Daly Resources Limited

ABN 56 664 007 621

Interim Financial Report
For the half-year ended 31 December 2025

Contents

CORPORATE DIRECTORY

Directors

Mr William Belbin
Mr Scott Glasson
Mr David Pennock
Mr Michael Edwards (appointed on 9 February 2026)
Mr David Rawlings (resigned on 2 March 2026)

Company Secretary

Mr Scott Glasson (resigned on 3 March 2026)
Mr Chris Marshall (appointed on 3 March 2026)

Registered and Principal Office

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West Perth WA 6005

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Auditor

Hall Chadwick WA Audit Pty Ltd
283 Rokeby Road
Subiaco WA 6008

Website and Email

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REVIEW OF OPERATIONS

Daly Resources is an Australian exploration company exploring for Fluorite, Copper in the world-class McArthur River Region of the Northern Territory with the view of listing on the ASX.

Huckitta Project
During October 2024 Daly Signed an agreement with Sandfire Resources to acquire tenure in the emerging Georgina Basin province with coincidence of all desirables for sedimentary-hosted copper and advanced high-grade fluorite prospects with walk-up drill targets along strike from Tivan Ltd's (> $500m MC) Sandover Project.

Broughton Project
Daly holds a large tenement package as first mover into a new and novel hydrocarbon-associated base metals play in the northern McArthur Basin. The region exhibits various desirable facets of a fertile sediment-hosted base metal system, including potassic-altered metalliferous basement, extensive evaporites, hydrocarbon source rocks, fluid pathways and demonstrated palaeo-oil migration into culminations along NNW-trending fault systems.

Disseminated chalcopyrite has been identified by Pacific Oil and Gas in historic petroleum wells that has been verified by Daly. The Company has identified numerous regional soil and stream sediment anomalies via data review, which have not found their way into NTGS public datasets.

Beetaloo Project
Daly holds two tenement applications in Beetaloo Basin-centred locations, encompassing numerous wells drilled by Origin Energy for unconventional petroleum.

Daly speculates that roll-over structures along major NNW-trending fault systems represent palaeo-oil traps with base metal potential.

Batten Project
Daly has 4 granted tenements in the world class sedimentary-hosted base metals province termed the Batten Fault Zone that hosts the McArthur River HYC Zn-Pb-Ag mine and the nearby Teena Deposit (Teck Resources). Daly's tenements cover prospective geology along strike on what is interpreted to be a major controlling structure, the Bald Hills Fault. The tenements have limited historic drilling despite the obvious fertility.

Subtle synclines in the Batten Subgroup with encouraging Electromagnetic responses, which are directly analogous with Teena, are completely untested.

Corporate
During the period to 31 December 2025, the Company raised $110,000 by issuing 2,200,000 fully paid ordinary shares at 5c per share.

The Company is currently underway with the preparation for an IPO in Q2 of 2026. It is seeking to raise $10m at 25c. As part of the lead up to IPO, in January 2026 and February 2026, the Company has raised $200,000 in seed at an issue price of 5c, issuing 4,000,000 shares. It has appointed Euroz Hartleys to manage the raise.

The Company is currently underway with the preparation for an IPO in Q2 of 2026. At the same time Mr Mike Edwards has joined the Board as Executive Chairman and Mr David Rawlings resigned as Director on 2 March 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 subsidiaries, together with the financial report for the half-year ended 31 December 2025 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
William Belbin Non-Executive Chairman Appointed: 22 November 2022 <u>Interests:</u> Shares: 2,300,000 Options: Nil	Qualification: B.Sc Geology, M.Sc Will has over 20 years' experience working in gold and base metals exploration, with extensive experience in project generation and evaluation. Will was an integral part of the Fisher East nickel sulphide discoveries as Exploration Manager for Rox Resources Limited. Previously Will has worked for Newexco on various roles. Will holds a Geology degree from UWA and a Masters of Mineral Economics from the Curtin Graduate School of Business. Will is currently the Managing Director of Metal Hawk Limited (ASX: MHK).
David Rawlings Director Appointed: 22 November 2022 Resigned: 2 March 2026 <u>Interests:</u> Shares: 3,450,000 Options: Nil	Qualification: B.Sc Geology (Hons), PhD David is a highly experience geologist with extensive experience in the Northern Territory, in particular the McArthur Basin. David is the former Exploration Manager of Core Lithium Ltd (ASX: CXO) for 6 years & discovered their Finniss Lithium Project in the NT.
Scott Glasson Director Appointed: 22 November 2022 <u>Interests:</u> Shares: 2,300,000 Options: Nil	Qualification: B.Com, CA (Australia) Scott is a Chartered Accountant with over 20 years of experience predominantly within the resources, oil &gas and retail sectors. Scott has been involved in the accounting and financial management of exploration activities and is involved in business development, joint ventures, structuring and corporate governance. Mr Glasson is currently the Chief Financial Officer & Joint Company Secretary for Metal Hawk Limited (ASX: MHK).
David Pennock Director Appointed: 22 November 2022 <u>Interests:</u> Shares: 2,450,000 Options: Nil	David is a qualified geologist from the WA School of Mines and has over 12 years working in the exploration & resources sector. David has strong business development skills and is well connected within the resources sector. Mr Pennock is an Executive Director of Metal Hawk Limited.

DIRECTORS (CONT'D)

Name and independence status	Experience, qualifications, special responsibilities and other directorships
Michael Edwards Director Appointed: 9 February 2026 <u>Interests:</u> Shares: 600,000 Options: Nil	Qualification: B.Bus, B.Sc Geology Michael Edwards is a Geologist and Economist with over 25 years' experience in senior management roles within both the public and private sectors. Michael worked for Barclays Australia in their Commercial and Corporate Finance department before returning to university to complete a Bachelor of Science Geology. Michael then spent eight years as an Exploration and Mine Geologist, principally working in Australia with a focus on Archaean gold and base metals. Michael is currently Non-Executive Director of De.mem Limited, Javelin Minerals Ltd, and Non-Executive Chairman of Somerset Minerals Ltd and Metal Hawk Limited.

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 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 half-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 half-year ended 31 December 2025 attributable to members of Daly Resources Limited after income tax was $22,443 (31 December 2024: $103,089).

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.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

In the opinion of the Directors there were no matters that significantly affected the state of affairs of the Group during the financial period, other than those matters referred to in the overview above.

DIVIDENDS

The Directors recommend that no dividend be provided for the period ended 31 December 2025 (30 June 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 via an IPO in Q2 2026.

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 period, for any person who is or has been an officer or executive of the Group.

AUDITOR

Hall Chadwick WA Audit Pty Ltd continues in office 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 Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company is important.

The Board has considered the non-audit services provided during the period by the auditor and are satisfied that the provision of these non-audit services during the period 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 Company; 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 Company, acting as an advocate for the Company or jointly sharing risks and rewards.

EVENTS SUBSEQUENT TO REPORTING DATE

In January 2026, the Company raised $5,000 through the issue of 100,000 shares at $0.05 per share.

In February 2026, the Company raised a further $195,000 through the issue of 3,900,000 shares at $0.05 per share.

Mr David Rawlings resigned as Director on 2 March 2026, and Mr Michael Edwards joined the Board as Executive Chairman on 9 February 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.

PROCEEEDINGS 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.

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.

Signed in accordance with a resolution of the Directors.

Scott Glasson

Director

Dated at Perth
3 March 2026

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2025

	Note	31 Dec 2025 $	30 June 2025 $
Assets			
Cash and cash equivalents	2.1	69,357	36,326
GST receivable		713	11,367
Total current assets		**70,070**	**47,693**
Exploration and evaluation	3.1	1,775,593	1,711,708
Total non-current assets		**1,775,593**	**1,711,708**
Total assets		**1,845,663**	**1,759,401**
Liabilities			
Trade and other payables	2.2	23,397	24,692
Total current liabilities		**23,397**	**24,692**
Total liabilities		**23,397**	**24,692**
Net assets		**1,822,266**	**1,734,709**
Equity			
Share capital	4.1	2,457,500	2,347,500
Accumulated losses		(635,234)	(612,791)
Total equity		**1,822,266**	**1,734,709**

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

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 $
Exploration expensed		(13,122)	(12,441)
Legal expenses		-	(45,112)
Prospectus costs		-	(10,629)
Professional fees		(6,565)	(32,355)
General and administrative expenses		(2,756)	(2,552)
Loss before income tax		**(22,443)**	**(103,089)**
Income tax expense		-	-
Loss for the period		**(22,443)**	**(103,089)**
Other comprehensive income		-	-
Total comprehensive loss for the period		**(22,443)**	**(103,089)**
Loss per share			
Basic and diluted (cents per share)		(0.06)	(0.53)

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2025

	Note	Issued capital $	Accumulated losses $	Total $
Balance at 1 July 2024		**612,500**	**(260,048)**	**352,452**
Loss for the period		-	(103,089)	**(103,089)**
Other comprehensive income for the period		**-**	**-**	**-**
Total comprehensive loss for the period		**-**	(103,089)	**(103,089)**
Transactions with owners				
Issue of ordinary shares		275,000	-	275,000
		275,000	**-**	275,000
Balance at 31 December 2024		**887,500**	**(363,137)**	**524,363**

	Note	Issued capital $	Accumulated losses $	Total $
Balance at 1 July 2025		**2,347,500**	**(612,791)**	**1,734,709**
Loss for the period		-	(22,443)	(22,443)
Other comprehensive income for the period		**-**	**-**	**-**
Total comprehensive loss for the period		**-**	(22,443)	(22,443)
Transactions with owners				
Issue of ordinary shares		110,000	-	110,000
		110,000	**-**	110,000
Balance at 31 December 2025		**2,457,500**	**(635,234)**	**1,822,266**

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2025

	Note	31 Dec 2025 $	31 Dec 2024 $
Cash flows from operating activities			
Net GST received		10,654	-
Payments to suppliers and employees		(10,616)	(103,252)
Payments for exploration expensed		(13,122)	(12,441)
Net cash used in operating activities		**(13,084)**	**(115,693)**
Cash flows from investing activities			
Payments for capitalised exploration		(63,885)	(159,808)
Net cash used in investing activities		**(63,885)**	**(159,808)**
Cash flows from financing activities			
Proceeds from issue of shares		110,000	275,000
Net cash from financing activities		**110,000**	**275,000**
Net increase/(decrease) in cash and cash equivalents		33,031	(153,313)
Cash and cash equivalents at commencement of period		36,326	303,254
Cash and cash equivalents at 30 June	2.1	**69,357**	**149,941**

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2025

SECTION 1 BASIS OF PREPARATION

This financial report for the half-year ended 31 December 2025 is a condensed general purpose financial report prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001.*

The half-year financial report does not include all notes of the type normally included within the financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Group as the full financial report.

The half-year financial report should be read in conjunction with the most recent annual financial report for the year ended 30 June 2025.

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 (IFRS's) 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:

1.2 MATERIAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

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 note 3.1.

1.3 ADOPTION OF NEW OR AMENDED ACCOUNTING STANDARDS AND INTERPRETATIONS

The Group has adopted all of new or amended Accounting Standards and Interpretations issued by the Australia 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.

1.4 GOING CONCERN

The financial report has been prepared on a going concern basis which contemplates continuity of normal business activities and realisation of assets and settlement of liabilities in the normal course of business. For the half-year ended 31 December 2025, the Group incurred a net loss before tax of $22,443 (31 December 2024: $103,089) and had net cash outflows from operating activities of $13,084 (31 December 2024: $115,693), in conjunction with $63,885 (31 December 2024: $159,808) of exploration payments classified in investing cash flows. On 31 December 2025, the Group had net assets of $1,822,266 (30 June 2025: $1,734,709), with total cash on hand of $69,357 (30 June 2025: $36,326).

The Company is conducting a capital raise under a prospectus to raise $10m. The ability of the Group to continue as a going concern is dependent upon the success of the fundraising under the prospectus or alternatively, financial support from its shareholders which the Company can successfully raise additional capital from.

These conditions indicate a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The Directors are satisfied that at the date of signing of the financial report, there are reasonable grounds to believe that the Group will be able to raise additional funds to meet its debts as and when they fall due and it is appropriate for the financial report to be prepared on a going concern basis as the Group is currently in the process of preparing for an IPO. Should the IPO not proceed or be delayed, the Company may:

- Scale back certain activities that are non-essential so as to conserve cash;
- Undertake a whole or partial sale of interests in mineral exploration project, and
- Raise capital by means other than the IPO.

Should the Group not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements and that the financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the Group not continue as a going concern.

SECTION 2 WORKING CAPITAL DISCLOSURES

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

2.1 CASH AND CASH EQUIVALENTS

	31 Dec 2025	30 June 2025
	$	$
Cash and cash equivalents in the statement of cash flows	69,357	36,326

2.2 TRADE AND OTHER PAYABLES

	31 Dec 2025	30 June 2025
	$	$
Current		
Trade payables	2,495	10,290
Other payables and accruals	20,902	14,402
	23,397	**24,692**

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.

SECTION 3 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 31 December 2025.

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 period 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.

3.1 EXPLORATION AND EVALUATION EXPENDITURE

	31 Dec 2025	30 June 2025
	$	$
Costs carried forward in respect of areas of interest		
Exploration and evaluation expenditure	1,775,593	1,711,708
Movements for the period/year		
Opening balance	1,711,708	224,840
Tenements acquisition via share-based payments[1]	-	1,200,000
Capitalised expenditure	63,885	390,444
Capitalised exploration impaired[2]	-	(103,576)
	1,775,593	**1,711,708**

[1]Value of share-based payment totals $1,200,000 and represents 12,000,000 shares issued to Sandfire Resources Ltd as consideration for the acquisition of the Hukkitta and North Batten projects. The shares have a deemed issue price of $0.10 each.

[2]Capitalised exploration impaired due to tenements dropped.

A total of $13,122 (31 December 2024: $12,441) has been expensed during the financial period for exploration expenditure on tenements for which tenement applications were still in progress and therefore an inability to capitalise expenditure under AASB 6 is present due to absence of tenement ownership.

SECTION 4 EQUITY AND FUNDING

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

4.1 Capital and Reserves

Share capital

	Ordinary shares			
	Number of shares		Amount in $	
	31 Dec 2025	**30 June 2025**	**31 Dec 2025**	**30 June 2025**
Balance at 1 July	**34,500,000**	**14,550,000**	**2,347,500**	**612,500**
Shares issued and expensed during the period:				
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 July 25 – Dec 25	2,200,000	-	110,000	-
Share based payments[1]	-	14,000,000	-	1,300,000
On issue at 31 December	**36,700,000**	**34,500,000**	**2,457,500**	**2,347,500**

[1] 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.

The holders of ordinary shares are entitled to receive dividends as declared from 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.

SECTION 5 OTHER DISCLOSURES

5.1 RELATED PARTY TRANSACTIONS

There were no key management personnel compensation during the period.

There were no related party transactions during the current financial period. During the previous financial period, the Company paid $14,335 to David Rawlings for geological services and $1,240 to a company associated with the Directors, Metal Hawk Limited, for geochemistry expenses.

5.2 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	
		31 Dec 2025	30 June 2025
		%	%
Held by the Company:			
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.

5.3 SUBSEQUENT EVENTS

In January 2026, the Company raised $5,000 through the issue of 100,000 shares at $0.05 per share.

In February 2026, the Company raised a further $195,000 through the issue of 3,900,000 shares at $0.05 per share.

Mr David Rawlings resigned as Director on 2 March 2026 and Mr Michael Edwards joined the Board as Executive Chairman on 9 February 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.

5.4 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 $413,265 (30 June 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 Group had no contingent liabilities as at 31 December 2025 and 30 June 2025.

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 31 December 2025 and of its performance for the half-year then ended; and

    (ii) complying with Australian Accounting Standards, the *Corporations Regulations 2001*, professional reporting requirements and other mandatory requirements.

    (b) Subject to the matters described in note 1.4, 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.

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 half-year ended 31 December 2025.

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

Scott Glasson
Director

Dated at Perth
3 March 2026

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 and its controlled entities for the year ended 31 December 2025, 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

HALL CHADWICK WA AUDIT PTY LTD

MICHAEL HILLGROVE FCA
Director

Dated this 3rd day of March 2026
Perth, Western Australia

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

Conclusion

We have reviewed the accompanying half-year financial report of Daly Resources Limited ("the Company") and Controlled Entities ("the Consolidated Entity") which comprises the consolidated statement of financial position as at 31 December 2025, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a summary of material accounting policies and other selected explanatory notes, 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 half-year financial report of Daly Resources Limited and Controlled Entities does not comply with the *Corporations Act 2001* including:

a. Giving a true and fair view of the Daly Resources Limited financial position as at 31 December 2025 and of its performance for the half-year ended on that date; and

b. Complying with Accounting Standard AASB 134: *Interim Financial Reporting* and *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 Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* that are relevant to our 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 in the same terms if given to the directors as at the time of this auditor's review report.

Material Uncertainty Related to Going Concern

We draw attention to Note 1.4 in the financial report, which indicates that the Consolidated Entity incurred a net loss of $22,443 during the half year ended 31 December 2025. As stated in Note 1.4, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

HALL CHADWICK

Responsibility of the Directors for the Financial Report

The directors of the Daly Resources Limited 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 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 Consolidated Entity's financial position as at 31 December 2025 and its 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.

Hall Chadwick

HALL CHADWICK WA AUDIT PTY LTD

MICHAEL HILLGROVE FCA
Director

Dated this 3rd day of March 2026
Perth, Western Australia