For personal use only

ANNUAL FINANCIAL REPORT

For the Year Ended 30 June 2026

Altoro Metals Limited (ASX:ARO) ("Altoro" or the "Company"), formerly Variscan Mines Limited (ASX:VAR), attaches its Annual Financial Report for the year ended 30 June 2026.

This announcement has been authorised for release by the Board of Altoro Metals Limited.

ENDS

Altoro Metals Limited
Tony Wehby
Chairman
info@altorometals.com

Media & Investor enquiries
Jane Morgan
Director
jm@janemorganmanagement.com.au

About Altoro Metals Limited

Altoro Metals Limited is an ASX-listed exploration company focused on advancing a portfolio of zinc and polymetallic projects in Spain. The Company's flagship Novales-Udías Project in Cantabria encompasses the former-producing San José underground mine and a broader mineralised district with substantial exploration potential. Altoro is also advancing the Guajaraz Zn-Pb-Ag-Cu Project in central Spain, where a maiden diamond drilling programme is planned to test priority targets within a historically mined but underexplored polymetallic system. With a strengthened balance sheet and active exploration programmes across both projects, Altoro is focused on defining and expanding high-quality base and critical metals opportunities in established European mining jurisdictions.

For personal use only



Financial Report
For the year ended
30 June 2026

Altoro Metals Limited (ASX:ARO) (formerly Variscan Mines Limited)
ABN: 16 003 254 395

Contents

	Page
Corporate Directory	2
Directors' Report	3
Auditor's Independence Declaration	16
Consolidated Statement of Profit or Loss and Other Comprehensive Income	17
Consolidated Statement of Financial Position	18
Consolidated Statement of Cash Flows	19
Consolidated Statement of Changes in Equity	20
Notes to the Financial Statements	21
Consolidated Entity Disclosure Statement	44
Directors' Declaration	45
Independent Auditor's Report	46

For personal use only

Corporate Directory

Directors

Mr Anthony Wehby	Non-Executive Chairman
Mr Vaughan (‘Tom’) Kent	Executive Director
Dr Frank Bierlein	Non-Executive Director
Mr Myles Campion	Non-Executive Director

Company secretary

Mr Mark Pitts

Registered office

Level 5/191 St Georges Terrace
Perth, Western Australia
Australia
P: +61 8 9316 9100
E: info@altorometals.com
W: www.altorometals.com

Share register

Automic
Level 5/191 St Georges Terrace
Perth, Western Australia
Australia
P: 1300 288 664

Auditors

HLB Mann Judd
Level 4, 130 Stirling Street
Perth WA 6000
Australia
+61 8 9227 7500

Securities Exchange Listing

Altoro Metals Limited’s shares are listed on the Australian Securities Exchange (ASX: ARO)

For personal use only

Directors' Report

Your directors submit their report together with the financial statements of the Group consisting of Altoro Metals Limited (formerly Variscan Mines Limited) ("the Company") and its controlled entities for the year ended 30 June 2026, the notes to the financial statements and the auditor's report thereon.

Directors

The names and details of the Company's directors in office during the financial year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Anthony ('Tony') Wehby

Non-Executive Chairman (appointed 20 October 2022)

Tony is a former Partner of PriceWaterhouseCoopers and Corporate Finance Specialist.

Tony is an experienced listed company director with over 50 years of executive and non-executive experience.

Having operated in the mining industry for a considerable time, he is currently a non-executive director of Kingston Resources Ltd, a listed Asia Pacific gold producer.

Tony has a financial consulting practice focused on strategic advice.

Vaughan ('Tom') Kent BSc, MAppLing

Non-Executive Director (appointed 6 February 2026), Executive Director from 30 March 2026

Tom is a significant shareholder and long-term supporter of the Company. An experienced executive and former ASX-listed chief executive officer, he has a proven record in operational leadership and corporate transactions, holds several senior directorships, and brings over two decades of expertise in risk governance and financial services.

Tom holds a BSc in Mathematics and Computer Science from Adelaide University and a Master of Applied Linguistics from Monash University.

Dr Frank Bierlein PhD, FAIG, MSED, MSGA

Non-Executive Director (appointed 20 October 2022)

Frank is a geologist with 30 years of experience as a consultant, researcher, lecturer and industry professional. Additionally, he is an experienced public company director.

Frank has held exploration and generative geology management positions with QMSD Mining Co Ltd, Qatar Mining, Afmeco Australia and Aveva NC, and consulted for among others Newmont Gold, Resolute Mining, Goldfields International, Freeport McMoRan, and the International Atomic Energy Agency. He was a non-executive director of Gold Australia Pty Ltd from 2015 to 2019 and chaired the Advisory Board of a Luxembourg based private equity fund between 2014 and 2023.

Frank has worked on six continents spanning multiple commodities and over the course of his career has published and co-authored more than 130 articles in peer reviewed scientific journals.

Frank obtained a PhD (Geology) from the University of Melbourne, is a Fellow of the Australian Institute of Geoscientists (AIG) and a member of both the Society of Economic Geologists (SEG) and the Society of Geology Applied to Mineral Deposits.

Myles Campion BSc (Hons), GradDipBus, MSc

Non-Executive Director (appointed 6 August 2026)

Myles has more than 35 years of experience across the natural resources sector, having held senior roles spanning mineral exploration, resource analysis, fund management, equities research and project and debt financing. His career combines technical expertise with capital markets knowledge.

He has extensive knowledge of the European zinc sector through his long-standing involvement with the Toral Zinc Project in León in northern Spain, which lies approximately 150 kilometres from the Company's Novales-Udías Project within the same metallogenic belt, and brings with him an understanding of the regional geology, the permitting framework and the operating environment.

For personal use only

Myles holds a Graduate Diploma of Business (Finance), an M.Sc. in Minerals Exploration from the Royal School of Mines in London and a B.Sc. Honours in Geology from the University of Wales College Cardiff.

Myles is a non-executive director of Tusker Minerals Ltd.

Stewart Dickson BA (Hons), MBA

Managing Director (appointed 1 May 2017, resigned 30 March 2026)

Nicholas Farr-Jones AM LLB

Non-executive Director (appointed 1 July 2021, resigned 6 February 2026)

Company secretary

Mark Pitts BBus, FCA, GAICD

Company Secretary (appointed 2 March 2018)

Mark is a Fellow of Chartered Accountants Australia and New Zealand and a graduate member of the Australian Institute of Company Directors. He has more than 30 years' experience in statutory reporting and business administration.

Mark has been directly involved with and consulted to a number of public companies holding senior financial management positions. He is a Principal in the Company Secretarial and CFO advisory divisions of the Automic Group providing secretarial support and corporate and compliance advice, pursuant to a contract with the Company. He has no fixed term with the option of termination by either party with two months' written notice. Mr Pitts is not entitled to any termination payments other than for services rendered at time of termination.

Directorships of other listed companies

Directorships of other ASX listed companies held by Directors in the 3 years immediately before the end of the financial year are as follows:

Director	Company
Mr Anthony Wehby	Kingston Resources Ltd (4 July 2016 – current) Ensurance Ltd (3 May 2018 – 17 November 2023)
Mr Vaughan ('Tom') Kent	Ensurance Ltd (February 2022 – 17 November 2023)
Dr Frank Bierlein	Impact Minerals Ltd (13 October 2021 – current) Blackstone Minerals Ltd (12 November 2021 – 27 June 2025) Firetail Resources Ltd (10 November 2022 – September 2023)
Mr Myles Campion	Tusker Minerals Ltd (20 March 2023 – current)

Directors' interests in shares and options

As at the date of this report, the interests of the Directors in the shares and options of Altoro Metals Limited were:

	Number of securities held directly and indirectly	
Director	Ordinary Shares	Options
Mr Anthony Wehby	34,497,795	4,166,667
Mr Vaughan ('Tom') Kent	281,000,000	38,626,934
Dr Frank Bierlein	388,411	-
Mr Myles Campion	-	-

For personal use only

For personal use only

Principal activities

The principal continuing activity of the Group is the exploration for economic metal and mineral deposits.

Results

The net result of operations of the Group after applicable income tax was a loss of $1,452,095 (2025: $920,387).

Dividends

No dividends were paid or proposed during the year.

Review of operations

Group Overview

During the financial year the Group's operations were focused on the exploration and evaluation of its wholly owned zinc and polymetallic projects in Spain — the Novales-Udías Zinc Project in Cantabria and the Guajaraz Zn-Pb-Ag-Cu Project in the province of Toledo. It was a year of transition. The Company delivered the San José Mine Re-Start Study, refreshed its Board and executive leadership, completed two equity placements, withdrew from the proposed Irish zinc earn-in and, by the end of the year, had moved from a single-asset restart proposition to a two-project Spanish exploration and development portfolio. That change of direction was given effect shortly after the end of the year, when the Company changed its name from Variscan Mines Limited to Altoro Metals Limited.

The Group capitalised $1,530,178 of exploration and evaluation expenditure during the year, substantially all of it on the Spanish projects, and expensed a further $225,690, principally the cost of evaluating the Irish zinc opportunity which the Company did not proceed with. Deferred exploration and evaluation expenditure at 30 June 2026 was $12,179,767 (2025: $10,672,695), of which $11,339,829 relates to Novales-Udías and $839,938 to Guajaraz. The loss after income tax for the year was $1,452,095 (2025: $920,387) and cash on hand at 30 June 2026 was $411,730 (2025: $451,939).

Novales-Udías Zinc Project

The Novales-Udías Project is an advanced zinc-lead project in the Basque-Cantabrian Basin, approximately 30 kilometres south-west of Santander in northern Spain. It comprises approximately 111 square kilometres of granted tenements over a 12-kilometre mineralised trend and is centred on the former producing San José and Udías underground mines. The Mineral Resource Estimate for the Project is 3.4 million tonnes at 7.6% Zn and 0.9% Pb (Refer ASX Announcement dated 9 December 2024) and was unchanged during the year.

Permitting and approvals

In September 2025 the Government of Cantabria formally approved the Restoration Plan over the San José and Udías mining licences, a key regulatory step towards a restart of production (Refer ASX Announcement dated 3 September 2025).

In the December 2025 quarter the Government of Cantabria approved the Preliminary Mining Plan (Anteproyecto) over the same licences. The Anteproyecto defines the general characteristics of the proposed operation and, together with the mining licences, the Restoration Plan and the annual Plan de Labores, allows the Company to undertake pre-works, underground development, trial mining and small-scale exploitation ahead of a restart. The mining licences are valid to 2035 and may be extended for a further 30 years. Additional permit applications and the associated workstreams to support them are underway, and further permitting is required to support a final investment decision.

San José Mine Re-Start Study

The San José Mine Re-Start Study was completed and released during the March 2026 quarter (Refer ASX Announcement dated 25 March 2026). The Study set out a staged, low capital 'starter operation' leveraging approximately 1.6 kilometres of existing underground development, with an initial mine life of 11 years drawing on approximately half of the current Mineral Resource. On the base case the Study indicated:

- pre-production capital of approximately €19 million (A$33 million) over a pre-production period of approximately 2.5 years;
- a post-tax net present value at a 5% discount rate of approximately €38 million (A$67 million), and an internal rate of return of 45%;
- post-tax free cash flow of approximately €53 million (A$93 million) and payback of approximately 3.8 years; and

- total cash costs of approximately €63 per tonne (A$110 per tonne), with first concentrate targeted for 2028.

The Study is preliminary in nature. It is based in part on Inferred Mineral Resources and on low-level technical and economic assessments, and is insufficient to support the estimation of Ore Reserves or to provide any assurance of economic development. There is no certainty that the Company will be able to raise the funding required to implement the Study, or that the outcomes set out in it will be realised.

Following the Study the Company turned its attention to funding, early works planning and the permitting pathway required to support a final investment decision, prioritising non-dilutive financing options. The Study contemplates only part of the current Mineral Resource and does not include the adjacent Udías Mine, which the Company regards as the principal avenue for scaling the operation over time.

Exploration

In September 2025 the Company acquired and integrated 146 historic surface drillhole records totalling 52,034 metres over the recently granted Hipólita, Esperanza and Ana Isabel licences. Intersections reported, all outside the current Mineral Resource footprint, included (Refer ASX Announcement dated 16 September 2025):

- S-10: 24.0 metres at 12.3% Zn and 0.4% Pb from 254 metres;
- S-457: 20.9 metres at 14.0% Zn and 0.8% Pb from 370 metres;
- S-414: 17.6 metres at 14.7% Zn and 0.7% Pb from 382 metres;
- S-17: 9.5 metres at 24.7% Zn and 1.2% Pb from 365 metres; and
- S-6: 2.7 metres at 36.3% Zn and 2.2% Pb from 271 metres.

The acquisition took the Project drilling database to 1,221 drillholes for 138,570 metres. In the same quarter a high-resolution 3D laser survey of the Udías Mine mapped the historical underground workings and improved the Company's ability to model and target mineralisation beyond the current Mineral Resource (Refer ASX Announcement dated 29 September 2025).

Underground diamond drilling at the Udías Mine returned the highest-grade intercept drilled by the Company to date, being 6.43 metres at 20.76% Zn and 2.77% Pb in hole UDDT024, together with 7.40 metres at 11.22% Zn in UDDT030 and 7.65 metres at 8.59% Zn and 1.77% Pb in UDDT022 (Refer ASX Announcement dated 11 November 2025). All of the drilling completed at Udías during the year lies outside the current Mineral Resource Estimate. Drilling recommenced in the March 2026 quarter, targeting extensions to known mineralisation and testing new zones along strike towards the San José Mine (Refer ASX Announcement dated 21 January 2026).

In May 2026 the Company completed a review and integration of a further historical exploration database covering the Emilia and Margarita mines within the Project, comprising 109 drillholes for approximately 6,720 metres together with underground sampling, geological mapping and mine development records. Historical drilling beneath the Emilia Mine returned 0.85 metres at 23.47% Zn, 1.50 metres at 14.22% Zn and 2.00 metres at 11.29% Zn, and historical underground channel sampling returned 2.85 metres at 33.50% Zn and 3.85 metres at 24.50% Zn with 11.76% Pb (Refer ASX Announcement dated 11 May 2026). The database is being incorporated into the Company's three-dimensional geological model to support future target generation.

Underground geological mapping, structural interpretation and channel sampling continued throughout the year, alongside infrastructure inspections, rehabilitation planning and the technical, environmental and permitting workstreams supporting the proposed restart of the San José Mine.

In June 2026 the Board and senior management visited the Project with the Company's technical consultants and met the President of Cantabria, Ms María José Sáenz de Buruaga, the Regional Minister for Industry, Employment, Innovation and Trade, and the Mayors of Novales and Udías.

Guajaraz Project

The Guajaraz Zn-Pb-Ag-Cu Project is wholly owned and lies within the historic La Unión Mining District in the province of Toledo, central Spain. During the year the Company completed detailed geological interpretation and drill planning over the Project, drawing on historical mining records and Deep Ground Penetrating Radar surveys to define targets beneath the historically mined David, Stewart and May workings. Capitalised exploration and evaluation expenditure on the Project at 30 June 2026 was $839,938.

For personal use only

Subsequent to the end of the financial year the Company announced the commencement of its maiden diamond drilling programme at Guajaraz, comprising five diamond drillholes for approximately 1,430 metres designed to test extensions to the historically mined polymetallic mineralisation together with additional high-priority structural targets (Refer ASX Announcement dated 10 July 2026). This is the first modern drilling undertaken at the Project and establishes a second active exploration programme alongside Novales-Udías.

Midlands and Waterford projects, Republic of Ireland

Shareholders approved the proposed earn-in and joint venture with BMEx Pty Ltd, MDF Global Limited and Zinc GroupCo Pty Ltd over the Midlands and Waterford zinc projects in the Republic of Ireland at the annual general meeting held on 28 November 2025. The approval required the definitive agreement to be executed within three months of the meeting. Certain conditions precedent were not satisfied within that period and the agreement was not executed. On 2 July 2026 the Company received written notice terminating the term sheet and has no ongoing rights or obligations in respect of the proposed transaction. No amount was recognised as an exploration and evaluation asset in respect of the Irish projects at any time; the costs incurred in evaluating the opportunity are included in exploration expenditure expensed and written off.

Corporate

In August and September 2025 the Company issued 413,000,000 ordinary shares at $0.005 per share under the placement announced on 5 August 2025, raising $2,065,000 before costs. On 29 September 2025, following shareholder approval, the Company issued a further 51,301,372 ordinary shares in full satisfaction of a $250,000 shareholder loan and $6,507 of accrued interest. Free-attaching options were issued to participants in the placement on the basis of one option for every two shares subscribed for, exercisable at $0.008 on or before 29 September 2028.

In January 2026 the Company entered into a binding term sheet for an unsecured $1,000,000 convertible loan note facility with a syndicate of professional and sophisticated investors (Refer ASX Announcement dated 30 January 2026) and issued 13,125,000 options to the participants. The facility was never drawn and was cancelled on 19 May 2026. The fair value of the options of $74,812 has been recognised in finance expenses.

On 19 May 2026 the Company issued 174,064,708 ordinary shares at $0.004 per share under tranche 1 of the placement announced on that date, raising $696,259 before costs. Tranche 2 was approved by shareholders at a general meeting held on 10 July 2026 and completed on 16 July 2026 through the issue of 1,075,935,292 ordinary shares at $0.004 per share, raising $4,303,741 before costs.

During the year 772,306 ordinary shares were issued on the exercise of options at $0.008 per share. Ordinary shares on issue increased from 782,857,706 at the beginning of the year to 1,421,996,092 at 30 June 2026. On 22 July 2026 the Company changed its name to Altoro Metals Limited and its ASX code changed from VAR to ARO on 23 July 2026, reflecting its focus on zinc and polymetallic exploration and development in Spain.

Australian interests

The Company retains a 49% interest in the Callabonna Project in South Australia. During the year Red Metal Limited entered into an earn-in agreement with Chalice Mining Limited under which Chalice may earn into Red Metal's 51% interest through exploration expenditure, including a minimum commitment to basement drilling within the first twelve months. The Company's interest and its rights under the existing agreement are unchanged. The Company's remaining Australian interests are held as royalty or net smelter return interests only, and no exploration expenditure was capitalised in respect of them during the year.

Board & Management Changes

Mr Nicholas Farr-Jones resigned as a Non-Executive Director on 6 February 2026 and Mr Vaughan ('Tom') Kent was appointed a Non-Executive Director on the same date.

Mr Stewart Dickson resigned as a director on 30 March 2026. On the same date Mr Kent moved from a non-executive to an executive role. The Company currently does not have a managing director.

Subsequent to the end of the financial year, Mr Myles Campion was appointed a Non-Executive Director on 6 August 2026.

For personal use only

Competent Person's Statement - Previously reported information

The information in this report that relates to exploration results and to the Mineral Resource Estimate for the Novales-Udías Project is extracted from the ASX announcements referred to above, each of which is available at www.asx.com.au. The Company confirms that it is not aware of any new information or data that materially affects the information included in those announcements and that all material assumptions and technical parameters underpinning the results and estimates in them continue to apply and have not materially changed. No new exploration information is reported in this report.

Certain of the exploration results referred to above are historical in nature and were prepared before the 2012 edition of the JORC Code. It is the opinion of the Company that the exploration data is reliable; although some of the data is incomplete, nothing has come to the Company's attention that causes it to question its accuracy or reliability.

Risk Management

The Company takes a proactive approach to risk management. The Board is responsible for ensuring that risks, including emerging risks, and also opportunities, are identified on a timely basis and the Company's objectives and activities are aligned with the risks and opportunities identified by the Board. Given the size of the Company and its stage of development all Board members are involved and have responsibility for management of risk.

Material business risks

There are inherent risks associated with the exploration for minerals. The Group faces the usual risks encountered by companies engaged in the exploration, evaluation and development of minerals. The material business risks for the Group include:

External Risks

Environmental risks

The Company's operations and projects are subject to the laws and regulations of the jurisdictions in which it has interests and carries on business (Spain) regarding environmental compliance and relevant hazards. There is also a risk that the environmental laws and regulations may become more onerous, making the Group's operations more expensive which may adversely affect the financial position and /or performance of the Group. The Directors are not aware of any Breaches of environmental law by the Company.

Government regulations and tenement risks

Changes in laws and regulations or government policies may adversely affect the Group's operations. There is no guarantee that current or future exploration claim applications or existing tenancy renewals will be granted, that they will be granted without undue delay, or that the Company can economically comply with any conditions imposed on any granted exploration tenements. Loss of tenements may adversely affect the financial position and /or performance of the Group.

Operating Risks

Exploration and development risk

The exploration for and development of mineral deposits involves significant risks that even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, not all exploration activity will lead to the discovery of economic deposits. Major expenditure may be required to locate and establish Ore Reserves, to establish rights to mine, to receive all necessary operating permits, to develop metallurgical processes and to construct mining and processing facilities at a particular site.

In addition to the risks described above, the Group's ability to successfully develop projects is contingent on the Group's ability to fund those projects through debt or equity raisings.

Significant changes in the state of affairs

The Directors are not aware of any significant changes in the state of affairs of the Group occurring during the financial period, other than as disclosed in this report.

Significant events after the reporting date

On 2 July 2026 the Company received written notice terminating the BMEx term sheet, bringing to an end the proposed transaction in respect of the Midlands and Waterford zinc projects in the Republic of Ireland. No amount has been

For personal use only

recognised as an exploration and evaluation asset in respect of those projects at any time; the costs incurred during the year were expensed as incurred.

On 16 July 2026 the Company issued 1,075,935,292 ordinary shares at $0.004 per share under tranche 2 of the placement announced on 19 May 2026. On the same date the Company issued 416,666,666 lead manager options, exercisable at $0.008 on or before 29 September 2028, and 16,875,000 ordinary shares to Feldi Limited in lieu of fees.

On 22 July 2026 the Company changed its name to Altoro Metals Limited, and its ASX code changed from VAR to ARO on 23 July 2026.

Mr Myles Campion was appointed a Non-Executive Director on 6 August 2026.

On 14 August 2026 the Company made an investment of $255,000 in Fidelity Minerals Corp.

Other than noted above, there were, at the date of this report, no matters or circumstances which have arisen since 30 June 2026 that have significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

Indemnification and insurance of directors and officers

The Company has not, during or since the end of the financial period, in respect of any person who is or has been an officer of the Company or a related body corporate, indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, including costs and expenses in successfully defending legal proceedings. The Company maintains adequate Directors and Officers insurance coverage.

Insurance premiums

During the financial period the Company has paid premiums to insure each of the directors and officers against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director or officer of the Company, other than conduct involving a wilful breach of duty in relation to the Company. The premiums paid are not disclosed as such disclosure is prohibited under the terms of the contract.

Likely developments and expected results

As the Group's mineral projects are at an early stage of exploration, it is not appropriate to speculate on likely future developments or results.

Shares under option or issued on exercise of options

Details of unissued shares or interests under option for Altoro Metals Limited as at the date of this report are:

Exercise Price of Option	Expiry Date of Options	Class of Share received upon exercise	Number of Shares under option
$0.015	30 November 2026	ORD	152,666,746
$0.01	30 November 2026	ORD	42,619,048
$0.008	29 September 2028	ORD	773,670,039
			968,955,833

The above includes 416,666,666 options issued on 16 July 2026. At 30 June 2026 there were 552,289,167 options on issue; refer to Note 13.

The holders of these options do not have the right, by virtue of the option, to participate in any share issue of the Company or of any other body corporate or registered scheme.

Refer to the Remuneration Report and Notes 12 & 13 to the financial statements for further details of the options outstanding.

For personal use only

During the period, 357,775,679 options were issued, 772,306 options were exercised, and no options lapsed. From 1 July 2026 to the date of this report, 416,666,666 options (included in the table above) have been issued, and no other options have been issued, exercised, cancelled or have lapsed.

During the period, no performance rights were issued, cancelled or exercised. From 1 July 2026 to the date of this report, no performance rights have been issued, exercised, cancelled or have lapsed.

Remuneration report (audited)

This remuneration report for the year ended 30 June 2026 outlines the remuneration arrangements of the Group in accordance with the requirements of the Corporations Act 2001 (the Act) and its regulations. This information has been audited as required by section 308(3C) of the Act.

The remuneration report details the remuneration arrangements for key management personnel (KMP) who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, including any director (whether executive or otherwise) of the parent company.

Details of Key Management Personnel

Details of the Key Management Personnel of the Group are set out below.

Directors	
Mr Anthony Wehby	Non-Executive Chairman
Mr Stewart Dickson	Managing Director & CEO (resigned 30 March 2026), Acting CEO from 1 April 2026
Mr Vaughan ('Tom') Kent	Non-Executive Director (appointed 6 February 2026), Executive Director from 30 March 2026
Mr Nicholas Farr-Jones	Non-Executive Director (resigned 6 February 2026)
Dr Frank Bierlein	Non-Executive Director
Mr Mark Pitts	Company Secretary

Remuneration philosophy

The objective of the Company's remuneration framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with achievement of strategic objectives and the creation of value for shareholders. The Board believes that executive remuneration satisfies the following key criteria:

- Competitiveness and reasonableness;
- Acceptability to shareholders;
- Performance linkage/alignment of executive compensation;
- Transparency; and
- Capital management.

These criteria result in a framework which can be used to provide a mix of fixed and variable remuneration, and a blend of short- and long-term incentives in line with the Company's limited financial resources.

Fees and payments to the Company's Non-Executive Directors and Senior Executives reflect the demands which are made on, and the responsibilities of, the Directors and the senior management. Such fees and payments are reviewed annually by the Board. The Company's Executive and Non-Executive Directors, Senior Executives and Officers are entitled to receive options under the Company's Employee Share Option Plan ("ESOP"), subject to Shareholder approval.

For personal use only

Non-Executive Directors remuneration arrangements

Directors are entitled to remuneration out of the funds of the Company, but the remuneration of the Non-Executive Directors (NED) may not exceed in any year the amount fixed by the Company in general meeting for that purpose. The aggregate remuneration of the NEDs has been fixed at a maximum of $450,000 per annum to be apportioned among the NEDs in such a manner as the Board determines. Directors are also entitled to be paid reasonable travelling, accommodation and other expenses incurred in consequence of their attendance at Board meetings and otherwise in the execution of their duties as Directors.

The Chairman's fee is set at $50,000 p.a. and NED fees at $36,000 p.a. which are consistent with industry average fees. At present, no Committee fees are paid to Directors.

From 1 August 2026 the fees payable to each Director are $100,000 per annum, of which 75% is expected to be settled in cash and 25% in equity, subject to shareholder approval.

Use of remuneration consultants

No remuneration consultants were engaged during the years ended 30 June 2025 or 30 June 2026.

Profit and Share Price Performance

In considering remuneration the Board has had regard to the following data in respect of the current and previous four financial years:

	2026	2025	2024	2023	2022
Loss per share (cents)	(0.12)	(0.14)	(0.18)	(0.31)	(0.31)
Net loss ($)	(1,452,095)	(920,387)	(650,271)	(886,240)	(827,051)
Share Price at 30 June	$0.004	$0.006	$0.005	$0.012	$0.025

Service agreements

Remuneration and other terms of engagement for key management personnel are formalised in contractor agreements. Details of these arrangements are set out below. Mr Kent continued under his non-executive director appointment following his move to an executive role on 30 March 2026, and has no separate service agreement.

Managing Director – Stewart Dickson (resigned 30 March 2026)

- Contract term: No fixed term. Either party may terminate the letter of employment with six months' notice.
- Remuneration: £132,500 p.a. plus VAT as applicable (2025: £132,500 p.a. plus VAT as applicable) as at 30 June 2026.
- Termination payments: Nil.
- Acting CEO fee: $135,000 for serving as Acting CEO from 1 April 2026 through the transition, earned in two equal instalments, three and six months after his resignation, half in cash and half in ordinary shares. Mr Dickson was informed in June 2026 that the engagement would end and rendered no services after 30 June 2026. Both instalments, and the monthly fee payable to Feldi Limited for July, August and September 2026, are accrued at 30 June 2026 and are included in his remuneration below. Shareholders approved the share component of both instalments on 10 July 2026 and 16,875,000 ordinary shares were issued to Feldi Limited on 16 July 2026.

Company Secretary – Mark Pitts

Mr Pitts is a Principal in the Company Secretarial and CFO advisory divisions of the Automic Group, providing secretarial support and corporate and compliance advice pursuant to a contract between Automic Group and the Company. The amounts disclosed are the fees charged by Automic Group for his services and are not payable to Mr Pitts, who is remunerated by Automic Group as its employee. The contract has no fixed term, with the option of termination by either party with two months' written notice. Mr Pitts is not entitled to any termination payments other than for services rendered at the time of termination.

For personal use only

Directors and KMP remuneration for the year ended 30 June 2026

	Short-term benefits			Long-term benefits	Post-employment	Share-based payments			
	Salary & fees	Consulting fees	Other short-term benefits	Long service leave	Superannuation	Options	Performance Rights	Total	Performance based
	$	$	$	$	$	$	$	$	%
Directors									
A Wehby	50,000	-	-	-	-	-	-	50,000	-
S Dickson	-	497,641	-	-	-	-	-	497,641	-
V Kent	15,000	-	-	-	-	-	-	15,000	-
N Farr-Jones	21,000	-	-	-	-	-	-	21,000	-
F Bierlein	36,000	-	-	-	-	-	-	36,000	-
Sub-total	**122,000**	**497,641**	**-**	**-**	**-**	**-**	**-**	**619,641**	**-**
Other KMP									
M Pitts (a)	94,582	-	-	-	-	-	-	94,582	-
Sub-total	**94,582**	**-**	**-**	**-**	**-**	**-**	**-**	**94,582**	**-**
Total Remuneration	**216,582**	**497,641**	**-**	**-**	**-**	**-**	**-**	**714,223**	**-**

(a) Represents amounts paid to Automic Group for services provided by Mr Pitts as Company Secretary. Mr Pitts is an employee of Automic Group.

personal use only

Directors and KMP remuneration for the year ended 30 June 2025

	Short-term benefits			Long-term benefits	Post-employment	Share-based payments			
	Salary & fees	Consulting fees	Other short-term benefits	Long service leave	Superannuation	Options	Performance Rights	Total	Performance based
	$	$	$	$	$	$	$	$	%
Directors									
A Wehby	50,000	-	-	-	-	-	-	50,000	-
S Dickson	-	267,989	-	-	-	-	-	267,989	-
N Farr-Jones	36,000	-	-	-	-	-	-	36,000	-
F Bierlein	36,000	-	-	-	-	-	-	36,000	-
Sub-total	**122,000**	**267,989**	**-**	**-**	**-**	**-**	**-**	**389,989**	**-**
Other KMP									
M Pitts (a)	89,733	-	-	-	-	-	-	89,733	-
Sub-total	**89,733**	**-**	**-**	**-**	**-**	**-**	**-**	**89,733**	**-**
Total Remuneration	**211,733**	**267,989**	**-**	**-**	**-**	**-**	**-**	**479,722**	**-**

(a) Represents amounts paid to Automic Group for services provided by Mr Pitts as Company Secretary. Mr Pitts is an employee of Automic Group.

personal use only

Share holdings and transactions of Key Management Personnel

	Balance at 1 July 2025 / upon appointment	Shares issued on exercise of options / performance rights	Shares granted in lieu of fees	Net change other	Balance at 30 June 2026 / upon resignation
A Wehby	9,497,795	-	-	-	9,497,795
S Dickson	42,872,070	-	-	13,000,000	55,872,070
V Kent	156,000,000	-	-	-	156,000,000
N Farr-Jones	8,666,812	-	-	-	8,666,812
F Bierlein	388,411	-	-	-	388,411
M Pitts	-	-	-	-	-

Option holdings and transactions of Key Management Personnel

	Balance at 1 July 2025 / upon appointment	Granted as remuneration	Lapsed / Expired	Net change other (a)	Balance at 30 June 2026 / upon resignation	Vested and exercisable at 30 June 2026
A Wehby	4,166,667	-	-	-	4,166,667	4,166,667
S Dickson	4,166,667	-	-	6,500,000	10,666,667	10,666,667
V Kent	38,626,934	-	-	-	38,626,934	38,626,934
N Farr-Jones	2,285,714	-	-	-	2,285,714	2,285,714
F Bierlein	-	-	-	-	-	-
M Pitts	-	-	-	-	-	-

(a) Options acquired otherwise than as remuneration. The 6,500,000 options shown for Mr Dickson were issued as free-attaching options on his participation in the placement completed on 1 October 2025.

Options

Options granted during the year

No options were granted as remuneration during the year. 6,500,000 options were issued to Mr Dickson as free-attaching options to his participation in the placement completed on 1 October 2025. He subscribed on the same terms as every other participant, the subscription being set off against fees owed to him rather than settled in cash, and no value has been attributed to those options.

On 29 September 2025 Mr Kent was issued 25,650,686 free-attaching options in connection with the settlement of a loan he had advanced to the Company, before his appointment to the Board. In accordance with AASB Interpretation 19 a fair value of $69,257 has been recognised in respect of those options, determined by reference to the Black-Scholes option pricing model.

Options lapsed during the year

No options held by key management personnel lapsed or expired during the year.

Options exercised during the year

No options held by key management personnel were exercised during the year.

For personal use only

For personal use only

Directors' Benefits, Emoluments and Share Options

During its annual budget review, the Board reviews the Directors' Emoluments. Remuneration levels, including participation in the Company's ESOP, are set to provide reasonable compensation in line with the Company's limited financial resources. During the year no Director of the Company has received or become entitled to receive any additional benefits to their ordinary directors' fees by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

Due to the difficulty in the measurement of performance using quantitative indicators in the mineral exploration industry, there is no formal link between financial performance of the group and remuneration levels.

There is no retirement scheme for Non-Executive Directors.

End of Audited Remuneration report.

Meetings of directors

The following table sets out the number of Directors' meetings held during the financial year and the number of meetings attended by each Director for which they were entitled to attend. Due to the size and composition of the board, the roles of the Audit and Risk and Remuneration Committees are fulfilled by the board as a whole.

In addition to the meeting set out below, the Directors conferred regularly on an informal basis during the year, and a number of matters were dealt with by circulating resolutions signed by all Directors in accordance with the Company's constitution.

Director	Number of Meetings Held whilst a director	Number Attended
Mr Anthony Wehby	1	1
Mr Stewart Dickson	1	1
Mr Vaughan ('Tom') Kent	-	-
Mr Nicholas Farr-Jones	1	1
Dr Frank Bierlein	1	1
Total Number of Meetings Held	**1**	

Environmental regulation

The Group's exploration activities are conducted in Spain and are subject to the environmental laws and regulations of that jurisdiction, including the conditions attaching to its exploration permits. The Directors are not aware of any breach of those laws, regulations or permit conditions during the year. The Group is not subject to any particular or significant environmental regulation under a law of the Commonwealth, State or Territory of Australia.

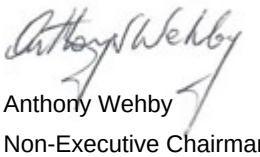
Non-audit services

The Company's auditor did not provide any non-audit services during the year ended 30 June 2026 (2025: Nil).

Auditor's independence declaration

The Auditor's Independence Declaration for the year ended 30 June 2026, as required under section 307C of the Corporations Act 2001, is set out on page 16 of this report.

Signed this 29th day of September 2026 in accordance with a resolution of the Directors.



Anthony Wehby

Non-Executive Chairman

For personal use only

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of Altoro Metals Limited (formerly Variscan Mines Limited) for the year ended 30 June 2026, I declare that to the best of my knowledge and belief, there have been no contraventions of:

a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b) any applicable code of professional conduct in relation to the audit.



Perth, Western Australia
29 September 2026

D B Healy
Partner

hlb.com.au

HLB Mann Judd ABN 22 193 232 714
A Western Australian Partnership
Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849
T: +61 (0)8 9227 7500 **E:** mailbox@hlbwa.com.au
Liability limited by a scheme approved under Professional Standards Legislation.

HLB Mann Judd is a member of HLB International, the global advisory and accounting network.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2026

	Notes	Consolidated 2026 $	Consolidated 2025 $
Continuing operations			
Interest income	*3*	1,693	7,137
Total income		**1,693**	**7,137**
Compliance expenses		(91,737)	(96,517)
Professional services expenses		(362,069)	(350,043)
Finance expenses		(81,334)	(156)
Occupancy expenses		(1,036)	(360)
Directors' expenses		(521,124)	(378,658)
Exploration and evaluation expenditure expensed as incurred		(225,690)	-
Travel and accommodation expenses		(48,435)	-
Loss on settlement of financial liabilities	*11, 13*	(69,257)	(26,298)
Other expenses		(57,090)	(52,923)
Total expenses		**(1,457,772)**	**(904,955)**
Realised gain/(loss) on foreign exchange		3,536	(18,654)
Unrealised gain/(loss) on foreign exchange		448	(3,915)
Total foreign exchange gain / (loss)		**3,984**	**(22,569)**
Loss before income tax expense		**(1,452,095)**	**(920,387)**
Income tax expense	*4*	-	-
Loss for the year		**(1,452,095)**	**(920,387)**
Other comprehensive income, net of income tax			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		(99,090)	20,479
Other comprehensive (loss) / income for the year, net of tax		**(99,090)**	**20,479**
Total comprehensive loss for the year		**(1,551,185)**	**(899,908)**
Basic and diluted loss per share (cents per share)	*15*	(0.12)	(0.14)

The Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes

For personal use only

Consolidated Statement of Financial Position

As at 30 June 2026

	Notes	Consolidated 2026 $	Consolidated 2025 $
Assets			
Current assets			
Cash and cash equivalents	*6*	411,730	451,939
Trade and other receivables	*7*	129,244	179,985
Total current assets		**540,974**	**631,924**
Non-current assets			
Plant and equipment	*8*	74,332	91,026
Deferred exploration and evaluation expenditure	*9*	12,179,767	10,672,695
Security deposits		94,548	74,025
Total non-current assets		**12,348,647**	**10,837,746**
Total assets		**12,889,621**	**11,469,670**
Liabilities			
Current liabilities			
Trade and other payables	*10*	555,945	341,827
Financial liabilities	*11*	-	250,000
Total current liabilities		**555,945**	**591,827**
Total liabilities		**555,945**	**591,827**
Net assets		**12,333,676**	**10,877,843**
Equity			
Share capital	*12*	40,533,421	37,974,222
Reserves	*14*	1,010,765	662,036
Accumulated losses		(29,210,510)	(27,758,415)
Total equity		**12,333,676**	**10,877,843**

The Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes

For personal use only

Consolidated Statement of Cash Flows

For the year ended 30 June 2026

	Notes	Consolidated 2026 $	Consolidated 2025 $
Cash flows from operating activities			
Payments to suppliers and employees		(921,428)	(773,160)
Interest received		1,693	7,137
Finance costs		(14)	(156)
Exploration and evaluation expenditure expensed as incurred		(225,690)	-
Net cash outflow from operating activities	*21*	**(1,145,439)**	**(766,179)**
Cash flows from investing activities			
Exploration and evaluation expenditure		(1,538,643)	(1,414,874)
Payments for property, plant and equipment		(6,065)	(39,162)
Net cash outflow from investing activities		**(1,544,708)**	**(1,454,036)**
Cash flows from financing activities			
Proceeds from issue of shares		2,702,437	2,367,335
Share funds received in advance		150,000	-
Working capital loans from Directors	*11*	-	32,000
Loan funds received	*11*	-	250,000
Payments for share issue costs		(197,853)	(234,684)
Net cash inflow from financing activities		**2,654,584**	**2,414,651**
Net (decrease) / increase in cash and cash equivalents		(35,563)	194,436
Cash and cash equivalents at the beginning of the year		451,939	250,260
Effect of exchange rate fluctuations on cash held		(4,646)	7,243
Cash and cash equivalents at the end of the year	*6*	**411,730**	**451,939**

The Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes

For personal use only

Consolidated Statement of Changes in Equity

For the year ended 30 June 2026

	Consolidated				
	Share capital	Share-based payment reserve	Foreign currency translation reserve	Accumulated losses	Total
1 July 2024	36,066,871	207,300	94,959	(27,045,328)	9,323,802
Loss for the year	-	-	-	(920,387)	(920,387)
Other comprehensive income for the year, net of income tax	-	-	20,479	-	20,479
Total comprehensive loss for the year, net of income tax	**-**	**-**	**20,479**	**(920,387)**	**(899,908)**
Issue of share capital for cash	2,367,335	-	-	-	2,367,335
Issue of shares and options under loan agreements	132,000	26,298	-	-	158,298
Issue of share capital in lieu of fees	163,000	-	-	-	163,000
Issue of options as share issue costs	(520,300)	520,300	-	-	-
Lapse of options	-	(207,300)	-	207,300	-
Share issue costs	(234,684)	-	-	-	(234,684)
30 June 2025	**37,974,222**	**546,598**	**115,438**	**(27,758,415)**	**10,877,843**
1 July 2025	37,974,222	546,598	115,438	(27,758,415)	10,877,843
Loss for the year	-	-	-	(1,452,095)	(1,452,095)
Other comprehensive loss for the year, net of income tax	-	-	(99,090)	-	(99,090)
Total comprehensive loss for the year, net of income tax	**-**	**-**	**(99,090)**	**(1,452,095)**	**(1,551,185)**
Issue of share capital for cash	2,761,259	-	-	-	2,761,259
Issue of shares and options under loan agreements	256,507	69,257	-	-	325,764
Shares issued on exercise of options	6,178	-	-	-	6,178
Share funds received in advance	150,000	-	-	-	150,000
Issue of options as share issue costs	(303,750)	303,750	-	-	-
Fair value of options to be issued	(113,142)	-	-	-	(113,142)
Options issued under the convertible note facility	-	74,812	-	-	74,812
Share issue costs	(197,853)	-	-	-	(197,853)
30 June 2026	**40,533,421**	**994,417**	**16,348**	**(29,210,510)**	**12,333,676**

The Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes

For personal use only

1. Corporate information

The financial report of Altoro Metals Limited (formerly Variscan Mines Limited) (Altoro or the Company) for the year ended 30 June 2026 was authorised for issue in accordance with a resolution of the Directors on 29 September 2026.

Altoro Metals Limited (the parent) is a company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange. On 22 July 2026 the Company changed its name from Variscan Mines Limited to Altoro Metals Limited, and its ASX code changed from VAR to ARO on 23 July 2026.

The consolidated financial statements comprise the financial statements of Altoro Metals Limited and its subsidiaries (the Group or Consolidated Entity).

The nature of the operations and principal activities of the Group are described in the Directors' Report.

2. Summary of material accounting policies

Basis of preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. It has been prepared on a historical cost basis except for investments in listed shares, which are measured at fair value.

Statement of compliance

The financial report complies with Australian Accounting Standards and International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (IASB).

Accounting standards issued but not yet effective

Australian Accounting Standards and interpretations that have been issued or amended but are not yet effective have been assessed as having no material impact on the Group's financial statements and have not been adopted by the Group for the year ended 30 June 2026.

Adoption of new and revised standards

Standards and Interpretations applicable to 30 June 2026

In the year ended 30 June 2026, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the current reporting period beginning on or after 1 July 2025. As a result of this review, the Group has determined there is no material impact of the new and revised standards on the results for the financial year, and no changes required to Group Accounting Policies.

Basis of consolidation

The consolidated financial statements comprise the financial statements of Altoro Metals Limited (Altoro or the Company) and its subsidiaries as at 30 June each year. The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

All intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. At this date, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate.

Going Concern

The financial report has been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlements of liabilities in the ordinary course of business.

For the year ended 30 June 2026, the Group recorded a net loss after tax of $1,452,095 (2025: $920,387) and net cash outflows from operating and investing activities of $2,690,147 (2025: $2,220,215). At 30 June 2026 the Group held $411,730 in cash and cash equivalents (2025: $451,939) and had net current liabilities of $14,971 (2025: net working capital of $40,097). On that basis the cash held at 30 June 2026 represented less than one quarter of the Group's expenditure at the rate incurred during the year.

For personal use only

2. Summary of material accounting policies (continued)

Subsequent to the end of the financial year the Group completed the second tranche of the placement announced on 19 May 2026. Shareholder approval was obtained at a general meeting held on 10 July 2026 and 1,075,935,292 ordinary shares were issued on 16 July 2026, raising $4,303,741 before costs. Of that amount $150,000 had been received in advance and is included in contributed equity at 30 June 2026. The funds were received between 13 and 17 July 2026.

Whilst not immediately required, the Group may need to raise additional funds to meet its planned and budgeted exploration expenditure as well as regular corporate overheads.

The Group's capacity to raise additional funds will be impacted by the success of the ongoing exploration activities and market conditions. Additional sources of funding available to the Group include a capital raising via preferential issues to existing shareholders or placements to new and existing investors. If necessary, the Group can delay exploration expenditure and the directors can also institute cost saving measures to further reduce corporate and administrative costs.

However, should the above planned activities to raise or conserve capital not be successful, there exists a material uncertainty which may cast significant doubt surrounding the Group's ability to continue as a going concern and, therefore, whether it can realise its assets and dispose of its liabilities in the ordinary course of business and at the amounts stated in the financial report.

Exploration and evaluation

Exploration and evaluation

Exploration and evaluation expenditure incurred by or on behalf of the Group is accumulated separately for each area of interest. Such expenditure comprises net direct costs and an appropriate portion of related overhead expenditure, but does not include general overheads or administrative expenditure not having a specific connection with a particular area of interest. Exploration and evaluation costs in relation to separate areas of interest for which rights of tenure are current are brought to account in the year in which they are incurred and carried forward provided that:

- Such costs are expected to be recouped through successful development and exploitation of the area, or alternatively through its sale; and
- Exploration and/or evaluation activities in the area have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves.

Once a development decision has been taken, all past and future exploration and evaluation expenditure in respect of the area of interest is aggregated within costs of development.

Exploration and evaluation – impairment

The Group assesses at each reporting date whether there is an indication that an asset has been impaired and for exploration and evaluation costs whether the above carry forward criteria are met.

Accumulated costs in respect of areas of interest are written off or a provision made in the profit or loss when the above criteria do not apply or when the Directors assess that the carrying value may exceed the recoverable amount. The costs of productive areas are amortised over the life of the area of interest to which such costs relate on the production output basis.

Provisions are made where farm-in partners are sought and there is a possibility that carried-forward expenditures may have to be written off in the future if a farm-in partner is not found. In the event that farm-in agreements are reached or the Group undertakes further exploration in its own right on those properties, the provisions would be reviewed and if appropriate, written back.

Financial assets and liabilities

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

For personal use only

2. Summary of material accounting policies (continued)

The Group makes use of a simplified approach for expected credit losses and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument.

The Group's financial liabilities include borrowings, trade and other payables and derivative financial instruments.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

Plant and equipment

Plant and equipment assets are stated at historical cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset, namely motor vehicles and plant and equipment – depreciated over 2 to 5 years (2025: 2 to 5 years).

Impairment

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

An item of plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the profit or loss in the period the item is derecognised.

Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Share-based payment transactions

In addition to salaries, the Group provides benefits to certain employees (including Directors) of the Group in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ("equity-settled transactions").

There is currently an Employee Share Option Plan in place to provide these benefits.

The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value of the options is determined by using the Black-Scholes or binomial option pricing model, or in the case of listed options, the listed option price at the date the options were issued.

In valuing transactions settled by way of issue of options, no account is taken of any vesting limits or hurdles, or the fact that the options are not transferable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the vesting conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Group's best estimate of the number of equity instruments that will ultimately vest.

For personal use only

2. Summary of material accounting policies (continued)

No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The profit or loss charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, at a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of the cancellation, and any expense not yet recognised is recognised immediately. However, if a new award is substituted for the cancelled award and designated a replacement award on the date it is granted, the cancelled and the new award are treated as if there was a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share except where such dilution would serve to reduce a loss per share.

Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences, except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled, and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised, except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the profit or loss.

Currency

Functional currency translation

The functional and presentation currency for the parent company is Australian dollars ($). The functional currency of overseas subsidiaries is the local currency.

For personal use only

2. Summary of material accounting policies (continued)

Transactions and balances

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the translation. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Translation of Group Companies' functional currency to presentation currency

During the current period, the results of the Spanish subsidiaries were translated into Australian Dollars (presentation currency). Income and expenses for each profit or loss item were translated at the average exchange rate, unless this was not a reasonable approximation of the cumulative effects of the rates prevailing on the transaction dates, in which case income and expenses were translated at the dates of the transactions. Assets and liabilities were translated at exchange rates prevailing at reporting date. All resulting exchange differences were recognised in other comprehensive income, until the date of disposal of the net investment in the foreign operation, at which point the cumulative amount of the foreign currency translation reserve will be recognised in the net loss for the year.

Impairment of assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value.

In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. The increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Significant accounting judgements, estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Share-based payment transactions

The Company measures the cost of equity-settled share-based payments at fair value at the grant date using the Black-Scholes formula taking into account the terms and conditions upon which the instruments were granted and estimates of volatility.

For personal use only

2. Summary of material accounting policies (continued)

Capitalisation and write-off of capitalised exploration costs

The determination of when to capitalise and write-off exploration expenditure requires the exercise of judgement based on assessments of results, various assumptions, and other factors such as historical experience, current and expected economic conditions. Refer to Note 9 for further details.

Earnings/Loss per share

Basic earnings/loss per share is calculated as net profit/loss attributable to members of the Group, adjusted to exclude any costs of servicing equity divided by the weighted average number of ordinary shares.

Diluted earnings/loss per share is calculated as net profit/loss attributable to members of the Group, adjusted for:

- Costs of servicing equity.
- The after-tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses.
- Other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares.

divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Director.

3. Income

	Consolidated	
	2026	2025
	$	$
Income		
Interest income	1,693	7,137
	1,693	**7,137**

4. Income tax

	Consolidated	
	2026	2025
	$	$
Prima facie income tax (credit) on operating (loss) at 30% (2025: 30%)	(435,629)	(276,116)
Non-deductible expenses / (Non-assessable income)	148,001	9,064
Deferred tax assets not recognised	287,628	267,052
Income tax expense	-	-

For personal use only

4. Income tax (continued)

	Consolidated	
	2026	2025
	$	$
Deferred tax assets have not been recognised in respect of the following items		
Unrecognised deferred tax assets		
Accrued expenses and provisions	8,250	21,247
Capital raising costs	1,650	70,405
Income tax losses	5,648,650	5,221,300
Net capital losses	303,040	303,040
	5,961,590	**5,615,992**
Unrecognised deferred tax liabilities		
Temporary timing differences related to:		
Exploration and evaluation expenditure	-	-
Other temporary differences	(134)	-
Net deferred tax asset not recognised	**5,961,456**	**5,615,992**

No provision for income tax is considered necessary in respect of the Company for the period ended 30 June 2026.

No recognition has been given to any deferred income tax asset which may arise from available tax losses. The Company has estimated its losses at 30 June 2026 of $18,828,833 (2025: $17,404,333).

No deferred tax liability arises on capitalised exploration and evaluation expenditure. The expenditure is incurred in deriving income of the overseas operations which is non-assessable non-exempt for Australian tax purposes, so under AASB 112 the tax base of the asset equals its carrying amount and there is no temporary difference. The 2025 comparative has been restated on the same basis, reducing the unrecognised deferred tax liability in respect of exploration and evaluation expenditure from $2,303,324 to nil. The 2025 comparative for unrecognised deferred tax assets has also been increased by $303,040 to include net capital losses not previously disclosed. The net deferred tax asset not recognised at 30 June 2025 accordingly increases from $3,009,628 as previously reported to $5,615,992.

A benefit of 30% (2025: 30%) or approximately $5,648,650 (2025: $5,221,300) associated with the tax losses carried forward will only be obtained if:

- The Company derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised;
- The Company continues to comply with the conditions for deductibility imposed by the law; and
- No changes in tax legislation adversely affect the Company in realising the benefit from the deductions for the losses.

Tax consolidation

Altoro Metals Limited and its 100% owned Australian subsidiaries formed a tax consolidated group with effect from 1 November 2007. Altoro Metals Limited is the head entity of the tax consolidated group. No amounts have been recognised in the financial statements in respect of this agreement on the basis that the possibility of default is remote.

Franking credits

Franking credits of $2,810,116 (2025: $2,810,116) are available for subsequent years.

The above amounts represent the balance of the franking account as at the end of the reporting period, adjusted for:

- Franking credits that will arise from the payment of the amount of the provision for income tax,
- Franking debits that will arise from the payment of dividends recognised as a liability at the reporting date, and
- Franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date.

The consolidated amounts include franking credits that would be available to the parent entity if distributable profits of subsidiaries were paid as dividends.

For personal use only

5. Auditors' remuneration

	Consolidated	
	2026	2025
	$	$
Amounts received or due and receivable by:		
HLB Mann Judd, for:		
Audit and review of the financial report of Altoro Metals Limited (a)	39,332	47,259
	39,332	**47,259**

a) Includes accruals at balance date.

6. Cash and cash equivalents

	Consolidated	
	2026	2025
	$	$
Cash at bank and in hand	411,730	451,939
	411,730	**451,939**

Cash at bank earns interest at floating rates based on daily bank deposit rates. The carrying amount of cash and cash equivalents represents fair value.

Short-term deposits are made for varying periods of between one day and six months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

7. Receivables

	Consolidated	
	2026	2025
	$	$
Current		
Other Debtors	-	30,419
GST/VAT receivable	129,244	131,340
Prepayments	-	18,226
	129,244	**179,985**

Receivables are non-interest bearing and generally have 30-day terms and trading terms are being followed by debtors and there are no overdue amounts. An allowance for expected credit losses is recognised when there is objective evidence that it is impaired. No allowance for expected credit losses is required.

For personal use only

8. Plant and equipment

	Consolidated	
	2026	2025
	$	$
Plant and equipment – at cost	122,171	126,062
Accumulated depreciation	(47,839)	(35,036)
Net book value	**74,332**	**91,026**
Reconciliation of plant and equipment is as follows:		
Opening carrying value	91,026	61,765
Additions	6,065	39,162
Depreciation	(16,001)	(16,646)
Impact of foreign exchange	(6,758)	6,745
	74,332	**91,026**

Depreciation expenses related to the plant and equipment utilised solely in the exploration and evaluation activities of the Group is capitalised to deferred exploration and evaluation expenditure. Refer Note 9.

9. Deferred exploration and evaluation expenditure

	Consolidated	
	2026	2025
	$	$
Exploration and evaluation phase:		
Costs brought forward	10,672,695	9,331,873
Costs incurred during the year	1,530,178	973,165
Depreciation capitalised (refer Note 8)	16,001	16,646
Impact of foreign currency exchange differences	(39,107)	351,011
Costs carried forward	**12,179,767**	**10,672,695**
Exploration expenditure costs carried forward are made up of:		
Novales/Udias Zinc Project - Spain	11,339,829	9,895,706
Guajaraz Zinc Project – Spain	839,938	776,989
Costs carried forward	**12,179,767**	**10,672,695**

The above amounts represent costs of areas of interest carried forward as an asset in accordance with the accounting policy set out in Note 2. The ultimate recoupment of deferred exploration and evaluation expenditure in respect of an area of interest carried forward is dependent upon the discovery of commercially viable reserves and the successful development and exploitation of the respective areas or alternatively sale of the underlying areas of interest for at least their carrying value. Amortisation, in respect of the relevant area of interest, is not charged until a mining operation has commenced.

For personal use only

10. Trade and other payables

	Consolidated	
	2026	2025
	$	$
Trade creditors (a)	249,980	271,003
Accrued expenses	305,965	70,824
	555,945	**341,827**

a) Trade creditors are non-interest bearing and are generally settled on 30-day terms.

11. Financial liabilities

	Consolidated	
	2026	2025
	$	$
Loans from Directors (a)	-	-
Loan from shareholder (b)	-	250,000
	-	**250,000**
Reconciliation of financial liabilities:		
Opening value	250,000	100,000
Additions – loans advanced during the period (from Directors)	-	32,000
Additions – loans advanced during the period (from shareholder)	-	250,000
Interest accrued during the period	6,507	-
Converted to shares (Note 12)	(256,507)	(132,000)
Closing value	**-**	**250,000**
Reconciliation of loss on settlement:		
Carrying value of financial liabilities settled during the year:	256,507	132,000
Less: Fair value of shares issued in settlement	(256,507)	(132,000)
Less: Fair value of options issued as free-attaching to shares issued in settlement (Note 13)	(69,257)	(26,298)
Loss on settlement of financial liabilities	**(69,257)**	**(26,298)**

a) Loans from Directors. There were no loans from Directors at any time during the year ended 30 June 2026 (2025: $132,000 of unsecured, interest-free working capital loans, settled during that year by the issue of 21,238,095 ordinary shares).

b) Loan from shareholder. On 27 June 2025 a shareholder advanced $250,000 to the Company on an unsecured basis, repayable on demand and bearing interest at 10% per annum. Interest of $6,507 accrued to the date of settlement. Following approval by shareholders, the loan was settled in full on 29 September 2025 by the issue of 51,301,372 ordinary shares at $0.005 per share, in satisfaction of both principal and accrued interest, together with 25,650,686 free-attaching options exercisable at $0.008 on or before 29 September 2028. The fair value of those options of $69,257 is recognised as a loss on settlement (Note 13). The lender, Mr Vaughan ('Tom') Kent, was appointed a Director of the Company on 6 February 2026; he was not a Director when the loan was advanced or when it was settled.

For personal use only

12. Share capital

	Consolidated	
	2026	2025
	$	$
Share capital		
1,421,996,092 (2025: 782,857,706) ordinary shares fully paid	43,650,947	40,627,003
Unissued capital	150,000	-
Share issue costs	(3,267,526)	(2,652,781)
	40,533,421	**37,974,222**

Terms and conditions of contributed equity

Ordinary shares

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

Unissued capital

On 16 July 2026, following shareholder approval at a general meeting held on 10 July 2026, the Company issued 1,075,935,292 ordinary shares at $0.004 per share under tranche 2 of the placement announced on 19 May 2026, raising $4,303,741 before costs. Of that amount $150,000 had been received in advance and is included in contributed equity at 30 June 2026.

Funds received in advance of capital raises are classified as equity where the instrument will be settled by a fixed amount of cash (or other financial asset) for a fixed number of the Company's own shares.

Options

Options do not carry voting rights or rights to dividends until options are exercised. The Company has 552,289,167 unquoted options on issue at balance date; refer to Note 13 for details.

	Number	Value
		$
Movements in share capital and ordinary shares on issue		
At 1 July 2024	**379,000,368**	**36,066,871**
Shares issued for cash	359,333,529	2,367,335
Shares issued for repayment of loan agreements with directors (Note 11)	21,238,095	132,000
Shares issued in lieu of directors fees (a)	23,285,714	163,000
Options issued in lieu of share issue costs (Note 13)	-	(520,300)
Share issue costs	-	(234,684)
At 30 June 2025	**782,857,706**	**37,974,222**

For personal use only

12. Share capital (continued)

	Number	Value $
Shares issued for cash	587,064,708	2,761,259
Shares issued for repayment of loan agreements with shareholders (Note 11)	51,301,372	256,507
Shares issued on exercise of options	772,306	6,178
Share funds received in advance	-	150,000
Options issued in lieu of share issue costs (Note 13)	-	(303,750)
Fair value of options to be issued to the joint lead managers (Note 13)	-	(113,142)
Share issue costs	-	(197,853)
At 30 June 2026	**1,421,996,092**	**40,533,421**

a) Valued by reference to the Company's shares as quoted on the ASX for the month to which the liability related.

b) The number of ordinary shares on issue at 30 June 2025, and the number issued on settlement of the loan agreements with directors, are each two shares lower than the numbers reported in the financial report for the year ended 30 June 2025. The comparatives above reflect the number of shares actually issued.

13. Share-based payments and unquoted options

Option pricing model and terms of options

The Company has 240,628,128 unquoted options currently on issue as a result of share-based payment arrangements, as well as 311,661,039 unquoted options issued as free-attaching options to placement participants, for which no value has been attributed.

The following options were valued by reference to the Black-Scholes option pricing model:

112,500,000 options issued during the financial year to underwriters and lead managers to the issue of shares. The fair value of the options of $303,750 has been recognised as share issue costs.

The Company entered into a binding term sheet for an unsecured $1,000,000 convertible loan note facility with a syndicate of professional and sophisticated investors (refer ASX announcement dated 30 January 2026) and issued 13,125,000 options to the participants. The facility was never drawn and was cancelled on 19 May 2026. The fair value of the options of $74,812 has been recognised in finance expenses.

On 29 September 2025 Mr Kent was issued 25,650,686 free-attaching options in connection with the settlement of a loan he had advanced to the Company, before his appointment to the Board. In accordance with AASB Interpretation 19 a fair value of $69,257 has been recognised as a loss on settlement in respect of those options.

The options were valued using a Black-Scholes model with the following inputs:

For personal use only

13. Share-based payments and unquoted options (continued)

	Options issued on settlement of amounts owed	Lead Manager Options	Convertible Note Facility Options
Underlying security spot price on date of grant	$0.005	$0.005	$0.009
Exercise price	$0.008	$0.008	$0.008
Grant date	29 September 2025	29 September 2025	30 January 2026
Expiration date	29 September 2028	29 September 2028	29 September 2028
Total life (years)	3.0	3.0	2.7
Expected volatility	100%	100%	100%
Risk-free rate	3.35%	3.35%	4.25%
Expected dividend yield	-	-	-
Value per security	$0.0027	$0.0027	$0.0057
Number of securities	25,650,686	112,500,000	13,125,000
Portion vested at balance date	100%	100%	100%
Remaining life (years)	2.2	2.2	2.2
Total value	$69,257	$303,750	$74,812

Types of share-based payment plans

Share-based payments

An Employee Share Option Plan (ESOP) has been established where selected officers, employees and consultants of the Company can be issued with options over ordinary shares in Altoro Metals Limited. The options, issued for nil consideration, will be issued in accordance with a performance review by the Directors. The options cannot be transferred and will not be quoted on the ASX. Options expire if not exercised 90 days after a participant resigns from the Company.

There have been no cancellations or modifications to any of the plans during 2026 and 2025. No securities have been issued under the ESOP during the financial year ended 30 June 2026 (2025: Nil).

For personal use only

13. Share-based payments and unquoted options (continued)

Summary of movement of unquoted options on issue in the parent entity

	Number	Value $
Movements in unquoted options on issue		
At 1 July 2024	**65,888,890**	**207,300**
Expiry of options	(65,888,890)	(207,300)
Issue of options as free-attaching to placement	105,833,352	-
Issue of options to Directors as free-attaching to placement	10,619,048	26,298
Issue of options in lieu of share issue costs	78,833,394	520,300
At 30 June 2025	**195,285,794**	**546,598**
Exercise of options	(772,306)	-
Issue of options as free-attaching to placement participants	206,499,993	-
Issue of options on settlement of amounts owed	25,650,686	69,257
Issue of options in lieu of share issue costs	112,500,000	303,750
Issue of options under the convertible note facility	13,125,000	74,812
At 30 June 2026	**552,289,167**	**994,417**

The outstanding balance as at 30 June 2026 is represented by:

Exercise Price of Option	Expiry Date of Options	Class of Share received upon exercise	Number of Shares under option
$0.015	30 November 2026	ORD	152,666,746
$0.01	30 November 2026	ORD	42,619,048
$0.008	29 September 2028	ORD	357,003,373
			552,289,167

For personal use only

13. Share-based payments and unquoted options (continued)

Weighted Average disclosures for unquoted options granted by the parent entity

	2026 $	2025 $
Weighted average exercise price of options at 1 July	$0.014	$0.036
Weighted average exercise price of options granted during period	$0.008	$0.014
Weighted average exercise price of options expired during period	-	$0.036
Weighted average exercise price of options outstanding at 30 June	$0.010	$0.014
Weighted average exercise price of options exercisable at 30 June	$0.010	$0.014
Weighted average contractual life remaining (years)	1.60	1.42
Range of exercise price	$0.008 - $0.015	$0.01 - $0.015

14. Reserves

	Consolidated	
	2026 $	2025 $
Share-based compensation reserve	994,417	546,598
Foreign currency translation reserve	16,348	115,438
	1,010,765	**662,036**
Share-based compensation reserve		
Balance at the beginning of financial year	546,598	207,300
Share-based payments	447,819	546,598
Lapse of options	-	(207,300)
Balance at end of financial year	**994,417**	**546,598**
Foreign currency translation reserve		
Balance at the beginning of financial year	115,438	94,959
Effect of exchange rate fluctuation	(99,090)	20,479
Balance at end of financial year	**16,348**	**115,438**

a) Share-based compensation reserve

Used to recognise the fair value of unlisted options and performance rights issued but not exercised (Notes 2 and 13).

b) Foreign currency translation reserve

Recognises the net exchange differences on translating foreign operations.

For personal use only

15. Loss per share

	Consolidated	
	2026	2025
	$	$
Loss used in calculating basic and diluted loss per share	(1,452,095)	(920,387)

	Consolidated	
	2026	2025
	Number	Number
Weighted average number of ordinary shares outstanding during the year used in calculation of basic and diluted loss per share	1,168,606,056	653,514,331

	Consolidated	
	2026	2025
	Cents per share	Cents per share
Basic and diluted loss per share	(0.12)	(0.14)

All potential ordinary shares for the calculation of diluted loss per share are considered anti-dilutive.

16. Key management personnel

Key management personnel (KMP) remuneration

	Consolidated	
	2026	2025
	$	$
Compensation for key management personnel		
Short-term employee benefits	714,223	479,722
Total compensation	**714,223**	**479,722**

The key management personnel of the Group during the year were Mr A Wehby, Mr S Dickson, Mr V Kent, Mr N Farr-Jones and Dr F Bierlein, being the Directors, and Mr M Pitts, Company Secretary. Compensation disclosed in respect of Mr Pitts represents fees paid to Automic Group for his services as Company Secretary and is not payable to Mr Pitts.

For personal use only

17. Related party disclosures

Subsidiaries

The consolidated financial statements include the financial statements of Altoro Metals Limited (the Parent Entity) and the following subsidiaries:

Name	Country of incorporation	% Equity interest 2026	% Equity interest 2025	$ Investment 2026	$ Investment 2025
Bluestone 23 Pty Ltd	Australia	100	100	5,000	5,000
Slipstream Resources Spain Pty Ltd	Australia	100	100	2,403,748	2,403,748
Slipstream Resources Spain 2 Pty Ltd	Australia	100	100	686,531	686,531
Variscan Mines Cantabria, SL	Spain	100	100	4,439	4,439
Variscan Mines La Mancha, SL	Spain	100	100	4,500	4,500

18. Farm-in / Farm-out arrangements

The Company is a party to a number of exploration farm-in / farm-out agreements to explore for copper, gold, zinc, lead and uranium. Under the terms of the agreements the Company may be required to contribute towards the exploration and other costs if it wishes to maintain or increase its percentage holdings. These arrangements are not separate legal entities. There are contractual arrangements between the participants for sharing costs and future revenues in the event of exploration success. There are no assets and liabilities attributable to Altoro at reporting date resulting from these arrangements. Percentage equity interests in these arrangements at 30 June 2026 were as follows:

	Consolidated 2026 % Interest	Consolidated 2025 % Interest
Hillston – diluting to 16%	39.2%	39.2%
Callabonna – diluting to 30%	49%	49%

19. Segment information

AASB 8 Operating Segments requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Chief Operating Decision Maker in order to allocate resources to the segment and to assess its performance.

The Group's operating segments have been determined with reference to the monthly management accounts used by the Chief Operating Decision Maker to make decisions regarding the Group's operations and allocation of working capital. Due to the size and nature of the Group, the Executive Director, who performs the function of chief executive officer, has been determined as the Chief Operating Decision Maker.

Based on the quantitative thresholds included in AASB 8, there are currently two geographical segments, being Australia and Spain, which are considered for management purposes to form part of the single reportable segment of mineral exploration.

Segment information

The following tables present revenue and profit information and certain asset and liability information regarding geographical segments for the years ended 30 June 2026 and 2025.

For personal use only

19. Segment information (continued)

	Australia		Spain		Total	
	2026 $	2025 $	2026 $	2025 $	2026 $	2025 $
Segment income	1,693	7,137	-	-	**1,693**	**7,137**
Segment loss before income tax expense	(1,452,095)	(918,154)	-	(2,233)	**(1,452,095)**	**(920,387)**
Segment assets	226,369	419,148	12,663,252	11,050,522	**12,889,621**	**11,469,670**
Segment liabilities	(511,221)	(515,076)	(44,724)	(76,751)	**(555,945)**	**(591,827)**
Non-current asset additions	-	-	1,552,244	1,028,973	**1,552,244**	**1,028,973**

20. Commitments

Exploration licence expenditure requirements

In order to maintain the Group's tenements in good standing with the various mines departments, the Group may be required to incur exploration expenditure under the terms of each licence.

There are nil exploration licence commitments at year end (2025: nil).

Milestone consideration – Spanish Zinc Projects acquisition agreements

In accordance with the acquisition agreements for the Spanish Zinc Projects, the Company must issue additional shares upon the satisfaction of certain exploration milestones. These milestones are for the definition, in accordance with JORC 2012, of an Inferred Mineral Resource (or greater) of:

- Milestone 1: 4 million tonnes at 7% Zn
- Milestone 2: 8 million tonnes at 7% Zn

Upon satisfaction of each of these milestones, the Company must issue 27,500,000 ordinary shares to the vendors of Slipstream Spain Pty Ltd and Slipstream Spain 2 Pty Ltd, and 2,426,471 shares to Hispanibal S.L. as the vendor of the "Hispanibal Option", for a total of 59,852,941 Ordinary Shares if both milestones are met. Pursuant to the Hispanibal Option being settled, a deferred cash payment of €200,000 is payable upon the publication of a JORC compliant mineral resource. This is expected to be payable upon achievement of Milestone 1 as set out above.

As at the date of this report, the Directors are of the view that the work conducted on the projects to date is not of a sufficiently advanced stage to determine the probability of meeting these milestones and therefore no current obligation has been recorded in this financial report.

For personal use only

21. Statement of Cash Flows

	Consolidated	
	2026	2025
	$	$
Reconciliation of net cash outflow from operating activities to operating loss after income tax		
Operating loss after income tax	(1,452,095)	(920,387)
Shares issued in lieu of fees	-	163,000
Options issued under the convertible note facility	74,812	-
Foreign exchange variances	(108,208)	(796)
Loss on settlement of financial liability	69,257	26,298
Interest on the shareholder loan settled in shares	6,507	-
Change in assets and liabilities:		
Decrease/(increase) in receivables	15,683	(253)
Increase/(decrease) in trade and other creditors	248,605	(34,041)
Net cash outflow from operating activities	**(1,145,439)**	**(766,179)**

For the purpose of the Statement of Cash Flows, cash includes cash on hand, at bank, deposits and bank bills used as part of the cash management function. The Group does not have any unused credit facilities.

	Consolidated	
	2026	2025
	$	$
The balance at 30 June comprised:		
Cash and cash equivalents	411,730	451,939
	411,730	**451,939**

	Consolidated	
	2026	2025
	$	$
The Group had the following non-cash financing activities during the year:		
Conversion of financial liabilities to equity (Note 11)	256,507	132,000
	256,507	**132,000**

For personal use only

22. Financial risk management objectives and policies

The Company's Board considers the Company's overall risk management framework and policies, including quarterly review by the Board of the Company's financial position and financial forecasts and maintaining adequate insurances.

AASB 7 requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk, including sensitivity analysis to market risk.

Capital management

The Group considers its capital to comprise its ordinary share capital and its retained earnings, net of accumulated losses. In managing its capital, the Group's primary objective as an explorer is to maintain a sufficient funding base to enable the Group to meet its working capital and strategic investment needs. The Group has no debt at the year-end hence has a nil gearing ratio.

In making decisions to adjust its capital structure to achieve these aims, either through altering its new share issues, or consideration of debt, the Group considers not only its short-term position but also its long-term operational and strategic objectives.

Financial instrument risk exposure and management

As is common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. These main risks, arising from the group's financial instruments are interest rate risk, liquidity risk, share market risk and credit risk. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements. There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

General objectives, policies and processes

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and has the responsibility for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's finance function. The Board receives quarterly reports through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are set out below:

Liquidity risk

Liquidity risk arises from the Group's management of working capital. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. To achieve this aim, it seeks to maintain cash balances (or agreed facilities) to meet expected requirements for a period of at least 45 days.

The Board receives cash flow projections on a monthly basis as well as information regarding cash balances. The Group's liquidity position at 30 June 2026 is described in the going concern section of Note 2. The expected settlement of the Group's financial liabilities is as follows:

For personal use only

22. Financial risk management objectives and policies (continued)

	Carrying amount	Contracted cash flows	< 6 months	6-12 months	1-2 years	2-5 years
30 June 2026						
Trade and other payables	555,945	555,945	555,945	-	-	-
	555,945	555,945	555,945	-	-	-
30 June 2025						
Trade and other payables	341,827	341,827	341,827	-	-	-
Financial liabilities	250,000	250,000	250,000	-	-	-
	591,827	591,827	591,827	-	-	-

Interest rate risk

At reporting date, the Group is exposed to floating weighted average interest rates at 30 June 2026 for financial assets as follows:

	Consolidated	
	2026	2025
Weighted average rate of cash balances	0.01%	0.76%
Cash balances	$411,730	$451,939

Of the cash balance above, $7,798 was held in interest-bearing accounts at 30 June 2026 and the balance in non-interest-bearing transaction accounts in Australia and Spain. All other financial assets and liabilities are non-interest bearing.

The Group's exposure to interest rate risk is set out in the following tables:

	Consolidated Pre-tax Loss lower / (higher)		Consolidated Equity lower / (higher)	
	2026	2025	2026	2025
	$	$	$	$
+1% (100 basis points)	4,117	4,519	4,117	4,519
-1% (100 basis points)	(4,117)	(4,519)	(4,117)	(4,519)

The above table reflects the impact on the Group's loss before income tax and equity of a movement in interest rates of 1%, or 100 basis points, applied to the whole cash balance, which is held at call and can be placed on deposit at short notice.

Share market risk

The Company relies greatly on equity markets to raise capital for its exploration activities and is thus exposed to equity market volatility. When market conditions require, for prudent capital management, in consultation with its professional advisers the Group looks to alternative sources of funding, including the sale of assets and royalties.

Credit risk

Credit risk arises principally from the Group's cash, cash equivalents, receivables and tenement security deposits.

For personal use only

22. Financial risk management objectives and policies (continued)

The Group's exposure to credit risk arises from potential default of the counterparty, with the maximum exposure equal to the carrying amount of these instruments. The Group trades only with recognised, creditworthy third parties, and as such collateral is not requested nor is it the Group's policy to securitise its trade and other receivables.

In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

Foreign currency risk

The Group is exposed to foreign currency risk on purchases that are denominated in a currency other than the Australian dollar. The Group does not enter into derivative financial instruments to hedge such transactions denominated in a foreign currency. The Group is primarily exposed to change in Euro/$ exchange rates for the year ended 30 June 2026, although this exposure and all other foreign currency exposure during the current financial year has been assessed as immaterial.

Other receivables

Other receivables comprise Australian GST and Spanish VAT. Credit worthiness of debtors is undertaken when appropriate.

Equity price risk

The Group no longer has investments in equity interests in listed securities, and therefore, no equity price risk exposure exists at 30 June 2026 (2025: Nil exposure).

Accounting policies

Accounting policies in relation to financial assets and liabilities and share capital are contained in Note 2.

Fair value of financial assets and liabilities

The fair value of all monetary financial assets and financial liabilities of the Group approximate their carrying value.

There are no off-balance sheet financial assets and liabilities at year-end.

The Group's financial assets and liabilities are denominated in Australian dollars except for A$202,204 of euro cash held by the Spanish subsidiaries (2025: A$62,579).

Fair value risk

The Group uses three different methods in estimating the fair value of a financial investment. The methods comprise -

- Level 1 – the fair value is calculated using quoted prices in active markets; and
- Level 2 – the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices)
- Level 3 – the fair value is estimated using inputs other than quoted prices.

Quoted market price represents the fair value determined based on quoted prices on active markets as at the reporting date without any deduction for transaction costs.

Transfer between categories

There were no transfers between levels during the year.

For personal use only

23. Parent entity information

Information relating to the parent entity Altoro Metals Limited:	Consolidated 2026	Consolidated 2025
Current assets	226,362	418,873
Total assets	12,533,289	10,953,839
Current liabilities	511,221	515,076
Total liabilities	511,221	515,076
Net Assets	**12,022,068**	**10,438,763**
Share capital	40,533,421	37,974,222
Accumulated losses	(29,505,770)	(28,082,057)
Reserves	994,417	546,598
Total shareholders' equity	**12,022,068**	**10,438,763**
(Loss) of the parent entity	(1,423,713)	(966,912)
Other comprehensive income	-	-
Total comprehensive (loss) of the parent entity	**(1,423,713)**	**(966,912)**

The accounting policies of the Parent Entity are consistent with those of the Group as disclosed in Note 2, except for Investments in Subsidiaries, which are accounted for at cost less accumulated impairment losses.

The Parent Entity has no commitments or contingencies.

24. Events after the reporting date

On 2 July 2026 the Company received written notice terminating the term sheet with BMEx Pty Ltd, MDF Global Limited and Zinc GroupCo Pty Ltd, bringing to an end the proposed earn-in and joint venture over the Midlands and Waterford zinc projects in the Republic of Ireland. No amount was recognised as an exploration and evaluation asset in respect of those projects at any time.

On 16 July 2026, following shareholder approval at a general meeting held on 10 July 2026, the Company issued 1,075,935,292 ordinary shares at $0.004 per share under tranche 2 of the placement announced on 19 May 2026, raising $4,303,741 before costs. Of that amount $150,000 had been received in advance and is included in contributed equity at 30 June 2026. On the same date the Company issued 416,666,666 options exercisable at $0.008 on or before 29 September 2028 to the joint lead managers to the placement, and 16,875,000 ordinary shares to Feldi Limited in satisfaction of the share component of the Acting CEO fee payable to Mr Dickson.

On 22 July 2026 the Company changed its name to Altoro Metals Limited and on 23 July 2026 its ASX code changed from VAR to ARO.

On 6 August 2026 Mr Myles Campion was appointed a Non-Executive Director.

On 14 August 2026 the Company made an investment of $255,000 in Fidelity Minerals Corp.

Other than noted above, there were, at the date of this report, no matters or circumstances which have arisen since 30 June 2026 that have significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

For personal use only

Consolidated Entity Disclosure Statement

As at 30 June 2026

Basis of preparation

The consolidated entity disclosure statement has been prepared in accordance with s295(3A)(a) of the Corporations Act 2001 and includes the required information for Altoro Metals Limited and the entities it controls in accordance with AASB 10 Consolidated Financial Statements.

Tax Residency

S295(3A)(vi) of the Corporations Act 2001 defines tax residency as having the meaning in the Income Tax Assessment Act 1997. The determination of tax residency may involve judgement as there are different interpretations that could be adopted and which could give rise to different conclusions regarding residency.

In determining tax residency, the Group has applied the following interpretations:

Australian Tax Residency

Current legislation and judicial precedent has been applied, including having regard to the Tax Commissioner's public guidance.

Foreign tax residency

Where appropriate, independent tax advisers have been engaged to assist in the determination of tax residence to ensure applicable foreign tax legislation has been complied with.

		Body Corporates		Tax Residency	
Entity Name	Entity Type	Place of Incorporation	% Share Capital Held	Australian or Foreign	Foreign Jurisdiction
Altoro Metals Limited	Body Corporate	Australia	100%	Australian	N/A
Bluestone 23 Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Slipstream Resources Spain Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Slipstream Resources Spain 2 Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Variscan Mines Cantabria, SL	Body Corporate	Spain	100%	Foreign	Spain
Variscan Mines La Mancha, SL	Body Corporate	Spain	100%	Foreign	Spain

All Australian entities are part of the Altoro Metals Limited tax consolidated group.

None of the abovementioned entities acts as a trustee of a trust within the Consolidated Entity, nor is a partner in partnership with the Consolidated Entity, nor is a participant in a joint venture within the Consolidated Entity.

For personal use only

Directors' Declaration

1. In the directors' opinion:

   (a) the financial statements and notes set out on pages 17 to 43 are in accordance with the Corporations Act 2001, including:

      (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

      (ii) giving a true and fair view of the Group's financial position as at 30 June 2026 and of its performance for the financial year ended on that date; and

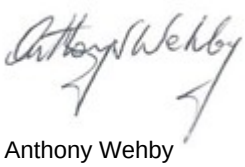
   (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2. The notes to the financial statements include a statement of compliance with International Financial Reporting Standards.

3. The directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer for the year ended 30 June 2026 required by section 295A of the *Corporations Act 2001*.

4. The Consolidated Entity Disclosure Statement as set out on page 44 is true and correct.

This declaration is made in accordance with a resolution of the directors.



Anthony Wehby

Non-Executive Chairman

29 September 2026

For personal use only

For personal use only

INDEPENDENT AUDITOR'S REPORT

To the Members of Altoro Metals Limited (formerly Variscan Mines Limited)

Report on the Audit of the Financial Report

Opinion

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

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

(a) giving a true and fair view of the Group's financial position as at 30 June 2026 and of its financial performance for the year then ended; and

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the 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 audits of the financial report of public interest entities in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the financial report, which indicates that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

hlb.com.au

HLB Mann Judd ABN 22 193 232 714
A Western Australian Partnership
Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849
T: +61 (0)8 9227 7500 **E:** mailbox@hlbwa.com.au
Liability limited by a scheme approved under Professional Standards Legislation.

HLB Mann Judd is a member of HLB International, the global advisory and accounting network.

For personal use only

In addition to the matter described in the Material Uncertainty Related to Going Concern Opinion section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed the key audit matter
Deferred exploration and evaluation expenditure Refer to Note 9	
In accordance with AASB 6 *Exploration for and Evaluation of Mineral Resources*, the Group capitalises all exploration and evaluation expenditure, including acquisition costs and subsequently applies the cost model after recognition. Our audit focused on the Group's assessment of the carrying amount of the deferred exploration and evaluation expenditure, as this is one of the most significant assets of the Group. We planned our work to address the audit risk that the capitalised expenditure may no longer meet the recognition criteria of the standard. In addition, we considered it necessary to assess whether facts and circumstances existed which suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount.	Our procedures included but were not limited to the following: • We obtained an understanding of the key processes associated with management's review of the carrying values of each area of interest; • We considered management's assessment of potential indicators of impairment; • We obtained evidence that the Group has current rights to tenure of its areas of interest; • We examined the exploration budget for the year ending 30 June 2027 and discussed with management the nature of planned ongoing activities; • We verified a sample of exploration expenditure capitalised; and • We examined the disclosures made in the financial report.

Other Information

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

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

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

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

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of:

(a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and

For personal use only

(b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the directors determine is necessary to enable the preparation of:

(a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

(b) the consolidated entity disclosure statement that is true and correct and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

For personal use only

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON THE REMUNERATION REPORT

Opinion on the Remuneration Report

We have audited the Remuneration Report included within the Directors' Report for the year ended 30 June 2026.

In our opinion, the Remuneration Report of Altoro Metals Limited for the year ended 30 June 2026 complies with Section 300A of the *Corporations Act 2001*.

Responsibilities

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

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

David Healy

D B Healy
Partner

Perth, Western Australia
29 September 2026