SUSTAINABILITY REPORT 2026

JULY 2025 - JUNE 2026

We strive to meet and exceed the expectations placed upon us

fitzroy

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1. OUR BUSINESS

Fitzroy is a privately-owned producer of Queensland steelmaking coal. The company is owned by investors with significant experience and a successful track record of investing in coal and resources. Most importantly our Owners understand the importance of investing in health, safety and environmental management systems, risk management tools and development programs for Fitzroy's people.

Our Owners and our Executive Team understand the need to meet the operating standards expected by the community in which we operate. Our vision is to meet and exceed expectations by responding and adapting to the critical issues facing our industry, our economy and our world.

In November 2025, Mercuria Energy Group Limited (Mercuria) and Eclipse Mining Pty Ltd (Eclipse) executed a strategic transaction to acquire 70% of the shares in Fitzroy CQ Pty Ltd from the AMCI Group. Itochu Corporate (IMEA Fitzroy Pty Ltd) retained its 30% equity holding as part of the transaction. Argo Natural Resources Pty Ltd (Argo) was established as the vehicle to operate Fitzroy CQ Pty Ltd and its subsidiary business units.

Mercuria was established in 2004, and is currently one of the largest integrated energy, metals and minerals trading companies. Mercuria operates in more than 50 countries with main business hubs in London, Geneva, Dubai, Singapore, Beijing, Shanghai, Calgary, Houston, and Greenwich. Whist trading and logistics are the core contributors, Mercuria has diversified its revenue profile with a three pillar model of which assets and investments now represent in excess of US$4.4bn.

Itochu is a global leader in diversified trading, investment, and industrial operations. Founded in 1858, Itochu has headquarters in Tokyo and Osaka. The company operates 61 countries and has a market capitalisation of US79 billion.

Eclipse was established to deliver the safest and most productive coal mines in the world. Eclipse is underpinned by executive and operational expertise spanning multiple jurisdictions, multiple commodities and mining methods, as well as deep experience in the finance, insurance and commodities markets. The Eclipse team is positioned at the forefront of the industry and delivers tailored mining solutions at all levels of the resources sector.

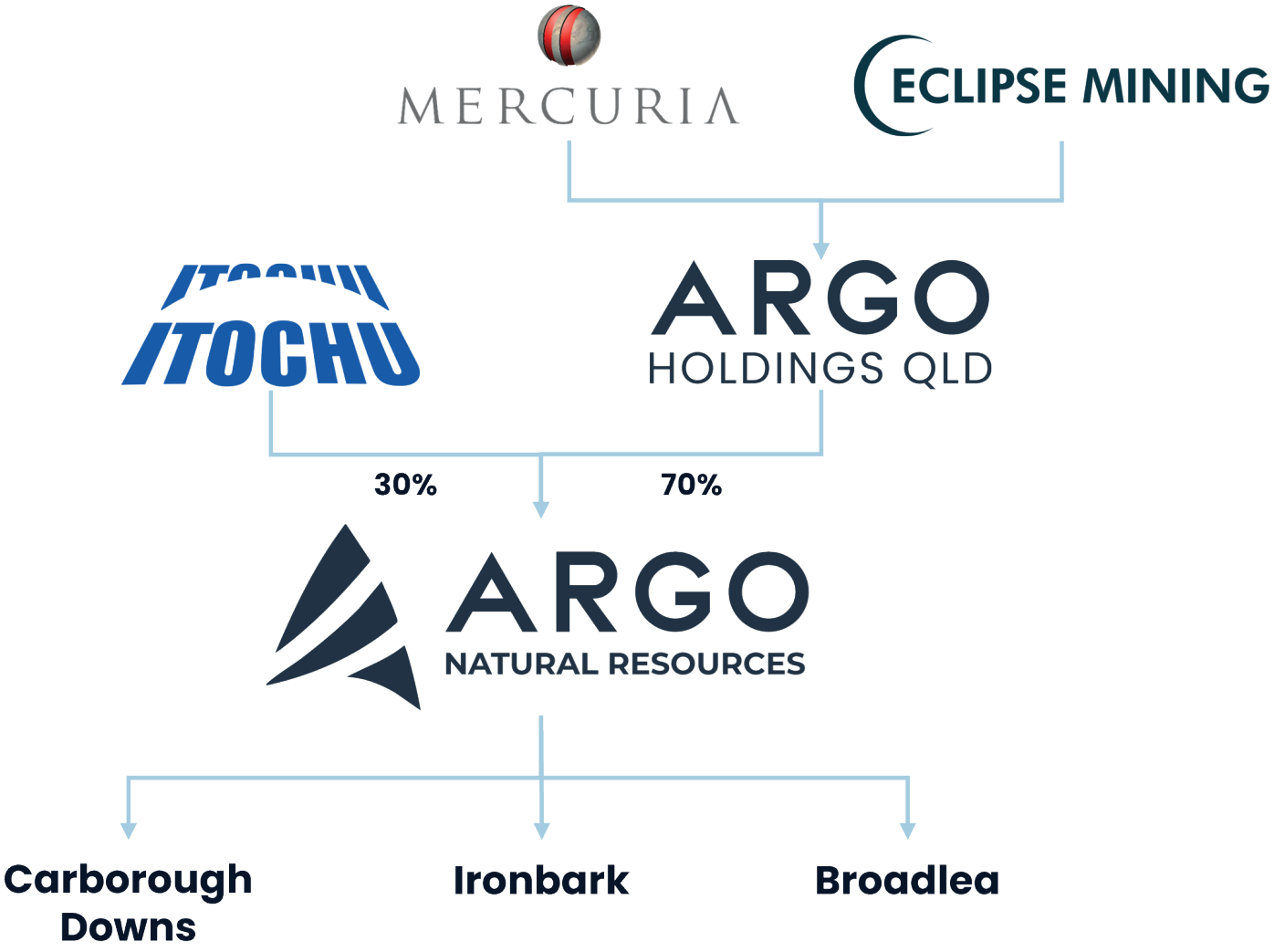
MERCURIA

ITOCHU

ECLIPSE MINING

Argo is a new force in the mining sector with a clear focus on responsible coal mining and long-term value creation. The Argo business brings together experienced industry leadership, modern operational practices, and a disciplined approach to safety, efficiency, and environmental stewardship.

As demand for reliable energy and high-quality resources continues to evolve, Argo is positioning itself as a dependable producer that understands both the technical and commercial realities of the coal market. The Argo operations are designed to deliver consistent performance while meeting regulatory requirements and community expectations. With a commitment to innovation, transparency, and sustainable development, we aim to build a resilient mining business that contributes meaningfully to regional economies, supports local employment, and creates enduring value for stakeholders across the supply chain.



2. WHAT WE DO

Fitzroy produces high quality steelmaking and thermal coal from the Rangal Coal Measures in Queensland's Bowen Basin. Steelmaking coal is used in the steel making industry to produce coke which is a porous solid composed mainly of carbon and ash and is formed when the coal is heated to drive off volatile matter.

Good quality coke is hard, has a high crushing strength and is mainly used in blast furnaces that produce iron. Iron is then used to produce steel and a range of other products. Currently there is no substitute for coal or coke in the steel making process.

Steel is one of the pillars of our modern civilization and is the most widely used metal, forming a critical component in such diverse applications as skyscrapers, medical equipment, surgical implants and rail transport. While the world seeks to significantly increase the use of renewable electricity, these facilities will require large quantities of steel for their construction.

Fitzroy's products contribute to this steel production and to the construction of renewable energy facilities by providing good quality coals which are low in impurities with good coking properties.

Thermal coal, also known as steaming coal, plays a vital role in supporting reliable and affordable energy systems around the world. It is widely used in power generation to produce electricity at scale, providing a stable baseload supply that underpins economic activity and energy security, particularly in developing and industrialising regions. In addition to electricity production, thermal coal supports key industries such as cement and construction, contributing to infrastructure development.

Ongoing improvements in high-efficiency, low-emissions (HELE) technologies and emissions management are helping to enhance the efficiency of coal-fired power generation and reduce environmental impacts, positioning thermal coal as a dependable component in a balanced and evolving global energy mix.

3.1 CARBOROUGH DOWNS COAL MINE

LOCATION

Centrally located in the heart of the Bowen Basin, 30 km from Moranbah. Accessed via the Peak Downs Highway

STATUS

Fully permitted for Longwall and Bord and Pillar operations. Current operations include Bord and Pillar mining with approximately 2.0-2.5Mt pa ROM coal.

EXPLORATION

Extensive exploration underpins JORC compliant reserves of 21.5Mt and Resources of 200.6Mt. Database includes 3D seismic interpretation over the entire life of mine plan area. Mining to date has only been within the Leichardt coal seam. The entire ming lease (ML) area is also fully permitted to mine the Vermont seam throughout, which underlies the Leichardt Seam by 40-60m. Mining of the Vermont coal seam would extend the mine life by another 15-20 years after the Leichardt seam has been mined out.

MINING METHODS

Underground longwall ceased operations in early 2025 with Bord and Pillar operations ramping up to full operations.

PROCESSING CAPACITY

The Coal Handling and Processing Plan (CHPP) has a 7 – 7.5Mt pa ROM capacity. Coal Comprises 2x nominal 500tph CHPP Modules (stand alone). Greater than 1Mt ROM coal stockpile 750Kt product stockpile site, able to blend from multiple coal value locations.

PROCESSING CIRCUITS

Multiple product CHPP modules separated by size and density to multiple coal product specifications. Primary and secondary Dense Media Cyclones with spirals and TBS circuits and Jamieson cells allow ultrafine coal recovery. Rejects drying circuits with rejects disposal to Dry Rejects Emplacement Area (DREA). No tailing dam, nor tailings storage

LOGISTICs

Run of Mine (ROM) coal overland conveyor to CHPP Hub. Product coal railed via Goonyella Branch Railway and exported via Dalrymple Bay Coal Terminal (DBCT).

PRODUCT

100% steelmaking coal (80% Hard Coking Coal (HCC): 20% Pulverized Coal Injection). Capacity to beneficiate and blend to a high energy thermal product. Well established products with geographical distribution and wide acceptance.

HUMAN RESOURCES

Majority of the workforce live in the greater Mackay Region.

3.2 BROADLEA NORTH COAL MINE

LOCATION

~9km north west of Carborough Downs CHPP. Heavy vehicle access via existing Broadlea Mine Road.

STATUS

Fully permitted and operating 1.9Mt pa ROM Coal (current limit of annual ROM coal mining rate).

EXPLORATION

Within the existing fully permitted area are 32Mt of reserves and 218Mt resources. Extensive exploration underpins further expansion opportunities, both within and outside of permitted MLs.

MINING METHODS

Truck and excavator fleet operation, with an option to introduce a dragline. Current mine life is in excess of 10 years.

LOGISTICs

ROM coal truck hauled to CHPP Hub. Product coal railed via Goonyella Branch Railway and exported via DBCT.

PRODUCT

Produces a predominantly Thermal coal in addition to a Semi-Hard Coking Coal (SHCC) product.

HUMAN RESOURCES

Predominantly contractor operated.

3.3 IRONBARK NO.1

LOCATION

~28km north of Carborough Downs CHPP. Heavy vehicle access via existing Broadlea Mine Road (and utilisaing the Mallawa haul road.)

STATUS

Fully permitted and in operation. First coal mined in August 2022. Longwall 6Mt pa ROM Coal

EXPLORATION

Extensive exploration underpins JORC compliant reserves of 47Mt and resources of 203.9Mt. The geological database includes 3D seismic coverage over the entire LOM plan area. Mine planning to date has only considered the Leichardt coal seam. The entire ML area is fully permitted to mine the Vermont seam throughout, which underlies the Leichardt seam by approx. 40-60m. Mining of the Vermont coal seam will extend the mine life by another 15-20 years after the Leichardt seam has been mined out.

MINING METHODS

Underground longwall and continuous miner development units. Longwall mining commenced in early 2025 and continues until early 2036. Mining of the Vermont seam would be by Bord & Pillar and Longwall mining methods.

LOGISTICs

ROM coal will be trucked to existing CHPP Hub. Product coal railed via Goonyella Branch Railway and exported via DBCT.

PRODUCT

100% steelmaking coal (80% HCC: 20% PCI). Capacity to beneficiate and blend to a high energy thermal product. Products to serviced well established markets with good customer acceptance and geographical spread.

HUMAN RESOURCES

Ironbark's Personnel are predominantly drive in / drive out (DIDO) with a large number utilizing Kerlong Camp facilities.

3.4 TENEMENT PORTFOLIO

Fitzroy has established a portfolio of highly prospective tenements, centrally located in the world-renowned central Bowen Basin, the world's premier steelmaking coal basin. The regionally significant tenement package totals ~95,000 hectares and consists of a combination of Mining Leases, Mineral Development Licences and Exploration Permits for Coal with resources in both the Rangal Measures and Moranbah Measures. All tenements are in good standing with rehabilitation and exploration expenditure obligations managed and maintained in line with relevant legislation.

Fitzroy's tenements are positioned within close proximity to Queensland's world class, low cost supply chain. The Fitzroy operations utilise the Goonyella rail system to transport coal approximately 160km to the Port of Hay Point, approximately 30km south of Mackay, where the steelmaking coal products are exported through the Dalrymple Bay Coal Terminal to a range of global customers. The infrastructure network is highly regulated, well maintained and is utilised by some of the world's premier mining companies and operated in line with social and regulatory expectations.

Fitzroy seeks to maximise the utilisation of its key infrastructure by employing a "CHPP Hub" strategy. Run of mine coal production is transported to a centrally located (CHPP) and train loadout facility, enabling Fitzroy to minimise its operating footprint and maximise asset utilisation.

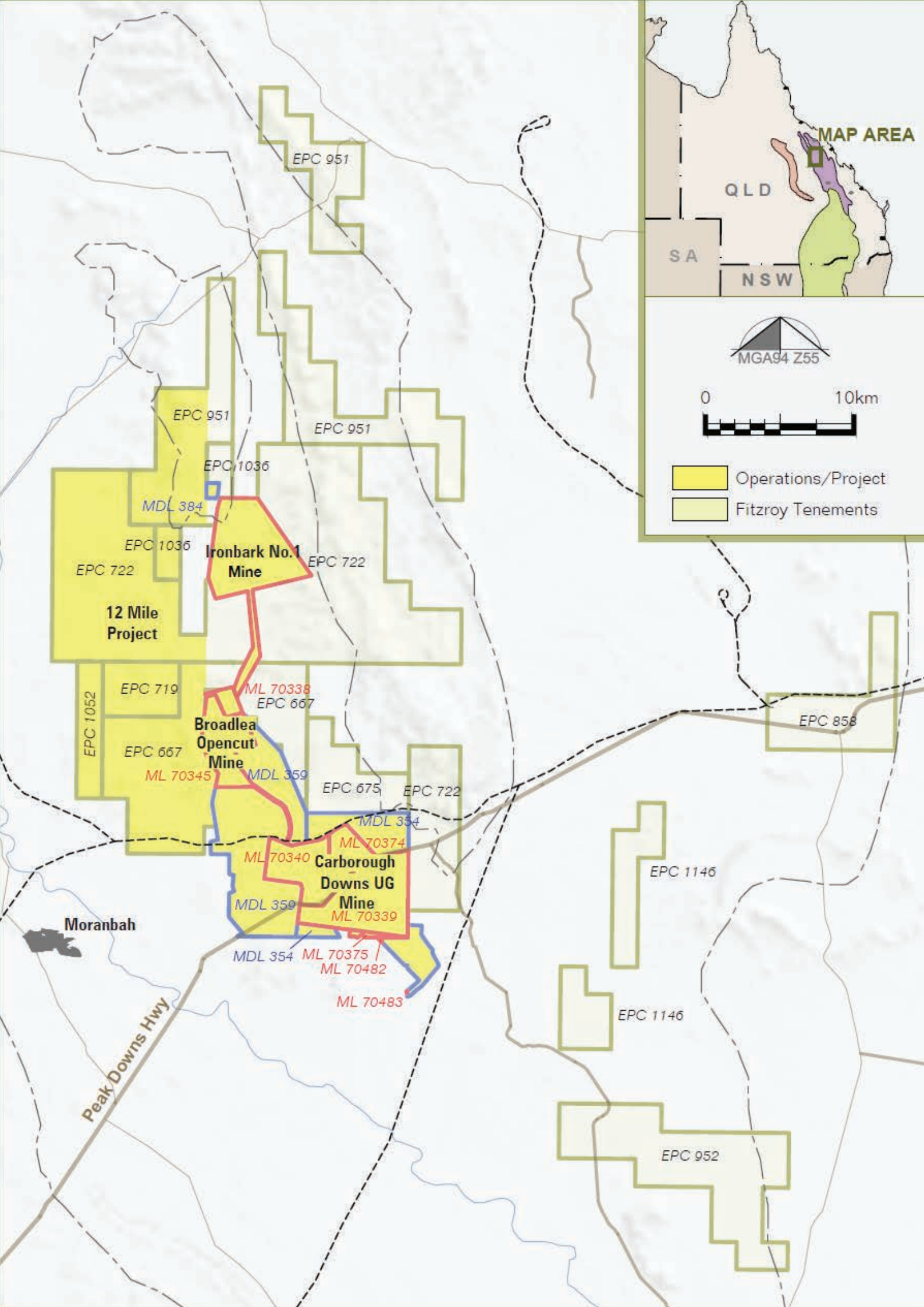
Fitzroy's centrally located asset base and tenement package, its strong local presence and access to global capital markets, provides a unique platform for us to pursue growth opportunities, either via development of its own internal projects or selective merger and acquisition activity.

In terms of obligations, the Fitzroy Tenement Management Plan (TMP) has been introduced to effectively control and manage the activities associated with the management of tenements and ensure we comply with tenement obligations as required by the Mineral Resources Act 1989.

The Tenement Management Plan defines how tenement related tasks and obligations are tracked and actioned to safeguard against loss of tenure, fines and native title issues.

A summary of Fitzroy's current tenements is set out below.

	Licence Number	Area (ha)
Mining Lease (ML)	ML 70338	245
	ML 70339	2,657
	ML 70340	1,754
	ML 70345	1,385
	ML 70374	470
	ML 70375	100
	ML 700024	3,379
	ML 70482	5
	ML 70484	2
	ML 700067*	706
	MLA 700077	376
	MLA 700078	153
Mineral Development Licence (MDL)	MDL 354	1,575
	MDL 359	5,614
	MDL 384	77
	MDL 3046	76
Exploration Permit Coal (EPC)	EPC 667	10,802
	EPC 675	3,495
	EPC 719	1,907
	EPC 722	29,259
	EPC 858	4,132
	EPC 951	15,912
	EPC 952	7,931
	EPC 1036	1,272
	EPC 1052	1,589
	EPC1146	3,810


MAP AREA
QLD
SA
NSW
MGA94 Z55
0
10km
Operations/Project
Fitzroy Tenements
EPC 951
EPC 951
EPC 951
EPC 1036
MDL 384
EPC 1036
Ironbark No.1 Mine
EPC 722
EPC 722
12 Mile Project
EPC 719
EPC 1052
ML 70338
EPC 667
Broadlea Opencut Mine
EPC 667
ML 70345
MDL 359
EPC 675
EPC 722
MDL 354
ML 70374
ML 70340
Carborough Downs UG Mine
MDL 359
ML 70339
Moranbah
MDL 354
ML 70375
ML 70482
ML 70483
Peak Downs Hwy
EPC 858
EPC 1146
EPC 1146
EPC 952

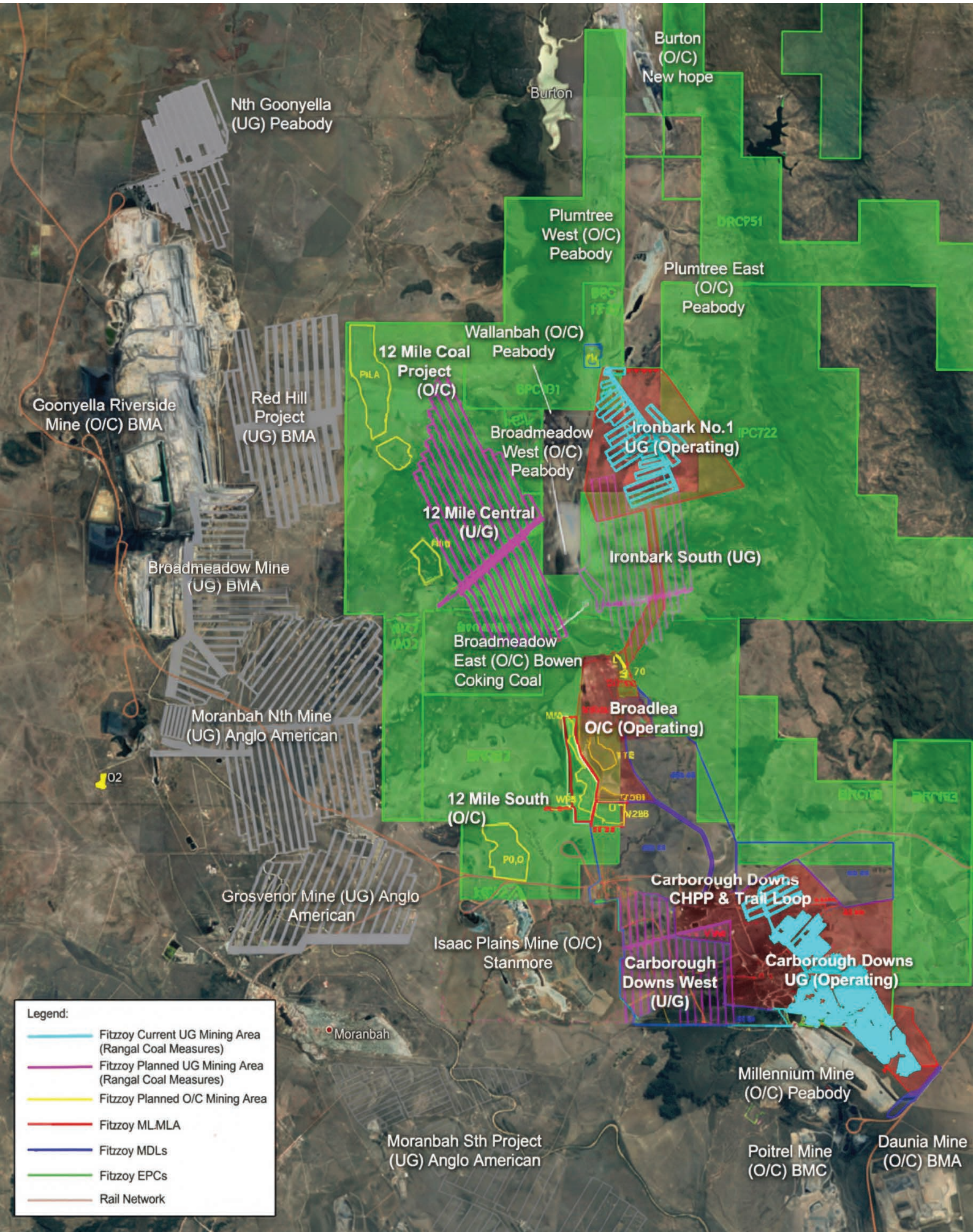
3.5 FUTURE OPPORTUNITIES & GROWTH

With approximately 95,000 hectares of tenements, Fitzroy's portfolio represents a regionally significant position in the centrally located Bowen Basin.

Fitzroy's asset base and tenement package, together with its access to global capital markets provides a unique platform for us to pursue growth opportunities.

Asset		Broadlea	12 Mile	Ironbark South	Carborough West	12 Mile Underground
Rank		1	2	3	4	5
Status		ML	EPC	EPC	MDL	EPC
Type		OC	OC	UG	UG	UG
Method		T&S, DL	DL, T&S	LW	LW	LW
Mine Life		>10 years	>20 years	> 15 years	>15 years	>20 years
Resources		218Mt	>100Mt	>85Mt	>70Mt	>150Mt
Existing CHPP/TLO		Yes	Yes, subject to timing	Yes, subject to timing	Yes, subject to timing	Yes, subject to timing
Potential Coal Type	HCC	☐	■	■	■	■
	SHCC	■	■	☐	☐	■
	PCI	☐	☐	☐	☐	☐
	Thermal	■	■	■	■	■
	Rangal Measures	■	■	■	■	■
	Moranbah Measures	☐	☐	☐	☐	☐

FITZROY TENEMENTS



4. ECONOMIC

A sustainable business must remain economically viable, which requires efficient operations, a secure social and regulatory licence to operate, and confidence in long-term market demand. In the context of global decarbonisation efforts, steelmaking coal continues to meet these criteria.

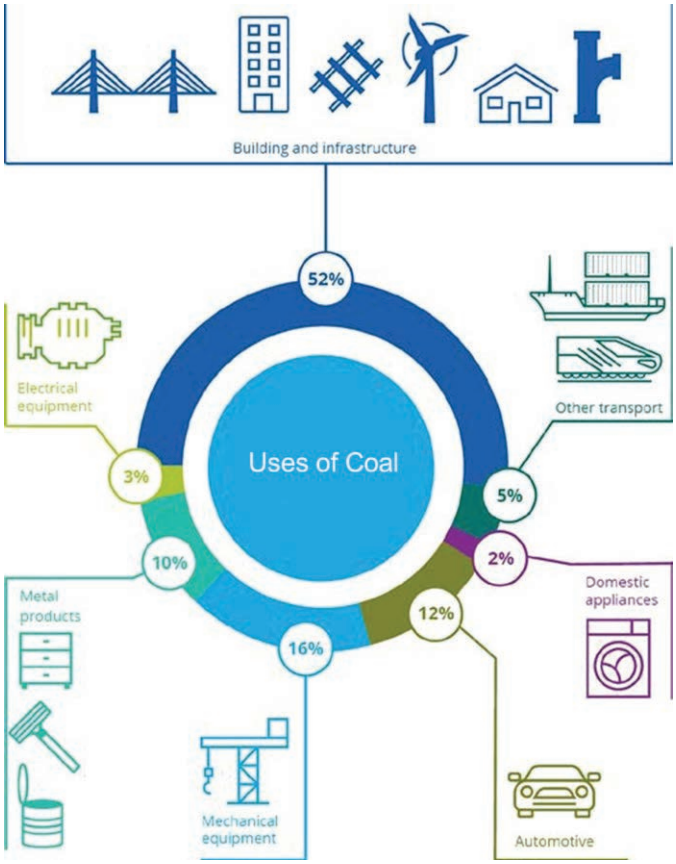
Global crude steel production is estimated at approximately 1.9 billion tonnes in 2026 , with demand expected to grow modestly in the near term. Growth is being driven primarily by developing economies—particularly in South and Southeast Asia, the Middle East, and North America—where rising industrialisation and urbanisation are increasing per capita steel consumption. While cyclical factors such as geopolitical tensions and fluctuations in China's property sector continue to influence short-term demand, the medium-term outlook remains positive.

Steel production remains dominated by the blast furnace–basic oxygen furnace (BF-BOF) route, which accounts for roughly 70% of global output and is fundamentally dependent on steelmaking coal. This process requires approximately 780–800 kg of metallurgical coal per tonne of crude steel, underpinning an estimated global demand of ~1.1 billion tonnes annually. Although the electric arc furnace (EAF) route is expanding, its growth is constrained by scrap availability and infrastructure limitations, limiting its ability to fully displace coal-dependent production at scale in the near term.

International trade in metallurgical coal remains robust. China continues to be the largest importer, while India represents a key source of long-term demand growth, supported by planned blast furnace capacity expansion. Australia is well positioned as a leading global supplier, with production forecast to grow steadily through the mid-decade.

Steelmaking coal is increasingly recognised as a strategic and critical raw material, reflecting its essential role across infrastructure, manufacturing, energy, and defence sectors. Importantly, steel is also foundational to the global energy transition. Renewable energy infrastructure and electrification are highly steel-intensive: solar generation requires approximately 35–45 tonnes of steel per MW, wind turbines around 280 tonnes each, and electric vehicles approximately 900 kg per unit. As a result, demand for steel—and by extension steelmaking coal under current production technologies—remains closely linked to decarbonisation pathways.

While low-emissions steelmaking technologies are advancing, there is currently no commercially scalable alternative capable of fully replacing steelmaking coal in primary steel production. Accordingly, steelmaking coal is expected to remain a critical and economically viable input to global industry over the medium term, even as the transition to lower-carbon production methods accelerates.



To sustain a long-life, economically viable business, Fitzroy must maintain access to a resilient and enduring market for its products. While coal markets face structural headwinds driven by climate change concerns and the global transition to a lower-emissions economy, these risks are actively recognised and managed at the Board and senior management level.

Fitzroy is well positioned within this environment, underpinned by a portfolio of high-quality steelmaking coals characterised by low impurities and strong demand from the global steel industry.

The long-term outlook for Fitzroy's operations is closely linked to global steel demand and the pace at which alternative steelmaking technologies evolve. Historical trends demonstrate a strong correlation between economic development and steel consumption: as countries industrialise, per capita steel usage increases materially.

In 2025, developed economies such as the EU, United States, and Japan continued to consume approximately 250–500 kg of steel per capita annually, while emerging regions remain significantly below these levels. Consumption in regions such as Central and South America (~94 kg), Africa (~25 kg), and India (~90+ kg) highlights substantial latent demand. As living standards rise across these markets, steel consumption is expected to increase, supporting sustained global production.

Australia remains a critical supplier to global markets, with export volumes projected to grow from approximately 151 Mt in 2023–24 to ~170+ Mt by 2025–26, subject to operational and weather-related variability. Importantly, while demand for steelmaking coal remains stable to growing, future supply is increasingly constrained. High-quality resources in key exporting regions—including Australia, the United States, and Canada—are being progressively depleted, and new project development faces escalating regulatory, environmental, and social approval challenges.

Steelmaking coal is geologically scarce and economically difficult to develop, with limited high-quality deposits globally. At the same time, policy settings in several developed economies are tightening, with increasing scrutiny—and in some cases potential restrictions—on new coal project approvals.

Against this backdrop of structurally growing demand and constrained supply, market fundamentals are expected to remain supportive. Pricing for high-quality steelmaking coal is therefore likely to remain above long-term historical averages over the medium to long term.

In summary, Fitzroy considers that the key conditions for a sustainable market are firmly in place, providing a strong foundation for the continued growth and longevity of its operations.

5. GOVERNANCE & STRATEGY

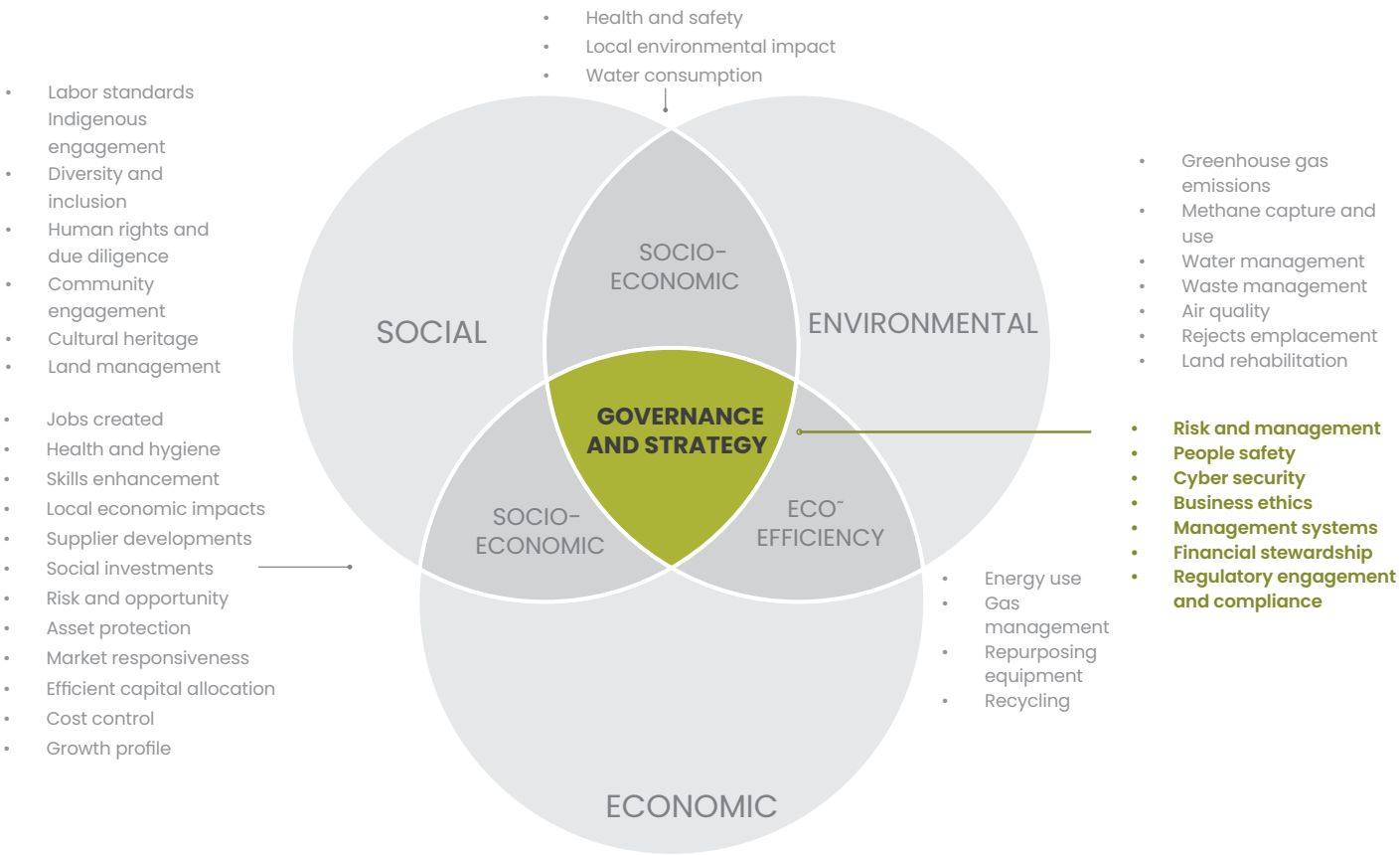
Governance and strategy are the central foundation to how we operate. Our Executive Team develop and implement risk-based strategies which are endorsed by our Board to effectively manage the social, statutory, environmental and economic drivers of our operations.

Our business model is founded on transparency, fairness, integrity and accountability. These values underpin every relationship we have, and they characterise our interactions with stakeholders, including the community, regulators and our workforce. We are committed to operations that are compliant with regulatory requirements and free from corruption. We pursue exemplary ethical standards across all facets of our business.

Sustainability encompasses the expectation of an ongoing level of activity to deliver social outcomes for our workforce and our community. At Fitzroy, we continually review our strategic direction to ensure economic viability through the optimum use of our resources. Our planning horizons are necessarily long term as exploration and evaluation of resource projects is multi-faceted and needs to incorporate numerous studies and engagements with regulators and the community before financial commitments can be made.

Our business development team operate within this long-term horizon and work closely with sustainability experts to ensure that all considerations are addressed. These activities are coordinated and reflected into our long-term financial models that are used to evaluate alternatives and drive the right strategic directions.

Regular communication sessions across the leadership team discuss future projects and work programs to bring together the full set of internal skills to consider each project. A feature of Fitzroy is our internal skill set which can deliver projects quicker and more cost efficiently than most of our competitors. This is a strategic advantage that helps support our sustainable operation.



5.1 GOVERNANCE STRUCTURE

The Fitzroy group is managed by the Board of Directors comprising representation from each of the owners.

Authority is delegated to the Australian subsidiary Boards and Executive Leadership Team in Australia which provide skilled and experienced personnel with a wealth of industry knowledge. A fundamental principle within Fitzroy is the commitment of the Board and Executive Leadership Team to ensure compliance with all regulatory requirements and the highest ethical standards across all facets of our business.

Regular internal reporting to the Board provides a comprehensive update of the performance in all key areas of safety, environment, financial and operational. At the highest level, our compliance is monitored each year by external audits commissioned by the owners to review, ESG, legal compliance and cyber security. Internally, management also commissions external audits across the breadth of regulated activities to assess compliance with our obligations and to obtain feedback about improvements that could be made.

The purpose of our governance structure is to ensure we have an economically viable business which meets or exceeds its obligations in respect of safety, health, environment, legal and financial regulations and the social expectations of our employees and community. These demands are all interrelated and require integrated responses.

Outlined below are the major governance structures that ensure we deliver on these commitments.

5.2 Risk Management

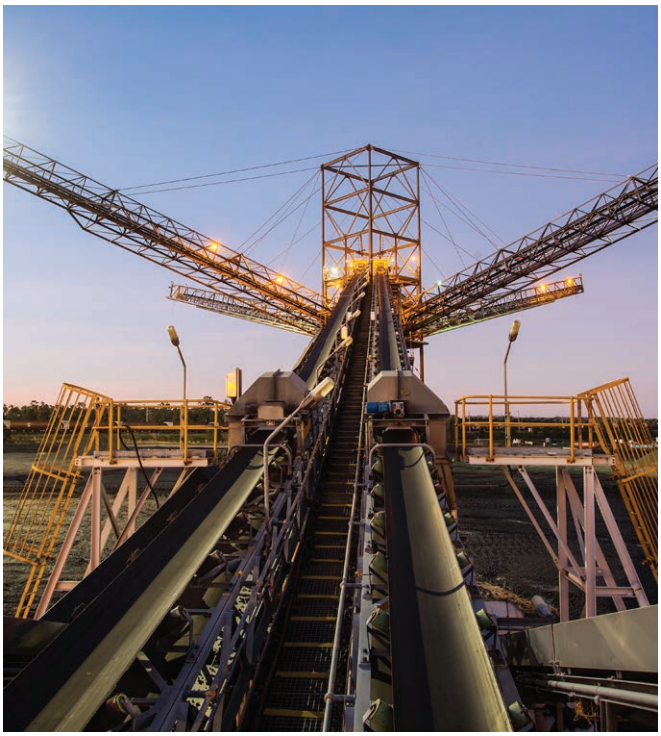
At Fitzroy, we understand the importance of managing our operational risks as it helps us to:

- Improve our relationships with customers, suppliers, employees and the community, by understanding and managing their expectations and needs;
- Improve workforce confidence by providing a safe work environment, through implementation of Safety and Health Management Systems (SHMS);
- Keep our business open during natural or economic disasters, by having contingency and emergency management plans; and
- Reduce our insurance costs, by having a lower risk profile of potential damages
- Minimise our impact to the environmental and surrounding communities.

Fitzroy has a Risk Management methodology that defines the process for the identification of sources of risk, assessment of risk with a known criteria and implementation of controls, where risk is at an unacceptable level.

We also have oversight on the operational risks to health associated with our activities, such as chemical, biological, ergonomic and psychological hazards, to ensure our people remain “fit for work and fit for life.”

During the year, the Company also began a process to comprehensively review its Risk Management Framework in consultation with all business units to understand the improvements that can be made and expand our attention to enterprise risk management.



5.3 Material Risk Program

Fitzroy's Material Risk Management program is essential to improving management of our mining activities to prevent major and catastrophic events through the application of effective controls.

The Material Risk Standards provide minimum compliance requirements for the management of material risks across our portfolio of assets. This ensures that risks are being managed effectively and consistently at each operation.

Fitzroy also has an auditing and assurance program which serves to review the effectiveness of key operational controls on a scheduled basis at each operation.

Fitzroy is currently working through a review of its critical controls to ensure alignment with Resources Safety & Health Queensland's Guidance Note QGN 35, The Integration of Critical Controls into Principal Hazard Management Plans for Coal Mines in Queensland.

Environmental, Social and Governance (ESG) Standards and accompanying assurance tools are under development to address our keys environmental and social risks. Similar to our Material Risk Standards, the ESG standards will ensure environmental and social risks are appropriately managed and understood across the business.

5.4 Audit & Assurance System

Fitzroy assures the effectiveness of our operations and management systems through a range of activities that involve both internal and external assessments.

Our operations have participated in audits and inspections conducted by the Queensland Mining Regulator, with favourable findings on hazards topics such as inrush.

External subject matter experts have conducted reviews of our operations' Safety and Health Management Systems to confirm legislative compliance and identified opportunities for improvement.

A Major and Catastrophic Hazard (MACH) Taskforce has been established to review the findings of investigations in the incidents with a potential consequence of 4 or 5, as defined by the Fitzroy risk matrix, and examine the planned actions to prevent re-occurrence. These examinations have led to the development and application of group assurance tools to assess systems relating to Contractor Management and Practicing Certificates for personnel in regulated roles.

2025 also saw the implementation of an investigation action verification process, where the Senior Leadership Team conducted planned task observations that examined the actions committed to in the investigations presented to the MACH Taskforce in 2024.

5.5 Risk Management & System Control – Asset Protection

Fitzroy is implementing an Asset Management Framework to establish robust maintenance planning systems and practises that drive routine and lifecycle maintenance programs for plant and equipment.

Our workorder system, Pulse, confirms that tasks are assigned and completed in alignment with the internal, manufacturers and statutory requirements. Increased tracking of workorder completion is driving improved close out rates.

A dedicated team comprised of maintenance engineers, reliability engineers, qualified trades people and apprentices are engaged to ensure that the necessary skills are available within the business to monitor and maintain key equipment.

Figure 1: Relationship of Elements to Asset Life Cycle

5.6 Risk Management & System Control – Financial & Legal

As in every facet of our operations, Fitzroy has in place robust systems and controls to ensure compliance with corporate regulation around taxation, corporate governance, employment practices, and ethical practices. The Fitzroy Code of Conduct is communicated to all personnel in our induction training.

We are committed to meeting our legislative obligations and have a goal of zero regulator interventions. Fitzroy monitors changes in legislation that might impact our business and regularly reviews compliance against applicable legislation. Quarterly legislative briefings are provided by external counsel highlighting legislative changes or court decisions with potential impacts for Fitzroy.

Regulatory compliance has a broad scope for businesses operating in the modern global economy. At Fitzroy this includes: Anti-Bribery Policy, Anti-Corruption Policy, a Whistleblower Policy together with confidential disclosure mechanisms to report potential breaches or inappropriate conduct. There are also specific policies for specialist areas within the business such as Taxation Governance Policy.

Financial compliance is achieved through training, embedding controls and procedures in the commercial systems, segregation of duties, monitoring of performance and financial results against approved budgets, oversight and control of external commitments and payments. Our financial accounts and statements are audited annually by tier 1 accounting firms with separate audits conducted in both Australia and the UK.

In addition, a number of our external stakeholders commission audits of our compliance with those obligations providing external and internal confidence that we are meeting our expectations.

5.7 Risk Management & System Control - Cyber

At Fitzroy, we recognize the increasing frequency and severity of cyber security threats. To safeguard our systems and hardware against these threats and ensure data security, we have made significant investments in IT infrastructure and support services.

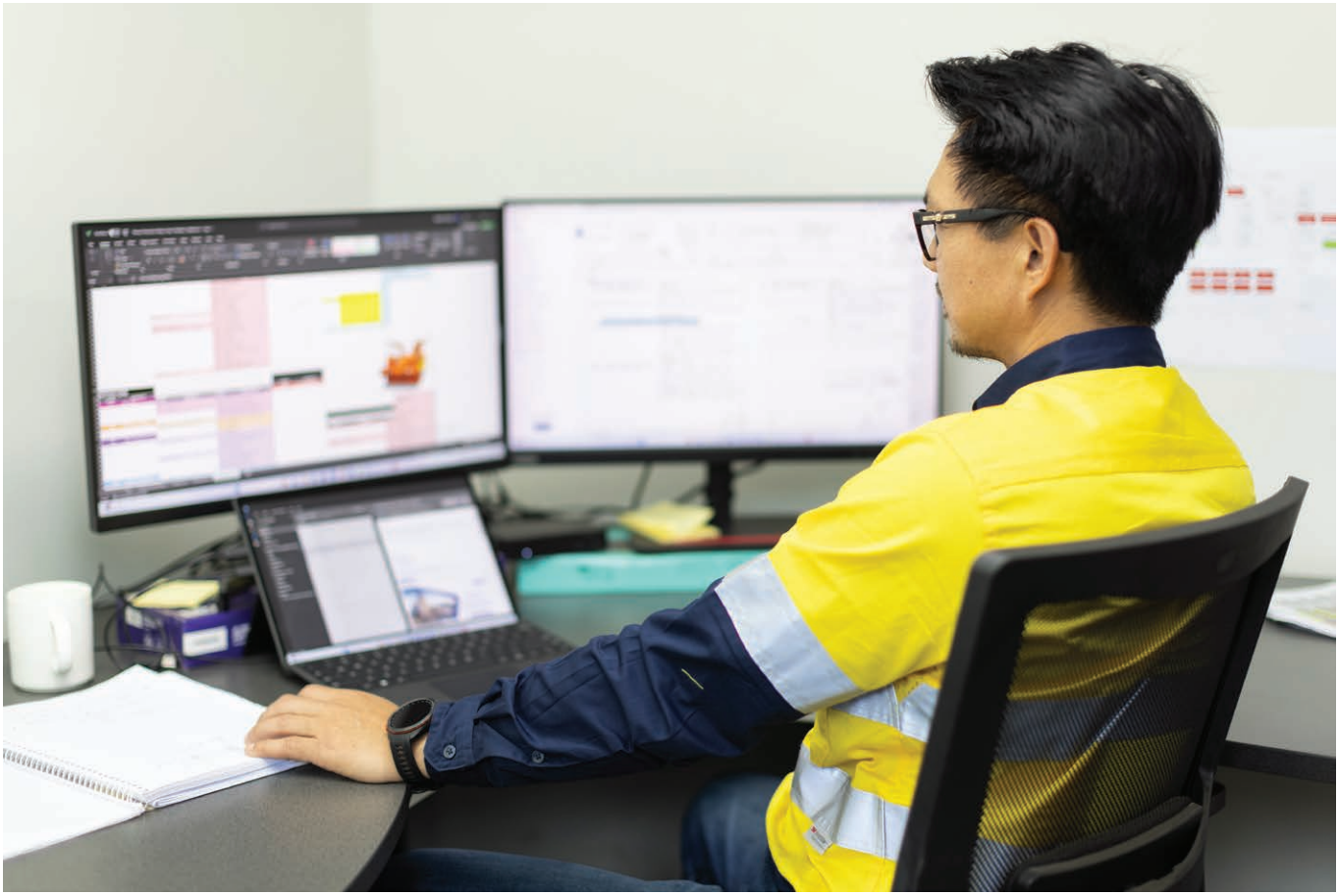
In order to fortify our defences, we have implemented a comprehensive approach that includes both on-premises and cloud-based backup and replication solutions. We have employed NAS (Network Attached Storage) for local backup and replication, which provides an efficient and secure way to store and duplicate data within our network. This ensures that in the event of a hardware failure or data loss, we can quickly recover and restore our systems to their previous state.

Furthermore, we have integrated cloud backup services into our strategy, enabling us to securely store critical data and systems off-site. Cloud backup offers additional redundancy and protection, as it creates multiple copies of our data in geographically diverse locations. This approach minimizes the risk of data loss and enhances our disaster recovery capabilities.

To continuously monitor and respond to potential threats, we have implemented real-time monitoring systems that actively track and generate alarms for unauthorized access attempts and system outages. This proactive approach enables us to swiftly identify and address security breaches or disruptions, minimizing the impact on our operations.

To support our expanding digital infrastructure and ensure efficient service delivery, we have expanded our IT group with additional team members. This allows us to concurrently develop our strategic digital platforms while maintaining the high service levels expected by our stakeholders.

In addition, an Executive sub-committee has been established to oversee our IT strategy across all areas. This committee focuses on delivering new technologies and tools to enhance our operations and extending our remote work capabilities.



6. ENVIRONMENT

Environmental management is locally focused and encompasses the impact on land and water where we operate. Environmental management determines the way we operate. Traditionally, environmental management has focused on ensuring that any direct impacts from our operation are minimized, however our increasing focus is to positively contribute to the environment by minimizing consumption, reducing emissions and optimizing our recycling of water and waste.

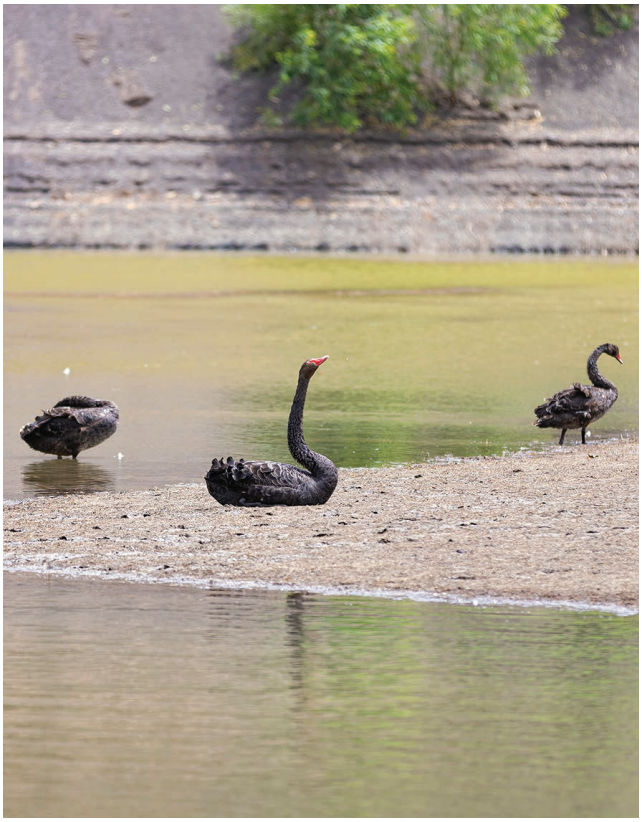
6.1 Flora & Fauna

Protection of our environment includes knowledge of, and management tools for care of our flora and fauna. The Fitzroy Environmental Team are trained in fauna identification, handling, and relocation skills as well as Queensland legislative requirements (permitting), First Aid response and animal scat/track investigation

The environmental team also ensure that due consideration is given to flora and fauna during our exploration programs and project development planning. Specialist personnel are engaged to boost the team when required and can include botanists, biologists and hydrologists. Before beginning development of any proposed new project or extension to existing operations, a full impact assessment is conducted commencing with a full survey of existing flora and fauna to understand the species that exist and may require protection or management.

Our successful approach to protecting vital habitat and reducing our impact has resulted in regular sightings of high value fauna within our active operational areas. Koalas which were listed as an endangered species in 2022, are consistently sighted within our Carborough Downs operation. To ensure the continuation of the species and its habitat, the Environmental Team works actively with our operational teams to raise awareness of the critical nature of the species and the importance of safeguarding its habitat for feeding and breeding purposes.

The fauna spotters in the Environmental Team identified and monitored koalas within the habitat above a recent longwall panel. Regular monitoring of the environment and the animals ensured maximum protection of the endangered species.



6.2 Waste Management

Waste is an inevitable result of business activities, from exploration through to production and closure. Sustainable waste management is a key component of business planning and forms a primary pillar of our operations.

Operational sites are required to minimise waste production by encouraging appropriate recycling, reusing and refurbishing opportunities. Waste management is conducted in accordance with the International Council on Mining and Metals (ICMM) principles through promoting communication and providing transparency of relevant waste management data and eco-efficiency indicators to interested stakeholders.

Waste is segregated where possible and collected for offsite recycling or disposal by reputable third-party contractors. Fitzroy is committed to minimising the impact of waste on the environment and the community through the adoption of appropriate waste management principles. The waste management hierarchy and principles of the Waste Reduction and Recycling Act 2011 and requirements of the environmental authorities are the foundation of our Waste Management Plan.

A significant focus was put on maintaining Fitzroy's waste generation profile.

AVOID
unnecessary resource consumption;

REDUCE
waste generation and disposal;

RE-USE
waste resources without further manufacturing;

RECYCLE
waste resources to make the same or different products;

RECOVER
waste resources, including the recovery of energy;

TREAT
waste before disposal, including reducing the hazardous nature of waste;

DISPOSE
of waste only if there is no viable alternative.

	General Waste (t)	Timber (t)	General Recycling (t)	Metal Recycling (t)
2022	277.8	30.1	41.6	311
2023	3,204.3	43.6	85.6	379
2024	1,805.6	42.1	73.2	1,276
2025	2,025	9	29	324

6.3 Water Management

Fitzroy's operations are located in sub-tropical Queensland where rainfall deluges are not uncommon, therefore water management across our sites is a critical focus for our team of environmental scientists. The Fitzroy Water Management Standard defines the minimum requirements for water management at all Fitzroy mining operations to assist each operation achieve primary objectives relating to water management. Fitzroy's primary objectives relating to water management are:

- To comply with all regulatory requirements;
- To identify and minimise potential impacts associated with Fitzroy's operations on receiving environment water resources;
- To manage site water quality and inventories to ensure operational water security while minimising the risks associated with releases to the receiving environment;
- To utilise water resources within Fitzroy's operations as efficiently as practicable.

In FY2025 a total of 2697 megalitres (ML) of water was consumed under our water agreements with Sunwater and Bowen Coking Coal.

As part of our journey towards environmental best practice, Fitzroy has continued to strengthen our environmental monitoring system in an effort to better understand any potential environmental impact on the receiving environment. We utilise autonomous environmental monitoring systems, low flow rising stage samplers and additional weather monitoring equipment, backed up with routine site inspections by our trained Environmental Team to completely understand the health of systems in real time as well as being able to assess its sustainability long term.

We engage specialised consultants who are trained in aquatic ecology to complete quarterly assessments of the local tributaries and gullies surrounding our operations. They consistently monitor water quality, sediment deposition and any alteration to the overall creek system. This information is used to generate a status report for each operation, which is further supported by our stringent water sampling program conducted during and after rainfall events.

To ensure the overall health of the larger Fitzroy Basin, Fitzroy contributes our data to the Fitzroy Partnership for River Health to develop the annual Fitzroy Basin Ecosystem Health Index Report Card. The Report Card is an independently assessed assessment that's purpose is to provide a snapshot of how healthy the river systems are within the greater Fitzroy Basin.

Regular survey and inspection of landforms is essential to ensure that the water flows retain the design functionality. Monitors are located at key observation points to trigger response actions when required. Pumping systems are located at various locations to protect key assets from water ingress and to move water volumes to the appropriate storage locations.

Whilst managing water inflows is a key activity, just as importantly, we have an active water recycling program to minimize the consumption of fresh water. The Coal Handling and Preparation Plant (CHPP) utilizes only recycled water in.

Total purchased water (ML)

	Carborough Downs	Ironbark No.1	Fitzroy Group
2022	1010	-	1010
2023	1177	-	1177
2024	1167	299	1466
2025	1105	1592	2697

6.4 Reject Materials From Processing

The Coal Handling and Preparation Plant (CHPP) uses a flotation system to separate rock and waste material from the coal. The Fitzroy raw coals have a low inherent ash composition with a relatively high average yield of product from raw feed of 78%. The remaining 22% of waste material, or rejects, is extracted by using a floatation process.

Unlike most coal mine operations, Fitzroy does not operate any coal tailings facilities to handle the rejects. A conscious decision was made to invest initial capital in dry reject technology to avoid environmental and safety risks and incidences that have occurred at other sites as a result of failed tailings dams.

The Dry Reject Emplacement Area (DREA) forms part of the CHPP Hub and reject waste from the CHPP transferred to the DREA where it is spread, dried and compacted. The rejects are used to construct a stable landform at the DREA, which is routinely reviewed to meet its design, through monthly compaction testing, annual RPEQ inspection, and quarterly as built surveying.

In addition to the Carborough's DREA, the Broadlea North operation has the ability to store rejects within N1 & N2 Overburden Dumps. An approved Mine Waste Management Plan and Broadlea's Environmental Authority outline the operation requirements for in-pit reject disposal as well as rehabilitation objectives post closure.

Fitzroy has implemented a reprocessing and blending project, that repurposes the rejects generated during the initial coal washing phase, into a secondary product that is blended with other ROM material to make a blended product that can be sold to market. This Project has not only generated further revenue for Fitzroy, but it has also lengthened the life of the existing DREA.

	Rejects Produced (t)
2023	877,518
2024	1,535,454
2025	2,643,251

6.5 Rehabilitation

Fitzroy prioritises sustainable stewardship of the land we interact with as part of our operations. We develop and implement robust closure and rehabilitation strategies to leave assets as enduring community and environmental resources following the completion of production activities. Fitzroy have rehabilitation processes which provide guidance and direction on the minimum rehabilitation requirements for our mining operations.

The processes identify the relevant legislative/ statutory requirements as well as Fitzroy's corporate rehabilitation expectations.

We consider Fitzroy's reputation, community values, regulatory obligations and financial matters when optimising closure and rehabilitation approaches. This robust approach ensures we exceed the expectations of our stakeholders every time we close an asset.

In response to implementation of the Mineral and Energy Resources (Financial Provisioning) Act 2018, Fitzroy have an approved Progressive Rehabilitation Management Plan (PRCP) (Ironbark No.1) and are actively working towards having Carborough Downs and Broadlea North's PRCP approved in early to mid 2026.

The PRCP ensure that land disturbed by mining activities is rehabilitated so that it is demonstrated to be safe, stable, does not cause environmental harm, and is able to sustain an approved post-mining land use.

Overall, Fitzroy has actively rehabilitated 850.93ha over our Broadlea North and Carborough Downs Assets.

Total Rehabilitated Land

	Rehabilitated Land
Carborough Downs	690.43
Broadlea North	160.5
Ironbark No.1	-
Fitzroy Group	850.93Ha

6.6 Emissions

Fitzroy reports Scope 1 and Scope 2 greenhouse gas (GHG) emissions , energy consumption and energy production to the Clean Energy Regulator annually, in accordance with, and using the methodology set out under, the National Greenhouse and Energy Reporting (NGER) Scheme. Reflecting the timing of the reporting requirements under the NGER Scheme, data presented below is for the FY21 – FY25.

	FY21	FY22	FY23	FY24	FY25
Scope 1 and 2 emissions (tCO_2e)*	778,258	1,066,669	1,104,957	803,628	858,302
Intensity – greenhouse gas emissions (tCO_2e per tonne ROM coal)	0.20	0.19	0.04	0.31	0.93
Total Energy Use (GJ)	761,382	1,442,225	3,124,589	1,758,028	2,886,774
Intensity – total energy use (GJ per tonne ROM coal)	0.19	0.25	0.09	0.68	3.12
*tCO_2e stands for tonnes of carbon dioxide equivalent					

We have separately reported our Scope 1 and Scope 2 emissions for the current calendar year reporting period below and further.

	CY2025
Scope 1 and 2 emissions (tCO_2e)*	888,633
Intensity – greenhouse gas emissions (tCO_2e per tonne ROM coal)	0.92

The main source of operational emissions at our mine sites come from the fugitive emissions released in the coal extraction process, ventilation and gas drainage, and the consumption of energy in the form of electricity purchased for use in our operations.

Fitzroy received an Enforceable Undertaking due to an excess emissions situation under the Safeguard Mechanism for the FY24 reporting period. Fitzroy worked proactively and cooperatively with the Clean Energy Regulator to meet our obligations. Fitzroy has since met all obligations required under the Enforceable Undertaking which has since been rescinded.

7. SOCIAL

Our social obligations extend to our workforce and their families, the community in which we operate, the Traditional Owners of our lands and the broader community that benefits from our economic contribution.

We create employment and career opportunities, we care for the safety, health and hygiene of our people and we develop positive interactions with local landowners and communities.

7.1 BARADA BARNA

Fitzroy enjoys a constructive relationship with the Traditional Owners of the land upon which we operate, the Barada Barna people. Together with Barada Barna we have developed Cultural Heritage Management Plans (CHMPs) for the Carborough Downs, Broadlea and Ironbark No.1 projects.

We recognise our legal obligations in respect of the Native Title and comply with all requirements in respect of the mining activities.

7.2 SAFETY

The health and safety of employees, contractors, and communities is what underpins our values and is critical for the sustainability of our business. Fitzroy is committed to preventing injuries and occupational illnesses in the workplace by improving how we operate in our current mining environment.

The Company's aim is to continually build and instil a culture that protects people from harm and improves their health and wellbeing.

To drive this improvement, in early 2024 we set ourselves a goal to reduce our Total Recordable Injury Frequency Rate (TRIFR) by 50% over two years and achieved a 31% reduction in 2024 with a further 21% reduction in 2025. This led to an overall reduction of 78.8% over the two years

This goal was backed up in 2025 with the implementation of the SafeFAR program, a strategy with four pillars – Treating Risk, Simplifying Systems, Maintaining Healthy People and Intervening to Drive Improvement.

TREATING RISK

- Review and improve our approach to Risk Management from business planning to work at the coal face.
- Revise our Non-Negotiables to address the behaviours that history tells us puts lives at risk.
- Re-align our Material Risk Standards to focus on the hazards in our business that can have fatal outcomes.
- Modify our critical control monitoring to allow our people to actively contribute to maintaining the controls that protect them

SIMPLIFYING SYSTEMS

- Develop business and function area standards that guide our operations and reduce
- duplication.
- Review induction and training to address our changing operations.
- Revise our Safety and Health Management Systems to provide procedures that support the execution of work plans.

INTERVENING TO DRIVE IMPROVEMENT

- Improve safety information systems to support analysis that allows us to target our interventions.
- Examine the findings of incident investigations and apply the learnings to prevent recurrence.
- Audit our systems and processes to continuously improve the controls that protect them.

MAINTAINING HEALTHY PEOPLE

- Develop a health strategy (FITZWELL) that addresses current and emerging issues.
- Analyse the monitoring of health hazards to improve controls that reduce exposures.
- Implement programs that promote wellness.

FITZROY NON-NEGOTIABLES

A key initiative from the strategy implemented in 2025 was the Fitzroy Non-Negotiables. These are a set of rules based on life saving behaviours associated with our Material Risks.

Application of these rules is mandatory for all work activities. Adherence to these rules is within the control of every individual working at our operations, personnel who are in breach of these rules choose not to work at Fitzroy.

1 Never enter a No-Go Zone or Confined Space without authorisation

Contaminated or Irrespirable Atmospheres

Mobile Equipment & Pedestrian Interactions

2 Never enter under unsupported ground

Strata Failure

3 Never operate mobile equipment unless trained and authorised

Mobile Equipment & Pedestrian Interactions

4 Never attend work under the influence of alcohol or illicit drugs

Mobile Equipment & Pedestrian Interactions

5 Never tamper with, remove or modify a safety protection device or isolation unless authorised

Fire & Explosion

Uncontrolled Release of Energy

6 Always isolate and test for dead before working on energy sources

Uncontrolled Release of Energy

7 Always use fall prevention or fall protection when working above 1.8m

Fall From Height

Voids & Engulfment

8 Never enter under loads suspended by lifting equipment

Lifted or Suspended Loads

7.2 THE GREEN RULES

The protection of the land and environment in which Fitzroy operates on is just as important as the health and safety of our People. In 2024, Fitzroy saw a rise in events where there as potential for environmental harm.

In 2025, we implemented the Green Rules organisation-wide. These Rules helped reset our understanding and attitude towards environmental risk and specifically were designed to target individual behaviours that can contribute to environmental incidents and secure the health of our environment.

Since the implementation of the Green Rules in Mid-2025, notifiable environmental events have reduced by 78%.

1. Never breach the ground or disturb vegetation unless authorised

2. Never place hazardous materials outside approved areas

3. Never interfere with Environmental or Culturally Significant Areas or Artefacts

4. Never release contaminates outside of approved areas

5. Never harm or interfere with wildlife unless authorised

6. Never tamper with, remove or modify Environmental controls without approval

7.3 HEALTH & HYGIENE

Fitzroy is committed to maintaining the health of our workforce through the elimination of health hazards in the workplace, where possible. Where these hazards cannot be eliminated, we seek to implement controls to reduce risk levels as low as reasonably practicable.

Our primary occupational health hazards, that we proactively manage, include exposure to:

INHALABLE HAZARDS

NOISE

OCCUPATIONAL CARCINOGENS

FATIGUE

WORK AND NON-WORKRELATED STRESS

Fitzroy have ongoing initiatives to inform our employees and reinforce messages on managing the hazards that can affect their health.

As dust exposure is a common consequence of underground mining, we have extensive respirable and inhalable dust monitoring programs at our operations.

As respiratory protection is an important part of any dust control strategy, we conduct fit testing of dust masks for all coal mine workers. We also have individual fit testing of hearing protection devices. As hearing loss is common occupational illness in our industry, application of the right hearing protection and ensuring correct personnel use of the protection is essential.

Education is a valuable activity in the maintenance of a health workforce. Our induction and training programs provide knowledge to personnel on mechanisms of health hazards, their short and long term impacts, the controls for reducing risk and the individual's role in achieving healthy outcomes.

8. OUR PEOPLE

As our industry continues to experience the pressure for talent across statutory positions, Fitzroy are committed to providing development opportunities within our workforce for those who are identified to possess leadership qualities, both for skills and attitude.

Participants in our ERZ development training program receive guidance and support to meet the necessary statutory compliance requirements for certification. In addition, and importantly, they are supported by experienced industry professionals that provide mentorship during their statutory development training to ensure they successfully complete the program with the necessary skills to effectively provide leadership to drive compliance and efficient mine operations.

8.1 Workforce Diversity

Fitzroy prioritises diversity and inclusion as a core component to a successful and resilient business of the future.

At Fitzroy we foster an open and caring culture, which respects people's differences and where every member of the team is empowered to be themselves in the workplace. Key metrics relevant to workforce diversity are presented below, including:

- Workforce age composition;
- Employee gender diversity;
- Women in Leadership Roles;
- Women in Non-Traditional Roles.

The workforce age composition for Fitzroy 2025 reflects notable diversity and a balanced representation of different age groups:

- 5 employees aged under 20.
- 10% of employees are in their 20s (20–29).
- The largest demographic groups are:
- 30–39 years: 26%
- 40–49 years: 30%
- 50–59 years: 26%
- Employees aged 60+ account for 7% of the total workforce.

As of December 2025, women comprise 8.5% of the Fitzroy workforce. 90% of female employees are based at our operational site locations, representing a 15% increase from 2024.

This growth demonstrates Fitzroy's commitment to improving diversity and inclusion within the organisation particularly in operational and non-traditional roles.

Female representation spans across all levels, from the Senior Leadership Team to site-based roles, including underground and surface operations.

Women now occupy roles traditionally considered male-dominated, such as electrical trades, technical services leadership, maintenance planning, and geology. This underscores Fitzroy's dedication to breaking stereotypes and fostering inclusivity in both operational and technical fields.

This diverse representation across managerial and operational areas reinforces the company's focus on driving cultural change, promoting equity, and creating opportunities for women in mining.

CLIMATE RISK ASSESSMENT AND DISCLOSURE REPORT

JULY 2025 - JUNE 2026

Physical and transitional climate-related risks

fitzroy

1. Overview

This Sustainability Report represents a complete set of climate-related financial disclosures for Fitzroy Resources (Fitzroy), for the year ended 31 December 2025. Fitzroy's climate-related disclosures have been prepared in accordance with AASB S2 Climate related Disclosures, which is the mandatory Australian Sustainability Reporting Standard (ASRS) that has been issued by the Australian Accounting Standards Board (AASB) in line with the Corporations Act 2001.

The Sustainability Report has been prepared for the same consolidated reporting entity and reporting period as Fitzroy's Financial Statements and has incorporated climate-related information of the parent company and all of its subsidiaries. The disclosures have been approved for release by the Board of Directors (Board).

Fitzroy is a coal mining company located in the Queensland Bowen Basin and is focused on the production of high-quality metallurgical (coking) coal, PCI and thermal products. Its coal is primarily exported to international markets for use in the steel-making process.

Details of key approaches, assumptions and methodologies and estimates used are outlined throughout our disclosures in relevant sections.

1.1 Events Since the End of the Financial Year

No other matters, circumstance or information have arisen since 31 December 2025 that have or will significantly affect the climate-related financial disclosures contained within this Statement. As disclosed within Note 30 of the financial statements, the transaction for Argo Queensland Pty Ltd to purchase a majority stake of the Group completed on 18 March 2026.

Whilst there is an ongoing assessment as to the impacts of this transaction, it is not expected to materially impact the information contained within this report. Specifically, the governance structures and risk setting processes will not materially change. There is also no expected changes to the methods used to record GHG emissions.

1.2 Early Adoption

Fitzroy has adopted the Amendments to AASB S2 Climate related Disclosures, issued by the Australian Accounting Standards Board in December 2025, for the reporting period ended 31 December 2025. The amendments are effective for annual reporting periods beginning on or after 1 January 2027, with early adoption permitted.

1.3 Transition Relief

In preparing this report, the Group has applied the following transition reliefs for the first annual reporting period:

- Not to disclose comparative information
- Not to disclose Scope 3 emissions.

2. Governance

Fitzroy has implemented a governance framework designed to embed climate considerations into all levels of decision-making and ensure accountability across the organisation. The Board leads this effort by setting Fitzroy's strategic direction and has ultimate oversight for corporate governance matters, company reporting and material business risks, including climate-related risks.

Whilst the Board retains ultimate responsibility, it has delegated oversight of climate-related activities to the Risk and Assurance division of the business. This division play a critical role in monitoring climate-related risks and opportunities. The responsibilities of the Board and the Risk and Assurance division are outlined and detailed in section 2.1.

2.1 Board Oversight

Fitzroy's Board is responsible for climate-related risks and opportunities that may materially impact Fitzroy's strategy, operations, and financial performance.

The Board Charter outlines the Boards responsibilities, define the roles, duties, and decision-making authority that ensures effective governance, accountability, and alignment with Fitzroy's strategic objectives.

Climate-related matters are considered at quarterly board meetings with key topics being progress on climate reporting, reviewing updates in relation to Fitzroy's climate-related risks and opportunity assessment, progress updates on the climate-related strategy.

With extensive expertise spanning multiple industries and topics, the Board sets Fitzroy's strategy taking climate resilience and long-term sustainability into account. This is facilitated through the Board's role in considering climate related issues and matters when:

• Developing and refreshing Fitzroy's overarching strategy

• Providing input into investment and funding proposals, and major capital expenditure put forward by management

• Establishing the frameworks and risk appetite within which management is to operate

• Monitoring material business risks; and

• Monitoring performance of Fitzroy.

Climate-related matters are considered at Board meetings with key topics including climate reporting and Risk & Assurance Division updates in relation to Fitzroy's climate-related risk and opportunity assessments and progress updates on and studies relating to gas abatement strategies.

2.2 Risk & Assurance Division

The Risk & Assurance Division assists the Board in carrying out its role to oversee financial and climate reporting, risk management and assurance practices (internal and external audit). Encompassed within the scope of their role, is the responsibility to monitor and review Fitzroy's material exposure to economic, environmental, climate, sustainability and social risks. The Risk and Assurance Division meets prior to each Board meeting to review climate-related risks and ensure alignment with Fitzroy's climate strategy

In 2025, the Risk & Assurance Division updated the climate related risks and opportunities and their potential impacts over the defined time horizons. This included a comprehensive review of the climate risk assessment and development of this Sustainability Report.

The Risk & Assurance Division also monitored the progress on readiness activities for, and in preparation of, this Sustainability Report in accordance with AASB S2 disclosure requirements and oversaw the assurance process for the Annual Report which included this Sustainability Report.

The Risk & Assurance Division also assists and advises the Board on sustainability and climate-related matters. These include climate-related risks and opportunities, Fitzroy's sustainability strategy and performance, along with monitoring progress of specific initiatives and projects with a sustainability or climate focus. The Division considers the impacts of evolving regulatory and stakeholder expectations on Fitzroy's broader strategy. Through these responsibilities, the Division assists the Board in strengthening Fitzroy's position with respect to climate and sustainability and ensuring longer term value creation.

During 2025, the Risk & Assurance Division oversaw preparation of the Sustainability Report and broader sustainability reporting and were updated by management on the following matters:

- Climate-related risks and opportunities including any changes in the risk profile and updates to the identification and assessment process and approach;
- Scope 1 and 2 emissions for each of the operational sites; and
- Emerging and actual regulatory and policy changes.

The governance structure ensures that important climate related matters, risks and opportunities are monitored appropriately by the Risk & Assurance Division and escalated as required, including to the Board.

2.3 Management Responsibilities

Responsibility for the execution of Fitzroy's strategy, including climate-related initiatives, is delegated by the Board to the Executive Leadership Team (ELT). This includes responsibility for identifying, assessing, monitoring and managing material risks and opportunities, including climate-related risks and opportunities which have the potential to impact the achievement of strategic objectives.

The ELT meets weekly to assess and monitor climate-related risks and opportunities and develops appropriate mitigation and adaptation strategies. The involvement of senior leaders ensures that awareness of climate-related risks and opportunities is promoted across all areas and levels of the business and that climate-related matters are embedded into operational and business processes.

Oversight of these responsibilities is maintained through the above-mentioned quarterly Risk and Assurance and Board meetings ensuring alignment with the Board's strategic direction.

2.4 Climate-related Skills and Experience

Fitzroy places a high value on a diverse range of skills and experience within the Board, recognising that both industry-specific and broader corporate acumen are essential to effective governance. This includes consideration for environmental, social and governance capabilities and climate-related knowledge and experience.

The Board and the Risk and Assurance Division are responsible for reviewing the overall skills and experience represented by Directors to ensure that the composition remains appropriate to deliver Fitzroy's strategy. A key Professional and Industry skill sought as part of Board composition mix is Climate and Environmental, Social and Governance, with the skills and experience reviewed on an annual basis.

2.5 Controls and procedures used by management to support oversight of climate matters

Management of Fitzroy's climate-related risks and opportunities by the ELT is facilitated by the use of controls and procedures relating to the identification of climate related risks and opportunities and the monitoring of performance in managing those risks, including controls and procedures for the measurement of Greenhouse Gas (GHG) emissions and for monitoring progress of climate related initiatives and targets. These controls and procedures are integrated with controls and procedures for other reporting functions – for example other financial and supply (vendor) management controls are used to cross-check Scope 2 GHG emissions for electricity purchases.

2.6 Governance of Climate Strategy & Targets

The Board holds ultimate responsibility for climate related leadership including the development and oversight of strategies that address climate-related risks and opportunities. This responsibility encompasses the integration of climate considerations into strategic planning, and the ongoing monitoring of risk management practices.

The Risk and Assurance division assists and advises the Board on sustainability and climate-related key performance indicators and projects when included in short-term incentive plans. There are currently no remuneration linked KPI to climate-related metrics and targets.

The ELT establishes the business targets for greenhouse gas emissions during the annual budgeting process, which are reviewed and approved by the Risk & Assurance Division and the Board. Compliance against the targets are monitored on a regular basis and communicated during quarterly Board Meetings.

3. Strategy

Climate change presents a strategic challenge for the metallurgical coal sector, with wide-ranging implications for regulation, markets, technology, and stakeholder expectations. For Fitzroy, these dynamics create both risks that may affect the resilience of the business model but also present opportunities to strengthen competitiveness through adaptation and innovation.

Fitzroy is addressing climate-related risks, opportunities and progressively reducing net Scope 1 greenhouse gas emissions intensity in line with the Safeguard Mechanism and Australia's national climate commitments. Fitzroy have been exploring lower-carbon fuel options, site-level optimisation strategies, and investments in low-emissions technologies and energy efficiency improvements.

Considering climate-related risks and opportunities over various time horizons and under different potential future climate scenarios informs our understanding and enables our decisions and actions to be grounded by a forward-looking view.

Fitzroy considers the potential impacts of climate change and climate-related financial risk exposures across three distinct time horizons:

- short-term (2025 - 2030),
- medium-term (2030 - 2050),
- and long-term (2050 – 2070).

These time horizons have been selected to align with Fitzroy's operational and strategic planning timelines, including the life-of-mine considerations that shape long-term asset management and investment decisions in the metallurgical coal sector.

They also reflect the timelines over which key regulatory and policy developments, as well as market and technology transitions, are expected to unfold and impact Fitzroy's business and value chain.

To navigate the complexity of shifting regulatory, policy, market and technology dynamics, Fitzroy has embedded climate scenario analysis into its strategic and business planning. The approach considers climate-related risks and opportunities reasonably expected to affect Fitzroy's prospects, with the aim of assessing and evaluating potential financial impacts under different plausible futures.

We applied two distinct scenarios:

- Scenario 1 - SSP1 - 2.6
- Scenario 2 - SSP2 - 4.5

Horizon	Short Term	Medium Term	Long Term
Link to Planning Horizon	Detailed Annual business plans. Remaining years of the rolling business plan that allows for climate related risk and opportunities within capital allocation decisions and operational adjustments.	Aligns long term outlook with the current Life of Mine (LOM). This ensure the physical risks are considered in infrastructure investment and long-term resilience strategies.	Aligns with Estimated Rehabilitation Costs estimated associated with decommissioning, rehabilitation and relinquishment activities.

Table 1: Time Horizon Planning

3.1 Climate Scenarios

Under both Scenarios, physical risks remain low. No climate variable exhibits a rate of change likely to compromise infrastructure or workforce safety within the active operations horizon (to 2030). At 2050 Fitzroy's operations are expected to be in rehabilitation, and by 2070 land is expected to be decommissioned. Physical climate risk beyond 2030 is therefore materially reduced. Transitional risks are separately assessed in Section 6 (Risk Management). No threshold breaches of existing engineering designs have been anticipated.

Transitional risks present a materially different picture. Under SSP1-2.6, the orderly transition pathway accelerates carbon pricing, methane regulation, and approval scrutiny, increasing transitional risk exposure in the near term but reducing it over time as policy settings stabilise. Under SSP2-4.5, the delayed transition pathway prolongs exposure to escalating transitional risks as regulatory and market pressure builds unevenly across the assessment horizon. Under both scenarios, three of four transitional risks are rated "Extreme" and one is rated "High" in 2030. These transitional risks are the primary area of financial exposure for Fitzroy and require active management.

The location for analysis of physical risk using the Queensland Future Climate Dashboard tool is shown in Figure 1.

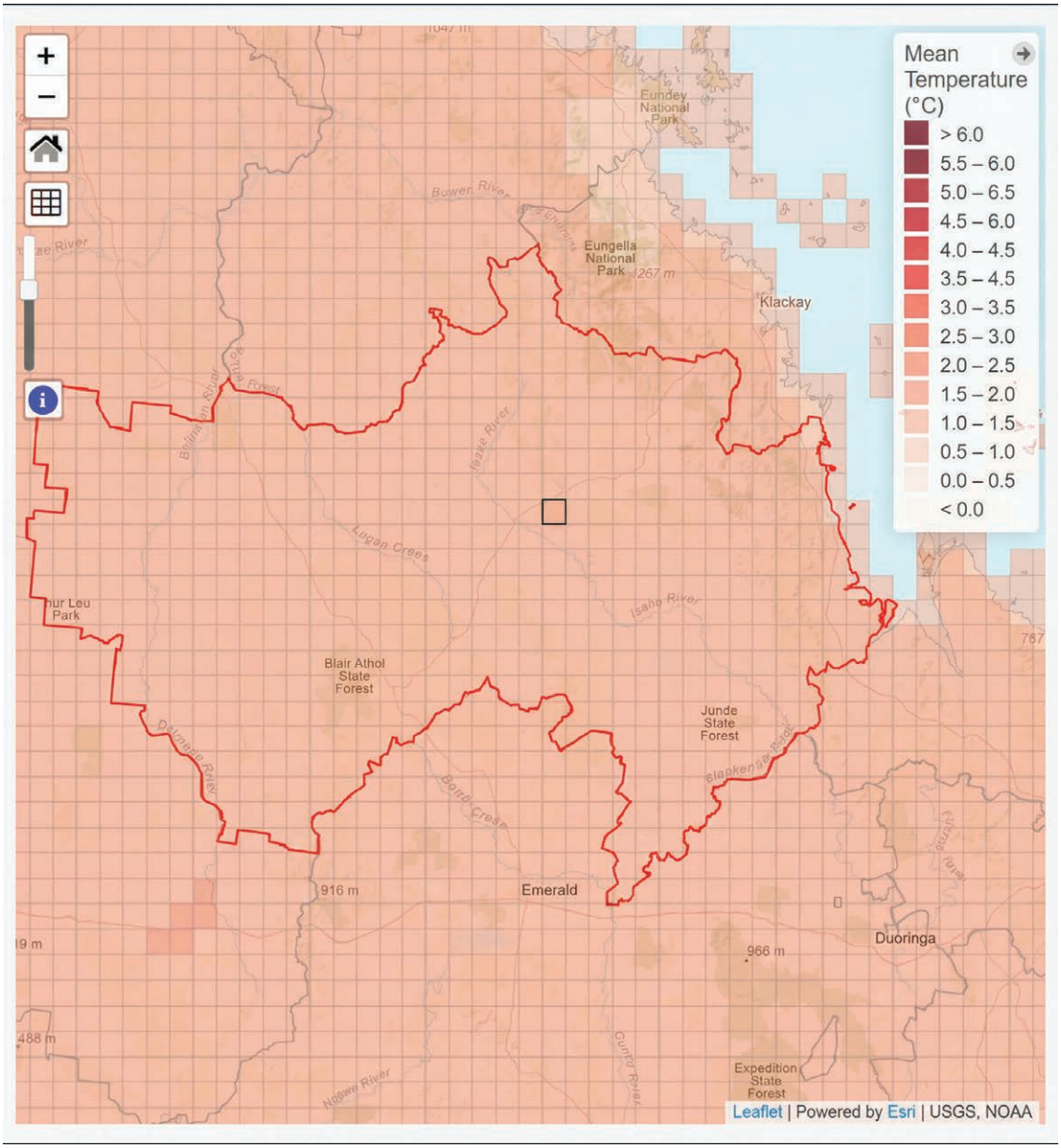


Figure 1: Location of Fitzroy Resources' operations on Queensland Future Climate Dashboard

Scenario 1 – SSP1-2.6 (Orderly Transition, Low Physical Change)

Under the SSP1-2.6 pathway, global emissions stabilise rapidly and warming is limited to well below 2°C relative to pre-industrial levels. Regional modelling for the Isaac Shire indicates a mean temperature increase of approximately 0.7°C by 2030, 1.0°C by 2050, and 1.3°C by 2070.

This scenario was selected as the low emissions scenario for transitional risk. Refer to below - SSP2-4.5 (Moderate Change, Delayed Transition), which was used a higher emissions scenario for physical risks (due to data availability).

Rainfall patterns remain stable, with year-to-year variability consistent with historical conditions. There is no change to the current seasonal dry and wet weather trends, and total annual rainfall and seasonal distribution (wet December - March, dry May - September) are expected to continue.

Operational implications:

- **Heat stress and worker safety:** The projected modest rise in temperature over the short, medium and long-term does not materially increase occupational heat risk. Current controls include, but are not limited to:
    - Air-conditioned, shaded and ventilated workspaces including mining fleet cabs and operation control rooms,
    - Heat-stress management plans,
    - Hydration protocols, and
    - Adjusted work-rest cycles remain sufficient to maintain safe working conditions.
- **Water availability:** Slight increases in evapotranspiration are offset by the mine's integrated water-storage and recycling systems. This ensures reliable process and dust-suppression water supply.
- **Operational continuity:** No disruption to production or logistics is expected under SSP1-2.6 through to 2030. By 2050, operations are expected to be in rehabilitation, and Fitzroy's physical climate risk exposure reduces substantially. By 2070, land is expected to be relinquished. Planned maintenance schedules, water-management programs, and emergency preparedness drills will provide ongoing resilience against the modest physical shifts which have been projected.

Under SSP1-2.6, Fitzroy operations continue with minimal climate-related interference. Physical risk exposure remains low, and operational continuity is unaffected. However, the orderly transition pathway is characterised by accelerated policy action on emissions, methane, and approvals. Carbon pricing tightens, methane management expectations intensify under active regulatory reform, and approval scrutiny increases as climate disclosure obligations expand. These transitional pressures are most acute in 2030 when operations are in full production. They reduce materially in 2050 as operations move to rehabilitation and are not applicable by 2070 upon relinquishment.

Climate variable	Modelled change by 2030	Modelled change by 2050	Modelled change by 2070	Commentary
Annual rainfall (mm/day)	0 mm	-0.1 mm	-0.2 mm	Drainage design remains adequate.
Annual mean temperature (additional degrees)	0.7 °C	1.0 °C	1.3 °C	Nominal warming; minimal operational impact.
Maximum temperature (additional degrees)	0.8 °C	1.2 °C	1.6 °C	
Number of additional hot days (>35 °C)	10.6 days	17.9 days	27.2 days	Hotter peaks managed via existing and additional engineering and mining advancement controls.

Table 2: Modelled summary for Fitzroy Resources under Scenario 1

Scenario 2 – SSP2-4.5 (Moderate Change, Delayed Transition)

The SSP2-4.5 scenario is a "middle-of-the-road" global pathway with moderate emissions and gradual warming continuing to 2070, this represents a 2.5°C global warming scenario. Regional projections for the mine location indicate a mean temperature increase of +0.8°C (2030), +1.3°C (2050), and +1.8°C (2070). The total number of hot days (>35°C) increases resulting in slightly longer daily periods of high heat exposure.

Annual rainfall remains broadly stable, with only minor increases in extreme rainfall intensity. These changes fall within the design tolerances of Fitzroy's drainage and flood-protection systems. The dry-season deficit (May–September) may lengthen by several days on average but is not projected to cause water scarcity given Fitzroy's water licence arrangements, on-site storage capacity, and water supply agreements with relevant authorities.

Operational implications:

- **Heat and workforce exposure:** The incremental temperature rise could marginally increase cooling demand and heat-stress risk. The following controls build a strong base for engineering advancements to build on. These include, but are not limited to:
    - Air-conditioned, shaded and ventilated workspaces, including mining fleet cabs and operation control rooms,
    - Heat-stress management plans,
    - Hydration protocols, and
    - Adjusted work-rest cycles.
- **Storm and flood risk:** While intense rainfall may increase marginally in 2050, the site's engineered flood-protection measures existing and those included in future mine plans (levees, sediment basins, drainage upgrades) are designed for greater storm thresholds. No exceedance of critical design parameters is expected.
- **Water management:** Evapotranspiration may increase with the increase in hot days, but the site's water system ensures adequate storage and process water availability. Regular calibration of storage and pumping systems provides redundancy in extreme events.
- **Infrastructure durability:** The slightly warmer conditions may marginally affect unsealed roads, stockpiles, and minor structures. These are managed through routine maintenance and material specification reviews, already within existing budget cycles.

Under SSP2-4.5, physical climate impacts remain well within manageable limits through to 2030 and reduce materially in 2050 and 2070 as operations wind down. The delayed transition pathway, however, sustains elevated transitional risk across the horizon. Fragmented and inconsistent policy settings create regulatory uncertainty, while market pressure from financiers and customers on methane management and emissions disclosure builds progressively. Raw material cost increases driven by supply chain decarbonisation are more pronounced under this scenario as industrial transition occurs unevenly. These transitional risks remain high across the 2030 horizon and, while reduced in 2050 and 2070, create a period of prolonged uncertainty prior to rehabilitation.

For physical climate risk, Fitzroy's operational exposure is negligible.

Climate variable	Modelled change by 2030	Modelled change by 2050	Modelled change by 2070	Commentary
Annual rainfall (mm/day)	-0.1 mm	-0.1 mm	-0.1 mm	Drainage design remains adequate.
Annual mean temperature (additional degrees)	0.8 °C	1.3 °C	1.8 °C	Nominal warming; minimal operational impact.
Maximum temperature (additional degrees)	0.9 °C	1.4 °C	2.0 °C	
Number of additional hot days (>35 °C)	12.6 days	22.4 days	33.7 days	Hotter peaks managed via existing and additional engineering and mining advancement controls.

Table 3: Modelled summary for Fitzroy Resources under Scenario 2

4. Climate Related Risk Management

The approach taken to identify, assess, monitor and manage climate-related risks and opportunities is guided by Fitzroy's existing commitments, principles and methodologies set out in the Risk Management Framework. The management of climate related risks and opportunities alongside other business risks supports Fitzroy's strategic and business decision-making.

4.1 Risk Management Process

Fitzroy's approach to the identification, assessment and management of climate-related risks and opportunities is recorded in a standalone Climate Related Risk Assessment. The identification and assessment of climate-related risks and opportunities is an iterative process where risks are continuously monitored and re-evaluated to reflect the latest developments.

It provides a structured and consistent approach to identifying and managing risks across the organisation. This framework guides the systematic application of management policies, procedures, and practices to the key activities of risk management — namely, communication and consultation, establishing the context, and the processes of identifying, analysing, evaluating, treating, monitoring, and reviewing risks.

The Climate Related Risk Assessment builds on this foundational process by integrating the use of future climate scenarios, projections and time horizons in analysing risks and opportunities.

4.2 Risk and Opportunity Identification

Conducting a scan to identify climate related risks and opportunities that may impact Fitzroy's business, strategy and financial planning is an integral step in the risk assessment process. The scan draws on a wide range of internal and external sources to ensure a robust and forward-looking view of potential climate risks and opportunities.

This includes consideration of market, legal, regulatory changes and trends affecting the metallurgical coal and mining industry and those affecting society more broadly. Assessment of future climate scenarios and projections, and historical data, and conducting industry benchmarking also forms part of the approach to the identification of risks and opportunities.

Through this process, the Fitzroy identifies both strategic and operational climate-related risks, including:

- Physical risks (both acute and chronic) — stemming from extreme weather events and longer-term shifts in climate patterns such as precipitation and rising sea levels
- Transition risks — stemming from legal, regulatory and policy changes, technological developments and market shifts

4.3 Risk and Opportunity Assessment

Risks identified through the initial assessment process were analysed in terms of the impacts and likelihood of the risks over defined short, medium and long-term time horizons.

This enables the level of risk to be determined for each risk and provides information to consider the approach for prioritisation, mitigation and treatment of risks. The potential impacts and the severity and likelihood of impacts are also assessed using scenario analysis.

By assessing risks of different time horizons and exploring differing future climate scenarios, the analysis provides a more robust understanding of the resilience of our strategy. This approach also

supports the development of targeted management actions to address both risks and opportunities under varying future conditions. The climate scenarios and defined time horizons used in our latest climate risk assessment are detailed within the Strategy section of this document.

In assessing climate risks and opportunities, we undertook a comprehensive evaluation that incorporated historical data, past events, and contextual circumstances relevant to our operations and business. We reviewed previous events and incidents — both internal and external — to inform our assessment of likelihood and impact.

4.4 Risk and Opportunity Prioritisation

Fitzroy prioritises climate-related risks and opportunities through a structured process that aligns with the Risk Management Framework, and the risk appetite set by the Board which provides clear guidance on acceptable levels

Identified and assessed risks and opportunities are recorded, along with applicable controls, mitigation measures or strategic benefits, are monitored to ensure that risks and opportunities are managed to required tolerances.

Risks and opportunities are evaluated based on their potential to impact Fitzroy's financial performance, operational stability and strategic objectives. Particular attention is given to risks that could materially affect cash flows or business continuity over the next strategic planning cycle. These risks and opportunities are assessed for both their likelihood and impact to Fitzroy and are reported to the Risk and Assurance Division.

Prioritisation also considers the time horizon of each risk or opportunity, as well as its relevance across different business functions. This ensures that emerging risks and opportunities, such as those related to regulatory changes or evolving market expectations, are not overlooked. The prioritisation process is dynamic and reviewed regularly to reflect changes in the external environment, stakeholder expectations, and internal business strategies.

4.5 Risk & Opportunity Monitoring & Reporting

Monitoring of climate-related risks and opportunities forms part of the Risk Management Framework. This includes scans to identify changes in context or circumstance which may trigger a change in risk levels. In situations where there are factors identified which may impact risk ratings, a review and re-assessment of the relevant risk or opportunity is conducted.

• During a review the following is considered:

- Any changes in the internal or external context;
- Any changes to the consequences and likelihood;
- Whether the controls are still effective;
- Whether any treatment actions are implemented; and
- Whether the risk remains the same.

For climate-related risks and opportunities, where a risk rating changes because of the review, the reasons for the revised rating are recorded and an update provided to the Risk and Assurance Division, and where it is a material climate-related risk or opportunity, an update is also provided to the Board. This captures the changed circumstance which has resulted in the modification of the rating.

5. Climate-Related Risk and Opportunities

5.1 Assessment of Climate-related Risk & Opportunities

As outlined in the Risk Management section, Fitzroy assesses the financial implications of climate-related risk events and opportunities that may have the potential to impact our business model, strategic objectives, and operations across the value chain in the short, medium, and long term.

This assessment integrates both qualitative and quantitative information and is conducted in alignment with the Fitzroy Risk Management Framework and broader risk management processes. The determination of material climate-related risks and opportunities relevant for disclosure in this report, considers both qualitative and quantitative factors and involves the application of professional judgment, the use of reasonable assumptions, and alignment with the Group's overarching risk management framework.

5.2 Financial Effects

Given the inherent uncertainties arising from both external and internal factors, Fitzroy has adopted a qualitative approach to disclosing financial effects, informed by scenario analysis that incorporates quantitative inputs. Translating these inputs into precise financial metrics, such as revenue, operating costs, asset values and cash flows, remains subject to a high degree of measurement uncertainty. This reflects not only the inherent variability of climate projections, policy developments and market dynamics, but also the interaction with strategic and operational decisions.

Fitzroy will continue to adapt its business model and investment priorities in response to emerging risks and opportunities as they evolve over time. Accordingly, our disclosures focus on providing an analysis of how climate-related risks and opportunities may influence Fitzroy's financial position, performance, and cash flows across the short, medium, and long-term which aligns with our financial planning cycle and reporting periods.

These disclosures are designed to provide the Board with information on the direction and nature of potential financial impacts, while acknowledging the variables which impact the assessments.

5.3 Climate Related Risk & Opportunities

Fitzroy's climate-related risks and opportunities that could reasonably be expected to affect Fitzroy's prospects was evaluated against our Risk Management Framework and ISO 31000 criteria.

Climate-related risks and opportunities are listed below:

Category	CRRO – Risk Source	Nature of Risk	Time Horizon
Transition	Increase – pricing of GHG emissions (carbon cost)	Fitzroy operates in a sector highly exposed to evolving policies, with governments tightening emission caps and carbon pricing to meet national and international targets. The Key regulatory tool at a federal level is the Safeguard Mechanism, which sets facility-level baselines and requires surrender of Australian Carbon Credit Units (ACCUs) or Safeguard mechanism Credits (SMCs) when the baseline level is exceeded. Fitzroy's baseline levels decline in with national targets, creating potential cost, compliance and reputational risks. Financial exposure stems primarily from forecasted ACCU cost and emissions forecasts	Short
Transition	Increase – methane management expectations (regulatory / lender / customer)	Coal operations are inherently gassy because methane is produced and trapped within the coal seam during the process of transforming plant matter into coal. This trapped gas, known as Coal Mine Methane, is released when mining operations interact with the coal and surrounding rock. To provide a safe work environment, extensive drainage activities are required to dilute methane.	Short
Transition	Increase – approval and permitting scrutiny linked to climate and emissions	Coal mining's prominence in the energy transition exposes Fitzroy to risks from increased approval timelines. Campaigns by activities can lead to delays to State and Federal environmental approval timeframes, bringing with it heighted investor scrutiny, both as a result of increased focus and due process review on objected matters. Activities activity and objections may pose a material risk to Fitzroy growth objectives.	Short Medium
Transition	Increase – cost of raw materials and critical mining inputs (transition-driven)	Rising raw material costs significantly strain Fitzroy's coal operations by squeezing profit margins, elevating operating expenses and tightens cash flow. Reduced cash availability manifest itself by a lack of competitiveness, delayed or cancelled investments opportunities, pressure to increase productivity and increase the risk for debt or capital investments by shareholders	Short Medium
Physical	Increase - extreme temperature	Extreme heat can significantly disrupt electricity delivery and reliability for coal mining operations, particularly in remote mining regions where power infrastructure is already constrained. These impact can affect both direct electricity supplies and the broader operational performance	Short
Physical	Increase - in average temperature	Water is an essential element for every stage of Fitzroy's coal mining operation. A lack of water supply can have serious operations, safety, environmental and economic impact for Fitzroy, as it is essential for maintaining continuous production and complying with safety and environmental requirements	Short
Physical	Increase - fire risk	Prolonged high temperatures, reduced rainfall and increased frequency of extreme weather events increase the likelihood of bushfires and grassfires in and around mine operations. Bushfire is a significant risk for Fitzroy that can cause production disruptions, asset damage, financial loss and increase compliances obligations.	Short
Physical	Increase – flooding risk	Flooding can disrupt, damage or endanger mining activities, workers and infrastructure located within flood prone areas. Flood waters can inundate pits and underground workings, damage equipment, disrupt transport routes and force production shutdowns. It can also compromise water storages and risk contamination of surrounding waterways and serious safety hazards for workers.	Short

Table 4: Climate-relate Risks

Shift in steel-making technology and demand for metallurgical coal Fitzroy has assessed that the risk of decreased demand for coal does not represent a risk that could reasonably be expected to affect the Group's prospects within the time frames being assessed, and as such this risk has not been disclosed.

Under Global decarbonisation pathways, emerging steelmaking technologies such as hydrogen based Direct Reduced Iron (DRI) and Electric Arc Furnaces (EAF) are expected to play a role in reducing emissions across the steel section. However, whilst these processes may gradually alter the long-term composition of steel production the current outlook indicates continued reliance on blast furnace operations.

Industry analysis by Wood Mackenzie projects that global seaborne metallurgical coal demand will increase from around 330Mt in 2025 to approximately 375Mt by 2050. These trends reflect the sustained importance of high-quality metallurgical coal in meeting the steel industry's ongoing efficiency and product-quality requirements. It is also acknowledged that other global decarbonisation data projections with associated scenarios may produce differing trajectories, depending on the assumed rate of technological adoption and policy development.

Fitzroy has considered this and other industry analysis and has formed the opinion that demand does not decrease within the mines time horizons. Fitzroy remains well positioned within this evolving context, with a portfolio focused on premium, low-impurity metallurgical coal that supports lower-emission blast-furnace operations. Fitzroy continues to monitor technology adoption rates and policy developments to ensure its strategy remains aligned with future market dynamics.

5.3 Climate-Related Risk Financial Effects

Category	CRRO – Risk Source	Horizon	Exposed Business Activity, Asset or Operations
Transition	Increase – pricing of GHG emissions (carbon cost)	Current: Short Medium	Coal Mining, CHPP operations, fuel use and power across the Fitzroy business

Nature of Risk

Fitzroy operates in a sector highly exposed to evolving policies, with governments tightening emission caps and carbon pricing to meet national and international targets. The Key regulatory tool at a federal level is the Safeguard Mechanism, which sets facility-level baselines and requires surrender of Australian Carbon Credit Units (ACCUs) or Safeguard mechanism Credits (SMCs) when the baseline level is exceeded. Fitzroy's baseline levels decline in with national targets, creating potential cost, compliance and reputational risks. Financial exposure stems primarily from forecasted ACCU cost and emissions forecasts.

Effect on Value Chain

This risk has the potential to directly affect Fitzroy's business model and value chain by increasing compliance costs, reducing financial flexibility, and limiting the capacity to invest in medium-term initiatives.

Mitigation & Adaptation Effects

Mitigation and adaptation strategies are underway to reduce our emissions through draining methane prior to mining.

Financial Effects

The financial impact associated with the surrender of ACCU's for the 2025 reporting period is estimated to be $26M. Fitzroy has aligned short and medium horizon financial impacts with Safeguards reporting timeframes. Cost for short and medium horizons are projected to increase, therefore increasing the number of ACCU's required for surrender.

Category	CRRO – Risk Source	Horizon	Exposed Business Activity, Asset or Operations
Transition	Increase – methane management expectations (regulatory / lender / customer)	Current: Short Medium	Underground Coal Mining across the Fitzroy business

Nature of Risk

Coal operations are inherently gassy because methane is produced and trapped within the coal seam during the process of transforming plant matter into coal. This trapped gas, known as Coal Mine Methane, is released when mining operations interact with the coal and surrounding rock. To provide a safe work environment, extensive drainage activities are required to dilute methane.

Gas content increases at depth primarily because the immense, accumulated weight of the material above, result in the requirement of ventilation and drainage activities to increase over the life of underground assets.

Effect on Value Chain

Methane management and drainage activities currently impact the business. If this risk was to worsen, it has the potential to materially affect Fitzroy's business model and value chain by increasing operating costs, reducing financial flexibility, and limiting the capacity to invest in medium-term initiatives.

Mitigation & Adaptation Effects

Mitigation and adaptation strategies are underway to reduce our ventilation and gas drainage program through utilising gas models.

Financial Effects

The financial impact associated with the ventilation and gas drainage activities for the 2025 reporting period is estimated to be $3,443,263. Fitzroy has aligned short and medium horizon financial impacts with their respective budget protocols. Cost for short and medium horizons are projected to increase due to inflation and CPI and an increase in operational requirements, therefore increasing the total cost for operating the ventilation and gas drainage network over the life of the asset.

Category	CRRO – Risk Source	Horizon	Exposed Business Activity, Asset or Operations
Transition	Increase – approval and permitting scrutiny linked to climate and emissions	Short Medium	Project development, permitting, stakeholder engagement, and regulatory approvals for expansion or new activities

Nature of Risk

Coal mining's prominence in the energy transition exposes Fitzroy to risks from increased approval timelines. Campaigns by activists can lead to delays to State and Federal environmental approval timeframes, bringing with it heighted investor scrutiny, both as a result of increased focus and due process review on objected matters. Activist activity and objections may pose a material risk to Fitzroy growth objectives.

Effect on Value Chain

The risk affects Fitzroy's business model and value chain by potentially delaying the advancement of key projects, deferring production schedules, and increasing project development costs. Such delays could also hinder Fitzroy's ability to respond to market demand in a timely manner, resulting in foregone revenue opportunities and reduced competitiveness.

Mitigation & Adaptation Effects

Mitigation and adaptation strategies in place include a strong focus on compliance with existing approval conditions, ensuring Fitzroy's meets the extensive progressive rehabilitation and closure plan (PRCP) commitments. Further risk mitigation strategies include working with Government to provide case studies where statutory processes could be improved to focus outcomes on environmental values.

Financial Effects

For the current reporting period, no costs have been incurred, and no projects have been delayed due to delayed receipt of approvals. Furthermore, all environmental approval applications lodged for the upcoming reporting year are anticipated to proceed as scheduled. This reflects the effectiveness of ongoing engagement efforts with Local, State and Federal Governments, as well as regulators.

The financial implications of deferred approvals to include deferral of capital expenditure schedules and project revenue streams and reduce short term to medium term cash flows. Higher annualised costs associated with delays may compress margins and have the potential to reduce profitability, particularly in period of strong demand. Extended delays may also affect Fitzroy's financial position leading to debt to bridge funding gaps, elevate gearing ratios and increase pressure on the cost of capital. Collectively, these highlight the impact of delayed approvals can have on Fitzroy financial position and performance.

Category	CRRO – Risk Source	Horizon	Exposed Business Activity, Asset or Operations
Transition	Increase – cost of raw materials and critical mining inputs (transition-driven)	Current: Short Medium	Coal Mining and surface operations across the Fitzroy business

Nature of Risk

Rising raw material costs significantly strain Fitzroy's coal operations by squeezing profit margins, elevating operating expenses and tightens cash flow. Reduced cash availability manifest itself by a lack of competitiveness, delayed or cancelled investments opportunities, pressure to increase productivity and increase the risk for debt or capital investments by shareholders.

Effect on Value Chain

The more impact that this risk has, the more materially it will affect Fitzroy's business model and value chain. Refer to the financial effects section below.

Mitigation & Adaptation Effects

Mitigation and adaptation strategies are underway to reduce price variability by implementing long term contracts with suppliers to mitigate price fluctuation.

Financial Effects

In the current period, Fitzroy spent approximately $41m on raw materials. Cost for all horizons are projected to increase due to inflation and CPI and an increase in expansionary activities, therefore increasing the total cost for raw materials over the life of the asset.

Category	CRRO – Risk Source	Horizon	Exposed Business Activity, Asset or Operations
Physical	Increase - extreme temperature	Current: Short	Coal Mining and surface operations across the Fitzroy business

Nature of Risk

Extreme heat can significantly disrupt electricity delivery and reliability for coal mining operations, particularly in remote mining regions where power infrastructure is already constrained. These impact can affect both direct electricity supplies and the broader operational performance.

Effect on Value Chain

Extreme heat can materially affect Fitzroy's valuer chain by disrupting electricity delivery, increasing operational costs, reducing productivity, and creating supply chain instability across the operations, transport and export activities.

Mitigation & Adaptation Effects

Mitigation and adaptation strategies are underway to build redundancy into the power supply systems and back up generation capacity as well as establishing business continuity and emergency response plan to electricity outages.

Financial Effects

For the current reporting period, no costs have been incurred, and no projects have been delayed due to delayed receipt of approvals. Cost for short and medium horizons are projected to increase due to inflation and CPI and an increase in asset management requirements, therefore increasing the total cost for upgrading existing power supply infrastructure.

Category	CRRO – Risk Source	Horizon	Exposed Business Activity, Asset or Operations
Physical	Increase - in average temperature	Short Long	Coal Mining and surface operations across the Fitzroy business

Nature of Risk

Water is an essential element for every stage of Fitzroy's coal mining operation. A lack of water supply can have serious operations, safety, environmental and economic impact for Fitzroy, as it is essential for maintaining continuous production and complying with safety and environmental requirements.

Effect on Value Chain

If these risks were to eventuate, it has the potential to directly affect Fitzroy's business model and value chain by reducing profitability, increasing operational costs, lengthen the time rehabilitation liability is held, and limiting expansion opportunities for the business.

Mitigation & Adaptation Effects

Mitigation and adaptation strategies are underway that focus on managing current and future water challenges through actions to conserve water through recycling, efficient systems and improving water storage infrastructure.

Financial Effects

The financial impact associated with securing water for the 2025 reporting period is estimated to be $2,284,374. Cost for all horizons are projected to increase due to inflation and CPI and an increase in expansionary activities, therefore increasing the total cost for raw materials over the life of the asset.

Category	CRRO – Risk Source	Horizon	Exposed Business Activity, Asset or Operations
Physical	Physical	Increase - fire risk	Short

Nature of Risk

Bushfire can disrupt, damage or endanger mining activities, workers and infrastructure located within bushfire prone areas. Bushfire is a significant risk for Fitzroy that can cause production disruptions, asset damage, financial loss and increase compliances obligations.

Effect on Value Chain

If this risk was to eventuate, it has the potential to severely impact short term and long-term business performance. Bushfire affecting Fitzroy would lead to immediate revenue loss, high recovery cost, legal exposure and reduced long-term profitability.

Mitigation & Adaptation Effects

Mitigation and adaptation strategies have been implemented to reduce bushfire risk by implementing physical controls including fire breaks and sprinkler systems across the operation and emergency procedures in the event a bushfire occurs.

Financial Effects

For the current reporting period, no costs have been incurred, and no projects have been impacted due to bushfires. Cost for short and medium horizons are projected to increase due to inflation and CPI and an increase in asset management requirements, therefore increasing the total cost for maintaining the existing bushfire prevention infrastructure.

Category	CRRO – Risk Source	Horizon	Exposed Business Activity, Asset or Operations
Physical	Increase – flooding risk	Short	Coal Mining and surface operations across the Fitzroy business and regional areas

Nature of Risk

Flooding can disrupt, damage or endanger mining activities, workers and infrastructure located within flood prone areas. Flood waters can inundate pits and underground workings, damage equipment, disrupt transport routes and force production shutdowns. It can also compromise water storages and risk contamination of surrounding waterways and serious safety hazards for workers.

Effect on Value Chain

This risk has the potential to severely impact short term and medium term business performance. Flooding affecting Fitzroy would lead to immediate revenue loss, higher recovery cost, legal exposure and reduced long-term profitability.

Mitigation & Adaptation Effects

Mitigation and adaptation strategies have been implemented to reduce flooding risk by implementing physical controls to control and divert excess water. Warning systems, weather monitoring and emergency response plans are in place to help ensure Fitzroy is prepared for and can effectively respond during rainfall events.

Financial Effects

For the current reporting period, no costs have been incurred, and no projects have been impacted due to flooding.

Climate related opportunities

Fitzroy have identified no climate-related opportunities. Climate-related opportunities will be reviewed on an annual basis moving forward and integrated into Fitzroy's climate related strategy when identified.

5.4 Operational Resilience

Given the scale and uncertainty of climate change, Fitzroy recognises that building resilience requires more than addressing current risks, it demands a forward-looking view of how different futures may unfold. Scenario analysis provides this perspective, allowing Fitzroy to explore how climate-related risks and opportunities could influence its operations, strategy, and financial planning over the short, medium, and long term.

By testing the business model against multiple pathways, the analysis highlights both areas of vulnerability and potential opportunities, with the results feeding directly into strategic and business planning. This approach strengthens decision-making, guides capital allocation, and supports the implementation of measures that mitigate risk while positioning Fitzroy to remain competitive in a transitioning global economy.

Fitzroy's engineered systems, proactive maintenance, and adaptive operational model position the operations to remain resilient under both climate futures. Specifically, this includes:

- **Infrastructure resilience:** Civil and mechanical assets are designed and maintained for conditions exceeding projected rainfall and temperature. Fitzroy's approved on-site power station at Ironbark No.1, with the miner holding first right to generated power under the power supply agreement, provides a dedicated energy source that reduces exposure to grid constraints and supports continuity of underground ventilation, pumping, and processing operations under all modelled climate scenarios.
- **Workforce resilience:** Health and safety systems, supported by technology, mitigate occupational heat and weather-related exposure.
- **Environmental resilience:** The mine's water-management network ensures hydrologic stability under elevated evapotranspiration intensity. The mine's proactive fire management plan ensures continued operational resilience to periods of increased fire risk.
- **Supply chain:** Fitzroy operations are resilient for the following reasons, noting that active operational resilience is most relevant at the short & medium horizon:
    - The workforce travel to and from the operations by road and air from regional centres which are maintained to a high standard by local authorities; and the business is not financially exposed to damage to on-site accommodation camps given it lacks ownership. Whilst minimum accommodation disruption could occur, the business is significantly more resilient then other operators.;
    - Infrastructure and supplies are either driven, piped or railed to and from site;
    - The supply chain is resilient and has been designed for longevity and remote operations. The Newlands rail Network that connects the mine with the North Queensland Export Terminal (NQXT) has been designed for periods of high rainfall during short periods of time. Notwithstanding, we acknowledge that significant weather events such as cyclones can cause damage to critical infrastructure.

Across both SSP1-2.6 and SSP2-4.5 scenarios, there is no evidence of material physical climate risk affecting safety, operations, or financial performance at the 2030 horizon, and physical risk reduces further in 2050 and 2070 as operations move to rehabilitation and relinquishment. Transitional risks are the material risk category: three of four assessed transitional risks are rated "Extreme" and one is rated "High" in 2030 under both scenarios, with exposure reducing as the life of mine concludes.

Fitzroy and its supply chain remain low-exposure, high-resilience operations through to 2030. In 2050, operations are expected to be in rehabilitation, physical climate risk exposure is materially reduced, and risk ratings reflect this reduced operational footprint. By 2070, all operations are expected to have been relinquished, and Fitzroy will have no ongoing exposure to site-based climate risk.

6. Metrics and Targets

In this section the Metrics and Targets are designed to provide the board quantifiable, comparable, and, in the case of targets, forward looking information about how climate-related risks and opportunities are measured and managed. Its purpose is to demonstrate accountability for climate-related performance, enable tracking of progress against stated climate goals, support decision-making by showing how climate factors impact enterprise value over short, medium, and long term, and align disclosures with global frameworks for consistency and comparability.

6.1 Green House Gas Emissions Results

Fitzroy's absolute gross greenhouse gas emission (GHG) generated during the reporting period are outlined below:

Emissions Classification	Unit of Measure	CY25
Scope 1	tCO_2e	826,942
Scope 2 (location based)	tCO_2e	61,690
Total Scope 1 & Scope 2	tCO_2e	888,632

6.2 Scope 1 & 2 Greenhouse Gas Emissions Methodology & Approach

Each of Fitzroy's facilities are covered by the National Greenhouse and Energy Reporting (NGER) Act 2007, within Australia. As such we are applying jurisdictional relief for all emissions in line with the NGER requirements.

Fitzroy prepares its GHG inventory using the operational control consolidation approach as this is what is required by NGERs reporting. In 2025 Fitzroy has reported on direct Scope 1 along with indirect Scope 2 emissions from facilities under its operational control. The NGER Determination prescribes methodologies for the quantification and calculation of all reportable energy and emission sources. Fitzroy uses method 1 and method 4 to estimate its emission sources.

Scope 1 and 2 GHG emissions calculation methodology

Scope 1 and 2 emissions are emitted by the Fitzroy during activities related to the production, processing and ancillary functions of mining activities.

Fitzroy has early adopted the Amendments to AASB S2 Climate-related Disclosures (Amendments), issued by the Australian Accounting Standards Board in December 2025, for the reporting period ended 31 December 2025. Fitzroy applies the Greenhouse Gas Protocol Corporate Standard for the purpose of determining its organisational boundary and has utilised the available jurisdictional relief to apply the NGER Scheme legislation. Fitzroy's reporting methods therefore utilise the Global Warming Potential values from the applicable NGER Regulations.

For each 1 July to 30 June NGER reporting period, the NGER Act requires registered facilities to disclose their GHG emissions by 31 October. As noted in Section 5.1 above, these dates misalign with Fitzroy's reporting period and therefore the data in this Report incorporates emissions reported within the 2025 NGER reporting period for 1 January to 30 June as well as consistently collected data, utilising Fitzroy's

stated reporting methodology, for the remaining 1 July to 31 December period.

Emission factors utilised for emission calculations are sourced from the National Greenhouse and Energy Reporting (Measurement) Determination 2008. The Global Warming potential utilised is sourced from AR5, in alignment with the National Greenhouse and Energy Reporting Amendment (2020 Measures No.1) Regulations 2020.

The NGER Measurement Determination utilised for both NGER reporting and this Report are outlined below:

Scope	Emission category	Activity	Measurement methodology
Scope 1	Fugitive emissions	Fugitive emissions from the extraction of coal - open cut mines	NGER Measurement Determination Method 4
	Fuel combustion: Stationary combustion	Quantity of liquid fuels other than petroleum oils or greases for stationary energy purposes	NGER Measurement Determination Method 1
	Fuel combustion: Transport combustion	Quantity of liquid fuels other than petroleum oils or greases for transport energy purposes	NGER Measurement Determination Method 1
	Fuel combustion: Petroleum based oils and greases	Quantity of petroleum-based oils and greases	Other Method - Australian National Greenhouse accounts
	Industrial processes	Emissions of hydrofluorocarbons and sulphur hexafluoride gases from gas insulated switchgear and circuit breaker applications	NGER Measurement Determination Method 1
Scope 2	Purchased electricity	Electricity consumption	NGER Measurement Determination Method A1 Location-based

This approach is consistent with Fitzroy's existing requirements to report emissions to the Australian Government under the NGER legislation. Fitzroy has not identified any other material emissions sources under the GHG Protocol.

Fitzroy was required under the Safeguard Mechanism to surrender a number of ACCUs equivalent to its covered emissions for the FY25 reporting period. Total Scope 1 & 2 emissions for the FY25 period was 793,653 tCO2-e, with a baseline emission number of 530,894 tCO2-e. Resulting in Fitzroy surrendering 262,759 ACCUs costing $9,919,152.25.

Scope 3 GHG emissions

Fitzroy is advancing processes for data collection and calculation of Scope 3 emissions in preparation for mandatory Scope 3 emissions disclosure, in accordance with the AASB S2 Scope 3 measurement framework effective for reporting periods commencing on or after 1 January 2026.

66.4 Capital Expenditure, financing or investment deployed towards climate-related risks and opportunities

In the period, no material capital expenditure was allocated to climate-related risks and opportunities. However, climate-related adaptation and mitigation measures have been implemented through operational expenditure.

6.5 Internal Carbon Prices

Fitzroy has opted to account for an internal carbon price using the current and forecast ACCU prices as a base. Fitzroy's carbon price is used across project feasibility studies and to determine the financial impact to existing operations should the emissions baseline be exceeded.

6.6 Climate Related Targets

Fitzroy has set a climate-related target. Included in this target is the commitment to a reduction in net Scope 1 emissions in alignment with the requirements of the Safeguard Mechanism. The Safeguard Mechanism is legislated by the Australian government and applies to all of Fitzroy's mining facilities and legislates an ongoing net reduction in GHG emissions. Fitzroy has aligned it's GHG reduction target with this requirement and will update its target with any changes to the legislation.

6.6 Other Climate-related Targets

The Group has not established additional climate-related targets.

6.7 Target Setting Process and Review Approach

Fitzroy's climate target and the methodologies have not been validated by an independent third party specialist. Quarterly performance reviews against the target are conducted and presented and summarised for the Board.

6.8 Planned Use of Carbon Credits to Achieve Targets

Fitzroy's primary goal is to reduce operational GHG emissions through structural abatement measures, thereby reducing the use of carbon credits. Carbon credits will be required to achieve the target as part of the requirements of the Safeguard Mechanism. In line with those requirements only ACCUs and/or SMCs will be used in order to achieve the target.

Each single ACCU and SMC represent 1 tonne of CO2-e avoided or removed and are permanently surrendered to the Australian Government. The Clean Energy Regulator acts as issuer of ACCUs and SMCs with each one verified by their processes prior to being issued. No other carbon credits are allowed, under the Safeguard Mechanism Rules, to be used to achieve the required reduction.

reporting period and therefore the data in this Report incorporates emissions reported within the 2025 NGER reporting period for 1 January to 30 June as well as consistently collected data, utilising Fitzroy's stated reporting methodology, for the remaining 1 July to 31 December period.

Emission factors utilised for emission calculations are sourced from the National Greenhouse and Energy Reporting (Measurement) Determination 2008. The Global Warming potential utilised is sourced from AR5, in alignment with the National Greenhouse and Energy Reporting Amendment (2020 Measures No.1) Regulations 2020.

The NGER Measurement Determination utilised for both NGER reporting and this Report are outlined below:

under the Safeguard Mechanism Rules, to be used to achieve the required reduction.

7. Directors Declaration Sustainability Report

In the opinion of the directors of Fitzroy Australia Resources (the Company), I state that the Company has taken reasonable steps to ensure that the substantive provisions of the Sustainability Report of the Company and its subsidiaries (collectively the Group) for the year ended 31 December 2025, are in accordance with the Corporations Act 2001, including:

a. a. Complying with Australian Sustainability Reporting Standard AASB S2 Climate-related Disclosures and any further requirements determined under section 296C(2) of the Corporations Act 2001; and

b. Containing the climate statement disclosures required by section 296D of the Corporations Act 2001.

This declaration is made in accordance with a resolution of the Board of Directors of the Company pursuant to section 296A(6) of the Corporations Act 2001, as modified by section 1707C(2) of the Corporations Act 2001.

RICHARD LIVINGSTONE-BLEVINS

Chief Executive Officer