



IRIS SECURES RIGHT TO HIGH-GRADE TUNGSTEN PROJECT, MONTANA USA AND UPDATE ON CAPITAL RAISING

HIGHLIGHTS

- IRIS Metals has signed a binding Heads of Agreement with Finley Mining Inc and its shareholders, granting IRIS an exclusive right to farm-in to the high-grade Finley Basin Tungsten Project, located in Granite County, Montana, USA, subject to the execution of full form farm-in agreements to be negotiated in good faith on the agreed key terms within 40 business days (unless extended).
- Due to the transaction materialising during a proposed capital raising program, the Company decided not to raise capital at this point in time, having regard to the strategic merits of the Tungsten acquisition.
- Limited drilling undertaken by Union Carbide in the late 1970s-early 1980s resulted in a historical, non-JORC compliant tungsten reserve, 850,000 tons at an average grade of 0.68% WO₃¹, which is considered high-grade relative to many global tungsten deposits.
- The farm-in provides IRIS with exposure to tungsten, a critical mineral with strategic importance for defense, energy, and industrial applications, complementing IRIS' existing critical minerals portfolio.
- The farm-in structure allows IRIS to earn up to a 100% interest in the project through staged exploration expenditure of up to USD\$2,000,000 over 4 years and delivery of a JORC-compliant Inferred Resource.
- Exploration activities to commence at the Finley Basin Project in early 2026, focusing on resource definition, expansion, and development studies.
- The transaction aligns with IRIS' strategy to expand its critical minerals footprint in the USA, leveraging incentives for domestically sourced materials.

IRIS Metals Limited (ASX: IR1, "IRIS" or "the Company") is pleased to announce it has executed a binding Heads of Agreement (HOA) with Finley Mining Inc for the exclusive right to farm-in to the Finley

¹ Cautionary Statement: The historical mineral reserve for the Finley Basin Project was originally reported in a document titled "Summary of the H.O. Claims, Granite County, Montana," dated February 2, 1983, written by John Trammell of the Union Carbide Corporation, Metals Division and is not reported in accordance with the JORC Code 2012. A Competent Person has not yet undertaken sufficient work to classify it as a mineral resource or ore reserve under the JORC Code 2012. It is possible that following evaluation and/or further exploration work the currently reported estimates may materially change and hence will need to be reported afresh under and in accordance with the JORC Code 2012. Nothing has come to the attention of the Company that causes it to question the accuracy or reliability of the former owner's estimates, however the Company has not independently verified the former owner's estimates and therefore is not to be regarded as reporting, adopting or endorsing those estimates.



Basin Tungsten Project (Tungsten Project) located in Granite County, Montana, USA. This strategic farm-in opportunity further expands IRIS' exposure to critical minerals beyond lithium, positioning the Company in a key tungsten district with historical production potential and untapped high-grade tungsten potential in a jurisdiction primed for revival under U.S. critical minerals policies.

IRIS Metals Executive Chairman Peter Marks commented:

"This binding agreement marks an exciting step for IRIS as we grow and diversify our critical minerals portfolio into tungsten, a vital component for the defense and technology industries. The Finley Basin Project offers significant upside with its prospective geology and location in a mining-friendly jurisdiction. Combined with our existing South Dakota portfolio, this positions IRIS to capitalise on significantly growing demand for US-sourced critical minerals."

Montana Portfolio Expansion and Development

IRIS is actively evaluating additional critical mineral opportunities to complement its core South Dakota holdings. This farm-in to the Finley Basin Tungsten Project diversifies IRIS' assets into tungsten, a critical mineral essential for military energetics, alloys, electronics, and renewable energy technologies, with U.S. demand surging amid defense initiatives and clean energy goals, yet vulnerable to geopolitical supply disruptions.

The expansion of IRIS' mineral portfolio to tungsten was measured in approach with a number of projects reviewed and compared. The Company selected the Finley Basin Project due to its high-grade characteristics when compared other tungsten occurrences in the US², historical exploration results, favourable jurisdiction, potential for expansion of known mineralisation, local milling capabilities, and reasonable proximity to the Company's South Dakota operations.

IRIS' primary focus remains on advancing its South Dakota lithium and rubidium projects toward near-term development under its "Hub & Spoke" strategy, which emphasises centralized processing across multiple sites.

Recent expansions, including the September 2025 acquisition of the Ingersoll Project from Rapid Critical Metals have significantly grown IRIS' Black Hills footprint and private land holdings. IRIS is rapidly expanding mineral resources and progressing studies to support a multi-mine production model, with economic analysis targeted for 2026.

This strategic diversification importantly aligns with broader U.S. incentives for domestically sourced critical minerals and supports resilient supply chains under frameworks such as the Australia-U.S. Climate, Critical Minerals and Clean Energy Transformation Compact.

About The Finley Basin Tungsten Project

The Finley Basin Tungsten Project is situated in Granite County, Montana, a region with a rich legacy of tungsten exploration and production dating back to the early 1900s, including contributions to industrial and wartime needs during World War II eras of high demand for strategic metals.

The project encompasses unpatented mining claims covering approximately 378 hectares over highly prospective terrain within the Flint Creek Mountain Range. The Finley Basin Project is geologically characterised as a tungsten-rich skarn overprinting a regional Cu-Zn-Mo hydrothermal breccia.

² Carroll, T.R., Schmeda, G., Karl, N.A., Burger, M.H., Long, K.R., Reyes, T.A., 2018, Tungsten deposits in the United States: U.S. Geological Survey data release, <https://doi.org/10.5066/P9XA8MJ4>.

Tungsten mineralization predominantly occurs as scheelite within a tactite skarn formed at the contact between a granitoid intrusion and a Mississippian age calcareous limestone. Tungsten mineralization has been observed from surface to depths of approximately 300m during historical exploration activities and the known extent of mineralisation is open both laterally and vertically.

The Finley Basin Project saw limited exploration from Union Carbide Corporation in the late 1970s and early 1980s. A ten (10) hole drill program completed at that time generated a non-JORC compliant historical mineral "reserve" at an average grade of 0.68% WO₃ (Table 1). The historical mineral reserve set out below is provided for information purposes only and is included to assist investors in understanding the nature and extent of historical exploration undertaken on the project area.

Table 1. Historical Mineral Reserve, Union Carbide Corporation, Finley Basin Project, Montana USA

Classification	Tons	Grade % WO ₃
Indicated	350,000	0.68
Inferred	500,000	0.68

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

Limited data exists from the historical exploration drilling completed by Union Carbide Corporation at Finley Basin. IRIS is currently in possession of summary geologic reports, including a drill collar map, and interpretive cross sections. However, the individual drill hole data, including assays are not available. IRIS is currently pursuing acquisition of this data.

IRIS technical staff have reviewed the available project data, and believe there to be significant exploration upside, not just within the Finley Basin Project, but through exploration of additional identified, yet untested skarn mineralization targets in the immediate vicinity of the project. IRIS intends to rapidly advance both a resource drilling program and a localized reconnaissance exploration program to confirm the Union Carbide Corporation drilling, expand the extent of known mineralization, and define additional drill targets in the surrounding terrane.

In addition, a fully permitted and operational contract mill is in Phillipsburg, Montana, approximately 30 km in road miles from the Finley Basin Project. The mill has a capacity of 1,000 tons per day and has both a gravity concentrator and dual flotation circuits suitable for production of tungsten sulphide

concentrates. Confirmation and expansion of mineral resources at Finley Basin, coupled with expedited permitting support from the U.S. government, could quickly advance the Finley Basin towards production with mineral processing capacity already in place

IRIS' near-term exploration work program at Finley Basin will include:

- **Data Acquisition** - Acquire additional historical project data, and aggregate dataset for generation of initial 3D geologic model of the project
- **Phase I Drill Program** - Finalize permitting and execute a planned 4,500m drill program at the Finley Basin Project to recreate, confirm, and expand on the historical work of Union Carbide
- **Metallurgical Testing** - Complete initial metallurgical testing to confirm process flowsheet and viability of utilising the local contract mill for processing
- **Mineral Resource Estimate** - Contract of geological consultants to develop more refined geologic models and construct a mineral resource estimate based on the results of IRIS' Phase I drill program at Finley Basin
- **Target Generation** - Complete reconnaissance sampling and mapping over additional tungsten skarn targets in the immediate vicinity of the known mineralization within Finley Basin, and initiate permitting for a Phase II drill program.

IRIS has already commenced exploration permitting activities and is targeting Q3 2026 for the start of drilling operations at the Finley Basin Project. Assuming success, completion of an initial mineral resource estimate that recreates and expands on the previous Union Carbide work is planned for early Q1 2027.

This farm-in opportunity significantly bolsters IRIS' U.S. critical minerals portfolio, adding meaningful exposure to tungsten, a vital metal for defense, aerospace, and advanced manufacturing, complementing the Company's established lithium and critical mineral assets in South Dakota.

Acquisition Summary

IRIS will farm-in to the Tungsten Project, which is comprised of unpatented mining claims covering prospective ground in the Finley Basin area of Montana. The project hosts tungsten mineralisation with historical exploration indicating potential for scheelite-bearing deposits.

The HOA was executed on 14 December 2025 between IRIS, Finley Mining Inc, and its shareholders, and provides IRIS with an exclusive right, during an initial 40-business-day exclusivity and due-diligence period (extendable by another 40 business days upon payment of an additional AUD\$50,000), to undertake due diligence and work towards execution of formal farm-in agreements. IRIS has paid a non-refundable AUD\$50,000 fee to the shareholders for this exclusivity.

Upon execution of formal agreements, IRIS will reimburse historical project costs of AUD\$100,000 (plus applicable withholding tax (if any)) and issue AUD\$150,000 worth of IRIS shares (calculated at \$0.25 per share, equating to 600,000 shares, plus applicable withholding tax (if any)).

The agreed earn-in stages are as follows:

- **Initial Earn-In (70%):** Spend USD\$1,000,000 on exploration and deliver a JORC-compliant Inferred Resource within 2 years of formal agreement execution;
- **Further Earn-In (90%):** Spend an additional USD\$1,000,000 on exploration within 4 years of execution (total USD\$2,000,000);
- **Final Interest (100%):** Upon earning a 90% interest, the vendors' remaining 10% interest will convert into a 2% Net Smelter Return (NSR) royalty on all production, with IRIS holding a right of first refusal on any NSR sale; and
- IRIS may withdraw after spending a minimum USD\$250,000, with no further obligations.

Iris has also agreed to issue deferred consideration of up to AUD\$1,000,000 in IRIS shares (plus withholding tax (if any)) upon achieving specified JORC-compliant Inferred Resource thresholds within 5 years:

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

The pricing of the deferred consideration shares is based on the 10-day VWAP of Iris' Shares on the ASX up to but excluding the date of announcement of the resource.

Capital Raising Update

The Board has determined to not proceed with the previously proposed capital raising program, which was referenced in connection with the trading halt granted on 10 December 2025.

The decision reflects the coinciding materialisation of the Tungsten acquisition, with the capital raising process. The Board considered it appropriate to not proceed with the capital raising at this time so as to ensure the market is fully informed with respect to the content of this announcement, and the strategic merits of the Tungsten acquisition.

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

ENDS

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IRIS Metals (ASX:IR1)

IRIS Metals Ltd (ASX:IR1) is an exploration company with an extensive suite of assets considered to be highly prospective for hard rock lithium located in South Dakota, United States (US). The company's large and expanding South Dakota Project is located in a mining friendly jurisdiction and provides the company with strong exposure to the battery metals space, and the incentives offered by the US government for locally sourced critical minerals.

The Black Hills have a long and proud history of mining dating back to the late 1800s. The Black Hills pegmatites are famous for having the largest recorded lithium spodumene crystals ever mined. Extensive fields of fertile LCT-pegmatites outcrop throughout the Black Hills with significant volumes of lithium spodumene mined in numerous locations.

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

Forward looking Statements

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

Not an offer in the United States:

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

Competent Persons Statement

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

The historical estimates referred to in this announcement are derived from reports prepared prior to the adoption of the JORC Code (2012 Edition) and have not been reported in accordance with that Code. A competent person has not done sufficient work to classify these historical estimates as Mineral Resources or Ore Reserves in accordance with the JORC Code, and it is uncertain that following evaluation and/or further exploration work that the historical estimates will be able to be reported as Mineral Resources or Ore Reserves in accordance with the JORC Code. The Company is not treating the historical estimates as current Mineral Resources or Ore Reserves.

Matt Hartmann has reviewed the historical information and has consented to the inclusion in this Public Report of the matters based on his information in the form and context in which it appears.

APPENDIX 1 – Historical Reserve Statement, Listing Rule 5.12 Disclosure

Classification	Tons	Grade % WO ₃
Indicated	350,000	0.68
Inferred	500,000	0.68

The estimates of the quantity and grade of mineral reserves for the Finley Basin Project referred to in this announcement are “historical estimates” within the meaning of the ASX listing rules and are not reported in accordance with the JORC Code 2012. A competent person has not undertaken sufficient work to classify the historical estimates as mineral reserves in accordance with the JORC Code 2012. It is uncertain that following evaluation and further exploration work that the historical estimates will be able to be reported as mineral resources in accordance with the JORC Code.

The historical estimates of ore stated above are taken from internal Union Carbide Corporation, Metals Division report, Summary of H.O. Claims, Granite County, Montana, by John Trammel, dated February 2, 1983, using categories of mineral resources and reserves relative to the Union Carbide Corporation and believed to be in accordance with general industry practice for the time period within the United States. The estimate is treated as a “Historical Estimate” under the ASX listing rules.

A series of drill holes, QAQC, and modelling of mineralisation will be required for the mineralisation to be modelled and re-estimated in accordance with JORC Code 2012. The initial planned exploration program will be a combination of recreating the ten-hole drill program of Union Carbide Corporation, with additional holes completed to test additional drill targets.

The following further information is provided in relation to the Historical Estimate in accordance with the requirements of ASX listing rule 5.12:

<i>5.12.1 - The source and date of the historical estimates or foreign estimates</i>	The historical estimate of mineral reserves was taken from the internal Union Carbide Corporation, Metals Division report, Summary of H.O. Claims, Granite County, Montana, by John Trammel, dated February 2, 1983
<i>5.12.2 - Whether the historical estimates or foreign estimates use categories of mineralisation other than those defined in Appendix 5A (JORC Code) and if so, an explanation of the differences</i>	Reference to the category of mineral resources and reserves is believed to be in accordance with general industry practice for the time period within the United States. “Inferred Reserves” is a category not defined in Appendix 5A, and therefore has no equivalent for comparison to JORC Code
<i>5.12.3 - The relevance and materiality of the historical estimates or foreign estimates to the entity.</i>	The historical estimate provided justification for acquisition of the project, as well as basis for initial drill program to recreate the historical estimate. It is relevant and material to IR1's acquisition.
<i>5.12.4 - The reliability of the historical estimates or foreign estimates, including reference to any of the criteria in Table 1 of Appendix 5A (JORC Code) which are relevant to understanding the reliability of the historical estimates or foreign estimates.</i>	<p>The Competent Person, Matt Hartmann, views the historical estimates as providing reasonable indications of the potential size and grade of the deposits in the relevant area based on the historical documentation reviewed.</p> <p>The CP has visited the site and confirmed the drill locations against the existing drill collar map. Although no assay records are in possession of IR1, it is the observation of the CP that Union Carbide Corporation was a major specialty mineral miner, producer of tungsten minerals during the period of exploration at Finely Basin, and employed a highly competent and experienced technical team capable of making informed exploration decisions and producing reliable mineral resource</p>



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	<p>estimates that would later go into production. This includes the significant Pine Creek Tungsten Mine in California, USA, and the Gentung-Browns Lake Tungsten Mine in Montana, USA, located less than 100km from the Finley Basin Project.</p> <p>The historical estimate for the Finley Basin Project has been widely reported as fact, and has been cited by the U.S. Geological Survey: Carroll, T.R., Schmeda, G., Karl, N.A., Burger, M.H., Long, K.R., Reyes, T.A., 2018, Tungsten deposits in the United States: U.S. Geological Survey data release, https://doi.org/10.5066/P9XA8MJ4</p>
<i>5.12.5 - To the extent known, a summary of the work programs on which the historical estimates or foreign estimates are based and a summary of the key assumptions, mining, and processing parameters and methods used to prepare the historical estimates or foreign estimates.</i>	<p>Union Carbide Corporation completed exploration work from 1976 to 1982 at the Finley Basin Project. This work consisted of stream-sediment sampling, soil geochemistry, night-lamping, geologic mapping, mapping of scheelite intensity on joints, outcrop sampling, ground magnetics, trenching, and drilling. A preliminary mineralogical/metallurgical study was also completed. The historical estimate for the Finley Basin Project utilised only ten (10) of the completed drill holes. IR1 is in possession of the high-level summary report of this work, and none of the detailed technical studies or assay data.</p>
<i>5.12.6 - Any more recent estimates or data relevant to the reported mineralisation available to the entity.</i>	<p>There are no more recent estimates.</p>
<i>5.12.7 - The evaluation and/or exploration work that needs to be completed to verify the historical estimates as mineral resources or ore reserves in accordance with Appendix 5A (JORC Code)</i>	<p>A full review of the available data will be completed by the Company. The Company will also pursue acquisition of further detailed technical work associated with the Finley Basin Project. The Company will pursue permitting and completion of a drill hole to intersect the same mineralisation as Union Carbide Corporation, and drill for further expansion of the mineralised trend. Then if possible, construct a mineral resource estimate for the Finley Basin Project following JORC (2012) guidance.</p>
<i>5.12.8 - The proposed timing of any evaluation and/or exploration work that the entity intends to undertake and a comment on how the entity intends to fund that work.</i>	<p>IRIS has already commenced exploration permitting activities and is targeting Q3 2026 for the start of drilling operations at the Finley Basin Project. Assuming success, completion of an initial mineral resource estimate that recreates and expands on the previous Union Carbide work is planned for early Q1 2027. Limited expenditures will be required to advance the project through H1 2026 with no impact to IRIS' planned South Dakota operations; however, the Company will require additional funding to execute the planned drill program at Finley Basin and complete subsequent technical studies.</p>
<i>5.12.10 - A statement by a named competent person or persons that the information in the market announcement provided under rules 5.12.2 to 5.12.7 is an accurate representation of the available data and studies for the material mining project. The statement must also include the information referred to in rule 5.22(b) and (c).</i>	<p>The Competent Person, Matt Hartmann, President, U.S. Operations for IRIS Metals Ltd. has reviewed the historical information and has consented to the inclusion in this Public Report of the matters based on his information in the form and context in which it appears. The information presented in this ASX release, including Appendix 1 (5.12.2 to 5.12.7), is an accurate representation of the available data and studies for the Finley Basin Project.</p>