

IRIS executes Farm-In for High-Grade Finley Basin Tungsten Project, Montana

HIGHLIGHTS

- IRIS Metals has executed a definitive farm-in agreement, granting IRIS the right to earn a shareholding in Finley Mining Inc., the owner of the high-grade Finley Basin Tungsten Project in Granite County, Montana, USA, following the binding Heads of Agreement executed in December 2025
- The project covers ~378 hectares of unpatented mining claims in the historically productive Flint Creek Mountain Range, with tungsten exploration and production dating back to the early 1900s
- Finley Basin hosts tungsten-rich skarn mineralisation and a historical non-JORC compliant mineral reserve estimate of 850,000 tons at 0.68% WO₃ from Union Carbide's late 1970s-early 1980s work¹
- Located approximately 30km from a fully permitted 1,000 tons per day contract flotation mill in Phillipsburg, Montana, supporting potential efficient future development
- The transaction diversifies IRIS' critical minerals portfolio into tungsten, a vital metal for defence, aerospace, advanced manufacturing and energy applications
- A phase I drill program is targeted to commence in Q3 2026 with a view to announce an initial JORC-compliant mineral resource estimate in early 2027, subject to drilling results

IRIS Metals Limited (ASX: IR1) ("IRIS" or "the Company") is pleased to announce that it has executed a definitive farm-in agreement with Finley Mining Inc. ("Finley Mining") and its shareholders under which IRIS may earn up to a 100% fully diluted shareholding in Finley Mining, the owner of the high-grade Finley Basin Tungsten Project ("Finley Basin Project")¹ located in Granite County, Montana, USA.

This milestone follows the execution of a binding Heads of Agreement (HOA)² in December 2025 which granted IRIS the exclusive right to earn-in Finley Mining as the holder of the Finley Basin Project.

Finley Mining holds a portfolio of unpatented mining claims covering approximately 378 hectares in the Flint Creek Mountain Range, a region with a rich history of tungsten exploration and production dating back to the early 1900s.

The transaction strategically diversifies IRIS' critical minerals portfolio into tungsten, a vital metal essential for defense, aerospace, and advanced manufacturing.

Matt Hartmann, President of U.S. Operations, commented:

"The completion of this farm-in agreement is a key achievement for IRIS, unlocking access to an advanced exploration project with demonstrated high-grade tungsten mineralisation in a premier U.S. district. We're eager to commence our work program, leveraging historical insights to define a modern JORC resource

¹ The historical mineral reserve estimates referenced are not compliant with the JORC Code (2012) and have not been independently verified by IRIS. There is no assurance that further exploration will result in the discovery of an economic mineral resource or that historical estimates will be replicated. Investors should not rely on these historical estimates as indicative of future performance. Refer to IR1's announcement – "IRIS secures right to high-grade tungsten project, Montana USA and update on capital raising", dated 18 December 2025 ("IR1 December Announcement"). The Company confirms that:

(a) it is not in possession of any new information or data relating to the disclosures in the IR1 December Announcement which materially impacts the reliability of the estimates or the Company's ability to verify the estimates as mineral resources or ore reserves in accordance with the JORC Code;

(b) the supporting information provided in the IR1 December Announcement continues to apply and has not materially changed.

² Refer to IR1 December Announcement.

and explore untested targets across a large area. With local milling capabilities and local community support, Finley Basin offers a pathway for efficient development in a market hungry for secure tungsten supplies."

Project Background

The Finley Basin Project hosts tungsten-rich skarn mineralisation, with historical exploration by Union Carbide Corporation in the late 1970s and early 1980s identifying a non-JORC compliant historical mineral "reserve" of 850,000 tons at an average grade of 0.68% WO₃ (comprising 350,000 tons indicated and 500,000 tons inferred)³. This historical estimate is considered indicative of the Finley Basin Project's high-grade potential relative to global tungsten deposits, though it has not been verified under JORC standards and should not be relied upon as a current mineral resource.

Cautionary Statement: *The historical mineral reserve for the Finley Basin Project was originally reported in a document titled "Summary of the H.O. Claims, Granite County, Montana," dated February 2, 1983, written by John Trammell of the Union Carbide Corporation, Metals Division and is not reported in accordance with the JORC Code 2012. A Competent Person has not yet undertaken sufficient work to classify it as a mineral resource or ore reserve under the JORC Code 2012. It is possible that following evaluation and/or further exploration work the currently reported estimates may materially change and hence will need to be reported afresh under and in accordance with the JORC Code 2012. Nothing has come to the attention of the Company that causes it to question the accuracy or reliability of the former owner's estimates, however the Company has not independently verified the former owner's estimates and therefore is not to be regarded as reporting, adopting or endorsing those estimates. The Company is not treating the historical estimate as a current Mineral Resource or Ore Reserve and has not relied upon this estimate in making the decision to enter into the Heads of Agreement. No assurance can be given that future exploration will result in the definition of a Mineral Resource or that any such resource would be economically viable.*

IRIS views the Finley Basin Project as having significant exploration upside, including untested skarn targets, and benefits from proximity to a fully permitted 1,000 tons per day contract flotation mill in Phillipsburg, Montana, approximately 30 km away (figure 1).

³ Refer to the IR1 December Announcement. The Company confirms that that the supporting information provided in the IR1 December Announcement continues to apply and has not materially changed.

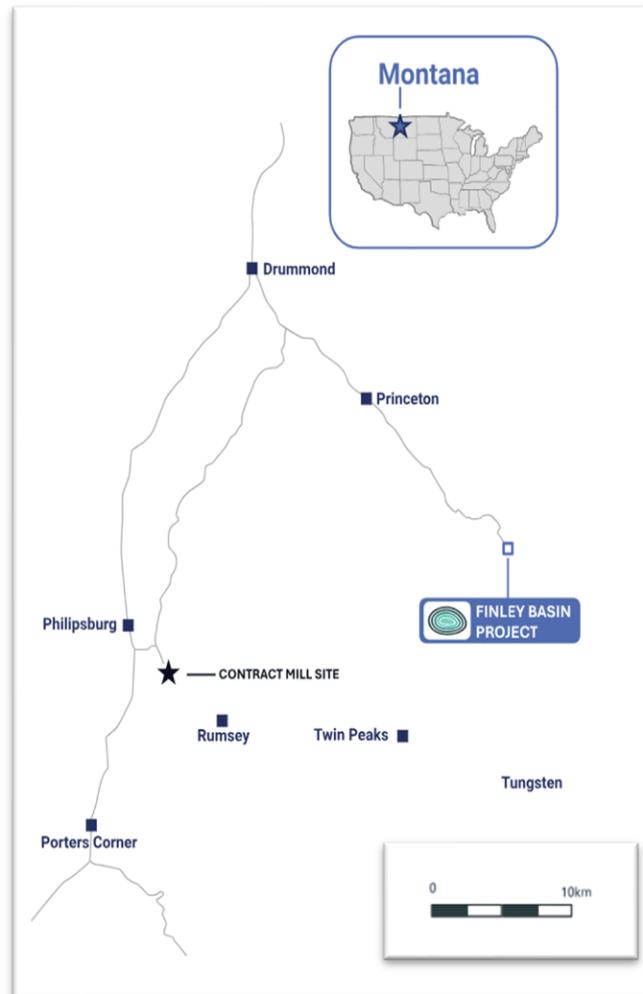


Figure 1: Finley Basin Location Map in Granite County, Montana, USA

The farm-in aligns with IRIS' critical mineral development strategy in the USA, complementing its existing lithium and rubidium holdings in South Dakota. It provides IRIS with exposure to tungsten, a critical mineral essential for defense, aerospace, energy, and industrial applications, supporting U.S. domestic sourcing incentives and frameworks such as the Australia-U.S. Climate, Critical Minerals and Clean Energy Transformation Compact.

Transaction Structure

Under the agreement IRIS has the right to earn a 70% fully diluted ownership interest in Finley Mining (the "Initial Interest") by:

- (a) funding US\$1 million of exploration expenditure on the Finley Basin Project over two years (unless extended); and
- (b) finalising a JORC-compliant Inferred Mineral Resource estimate in respect of the Finley Basin Project.

Following the acquisition of the Initial Interest, the parties will operate the Finley Basin Project through an incorporated joint venture structure via Finley Mining.

After acquiring the Initial Interest, Iris can earn a further 20% interest in Finley Mining (totalling a 90% interest) (the "Further Interest") by spending an additional \$US1 million of exploration expenditure on the Finley Basin Project over an additional two years.

Upon the acquisition of the Further Interest, the vendors' remaining interest will be bought back and converted to a 2% net smelter royalty over the Finley Basin Project, providing IRIS with the potential to secure 100% ownership of Finley Mining and the Finley Basin Project.

IRIS retains the option to withdraw after a minimum spend of USD\$250,000 on the Finley Basin Project with no further obligations.

Initial Consideration

In consideration for being granted the right to farm-in to Finley Mining, IRIS must:

- reimburse the vendors for historical project costs of AUD\$100,000 (plus applicable withholding tax); and
- Issue the vendors (or their nominees) a number of IRIS shares equal to the value of AUD\$150,000 divided by the 10-day volume weighted average price of Iris Shares trading prior to the execution date of the farm in agreement (and remit any applicable withholding tax).

Deferred Consideration

IRIS has also agreed, subject to shareholder approval, to issue up to AUD\$1,000,000 in IRIS shares payable upon achieving specified JORC-compliant Inferred Resource milestones within 5 years of the formal agreement execution:

- 850,000 tonnes at >0.68% WO₃: AUD\$500,000 in shares
- 2,500,000 tonnes at >0.50% WO₃: AUD\$250,000 in shares
- 5,000,000 tonnes at >0.50% WO₃: AUD\$250,000 in shares

Share pricing for deferred payments will be based on the 10-day VWAP on the ASX up to but excluding the announcement date of the relevant resource milestone. If shareholder approval is not obtained for any of the relevant milestones, Iris will instead pay the vendors the equivalent cash amount.

Proposed Work Program and Timelines

IRIS has commenced permitting activities and is targeting Q3 2026 for the start of drilling operations at the Finley Basin Project. The proposed Phase I drill program comprises over 4,500m of drilling to confirm and expand on the historical results from Union Carbide Corporation. Metallurgical testing will be conducted to confirm the process flowsheet for the tungsten mineralisation and viability of utilising the local contract mill for processing. IRIS will undertake reconnaissance sampling and mapping over additional tungsten skarn targets in the immediate vicinity of the known mineralisation within the Finley Basin area, and initiate permitting for a potential Phase II drill program in rapid succession.

ENDS

This announcement was approved for release by the Board of Iris Metals.

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About IRIS Metals (ASX:IR1)

IRIS Metals Ltd (ASX:IR1) is an exploration company with an extensive suite of assets considered to be highly prospective for pegmatite hosted critical minerals, including lithium rubidium, caesium, tantalum and beryllium, located in South Dakota, United States (US). The company's large project area in western South Dakota is in a mining friendly jurisdiction and provides the company with strong exposure to the battery metals and critical minerals space, and the incentives offered by the US government for domestically sourced critical minerals. IRIS has secured rights to the high-grade Finley Basin Tungsten Project in Granite County, Montana, USA, through a farm-in agreement completed following a binding Heads of Agreement executed in December 2025. This strategic addition diversifies the Company's critical minerals portfolio into tungsten, a key metal essential for defence, aerospace, advanced manufacturing, and energy applications, further enhancing its position in the U.S. critical minerals supply chain.

To learn more, please visit: www.irismetals.com

Forward looking Statements:

This announcement may contain certain forward-looking statements that have been based on current expectations about future acts, events and circumstances. These forward-looking statements are, however, subject to risks, uncertainties and assumptions that could cause those acts, events and circumstances to differ materially from the expectations described in such forward-looking statements. These factors include, among other things, commercial and other risks associated with exploration, estimation of resources, the meeting of objectives and other investment considerations, as well as other matters not yet known to IRIS or not currently considered material by the company. IRIS accepts no responsibility to update any person regarding any error or omission or change in the information in this presentation or any other information made available to a person or any obligation to furnish the person with further information.

Not an offer in the United States:

This announcement has been prepared for publication in Australia and may not be released to US wire services or distributed in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction. Any securities described in this announcement have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

Competent Persons Statement:

The information in this announcement that relates to exploration results is based on information reviewed by Matt Hartmann, IRIS' President of U.S. Operations, and a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy (MAusIMM) (318271), a Registered Member of the Society for Mining, Metallurgy and Exploration (RM-SME) (4170350RM). Matt Hartmann is an exploration geologist with over 25 year's experience in mineral exploration, including multi-commodity critical mineral exploration and resource definition in the western United States, and has sufficient experience in the styles of mineralisation and type of deposit under consideration and to the activity undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Matt Hartmann has consented to the inclusion in this Public Report of the matters based on his information in the form and context in which it appears.

Listing Rule 5.23.2:

In respect of this announcement, where IRIS has referred to, or referenced, prior ASX market announcements, IRIS confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcement (unless otherwise stated) and, in the case of estimates of mineral resources or ore reserves, that all material assumptions and technical parameters underpinning the estimates in the prior relevant market announcement continue to apply and have not materially changed.