



2025
ANNUAL
REPORT

For the Period Ending 30 June 2025

ASX:PTR
Petratherm Ltd
ABN 17 106 806 884

For personal use only



**CORPORATE
DIRECTORY**

DIRECTORS

Derek Carter
Simon O'Loughlin
Donald Stephens
Simon Taylor
Robert Sennitt (appointed 1 May 2025)

COMPANY SECRETARY

Katelyn Adams

REGISTERED OFFICE

C/- HLB Mann Judd (SA) Pty Ltd
169 Fullarton Road
DULWICH SA 5065

PRINCIPAL PLACE OF BUSINESS

22B Beulah Rd
Norwood SA 5067

SHARE REGISTER

Computershare Investor Services Pty Ltd
Level 5, 115 Grenfell Street
ADELAIDE SA 5000

AUDITOR

Grant Thornton Audit Pty Ltd
Level 3, 170 Frome Street
ADELAIDE SA 5000

SOLICITORS

Macpherson Kelley
(trading as Macpherson Kelley O'Loughlins)
Level 3 South, 191 Pulteney Street
ADELAIDE SA 5000

BANKERS

National Australia Bank
22 - 28 King William Street
ADELAIDE SA 5000

STOCK EXCHANGE LISTING

Petratherm Limited shares are listed on the
Australian Securities Exchange (ASX code: PTR)

WEBSITE

<https://www.petratherm.com.au/>



CONTENTS

Chairman's Letter	2
Directors' Report	4
Auditor's Independence Declaration	31
Statement of Profit or Loss and Other Comprehensive Income	32
Statement of Financial Position	33
Statement of Changes in Equity	34
Statement of Cash Flows	35
Notes to the Financial Statements	36
Consolidated Entity Disclosure Statement	54
Directors' Declaration	55
Independent Auditor's Report to the Members of Petratherm Limited	56
Shareholder Information	59

CHAIRMAN'S LETTER

Dear Shareholders,

I am pleased to present the 2025 Annual Report for Petratherm Limited (ASX: PTR) (PTR or the Company).

The 2025 financial year has been truly transformational for Petratherm. Our team's systematic and disciplined approach to exploration has culminated in the Rosewood high-grade Heavy Mineral Sands (HMS) discovery at our Muckanippie Project in South Australia that has reshaped the future of the Company. This achievement is a testament to the skill and dedication of our technical team and has firmly positioned Petratherm at the forefront of critical mineral exploration in Australia.

Our activities this year were largely focused on the Muckanippie Project, where initial reconnaissance work rapidly evolved into a major exploration success. Following the initial discovery, we moved quickly to implement successive drilling programs which have consistently delivered exceptional results. Through our Phase 1 and Phase 2 drilling campaigns, we have not only confirmed thick, shallow, high-grade mineralisation but have also substantially increased the scale of the discovery, which now exceeds a 20km² footprint and remains open.

The quality of this discovery is particularly encouraging. Analysis has confirmed the HMS contain over 95% Valuable Heavy Minerals, composed primarily of high-value titanium minerals with no deleterious elements. Furthermore, the coarse-grained nature of the mineralisation is highly amenable to conventional and cost-effective gravity processing techniques, a highly positive early indicator for the project's potential economics.

Beyond Rosewood, regional exploration has also identified a new style of high-grade, titanium-rich HM mineralisation hosted in saprolite clay at the nearby Duke, Nardoo, and Claypan prospects, highlighting the immense potential of the broader project area.

To build on this momentum, we have strengthened our leadership team with the appointment of Mr Rob Sennitt as an Executive Director. Rob's extensive experience in the mineral sands sector will be invaluable as we accelerate our activities

at Muckanippie. We have also appointed a highly experienced mineral sands professional, Victor Araújo, as Head of Project Development who brings deep expertise to advance technical studies in respect of the Rosewood Titanium Project.

This transformative year was made possible by your exceptional support. The successful completion of a strongly supported \$8.1 million share placement during the year has provided us with a robust financial footing, enabling us to expedite our exploration and evaluation programs.

“The 2026 financial year ahead looks to be even more exciting. Our outlook is sharply focused on unlocking the full potential of the Muckanippie Project.”

With a 1-tonne bulk sample collected for metallurgical test work and the results from our recently completed Phase 3 drill program keenly anticipated, we are well on our way to defining what we believe is shaping up to be a tier-one titanium project.

On behalf of the Board, I extend my sincere thanks to our Chief Executive Officer, Peter Reid, and the entire Petratherm team for their outstanding work and commitment. Finally, to you, our shareholders, thank you for your continued faith and support as we embark on the next exciting chapter of growth for the Company.



Derek Carter
Non-Executive Chairman

For personal use only

“

Our activities this year were largely focused on the Muckanippie Project, where initial reconnaissance work rapidly evolved into a major exploration success.”

Derek Carter
Non-Executive Chairman



Petratherm Limited
Directors' report
30 June 2025

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Petratherm Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2025.

Information on Directors

The following persons were Directors of Petratherm Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Name: Derek Carter
Title: Non-Executive Chairman
Qualifications: BSc, MSc, FAusIMM

Experience and expertise: Mr. Carter has over 50 years' experience in exploration and mining geology and management. He held senior positions in the Shell Group of Companies and Burmine Ltd before founding Minotaur Gold Ltd in 1993.

Mr. Carter is a former President of the South Australian Chamber of Mines and Energy, former board member of the Australian Gold Council and the AusIMM. He was also a former member of the South Australian Minerals Exploration Advisory Group, the Minerals and Petroleum Experts Group and the Minerals and Energy Council.

He was awarded AMEC's Prospector of the Year Award (jointly) in 2003 and is a Centenary Medallist.

Other current directorships: Hillgrove Resources Limited
Former directorships (last 3 years): None
Special responsibilities: Member of the Audit and Risk Committee
Interests in shares: 4,659,311 ordinary shares
Interests in ZEPOs: 750,000

Name: Simon O'Loughlin
Title: Non-Executive Director
Qualifications: BA(Acc), Law Society Certificate in Law

Experience and expertise: Mr. O'Loughlin is the founder of O'Loughlins Lawyers, an Adelaide based, specialist commercial law firm. He has extensive experience in the corporate and commercial law fields while practising in Sydney and Adelaide, and also holds accounting qualifications.

Mr. O'Loughlin has extensive experience and involvement with companies in the small industrial and resources sectors. He has also been involved in the listing and back-door listing of numerous companies on the ASX. He is a former Chairman of the Taxation Institute of Australia (SA Division) and Save the Children Fund (SA Division).

Other current directorships: Stellar Resources Limited
Former directorships (last 3 years): Chesser Resources Limited (now delisted) (2006 - 2023)
Special responsibilities: Member of the Audit and Risk Committee
Interests in shares: 6,294,042 ordinary shares
Interests in ZEPOs: 600,000

**Petratherm Limited
Directors' report
30 June 2025**

Name: Donald Stephens
Title: Non-Executive Director
Qualifications: BA(Acc), FCA

Experience and expertise: Mr. Stephens is a Chartered Accountant and corporate advisor with over 25 years' experience in the accounting, mining and services industries, including 14 years as a partner of HLB Mann Judd (SA), a firm of Chartered Accountants. He is a corporate adviser specialising in small cap ASX listed entities.

Other current directorships: None
Former directorships (last 3 years): None
Special responsibilities: Chair of the Audit and Risk Committee
Interests in shares: 5,680,876 ordinary shares
Interests in ZEPOs: 600,000

Name: Simon Taylor
Title: Non - Executive Director
Qualifications: BSc, MAIG, Gcert AppFin

Experience and expertise: Mr. Taylor is a resource industry executive with over 30 years of experience in geology, finance and corporate management at CEO and Board levels. His direct operational and capital markets experience spans a wide range of commodities and jurisdictions including Australia, South and North America, Africa, Europe and China.

Other current directorships: Stellar Resources Limited
Black Canyon Limited
Invert Graphite Limited
Former directorships (last 3 years): Chesser Resources Limited (now delisted) (2007 - 2023)
Special responsibilities: Member of the Audit and Risk Committee
Interests in shares: 5,491,000 ordinary shares
Interests in ZEPOs: 600,000

Name: Robert Sennitt
Title: Executive Director (appointment 1 May 2025)
Qualifications: BEc (Sydney), ACA

Experience and expertise: Mr Sennitt has over 25 years' experience as an investment banker where his focus was providing strategic advice to companies in the natural resources sector.

Mr Sennitt was appointed as Managing Director and CEO of Mineral Deposits Limited (MDL) in 2015, when MDL owned 50% of the TiZir Joint Venture comprising the Grande Cote Mineral Sands Mining Operation in Senegal and the Titanium Slag and Iron Smelting operations in Norway.

Following the takeover of MDL, Mr Sennitt became Senior Adviser to Appian Capital Advisory LLP (Appian) with responsibility for sourcing investments and portfolio management in the mining sector in the Australasian region.

Most recently, Mr Sennitt was Managing Director of Alicanto Minerals Limited (ASX:AQI), a mineral exploration company exploring the Bergslagen Region of Sweden.

Other current directorships: None
Former directorships (last 3 years): Alicanto Minerals Limited (2022 - 2024)
Interests in shares: None
Interests in performance rights: 1,800,000

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Petratherm Limited
Directors' report
30 June 2025

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Principal activities

During the financial year the principal continuing activities of the Group consisted of:

- focused on advancing the Rosewood Titanium Discovery through extensive drilling programs,
- the carrying out of exploration activities on the Group's existing portfolio of mineral exploration projects;
- to continue to seek out extensions of areas held and to seek out new projects with high potential; and
- to evaluate the results of exploration activities carried out during the year.

Review of operations

The loss for the Group after providing for income tax amounted to \$1,640,996 (30 June 2024: \$1,050,737).

Petratherm Limited (ASX: PTR) (PTR or the Company) is a critical minerals and copper explorer focused on the discovery of world-class deposits in both frontier and mature mineral provinces.

PTR has a major project holding in the northern Gawler Craton of South Australia (Figure 1) where recent exploration has discovered significant concentrations of titanium rich heavy mineral sands (HMS) over large areas. The mineral sands are associated with the weathering of a major intrusive complex, the Muckanippie Suite, which has been found to be highly prospective for other critical minerals including Platinum Group Elements, Vanadium, and Titanium. This is an early-stage Greenfields project with exceptional upside potential.

In addition, the Company has two major exploration projects in the world-class Olympic Copper-Gold Province of South Australia (Figure 1). Work in the region has uncovered Iron-Oxide Copper-Gold style alteration/mineralisation at both its Mabel Creek and Woomera Project Areas. Geophysical targeting work has defined several compelling Tier-1 Copper-Gold targets which are drill ready.



Figure 1: PTR Project Locations in South Australia

Muckanippie Project

The Muckanippie Project is located in the northern Gawler Craton of South Australia and hosts the Rosewood Titanium Discovery and other titanium prospect sites (Figure 1 & Figure 2). At Rosewood, the Company has reported highly encouraging heavy mineral (HM) drill intercepts over a continuous 20km² area, which remains open in multiple directions particularly to the north.^{1,2,3} Mineralogy results from the Rosewood East area have indicated HM sands with >95% Valuable Heavy Mineral content, composed primarily of high value titanium minerals – leucoxene and rutile product (high-titanium leucoxene and rutile)⁴. Results from sizing analysis indicate the HM is coarse grained and highly amenable to producing excellent mineral recoveries using conventional gravity spiral processing techniques⁵. The Muckanippie Titanium Project comprises both 100% owned Petratherm tenure and the JV tenement EL 6715, owned by Petratherm (70%) and Narryer Metals Limited (ASX:NYM) (30%)⁶.

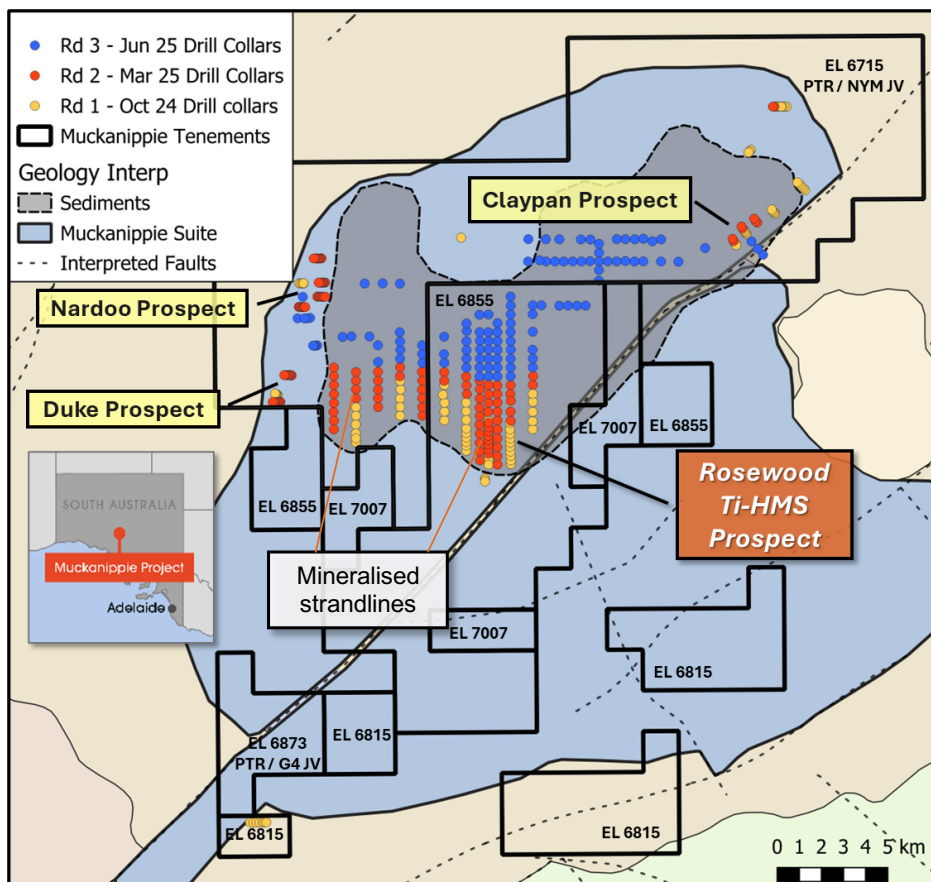


Figure 2: Geology Map of Muckanippie Project Area, Tenements, Prospect Names and drill collars

Rosewood Prospect Drilling

During April 2025, the Company undertook a 128-hole vertical air-core drill program totalling 4,486 metres to test for titanium-bearing HM mineralisation at the Muckanippie Project. As part of this Phase 2 program, 73 holes totalling 2,225 metres were drilled at the Rosewood Prospect to follow up the high-grade HM mineralisation discovered late last year.

Fifty drill holes for 1,697m were drilled in October 2024 with the best results from the previous drilling including **22m @ 19.1% HM from 8 metres in drill hole 24RW020 and over 90% of holes drilled intersecting at least 5m at >5% HM².**

¹ PTR ASX release 04 December 2024 – Drill Results Confirm Major HMS Discovery at Rosewood
² PTR ASX release 6 February 2025 – Drilling Confirms Potential for World-Class Titanium Project
³ PTR ASX release 23 June 2025 – Impressive Drilling Results Expand Rosewood
⁴ PTR ASX release 20 January 2025 – Pure High-Value Titanium Mineral Assemblage at Rosewood
⁵ PTR ASX release 5 March 2025 – Positive Rosewood Heavy Mineral Size Analysis
⁶ PTR ASX release 18 April 2024 – Farm-in Agreement Expands Muckanippie Project

HM assay results from the Phase 2 program³ continued delineation of substantial shallow, thick, high-grade mineralisation and returned some of the best results to date at Rosewood, including:

- **26m @ 17.2% HM** from 7 metres in drill hole 25RW002
- **32m @ 11.1% HM** from 10 metres in 25RW003
- **11m @ 16.4% HM** from 6 metres in drill hole 25RW030
- **12m at 12.7% HM** from 4m in drill hole 25RW023

The Phase 2 drilling has increased the mineralised footprint at Rosewood where drill holes intersecting at least 5m of greater than 2% HM now cover an area exceeding 20km² and which still remains open (Figure 3).

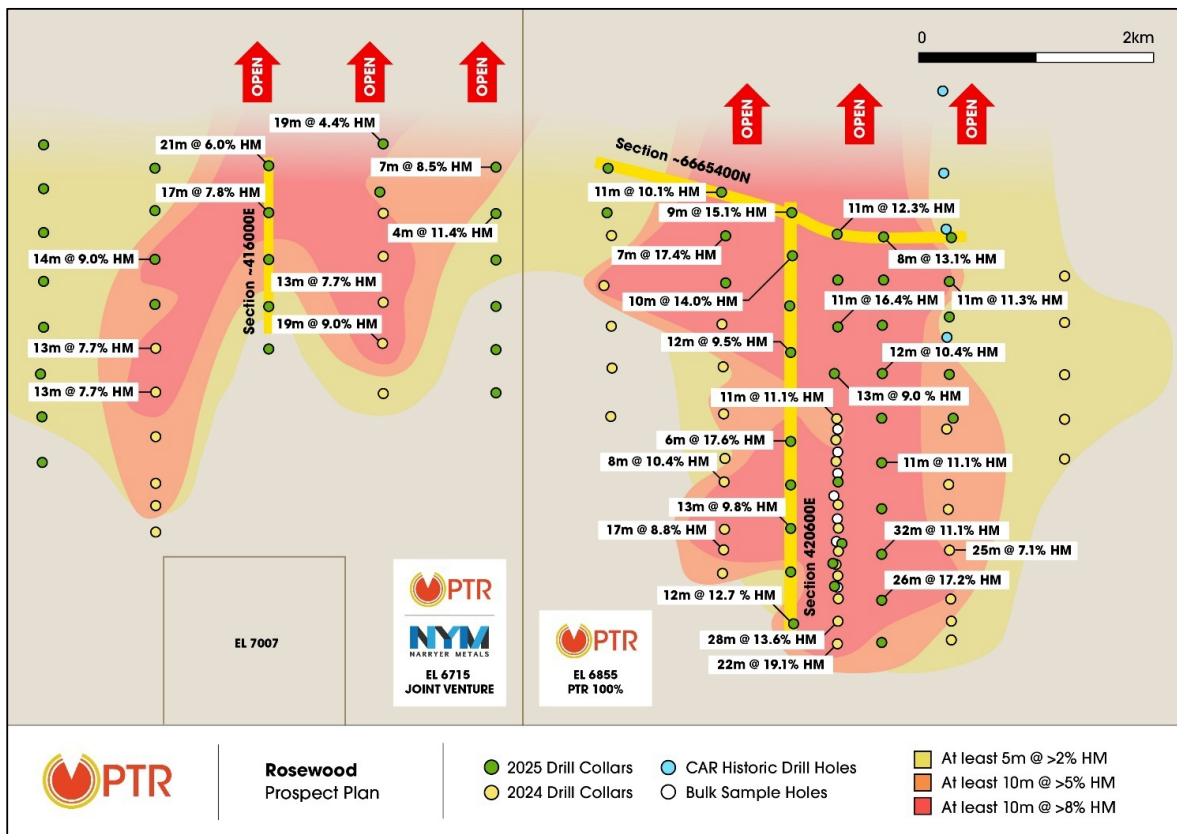


Figure 3: Rosewood Prospect plan of Phase 1 & 2 drill collar locations, significant drill assay results and section locations.

Within the broader mineralised envelope, drilling has revealed two north-south trending high-grade zones, Rosewood East and Rosewood West, where drill holes returned mineralisation of at least 10 metres grading greater than 5% HM within the sedimentary units (Figure 3).

These high-grade zones are interpreted as marine strandlines associated with an ancient coastline (Figure 2). This map shows the important confluence of factors which make the Rosewood HM system unique: the presence of unusually Ti-rich basement source rocks (Muckanippie Suite) in concert with the presence of an ancient shoreline (sediments) concentrating the HM material into strandline sand deposits.

Phase 3 drilling

At Rosewood East and West, a Phase 3 drill program was completed in July, just after the reporting period. In total, 110 drill holes were drilled for 3,231 metres. The drilling tested areas north of Rosewood, and other early-stage prospects and target areas (Figure 2). At Rosewood East, regional drilling was extended a further 3.2 kilometres. Drill samples have been dispatched for HM assaying and first results are expected late in the current September 2025 quarter.

For personal use only



Photo 1: PTR Non-Executive Director, Simon Taylor, panning HM from drill hole 25RW030 – Intercept interval 7m @ 23.8% HM from 6m, July 2025³



Photo 2: Exceptional HMC sample from Drill hole 25RW030 returning 55.7% HM from 11-12m.

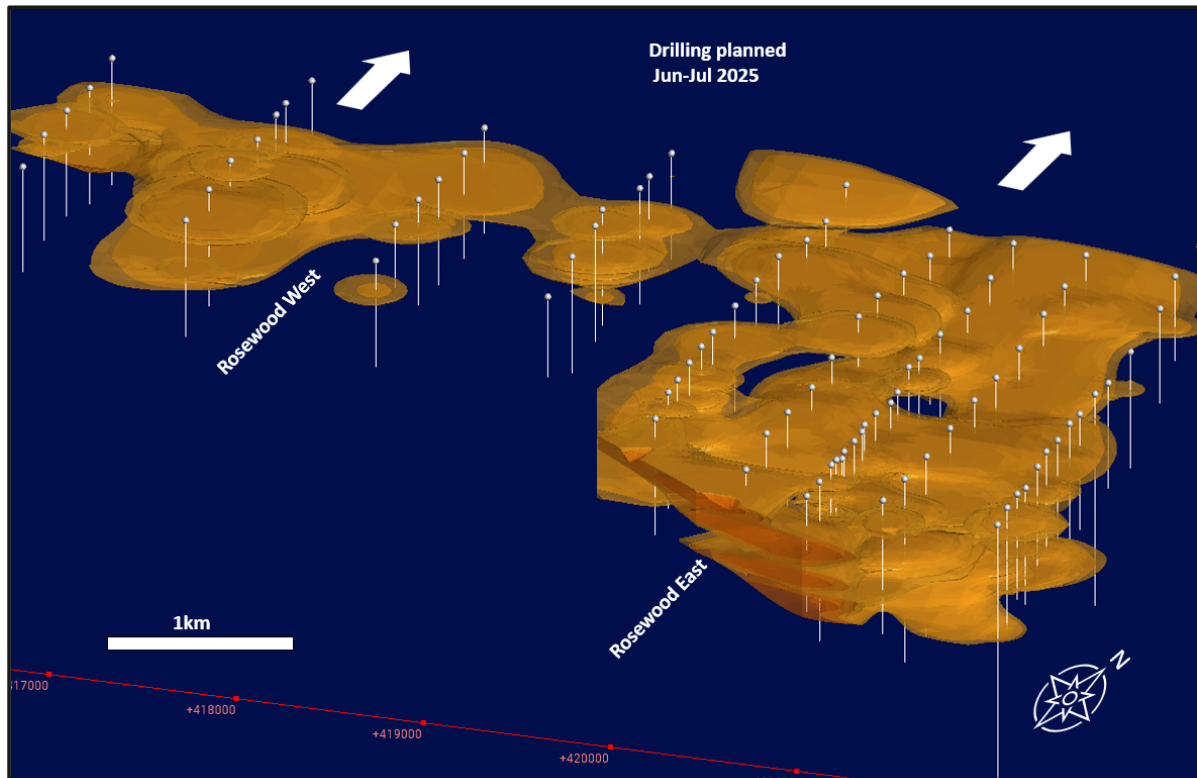


Figure 4: Oblique view of Rosewood Phase 1 & 2 drill hole locations and computer-generated mineralised shells greater than 8% HM content (20 x vertical exaggeration).

Rosewood Exploration Results

At Rosewood East, the high-grade envelope ranges in width from 600 metres at its narrowest point to 3,000 metres at its widest. Importantly, this strandline system appears to widen towards the north, where it remains open with significant potential to extend the 3,600 metres of already defined mineralisation. In section, mineralisation appears as two stacked strandlines dipping very shallowly towards the north (Figure 5). Better results from this section include the two northern-most holes:

- 25RW033 – **9m @ 15.1% HM from 5m**, incl. **6m @ 20.3% HM** from 8m.
- 25RW034 – **10m @ 14.0% HM from 7m**, incl. **6m @ 21.1% HM** from 8m.

The Phase 2 drilling has highlighted that mineralisation appears to strengthen to the north. Of the sixteen new holes drilled within the northern part of the Rosewood East strandline, all holes intersected at least 10 metres at greater than 8.5% HM. This drilling covered an area of 1.6 kilometres by 1.6 kilometres.

A section through the northern-most drill holes at Rosewood East (Figure 6) shows that the strandline here is approximately three kilometres wide with multiple thick, very high-grade intercepts:

- 25RW010 – **8m @ 13.1% HM from 6m**, incl. **4m @ 20.5% HM** from 7m.
- 25RW032 – **11m @ 12.3% HM from 4m**, incl. **5m @ 21.4% HM** from 7m.
- 25RW033 – **9m @ 15.1% HM from 5m**, incl. **6m @ 20.3% HM** from 8m.
- 25RW038 – **11m @ 10.1% HM from 3m**, incl. **5m @ 17.9% HM** from 4m.

The potential for additional mineralisation north of Rosewood East is supported by reported re-logging and assaying of historical South Australian Department of Mining drillholes (CAR series drill holes) which confirm that HM bearing sediments continue for at least another 1 kilometre north of current drill extents.

For personal use only

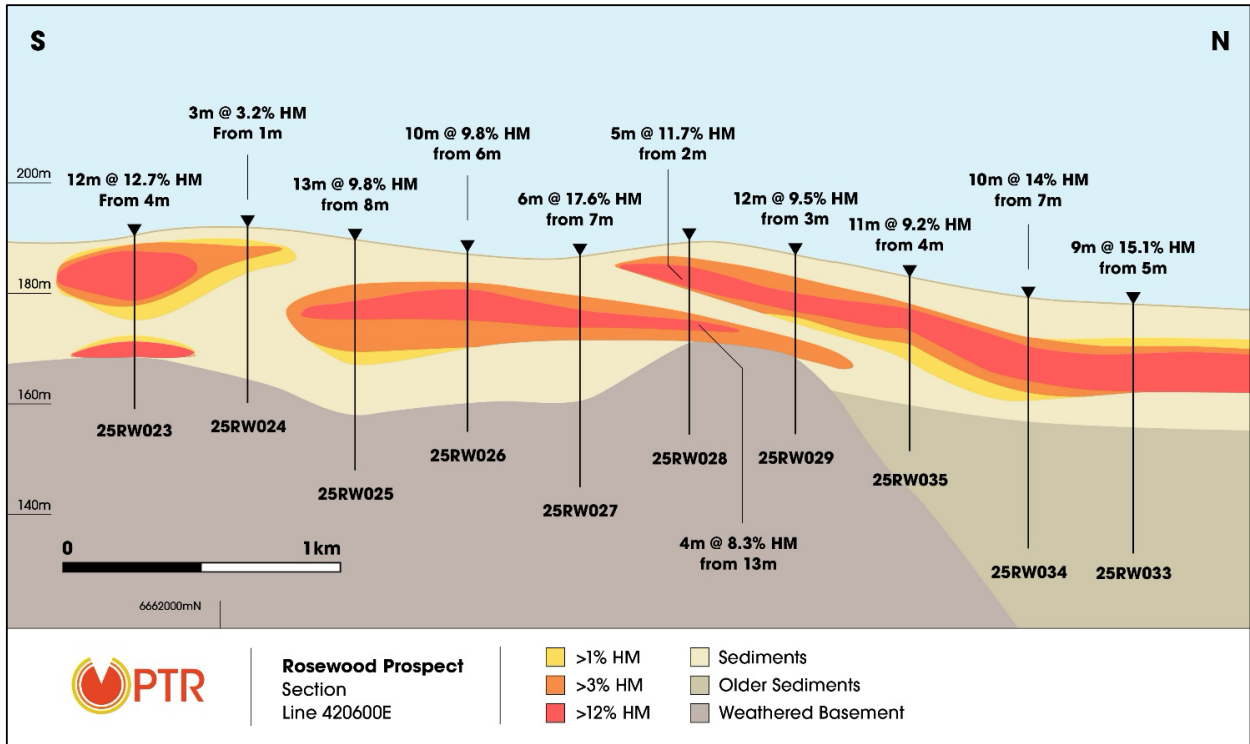


Figure 5: Rosewood East, North-South Geological Section 420600E.

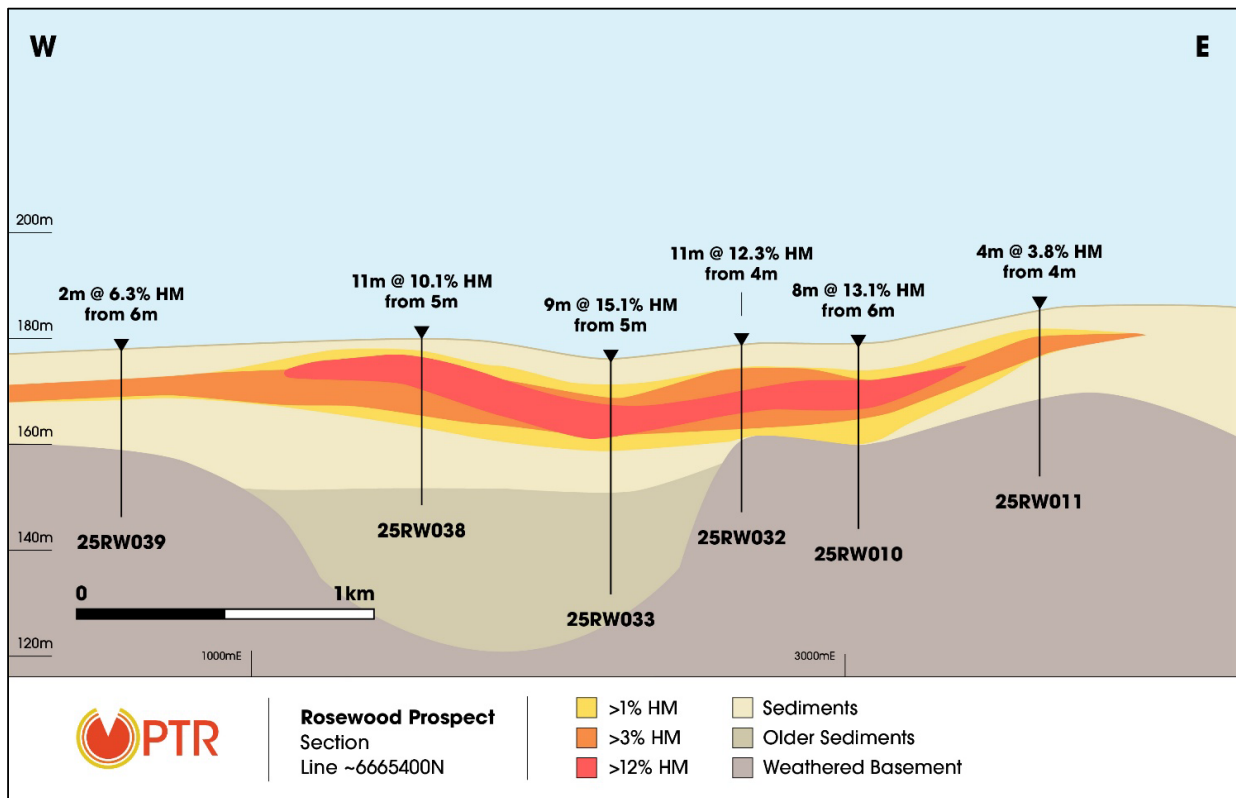


Figure 6: Rosewood East, Geological Section ~6665400N

At Rosewood West, the recent drilling also confirms that mineralisation remains open to the north (Figure 3). Section 416000E (Figure 7) shows two overlapping mineralised zones which are thickening to the north. The two northern most drill holes returned strong intercepts:

- 25RW052 – 17m @ 7.8% HM from 8m, incl. 6m @ 15.2% HM from 19m
- 25RW053 – 21m @ 6.0% HM from 6m, incl. 8m @ 9.4% HM from 9m

Future work at Rosewood West will include additional drilling to test the northern extents of the mineralised zone, and preliminary mineralogical and metallurgical test work to confirm that the HM species here are high-value TiO₂ minerals similar to Rosewood East. Rosewood West is situated in the Narryer JV tenure EL6715.⁶

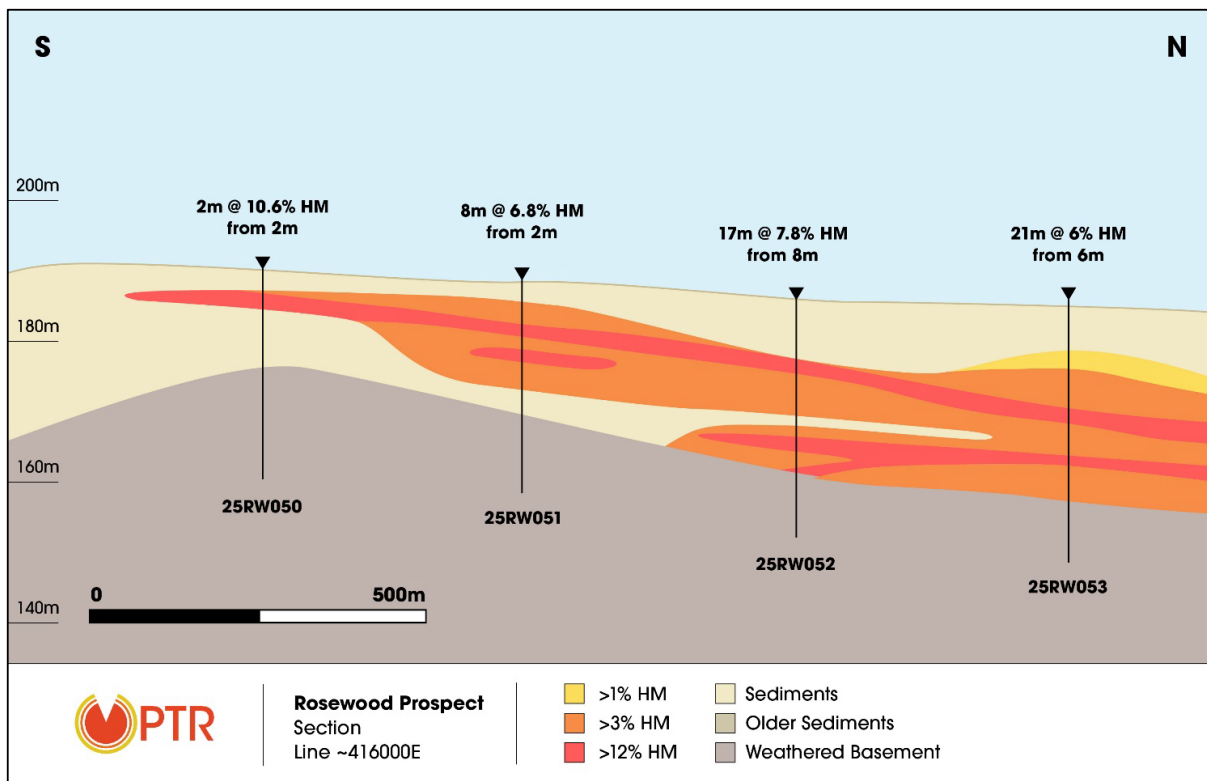


Figure 7: Rosewood West, North-South Geological Section 416000E

Saprolite HMS mineralisation - Duke, Nardoo and Claypan Prospects

At Duke, Nardoo and Claypan Prospects, away from the Rosewood Titanium Project (Figure 2), exploration drilling identified a new style of high-grade titanium rich HM mineralisation hosted in saprolite clay. Drilling results included (refer to PTR 19/02/2025 ASX release for JORC Table 1 details):

- Nardoo Prospect: 24ND003 - 44m @ 29.4% HM from surface to end of hole.
- Duke Prospect: 24DK004 - 61m @ 19.7% HM from surface to end of hole.
- Claypan Prospect: 24CP009 - 45m @ 27.0% HM from 6m.
 24CP004 - 48m @ 23.5% HM from 10m to end of hole.

Independent visual mineral logging of HM concentrates reported variable valuable heavy mineral content, ranging from 36.6% to 78.4% HM, and comprising dominantly high-grade altered ilmenite with leucoxene credits.

Saprolite is the deeply weathered upper clay rich zone of basement rock, that has been chemically broken down, however the titanium minerals present are resistant to weathering and have been concentrated within the saprolite zone. This style of HM mineralisation has potential for free dig mining and the valuable heavy minerals have the potential to be separated using standard wet concentration techniques.

In April 2025, a total of 55 follow-up drill holes for 2,261 metres were drilled for this style of mineralisation at each of these prospects. Initial HM concentration results are nearly complete, however additional assaying is required to characterise the HM intercepts before reporting.

Previous work highlighted significant zonation of titanium and iron mineralisation, PTR will now undertake XRF assay analysis of the HM samples to determine titanium (TiO₂) and iron (Fe₂O₃) contents of the HM across each prospect area. Selected QEMSCAN analysis to determine breakdown of the titanium mineral assemblage will also be completed. These combined mineral and assay studies allow for a balanced and accurate assessment of the significance of the drill intercepts hosted within the saprolite. Findings from this study are expected to be completed late in the current September 2025 quarter.

Narryer Farm-in and Joint Venture Agreement

In August, just after the reporting period, PTR advised Narryer Metals (ASX NYM) that the Stage 2 commitment⁶ has now been met, thereby earning Petratherm a 70% legal and beneficial interest in EL 6715). Under the Farm-in Agreement, NYM have in return notified PTR that they have elected to form a joint venture (PTR 70% : NYM 30%) to be managed by PTR.

The Rosewood Titanium Prospect primarily occurs on PTR's 100% owned EL 6855 and extends westwards onto the joint venture tenement EL 6715 (refer to Figure 2). EL 6715 additionally contains the Duke, Nardoo and Claypan Prospects where drilling results to date have identified a new style of high-grade Titanium rich HM mineralisation hosted in saprolite clay.

Comet REE Project

The Comet Project is a significant ground holding totaling 1,915km² in the Northern Gawler Craton of South Australia. The region is historically noted for numerous gold occurrences and previous exploration by the Company in 2022 uncovered significant intercepts of Rare Earth Elements (REE) hosted in clays following a program of greenfield regional RAB drilling (Figure 8).

The Meteor and Artemis REE prospects both occur at very shallow depths, include high-grade blankets of mineralisation showing good lateral extent and ore thickness. Less than 10% of the project area has been explored for REE's and a systematic program of advancement of current prospects, testing of new areas and metallurgical recovery test work is required.

Given the recent resurgence in REE exploration in Australia during the period, the Company has been closely monitoring the market and noting also recent advancements in REE processing that may help unlock the potential value of these prospects.

Artemis REE Prospect

Prospect REE mineralisation typically starts from a depth of 9 to 15 metres and the average intercept thickness is 15 metres across the prospect. The average Total Rare Earth Oxide (TREO) intercept grade is 962 ppm, which includes 223 ppm Magnet Rare Earth Oxide (MREO) (23% of TREO). The prospect area is approximately 3 kilometres by 1.5 kilometres and is open laterally in all directions.⁷

Meteor REE Prospect

REE mineralisation starts from a depth of 3 to 6 metres and the average intercept thickness is 11.5 metres across the prospect. The average TREO intercept grade is 936 ppm, which includes 242 ppm MREO (26% of TREO). The prospect area is approximately 2 kilometres by 1 kilometre and remains open in several directions. Due to the shallow nature of mineralisation, there is potential for low-cost favourable free dig mining methods.⁸

⁷ PTR Announcement – 24 February 2023 – Drilling Identifies Major New Rare Earth Prospect

⁸ PTR Announcement – 15 February 2023 – Meteor Prospect – Exceptional Rare Earth Drill Intersections

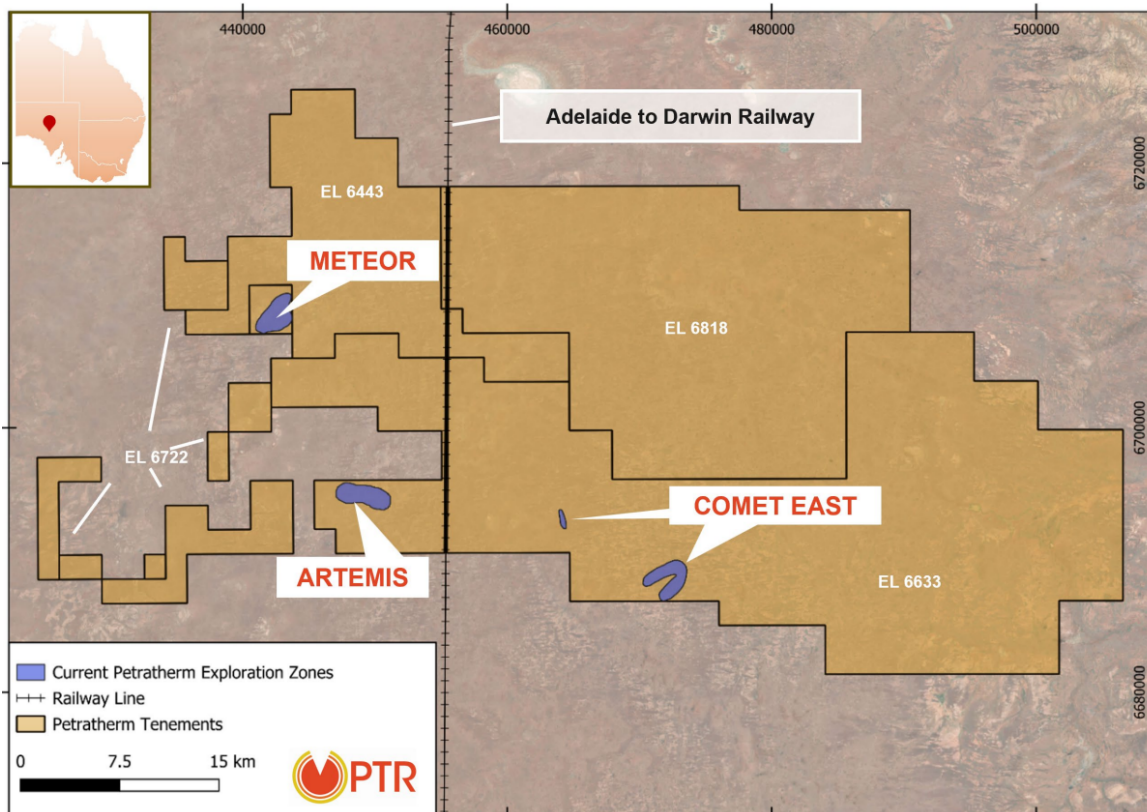


Figure 8: PTR's 100% owned Comet Project Tenement Holdings and Rare Earth Prospects.

Mabel Creek Copper-Gold Project

The Mabel Creek Project is located on the northern extent of the Olympic Copper-Gold Trend, but the region also has geological similarities to the Mt Isa Inlier in Queensland and is considered by PTR to be highly prospective for Tier 1 Copper-Gold deposits. The Mabel Creek Project has a significant land holding of 3,322km², which is 100% owned by the Company (Figure 9).

Previous gravity surveying in the Big NE area identified three priority drill targets, all around the edge of a circular gravity low which is interpreted as potentially being caused by an underlying granite intrusion (Figure 10). On the eastern side of the interpreted deep granite are several drill holes drilled by Alliance Resources between 2003 and 2009 which intersected strong iron-rich (hematite) alteration in Proterozoic metasediments overlying strongly magnetic Banded Iron Formation (BIF) units (Figure 11).⁹

While the strongly magnetic, deep, BIF units are not considered a target, the dense hematite-only zones have the potential to host IOCG-style copper-gold mineralisation, and in the historical drilling this alteration was associated with strongly elevated copper assays (up to 0.32% Cu over 1.1m). Combined 3D magnetic and gravity inversion modelling was undertaken over this area and a significant gravity-only target, BCG1, was resolved (Figure 11). This target has the potential to be a significant zone of hematite-alteration.

The Company is planning to extend its regional gravity targeting program during the 2025-2026 period, with large surveys planned over the EL 6949 and EL6950, define and rank targets for future drill testing.

⁹ PTR Announcement – 14 August 2023 - Significant Copper-Gold Expansion at Mabel Creek

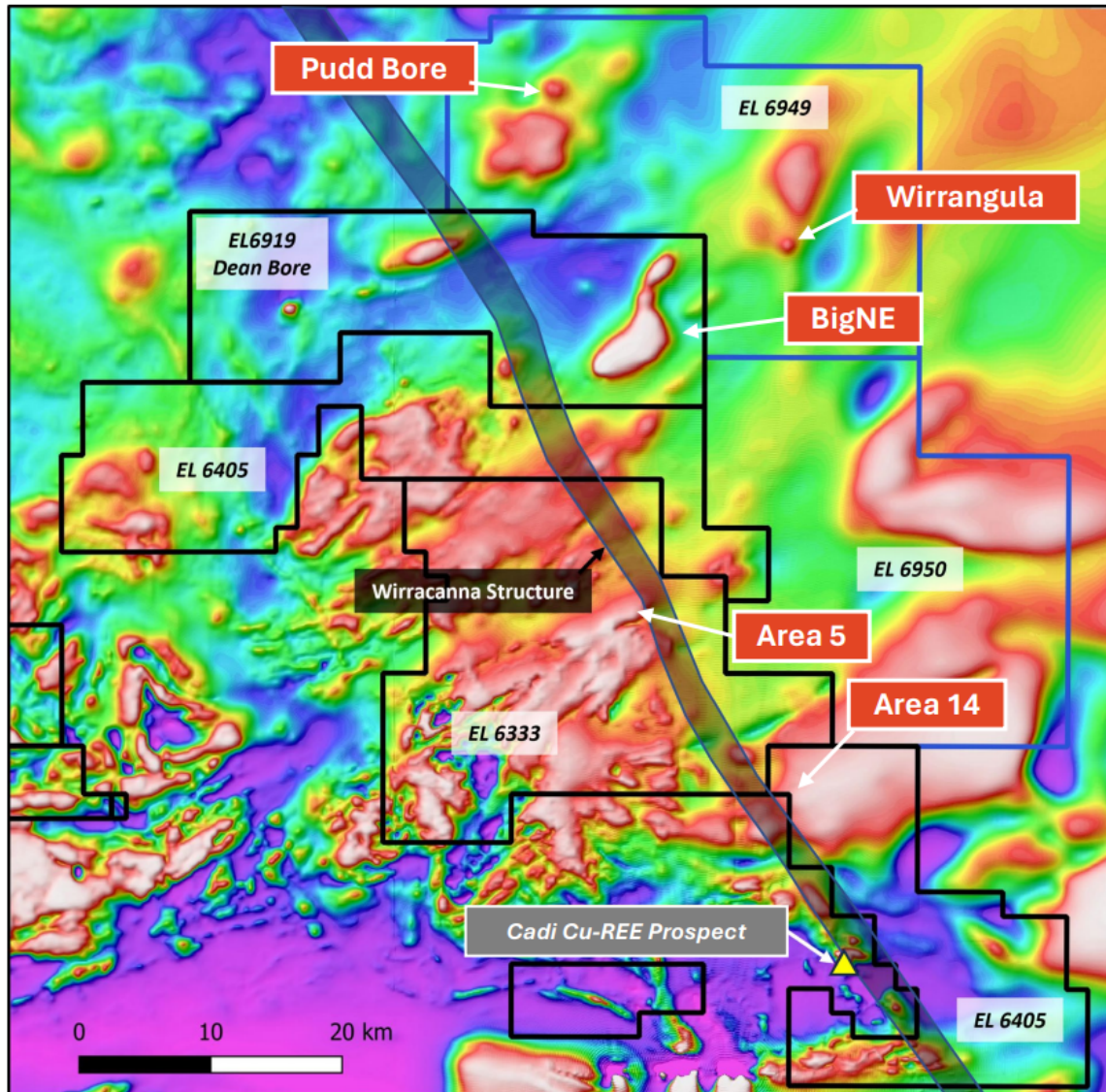


Figure 9: Magnetic Image of Eastern Mabel Creek Project Area – Targets and Tenement areas

For personal use only

For personal use only

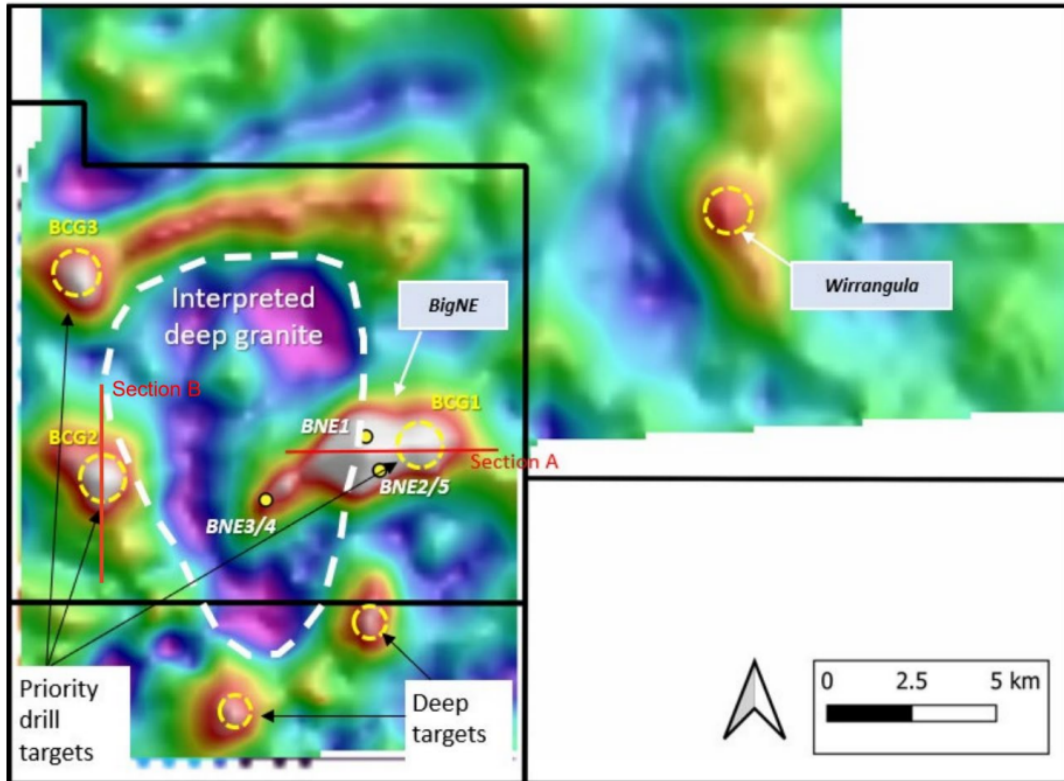


Figure 10: Gravity survey data and copper-gold targets.

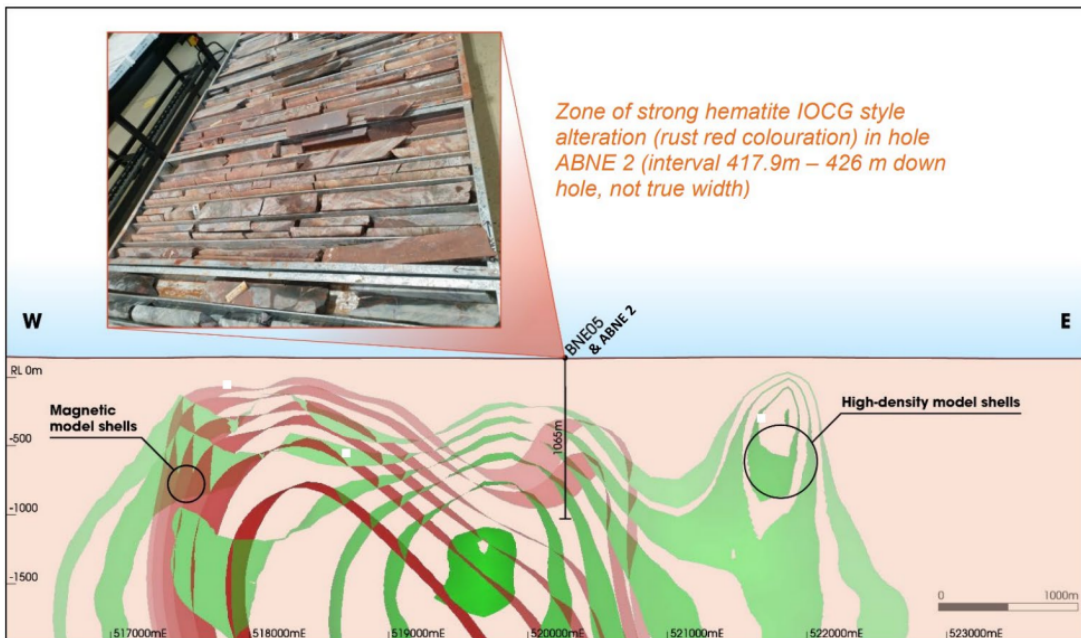


Figure 11: Section A – BCG01 target 3D magnetic and gravity inversions with existing drilling.

Woomera Copper-Gold Project

The Woomera IOCG Project has a significant landholding of 668km² and is strategically located in the World Class Copper-Gold Olympic Province of South Australia (Figure 12). It is close to BHP's Oak Dam West copper-gold discovery and operating Carrapateena Copper-gold mine. Other notable copper occurrences include Coda Mineral's Emmie IOCG discovery, and the sediment hosted copper-cobalt-silver mineral resource at Emmie Bluff in the overlying cover strata¹⁰.

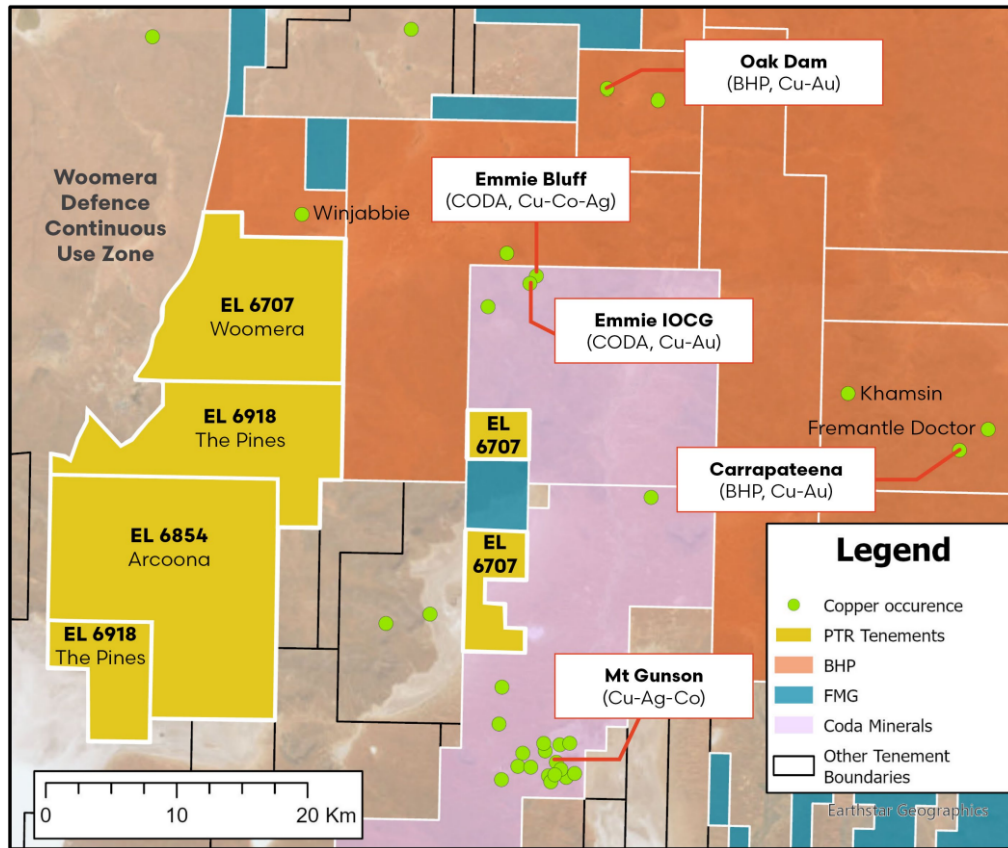


Figure 12: PTR's Woomera Project Exploration Licences, IOCG Mines/Prospects

Just prior to the current reporting period, the Company completed gravity surveying and modelling over the central and southern tenements, which proved highly successful, returning five high-priority gravity targets¹¹ (Figure 13). Bernard Hill is a large non-magnetic, dense body at 800-1000m depth, which, from historical drilling on adjacent projects, is the depth of basement rocks beneath cover in this region. The modelled dense body is 400m wide, has a depth extent of 1000m, and has a strike extent of greater than 2000m. The modelled density is 3.40 g/cm³ which is consistent with the measured density of known IOCG deposits in the region (Figures 14 & 15).

The gravity targets are large, and the Company intends to undertake further geophysical surveying of Bernard Hill and other targets utilising MT methods to refine final target selection positions for potential future drill testing.

¹⁰ BHP Group Limited is a producing entity. The purpose of Figure 6 is to illustrate the geological context of the Olympic Province, and the geographical proximity of the Woomera Project to other Company Tenement Holdings, copper, and gold occurrences

¹¹ PTR Announcement – 2 May 2024 – Woomera Gravity Survey Defines Significant Iron-Oxide Copper-Gold Target

For personal use only

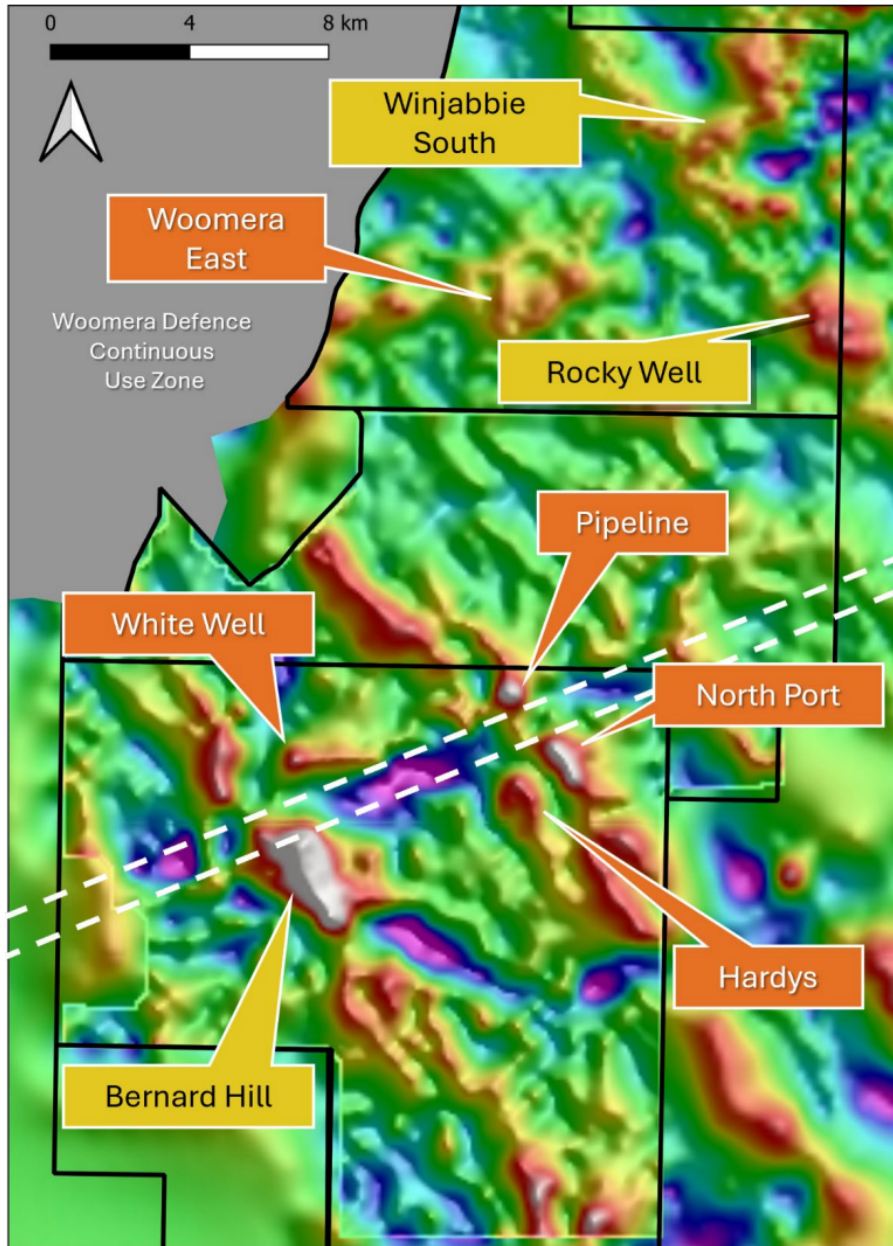


Figure 13: Gravity survey data over the Woomera Project showing locations of copper-gold targets.

For personal use only

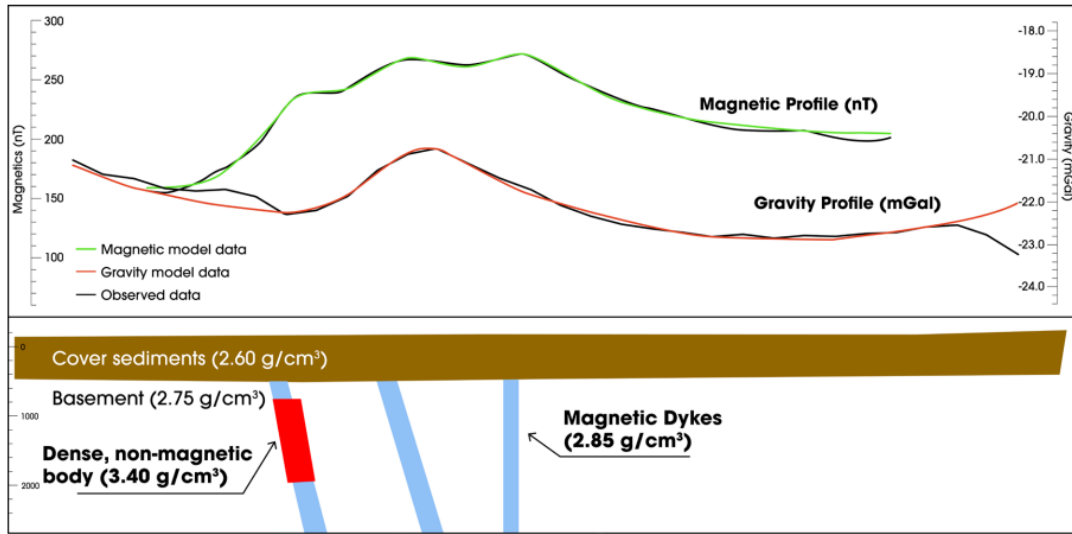


Figure 14: Magnetic and gravity modelling of the Bernard Hill target.

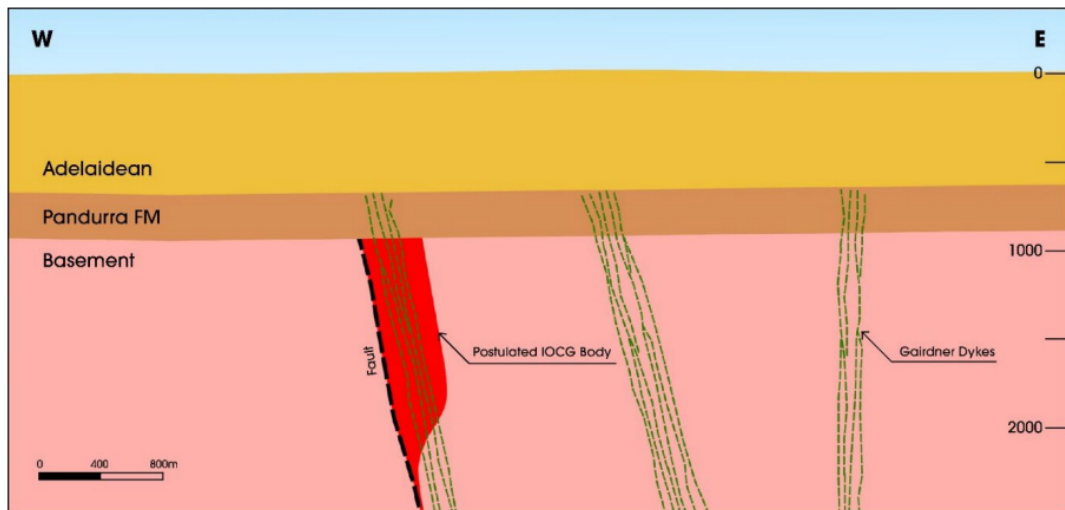


Figure 15: Geological interpretation of Bernard Hill target

Petratherm Limited
Directors' report
30 June 2025

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Group during the financial year.

Matters subsequent to the end of the financial year

On 13 August 2025 the Group announced it has met its Stage 2 expenditure commitments per the Narryer Metals (ASX: NYM) Farm-in Agreement and has thereby earned a 70% legal and beneficial interest in EL6715, a tenement that forms part of the Group's Rosewood Titanium Prospect. Pursuant to the Farm-in Agreement NYM has elected to form a Joint Venture which will be managed by Petratherm.

On 8 September 2025, the Group announced 2,525,000 performance rights issued under the employee incentive scheme to the employees of the Group. The vesting conditions of the performance rights relate to various project milestones at the Group's Muckanippie project.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Corporate Governance

The Company has established a set of corporate governance policies and procedures and these can be found within the Company's Corporate Governance Statement located on the Company's website:
<https://www.petratherm.com.au/>

Environmental regulation

The Group is aware of its responsibility to impact as little as possible on the environment, and where there is any disturbance, to rehabilitate sites. During the year under review, the majority of work carried out was in South Australia and Victoria and the Group followed procedures and pursued objectives in line with guidelines published by the South Australian Government.

These guidelines are quite detailed and encompass the impact on owners and land users, heritage, health and safety and proper restoration practices. The Group supports this approach and is confident that it properly monitors and adheres to these objectives, and any local conditions applicable wherever it explores.

The Group is committed to minimising environmental impacts during all phases of exploration, development and production through a best practice environmental approach. The Group shares responsibility for protecting the environment for the present and the future. It believes that carefully managed exploration programs should have little or no long-lasting impact on the environment and the Company has formed a best practice policy for the management of its exploration programs. The Group properly monitors and adheres to this approach and there were no environmental incidents to report for the year under review. Furthermore, the Group is in compliance with the state and/or Commonwealth environmental laws for the jurisdictions in which it operates.

Indemnity and insurance of officers

The Company has indemnified the Directors and executives of the Company for costs incurred, in their capacity as a Director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the Directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Auditor

Grant Thornton Audit Pty Ltd continues in office in accordance with section 327 of the Corporations Act 2001.

Petratherm Limited
Directors' report
30 June 2025

Company secretary

Katelyn Adams is the Company Secretary.

Ms. Adams is a Partner with HLB Mann Judd and has over 15 years of accounting and company secretarial experience, servicing predominantly ASX listed companies. Ms. Adams has extensive experience in company secretarial duties, ASX Listing Rule requirements, IPO and capital raising processes, as well as a strong technical accounting and corporate governance knowledge.

Ms. Adams's current listed company positions are: Duxton Water Limited (Company Secretary); Duxton Farms Limited (Company Secretary); Highfield Resources Limited (Company Secretary); Fortifai Limited (Company Secretary) and 1414 Degrees Limited (Company Secretary), as well as director/company secretary of various other unlisted public and private companies.

Meetings of Directors

The number of meetings of the Company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2025, and the number of meetings attended by each Director were:

	Full Board		Audit and Risk Committee	
	Attended	Held	Attended	Held
Derek Carter	11	11	1	2
Simon O'Loughlin	11	11	2	2
Donald Stephens	11	11	2	2
Simon Taylor	11	11	1	2
Robert Sennitt	3	3	-	-

Held: represents the number of meetings held during the time the Director held office or was a member of the relevant committee.

Remuneration report (audited)

The remuneration report details the key management personnel remuneration arrangements for the Group, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all Directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency
- capital management

The Board is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the Group depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high-quality personnel.

Petratherm Limited
Directors' report
30 June 2025

Corporate performance

The performance of the Group for the past 5 years is:

Year	Net profit/(loss) for the year (\$)	Earnings/(loss) per share (\$)	Shareholder's equity (\$)	Number of issued shares end of year	Share price end of the year (\$)	Net asset position (\$)
2021	17,868,244	9.72	24,607,035	198,917,806	0.055	5,050,408
2022	(764,819)	(0.38)	27,505,756	224,751,139	0.088	7,221,583
2023	(778,969)	(0.35)	27,489,120	224,751,139	0.078	6,460,084
2024	(1,050,737)	(0.46)	27,524,953	226,319,854	0.017	5,470,473
2025	(1,640,996)	(0.55)	37,679,135	346,614,770	0.345	14,451,698

All executive and senior staff are subject to annual reviews, where the remuneration arrangements are reviewed and benchmarked against industry averages. The Group additionally uses the Employee Share Option Plan to provide incentives to employees, which are reviewed annually in conjunction with the available option pool.

The Non-Executive Directors remuneration is set from a pool that is approved by shareholders, which presently is set at \$300,000 per annum. The Group has a policy of obtaining shareholder approval for any share-based remuneration (such as options) to be granted to Directors in accordance with the ASX Listing Rules.

Use of remuneration consultants

The Group has not engaged the use of a remuneration consultant to review its existing remuneration policy.

Voting and comments made at the Company's 2024 Annual General Meeting ('AGM')

At the 2024 AGM, 99.36% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2024. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration

Amounts of remuneration

Details of the remuneration of key management personnel of the Group are set out in the following tables.

The key management personnel of the Group consisted of the following Directors & employees of Petratherm Limited:

- Derek Carter - Non-Executive Chairman
- Simon O'Loughlin - Non-Executive Director
- Donald Stephens - Non-Executive Director
- Simon Taylor - Non-Executive Director
- Robert Sennitt - Executive Director
- Peter Reid - Chief Executive Officer

Petratherm Limited
Directors' report
30 June 2025

2025	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments		Total
	Cash salary and fees	Cash bonus	Annual leave	Super-annuation	Long service leave	Performance rights	Options	
	\$	\$	\$	\$	\$	\$	\$	\$
<i>Non-Executive Directors:</i>								
Derek Carter	60,000	-	-	6,900	-	-	49,098	115,998
Simon O'Loughlin	40,000	-	-	4,600	-	-	39,278	83,878
Donald Stephens	44,600	-	-	-	-	-	39,278	83,878
Simon Taylor	40,000	-	-	4,600	-	-	39,278	83,878
<i>Executive Director:</i>								
Robert Sennitt	41,667	-	1,934	4,792	1,042	12,952	-	62,387
<i>Other Key Management Personnel:</i>								
Peter Reid	250,000	100,000	2,973	29,045	7,016	121,495	-	510,529
	<u>476,267</u>	<u>100,000</u>	<u>4,907</u>	<u>49,937</u>	<u>8,058</u>	<u>134,447</u>	<u>166,932</u>	<u>940,548</u>

2024	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments		Total
	Cash salary and fees	Cash bonus	Annual leave	Super-annuation	Long service leave	Performance rights	Equity settled	
	\$	\$	\$	\$	\$	\$	\$	\$
<i>Non-Executive Directors:</i>								
Derek Carter	60,000	-	-	6,600	-	-	-	66,600
Simon O'Loughlin	40,000	-	-	4,400	-	-	-	44,400
Donald Stephens	44,400	-	-	-	-	-	-	44,400
Simon Taylor	40,000	-	-	4,400	-	-	-	44,400
<i>Other Key Management Personnel:</i>								
Peter Reid	209,167	-	-	25,300	-	-	20,833	255,300
	<u>393,567</u>	<u>-</u>	<u>-</u>	<u>40,700</u>	<u>-</u>	<u>-</u>	<u>20,833</u>	<u>455,100</u>

Petratherm Limited
Directors' report
30 June 2025

The Group established the Petratherm Limited Employee Share Option Plan and a summary of the Rules of the Plan are set out below:

- All employees (full and part time) will be eligible to participate in the Plan after a qualifying period of 12 months employment by a member of the Group, although the Board may waive this requirement.
- Options are granted under the Plan at the discretion of the Board and if permitted by the Board, may be issued to an employee's nominee.
- Each option is to subscribe for one fully paid ordinary share in the Company and will expire 5 years from its date of issue. An option is exercisable once service period vesting conditions are met. Options will be issued free. The exercise price of options will be determined by the Board, subject to a minimum price equal to the market value of the Company's shares at the time the Board resolves to offer those options. The total number of shares, the subject of options issued under the Plan, when aggregated with issues during the previous 5 years pursuant to the Plan and any other employee share plan, must not exceed 5% of the Company's issued share capital.
- If, prior to the expiry date of options, a person ceases to be an employee of the Group for any reason other than retirement at age 60 or more (or such earlier age as the board permits), permanent disability, redundancy or death, the options held by that person (or that person's nominee) automatically lapse on the first to occur of a) the expiry of the period of 6 months from the date of such occurrence, and b) the expiry date. If a person dies, the options held by that person will be exercisable by that person's legal personal representative.
- Options cannot be transferred other than to the legal personal representative of a deceased option holder.
- The Company will not apply for official quotation of any options issued under the plan.
- Shares issued as a result of the exercise of options will rank equally with the Company's previously issued shares.
- Option holders may only participate in new issues of securities by first exercising their options.

The number of options over ordinary shares granted to and vested by key management personnel as part of compensation during the years ended 30 June 2025 and 30 June 2024 are set out below:

Name	Number of options granted during the year 2025	Number of options granted during the year 2024	Number of options vested during the year 2025	Number of options vested during the year 2024
<i>Non-Executive Directors:</i>				
Derek Carter	750,000	-	-	-
Donald Stephens	600,000	-	-	-
Simon O'Loughlin	600,000	-	-	-
Simon Taylor	600,000	-	-	-
	<u>2,550,000</u>	<u>-</u>	<u>-</u>	<u>-</u>

The terms and conditions relating to these options are set out below:

Grant date	Vesting date	Exercise price \$	Number of options granted	Fair value at grant date \$	Performance and vesting criteria
20/03/2025	31/12/2025	0.00	850,000	272,000	The director must be a director of the Company as at the vesting date.
20/03/2025	31/12/2026	0.00	850,000	272,000	The director must be a director of the Company as at the vesting date.
20/03/2025	31/12/2027	0.00	850,000	272,000	The director must be a director of the Company as at the vesting date.

Petratherm Limited
Directors' report
30 June 2025

The number of performance rights over ordinary shares granted to and vested by key management personnel as part of compensation during the years ended 30 June 2025 and 30 June 2024 are set out below:

Name	Number of performance rights granted during the year 2025	Number of performance rights granted during the year 2024	Number of performance rights vested during the year 2025	Number of performance rights vested during the year 2024
<i>Chief Executive Officer</i> Peter Reid	3,000,000	-	-	-
<i>Executive Director</i> Robert Sennitt	1,800,000	-	-	-
	<u>4,800,000</u>	<u>-</u>	<u>-</u>	<u>-</u>

Petratherm Limited
Directors' report
30 June 2025

The terms and conditions relating to the performance rights are set out below:

Grant date	Vesting date	Number of performance rights granted	Fair value at grant date \$	Performance and Vesting Criteria
20/03/2025	31/12/2026	1,000,000	320,000	Based on the results of at least 40 drill holes, the Directors of the Company are sufficiently satisfied that a potentially economic discovery has been made at the Company's Muckanippie Project; and continued service 2 years from 31 December 2024
20/03/2025	30/06/2027	1,000,000	320,000	The Company reports a Mineral Resource estimate in accordance with the JORC Code, 2012 Edition of at least 100Mt tonnes of not less than 8% average Heavy Mineral Sands (HMS) in the Inferred Category at the Company's Muckanippie Project with Reasonable Prospects for Eventual Economic Extraction (RPEEE); and continued service 2.5 years from 31 December 2024;
20/03/2025	31/12/2027	1,000,000	320,000	The Company reports a Mineral Resource estimate in accordance with the JORC Code, 2012 Edition of at least 100Mt tonnes of not less than 8% average HMS in the Indicated Category at the Company's Muckanippie Project with RPEEE; and continued service 3 years from 31 December 2024;
12/06/2025	01/05/2030	270,000	74,744	The Company's share price as traded on the ASX achieving a volume weighted average market price of \$0.50 per Share or a market capitalisation of at least \$173 million over 10 consecutive trading days on which shares have actually traded; and continued service 2 years from 1 May 2025;
12/06/2025	01/05/2030	270,000	72,460	The Company's share price as traded on the ASX achieving a volume weighted average market price of \$0.65 per Share or a market capitalisation of at least \$225 million over 10 consecutive trading days on which shares have actually traded; and continued service 2 years from 1 May 2025;
12/06/2025	01/05/2030	270,000	70,401	The Company's share price as traded on the ASX achieving a volume weighted average market price of \$0.80 per Share or a market capitalisation of at least \$276 million over 10 consecutive trading days on which shares have actually traded; and continued service 2 years from 1 May 2025;
12/06/2025	01/05/2030	450,000	126,113	Completion of an initial Scoping Study on the Muckanippie Project within 12 months of commencement of the study; and continued service 2 years from 1 May 2025. A probability of 95% was included in the assessment of fair value;
12/06/2025	01/05/2030	540,000	151,335	Completion of a PFS to JORC/AusIMM standard on the Muckanippie Project within 18 months of commencement of the study; and continued service 2 years from 1 May 2025. A probability of 95% was included in the assessment of fair value;

All performance rights on issue have a nil exercise price.

Petratherm Limited
Directors' report
30 June 2025

Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name: Peter Reid
 Title: Chief Executive Officer
 Agreement commenced: 1 October 2021
 Term of agreement: Mr Reid is employed under an existing employment contract dated 14 October 2021 with no fixed term.

Details: Mr Reid's gross salary is \$250,000 per annum. The Company or the employee may terminate the employment contract without cause by providing 4 weeks written notice or making payment in lieu of notice, based on the annual salary component. Termination payments are generally not payable on resignation or dismissal for serious misconduct. In the instance of serious misconduct the Company can terminate employment at any time.

Name: Robert Sennitt
 Title: Executive Director
 Agreement commenced: 1 May 2025
 Term of agreement: Mr Sennitt is employed under an existing employment contract dated 28 April 2025 with no fixed term

Details: Mr Sennitt's gross salary is \$250,000 per annum. The Company or the employee may terminate the employment contract without cause by providing 1 week written notice if he has been in the Company for not more than 1 year or 4 weeks written notice if he has been in the Company for more than 1 year or making payment in lieu of notice, based on the annual salary component. Termination payments are generally not payable on resignation or dismissal for serious misconduct. In the instance of serious misconduct, the Company can terminate employment at any time.

Share-based compensation

Issue of shares

There were no shares issued to Directors and other key management personnel as part of compensation during the year ended 30 June 2025.

Options

The terms and conditions of each grant of options over ordinary shares affecting remuneration of Directors and other key management personnel in this financial year or future reporting years are as follows:

	Number of options granted	Grant date	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per option at grant date
Derek Carter	250,000	20/03/2025	31/12/2025	31/12/2027	\$0.00	\$0.320
Derek Carter	250,000	20/03/2025	31/12/2026	31/12/2028	\$0.00	\$0.320
Derek Carter	250,000	20/03/2025	31/12/2027	31/12/2029	\$0.00	\$0.320
Donald Stephens	200,000	20/03/2025	31/12/2025	31/12/2027	\$0.00	\$0.320
Donald Stephens	200,000	20/03/2025	31/12/2026	31/12/2028	\$0.00	\$0.320
Donald Stephens	200,000	20/03/2025	31/12/2027	31/12/2029	\$0.00	\$0.320
Simon O'Loughlin	200,000	20/03/2025	31/12/2025	31/12/2027	\$0.00	\$0.320
Simon O'Loughlin	200,000	20/03/2025	31/12/2026	31/12/2028	\$0.00	\$0.320
Simon O'Loughlin	200,000	20/03/2025	31/12/2027	31/12/2029	\$0.00	\$0.320
Simon Taylor	200,000	20/03/2025	31/12/2025	31/12/2027	\$0.00	\$0.320
Simon Taylor	200,000	20/03/2025	31/12/2026	31/12/2028	\$0.00	\$0.320
Simon Taylor	200,000	20/03/2025	31/12/2027	31/12/2029	\$0.00	\$0.320

The options are simple time vesting options, and options granted carry no dividend or voting rights.

Petratherm Limited
Directors' report
30 June 2025

Performance rights

The terms and conditions of each grant of performance rights over ordinary shares affecting remuneration of Directors and other key management personnel in this financial year or future reporting years are as follows:

Name	Number of performance rights granted	Grant Date	Vesting Date and exercisable date	Expiry date	Value per performance rights \$
Peter Reid	1,000,000	20/03/2025	31/12/2026	31/12/2028	\$0.320
Peter Reid	1,000,000	20/03/2025	30/06/2027	31/12/2028	\$0.320
Peter Reid	1,000,000	20/03/2025	31/12/2027	31/12/2028	\$0.320
Robert Sennitt	270,000	12/06/2025	01/05/2027	01/05/2030	\$0.277
Robert Sennitt	270,000	12/06/2025	01/05/2027	01/05/2030	\$0.268
Robert Sennitt	270,000	12/06/2025	01/05/2027	01/05/2030	\$0.261
Robert Sennitt	450,000	12/06/2025	01/05/2027	01/05/2030	\$0.295
Robert Sennitt	540,000	12/06/2025	01/05/2027	01/05/2030	\$0.295

The objective of company's reward framework is to ensure employment reward for performance is competitive and appropriate for results delivered. The Board ensures that the reward satisfied the following key criteria for good reward government practices:

- competitiveness and reasonableness;
- acceptability to shareholders;
- performance linkage/alignment of executive compensation;
- transparency; and
- capital management.

The remuneration framework compliments to the reward strategy of the organisation and aligns to the program participants' interests:

- rewards capability and experience;
- reflects competitive reward for contribution to growth in shareholder wealth;
- provides recognition for contribution.

Additional disclosures relating to key management personnel

Shareholding

The number of shares in the Company held during the financial year by each Director and other members of key management personnel of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Additions	Disposals/ other	Balance at the end of the year
<i>Ordinary shares</i>				
Derek Carter	2,668,310	1,991,001	-	4,659,311
Simon O'Loughlin	4,615,471	1,678,571	-	6,294,042
Donald Stephens	3,689,876	1,991,000	-	5,680,876
Simon Taylor	3,500,000	1,991,000	-	5,491,000
Peter Reid	2,051,572	671,429	-	2,723,001
	<u>16,525,229</u>	<u>8,323,001</u>	<u>-</u>	<u>24,848,230</u>

The directors and other key management personnel acquired additional shares by participating in the placement.

Petratherm Limited
Directors' report
30 June 2025

Option holding

The number of options over ordinary shares in the Company held during the financial year by each Director and other members of key management personnel of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
<i>Options over ordinary shares</i>					
Derek Carter	-	750,000	-	-	750,000
Donald Stephens	-	600,000	-	-	600,000
Simon O'Loughlin	-	600,000	-	-	600,000
Simon Taylor	-	600,000	-	-	600,000
Peter Reid	1,000,000	-	-	(1,000,000)	-
	<u>1,000,000</u>	<u>2,550,000</u>	<u>-</u>	<u>(1,000,000)</u>	<u>2,550,000</u>

Performance rights

The number of performance rights over ordinary shares in the Company held during the financial year by each of the key management personnel of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Exercised	Expired/ forfeited other	Balance at the end of the year
<i>Performance rights</i>					
Peter Reid	-	3,000,000	-	-	3,000,000
Robert Sennitt	-	1,800,000	-	-	1,800,000
	<u>-</u>	<u>4,800,000</u>	<u>-</u>	<u>-</u>	<u>4,800,000</u>

Loans to key management personnel and their related parties

There were no loans to key management personnel or their related parties during the current or previous financial year.

Other transactions with key management personnel and their related parties

There were no transactions with key management personnel or their related parties other than their remuneration during the current or previous financial year.

This concludes the remuneration report, which has been audited.

Shares under option

Unissued ordinary shares of Petratherm Limited under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
12/01/2023	12/01/2026	\$0.09	300,000
07/11/2024	31/10/2027	\$0.07	650,000
28/01/2025	28/01/2028	\$0.05	75,000
20/03/2025	31/12/2027	\$0.00	850,000
20/03/2025	31/12/2028	\$0.00	850,000
20/03/2025	31/12/2029	\$0.00	850,000
12/06/2025	27/06/2028	\$0.45	1,000,000
			<u>4,575,000</u>

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the Company or of any other body corporate

Petratherm Limited
Directors' report
30 June 2025

Shares issued on the exercise of options

The following ordinary shares of Petratherm Limited were issued during the year ended 30 June 2025 and up to the date of this report on the exercise of options granted:

Date options granted	Exercise price	Number of shares issued
12/01/2023	\$0.93	200,000
05/05/2023	\$0.96	75,000
29/12/2023	\$0.69	325,000
		<u>600,000</u>

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Non-audit services

There was no non-audit services provided during the financial year by the auditor.

Officers of the Company who are former partners of Grant Thornton Audit Pty Ltd

There are no officers of the Company who are former partners of Grant Thornton Audit Pty Ltd.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the Directors



Derek Carter
Chairman

19 September 2025



Grant Thornton Audit Pty Ltd
Grant Thornton House
Level 3
170 Frome Street
Adelaide SA 5000
GPO Box 1270
Adelaide SA 5001
T +61 8 8372 6666

Auditor's Independence Declaration

To the Directors of Petratherm Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of Petratherm Limited for the year ended 30 June 2025, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

A handwritten signature in blue ink, appearing to read "B K Wundersitz", written over a faint blue circular stamp.

B K Wundersitz
Partner – Audit & Assurance

Adelaide, 19 September 2025

www.granthornton.com.au
ACN-130 913 594

Grant Thornton Audit Pty Ltd ACN 130 913 594 a subsidiary or related entity of Grant Thornton Australia Limited ABN 41 127 556 389 ACN 127 556 389. 'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton Australia Limited is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate one another and are not liable for one another's acts or omissions. In the Australian context only, the use of the term 'Grant Thornton' may refer to Grant Thornton Australia Limited ABN 41 127 556 389 ACN 127 556 389 and its Australian subsidiaries and related entities. Liability limited by a scheme approved under Professional Standards Legislation.

Petratherm Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2025

	Note	Consolidated	
		2025 \$	2024 \$
Income			
Bank interest income		103,447	57,933
Expenses			
Employee benefits expenses	5	(592,578)	(399,139)
Employee share based payments	6	(335,114)	(25,293)
Exploration expenses		(5,953)	(32,123)
Operating expenses	7	(541,468)	(417,650)
Secretarial, professional and consultancy		(142,814)	(108,633)
Impairment of tenement	11	(126,516)	(125,832)
Loss before income tax expense		(1,640,996)	(1,050,737)
Income tax expense	8	-	-
Loss after income tax expense for the year attributable to the Owners of Petratherm Limited	14	(1,640,996)	(1,050,737)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the Owners of Petratherm Limited		<u>(1,640,996)</u>	<u>(1,050,737)</u>
		Cents	Cents
Basic earnings/(losses) per share	26	(0.55)	(0.46)
Diluted earnings/(losses) per share	26	(0.55)	(0.46)

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

Petratherm Limited
Statement of financial position
As at 30 June 2025

	Note	Consolidated 2025 \$	2024 \$
Assets			
Current assets			
Cash and cash equivalents		1,895,368	406,738
Receivables		128,643	277,458
Financial assets	9	6,573,000	500,000
Other assets		39,287	16,245
Total current assets		<u>8,636,298</u>	<u>1,200,441</u>
Non-current assets			
Property, plant and equipment	10	42,538	4,398
Exploration and evaluation assets	11	6,188,777	4,516,121
Other assets		50,500	48,000
Total non-current assets		<u>6,281,815</u>	<u>4,568,519</u>
Total assets		<u>14,918,113</u>	<u>5,768,960</u>
Liabilities			
Current liabilities			
Trade and other payables		302,654	187,934
Employee benefits		157,536	79,296
Total current liabilities		<u>460,190</u>	<u>267,230</u>
Non-current liabilities			
Employee benefits		6,225	31,257
Total non-current liabilities		<u>6,225</u>	<u>31,257</u>
Total liabilities		<u>466,415</u>	<u>298,487</u>
Net assets		<u>14,451,698</u>	<u>5,470,473</u>
Equity			
Issued capital	12	37,679,135	27,524,953
Reserves	13	505,842	(1,456,361)
Accumulated losses	14	(23,733,279)	(20,598,119)
Total equity		<u>14,451,698</u>	<u>5,470,473</u>

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

Petratherm Limited
Statement of changes in equity
For the year ended 30 June 2025

Consolidated	Issued capital \$	FVOCI reserve \$	Share-based payments reserve \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2023	27,489,120	(1,534,664)	71,379	(19,565,751)	6,460,084
Loss after income tax expense for the year	-	-	-	(1,050,737)	(1,050,737)
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive income for the year	-	-	-	(1,050,737)	(1,050,737)
<i>Transactions with Owners in their capacity as Owners:</i>					
Share-based payments (note 27)	35,833	-	25,293	-	61,126
Lapsed options transferred to accumulated losses	-	-	(18,369)	18,369	-
Balance at 30 June 2024	<u>27,524,953</u>	<u>(1,534,664)</u>	<u>78,303</u>	<u>(20,598,119)</u>	<u>5,470,473</u>
Consolidated	Issued capital \$	FVOCI reserve \$	Share-based payments reserve \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2024	27,524,953	(1,534,664)	78,303	(20,598,119)	5,470,473
Loss after income tax expense for the year	-	-	-	(1,640,996)	(1,640,996)
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive income for the year	-	-	-	(1,640,996)	(1,640,996)
<i>Transactions with Owners in their capacity as Owners:</i>					
Contributions of equity, net of transaction costs (note 12)	10,124,107	-	-	-	10,124,107
Share based payments (note 27)	-	-	363,667	-	363,667
Exercise of options (note 13)	30,075	-	(30,075)	-	-
Share-based payments (performance rights granted) (note 27)	-	-	134,447	-	134,447
Lapsed options transferred to accumulated losses (note 14)	-	-	(40,500)	40,500	-
Transfer to accumulated losses (note 14)	-	1,534,664	-	(1,534,664)	-
Balance at 30 June 2025	<u>37,679,135</u>	<u>-</u>	<u>505,842</u>	<u>(23,733,279)</u>	<u>14,451,698</u>

* Financial assets at fair value through other comprehensive income reserve

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

Petratherm Limited
Statement of cash flows
For the year ended 30 June 2025

	Note	Consolidated	
		2025 \$	2024 \$
Cash flows from operating activities			
Payments to suppliers and employees		(1,388,218)	(1,002,122)
Interest received		76,139	87,970
Payments for exploration activities (expensed)		(5,953)	(32,115)
GST refund received		183,508	-
Net cash used in operating activities	25	<u>(1,134,524)</u>	<u>(946,267)</u>
Cash flows from investing activities			
Net investment in financial assets	9	(6,000,000)	800,000
Payments for property, plant and equipment	10	(41,500)	-
Payments for exploration activities (capitalised)		(1,815,462)	(1,154,833)
Payments for security deposits		(25,500)	(30,000)
Government subsidies received		-	73,150
R&D tax incentive refund received		218,509	425,224
Net cash from/(used in) investing activities		<u>(7,663,953)</u>	<u>113,541</u>
Cash flows from financing activities			
Proceeds from issue of shares		11,048,910	-
Share issue transaction costs		(761,803)	-
Net cash from financing activities		<u>10,287,107</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents		1,488,630	(832,726)
Cash and cash equivalents at the beginning of the financial year		406,738	1,239,464
Cash and cash equivalents at the end of the financial year		<u><u>1,895,368</u></u>	<u><u>406,738</u></u>

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

Petratherm Limited
Notes to the financial statements
30 June 2025

Note 1. General information

The consolidated financial statements cover Petratherm Limited as a Group consisting of Petratherm Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Petratherm Limited's functional and presentation currency.

Petratherm Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office

C/- HLB Mann Judd (SA) Pty Ltd
169 Fullarton Road
DULWICH SA 5065

Principal place of business

22B Beulah Rd
Norwood SA 5067

A description of the nature of the Group's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 19 September 2025.

Note 2. Material accounting policy information

The accounting policies that are material to the Group are set out either in the respective notes or below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in (note 22).

All other material accounting policies are disclosed in their respective notes.

Note 3. Critical accounting judgements, estimates and assumptions

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

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Note 3. Critical accounting judgements, estimates and assumptions (continued)

Exploration and evaluation costs

Exploration and evaluation costs have been capitalised on the basis that the Group will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

Note 4. Operating segments

The Board has considered the requirements of AASB 8 Operating Segments and the internal reports that are reviewed by the Board in allocating resources and has concluded at this time that there are no separately identifiable segments.

Note 5. Employee benefits expenses

	Consolidated	
	2025	2024
	\$	\$
Employee Benefits Expense		
Employee benefits expense	978,778	724,990
Employer contribution superannuation expense	89,352	70,701
Employee benefits and superannuation expense capitalised	<u>(475,552)</u>	<u>(396,552)</u>
Total employee benefits expense	<u>592,578</u>	<u>399,139</u>

Included in the totals above is the employee benefits expenditure that has been capitalised as part of exploration and evaluation assets (note 11). The total amount of employee benefits expenditure capitalised in the year ended 30 June 2025 is \$475,552 (2024: \$396,552). The total amount remunerated to employees and directors excluding share-based payments during the year is \$1,068,130 (2024: \$795,691).

Note 6. Employee share based payments

	Consolidated	
	2025	2024
	\$	\$
Employee share option expense	200,667	25,293
Employee performance rights expense	<u>134,447</u>	<u>-</u>
	<u>335,114</u>	<u>25,293</u>

Employee share-based payment expense comprises of options and performance rights granted to employees under the Employee Share Scheme and Employee Option Plan. Further information pertaining to the Employee Share Scheme and Employee Option Plan can be found in (note 27).

Petratherm Limited
Notes to the financial statements
30 June 2025

Note 7. Operating expenses

	Consolidated	
	2025	2024
	\$	\$
AGM expenses	26,074	16,579
Audit fees	63,930	60,220
Insurance costs	27,194	26,685
Legal fees	60,661	78,665
Listing fees	42,051	45,937
Occupancy costs	34,768	28,867
Promotion expenses	173,264	100,518
Share registry expenses	50,262	19,755
Other expenses	63,264	40,424
	<u>541,468</u>	<u>417,650</u>

Note 8. Income tax

	Consolidated	
	2025	2024
	\$	\$
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Loss before income tax expense	(1,640,996)	(1,050,737)
Tax at the statutory tax rate of 30%	(492,299)	(315,221)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Entertainment expenses	356	216
Impairment of tenements	37,955	37,750
Share-based payments	100,534	7,588
Tenement applications	900	2,113
Other non-deductible items	120	-
	<u>(352,434)</u>	<u>(267,554)</u>
Current year tax losses not recognised	949,463	435,403
Current year temporary differences not recognised	(597,029)	(167,849)
Income tax expense	<u>-</u>	<u>-</u>

The Group has tax losses arising in Australia of \$16,644,236 (2024: \$14,092,398) that may be available and may be offset against future taxable profits of the companies in which the losses arose. In addition, these tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the similar business test is passed.

The Group has capital losses arising in Australia of \$8,259,113 (2024: \$8,259,113) that may be available and may be offset against future capital losses of the companies in which the losses arose.

No deferred tax liability has been recognised for expenditure pertaining to exploration and evaluation and development assets. The amount of \$539,752 would be fully offset by the company's deferred tax assets if they were recognised (2024: \$283,829).

No additional deferred tax asset has been recognised because it is not considered probable future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised.

Petratherm Limited
Notes to the financial statements
30 June 2025

Note 9. Financial assets

	Consolidated	
	2025	2024
	\$	\$
<i>Current assets</i>		
Term deposit	6,500,000	500,000
Security deposit	73,000	-
	<u>6,573,000</u>	<u>500,000</u>
<i>Reconciliation</i>		
Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:		
Opening fair value	500,000	1,300,000
Additions	6,573,000	-
Disposals	(500,000)	(800,000)
Closing fair value	<u>6,573,000</u>	<u>500,000</u>

The financial assets included are the term deposits with maturity greater than 3 months.

The security deposits are the bonds paid to Department for Energy and Mining. The purpose of the bond is to ensure that present and future rehabilitation obligations likely to be incurred by the Group in the course of the authorised operations will be satisfied. The bond must be entered into prior to authorised operations being undertaken.

Financial assets at amortised cost

A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

Petratherm Limited
Notes to the financial statements
30 June 2025

Note 10. Property, plant and equipment

	Consolidated	
	2025	2024
	\$	\$
<i>Non-current assets</i>		
Plant and equipment - at cost	18,078	19,041
Less: Accumulated depreciation	(15,421)	(14,643)
	<u>2,657</u>	<u>4,398</u>
Motor vehicles - at cost	40,000	-
Less: Accumulated depreciation	(119)	-
	<u>39,881</u>	<u>-</u>
	<u><u>42,538</u></u>	<u><u>4,398</u></u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Plant & equipment	Motor vehicles	Total
	\$	\$	\$
Balance at 1 July 2023	11,066	-	11,066
Depreciation expense	(6,668)	-	(6,668)
Balance at 30 June 2024	4,398	-	4,398
Additions	1,499	40,000	41,499
Disposals	(2,463)	-	(2,463)
Write back depreciation	2,463	-	2,463
Depreciation expense	(3,240)	(119)	(3,359)
Balance at 30 June 2025	<u><u>2,657</u></u>	<u><u>39,881</u></u>	<u><u>42,538</u></u>

Accounting policy for property, plant and equipment

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

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

Plant and equipment	3-7 years
Motor vehicles	12 years

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

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

Petratherm Limited
Notes to the financial statements
30 June 2025

Note 11. Exploration and evaluation assets

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Exploration and evaluation \$
Balance at 1 July 2023	3,695,858
Additions through expenditures capitalised	1,179,154
Research and Development offset capitalised	(233,059)
Impairment of tenements	<u>(125,832)</u>
Balance at 30 June 2024	4,516,121
Additions through expenditures capitalised	1,821,601
Research and Development offset capitalised	(22,429)
Impairment of tenements	<u>(126,516)</u>
Balance at 30 June 2025	<u><u>6,188,777</u></u>

The recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

Exploration and evaluation expenditure has been carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recovered reserves. Management assessment of carried forward expenditure resulted in impairment of \$126,516 for the year ended 30 June 2025 (2024: \$125,832).

Accounting policy for research & development tax incentives

Research and development tax incentives are assistance by government in the form of refund research and development expenses to an entity in return for past or future compliance with certain conditions relation to the operating activities of the entity. Under the capital approach, research and development tax incentives should only be recognised when the research and development tax incentive has been finalised and the refund is expected to be received.

Note 12. Issued capital

	Consolidated			
	2025 Shares	2024 Shares	2025 \$	2024 \$
Ordinary shares - fully paid	<u>346,614,770</u>	<u>226,319,854</u>	<u>37,679,135</u>	<u>27,524,953</u>

Petratherm Limited
Notes to the financial statements
30 June 2025

Note 12. Issued capital (continued)

Movements in ordinary share capital

Details	Date	Shares	\$
Balance	1 July 2023	224,751,139	27,489,120
Ordinary shares issued	28 June 2024	<u>1,568,715</u>	<u>35,833</u>
Balance	30 June 2024	226,319,854	27,524,953
Shares issued in placement	23 September 2024	40,000,000	1,400,000
Shares issued in Share Purchase Plan	15 October 2024	37,162,450	1,300,686
Shares issued in placement to directors	29 November 2024	5,714,285	200,000
Conversion of options into shares	17 February 2025	600,000	78,300
Share issued in placement	14 March 2025	35,818,181	7,880,000
Share issued in placement	26 June 2025	1,000,000	220,000
Transaction costs		-	<u>(924,804)</u>
Balance	30 June 2025	<u><u>346,614,770</u></u>	<u><u>37,679,135</u></u>

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back

There is no current on-market share buy-back.

Capital risk management

The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

Proceeds from share issues are used to maintain and expand the Group's exploration activities and fund operating costs. There are no externally imposed capital requirements.

The capital risk management policy remains unchanged from the 2024 Annual Report.

Accounting policy for issued capital

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.

Petratherm Limited
Notes to the financial statements
30 June 2025

Note 13. Reserves

	Consolidated	
	2025	2024
	\$	\$
Financial assets at fair value through other comprehensive income reserve	-	(1,534,664)
Share-based payments reserve	505,842	78,303
	<u>505,842</u>	<u>(1,456,361)</u>

Financial assets at fair value through other comprehensive income reserve

The reserve is used to recognise increments and decrements in the fair value of financial assets at fair value through other comprehensive income.

The balance of the reserve at 30 June 2024 of \$1,534,664 was the recognition of a loss on the fair value of the in-specie distribution of Outback Goldfields Corp shares of the Company's shareholders in April 2021.

Share-based payments reserve

The reserve is used to recognise the value of equity benefits provided to employees and Directors as part of their remuneration, and other parties as part of their compensation for services.

Movements in reserves

Movements in each class of reserve during the current and previous financial year are set out below:

Consolidated	Share-based payment Reserve \$	FVOCI reserve \$	Total \$
Balance at 1 July 2023	71,379	(1,534,664)	(1,463,285)
Options issued under employee share-based payments (note 27)	25,293	-	25,293
Lapsed options	(18,369)	-	(18,369)
Balance at 30 June 2024	78,303	(1,534,664)	(1,456,361)
Options issued under employee share-based payments (note 27)	363,667	-	363,667
Performance rights issued under employee share-based payments (note 27)	134,447	-	134,447
Lapsed options	(40,500)	-	(40,500)
Transfer to accumulated losses	(30,075)	1,534,664	1,504,589
Balance at 30 June 2025	<u>505,842</u>	<u>-</u>	<u>505,842</u>

Note 14. Accumulated losses

	Consolidated	
	2025	2024
	\$	\$
Accumulated losses at the beginning of the financial year	(20,598,119)	(19,565,751)
Loss after income tax expense for the year	(1,640,996)	(1,050,737)
Transfer from equity - lapsed employee options	40,500	18,369
Transfer from other reserves	(1,534,664)	-
Accumulated losses at the end of the financial year	<u>(23,733,279)</u>	<u>(20,598,119)</u>

Note 15. Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Note 16. Financial instruments

Financial risk management objectives

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses derivative financial instruments such as forward foreign exchange contracts to hedge certain risk exposures. Derivatives are exclusively used for hedging purposes, i.e. not as trading or other speculative instruments. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, ageing analysis for credit risk and beta analysis in respect of investment portfolios to determine market risk.

Risk management is carried out by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the Group and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the Group's operating units.

Market risk

Price risk

The Group is not exposed to any significant price risk.

Interest rate risk

Interest rate risk is managed with a mixture of fixed and floating rate cash deposits. It is the policy of the group to keep surplus cash in high yielding deposits.

Interest rate sensitivity analysis

At 30 June 2025, the effect on loss and equity as a result of changes in the interest rate, with all other variables remaining constant, would be as follows:

	2025	2024
	\$	\$
Change in loss		
- Increase in interest rates by 2%	167,907	18,135
- Decrease in interest rates by 2%	(167,907)	(18,135)
Change in equity		
- Increase in interest rates by 2%	167,907	18,135
- Decrease in interest rates by 2%	(167,907)	(18,135)

Credit risk

Credit risk represents the risk that the counterparty to the financial instrument will fail to discharge an obligation and cause the Group to incur a financial loss. The Group's maximum credit exposure is the carrying amounts on the statement of financial position. The Group holds financial instruments with credit worthy third parties. The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings. The Group has no past due or impaired debtors as at 30 June 2025.

Liquidity risk

Vigilant liquidity risk management requires the Group to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The Group manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Petratherm Limited
Notes to the financial statements
30 June 2025

Note 16. Financial instruments (continued)

The fair values of financial assets and liabilities, together with their carrying amounts in the statement of financial position, for the Group are as follows:

Consolidated	2025		2024	
	Carrying amount	Fair value	Carrying amount	Fair value
	\$	\$	\$	\$
<i>Assets</i>				
Cash and cash equivalent	1,895,368	1,895,368	406,738	406,738
Financial assets	6,573,000	6,573,000	500,000	500,000
Receivables	69,864	69,864	28,241	28,241
	<u>8,538,232</u>	<u>8,538,232</u>	<u>934,979</u>	<u>934,979</u>
<i>Liabilities</i>				
Trade payables	245,800	242,454	126,463	126,463
Other payables	64,765	64,765	34,805	34,805
	<u>310,565</u>	<u>307,219</u>	<u>161,268</u>	<u>161,268</u>

Note 17. Key management personnel disclosures

Directors

The following persons were Directors of Petratherm Limited during the financial year:

Derek Carter	Non-Executive Chairman
Simon O'Loughlin	Non-Executive Director
Donald Stephens	Non-Executive Director
Simon Taylor	Non-Executive Director
Robert Sennitt	Executive Director

Other key management personnel

The following person also had the authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, during the financial year:

Peter Reid	Chief Executive Officer
------------	-------------------------

Compensation

The aggregate compensation made to Directors and other members of key management personnel of the Group is set out below:

	Consolidated	
	2025	2024
	\$	\$
Short-term employee benefits	581,174	393,567
Post-employment benefits	49,937	40,700
Long-term benefits	8,058	-
Share-based payments	301,379	20,833
	<u>940,548</u>	<u>455,100</u>

Detailed remuneration disclosures have been included in the remuneration section of the Directors' Report

Petratherm Limited
Notes to the financial statements
30 June 2025

Note 18. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Grant Thornton Audit Pty Ltd, the auditor of the Company:

	Consolidated	Consolidated
	2025	2024
	\$	\$
<i>Audit services - Grant Thornton Audit Pty Ltd</i>		
Audit or review of the financial statements	63,930	60,220

Note 19. Contingent liabilities

The Group did not have any contingent liabilities as at 30 June 2025 (30 June 2024: nil).

Note 20. Commitments

	Consolidated	Consolidated
	2025	2024
	\$	\$
<i>Capital commitments</i>		
Committed at the reporting date but not recognised as liabilities, payable:		
Exploration and evaluation	710,750	1,172,549

Exploration and evaluation commitments

In order to maintain current rights of tenure to exploration tenements, the Company is required to meet minimum expenditure requirements in respect of tenement lease rentals. These obligations are expected to be fulfilled in the normal course of operations.

Note 21. Related party transactions

Parent entity

Petratherm Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in (note 23).

Transactions with related parties

There were no transactions with related parties during the current financial year other than Director's fees (30 June 2024: nil).

Payable to related parties

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	Consolidated	Consolidated
	2025	2024
	\$	\$
Current payables:		
Reimbursement of expenses payable to key management personnel	328	-
Director's fees payable	-	25,211

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

Petratherm Limited
Notes to the financial statements
30 June 2025

Note 22. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2025	2024
	\$	\$
Loss after income tax	(1,639,833)	(1,049,997)
Total comprehensive income	<u>(1,639,833)</u>	<u>(1,049,997)</u>

Statement of financial position

	Parent	
	2025	2024
	\$	\$
Total current assets	8,585,797	1,178,624
Total assets	<u>14,918,113</u>	<u>5,768,960</u>
Total current liabilities	460,190	267,230
Total liabilities	<u>466,415</u>	<u>298,487</u>
Net assets	<u><u>14,451,698</u></u>	<u><u>5,470,473</u></u>
Equity		
Issued capital	37,679,135	27,524,953
Financial assets at fair value through other comprehensive income reserve	-	(1,534,664)
Share-based payments reserve	505,842	78,303
Accumulated losses	<u>(23,733,279)</u>	<u>(20,598,119)</u>
Total equity	<u><u>14,451,698</u></u>	<u><u>5,470,473</u></u>

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2025 and 30 June 2024.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2025 and 30 June 2024.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2025 and 30 June 2024.

Material accounting policy information

The accounting policies of the parent entity are consistent with those of the Group, as disclosed in (note 2), except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Petratherm Limited
Notes to the financial statements
30 June 2025

Note 23. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in (note 2):

Name	Principal place of business / Country of incorporation	Ownership interest	
		2025 %	2024 %
MNGI Pty Ltd	Australia	100%	100%
Hiltaba Pty Ltd	Australia	100%	100%

Note 24. Events after the reporting period

On 13 August 2025 the Group announced it has met its Stage 2 expenditure commitments per the Narryer Metals (ASX: NYM) Farm-in Agreement and has thereby earned a 70% legal and beneficial interest in EL6715, a tenement that forms part of the Group's Rosewood Titanium Prospect. Pursuant to the Farm-in Agreement NYM has elected to form a Joint Venture which will be managed by Petratherm.

On 8 September 2025, the Group announced 2,525,000 performance rights issued under the employee incentive scheme to the employees of the Group. The vesting conditions of the performance rights relate to various project milestones at the Group's Muckanippie project.

Note 25. Cash flow information

Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated 2025	2024
	\$	\$
Loss after income tax expense for the year	(1,640,996)	(1,050,737)
Adjustments for:		
Depreciation and amortisation	3,359	6,668
Impairment of tenement	126,516	-
Share-based payments	335,114	25,293
Non-operating receivables	(217,604)	(233,059)
Non-operating payables	(34,614)	105,088
Change in operating assets and liabilities:		
Decrease in receivables	148,815	290,200
Increase in prepayments	(23,042)	(4,403)
Increase/(decrease) in trade and other payables	114,720	(106,379)
Increase in employee benefits	53,208	21,062
Net cash used in operating activities	<u>(1,134,524)</u>	<u>(946,267)</u>

Note 26. Earnings/(losses) per share

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>297,764,000</u>	<u>226,319,854</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>297,764,000</u>	<u>226,319,854</u>

Note 26. Earnings/(losses) per share (continued)

	Cents	Cents
Basic earnings/(losses) per share	(0.55)	(0.46)
Diluted earnings/(losses) per share	(0.55)	(0.46)

In accordance with AASB 133 Earnings per Share, potential ordinary shares are antidilutive when their conversion to ordinary shares would increase earnings per share or decrease loss per share from continuing operations. The calculation of diluted earnings/(losses) per share does not assume conversion, exercise, or other issue of potential ordinary shares that would have an antidilutive effect on earnings/(losses) per share.

Note 27. Share-based payments

The Group established the Petratherm Limited Employee Share Option Plan and a summary of the Rules of the Plan are set out below:

- All employees (full and part time) will be eligible to participate in the Plan after a qualifying period of 12 months employment by a member of the Group, although the Board may waive this requirement.
- Options are granted under the Plan at the discretion of the Board and if permitted by the Board, may be issued to an employee's nominee.
- Each option is to subscribe for one fully paid ordinary share in the Company and will expire 5 years from its date of issue. An option is exercisable once service period vesting conditions are met. Options will be issued free. The exercise price of options will be determined by the Board, subject to a minimum price equal to the market value of the Company's shares at the time the Board resolves to offer those options. The total number of shares, the subject of options issued under the Plan, when aggregated with issues during the previous 5 years pursuant to the Plan and any other employee share plan, must not exceed 5% of the Company's issued share capital.
- If, prior to the expiry date of options, a person ceases to be an employee of the Group for any reason other than retirement at age 60 or more (or such earlier age as the board permits), permanent disability, redundancy or death, the options held by that person (or that person's nominee) automatically lapse on the first to occur of a) the expiry of the period of 6 months from the date of such occurrence, and b) the expiry date. If a person dies, the options held by that person will be exercisable by that person's legal personal representative.
- Options cannot be transferred other than to the legal personal representative of a deceased option holder.
- The Company will not apply for official quotation of any options issued under the plan.
- Shares issued as a result of the exercise of options will rank equally with the Company's previously issued shares.
- Option holders may only participate in new issues of securities by first exercising their options.

The objective of company's reward framework is to ensure employment reward for performance is competitive and appropriate for results delivered.

The Board ensures that the reward satisfied the following key criteria for good reward government practices:

- competitiveness and reasonableness;
- acceptability to shareholders;
- performance linkage/alignment of executive compensation;
- transparency; and
- capital management.

The remuneration framework compliments to the reward strategy of the organisation and aligns to the program participants' interests:

- rewards capability and experience;
- reflects competitive reward for contribution to growth in shareholder wealth;
- provides recognition for contribution.

Petratherm Limited
Notes to the financial statements
30 June 2025

Note 27. Share-based payments (continued)

A summary of the Company options on issue during the year is as follows:

2025

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted during the year	Exercised	Lapsed	Balance at the end of the year
01/10/2021	01/10/2024	\$0.08	1,000,000	-	-	(1,000,000)	-
12/01/2023	12/01/2026	\$0.09	500,000	-	(200,000)	-	300,000
05/05/2023	05/05/2026	\$0.09	75,000	-	(75,000)	-	-
29/12/2023	29/12/2026	\$0.06	325,000	-	(325,000)	-	-
07/11/2024	31/10/2027	\$0.07	-	650,000	-	-	650,000
28/01/2025	28/01/2028	\$0.51	-	75,000	-	-	75,000
20/03/2025	31/12/2027	\$0.00	-	850,000	-	-	850,000
20/03/2025	31/12/2028	\$0.00	-	850,000	-	-	850,000
20/03/2025	31/12/2029	\$0.00	-	850,000	-	-	850,000
12/06/2025	27/06/2028	\$0.45	-	1,000,000	-	-	1,000,000
			1,900,000	4,275,000	(600,000)	(1,000,000)	4,575,000

On 1 October 2024, 1,000,000 unlisted options with an exercise price of \$0.084 lapsed.

The above options include equity-settled share-based compensation benefits granted to the employees under the employee share option plan. The options are simple time vesting options.

In February 2025, 200,000 options with exercise price \$0.93, 75,000 options with exercise price \$0.96 and 325,000 options with exercise price \$0.69 were converted into shares. As a result, the expenses recognised during the year on a pro rata basis was \$200,667 (2024: \$6,924). Options issued to new employees vest on the first anniversary of the commencement date.

1,000,000 options were issued on 12 June 2025 to a broker as compensation for lead manager services provided. The options are simple time vesting options.

The fair value of the options granted during the period were calculated by using a Black-Scholes option pricing model applying the following inputs:

Grant Date	Vesting Date	Expiry Date	Share price at grant date:	Exercise price:	Expected share price volatility:	Risk-free interest rate:	Fair value at grant date:
07/11/2024	31/10/2025	31/10/2027	\$0.047	\$0.076	137.10%	3.87%	\$21,989
28/01/2025	28/01/2026	28/01/2028	\$0.415	\$0.509	190.90%	3.87%	\$27,953
20/03/2025	31/12/2025	31/12/2027	\$0.320	\$0.000	100%	3.87%	\$272,000
20/03/2025	31/12/2026	31/12/2028	\$0.320	\$0.000	100%	3.87%	\$272,000
20/03/2025	31/12/2027	31/12/2029	\$0.320	\$0.000	100%	3.87%	\$272,000
12/06/2025	27/06/2025	27/06/2028	\$0.295	\$0.450	100%	3.87%	\$163,000

The weighted average remaining contractual life of options outstanding at the end of the financial year was 3.02 years. (2024: 1.04 years).

Petratherm Limited
Notes to the financial statements
30 June 2025

Note 27. Share-based payments (continued)

A summary of the performance rights on issue during the period is as follows:

2025							
Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted during the year	Exercised	Lapsed	Balance at the end of the year
20/03/2025	31/12/2028	\$0.00	-	1,000,000	-	-	1,000,000
20/03/2025	31/12/2028	\$0.00	-	1,000,000	-	-	1,000,000
20/03/2025	31/12/2028	\$0.00	-	1,000,000	-	-	1,000,000
12/06/2025	01/05/2030	\$0.00	-	270,000	-	-	270,000
12/06/2025	01/05/2030	\$0.00	-	270,000	-	-	270,000
12/06/2025	01/05/2030	\$0.00	-	270,000	-	-	270,000
12/06/2025	01/05/2030	\$0.00	-	450,000	-	-	450,000
12/06/2025	01/05/2030	\$0.00	-	540,000	-	-	540,000
			-	4,800,000	-	-	4,800,000

Petratherm Limited
Notes to the financial statements
30 June 2025

Note 27. Share-based payments (continued)

Grant date	Vesting date	Number of performance rights granted	Fair value at grant date \$	Performance and Vesting Criteria
20/03/2025	31/12/2026	1,000,000	320,000	Based on the results of at least 40 drill holes, the Directors of the Company are sufficiently satisfied that a potentially economic discovery has been made at the Company's Muckanippie Project; and continued service 2 years from 31 December 2024
20/03/2025	30/06/2027	1,000,000	320,000	The Company reports a Mineral Resource estimate in accordance with the JORC Code, 2012 Edition of at least 100Mt tonnes of not less than 8% average Heavy Mineral Sands (HMS) in the Inferred Category at the Company's Muckanippie Project with Reasonable Prospects for Eventual Economic Extraction (RPEEE); and continued service 2.5 years from 31 December 2024;
20/03/2025	31/12/2027	1,000,000	320,000	The Company reports a Mineral Resource estimate in accordance with the JORC Code, 2012 Edition of at least 100Mt tonnes of not less than 8% average HMS in the Indicated Category at the Company's Muckanippie Project with RPEEE; and continued service 3 years from 31 December 2024;
12/06/2025	01/05/2030	270,000	74,744	The Company's share price as traded on the ASX achieving a volume weighted average market price of \$0.50 per Share or a market capitalisation of at least \$173 million over 10 consecutive trading days on which shares have actually traded; and continued service 2 years from 1 May 2025;
12/06/2025	01/05/2030	270,000	72,460	The Company's share price as traded on the ASX achieving a volume weighted average market price of \$0.65 per Share or a market capitalisation of at least \$225 million over 10 consecutive trading days on which shares have actually traded; and continued service 2 years from 1 May 2025;
12/06/2025	01/05/2030	270,000	70,401	The Company's share price as traded on the ASX achieving a volume weighted average market price of \$0.80 per Share or a market capitalisation of at least \$276 million over 10 consecutive trading days on which shares have actually traded; and continued service 2 years from 1 May 2025;
12/06/2025	01/05/2030	450,000	126,113	Completion of an initial Scoping Study on the Muckanippie Project within 12 months of commencement of the study; and continued service 2 years from 1 May 2025. A probability of 95% was included in the assessment of fair value;
12/06/2025	01/05/2030	540,000	151,335	Completion of a PFS to JORC/AusIMM standard on the Muckanippie Project within 18 months of commencement of the study; and continued service 2 years from 1 May 2025. A probability of 95% was included in the assessment of fair value;

The above performance rights were equity-settled share-based compensation benefits granted to the employees under the employees performance rights plan. The expenses recognised during the period on a prorata basis was \$134,447 (2024: \$nil). The vesting conditions and performance criteria were taken into consideration while recognising the expenses on a prorata basis.

The weighted average remaining contractual life of performance rights outstanding at the end of the financial year was 4.01 years. (2024: 0 years).

Note 27. Share-based payments (continued)

Accounting policy for share-based payments

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions is measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions is recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Petratherm Limited
Consolidated entity disclosure statement
As at 30 June 2025

Entity name	Entity type	Place formed / Country of incorporation	Ownership interest %	Tax residency
Petratherm Limited	Body corporate	Australia	100.00%	Australia
MNGI Pty Ltd	Body corporate	Australia	100.00%	Australia
Hiltaba Pty Ltd	Body corporate	Australia	100.00%	Australia

Basis of Preparation

This Consolidated Entity Disclosure Statement (CEDS) has been prepared in accordance with the Corporations Act 2001 and includes required information for each entity that was part of the consolidated entity as at the end of the financial year.

Consolidated entity

This CEDS includes only those entities consolidated as at the end of the financial year in accordance with AASB 10 Consolidated Financial Statements (AASB 10).

Determination of Tax Residency

Section 295 (3A) of the Corporations Act 2001 defines tax residency as having the meaning in the Income Tax Assessment Act 1997. The determination of tax residency involves judgment as there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, the consolidated entity has applied the following interpretations:

Australian tax residency

The consolidated entity has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5 Income tax: central management and control test of residency.

Petratherm Limited
Directors' declaration
30 June 2025

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2025 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- the information disclosed in the attached consolidated entity disclosure statement is true and correct.

The Directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the Directors



Derek Carter
Chairman

19 September 2025



Grant Thornton Audit Pty Ltd
Grant Thornton House
Level 3
170 Frome Street
Adelaide SA 5000
GPO Box 1270
Adelaide SA 5001
T +61 8 8372 6666

Independent Auditor's Report

To the Members of Petratherm Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Petratherm Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2025, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated 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 2025 and of its performance for the year ended on that date; 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 our audit of the financial report 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.

www.grantthornton.com.au
ACN-130 913 594

Grant Thornton Audit Pty Ltd ACN 130 913 594 a subsidiary or related entity of Grant Thornton Australia Limited ABN 41 127 556 389 ACN 127 556 389. 'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton Australia Limited is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate one another and are not liable for one another's acts or omissions. In the Australian context only, the use of the term 'Grant Thornton' may refer to Grant Thornton Australia Limited ABN 41 127 556 389 ACN 127 556 389 and its Australian subsidiaries and related entities. Liability limited by a scheme approved under Professional Standards Legislation.

For personal use only

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.

Key audit matter	How our audit addressed the key audit matter
Exploration and evaluation assets – Note 11	
<p>At 30 June 2025, the carrying value of exploration and evaluation assets was \$6,188,777.</p> <p>In accordance with AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i>, the Group is required to assess at each reporting date if there are any triggers for impairment which may suggest the carrying value is in excess of the recoverable value.</p> <p>The process undertaken by management to assess whether there are any impairment triggers in each area of interest involves an element of management judgement.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> • reviewing management's area of interest considerations against AASB 6; • conducting a detailed review of management's assessment of trigger events prepared in accordance with AASB 6 including: <ul style="list-style-type: none"> – tracing projects to statutory registers, exploration licenses, and third-party confirmations to determine whether a right of tenure existed; – enquiring of management regarding their intentions to carry out exploration and evaluation activity in the relevant exploration area, including review of management's budgeted expenditure; – understanding whether any data exists to suggest that the carrying value of these exploration and evaluation assets are unlikely to be recovered through development or sale; • assessing the accuracy of any impairment recorded for the year as it pertains to exploration interests; and • assessing the appropriateness of the related financial statement disclosures.

Information other than the financial report and auditor's report thereon

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 2025 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 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.

Petratherm Limited
Independent auditor's report to the members of Petratherm Limited

For personal use only

Responsibilities of the Directors for the financial report

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

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

- i the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- ii the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Group's ability 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 the 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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/media/bwvjcgre/ar1_2024.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Opinion on the remuneration report

We have audited the Remuneration Report included in the Directors' report for the year ended 30 June 2025.

In our opinion, the Remuneration Report of Petratherm Limited, for the year ended 30 June 2025 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.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



B K Wundersitz
Partner – Audit & Assurance

Adelaide, 19 September 2025

Petratherm Limited
Shareholder information
30 June 2025

Additional information required by the Australian Securities Exchange Listing Rules and not disclosed elsewhere in this report is set out below. This information is current as at 11 September 2025.

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

	Ordinary shares
	Number of holders
1 to 1,000	1,324
1,001 to 5,000	1,083
5,001 to 10,000	362
10,001 to 100,000	870
100,001 and over	376
	<u>4,015</u>
Holding less than a marketable parcel	<u>1,669</u>

Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

Name	Ordinary shares Number held	%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	23,768,368	6.86
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	18,589,186	5.36
GREENSLADE HOLDINGS PTY LTD	9,285,001	2.68
GP SECURITIES PTY LTD	8,871,839	2.56
CPO SUPERANNUATION FUND PTY LTD (C & P O'CONNOR S/F A/C)	7,683,929	2.22
MR MICHAEL ANDREW WHITING + MRS TRACEY ANNE WHITING (WHITING FAMILY S/F A/C)	6,804,215	1.96
CALAMA HOLDINGS PTY LTD (MAMBAT SUPER FUND A/C)	6,218,655	1.79
AV&RV PTY LTD (VEDIG SUPER A/C)	5,900,000	1.70
DORICA NOMINEES PTY LTD (DORICA SUPER FUND A/C)	5,512,429	1.59
JIMZBAL PTY LTD (JIMZBAL SUPER A/C)	5,491,000	1.58
MR ROBERT LLOYD BLESING	5,000,000	1.44
BNP PARIBAS NOMS PTY LTD	4,851,796	1.40
DCS SUPER FUND PTY LTD (DCS SUPERANNUATION A/C)	4,596,876	1.33
INSTANT EXPERT PTY LIMITED (P JURKOVIC FAMILY A/C)	4,224,904	1.22
MR SIMON THOMAS O'LOUGHLIN + MR STEPHEN PETER WHITE (SIMON O'LOUGHLIN SUPER A/C)	3,609,579	1.04
MR LEIGH DAVID KALAZICH	3,460,951	1.00
TOUCAN TRADING PTY LTD	3,379,210	0.97
S & L AHRENS PROPERTIES PTY LTD (S & L AHRENS FAMILY A/C)	3,368,570	0.97
LOUIE NOMINEES PTY LTD (CLIFFCOE SUPER A/C)	3,338,278	0.96
MR ANGUS WILLIAM JOHNSON + MRS LINDY JOHNSON (THE DENA SUPER FUND A/C)	2,800,000	0.81
	<u>136,754,786</u>	<u>39.44</u>

Petratherm Limited
Shareholder information
30 June 2025

Unquoted equity securities

The following unquoted equity securities are on issue:

Class	Number on issue	Number of holders
Option expiring 12 January 2026 exercise price \$0.093	300,000	1
Option expiring 31 October 2027 exercise price \$0.076	650,000	2
Option expiring 31 December 2027 exercise price \$0.00	850,000	4
Option expiring 28 January 2028 exercise price \$0.51	75,000	1
Option expiring 28 June 2028 exercise price \$0.45	1,000,000	1
Option expiring 31 December 2028 exercise price \$0.00	850,000	4
Option expiring 31 December 2029 exercise price \$0.00	850,000	4
Performance rights expiring 31 December 2028 exercise price \$0.00	3,000,000	1
Performance rights expiring 1 May 2030 exercise price \$0.00	1,800,000	1

Substantial holders

Substantial holders in the Company are set out below:

	Number held	Ordinary shares % of total shares issued
Acorn Capital Limited (as per most recent substantial holder notice 18 March 2025)	28,168,420	8.13

Voting rights

All ordinary shares carry one vote per share without restriction. Options have no voting rights.

Tenements

Description	Tenement number	Interest owned %
Mt Barry	EL 6333	100
Mt Euee (Mt Barry - extended)	EL 6405	100
Comet	EL 6443	100
Gina	EL 6633	100
Woomera	EL 6707	100
Sturt (Joint Venture)	EL 6715	70
West Comet	EL 6722	100
Muckanippie	EL 6815	100
Commonwealth Hill	EL 6816	100
Arcoona	EL 6854	100
Mulgathing	EL 6855	100
Dingo Well (Joint Venture)	EL 6873	-
The Pines	EL 6918	100
Dean Bore	EL 6919	100
Baby Creek	EL 6949	100
Cadaree Hill	EL 6950	100
Bond	EL 7007	100

For personal use only

This page has intentionally been left blank

For personal use only



ASX:PTR
Petratherm Ltd
ABN 17 106 806 884

A: 22B Beulah Rd, Norwood SA 5067
T: 08 8133 5000
F: 08 8431 3502