



# Half-year Financial Report

31 December 2023

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# Directors' Report

The Directors present their report, together with the financial statements, on the Consolidated Entity consisting of Sunrise Energy Metals Limited (referred to hereafter as the 'Parent Entity', 'the Company' or 'Sunrise Energy Metals') and the entities it controlled (referred to hereafter as the 'Consolidated Entity'), for the financial half-year ended 31 December 2023, referred to hereafter as the 'financial half-year', and the auditor's review report thereon.

## Directors

The following persons were Directors of Sunrise Energy Metals Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Robert Friedland (Co-Chairman and Non-Executive Director)  
Jiang Zhaobai (Co-Chairman and Non-Executive Director)  
Sam Riggall (Managing Director and Chief Executive Officer)  
Stefanie Loader (Lead Independent Non-Executive Director)  
Eric Finlayson (Non-Executive Director)  
Trevor Eton (Non-Executive Director)

## Principal Activities

During the financial half-year the principal continuing activities of the Consolidated Entity consisted of the development of the Consolidated Entity's Sunrise Battery Materials Complex ('Sunrise Project') in New South Wales ('NSW') as well as progressing exploration activities at the Consolidated Entity's other mineral tenements.

There have been no significant changes in the nature of the Consolidated Entity's activities during the financial half-year.

## Dividends

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

## Review of Operations

The Consolidated Entity reported a net loss after tax from continuing operations for the financial half-year of \$3,762,000 (31 December 2022: loss of \$4,117,000). During the financial half-year, the Consolidated Entity's other income from continuing operations decreased to \$199,000 (31 December 2022: \$319,000).

The continuing development of the Sunrise Project resulted in a \$4,186,000 net cash outflow from operating activities during the financial half-year (31 December 2022: net outflow \$4,208,000). This net cash outflow from operating activities was financed largely from existing cash reserves.

The Consolidated Entity's net assets decreased during the financial half-year by \$3,461,000 to \$12,677,000 (30 June 2023: \$16,138,000). Working capital, being current assets less current liabilities, was a surplus of \$12,565,000 (30 June 2023: \$15,937,000 surplus), with cash reserves decreasing from \$16,827,000 to \$12,711,000 during the financial half-year.

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## Directors' Report continued

### Sunrise Battery Materials Complex

During the financial half-year the Consolidated Entity continued to progress the development of the Sunrise Project and its portfolio of exploration tenements. The Sunrise Project stands out globally as one of the few development-ready new sources of critical battery materials supply. Although nickel and cobalt market conditions deteriorated markedly during the financial half-year, the Directors continue to believe that Sunrise represents an attractive investment and development opportunity given its large scale, low operating cost of production and its adherence to the highest standards of environmental and occupational health and safety management. As such, a range of workstreams remain ongoing to progress several value-adding deliverables aimed at minimising Project start time once a financing package is secured and a final investment decision ('FID') is made. Key work programs conducted during the financial half-year include:

- Advancement of the long-lead electrical transmission line ('ETL') work scope. The ETL application to connect to the NSW electrical grid is currently in progress and will continue through FY24;
- Commencement of work with GHD on the necessary power systems studies that are required as part of the ETL network connection agreement;
- Ongoing activities related to the Oversize Transportation Corridor Study from Port Pirie to the Sunrise Project site; and
- Installation of water bores at the Consolidated Entity's bore field approximately 65km south of the Sunrise Project.

### Sunrise Project Activities

The Sunrise Project development plan includes a proposal to connect to the electrical grid at Parkes. Connection to the NSW electrical grid is a key enabler of the Consolidated Entity's commitment to procure renewable energy to supply 100% of the Project's external power requirements. Progress continues on the long-lead electrical transmission line work scope. The application to connect to the NSW electrical grid is currently underway and will continue through FY24.

The Consolidated Entity continues to progress commercial discussions with private landowners, local aboriginal land councils, the NSW State Government and other impacted parties required for land access agreements for key infrastructure including the water pipeline and the ETL. The Consolidated entity either owns or has land access arrangements in place for most of the land it needs to build and operate the Sunrise Project and its supporting infrastructure. Securing land access agreements over the few remaining areas required for the water pipeline and the ETL remains a key priority.

An Oversize Transportation Corridor Study continued during the financial half-year. The study comprises a detailed scope of work being coordinated by GHD to survey, engineer and produce detailed plans/designs of the modifications that are required to be made to existing road transport infrastructure (roads, bridges, power lines and rail crossings) to establish an oversize transportation corridor from Port Pirie, SA to the Sunrise Project site at Fifield, NSW. The Consolidated Entity's two autoclaves (very large pressure vessels required for the operation of the Project) are currently located at Port Pirie, and Port Pirie will also be used by the Consolidated Entity to bring in approximately 100 additional oversize loads during the construction stage of the Project. This study will continue through FY24.

The Oversize Transportation Corridor Study is being part funded by a \$500,000 grant from the Department of Regional NSW. The grant is being made pursuant to Stream 1 (Project Activation Studies) of the NSW Government's Critical Minerals and High-Tech Metals Activation Fund, which aims to support activities which will activate the critical minerals and high-tech metals sector in NSW. As at 31 December 2023 the Consolidated Entity had drawn down \$425,000 of the grant, with drawdown of the remaining \$75,000 subject to satisfying a number of conditions which are expected to be met during the second half of FY24.

Drilling of three new water production bores was completed in FY23. Compulsory pump testing of the bores has been awarded to a drilling contractor and pump testing commenced in early 2024. Each bore is required to be pumped for a 72-hour duration with drawdown and recovery monitored within the pumping bore and nearby bores. Early indications are that the water flow rates achieved from the bores are comfortably sufficient to meet the Project's operational needs.

Feedback from both the auto sector and US Government agencies has highlighted potential benefits of locating the Sunrise Project's nickel and cobalt refinery in the United States. The relocation of the refinery to the United States could be undertaken to satisfy eligibility criteria under several US Government funding initiatives focused on critical minerals supply. The Consolidated Entity, in conjunction with its advisors, continues to evaluate the possibility of the relocation of the refinery to the United States, with a focus on eligibility criteria under US Government funding initiatives which are aimed at supporting the development of new critical minerals supply.



## Directors' Report continued

The estimated cost of an Australian based refinery as forecast in the Sunrise Project Execution Plan, including contingency allowance, is more than US\$200 million<sup>1</sup>. With a design capacity of up to 25ktpa of nickel (contained in nickel sulphate) and 7ktpa of cobalt (contained in cobalt sulphate), refined production could support the manufacturing of up to approximately 1 million electric vehicles per annum. The refinery has been designed with flexibility to use primary, intermediate (mixed hydroxide precipitate (MHP) or mixed sulphide precipitate (MSP)) and secondary/recycled (black mass) material as feedstock.

### Sunrise Project Financing

The Consolidated Entity continues to engage with a range of participants in the electric vehicle ('EV') industry with a view to securing project-level equity funding, in conjunction with offtake, to underpin a complete financing package for the Sunrise Project. The partnering process remains ongoing, however the targeted timing for completion of any transaction is not possible to forecast.

## Exploration

The Consolidated Entity continued to advance activities across its range of exploration assets in NSW. The exploration programme for FY24 is focussed on:

- Defining limestone resources in close proximity to the Sunrise Project; and,
- Exploring regional tenements for rare earth elements, base metals and copper-gold potential.

### Limestone Exploration

#### Hunters (EL9627)

During the financial half-year the Consolidated Entity was granted a new Group 2 (limestone) exploration licence EL9627 – Hunters. An abundance of what appears to be surface limestone was observed on a first pass field reconnaissance site visit. Limestone will be a critical processing reagent for the Sunrise Project. The Hunters prospect is approximately 50km by road from the Sunrise Project and is located along the approved transport route for the project. The third-party contracted supplier of limestone for the Project is around 75km from the Sunrise Project. Field mapping of EL9627 and sampling of untested surface expressions of limestone are to commence in early 2024.

#### EL8883 Meloolo and EL8833 Boona Gap

During the financial half-year the drilling tendering process was initiated for the planned drilling at Meloolo and Boona Gap. A program of auger drilling and reverse circulation ('RC') drilling for limestone is expected to commence in early 2024 across the two tenements. Preliminary auger drilling (which is cheaper than RC drilling) will be used to test the depth of surface cover over the interpreted limestone deposit. Follow-up RC drilling will take place to test the grade and extent of limestone in areas where the cover is shallow enough to potentially support economic mining of the limestone.

#### Gleninga South (EL9598)

The Consolidated Entity was granted a new group 2 (limestone) tenement (EL9598) during the financial half-year. The tenement is located to the west of the Sunrise Project Mining Lease 1770 and is prospective for limestone.

#### Gleninga (EL8882)

The Consolidated Entity is negotiating a land access agreement with a landowner to allow field staff to map and sample areas to extend the known occurrences of limestone in the western part of EL8882.

1. See Sunrise Project Execution Plan ASX release dated 28 September 2020.

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## Directors' Report continued

### Rare Earth Elements Exploration

#### Minore (EL9031 and EL8961)

The Minore tenements are prospective for rare earth elements ('REE') and precious and base metals. During the financial half-year RC drill collar locations were finalised for the pending Minore REE RC drilling program. The tendering process for the Minore drilling program has been initiated and it is anticipated that drilling will commence in early 2024. Final surface geochemistry results for Minore REE were received from the laboratory during the financial half-year, with results to be plotted and analysed in early 2024.

### Significant Changes in the State of Affairs

There were no significant changes in the state of affairs of the Consolidated Entity during the financial half-year.

### Matters Subsequent to the end of the Financial Half-Year

No matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the Consolidated Entity's operations, the results of those operations, or the Consolidated Entity's state of affairs in future financial years.

### Rounding of Amounts

The Company is of a kind referred to in Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, the nearest dollar.

### Lead Auditor's Independence Declaration

A copy of the lead auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 05 and forms part of the Directors' report for the financial half-year ended 31 December 2023.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*.

On behalf of the Directors



**Sam Riggall**

Managing Director and Chief Executive Officer

28 February 2024

Melbourne



# Lead Auditor's Independence Declaration

For the financial half-year ended 31 December 2023



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

To the Directors of Sunrise Energy Metals Limited

I declare that, to the best of my knowledge and belief, in relation to the review of Sunrise Energy Metals Limited for the half-year ended 31 December 2023 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- ii. no contraventions of any applicable code of professional conduct in relation to the review.



KPMG

Jams Dent

*Partner*

Melbourne

28 February 2024

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# Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the financial half-year ended 31 December 2023

	Note	Consolidated	
		31 Dec 2023 \$'000	31 Dec 2022 \$'000
Other income	3	199	319
Interest income		347	279
<b>Expenses</b>			
Employee benefits expenses	4	(1,630)	(1,857)
Exploration and evaluation		(1,599)	(1,129)
Research and development test work		(38)	(210)
Depreciation and amortisation expenses		(120)	(158)
Legal and professional expenses		(487)	(653)
Occupancy expenses		(153)	(245)
Travel expenses		(87)	(139)
Other expenses		(188)	(319)
Finance costs		(6)	(5)
<b>Loss before income tax benefit</b>		<b>(3,762)</b>	<b>(4,117)</b>
Income tax benefit		–	–
<b>Loss after income tax benefit</b>		<b>(3,762)</b>	<b>(4,117)</b>
Other comprehensive income for the half-year		–	–
<b>Total comprehensive income for the half-year</b>		<b>(3,762)</b>	<b>(4,117)</b>
<i>Total comprehensive income for the half-year is attributable to:</i>			
Owners of the Company		(3,762)	(4,117)
		<b>(3,762)</b>	<b>(4,117)</b>

  

	Consolidated	
	31 Dec 2023 Cents	31 Dec 2022 Cents
<b>Earnings/(loss) per share attributable to Owners of the Company</b>		
Basic earnings per share	(4.17)	(4.57)
Diluted earnings per share	(4.17)	(4.57)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.



# Consolidated Statement of Financial Position

As at 31 December 2023

	Note	Consolidated	
		31 Dec 2023 \$'000	30 June 2023 \$'000
<b>Current assets</b>			
Cash and cash equivalents		12,711	16,827
Trade and other receivables		510	553
Research and development incentive receivable		145	57
<b>Total current assets</b>		<b>13,366</b>	<b>17,437</b>
<b>Non-current assets</b>			
Other financial assets		71	110
Right of use assets		338	89
Property, plant and equipment		127	161
<b>Total non-current assets</b>		<b>536</b>	<b>360</b>
<b>Total assets</b>		<b>13,902</b>	<b>17,797</b>
<b>Current liabilities</b>			
Trade and other payables		454	979
Employee benefits		256	281
Lease liabilities		91	84
Provisions		–	156
<b>Total current liabilities</b>		<b>801</b>	<b>1,500</b>
<b>Non-current liabilities</b>			
Employee benefits		169	150
Lease liabilities		245	9
Provisions		10	–
<b>Total non-current liabilities</b>		<b>424</b>	<b>159</b>
<b>Total liabilities</b>		<b>1,225</b>	<b>1,659</b>
<b>Net assets</b>		<b>12,677</b>	<b>16,138</b>
<b>Equity</b>			
Issued capital	5	298,091	298,091
Reserves	6	17,740	17,439
Accumulated losses		(303,154)	(299,392)
<b>Total equity</b>		<b>12,677</b>	<b>16,138</b>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

# Consolidated Statement of Changes in Equity

For the financial half-year ended 31 December 2023

	Consolidated			
	Contributed Equity \$'000	Accumulated Losses \$'000	Reserves \$'000	Total Equity \$'000
Balance at 1 July 2022	298,091	(290,272)	16,578	24,397
Total comprehensive income for the financial half-year	–	(4,117)	–	(4,117)
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments	–	–	423	423
Total contribution and distribution:	–	–	423	423
Total transactions with owners of the Company	–	(4,117)	423	(3,694)
Balance at 31 December 2022	298,091	(294,389)	17,001	20,703
Balance at 1 July 2023	298,091	(299,392)	17,439	16,138
Total comprehensive income for the financial half-year	–	(3,762)	–	(3,762)
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments	–	–	301	301
Total contribution and distribution:	–	–	301	301
Total transactions with owners of the Company	–	(3,762)	301	(3,461)
Balance at 31 December 2023	298,091	(303,154)	17,740	12,677

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.



# Consolidated Statement of Cash Flows

For the financial half-year ended 31 December 2023

	Consolidated	
	31 Dec 2023 \$'000	31 Dec 2022 \$'000
<b>Cash flows from operating activities</b>		
Payments to suppliers and employees (inclusive of GST)	(4,721)	(4,444)
Cash used in operating activities	(4,721)	(4,444)
Interest received	366	236
Payments of interest on leases	(6)	–
Research and development tax incentive/government grants received	175	–
Net cash used in operating activities	(4,186)	(4,208)
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	(1)	(44)
Rental income	60	61
Other receipts	45	–
Net cash from investing activities	104	17
<b>Cash flows from financing activities</b>		
Payments of principal for rental leases	(81)	(122)
Receipts from/(payments to) cash on deposit for bank guarantee security	47	(10)
Net cash used in financing activities	(34)	(132)
Net decrease in cash and cash equivalents	(4,116)	(4,323)
Cash and cash equivalents at the beginning of the period	16,827	24,908
Cash and cash equivalents at the end of the period	12,711	20,585

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

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# Notes to Financial Statements

**For the financial half-year ended 31 December 2023**

## Note 1. General information

The financial statements cover the Sunrise Energy Metals Limited group as a Consolidated Entity consisting of Sunrise Energy Metals Limited ('Sunrise Energy Metals' or 'Company') and its subsidiaries ('Consolidated Entity'). The financial statements are presented in Australian dollars, which is the Consolidated Entity's functional and presentation currency.

Sunrise Energy Metals is a for-profit listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 6, 10 Queen Street  
Melbourne VIC 3000  
Australia

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 28 February 2024.

## Note 2. Going concern, basis of preparation and significant accounting policies

These general-purpose financial statements for the financial half-year reporting period ended 31 December 2023 have been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

These general-purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2023.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

### (a) Rounding of amounts

The Company is of a kind referred to in Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, the nearest dollar.

### (b) New accounting standards and interpretations adopted

A number of new accounting standards are effective from 1 July 2023 but the Consolidated Entity has no transactions that are materially affected by the newly effective standards or its accounting policies are already consistent with the new requirements.

### (c) Going concern

The financial report has been prepared on a going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Consolidated Entity reported a net loss after tax from continuing operations for the financial half-year of \$3,762,000 (31 December 2022: loss of \$4,117,000).

Net cash outflows from operating activities were \$4,186,000 for the financial half-year (31 December 2022: net outflow \$4,208,000), with cash reserves decreasing from \$16,827,000 to \$12,711,000 during the financial half-year.

Working capital, being current assets less current liabilities, was a surplus of \$12,565,000 (30 June 2023: \$15,937,000 surplus).



## Notes to Financial Statements continued

During the financial half-year, the Directors have considered the following to support the going concern basis of preparation for the Consolidated Entity:

- The Consolidated Entity has available cash on hand as at 31 December 2023 of \$12,711,000;
- The Consolidated Entity is able to defer major development expenditure at the Sunrise Project until a funding package is secured;
- The Consolidated Entity expects to receive cash rebates from the Australian Tax Office for eligible research and development expenditure incurred in FY2023. The Consolidated Entity has recognised a \$145,000 receivable for the estimated refund due to it for expenditure incurred during FY2023; and
- Forecast cash flows indicate the Consolidated Entity has the ability to maintain a positive cash position for at least the period of 12 months to February 2025.

The Consolidated Entity will continue working towards securing a financing package to support the development of the Sunrise Project and anticipates the Consolidated Entity to produce substantial revenues in the future.

The Directors are confident that the Consolidated Entity can continue to access debt and equity funding to meet medium term working capital requirements and has a history of securing such funding as required to support their confidence.

The Directors note that there are a number of prevailing global factors which are beyond the control of the Consolidated Entity including the general inflationary environment, rising interest rates, war in Ukraine and the Middle East, political and trade disputes and disruption to supply chains. None of these factors have materially impacted on the ability of the Consolidated Entity to undertake its activities. Although there is a risk that these factors, or other new unforeseeable factors, may impact on the Consolidated Entity's performance and ability to operate in the future, the Directors are not currently aware of any factor that they believe will materially impact on the Consolidated Entity's performance and ability to operate in the future.

On the basis of cash and cash equivalents available as at 31 December 2023, cashflow forecasts to February 2025 and beyond, the ability of the Consolidated Entity to scale back planned activities if required to preserve cash and that sufficient funding is expected to be raised to meet the Consolidated Entity's medium to long-term expenditure forecasts, the Directors consider that the Consolidated Entity remains a going concern and these financial statements have been prepared on this basis.

### Note 3. Other income

	Consolidated	
	31 Dec 2023 \$'000	31 Dec 2022 \$'000
<i>Other income</i>		
Government grants	89	253
Sundry income	45	–
Rental income	65	66
Other income	199	319

## Notes to Financial Statements continued

### Note 4. Employee benefits expenses

	Consolidated	
	31 Dec 2023 \$'000	31 Dec 2022 \$'000
Wages and salaries	(1,087)	(1,088)
Employee entitlements expense including movements in provisions for employee entitlements	(99)	(120)
Superannuation	(99)	(100)
Equity settled share-based payments	(301)	(423)
Other costs	(44)	(126)
	(1,630)	(1,857)

### Note 5. Equity – issued capital

	Consolidated			
	31 Dec 2023 Shares	30 Jun 2023 Shares	31 Dec 2023 \$'000	30 Jun 2023 \$'000
Ordinary shares – fully paid	90,227,498	90,057,879	298,091	298,091

#### Movements in ordinary share capital

Details	Date	Shares	Issue Price	\$'000
Balance	1 Jul 2023	90,057,879	–	298,091
Movement	–	169,619	–	–
Balance	31 Dec 2023	90,227,498	–	298,091

### Note 6. Equity – reserves

	Consolidated	
	31 Dec 2023 \$'000	30 Jun 2023 \$'000
Share-based payments reserve	19,775	19,474
Other reserves	(2,035)	(2,035)
	17,740	17,439



## Notes to Financial Statements continued

### Movements in reserves

Movements in each class of reserve during the current financial half-year are set out below:

Consolidated	Share-based payments \$'000	Other \$'000	Total \$'000
Balance as at 1 July 2023	19,474	(2,035)	17,439
Share-based payments	301	–	301
Balance as at 31 December 2023	19,775	(2,035)	17,740

### Note 7. Equity – dividends

#### Dividends

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

### Note 8. Events after the reporting period

No matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the Consolidated Entity's operations, the results of those operations, or the Consolidated Entity's state of affairs in future financial years.

### Note 9. Share-based payments

Sunrise Energy Metal's approach to remuneration is to ensure that employee remuneration is closely linked to the Consolidated Entity's performance and the returns generated for shareholders. Performance-linked compensation, as outlined in the Consolidated Entity's Employee Incentive Plan ('EIP'), includes both short-term and long-term incentives, and is designed to incentivise and reward employees for meeting or exceeding Company-wide and individual objectives. The short-term incentive ('STI') is an "at risk" bonus provided in the form of cash and/or shares, while the long-term incentive ('LTI') is provided as options and performance rights over ordinary shares of the Company granted pursuant to the Company's EIP Rules which were approved by shareholders on 27 October 2023.

Performance rights are granted at the discretion of the Board to employees by way of issue at nil cost both at the time of grant and vesting. Vesting is contingent on the Company meeting or exceeding performance hurdles over the performance period. The performance hurdles involve an assessment of the Company's total shareholder returns in absolute terms and relative to the S&P/ASX 300 Metals and Mining Index.

The EIP also provides for certain key executives to receive, for no consideration, options over ordinary shares of the Company at specified exercise prices as determined by the Board. The grant of options is intended to align the interests of senior executives with other owners of the Company over the medium to longer term and to increase those senior executives' proportion of 'at risk' remuneration. The ability to exercise the options is conditional upon each key executive's ongoing employment by the Company and other applicable vesting hurdles determined by the Board from time to time. During the financial half-year 674,656 options with a strike price of \$4.966 expired. There are no options currently on issue.

## Notes to Financial Statements continued

Set out below are summaries of performance rights granted as at 31 December 2023:

Grant date	Expiry date	Exercise price	Balance at the start of the financial half-year	Granted	Vested	Expired/ forfeited/ other*	Balance at the end of the financial half-year
17-Jul-20	01-Jul-23	\$0.00	219,025	–	(76,657)	(142,368)	–
15-Oct-20	01-Jul-23	\$0.00	265,606	–	(92,962)	(172,644)	–
03-Feb-21	01-Jan-24	\$0.00	117,382	–	–	–	117,382
24-Mar-21	01-Jan-24	\$0.00	164,631	–	–	–	164,631
09-Sep-21	01-Jul-24	\$0.00	156,778	–	–	–	156,778
22-Oct-21	01-Jul-24	\$0.00	198,694	–	–	–	198,694
08-Mar-22	01-Jan-25	\$0.00	164,477	–	–	–	164,477
24-Aug-22	01-Jul-25	\$0.00	118,063	–	–	–	118,063
21-Oct-22	01-Jan-25	\$0.00	204,780	–	–	–	204,780
21-Oct-22	01-Jul-25	\$0.00	146,444	–	–	–	146,444
14-Mar-23	01-Jan-26	\$0.00	156,148	–	–	–	156,148
11-Sep-23	01-Jul-26	\$0.00	–	292,745	–	–	292,745
27-Oct-23	01-Jan-26	\$0.00	–	193,683	–	–	193,683
27-Oct-23	01-Jul-26	\$0.00	–	358,329	–	–	358,329
			1,912,028	844,757	(169,619)	(315,012)	2,272,154

\* Performance rights forfeited as they did not meet the vesting conditions prior to the expiry date or due to the employee ceasing employment.

Each performance right, once vested, entitles the performance right holder to receive one fully paid ordinary share in the Company for zero consideration. The fair value of performance rights is determined by an independent third party using a Geometric Brownian Motion Model and a Monte Carlo simulation that takes into account the term of the performance rights, the underlying share price and benchmark share price values at grant date, the expected volatility of the underlying share and benchmark shares, the expected dividend yield of the underlying share and benchmark shares and the risk free interest rate for the term of the performance right.

The valuation model inputs used to determine the fair value at grant date of the performance rights granted during the financial half-year are as follows:

Grant date	Expiry date	Share price at grant date	Volatility	Dividend Yield	Fair value at grant date
11-Sep-23	01-Jul-26	\$0.89	69.65%	–%	\$0.23
27-Oct-23	01-Jan-26	\$0.76	72.59%	–%	\$0.21
27-Oct-23	01-Jul-26	\$0.76	69.48%	–%	\$0.40



# Directors' Declaration

**For the financial half-year ended 31 December 2023**

In the opinion of the Directors of Sunrise Energy Metals Limited ('Company') and its controlled entities ('Consolidated Entity'):

- (a) the consolidated financial statements and notes set out on pages 06 to 14, are in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2023 and of its performance, for the six-month period ended on that date; and
  - (ii) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the Company and the Consolidated Entity will be able to pay their debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors:

On behalf of the Directors

**Sam Riggall**

Managing Director and Chief Executive Officer

28 February 2024  
Melbourne

# Independent Auditor's Review Report

For the financial half-year ended 31 December 2023



## Independent Auditor's Review Report

To the shareholders of Sunrise Energy Metals Limited,

### Report on the Half-year Financial Report

#### Conclusion

We have reviewed the accompanying **Half-year Financial Report** of Sunrise Energy Metals Limited.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Half-year Financial Report of Sunrise Energy Metals Limited does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the **Consolidated Entity's** financial position as at 31 December 2023 and of its performance for the Half-year ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The **Half-year Financial Report** comprises:

- Consolidated statement of financial position as at 31 December 2023
- Consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the Half-year ended on that date
- Notes 1 to 9 including selected explanatory notes
- The Directors' Declaration.

**The Consolidated Entity** comprises Sunrise Energy Metals Limited (the Company) and the entities it controlled at the Half year's end or from time to time during the Half-year.

#### Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report.

We are independent of the Consolidated Entity in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

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## Independent Auditor's Review Report continued



### Responsibilities of the Directors for the Half-year Financial Report

The Directors of the Company are responsible for:

- the preparation of the Half-year Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- such internal control as the Directors determine is necessary to enable the preparation of the Half-year Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

### Auditor's Responsibilities for the Review of the Half-year Financial Report

Our responsibility is to express a conclusion on the Half-year Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Half-year Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2023 and its performance for the Half-year ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

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



KPMG

James Dent

Partner

Melbourne

28 February 2024

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# Corporate Directory

## Directors

Robert Friedland  
(Co-Chairman and Non-Executive Director)

Jiang Zhaobai  
(Co-Chairman and Non-Executive Director)

Sam Riggall  
(Managing Director and Chief Executive Officer)

Stefanie Loader  
(Lead Independent Non-Executive Director)

Eric Finlayson  
(Non-Executive Director)

Trevor Eton  
(Non-Executive Director)

## Company Secretary

Melanie Leydin

## Principal place of business & registered office

Level 6, 10 Queen Street  
Melbourne VIC 3000

Telephone: +61 3 9797 6777

## Share register

### Computershare Investor Services Pty Ltd

Yarra Falls, 452 Johnson Street  
Abbotsford VIC 3067

Telephone: +61 3 9415 5000

## Auditors

### KPMG

Tower 2, Collins Place  
727 Collins Street  
Docklands VIC 3008

## Legal advisors

### Baker & McKenzie

Level 19, 181 William Street  
Melbourne VIC 3000

## Stock exchange listing

Sunrise Energy Metals Limited shares are listed on the Australian Securities Exchange (ASX: SRL) and OTCQX Market in the United States (OTCQX: SREMF)

## Website

[www.sunriseem.com](http://www.sunriseem.com)



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**sunrise**  
energy metals

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