



AUSTRALIAN MINES LIMITED

ABN 68 073 914 191

Full Year Reports

Audited Accounts

Auditors' Report

Directors' Statement

FOR THE YEAR ENDED
30 JUNE 2026

AUSTRALIAN MINES LIMITED
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AUSTRALIAN MINES LIMITED
CORPORATE DIRECTORY

DIRECTORS

Michael Ramsden, Non-Executive Chairman; Non-Executive Director effective 17 September 2026

Dominic Marinelli, Non-Executive Director

Michael Elias, Non-Executive Director
(Resigned 22 June 2026)

David Michael McNeilly, Non-Executive Director appointed 22 June 2026; Non-Executive Chairman effective 17 September 2026

Cristian Moreno, Non-Executive Director
(Appointed 22 June 2026)

MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER

Andrew Nesbitt (Appointed Executive Director 22 June 2026)

COMPANY SECRETARY

Oliver Carton

REGISTERED OFFICE

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ASX Code: AUZ

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AUSTRALIAN MINES LIMITED DIRECTORS' REPORT

The directors present their report together with the financial statements of the Group comprising Australian Mines Limited ("the Company" or "Australian Mines") and its controlled entities for the year ended 30 June 2026, and the auditor's report thereon.

1. DIRECTORS

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

Michael Ramsden – Independent Non-Executive Chairman appointed 9 March 2011, Independent Non-Executive Director effective 17 September 2026

BEC, LLB, FFIN

Michael Ramsden is a lawyer with more than 30 years' experience as a corporate advisor. He has been involved with all forms of finance, including money markets, futures trading, lease finance, trade finance and foreign exchange.

Mr Ramsden is the Managing Director of Terrain Capital Limited in Australia, and has previously worked for international companies including CIBC Australia, JP Morgan and Scandinavian Pacific Investments Limited. He is also Vice Chairman of the Victoria Racing Club Ltd, Chairman of Cremorne Capital Ltd, Chairman of African Mahogany Australia Pty Ltd, and formerly Chairman of Terrain Australia Ltd and Director of D&D Tolhurst Ltd.

Effective 17 September 2026, Mr Ramsden stepped down as Non-Executive Chairman of the Company and continues to serve on the Board as an Independent Non-Executive Director.

Mr Ramsden is the Chairman of the Company's Remuneration Committee and a member of the Audit and Risk Committee.

Dominic Marinelli – Independent Non-Executive Director appointed 9 March 2011

MBA, BEng, PGD Sc

Dominic Marinelli has over 20 years' corporate fundraising and mergers and acquisitions experience covering a wide range of industries including resources and other emerging technologies.

Mr Marinelli is a Director of Terrain Capital Limited in Australia. He holds an MBA from the Melbourne Business School, a degree in Electrical and Computer Systems Engineering from Monash University and a diploma in Nanotechnology from Leeds University.

Mr Marinelli is the Chairman of the Audit and Risk Committee and a member of the Company's Remuneration Committee.

Michael Elias – Independent Non-Executive Director appointed 1 July 2005, resigned 22 June 2026

BSc(Hons), FAusIMM

Michael Elias has more than 40 years' extensive, international experience in all aspects of nickel resource development in both laterites and sulphides, from project generation and evaluation, exploration planning and management, development studies, open cut and underground mine geology, resource/reserve estimation, and resource economics.

He has been a Principal Consultant with mining consultancy ERM (previously CSA Global Pty Ltd) since 2001.

Mr Elias previously held the positions of Chief Geologist – WA Nickel Operations and Chief Geologist – Nickel Resource Development at WMC Resources Ltd and was a director of Silver Swan Group Ltd until his resignation on 19 November 2012. Mr Elias holds a Bachelor of Science (Honours) in Geology from the University of Melbourne and is a Fellow of the Australasian Institute of Mining and Metallurgy.

Mr Elias was a member of the Audit and Risk Committee.

1. DIRECTORS (cont.)

Cristian Moreno – Independent Non-Executive Director appointed 22 June 2026

BSc Geology, BeEng, MSc Geophysics, MBA Finance

Cristian Moreno is an experienced mining executive with more than a decade of international experience across mineral exploration, project generation, capital markets, mergers and acquisitions, and corporate strategy. He has held senior technical and leadership roles across the mining, exploration, and energy sectors in Australia and internationally.

Mr Moreno has a multidisciplinary background spanning Engineering, Applied and Structural geology, MSc Geophysics, MBA Finance, studies in MSc Statistics and Data Science, and is currently undertaking a Master's in Mining and Energy Law.

Most recently, Mr Moreno was instrumental in growing Torque Metals Limited from a sub-A\$10 million market capitalisation explorer/developer to an advanced explorer/developer exceeding A\$300 million at peak market capitalisation, while helping drive strategic and a Board transition that brought together members of the former leadership team of Spartan Resources.

Mr Moreno is a member of the Company's Remuneration Committee.

David Michael McNeilly – Independent Non-Executive Director appointed 22 June 2026, Independent Non-Executive Chairman effective 17 September 2026

BA(Econ)

David Michael McNeilly is the Chief Executive Officer of natural resources investing company Strata Investment Holdings plc and brings extensive capital markets, corporate finance and listed-company experience across the global natural resources sector. He holds a BA in Economics from the American University of Paris.

Mr McNeilly played an active role in the Sandfire Resources NL recommended scheme offer of A\$167 million, while serving as a director of MOD Resources Limited. He has previously served as a Non-Executive Director of Greatland Gold plc. He is currently Non-Executive Chairman of Iondrive Limited and a Non-Executive Director of Cobre Limited and Rapid Critical Metals Limited.

Effective 17 September 2026, Mr McNeilly was appointed Non-Executive Chairman of the Company.

Mr McNeilly is a member of the Audit and Risk Committee.

Andrew Nesbitt – CEO appointed 2 October 2023, Managing Director appointed 22 June 2026

MBA, BScEng Mining

Mr A Nesbitt is a mining engineer by training, with over 25 years in the natural resources sector spanning underground operations, technical consulting, fund management, and corporate leadership. He has exceptional expertise and experience in identifying, progressing, and qualifying projects of significance.

He started his career at De Beers and Goldfields in production and technical roles, then moved to SRK Consulting where he led feasibility studies across multiple jurisdictions. He later joined Craton Capital as a partner and portfolio manager for a global precious metals fund (US\$400M+ AUM), before becoming CEO of Resource Mining Corporation. He joined Australian Mines as CEO in October 2023, and in June 2026 appointed as the Managing Director. He also sits on the boards of Vital Metals Ltd and Tooru plc.

2. COMPANY SECRETARY

The Company Secretary of the Company during or since the end of the financial year is:

Oliver Carton appointed 1 January 2018

Oliver Carton is a qualified lawyer with over 30 years' experience in a variety of corporate roles. He is currently a director or company secretary of a number of listed, unlisted and not for profit entities such as Prestal Holdings Limited and Norwest Minerals Limited. He currently runs his own consulting business and was previously a Director of the Chartered Accounting firm KPMG. Prior to that, he was a senior legal officer with ASIC.

3. ANNUAL REPORTING CALENDAR

Reporting Requirement	Date
Audited Financial Statements Year ended 30 June 2026	18 September 2026
Deadline for nomination as Director	12 October 2026
Notice of Annual General Meeting	26 October 2026
Annual Report	26 October 2026
Appendix 5B and Quarterly Activities Report - quarter ended 30 September 2026	31 October 2026
Annual General Meeting	24 November 2026
Appendix 5B and Quarterly Activities Report - quarter ended 31 December 2026	31 January 2027
Half-Year Report	15 March 2027
Appendix 5B and Quarterly Activities Report - quarter ended 31 March 2027	30 April 2027
Appendix 5B and Quarterly Activities Report - quarter ended 30 June 2027	31 July 2027
Audited Financial Statements Year ended 30 June 2027	30 September 2027

4. DIRECTORS' MEETINGS

The number of directors' meetings (including meetings of committees of directors) and number of meetings attended by each of the directors of the Company during the financial year is as follows:

Director	Board Meetings		Remuneration Committee		Audit & Risk Committee	
	Held	Attended	Held	Attended	Held	Attended
Michael Ramsden	9	9	1	1	4	4
Michael Elias	9	9	1	1	4	4
Dominic Marinelli	9	9	1	1	4	4
Andrew Nesbitt	-	-	-	-	-	-
Cristian Moreno	-	-	-	-	-	-
Michael McNeilly	-	-	-	-	-	-

The Remuneration Committee is responsible for making recommendations to the Board on remuneration policies and packages applicable to the Board members and senior executives of the Company. The broad remuneration policy is to ensure the remuneration package properly reflects the person's duties and responsibilities and level of performance and that remuneration is competitive in attracting, retaining and motivating people of the highest quality.

4. DIRECTORS' MEETINGS (cont.)

The Audit & Risk Committee is required to meet at least twice per year, review annual and half-year accounts, and report to the Board of Directors. The Audit & Risk Committee also oversees the Company's risk management systems and procedures.

5. PRINCIPAL ACTIVITIES

During the year ended 30 June 2026, the principal activities of Australian Mines Limited (the Company) and its controlled entities were the exploration, evaluation and advancement of gold and critical-mineral projects in Australia and Brazil, together with continued research and independent testing of the Company's scandium-magnesium metal hydride technology for solid-state hydrogen storage.

The Company increasingly prioritised capital and management attention toward the Flemington Scandium Project in New South Wales and the Boa Vista Gold Project in Brazil, while maintaining and evaluating the balance of its project portfolio.

Flemington Scandium Project (New South Wales): completed drilling and technical work and delivered the 2026 SRK Scoping Study, after which the Company committed to progress the Project to a Pre-Feasibility Study (PFS).

Boa Vista Gold Project (Brazil): progressed the earn-in transaction and commenced a substantial diamond drilling program at the VG1 prospect, generating broad gold intersections and advancing work required to evaluate the existing foreign estimate under the JORC Code (2012).

Metal Hydride Technology: received independent HyMARC testing results during the year and submitted additional formulations for further independent evaluation.

Resende and Jequie Projects (Brazil): advanced and evaluated tin, tantalum, lithium and rare-earth-element targets, including commencement of drilling at Resende. The drilling results thereof are pending.

Sconi Battery Minerals Project (Queensland): maintained the Project in good standing while nickel and cobalt market conditions remained subdued and continued to assess strategic and funding pathways.

The nature of the Group's activities remained mineral exploration, evaluation and project advancement; however, the portfolio emphasis shifted materially during FY2026 toward scandium development studies at Flemington and gold exploration at Boa Vista.

There were no significant changes in the nature of the Company's principal activities during the financial year.

6. OPERATING AND FINANCIAL REVIEW

FY2026 was a year of increased project execution. The Company completed the Flemington Scoping Study and committed the Project to PFS-level work, advanced diamond drilling at Boa Vista, continued independent testing of its metal hydride technology, and raised A\$9.5 million before costs across three equity placements during the financial year. The Company reported cash of A\$5.238 million at 30 June 2026 in its June-quarter Appendix 5B.

6. OPERATING AND FINANCIAL REVIEW (cont.)

Flemington - Scandium, Nickel and Cobalt (New South Wales, Australia)

Flemington was substantially advanced during FY2026. The Company completed additional drilling and, in April 2026, received the SRK Scoping Study for the 100%-owned Project. The amended Scoping Study announcement released on 8 May 2026 provided material assumptions supporting the production target and forecast financial information.

The January 2025 Mineral Resource remains 6.30 Mt at 446 ppm Sc at a 300 ppm Sc cut-off, comprising:

Category	Tonnes	Sc grade (ppm)
Measured	3.12 Mt	455
Indicated	3.02 Mt	441
Inferred	0.15 Mt	371
Total	6.30 Mt	446

At a 100 ppm Sc cut-off, the broader Mineral Resource is 28 Mt at 217 ppm Sc. Flemington is located in central New South Wales, contiguous with the Syerston Scandium Project, with access to established regional road and mining-services infrastructure.

Key Scoping Study outcomes were:

Study basis	60 tpa scandium oxide operation over a 28-year mine life
Production target	2.09 Mt comprising approximately 55.8% Measured, 43.6% Indicated and 0.6% Inferred Mineral Resources
Initial capital estimate	Approximately US\$125 million (Scoping Study estimate accuracy +/- 35%)
Scandium recovery	90.8%
C1 cash cost	US\$561/kg Sc ₂ O ₃
Breakeven price	US\$815/kg Sc ₂ O ₃
US\$1,500/kg mine-design case	Post-tax NPV8 approximately US\$270 million; IRR 32%
US\$3,000/kg sensitivity case	Post-tax NPV8 approximately US\$860 million; IRR 74% - sensitivity only, not a price forecast

Scoping Study caution: The Flemington Scoping Study is a preliminary technical and economic study and is insufficient to support the estimation of Ore Reserves or to provide assurance of an economic development case. The production target is based on Mineral Resources and there is no certainty that further work will result in conversion to Ore Reserves or that the production target or forecast financial outcomes will be realised. The US\$3,000/kg Sc₂O₃ case is a sensitivity and not a forecast price. Further PFS and Feasibility Study work, permitting, product-market development and funding will be required. Pre-production funding in the order of US\$125 million was assumed in the Scoping Study; there is no certainty that funding will be available when required and future funding may be dilutive.

6. OPERATING AND FINANCIAL REVIEW (cont.)

The Scoping Study identified the principal workstreams required to de-risk Flemington, including mine planning and optimisation, additional metallurgical test work, geotechnical and hydrogeological investigations, environmental baseline studies, infrastructure and tailings definition, water supply, product marketing and pricing validation, potential offtake engagement and funding strategy. During May 2026 the Company announced its intention to fast-track Flemington to a PFS.

Scandium Market - Two Major Catalysts

During FY2026 and immediately following year end, two major developments materially strengthened the external market context for scandium and, in the Board's view, represent potentially game-changing catalysts for the sector.

Bloom Energy - demand catalyst. During FY2026, Bloom Energy materially expanded its role in supplying rapidly deployable power for AI and data-centre infrastructure. On 13 April 2026, Bloom announced an expanded partnership under which Oracle intends to procure up to 2.8 GW of Bloom fuel-cell systems, including an initial 1.2 GW contracted. On 30 June 2026, Brookfield and Bloom announced that Brookfield had expanded its framework to finance power projects for AI infrastructure using Bloom systems from US\$5 billion to US\$25 billion. Bloom's solid oxide fuel-cell architecture uses scandia-stabilised zirconia, meaning continued deployment at scale has the potential to materially increase scandium demand.

U.S. government support for Syerston - strategic supply validation. Subsequent to year end, on 7 August 2026 the U.S. Department of War's Office of Strategic Capital announced a US\$400 million conditional loan commitment to Sunrise Energy Metals Limited to support development of the Syerston Scandium Project in New South Wales. The commitment is conditional and remains subject to customary financial, legal, technical and other requirements before financial close. Although the commitment relates to Sunrise and not Australian Mines, the Board considers it a significant external validation of the strategic importance placed by the United States on establishing large-scale, Western-aligned scandium supply.

Why Flemington remains relevant. The development of Syerston does not remove the strategic opportunity for Flemington. Sunrise itself estimates current global scandium oxide demand at approximately 50-60 tpa and forecasts demand increasing to approximately 300 tpa by 2030 and 600 tpa by 2035, compared with Syerston's initial planned production capacity of approximately 60 tpa.

Independent research by Evolution Capital also points to a potential structural supply deficit. Evolution cites Hunterbrook modelling of approximately 310 tpa of global scandium demand by 2030 against approximately 240 tpa of probability-weighted global supply, implying a deficit of more than 65 tpa. Evolution's own more conservative analysis of Western-available supply estimates approximately 127 tpa in 2030, increasing to approximately 268 tpa from 2034.

Importantly, Evolution's Western supply pipeline already includes both Syerston and Flemington, together with other identified Western projects, and its analysis concludes that this pipeline remains in deficit in every year from 2026 to 2040, with only 2032 approaching balance. On this basis, the development of Syerston would not necessarily satisfy forecast demand and additional Western supply - including potential future production from Flemington - may still be required, subject to successful completion of studies, approvals, financing, product qualification and customer/offtake development.

6. OPERATING AND FINANCIAL REVIEW (cont.)

Market forecast caution. The Sunrise, Hunterbrook and Evolution Capital estimates are third-party forecasts and are not forecasts by Australian Mines. Scandium remains a small and relatively opaque market and actual demand, supply, pricing, customer qualification and timing may differ materially from these estimates.

External market references: Bloom Energy releases dated 13 April 2026 and 30 June 2026; Sunrise Energy Metals market disclosures including its March 2026 Feasibility Study; Evolution Capital, Australian Mines Limited Initiation Report dated 27 July 2026 (including Hunterbrook supply-demand modelling cited in that report); U.S. Department of War, Office of Strategic Capital release dated 7 August 2026.

The scandium market remains relatively small and opaque, with limited transparent price discovery. The Company therefore continues to treat market development, product qualification, pricing validation and customer/offtake engagement as core PFS workstreams alongside technical de-risking.

Previously reported Company information: ASX announcements dated 8 January 2025 and 8 May 2026. As confirmed in the 29 July 2026 Quarterly Activities Report, the material assumptions underpinning the Flemington Scoping Study production target and forecast financial information continued to apply and had not materially changed.

Boa Vista - Gold (Para, Brazil)

Following shareholder approval in August 2025, the Company progressed its earn-in rights over the Boa Vista Gold Project and completed a substantial diamond drilling program at the VG1 prospect. Boa Vista is located in Brazil's prolific Tapajos Gold Province, which has produced more than 30 million ounces of gold historically and hosts numerous active projects and operators. Project partner GoldMining Inc. is actively exploring its Sao Jorge project approximately 80 km away, providing further regional exploration context.

Boa Vista itself remains comparatively lightly drilled. The Project covers approximately 9,201 ha and, prior to Australian Mines' recent drilling, only 26 historical diamond holes totalling approximately 4,594 m had been completed across the tenure, with historical work concentrated principally around VG1. The Board considers the combination of a large tenure position, limited historical drilling and multiple geochemical, geophysical and artisanal-mining indicators to provide an early-mover opportunity for Australian Mines to apply systematic modern exploration across a comparatively underexplored project area within the Tapajos Province.

The FY2026 drilling program was designed to test extensions and continuity of the known mineralised system and to generate the geological, analytical and structural information required to assess a potential JORC Code (2012) Mineral Resource estimate.

Foreign estimate - VG1. VG1 contains a foreign estimate of 8.47 Mt at 1.23 g/t Au for approximately 336,000 oz Au at a 0.5 g/t Au cut-off, sourced from the NI 43-101 Technical Report effective 22 November 2013 and first reported by the Company on 4 July 2025.

ASX Listing Rule caution: The VG1 estimate is a foreign estimate and is not reported in accordance with the JORC Code (2012). A Competent Person has not done sufficient work to classify the foreign estimate as a Mineral Resource or Ore Reserve in accordance with the JORC Code. It is uncertain whether, following evaluation and further exploration, the foreign estimate will be able to be reported as a Mineral Resource or Ore Reserve in accordance with the JORC Code.

VG1 provides an established geological foundation for the broader exploration program. The prospect lies within a gold-in-soil anomaly extending for more than 2 km and up to approximately 350 m wide. Mineralisation remains open along strike and at depth, with broad,

6. OPERATING AND FINANCIAL REVIEW (cont.)

continuous mineralised zones extending approximately 700 m along a NW-SE trend, locally up to approximately 85 m wide and drill-tested to approximately 250 m depth.

Australian Mines drilling during FY2026 returned broad zones of gold mineralisation. The table below highlights the two strongest Australian Mines holes on a gram-metre basis together with the two strongest comparable historical holes at VG1:

Hole	Selected result	Gram-metres
VGADD0010 (AUZ)	142.6 m at 1.37 g/t Au from 161 m, encompassing 29 m at 3.22 g/t Au (incl. 4 m at 18.57 g/t), 64 m at 1.22 g/t Au (incl. 3 m at 12.37 g/t), and 13.6 m at 1.74 g/t Au (incl. 6 m at 3.13 g/t), ending in mineralisation	195.3
VGDD-011-12 (historical)	104.5 m at 1.59 g/t Au, including 23.5 m at 4.51 g/t Au	166.2
VGADD0002 (AUZ)	120 m at 1.34 g/t Au, including 16 m at 3.53 g/t Au and 73 m at 1.38 g/t Au	160.8
VGDD001 (historical)	102.3 m at 1.18 g/t Au, including 6.4 m at 6.96 g/t Au	120.7

Drilling significance. On a gram-metre basis, VGADD0010 and VGADD0002 are the two strongest Australian Mines holes reported to date at VG1. VGADD0010 returned a cumulative 195.3 gram-metres across the three principal mineralised intervals and compares favourably with the strongest historical intersection, VGD-011-12 at 166.2 gram-metres. Gram-metres are used here only as a comparative measure of interval width and grade and do not, by themselves, establish economic significance.

Other significant broad Australian Mines intervals include 82 m at 1.13 g/t Au in VGADD0009 (approximately 92.7 gram-metres) and 144 m at 0.62 g/t Au in VGADD0001, including 54 m at 1.15 g/t Au (approximately 89.3 gram-metres for the broader interval). Historical metallurgical work reported in the 4 July 2025 announcement indicated gold recoveries above 95%, including a substantial gravity-recoverable component; this historical test work remains subject to confirmation as the Project advances.

Broader district-scale exploration opportunity

Subsequent to year end, a review of current and historical exploration data identified 14 additional prospective gold targets outside VG1. The targets are associated with combinations of interpreted structural corridors, alteration zones, gold-in-soil and panning anomalies and historical artisanal workings. Baixao, Ze do Leicha, Almir and Jair were selected as the four initial priority targets for advancement toward drill-ready status. Selective rock-chip/grab sampling returned values of up to 31.0 g/t Au at Baixao, 11.1 g/t Au at Jair and 5.6 g/t Au at Ze do Leicha.

The Company also planned 135 stream-sediment sampling sites across 1-2 km² catchments in the underexplored north-eastern portion of the Project. Together with existing IP targets, gold-in-soil anomalies and numerous historical artisanal workings across the 9,201 ha tenure, this work supports a systematic strategy to evaluate Boa Vista as a broader district-scale gold exploration opportunity rather than a single-prospect project, while VG1 continues to provide the geological foundation for project-wide targeting. Selective rock-chip/grab samples are point samples and should not be regarded as representative of average grade or mineralisation continuity.

6. OPERATING AND FINANCIAL REVIEW (cont.)

Progress in evaluating the VG1 foreign estimate during FY2026 included new diamond drilling, data review and technical work to further define the geometry and continuity of the mineralised system and plan resource-definition work. As at 30 June 2026, the foreign estimate had not been verified and reported as a Mineral Resource under the JORC Code (2012). Further drilling, data validation and QA/QC review, geological interpretation and resource modelling are required before a Competent Person can determine whether a JORC Mineral Resource can be reported.

Previously reported information — Boa Vista

The foreign estimate for the VG1 prospect was first reported in the Company's ASX announcement dated 4 July 2025, titled "Australian Mines Secures Earn-In Rights to the Advanced Boa Vista Gold Project, Brazil". The Company confirms that it is not in possession of any new information or data that materially impacts the reliability of the foreign estimate or the Company's ability to verify the estimate as a Mineral Resource or Ore Reserve in accordance with the JORC Code (2012). The Company confirms that the supporting information provided in that announcement continues to apply and has not materially changed.

The previously reported exploration information in this section is drawn from the Company's ASX announcements dated 4 July 2025, 27 October 2025, 21 January 2026, 10 March 2026, 30 April 2026 and 6 July 2026, and its Quarterly Activities Report dated 29 July 2026. The Company confirms that it is not aware of any new information or data that materially affects the information included in those announcements. The Company also confirms that the form and context in which the Competent Persons' findings are presented have not been materially modified from the original announcements.

Resende - Tin, Tantalum, Lithium and Rare Earth Elements (Minas Gerais, Brazil)

At Resende, the Company continued to advance targets generated from earlier soil geochemistry. In the eastern portion of the tenements, the Company designed and commenced an initial diamond drilling program targeting near-surface greisen associated with tin, tantalum and lithium anomalism. The geological setting is interpreted to occur along the same broader granitic trend as established tin-tantalum-lithium mineralisation in the region.

In the western portion of the tenements, two priority rare-earth-element follow-up areas identified from systematic soil sampling remain available for further auger drilling, mapping and sampling. At 30 June 2026 the initial Resende diamond drilling program was in progress and results had not yet been reported.

Previously reported information includes ASX announcements dated 17 September 2024, 16 December 2024 and the 29 July 2026 Quarterly Activities Report.

Jequie - Rare Earth Elements (Bahia, Brazil)

The Jequie Project continued to be evaluated using the results of earlier soil sampling and auger drilling, which had identified anomalous rare-earth-element mineralisation at Jequie South and Jequie North. During FY2026 the Company prioritised expenditure toward Boa Vista and Flemington while assessing the appropriate next-stage work and strategic options for Jequie. No Mineral Resource has been defined at Jequie.

Potential future work may include targeted mapping, geochemical sampling, auger drilling and preliminary metallurgical test work, subject to portfolio priorities and available funding.

6. OPERATING AND FINANCIAL REVIEW (cont.)

Sconi Battery Minerals Project (Queensland, Australia)

The Sconi Project was maintained in good standing during FY2026. Nickel and cobalt market conditions remained subdued and the Company did not make a final investment decision during the year. Sconi retains granted mining leases and previously reported Mineral Resources and Ore Reserves.

The Company continued to consider potential funding, partnership and offtake pathways while preserving the option to advance the Project when market and financing conditions are more supportive. Any development decision remains subject to updated technical, market, funding, permitting and Board assessments.

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6. OPERATING AND FINANCIAL REVIEW (cont.)

BOA VISTA GOLD PROJECT (HISTORICAL RESOURCE CAUTIONARY STATEMENTS)

Details regarding the foreign resource estimate, project details and associated exploration results are set out in the Company's ASX announcement dated 4 July 2025, titled "Australian Mines Secures Earn-In Rights to the Advanced Boa Vista Gold Project, Brazil" (the "Boa Vista Announcement").

The Company confirms that it is not aware of any new information or data that materially affects the information included in the Boa Vista Announcement. The Company also confirms that all material assumptions and technical parameters underpinning the foreign resource estimate and exploration results in the Boa Vista Announcement continue to apply and have not materially changed.

The estimates of the quantity and grade of mineralisation for the Boa Vista Gold Project referred to in this report are "foreign estimates" within the meaning of the ASX Listing Rules and are not reported in accordance with the JORC Code (2012). A Competent Person has not undertaken sufficient work to classify the foreign estimates as Mineral Resources in accordance with the JORC Code (2012). It is uncertain whether further evaluation and exploration will result in the determination of Mineral Resources in accordance with the JORC Code. Mineral Resources are not Ore Reserves and do not have demonstrated economic viability.

VG1 Inferred Foreign Resource Estimate

Au Cut-off (g/t)	Tonnes > Cut-off (tonnes)	Grade>Cut-off Au (g/t)	Contained Metal Au (oz)
0.10	14,240,000	0.87	399,000
0.15	14,020,000	0.88	398,000
0.20	13,740,000	0.90	397,000
0.25	13,010,000	0.94	392,000
0.30	12,130,000	0.98	383,000
0.40	10,410,000	1.09	364,000
0.50	8,470,000	1.23	336,000
0.60	6,980,000	1.38	310,000
0.70	5,930,000	1.51	288,000
0.80	5,090,000	1.64	268,000
0.90	4,580,000	1.73	254,000
1.00	4,150,000	1.81	241,000

Notes from 2013 NI 43-101 Technical Report, Schmulian, M., Giroux, G., & Cuttle, J. (2013):

1. Canadian Institute of Mining, Metallurgy and Petroleum (CIM) definitions have been followed for classification of Mineral Resources.
2. The Qualified Person for this Mineral Resource estimate is G.H. Giroux.
3. Mineral Resources are estimated at a cut-off grade of 0.5 g/t Au.
4. Based on 15 drill holes and 14 surface trenches. A three-dimensional solid constraining the mineralized zone was created using GEMSTTM software. Of the supplied information 6 trenches and 12 drill holes were used for the resource estimate.
5. Includes oxide and sulphide portions.
6. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability.
7. Totals may not add correctly due to rounding.

The foreign estimates of mineralisation stated above are taken from the report Schmulian, M., Giroux, G., & Cuttle, J. (2013). Technical Report, Boa Vista Gold Project and Resource Estimate on the VG1 Prospect, Tapajós Area, Pará State, Northern Brazil. Prepared for Brazil Resources Inc. Effective Date: November 22, 2013. using categories of mineralisation equivalent to mineral resources in accordance with the NI 43-101 Code. The estimate is treated as a "foreign estimate" under the ASX listing rules.

6. OPERATING AND FINANCIAL REVIEW (cont.)

General Economic Conditions

The Consolidated Group made a loss for the year of \$7,114,208 (2025: loss \$1,880,576). A total of \$5,017,652 was recognised as impairment loss on the exploration and evaluation assets during the year (2025: nil).

A comparison of the consolidated financial performance is included in the table below.

Financials	2026	2025
	\$'000	\$'000
Revenue from operating activities	-	-
Net Loss	(7,114)	(1,881)
Cash and cash equivalents	5,238	1,452

The Company's financial results demonstrate a net loss due to the Company's position of mineral explorer, rather than producer. At this point in the Company's development, whilst it incurs expenditure through the ongoing exploration of tenements, no return has been generated as the Company is yet to move into production, thus providing income.

7. DIVIDENDS

No dividends were paid or declared by the Company during the year (2025: nil).

8. SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There have been no significant changes in the state of affairs of the Group during the financial year.

9. EVENTS SUBSEQUENT TO REPORTING DATE

Subsequent to the reporting date, the following shares were issued or transferred upon the exercise of options:

- 27,371,149 shares at an exercise price of \$0.022 per share on 17 August 2026;
- 1,500,000 shares at an exercise price of \$0.022 per share on 24 August 2026;
- 1,500,000 shares at an exercise price of \$0.022 per share on 1 September 2026; and
- 12,360,000 shares at an exercise price of \$0.022 per share on 11 September 2026.

On 8 September 2026, the Company issued a notice of General Meeting to be held on 7 October 2026. The resolutions to be considered include the forfeiture and cancellation of loan share plan shares and the approval of a performance rights plan. In relation to the proposed forfeiture and cancellation of the loan share plans, the directors agreed on 23 June 2026 to voluntarily surrender all shares subject to the existing limited-recourse loan arrangements, conditional upon shareholder approval of the proposed director performance rights. As at the date of this report, shareholder approval has not been obtained, and no shares have been surrendered. If the relevant resolutions are approved, the directors will surrender the existing loan shares and the associated loan arrangements will cease.

9. EVENTS SUBSEQUENT TO REPORTING DATE (cont.)

On 17 September 2026, the Company announced the appointment of Mr M McNeilly as the new Chair of Australian Mines Limited. Mr M Ramsden will step down as Chair and remain on the Board as Non-executive Director.

There have been no other events subsequent to reporting date.

10. LIKELY DEVELOPMENTS AND FUTURE PROSPECTS

The Company's FY2027 strategy is expected to remain focused on disciplined advancement of Flemington and Boa Vista, while preserving value and optionality across the broader portfolio. Subject to exploration results, study outcomes, approvals, market conditions and funding, key workstreams are expected to include:

Flemington Scandium Project: progress the PFS and assess the 60 tpa base case and potential scale-up scenarios up to 180 tpa. Work is expected to include mine planning and optimisation, additional metallurgy, geotechnical and hydrogeological investigations, environmental baseline and water studies, infrastructure and tailings design, approvals planning, heritage and stakeholder engagement, product specification and marketing work, pricing validation, potential offtake engagement and evaluation of funding or strategic-partnership pathways.

Boa Vista Gold Project: undertake the planned next-stage diamond drilling campaign, with a minimum program of 6,000 m and scope to increase to approximately 10,000 m using two rigs. Approximately 30% to 40% of the program is expected to test the four priority targets - Baixao, Ze do Leicha, Almir and Jair - with the balance focused on VG1 extensions, infill and resource-definition drilling. The program is expected to be supported by stream-sediment sampling, mapping and other systematic targeting work across the broader tenure. The objective at VG1 is to generate sufficient data to support consideration of a maiden JORC Code (2012) Mineral Resource estimate, subject to drilling results and Competent Person assessment.

Resende: complete the current drilling program and report results, then determine follow-up work for the tin-tantalum-lithium and rare-earth-element targets based on technical outcomes and capital priorities.

Jeque: continue to evaluate the most appropriate technical and strategic pathway for the existing rare-earth-element targets, including targeted follow-up exploration or other value-realisation options where appropriate.

Sconi: maintain the Project in good standing and continue to assess market conditions, strategic partnerships, potential offtake and financing options. Any decision to restart material development expenditure or move toward FID will depend on updated technical, commercial and funding assessments.

Metal Hydride Technology: progress independent testing of additional formulations, assess reproducibility and engineering requirements, and evaluate potential commercial applications and strategic partnerships. Commercial success is not assured and remains subject to further testing and development.

Capital management: maintain disciplined expenditure and pursue funding, partnership and portfolio initiatives that support the priority work programs while seeking to manage dilution and preserve shareholder value.

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10. LIKELY DEVELOPMENTS AND FUTURE PROSPECTS (cont.)

Forward-Looking Statements

This report contains forward-looking statements regarding exploration programs, technical studies, project advancement, potential Mineral Resource estimation, funding, strategic partnerships, marketing and offtake activities and technology development. These statements reflect the Company's current plans and expectations as at the date of the report and should only be made where the Directors consider there are reasonable grounds for them. They are subject to known and unknown risks, uncertainties and

assumptions, including the material business risks described above. Actual outcomes may differ materially from those expressed or implied.

Cautionary language does not replace the legal requirement for reasonable grounds for statements about future matters.

Mining Reporting Statements

Boa Vista foreign estimate. Details of the foreign estimate and supporting information were first reported in the ASX announcement dated 4 July 2025, "Australian Mines Secures Earn-In Rights to the Advanced Boa Vista Gold Project, Brazil". The Company confirms that it is not in possession of any new information or data that materially impacts the reliability of the foreign estimate or its ability to verify the estimate as a Mineral Resource or Ore Reserve in accordance with the JORC Code (2012). The Company further confirms that the supporting information provided in the 4 July 2025 announcement continues to apply and has not materially changed.

The proximate cautionary statement in the Boa Vista section above is intended to satisfy the recurring caution requirement for subsequent reporting.

Flemington Mineral Resource. The Flemington Mineral Resource information in this report is extracted from the Company's ASX announcement dated 8 January 2025. The Company confirms that it is not aware of any new information or data that materially affects the information included in that announcement and that all material assumptions and technical parameters underpinning the Mineral Resource estimates continue to apply and have not materially changed. The Company also confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original announcement.

Flemington Scoping Study production target and forecast financial information. The Flemington Scoping Study information in this report is extracted from the Company's amended ASX announcement dated 8 May 2026. The Company confirms that, as at the date of this report, all material assumptions underpinning the production target and the forecast financial information derived from that production target in the announcement continue to apply and have not materially changed.

11. MATERIAL BUSINESS RISKS

For the purposes of section 299A (1) of the *Corporations Act 2001 (Cth)*, this section summarises the material business risks and uncertainties that could affect the operating and financial position of the Company.

The risks and uncertainties described herewith are not exhaustive. Additional risks and uncertainties may also become significant factors in the future that may affect the Company's operating and financial position.

11. MATERIAL BUSINESS RISKS (cont.)

Company Specific Risks

- **Land access and tenure** - Mining and exploration tenements are subject to periodic renewal and are subject to the mining act and the mining regulations. The maintaining of exploration licences, obtaining renewals, or getting additional exploration or mining licences granted, often depends on the Company being successful in obtaining the required statutory approvals for its proposed activities and that the licences, concessions, leases, permits or consents it holds will be renewed as and when required. There is no assurance that such renewals will be given as a matter of course and there is no assurance that new conditions (such as increased expenditure and work commitments) will not be imposed in connection with any such renewals. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or the performance of the Company.
- **Native title and access risk** - The mining tenements in which the Company holds, or intends to acquire, an interest extend over areas in which legitimate native title rights of indigenous Australians exist. The ability of the Company to gain access to some or all of the mining tenements and to conduct exploration development and mining operations remains subject to native title rights and the terms of registered native title agreements. The right to negotiate process under native title matters can result in significant delays to the implementation of any project or stall it. Negotiated native title agreements may adversely impact on the economics of projects depending on the nature of any commercial terms agreed. The Company is also required to enter into access agreements with the land holders in which the mining tenements are situated. These agreements may expire in some circumstances and may not be able to be renewed on similar terms.
- **Failure to satisfy expenditure commitments** - The tenements held by the Company are subject to various conditions prescribed by the mining act and mining regulations. Depending on the type of tenement, the primary conditions relate to the payment of rent, minimum expenditure and reporting requirements.
- **Liquidity risk** - There is no guarantee that an active market in the Company's shares will be maintained or that the price of the shares will increase. There may be relatively few buyers or sellers of the Shares on the ASX at any particular time, which will adversely affect the liquidity of the Shares on ASX.
- **Resource estimations** - Estimating the quantity and quality of Mineral Resources is an inherently uncertain process and any mineral resources or ore reserves that the Company has stated now or in the future are and will be estimates and may not prove to be an accurate indication of the quantity and/or grade of mineralisation that the Company has identified or that it will be able to extract, process and sell. If the Company's actual mineral resources are less than current estimates, its prospects, value, business, results of operations and financial condition may be materially adversely affected.
- **Exploration and evaluation risks** - The mineral exploration licences of the Company are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings. There can be no assurance that exploration activities conducted on these exploration licences, or any other licences that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited. The future exploration activities of the Company may be affected by a range of factors, including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, native title processes, changing government regulations and many other factors beyond the control of the Company.

11. MATERIAL BUSINESS RISKS (cont.)

The success of the Company will also depend upon the Company having access to sufficient development capital, being able to maintain title to its exploration licences and obtaining all required approvals for its activities. In the event exploration programmes proved to be unsuccessful, this could lead to a diminution in the value of the exploration licences, a reduction in the cash reserves of the Company and possible relinquishment of the exploration licences. The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

- **Development risks and costs** - There are many uncertainties that are inherent in developing a mining project, including:
 - i. the availability of capital to finance feasibility studies, construction and development activities;
 - ii. the timing and cost of constructing mining and processing facilities and related infrastructure;
 - iii. the availability and cost of skilled labour, power, water and transport; and
 - iv. the need to obtain necessary governmental permits and the timing of those permits.

As with any mining project, the Company may experience unexpected problems and delays during development, construction and mine start-up. Even if mining commences, there is a risk that the geology of the mines will be more complex than the Company's geological investigations have indicated, and that the ore extracted will be lower grade or have different metallurgy than anticipated, which may increase mining costs, increase processing costs or result in lower recoveries

- **Operating risks** - The Company may be subject to the risks involved in the establishment of a new mining operation if the Company decides to develop its mineral assets. There is no assurance that can be given to the level of viability that the Company's operations may achieve. Lower than expected productivity and technical difficulties and late delivery of materials and equipment could have an adverse impact on any future construction and commissioning schedules. No assurance can be given that the intended production schedules will be met or that the estimated operating costs and development costs will be accurate.
- **Environmental risk** – The Company is subject to a number of laws and regulations to minimise the environmental impact of any operations as well as rehabilitation of any areas affected by the Company's operations. These laws can be costly to operate under and can change, further adversely affecting the Company. No assurance can be given that current or future requirements under environmental laws will not result in the cessation of exploration or production activities, the curtailment of production or a material increase in the costs of production, development or exploration activities or otherwise adversely affect the Company's financial condition, results of operations or prospects. Penalties for failure to adhere to the laws or in the event of environmental damage the penalties and remediation costs can be substantive. The Company may require approval from relevant authorities before it can undertake activities that may impact the environment. Failure to obtain such approvals may prevent the Company from achieving its business objectives. The Company intends to conduct itself and manage any joint venturers so that their activities are conducted in an environmentally responsible manner and in accordance with all applicable laws. Despite this, the Company may still be subject to accidents or other unforeseen events which may compromise its environmental performance, and which may have adverse financial implications.

11. MATERIAL BUSINESS RISKS (cont.)

- **Future capital requirements** - At the date of this report, the Company has no income producing assets and will generate losses for the foreseeable future. The Company's current funds will not be sufficient for expenditure expected to be required for any development of the Sconi project, including the works required to commence production. Accordingly, the Company expects to raise additional funds for working capital in order to finance its projected capital expenditure at the Sconi Project, potentially by raising debt and/or equity. However, if these funding alternatives do not eventuate or are insufficient, the Company may need to raise additional equity. Any additional equity financing may be dilutive to Shareholders, and debt financing, if available, may involve restrictions on financing and operating activities. There is no assurance that the Company will be able to obtain or access additional funding when required, or that the terms associated with that funding will be acceptable to the Company. The Company's failure to raise capital, if and when needed, could delay or suspend the Company's business strategy and could have a material adverse effect on the Company's activities, financial condition and its ability to continue as a going concern or its ability to pay its debts as and when they fall due. Also, no guarantee or assurance can be given as to whether the Sconi Projects can be developed to the stage where it will generate positive cashflow or the timing of this development.
- **Potential acquisitions** - As part of its business strategy, the Company may make acquisitions of, or significant investments, in companies, products, technologies or resource projects. Any such future transactions would be accompanied by the risks commonly encountered in making acquisitions of companies, products, technologies or resource projects.
- **Litigation risk** – Exposure to possible native title claims, tenure disputes and environmental claims. Such disputes, whether proven or unproven may impact the company's operation. Australian Mines Limited is not currently engaged in any litigation.
- **Financial risks** – The Company's activities may expose it to market risk (fair value of future cash flows of a financial instrument will fluctuate), interest rate and credit risk (interest rates may impact the value of consolidated assets and liabilities) and liquidity risk (ability of the Company to maintain sufficient cash and source-out funding to support its projects).
- **Climate change** – The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions in the future. The climate change may also cause certain physical and environmental risks, such as increased severity of weather conditions or extreme weather events that may negatively impact specific exploration and development activities.
- **Reliance on key personnel** - The Company's future depends, in part, on its ability to attract and retain key personnel. It may not be able to hire and retain such personnel at compensation levels consistent with its existing compensation and salary structure. Its future also depends on the continued contributions of its executive management team and other key management and technical personnel, the loss of whose services would be difficult to replace. In addition, the inability to continue to attract appropriately qualified personnel could have a material adverse effect on the Company's business.
- **Volatility of the price of commodities and exchange rate risks** – Exchange rates, the price of nickel, cobalt and other minerals fluctuates widely and is affected by numerous factors beyond the control of the Company. Future serious price declines in the market value of nickel, cobalt and other minerals could force the Company to discontinue production or development and it may lose its interest in, or may be forced to sell, some of its properties. There is no assurance that, even if commercial quantities of nickel and cobalt or other minerals are produced, a profitable market will exist for them.

11. MATERIAL BUSINESS RISKS (cont.)

- **Inherent mining risks** - The Company's business operations are subject to risks and hazards inherent in the mining industry. The exploration for and the development of mineral deposits involves significant risks, including: environmental hazards; industrial accidents; metallurgical and other processing problems; unusual or unexpected rock formations; structure cave-in or slides; flooding; fires and interruption due to inclement or hazardous weather conditions. These risks could result in damage to, or destruction of, mineral properties, production facilities or other properties, personal injury or death, environmental damage, delays in mining, increased production costs, monetary losses and possible legal liability. Whether income will result from projects undergoing exploration and development programs depends on the successful establishment of mining operations. Factors including costs, actual mineralisation, consistency and reliability of ore grades and commodity prices affect successful project development.
- **Insurance and uninsured risks** - The Company, where economically feasible, may insure its operations in accordance with industry practice. However, even if insurance is taken out, in certain circumstances the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered, or fully covered, by insurance could have a material adverse effect on the business, financial condition and results of the Company. Insurance of all risks associated with mineral exploration and production is not always available and, where available, the costs can be prohibitive.
- **Foreign Jurisdiction Risks** - The Company's exploration activities in Brazil are carried out by wholly owned subsidiaries which expose those subsidiaries to a range of risks that differ from those in Australia. Operations are subject to a complex and changeable political and regulatory environment, which could result in adverse changes to laws affecting foreign ownership, exploration rights, and taxation, as well as the potential for delays in obtaining necessary permits. The security of the subsidiaries' title to their mineral tenements could be subject to legal challenges within the country's legal framework. Securing and maintaining a social license to operate from local and Indigenous communities is critical, and any failure to do so could lead to project delays or opposition. Furthermore, the subsidiaries are exposed to risks related to governance, corruption, and security, including from the presence of illegal mining activities. Operational success may also be affected by factors such as underdeveloped infrastructure, logistical challenges, the availability of a skilled workforce, and climate-related events.

General Risks

The operating and financial performance of the Company is influenced by a number of general, economic and business conditions, including, but not limited to:

- General movements in Australian and international stock markets;
- Australian and international economic conditions and outlook;
- Changes in government legislation and policies, including taxation laws and foreign investment legislation;
- political instability, including international hostilities and acts of terrorism;
- Competition, whose activities or actions may, positively or negatively, affect the operating and financial performance of the Company's business.

Further, the effect of these conditions on the Company's ability to obtain financing, and the terms on which any such financing can be obtained, is uncertain. These conditions may however adversely affect the financial position and / or share price of the Company and its ability to obtain new financing or to do so on reasonable terms.

12. DIRECTORS' INTERESTS

As at the date of this report, the number of shares and options in the Company held by each Director of Australian Mines Limited and other key management personnel of the Consolidated Group, including their personally-related entities, are as follows:

Specified Directors and Key Management Personnel	Shares	Listed Options	Unlisted Options
M Ramsden	26,674,470	-	-
M Elias (resigned 22 June 2026)	19,748,115	-	-
D Marinelli	22,856,320	-	-
A Nesbitt	38,390,625	-	-
C Moreno	1,464,926	-	12,500,000
M McNeilly	-	-	12,500,000

13. SHARE OPTIONS

Listed Options

On 29 August 2025, 171,250,000 listed options were issued as part of a capital raising. The options expire on 2 February 2027 and allow for the purchase of shares prior to this date at an exercise price of \$0.022 per share.

On 3 December 2025, 123,332,997 listed options were issued as part of a capital raising. The options expire on 6 May 2027 and allow for the purchase of shares prior to this date at an exercise price of \$0.032 per share. The options comprised 99,999,997 options issued to placement participants and 23,333,000 options issued to lead managers as part of their fee arrangements.

On 19 March 2026, 2,500,000 listed options were issued to a contractor as part consideration for services provided. The options expire on 2 February 2027 and allow for the purchase of shares prior to this date at an exercise price of \$0.022 per share.

On 12 May 2026, 73,571,428 listed options were issued as part of a capital raising. The options expire on 6 May 2027 and allow for the purchase of shares prior to this date at an exercise price of \$0.032 per share. The options comprised 53,571,428 options issued to placement participants on the basis of one option for every two shares subscribed and 20,000,000 options issued to managers as part of their fee arrangements.

Listed options of 171,250,000 originally issued on 29 August 2025, exercisable at \$0.022 each with expiry date 2 February 2027, were partially exercised after the reporting period, with the corresponding ordinary shares issued upon exercise:

- 27,371,149 ordinary shares on 17 August 2026;
- 1,500,000 ordinary shares on 24 August 2026;
- 1,500,000 ordinary shares on 1 September 2026; and
- 12,360,000 ordinary shares on 11 September 2026.

14. REMUNERATION REPORT – AUDITED

The directors present the Company's 2026 remuneration report outlining key aspects of our remuneration policy and framework, and remuneration awarded this year. The report includes the following:

- Key management personnel covered in this report
- Overview of remuneration policies
- Principles of compensation
- Directors and executive officers' remuneration
- Terms of equity settled share-based payment transactions
- Equity instruments held by key management personnel
- Remuneration consultants
- Voting and comments made at the company's 2025 Annual General Meeting
- Loans to key management personnel
- Other key management personnel transactions

a) Key management covered in this report

Non-executive and executive directors and officers (see pages 3 to 4 for director details)

Michael Ramsden (Chairman; Non-executive Director effective 17 September 2026)	Cristian Moreno (Non-Executive Director, appointed on 22 June 2026)
Dominic Marinelli (Non-Executive Director)	David Michael McNeilly (Non-Executive Director, appointed on 22 June 2026; Chairman effective 17 September 2026)
Michael Elias (Non-Executive Director, resigned on 22 June 2026)	Andrew Nesbitt (Managing Director and Chief Executive Officer)

b) Overview of remuneration policies

The board remuneration policy is to ensure that remuneration properly reflects the relevant person's duties and responsibilities, and that the remuneration is competitive in attracting, retaining and motivating people of the highest quality. The Board believes that the best way to achieve this objective is to provide Executive Directors and Executives with a remuneration package that reflects the person's responsibilities, duties and personal performance. An employee Loan Share Plan scheme for key Executives is in place.

The remuneration of Non-Executive Directors is determined by the Board as a whole having regard to the level of fees paid to Non-Executive Directors by other companies of similar size in the mining industry.

The Board has established a Remuneration and Nomination Committee (Remuneration Committee) responsible for making recommendations to the Board on remuneration arrangements for Directors and Executives of the Company.

14. REMUNERATION REPORT – AUDITED (cont.)

Assessing performance

The Remuneration Committee is responsible for assessing performance against Key Performance Indicators (KPI) and determining Short Term Incentives (STI) and Long-Term Incentives (LTI) to be paid.

In the event of serious misconduct or a material misstatement in the company's financial statements, the remuneration committee can cancel or defer performance-based remuneration.

c) Principles of compensation

Remuneration of directors and executives is referred to as compensation throughout this report.

Compensation levels for key management personnel, and for relevant key management personnel of the Consolidated Group, are competitively set to attract and retain appropriately qualified and experienced directors and executives.

Fixed Compensation

Fixed compensation consists of base compensation as well as employer contributions to superannuation funds. Compensation levels are reviewed annually by the Remuneration Committee through a process that considers individual and overall performance of the Consolidated Group.

Short term Incentive Bonus

A discretionary bonus was awarded and paid to Mr Nesbitt in December 2025. The bonus was settled in cash and equity, comprising \$38,250 paid in cash and \$38,250 satisfied through the issue of 2,390,625 shares.

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14. REMUNERATION REPORT – AUDITED (cont.)

Long Term Incentive Bonus

Details of the current Loan Share Plans can be found in the following table.

	Executive Director	Non-Executive Directors
Grant Date	23 September 2023	21 November 2023
Number of Shares	20,000,000	30,000,000
Share Price at Grant Date	\$0.015 The issue price was calculated at market value, being the 5-day volume weighted average price of the Company prior to the date of appointment.	\$0.018 The issue price was calculated as 1.3 times the 5-day volume weighted average price of the Company's shares up to the issue date.
Vesting Conditions	Continuous employment from the Commencement Date; and From the Commencement Date to 30 June 2026 (Performance period): A) 10,000,000 Shares (Tranche 1) will vest on total shareholder return (TSR) hurdle measured against the Peer Group as follows: (i) If TSR is at 50th percentile of the Peer Group, 65% of the Tranche 1 Shares will vest; (ii) If the TSR is at 90th percentile of the Peer Group, 100% of the Tranche 1 Shares will vest; and (iii) If the TSR is between the 50th and 90th percentile, a pro-rata number of the Tranche 1 Shares will vest (as determined by the board). B) 10,000,000 Shares (Tranche 2) were originally to vest upon a decision by the Board, project sponsor, capital provider, and/or joint owner to fully proceed with the investment for the construction and commissioning of the Sconi Project, including the decision that sufficient financial resources are available to meet the total project spend.	The Performance Shares are divided into 3 tranches and subject to the following vesting conditions: 1/3 for service to the Company as an Eligible Person until 1 June 2024 1/3 for service to the Company as an Eligible Person until 1 June 2025 1/3 for service to the Company as an Eligible Person until 1 June 2026

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14. REMUNERATION REPORT – AUDITED (cont.)

Vesting Conditions	During the year the Board determined that the Sconi condition would not be capable of satisfaction within the performance period, through no fault of the Chief Executive Officer, and exercised its discretion under the Loan Share Plan Rules to vary the Tranche 2 vesting conditions with effect from 3 December 2025 as follows: A) 5,000,000 Shares vested immediately; and B) 5,000,000 Shares vest immediately upon the Company delineating a JORC Code (2012) compliant Mineral Resource at the Boa Vista Project of at least 500,000 ounces of contained gold, with more than 250,000 ounces in the Measured and Indicated categories, within the three-year period defined for Boa Vista Stage 1 - First Option. The Tranche 1 (TSR) conditions were unchanged. The variation was announced to ASX on 3 December 2025. At 30 June 2026, 9,125,000 of the Tranche 1 shares and 5,000,000 of the Tranche 2 shares had vested. Tranche 2 vesting condition B remains unfulfilled.	
Lapse of Performance Shares	Performance Shares will be forfeited in the following circumstances: • Employment, office or contractual relationship with the Company ceases; • Relevant vesting conditions are not satisfied by the relevant time; • The Director acts fraudulently or dishonestly or in breach of their obligations to the Group; or • They become insolvent. If the Performance Shares are forfeited and sold pursuant to the Plan Rules, the proceeds will first be applied against the respective loan and any surplus applied in accordance with the Plan Rules.	Performance Shares will be forfeited in the following circumstances: • Employment, office or contractual relationship with the Company ceases; • Relevant vesting conditions are not satisfied by the relevant time; • The Director acts fraudulently or dishonestly or in breach of their obligations to the Group; or • They become insolvent. If the Performance Shares are forfeited and sold pursuant to the Plan Rules, the proceeds will first be applied against the respective loan and any surplus applied in accordance with the Plan Rules.

14. REMUNERATION REPORT – AUDITED (cont.)

Loan Arrangements	Under the Loan Agreement, the Group will lend the Executive Director the funds required to purchase the Performance Shares. No interest will be payable on the loan, and it is a limited recourse loan.	Under the Loan Agreement, the Group will lend the Non-Executive Director the funds required to purchase the Performance Shares. No interest will be payable on the loan, and it is a limited recourse loan.
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14. REMUNERATION REPORT – AUDITED (cont.)

	Executive Director	Non-Executive Directors
Grant Date	3 December 2025	3 December 2025
Number of Shares	16,000,000	24,000,000
Share Price at Grant Date	\$0.021 The issue price was calculated at market value, being 1.3 times the 5-day volume weighted average price of the Australian Mines Shares up to the Grant Date.	\$0.021 The issue price was calculated at market value, being 1.3 times the 5-day volume weighted average price of the Australian Mines Shares up to the Grant Date.
Vesting Conditions	The Performance Shares are divided into 2 tranches and subject to the following vesting conditions: i. Continuous employment from the commencement date; and ii. From the commencement date to 3 December 2028 (Performance Period): Tranche 1: (i) Boa Vista Grade Matrix Tranche (8,000,000 Shares). Tranche 2: (ii) Australian Mines Programs Tranche (8,000,000 Shares).	The Performance Shares are divided into 3 tranches and subject to the following vesting conditions: i. 1/3 of shares (8,000,000) for service to the Group as an eligible person until 1 January 2027 ii. 1/3 of shares (8,000,000) for service to the Group as an eligible person until 1 January 2028 iii. 1/3 of shares (8,000,000) for service to the Group as an eligible person until 1 January 2029
Lapse of Performance Shares	Performance Shares will be forfeited in the following circumstances: • Employment, office or contractual relationship with the Company ceases; • Relevant vesting conditions are not satisfied by the relevant time; • The Director acts fraudulently or dishonestly or in breach of their obligations to the Group; or • They become insolvent. If the Performance Shares are forfeited and sold pursuant to the Plan Rules, the proceeds will first be applied against the respective loan and any surplus applied in accordance with the Plan Rules.	Performance Shares will be forfeited in the following circumstances: • Employment, office or contractual relationship with the Company ceases; • Relevant vesting conditions are not satisfied by the relevant time; • The Director acts fraudulently or dishonestly or in breach of their obligations to the Group; or • They become insolvent. If the Performance Shares are forfeited and sold pursuant to the Plan Rules, the proceeds will first be applied against the respective loan and any surplus applied in accordance with the Plan Rules.
Loan Arrangements	Under the Loan Agreement, the Group will lend the Executive Director the funds required to purchase the Performance Shares. No interest will be payable on the loan, and it is a limited recourse loan.	Under the Loan Agreement, the Group will lend the Non-Executive Directors the funds required to purchase the Performance Shares. No interest will be payable on the loan, and it is a limited recourse loan.

14. REMUNERATION REPORT – AUDITED (cont.)

Consequences of Performance on Shareholder Wealth

In considering the Group's performance and benefits for shareholder wealth, the remuneration committee takes into account profitability and share price movements when setting the total amount of any bonuses. A short-term incentive of \$76,500 was awarded to the Chief Executive Officer during the current financial year.

	2026	2025	2024	2023	2022
Loss for the year (\$'000)	\$7,114	\$1,881	\$3,799	\$4,104	\$5,788
Share Price at Year-end	\$0.021	\$0.011	\$0.007	\$0.016	\$0.060
Change in share price	91%	57%	(56%)	(73%)	(73%)

Service Contracts - Executive Officers

At any time, contracts of employment may be terminated by the Company forthwith if the executive officer (amongst other items) breaches duties connected with the performance of services; engages in misconduct; or becomes incapacitated. Under such circumstances, the Company will pay an amount equal to the aggregate of unpaid salary, annual leave and long service leave accrued to the date of termination.

The remuneration of executive officers will be reviewed annually by the Company in conjunction with a performance review. If warranted, the Company may approve bonus payments, however, they are under no obligation to pay a bonus each year.

Non-Executive Directors

Total remuneration for all non-executive directors is not to exceed \$800,000 per annum, excluding options and other share-based incentives which are approved separately at a general meeting. Non-executive directors' fees are set with reference to fees paid to other non-executive directors of comparable companies and Mr M Elias and Mr D Marinelli are paid \$70,000 (2025: \$70,000) per annum each. The non-executive chairman, Mr M Ramsden receives a fee of \$105,000 (2025: \$105,000) per annum. Mr M Elias resigned on 22 June 2026. Mr McNeilly and Mr C Moreno have been appointed non-executive director effective 22 June 2026, and each receives \$70,000 per annum.

Directors' fees cover all main board activities and membership of committees. The directors have participated in the employees' Loan Share Plan and received an allotment of shares as detailed in note 12.

On 23 June 2026 12,500,000 unlisted options were issued to each of the newly appointed non-executive directors, Mr M McNeilly and Mr C Moreno. These options vested immediately upon issue and are exercisable at a price of \$0.03 per option at any time prior to expiry on 30 July 2029.

d) Directors' and executive officers' remuneration

Details of the nature and amount of each major element of the remuneration of each director of the Group and other key management personnel of the Group are shown on the following table.

AUSTRALIAN MINES LIMITED
DIRECTORS' REPORT

14. REMUNERATION REPORT – AUDITED (cont.)

		Non-Exec Directors' Fees	Executive Salaries	Bonus	Fringe Benefits	Super- annuation Contribution	Termination and Retirement Benefits	Other Long-Term Benefits (A)	Share-Based Payments	TOTAL	Proportion of remuneration performance based	Value of share- based payments as a proportion of remuneration
		\$	\$	\$	\$	\$	\$	\$	\$	\$	%	%
Non-Executive Directors												
Mr M Ramsden	2026	93,750	-	-	-	11,250	-	-	25,941	130,941	-	20
	2025	94,170	-	-	-	10,830	-	-	21,406	126,406	-	17
Mr M Elias (B)	2026	62,500	-	-	-	7,500	-	-	25,941	95,941	-	27
	2025	62,780	-	-	-	7,220	-	-	21,406	91,406	-	23
Mr D Marinelli	2026	62,500	-	-	-	7,500	-	-	25,941	95,941	-	27
	2025	62,780	-	-	-	7,220	-	-	21,406	91,406	-	23
Mr C Moreno (D)	2026	1,736	-	-	-	208	-	-	100,000	101,944	-	98
	2025	-	-	-	-	-	-	-	-	-	-	-
Mr M McNeilly (D)	2026	1,944	-	-	-	-	-	-	112,500	114,444	-	98
	2025	-	-	-	-	-	-	-	-	-	-	-
Total compensation Non-Executive Directors	2026	222,430	-	-	-	26,458	-	-	290,323	539,211	-	54
	2025	219,730	-	-	-	25,270	-	-	64,218	309,218	-	21
KMP & Executive Director												
Mr T Maclean (E)	2025	-	16,922	-	-	1,946	116,758	-	-	135,626	-	-
Mr A Nesbitt (C)	2026	-	261,525	76,500	-	30,000	-	3,026	43,678	414,729	31	11
	2025	-	253,857	-	-	29,193	-	16,599	52,436	352,085	7	15
Total Compensation KMP & Executive Director	2026	-	261,525	76,500	-	30,000	-	3,026	43,678	414,729	31	11
	2025	-	270,779	-	-	31,139	116,758	16,599	52,436	487,713	5	11

(A) Other long-term benefits include movements in the annual and long service leave provisions.

(B) Michael Elias resigned as non-executive director on 22 June 2026.

13. REMUNERATION REPORT – AUDITED (cont.)

(C) Andrew Nesbitt has been appointed executive director effective 22 June 2026. His bonus amount was composed of cash and equity, comprising \$38,250 paid in cash and \$38,250 satisfied through the issue of 2,390,625 shares.

(D) David Michael McNeilly and Cristian Moreno have been appointed non-executive director effective 22 June 2026.

(E) Tim Maclean resigned as Chief Operating Officer on 23 July 2024. His termination benefits are inclusive of unused annual leave.

e) Equity instruments held by key management personnel

Movement in shares

The movement during the reporting period in the number of ordinary shares held directly, indirectly or beneficially, by each key management person, including their related parties, is as follows:

Name	Held at 1 July 2025			Movements During the Year				Held at 30 June 2026		
	Number of Vested	Number of Unvested	Value of Unvested \$	Number Purchased / Granted	Number Sold/ Transferred	Forfeited/ Surrendered	Number Vested	Number of Vested	Number of Unvested	Value of Unvested \$
Non-Executive Directors										
M Ramsden	18,315,367	1,219,103	7,818	8,000,000	-	(860,000)	3,923,766	21,379,133	5,295,337	40,802
M Elias	11,049,012	1,219,103	7,818	8,000,000	-	(520,000)	3,923,766	14,452,778	5,295,337	40,802
D Marinelli	14,157,217	1,219,103	7,818	8,000,000	-	(520,000)	3,923,766	17,560,983	5,295,337	40,802
C Moreno	-	-	-	1,464,926	-	-	-	1,464,926	-	-
D McNeilly	-	-	-	-	-	-	-	-	-	-
Executive Directors										
A Nesbitt	12,779,426	7,220,574	52,438	18,390,625	-	-	3,736,199	16,515,625	21,875,000	158,230

14. REMUNERATION REPORT – AUDITED (cont.)

e) Equity instruments held by key management personnel

Movement in options

The movement during the reporting period in the number of options held directly, indirectly or beneficially, by each key management person, including their related parties, is as follows:

Name	Held at 1 July 2025		Movements During the Year			Held at 30 June 2026	
	Number of Unvested	Number of Vested	Number Purchased/Granted	Number Sold/Transferred	Number Expired/Surrendered	Number of Unvested	Number of Vested
Non-Executive Directors							
M Ramsden	-	903,833	-	-	(903,833)	-	-
M Elias	-	144,067	-	-	(144,067)	-	-
D Marinelli	-	296,610	-	-	(296,610)	-	-
C Moreno	-	-	12,500,000	-	-	-	12,500,000
M McNeilly	-	-	12,500,000	-	-	-	12,500,000
Executive Directors							
A Nesbitt	-	-	-	-	-	-	-

14. REMUNERATION REPORT – AUDITED (cont.)

f) Voting and comments made at the company's 2025 Annual General Meeting

The Company received 76.60% “for” votes on its remuneration report for the 2025 financial year at the Annual General Meeting held on 25 November 2025. The Company received no specific feedback on its Remuneration Report at the Annual General Meeting.

g) Loans to key management personnel

A limited recourse loan has been provided to key management personnel to allow them to purchase performance shares pursuant to the terms of the Loan Share Plan, detailed at c). No interest is payable on the loan and repayment is due upon forfeiture or sale of the shares. Details of the shares and loans can be found below:

Name	Issue Date	Shares Issued	Issue Price	Loan Balance
Michael Ramsden	24 Nov 2014	700,000	\$0.07	\$49,000
Dominic Marinelli	24 Nov 2014	700,000	\$0.07	\$49,000
		1,400,000		\$98,000
Andrew Nesbitt	23 Sep 2023	20,000,000	\$0.015	\$300,000
Dominic Marinelli	21 Nov 2023	10,000,000	\$0.018	\$180,000
Michael Ramsden	21 Nov 2023	10,000,000	\$0.018	\$180,000
Michael Elias	21 Nov 2023	10,000,000	\$0.018	\$180,000
		50,000,000		\$840,000
Michael Ramsden	03 Dec 2025	8,000,000	\$0.021	\$168,000
Michael Elias	03 Dec 2025	8,000,000	\$0.021	\$168,000
Dominic Marinelli	03 Dec 2025	8,000,000	\$0.021	\$168,000
Andrew Nesbitt	03 Dec 2025	16,000,000	\$0.021	\$336,000
		40,000,000		\$840,000

The above figures have been adjusted for the 1 for 10 share consolidation that occurred on 10 January 2022.

On 3 December 2025, 8,000,000 performance-based shares were issued by the Group to each of the Directors Dominic Marinelli, Michael Ramsden and Michael Elias, and 16,000,000 shares to Andrew Nesbitt in accordance with the Loan Share Plan. The Group provided an interest-free limited recourse loan to the Directors to enable them to purchase the shares.

The fair value of the shares was calculated using the Hoadley ESO2 Model, and was based on the following inputs:

14. REMUNERATION REPORT – AUDITED (cont.)

Grant Date: 3 December 2025

Number of shares: 24,000,000

	Tranche 1	Tranche 2	Tranche 3
Share price at date granted	\$0.016	\$0.016	\$0.016
Risk free rate	3.91%	3.91%	3.98%
Volatility factor	100%	100%	100%
Exercise price	\$0.021	\$0.021	\$0.021
Term	1.1 years	2.10 years	3.10 years
Expected dividend yield	0%	0%	0%

Grant Date: 3 December 2025

Number of shares: 16,000,000

	Tranche 1	Tranche 2
Share price at date granted	\$0.016	\$0.016
Risk free rate	3.98%	3.98%
Volatility factor	100%	100%
Exercise price	\$0.021	\$0.021
Term	3 years	3 years
Expected dividend yield	0%	0%

For details on the vesting conditions of loan share plans, refer to the table Long Term Incentives Bonus under c.) Principles of compensation of this Remuneration Report,

See note 12 for further details of movements in the share plan loans.

h) Other key management personnel transactions

The terms and conditions of the transactions with key management personnel were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-key management personnel related entities on an arm's length basis.

Apart from the details disclosed in the Remuneration Report, no director has entered into a contract with the Group since the end of the previous financial year and there were no contracts involving directors' interests existing at year end.

This is the end of the Audited Remuneration Report.

15. CORPORATE GOVERNANCE

The Group's corporate governance policies and practices are set out in pages 72-78.

16. ENVIRONMENTAL REGULATIONS

The Group conducts mining and exploration activities on mineral tenements. The right to conduct these activities is granted, subject to environmental conditions and requirements, and as such is governed by a range of environmental legislation. The directors have considered the requirements of the National Greenhouse and Energy Reporting Act 2007 (the NGER Act) which introduces a single national reporting framework for the reporting and dissemination of information about the greenhouse gas emissions, greenhouse gas projects, and energy use and production of corporations. As the Company has not yet commenced construction of the Sconi Project, the Company is not yet subject to the public reporting requirements of the NGER Act. The Group aims to ensure a high standard of environmental care is achieved and, as a minimum, to comply with relevant environmental regulations. To the best of the directors' knowledge, the Company has adequate systems in place to ensure compliance with the requirements of the applicable legislation and is not aware of any material breach of those requirements during the financial year and up to the date of the Directors' Report.

17. FINANCIAL REPORTING

The directors have declared, in writing to the board that the Company's financial statements are founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the board.

18. INDEMNIFICATION AND INSURANCE OF OFFICERS

The Company has entered into Director and Officer Protection Deeds (Deed) with each director and the Company secretary (officers). Under the Deed, the Company indemnifies the officers to the maximum extent permitted by law and the constitution against legal proceedings, damage, loss, liability, cost, charge, expense, outgoing or payment (including legal expenses on a solicitor/client basis) suffered, paid or incurred by the officers in connection with the officers being an officer of the Company, the employment of the officer with the Company or a breach by the Company of its obligations under the Deed.

Also pursuant to the Deed, the Company must insure the officers against liability and provide access to all board papers relevant to defending any claim brought against the officers in their capacity as officers of the Company.

The Company has paid insurance premiums during the year of \$140,592 (2025: \$193,859) in respect of liability for any current and future directors, Company secretary, executives and employees of the Company.

19. NON-AUDIT SERVICES

No non-audit services provided by the auditor in the current or prior year.

20. LEAD AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration is set out on page 36 and forms part of this Directors' Report for the year ended 30 June 2026.

AUSTRALIAN MINES LIMITED
DIRECTORS' REPORT

21. ROUNDING OFF

The Company is of a kind referred to in ASIC Corporations Instrument 2026/183 and in accordance with that Instrument, amounts in the consolidated financial statements and directors' report have been rounded off to the nearest thousand dollars, or in certain cases, the nearest dollar.

This report is made with a resolution of the Directors.



Dominic Marinelli

Director

18 September 2026

For personal use only



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Australia

DECLARATION OF INDEPENDENCE BY DAVE ANDREWS TO THE DIRECTORS OF AUSTRALIAN MINES LIMITED

As lead auditor of Australian Mines Limited for the year ended 30 June 2026, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Australian Mines Limited and the entities it controlled during the year.

A handwritten signature in black ink, appearing to be 'Dave Andrews', with a long horizontal line extending to the right.

Dave Andrews
Director

BDO Audit Pty Ltd
Perth
18 September 2026

AUSTRALIAN MINES LIMITED
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2026

	Note	2026 \$'000	2025 \$'000
Expenses			
Corporate overheads and indirect expenses	5	(838)	(911)
Personnel expense	4	(764)	(694)
Depreciation and amortisation		(3)	(4)
Exploration expenditure	5	(5,247)	(158)
Share-based payment expense	12	(335)	(121)
		<u>(7,187)</u>	<u>(1,888)</u>
Loss from operating activities			
Finance income		73	7
Net finance income		<u>73</u>	<u>7</u>
		<u>(7,114)</u>	<u>(1,881)</u>
Loss before income tax expense			
Income tax expense	7	-	-
		<u>(7,114)</u>	<u>(1,881)</u>
Loss after income tax expense for the year			
Other comprehensive income for the year, net of tax		-	-
		<u>(7,114)</u>	<u>(1,881)</u>
Total comprehensive loss for the year			
		<u><u>(7,114)</u></u>	<u><u>(1,881)</u></u>
Loss per share attributable to the ordinary equity holders of the Company		Cents	Cents
Basic earnings per share	8	(0.36)	(0.13)
Diluted earnings per share	8	(0.36)	(0.13)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

AUSTRALIAN MINES LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2026

	Note	2026 \$'000	2025 \$'000
Assets			
Current assets			
Cash and cash equivalents	9	5,238	1,452
Trade and other receivables		24	21
Other assets		3	1
Total current assets		<u>5,265</u>	<u>1,474</u>
Non-current assets			
Exploration and evaluation assets	11	42,874	43,483
Intangibles		58	55
Property, plant and equipment		100	92
Total non-current assets		<u>43,032</u>	<u>43,630</u>
Total assets		<u>48,297</u>	<u>45,104</u>
Liabilities			
Current liabilities			
Trade and other payables		220	62
Employee benefits		128	116
Total current liabilities		<u>348</u>	<u>178</u>
Non-current liabilities			
Total non-current liabilities		<u>-</u>	<u>-</u>
Total liabilities		<u>348</u>	<u>178</u>
Net assets		<u>47,949</u>	<u>44,926</u>
Equity			
Issued capital	13	124,340	114,494
Reserves	14	5,902	5,611
Accumulated losses		<u>(82,293)</u>	<u>(75,179)</u>
Total equity		<u>47,949</u>	<u>44,926</u>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

AUSTRALIAN MINES LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2026

	Issued capital \$'000	Share option reserve \$'000	Share-based payment reserve \$'000	Foreign currency translation reserve \$'000	Accumulated losses \$'000	Total equity \$'000
Balance at 1 July 2024	114,494	1,511	4,013	-	(73,298)	46,720
Loss after income tax expense for the year	-	-	-	-	(1,881)	(1,881)
Other comprehensive income for the year, net of tax	-	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	-	(1,881)	(1,881)
Transactions with owners in their capacity as owners:						
Share-based payment transactions (note 12)	-	-	121	-	-	121
Foreign currency translation	-	-	-	(34)	-	(34)
Balance at 30 June 2025	114,494	1,511	4,134	(34)	(75,179)	44,926

	Issued capital \$'000	Share option reserve \$'000	Share-based payment reserve \$'000	Foreign currency translation reserve \$'000	Accumulated losses \$'000	Total equity \$'000
Balance at 1 July 2025	114,494	1,511	4,134	(34)	(75,179)	44,926
Loss after income tax expense for the year	-	-	-	-	(7,114)	(7,114)
Other comprehensive income for the year, net of tax	-	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	-	(7,114)	(7,114)
Transactions with owners in their capacity as owners:						
Share-based payment transactions (note 12)	-	-	335	-	-	335
Shares issued during the year (note 13)	9,846	-	-	-	-	9,846
Foreign currency translation	-	-	-	(44)	-	(44)
Balance at 30 June 2026	124,340	1,511	4,469	(78)	(82,293)	47,949

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

AUSTRALIAN MINES LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2026

	Note	2026 \$'000	2025 \$'000
Operating activities			
Cash payments to suppliers and employees		(1,499)	(1,716)
Interest received		73	7
		<u> </u>	<u> </u>
Net cash used in operating activities	10	(1,426)	(1,709)
Investing activities			
Payments for exploration and evaluation	11	(3,545)	(1,294)
Payments for intangibles		(2)	(3)
		<u> </u>	<u> </u>
Net cash used in investing activities		(3,547)	(1,297)
Financing activities			
Capital raising costs		(697)	-
Proceeds from share issuances		9,500	-
		<u> </u>	<u> </u>
Net cash from financing activities		8,803	-
		<u> </u>	<u> </u>
Net increase/(decrease) in cash and cash equivalents		3,830	(3,006)
Cash and cash equivalents at the beginning of the financial year		1,452	4,492
Effects of exchange rate changes on cash and cash equivalents		(44)	(34)
		<u> </u>	<u> </u>
Cash and cash equivalents at the end of the financial year	9	<u>5,238</u>	<u>1,452</u>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

AUSTRALIAN MINES LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2026

Note 1. Reporting entity

Australian Mines Limited (the 'Company') is a listed public company incorporated and domiciled in Australia. The address of the Company's registered office is Level 34, 1 Eagle Street, Brisbane, Queensland. The address of the Company's principal place of business is Level 23, 108 St Georges Terrace, Perth, WA 6000, Australia. The consolidated financial statements of the Company for the financial year ended 30 June 2026 comprise the Company and its subsidiaries (together referred to as the 'Group').

The Group is a for-profit entity and is primarily involved in the exploration for cobalt, nickel, and scandium in Australia, and gold, Rare Earth Elements and Lithium including Niobium in Brazil.

The consolidated financial statements were authorised for issue by the directors on 18 September 2026.

Note 2. Basis of preparation

a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention except that the following assets and liabilities are stated at their fair value: non-derivative financial instruments measured at fair value through profit or loss.

b) Going concern

The financial statements have been prepared on the basis that the Group is a going concern and therefore, contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business.

During the year the Group recorded a net loss after tax of \$7,114,208 (2025: \$1,880,576) and had net cash outflows from operating activities of \$1,425,727 (2025: \$1,708,638). At balance date the Group has working capital of \$4,919,013 (2025: \$1,297,670). The values mentioned are in whole numbers and are not rounded to the nearest thousand.

The Group's ability to continue as a going concern is principally dependent upon its ability to secure funds by raising capital from equity markets or by other means, and by managing cash flows in line with available funds, and/or the successful development of its exploration assets.

These conditions indicate a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and, therefore, it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The directors are confident of the ability of the Group to raise capital as and when needed. The directors are satisfied there are sufficient funds to meet the Group's working capital requirements as at the date of this report. The directors have reviewed the business outlook and the assets and liabilities of the Group and are of the opinion that the going concern basis of accounting is appropriate as they believe the Group will continue to be successful in securing the additional funds as and when the need to raise funds arises.

Should the Group 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 financial report does not include any adjustments relating to the recoverability or classification of recorded asset amounts, nor the amounts or classification of liabilities that might be necessary should the Group not be able to continue as a going concern.

AUSTRALIAN MINES LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2026

Note 2. Basis of preparation (cont.)

c) Use of judgements and estimates

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. These accounting policies have been consistently applied by each entity in the Group.

The 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 period affected.

Accounting estimates and judgements made by Management that have a material effect on the consolidated financial statements are discussed in note 3(e).

Note 3. Material accounting policy information

The financial statements are presented in Australian dollars, which is Australian Mines Limited's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the reporting entity is exposed, or has the rights, to variable returns from its involvement with another entity and has the ability to affect those returns through its 'power' over that other entity. A reporting entity has power when it has rights that give it the current ability to direct the activities that materially affect the investee's returns. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

(ii) Transactions eliminated on consolidation

Intragroup balances, and any unrealised gains and losses or income and expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements.

All other accounting policies applied by the Group in this consolidated financial report are the same as those applied by the Group in its consolidated financial report as at and for the year ended 30 June 2025, except for those discussed in notes below.

Note 3. Material accounting policy information (cont.)

(iii) Parent entity information

In accordance with the *Corporations Act 2001*, these financial statements present the results of the Group. Supplementary information about the parent entity is disclosed in note 21.

b) Exploration and evaluation assets

Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made.

c) Financial instruments

(i) Recognition, initial measurement and derecognition

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Trade receivables are initially measured at the transaction price if the receivables do not contain a material financing component in accordance with AASB 15.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

d) Impairment

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

e) Accounting estimates and judgements

Management discussed with the board the development, selection and disclosure of the Group's critical accounting policies and estimates and the application of these policies and estimates.

Note 15 contains detailed analysis of the interest rate and liquidity risk of the Group.

The estimates and judgements that have a material risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The material estimates and judgements are as follows:

Note 3. Material accounting policy information (cont.)

(i) Fair value of share-based payment transactions

The fair value of the employee option plan and loan share plan are measured using the Black-Scholes formula. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility, weighted average expected life of the instrument, risk-free interest rate.

(ii) Impairment of exploration and evaluation assets

The ultimate recoupment of the value of exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively sale, of the underlying mineral exploration properties. The Group undertakes at least on an annual basis, a comprehensive review for indicators of impairment of those assets. Should an indicator of impairment exist, there is material estimation and judgement in determining the inputs and assumptions used in determining the recoverable amounts.

The key issues that are considered in this review include:

- Recent drilling results and reserves and resources estimates;
- Environmental issues that may impact the underlying tenements;
- The estimated market value of assets at the review date;
- Independent valuations of the underlying assets that may be available;
- Fundamental economic factors such as the cobalt, scandium and nickel price, exchange rates and current and anticipated operating costs in the industry

Information used in the review process is rigorously tested to externally available information as appropriate. In addition, an allocation of the costs of acquired mineral rights to individual projects was performed during the year. This allocation process required estimates and judgement as to the value of these projects acquired.

The fair value of exploration assets is based on fair value less costs to sell, using a multiples of exploration method. The impairment of mining tenements is assessed in accordance with accounting policy note 3(d).

f) Segment reporting

An operating segment is a component of the Group that engages in business activities of which it may earn revenue and incur expenses. Segment results that are reported to the managing director include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, head office expenses and income tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment and intangible assets other than goodwill.

g) New or amended Accounting Standards and Interpretations adopted

The Group has adopted all the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

h) New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2026. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

Note 3. Material accounting policy information (cont.)

AASB 18 Presentation and Disclosure in Financial Statements

This standard is applicable to annual reporting periods beginning on or after 1 January 2027 and early adoption is permitted. The standard replaces IAS 1 'Presentation of Financial Statements', with many of the original disclosure requirements retained and there will be no impact on the recognition and measurement of items in the financial statements. But the standard will affect presentation and disclosure in the financial statements, including introducing five categories in the statement of profit or loss and other comprehensive income: operating, investing, financing, income taxes and discontinued operations. The standard introduces two mandatory subtotals in the statement: 'Operating profit' and 'Profit before financing and income taxes'. There are also new disclosure requirements for 'management-defined performance measures', such as earnings before interest, taxes, depreciation and amortisation ('EBITDA') or 'adjusted profit'. The standard provides enhanced guidance on grouping of information (aggregation and disaggregation), including whether to present this information in the primary financial statements or in the notes. The consolidated entity will adopt this standard from 1 July 2027 and it is expected that there will be a significant change to the layout of the statement of profit or loss and other comprehensive income.

i) Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Share-based payment transactions

The fair value of the employee share options and loan share plan are measured using the Black-Scholes formula. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), weighted average expected life of the instruments (based on historical experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

j) Rounding of amounts

The Company is of a kind referred to in Corporations Instrument 2026/183, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Note 4. Personnel expense

	2026 \$'000	2025 \$'000
Wages and salaries	463	490
Salary recharge	(209)	(220)
Non-executive directors and corporate secretarial fees	270	268
Bonus	88	8
Other associated personnel expenses	22	6
Contributions to superannuation funds	86	84
Increase in leave liability	44	58
	<u>764</u>	<u>694</u>

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Note 4. Personnel expense (cont.)

	2026 \$'000	2025 \$'000
Employee share-based payment		
Employee share-based payment expenses (note 12)	335	121

Note 5. Other expenses

	2026 \$'000	2025 \$'000
Corporate overheads and indirect expenses		
Insurance	143	196
Travel and accommodation	14	15
Legal fees	42	87
Accounting, tax and audit services	234	240
Share registry services	139	73
Conferences	14	1
Investor relations fees	86	62
Advisors and consultants	22	47
Recruitment	1	-
Other fees and services	84	143
General administration	59	47
	838	911
	2026 \$'000	2025 \$'000

Exploration expenditure not capitalised

Exploration	5,247	158
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Note 6. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by BDO Audit Pty Ltd, the auditor of the Company:

	2026 \$	2025 \$
Audit services - BDO Audit Pty Ltd		
Audit or review of the financial statements	59,410	60,361

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Note 7. Income tax expense

	2026 \$'000	2025 \$'000
<i>Income tax expense</i>		
Deferred tax - origination and reversal of temporary differences	(654)	521
Adjustment for prior periods	-	173
Current year losses for which no deferred tax asset was recognised	654	(694)
	<u>-</u>	<u>-</u>
Aggregate income tax expense	<u>-</u>	<u>-</u>
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Loss before income tax expense	(7,114)	(1,881)
Tax at the statutory tax rate of 30% (2025: 30%)	(2,134)	(564)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Non-deductible expenses	504	46
Adjustment recognised for prior periods	-	(173)
Tax losses not brought to account	1,631	693
Effect of differences in tax rates globally	-	(2)
	<u>-</u>	<u>-</u>
Income tax expense	<u>-</u>	<u>-</u>

Note 8. Earnings per share

	2026 \$'000	2025 \$'000
Loss after income tax	(7,114)	(1,881)
	<u>-</u>	<u>-</u>
	Cents	Cents
Basic earnings per share	(0.36)	(0.13)
Diluted earnings per share	(0.36)	(0.13)

The calculation of basic loss per share at 30 June 2026 was based on the operating loss attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding during the financial year ended 30 June 2026 of 1,968,334,762 (2025: 1,398,512,124), calculated as follows:

	2026 Number	2025 Number
Number of ordinary shares		
Issued ordinary shares at 1 July (i)	1,398,512,124	1,398,512,124
Share placement (i)	760,094,581	-
Issued ordinary shares at 30 June	<u>2,158,606,705</u>	<u>1,398,512,124</u>
Weighted average number of ordinary shares for year ending 30 June	<u>1,968,334,762</u>	<u>1,398,512,124</u>

AUSTRALIAN MINES LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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Note 8. Earnings Per Share (cont.)

(i) Adjusted for ten for one share consolidation.

Diluted earnings per share

The calculation of diluted earnings per share at 30 June 2026 was based on the loss attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding during the financial year ended 30 June 2026 of 1,968,334,762 (2025: 1,398,512,124). Options on issue were anti-dilutive due to the Group's loss position and have therefore been excluded from the diluted loss per share calculation.

Accounting policy for earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Group, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Note 9. Cash and cash equivalents

	2026 \$'000	2025 \$'000
<i>Current assets</i>		
Cash at bank	5,238	1,452

Refer to note 15 for Financial Risk Management.

Note 10. Reconciliation of loss after income tax to net cash used in operating activities

	2026 \$'000	2025 \$'000
Loss after income tax expense for the year	(7,114)	(1,881)
Adjustments for:		
Depreciation and amortisation	3	4
Write off of relinquished tenements and impairment	5,018	-
Share-based payment expense	335	121
Exploration expenditure	229	158
Change in operating assets and liabilities:		
Increase in trade and other receivables and other assets	(4)	(14)
Increase/(decrease) in trade and other payables	56	(24)
Increase/(decrease) in provisions and employee benefit	51	(73)
Net cash used in operating activities	(1,426)	(1,709)

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Note 11. Exploration and evaluation assets

	2026 \$'000	2025 \$'000
<i>Non-current assets</i>		
Exploration and evaluation	42,874	43,483

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Exploration and evaluation \$'000
Balance at 1 July 2024	42,331
Expenditure incurred for the year	1,345
Expenditure expensed	(158)
Tenements relinquished expense	(35)
Balance at 30 June 2025	43,483
Expenditure incurred for the year	4,638
Expenditure expensed	(229)
Tenements relinquished/impaired	(5,018)
Balance at 30 June 2026	42,874

Accounting policy for exploration and evaluation assets

Exploration and evaluation costs, including the costs of acquiring licences, are capitalised as exploration and evaluation assets on an area of interest basis. Costs incurred before the Group has obtained the legal rights to explore an area are recognised in the statement of profit or loss and other comprehensive income.

Exploration and evaluation assets are only recognised if the rights of the area of interest are current and either:

- (i) the expenditures are expected to be recouped through successful development and exploitation of the area of interest; or
- (ii) activities in the area of interest have not at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and material operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are assessed for impairment if sufficient data exists to determine technical feasibility and commercial viability, and facts and circumstances suggest that the carrying amount exceeds the recoverable amount (see impairment note, accounting policy note 3(d)). For the purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates. The cash generating unit shall not be larger than the area of interest.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified from exploration and evaluation assets to mining property and development assets within property, plant and equipment.

Note 11. Exploration and evaluation assets (cont.)

The Company assessed its exploration and evaluation (E&E) assets for impairment in accordance with AASB 6 Exploration for and Evaluation of Mineral Resources. E&E assets are assessed for impairment when fact and circumstances indicate that their carrying amounts may exceed their recoverable amounts, including where rights to tenure have expired or are expected to expire without renewal, substantive exploration expenditure is neither budgeted nor planned, exploration activities have been discontinued, or sufficient data indicates that the carrying amount is unlikely to be recovered through successful development or sale. Where impairment indicators were identified, recoverable amount was determined in accordance with AASB 136 Impairment of Assets. As of 30 June 2026, impairment indicators were identified for specific expired tenements, and for the Broken Hill and Jeju projects, resulting in total impairment and write-off expenses of \$5,017,652, as follows:

- Sconi: Mining Lease 10324 expired on 28 February 2026, resulting in the write-off of its \$2,194,270 carrying amount. No further impairment indicator was identified for the remaining Sconi balance, given its current tenure, approved expenditure program, ongoing partnership initiatives, recent third-party interest and long-term development.
- Flemington: Exploration Licence 9562 expired, resulting in the write-off of its \$19,686 carrying amount. No further impairment indicator was identified for the remaining Flemington balance, as management intends to renew the relevant licences and continue the approved work program and pre-feasibility study activities.
- Broken Hill and Jeju: In the absence of approved substantive exploration or development programs and supportable future cash-flow projections, the recoverable amounts of both projects could not be reliably measured. Accordingly, their recoverable value was assessed as nil under AASB 136, resulting in full impairment losses of \$1,570,253 for Broken Hill and \$1,233,443 for Jeju. Management will undertake a strategic review of both projects.

Note 12. Share-based payments

On 23 September 2023, 4,060,000 Performance Shares were transferred, and an additional 15,940,000 Performance Shares were issued by the Group to Andrew Nesbitt in accordance with the Loan Share Plan. The total shares issued to Mr Nesbitt were 20,000,000 and the Group provided an interest free limited recourse loan to enable him to purchase the Shares.

Variation of vesting conditions: On 3 December 2025 the Board exercised its discretion under the Loan Share Plan Rules to vary the vesting conditions attaching to the Tranche 2 shares, having determined that the Sconi condition would not be capable of satisfaction within the performance period through no fault of the Chief Executive Officer. As varied, 5,000,000 shares vested immediately and 5,000,000 shares vest immediately upon the Company delineating a JORC Code (2012) compliant Mineral Resource at the Boa Vista Project of at least 500,000 ounces of contained gold, with more than 250,000 ounces in the Measured and Indicated categories, within the three-year period defined for Boa Vista Stage 1 - First Option. The Tranche 1 (TSR) conditions were unchanged. Mr Nesbitt was not a director of the Company at the date of the variation. The variation was announced to ASX on 3 December 2025.

Grant Date: 23 September 2023

Number of shares: 20,000,000

Vesting Conditions

i. Continuous employment from the commencement date; and

ii. From the commencement date to 30 June 2026 (Performance Period):

- 10,000,000 performance shares (Tranche 1) will vest on Total Shareholder Return (TSR) hurdle measured against the Peer Group as follows:
 - (1) If TSR is at 50th percentile of the Peer Group, 65% of the Tranche 1 performance shares will vest;
 - (2) If the TSR is at 90th percentile of the Peer Group, 100% of the Tranche 1 performance shares will vest; and
 - (3) If the TSR is between the 50th and 90th percentile, a pro-rata number of the Tranche 1 performance shares will vest (as determined by the board).

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Note 12. Share-based payments (cont.)

- 10,000,000 performance shares (Tranche 2) were originally to vest upon a decision by the board, project sponsor, capital provider, and/or joint owner to fully proceed with the investment for the construction and commissioning of the Sconi Project, including the decision that sufficient financial resources are available to meet the total project spend.

Set out below are summaries of Shares granted under the plan:

Tranche	Grant date	Number issued	Value per share	Total value \$	Vesting period	Value vested \$	Value vested current period \$	Value not vested \$
1	23/09/2023	10,000,000	\$ 0.0071	70,721	2.77	70,721	25,532	-
2	23/09/2023	10,000,000	\$ 0.0075	74,526	2.77	37,263	-	37,263
				<u>145,247</u>		<u>107,984</u>	<u>25,532</u>	<u>37,263</u>

The total value of the shares is expensed in proportion to the percentage of the vesting period that has elapsed. On 30 June 2026, 100% of the vesting period had elapsed and as such a share-based payment expense of \$25,532 was recorded for tranche 1 for the period. The share-based payment expense for tranche 2 was adjusted to recognise the 5,000,000 unvested shares relating to vesting conditions not met at 30 June 2026, including a reversal of \$26,906 for the 2026 financial year and \$10,357 for share-based payment expense recognised in the 2025 financial year.

The above fair value was calculated using the Hoadley Hybrid Relative TSR vs Peer Group Model and the Hoadley ESO2 Model, and was based on the following inputs:

	Tranche 1	Tranche 2
Share price at date granted	\$0.015	\$0.015
Risk free rate	4.03%	4.03%
Volatility factor	75%	75%
Exercise price	\$0.015	\$0.015
Term	2.77 years	2.77 years
Expected dividend yield	0%	0%

On 3 December 2025, 16,000,000 Performance Based Shares were issued by the Company to Andrew Nesbitt in accordance with the loan share plan. The Group provided an interest free limited recourse loan to enable him to purchase the Shares.

Grant Date: 3 December 2025

Number of shares: 16,000,000

Vesting Conditions

- Continuous employment from the commencement date; and
- From the commencement date to 3 December 2028 (Performance Period):
 - Boa Vista Grade Matrix Tranche (8,000,000 Shares).

In accordance with the following table vesting of a proportion of the first tranche of 8,000,000 shares will occur immediately upon announcement of a JORC Code (2012 Edition or updates) compliant Mineral Resource (MRE) for Boa Vista of at least 500,000 ounces contained gold (Global Resource), with at least 50% in the Measured and Indicated category and

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Note 12. Share-based payments (cont.)

MRE (Contained Au, Measured and Indicated)	Tier 1 Grade (100% Vesting)	Tier 2 Grade (50% Vesting)
500,000 749,999 oz	≥ 1.50 g/t Au	≥ 1.30 g/t Au
750,000 1,249,999 oz	≥ 1.20 g/t Au	≥ 1.10 g/t Au
≥ 1,250,000 oz	≥ 1.00 g/t Au	≥ 0.90 g/t Au

(ii) Australian Mines Programs Tranche (8,000,000 Shares).

The second tranche of 8,000,000 shares will vest immediately upon the achievement of at least one (1) of the following:

A. Resende Project Tin Discovery Hole: Achievement of a "Discovery Hole," defined as the first RC or Diamond Drill hole within the Project Tenements that intersects mineralisation satisfying the following Metal Factor criteria:

Fresh Rock (Primary): Metal Factor ≥ 3.0% SnEq (Calculated as Grade SnEq% × Estimated True Width).

Saprolite (Oxide): Metal Factor ≥ 1.5% SnEq (Calculated as Grade SnEq% × Vertical Thickness).

B. Metal Hydride Technology: Securing a strategic partner to develop metal hydride technology that invests a minimum of A\$1,000,000.

C. Flemington Project: Securing a strategic or off-take partner to develop the Flemington Project that invests a minimum of A\$10,000,000.

OR

D. Sconi Project: Securing a strategic or off-take partner to develop the Sconi Project that invests a minimum of A\$10,000,000.

Set out below are summaries of Shares granted under the plan. Figures are stated in whole numbers.

Tranche	Grant date	Number issued	Value per share	Total value	Vesting period	Value vested	Value vested current period	Value not vested
				\$		\$	\$	\$
1	03/12/2025	8,000,000	\$ 0.0093	74,735	3.00	14,252	14,252	60,484
2	03/12/2025	8,000,000	\$ 0.0093	74,735	3.00	14,252	14,252	60,484
				<u>149,470</u>		<u>28,504</u>	<u>28,504</u>	<u>120,968</u>

The total value of the performance shares is expensed in proportion to the percentage of the vesting period that has elapsed. On 30 June 2026, 19% of the vesting period had elapsed and as such a share-based payment expense of \$28,504 was recorded for the period.

The above fair value was calculated using the Hoadley ESO2 Model, and was based on the following inputs:

	Tranche 1	Tranche 2
Share price at date granted	\$0.016	\$0.016
Risk free rate	3.98%	3.98%
Volatility factor	100%	100%
Exercise price	\$0.021	\$0.021
Term	3 years	3 years
Expected dividend yield	0%	0%

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Note 12. Share-based payments (cont.)

On 3 December 2025, 8,000,000 performance shares were issued by the Group to each of the Directors Dominic Marinelli, Michael Ramsden and Michael Elias in accordance with the Loan Share Plan. The Group provided an interest free limited recourse loan to the Directors to enable them to purchase the shares.

Grant Date: 3 December 2025

Number of shares: 24,000,000

Vesting Conditions

i. 1/3 of shares (8,000,000) for service to the Group as an eligible person until 1 January 2027

ii. 1/3 of shares (8,000,000) for service to the Group as an eligible person until 1 January 2028

iii. 1/3 of shares (8,000,000) for service to the Group as an eligible person until 1 January 2029

Note: Each vesting condition is independent and not conditional on another being achieved.

Set out below are summaries of shares granted under the plan. Figures are stated in whole numbers.

Tranche	Grant date	Number issued	Value per share	Total value \$	Vesting period	Value vested \$	Value vested current period \$	Value not vested \$
1	03/12/2025	8,000,000	\$ 0.0054	42,941	1.10	23,179	23,179	19,762
2	03/12/2025	8,000,000	\$ 0.0076	60,799	2.10	17,201	17,201	43,598
3	03/12/2025	8,000,000	\$ 0.0091	73,035	3.10	13,988	13,988	59,047
				<u>176,775</u>		<u>54,368</u>	<u>54,368</u>	<u>122,407</u>

The total value of the shares is expensed in proportion to the percentage of the vesting period that has elapsed. On 30 June 2026 a share-based payment expense of \$54,368 was recorded for the period.

The above fair value was calculated using the Hoadley ESO2 Model, and was based on the following inputs:

	Tranche 1	Tranche 2	Tranche 3
Share price at date granted	\$0.016	\$0.016	\$0.016
Risk free rate	3.91%	3.91%	3.98%
Volatility factor	100%	100%	100%
Exercise price	\$0.021	\$0.021	\$0.021
Term	1.1 years	2.10 years	3.10 years
Expected dividend yield	0%	0%	0%

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Note 12. Share-based payments (cont.)

Summary

	Total value \$	Value vested \$	Value vested current period \$	Value not vested at the year ended 30 June 2026 \$
Performance Shares				
20,000,000 Performance Shares	145,247	107,984	25,532	37,263
30,000,000 Performance Shares	186,488	186,488	23,452	-
2,000,000 Performance Shares	9,475	9,475	1,387	-
16,000,000 Performance Shares	149,470	28,504	28,504	120,968
24,000,000 Performance Shares	176,775	54,368	54,368	122,407
	<u>667,455</u>	<u>386,819</u>	<u>133,243</u>	<u>280,638</u>

Shares issued pursuant to Loan Share Plan

Name	Issue date	Shares issued	Issue price	Loan balance \$
Michael Ramsden	28-Nov-14	700,000	\$0.07	49,000
Dominic Marinelli	28-Nov-14	700,000	\$0.07	49,000
Oliver Carton	14-Dec-20	1,000,000	\$0.16	160,000
Andrew Nesbitt	23-Sep-23	20,000,000	\$0.015	300,000
Michael Ramsden	21-Nov-23	10,000,000	\$0.018	180,000
Michael Elias	21-Nov-23	10,000,000	\$0.018	180,000
Dominic Marinelli	21-Nov-23	10,000,000	\$0.018	180,000
Oliver Carton	28-Mar-24	2,000,000	\$0.018	36,000
Michael Ramsden	3-Dec-25	8,000,000	\$0.021	168,000
Michael Elias	3-Dec-25	8,000,000	\$0.021	168,000
Dominic Marinelli	3-Dec-25	8,000,000	\$0.021	168,000
Andrew Nesbitt	3-Dec-25	16,000,000	\$0.021	336,000
		<u>94,400,000</u>		<u>1,974,000</u>

The above figures are stated in whole numbers and have been adjusted for the 1 for 10 share consolidation that occurred on 10 January 2022.

The value of the shares has been expensed on a proportionate basis for each period from grant date to vesting date. The proportion of the value of the shares that has been expensed during the year to 30 June 2026 and accounted for in the share-based payment reserve is \$133,243.

On 23 June 2026 12,500,000 unlisted options were issued to each of the newly appointed non-executive directors, Michael McNeilly and Cristian Moreno. These options vested immediately upon issue and are exercisable at a price of \$0.03 per option at any time prior to expiry on 30 July 2029.

The fair value of the options was calculated using the Hoadley ESO2 Model as outlined below. The value of the options has been expensed at grant date.

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Note 12. Share-based payments (cont.)

	M. McNeilly	C. Moreno
Share price at date granted	\$0.020	\$0.018
Risk free rate	4.46%	4.45%
Volatility factor	100%	100%
Exercise price	\$0.030	\$0.030
Early Exercise Multiple	2.5x	2.5x
Expected dividend yield	0%	0%
Number of Options	12,500,000	12,500,000
Value per Option	<u>\$0.009</u>	<u>\$0.008</u>
Fair Value	<u>\$112,500</u>	<u>\$100,000</u>

Accounting policy for share-based payment transactions

The Loan Share Plan allows Group directors and key management personnel to acquire shares of the Company. The fair value of shares granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and recorded over the period during which the employees become unconditionally entitled to the shares. The fair value of the shares granted is measured using the Black-Scholes model and Hoadley ESO2 valuation model, taking into account the terms and conditions upon which the shares were granted.

Note 13. Issued capital

	2026 Shares	2025 Shares	2026 \$	2025 \$
Ordinary shares - fully paid	<u>2,158,606,705</u>	<u>1,398,512,124</u>	<u>124,340,440</u>	<u>114,494,231</u>
	2026 \$	2026 No.	2025 \$	2025 No.
Reconciliation of issued capital				
Balance at beginning of 1 July	114,494,231	1,397,517,124	114,494,231	1,398,512,124
Share forfeiture (i)	-	-	-	(995,000)
Share placement (ii)	2,500,000	312,500,000	-	-
Share rights issue (iii)	1,004,516	100,451,592	-	-
Capital raising placement (iv)	4,000,000	200,000,000	-	-
Share forfeiture (v)	-	(1,900,000)	-	-
Share rights issue (vi)	38,250	2,390,625	-	-
Share rights issue (vii)	-	16,000,000	-	-
Share placement (viii)	-	24,000,000	-	-
Options exercised (ix)	12	132	-	-
Capital raising placement (x)	3,000,000	107,142,857	-	-
Costs of capital raising	(696,569)	-	-	-
Balance at end of year	<u>124,340,440</u>	<u>2,158,102,330</u>	<u>114,494,231</u>	<u>1,397,517,124</u>

AUSTRALIAN MINES LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2026

Note 13. Issued capital (cont.)

	2026 \$	2026 No.	2025 \$	2025 No.
Shares held by the public	124,340,440	2,158,102,330	114,494,231	1,397,517,124
Treasury shares*	-	504,375	-	995,000
Closing balance	124,340,440	2,158,606,705	114,494,231	1,398,512,124

* On 27 October 2025, 860,000 shares issued to Michael Ramsden, 520,000 shares issued to Michael Elias, and 520,000 shares issued to Dominic Marinelli under the 2017 Loan Share Plan were voluntarily forfeited and transferred to Lennox Trust pursuant to the Plan Rules. This transaction has no accounting impact as the Loan Plan Shares are held by Lennox Trust until they are transferred under a new Share Loan Plan or otherwise transferred as directed by the Company. On 3 December 2025 Australian Mines Limited awarded the CEO Andrew Nesbitt, a short term incentive of \$38,250 in shares at \$0.016 per share, resulting in the transfer of 2,390,625 shares from Lennox Trust.

(i) On 12 August 2024 Tim Maclean forfeited 995,000 shares under the terms of the Share Loan Plan and transferred them to Lennox Trust pursuant to the Plan Rules.

(ii) On 10 July 2025 Australian Mines Limited raised 312,500,000 share placements at a price of \$0.008.

(iii) On 29 August 2025 Securities issued as initial consideration for acquisition of Boa Vista project. 16,022,029 shares issued to Majestic and 84,429,563 shares issued to Cabral at a price of \$0.01.

(iv) On 9 October 2025 Australian Mines Limited raised 200,000,000 share placements at a price of \$0.02.

(v) On 27 October 2025 under the Share Loan Plan, Michael Ramsden forfeited 860,000 shares, Michael Elias forfeited 520,000 shares, and Dominic Marinelli forfeited 520,000 shares. They are now being held in trust by Lennox Trust.

(vi) On 3 December 2025 Australian Mines Limited awarded the CEO Andrew Nesbitt a short-term incentive of \$38,250 in shares at \$0.016 per share, resulting in the transfer of 2,390,625 shares from Lennox Trust.

(vii) On 3 December 2025 Australian Mines Limited issued 16,000,000 shares to CEO Andrew Nesbitt under the terms of the Loan Share Plan.

(viii) On 3 December 2025 Australian Mines Limited issued a total of 24,000,000 shares to Michael Ramsden, Michael Elias, and Dominic Marinelli under the terms of the Loan Share Plan.

(ix) On 5 December 2025 Australian Mines Limited issued 132 shares as the result of options which were exercised.

(x) On 12 May 2026 Australian Mines Limited raised 107,142,857 share placements at a price of \$0.028.

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Accounting policy for issued capital

Ordinary shares are classified as equity.

AUSTRALIAN MINES LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2026

Note 13. Issued capital (cont.)

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

Note 14. Reserves

	2026 \$'000	2025 \$'000
Foreign currency reserve	(78)	(34)
Share-based payments reserve	4,469	4,134
Share option reserve	1,511	1,511
	<u>5,902</u>	<u>5,611</u>

Movements in reserve

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

	Foreign currency reserve \$'000	Share-based payments reserve \$'000	Share option reserve \$'000	Total \$'000
Balance at 1 July 2024	-	4,013	1,511	5,524
Share-based payment employees/director's transactions (note 12)	-	121	-	121
Foreign currency translation	(34)	-	-	(34)
Balance at 30 June 2025	(34)	4,134	1,511	5,611
Share-based payment employees/director's transactions (note 12)	-	335	-	335
Foreign currency translation	(44)	-	-	(44)
Balance at 30 June 2026	<u>(78)</u>	<u>4,469</u>	<u>1,511</u>	<u>5,902</u>

The share option reserve represents the cost of options issued to shareholders.

The share-based payment reserve represents the fair value of share options granted. The estimate of fair value of the services received is based on the Black-Scholes model. The calculated fair value is based on parameters as set out in note 12.

Note 15. Financial risk management

Overview

The Group has exposure to the following risks from its use of financial instruments:

- a) Interest rate risk
- b) Liquidity risk
- c) Credit risk
- d) Foreign exchange risks

This note presents information about the Group's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital.

Note 15. Financial risk management (cont.)

The board of directors has overall responsibility for the establishment and oversight of the risk of the management framework. The board is responsible for developing and monitoring risk management policies.

Risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group does not enter into financial instruments for trade or speculative purposes. However, in the normal course of its business, it is exposed to interest rate and liquidity risks, and credit risk.

(a) Interest rate risk

	Weighted average interest rate	6 month or less \$'000	6 to 12 months \$'000	1 to 5 years \$'000	Non-interest bearing \$'000	Total \$'000
2026						
<i>Financial assets</i>						
Trade and other receivables		-	-	-	24	24
	3.6%					
Cash and cash equivalents	(variable)	5,238	-	-	-	5,238
		5,238	-	-	24	5,262
<i>Financial liabilities</i>						
Trade and other payables		-	-	-	220	220
2025						
<i>Financial assets</i>						
Trade and other receivables		-	-	-	21	21
	0.52%					
Cash and cash equivalents	(variable)	1,452	-	-	-	1,452
		1,452	-	-	21	1,473
<i>Financial liabilities</i>						
Trade and other payables		-	-	-	62	62

(b) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities. The Group manages its liquidity risk by monitoring cashflows using monthly cashflow forecasts and by paying creditors on 30-day terms.

The following are the Group's contractual maturities of financial liabilities, including estimated interest payments:

AUSTRALIAN MINES LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2026

Note 15. Financial risk management (cont.)

	Carrying amount \$'000	Contractual cash flows \$'000	6 months or less \$'000	6 to 12 months \$'000	1 to 5 years \$'000
2026					
Trade and other payables	220	220	220	-	-
2025					
Trade and other payables	62	62	62	-	-

(c) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or a counterparty to a financial instrument fails to meet its contractual obligations, and it arises principally from the Group's cash held at banks and trade receivables. The Group lodges its cash deposits with international banks of good standing.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at reporting date was as follows:

	Carrying amount	
	2026 \$'000	2025 \$'000
Cash at bank	5,238	1,452
Other debtors	24	21
	<u>5,262</u>	<u>1,473</u>

	2026 \$'000	2025 \$'000
Credit rating		
Cash at bank	5,238	1,452
S&P Global Ratings' rating AA-		

(d) Foreign exchange risk

The consolidated entity undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises primarily from the translation of the net assets of the Group's Brazilian subsidiary. The Group monitors its foreign currency exposure through regular review of foreign currency denominated balances and cash flow requirements.

The Group had net assets denominated in foreign currencies of \$3,700,607 (assets of \$3,716,132 less liabilities of \$15,525) as at 30 June 2026 (2025: \$1,689,581 (assets of \$1,697,985 less liabilities of \$8,404)).

The Group has limited exposure to foreign currency risk arising from financial instruments. Foreign currency denominated balances principally relate to the translation of exploration and evaluation assets held by the Brazilian subsidiary and do not give rise to significant profit or loss volatility.

Note 15. Financial risk management (cont.)

(e) Capital management

The Group monitors its capital performance and reviews its adequacy at regular intervals to ensure it is achieving a reasonable return on capital. There are no externally imposed capital requirements. The directors monitor the market capitalisation and net assets of the Group to ensure performance is maintained for shareholders.

(f) Fair values

The fair values of material financial assets and liabilities approximate the carrying amounts shown in the Statement of Financial Position.

16. Contingent liabilities and commitments

On the 8th of February 2022 the Company executed a compensation agreement with the landowners of a portion of the land covered by the Sconi Mining Lease. Under the agreement the Company is required to pay a compensation amount of \$6,750,000 to the landowners within 90 days of financial close of the Sconi Project. For the purpose of the agreement, financial close means the date the company has access to the financial assistance required to begin the Sconi Project and all approvals and authorisations required for the Sconi Project to proceed have been granted.

The Company does not currently have access to financial assistance to begin the Sconi Project. As such the compensation amount of \$6,750,000 is only a possible obligation and has not been recognised as a liability.

In accordance with the agreement with Jervois Mining Ltd for the Flemington project, a royalty of 1.5% of gross sales is payable on all proceeds from the sale of products. At this time, it is not possible to quantify the value of this royalty.

Upon commercial production from the Sconi Project, it is agreed that a final issue of \$2.5 million Australian Mines Limited shares (or cash at the option of Metallica Minerals Ltd) is payable to Metallica Minerals Ltd. Also, under the agreement royalty and payment obligations agreed are:

- (a) a royalty of \$1.00 per tonne for the first 5 million tonnes of ore produced and \$2.00 per tonne for production in excess of 5 million tonnes on the Bell Creek tenements, payable to International Royalty Corporation ("IRC"); and
- (b) a royalty of \$1.00 per tonne for the first 500,000 tonnes of ore produced and \$1.50 for production in excess of 500,000 tonnes of ore on the Minnamoolka tenement, that was payable to Auriongold Exploration Pty Limited (now deregistered).

These have not been recognised as a liability on 30 June 2026 as both the \$2.5 million and royalty obligations are contingent upon commencement of commercial production.

The Company's Australian mining tenements are subject to native title applications. At this stage it is not possible to quantify the impact (if any) that native title may have on the operations of the Company.

There are no other contingent liabilities during the financial year.

Australian Mines Limited
Notes to the consolidated financial statements
30 June 2026

Note 16. Contingent liabilities and commitments (cont.)

In order to maintain current rights of tenure to exploration tenements, the Group is required to perform minimum exploration expenditure in accordance with the requirements specified by the relevant mining authorities. These obligations may be varied from time to time, reduced through exemptions, or satisfied through the application of excess expenditure credits.

The Group's minimum exploration expenditure commitments are as follows:

	2026 \$'000	2025 \$'000
Not later than one year	4,963	4,004
Later than one year but not later than five years	8,794	10,002
Total commitments	13,757	14,006

On 4 July 2025, the Group entered into a term sheet with Cabral Resources Limited (a 100% subsidiary of GoldMining Inc) and Majestic D&M Holdings LLC securing earn-in rights to advance the Boa Vista Project based in Brazil. Under the agreement the Group may earn up to 80% interest in the project through staged exploration and development expenditure and milestone-based achievements. The term sheet requires the Group to make several payments, both in the forms of cash and share issues over multiple years, including an initial payment of CAD \$55,000 and payment of CAD \$250,000 each year over 3 years. If the Group does not meet the conditions listed in the key acquisition terms this could result in a loss of rights to the project, forfeiture of any exit interest or dilution of its ownership.

There were no other commitments during the financial year.

Note 17. Interests in subsidiaries

Name	Principal activities	Country of incorporation	Functional currency	Ownership interest	
				2026 %	2025 %
Flemington Mining Operations Pty Ltd (ACN 614 910 324)	Flemington and Broken Hill Cobalt-Nickel-Scandium Battery Minerals Project	Australia	AUD	100%	100%
Sconi Mining Operations Pty Ltd (ACN 614 910 191)	Sconi Nickel-Cobalt-Scandium Battery Minerals Project	Australia	AUD	100%	100%
Auzrnd Pty Ltd (ACN 620 731 544)	Research and Development Project	Australia	AUD	100%	100%
EOS Resources Pty Ltd	Dormant	Australia	AUD	100%	100%
Ecometals Brazil Ltda	Jequie Rare Earth Elements and Niobium Project	Brazil	BRL	100%	100%
EM1 Brazil Ltda	Resende Lithium Project	Brazil	BRL	100%	100%

Australian Mines Limited
Notes to the consolidated financial statements
30 June 2026

Note 17. Interests in subsidiaries (cont.)

Accounting policy

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Australian Mines Limited as at 30 June 2026, and the results of all subsidiaries for the year then ended. Subsidiaries are all entities (including structured entities) over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Company are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of an asset transferred. Accounting policies of subsidiaries are consistent with the policies adopted by the Company.

Note 18. Events after the reporting period

Subsequent to the reporting date, the following shares were issued or transferred upon the exercise of options:

- 27,371,149 shares at an exercise price of \$0.022 per share on 17 August 2026;
- 1,500,000 shares at an exercise price of \$0.022 per share on 24 August 2026;
- 1,500,000 shares at an exercise price of \$0.022 per share on 1 September 2026; and
- 12,360,000 shares at an exercise price of \$0.022 per share on 11 September 2026.

On 8 September 2026, the Company issued a notice of General Meeting to be held on 7 October 2026. The resolutions to be considered include the forfeiture and cancellation of loan share plan shares and the approval of a performance rights plan. In relation to the proposed forfeiture and cancellation of the loan share plans, the directors agreed on 23 June 2026 to voluntarily surrender all shares subject to the existing limited-recourse loan arrangements, conditional upon shareholder approval of the proposed director performance rights. As at the date of this report, shareholder approval has not been obtained, and no shares have been surrendered. If the relevant resolutions are approved, the directors will surrender the existing loan shares and the associated loan arrangements will cease.

On 17 September 2026, the Company announced the appointment of Mr M McNeilly as the new Chair of Australian Mines Limited. Mr M Ramsden will step down as Chair and remain on the Board as Non-executive Director.

No other matter or circumstance has arisen since 30 June 2026 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Note 19. Segment information

Identification of reportable operating segments

The Group is organised into two operating segments based on geographical location: Australia and Brazil. These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The CODM reviews exploration activities and capital expenditure including exploration expenditure, capitalised exploration and evaluation assets, and available funding. The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information reported to the CODM is on a monthly basis.

AUSTRALIAN MINES LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2026

Note 19. Segment information (cont.)

Operating segment information

	Australia \$'000	Brazil \$'000	Total \$'000
2026			
EBITDA	(5,878)	(1,306)	(7,184)
Depreciation and amortisation	(2)	(1)	(3)
Finance income	73	-	73
Loss before income tax expense	(5,807)	(1,307)	(7,114)
Income tax expense			-
Loss after income tax expense			(7,114)
Total assets	44,581	3,716	48,297
Total liabilities	(332)	(16)	(348)
Net assets	44,249	3,700	47,949
2025			
EBITDA	(1,837)	(47)	(1,884)
Depreciation and amortisation	(4)	-	(4)
Finance income	7	-	7
Loss before income tax expense	(1,834)	(47)	(1,881)
Income tax expense			-
Loss after income tax expense			(1,881)
Total assets	43,406	1,698	45,104
Total liabilities	(170)	(8)	(178)
Net assets	43,236	1,690	44,926

Accounting policy for operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Note 20. Related parties

Parent entity

Australian Mines Limited is the parent entity of the Group.

Key management personnel

The following were key management personnel of the group at any time during the reporting period and unless otherwise indicated were key management personnel for the entire period.

AUSTRALIAN MINES LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2026

Note 20. Related parties (cont.)

Non-Executive Directors

Mr M Ramsden - Chairman

Mr M Elias (resigned on 22 June 2026)

Mr D Marinelli

Mr C Moreno (appointed on 22 June 2026)

Mr M McNeilly (appointed on 22 June 2026)

Key Management Personnel / Executive Director

Andrew Nesbitt - Managing Director (appointed CEO on 2 October 2023, Managing Director on 22 June 2026)

The key management personnel compensation included in 'personnel expenses' (refer note 4) is as follows:

	2026 \$	2025 \$
Short-term employee benefits	560,455	490,509
Post-employment benefits	56,458	56,409
Long-term benefits	3,026	133,357
Share-based payments	334,001	116,656
	<u>953,940</u>	<u>796,931</u>

Individual directors and executives' compensation disclosures

Information regarding individual directors and executives' compensation and some equity instruments disclosures permitted by Corporations Regulations 2M.3.03 and 2M.6.04 are provided in the Remuneration Report section of the Directors' Report.

Other key management personnel transactions

The terms and conditions of the transactions with key management personnel were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-key management personnel related entities on an arm's length basis.

Refer note 12 and the Remuneration Report for details of the Loan Share Plan provided to key management personnel.

There were no other related party transactions at 30 June 2026.

Apart from the details disclosed in the Remuneration Report, no director has entered into a contract with the Group since the end of the previous financial year and there were no contracts involving directors' interests existing at year end.

AUSTRALIAN MINES LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2026

Note 21. Parent entity information

	Parent	
	2026 \$'000	2025 \$'000
Statement of financial position		
Current assets	5,180	1,446
Non-current assets	43,100	43,648
Total assets	48,280	45,094
Current liabilities	330	168
Non-current liabilities	-	-
Total liabilities	330	168
Net assets	47,950	44,926
Equity		
Contributed equity	124,340	114,494
Reserves	5,903	5,611
Accumulated losses	(82,293)	(75,179)
Total equity	47,950	44,926
Loss attributable to equity holders of the Company	(7,114)	(1,881)

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2026 and 30 June 2025.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2026 and 30 June 2025.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2026 and 30 June 2025.

Material accounting policy information

The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 3, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.

AUSTRALIAN MINES LIMITED
CONSOLIDATED ENTITY DISCLOSURE STATEMENT
AS AT 30 JUNE 2026

This Consolidated Entity Disclosure Statement has been prepared in accordance with the Section 295 (3A) of the *Corporations Act 2001* and includes the required information for Australian Mines Limited and the entities it controls in accordance with AASB 10 Consolidated Financial Statements.

Tax residency

S295 (3A) (vi) of the *Corporations Act 2001* defines tax residency as having the meaning in the Income Tax Assessment Act 1997. The determination of tax residency may involve judgement as there are different interpretations that could be adopted, and which could give rise to different conclusions regarding residency.

In determining tax residency, the consolidated entity has applied the following interpretations:

Australian tax residency

The consolidated entity has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR2018/5.

Foreign tax residency

The consolidated entity has applied current legislation and where available judicial precedent in the determination of foreign tax residency. Where necessary, the consolidated entity has used independent tax advisers in foreign jurisdictions to assist in its determination of tax residency to ensure applicable foreign tax legislation has been complied with.

Name of Entity	Type of Entity	Trustee, Partner or Participant in JV	% of Share Capital Held	Country of Incorporation	Australian Resident	Foreign jurisdiction(s) in which the entity is a resident for tax purposes (according to the law of the foreign jurisdiction)
Hemington Mining Operations Pty Ltd	Body corporate	-	100%	Australia	Yes	N/A
Sconi Mining Operations Pty Ltd	Body corporate	-	100%	Australia	Yes	N/A
Auzrnd Pty Ltd	Body corporate	-	100%	Australia	Yes	N/A
EOS Resources Pty Ltd	Body corporate	-	100%	Australia	Yes	N/A
Ecometals Brazil Ltda	Body corporate	-	100%	Brazil	Yes	Brazil
EM1 Brazil Ltda	Body corporate	-	100%	Brazil	Yes	Brazil

AUSTRALIAN MINES LIMITED
DIRECTORS' DECLARATION
30 JUNE 2026

In the Directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2026 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- the information disclosed in the attached consolidated entity disclosure statement is true and correct.

The Directors have been given the declarations required by section 295A of the *Corporations Act 2001*.

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the *Corporations Act 2001*.

On behalf of the Directors



Dominic Marinelli
Director

18 September 2026

For personal use only

INDEPENDENT AUDITOR'S REPORT

To the members of Australian Mines Limited

Report on the Audit of the Financial Report

Opinion

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

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

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2026 and of its financial performance for the year ended on that date; 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 Group 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 audits of the financial report of public interest entities 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.

Material uncertainty related to going concern

We draw attention to Note 2(b) in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern and therefore the group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

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. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Carrying Value of Capitalised Exploration and Evaluation Assets

Key audit matter	How the matter was addressed in our audit
The carrying value of the capitalised exploration and evaluation assets as at 30 June 2026 is disclosed in Note 11 of the financial report. As the carrying value of the capitalised exploration and evaluation asset represents a material asset of the Group. Judgement is applied in determining the treatment of exploration expenditure in accordance with Australian Accounting Standard AASB 6 Exploration for and Evaluation of Mineral Resources. In particular: • Whether the conditions for capitalisation are satisfied; • Which element of exploration and evaluation expenditures qualify for recognition; • Recognition and valuation of purchase consideration for tenement acquisitions; and Whether facts and circumstances indicate that the exploration and expenditure assets should be tested for impairment. Due to the significance of the capitalised exploration and evaluation assets as at 30 June 2026 and the judgements applied, this was deemed a key audit matter.	Our audit procedures included, but were not limited to: • Obtaining a schedule of the areas of interest held by the Group and assessing whether the rights to tenure of those areas of interest remained current at balance date; • Considering the status of the ongoing exploration programmes in the respective areas of interest by holding discussions with management, and reviewing the Group's exploration budgets, ASX announcements and director's minutes; • Considering whether any area of interest had reached a stage where a reasonable assessment of economically recoverable reserves existed; • Evaluating management's basis for the impairment recognised and considering whether any facts or circumstances existed to suggest impairment testing was required for any other area of interest; and • Assessing the adequacy of the related disclosures in Note 11 of the financial report.

Other information

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

Our opinion on the financial report does not cover the other information and 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.

Responsibilities of the directors for the Financial Report

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

- a) the financial report 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

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

- i) the financial report 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 group 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 Group 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 at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

https://www.auasb.gov.au/media/bwvjcgre/ar1_2024.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 included on pages 22 to 33 of the directors' report for the year ended 30 June 2026.

In our opinion, the Remuneration Report of Australian Mines 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.

BDO Audit Pty Ltd

A handwritten signature in black ink, appearing to read 'BDO', is written over a horizontal line. To the left of the line is a small, stylized circular mark.

Dave Andrews

Director

Perth, 18 September 2026

AUSTRALIAN MINES LIMITED CORPORATE GOVERNANCE STATEMENT

Australian Mines Limited ("The Company") and its Board are committed to achieving and demonstrating high standards of corporate governance. This statement sets out the main corporate governance practices of the Company during the financial year, providing disclosure in accordance with the Corporate Governance Principles and Recommendations as published by the ASX Corporate Governance Council from time to time. All these practices, unless otherwise stated, were in place for the entire year. Disclosure is made at the end of this statement of areas of non-compliance with the recommendations.

Further details of the various charters, policies, codes and procedures that document the Company's corporate governance practices are set out in The Company's website at www.australianmines.com.au.

The Board of Directors and Management

The Board has adopted a formal statement of its roles, functions and responsibilities.

The Board's primary role is the optimisation of Company performance and protection and enhancement of shareholder value. Its functions and responsibilities include:

- provides leadership for the Company;
- sets and approves policy, strategic direction and objectives of the Company and establishes goals to promote the achievement of those strategic objectives and ensures appropriate resources are available to the Company to meet those strategic objectives;
- oversees and monitors management's implementation of the Company's strategic operations and its performance;
- approves and monitors annual budgets and financial plans;
- approves all significant business transactions;
- oversees the integrity of the Company's accounting and corporate reporting systems, including its external audit;
- delegates authority to management where appropriate;
- oversees the Company's processes for making timely and balanced disclosures of all material information concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's shares;
- ensures that the Company has in place an appropriate risk management framework and sets the ambit of risk within which the Board expects management to operate, by implementing appropriate reporting controls by management in relation to risk, finance, and operational matters;
- monitors the effectiveness of the Company's governance practices, with the Board retaining the ultimate oversight and decision-making power in respect of any matters delegated to any Board committees;
- ensures the Company complies with its responsibilities under the *Corporations Act 2001* (Cth), the Company's Constitution, the ASX Listing Rules and other relevant laws to ensure the Company remains an ASX listed company and complies with the applicable legal requirements;
- considers the social, ethical and environmental impact of the Company's activities, setting standards and monitoring compliance with the Company's sustainability policies and practices;
- adopts procedures to ensure the business of the Company is conducted in an honest, open and ethical manner consistent with Company values;
- appoints senior management, monitors senior management's conduct and performance and oversees remuneration, development and succession

The Board of Directors and Management (cont.)

- ensures that the Board remains appropriately skilled to meet Company needs; and
- reports to and communicates with shareholders.

This statement is included on the Company's website and is to be reviewed every year to ensure it remains appropriate to the needs of the Company given its size, complexity and ownership structure and the skills of directors and managers.

The Board is also governed by the Company's Constitution and its various policies, as described elsewhere in this Statement.

A strategic balance is maintained between the responsibilities of the Board and the Chief Executive Officer or Managing Director.

Board Members

During most of the period, the Company had three directors, Michael Ramsden, Michael Elias and Dominic Marinelli. On 22 June 2026, Michael Elias resigned, Cristian Moreno and Michael McNeilly were appointed as non-executive directors, and Andrew Nesbitt was appointed as Managing Director. Details of these directors, including their skills, experience and terms of office are set out in the Company's annual report. None of the directors are currently substantial shareholders and in accordance with the guidelines adopted by the Board, they are considered independent non-executive directors, except Andrew Nesbitt who is currently an executive director.

The Board has adopted a materiality threshold relating to a director's current or former association with a supplier, professional adviser or consultant to the Company. From the Company's viewpoint, material is more than 5% of the Company's total consolidated expenses for the relevant financial year. From the director's viewpoint when assessing an association, material is more than 5% of the total revenue of the supplier, adviser or consultant as the case may be.

The Board considers the make-up of the Board is appropriate given the Company's size and operations. The effectiveness of the Board is achieved through knowledge and experience specific to the business and the industry in which it operates.

Details of the members of the Board, their skills, experience, qualifications, term of office and independence status are set out in the Company's Annual Report under the heading "Directors Report".

Directors' Independence

The Board has also adopted procedures intended to ensure that independent decision making occurs. All directors are entitled to seek independent professional advice, at the Company's cost, in carrying out their duties, subject to the Chair's prior approval of the expenditure, which will not be unreasonably withheld. Further, in accordance with the *Corporations Act 2001* (Cth) and policies adopted by the Company, each member of the Board is required to keep the Board advised on an ongoing basis of any potential conflict of interest which may exist with the Company. If a conflict does exist, the director concerned must absent themselves from any Board discussion in relation to the relevant item and not vote upon such an item. Non-executive directors are also encouraged to confer on a needs basis without management in attendance.

Term of Office

The Company's Constitution specifies that all non-executive directors must retire from office no later than the third annual general meeting following the last election. Where eligible, directors may stand for re-election.

Responsibilities of Management

The Chief Executive Officer or Managing Director is accountable to the Board for management of the Company and its subsidiaries within authority levels reviewed and approved by the Board each year, has authority to approve capital expenditure within predetermined limits set out by the Board, and is subject to the supervision of the Board. Material strategic and policy decisions are made by the Board.

AUSTRALIAN MINES LIMITED CORPORATE GOVERNANCE STATEMENT

Responsibilities of Management (cont.)

The Chief Executive Officer or Managing Director is responsible for maintaining financial control across the Company and its subsidiaries. This includes management reporting to the Board, statutory accounting, auditing, taxation and insurance. Financial performance is monitored against financial control guidelines.

The Board adopted its formal statement and its various policies in June 2005, and regularly reviews them under the terms of the policies.

Independent Professional Advice

Directors and Board Committees have the right, in connection with their duties and responsibilities, to seek independent professional advice at the Company's expense. Prior written approval of the Chair is required, but this will not be unreasonably withheld.

Indemnification and insurance of Directors and Officers

The Company, to the extent permitted by law, indemnifies each Director, alternate Director, or executive officer (and any person who has previously served in any such capacity) against any liability or cost incurred by the person as an officer of the Company, or a related body corporate of the Company, including but not limited to liability for costs incurred in defending proceedings in which judgement is given in favour of the person or in which the person is acquitted. The indemnity may be extended to other employees at the discretion of the Directors.

Performance assessment

The Board Charter sets out the process to undertake an annual assessment of the Board's collective performance, the performance of the Chair and its committees. The Board also assesses the performance of the Chief Executive Officer or Managing Director.

The performance of senior executives is assessed by the Chief Executive Officer or Managing Director. The assessment involves an annual review of performance and development, and the results of the review are formally documented.

No assessment of the Board's performance was conducted during the year given the size of the Board.

The Remuneration Committee carried out a performance assessment of the Chief Executive Officer during the year and made recommendations to the Board.

Remuneration Committee

A Remuneration Committee was established by the Board in 2004. A majority of the members of the Committee are required to be non-executive directors, and the Committee is required to be chaired by the non-executive Chair.

Each member of the senior executive team signs an employment contract at the time of their appointment covering a range of matters, including their duties, rights, responsibilities and any entitlements on termination. The standard contract refers to a specific formal job description. This job description is reviewed by the Remuneration Committee on an annual basis and, where necessary, is revised in consultation with the relevant employee.

Further information on directors' and executives' remuneration is set out in the Remuneration Report.

Executive remuneration and other terms of employment are reviewed annually by the Committee having regard to personal and corporate performance, contribution to long term growth, relevant comparative information and independent expert advice. As well as a base salary and compulsory superannuation, remuneration packages may include retirement and termination entitlements, performance-related bonuses and fringe benefits. Non-executive directors and executives are eligible to participate in the Employee Share Loan Plan which provides for the issue of shares in the Company under a limited recourse loan. Any allotment of securities to directors must be approved by shareholders at a general meeting.

AUSTRALIAN MINES LIMITED CORPORATE GOVERNANCE STATEMENT

Remuneration Committee (cont.)

Details of the qualifications of directors of the Remuneration Committee and their attendance at Committee meetings are set out in the Directors' Report.

Audit and Risk Committee

The Company recognises the importance of an audit committee and established a Committee in September 2012.

Until the Audit and Risk Committee was formed, the Board considered and dealt with matters which would ordinarily be attended to by an audit committee, including:

- to recommend engagement and monitor performance of the external auditor;
- to review the effectiveness of management information and internal control;
- to review all areas of significant financial risk and risk management;
- to review significant transactions not a normal part of the Company's business;
- to review financial information and ASX reporting statements; and
- to monitor internal controls and accounting compliance.

The Audit Committee is required to meet at least twice per year, review annual and half-year accounts, and report to the Board of Directors. The Audit and Risk Committee also oversees the Company's risk management systems and procedures.

Details of the qualifications of directors of the Audit and Risk Committee and their attendance at Committee meetings are set out in the Directors' Report.

External Auditors Policy

The Company's policy is to appoint external auditors who clearly demonstrate quality and independence. The performance of the external auditors is reviewed annually and applications for tender of external services are requested as deemed appropriate, taking into consideration assessment of performance, existing value and tender costs. The *Corporations Act 2001* requires the rotation of the audit engagement partner every five years.

Analysis of fees paid to external auditors, including a break-down of fees for non-audit services, is provided in the Annual Report at Note 6 to the financial statements. The external auditors are required to provide an annual declaration of their independence to the Board and to the Audit Committee. The external auditor is required to attend the annual general meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the audit report.

Nomination Committee

The Company recognises the importance of a nomination committee however currently there is no nomination committee in place. See comments made in the non-compliance statement.

Risk Assessment and Management

The Company has in place a risk assessment and management policy, which sets out the Company's systems for risk assessment and management. The key aspects of the policy are that:

- the Board oversees the establishment and implementation of risk management systems and control frameworks, and in the absence of a separate audit committee has the responsibility to establish, implement and maintain these systems and frameworks; and
- the Company's senior management is delegated the tasks of management of operational risk and the implementation of risk management strategies with the Chief Executive Officer or Managing Director having ultimate responsibility to the Board for the risk management and control framework.

Risk Assessment and Management (cont.)

The Board reviews the Company's risk management systems and control frameworks, and the effectiveness of their implementation every 2 years. The Board also considers the management of risk at its regular meetings. The Company's risk profile, which is assessed and determined on the basis of the Company's business in commercial mining and mineral exploration, is reviewed annually upon advice from management including, where appropriate, as a result of regular interaction with management and relevant staff from across the Company's business.

The Board or the Company's senior management may consult with the Company's external accountants on external risk matters as required.

The Company's risk management systems and control frameworks for identifying, assessing, monitoring and managing its material risks, as established by the Board in conjunction with management, include:

- the Board's ongoing monitoring of management and operational performance;
- a comprehensive system of budgeting, forecasting and reporting to the Board;
- approval procedures for significant capital expenditure above threshold levels;
- regular Board review of all areas of significant financial risk and all significant transactions not part of the Company's normal business activities;
- regular presentations to the Board by management on the management of risk;
- comprehensive written policies in relation to specific business activities;
- comprehensive written policies in relation to corporate governance issues;
- regular communication between directors on compliance and risk matters; and
- consultation and review processes between the Board and external accountants.

The Board requires each major proposal submitted to the Board for decision be accompanied by a comprehensive risk assessment and, where required, management's proposed mitigation strategies. The Company has in place an insurance program which is reviewed periodically by the Board. The Board receives regular reports on budgeting and financial performance. A system of delegated authority levels has been approved by the Board to ensure business transactions are properly authorised and executed.

Environment, Health and Safety

The Company recognises the importance of environmental and occupational health and safety (OH&S) issues and is committed to the highest levels of performance. To help meet this objective the board facilitates the systematic identification of environment and OH&S issues and ensures they are managed in a structured manner. This system allows the Company to:

- monitor its compliance with all relevant legislation;
- continually assess and improve the impact of its operations on the environment;
- encourage employees to actively participate in the management of environment and OH&S issues;
- work with trade associations representing the entity's business to raise standards;
- use energy and resources efficiently; and
- encourage the adoption of similar standards by the entity's principal suppliers, contractors and distributors.

To manage OH&S issues, the Board has approved a number of procedure documents including a Safety Management Plan and an Emergency Response Plan. It is a condition of employment for all employees to follow these procedures. Reporting on OH&S issues is a standard agenda item at Board Meeting.

Code of Conduct

The Company adopted, in 2002, the Australian Institute of Company Directors Code of Conduct ("AICD Code") to set appropriate standards of ethical and professional behaviour for its directors. In June 2005, the Company adopted a "Code of Conduct for Directors and Key Executives", which affirmed the Company's adoption of the AICD Code as appropriately setting the standards of ethical behaviour for directors. The Board will review compliance with this Code of Conduct every 12 months.

Code of Conduct (cont.)

The Company's Code of Conduct for Directors and Key Executives prescribes standards including acting honestly and in good faith, exercising powers for a proper purpose, using due care and diligence, exercising independent judgement and avoiding a conflict of interest.

The Company has also adopted a "General Corporate Code of Conduct" ("General Code") which details the Company's commitment to appropriate corporate practices to its legitimate stakeholders and sets the standards expected of officers and employees in carrying out their duties.

The Company has in place a trading policy concerning trading in Company securities, a copy of which is provided to all officers and employees of the Company.

The trading policy imposes certain restrictions on the Company's officers and employees trading in the Company's securities to prevent breaches of the insider trading provisions of the *Corporations Act 2001* (Cth). The key aspects of the policy are that:

- trading in Company securities and other tradeable financial products is only permitted upon notification, in the case of employees, to the Chief Executive Officer or Managing Director or, in the case of officers, to the Company's Chair. If the Chair wishes to trade he must notify the Company's Chief Executive Officer or Managing Director. Trading is only permitted for 2 weeks following notification and confirmation of trading must be provided to the Chief Executive Officer or Managing Director or Chair (as the case may be);
- no trading is permitted at any time where an officer or employee is in possession of information which, if it was generally available, a reasonable person would expect to have a material effect on the price or value of the security or product, or for a period of 2 days following a public announcement by the Company in relation to the matter the subject of that information; and
- active dealing, being trading in a manner which involves frequent and regular trading, in the Company's securities is not permitted.

The trading policy is provided to all the Company officers and employees and compliance with it is reviewed at least annually. The Company's current trading policy was adopted in June 2005 but reflects the position adopted under its previous trading policies.

The implementation of and compliance with the Company's trading policy is dealt with in the procedures and mechanisms set out in the Company's risk assessment and management policy.

Continuous Disclosure and Shareholder Communication

The Company has in place a continuous disclosure policy, a copy of which is provided to all Company officers and employees who may from time to time be in the possession of undisclosed information that may be material to the price or value of the Company's securities.

In addition, at each of its meetings, the Board discusses continuous disclosure issues as a standing item and a list of all recent Company announcements is presented.

The continuous disclosure policy aims to ensure compliance with the Company's continuous disclosure obligations under the *Corporations Act 2001* (Cth) and the ASX Listing Rules. The aim of the policy is to:

- assess information and co-ordinate the timely disclosure to the ASX or the seeking of advice on the information;
- provide an audit trail of decisions regarding disclosure; and
- ensure officers and employees of the Company understand the obligation to bring relevant information to the attention of the Chair.

The procedure adopted by the Company is essentially that any information which may need to be disclosed must be brought to the attention of the Chair who in consultation with the Board (where practicable) and any other appropriate personnel will consider the information and whether disclosure is required and prepare an appropriate announcement.

In every 24-month period, the Board will review the Company's compliance with this continuous disclosure policy and update it from time to time, if necessary.

Continuous Disclosure and Shareholder Communication (cont.)

The Chief Executive Officer or Managing Director has been nominated as the person responsible for communication with Australian Securities Exchange (ASX). This role includes responsibility for ensuring compliance with the continuous disclosure requirements in the ASX Listing Rules and overseeing, in conjunction with the Directors, information disclosure to the ASX, analysts, brokers, shareholders, the media and the public.

All information disclosed to the ASX is posted on the Company's website on the same day it is released to the ASX. Procedures have also been established for reviewing whether any price sensitive information has been inadvertently disclosed, and if so, this information is also immediately released to the market.

Diversity Policy

The Company believes that the promotion of diversity on boards, in senior management and within the organisation generally broadens the pool for recruitment of high-quality directors and employees; is likely to support employee retention; through the inclusion of different perspectives, is likely to encourage greater innovation; and is socially and economically responsible governance practice.

The Company is in compliance with the ASX Corporate Governance Council's Principles & Recommendations on Diversity. The Board of Directors is responsible for adopting and monitoring the Company's diversity policy. The policy sets out the beliefs and goals and strategies of the Company with respect to diversity within the Company. Diversity within the Company means all the things that make individuals different to one another including gender, ethnicity, religion, culture, language, sexual orientation, disability and age. It involves a commitment to equality and to treating of one another with respect.

The Company is dedicated to promoting a corporate culture that embraces diversity. The Company believes that diversity begins with the recruitment and selection practices of its board and its staff. Hiring of new employees and promotion of current employees are made on the bases of performance, ability and attitude.

Currently there are two women in the organisation, and none on the board. Given the present size of the Company, there are no plans to establish measurable objectives for achieving gender diversity at this time. The need for establishing and assessing measurable objectives for achieving gender diversity will be re- assessed as the size of the Company increases.

Non-Compliance Statement

The Company has not followed all of the recommendations set out in Australian Securities Exchange Limited Listing Rule 4.10.3. The Recommendations that have not been followed and the explanation of any departure are as follows:

Nomination Committee

The Board has not established a nomination committee as, due to the Company's size and its operations, the Board considers a separately established committee is not warranted and its functions and responsibilities can be adequately and efficiently discharged by the Board as a whole. The Board assesses the experience, knowledge and expertise of potential directors before any appointment is made and adheres to the principle of establishing a board comprising directors with a blend of skills, experience and attributes appropriate to the Company and its business. The main criterion for the appointment of directors is an ability to add value to the Company and its business. All directors appointed by the Board are subject to election by shareholders at the following annual general meeting of the Company. Given the small size of the Board no skills matrix has been developed.