

29 January 2026

ACTIVITIES REPORT

QUARTER ENDED 31 DECEMBER 2025

- **Material acquisition of rutile and graphite projects located in the emerging new major rutile province in Malawi, Africa**
 - **Significant rutile discovery confirmed by high grade drill results over a large area at the Mkanda project, with a peak assay of 2.21% rutile, Table 1. Results include:**
 - **10m @ 1.66% rutile, ended in 1.59% rutile mineralisation (MHA0023)**
 - **10m @ 1.32% rutile, ended in 1.87% rutile mineralisation (MHA0020)**
 - **10m @ 1.23% rutile, ended in 1.03% rutile mineralisation (MHA0046)**
 - **5m @ 1.35% rutile, ended in 1.23% rutile mineralisation (MHA0058)**
 - **Exceptional drill results from first selected batch of 10 hand auger holes demonstrate high grade mineralisation from surface to 10m, with all holes ending in mineralisation and remaining open at depth**
 - **Systematic hand auger drilling across large areas of Mkanda project with 675 drillholes completed with an average depth of 8m**
 - **Graphite analysis is being undertaken in parallel as part of the dual mineral commodity focus, potential attractive value add for the overall project economics**
 - **Assay results expected consistently throughout Q1, 2026 to further establish rutile and graphite mineralisation**
 - **Completion of A\$3.5 million (before costs) placement with Board and management participation of \$100,000**
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Fortuna Metals Limited (ASX: FUN) (formerly Lanthanein Resources Ltd) (**Fortuna** or the **Company**) is pleased to provide its quarterly report for the three-month period ending 31 December 2025.

Mkanda & Kampini Rutile Projects Malawi

During the quarter, Fortuna entered into a binding agreement to acquire 100% of the issued capital of a holding company which holds a 100% interest in two granted exploration licences forming the Mkanda and Kampini Projects (**Projects**) highly prospective for rutile and graphite.

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The Mkanda and Kampini Projects extend over an area of 658km² and are located in Malawi, immediately to the south of Sovereign Metals Limited's (ASX: SVM) world class Kasiya rutile project. Kasiya is the largest rutile and the second largest flake graphite deposit in the world.¹

The projects cover the majority of the 70km strike extent of the same Lilongwe Plain weathered gneiss that hosts the rutile and graphite at Kasiya. The high-grade rutile deposit at Kasiya is best described as a residual placer or eluvial heavy mineral deposit. The enrichment of rutile into economic mineralisation is a result of weathering of the primary host rock and concentration, in-place of heavy minerals, as opposed to the high energy transport and concentration of heavy minerals in a traditional placer. The enrichment stage came as tropical weathering during the Tertiary depleted the top ~5 to 10m of physically and chemically mobile minerals. This caused significant volume loss and concurrent concentration of heavy minerals including rutile.²

The projects have excellent infrastructure availability, with the central region being approximately 20km from the capital city of Lilongwe, 25km from rail access (11km at the most northern boundary), 15km from high-capacity power lines and with plentiful fresh water.

Rutile is the purest high grade natural mineral of titanium which is considered critical for future-facing sectors, with demand expected to grow driven by applications in robotics, humanoids, aerospace, defence applications and advanced manufacturing.

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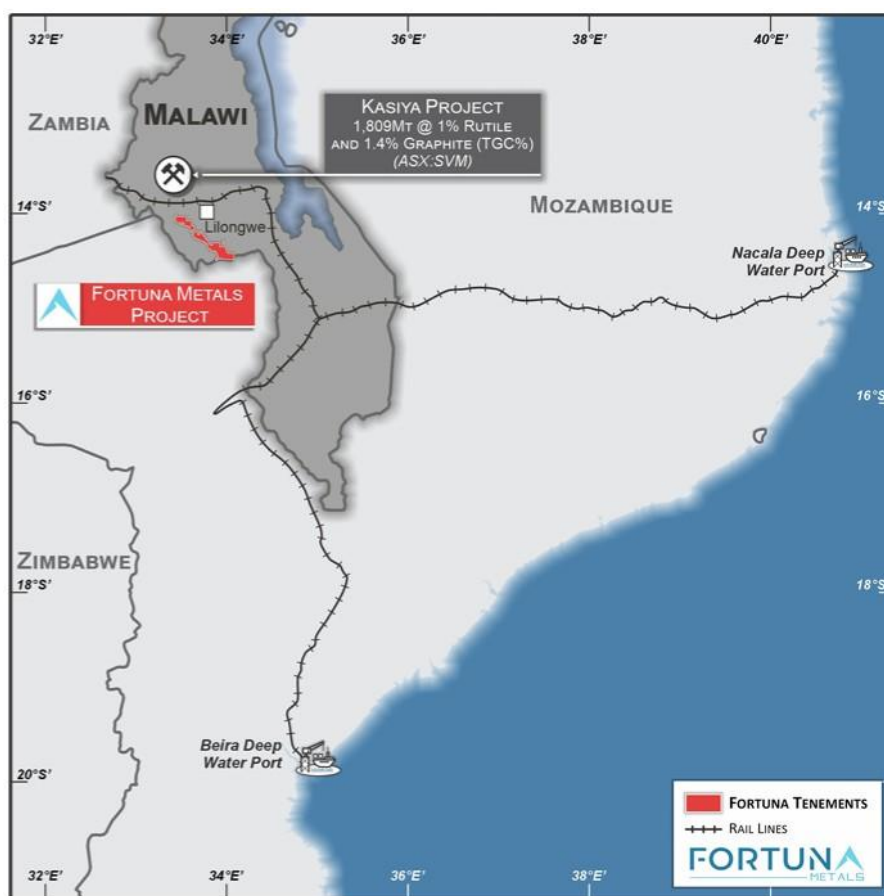


Figure 1. Locations of the Projects in Malawi, Africa.

Rutile Discovery at Mkanda - High Grade Drill Results

During the quarter the Company announced the first results from 10 hand auger drill holes confirming insitu rutile grades of up to 2.21% rutile and continuous drill intervals of 1.66% rutile over 10m and 1.32% rutile over 10m at the Mkanda rutile and graphite project.

The drilling results demonstrated that high grade rutile continues from surface to end of hole, with 4 drill holes ending in mineralisation above 1.0% rutile, and 9 of the 10 drill holes ending in mineralisation above 0.5% rutile. These 10 drill holes were selected for priority assay as a first pass to highlight the wide spread nature of the rutile mineralisation at Mkanda, Figures 2 and 3.

Since acquiring the project in September, the Company has completed 675 drill holes on a notional 800 and 400m spacing across 180km² of the Mkanda project and 28 drill holes at the Kampini project. The purpose of the drill spacing is to define the highest grade rutile mineralisation ahead of further infill and step out drilling in 2026.

The hand auger drilling to date is averaging 8m with drillholes terminated as sample quality declines once in the water table. Drilling next dry season will use an Aircore drill rig from approximately April/May 2026 to infill the highest grade areas as defined by the hand auger results. The use of Aircore drilling is critical to be able to drill past the perched water table and deeper down to the saprock boundary. The saprock boundary has been defined at Kasiya to be about 20 – 30m depth. The Aircore drilling will be key to demonstrating the resource potential at these greater depths and vastly improve the project economics.

The first results from hand auger drilling have now been received and further results are anticipated to be consistently reported throughout Q1 2026 from the remainder of the hand auger drilling completed in 2025.

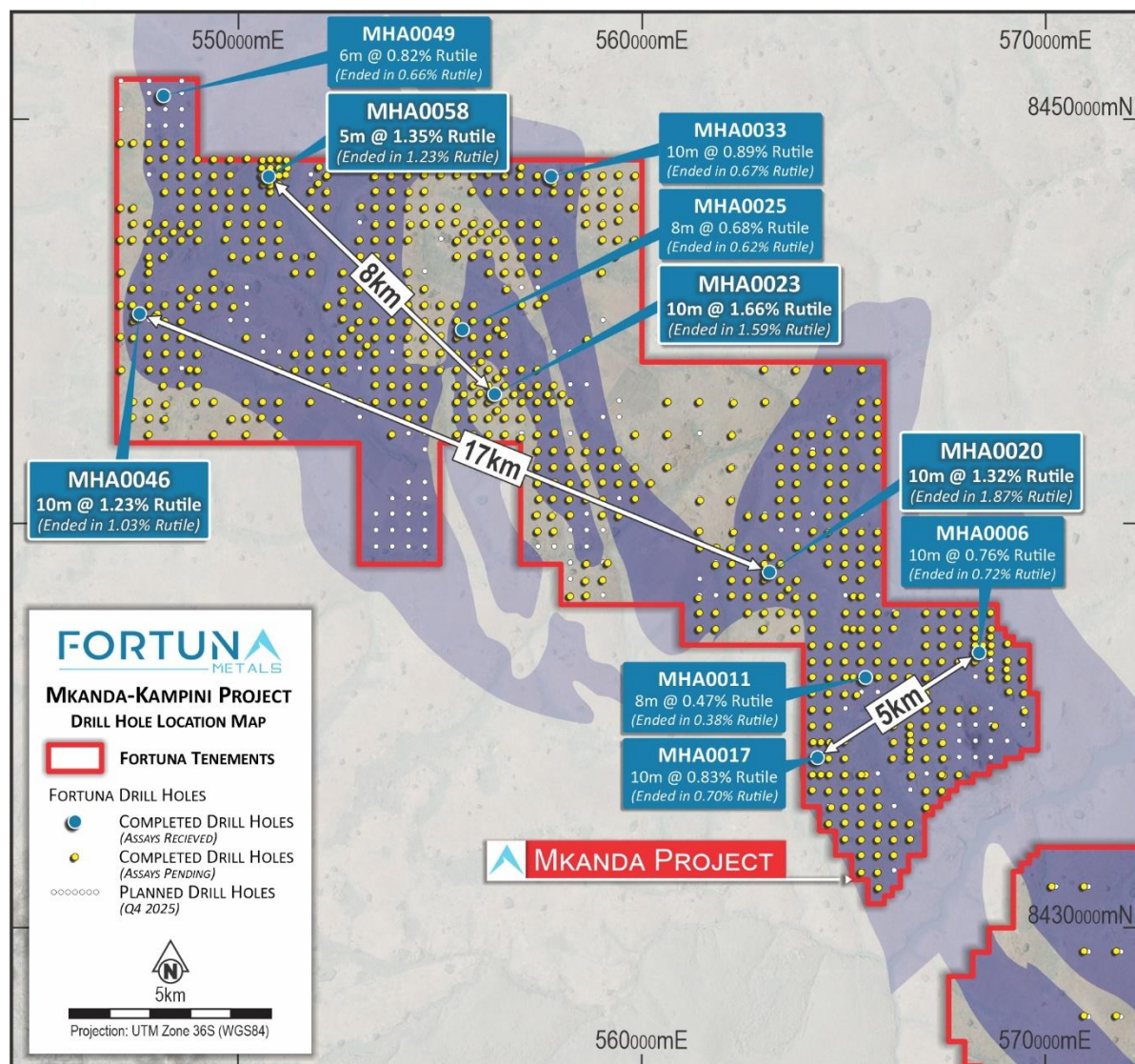


Figure 2. Rutile results across Mkanda project showing high grade over wide areas.

Table 1: Drill Results from Mkanda Project (no cut-off applied) (ASX: 15 December 2025)

Hole ID	From (m)	To (m)	Insitu rutile intercept	Ended in Rutile %
MHA0023	0	10	10m @ 1.66% rutile	1.59%
MHA0020	0	10	10m @ 1.32% rutile	1.87%
MHA0046	0	10	10m @ 1.23% rutile	1.03%
MHA0058	0	5	5m @ 1.35% rutile	1.23%
MHA0033	0	10	10m @ 0.89% rutile	0.67%
MHA0017	0	10	10m @ 0.83% rutile	0.70%
MHA0006	0	10	10m @ 0.76% rutile	0.72%
MHA0011	0	8	8m @ 0.47% rutile	0.38%
MHA0025	0	8	8m @ 0.68% rutile	0.62%
MHA0049	0	6	6m @ 0.82% rutile	0.66%

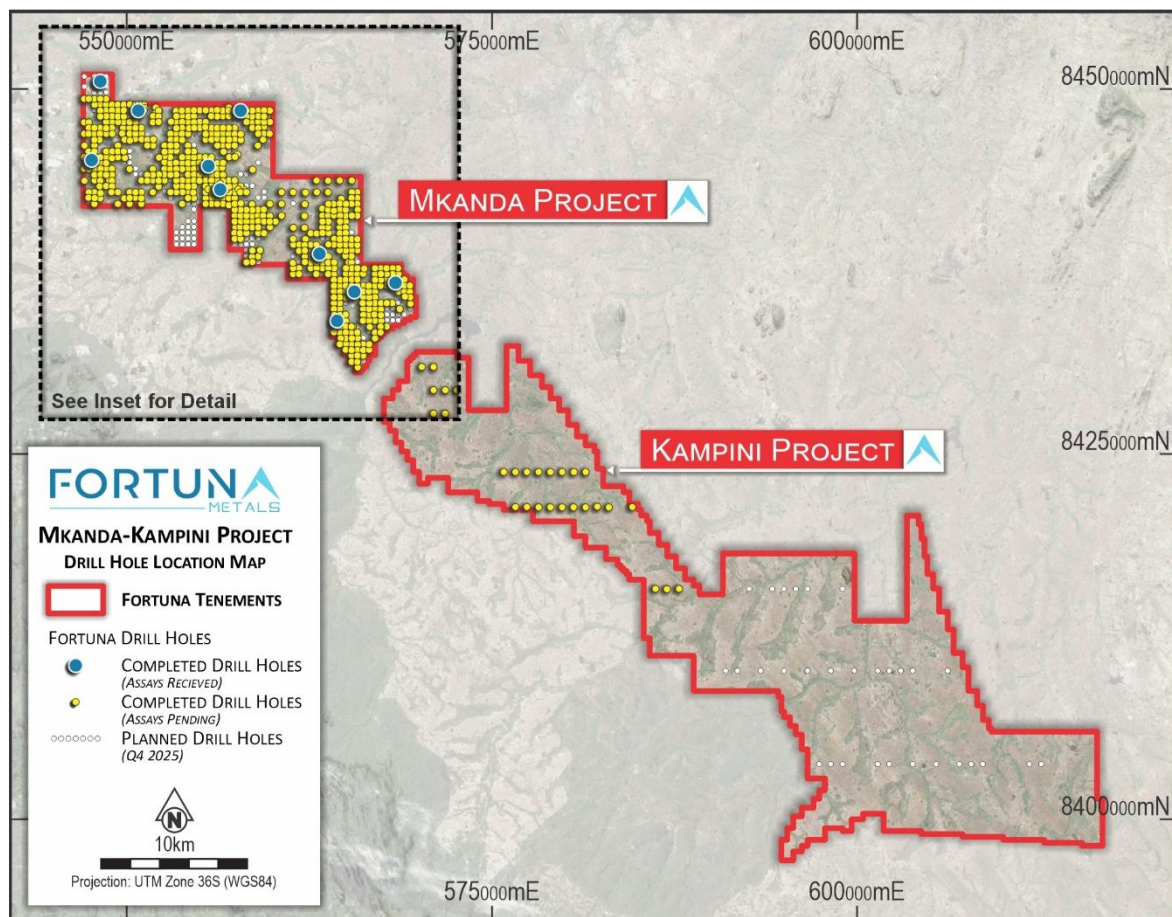


Figure 3. Drilling completed (yellow dots) and first 10 drillhole assays received in Decemeber 2025 (blue dots.).

The Company is setting up a low cost in-country laboratory for the initial steps of preparing the sample for heavy mineral separation (HMS). Two Gemini wet shaking tables have arrived at the Company's facilities which will accelerate turn around times of assays and support quicker decision making to guide drilling efforts in 2026, Figure 4. The samples that undergo in-country sample preparation will be sent to an external laboratory for analysis.



Figure 4. Senior Geologist Leon de Waal inspecting one of the two new Gemini wet shaking tables used for gravity separation during sample processing.

Corporate

Capital Raising

In November 2025 the Company advised that it had secured firm commitments to raise a total of \$3.5 million (before costs) through a placement of approximately 31.8 million shares to professional and sophisticated investors at an issue price of \$0.11 per share (**Placement**).

The Placement was strongly supported by new and existing investors and ensures the Company is well funded with an estimated pro-forma cash position of approximately A\$7.4 million which will be used to advance planned exploration programs at the Company's 100% owned Mkanda and Kampini rutile and graphite Projects in Malawi, Africa.

The Board and management of Fortuna participated in the Placement with CEO Tom Langley subscribing for \$50,000 and Chairman Peter Pawlowitsch \$50,000 following shareholder approval.

The Placement was completed and the shares issued on 21 November 2025.

Completion of Acquisition Agreement

On 11 September 2025 the Company entered into a share sale agreement with Ice Shelf Resources Pty Ltd (Ice Shelf) which owned 100% of the issued capital in Ice Breaker Limited (Malawi) which owns the granted Kampini Exploration Licence (EL0840-25) and Mkanda Exploration Licence (EL0839-25) on certain terms and conditions.

Following completion of due diligence and approval by shareholders on 30 October 2025, the Company issued Consideration Securities comprising 55,000,000 fully paid ordinary shares and 55,000,000 performance shares in consideration for completion of the Acquisition.

In addition, the Company issued 5,000,000 shares and 5,000,000 performance shares to Director Mr Peter Pawlowitsch in connection the successful completion of the Acquisition.

Shareholder Meetings

The Company advised that its Annual General Meeting of shareholders was held on 30 October 2025 and all resolutions put to shareholders were passed on a poll. Furthermore, shareholders passed all resolutions put them at the General Meeting held on 22 December 2025.

ASX Additional Information

- ASX Listing Rule 5.3.1: Exploration and Evaluation Expenditure during the quarter was \$447,000. Full details of exploration activity during the quarter are set out in this report.
- ASX Listing Rule 5.3.2: There was no substantive mining production and development activities during the quarter.
- ASX Listing Rule 5.3.5: Payment to related parties of the Company and their associates during the quarter: \$42,448. The Company advises that this relates to non-executive directors' remuneration and additional technical consulting fees. Please see the Remuneration Report in the Annual Report for further details on Directors' Remuneration.

This activities report has been authorised for release by the Directors of the Company. For additional information please visit our website at <https://fortunametals.limited/>

Releases submitted to the ASX during the Quarter included:

05/01/2026	Change of Director's Interest Notice
05/01/2026	Application for quotation of securities - FUN
05/01/2026	Notification regarding unquoted securities - FUN
02/01/2026	Notification of cessation of securities - FUN
22/12/2025	Results of Meeting
15/12/2025	Rutile Discovery at Mkanda High Grade Drill Results
12/12/2025	Trading Halt
02/12/2025	QEMSCAN Confirms Rutile Dominant Titanium Mineral

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28/11/2025	Ceasing to be a substantial holder
24/11/2025	Cleansing Notice
24/11/2025	Large Scale Rutile Prospects Emerging at Malawi Project
01/11/2025	Notice of General Meeting Information
21/11/2025	Notice of General Meeting/Proxy Form
21/11/2025	Application for quotation of securities - FUN
21/11/2025	Notification regarding unquoted securities - FUN
17/11/2025	Exceptional Rutile Results up to 2.32% in Soils
13/11/2025	Proposed issue of securities - FUN
13/11/2025	Successful Placement to Advance Malawi Rutile Project
11/11/2025	Trading Halt
10/11/2025	Exploration Update Malawi Rutile Project
03/11/2025	Update - Notification regarding unquoted securities - FUN
31/10/2025	Fortuna Completes Malawi Rutile Projects Acquisition
31/10/2025	Cleansing Notice
31/10/2025	Change of Director's Interest Notice
31/10/2025	Application for quotation of securities - FUN
31/10/2025	Notification regarding unquoted securities - FUN
30/10/2025	Results of Meeting
27/10/2025	Quarterly Activities/Appendix 5B Cash Flow Report
23/10/2025	Mkanda & Kampini Rutile Project Corporate Presentation
15/10/2025	Kampini Project Hand Auger Commenced
07/10/2025	Significant Historical Titanium Mineralisation Results

The information referred to in this announcement relates to the following source(s):

¹ Sovereign Metals Limited (ASX: SVM), Optimised PFS Results dated 22 January 2025. The Kasiya deposit comprises 1,200Mt @ 1.0% TiO₂ and 1.5% TGC and 609Mt @ 0.9% TiO₂ and 1.1% TGC at a 0.7% cut-off as at 5 April 2023.

² Discovery of the giant Kasiya rutile-graphite deposit in Malawi. AIGWA MEGWA Monthly meeting presentation June 2023 Retrieved from [MEGWA May 2023: J Stephens: Discovery of the Giant Kasiya Rutile-Graphite Deposit in Malawi](https://www.youtube.com/watch?v=LX0qB4DocuQ). <https://www.youtube.com/watch?v=LX0qB4DocuQ>

CAUTIONARY STATEMENT

This announcement has been prepared by Fortuna Metals Limited. The document contains background Information about Fortuna Metals Limited current at the date of this announcement. The announcement is in summary form and does not purport to be all inclusive or complete. Recipients should conduct their own investigations and perform their own analysis in order to satisfy themselves as to the accuracy and completeness of the information, statements and opinions contained in this announcement. The announcement is for information purposes only. Neither this announcement nor the information contained in it constitutes an offer, invitation, solicitation or recommendation in relation to the purchase or sale of shares in any jurisdiction.

The announcement may not be distributed in any jurisdiction except in accordance with the legal requirements applicable in such jurisdiction. Recipients should inform themselves of the restrictions that apply to their own jurisdiction as a failure to do so may result in a violation of securities laws in such jurisdiction. This announcement does not constitute investment advice and has been prepared without taking into account the recipient's investment objectives, financial circumstances or particular needs and the opinions and recommendations in this announcement are not intended to represent recommendations of particular investments to particular persons.

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COMPETENT PERSON'S STATEMENT

The information in this document that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Thomas Langley who is a member of the Australian Institute of Geoscientists (MAIG) and a member of the Australasian Institute of Mining and Metallurgy (MAusIMM). Mr Thomas Langley is a full-time employee of Fortuna Metals Limited, and is a shareholder, however Mr Thomas Langley believes this shareholding does not create a conflict of interest, and Mr Langley has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Langley consents to the inclusion in this presentation of the matters based on his information in the form and context in which it appears.

The Company confirms that it is not aware of any new information or data that materially affects the exploration results in the original reports, and that the form and context in which the Competent Person's findings are presented have not been materially modified from the original reports.

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Schedule 1 – Fortuna Metals Limited Tenement Information as at 31 December 2025

Tenement Number and Name	Ownership	Sub-blocks	Area (sq.km)	Application /Grant Date	Expiry Date	Changes during the quarter
E 09/2515 - Gascoyne (WA)	100% FUN via Dalkeith Capital Pty Ltd	47	147.02	17-Dec-21	16-Dec-26	-
E 09/2516 - Gascoyne (WA)	100% FUN via Dalkeith Capital Pty Ltd	25	78.35	17-Dec-21	16-Dec-26	-
EL6717 - Murraydium (SA)	100% FUN via Southern Rare Earths Pty Ltd	-	621km ²	06-Apr-22	05-Apr-28	-
EL6969 – Murraydium (SA)	100% FUN via Southern Rare Earths Pty Ltd	-	671km ²	17 Jan 24	16 Jan 30	-
EL0839-25 – Mkanda (Malawi)	100% FUN via Ice Shelf Resources Pty Ltd	-	181.6km ²	15 Aug 25	15 Aug 28*	100%
EL0840-25 – Kampini (Malawi)	100% FUN via Ice Shelf Resources Pty Ltd	-	471.1km ²	15 Aug 25	15 Aug 28*	100%

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

FORTUNA METALS LTD

ABN

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Quarter ended ("current quarter")

31 December 2025

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation (if expensed)	(92)	(266)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	-	-
	(e) administration and corporate costs	(264)	(500)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	51	54
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	(5)	(7)
1.9	Net cash from / (used in) operating activities	(310)	(719)

2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) entities	(100)	(100)
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation (if capitalised)	(355)	(367)
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (drilling co-funding payment)	-	-
2.6	Net cash from / (used in) investing activities	(455)	(467)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	3,500	5,594
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(217)	(356)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	3,283	5,238

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	4,473	2,939
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(310)	(719)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(455)	(467)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	3,283	5,238

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	6,991	6,991

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	6,991	2,939
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	6,991	2,939

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter
\$A'000**

42

-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

Consulting fees and directors' fees \$42,448

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities		Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>			
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities		\$A'000
8.1	Net cash from / (used in) operating activities (Item 1.9)	(310)
8.2	Capitalised exploration & evaluation (Item 2.1(d))	(355)
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	(665)
8.4	Cash and cash equivalents at quarter end (Item 4.6)	6,991
8.5	Unused finance facilities available at quarter end (Item 7.5)	-
8.6	Total available funding (Item 8.4 + Item 8.5)	6,991
8.7	Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	10.51
8.8	If Item 8.7 is less than 2 quarters, please provide answers to the following questions:	
1.	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: N/A	
2.	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: N/A	
3.	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer: N/A	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 29 January 2026

Authorised by: (lodged electronically)
Matthew Foy – Company Secretary

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.