



AUSTRALIAN MINES LIMITED

ABN 68 073 914 191

Full Year Reports

Audited Accounts

Auditors' Report

Directors' Statement

FOR THE YEAR ENDED

30 JUNE 2025

AUSTRALIAN MINES LIMITED
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AUSTRALIAN MINES LIMITED
CORPORATE DIRECTORY

DIRECTORS

Michael Ramsden, Non-Executive Chairman

Michael Elias, Non-Executive Director

Dominic Marinelli, Non-Executive Director

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Oliver Carton

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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 2025, 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

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 Chairman 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.

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

Michael Elias – Independent Non-Executive Director appointed 1 July 2005

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 is a member of the Audit and Risk Committee and the Remuneration Committee.

AUSTRALIAN MINES LIMITED DIRECTORS' REPORT

1. DIRECTORS (cont.)

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 the Managing 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.

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 2025	26 September 2025
Deadline for nomination as Director	7 October 2025
Appendix 5B and Quarterly Activities Report - quarter ended 30 September 2025	31 October 2025
Annual Report	31 October 2025
Notice of AGM	24 October 2025
AGM	25 November 2025
Appendix 5B and Quarterly Activities Report - quarter ended 31 December 2025	31 January 2026
Half-Year Report	13 March 2026
Appendix 5B and Quarterly Activities Report - quarter ended 31 March 2026	30 April 2026
Appendix 5B and Quarterly Activities Report - quarter ended 30 June 2026	31 July 2026
Audited Financial Statements Year ended 30 June 2026	30 September 2026

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	11	11	1	1	4	4
Michael Elias	11	11	1	1	4	4
Dominic Marinelli	11	11	1	1	4	4

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.

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

The principal activities of the Company during the year were the exploration and evaluation of mineral projects prospective for critical and battery metals, including rare earth elements, lithium, niobium, cobalt, nickel, and scandium. Exploration was advanced across the Company's portfolio in Australia and Brazil.

Key areas of focus:

- At the Flemington Project in New South Wales, the Company successfully increased the scandium resource base.
- The Company continued to advance its proprietary solid-state hydrogen storage technology.
- The Company's 100%-owned Sconi Battery Minerals Project in North Queensland remained in good standing. Work during the year focused on progressing discussions with government, potential, funders, partners and off-takers, ensuring it is well positioned for the recovery of the nickel markets.

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

6. OPERATING AND FINANCIAL REVIEW

Boa Vista – Gold (Para, Brazil)

Post the end of the financial year, Australian Mines Limited entered into an earn-in agreement to acquire up to 80% of the Boa Vista Gold Project, located in Brazil's Tapajós Gold Province, a jurisdiction that has historically produced more than 30 million ounces of gold and continues to host multiple active mining projects. The earn-in provides a staged pathway to a majority interest through exploration expenditure, cash and share consideration, and project milestones.

6. OPERATING AND FINANCIAL REVIEW (cont.)

At Boa Vista, the VG1 prospect hosts a historic inferred resource of 8.47 Mt @ 1.23 g/t Au for ~336,000 oz¹ (NI 43-101 standard) and lies within a gold-in-soil anomaly trending to the west-northwest over 2 kilometres in length and up to 350 metres in width. The VG1 prospect remains open along strike (~600 m) and at depth (~120 m tested), with widths up to 85 m. Historical drilling has returned multiple high-grade intercepts well above a 20 gram-metre threshold, including:

- 104.5m @ 1.59 g/t Au (incl. 23.5m @ 4.51 g/t Au) – 166 gram-metres
- 102.3m @ 1.18 g/t Au (incl. 6.4m @ 6.96 g/t Au) – 121 gram-metres
- 78.0m @ 0.97 g/t Au (incl. 20.0m @ 2.36 g/t Au) – 76 gram-metres

Subject to further exploration and appropriate studies, Boa Vista may have the potential to support a low-cost, long-life open-pit gold operation. The key to understanding Boa Vista's potential lies in the gram-metre drilling results. In gold exploration, intercepts above 20 gram-metres are considered prospective, while values exceeding 100 gram-metres are viewed as strong indicators of robust mineralisation. At VG1, Boa Vista's most advanced prospect, only 15 holes have been drilled to date, yet multiple intercepts exceed the 20-gram metre threshold, with a peak value over 160 gram-metres and numerous intersections reporting visible gold. Refer to table below.

Significant Drill Results greater than 20-gram metres²

Hole	Vertical depth to top of intersection (m)	From	Interval along drill hole (m)	Au (g/t)	Gram (Au) x metres
VGDD001	0.0	0.0	102.3	1.18	120.7
Including			72.0	1.53	110.2
			6.4	6.96	44.5
			7.8	4.34	33.9
VGDD001B	0.0	0.0	57.1	0.55	31.4
VGDD004	37	42.6	95.2	0.55	52.4
Including			5.4	3.69	20.0
VGDD-007-11	175	230.0	31.3	1.06	33.2
Including			13.5	1.53	20.7
VGDD-009-11	75	92.0	78.0	0.97	75.7
Including			20	2.36	47.2
VGDD-011-12	74	91.0	104.5	1.59	166.2
Including			23.5	4.51	106.0
VGDD-013-12	176	215.0	27.0	1.63	44.0

Metallurgical test work has indicated recoveries above 95%, with up to 60% gold recovered via simple gravity methods and no deleterious elements detected.

The broader project covers a 9,201 ha tenement package containing multiple high-priority induced polarisation (IP) targets, gold-in-soil anomalies, and numerous artisanal workings.

With only 26 diamond drillholes completed to date (totalling 4,593.8 m), Boa Vista remains an early-stage project with substantial exploration upside. Planned next steps include the commencement of LiDAR and magnetic surveys, followed by up to 3,000 m diamond drilling program aimed at testing expansion potential and refining new targets.

¹ Refer to BOA VISTA GOLD PROJECT (HISTORICAL RESOURCE CAUTIONARY STATEMENTS) on page 10 of this report.

² All drilling and metallurgical test work referred to above was completed historically by previous operators and has not yet been independently verified by Australian Mines Limited.

6. OPERATING AND FINANCIAL REVIEW (cont.)

Flemington – Scandium, Nickel and Cobalt (NSW, Australia)

At the Flemington Project in New South Wales, the Company delivered a significant update to the Mineral Resource Estimate (MRE) during the year. Growing global interest in scandium — together with potential strategic synergies between the Company's solid-state hydrogen storage developments, the broader hydrogen economy, and scandium-alloy applications — continues to strengthen the project's relevance.

The updated 2025 High-Grade Scandium Mineral Resource Estimate (JORC 2012, reported at a 300 ppm scandium cut-off) increased significantly from 3.7 Mt to 6.3 Mt, with scandium grades remaining broadly consistent at 458 ppm (2017 MRE) and 446 ppm³ (2025 MRE).

Resource modelling also demonstrates the potential for substantial additional mineralisation at lower cut-offs. At a 100 ppm scandium cut-off, the total mineralised inventory is estimated at 28 Mt @ 217 ppm scandium (inclusive of laterite and saprolite).

The Company has budgeted for an exploration program designed to infill and expand the current MRE, with the objective of further delineating scandium, nickel and cobalt mineralisation.

Metal Hydrides

Results from third-party review of Australian Mines' proprietary scandium-magnesium metal hydride technology (MH-May24) for high-capacity hydrogen storage⁴ — part of the Company's broader strategy to stimulate additional revenue from its scandium resources, were released to the market on 12 September 2025.

Resende – Tin, Tantalum and Lithium (Minas Gerais, Brazil)

In the eastern portion of the tenements, a soil sampling program focused on tin (Sn), tantalum (Ta) and lithium (Li) (ASX announcement 17 September 2024). This program returned strong geochemical anomalies, with tin assays up to 60 times upper continental crust values, and associated pathfinder elements such as indium and bismuth up to 70- and 30-times background levels, respectively.

These anomalies are associated with an alkali granitic unit interpreted to be the source of mineralisation exploited at AMG's⁵ Mibra Mine, located along strike to the southwest. The same geological unit is also interpreted to have contributed to historical alluvial tin production at Paiol, further south.

Based on these encouraging results, the Company intends to undertake an initial diamond drilling program to test near-surface greisen mineralisation within the eastern anomalies.

³ The Mineral Resources are reported in accordance with the JORC Code (2012) and were originally disclosed in the ASX announcement dated 8 January 2025 ("Flemington Resource Expands Significantly"). 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 estimates continue to apply and have not materially changed.

⁴ Australian Mines collaboration with Amrita Centre for Research and Development ('Amrita') to research scandium-magnesium ternary alloys for hydrogen storage applications was originally announced 2 November 2018. Performance measurements made by Amrita on MH-May-24 were announced on 13 May 2024.

⁵ Advanced Metallurgical Group ("AMG")

6. OPERATING AND FINANCIAL REVIEW (cont.)

Resende – Rare Earth Elements (REE) (Minas Gerais, Brazil)

In the western portion of the Resende tenements, the Company completed a systematic soil grid sampling program over seven drainage basins that had previously returned anomalous TREO values above 1,000 ppm (ASX announcement 11 June 2024).

Results from this program (ASX announcement 16 December 2024) comprised 158 soil samples, of which 56 returned TREO grades greater than 400 ppm, with the highest assay reaching 1,258 ppm TREO. The program outlined two priority follow-up areas:

- Area 1: ~2 km x 1 km, open to the northwest
- Area 2: ~3 km x 1 km, also open to the northwest

To progress these targets, the Company plans to undertake auger drilling across Area 1 and Area 2, alongside detailed geological mapping and sampling.

Jequie – Rare Earths (Bahia, Brazil)

Exploration at the Jequie Rare Earths Project delivered encouraging results during the year. The Company completed an auger drilling program comprising 72 shallow holes for a total of 500.6 metres across the Jequie South and Jequie North REE-in-soil targets, as first outlined in the ASX announcement of 30 July 2024. Detailed drilling results can be found in the ASX announcement dated 14 February 2025.

At Jequie South, 69% of samples returned assays above 400 ppm TREO. The most significant intersections included 15.0 metres at 1,720 ppm TREO (including 3.0 metres at 3,055 ppm TREO) and 2.0 metres at 1,842 ppm TREO. These results defined two follow-up target areas, the North Dário Meira Eluvial and South Dário Meira Eluvial, where the saprolite–clay regolith profile is interpreted to extend to depths exceeding 20 metres.

At Jequie North, drilling also intersected widespread REE mineralisation, highlighted by a best result of 9.0 metres at 1,028 ppm TREO.

Looking ahead, the Company plans to advance exploration at Jequie through geological mapping, geochemical sampling, further auger drilling, and preliminary metallurgical testwork to better assess the project's potential.

Sconi Battery Minerals Project (Queensland, Australia)

The Sconi Project remains strategically positioned as a long-life, low-risk nickel and cobalt development in a Tier-1 jurisdiction. While nickel and cobalt prices remain subdued, the Board recognises that securing financing for a final investment decision (FID) under current market conditions would be challenging.

The Project benefits from several significant competitive advantages:

- granted mining leases covering the Greenvale, Lucknow, and Kokomo deposits, reinforcing tenure security;
- advanced metallurgical understanding and brownfields status, meaning technical and mining risks are well understood;
- a clearly defined development timeline to production upon FID.

6. OPERATING AND FINANCIAL REVIEW (cont.)

Crucially, the Sconi Project holds substantial JORC (2012) compliant Mineral Resources and Ore Reserves, as summarised below:

Mineral Resource Estimate (JORC 2012)⁶

- Measured: 11.9 Mt @ 0.81% Ni, 0.11% Co, 46 ppm Sc
- Indicated: 45.5 Mt @ 0.59% Ni, 0.08% Co, 43 ppm Sc
- Inferred: 18.3 Mt @ 0.51% Ni, 0.06% Co, 42 ppm Sc
- Total: 75.7 Mt @ 0.60% Ni, 0.08% Co, 44 ppm Sc

Ore Reserve Estimate (JORC 2012)⁶

- Proven: 6.9 Mt @ 0.79% Ni, 0.10% Co, 45 ppm Sc
- Probable: 27.0 Mt @ 0.63% Ni, 0.10% Co, 42 ppm Sc
- Total: 33.9 Mt @ 0.66% Ni, 0.10% Co, 43 ppm Sc

These figures underpin the Project's capacity for multi-decade production.

During the year, the Company commenced discussions with HMS Bergbau AG, which may lead to long-term offtake arrangements and strategic funding support via Germany's critical minerals program. The Company also confirms it retains the right to terminate its previously announced offtake agreement with LG Energy Solution, due to unmet conditions precedent.

The Board remains focused on enhancing Sconi's competitive advantages and advancing the Project toward development readiness, while actively monitoring market conditions for an appropriate window to progress to final investment decision (FID).

⁶ The Mineral Resources and Ore Reserves are reported in accordance with the JORC Code (2012) and were originally disclosed in the ASX announcement dated 14 February 2019 ("Sconi Project Feasibility Study Update"). 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 estimates continue to apply and have not materially changed.

6. OPERATING AND FINANCIAL REVIEW (cont.)

¹BOA 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 GEMS™ 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 \$1,880,576 (2024: loss \$3,799,223). There was no impairment of exploration assets during the year (2024: nil).

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

Financials	2025	2024
	\$'000	\$'000
Revenue from operating activities	-	-
Net Loss	(1,881)	(3,799)
Cash and cash equivalents	1,452	4,492

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 (2024: 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

On 4 July 2025 the Company 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 Gold Project based in Brazil. Under the agreement the Company may earn up to an 80% interest in the project through staged exploration and development expenditure and milestone-based achievements. The key acquisition terms for the Boa Vista Gold Project are as follows and all figures are in whole numbers:

- Initial Consideration: The Company must make a payment of CAD \$55,000 granting a 90-day exclusivity period. During this time the Company must meet certain conditions, including obtaining shareholder approval and finalising the deal structure. The transaction is subject to shareholder approval and third-party consents, which must be satisfied or waived within 90 days of executing the term sheet. Upon meeting these conditions, the Company will issue A\$1 million of fully paid ordinary shares to the vendors with 16,022,029 shares issued to Majestic D&M Holdings and 84,429,563 issued to Cabral Resources Limited. The shares issued to Cabral Resources Limited shall held in escrow for 6 months.

9. EVENTS SUBSEQUENT TO REPORTING DATE (cont.)

- Stage 1: The Company may earn a 51% interest by meeting several key milestones. The Company is required to spend at least A\$4.5 million on exploration over three years. This amount is expected to cover the Stage 1 obligations, including the completion of at least 6,000 metres of diamond core drilling, three annual payments of CAD \$250,000, and the announcement of a JORC-compliant Mineral Resource of at least 500,000 ounces, of which a minimum of 250,000 ounces must be classified as Measured and Indicated.

Upon satisfying these conditions and subject to shareholder approval, the Company will then issue A\$1 million shares to the vendors and form a joint venture with Cabral Resources Limited, with the Company as the initial operator.

- Stage 2: The Company can increase its ownership from 51% to 70% if Stage 1 is completed and it meets 2 main requirements within 3 years. First, the Company must spend at least A\$1 million each year on exploration, feasibility studies and environmental baseline studies. Second, the Company needs to complete and announce a Feasibility study that confirms JORC-compliant gold reserve of more than 250,000 ounces.
- Stage 3: The Company can increase its interest from 70% to 80% by making a final payment within 90 days of completing stage 2. This payment will be greater of either A\$5 million or a calculated resource value based on the Feasibility Study Results as outlined in the Term Sheet. The payment is to be made in 2 instalments, half within 6 months and the remainder within 18 months with at least 50% paid in cash unless otherwise agreed and the balance will be settled, subject to shareholder approval by the issue of AUZ shares.
- If the Company reaches either a 70% or 80% interest in the Boa Vista Gold Project, ongoing project costs must be shared by all parties in proportion to their ownership, or their interest will be diluted in accordance with a standard dilution formula. The agreement allows the Company to extend Stage 1 by one year for a A\$100,000 fee if minimum expenditure is met, and Stage 2 can be extended indefinitely with escalating fees. Milestone dates may also be extended in cases of force majeure.
- The Company may exit the project after meeting minimum expenditure requirements. If the Company does not earn the initial interest, its exit interest is zero, but if it earns only the initial interest, its exit interest is 25%, subject to certain conditions.

On 10 July 2025 the company completed a capital raise of \$2.5 million (before costs) through the issue of 312,500,000 ordinary shares at \$0.008 per share.

A General Meeting was held on 26 August 2025, during which all resolutions were successfully passed providing shareholder approval to issue shares and options as outlined in the Boa Vista project Term Sheet to Cabral Resources Limited and Majestic D&M Holdings LLC.

The company announced on 29 August 2025 the issue of securities as initial consideration for acquisition of Boa Vista Project following the shareholder approval on 26 August 2025.

- 16,022,029 ordinary shares at \$0.01 per share issued to Majestic D&M Holdings LLC;
- 84,429,563 ordinary shares at \$0.01 per share issued to Cabral Resources Limited, subject to voluntary escrow for 6 months.

9. EVENTS SUBSEQUENT TO REPORTING DATE (cont.)

In addition, on 29 August 2025 the company announced the issue of 171,250,000 securities as free attaching options to participants in placement and as broker options, expiring on 2 February 2027.

There have been no other events subsequent to reporting date.

10. LIKELY DEVELOPMENTS AND FUTURE PROSPECTS

The Company will continue to focus on advancing its portfolio of mineral and technology projects with the objective of creating long-term value for shareholders. Key areas of focus over the next financial year are expected to include:

- Boa Vista Gold Project (Brazil): Progressing the staged earn-in through initial geophysical surveys, geological mapping, and commencement of up to 3,000 metre diamond drilling program to expand upon the historic resource at the VG1 prospect and evaluate additional targets across the tenement package.
- Flemington Project (New South Wales): Advancing exploration activities to infill and expand the updated scandium, nickel and cobalt Mineral Resource Estimate, with the objective of supporting future development studies and potential strategic partnerships.
- Sconi Battery Minerals Project (Queensland): Continuing to progress financing discussions, potential offtake agreements and strategic partnerships to position the project for a final investment decision when market conditions are favourable.
- Resende and Jequie Rare Earth Projects (Brazil): Consider further exploration including auger drilling, soil sampling, mapping and metallurgical testwork to better define the extent and development potential of identified rare earth elements, tin, lithium and tantalum anomalies.
- Solid-State Hydrogen Storage Technology: Continuing to develop and validate the Company's proprietary scandium-magnesium metal hydride technology, with results from independent HyMARC testing expected to guide future commercialisation pathways.

Forward-Looking Statements

This report contains forward-looking statements regarding Australian Mines Limited's activities, plans and expectations. Forward-looking statements include, but are not limited to, statements with respect to: future exploration and development programs; the timing and results of exploration, drilling, and metallurgical test work; estimates of mineralisation (including foreign estimates); the potential for mineral resources or ore reserves to be established; future financing and offtake arrangements; and the commercialisation of the Company's solid-state hydrogen storage technology.

Forward-looking statements are inherently subject to risks, uncertainties, and other factors, many of which are outside the control of the Company. Actual results may differ materially from those expressed or implied in such statements due to factors including, but not limited to: changes in commodity prices and market demand; exploration, development and operational risks; financing risks; changes in regulatory and permitting requirements; global economic conditions; and other risk factors discussed in the Company's ASX announcements and reports.

10. LIKELY DEVELOPMENTS AND FUTURE PROSPECTS (cont.)

Any references to “foreign (historical) estimates” of mineralisation in this report (including at the Boa Vista Gold Project) are reported in accordance with ASX Listing Rule 5.12. Such estimates are not reported in accordance with the JORC Code (2012), and a Competent Person has not done sufficient work to classify them as Mineral Resources under the JORC Code. It is uncertain whether further exploration and evaluation will result in the determination of Mineral Resources in accordance with the JORC Code.

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.

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.

11. MATERIAL BUSINESS RISKS (cont.)

- **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. 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.

11. MATERIAL BUSINESS RISKS (cont.)

- **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.
- **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).

11. MATERIAL BUSINESS RISKS (cont.)

- **Climate change** – Though Australian Mines Limited is currently Carbon Neutral certified, 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.
- **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.

11. MATERIAL BUSINESS RISKS (cont.)

- **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 AND EXECUTIVE OFFICERS' 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 Executive Officers	Shares	Listed Options	Unlisted Options
M Ramsden	19,534,470	-	903,833
M Elias	12,268,115	-	144,067
D Marinelli	15,376,320	-	296,610
A Nesbitt	20,000,000	-	-

13. SHARE OPTIONS

Listed Options

On 29 January 2024, 133,636,332 listed options were issued to shareholders as part of a capital raising. The options expire on the 29 January 2027 and allow for the purchase of shares prior to this date at a price of \$0.022 per share.

On 6 May 2024, 108,235,314 listed options were issued to shareholders as part of a capital raising on a basis of one option for every two shares subscribed. The options expire on the 6 May 2027 and allow for the purchase of shares prior to this date at a price of \$0.032 per share.

14. REMUNERATION REPORT – AUDITED

The directors present the Company's 2025 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 2024 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 3-4 for director details)

Michael Ramsden (Chairman)

Michael Elias (Non-Executive Director)

Dominic Marinelli (Non-Executive Director)

Andrew Nesbitt (CEO)

Tim Maclean (Chief Operating Officer, resigned on 23 July 2024)

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.

14. REMUNERATION REPORT – AUDITED (cont.)

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.

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

The Company has no scheme to pay discretionary bonuses based on short term performance. No bonus amount was paid to all Directors and Key Management Personnel during the financial year (2024: \$nil).

Long Term Incentive Bonus

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

14. REMUNERATION REPORT – AUDITED (cont.)

	Key Management Personnel	Directors
Grant Date	23 September 2023	21 November 2023
Number of Shares	20,000,000	30,000,000
Share Price at Grant Date	<p>\$0.015</p> <p>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.</p>	<p>\$0.015</p> <p>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.</p>
Vesting Conditions	<p>Continuous employment from the Commencement Date; and</p> <p>From the Commencement Date to 30 June 2026 (Performance period):</p> <p>A) 10,000,000 Shares (Tranche 1) will vest on total shareholder return (TSR) hurdle measured against the Peer Group as follows:</p> <p>(i) If TSR is at 50th percentile of the Peer Group, 65% of the Tranche 1 Shares will vest;</p> <p>(ii) If the TSR is at 90th percentile of the Peer Group, 100% of the Tranche 1 Shares will vest; and</p> <p>(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).</p> <p>B) 10,000,000 Shares (Tranche 2) will vest on 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.</p>	<p>The Performance Shares are divided into 3 tranches and subject to the following vesting conditions:</p> <p>(i) 1/3 for service to the Company as an Eligible Person until 1 June 2024</p> <p>(ii) 1/3 for service to the Company as an Eligible Person until 1 June 2025</p> <p>(iii) 1/3 for service to the Company as an Eligible Person until 1 June 2026</p>

14. REMUNERATION REPORT – AUDITED (cont.)

Lapse of Performance Shares	<p>Performance Shares will be forfeited in the following circumstances:</p> <ul style="list-style-type: none"> • Employment, office or contractual relationship with the Company ceases; • Relevant vesting conditions are not satisfied by the relevant time; • The Key Management Personnel acts fraudulently or dishonestly or in breach of their obligations to the Group; or • They become insolvent. <p>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.</p>	<p>Performance Shares will be forfeited in the following circumstances:</p> <ul style="list-style-type: none"> • 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. <p>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.</p>
Loan Arrangements	<p>Under the Loan Agreement, the Group will lend the Key Management Personnel the funds required to purchase the Performance Shares. No interest will be payable on the loan and it is a limited recourse loan.</p>	<p>Under the Loan Agreement, the Group will lend the Directors the funds required to purchase the Performance Shares. No interest will be payable on the loan and it is a limited recourse loan.</p>

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. No performance bonuses were paid in the current financial year.

	2025	2024	2023	2022	2021
Loss for the year (\$'000)	1,881	3,799	4,104	5,788	4,493
Share price at year end	\$0.011	\$0.007	\$0.016	\$0.060	\$0.219
Change in share price	57%	(56%)	(76%)	(73%)	182%

The 30 June 2021 share price has been adjusted for the 1 for 10 share consolidation.

Service Contracts - Executive Officers

Mr Tim Maclean resigned as Chief Operating Officer effective on 23 July 2024. Australian Mines issued Mr Tim Maclean a termination of employment letter, which terminated his employment in accordance with the terms of his agreement. His final termination payment totaled \$135,626.

14. REMUNERATION REPORT – AUDITED (cont.)

The Company entered into a service agreement contract with Mr Andrew Nesbitt as Chief Executive Officer on 2 October 2023. Mr Andrew Nesbitt has been employed on a salary of \$283,050 per annum inclusive of superannuation. The agreement includes an invitation to participate in the Loan Share Plan whereby the executive can apply for shares. The contract has no defined term however either party may terminate this agreement by providing three months written notice in accordance with the agreement.

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 presently paid \$70,000 (2024: \$70,000) per annum each. The non-executive chairman, Mr M Ramsden receives a fee of \$105,000 (2024: \$105,000) 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.

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. Figures are displayed as whole numbers and not rounded to the nearest thousand.

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 (B)	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	2025	94,170	-	-	-	10,830	-	-	21,406	126,406	-	17
	2024	94,595	-	-	-	10,405	-	-	32,939	137,940	-	24
Mr M Elias	2025	62,780	-	-	-	7,220	-	-	21,406	91,406	-	23
	2024	63,063	-	-	-	6,937	-	-	32,939	102,939	-	32
Mr D Marinelli	2025	62,780	-	-	-	7,220	-	-	21,406	91,406	-	23
	2024	63,063	-	-	-	6,937	-	-	32,939	102,939	-	32
Mr L Guthrie (A)	2025	-	-	-	-	-	-	-	-	-	-	-
	2024	5,255	-	-	-	578	-	-	-	5,833	-	-
Total	2025	219,730	-	-	-	25,270	-	-	64,218	309,218	-	21
Compensation Directors	2024	225,976	-	-	-	24,857	-	-	98,817	349,650	-	28

AUSTRALIAN MINES LIMITED
DIRECTORS' REPORT

14. REMUNERATION REPORT – AUDITED (cont.)

Executive Officers		Non-Exec Directors' Fees	Executive Salaries	Bonus	Fringe Benefits	Super- annuation Contribution	Termination and Retirement Benefits	Other Long-Term Benefits (B)	Share-based Payments	TOTAL	Proportion of remuneration performance based	Value of Share-based payments as a proportion of remuneration
		\$	\$	\$	\$	\$	\$	\$	\$	\$	%	%
Mr M Holmes (C)	2024	-	127,239	-	-	7,850	-	20,713	(85,852)	69,950	-	-
Mr T Macean (D)	2025	-	16,922	-	-	1,946	116,758	-	-	135,626	-	-
	2024	-	263,976	-	-	27,399	-	(2,385)	-	288,990	-	-
Mr A Nesbitt	2025	-	253,857	-	-	29,193	-	16,599	52,436	352,087	7	15
	2024	-	191,738	-	-	20,549	-	14,646	40,371	267,304	7	15
Total Compensation Executive Officers	2025	-	270,779	-	-	31,139	116,758	16,599	52,436	487,713	-	12
	2024	-	582,953	-	-	55,798	-	32,974	(45,481)	626,244	-	-

(A) Les Guthrie resigned as non-executive director on 18 July 2023.

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

(C) Michael Holmes resigned as CEO on 2 October 2023. Michael did not receive a termination payment, but employee leave entitlements were paid out. A reversal of the Share-based Payment expense recorded to date was recognised in the accounts at the date of termination.

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

14. REMUNERATION REPORT – AUDITED (cont.)

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. Dollar values are stated in whole numbers.

	Held at 1 July 2024			Movements During the Year			Held at 30 June 2025		
	Number of Vested	Number of Unvested	Value of Unvested \$	Number Purchased	Number Sold/ Transferred	Number Vested	Number of Vested	Number of Unvested	Value of Unvested \$
Directors									
M Ramsden	14,990,540	4,606,430	29,223	-	(62,500)	3,387,326	18,315,367	1,219,103	7,818
M Elias	7,661,685	4,606,430	29,223	-	-	3,387,326	11,049,012	1,219,103	7,818
D Marinelli	10,769,890	4,606,430	29,223	-	-	3,387,326	14,157,217	1,219,103	7,818
KMP									
T Maclean	995,000	-	-	-	(995,000)	-	-	-	-
A Nesbitt	5,558,853	14,441,147	104,877	-	-	7,220,573	12,779,426	7,220,574	52,438

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:

	Held at 1 July 2024		Movements During the Year		Held at 30 June 2025	
	Number of Unvested	Number of Vested	Number Purchased	Number Sold / Expired	Number of Unvested	Number of Vested
Directors						
M Ramsden	-	903,833	-	-	-	903,833
M Elias	-	144,067	-	-	-	144,067
D Marinelli	-	296,610	-	-	-	296,610
KMP						
T Maclean	-	-	-	-	-	-
A Nesbitt	-	-	-	-	-	-

f) Voting and comments made at the company's 2024 Annual General Meeting

The Company received 88.83% "for" votes on its remuneration report for the 2024 financial year at the Annual General Meeting held on 20 November 2024. The Company received no specific feedback on its Remuneration Report at the Annual General Meeting.

14. REMUNERATION REPORT – AUDITED (cont.)

g) Loans to key management personnel

A limited recourse loan accounted for as share-based payment 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) principles of compensation. No interest is payable on the loan and repayment is due upon forfeiture or sale of the shares. These loans are accounted for as share-based payments and as such no loan receivables are reflected on the balance sheet. Details of the shares and loans can be found below, stated in whole numbers:

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
Michael Ramsden	24 Nov 2017	860,000	\$1.16	\$997,600
Michael Elias	24 Nov 2017	520,000	\$1.16	\$603,200
Dominic Marinelli	24 Nov 2017	520,000	\$1.16	\$603,200
		1,900,000		\$2,204,000
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

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

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 favorable 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 69-75.

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 \$193,859 (2024: \$241,688) in respect of liability for any current and future directors, Company secretary, executives and employees of the Company.

19. NON-AUDIT SERVICES

There was no work performed in the current year or prior year.

20. LEAD AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration is set out on page 30 and forms part of this Directors' Report for the year ended 30 June 2025.

AUSTRALIAN MINES LIMITED
DIRECTORS' REPORT

21. ROUNDING OFF

The Company is of a kind referred to in ASIC Corporations Instrument 2016/191 dated 24 March 2016 and in accordance with that Instrument, amounts in the consolidated financial statements and directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

This report is made with a resolution of the Directors.

A handwritten signature in black ink, appearing to read 'D. Marinelli', with a stylized, cursive script.

Dominic Marinelli

Director

26 September 2025



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Australia

DECLARATION OF INDEPENDENCE BY NEIL SMITH TO THE DIRECTORS OF AUSTRALIAN MINES LIMITED

As lead auditor of Australian Mines Limited for the year ended 30 June 2025, 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 period.

A handwritten signature in black ink, appearing to read 'Neil Smith', with a stylized flourish extending to the right.

Neil Smith

Director

BDO Audit Pty Ltd

Perth

26 September 2025

AUSTRALIAN MINES LIMITED
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2025

	Note	2025 \$'000	2024 \$'000
Other income		-	139
Expenses			
Corporate overheads and indirect expenses	5	(911)	(1,037)
Personnel expense	4	(694)	(785)
Depreciation and amortisation		(4)	(6)
Exploration expenditure	5	(158)	(1,357)
Share-based payment expense	12	(121)	(65)
Loss on fair value of derivatives		-	(399)
Loss from operating activities		(1,888)	(3,510)
Finance income		7	17
Finance expense		-	(306)
Net finance income		7	(289)
Loss before income tax expense		(1,881)	(3,799)
Income tax expense	7	-	-
Loss after income tax expense for the year		(1,881)	(3,799)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive loss for the year		(1,881)	(3,799)
Loss per share attributable to the ordinary equity holders of the Company		Cents	Cents
Basic earnings per share	8	(0.13)	(0.39)
Diluted earnings per share	8	(0.13)	(0.39)

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 2025

	Note	2025 \$'000	2024 \$'000
Assets			
Current assets			
Cash and cash equivalents	9	1,452	4,492
Trade and other receivables		21	7
Other assets		1	1
Total current assets		<u>1,474</u>	<u>4,500</u>
Non-current assets			
Exploration and evaluation assets	11	43,483	42,331
Intangibles		55	52
Property, plant and equipment		92	95
Total non-current assets		<u>43,630</u>	<u>42,478</u>
Total assets		<u>45,104</u>	<u>46,978</u>
Liabilities			
Current liabilities			
Trade and other payables		62	71
Employee benefits		116	187
Total current liabilities		<u>178</u>	<u>258</u>
Non-current liabilities			
Total non-current liabilities		<u>-</u>	<u>-</u>
Total liabilities		<u>178</u>	<u>258</u>
Net assets		<u>44,926</u>	<u>46,720</u>
Equity			
Issued capital	13	114,494	114,494
Reserves	14	5,611	5,524
Accumulated losses		<u>(75,179)</u>	<u>(73,298)</u>
Total equity		<u>44,926</u>	<u>46,720</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 2025

	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 2023	105,599	1,511	3,858	-	(69,499)	41,469
Loss after income tax expense for the year	-	-	-	-	(3,799)	(3,799)
Other comprehensive income for the year, net of tax	-	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	-	(3,799)	(3,799)
<i>Transactions with owners in their capacity as owners:</i>						
Share-based payment transactions (note 12)	-	-	65	-	-	65
Shares issued during the year (note 13)	9,180	-	-	-	-	9,180
Transaction costs from issue of shares (note 13)	(285)	-	-	-	-	(285)
Revaluation of shares issued for acquisition of tenements (note 14)	-	-	90	-	-	90
Balance at 30 June 2024	114,494	1,511	4,013	-	(73,298)	46,720
	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)
<i>Transactions with owners in their capacity as owners:</i>						
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

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 2025

	Note	2025 \$'000	2024 \$'000
Operating activities			
Cash payments to suppliers and employees		(1,716)	(1,624)
Interest received		7	9
Sundry income		-	139
		<u>-</u>	<u>139</u>
Net cash used in operating activities	10	<u>(1,709)</u>	<u>(1,476)</u>
Investing activities			
Payments for exploration and evaluation	11	(1,294)	(2,396)
Payments for intangibles		(3)	(25)
Payments for property, plant and equipment		-	(1)
		<u>-</u>	<u>(1)</u>
Net cash used in investing activities		<u>(1,297)</u>	<u>(2,422)</u>
Financing activities			
Proceeds from share issue (net of costs)	13	-	5,686
Capital raising costs		-	(441)
Payments from share subscription agreement		-	(1,488)
		<u>-</u>	<u>(1,488)</u>
Net cash from financing activities		<u>-</u>	<u>3,757</u>
Net decrease in cash and cash equivalents		(3,006)	(141)
Cash and cash equivalents at the beginning of the financial year		4,492	4,633
Effects of exchange rate changes on cash and cash equivalents		(34)	-
		<u>(34)</u>	<u>-</u>
Cash and cash equivalents at the end of the financial year	9	<u><u>1,452</u></u>	<u><u>4,492</u></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 2025

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 2025 comprise the Company and its subsidiaries (together referred to as the 'Group') and the Group's interest in jointly controlled entities.

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

The consolidated financial statements were authorised for issue by the directors on 26 September 2025.

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 \$1,880,576 (2024: \$3,799,223) and had net cash outflows from operating activities of \$1,708,638 (2024: \$1,476,324). At balance date the Group has working capital of \$1,297,670 (2024: \$4,242,197). The values mentioned are in whole numbers and are not rounded to the nearest thousand.

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. Further details of the terms of the agreement can be found listed in the Events Subsequent to Reporting Period in note 18.

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.

Note 2. Basis of preparation (continued)

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.

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(d).

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.

AUSTRALIAN MINES LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2025

Note 3. Material accounting policy information (continued)

(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.

(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.

(ii) Classification and subsequent measurement

Financial assets

Except for those trade receivables that do not contain a material financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments, are classified into the following categories upon initial recognition:

- amortised cost;
- fair value through other comprehensive income (FVOCI); and
- fair value through profit or loss (FVPL).

AUSTRALIAN MINES LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2025

Note 3. Material accounting policy information (continued)

Classifications are determined by both:

- The contractual cash flow characteristics of the financial assets; and
- The entity's business model for managing the financial asset.

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Financial assets at fair value through other comprehensive income (Equity instruments)

Financial assets at fair value through other comprehensive income include equity investments which the Group intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Financial assets at fair value through profit or loss (FVPL)

Financial assets, not measured at amortised cost or at fair value through other comprehensive income, are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

d) Impairment

(i) Non-derivative financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that the loss event(s) had an impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired includes default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, or the disappearance of an active market for a security. In addition, for an investment in an equity security, a material or prolonged decline in its fair value below its cost is objective evidence of impairment.

Financial assets measured at amortised cost

The Group considers evidence of impairment for financial assets measured at amortised cost (loans and receivables) at both a specific asset and collective level. All individually material assets are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Assets that are not individually material are collectively assessed for impairment by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Group uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

Note 3. Material accounting policy information (continued)

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When an event occurring after the impairment was recognised causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

(ii) Non-financial assets

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:

(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

AUSTRALIAN MINES LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2025

Note 3. Material accounting policy information (continued)

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 2025. 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.

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 sub-totals 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.

AUSTRALIAN MINES LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2025

Note 3. Material accounting policy information (continued)

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) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no right at the end of the reporting period to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

k) Rounding of amounts

The Company is of a kind referred to in Corporations Instrument 2016/191, 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

	2025 \$'000	2024 \$'000
Wages and salaries	490	808
Salary recharge	(220)	(512)
Non-executive directors fees	268	274
Bonus	8	12
Other associated personnel expenses	6	15
Contributions to superannuation funds	84	111
Increase in leave liability	58	77
	<u>694</u>	<u>785</u>
	2025 \$'000	2024 \$'000
Employee share-based payment		
Employee share-based payment expenses (note 12)	<u>121</u>	<u>65</u>

AUSTRALIAN MINES LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2025

Note 5. Other expenses

	2025 \$'000	2024 \$'000
Corporate overheads and indirect expenses		
Insurance	196	236
Travel and accommodation	15	50
Legal fees	87	63
Accounting, tax and audit services	240	246
Share registry services	73	117
Conferences	1	3
Investor relations fees	62	45
Advisors and consultants	47	79
Other fees and services	143	82
General administration	47	116
	<u>911</u>	<u>1,037</u>
	2025 \$'000	2024 \$'000
Depreciation and amortisation of:		
Plant and equipment	<u>4</u>	<u>6</u>
Exploration expenditure not capitalised:		
Exploration	<u>158</u>	<u>1,357</u>

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:

	2025 \$'000	2024 \$'000
Audit services - BDO Audit Pty Ltd		
Audit or review of the financial statements	<u>60</u>	<u>76</u>

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Note 7. Income tax expense

	2025 \$'000	2024 \$'000
<i>Income tax expense</i>		
Deferred tax - origination and reversal of temporary differences	521	721
Adjustment for prior periods	173	161
Current year losses for which no deferred tax asset was recognised	(694)	(882)
	<u>-</u>	<u>-</u>
Aggregate income tax expense	-	-
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Loss before income tax expense	(1,881)	(3,799)
Tax at the statutory tax rate of 30% (2024: 25%)	(564)	(950)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Non-deductible expenses	46	213
Adjustment recognised for prior periods	(173)	(161)
Tax losses not brought to account	693	882
Effect of differences in tax rates globally	(2)	16
	<u>-</u>	<u>-</u>
Income tax expense	-	-

Note 8. Earnings per share

	2025 \$'000	2024 \$'000
Loss after income tax	(1,881)	(3,799)
	<u>-</u>	<u>-</u>
	Cents	Cents
Basic earnings per share	(0.13)	(0.39)
Diluted earnings per share	(0.13)	(0.39)

The calculation of basic loss per share at 30 June 2025 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 2025 of 1,398,512,124 (2024: 980,500,374), calculated as follows:

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Note 8. Earnings per share (continued)

	2025 Number	2024 Number
Number of ordinary shares		
Issued ordinary shares at 1 July (i)	1,398,512,124	620,489,043
Share placement (i)	-	778,023,081
Issued ordinary shares at 30 June	1,398,512,124	1,398,512,124
Weighted average number of ordinary shares for year ending 30 June	1,398,512,124	980,500,374

(i) Adjusted for ten for one share consolidation.

Diluted earnings per share

The calculation of diluted earnings per share at 30 June 2025 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 2025 of 1,398,512,124 (2024: 980,500,374). There were no options that were considered dilutive.

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

	2025 \$'000	2024 \$'000
<i>Current assets</i>		
Cash at bank	1,452	4,492

Refer to note 15 for Financial Risk Management.

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

	2025 \$'000	2024 \$'000
Loss after income tax expense for the year	(1,881)	(3,799)
Adjustments for:		
Depreciation and amortisation	4	6
Write off of relinquished tenements	-	1,085
Gain on revaluation of derivative financial liabilities	-	399
Convertible note finance charge	-	306
Salary recharge	-	512
Share-based payment expense	121	65
Exploration expenditure	158	-
Change in operating assets and liabilities:		
(Increase)/decrease in trade and other receivables	(14)	14
Decrease in trade and other payables	(24)	(66)
(Decrease)/increase in provisions and employee benefit	(73)	2
Net cash used in operating activities	<u>(1,709)</u>	<u>(1,476)</u>

Note 11. Exploration and evaluation assets

	2025 \$'000	2024 \$'000
<i>Non-current assets</i>		
Exploration and evaluation	<u>43,483</u>	<u>42,331</u>

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 2023	40,508
Acquisition of tenements	1,277
Expenditure incurred for the year	2,000
Expenditure expensed	(272)
Tenements relinquished expense	(1,085)
R&D refund	(97)
Balance at 30 June 2024	42,331
Expenditure incurred for the year	1,345
Expenditure expensed	(158)
Tenements relinquished expense	(35)
Balance at 30 June 2025	<u>43,483</u>

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Note 11. Exploration and evaluation assets (continued)

On 13 March 2024, the Company established two wholly owned subsidiaries in Brazil, Ecometals Brazil Ltda and Eco Metals Brazil Ltda, to hold the tenements and conduct exploration activities within them.

At 30 June 2025, fifteen out of the seventeen licences in relation to Jeque Niobium Rare Earth Project were transferred to Ecometals Brazil Ltda, and in relation to the Resende Lithium Project, seven out of the eight licences were transferred to EM1 Brazil Ltda.

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.

The Company has considered the exploration and evaluation assets for impairment, under the above requirements of AASB 6 and based on the following factors, has determined that there are no indicators of impairment:

- The Company has ownership, or title to the areas of interest it has capitalised expenditure on. The Directors regularly review the tenements and relinquish any that are unlikely to be economically viable.
- Australian Mines' Flemington exploration, an emerging cobalt nickel scandium project in New South Wales, in 2025 Australian Mines expanded the Mineral Resource and has the potential to expand the current Mineral Resource further.
- The Sconi Project is a strategic long-life asset. Although securing financing for a FID decision would be difficult under the current nickel and cobalt commodity prices, the Company has been extensively working on targeted collaborative partnership agreement and sponsorship to fund the company through Sconi Final Investment Decision (FID). In June 2025, Australian Mines received a formal Expression of Interest (EOI) from HMS Bergbau AG ("HMS"), a leading German commodities trading and logistic group, regarding potential offtake of Nickel, Cobalt, and Scandium.
- The period has seen a consolidation in the nickel price at about USD\$15,000 to USD\$16,000/ tonne.
- Australian Mines Limited wholly owned subsidiary Sconi Mining Operations Pty Ltd was granted Greenvale mining lease 10368 in July 2023. The Greenvale mining lease combined with the Lucknow and Kokomo mining leases contains the critical battery minerals resource of the Sconi project in North Queensland.

Note 12. Share-based payments

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

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Note 12. Share-based payments (continued)

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).
- 10,000,000 performance shares (Tranche 2) will vest on 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. Figures are stated in whole numbers.

Tranche	Grant date	Number issued	Value per right	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	45,189	25,532	25,532
2	23/09/2023	10,000,000	\$ 0.0075	74,526	2.77	47,620	26,906	26,906
				<u>145,247</u>		<u>92,809</u>	<u>52,438</u>	<u>52,438</u>

The total value of the shares is expensed in proportion to the percentage of the vesting period that has elapsed. On 30 June 2025, 64% of the vesting period had elapsed and as such a share-based payment expense of \$52,438 was recorded for the period.

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 21 November 2023 10,000,000 performance shares each were issued by the Group to Directors Dominic Marinelli, Michael Ramsden and Michael Elias in accordance with their employment contract and the Loan Share Plan. The Group provided an interest free limited recourse loan to the Directors to enable them to purchase the shares.

AUSTRALIAN MINES LIMITED
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Note 12. Share-based payments (continued)

Grant Date: 21 November 2023

Number of shares: 30,000,000

Vesting Conditions

- i. 1/3 of shares (3,333,333) for service to the Group as an eligible person until 1 June 2024
- ii. 1/3 of shares (3,333,333) for service to the Group as an eligible person until 1 June 2025
- iii. 1/3 of shares (3,333,334) for service to the Group as an eligible person until 1 June 2026

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 right	Total value	Vesting period	Value vested	Value vested current period	Value not vested
				\$		\$	\$	\$
1	21/11/2023	10,000,000	\$ 0.0060	59,761	0.53	59,761	-	-
2	21/11/2023	10,000,000	\$ 0.0063	62,594	1.61	62,488	38,855	106
3	21/11/2023	10,000,000	\$ 0.0064	64,133	2.53	40,787	25,361	23,346
				<u>186,488</u>		<u>163,036</u>	<u>64,216</u>	<u>23,452</u>

The total value of the shares is expensed in proportion to the percentage of the vesting period that has elapsed. On 30 June 2025 a share-based payment expense of \$64,216 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	\$0.015	\$0.015	\$0.015
Risk free rate	4.10%	4.10%	4.10%
Volatility factor	75%	75%	75%
Exercise price	\$0.018	\$0.018	\$0.018
Term	2.53 years	2.53 years	2.53 years
Expected dividend yield	0%	0%	0%

In December 2020, Company Secretary, Oliver Carton was invited to apply for 10,000,000 pre-consolidation shares under a loan share plan. A limited recourse loan was provided to allow the Company Secretary to purchase the shares for \$0.025 per pre-consolidation share. The limited recourse loan plan shares are divided into 4 tranches vesting on 1 July each year from 2021 to 2024. As at 30 June 2024 all four tranches of shares have fully vested.

On 28 March 2024, Company Secretary, Oliver Carton was invited to apply for 2,000,000 shares under a Loan Share Plan. A limited recourse loan was provided to allow the Company Secretary to purchase the shares for \$0.018 per share. The limited recourse loan plan shares are divided into 3 tranches vesting on 1 June each year from 2024 to 2026. The shares are subject to service period vesting conditions. Figures are stated in whole numbers.

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Note 12. Share-based payments (continued)

Tranche	Grant date	Number issued	Value per right	Total value \$	Vesting period	Value vested \$	Value vested current period \$	Value not vested \$
1	27/3/2024	666,667	\$ 0.00453	3,021	0.18	3,021	-	-
2	27/3/2024	666,667	\$ 0.00475	3,169	1.18	3,169	2,470	-
3	27/3/2024	666,667	\$ 0.00493	3,285	2.18	1,899	1,506	1,387
				<u>9,475</u>		<u>8,089</u>	<u>3,976</u>	<u>1,387</u>

Details of the vesting conditions of the plan shares

Tranche 1: Service to the Company as an eligible person until 01 June 2024

Tranche 2: Service to the Company as an eligible person until 01 June 2025

Tranche 3: Service to the Company as an eligible person until 01 June 2026

The fair value of the Loan Share Plan was calculated using the Hoadley ESO2 Model. The value of the shares has been expensed on a proportionate basis for each period from grant date under AASB 2 to vesting date.

	Tranche 1	Tranche 2	Tranche 3
Share price at date granted	\$0.011	\$0.011	\$0.011
Risk free rate	3.62%	3.62%	3.62%
Volatility factor	90%	90%	90%
Exercise price	\$0.018	\$0.018	\$0.018
Term	2.18 years	2.18 years	2.18 years
Expected dividend yield	0%	0%	0%

Summary

Figures are stated in whole numbers.

	Total value \$	Value vested \$	Value vested current period \$	Value not vested at the year ended 30 June 2025 \$
Performance Shares				
20,000,000 Performance Shares	145,247	92,809	52,438	52,438
30,000,000 Performance Shares	186,488	163,036	64,216	23,452
2,000,000 Performance Shares	<u>9,475</u>	<u>8,089</u>	<u>3,976</u>	<u>1,387</u>
	<u>341,210</u>	<u>263,934</u>	<u>120,630</u>	<u>77,277</u>

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Note 12. Share-based payments (continued)

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
Michael Ramsden	24-Nov-17	860,000	\$1.16	997,600
Michael Elias	24-Nov-17	520,000	\$1.16	603,200
Dominic Marinelli	24-Nov-17	520,000	\$1.16	603,200
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
		<u>56,300,000</u>		<u>3,338,000</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 2025 and accounted for in the share-based payment reserve is \$120,630.

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

	2025 Shares	2024 Shares	2025 \$'000	2024 \$'000
Ordinary shares - fully paid	<u>1,398,512,124</u>	<u>1,398,512,124</u>	<u>114,494</u>	<u>114,494</u>

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Note 13. Issued capital (continued)

	2025 \$'000	2025 No.	2024 \$'000	2024 No.
Reconciliation of issued capital				
Balance at beginning of 1 July	114,495	1,398,512,124	105,599	620,489,043
Share rights issue (i)	-	-	230	16,666,667
Share rights issue (ii)	-	-	230	16,666,667
Share payment (iii)	-	-	36	-
Share payment (iv)	-	-	150	-
Share rights issue (v)	-	-	232	21,428,573
Share placement (vi)	-	-	-	(4,060,000)
Share placement (vii)	-	-	-	4,060,000
Share rights issue (viii)	-	-	231	16,666,667
Share placement (ix)	-	-	-	15,040,000
Share rights issue (x)	-	-	162	12,727,273
Share rights issue (xi)	-	-	232	20,000,000
Share rights issue (xii)	-	-	162	14,000,000
Share placement (xiii)	-	-	-	900,000
Share placement (xiv)	-	-	-	30,000,000
Share rights issue (xv)	-	-	232	18,181,819
Share placement (xvi)	-	-	1,565	142,282,585
Share placement (xvii)	-	-	935	84,990,143
Share rights issue (xviii)	-	-	291	35,714,286
Share rights issue (xix)	-	-	503	64,285,715
Options exercised (xx)	-	-	-	1,000
Share placement (xxi)	-	-	3,000	176,470,599
Options exercised (xxii)	-	-	0	850
Share placement (xxiii)	-	-	-	2,000,000
Share placement (xxiv)	-	-	990	90,000,000
Options exercised (xxv)	-	-	-	37
Options exercised (xxvi)	-	-	-	200
Costs of capital raising	-	-	(285)	-
Share forfeiture (xxvii)	-	(995,000)	-	-
Balance at end of year	<u>114,495</u>	<u>1,397,517,124</u>	<u>114,495</u>	<u>1,398,512,124</u>
	2025 \$'000	2025 No.	2024 \$'000	2024 No.
Shares held by the public	114,495	1,397,517,124	114,495	1,398,512,124
Treasury shares*	-	995,000	-	-
Closing balance	<u>114,495</u>	<u>1,398,512,124</u>	<u>114,495</u>	<u>1,398,512,124</u>

* Treasury shares are shares in Australian Mines Limited that are held by Lennox Trust. When Tim MacLean resigned on 23 July 2024, 995,000 shares issued to him under the 2017 Loan Share Plan were forfeited to satisfy his loan 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.

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Note 13. Issued capital (continued)

- (i) On 3 July 2023 there was a conversion under the share subscription agreement resulting in Australian Mines Limited issuing 16,666,667 shares to the parties of the agreement.
- (ii) On 12 July 2023 there was a conversion under the share subscription agreement resulting in Australian Mines Limited issuing 16,666,667 shares to the parties of the agreement
- (iii) On 26 July 2023 Australian Mines Limited paid for upfront shares SBC received under the subscription agreements at a price of \$0.012.
- (iv) On 27 July 2023 Australian Mines Limited paid for upfront shares Lind received under the subscription agreements at a price of \$0.012.
- (v) On 29 August 2023 there was a conversion under the share subscription agreement resulting in Australian Mines Limited issuing 21,428,573 shares to the parties of the agreement.
- (vi) On 22 September 2023 Australian Mines Limited transferred the shares forfeited by Michael Holmes under the terms of the Share Loan Plan to Andrew Nesbitt.
- (vii) On 22 September 2023 Australian Mines Limited transferred the shares forfeited by Michael Holmes under the terms of the Share Loan Plan to Andrew Nesbitt.
- (viii) On 3 October 2023 there was a conversion under the share subscription agreement resulting in Australian Mines Limited issuing 16,666,667 shares to the parties of the agreement.
- (ix) On 13 October 2023 Australian Mines Limited issued 15,040,000 shares to CEO Andrew Nesbitt in addition to the transferred 4,060,000, to partially complete the 20 million shares under the terms of the Loan Share Plan.
- (x) On 23 October 2023 there was a conversion under the share subscription agreement resulting in Australian Mines Limited issuing 12,727,273 shares to the parties of the agreement.
- (xi) On 1 November 2023 there was a conversion under the share subscription agreement resulting in Australian Mines Limited issuing 20,000,000 shares to the parties of the agreement.
- (xii) On 13 November 2023 there was a conversion under the share subscription agreement resulting in Australian Mines Limited issuing 14,000,000 shares to the parties of the agreement.
- (xiii) On 13 November 2023 Australian Mines Limited issued 900,000 shares to CEO Andrew Nesbitt in addition to the transferred 4,060,000 and issued 15,040,000, to complete the 20 million shares under the terms of the Loan Share Plan.
- (xiv) On 27 November 2023 Australian Mines Limited issued 30,000,000 shares to Directors (M Ramsden, M Elias and D Marinelli - who received 10 million each) under the Loan Share Plan following shareholder approval on 21 November 2023.
- (xv) On 29 November 2023 there was a conversion under the share subscription agreement resulting in Australian Mines Limited issuing 18,181,819 shares to the parties of the agreement.
- (xvi) On 13 December 2023 Australian Mines issued 142,282,585 shares at a price of \$0.011 per share.
- (xvii) On 29 January 2024 Australian Mines issued 84,990,143 shares at a price of \$0.011 per share.
- (xviii) On 29 January 2024 there was a conversion under the share subscription agreement resulting in Australian Mines Limited issuing 35,714,286 shares to the parties of the agreement.

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Note 13. Issued capital (continued)

(xix) On 15 February 2024 there was a conversion under the share subscription agreement resulting in Australian Mines Limited issuing 64,285,715 shares to the parties of the agreement.

(xx) On 20 February 2024 Australian Mines Limited issued 1,000 shares as the result of options which were exercised.

(xxi) On 5 March 2024 Australian Mines issued 176,470,599 shares at a price of \$0.017 per share.

(xxii) On 19 March 2024 Australian Mines Limited issued 850 shares as the result of options which were exercised.

(xxiii) On 28 March 2024 Australian Mines Limited issued 2,000,000 shares to Secretary Oliver under the Loan Share Plan following shareholder approval on 24 March 2024.

(xxiv) On 19 April 2024 Australian Mines Limited issued 90,000,000 shares as part of the consideration for the acquisition of Brazil mining licences following shareholder approval.

(xxv) On 3 May 2024 Australian Mines Limited issued 37 shares as the result of options which were exercised.

(xxvi) On 23 May 2024 Australian Mines Limited issued 200 shares as the result of options which were exercised.

(xxvii) On 12 August 2024 Tim Maclean forfeited 995,000 shares under the terms of the Share Loan Plan. They are now being held in the trust by Lennox Trust.

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.

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

	2025 \$'000	2024 \$'000
Foreign currency reserve	(34)	-
Share-based payments reserve	4,134	4,013
Share option reserve	1,511	1,511
	<u>5,611</u>	<u>5,524</u>

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Note 14. Reserves (continued)

Movements in reserve

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

	Share option reserve \$'000	Share-based payments reserve \$'000	Foreign currency reserve \$'000	Total \$'000
Balance at 1 July 2023	1,511	3,858	-	5,369
Share-based payment employees/director's transactions (note 12)	-	65	-	65
Revaluation of shares issued for acquisition of tenements	-	90	-	90
Balance at 30 June 2024	1,511	4,013	-	5,524
Share-based payment employees/director's transactions (note 12)	-	121	-	121
Foreign currency translation	-	-	(34)	(34)
Balance at 30 June 2025	<u>1,511</u>	<u>4,134</u>	<u>(34)</u>	<u>5,611</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

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.

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, credit risk and foreign currency risk.

AUSTRALIAN MINES LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2025

Note 15. Financial risk management (continued)

(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
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

	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
2024						
<i>Financial assets</i>						
Trade and other receivables		-	-	-	7	7
	3.9%					
Cash and cash equivalents	(variable)	4,492	-	-	-	4,492
		4,492	-	-	7	4,499
<i>Financial liabilities</i>						
Trade and other payables		-	-	-	71	71

(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:

	Carrying amount \$'000	Contractual cash flows \$'000	6 months or less \$'000	6 to 12 months \$'000	1 to 5 years \$'000
2025					
Trade and other payables	62	62	62	-	-
2024					
Trade and other payables	71	71	71	-	-

(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.

AUSTRALIAN MINES LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2025

Note 15. Financial risk management (continued)

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	
	2025 \$'000	2024 \$'000
Cash at bank	1,452	4,492
Other debtors	21	7
	<u>1,473</u>	<u>4,499</u>

	2025 \$'000	2024 \$'000
<i>Credit rating</i>		
Cash at bank	1,452	4,492
S&P Global Ratings' rating AA-		

(d) 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.

(e) Fair values

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

Note 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:

AUSTRALIAN MINES LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2025

Note 16. Contingent liabilities and commitments (continued)

- (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 2025 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 at 30 June 2025.

There were no commitments at 30 June 2025.

Note 17. Interests in subsidiaries

Name	Principal activities	Country of incorporation	Functional currency	Ownership interest	
				30 June 2025	30 June 2024
				%	%
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%
AML Advanced Materials Limited (i)	Dormant	UK	GBP	-	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%

(i) AML Advanced Materials Limited has been officially dissolved as of 27 August 2024.

Note 17. Interests in subsidiaries (continued)

Accounting policy

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Australian Mines Limited as at 30 June 2025, 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

On 4 July 2025 the Company 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 Gold Project based in Brazil. Under the agreement the Company may earn up to an 80% interest in the project through staged exploration and development expenditure and milestone-based achievements. The key acquisition terms for the Boa Vista Gold Project are as follows and all figures are in whole numbers:

- Initial Consideration: The Company must make a payment of CAD \$55,000 granting a 90-day exclusivity period. During this time the Company must meet certain conditions, including obtaining shareholder approval and finalising the deal structure. The transaction is subject to shareholder approval and third-party consents, which must be satisfied or waived within 90 days of executing the term sheet. Upon meeting these conditions, the Company will issue A\$1 million of fully paid ordinary shares to the vendors with 16,022,029 shares issued to Majestic D&M Holdings and 84,429,563 issued to Cabral Resources Limited. The shares issued to Cabral Resources Limited shall held in escrow for 6 months.
- Stage 1: The Company may earn a 51% interest by meeting several key milestones. The Company is required to spend at least A\$4.5 million on exploration over three years. This amount is expected to cover the Stage 1 obligations, including the completion of at least 6,000 metres of diamond core drilling, three annual payments of CAD \$250,000, and the announcement of a JORC-compliant Mineral Resource of at least 500,000 ounces, of which a minimum of 250,000 ounces must be classified as Measured and Indicated.

Upon satisfying these conditions and subject to shareholder approval, the Company will then issue A\$1 million shares to the vendors and form a joint venture with Cabral Resources Limited, with the Company as the initial operator.

- Stage 2: The Company can increase its ownership from 51% to 70% if Stage 1 is completed and it meets 2 main requirements within 3 years. First, the Company must spend at least A\$1 million each year on exploration, feasibility studies and environmental baseline studies. Second, the Company needs to complete and announce a Feasibility study that confirms JORC-compliant gold reserve of more than 250,000 ounces.
- Stage 3: The Company can increase its interest from 70% to 80% by making a final payment within 90 days of completing stage 2. This payment will be greater of either A\$5 million or a calculated resource value based on the Feasibility Study Results as outlined in the Term Sheet. The payment is to be made in 2 instalments, half within 6 months and the remainder within 18 months with at least 50% paid in cash unless otherwise agreed and the balance will be settled, subject to shareholder approval by the issue of AUZ shares.
- If the Company reaches either a 70% or 80% interest in the Boa Vista Gold Project, ongoing project costs must be shared by all parties in proportion to their ownership, or their interest will be diluted in accordance with a standard dilution formula. The agreement allows the Company to extend Stage 1 by one year for a A\$100,000 fee if minimum expenditure is met, and Stage 2 can be extended indefinitely with escalating fees. Milestone dates may also be extended in cases of force majeure.
- The Company may exit the project after meeting minimum expenditure requirements. If the Company does not earn the initial interest, its exit interest is zero, but if it earns only the initial interest, its exit interest is 25%, subject to certain conditions.

AUSTRALIAN MINES LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2025

Note 18. Events after the reporting period (continued)

On 10 July 2025 the company completed a capital raise of \$2.5 million (before costs) through the issue of 312,500,000 ordinary shares at \$0.008 per share.

A General Meeting was held on 26 August 2025, during which all resolutions were successfully passed providing shareholder approval to issue shares and options as outlined in the Boa Vista project Term Sheet to Cabral Resources Limited and Majestic D&M Holdings LLC.

The company announced on 29 August 2025 the issue of securities as initial consideration for acquisition of Boa Vista Project following the shareholder approval on 26 August 2025.

- 16,022,029 ordinary shares at \$0.01 per share issued to Majestic D&M Holdings LLC;
- 84,429,563 ordinary shares at \$0.01 per share issued to Cabral Resources Limited, subject to voluntary escrow for 6 months.

In addition, on 29 August 2025 the company announced the issue of 171,250,000 securities as free attaching options to participants in placement and as broker options, expiring on 2 February 2027.

No other matter or circumstance has arisen since 30 June 2025 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 EBITDA (earnings before interest, tax, depreciation and amortisation). 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.

Operating segment information

2025	Australia \$'000	Brazil \$'000	Total \$'000
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

AUSTRALIAN MINES LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2025

Note 19. Segment information (continued)

2024	Australia \$'000	Brazil \$'000	Total \$'000
EBITDA	(3,336)	(159)	(3,495)
Depreciation and amortisation	(6)	-	(6)
Finance costs	(306)	-	(306)
Finance income	8	-	8
Loss before income tax expense	<u>(3,640)</u>	<u>(159)</u>	<u>(3,799)</u>
Income tax expense			-
Loss after income tax expense			<u>(3,799)</u>
Total assets	45,639	1,339	46,978
Total liabilities	<u>(258)</u>	<u>-</u>	<u>(258)</u>
Net assets	45,381	1,339	46,720

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.

Non-Executive Directors

Mr M Ramsden - Chairman

Mr M Elias

Mr D Marinelli

Key Management Personnel

Andrew Nesbitt - CEO

Tim Maclean - Chief Operating Officer (resigned on 23 July 2024)

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

	2025 \$'000	2024 \$'000
Short-term employee benefits	491	809
Post-employment benefits	56	81
Long-term benefits	133	33
Share-based payments	<u>117</u>	<u>53</u>
	<u>797</u>	<u>976</u>

AUSTRALIAN MINES LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2025

Note 20. Related parties (continued)

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

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

	2025 \$'000	2024 \$'000
Related party transactions		
<i>Reimbursements</i>		
Mr M Ramsden (i)	-	5
	-	5
<i>Underwriting fees (ii)</i>		
Mr M Ramsden	-	7
Mr D Marinelli	-	2
Mr M Elias	-	1
	-	10

(i) The Company reimbursed Terrain Capital Unit Trust for Mr M Ramsden's travel costs associated with his role as a director of Australian Mines, in the 2024 financial year. No amounts were owing to Terrain Capital Unit Trust at 30 June 2025.

(ii) Terrain Capital issued an invoice to Australian Mines Limited (addressed to Andrew Nesbitt being the CEO of AUZ in 2024) to pay Michael Ramsden and all the KMPs for the Underwriting Agreement executed in Nov 2022.

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.

Note 21. Parent entity information

	Parent	
	2025 \$'000	2024 \$'000
Statement of financial position		
Current assets	1,446	4,500
Non-current assets	43,648	42,208
Total assets	45,094	46,708
Current liabilities	168	258
Non-current liabilities	-	-
Total liabilities	168	258
Net assets	44,926	46,450

AUSTRALIAN MINES LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2025

Note 21. Parent entity information (continued)

	Parent	
	2025	2024
	\$'000	\$'000
Equity		
Contributed equity	114,494	114,494
Reserves	5,611	5,254
Accumulated losses	(75,179)	(73,298)
Total equity	<u>44,926</u>	<u>46,450</u>
Loss attributable to equity holders of the Company	<u>(1,881)</u>	<u>(3,799)</u>

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 2025 and 30 June 2024.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2025 and 30 June 2024.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2025 and 30 June 2024.

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 2025

Basis of preparation

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 entity 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)
Flemington 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 2025

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 2025 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

26 September 2025

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 2025, 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 2025 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 *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

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
<p>The carrying value of the capitalised exploration and evaluation assets as at 30 June 2025 is disclosed in Note 11 of the financial report.</p> <p>As the carrying value of the capitalised exploration and evaluation asset represents a material asset of the Group, we considered this to be a key audit matter.</p> <p>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:</p> <ul style="list-style-type: none"> • Whether the conditions for capitalisation are satisfied; • Which elements of exploration and evaluation expenditures qualify for recognition; • Recognition and valuation of purchase consideration for tenement acquisitions; and <p>Whether facts and circumstances indicate that the exploration and expenditure assets should be tested for impairment.</p>	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> • 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 3(b) and 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 2025, 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 in pages 19 to 27 of the directors' report for the year ended 30 June 2025.



In our opinion, the Remuneration Report of Australian Mines Limited, for the year ended 30 June 2025, 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 'Neil Smith', is written over a small, stylized BDO logo.

Neil Smith

Director

Perth, 26 September 2025

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;
- approving 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
- ensures that the Board remains appropriately skilled to meet Company needs and:

AUSTRALIAN MINES LIMITED

CORPORATE GOVERNANCE STATEMENT

The Board of Directors and Management (cont.)

- 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.

Board Members

During the period, the Company had three directors, Michael Ramsden, Michael Elias and Dominic Marinelli. 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.

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 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.

The Chief Executive Officer 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.

AUSTRALIAN MINES LIMITED

CORPORATE GOVERNANCE STATEMENT

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.

The performance of senior executives is assessed by the Chief Executive Officer. 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 annual performance assessment of the Chief Executive Officer was not carried out by the Board given he was appointed during the year.

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.

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

AUSTRALIAN MINES LIMITED

CORPORATE GOVERNANCE STATEMENT

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 having ultimate responsibility to the Board for the risk management and control framework.

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.

AUSTRALIAN MINES LIMITED CORPORATE GOVERNANCE STATEMENT

Risk Assessment and Management (cont.)

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.

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.

AUSTRALIAN MINES LIMITED CORPORATE GOVERNANCE STATEMENT

Code of Conduct (cont.)

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, 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. Trading is only permitted for 2 weeks following notification and confirmation of trading must be provided to the Chief Executive Officer 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.

The Chief Executive Officer 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.

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CORPORATE GOVERNANCE STATEMENT

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 three 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.