

ADAVALE  
RESOURCES



# INTERIM FINANCIAL REPORT

FOR THE HALF-YEAR ENDED

31 DECEMBER 2025

ABN 96 008 719 015

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## **Parkes Gold-Copper Project Exploration Activity (NSW, Australia)**

### **London Victoria Gold Mine**

During the half year, Adavale made substantial operational progress in achieving several major exploration milestones across its flagship Parkes Gold and Copper Project (“Parkes Project”), located in the Lachlan Fold Belt of New South Wales. Activities during the half year were primarily focused around advancing the London-Victoria Gold Mine (“London-Victoria”) on EL7242 (JORC Inferred Mineral Resource Estimate (MRE) of 3.14Mt @ 1.06 g/t Au for 107koz).

On 4 August 2025, Adavale completed the maiden RC drilling program at the London Victoria Mine with a total of 14 RC holes for 2,060m drilled. 9 of the 14 holes were drilled from the eastern flank and along the southern strike of the existing pit, with 5 holes drilled from within the pit itself.

On 17 November 2025, Adavale completed a detailed independent structural geology study at London-Victoria, identified a major east-dipping shear and associated parasitic fold as the primary control for gold mineralisation over a 1.5km strike length at London-Victoria. This interpretation also highlighted the potential for fold repeats and stacked mineralised zones at depth, plunging to the south and further indicating significant upside potential for resource growth extending beyond London-Victoria’s existing Mineral Resource Estimate (3.14Mt at 1.06g/t Au for 107,000 oz).

Adavale completed the second phase drilling program on 18 December, with a total of 2,411m drilled across 12 holes. Subsequent to half year, the Company announced the highest-grade gold drilling intercepts to date from the phase two program, including 14m at 2.62g/t Au from 133m (hole ALRC018) and 23m at 1.64g/t Au from 142m (hole ALRC020), including higher-grade intervals of up to 2m at 5.17g/t Au.

### **Greenfields and regional prospects – Parkes project**

A high-resolution ground-based magnetics survey was undertaken across the broader Ashes-Myalls Prospect. The survey covered 11.9km<sup>2</sup> on 50m line spacing, totalling 238-line km; the enhanced magnetic data provides better resolution than the wider spaced regional magnetics and was designed to detect subtle anomalies, including the potential for small footprint but highly prospective pipe-like porphyry related intrusive systems.

In conjunction with the magnetics, an IP survey was undertaken proximal to a previously defined strong 50 mV/V chargeability anomaly at Ashes. The survey included 7 x 1,600m lines, spaced 200m apart, aimed at better defining the geometry and extent of the anomaly to the north.

Ground magnetic surveys were completed over the Corner Prospect (EL8831), with processing and interpretation currently pending. Reconnaissance rock chip sampling at Corner returned multiple gold-bearing quartz vein samples, with some assays exceeding 1g/t Au. Best results include 1.16g/t Au, 1.82g/t Au and 1.55g/t Au, which highlights the prospectivity of the target over a wide area.

At Parkvale South, further rock chip sampling was carried out as follow-up to the high-grade result received from an earlier Adavale rock chip sample that assayed 22.2g/t Au. At the Koh-I-Noor Mine on newly granted EL9785, a drone photogrammetry survey identified an east west orientation of the historic workings where initial rock chip sampling was also conducted. A total of 27 rock chip samples were taken across the 4 location areas.

### Uranium Exploration Activity (SA, Australia)

On 22 October 2025, Adavale announced that it had secured 100% Native Title consent across its Marree Uranium Project in the state of South Australia. The Company detailed that it has executed a Native Title Mining Agreement with The Dieri Aboriginal Corporation and received consent from the Adnyamathanha Traditional Lands Association.

Adavale acknowledges the Adnyamathanha and Dieri as Traditional Custodians of the land on which our current works are located. With respect to Elders past, present and emerging, Adavale is committed to conducting its activities with respect to the communities in which it operates.

### Nickel Exploration Activity (Tanzania)

Adavale's Kabanga Jirani and Luhuma Nickel Projects in Tanzania remain long-term exploration assets as part of the Company's broader portfolio. Whilst the Company is monitoring the nickel market and broader economic conditions with these assets in mind, there was no significant activity during the half-year period.

### Corporate

Mr David Ward was appointed as Managing Director of the Company, effective as of 17 November 2025. Mr Ward transitioned from his existing role with Adavale as Non-Executive Technical Director, stepping into the executive position.

Approximately \$3.1 million of funding was secured in the September quarter, with a new cornerstone shareholder 'Gleneden' taking a 20% stake in the company, \$152,000 participation from directors and \$588,000 from a new strategic investor group.

### Competent Persons Statement

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements as referred above. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Information on the Mineral Resources presented on the London-Victoria deposit is contained in the ASX announcement dated 5 May 2025. Where the Company refers to Mineral Resource in this presentation, it confirms that it is not aware of any new information or data that materially affects the information included in that announcement and all material assumptions and technical parameters underpinning the Mineral Resource estimate with that announcement continue to apply and have not materially changed. The Company confirms that the form and context there with JORC Table 1 in which the Competent Person's findings are presented have not materially changed from the original announcement.

The information in this document that relates to exploration results is based on information compiled by David Ward BSc, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy (AUSIMM), (Member 228604). David Ward has over 25 years of experience in metallic minerals mining, exploration and development and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a 'Competent Person' as defined under the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Ward consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Your directors submit their interim report on the consolidated financial statements of Adavale Resources Limited (“Adavale” or the “Company”) and the entities it controlled (the “Group”) at the end of, or during, the half-year ended 31 December 2025.

## **DIRECTORS**

The following persons were directors of the Company during the whole of the financial period and up to the date of this interim report unless otherwise indicated:

### **Board of Directors**

Allan Ritchie – Executive Chairman and Chief Executive Officer

David Ward – Managing Director (previously Non-Executive Technical Director)

Maurice (Nic) Matich – Non-Executive Director

### **Chief Financial Officer and Company Secretary**

Leonard Math

## **PRINCIPAL ACTIVITIES**

The Company is in the business of mineral exploration for Gold in NSW, Nickel in Tanzania and Uranium in South Australia. The Company’s primary aim in the near-term is to explore for, discover and develop gold, nickel and uranium deposits on the mineral exploration projects in New South Wales, Tanzania and South Australia.

The Group has also been actively reviewing additional projects or mineral resources investment opportunities that would create wealth for the Group and its shareholders.

## **FINANCIAL REVIEW**

The Group result for the financial period ended 31 December 2025 was a loss after tax of \$2,369,129 (December 2024: Loss after tax of \$1,274,841).

## **EARNINGS PER SHARE**

The basic loss per share for the half year ended 31 December 2025 was 0.99 cents (December 2024: 2.08 cents).

## **SUBSEQUENT EVENTS**

On 2 January 2026, 862,500 Performance Rights have lapsed.

On 2 February 2026, the Company announced that it had received firm commitments to raise up to \$5.15 million (before costs) at \$0.05 per share (“Placement”). Approximately 103 million fully paid ordinary shares will be issued in 2 tranches.

Tranche 1 of 60 million shares were issued on utilising the placement capacity under ASX Listing Rule 7.1 and 7.1A, raising \$3 million (before costs) and the balance under Tranche 2 including the Directors’ participation will be subject to shareholder approval at a General Meeting.

Adavale will offer the Placement investors (including the Directors) one (1) free listed option (ADDO) for every two (2) New Shares subscribed for under the Placement (“New Options”). The New Options will be exercisable at \$0.10 each with an expiry of 31 December 2027 and will be offered to Placement investors (including the Directors) subject to shareholder approval.

GBA Capital Pty Ltd acted as Lead Manager to the Placement. The Lead Manager will receive a broker fee of 6% of funds raised and will be issued 5,000,000 Lead Manager Options. The issue of the Lead Manager Options will be subject to shareholder approval.

On 17 February 2026, the Company announced it has entered into an agreement with Alkane Resources Limited ("Alkane") (ASX:ALK) to acquire a package of exploration licenses directly adjoining the existing Parkes Gold-Copper Project. The acquisition covers 2 areas – southern 14 units of EL5675 and EL9178. Subject to satisfactory of the conditions precedent, the Company will issue Alkane 5,500,000 fully paid ordinary shares at a deemed issue price of \$0.05 per share. The shares will be voluntarily escrowed for 6 months from date of issue.

Other than as disclosed above, no matter or circumstance has arisen which has 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 subsequent financial periods.

#### **AUDITOR'S INDEPENDENCE DECLARATION**

The lead auditor's independence declaration for the half year ended 31 December 2025 has been received and forms part of the Directors' report and can be found on page 6 of the interim financial report.

Signed in accordance with a resolution of the directors made pursuant to s 298(2) of the Corporations Act 2001.

On behalf of the Directors.

  
**Allan Ritchie**  
**Chairman and CEO**

13 March 2026  
Perth, Western Australia

## AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Adavale Resources Limited for the half-year ended 31 December 2025, 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 review; and
- b) any applicable code of professional conduct in relation to the review.

Perth, Western Australia  
13 March 2026



L Di Giallonardo  
Partner

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Adavale Resources Limited  
Condensed Consolidated Statement of Comprehensive Income  
For the half year ended 31 December 2025

	Note	31 Dec 2025 \$	31 Dec 2024 \$
Revenue from services provided		-	43,796
Interest received		421	-
<b>Expenditure</b>			
Insurance		(26,749)	(21,780)
Share registry fees		(59,909)	(37,472)
Administration, corporate, consultant fees and salaries		(598,201)	(391,776)
Share based payments	4(c)	(256,165)	11,732
Legal expenses		(40,067)	(39,695)
Finance and Interest expense		(916)	(13,127)
Exploration and evaluation expenditure		(1,381,503)	(813,334)
Depreciation	2	(3,997)	(10,795)
Loss from write-off of fixed assets		-	(969)
Loss from foreign exchange		(2,043)	(1,421)
Loss before income tax		(2,369,129)	(1,274,841)
Income tax expense		-	-
<b>Loss after income tax</b>		(2,369,129)	(1,274,841)
Other comprehensive income		-	-
<b>Total comprehensive loss for the period</b>		(2,369,129)	(1,274,841)
Basic and diluted loss per share attributable to the ordinary security holders of the Company (cents per share)	6	(0.99)	(2.08)

*The accompanying notes form part of these consolidated financial statements*

	Note	31 Dec 2025 \$	30 Jun 2025 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		1,271,036	200,795
Other assets		120,374	83,038
<b>Total current assets</b>		<b>1,391,410</b>	<b>283,833</b>
<b>Non-current assets</b>			
Investment		550	-
Property, plant & equipment	2	64,488	2,691
<b>Total non-current assets</b>		<b>65,038</b>	<b>2,691</b>
<b>Total assets</b>		<b>1,456,448</b>	<b>286,524</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other creditors		384,277	325,037
Borrowings	3	12,431	-
<b>Total current liabilities</b>		<b>396,708</b>	<b>325,037</b>
<b>Non-current liabilities</b>			
Borrowings	3	59,026	-
<b>Total non-current liabilities</b>		<b>59,026</b>	<b>-</b>
<b>Total liabilities</b>		<b>455,734</b>	<b>325,037</b>
<b>Net assets/(liabilities)</b>		<b>1,000,714</b>	<b>(38,513)</b>
<b>Equity</b>			
Issued capital	4(a)	25,368,320	22,301,129
Reserves	4(b)	2,494,525	2,153,360
Accumulated losses		(26,862,131)	(24,493,002)
<b>Total equity/(deficiency in equity)</b>		<b>1,000,714</b>	<b>(38,513)</b>

*The accompanying notes form part of these consolidated financial statements*

Adavale Resources Limited  
Condensed Consolidated Statement of Changes in Equity  
For the half year ended 31 December 2025

<b>2025</b>	<b>Issued Capital</b>	<b>Share- based Payments Reserve</b>	<b>Accumulated Losses</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<i>Opening Balance – 1 July 2025</i>	22,301,129	2,153,360	(24,493,002)	(38,513)
Loss for the period	-	-	(2,369,129)	(2,369,129)
Total comprehensive loss for the period	-	-	(2,369,129)	(2,369,129)
Issue of shares on exercise of options	16,667	-	-	16,667
Issue of shares (net of costs)	3,014,333	-	-	3,014,333
Loss on settlement of creditor via issue of shares	36,191	-	-	36,191
Share based payments (net)	-	341,165	-	341,165
<i>Balance as at 31 Dec 2025</i>	<b>25,368,320</b>	<b>2,494,525</b>	<b>(26,862,131)</b>	<b>1,000,714</b>
<b>2024</b>	<b>Issued Capital</b>	<b>Share- based Payments Reserve</b>	<b>Accumulated Losses</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<i>Opening Balance – 1 July 2024</i>	19,477,276	1,249,633	(20,438,736)	288,173
Loss for the period	-	-	(1,274,841)	(1,274,841)
Total comprehensive loss for the period	-	-	(1,274,841)	(1,274,841)
Issue of shares to vendor	125,000	-	-	125,000
Issue of shares (net of costs)	1,114,975	82,500	-	1,197,475
Share based payments (net)	-	(11,732)	-	(11,732)
<i>Balance as at 31 Dec 2024</i>	<b>20,717,251</b>	<b>1,320,401</b>	<b>(21,713,577)</b>	<b>324,075</b>

*The accompanying notes form part of these consolidated financial statements*

Adavale Resources Limited  
Condensed Consolidated Statement of Cash Flows  
For the half year ended 31 December 2025

	<b>31 Dec 2025</b>	31 Dec 2024
	\$	\$
<b>Cash flows from operating activities</b>		
Receipts from customers	-	43,796
Interest received	421	-
Payments to suppliers and employees	(544,331)	(354,109)
Payments for exploration and evaluation expenditure	(1,286,346)	(737,479)
	<hr/>	<hr/>
<b>Net cash outflows from operating activities</b>	<b>(1,830,256)</b>	<b>(1,047,792)</b>
	<hr/>	<hr/>
<b>Cash flows from financing activities</b>		
Proceeds from share issues and exercise of options (net of costs)	2,904,001	1,137,725
Proceeds from loan	-	110,000
Repayment of loan	(1,459)	(110,000)
Finance and interest payments	-	(13,127)
	<hr/>	<hr/>
<b>Net cash inflows from financing activities</b>	<b>2,902,542</b>	<b>1,124,598</b>
	<hr/>	<hr/>
<b>Net increase in cash and cash equivalents held</b>	<b>1,072,286</b>	<b>76,806</b>
Cash and cash equivalents at the beginning of the period	200,795	280,295
Foreign exchange differences	(2,045)	(1,421)
	<hr/>	<hr/>
<b>Cash and cash equivalents at the end of the period</b>	<b>1,271,036</b>	<b>355,680</b>

*The accompanying notes form part of these consolidated financial statements*

## 1. SUMMARY OF MATERIAL ACCOUNTING POLICIES

### ***Statement of Compliance***

These interim consolidated financial statements are general purpose financial statements prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134: Interim Financial Reporting, Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

This condensed interim report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as in the full financial report.

It is recommended that this interim financial report be read in conjunction with the annual financial report for the year ended 30 June 2025 and any public announcements made by Adavale Resources Limited and its subsidiaries during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

### ***Basis of preparation***

The interim report has been prepared on a historical cost basis. Cost is based on the fair value of the consideration given in exchange for assets. The Company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted. For the purpose of preparing the interim report, the half-year has been treated as a discrete reporting period.

### ***Significant accounting judgements and key estimates***

The preparation of interim financial reports requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates. In preparing this interim report, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report for the year ended 30 June 2025.

### ***Accounting policies and methods of computation***

The accounting policies and methods of computation adopted are consistent with those of the previous financial year and corresponding interim reporting period.

### ***Standards and Interpretations applicable to 31 December 2025***

In the half-year ended 31 December 2025, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the half-year reporting period beginning on or after 1 July 2025.

As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Company and therefore no material change is necessary to Group accounting policies.

### **Standards and Interpretations in issue not yet adopted**

The Directors have also reviewed all of the new and revised Standards and Interpretations on issue but not mandatory yet that are relevant to the Company and effective for the interim reporting periods beginning on or after 1 January 2026.

As a result of this review, the Directors have determined that there is no material impact of these new and revised Standards and Interpretations on the Company and therefore no material change is necessary to Group accounting policies.

### **Going Concern Basis of Accounting**

The Group is at the exploration and evaluation phase in relation to each of its mining tenements. The Group has incurred a loss from continuing operations for the period of \$2,369,129. The Group had a cash outflow from operating activities of \$1,830,256, while over the same period raised a cash amount of \$2,904,001 (net of cash costs) from placement of shares and exercise of options. At period end, the Group's cash reserves were \$1,271,036. Current assets exceeded current liabilities by \$994,701.

The Group is committed to payments to maintain rights to perform its continuing exploration and evaluation activity in the Parkes Project in New South Wales and the South Australian Uranium Projects. The Company's Kabanga Jirani Nickel Project and the Luhuma Nickel Project in Tanzania have been put into care and maintenance due to the current nickel price and market. The Company is continuing its objective as an exploration Company which entails continued cash outflows from operating activities in future.

As set out in Note 10, subsequent to balance date, the Company completed Tranche 1 of a capital raising, whereby \$3 million (before costs) was raised via the issue of 60 million shares at \$0.05 each. Tranche 2 of the capital raising will comprise the issue of 43 million shares at \$0.05 each to raise \$2.15 million (before costs). Tranche 2 will be subject to shareholder approval at a General Meeting that will be held in the near future.

On the basis of the above, the Directors consider it is appropriate to prepare the financial statements on a going concern basis.

## 2. PROPERTY, PLANT & EQUIPMENT

	31 December 2025 \$	30 June 2025 \$
<b>Non-current</b>		
Property, plant and equipment – carrying amount	<u>64,488</u>	<u>2,691</u>
	<b>Half Year to 31 Dec 2025</b>	<b>Year to 30 June 2025</b>
<b>Cost</b>		
<i>Movement for the period</i>		
Beginning of financial period	105,122	106,091
Addition	65,794	-
Disposal	-	(969)
End of the financial period	<u>170,916</u>	<u>105,122</u>
<b>Accumulated Depreciation</b>		
<i>Movement for the period</i>		
Beginning of financial period	102,431	81,604
Depreciation	3,997	20,827
End of financial period	<u>106,428</u>	<u>102,431</u>
Carrying amount at the end of the financial period	<u>64,488</u>	<u>2,691</u>

## 3. BORROWINGS

<i>Vehicle hire purchases liability:</i>		
Current	12,431	-
Non-current	59,026	-
Total	<u>71,457</u>	-

### *Non-cash financing and investing activity:*

During the period, the Company acquired a motor vehicle for \$65,794 plus GST, which was financed via hire purchase.

## 4. CONTRIBUTED EQUITY

### (a) Issued capital

269,161,144 ordinary fully paid shares (June 2025: 2,287,279,222)	<u>25,332,129</u>	22,301,129
	<b>31 December 2025</b>	
	<b>Number of shares</b>	<b>\$</b>
<b>Movements in share capital for the financial period</b>		
<i>Balance at beginning of the financial period</i>	2,287,279,222	22,301,129
<i>Issued during the period:</i>		
Share consolidation (20:1)	(2,172,915,693)	-
Placement at 2.1 cents per share	154,321,425	3,240,750
Exercise of options	476,190	16,667
Loss on settlement of creditor via issue of shares	-	36,191
Share issue costs	-	(226,417)
<i>Balance at end of the financial period</i>	<u>269,161,144</u>	<u>25,368,320</u>

**(b) Reserves**

	<b>31 December 2025</b>	<b>30 June 2025</b>
	<b>\$</b>	<b>\$</b>
Share based payments reserve	<b>2,494,525</b>	2,153,360
<hr/>		
	<b>Half Year to 31 Dec 2025</b>	<b>Year to 30 June 2025</b>
<i>Movement for the period</i>		
Beginning of financial period	2,153,360	1,249,633
Share based payments (options – cost of share issue)	-	132,750
Share based payments (options – consultancy)	-	56,800
Share based payments (performance rights)	256,165	114,177
Issue of options to acquire Parkes Gold Project	-	600,000
Issue of options to lead manager	85,000	-
End of financial period	<b>2,494,525</b>	2,153,360

**(c) Performance rights issued during the half-year**

During the half year, 25,000,000 Performance Rights were issued to Directors and executives of the Company.

Participants	Class A	Class B	Class C	TOTAL
Allan Ritchie	3,000,000	2,250,000	2,250,000	7,500,000
Nic Matich	2,000,000	1,500,000	1,500,000	5,000,000
David Ward	3,000,000	2,250,000	2,250,000	7,500,000
Leonard Math	2,000,000	1,500,000	1,500,000	5,000,000

**Class A Performance Rights** would vest upon the Company achieving a 5-day VWAP of at least \$0.05 over 5 consecutive days on or before 4 December 2027.

**Class B Performance Rights** would vest upon the Company achieving a 5-day VWAP of at least \$0.075 over 5 consecutive days on or before 4 December 2028.

**Class C Performance Rights** would vest upon the Company achieving a 5-day VWAP of at least \$0.10 over 5 consecutive days on or before 4 December 2029.

These rights have been valued using a Binomial model with the valuation assumptions below:

Share based payments for the Performance Rights granted to Messrs Allan Ritchie, David Ward, Nic Matich and Leonard Math (pre-consolidation).

	Class A	Class B	Class C
Number Issued	10,000,000	7,500,000	7,500,000
Expiry Date	4 December 27	4 December 28	4 December 29
Grant Date	28 November 25	28 November 25	28 November 25
Share price at grant date	\$0.046	\$0.046	\$0.046
Volatility	120%	120%	120%
Risk Free Rate (%)	3.702%	3.783%	3.903%
Underlying Fair Value on Grant Date	\$0.04496	\$0.04386	\$0.04338
Total Fair Value (\$) – Life of rights	\$449,000	\$328,950	\$325,350
Total Fair Value (\$) – expensed to 31 December 2025	\$20,325	\$9,913	\$7,354
Method of valuation	Binomial	Binomial	Binomial

On 11 July 2025, Mr David Ward was issued 1,500,000 Performance Rights with the following vesting conditions in equal tranches.

**Class A Performance Rights** would vest upon the Company achieving a 20-day VWAP of at least \$0.005 on or before 23 January 2028.

**Class B Performance Rights** would vest upon the Company achieving a 20-day VWAP of at least \$0.01 on or before 23 January 2028.

**Class C Performance Rights** would vest upon the Company achieving a 20-day VWAP of at least \$0.015 on or before 23 January 2028.

These Performance Rights were cancelled subsequently on 4 December 2025 together with 6,750,000 Performance Rights previously issued to Messrs Allan Ritchie, Nic Matich and Leonard Math. These were cancelled by agreement with the relevant parties following the issue of new Performance Rights on 28 November 2025.

These rights contained market-based conditions. The cancellation is accounted for as an acceleration of vesting. Accordingly, the remaining expense that would otherwise have been recognised over the remainder of the vesting period was recognised immediately.

	<b>31 December 2025</b>
	<b>\$</b>
Expense arising from cancelled performance rights	209,980
Expense arising from performance rights issued during the current and prior periods	46,185
	256,165

**(d) Options issued during the half-year**

During the half year, the Company issued 77,160,702 options exercisable at \$0.035 each expiring 30 June 2028 as attaching options to the placement conducted in July 2025.

The Company also issued 5,000,000 options exercisable at \$0.035 each expiring 30 June 2028 to GBA Capital as Lead Manager Options for the placement. These options were valued at \$85,000 utilising a Black & Scholes option pricing model with the following inputs:

Grant date:	5 September 2025
Expiry date:	30 June 2028
Share price at grant date:	2.9 cents
Exercise price:	3.5 cents
Risk-free rate:	3.60%
Volatility:	100%

## 5. SEGMENT INFORMATION

The Company has identified its operating segments based on internal reports that are reviewed by the Board and management. The Company operated in one operating segment during the half year, being mineral exploration and in two geographical areas, being Australia and Africa. Expenditure, assets and liabilities not directly related to either is referred to as other.

The segment reporting is detailed below:

	Mineral Exploration Australia \$	Mineral Exploration Africa \$	Corporate \$	Total \$
<b>For the half year ended 31 Dec 2025</b>				
<b>Income</b>				
Interest received	421	-	-	421
<b>Total Segment Income</b>	<b>421</b>	<b>-</b>	<b>-</b>	<b>421</b>
<b>Segment Result</b>				
(Loss) before income tax	(1,144,914)	(239,810)	(984,405)	(2,369,129)
Income tax expense	-	-	-	-
<b>Net (Loss)</b>	<b>(1,144,914)</b>	<b>(239,810)</b>	<b>(984,405)</b>	<b>(2,369,129)</b>
<b>Total Segment Assets</b>	<b>20,000</b>	<b>7,745</b>	<b>1,428,703</b>	<b>1,456,448</b>
<b>Total Segment Liabilities</b>	<b>210,649</b>	<b>-</b>	<b>245,086</b>	<b>455,735</b>

	Mineral Exploration Australia \$	Mineral Exploration Africa \$	Corporate \$	Total \$
<b>For the half year ended 31 Dec 2024</b>				
<b>Income</b>				
Services provided	-	43,796	-	43,796
<b>Total Segment Income</b>	<b>-</b>	<b>43,796</b>	<b>-</b>	<b>43,796</b>
<b>Segment Result</b>				
(Loss) before income tax	(599,475)	(219,895)	(455,471)	(1,274,841)
Income tax expense	-	-	-	-
<b>Net (Loss)</b>	<b>(599,475)</b>	<b>(219,895)</b>	<b>(455,471)</b>	<b>(1,274,841)</b>
<b>Total Segment Assets</b>	<b>-</b>	<b>8,747</b>	<b>461,904</b>	<b>470,651</b>
<b>Total Segment Liabilities</b>	<b>-</b>	<b>-</b>	<b>(146,576)</b>	<b>(146,576)</b>

## 6. LOSS PER SHARE

	December 2025 \$	December 2024 \$
<i>(a) Reconciliation of earnings used in calculating loss per share</i> (Loss) attributable to the owners of the company used in calculating basic and diluted loss per share	(2,369,129)	(1,274,841)
<i>(b) Weighted average number of shares used as the denominator</i> Weighted average number of ordinary shares used as the denominator in calculating basic and diluted loss per share	240,182,416	61,250,605
Basic and diluted (loss) per share attributable to the ordinary security holders of the Company (cents per share)	<b>(0.99)</b>	<b>(2.08)</b>

The prior period weighted number of shares and basic and diluted loss per share have been adjusted to take into account the 20:1 share consolidation that occurred on 1 July 2025.

## 7. CONTINGENT LIABILITIES

There is no material change to contingent liabilities as disclosed in the 30 June 2025 annual report.

## 8. COMMITMENTS

There is no material change to commitments as disclosed in the 30 June 2025 annual report.

## 9. FINANCIAL INSTRUMENTS

The Directors consider that the carrying values of the financial assets and financial liabilities recognised in the condensed consolidated statement of financial position approximate their fair values.

## 10. SUBSEQUENT EVENTS

On 2 January 2026, 862,500 Performance Rights have lapsed.

On 2 February 2026, the Company announced that it had received firm commitments to raise up to \$5.15 million (before costs) at \$0.05 per share ("Placement"). Approximately 103 million fully paid ordinary shares will be issued in 2 tranches.

Tranche 1 of 60 million shares were issued on utilising the placement capacity under ASX Listing Rule 7.1 and 7.1A, raising \$3 million (before costs) and the balance under Tranche 2 including the Directors' participation will be subject to shareholder approval at a General Meeting.

Adavale will offer the Placement investors (including the Directors) one (1) free listed option (ADDO) for every two (2) New Shares subscribed for under the Placement ("New Options"). The New Options will be exercisable at \$0.10 each with an expiry of 31 December 2027 and will be offered to Placement investors (including the Directors) subject to shareholder approval.

GBA Capital Pty Ltd acted as Lead Manager to the Placement. The Lead Manager will receive a broker fee of 6% of funds received and will be issued 5,000,000 Lead Manager Options. The issue of the Lead Manager Options will be subject to shareholder approval. Other than as disclosed above, no matter or circumstance has arisen which has 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 subsequent financial periods.

On 17 February 2026, the Company announced it has entered into an agreement with Alkane Resources Limited (“Alkane”) (ASX:ALK) to acquire a package of exploration licenses directly adjoining the existing Parkes Gold-Copper Project. The acquisition covers 2 areas – southern 14 units of EL5675 and EL9178. Subject to satisfactory of the conditions precedent, the Company will issue Alkane 5,500,000 fully paid ordinary shares at a deemed issue price of \$0.05 per share. The shares will be voluntarily escrowed for 6 months from date of issue.

In the directors' opinion:

1. the financial statements and notes set out on pages 7 to 18 are in accordance with the Corporations Act 2001, including:
  - (a) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
  - (b) giving a true and fair view of the Group's financial position as at 31 December 2025 and of its performance for the half-year ended on that date; and
2. there are reasonable grounds to believe that Adavale Resources Limited will be able to pay its debts as and when they become due and payable.

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

On behalf of the Board.

  
**Allan Ritchie**  
**Chairman & CEO**

13 March 2026  
Perth, Western Australia

## **INDEPENDENT AUDITOR'S REVIEW REPORT**

To the Members of Adavale Resources Limited

### **Report on the Condensed Interim Financial Report**

#### *Conclusion*

We have reviewed the interim financial report of Adavale Resources Limited ("the Company") and its controlled entities ("the Group"), which comprises the condensed consolidated statement of financial position as at 31 December 2025, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, selected explanatory notes, and the directors' declaration, for the Group comprising the Company and the entities it controlled at the half-year end or from time to time during the half-year.

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

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

#### *Basis for Conclusion*

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibility is further described in the *Auditor's Responsibility for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (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.

#### *Responsibility of the Directors for the Financial Report*

The directors of the Company are responsible for the preparation of the interim financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the interim financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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*Auditor's Responsibility for the Review of the Financial Report*

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

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

*Independence*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

*HLB Mann Judd*

**HLB Mann Judd**  
Chartered Accountants

**Perth, Western Australia**  
13 March 2026



**L Di Giallonardo**  
Partner