VITAL METALS LIMITED

ABN 32 112 032 596

ANNUAL REPORT
FOR THE YEAR ENDED
30 JUNE 2026

DIRECTORS
Alexius Chan – Non-Executive Chairman (appointed 27 March 2026), Interim Chief Executive Officer (appointed 20 August 2026), Non-Executive Director (appointed 22 September 2025)
David Dikken (appointed 22 September 2025)
Douglas MacLennan (appointed 22 September 2025)
David Herlihy (appointed 17 July 2026)

COMPANY SECRETARY
Ms Louisa Martino

BANKER
National Australia Bank Ltd
Level 14
100 St Georges Terrace
Perth, WA, 6005

AUDITORS
Hall Chadwick (NSW)
Level 40
2 Park Street
Sydney NSW 2000

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS
Level 5, 56 Pitt Street
Sydney, NSW, 2000
Telephone: +61 2 8823 3179
Website: www.vitalmetals.com.au
Email: vital@vitalmetals.com.au

STOCK EXCHANGE
The Company's securities are quoted on the official list of the Australian Securities Exchange Limited (ASX code: VML)

SHARE REGISTRY
XCEND
Level 2, 477 Pitt St
Haymarket NSW 2000
Phone: +61 2 8591 8509
Email: support@xcend.co
Website: www.xcend.co

Dear Fellow Shareholders,

On behalf of the Board, I present the Vital Metals Annual Report for the year ended 30 June 2026.

The Scoping Study for the Tardiff deposit was released in July 2025. It set out the production of a mixed rare earth and niobium concentrate over an initial eleven year mine life, and it delivered a post-tax net present value of US$445 million at an eight per cent discount rate with an internal rate of return of 25.5%. The Study was based on a starter pit drawing on approximately 15% of the Tardiff Mineral Resource Estimate and did not include the adjacent North T and South T deposits.

During the second half of calendar year 2025 the Company raised a total of A$12.47 million, comprising a A$6.8 million two tranche strategic placement announced in August 2025 and a further A$5.6 million placement completed in December 2025. The strategic placement introduced Strategic Resources LLC to the register as a substantial shareholder.

The winter drilling and exploration campaign was the principal field activity of the year. Seventeen diamond drill holes were completed at Tardiff for 1,824 metres, together with three exploration holes at the R Zone and S Zone for a further 279 metres. All analytical results were received after the end of the financial year and were reported to the market on 29 July 2026. The results confirm grade continuity through the Tardiff deposit and extend known mineralisation beyond the current interpreted limits of the Mineral Resource Estimate. The Company also completed a regional exploration program during the year, which returned rare earth and niobium results across six targets that sit outside the Tardiff Mineral Resource Estimate.

The composition of the Board changed substantially during the year. David Dikken, Douglas MacLennan and Alexius Chan were appointed as Non-Executive Directors in September 2025, and Andrew Nesbitt was appointed in October 2025. I was appointed Non-Executive Chair in March 2026 and Interim Chief Executive Officer in August 2026. I record the Board's thanks to Lisa Riley, Andrew Nesbitt, Richard Crookes, Zane Lewis and Michael Brook for their contributions to the Company.

The work now before the Company is to complete the updated Mineral Resource Estimate, to deliver the Tardiff Pre-Feasibility Study, and to continue the evaluation of processing options for the North T surface stockpile and pilot pit.

I thank the Vital Metals team in Australia and Canada for their work through the year, and I thank shareholders for their continued support.

Yours sincerely

Alexius Chan
Chairman and Interim Chief Executive Officer

Nechalacho Rare Earths Project, Canada

Project overview

The Company is advancing the Tardiff deposit at its Nechalacho Rare Earths and Niobium Project, located approximately 100 kilometres south-east of Yellowknife in the Northwest Territories of Canada. The Project consists of Mineral Claims held 100% by the Company and Mineral Leases held above the 150 metre relative level.

The Tardiff Mineral Resource Estimate was last updated in January 2025 and was unchanged throughout the financial year. It stands at 192.7 million tonnes at 1.3% total rare earth oxide and 0.30% niobium pentoxide, containing 2,523 kilotonnes of total rare earth oxide, 636 kilotonnes of neodymium and praseodymium oxide and 578 kilotonnes of niobium pentoxide.

Tardiff Scoping Study

The Scoping Study for the Tardiff deposit was released on 28 July 2025, which falls within the FY26 reporting period. The Study was prepared by ERM Consultants Canada Ltd. and evaluated the production of a mixed rare earth and niobium concentrate over an initial eleven year mine life from a hard rock starter open pit extracting approximately 15% of the total Tardiff Mineral Resource Estimate. The adjacent North T and South T deposits were not included.

Base case commodity pricing used in the Study was US$90 per kilogram for neodymium and praseodymium, US$1,322 per kilogram for terbium and US$338 per kilogram for dysprosium. The Study recommended advancing the Project to a Pre-Feasibility Study with additional metallurgical test work directed at total rare earth oxide and niobium recoveries, the payability of niobium and the recovery of zircon.

Table 1: Scoping Study key metrics

Category	Unit	Study estimate
NPV 8% (ungeared), pre-tax / post-tax	US$M	776 / 445
IRR (ungeared), pre-tax / post-tax	%	32 / 25.5
Net cashflow (undiscounted)	US$BN	1.6
Payback from first production	months	39
Average annual concentrate production	kt	56
Concentrate grade	% TREO / % Nb2O5	26.4 / 3.3
Global TREO recovery	%	45.1
Forecast average LOM operating cost	US$/tonne concentrate	1,115
Capital cost (including 35% contingency)	US$M	291

Regional exploration program

The Company completed a regional exploration program at Nechalacho during the financial year. Field work carried out in October 2025 collected grab and trench samples across the broader project area. The analytical results were reported on 23 February 2026, with final overlimit results reported on 9 March 2026.

The program covered six targets, comprising three central zone targets at the R Zone, the S Zone and Cressy Ridge, and three regional targets at 1029A/1034B, 1201A/BF1 and 359A/537A. All six sit outside the current Tardiff Mineral Resource Estimate. The highest result was a grab sample at target 1029A that returned 292,145 parts per million total rare earth oxide. Twelve samples returned heavy rare earth oxide at 25% or more of contained total rare earth oxide, with one sample at Cressy Ridge reaching 86.1%. Peak niobium grades of 15,521 parts per million Nb_2O_5 were returned across the regional targets.

Grab samples are selective by nature and may not represent the overall grade or extent of mineralisation.

Winter 2026 drilling program

The Company undertook its winter diamond drilling program at Nechalacho during the March 2026 quarter. The program had two objectives. The first was to lift geological confidence within selected areas of the existing Mineral Resource by supporting the conversion of Inferred material into the Indicated category. The second was to test the exploration targets generated by the 2025 surface mapping and geochemistry program.

At Tardiff, seventeen diamond drill holes were completed for a total of 1,824 metres, with drilling focused on the eastern and western portions of the Nechalacho Layered Suite. A further three exploration holes were completed for a total of 279 metres, comprising a single hole at the S Zone and two shallow holes at the R Zone.

The drilling was completed by Northtech Drilling under the supervision of Aurora Geosciences. Resource holes were drilled at 70 degrees. Sample preparation was completed on site by Aurora Geosciences and samples were transported to Yellowknife and Vancouver under chain of custody. Analyses were completed by ALS Laboratories using XRF and ICP-MS methods with quality assurance and quality control procedures applied throughout. No analytical results had been received as at 30 June 2026.

Drilling results received after the end of the financial year

All analytical results from the 2026 diamond drilling program were received after the end of the financial year and were reported to the market on 29 July 2026. The results confirm grade continuity through the Tardiff deposit, extend known mineralisation beyond the current interpreted limits of the Mineral Resource Estimate, and return new zones both within Tardiff and at the surrounding exploration targets. Mineralisation remains open in multiple directions.

The highest grade interval returned in the program was 6.0 metres at 3.86% total rare earth oxide from 100 metres in hole L26-703. The thickest interval was 102.0 metres at 1.47% total rare earth oxide from 4.0 metres in hole L26-692, which also averaged approximately 182 parts per million Ga_2O_3. Hole L26-689 returned 47.0 metres at 1.66% total rare earth oxide from 37 metres.

At the exploration targets, hole L26-705 at the S Zone returned 1.0 metre at 1.26% total rare earth oxide and 1.67% Nb_2O_5 from 28 metres. The two R Zone holes returned narrower and lower grade intersections, with the best result being approximately 1.0 metre at 0.45% total rare earth oxide in hole L26-706.

Anomalous gallium was returned across both the eastern and western zones of the deposit. The mineral deportment, distribution and potential recoverability of gallium at Tardiff have not been determined. The results are being incorporated into an updated three dimensional geological model and Mineral Resource Estimate.

Table 2: Geochemistry data summarised to the intervals, 2026 diamond drilling program

Drillhole	From	To	Interval Thickness	TREO	Nb2O5	Ga2O3
ID	m	m	m	%	%	Ppm
L26-688	84	109	27	1.93	0.43	191
L26-689	37	84	47	1.66	0.31	180
L26-689	90	105	15	1.48	0.33	185
L26-690	9.18	19	10	2.39	0.52	262
L26-690	45	60	15	1.04	0.34	211
L26-690	94	103	8	1.53	0.38	165
L26-691				No significant intersections		
L26-692	4	106	102	1.47	0.37	182
L26-693				No significant intersections		
L26-694	9	28	22	1.14	0.23	145
L26-694	96.96	105	8	2.18	0.44	138
L26-695				No significant intersections		
L26-696	7.09	24.7	19	2.55	0.48	145
L26-697	0.85	47	47	1.08	0.21	167
L26-697	66	71	6	1.36	0.27	169
L26-698				No significant intersections		
L26-699	16	64	48	1.02	0.22	128
L26-700	31	59	32	1.76	0.36	170
L26-700	84.96	96.65	14	1.07	0.31	134
L26-701	5	14	11	1.35	0.3	239
L26-701	21	26	5	1.71	0.5	239
L26-702	48	67.44	22	1.6	0.27	139
L26-702	92.86	107	14	1.45	0.39	159
L26-703	55	107	52	1.35		217
L26-704	4	10	6	1.36	0.3	125
L26-705	28	29	1	1.26	1.7	664
L26-706	28	29	1	0.45, 0.02		69
L26-708				No significant intersections		

A nominal 0.40% TREO cut-off with up to 2 metres of internal dilution has been used to define the reported intervals. Down hole lengths are reported.

Tardiff Pre-Feasibility Study

The Company prepared a request for proposal for the Tardiff Pre-Feasibility Study during the financial year. The request for proposal had not been circulated to engineering and mining consulting firms as at the date of this report.

The Pre-Feasibility Study has two principal objectives. The first is to increase the confidence of the resource by supporting the conversion of Inferred material into the Indicated category within an updated Mineral Resource Estimate. The second is to assess improvements to total rare earth oxide recoveries, concentrate grades and payability through additional metallurgical test work, including work directed at niobium and zirconium payability.

The Tardiff Pre-Feasibility is expected to be completed in calendar year 2027.

North T

The North T demonstration project involves the processing of the surface stockpile of approximately 45,000 tonnes into a saleable concentrate. During the financial year the Company evaluated processing equipment and flowsheet options for the stockpile.

Nechalacho camp

During the September 2025 quarter a forest fire in the Northwest Territories destroyed the camp used by the Company at Nechalacho. The North T area, where the Company had previously mined and stockpiled material and where the ore sorter is located, was unaffected. The first phase of the clean-up of the camp was completed in October 2025 and a new camp was built. An insurance claim in respect of the loss remained in progress at the end of the financial year. A follow-up site visit established that the drill core box labels and location data belonging to Avalon Advanced Materials Inc, had been burned in the fire and this matter is subject to formal arbitration to be held in November 2026.

Corporate

Capital raisings

In August 2025 the Company announced a strategic two tranche placement of A$6.8 million to advance test work and studies at the Nechalacho Project. The placement was made at an issue price of A$0.105 per share for a total of 65.18 million new fully paid ordinary shares. Under Tranche 1, Strategic Resources LLC invested A$3 million for approximately 28.59 million shares, which delivered an initial interest in the Company of 19.52%. Those funds were received and the shares were issued during the September 2025 quarter using the Company's existing placement capacity under ASX Listing Rules 7.1 and 7.1A. Under Tranche 2, a further 36.59 million shares were issued to an accredited United States investor at the same price, raising a further A$3.8 million. Tranche 2 was subject to shareholder approval and was completed in December 2025.

In October 2025 the Company received firm commitments for an additional placement of approximately A$5.6 million on the same price and terms as the August placement, involving the issue of approximately 53.6 million shares. That allocation was made to existing substantial shareholders in accordance with pre-existing contractual participation rights and was completed in December 2025. Total funds raised in the second half of calendar year 2025 were A$12.47 million.

Convertible loan

The A$1 million convertible loan announced on 14 March 2025 was converted in full on 13 April 2026 through the issue of 11,200,000 fully paid ordinary shares, which included capitalised interest. The conversion removed the associated liability from the Company's balance sheet.

Board and governance changes

On 22 September 2025 the Company appointed David Dikken, Douglas MacLennan and Alexius Chan as Non-Executive Directors. Mr Dikken and Mr MacLennan were nominated by Strategic Resources LLC under the terms of the subscription agreements, which provide that for so long as Strategic Resources holds an interest of 10% in the Company it has the right to nominate two directors to the Board, and for so long as it holds an interest of 5% it has the right to nominate one director. Zane Lewis and Michael Brook stepped down from the Board on the same date.

On 10 October 2025 the Company appointed Andrew Nesbitt as a Non-Executive Director. Richard Crookes retired as Chairman at the same time and the role of Chair was held on an interim basis until March 2026 by Lisa Riley. On 27 March 2026 the Company appointed Alexius Chan as Non-Executive Chair.

After the end of the financial year, on 17 July 2026, the Company appointed David Herlihy as an independent Non-Executive Director. On 20 August 2026 Ms Lisa Riley ceased to hold the roles of Chief Executive Officer and Managing Director, and Mr Alexius Chan assumed the role of interim Chief Executive Officer from that date. On 18 September 2026, Mr Andrew Nesbitt resigned from the Board.

Annual General Meeting

The Company held its Annual General Meeting on 28 November 2025 and all resolutions were decided by poll and approved by the required majority. During the meeting a shareholder proposed an additional resolution relating to the confirmation of the appointment of the Company's auditor. In order to allow shareholders a reasonable opportunity to consider that resolution, the Chair resolved in accordance with the Company's constitution to adjourn the meeting to 17 December 2025. At the reconvened meeting, Resolution 14 concerning the confirmation of the appointment of the auditor was decided by poll and approved by the required majority.

Share registry and shareholder matters

The Company's share registry services transferred from Automic Registry Services Limited to Xcend Pty Ltd during the September 2025 quarter, with Automic ceasing to be the registry provider at the close of business on 12 September 2025.

The period for returning share retention forms under the Less than Marketable Parcel facility closed on 12 December 2025. The final number of shares to be sold under the facility was 3,820,872 shares held by 5,182 shareholders. The sale of these shares remains outstanding as at the date of this report.

Cash position and expenditure

The Company held cash of A$3.8 million at 30 June 2026, compared with A$0.3 million at the beginning of the financial year. Net cash used in operating activities for the year was A$2.8 million and net cash used in investing activities was A$5.6 million, of which A$4.3 million related to exploration and evaluation expenditure. Net cash provided by financing activities was A$11.9 million.

ASX Listing Rule Information

This report contains information relating to exploration results in respect of the Nechalacho Project extracted from ASX market announcements reported previously and published on the ASX platform on 23 February 2026, 9 March 2026 and 29 July 2026. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements.

This report contains information relating to Mineral Resource Estimates in respect of the Nechalacho Project extracted from ASX market announcements reported previously and published on the ASX platform on 20 January 2025. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and that all material assumptions and technical parameters underpinning the estimates in the original market announcements continue to apply and have not materially changed. The Mineral Resource Estimate of 192.7Mt @ 1.3% TREO comprises 144.1 Mt @ 1.31% TREO Inferred, 41.0Mt @ 1.29% TREO Indicated and 7.6Mt @ 1.48% TREO Measured.

This report contains information relating to the Company's Scoping Study extracted from an ASX market announcement reported previously in accordance with the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" ("2012 JORC Code") and published on the ASX platform on 28 July 2025. The Company confirms that all the material assumptions underpinning the production target and the forecast financial information derived from the production target in the original ASX announcement continue to apply and have not materially changed.

Cautionary statement – Scoping Study and forecast financial information: The Scoping Study results presented in this announcement are **preliminary** and are intended to provide an **order-of-magnitude** indication of potential project viability. The production target and forecast financial information are based on **Mineral Resources** (and may include **Inferred Mineral Resources**), and there is **no certainty** that further exploration and technical work will result in the estimation of Ore Reserves or that the production target will be realised. The outcomes are subject to a range of assumptions and risks (including commodity prices, metallurgical performance, capital and operating costs, permitting and approvals, financing and execution), and **future studies (including the planned PFS)** are required to confirm the results.

THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY

The Company's Mineral Resources Statement has been compiled and is reported in accordance with the Australasian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC 2012 edition) and Chapter 5 of the ASX Listing Rules.

Vital's governance arrangements and internal controls for reporting its Mineral Resources Estimate include reporting on an annual basis and in compliance with the 2012 Edition of JORC and ASX Listing Rules. The Competent Person is suitably qualified and experienced, as defined in the 2012 Edition of JORC.

Nechalacho Rare Earths Project

As of 30 June 2026, the Nechalacho Rare Earths Project in Canada has Mineral Resource Estimates, as defined in Table 1 below.

No material change statement

Following completion of the Company's annual review of its Mineral Resources and Ore Reserves, there have been no material changes to the Company's reported aggregate Mineral Resources or Ore Reserves during the year ended 30 June 2026. Accordingly, the estimates reported below are unchanged from those reported as at 30 June 2025.

The Company is not aware of any new information or data that materially affects the information included in the relevant original market announcements. All material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

The MRE presented in Table 1 is reported above a cutoff grade of 0.7% total rare earth oxides (TREO).

Table 1: 2026 Mineral Resource Estimate in comparison to previous year's MRE – Part 1

Effective Date	June 30, 2025 *				June 30, 2026 *			
Class	Tonnage (Mt)	Average				Average		
		TREO (%)	Nd_2O_3 (%)	Pr_6O_{11} (%)	Tonnage (Mt)	TREO (%)	Nd_2O_3 (%)	Pr_6O_{11} (%)
Measured	7.6	1.48	0.28	0.08	7.6	1.48	0.28	0.08
Indicated	41.0	1.29	0.25	0.07	41.0	1.29	0.25	0.07
Measured + Indicated	48.6	1.32	0.26	0.07	48.6	1.32	0.26	0.07
Inferred	144.1	1.31	0.26	0.07	144.1	1.31	0.26	0.07
Total	**192.7**	**1.31**	**0.26**	**0.07**	**192.7**	**1.31**	**0.26**	**0.07**

* Mineral Resource estimate (December 18, 2024; published January 20, 2025)

Notes:
1. Due to effects of rounding, the total may not represent the sum of all components.
2. TREO (ppm) includes: Light Rare Earth Oxides (LREO): La2O3, CeO2, Pr6O11, Nd2O3, Sm2O3; and Heavy Rare Earth Oxides (HREO): Tb4O7, Dy2O3, Ho2O3, Er2O3, Tm2O3, Yb2O3, Lu2O3, Eu2O3, Gd2O3; + Y2O3
3. Mineral Resource is reported from blocks at or above the 150 m RL and within unconstrained optimised open pit shell
4. Revenue in cutoff grade calculation is attributable to Nd2O3 and Pr6O11
5. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.

Table 2: 2026 Mineral Resource Estimate in comparison to previous year's MRE – Part 2

	Change			
Class	Tonnage (Mt)	Average		
		TREO (%)	Nd_2O_3 (%)	Pr_6O_{11} (%)
Measured	-	-	-	-
Indicated	-	-	-	-
Measured + Indicated	-	-	-	-
Inferred	-	-	-	-
Total	-	-	-	-

The Annual Mineral Resource Estimate in respect of the Tardiff Upper Zone is based on, and fairly represents, information and supporting documentation prepared by a competent person and announced on ASX on January 20, 2025 "*Vital's optimized MRE delivers 56% increase in Measured + Indicated resources for Tardiff rare earth deposit.*"

The Mineral Resource estimate is based on, and fairly reflects, information compiled by Mr David Williams and Mr. Paul Teniere. Mr. David Williams (B. Sc. Hons) is a full-time employee of ERM and is a Member of the Australian Institute of Geoscientists (RPGeo). Mr. Paul Teniere, M.Sc., P.Geo. is the Owner and President of Teniere Geoconsulting Services and a Member of the Association of Professional Engineers & Geoscientists of New Brunswick (APEGNB) and Professional Engineers and Geoscientists of Newfoundland & Labrador (PEGNL), both considered recognized overseas professional organizations (ROPO) under JORC. Mr David Williams and Mr Paul Teniere are fully independent of Vital Metals and have sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2012 Edition of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). Mr David Williams and Mr Paul Teniere consent to the disclosure of the information in this report in the form and context in which it appears. Mr Paul Teniere assumes responsibility for matters related to sampling techniques, data and reporting of exploration results while Mr David Williams assumes responsibility for matters related to estimation and reporting of Mineral Resources

Location	Project	No	Beneficial Interest
Canada	Nechalacho	NT-3178	100%*
Canada	Nechalacho	NT-3179	100%*
Canada	Nechalacho	NT-3265	100%*
Canada	Nechalacho	NT-3266	100%*
Canada	Nechalacho	NT-3267	100%*
Canada	Nechalacho	NT-5534	100%*
Canada	Nechalacho	NT-5535	100%*
Canada	Nechalacho	NT-5561	100%*
Canada	Nechalacho	M11875	100%
Canada	Nechalacho	M11876	100%
Canada	Nechalacho	M11877	100%

* Vital owns 100% of the mineral rights of the Nechalacho Project above the 150m RL elevation level. The licences are held jointly by Nechalacho Resources Corp and Avalon Advanced Materials Inc.

The Board of Directors present their report on the Consolidated entity (referred to hereafter as the Group), consisting of Vital Metals Limited and the entities it controlled at the end of, or during the year ended 30 June 2026.

DIRECTORS

The names and details of the Company's directors in office during the financial year and until the date of this report are as follows. Where applicable, all current and former directorships held in listed public companies over the last three years have been detailed below. Directors were in office for this entire period unless otherwise stated.

Names, qualifications, experience and special responsibilities

Mr Alexius Chan
Chairman (appointed 27 March 2026), Non-Executive Director (appointed 22 September 2025), Interim Chief Executive Officer (appointed 20 August 2026)

Mr Chan is the Managing Director of Sotepi Pty Ltd and has a background in law. Prior to his role at Sotepi, Mr Chan was an analyst at DVA Capital and Van Eyk Research.

Mr Chan holds a Bachelor of Arts, Bachelor of Laws, Master of Commerce, Master of Law and Master of Applied Finance.

Mr David Dikken
Non-Executive Director (appointed 22 September 2025)

Mr Dikken is the Managing Director and Chief Executive Officer of Strategic Resources' parent company Measurement Technology Laboratories. He has nearly 30 years' experience as a senior executive, as a CEO and Chief Technology Officer. He has also been Technical Expert and Lead Assessor for the United States National Institute of Standards and Technology.

Mr Dikken graduated with a BA (Hon) Physics/Geology and Teaching License in Physics/Chemistry from the University of Minnesota.

Mr Douglas MacLennan
Non-Executive Director (appointed 22 September 2025)

Mr MacLennan is a business development and finance executive who has been Senior Financial Advisor and Strategy Director, Middle East and North Africa of Measurement Technology Laboratories since 2021. He has also served in Managing Director roles and has experience across the US and Middle East business operations.

He holds a Master of Business Administration with a finance major from the New York University and a Bachelor of Arts, majoring in History.

Mr David Herlihy
Non-Executive Director (appointed 17 July 2026)

Mr Herlihy is an experienced company chairman and non-executive director with broad commercial, governance and strategic leadership experience across industrial, transport, healthcare, consumer and resources-related businesses. He has held chair and board roles with listed and private companies, including Mosaic Oil, Pro-Pac Packaging, Cottee Pharmaceuticals, Kerneos (Lafarge Aluminates), and the State Transport Authority of New South Wales.

Mr Herlihy is currently Chairman of the Commercial Travellers Association and has served as Chairman of Moresby Truck & Tractor and LSI, as well as a director of Dementia Care Australia.

Ms Lisa Riley
Managing Director (ended 20 August 2026), Interim Chair from 10 October 2025 to 26 March 2026

Ms Riley has more than 30 years of experience in global capital markets, finance, mining advisory and government relations in Canada and Latin America. She is a Non-Executive Director of Star Diamond Corp (TSX: DIAM), chairing its audit committee and is a member of its corporate governance, compensation and nomination committee. She is also a Director of GFG Resources Inc (TSX-V: GFG) (and is a member of GFG's corporate governance/compensation and audit committees.

Previously, she was Chair of the Board of Tribeca Resources (TSX-V: TRBC) (resigned December 2023) and a member of the corporate governance/compensation and audit committees. She was Lead Director of Scorpio Mining Corp (TSX: SPM) which became Americas Gold and Silver (TSX: USA) and chaired its audit committee. She was also a director of Scorpio Gold (TSX-V: SGN).

Earlier in her career, Ms Riley held roles as Vice President and Director of Equity Sales at TD Securities in London, Vice President of Equity Sales at RBC Capital Markets in London and Vice President of Equity Research at Lehman Brothers in New York City.

She has extensive experience advising companies on improving stakeholder relations and incorporating ESG focuses in real and measurable ways and is also fluent in three languages.

Mr Andrew Nesbitt
Non-Executive Director (appointed 10 October 2025, resigned 18 September 2026)

Mr Nesbitt is the Chief Executive Officer of Australian Mines Limited (ASX: AUZ), an exploration and development company with assets in Australia and Brazil. He has nearly 30 years of international experience across the mining industry, spanning technical, operational, corporate, and investment roles. Andrew previously served as CEO of Resource Mining Corporation Limited (ASX: RMI) and has extensive capital markets experience through senior roles with RiverFort Global Opportunities Plc (AIM) and Craton Capital Pty Limited, where he managed funds of over US$400 million. He holds a BSc (Eng) in Mining Engineering and an MBA.

Mr Nesbitt also sits on the board of Tooru Plc.

Mr Richard Crookes
Non-Executive Chairman (resigned 10 October 2025)

Mr Crookes has over 35 years' experience in the resources and investments industries. He is a geologist by training having worked in the industry most recently as the Chief Geologist and Mining Manager of Ernest Henry Mining in Australia. Mr Crookes is Managing Partner of Lionhead Resources, a Critical Minerals Investment Fund and formerly an Investment Director at EMR Capital. Prior to that he was an Executive Director in Macquarie Bank's Metals Energy Capital (MEC) division where he managed all aspects of the bank's principal investments in mining and metals companies as well as the origination of project finance transactions.

Mr Crookes held directorships with Black Rock Mining Ltd , Brightstar Resources Ltd, and Lithium Power International Ltd in the three years prior to the date of his resignation:

Mr Crookes holds a Bachelor of Science in Geology and a Graduate Diploma in Applied Finance, is a member of the Australasian Institute of Mining and Metallurgy (AusIMM), a Fellow of the Financial Services Institute of Australia (FINSIA) and a member of the Australian Institute of Company Directors (AICD).

Mr Michael Brook
Non-Executive Director (resigned 22 September 2025)

Mr Brook is a mining Professional with diversified hands on global mining industry experience underpinning a subsequent career path as a stockbroking resource analyst and then roles in Mining Investment. In these roles, Mr Brook has driven the technical and commercial review of project and companies across multiple jurisdictions and commodities and from early exploration through to production.

Mr Brook is a non-executive director of Geopacific Resources Limited (ASX:GPR) (appointed July 2022), Principal – Mining for African Investments Limited (Private) and Chair of TuNya Resources (Private).

He graduated with a BSc (Hon) Mining Geology from the University of Wales (Cardiff) and is a member of AusIMM.

Mr Zane Lewis
Non-Executive Director (resigned 22 September 2025)

Mr Lewis, the founder of SmallCap Corporate, has more than 25 of years of corporate advisory experience with various ASX and AIM listed companies. He currently serves as the Chairman of Odessa Minerals (ASX: ODE) (appointed November 2019), and as a Non-Executive Director of Kairos Minerals (ASX: KAI) (appointed March 2022 and Lion Energy (ASX: LIO) (appointed February 2018).

Mr Lewis was also an Executive Director and Company Secretary of Vital Metals (Appointed February 2019, resigned August 2020), including at time the Company acquired the Nechalacho Rare Earths Project in Canada.

He brings to the board extensive financial and corporate experience in previous roles, and he is a Fellow of the Governance Institute of Australia.

COMPANY SECRETARY

Ms Louisa Martino
Company Secretary

Ms Martino has a Bachelor of Commerce from the University of Western Australia, is a member of the Institute of Chartered Accountants Australia & New Zealand (ICAA), a member of the Chartered Institute for Securities & Investment (CISI) (formerly FINSIA) and a fellow of the Governance Institute of Australia (FGIA). She provides a number of listed companies with company secretarial services and has worked within corporate finance, assisting with company compliance and capital raisings. Ms Martino holds the position of Company Secretary for listed companies, Cokal Ltd (ASX: CKA), Antimony Resources Ltd (ASX: ANT), InVert Graphite Limited (ASX: IVG) and Stellar Resources Limited (ASX: SRZ).

PRINCIPAL ACTIVITIES

The principal activities of the Group during the year were mineral exploration and development in Canada.

FINANCIAL POSITION

As of 30 June 2026, the Company held $3,755,807 (2025: $328,691) in cash.

The Group's net assets at 30 June 2026 were $48,571,082 (30 June 2025: $55,923,568).

FINANCIAL RESULTS

The Group recorded an operating loss for the year of $16,633,684 (2025: $3,310,246). The 2026 result includes an impairment of the mine under development asset of $12,731,734 (2025: $Nil) and is otherwise consistent with the current nature and operations of the Group.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

No significant changes in the state of affairs of the Group occurred during the financial year.

EVENTS SUBSEQUENT TO REPORTING DATE

In July 2026, the Company announced results from its 2026 diamond drilling program at the Tardiff deposit. The results confirmed and extended rare earth element and niobium mineralisation beyond the existing Mineral Resource envelope and are being incorporated into an updated Mineral Resource Estimate and the Tardiff Pre-Feasibility Study (PFS).

On 17 July 2026, David Herlihy was appointed a Non-Executive Director.

On 20 August 2026, Lisa Riley ceased her roles as Managing Director and Chief Executive Officer and Alexius Chan was appointed Interim Chief Executive Officer. As a result, 924,000 performance rights lapsed on this date.

On 18 September 2026, Andrew Nesbitt resigned from the Board.

Other than the above, there has not been any matter or circumstance that has arisen since the end of the financial year, that has significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

DIVIDENDS

No dividends were paid or declared during the financial year. No recommendation for payment of dividends has been made.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The Group intends to continue its exploration and development activities at the Nechalacho projects whilst assessing opportunities to acquire further suitable projects for exploration and development as they arise.

ENVIRONMENTAL REGULATION

The Group is subject to significant environmental regulation in respect to its exploration and development activities.

The Group aims to ensure the appropriate standard of environmental care is achieved, and in doing so, that it is aware of and is in compliance with all environmental legislation. The directors of the Group are not aware of any breach of environmental legislation for the year under review.

RISK MANAGEMENT

The Directors are responsible for ensuring that risks and opportunities are identified on a timely basis and that the Group's objectives and activities are aligned with these risks and opportunities. The Board's collective experience will generally enable identification of the principal risks that may affect the Company's business, and an Audit and Risk Committee has been established. Vital Metals Limited has a Risk Management Policy for oversight and management of material business risks. Key operational risks and their management will be recurring items for deliberation at Board meetings.

The Company operates in a changing environment and is, therefore, subject to factors and business risks that will affect future performance.

Set out below are the principal risks and uncertainties that could have a material effect on Vital's future results, both operationally and financially. It is not possible to determine the likelihood of these risks occurring with any certainty. In the event that one or more of these risks materialise, Vital's reputation, strategy, business, operations, financial condition and future performance could be materially and adversely affected. There may also be other risks that are currently unknown or are deemed immaterial, but which may subsequently become known and/or material. These may individually or in aggregate adversely affect Vital.

Operational Risks

Exploration Risk

Mining exploration and development is a high-risk undertaking. The success of the Company depends on the delineation of economically-minable reserves and resources, access to required development capital, movement in the price of commodities, securing and maintaining title to the Company's exploration and mining tenements and obtaining all consents and approvals necessary for the conduct of its exploration activities.

Tenure, access and grant of application

The Company's operations are subject to receiving and maintaining licences and permits from appropriate governmental authorities. There is no assurance that delays will not occur in connection with obtaining all necessary renewals of licences/permits from the existing operations, additional licences/permits for any possible future changes to operations, or additional permits associated with new legislation.

Rare earth prices

Rare Earth prices are calculated by pricing formulae that reference published pricing for various Rare Earths materials. The market price has been volatile in the past because it is influenced by numerous factors and events. These include:

- Supply side factors: periods of restricted supply, over supply or speculative trading of Rare Earths can lead to significant fluctuations in Rare Earth pricing.
- Demand side factors: Demand for end-products that utilise Vital's material fluctuates due to factors including global economic trends, regulatory developments and consumer trends.
- Geopolitical factors: Recently Rare Earths have been the focus of significant attention, particular in the United States.

Strong Rare Earth prices, as well as real or perceived disruptions in supply, may create economic incentives to identify or create alternate technologies that ultimately could depress future long-term demand for Rare Earths. This may, at the same time, incentivise the development of additional mining properties to produce Rare Earths. If industries reduce their reliance on Rare Earth products, the resulting change in demand could have a material adverse effect on Vital's business.

It is impossible to predict future Rare Earths price movements with certainty. Any sustained low Rare Earths prices or further declines in the price of Rare Earths, including as a result of periods of over-supply and/or speculative trading of Rare Earths, will adversely affect Vital's business and its ability to finance planned capital expenditures, including development projects.

Operational and development risks

Vital's operations and development activities could be affected by various unforeseen events and circumstances, such as hazards in exploration, the ability of third parties to meet their commitments in accordance with contractual arrangements, and the delivery and grades of ore and performance of processing facilities at design specification. Factors such as these may result in increased costs. Any negative outcomes flowing from these operational risks could have an adverse effect on Vital's business, financial condition, profitability and performance.

Nature of mining

Mineral mining involves risks, which, even with a combination of experience, knowledge and careful evaluation, may not be able to be fully mitigated. Mining operations are subject to hazards normally encountered in exploration and mining. These include unexpected geological formations, rock falls, flooding, dam wall failure, bush fires and other incidents or conditions which could result in damage to plant or equipment, which may cause a material adverse impact on Vital's operations and its financial results. Projects may not proceed to plan with potential for delay in the timing of targeted output, and Vital may not achieve the level of targeted mining output. Mining output levels may also be affected by factors beyond Vital's control.

Mineral Resource and Ore Reserves

No assurance can be given that the anticipated tonnages and grades of ore will be achieved during production or that the anticipated level of recovery will be realised. Mineral Resource and Ore Reserve estimates are based upon estimates made by Vital personnel and independent consultants. Estimates are inherently uncertain and are based on geological interpretations and inferences drawn from drilling results and sampling analyses. There is no certainty that any Mineral Resources or Ore Reserves identified by Vital will be realised, that any anticipated level of recovery of minerals will be realised, or that an identified Ore Reserve or Mineral Resource will be a commercially mineable (or viable) deposit which can be legally and economically exploited.

Further, the grade of mineralisation which may ultimately be mined may differ materially from what is predicted. The quantity and resulting valuation of Ore Reserves and Mineral Resources may also vary depending on, amongst others, metal prices, cut-off grades and estimates of future operating costs (which may be inaccurate). Production can be affected by many factors. Any material change in the quantity of Ore Reserves, Mineral Resources, grade, or stripping ratio may affect the economic viability of any project undertaken by Vital.

Vital's estimated Mineral Resources and any future Ore Reserves should not be interpreted as assurances of commercial viability or potential or of the profitability of any future operations. Investors should be cautioned not to place undue reliance on any estimates made by Vital. Vital cannot be certain that its Mineral Resource and any future Ore Reserve estimates are accurate and cannot guarantee that it will recover the expected quantities of metals. Future production could differ dramatically from such estimates for the following reasons:

- actual mineralisation or Rare Earth grade could be different from those predicted by drilling, sampling, feasibility or technical reports;
- increases in the capital or operating costs of the mine;
- decreases in Rare Earth oxide prices;
- changes in the life-of-mine plan;
- the grade of Rare Earths may vary over the life of a Vital project and Vital cannot give any assurances that any MRE will ultimately be recovered; or
- metallurgical performance could differ from forecast.

The occurrence of any of these events may cause Vital to adjust its Mineral Resource and future Ore Reserve Estimates or change its mining plans. This could negatively affect Vital's financial condition and results of operations. Moreover, short-term factors, such as the need for additional development of any Vital project or the processing of new or different grades, may adversely affect Vital.

Vital reports its Mineral Resources and Ore Reserves in accordance with the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("JORC Code").

Attraction and retention of skilled personnel
Attraction and retention of skilled personnel is important to Vital's operations and its further growth.

In addition, industrial and labour disputes, work stoppages and accidents, and logistical and engineering difficulties may also have an adverse effect on Vital's profitability and share price.

Industry trends, including changes in technology
Changes in technology, including switches to renewable energy sources, present both opportunities and risks to the Vital business. As technologies and consumer trends continue to evolve, new competing technologies may emerge that may reduce demand for Vital's Rare Earth products. Any significant trends away from technologies that utilise Vital Rare Earths products could materially adversely affect the Vital business.

Regulatory, legal and environmental risks

General regulatory risks
Vital's business is subject to various national and local laws and regulations relating to the mining, production, marketing, pricing, transportation and storage of products and residues, predominantly in Canada. A change in the legislative and administrative regimes, taxation laws, interest rates, and other legal and government policies may have an adverse effect on the assets, operations and ultimately the financial performance of Vital and the market price of Vital's shares. Other changes in the regulatory environment (including applicable accounting standards) may have a material adverse effect on the carrying value of material assets or otherwise have a material adverse effect on Vital's business and financial condition.

Licences, permits, approvals, consents and authorisations
Vital's mining and production activities are dependent on the granting and maintenance of appropriate licences, permits, approvals, and regulatory consents and authorisations (including those related to interests in mining tenements), which may not be granted or may be withdrawn or be made subject to limitations at the discretion of government or regulatory authorities. Although such licences, permits, approvals and regulatory consents and authorisations may be granted, continued or renewed (as the case may be), there can be no assurance that such licences, permits, approvals and regulatory consents and authorisations will be granted, continued or renewed as a matter of course, or as to the terms of renewals or grants, including that new conditions, or new interpretations of existing conditions, will not be imposed in connection therewith. Whether such licences, permits, approvals and regulatory consents and authorisations may be granted, continued or renewed (as the case may be) often depends on Vital being successful in obtaining the required statutory approvals for proposed activities. If there is a failure to obtain or retain the appropriate licences, permits, approvals and regulatory consents and authorisations, or if there is a material delay in obtaining or renewing them or they are granted subject to onerous conditions or withdrawn, then Vital's ability to conduct its mining and production activities may be adversely affected.

Political risks and government actions
Vital's operations could be affected by government actions predominantly in Australia and Canada and other countries or jurisdictions in which it has interests. Vital is subject to the risk that it may not be able to carry out its operations as it intends, including because of a change in government, legislation, guidelines, regulation or policy, including in relation to the environment, the Rare Earths sector, competition policy, native title and cultural heritage. Such changes could affect land access, the granting of licences and other tenements, the approval of developments and freedom to conduct operations.

The possible extent of Geopolitical imperatives related to supply chain security of Critical Minerals including Rare Earths Minerals or the introduction of additional legislation, regulations, guidelines or amendments to existing legislation that might affect Vital's business is difficult to predict. Any such government action may require increased capital or operating expenditures and could prevent or delay certain operations by Vital, which could have a material adverse effect on Vital's business and financial condition.

Vital also may not be able to ensure the security of its assets located outside Australia, and is subject to risks of, among other things, loss of revenue, property and equipment as a result of hazards such as expropriation, war, insurrection and acts of terrorism and other political risks and increases in taxes and government royalties. The effects of these factors are difficult to predict and any combination of one or other of the above may have a material adverse effect on Vital' business and financial position.

Environmental risks

Vital's activities are subject to extensive laws and regulations controlling not only the mining of exploration for and processing of Rare Earths, but also the possible effects of such activities upon the environment and interests of local communities. In the context of obtaining environmental permits, including the approval of reclamation plans, Vital must comply with known standards, existing laws and regulations which may entail greater or lesser costs and delays depending on the nature of the activity to be permitted and how stringently the regulations are implemented by the permitting authority. With increasingly heightened government and public sensitivity to environmental sustainability, environmental regulation is becoming more stringent, and Vital could be subject to increasing environmental responsibility and liability, including laws and regulations dealing with air quality, water and noise pollution and other discharges of materials into the environment, plant and wildlife protection, the reclamation and restoration of certain of its properties, greenhouse gas emissions, the storage, treatment and disposal of residues and the effects of its business on the water table and groundwater quality.

Sanctions for non-compliance with these laws and regulations may include administrative, civil and criminal penalties, revocation of permits and corrective action orders. These laws sometimes apply retroactively. In addition, a party can be liable for environmental damage without regard to that party's negligence or fault. Given the sensitive nature of this area, Vital may be exposed to litigation and foreseen and unforeseen compliance and rehabilitation costs despite its best efforts.

Climate change risks

Climate change and the rapidly evolving response to it may lead to a number of risks, including but not limited to transition risk such as:

- Increased political, policy and legal risks (e.g. the introduction of regulatory changes aimed at reducing the impact of, or addressing climate change, including reducing or limiting carbon emissions);
- Increased capital and operational costs, including increased costs of inputs and raw materials;
- Increased actual risk to physical property damage arising from the impact of climate change (for example bushfire or floods); and
- Technological change and reputational risks associated with Vital's conduct.

Community acceptance and reputation

Vital recognises that a strong mutual relationship with each community in which it operates is a pre-condition to successful operations. Failure to maintain those relationships and the acceptance by those communities may have an adverse effect on Vital's operations.

In addition, Vital recognises the importance of maintaining its reputation with its stakeholders including shareholders, regulatory authorities, communities, customers and suppliers. Failure to maintain its reputation with some or all stakeholders may have a negative effect on the future performance of Vital.

Legal action

It is possible that, Vital could be exposed to litigation or proceedings, either from shareholders, financiers, regulators, joint venture partners or members of the communities in which Vital operates.

Financial risks

Funding risk

The Company has no operating revenue and is unlikely to generate consistent operating revenue unless and until the Company's projects are successfully developed and production commences. The future capital requirements of the Company will depend on many factors including its business development activities.

In order to successfully develop the Company's projects and for production to commence, the Company will require further financing in the future. Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the then market price or may involve restrictive covenants which limit the Company's operations and business strategy. Debt financing, if available, may involve restrictions on financing and operating activities.

Although the Directors believe that additional capital can be obtained, no assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its activities and this could have a material adverse effect on the Company's activities including resulting in the tenements being subject to forfeiture and could affect the Company's ability to continue as a going concern.

The Company may undertake additional offerings of Shares and of securities convertible into Shares in the future. The increase in the number of Shares issued and outstanding and the possibility of sales of such shares may have a depressive effect on the price of Shares. In addition, as a result of such additional Shares, the voting power of the Company's existing Shareholders will be diluted.

General risks

General economic conditions

Vital's operating performance and financial performance is influenced by a variety of general economic and business conditions including the level of inflation, interest rates, exchange rates and government fiscal, monetary and regulatory policies. Prolonged deterioration in general economic conditions, including an increase in interest rates or decrease in consumer and business demand, could be expected to have an adverse impact on Vital' business, results of operations or financial condition and performance.

Accounting standards

Accounting standards may change. This may affect the reporting earnings of Vital and its financial position from time to time. Vital has previously and will continue to assess and disclose, when known, the effect of adopting new accounting standards in its periodic financial reporting.

Force majeure events

Events may occur within or outside Vital's key markets that could affect global economies and the operations of Vital. The events include, but are not limited, to acts of terrorism, an outbreak of international hostilities, fires, floods, earthquakes, changes in weather patterns or other severe weather events, labour strikes, civil wars, natural disasters, outbreaks of disease or other natural or man-made events or occurrences that can have an adverse effect on market conditions, the demand for Vital's product offering and services and Vital's ability to conduct business.

Cyber security

Cyber security risks are increasing in the external environment. Cyber security risks include computer viruses targeting IT systems, unauthorised access, cyber-attack (either targeted at Vital for financial gain or due to geopolitical matters), social media disinformation campaigns, penetration of Vital's systems (including through attacks on Vital's suppliers) and other similar matters. A cyber event may lead to adverse impacts on Vital's operations and financial performance.

INSURANCE OF DIRECTORS AND OFFICERS

The Company has entered into an agreement to indemnify all directors and officers against any liability arising from a claim brought by a third party against the Company. The agreement provides for the Company to pay all damages and costs which may be awarded against the officer or director.

During the period the Company has paid an insurance premium in respect of a Directors' and Officers' Liability Insurance Contract. The insurance premium relates to liabilities that may arise from an Officer's position, with the exception of conduct involving a wilful breach of duty or improper use of information or position to gain personal advantage.

The officers covered by the insurance policies are the Directors, Company Secretary and Officers of the Company. The contract of insurance prohibits the disclosure of the nature of the liabilities and the amount of the premium.

PROCEEDINGS ON BEHALF OF THE GROUP

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

NON-AUDIT SERVICES

There were no non-audit services for the 2026 financial year (2025: $Nil).

The Group has not provided any indemnity to the Auditors.

DIRECTORS' INTERESTS IN SECURITIES OF THE GROUP

As at the date of this report, the interests of the Directors in the shares, and options of Vital Metals Limited were:

Director	Ordinary Shares	Options
Alexius Chan	3,297,999	-
David Dikken	47,294,816	-
Douglas MacLennan	-	-
David Herlihy	-	-

SHARES UNDER OPTION

At the date of this report, the Group had on issue 247,879,649 ordinary shares and 14,880,000 options over ordinary shares.

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

DATE OPTIONS GRANTED	EXPIRY DATE	EXERCISE PRICE	NUMBER UNDER OPTION
31 July 2023	11 January 2028	$0.75	800,000
10 October 2023	11 January 2028	$0.425	600,000
21 November 2023	11 January 2028	$0.425	600,000
21 November 2024	10 December 2027	$0.75	4,000,000
14 March 2025	11 October 2026	$0.20	5,600,000
23 June 2025	4 January 2027	$0.05	880,000
21 November 2024	15 September 2029	$0.225	1,200,000
21 November 2024	15 September 2029	$0.2175	1,200,000
		TOTAL	**14,880,000**

No person entitled to exercise any option referred to above has or had, by virtue of the option, a right to participate in any share issue of any other body corporate.

DIRECTORS' MEETINGS

The table below sets out the number of Board, Audit and Risk Committee and Remuneration and Nominations Committee meetings held during the period and the number of meetings attended by each as a Director.

	Board Meetings		Audit and Risk Committee		Remuneration Committee	
Director	**Number of Meetings held while in office**	**Meetings attended**	**Number of Meetings held while in office**	**Meetings attended**	**Number of Meetings held while in office**	**Meetings attended**
Alexius Chan	8	8	3	3	1	1
Lisa Riley	8	8	-	-	-	-
David Dikken	8	7	-	-	1	1
Douglas MacLennan	8	8	3	3	-	-
Andrew Nesbitt	8	8	2	2	1	1
Richard Crookes	-	-	1	1	1	1
Michael Brook	-	-	-	-	1	1
Zane Lewis	-	-	-	-	1	1

Audit Committee

For the period to September 2025, the committee comprised Zane Lewis (Chair), Richard Crookes and Michael Brook. Post-September 2025, the committee comprised Doug MacLennan (Chair), Alexius Chan and Andrew Nesbitt.

Remuneration Committee-

For the period to September 2025 the committee comprised Michael Brook (Chair), Richard Crookes and Zane Lewis. Post-September 2025, the committee comprised Alexius Chan (Chair), Andrew Nesbitt and David Dikken.

CORPORATE GOVERNANCE STATEMENT

Pursuant to the ASX Listing Rules, the Company's Corporate Governance Statement will be released in conjunction with this report. The Company's Corporate Governance Statement is available on the Company's website at: https://www.vitalmetals.com.au/corporate/corporate-governance/

AUDITED REMUNERATION REPORT

The information provided in this remuneration report has been audited as required by section 308(3C) of the Corporations Act 2001. The Directors and Key Management Personnel for the year ended 30 June 2026 were:

Name	Position for the year ended 30 June 2026
Alexius Chan	Chairman (appointed 27 March 2026), Non-Executive Director (appointed 22 September 2025), Interim Chief Executive Officer (appointed 20 August 2026)
Lisa Riley	Managing Director (Ceased 20 August 2026), Interim Chairman (10 October 2025 to 26 March 2026)
Richard Crookes	Chairman (resigned 10 October 2025)
David Dikken	Non-Executive Director (appointed 22 September 2025)
Douglas MacLennan	Non-Executive Director (appointed 22 September 2025)
Andrew Nesbitt	Non-Executive Director (appointed 10 October 2025, resigned 18 September 2026)
Michael Brook	Non-Executive Director (resigned 22 September 2025)
Zane Lewis	Non-Executive Director (resigned 22 September 2025)

Remuneration Policy
Remuneration of Directors and Executives is referred to as compensation throughout this report. Key Management Personnel including Directors of the Company and other executives have authority and responsibility for planning, directing and controlling the activities of the Group. Compensation levels for Directors and Key Management Personnel of the Group are competitively set to attract and retain appropriately qualified and experienced directors and executives.

The Board is responsible for compensation policies and practices. The Board, where appropriate, seeks independent advice on remuneration policies and practices, including the compensation packages and terms of employment. No such advice was sought in the current year.

The compensation structures explained below are designed to attract suitably qualified candidates, reward the achievement of strategic objectives, and achieve the broader outcome of creation of value for shareholders. The compensation structures take into account a number of factors, including length of service and the particular experience of the individual concerned.

Fixed Compensation
Fixed compensation consists of base compensation (which is calculated on a total cost basis and includes any FBT charges related to employee benefits including motor vehicles) as well as employer contributions to superannuation funds. Compensation levels are reviewed annually by the Board where applicable.

Share–based compensation
Share options are granted to key employees as the Directors believe that this is the most appropriate method of aligning performance to the interests of shareholders. The Directors feel that it appropriately links the long-term incentives of key employees to the interest of shareholders. The ability to exercise the options is conditional on continued service for a period as determined by the Board upon each issuance of options. The Group does not have a policy that prohibits those that are granted share-based payments as part of their remuneration from entering into other arrangements that limit their exposure to losses that would result from share price decreases.

Employment Contracts of Directors and Executives
As at 30 June 2026, all Directors and all executives, have formal contracts with the Company.

The terms during the financial year are set out as follows:

Name	Position	Annual Remuneration A$
Alexius Chan	Non-Executive Director / Chairman	65,000
Lisa Riley	Managing Director	470,400 (C$441,000)[1]
Richard Crookes	Chairman (resigned 10 October 2025)	70,000
David Dikken	Non-Executive Director (appointed 22 September 2025)	65,000
Douglas MacLennan	Non-Executive Director (appointed 22 September 2025)	65,000
Andrew Nesbitt	Non-Executive Director (appointed 10 October 2025)	65,000
Michael Brook	Non-Executive Director (resigned 22 September 2025)	45,500
Zane Lewis	Non-Executive Director (resigned 22 September 2025)	56,000

1. This amount represents the Managing Director's annual remuneration effective from 2 April 2026. The remuneration change was implemented to align the Managing Director's remuneration cycle with the Company's AGM cycle and was applied retrospectively from 1 July 2025.

Lisa Riley - Managing Director and CEO (previously interim Chairman)
Ms Riley, in her position as Managing Director and CEO has an employment agreement that commenced on 15 July 2024. This agreement was varied on 2 April 2026. The key terms of the agreement (including the variation) are as follows:

Commencement: 15 July 2024

Term: From Commencement Date until terminated in accordance with the provisions for termination.

Termination And Notice: Within 6 months of appointment, the Company may terminate this agreement with no notice period required and after six (6) months, by giving not less than six (6) months' notice.

The Executive may terminate this agreement by giving not less than two (2) months' notice.

Base Salary: C$441,000 per annum in cash

Long Term Incentives: Long term incentives comprised of the following:

1. FY26 LTI of 1,220,000 Zero Exercise Price Options ("ZEPOs"), with a face value of CAD$308,700, being 70% of base salary. These are subject to shareholder approval. Vesting is to be measured to 30 November 2026 and is based on achievement of performance conditions relating to:

   a. Equity funding of at least A$15 million (35%)
   b. Share price performance relative to a baseline share price of A$0.273 (25%)
   c. Execution of a Board-approved strategic technology, offtake or licence agreement with Strategic Resources LLC (25%); and
   d. Board discretion for qualitative outcomes and extraordinary achievements (15%).
   The award vests in 3 equal tranches, on or about:
      i. 1 December 2026
      ii. 1 December 2027
      iii. 1 December 2028

For the 2027 and 2028 vesting dates, the Company's share price must be at least equal to the baseline share price and Ms Riley must remain employed by the Company.

2. Recognition Securities being a once-off recognition award of 2,190,000 ZEPOs. These Recognition Securities will vest as follows:
    a. 1,095,000 ZEPOs on shareholder approval of the grant; and
    b. 1,095,000 ZEPOs to vest on the date of the 2026 AGM, provided the 20-day VWAP ending immediately prior to that vesting date is at least A$0.105 and Ms Riley remains employed or is otherwise treated as a good leaver under the applicable plan rules.
    c. The Recognition Securities will have a nil exercise price and a five-year term from the date of issue.
3. a separate funding-based incentive arrangement for the period to 30 November 2026, which may be satisfied in cash or in ZEPOs.
    a. This is linked to eligible non-brokered funding, grants and government debt and is calculated using the following rates:
        i. 6% of grants;
        ii. 3% of eligible equity funding up to and including A$10 million;
        iii. 2% of eligible equity funding above A$10 million and up to and including A$20 million;
        iv. 1% of eligible equity funding above A$20 million; and
        v. 1% of eligible government debt.
    b. Additional terms include:
        i. Funding is separate from FY26 LTI. Funding counted towards the FY26 equity funding KPI cannot also be counted towards the Funding Award.
        ii. The Funding Award is not subject to the FY26 share price gateway condition that applies to the FY26 LTI.
        iii. The award may be settled in cash or, subject to shareholder approval, ZEPOs at the Board's discretion. Where settled in ZEPOs, the number issued is determined using the 20-day VWAP immediately preceding the announcement of the relevant funding transaction

Non-Executive Directors

Total compensation for all Non-Executive Directors, last voted upon by shareholders at the 2007 AGM, is not to exceed $400,000 per annum.

Company performance, shareholder wealth and directors' and executives' remuneration

No relationship exists between shareholder wealth, director and executive remuneration and Company performance due to the early stage of the Company's operations.

Historical Information

The table below shows the gross revenue, losses and earnings per share for the last five years for the listed entity.

	2026	**2025[1]**	**2024[1]**	**2023[1]**	**2022[1]**
Net profit/(loss) ($)	**(16,633,684)**	(3,310,246)	2,371,596	(51,834,821)	(5,392,199)
Share price at year end (cents) [1]	10	10	10	45	195
Earnings/(loss) per share (cents)[1]	**(8.80)**	(2.81)	4.42	(50.14)	(0.06)

Notes:

1. Historical share price and loss per share have been restated to show amounts on a post-consolidation basis. Shareholders approved a share 1 for 50 share consolidation on 22 June 2025 which was completed on 9 July 2025.

Details of remuneration

The Key Management Personnel of the Group are the Directors and the former Chief Operating Officer. Given the size and nature of operations of the Group, there are no other employees who are required to have their remuneration disclosed in accordance with the *Corporations Act 2001*.

Remuneration of Key Management Personnel

Details of the remuneration provided to the Key Management Personnel of the Group are set out in the following table:

	Short term Salary and Fees$	Short Term Bonus $	Post-employment Superannuation $	Termination $	Share-based payments Options[1] $	Total $	Performance related $
Directors of Vital Metals Limited							
Non-Executive Directors							
Alexius Chan (Chairman) (appointed Non-Executive Director on 22 September 2025 and Chairman on 27 March 2026)							
2026	**44,816**	**-**	**5,378**	**-**	**-**	**50,194**	**-**
2025	-	-	-	-	-	-	-
David Dikken (Non-Executive Director) (appointed 22 September 2025)							
2026	**50,194**	**-**	**-**	**-**	**-**	**50,194**	**-**
2025	-	-	-	-	-	-	-
Douglas MacLennan (Non-Executive Director) (appointed 22 September 2025)							
2026	**50,194**	**-**	**-**	**-**	**-**	**50,194**	**-**
2025	-	-	-	-	-	-	-
Andrew Nesbitt (Non-Executive Director) (appointed 10 October 2025)							
2026	**42,123**	**-**	**5,055**	**-**	**-**	**47,178**	**-**
2025	-	-	-	-	-	-	-
Richard Crookes (Chairman) (resigned 10 October 2025)							
2026	**22,207**	**-**	**-**	**-**	**-**	**22,207**	**-**
2025	92,500	-	-	-	-	92,500	-
Michael Brook (Non-Executive Director) (resigned 22 September 2025)							
2026	**17,183**	**-**	**2,062**	**-**	**-**	**19,245**	**-**
2025	56,050	-	6,446	-	-	62,496	-
Zane Lewis (Non-Executive Director) (resigned 22 September 2025)							
2026	**26,644**	**-**	**-**	**-**	**-**	**26,644**	**-**
2025	64,175	-	-	-	-	64,175	-
Paul Quirk (Non-Executive Director) (resigned 12 August 2024)							
2026	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2025	8,134	-	-	-	-	8,134	-
Executive Directors							
Lisa Riley (Managing Director, previously Interim Chairman)							
2026	**476,108**	**42,667**	**6,633**	**-**	**58,184**	**583,592**	**32,807**
2025	454,100	-	12,679	-	123,911	590,690	19,854
Geordie Mark (Managing Director and CEO) (terminated 15 July 2024)							
2026	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2025	17,867	-	-	259,602	-	277,469	-
Total compensation							
2026	**729,469**	**42,667**	**19,128**	**-**	**58,184**	**849,448**	**32,807**
2025	692,826	-	19,125	259,602	123,911	1,095,464	19,854

There were no options or performance rights granted to Key Management Personnel as compensation during the reporting period. Options and performance rights granted in previous years were issued during the reporting period.

Options and Performance Rights granted as compensation

Options and performance rights are issued at no cost to Directors and Executives as part of their remuneration. Only the Managing Director holds any options or performance rights. The options are usually not issued based on performance criteria, but are issued to increase goal congruence between Executives, Directors and Shareholders. Performance rights inherently contain a performance criteria to be met that would ultimately lead to increased shareholder value.

Options and performance rights granted to Key Management Personnel during the year are as follows.

	Grant Date	Exercise Price	Number Granted	Number Vested	Expiry Date	Volatility	Fair Value per security at grant date (cents)	Exercised Number
Options and Performance Rights								
2026 Financial Year	-	-	-	-	-	-	-	-
2025 Financial Year								
Lisa Riley[1,2]	29/11/2024	$0.225	1,200,000	1,200,000	15/09/2029	85%	5.36	-
Lisa Riley [1,3]	29/11/2024	$0.2175	1,200,000	1,200,000	15/09/2029	85%	5.54	-
Lisa Riley [1,4]	29/11/2024	$0.00	924,000	-	15/09/2027	85%	10.00	-

Notes:

1. These securities issued to Lisa Riley were granted on 21 November 2024; and issued 15 September 2025. They have been accounted for as if they were issued on the grant date, even though they were issued during the financial year.
2. These are sign-on options where shareholder approval was granted on 21 November 2024, and which have a vesting period of 12 months from date of award.
3. These are incentive options where shareholder approval was granted on 21 November 2024, and which vested on issue.
4. These are performance rights that convert into ordinary shares, subject to continuous service and Performance Milestone being achieved within 2 years of the date of issue. Performance Milestone is completion of a positive Pre-Feasibility Study on the Tardiff Deposit at the Company's Nechalacho Rare Earths Project within 2 years from the date of issue of the Performance Rights ('positive' meaning that PFS concludes that the Project has a positive Net Present Value). The performance rights vest on a change of control.

Exercise of options and performance rights granted as compensation

During the reporting period, there were Nil shares issued on the exercise of options and performance rights previously granted as compensation, and there were no modifications to the terms of previously granted options.

Additional disclosures relating to Key Management Personnel

Shareholding

The numbers of shares in the Company held during the financial year by each Director of Vital Metals Limited and other Key Management Personnel of the Group, including their personally related parties, are set out below.

2026	Balance at start of the year*	Acquired during the year	Disposed of during the year	Balance at end of the year *
Directors of Vital Metals Limited **Ordinary shares**				
Alexius Chan	2,497,999	800,000	-	3,297,999
Richard Crookes	428,515	-	-	428,515
Lisa Riley	-	-	-	-
David Dikken	28,594,816	18,700,000	-	47,294,816
Douglas MacLennan	-	-	-	-
Andrew Nesbitt	-	-	-	-
Michael Brook	49,999	-	-	49,999
Zane Lewis	500,600	-	-	500,600
	32,071,929	19,500,000	-	51,571,929
Other Key Management Personnel				
N/A				
	32,071,929	19,500,000	-	51,571,929

** Where a director was appointed or resigned during the year, this is as at date of appointment or on ceasing to be a Director as the context applies.*

Option and Performance Rights holding

The number of performance rights and options over ordinary shares in the Company held during the financial year by each Director of Vital Metals Limited and other Key Management Personnel of the Group, including their personally-related parties, are set out below:

2026	Balance at start of the year*	Granted as compensation	Exercised	Expiry	Lapsed	Balance at end of the year *	Vested and exercisable
Directors of Vital Metals Limited							
Options							
Alexius Chan	-	-	-	-	-	-	-
Richard Crookes	-	-	-	-	-	-	-
Lisa Riley**	3,324,000	-	-	-	-	3,324,000	2,400,000
David Dikken	-	-	-	-	-	-	-
Douglas MacLennan	-	-	-	-	-	-	-
Andrew Nesbitt	-	-	-	-	-	-	-
Michael Brook	-	-	-	-	-	-	-
Zane Lewis	-	-	-	-	-	-	-
	3,324,000	-	-	-	-	3,324,000	2,400,000
Other Key Management Personnel							
Options							
N/A							
Total	3,324,000	-	-	-	-	3,324,000	2,400,000

** Where a director was appointed or resigned during the year, this is as at date of appointment or on ceasing to be a Director as the context applies.*
*** These securities issued to Lisa Riley were granted on 21 November 2024; and issued on 15 September 2025. They have been accounted for as if they were issued on the grant date, even though they were issued during the financial year.*

Loans to Key Management Personnel

There were no loans to Key Management Personnel during the year (2025: nil).

Other transactions with Key Management Personnel

There were no other transactions with Key Management Personnel during the year other than salaries and wages, as disclosed in the remuneration report.

Securities Trading Policy

The Company's Securities Trading Policy provides guidance on acceptable transactions in dealing in the Company's various securities, including shares, debt notes and options. The Company's Securities Trading Policy defines dealing in company securities to include:

(a) Subscribing for, purchasing or selling Company Securities or entering into an agreement to do any of those things;
(b) Advising, procuring or encouraging another person (including a family member, friend, associate, colleague, family company or family trust) to trade in Company Securities; and
(c) Entering into agreements or transactions which operate to limit the economic risk of a person's holdings in Company Securities.

The Securities Trading Policy details acceptable and unacceptable times for trading in Company Securities including, detailing potential civil and criminal penalties for misuse of "inside information". The Directors must not deal in Company Securities without providing written notification to the Chairman. The Chairman must not deal in Company Securities without the prior approval of the Chief Executive Officer. The Directors are responsible for disclosure to the market of all transactions or contracts involving the Company's shares.

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

At the 2025 AGM, 96.60% of the votes received supported the adoption of 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.

End of Audited Remuneration Report.

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 30.

This report has been made in accordance with a resolution of the Board of Directors pursuant to s.298 (2) of the Corporations Act 2001.

Signed in accordance with a resolution of the directors

Alexius Chan
Chairman
Sydney: 25 September 2026

HALL CHADWICK
Chartered Accountants & Business Advisors

VITAL METALS LIMITED
ABN 32 112 032 596
AND ITS CONTROLLED ENTITIES

AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF VITAL METALS LIMITED

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Vital Metals Limited. As the lead audit partner for the audit of the financial report of Vital Metals Limited for the year ended 30 June 2026, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Hall Chadwick

HALL CHADWICK (NSW)
Level 40, 2 Park Street
Sydney NSW 2000

DREW TOWNSEND
Partner
Dated: 25 September 2026

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

	Note	2026 $	2025 $
Continuing operations			
Ore sales		-	854,551
Less cost of goods sold		-	(504,840)
Gross profit		**-**	**349,711**
Other income	1.1	54,915	739,835
Total Income		**54,915**	**1,089,546**
Exploration and evaluation expenditure	3.3	-	(646,506)
Administration expenses	1.1	(2,819,381)	(2,214,471)
Depreciation	3.2	(496,106)	(647,043)
Share-based payments expense	8.1	(61,008)	(250,133)
Asset write-off	3.1	(182,535)	(34,694)
Legal settlement		-	(375,000)
Impairment of mine under development asset	3.4	(12,731,734)	-
Total expenses		**(16,290,764)**	**(4,167,847)**
Loss from continuing operations before income tax and finance cost		**(16,235,849)**	**(3,078,301)**
Finance income		91,892	46,324
Finance and loan expenses		(489,727)	(278,269)
Net finance loss		(397,835)	(231,945)
Loss before income tax		**(16,633,684)**	**(3,310,246)**
Income tax expense	1.2	-	-
Loss for the year		**(16,633,684)**	**(3,310,246)**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation differences for foreign operations		(4,325,678)	1,174,032
Other comprehensive income/(loss) for the year net of income tax		(4,325,678)	1,174,032
Total comprehensive income for the year		**(20,959,362)**	**(2,136,214)**
Earnings per share			
Basic and diluted (loss) per share	1.3	(8.80) cents	(2.81) cents

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2026

	Note	2026 $	2025 $
CURRENT ASSETS			
Cash and cash equivalents	2.1	3,755,807	328,691
Trade and other receivables	2.2	257,489	337,788
Inventories	3.5	-	-
TOTAL CURRENT ASSETS		4,013,296	666,479
NON-CURRENT ASSETS			
Receivables	2.2	826,273	876,409
Property, plant and equipment	3.1	3,584,928	2,940,151
Right of use assets	3.2	39,434	42,180
Exploration and evaluation expenditure	3.3	26,923,581	23,848,784
Mine under development	3.4	16,189,042	31,029,984
TOTAL NON-CURRENT ASSETS		47,563,258	58,737,508
TOTAL ASSETS		51,576,554	59,403,987
CURRENT LIABILITIES			
Trade and other payables	2.3	1,147,111	318,980
Refundable deposit		-	3,875
Government loans	3.6	35,125	31,247
Financial liabilities	3.8	-	1,020,854
Lease liabilities	3.9	45,316	48,151
Provisions		68,433	57,862
Deferred grant liabilities	3.7	52,651	57,541
TOTAL CURRENT LIABILITIES		1,348,636	1,538,510
NON-CURRENT LIABILITIES			
Government loans	3.6	553,964	679,057
Provisions		800,131	874,447
Deferred grant Liabilities	3.7	302,741	388,405
TOTAL NON-CURRENT LIABILITIES		1,656,836	1,941,909
TOTAL LIABILITIES		3,005,472	3,480,419
NET ASSETS		**48,571,082**	**55,923,568**
EQUITY			
Contributed equity	4.1	168,207,173	154,661,305
Reserves	4.2	7,013,270	11,277,940
Accumulated losses		(126,649,361)	(110,015,677)
TOTAL EQUITY		**48,571,082**	**55,923,568**

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

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

	Contributed Equity $	Share-based Payment Reserve $	Convertible Loan Reserve $	Foreign Currency Translation Reserve $	Total Reserves $	Accumulated Losses $	Total $
Balance at 1 July 2025	**154,661,305**	**10,231,157**	**305,451**	**741,332**	**11,277,940**	**(110,015,677)**	**55,923,568**
Loss for year	-	-	-	-	-	(16,633,684)	(16,633,684)
Other Comprehensive Loss							
Exchange differences on translation of foreign operation	-	-	-	(4,325,678)	(4,325,678)	-	(4,325,678)
Total comprehensive loss for the year	**-**	**-**	**-**	**(4,325,678)**	**(4,325,678)**	**(16,633,684)**	**(20,959,362)**
Transactions with owners in their capacity of owners:							
Conversion of convertible notes	1,120,000	-	-	-	-	-	1,120,000
Contributions of equity (net of transaction costs, excluding share based payments)	12,471,940	-	-	-	-	-	12,471,940
Share based payments included in contributions of equity	(46,072)	-	-	-	-	-	(46,072)
Share-based payments expense	-	61,008	-	-	61,008	-	61,008
Balance at 30 June 2026	**168,207,173**	**10,292,165**	**305,451**	**(3,584,346)**	**7,013,270**	**(126,649,361)**	**48,571,082**

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

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

	Contributed Equity $	Share-based Payment Reserve $	Convertible Loan Reserve $	Foreign Currency Translation Reserve $	Total Reserves $	Accumulated Losses $	Total $
Balance at 1 July 2024	**154,661,305**	**9,829,292**	**-**	**(432,700)**	**9,396,592**	**(106,705,431)**	**57,352,466**
Loss for year	-	-	-	-	-	(3,310,246)	(3,310,246)
Other comprehensive income	-	-	-	1,174,032	1,174,032	-	1,174,032
Total comprehensive income for the year	**-**	**-**	**-**	**1,174,032**	**1,174,032**	**(3,310,246)**	**(2,136,214)**
Transactions with owners in their capacity of owners:							
Options issued pursuant to convertible loans		151,732	-	-	151,732	-	151,732
Equity conversion feature pursuant to convertible loans	-	-	305,451	-	305,451	-	305,451
Share-based payments expense	**-**	250,133	-	-	250,133	-	250,133
Balance at 30 June 2025	**154,661,305**	**10,231,157**	**305,451**	**741,332**	**11,277,940**	**(110,015,677)**	**55,923,568**

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

	Note	2026 $	2025 $
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from customers		-	1,159,602
Distribution from Liquidator of VMCL		-	387,127
Payments to suppliers and employees		(2,885,173)	(2,786,663)
Payments for inventories		-	(48,928)
Government incentive received		-	112,819
Interest received		91,892	46,324
Interest paid		(22,584)	(19,273)
Net cash outflow in operating activities	2.1	**(2,815,865)**	**(1,148,992)**
CASH FLOW FROM INVESTING ACTIVITIES			
Payments for exploration expenditure		(4,257,470)	(2,075,593)
Payments for mine under development		(3,712)	(3,849)
Payments for property, plant and equipment		(1,522,951)	-
Proceeds from refundable deposit		137,532	-
Net cash outflow in investing activities		**(5,646,601)**	**(2,079,442)**
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from share issues		12,471,940	-
Proceeds from borrowings/convertible loans		-	1,300,000
Repayment of borrowings		(434,567)	(141,007)
Cost of share capital issued		(46,071)	-
Repayment of lease liabilities		(86,643)	(323,065)
Net cash from financing activities		**11,904,659**	**835,928**
Net increase/(decrease) in cash held		**3,442,193**	**(2,392,506)**
Cash at beginning of the year		328,691	2,682,271
Foreign exchange variances on cash		(15,077)	38,926
Cash at the end of the year	2.1	**3,755,807**	**328,691**

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

ABOUT THIS REPORT

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the consolidated entity consisting of Vital Metals Limited and its subsidiaries (the **Consolidated Group, Company, or Group**). The financial statements are presented in Australian dollars, which is also the parent entity's functional currency. Canadian entities adopt Canadian dollars as the functional currency. Vital Metals Limited is a company limited by shares, domiciled and incorporated in Australia. The financial statements were authorised for issue by the directors on 25 September 2026. The Directors have the power to amend and reissue the financial statements.

Material Accounting Policy Information
The significant accounting policies adopted in the preparation of the historical financial information included in this report have been set out below.

Accounting policies
The Company has consistently applied the accounting policies as described in the annual report for the year ended 30 June 2026 to all periods presented in the financial statements.

Basis of preparation
These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the Corporations Act 2001. Vital Metals Limited is a for-profit entity for the purpose of preparing the financial statements.

(i) Compliance with IFRS
The consolidated financial statements of the Vital Metals Limited Group also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

(ii) New accounting standards and interpretations
New, revised or amended Accounting Standards and Interpretations adopted by the Group

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group during the financial year.

(iii) Early adoption of standards
The Group has not elected to apply any pronouncements before their operative date in the annual reporting period beginning 1 July 2025.

(iv) New and amended standards not yet adopted by the Group
Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2026 reporting period. The directors have not early adopted any of these new amended standards and interpretations.

AASB 18 *Presentation and Disclosure in Financial Statements* is effective for annual reporting periods beginning on or after 1 January 2027 and will replace AASB 101 *Presentation of Financial Statements*. The standard introduces new presentation and disclosure requirements, particularly in relation to the statement of profit or loss and related disclosures. The directors are in the process of assessing the impact of the applications of the standard and its amendment to the extent relevant to the financial statement of the Group.

(v) Historical cost convention
These financial statements have been prepared under the historical cost convention.

Principles of consolidation
Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Vital Metals Limited (Company or parent entity) as at 30 June 2026 and the results of all subsidiaries for the year then ended. Vital Metals Ltd and its subsidiaries together are referred to in these financial statements as the Group or the consolidated entity.

Subsidiaries are all entities (including special purpose entities) over which the Group has control. The Group controls an entity when it is exposed to, or has the right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Going concern
The financial report has been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and discharge of liabilities in the ordinary course of business.

The Group recorded a loss of $16,633,684 for the 30 June 2026 financial year (30 June 2025: $3,310,246) and has a cash balance of $3,755,807 (30 June 2025: $328,691), a net working capital surplus of $2,664,660 (30 June 2025: working capital deficit of $872,031), net cash outflows from operating activities of $2,815,865 (30 June 2025: $1,148,992) and net cash outflow from investing activities of $5,646,601 (30 June 2025: $2,079,442).

The directors have reviewed the cash flow forecast for the next 12 months from the date of signing this financial report and assessed that there are reasonable grounds to believe the Group will be able to continue as a going concern. The directors have considered the Group's existing cash reserves, the reduction in expenditure following completion of the 2026 drilling program, ongoing progression of the Tardiff Pre-Feasibility Study, potential proceeds from non-dilutive funding initiatives, including insurance recoveries and stockpile processing opportunities, and the Group's demonstrated ability to access capital markets when required.

In the event of further funds not being raised, the Group's activities would be wound back to a sustainable level.

While the Group's ability to continue as a going concern remains dependent on the successful execution of its funding strategy, the directors are confident that the funding initiatives available to the Group provide a reasonable basis to support its ongoing operations. Nevertheless, a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Should the Group be unable to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business. The financial statements do not include any adjustments relating to the recoverability and classification of assets or liabilities that may be necessary should the Group be unable to continue as a going concern.

Impairment of assets

Assets, except for deferred tax assets, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Share-based payments

The Group provides benefits to employees (including directors) of the Group in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ('equity-settled transactions') - refer to Note 8.1.

The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an internal valuation using an appropriate option pricing model.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date').

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of options that, in the opinion of the directors of the Group, will ultimately vest. This opinion is formed based on the best available information at reporting date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award.

Key estimates and judgements

Key estimates and judgements are discussed in the following notes:

Property, plant and equipment	(Note 3.1)
Deferred exploration and evaluation expenditure	(Note 3.3)
Mine under development	(Note 3.4)
Contingencies	(Note 7.2)
Share based payments	(Note 8.1)

CONTENTS OF THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. FINANCIAL PERFORMANCE

1.1. INCOME AND EXPENSES

	2026 $	2025 $
The following significant income and expense items not separately highlighted in the Statement of Profit or Loss and Other Comprehensive Income are relevant in explaining the financial performance:		
Income:		
Distribution from liquidator of VMCL	-	387,127
Government incentives	-	170,360
Sundry income	54,915	182,348
Total other income	**54,915**	**739,835**
Administration expenses		
Professional fees	504,059	414,533
Corporate compliance	369,144	339,831
Personnel expenses	1,030,781	987,731
Other administration expense	915,397	472,376
Total administration expenses	**2,819,381**	**2,214,471**
Personnel expenses		
Wages and salaries	938,355	976,470
Annual leave	59,380	2,088
Superannuation	31,676	9,173
Recruitment costs	1,370	-
Total personnel expenses	**1,030,781**	**987,731**

The assets and liabilities (Balance Sheet) of Nechalacho Resources Corp, a foreign operation, are translated to the functional currency (AUD) at exchange rates at the reporting date. The income and expenses (reflected in the Statement of Profit or Loss and Other Comprehensive Income) of foreign operations are translated to Australian dollars at exchange rates at the dates of the transactions (an average exchange rate for the year is used).

Foreign currency differences are recognised in other comprehensive income and presented in the foreign currency translation reserve in equity (Refer Reserves Note 4.2).

1.2. INCOME TAX

	2026 $	2025 $
(a) The major components of income tax are:		
Statement of Profit or Loss and Other Comprehensive Income		
Current income tax		
Current income tax benefit	-	-
Deferred income tax		
Relating to origination and reversal of temporary differences	-	-
Unused tax losses not recognised as deferred tax asset	-	-
Income tax benefit reported in the Statement of Profit or Loss and Other Comprehensive Income	-	-
The aggregate amount of income tax attributable to the financial period differs from the amount calculated on the operating loss. The differences are:		
Accounting loss before taxation	(16,633,684)	(3,310,246)
Prima facie tax benefit at the Australian tax rate of 30% (2025: 30%)	(4,990,105)	(993,074)
Add tax effect of:		
Non-deductible items	2,275,923	782,785
Timing differences and tax losses not recognised	516,860	(101,628)
Differences in tax rate of subsidiaries operating in other jurisdictions	2,197,322	311,917
Income tax expense	-	-
(b) Deferred income tax:		
Statement of Financial Position		
Deferred income tax at 30 June relates to the following:		
Deferred tax liabilities	-	-
	-	-
Deferred tax assets		
Tax value of losses carried forward	(22,419,795)	(27,855,332)
Accrued expenses	(14,266)	(7,198)
Employee benefits	12,370	(60)
Exploration and Development Expenditure	(1,664,415)	(623,833)
Other amounts	(43,106)	631,091
Non-recognition of deferred tax assets	24,129,212	27,855,332
	-	-

1.2 INCOME TAX (CONT.)

(c) Tax losses

At 30 June 2026, the Consolidated Entity has $99,737,251 (2025: $91,202,004) of taxable losses that are available for offset against future taxable profits of the consolidated entity, subject to the loss recoupment requirements in the Income Tax Assessment Act 1997 and equivalents in other taxable Jurisdictions.

No deferred tax asset has been recognised in the Statement of Financial Position in respect of the amount of these losses, as it is not presently probable future taxable profits will be available against which the Company can utilise the benefit.

	2026	2025
Unrecognised deferred tax assets	$	$
Tax losses (at 30%)	29,921,175	27,360,601

(d) Tax consolidation legislation

The Company and its wholly-owned Australian resident entities have formed a tax-consolidated Group with effect from 3 October 2005 and are therefore taxed as a single entity from that date. The head entity within the tax-consolidated group is Vital Metals Limited.

The controlled entities have been fully compensated for all deferred tax assets and liabilities transferred to Vital Metals Limited on the date of forming a tax consolidated group. The entities have also entered into a tax sharing and compensation agreement where the wholly owned entities reimburse Vital Metals Limited for any current income tax payable or receivable by Vital Metals Limited in respect of their activities. The group has decided to use the “separate taxpayer within group” approach in accordance with UIG 1052 to account for the current and deferred tax amounts amongst the entities within the consolidated group

(e) Corporate Tax Rate

For the year ending 30 June 2026, Vital Metals Ltd did not have any operating income and is therefore subject to the corporate tax rate of 30% (2025: 30%).

1.2 INCOME TAX (CONT.)

Accounting policy

Current tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax for the year

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

1.3. EARNINGS PER SHARE

	2026 Cents	2025 Cents
Basic and diluted (loss) per share for the year	(8.80)	(2.81)
The following reflects the loss and share data used in the calculations of basic loss per share and diluted loss per share:		
Net profit (loss) from operations	(16,633,684)	(3,310,246)
Weighted average number of shares outstanding:		
Weighted average number of ordinary shares used in calculating basic earnings (loss) per share	188,933,264	117,899,268
Weighted average number of ordinary shares used in calculating diluted earnings (loss) per share	204,017,285	130,447,563

Classification of securities

Diluted earnings/(loss) per share is calculated after classifying all options on issue and all ownership-based remuneration scheme shares remaining uncovered at 30 June 2026 that are dilutive as potential ordinary shares. As at 30 June 2026, the company has on issue a total of 14,880,000 options over unissued capital. Diluted earnings/(loss) per share has been calculated excluding the dilutionary effect of the options where the group results reflect a loss for the year as the impact would be to reduce the loss per share.

Accounting Policy

Earnings per share

Basic earnings per share is determined by dividing the profit from ordinary activities after related income tax expense by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share

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

1.4. SEGMENT INFORMATION

The consolidated entity operations are in one reportable segment being mineral exploration and development in one geographical segment, being Canada.

	Canada (exploration and mine under development)		Total segments from operations	
	2026	**2025**	**2026**	**2025**
	$	$	$	$
Segment income	54,915	1,594,386	54,915	1,594,386
Interest revenue	91,892	46,324	91,892	46,324
Total income	**146,807**	**1,640,710**	**146,807**	**1,640,710**
Segment loss	(16,633,684)	(3,310,246)	(16,633,684)	(3,310,246)
Net loss before tax	**(16,633,684)**	**(3,310,246)**	**(16,633,684)**	**(3,310,246)**

	Canada (exploration and mine under development)		Total segments from continuing operations	
	2026	**2025**	**2026**	**2025**
	$	$	$	$
Segment assets	51,576,554	59,403,987	51,576,554	59,403,987
Segment liabilities	3,005,472	3,480,419	3,005,472	3,480,419

Accounting Policy

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the full Board of Directors.

The Group has identified one material reportable segment being activities undertaken in Canada. This segment include the activities associated with the determination and assessment of the existence of commercially economic reserves, from the Group's mineral assets in this geographic location.

Segment performance is evaluated based on the operating profit or loss or cash flows and is measured in accordance with the Group's accounting policies.

2. WORKING CAPITAL

2.1. CASH AND CASH EQUIVALENTS

	2026 $	2025 $
Cash at bank	3,755,807	328,691
Cash and cash equivalents as shown in the statement of financial position and the statement of cash flows	**3,755,807**	**328,691**
Cash at bank and short-term bank deposits		
AAA rating	3,755,807	328,691
Reconciliation of loss after income tax to net cash flows from operating activities:		
Profit (loss) after income tax	(16,633,684)	(3,310,246)
Non-cash flows from continuing operations:		
Depreciation	496,106	647,043
Amortisation of loan interest - CaNNor Loan	71,104	80,957
Share based payments	61,008	250,133
Other asset write-off	-	34,694
Exploration expenditure written off	-	646,506
Foreign exchange movements	-	24,440
Other Adjustments		
Loss on sale of non-current assets	182,535	-
Debt Financing Costs recorded as Financing activity	399,146	178,039
Impairment of Mine Under Development asset	12,731,734	-
Changes in assets and liabilities:		
Decrease / (increase) in receivables	(82,502)	239,220
Decrease in refundable deposits	(3,875)	(41,125)
(Decrease) / increase in payables	(23,906)	(310,882)
Decrease in inventories	-	460,149
(Decrease) / increase in provisions	41,384	(200)
Decrease in deferred grant liabilities	(54,915)	(47,720)
Net cash (used in) operating activities	**(2,815,865)**	**(1,148,992)**

Accounting Policy

For the purpose of the statement of cash flows, cash includes cash on hand and in banks and at call deposits with banks or financial institutions.

The Group's risk exposure in relation to cash and cash equivalents is further discussed in Note 5.1.

2.2. TRADE AND OTHER RECEIVABLES

Trade and other receivables	2026 $	2025 $
Current		
Other receivables	257,489	337,788
Total current receivables	257,489	337,788
Non-Current		
Other receivables	826,273	876,409
Total non-current receivables	826,273	876,409
Cash on deposit supporting long-term liabilities		
AAA rating	826,273	876,409

Carrying value is considered to approximate fair value. Refer to Note 5.1 for the Group's interest rate and liquidity risk.

2.3. TRADE AND OTHER PAYABLES

	2026 $	2025 $
Current		
Trade creditors and other payables	728,040	160,007
Accrued expenses	419,071	158,973
	1,147,111	318,980

Carrying value is considered to approximate fair value. Refer to Note 5.1 for the Group's interest rate and liquidity risk.

Accounting Policy
Trade creditors and other payables are recognised when the consolidated entity becomes obliged to make future payments resulting from the purchase of goods and services.

3. INVESTED CAPITAL

3.1. PROPERTY, PLANT AND EQUIPMENT

	2026 $	2025 $
Software:		
At cost	95,128	103,964
Accumulated depreciation	(84,910)	(87,214)
	10,218	16,750
Plant and Equipment:		
At cost	3,366,945	3,953,862
Accumulated Depreciation	(1,429,413)	(1,444,471)
	1,937,532	2,509,391
Motor Vehicles		
At cost	633,484	625,804
Accumulated depreciation	(302,280)	(330,329)
	331,204	295,475
Fixtures and Fittings		
At cost	511,100	295,787
Accumulated depreciation	(204,654)	(177,252)
	306,446	118,535
Buildings		
At cost	1,011,404	-
Accumulated depreciation	(11,876)	-
	999,528	-
Total property, plant & equipment – written down value	**3,584,928**	**2,940,151**

Movements in carrying amounts

2026	Software $	Plant and Equipment $	Motor Vehicles $	Fixtures and Fittings $	Buildings $	Total $
Opening net book value	16,750	2,509,391	295,475	118,535	-	2,940,151
Additions	-	33,904	120,269	299,582	1,011,404	1,465,159
Write-offs	-	(167,842)	(8,522)	(6,171)	-	(182,535)
Depreciation	(5,328)	(241,935)	(53,459)	(99,790)	(12,385)	(412,897)
Exchange differences	(1,204)	(195,986)	(22,559)	(5,710)	509	(224,950)
Balance at 30 June 2026	**10,218**	**1,937,532**	**331,204**	**306,446**	**999,528**	**3,584,928**

Movements in carrying amounts

2025	Software $	Plant and Equipment $	Motor Vehicles $	Fixtures and Fittings $	Total $
Opening net book value	24,635	2,758,434	353,871	175,438	3,312,378
Additions	-	-	-	-	-
Write-offs	-	(4,497)	-	(30,197)	(34,694)
Depreciation	(8,288)	(296,172)	(64,756)	(29,281)	(398,497)
Exchange differences	403	51,626	6,360	2,575	60,964
Balance at 30 June 2025	**16,750**	**2,509,391**	**295,475**	**118,535**	**2,940,151**

3.1 PROPERTY PLANT AND EQUIPMENT (CONT.)

Key estimates and judgements (PPE)

The estimations of useful lives, residual values and depreciation methods require management judgements and are regularly reviewed. If they need to be modified, the depreciation expense is accounted for prospectively from the date of the assessment until the end of the revised useful life (for both the current and future years).

Where relevant, estimated economically recoverable reserves are used in determining the depreciation and/or amortisation of mine-specific assets. This results in a depreciation/amortisation charge proportional to the depletion of the anticipated remaining life-of-mine production. The life of each item, which is assessed at least annually, has regard to both its physical life limitations and present assessments of economically recoverable reserves of the mine property at which the asset is located. These calculations require the use of estimates and assumptions, including the amount of recoverable reserves and estimates of future capital expenditure.

The calculation of the depreciate rate could be impacted to the extent that actual productions in the future is different from current forecast production based on economically recoverable reserves, or if future capital expenditure estimates change. Changes to economically recoverable reserves could arise due to changes in the factors or assumptions used in estimating reserves, including:

- the effect on economically recoverable reserves of differences between actual commodity prices and commodity price assumptions
- unforeseen operational issues

Changes in estimates are accounted for prospectively, if appropriate.

Accounting Policy

Each class of property, including software, plant and equipment and motor vehicles is carried at cost less, where applicable, any accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

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

Depreciation

Depreciation is provided on a diminishing value basis on all property, plant and equipment. This is done over the useful lives of the asset to the Company commencing from the time the asset is held ready for use.

The depreciation periods used for each class of depreciable assets are:

Class of fixed asset	**Depreciation period**
Software	2-3 years
Plant and equipment	2-10 years
Motor vehicles	3 years
Fixtures and fittings	2-10 years
Buildings	5-10 years

3.1 PROPERTY PLANT AND EQUIPMENT (CONT.)

Impairment of assets
Assets, except for deferred tax assets, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in statement of profit or loss and other comprehensive income when the asset is derecognised.

The asset's residual values, useful lives and methods of depreciation/ amortisation are reviewed at each reporting period and adjusted prospectively, if appropriate.

3.2. RIGHT OF USE ASSETS

Accounting Policy
AASB 16 eliminates the distinction between operating and finance leases and brings all leases (other than short term and low value leases) on to the balance sheet. As a lessee, the Group recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

An assessment is made at inception to determine whether the contract is a lease. A contract is a lease if it conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

The Group recognises a right of use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less). For these leases, the Group recognises the leases payments as an operating expense on a straight-line basis over the shorter of the term of the lease and the estimated useful lives of the assets, as follows:

Right of use asset	Depreciation period
Land and buildings	3-10 years

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Right of use assets are measured at cost, less any accumulated depreciation, and adjusted for any remeasurement of lease liabilities. The cost of right of use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

3.2 RIGHT OF USE ASSETS (CONT.)

Movements in carrying amounts	Land and buildings	Total
2026	**$**	**$**
Opening net book value	42,180	42,180
Additions	87,518	87,518
Depreciation expense	(83,209)	(83,209)
Exchange differences	(7,055)	(7,055)
Balance at 30 June 2026	**39,434**	**39,434**
2025		
Opening net book value	225,001	225,001
Additions	62,282	62,282
Depreciation expense	(248,546)	(248,546)
Exchange differences	3,443	3,443
Balance at 30 June 2025	**42,180**	**42,180**

Amounts recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income

	2026	2025
	$	**$**
Depreciation charge		
Land and buildings – right of use assets	83,209	248,546
Property, plant and equipment	412,897	398,497
Total depreciation	**496,106**	**647,043**

Interest expense (included in finance expenses) in relation to leased assets for the year ended 30 June 2026 was $5,564 (2025: $9,769)

3.3. EXPLORATION AND EVALUATION EXPENDITURE

	2026	2025
	$	**$**
Costs carried forward in respect of areas of interest in the exploration and evaluation phases:		
Opening net book amount	23,848,784	21,963,673
Exploration expenditure	5,201,454	2,075,593
Exploration expenditure – written off (Wigu Hill)	-	(646,506)
Exchange differences	(2,126,657)	456,024
Closing net book amount	26,923,581	23,848,784
The closing balances relate to the following areas of interest:		
Nechalacho Project, Canada	26,923,581	23,848,784
	26,923,581	23,848,784

At each reporting date the Group undertakes an assessment of the carrying amount of its exploration and evaluation assets. As a result of this review, no amounts have been written off in respect of the Nechalacho Project.

3.3 EXPLORATION AND EVALUATION EXPENDITURE (CONT.)

Exploration expenditure of $Nil (2025: $646,506) on the Wigu Hill Project relating to previously capitalised amounts were written off and recognised in the Statement of Profit or Loss.

Accounting Policy

The recoverability of the carrying amount of the exploration and evaluation assets is dependent on the successful development and commercial exploitation, or alternatively, sale of the respective area of interest.

The Group reviews the carrying value of exploration and evaluation expenditure on a regular basis to determine whether economic quantities of reserves have been found or whether further exploration and evaluation work is underway or planned to support continued carry forward of capitalised costs. This assessment requires judgement as to the status of the individual projects and their estimated recoverable amount.

Exploration and evaluation costs related to areas of interest are carried forward to the extent that:

- The rights to tenure of the areas of interest are current and the Group controls the area of interest in which the expenditure has been incurred, and
- Such costs are expected to be recouped through successful development and exploitation of the area of interest, or alternatively by its sale, or
- Exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation costs include the acquisition of rights to explore; topographical, geological, geochemical and geophysical studies; exploratory drilling, trenching and sampling; and associated activities relating to the evaluation of the technical feasibility and commercial viability of extracting the mineral resource. General and administrative costs are included in the measurement of exploration and evaluation costs where they are directly related to operational activities in a particular area of interest.

Significant judgements and estimates

The above accounting policy requires certain estimates and assumptions on future events and circumstances, in particular whether an economically viable extraction operation can be established. These estimates and assumptions may change as new information becomes available and could have a material impact on the carrying value of deferred exploration and evaluation costs. Exploration and evaluation assets are assessed and reviewed at each reporting date for impairment, where facts and circumstances suggest that the carrying amount of the assets may exceed its recoverable amount. If the recoverable amount is less than the carrying amount, the asset is written down to its recoverable amount and an impairment loss recognised.

At each reporting date the Group undertakes an assessment of the carrying amount of its exploration and evaluation assets.

3.4. MINE UNDER DEVELOPMENT

Mine under Development	2026 $	2025 $
Balance at the start of the year	31,029,984	30,420,873
Additions	3,712	3,849
Impairment of Mine Under Development asset	(12,731,734)	-
Exchange differences	(2,112,920)	605,262
Balance at the end of the year	**16,189,042**	**31,029,984**

Accounting Policy

Mine under development includes aggregate expenditure in relation to mine construction, mine development, exploration and evaluation expenditure where a development decision has been made and acquired mineral interests.

Expenditure incurred in constructing a mine by, or on behalf of, the Group is accumulated separately for each area of interest in which economically recoverable reserves and resources have been identified. This expenditure includes direct costs of construction, drilling costs and removal of overburden to gain access to the ore, borrowing costs capitalised during construction and an appropriate allocation of attributable overheads.

Mines under development are accumulated separately for each area of interest in which economically recoverable reserves have been identified and a decision to develop has occurred. This expenditure includes all capitalised exploration and evaluation expenditure in respect of the area of interest, direct costs of development, an appropriate allocation of overheads and where applicable borrowing costs capitalised during development. Once mining of the area of interest can commence, the aggregated capitalised costs are classified under non-current assets as mines in production or an appropriate class of property, plant and equipment.

The Group undertakes regular impairment reviews incorporating an assessment of recoverability of cash generating assets. Cash generating assets relate to specific areas of interest in the Group's mine property assets. The recoverable value of specific areas of interest are assessed by value in use calculations determined with reference to the projected net cash flows estimated under the Life of Mine Plan.

Significant judgements and estimates

Production start date

The Group assesses the stage of each mine under development to determine when a mine moves into the production phase, this being when the mine is substantially complete and ready for its intended use. The Group considers various relevant criteria to assess when the production phase is considered to have commenced. At this point, all related amounts are reclassified from 'Mines under development' to 'Mines in production'. Some of the criteria used to identify the production start date include, but are not limited to:

1. Level of capital expenditure incurred compared with the original development cost estimate;
2. Completion of a reasonable period of testing of the mine plant and equipment;
3. Ability to produce metal in saleable form (within specifications);
4. Ability to sustain ongoing production of metal; and
5. Positive cash flow position from operations.

3.4 MINE UNDER DEVELOPMENT (CONT.)

When a mine development project moves into the production phase, the capitalisation of certain mine development costs and pre-production revenues cease and costs are either regarded as forming part of the cost of inventory or expensed, except for costs that qualify for capitalisation relating to mining asset additions or improvements or mineable reserve development. It is also at this point that amortisation commences. At 30 June 2026, the North T Zone is not considered to be at this stage and therefore, remains as a development asset with no amortisation charge.

Recoverability of North T CGU

The Group undertakes an impairment review to determine whether any indicators of impairment are present. Where indicators of impairment exist, an estimate of the recoverable amount of the Cash Generating Unit (CGU) is made. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which they are separately identifiable cash flows. Where an impairment loss subsequently reverses, the carrying amount of the asset, other than goodwill, is increased to the revised estimate of its recoverable amount, but only to the extent the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Impairment assessment of North T cash generating unit
The North T area of interest is determined to be a separate cash generating unit ('CGU') to the Tardiff area of interest within the Nechalacho Project. Given the nature of the Group's activities, information on the fair value of an asset is usually difficult to obtain unless negotiations with potential purchasers or similar transactions are taking place.

As impairment indicators existed at 30 June 2026, including the fact that mining operations had been paused, the value in use for the CGU has been estimated based on discounted future estimated cash flows (expressed in nominal terms) expected to be generated from the continued use of the CGU. Production and cost assumptions were derived from estimated quantities of recoverable minerals, production levels, operating costs and capital requirements. These cashflows were discounted using a nominal pre-tax discount rate that reflects the weighted average cost of capital of the Group. Estimates of quantities of recoverable minerals, production levels, operating costs and capital requirements are generated as part of the Group's planning process.

This assessment is in accordance with the relevant accounting standards, taking into consideration current plans and the current outlook for commodity pricing and other macroeconomic cost assumptions.

Based on this assessment, an impairment of $12,731,734 (2025: $Nil) was recognised in relation to the North T assets.

Key assumptions
The table below summarises the key assumptions used in the 30 June 2026 year end carrying value assessment:

	North T
NdPr price (30% achievement of the NdPr price used)	USD 110,500/t
Foreign exchange rate (AUD:CAD)	0.9918
Foreign exchange rate (AUD:USD)	0.7126
Discount rate- pre tax	10%

3.4 MINE UNDER DEVELOPMENT (CONT.)

NdPr
NdPr price assumption is determined based on market price comparisons. As noted above, 30% of this price was applied.

Foreign exchange rates
Based on spot prices at the Reporting Date.

Discount rate
In determining the fair value of the CGU, the future real cash flows are discounted using the Group's target nominal pre-tax weighted average cost of capital, with adjustments made to reflect specific risks associated with the CGU. 10% has been used for the North T CGU. This is considered reasonable relative to similar projects where pre-tax discount rates in the range of 8% to 10% are currently being used.

Operating costs
Life of mine operating cost assumption is based on relevant historic data and life of mine plans.

Sensitivity
As disclosed above, the directors have made judgements and estimates in respect of impairment testing of the North T CGU. Should these judgements and estimates not occur, the NPV of the CGU may change. For the 2025 financial year, the commodity price assumption used would need to decrease by 24% in order for there to be an impairment recognised in the North T CGU.

For the 2026 financial year, the table below sets out the sensitivity analysis of variations in the key assumptions:

	2026
NdPr Price	**$**
+10% (2025 -10%) Increase	4,712,650
- 10% (2025 -10%) decrease	(4,712,650)
Exchange Rates	
+10% (2025 -10%) Increase	(1,676,401)
- 10% (2025 -10%) decrease	2,048,935
Discount Rates	
+10% (2025 -10%) Increase	(468,309)
- 10% (2025 -10%) decrease	486,156

3.5. INVENTORIES

	2026	2025
Non-current	**$**	**$**
Ore - at cost	1,253,757	1,370,206
Consumables	120,689	120,689
Impairment	(1,257,997)	(1,521,899)
Exchange differences	(116,449)	31,004
Balance at the end of the year	-	-

Accounting Policy

Ore stockpiles are valued at the lower of cost and net realisable value. Regular reviews are undertaken to establish whether any items are obsolete or damaged, and if so, their carrying value is written down to net realisable value.

Inventory is recognised when it is probable that the future economic benefits will flow to the entity and the asset has a cost or value that can be measured reliably. Ore is recognised as inventory as soon as it is extracted and an assessment of mineral content is possible.

Consumables are valued at the lower of cost or net realisable value. Any provision for obsolescence is determined by reference to specific items of stock. A regular and ongoing review is undertaken to determine the extent of any provision for obsolescence.

In 2022, the Group engaged a mining contractor that has resulted in extraction of ore and improvement of access to the ore body for future periods. On the basis of mining costs incurred, the relevant portion of costs has been allocated to inventory, with the remainder capitalised as Mine under Development costs, representing the removal of overburden material. Net realisable value is the estimated selling price in the ordinary course of business less processing cost and the estimated selling cost.

As part of the mining operations, some ore was processed and bagged and this was sold during the 2025 calendar year. Ore that was not processed is held in stockpiles at the Nechalacho project site.

If the ore stockpile is not expected to be processed in 12 months after reporting date, it is included in Non-Current Assets and the net realisable value is calculated on a discounted cash flow basis. The non-current ore stockpiles represent the stockpiles held at the Group's project site that are not expected to be processed in the next 12 months. The determination of the current and non-current portion of ore stockpiles includes the use of estimates and judgements about when ore stockpile drawdowns for processing will occur. These estimates and judgements are based on current forecasts and ramp-up schedules. The Group retain ownership of the inventory as it is held by Nechalacho Resources Corporation.

The Company has fully provided for the value of the ore stock pile and other inventory as at balance date, however the Company does expect to recover value in due course as mining and processing activities are undertaken in the future.

Significant judgements and estimates

Inventories require certain estimates and assumptions most notably in regard to grades, volumes and densities. Costs are allocated based on the cost of the mining campaign and the total of ore produced over the amount of tonnes mined.

Stockpiles are measured by estimating number of tonnes added and removed from the stockpile, with surveys performed to track volumetric data.

3.6. GOVERNMENT LOANS

At the end of the report period, the Group had a $1,345,644 (C$1,261,579) (2025: $1,410,059 (C$1,261,579) Government unsecured loan with Canadian Northern Economic Development Agency (CanNor) fully drawn down, with terms as follows:

- Maturity date: 1 January 2033
- Interest on loan: 0%
- Repayment terms: agreed repayment schedule, over 10 years, commencing 1 April 2023. As at balance date $470,983 (C$441,560) in repayments had been made.

AASB 9 requires non-current loans that carry no interest are to be measured at fair value using prevailing interest rates for a similar instrument. The notional interest will be unwound over the loan period.

During the 2025 financial year there was a reassessment of the accounting treatment of the Government Loan and the fair value adjustment initially accounted for as Interest Income at the commencement of the loan has been amended and restated as deferred grant liabilities (refer note 3.7).

Government loans	2026 $	2025 $
Current	35,125	31,247
Non-current	553,964	679,057
	589,089	710,304

3.7. DEFERRED GRANT LIABILITIES

The deferred grant liabilities will be recognised as government incentives over the loan period.

	2026 $	2025 $
Current	52,651	57,541
Non-current	302,741	388,405
	355,392	445,946

3.8. FINANCIAL LIABILITIES

	2026 $	2025 $
Short term loan	-	300,000
Convertible loan	-	720,854
	-	**1,020,854**

In June 2025 the Company received a short term loan of $300,000. The loan was interest free; however, the Lender was granted 880,000 options with an exercise price of $0.05 and an expiry date of 4 January 2027 in lieu of interest payments (refer Note 8.1). This loan was repaid in full in September 2025.

In April 2026, the Company completed the conversion of the $1,000,000 convertible loan and accrued interest into ordinary shares in the Company in accordance with the terms of the convertible loan agreement. The convertible loan was therefore fully repaid during the financial year (refer Note 8.1).

Accounting Policy
All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Where borrowings contain a conversion option and the number of shares to be issued is fixed the amount of borrowing is initially recognised at fair value of a similar liability that does not have an equity conversion option. The equity conversion feature is the residual. Subsequently the borrowing is measured at amortised cost using the effective interest method and the equity portion is not remeasured.

3.9. LEASE LIABILITIES

	2026 $	2025 $
Current	45,316	48,151
Non-current	-	-
	45,316	48,151

Leases of property where the Group, as lessee, has substantially all the risks and rewards of ownership are classified as financial liabilities. Property leases are recognised at inception at the fair value of the leased property, or if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in financial liabilities.

The corresponding right of use asset is described in Note 3.2.

4. CAPITAL STRUCTURE AND FINANCING ACTIVITIES

4.1. CONTRIBUTED EQUITY

	2026 $	2025 $
(a) Issued and paid-up capital		
Fully paid ordinary shares	168,207,173	154,661,305

(b) Movements in shares on issue	2026 Number of shares	2025 Number of shares	2026 $	2025 $
Beginning of the year[(1)]	117,899,268	117,899,268	154,661,305	154,661,305
Issued during the year:				
Placement – September 2025[(2)]	28,594,816	-	3,002,456	-
Placement – December 2025[(3)]	90,185,565	-	9,469,484	-
Conversion of Convertible Loan[(4)]	11,200,000	-	1,120,000	-
	129,980,381	117,899,268	13,591,940	154,661,305
Transaction costs on capital raisings	-	-	(46,072)	-
End of the year	247,879,649	117,899,268	168,207,173	154,661,305

Notes:

1. The number of shares on issue at the beginning of the year (and for the comparative purposes) reflects shares on a post-consolidation basis. A share consolidation on the basis of 1 share for every 50 shares held was approved by shareholders on 22 June 2025 and was completed on 9 July 2025.
2. Placement of 28,594,816 shares at an issue price of $0.105 per share
3. Placement of 90,185,565 shares at an issue price of $0.105 per share
4. Conversion of convertible loan and accrued interest into 11,200,000 at an issue price of $0.10 per share (See Note 3.8)

4.1 CONTRIBUTED EQUITY (CONT.)

(c) Movements in options/ performance rights on issue	Number of options/ performance rights 2026	2025
Beginning of the financial year	11,600,000	15,910,000
Issued during the year:		
– Options exercisable at 75 cents and expiring 10 December 2027	-	4,000,000
– Options exercisable at 20 cents and expiring 11 October 2026	-	5,600,000
– Options exercisable at 5 cents and expiring 4 January 2027*	-	880,000
– Options exercisable at 22.5 cents and expiring 15 September 2029*	-	1,200,000
– Options exercisable at 21.75 cents and expiring 15 September 2029*	-	1,200,000
– Performance rights expiring 15 September 2027*	-	924,000-
Expired/cancelled during the year:		
– Options expired during the year	-	(12,710,000)
– Options lapsed during the year	-	(1,200,000)
End of the financial year	**15,804,000**	**15,804,000**
Total Exercisable at the end of the Financial Year	14,280,000	11,000,000
Un-exercisable at the end of the Financial Year (subject to vesting or performance conditions)	1,524,000	4,804,000
	15,804,000	15,804,000

Note:
** - During the 2025 financial year, the Company granted these options and performance rights subject to shareholder approval. Following shareholder approval, the options were formally issued during the 2026 financial year. In accordance with AASB 2, the fair value of the options was measured at grant date and recognised over the vesting period commencing from the grant date*

(d) Terms and condition of contributed equity

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote. Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

4.1 CONTRIBUTED EQUITY (CONT.)

(e) Capital risk management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future developments of the business. The Board's focus has been to raise sufficient funds through equity (via placements and convertible loans) to fund exploration and evaluation activities. There were no changes in the Group's approach to capital management during the year. Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

Management also monitor capital through the assessment of adequate working capital. The working capital as at 30 June 2026 is shown below:

	2026 $	2025 $
Current assets	4,013,296	666,479
Current liabilities	(1,348,636)	(1,538,510)
Working capital	2,664,660	(872,031)

Included in current liabilities at 30 June 2026 is $Nil (2025: $720,854) relating to a convertible loan. The convertible loan and accrued interest were converted into ordinary shares in April 2026 and is therefore no longer outstanding at year end.

Accounting Policy

Ordinary shares are classified as equity

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of acquisition as part of the purchase consideration.

If the entity reacquires its own equity instruments, e.g. as the result of a share buyback, those instruments are deducted from equity and the associated shares are cancelled. No gain or loss is recognised in the profit or loss and the consideration paid including any directly attributable incremental costs (net of income taxes) is recognised directly in equity.

4.2. RESERVES

	2026 $	2025 $
Share based payment reserve		
Opening balance	10,231,157	9,829,292
Movement for the year	61,008	401,865
Closing balance	10,292,165	10,231,157
Convertible loan reserve		
Opening balance	305,451	-
Movement for the year	-	305,451
Closing balance	305,451	305,451
Foreign currency translation reserve		
Opening balance	741,332	(432,700)
Movement for the year	(4,325,678)	1,174,032
Closing balance	(3,584,346)	741,332
Total Reserves	**7,013,270**	**11,277,940**

4.2 RESERVES (CONT.)

(i) Share based payment reserve
The share-based payments reserve is used to recognise the fair value of options issued. Refer to Note 8.1 for details.

(ii) Convertible loan reserve
The convertible loan reserve is used to recognise interest on loans that is convertible to a fixed number of shares in the company

(iii) Foreign currency translation reserve
Exchange differences arising on translation of the foreign controlled entities are taken to the foreign currency translation reserve, as described below. The reserve is recognised in profit or loss when the net investment is disposed of.

Accounting Policy
(i) *Transactions and balances*
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities, denominated in foreign currencies, are recognised in profit or loss.
(ii) Foreign operations
The assets and liabilities of foreign operations are translated to the functional currency as exchange rates at the reporting date. The income and expenses of foreign operations are translated to Australian dollars at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and presented in the foreign currency translation reserve in equity.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities are recognised in other comprehensive income. When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income and are presented in the translation reserve in equity. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

4.3. DIVIDENDS

No dividends were paid during the financial year. No recommendation for payment of dividends has been made.

5. RISK

5.1. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

Risk management is carried out by the full Board of Directors as the Group believes that it is crucial for all board members to be involved in this process. The Managing Director, with the assistance of senior management as required, has responsibility for identifying, assessing, treating and monitoring risks and reporting to the board on risk management.

(a) Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Financial instruments other than receivables that potentially subject the Group to concentrations of credit risk consist principally of cash deposits. The Group places its cash deposits with high credit quality financial institutions, being in Australia one of the major Australian (big four) banks. Cash holdings in other countries are also held with major banks . The Group's cash deposits are all on call or in term deposits and attract a rate of interest at normal short-term money market rates.

The Group's exposure to credit risk is low and limited to cash and cash equivalents and other receivables. All cash and cash equivalents total $3,755,807 (2025: $328,691) and other receivables total $826,273 (2025: $876,409) are held with financial institutions that have a AAA credit rating (Standard & Poor's).

The maximum exposures to credit risk are the amounts as shown in the Statement of Financial Position.

The group applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. These provisions are considered representative across all customers of the Group based on recent sales experience, historical collection rates and forward-looking information that is available.

(b) Cash flow interest rate risk

The Group's exposure to the risks of changes in market interest rates, foreign exchange rates, and equity prices will affect the Consolidated Entity's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Group is exposed to fluctuations in foreign exchange rates of the Canadian Dollar in respect of its operations in Canada. The group maintains required working capital in Canada and transfers additional cash funds as required, as such the Consolidated Statement of Financial Position exposure at any point in time is not significant. Foreign exchange risk will also arise from commercial transactions and recognised assets and liabilities denominated in a currency that is not the entity's functional currency and net investments in foreign operations.

5.1 FINANCIAL RISK MANAGEMENT (CONT.)

The Group is also exposed to fluctuations in interest rates in relation to its cash deposits and commodity prices in relation to the carrying value of its exploration and evaluation assets. The Group monitors all of the above-mentioned risks and takes action as required.

The Group's exposure to interest rate risk, and the effective weighted average interest rate for each class of financial asset and financial liability is set out below:

2026	Weighted Average Effective Interest Rate 2026	Variable Interest Rate 2026	Fixed Interest Rate Maturing: Within 1 Year 2026	Fixed Interest Rate Maturing: 1-5 Years 2026	Non-Interest Bearing 2026	Total 2026
		$	$	$	$	$
Financial assets:						
Cash at bank	2.0%	3,755,807	-	-	-	3,755,807
Trade and other receivables	1.25%	-	826,273	-	257,489	1,083,762
Total financial assets		**3,755,807**	**826,273**	**-**	**257,489**	**4,839,569**
Financial liabilities:						
Trade and other payables	-	-	-	-	1,147,111	1,147,111
Government loans	-	-	-	-	589,089	589,089
Total financial liabilities		**-**	**-**	**-**	**1,736,200**	**1,736,200**

2025	Weighted Average Effective Interest Rate 2025	Variable Interest Rate 2025	Fixed Interest Rate Maturing: Within 1 Year 2025	Fixed Interest Rate Maturing: 1-5 Years 2025	Non-Interest Bearing 2025	Total 2025
		$	$	$	$	$
Financial assets:						
Cash at bank	0.7%	328,691	-	-	-	328,691
Trade and other receivables	3.0%	-	876,409	-	337,788	1,214,197
Total financial assets		**328,691**	**876,409**	**-**	**337,788**	**1,542,888**
Financial liabilities:						
Trade and other payables	-	-	-	-	318,980	318,980
Government loans	-	-	-	-	710,304	710,304
Financial and lease liabilities	12%	-	720,854	-	348,151	1,069,005
Total financial liabilities		**-**	**720,854**	**-**	**1,377,435**	**2,098,289**

5.1 FINANCIAL RISK MANAGEMENT (CONT.)

At 30 June 2026, if interest rates had changed by -/+ 25 basis points from the weighted average rate for the period with all other variables held constant, post-tax loss for the Group would have been $9,390 higher/lower (2025: -/+ 25 basis points, $822 higher/lower) as a result of lower/higher interest income from cash and cash equivalents.

Sensitivity Analysis

At the reporting date, the variable interest profile of the Group's interest-bearing financial instruments were:

	2026 $	2025 $
Financial assets	3,755,807	328,691
0.25% (2025- 0.25%) increase	9,390	822
0.25% (2025- 0.25%) decrease	(9,390)	(822)

(c) Liquidity risk

The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and ensuring sufficient cash is available to meet the current and future commitments of the Group. Due to the nature of the Group's activities, being mineral exploration and development, the Group has limited access to credit facilities, with the primary source of funding being equity raisings. The Board of Directors constantly monitors the state of equity markets in conjunction with the Group's current and future funding requirements, with a view to initiating appropriate capital raisings as required.

The financial liabilities of the Group comprise trade and other payables, government loans and lease liabilities as disclosed in the statement of financial position. All trade and other payables are due within 12 months of the reporting date. Government Loans and finance leases are due and payable over the life of the contracted term.

The following are the contractual maturities of trade and other payables.

Group: at 30 June 2026	Less than 6 months $	6 – 12 months $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Total contractual cash flows $	Carrying amount (assets) /liabilities $
Trade and other payables	1,147,111	-	-	-	-	1,147,111	1,147,111
Government loans	31,540	63,080	126,160	410,020	220,759	851,559	589,089
Financial liabilities	1,178,651	63,080	126,160	410,020	220,759	1,998,670	1,736,200

5.1 FINANCIAL RISK MANAGEMENT (CONT.)

Group: at 30 June 2025	Less than 6 months $	6 – 12 months $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Total contractual cash flows $	Carrying amount (assets) /liabilities $
Trade and other payables	318,980	-	-	-	-	318,980	318,980
Government loans	31,540	63,080	126,160	378,480	346,919	946,179	710,304
Leases liabilities	358,701	1,000,000	-	-	-	1,358,701	1,069,005
Financial liabilities	709,221	1,063,080	126,160	378,480	346,919	2,623,860	2,098,289

(d) Foreign Exchange Risk

A risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency other than the consolidated entity's functional currency.

The Group operates internationally, with its major assets being held in Canada, and is exposed to foreign exchange risk arising from currency exposures to the Canadian Dollar. Historically, given the level of expenditure and available funding, the Group considered its exposure to foreign exchange risk was manageable and hedging policies were not adopted. The Company, through the Managing Director and the Chief Financial Officer regularly monitor movements in the foreign currencies that the Company is exposed to. If appropriate, and from time to time, the Company may enter into forward foreign exchange contract to minimise its exposure to foreign exchange risks. The Company also has foreign currency denominated accounts that are utilised to manage this risk. The Company did not enter into any new forward foreign exchange contracts during the year.

The Board considers policies relating to foreign currency exposure from time to time and, based on available funding, proposed exploration programs and foreign currency exposures, may or may not decide to enter in forward foreign exchange contracts. The Board will continue to review its position in respect of foreign exchange risk management and will adopt suitable policies as required.

The carrying value of foreign currency denominated monetary assets and liabilities as at the reporting date are as follows:

	Assets		Liabilities	
	2026 AUD	2025 AUD	2026 AUD	2025 AUD
CAD	1,379,447	949,641	1,590,345	923,696

5.1 FINANCIAL RISK MANAGEMENT (CONT.)

Foreign Currency Sensitivity Analysis

The Group is mainly exposed to CAD. The following table details the Group's sensitivity to a 10% increase and decrease in the Australian dollar against the relevant foreign currencies. 10% is the sensitivity rate that represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 10% change in foreign currency rates. A positive number below indicates an increase in profit where the Australian dollar strengthens 10% against the relevant currency. For a 10% weakening of the Australian dollar against the relevant currency, there would be a comparable impact on the profit, and the balances below would be negative.

	CAD Dollars	
	2026 AUD	**2025 AUD**
Financial Assets		
+10% Appreciation	127,987	95,470
-10% Depreciation	(157,148)	(119,497)
Financial Liabilities		
+10% Appreciation	(147,555)	(92,862)
-10% Depreciation	181,174	116,232

Forward Foreign Exchange Contracts

As at 30 June 2026 there were no outstanding forward foreign exchange contracts (2025: Nil).

(e) Fair value of financial instruments

The carrying amounts of all financial assets and liabilities approximate their respective net fair values at reporting date.

Fair value estimation

Fair values have been determined for measurement and/or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Trade and other receivables

Fair value, which is determined for disclosure purposes, is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

Trade and other payables

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

Borrowings

Fair value, which is determined for disclosure purposes, at the time of for establishing the financial liability and based on the present value of the remaining cash flows, discounted at the assessed weighted average cost of capital. Refer to Notes 3.6 and 3.8 for further information.

6. GROUP STRUCTURE

6.1. SUBSIDIARIES

The consolidated financial statements include the financial statements of the ultimate parent entity Vital Metals Limited and the subsidiaries listed in the following table:

Name of Entity	Country of Incorporation	Equity Interest	
		2026	**2025**
Cheetah Resources Pty Ltd	Australia	100%	100%
NWT Rare Earths Ltd	Canada	50%	50%
Nechalacho Resources Corp. (formerly Cheetah Resources Corp.)	Canada	100%	100%
Kisaki Mining Company Limited*	United Republic of Tanzania	90%	90%

Notes:
* - This subsidiary has no assets and is dormant.

7. UNRECOGNISED ITEMS

7.1. COMMITMENTS

	2026 $	2025 $
EXPENDITURE COMMITMENTS		
(b) Mineral tenement commitments		
- Within one year	25,629	-
- Later than one year but not later than five years	12,814	42,716
	38,443	42,716

7.2. CONTINGENCIES

There are two royalties in place relating to the Nechalacho Project:

1. A 3% net smelter return royalty.
    a) the royalty holder has agreed to waive their right to the royalty for the first five (5) years following commencement of commercial production at the Nechalacho Project; and
    b) the royalty holder has also agreed to grant an option to pay C$2,000,000 at any time during the eight (8) year period following the acquisition of the Nechalacho Project to cancel the royalty.
2. The Murphy Royalty which is a 2.5% net smelter return royalty held by a third party. Vital holds an option to purchase the royalty for an inflation-adjusted fixed amount estimated to currently be C$1,500,000.

The NWT Mining Regulation require that a sliding scale net profit royalty (ranging between 0% - 14%, based on mine profitability) is payable once the project is in profit and the pre-development costs are recouped.

The Group has obtained several licence permits in Canada on the commencement of operations at Nechalacho. In accordance with these permits, the Group must meet all requirements for waste management, spillage contingency, water management etc., with reclamation costs estimated at $755,673 (C$738,898). The Group holds $826,273 (C$807,930) as a deposit in favour of the Canadian Department of Lands as a reclamation security in respect of the permits held. Should the Group not meet all permit requirements in relation to rehabilitation, these funds will be accessed directly by the Canadian Department of Lands to meet the Group’s obligations.

As part of an Investor Rights Agreement entered into in October 2023 with Shenghe Resources Holding Co Ltd (Shenghe) has the right to nominate one person as a non-executive director to the Board and as at the date of this report had not exercised that right.

During the year, Avalon Advanced Materials Inc. ("Avalon") commenced an arbitration against two subsidiaries of Vital Metals Limited ("the Company"), Cheetah Resources Pty Ltd and Nechalacho Resources Corp. (together, "Cheetah") in connection with the allegation that core samples were rendered unusable as a result of a wildfire that affected the site of the Nechalacho Rare Earths Project in the Northwest Territories, Canada in August 2025. Avalon alleges that Cheetah breached certain obligations under the Co-Ownership Agreement between Avalon and Cheetah, which purportedly rendered the core samples unusable. Avalon is seeking damages in the amount of at least $17.2 million (CAD$16.8 million). Cheetah has now delivered its responding evidence in the arbitration, and the matter is on track to be arbitrated in November 2026. Cheetah considers the claim to be without merit and intends to vigorously defend itself.

7.3. EVENTS OCCURRING AFTER THE REPORTING PERIOD

In July 2026, the Company announced results from its 2026 diamond drilling program at the Tardiff deposit. The results confirmed and extended rare earth element and niobium mineralisation beyond the existing Mineral Resource envelope and are being incorporated into an updated Mineral Resource Estimate and the Tardiff Pre-Feasibility Study (PFS).

On 17 July 2026, David Herlihy was appointed a Non-Executive Director.

On 20 August 2026, Lisa Riley ceased her roles as Managing Director and Chief Executive Officer and Alexius Chan was appointed Interim Chief Executive Officer. As a result, 924,000 performance rights lapsed on this date.

On 18 September 2026, Andrew Nesbitt resigned from the Board.

Other than the above, there has not been any matter or circumstance that has arisen since the end of the financial year, that has significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

8. OTHER INFORMATION

8.1. SHARE-BASED PAYMENTS

(a) Amounts arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised in the profit and loss during the financial year were as follows:

	2026 $	2025 $
Included in share-based payments expense		
Options granted to a director (unvested)	25,377	38,947
Options granted to a director (vested)	-	65,100
Performance rights granted to a director (unvested)	32,808	19,864
Options granted to employees/consultant (vesting)	2,823	126,222
	61,008	**250,133**
Included in finance expenses		
Options granted to lenders (vested)	-	178,038
	-	178,038
Total share-based payments and option expense recognised in the profit and loss	**61,008**	**428,171**

All options and performance rights were granted in the previous financial years and full details are included in the 2025 Annual Report. The amount recorded in the current financial year relates to the vesting of options or performance rights over the period

(b) Options

Set out below are summaries of the options issued:

	Consolidated			
	2026		2025	
	Number of options	**Weighted average exercise price cents**	**Number of options**	**Weighted average exercise price cents**
Outstanding at the beginning of the year	11,600,000	0.451	15,910,000	1.031
Issued	3,280,000	0.175	9,600,000	0.429
Expired / lapsed	-	-	(13,910,000)	(1.100)
Outstanding at year-end	14,880,000	0.390	11,600,000	0.451
Exercisable at year-end	14,280,000	0.389	11,000,000	0.452
Un-exercisable at year-end	600,000	0.425	600,000	0.425

8.1 SHARE-BASED PAYMENTS (CONT.)

The weighted average remaining contractual life of share options outstanding at the end of the financial year was 1.66 years (2025: 2.27 years), and the exercise price ranges from 0.05 to 0.75 cents (2025: 0.20 cents to 0.75 cents).

Options exercised during the year resulted in Nil shares (2025: Nil shares) being issued at an average price of $Nil (2025: $Nil) each.

(c) Performance Rights

At 30 June 2026, 924,000 Performance Rights were on issue (2025: 924,000 Performance Rights granted).

Accounting Policy

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The costs of equity-settled transactions are 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 for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The costs of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, 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 do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

Significant judgements and estimates

The Group has an Incentive Option Scheme (“Scheme”) for executives and employees of the Group. In accordance with the provisions of the Scheme, as approved by the shareholders at the November 2020 annual general meeting, executives and employees may be granted options at the discretion of the directors.

Each share option converts into one ordinary share of Vital Metals Limited on exercise. No amounts are paid or are payable by the recipient on receipt of the option. The options carry neither rights of dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

Options issued to directors are not issued under the Scheme but are subject to approval by shareholders.

8.2. RELATED PARTY TRANSACTIONS

(a) Parent entity

The ultimate parent entity within the Group is Vital Metals Limited.

(b) Subsidiaries

Interests in subsidiaries are set out in note 6.1.

(c) Key Management Personnel disclosures

Directors and other Key Management Personnel

The directors of Vital Metals Limited during the financial year were:

- Alexius Chan
- Lisa Riley
- Richard Crookes
- David Dikken
- Andrew Nesbitt
- Michael Brook
- Zane Lewis

There were no other Key Management Personnel.

Compensation of Directors and Key Management Personnel

	2026 $	2025 $
Short-term employee salaries and fees	729,469	692,826
Short-term employee incentives	42,667	-
Post-employment benefits	19,128	19,125
Termination payments	-	259,602
Share-based payments	58,184	123,911
	849,448	1,095,464

Other disclosures regarding Key Management Personnel are made in the remuneration report on pages 23 to 29.

Other Transactions with Related Parties

There were no other transactions with Key Management Personnel during the year other than salaries and wages, as disclosed in the remuneration report.

8.3. PARENT ENTITY FINANCIAL INFORMATION

The following information relates to the parent entity, Vital Metals Limited, as at 30 June 2026. The information presented here has been prepared using accounting policies consistent with those presented in this report.

	2026 $	2025 $
Assets		
Current assets	3,457,690	456,917
Non-current assets	4,804,132	4,801,508
Inter-company loan	107,846,452	100,245,881
Total assets	116,108,274	105,504,306
Liabilities		
Current liabilities	184,925	1,512,215
Non-current liabilities	-	-
Total liabilities	184,925	1,512,215
Net Assets	115,923,349	103,992,091
Equity		
Issued capital	168,207,173	154,661,305
Reserves	10,597,619	10,225,515
Accumulated losses	(62,881,443)	(60,894,729)
Total equity	115,923,349	103,992,091
Financial performance		
Loss for the year	(1,986,714)	(2,036,916)
Impairment of intercompany loan	-	-
Other comprehensive income	-	-
Total comprehensive income	(1,986,714)	(2,036,916)
Contingent liabilities and commitments	-	-

There are no parent company guarantees in place at the reporting date.

8.4. REMUNERATION OF AUDITORS

	2026 $	2025 $
Amounts received or due and receivable by Auditors of the Company		
- Audit and review of financial statements by BDO Audit Pty Ltd[1]	-	64,040
- Audit and review of financial statements by Hall Chadwick (NSW)[2]	117,166	70,000
Total remuneration	117,166	134,040

1. The BDO entity performing the audit of the group transitioned from BDO Audit (WA) to BDO Audit Pty Ltd on 17 May 2025. The disclosures include amounts received or due and receivable by BDO Audit (WA) Pty Ltd, BDO Audit Pty Ltd and their respective related entities.
2. Hall Chadwick (NSW) was appointed auditor during the 2025 financial year.

8.5. OTHER ACCOUNTING POLICIES

Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

BASIS OF PREPARATION

This Consolidated Entity Disclosure Statement (CEDS) has been prepared in accordance with 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.

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

Australian tax residency
The consolidated entity has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5.

Foreign tax residency Where necessary, the consolidated entity has used independent tax advisers in foreign jurisdictions to assist in determining tax residency and ensure compliance with applicable foreign tax legislation.

Determination of Tax Residency
Section 295 (3A) of the Corporations Act 2001 defines tax residency as having the meaning in the Income Tax Assessment Act 1997. The determination of tax residency involves judgement as there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency. It should be noted that the definitions of 'Australian resident' and 'foreign resident' in the Income Tax Assessment Act 1997 are mutually exclusive. This means that if an entity is an 'Australian resident' it cannot be a 'foreign resident' for the purposes of disclosure in the CEDS.

Name of Entity	Type of Entity	% Share of capital held	Country of Incorporation	Australian resident or Foreign resident (for Taxation purposes)	Foreign tax jurisdiction of foreign residents
Vital Metals Limited	Body Corporate	100%	Australia	Australian	N/A
Cheetah Resources Pty Ltd	Body Corporate	100%	Australia	Australian	N/A
NWT Rare Earths Ltd	Body Corporate	50%	Canada	Foreign	Canada
Nechalacho Resources Corp.	Body Corporate	100%	Canada	Foreign	Canada
Kisaki Mining Company Limited	Body Corporate	90%	United Republic of Tanzania	Foreign	United Republic of Tanzania

Notes:
None of the entities are participants in a joint venture or partnership

VITAL METALS LIMITED AND ITS CONTROLLED ENTITIES
ABN 32 112 032 596

DIRECTORS' DECLARATION

In the directors' opinion:

1. the consolidated financial statements comprising the statement of profit or loss and other comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and accompanying notes set out on pages 31 to 75 are in accordance with the Corporations Act 2001, including

    (a) complying with Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and,

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

2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

3. the remuneration disclosures included in the Directors' Report (as part of the audited Remuneration Report), for the year ended 30 June 2026, comply with Section 300A of the Corporations Act 2001; and contingencies.

4. The consolidated entity disclosure statement set out on page 76 is true and correct.

The Notes to the Consolidated Financial Statements confirm 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.

Alexius Chan
Chairman and Interim Chief Executive Officer
Sydney: 25 September 2026

VITAL METALS LIMITED
ABN 32 112 032 596
AND ITS CONTROLLED ENTITIES

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF VITAL METALS LIMITED

Opinion

We have audited the financial report of Vital Metals Limited (the company) and its controlled entities (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 statements, including a summary of 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:

(a) 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 then ended; and
(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis of 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* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

Material Uncertainty Related to Going Concern

We draw attention to page 40 in the financial report, which indicates that the group incurred a net loss from continuing operations of $16,633,684, and had net cash outflows from operating activities of $2,815,865 for year ended 30 June 2026. As stated in page 37, these events or conditions, along with other matters as set forth in page 37, indicate that a material uncertainty exists that may cast significant doubt on the group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

VITAL METALS LIMITED
ABN 32 112 032 596
AND ITS CONTROLLED ENTITIES

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF VITAL METALS LIMITED

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 for the year ended 30 June 2026. 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.

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSSED THE KEY AUDIT MATTER
Exploration and evaluation assets *Refer to Note 3.3 "Exploration and evaluation expenditure"*	
As at 30 June 2026, the carrying value of the exploration and evaluation assets amounted to $26,923,581. In accordance with AASB 6: Exploration for and Evaluation of Mineral Resources, the group is required to assess at each reporting date if there are any triggers for impairment which may suggest the carrying value is in excess of the recoverable value. The process undertaken by management to assess whether there are any impairment triggers in each area of interest involves an element of judgement. This area is considered as a key audit matter due to the significant judgement involved in determining the existence of impairment triggers.	Our procedures included, amongst others: • obtaining management's reconciliation of capitalised exploration and evaluation expenditure and agreeing to the general ledger. • reviewing management's area of interest considerations and capitalized expenditure in accordance with AASB 6. • conducting a detailed review of management's assessment of trigger events prepared in accordance with AASB 6 including: - tracing projects to statutory registers and exploration licenses to determine whether a right of tenure existed. - enquiry of management regarding their intentions to carry out exploration and evaluation activity in the relevant exploration area. - understanding whether any data exists to suggest that the carrying value of these exploration and evaluation assets are unlikely to be recovered through development or sale. • assessing the accuracy of impairment recorded for the year as it related to exploration and evaluation interests. • assessing the appropriateness of the related financial statement disclosures.

VITAL METALS LIMITED
ABN 32 112 032 596
AND ITS CONTROLLED ENTITIES

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF VITAL METALS LIMITED

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSSED THE KEY AUDIT MATTER
Mine under Development *Refer to Note 3.4 "Mine under development"*	
As at 30 June 2026, the carrying value of the mine under development amounted to $16,189,042. In accordance with AASB 136: Impairment of Assets, the group is required to assess at each reporting date whether there are any indicators of impairment that may suggest the carrying amount of cash generating unit (CGU) exceeds its recoverable amount. As the CGU contains significant assets of the group, we considered it necessary to assess whether any facts or circumstances exist to suggest that the carrying amount of this CGU may exceed its recoverable amount. The recoverable value of the CGU is impacted by various key estimates and judgements in particular: • Ore Reserves and estimates • Discount rate • Assumed commodity prices • Capitalisation of mine development costs. The determination of the recoverable value of the CGU requires management to make significant accounting judgements and estimates which includes the items above. This was determined to be a key audit matter due to the significant judgement applied in determining the recoverable value of the CGU in accordance with the standards.	Our procedures included, amongst others: • assessing the appropriateness of the CGU identification and the allocation of assets and liabilities to the carrying value of the CGU. • assessing the arithmetic accuracy and integrity of management's value in use model. • analysing management's commodity price assumptions against external market information. • challenging the appropriateness of management's discount rate used in the value in use financial model in conjunction with our internal valuation experts. • challenging management's sensitivity assessment by performing analysis in respect of the key assumptions within the value in use model and assessing for resultant significant changes in the CGU value. • assessing the appropriateness of the related financial statement disclosures.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the group's annual report for the year ended 30 June 2026, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

VITAL METALS LIMITED
ABN 32 112 032 596
AND ITS CONTROLLED ENTITIES

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF VITAL METALS LIMITED

Responsibilities of the Directors for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*, and 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 the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and the consolidated entity disclosure statement that is true and correct and 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 have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located on the Auditing and Assurance Standards Board website at https://auasb.gov.au/media/bwvjcgre/ar1_2025.pdf. This description forms part of our auditor's report.

Report 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 Vital Metals Limited, for the year ended 30 June 2026, complies with s300A of the Corporations Act 2001.

VITAL METALS LIMITED
ABN 32 112 032 596
AND ITS CONTROLLED ENTITIES

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF VITAL METALS LIMITED

Responsibilities

The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with s300A 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.

Hall Chadwick

HALL CHADWICK (NSW)
Level 40, 2 Park Street
Sydney NSW 2000

DREW TOWNSEND
Partner
Dated: 25 September 2026

The Australian Securities Exchange Limited, in respect of listed public companies, requires the following information:

1. Shareholding

(a) Distribution of shareholders as at 4 September 2026 - fully paid ordinary shares

Size of Holding	Number of Shareholders	Percentage of Holders	Number of Shares	Percentage of Shares
1 - 1,000 shares	256	7.47%	109,906	0.04%
1,001 - 5,000 shares	1,453	42.39%	4,800,843	1.94%
5,001 – 10,000 shares	716	20.89%	5,333,458	2.15%
10,001 – 100,000 shares	892	26.02%	25,520,216	10.30%
100,001 shares and over	111	3.23%	212,115,226	85.57%
Total	**3,428**	**100.00%**	**247,879,649**	**100.00%**

(b) Marketable Parcels

The number of shareholdings less than a marketable parcel is 1,619 holders with 4,460,749 shares as at 4 September 2026. The required marketable parcel is $500 (5,000 shares).

(c) Substantial Shareholders

As at 4 September 2026, there were four substantial shareholders who had notified the Company in accordance with section 671B of the Corporations Act 2001 as having a substantial interest of 5% or more in the Company's voting securities.

Substantial Shareholder	Number of Securities	Voting Power
Strategic Resources LLC	47,294,816	19.08%
CANY Capital Fund LLC	47,290,000	19.08%
Benedict Chan	27,798,951	11.21%
Shenghe Resources (Singapore) Pte Ltd	23,592,957	9.52%

(d) Voting Rights

All ordinary shares (whether fully paid or not) carry one vote per share without restriction. There are no voting rights attached to any class of options, Performance Rights or Performance Shares on issue.

(e) On-market Buy-Back

Currently there is no on-market buy-back of the Company's securities.

(f) Top Twenty Shareholders of Vital Metals Limited – Ordinary Shares:

	Fully Paid Ordinary Shares	Percentage of Total (%)
Strategic Resources LLC	47,294,816	19.08
CANY Capital Fund LLC	47,290,000	19.08
Shenghe Resources (Singapore) Pte Ltd	23,592,957	9.52
Asia Pacific Communications Limited	11,580,952	4.67
Asia Pacific Holdings Limited	11,200,000	4.52
BNP Paribas Noms Pty Ltd	10,853,801	4.38
Citicorp Nominees Pty Limited	9,869,361	3.98
BNP Paribas Nominees Pty Ltd <Clearstream>	3,926,198	1.58
Vital Metals Limited <Share Sale A/C>	3,813,572	1.54
HSBC Custody Nominees (Australia) Limited	2,989,593	1.21
Mr Alexius Chan & Mrs Turid Bente Chan & Mr Benedict Wai-Nam Chan <Turid Chan SF A/C>	2,660,420	1.07
Kingslane Pty Ltd <Cranston Super Pension A/C>	2,357,400	0.95
Cawarra Factors And Business Services Pty Ltd	2,100,000	0.85
BNP Paribas Nominees Pty Ltd <IB AU Noms Retailclient>	2,015,267	0.81
Tisia Nominees Pty Ltd <Henderson Family A/C>	2,000,009	0.81
Mr Benedict Wai-Nam Chan & Mrs Turid Bente Chan	1,976,000	0.80
BNP Paribas Nominees Pty Ltd <Ib Au Noms Retailclient>	1,955,557	0.79
HSBC Custody Nominees (Australia) Limited	1,888,775	0.76
Atkins Projects And Infrastructure Pty Ltd <G & C Atkins Family A/C>	1,221,990	0.49
HSBC Custody Nominees (Australia) Limited - A/C 2	885,922	0.36
Mr Poh Seng Tan	700,000	0.28
Totals: Top 20 Holders of ORDINARY Shares (TOTAL)	190,217,033	76.74
Total Remaining Holders Balance	57,662,616	23.26
Total All shareholders	**247,879,649**	**100.00**

2. UNQUOTED EQUITY SECURITIES

The unquoted equity securities outstanding are as follows:

Number	Class	Holders with more than 20% interest in that class
800,000	Unlisted options exercisable at 75 cents expiring 11 January 2028	Issued under employee incentive plan
1,200,000	Unlisted options exercisable at 42.5 cents expiring 11 January 2028	Issued under employee incentive plan
4,000,000	Unlisted options exercisable at 75 cents expiring 10 December 2027	Ashanti Capital Pty Ltd
5,600,000	Unlisted options exercisable at 20 cents expiring 11 October 2026	Asia Pacific Holdings Limited
880,000	Unlisted options exercisable at 5 cents expiring 4 January 2027	Asia Pacific Holdings Limited
1,200,000	Unlisted options exercisable at 22.5 cents expiring 15 September 2029	Issued under employee incentive plan
1,200,000	Unlisted options exercisable at 21.75 cents expiring 15 September 2029	Issued under employee incentive plan

Distribution of holders of unquoted equity securities

	Unlisted options ($0.75 @ 11/1/2028)		Unlisted options ($0.425 @ 11/1/2028)		Unlisted options ($0.75 @ 10/12/2027)		Unlisted options ($0.20 @ 11/10/2026)	
	No. of holders	No. of securities	No. of holder	No. of securities	No. of holder	No. of securities	No. of holders	No. of securities
1 – 1,000	-	-	-	-	-	-	-	-
1,001 – 5,000	-	-	-	-	-		-	-
5,001 – 10,000	-	-	-	-	-	-	-	-
10,001 – 100,000	-	-	-	-	-	-	-	-
100,001 and over	1	800,000	1	1,200,000	1	4,000,000	1	5,600,000
Total	1	800,000	1	1,200,000	1	4,000,000	1	5,600,000

	Unlisted options ($0.05 @ 4/01/2027)		Unlisted options ($0.225 @ 15/09/2029)		Unlisted options ($0.2175 @ 15/09/2029)	
	No. of holders	No. of securities	No. of holder	No. of securities	No. of holder	No. of securities
1 – 1,000	-	-	-	-	-	-
1,001 – 5,000	-	-	-	-	-	-
5,001 – 10,000	-	-	-	-	-	-
10,001 – 100,000	-	-	-	-	-	-
100,001 and over	1	880,000	1	1,200,000	1	1,200,000
Total	1	880,000	1	1,200,000	1	1,200,000

3. RESTRICTED SECURITIES:

The Company has the following restricted securities: nil

4. COMPANY SECRETARY

The name of the Company Secretary is Louisa Martino.

5. REGISTERED OFFICE

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS
Level 5, 56 Pitt Street
Sydney, NSW, 2000
Telephone: +61 2 8823 3179
Website: www.vitalmetals.com.au
Email: vital@vitalmetals.com.au

6. REGISTERS OF SECURITIES

XCEND
Level 2, 477 Pitt St
Haymarket NSW 2000
Phone: +61 2 8591 8509
Email: support@xcend.co
Website: www.xcend.co

7. STOCK EXCHANGE LISTING

Australian Securities Exchange Limited
(ASX Code: VML)