CobaltBlue

COBALT BLUE HOLDINGS LIMITED

(ABN 90 614 466 607)

Annual Report 2026

Highlights and Achievements

- Received confirmation that cobalt sulphate samples had met stringent trace metal specifications
- Received Works Approval for the Kwinana Cobalt Refinery from Western Australia's Department of Water and Environmental Regulation
- Commenced a Preliminary Feasibility Study on the Broken Hill Cobalt Project to re-evaluate and optimise project scale
- Major project status for Broken Hill Cobalt Project extended for a further 3 years
- Completed a Scoping Study for the Halls Creek Project outlining a 10-year staged development opportunity
- Participated in a co-development program with the CSIRO to develop processes to recover graphite from battery black mass
- Entered into a Consortium Agreement with Glomar Minerals LLC to advance polymetallic nodule processing

"Blue gives other colours their vibration, so one must bring a certain amount of blue into a painting"

– Paul Cézanne

Amid criticism and an increasing sense of persecution, Cézanne moved to Aix-en-Provence which offered spectacular views of *Montagne Sainte-Victoire*, which he painted around eighty times during his later years.

Chemical analysis shows that he habitually used **Cobalt Blue** as one of his standard paints, lending dramatic depth to the landscape shown here.

Table of Contents

Cautionary statement

This report contains forward-looking statements, including timetables that relate to our activities, plans and objectives. Actual results may differ from these statements, depending on a variety of factors. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and circumstances that will occur in the future and may be outside Cobalt Blue Holdings Limited's control. Given these risks and uncertainties, undue reliance should not be placed on forward-looking statements.

Chairman and CEO Review

Dear Fellow Shareholders,

During the year, Cobalt Blue continued to advance its strategy of building a diversified critical minerals business centred on downstream processing, project development and proprietary metallurgical expertise. While market conditions for battery materials remained challenging, the Company achieved important milestones across its three core development assets and strengthened the foundations for long-term growth.

The Kwinana Cobalt Refinery (KCR) remains our highest-priority near-term development opportunity, supported by continued advancement of the Broken Hill Cobalt Project (BHCP), the Halls Creek Project and the capability of our Broken Hill Technology Centre (BHTC).

Our consortium agreement with Glomar Minerals Inc expands the potential application of our technology and provides an entry point into the US critical minerals sector. The Broken Hill Technology Centre underpins this opportunity while supporting project development and generating new commercial opportunities for Cobalt Blue.

KCR remains at a pivotal point in its development, and we are pleased that Iwatani remains a committed project partner. A key milestone towards a Final Investment Decision (FID) was achieved in February 2026, when samples produced at the BHTC using Cobalt Blue's proprietary flowsheet met stringent trace metal specifications. Further product qualification programs are now underway, with additional sample requests received and work continuing through the BHTC. These activities are expected to progress in parallel with ongoing commercial discussions and represent another important step towards FID.

Securing offtake commitments is fundamental to unlocking financing for KCR. Bringing new projects to market can be challenging, however discussions with prospective offtake partners continue to advance and we remain confident in KCR's strategic positioning. In conjunction with these offtake discussions, the Group continues to seek financing support from the Australian Government.

A Preliminary Feasibility Study (PFS) has been commenced for BHCP. The PFS is assessing a smaller, staged development concept intended to reduce initial capital intensity and execution complexity while preserving future growth optionality. Importantly, the revised development concept is expected to lower requirements for water, power, workforce and supporting infrastructure compared with previous studies. BHCP is a significant undeveloped critical mineral resource and remains well positioned to support downstream refining and critical minerals supply chain diversification in Australia. This view was underlined by the extension of 'Major Project Status' for a further three years by the Australian Government in July 2025.

A Scoping Study Update for the Halls Creek copper-silver project is underway. This update will evaluate practical opportunities and improve and simplify the development pathway with a focus on optimisation of the Stage 1 Onedin heap leach flowsheet. The update will also evaluate whether material from Sandiego could potentially be treated through a single heap leach processing operation. Earlier studies envisaged Sandiego as an underground mining operation delivering feed to a concentrator to produce separate copper and zinc concentrates. Should the ongoing technical work prove successful, a simplified processing configuration has the potential to reduce development complexity, enhance capital efficiency and improve execution outcomes.

The study is also evaluating the potential recovery of silver, which has not previously formed part of the development strategy. Given current silver market conditions, any economically recoverable silver could provide a meaningful enhancement to future project economics. The updated Scoping Study is expected to be completed in Q4 2026 and will help inform progression to a Preliminary Feasibility Study.

In March 2026, we announced our participation in a consortium led by Glomar Minerals Inc to support the development of Project Infinity in the United States. The opportunity provides international validation of Cobalt Blue's proprietary hydrometallurgical expertise and represents a potentially significant pathway to deploy our technology beyond Australia. We believe partnerships of this nature have the potential to create additional long-term value by establishing Cobalt Blue as both a project developer and a technology provider within emerging critical minerals supply chains.

Our Broken Hill Technology continues to serve as a key platform for innovation, R&D and new commercial opportunities. A key focus during the year has been evaluation of whether battery black mass material recovered from recycled lithium-ion batteries can be used as a feedstock for KCR. Should battery black mass prove to be a technically and commercially viable feedstock option for KCR, it would boost operational flexibility to manage supply chain risks and consolidate KCR as the gateway for both mined and recycled Australian cobalt units.

Cobalt Blue is participating in a co-development program with the Commonwealth Scientific and Industrial Research Organisation ('CSIRO') aimed at advancing Australia's battery materials production capability. Under the co-development program, Cobalt Blue is developing a process to recover graphite from battery black mass. Participation in these initiatives compliments COB's work at BHTC.

The Company completed a successful capital raise of just over $2.5m in September 2025. This was comprised of an institutional equity placement of $1m, and a placement agreement of $1.5m to Lind Partners. This was followed by a further $5.3 million institutional equity placement completed in December 2025. The Company would like to thank Pamplona, Shaw and Partners, Bell Potter and Cloudbreak for supporting these equity raises.

Finally, we farewelled our Chairman, Mr Rob Biancardi during the year. Rob Chaired the Board from inception of the Company until his resignation on 14 November 2025. We wish to thank Rob for his dedication and leadership over the years and wish him all the best for the future. Mr Joe Kaderavek has assumed the role of Chairman, providing important continuity in leadership for the Group.

The cobalt market experienced a significant improvement during the year, driven largely by supply restrictions in the Democratic Republic of Congo. While commodity markets inevitably remain cyclical, recent events have reinforced the importance of supply diversity and security across critical minerals supply chains.

Looking ahead, industry forecasts continue to point to strong long-term growth in cobalt demand, underpinned by battery technologies and broader electrification trends. Against this backdrop, Cobalt Blue remains well positioned through its combination of refining capability, project development assets and proprietary technology.

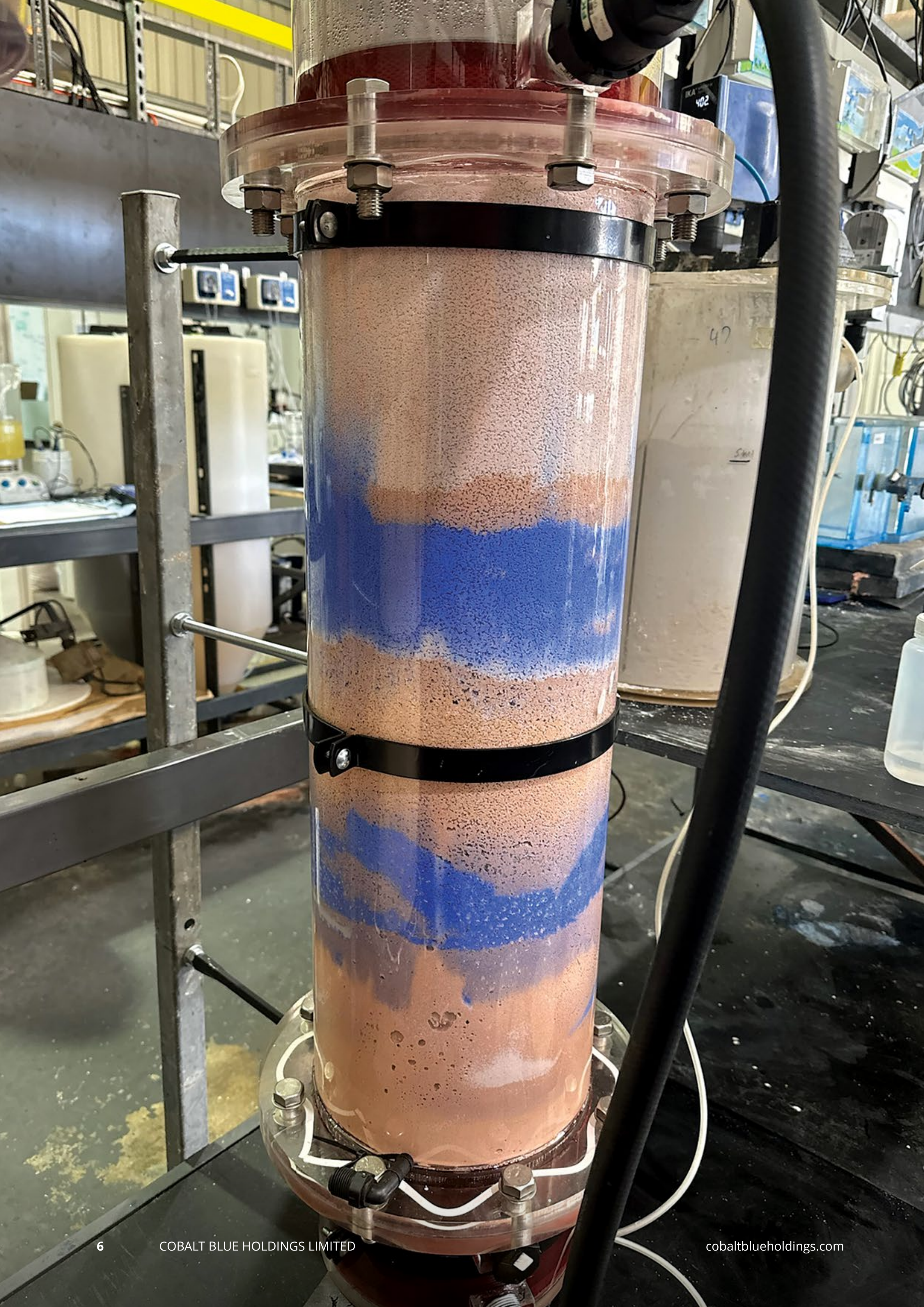
While the pathway to commercialisation is rarely linear, your Board remains confident in the quality of the Company's assets, the strength of its strategic partnerships and the long-term opportunities ahead. We thank shareholders for their continued support and patience as we work to build sustainable long-term value.

Joe Kaderavek
Chairman

Dated 24 September 2026

Dr Andrew Tong
Chief Executive Officer

Dated 24 September 2026


IKA
402

Review of Operations and Activities

PROGRESS, INNOVATION, DIVERSIFICATION

Cobalt Blue Holdings Limited and its subsidiaries (Cobalt Blue or the Group) are focused on development of the Kwinana Cobalt Refinery in Western Australia, the Broken Hill Cobalt Project near Broken Hill in NSW and the Halls Creek Project in the Kimberly region of Western Australia.

During the 2026 financial year, the Group remained firmly focused on advancing the Kwinana Cobalt Refinery (KCR) toward a final investment decision (FID), making significant progress and achieving a series of key milestones that bring the project closer to realisation.

The Broken Hill Cobalt Project (BHCP) continues to advance, with a smaller, staged project concept now being evaluated via a Preliminary Feasibility Study (PFS), reflecting the Group's shift from a single large scale development concept.

A metallurgical testwork program is underway at the Halls Creek Project, focused on optimisation of the heap leach flowsheet, including whether material from both the Sandiego and Onedin deposits can be treated via a single heap leach processing operation. The work program will also undertake an assessment of the potential recovery of silver via the heap leach flow sheet.

The Broken Hill Technology Centre (BHTC or the 'Technology Centre') continues to demonstrate Cobalt Blue's technical expertise and the consortium agreement with Glomar Minerals Inc. provides an exciting opportunity to expand into realm of polymetallic nodules and the US critical minerals industry.

KWINANA COBALT REFINERY (KCR)

KCR remains Cobalt Blue's highest-priority near-term development opportunity. Evaluation of battery black mass as a potential feedstock for KCR continued, and discussions continued with prospective offtakers and financing parties as the project moves toward FID.

pCAM specification for cobalt sulphate confirmed

A significant milestone toward commercial offtake agreements and FID was achieved during the year with samples produced at BHTC using Cobalt Blue's proprietary flowsheet meeting stringent trace metal specifications.

By way of background, Cobalt Blue and Iwatani Australia (IWA) executed a binding pre–Final Investment Decision (FID) Consortium Deed (Deed) in April 2025. The Deed set out the terms and conditions necessary to permit each party to seek an FID from their respective boards of directors. One of these conditions was the production of cobalt sulphate using process plant design conditions at BHTC to a stringent target specification, consistent with that identified by potential pCAM buyers.

Figure 1 – Ground-level view of Doral Fused Materials facility with COB staff (from left) Gajan Loganathan (Process Engineer), David Grabau (Head of External Affairs), Dr Andrew Tong (CEO), Adrian Naline (Process Engineer)

In September 2025, Cobalt Blue announced it had produced cobalt sulphate heptahydrate at target offtake specifications at BHTC and samples were subsequently dispatched for qualification testing. In February 2026 Cobalt Blue received formal confirmation that these sulphate samples have met the strict trace metal purity and physical specifications set out in the Deed. Only a handful of proposed refineries outside of China have successfully produced samples to these specifications.

Additional samples of cobalt sulphate have been requested, and related work programs continue at BHTC. It is anticipated that this cycle of sample production and assessment will be ongoing and is expected to run in parallel with offtake negotiations.

Works Approval Granted

On 16 September 2025, Cobalt Blue announced receipt of a Works Approval from Western Australia's Department of Water and Environmental Regulation for KCR.

The Works Approval marks completion of an important condition precedent to FID. In addition, it allows COB to undertake activities related to the construction and operation of a cobalt/nickel processing plant within the DFM site premises.

The Group will continue to advance the technical development needed to finalise the construction-ready documentation necessary to move forward. This work includes preparing and submitting a Development Consent application for the refinery building to Rockingham City Council, as well as the development of various standard operating permits (e.g. Dangerous Goods, Safety etc).

Revaluation of project parameters

Responding to a structural shift in global markets during 2025, Cobalt Blue undertook a re-evaluation of project parameters for KCR. This included revisions to feedstock source assumptions (to include only cobalt hydroxide as a feedstock), diversification of product mix (to include cobalt metal alongside cobalt sulphate) and a refresh of underlying economic assumptions. The outcome of this work was published on 21 November 2025 and followed cost estimates and revenue analysis published on 9 October 2024. Updates to the estimated financial metrics focused on the base case (Stage 1, 100% owned basis) as this is the near-term focus for FID, resulting the following uplifts:

- NPV_8 (post tax): increased from A$90m to A$155m
- IRR (post tax): increased from 23% to 32%
- Total free cashflow: increased from A$367m to A$503m

A summary of the changes to KCR project parameters are set out below:

Parameter	October 2024	November 2025 (update)
Plant capacity	3,000 tonnes per annum (tpa) cobalt (as cobalt sulphate) ~500 tpa nickel (as nickel metal)	3,000 tpa cobalt (2,000 tpa as cobalt sulphate and 1,000 tpa cobalt alloy grade metal)
Estimate capital costs	A$60m (inclusive of 15.5% contingencies)	No change
Commissioning/ Product qualification period	Up to 12 months at half throughput capacity and 75% of sales value	No change
Feedstock sources	Cobalt hydroxide and cobalt-nickel sulphide	Cobalt hydroxide
Products	Cobalt sulphate and nickel metal	Cobalt sulphate and cobalt alloy grade metal

Other activities

The Group continues to advance various technical development and commercial activities necessary to move KCR toward FID. These are summarised in the table below:

Offtake	The Group has received a number of non-binding letters of intent (LOI's) from globally significant buyers of cobalt sulphate and related products located in USA, Japan and France. These LOI's, (together with IWA's 30% share of product offtake) cover approximately 70% of KCR's initial 3,000 tpa production capacity, and represent an important step to negotiation and finalisation of binding offtake agreements, which in turn, is a significant condition precedent to FID. During Q2 2026, Cobalt Blue participated in the Cobalt Institute Congress, which brings together producers, traders, buyers, downstream customers, government agencies, and NGOs. The Group was able to meet with numerous potential offtake partners and continues to progress discussions for cobalt sulphate and cobalt metal. The Group continues to engage with these potential offtake partners and is working to convert the existing LOI's to binding offtake agreements.
Financing	Engagement with export credit agencies, commercial banks and potential investors on funding options continued during the year.
Feedstock	Cobalt Blue continued to advance discussions with suppliers of feedstock both in Australia and internationally to fulfill the KCR's remaining feedstock requirements. The Group's Broken Hill Technology Centre (BHTC) continues to evaluate battery black mass (material recovered from recycled lithium-ion batteries) as a feedstock for KCR (refer section below 'Broken Hill Technology Centre'). Under the terms of a contract with Glencore International AG, Glencore will supply up to 50% of KCR's cobalt hydroxide feedstock requirements for a period of 3 years from the commencement of commercial operations at KCR (refer COB's ASX announcement dated 29 May 2025).
Engineering and technical development	Ongoing sample production at the Group's Broken Hill Technology Centre (BHTC) continued, demonstrating the operational reliability and flowsheet robustness, and strengthening confidence in commercial readiness. Sample production utilised a range of feedstocks, including cobalt hydroxide, cobalt-nickel sulphides, and battery black mass. Engineering works necessary to submit operation and construction permits were progressed.

BROKEN HILL COBALT PROJECT (BHCP)

BHCP remains well positioned to support downstream refining and critical minerals supply chain diversification in Australia. In light of substantially improved cobalt market conditions BHCP is currently being advanced through a PFS that builds on a substantial body of technical development completed over several years.

Preliminary Feasibility Study underway

The Group commenced a PFS for BHCP during the first half of 2026. The PFS will evaluate and optimise project scale, capital intensity and staged development pathways, with a focus on reducing upfront capital requirements while preserving long-term scalability. The objective is to define a starter case with a minimum 10-year mine life.

Work initiated during the 1H 2026 included targeted concentration testwork on oxide–transition material. This material was included in previous mine scheduling for the Pyrite Hill deposit but excluded from the Railway and Big Hill schedules. The testwork confirmed positive pyrite recovery, supporting its potential inclusion in future mine schedules for Railway and Big Hill. SRK Consulting has also been re-engaged to support the mining studies, with strategic mine planning underway to validate the pit optimisation envelope.

The PFS will leverage the substantial body of technical and engineering work completed to date.

Environmental Approvals

BHCP's draft EIS is approximately 80% complete, with the most critical technical studies – covering groundwater, biodiversity, Aboriginal cultural heritage, soils, bushfire, air quality, noise and agricultural impacts – substantially advanced and not identifying any material approvals constraints.

A Scoping Report has been prepared to support an application for the Secretary's Environmental Assessment Requirements (SEARs) for BHCP. The primary purpose of the Scoping Report is to identify the key environmental, social and economic matters likely to require detailed assessment in the Environmental Impact Statement (EIS) and outline the proposed approach to assessment of these matters. Consideration of the Scoping Report will inform the preparation of project specific SEARs for BHCP, defining the remaining scope of work required to finalise the EIS.

The Scoping Report will be formally submitted in Q4 2026. Submission of the development application is subject to satisfactory PFS outcomes.

Figure 2 – Aerial view of bulk sample recovery operations at BHCP (circa July 2022)

Source: Cobalt Blue Holdings

Figure 3 (L–R) – Vertical kiln prototypes, pyrrhotite product after pyrite conversion and sulphur collection in condenser

Major Project Status Extension

In July 2025, Cobalt Blue advised that the Minister for Industry, and Innovation, Senator the Hon Tim Ayres, had extended Major Project Status for BHCP for a further three years.

Major Project Status acknowledges the strategic significance of BHCP in the delivery of Australian Government's A Future Made in Australia agenda. Major Project Status also enhances the prospects for the Broken Hill Cobalt Project to move into development, with upside for Cobalt Blue's other projects, including the Kwinana Cobalt Refinery.

Optimisation of Kiln Circuit Targeting Reduced Operating and Capital Costs

Thermal decomposition of pyrite into pyrrhotite and elemental sulphur is a core step in the BHCP flowsheet. Cobalt Blue has previously proven this process using a rotary kiln. During the year a new vertical tube kiln was built and commissioned to evaluate alternative configurations aimed at reducing kiln size, plant footprint, and overall capital costs.

The trials tested innovative heating elements that overcame key technical challenges in power supply, control, and design. The system maintained steady heat input, enabling Cobalt Blue to capture valuable new data on heat transfer rates and mineral conversion kinetics.

The campaign successfully produced pyrrhotite and high-purity crystalline sulphur, confirming both the technical robustness of the process and opportunities to further optimise project economics.

HALLS CREEK PROJECT

The Halls Creek Project (Halls Creek) is a copper-silver-zinc project favourably located within the Kimberley region of Western Australia; just 15km southwest of the town of Halls Creek and 320km south of Wyndham port. The area has historically supported a number of gold, nickel and cobalt operations. Halls Creek hosts two major deposits with existing Mineral Resources containing a combined 89kt copper, 69kt lead, 326kt zinc, 9.2Moz silver and 45koz gold.[1]

Metallurgical sampling and testwork

An engineering review undertaken Q3 2025 identified multiple value engineering initiatives with the potential to significantly enhance the already robust economics outlined in the Halls Creek Project Scoping Study released to the ASX on 6 June 2025 (the 'June 2025 Scoping Study')[2].

Following on from that review, the Group completed a targeted core sampling program at Halls Creek during Q2 2026. This work is part of a broader metallurgical testwork program designed to test practical opportunities to improve and potentially simplify the Project's proposed development pathway via two work streams:

- **Workstream one –** the first workstream will focus on optimisation of the Stage 1 Onedin heap leach flowsheet, including key parameters relevant to copper and zinc recovery, reagent performance, leach conditions and downstream processing; and
- **Workstream two –** the second workstream will assess whether selected material from both Onedin and Sandiego could potentially be treated through a single heap leach processing operation.

1 *A complete summary of the Mineral Resource estimate by classification is provided on page 19.*

2 *See ASX Announcement 'Halls Creek Project Scoping Study delivers a near-term copper-zinc opportunity' dated 6 June 2025 and 'Halls Creek Project Review Targets Major Uplift' dated 4 August 2025.*

The June 2025 Scoping Study[2] envisaged Sandiego as an underground mining operation delivering feed to a concentrator to produce separate copper and zinc concentrates. If supported by testwork and future study outcomes, this potential alternative configuration of a single heap leach processing operation may provide an opportunity to reduce development complexity and improve capital efficiency compared with a multi-stage processing pathway.

Approximately 870 kg of material from the Onedin and Sandiego deposits has been collected to support optimisation of the Stage 1 heap leach flowsheet and assessment of a potential combined Onedin–Sandiego heap leach route.

The program will also specifically assess the potential recovery of silver through the Stage 1 heap leach flowsheet. Silver is currently excluded from the Stage 1 financial model, notwithstanding that the production target delivers material averaging 37 g/t silver (1.2 oz/t), equating to approximately 3.6 Moz of contained silver (over the Stage 1 life of mine (LOM)).[2]

The updated Scoping Study is targeted for completion in Q4 2026, after which the Group intends to progress the Project to a PFS.

JV position and earn-in pathway

During the year, Cobalt Blue advised that it achieved the minimum expenditure threshold necessary to retain its 51% beneficial interest in the Project in accordance with the terms of Halls Creek Project Earn-in Agreement dated 17 February 2025 (the Agreement).

Under the terms of the Agreement, Cobalt Blue has the right to earn up to a 75% interest (an additional 24%) in the Project by incurring a further A$1.5 million of expenditure on the tenements by 30 June 2028. Cobalt Blue confirms it has exercised this right, with expenditure associated with the upcoming updated Scoping Study and subsequent technical programs contributing toward this earn-in.

BROKEN HILL TECHNOLOGY CENTRE (BHTC)

BHTC serves as Cobalt Blue's platform for innovation, advancing R&D and building new commercial opportunities through industry and academic collaborations. During the year, BHTC continued to advance optimisation of key unit operations, undertake testwork on third-party feedstock, and generate supporting data for the detailed engineering of the proposed KCR.

Validating battery black mass as a strategic feedstock

Cobalt Blue has undertaken systematic testwork on multiple black mass sources, including samples provided by EcoBatt and other domestic and international partners, to evaluate processing performance and product recovery.

On 18 November 2025, the Group announced its intention to focus efforts at BHTC on evaluating if battery black mass material recovered from recycled lithium-ion batteries can be used as a feedstock for KCR.

The target is to scale up from successful bench tests to a fully continuous circuit capable of producing cobalt metal, nickel hydroxide, and manganese sulphate. Should battery black mass prove to be a technically and commercially viable feedstock option for KCR, Cobalt Blue intends to integrate this material into the refinery's long-term business plan. This would boost operational flexibility to manage supply chain risks and consolidate KCR as the gateway for both mined and recycled Australian cobalt units.

In addition to validating black mass as a feedstock for KCR, Cobalt Blue also intends to evaluate the treatment of battery black mass (and other industrial by-products containing cobalt) to produce cobalt metal, nickel hydroxide, and manganese sulphate at BHTC. If successful, these initiatives may create a pathway to future product sales from BHTC and modest near-term revenue generation.

2 *See ASX Announcement 'Halls Creek Project Scoping Study delivers a near-term copper-zinc opportunity' dated 6 June 2025 and 'Halls Creek Project Review Targets Major Uplift' dated 4 August 2025.*

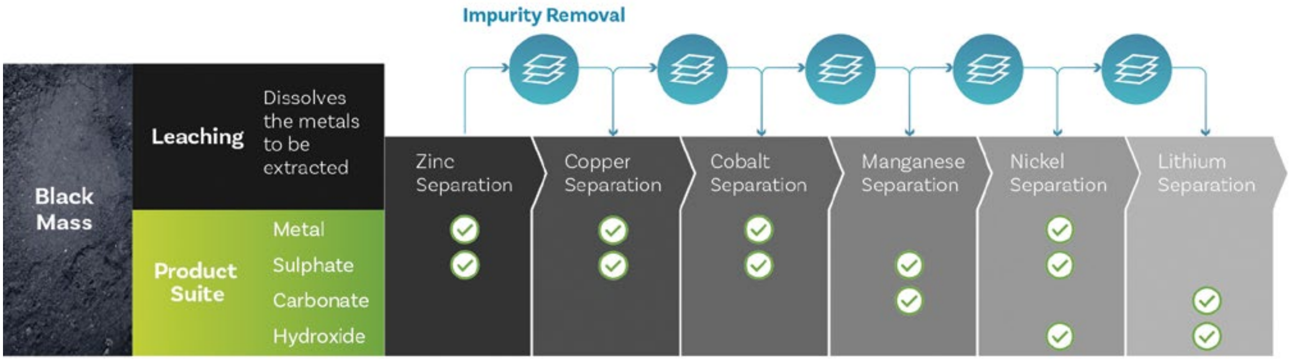


Figure 4 – Cobalt Blue's black mass flowsheet

CSIRO collaboration – Graphite recovery and purification

During the year, Cobalt Blue is participating in a co-development program with the Commonwealth Scientific and Industrial Research Organisation (CSIRO). Under this program, Cobalt Blue is developing a process to recover graphite from battery black mass. Graphite is approximately 20-40% of the battery black mass. The program is focused on selective recovery of graphite by flotation. The flotation method is being tested on 1) thermally treated black mass, and 2) the final residues after leaching the head black mass using the Cobalt Blue process. Work programs are expected to conclude in Q4 2026.

Figure 5 – Battery black mass at BHTC

Source: Cobalt Blue Holdings

CONSORTIUM AGREEMENT WITH GLOMAR MINERALS LLC

On 30 March 2026, Cobalt Blue announced it had entered into a consortium agreement with Glomar Minerals LLC (Glomar). Together, the consortium plans to advance a ~200,000 tpa polymetallic nodule processing facility in the US, combining Glomar's licences and offshore mineral extraction capabilities with Cobalt Blue's proven minerals processing expertise.

Critical minerals from polymetallic nodules are an identified national priority for the US Government and industry. Polymetallic nodules are a unique, multi-metal resource containing cobalt (Co), manganese (Mn), nickel (Ni), copper (Cu), iron (Fe), rare earth elements and titanium (Ti), enabling multi-commodity production from a single feedstock source.

Cobalt Blue's metallurgical experience and patented intellectual property positioned the Group favourably as the preferred processing partner for Glomar. Under the terms of the consortium agreement, Cobalt Blue will be responsible for:

- Developing and testing the process flowsheet for recovery of critical metals including Mn, Co, Cu, Ni and Ti from polymetallic nodules at its Broken Hill Technology Centre; and
- Undertaking pre-feasibility and feasibility studies for the processing facility to be located in the US. Site selection activities are well advanced.

Glomar will, separately to the consortium agreement, advance related activities for the harvesting of nodules, shipping and logistics, and permitting.

The above work programs are expected to be completed over a period of 18-24 months from their commencement, which is subject to the Consortium securing appropriate funding. Cobalt Blue's commitments, as outlined above, are also subject to the execution of binding agreements by which Cobalt Blue will be formally engaged by Glomar (or its nominee) to undertake the works.

COBALT TRENDS

The cobalt market has undergone a remarkable reversal in recent years. After hitting multi-year lows in 2024, cobalt metal prices have staged a sustained recovery. The collapse in prices was driven by a surge in Chinese-controlled DRC mine production that overwhelmed the market, compounded by the simultaneous rise of cobalt-free LFP battery chemistry, which reduced cobalt intensity per battery cell at precisely the moment supply was peaking.

The turning point for cobalt was the Democratic Republic of Congo (DRC) government's decision in February 2025 to impose a full export ban on cobalt produced in the country, subsequently replaced by a structured quota system setting export limits at roughly half of 2024 volumes. With the market facing an impending supply deficit, cobalt prices have risen strongly since early 2025 (refer Figure 6 below):

Figure 6 – Cobalt metal price (standard grade). Source: Fastmarkets, Cobalt Blue Holdings.

In 2026, the quota system remains in place and pricing has stabilised around long-term average levels. Implementation has been uneven, logistical bottlenecks mean actual shipments have lagged allocated quotas, keeping effective supply tighter than headline figures suggest.

On the demand side, EV sales exceeded 20 million vehicles globally in 2025 and continue to grow, battery demand across EVs, consumer electronics and industrial applications remains robust, and new end uses such as humanoid robotics are emerging. Indonesia provides a growing alternative source of cobalt, albeit constrained, with sulphur feedstock disruptions limiting how quickly HPAL capacity can compensate for DRC restrictions. The net result is a market that remains tighter than headline supply figures imply, with pricing supported from both supply and demand.

Looking ahead to the next five years, the structural outlook for cobalt is positive with the Cobalt Institute forecasting global cobalt demand to double by 2030.

FINANCIAL REVIEW

Cobalt Blue's net loss for the 2026 financial year was $8.797 million (2025: $6.099 million).

Total revenue and other income decreased this financial year to $1.230 million (2025: $2.864 million), primarily reflecting $1.069 million in research and development incentives (2025: $1.019 million) and interest income of $124,000 (2025: $154,000). Research and development incentives were recognised as Other Income as they compensated for expenditures recorded in the profit or loss.

Total expenses increased by $1.064 million to $10.027 million in the current financial year. Much of this increase reflects the $4.313 million non-cash net fair value loss on derivatives recognised in the current financial year, arising from the implementation of a Placement Agreement with Lind Global Fund III LP. Excluding this non-cash item, total expenses decreased by $3.249 million (2025: $0.5 million increase). This decrease is largely attributable to a $1.149 million reduction in employee benefits expenses and a $2.925 million reduction in KCR project expenses. These decreases were offset by a $502,000 increase in BHTC facility costs (a new category of expenditure this financial year) and an increase in corporate costs of $343,000.

During the 2026 financial year, the Group issued 142,625,970 new shares, raising $7,727,000 (net of costs). In addition, the Group received $1.182 million (2025: 2.379 million) in research and development tax incentive refunds.

KEY EXTERNAL AND BUSINESS RISKS

Key external and business risks which could impact the Group's ability to deliver its strategy are:

Availability of Finance – The Group has no material operating revenue. It is unlikely to generate any material operating revenue unless and until the KCR, BHCP or Halls Creek is successfully developed and production commences, the Group's Black Mass processing opportunities are commercialised, or the Group acquires a revenue-generating asset. Therefore, the Group will be required to raise additional capital or enter alternative development structures to meet its obligations and implement its strategy.

Cost escalation – The Group is exposed to cost escalation and inflationary pressure, which may be above budgeted or forecasted levels across all elements of our cost base. If the Group cannot offset these cost pressures, this could adversely affect cash flow and financial performance.

Partner arrangements – The Group's key projects are subject to non-binding agreements with a third party, establishing the basis on which the parties intend to proceed. There is no guarantee of entry into binding terms.

Commodity prices – The global cobalt market (along with other commodities) is subject to demand and supply fluctuations. These fluctuations and fluctuations in the A$: US$ exchange rate will affect the economics of the Group's projects. Climate change risk may create additional demand for lithium-ion batteries to store renewable energy as part of global 'decarbonisation' strategies. Such additional demand may create upside pressure on cobalt prices in the future. Adverse changes in commodity prices can also affect the supply and/or source of feedstocks for the proposed KCR.

Management retention – The Group relies on its employees and consultants. There is a risk that the Group may not be able to retain key personnel or promptly find effective replacements. The loss of such personnel or any delay in their replacement could negatively impact the Group's ability to achieve its strategy. To address this risk, the Group continues to refine its remuneration framework to provide competitive remuneration to retain key personnel.

Metallurgical recoveries and processing risks – The economic viability of cobalt recovery for BHCP depends on several factors, such as developing an economical process for treating pyrite ore. Further, changes in mineralogy may result in inconsistent recovery of cobalt. To address this risk, the Group constructed a Pilot Plant to demonstrate cobalt sulphate can be produced at a much larger scale than completed to date and following successful operations at the Pilot Plant, commissioned and operated a Demonstration Plant to treat pyrite ore on a more extensive and continuous basis. The Group is also executing a raw materials testing program at BHTC (largely in support of KCR)/Demonstration Plant (BHTC) to demonstrate that the innovative minerals processing flowsheet could recover cobalt. BHTC has more recently been focused on the KCR flowsheet, and evaluation of feedstock opportunities to, amongst other reasons, confirm capabilities to produce high-purity cobalt sulphate from intermediate products sourced from third parties.

Government approvals/environmental standards – Advancing the KCR (or BHCP and Halls Creek) will require approvals from government agencies. With increasing government and public sensitivity to environmental sustainability, environmental regulation is becoming more stringent. The Group could be subject to higher environmental responsibility levels and liability, including laws and regulations dealing with air quality, water and noise pollution, plant and wildlife protection, greenhouse gas emissions and waste storage, treatment and disposal.

Water supply – The BHCP is near Broken Hill, New South Wales (NSW). Broken Hill has a hot, arid desert climate with minimal rainfall. The project's water requirements are currently estimated at 1.2-1.5 GL per annum, which are expected to be supplied from Essential Water's trunk main on the western outskirts of Broken Hill, which is supplied via a pipeline from the Murray River at Wentworth, NSW. If this water cannot be supplied or supplied at lower levels, whether due to climate change or not, the project would be significantly affected. If Essential Water cannot provide water to meet BHCP's requirements, the Group can utilise existing subsurface water rights to potentially source up to 0.70 GL per annum.

Power Supply – The Group's proposed projects require significant power use. Increased electricity pricing would increase project operating costs. Cobalt Blue is working on power-related studies to reduce this risk, seeking to optimise waste heat capture and reuse, optimise the daily load profile, and evaluate distributed energy generation and storage.

Mineral Resources and Ore Reserves

MINERAL RESOURCES SUMMARY AS AT 30 JUNE 2026

Broken Hill Cobalt Project (BHCP)

The Mineral Resource estimate for the BHCP at 30 June 2026 remains unchanged from last year. The estimate was reported in accordance with the guidelines of the 2012 edition of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 JORC Code). The Mineral Resource estimate comprises 126.5 Mt at 867 ppm cobalt-equivalent (CoEq) (690 ppm cobalt, 7.5% sulphur and 134 ppm nickel) for 87 kt contained cobalt, 9,510 kt sulphur and 17 kt nickel (at a 275ppm CoEq cut-off). The estimate is summarised below by classification.

Table 1 – The Mineral Resource estimates for the BHCP as at 30 June 2025 (at a 275 ppm CoEq cut-off) detailed by Mineral Resource classification. Note minor rounding errors may have occurred in compilation of this table.

Classification	Tonnes (Mt)	CoEq (ppm)	Co (ppm)	S (%)	Ni (ppm)	Contained Co (kt)	Contained S (kt)	Contained Ni (kt)
BHCP (inclusive of Pyrite Hill, Railway & Big Hill)								
Measured	23.7	1,143	917	9.6	170	21.7	2,277	4.0
Indicated	59.9	810	644	7.0	126	38.6	4,217	7.6
Inferred	43.0	795	629	7.0	127	27.0	3,016	5.4
Total	**126.5**	**867**	**690**	**7.5**	**134**	**87.3**	**9,510**	**17.0**

The Mineral Resource has been reported at a cut-off of 275 ppm CoEq based on an assessment of material that has reasonable prospects of eventual economic extraction. In addition to cobalt, the cut-off grade incorporates revenue streams from elemental sulphur and nickel; economic by-products of the processing pathway defined through progressive technical studies including the 2018 BHCP Preliminary Feasibility Study (PFS), 2020 BHCP Project Update (also completed to a PFS level) and the Definitive Feasibility Study (DFS) which was paused in February 2024 in consideration of depressed commodity pricing and an inflated capital cost environment.

The cobalt equivalent grade has been derived from the following calculation; CoEq ppm = Co ppm + (S ppm × (S price / Co price) × (S Recovery / Co Recovery)) + (Ni ppm × (Ni Price / Co Price) × (Ni Recovery / Co Recovery)). Assumptions derived from the assessment of modifying factors considered to date have been used to inform the cobalt equivalency calculation with the equivalency formula equating to CoEq = Co + S % × 18.1398 + Ni ppm × 0.3043 (see Table 2).

Table 2 – Assumptions used for the calculation of the cobalt equivalency formula.

Assumption	Input	Assumption	Input
Cobalt Price	US$60,186/t (AU$85,980)	Sulphur Recovery	64.0%
Sulphur Price	US$145/t (AU$207)	Nickel Recovery	85.0%
Nickel Price	US$18,317/t (AU$26,167)	Exchange Rate (A$ to US$)	0.70
Cobalt Recovery	85.0%		

The Company confirms all elements included in the metal equivalence calculation have reasonable potential to be recovered and sold.

Halls Creek Project

The Mineral Resource estimates for the Halls Creek Project at 30 June 2026 remain unchanged from last year. The estimates were reported in accordance with the guidelines of the 2012 edition of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 JORC Code). The Halls Creek Project is inclusive of two Mineral Resources including:

- **Sandiego –** 4.1Mt at 1.4% Cu, 0.4% Pb, 4.2% Zn and 25g/t Ag for 56kt contained copper, 18kt lead, 175kt zinc and 3.3Moz silver.
- **Onedin –** 4.8Mt at 0.7% Cu, 1.1% Pb, 3.1% Zn and 38g/t Ag for 33kt contained copper, 51kt lead, 151kt zinc and 5.9Moz silver.

The estimates are summarised below by classification.

Table 3 – Mineral Resource estimate for the Sandiego deposit detailed by classification. Note minor rounding errors may have occurred in compilation of this table.

		Grade					Contained Metal				
Classification	Tonnes (Mt)	Copper (%)	Lead (%)	Zinc (%)	Silver (g/t)	Gold (g/t)	Copper (kt)	Lead (kt)	Zinc (kt)	Silver (Moz)	Gold (Koz)
Sandiego (Copper zone reported at a 0.8% copper cut-off grade)											
Indicated	1.7	2.3	0.2	0.8	18	0.3	39.1	3.4	13.6	0.98	16.4
Inferred	0.3	1.6	–	3.0	5	0.2	4.8	–	9.0	0.05	1.9
Sub-total	2.0	2.2	0.1	1.1	16	0.3	43.9	3.4	22.6	1.03	18.3
Sandiego (Zinc zone reported at a 3% zinc cut-off grade)											
Indicated	2.0	0.6	0.7	7.3	35	0.1	12.0	14.0	146.0	2.25	6.4
Inferred	0.1	0.2	0.1	6.1	10	0.1	0.2	0.1	6.1	0.03	0.3
Sub-total	2.1	0.6	0.7	7.3	34	0.1	12.2	14.1	152.1	2.28	6.7
Total											
Indicated	3.7	1.4	0.5	4.3	27	0.2	51.1	17.4	159.6	3.23	22.8
Inferred	0.4	1.3	0.0	3.8	6	0.2	5.0	0.1	15.1	0.08	2.2
Total	**4.1**	**1.4**	**0.4**	**4.2**	**25**	**0.2**	**56.1**	**17.5**	**174.7**	**3.31**	**25.0**

Table 4 – Mineral Resource estimate for the Onedin deposit detailed by classification. Note minor rounding errors may have occurred in compilation of this table.

		Grade					Contained Metal				
Classification	Tonnes (Mt)	Copper (%)	Lead (%)	Zinc (%)	Silver (g/t)	Gold (g/t)	Copper (kt)	Lead (kt)	Zinc (kt)	Silver (Moz)	Gold (Koz)
Onedin (Copper zone reported at a 0.4% copper cut-off grade)											
Indicated	1.5	1.1	1.2	0.6	47	0.2	16.5	18.0	9.0	2.27	9.7
Onedin (Zinc zone reported at a 1% zinc cut-off grade)											
Indicated	3.3	0.5	1.0	4.3	34	0.1	16.5	33.0	141.9	3.61	10.6
Total	**4.8**	**0.7**	**1.1**	**3.1**	**38**	**0.1**	**33.0**	**51.0**	**150.9**	**5.88**	**20.3**

ORE RESERVES SUMMARY AS AT 30 JUNE 2026

Nil

ANNUAL REVIEW OF MINERAL RESOURCES AND ORE RESERVES

Mineral Resources

BHCP

There were no changes to the Mineral Resource estimate from 2025 to 2026.

Halls Creek Project

There were no changes to the Mineral Resource estimates from 2025 to 2026.

Ore Reserves

There were no changes to the Ore Reserves from 2025 to 2026.

SUMMARY OF GOVERNANCE ARRANGEMENTS AND INTERNAL CONTROLS IN PLACE FOR THE REPORTING OF MINERAL RESOURCES

Mineral Resources are estimated by suitably qualified consultants in accordance with the 2012 JORC Code, using industry-standard techniques and guidelines for the estimation and reporting of Mineral Resources. These estimates and the supporting documentation were reviewed by suitably qualified Competent Persons prior to inclusion in this Annual Report. The Company's Board approves revisions to Mineral Resources prior to public release.

COMPETENT PERSONS STATEMENT

The Mineral Resources and Ore Reserves Statement (Statement) is based on and fairly represents information and supporting documentation prepared by Competent Persons. The Statement as a whole has been approved by Dr Andrew Tong, a Competent Person who is a Member of the AusIMM. Dr Tong is an employee of Minerals and Residues Pty Ltd and is engaged full-time by the Group as Executive Manager. Dr Tong has had sufficient experience relevant to the style of mineralisation and type of deposit and the activity being undertaken to qualify as a Competent Person as defined in the 2012 JORC Code. Dr Tong consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

The Mineral Resources have been estimated and reported in accordance with the guidelines of the 2012 JORC Code.

Directors' Report

The Directors present their report, together with the financial statements of the consolidated entity, consisting of Cobalt Blue Holdings Limited (referred to hereafter as "Cobalt Blue" or the "Company") and the entities it controlled (referred to hereafter as the "Consolidated Entity") for the year ended 30 June 2026.

DIRECTORS

The following persons were Directors of the Company during the whole of the financial year and up to the date of this report, unless otherwise stated:

- **Joe Kaderavek** Chairman, Non-Executive Director, Independent (from 15 November 2025)
  Deputy Chairman, Non-Executive Director, Independent (until 14 November 2025)
- **Robert Biancardi** Chairman, Non-Executive Director, Independent (until 14 November 2025)
- **Hugh Keller** Non-Executive Director, Independent
- **Andrew Tong** Chief Executive Officer & Executive Director (from 10 October 2025)
  Chief Executive Office (until 9 October 2025)

The directors and management extend their sincere thanks and appreciation to Mr Rob Biancardi for his substantial contribution as Chairman of the Company from its inception until his resignation on 14 November 2025.

PRINCIPAL ACTIVITIES

The Company's focus is on developing the Kwinana Cobalt Refinery in Western Australia, the Halls Creek Project in Western Australia and the Broken Hill Cobalt Project in New South Wales.

REVIEW OF OPERATIONS, FINANCIAL POSITION, BUSINESS STRATEGIES AND PROSPECTS

A detailed discussion of these matters is set out within the 'Review of Operations and Activities' section on pages 7 to 16.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

A detailed discussion of future developments is set out within the 'Review of Operations and Activities' on pages 7 to 16.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

During the financial year, issued capital increased by $13,652,000 net of capital raising costs, (2025: $1,328,000) due to share issues, of which $8,171,000 was received in cash, $601,000 reflecting non-cash share-based payment transactions and $5,460,000 reflecting the value of shares issued in satisfaction of financial liabilities. Details of the changes in share capital are disclosed in Note 20 to the financial statements.

DIVIDENDS

There were no dividends paid, recommended or declared during the current or previous financial year.

INFORMATION ON DIRECTORS

The following information is current as at the date of this report.

Name:	**MR JOE KADERAVEK**
Title:	***Chairman, Independent, Non-Executive Director*** *(from 15 November 2025)* ***Deputy Chairman, Independent, Non-Executive Director*** *(until 14 November 2025)*
Qualifications:	*B.Eng (Aeronautical Engineering) (University of Sydney)* *G.CertEng (Reliability Engineering) (Monash University)* *Master of Business Administration (MBA) (Deakin University).*
Experience and Expertise:	Mr Kaderavek commenced his career as an RAAF Engineering Officer before transitioning to PricewaterhouseCoopers, where he was responsible for preparing operational reviews and examining strategic options for mining, processing, railway, and port facilities throughout Australia, North America, and Europe. During the course of his career he has been involved in equities/investment research (including senior roles with Deutsche Bank and Five Oceans Asset Management) focused on mining, minerals processing and energy storage technologies. Most recently, he held an international consulting role with a focus on renewable energy and battery storage technologies. Mr Kaderavek has significant experience in managing investments in the global resources and minerals processing industries, and in managing turnaround projects supporting corporate targets, merger and divestment activities. He also has a detailed understanding of the energy storage market and battery technology.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Chair of the Remuneration and Nomination Committee and member, Audit and Risk Committee
Interests in shares:	8,687,076
Interests in options:	–
Interest in performance rights:	3,083,549

Name:	**MR ROBERT BIANCARDI**
Title:	***Chairman, Independent, Non-Executive Director*** *(until 14 November 2025)*
Qualifications:	*B. Com (Management and Marketing) (Wollongong University)* *Diploma Corporate Management (AGSM –University of NSW)*
Experience and Expertise:	Mr Biancardi is an experienced executive with more than 35 years' commercial experience across the finance, IT, healthcare and services sectors. Mr Biancardi has previously held senior roles at IBM, Citibank and Westpac. His recent roles include director of Evolution Healthcare, a leading private hospital operator. He has been a director and chief executive officer of a number of companies, including Rockridge Group (Private Equity) and Hutchisons (Child Care Services) Limited, previously an ASX listed services company. He has served as a director and president of the Restaurant & Catering Association of NSW for 13 years and has been a board member of the Heart Foundation of Australia (FIPOC) for over 7 years. Mr Biancardi is also currently chair of the Diabetes Research Foundation. He has extensive corporate advisory and capital management experience with a specialisation in corporate marketing and substantial public/private board experience.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Member, Audit and Risk and Remuneration and Nomination Committees (until 14 November 2025)
Interests in shares:	N/A
Interests in options:	N/A
Interests in performance rights:	N/A

Name:	**MR HUGH KELLER**
Title:	***Independent, Non-Executive Director***
Qualifications:	*LLB (University of Sydney)*
Experience and Expertise:	After graduating with a law degree, Mr Keller had a successful career as a solicitor in Sydney and became a partner at Dawson Waldron (now Ashurst) in 1976 and remained a partner in its successor firms for 34 years until retirement from full time legal practice in 2010. During his time at the firm, Mr Keller served as joint national managing partner, Sydney office managing partner, chairman of the staff superannuation fund, one of the practice leaders and as a board member. Mr Keller was a non-executive director of ASX listed Thakral Holdings Limited and a member of its Audit Committee until the company was acquired in a public takeover by Brookfield. Mr Keller was also a non-executive director of LJ Hooker Limited and a member of its audit committee. He has also served as chairman of a large private investment company, several small investment companies and a private small exploration company. Mr Keller currently provides consulting services to several companies and is, and has been for over 10 years, a non-executive director of a charity and chairman of its audit committee. He has extensive legal experience and expertise in the review of commercial contracts and arrange-ments, as well as experience in public company audit committee procedures and requirements and hands on experience in the dynamics of managing people and resources in long term large projects.
Other current directorships:	None
Former directorships (last 3 years):	American Rare Earths Limited (ASX: ARR)
Special responsibilities:	Chair Audit and Risk Committee and member, Remuneration and Nomination Committee
Interests in shares:	3,885,551
Interests in options:	–
Interest in performance rights:	–

Name:	**DR ANDREW TONG**
Title:	***Managing Director*** *(from 10 October 2025)* ***and Chief Executive Officer***
Qualifications:	*BSc (Hons 1) University of Sydney* *PhD (Chemistry) University of Sydney*
Experience and Expertise:	Dr Tong is a metallurgist with more than 20 years of experience across project development, mining and mineral processing. He has previously held senior executive and board-level roles, including Chief Executive Officer and Director positions at Compass Resources and Northern Territory Resources, as well as senior roles with Goldsmith Resources in Peru and Australia Gold. Dr Tong brings a deep level of technical and commercial expertise to the development of mining and processing projects. Dr Tong is an inventor and holds several patents related to the processing of base and precious metal ores. He is a member of the Australasian Institute of Mining and Metallurgy.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	8,800,384
Interests in options:	204,509
Interest in performance rights:	1,730,663

COMPANY SECRETARIES

KELVIN BRAMLEY
CA, GradDipAppFin, BCom

Mr Bramley serves as the Company's Chief Financial Officer and Company Secretary and has over 20 years of commercial experience, principally in the resources industry.

GRAHAME CLEGG
ACG, CA, BCom

Mr Clegg served as a Company Secretary until his resignation on 3 September 2026. Mr Clegg has extensive experience in company secretary and corporate governance practices within Australia.

MEETINGS OF DIRECTORS

The number of meetings of the Company's Board of Directors and of each Board Committee held during the year ended 30 June 2026, and the number of meetings attended by each director were:

	Board		Audit & Risk Committee		Remuneration & Nomination Committee	
DIRECTOR	Held	Attended	Held	Attended	Held	Attended
J Kaderavek	5	5	1	1	1	1
R Biancardi	2	2	2	2	1	1
H Keller	5	5	3	3	1	1
A Tong	3	3	–	–	–	–

Held: *represents the number of meetings held during the time the Director held office or was a member of the relevant committee.*

REMUNERATION REPORT (AUDITED)

The audited remuneration report outlines the company's Director and executive remuneration arrangements in accordance with the requirements of the Corporations Act 2001 and Regulations. Remuneration is referred to as compensation throughout the Report.

The Remuneration Report is set out under the following main headings:

1. Remuneration Policy
2. Remuneration
3. Contractual Arrangements
4. Other statutory information
5. Reconciliation of shares, options and performance rights held by KMP

1. Remuneration Policy

The Company has a Remuneration and Nomination Committee. The Committee comprises:

Joe Kaderavek Independent, Non-Executive Director & Committee Chairman

Robert Biancardi Independent, Non-Executive Director (until 14 November 2025)

Hugh Keller Independent, Non-Executive Director

The Board's policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment, and responsibilities. The Committee determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice may be sought when required.

The Company's remuneration objective is to attract high-calibre executives and reward them for performance that results in both short and long-term growth in shareholder wealth.

The compensation structures take into account:

- the capability and experience of the key management personnel
- the key management personnel's ability to control their relevant assigned activities
- the Company's performance, including earnings, share price growth, and achievement of objectives.

Key Management personnel (KMP) have authority and responsibility for planning, directing, and controlling the activities of the Company. Key Management personnel, as identified for the purpose of this report by the criteria set out above, are:

Joe Kaderavek Chairman, Independent, Non-Executive Director, (from 14 November 2025)
Deputy Chairman, Independent, Non-Executive Director (until 14 November 2025)

Robert Biancardi Chairman, Independent, Non-Executive Director (until 14 November 2025)

Hugh Keller Independent, Non-Executive Director

Andrew Tong Chief Executive Officer & Executive Director

Kelvin Bramley Chief Financial Officer & Company Secretary

Relationship between Remuneration Policy and Group Performance

Cobalt Blue's remuneration policy includes short-term and long-term incentives. These plans seek to align management performance with shareholder interests. The LTI is linked to an increase in total shareholder returns over an extended period, and the STI is linked to individual and company operational performance.

The following table shows key performance indicators:

Key Performance Indicators 2022–2026

Financial year ended 30 June	2022	2023	2024	2025	2026
Loss after tax ($000)	(5,233)	(5,467)	(37,595)	(6,099)	(8,797)
Dividends paid ($)	–	–	–	–	–
Share price at beginning of financial year ($)	0.27	0.62	0.27	0.08	0.05
Share price at end of financial year ($)	0.62	0.27	0.08	0.05	0.07

Executive Remuneration

Cobalt Blue offers fixed and variable (at-risk) pay for employees that incentivise both short-term and long-term performance as follows:

- **Fixed remuneration**

  Fixed remuneration consists of base compensation (calculated on a total cost basis and including any fringe benefits tax charges related to any benefits provided), leave entitlements and employer contributions to superannuation funds.

  Compensation levels are reviewed annually by the Board/Remuneration and Nomination Committee through a process that considers the individual and overall performance of the Company.

- **Performance-linked remuneration**

  Variable remuneration comprises short-term and long-term incentives.

  Short-Term Incentives (STIs) are a variable performance-based remuneration strategy to strengthen the link between pay and performance over the short to medium term. STIs consist of cash bonuses and/or the issues of shares to employees.

  Long-Term incentives (LTIs) are designed to align employee interests directly with shareholders by linking employee remuneration to the Company's share price performance over the medium to long term. Historically, the Company has issued LTIs in the form of share options/performance rights.

Under the Company's remuneration framework executives are assigned a remuneration level that reflects their seniority, responsibility, and industry-wide remuneration practices. This level determines an executive's participation in STI and LTI plans, and therefore, the proportion of their total remuneration which is linked to performance. Senior executives will receive a higher proportion of their total potential remuneration at risk. The applicable maximum annual STI and LTI metrics are detailed below.

Percentage of Total Fixed Remuneration	Level 1 (CEO)	Level 2	Level 3 and higher
STI – bonus	50%	30%	Up to 25%
LTI – performance rights	50%	35%	Up to 20%

The Board retains the right to apply higher incentive metrics.

Long-term performance and LTI outcomes

The Company did not issue an LTI award (a 2025 LTI award) to senior executives during the year.[3]

The relative TSR hurdle for the 2022 LTI award was tested following the end of the performance period on 1 July 2025. The result (an absolute TSR over the period 1 July 2022 to 1 July 2025 of -91%) was at the 22nd percentile for the 1st Comparator Group and at the 13th percentile for the 2nd Comparator Group. Details of the vesting conditions are disclosed in Note 22. The 2022 LTI award vested as follows:

	1st Comparator Group (50%)	2nd Comparator Group (50%)	Total
Cobalt Blue's TSR Ranking	22nd	13th	
Vesting %	–%	–%	–%

Voting and comments made at the Company's 14 November 2025 Annual General Meeting (AGM)

The Company received 83.41% of votes 'for' in relation to the remuneration report for the year ended 30 June 2025. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

Equity Settled share-based payment expense

These amounts represent the expense related to the issue of ordinary shares and/or participation of KMP in equity-settled benefit schemes as measured by the fair value of the options/performance rights granted on the grant date and the fair value of shares issued.

3 *See table at Section 4 (iii) below for details of LTI awards in previous periods.*

2. Remuneration

The following tables show details of the remuneration expense recognised for the Company's KMP for the current and previous financial year, whilst as a KMP.

						Share based payments				
	Year	Cash salary/fees $	Accrued annual & long service leave $	Superannuation $	Termination benefits $	Shares (non-performance related)[4] $	Shares (performance related) $	Performance Rights $	Total $	Performance related %
Directors										
J Kaderavek	FY26	119,509	–	14,341	–	54,728	–	134,392	322,969	42%
	FY25	344,046	(90,571)	26,249	–	–	–	173,195	452,919	38%
R Biancardi[1]	FY26	24,596	–	2,952	–	–	–	–	27,548	0%
	FY25	62,304	–	7,165	–	21,201	–	9,321	99,991	9%
H Keller	FY26	66,776	–	8,013	–	54,728	–	–	129,517	0%
	FY25	49,577	–	5,701	–	21,201	–	9,321	85,800	11%
Executives										
A Tong	FY26	328,257	2,275	–	–	272,528	–	71,930	674,990	11%
	FY25	328,257	17,714	–	–	69,513	39,676	75,274	530,434	22%
K Bramley[2]	FY26	212,500	11,106	25,500	–	52,958	–	–	302,064	0%
	FY25	69,624	9,768	8,007	–	48,660	–	–	136,059	0%
D Morgan[3]	FY26	–	–	–	–	–	–	–	–	0%
	FY25	183,793	(12,091)	17,739	345,007	–	35,446	79,862	649,756	18%
Total	**FY26**	**751,638**	**13,381**	**50,806**	**–**	**434,941**	**–**	**206,322**	**1,457,088**	**14%**
	FY25	1,037,601	(75,180)	64,861	345,007	160,575	75,122	346,973	1,954,959	22%

1 *Ceased as Director and KMP on 14 November 2025*

2 *Commenced as KMP on 1 February 2025*

3 *Ceased as KMP on 31 January 2025*

4 *Reflects the value of shares issued in lieu of cash fees or salary and therefore not considered performance related*

3. Contractual Arrangements

(i) Executives

Role	Term of Agreement	Notice	Maximum Termination Payout
CEO[1]	No fixed term	3 months' notice except in the case of serious miscon-duct. In the case of serious misconduct, employment can be terminated summarily.	3 months
Other Executive KMP	No fixed term	1 months' notice except in the case of serious misconduct. In the case of serious misconduct, the agreement can be terminated summarily.	3 months

1 *Dr Andrew Tong provides his services through Minerals and Residues Pty Limited*

(ii) Non-executive Directors

Non-executive directors receive a board fee and fees for chairing board committees.

The board reviews fees annually, considering comparable roles and market data. The maximum aggregate directors' (cash) fee pool is $450,000 per annum, which was approved by shareholders approved at the Company's 2020 AGM.

Non-executive director fees are tabled below:

	2026 $	2025 $
Base Director Fee	**77,905**	77,905
Board Chair	**27,823**	27,823
Audit & Risk Committee Chair	**11,129**	11,129
Nomination & Remuneration Committee Chair	**11,129**	11,129

To preserve the Company's cash reserves, the Directors took a voluntary 30% reduction in their case salaries in the period from 1 January 2025 until 31 December 2025. A 'make good' payment to restore the forgone fees was made in January 2026. The Directors also received part of their remuneration in the form of shares in the Company. The non-executive cash director fees were therefore as follows:

Non-executive director	Position	2026 $	2025 $
Joe Kaderavek[1]	Chairman, Chairman of Nomination & Remuneration Committee	133,850[3]	$10,387
Robert Biancardi[2]	Chairman	27,548	$69,469
Hugh Keller	Chairman of Audit & Risk Committee	74,789[4]	$55,279
Total		**236,187**	**135,135**

1 *Appointed Chairman on 15 November 2025*

2 *Until 14 November 2025*

3 *Includes a make good payment of $66,636 to reimburse fees forgone during calendar year 2025*

4 *Includes a make good payment of $19,510 to reimburse fees forgone during calendar year 2025*

In addition to the 2026 cash remuneration noted above, at the Company's 2025 AGM, Shareholders approved the issue of 477,137 ordinary shares to each of the then Non-Executive Directors as an additional payment of their Directors' Fees for the year ended 30 June 2026.

At the 2021 AGM, Shareholders approved the issue of 1,000,000 performance rights to each of the non-executive directors. The performance rights were issued for nil consideration and with nil consideration payable upon vesting. The performance rights have the following milestones (VWAP refers to valued weighted average price):

Tranche	Milestone Company Share Price performance during the Performance Period	Quantum of Performance Rights to vest upon achievement of milestone
1	10-day VWAP – 50 cents	333,334
2	10-day VWAP – 75 cents	333,333
3	10-day VWAP – $1.00	333,333

Upon satisfaction of the milestone criteria each performance right automatically converts into one ordinary share. The performance period ends on the earlier of the date of a change in control of the Company or 28 November 2024. The performance rights will automatically lapse if the milestone criteria attached to the performance rights has not been satisfied by the end of the performance period.

Tranche 1 vested on 17 January 2022, Tranche 2 vested on 1 April 2022 and Tranche 3 lapsed during the previous financial year on 28 November 2024.

All non-executive directors enter a service arrangement with the Company in the form of a letter of appointment. The letter summarises the board policies and terms, including remuneration, relevant to the office of the director. Non-executive directors are not entitled to receive retirement allowances.

Non-executive directors are entitled to be reimbursed for certain expenses incurred and may be paid additional amounts as fees as the Board may determine where a non-executive director performs extra services or makes any special exertions that, in the opinion of the Board, are outside the scope of the ordinary duties of a non-executive director.

Non-executive directors are encouraged to hold shares in the Company to align themselves with the interests of the shareholders.

4. Other statutory information

(i) KMP performance-related remuneration granted and forfeited during the year

The table below shows for relevant KMP how much of their STI was awarded and how much was forfeited. It also shows the value of options and performance rights granted or exercised. The number of options or performance rights and percentages vested/forfeited for each grant are disclosed in sections 5(ii) and 5(iii) of this report.

				LTI			
	Total STI			Performance Rights		Options	
2026	Total Opportunity $	Awarded %	Forfeited %	Granted Value $	Value Exercised $	Granted Value $	Value Exercised $
A Tong	193,092	0%	100%	–	–	–	–
K Bramley	84,000	0%	100%	–	–	–	–

(ii) Terms and conditions of the share-based payment arrangements

The terms and conditions of each grant of performance rights over ordinary shares affecting the remuneration of KMP in this financial year or future reporting years are as follows:

Grantee	Grant Date	Number of Performance Rights Granted	Vesting date	Exercisable date	Expiry Date	Exercise Price	Fair value per option at grant date	Note
J Kaderavek	25/11/2022	351,055	01/07/2025	01/07/2025	01/07/2025	$nil	$0.490	1
J Kaderavek	24/11/2023	852,985	01/07/2026	01/07/2026	01/07/2026	$nil	$0.210	1
J Kaderavek	24/12/2024	3,083,549	01/07/2027	01/07/2027	01/07/2027	$nil	$0.055	1
A Tong	18/05/2023	197,159	01/07/2025	01/07/2025	01/07/2025	$nil	$0.200	1
A Tong	20/12/2023	479,052	01/07/2026	01/07/2026	01/07/2026	$nil	$0.190	1
A Tong	24/12/2024	1,730,663	01/07/2027	01/07/2027	01/07/2027	$nil	$0.055	1

Notes

1 *The performance rights automatically vest according to the terms set out under the Performance Linked Remuneration section of the remuneration report on page 28, save for the performance rights tranches, having different expiry dates. If a holder's employment is summarily terminated by the Company prior to the expiry date of the performance rights any unvested performance rights will automatically lapse, unless the board determines otherwise. The board has discretion to determine a different treatment if the holder's employment ceases due to death, redundancy, retirement, incapacity, or other circumstances where the board determines good leave treatment is appropriate.*

5. Reconciliation of shares, options and performance rights held by KMP

(i) Ordinary Shares

The table below shows a reconciliation of ordinary shares held by KMP during the financial year.

Name	Balance at the start of the year	Received during the year on the exercise of options and performance rights	Granted during the year as compensation	Purchases	Disposals	Other changes during the year	Balance at the end of the year
J Kaderavek	8,959,939[1]	–	477,137[3]	–	(750,000)	–	8,687,076
R Biancardi	5,256,611	–	–	–	(2,097,538)	(3,159,073)[2]	–
H Keller	3,408,414	–	477,137[3]	–	–	–	3,885,551
A Tong	6,202,158	–	2,376,004[4]	222,222	–	–	8,800,384
K Bramley	1,282,603	–	1,001,088[4]	111,113	(350,000)	–	2,044,804

1 *Balance at the start of the year does not include 9,380 shares held by a close family member*

2 *Relates to changes resulting from ceasing to be a KMP during the period*

3 *These shares were issued to Directors as payment for $24,000 of their Directors' Fees*

4 *These shares were issued in lieu of cash salary for the period 1 July 2025 to 31 December 2025*

(ii) Options

The table below shows a reconciliation of options held by KMP during the financial year.

Name	Balance at the start of the year	Granted as part of remuneration	Exercised	Additions	Lapsed	Other	Balance at the end of the year
J Kaderavek	–	–	–	–	–	–	–
R Biancardi[1]	–	–	–	–	–	–	–
H Keller	–	–	–	–	–	–	–
A Tong	130,435	–	–	74,074	–	–	204,509
K Bramley	–	–	–	37,038	–	–	37,038

1 *Ceased to be a KMP during the period*

(iii) Performance Rights

The table below shows a reconciliation of performance rights held by KMP during the financial year.

2026 Performance Rights	Balance at the start of the year			Vested			Forfeited			Balance at the end of the year	
Name and Grant Date	Vested	Unvested	Granted as remuneration	Number	%	Exercised	Number	%	Other	Vested & exercisable	Unvested
J Kaderavek											
25/11/2022	–	351,055	–	–	–	–	(351,055)	100	–	–	–
24/11/2023	–	852,985	–	–	–	–	–	–	–	–	852,985
24/12/2024	–	3,083,549	–	–	–	–	–	–	–	–	3,083,549
R Biancardi[1]											
N/A	–	–	–	–	–	–	–	–	–	–	–
H Keller											
N/A	–	–	–	–		–	–	–	–	–	–
A Tong											
18/5/2021	–	197,159	–	–	–	–	(197,159)	100	–	–	–
20/12/2023	–	479,052	–	–	–	–	–	–	–	–	479,052
24/12/2024	–	1,730,663	–	–	–	–	–	–	–	–	1,730,663
K Bramley											
N/A	–	–	–	–	–	–	–	–	–	–	–

1 *Ceased to be a KMP during the period*

END OF REMUNERATION REPORT

Corporate Governance

The Company's Corporate Governance Statement and Appendix 4G checklist are released to ASX on the same day the Annual Report is released. The Corporate Governance Statement, corporate governance policies, and charters can be found at https://cobaltblueholdings.com/resources/corporate-governance/.

Shares under option

Unissued shares

Unissued ordinary shares of the Company under option at the date of this report are as follows:

Date options granted	Expiry date	Issue price of shares	Number under option
24/4/2024	23/4/2027	$0.115	43,478,261
18/09/2025	18/09/2028	$0.045	11,110,000
24/9/2025	24/09/2028	$0.045	12,614,812
6/02/2026	15/12/2027	$0.09	65,144,446
Total			**132,347,519**

No option holder has any right under the options to participate in any other share issue of the Company or any other entity.

Shares issued on the exercise of options

The following shares were issued on exercise of options during the year:

Grant date	Exercise price	No. of shares issued
24/4/2024	$0.20	1,686,287
24/9/2025	$0.08	3,061,110
Total		**4,747,397**

D & O Insurance: Indemnification of Officers or Auditor

The Company has agreed to indemnify and keep indemnified the Directors and Company Secretary against all liabilities incurred as directors and officers of the Company and all legal expenses incurred as directors and officers of the Company.

The indemnity only applies to the extent and in the amount that the directors and officers are not indemnified under any other indemnity, including an indemnity contained in any insurance policy taken out by the Company, under the general law or otherwise. The indemnity does not extend to any liability:

- To the Company or a related body corporate of the Company; or
- Arising out of conduct of the directors and officers involving a lack of good faith.

No indemnities have been given or insurance premiums paid during the year for any person who is or has been an auditor of the Company.

During this financial period, the Company paid insurance premiums of $135,007 in respect of directors' and officers' liability insurance and corporate reimbursement, for directors and officers of the Company. The insurance premiums relate to:

- Any loss for which the directors and officers may not be legally indemnified by the Company arising out of any claim, by reason of any wrongful act committed by them in their capacity as a director or officer, first made against them jointly or severally during the period of insurance; and
- Indemnifying the Company against any payment which it has made and was legally permitted to make arising out of any claim, by reason of any wrongful act, committed by any director or officer in their capacity as a director or officer, first made against the director or officer during the period of insurance.

The insurance policy outlined above does not allocate the premium paid to each individual officer of the Company.

Environmental Regulations

The Company's operations are subject to Commonwealth and State laws. As far as the directors are aware, the Company has not breached any environmental regulations.

Proceedings on Behalf of the Company

As far as the directors are aware, no person has applied for leave of a Court to bring proceedings on behalf of the Company or to intervene in any proceeding to which the Company is party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

Rounding of amounts

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

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 37 and forms part of the Directors' Report for the year ended 30 June 2026.

Non-audit Services

No non-audit services were provided by the auditor during the financial year.

Matters subsequent to the end of the financial year

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

Signed in accordance with a resolution of the Board.

Joe Kaderavek
Chairman

Dated 24 September 2026

Auditor's Independence Declaration

Tel: +61 2 9251 4100
Fax: +61 2 9240 9821
www.bdo.com.au

Parkline Place
Level 25, 252 Pitt Street
Sydney NSW 2000
Australia

DECLARATION OF INDEPENDENCE BY GARETH FEW TO THE DIRECTORS OF COBALT BLUE HOLDINGS LTD.

As lead auditor of Cobalt Blue Holdings Ltd for the year ended 30 June 2026, I declare that, to the best of my knowledge and belief, there have been:

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

This declaration is in respect of Cobalt Blue Holdings Ltd. and the entities it controlled during the period.

Gareth Few

Gareth Few

Partner

BDO Audit Pty Ltd

Sydney, 24 September 2026

What’s in a name?
‘Cobalt Blue’

Cobalt blue is a pigment of cobalt oxide-aluminium oxide, was a favourite of Auguste Renoir and Vincent van Gogh. It was very stable but extremely expensive. Van Gogh wrote to his brother Theo, ‘Cobalt [blue] is a divine colour and there is nothing so beautiful for putting atmosphere around things ...’

Van Gogh described to his brother Theo how he composed a sky: ‘The dark blue sky is spotted with clouds of an even darker blue than the fundamental blue of intense cobalt, and others of a lighter blue, like the bluish white of the Milky Way ... the sea was very dark ultramarine, the shore a sort of violet and of light red as I see it, and on the dunes, a few bushes of prussian blue.’

Financial Statements

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2026

	Notes	2026 $'000	2025 $'000
Revenues and Other Income from ordinary activities			
Other income	2	1,230	2,864
Expenses from ordinary activities			
ASX and registry fees		(276)	(190)
Administrative expenses		(389)	(518)
Corporate costs		(1,090)	(747)
Depreciation and amortisation expenses		(174)	(187)
Employee benefits expenses	3	(1,892)	(3,041)
Exploration and evaluation expenditure		(6)	(32)
Interest expense	4	(187)	(65)
Net fair value loss on derivatives	5	(4,313)	–
Legal and professional costs		(277)	(337)
Project expenses – Kwinana Cobalt Refinery		(921)	(3,846)
Facility expenses – Broken Hill Technology Centre		(502)	–
Loss before tax		**(8,797)**	**(6,099)**
Income tax expense	6	–	–
Loss from continuing operations		**(8,797)**	**(6,099)**
Other comprehensive income for the year, net of tax		–	–
Total comprehensive loss for the year		**(8,797)**	**(6,099)**
		Cents	**Cents**
Basic and diluted earnings/(loss) per share	8	(1.6)	(1.4)

The statement of profit or loss and other comprehensive income should be read in conjunction with the notes to the financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2026

	Notes	2026 $'000	2025 $'000
Current Assets			
Cash and cash equivalents	9	4,265	1,224
Receivables	10	50	129
Other assets	11	221	247
Total Current Assets		**4,536**	**1,600**
Non-current Assets			
Property, plant and equipment	12	1,248	1,418
Intangibles	13	168	205
Security deposits		360	362
Exploration and evaluation assets	14	30,686	29,987
Total Non-current Assets		**32,462**	**31,972**
Total Assets		**36,998**	**33,572**
Current Liabilities			
Trade and other payables	15	689	911
Provisions	16	413	374
Lease liabilities	18	53	48
Borrowings	19	104	1,835
Total Current Liabilities		**1,259**	**3,168**
Non-current Liabilities			
Provisions	17	187	137
Lease liabilities	18	254	386
Total Non-current Liabilities		**441**	**523**
Total Liabilities		**1,700**	**3,691**
Net Assets		**35,298**	**29,881**
Equity			
Share capital	20	104,738	91,086
Reserves	21	4,586	4,024
Accumulated losses		(74,026)	(65,229)
Total Equity		**35,298**	**29,881**

The statement of financial position should be read in conjunction with the notes to the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2026

	Share Capital $'000	Share-Based Payments Reserve $'000	Accumulated Losses $'000	Total $'000
Balance at 1 July 2024	89,758	3,577	(59,130)	34,205
Total loss for the year	–	–	(6,099)	(6,099)
Issue of ordinary shares	1,482	–	–	1,482
Issue of options/performance rights	–	447	–	447
Cost of issuing ordinary shares	(154)	–	–	(154)
Balance at 30 June 2025	**91,086**	**4,024**	**(65,229)**	**29,881**
Balance at 1 July 2025	91,086	4,024	(65,229)	29,881
Total loss for the year	–	–	(8,797)	(8,797)
Issue of ordinary shares	14,231	–	–	14,231
Issue of options/performance rights	–	562	–	562
Cost of issuing ordinary shares	(579)	–	–	(579)
Balance at 30 June 2026	**104,738**	**4,586**	**(74,026)**	**35,298**

The statement of changes in equity should be read in conjunction with the notes to the financial statements.

Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2026

	Notes	2026 $'000	2025 $'000
Cash flows from operating activities			
Payments to suppliers and employees		(3,593)	(4,750)
Payments for project costs		(974)	(3,876)
Industry grants (not capitalised)		–	709
Research and development tax incentive refund		1,182	944
Interest received		122	171
Interest paid		(107)	(46)
Net cash flows used in operating activities	25	**(3,370)**	**(6,848)**
Cash flows from investing activities			
Payments for exploration and evaluation expenditure		(659)	(1,195)
Research and development tax incentive refunds		–	1,435
Industry grants (capitalised)		–	264
Payments for plant and equipment		–	(2)
Refund of security deposit		2	42
Payments for other non-current assets		(24)	(13)
Net cash flows / (used in) provided by investing activities		**(681)**	**531**
Cash flows from financing activities			
Gross proceeds from issues of shares		7,589	520
Gross proceeds from exercise of options		582	–
Costs related to issues of shares		(444)	(155)
Gross proceeds from issue of financial liabilities at FVOCI		903	–
Gross proceeds from borrowings		521	851
Interest paid on Promissory Note		(42)	(180)
Repayment of borrowings		(1,857)	(2,062)
Payment of lease liabilities		(160)	(175)
Net cash flows provided by/(used in) financing activities		**7,092**	**(1,201)**
Net increase/ (decrease) in cash held		3,041	(7,518)
Cash at beginning of financial year		1,224	8,742
Cash at end of financial year	9	**4,265**	**1,224**

The statement of cash flows should be read in conjunction with the notes to the financial statements.

Notes to the Consolidated Financial Statements

1 STATEMENT OF MATERIAL ACCOUNTING POLICIES

The financial statements cover Cobalt Blue Holdings Limited group as a Consolidated Entity, consisting of Cobalt Blue Holdings Limited (Cobalt Blue or the Company) and its subsidiary ('Consolidated Entity').

Basis of preparation

These financial statements are general purpose financial statements, prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The Company is a for-profit entity for the purpose of preparing the financial statements.

These financial statements also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial statements have been prepared under the historical cost convention unless otherwise described in the accounting policies.

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

The financial statements were authorised for issue on 24 September 2026 by the Board of Directors.

(a) New and amended standards

No new or amended accounting standards adopted by the Consolidated Entity for the first time for its annual reporting period commencing 1 July 2025 had a material financial impact.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted and the impact is currently being assessed.

(b) Going Concern

The financial report has been prepared on the going concern basis, which assumes continuity of normal activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

For the year ended 30 June 2026 the Consolidated Entity reported:

- a loss of $8,797,000 (30 June 2025: loss of $6,099,000), after a non-cash loss on derivatives of $4,313,000;
- net cash outflow from operating activities of $3,370,000 (30 June 2025: outflow $6,848,000);
- net cash outflow from investing activities of $681,000 (30 June 2025: inflow $531,000); and
- net cash inflow from financing activities of $7,092,000 (30 June 2025: outflow $1,201,000).

As at 30 June 2026, the Consolidated Entity had a working capital surplus of $3,277,000 (30 June 2025: deficit $1,568,000) and cash of $4,265,000 (30 June 2025: $1,224,000).

The cash flow forecast prepared for the assessment of Going Concern factors in a number of estimates and judgements in relation to cash flows including the timing and quantum of expenditure and contemplates the need to raise capital either by way of equity funding, income through grant applications, sale or licensing of intellectual property, a partial sale of licence interests along with a reduction of costs. The above matters give rise to a material uncertainty that may cast significant doubt over the ability of the Group to continue as a going concern.

The Directors regularly monitor the Company's cash position on an ongoing basis and have demonstrated a successful track record of raising capital and other funding when required. The directors are confident the Consolidated Entity can continue to access further grant and equity funding to meet ongoing capital requirements.

On the basis of the above and the ability of the Consolidated Entity to scale back planned activities if required to preserve cash, the directors are satisfied that at the date of signing the financial report, there are reasonable grounds to believe that the Consolidated Entity will be able to meet its debts as and when they fall due and that it is appropriate for the financial report to be prepared on a going concern basis.

However, should the Company be unable to secure additional grant or equity funding, or rationalise costs sufficiently then the Company may be required to realise assets at different amounts to those recorded in the Statement of Financial Position and settle liabilities other than in the ordinary course of business.

(c) Principles of consolidation

Joint operations

A joint operation is a joint arrangement whereby the participants that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement.

The Company recognises assets, liabilities, revenues and expenses according to its share in the assets, liabilities, revenues and expenses of a joint operation or similar as determined and specified in contractual arrangements (joint venture agreements). Details of major joint operation interests and the sum of the Company's interests in joint operation assets, liabilities, revenue and expenses are set out in Note 30.

Where part of joint operation interest is farmed out in consideration of the farmee undertaking to incur further expenditure on behalf of both the farmee and the entity in the joint operation area of interest, exploration expenditure incurred and carried forward prior to farm-out continues to be carried forward without adjustment, unless the terms of the farm-out are excessive based on the diluted interest retained. An impairment provision is then made to reduce exploration expenditure to its estimated recoverable amount. Any cash received in consideration for farming out part of a joint operation interest is recognised in the profit and loss.

(d) Other income

Government Grants

Grants that compensate the Consolidated Entity for expenditure expensed are recognised in the profit or loss as other income on a systematic basis consistent with the periods in which the underlying expenditure is recognised. Grants that compensate the Consolidated Entity for capitalised expenditure are progressively recognised as a reduction in the carrying value of the asset when there is a reasonable assurance that the Consolidated Entity will satisfy the conditions associated with the grant.

R&D tax incentive income

Research and Development tax incentives are recognised in accordance with AASB 120: Accounting for Government Grants and Disclosure of Government Assistance. The Research and development tax incentive is recognised when there is reasonable assurance that the grant will be received, and all conditions have been complied with.

(e) Fair Value

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interest. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

(f) Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Consolidated Entity. Ongoing expenses and maintenance are expensed as incurred.

The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation and amortisation

The depreciable amount of all fixed assets is depreciated on a straight-line basis over their useful lives to the Consolidated Entity commencing from the time the asset is held ready for use. The amounts reflecting the consumption of assets used in exploration and evaluation activities are recognised in the exploration and evaluation asset.

The estimated useful lives for each class of assets are as follows for the current and preceding financial year:

Plant	3–10 years
Furniture and office equipment	2–4 years
Buildings	25 years
Leasehold improvements	4 years
Right-of-use Assets	3–4 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. Depreciation and amortisation rates and methods are reviewed annually for appropriateness.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income.

(g) Exploration and Evaluation assets

Exploration and evaluation expenditure is accumulated in respect of each identifiable area of interest. Such expenditures comprise net direct costs and an appropriate portion of related overhead expenditure but do not include overheads or administration expenditure not having a specific nexus with a particular area of interest. Transactions involving the acquisition of an individual exploration and evaluation asset or a group of evaluation and evaluation assets, that do not constitute a business, are treated as asset acquisitions. Asset acquisitions are measured at their fair value or in those instances where the fair value cannot be measured reliably, the assets are measured at the fair value of the consideration offered and liabilities assumed. Exploration and Evaluation costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area, or where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves and active or significant operations in relation to the area are continuing, or sale.

Exploration and evaluation expenditure is classified as either tangible or intangible according to the nature of the assets acquired. Where a tangible asset is consumed in developing an intangible asset, the amount reflecting that consumption is part of the cost of the intangible asset.

A provision is raised against exploration and evaluation assets where the Directors are of the opinion that the carried forward net cost may not be recoverable or the right of tenure in the area lapses. The increase in the provision is charged against the results for the year. Accumulated costs in relation to an abandoned area are written off in full against profit or loss in the year in which the decision to abandon the area is made.

When development commences, the accumulated costs for the relevant area of interest are reclassified to development assets and amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

(h) Impairment of Assets

At each reporting date, the Consolidated Entity reviews the carrying amounts of its assets to determine whether there is any indication that those assets have been impaired. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating units (CGUs).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(i) Provisions

The Consolidated Entity recognises a provision for the estimate of the future costs of restoration activities on a discounted basis at the time of exploration disturbance. The nature of these restoration activities includes dismantling and removing structures and the restoration, reclamation and re-vegetation of affected areas. When the liability is initially recognised, the present value of the estimated costs is capitalised by increasing the carrying amount of the related assets to the extent that it was incurred by the exploration and evaluation asset. If a change to the estimated provision results in an increase in the rehabilitation liability and therefore an addition to the carrying value of the related asset, the Consolidated Entity considers whether this is an indication of impairment of the asset. If the revised assets, net of rehabilitation provisions, exceed the recoverable amount, that portion of the increase to the provision is charged directly to the income statement.

(j) Share-based payments

Equity-settled share-based compensation benefits are provided to Directors, employees and third parties that provide to the Consolidated Entity. There were no cash settled share-based payments during the financial year.

Equity-settled transactions are awards of shares or options over shares or performance rights that are provided to parties in exchange for the rendering of services.

The cost of equity-settled transactions is measured at fair value on grant date.

Fair value is determined using either option pricing models, Monte-Carlo simulation valuation models or available market prices. The models take into account the exercise price, the term of the option, the strike price of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option, together with non-vesting conditions that are not dependent on whether the Consolidated Entity receives the services that entitle the party to receive payment.

No account is taken of any other vesting conditions. When the services received or acquired in a share-based payment transaction do not qualify for recognition as assets, the cost is recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss (or as an asset where applicable) for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining grant date fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Consolidated Entity or grantee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Consolidated Entity or grantee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

A share-based payments reserve is used to recognise the grant date fair value of options or performance rights issued to employees and contractors.

(k) Intangibles

Costs associated with patents are deferred and amortised on a straight-line basis over the period of their expected benefits, being up to 20 years.

(l) Financial Instruments

Borrowings

Borrowings are initially measured at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost.

The fair value of the liability portion of a convertible note is determined using a market interest rate for an equivalent non-convertible note. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or maturity of the note. The remainder of the proceeds is allocated to the conversion option that meets the criteria for equity classification. This is recognised and included in shareholders' equity, net of income tax.

Borrowings are classified as current liabilities unless the Consolidated Entity has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Interest related to the financial liability component is recognised in profit or loss, except when capitalised to a qualifying asset in accordance with AASB 123 Borrowing Costs.

Derivative instruments

Derivative instruments, other than those designated as effective hedging instruments, are measured at fair value through profit or loss. The full fair value of derivatives is classified as a non-current liability where the remaining maturity of the instrument is more than 12 months. It is classified as a current liability where the remaining maturity of the instrument is less than 12 months. Where a portion of a financial derivative liability is due to be settled within 12 months of the reporting date, and settlement cannot be deferred for at least 12 months following the reporting date, that portion should be presented as a current liability; the remainder should be presented as a non-current liability.

(m) Rounding of amounts

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

(n) Critical accounting estimates and judgements

The Directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Consolidated Entity. Management has identified the following critical accounting policies for which significant judgements, estimates and assumptions are made. Further details of the nature of these assumptions and conditions may be found in the relevant notes to the financial statements.

Impairment

The Consolidated Entity assesses impairment at the end of each reporting period by evaluating conditions and events specific to the Consolidated Entity that may be indicative of impairment triggers. When required, recoverable amounts of relevant assets are reassessed using the higher of fair value less cost to sell and value in use calculations which incorporate various key estimates and assumptions. Changes in these estimates and assumptions as new information becomes available, may impact the assessment of the recoverable amount.

Exploration and evaluation asset

Estimating the recoverable amount of exploration and evaluation assets requires management to make certain estimates and assumptions as to future events and circumstances, including estimates and assumptions as to ore reserves, the timing of expected cash flows, exchange rates, commodity prices and future capital requirements. Changes in these estimates and assumptions as new information becomes available may impact the assessment of the recoverable amount of exploration and evaluation assets. If, after having capitalised the expenditure under the accounting policies, a judgment is made that the recovery of the expenditure is unlikely, an impairment loss is recorded in the profit or loss.

Project expenses

During the period the Consolidated Entity advanced the engineering and design for the Kwinana Cobalt Refinery. This activity was determined to be development activities outside the scope of AASB 6 Exploration for and Evaluation of Mineral Resources. Accordingly, expenditure associated with this activity is expensed to the profit and loss as 'project expenses – Kwinana Cobalt Refinery' under AASB 116 Property, Plant and Equipment. Expenditure associated with this activity is expected to meet the criteria for capitalisation under AASB 116 at or around the time a final investment decision is reached and firm financing arrangements are in place.

Borrowings

Lease payments are discounted using the interest rate implicit in the lease if that rate can be determined or the Consolidated Entity's incremental borrowing rate. Borrowings, including the liability portion of Promissory Note liability are measured at the borrowing rate, which approximates fair value. Judgement is required in determining market/comparable borrowing or discount rates.

Share based payment transactions

The Consolidated Entity measures the cost of equity-settled transactions with Directors and employees or third parties by reference to the fair value of the equity instruments at the date on which they are granted. Equity-settled transactions with third parties are measured by reference to the fair value of the equity instruments at the date on which they are granted on the basis that it approximates the fair value of the services received. The fair value is determined using option price models or market valuations. The related assumptions are detailed in Note 22. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact expenses and equity.

Derivatives

During the period, the Consolidated Entity entered into a Placement Agreement with Lind Global Partners III LP (Lind). The Placement Agreement contains a variable subscription price feature whereby obligations to Lind are settled via the issue of equity at the subscription price, irrespective of the underlying market value of the equity. This subscription price feature was identified as an embedded derivative in accordance with AASB 9 *Financial Instruments* and accounted for at fair value through profit and loss. Further information is set out in Note 5.

2 OTHER INCOME

	2026 $'000	**2025** $'000
Interest received	124	154
Other income – Rent free period	37	–
Other income – Government grants	–	1,691
Other income – Research and development tax incentive	1,069	1,019
Total other income	**1,230**	**2,864**

3 EMPLOYEE BENEFITS EXPENSES

	2026 $'000	**2025** $'000
Remuneration expenses	1,485	2,251
Accumulated benefit superannuation plans	168	200
Equity settled share-based payments	239	590
Total employee benefits expenses	**1,892**	**3,041**

4 INTEREST EXPENSE

	2026 $'000	2025 $'000
Lease liabilities – interest	50	22
Promissory note – interest	40	272
Borrowings – interest	89	4
R&D Facility – Interest	48	42
Sub-total	**227**	**340**
Less: amounts capitalised as part of exploration and evaluation expenditure[1]	(40)	(275)
Total Interest expense	**187**	**65**

1 *Includes promissory note interest. The promissory note relates specifically to the acquisition of exploration and evaluation assets and accordingly all of the interest is eligible to be capitalised.*

5 NET FAIR VALUE LOSS ON DERIVATIVES

	2026 $'000	2025 $'000
Placement Agreement	4,313	–
Total net fair value loss on derivatives	**4,313**	**–**

The Company entered into a Share Placement Agreement (Placement Agreement) with Lind Global Fund III LP (Lind) on 11 September 2025.

Under the Placement Agreement, the Company received gross cash proceeds of $1,500,000 (Advance Payment) in return for 22,500,000 fully paid ordinary shares to be issued to Lind (Initial Placement Shares) and 11,110,000 unlisted options exercisable at $0.08 each and expiring on 22 September 2028. Pursuant to the Placement Agreement Lind had the right to subscribe for fully paid ordinary shares in the Company to a value of $1,800,000 (Investment Value), over a 24-month term (Term). Such subscriptions were subject to a variable subscription price (Subscription Price) which was the lower of $0.07 per share or 92.5% of the average of the five lowest daily VWAPs during the 20 trading days prior to the subscription. Furthermore, Lind could elect to acquire the Initial Placement Shares at the Subscription Price. The Subscription Price feature of the Placement Agreement was determined to be an embedded derivative and was accounted for at fair value through the statement of profit and loss and other comprehensive income.

The Company received four subscription notices prior to 30 June 2026 with a combined face value of $1,800,000 resulting in the issue of 25,714,287 fully paid ordinary shares. In addition, Lind paid $990,000 to acquire the Initial Placement Shares. A fair value loss on derivatives was recognised following each issue of shares where the Subscription Price was lower than the actual share price on the date of the subscription.

6 INCOME TAX BENEFIT

	2026 $'000	2025 $'000
The components of the tax benefit comprise:		
Current tax	–	–
Deferred tax – origination and reversal of temporary differences	–	–
Aggregate income tax expense	**–**	**–**

Numerical reconciliation of income tax expense and tax at the statutory rate:

	2026 $'000	2025 $'000
Loss before income tax from continuing operations	**(8,797)**	**(6,099)**
Tax at the statutory rate of 25% (2025: 25%)	(2,199)	(1,525)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Non-allowable items	1,776	558
Tax losses not brought to account	978	2,168
Exploration expenditure deductible	(175)	(396)
Other allowable items	(380)	(805)
Income tax expense	**–**	**–**
Unused tax losses carried forward	65,034	65,512
Potential tax benefit at 25% (2025: 25%)	16,258	16,378

Deferred tax balances

	2026 $'000	2025 $'000
Deferred tax asset	–	–
	–	**–**
The balance of deferred tax asset comprises:		
Deferred tax assets		
Tax losses	16,258	16,378
Acquisition costs	506	564
Share issue costs	44	125
Project costs	578	-
Employee entitlements	143	128
Accrued expenses	96	123
	17,625	**17,318**
Deferred tax liabilities		
Exploration and evaluation expenditure	(9,145)	(9,033)
	(9,145)	**(9,033)**
Net deferred tax asset	8,480	8,285
Deferred tax asset not recognised	(8,480)	(8,285)
	–	**–**

The benefit of deferred tax assets and tax losses will only be obtained if the Consolidated Entity derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised; continues to comply with the conditions for deductibility imposed by the tax legislation; and there are no changes in tax legislation adversely affecting the Consolidated Entity in realising the benefit from the deductions for the losses.

7 AUDITOR'S REMUNERATION

	2026 $	2025 $
Fees to BDO Audit Pty Limited		
Audit or review of the financial statements	157,000	131,000
Other assurance services:		
Audit of government grant acquittal	–	30,000
Total fees to BDO Audit Pty Limited	**157,000**	**161,000**

8 EARNINGS PER SHARE

	2026	2025
Earnings/(Loss) for the year used to calculate basic and diluted earnings per share ($'000)	(8,797)	(6,099)
Weighted average number of shares outstanding during the year used for the calculation of basic and diluted earnings per share	535,529,267	431,202,885
Basic and diluted earnings/(loss) per share	(1.6c)	(1.4c)

The Company's potential ordinary shares, being its options and performance rights granted, are not considered dilutive as their conversion to ordinary shares would result in a decrease in the net loss per share and are therefore excluded from the weighted average number of shares used in the calculation of diluted loss per share.

9 CASH AND CASH EQUIVALENTS

	2026 $'000	2025 $'000
Short term deposits	3,550	–
Cash at bank and on hand	715	1,224
	4,265	**1,224**

10 TRADE AND OTHER RECEIVABLES – CURRENT

	2026 $'000	2025 $'000
Other receivables	5	2
GST	31	–
Research and development tax incentive receivable	14	127
	50	**129**

11 OTHER ASSETS – CURRENT

	2026 $'000	2025 $'000
Prepayments	221	247
	221	**247**

12 PROPERTY, PLANT AND EQUIPMENT

	Land and buildings $'000	Right of use assets $'000	Leasehold Improve-ments $'000	Furniture and Office Equip-ment $'000	Plant $'000	Total $'000
Year ended 30 June 2026						
Opening Balance	807	404	102	22	83	1,418
Additions	–	–	–	–	–	–
Disposals	–	(10)	–	–	–	(10)
Depreciation expense	(31)	(86)	(16)	(14)	(13)	(160)
Closing Balance	**776**	**308**	**86**	**8**	**70**	**1,248**
At cost	891	400	150	89	133	1,663
Accumulated Depreciation	(115)	(92)	(64)	(81)	(63)	(415)
At 30 June 2026	**776**	**308**	**86**	**8**	**70**	**1,248**
Year ended 30 June 2025						
Opening Balance	838	155	116	41	96	1,246
Additions	–	402	–	3	–	405
Disposals	–	–	–	(1)	–	(1)
Depreciation expense	(16)	(131)	(7)	(13)	(7)	(174)
Depreciation capitalised[1]	(15)	(22)	(7)	(8)	(6)	(58)
Closing Balance	**807**	**404**	**102**	**22**	**83**	**1,418**
At cost	891	663	150	98	133	1,935
Accumulated Depreciation	(84)	(259)	(48)	(76)	(50)	(517)
At 30 June 2025	**807**	**404**	**102**	**22**	**83**	**1,418**

1 *Depreciation capitalised as part of exploration and evaluation expenditure*

13 INTANGIBLES

	Patents $'000	Total $'000
Year ended 30 June 2026		
Opening Balance	205	205
Additions	24	24
Disposals	(47)	(47)
Amortisation expense	(14)	(14)
Closing Balance	**168**	**168**
At cost	220	220
Accumulated Amortisation	(52)	(52)
At 30 June 2026	**168**	**168**
Year ended 30 June 2025		
Opening Balance	205	205
Additions	13	13
Amortisation expense	(13)	(13)
Closing Balance	**205**	**205**
At cost	252	252
Accumulated Amortisation	(47)	(47)
At 30 June 2025	**205**	**205**

14 EXPLORATION AND EVALUATION EXPENDITURE

	2026 $'000	2025 $'000
Balance at beginning of the financial year	29,987	30,000
Additions	705	2,054
Written-off during the year	(6)	(32)
R&D tax incentive on exploration asset off-set	–	(1,487)
Government grant off-set	–	(548)
Balance at end of the financial year	**30,686**	**29,987**
At cost	85,905	85,206
Carried forward accumulated impairment losses	(30,533)	(30,533)
Accumulated Government grant and R&D tax incentive offsets	(24,686)	(24,686)
Balance at end of the financial year	**30,686**	**29,987**

No impairment losses were recognised during the current or prior reporting period. The recoverability of the carrying amount of exploration and evaluation assets is dependent on the successful development and commercial exploitation or, alternatively, the sale of the respective areas of interest.

15 TRADE AND OTHER PAYABLES – CURRENT

	2026 $'000	2025 $'000
Trade payables	259	372
Other creditors and accruals	430	539
	689	**911**

16 PROVISIONS – CURRENT

	2026 $'000	2025 $'000
Employee benefits	293	233
Provision for rehabilitation	120	141
	413	**374**

17 PROVISIONS – NON-CURRENT

	2026 $'000	2025 $'000
Provision for rehabilitation	158	137
Make good provision	29	–
	187	**137**

18 LEASES

	2026 $'000	2025 $'000
(i) Amounts recognised in the statement of financial position		
Right-of-use assets		
Office and factory properties	307	390
Residential properties	-	11
Office equipment	1	3
	308	**404**

2026 additions to leased assets: $0 (2025: $404,000).

	2026 $'000	2025 $'000
Lease Liabilities		
Current	53	48
Non-current	254	386
	307	**434**

(ii) Amounts recognised in the statement of profit or loss

	2026	2025
Depreciation charge of leased office and factory properties	73	117
Depreciation charge of leased residential properties	11	12
Depreciation of leased office equipment	2	3
	86	**131**
Interest expense	**50**	**19**

The lease terms are industry standard for the assets involved

19 BORROWINGS

	2026 $'000	2025 $'000
Current		
Promissory note	–	938
Promissory note – accrued interest	–	65
R&D finance facility	–	742
Other borrowings	104	90
Total borrowings	**104**	**1,835**

Promissory note

In January 2020, the Consolidated Entity moved to 100% ownership and legal title of the Broken Hill Cobalt Project (BHCP) by acquiring American Rare Earth Limited's (ARR) interest in the BHCP. As part of the acquisition, a $3,000,000 five-year Promissory Note (PN) was issued to ARR. The PN was interest free for years 1,2 and 3 and in years 4 and 5 interest of 6% per annum was payable in arrears. On 7 January 2025 the PN was amended to provide for the repayment of principal and interest in two tranches. The first tranche of $2,000,000 (originally $3,000,000) plus interest of $180,000 fell due on 17 January 2025 with the second tranche of $1,000,000 falling due on 1 October 2025. Interest was payable on the second tranche at 6% per annum. The PN was secured over the title to the tenements which has been extinguished now that the PN has been repaid in full.

R&D finance facility

On 27 February 2025, the Consolidated Entity secured a $700,000 advance on its forecast Research and Development Tax Incentive (R&DTI) refund for the 2025 financial year. The advance was provided under a short-term loan facility with Radium Capital. The facility had a maturity date of 31 December 2025, and early repayment may be made without penalty. The advance accrued interest at 1.44% per month and was repaid in full on 26 November 2025.

20 SHARE CAPITAL

	2026		2025	
Fully paid ordinary shares	Number	$'000	Number	$'000
Balance at beginning of the financial year	444,838,847	91,086	421,741,617	89,758
Shares issued to staff and contractors as short-term incentive	–	–	5,631,148	392
Shares issued to staff and contractors as remuneration	6,721,122	492	6,141,152	364
Shares issued to Non-Executive Directors in lieu of Directors' fees at $0.115/share (2025: $0.07/share).	954,274	109	612,646	42
Shares issued on exercise of performance rights	–	–	381,310	–
Rights Issue	–	–	7,217,314	520
Share placement (at $0.045/share)	22,844,444	1,028	–	–
Share placement (at $0.09/share)	59,144,446	5,323	–	–
Shares issued on exercise of placement options	4,747,397	582	–	–
Shares issued pursuant to Placement Agreement	48,214,287	6,697	–	–
Issue of shares as consideration	–	–	3,113,660	164
Capital raising costs	–	(579)	–	(154)
Balance at end of the financial year	**587,464,817**	**104,738**	**444,838,847**	**91,086**
Comprising:				
Un-escrowed, listed on ASX	**587,464,817**		442,061,069	
Escrowed, listed on the ASX	**–**		2,777,778	
Total	**587,464,817**		**444,838,847**	

Terms and Conditions of Ordinary Shares

Ordinary shares have the right to receive dividends as declared and, in the event of a winding up of the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company. The Company does not have a limited amount of authorised capital and ordinary shares have no par value.

Capital Management

Management effectively manages the Consolidated Entity's capital by assessing the Consolidated Entity's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of share issues and debt levels. Capital refers to total shareholders' equity. There has been no change to capital management objectives.

The Consolidated Entity is not subject to externally imposed capital requirements.

21 SHARE-BASED PAYMENTS RESERVE

	2026 $'000	2025 $'000
Share-based payments reserve	4,586	4,024
Movement in reserve		
Balance at the beginning of the financial year	4,024	3,577
Share-based payments	239	447
Options issued to placement lead managers	135	–
Options issued pursuant to Placement Agreement	188	–
Balance at the end of the financial year	**4,586**	**4,024**

The share-based payments reserve recognises the grant date fair value of options or performance rights issued to employees and contractors.

Options and rights	Weighted average exercise price $	2026 Number	2026 $'000	2025 Number	2025 $'000
Balance at the beginning of the financial year	$0.17	52,044,086	4,024	48,108,870	3,577
Amortisation of share-based payments		–	239	–	447
Exercise of performance rights by directors, staff and contractors	–	–	–	(381,310)	–
Issue of performance rights to CEO & executive director and executive managers	–	–	–	5,316,525	–
Options issued attached to placement shares	$0.11	66,759,258	–	–	–
Options issued to placement lead managers	$0.10	11,000,000	135	–	–
Options issued pursuant to Placement Agreement	$0.08	11,110,000	188	–	–
Exercise of options	$0.12	(4,747,397)	–		
Forfeited options and rights	–	(1,624,333)	–	(999,999)	–
Balance at the end of the financial year	**$0.13**	**134,541,614**	**4,586**	**52,044,086**	**4,024**
Comprising:					
Options		127,600,122		43,478,261	
Performance Rights		6,941,492		8,565,825	
Options and rights not quoted on ASX		**134,541,614**		**52,044,086**	

Terms and Conditions of Options and Performance Rights

Share options outstanding at the end of the year have the following expiry dates and exercise prices:

Grant date	Expiry date	Exercise price	2026 $'000	2025 $'000
24 April 2024	23 April 2027	$0.20	41,791,974	43,478,261
18 September 2025	18 September 2028	$0.08	11,110,000	–
24 September 2025	24 September 2028	$0.08	9,553,702	–
15 December 2025	15 December 2027	$0.115	65,144,446	–
Total			**127,600,122**	**43,478,261**

Each option entitles the holder to subscribe for one fully paid ordinary share upon exercise of the option. The options are exercisable at any time prior to the expiry date. Any option not exercised prior to the expiry date will automatically lapse on the expiry date.

The terms and conditions for the performance rights are set out in Note 22.

22 SHARE-BASED PAYMENTS

The Company has issued options to service providers, and performance rights to the Consolidated Entity's Directors, employees and consultants.

Options

Set out below is a summary of share-based payment options^ outstanding:

	2026 Number	2025 Number
Options outstanding at the beginning of the financial year	–	–
Options issued	11,000,000	–
Options exercised	(200,000)	–
Options outstanding at the end of the financial year	**10,800,000**	**–**
Total expense or asset recognised from share-based payments (capitalised to Share Capital as costs of raising equity)	$135,000	$Nil

^ *66,759,258 options issued attached to placement shares during the year are not share-based payments as they were issued to shareholders as part of a capital raising rather than for the payment for goods and services.*

Set out below is a reconciliation of outstanding share-based payment options:

Grant Date	Expiry Date	Exercise price	Vesting and other conditions	Balance at the start of the year	Granted	Exercised	Balance at the end of the year
24/09/2025	24/09/2028	$0.08	A	–	5,000,000	(200,000)	4,800,000
06/02/2026	15/12/2027	$0.115	A	–	6,000,000	–	6,000,000
				–	**11,000,000**	**(200,000)**	**10,800,000**

A: Each option entitles the holder to subscribe for one fully paid ordinary share upon exercise of the option. The options are exercisable at any time prior to the expiry date. Any option not exercised prior to the expiry date will automatically lapse on the expiry date.

Fair value of options granted

A Black-Scholes pricing model was used to value options granted to service providers. The valuation model inputs to determine the fair value at the grant date are as follows:

Grant Date	Expiry Date	Share Price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
24/09/2025	24/09/2028	0.048	0.080	61%	–	3.42%	0.0072
06/02/2026	15/12/2027	0.073	0.115	62%	–	4.20%	0.0075

The company's historical volatility was used to estimate expected volatility for the options granted during the year.

Performance rights

Set out below is a summary of outstanding performance rights:

	2026 Number	2025 Number
Rights outstanding at the beginning of the financial year	8,565,825	4,630,609
Rights granted	–	5,316,525
Rights exercised	–	(381,310)
Rights forfeited during the period	(1,624,333)	(999,999)
Rights outstanding at the end of the financial year	**6,941,492**	**8,565,825**
Rights exercisable at the end of the financial year	**–**	**–**
Total expense or asset recognised from share-based payments^^	$238,578	$447,646

^^ *$Nil of this amount was capitalised to Exploration and Evaluation Assets (2024: $138,077).*

Set out below is a reconciliation of outstanding performance rights.

			Balance at the start of the year					Balance at the end of the year	
Grant Date	Expiry Date	Vesting and other conditions	Unvested	Vested and exercisable	Granted	Exercised	Forfeited	Unvested	Vested and Exercisable
25/11/2022	1/07/2025	A	351,055	–	–	–	(351,055)	–	–
20/05/2023	1/07/2025	A	490,178	–	–	–	(490,178)	–	–
24/11/2023	1/07/2026	B	2,408,067	–	–	–	(783,100)	1,624,967	–
24/12/2024	01/07/2027	C	5,316,525	–	–	–	–	5,316,525	–
			8,565,825	**–**	**–**	**–**	**(1,624,333)**	**6,941,492**	**–**

Vesting and other conditions are summarised below:

i. All performance rights have a $Nil exercise price.

ii. Vesting conditions

A Vests on expiry and is contingent on the Company meeting performance hurdles over the performance period (1 July 2022 – 1 July 2025).

The following table sets out the percentage of performance rights that may vest based on the Company's Total Shareholder Return (TSR) ranking over the performance period.

Company's TSR ranking in the comparator group	Percentage of Performance Rights available to vest
TSR below 50th percentile	Nil
TSR at 50th percentile	50%
TSR between 50th and 75th percentile	Between 50% and 100%, increasing on a straight-line basis
TSR above 75th percentile	100%

The percentage of performance rights that vest and become exercisable (if any) will be determined by the Board and will depend on the achievement of the Company's TSR relative to two comparator groups as set out below:

1st Comparator Group (ASX companies) (50% weighting)	• Sheffield Resources Ltd (SFX) • Sunrise Energy Metals Ltd (SRL) • Jervois Global Ltd (JRV) • Australian Vanadium Ltd (AVL) • Ardea Resources Ltd (ARL) • 5E Advanced Materials Inc (5EA) • Aeon Metals Ltd (AML) • Rex Minerals Ltd (RXM) • Arafura Resources Ltd (ARU) • Havilah Resources Ltd (HAV)	• KGL Resources Ltd (KGL) • Liontown Resources Limited (LTR) • Peel Mining Ltd (PEX) • Hillgrove Resources Limited (HGO) • Poseidon Nickel Ltd (POS) • Greenwing Resources Ltd) (GW1) • Queensland Pacific Metals Ltd (QPM) • Lake Resources NL (LKE) • Lithium Australia NL (LIT) • Develop Global Limited (DVP)
2nd Comparator Group (ASX 300 Metals and Mining Index companies) (50% weighting)	ASX listed mining companies comprising the ASX 300 Mining and Metals index on 1 July 2022 plus any company that enters the ASX 300 Mining and Metals Index within 12 months (together 'peers') provided that peer has survived through to at least 1 July 2024. The Board has the discretion to make changes to the Comparator group (for example if there is a corporate action at a comparator organisation).	

B As per A, save for a 1 July 2023 – 1 July 2026 performance period and the ASX 300 Mining and Metals Index constituents as at 1 July 2023, plus any company that enters the ASX 300 Mining and Metals Index within 12 months (together 'peers') provided that peer has survived through to at least 1 July 2025.

C As per A, save for a 1 July 2024 – 1 July 2027 performance period and the ASX 300 Mining and Metals Index constituents as at 1 July 2024, plus any company that enters the ASX 300 Mining and Metals Index within 12 months (together 'peers') provided that peer has survived through to at least 1 July 2026.

Non-Executive Director performance rights were valued using a barrier option pricing model. The Executive performance rights were valued in a combined Monte Carlo simulation and a trinomial lattice option model. The valuation model inputs used to determine the fair value of the performance rights granted during the current and prior financial year at the grant date are as follows:

Type	Grant Date	Share Price at grant date	Volatility	Expiry Date	Risk Free rate	Dividend yield
Executive Performance Rights	24/12/2024	$0.069	70%	1/07/2027	3.92%	–%
(2024 Tranche)	29/11/2024	$0.069	70%	1/07/2027	3.92%	–%

23 CAPITAL AND OTHER EXPENDITURE COMMITMENTS

	2026 $'000	2025 $'000
Not longer than 1 year	372	262
Longer than 1 year and not longer than 5 years	304	286
	676	**548**

These commitments relate to obligations contained in exploration licence work programs.

24 FINANCIAL INSTRUMENTS

Financial Risk Management

The Consolidated Entity's financial instruments consist of deposits with banks, accounts receivable, borrowings and payables.

Liquidity Risk Management

Liquidity risk arises from the possibility that the Consolidated Entity might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Consolidated Entity manages this risk through the Board which meets on a regular basis to review financial risk exposure and to evaluate treasury management strategies in the context of current economic conditions and forecasts. The Board's overall risk management strategy seeks to assist the Consolidated Entity to meet its financial targets while minimising potential adverse effects on financial performance. The following tables detail the Consolidated Entity's remaining contractual maturity for its financial liabilities at the reporting date. The amounts are gross and undiscounted.

		Contractual cash flows			
	Carrying amount	1 year or less	Between 1 and 2 years	Between 2 and 5 years	Total
	$'000	$'000	$'000	$'000	$'000
30 June 2026					
Non-derivatives					
Trade payables	259	259	–	–	259
Other creditors and accruals	430	430	–	–	430
Lease liabilities	307	96	201	122	419
Borrowings	104	107	–	–	107
Total	**1,100**	**892**	**201**	**122**	**1,215**
30 June 2025					
Non-derivatives					
Trade payables	372	372	–	–	372
Other creditors and accruals	539	539	–	–	539
Lease liabilities	434	106	117	393	616
Borrowings	1,835	1,944	–	–	1,944
Total	**3,180**	**2,961**	**117**	**393**	**3,471**

Financial Risk Exposure and Management

The main risk the Consolidated Entity is exposed to through its financial instruments is interest rate risk. This risk is considered low risk given the low rate of interest paid on deposits. Interest rate risk is managed with a mixture of fixed and floating rate deposits. It is the policy of the Consolidated Entity to keep generally surplus cash in higher yielding deposits.

Credit risk

Exposure to credit risk relating to financial assets arises from potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Consolidated Entity. Credit risk is managed through the maintenance of procedures ensuring to the extent possible that customers and counterparties to transactions are of sound credit worthiness. The maximum exposure to credit risk at the end of the reporting period is equivalent to the carrying amount and classification of those financial assets as presented in the statements of financial position. Receivables represent GST and bank interest receivable. The maximum exposure to credit risk at balance date in respect of these receivables is therefore considered to be nil. The Consolidated Entity's exposure to interest rate risk and the effective interest rate on financial assets and liabilities at reporting date are set out below:

	Note	Weighted average interest rate	Floating interest rate	Fixed interest maturing 1 year or less	Fixed interest maturing 1 year to 5 years	Non-interest bearing	Total
			$'000	$'000	$'000	$'000	$'000
30 June 2026							
Financial Assets							
Cash & cash equivalents	9	4.24%	4,184	–	–	81	4,265
Receivables	10	–	–	–	–	50	50
Security Deposits		–	–	–	–	360	360
Total financial assets			**4,184**	**–**	**–**	**491**	**4,675**
Financial Liabilities							
Trade and other payables	15	–	–	–	–	689	689
Lease liabilities	18	15.14%	–	53	254	–	307
Borrowings	19	11.05%	–	104	–	–	104
Total financial liabilities			**–**	**157**	**254**	**689**	**1,100**
Net financial Assets							**3,575**
30 June 2025							
Financial Assets							
Cash & cash equivalents	9	1.88%	1,139	–	–	85	1,224
Receivables	10	–	–	–	–	129	129
Security Deposits		–	–			362	362
Total financial assets			**1,139**	**–**	**–**	**576**	**1,715**
Financial Liabilities							
Trade and other payables	15	–	–	–	–	911	911
Lease liabilities	18	15.21%	–	48	386	–	434
Borrowings	19	17.00%	–	1,835	–	–	1,835
Total financial liabilities			**–**	**1,883**	**386**	**911**	**3,180**
Net financial assets							**(1,465)**

Net Fair Value

The net fair value of financial assets and liabilities at balance date approximates their carrying amount.

Interest Rate Sensitivity Analysis

At financial year end, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

Change in profit and equity:

	2026 $'000	2025 $'000
Increase in interest rate by 2% p.a.	84	23
Decrease interest rate by 2% p.a.	(84)	(23)

25 CASH FLOW INFORMATION

	2026 $'000	2025 $'000
(a) Reconciliation of loss after income tax to net cash inflow/(outflow) from operating activities		
Loss after income tax	(8,797)	(6,099)
Adjustments for:		
Depreciation/amortisation	174	187
Loss on disposal	47	–
Share-based payments	921	984
Net fair value loss on derivatives	4,313	–
Change in operating assets and liabilities:		
(Increase)/ Decrease in receivables	79	17
(Increase)/ Decrease in other assets	27	109
(Decrease)/Increase in payables/provisions	(134)	(1,063)
Increase/(Decrease) in deferred income	–	(983)
Net cashflows used in operating activities	**(3,370)**	**(6,848)**

(b) Non-Cash financing and investing activities

	2026 $'000	2025 $'000
Acquisition of right of use assets by means of leases (note 12)	–	402
Share-based payments in exploration and evaluation assets	–	244
Share-based payments capitalised to equity	135	–
	135	**646**

26 RELATED PARTY TRANSACTIONS

Key Management Personnel Compensation

Disclosures relating to directors and key management personnel, including remuneration and equity instruments disclosures, are provided in the Remuneration Report contained within the Directors' Report.

	2026 $	2025 $
Short-Term Benefits (Salaries, fees and bonuses)	765,019	962,421
Post-Employment Benefits (Superannuation)	50,806	64,861
Termination Benefit	–	345,007
Equity Settled Share-Based Payments	641,263	582,670
	1,457,088	**1,954,959**

27 OPERATING SEGMENTS

A. Description of segments

The Group has identified its operating segments based on the internal reports reviewed and used by the Chief Executive Officer and Leadership Team to assess performance and determine the allocation of resources.

The Consolidated Entity is currently organised into three operating segments:

- **Broken Hill Cobalt Project –** a proposed cobalt mining project forming part of a broader tenement holding comprising five Exploration Licenses and two Mining Leases;
- **Broken Hill Technology Centre –** the Company's research and development facility for minerals processing technology;
- **Kwinana Cobalt Refinery Project –** a proposed cobalt/nickel refinery located in Western Australia producing battery ready sulphates as feedstock for electric vehicle batteries; and
- **Halls Creek Project –** a proposed copper/zinc mining project located in the Kimberly region of Western Australia.

These operating segments are managed separately because they have different production processes, risks and returns.

In prior year, the Consolidated Entity organised into three operating segments:

- **Broken Hill Cobalt Project –** a proposed cobalt mining project forming part of a broader tenement holding comprising five Exploration Licenses and two Mining Leases;
- **Kwinana Cobalt Refinery Project –** a proposed cobalt/nickel refinery located in Western Australia producing battery ready sulphates as feedstock for electric vehicle batteries; and
- **Halls Creek Project –** a proposed copper/zinc mining project located in the Kimberly region of Western Australia.

B. Geographical segments

Geographically, the Consolidated Entity operates in Australia.

C. Operating segment information

2026	**Broken Hill Cobalt Project** $'000	**Broken Hill Technology Centre** $'000	**Kwinana Cobalt Refinery Project** $'000	**Halls Creek Project** $'000	**Corporate/ unallocated** $'000	**Total** $'000
Revenue from external customers	–		–	–	–	**–**
Profit/(loss) before tax	(21)	(499)	(921)	–	(7,356)	**(8,797)**
Impairment losses	–		–	–	–	**–**
Interest income	–		–	–	124	**124**
Interest expense	–		–	–	187	**187**
Depreciation and amortisation	13	46	–	–	115	**174**
Total segment assets at 30 June 2026	30,208	862	–	844	5,084	**36,998**
Total segment liabilities at 30 June 2026	277	25	–	68	1,330	**1,700**
Additions to non-current assets other than financial assets:						
Property, plant and equipment	–	–	–	–	–	**–**
Exploration and evaluation assets	314	–	–	385	–	**699**

2025	Broken Hill Cobalt Project $'000	Kwinana Cobalt Refinery Project $'000	Halls Creek Project $'000	Corporate/ unallocated $'000	Total $'000
Revenue from external customers	–	–	–	–	**–**
Profit/(loss) before tax	(62)	(3,846)	–	(2,191)	**(6,099)**
Impairment losses	–	–	–	–	**–**
Interest income	–	–	–	154	**154**
Interest expense	–	–	–	65	**65**
Depreciation and amortisation	30	–	–	157	**187**
Total segment assets at 30 June 2025	30,929	–	461	2,182	**33,572**
Total segment liabilities at 30 June 2025	2,023	–	67	1,601	**3,691**
Additions to non-current assets other than financial assets:					
Property, plant and equipment	–	–	–	405	**405**
Exploration and evaluation assets	1,621	–	432	–	**2,054**

28 PARENT ENTITY INFORMATION

Set out below is the supplementary information about the parent entity.

	Parent	
	2026	**2025**
Statement of Profit or Loss and Other Comprehensive Income	$'000	$'000
Loss after income tax	(8,883)	(3,860)
Total comprehensive income	**(8,883)**	**(3,860)**

Statement of Financial Position	Parent	
	2026	**2025**
	$'000	$'000
Total current assets	4,420	1,330
Total assets	36,100	30,924
Total current liabilities	470	656
Total liabilities	802	1,043
Equity		
Share capital	104,738	91,086
Share-based payments reserve	4,586	4,024
Accumulated losses	(74,026)	(65,229)
Total Equity	**35,298**	**29,881**

As at 30 June 2026, the parent entity had commitments and obligations contained in the exploration licence work program for EL8891 totalling $51,520 (30 June 2025 – $102,080). These commitments and obligations are included in the capital and other expenditure commitments set out in Note 23.

29 INTEREST IN SUBSIDIARY

Name	Principal place of business/ Country of incorporation	Ownership interest 2026 %	Ownership interest 2025 %
Broken Hill Cobalt Project Pty Ltd	Australia	100%	100%
Halls Creek Project Pty Ltd	Australia	100%	100%

30 INTEREST IN JOINT OPERATIONS

The Company has a 51% interest in the Halls Creek Joint Venture and has satisfied the minimum expenditure obligations necessary to retain that interest. The Company has an interest in the assets and liabilities of this joint operation. The Company's share of the current assets and liabilities of the joint operation is included in the statement of financial position in accordance with the accounting policy described in Note 1(c) under the following classifications:

	2026 $	2025 $
Current Assets		
Cash and cash equivalents	25	25
Receivables	–	9
Other assets	2	3
Total Current Assets	**27**	**37**
Non-current Assets		
Exploration and evaluation assets	648	291
Total Non-current Assets	**648**	**291**
Total Assets	**675**	**328**
Current Liabilities		
Trade and other payables	68	77
Total Current Liabilities	**68**	**77**
Total Liabilities	**68**	**77**
Share of net assets employed in joint operations	**607**	**251**

Contingent liabilities in respect of joint operations are detailed in Note 23.

31 SUBSEQUENT EVENTS

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

Consolidated Entity Disclosure Statement

Entity name	Entity type	Trustee, Partner of JV participant	Place formed or incorpo-rated	% of share capital held	Tax residency
Cobalt Blue Holdings Limited	Body corporate	N/A	Australia	N/A	Australia
Halls Creek Project Pty Limited	Body corporate	JV participant[1]	Australia	100%	Australia
Broken Hill Cobalt Project Pty Limited	Body corporate	N/A	Australia	100%	Australia

1 JV participant in mineral exploration tenements in Australia

BASIS OF PREPARATION

This Consolidated Entity Disclosure Statement has been prepared in accordance with section 295(3A)(a) of the *Corporations Act 2001*. It includes certain information for each entity that was part of the consolidated entity at the end of the financial year.

DETERMINATION OF TAX RESIDENCY

Section 295(3A) of the *Corporation Acts 2001* defines tax residency as having the meaning in the *Income Tax Assessment Act 1997*. In determining 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 TR 2018/5.

Directors' Declaration

In the directors' opinion:

(a) the financial statements and notes set out on pages 39 to 65 are in accordance with the *Corporations Act 2001*, including:

(i) complying with Accounting Standards and the *Corporations Regulations 2001;* and

(ii) giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2026 and of its performance for the year ended on that date;

(b) 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

(c) the information disclosed in the consolidated entity disclosure statement required by section 295(3A) of the Corporations Act is true and correct.

Note 1 confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the directors.

Joe Kaderavek
Chairman
Dated 24 September 2026

Independent Auditor's Report

Tel: +61 7 3237 5999
Fax: +61 7 3221 9227
www.bdo.com.au

Parkline Place
Level 25, 252 Pitt Street
Sydney NSW 2000
Australia

To the members of Cobalt Blue Holdings Limited

Report on the Audit of the Financial Report

Opinion

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

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

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

(ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

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

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

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

BDO

Material uncertainty related to going concern

We draw attention to the note 1b Going Concern 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.

Valuation and classification of exploration and evaluation assets

Key audit matter	How the matter was addressed in our audit
Per note 14, the Group has capitalised exploration and evaluation expenditure totalling $30.7 million (2025: $29.9 million) as at year end. The Group carries exploration and evaluation expenditure in accordance with the Group's accounting policy for exploration and evaluation assets, as set out in Note 1(g). The valuation and classification of exploration and evaluation expenditure is a key audit matter due to: • The significance of the total balance; • The level of judgement and estimation applied in evaluating management's application of the requirements of AASB 6 – *Exploration for and Evaluation of Mineral Resources* for the classification of costs as exploration and evaluation assets and the existence of any indicators of impairment	Our procedures included, but were not limited to the following: • Reviewing the Group's tenement licenses to assess the rights to tenure are current through an independent search and corroboration to the Government registry. • Making enquiries of management with respect to the status of ongoing exploration programs in the respective areas of interest and assessing the Group's cash flow forecast for the level of budgeted spend on exploration projects and held discussions with management as to their intentions and strategy. • Enquiring of management, reviewing ASX announcements and reviewing directors' minutes to ensure the Group had not decided to discontinue activities in any applicable areas of interest and to assess whether there are any other facts or circumstances that existed to indicate impairment. • Obtaining an understanding of the key processes associated with management's review of the carrying value of capitalised exploration and evaluation expenditure and challenging management's assertion that the carrying amount of the capitalised

	expenditure was likely to be recovered in full from successful development or sale. • Evaluated management's reliance on the August 2025 third party valuation and critically analysed the valuation methodology adopted and updated assumptions applied. • Confirmed key assumptions around pricing in management's position paper with our internal experts which supported management's valuation approach. • Assessed the competency, objectivity and independence of management's experts. • On a sample basis, agreeing capitalised exploration expenditure during the year to supporting documentation and assessing whether it meets the recognition criteria under AASB 6.

Accounting treatment of the Lind transaction

Key audit matter	How the matter was addressed in our audit
Within note 5, the Group has recognised an expense of $4.3 million in the Profit and Loss relating to a fair value loss on derivatives (2025: $Nil). The Company received four subscription notices prior to 30 June 2026 with a combined face value of $1,800,000 resulting in the issue of 25,714,287 fully paid ordinary shares. In addition, Lind paid $990,000 to acquire the Initial Placement Shares. A fair value loss on derivatives was recognised following each issue of shares where the Subscription Price was lower than the actual share price on the date of the subscription. The Group recognised an embedded derivative based on the fair value assumptions as set out in Note 1(e), which requires significant management judgement and estimation.	Our planned procedures include, but are not limited to: • Identify the instrument and confirm it is a hybrid contract; • Held conversations with Management's expert to understand the hybrid contract and accounting treatment; • Discussed the accounting treatment of the Lind Transaction with BDO internal IFRS experts for compliance with Accounting Standards; • we involved BDO valuation specialists to assess the valuation methodology and key assumptions; • Reconcile the underlying documentation with the Lind workings.

Other information

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

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

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

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

Responsibilities of the directors for the Financial Report

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

a) the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001; and

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

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

i) the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

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

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

Auditor's responsibilities for the audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at:

https://www.auasb.gov.au/media/bwvjcgre/ar1_2024.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

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

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

Responsibilities

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

BDO Audit Pty Ltd

BDO

Gareth Few

Gareth Few
Director

Sydney, 24 September 2026

Additional Information

The information set out below was applicable as at 7 September 2026.

Quoted Ordinary Shares

Shares	Numbers of shareholders	Ordinary Shares Held	% Units
1–1,000	1,355	934,495	0.16
1,001–5,000	3,935	10,372,316	1.77
5,001–10,000	1,896	14,645,427	2.49
10,001–100,000	3,555	117,304,532	19.97
100,001 and over	740	444,208,047	75.61
Total	**11,481**	**587,464,817**	**100.00**
The number of shareholders holding less than a marketable parcel (a parcel of securities with a value of less than $500)	**5,998**	**15,482,267**	

Unquoted Performance Rights

Rights	Number of holders	Rights Held	% Units
100,001 and over	3	5,316,525^	100.00

^ *Mr Joe Kaderavek has a relevant interest in 3,083,549 performance rights. Dr Andrew Tong has a relevant interest in 1,730,663 performance rights. No other person has an interest of 20% or more of these securities.*

Unquoted options

Shares	Number of holders	Ordinary Shares Held	% Units
10,001–100,000	50	2,811,017	2.20
100,001 and over	135	124,789,105	97.80
Total	**185**	**127,600,122**	**100.00**

No person holds 20% or more of the unquoted options on issue.

Equity security holders

The names of the twenty largest quoted holders of ordinary shares are listed below:

Rank		Ordinary Shares Held	% Units
1	CITICORP NOMINEES PTY LIMITED	56,557,312	9.63
2	BNP PARIBAS NOMINEES PTY LTD <CLEARSTREAM>	19,398,976	3.30
3	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	14,965,889	2.55
4	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	11,153,837	1.90
5	MR DAVID REGINALD HOWE	9,160,000	1.56
6	MINERALS AND RESIDUES PTY LTD <ANDREW & LISA TONG FAM A/C>	8,778,446	1.49
7	MANDALA HOLDINGS PTY LTD <DL FAMILY A/C>	8,000,000	1.36
8	BNP PARIBAS NOMS PTY LTD	7,273,071	1.24
9	ST IVES NO5 PTY LTD <ST IVES NO5 A/C>	7,041,754	1.20
10	MR JOSEF THOMAS KADERAVEK + MRS ARIANE LOUISE KADERAVEK <KADERAVEK FAMILY A/C>	5,901,982	1.00
11	MRS KATIE ELIZABETH REECE	5,500,000	0.94
12	MR JOEL BREWSTER CRANE <HILLCREST FAMILY A/C>	5,005,880	0.85
13	AMERICAN RARE EARTHS LIMITED	4,731,883	0.81
14	MARKET PARTNERS PTY LTD <KNIGHT FAMILY A/C>	4,249,576	0.72
15	MR ROBERT THOMAS VIRGONA	4,106,827	0.70
16	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	3,892,607	0.66
17	SHARESIES AUSTRALIA NOMINEE PTY LIMITED	3,583,991	0.61
18	LIND GLOBAL FUND III LP	3,271,429	0.56
19	MR HUGH DOUGLAS HILTON KELLER	2,827,721	0.48
20	MR JOSEF THOMAS KADERAVEK + MRS ARIANE LOUISE KADERAVEK <KADERAVEK SUPERFUND A/C>	2,785,094	0.47
	Totals: Top 20 holders of ORDINARY FULLY PAID SHARES	**188,186,275**	**32.03**
	Total Remaining Holders Balance	**399,278,542**	**67.97**

Substantial holders

Substantial holders in the Company, as disclosed in substantial notices to the ASX and Company, are set below:

Shareholder name	Number of shares held	%
Nil	–	–

On market buy-back

There is no current on-market buy-back.

Voting rights

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. Option and performance rights holders have no rights until these securities are exercised.

Securities Exchange Listing

Cobalt Blue Holdings Limited securities are listed on the ASX under the code COB.

Corporate Governance Statement

The Company's Corporate Governance statement for the financial year ended 30 June 2026 is available for members to download and access from https://cobaltblueholdings.com/governance.

Corporate Directory

REGISTERED OFFICE

Suite 12.01
Level 12, 213 Miller St North
North Sydney NSW 2060
Telephone: +61 2 8287 0660

DIRECTORS

Name	Position
Joe Kaderavek	Chairman, Independent, Non-Executive Director
Hugh Keller	Independent, Non-Executive Director
Andrew Tong	Chief Executive Officer and Executive Director

COMPANY SECRETARY

Kelvin Bramley

AUDITOR

BDO Audit Pty Limited

Level 25, Parkline Place
252 Pitt Street
Sydney NSW 2000

SHARE REGISTRY

Computershare Investor Services Pty Limited

Level 4
44 Martin Place
Sydney, NSW 2000
Telephone: +61 2 8877 3111

Designed and Produced by **APM Graphics Management** › 1800 806 930

Cobalt Blue Holdings Limited
(ABN 90 614 466 607)