



VICTORY METALS LIMITED

ABN 12 124 279 750

FINANCIAL REPORT

HALF YEAR ENDED 31 December 2024

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This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2024 and any public announcements made by Victory Metals Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

Directors Report

Your directors present their report on the Group consisting of Victory Metals Limited (the 'Company') and controlled entities at the end of, or during, the period under review from 1 July 2024 to 31 December 2024.

Directors

The following persons were directors of the Company during the period under review and up to the date of this report:

Mr Brendan Clark Executive Director
Mr James Bahen Non-Executive Chair
Prof Ken Collerson Non-Executive Director (appointed 30 July 2024)
Mr Trevor Matthews Non-Executive Chair (resigned 30 July 2024)

Operating Results

The Company has incurred a net loss after tax for the half-year ended 31 December 2024 of \$262,770 (2023: \$2,018,158).

Principal activities

Victory Metals Ltd has made significant progress in advancing the North Stanmore Project, strengthening its strategic partnerships, and enhancing its financial position during the period.

The Company has focused on the exploration and development of its North Stanmore Rare Earth Element (REE) Project in the Cue region in Western Australia. The North Stanmore Project is rapidly evolving with the system demonstrating high ratios of Heavy Rare Earth Oxides and Critical Magnet Metals NdPr + DyTb.

Review Of Operations

The 100%-owned North Stanmore Heavy Rare Earth Elements (HREE) dominant Project (North Stanmore) is located in Western Australia, approximately 6km north of Cue, with sealed road access via the Great Northern Highway.

Subsequent to the end of the period, Victory announced an updated Mineral Resource Estimate (MRE) for North Stanmore 247.5 million dry metric tonnes at 520 ppm Total Rare Earth Oxide plus Scandium Oxide (TREO + Sc₂O₃), using an economic cut-off grade of 330ppm TREO plus Scandium Oxide, inclusive of high-grade domain (≥600 ppm TREO cut-off) of 53 million tonnes @ 1,012 ppm TREO plus Sc₂O₃.

71% resides in the indicated category, representing one of the largest Indicated Mineral Resources of an Australian HREE-enriched deposit.

Table 1: North Stanmore January 2025 MRE (≥330ppm TREO + Sc₂O₃ cut-off grade)

CLASSIFICATION	ORE TONNES (t)	TREO (ppm)	HREO (ppm)	LREO (ppm)	HREO/TREO (%)	Sc ₂ O ₃ (ppm)
INDICATED	176,500,000	477	181	296	38%	26
INFERRED	70,900,000	533	164	369	31%	28
TOTAL	247,500,000	493	176	317	36%	27

Numbers are rounded to reflect they are an estimate.
Numbers may not sum due to rounding.

The sensitivity of the Mineral Resource to the reporting cut-off grade is shown in **Figure 1**.

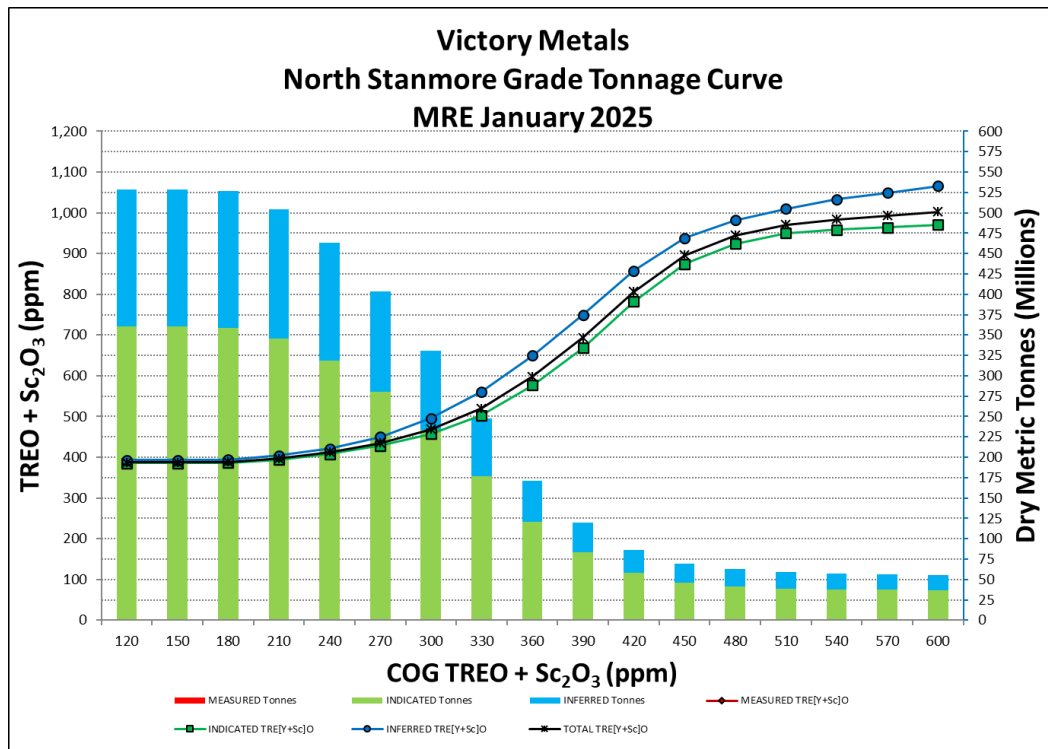


FIGURE 1: GRADE TONNAGE CURVE FOR THE NORTH STANMORE TREO + Sc₂O₃ MRE (INDICATED AND INFERRED)

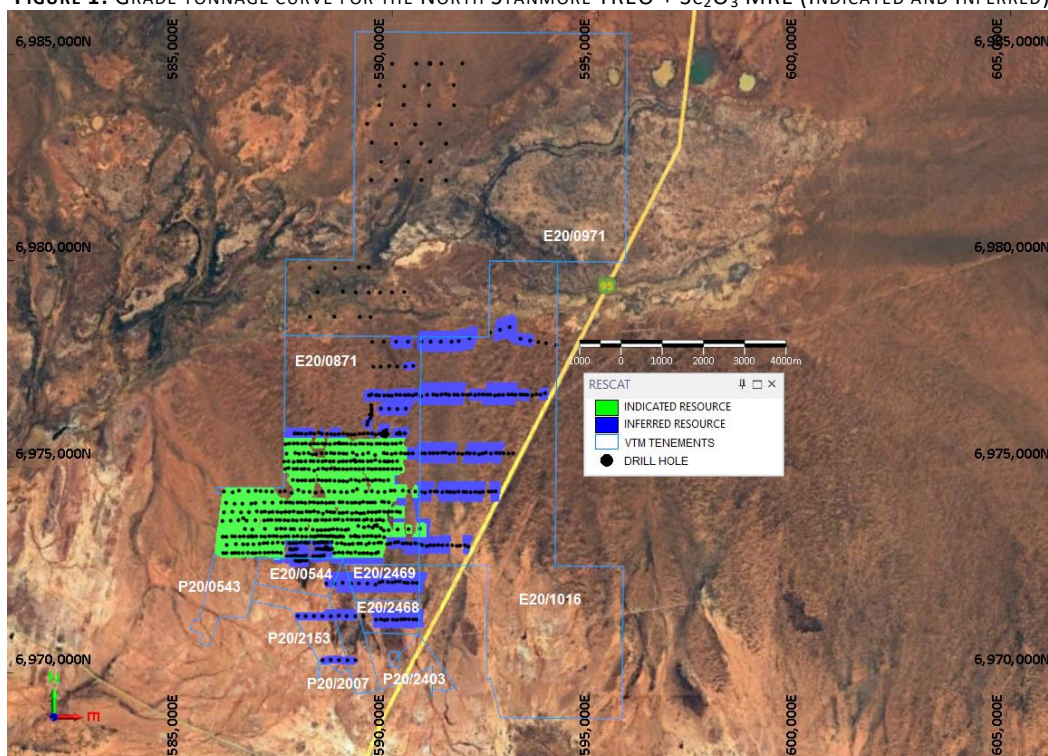


Figure 2: North Stanmore MRE by ResCat

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Directors' Report

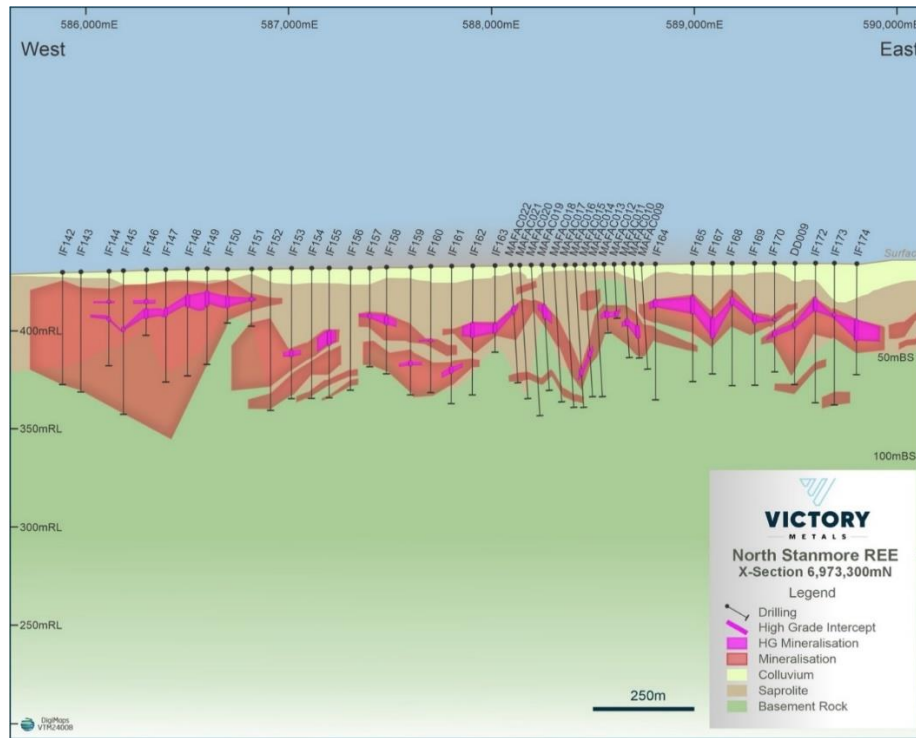


FIGURE 3: CROSS SECTION 6,973,900MN, LOOKING NORTH, 5X VERTICAL EXAGGERATION AND SHOWING THE HIGH-GRADE INTERCEPT.

Table 2: shows the HREO within the high-grade mineralisation (HGMIN) domain by classification above 330ppm TREO + Sc₂O₃, and Table 3 shows the HREO within the mineralisation (MIN) domain by classification above 330ppm TREO + Sc₂O₃.

Table 2: North Stanmore January 2025 MRE HREO within the HGMIN domain ($\geq 330\text{ppm TREO} + \text{Sc}_2\text{O}_3$ cut-off grade)

CLASSIFICATION	MRE TONNES (t)	TREO + Sc (ppm)	TREO (ppm)	HREO (ppm)	Eu ₂ O ₃ (ppm)	Gd ₂ O ₃ (ppm)	Tb ₄ O ₇ (ppm)	Dy ₂ O ₃ (ppm)	Ho ₂ O ₃ (ppm)	Er ₂ O ₃ (ppm)	Tm ₂ O ₃ (ppm)	Yb ₂ O ₃ (ppm)	Lu ₂ O ₃ (ppm)	Y ₂ O ₃ (ppm)
INDICATED	35,400,000	972	941	318	7.5	30.5	5.0	30.9	6.4	19.1	2.7	17.7	2.6	196
INFERRED	16,500,000	1,099	1,072	354	8.6	33.7	5.5	33.6	7.0	20.8	3.0	18.8	2.7	220
TOTAL	52,800,000	1,012	982	329	7.9	31.5	5.1	31.7	6.6	19.7	2.8	18.1	2.7	203

Numbers are rounded to reflect they are an estimate. Numbers may not sum due to rounding.

Table 3: North Stanmore January 2025 MRE HREO within the MIN domain ($\geq 330\text{ppm TREO} + \text{Sc}_2\text{O}_3$ cut-off grade)

CLASSIFICATION	MRE TONNES (t)	TREO + Sc (ppm)	TREO (ppm)	HREO (ppm)	Eu ₂ O ₃ (ppm)	Gd ₂ O ₃ (ppm)	Tb ₄ O ₇ (ppm)	Dy ₂ O ₃ (ppm)	Ho ₂ O ₃ (ppm)	Er ₂ O ₃ (ppm)	Tm ₂ O ₃ (ppm)	Yb ₂ O ₃ (ppm)	Lu ₂ O ₃ (ppm)	Y ₂ O ₃ (ppm)
INDICATED	141,200,000	386	361	146	2.4	12.0	2.1	13.6	3.0	9.2	1.4	9.2	1.4	92.1
INFERRED	54,500,000	399	370	106	2.6	10.4	1.7	10.1	2.1	6.2	0.9	5.8	0.9	65.2
TOTAL	195,700,000	390	364	135	2.5	11.5	2.0	12.6	2.7	8.4	1.2	8.3	1.2	84.7

Numbers are rounded to reflect they are an estimate. Numbers may not sum due to rounding.

The economic cut-off grade for the January 2025 MEC MRE was $\geq 330\text{ppm TREO} + \text{Sc}_2\text{O}_3$. This cut-off grade was selected based on the evaluation of other like regolith hosted rare earth Mineral Resources.

MRE Composition Pie Charts

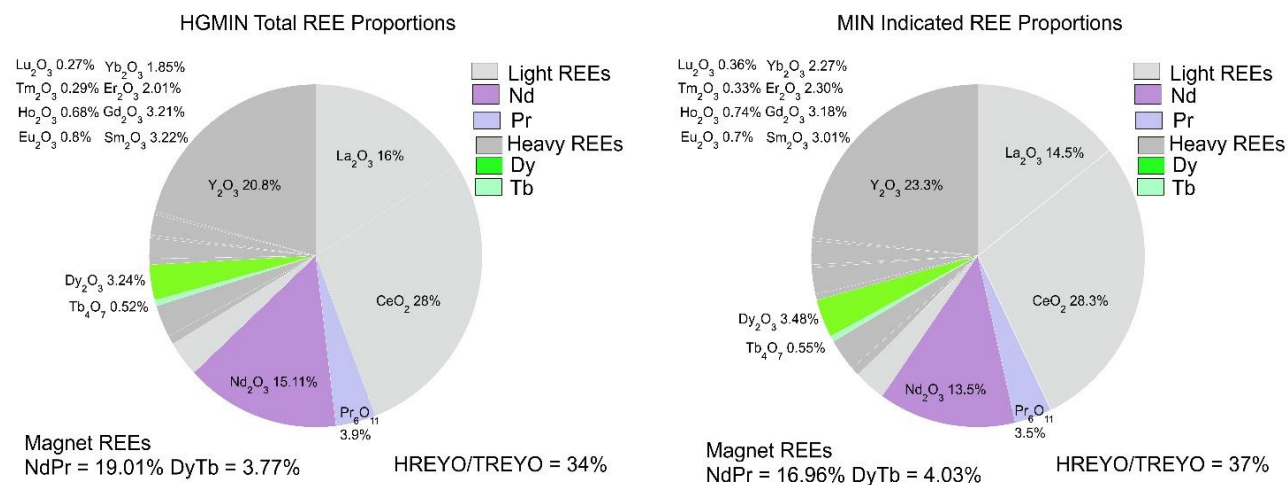


FIGURE 4: NORTH STANMORE JANUARY 2025 UPDATED MRE COMPOSITION BY PERCENTAGE IN 52.8MT AND 195.7MT RESOURCE DOMAINS

The high HREYO/TREYO ratios shown in Figure indicates that the North Stanmore resource contains a significant percentage of the rare, and valuable, HREE's Dysprosium (Dy) and Terbium (Tb).

Completion Of Aircore Drilling Program Confirms Strike Length Of 13.5kms

In November, Victory completed its successful 3,681m aircore (AC) drilling program at North Stanmore.

Assay results confirmed high-grade heavy rare earth oxide and scandium mineralisation over an extensive 13.5km strike. These results were incorporated into the MRE (announced on 16 January 2025).

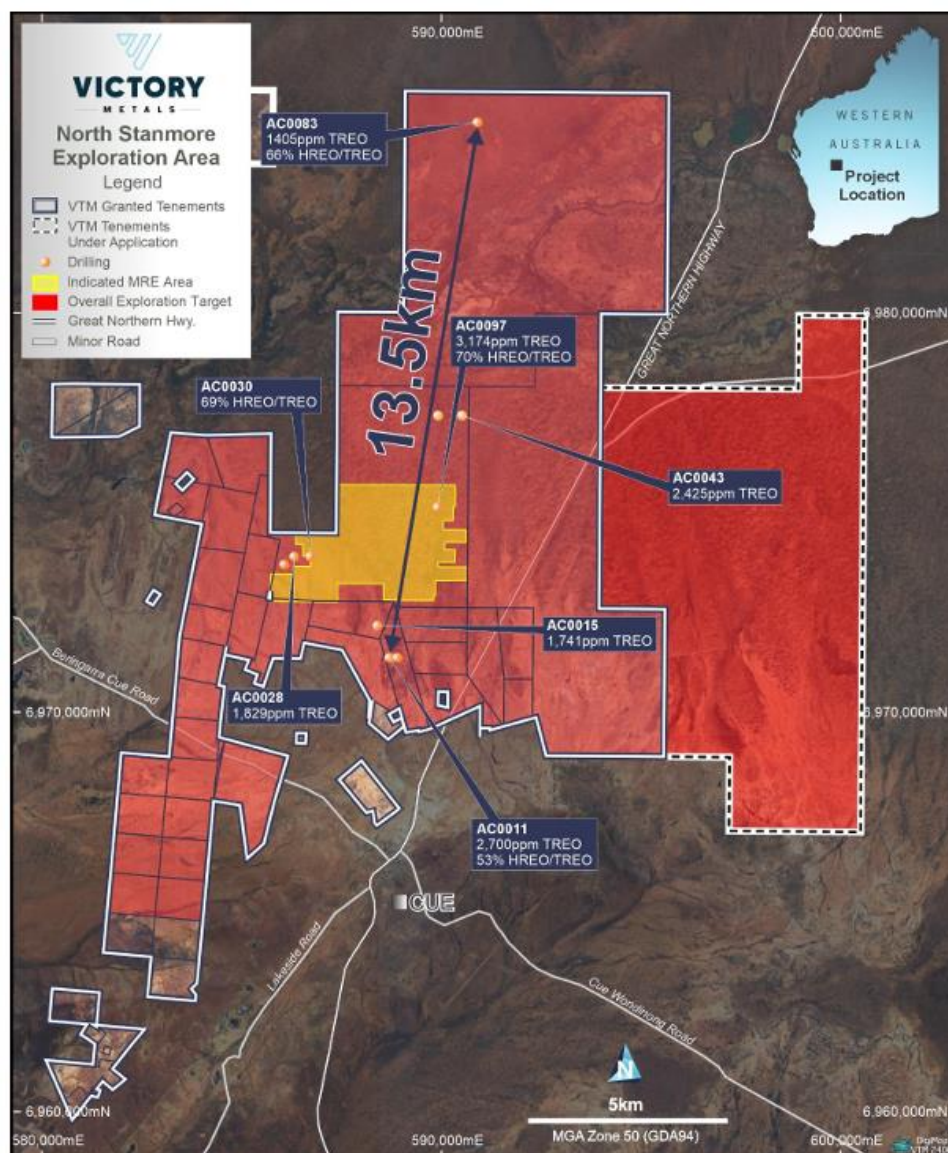


Figure 5: North Stanmore Project overview showing the 13.5km REE & Sc Strike and the drill highlight location.

Strategic Offtake MOU Signed With Sumitomo Corporation

Victory announced it had signed a strategic non-binding Memorandum of Understanding (MOU) with one of the world's leading integrated trading and investment enterprises, a Fortune Global 500 company, Sumitomo Corporation (Sumitomo), potentially establishing a long-term offtake partnership. The MOU outlines the proposed initial terms on which Victory and Sumitomo will negotiate an offtake of Mixed Rare Earth Carbonate (MREC) from the Company's flagship North Stanmore Project.

The MOU target is for Victory to provide Sumitomo 30% of its annual production of MREC from North Stanmore for an initial 5-year Offtake Term, with the possibility of a 5-year extension.

The MOU demonstrates Sumitomo's confidence in the quality, scalability and sustainability of Victory's North Stanmore Project, setting the stage for future investment, project development support and technological collaboration.

Sumitomo and Victory have agreed to act in good faith to enter into a Binding Term Sheet by 31 October 2025 and other material terms will be determined with the negotiation of the term sheet.

Pricing for the supply of product will be determined during the negotiation of the Binding Term Sheet, indexed to the prevailing market prices for MREC Product (and REO Product, if applicable), and adjusted for TREO content.

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Directors' Report

The agreed MOU terms enable Victory to accelerate project development, enhance financing options, and expand future processing capabilities for North Stanmore. This partnership with Sumitomo opens exciting new opportunities for the Company to integrate into the global rare earth supply chain and secure its place as a leading supplier in the energy transition and defence sectors.

Sumitomo's financial strength, global logistics expertise, and commitment to sustainable growth make it the ideal long-term partner for Victory as it continues to progress the North Stanmore Project towards development.

Competent Person Statement
Professor Ken Collerson

Statements contained in this report relating to exploration results, Mineral Resource Estimate, scientific evaluation, and potential, are based on information compiled and evaluated by Professor Ken Collerson. Professor Collerson (PhD) Principal of KDC Consulting, and a Fellow of the Australasian Institute of Mining and Metallurgy (AusIMM - membership number 100125), is a geochemist/geologist with sufficient relevant experience in relation to rare earth element and critical metal mineralisation being reported on, to qualify as a Competent Person as defined in the Australian Code for Reporting of Identified Mineral resources and Ore reserves (JORC Code 2012). Professor Collerson consents to the use of this information in this report 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 information included in the original market announcements in relation to the exploration results. The Company confirms that the form and context in which the competent persons findings have not been materially modified from the original announcement.

Appointment of Ken Collerson at Technical Director

Professor Ken Collerson, PhD. FAusIMM., has been appointed Technical Director of the Company. Professor Collerson brings a wealth of expertise in geochemistry and critical metals, notably contributing to the discovery of the North Stanmore Heavy Rare Earth Element dominant Project (North Stanmore) during his consultancy with Victory over the past 2 years.

As Emeritus Professor of Earth Sciences at the University of Queensland, Ken is an internationally recognised and highly cited, geologist and geochemist with technical expertise that focusses on discovery of ethically sourced supplies of critical minerals. He has expert knowledge of rare earth and critical metal mineral systems as well as trace element and isotope analytical techniques. In the 1980's as a consultant to Union Oil, Ken's geochronology showed that the Mount Weld carbonatite, now being exploited by Lynas Rare Earths Limited, was post Archaean (~2 billion years) in age. He also provided key geochemical consultant services to Pacific Wildcat Resources Corporation for their Mrima Hill carbonatite regolith-hosted REE-Nd deposit in Kenya. While undertaking research in the 1970's he discovered the extension of peralkaline igneous intrusions from Greenland into Labrador that host the Strange Lake heavy REE rich deposit on the border of Labrador and Quebec.

In conjunction with Professor Collerson's appointment, Mr Trevor Matthews resigned as Non-Executive Chairman of the Company. Mr James Bahen, current Non-Executive Director, was appointed as Chairman.

Additionally, Mr Bahen resigned as a joint Company Secretary, with Mr Robbie Featherby continuing as the sole Company Secretary of Victory. Mr Featherby will oversee all communications with the ASX regarding listing rule matters, pursuant to Listing Rule 12.6.

\$1.5M Placement

Victory completed a Placement raising \$1,500,000 ("Placement") through the issue of 4,545,455 fully paid ordinary shares at \$0.33 per share ("Placement Shares") with professional and sophisticated investors. The Placement shares were issued under the Company's existing Placement capacity in accordance with ASX listing Rule 7.1

Annual General Meeting

The Company's Annual General Meeting was held on 14th November 2024 where all resolutions were duly passed

Change of Share Registry

The Company's share registry services transferred to Xcend Pty Ltd (XCEND) during the period.

ASX Announcements

This Report contains information extracted from ASX market announcements reported in accordance with the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (2012 JORC Code). Further details (including 2012 JORC Code reporting tables where applicable) of exploration results referred to in this Interim Report can be found in the following announcements lodged on the ASX:

16/01/2024	North Stanmore Advances Global HREE Deposit
17/12/2024	Strategic Offtake MOU Signed with Fortune Global 500 Leader Sumitomo Corporation
14/11/2024	Results of Annual General Meeting
06/11/2024	North Stanmore Grows to 13.5km in Strike
20/09/2024	Change of Share Registry
19/09/2024	North Stanmore Drilling Update
06/09/2024	Drilling Commenced at Heavy Rare Earth Project
16/08/2024	Growing North Stanmore Heavy Ree Resource
15/08/2024	Additional Information - North Stanmore Advances
14/08/2024	North Stanmore Heavy Rare Earth Project Advances
30/07/2024	Renowned Geoscientist Prof Collerson appointed as Director
16/07/2024	Largest Australian Indicated Heavy Ree Resource Confirmed

Events After the Reporting Date

The Company announced that it received its R&D Refund of \$751,909 on the 20th of February 2025.

Other than the above, No matter of circumstance has arisen since the reporting date that has significantly affected the Consolidated entity's operations, results or state of affairs.

Auditor's Independence Declaration

In accordance with the Audit Independence requirements of the Corporations Act 2001, the Directors have received and are satisfied with the "Audit Independence Declaration" provided by the Company's external auditors Hall Chadwick WA Audit Pty Ltd. The Audit Independence Declaration is attached to this financial report.

Signed in accordance with a resolution of the Directors made pursuant to s.298(2) of the Corporations Act 2001.

For and on behalf of the Directors



James Bahen
Non-Executive Chair
Perth, 10 March 2025

To the Board of Directors,

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

As lead audit Director for the review of the financial statements of Victory Metals Limited and the entities it controlled for the half year ended 31 December 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- any applicable code of professional conduct in relation to the review.

Yours Faithfully,



HALL CHADWICK WA AUDIT PTY LTD



MARK DELAURENTIS CA
Director

Dated this 10th day of March 2025
Perth, Western Australia

VICTORY METALS LIMITED
Interim Report for the Six Months Ended 31 December 2024

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 December 2024

		Consolidated 31 Dec 2024	Consolidated 31 Dec 2023
Revenue			
Interest Income		63,247	44,469
R&D Income		751,909	-
Expenses			
General and administrative expenses		(607,999)	(538,649)
Amortisation and depreciation expenses		(111,444)	(104,394)
Share-based payment expense	7	(358,483)	(837,915)
Exploration expenditure written off	4	-	(524,845)
Other expense		-	(56,824)
Loss before income tax		(262,770)	(2,018,158)
Income tax (expense)/benefit		-	-
Loss from continuing operations after related income tax expense for the half year attributable to members of Victory Metals Limited		(262,770)	(2,018,158)
Other comprehensive income		-	-
Total comprehensive loss for the period attributable to members of Victory Metals Limited		(262,770)	(2,018,158)
Earnings per share for loss attributable to ordinary equity holders of the company – cents/share			
- Basic loss per share		(0.26)	(2.51)
- Diluted loss per share		(0.26)	(2.51)

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

VICTORY METALS LIMITED
Interim Report for the Six Months Ended 31 December 2024

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 December 2024

	Note	Consolidated 31 Dec 2024	Consolidated 30 June 2024
CURRENT ASSETS			
Cash and cash equivalents		4,856,969	2,888,746
Prepayments		31,183	42,071
Other receivables		86,589	112,175
Other current assets	3	761,909	35,000
TOTAL CURRENT ASSETS		5,736,650	3,077,992
NON-CURRENT ASSETS			
Capitalised exploration and evaluation	4	8,900,080	7,656,679
Property, plant & equipment		210,738	290,152
Other non-current assets		25,000	-
TOTAL NON-CURRENT ASSETS		9,135,818	7,946,831
TOTAL ASSETS		14,872,468	11,024,823
CURRENT LIABILITIES			
Trade and other payables	5	376,109	539,123
TOTAL CURRENT LIABILITIES		376,109	539,123
TOTAL LIABILITIES		376,109	539,123
NET ASSETS		14,496,359	10,485,700
EQUITY			
Contributed equity	6	21,646,495	16,917,527
Reserves	7	352,947	1,296,905
Accumulated losses		(7,503,083)	(7,728,732)
TOTAL EQUITY		14,496,359	10,485,700

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

VICTORY METALS LIMITED
Interim Report for the Six Months Ended 31 December 2024

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 December 2024

	Contributed equity	Reserves	Accumulated losses	Total
Balance 1 July 2023	13,513,919	576,810	(5,818,928)	8,271,801
Loss for the period	-	-	(2,018,158)	(2,018,158)
Other Comprehensive Income	-	-	-	-
Total Comprehensive Loss for the year	-	-	(2,018,158)	(2,018,158)
Proceed from share issue	935,228	-	-	935,228
Share issue costs	(18,798)	-	-	(18,798)
Issue of options and performance rights	-	837,915	-	837,915
Conversion of performance rights	125,000	(125,000)	-	-
Balance at 31 December 2023	14,555,349	1,289,725	(7,837,086)	8,007,988
Balance 1 July 2024	16,917,527	1,296,905	(7,728,732)	10,485,700
Loss for the period	-	-	(262,770)	(262,770)
Other Comprehensive Income	-	-	-	-
Total Comprehensive Loss for the year	-	-	(262,770)	(262,770)
Proceed from share issue	3,973,190	-	-	3,973,190
Share issue costs	(58,243)	-	-	(58,243)
Issue of options and performance rights	-	-	-	-
Share based payments	276,000	82,482	-	358,482
Conversion of performance rights	538,021	(538,021)	-	-
Expiry of options	-	(488,419)	488,419	-
Balance at 31 December 2024	21,646,495	352,947	(7,503,083)	14,496,359

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

VICTORY METALS LIMITED
Interim Report for the Six Months Ended 31 December 2024

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 December 2024

	Note	Consolidated 31 Dec 2024	Consolidated 31 Dec 2023
CASH FLOW FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(1,447,014)	(726,715)
Receipts from customers		751,909	-
Interest received/(paid)		63,247	44,469
Net cash used in operating activities		(631,858)	(682,246)
CASH FLOW FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(36,291)	(14,270)
Payments for exploration expenditure		(1,278,575)	(1,482,858)
Net cash used in investing activities		(1,314,866)	(1,497,128)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from share issue		3,973,190	895,225
Payments for share issue expenses		(58,243)	(18,795)
Net cash generated by financing activities		3,914,947	876,430
Net (decrease)/increase in cash and cash equivalents		1,968,223	(1,302,944)
CASH AT THE BEGINNING OF THE HALF YEAR		2,888,746	3,118,524
CASH AT THE END OF THE HALF YEAR		4,856,969	1,815,580

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

VICTORY METALS LIMITED
Interim Report for the Six Months Ended 31 December 2024
Notes to the Condensed Consolidated Financial Statements

1. BASIS OF PREPARATION OF HALF-YEAR REPORT

This condensed financial report for the half-year reporting period ended 31 December 2024 has been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001.

This condensed half-year financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2024 and any public announcements made by Victory Metals Limited during the half-year reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

a) Going Concern

For the half-year ended 31 December 2024, the Consolidated entity made a loss of \$262,770 (31 December 2023: \$2,018,158) and incurred operating cash outflows of \$631,858 (31 December 2023: \$682,246). As at 31 December 2024 the Consolidated entity has a net current asset position of \$5,360,541 (30 June 2024: \$2,669,435).

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

b) New and amended standards adopted by the consolidated entity

In the half-year ended 31 December 2024, the Consolidated entity has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for reporting periods beginning on or after 1 July 2024. There is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business.

c) Impact of standards issued but not yet applied

Standards issued but not applied by the Consolidated entity will not have any significant impact on the financial statements of the Consolidated entity.

2. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share-based payment transactions

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity. Refer to note 10 for further information.

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Interim Report for the Six Months Ended 31 December 2024
Notes to the Condensed Consolidated Financial Statements

3. Other Current Assets

	31 Dec 2024	30 June 2024
R&D Receivable	751,909	-
Other Deposit	10,000	60,000
	761,909	539,123

4. CAPITALISED EXPLORATION AND EVALUATION EXPENDITURE

	31 Dec 2024	30 June 2024
Capitalised Exploration and Evaluation Expenditure – at cost	8,900,080	7,656,679
Opening balance	7,656,679	5,025,036
Expenditure written-off ¹	-	(614,845)
Exploration and evaluation expenditure capitalised	1,243,401	3,246,488
Total	8,900,080	7,656,679

¹Exploration assets were written off due to tenements being relinquished during the period.

5. TRADE AND OTHER PAYABLES

	31 Dec 2024	30 June 2024
Trade and other payables	326,109	479,123
Accrued expenses	50,000	60,000
	376,109	539,123

6. CONTRIBUTED EQUITY

	Number of shares	Value	Attributable Costs	Net
Opening balance	92,763,292	17,862,797	(945,270)	16,917,527
Share issued in lieu of creditors	700,000	276,000	-	276,000
Option Exercised	8,243,967	2,473,190	-	2,473,190
Issuance of shares	4,545,455	1,500,000	-	1,500,000
Conversion of Performance Rights	2,250,000	538,021	-	538,021
Share issue costs	-	-	(58,243)	(58,243)
Total	108,502,714	22,650,008	(1,003,513)	21,646,495

VICTORY METALS LIMITED
Interim Report for the Six Months Ended 31 December 2024
Notes to the Condensed Consolidated Financial Statements

Options	31 December 2024	30 June 2024
	Number of options	Number of options
Opening balance	13,833,333	14,441,686
Option Exercised during the period	(8,243,967)	(4,476,138)
Option Expired during the period	(5,522,700)	(298,882)
Placement Options – Free attaching	-	4,166,667
Tenement Acquisition Options	-	-
Balance at end of reporting date	<u>66,666</u>	<u>13,833,333</u>

* Options were issued on the 10,000,000 ordinary share placement on a 2:1 basis free attaching. Each unlisted option is exercisable at \$0.30 and expiring 24 months from date of issue.

7. EQUITY BASED PAYMENTS

Equity based payments expensed are detailed below: -

	31 Dec 2024 \$	30 June 2024 \$
Opening balance	1,296,905	576,810
Performance Rights issued during the period	82,482	845,095
Options Issued for Acquisition	-	-
Conversion of Performance Rights	(538,021)	(125,000)
Expiry of Options	(488,419)	-
Total	<u>352,947</u>	<u>1,296,905</u>

During the previous period, the Consolidated entity mutually agreed with the Directors to issue 3,000,000 Director performance rights, subject to shareholder approval. In addition, the Consolidated entity agreed to provide 500,000 performance rights to consultants with the same term. The performance rights were initially measured at \$0.22 and have been remeasured to its fair value of \$0.25 on the 6th of July 2023 (shareholder approval date). It was noted that 500,000 performance rights were converted during the year due to vesting conditions being met, with the remainder still to be converted.

Performance right reconciliation	31 Dec 2024 No.	30 June 2024 No.
Opening balance	3,500,000	4,000,000
Performance Rights issued during the period	6,800,000	-
Options Issued for Acquisition	-	-
Conversion of Performance Rights	(2,250,000)	(500,000)
Total	<u>8,050,000</u>	<u>3,500,000</u>

VICTORY METALS LIMITED
Interim Report for the Six Months Ended 31 December 2024
Notes to the Condensed Consolidated Financial Statements

Performance Rights 1 – Market Condition (Directors)

	Class A	Class B	Class C
Valuation date	14 November 2024	14 November 2024	14 November 2024
Market price of Shares	\$0.3850	\$0.3850	\$0.3850
Exercise price	Nil	Nil	Nil
Expiry date	5 years	5 years	5 years
Share Price Target	\$0.77	\$1.28	\$1.53
Risk free interest rate	3.44%	3.44%	3.44%
Expected volatility	97.8%	97.8%	97.8%
Value	\$0.2879	\$0.2628	\$0.22522
Amount Issued	1,650,000	1,650,000	1,650,000

Total Vested from the above was \$34,115.

Performance Rights 2 – Market Condition (Consultant)

	Class A	Class B	Class C
Valuation date	10 December 2024	10 December 2024	10 December 2024
Market price of Shares	\$0.3850	\$0.3850	\$0.3850
Exercise price	Nil	Nil	Nil
Expiry date	5 years	5 years	5 years
Share Price Target	\$0.77	\$1.28	\$1.53
Risk free interest rate	3.44%	3.44%	3.44%
Expected volatility	97.8%	97.8%	97.8%
Value	\$0.3279	\$0.2992	\$0.2872
Amount Issued	583,333	583,333	583,334

Total Vested from the above was \$5,845.

Vesting Condition - Market

Performance Rights will vest on the achievement of the following milestones (Vesting Conditions):

Name	Performance Milestone	Expiry Date
Class A Performance Right	The Company's market capitalisation reaching \$75 million.	5 years from the date of grant
Class B Performance Right	The Company's market capitalisation reaching \$125 million.	5 years from the date of grant
Class C Performance Right	The Company's market capitalisation reaching \$150 million.	5 years from the date of grant

Performance Rights 1 – Non-Market Condition

	Class A
Valuation date	19 September 2024
Market price of Shares	\$0.4800
Exercise price	Nil
Expiry date	1 years
Share Price Target	N/A
Risk free interest rate	3.44%
Expected volatility	97.8%
Value	\$0.48

Total Vested from the above was \$13,545.

Vesting Conditions	The Performance Rights are to be issued in two (2) tranches and will only vest upon the satisfaction of each of the following Vesting Conditions: (1) Upon completion of initial 12-month term; (2) Upon 100% safety record for the site and project for a 12 month period The Company has assumed a 100% probability on the vesting conditions.
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The previous period vested performance right was \$28,978. This has led to a total amount of \$82,483 during the period.

The Company also issued \$276,000 shares to creditors during the period as per note 6. Total share-based payment including performance right was \$358,483.

8. COMMITMENTS

There has been no significant changes to the commitments disclosed in the most recent financial report.

9. CONTINGENCIES

The Directors are not aware of any material contingent assets or liabilities that would require disclosure.

10. RELATED PARTIES

The Consolidated entity has not entered into any new related party transactions during the reporting period.

11. SEGMENT REPORTING

Reportable segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance. The Consolidated entity currently operates predominantly in one segment. The primary financial statements reflect this segment.

12. EVENTS OCCURRING AFTER THE REPORTING DATE

The Company announced that is received its R&D Refund of \$751,909 on the 20th of February 2025.

Other than the above, no other matter of circumstance has arisen since reporting date that has significantly affected the Consolidated entity's operations, results or state of affairs.

Directors' Declaration

The directors of Victory Metals Limited declare that:

- (a) in the directors' opinion the financial statements and notes set out on pages 11 to 19, 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 2024 and of its performance, for the financial half-year ended on that date, and
 - (ii) Complying with Accounting Standard AASB 134: Interim Financial Reporting, The Corporations Regulations 2001 and other mandatory professional reporting requirements.
- (b) subject to note 1(a), there are reasonable grounds to believe that the Consolidated entity will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors.



James Bahen
Non-Executive Chair
Perth, 10 March 2025

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF VICTORY METALS LIMITED

Conclusion

We have reviewed the accompanying half-year financial report of Victory Metals Limited ("the Company") and Controlled Entities ("the Consolidated Entity") which comprises the condensed consolidated statement of financial position as at 31 December 2024, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, a summary of material accounting policies and other selected explanatory notes, and the directors' declaration.

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 Victory Metals Limited and Controlled Entities does not comply with the *Corporations Act 2001* including:

- a. Giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2024 and of its performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134: *Interim Financial Reporting* and *Corporations Regulations 2001*.

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 Company 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* that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the Directors for the 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* and for such 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 Responsibility for the Review of the 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 is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2024 and its performance for the half-year ended on that date, and complying with 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.



HALL CHADWICK WA AUDIT PTY LTD



MARK DELAURENTIS, CA
Director

Dated this 10th day of March 2025
Perth, Western Australia