



BARKLY
RARE EARTHS

Annual Report

FY2026

ABN 86 641 565 139





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Corporate directory

Directors	Gavin Lockyer - Executive Chair Craig Wright - Managing Director Gavin Beer - Non-executive Director Rene Sterk - Non-executive Director
Company Secretary	Matthew Shackleton
Registered office	13 Rheola Street West Perth WA 6005
Principal place of business	13 Rheola Street West Perth WA 6005
Telephone	+61 8 9386 0855
Email	admin@barklyrareearths.com
Website	www.barklyrareearths.com
Share Registry	Automic Level 5, 126-130 Phillip Street Sydney NSW 2000
Auditors	Elderton Audit Level 28, 140 St Georges Terrace Perth WA 6000
Solicitors	Steinepreis Paganin Level 14, QV1 Building 250 St Georges Terrace Perth WA 6000
Bankers	National Australia Bank
Stock Exchange Listings	Australian Securities Exchange - ASX code BAK



Chairman's letter



Dear Shareholder,

On behalf of the directors of Barkly Rare Earths Limited (Company), it gives me great pleasure to present our first annual report.

The IPO, launched in January 2026, received strong support from the market and was fully underwritten by our brokers, evidence of the confidence in the Company and its projects. We are grateful to all shareholders.

At the time of the IPO, planning was underway to commence our first extensive exploration programme at our flagship Barkly project which was scheduled for late March. Unfortunately, Northern Australia experienced an unusually long wet season including the remnants of Cyclone Mitchell which formed late January 2026 from a tropical low over the NT / western Gulf of Carpentaria causing major flooding in the NT in February. This delayed the programme, which is now well underway.

While frustrating, the Company utilised that time to refine the exploration and drilling techniques appropriate for Barkly and to advance exploration at Buntine which was previously scheduled for end of 2026 as well as furthering critical metallurgical work on previous samples to ensure efficient processing of new material as it becomes available through 2026.

Metallurgical solutions to efficiently extract rare earth elements are the key to unlocking value for shareholders, therefore the Company is running these processes in advance and in parallel with its exploration programme with the vision to develop the Barkly project quicker than most rare earth projects.

Because of this, we expect a solid stream of news flow including an updated Mineral Resource Estimate incorporating the Phase 1 drilling.

Despite our challenges, the global rare earth market remains strong and the need for secure, reliable supply chains in low-risk jurisdictions continues. This has been evidenced in Australia and in our key trading partners through government and OEM support of a number of key global projects via offtake and government financing arrangements. During the year the Company has engaged with both to ensure at the appropriate time Barkly will be front of mind for offtakes and finance.

I look forward to the next 12 months, and to being in a position next year to report our further successes.

Yours sincerely,

Gavin



Gavin Lockyer
Executive Chair

30 September 2026

Review of operations

Corporate overview

Barkly Rare Earths Limited is an Australian mineral exploration company focused on the discovery and development of rare earth minerals in the Barkly Tableland of the Northern Territory. The Company's strategy is to build shareholder value through systematic exploration, disciplined project evaluation and selective corporate transactions.

Project portfolio

Barkly Rare Earths holds 100% of the 16 mineral exploration licences (ELs) comprising its Barkly and Buntine projects. The Barkly tenements were granted on 21 May 2021 for a term of six years and will expire on 20 May 2027. The Buntine tenements were granted on 29 June 2021 and 3 November 2022 and will also expire after six years.

Table 1: Project Portfolio

Project	Commodity	Interest	Stage	2026 Activity
Barkly	Rare earths	100%	Early stage exploration and resource expansion	RC drilling, geological interpretation and metallurgical testwork
Buntine	Base metals	100%	Greenfields exploration	Rock chip sampling and mapping

Barkly Project

Background

The Company's flagship Barkly Project in Australia's Northern Territory is located ~350 km northeast of Tennant Creek and spans 5,030 km². It is held 100% by Barkly Rare Earths. The Company is the first to systematically explore for Rare Earth Elements (REE) on the Barkly Project tenements, following evaluation of previous exploration results by Southern Uranium Limited (2009-2011), which identified highly anomalous vanadium in rock-chip samples with up to 1.26% V₂O₅ (see Previous Disclosure section).

The project overlies the eastern end of the Carpentaria Basin. Previous exploration in the region focused on base metals, gold, uranium, and diamonds, with a particular focus on near-surface uranium in highly weathered laterites. The majority of the Barkly Project is covered by Cenozoic regolith, laterite, and transported material that includes unconsolidated colluvial and aeolian sand, minor silt, and alluvial sediments. The underlying geology is dominated by siltstones and sandstones of the Western Gulf Sub-Basin of the Carpentaria Basin that overlie the McArthur Group and Tawallah Group rocks of the McArthur Basin. These groups are dominated by clayey, micaceous, and ferruginous sandstone, calcareous and sandy siltstone, shale, silty claystone, and claystone.

The Company has disclosed an initial Inferred Mineral Resource Estimate at the Barkly Project, reported in accordance with the JORC Code (2012) of 40 Mt @ 2,100 ppm Total Rare Earth Oxides (TREO) for 82,000 tonnes of contained TREO with a magnet rare earth oxide (MREO)/TREO ratio of 34%, reported above a 430 ppm NdPr cut-off grade (see Previous Disclosure section). The TREO Inferred Mineral Resource is shallow and open in all directions. In part, it is overlaid by a separate vanadium Inferred Mineral Resource of 200 Mt @ 0.12% V₂O₅ for 240,000 tonnes of contained V₂O₅, reported above a 0.10% V₂O₅ cut-off grade and reported in accordance with the JORC Code (2012) (see Previous Disclosure section). The mineral resource estimates (MREs) are contained within EL 32473 and EL 32474.

By comparison to peer regolith-hosted resources, the Barkly Project initial Inferred Mineral Resource has a high MREO/TREO ratio of 34%. Additionally, the Barkly Mineral Resource's MREO grade ranks in the top tier of the regolith-hosted REE mineral resources peer group. The magnet rare earth elements (Nd, Pr, Dy, Tb) are in higher demand than the non-magnet REE, and drive price/margin differentiation across global REE assets.

The Barkly REE resource has very low uranium and thorium concentrations, which is advantageous from a product handling, processing, and environmental perspective, and is a notable strength of the project. The grade of uranium (U) and thorium (Th) is often compounded in the processing of REE ores and can create considerable downstream cost, management, and environmental issues.

REE mineralisation at Barkly is strata-bound within sandstones that fine to the northeast, which are interpreted to have been deposited on the seabed in a marine palaeo-embayment encompassed by the Barkly Project tenements. This depositional setting may support widespread continuity of grade and thickness. The higher-grade REE mineralisation is confined to a continuous 1–2 m thick sedimentary unit with relatively sharp grade contacts above and below.

Exploration Target

An Exploration Target has been prepared to assess the exploration potential of the REE at the Barkly Project. The REE Exploration Target is reported in accordance with the JORC Code (2012) as a range of tonnes and grades in table 2, and its area is illustrated in Figure 2. Exploration Targets are approximations. The potential quantity and grade of the Exploration Target is conceptual in nature. There has been insufficient exploration to estimate a Mineral Resource for the target area and it is uncertain if further exploration will result in the estimation of a Mineral Resource.



Figure 1: Project Location Map

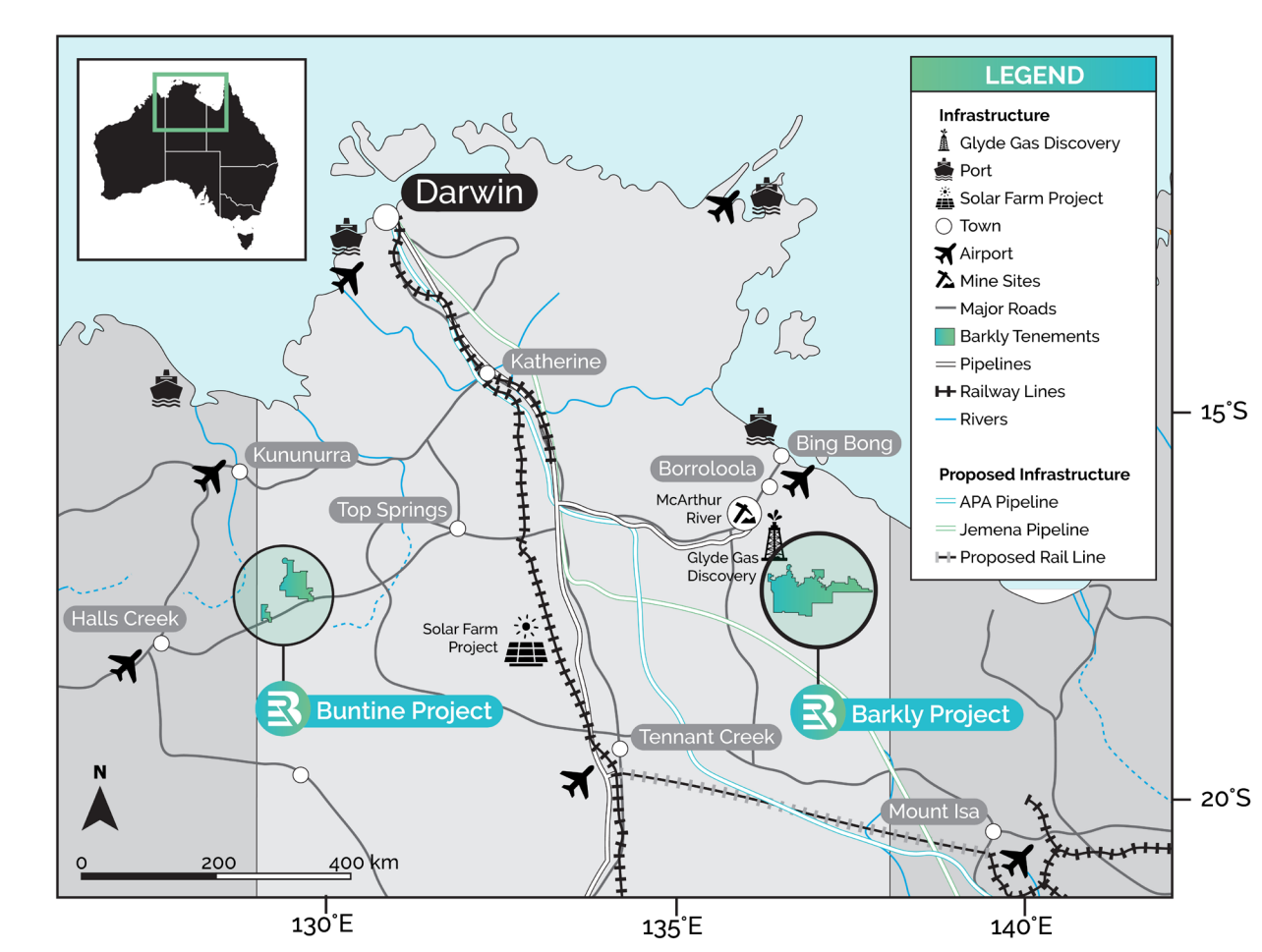


Table 2: Barkly Rare Earth Exploration Target

Category	Tonnage (Mt)	TREO (ppm)	NdPr (ppm)
Exploration Target	200–1,000	1,600–1,900	500–700

The Exploration Target represents potential extensions of mineralisation beyond the current Inferred Mineral Resource. It is interpreted based on possible extensions of mineralisation in mapped, laterally extensive, near-horizontal Cretaceous sandstones, and on laboratory results from previously disclosed samples collected from 755 m of aircore drilling from 46 holes, and on samples reported in the current drilling programme from 28 RC drillholes at the Barkly Project. Drillhole spacing is variable, ranging from 150–300 m to single drill lines with approximately 1,000 m hole spacing (refer to Previous Disclosure section). The Exploration Target relates to an area where the presence of a mineral deposit can be suggested on the basis of interpreted geological continuity, and on the presence of mineralisation in drillholes across the Exploration Target area.

Barkly Rare Earths is currently testing the Exploration Target through its 10,000 m Phase 1 resource drilling programme, due for completion in Q4 CY2026. The majority of the programme's planned ~400 shallow holes are within the Exploration Target area illustrated in Figure 2. Initial laboratory analyses from the drilling have been received and continue to be assessed in context of further laboratory results.

Exploration Drilling

During the period, the Company received two Environmental Mining Licences (EMLs), in addition to one EML grant after the period, providing all approvals required for groundworks for its 2026 drilling programme.

The Company was also successful in its application for up to A\$115,000 in non-dilutive co-funding to support expansion drilling at the Barkly Project, under Round 19 of the Northern Territory Government's Geophysics and Drilling Collaborations Programme. The Geophysics and Drilling Collaborations programme is a competitive grant programme, provided by the NT Government, to co-fund projects that address geoscientific knowledge gaps, advance exploration activity, and support the discovery and development of resources in the Northern Territory. The grants match the Company's commitment to fund the work on a dollar-for-dollar basis.

The Company planned and mobilised for its 10,000 m Phase 1 drilling programme at the Barkly Project during the period, with mobilisation announced on 25 June 2026. The drilling programme targets expansion of the existing 40 Mt Inferred Mineral Resource, which is classified within two optimised pit shells (green ovals in Figure 2), and mineralisation is open laterally in all directions. The Company drilled four holes between the

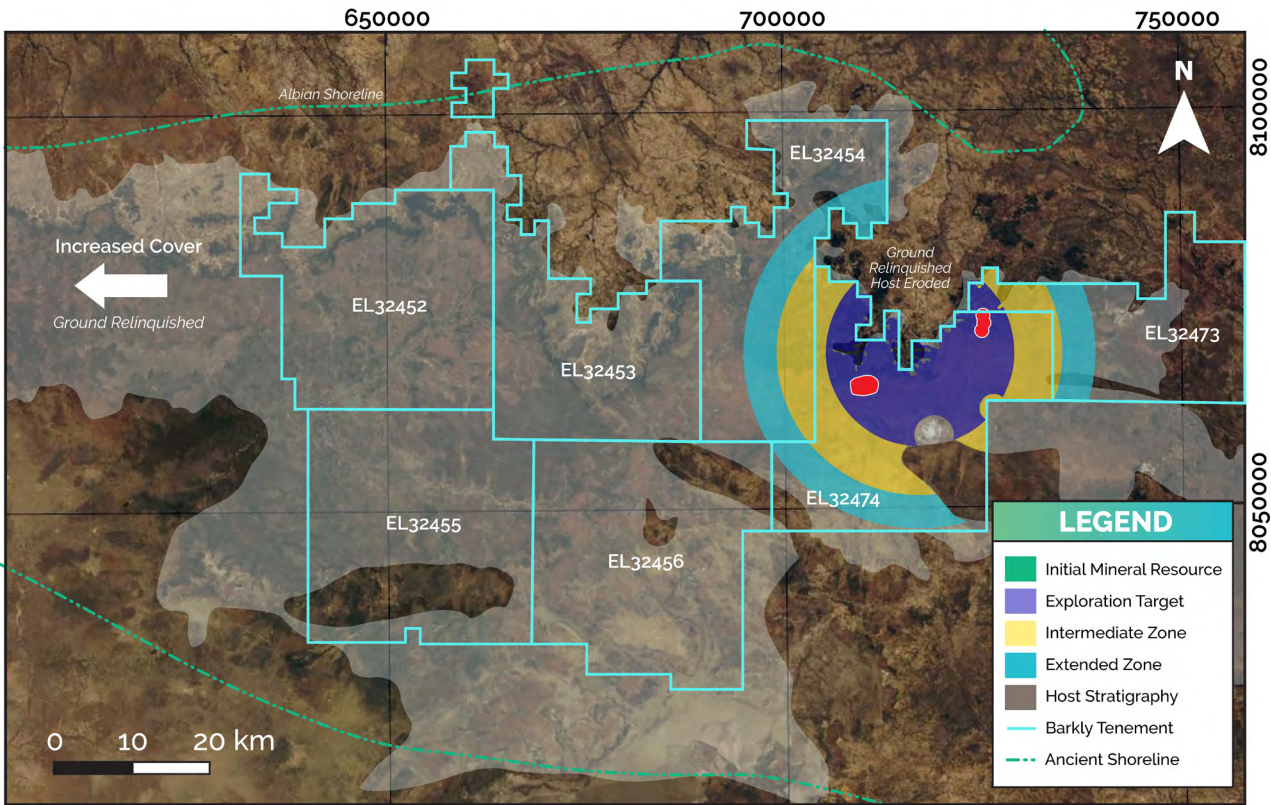
Review of operations



two resource areas that also intersected rare earth mineralisation, suggesting potential for lateral resource expansion across the intervening ~20 km expanse and more broadly across the Exploration Target (purple area in Figure 2), which represents c.6% of the project area. The Company has designed a 10,000 m Phase 1 drilling programme primarily comprising RC drilling to target resource expansion across the Exploration Target area. A majority of the ~400 shallow holes, averaging ~25 m deep, are planned within the Exploration Target area on an ~800 m spacing.

The drilling programme is also designed to test for extensions of rare earth mineralisation across the Intermediate Zone of host stratigraphy (yellow area in Figure 2), which represents another c.6% of the project area, and more widely across the project area. It will also provide bulk density data and sample quality information, which the Company plans to use to support future development of Indicated and Measured Mineral Resources.

Figure 2: Extent of the initial Inferred Mineral Resource and the surrounding Exploration Target, and intermediate and extended zones of host stratigraphy identified by the Company. The potential quantity and grade of the Exploration Target is conceptual in nature, there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.



Following the period, the Company announced intercepts from its initial drilling analytical results for 28 drillholes; every hole returned significant rare earth intercepts in holes up to 23 km apart across the Exploration Target (Figure 3) — consistent with the Company’s interpretation of laterally extensive, shallow mineralisation. Highlighted significant intercepts included (pXRF-screened intervals only; full widths pending further assay):

BAK0133 2,716 ppm TREO (951 ppm MREO): 2 m from 11 m

including 6,064 ppm TREO (2,273 ppm MREO): 0.5 m from 11.5 m

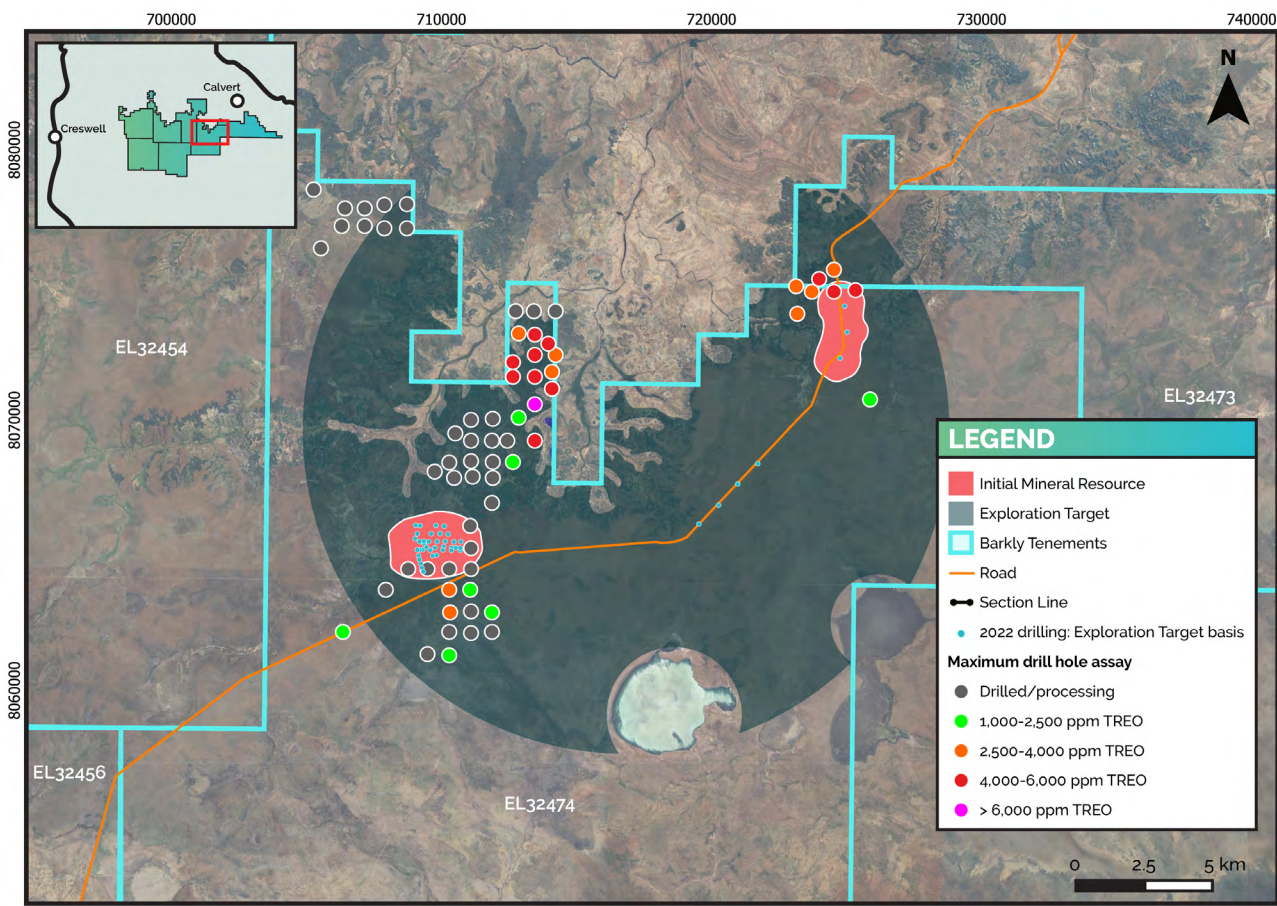
BAK0080 3,228 ppm TREO (1,195 ppm MREO): 1.5 m from 15 m

including 5,170 ppm TREO (2,053 ppm MREO): 0.5 m from 15.5 m

A total of 109 initial samples assayed were pre-selected using pXRF screening, which on average under-reported REE grades, so the intervals reported are screened intervals rather than full hole widths and each reported width may understate the mineralised zone. The 28 intercepts average 1.7 m, compared with the 2.4 m average from earlier drilling that informed the current Inferred Mineral Resource; further assays immediately above and below each intercept are being requested to define the full mineralised horizon. The higher-grade component provides potential flexibility to focus on the most valuable material as further assays define the full width of the mineralised horizon.

Magnet rare earth oxides represent 31–40% of TREO in 27 of 28 intercepts, consistent with the 34% MREO ratio of the existing Inferred Mineral Resource, and uranium and thorium are consistently low, which is considered favourable for processing flowsheets.

Figure 3: Drillhole location map illustrating the Exploration Target area, maximum individual grade intervals of analysed drillholes, and completed drillholes that are awaiting sample preparation and laboratory analysis. The potential quantity and grade of the Exploration Target is conceptual in nature, there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.



Metallurgy Update

During the period, the Company was successful in its application for up to A\$100,000 of co-funding to support mineral characterisation and metallurgical test work at the Barkly Project, under Round 19 of the Northern Territory Government's Geophysics and Drilling Collaborations Programme. The Geophysics and Drilling Collaborations Programme is a competitive grant programme, provided by the NT Government, to co-fund projects that address geoscientific knowledge gaps, advance exploration activity, and support the discovery and development of resources in the Northern Territory. The grants match the Company’s commitment to fund the work on a dollar-for-dollar basis.

Following the period, the Company reported a 99% MREO (Table 3) extraction rate from a composite sample from the Barkly Project, delivering a strong early technical result for the Company. The caustic conversion and acid leach sighter test resulted in 99% of MREO reporting to the combined acid leach liquor and associated washes (together, the ‘acid leach solution’) on a calculated-head, product-stream basis, and 94% of yttrium reporting to those streams. The acid leach residue assayed just 18 ppm MREO, indicating that only a small proportion of the magnet rare earths remained in the final residue. The result provides an encouraging indication that caustic conversion may be an effective pathway to unlock the rare earth minerals at Barkly ahead of acid leaching, subject to repeat and confirmatory testwork on representative samples.

Importantly, the test also demonstrated potentially favourable phosphorus deportment. In the conversion stage, 92% of phosphorus reported to the caustic conversion liquor and associated washes (together, the ‘caustic conversion solution’), while no measurable rare earths were reported in those streams. This is a positive early processing indicator because phosphorus separation is expected to be an important consideration in simplifying future purification and flowsheet development.

The sighter test used a 75.45 g charge from composite sample 24C001. It comprised caustic conversion at 150°C for two hours, separation and washing of the converted solids, and HCl leaching at 50°C for two hours to a target pH of 1. For simplified reporting, ‘caustic conversion solution’ and ‘acid leach solution’ include their respective primary filtrates and associated washings.

Review of operations



Table 3: Calculated head grade for composite sample 24C001 and distribution of selected analytes. Figures are rounded to whole numbers; solution totals include associated washings

Analyte	Calculated Head Grade	Distribution to Target Stream
MREO	970 ppm	99% to acid leach solution
Y ₂ O ₃	39 ppm	94% to acid leach solution
P	0.28%	92% to caustic conversion solution

The 99% MREO extraction result compares with 74% reported from earlier testwork using NaOH treatment followed by HCl leaching. Although the reagent sequence was similar, the operating conditions differed, so the comparison should be treated as indicative only.

As expected for early-stage sighter testwork, further work is required before the Company can define any processing flowsheet or assess technical and economic viability. The extraction percentages were calculated from the assayed mass reporting to the product streams, rather than by dividing recovered metal by the direct assay head. The calculated head grades were approximately 970 ppm MREO and 39 ppm Y₂O₃, compared with direct assay head grades of approximately 1,120 ppm MREO and 46 ppm Y₂O₃. This equates to head reconciliations of approximately 87% for MREO and 84% for Y₂O₃ and is a limitation of this small-scale test.

The result is from a single sighter test using a non-representative composite with no duplicate test of this route. The conditions have not been optimised, and downstream purification, impurity removal and rare earth product recovery have not yet been demonstrated. The primary acid leach solution contained approximately 2.43 g/L aluminium and 2.03 g/L silicon. These impurities are consistent with the gangue mineralogy and provide important information for future purification and impurity-deportment testwork. The test is the most recent within a broader sighter metallurgical testwork programme assessing a range of reagents and processing methods, with results to inform future optimisation and flowsheet development.

Buntine Project

Background

The Buntine Project (Buntine) is located ~100 km southeast of Lake Argyle in the Northern Territory. The tenement package covers 1,876 km2 and overlies the Birrindudu Basin where the Fraynes Formation is chronostratigraphically equivalent to the Barney Creek Formation that hosts the McArthur River Pb-Zn deposit. The two formations are likely linked in the subsurface, making the Fraynes Formation a target for greenfields base metal exploration.

Barkly Rare Earths has identified anomalous polymetallic mineralisation exposed in a 9 km strike length of late-Palaeoproterozoic sedimentary rocks and overlying Cenozoic sediments, with three different anomalous zones of Pb-Co, U-W-Pb-Ni, and Zn-Pb-Co-Cu along the mineralised corridor. Rock chip samples grade up to 667 ppm Zn, 1% Pb, 1,760 ppm Co, 316 ppm Cu, 10% Mn, 7,100 ppm Ni, and 239 ppm Cr (see Previous Disclosure section).

Exploration Update

During the period, the Company brought forward exploration activities at its Buntine Project, originally planned for Q4 CY2026. The team undertook reconnaissance mapping and rock-chip sampling in June, demobilising and submitting samples to the laboratory in early July. The sampling work is designed to further assess the prospectivity for polymetallic mineralisation at the Buntine Project.

Financial performance and position

The loss after income tax for the year was \$3.09 million (2025: \$0.13 million). The result includes employee benefits expense of \$1.14 million, share-based payments of \$0.59 million, exploration expenditure written off of \$1.69 million and administration costs of \$1.46 million.

At 30 June 2026, the Company had net assets of \$5.72 million (2025: \$13,325), including cash and cash equivalents of \$5.38 million. The Company had no interest-bearing debt.

Environment and rehabilitation

Exploration programmes are undertaken in accordance with applicable environmental approvals and land-access agreements. Disturbed drill sites, access tracks and sumps are rehabilitated progressively.

Competent person statement

The information in this annual report that relates to an Exploration Target is based on information evaluated by Richard Hall, who is a Fellow of the Australasian Institute of Mining and Metallurgy (FAusIMM), and a Member of the Geological Society of Australia. He has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’ (JORC Code, 2012). Mr Hall serves as General Manager—Exploration of Barkly Rare Earths Limited as a full-time employee of the Company, in which he has a shareholding. This association may give rise to a perceived conflict of interest in relation to his role as Competent Person. He consents to the inclusion in this annual report of the matters based on his information in the form and context in which it appears.

Mr Sterk serves as a Non-Executive Director of Barkly Rare Earths Limited, in which he holds an indirect shareholding. He is also the principal shareholder and Managing Director of RSC, a geological services firm engaged by Barkly Rare Earths Limited to undertake exploration activities. These associations may give rise to a perceived conflict of interest in relation to his role as Competent Person.

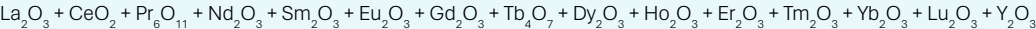
Previous Disclosure

The information in this report that relates to previous Exploration Results and Mineral Resources is extracted from the reports listed below, each prepared in accordance with the 2012 Edition of the JORC Code and available to view on the Company’s website at www.barklyrareearths.com. The Company confirms that it is not aware of any new information or data, as at the date of this report, that materially affects the information included in those reports and, in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Persons’ findings are presented have not been materially modified from those reports.

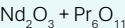
1. Barkly and Buntine Projects, Northern Territory, Australia, Independent Technical Report, included as Annexure A to the Company’s Prospectus dated 1 December 2025. Competent Person: Paul Teniere.
2. ASX announcement dated 31 August 2026 titled ‘Barkly Achieves 99% Magnet Rare Earth Oxide Extraction in Sighter Test’. Competent Persons: Richard Hall and Lu Zhang.
3. ASX announcement dated 16 September 2026 titled ‘High-Grade Mineralisation in First Phase 1 Drill Results’. Competent Person: Richard Hall.

Glossary

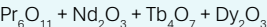
TREO (Total Rare Earth Oxide)



NdPr (Neodymium-Praseodymium mixed oxide)



MREO (Magnet Rare Earth Oxide)



MREO Ratio (%)

MREO/TREO x 100



Directors Report



The directors present their report, together with the financial statements of Barkly Rare Earths Limited (the Company) for the year ended 30 June 2026 and the auditor's report thereon.

Directors

The directors of the Company during the financial year and up to the date of this report were Gavin Lockyer, Craig Wright, Gavin Beer (appointed 28 January 2026) and Rene Sterk. Each director held office for the entire period unless otherwise stated.

Principal activities

The principal activities of the Company during the year were mineral exploration and evaluation, with a focus on rare earths and base metals projects in the Northern Territory. There was no significant change in the nature of these activities.

Operating and financial review

A review of the Company's operations, financial performance, financial position, business strategies and prospects is set out in the Review of Operations and forms part of this Directors' Report.

Dividends

No dividend was paid or declared during the year. The directors do not recommend the payment of a dividend in respect of the year ended 30 June 2026.

Significant changes in the state of affairs

During the year, the Company raised \$8.0 million before transaction costs through the issue of ordinary shares in an initial public offering (IPO). The Company's shares were admitted to the Official List of ASX Limited on 28 January 2026 and commenced public trading on 30 January 2026. Other than the matters disclosed in this report, there were no significant changes in the state of affairs of the Company.

Matters subsequent to the end of the financial year

On 6 July 2026, the Company issued 6,000,000 listed options to associates of Leeuwin Wealth Pty Ltd as compensation for corporate and market advisory services.

On 31 August 2026 the Company announced metallurgical testwork results. See the Review of Operations section for more information.

On 16 September 2026 the Company announced the first results from its Phase 1 drilling programme. See the Review of Operations section for more information.

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

Likely developments and expected results

The Company intends to continue exploration and evaluation of its project portfolio. Further information about likely developments is omitted where disclosure would be likely to result in unreasonable prejudice to the Company.

Environmental regulation

The Company's exploration activities are subject to environmental regulation under Commonwealth and Northern Territory legislation. The directors are not aware of any material breach of environmental requirements during the year.

Information on directors

Director	Qualifications and experience	Interest in securities
Gavin Lockyer	As Managing Director of Arafura Rare Earths (ASX: ARU), Gavin positioned the globally significant, Nolans Project ready for construction before retiring from the company in 2024. Gavin's global experience includes management and leadership in a range of disciplines including accounting, financial and investment banking, major resource development and operations, and global bank treasuries. Prior to Arafura, he served as Financial Controller with Tethyan Copper, held several senior finance and treasury positions in global mining companies Newcrest and Newmont (ASX: NEM), and international investment banking roles with Bankwest, ANZ, Bankers Trust and Deutsche Bank. The Board considers that Gavin Lockyer is not an independent Director by virtue of his executive role.	100,000 ordinary shares 2,337,000 options 3,656,256 performance rights
Craig Wright	Mr Wright is the Founding Director of Barkly Rare Earths Limited. He brings extensive experience in corporate development and operational leadership within the global minerals industry. Previously, Craig served as Corporate Development & Strategy Manager and Chief Operating Officer at RSC, a geological service provider. His career spans mineral exploration, commodity trading, technical services, manufacturing, and business consulting, giving him a broad perspective on resource sector dynamics. Craig also serves as a Non-Executive Director of Opaxe, an innovative SaaS company commercialising a proprietary database of curated mineral resource and exploration data for the global mining sector. The Board considers that Craig is not an independent Director by virtue of being a substantial Shareholder and founder of the Company and his executive role.	3,403,216 ordinary shares 2,747,000 options 3,656,264 performance rights
Gavin Beer	Gavin Beer is a metallurgist with more than 35 years' experience across the mining and processing industry in Australia and internationally. He contributes strong technical governance, metallurgical insight and practical project experience to the Board. A Chartered Professional and Fellow of the AusIMM, Gavin has held senior technical and operational roles with Rio Tinto (ASX: RIO), Arafura Rare Earths (ASX: ARU), Peak Rare Earths (ASX: PEK) and Neometals (ASX: NMT). Gavin is recognised as a Competent Person for JORC 2012 and as a Qualified Person for NI 43-101 reporting with respect to his metallurgical expertise. Through his consultancy, Met-Chem Consulting Pty Ltd, he has supported numerous critical minerals projects worldwide, including those for Meteoric Resources (ASX:MEI), RareX (ASX:REE), Mont Royal Resources (ASX:MRZ) and VHM Ltd (ASX:VHM). He also undertakes technical due-diligence assignments for engineering firms and financial institutions, providing independent assessments of project quality and development risk. The Board considers that Gavin Beer is an independent Director.	510,000 options
Rene Sterk	Rene is a Chartered Professional and a Fellow with the AusIMM, and a Member and Registered Professional Geologist with the AIG. He is a director of the international geological consultancy, RSC, and of Opaxe, an on-demand SaaS business leveraging its proprietary database of curated mineral resource data from the global mining sector. He was previously a director of the AusIMM (peak body for mining professionals with 13,000 members), director of the New Zealand Minerals Council (New Zealand's industry lobby group and national voice for the natural resources industries) and ex-officio member of the JORC committee. The Board considers that Rene is not an independent Director by virtue of his beneficial holdings in a substantial shareholder.	4,556,021 ordinary shares

Directors Report



Company secretary

Matthew Shackleton, BComm., FCA, MAICD, was Company Secretary (appointed 13 October 2025). Matt is an experienced ASX listed company executive and director, having held positions as Director, CFO and/or Company Secretary with Australian Wine Holdings Ltd (ASX: AWL), Mount Magnet South NL (ASX: MUM), Arunta Resources Limited (ASX: AJR), Bannerman Resources Limited (ASX: BMN), Canyon Resources Limited (ASX: CAY), APC Minerals Limited (ASX: APC) and WA Kaolin Limited (ASX: WAK), and adjunct company secretary for iiNet Limited (ASX: IIN). Matt has operated in senior financial roles with London-based investment bank DRCM Global Investors, Advance Funds Management (Westpac) and Skywest Airlines Ltd. He has more than 30 years of listed-company financial reporting and governance experience.

Meetings of directors

Director	Board held	Board attended
Gavin Lockyer	2	2
Craig Wright	2	2
Gavin Beer	2	2
Rene Sterk	2	1

Shares under option

Class	Number	Exercise price	Expiry date
Listed options (including escrowed securities)	59,054,127	\$0.30	28 January 2029
Performance rights	8,125,000	Nil	Subject to vesting conditions

Indemnification and insurance

The Company has entered into deeds of access, indemnity and insurance with each director and certain officers. During the year, the Company paid premiums for directors' and officers' liability insurance. The contract prohibits disclosure of the premium and the nature of the liabilities insured.

Proceedings on behalf of the Company

No person has applied for leave of the Court under section 237 of the Corporations Act 2001 to bring proceedings on behalf of the Company or intervene in proceedings to which the Company is a party.

Non-audit services

Details of amounts paid or payable to the auditor for non-audit services are disclosed in Note 22. The directors are satisfied that the provision of non-audit services, if any, was compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

Auditor independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' Report.

Remuneration report - audited

This remuneration report forms part of the Directors' Report and has been audited as required by section 308(3C) of the Corporations Act 2001. It sets out remuneration information for the Company's key management personnel (KMP).

Remuneration governance

The Board is responsible for the remuneration framework. The Board reviews market data, role complexity, individual performance, internal relativities and the Company's financial position. No executive participates in decisions concerning their own remuneration.

Executive remuneration framework

Executive remuneration comprises fixed remuneration and, where appropriate, short-term and long-term incentives (performance rights). The framework is designed to align executives with the Company's exploration strategy and creation of sustainable shareholder value. Given the Company's pre-revenue status, incentive awards emphasise exploration, mineral resource and metallurgical test-work milestones, and relative shareholder returns as measured by share price and market capitalisation rather than earnings-based metrics.

Non-executive director remuneration

Non-executive directors receive fixed fees and may receive equity-based remuneration where approved by shareholders. The aggregate amount of directors' fees payable per annum to non-executive directors in accordance with clause 15.7 of the Company's constitution shall be no more than \$400,000. Non-executive directors do not receive retirement benefits other than statutory superannuation.

KMP remuneration

Name	Year	Salary & fees \$	Short-term benefits \$	Post- employment \$	Share-based payment \$	Total \$
Gavin Lockyer ¹	2026	141,667	60,000	17,000	237,599	456,266
	2025	0	0	0	0	0
Craig Wright	2026	135,416	60,000	16,250	286,051	497,717
	2025	0	0	0	0	0
Gavin Beer ²	2026	20,833	0	2,500	48,452	71,785
	2025	0	0	0	0	0
Rene Sterk	2026	23,333	0	0	0	23,333
	2025	0	0	0	0	0
Matthew Shackleton ³	2026	4,333	60,000	520	16,151	81,004
	2025	0	0	0	0	0
Richard Hall	2026	93,750	0	11,250	5,573	110,573
	2025	0	0	0	0	0
Tobias Fletcher ⁴	2026	0	0	42,000 ⁵	0	42,000
	2025	60,555	0	6,963	0	67,518
Total	2026	419,332	180,000	89,520	593,826	1,282,678
	2025	60,555	0	6,963	0	67,518

Gavin Lockyer, Craig Wright and Matthew Shackleton each received gross fees of \$60,000 on the successful completion of the Initial Public Offering and admission to the Official List of ASX. These payments have been classified as Short Term Benefits.

During the year equity instruments were awarded to selected KMP. These equity instruments have been fair valued:

- In the case of BAKO series listed options, using a Black Scholes calculation consistent with the disclosure made in the Company's Prospectus of January 2026; and
- In the case of the performance rights, by an independent third party using a Monte Carlo simulation verified by a Binomial Lattice Model.

¹Gavin Lockyer was appointed 23 April 2025

²Gavin Beer was appointed 28 January 2026

³Matthew Shackleton was appointed 13 October 2025

⁴Tobias Fletcher resigned 26 October 2024

⁵Tobias Fletcher received an ex-gratia payment under the terms of a settlement deed of \$37,500 plus statutory superannuation

Directors Report



Equity securities held by KMP.

Name	Number	Fair value \$	FY26 expense
Gavin Lockyer			
Options (BAKO)	2,337,000	222,022	212,522
Performance rights	3,656,256	691,855	25,077
Total	n/a	913,877	237,599
Craig Wright			
Options (BAKO)	2,747,000	260,973	260,973
Performance rights	3,656,264	691,857	25,078
Total	n/a	952,830	286,051
Gavin Beer			
Options (BAKO)	510,000	48,452	48,452
Performance rights	0	0	0
Total	n/a	48,452	48,452
Matthew Shackleton			
Options (BAKO)	170,000	16,151	16,151
Performance rights	0	0	0
Total	n/a	16,151	16,151
Richard Hall			
Options (BAKO)	0	0	0
Performance rights	812,480	153,472	5,573
Total	n/a	153,472	5,573
Total			
Options (BAKO)	5,664,000	547,598	538,098
Performance rights	8,125,000	1,537,184	55,728
Total	n/a	2,084,782	593,826

All options issued to KMP during the year vested on issue and have been expensed in full.

Performance rights were valued according to the vesting ‘hurdles’ attaching to each class of right. Those rights with a market performance hurdle have their fair value amortised over the life of the right (5 years). The fair value of those rights with a non-market performance hurdle have been adjusted for the probability of them vesting and the cumulative values to the end of the reporting period have then been expensed in the year. In the event that the probability of any rights with a non-market performance hurdle reduces to nil, the expense will be reversed in that financial year.

Service agreements

Executive	Term	Notice	Termination entitlement
Gavin Lockyer	Ongoing	3 months by either party	Up to 6 months base salary excluding superannuation
Craig Wright	Ongoing	3 months by either party	Up to 6 months base salary excluding superannuation
Matthew Shackleton	Ongoing	1 month by either party	NIL
Richard Hall	Ongoing	1 month by either party	NIL

Shares held by KMP

Name	Opening	Granted/acquired	Disposed	Closing
Gavin Lockyer	0	100,000	0	100,000
Craig Wright	3,403,216	0	0	3,403,216
Gavin Beer	0	0	0	0
Rene Sterk	4,556,021	0	0	4,556,021
Matthew Shackleton	0	157,500	0	157,500
Richard Hall	2,402,174	0	0	2,402,174

Options held by KMP

Name	Opening	Granted/acquired	Disposed	Closing
Gavin Lockyer	0	2,237,000	0	2,237,000
Craig Wright	0	2,747,000	0	2,747,000
Gavin Beer	0	510,000	0	510,000
Rene Sterk	0	0	0	0
Matthew Shackleton	0	327,500	0	327,500
Richard Hall	0	0	0	0

Performance Rights held by KMP

Name	Opening	Granted/acquired	Disposed	Closing
Gavin Lockyer	0	3,656,256	0	3,656,256
Craig Wright	0	3,656,264	0	3,656,264
Gavin Beer	0	0	0	0
Rene Sterk	0	0	0	0
Matthew Shackleton	0	0	0	0
Richard Hall	0	812,480	0	812,480

Directors Report

Movement in equity securities held by KMP

Name	Balance at start of year	Granted as compensation	Acquired	Disposed	Expired or lapsed	Balance at end of year	Vested and/or exercisable	Unvested
Gavin Lockyer								
Shares	0	0	100,000	0	-	100,000	-	-
Options	0	2,237,000	100,000	0	0	2,337,000	2,337,000	-
Performance rights	0	3,656,256	0	0	0	3,656,256	0	3,656,256
Craig Wright								
Shares	3,403,216	0	0	0	-	3,403,216	-	-
Options	0	2,747,000	0	0	0	2,747,000	2,747,000	-
Performance rights	0	3,656,264	0	0	0	3,656,264	0	3,656,264
Gavin Beer								
Shares	0	0	0	0	-	0	-	-
Options	0	510,000	0	0	0	510,000	510,000	-
Performance rights	0	0	0	0	0	0	0	-
Rene Sterk								
Shares	4,556,021	0	0	0	-	4,556,021	-	-
Options	0	0	0	0	0	0	0	-
Performance rights	0	0	0	0	0	0	-	-
Matthew Shackleton								
Shares	0	0	157,500	0	-	157,500	-	-
Options	0	170,000	157,500	0	0	327,500	327,500	-
Performance rights	0	0	0	0	0	0	-	-
Richard Hall								
Shares	2,402,174	0	0	0	-	2,402,174	-	-
Options	0	0	0	0	0	0	0	-
Performance rights	0	812,480	0	0	0	812,480	0	812,480
Tobias Fletcher								
Shares	511,760	0	0	335,696	-	176,064	-	-
Options	0	0	0	0	0	0	0	-
Performance rights	0	0	0	0	0	0	0	0
Total								
Shares	10,873,171	0	257,500	335,696	-	10,794,975	-	-
Options	0	5,664,000	257,500	0	0	5,921,500	5,921,500	-
Performance rights	0	8,125,000	0	0	0	8,125,000	0	8,125,000

End of audited remuneration report

This Directors' Report is made in accordance with a resolution of the directors.



Gavin Lockyer
Executive Chair

Perth, 30 September 2026

Auditor's independence declaration



ELDERTON
AUDIT PTY LTD

Auditor's Independence Declaration

To those charged with the governance of Barkly Rare Earths Ltd.

As auditor for the audit of Barkly Rare Earths Ltd for the year ended 30 June 2026, I declare that, to the best of my knowledge and belief, there have been:

- i. no contraventions of the independence requirements of the *Corporations Act 2001* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

Elderton Audit Pty Ltd

Elderton Audit Pty Ltd



Sajjad Cheema
Director

30 September 2026
Perth

Liability limited by a scheme approved under Professional Standards Legislation
T +61 8 6324 2900 E info@eldertonaudit.com A Level 28, 140 St Georges Terrace, Perth WA 6000
ABN 51 609 542 458 W www.eldertongroup.com

Statement of profit or loss and other comprehensive income

	Notes	Period ended	
		30-Jun-26	30-Jun-25
		\$	\$
Other income		95,498	186,352
Administration expenses	6a	(1,465,739)	(88,113)
Exploration expenses	6b	(1,694,921)	(230,620)
Operating loss		(3,065,161)	(132,381)
Finance costs			
Finance income		0	0
Finance expenses		(26,944)	0
Net finance income/costs		(26,944)	0
Loss before income tax		(3,092,105)	(132,381)
Income tax benefit/(expense)		0	0
Loss for the period		(3,092,105)	(132,381)
Other comprehensive income		0	0
Total comprehensive loss for the period attributable to the owners of Barkly Rare Earths Limited		(3,092,105)	(132,381)

The accompanying notes form part of these financial statements.

Statement of financial position

	Notes	At:	
		30-Jun-26	30-Jun-25
		\$	\$
Current assets			
Cash and cash equivalents	8	5,383,717	42,967
Trade and other receivables	9	84,768	59,342
Deposits and prepayments	10	602,667	0
Total current assets		6,071,152	102,309
Non-current assets			
Field exploration asset	11	20,141	6,801
Property, plant & equipment	11	0	915
Total non-current assets		20,141	7,716
Total assets		6,091,293	110,025
Current liabilities			
Trade and other payables	12a	277,403	2,180
Other accruals	12b	90,770	41,812
Loans payable	13	0	52,708
Total current liabilities		368,173	96,700
Non-current liabilities		0	0
Total non-current liabilities		0	0
Total liabilities		368,173	96,700
Net assets		5,723,120	13,325
Equity			
Contributed equity	14	10,534,901	2,968,094
Share based payments reserve	15	55,728	0
Options reserve	15	1,179,368	0
Accumulated losses		(6,046,876)	(2,954,769)
Total equity		5,723,120	13,325

The accompanying notes form part of these financial statements.

Financial statements



Statement of changes in equity

	Issued capital	Accumulated losses	Options reserve	Share based payments reserve	Total equity
	\$	\$	\$	\$	\$
Balance at 1 July 2025	2,968,094	(2,954,769)	0	0	13,325
Loss for the period	-	(3,092,105)	-	-	(3,092,105)
Adjustment for prior period costs of raising capital	-	0	-	-	0
Total comprehensive loss	-	(3,092,105)	-	-	(3,092,105)
Transactions with owners in their capacity as owners					
Issued in the period	7,566,807	0	1,179,368	55,728	8,801,907
Balance at 30 June 2026	10,534,901	(6,046,876)	1,179,366	55,726	5,723,120
Balance at 1 July 2024					
Balance at 1 July 2024	2,862,094	(2,822,388)	0	0	39,706
Loss for the period	-	(132,381)	-	-	(132,381)
Total comprehensive loss	-	(132,381)	-	-	(132,381)
Transactions with owners in their capacity as owners					
Share capital issued	106,000	-	-	-	106,000
Balance at 30 June 2025	2,968,094	(2,954,769)	0	0	13,325

The accompanying notes form part of these financial statements.

Statement of cash flows

	Notes	Period ended	
		30-Jun-26	30-Jun-25
		\$	\$
Cashflows from operating activities			
Net loss for the period		(3,092,105)	(132,381)
Depreciation, amortisation and impairment		8,408	636
Equity settled payments		593,825	0
Other non-cash expenditure		137,436	0
Interest expense		26,944	0
Decrease/(Increase) in other current assets		(628,094)	155,949
Increase/(Decrease) in trade and other payables		324,181	(15,243)
Net cash from operating activities		(2,629,405)	8,961
Cash flows from investing activities			
Purchases of property, plant and equipment		(20,833)	0
Net cash flows from investing activities		(20,833)	0
Cash flows from financing activities			
Proceeds from issue of shares		8,070,639	106,000
Short term borrowings		(52,708)	(128,401)
Interest paid		(26,944)	0
Net cash flows from financing activities		7,990,987	(22,401)
Net increase/(decrease) in cash and cash equivalents		5,340,749	(13,441)
Cash and cash equivalents at beginning of period		42,967	56,408
Cash and cash equivalents at the end of the period		5,383,717	42,967

The accompanying notes form part of these financial statements.

1. Corporate information

Barkly Rare Earths Limited is a for-profit company limited by shares, incorporated and domiciled in Australia. The Company’s shares are publicly traded on the Australian Securities Exchange. The principal activities of the Company are mineral exploration and evaluation.

The financial statements were authorised for issue by the directors on 30 September 2026. The directors have the power to amend and reissue the financial statements.

2. Basis of preparation

Statement of compliance

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board, the Corporations Act 2001 and other authoritative pronouncements. Compliance with Australian Accounting Standards ensures compliance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Basis of measurement

The financial statements have been prepared on the historical cost basis, except where otherwise stated. Amounts are presented in Australian dollars, which is the Company’s functional and presentation currency, and have been rounded to the nearest dollar unless otherwise indicated.

Going concern

The financial statements have been prepared on a going-concern basis. The Company incurred a loss of \$3.09 million and net operating cash outflows of \$2.63 million during the year. At 30 June 2026, the Company held cash of \$5.38 million and net assets of \$5.72 million. The directors have approved a cash-flow forecast that includes discretionary exploration expenditure and consider that the Company has sufficient resources to meet its obligations for at least 12 months from the date of authorisation of these financial statements.

Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect recognised amounts and disclosures. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

3. Material accounting policy information

Revenue and other income

Interest income is recognised using the effective-interest method. Government grants and other income are recognised when there is reasonable assurance that conditions will be satisfied and the amount can be measured reliably.

Income tax

Income tax expense comprises current and deferred tax. Deferred tax is recognised for temporary differences and unused tax losses to the extent that it is probable that future taxable profits will be available. Deferred tax assets and liabilities are offset only where legally enforceable rights and relevant conditions are met.

Goods and services tax

Revenues, expenses and assets are recognised net of GST except where GST is not recoverable. Receivables and payables include GST. Cash flows are presented gross, with GST components of investing and financing cash flows classified as operating cash flows.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and short-term deposits with original maturities of three months or less that are readily convertible to known amounts and subject to insignificant risk of changes in value.

Exploration and evaluation expenditure

Exploration and evaluation costs related to an area of interest are expensed as incurred. Costs are carried forward only where rights of tenure are current and costs are expected to be recouped through successful development and exploitation or sale, or exploration has not reached a stage permitting reasonable assessment of recoverable reserves and active operations continue.

Property, plant and equipment

Property, plant and equipment is measured at cost less accumulated depreciation and impairment. Depreciation is calculated on a straight-line basis over estimated useful lives of 2 to 10 years. Useful lives and residual values are reviewed annually.

Impairment of non-financial assets

At each reporting date, the Company assesses whether indicators of impairment exist. If indicators exist, recoverable amount is estimated as the higher of value in use and fair value less costs of disposal. Impairment losses are recognised in profit or loss.

Employee benefits

Short-term employee benefits are measured at undiscounted amounts expected to be paid. Long-term benefits are measured at present value. Contributions to defined-contribution plans are expensed as incurred.

Provisions are recognised when the Company has a present obligation from a past event, an outflow is probable and the amount can be reliably estimated. Provisions are discounted where the time value of money is material.

Rehabilitation

In the Northern Territory of Australia, operators carry out mining activities under an environmental (mining) licence granted under the Environment Protection Act 2019 (NT) (EPA) and must provide the Minister of Mining and Energy with a security in relation to those activities in accordance with the conditions of the licence. In practice, it is policy of the department that the security covers 100% of the rehabilitation costs to the licence area, payable in the form of cash or a bank guarantee. In addition an annual levy of 1% of the security is payable to the department by the operator to address the impacts of legacy mining in the Northern Territory.

Rehabilitation obligations arising from exploration activities are recognised when disturbance occurs and a reliable estimate can be made. The provision is measured at present value of expected future costs. Changes are recognised against the related asset where applicable or in profit or loss.

Share-based payments

Equity-settled share-based payments are measured at grant-date fair value and expensed over the vesting period, with a corresponding increase in the share-based payment reserve. Non-market vesting conditions are reflected through the number of awards expected to vest.

Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to issuing new shares or options are deducted from equity, net of any tax effect.

Earnings per share

Basic earnings per share is calculated by dividing profit or loss attributable to ordinary shareholders by the weighted-average number of ordinary shares. Diluted earnings per share adjusts for dilutive potential ordinary shares.

Segment reporting

Operating segments are reported consistently with internal reports reviewed by the chief operating decision maker. The Board has been identified as the chief operating decision maker.

4. Critical accounting judgements and estimates

Exploration and evaluation assets

The application of AASB 6 requires judgement as to whether future economic benefits are likely from either exploitation or sale. This judgement is based on technical results, tenure, budgets and management’s intentions. Changes may result in impairment or write-off. At the date of this report the Company has not capitalised any expenditure attributable to exploration and evaluation assets.

Share-based payment valuation

Option fair values are estimated using valuation models requiring assumptions about volatility, risk-free rates, expected life, dividends and market conditions. Performance-right expense also requires estimates of vesting probability for non-market conditions.

Rehabilitation provision

The rehabilitation provision is based on estimated disturbance, closure methods, timing, inflation and discount rates. Actual costs may differ from estimates.

Recognition of deferred tax assets

Deferred tax assets for tax losses are recognised only when future taxable profits are probable. Given the Company’s exploration stage, tax losses are generally unrecognised unless supported by convincing evidence.

	Period ended	
	30-Jun-26	30-Jun-25
	\$	\$
Other income	0	186,352
Earn-in Agreement contribution	85,000	0
Interest income	10,498	0
	95,498	186,352

The Company has entered into an Earn-in Agreement with DevEx Resources Limited (DevEx), granting the right to earn-in a 75% beneficial interest in the uranium rights in the Barkly Project by expending \$3.5 million of exploration expenditure in the 5-year period commencing on 6 October 2023. Under the Earn-in Agreement DevEx will make a cash payment of \$85,000 to the Company as consideration for costs incurred in administration of the tenements the subject of the Earn-in Agreement which is counted towards the exploration commitment.



Notes to the financial statements

6a. Administration expenses

	Period ended	
	30-Jun-26	30-Jun-25
	\$	\$
Accounting and compliance	50,048	11,610
Bank fees and charges	10,911	0
Consultants	355,916	0
Depreciation	8,408	636
Employee benefits expense	537,856	54,584
Insurance	35,781	7,317
Legal fees	152,097	1,942
Office expenses	37,479	0
Other	0	12,024
Promotions and investor relations	157,543	0
Statutory fees and charges	95,854	0
Technology and website	35,703	0
Travel costs	10,644	0
	1,465,739	88,113

6b. Exploration expenses

	Period ended	
	30-Jun-26	30-Jun-25
	\$	\$
Consultants	507,961	0
Employee benefits expense	598,988	0
Field expenses	153,280	0
Metallurgical and geochemical test work	30,933	0
Tenement administration	394,871	230,620
Travel costs	8,890	0
	1,694,921	230,620

7. Income tax

	Period ended	
	30-Jun-26	30-Jun-25
	\$	\$
Prima facie tax benefit at 25%	(773,026)	(33,095)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Permanent non-deductible expenses	(150,567)	(7,932)
Temporary differences	86,126	9,925
Benefit from expenditure subject to R&D tax credit	0	0
Other tax benefits	837,467	31,102
Tax losses not brought into account	0	0
Income tax expense	0	0
Current tax expense	0	0
Deferred tax expense	0	0
Income tax expense	0	0
Tax asset not recognised at 25%:		
Unused tax losses for which no deferred tax asset has been recognised	0	0
Temporary differences	0	0
Potential tax benefit	0	0

As at 30 June 2026 the Company had accumulated tax losses and temporary deductible differences for which no deferred tax asset has been recognised. The deferred tax assets have not been recognised because in accordance with AASB 112 Income Taxes, it is not considered probable at this stage that sufficient future taxable profits will be available against which these deductible temporary differences and tax losses can be utilised.

The Company will continue to assess the recoverability of these deferred tax assets in future periods and recognise them when it becomes probable that future taxable profits will be available.

8. Cash and cash equivalents

	At	
	30-Jun-26	30-Jun-25
	\$	\$
Cash at bank	5,383,717	42,967
	5,383,717	42,967



Notes to the financial statements

9. Trade and other receivables

	At	
	30-Jun-26	30-Jun-25
	\$	\$
Prepaid expenses	0	2,897
Other current assets	0	56,445
Refund of listing fees paid at IPO	84,768	0
	84,768	59,342

At 30 June 2025 the Company reported security deposits on environmental mining licences of \$56,445 against Other current assets. This disclosure has not been modified at 30 June 2026; however these deposits are now classified in Deposits and Prepayments.

10. Deposits and prepayments

	At	
	30-Jun-26	30-Jun-25
	\$	\$
Term deposits	37,500	0
Environmental mining licence security deposits	198,163	0
Prepaid expenses:		
Insurance premiums	18,882	0
Annual rent on minerals titles	325,622	0
Other	22,500	0
	602,667	0

11. Fixed assets

	Field exploration assets	Property, plant & equipment	Total
Cost at 1 July	6,801	915	7,716
Additions	29,919	5,503	35,421
Disposals	0	0	0
Cost at 30 June	36,720	6,418	43,137
Accumulated depreciation	(16,579)	(6,418)	(22,997)
Carrying amount	20,141	(0)	20,141

12. Trade and other payables

	At	
	30-Jun-26	30-Jun-25
	\$	\$
a. Trade and other payables		
Accounts Payable	209,311	0
PAYG Withholdings Payable	55,606	0
Superannuation Payable	46,940	0
Wages Payable - Payroll	37,924	0
GST payable	(72,378)	2,180
Total	277,403	2,180
b. Other accruals		
Accrued expenses	58,956	41,812
Provision for annual leave	31,814	0
Total	90,770	41,812

13. Loans payable

	At	
	30-Jun-26	30-Jun-25
	\$	\$
RSC Global Pty Ltd	0	52,708
Total	0	52,708



Notes to the financial statements

14. Issued capital

	30-Jun-26		30-Jun-25	
	No. of securities	\$	No. of securities	\$
Share capital				
Ordinary fully paid shares	81,250,000	10,534,901	142,066,274	2,968,094
Total issued share capital	81,250,000	10,534,901	142,066,274	2,968,094
Movements in share capital				
Balance at 1 July	142,066,274	3,017,919	141,006,274	2,862,094
Consolidation of issued capital	(114,763,746)	0	0	0
Shares issued during the year:				
Placement at \$0.10	0	0	1,060,000	106,000
Loyalty placement at \$0.00001	7,697,472	77	0	0
Placement at \$0.16	4,616,925	738,708	0	0
Conversion of loans at \$0.16	1,633,075	261,292	0	0
Initial public offering at \$0.20	40,000,000	8,000,000	0	0
Costs of issuing shares	0	(1,483,096)	0	0
Total issued share capital	81,250,000	10,534,901	142,066,274	2,968,094

15. Reserves

	30-Jun-26		30-Jun-25	
	No. of securities	\$	No. of securities	\$
Options				
Options reserve	59,054,127	1,179,368	2,030,000	0
Total options reserve	59,054,127	1,179,368	2,030,000	0
Movements in issued options				
Balance at 1 July	2,030,000	0	2,030,000	0
Options cancelled during the period	(2,030,000)	0	0	
Options issued to shareholders in the initial public offering	46,640,127	0	0	0
Options issued to advisors to initial public offering	6,750,000	641,271	0	0
Options issued to Key Management Personnel during the period	5,664,000	538,097	0	0
Total issued options	59,054,127	1,179,368	2,030,000	0
Share based payments				
Share based payments' reserve	8,125,000	55,728	0	0
Total share based payments' reserve	8,125,000	55,728	0	0
Movements in issued performance rights				
Balance at 1 July	0	0	0	0
Rights issued to Key Management Personnel during the period	8,125,000	55,728	0	0
Total issued rights	8,125,000	55,728	0	0

16. Earnings per share

	At	
	30-Jun-26	30-Jun-25
	\$	\$
Loss attributable to ordinary shareholders	(3,092,105)	(132,381)
Weighted average number of ordinary shares	52,858,468	27,252,188
Basic loss per share (cents per share)	(5.85)	(0.49)
Diluted loss per share (cents per share)	(5.85)	(0.49)

Potential ordinary shares were anti-dilutive because the Company incurred a loss and have therefore been excluded from diluted earnings per share. On 7 November 2025, the Company completed a consolidation of its issued capital on the basis of 1 ordinary share for every 5.203411 ordinary shares previously held. In accordance with AASB 133 Earnings per Share, the weighted average number of ordinary shares and earnings per share amounts for all periods presented have been retrospectively adjusted to reflect the share consolidation.

17. Share-based payments

Options					
ASX listed BAKO series options	Issue date	Number	Exercise price	Expiry	Fair value per instrument
Broker options (pre-IPO placement)	12/11/2025	6,750,000	\$ 0.30	28/01/2029	\$ 0.095
KMP options:					
G Lockyer	28/01/2026	2,237,000	\$ 0.30	28/01/2029	\$ 0.095
C Wright	28/01/2026	2,747,000	\$ 0.30	28/01/2029	\$ 0.095
G Beer	28/01/2026	510,000	\$ 0.30	28/01/2029	\$ 0.095
M Shackleton	28/01/2026	170,000	\$ 0.30	28/01/2029	\$ 0.095
Sub-total KMP options		5,664,000			
Total		12,414,000			
Broker options 2026 expense					\$ 641,271
KMP options 2026 expense					\$ 538,097
Movement in Options' reserve					\$ 1,179,368



Notes to the financial statements

18. Share-based payments cont.

Performance rights					
Class		G Lockyer	C Wright	R Hall	
A	Number	457,032	457,033	101,560	
	Grant date: 28 January 2026	Fair value	\$ 0.1850	\$ 0.1850	\$ 0.1850
	Expiry date: 5 years from date of issue or cessation of employment	2026 expense	\$ 7,366	\$ 7,366	\$ 1,637
B	Number	457,032	457,033	101,560	
	Grant date: 28 January 2026	Fair value	\$ 0.1768	\$ 0.1768	\$ 0.1768
	Expiry date: 5 years from date of issue or cessation of employment	2026 expense	\$ 7,040	\$ 7,040	\$ 1,564
C	Number	457,032	457,033	101,560	
	Grant date: 28 January 2026	Fair value	\$ 0.2000	\$ 0.2000	\$ 0.2000
	Expiry date: 5 years from date of issue or cessation of employment	2026 expense	\$ 159	\$ 159	\$ 35
D	Number	457,032	457,033	101,560	
	Grant date: 28 January 2026	Fair value	\$ 0.2000	\$ 0.2000	\$ 0.2000
	Expiry date: 5 years from date of issue or cessation of employment	2026 expense	\$ 80	\$ 80	\$ 18
E	Number	457,032	457,033	101,560	
	Grant date: 28 January 2026	Fair value	\$ 0.2000	\$ 0.2000	\$ 0.2000
	Expiry date: 5 years from date of issue or cessation of employment	2026 expense	\$ 796	\$ 796	\$ 177
F	Number	457,032	457,033	101,560	
	Grant date: 28 January 2026	Fair value	\$ 0.2000	\$ 0.2000	\$ 0.2000
	Expiry date: 5 years from date of issue or cessation of employment	2026 expense	\$ 796	\$ 796	\$ 177
G	Number	457,032	457,033	101,560	
	Grant date: 28 January 2026	Fair value	\$ 0.2000	\$ 0.2000	\$ 0.2000
	Expiry date: 5 years from date of issue or cessation of employment	2026 expense	\$ 2,788	\$ 2,787	\$ 619
H	Number	457,032	457,033	101,560	
	Grant date: 28 January 2026	Fair value	\$ 0.1520	\$ 0.1520	\$ 0.1520
	Expiry date: 5 years from date of issue or cessation of employment	2026 expense	\$ 6,053	\$ 6,053	\$ 1,346
Total		Number	3,656,256	3,656,264	812,480
		2026 expense	\$ 25,078	\$ 25,077	\$ 5,573
Movement in Share based payments' reserve				\$	55,728

Option values were estimated using an option-pricing model based on a share price of \$0.20, exercise prices of \$0.30, expected volatility of 85%, risk-free rates of 4.46%, time to maturity of 3.0 years and no expected dividends.

Performance rights values for market performance hurdles were estimated by a Monte-Carlo simulation model using a share price of \$0.20, expected volatility of 85%, risk-free rates of 4.25%, time to maturity of 5.0 years and no expected dividends.

Rights with non-market performance hurdles

Because Classes C–G are non-market conditions, AASB 2 does not permit (or require) an option-pricing model. Each right is a promise of one fully paid share for nil consideration once the technical milestone is met, with no market-price optionality embedded in the instrument itself. Fair value per right is therefore simply the grant-date share price:

Fair value (Classes C, D, E, F, G) = A\$0.20 per right (grant-date share price; no exercise price and no expected dividend yield to discount for).

All of the accounting judgement for C–G sits instead in estimating the probability-weighted number of rights expected to vest, which is reassessed at every reporting date and trued up through profit or loss (including full reversal of prior expense if a class is ultimately assessed as not going to vest).

The following vesting probability estimates were used to calculate the total expense for the non-market performance hurdle rights which is used to calculate the pro-rated expense for the year:

Class	Probability	Rights	FV / right	Expected expense
C	2%	1,015,625	\$0.20	\$4,063
D	1%	1,015,625	\$0.20	\$2,031
E	10%	1,015,625	\$0.20	\$20,313
F	10%	1,015,625	\$0.20	\$20,313
G	35%	1,015,625	\$0.20	\$71,094
Total — Classes C–G (base case)		5,078,125		\$117,814

Performance rights carry the following summary vesting conditions:

Performance rights	
Class	Vesting condition
A	Volume weighted average share price greater than or equal to \$0.30 for 20 consecutive days
B	Volume weighted average share price greater than or equal to \$0.40 for 20 consecutive days
C	Publication of a JORC mineral resource estimate of 500 Mt => 1,600ppm TREO
D	Publication of a JORC mineral resource estimate of 700 Mt => 1,600ppm TREO
E	80% MREO extraction over 50 x 1 m samples
F	Beneficiation testwork greater than or equal to 40% (TREO recovery - mass pull)
G	First MREC sample completed
H	Market capitalisation greater than or equal to A\$100M for 20 consecutive days

Classes A, B and H have been valued as market-condition classes of performance rights and classes C, D, E, F and G as non-market vesting condition performance rights.

Notes to the financial statements



19. Financial risk management

Credit risk

Maximum exposure to credit risk is the carrying amount of financial assets. Cash is held with an Australian authorised deposit-taking institution. Receivables are monitored and expected credit losses are immaterial.

Interest-rate risk

The Company’s exposure is primarily to variable interest earned on cash. A reasonably possible 100-basis-point movement in rates would change annual profit or loss by approximately \$54,000 before tax, based on year-end cash balances.

Fair values

The carrying amounts of cash, receivables and payables approximate fair value due to their short-term nature or because they are discounted using market rates. The Company held no material level 2 or level 3 financial instruments at reporting date.

	At	
	30-Jun-26	30-Jun-25
	\$	\$
Credit risk		
Financial assets		
At amortised cost:		
Cash and cash equivalents	5,383,717	42,967
Trade and other receivables	84,768	59,342
Term deposits	37,500	0
Environmental mining licence security deposits	198,163	0
Total financial assets	5,704,148	102,309

Financial liabilities		
At amortised cost:		
Trade and other payables including loans	209,311	54,888
Total financial liabilities	209,311	54,888

Liquidity risk					
30-Jun-26	< 1 year	1 - 2 years	2 - 5 years	Total	
Trade and other payables	209,311	0	0	209,311	
	209,311	0	0	209,311	

20. Related party transactions

	Period ended	
	30-Jun-26	30-Jun-25
	\$	\$
Short term loans		
Loan from RSC Global Pty Ltd	0	52,708
	0	52,708

During the year, the loan from RSC Global Pty Ltd, an entity of which Mr Rene Sterk, a director of the Company, is a director and shareholder, was repaid; no interest was charged. RSC Global Pty Ltd is considered a related party of the Company as Mr Sterk is a director of it.

During the year Mr Craig Wright, the Managing Director of the Company, lent \$100,000 to the Company on principal terms and conditions summarised below. On repayment of the loan during the period, interest was calculated at 32.5% for approximately 2.5 months reflecting Default interest for late repayment of the loan. The loan was repaid in March 2026, with interest and establishment fees of \$17,263 paid.

During the year, an entity associated with former director of the Company Mr Rasbeer Gill, Orchid Eight Limited, lent the Company NZ\$110,000 on principal terms and conditions summarised below. The balance of the loan on 27 October 2025, being the principal of NZ\$ 110,000 plus accrued interest and establishment fees of NZ\$9,425.22 was converted to ordinary shares in the Company at an indicative share price of \$0.16, equating to 654,342 ordinary shares at an exchange rate of NZ\$1.1407/\$A. The loan was repaid within the terms of the Loan Facility Agreement and did not attract Default interest. Orchid Eight Limited is considered a related party of the Company as Mr Gill was a director of it.

Principal Terms of the Loan Facility Agreements (LFA) for both Mr Craig Wright and Orchid Eight Limited

- Security: Unsecured
- Interest rate: 17.5%
- Repayment date: 6 months from the date of the LFA
- Facility fee: 3% of the Facility Limit (loan amount)
- Default Interest rate: 32.5% for each interest period the loan remains outstanding after the repayment date.

	Period ended	
	30-Jun-26	30-Jun-25
	\$	\$
Other related party transactions		
RSC Global Pty Ltd (associated with R Sterk)	448,577	31,992
MetChem Consulting Pty Ltd (associated with G Beer)	9,911	0

RSC Global Pty Ltd is an expert geological consulting firm that provides mineral resource estimation, drill planning and program management services to the Company. RSC is engaged by the Company according to the terms of the Master Agreement for the Provision of Geological Services, signed in September 2025. The principal terms of the Master Agreement and any separate work proposals operating beneath it are considered confidential, however any fees charged to the Company are considered reasonable and were agreed on an ‘arm’s length’ basis.

MetChem Consulting Pty Ltd is an expert metallurgical and chemical processing consulting firm, that provides test-work program management services to the Company. MetChem is considered to be a related party as Mr Gavin Beer, a director of the Company, is a director of it. Services are provided by MetChem on terms contained in a Proposal for Consulting Services, and considered confidential. Fees charged were agreed on an ‘arm’s length’ basis.



Notes to the financial statements

21. Key management personnel disclosures

Name	Year	Salary & fees \$	Short-term benefits \$	Post- employment \$	Share-based payment \$	Total \$
Gavin Lockyer ¹	2026	141,667	60,000	17,000	237,599	456,266
	2025	0	0	0	0	0
Craig Wright	2026	135,416	60,000	16,250	286,051	497,717
	2025	0	0	0	0	0
Gavin Beer ²	2026	20,833	0	2,500	48,452	71,785
	2025	0	0	0	0	0
Rene Sterk	2026	23,333	0	0	0	23,333
	2025	0	0	0	0	0
Matthew Shackleton ³	2026	4,333	60,000	520	16,151	81,004
	2025	0	0	0	0	0
Richard Hall	2026	93,750	0	11,250	5,573	110,573
	2025	0	0	0	0	0
Tobias Fletcher ⁴	2026	0	0	42,000 ⁵	0	42,000
	2025	60,555	0	6,963	0	67,518
Total	2026	419,332	180,000	89,520	593,826	1,282,678
	2025	60,555	0	6,963	0	67,518

Detailed remuneration disclosures are included in the audited remuneration report.

22. Auditor remuneration

	Period ended	
	30-Jun-26	30-Jun-25
	\$	\$
Audit & review of financial reports	13,000	4,465
	13,000	4,465

¹Gavin Lockyer was appointed 23 April 2025

²Gavin Beer was appointed 28 January 2026

³Matthew Shackleton was appointed 13 October 2025

⁴Tobias Fletcher resigned 26 October 2024

⁵Tobias Fletcher received an ex-gratia payment under the terms of a settlement deed of \$37,500 plus statutory superannuation

23. Commitments

	Period ended	
	30-Jun-26	30-Jun-25
	\$	\$
Exploration expenditure commitments within one year	470,231	445,126
Later than one year but not later than 5 years	1,880,924	1,780,504
	2,351,155	2,225,630

To maintain current rights of tenure, the Company is required to meet minimum expenditure commitments. Commitments may be reduced by relinquishment, joint venture, exemption or renegotiation.

24. Contingent liabilities and assets

The Company has no contingent liabilities or assets at balance date.

25. Events after the reporting period

On 6 July 2026 the Company announced the agreement to issue 6,000,000 BAKO series options as consideration for the provision of corporate and market advisory services over the subsequent 18 months.

On 31 August 2026 the Company announced metallurgical testwork results. See the Review of Operations section for more information.

On 16 September 2026 the Company announced the first results from its Phase 1 drilling programme. See the Review of Operations section for more information.

No other matters or circumstances have arisen since 30 June 2026 that have significantly affected, or may significantly affect, the Company's operations, results or state of affairs in future financial years.

Consolidated Entity Disclosure Statements

Barkly Rare Earths Limited has no controlled entities and, therefore, the financial statements are a single entity' financial statements. As a result, there is no consolidated entity disclosure information to disclose.

Directors' declaration

In the directors' opinion:

- the financial statements and notes are in accordance with the Corporations Act 2001, including giving a true and fair view of the Company's financial position as at 30 June 2026 and of its performance for the year ended on that date, and complying with Australian Accounting Standards and the Corporations Regulations 2001;
- the financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 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; and
- the directors have been given the declarations required by section 295A of the Corporations Act 2001 from the chief executive officer and chief financial officer for the financial year ended 30 June 2026.

Signed in accordance with a resolution of the directors.

Gavin Lockyer
Executive Chair

Perth, 30 September 2026





Independent Audit Report to the Members of Barkly Rare Earths Limited

Report on the Audit of the Financial Report

Opinion

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

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

- (i) giving a true and fair view of the Company's financial position as at 30 June 2026 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current year. 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. We have determined the matters described below to be key audit matters to be communicated in our report.

Exploration and Evaluation Expenditures

Refer to Notes 3, 4 & 6b to the financial report

Key Audit Matter	How our audit addressed the matter
The Company has incurred significant exploration and evaluation expenditure relating to its rare earth projects in the Northern Territory. The accounting treatment of exploration and evaluation expenditure involves management judgement in determining whether costs meet the recognition requirements of AASB 6 Exploration for and Evaluation of Mineral Resources and whether costs are appropriately expensed or capitalised in accordance with the Company's accounting policy.	Our audit procedures included, among others: - We obtained an understanding of the Company's accounting policy and processes relating to the recognition and classification of exploration and evaluation expenditure. - We tested a sample of exploration and evaluation expenditure by agreeing transactions to supporting invoices, contracts and other relevant documentation to assess whether the expenditure was appropriately recognised and classified. - We assessed whether exploration-related expenditure was appropriately distinguished from corporate and administrative expenditure in accordance with the Company's accounting policy. - We reviewed Board minutes, ASX announcements, exploration reports and relevant tenement information to understand the nature and extent of exploration activities undertaken during the year. - We evaluated management's accounting treatment of exploration and evaluation expenditure and considered whether it was consistent with the Company's accounting policy and applicable Australian Accounting Standards. - We assessed the adequacy and appropriateness of the disclosures relating to exploration and evaluation expenditure included in the financial report.
We considered this to be a key audit matter due to the significance of the exploration and evaluation expenditure to the financial statements and the judgement involved in assessing the nature and classification of exploration-related costs, the Company's continuing rights and intentions to undertake exploration and evaluation activities, and whether any indicators of impairment existed.	

Initial Public Offering and Equity Transactions

Refer to accounting policy and Note 14 (Issued Capital) to the financial report.

Key Audit Matter	How our audit addressed the matter
We considered equity raising and IPO transactions to be a key audit matter due to the significance and non-routine nature of the transactions to the financial statements. During the year, Company completed an Initial Public Offering (IPO) and raised \$8.0 million before transaction costs through the issue of ordinary shares and options, resulting in significant movements in contributed equity and reserves.	Our procedures included, amongst others: - We obtained an understanding of the nature and terms of the IPO and related equity transactions. - We reconciled shares issued during the year to share registry records, ASX announcements, prospectus documentation and Board approvals. - We agreed the proceeds received from the IPO to bank statements and supporting transaction documentation. - We assessed the accounting treatment of shares, options and capital raising and listing-related costs and considered compliance with the applicable Australian Accounting Standards. - We tested the mathematical accuracy of equity movements recorded during the year and agreed significant movements to supporting documentation. - We reviewed significant journal entries relating to contributed equity, reserves and capital raising transactions.
The accounting for the IPO and associated equity transactions required significant audit attention, including assessing the appropriate accounting treatment of shares and options, capital raising costs, and the presentation and disclosure of equity movements in accordance with the applicable Australian Accounting Standards.	



- We assessed the completeness and accuracy of equity-related disclosures included in the financial statements.
- We assessed whether the presentation of equity transactions and related disclosures was consistent with the underlying transactions, ASX announcements, prospectus documentation and the applicable financial reporting framework.

Share-Based Payments

Refer to Notes 3, 4, 15, 17 and 18 and the Remuneration Report to the financial report.

Key Audit Matter	How our audit addressed the matter
During the year, the Company issued 5,664,000 options to key management personnel and 6,750,000 options to advisors and granted 8,125,000 performance rights to directors and executives. We considered share-based payments to be a key audit matter due to the significance of the transactions to the financial statements and KMP remuneration, together with the judgement involved in determining the fair value of the awards and assessing the applicable market and non-market vesting conditions in accordance with AASB 2 Share-based Payment.	Our procedures included, amongst others: • We verified the share-based payment register and agreed the grant dates, quantities, recipients and key terms to Board approvals, relevant agreements, the prospectus, ASX announcements and share registry records. • We reviewed the vesting conditions attached to the performance rights and assessed whether they were appropriately classified as market or non-market conditions and accounted for in accordance with AASB 2 Share-based Payment. • We reviewed the valuation of the awards and assessed the valuation methodology and key assumptions used in determining fair value. • We independently checked applicable share prices against ASX announcements and other publicly available market information at the relevant grant dates. • We assessed management’s estimates of the probability of vesting for the non-market performance conditions by reference to supporting documentation, exploration progress, ASX announcements and Board-approved plans. • We recalculated the share-based payment expense recognised during the year, including the allocation over the relevant vesting periods, and agreed the resulting balances to the general ledger and relevant reserves. • We assessed the adequacy and appropriateness of the related disclosures in the financial statements and the audited Remuneration Report.

Other Information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is included in the Company's annual report, which comprises the Directors' Report, the Chairman's Letter, the Review of Operations and the additional ASX information, 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 on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of 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 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.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or 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; however, it is not a guarantee that an audit conducted in accordance with 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 the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we

Independent auditor's report

determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included on pages 14 to 18 of the directors' report for the year ended 30 June 2026.

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

Responsibilities

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

Elderton Audit Pty Ltd

Elderton Audit Pty Ltd



Sajjad Cheema
Director

Perth
30 September 2026



ASX additional information



The following information is presented as at 25 September 2026 unless otherwise stated.

Distribution of quoted ordinary shares

Holding range	Number of holders	Number of shares	% issued capital
above 0 up to and including 1,000	25	3,987	0.01%
above 1,000 up to and including 5,000	121	363,212	0.64%
above 5,000 up to and including 10,000	120	1,129,880	1.98%
above 10,000 up to and including 100,000	226	10,491,223	18.40%
above 100,000	127	45,032,719	78.98%
Total	619	57,021,021	100.00%

There were 64 holders of less than a marketable parcel, based on the closing market price of \$0.24 on 25 September 2026.

Twenty largest shareholders

Rank	Holder	Shares	%
1	RSC CONSULTING LIMITED	4,356,486	5.36%
2	ORCHID EIGHT LIMITED	3,480,996	4.28%
3	CRAIG ANDREW WRIGHT & MELISSA ANNE WRIGHT	3,403,216	4.19%
4	MR RICHARD CHARLES BLAKE HALL <LIMPOPO DISCRETIONARY A/C>	2,402,174	2.96%
5	MR KWEE HENG & MS SOON HIANG MOK	2,062,478	2.54%
6	CAMPBELL MCKENZIE	1,905,453	2.35%
7	MR EMANUEL RICHARD BRIAN DILLON <THE COMPLETE A/C>	1,812,500	2.23%
8	SEAN ALDRICH	1,701,337	2.09%
9	RETZOS EXECUTIVE PTY LTD <RETZOS EXECUTIVE S/FUND A/C>	1,420,350	1.75%
10	MS LUCIA LEE	1,312,506	1.62%
11	KAHALA HOLDINGS PTY LTD <CULLEN FAMILY A/C>	1,312,500	1.62%
12	SEBASTIAN KERKVLIT	1,134,987	1.40%
13	JASPER HILL RESOURCES PTY LTD <AR CONSTANTINE FAMILY A/C>	1,000,000	1.23%
14	TWOKIND PTY LTD <DAVID BAYLY SUPER FUND A/C>	1,000,000	1.23%
15	T T NICHOLLS PTY LTD <SUPERANNUATION ACCOUNT>	1,000,000	1.23%
16	MR STEPHEN ROWLAND FEWSTER & MRS MARYNA FEWSTER <THE FEWNAAR FAMILY A/C>	962,500	1.18%
17	MR SURESH SUBRAMANIAM	906,255	1.12%
18	BAYESIAN HOLDINGS PTY LTD <M&IL A/C>	715,625	0.88%
19	MR DAMIAN SCANLON <THEMETAS FAMILY A/C>	678,845	0.84%
20	MR ADAM SHINE <ADAM SHINE FAMILY A/C>	650,000	0.80%

Substantial holders

Holder	Number of shares	Voting power
Cumulus Wealth Pty Ltd	6,024,999	7.42%
RSC Consulting Limited	4,556,021	5.61%

Voting rights

Each ordinary shareholder present in person or by proxy has one vote on a show of hands and one vote for each fully paid ordinary share held on a poll, subject to the Constitution, Corporations Act 2001 and ASX Listing Rules. Options and performance rights do not carry voting rights.

Options ASX

Distribution of quoted BAKO series options:

Holding range	Number of holders	Number of options	% issued options
above 0 up to and including 1,000	1	1,000	0.00%
above 1,000 up to and including 5,000	-	-	-
above 5,000 up to and including 10,000	100	984,923	1.88%
above 10,000 up to and including 100,000	144	7,823,660	14.92%
above 100,000	103	43,635,880	83.20%
Totals	348	52,445,463	100.00%

Twenty largest option holders:

Rank	Holder	Options	%
1	JASPER HILL RESOURCES PTY LTD <AR CONSTANTINE SUPER A/C>	2,710,425	5.17%
2	MR EMANUEL RICHARD BRIAN DILLON <THE COMPLETE A/C>	1,812,500	3.46%
3	RETZOS EXECUTIVE PTY LTD <RETZOS EXECUTIVE S/FUND A/C>	1,420,350	2.71%
4	MARGARET RIVER FARMS PTY LTD	1,407,500	2.68%
5	JASPER HILL RESOURCES PTY LTD <AR CONSTANTINE FAMILY A/C>	1,321,000	2.52%
6	KAHALA HOLDINGS PTY LTD <CULLEN FAMILY A/C>	1,312,500	2.50%
7	PEANUT CAPITAL PTY LTD	1,075,457	2.05%
8	ATLANTIS MG PTY LTD <MG FAMILY A/C>	1,060,941	2.02%
9	TWOKIND PTY LTD <DAVID BAYLY SUPER FUND A/C>	1,000,000	1.91%
10	JRC CAPITAL INVESTMENTS PTY LTD	1,000,000	1.91%
11	NON CORRELATED CAPITAL PTY LTD <ALIWA ALPHA FUND A/C>	875,000	1.67%
12	COCONUT TELEGRAPH PTY LTD	842,500	1.61%
13	LAZARUS SECURITIES PTY LTD <CLIENT A/C>	750,000	1.43%
14	CERTANE CT PTY LTD <BC1>	750,000	1.43%
15	SEBASTIAN KERKVLIT	744,938	1.42%
16	AC YOUNG PTY LTD <AC YOUNG A/C>	717,000	1.37%
17	MR ADAM SHINE <ADAM SHINE FAMILY A/C>	650,000	1.24%
18	ORCHID EIGHT LIMITED	629,173	1.20%
19	FRENEY NOMINEES PTY LTD	627,935	1.20%
20	BMZ CAPITAL PTY LTD	600,000	1.14%

ASX additional information



On-market buy-back

There is no current on-market buy-back.

Use of funds - Listing Rule 4.10.19

In accordance with ASX Listing Rule 4.10.19, the Company confirms that, during the period from its admission to the Official List of ASX to 30 June 2026, it used the cash and assets in a form readily convertible to cash that it held at the time of admission in a manner consistent with its stated business objectives.

Unquoted securities

Security	Number	Number of holders	Holders with 20% or more
Performance rights	8,125,000	3	Craig Wright - 45% Gavin Lockyer - 45% Richard Hall - 10%

Restricted securities and escrow

The Company had the following quoted securities subject to mandatory escrow at the date of this Report.

Security	Number	Escrow period	Release date
Ordinary shares (ASX: BAK)	6,411,475	12 months	28 January 2027
Ordinary shares (ASX: BAK)	17,817,504	24 months	28 January 2028
Options exercisable at \$0.30 expiring 28 January 2029 (ASX: BAKO)	233,795	12 months	28 January 2027
Options exercisable at \$0.30 expiring 28 January 2029 (ASX: BAKO)	12,374,869	24 months	28 January 2028

Corporate governance statement

The Company’s Corporate Governance Statement and Appendix 4G are available on its website at www.barklyrareearths.com.

Mineral Resource Statement

No previous annual statement of Mineral Resources exists. In its prospectus dated 1 December 2025, the Company disclosed an initial Inferred Mineral Resource Estimate at the Barkly Project (JORC, 2012) of 40 Mt at 2,100 ppm TREO for 82,000 tonnes of contained TREO with an MREO/TREO ratio of 34%, within a REE-bearing quartz sandstone, using a cut-off of 430 ppm NdPr (Tables AB and AC).

Barkly Rare Earth Elements Inferred Mineral Resource Estimate

Prospect	Category	Tonnage (Mt)	TREO (ppm)	NdPr (ppm)	MREO (ppm)	MREO/ TREO ratio (%)	HREO (ppm)	U (ppm)	Th (ppm)	Contained TREO (t)
Vanadis	Inferred	25	1,700	600	630	36%	130	3	6	42,000
Benmara North	Inferred	15	2,700	820	840	32%	150	3	9	40,000
Total	Inferred	40	2,100	690	710	34%	130	3	7	82,000

Notes:

- TREO = La₂O₃ + CeO₂ + Pr₆O₁₁ + Nd₂O₃ + Sm₂O₃ + Eu₂O₃ + Gd₂O₃ + Tb₄O₇ + Dy₂O₃ + Ho₂O₃ + Er₂O₃ + Tm₂O₃ + Yb₂O₃ + Lu₂O₃ + Y₂O₃, NdPr = Nd₂O₃ + Pr₆O₁₁, HREO = Gd₂O₃ + Tb₄O₇ + Dy₂O₃ + Ho₂O₃ + Er₂O₃ + Tm₂O₃ + Yb₂O₃ + Lu₂O₃ + Y₂O₃, MREO = Pr₆O₁₁ + Nd₂O₃ + Tb₄O₇ + Dy₂O₃
- Reported above a 430-ppm NdPr cut-off, and within a preliminary optimised pit shell.
- Mineral Resources classified in accordance with the JORC Code (2012).
- Estimates are rounded to reflect the level of confidence in the Mineral Resource Estimate at the time of reporting. Differences may occur in totals due to rounding.

Barkly Rare Earth Elements Inferred Mineral Resources, individual REO grades.

Prospect	Tonnage (Mt)	Nd ₂ O ₃ (ppm)	Pr ₆ O ₁₁ (ppm)	Dy ₂ O ₃ (ppm)	Tb ₄ O ₇ (ppm)	Gd ₂ O ₃ (ppm)	Ho ₂ O ₃ (ppm)	Er ₂ O ₃ (ppm)	Tm ₂ O ₃ (ppm)	Yb ₂ O ₃ (ppm)	Lu ₂ O ₃ (ppm)	Y ₂ O ₃ (ppm)	Sm ₂ O ₃ (ppm)	Eu ₂ O ₃ (ppm)	CeO ₂ (ppm)	La ₂ O ₃ (ppm)
Vanadis	25	500	110	20	6	60	2	3	2	0.3	0.2	40	100	20	710	200
Benmara North	15	660	160	20	7	70	2	4	2	0.4	0.4	40	130	30	1,200	300
Total Inferred	40	560	130	20	6	60	2	3	2	0.4	0.3	40	110	20	900	200

Notes:

- Reported above a 430-ppm NdPr cut-off, and within a preliminary optimised pit shell.
- Estimates are rounded to reflect the level of confidence in the Mineral Resource at the time of reporting. Differences may occur in totals due to rounding.

The Company also disclosed, in its prospectus dated 1 December 2025, an initial Inferred Mineral Resource for the Barkly Project of ~200 Mt at ~0.12% V₂O₅ for ~240,000 t of contained V₂O₅, reported above a 0.10% V₂O₅ cut-off (Table AD).

Barkly Vanadium Inferred Mineral Resource Estimate.

Prospect	Category	Tonnage (Mt)	V ₂ O ₅ (%)	Contained V ₂ O ₅ (t)
Vanadis	Inferred	40	0.13	55,000
Benmara North	Inferred	100	0.12	120,000
Benmara South	Inferred	60	0.12	65,000
Total	Inferred	200	0.12	240,000

Notes:

- Reported above a 0.10% V₂O₅ cut-off, and within a preliminary optimised pit shell.
- Mineral Resource is classified in accordance with the JORC Code (2012).
- Estimates are rounded to reflect the level of confidence in the Mineral Resource at the time of reporting. Differences may occur in totals due to rounding.

Governance Arrangements and Internal Controls — Mineral Resources

The Company reports its Mineral Resources in accordance with the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, and the ASX Listing Rules. The Company reviews these estimates and underlying assumptions for reasonableness and accuracy as at 30 June each year. Previous reserve and resource estimates and market disclosures are reviewed for completeness where material changes occur to the project during the year, including the project’s size, title, exploration results or other technical information. Where a material change has occurred in the assumptions or data used in previously reported Mineral Resources, then, where possible, a revised Mineral Resource estimate will be prepared as part of the annual review process. However, there are circumstances where this may not be possible (e.g. an ongoing drilling programme), in which case a revised Mineral Resources estimate will be prepared and reported as soon as practicable.

Competent Person Statement — Mineral Resources

The Mineral Resource estimates for the Barkly Project remain unchanged from those first reported in the report ‘Barkly and Buntine Projects, Northern Territory, Australia, Independent Technical Report’, included as Annexure A to the Company’s Prospectus dated 1 December 2025. The Company confirms that it is not aware of any new information or data that materially affects the information included in that report and that all material assumptions and technical parameters underpinning the estimate continue to apply and have not materially changed.

The information in this Annual Report that relates to Mineral Resources is based on information compiled by Mr Paul Teniere, a Competent Person who is a Professional Geologist registered in good standing with the Association of Professional Engineers and Geoscientists of New Brunswick, Professional Engineers and Geoscientists of Newfoundland and Labrador, and Professional Geoscientists of Ontario (Recognised Professional Organisations). Mr Teniere has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’ (JORC Code, 2012). Mr Teniere consents to the inclusion in this Annual Report of the matters based on his information in the form and context in which it appears.

Mr Teniere serves as Principal of Teniere Geoconsulting Services as an independent consultant to the Company.

Tenement schedule

At the date of this report the Company held the following interests in exploration licences.

Project	Tenement	Location	Holder / applicant	Interest	Granted	Expiry
Barkly	EL 32452	Northern Territory	Barkly Rare Earths Limited	100%	21/05/2021	20/05/2027
Barkly	EL 32453	Northern Territory	Barkly Rare Earths Limited	100%	21/05/2021	20/05/2027
Barkly	EL 32454	Northern Territory	Barkly Rare Earths Limited	100%	21/05/2021	20/05/2027
Barkly	EL 32455	Northern Territory	Barkly Rare Earths Limited	100%	21/05/2021	20/05/2027
Barkly	EL 32456	Northern Territory	Barkly Rare Earths Limited	100%	21/05/2021	20/05/2027
Barkly	EL 32473	Northern Territory	Barkly Rare Earths Limited	100%	21/05/2021	20/05/2027
Barkly	EL 32474	Northern Territory	Barkly Rare Earths Limited	100%	21/05/2021	20/05/2027
Buntine	EL 32529	Northern Territory	Barkly Rare Earths Limited	100%	29/06/2021	28/06/2027
Buntine	EL 32530	Northern Territory	Barkly Rare Earths Limited	100%	29/06/2021	28/06/2027
Buntine	EL 32531	Northern Territory	Barkly Rare Earths Limited	100%	29/06/2021	28/06/2027
Buntine	EL 32532	Northern Territory	Barkly Rare Earths Limited	100%	29/06/2021	28/06/2027
Buntine	EL 32534	Northern Territory	Barkly Rare Earths Limited	100%	29/06/2021	28/06/2027
Buntine	EL 32535	Northern Territory	Barkly Rare Earths Limited	100%	29/06/2021	28/06/2027
Buntine	EL 33086	Northern Territory	Barkly Rare Earths Limited	100%	03/11/2022	02/11/2028
Buntine	EL 33087	Northern Territory	Barkly Rare Earths Limited	100%	03/11/2022	02/11/2028
Buntine	EL 33162	Northern Territory	Barkly Rare Earths Limited	100%	03/11/2022	02/11/2028

Royalty interests

Statutory royalties payable to the Northern Territory Government if production commences range from 2.5% to 7.5% payable at the applicable rate depending on the type of the mineral commodity and regardless of whether the mine is situated on vacant crown land, freehold land or Aboriginal land. There are no non-statutory royalty agreements with any third parties.



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