short-term nature of current payables, the carrying amount of trade and other payables approximates their fair value.

6. Employee benefits obligations	2026 $	2025 $
Annual leave – current	107,924	100,299
Annual leave – current (due for payment within 12 months)		
Reconciliation		
Balance brought forward	100,299	91,541
Movement during the year	7,625	8,758
Balance carried forward	107,924	100,299
Long service leave – non-current	20,000	18,700
Annual and Long service leave – non-current liabilities (debts payable after 12 months)		
Reconciliation		
Balance brought forward	18,700	17,400
Movement during the year	1,300	1,300
Balance carried forward	20,000	18,700

For personal use only

7. Borrowings (loans)

	2026 $	2025 $
Current		
Borrowings carried at amortised cost	5,994,003	-
Non-current		
Borrowings carried at amortised cost – unsecured	-	5,808,107
Principal	6,000,000	6,000,000
Fair value adjustment	(5,997)	(191,893)
	5,994,003	5,808,107
Amount used	6,000,000	6,000,000
Amount unused	-	-
Total facilities	6,000,000	6,000,000

Loan from private investors - $3,000,000

The $2 million loan is at interest rate of 8% and $1 million loan is at interest rate of 10%, are unsecured, and not subject to any covenants. These loan facilities are both compounded daily and interest payable at the end of the loan term. As at 30 June 2026, the repayment dates of the loan facilities was 15 July 2026. Subsequent to year end, the repayment dates were extended to 15 July 2028.

Loan from Mr Siew Swan Ong - $2,994,003

i. Interest-free loan facility $1 million - $1,000,000

On 16 June 2020, the Company negotiated access to an interest-free loan facility of up to $500,000 from a director, Mr Siew Swan Ong. On 28 September 2020, the Company has further negotiated an access to an additional interest-free loan facility of up to $500,000 from Mr Siew Swan Ong. As at 30 June 2026, the Company has fully drawn down $1,000,000 (30 June 2025: $1,000,000) from the loan facility. As at 30 June 2025, the repayment dates were further extended from 31 July 2025 to 15 July 2026. AASB 9 requires loans that carry no interest to be measured at fair value using prevailing market rate of interest for a similar instrument. As at 30 June 2026, the total fair value of both loans advanced by Mr Siew Swan Ong was $1,000,000 (30 June 2025: $910,874). The notional interest will be unwound over the loan period, resulting to an ending balance of $1,000,000 at loan maturity date of 15 July 2026. Subsequent to year end, the repayment dates were extended to 15 July 2028.

ii. Interest payable loan facility $2 million - $1,994,003

The Company negotiated access to an additional loan facility of up to $1,000,000 and $500,000 from Mr Siew Swan Ong on 29 October 2021 and 26 October 2022 respectively. On 14 September 2023, the Company has further negotiated access to additional loan facility of $500,000 from Mr Siew Swan Ong. These loan facilities are unsecured, provided on 5% interest per annum, accruing on daily basis and payable on the repayment date of 31 July 2025, which may be extended on the same terms by mutual agreement. As at 30 June 2026, the Company has fully drawn down (30 June 2025: $2,000,000) from the loan facility. AASB 9 requires loans that carry discounted interest rate to be measured at fair value using prevailing market rate of interest for a similar instrument. The Company used 10% as implicit market rate of interest based on maturity of the loan. As at 30 June 2026, the total fair value of this loan was $1,994,003. The notional interest will be unwound over the loan period, resulting to an ending balance of $2,000,000 at loan maturity date of 31 July 2026. Subsequent to year end, the repayment dates were extended to 15 July 2028.

For interest free and below market interest rate loan, the difference between the fair value of the loan and the face value of the loan has been credited to Equity as Capital Reserve as a shareholder equity contribution. Refer to Note 9.

For personal use only

8. Equity

(a) Ordinary shares

	2026 Number	2025 Number	2026 $	2025 $
Balance at the beginning of the year	792,136,191	692,136,191	13,818,594	11,828,277
Share placement	55,000,000	100,000,000	1,490,000	2,000,000
Share placement[1]	-	-	450,000	-
Share issue costs	-	-	(12,884)	(9,683)
Balance as at end of the year	847,136,191	792,136,191	15,745,710	13,818,594

[1]Relates to $450,000 of placement proceeds received prior to year end for 15,000,000 shares at $0.03 per share, which were issued after year end.

Ordinary shares entitle the holder to participate in dividends and the proceeds from winding up of the Company in proportion to the number and amounts paid on the shares held.

Every holder of ordinary shares present at a shareholder meeting in person or by proxy is entitled to one vote on a show of hands; and on a poll each, share is entitled to one vote.

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

(b) Options

At reporting date, the Company does not have any options to acquire ordinary shares issued.

No options were granted during the year.

(c) Capital management

The Company's objectives when managing capital are disclosed in Note 11.

9. Reserve

	2026 $	2025 $
Option premium reserve	10,000	10,000
Capital reserve	198,158	198,158
	208,158	208,158

The difference between the fair value of the loan and the face value of the loan has been credited to Equity as Capital Reserve as a shareholder equity contribution.

10. Accumulated losses

	2026 $	2025 $
Accumulated losses at the beginning of the year	(10,902,038)	(9,773,655)
Net loss for the year	(1,306,611)	(1,128,383)
	(12,208,649)	(10,902,038)

For personal use only

11. Risk management

Audalia's risk management framework is supported by the Board, management and the Audit and Risk Committee. The Board is responsible for approving and reviewing the Company's risk management strategy and policy. Management is responsible for monitoring that appropriate processes and controls are in place to effectively and efficiently manage risk.

The Company has exposure to the following risks from their use of financial assets:

- Market risk
- Liquidity risk
- Credit risk

Financial risk management objectives

The Company's overall financial risk management strategy focuses on managing the risks arising from the unpredictability of financial variables and seeks to minimise potential adverse effects from movements in financial assets and liabilities. The Company holds the following financial instruments as at 30 June:

	2026 $	2025 $
Financial assets		
Cash and cash equivalents	720,861	586,105
Receivables and other financial assets	85,382	122,214
	806,243	708,319
Financial liabilities		
Trade and other payables	(6,200,772)	(5,540,499)
Borrowings	(5,994,003)	(5,808,107)
	(12,194,775)	(11,348,606)

Market risk

Market risk is the risk that changes in market prices, such as interest rates and commodity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising return. There were no changes in the Company's market risk management policies from previous years.

Interest rate risk

The Company's exposure to interest rates primarily relates to the Company's cash and cash equivalents. The Company manages market risk by monitoring levels of exposure to interest rate risk and assessing market forecasts for interest rates.

For personal use only

11. Risk management (continued)

	2026 $	2025 $
Variable rate instruments		
Cash at bank	720,861	586,105
	720,861	586,105

Cash flow sensitivity analysis for variable rate instruments

The Board notes that recent RBA and press reports suggest that there will likely not be a movement of significant magnitude within the next 12 months. Although not likely, this analysis assumes a change of 25-basis points in interest rates. Based on cash balances held at variable rates as at 30 June 2026, a change of 25 basis points in interest rates would have increased or decreased the Company's loss by $1,802 (2025: $1,465 at 25 basis points). This analysis assumes that all other variables remain constant.

Capital (company's ability to raise equity (issue shares) or obtain loans (borrowings) as and when needed)

The capital of the Company consists of issued capital (shares) and borrowings. The Directors aim to maintain a capital structure that ensures the lowest cost of capital available to the entity at the time when funds are obtained. The Directors will assess the options available to the Company to issue more shares while taking into account the effect on current shareholder ownership percentages (dilution) or alternatively assess the ability of the Company to access debt (borrowings) where the cost associated of borrowing these funds (interest) is not considered excessive.

The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position although there is no formal policy regarding gearing levels as the Company is not yet in production.

Liquidity Risk

Liquidity risk arises from the debts (financial liabilities being creditors and other payables) of the Company and the Company's subsequent ability to meet these obligations to repay its debts (financial liabilities) as and when they fall due.

Ultimate responsibility for liquidity risk management rests with the Board of Directors. The Board has determined an appropriate liquidity risk management framework for the administration of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate cash reserves and monitoring actual cash flows and matching the maturity profiles of financial assets, expenditure commitments and debts (liabilities). There were no changes in the Company's liquidity risk management policies from previous years.

For personal use only

11. Risk management (continued)

Liquidity Risk (continued)

The following tables detail the Company's contractual maturity for its financial liabilities:

30 June 2026	Carrying amount	Contractual cash flows	Less than 1 year	2-5 years	>5 years
Trade and other payables	6,200,772	6,200,772	6,200,772	-	-
Borrowings	5,994,003	6,000,000	6,000,000	-	-
Total	12,194,775	12,200,772	12,200,772	-	-
30 June 2025					
Trade and other payables	5,540,499	5,553,951	1,696,905	3,857,046	-
Borrowings	5,808,107	6,000,000	-	6,000,000	-
Total	11,348,606	11,553,951	1,696,905	9,857,046	-

Credit Risk

The credit risk is in respect of cash balances held with banks. The assessment of the credit risk based on a rating agency review of the financial institution is as follows:

	2026 $	2025 $
A-1+	720,861	586,105

The equivalent S&P rating of the financial assets represents that rating of the counterparty with whom the financial asset is held rather than the rating of the financial asset itself.

The Company is currently not exposed to material interest rate movements given the low interest rate returns on offer in the market for funds on deposit and the Company's fixed rate borrowings (refer Note 7).

Fair value of financial instruments

Management measures fair value on a recurring basis. Valuation techniques are selected based on the characteristics of each instrument, with the overall objective of maximising the use of market-based information. Valuation process and fair value changes are reviewed yearly in line with the Company's reporting dates.

The Directors consider that the carrying amounts of current trade receivables and trade payables approximate their fair values due to their short-term nature and the fact they are settled within normal credit terms. The shareholder loan was initially recognised at fair value, determined by discounting the contractual cash flows using a market interest rate for a similar unsecured borrowing with comparable terms and credit risk, with the resulting discount recognised as an equity contribution. Subsequent to initial recognition, the loan is measured at amortised cost using the effective interest method.

At the reporting date, the Directors consider that the carrying amount of the shareholder loan approximates its fair value, as the loan is non-tradeable, has no embedded options, and the effective interest rate applied is consistent with market rates for similar instruments. Accordingly, no material difference is expected between the amortised cost and the price that would be paid to transfer the liability in an orderly transaction between market participants at the reporting date.

For personal use only

12. Expenses

	2026 $	2025 $
Personnel expenses		
- Director fees and employee expenses	80,000	92,500
- Director and employee superannuation expense	9,600	9,200
- Director and employee leave entitlements expense	8,925	10,058
	98,525	111,758
Depreciation	167	-
Administration expenses		
- Accounting and secretarial fees	129,754	108,240
- Audit expenses	46,926	53,914
- Consultancy fees	3,500	32,561
- Insurance expenses	4,447	30,513
- Regulatory fees	41,583	39,438
- Other expenses	26,016	21,350
Total administration expenses	252,226	286,016
Total corporate and administrative expenses	350,918	397,774
Tenement fees yet to be granted	-	373
Impairment of investment[1]	50,000	-

[1]Relates to an investment in an unlisted exploration company which is incurring trading losses and unlikely to generate any shareholder returns in the short to medium term.

13. Taxation

	2026 $	2025 $
Numerical reconciliation of income tax expense to prima facie tax payable		
Loss before income tax expense	(1,306,611)	(1,128,383)
Income tax benefit calculated at 30% (2025: 30%)	(391,983)	(338,515)
Unrecognised tax losses	391,983	338,515
Income tax expense	-	-
Deferred tax assets recognised at 30% (2025: 30%)		
Deferred tax liabilities		
Capitalised exploration	428,107	472,107
Deferred tax assets		
Revenue losses	(428,107)	(472,107)
Net deferred tax assets	-	-
Tax losses		
Unused tax losses for which no DTA has been recognised	15,545,836	13,665,440
Potential tax benefit at 30% (2025: 30%)	4,663,751	4,099,632
Tax losses		
Unrecognised deferred tax asset relating to capital raising cost	20,628	9,683
Potential tax benefit at 30% (2025: 30%)	6,188	2,905

The above potential tax benefit for tax losses has not been recognised in the statement of financial position. These losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed.

At reporting date, the Company had the above tax unused tax losses and deductible temporary differences for which no deferred tax asset is recognised in the statement of financial position.

For personal use only

14. Loss per share

Basic loss per share

The calculation of basic loss per share at 30 June 2026 was based on the loss attributable to ordinary shareholders of $1,306,611 (2025: loss of $1,128,383) and a weighted average number of ordinary shares outstanding during the year of 818,061,845 (2025: 854,909,196) shares.

	2026 $	2025 $
Loss attributable to ordinary shareholders	(1,306,611)	(1,128,383)
	Number	**Number**
Weighted average number of ordinary shares	818,061,845	755,008,755
	cents per share	**cents per share**
Basic and diluted loss per share	(0.16)	(0.15)

15. Segment reporting

The Group is organised into one (1) operating segment being the Medcalf Project in Western Australia. The operating segment is based on the internal reports that are reviewed and used by the Board of Directors (who identified as the Chief Operating Decision Makers) in assessing performance and in determining the allocation of resources.

16. Related party transactions

Transactions with key management personnel (those individuals that direct the Company).

The Company's key management personnel for the period 1 July 2025 to 30 June 2026 were:
Mr Brent Butler
Mr Siew Swan Ong
Mr Geoffrey Han

The Company may enter into agreements for services rendered with these individuals (or an entity that is associated with the individuals). Two entities associated with the Directors had consulting agreements which resulted in transactions between the Company and those entities during the period. The terms and conditions of those transactions were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to unrelated entities on an arm's length basis. The aggregate amounts recognised during the period relating to key management personnel and their related parties has been set out in the table below:

(a) Key management personnel compensation	2026 $	2025 $
Short-term employee benefits	307,500	282,639
Post-employment benefits	9,600	9,200
Long term benefits	7,454	6,941
	324,554	298,780

(b) Other transactions with key management personnel

A key management personnel holds position in another entity that resulted in that personnel having control or significant influence over the financial or operating policies of that entity. The entities below transacted with the Company during the year. The terms and conditions of those transactions were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to unrelated entities on an arm's length basis. Below is the aggregate amounts recognised during the year relating to key management personnel and their related parties:

For personal use only

16. Related party transactions (continued)

Director / executive	Transaction	Transaction Value 2026 $	Transaction Value 2025 $	Outstanding balance 2026 $	Outstanding balance 2025 $
Mr B Butler [1]	Consulting Services	172,500	129,000	25,300	12,650
Mr X Han[2]	Consulting Services	-	6,139	-	-

1. A company associated with Mr Butler, World Technical Services Group Pty Ltd, provides geological consulting services in connection with the operations of the Company. Terms for such services are based on market rates, and amounts are payable on a monthly basis.

2. A company associated with Mr Han, HQ Tech Pty Ltd, provides engineering consulting services in connection with the operations of the Company. Terms for such services are based on market rates, and amounts are payable on a monthly basis.

The total amount owed to the Directors for salaries and superannuation which remain unpaid as at 30 June 2026 is $900,000 and $91,500 (2025: $820,000 and $81,900) respectively. The total amount owed to Directors for fees (including GST) as at 30 June 2026 is $362,974(2025: 302,478). These amount forms part of the other creditors and accrued balance in Note 5.

As at 30 June 2026, the Company has fully drawdown interest free loan facility of $1,000,000 from a director, Siew Swan Ong, to meet its working capital requirements with repayment date extended to 15 July 2026. The Company negotiated access to an additional loan facility of up to $1,000,000 and $500,000 from Mr Siew Swan Ong on 29 October 2021 and 26 October 2022 respectively. On 14 September 2023, the Company has further negotiated access to additional loan facility of $500,000 from Mr Siew Swan Ong. These loan facilities are unsecured, provided on 5% interest per annum, accruing on daily basis and payable on the repayment date of 31 July 2026, which may be extended on the same terms by mutual agreement. As at 30 June 2026, the Company has fully drawn down $2,000,000 (30 June 2025: $2,000,000) from the loan facility. Subsequent to year end, the repayment dates were extended to 15 July 2028. The total accrued interest on the interest payable loan facility as at 30 June 2026 was $377,766.

17. **Reconciliation of cashflows used in operating activities**	**2026 $**	**2025 $**
Loss for the year	(1,306,611)	(1,128,383)
Add back – non-cash items		
Depreciation	167	-
Interest expense on loan	185,949	89,464
Other	(6,926)	-
Tenement fees yet to be granted	-	373
Changes in the value of assets and liabilities used in the day to day operations of the business		
Decrease/(increase) in receivables and other financial assets	36,831	(70,739)
Decrease in other assets	9,311	13,783
Increase in trade and other payables - admin	824,221	680,866
Increase in provision of employee entitlements	8,925	10,058
Net cash from operating activities	(248,133)	(404,578)

For personal use only

18. Commitments

	2026 $	2025 $
Exploration and other corporate commitments		
Within one year	158,285	131,594
After one year but not more than five years	789,200	829,200
Over five years	808,563	1,294,613
	1,756,048	2,255,407

The Company has certain obligations to perform minimum exploration work on tenements held. These obligations may vary over time, depending on the Company's exploration programme and priorities. These obligations are also subject to variations by application or can reduce by entering into joint venture arrangements or alternatively by relinquishing the tenements. As at reporting date, total exploration expenditure commitments of the Company which have not been provided for in the interim financial report is listed above.

19. Contingent liabilities

The directors are not aware of any contingent liabilities as at reporting date.

20. Auditor's remuneration

	2026 $	2025 $
Audit services		
Moore Australia Audit (WA)	27,500	-
BDO Audit Pty Ltd	33,000	49,700
Other services – tax compliance		
Moore Australia (WA) Pty Ltd	3,500	
BDO Corporate Tax Pty Ltd	-	8,800
	64,000	58,500

21. Subsequent events

On 3 July 2026 and 17 August 2026, the Company successfully completed a placement to a sophisticated investor, raising $900,000. Under these placements, the Company issued a total of 30,000,000 fully paid ordinary shares at an issue price of $0.03 per share, with 15,000,000 shares issued in respect of each placement.

Subsequent to year end, the repayment dates for all loan facilities were extended to 15 July 2028.

Other than above, there has been no matters arisen of any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, that affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

Consolidated Entity Disclosure Statement
Audalia Resources Limited has no controlled entities and, therefore, is not required by the Australian Accounting Standards to prepare consolidated financial statements. As a result, section 295(3A)(a) of the Corporations Act 2001 does not apply to the entity.

DIRECTORS' DECLARATION

In the opinion of the Directors of Audalia Resources Limited:

(a) the financial statements and notes set out on pages 23 to 40, are in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the Company's financial position as at 30 June 2026 and of its performance, for the financial year ended on that date; and
  (ii) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

(b) the financial report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board;

(c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable having regard to the matters disclosed in note 1(iii); and

(d) The information disclosed in the attached consolidated entity disclosure statement is true and correct.

This declaration has been made after receiving the declarations to Directors in accordance with section 295A of the *Corporations Act 2001* for the year ended 30 June 2026.

Dated at Perth, Western Australia this 29 September 2026.

Signed in accordance with a resolution of the Directors.

Brent Butler
CEO/ Executive Director

For personal use only

MOORE

Moore Australia Audit (WA)
Level 15, Exchange Tower
2 The Esplanade, Perth, WA 6000
PO Box 5785, St Georges Terrace, WA 6831

T +61 8 9225 5355
F +61 8 9225 6181
www.moore-australia.com.au

For personal use only

Independent Audit Report
To the members of Audalia Resources Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Audalia Resources Limited (the Company), which comprises the statement of financial position as at 30 June 2026, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

i. giving a true and fair view of the Company's financial position as at 30 June 2026 and of its financial performance for the year then ended; and

ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001.*

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the "Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Material uncertainty regarding Going Concern

We draw attention to Note 1(iii) "Going concern' of the financial report, which indicates that the Company is dependent upon future equity raising and continued support from its lenders in order to fund its working capital and discharge its liabilities in the ordinary course of business. Should the Company be unable to achieve its funding and/or cost reduction outcomes as detailed in Note 1(iii), the Company may be unable to continue as a going concern. Our audit opinion is not modified in this regard.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Moore Australia Audit (WA) – ABN 16 874 357 907
An independent member of Moore Global Network Limited - members in principal cities throughout the world.
Liability limited by a scheme approved under Professional Standards Legislation.

MOORE

Key audit matter	How the matter was addressed in our audit
Exploration and Evaluation	
Refer to Note 2(d) and Note 4 – Exploration and Evaluation Expenditure	
The Company's total exploration and evaluation expenditure capitalized for the year was $15.26 mill (2025: $13.83 mill) at balance date, being its single largest asset. The ability to recognise and defer exploration and evaluation assets under AASB 6: Exploration and Evaluation for Mineral Resources is impacted by the Company's ability and intention to continue to explore the tenements or its ability to realise this value through development or sale. Due to the significance of these assets and the subjectivity involved in assessing the ability to continue to defer these assets, this is considered a key audit matter	Our procedures included: • Ensuring the Company has the ongoing right to explore in the relevant exploration areas of interests which included performing ownership searches of the tenements to Department of Mines WA & other agreements. • Tested a sample of exploration & evaluation expenditures capitalised during the year to supporting documentation for compliance with the recognition and measurement criteria of AASB 6. • Ensuring the Company is committed to continue exploration and evaluation activity in the relevant exploration areas of interest by assessing their exploration and future development expenditures that have been budgeted for and reviewing minutes of Board meetings, other internal reports and ASX announcements. • Considering whether any area of interest has reached a stage where a reasonable assessment of economically recoverable reserves exists. • Considering whether any facts or circumstances existed to suggest impairment testing was required; and • We also assessed the reasonableness and appropriateness of the disclosures contained in the financial report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2026 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and will request that it is corrected. If it is not corrected, we will seek to have the matter appropriately brought to the attention of users for whom our report is prepared.

For personal use only

MOORE

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of:

a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and

b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

c) for such internal control as the directors determine is necessary to enable the preparation of:

   i. the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

   ii. the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located on the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/admin/file/content102/c3/ar2_2020.pdf. This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report as included in the directors' report for the year ended 30 June 2026.

In our opinion, the Remuneration Report of Audalia Resources Limited, for the year ended 30 June 2026 complies with section 300A of the *Corporations Act 2001.*

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

MOORE AUSTRALIA

SUAN LEE TAN
Partner – Audit and Assurance
Moore Australia Audit (WA)
Perth
29th September 2026

Moore Australia Audit (WA)
Chartered Accountants

For personal use only

SHAREHOLDER INFORMATION

For personal use only

Details of shares as at 23 September 2026

Top holders

The 20 largest registered holders of each class of quoted security as at 23 September 2026 were:

Fully paid ordinary shares

	Name	No. of Shares	%
1.	CITICORP NOMINEES PTY LIMITED	101,246,875	11.54%
2.	SIEW SWAN ONG	96,200,000	10.97%
3.	TLM HOLDINGS (M) SDN BHD	96,000,000	10.94%
4.	JEFRI AHMAD NAWAWI	82,000,000	9.35%
5.	MS MOI MOI CHUA	79,333,348	9.04%
6.	MING HWAI TAN	57,000,000	6.50%
7.	NEWFOREST EQUITY SDN BHD	50,000,000	5.70%
8.	TLM HOLDINGS (M) SDN BHD	40,000,000	4.56%
9.	YEK YEK ONG	37,500,000	4.28%
10.	MR SWEE LIM CHONG	35,670,000	4.07%
11.	PIONG TECK YEN	30,000,000	3.42%
12.	POO LIAN TAN	24,500,000	2.79%
13.	MR SEAN LIAN SIONG LIM	18,750,000	2.14%
14.	MR SCOTT LIAN HING LIM	17,933,069	2.04%
15.	BOON YEA CHIN	15,000,000	1.71%
16.	CME GROUP BERHAD	11,600,000	1.32%
17.	MR WEI HAN	10,000,000	1.14%
18.	MEGAN HOLDINGS PTY LTD <THE BUTLER INVESTMENT A/C>	9,000,000	1.03%
19.	MR CHIN EE TAN	8,500,000	0.97%
20.	MR TIONG SEN NGU	7,644,850	0.87%
		827,878,142	**94.38%**

Distribution schedules

A distribution schedule of each class of equity security as at 23 September 2026 were:

Fully paid ordinary shares

Range			Holders	Units	%
1	-	1,000	16	3,031	0.00%
1,001	-	5,000	6	16,305	0.00%
5,001	-	10,000	192	1,911,143	0.22%
10,001	-	100,000	75	3,382,998	0.39%
100,001	-	999,999	71	871,822,714	99.38%
Total			**360**	**862,136,191**	**100.00%**

Substantial shareholders

The names of substantial shareholders and the number of shares to which each substantial shareholder and their associates have a relevant interest, as disclosed in the most recent substantial shareholding notices given to the Company and lodged on ASX, are set out below:

Substantial shareholder	Number of Shares
Siew Swan Ong	100,590,000

For personal use only

Unmarketable parcels

Holdings less than a marketable parcel of ordinary shares:

Holders	Units
235	2,302,959

Voting Rights

The voting rights attaching to ordinary shares are:

On a show of hands, every holder of ordinary share present at a meeting in person or by proxy, is entitled to one vote, and upon a poll, each share is entitled to one vote.

On Market Buy Back

There is no current on-market buy-back.

SUMMARY OF TENEMENTS

Summary of tenements as 30 June 2026

Projects	Licence Number	Area (km^2)	Registered Holder/ Applicant	Status	Audalia Interest
Western Australia					
Medcalf					
	M63/656	18.48	Audalia Resources Limited	Granted	100%
	E63/1855	14.48	Audalia Resources Limited	Granted	100%
	G63/10	2.40	Audalia Resources Limited	Granted	100%
	G63/12	2.89	Audalia Resources Limited	Granted	100%
	L63/75	16.57	Audalia Resources Limited	Granted	100%
	L63/94	2.89	Audalia Resources Limited	Granted	100%
	E63/1915	20.27	Audalia Resources Limited	Application	0%
	E63/2347	23.65	Audalia Resources Limited	Application	0%
	E63/2348	69.42	Audalia Resources Limited	Application	0%
	E63/2352	48.39	Audalia Resources Limited	Application	0%

For personal use only