



ABN 56 664 007 621

ANNUAL REPORT

For the year 1 July 2025 to 30 June 2026

ASX: DLY

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Corporate Directory**Directors**

Mr Mike Edwards - Executive Chairman

Mr Scott Glasson – Finance Director

Mr David Pennock – Non-Executive Director

Mr William Belbin – Non-Executive Director

Company Secretary

Mr Chris Marshall

Chief Geologist

Mr Gregor Bennett

Exploration Manager

Mr Daniel Greene

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Auditor

Hall Chadwick WA Audit Pty Ltd

Share Registry

Automic Pty Ltd

Stock Exchange Listing

Shares: ASX Code: DLY

Website and Email

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Chairman's Letter

Dear Shareholders,

On behalf of the Board, I am pleased to present Daly Resources Limited's first Annual Report as an ASX-listed company. The 2026 financial year was a foundational one, culminating in our successful \$12 million Initial Public Offering and admission to the ASX on 23 June 2026.

I thank our new shareholders for their support, and Sandfire Resources for its continued backing as our major shareholder. The IPO leaves Daly well-funded, with \$11.045 million in cash at 30 June 2026, to execute a dedicated exploration strategy across more than 6,500 km² of 100%-owned tenure in the Northern Territory.

We wasted no time after listing. Within a week, our team was back in the field at the Huckitta Fluorite Project, where 2025 rock-chip sampling had returned grades of up to 95.1% CaF₂. A detailed airborne magnetic and radiometric survey was also under way before months end.

The results received since 30 June have been encouraging. Mapping identified a previously untested fluorite vein more than 5 km west of the historical area of focus, returning rock chips of up to 91.2% CaF₂ over more than 700 metres of strike. Soil geochemistry has shown fluorine anomalism extending beneath cover, and the new magnetic data has sharpened our picture of the structures that host the veins. Together, these results indicate the Huckitta fluorite system may be considerably larger than what is visible at surface.

Fluorite is classified as a critical mineral, with essential applications in semiconductors, AI infrastructure, nuclear fuels, defence and metals production. Daly is well placed to contribute to this emerging supply chain.

Our base metals portfolio also gained momentum after year end. The NT Government awarded \$150,000 in co-funding for a regional VTEM survey at Broughton, and our review of the Box Hole zinc-lead-silver prospect at Huckitta has identified a large-scale MVT target with priority drill targets that have never been tested.

Our focus for the year ahead is clear: systematic soil surveys, integration of our geophysical and geochemical datasets, and ranking of targets for Daly's maiden drilling campaign.

I thank my fellow Directors, our technical team led by Exploration Manager Daniel Greene, and our contractors for their efforts during a busy and productive year.

Yours sincerely,



Mike Edwards - Executive Chairman

Review of Operations

Daly Resources Limited ("Daly", "the Company") is an Australian exploration company holding more than 6,500 km² of 100%-owned granted tenure in the Northern Territory, exploring for fluorite, copper and zinc across three core projects.

Project	Area	Location	Commodity focus	Deposit style targeted
Huckitta	~3,812 km ²	Arunta Region / Georgina Basin, ~340 km NE of Alice Springs	Fluorite, zinc-lead-silver, copper	Hydrothermal fluorite veins; MVT Zn-Pb (Box Hole); sediment-hosted Cu
Broughton	~1,581 km ²	Northern McArthur Basin, ~600 km SE of Darwin	Copper-zinc	Sediment-hosted Cu-Zn
Batten	~1,124 km ²	McArthur Basin, near McArthur River (HYC) and Teena	Zinc-copper	SEDEX Zn-Cu, Batten Fault Zone

Huckitta is the cornerstone asset. It lies adjacent to, and shares similar geology with, Tivan Limited's (ASX: TVN) Sandover Fluorite Project.

Daly also holds the Bulman Cu-Zn and Beetaloo Zn-Cu projects, which are under application and form a longer-term pipeline. In its Independent Geologist's Report, Sahara Operations ranked Huckitta, Batten and Broughton as priority projects.

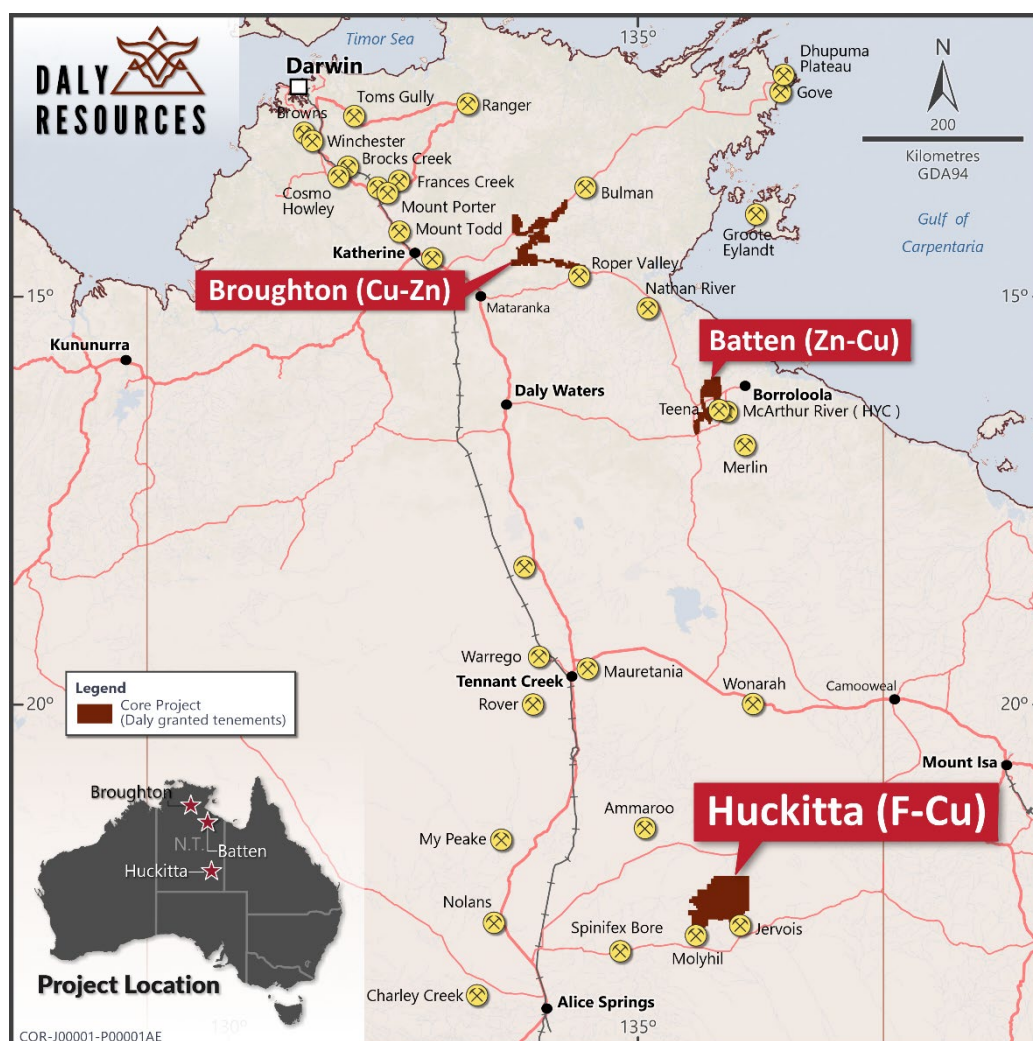


Figure 1. Location of Daly Resources' Huckitta, Broughton and Batten Projects, Northern Territory.

Exploration during the year centred on the Huckitta Fluorite Project. Fieldwork recommenced immediately after listing, with most assay and geophysical results received after 30 June 2026.

FY26 Highlights

Daly listed on the ASX in June 2026 with \$11.045 million cash and moved straight into field exploration at Huckitta. Most results from that work were received after 30 June 2026 and are reported here as subsequent events.

During the year ended 30 June 2026

- Consolidated the Huckitta Project from Sandfire Resources Limited (ASX: SFR) in 2025, bringing the Company's 100%-owned Northern Territory portfolio to more than 6,500 km² across Huckitta, Broughton and Batten
- Pre-IPO field programme in October 2025 returned rock-chip results of up to 95.1% CaF₂ at Huckitta
- Lodged Prospectus dated 27 April 2026 and completed a \$12 million IPO (48 million shares at \$0.25), listing on the ASX on 23 June 2026, with Sandfire as major shareholder
- Recommenced fieldwork at Huckitta (mapping, rock-chip and trial soil sampling) and commenced a ~3,200 line-km airborne magnetic and radiometric survey
- Cash at 30 June 2026 of \$11.045 million

Subsequent to the end of the June 2026 year

- Huckitta airborne survey completed (15 July 2026); high-resolution magnetics materially improved definition of fluorite-bearing structures
- New western fluorite vein identified more than 5 km west of the historical focus, with rock chips >20% CaF₂ over >700 m of strike and up to 91.2% CaF₂ (22 July 2026)
- Further rock chips up to 74.2% CaF₂ and soil sampling defining fluorine anomalism beneath cover, including a ~1 km-wide anomaly (18 August and 18 September 2026)
- Awarded \$150,000 (inc. GST) NT Government co-funding for a ~2,018 line-km VTEM survey at Broughton (6 July 2026)
- Introduced the Box Hole Zn-Pb-Ag prospect (EL34086) as a large-scale MVT target with untested, previously permitted RC targets (1 October 2026)

Company Projects – Northern Territory

Huckitta Fluorite Project (EL33271)

The Huckitta Project is located ~230 km northeast of Alice Springs and is reached via the Plenty Highway and station tracks. It covers the northern margin of the eastern Aileron Province and the southern margin of the Neoproterozoic to Palaeozoic Georgina Basin. The project lies immediately north of, and adjacent to, Tivan Limited's Sandover Fluorite Project, north of the Molyhil Tungsten Mine and ~5 km north of the Jervois Cu-Zn-Pb-Ag deposits.

The Company considers Huckitta a near drill-ready fluorite target. Veins are typically 10 cm to 2 m wide, sub-vertical and composed of intercalated quartz, fluorite and barite. They can be traced for hundreds of metres in outcrop. Softer fluorite and barite are often weathered out at surface, and Daly has plans for drilling to test mineralisation at depth and along strike. Huckitta is also prospective for sediment-hosted copper and for Zn-Pb-Ag at Box Hole.

Background. The Huckitta fluorite reefs are high-grade fluorspar veins hosted in the Palaeoproterozoic Jinka Granite on the northern margin of the eastern Aileron Province. Historical work by Central Pacific Minerals NL in the 1970s included drill hole PH1 at Narbarloo North, which intersected 6.1 m at 35.1% CaF₂ from 24 m. Daly's 2025 rock-chip sampling across the eastern priority target area, an 8 km-long vein corridor with multiple veins exceeding 400 m of strike, returned grades of up to 95.1% CaF₂ (refer Prospectus dated 27 April 2026).

Work during the year. Following admission to the Official List, field activities recommenced on 30 June 2026, comprising:

- Geological mapping to identify vein structures beyond documented occurrences

- Rock-chip sampling of outcropping veins, with priority samples fast-tracked for assay
- Trial soil sampling to test for extensions of the vein system beneath thin cover to the north
- Commencement of a detailed airborne magnetic and radiometric survey covering ~3,200 line km

Approximately \$205,000 was spent on exploration during the June 2026 quarter, primarily at Huckitta.

Subsequent to the end of the June 2026 year:

- **Airborne survey completed (15 July 2026).** Processed RTP 1VD imagery resolves structural trends spatially associated with mapped fluorite and allows their continuation beneath cover to be better defined, along with structures not apparent in previous data.
- **Western vein discovery (22 July 2026).** Mapping identified a previously untested vein in the western priority target area, more than 5 km west of the historical focus. Rock chips returned >20% CaF₂ over more than 700 m of strike and up to 91.2% CaF₂, the longest continuously mineralised vein identified at the project to date.
- **First soil results (18 August 2026).** 148 soil samples on two east-west traverses ~400 m apart defined a coherent ~1 km-wide CaF₂-in-soil anomaly where outcrop is poor. Follow-up located fluorite-bearing veins in creek exposures concealed by cover elsewhere. New rock chips returned up to 74.0% CaF₂.
- **Northern soil traverse (18 September 2026).** A 10.7 km traverse ~1.3 km north of the main vein cluster defined multiple coherent fluorine-in-soil anomalies extending beyond known outcrop and through cover. Several are accompanied by elevated Th, Sn, Nb, W, Rb and Be, interpreted as the footprint of an evolved fluorine-rich hydrothermal system. Further rock chips returned up to 74.2% CaF₂ and extended fluorite-bearing geology to the west of the Priority Target Area.

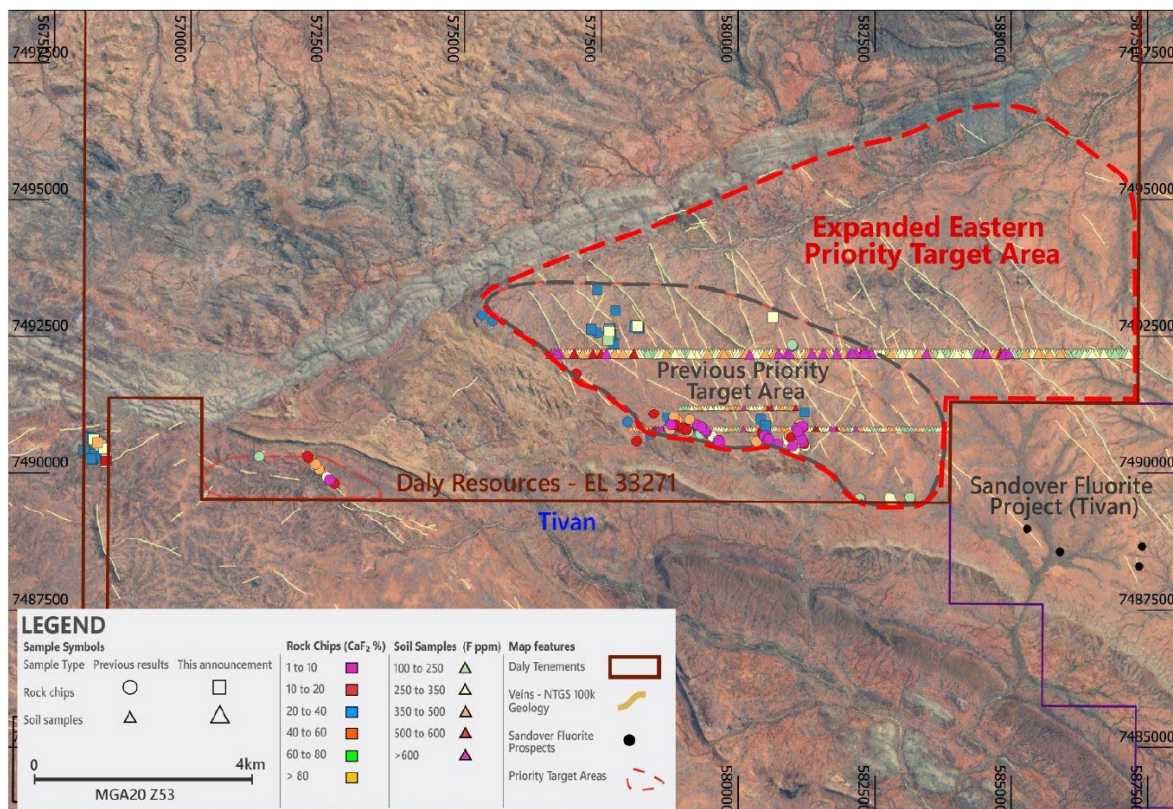


Figure 2. New CaF₂ rock-chip and fluorine soil results, with previously reported geochemistry, Huckitta Fluorite Project (ASX announcement 18 September 2026).

Next steps. A systematic regional soil grid across the prospective basement geology will be integrated with the magnetic and radiometric data to identify stacked or concentrated vein zones with strike continuity, and rank targets for Daly's maiden drilling programme.

Huckitta Copper Project

The Huckitta Copper Project targets sediment-hosted copper along the southern margin of the Georgina Basin, where basin sediments are juxtaposed against the Palaeoproterozoic Aileron Province. Getech, commissioned by Sandfire, completed a weights-of-evidence prospectivity assessment of the southern Georgina Basin. It integrated structural, stratigraphic, geochemical and geophysical data to rank sediment-hosted copper targets. The project is adjacent to the Jervois Copper Project, the most advanced copper development in the Aileron Province.

Exploration at Huckitta has been limited: only 48 drill holes within the tenure are deeper than 50 m, and anomalous copper rock chips have not been followed up.

Box Hole Zn-Pb-Ag Prospect (EL34086)

Box Hole was acquired as part of the Huckitta consolidation from Sandfire in 2025. A technical review completed after year end was reported on 1 October 2026.

Box Hole is a stratabound Pb-Zn-Ag system hosted in the Upper Cambrian Arrinthrunga Formation of the Georgina Basin, traced over ~6.7 km of strike and open along strike and at depth. It is centred on the historic King's Workings, where 1960s hand-mining produced 15 t of galena averaging 66% Pb and 58.5 g/t Ag. Uramet Minerals' 2007–2009 RAB drilling returned best single-metre assays of 14.7% Zn (HDB045) and 5.39% Pb with 3.34% Zn (HDB001).

An independent 2009 review by CSA Global concluded Box Hole has many features found in economic MVT districts and deposits. In 2023, MetalsGrove Mining prepared access tracks and drill pads for an RC programme testing IP chargeability targets, but unseasonal rainfall forced demobilisation before any holes were drilled. These targets remain untested.

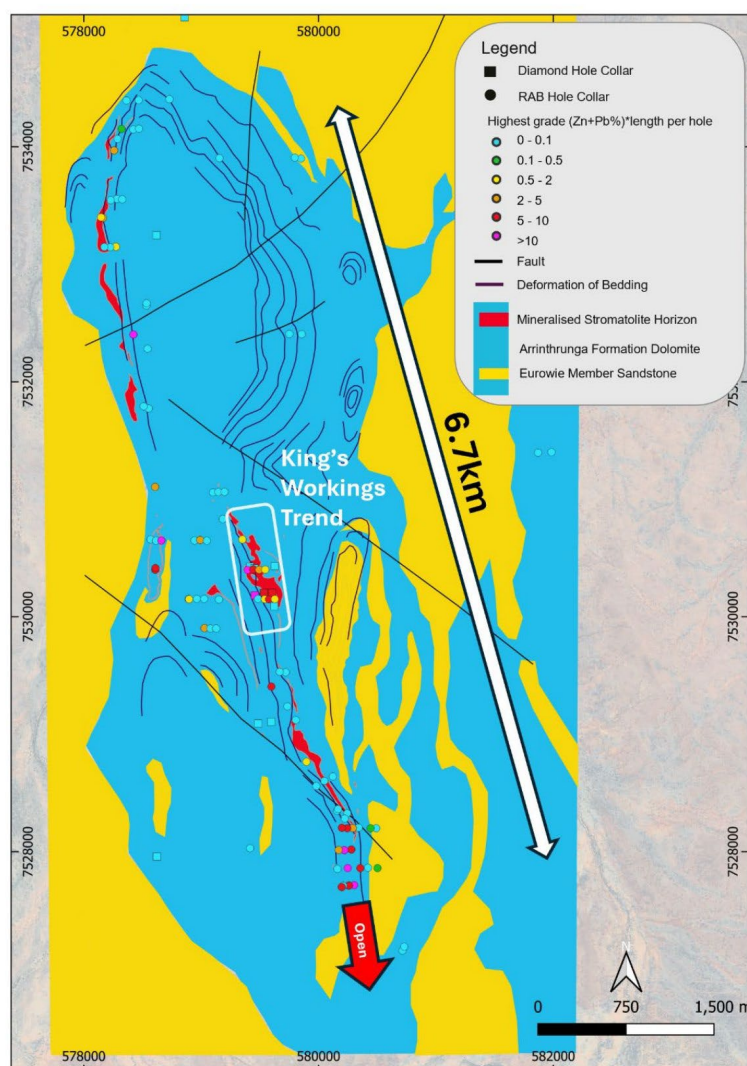


Figure 3. Geology of Box Hole showing highest-grade Zn+Pb (%) x length intercept per hole (ASX announcement 1 October 2026).

Next steps. A soil survey across the broader prospective geology, followed by drill testing of soil-generated targets and the untested geophysical targets, subject to access.

Broughton Cu-Zn Project

Broughton is located ~580 km from Darwin by road via the Stuart Highway and Central Arnhem Road. It covers ~1,581 km² across four granted licences in the northern McArthur Basin, an overlooked and under-explored part of the Carpentaria Zinc Belt.

Daly is applying a hybrid petroleum-minerals systems model, proven at deposits such as Century and Dzhezkazgan. Daly believes that the project contains essential components of a basin-scale mineralising system:

- Metal sources in mafic and felsic volcanics
- Evaporite-driven brines
- Organic-rich Roper Group reductants
- Fluid pathways along strike-slip faults and roll-over anticlines
- Trap zones evidenced by hydrocarbons and sulphides in petroleum wells

Known occurrences include:

- MVT-style Zn-Pb-Cu around Bulman, Mt Warrington and Walmudga
- Laisvall-style Zn-Pb-Ag-Mo in Roper Group sandstones at Wongalara, Galena Cliffs and Mainoru
- Kupferschiefer-style Cu-Pb-Zn sulphides in the Broughton #1 and Flying Fox Creek #1 wells

Known mineralisation is shallow (<100 m). Large areas remain lightly explored, with limited sampling and sparse drilling.

Subsequent to the end of the June 2026 year, Daly was awarded \$150,000 (inc. GST) under Round 19 of the NT Government's Geophysics and Drilling Collaborations Program (6 July 2026). The funding supports a ~2,018 line-km VTEM survey at 400 m line spacing over priority areas of EL32992 and EL32993, scheduled to commence in Q3 2026. It will be the first modern airborne EM dataset over the priority corridors.

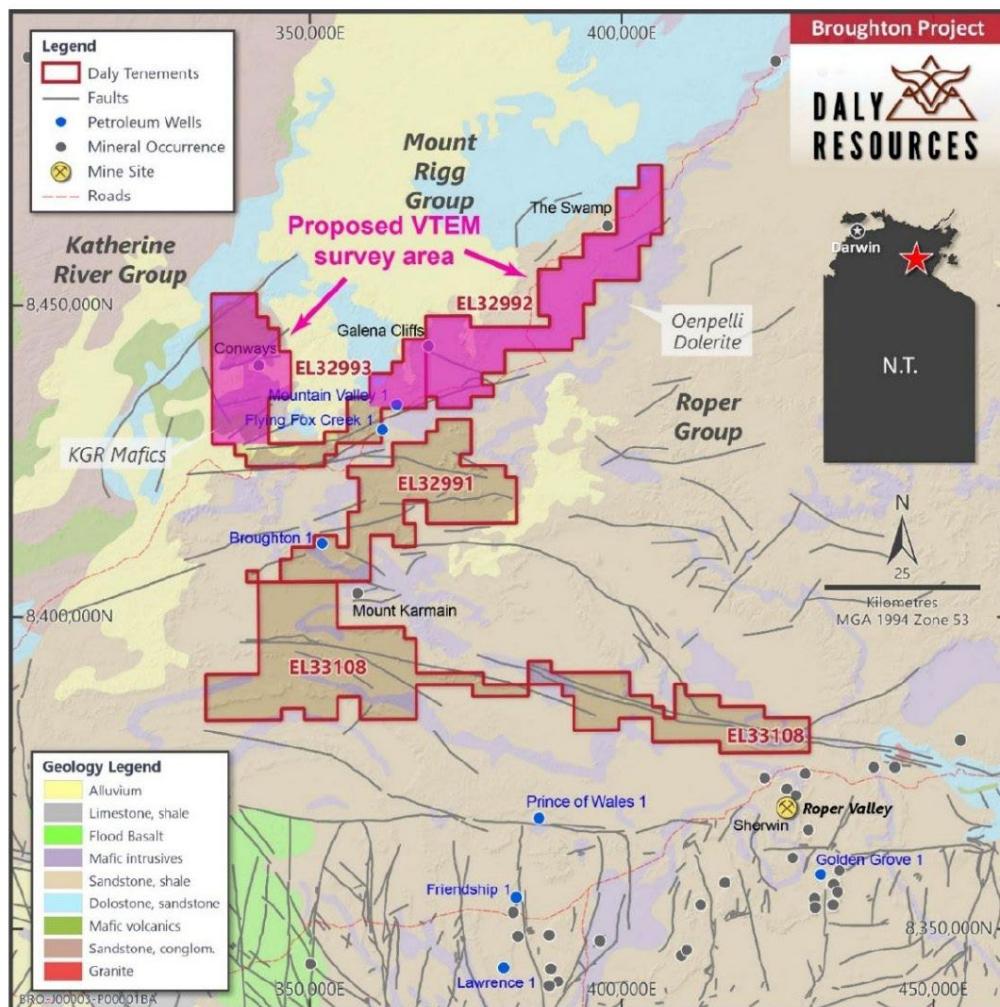


Figure 4. Broughton Project tenements showing regional geology, mineral occurrences and the proposed VTEM survey areas (ASX announcement 6 July 2026).

Batten Zn-Cu Project

Batten is located ~860 km from Darwin by road via the Stuart and Carpentaria Highways, and is serviced from Borroloola. It covers ~1,124 km² in the Carpentaria Zinc Belt, 13 km west of Glencore's McArthur River (HYC) mine. The Batten Fault Zone has been explored for more than 60 years and hosts world-class SEDEX deposits:

- HYC: 227 Mt @ 9.2% Zn, 4.1% Pb and 41 g/t Ag
- Teena: 58 Mt @ 11.1% Zn and 1.6% Pb
- Myrtle: 43.6 Mt @ 4.1% Zn and 0.9% Pb

SEDEX deposits often sit in deeply buried sub-basins with no surface expression. Daly considers that substantial potential remains in blind parts of the system at Batten.

Daly's priority is the Hot Spring Target, ~25 km west of HYC on the Bald Hills Fault, which is interpreted to control both the HYC and Teena sub-basins. The target is defined by a late-time conductor seen across multiple AEM datasets and a coincident regional gravity low. It has never been drilled, and Daly plans targeted gravity to refine drill locations. Copper potential at Batten remains largely untested.

Activity during the year was limited to regional assessment and exploration planning.

Pipeline Projects – Bulman and Beetaloo

Bulman Cu-Zn (EL33534 and EL33535, applications). Bulman covers ~1,656 km² along the Bulman Fault, ~620 km from Darwin. The tenure fully surrounds the historic Bulman Mine. Sahara considers Bulman a high-potential, early-stage opportunity for MVT-style Zn-Pb. It also has scope for a SEDEX-style footwall feeder system, and for stratiform copper in the Jimbu area to the northwest. Artisanal mining dates back to the early 1900s, but there has been no deep drilling. The project is on Aboriginal Freehold land, and access will require agreement with Traditional Owners.

Beetaloo Zn-Cu (six applications). Beetaloo covers ~4,945 km², ~600 km from Darwin. It is a frontier, undercover opportunity targeting petroleum- and redbed-associated zinc and copper in the Beetaloo and Daly Basins. SEEBASE and seismic data show a NW–SE structural grain similar to Broughton, which suggests major faults and fluid pathways beneath cover.

Corporate

Daly listed on the ASX on 23 June 2026 after a \$12 million IPO, and ended the year with \$11.045 million cash and 91,000,000 shares on issue.

Initial Public Offering. The Company issued 48 million fully paid ordinary shares at \$0.25 under its Prospectus dated 27 April 2026, implying an enterprise value of ~\$11.5 million at IPO. Sandfire Resources Limited (ASX: SFR) is the Company's major shareholder.

Related party payments. Payments to Directors and their associates (salary, fees and superannuation) totalled \$38,000 in the June 2026 quarter.

Use of funds (ASX Listing Rule 5.3.4) - actual expenditure to 30 June 2026 against the Prospectus:

Use of funds	Prospectus (over 2 years)	Spent to 30 June 2026
Exploration and development	\$8,100,000	\$204,722
Directors' and management fees	\$879,200	\$47,601
Costs of the Offers	\$825,463	\$878,760
Working capital	\$2,690,304	\$312,235
Total	\$12,494,967	\$1,443,319

Costs of the Offers exceeded the Prospectus estimate by \$53,297.

Events Subsequent to the End of the Financial Year

Since 30 June 2026 the Company has released the following announcements. Other than these, no matter or circumstance has arisen that has significantly affected, or may significantly affect, the Company's operations, results or state of affairs in future years.

Date	Announcement	Summary
1 Oct 2026	Large-scale MVT zinc-lead target at Box Hole, Huckitta Project	Technical review of Box Hole; soil survey planned; untested 2023 RC targets
18 Sep 2026	New geochemical results expand Huckitta fluorite target area	10.7 km soil traverse defines anomalism beneath cover; new western vein; regional soil grid to follow
18 Aug 2026	Geochemistry and geophysics highlight scale potential of Huckitta Fluorite Project	~1 km-wide CaF ₂ -in-soil anomaly; rock chips up to 74.0% CaF ₂ ; new magnetic imagery
30 Jul 2026	Quarterly Activities Report – June 2026	First quarterly report as a listed company
22 Jul 2026	New fluorite results demonstrate scale and high grade at Huckitta	Western vein >700 m strike, up to 91.2% CaF ₂
15 Jul 2026	Huckitta fluorite exploration update	Mapping, rock-chip and trial soil sampling completed; airborne survey completed
6 Jul 2026	Daly awarded \$150,000 NT Government co-funding for Broughton VTEM survey	~2,018 line-km VTEM survey over EL32992 and EL32993

Mineral Resources and Ore Reserves

In accordance with ASX Listing Rule 5.21, the Company advises that as at 30 June 2026 it had not reported any Mineral Resources or Ore Reserves.

Compliance Statements

Competent Person's Statement. The information in this report relating to Exploration Results is based on information compiled by Mr Daniel Greene, Exploration Manager and employee of Daly Resources Limited. Mr Greene is a Member of the Australasian Institute of Geoscientists and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration, and to the activity being undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the JORC Code. Mr Greene consents to the inclusion in this report of the matters based on his information in the form and context in which they appear.

Previously Reported Information. Exploration Results referred to in this report were previously reported in the Company's Prospectus dated 27 April 2026 (including the Independent Geologist's Report prepared by Sahara Operations (Australia) Pty Ltd dated 27 March 2026) and in ASX announcements dated 30 June, 6 July, 15 July, 22 July, 30 July, 18 August, 18 September and 1 October 2026. The Company confirms that it is not aware of any new information or data that materially affects the information included in those announcements, and that the form and context in which the Competent Person's findings are presented have not been materially modified.

Third-party information. Information on third-party projects and deposits was reported by others. This includes Tivan Limited's Sandover Fluorite Project, Rumble Resources Ltd's Earahedy Project, and the McArthur River (HYC), Teena and Myrtle deposits. Daly has not independently verified them; they are included for regional and comparative context only.

Forward-Looking Statements. This report contains forward-looking statements which involve a number of risks and uncertainties. These statements are expressed in good faith and believed to have a reasonable basis. They reflect current expectations, intentions or strategies regarding the future and assumptions based on currently available information. Should one or more of the risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary from the expectations, intentions and strategies described in this report. No obligation is assumed to update forward-looking statements if these beliefs, opinions and estimates change or to reflect other future developments.

APPENDIX 1: Financial Report for the year ended 30 June 2026

Daly Resources Limited

ABN 56 664 007 621

Financial Report

For the year ended 30 June 2026

DALY RESOURCES LIMITED FINANCIAL REPORT
For the year ended 30 June 2026

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CORPORATE DIRECTORY

Directors

Mr Michael Edwards – Executive Chairman (appointed on 20 February 2026)
Mr William Belbin – Non-Executive Director (appointed on 2 March 2026)
Mr Scott Glasson – Finance Director (appointed on 22 November 2022)
Mr David Pennock – Non-Executive Director (appointed on 22 November 2022)
Mr David Rawlings - (appointed on 22 November 2022, resigned on 2 March 2026)

Company Secretary

Mr Chris Marshall (appointed on 3 March 2026)
Mr Scott Glasson (appointed on 22 November 2022, resigned on 3 March 2026)

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Website and Email

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Email: admin@dalyresources.com.au

DALY RESOURCES LIMITED FINANCIAL REPORT
For the year ended 30 June 2026

REVIEW OF OPERATIONS

Daly Resources Limited is an Australian mineral exploration company focused on the discovery and advancement of fluorite, copper and zinc projects across the Northern Territory.

Huckitta Project

The Huckitta Project is the Company's flagship asset and comprises approximately 3,600 km² of tenure in the Georgina Basin. The project is prospective for high-grade fluorite and sediment-hosted copper mineralisation and is located adjacent to Tivan Limited's Sandover Fluorite Project.

Historical exploration has identified exceptionally high-grade fluorite rock-chip results of up to 95.1% CaF₂ together with numerous untested fluorite and copper targets. During the year, the Company continued advancing its geological understanding of the project and plans to accelerate exploration activities following its successful ASX listing.

Broughton Project

The Broughton Project comprises a substantial landholding within the northern McArthur Basin and is prospective for sediment-hosted copper and zinc mineralisation associated with hydrocarbon migration pathways.

Historical petroleum drilling has identified disseminated chalcopyrite mineralisation which has subsequently been verified by the Company. Geological interpretation has also identified numerous regional soil and stream sediment anomalies that warrant follow-up exploration.

Beetaloo Project

The Beetaloo Project consists of exploration licence applications strategically located within the Beetaloo Basin. The project targets sediment-hosted copper and zinc mineralisation associated with major north-northwest trending structural corridors.

The Company's geological model indicates favourable structural settings capable of concentrating base metal mineralisation and provides further exploration upside across this emerging mineral province.

Batten Project

The Batten Project comprises granted exploration tenements located within the world-class McArthur Basin, immediately adjacent to the McArthur River zinc-lead-silver mining district.

The project covers prospective geology along the Bald Hills Fault and surrounding structural corridors, which are interpreted to be highly favourable for sediment-hosted base metal mineralisation. Historical drilling has demonstrated the fertility of the region, while several subtle synclinal structures associated with encouraging electromagnetic responses remain untested.

Corporate

During the financial year, the Company successfully completed its Initial Public Offering ("IPO"), raising \$12 million (before costs) through the issue of 48,000,000 ordinary shares at \$0.25 per share.

On 23 June 2026, Daly Resources was admitted to the Official List of the Australian Securities Exchange and commenced trading under the ASX ticker DLY. The successful IPO provides the Company with a strong financial platform to accelerate exploration activities across its Northern Territory project portfolio, with an immediate focus on the Huckitta Fluorite-Copper Project. Sandfire Resources Limited remains the Company's major shareholder following listing.

DALY RESOURCES LIMITED FINANCIAL REPORT
For the year ended 30 June 2026

DIRECTORS' REPORT

The Directors present their report on the Group, comprising Daly Resources Limited (referred to in these financial statements as "the Company") and its wholly owned subsidiary, together with the financial report for the financial year ended 30 June 2026 and the auditor's report thereon.

DIRECTORS

The Directors of the Company at any time during or since the end of the financial year are noted below. Directors were in office for the entire period unless otherwise stated.

Name and independence status	Experience, qualifications, special responsibilities and other directorships
Michael Edwards Executive Chairman Appointed: 20 February 2026 <u>Interests:</u> Shares: 660,000 Options: 2,000,000 Performance Rights: 1,000,000 Other current directorships held in listed entities: Former directorships held in listed entities during the last three years:	Qualification: B.Bus (Economics & Finance), B.Sc (Geology) Michael is a Geologist and Economist with over 25 years' experience across the public and private sectors. He commenced his career with Barclays Australia in its Commercial and Corporate Finance division before returning to university to complete a Bachelor of Science (Geology) at the University of Western Australia. Michael subsequently spent eight years as an Exploration and Mine Geologist, principally working in Australia with a focus on Archaean gold and base metals. For the past 15 years, he has worked as a consultant and adviser in the resources industry and has held numerous Executive and Non-Executive Director roles, predominantly with ASX-listed companies. • De.mem Limited (ASX: DEM) – Non-Executive Director • Javelin Minerals Ltd (ASX: JAV) – Non-Executive Director • Somerset Minerals Ltd (ASX: SMM) – Non-Executive Chairman • Metal Hawk Limited (ASX: MHK) – Non-Executive Chairman • Greenstone Resources Ltd (ASX: GSR) – Non-Executive Chairman • Future Battery Minerals Ltd (ASX: FBM) – Non-Executive Chairman
William Belbin Non-Executive Director Appointed: 2 March 2026 <u>Interests:</u> Shares: 2,300,000 Options: 3,000,000 Performance Rights: 1,000,000 Other current directorships held in listed entities: Former directorships held in listed entities during the last three years:	Qualification: B.Sc Geology, M.Sc Will is a highly experienced exploration geologist with over 20 years' experience in gold and base metals exploration, with extensive expertise in project generation and evaluation. Will was Exploration Manager for Rox Resources Limited (ASX: RXL) during the discovery of the Teena Zinc Deposit in the Northern Territory with joint venture partner Teck Australia. He also played a key role in the Fisher East nickel sulphide discoveries. Previously, Will worked as a Senior Geologist with Newexco Exploration Pty Ltd at Western Areas' Forrestania Nickel Project. Metal Hawk Limited (ASX: MHK) Talonx Limited (ASX:TXR) None.

DALY RESOURCES LIMITED FINANCIAL REPORT
For the year ended 30 June 2026

DIRECTORS (CONT'D)

Name and independence status	Experience, qualifications, special responsibilities and other directorships
Scott Glasson Finance Director Appointed: 22 November 2022 <u>Interests:</u> Shares: 2,500,000 Options: 3,000,000 Performance Rights: 1,000,000 Other current directorships held in listed entities: Former directorships held in listed entities during the last three years:	Qualification: B.Com, CA (ANZ) Scott holds a Bachelor of Commerce from the University of Western Australia and is a Chartered Accountant with over 20 years' experience across the resources, oil & gas and retail sectors. He spent 10 years with KPMG and Ernst & Young advising listed and private companies on audit and transaction matters. Scott has extensive experience in corporate finance, capital management and governance, including acquisitions and divestments, joint ventures, capital raisings, financial reporting and ASX compliance. Scott is currently Chief Financial Officer of Metal Hawk Limited (ASX: MHK) and Non-Executive Director of TalonX Resources Limited (ASX: TXR) None.
David Pennock Non-Executive Director Appointed: 22 November 2022 <u>Interests:</u> Shares: 2,650,000 Options: 3,000,000 Performance Rights: 1,000,000 Other current directorships held in listed entities: Former directorships held in listed entities during the last three years:	David is a corporate Geologist with over 20 years' experience in the resources industry, focusing on project and business development. David is a consultant with Pennock Executive Recruiting Pty Ltd, working with a range of clients from large-scale producers to small-cap explorers. He has strong business development skills and is well connected within the resources sector. David is currently Executive Director of Metal Hawk Limited (ASX: MHK). None.
David Rawlings Director Appointed: 22 November 2022 Resigned: 2 March 2026 <u>Interests:</u> Shares: 3,450,000 Options: 3,250,000 Other current and former directorships held in listed entities:	Qualification: B.Sc Geology (Hons), PhD David is a highly experienced geologist with extensive exploration experience in the Northern Territory, particularly within the McArthur Basin. He previously served as Exploration Manager of Core Lithium Ltd (ASX: CXO) for six years, where he led the discovery of the Finniss Lithium Project in the Northern Territory. None.

DALY RESOURCES LIMITED FINANCIAL REPORT

For the year ended 30 June 2026

COMPANY SECRETARY

Scott Glasson has held the role of Company Secretary since 22 November 2022 and resigned from the position effective 3 March 2026. Chris Marshall was appointed as Company Secretary effective 3 March 2026.

DIRECTORS' MEETINGS

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

	Full meetings of Directors	
	Number of meetings attended	Number of meetings held whilst a Director
Michael Edwards	2	2
William Belbin	2	2
Scott Glasson	2	2
David Pennock	2	2
David Rawlings ¹	1	1

¹ resigned on 2 March 2026

The small size of the Board means that Members of the Board meet informally on a regular basis to discuss company operations, risks and strategies, and as required, formalise key actions through circular resolutions.

The audit and risk management, finance and environmental functions are handled by the full Board of the Company.

PRINCIPAL ACTIVITIES

During the financial year, the principal activities of the Group consisted of exploration and evaluation of the Group's exploration tenements situated in Australia.

OPERATING RESULTS

The loss for the financial year ended 30 June 2026 attributable to members of Daly Resources Limited after income tax was \$3,632,465 (2025: \$352,743).

OPERATIONS REVIEW

Information on the operations of the Group and its strategies is set out in the Review of Operations at the beginning of this Financial Report.

OPERATING AND FINANCIAL RISKS

The Group operates in the mineral exploration industry, which is inherently subject to significant risk. The Board recognises that the Group's ability to achieve its strategic objectives is influenced by a range of operational, financial and external factors. The principal business risks facing the Group and the manner in which they are managed are summarised below.

Exploration and development risk

The Group's projects comprise exploration licences and exploration licence applications located in the McArthur Basin and Georgina Basin in the Northern Territory. Exploration and development are inherently speculative activities and there can be no assurance that economically recoverable mineral resources will be discovered or successfully developed.

DALY RESOURCES LIMITED FINANCIAL REPORT

For the year ended 30 June 2026

OPERATING AND FINANCIAL RISKS (CONT'D)

Exploration and development risk (continued)

The Group's exploration activities are subject to geological uncertainty, seasonal weather conditions, drilling and technical challenges, environmental obligations, native title processes, land access, government approvals and regulatory requirements. Failure to achieve successful exploration outcomes or maintain tenure over its projects could adversely affect the Group's financial position and future prospects.

Funding and going concern

The Group does not currently generate operating revenue and continues to fund its activities through existing cash reserves and equity capital. Following the successful completion of its Initial Public Offering during the financial year, the Board believes the Group has sufficient working capital to undertake its planned exploration programmes in the near term.

However, the Group's future growth and development will require additional funding. There can be no assurance that future capital will be available on acceptable terms, or at all. An inability to secure additional funding when required may result in exploration programmes being deferred or reduced.

Mineral resource risk

The Group has not yet defined any Mineral Resources or Ore Reserves across its exploration projects. There is no assurance that ongoing exploration activities will result in the delineation of economically recoverable mineral resources, or that any future mineral resources can be commercially developed.

Tenure and regulatory risk

The Group's exploration licences are subject to statutory conditions, including expenditure commitments, reporting obligations and renewal requirements. Failure to comply with these obligations may result in the loss or reduction of tenure. The Group's operations are also subject to changes in legislation, government policy, environmental regulations and permitting requirements.

Key personnel

The Group relies on the skills and experience of its directors, management and technical personnel. The loss of key personnel or the inability to attract and retain suitably qualified employees, consultants or contractors may adversely affect the Group's exploration activities and business objectives.

Market and economic conditions

The Group's activities are influenced by factors beyond its control, including commodity prices, investor sentiment, inflation, interest rates, exchange rates, availability of capital, government policy and broader economic conditions. These factors may impact both the Group's ability to raise capital and the market value of its securities.

Risk management

The Board is responsible for overseeing the Group's risk management framework and internal control systems. Risk management forms an integral part of the Group's strategic planning and operational decision-making processes. Material risks are identified, assessed and monitored on an ongoing basis, with the objective of ensuring that appropriate controls and mitigation strategies are implemented to support the Group's long-term objectives.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

During the financial year, the Company successfully completed its Initial Public Offering and was admitted to the Official List of the Australian Securities Exchange on 23 June 2026, raising \$12.0 million (before costs). Other than these matters, there were no significant changes in the state of affairs of the Group during the financial year.

DALY RESOURCES LIMITED FINANCIAL REPORT
For the year ended 30 June 2026

DIVIDENDS

The Directors recommend that no dividend be provided for the year ended 30 June 2026 (2025: Nil).

LIKELY DEVELOPMENTS

The Group will continue to pursue the exploration and evaluation of resources over its base metals tenement interests and assess corporate growth opportunities.

ENVIRONMENTAL REGULATION

The Group is subject to significant environmental regulation in relation to its exploration activities. It aims to ensure that the highest standard of environmental care is achieved, and that it complies with all relevant environmental legislation. The Directors are not aware of any breaches during the period covered by this report.

INDEMNIFICATION AND INSURANCE OF OFFICERS

The Group has indemnified the directors and executives of the Group for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

No insurance premiums have been paid, during or since the end of the financial year, for any person who is or has been an officer or executive of the Group.

AUDITOR

The current financial year auditor is Hall Chadwick WA Audit Pty Ltd in accordance with section 327 of the *Corporations Act 2001*.

AUDITOR'S INDEPENDENCE DECLARATION

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

NON-AUDIT SERVICES

The Group may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Group is important.

The Board has considered the non-audit services provided during the year by the auditor and is satisfied that the provision of these non-audit services during the year by the auditor is compatible with, and did not compromise, the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services were subject to the corporate governance procedures adopted by the Group; and
- the non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Group, acting as an advocate for the Group or jointly sharing risks and rewards.

EVENTS SUBSEQUENT TO REPORTING DATE

On 6 July 2026, the Company announced that it had been awarded \$150,000 (including GST) in co-funding under Round 19 of the Northern Territory Government's Geophysics and Drilling Collaborations Program. The funding will support a regional airborne electromagnetic (VTEM) survey at the Company's Broughton Cu-Zn Project in the Northern Territory, which is currently scheduled to commence in the third quarter of 2026.

There have been no other matters or circumstances that have arisen since the end of the financial period that have significantly affected, or may significantly affect, the operations of the Group, the results of these operations, or the state of affairs of the Group in future financial years.

DALY RESOURCES LIMITED FINANCIAL REPORT
For the year ended 30 June 2026

PROCEEDINGS ON BEHALF OF THE GROUP

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Group, or to intervene in any proceedings to which the Group is a party, for the purpose of taking responsibility on behalf of the Group for all or part of those proceedings.

ROUNDING OF AMOUNTS

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

SHARES ISSUED ON EXERCISE OF OPTIONS

There were no options exercised during the reporting period, and nil options exercised subsequent to the end of the reporting period.

REMUNERATION REPORT

The Remuneration Report, which forms part of the Directors' Report, outlines the remuneration arrangements in place for the key management personnel of Daly Resources Limited for the financial year ended 30 June 2026 and is included on page 10.

UNISSUED SHARES UNDER OPTION

At the date of this report unissued ordinary shares of the Company under option are:

Grant date	Number of shares under option	Exercise price of option cents	Expiry date of option
23 June 26	2,000,000	40	16 June 2030
23 June 26	2,000,000	50	16 June 2030
9 March 26 and 18 March 26	8,750,000	30	16 June 2031
9 March 26, 18 March 26 and 25 March 26	9,500,000	40	16 June 2031
25 March 26	500,000	50	16 June 2031
	22,750,000		

During the year ended 30 June 2026, the Company granted:

- 4,000,000 Lead Manager options comprising 2,000,000 exercisable at \$0.40 and 2,000,000 exercisable at \$0.50, both expiring on 16 June 2030.
- 16,750,000 Employee Securities Incentive Plan (ESIP) options to Directors and employees, comprising 7,750,000 exercisable at \$0.30, 8,500,000 at \$0.40, and 500,000 at \$0.50, all expiring on 16 June 2031.
- 2,000,000 options to Cedar Resources Pty Ltd as consideration for the acquisition of tenements, comprising 1,000,000 exercisable at \$0.30 expiring on 16 June 2031 and 1,000,000 exercisable at \$0.40 expiring on 16 June 2031.

All unissued shares are ordinary shares of the Company.

DALY RESOURCES LIMITED FINANCIAL REPORT
For the year ended 30 June 2026

Signed in accordance with a resolution of the Directors.



Scott Glasson

Director

Dated at Perth
07 September 2026

DALY RESOURCES LIMITED FINANCIAL REPORT
For the year ended 30 June 2026

REMUNERATION REPORT - AUDITED

This report, which forms part of the Directors' Report, outlines the remuneration arrangements for the Key Management Personnel ("KMP") of Daly Resources Limited for the year ended 30 June 2026. The information contained in this Remuneration Report has been audited as required by section 308(3C) of the *Corporations Act 2001*.

Key Management Personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including all Directors.

Remuneration philosophy

The Board is responsible for reviewing and approving the Company's remuneration policy to ensure that the Company is able to attract and retain Directors and executives who will create value for shareholders. In determining remuneration, the Board has regard to the size and level of activity of the Company, market conditions and the responsibilities and experience of individual Directors and executives.

The Board also reviews employee incentive and equity-based plans, including the appropriateness of any performance hurdles and proposed equity awards.

Remuneration and Nomination Committee

The Company has not established a separate Remuneration and Nomination Committee.

Given the size and stage of development of the Company, the Board performs the functions that would ordinarily be undertaken by the Remuneration and Nomination Committee and is responsible for determining and reviewing the remuneration of Directors and Key Management Personnel. Where appropriate, the Board may obtain independent external advice on remuneration matters.

Remuneration structure

The remuneration structures of Executive Directors and Non-Executive Directors are separate and distinct.

Executive Director remuneration

Remuneration consists of fixed remuneration and variable remuneration (comprising short-term and long-term incentive schemes).

Fixed remuneration

Fixed remuneration comprises base salary, statutory superannuation and other employment benefits where applicable. The Board reviews fixed remuneration periodically, taking into account the Company's size and level of activity, market conditions and the responsibilities of each executive.

Variable remuneration - Short-term incentive scheme

The Company did not operate a formal Short-Term Incentive (STI) scheme during the year ended 30 June 2026 and no STI payments were made to Key Management Personnel.

Should the Board determine that an STI scheme is appropriate in future years, any performance measures will be determined by the Board having regard to the Company's strategic objectives and shareholder interests.

Variable remuneration – Long-term incentive

The Company may grant equity-based remuneration, including options and performance rights, under its Employee Securities Incentive Plan (ESIP) to eligible Directors, employees and consultants. The purpose of the ESIP is to attract, motivate and retain key personnel and to align their interests with those of shareholders through the creation of long-term shareholder value.

DALY RESOURCES LIMITED FINANCIAL REPORT

For the year ended 30 June 2026

The Board is responsible for reviewing the operation of the ESIP and any equity-based remuneration, including the appropriateness of any performance hurdles and vesting conditions. Grants to Directors are subject to shareholder approval where required by the ASX Listing Rules and the *Corporations Act 2001*.

Details of equity securities granted during the year are set out elsewhere in this Remuneration Report.

Performance and shareholder wealth

The remuneration of the Company's Key Management Personnel is not directly linked to the Company's short-term financial performance or share price performance.

As the Company is an exploration entity and is not currently generating operating revenue, the Board considers that remuneration should reflect the responsibilities, experience and contribution of each individual rather than short-term financial metrics. Equity-based remuneration may be used to align the interests of Directors and executives with the long-term interests of shareholders.

Non-Executive Director remuneration

The Board seeks to set aggregate remuneration at a level that enables the Company to attract and retain appropriately qualified Non-Executive Directors while ensuring that remuneration is commensurate with the Company's size, level of activity and the responsibilities of each Director.

In accordance with the Constitution, the aggregate remuneration payable to Non-Executive Directors must not exceed the maximum amount approved by shareholders. As at the date of this report, the maximum aggregate remuneration is \$500,000 per annum.

The Board reviews the remuneration of Non-Executive Directors periodically, having regard to market practice, the Company's circumstances and the responsibilities undertaken by each Director.

Subject to shareholder approval where required by the ASX Listing Rules and the *Corporations Act 2001*, Non-Executive Directors may also receive equity-based remuneration. Directors are entitled to reimbursement of reasonable travel and other expenses incurred in performing their duties.

Service agreements

Remuneration and other terms of engagement for Directors and Key Management Personnel are formalised in service agreements or letters of appointment, as applicable. The material terms of the service agreements for Key Management Personnel are summarised below.

Name	Terms of agreement	Employee notice period	Employer notice period	Fee/Base salary	Termination Benefit
Michael Edwards	Executive Chairman	3 months	6 months	\$280,000+ Superannuation	N/A
William Belbin	Non-Executive Director	4 weeks	4 weeks	\$50,000+ Superannuation	N/A
Scott Glasson	Finance Director	3 months	3 months	\$100,000+GST	N/A
David Pennock	Non-Executive Director	4 weeks	4 weeks	\$50,000+Super annuation	N/A
David Rawlings (resigned on 2 March 26)	Executive Director	-	-	-	N/A

DALY RESOURCES LIMITED FINANCIAL REPORT
For the year ended 30 June 2026

Use of remuneration consultants

No remuneration consultants were engaged during the year.

Proportion of remuneration that is performance-related

Of total Key Management Personnel remuneration for the year ended 30 June 2026, approximately 2.2% comprised fixed remuneration (salary, fees and superannuation) and approximately 97.8% comprised share-based payments.

Within the share-based payment component, remuneration in the form of Options granted under the Employee Securities Incentive Plan is not subject to performance vesting conditions (Options vest immediately on grant) and is not considered performance-related.

Remuneration in the form of Performance Rights is performance-related, as vesting is contingent on the Company's volume-weighted average share price reaching specified thresholds (\$0.75 for Class A and \$1.00 for Class B Performance Rights) over 20 consecutive trading days.

As the Company is an exploration entity not yet generating operating revenue, the Board considers that equity-based remuneration linked to share price performance, rather than short-term financial metrics, is the most appropriate means of aligning Key Management Personnel with shareholder value creation.

Voting at the Company's 2025 Annual General Meeting

As the Company was admitted to the Official List of ASX during the year ended 30 June 2026, shareholders had not previously been required to vote on the adoption of a remuneration report. Accordingly, no remuneration report vote was conducted prior to the reporting period.

The remuneration report for the year ended 30 June 2026 will be submitted to shareholders for adoption at the Company's 2026 Annual General Meeting.

DALY RESOURCES LIMITED
REMUNERATION REPORT
For the year ended 30 June 2026

Remuneration of Directors

Name		Short-term employee benefits	Post Employment benefits	Share-based payments			Total \$	Option related %
		Cash salary and fees	Superannuation	Shares ¹	Performance Rights	Options		
		\$	\$	\$	\$	\$		
Executive Directors								
Michael Edwards	2026	28,000	-	-	11,332	379,076	418,408	91%
	2025	-	-	-	-	-	-	-
Scott Glasson	2026	16,667	-	-	11,332	568,613	596,612	95%
	2025	-	-	25,000	-	-	25,000	-
David Rawlings (resigned 2 March 26)	2026	-	-	-	-	614,932	614,932	100%
	2025	-	-	25,000	-	-	25,000	-
Sub-total Executive Directors' remuneration	2026	44,667	-	-	22,664	1,562,621	1,629,952	96%
	2025	-	-	50,000	-	-	50,000	-
Non-Executive Directors								
William Belbin	2026	8,333	1,000	-	11,332	568,613	589,278	96%
	2025	-	-	25,000	-	-	25,000	-
David Pennock	2026	8,333	-	-	11,332	568,613	588,278	97%
	2025	-	-	25,000	-	-	25,000	-
Sub-total Non-Executive Directors' remuneration	2026	16,666	1,000	-	22,664	1,137,226	1,177,556	97%
	2025	-	-	50,000	-	-	50,000	-
Total Directors' remuneration								
	2026	61,333	1,000	-	45,328	2,699,847	2,807,508	96%
	2025	-	-	100,000	-	-	100,000	-

¹ Shares issued to Directors of \$100,000 were granted for services performed linked to the Company's planned initial public offering. The 2,000,000 shares have a deemed issue price of \$0.05 each.

DALY RESOURCES LIMITED
REMUNERATION REPORT
For the year ended 30 June 2026

Options

Granted as compensation

At the date of this report, share options granted to the Directors of the Company as part of their remuneration in FY2026 are:

	Number of options granted	Grant date	Value per option at grant date cents	Value of options at grant date \$	Vesting date	Exercise price per option cents	Expiry date
Michael Edwards	1,000,000	9 March 26	19.38	193,802	9 March 26	30	16 June 31
Michael Edwards	1,000,000	9 March 26	18.53	185,274	9 March 26	40	16 June 31
William Belbin	1,500,000	9 March 26	19.38	290,703	9 March 26	30	16 June 31
William Belbin	1,500,000	9 March 26	18.53	277,910	9 March 26	40	16 June 31
Scott Glasson	1,500,000	9 March 26	19.38	290,703	9 March 26	30	16 June 31
Scott Glasson	1,500,000	9 March 26	18.53	277,910	9 March 26	40	16 June 31
David Pennock	1,500,000	9 March 26	19.38	290,703	9 March 26	30	16 June 31
David Pennock	1,500,000	9 March 26	18.53	277,910	9 March 26	40	16 June 31
David Rawlings	1,500,000	9 March 26	19.38	290,703	9 March 26	30	16 June 31
David Rawlings	1,750,000	9 March 26	18.53	324,229	9 March 26	40	16 June 31
	14,250,000			2,699,847			

The options were granted for nil consideration. The fair value of the options at grant date has been determined using the Black-Scholes option pricing model. Refer to Note 6.1 for more details.

No options granted as compensation in the current or prior years were exercised, lapsed or expired.

DALY RESOURCES LIMITED
REMUNERATION REPORT
For the year ended 30 June 2026

Performance Rights

Granted as compensation

On 9 March 2026, the Company granted 4,000,000 Performance Rights to Directors. The Performance Rights comprise 2,000,000 Class A Performance Rights and 2,000,000 Class B Performance Rights and will convert into ordinary shares for nil consideration upon satisfaction of the relevant vesting milestones.

Class A shall vest when the Company's VWAP is at least \$0.75 over 20 consecutive days on which the Company's shares have traded on the ASX.

Class B shall vest when the Company's VWAP is at least \$1 over 20 consecutive days on which the Company's shares have traded on the ASX.

The fair value of the Performance Rights at grant date was determined using the Monte Carlo valuation model. See below for the assumptions used for grants made during the year.

	Class A Director Performance Rights	Class B Director Performance Rights
Number of rights	2,000,000	2,000,000
Exercise price (cents)	-	-
Grant date	9 March 26	9 March 26
Expiry date	16 June 31	16 June 31
Life of the options (years)	5	5
Share price at grant date (cents)	25	25
Fair value at grant date (cents)	20.12	18.49
Total fair value at grant date (\$)	402,400	369,800
Vested	Nil	Nil

Vested during the year

No Performance Rights vested during the year.

Ordinary shares held by Directors

	Held at 1 July 2025	Acquired during the year	Balance at resignation	Held at 30 June 2026	Acquired after year end	Held at date of report
Michael Edwards	-	600,000	-	600,000	-	600,000
William Belbin	2,300,000	-	-	2,300,000	-	2,300,000
Scott Glasson	2,300,000	200,000	-	2,500,000	-	2,500,000
David Pennock	2,350,000	300,000	-	2,650,000	-	2,650,000
David Rawlings	3,450,000	-	-	3,450,000	-	3,450,000
	10,400,000	1,100,000	-	11,500,000	-	11,500,000

DALY RESOURCES LIMITED
REMUNERATION REPORT
For the year ended 30 June 2026

Options held by Directors

	Held at 1 July 2025	Granted*	Balance at resignation	Held at 30 June 2026	Vested at 30 June 2026	Maximum value for future years (\$)
Michael Edwards	-	2,000,000	-	2,000,000	2,000,000	-
William Belbin	-	3,000,000	-	3,000,000	3,000,000	-
Scott Glasson	-	3,000,000	-	3,000,000	3,000,000	-
David Pennock	-	3,000,000	-	3,000,000	3,000,000	-
David Rawlings	-	3,250,000	-	3,250,000	3,250,000	-
	-	14,250,000		14,250,000	14,250,000	-

Performance Rights held by Directors

	Held at 1 July 2025	Granted*	Expired	Held at 30 June 2026	Vested at 30 June 2026	Maximum value for future years (\$)
Michael Edwards	-	1,000,000	-	1,000,000	-	-
William Belbin	-	1,000,000	-	1,000,000	-	-
Scott Glasson	-	1,000,000	-	1,000,000	-	-
David Pennock	-	1,000,000	-	1,000,000	-	-
	-	4,000,000	-	4,000,000	-	-

*Granted on 9 March 2026

During the reporting year, no shares were issued on the exercise of options previously granted as compensation. No cash bonuses were granted during 2026 (2025: nil).

Share-based remuneration granted as compensation

On 9 March 2026, the Company granted 7,000,000 options exercisable at \$0.30 each expiring on 16 June 2031 and 7,250,000 options exercisable at \$0.40 each expiring on 16 June 2031 to Directors under the Company's Employee Securities Incentive Plan.

The Company granted 4,000,000 Performance Rights to Directors during the year. The Performance Rights comprise 2,000,000 Class A Performance Rights and 2,000,000 Class B Performance Rights and will convert into ordinary shares for nil consideration upon satisfaction of the relevant vesting milestones.

During the year ended 30 June 2025, the Company issued 2,000,000 shares to Directors of the Company for services performed linked to the Company's initial public offering. The shares have a deemed issue price of \$0.05 each.

Other transactions with Key Management Personnel

During the year, the Group paid \$71,560 to a company associated with the Directors, Metal Hawk Limited for exploration, office rent and administrative expenses (2025: the Company paid \$14,335 to David Rawlings for geological services and \$1,240 to Metal Hawk Limited for geochemistry expenses).

DALY RESOURCES LIMITED
REMUNERATION REPORT
For the year ended 30 June 2026

At 30 June 2026, the Group had an outstanding payable to Metal Hawk Limited of \$76,968 (2025: \$nil), included in trade and other payables. The balance is unsecured, non-interest bearing and repayable on normal trade terms.

During the year, the Company entered into a 12-month office sublease arrangement with Metal Hawk Limited, commencing on 1 June 2026. The underlying office lease entered into by Metal Hawk Limited on 1 November 2025 has a term of three years.

As the lease term does not exceed 12 months and the lease does not contain a purchase option, the Group has elected to apply the short-term lease recognition exemption in AASB 16 Leases. Accordingly, no right-of-use asset or lease liability has been recognised in respect of this arrangement, and lease payments are recognised as an expense on a straight-line basis over the lease term.

THIS IS THE END OF THE REMUNERATION REPORT – AUDITED.

To the Board of Directors,

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

As lead audit director for the audit of the financial statements of Daly Resources Limited for the period ended 30 June 2026, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

Yours Faithfully



HALL CHADWICK WA AUDIT PTY LTD



MICHAEL HILLGROVE FCA
Director

Dated this 7th day of September 2026
Perth, Western Australia

DALY RESOURCES LIMITED
CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2026

	Note	2026 \$	2025 \$
Assets			
Cash and cash equivalents	3.1	11,045,979	36,326
GST receivable		132,735	11,367
Prepayments		25,905	-
Total current assets		11,204,619	47,693
Exploration and evaluation	4.1	2,639,239	1,711,708
Total non-current assets		2,639,239	1,711,708
Total assets		13,843,858	1,759,401
Liabilities			
Trade and other payables	3.2	305,179	24,692
Total current liabilities		305,179	24,692
Total liabilities		305,179	24,692
Net assets		13,538,679	1,734,709
Equity			
Share capital	5.1	13,522,765	2,347,500
Reserves	5.2	4,261,170	-
Accumulated losses		(4,245,256)	(612,791)
Total equity		13,538,679	1,734,709

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

DALY RESOURCES LIMITED
CONSOLIDATED FINANCIAL STATEMENTS

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

	Note	2026 \$	2025 \$
Interest income		4,089	-
Other income		-	6,818
Exploration expensed		(57,063)	(28,720)
Capitalised exploration impaired	4.1	-	(103,576)
Remuneration expenses	2.2	(3,334,980)	(100,000)
Legal expenses		(119,831)	(75,112)
Prospectus costs		(295)	(10,629)
Professional fees		(99,351)	(37,204)
General and administrative expenses		(25,034)	(4,320)
Loss before income tax		(3,632,465)	(352,743)
Income tax expense	2.3	-	-
Loss for the year		(3,632,465)	(352,743)
Other comprehensive income		-	-
Total comprehensive loss for the year		(3,632,465)	(352,743)
Loss per share			
Basic and diluted (cents per share)	2.4	(8.37)	(1.44)

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

DALY RESOURCES LIMITED
CONSOLIDATED FINANCIAL STATEMENTS

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

	Note	Issued capital \$	Reserves \$	Accumulated losses \$	Total \$
Balance at 1 July 2025		2,347,500	-	(612,791)	1,734,709
Loss for the year		-	-	(3,632,465)	(3,632,465)
Other comprehensive income for the year		-	-	-	-
Total comprehensive loss for the year		-	-	(3,632,465)	(3,632,465)
Transactions with owners					
Issue of ordinary shares less issue costs		11,815,150	-	-	11,815,150
Shares issued for services	5.1	15,000	-	-	15,000
Options issued for acquisition of tenements	6.1	-	378,996	-	378,996
Share-based payment transactions	6.1	(654,885)	3,882,174	-	3,227,289
		11,175,265	4,261,170	-	15,436,435
Balance at 30 June 2026		13,522,765	4,261,170	(4,245,256)	13,538,679
	Note	Issued capital \$	Reserves \$	Accumulated losses \$	Total \$
Balance at 1 July 2024		612,500	-	(260,048)	352,452
Loss for the year		-	-	(352,743)	(352,743)
Other comprehensive income for the year		-	-	-	-
Total comprehensive loss for the year		-	-	(352,743)	(352,743)
Transactions with owners					
Issue of ordinary shares	5.1	435,000	-	-	435,000
Share-based payment transactions	6.1	1,300,000	-	-	1,300,000
		1,735,000	-	-	1,735,000
Balance at 30 June 2025		2,347,500	-	(612,791)	1,734,709

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

DALY RESOURCES LIMITED
CONSOLIDATED FINANCIAL STATEMENTS

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

	Note	2026 \$	2025 \$
Cash flows from operating activities			
Payments to suppliers and employees		(411,066)	(129,451)
Payments for exploration expensed		(44,577)	(28,720)
Interest received		4,089	-
Net cash used in operating activities	3.1(b)	(451,554)	(158,171)
Cash flows from investing activities			
Payments for capitalised exploration		(353,943)	(390,444)
Net cash used in investing activities		(353,943)	(390,444)
Cash flows from financing activities			
Proceeds from issue of shares less issue costs		11,815,150	435,000
Net cash from financing activities		11,815,150	435,000
Net increase/(decrease) in cash and cash equivalents		11,009,653	(113,615)
Cash and cash equivalents at commencement of year		36,326	149,941
Cash and cash equivalents at 30 June	3.1(a)	11,045,979	36,326

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026

SECTION 1 BASIS OF PREPARATION

The financial report comprises the consolidated financial statements of the Group, consisting of Daly Resources Limited and its wholly owned subsidiaries, for the year ended 30 June 2026.

Daly Resources Limited presents its financial statements in a format and style that is relevant and clear to shareholders and other users. In preparing the 2026 financial statements, we have grouped notes into sections under seven key categories:

1. Basis of preparation
2. Results for the year
3. Working capital disclosures
4. Assets and liabilities supporting exploration and evaluation
5. Equity and funding
6. Other disclosures

Material accounting policies specific to one note are included within that note and where possible, wording has been simplified to provide clearer commentary on the financial report of the Group. Accounting policies determined to be non-material are not included in the financial statements. There have been no changes to the Group's accounting policies that are no longer disclosed in the financial statements.

1.1 GENERAL INFORMATION

The Company is a for-profit, public company domiciled in Australia. The Company's registered office is located at Level 1, 1292 Hay Street, West Perth, WA, 6005.

The Group is primarily involved in the mineral exploration industry in Australia.

The financial statements are general purpose financial statements which:

- have been prepared in accordance with Australian Accounting Standards adopted by the Australian Accounting Standards Board and the Corporations Act 2001. The financial statements comply with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board;
- have been prepared on a historical cost basis, except for share-based payments which are measured at fair value. The basis of measurement is discussed further in the individual notes;
- are presented in Australian Dollars, being the Group's functional currency;
- adopts all new and revised Australian Accounting Standards and Interpretations issued by the AASB that are relevant to the operations of the Group and effective for reporting periods beginning on or after 1 July 2025. Refer to note 1.3 for further details; and
- does not early adopt any Australian Accounting Standards and Interpretations that have been issued or amended but not yet effective. Refer to note 1.3 for further details.

1.2 MATERIAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognised in the period in which the estimate is revised if it affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements and information about assumptions and estimation uncertainties that have a significant risk of resulting in material adjustment are included in the following notes:

Share-based payment transactions

The Group measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of equity-settled share-based payment transactions is determined at the grant date using appropriate valuation techniques, including the Black-Scholes option pricing model, the Monte Carlo valuation model and market prices for ordinary shares, as applicable.

Exploration and evaluation costs

Exploration and evaluation costs are capitalised on the basis that the entity will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made. Refer to Note 4.1.

1.3 ADOPTION OF NEW OR AMENDED ACCOUNTING STANDARDS AND INTERPRETATIONS

The Group has adopted all new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") that are mandatory for the current reporting period. The adoption of the new or amended Accounting Standards and Interpretations did not result in any significant changes to the Group's accounting policies in the current or future period.

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the financial reporting year ended 30 June 2026. The Group is currently assessing the impact of adopting AASB 18 and of these new or amended Accounting Standards and Interpretations.

AASB 18 Presentation and Disclosure in Financial Statements

This standard is applicable to annual reporting periods beginning on or after 1 January 2027 and early adoption is permitted.

The standard replaces AASB 101 'Presentation of Financial Statements', with many of the original disclosure requirements retained and there will be no impact on the recognition and measurement of items in the financial statements. The standard will affect presentation and disclosure in the financial statements, including introducing five categories in the statement of profit or loss and other comprehensive income: operating, investing, financing, income taxes and discontinued operations. The standard introduces two mandatory sub-totals in the statement: 'Operating profit' and 'Profit before financing and income taxes'. There are also new disclosure requirements for 'management-defined performance measures', such as earnings before interest, taxes, depreciation and amortisation ('EBITDA') or 'adjusted profit'. The standard provides enhanced guidance on grouping of information (aggregation and disaggregation), including whether to present this information in the primary financial statements or in the notes. The Group will adopt this standard from 1 July 2027 and it is expected that there will be a significant change to the layout of the statement of profit or loss and other comprehensive income.

DALY RESOURCES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1.4 GOING CONCERN

The financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

The Group incurred a loss for the year of \$3,632,465 (2025: \$352,743) and net cash outflows from operating activities of \$451,554 (2025: \$158,171). As at 30 June 2026, the Group had a working capital of \$10,899,440 (2025: \$23,001) with a cash balance of \$ 11,045,979. The ability of the Group to continue as a going concern is principally dependent upon the ability of the Group to secure funds by raising capital from investors and managing cash flow in line with available funds.

Following completion of the Company's initial public offering during the year, the Directors have assessed the Group's cash-flow requirements and planned exploration expenditure and consider that the Group has sufficient funds to meet its obligations as and when they fall due for at least 12 months from the date the financial statements are authorised for issue.

The Group's future exploration and development activities may require additional funding beyond this period. The timing and extent of such activities may be adjusted having regard to available funding. Accordingly, the Directors consider that the going concern basis of preparation is appropriate.

SECTION 2 RESULTS FOR THE YEAR

This section focuses on the results and performance of the Group, with disclosures including segmental information, components of the operating profit, taxation and earnings per share.

2.1 OPERATING SEGMENTS

Accounting Policy

The Group's operating segment has been determined with reference to the management accounts used by the Chief Operating Decision Maker to make decisions regarding the Group's operations and allocation of working capital.

Based on the quantitative thresholds included in AASB 8, there is only one reportable segment, being base minerals exploration and evaluation in Australia.

The revenues and results of this segment are those of the Group as a whole and are set out in the Consolidated Statement of Profit or Loss and Other Comprehensive Income and the assets and liabilities of the Group as a whole are set out in the Consolidated Statement of Financial Position.

There have been no changes to the basis of segmentation or the measurement basis for the segment profit or loss since 30 June 2025.

2.2 REMUNERATION EXPENSES

The table below sets out personnel costs expensed during the year, inclusive of remuneration of Directors.

	2026	2025
	\$	\$
Salaries and fees	99,153	-
Superannuation benefits	8,538	-
Share-based payments	3,227,289	100,000
	3,334,980	100,000

DALY RESOURCES LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2.3 INCOME TAX EXPENSE

(a) Reconciliation of effective tax rate

	2026	2025
	\$	\$
Loss for the year	(3,632,465)	(352,743)
Income tax using the Group's domestic tax rate of 25% (2025: 25%)	(908,116)	(88,186)
Non-deductible expenses	806,822	25,000
Unrecognised timing differences	(136,351)	(45,823)
Tax losses not brought to account	237,645	109,009
Income tax expense	-	-

All unused tax losses were incurred in Australia.

Potential future income tax benefits of up to \$1,498,070 (2025: \$636,456) attributed to tax losses have not been brought to account.

The benefit of these tax losses will only be obtained if:

- future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised;
- the conditions for deductibility imposed by tax legislation continue to be complied with;
- no changes in tax legislation adversely affect the Group in realising the benefit; and
- the continuity of ownership or the same business test is satisfied.

(b) Unrecognised deferred tax assets and liabilities

Deferred tax assets and liabilities have not been recognised in respect of the following items:

	2026	2025
	\$	\$
Deferred tax assets		
Trade and other payables	4,125	2,750
Carry forward tax losses	374,518	159,114
Total deferred tax assets	378,643	161,864
Deferred tax liabilities		
Prepayments	(6,476)	-
Exploration and evaluation	(133,384)	(45,823)
Total deferred tax liabilities	(139,860)	(45,823)
Net unrecognised deferred tax assets	238,783	116,041

Deferred tax assets and deferred tax liabilities have not been recognised.

DALY RESOURCES LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2.4 LOSS PER SHARE

Basic and diluted loss per share

Loss per share is the amount of post-tax loss attributable to each share.

The calculation of basic loss per share at 30 June 2026 has been based on the loss attributable to ordinary shareholders and weighted average number of ordinary shares outstanding.

Potential ordinary shares have not been included in the calculation of diluted loss per share because they are anti-dilutive.

Loss per share attributable to ordinary shareholders

	2026	2025
Net loss attributable to ordinary shareholders - \$	(3,632,465)	(352,743)
Weighted average number of ordinary shares at 30 June	43,382,496	24,428,493
Basic and diluted loss per share (cents)	(8.37)	(1.44)

SECTION 3 WORKING CAPITAL DISCLOSURES

This section focuses on the cash funding available to the Group and working capital position at year end.

3.1 CASH AND CASH EQUIVALENTS

Accounting Policy

Cash comprises cash at bank and on hand. Cash and cash equivalents are held with Australian financial institutions.

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Bank overdrafts are shown within borrowings in current liabilities in the Consolidated Statement of Financial Position.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(a) Reconciliation of cash recorded in Consolidated Statement of Financial Position to Statement of Cash Flows

	2026	2025
	\$	\$
Cash and cash equivalents in the statement of cash flows	11,045,979	36,326

DALY RESOURCES LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3.1 CASH AND CASH EQUIVALENTS (CONT'D)

(b) Reconciliation of cash flows from operating activities

	Note	2026 \$	2025 \$
Cash flows from operating activities			
Loss for the year		(3,632,465)	(352,743)
Add: Share-based payments	6.1	3,227,289	100,000
Add: Capitalised exploration impaired		-	103,576
Adjustments for:			
Change in other receivables		(121,368)	(10,229)
Change in other assets		(25,905)	-
Change in trade and other payables		100,895	1,225
Net cash used in operating activities		(451,554)	(158,171)

(c) Non-cash investing and financing activities

	Note	2026 \$	2025 \$
Tenements acquisition via share-based payments	4.1	393,996	1,200,000
Options issued to Lead Manager	6.1	654,885	-
		1,048,881	1,200,000

3.2 TRADE AND OTHER PAYABLES

Accounting Policy

Trade and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. Trade and other payables are presented as current liabilities unless payment is not due within 12 months.

		2026 \$	2025 \$
Current			
Trade payables	(i)	259,506	10,290
Other payables and accruals		45,673	14,402
		305,179	24,692

- (i) Trade payables are non-interest bearing and are normally settled on 30-day terms. All amounts are short-term. The net carrying amount of trade payables is considered a reasonable approximation of fair value.

Information regarding the interest rate, foreign exchange and liquidity risk exposure is set out in note 6.2.

SECTION 4 ASSETS AND LIABILITIES SUPPORTING EXPLORATION AND EVALUATION

This section focuses on the assets and liabilities which form the core of the ongoing business, including those assets and liabilities which support ongoing exploration and evaluation as well as capital and other commitments existing at year end.

Key estimates and assumptions in this section

Indicators of impairment for exploration and evaluation assets

The Group has reviewed exploration and evaluation assets for indicators of impairment in accordance with AASB 6 and has concluded that capitalised exploration and evaluation expenditure was not impaired at year end. In making this evaluation, management is required to make assessments on the status of each project and the future plans towards successful development and commercial exploitation, or alternatively sale, of the respective areas of interest.

Asset acquisitions versus business combinations

During the year, the Group acquired exploration tenements from Cedar Resources Pty Ltd in consideration for options over ordinary shares (refer Note 6.1), and in the prior year acquired the Huckitta and North Batten Projects from Sandfire Resources Limited in consideration for ordinary shares. In assessing these transactions, the Directors considered whether the assets and activities acquired constituted a "business" as defined in AASB 3 Business Combinations, having regard to the inputs, processes and outputs acquired. As the acquisitions comprised tenement interests only — without an assembled workforce, established processes, or the outputs of a business — the Directors concluded that the transactions did not meet the definition of a business combination and have accounted for them as asset acquisitions. Accordingly, the consideration paid has been allocated to the identifiable assets acquired on a relative fair value basis and capitalised as exploration and evaluation expenditure in accordance with AASB 6, with no goodwill recognised.

Accounting Policy

Exploration for and evaluation of mineral resources is the search for mineral resources after the entity has obtained legal rights to explore in a specific area, as well as the determination of the technical feasibility and commercial viability of extracting the mineral resource. Accordingly, exploration and evaluation expenditures are those expenditures incurred by the Group in connection with the exploration for and evaluation of mineral resources before the technical feasibility and commercial viability of extracting a mineral resource are demonstrable.

Accounting for exploration and evaluation expenditures is assessed separately for each 'area of interest'. An 'area of interest' is an individual geological area which is considered to constitute a favourable environment for the presence of a mineral deposit or has been proved to contain such a deposit.

Exploration and evaluation costs are capitalised on the basis that the entity will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

DALY RESOURCES LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4.1 EXPLORATION AND EVALUATION EXPENDITURE

	2026	2025
	\$	\$
Costs carried forward in respect of areas of interest		
Exploration and evaluation expenditure	2,639,239	1,711,708
Movements for the year		
Opening balance	1,711,708	224,840
Tenements acquisition via share-based payments ^{1,2}	378,996	1,200,000
Shares issued to chief geologist	15,000	-
Capitalised expenditure	533,535	390,444
Capitalised exploration impaired ³	-	(103,576)
	2,639,239	1,711,708

¹ Value of share-based payment for the year ended 30 June 2025 totalled \$1,200,000 and relates to 12,000,000 shares issued to Sandfire Resources Ltd as consideration for the acquisition of the Huckitta and North Batten Projects. The shares have a deemed issue price of \$0.10 each.

² Value of share-based payment for the year ended 30 June 2026 of \$378,996 relates to the acquisition of exploration and evaluation tenements. As consideration, the Company issued 2,000,000 unlisted options, comprising 1,000,000 options exercisable at \$0.30 each and 1,000,000 options exercisable at \$0.40 each, each expiring on 16 June 2031. The options were measured at fair value using the Black-Scholes option pricing model, resulting in a fair value of \$378,996, which has been capitalised as exploration and evaluation expenditure with a corresponding credit recognised in the share-based payment reserve.

³ Capitalised exploration expenditure impaired following the relinquishment of tenements.

A total of \$57,063 (2025: \$28,720) was expensed during the financial year in relation to exploration activities on tenement applications that had not yet been granted. As the Group did not hold legal title to those tenements at the reporting date, the expenditure did not meet the recognition criteria for capitalisation under AASB 6.

At 30 June 2026, the Group assessed each area of interest for indicators of impairment having regard to the factors in AASB 6.20, including the status of tenure, planned and budgeted exploration expenditure, exploration results and the Group's intention to continue exploration and evaluation activities. Based on this assessment, no indicators of impairment were identified, and no impairment loss was recognised.

The Group's exploration activities to date have been limited to non-intrusive geological assessment, historical data review, geological mapping, rock-chip and soil sampling, and airborne geophysical surveys. No drilling, land clearing or other ground-disturbing exploration activity had been undertaken on the Group's tenements as at 30 June 2026, and accordingly no legal or constructive obligation for rehabilitation or site restoration had arisen at the reporting date. The Group will recognise a provision for rehabilitation and site-restoration costs when a present obligation arises from ground-disturbing activity, measured at the present value of the estimated future costs expected to be required to settle the obligation.

DALY RESOURCES LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

SECTION 5 EQUITY AND FUNDING

This section focuses on the debt and equity funding available to the Group at year end, most notably covering share capital, loans and borrowings.

5.1 SHARE CAPITAL

	Ordinary shares			
	Number of shares		Amount in \$	
	2026	2025	2026	2025
On issue at commencement of year	34,500,000	14,550,000	2,347,500	612,500
<i>Shares issued and expensed during the year:</i>				
Seed capital @ 10c in September 2024	-	600,000	-	60,000
Seed capital @ 10c in December 2024	-	2,150,000	-	215,000
Seed capital @ 5c Feb 25 – June 25	-	3,200,000	-	160,000
Seed capital @ 5c on 2 Feb 26	4,200,000	-	210,000	-
Broker shares @ \$0.125 on 10 Feb 26	4,000,000	-	500,000	-
IPO shares @25c - May 26	48,000,000	-	12,000,000	-
Share based payments ¹	300,000	14,000,000	15,000	1,300,000
Less: Shares issue costs ²	-	-	(1,549,735)	-
On issue at 30 June	91,000,000	34,500,000	13,522,765	2,347,500

¹ On 2 February 2026, the Company issued 300,000 fully paid ordinary shares to the Chief Geologist in consideration for geological services provided. The shares were issued at an issue price of \$0.05 per share, resulting in a total value of \$15,000. Refer to Note 6.1 for further details.

² Included in share issue costs of \$1,549,735 is \$654,885, representing the fair value of 4,000,000 Lead Manager options issued to the Lead Manager in connection with the Company's initial public offering. In accordance with AASB 2, the fair value of these options has been recognised as a share issue cost and deducted from equity. Refer to Note 6.1 for further details.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

Option holders cannot participate in any new share issues by the Company without exercising their options.

In the event of a winding up of the Company, ordinary shareholders rank after all other shareholders (if any) and creditors and are fully entitled to any proceeds on liquidation.

All issued shares are fully paid.

DALY RESOURCES LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5.2 RESERVES

	2026	2025
	\$	\$
Share-based payments reserve	4,261,170	-
	No	\$
Balance as at 1 July	-	-
Options issued to Lead Manager	4,000,000	654,885
Options issued to Directors and executives	16,750,000	3,165,875
Options issued for acquisition of tenements	2,000,000	378,996
Performance rights issued to Directors and executives	5,500,000	61,414
Closing balance	28,250,000	4,261,170

Nature and purpose of reserves

Share-based payments reserve

The share-based payment reserve represents the cumulative fair value of options and performance rights issued to Directors, executives and other service providers, together with options issued to vendors as consideration for the acquisition of tenements. Refer to Note 6.1 for further details.

SECTION 6 OTHER DISCLOSURES

The disclosure in this section focuses on share schemes in operation and financial risk management of the Group. Other mandatory disclosures, such as details of related party transactions, can also be found here.

6.1 SHARE-BASED PAYMENT PLANS

Accounting Policy

The Company's Employee Securities Incentive Plan allows Directors, employees and consultants to receive share options and rights to acquire shares of the Company. The grant date fair value of share-based payment awards granted to employees is recognised as a personnel expense or professional fees expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do not meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

In valuing performance rights, no account is taken of any performance conditions, other than conditions linked to the price of the shares of the Company ('market conditions') if applicable. No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition. The cost of performance rights transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date').

Where the fair value of an employee share option has been recognised as a share-based payment and the option lapses on expiry, the total amount of the share-based payment expense remains in the share-based payment reserve.

DALY RESOURCES LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6.1 SHARE-BASED PAYMENT PLANS (CONT'D)

The share-based payment expense included within the financial statements can be broken down as follows:

	2026	2025
	\$	\$
Expensed in share-based payments expense		
Shares issued to Directors	-	100,000
Options issued to Directors and executives	3,165,875	-
Performance Rights issued to Directors and executives	61,414	-
Expensed in Statement of Profit or Loss and Other Comprehensive Income	3,227,289	100,000
Capitalised within exploration and evaluation		
Shares issued to Sandfire Resources Ltd	-	1,200,000
Shares issued to Chief Geologist	15,000	-
Options issued to Cedar Resources Pty Ltd	378,996	-
Total capitalised	393,996	1,200,000
Capital raising costs within equity		
Options issued to Lead Manager	654,885	-
	654,885	-

Shares issued during the financial year ended 30 June 2026

On 2 February 2026, the Company issued 300,000 fully paid ordinary shares to the Chief Geologist in consideration for geological services provided. The shares were issued at an issue price of \$0.05 per share, resulting in a total value of \$15,000 capitalised as Exploration and Evaluation assets.

Shares issued during the financial year ended 30 June 2025

Share-based payments made to Directors of \$100,000 were granted for services performed linked to the Company's planned initial public offering. The 2,000,000 shares have a deemed issue price of \$0.05 each.

During the year ended 30 June 2025, Sandfire Resources Ltd were issued 12,000,000 fully paid ordinary shares of the Company for the sale of the Hukkitta and North Batten projects to the Company. Value of share-based payment totals \$1,200,000 and represents shares issued as consideration for tenements acquired. The 12,000,000 shares have a deemed issue price of \$0.10 each.

Options and Performance Rights during the financial year ended 30 June 2026

The Company has adopted an Employee Securities Incentive Plan ("ESIP"), under which the Board may grant Options, Performance Rights and other equity incentives to eligible Directors, employees and consultants. The fair value of Options granted during the year has been determined using the Black-Scholes option pricing model. The fair value of Performance Rights granted during the year has been determined based on the market price of the Company's shares at the grant date, adjusted where appropriate for any applicable vesting conditions.

The terms of each grant, including the exercise price, vesting conditions and expiry date, are determined by the Board at the time of grant. Options do not carry any dividend or voting rights and, when exercised, each Option entitles the holder to one fully paid ordinary share upon payment of the applicable exercise price. Performance Rights are issued for nil consideration and, once vested and exercised, entitle the holder to one fully paid ordinary share for each Performance Right. Options and Performance Rights are not transferable except with the prior written consent of the Company, which may be withheld at the Company's discretion.

DALY RESOURCES LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6.1 SHARE-BASED PAYMENT PLANS (CONT'D)

a) Options

Upon the Company's admission to the ASX, the Company issued 14,250,000 unlisted options to Directors and 2,500,000 unlisted options to executives under the Company's Employee Securities Incentive Plan ("ESIP"), as granted on 9 March 2026, 18 March 2026 and 25 March 2026. The options comprise 7,750,000 options exercisable at \$0.30 each, 8,500,000 options exercisable at \$0.40 each and 500,000 options exercisable at \$0.50 each, with each option expiring 16 June 2031.

Upon completion of the acquisition of tenements from Cedar Resources Pty Ltd, on 18 March 2026, the Company granted 1,000,000 options exercisable at \$0.30 each and 1,000,000 options exercisable at \$0.40 each, with each option expiring on 16 June 2031.

Upon the Company's admission to the ASX, the Company granted 4,000,000 unlisted Lead Manager Options to Euroz Hartleys Limited in consideration for Lead Manager services provided in connection with the Initial Public Offering, as granted on 23 June 2026. The options comprise 2,000,000 options exercisable at \$0.40 each and 2,000,000 options exercisable at \$0.50 each, with each option expiring 16 June 2030.

Options granted during the year have been valued using the Black-Scholes option pricing model, which takes account of factors including the option exercise price, the current level and volatility of the underlying share price, the risk-free interest rate, expected dividends on the underlying share, current market price of the underlying share and the expected life of the option. See below for the assumptions used for grants made during the year.

	Director Options	Executive Options	Cedar Resources Options	Lead Manager Options
Number of options	14,250,000	2,500,000	2,000,000	4,000,000
Exercise price (cents)	30 and 40	30,40 and 50	30 and 40	40 and 50
Grant date	9 March 26	9 March 26, 18 March 26, 25 March 26	18 March 26	23 June 26
Expiry date	16 June 31	16 June 31	16 June 31	16 June 30
Life of the options (years)	5	5	5	4
Volatility	104%	104%	104%	107%
Risk free rate	4.63%	4.58%-4.67%	4.67%	4.43%
Share price at grant date (cents)	25	25	25	25
Fair value at grant date (cents per option)				
- Exercise price @ 30 cents	19.38	19.38	19.38	-
- Exercise price @ 40 cents	18.53	18.52-18.53	18.52	16.81
- Exercise price @ 50 cents	-	17.82	-	15.94
Total fair value at grant date (\$)	2,699,847	466,028	378,996	654,885

The Director and Executive options vest immediately and the total fair value of \$3,165,875 has been recognised as a share-based payment expense in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

The Cedar Resources options vest immediately and the total value of share-based payment expense of \$378,996 is capitalised as Exploration and Evaluation assets.

The Lead Manager options vest immediately and the total fair value of \$654,885 has been recognised as share issue costs and deducted from equity.

DALY RESOURCES LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6.1 SHARE-BASED PAYMENT PLANS (CONT'D)

a) Options (continued)

At 30 June 2026, a summary of the Company options in issue and not exercised are as follows. Options are settled by the physical delivery of shares:

Class	Grant date	Vesting date	Expiry date	Exercise Price (cents)	Balance at the start of the year	Granted during the year	Exercised during the year	Expired / lapsed during the year	Balance at the end of the year	Vested and exercisable at the end of the year
DLYOPTE241	23 June 26	23 June 26	16 June 30	40	-	2,000,000	-	-	2,000,000	2,000,000
DLYOPTE242	23 June 26	23 June 26	16 June 30	50	-	2,000,000	-	-	2,000,000	2,000,000
DLYOPTESC1	9 March 26	9 March 26	16 June 31	30	-	250,000	-	-	250,000	250,000
DLYOPTESC2	9 March 26 and 18 March 26	9 March 26 and 18 March 26	16 June 31	40	-	750,000	-	-	750,000	750,000
DLYOPTESC3	25 March 26	25 March 26	16 June 31	50	-	500,000	-	-	500,000	500,000
DLYOESC241	9 March 26 and 18 March 26	9 March 26 and 18 March 26	16 June 31	30	-	8,500,000	-	-	8,500,000	8,500,000
DLYOESC242	9 March 26, 18 March 26 and 25 March 26	9 March 26, 18 March 26 and 25 March 26	16 June 31	40	-	8,750,000	-	-	8,750,000	8,750,000
Total					-	22,750,000	-	-	22,750,000	22,750,000
Weighted Average Exercise Price (cents)					-	40.00	-	-	40.00	40.00

The weighted average remaining contractual life of options outstanding at period end was 4.79 years.

DALY RESOURCES LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6.1 SHARE-BASED PAYMENT PLANS (CONT'D)

b) Performance Rights

On 9 March 2026 and 25 March 2026, the Company granted 4,000,000 Performance Rights to Directors and 1,500,000 Performance Rights to employees and consultants. The Performance Rights comprise 2,750,000 Class A Performance Rights and 2,750,000 Class B Performance Rights and will convert into ordinary shares for nil consideration upon satisfaction of the relevant vesting milestones.

Class A shall vest when the Company's VWAP is at least \$0.75 over 20 consecutive days on which the Company's shares have traded on the ASX.

Class B shall vest when the Company's VWAP is at least \$1 over 20 consecutive days on which the Company's shares have traded on the ASX.

The fair value of the Performance Rights at grant date was determined using the Monte-Carlo valuation model. See below for the assumptions used for grants made during the year.

	Class A Performance Rights	Class B Performance Rights
Number of rights	2,750,000	2,750,000
Exercise price (cents)	-	-
Grant date	9 March 26 and 25 March 26	9 March 26 and 25 March 26
Expiry date	16 June 31	16 June 31
Life of the options (years)	5	5
Share price at grant date (cents)	25	25
Fair value at grant date (cents)	20.12	18.49
Total fair value at grant date (\$)	553,300	508,475
Vested	Nil	Nil

The total value of share-based payment expense of \$61,414 recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

DALY RESOURCES LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(b) Performance Rights

At 30 June 2026, a summary of the Company Performance Rights in issue are as follows.

Class	Grant date	Expiry date	Exercise Price (\$)	Hurdle Price (\$)	Fair value at grant date per right (\$)	Balance at the start of the year	Granted during the year	Converted during the year	Expired / lapsed during the year	Balance at the end of the year	Vested at the end of the year
Class A	9 March 26 and 25 March 26	16 June 31	Nil	0.75	0.2012	-	2,750,000	-	-	2,750,000	\$32,003
Class B	9 March 26 and 25 March 26	16 June 31	Nil	1.00	0.1849	-	2,750,000	-	-	2,750,000	\$29,411
Total						-	5,500,000	-	-	5,500,000	\$61,414

6.2 FINANCIAL INSTRUMENTS

Capital risk management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

The Group's overall strategy remains unchanged from 2025.

The capital structure of the Group consists of cash and cash equivalents and equity attributable to equity holders of the Group, comprising issued capital, reserves and retained earnings.

The Group is not subject to externally imposed capital requirements.

Operating cash flows are used to maintain and expand operations, as well as to make routine expenditures such as tax and general administrative outgoings.

Financial risk management objectives

The Group is exposed to market risk (including interest rate risk) and liquidity risk.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed on a continuous basis to reflect changes in market conditions and the Group's activities. The Group does not trade financial instruments, including derivative financial instruments, for speculative purposes.

Market risk

The Group's activities expose it primarily to the financial risks of changes in interest rates. As there are no foreign operations or sales of commodities at present, the Group is not exposed to foreign exchange risk or commodity price risk. Fair value risk is managed by monitoring interest rate movements and limiting the duration of term deposits.

There has been no change to the Group's exposure to market risks or the manner in which it manages and measures the risk from the previous period.

Foreign currency exchange rate risk management

The Group is not exposed to foreign currency risk.

Interest rate risk management

The Company is not exposed to interest rate risk on borrowings as it does not have any outstanding interest-bearing debt. The Company's exposure to interest rate risk arises from cash and cash equivalents held with financial institutions, which earn interest at variable rates of approximately 1.3% per annum.

The Group's exposure to interest rate financial assets are detailed in the liquidity risk management section of this note. The Company has no interest-bearing financial liabilities.

Interest rate risk sensitivity analysis

At 30 June 2026, the Company held cash and cash equivalents of approximately \$11 million, which earn interest at variable rates. Accordingly, the Company's profit is sensitive to changes in market interest rates. A reasonably possible movement of 1% in interest rates, with all other variables held constant, would increase or decrease profit before tax and equity by approximately \$110,000.

The Company's exposure to interest rate risk increased during the year following the successful completion of the Initial Public Offering, which significantly increased cash balances held with financial institutions.

DALY RESOURCES LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6.2 FINANCIAL INSTRUMENTS (CONTINUED)

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, who have built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements.

The Group manages liquidity risk by maintaining adequate funding by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

	Weighted average interest rate %	Less than 6 months \$	6 months to 1 year \$	1 – 5 years \$
30 June 2026				
Cash and cash equivalents	1.3	11,045,979	-	-
Trade and other payables	-	(305,179)	-	-
		10,740,800	-	-
30 June 2025				
Cash and cash equivalents	-	36,326	-	-
Trade and other payables	-	(24,692)	-	-
		11,634	-	-

Credit risk

Credit risk is the risk that a counterparty will fail to discharge its obligations to the Group, resulting in a financial loss. The Group's maximum exposure to credit risk at the reporting date is the carrying amount of its financial assets as recognised in the statement of financial position.

The Group's principal exposure to credit risk relates to cash and cash equivalents. At 30 June 2026, the Group held cash and cash equivalents of \$11,045,979. Cash and cash equivalents are held with major Australian financial institutions with high credit ratings, which the Directors consider to be reputable financial institutions with strong credit quality.

The Group monitors the credit quality of its financial institutions and other counterparties on an ongoing basis. The Group does not consider there to be a significant expected credit loss in respect of its cash and cash equivalents at the reporting date.

Fair value measurement

The Directors consider that the carrying amounts of current receivables and current payables, approximate their fair values.

DALY RESOURCES LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6.3 RELATED PARTIES

Accounting Policy

Key management personnel compensation

Directors' remuneration is expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount because of past service provided by the employee and the obligation can be estimated reliably.

(a) Key management personnel compensation

Key management personnel compensation comprises the following:

	2026	2025
	\$	\$
Salaries and fees	69,667	-
Superannuation benefits	1,000	-
Share-based payments	2,745,175	100,000
	2,815,842	100,000

On 9 March 2026, the Company granted 7,000,000 options exercisable at \$0.30 each expiring on 16 June 2031 and 7,250,000 options exercisable at \$0.40 each expiring on 16 June 2031 to Directors under the Company's Employee Securities Incentive Plan.

The Company granted 4,000,000 Performance Rights to Directors during the year. The Performance Rights comprise 2,000,000 Class A Performance Rights and 2,000,000 Class B Performance Rights and will convert into ordinary shares for nil consideration upon satisfaction of the relevant vesting milestones.

During the year ended 30 June 2025, the Company issued 2,000,000 shares to Directors of the Company for services performed linked to the Company's initial public offering. The shares have a deemed issue price of \$0.05 each.

There were no other key management personnel compensation during the year.

(b) Other transactions with related parties

During the year, the Group paid \$71,560 to a company associated with the Directors, Metal Hawk Limited for exploration, office rent and administrative expenses (2025: the Company paid \$14,335 to David Rawlings for geological services and \$1,240 to Metal Hawk Limited for geochemistry expenses).

At 30 June 2026, the Group had an outstanding payable to Metal Hawk Limited of \$76,968 (2025: \$nil), included in trade and other payables. The balance is unsecured, non-interest bearing and repayable on normal trade terms.

During the year, the Company entered into a 12-month office sublease arrangement with Metal Hawk Limited, commencing on 1 June 2026. The underlying office lease entered into by Metal Hawk Limited on 1 November 2025 has a term of three years.

As the lease term does not exceed 12 months and the lease does not contain a purchase option, the Group has elected to apply the short-term lease recognition exemption in AASB 16 Leases. Accordingly, no right-of-use asset or lease liability has been recognised in respect of this arrangement, and lease payments are recognised as an expense on a straight-line basis over the lease term.

DALY RESOURCES LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6.4 INTERESTS IN SUBSIDIARIES

The subsidiaries listed below have share capital consisting solely of ordinary shares which are held directly by the Company. The proportion of ownership interests held equals the voting rights held by the Company. The subsidiaries principal place of business is also its country of incorporation.

	Country of Incorporation	Ownership Interest Held by the Company	
		2026	2025
		%	%
<i>Held by the Company:</i>			
Daly Tenements Pty Ltd	Australia	100	100
Glyde River Pty Ltd	Australia	100	100

Subsidiaries financial statements used in the preparation of these consolidated financial statements have also been prepared as at the same reporting date as the Group's financial statements.

6.5 PARENT ENTITY FINANCIAL INFORMATION

The financial position and financial performance of Daly Resources Limited, the parent entity, are the same as those of the consolidated Group as at and for the year ended 30 June 2026, as the subsidiaries had no assets, liabilities, income or expenses during the year.

The parent entity had no guarantees, contingent liabilities or contractual commitments at 30 June 2026 other than those disclosed elsewhere in these financial statements.

6.6 AUDITORS' REMUNERATION

	2026	2025
	\$	\$
<i>Audit and other assurance services</i>		
Audit services – Hall Chadwick WA Audit Pty Ltd	16,500	11,000
TOTAL AUDITORS' REMUNERATION	16,500	11,000

6.7 SUBSEQUENT EVENTS

On 6 July 2026, the Company announced that it had been awarded \$150,000 (including GST) in co-funding under Round 19 of the Northern Territory Government's Geophysics and Drilling Collaborations Program. The funding will support a regional airborne electromagnetic (VTEM) survey at the Company's Broughton Cu-Zn Project in the Northern Territory, which is currently scheduled to commence in the third quarter of 2026.

There have been no other matters or circumstances that have arisen since the end of the financial period that have significantly affected, or may significantly affect, the operations of the Group, the results of these operations, or the state of affairs of the Group in future financial years.

6.8 COMMITMENTS AND CONTINGENCIES

Annual tenement expenditure commitments

In order to maintain current rights of tenure to mining tenements, the Group has discretionary minimum annual tenement expenditure requirements of \$897,042 (2025: \$413,265). This discretionary expenditure is capable of being varied from time to time in order to maintain these rights of tenure to mining tenements.

The Company has granted a security interest to Sandfire Resources Limited over the North Batten and Huckitta tenements, products extracted therefrom and related proceeds, to secure its obligations under a Royalty Deed entered into in connection with the acquisition of the North Batten and Huckitta Projects.

Under the Royalty Deed, the Company is required to pay Sandfire Resources Limited a 1.5% net smelter return royalty on all minerals from the relevant tenements. The carrying value of the tenements subject to this security is \$1,200,000 as at 30 June 2026.

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

DALY RESOURCES LIMITED
CONSOLIDATED ENTITY DISCLOSURE STATEMENT

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

Company Name	Entity Type	Country of Incorporation	Percentage Interest Held	Tax Residency
<i>Parent Entity</i>				
Daly Resources Limited	Body corporate	Australia	100%	Australia
<i>Subsidiary of Daly Resources Limited</i>				
Daly Tenements Pty Ltd	Body corporate	Australia	100%	Australia
Glyde River Pty Ltd	Body corporate	Australia	100%	Australia

Basis of preparation

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

DALY RESOURCES LIMITED
DIRECTORS' DECLARATION

DIRECTORS' DECLARATION

1. In the opinion of the Directors of Daly Resources Limited (the "Company"):
 - (a) the accompanying financial statements and notes are in accordance with the *Corporations Act 2001* including:
 - (i) giving a true and fair view of the Group's financial position as at 30 June 2026 and of its performance for the year then ended; and
 - (ii) complying with Australian Accounting Standards, the *Corporations Regulations 2001*, professional reporting requirements and other mandatory requirements.
 - (b) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.
 - (c) the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.
 - (d) the information disclosed in the consolidated entity disclosure statement is true and correct.
2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with Section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2026.

This declaration is signed in accordance with a resolution of the Board of Directors.



Scott Glasson
Director

Dated at Perth
07 September 2026

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DALY RESOURCES LIMITED

Report on the Audit of the Financial Report

Opinion

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

In our opinion:

- a. the accompanying financial report of the Consolidated Entity is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Consolidated Entity'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 Consolidated Entity in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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 period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the Key Audit Matter
Exploration and Evaluation Expenditure As disclosed in note 4.1 to the financial statements, as at 30 June 2026, the Consolidated Entity's capitalised exploration and evaluation assets was \$2,639,239. Exploration and evaluation is a key audit matter due to: • The significance of the balance to the Consolidated Entity's financial position. The level of judgement required in evaluating management's application of the requirements of AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i>. AASB 6 ('AASB 6') is an industry specific accounting standard requiring the application of significant judgements, estimates and industry knowledge. This includes specific requirements for expenditure to be capitalised as an asset and subsequent requirements which must be complied with for capitalised expenditure to continue to be carried as an asset.	Our procedures included, amongst others: • Assessing management's determination of its areas of interest for consistency with the definition in AASB 6. This involved analysing the tenements in which the Consolidated Entity holds an interest and the exploration programs planned for those tenements. • For each area of interest, we assessed the Consolidated Entity's rights to tenure on a sample basis by performing a variety of verification to government registries, agreements or checking that exploration permits have been registered for renewal and their annual fees have been paid in accordance with regulatory provisions. • We considered the activities in each area of interest to date and assessed the planned future activities for each area of interest by evaluating budgets. • Substantiated a sample of expenditure by agreeing to supporting documentation. • We assessed each area of interest for one or more of the following circumstances that may indicate impairment of the capitalised expenditure: ○ the licenses for the right to explore expiring in the near future or are not expected to be renewed; ○ substantive expenditure for further exploration in the specific area is neither budgeted or planned; ○ decision or intent by the Consolidated Entity to discontinue activities in the specific area of interest due to lack of commercially

Key Audit Matter	How our audit addressed the Key Audit Matter
	viable quantities of resources; and - o data indicating that, although a development in the specific area is likely to proceed, the carrying amount of the exploration asset is unlikely to be recovered in full from successful development or sale. • Examination of the disclosures made in the financial report.
Share-Based Payments As disclosed in note 6.1 to the financial statements during the year, the Consolidated Entity incurred share-based payments of \$3,227,289. Share-based payments are considered to be a key audit matter due to the value and the complexities involved in recognition and measurement of these transactions.	Our procedures included, amongst others: • Analysed arrangements to identify key terms and conditions of the share-based payments and relevant vesting conditions in accordance with <i>AASB 2 Share-Based Payments</i>; • Assessed the valuations of the share-based payments granted during the year; • Assessed the amount recognised during the year in accordance with the relevant vesting conditions; and Assessed the disclosures included in the financial report.

Other Information

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

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the remuneration report and our related assurance opinion.

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

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

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of 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, and the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Consolidated Entity'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 Consolidated Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

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 Consolidated Entity'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 Consolidated Entity'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 Consolidated Entity 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Consolidated Entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Consolidated Entity audit. We remain solely responsible for our audit opinion.

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 period 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 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 in the directors' report for the year ended 30 June 2026.

In our opinion, the Remuneration Report of Company, 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 s 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.



HALL CHADWICK WA AUDIT PTY LTD



MICHAEL HILLGROVE FCA

Director

Dated this 7th day of September 2026
Perth, Western Australia

DALY RESOURCES LIMITED

ADDITIONAL SHAREHOLDER INFORMATION

ADDITIONAL SHAREHOLDER INFORMATION

1. Statement of issued capital

a) Distribution of fully paid ordinary shares as at 3 September 2026.

Size of Holding	Number of Shareholders	Shares Held	% of Shares Held
1–1,000	13	1,146	0.00%
1,001–5,000	9	25,727	0.03%
5,001–10,000	22	214,051	0.24%
10,001–100,000	262	14,262,356	15.67%
100,001 and over	143	76,496,720	84.06%
	449	91,000,000	100.00%

Based on a price per security of \$0.1850, the number of holders with an unmarketable holding is 19, with total of 14,975 shares, amounting to 0.02% of Issued Capital.

b) There are no restrictions on voting rights attached to the ordinary shares. On a show of hands every member present in person shall have one vote and upon a poll, every member present or by proxy shall have one vote for every share held. Unlisted options and Performance Rights do not carry voting rights.

2. Substantial shareholders

The name of substantial shareholder who had notified the Company in accordance with section 671B of the *Corporations Act 2001* is:

Holder Name	Holding	% IC
Sandfire Resources Limited	12,000,000	13.19%

3. Quotation

Listed securities in Daly Resources Limited are quoted on the Australian Securities Exchange.

4. Twenty Largest Shareholders as at 3 September 2026 - DLY

The twenty largest shareholders hold 52.20% of the total issued ordinary shares in the Company as at 3 September 2026:

NAME	SHARES	%
SANDFIRE RESOURCES LTD	12,000,000	13.19%
HARMANIS HOLDINGS PTY LTD <HARMAN FAMILY A/C>	4,000,000	4.40%
DAVE RAWLINGS	2,900,000	3.19%
WAGOE INVESTMENTS PTY LTD <HBH FAMILY A/C>	2,650,000	2.91%
CALIFORNIA INVESTMENTS PTY LTD <GEMSTONE FAMILY A/C>	2,500,000	2.75%
CAMELWOOD INVESTMENTS PTY LTD <BELBIN FAMILY A/C>	2,300,000	2.53%
NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	2,236,744	2.46%
BERNADINE HOLDINGS PTY LTD	2,150,000	2.36%
TIM MCCORMACK	2,000,000	2.20%
BNP PARIBAS NOMINEES PTY LTD <HUB24 CUSTODIAL SERV LTD>	1,580,688	1.74%
LADYMAN SUPER PTY LTD <LADYMANSUPERFUND A/C>	1,500,000	1.65%
MR NEIL MORRISON & MRS LYNETTE ESTHER MORRISON	1,500,000	1.65%
ICE COLD INVESTMENTS PTY LTD <BROWNS CHELTENHAM RD SF A/C>	1,110,000	1.22%
PENNOCK PTY LTD	920,000	1.01%
MS ERICA JOAN ALLAN <E ALLAN INVESTMENT A/C>	900,000	0.99%
MR NAVEEN DANDA	800,000	0.88%
KINGSLANE PTY LTD <CRANSTON SUPER PENSION A/C>	800,000	0.88%
ARREDO PTY LTD	800,000	0.88%
MICHELLE BRAHAM	750,000	0.82%
ICE COLD INVESTMENTS PTY LTD <G & J BROWN SUPER FUND A/C>	720,000	0.79%
PINDAN INVESTMENTS PTY LTD <PINDAN INVESTMENT A/C>	720,000	0.79%
PARKRANGE NOMINEES PTY LTD	700,000	0.77%
MR KEVIN LEO & MRS LETICIA LEO <LEO SUPERANNUATION FUND A/C>	680,000	0.75%

DALY RESOURCES LIMITED

ADDITIONAL SHAREHOLDER INFORMATION

NAME	SHARES	%
UBS NOMINEES PTY LTD	640,000	0.70%
BOUTIQUE CAPITAL PTY LTD <PHOENIX GROWTH FUND A/C>	640,000	0.70%
Totals: Top 20 holders of DLY ORDINARY FULLY PAID	47,497,432	52.20%
Total Holders Balance	91,000,000	100.00%

5. Unquoted equity securities

a) Performance Rights – Classes A and B

There are 7 holders of 2,750,000 unlisted Class A Performance Rights. Class A shall vest when the Company's VWAP is at least \$0.75 over 20 consecutive days on which the Company's shares have traded on the ASX.

There are 7 holders of 2,750,000 Class B Performance Rights. Class B shall vest when the Company's VWAP is at least \$1 over 20 consecutive days on which the Company's shares have traded on the ASX.

b) Unquoted Options

There are 8 holders of 8,750,000 unlisted options with an exercise price of \$0.30 expiring on 16 June 2031.

There are 9 holders of 9,500,000 unlisted options with an exercise price of \$0.40 expiring on 16 June 2031.

There is 1 holder of 500,000 unlisted options with an exercise price of \$0.50 expiring on 16 June 2031.

There is 1 holder of 2,000,000 unlisted options with an exercise price of \$0.40 expiring on 16 June 2030.

Holder Name	Holding	% IC
Euroz Hartleys	2,000,000	100%

There is 1 holder of 2,000,000 unlisted options with an exercise price of \$0.50 expiring on 16 June 2030.

Holder Name	Holding	% IC
Euroz Hartleys	2,000,000	100%

6. Restricted Securities

As at 3 September 2026, 26,670,000 ordinary fully paid shares were subject to restriction until 23 June 2028, 320,000 until 2 February 2027 and 2,000,000 until 10 February 2027.

As at 3 September 2026, 1,500,000 unlisted options were subject to restriction until 16 June 2027 and 21,250,000 until 16 February 2028.

As at 3 September 2026, 5,500,000 Performance Rights were subject to restriction until 16 June 2028.

7. Market buyback

There is no current market buyback.

8. Use of funds

Since admission to the Official List of ASX on 23 June 2026 to 30 June 2026, the Company has used its cash and assets in a form readily convertible to cash in a manner consistent with its stated business objectives.

DALY RESOURCES LIMITED
DETAILS OF THE GROUP'S MINERAL TENEMENTS

DETAILS OF THE GROUP'S MINERAL TENEMENTS

Interest in Mining Tenements as at 30 June 2026

Tenement	Holder	Project	Area (blocks)	Status	% owned
EL32177	Daly Tenements Pty Ltd	Batten	24	Granted	100%
EL32920	Daly Tenements Pty Ltd	Beetaloo	250	Application	N/A
EL32991	Daly Tenements Pty Ltd	Broughton	122	Granted	100%
EL32992	Daly Tenements Pty Ltd	Broughton	123	Granted	100%
EL32993	Daly Tenements Pty Ltd	Broughton	124	Granted	100%
EL33028	Daly Tenements Pty Ltd	Batten	21	Granted	100%
EL33108	Daly Tenements Pty Ltd	Broughton	122	Granted	100%
EL33209	Daly Tenements Pty Ltd	Altree	250	Application	N/A
EL33210	Daly Tenements Pty Ltd	Beetaloo	249	Application	N/A
EL33211	Daly Tenements Pty Ltd	Beetaloo	249	Application	N/A
EL33212	Daly Tenements Pty Ltd	Beetaloo	250	Application	N/A
EL33213	Daly Tenements Pty Ltd	Beetaloo	249	Application	N/A
EL33534	Daly Tenements Pty Ltd	Bulman-Jimbu	250	Application	N/A
EL33535	Daly Tenements Pty Ltd	Bulman-Jimbu	250	Application	N/A
EL33608	Daly Tenements Pty Ltd	Batten	12	Application	N/A
EL34048	Daly Tenements Pty Ltd	Huckitta	25	Granted	100%
EL34086	Daly Tenements Pty Ltd	Huckitta	40	Granted	100%
EL34422	Daly Tenements Pty Ltd	Broughton	78	Application	N/A
EL26831	Glyde River Pty Ltd	Huckitta	126	Granted	100%
EL28656	Glyde River Pty Ltd	Huckitta	39	Granted	100%
EL30156	Glyde River Pty Ltd	Huckitta	127	Granted	100%
EL33263	Glyde River Pty Ltd	Huckitta	84	Granted	100%
EL33264	Glyde River Pty Ltd	Huckitta	231	Granted	100%
EL33267	Glyde River Pty Ltd	Huckitta	28	Granted	100%
EL33268	Glyde River Pty Ltd	Huckitta	240	Granted	100%
EL33269	Glyde River Pty Ltd	Huckitta	238	Granted	100%
EL33271	Glyde River Pty Ltd	Huckitta	171	Granted	100%
EL33272	Glyde River Pty Ltd	Huckitta	53	Granted	100%
EL33721	Glyde River Pty Ltd	Huckitta	74	Granted	100%
EL34407	Glyde River Pty Ltd	Huckitta	138	Application	N/A
EL34408	Glyde River Pty Ltd	Huckitta	106	Application	N/A