KAOKO METALS

HALF YEAR FINANCIAL REPORT

For the period ended 30 June 2026

ASX CODE
KAO

ACN
688 022 139

Corporate Directory

DIRECTORS	Mark Thompson – Non-Executive Chair Gerard O'Donovan – Managing Director and CEO Jody Dahrouge – Non-Executive Director
COMPANY SECRETARY & CFO	Brett Tucker
ABN	56 688 022 139
REGISTERED AND PRINCIPAL OFFICE	Level 2, 41-47 Colin Street West Perth WA 6005 E info@kaokometals.com W kaokometals.com.au
SHARE REGISTRY	Xcend Pty Ltd W https://www.xcend.co/talk P +61 (2) 8591 8509
AUDITOR	William Buck Audit (Vic) Pty Ltd Level 20, 181 William Street Melbourne VIC 3000
LEGAL ADVISERS	Hamilton Locke Level 27, 152-158 St Georges Terrace Perth WA 6000
SECURITIES EXCHANGE LISTING	Australian Securities Exchange ASX code: KAO

Directors' Report

The Directors present their report, of the consolidated entity consisting of Kaoko Metals Limited (referred to hereafter as the 'Company', 'Kaoko' or 'parent entity') and the entities it controlled for the half year ended 30 June 2026.

The Company was incorporated on 13 June 2025. The comparative profit or loss and cash flow information is for the period from the date of incorporation through to 30 June 2025.

Directors

The following persons were directors of the Company during the period and up to the date of this report, unless otherwise stated:

Mr. Gerard O'Donovan (appointed 13 June 2025)
Mr. Mark Thompson (appointed 5 January 2026)
Mr. Jody Dahrouge (appointed 5 January 2026)
Mr. Tim Marais (appointed 5 January 2026 and resigned 2 February 2026)

Company Secretary

The office of the Company Secretary is held by Mr. Brett Tucker.

Principal activities

During the financial period, the principal activities of the consolidated entity were the exploration of its mineral exploration projects in Namibia's highly prospective Damara and Kaoko belts.

Operations overview

Kaoko Metals is an ASX-listed exploration company focused on unlocking large-scale copper, silver, gold and tungsten opportunities in Namibia's highly prospective Kaoko and Damara belts. The Company's flagship Chalkos Copper-Silver Project (100%) is located within the under-explored Kaoko Copper Belt of north-western Namibia (EPL 7608 and EPL 7943), where known mineralisation represents only a small portion of a substantial ~400km^2 landholding. In parallel, the Company is earning up to an 85% interest in the Karibib Gold-Copper-Tungsten Project in the prolific Damara Belt of central Namibia (EPL 4663), in close proximity to established operations including the Navachab Gold Mine and the Twin Hills Gold Project.

The half year was a transformational period for the Company. Kaoko completed its Initial Public Offering and was admitted to the Official List of ASX on 6 May 2026, completed the acquisition of the Chalkos Project and settlement of the Karibib earn-in agreement, and immediately mobilised to site to undertake drill-readiness works at Chalkos, and subsequently commenced a maiden diamond drilling program of 2,000 to 3,000 metres.

Kaoko is applying systematic, modern exploration techniques to define and expand known mineralisation while targeting new discoveries across its broader tenure, with the objective of building a meaningful, multi-commodity resource base.

Corporate

In January 2026 the Company completed a pre-IPO placement of 2,585,000 shares at $0.10 per share, raising $258,500. The Company lodged its IPO Prospectus dated 23 February 2026 (Prospectus) and subsequently closed its Public Offer to raise the maximum subscription of $6.5 million (before costs) through the issue of 32,500,000 shares at $0.20 per share. Kaoko was admitted to the Official List of ASX on 6 May 2026 and its shares commenced trading on 7 May 2026 under the code 'KAO'.

On completion of the Prospectus Offers, the Company completed the acquisition of a 100% interest in Chalkos Exploration and Mining Company (Pty) Ltd, the holder of the Chalkos Project licences, together with the outstanding minority interests in the underlying licence-holding entities. Consideration comprised 10,550,000 fully paid ordinary shares and 5,550,000 performance rights issued in accordance with the Prospectus. The Company also settled the Karibib earn-in agreement with the payment of $150,000, under which Kaoko may earn a staged interest of up to 85% in the Karibib Project through exploration expenditure and the issue of shares.

LexRox Exploration (Pty) Ltd was engaged as the Company's in-country exploration operator and country manager, providing the field team, logistics and technical services for both projects.

The Company held its inaugural Annual General Meeting on 29 May 2026, at which all resolutions were passed on a poll, and William Buck Audit (Vic) Pty Ltd was appointed as the Company's auditor.

Chalkos Copper-Silver Project (100%) – Kaoko Copper Belt

Fieldwork at Chalkos commenced immediately following listing on the SX. A local Namibian contractor was engaged to improve site access and undertake drill-readiness works at the Donkey Hill and Otniel prospects, with the engagement of local contractors and communities a core part of the Company's operating approach.

In June 2026 management and the technical team completed a site visit focused on final reconnaissance, stakeholder engagement and drill-target definition. Structural geologists were engaged to assess the mineralised system at Donkey Hill and Otniel to refine drill targeting and the orientation of the maiden drill holes. Following the visit, the Company resolved to prioritise diamond drilling at Chalkos ahead of the previously planned maiden program at Karibib, reflecting the quality of the surface mineralisation, the scale potential of the system and the faster-than-anticipated progress of site access and drill-readiness works.

Geological mapping and reconnaissance during the maiden field program identified a new prospect, named Bootless, within the previously untested corridor of approximately 2.2km between the Otniel and Donkey Hill prospects, and extended the mapped footprint of surface copper mineralisation at both Otniel and Donkey Hill.

Rock chip samples from the new areas were submitted for laboratory analysis, with results incorporated into target ranking and the sequencing of the maiden drilling program, which commenced in August 2026.

Karibib Gold-Copper-Tungsten Project (earning up to 85%) – Damara Belt

The Company's in-country team, led by Country Manager Mr Lisias Pius, mobilised to Karibib in May 2026 and completed a maiden field program comprising a high-resolution topographic drone survey, ground-truthing of historical mapping, pitting and trenching over a target IP anomaly and a reconnaissance rock chip sampling program of 54 samples across the Gamikaubmund, Gamikaubmund North and Pot Mine prospects. Drilling contractors also conducted site visits during the period.

Assay results from the reconnaissance sampling validated the mineral occurrences documented by previous explorers and support the Company's interpretation of a polymetallic skarn-style mineral system across the approximately 250km^2 project area.

Following a review of the scale of the Karibib land package, the Company resolved to undertake a systematic, project-scale soil geochemical sampling program to identify additional drill targets beyond the known mineralised areas ahead of drilling. The program commenced on 14 July 2026, with the first phase targeting the 3km north-south trend around Gamikaubmund and Gamikaubmund North.

Financial performance and position

The consolidated entity recorded a loss after tax of $1,036,162 for the half year, which includes transaction costs associated with the Initial Public Offering of $406,492 (comprising ASX listing, legal, prospectus and advisory costs not directly attributable to the issue of new shares), a non-cash share-based payment expense of $320,000 relating to incentive options issued on listing, investor relations and marketing costs associated with the IPO and listing and pre-acquisition exploration costs of $19,791 that were expensed.

Following the acquisition of its Chalkos and Karibib project interests, the Company incurred exploration expenditure of $287,131, which was capitalised together with the acquisition consideration for the Chalkos Project (including $538,855 recognised in respect of the Chalkos consideration performance rights) and the Karibib earn-in, giving a total exploration and evaluation asset of $3,400,815 at 30 June 2026.

At 30 June 2026 the consolidated entity held cash and cash equivalents of $5,228,520, comprising cash in at-call bank accounts of $2,228,520 and $3,000,000 in term deposits with maturity dates less than 90 days, and were no borrowings.

Dividends

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

Likely developments and expected results of operations

Kaoko's activities for the remainder of the reporting period will be focused on advancing exploration at the Chalkos and Karibib Projects.

Key work programs include the completion of maiden diamond drilling at the Donkey Hill and Otniel prospects. Drilling activities will be supported by detailed geological and structural logging of drill core, with samples submitted progressively for laboratory analysis.

Following completion of a share placement to raise funds to expand its exploration activities, the Company intends to mobilise a second diamond drill rig to Chalkos and expand the planned drilling program at the Otniel and Donkey Hill prospects.

At the Karibib Project, the Company will continue project-scale geochemical sampling and integrate the results with existing geological, geophysical and historical datasets to further refine exploration targets for a maiden drilling program and support future exploration activities.

Environmental regulation

The Company is not subject to any significant environmental regulation under Australian Commonwealth or State law.

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.

Auditor

William Buck Audit (Vic) Pty Ltd continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 306(3) of the Corporations Act 2001.

Signed on behalf of the directors of the Company

Gerard O'Donovan

Gerard O'Donovan
Managing Director & CEO

11 September 2026

Compliance Statement - the information in this report that relates to exploration results for the Chalkos and Karibib Projects is extracted from the Company's ASX announcements dated 19 May 2026, 18 June 2026, 2 July 2026, 16 July 2026, 23 July 2026, 6 August 2026 and 2 September 2026, which are available at www.asx.com.au. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original announcements and that the form and context in which the Competent Person's findings are presented have not been materially modified.

WilliamBuck
ACCOUNTANTS & ADVISORS

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the directors of Kaoko Metals Limited

As lead auditor for the review of Kaoko Metals Limited for the half-year ended 30 June 2026, I declare that, to the best of my knowledge and belief, there have been:

— no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and

— no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Kaoko Metals Limited and the entities it controlled during the period.

William Buck

William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136

N. S. Benbow
Director
Melbourne, 11 September 2026

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Kaoko Metals Limited
Consolidated statement of profit or loss and other comprehensive income
For the period ended 30 June 2026

	Note	30 June 2026 $	From date of incorporation to 30 June 2025 $
Interest income		17,280	-
Legal expenses		(989)	-
Exploration and evaluation expenses		(19,791)	-
Share based payments		(320,000)	-
Foreign exchange gain/(loss)		83,454	-
Administration and corporate expenses		(389,624)	-
Transaction costs associated with the Initial Public Offering		(406,492)	-
Loss before income tax expense		**(1,036,162)**	**-**
Income tax expense		**-**	-
Loss after income tax expense for the period attributable to the owners of Kaoko Metals Limited		**(1,036,162)**	**-**
Other comprehensive income for the period, net of tax		**-**	-
Total comprehensive income for the period attributable to the owners of Kaoko Metals Limited		**(1,036,162)**	**-**
		Cents	**Cents**
Basic earnings per share		(3.20)	
Diluted earnings per share		(3.20)	

Kaoko Metals Limited
Consolidated statement of financial position
As at 30 June 2026

	Note	30 June 2026 $	31 Dec 2025 $
Assets			
Current assets			
Cash and cash equivalents		5,228,520	249,176
Trade and other receivables		30,717	-
Goods and services and other sales tax credits receivable		81,761	-
Total current assets		**5,340,998**	**249,176**
Non-current assets			
Property, Plant & Equipment		38,705	-
Exploration and evaluation asset		3,400,815	-
Total non-current asset		**3,439,520**	**-**
Total assets		**8,780,518**	**249,176**
Liabilities			
Current liabilities			
Trade payables		227,819	214,857
Deferred consideration payable for Karibib acquisition	4	250,000	-
Total current liabilities		**477,819**	**214,857**
Total liabilities		**477,819**	**214,857**
Net assets		**8,302,699**	**34,319**
Equity			
Share capital	5	8,643,407	365,720
Share Based Payments Reserve	6	1,026,855	-
Accumulated losses		(1,367,563)	(331,401)
Total equity		**8,302,699**	**34,319**

Kaoko Metals Limited
Consolidated statement of changes in equity
For the period ended 30 June 2026

	Note	Issued Capital $	Share Based Payment Reserve $	Accumulated Losses $	Total Equity $
Balance at incorporation – 13 June 2025		-	-	-	-
Loss after income tax expense for the period		-	-	-	-
Other comprehensive income for the period, net of tax		-	-	-	-
Total comprehensive income for the period		-	-	-	-
Transactions with owners, in their capacity as owners, and other transfers					
Contributions of equity, net of transaction costs		1	-	-	-
Balance at 30 June 2025		**1**	**-**	**-**	**1**
Balance at 1 January 2026		**365,720**	**-**	**(331,401)**	**34,319**
Loss for the period		-	-	(1,036,162)	(1,036,162)
Other comprehensive income for the year		-	-	-	-
Total comprehensive income for the year		-	-	(1,036,162)	(1,036,162)
Transactions with owners, in their capacity as owners, and other transfers					
Contributions of equity, net of transaction costs.		8,868,500		-	8,868,500
Vesting charge for share based payments	6		320,000		320,000
Chalkos performance rights capitalised	6		538,855		538,855
Share Issue Costs		(590,813)	168,000	-	(422,813)
		8,816,542	**1,026,855**	**-**	**9,304,542**
Balance at 30 June 2026		**8,643,407**	**1,026,855**	**(1,367,563)**	**8,302,699**

Kaoko Metals Limited
Consolidated statement of cash flows
For the period ended 30 June 2026

	Note	30 June 2026 $	From date of incorporation to 30 June 2025 $
Cash flows from operating activities			
Payments to suppliers and employees		(894,801)	-
Payments for exploration expense		(19,791)	-
Interest received		17,280	-
Net cash used in operating activities		**(897,312)**	**-**
Cash flows from investing activities			
Payments for property, plant and equipment		(40,526)	-
Payment for exploration activities		(501,960)	-
Net cash from investing activities		**(542,486)**	**-**
Cash flows from financing activities			
Proceeds from loans received		-	-
Proceeds from the issue of shares		6,758,500	1
Share issue transaction costs		(422,813)	-
Net cash from financing activities		**6,335,687**	**1**
Net increase in cash and cash equivalents		4,895,889	-
Effect of exchange rate movement on cash held (Namibian dollar (NAD) account revaluation)		83,454	-
Cash and cash equivalents at the beginning of the financial period		249,177	-
Cash and cash equivalents at the end of the financial period		**5,228,520**	**1**

Note 1. Material accounting policy information

The accounting policies that are material to the Company are set out below.

New or amended Accounting Standards and Interpretations adopted

The Company 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

The Company was incorporated on 13 June 2025. The comparative profit or loss and cash flow information is for the period from the date of incorporation through to 30 June 2025. These general-purpose financial statements for the interim half-year reporting period ended 30 June 2026 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. The accounting policies and methods of computation adopted in the preparation of this interim financial report are consistent with those applied and disclosed in the annual financial report for the year ended 31 December 2025, except for any changes disclosed.

Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

This interim financial report does not include all of the notes of the type normally included in an annual financial report. It should be read in conjunction with the Company's audited financial statements for the period from incorporation to 31 December 2025, as included in the Prospectus dated 23 February 2026, and any public announcements made by the Company during the half-year in accordance with the continuous disclosure requirements of the Corporations Act 2001.

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Going concern

The financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. At 30 June 2026 the consolidated entity had cash and cash equivalents of $5,228,520, net current assets of $4,863,179 and no borrowings.

The directors have prepared cash flow forecasts for a period of at least twelve months from the date of this report and are satisfied that the consolidated entity has sufficient funds to meet its planned exploration programs, its minimum expenditure and earn-in commitments and its working capital requirements, and that the going concern basis of preparation is appropriate.

Share-based payments

Equity-settled share-based payments are transactions in which the Company receives goods or services as consideration for its own equity instruments. The cost of equity-settled transactions with employees, directors and consultants is measured at the fair value of the equity instruments at grant date, determined using an option pricing model, and is recognised as an expense over the vesting period (or immediately where the instruments vest on grant) with a corresponding increase in the share-based payments reserve.

Options issued to the lead manager as consideration for services in connection with the Offer are measured on the same basis and recognised as a cost of the share issue, deducted from issued capital.

Performance rights issued as consideration for the acquisition of exploration assets are accounted for under AASB 2 as equity-settled share-based payments for the acquisition of goods. The rights are measured at the fair value of the underlying shares at grant date, adjusted for the directors' assessment of the probability that each milestone will be achieved. As the vendors provide no goods or services after completion, the milestones are non-vesting conditions and the fair value of the rights is recognised in full on completion of the acquisition.

The amount recognised is capitalised as part of the cost of the related exploration and evaluation asset with a corresponding increase in the share-based payments reserve. The fair value is determined at grant date and is not subsequently remeasured.

Note 2. 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.

Exploration and evaluation costs

Exploration and evaluation expenditures incurred are capitalised in respect of each identifiable area of interest. These costs are only capitalised to the extent that the Company has rights to tenure for each area of interest, and costs are expected to be recovered 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 recoverable reserves. While there are certain areas of interest from which no reserves have been extracted, the directors are of the continued belief that such expenditure should not be written off since feasibility studies in such areas have not yet concluded.

Any exploration and evaluation costs incurred in the period prior to the Company acquiring rights to tenure for an area of interest are immediately expensed.

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.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to capitalise costs in relation to that area of interest. 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.

The Company assesses impairment at the end of each reporting period by evaluating conditions and events specific to the Company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using fair value less cost of disposal calculations which incorporate various key assumptions.

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.

Chalkos consideration performance rights

The 5,550,000 Chalkos consideration performance rights (note 6) have been measured at their fair value at grant date of $0.20 per right, being the Offer price, adjusted for the directors' assessment of the probability of each milestone being achieved. The directors assessed the probability of achievement at 75% for Milestone 1 (drill intercept), 33% for Milestone 2 (Mineral Resource Estimate) and 20% for Milestone 3 (copper concentrate). On this basis $538,855 has been recognised on completion of the acquisition and capitalised as part of the cost of the Chalkos Project exploration and evaluation asset, with a corresponding credit to the share-based payments reserve. The probability assessments involve significant judgement, as drilling at Chalkos had not commenced at the acquisition date.

Note 3. Exploration and Evaluation Assets

	30 June 2026 $	31 December 2025 $
At beginning of period	-	-
Chalkos acquisition consideration paid (cash)	60,000	-
Chalkos acquisition consideration paid (shares issued) – refer note 5	2,110,000	-
Chalkos consideration performance rights recognised – refer note 6	538,855	-
Karirib Earn-in settlement payment	150,000	-
Karibib deferred Earn-in payment due – refer note 4	250,000	-
Acquisition costs paid	4,828	-
Exploration costs capitalised during period	287,132	-
Balance at end of period	**3,400,815**	**-**

The consideration for the Chalkos acquisition also included 5,550,000 performance rights issued to the vendors, which convert on the achievement of exploration milestones (note 6). The fair value of the rights of $538,855, measured as described in notes 1 and 2, has been included in the cost of the Chalkos Project.

Note 4. Deferred consideration payable for Karibib acquisition

	30 June 2026 $
Deferred consideration payable for Karibib acquisition	250,000
	250,000

The Company entered into an Earn-in Agreement with Karibib Pegmatite Exploration (Proprietary) Limited ("Karibib) to acquire an interest of up to 85% in the Karibib Gold-Copper-Tungsten Project via the acquisition of fully paid ordinary shares in the capital of Karibib.

Under the terms of the agreement, the Company made a cash payment to the Karibib vendors of $150,000 upon the Company's admission to the official list of ASX, with a further $250,000 payable 12 months thereafter. In addition, the Company may earn interests in the project progressively by satisfying the specified earn-in milestones, including exploration expenditure and share issuance requirements set out below.

Stage 1 Farm-in
(a) Kaoko may earn a 15% interest in the share capital of Karibib by expending not less than $200,000 of exploration expenditure within one year from settlement of the Earn-in Agreement, unless extended.

Note 4. Deferred consideration payable for Karibib acquisition (continued)

Stage 2 Farm-in
Subject to eaming the Stage 1 Interest, Kaoko may earn a further 20% interest (for an aggregate interest of 35%) by expending not less than $300,000 of exploration expenditure within two years from settlement of the Earn-in Agreement, unless extended and issuing to the Karibib vendors 500,000 fully paid shares in the Company.

Stage 3 Farm-in
Subject to eaming the Stage 2 Interest, Kaoko may earn a further 25% interest (for an aggregate interest of 60%) by announcing on the ASX market announcements platform an Inferred or higher classification Mineral Resource Estimate in respect of the Karibib Project of not less than 50koz AuEq (with the metal equivalents calculation to include copper, tungsten and gold only) at a cut-off grade of 0.25g/t within three years from settlement of the Earn-in Agreement, unless extended and issuing to the Karibib vendors (or their nominees) 750,000 fully paid shares in the Company.

Stage 4 Farm-in
Subject to eaming the Stage 3 Interest, Kaoko may earn a further 40% interest in Karibib (for an aggregate interest of 100%) by announcing on the ASX market announcements platform a Feasibility Study in respect of the Karibib Project containing an Inferred or higher classification Mineral Resource Estimate of not less than 150koz AuEq (with the metal equivalents calculation to include copper, tungsten and gold only) at a 0.25g/t cut-off within five years from settlement of the Earn-in Agreement, unless extended and issuing to the Karibib vendors (or their nominees) 1,000,000 fully paid shares in the Company.

Any time after acquiring the Stage 1 Interest, Stage 2 Interest or Stage 3 Interest, the Company may elect to withdraw from completing the next stage of the Earn-in and form an incorporated joint venture with the Karibib Shareholders. All participants in the Joint Venture are required to fund all expenditure on a pro-rata basis in accordance with their respective equity interest in Karibib, otherwise their equity interest in Karibib will be diluted in accordance with standard dilution terms.

If the Company acquires the Stage 4 Interest, the Company must procure and grant the Karibib shareholders a royalty equal to the ‘percentage share’ (i.e. 85%) of 2% of the net smelter returns (NSR) of the sale of any mineral extracted, produced and sold from the Karibib Project.

As at the reporting date, the Company has not earned or acquired an interest in the project, as the applicable earn-in milestones have not yet been satisfied.

Note 5. Issued capital

	30 June 2026 No. of shares	**30 June 2026 $**
Fully paid ordinary shares	60,615,000	8,643,407

Details	**Date Shares**	**Shares**	**Issue Price**	**$**
Balance at beginning of financial year	31/12/2025	14,980,000		365,720
Pre-IPO placement	31/01/2026	2,585,000	$0.10	258,500
Consideration shares (Chalkos)	28/04/2026	10,550,000	$0.20	2,110,000
Public Offer (max)	28/04/2026	32,500,000	$0.20	6,500,000
Share issue transaction costs				(590,813)
Balance	**30/06/2026**	**60,615,000**		**8,643,407**

Costs directly attributable to the issue of new shares of $590,813, comprising lead manager and settlement fees of $422,813 and the fair value of the lead manager options of $168,000 (note 6), have been deducted from issued capital.

Other costs of the Initial Public Offering and ASX listing of $406,492 are not directly attributable to the issue of new shares and have been expensed and presented as transaction costs associated with the Initial Public Offering in the statement of profit or loss.

Note 6. Share-based payments

	30 June 2026 $
Share based payments reserve	1,026,855
	1,026,855

		30 June 2026 $
Reserve at beginning of period		-
Incentive options issued to directors and management – expensed	(a)	320,000
Lead manager options – cost of the Offer, deducted from issued capital	(a)	168,000
Chalkos consideration performance rights – capitalised to exploration and evaluation asset	(b)	538,855
Reserve at end of period		**1,026,855**

(a) Options

On 28 April 2026, on admission of the Company to the Official List of ASX, the Company issued 3,000,000 unlisted incentive options to directors and management and 1,500,000 unlisted options to the lead manager to the Offer, in each case under the Prospectus. All options vested on issue, carry no service or performance conditions and expire on 28 April 2029.

The fair value of the incentive options of $320,000 was recognised as a share-based payment expense during the period. The fair value of the lead manager options of $168,000 was recognised as a cost of the Offer and deducted from issued capital.

Options issued during the period	Expiry date	Exercise price $	Number	Fair value $
Incentive options – Tranche A	28 Apr 2029	0.30	2,000,000	224,000
Incentive options – Tranche B	28 Apr 2029	0.40	500,000	50,500
Incentive options – Tranche C	28 Apr 2029	0.50	500,000	45,500
Lead manager options	28 Apr 2029	0.30	1,500,000	168,000
Total			4,500,000	488,000

Note 6. Share-based payments (continued)
Share-based payment arrangements

The fair value of the options at grant date was determined using the Black-Scholes option pricing model based on the following inputs:

Assumption	**Tranche A & lead manager options**	**Tranche B**	**Tranche C**
Grant date	28 Apr 2026	28 Apr 2026	28 Apr 2026
Expiry date	28 Apr 2029	28 Apr 2029	28 Apr 2029
Share price at grant date ($)	0.20	0.20	0.20
Exercise price ($)	0.30	0.40	0.50
Expected volatility (%)	100	100	100
Risk-free rate (%)	4.65	4.65	4.65
Expected life (years)	3	3	3
Dividend yield (%)	-	-	-
Fair value per option ($)	0.112	0.101	0.091
Vesting status	Vested on issue	Vested on issue	Vested on issue

Movement in options on issue during the period:

	Number	**Weighted average exercise price $**
On issue at 1 January 2026	-	-
Granted during the period	4,500,000	0.33
Exercised during the period	-	-
Lapsed or forfeited during the period	-	-
On issue at 30 June 2026	4,500,000	0.33
Exercisable at 30 June 2026	4,500,000	0.33

The weighted average remaining contractual life of options on issue at 30 June 2026 was 2.8 years.

(b) Chalkos consideration performance rights
On completion of the acquisition of the Chalkos Project on 29 April 2026 the Company issued 5,550,000 performance rights to the vendors of the project as part consideration for the acquisition.

Each performance right converts into one fully paid ordinary share for nil consideration on satisfaction of the relevant milestone and lapses if the milestone has not been satisfied by 6 May 2031, being five years from ASX admission. The performance rights carry no voting or dividend rights and are subject to ASX escrow.

The rights have been measured at their fair value at grant date of $0.20 per right, being the Offer price and the price at which the consideration shares were issued, adjusted for the directors' assessment of the probability of achievement of each milestone (note 2) at the date of issue. The resulting fair value of $538,855 was recognised in full on completion of the acquisition and capitalised to the Chalkos Project exploration and evaluation asset (note 3).

No milestone had been achieved and no rights had vested, converted or lapsed at 30 June 2026.

Note 6. Share-based payments (continued)

Performance rights issued during the period	Number	Fair value at grant $	Probability assessed %	Recognised $
Milestone 1 – drill intercept of at least 5m at 2% Cu	2,522,729	504,546	75	378,410
Milestone 2 – Inferred Mineral Resource of at least 60,000t contained copper	1,513,636	302,727	33	99,900
Milestone 3 – production of a 10% copper concentrate from bulk sampling	1,513,635	302,727	20	60,545
Total	**5,550,000**	**1,110,000**		**538,855**

The performance rights are equity-settled contingent consideration for the acquisition of the Chalkos Project. Each tranche converts only if the relevant exploration milestone is achieved, and achievement of the milestones depends on the results of the Company's future exploration programs.

Movement in performance rights on issue during the period:

	Number
On issue at 1 January 2026	-
Granted during the period	5,550,000
Vested and converted during the period	-
Lapsed during the period	-
On issue at 30 June 2026	**5,550,000**

Note 7. Contingent liabilities and planned exploration expenditure

Other than the Chalkos consideration performance rights described in note 6, the Company had no contingent liabilities as at 30 June 2026.

Planned exploration expenditure
In order to maintain its interest in the Chalkos Project the consolidated entity is required under the Chalkos Share Sale Agreement to incur minimum exploration expenditure of $2,000,000 within 24 months of completion, being by 29 April 2028.

The Chalkos obligation ceases on satisfaction of the performance right milestones described in note 6.

Under the Karibib earn-in agreement the Company may earn an initial 15% interest in the Karibib Project by incurring exploration expenditure of $200,000 within 12 months of settlement, being by 29 April 2027, and may earn further interests through subsequent stages of expenditure and share issues at its election. Further details of the earn-in stages and the applicable expenditure and share issue requirements are set out in note 4.

The earn-in expenditure is not a contractual commitment and is not included above.
The deferred cash consideration of $250,000 payable under the earn-in agreement in April 2027 is recognised in trade and other payables (note 4).

Note 8. 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 1:

Name	Principal place of business / Country of incorporation	Ownership interest 30 June 2026 %
Kaoko Metals (Namibia) Pty Ltd	Australia	100.00%
Chalkos & Karibib Exploration (Pty) Ltd	Namibia	100.00%
Chalkos Exploration and Mining Company (Pty) Ltd	Namibia	100.00%
Fifth Gear JV Exploration and Mining Company (Pty) Ltd	Namibia	100.00%
Khoarib JV Exploration and Mining Company (Pty) Ltd	Namibia	100.00%
Karibib Pegmatite Exploration (Pty) Ltd (farm-in)	Namibia	Nil

The Company holds a right under the Karibib farm-in agreement to earn a staged interest of up to 85% in the Karibib Project held by Karibib Pegmatite Exploration (Pty) Ltd (through acquisition of up to 100% of issued capital of Karibib Pegmatite Exploration (Pty) Ltd). No ownership interest had been earned at 30 June 2026 and the entity is not controlled by the Company.

Expenditure incurred under the farm-in is capitalised as exploration and evaluation expenditure in the Company as the holder of the farm-in right.

Note 9. Related party transactions

Transactions with related parties
The following transactions occurred with related parties during the financial period:

	30 June 2026 $
Consulting fees – P1 Advisory Group Pty Ltd, an entity associated with Mr Gerard O'Donovan	64,619
Director fees and superannuation – Mr Mark Thompson	14,415
Director fees – Mr Jody Dahrouge	7,757
Share-based payments – incentive options issued to directors	308,800

Consulting fees paid or payable to P1 Advisory Group Pty Ltd include the pre-IPO fee of $45,000 disclosed in the Prospectus; $24,809 of the fees for the period was allocated to exploration expenditure.

On admission to the ASX the Company issued 2,900,000 incentive options to directors under the Prospectus: 1,500,000 to Mr O'Donovan (500,000 each exercisable at $0.30, $0.40 and $0.50), 700,000 to Mr Thompson and 700,000 to Mr Dahrouge (each exercisable at $0.30), all expiring 28 April 2029. The fair value of these options of $308,800 has been recognised as a share-based payment expense.

Note 10. Events after the reporting period

Subsequent to the reporting period, Kaoko appointed Mr Callum Standing as Consulting Geologist. A co-founder of Kaoko Metals, Mr Standing has been closely involved in the Company's progress since inception and brings significant geological and exploration expertise. His appointment reinforces Kaoko's technical team and supports the Company's transition into active drilling and the next stage of exploration growth.

On 7 September 2026 the Company announced a placement of 9,090,910 fully paid ordinary shares at $2.20 per share to raise $20.0 million (before costs), with settlement expected on 14 September 2026. Proceeds will be applied to accelerating exploration at the Chalkos and Karibib Projects and to general working capital.

Note 11. Operating segments

The Board has considered the requirements of AASB 8 'Operating Segments' and the internal reports that are reviewed by the chief operating decision maker, being the Board of Directors, in allocating resources and assessing performance. As the consolidated entity is solely engaged in mineral exploration in Namibia, the Board has concluded that there is one operating segment, being mineral exploration, and one geographical segment, being Namibia. All non-current assets of the consolidated entity are located in Namibia.

Kaoko Metals Limited
Directors' declaration
Half Year Report to 30 June 2026

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 Standard IAS 34 'Interim Financial Reporting' as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Company's financial position as at 30 June 2026 and of its performance for the financial period 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

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors

Gerard O'Donovan

Gerard O'Donovan
Director

11th September 2026

William Buck
ACCOUNTANTS & ADVISORS

Independent auditor's review report to the members of Kaoko Metals Limited

Report on the half-year financial report

Our conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Kaoko Metals Limited (the Company), and its subsidiaries (together, the Group) does not comply with the *Corporations Act 2001*, including:

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

— complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001.*

What was reviewed?

We have reviewed the accompanying half-year financial report of the Group, which comprises:

1. the consolidated statement of financial position as at 30 June 2026,
2. the consolidated statement of profit or loss and other comprehensive income for the half-year then ended,
3. the consolidated statement of changes in equity for the half-year then ended,
4. the consolidated statement of cash flows for the half-year then ended,
5. notes to the financial statements, including a summary of significant accounting policies and other explanatory information/material accounting policy information, and
6. the directors' declaration.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's responsibilities for the review of the financial report* section of our report. We are independent of the 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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Responsibilities of the directors for the financial report

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

Auditor's responsibilities for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 June 2026 and its performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

William Buck

William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136

N. S. Benbow
Director
Melbourne, 11 September 2026