



Interim Report

SIX MONTHS ENDED 31 DECEMBER 2025



**Futura
Resources**

Company Details

Futura Resources Limited
ABN 64 113 707 458

Directors

Mr Donald Carroll (Executive Chairman)
Mr Cameron Vorias (Executive Director)
Mr Timothy Lowry (Non-Executive Director)
Mr Trevor Steel (Non-Executive Director)
Mr Trent Franklin (Non-Executive Director)

Other Key Management Personnel

Mr Benjamin Dunlop (CEO)
Mr Mark Davison (CFO)

Company Secretary

Mr Kar Chua

Registered Office

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Sydney NSW 2000
Telephone: 02 8316 3992
07 3149 8225

Brisbane Office

Level 18, 324 Queen Street,
Brisbane QLD 4000

Mine Site

Wilton and Fairhill Mines
Fairhill Road
Lilyvale QLD 4000

Auditors:

Crowe Sydney
Chartered Accountants
Level 24
1 O'Connell Street
Sydney NSW 2000

Message from the CEO:

“Building Momentum Toward Sustainable Long-Term Growth”

I am pleased to present Futura Resources' Interim Report for the half-year ended 31 December 2025. This period marked a transformational phase for the Company as we advanced development at our Fairhill operation and strengthened the foundations for long-term growth in Queensland's Bowen Basin.

The major strategic milestone achieved during this period was the completion of a USD 95 million senior secured bond issue in the Norwegian market. This transaction refinances legacy obligations and provides additional liquidity to support ongoing operations and development initiatives.

Operationally, the business made significant progress. A strategic review of asset deployment confirmed that product coal from the Fairhill pit continues to deliver stronger yields and revenue outcomes compared to Wilton. In response, and within the constraints of existing haulage approvals, we prioritised Fairhill production during the half year period and focused operational resources accordingly. Rehabilitation and maintenance works continued at Wilton, with production planned to resume in July 2026.

We also advanced the dry-processing solution for Fairhill during the half year period, executing contracts for delivery of an FGX-style unit to enhance product quality and reduce haulage and processing costs. This unit is to be

operating on site by the end of June 2026, and will drive meaningful decreases in costs, along with improved product creation optionality.

Our logistics and marketing arrangements continued to stabilise. The Company has made substantial progress in establishing long-term markets and pricing for its primary hard coking coal product, having placed samples with high value partners in Japan, Korea, India, Taiwan, Vietnam and Europe. Secondary sales remained steady, under the existing marketing agreement while direct sales to traders and other miners at the Port of Gladstone continue to support revenue and cash flow.

Although the Group recorded a net loss for the half year period, reflecting project development expenditure and depressed coal prices, the underlying operational trajectory remains positive, supported by improving product acceptance and strong medium-long term fundamentals for hard coking coal.

Looking ahead, our focus is clear:

- continue ramping up Fairhill;
- resume Wilton production;
- commission the new dry-processing unit; and
- progress targeted infrastructure upgrades to unlock higher throughput.

These initiatives position Futura for sustainable growth and an enhanced market presence in the years ahead.

Review of first half FY 2026

Highlights

- **Operational ramp-up at Fairhill**

Ramp-up at Fairhill proved highly effective, with the site achieving budgeted production rates by October 2025 and successfully trialling night shift operations through November and early December in advance of further ramp up in early CY 2026.

- **Improved CHPP yields – both Wilton and Fairhill**

Effective utilisation of the screening plant at Wilton, alongside higher product yields from Fairhill, contributed to an overall improvement in CHPP yield and cost performance compared to the previous half. Collectively, these operational gains supported improved outcomes across both sites, underpinning lower operating expenses and a more robust production profile.

- **Fairhill Coal Quality**

Fairhill's coking coal is distinguished by its high Coke Strength after Reaction (CSR) (65+) and exceptional fluidity (2,000+), positioning it as a valuable hard coking coal product within the global market. These premium quality attributes have driven robust sample demand and fostered increased marketing interactions with high-value partners, reinforcing Fairhill's value proposition and supporting ongoing commercial engagement.

- **Completion of USD 95m Bond Placement**

In late December 2025 the Company completed the Norwegian bond financing transaction (Transaction) arranged by Clarksons Securities AS (as manager) to raise USD 95.0 million through the issuance of 13.125% senior secured bonds (Bonds). The funding was structured to refinance existing obligations and provide additional liquidity for operational and corporate purposes.

Events after half-end

- **Completion and Bond draw down**

After the end of the half, full completion of the bond facility was reached, facilitating the advancement of ramp up plans at Fairhill, including associated infrastructure upgrades. This outcome will drive significant operational efficiencies and performance improvements in the coming periods.

- **Cyclone Koji**

Cyclone Koji deposited significant rainfall across the Bowen Basin in early-mid January 2026. Over 200mm was recorded at each site (Wilton and Fairhill) impacting operations significantly as wet weather recovery activities were executed in the later part of January, with impacts expected to be felt into mid-February.

Key Metrics

	H1 FY2026	Wilton Pit	Fairhill Pit	Total
TRIFR¹	#/mmh	0	0	0
Production				
Waste Mined	kbcm	151.8	1,548.1	1,699.9
Strip Ratio	x	5.5	3.4	3.5
ROM Coal Mined	Kt	27.7	458.7	486.5
CHPP Feed	Kt	85.0	328.2	413.2
Yield	%	33.0%	40.5%	39.0%
Saleable Product	Kt	28.1	132.9	161.0
Shipments				
Primary Coal	Kt	65.5	46.7	112.2
Secondary Coal	Kt	25.8	81.9	107.7
Financial				
ROM Cost	A\$/ROMt	49.75		
FOB Cost	A\$/t	203.65		
Avg Price Received	US\$/t	93.46		
Revenue	A\$	31,476,490		
EBITDA	A\$	(19,124,638)		
Net Finance Costs	A\$	9,507,215		
Capital Expenditure	A\$	3,201,605		
Cash Balance	A\$	811,378		

Operations Review

The Half Year Period ended 31 December 2025 (**Half Year Period**) was transformational operationally for the Company, seeing ongoing development and advancements at both the Fairhill Pit (**Fairhill** or the **Fairhill Pit**), the Wilton Pit (**Wilton** or the **Wilton Pit**), underpinned by strong market development for the Wilton Fairhill coking coal products.

Safety and Health

Operations continue to maintain an excellent safety record with no Lost Time Injuries recorded since operations started in December 2023.

Futura prioritises the implementation of safety measures across all facets of its organisational activities. Continuous efforts are made to identify, assess and mitigate operational risks, and a strong focus is maintained on safe working practices.

Production

During the Half Year Period, the Company undertook a strategic review of the deployment of operational assets (people, equipment, infrastructure) between the operating pits. This review was undertaken with direct reference to the road haulage approvals, and the limitations currently placed on total coal haulage as a result of those approvals.

The key outcome of this review was that coal from the Fairhill pit is yielding higher at the CHPP and generating higher revenue for the Company than coal from the Wilton pit. As such, with haulage limitations in place, the decision was made to prioritise maximising the haulage of Fairhill Pit coal. This resulted in the operational resources of the business being focused on the Fairhill Pit, with Wilton resources being reallocated to Fairhill, with only rehabilitation works and pit maintenance activities being conducted at the Wilton pit since September 2025.

The Company plans to re-allocate resources back to the Wilton pit upon the release of the next haulage limit threshold with coal production to resume from the Wilton pit in July 2026.

Operating mining fleet at the Fairhill Pit was changed out during the Half Year Period with the large excavator and truck fleet removed from site, being replaced by additional D11 dozers. This change aligns with operational planning, positioning the site as purely dozer push for overburden, securing a low cost and efficient production base moving forward. Production at the Fairhill Pit also expanded to include night shift operations in November 2025.

The operational teams continued to grow during the Half Year Period with total Futura Full time equivalent workforce reaching ~100 across the business. The Company continues to prioritise local, Emerald based workforce with less than 5% 'fly-in/fly-out' personnel employed by the Company. Significant additional resourcing also started late in the Half Year Period to support the required operator numbers to support full day-shift/night-shift operations from Q3 FY2026.

Haulage and Processing

Coal haulage activities were managed within existing local council road use approvals during the Half Year Period. The Company advanced the staged road upgrade programme to increase haulage capacity, completing Stages 1 and 2 (including sealing works at the Wilton pit access) and refining Stage 3 into sub-stages to support increased Fairhill haulage post draw down of the Bond facility.

Processing under the long-term coal tolling arrangement with Sojitz at the Gregory CHPP continued throughout the Half Year Period. Capital improvements to the CHPP reject circuit were completed, and feed rates above 500 tph are now able to be achieved.

The dry coal "FGX"-style processing solution for the Fairhill ROM was advanced following a review of screening effectiveness at Wilton, and in September 2025 contracts were executed for delivery of the dry coal sorting unit in H2 FY2026. This unit will improve ROM removal of non-coal material, reducing haulage and CHPP feed costs, and enable potential production of bypass coal that would not require CHPP processing.

Logistics, Marketing and Sales

The Company continued utilising third-party rail and port capacity during the Half Year Period, obtaining such under agreement from Sojitz Coal Sales Pty Ltd (**Sojitz**), pending the placement of security bonds facilitated by the 'Nordic' Bond.

Primary 'coking' coal sold during the Half Year Period was done directly by Futura to end users, other miners and traders also operating out of the Port of Gladstone. Sales remained on a spot basis while marketing and end-user sales channels continue to develop.

Secondary 'thermal' coal sales were consistent via Trafigura under Trafigura marketing agreement.

Futura has advanced its marketing strategy with direct engagement across key steelmaking regions, including Japan, China, Taiwan, and India. Product samples have been distributed to end users in each market, supporting technical assessment and paving the way for long-term offtake relationships. Initial feedback is strong and larger trial cargoes are planned for Q3 FY26 alongside ongoing spot and short-term (6-month) trader sales arrangements.

Corporate and Commercial

Late in the Half Year Period, the Company completed a Norwegian bond financing transaction (**Transaction**) arranged by Clarksons Securities AS (as manager) to raise USD 95.0 million through the issuance of 13.125% senior secured bonds (**Bonds**). The funding was structured to refinance existing obligations and provide additional liquidity for operational and corporate purposes.

Drawdown of this facility was completed after the Half Year Period on 12 January 2026.

Interim Financial Statements

The directors present their interim financial statements for the 6 months ended 31 December 2025.

Directors

The names of the directors of the Company during or since the six months ended 31 December 2025 are:

Mr Donald Carroll (Executive Chairman)
Mr Cameron Vorias (Executive Director)
Mr Timothy Lowry (Non-Executive Director)
Mr Trevor Steel (Non-Executive Director)
Mr Trent Franklin (Non-Executive Director)

Principal Activities

The principal activities of the company during the financial year were in the mining and exploration industry, principally the development and mining of coal.

Results of Operations

The loss of the Company for the half year period after providing for income tax amounted to \$23,148,707 (compared to the financial year ended 30 June 2025 at loss: \$ 43,193,940).

Auditors

The interim financial statements are unaudited and have not been reviewed by the Company's external auditor.

Dividend

No dividends were declared or paid during the Half Year Period.

**Consolidated Statement of Profit or Loss and Other Comprehensive Income
for the 6-month ended 31 December 2025**

	Note	6-month ended 30 December 2025 \$	12-month ended 30 June 2025 \$
Revenue	2	31,476,490	32,089,868
Cost of goods sold		(45,247,999)	(58,478,005)
Gross Profit		(13,771,509)	(26,388,137)
Foreign exchange (losses)/gains		1,216,342	(13,151)
Royalties		(3,311,140)	(3,441,324)
Depreciation and amortisation		(1,331,642)	(4,923,628)
Marketing and distribution expenses		(1,202,960)	(975,042)
Corporate administration expenses		(1,584,148)	(3,739,758)
Share based payment expenses		(471,223)	(680,884)
Fair value through profit & loss		-	(254,621)
Loss before net finance income		(20,456,280)	(40,416,545)
Financial income		1,042	123,085
Financial expense		(9,508,257)	(13,764,196)
Net finance expenses		(9,507,215)	(13,641,111)
Loss before income tax expenses		(29,963,495)	(54,057,656)
Income tax benefits		6,814,788	10,863,716
Loss for the year		(23,148,707)	(43,193,940)
Total comprehensive loss for the year		(23,148,707)	(43,193,940)

The accompanying notes form part of these unaudited financial statements.

Consolidated Statement of Financial Position
As at 31 December 2025

	Note	30 December 2025 \$	30 June 2025 \$
Assets			
Current Assets			
Cash and cash equivalents	3	811,378	8,183
Trade and other receivables	4	3,666,149	3,504,663
Inventories	5	11,322,319	15,668,232
Total Current Assets		15,799,846	19,181,078
Non-Current Assets			
Exploration and evaluation expenditure	6	68,111,154	67,612,352
Right of use assets	7	1,791,365	1,858,964
Property, plant and equipment	8	25,129,539	22,733,765
Intangible assets	9	22,237,649	22,977,399
Financial assets	10	6,392,719	6,723,480
Deferred tax assets		13,489,345	6,674,557
Total Non-Current Assets		137,151,771	128,580,517
Total Assets		152,951,617	147,761,595
Liabilities			
Current Liabilities			
Trade and other payables	11	53,930,672	28,959,288
Employee provisions		729,188	692,915
Loans and borrowings	12	74,447,927	63,327,330
Financial liabilities	13	30,454,621	30,454,621
Provision for income tax		5,076,671	5,076,671
Unearned revenues		4,168,893	6,279,381
Total Current Liabilities		168,807,972	134,790,206
Non-Current Liabilities			
Employee provisions		51,661	31,536
Loans and borrowings	12	1,495,251	10,717,342
Provision for rehabilitation	15	4,139,285	4,087,579
Total Non-Current Liabilities		5,686,197	14,836,457
Total Liabilities		174,494,169	149,626,663
Net Assets		(21,542,552)	(1,865,068)
Equity			
Issued capital	14	16,783,428	13,783,428
Options reserves	14	2,520,296	2,177,586
Performance rights reserves	14	523,131	394,618
Retained earnings		(41,369,407)	(18,220,700)
Total Equity		(21,542,552)	(1,865,068)

The accompanying notes form part of these unaudited financial statements.

Consolidated Statement of Changes in Equity
For the 6-month ended 31 December 2025

	Notes	Ordinary Shares	Performance rights and loan shares reserve	Share based payment reserve	Retained earnings	Total
		\$	\$	\$	\$	\$
Balance at 1 July 2024		13,783,428	1,724,997	166,323	24,973,240	40,647,988
Transactions with owners, in their capacity as owners						
Loan shares reserve		-	425,954	-	-	425,954
Performance rights issued		-	254,930	-	-	254,930
Total transactions with owners, in their capacity as owners		-	680,884	-	-	680,884
Comprehensive income for period						
Loss attributable to owners of the company		-	-	-	(43,193,940)	(43,193,940)
Total comprehensive income for the period		-	-	-	(43,193,940)	(43,193,940)
Balance at 30 June 2025 / 1 July 2025		13,783,428	2,405,881	166,323	(18,220,700)	(1,865,068)
Transactions with owners, in their capacity as owners						
Issue of shares		3,000,000	-	-	-	3,000,000
Loan shares reserve		-	342,710	-	-	342,710
Performance rights issued		-	128,513	-	-	128,513
Total transactions with owners, in their capacity as owners		3,000,000	471,223	-	-	3,471,223
Comprehensive income for period						
Loss attributable to owners of the company		-	-	-	(23,148,707)	(23,148,707)
Total comprehensive income for the period		-	-	-	(23,148,707)	(23,148,707)
Balance at 31 December 2025	14	16,783,428	2,877,104	166,323	(41,369,407)	(21,542,552)

The accompanying notes form part of these unaudited financial statements.

Consolidated Statement of Cash Flow
For the 6-month ended 31 December 2025

	Note	6-month ended 30 December 2025 \$	12-month ended 30 June 2025 \$
Cash flows from operating activities			
Receipts from customers		31,476,490	37,652,122
Payments to suppliers		(29,080,946)	(66,531,602)
Interest received		1,042	123,085
Interest paid		(153,599)	(6,643,305)
Net cash used in operating activities		2,242,986	(35,399,697)
Cash flows from investing activities			
Payments for exploration expenditure		(498,801)	(954,628)
Payment for deferred development costs		-	-
Payment for PPE acquisition		(2,651,097)	(14,389,156)
Payment for tenure compensation		-	(105,000)
Right of use assets		-	-
Refund of financial provision surety bond		329,881	(4,319,751)
Refund for leasing bond		880	(18,200)
Net cash used in investing activities		(2,819,137)	(19,786,735)
Cash flows from financing activities			
Proceeds from borrowings		5,741,764	62,326,006
Repayment of borrowings		(7,289,035)	(6,124,196)
Proceeds from share issues		3,000,000	-
Payments for loan transaction costs		-	(1,086,316)
Convertible notes		-	-
Net cash from financing activities		1,452,730	55,115,496
Net decrease in cash and cash equivalents		876,579	(70,936)
Cash at beginning of the year		(65,380)	5,556
Cash and cash equivalents at end of the year¹	3	811,199	(65,380)

¹ The balance of Cash and Cash Equivalents includes \$811,378 as detailed in Note 3, and a Bank overdraft of \$178 as specified in Note 12.

Notes to the Consolidated Financial Statements For the 6-month ended 31 December 2025

1. Material Accounting Policies Information

(a) Basis of Preparation

The interim financial report is intended to provide users with an update on the latest annual financial statements of Futura Resources Limited and its controlled entities. It is therefore recommended that this financial report to be read in conjunction with annual financial statements of the group for the year ended 30 June 2025.

Except for the cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Accounting Policies

The financial statements are general purpose interim financial statements that have been prepared in accordance with Australian Accounting Standard AASB 134: Interim Financial Reporting and the requirements of Corporations Act 2001. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standard.

This interim financial report has not been audited by an external auditor.

(b) Critical accounting estimates and significant judgements used in applying accounting policies

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The consolidated entity assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined at the CGU level, which has been determined to be one. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

It is reasonably possible that the underlying coal price assumption may change which may then impact the estimated life of mine determinant and may then require a material adjustment to the carrying value of mining development assets. Furthermore, the expected future cash flows used to determine the value-in-use of these assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including reserves and production estimates, together with economic factors such as coal spot prices, discount rates, estimates of costs to produce reserves and future capital expenditure.

Notes to the Consolidated Financial Statements For the 6-month ended 31 December 2025

1. Material Accounting Policies (Continued)

Exploration and evaluation costs

Exploration and evaluation costs have been capitalised on the basis that the consolidated 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 if they 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.

Rehabilitation, Restoration and Environmental Costs

Long-term environmental obligations are based on the Company's environmental management plans, in compliance with current environmental and regulatory requirements.

The costs will include obligations relating to reclamation, waste site closure, plant closure and other costs associated with the restoration of the site, when relevant.

Full provision is made based on the net present value of the estimated cost of restoring the environmental disturbance that has been incurred as at the reporting date. Increases due to additional environmental disturbance (to the extent that it relates to the development of an asset) are capitalised and amortised over the remaining lives of the mines.

Annual increases in provision relating to the change in the present value of the provision are accounted for in earnings. The estimated costs of rehabilitation are reviewed annually and adjusted as appropriate for changes in legislation, technology or other circumstances. Cost estimates are not reduced by the potential proceeds from sale of assets or from plant clean-up at closure.

Deferred development costs

Deferred development costs represent the costs incurred in preparing mines for production and includes land compensation. These costs are capitalised to the extent they are expected to be recouped through the successful exploitation of the related mining leases. Once production commences, these costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering land compensation 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 if they 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.

Notes to the Consolidated Financial Statements For the 6-month ended 31 December 2025

1. Material Accounting Policies (Continued)

Income Tax

The Group is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on the Group's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Dry hire agreements

The Group utilises dry hire agreements for mining equipment on a short-term basis without a service component. These agreements include an initial lease term of 12-month extension, which management has determined is not reasonably certain to be exercised under current plans. Consequently, these leases are classified as short-term under AASB 16, with no right-of-use asset or lease liability recognized. Lease payments are expensed as incurred or on a straight-line basis over the lease term. This classification supports the Company's operational flexibility needs.

Borrowing costs

Borrowing costs are expensed as incurred except where they relate to the financing of construction or development of qualifying assets in which case they are capitalised up to the date when the qualifying asset is ready for its intended use.

Share-based payments

(i) Equity-settled share-based payments

Equity-settled share-based payments are measured at the fair value of the awards based on the market value of the shares at the grant date. Fair value excludes the effect of non-market-based vesting conditions. The fair value is charged to the consolidated statement of income and credited to retained earnings on a straight-line basis over the period the estimated awards are expected to vest.

At each balance sheet date, the Group revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in the consolidated statement of income such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to retained earnings.

(ii) Cash-settled share-based payments

For cash-settled share-based payments, a liability is initially recognised at fair value based on the estimated number of awards that are expected to vest, adjusting for market and non-market-based performance conditions. Subsequently, at each reporting period until the liability is settled, it is remeasured to fair value with any changes in fair value recognised in the consolidated statement of income.

Notes to the Consolidated Financial Statements For the 6-month ended 31 December 2025

1. Material Accounting Policies (Continued)

Foreign currency translation

Futura's reporting currency and the functional currency of the majority of its operations is the US dollar as this is assessed to be the principal currency of the economic environment in which it operates.

(i) Foreign currency transactions

Transactions in foreign currencies are converted into the functional currency of each entity using the exchange rate prevailing at the transaction date. Monetary assets and liabilities outstanding at year end are converted at year-end rates. Non-monetary items measured in terms of historical cost are translated using the exchange rate at the date of the transaction. The resulting exchange differences are recorded in the consolidated statement of income.

Property, plant and equipment and intangible assets – estimation of the remaining useful economic life of assets for depreciation and amortisation purposes

Property, plant and equipment and intangible assets are depreciated / amortised to estimated residual values over the estimated useful lives of the specific assets concerned, or the estimated remaining life of the associated mine, field or lease, using a straight-line or a unit of production over recoverable reserves method. The estimated useful lives of our specific assets and / or operations (and therefore the rate of depreciation / amortisation) aligns with, and reflects, our emissions reduction commitments and ambition.

(c) Going Concern

The directors believe that the going concern basis is appropriate for the preparation and presentation of the financial statements, notwithstanding continued losses before income tax for the half year ended 31 December 2025 is \$29,963,495 (2025: \$54,057,656), net current liabilities of \$153,008,127 (2025: \$115,609,127), as the directors believe that the Group has sufficient cash and liquid assets or can access cash to continue operations as required.

(d) Goods and Services Tax (GST)

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

Receivables and payables in the balance sheet are shown inclusive of GST. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the balance sheet.

(e) Comparatives

The consolidated financial statements provide comparative information in respect of the previous period. In addition, the Consolidated Entity presents an additional statement of financial position at the beginning of the preceding period when there is a retrospective application of an accounting policy, a retrospective restatement, or a reclassification of items in financial statements. The consolidated financial statements present reclassified comparative information where required for consistency with the current year's presentation.

Notes to the Consolidated Financial Statements For the 6-month ended 31 December 2025

2. Revenue

	Dec-2025 \$	Jun-2025 \$
<i>Revenue from contracts with customers</i>		
Coal sales in Australia	31,476,490	32,089,868
Total	31,476,490	32,089,868

The Company recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The transaction price includes base price which is calculated as a percentage of the relevant index, provisional price will be applied when the base price is unavailable, with adjustments invoiced later, price Adjustment: Finalized based on weight and quality certifications to reflect the final consideration owed.

The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Payments received for future coal sales deliveries (prepayments) are accounted for as executory contracts whereby the prepayment is initially recorded as deferred revenue in the consolidated statement of financial position. The initial deferred revenue amount is unwound and revenue is recognised in the consolidated statement of income as and when the Company physically delivers the coal and loses control of it.

Sale of coal is recognised at the point of sale (point in time), which is where the customer has taken delivery of the goods, the risks and rewards are transferred to the customer and there is a valid sales contract. Amounts disclosed as revenue are net of sales returns and trade discounts.

3. Cash and Cash Equivalents

	Dec-2025 \$	June-2025 \$
Current		
Cash at bank	811,378	8,183
Total	811,378	8,183

Notes to the Consolidated Financial Statements
For the 6-month ended 31 December 2025

4. Trade and Other Receivables

	Dec-2025 \$	Jun-2025 \$
Current		
Trade and other receivables	3,666,149	3,504,663
Total	3,666,149	3,504,663

Trade and other receivables are recognised at amortised cost, less any allowance for expected credit losses.

5. Inventories

	Dec-2025 \$	Jun-2025 \$
Current		
Product coal	5,919,580	9,339,631
Run-of-mine (ROM) coal	3,408,282	1,336,983
Stores inventories	36,230	51,507
Overburden in advance	1,958,227	4,940,111
Total	11,322,319	15,668,232

Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The costing method of coal inventories is determined using an activity-based costing method. Cost includes direct material, overburden removal, mining, processing, labour, mine rehabilitation costs incurred in the extraction process and other fixed and variable overhead costs directly related to mining activities. Stockpiles are measured by estimating the number of tonnes added and removed from the stockpile. The tonnes of contained coal are based on assay data, and the estimated recovery percentage is based on the expected processing method. Stockpile tonnages are verified by periodic surveys.

Notes to the Consolidated Financial Statements For the 6-month ended 31 December 2025

6. Exploration and Evaluation Expenditure

	Dec-2025 \$	Jun-2025 \$
Non-current		
Opening balance	67,612,352	70,831,613
Reclassification of exploration assets to mining tenements	-	(4,173,888)
Additions at cost	498,802	954,627
Closing balance	68,111,154	67,612,352

The ultimate recoupment of these costs is dependent on the successful development and commercial exploitation, or alternatively sale of the respective areas.

Mineral tenements, exploration and evaluation expenditure relate to the following projects:

	Dec-2025 \$	Jun-2025 \$
Non-current		
EPC 1235 Wilton Coal Project	65,623,224	65,329,664
EPC 2177 Fairhill Project	2,487,930	2,282,688
Closing balance	68,111,154	67,612,352

6. Exploration and Evaluation Expenditure (Continued)

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of an area or where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profits in the year in which the decision to abandon the area is made.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Costs of site restoration are provided over the life of the facility from where exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant equipment and building structures, waste removal and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly, the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

Exploration and evaluation assets are tested for impairment each year. When the facts and circumstances suggest that the carrying amount exceeds the recoverable amount, the carrying amount is written down to its likely recoverable amount.

Notes to the Consolidated Financial Statements For the 6-month ended 31 December 2025

7. Right of Use Assets

	Dec-2025 \$	Jun-2025 \$
Non-current		
Mine development	2,027,960	2,027,961
Gregory Crinum CIP - Accumulated Amortisation	(236,595)	(168,997)
Total	1,791,365	1,858,964

8. Property, Plant and Equipment

	Dec-2025 \$	Jun-2025 \$
Non-current		
Property, plant and equipment		
At cost	26,882,919	24,180,115
Accumulated depreciation	(1,753,380)	(1,446,350)
Total	25,129,539	22,733,765

	Plant & Mining Equipment \$	Buildings & Infrastructure \$	Software \$	Mine development \$	Work in progress \$	Total \$
Consolidated						
Balance at 1 July 2024	102,363	26,373	48,158	6,908,634	205,082	7,290,610
Additions	263,042	22,056	-	1,721,704	14,656,212	16,663,014
Depreciation expense	(70,628)	(6,812)	(22,227)	(1,120,192)	-	(1,219,859)
Balance at 30 June 2025	294,777	41,617	25,931	7,510,146	14,861,294	22,733,765
Additions	-	-	-	9,649,847	2,702,803	12,352,650
Depreciation expense	(59,528)	(4,014)	(11,205)	(232,282)	-	(7,254,073)
Transfer to Mine Development	-	-	-	-	(9,649,847)	(9,649,847)
Balance at 31 Dec 2025	235,249	37,603	14,726	16,927,711	7,914,250	25,129,539

Plant and equipment are stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets is substantially ready for their intended use or sale.

Notes to the Consolidated Financial Statements For the 6-month ended 31 December 2025

8. Property, Plant and Equipment (Continued)

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment over their expected useful lives as follows:

Plant & Mining Equipment	2-8 years
Buildings and Infrastructure	4-5 years
Software	2-3 years
Mine Development	10-40 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

9. Intangible Assets

	Dec-2025 \$	Jun-2025 \$
Wilton		
Mining tenements	9,901,084	9,901,084
Accumulated amortisation - tenements	(2,534,713)	(2,448,904)
	7,366,371	7,452,180
Fairhill		
Mining tenements	4,173,888	4,173,888
Accumulated amortisation - tenements	(83,479)	(18,355)
	4,090,409	4,155,533
Total Mining Tenements	11,607,713	11,607,713
Wilton		
Tenure rights	5,087,500	5,087,500
Accumulated amortisation - tenure rights	(619,348)	(486,631)
	4,468,152	4,600,869
Fairhill		
Tenure rights	7,605,000	7,605,000
Accumulated amortisation - tenure rights	(1,292,283)	(836,183)
	6,312,717	6,768,817
Total Tenure rights	10,780,869	11,369,686
Total Intangible assets	22,237,649	22,977,399

Notes to the Consolidated Financial Statements
For the 6-month ended 31 December 2025

10. Financial Assets

	Dec-2025 \$	Jun-2025 \$
Non-current		
Financial assurance bond	6,392,719	6,723,480
Total	6,392,719	6,723,480

Financial assurance is a security deposit held by the administering authority to ensure the holder of an environmental authority (EA) complies with the conditions of the EA and to cover potential rehabilitation costs.

11. Trade and Other Payables

	Dec-2025 \$	Jun-2025 \$
Current		
Trade and other payables	38,171,442	17,343,281
Accrued consulting fees	690,000	630,000
Accrued audit fees	-	125,000
Accrued expenses	6,390,236	6,145,952
Accrued convertible notes interest	7,721,958	4,650,715
Accrued loan interest	957,035	64,340
Total	53,930,672	28,959,288

Trade payables are recognised at their transaction price. Trade payables are obligations on the basis of normal credit terms. Convertible notes interest is due to be paid semi-annually.

Notes to the Consolidated Financial Statements For the 6-month ended 31 December 2025

12. Loans and Borrowings

	Dec-2025 \$	Jun-2025 \$
Current		
Bank overdraft	178	73,563
Loan - NTG Investments Group Pty Ltd	10,182,016	9,440,624
Loan - Aldersberg Limited	9,349,995	8,980,463
Loan - Baker Steel Resources Trust Limited	4,182,585	1,400,000
Loan - NextGen Coals Pty Ltd	450,000	450,000
Loan - Gamma Mining Ltd	23,415,017	22,965,734
Loan - Trafigura Asia Trading Pte Ltd	23,328,300	20,016,946
Loan - Equentia Natural Resources Pte Ltd	3,539,836	-
Total	74,447,927	63,327,330
	\$	\$
Non-current		
Loan - Trafigura Asia Trading Pte Ltd	1,495,251	10,717,342
Total	1,495,251	10,717,342

The above loans are principal and interest payable. The loans (unsecured) from NTG Investments Group Pty Ltd and Aldersberg Limited have no fixed repayment terms. The interest rate is 15% and 8% respectively. Both of which are non-related third parties.

The Loan from NTG Investments Group Pty Ltd was repaid subsequent to the Half Year Period in January 2026. \$2,000,000 was also paid off the principal of the Aldersberg Loan subsequent to the Half Year Period in January 2026.

Loan from Gamma Mining Limited

The loan of USD\$15M (being approximately \$22M) from Gamma Mining Limited is a secured principal-and-interest facility with an 18-month term. It matures in October 2026. Interest accrues at 15% per annum, commencing four months after the drawdown date which was 15 May 2025.

The loan is secured under a general security deed of second ranking over all assets of Futura, Coal of Queensland, Wilton and Fairhill, including the mining tenements, other than the Stockpile and Stockpiled Product which Gamma Mining is granted a first-ranking security interest with the consent of Trafigura Asia Trading Pte Ltd (**Trafigura**). Coal of Queensland Pty Ltd, Fairhill Coking Coal Pty Ltd and Wilton Coking Coal Pty Ltd act as guarantors to the loan.

The Loan from Gamma Mining Limited was repaid subsequent to the Half Year Period in January 2026.

Loan from Trafigura Asia Trading Pte Ltd

The loan of USD\$24M (being approximately \$35M) from Trafigura Asia Trading Pte Ltd is a secured principal-and-interest facility with a 30-month term and an interest rate of 14% per annum. It matures in January 2027. Repayments of principal and interest are required quarterly, commencing after the repayment grace period, being the period of six months following the utilisation date in July 2024.

The loan is secured under a general security deed of first ranking over all assets of Futura, Wilton and Fairhill including the mining tenement., Fairhill Coking Coal Pty Ltd and Wilton Coking Coal Pty Ltd act as guarantors to the loan.

Notes to the Consolidated Financial Statements For the 6-month ended 31 December 2025

12. Loans and Borrowings (continued)

The Loan from Trafigura Asia Trading Pte Ltd was repaid subsequent to the Half Year Period in January 2026.

Baker Steel Resources Trust Limited

The Company had a short-term loan of AUD 1.4 million from Baker Steel Resources Trust Limited, repayable within three months and bearing interest at 2% per month.

During the six-month period ended 31 December 2025, the Company further entered into the following unsecured loan agreements with Baker Steel Resources Trust Limited:

- A USD 1,050,000 loan dated 20 October 2025, repayable on 29 November 2025, bearing interest at 2% per month. A loan fee of USD 31,500 was payable at maturity.
- A USD 750,000 loan dated 29 December 2025, repayable on the earlier of 31 January 2026 or the Early Repayment Date, bearing interest at 2% per month. An establishment fee of 2% of the loan principal is payable upon repayment.

The Loan from Baker Steel Resources Trust Limited was repaid subsequent to the Half Year Period in January 2026.

NextGen Coals Pty Ltd

The short-term loan amount of AUD\$450,000 from NextGen Coals Pty Limited was unsecured with 3 months repayment and bears interest at 2% per month.

The Loan from NextGen Coals Pty Ltd was repaid subsequent to the Half Year Period in January 2026.

Equentia Natural Resources Pte Ltd

During the half year ended 31 December 2025, the Company entered into an unsecured loan facility of USD \$2,000,000 with Equentia Natural Resources Pte Ltd.

The loan bears interest at 2% per month, accruing daily and payable at maturity. A 2% establishment fee on the amount drawn is also payable at maturity.

The loan term is three months from the drawdown date, with 50% repayable after six weeks and the remaining 50% payable at maturity.

The Loan from Equentia Natural Resources Pte Ltd was repaid subsequent to the Half Year Period in January 2026.

Loan covenants

The loans are subject to certain covenants. The lender may demand immediate repayment of the loans if the covenants are breached. The consolidated entity is not aware of any facts or circumstances that indicate that it may have difficulty complying with the covenants within 12 months after the reporting period.

Notes to the Consolidated Financial Statements For the 6-month ended 31 December 2025

13. Financial Liabilities

	Dec-2025 \$	Jun-2025 \$
Current		
Convertible notes	30,200,000	30,200,000
Convertible Note – Derivative Liability	254,621	254,621
Total	30,454,621	30,454,621

Convertible note

The Group issued convertible notes with a face value of \$30.30 million in the prior year. Interest accrues at 21% per annum and the notes will mature three years from their date of issue. The fair value of the debt was quantified at \$30,300,000. The directors do not consider the fair value of the conversion option to have changed materially between the date of issue and the financial year end and consequently, no adjustments have been passed in this regard.

Subsequent to the Half Year Period \$24,350,000.00 Convertible notes were converted into fully paid ordinary shares in the Company. At the date of this report, there remains on \$5.95 million convertible notes on issue.

Accounting policy for convertible notes

Convertible notes are separated into the host liability and embedded derivative components based on the terms of the agreement. On issuance of the convertible notes, the liability component of hybrid financial instruments is initially recognised at the fair value of a similar liability that does not have an equity conversion option. The embedded derivative component is initially recognised at fair value. The host debt is carried at amortised cost using the effective interest method until it is extinguished on conversion or redemption.

Derivative conversion option

An embedded derivative is a component of a hybrid instrument that also includes a non-derivative host contract with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative. The embedded derivative is separated from the host contract and accounted for as a derivative if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract. The embedded derivative is measured at fair value with changes in value being recorded in profit or loss. The Group de-recognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Notes to the Consolidated Financial Statements
For the 6-month ended 31 December 2025

14. Capital and Reserves

a. Issued Capital

	Number of Shares	\$
On issue at 1 July 2025	43,621,434	13,783,428
Share Issue from Capital Raise	1,000,000	3,000,000
On issue at 31 December 2025	44,621,434	16,783,428

Ordinary Shares

The Company does not have authorised capital or par value in respect of its issued shares. All issued shares are fully paid. All shares rank equally with regard to the Company's residual assets.

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.

Dividends

No dividends were declared or paid during the December 2025 Half Year Period.

b. Option Reserve

	Dec-2025 \$	Jun-2025 \$
Balance at the beginning of the financial year	2,177,586	1,751,632
Option reserve movement	342,710	425,954
Total	2,520,296	2,177,586

c. Performance Rights

	Dec-2025 \$	Jun-2025 \$
Balance at the beginning of the financial year	394,618	139,688
Performance rights movement	128,513	254,930
Total	523,131	394,618

Notes to the Consolidated Financial Statements
For the 6-month ended 31 December 2025

15. Provision

	Dec-2025 \$	Jun-2025 \$
Non-current		
Provision for rehabilitation	4,139,285	4,087,579
Total	4,139,285	4,087,579

Rehabilitation

The provision represents the present value of estimated costs for future rehabilitation of land explored or mined by the consolidated entity at the end of the exploration or mining activity.