Chalcophile Resources Pty Ltd

ABN 41 090 712 217

Financial Statements
For the years ended 30 June 2023, 2024 and 2025

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Corporate Directory

Director
Cheng (William) Wang, Non-Executive Chairman

Chief Executive Officer
Neil McIntyre

Company Secretary
Tuan Do

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Website: www.diatreme.com.au

Auditors
William Buck (Qld)
Level 22, 307 Queen Street
Brisbane QLD 4000

The director present his report on Chalcophile Resources Pty Ltd (the Company) for the year ended 30 June 2023, 2024 and 2025.

Directors

The following persons were directors of Chalcophile Resources Pty Ltd during the financial year ended 30 June 2023, 2024 and 2025:

Gregory Starr – Non-Executive Chairman (resigned 9 July 2024)
Cheng (William) Wang – Non-Executive Chairman from 9 July 2024, Non-Executive Director prior to that.

As at the date of this report, Cheng (William) Wang is the sole director and serves as Non-Executive Chairman of the Company.

Principal Activities

The principal activity of the Company during the course of the financial year was exploration and project development activities of its Clermont (Copper/Gold) Project in Australia. There were no changes in the nature of the Company's principal activities during the year.

Review of operations

Chalcophile Resources Pty Ltd (Chalcophile) is a 100% owned subsidiary of Regional Exploration Management Pty Ltd, which is in turn a 100% owned subsidiary of Diatreme Resources Ltd (Diatreme).

The Clermont Copper/Gold Project, held by Chalcophile, continues to advance under a binding Memorandum of Understanding (MOU) originally entered into with Metallica Minerals Limited (Metallica), which now has become part of the Diatreme Group following its acquisition in September 2024.

On 13 July 2022, Metallica reported assay results for the two diamond drill holes. Anomalous copper was recorded in both drill holes, with grades ranging from 5ppm Cu to 1,840ppm Cu in hole RDD019 and 2ppm to 3,460ppm Cu in RDD020. Molybdenum grades ranged from <1ppm Mo to 312 ppm Mo in RDD019 and from <1ppm Mo to 87ppm Mo in RDD020. Gold grades ranged from <0.01 to 0.11 Au in RDD019 and from <0.01 ppm Au to 1.75 g/t Au in RDD020.

The assay data showed a distinct increase in copper mineralisation with hole depth, with the highest copper assays recorded at the base of each hole. The same trend was also evident with silver assays in RDD020. The highest recorded gold assays occurred in the bottom 30m of RDD020, with the highest gold intercept of 2m @ 1.69 g/t Au recorded in hole RDD020 from 475m

On 4 July 2023, Metallica announced assay results for the extension to diamond drill hole RDD020 drilled in April and May 2023. Hole RDD020 was extended by approximately 450m to test an intense magnetic low anomaly observed in the regional airborne magnetic data and confirmed by a close spaced drone magnetic survey completed in August 2022. The magnetic low feature had a modelled depth to top of +500m and remained untested after the 2022 drilling program.

Under the terms of the MOU with Diatreme, on the completion of this drill hole, Metallica met the expenditure condition to move to a 51% share of the Clermont Project.

On 12 October 2023, Metallica elected to earn an additional 24% in the Clermont project, increasing its ownership of the project from 51% to 75% dependent upon expending an additional $1M under the terms of the MOU agreement with Diatreme. The $1m threshold has not been met as at 30 June 2025 and thus the ownership of this project remains at 51% for Metallica and 49% for Diatreme.

Diatreme continues to examine options to unlock shareholder value from the Clermont Copper/Gold Project in central Queensland, amid record high gold prices.

Results of operations

The net loss for the respective financial years were:

30 June 2025 - $321
30 June 2024 - $26,907
30 June 2023 - $290
30 June 2022 - $276

Dividends

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

Significant changes in the state of affairs

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

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2025 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Likely developments and expected results of operations

Information on likely developments in the operations of the company and the expected results of operations have not been included in this report because the director believes it would be likely to result in unreasonable prejudice to the company.

Environmental regulation

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

Shares under option

There were no unissued ordinary shares of the company under option outstanding at the date of this report.

Shares issued on the exercise of options

There were no ordinary shares of the company issued on the exercise of options during the year ended 30 June 2023, 2024, 2025 and up to the date of this report.

Indemnity and insurance of officers

The company has indemnified the director 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, a related entity paid a premium in respect of a contract to insure the director 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 years, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

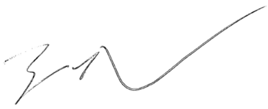
During the financial years, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

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.

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 on page 5.



Cheng Wang
Non-Executive Chairman

Brisbane, 17 October 2025

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

To the director of Chalcophile Resources Pty Ltd

As lead auditor for the audit of Chalcophile Resources Pty Ltd for the years ended 30 June 2025, 30 June 2024 and 30 June 2023, 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 audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.
-

William Buck

William Buck (Qld)
ABN 21 559 713 106

Junaide Latif
Partner

Brisbane, 17 October 2025

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Statement of Profit or Loss and Other Comprehensive Income
For the years ended 30 June 2023, 2024 and 2025

	30 June 2025 $	30 June 2024 $	30 June 2023 $	30 June 2022 $
Revenue				
Other income	-	-	-	-
Total revenue	**-**	**-**	**-**	**-**
Administration expenses	321	26,907	290	276
Total expense	**321**	**26,907**	**290**	**276**
Loss before income tax	**(321)**	**(26,907)**	**(290)**	**(276)**
Income tax expense	-	-	-	-
Net loss for the year	**(321)**	**(26,907)**	**(290)**	**(276)**

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

Statement of Financial Position
As At 30 June 2023, 2024 and 2025

	Note	30 June 2025 $	30 June 2024 $	30 June 2023 $	30 June 2022 $
Current assets					
Cash		3,784	8,202	315	339
Other receivables		3,147	2	496	2
Total current assets		**6,931**	**8,204**	**811**	**341**
Non-current assets					
Exploration and evaluation assets	2	926,774	790,416	764,996	759,756
Tenement deposit		3,000	3,000	3,000	3,000
Total non-current assets		**929,774**	**793,416**	**767,996**	**762,756**
Total assets		**936,705**	**801,620**	**768,807**	**763,097**
Current liabilities					
Trade payables		12,584	-	-	-
Total current liabilities		**12,584**	-	-	-
Non-current liabilities					
Related party borrowings	3	9,614,035	9,491,213	9,431,493	9,425,493
Total non-current liabilities		**9,614,035**	**9,491,213**	**9,431,493**	**9,425,493**
Total liabilities		**9,626,619**	**9,491,213**	**9,431,493**	**9,425,493**
Net liabilities		**(8,689,914)**	**(8,689,593)**	**(8,662,686)**	**(8,662,396)**
Equity					
Issued capital	4	15,000	15,000	15,000	15,000
Accumulated losses		(8,704,914)	(8,704,593)	(8,677,686)	(8,677,396)
Total equity		**(8,689,914)**	**(8,689,593)**	**(8,662,686)**	**(8,662,396)**

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

Statement of Changes in Equity
For the years ended 30 June 2023, 2024 and 2025

	Issued Capital $	Accumulated Losses $	Total $
At 1 July 2021	**15,000**	**(8,677,120)**	**(8,662,120)**
Total comprehensive loss for the year ended 30 June 2022	-	(276)	(276)
Balance at 30 June 2022	**15,000**	**(8,677,396)**	**(8,662,396)**
Total comprehensive loss for the year ended 30 June 2023	-	(290)	(290)
Balance at 30 June 2023	**15,000**	**(8,677,686)**	**(8,662,686)**
Total comprehensive loss for the year ended 30 June 2024	-	(26,907)	(26,907)
Balance at 30 June 2024	**15,000**	**(8,704,593)**	**(8,689,593)**
Total comprehensive loss for the year ended 30 June 2025	-	(321)	(321)
Balance at 30 June 2025	**15,000**	**(8,704,914)**	**(8,689,914)**

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

	30 June 2025 $	30 June 2024 $	30 June 2023 $	30 June 2022 $
Cash flows from operating activities				
Payments to suppliers	(3,466)	(26,413)	(784)	(277)
Net cash outflow from operating activities	**(3,466)**	**(26,413)**	**(784)**	**(277)**
Cash flows from investing activities				
Payments for exploration and evaluation assets	(123,774)	(25,420)	(5,240)	(31,525)
Net cash outflow from investing activities	**(123,774)**	**(25,420)**	**(5,240)**	**(31,525)**
Cash flows from financing activities				
Proceeds from related party borrowings	122,822	59,720	6,000	31,797
Net cash inflow from financing activities	**122,822**	**59,720**	**6,000**	**31,797**
Net (decrease)/increase in cash and cash equivalents	(4,418)	7,887	(24)	(5)
Cash and cash equivalents at the beginning of the year	8,202	315	339	344
Cash and cash equivalents at the end of the year	**3,784**	**8,202**	**315**	**339**

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

1. Material accounting policy information

(a) Basis of preparation

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards – Simplified Disclosures, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*. The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

(b) Basis of measurement

These financial statements have been prepared on the historical cost basis.

(c) Functional and presentation currency

These financial statements are presented in Australian dollars, which is the company's presentation and functional currency.

(d) Accounting policies

Accounting policies have been applied consistently to all periods presented in the financial statements. Specific material accounting policies are described in the note to which they relate. The following accounting policy applies to the financial statements as a whole:

Good and services tax (GST)
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

These financial statements comprise Chalcophile Resources Pty Ltd, a 100% owned subsidiary of Diatreme Resources Limited.

(e) Going concern

The financial statements have been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

At 30 June 2025, the Company had $3,784 in cash (30 June 2024: $8,202, 30 June 2023: $315) and the company's current assets were less than its current liabilities by $5,653 (30 June 2024: current assets exceeded its current liabilities by $8,204, 30 June 2023: current assets exceeded its current liabilities by $811).

The Company incurred a net loss after tax of $321, $26,907 and $290 during the years ended 30 June 2025, 2024 and 2023 respectively and had net cash outflows from operating activities of $3,466, $26,413 and $784 for the years ended 30 June 2025, 2024 and 2023 respectively.

The Company's ability to continue as a going concern is dependent on continued financial support from its ultimate parent company Diatreme Resources Ltd (Diatreme). Diatreme Resources Ltd's ability to continue providing financial support is dependent on the successful raising of additional funding through equity, the extension of its existing debt facilities, and/or the partial sale or joint venture of its exploration assets. These factors give rise to material uncertainty that may cast significant doubt to the Company's ability to continue as a going concern.

The Director has considered Diatreme's current financial position, cashflow forecasts and business outlook. The Director is confident that Diatreme will continue to support the Company. This confidence is support by Diatreme's track record in raising capital and/or realising value through the partial sale or joint venture of exploration assets, should the need arise.

The director is of the opinion that no asset is likely to be realised for an amount less than the amount at which it is recorded in the financial statements at 30 June 2025. Accordingly, no adjustments have been made to the financial statements relating to the recoverability and classification of the asset carrying amounts or the amounts and classification of liabilities that might be necessary should the Company not continue as a going concern.

(f) Critical accounting estimates and judgements

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognised in the period in which the estimate is revised if it affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Exploration and evaluation assets:
The application of the company's accounting policy for exploration and evaluation assets requires judgment in determining whether it is likely that future economic benefits are likely either from future exploitation or sale where activities have not reached a stage which permits a reasonable assessment of the existence of reserves.

2. Exploration and evaluation assets

	30 June 2025 $	30 June 2024 $	30 June 2023 $	30 June 2022 $
Exploration and evaluation assets – at cost	926,774	790,416	764,996	759,756
Opening balance	790,416	764,996	759,756	728,231
Costs capitalised during the period	136,358	25,420	5,240	31,525
Closing balance	926,774	790,416	764,996	759,756

Accounting policy: Exploration and evaluation assets

The above carrying amounts at balance date all relate to the Clermont (Copper/Gold) Project.

Exploration and evaluation costs, including the costs of acquiring licences, are capitalised as exploration and evaluation assets on an area of interest basis. Costs incurred before the Company has obtained the legal rights to explore an area are recognised in profit or loss.

Exploration and evaluation assets are only recognised if the rights to the tenure of the area of interest are current and either:

- the expenditures are expected to be recouped through successful development and exploitation of the area of interest or alternatively, by its sale; or
- activities in the area of interest have not, at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and material operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation costs have been capitalised on the basis that the Company 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.

Accounting policy: impairment of non-financial assets

At the end of each reporting period the Company assesses whether there is any indication that individual assets are impaired. Where impairment indicators exist, recoverable amount is determined and impairment losses are recognised in profit or loss where the asset's carrying value exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

3. Related party borrowings

	30 June 2025 $	30 June 2024 $	30 June 2023 $	30 June 2022 $
Unsecured				
Inter-company loan – Diatreme Resources Ltd (Diatreme)	9,571,455	9,448,633	9,388,913	9,382,913
Inter-company loan – Lost Sands Pty Ltd (100% owned subsidiary of Diatreme)	745	745	745	745
Inter-company loan – Regional Exploration Management Pty Ltd (100% owned subsidiary of Diatreme)	41,835	41,835	41,835	41,835
	9,614,035	9,491,213	9,431,493	9,425,493

Accounting policy: related party borrowings

These loans from related entities are non-interest bearing and with no fixed repayment terms.

4. Issued capital

	30 June 2025 $	30 June 2024 $	30 June 2023 $	30 June 2022 $
15,000 ordinary shares	15,000	15,000	15,000	15,000

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.

Accounting policy: 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.

5. Related parties

Parent entity
The ultimate parent entity is Diatreme Resources Limited.

6. Contingencies

There are no contingent liabilities (30 June 2022: nil) as at the reporting date.

7. Events after the reporting period

No matter or circumstance has arisen since 30 June 2025 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

DIRECTOR'S DECLARATION

In the director's opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Australian Accounting Standards – Simplified Disclosures, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes thereto give a true and fair view of the entity's financial position as at 30 June 2023, 2024 and 2025 and of its performance for the financial years ended on that date; and

- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Cheng Wang
Non-Executive Chairman
Brisbane, 17 October 2025

Independent auditor's report to the members of Chalcophile Resources Pty Ltd

Report on the audit of the financial reports

Our opinion on the financial report

In our opinion, the accompanying financial reports of Chalcophile Resources Pty Ltd (the Company) are in accordance with the *Corporations Act 2001*, including:

– giving a true and fair view of the Company's financial position as at 30 June 2023, 2024, 2025 and of its financial performance for the years then ended; and

– complying with Australian Accounting Standards – Simplified Disclosures and the *Corporations Regulations 2001*.

What was audited?

We have audited the financial report of the Company, which comprises:

– the statement of financial position as at 30 June 2023, 2024 and 2025,
– the statement of profit or loss and other comprehensive income for the years then ended,
– the statement of changes in equity for the years then ended,
– the statement of cash flows for the years then ended,
– notes to the financial statements, including material accounting policy information, and
– the director's declaration.

Basis for opinion

We conducted our audits 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 Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & 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 opinions.

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Material uncertainty related to going concern

We draw attention to Note 2 in the financial report, which indicates that the Company incurred a net loss after tax of $321, $26,907 and $290 during the years ended 30 June 2025, 2024 and 2023 respectively and had net cash outflows from operating activities of $3,466, $26,413 and $784 for the years ended 30 June 2025, 2024 and 2023 respectively. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Other Information

The director is responsible for the other information. The other information comprises the information in the Company's annual report for the years ended 30 June 2025, 2024 and 2023 but does not include the financial reports and the auditor's reports 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 reports, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial reports or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

Responsibilities of the Director for the Financial Reports

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

In preparing the financial reports, the director is responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Reports

Our objectives are to obtain reasonable assurance about whether the financial reports as a whole are 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 reports.

A further description of our responsibilities for the audit of these financial statements is located at the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our auditor's report.

William Buck

William Buck (Qld)
ABN 21 559 713 106

Junaide Latif
Partner

Brisbane, 17 October 2025