

RED METAL LIMITED

AND CONTROLLED ENTITIES

A.C.N. 103 367 684

INTERIM FINANCIAL REPORT 31 DECEMBER 2025

CONTENTS

	Page
Directors' Report	1
Auditor's Independence Declaration	4
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	5
Condensed Consolidated Statement of Financial Position	6
Condensed Consolidated Statement of Changes in Equity	7
Condensed Consolidated Statement of Cash Flows	8
Notes to the Condensed Financial Statements	9
Directors' Declaration	15
Independent Auditor's Review Report	16

RED METAL LIMITED AND CONTROLLED ENTITIES

DIRECTORS' REPORT

The directors present the financial report of the consolidated entity consisting of Red Metal Limited (“Red Metal” or “the Company”) and the entities it controlled (together referred to as “the Group”) for the half-year ended 31 December 2025. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows.

Directors

The names of directors who held office during or since the end of the half-year and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

R C Barwick (Non-Executive Chairman)
R A Rutherford (Managing Director)
J N Pitt (Non-Executive Director)

Results

The result for the half-year ended 31 December 2025 was a profit after tax of \$18,875,079 (2024: loss \$10,014,110). The profit after tax includes a gain of \$25,526,768 resulting from Red Metal losing control of Maronan Metals Ltd and the investment being recognized at fair value of \$32,745,000 on the date of the loss of control.

Subsequent Events

No matters or circumstances have arisen since the end of the half-year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs in future financial years.

Review of Operations

RED METAL FUNDED PROJECTS

The **Sybella** rare earth oxide (REO) discovery is unique being a granite-hosted deposit type containing weak-acid soluble fluoro-carbonate rare earth minerals. It offers very large tonnage potential starting from surface and is well located just 20 kilometres southwest from the city of Mount Isa. Early-stage drilling, metallurgical and comminution studies have added to our confidence that a low-capital cost, low-operating cost, heap leach processing option may prove feasible.

During the reporting period spectral mineral scans using the Geological Survey of Queensland’s Hylogger system were completed on the large diameter PQ drill cores from Sybella, outlining four simple regolith types down the weathered granite profile which have been used to constrain the comminution and column leach sample intervals.

Red Metal also announced breakthrough results from innovative trials on the use of Ion Exchange (IX) resins. The successful IX trials were able to more efficiently enrich the rare earth content and separate impurities from the Pregnant Leach Liquor derived from weak-acid leaching of the Sybella ores.

Definitive large column leach test work on the main ore types from Sybella commenced in December with results anticipated Q2 2026. Drill site preparations for infill and extension drilling on the Kary Zone in 2026 were also completed.

Elsewhere on the **Pardoo Gold Project**, five wide-spaced RC percussion holes on two sections located about 3 kilometres apart were drilled across two separate geophysical targets seeking orogenic or Hemi-style gold mineralisation. Assays reveal intriguing weakly anomalous gold values in the younger sedimentary cover sequences located immediately above the basement in all holes. Preparations for a follow-up program in Q2 2026 are underway..

RED METAL LIMITED AND CONTROLLED ENTITIES

A maiden, four-hole, diamond core drill program was completed at the **Pulkarrimarra Gold and Copper Project** during the reporting period. The program was funded in part by BHP under the Greenfields Alliance and with grant support from the Western Australian Government under their Exploration Incentive Scheme. Assay results together with compilation of the logged data are pending.

First drill tests were also completed on targets at the **Three Ways** and **Gulf Copper-Gold Projects** with \$400,000 of co-funding support from the Queensland Government. At Three Ways compilation of the trace element geochemistry and remodelling of the magnetic data is planned to assess the potential for a follow-up drill hole. The Gulf drill hole intersected dense, gabbroic and sheared mafic rocks which appear to explain the source to the gravity anomaly. No significant copper mineralisation or iron-oxide breccia were intersected down-grading this target.

Red Metal executed a joint venture agreement with Artemis Resources (ASX: ARV) on the standout Sharon Dam gravity and magnetic target located within the **Nullarbor Copper-Gold Project**. Under the agreement Artemis will drill the first proof-of-concept test on this exciting target then have the right to earn 60% of the tenement by spending a total of \$5 million over the next three years.

CORPORATE

During the reporting period the Company issued 23,886,627 shares for a total of \$2,921,262 pursuant to the exercise of the following options:

- 19,286,627 options at 13 cents each (expiring 25 October 2025)
- 4,600,000 options at 9 cents each (expiring 28 November 2025)

Red Metal holds 88.5 million shares in **Maronan Metals Limited** (ASX: MMA) that owns the emerging Maronan silver-rich lead and copper-gold project located in the world class Carpentaria Minerals Province in Northwest Queensland. MMA released a Preliminary Economic Assessment (PEA or Scoping Study) during the period on the development of the shallow Starter Zone. The PEA demonstrated robust economic development cases for both the standalone processing plant or toll treatment options that has the potential to kick-start an operation.

Red Metal's holding was diluted during the period from 44% to 35.2% as a result of a \$16 million capital raising and subsequent share purchase plan offering by MMA. Accordingly, MMA ceased to be classified as a subsidiary of Red Metal and the interest in MMA was reclassified to an Investment in Associate effective from 14 October 2025, being the date of completion by MMA of the capital raising.

The information in this report that relates to Exploration Results is based on and fairly represents information and supporting documentation compiled by Mr Robert Rutherford, who is a member of the Australian Institute of Geoscientists (AIG). Mr Rutherford is the Managing Director of the Company. Mr Rutherford has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (the JORC Code). Mr Rutherford consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Exploration Results and estimates of Mineral Resources for the Sybella Project was previously reported by the Company in compliance with JORC 2012 in various market releases with the last one being dated 23 December 2025. The Company confirms that it is not aware of any new information or data that materially affects the information included in those earlier market announcements and, in the case of the estimate of Mineral Resources all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

Auditor's Independence Declaration

Section 307C of the Corporations Act 2001 requires the lead auditor for the review undertaken by BDO Audit Pty Ltd to provide the directors of the company with an Independence Declaration in relation to the review of the half-year financial report. This Independence Declaration is set out on page 4 and forms part of this directors' report for the half-year ended 31 December 2025.

RED METAL LIMITED AND CONTROLLED ENTITIES

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

A handwritten signature in black ink, appearing to read 'R Rutherford', written in a cursive style.

R Rutherford

Director

Dated this 13th day of March 2026



Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

Level 9, Mia Yellagonga Tower 2
5 Spring Street
Perth, WA 6000
PO Box 700 West Perth WA 6872
Australia

DECLARATION OF INDEPENDENCE BY JACKSON WHEELER TO THE DIRECTORS OF RED METAL LIMITED

As lead auditor for the review of Red Metal Limited for the half-year ended 31 December 2025, I declare that, to the best of my knowledge and belief, there have been:

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

This declaration is in respect of Red Metal Limited and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'JW', is written over a horizontal line.

Jackson Wheeler
Director

BDO Audit Pty Ltd
Perth
13 March 2026

RED METAL LIMITED AND CONTROLLED ENTITIES

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the half-year ended 31 December 2025

	Note	31 Dec 2025 \$	31 Dec 2024 \$
Income from ordinary activities			
Interest income	5	66,153	71,001
Government grants		400,000	25,000
Gain on deconsolidation of subsidiary	10	25,526,768	-
Project management fees		298,543	32,961
Other income		3,180	-
Expenses from ordinary activities			
Exploration expenditure incurred		(4,440,084)	(6,966,627)
Employee and consultant expenses		(473,786)	(261,621)
Share based compensation	8	(564,716)	(2,439,007)
Share of loss in associate	9	(1,268,385)	-
Depreciation		(81,981)	(107,684)
Other expenses		(590,613)	(368,133)
Profit / (Loss) before income tax (expense) / benefit		18,875,079	(10,014,110)
Income tax (expense) / benefit	14	-	-
Net profit / (loss) for the period from ordinary activities		18,875,079	(10,014,110)
Other comprehensive income		-	-
Total comprehensive profit / (loss) attributable to members of the Company		18,875,079	(10,014,110)
Profit / (Loss) for the period is attributable to:			
Non-controlling interest		(822,346)	(3,852,630)
Owners of Red Metal Limited	6	19,697,425	(6,161,480)
		18,875,079	(10,014,110)
Earnings per share attributable to the owners of Red Metal Limited		Cents	Cents
Basic profit / (loss) per share		5.3	(1.9)
Diluted profit / (loss) per share		5.0	(1.9)

The above statements should be read with the accompanying notes to the financial statements.

RED METAL LIMITED AND CONTROLLED ENTITIES

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	Note	31 Dec 2025 \$	30 Jun 2025 \$
CURRENT ASSETS			
Cash and cash equivalents		4,933,129	7,990,484
Other receivables		1,022,638	160,855
Other		-	145,560
TOTAL CURRENT ASSETS		5,955,767	8,296,899
NON-CURRENT ASSETS			
Other receivables		72,780	95,933
Property, plant and equipment		184,413	227,652
Right-of-use assets		172,068	264,208
Investment accounted for using the equity method	9	31,476,615	-
Exploration, evaluation and development expenditure		333,092	444,123
TOTAL NON-CURRENT ASSETS		32,238,968	1,031,916
TOTAL ASSETS		38,194,735	9,328,815
CURRENT LIABILITIES			
Trade and other payables		1,576,564	812,201
Lease liabilities		100,086	142,043
Employee benefits		204,578	249,746
TOTAL CURRENT LIABILITIES		1,881,228	1,203,990
NON-CURRENT LIABILITIES			
Lease liabilities		79,828	130,826
TOTAL NON-CURRENT LIABILITIES		79,828	130,826
TOTAL LIABILITIES		1,961,056	1,334,816
NET ASSETS		36,233,679	7,993,999
EQUITY			
Issued capital	8	49,521,044	46,621,480
Reserves	7	4,827,626	17,330,778
Accumulated losses	6	(18,114,991)	(57,519,031)
Equity attributable to the owners of Red Metal Limited		36,233,679	6,433,227
Non-controlling interest	10	-	1,560,772
TOTAL EQUITY		36,233,679	7,993,999

The above statements should be read with the accompanying notes to the financial statements.

RED METAL LIMITED AND CONTROLLED ENTITIES

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the half-year ended 31 December 2025

	Issued Capital	Accumulated Losses	Reserves	Non- Controlling Interest	Total Equity
	\$	\$	\$	\$	\$
Balance at 1 July 2024	40,628,526	(50,050,916)	15,793,633	5,367,783	11,739,026
Total comprehensive loss	-	(6,161,480)	-	(3,852,630)	(10,014,110)
Transactions with non-controlling interest	-	-	860,618	1,096,220	1,956,838
Transactions with owners in their capacity as owners					
- Shares issued during the period	6,019,412	-	-	-	6,019,412
- Share issue costs	(26,458)	-	-	-	(26,458)
- Cost of share-based payments	-	-	472,145	-	472,145
Balance at 31 December 2024	46,621,480	(56,212,396)	17,126,396	2,611,373	10,146,853
Balance at 1 July 2025	46,621,480	(57,519,031)	17,330,778	1,560,772	7,993,999
Total comprehensive profit	-	19,697,425	-	(822,346)	18,875,079
Transactions with non-controlling interest (refer Note 7)	-	-	6,639,470	8,460,530	15,100,000
Transactions with owners in their capacity as owners					
- Shares issued during the period	2,921,262	-	-	-	2,921,262
- Share issue costs	(21,698)	-	-	-	(21,698)
- Cost of share-based payments	-	-	564,716	-	564,716
Derecognition on loss of control	-	19,706,615	(19,707,338)	(9,198,956)	(9,199,679)
Balance at 31 December 2025	49,521,044	(18,114,991)	4,827,626	-	36,233,679

The above statements should be read with the accompanying notes to the financial statements.

RED METAL LIMITED AND CONTROLLED ENTITIES**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS****For the half-year ended 31 December 2025**

	31 Dec 2025	31 Dec 2024
	\$	\$
CASH FLOWS USED IN OPERATING ACTIVITIES		
Cash payments in the course of operations	(1,109,560)	(939,592)
Cash payments for exploration and evaluation and development	(3,710,422)	(6,637,329)
Project management fees received	245,077	47,046
Grants received	-	120,944
Interest received	77,484	71,001
Interest paid	(3,985)	(7,230)
Other income received	1,800	-
NET CASH USED IN OPERATING ACTIVITIES	(4,499,606)	(7,345,160)
CASH FLOWS USED IN INVESTING ACTIVITIES		
Advances to Alliance joint venture	(96,650)	(5,210)
Reimbursement of advances to joint venture	61,291	2,538
Bonds paid	(50,590)	-
Bonds recovered	45,255	2,000
Proceeds from sale of property, plant and equipment	4,091	-
Purchase of property, plant and equipment	(3,048)	(1,976)
NET CASH USED IN INVESTING ACTIVITIES	(39,651)	(2,648)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	2,921,262	6,019,412
Share issue costs	(21,698)	(21,500)
Proceeds from issue of shares by controlled entity	16,000,000	1,795
Costs of issue of shares by controlled entity	(900,000)	(11,820)
Cash held on ceasing to be controlled entity	(16,470,421)	-
Repayment of lease liabilities	(47,241)	(41,992)
NET CASH PROVIDED BY FINANCING ACTIVITIES	1,481,902	5,945,895
NET DECREASE IN CASH AND CASH EQUIVALENTS HELD	(3,057,355)	(1,401,913)
Cash and cash equivalents at the beginning of the financial period	7,990,484	12,205,437
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	4,933,129	10,803,524

There were no non-cash financing and investing activities during the period.

The above statements should be read with the accompanying notes to the financial statements.

RED METAL LIMITED AND CONTROLLED ENTITIES

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

For the half-year ended 31 December 2025

1. General information

The interim financial statements are for the consolidated entity consisting of Red Metal Limited and its subsidiaries (“the Group” or “the consolidated entity”). Red Metal Limited is a listed for-profit public company, incorporated and domiciled in Australia.

2. Statement of compliance

The interim financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Act 2001.

The interim financial report does not include all of the information required for a full annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as in the full financial report. It is recommended that this interim financial report be read in conjunction with the annual financial report for the year ended 30 June 2025 and any public announcements made by Red Metal Limited during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001.

This interim financial report was approved by the Board of Directors on 13 March 2026. The Directors have the authority to amend and reissue the interim financial report.

3. Statement of material accounting policies

The accounting policies applied by the Group in this interim financial report are the same as those applied by the Group in its financial report as at and for the year ended 30 June 2025, including that an associate is an entity over which the group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. The Group holds an investment in an associate and this investment is accounted for using the equity method in accordance with AASB 128 Investments in Associates and Joint Ventures. Under the equity method, the investment is initially recorded at fair value and subsequently adjusted for the Group’s share of the associate’s profit or loss and other comprehensive income after the date of acquisition.

For the period ended 31 December 2025, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group and effective for the current reporting period. There is no material impact of the new and revised Standards and Interpretations on the Group.

The Directors have also reviewed all of the new and revised Standards and Interpretations in issue not yet adopted for the period ended 31 December 2025. As a result of this review the Directors have determined that there is no material impact of the Standards and Interpretations in issue not yet adopted on the Group and, therefore, no change is necessary to Group accounting policies.

4. Subsequent Events

No matters or circumstances have arisen since the end of the half-year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs in future financial years.

RED METAL LIMITED AND CONTROLLED ENTITIES

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (Continued) For the half-year ended 31 December 2025

5. Other income

	31 Dec 2025	31 Dec 2024
	\$	\$
Interest income	66,153	71,001
Government grants	400,000	25,000
Gain on deconsolidation of subsidiary	25,526,768	-
Project management fees – Alliance joint venture	298,543	32,961
	298,543	32,961

In January 2019 the Company entered into a multi-project option and joint venture agreement (Alliance JV Agreement) with OZ Minerals Limited (acquired in May 2023 by BHP Group Limited, “BHP”). Alliance exploration activities are conducted by and expenditure incurred in the name of Red Metal as the project manager, and funded directly by BHP. For the period Alliance exploration expenditure of \$2,263,734 (2024: \$191,286) is netted off against the immediate funding of such expenditure by BHP.

6. Accumulated losses

	31 Dec 2025	31 Dec 2024
	\$	\$
Accumulated losses at the beginning of the half-year	(57,519,031)	(50,050,916)
Net profit attributable to members of the Company	19,697,425	(6,161,480)
Derecognition of subsidiary (Note 10)	19,706,615	-
Accumulated losses at the end of the half-year	(18,114,991)	(56,212,396)

7. Reserves

	31 Dec 2025	30 Jun 2025
	\$	\$
Option Reserve	4,827,626	4,262,910
Transactions with Non-Controlling Interest Reserve	-	13,067,868
	4,827,626	17,330,778
<i>Options Reserve:</i>		
Balance at the beginning of the period	4,262,910	3,619,072
Incentive options to directors and staff	564,716	643,838
Balance at the end of the period	4,827,626	4,262,910
<i>Transactions with Non-Controlling Interest Reserve:</i>		
Balance at the beginning of the period	13,067,868	12,174,561
Equity-based compensation	-	898,673
Capital raising by controlled entity	6,639,470	789
Derecognition on loss of control	(19,707,338)	-
Other items	-	(6,155)
Balance at the end of the period	-	13,067,868

RED METAL LIMITED AND CONTROLLED ENTITIES

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (Continued) For the half-year ended 31 December 2025

7. Reserves (Continued)

The Transactions with Non-Controlling Interest Reserve recognizes the Group's share of equity related transactions in a controlled entity. During the period (i) Maronan Metals Limited completed a capital raising for \$15,100,000 (net of costs) (June 2025: equity based compensation totalling \$2,043,832 and issue of shares on exercise of options totalling \$1,795), and (ii) Red Metal lost control of MMA and deconsolidated the entity (refer note 10).

8. Issued capital

	31 Dec 2025	30 Jun 2025
	\$	\$
Issued and paid-up share capital		
383,544,633 (June 2025: 359,658,006) ordinary shares, fully paid	49,521,044	46,621,480

(a) Ordinary shares

Shares issued:

Balance at the beginning of the period	46,621,480	40,628,526
Issued for cash – share purchase plan	-	6,000,000
Issued for cash – exercise of options	2,921,262	19,412
Share issue costs	(21,698)	(26,458)
Balance at the end of the period	49,521,044	46,621,480

(b) Share options

Exercise Period	Exercise Price	Balance 1 Jul 2025	Options Issued	Options Expired / Exercised	Balance 31 Dec 2025
		No.	No.	No.	No.
On or before 28 Jul 2025	\$0.11	2,475,000	-	(2,475,000)	-
On or before 28 Nov 2025	\$0.09	4,600,000	-	(4,600,000)	-
On or before 18 Nov 2026	\$0.10	10,350,000	-	-	10,350,000
On or before 25 Oct 2025	\$0.13	31,492,695	-	(31,492,695)	-
On or before 10 Nov 2027	\$0.14	15,200,000	-	-	15,200,000
On or before 16 Nov 2028	\$0.20	-	10,000,000	-	10,000,000
On or before 30 Nov 2028	\$0.16	-	6,500,000	-	6,500,000
		64,117,695	16,500,000	(38,567,695)	42,050,000

Director Options

During the period the Company issued 10,000,000 Options to the Directors. A total of 5,000,000 of these options vested immediately on issue, with the remaining 5,000,000 options vesting 12 months from the date of issue. All of these options are convertible into fully paid ordinary shares.

The Company has valued these options using the Black-Scholes option pricing model and an amount of \$252,123 has been recognised as an expense in the Statement of Profit or Loss and Other Comprehensive Income. Key inputs used in the calculation of this amount are set out below.

RED METAL LIMITED AND CONTROLLED ENTITIES

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (Continued) For the half-year ended 31 December 2025

8. Issued capital (Continued)

Employee Options

During the period the Company issued 6,500,000 Options to employees. A total of 3,250,000 of these options vested immediately on issue, with the remaining 3,250,000 options vesting 12 months from the date of issue. All of these options are convertible into fully paid ordinary shares.

The Company has valued these options using the Black-Scholes option pricing model and an amount of \$183,353 has been recognised as an expense in the Statement of Profit or Loss and Other Comprehensive Income. Key inputs used in the calculation of this amount are set out below.

Key inputs

Variable	Company	
	Director Options	Employee Options
Grant date	17 November 2025	1 December 2025
Exercise price	\$0.20	\$0.16
Underlying share price	\$0.125	\$0.125
Risk Free Rate	3.77%	3.89%
Volatility	70%	70%
Option Life	3 years	3 years
Expected dividends	Nil	Nil
Fair value per option	4.8 cents	5.4 cents

Total share based compensation recognised as an expense in the Statement of Profit or Loss and Other Comprehensive Income of \$564,716 comprises amounts in respect of the vesting of options issued in current and prior periods by the Company.

9. Investment accounted for using the equity

	31 Dec 2025	30 Jun 2025
	\$	\$
The carrying amount of equity-accounted investment is as follows:		
Fair value of investment in Maronan Metals Ltd	32,745,000	-
Share of associate's loss	(1,268,385)	-
Closing carrying amount	<u>31,476,615</u>	-

Red Metal owns 88.5 million shares in Maronan Metals Ltd (MMA). Red Metal lost control of MMA during the reporting period and therefore deconsolidated the entity (refer note 10). The investment in MMA was reclassified as an Associate and is accounted for using the equity method. Applying the requirements of AASB 10, the retained interest in MMA is recognised at fair value on initial recognition as an equity accounted investment (being \$32,745,000 on 14 October 2025, based on the MMA share price of \$0.37).

RED METAL LIMITED AND CONTROLLED ENTITIES

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (Continued) **For the half-year ended 31 December 2025**

10. Deconsolidation of subsidiary

(a) Description

On 14 October 2025, Red Metal's holding in MMA was diluted from 44% to a 35.8% interest as a result of a \$16 million capital raising by MMA (and subsequently to 35.2% due to a share purchase plan offering by MMA). As a result, Red Metal lost control of MMA in accordance with AASB 10 Consolidated Financial Statements and therefore deconsolidated the entity from that date.

(b) Critical accounting estimates and judgements

Accounting for this transaction has required management to exercise a high degree of judgement over the following areas:

Assessment of loss of control

MMA completed a \$16 million capital raising during the period (Red Metal's interest reducing from 44% to 35.8%) and had previously increased the number of Board directors (resulting in a Board of four directors with one director nominated by Red Metal). Red Metal lost control of MMA, resulting in deconsolidation of MMA, and the subsequent recognition of an investment in an associate (on the basis the Company holds 35.2% of the voting rights of MMA, and has a representative on the MMA board of directors).

Fair value on initial recognition of associate

The fair value on initial recognition of the Company's retained interest in MMA as an associate, which interest was 35.8% at the date Red Metal lost control, has been determined using management's judgement based on the market value of MMA shares at the date of the loss of control. The fair value of Red Metal's retained interest at that date was estimated to be \$32,745,000 (based on the trade share price on the date control was lost).

(c) Details of the gain on deconsolidation of subsidiary

	31 Dec 2025
	\$
Fair value of investment retained in Maronan Metals Ltd	32,745,000
Carrying amount of net assets deconsolidated	(16,417,911)
Derecognition of non-controlling interest	9,199,679
Gain on deconsolidation before income tax	25,526,768
Income tax (note 14)	-
Net gain on deconsolidation of subsidiary	<u>25,526,768</u>

The carrying amounts of assets and liabilities as at the date of deconsolidation (14 October 2025) were:

Cash and cash equivalents	16,470,421
Other assets	434,933
Trade and other payables	(371,129)
Other liabilities	(116,314)
Net assets	<u>16,417,911</u>

Cash Flow Effects

The net cash inflow/(outflow) arising from the deconsolidation was:

- Cash raised by Maronan Metals Ltd pursuant to capital raising: \$16,000,000
- Less: Costs of capital raising: \$(900,000)
- Less: cash and cash equivalents disposed of: \$(16,470,421)

RED METAL LIMITED AND CONTROLLED ENTITIES

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (Continued) **For the half-year ended 31 December 2025**

11. Related Party Transactions

During the period the Company issued 10,000,000 options to the Directors (refer to note 8(b)).

During the period key management personnel (and their related parties) exercised options and were issued shares as follows:

Director	Number of shares acquired	Number of shares acquired
	Options exercisable at 13c and expiring 25 October 2025	Options exercisable at 9c and expiring 28 November 2025
Russell Barwick	1,000,000	378,561
Robert Rutherford	2,000,000	769,231
Joshua Pitt	1,000,000	2,849,097

12. Contingent Liability

During the June 2025 financial year a fire occurred on a tenement covered by the Sybella Project. The fire affected several pastoral stations. The Company reported the incident to its insurer, who confirmed that it will indemnify the Company in respect of known claims in respect of the incident, subject to all terms, conditions, limitations and exclusions of the insurance policy. At the reporting date, any potential liability to the Company remains uncertain and is still under assessment.

13. Segment Reporting

During the period the Group operated predominantly in the mining industry in Australia.

14. Income Tax Expense

(a) The prima facie income tax expense / (benefit) on the profit / loss before income tax for the period is reconciled to the income tax expense as follows:

	31 Dec 2025	31 Dec 2024
	\$	\$
Prima facie income tax expense / (benefit) calculated at 25% (2024: 25%) on the profit / loss from ordinary activities	4,718,770	(2,503,527)
Add / (deduct) tax effect of:		
Equity-based compensation	141,179	609,752
Gain on deconsolidation of subsidiary	(6,381,692)	-
Share of loss in associate	(317,096)	-
Other adjusting items	366,922	-
Deferred tax asset not brought to account	1,471,917	1,893,775
Income tax expense	<u>-</u>	<u>-</u>

(b) Unrecognised deferred tax balances:

Net unrecognized deferred tax balances for tax losses and temporary differences	<u>3,605,791</u>	<u>13,713,218</u>
---	------------------	-------------------

RED METAL LIMITED AND CONTROLLED ENTITIES

DIRECTORS' DECLARATION

In the opinion of the directors of Red Metal Limited ("the Company"):

1. The financial statements and notes set out on pages 5 to 14 are in accordance with the Corporations Act 2001 including:
 - (a) giving a true and fair view of the financial position of the consolidated entity as at 31 December 2025 and of its performance, as represented by the results of its operations, changes in equity and cash flows, for the half-year ended on that date; and
 - (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001; and
2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to section 303(5)(a) of the Corporations Act 2001.



R Rutherford
Director

Sydney
13 March 2026

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Red Metal Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Red Metal Limited (the Company) and its subsidiaries (the Group), which comprises the condensed consolidated statement of financial position as at 31 December 2025, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, material accounting policy information and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- i. Giving a true and fair view of the Group's financial position as at 31 December 2025 and of its financial performance for the half-year ended on that date; and
- ii. Complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Responsibility of the directors for the financial report

The directors of the Company are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.



Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2025 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit Pty Ltd

A handwritten signature in black ink, appearing to read 'JW', is written over a horizontal line. Above the signature, the letters 'BDO' are written in a simple, hand-drawn font.

Jackson Wheeler

Director

Perth, 13 March 2026